

# ANNUAL REPORT

# 2020

2017

2018

2019

2021

2022

2023



**Kooperativa**  
VIENNA INSURANCE GROUP

Pro život, jaký je

# KOOPERATIVA 2020 IN FIGURES

**42,40\***  
BILLION CZK

**WRITTEN PREMIUM**

**2,45**  
MILLION

**CLIENTS**

**4,61**  
MILLION

**INSURANCE POLICIES**

**668**  
THOUSAND

**SETTLED INSURANCE CLAIMS**

**23,39**  
BILLION CZK

**CZK CLAIM PAYMENT**

**25,56%\***

**SHARE ON THE CZECH  
INSURANCE MARKET**

*\* at Czech Accounting Standards*



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## **FOREWORD BY THE CHAIRMAN OF THE BOARD OF DIRECTORS**

In the entire 25 years that I have been in Kooperativa, there has probably not been a greater discrepancy between what we assumed at the beginning of the fiscal year and what actually happened during this period. I can probably not start this introductory word other than with words about the effects of the pandemic, which in 2020 affected not only the Czech Republic and Europe, but the whole world.

On the other hand, we were convinced of several facts that apply to our segment and our insurance company even in these challenging times. First of all, it is a fact that the insurance industry was not and is not in the "first line" of the affected sectors. The market grew surprisingly well last year and thanks to that we managed to fulfil the business plan and the expected profit margin. From this point of view, we can certainly call 2020 a successful year. Yes, travel has stopped, fewer new cars have been sold, some businesses have been forced to close. But people and companies still want to cover risks, that has not changed. Of course, it depends on how the pandemic will develop, what will

happen to the economy and what unemployment will be like. We don't know how many companies may have to close or go bankrupt, how many people will have trouble getting a new job. Last year, however, confirmed that the insurance segment is stable, robust and there is still very good interest in our products and services. The insurance industry has been operating for hundreds of years and can adapt to the situation.

But what has fundamentally changed last year is the operation of insurance companies. We had to and we were able to adapt to the new situation, which means, above all, working from home and servicing clients remotely. What used to take years – we managed to do in a few months, thanks to a dramatic acceleration in the digitization of processes - both internal and client-oriented. From day to day, we moved part of our operations, such as Claims Settlement Centres or Customer Support, to the home office mode, without affecting the scope of services provided or the speed of payment of insurance indemnity. In the spring, most of Kooperativa's four thousand employees worked from

home. Today we know that we are able to function 100% online. If someone had told me in early 2020, I would not have considered it possible.

Kooperativa developed steadily in 2020 and the company once again proved beyond any doubt, as well as the entire insurance market, that it can be a reliable support for its customers.

Once again, after a year, I would like to thank all my colleagues and our business partners. Thanks to their commitment and good work, Kooperativa continues to help citizens and entrepreneurs deal with the effects of unpleasant life events and provide them with a sense of security.

A handwritten signature in blue ink, appearing to read 'Mark' followed by a stylized surname.

# THE MOST SIGNIFICANT AWARDS RECEIVED IN 2020



**1st place**  
**Entrepreneur's Insurance TREND**

2nd place  
Life Insurance – FLEXI

2nd place  
Non-Life Insurance – Autopojištění  
NAMÍRU

3rd place  
Entrepreneur's Insurance START PLUS

3rd place  
Life Insurance – NA PŘÁNÍ

3rd place  
Non-Life Insurance – Property Insurance  
with cyber risks



Pojišťovna roku

3rd place  
Personal Property Insurance

4th place  
Industry and Entrepreneur's Insurance

5th place  
Life Insurance

5th place  
Motor Vehicle Insurance



**1st place**  
**The Best Life Insurance Company**

2nd place  
The Most Client-friendly Life Insurance  
Company



**1st place**  
**The Most Credible Brand – Insurance  
Companies category**



3rd place  
Czech 100 Best

## **BOARD OF DIRECTORS** – AS OF MARCH 1 2021

<b>NAME</b>	<b>Position</b>
<b>ING. MARTIN DIVIŠ, MBA</b>	CHAIRMAN
<b>MGR. FILIP KRÁL</b>	MEMBER
<b>ING. JAROSLAV KULHÁNEK</b>	MEMBER
<b>MGR. MARTIN LAUR</b>	MEMBER
<b>MAG. CHRISTOPH RATH</b>	MEMBER
<b>JIŘÍ SÝKORA</b>	MEMBER
<b>ING. EVA POLÁCHOVÁ</b>	MEMBER

## **SUPERVISORY BOARD** – AS OF MARCH 1 2021

<b>NAME</b>	<b>Position</b>
<b>PROF. ELISABETH STADLEROVÁ</b>	CHAIRMAN
<b>ING. VLADIMÍR MRÁZ</b>	VICE-CHAIRMAN
<b>JUDR. ROSTISLAV DVOŘÁK</b>	VICE-CHAIRMAN
<b>ING. VLADIMÍR DLOUHÝ, CSc.</b>	MEMBER
<b>MAG. GERHARD LAHNER</b>	MEMBER
<b>DR. ING. VRATISLAV KULHÁNEK</b>	MEMBER
<b>MAG. ROBERT LASSHOFER</b>	MEMBER
<b>MAG. HARALD JOSEF LONDER</b>	MEMBER
<b>JAN WIESNER</b>	MEMBER
<b>ING. ROMAN BRABLEC</b>	MEMBER
<b>ING. TOMÁŠ SALOMON</b>	MEMBER
<b>MGR. ŠÁRKA BRŮNOVÁ</b>	MEMBER
<b>ING. DANIEL PRAŽAN, MBA</b>	MEMBER
<b>ING. RADMILA DOČEKALOVÁ</b>	MEMBER
<b>JAN RŮŽIČKA</b>	MEMBER

## **AUDIT COMMITTEE** – AS OF MARCH 1 2021

<b>NAME</b>	<b>Position</b>
<b>ING. VLADIMÍR MRÁZ</b>	CHAIRMAN
<b>PROF. ELISABETH STADLEROVÁ</b>	VICE-CHAIRMAN
<b>JUDR. ROSTISLAV DVOŘÁK</b>	VICE-CHAIRMAN
<b>ING. FRANTIŠEK DOSTÁLEK</b>	MEMBER

# ***MANAGEMENT REPORT***

2020



## EVALUATION OF THE YEAR 2020

» **Everyone will forever associate the year 2020 with the most significant health crisis in modern history - the global coronavirus pandemic. In insurance companies, we are ready to solve crises, to activate all our efforts so that clients receive maximum service. Similarly, we had to deal with a coronavirus epidemic. Practically, day after day, we moved some of our operations, such as Claims Settlement Centres or Customer Support, to home office mode, without affecting the scope of services provided or the speed of payment of insurance benefits and indemnities.** «

Of course, some insurance sectors were hit very negatively by the pandemic - logically travel insurance most, but also the small business segment. In the case of life insurance, after significant declines in the spring, new stores returned to values even slightly better than in 2019. Specifically, we recorded an increased interest in insuring the care of a family member in the NA PŘÁNÍ /ON REQUEST/ product, where child care can be insured without the necessity to insure illness or injury, i.e. in cases such as when schools are closed. In the short term, the declaration of a state of emergency in the spring also had an impact on the use of private vehicles. Less was driven, which led to a short-term lower claims frequency in motor insurance. However, after the release of these measures, probably also due to people's fears of using public transport, the claims rate returned to normal levels. As for home owners' and real estate insurance, this segment presents an interesting business potential. During the forced coronavirus "vacation", many people modernized their homes or cottages, and their insurance can be expected to adjust.

Nevertheless, in 2020, Kooperativa achieved premiums written of CZK 42.40 billion in accordance with Czech Accounting Standards (CAS), which is about 1% more than in 2019. With a market share of 25.56%, it then confirmed first place among Czech insurance companies. According to the ČAP methodology, which, among other things, does not include premiums written from the employer's statutory insurance, the written premiums amount to CZK 32.91 billion and with a share of 23.31%, Kooperativa ranks second on the market. As the statements in the financial part of the annual report are presented according to CAS, other texts in the annual report will also relate exclusively to Czech accounting standards. At the end of 2020, Kooperativa had 4,013 employees and managed 4.61 million insurance contracts for 2.45 million clients.

In the area of non-life insurance, Kooperativa wrote premiums in the total amount of CZK 27.40 billion, which

meant a year-on-year increase of 1.37%. It therefore grew more slowly than the market, which showed a year-on-year increase of 2.67%. One of the most successful products in this area was property and liability insurance for citizens. Kooperativa achieved a more modest growth, by 0.27%, in life insurance with premiums written amounting almost to CZK 15 billion. This also strengthened its market share, as the entire life insurance market fell slightly, by 0.31%. In 2020, Kooperativa solved almost 668 thousand insurance claims and paid out indemnities in the total amount of CZK 23.39 billion to clients. At the end of 2020, there was also a change in the Board of Directors of Kooperativa, where Ing. Tomáš Vaníček was replaced by Ing. Eva Poláchová.

In 2020, Kooperativa launched the unique Maják service, the first product from the MASTERS project. This is an infoline that will advise you on how to solve not only an acute health problem, but can also help you orient yourself in the complex system of health and social entitlements and benefits of the client in case the situation requires it. Furthermore, Kooperativa is probably the only insurance company that has stopped charging higher rates for accident insurance to clients operating risky jobs and sports (with the exception of top and professional athletes) in the NA PŘÁNÍ /ON REQUEST/ product. In other areas, clients will also find unique types of insurance, such as the new MAX + assistance program for demanding and active drivers, which will ensure the arrival and work of a mechanic in the field, rescue, towing the vehicle, or transferring cargo to a replacement vehicle. The coverage of glass insurance has also expanded, which now also covers glass in fixed, folding or removable roofs, and even rearview mirrors.

The VIZEO platform, founded by Kooperativa in 2018, supported several other projects to increase road safety. In May, for example, the Start Driving project, a series of one-day refresher courses for fresh drivers between the ages of 18 and 24, launched. The second year of the MY VISION

ZERO competition also took place, which extended to high school students. A total of 127 original works were collected, on which a total of 227 students from 24 faculties of colleges and universities, 2 higher vocational schools and 9 secondary schools across the country worked. On the [ridtesrozumem.cz](http://ridtesrozumem.cz) website /meaning "Drive sanely"/, those interested will find 40 spots on the topic of safe behaviour behind the wheel, on a bicycle and at a crossing, in the production of which VIZEO experts participated. The videos are suitable for all road users - drivers, cyclists and pedestrians.

In 2021, Kooperativa will celebrate 30 years on the market, and in addition to balancing, of course, it also plans a lot of innovations. At the beginning of February, we will launch a "self-photo" project when arranging motor insurance. Then IT will present a completely new TREND insurance for entrepreneurs. For the second quarter, we are preparing a property insurance facelift and another popular campaign called 2xMore in life insurance. In vehicle insurance, we are working on a unique product for car veterans' insurance and will continue to expand the range of services in the MASTERS program. In the second half of the year, we will focus on a thorough modernization of travel insurance.

Kooperativa has been working on the paperless process of negotiating and managing contracts for several years, and clients use the option of online negotiation or electronic signature. In 2020, Kooperativa introduced a 2D signature, the main advantage of which is that the client can now

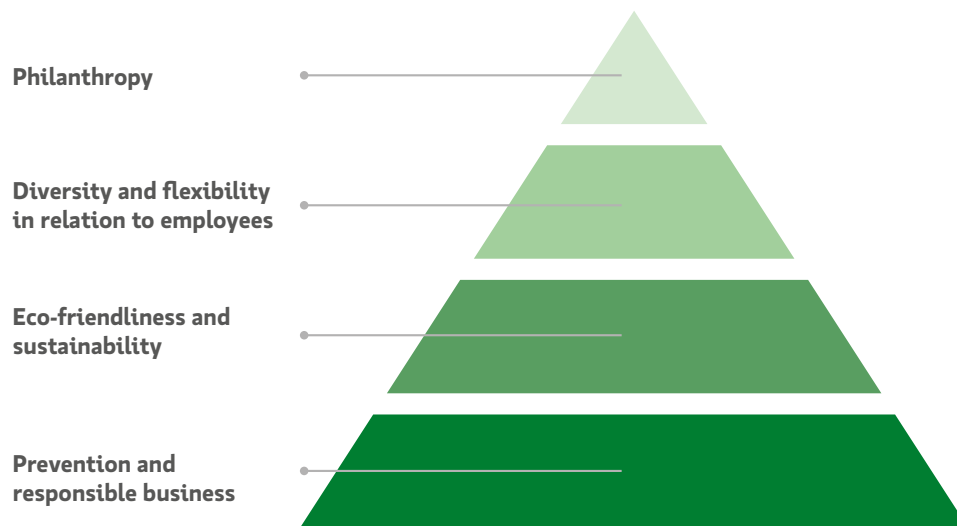
simply sign the contract on their own device, tablet or smartphone that they have at home. The trader does not have to be present in person, s/he just sends the client a prepared contract. It is possible to sign with anything that works with the touch layer of the device. Clients can then arrange most property insurance products online on the Internet, and now they have this option for selected types of FLEXI life insurance. The same applies to the reporting of insurance claims, where Kooperativa offers clients the opportunity to report damage via the website. Although their use is increasing, telephone reporting remains the most common method of notification. The claim officers then evaluate specific cases and decide whether or not the client's photo documentation will suffice to settle the claim. All documents are sent electronically, for which all modern means of communication can be used, the client can communicate with the claim officer, for example, via Whatsapp, where the documents can also be submitted. This year, for the time being, Kooperativa will also launch an online self-photo process of insurance claims for vehicles.

## SUBSEQUENT EVENTS

As of the date of preparation of the annual report, the company's management is not aware of any significant subsequent events that would require an adjustment of the company's annual report.

# SOCIAL RESPONSIBILITY

» **CSR principles are an integral and necessary part of the company's strategy and culture and are embedded in all company processes. We assume that the principles of insurance are based on solidarity, responsibility to others and the environment in which we live, and last but not least, on help and trust. Kooperativa's CSR strategy is based on the pillars of prevention and responsible business, eco-friendliness and sustainability, diversity and flexibility in relation to employees, as well as philanthropy, which we focus on both through the Kooperativa Foundation and employee involvement. We unconditionally believe in equal access, transparency and ethical conduct, and we strive to make a positive contribution to the development of society as a whole and to the regions and places where we operate. All this - and much more in the context of the Covid-19 pandemic, for example - is presented in detail in a separate Report on Corporate Social Responsibility and Sustainable Entrepreneurship 2020.** «



## PREVENTION AND RESPONSIBLE BUSINESS

Preventing unfortunate events is a priority for us, which is why we are a leader in traffic safety and are committed to fulfilling the principles of VISION ZERO campaign, i.e. zero dead and seriously injured on Czech roads through the VISION ZERO Platform, a non-profit apolitical base of which we are a co-founder. We focus on the two most risky groups, the young through the MY VISION ZERO competition, and the seniors ACCIDENT FREE SENIOR and I DRIVE WITH THE TIMES. Another key issue is speed and keeping a safe distance.

## ECO-FRIENDLINESS AND SUSTAINABILITY

Although we are not a company that would have a direct negative impact on the environment from the nature of our business, we strive to eliminate the impact of our activities on the environment in which we live and increase our operational efficiency. Thanks to digitization, emphasis on electronic communication with clients, digital signatures or electronic payments, we are moving towards paperless communication and thus not increasing the environmental burden. We take larger and small measures in favour of a cleaner environment, motivate employees to individual responsibility and promote values such as fairness, transparency - especially in the financial sector, and compliance with the conditions of the European and domestic regulators. We are also active in implementing the principles of fair and responsible business in all areas.

## DIVERSITY AND FLEXIBILITY IN RELATION TO EMPLOYEES

We believe that the diversity of employees brings room for innovation and understanding, which is why we fulfil the principles of the European Charter for Diversity, to which we are signatories. We respect equal opportunities and individual needs of employees regardless of age, gender, health status or family situation. We are constantly looking for ways to enable all employees to reconcile their professional and private lives, whether through working from home, flexible forms of work or part-time work. We support parents who in 2020 found themselves in a situation where they balanced their efficiency of work from home with distance education of their children. We take care of the health, personal and professional development of all employees with a wide range of benefits, training and workshops.

## PHILANTHROPY

The Kooperativa Foundation's mission is to offer a helping hand to all those who find themselves in a situation where they need care and support. We look for ways to balance the chances of the socially and medically disadvantaged, and identify opportunities for prevention. Our support focuses mainly on people with disabilities and single parents, whom we help with the help of our non-profit partners, such as the Paraple Center, Asistence, Pomocné tlapky and other charitable organizations. An important role is played by our employees, who are actively involved in charitable activities and initiate many themselves. Thanks to them, we can operate in all regions. We also take care of making the Kooperativa art collection accessible through short-term exhibitions to the public.

# PART OF VIENNA INSURANCE GROUP COMPANY PROFILE

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

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

## EXPERTISE AND STABILITY

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

## FOCUS ON CENTRAL AND EASTERN EUROPE

Besides Austria, Vienna Insurance Group places a clear emphasis on Central and Eastern Europe as its home market. The Group generates more than half of its premium income in CEE. The Group's operations are also focused on this region. This primarily reflects the forecasts for economic growth in CEE, which is predicted to be twice as high as in Western Europe, as well as the current level of insurance density, which is still well below the EU average.

## LOCAL MARKET PRESENCE

For Vienna Insurance Group, protecting customers financially against risk is a responsibility. The Group pursues a multi-brand strategy based on established

local brands as well as local management. Ultimately, the Group's success and closeness to its customers is down to the strengths of each individual brand and local know-how.

## STRONG FINANCES AND CREDIT RATING

Vienna Insurance Group has an A+ rating with stable outlook from the well-known rating agency Standard & Poor's, meaning that it remains the top-rated company on the Vienna Stock Exchange's index of leading shares, the ATX. The Vienna Insurance Group is listed in both Vienna and Prague. Wiener Städtische Versicherungsverein – a stable core shareholder with a long-term focus – owns around 70% of VIG's shares. The remaining shares are in free float..

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

Status: January 2021

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

**VIG**  
VIENNA INSURANCE GROUP  
Protecting what matters.



**KPMG Česká republika Audit, s.r.o.**

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

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

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2020, and the income statement, the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2020, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

***Basis for Opinion***

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



### Key Audit Matters

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

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

As at 31 December 2020, Provision for liabilities arising from the applied technical interest rate: MCZK 2 593 within Other technical provisions.

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

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



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

As at 31 December 2020, Accumulated debt in life insurance: MCZK 3 823 within Other temporary assets.

Refer to additional information disclosed in Note 1.4. (g) and 11.7. of the financial statements.

Key audit matter	How the audit matter was addressed
<p>The Company recognises accumulated debt in life assurance of MCZK 3 823 in assets within Other temporary assets. As described in Note 1.4.(g), the accumulated debt balances are associated with the Company's unit linked insurance products. We designated the area as a key audit matter as the Company's management makes subjective and complex assumptions and judgments in measuring the amount of any such accumulated debt. Relatively insignificant changes in the assumptions applied by the Company in the process can have a material effect on the amount of accumulated debt as at the reporting date.</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:</p> <ul style="list-style-type: none"> <li>– We critically assessed the method and model applied by the Company against current industry practice and relevant regulatory and financial reporting requirements;</li> <li>– We tested the design and implementation of selected controls over the Company's process for setting and updating actuarial assumptions, and validating the outcomes of actuarial models;</li> </ul>





<p>The accumulated debt in life assurance is determined using the prospective method, where negative account balances on client accounts are multiplied by the activation percentage parameter. The parameter represents the proportion of future expected profits on contracts with negative account balances to total value of such negative value balances. The assumptions that we consider as those with most significant impact on the estimate of accumulated debt are the ones for lapse rates, claim frequency, expenses and other financial and non-financial assumptions.</p> <p>Relevance and reliability of data used in the Company's actuarial calculations were also our area of focus.</p>	<ul style="list-style-type: none"> <li>– We assessed relevance and reliability of data applied in the measurement of accumulated debt, including tracing total amount of negative balances on clients' accounts to the Company's technical database;</li> <li>– We challenged the key assumptions used in the measurement of accumulated debt, such as, among other things, expected lapse rate of the existing insurance portfolio, claim frequency and related expenses by reference to the Company's experience studies as well as publicly available market data;</li> <li>– We independently estimated the activation percentage parameter by reference to the Company's data and compared it with the Company's estimate and the prior year's percentage;</li> <li>– Based on the outcome of the preceding procedures, we independently estimated the amount of accumulated debt as at 31 December 2020 and compared it with the Company's estimate;</li> <li>– We assessed the Company's accumulated debt-related disclosures in the financial statements against the requirements of the relevant financial reporting standards.</li> </ul>
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**Measurement of provisions for outstanding claims (life and non-life insurance)**

As at 31 December 2020, provision for outstanding claims: MCZK 19 490 (including provision for insurance claims incurred but not yet reported in the period (IBNR) of MCZK 6 020 and provision for claims incurred and reported, but not yet settled (RBNS) of MCZK 13 470).

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

Key audit matter	How the audit matter was addressed
<p>In measuring the provisions for outstanding claims, particular complexity is associated with the assessment of the amount of the expected ultimate cost of claims incurred but not yet reported ('IBNR') as well as reported but not yet settled ('RBNS'). A range of methods may be used, and in many cases standard actuarial methods need adjustments specific to the circumstances and such adjustments also require the application of significant judgment</p> <p>When determining the IBNR provision, the Company uses actuarial and statistical methods. For the majority of classes of insurance, the Company uses the chain-ladder method based on the amount of insurance claims incurred. Also, Monte Carlo simulations are applied for large claims and annuities of motor third party liability insurance.</p> <p>Key inputs in determining the IBNR provision represent data on claims incurred in prior periods, in particular their amount and frequency, as well as market claims data (for IBNR in motor third party liability insurance).</p> <p>In determining the amount of the RBNS provision, the Company estimates total amounts of claims for individual classes of insurance, which it subsequently decreases by the estimate of expected salvage values and other similar entitlements of the Company.</p> <p>Relatively minor changes in management's assumptions can have a significant effect on the recognized amounts of the claim provisions.</p>	<p>Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and information technology (IT) specialists, included the following, among other things:</p> <ul style="list-style-type: none"> <li>— We tested the design and implementation of selected system (IT-based) and manual controls over measurement of the provisions for outstanding claims, including those over determination of actuarial assumptions. We also tested the operating effectiveness of selected controls over the determination of expenses for insurance claims and RBNS provisions;</li> <li>— In respect of the RBNS provision, for a sample of policies, we inquired of the Management Board as to the reasons for changes from prior year, traced the claims data underlying the actuarial projections to source systems, corresponding policies and other claims documentation;</li> <li>— In respect of the IBNR provision, with specific consideration of the expected effects of the COVID-19 pandemic, we: <ul style="list-style-type: none"> <li>• critically assessed the method and model applied in measuring the amount of the provision against the relevant requirements of the financial reporting standards and market practice.</li> </ul> </li> </ul>



<p>Due to the above factors, we considered measurement of the provisions for outstanding claims to be our key audit matter.</p>	<ul style="list-style-type: none"> <li>• assessed the key assumptions applied, such as the characteristics of the insurance portfolio and expected amount and frequency of future insurance claims, by reference to publicly available market data and the Company's experience studies.</li> <li>– We analysed significant year-to-year variations in the amount of the provisions and made relevant inquiries of the Company's actuarial experts. We also carried out our own independent recalculations of key elements of the IBNR provisions;</li> <li>– We evaluated the reasonableness of the IBNR and RBNS claim provisions by performing the comparison of the actual experience to previously expected results;</li> <li>– In addition, we assessed the Company's disclosures regarding provisions for outstanding claims against the requirements of the relevant financial reporting standards.</li> </ul>
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### **Other Information**

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

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



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

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

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

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

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

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

Supervisory Board, in collaboration with the Audit Committee, is responsible for overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

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

#### *Appointment of Auditor and Period of Engagement*

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 27 April 2018 and our uninterrupted engagement has lasted for 8 years.



*Consistency with Additional Report to Audit Committee*

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 25 March 2021 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

*Provision of Non-audit Services*

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

Except for the statutory audit, we did not provide the Company and its controlled undertakings with any other services that have not been disclosed in notes to the financial statements or annual report.

***Statutory Auditor Responsible for the Engagement***

Ing. Ondřej Fikrle is the statutory auditor responsible for the audit of the financial statements of Kooperativa pojišťovna, a.s., Vienna Insurance Group as at 31 December 2020, based on which this independent auditor's report has been prepared.

Prague  
25 March 2021

*KPMG Česká republika Audit*

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

*Ing. Ondřej Fikrle*

Ing. Ondřej Fikrle  
Partner  
Registration number 2525

# ***FINANCIAL SECTION***

The Financial Statement  
for the year ended  
31 December 2020





# BALANCE SHEET

## (IN THOUSANDS OF CZECH CROWNS TCZK)

Description Legenda	2020 Gross	2020 Adjustment	2020 Net	2019 Net	
<b>I. ASSETS</b>					
<b>A.</b>	<b>Receivables for subscribed registered capital</b>				
<b>B.</b>	<b>2 611 824</b>	<b>1 939 968</b>	<b>671 856</b>	<b>516 066</b>	
<b>Intangible fixed assets, thereof</b>					
<b>C.</b>	<b>72 645 673</b>	<b>1 245 412</b>	<b>71 400 261</b>	<b>74 030 065</b>	
<b>Investments</b>					
I.	Land and buildings, thereof	2 577 286	1 245 412	1 331 874	1 443 157
1.	Land	231 644		231 644	250 046
2.	Buildings	2 345 642	1 245 412	1 100 230	1 193 111
a)	Investments - self-occupied	2 301 562	1 236 861	1 064 701	1 127 491
II.	Investments in affiliated undertakings and participating interests	8 337 352		8 337 352	8 357 724
1.	Participating interests with controlling influence	7 832 538		7 832 538	7 777 701
2.	Debt securities issued by, and loans and credits to, undertakings - controlling influence	504 814		504 814	580 023
III.	Other investments	61 731 035		61 731 035	64 229 184
1.	Shares and other variable-yield securities, other participating interests	7 133 285		7 133 285	8 244 194
2.	Bonds and other fixed-income securities	49 678 537		49 678 537	53 220 574
	a) bonds and other fixed-income securities valued at fair value through profit and loss	13 260 495		13 260 495	11 042 036
	b) bonds and other fixed-income securities held to maturity	36 418 042		36 418 042	42 178 538
5.	Other loans and credits	2 001 001		2 001 001	3 200
6.	Deposits with financial institutions	2 690 199		2 690 199	2 528 694
7.	Other investments	228 013		228 013	232 522
<b>D.</b>	<b>Investments for the benefit of life assurance policyholders who bear the investment risk</b>	<b>8 719 338</b>		<b>8 719 338</b>	<b>7 807 976</b>
<b>E.</b>	<b>Debtors</b>	<b>5 426 603</b>	<b>494 074</b>	<b>4 932 529</b>	<b>2 430 169</b>
I.	Receivables arising from direct insurance operations	2 561 718	490 906	2 070 812	2 166 645
1.	Policyholders	2 511 211	454 054	2 057 157	2 155 661
2.	Intermediaries	50 507	36 852	13 655	10 984
II.	Receivables arising from reinsurance operations	7 769	0	7 769	18 390
III.	Other receivables	2 857 116	3 168	2 853 948	245 134

Description Legenda		2020 Gross	2020 Adjustment	2020 Net	2019 Net
<b>F.</b>	<b>Other assets</b>	<b>4 144 572</b>	<b>820 420</b>	<b>3 324 152</b>	<b>2 783 717</b>
I	Tangible fixed assets other than those listed under „C.I. Land and buildings“, and inventories	1 130 765	820 420	310 345	378 853
II	Cash on accounts in financial institutions and cash in hand	3 013 807		3 013 807	2 404 864
<b>G.</b>	<b>Temporary asset accounts</b>	<b>9 830 797</b>		<b>9 830 797</b>	<b>9 992 490</b>
II	Deferred acquisition costs	5 324 048		5 324 048	5 450 547
	a) in life-assurance business	4 020 526		4 020 526	4 197 693
	b) in non-life insurance	1 303 522		1 303 522	1 252 854
III	Other temporary asset accounts, thereof	4 506 749		4 506 749	4 541 943
	a) Estimated receivables	502 348		502 348	418 102
<b>TOTAL ASSETS</b>		<b>103 378 807</b>	<b>4 499 874</b>	<b>98 878 933</b>	<b>97 560 483</b>

# BALANCE SHEET

## (IN THOUSANDS OF CZECH CROWNS TCZK)

Description			2020		2019
<b>II. LIABILITIES</b>					
<b>A.</b>	<b>Equity</b>		<b>19 802 147</b>		<b>19 656 508</b>
I.	Registered capital, thereof		4 302 129		4 302 129
II.	Premium		134 039		134 039
IV.	Other capital funds		1 832 408		1 644 013
V.	Reserve fund and other funds from profit		95 311		31 331
VI.	Profit or loss brought forward		10 229 688		9 744 847
VII.	Profit or loss for the financial year		3 208 572		3 800 149
<b>B.</b>	<b>Subordinated liabilities</b>		<b>556 982</b>		<b>557 001</b>
<b>C.</b>	<b>Technical provisions</b>		<b>57 195 167</b>		<b>56 353 398</b>
1.	Provision for unearned premiums				
	a) gross amount	6 445 043		6 352 058	
	b) reinsurance share (-)	1 446 891	4 998 152	1 482 624	4 869 434
2.	Life assurance provision				
	a) gross amount	37 259 827		37 808 805	
	b) reinsurance share (-)		37 259 827	0	37 808 805
3.	Provision for outstanding claims				
	a) gross amount	19 489 370		17 722 307	
	b) reinsurance share (-)	7 842 183	11 647 187	7 202 567	10 519 740
4.	Provision for bonuses and rebates				
	a) gross amount	738 359		628 404	
	b) reinsurance share (-)	112 009	626 350	150 505	477 899
6.	Other technical provisions				
	a) gross amount	2 663 651		2 677 520	
	b) reinsurance share (-)	0	2 663 651	0	2 677 520
<b>D.</b>	<b>Life assurance technical provision where the investment risk is borne by the policyholders</b>		<b>8 719 338</b>		<b>7 807 976</b>
	a) gross amount	8 719 338		7 807 976	
	b) reinsurance share (-)				
<b>E.</b>	<b>Provisions</b>		<b>111 711</b>		<b>749 457</b>
1.	Provisions for pensions and similar obligations		108 807		100 239
2.	Provisions for taxation		-58		634 987
3.	Other provisions		2 962		14 231

Description		2020	2019
<b>F.</b>	<b>Deposits received from reinsurers</b>	<b>4 551 545</b>	<b>4 593 862</b>
<b>G.</b>	<b>Creditors</b>	<b>5 125 228</b>	<b>5 263 244</b>
I.	Payables arising from direct insurance operations	4 501 589	4 342 029
II.	Payables arising from reinsurance operations	183 948	192 870
IV.	Amounts owed to credit institutions	1 192	676
V.	Other payables, thereof	438 499	727 669
	a) Tax liabilities and payables due to social security and health insurance institutions	162 162	266 891
VI.	Guarantee Fund of the Bureau		0
<b>H.</b>	<b>Temporary liability accounts</b>	<b>2 816 815</b>	<b>2 579 037</b>
I.	Accrued expenses and deferred revenues	702 353	498 104
II.	Other temporary liability accounts, thereof	2 114 462	2 080 933
	a) Estimated payables	2 114 462	2 080 933
<b>TOTAL LIABILITIES</b>		<b>98 878 933</b>	<b>97 560 483</b>

# INCOME STATEMENT

## (IN THOUSANDS OF CZECH CROWNS TCZK)

Description	2020 Base	2020 Subtotal	2020 Result	2019 Result
<b>I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>1. Earned premiums, net of reinsurance:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) gross premiums written	27 397 136	x	x	x
b) outward reinsurance premiums (-)	6 015 861	21 381 275	x	x
c) change in the gross provision for unearned premiums (+/-)	100 940	x	x	x
d) change in the provision for unearned premiums, reinsurance share (+/-)	-35 393	136 333	21 244 942	20 793 590
<b>2. Allocated investment return transferred from the non-technical account</b>	<b>x</b>	<b>x</b>	<b>400 481</b>	<b>705 795</b>
<b>3. Other technical income, net of reinsurance</b>	<b>x</b>	<b>x</b>	<b>626 049</b>	<b>595 693</b>
<b>4. Claims incurred, net of reinsurance:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) claims paid:	x	x	x	x
aa) gross amount	13 992 296	x	x	x
bb) reinsurance share (-)	2 486 586	11 505 710	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	1 420 103	x	x	x
bb) reinsurance share (-)	590 071	830 032	12 335 742	12 253 171
<b>5. Changes in other technical provisions, net of reinsurance (+/-)</b>	<b>x</b>	<b>x</b>	<b>0</b>	<b>-296 509</b>
<b>6. Bonuses and rebates, net of reinsurance</b>	<b>x</b>	<b>x</b>	<b>311 171</b>	<b>247 027</b>
<b>7. Net operating expenses:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) acquisition costs	x	4 999 849	x	x
b) change in deferred acquisition costs (+/-)	x	-50 668	x	x
c) administrative expenses	x	803 126	x	x
d) reinsurance commissions and profit participation (-)	x	1 419 976	4 332 330	4 440 272
8. Other technical expenses, net of reinsurance	x	x	3 744 537	3 653 724
10. Sub-total on the technical account for non-life insurance	x	x	1 547 692	1 797 393
<b>II. TECHNICAL ACCOUNT FOR LIFE ASSURANCE</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>1. Earned premiums, net of reinsurance:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) gross premiums written	x	14 999 575	x	x
b) outward reinsurance premiums (-)	x	2 393 546	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	-7 614	12 613 643	12 636 751
<b>2. Income from investments:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) income from participating interests, with a separate indication of that derived from controlling influence	x	50 854	x	x
aa) income from land and buildings	7 769	x	x	x
bb) income from other investments	1 403 299	1 411 068	x	x
c) value adjustments on investments	x	126 419	x	x
d) income from disposal of investments	x	859 566	2 447 907	3 282 842

Description	2020 Base	2020 Subtotal	2020 Result	2019 Result
<b>3. Unrealised gains on investments</b>	<b>x</b>	<b>x</b>	<b>557 906</b>	<b>877 589</b>
<b>4. Other technical income, net of reinsurance</b>	<b>x</b>	<b>x</b>	<b>-3 795</b>	<b>812 328</b>
<b>5. Claims incurred, net of reinsurance:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) claims paid:	x	x	x	x
aa) gross amount	9 401 664	x	x	x
bb) reinsurance share (-)	948 766	8 452 898	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	346 959	x	x	x
bb) reinsurance share (-)	49 545	297 414	8 750 312	12 296 059
<b>6. Changes in other technical provisions, net of reinsurance (+/-):</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) life assurance provisions:	x	x	x	x
aa) gross amount	-548 978	x	x	x
bb) reinsurance share (-)		-548 978	x	x
b) other technical provisions, net of reinsurance	x	897 671	348 693	-2 266 846
<b>7. Bonuses and rebates, net of reinsurance</b>	<b>x</b>	<b>x</b>	<b>457 326</b>	<b>337 704</b>
<b>8. Net operating expenses:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) acquisition costs	x	3 075 115	x	x
b) change in deferred acquisition costs (+/-)	x	177 167	x	x
c) administrative expenses	x	502 976	x	x
d) reinsurance commissions and profit participation (-)	x	1 173 984	2 581 274	2 570 041
<b>9. Expenses connected with investments:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) investment management charges, including interest	x	95 397	x	x
b) value adjustments on investments	x	56 531	x	x
c) book value of disposed investments	x	880 825	1 032 753	1 682 895
<b>10. Unrealised losses on investments</b>	<b>x</b>	<b>x</b>	<b>10 565</b>	<b>21 552</b>
<b>11. Other technical expenses, net of reinsurance</b>	<b>x</b>	<b>x</b>	<b>78 792</b>	<b>176 828</b>
<b>13. Sub-total on the technical account for life assurance</b>	<b>x</b>	<b>x</b>	<b>2 355 946</b>	<b>2 791 277</b>

## INCOME STATEMENT

(IN THOUSANDS OF CZECH CROWNS TCZK)

Description	2020 Base	2020 Subtotal	2020 Result	2019 Result
<b>III. NON-TECHNICAL ACCOUNT</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
<b>1. Result of the technical account for non-life insurance</b>	<b>x</b>	<b>x</b>	<b>1 547 692</b>	<b>1 797 393</b>
<b>2. Result of the technical account for life assurance</b>	<b>x</b>	<b>x</b>	<b>2 355 946</b>	<b>2 791 277</b>
<b>3. Income from investments:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) income from participating interests, with a separate indication of that derived from controlling influence	x	203 637	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	78 110	x	x	x
bb) income from other investments	631 758	709 868	x	x
c) value adjustments on investments	x	33 311	x	x
d) income from disposal of investments	x	2 589 674	3 536 490	10 002 998
<b>5. Expenses connected with investments:</b>	<b>x</b>	<b>x</b>	<b>x</b>	<b>x</b>
a) investment management charges, including interest	x	526 128	x	x
b) value adjustments on investments	x	29 790	x	x
c) book value of disposed investments	x	2 580 091	3 136 009	9 297 202
<b>6. Allocated investment return transferred to the technical account for non-life-insurance</b>	<b>x</b>	<b>x</b>	<b>400 481</b>	<b>705 795</b>
<b>7. Other income</b>	<b>x</b>	<b>x</b>	<b>66 132</b>	<b>9 174</b>
<b>8. Other expenses</b>	<b>x</b>	<b>x</b>	<b>35 206</b>	<b>42 624</b>
<b>9. Income tax on ordinary activities</b>	<b>x</b>	<b>x</b>	<b>724 354</b>	<b>753 339</b>
<b>10. Profit or loss on ordinary activities after tax</b>	<b>x</b>	<b>x</b>	<b>3 210 210</b>	<b>3 801 882</b>
<b>15. Other taxes not shown under the preceding items</b>	<b>x</b>	<b>x</b>	<b>1 638</b>	<b>1 733</b>
<b>16. Profit or loss for the financial year</b>	<b>x</b>	<b>x</b>	<b>3 208 572</b>	<b>3 800 149</b>

## STATEMENT OF CHANGES IN EQUITY

(IN THOUSANDS OF CZECH CROWNS TCZK)

	Registered capital	Share premium	Social and other funds	Capital funds	Changes in valuation	Profit (loss)	Total
<b>Balance at 1. 1. 2020</b>	<b>4 302 129</b>	<b>134 039</b>	<b>31 331</b>	<b>792 404</b>	<b>851 609</b>	<b>13 544 996</b>	<b>19 656 508</b>
FX gains (losses) and changes in valuation not included in the profit and loss statement	0	0	0	0	188 395	0	188 395
Net profit/loss for accounting period *)	0	0	0	0	0	3 208 572	3 208 572
Dividends	0	0	0	0	0	-3 189 137	-3 189 137
Addition to/from funds	0	0	126 171	0	0	-126 171	0
Reduction of funds	0	0	-62 191	0	0	0	-62 191
<b>Balance at 31. 12. 2020</b>	<b>4 302 129</b>	<b>134 039</b>	<b>95 311</b>	<b>792 404</b>	<b>1 040 004</b>	<b>13 438 260</b>	<b>19 802 147</b>





***NOTES TO  
THE FINANCIAL  
STATEMENTS***



# GENERAL INFORMATION

## I. 1. DESCRIPTION AND PRINCIPAL ACTIVITIES

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

**Identification number:** 471 16 617

**The Company's shareholders as at 31 December 2020 are the following<sup>1</sup>:**

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

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

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

### Life assurance

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

### Non-life insurance

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

### Registered office of the Company

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

### Members of the board of directors and supervisory board as at 31 December 2020:

#### Members of the board of directors

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

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

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

**Christoph Rath**, Vienna, Clusiusgasse 1, Post Code 1090, Austria

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

**Tomáš Vaníček**, Praha 9, Újezd nad Lesy, Donínská 1778, Post Code 190 16, Czech Republic

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

The membership of Tomáš Vaníček in the board of directors ceased to exist as of 31 December 2020.

#### Effective from 1 January 2021, the following new member joined the board of directors:

**Eva Poláčková**, Praha 2, Nové Město, Ječná 524/41, Post Code 120 00

Two members of the board of directors must always act and sign together in the name of the Company. Any authorisation to individually represent the Company in any acts relating to the its operation is excluded. 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.

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

**Members of the supervisory board**

Chairman: **Elisabeth Stadler**, Langenlois, Höllgasse 32, Post Code 3550, Austria

Vice-chairmen: **Vladimír Mráz**, Praha 1 – Nové Město, Nekázanka 881/9, Post Code 110 00, Czech Republic  
**Rostislav Dvořák**, Rantířov 168, Post Code 588 41, Czech Republic

Members: **Roman Brablec**, Praha 6 - Řepy, Španielova 1313/21, Post Code 163 00, Czech Republic  
**Jan Wiesner**, Praha 4 - Michle, Podle Kačerova 1330/15, Post Code 141 00, Czech Republic  
**Vratislav Kulhánek**, Srubec, V Lukách 1135, Post Code 370 06, Czech Republic  
**Daniel Pražan**, Velký Újezd, Na Nivách 336, Post Code 783 55, Czech Republic  
**Jan Růžička**, Praha 5 - Holyně, náměstí Pod lípou 6/6, Post Code 154 00, Czech Republic  
**Robert Lasshofer**, Vienna, Roggegasse 54, Post Code 1210, Austria  
**Gerhard Lahner**, Mistelbach, Gartengasse 21, Post Code 2130, Austria  
**Harald Josef Londer**, Leopoldsdorf, Feuerwehrstrasse 7, Post Code 2333, Austria  
**Tomáš Salomon**, Praha 6 – Ruzyně, Alej Českých exulantů 1153/9, Post Code 161 00, Czech Republic  
**Vladimír Dlouhý**, Praha 5 – Zbraslav, Boženy Hofmeisterové 1430, Post Code 156 00, Czech Republic  
**Šárka Brůnová**, Praha 2 – Vinohrady, U Kanálky 1455/12, Post Code 120 00, Czech Republic  
**Radmila Dočekalová**, Brno – Komín, Jundrovská 1253/23, Post Code 624 00, Czech Republic

**Organisational structure and major changes thereto during the financial year**

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

**I. 2. COMPLIANCE WITH LEGISLATION**

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

**I. 3. BASIS OF PREPARATION**

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

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

The financial statements are based on the assumption that the Entity will continue as a going concern and that there is no circumstance that would restrict or prevent the entity’s ability to continue as a going concern in the foreseeable future. In connection with the ongoing COVID-19 pandemic and the governmental measures implemented in the fight against its outbreak, we are not aware of any substantial impact endangering the further operation of the Company in 2021 or later. The Company has performed its own assessment of risks relating to the pandemic and regularly monitors their development. In a similar manner, it regularly shares the information with the Czech National Bank.

## 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 referred to as low-value assets are depreciated over a three-year period, except for IT assets, which are charged to expenses in the accounting period that they are acquired. Intangible fixed assets costing less than TCZK 60 are charged to the income statement 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 %
Software	Straight-line	25.0
Other intangible fixed assets	Straight-line	16.7 - 100.0
Long-term operating movable assets - class I and II	Straight-line	16.7 - 25.0
Long-term operating movable assets - class III	Straight-line	16.7

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

### (b) Investments

#### Land and buildings

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

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

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

#### Investments in affiliated undertakings and participating interests

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

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

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

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

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

**Debt securities**

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

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

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

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

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

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

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

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

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

**Shares and other variable-yield securities**

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

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

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

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

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

**Deposits with financial institutions**

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

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

**Derivatives**

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

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

All derivatives are presented in Other investments.

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

### **Hedging derivatives**

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

Hedge accounting is only applied where:

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

If the derivative hedges the exposure to changes in the fair value of assets and liabilities, the hedged item attributable to the risk being hedged is also carried at fair value. Gains and losses arising from the revaluation of the hedged item and the hedging derivative are recorded in the income statement. The Company's strategy is to hedge the currency risk in respect of investment instruments denominated in other than the domestic currency, using forward exchange contracts (derivatives) or technical provisions maintained in the same currency.

### **Works of art**

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

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

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

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

### **(d) Adjustments**

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

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

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

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

### **(e) Impairment of assets**

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

### **(f) Deferred acquisition costs**

Deferred acquisition costs represent the proportion of the acquisition costs incurred by the end of the current financial year that relates to the revenues of subsequent financial years.

At the end of each financial year, the Company assesses the adequacy of deferred acquisition costs based on a liability

adequacy test for both non-life insurance and life assurance by determining the provision for liabilities arising from the applied technical interest rate in the life assurance.

#### **Non-life insurance**

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

#### **Life assurance (except for unit-linked assurance)**

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 Note I.4.(j).

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

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

#### **(g) Accumulated debt**

Accumulated debt arises from unit-linked life assurance contracts. This receivable due from the assured persons represents an aggregate of costs incurred by the Company in connection with unit-linked assurance contracts which have not been settled by the policyholders yet. The expected recovery of the asset is carried out prospectively considering all relevant future cash flows and using careful estimates of lapse rate, losses, cost and other assurance contracts' parameters. A change of the accumulated debt from unit-linked assurance is charged to profit or loss.

#### **(h) Income tax**

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

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

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

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

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

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

#### **(i) Provision for unearned premiums**

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

#### **(j) Life assurance provision**



The life assurance provision is established based on the individual life assurance contracts. The life assurance provision is calculated using 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.

The Company accounts for the provision using the zillmerisation method. The zillmerisation method results in the deferral of acquisition costs for life assurance contracts. These acquisition costs are included in the life assurance provision using actuarial methods. The provision is net of 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.

As part of the life assurance provision, the risk-related part is created (31 December 2020: TCZK 890 000; 31 December 2019: TCZK 575 000), following the insecurity of how the regulation in connection with the general trend of strengthening consumer's rights and protection will be interpreted.

### **(k) Provision for outstanding claims**

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

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

The amount of RBNS provision is determined as the sum of estimated costs on individual insurance settlements. The provision for outstanding claims is reduced by an estimate of the value of salvage and subrogation and similar recoveries. The Company establishes a provision for litigations in the full amount of the sum subject to the litigation.

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

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

The provision for outstanding claims also includes an estimate of all expected external and internal claims handling costs. On an annual basis, the board of directors reassesses the adequacy of the reliability level of the estimated provision for outstanding claims in respect of individual groups of insurance in accordance with the Company's accounting policies. In 2020, due to the ongoing COVID-19 pandemic and the related increased uncertainty concerning the development in the claims handling area, safety margins were doubled for claims incurred in 2020. This measure was implemented across the entire portfolio of non-life insurance and life assurance. Further, a specific safety margin was established for business interruption insurance for small and medium-sized enterprises. This margin covers negative impacts due to a potential change on the market in the assessment of some shutdowns resulting in business interruption. It particularly reflects the potential volume of claims from contracts with clients doing business in affected sectors during the ongoing governmental measures.

### **(l) Provision for bonuses and rebates**

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

### **(m) Other technical provisions**

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

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

In determining the provision for liabilities arising from the applied technical interest rate and other calculation parameters, the current value of insurance liabilities is calculated (using the best estimate of the future development of input assumptions adjusted by a risk margin). In order to improve the financial basis and to mitigate any accounting discrepancies in the determination of the current value of liabilities, the not yet recorded revenues on held-to-maturity assets to cover life assurance

provisions are taken into account. The Company compares the current value of insurance liabilities with the total sum of life assurance provisions, provisions for unearned premiums, life assurance provisions where the investment risk is borne by the policyholder, provisions for outstanding claims, non-life insurance provisions if established by the life assurance section of the Company, and provisions for bonuses and rebates (the total sum of the above provisions is below referred to as the "life assurance provisions") reduced by the respective unamortised deferred acquisition costs and by the respective intangible assets (e.g. the accumulated debt). Where the current value of insurance liabilities exceeds the amount of life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets, the provision for liabilities arising from the applied technical interest rate and other calculation parameters established by the Company will amount to the difference between the current value of insurance liabilities and the life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets.

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

#### **Provision for the credit risk in respect of intermediaries**

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

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

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

The amount of the provision is calculated as the sum of liabilities due to 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.

#### **(o) Reinsurance share of technical provisions**

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

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

#### **(p) Provisions**

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

#### **Provision for taxes**

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

#### **Employee Benefits Provision**

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

#### **Restructuring provision**

The provision was established based on the restructuring programme approved by the board of directors, which included VIG's transformation projects in the Czech Republic. The provision was established only for costs directly related to the restructuring which comply with Section 16 (4) of Decree No. 500/2002 Coll. During 2020, the provision was released due to the termination of the restructuring programme.

#### **(q) Gross premiums written**

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

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

#### **(r) Claims paid**

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

#### **(s) Acquisition costs**

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

#### **(t) Staff costs, pensions and social fund**

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

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

#### **(u) Loss Prevention Fund**

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

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

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

#### **Expenses and income from investments**

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

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

#### **Other expenses and income**

During the accounting period, clearly attributable expenses and income are accounted for directly in the relevant technical account for life assurance or non-life insurance or the non-technical account. Expenses and income that cannot

be directly attributed are recorded primarily in the non-technical account and subsequently allocated to the technical account for life assurance or non-life insurance and further to the relevant technical account of administrative expenses, acquisition costs, claim handling costs and investment costs, if 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 rate effective on the transaction date or at the rate at which the transaction was realised.

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

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

#### **(x) Consolidation**

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

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

During 2020, the Company did not make any changes in accounting policies and procedures. During the financial year, the Company also did not apply any deviations from these policies and procedures or correct any prior year errors, except for the fact presented in I. 4. (h), where the taxation of technical provisions was changed under Act No. 364/2019 Coll. As of 2020, technical provisions for tax calculation are defined pursuant to the Solvency II EU Directive, not pursuant to accounting standards. Due to this new legislative regulation, provision for taxes was increased and the deferred tax asset was recognised in the same amount in 2020.

## **I. 6. RISK MANAGEMENT**

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

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

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

#### **(a) Strategy for using financial instruments**

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

corresponding approximately to the expected insurance settlements, their nature and timing.

The investment portfolio structure is governed by the nature of insurance liabilities, the expected rate of return on each asset group and the callable capital used to recognise each asset group's price movements.

The Company also uses financial instruments to mitigate currency and interest rate risks.

### **(b) Market risk**

The Company is exposed to market risk. Market risk follows from trading positions in interest rates, currencies and equity instruments and properties, all of which are exposed to common and specific changes in the market and from changes in the level of volatility of market rates or prices, such as interest rates, foreign exchange rates and equity prices. The board of directors sets the strategy for the portfolio characteristics and the limits on the level of risk that may be accepted, monitored on a daily basis. The portfolio is managed under the prudent investment principle in accordance with Czech insurance legislation in force. Investment limits are set for the individual types of financial investments while respecting the counterparty risk. VaR models are used to monitor investment portfolio risks as well.

Using this approach does not prevent losses above these limits due to more significant market movements. As for unit-linked assurance assets, the market risk is borne exclusively by the policyholder.

### **(c) Interest rate risk**

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

### **(d) Currency risk**

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

### **(e) Credit risk**

The Company is exposed to credit risk following from the counterparty failing to pay the amounts due in full. Commercial and personal insurance is written primarily through intermediaries, who are subject to rigorous monthly checks of information on unearned commissions in order to mitigate part of the credit risk associated with the intermediaries' involvement in the underwriting process.

The Company uses reinsurance in managing insurance risk. However, this does not release the Company from its responsibility of the initial insurer. If the reinsurer does not for any reason pay the insurance settlement, the Company has to pay it itself. The Company periodically monitors the creditworthiness of the individual reinsurers. Reinsurers are selected from an internal list, which is issued and regularly updated by a special working group on VIG level. The Company determines the maximum acceptable cession limits for individual reinsurers based on the type of insurance and type of the reinsurance contract.

Reinsurers are split into two basic groups by the type of reinsured business. For each of the groups, the mandatory condition for the reinsurers to be included in the group is their listing in the valuation list published by reputable rating agencies with at least the minimum required rating level. Participation of reinsurers not included in the list can be exceptionally approved by the above-mentioned working group or by the management of the Company, depending on the importance of the relevant case.

In choosing the structure of investments, the Company assesses the counterparty credit rating or issuer credit rating. The rating is regularly reassessed. The Company sets maximum limits for individual types of financial instruments and counterparties.

The Company monitors regularly, i.e. on monthly basis, the level of receivables from outstanding premiums.

**(f) Liquidity risk**

The Company is exposed to requirements for drawing its available funds on a daily basis. These requirements relate to insurance settlements, commissions, lapsed policies, and surrender. The liquidity risk is a risk that the cash necessary for payment of liabilities will not be available at the due date and at adequate cost.

The Company thus maintains a sufficient portion of its investment in liquid and secure financial instruments, which are used to cover insurance settlements, commissions, payments from lapsed policies, and surrenders. Minimum liquidity limits are set to manage this risk.

The Company evaluates its cash flows on daily basis and performs analyses at regular weekly meetings.

**(g) Insurance risk**

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

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

The Company manages insurance risks in particular by:

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

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

**(h) Operational risk**

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

Operational risk groups comprise:

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

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

**(i) Compliance risk**

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

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

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

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

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

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

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

## ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

### II. 1. INTANGIBLE FIXED ASSETS

As at 31 December 2020, intangible fixed assets of the Company comprise the following items:

	Software	Other	Total
<b>Acquisition cost as at 01/01/2020</b>	<b>1 826 125</b>	<b>446 587</b>	<b>2 272 712</b>
Additions	308 663	38 017	346 680
Disposals	7 568	0	7 568
<b>Acquisition cost as at 31/12/2020</b>	<b>2 127 220</b>	<b>484 604</b>	<b>2 611 824</b>
Accumulated amortisation as at 01/01/2020	1 349 163	407 483	1 756 646
Amortisation expense	189 703	1 187	190 890
Disposals	7 568	0	7 568
<b>Accumulated amortisation as at 31/12/2020</b>	<b>1 531 298</b>	<b>408 670</b>	<b>1 939 968</b>
Net book value as at 01/01/2020	476 962	39 104	516 066
<b>Net book value as at 31/12/2020</b>	<b>595 922</b>	<b>75 934</b>	<b>671 856</b>

### II.2. INVESTMENTS

#### (a) Land and buildings

31/12/2020	Operating land	Operating buildings	Non-operating land	Non-operating buildings	Total
<b>Acquisition cost as at 01/01/2020</b>	<b>221 164</b>	<b>2 294 158</b>	<b>28 882</b>	<b>76 716</b>	<b>2 620 920</b>
Additions	0	10 059	0	0	10 059
Disposals	0	2 655	18 402	32 636	53 693
<b>Acquisition cost as at 31/12/2020</b>	<b>221 164</b>	<b>2 301 562</b>	<b>10 480</b>	<b>44 080</b>	<b>2 577 286</b>
<b>Accumulated depreciation as at 01/01/2020</b>	<b>0</b>	<b>1 166 667</b>	<b>0</b>	<b>11 096</b>	<b>1 177 763</b>
Depreciation expense	0	71 673	0	1 220	72 893
Disposals	0	1 479	0	3 765	5 244
<b>Accumulated depreciation as at 31/12/2020</b>	<b>0</b>	<b>1 236 861</b>	<b>0</b>	<b>8 551</b>	<b>1 245 412</b>
Net book value as at 01/01/2020	221 164	1 127 491	28 882	65 620	1 443 157
<b>Net book value as at 31/12/2020</b>	<b>221 164</b>	<b>1 064 701</b>	<b>10 480</b>	<b>35 529</b>	<b>1 331 874</b>

Fair value	Operating land	Operating buildings	Non-operating land	Non-operating buildings	Total
<b>31/12/2020</b>	<b>315 616</b>	<b>1 467 178</b>	<b>16 161</b>	<b>74 484</b>	<b>1 873 439</b>
<b>31/12/2019</b>	<b>258 947</b>	<b>1 500 890</b>	<b>32 377</b>	<b>66 300</b>	<b>1 858 514</b>



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

As at 31/12/2020	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s., Praha*	100	10 000	10 000	9 822	10 000	9 822	-42
CP Solutions a.s., Praha*	100	302 314	302 314	315 617	2 000	315 617	4 442
Main Point Karlín II., a.s., Praha*	100	40 000	40 000	39 279	10 000	39 279	-41
SURPMO, a.s., Praha	100	2 663	2 663	20 517	2 000	20 517	5 368
S-budovy, a.s., Praha	100	45 709	45 709	75 962	70 000	75 962	18
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Praha***	100	3 696 340	3 696 340	3 696 340	1 000 000	3 404 851	618 636
GLOBAL ASSISTANCE a.s., Praha***	40	74 262	74 262	74 262	10 000	141 907	60 442
HOTELY SRNÍ, a.s., Praha	100	182 219	182 219	340 384	181 573	340 384	-2 579
Global Expert, s.r.o., Pardubice	70	140	140	8 464	200	12 092	5 742
Global Partner ČR, a.s., Praha**	65	1 300	1 300	1 300	2 000	2 000	0
KAPITOL, a.s., Brno****	70	215 645	215 645	215 645	20 000	62 611	-35 226
AIS Servis, s.r.o., Brno***	70	108 175	108 175	108 175	7 400	62 568	2 663
VIG ND, a.s., Praha*	88,29	2 098 831	2 430 899	2 098 307	2 391 000	2 376 623	32 298
VIG RE zajišťovna, a.s., Praha*	10	315 130	315 130	474 591	3 150 000	4 745 910	440 129
VIG FUND, a.s., Praha*	13,03	739 810	744 934	827 698	5 003	6 109 271	203 401
<b>Total</b>	<b>N/A</b>	<b>7 832 538</b>	<b>8 169 730</b>	<b>8 306 363</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

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

\*\* On 22 December 2020, Global Partner ČR, a.s., a newly established company, was recorded in the Commercial Register, with a registered capital of CZK 2 million.

The Company owns 65 shares with a notional value of one share at CZK 20 thousand, i.e. a share in the registered capital of 65%. The fair value cannot be objectively determined, therefore fair value equals the acquisition cost.

\*\*\* The fair value cannot be objectively determined, therefore fair value equals the acquisition cost. Audited data for AIS Servis, s.r.o. and GLOBAL ASSISTANCE a.s. are based on the balance as at 31 December 2020. Unaudited data for ČPP are based on the balance as at 31 December 2020.

\*\*\*\* On 10 December 2020, the change in the name of KAPITOL pojišťovaci a finanční poradenství, a.s. to KAPITOL, a.s. was recorded in the Commercial Register. The fair value cannot be objectively determined, therefore fair value equals the acquisition cost.

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

As at 31/12/2019	Share of registered capital in %	Book value	Acquisition cost	Fair value	Total registered capital	Total equity	Profit or loss for the financial year
AB Modřice, a.s., Praha*	100	10 000	10 000	9 864	10 000	9 864	16
CP Solutions a.s., Praha*	100	302 314	302 314	311 175	2 000	311 175	3 904
Main Point Karlín II., a.s., Praha*	100	10 000	10 000	9 320	10 000	9 320	-193
SURPMO, a.s., Praha	100	2 663	2 663	15 966	2 000	15 966	2 073
S-budovy, a.s., Praha	100	45 709	45 709	75 944	70 000	75 944	65
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Praha***	100	3 696 340	3 696 340	3 696 340	1 000 000	2 701 818	641 241
GLOBAL ASSISTANCE a.s., Praha***	40	74 262	74 262	74 262	10 000	129 411	56 407
HOTELY SRNÍ, a.s., Praha**	100	182 219	182 219	342 963	181 573	342 963	7 978
Global Expert, s.r.o., Pardubice	70	140	140	7 646	200	10 923	4 350
KAPITOL pojišťovací a finanční poradenství, a.s., Brno****	70	215 645	215 645	215 645	20 000	98 512	1 778
AIS Servis, s.r.o., Brno****	70	108 175	108 175	108 175	7 400	61 432	3 277
VIG ND, a. s., Praha*****	88,29	2 098 831	2 430 899	2 104 000	2 391 000	2 383 071	38 746
VIG RE zajišťovna, a.s., Praha*	10	315 130	315 130	454 676	3 150 000	4 546 758	528 613
VIG FUND, a.s., Praha*****	13,03	716 273	744 934	788 031	5 003	5 851 567	291 859
<b>Total</b>	<b>N/A</b>	<b>7 777 701</b>	<b>8 138 430</b>	<b>8 214 007</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>

\* Data are based on the audited financial statements as at 31 December 2019.

\*\* On 1 April 2019, the following was entered in the Commercial Register: Assets of the dissolving company KIP, a.s., with registered office at Templová 747/5, Staré Město, 110 00 Prague, Id No. 49241788, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, file no. 2174, were transferred to the Company in the position of the successor company as of the day of entering the merger by acquisition in the Commercial Register. The date of the merger was 1 January 2019.

\*\*\* The fair value cannot be objectively determined, therefore fair value equals the acquisition cost. Data are based on the audited financial statements as at 31 December 2019.

\*\*\*\* On 1 October 2019, the following was entered in the Commercial Register: Assets of the dissolving company Benefita, a.s., with registered office at Pobřežní 665/21, Karlín, 186 00 Praha 8, Id No. 27225038, recorded in the Commercial Register maintained by the Municipal Court in Prague under file no. B 9832, were transferred to the Company in the position of the successor company as of the day of entering the merger by acquisition in the Commercial Register. The date of the merger was 1 January 2019. The fair value cannot be objectively determined, therefore fair value equals the acquisition cost. Data are based on the audited financial statements as at 31 December 2019.

\*\*\*\*\* As part of the merger project between Kooperativa and PČS, shares owned by PČS were transferred to Kooperativa as of the effective merger date of 1 January 2019. In 2019, the registered capital of VIG FUND, a.s. was increased. Kooperativa did not participate in this increase and as a result, its participating interest in the company decreased to 13.03%.

\*\*\*\*\* At the end of 2016, the Company carried out impairment of investment to fair value with respect to a decrease in the lease of the building owned by VIG ND, a.s., which was reflected in its fair value impairment. Impairment of investment is also relevant in 2019.

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

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

	Fair value		Amortised value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Loans granted (controlled entities)	504 814	580 023	504 814	580 023	501 454	576 097
<b>Total</b>	<b>504 814</b>	<b>580 023</b>	<b>504 814</b>	<b>580 023</b>	<b>501 454</b>	<b>576 097</b>

**(c) Shares and other variable-yield securities, other participating interests****Classification of shares and other variable-yield securities, other participating interests**

	31/12/2020	31/12/2019
Shares and other variable-yield securities		
valued at fair value through profit and loss	268 463	178 753
Shares and other variable-yield securities		
available for sale	6 864 822	8 065 441
<b>Total</b>	<b>7 133 285</b>	<b>8 244 194</b>

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

	Fair value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Other – Unlisted</b>	268 463	178 753	255 213	171 816
<b>Total</b>	<b>268 463</b>	<b>178 753</b>	<b>255 213</b>	<b>171 816</b>

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

	Fair value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Issued by financial institutions</b>				
Listed on a recognised exchange in the Czech Republic	37 765		30 191	
<b>Other</b>				
Listed on a recognised exchange in the Czech Republic	302 161	260 771	229 021	214 192
Listed elsewhere	2 246 550	3 678 430	1 806 464	3 085 056
Unlisted	4 278 346	4 126 240	4 040 668	4 030 029
<b>Total</b>	<b>6 864 822</b>	<b>8 065 441</b>	<b>6 106 344</b>	<b>7 329 277</b>

**(d) Debt securities valued at fair value****Classification of debt securities valued at fair value**

	31/12/2020	31/12/2019
Debt securities valued at fair value		
through profit and loss	251 560	218 527
Available-for-sale debt securities	13 008 935	10 823 509
<b>Total</b>	<b>13 260 495</b>	<b>11 042 036</b>

**Analysis of debt securities at fair value through profit and loss**

	Fair value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Issued by financial institutions</b>				
Listed elsewhere	251 560	218 527	194 535	172 016
<b>Total</b>	<b>251 560</b>	<b>218 527</b>	<b>194 535</b>	<b>172 016</b>

**Analysis of available-for-sale debt securities**

	Fair value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Issued by financial institutions</b>				
Listed on a recognised exchange in the Czech Republic	431 996	509 020	420 406	504 275
Listed elsewhere	162 757	220 013	158 480	232 671
Unlisted	876 732	439 067	845 910	435 202
<b>Issued by non-financial institutions</b>				
Listed on a recognised exchange in the Czech Republic	243 931	243 893	248 030	248 030
Listed elsewhere	96 078	117 724	93 682	121 681
Unlisted	714 890	394 727	701 229	390 076
<b>Issued by government sector</b>				
Listed on a recognised exchange in the Czech Republic	8 214 391	7 160 285	7 930 031	7 013 697
Listed elsewhere	506 592	669 769	449 699	625 775
Unlisted	1 149 510		1 148 911	
<b>Other</b>				
Listed elsewhere	214 709	17 128	218 393	17 561
Unlisted	397 349	1 051 883	401 775	1 088 661
<b>Total</b>	<b>13 008 935</b>	<b>10 823 509</b>	<b>12 616 546</b>	<b>10 677 629</b>

**(e) Debt securities held to maturity****Classification of debt securities held to maturity**

	31/12/2020	31/12/2019
Debt securities held to maturity	36 418 042	42 178 538
<b>Total</b>	<b>36 418 042</b>	<b>42 178 538</b>

**Analysis of debt securities held to maturity**

	Fair value		Amortised value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Issued by financial institutions</b>						
Listed on a recognised exchange in the Czech Republic	96 210	151 858	97 233	156 800	90 019	152 959
Unlisted	2 579 166	2 465 369	2 445 798	2 419 285	2 623 522	2 567 836
<b>Issued by non-financial institutions</b>						
Listed on a recognised exchange in the Czech Republic	551 185	557 193	532 476	533 568	528 290	528 290
Unlisted	253 070	248 482	252 811	252 503	248 017	248 017
<b>Issued by government sector</b>						
Listed on a recognised exchange in the Czech Republic	37 819 989	43 012 301	32 759 865	38 483 002	32 891 202	38 270 285
<b>Other</b>						
Listed on a recognised exchange in the Czech Republic	332 056	337 246	329 859	333 380	344 898	344 898
<b>Total</b>	<b>41 631 676</b>	<b>46 772 449</b>	<b>36 418 042</b>	<b>42 178 538</b>	<b>36 725 948</b>	<b>42 112 285</b>

**(f) Deposits with financial institutions**

	Fair value		Acquisition cost	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Due within 1 year	2 690 199	2 528 694	2 690 200	2 522 640
<b>Total</b>	<b>2 690 199</b>	<b>2 528 694</b>	<b>2 690 200</b>	<b>2 522 640</b>

**(g) Other investments**

	Nominal value / Acquisition cost		Fair value	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Forwards	2 580 598	3 434 598	95 185	99 693
Works of art	132 829	132 829	263 182	263 182
<b>Total</b>	<b>N/A</b>	<b>N/A</b>	<b>358 367</b>	<b>362 875</b>

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

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

Description	Acquisition cost		Fair value	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Shares and other variable-yield securities	6 145 152	5 729 482	7 925 484	7 025 535
Debt securities	462 151	475 733	793 854	782 441
<b>Total</b>	<b>6 607 303</b>	<b>6 205 215</b>	<b>8 719 338</b>	<b>7 807 976</b>

## **II. 4. CURRENCY STRUCTURE OF INVESTMENTS**

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

31/12/2019	Variable-yield securities	Fixed income securities	Deposits and other investments	Securities where the investment risk is borne by the policyholders
CZK	5 319 444	52 065 605	11 687 562	5 902 905
EUR	1 021 749	901 822	740 325	1 905 071
GBP	114 339	0	-4 171	0
USD	1 788 662	211 412	79 812	0
PLN	0	41 735	0	0
<b>Total</b>	<b>8 244 194</b>	<b>53 220 574</b>	<b>12 503 528</b>	<b>7 807 976</b>

## II. 5. RECEIVABLES

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

31 December 2019	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	845 115	3 294	18 390	253 806	1 120 605
Overdue	1 700 507	42 908			1 743 415
<b>Total</b>	<b>2 545 622</b>	<b>46 202</b>	<b>18 390</b>	<b>253 806</b>	<b>2 864 020</b>
Adjustment	-389 961	-35 218	0	-8 672	-433 851
<b>Total net amount</b>	<b>2 155 661</b>	<b>10 984</b>	<b>18 390</b>	<b>245 134</b>	<b>2 430 169</b>

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

### Other receivables

	31/12/2020	31/12/2019
Inter-company receivables	29 711	29 760
Deferred tax assets*	1 792 519	0
Prepaid tax	75 504	94 139
Income tax prepayments	765 819	0
Other provided prepayments	101 033	121 119
Other receivables	89 362	116
<b>Total other receivables</b>	<b>2 853 948</b>	<b>245 134</b>

\*For more information refer to section III.13.

Income tax prepayments of TCZK 765 819 represent the balance of income tax prepayments after their offsetting against the income tax provision (31 December 2019: CZK 0; income tax prepayments were offset against the income tax provision in full, this was recognised under Provision for taxes in 2019).

As at 31 December 2020, the deferred tax asset includes taxation of the difference of CZK 1 914 093 due to the new legislative regulation - see Note I. 4. (h).

## II. 6. OTHER ASSETS

### Tangible fixed assets

	Total
Acquisition cost as at 01/01/2020	1 170 572
Additions	102 093
Disposals	141 900
<b>Acquisition cost as at 31/12/2020</b>	<b>1 130 765</b>
Accumulated depreciation as at 01/01/2020	791 719
Depreciation expense	147 136
Disposals	118 435
<b>Accumulated depreciation as at 31/12/2020</b>	<b>820 420</b>
Net book value as at 01/01/2020	378 853
<b>Net book value as at 31/12/2020</b>	<b>310 345</b>

## II. 7. TEMPORARY ASSET ACCOUNTS

Deferred acquisition costs for life assurance contracts	31/12/2020	31/12/2019
Traditional life assurance	112 421	92 769
Unit-linked assurance	3 908 105	4 104 924
<b>Total</b>	<b>4 020 526</b>	<b>4 197 693</b>

Other temporary asset accounts	31/12/2020	31/12/2019
Reinsurance estimated receivables	354 299	245 667
Estimated receivable – unwritten premiums	112 065	109 825
Other estimated receivables	35 984	62 610
Deferred acquisition costs for provisions from unaccounted premiums	27 336	21 886
Accumulated debt	3 823 492	3 961 124
Other	153 573	140 831
<b>Total</b>	<b>4 506 749</b>	<b>4 541 943</b>

### Reinsurance estimated receivables

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

**Estimated receivable – unwritten premiums**

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

**II. 8. EQUITY****(a) Registered capital**

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

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

**(b) Other capital funds**

Other capital funds comprise shareholder's add-on and result of previous mergers and valuation differences from securities available for sale.

	31/12/2020	31/12/2019
<b>Balance as at 01/01/2020</b>	<b>1 644 013</b>	<b>607 720</b>
Change in the fair value of investments	232 586	1 280 051
Change in deferred tax	-44 191	-243 758
<b>Balance as at 31/12/2020</b>	<b>1 832 408</b>	<b>1 644 013</b>

**(c) Planned distribution of current period profit**

Profit from the current period	
Transfer to social fund	120 000
Transfer from retained earnings	456 305
Dividend payment	2 632 267
<b>Total</b>	<b>3 208 572</b>



## II. 9. TECHNICAL PROVISIONS

### (a) Provision for unearned premiums (gross)

	31/12/2020	31/12/2019
Non-life insurance	6 268 216	6 167 276
Life assurance	176 827	184 782
<b>Total</b>	<b>6 445 043</b>	<b>6 352 058</b>

### (b) Provision for outstanding claims

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

	31/12/2020	31/12/2019
RBNS	13 469 558	12 822 561
IBNR	6 019 812	4 899 746
<b>Total</b>	<b>19 489 370</b>	<b>17 722 307</b>

### Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2019, the claim payments during 2020 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2020. The gross run-off result is as follows:

Class of insurance	31/12/2020	31/12/2019
Motor third-party liability insurance	153 121	623 422
Motor insurance – other classes	82 832	120 967
Property insurance against fire and other damage	-5 718	106 361
Liability insurance	88 511	91 246
Accident and sickness insurance – non-life insurance	57 700	125 712
Life assurance	955 858	949 120
Other	-31 398	32 082
<b>Total</b>	<b>1 300 906</b>	<b>2 048 909</b>

### Provision for outstanding claims in the form of annuities

The gross provision for outstanding claims in the form of annuities is TCZK 2 696 275 (31 December 2019: TCZK 2 423 400), discounting effect is TCZK 639 840 (31 December 2019: TCZK 879 153) and applies only to these liabilities.

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Czech Bureau of Insurers methodology as at 1 July 2020, to calculate the provision for outstanding claims paid in the form of annuities in respect of liability insurance/statutory motor third party liability insurance for the subsequent years. The provision was further discounted at 1% (2019: 1.5%). The method and criteria used to estimate the remaining period for payment of the annuities are based on the currently valid calculation tool for provisioning for annuities provided by the Czech Bureau of Insurers. In 2020, the discount rate was reduced by 0.5 basis point in connection with the decline in market interest rates due to the ongoing COVID-19 pandemic, which has not yet been considered in the calculation tool due to the time of preparation of the current calculation tool.

**(c) Provision for bonuses and rebates (gross)**

Class of insurance	31/12/2020	31/12/2019
Non-life insurance	231 827	264 555
Life assurance	506 532	363 849
<b>Total</b>	<b>738 359</b>	<b>628 404</b>

**(d) Other technical provisions (gross)**

	Opening balance	Creation	Utilisation	Closing balance
Provision for liabilities arising from the applied technical interest rate	2 609 808		17 228	2 592 580
Non-life insurance provision	1 171		178	993
Provision for credit risk	66 541	5 491	1 954	70 078
<b>Total</b>	<b>2 677 520</b>	<b>5 491</b>	<b>19 360</b>	<b>2 663 651</b>

Provision for liabilities arising from the applied technical interest rate

Overview	31/12/2020	31/12/2019
Annuities insurance	2 396 535	2 412 793
Deposit insurance	165 964	156 197
Child insurance	143	642
Pure endowment insurance with premium refund	5 466	2 593
Endowment assurance	3 854	3 901
Funeral insurance	20 618	33 682
<b>Total</b>	<b>2 592 580</b>	<b>2 609 808</b>

**II. 10. PROVISIONS**

Type of provision	Opening balance	Creation	Utilisation	Closing balance
Provision for pensions and similar obligations	100 239	8 568		108 807
Provision for taxes	634 987		635 045	-58
Other provisions	14 231		11 269	2 962
<b>Total</b>	<b>749 457</b>	<b>8 568</b>	<b>646 314</b>	<b>111 711</b>

The provision for taxes is offset against income tax prepayments that are higher than the calculated corporate income tax by TCZK 765 819 and that are recognised in Other provisions (Provision for taxes as at 31 December 2019: TCZK 629 855).

In 2020, the provision for taxes is increased by the effect of additional taxation of technical provisions of TCZK 1 914 093 (see I. 4. (h)).

## II. 11. PAYABLES

### (a) Subordinated liabilities

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

### (b) Creditors

31 December 2020	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
<b>Total</b>	<b>4 297 813</b>	<b>203 776</b>	<b>183 948</b>	<b>439 691</b>	<b>5 125 228</b>

31 December 2019	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
<b>Total</b>	<b>4 128 144</b>	<b>213 885</b>	<b>192 870</b>	<b>728 345</b>	<b>5 263 244</b>

Year-on-year change of Payables to policy holders is a consequence of a higher payables to state budget pursuant to Decree 125/1993 Coll.

The Other payables item represents social security and health insurance liabilities, tax liabilities, payables to employees and to suppliers.

All liabilities are short-term.

### (c) Social security and health insurance liabilities

Liabilities in respect of social security and health insurance total TCZK 89 114 (31 December 2019: TCZK 94 984), of which TCZK 58 141 (31 December 2019: TCZK 62 361) relates to social security and TCZK 30 973 (31 December 2019: TCZK 32 623) relates to health insurance. None of these liabilities are overdue.

### (d) Tax liabilities and subsidies

Tax liabilities amount to TCZK 73 048 (31 December 2019: TCZK 76 922). None of these liabilities are overdue.

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

The Company has a net payable to reinsurers/receivable from reinsurers of TCZK - 176 179 (31 December 2019: TCZK - 174 480).

## II. 12. TEMPORARY LIABILITY ACCOUNTS

	31/12/2020	31/12/2019
Prepaid premium	265 180	210 224
Accrual of reinsurance premium	374 802	255 306
Estimated payables from commissions	645 800	607 057
Reinsurance estimated payables	759 599	820 198
Estimated payables from administration costs	698 874	643 074
Estimated payables to Loss Prevention Fund	10 189	10 604
Other	62 371	32 574
<b>Total</b>	<b>2 816 815</b>	<b>2 579 037</b>

## II. 13. INTER-COMPANY RECEIVABLES AND PAYABLES

	31/12/2020	31/12/2019
<b>Receivables</b>		
Receivables from reinsurance	6 205 917	5 910 522
Other receivables	44 328	95 488
<b>Total receivables</b>	<b>6 250 245</b>	<b>6 006 010</b>
<b>Payables</b>		
Payables from reinsurance	4 773 474	4 788 110
Subordinated debt	557 001	557 001
Other payables	90 628	-110 058
<b>Total payables</b>	<b>5 421 103</b>	<b>5 455 169</b>

Reinsurance receivables include reinsurance assets of TCZK 6 139 794 (31 December 2019: TCZK 5 851 794). Payables from reinsurance include reinsurance deposits of TCZK 4 551 545 (31 December 2019: TCZK 4 593 862).

## III. ADDITIONAL DISCLOSURES IN RESPECT OF THE INCOME STATEMENT

### III. 1. NON-LIFE INSURANCE

Non-life insurance for 2020 (2019) by class of insurance:

	Insurance class	Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance
<b>Direct insurance – Accident and sickness</b>	1, 2					
2020		681 315	686 891	359 696	185 275	53 481
2019		640 337	644 068	155 591	167 237	- 178 318
<b>Motor insurance – other classes</b>	3, 4, 5, 6					
2020		4 485 284	4 453 168	2 416 961	1 219 715	-38 671
2019		4 423 281	4 397 234	3 005 542	1 155 231	19 056
<b>Insurance against fire and other damage to property</b>	7, 8, 9					
2020		6 493 341	6 472 702	3 106 000	1 765 780	-993 073
2019		6 580 838	6 380 924	2 687 885	1 718 721	- 1 249 885
<b>Motor – third party liability insurance</b>	10					
2020		4 761 738	4 727 245	2 683 379	1 294 893	-48 481
2019		4 628 288	4 540 751	2 693 831	1 208 773	- 262 993
<b>Liability insurance</b>	11–18					
2020		3 218 823	3 200 134	2 647 304	875 318	101 878
2019		3 193 971	3 194 118	1 919 322	834 171	- 73 656
<b>Employer's liability insurance</b>						
2020		7 320 908	7 320 907	4 099 049	292 836	0
2019		7 225 163	7 225 163	4 191 242	289 007	0
<b>Reinsurance accepted</b>						
2020		435 727	435 149	100 010	118 490	-76 003
2019		334 162	323 374	172 098	87 273	- 16 026
<b>Total 2020</b>		<b>27 397 136</b>	<b>27 296 196</b>	<b>15 412 399</b>	<b>5 752 307</b>	<b>-1 000 869</b>
<b>Total 2019</b>		<b>27 026 040</b>	<b>26 705 632</b>	<b>14 825 511</b>	<b>5 460 413</b>	<b>- 1 761 822</b>

### III. 2. LIFE ASSURANCE

#### Gross premiums written in life assurance:

	2020	2019
Individual premiums	14 198 336	14 180 165
Premiums under group contracts	801 239	778 896
<b>Total</b>	<b>14 999 575</b>	<b>14 959 061</b>
Regular premium	14 153 219	13 903 048
Single premium	846 356	1 056 013
<b>Total</b>	<b>14 999 575</b>	<b>14 959 061</b>
Premiums from contracts without bonuses	1 573 159	1 093 266
Premiums from contracts with bonuses	2 253 450	2 374 380
Premiums from contracts where the investment risk is borne by policyholders	11 172 966	11 491 415
<b>Total</b>	<b>14 999 575</b>	<b>14 959 061</b>
<b>Reinsurance balance</b>	<b>-221 593</b>	<b>-138 958</b>

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

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

### III. 4. BONUSES AND REBATES

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

	2020	2019
<b>Gross amount</b>		
Non-life insurance	864 923	804 768
Life assurance	457 326	337 704
<b>Total gross amount</b>	<b>1 322 249</b>	<b>1 142 472</b>
Reinsurance share (non-life insurance)	553 752	557 741
<b>Total net amount</b>	<b>768 497</b>	<b>584 731</b>

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

2020	Non-life insurance	Life assurance	Total
<b>Commissions</b>			
Initial	1 458 716	2 083 751	3 542 467
Following	1 469 274	0	1 469 274
<b>Total commissions</b>	<b>2 927 990</b>	<b>2 083 751</b>	<b>5 011 741</b>
Other acquisition costs	2 071 859	991 364	3 063 223
Change in deferred acquisition costs	-50 668	177 167	126 499
<b>Total acquisition costs</b>	<b>4 949 181</b>	<b>3 252 282</b>	<b>8 201 463</b>

2019	Non-life insurance	Life assurance	Total
<b>Commissions</b>			
Initial	1 470 250	2 320 817	3 791 067
Following	1 423 419	112 593	1 536 012
<b>Total commissions</b>	<b>2 893 669</b>	<b>2 433 410</b>	<b>5 327 079</b>
Other acquisition costs	1 928 672	925 014	2 853 686
Change in deferred acquisition costs	-132 801	-115 041	-247 842
<b>Total acquisition costs</b>	<b>4 689 540</b>	<b>3 243 383</b>	<b>7 932 923</b>

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

### III. 6. ADMINISTRATIVE EXPENSES

	2020	2019
Personnel expenses (payroll, social and health insurance)	1 541 687	1 477 007
IT costs incl. IT assets write-offs	768 456	707 700
Expenses related to the operation of buildings	282 575	264 225
Communication (phone + postage)	54 329	58 551
Other services	32 057	17 647
Costs of company vehicles incl. write-offs	16 868	19 221
Material consumption	25 776	12 150
Insurance	21 004	20 024
Bank fees	33 762	33 103
Consultancy	78 815	88 353
Representation and gifts	49 928	53 342
Write-offs of other assets	6 860	19 568
Education	27 039	23 411
Travel expenses	3 886	16 409
Outsourcing*	-257 228	-207 689
Other financial costs	21 267	14 041
Other	54 062	6 837
<b>Total administrative expenses before reallocation</b>	<b>2 761 143</b>	<b>2 623 900</b>
Reallocation to acquisition costs	-619 497	-595 484
Reallocation to claims handling costs	-783 117	-717 492
Reallocation to costs on investments	-52 427	-50 437
<b>Total administrative expenses</b>	<b>1 306 102</b>	<b>1 260 487</b>

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

### III. 7. OTHER TECHNICAL EXPENSES AND INCOME

	2020	2019
<b>Non-life insurance</b>		
Other technical expenses	3 744 537	3 653 724
Other technical income	-626 049	-595 693
<b>Balance – non-life insurance (+ expense/- revenue)</b>	<b>3 118 488</b>	<b>3 058 031</b>
<b>Life assurance</b>		
Other technical expenses	78 792	176 828
Other technical income	3 795	-812 328
<b>Balance – life assurance (+ expense/- revenue)</b>	<b>82 587</b>	<b>-635 500</b>



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

	2020	2019
Creation (+)/Release (-) of adjustments for receivables	65 143	-32 027
Write-offs (+)/payments after write-offs (-) to receivables	23 636	38 133
Mandatory liability insurance – contribution to national budget	2 997 175	2 723 248
Foreign exchanges losses (+)/gains (-)	-13 840	-7 983
Contribution to Loss Prevention Fund and payments to the Bureau*	121 901	349 198
Delegated claims	-31 577	-33 921
Other	-43 950	21 381
<b>Balance of other technical expenses and income</b>	<b>3 118 488</b>	<b>3 058 031</b>

\*According to the decision of the general meeting of the Czech Bureau of Insurers, liabilities towards the Bureau were paid by extraordinary contribution and the existing provision was released in 2019.

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

	2020	2019
Creation (+)/Release (-) of adjustments for receivables	869	30 514
Write-offs (+)/payments after write-offs (-) to receivables	6 880	19 707
Accumulated debt	137 632	-645 440
Foreign exchanges losses (+)/gains (-)	-8 451	-4 642
Other	-54 343	-35 639
<b>Balance of other technical expenses and income</b>	<b>82 587</b>	<b>-635 500</b>

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

### III. 8. OTHER EXPENSES AND INCOME

	2020	2019
<b>Non-technical account</b>		
Other expenses	35 206	42 624
Other income	-66 132	-9 174
<b>Balance of other expenses and income (- expenses/ + income)</b>	<b>-30 926</b>	<b>33 450</b>

Balance of other expenses and income comprises the following items:

	2020	2019
Creation (+)/Release (-) of other provisions and adjustments for receivables	3 065	21 596
Write-offs (+)/payments after write-offs (-) to receivables	125	332
Mandatory liability insurance	3 041	2 202
Cooperation with Česká spořitelna – penzijní společnost, a.s.	-5 430	-4 188
Contributions to Bureau	22 918	23 526
Other	-54 645	-10 018
<b>Balance of other expenses and income</b>	<b>-30 926</b>	<b>33 450</b>

### III. 9. EMPLOYEES AND EXECUTIVES

The average number of employees and executives and remuneration for 2020 and 2019 are as follows:

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

2019	Average number of employees	Payroll expense	Social and health insurance	Of which other expense
Employees	3 778	2 058 143	592 456	158 653
Executives	190	332 355	74 986	0
<b>Total</b>	<b>3 968</b>	<b>2 390 498</b>	<b>667 442</b>	<b>158 653</b>

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

Personnel expenses of employees concluding insurance are disclosed in acquisition costs, totalling TCZK 1 661 926 in 2020 (2019: TCZK 1 580 933).

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

#### (a) Statutory, executive and supervisory board members' remuneration

For the financial year 2020 (2019), the Company paid the following monetary and non-monetary remuneration to the statutory, executive and supervisory board members:

	2020	2019
Members of the board of directors	75 893	88 655
Members of the supervisory board	8 137	7 863
<b>Total remuneration paid</b>	<b>84 030</b>	<b>96 518</b>

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

In neither 2020 nor 2019 did the Company present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

#### (c) Information on remuneration for statutory auditors

Information on remuneration for statutory auditors is included in the notes to the consolidated financial statements of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe. The auditor provided to the Company and its controlled entities in the course of 2020 non-audit services within the approved limit of TEUR 105 (2019: TEUR 173). The services particularly included verification of the Solvency and Financial Condition Report, and tax advisory.

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

As at the balance sheet date for 2020, the total amount of investment return allocated between the technical account for non-life insurance and the non-technical account by means of the method stated in note I.4.(v) totalled TCZK 400 481 (2019: TCZK 705 795).

### III. 11. RESULT OF NON-TECHNICAL ACCOUNT

The result of the non-technical account before tax as at 31 December 2020 amounted to TCZK 30 926 (as at 31 December 2019: TCZK -33 450).

### III. 12. RESULT BEFORE TAX

The result before tax as at 31 December 2020 amounted to TCZK 3 934 564 (as at 31 December 2019: TCZK 4 555 221).

### III. 13. TAXATION

#### (a) Income tax in the income statement

	2020	2019
Current tax expense	2 621 420	778 584
Deferred tax expense/revenues	-1 931 519	-12 989
Current tax expense – AFS current tax correction	18 635	-3 468
Other	15 818	-8 788
<b>Total income tax charge</b>	<b>724 354</b>	<b>753 339</b>

Income tax for 2020 (Current tax expense) includes the taxation of the difference in technical provisions of TCZK 1 914 093 under the Insurance Act and the Act on Accounting (see Note I. 4. (h)).

#### (b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

	31/12/2020	31/12/2019
Temporary differences from intangible fixed assets	-28 454	-16 792
Adjustments and provisions	2 174 479	232 444
Temporary differences from tangible fixed assets	-109 555	-110 701
Valuation differences from revaluation of assets and liabilities	-243 951	-199 760
<b>Deferred tax asset/(liability)</b>	<b>1 792 519</b>	<b>-94 809</b>

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

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

	2020	2019
<b>Net deferred tax asset as at 31 December 2019</b>	<b>-94 809</b>	<b>135 960</b>
Deferred tax expense recognised on temporary differences	1 931 519	12 989
Valuation differences from revaluation of assets and liabilities	-44 191	-243 758
<b>Net deferred tax asset as at 31 December 2020</b>	<b>1 792 519</b>	<b>-94 809</b>

## IV. OTHER DISCLOSURES

### IV. 1. CONTINGENCIES AND COMMITMENTS

#### (a) Co-insurance

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

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

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

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

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

#### (c) Membership in the Czech Nuclear Pool

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

#### (d) Office building

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

#### (e) Contingent liabilities

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

## **IV. 2. SUBSEQUENT EVENTS**

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

In Prague, on 27 March 2021

A handwritten signature in blue ink, consisting of a large, sweeping loop followed by a smaller loop and a vertical stroke.

**Ing. Martin Diviš, MBA**

Chairman of the board of directors

A handwritten signature in blue ink, featuring a large, stylized 'C' followed by several loops and a final horizontal stroke.

**Mag. Christoph Rath**

Member of the board of directors

# ***ORGANISATIONAL CHART***



# ORGANISATIONAL CHART – AS OF MARCH 1, 2021

## BOARD OF DIRECTORS

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

**Mgr. Martin Laur**  
Member

**Jiří Sýkora**  
Member

**Mag. Christoph Rath**  
Member

**Ing. Eva Poláčková**  
Member

**Mgr. Filip Král**  
Member

**Ing. Jaroslav Kulhánek**  
Member

## SUPERVISORY BOARD

**Prof. Elisabeth Stadler**  
Chairman of the Supervisory Board

**Ing. Vladimír Mráz**  
Vice-Chairman

**JUDr. Rostislav Dvořák**  
Vice-Chairman

**Ing. Vladimír Dlouhý, CSc.**  
Member

**Mag. Gerhard Lahner**  
Member

**Dr. Ing. Vratislav Kulhánek**  
Member

**Mag. Robert Lasshofer**  
Member

**Mag. Harald Josef Londer**  
Member

**Jan Wiesner**  
Member

**Ing. Roman Brablec**  
Member

**Ing. Tomáš Salomon**  
Member

**Mgr. Šárka Brúnová**  
Member

**Ing. Daniel Pražan, MBA**  
Member

**Ing. Radmila Dočekalová**  
Member

**Jan Růžička**  
Member

## AGENCIES

Prague Agency  
**Ing. Ivo Sebera, MBA**

Central Bohemia Agency  
**PhDr. Roman Leština, MBA**

South Bohemia and Vysocina Agency  
**Jiří Vančura**

West Bohemia Agency  
**Ing. Ctirad Vavříčka**

North Bohemia Agency  
**Ing. Roman Kracík, MBA**

East Bohemia Agency  
**Bc. Roman Hojný, MBA**

South Moravia Agency  
**Ing. Milan Gregor**

North Moravia Agency  
**Ing. Daniel Pražan, MBA**



## CENTRES

Personal Lines Ins. Claims Handling Centre

**Ing. Ondřej Poul Ph.D.**

Non-Life Insurance Claims Handling Centre

**Ing. Jiří Čita MBA**

Centre For Liability Ins. For Occupational Injuries

**JUDr. Irena Machátová**

Insurance Policy Administration Centre

**Ing. Radmila Dočekalová**

Customer Care Centre

**Ing. Tomáš Szewieczek**

## DIVISIONS

General Secretariat Division

**Ing. Petr Matlach**

Economic Division

**Ing. Mgr. Judita Říhová**

Security Division

**Zdeněk Macháček MBA**

Hr Management Division

**Mgr. Šárka Brůnová**

Sales Support Division

**Mgr. Matěj Flaschka**

Bankassurance, Business Development And Customer Experience Division

**Ing. Irena Rohlová MBA**

Commercial Risk Insurance Division

**Judr. Petr Suchánek Ph.d.**

Marketing And Communication Division

**Ing. Jindřich Skrip**

Digital Sales Division

**Ing. Adam Bouška**

Investment And Asset Management Division

**Ing. Luděk Marek**

Property And Liability Insurance Division

**Ing. Radek Starosta**

It Division

**Bc. Dušan Drdla**

External Sales Management Division

**Ing. Jaroslav Martinec**

Internal Audit Division

**Ing. Filip Holý Ph.d.**

Personal Lines Insurance Division

**Ing. Petr Procházka MBA**

Reinsurance Division

**Ing. Roman Brablec**

Risk Management Division

**Mgr. Jan Šváb Ph.d.**

Legal Division

**Judr. Michal Kalvoda**

Controlling And Planning Division

**Ing. Martina Janurová**

Motor Insurance Division

**Ing. Aleš Zethner MBA**

Actuarial Division

**Rndr. Vladimíra Unzeitigová Ph.d.**

Internal Sales Management Division

**Ing. Zuzana Trejdlová**

Data And Analytics Division

**Ing. Ivan Janovskij**

# ADDRESSES OF THE ORGANISATION'S UNITS

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

as of March 1, 2021

## Head Office

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

## Commercial Risk Insurance Division

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

## Property and Liability Insurance Division

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

## Motor Vehicle Insurance Division

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

## Personal Line Insurance Division

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

## Bancassurance Division

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

## Centre of Occupational Injury Liability Insurance

Rašínova 692/4  
602 00 Brno  
☎ 545 556 241

## Customer Support Centre

Brněnská 634  
664 42 Modřice  
☎ 545 434 002

## Claims Adjustment Centre – Property and Liability

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

## Claims Adjustment Centre – Motor Vehicles

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

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

## North Bohemia Agency

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

## South Bohemia and Vysočina Agency

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

## West Bohemia Agency

Zahradní 2574/3  
326 00 Plzeň  
☎ 377 417 111

## East Bohemia Agency

tř. Míru 94  
530 02 Pardubice  
☎ 956 427 200

## North Moravia Agency

Zámecká 1240/19  
702 00 Ostrava  
☎ 596 279 811

## South Moravia Agency

Nádražní 163/14  
602 00 Brno  
☎ 543 534 111

# REPORT OF THE BOARD OF DIRECTORS

on Relations between Related Parties prepared pursuant to Section 82 of Act No. 90/2012 Coll., the Corporations Act, as amended.

## I. RELATIONS STRUCTURE

Kooperativa pojišťovna, a.s., Vienna Insurance Group, a company with its registered office at Pobřežní 665/21, 186 00 Prague 8, Id. No.: 47116617, registered in the Commercial Register kept by the Metropolitan Court in Prague, Section B, File 1897 (hereinafter "Kooperativa"), is the controlled party.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, a company with its registered office at Schottenring 30, Vienna 1010, Austria, registered in the Commercial Register kept by the Commercial Court in Vienna, Section FN, File 75687 F (hereinafter "VIG AG"), is the controlling party.

## II. ROLE OF THE COMPANY IN THE GROUP

VIG AG is the controlling party of the Vienna Insurance Group (hereinafter „VIG Group“), having the legal form of a joint-stock company.

Kooperativa forms part of the VIG Group and engages

especially in insurance activities under the Insurance Act no. 277/2009 Coll. and also in activities directly related to insurance.

## III. MANNER AND MEANS OF CONTROL

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

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

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

### AB Modřice, a.s.

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

### AIS Servis, s.r.o.

- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on purchase of Webex Boards for meeting rooms.
- ▶ Insurance contract between Kooperativa and AIS Servis, s.r.o. on property and liability insurance risks.
- ▶ Insurance contracts between Kooperativa and AIS Servis, s.r.o. on life insurance.
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. about cooperation.
- ▶ Contract between Kooperativa and AIS Servis, s.r.o. on maintenance.
- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. for work.
- ▶ Contracts between Kooperativa and AIS Servis, s.r.o. on sublease.
- ▶ Framework Agreement between Kooperativa and AIS Servis, s.r.o. on the provision of consulting services.

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

#### **Anděl Investment Praha s.r.o.**

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

#### **CP Solutions a.s.**

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

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

- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the provision of reinsurance cover for insurance of property and liability risks.
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance of property and liability risks.
- ▶ Contracts for the co-insurance or reinsurance share of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on insurance contracts led by Kooperativa.
- ▶ Group Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for insurance of Fleet comprehensive car insurance.
- ▶ Contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the lease and sublease of non-residential premises.
- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on intragroup cooperation.
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on cost sharing.
- ▶ Insurance contracts between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for life insurance for management.
- ▶ Agreement between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on processing of personal data.
- ▶ Agreement between Kooperativa, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, GLOBAL ASSISTANCE a.s., and Autem Bez Starostí s.r.o. on mutual settlement of receivables.
- ▶ Contract between Kooperativa and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on D&O liability insurance.

#### **ČPP Servis, s.r.o.**

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

#### **DONARIS Vienna Insurance Group**

- ▶ Contract for insurance of property and liability risks with the provision of active reinsurance cover.

#### **GLOBAL ASSISTANCE a.s.**

- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of assistance services for entrepreneur insurance.

- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of assistance services within employee benefit programs for Kooperativa employees.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services and claims settlement for Česká spořitelna, a.s.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of assistance services for product Maják.
- ▶ Insurance contract between Kooperativa and GLOBAL ASSISTANCE a.s. on insurance of property and liability risks.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on data protection and personal data protection.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of provision of health care assistance services – in the territory of CR.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of travel insurance assistance services.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of vehicle assistance services.
- ▶ Contracts between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services – home assistance (House Line).
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services – medical expenses abroad.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services for vehicles – technical assistance.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on legal protection insurance for accounts of ČS.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation - rescue.
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s. and ALIMEX about business cooperation in the field of rental of passenger cars.
- ▶ Three-way agreement between Kooperativa, GLOBAL ASSISTANCE a.s. and Czech Rent a CAR about business cooperation - renting of personal motor vehicles to insured persons.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in connection with legal protection insurance.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services (House Line for the Svaz českých a moravských bytových družstev).
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (phone assistance for Česká spořitelna clients in case of loss, theft of a payment card).
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in the field of assistance services within the product of compulsory insurance against the insolvency of a travel agency.
- ▶ Framework Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. about the conditions of insurance – employee benefits for GA employees, property and motor vehicle insurance.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services (insurance of apartment buildings).
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation – private life insurance of GA employees.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on the provision of assistance services for cyber insurance.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. on cost sharing.
- ▶ Contract between Kooperativa and GLOBAL ASSISTANCE a.s. about cooperation in alternative claims settlement.
- ▶ Agreement between Kooperativa and GLOBAL ASSISTANCE a.s. on preservation of confidential information.

### **Global Expert, s.r.o.**

- ▶ Agreement between Kooperativa and Global Expert, s.r.o. on preservation of confidential information and on processing of personal data.
- ▶ Insurance contracts between Kooperativa and Global Expert, s.r.o. on insurance of property and liability risks.
- ▶ Insurance contract between Kooperativa and Global Expert, s.r.o. on term life insurance with supplementary insurances and possibility of additional insurances.
- ▶ Insurance contracts between Kooperativa and Global Expert, s.r.o. on the accident insurance of the child for one-off premiums.

- ▶ Contracts between Kooperativa and Global Expert, s.r.o. on the lease of non-residential premises and office equipment.
- ▶ Contracts between Kooperativa and Global Expert, s.r.o. on the sublease of non-residential premises and office equipment.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. about mutual cooperation.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on cost sharing.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on the sublease of the business-related premises.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – claims settlement of motor vehicles, property, liability.
- ▶ Contract between Kooperativa and Global Expert, s.r.o. on outsourcing – pre-entry inspection of vehicles.
- ▶ Contracts between Kooperativa and Global Expert, s.r.o. about the loan.

#### **HOTELY SRNÍ, a.s.**

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

#### **KAPITOL, a.s.**

- ▶ Insurance contract between Kooperativa and KAPITOL, a.s. on insurance of property and liability risks.
- ▶ Contract between Kooperativa and KAPITOL, a.s. on business representation.
- ▶ Agreements between Kooperativa and KAPITOL, a.s. about extraordinary commission for financial products.
- ▶ Insurance contracts between Kooperativa and KAPITOL, a.s. on life insurance.
- ▶ Contract between Kooperativa and KAPITOL, a.s. on the protection of business interests - rules of relations to the insurance intermediaries.
- ▶ Contract between Kooperativa and KAPITOL, a.s. on providing access to information systems.
- ▶ Agreement between Kooperativa and KAPITOL, a.s. about private life insurance commissions.
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on the provision of an extraordinary commission.
- ▶ Agreement between Kooperativa and KAPITOL, a.s. on commissions for supplementary pension insurance with state contribution.
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on the lease and sublease of non-residential premises.
- ▶ Contract between Kooperativa and KAPITOL, a.s. about the sublease of business-related premises.
- ▶ Contract between Kooperativa and KAPITOL, a.s. about business representation - business activity.
- ▶ Agreements between Kooperativa and KAPITOL, a.s. about extraordinary commission for life insurance – maintenance of life insurance portfolio.
- ▶ Agreement among Kooperativa, KAPITOL, a.s. and SURPMO, a.s. about the modification of rights and obligations.
- ▶ Contract between Kooperativa and KAPITOL, a.s. on cost sharing.
- ▶ Contracts between Kooperativa and KAPITOL, a.s. about cooperation.
- ▶ Contract between Kooperativa and KAPITOL, a.s. about borrowing of mPOS payment terminals.
- ▶ Agreement between Kooperativa and KAPITOL, a.s. to issue a certificate for accessing the web service.
- ▶ Contracts between Kooperativa and KAPITOL, a.s. about transfer of insurance portfolio.
- ▶ Three-way agreement between Kooperativa, Pojišťovna České spořitelny, a.s., Vienna Insurance Group and KAPITOL, a.s. about termination and amendment of contracts about business representation.
- ▶ Agreements between Kooperativa and KAPITOL, a.s. about extraordinary commission for motor vehicle insurance.
- ▶ Contracts between Kooperativa and KAPITOL, a.s. on lease and sublease of parking space.

#### **Nadace pojišťovny Kooperativa**

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

#### **Main Point Karlín II., a.s.**

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

#### **Obecně prospěšná společnost Kooperativy „v likvidaci“**

- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on the transfer of the exercise of property and use rights.
- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on loan for use of works of art.
- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on cost sharing.
- ▶ Contract between Kooperativa and Obecně prospěšná společnost Kooperativy on providing services.
- ▶ Agreement between Kooperativa and Obecně prospěšná společnost Kooperativy about personal data processing.

#### **Platforma VIZE O, z.ú.**

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

#### **Sanatorium Astoria a.s.**

- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. about the loan.
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. on the provision of relaxation and treatment stays and other services, their realization and payment.
- ▶ Insurance contract between Kooperativa and Sanatorium Astoria a.s. on insurance of property and liability risks.
- ▶ Contract between Kooperativa and Sanatorium Astoria a.s. about rental of advertising space.

#### **S – budovy, a.s.**

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

#### **Slovexperta, s.r.o.**

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

#### **Spockie Towarzystwo Ubezpiecz Ergo Hestia S.A.**

- ▶ The co-insurance or reinsurance share of the company on insurance contracts led by Kooperativa.

#### **SURPMO, a.s.**

- ▶ Contract between Kooperativa, SURPMO, a.s. on the assignment of the contract on the purchase of software and licence support and related contracts.
- ▶ Framework contract between Kooperativa and SURPMO, a.s. about cooperation.
- ▶ Insurance contracts between Kooperativa and SURPMO, a.s. on insurance of property and liability risks.
- ▶ Contracts between Kooperativa and SURPMO, a.s. about lease of non-residential premises.
- ▶ Contract between Kooperativa and SURPMO, a. on facility management of housing fund and related non-residential premises.
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of Kooperativa buildings.
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of the VIG CR Headquarters building.
- ▶ Contract between Kooperativa and SURPMO, a.s. on facility management of Hrůzův Mlýn Training Center.
- ▶ Contract between Kooperativa and SURPMO, a.s. about the lease of Hrůzův Mlýn Training Center.
- ▶ Contract on the assignment of the contract between Kooperativa and SURPMO, a.s. on facility management of Hrabová area.
- ▶ Agreement between Kooperativa and SURPMO, a.s. on information protection.
- ▶ Framework contract between Kooperativa and SURPMO, a.s. about cooperation in activities related to the adjustment of business venues.

- ▶ Agreements between Kooperativa and SURPMO, a.s. about the modification of rights and obligations.
- ▶ Agreement between Kooperativa and SURPMO, a.s. on processing of personal data.
- ▶ Contract between Kooperativa and SURPMO, a.s. about lease of business-related premises.
- ▶ Contract between Kooperativa and SURPMO, a.s. about loan for use of works of art.
- ▶ Contract between Kooperativa and SURPMO, a.s. on real estate management.

#### **VIG FUND, a.s.**

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

#### **VIG ND, a.s.**

- ▶ Contract between Kooperativa and VIG ND, a.s. on sale of movable property.
- ▶ Insurance contract between Kooperativa and VIG ND, a.s. on insurance of property and liability risks.
- ▶ Contract between Kooperativa and VIG ND, a.s. on cost sharing.
- ▶ Contract between Kooperativa and VIG ND, a.s. on lease of non-residential premises.
- ▶ Contracts between Kooperativa and VIG ND, a.s. about the performance of Property Management activities.
- ▶ Contract between Kooperativa and VIG ND, a.s. about the lease of VIG ČR Headquarters.
- ▶ Contract between Kooperativa and VIG ND, a.s. about the loan.
- ▶ Contract between Kooperativa and VIG ND, a.s. about rental of advertising space.

#### **VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe**

- ▶ Reinsurance contracts between Kooperativa and VIG AG.
- ▶ Contracts between Kooperativa and VIG AG on reinsurance cover for insurance of property and liability risks.
- ▶ between Kooperativa and VIG AG on protection of data, personal data and it's processing.
- ▶ Agreement between Kooperativa and VIG AG on preservation of confidential information.
- ▶ Wide Area Network Contract between Kooperativa and VIG AG.
- ▶ Contract between Kooperativa and VIG AG on the use of insurance SAP modules provided by VIG AG.
- ▶ Contract between Kooperativa and VIG AG on data centre services.
- ▶ Contracts between Kooperativa and VIG AG on the use of software license.
- ▶ Contracts between Kooperativa and VIG AG on licensing and maintenance.
- ▶ Contract between Kooperativa and VIG AG related to SAP – New GL Project.
- ▶ Agreement between Kooperativa and VIG AG on cost sharing in Solvency II project.
- ▶ Contract between Kooperativa and VIG AG on the provision of consultancy/counselling.
- ▶ Contract between Kooperativa and VIG AG on services and maintenance.

#### **VIG Asset Management, a.s.**

- ▶ Contract between Kooperativa and VIG Asset Management, a.s. on the sublease of business-related premises.
- ▶ Contract between Kooperativa and VIG Asset Management, a.s. on cost sharing.
- ▶ Contract between Kooperativa and VIG Asset Management, a.s. on outsourcing.

#### **VIG RE zajišťovna, a.s.**

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



## **V. OVERVIEW OF STEPS TAKEN DURING THE LAST ACCOUNTING PERIOD AT THE INSTIGATION OR IN THE INTEREST OF VIG AG OR OTHER VIG GROUP COMPANIES**

In 2020 the dividend in the amount of retained earnings for the accounting period of 2019 was paid to the shareholders of VIG AG and SVZD GmbH.

## **VI. CONFIDENTIALITY OF INFORMATION**

Information and facts that form business secrets of the VIG Group Companies as well as information that has been designated as confidential by any VIG Group Company are deemed confidential within the VIG Group. Furthermore, confidential information also includes any information obtained in the course of trade that could be, in itself or in connection with other information or facts, to the detriment of any of the VIG Group Companies. With a view to avoiding any harm to Kooperativa, this Report does not comprise financial details of any performance or counter-performance under the concluded contracts and agreements.

## **VII. EVALUATION OF THE RELATIONS AND RISKS WITHIN THE VIG GROUP**

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

No harm incurred to Kooperativa based on agreements entered into by and between Kooperativa, on the one

hand, and VIG AG and other VIG Group Companies, on the other hand, or on the basis of other steps taken during the last accounting period in the interest or at the instigation of VIG AG or other VIG Group Companies.

## **VIII. CONCLUSION**

This Report was drawn up by the Board of Directors of the controlled party, Kooperativa pojišťovna, a.s., Vienna Insurance Group, for the period from 1 January 2020 to 31 December 2020 and will be presented for review to the Supervisory Board. Given that Kooperativa is required by law to prepare an annual report, this Report will be attached to it as its integral part. The annual report will be submitted for review to the audit firm KPMG Česká republika Audit, s.r.o.

Dated at Prague, as of this 1th of March 2021



**Ing. Martin Diviš, MBA**

Chairman of the Board of Directors



**Mgr. Martin Laur**

Member of the Board of Directors

# RELATED PARTIES TO VIENNA INSURANCE GROUP AG WIENER VERSICHERUNG GRUPPE. AS OF DECEMBER 31, 2020

Company	Country	The current capital share in %
<b>Consolidated companies</b>		
„BULSTRAD LIFE VIENNA INSURANCE GROUP“ EAD	Bulgaria	100,00
„Grüner Baum“ Errichtungs- und Verwaltungsges.m.b.H.	Austria	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A.	Romania	99,72
ATBIH GmbH	Austria	100,00
Anděl Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A.	Romania	93,98
BTA Baltic Insurance Company AAS	Latvia	100,00
Blizzard Real Sp. z o.o.	Poland	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Businesspark Brunn Entwicklungs GmbH	Austria	100,00
Compania de Asigurari „DONARIS VIENNA INSURANCE GROUP“ Societate pe Actiuni	Moldova	99,99
CAPITOL, akciová spoločnosť	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
CP Solutions a.s.	Czech Republic	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	95,00
Central Point Insurance IT-Solutions GmbH	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,94
Compensa Vienna Insurance Group, akcine draudimo bendrove	Lithuania	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00
DV ImmoHolding GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
DVIB alpha GmbH	Austria	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
INSURANCE JOINT-STOCK COMPANY „BULSTRAD VIENNA INSURANCE GROUP“	Bulgaria	100,00

Company	Country	The current capital share in %
<b>Consolidated companies</b>		
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Insurance Company Nova Ins EAD	Bulgaria	100,00
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia and Herzegovina	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje Vienna Insurance Group	Macedonia	94,26
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
KALVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelőséggű Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kaiserstraße 113 GmbH	Austria	100,00
Kooperativa pojišťovna, a.s. Vienna Insurance Group	Czech Republic	97,28
LD Vermögensverwaltung GmbH	Austria	100,00
LVP Holding GmbH	Austria	100,00
Limited Liability Company „UIIG Consulting“	Ukraine	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Private Joint-Stock Company „Insurance company“ Ukrainian insurance group“	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY „UKRAINIAN INSURANCE COMPANY „KNIAZHA VIENNA INSURANCE GROUP“	Ukraine	99,99
Private Joint-Stock Company „INSURANCE COMPANY „KNIAZHA LIFE VIENNA INSURANCE GROUP“	Ukraine	99,81
PROGRESS Beteiligungsges.m.b.H.	Austria	70,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55
Passat Real Sp. z o.o.	Poland	100,00
Pension Assurance Company Doverie AD	Bulgaria	92,58
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	90,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta Anonim Şirketi	Turkey	94,96
SECURIA majetkovosprávna a podielová s.r.o.	Slovakia	100,00
SIA „Alauksta 13/15“	Latvia	100,00
SIA „Gertrudes 121“	Latvia	100,00

Company	Country	The current capital share in %
<b>Consolidated companies</b>		
SIA „Global Assistance Baltic“	Latvia	100,00
SIA „Urban Space“	Latvia	100,00
SIA “Artilerijas 35”	Latvia	100,00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A.	Albania	89,05
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
T 125 GmbH	Austria	100,00
TBI BULGARIA EAD in Liquidation	Bulgaria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
VIG ND, a.s.	Czech Republic	100,00
VIG Offices 1, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajišťovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
VITEC Vienna Information Technology Consulting GmbH	Austria	51,00
Vienibas Gatve Investments OÜ	Estonia	100,00
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna Life Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group	Poland	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
WIENER RE akcionarsko drustvo za reosiguranje, Beograd	Serbia	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje Beograd	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	Macedonia	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00

Company	Country	The current capital share in %
<b>Consolidated companies</b>		
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta Immoholding GmbH	Austria	100,00
WSV Immoholding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WSVA Liegenschaftbesitz GmbH	Austria	100,00
WSVB Liegenschaftbesitz GmbH	Austria	100,00
WSVC Liegenschaftbesitz GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07
Wiener Osiguranje Vienna Insurance Group ad	Bosnia and Herzegovina	100,00
Wiener Towarzystwo Ubezpiezen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
Wiener osiguranje Vienna Insurance Group dionicko drustvo za osiguranje	Croatia	97,82
arithmetic Consulting GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
CAL ICAL „Globus“	Ukraine	100,00
<b>Companies consolidated using the equity method</b>		
AB Modřice, a.s.	Czech Republic	100,00
AIS Servis, s.r.o.	Czech Republic	100,00
Alpenländische Gemeinnützige WohnbauGmbH	Austria	94,84
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
Bohemia Servis Finance a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00
CPP Servis, s.r.o.	Czech Republic	100,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobrovoljnim mirovinskim fondovima	Croatia	25,30
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H.	Austria	99,77
FinServis Plus, s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gewista-WerbeGesellschaft m.b.H.	Austria	33,00
Global Expert, s.r.o.	Czech Republic	100,00
Global Partner ČR, a.s.	Czech Republic	65,00
HOTELY SRNÍ, a.s.	Czech Republic	100,00
Main Point Karlín II., a.s.	Czech Republic	100,00
NEUE HEIMAT OberAustria Gemeinnützige Wohnungs-und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
Pražská softwarová s.r.o	Czech Republic	100,00
S - budovy, a.s.	Czech Republic	100,00
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH	Austria	100,00

Company	Country	The current capital share in %
<b>Companies consolidated using the equity method</b>		
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
SURPMO, a.s.	Czech Republic	100,00
Sanatorium Astoria, a.s.	Czech Republic	100,00
Towarzystwo Ubezpieczen Wzajemnych „TUW“	Poland	52,16
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
VBV - Betriebliche Altersvorsorge AG (Konzernabschluss)	Austria	25,32
Austriaisches Verkehrsbüro Aktiengesellschaft (Konzernabschluss)	Austria	36,58
<b>Unconsolidated companies</b>		
„Assistance Company „Ukrainian Assistance Service“ LLC	Ukraine	100,00
„Eisenhof“ Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
„Neue Heimat“ Stadterneuerungsgesellschaft m.b.H.	Austria	79,51
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro (Rep.)	100,00
ALBA Services GmbH	Austria	48,87
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
Beesafe Spolka z Ograniczona Odpowiedzialnoscia	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,94
Brunn N68 Sanierungs GmbH	Austria	48,87
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00
CAPITOL CONSULTANCY SERVICES S.R.L.	Romania	99,15
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L.	Romania	99,15
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	97,75
CLAIM EXPERT SERVICES S.R.L.	Romania	99,15
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia	Poland	99,98
DELOIS s. r. o.	Slovakia	98,47
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H.	Austria	100,00
EBS Wohnungsgesellschaft mbH Linz	Austria	24,44
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92
EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW Wohnbau gemeinnützige Ges.m.b.H.	Austria	71,92
Erste Biztositasi Alkusz Kft	Hungary	98,64
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87

Company	Country	The current capital share in %
<b>Unconsolidated companies</b>		
Foreign limited liability company „InterInvestUchastie“	Belarus	100,00
GELUP GmbH	Austria	32,58
GGVier Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co „Beta“ KG	Austria	28,51
Global Assistance Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,21
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99,22
Global Services Bulgaria JSC	Bulgaria	100,00
Hausservice Objektbewirtschaftungs GmbH	Austria	20,72
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Hotel Voltino in Liquidation	Croatia	97,82
Immodat GmbH	Austria	20,72
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
INSHIFT GmbH & Co. KG	Germany	23,53
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczona odpowiedzialnoscia	Poland	49,01
JAHORINA AUTO d.o.o.	Bosnia and Herzegovina	100,00
Joint Stock Company „Curatio“	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	Macedonia	100,00
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
Lead Equities II Auslandsbeteiligungs AG	Austria	21,59
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59
LiSciV Muthgasse GmbH & Co KG	Austria	28,51
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	98,64
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,69
POLISA - ZYCIE Ubezpieczenia Spolka z ograniczona odpowieszalnoscia	Poland	99,97
Privat Joint-Stock Company „OWN SERVICE“	Ukraine	100,00
Projektbau Planung Projektmanagement Bauleitung GesmbH	Austria	54,51
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	51,00
Risk Consult Polska Sp.z.o.o.	Poland	68,15
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	51,00
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Turkey	64,19
Risk Experts Risiko Engineering GmbH	Austria	12,24
Risk Experts s.r.o.	Slovakia	51,00
Risk Logics Risikoberatung GmbH	Austria	51,00
Rößlbergasse Bauteil Drei GmbH	Austria	100,00
Rößlbergasse Bauteil Zwei GmbH	Austria	97,75
S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,15

Company	Country	The current capital share in %
<b>Unconsolidated companies</b>		
S.C. CLUB A.RO S.R.L.	Romania	99,72
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	51,00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
samavu s.r.o	Slovakia	98,47
SB Liegenschaftsverwertungs GmbH	Austria	40,26
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75
serviceline contact center dienstleistungs-gmbh	Austria	97,75
Slovexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	28,51
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	24,93
TBI Info AD	Bulgaria	20,00
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
twinfaktor GmbH	Austria	74,16
UAB „Compensa Life Distribution“	Lithuania	100,00
UNION-Erted Ellatasszervező Kortoltold Felelőségi Tarsaság	Hungary	89,69
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
Vienna International Underwriters GmbH	Austria	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Services GmbH	Austria	100,00
VIG Asset Management, a.s.	Czech Republic	100,00
VIG Management Service SRL	Romania	99,15
VIG Offices, s.r.o.	Slovakia	98,47
VIG Polska Real Estate Spolka z Ograniczona Odpowiedzialnosc	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG ZP, s. r. o.	Slovakia	99,22
VIG/C-QUADRAT Towarzystwo Funduszy Inwestycyjnych SPÓŁKA AKCYJNA	Poland	39,99
VIVECA Beteiligungen GmbH	Austria	100,00
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
WAG Wohnungsanlagen Gesellschaft m.b.H.	Austria	24,44
Wien 3420 Aspern Development AG	Austria	23,92
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WOFIN Wohnungsfinanzierungs GmbH	Austria	20,72
WSBV Beteiligungsverwaltung GmbH	Austria	97,75



# **NON-FINANCIAL PART**

## **1. COMPANY DEVELOPMENT**

Kooperativa focuses on providing profitable products and quality services with high added value for the client. It wants to become a product and idea leader of the market offering a comprehensive system of products and services including all processes starting from prevention through assistance, claim settlement to subsequent assistance. Innovations are based on knowledge of clients' needs and behaviour. Product development also observes and follows changes in society towards digitization, including online sales. The company has also incorporated these principles into its products that are suitable for both traditional and digital distribution, and thus easily accessible to the client.

## **2. RESEARCH AND DEVELOPMENT ACTIVITIES**

Kooperativa directs its activities in the area of research and development primarily to the further development and use of information and communication technologies and the digitization of processes. The goal is the gradual elimination of paper documents, both within the company and in relation to clients. An integral part of it is the effort to be friendly to the environment, which in the conditions of Kooperativa represents a constant effort to reduce energy intensity.

## **3. ENVIRONMENTAL PROTECTION AND DEVELOPMENT OF SOCIAL AND EMPLOYMENT RELATIONS**

By its nature, Kooperativa has a minimal impact on the environment. Thanks to digitization, the development of electronic communication with clients, digital signatures and electronic payments, Kooperativa aims to negotiate contracts without paper, and thus to also reduce the environmental burden. It supports electromobility and alternative car drives, which it also uses in its company fleet. We systematically monitor our carbon footprint and implement solutions to reduce it.

Kooperativa wants to be a sought-after employer. It supports the diversity of employees, which is why Kooperativa fulfills the principles of the European Charter of Diversity, to which it is a signatory. It respects equal opportunities and individual needs of employees regardless of age, gender, health status or family situation. It supports alternative forms of work, for example in the context of the coronavirus pandemic, has strongly prioritized working in the home office regime, which was used by up to 75% of employees during the emergency state. Kooperativa supports diversity across the company, from meetings of the club of women-managers, coaching, through training and workshops to the possibility of using two multifunctional "baby office" rooms (children's corner and office in one).

## **4. ORGANIZATIONAL UNITS OF THE COMPANY ABROAD**

The company has no organizational units abroad.

## **5. INFORMATION ON THE ACQUISITION OF OWN STOCKS OR OWN SHARES**

Kooperativa did not acquire its own stocks or own shares.

## **6. ADDITIONAL REQUIREMENTS ACCORDING TO SPECIAL LEGAL REGULATIONS**

Kooperativa meets the requirements for the line of business - insurance, as set out in particular by the Insurance Act, or the Act on Insurance Intermediaries and Independent Claims Adjusters. No other special requirements are set for its operation.

Detailed information on the CSR and sustainable business strategy is published in the 2020 Non-financial Report, which can be viewed on our [www.koop.cz](http://www.koop.cz) website.

2020