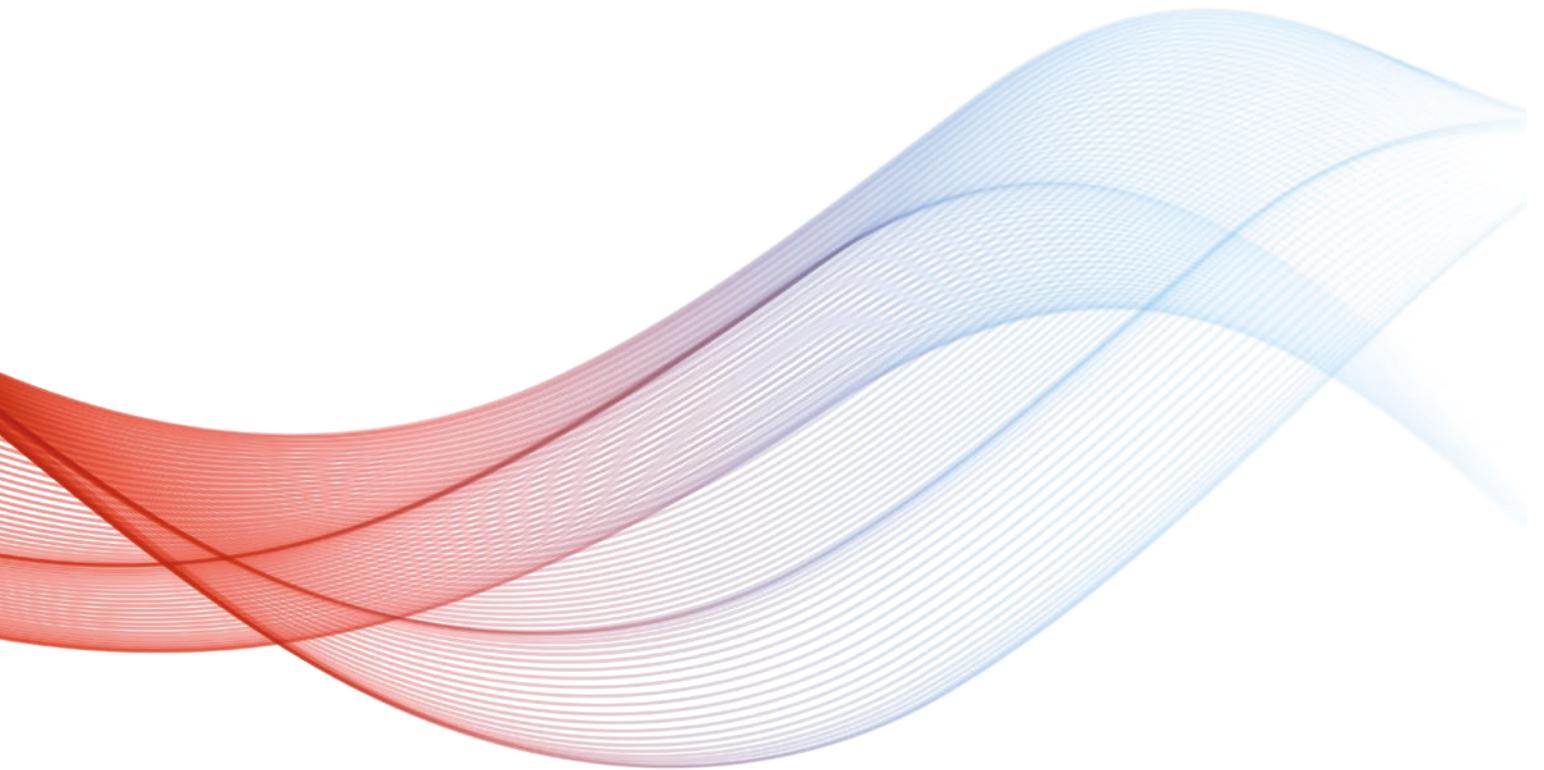


ANNUAL REPORT 2013





2013 ANNUAL REPORT

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

CONTENTS

About the Company	6
Shareholder description	7
Board of Directors and Supervisory Board	9
Introduction by the Chairman of the Supervisory Board	11
Introduction by the Chairman of the Board of Directors	15
Members of the Supervisory Board	18
Members of the Board of Directors	19
Management report	21
Principal indicators of ČPP.....	24
Awards acquired in 2013.....	25
Business activities in 2013.....	26
Internal and external distribution networks, cooperation with business partners	28
Strategy for the year 2014.....	29
Reinsurance.....	29
Human resources	30
Corporate social responsibility	31
Product portfolio in 2013	34
Vienna Insurance Group.....	39
Auditor's report	45
Financial part	51
Balance sheet as at 31/12/2013.....	52
Profit and loss account for the year 2013	57
Statement of changes in equity for the year 2013.....	61
Notes to statutory financial statements as at 31/12/2013	63
Report of the Board of Directors on relations between related parties	102
Appendix to the Report of the Board of Directors on relations between related parties	106
Report of the Supervisory Board	117
Organisational structure	118
List of regional directorates and branch offices	121
Map of contact points	131

ABOUT THE COMPANY

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

(„Česká podnikatelská pojišťovna“ or „ČPP“)

Registered capital: BCZK 1

Registered office: Pobřežní 665/23, 186 00 Praha 8

Client service hotline: 841 444 555

E-mail: pojistovna@cpp.cz

Internet: www.cpp.cz

Identification number: 639 98 530

Gross premiums written BCZK 7.2

Net profit MCZK 451

Motor third-party liability insurance contracts concluded for more than 1 000 000 vehicles

The Company is the third largest provider of MTPL in the Czech Republic.

Life assurance gross premiums written: BCZK 2.2

The share of life assurance gross premiums written on total gross premiums written of ČPP is 30%.

Vienna Insurance Group

Česká podnikatelská pojišťovna is a member of one of the major European insurance groups.

Establishment and incorporation of the Company:

Česká podnikatelská pojišťovna was established on 22 June 1995, and recorded in the Commercial Register on 6 November 1995.

Sole shareholder (since 1 July 2005):

Kooperativa pojišťovna, a.s., Vienna Insurance Group

Pobřežní 665/21, 186 00 Praha 8

Identification number: 471 16 617

**Number of full-time employees of
the Company as at 31 December 2013:**

814

SHAREHOLDER DESCRIPTION

Kooperativa pojišťovna, a.s., Vienna Insurance Group

(„Kooperativa“)

Registered capital: BCZK 3

Registered office: Pobřežní 665/21, 186 00 Praha 8

Client service hotline: 841 105 105

E-mail: info@koop.cz

Internet: www.koop.cz

Identification number: 471 16 617

Net profit MCZK 3 449

Gross premiums written BCZK 31.32

The premiums written for 2013 slightly exceeded the amount of premiums written collected in 2012.

Market share (according to CAS 20.79%)

Kooperativa is the second largest domestic insurance company.

Vienna Insurance Group

Kooperativa is a member of the Vienna Insurance Group, one of the major European insurance groups.

Entry of the company's record in the Commercial Register:

Kooperativa pojišťovna, a.s., Vienna Insurance Group is recorded in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1897.

Shareholder structure (as at 31 December 2013):

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

**Number of full-time employees of
the Company as at 31 December 2013:**

3 809

The background features a series of overlapping, wavy lines in shades of red, pink, and purple, creating a sense of motion and depth. The lines are composed of many thin, parallel strokes, giving them a textured, ethereal appearance. The overall color palette is soft and professional.

**BOARD OF DIRECTORS
AND SUPERVISORY
BOARD**

INTRODUCTION BY
THE CHAIRMAN
OF THE SUPERVISORY
BOARD



The year 2013 was a highly demanding year for the Czech insurance sector and brought with it several challenges. One of the major topics were floods, windstorms and storms which hit the country at the beginning of the summer period. In spite of the fact that the Czech Republic was significantly hit by the raging elements of nature, the local insurance companies managed to settle their obligations towards the clients successfully – as they always did in the past – and they also coped well with the preparations for implementation of the new Civil Code which has brought among others a number of changes relating to the insurance business.

As regards the development of the Czech insurance market, in 2013 we saw its stagnation. None of the major insurance segments showed any significant change in the growth dynamics. The development of gross premiums written basically copied the development of the economic situation in the Czech Republic. Under the statistics of the Czech Insurance Association (CAP), they grew year-on-year by only 0.1% to BCZK 113.9. The life assurance segment reported just a moderate increase in total gross premiums written of 0.4%. In terms of life assurance, primarily the growth dynamics of the revenues from regular premium products decreased year-on-year and they thus could not compensate the decrease in the revenues from single premium products of several years any more. The non-life insurance market reported only a moderate decrease by 0.3% at the end of 2013. As regards the situation in some classes of non-life insurance, such as industrial insurance, we can talk about stagnation but in respect of motor vehicle insurance we must talk about decrease. Motor third-party liability insurance has been the most problematic class of non-life insurance for several years already.

Having said that, I am very pleased that even under such demanding conditions, the successful trend of Vienna Insurance Group in the Czech Republic continued in 2013. The group strengthened its leading position in the market and reached a great market share of 33.1%. In 2013, Česká podnikatelská pojišťovna, Kooperativa and Pojišťovna České spořitelny managed to increase their total gross premiums written to EUR 1.8 billion. The gross premiums written in the Czech Republic, which is as a market of key importance for the group, took approximately a 20% share of the total gross premiums written by VIIG in 2013. The Combined Ratio reached a great result of 91.5% despite the natural catastrophe losses. Profit before tax rose to a record EUR 197.8 million.

ČPP contributed significantly to the performance of VIIG in the Czech Republic. The Company has been constantly growing and since 2005 it has not reported any year-on-year decrease, not even in the years when the whole insurance market reported a decrease. It has a strong position primarily in the MTPL market where it has been ranking number three market player for a long-term already. The results for the year 2013 confirmed that there are also other segments where ČPP has a significant potential. It is e.g. industrial and business insurance where the Company has been growing faster than the insurance market as a whole. Also the life assurance segment succeeded in increasing the gross premiums written and ČPP thus strengthened its position of a strong and reputable company which has rightfully been named among the top ten most successful insurance companies in the Czech market.

We have another successful year behind us. I would like to emphasise that ČPP was successful in coping with all difficulties in the market and difficulties following from competition in the market. I would like to thank the management, the business partners and brokers and primarily all employees for the results achieved. I would also like to express many thanks to our clients – it is obvious that they can appreciate our common determination, thoughts, effort and highly professional performance. We appreciate the trust of our clients very much.



Ing. Martin Diviš, MBA
Chairman of the Supervisory Board

INTRODUCTION BY
THE CHAIRMAN
OF THE BOARD
OF DIRECTORS



The insurance industry is one of the most competitive industrial sectors these days. In spite of the challenging situation in the market and frequent occurrence of natural disasters, ČPP has kept a growing profitability ratio and the year 2013 was definitely one of the most successful ones in its history as we were able to report growth even in those segments where the market has reported stagnation or decrease for a long term already.

The total gross premiums written for 2013 amounted to BCZK 7.2, which is a year-on-year increase of 3.8%. Gross premiums written for non-life insurance grew by 2.8% and for life assurance by 5.4% under the data of Czech Insurance Association. Net profit under CAS was CZK 451 million. ČPP has more than 1.5 million policies in its portfolio and has been providing services to more than 880 000 clients.

The year 2013 was exceptional due to an enormous rise in the number of losses caused by numerous natural disasters. In mid-2013, the Czech Republic was hit by vast floods, windstorm and hailstorm. The total sum of insurance settlements paid exceeded MCZK 310. Although this is historically the highest sum we have ever paid as a result of natural disasters, the raging elements of nature did not have any negative impact on the result of operations thanks to our high-quality reinsurance.

The achieved success combined with great financial results gives the Company a good perspective and increases its future potential. I believe that this success is a result of our invention in terms of new products and quality of our services. If we want to be successful, we must be able to approach the clients. We must know our clients well in order to be able to create a suitable product for them. Our priority is to have satisfied clients and our strategy is to offer simple and innovative products meeting the needs of the clients.

The quality of our products and services is highly appreciated by insurance industry experts. In 2013, ČPP was awarded the 1st place in the Car Insurance category of the Fincentrum Bank of the Year competition. The expert jury evaluated our products as the best MTPL and motor casco insurance products offered in the Czech market. ČPP also achieved success in the Insurance Company of the Year competition organised by the Association of Czech Insurance Brokers where it ranked 3rd in the categories Industrial and Business Insurance, Motor Vehicle Insurance, and Insurance Products for Individuals. In addition, it also ranked 4th in the Life Assurance category.

ČPP is very active in terms of corporate social responsibility. We have been supporting and sponsoring selected non-profit organisations and projects where our help is meaningful and where we can be sure that our help will be provided to those who really need it. Every year, dozens of our employees spend one day helping the non-profit sector within the Social Active Day project, which includes e.g. helping in environmental protection centres, children's homes, homes for senior citizens, or in social and health care facilities.

The year 2013 was dedicated to preparations for the implementation of the new Civil Code. We have used the work on implementing new legal requirements as an opportunity to innovate our products at the same time. We would not have managed to cope with the demands of the year 2013 without the intensive work effort and self-sacrifice of our employees. I would like to thank them for their excellent professional performance in 2013. At the same time, I would like to thank our business partners for the great cooperation and our clients for their confidence.



Ing. Jaroslav Besperát
Chairman of the Board of Directors and Chief Executive Officer

MEMBERS OF THE SUPERVISORY BOARD

Ing. Martin Diviš, MBA

Chairman of the Supervisory Board since 1 April 2013

Dr. Peter Hagen

Vice-chairman of the Supervisory Board since 1 April 2013

Prof. Ing. Jaroslav Daňhel, CSc.

Member of the Supervisory Board since 1 April 2013

Ing. Martina Kapinosová

Member of the Supervisory Board since 1 April 2013

Ing. Pavel Cepek

Member of the Supervisory Board since 1 April 2013

Mag. Roland Gröll

Member of the Supervisory Board since 1 April 2013

Note:

All members of the Supervisory Board, whose mandate had expired, have been re-elected for another five-year period.

MEMBERS OF THE BOARD OF DIRECTORS

Ing. Jaroslav Besperát

Chairman of the Board of Directors and CEO since 17 March 2010

Education: University degree, Czech Technical University (ČVUT)

18 years of experience in the insurance business



Ing. Milan Nidl, MBA

Member of the Board of Directors since 8 January 2009

Education: University degree, technical cybernetics

7 years of experience in the insurance business



Ing. Vít Rozsypal

Member of the Board of Directors since 15 July 2013

Education: University degree, University of Economics

18 years of experience in the insurance business



Ing. František Vlnař

Member of the Board of Directors since 23 November 2010

Education: University degree, Czech Technical University (ČVUT)

12 years of experience in the insurance business



Note:

Mag. Gerhard Lahner terminated his membership in the Board of Directors of Česká podnikatelská pojišťovna, a. s., Vienna Insurance Group in June 2013 (he was a member of the Board of Directors from 1 January 2010). Effective from 15 July 2013, Ing. Vít Rozsypal, director of the financial division and member of the extended Board of Directors, was appointed as a new member of the Board of Directors.

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**MANAGEMENT
REPORT**

The year 2013 had high demands on everyone, not only due to the entire situation in the market and several natural disasters but also due to several legislative changes. Thanks to the enormous work effort and performance of all employees we were successful in meeting our goals and in reaching excellent financial business results. the Company wrote BCZK 7.2 in total gross premiums, the number of its clients reached more than 880 000, and profit after tax was MCZK 451. With its market share of 5.2% (under the data of Czech Insurance Association), ČPP took the 7th place among the insurance companies operating in the Czech insurance market. the registered capital of the Company totals BCZK 1. the total assets of the Company amounted to BCZK 14.2 in 2013 and the technical provisions amounted to BCZK 8.2.

Despite the demanding nature of the year 2013 and the enormous increase in losses resulting from natural disasters, ČPP continued the growth trend of the previous years and successful development of all types of insurance. ČPP keeps its traditionally strong position in terms of motor vehicle insurance, primarily in terms of motor third-party liability insurance. With more than one million insured cars in its database, the Company has been the third biggest market player for a long-term already. in 2013, the market share in the MTPL segment reached 13.1% under the data of Czech Insurance Association. Compared to the market results, ČPP was also successful in terms of motor casco insurance, which reported a year-on-year increase by 6.5% under the data of the Czech Insurance Association. the great success in terms of motor vehicle insurance is primarily due to the product line Autopojištění Combi Plus II. ČPP supported the sale of motor vehicle insurance products by launching a number of campaigns and discounts available to clients with a favourable claims experience.

The amount of life assurance gross premiums written also showed a very positive development and at the end of 2013 it reached BCZK 2.2. While the life assurance market reported a slight decrease, ČPP managed to increase the life assurance premiums written by 5.8% again. Unit-linked assurance has been the leading product in terms of life assurance for years already. in 2013, ČPP offered the products named Evoluce and Štístko, which had proven successful, and further the Exclusive life assurance (výběrové životní pojištění) Maximum Evolution. the interest of the clients in these products can be proven by the fact that the GWP of these insurance products increased year-on-year by 31%. in addition to its own insurance intermediary network, the Company has been realising a significant part of its sales through selected broker companies.

The most successful segment of non-life insurance was insurance of individuals. ČPP has innovated Domex, its successful property and liability insurance product for individuals. the product newly offers broader insurance coverage and several new and interesting riders (supplementary insurances). Industrial and business insurance forms a significant part of ČPP's product portfolio. Not only thanks to the provision

of comprehensive services and an individual approach towards clients but also thanks to a very good cooperation with external business partners and insurance brokers under the data of the Czech Insurance Association, the gross premiums written for industrial and business insurance grew year-on-year by 8.4%. ČPP offers its services not only to big companies but also to small and medium-sized businesses and self-employed persons.

As mentioned above, the year 2013 brought with it an enormous increase in the volume of losses caused by natural disasters, which belong to the major natural disasters in the recent history of the Czech Republic. After the June floods, ČPP settled more than 1 200 claims with total insurance benefits exceeding MCZK 282. the total amount of insurance benefits paid for claims caused by natural disasters was further increased by the claims caused by the windstorm and hailstorm which hit the country in July and August of the year. This windstorm and hailstorm caused another more than 1 000 claims worth MCZK 29.4. Although the new calamity represented another unexpected work load for the Company's loss adjusters, we managed to cope with the extremely demanding event both in terms of process and organisation.

Within the process of preparations for implementation of the new Civil Code, a coordination project was realised across expert and sales departments in 2013, which provided for a Company-wide implementation of the changes following from the new law into all systems, entire correspondence and relating methodologies. the implementation of Solvency II has a significant impact on the setup of processes and operations within the Company. the issue of Solvency II implementation has initiated the establishment of another project which aims next to the calculation of solvency capital itself also at improvement of data quality management. in 2013, the Company continued working on its strategic project of implementing and operating a unified SAP operational system in selected countries within the VIG group. Another two projects of ČPP dealt with use of modern technologies in terms of electronic communication and enhancing the quality of services for both its clients and business partners.

The business results achieved were also reflected in the awards acquired by ČPP. ČPP regularly ranks on the top positions of basically all categories of the prestigious Insurance Company of the Year competition organised by the Association of Czech Insurance Brokers. in 2013, ČPP achieved the biggest success in the Industrial and Business Insurance category, which attracts the most attention, and it was also successful in the Motor Vehicle Insurance category and in the category Insurance Products for Individuals. Jaroslav Besperát, the chairman of the Board of Directors and CEO of ČPP, was awarded the title Manager of the Year in the category Banking Industry, Insurance Industry and Advisory Services and ranked 5th among the Czech top managers. ČPP has become the first ever winner in the Car Insurance category of the Fincentrum Bank of the Year competition.

PRINCIPAL INDICATORS OF ČPP

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group is a universal insurance company which offers to its clients modern products and comprehensive life assurance and non-life insurance solutions.

It has been active on the Czech insurance market since 1995.

With a total number of more than 1 000 000 insured cars in its portfolio, ČPP is the third largest provider of motor third party liability insurance in the Czech Republic.

ČPP administers more than 1.5 million client contracts and provides its services to more than 880 000 clients. In 2013, the gross premiums written of ČPP totalled BCZK 7.2. the registered capital of the Company amounts to BCZK 1.

The Company is an ordinary member of the Czech Insurance Association (CAP), the Czech Bureau of Insurers as well as other associations.

ČPP is reinsured by renowned global reinsurance companies.

Since 2005, ČPP has been a member of one of the major European insurance groups - Vienna Insurance Group. Along with Česká podnikatelská pojišťovna, Vienna Insurance Group also includes the insurance companies Kooperativa and Pojišťovna České spořitelny operating in the Czech Republic.

The Vienna Insurance Group (VIG) with its registered office in Vienna is one of the leading insurance groups in Central and Eastern Europe. the group is represented by Wiener Städtische Versicherung, Donau Versicherung and Sparkassen Versicherung in the Austrian market. Outside its main market in Austria, Vienna Insurance Group is active in Albania, Belarus, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Montenegro, Estonia, Georgia, Croatia, Liechtenstein, Lithuania, Latvia, Hungary, Macedonia, Germany, Poland, Romania, Slovakia, Serbia, Turkey and the Ukraine through ownership interests in insurance companies. Next to these representations, Wiener Städtische Versicherung has branches in Italy and Slovenia and Donau Versicherung has a branch in Italy.

The Group's shares are traded under its international name, Vienna Insurance Group, at the stock exchanges in Vienna and Prague.

Vienna Insurance Group was rated "A+ rating with stable outlook" by Standard&Poor's rating agency.

AWARDS ACQUIRED IN 2013

Manager of the Year

Jaroslav Besperát, chairman of the Board of Directors and Chief Executive Officer of ČPP, was awarded the title Manager of the Year in the category Banking Industry, Insurance Industry and Advisory Services and ranked 5th among the Czech top managers. the competition is organised by the Czech Management Association.



Insurance Company of the Year

The Company achieved the biggest success in the Industrial and Business Insurance category, which attracts the most attention. It defended the great 2nd place from previous year. It was also successful in the Motor Vehicle Insurance category where it ranked 3rd and in the Insurance Products for Individuals category where it ranked 4th. the competition is organised by the Association of Czech Insurance Brokers.



Fincentrum Bank of the Year

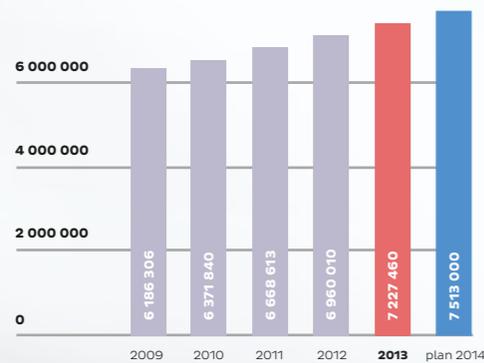
The product offer of ČPP also impressed the expert jury of the Fincentrum Bank of the Year competition. the Company has become the first ever winner in the Car Insurance category. the organiser of the competition is one of the biggest financial advisory companies in the Czech Republic.



BUSINESS ACTIVITIES IN 2013

Total premiums written (TCZK)

In 2013, Česká podnikatelská pojišťovna wrote in total BCZK 7.2 in gross premiums, which is a year-on-year increase of 3.8%. With its market share of 5.2%, ČPP ranked 7th among all insurance companies on the Czech market in 2013.



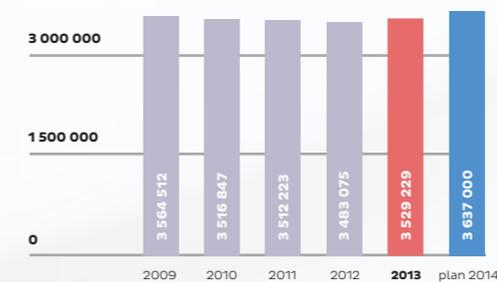
Non-life insurance (TCZK)

The gross premiums written from non-life insurance grew year-on-year by 3%. the most successful non-life insurance segment was the insurance for individuals, which showed a year-on-year increase of 26.7%. ČPP achieved the significant increase in this class of insurance by opting for the right sales policy and product development strategy.



Motor vehicle insurance (TCZK)

ČPP ranked 3rd in the MTPL market with more than one million insured motor vehicles in its portfolio. Under the data of the Czech Insurance Association, ČPP managed to keep its market share in 2013 and its GWP volume for this class of insurance was 13.1%. in terms of motor casco insurance, ČPP showed a growth of 6.5%.



Industrial and business insurance (TCZK)

Industrial and business insurance was one of the most successful classes of non-life insurance in 2013. High-quality tailored insurance coverage is the reason behind the increase of ČPP sales in this segment. Under the data of the Czech Insurance Association, gross premiums written for industrial risks grew year-on-year by 8.4% while the market reported a decrease.



Life assurance (TCZK)

The life assurance GWP grew year-on-year by 5.8%. Compared to the insurance market, ČPP was successful in respect of regular premium products. This segment grew by 5.4%. ČPP succeeded in keeping its share of the Czech life assurance market at 2.7%.



INTERNAL AND EXTERNAL DISTRIBUTION NETWORKS, COOPERATION WITH BUSINESS PARTNERS

In 2013, the organisational structure of the internal sales network was stabilised and the regional structure of the network consists of six regional directorates which are seated in Pilsen, Brno, Hradec Králové, Prague, Ostrava and České Budějovice. the quality of the Company's 94 branch offices was further enhanced by moving five branches into new premises. Two new branch offices were opened in Mělník a Hradec Králové. the performance of the internal network has also increased thanks to the growing share of the sales points of the subsidiary ČPP Servis, s. r. o., which operates seven points of sale at present.

Intensive training and certification of branch office employees in terms of expert knowledge about products and in terms of the selling skills and a mystery shopping have contributed to improvement of the services provided to clients. With the aim to provide its clients with comprehensive services, ČPP included the products offered by Finanční skupina České spořitelny (the Financial Group of Česká spořitelna) into its product range. in addition to the over-the-counter branch offices, ČPP's insurance products are also sold through 86 exclusive insurance offices and approximately 117 points of sale specialising primarily in the class of motor vehicle insurance. Services are provided by insurance intermediaries at these sales points.

Similarly as in the previous years, ČPP cooperated with its long-term partners in the area of selling retail insurance and their cooperation consisted primarily in high-quality service, support and open communication. A major share of sales in terms of life assurance and non-life insurance for individuals was held by Broker Consulting, a.s., Partners Financial Services, a.s. , Bohemia Servis Finance, a.s. and Fincentrum, a.s. in 2013, the Company also intensified its cooperation with Česká průmyslová zdravotní pojišťovna.

In 2013, ČPP achieved record sales generated by the broker channel. the volume of gross premiums written generated by the broker channel increased by 13% to BCZK 2.3. in 2013, the Company cooperated with 435 insurance brokers. Next to the support provided by the Company's headquarters, comprehensive support is provided to the brokers also by the six regional directorates, specifically by special departments which ensure individual care for and communication with the brokers. They are called the corporate clients departments. These departments provide brokers with services covering all insurance products from the Company's product portfolio. Thanks to this business cooperation model, ČPP has been reporting constant increase in production.

STRATEGY FOR THE YEAR 2014

In the context of the current development and competition in the market, ČPP considers establishment of long-term relationships with clients the biggest challenge and the most important factor of future success. ČPP plans to constantly improve its products and services and to continue developing products and services which meet the individual requirements and needs of the clients.

- gross premiums written: MCZK 7 513
- increase in market share of the Czech insurance market
- further increase in effectiveness and optimisation of internal processes in relation to the new legal environment following from the new Civil Code and other related new laws and legal regulations
- regular product innovation according to the changing needs and interests of clients
- using the cross-selling effect when selling products
- further development of product sales via a SW system for concluding insurance contracts
- intensification of the cooperation with broker companies and external partners
- support for projects aimed at improving the quality of life in the society and sustainable development

REINSURANCE

In 2013, the reinsurance programme of ČPP was based on the strict rules of the VIG group in terms of reinsurance capacity, amount of own retention and choice of the reinsurance partners. the conservative approach to determining the amount of own retentions had positive impact on the Company's results as the losses caused by natural disasters have effected the result of operations only to a minimum extent. An import indicator when choosing the reinsurers is the rating from the Standard&Poor's rating agency. Most reinsurers had a minimum rating on the level of A+. the leading reinsurer of the property reinsurance contract was SCOR and the leading reinsurer of the liability reinsurance contract was Munich Re. Catastrophic risks were reinsured with the group's reinsurer VIG Re. in terms of modelling the exposure to catastrophic risks and determining the capacity of reinsurance coverage, ČPP used the services of the top global reinsurance broker AON Benfield.

HUMAN RESOURCES

As regards industrial relations, ČPP concentrated primarily on development of and support to its employees, rise in motivation, loyalty and the setup of the new educational programme concept. With a financial support from the European Social Fund (ESF), ČPP launched a long-term project titled Through education to professionalism in 2013. ČPP strives to provide its employees with an opportunity to continually develop their professional skills in compliance with their personal abilities and with the aim to use their capabilities and potential to meet the business objectives of the Company up to a maximum level. The basic strategy of the employer is to build a long-term professional relationship with its employees and with its clients. The corporate culture is based on openness in communication, personal accountability, mutual cooperation and confidence. An integral part of the corporate culture of ČPP are equal opportunities at the workplace and a fair approach to the employees. At the end of 2013, ČPP had 814 full-time employees. The employer fulfilled its commitments for the year 2013, which follow from the Collective Agreement concluded for the years 2013 – 2014. ČPP provides a large scale of both financial and non-financial benefits to its employees. ČPP puts emphasis on improving the quality of the work environment while observing the safety at work principles, and on a regular and contractually arranged health care for its employees, which includes also above-the-standard preventive care programmes.

CORPORATE SOCIAL RESPONSIBILITY

Corporate social responsibility has become an integral part of the Company's corporate culture and concept of managing corporate processes. In accordance with this approach, ČPP provides both significant financial and non-material support to cultural, charity and sports projects. Activities connected with environmental protection, economy and social work also form an integral part of corporate social responsibility. An important part of the corporate social responsibility concept is the Social Active Day project within which employees can dedicate one working day to helping a non-profit organisation. In 2013, 159 employees participated in this project as volunteers. ČPP is also involved in various events within the society outside the above mentioned CSR projects - e.g. its employees helped with removing the consequences of the June 2013 floods. ČPP is also aware of the importance of projects intended to raise financial literacy of people, and therefore its experts participate in the relevant educational programmes. As it follows from the corporate policy and culture, the Company has been applying an environment-friendly approach and motivating its employees to adopt such approach as well. During its operations, it observes the environmental protection principles and meets the requirements stipulated in the Czech legal regulations.

MAJOR CSR PROJECTS AND SPONSORSHIP ACTIVITIES IN 2013

CHARITY

Tereza Maxová Foundation

Médea Kultur

- this society creates programmes informing about primary drug prevention

Foundation of Policemen and Fire fighters – mutual help in need (Nadace policistů a hasičů)

- this foundation provides for dignified life conditions of the families of policemen and fire fighters, who died or became handicapped in service

Association of Fire fighters of Bohemia, Moravia and Silesia (Sdružení hasičů Čech, Moravy a Slezska)

- the association provides support to volunteer fire brigades

o. s. Náruč – Modrý domeček, Řevnice

- this civic society supports integration of disadvantaged groups of citizens into the society

Pferda

- this association supports a multilateral development of mentally handicapped people

CULTURE

Divadlo Broadway

- partner of the theatre

Divadlo Na Jezerce

- partner of the theatre

Cleopatra Musical

- partner of the musical

Kmochův Kolín

- support provided to the international festival of brass music orchestras

Oldšava, o. s.

- support provided to the project Folklore roots without frontiers

SPORT

SK Slavia Praha

- support provided to the premier league football club

CU Bohemians Praha

- support for the football club

FK Baumit Jablonec

- support for the football club

CS SKI

- support provided to the cross-country team of the Czech Ski Association

SK Aritma Praha, o. s.

- support for the basketball team

VK Dukla Liberec

- support for the volleyball club

Sport Invest Marketing

- support provided to the volleyball players Kristýna Kolocová and Markéta Sluková

PRODUCT PORTFOLIO IN 2013

NON-LIFE INSURANCE

In 2013, the non-life insurance market was stagnating. The development in this market segment was negatively affected by the situation in respect of motor vehicle insurance. At the end of 2013, however, the impact of a change in premium rates began to be visible and it led to a slow-down of the drop in MTPL and motor casco insurance. ČPP reported a total increase by 3% to BCZK 5 in 2013. A year-on-year increase in gross premiums written was reported primarily in respect of insurance products for individuals and industrial and business insurance.

Motor vehicle insurance

In spite of a slow-down of the drop in gross premiums written in 2013 to -1%, the MTPL market reported a record technical loss of -5%. This loss reflects the total sum of insurance benefits paid which amounted to 87% of gross premiums written. In this context, the decrease in gross premiums written of ČPP by approx. 0.6% is a satisfactory result. With more than one million insured cars in its portfolio, the Company is the third largest player in the MTPL market. Under the data of the Czech Insurance Association, the market share of ČPP in the MTPL segment reached 13.1% in 2013. There was a similar situation in the motor casco insurance market where the premium rates already cease to correspond to the costs of insurance coverage. Year-on-year, the market decreased slightly less,

from -2.1% in 2012 to -1.1% in 2013. Compared to the market, ČPP reported significantly better results in respect of this class of insurance. In 2013, the gross premiums written grew year-on-year by 6.5% under the data of the Czech Insurance Association. In spite of the ever fiercer competition in the motor vehicle insurance market, ČPP was very successful and wrote gross premiums exceeding BCZK 3.5 in 2013.

In 2013, ČPP continued offering the successful product line Autopojištění Combi Plus II, which consists of various options of motor third party liability insurance, motor casco insurance and a number of riders. This set allows the client to assemble its own insurance by combining a number of insurance risks, and thus not only to ensure high-quality risk coverage but also to optimise his investment in motor vehicle insurance. For drivers considering an investment in a motor casco policy, conclusion of a rider offered by ČPP can be an interesting option. They can conclude e.g. a natural catastrophe rider, a car windscreen rider, an accident or passenger death rider, a damage of the vehicle due to collision with an animal rider or a baggage theft rider etc. They can also conclude the service of direct settlement of a claim.

ČPP regularly supports the sale of motor vehicle insurance products by launching interesting campaigns. In spring 2013, the drivers who concluded insurance for their car with ČPP got several bonuses at once. These bonuses included a free-of-charge

trailer rider or a moped rider, further a free-of-charge accidental insurance for the vehicle's driver and last but not least travel insurance for the whole year. Another bonus offered was a voucher for conclusion of property or accidental insurance. In the autumn, the bonuses offered were extended by child car seat insurance, including accidental insurance for the child. As for product development, the major change was the introduction of taking photographs of all vehicles for which motor casco insurance or natural catastrophe insurance has been concluded and introduction of stricter criteria for the technical inspection of the motor vehicle when concluding motor casco insurance. However, the key activities in 2013 were aimed at creating a new product and at creating all relevant underlying documents and processes connected with transition to the new legislation included in the new Civil Code (Act No. 89/2012 Coll.) and in the amendment to the Motor Third-Party Liability Insurance Act (Act No. 168/1999 Coll.).

Car fleet insurance is an individual section of motor vehicle insurance. It better meets the needs of medium-sized and big clients. The basic principle of this insurance product is an individual approach at contract conclusion. Since the beginning of 2013, the Company has been successful in selling its new product Flotilové autokomplexní pojištění FAP (Comprehensive fleet insurance FAP). At the end of 2013, this product accounted for almost 40% of the total fleet insurance portfolio. The price of the product reflects the number

of vehicles insured, insurance penetration, previous claims experience and other criteria. Within one fleet, the individual vehicles can have a different combination of insurance risks covered, different insurance settlement retention (excess) or different riders.

In 2013, ČPP registered 40 000 claims from MTPL insurance and more than 35 000 claims relating to motor casco insurance. A significant year-on-year increase was reported primarily in respect of motor casco insurance (+7.2%), which was due mainly to a growth of the portfolio. On the contrary, the number of registered claims in respect of MTPL insurance slightly decreased (-1.4%). The objective of the motor vehicle claims settlement division is to settle as many claims as possible through the network of contractual autoservices as only in this way it is possible to ensure further enhancement of quality of the entire process thanks to damage recalculation and direct communication between the contractual autoservice, Global Expert and the loss adjuster, primarily a reduction of the time necessary for the settlement of a claim. Also for these reasons, in 2013 there was a year-on-year increase of 7% in terms of settled claims.

Insurance for individuals

We can follow a significant trend of an increase in the demand for property insurance for individuals as a result of the increasing frequency of natural

disasters (catastrophes). the increase in the volume of gross premiums written from this class of insurance in the past years has confirmed this trend. in 2013, the Company succeeded in increasing gross premiums written from non-life insurance for individuals by 26.7% to MCZK 284.

The increase in sales for 2013 was achieved thanks to the successful product line Domex which offers property and liability insurance for individuals and the Bytex product which is intended as insurance of apartment houses owned by individuals. These insurance products are based on the building set system under which the client opts at his own discretion for those risks to which he feels to be exposed. the basic insurance coverage includes automatically e.g. windstorm and hail, and the insurance against floods and inundation is a separate and facultative rider both to the basic and extended product option.

Every year, ČPP offers new services and bigger extent of insurance coverage to its clients. the creation of insurance products in 2013 was also influenced by the long-prepared recodification of the private law which had a significant impact on all insurance-technical documents. It was necessary to adjust all products to the new legal regulations and to implement all changes into the contractual terms and conditions.

ČPP offered Standard and Komplet travel insurance value packages for both tourist trips and business trips all over the world. in addition to these products, ČPP also offered special winter sports insurance.

Industrial and business insurance

In 2013, there was a continued pressure in the market on decreasing the premium rates which was reflected by a decrease of the whole market (-0.9%). This unfavourable development, however, did not stop the growth trend of ČPP which had begun in the previous years already. Gross premiums written exceeded the amount of BCZK 1 and year-on-year it exceeded the level for the year 2012 by 8.4% under the data of the Czech Insurance Association.

ČPP offers its services not only to big companies but also to small and medium-sized businesses and self-employed persons. the package named Podnikatel Plus is designed for persons carrying on a trade and for small businesses. Small and medium-sized businesses can make use of the broad and high-quality insurance coverage of the product Komplex. ČPP's standard product offer also includes a broad range of specialised products, such as the General Liability Insurance, Professional Liability Insurance, and Financial Capacity Loss Insurance for Carriers, etc. the insurance products against special risks offered by ČPP include insurance of failure to hold an event, both a cultural, society or a sports event, or risks connected with shooting a short advertising shot or a full-length film, with holding theatre performances or music festivals.

ČPP is one of the few insurance companies in the market which offer the compulsory insurance of a guarantee for the case of insolvency to travel agencies without which a travel agency is not allowed to carry on its business.

LIFE ASSURANCE

In 2013, the life assurance contract production grew by 41.2% (an increase in the volume of gross premiums written generated from newly concluded contracts). While the Czech life assurance market was stagnating (+0.4%), ČPP managed to increase its GWP year-on-year by 5.8% to BCZK 2.2. We believe that this increase is due to the increase in average premiums per contract, not only thanks to a larger range of risks covered but also thanks to a higher number of persons insured under one insurance contract.

Ordinary premium (both regular and single premium) grew by 2.8%. Compared to the market, which grew by 0.7%, ČPP reported a growth of 5.4% in terms of regular premium products which is an important market segment. Top-up premiums grew year-on-year by 10.7%, which is an evidence of the clients' continued trust in the stable financial standing of ČPP. Thanks to these results, the Company provided for a life assurance market share of 2.7%, which is 11th place among insurance companies. the share of life assurance of the entire gross premiums written by ČPP is 30.8%.

In 2013, the clients' interest still belonged primarily to unit-linked assurance. the unit-linked assurance products offered by ČPP were EVOLUCE and ŠTÍSTKO, Exclusive life assurance (Výběrové životní pojištění) MAXIMUM EVOLUTION and OK1. More and more clients prefer the combination of risk insurance and individual investments which enables them to achieve higher yield than in respect of the guaranteed endowment assurance products. the gross premiums written in this segment grew by 31% compared to 2012.

Also endowment assurance products have their stable place in the offer of ČPP, represented by Filip PLUS. in addition to the basic capital and risk components, this product also offers a broad range of riders covering other risks, e.g. accidents or illnesses, and thus provide the client with comprehensive risk coverage. in terms of single premium products, the Company continues offering the product GARANT 2.7%.

Accident insurance can be concluded as a separate product or as a rider attached to life assurance or non-life insurance. ČPP offers Rodinné úrazové pojištění MOZAIKA (Family Accidental Insurance MOZAIKA) within its product offer. Rodinné úrazové pojištění Mozaika (Family Accident Insurance Plan Mozaika) is determined as an insurance coverage for both adults and children and it comprises individual insurance, group insurance and the so-called family insurance. As for health insurance, the product portfolio still includes the HOSPITALIZACE product – Hospitalisation daily allowance insurance used to cover a hospitalisation.

In July 2013, the technical interest rate was reduced as a result of legislative changes. With regard to the awaited new Civil Code, the Company had to adjust all products in terms of actuarial changes and legislative changes. ČPP used this duty following from the law also as an opportunity for further innovation of its life assurance products.

The background features a series of overlapping, wavy lines in shades of blue and red, creating a sense of motion and depth. The lines are composed of many thin, parallel strands, giving them a textured, fabric-like appearance. The colors transition from a light blue on the left to a soft red on the right, with a white space in the center where the text is located.

**VIENNA INSURANCE
GROUP**

VIENNA INSURANCE GROUP

Vienna Insurance Group (VIG) has been one of the leading listed insurance groups in Austria and Central and Eastern Europe for years. Approximately 23,000 employees in around 50 Group companies in 24 countries generated about EUR 9.2 billion in premiums in 2013. As the leading insurance company in its core markets, Vienna Insurance Group provides its customers with an outstanding portfolio of products and services in all segments of life and non-life insurance.

At home in both Austria and Central and Eastern Europe

During a long history steeped in tradition – the Company's roots reach back to the year 1824 in Austria – VIG has successfully overcome all of the challenges of history, and has often taken on a pioneering role. This was the case in 1990, when Wiener Städtische became one of the first Western European insurance companies to recognise the exciting growth opportunities in Central and Eastern Europe and take a chance on entering the market in the former Czechoslovakia. That was the starting point for further expansion. Hungary followed in 1996, Poland in 1998, Croatia in 1999 and Romania in 2001 – to mention just a few examples. VIG now operates in 24 markets and is proud of its broad geographical orientation.

Number one in its core markets

In addition to Austria, VIG's core markets are the Czech Republic, Slovakia, Poland, Romania, Bulgaria, Croatia, Hungary, Serbia and the Ukraine. VIG's market share of approximately 18% makes it the number one insurance company

in these markets, and VIG is working continuously to further consolidate this position.

More than half of all premiums written in 2013 came from markets in the CEE region, which provides impressive proof of VIG's successful expansion strategy. Indeed, given the economic convergence process taking place in Central and Eastern Europe and the increased need for insurance coverage it brings, this region will continue to grow in importance.

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

24 markets, one objective: to continue the mutual success

In spite of the wide range of customer requirements and conditions in its individual markets, VIG has one common objective everywhere: to continue its business success by providing customers with the best possible insurance protection. This places a great responsibility on VIG, and the VIG Group companies are fully dedicated to meeting this responsibility, using professional, forward-looking advisory services and a flexible product portfolio. The use of a broad network of service centres and a variety of distribution channels ensures the customer proximity that this requires. At the same time the Group relies on established regional brands that are brought under the Vienna Insurance Group umbrella without losing their own identity or individual strengths. This is because it is

the individual strengths and advantages of these companies that make VIG a strong family.

Stability based on binding values and a focus on core competences

Vienna Insurance Group is a progressive and highly risk-conscious insurer. Its activities are fully focused on its core business – the insurance business. However, Vienna Insurance Group offers various forms of security to more than its customers. Security in the form of reliability, trustworthiness and solidarity also receives top priority in dealings with business partners, employees and shareholders. Ethical values such as honesty, integrity, leadership in matters large and small, diversity, equal opportunity and customer-orientation form the basis for all business decisions.

This fundamental approach is confirmed not only by a strategy of continuous sustainable growth, but also excellent creditworthiness. In June 2013, the rating agency Standard & Poor's confirmed its rating of A+ with a stable outlook, making VIG the best rated company in the ATX leading index of the Vienna Stock Exchange.

VIG and Erste Group – two strong partners

In 2008, two leading financial service providers in Central and Eastern Europe – VIG and the Erste Group – decided to further increase their success by working together. They therefore entered into a long-term strategic partnership that benefits both of them: Erste Group branches distribute VIG insurance products, and in return VIG companies offer Erste Group bank products.

Strong stock exchange presence, long-term principal shareholder

VIG's shares have been listed on the Vienna Stock Exchange since 1994. Its market capitalisation of more than EUR 4.6 billion at the end of 2013 makes it one of the largest listings on the exchange. It has also had a secondary listing on the Prague Stock Exchange since February 2008, which once again emphasises the great importance the Central and Eastern European region has for the Group.

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

Strong team, attractive employer

„Our success is based on people“ – in addition to forming the basis for VIG's business success, this concept also guides its people management and thereby determines its position as an attractive employer. VIG develops and supports the know-how of its approximately 23,000 employees and their readiness to provide top performance. Identifying and developing the individual skills that each person brings to VIG's large team is particularly important, and a wide variety of training and advanced training opportunities, international exchange programmes and international cooperations exist within the Group to ensure that this happens.

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

Welcome to the family of
VIENNA INSURANCE GROUP AG
 Wiener Versicherung Gruppe



AUSTRIA

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

onau
 VIENNA INSURANCE GROUP

S-VERSICHERUNG
 VIENNA INSURANCE GROUP

SLOVAKIA

Kooperativa
 VIENNA INSURANCE GROUP

KOMUNÁLNA poisťovňa
 VIENNA INSURANCE GROUP

POISŤOVŇA SLOVENSKEJ ŠPORTECNE
 VIENNA INSURANCE GROUP

BULGARIA

BULSTRAD
 VIENNA INSURANCE GROUP

Life BULSTRAD
 VIENNA INSURANCE GROUP

UKRAINE

КНЯЖА
 VIENNA INSURANCE GROUP

ГЛОБУС
 VIENNA INSURANCE GROUP

ЮПІТЕР
 VIENNA INSURANCE GROUP

УКРАЇНСЬКА СТРАХОВА ГРУПА
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ALBANIA

SIGMA
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interalbanian
 VIENNA INSURANCE GROUP

INTERSIG
 VIENNA INSURANCE GROUP

ITALY BRANCH

WIENER STÄDTISCHE
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onau
 VIENNA INSURANCE GROUP

POLAND

COMPENSA
 VIENNA INSURANCE GROUP

InterRisk
 VIENNA INSURANCE GROUP

BENEFIA
 VIENNA INSURANCE GROUP

CROATIA

WIENER OSIGURANJE
 VIENNA INSURANCE GROUP

ERSTE OSIGURANJE
 VIENNA INSURANCE GROUP

ESTONIA

COMPENSA
 VIENNA INSURANCE GROUP

MACEDONIA

ОСИГУРУВАЊЕ МАКЕДОНИЈА
 VIENNA INSURANCE GROUP

WINNER
 VIENNA INSURANCE GROUP

Life WINNER
 VIENNA INSURANCE GROUP

SLOVENIA BRANCH

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

POLISA-ŽYCIE
 VIENNA INSURANCE GROUP

HUNGARY

UNION BIZTOSÍTÓ
 VIENNA INSURANCE GROUP

ERSTE BIZTOSÍTÓ
 VIENNA INSURANCE GROUP

LATVIA

COMPENSA
 VIENNA INSURANCE GROUP

MONTENEGRO

Život WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

CZECH REPUBLIC

Kooperativa
 VIENNA INSURANCE GROUP

ČPP
 VIENNA INSURANCE GROUP

POJIŠŤOVNA ČESKÉ ŠPORTELNY
 VIENNA INSURANCE GROUP

VIG Re

ROMANIA

OMNIASIG
 VIENNA INSURANCE GROUP

ASIROM
 VIENNA INSURANCE GROUP

DE VIATA BCR ASIGURARI
 VIENNA INSURANCE GROUP

SERBIA

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

LITHUANIA

COMPENSA
 VIENNA INSURANCE GROUP

BOSNIA HERZEGOVINA

JAHORINA OSIGURANJE
 VIENNA INSURANCE GROUP

VIG Re

DE VIATA BCR ASIGURARI
 VIENNA INSURANCE GROUP

SERBIA

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

BELARUS

КУПАЛА
 VIENNA INSURANCE GROUP

GERMANY

InterRisk
 VIENNA INSURANCE GROUP

VIG Re

DE VIATA BCR ASIGURARI
 VIENNA INSURANCE GROUP

SERBIA

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

GEORGIA

GPI
 VIENNA INSURANCE GROUP

IRAO
 VIENNA INSURANCE GROUP

LIECHTENSTEIN

VIENNA-LIFE
 VIENNA INSURANCE GROUP

VIG Re

DE VIATA BCR ASIGURARI
 VIENNA INSURANCE GROUP

SERBIA

WIENER STÄDTISCHE
 VIENNA INSURANCE GROUP

TURKEY

RAYSIGORTA
 VIENNA INSURANCE GROUP

LIECHTENSTEIN

VIENNA-LIFE
 VIENNA INSURANCE GROUP

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AUDITOR'S
REPORT



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Internet www.kpmg.cz



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

Financial Statements

On the basis of our audit, on 3 March 2014 we issued an auditor's report on the Company's statutory financial statements, which are included in this annual report, and our report was as follows:

"We have audited the accompanying financial statements of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, which comprise the balance sheet as of 31 December 2013, and the income statement and the statement of changes in equity for the year then ended, and the notes to these financial statements including a summary of significant accounting policies and other explanatory notes. Information about Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group is set out in Note 1 to these financial statements.

Statutory Body's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group as of 31 December 2013, and of its financial performance for the year then ended in accordance with Czech accounting legislation."

Report on Relations

We have reviewed the factual accuracy of the information disclosed in the report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for the year ended 31 December 2013 prepared in accordance with the applicable provisions of Act No. 513/1991 Coll., the Commercial Code. The responsibility for the preparation and factual accuracy of this report rests with the Company's statutory body. Our responsibility is to express our view on the report on relations based on our review.

We conducted our review in accordance with Auditing Standard No. 56 of the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain limited assurance as to whether the report on relations is free of material misstatement. A review is limited primarily to inquiries of the Company's personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the report on relations and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that would lead us to believe that the report on relations between the controlling entity and the controlled entity and between the controlled entity and entities controlled by the same controlling entity of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group for the year ended 31 December 2013 contains material factual misstatements.

Annual Report

We have audited the consistency of the annual report with the audited financial statements. This annual report is the responsibility of the Company's statutory body. Our responsibility is to express our opinion on the consistency of the annual report with the audited financial statements based on our audit.

We conducted our audit in accordance with the Act on Auditors and International Standards on Auditing and the relevant guidance of the Chamber of Auditors of the Czech Republic. Those standards require that we plan and perform the audit to obtain reasonable assurance that the information disclosed in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the audited financial statements. We believe that the audit we have conducted provides a reasonable basis for our audit opinion.

In our opinion, the information disclosed in the annual report is, in all material respects, consistent with the audited financial statements.

Prague
20 June 2014

KPMG Česká republika Audit

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

Gascoigne

Roger Gascoigne, FCA
Partner

Benešová

Ing. Romana Benešová
Partner
Licence number 1834

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**FINANCIAL
PART**

BALANCE SHEET AS AT 31 DECEMBER 2013

(TCZK)

Description	2013 Gross	2013 Adjustment	2013 Net	2012 Net
I. ASSETS				
A. Receivables for subscribed registered capital				
B. Intangible fixed assets, thereof	227 552	190 713	36 839	30 795
a) Incorporation expenses				
b) Goodwill				
C. Financial placements (investments)	11 198 036		11 198 036	11 077 482
I. Land and buildings (real estate), thereof	6 466		6 466	6 612
a) Land and buildings - self-occupied	6 466		6 466	6 612
II. Investments in affiliated undertakings and participating interests	304 965		304 965	304 840
1. Participating interests with controlling influence	304 965		304 965	304 840
2. Debt securities issued by, and loans to, undertakings - controlling influence				
3. Participating interests with significant influence				
4. Debt securities issued by, and loans to, undertakings- significant influence				
III. Other financial placements	10 886 605		10 886 605	10 766 030
1. Shares and other variable-yield securities other participating interests	775 747		775 747	609 680
2. Bonds and other fixed-income securities	9 577 220		9 577 220	9 817 793
a) bonds and other fixed-income securities valued at fair value through profit and loss	2 302 759		2 302 759	2 444 063
b) "OECD" bonds held to maturity	6 179 300		6 179 300	6 318 539
c) other bonds and other fixed-income securities held to maturity	1 095 161		1 095 161	1 055 191
3. Financial placements in investment associations				
4. Other loans				28 730
5. Deposits with financial institutions	525 002		525 002	308 801
6. Other financial placements	8 636		8 636	1 026
IV. Deposits with ceding undertakings				
D. Financial placements for the benefit of life assurance policyholders who bear the investment risk	1 026 315		1 026 315	759 673

52

Description	2013 Gross	2013 Adjustment	2013 Net	2012 Net
E. Debtors	1 029 280	375 244	654 036	661 865
I. Receivables arising from direct insurance operations	837 864	373 290	464 574	513 448
1. Receivables due from the policyholders, thereof	598 012	155 604	442 408	486 416
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
2. Receivables due from intermediaries, thereof	239 852	217 686	22 166	27 032
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
II. Receivables arising from reinsurance operations, thereof	155 206		155 206	110 777
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
III. Other receivables, thereof	36 210	1 954	34 256	37 640
a) Receivables due from entities in which the Company has a controlling influence				
b) Receivables due from entities in which the Company has a significant influence				
F. Other assets	199 761	115 660	84 101	70 938
I. Tangible fixed assets other than land and buildings (real estate), and inventories	150 714	115 660	35 054	33 257
II. Cash on accounts in financial institutions and cash in hand	49 047		49 047	37 681
III. Other assets				
G. Temporary asset accounts	1 177 820		1 177 820	977 783
I. Accrued interest and rent	1 731		1 731	2 298
II. Deferred acquisition costs	1 008 672		1 008 672	863 948
a) in life-assurance business	687 820		687 820	550 924
b) in non-life insurance	320 852		320 852	313 024
III. Other temporary asset accounts, thereof	167 417		167 417	111 537
a) Estimated receivables	12 865		12 865	14 162
TOTAL ASSETS	14 858 764	681 617	14 177 147	13 578 536

53

Description	2013			2012
II. LIABILITIES				
A. Equity	2 340 703			2 369 290
I. Registered capital, thereof	1 000 000			1 000 000
a) Changes in registered capital				
II. Share premium				
III. Revaluation fund				
IV. Other capital funds	74 404			115 328
V. Statutory reserve fund and other funds from profit	116 059			90 181
VI. Profit or loss brought forward	698 868			656 531
VII. Profit or loss for the financial year	451 372			507 250
B. Subordinated liabilities				
C. Technical provisions	8 217 519			8 196 158
1. Provision for unearned premiums				
a) gross amount	1 475 278		1 434 154	
b) reinsurance share (-)	512 811	962 467	482 150	952 004
2. Life assurance provision				
a) gross amount	4 039 574		3 671 080	
b) reinsurance share (-)	4 039 574		3 671 080	
3. Provision for outstanding claims				
a) gross amount	4 864 086		4 556 672	
b) reinsurance share (-)	2 216 780	2 647 306	1 661 579	2 895 093
4. Provision for bonuses and rebates				
a) gross amount	55 493		43 519	
b) reinsurance share (-)	7 426	48 067	11 449	32 070
5. Equalization provision				
a) gross amount				
b) reinsurance share (-)				
6. Other technical provisions				
a) gross amount				
b) reinsurance share (-)				

Description	2013			2012
7. Provision for liabilities from the technical interest rate applied				
a) gross amount				
b) reinsurance share (-)				
8. Non-life insurance provision				
a) gross amount	895		742	
b) reinsurance share (-)	447	448	371	371
9. Provisions for liabilities of the Bureau				
a) gross amount	519 657		645 540	
b) reinsurance share (-)	519 657		645 540	
D. Life assurance technical provision where the investment risk is borne by the policyholders				
a) gross amount	1 026 315		759 673	
b) reinsurance share (-)	1 026 315		759 673	
E. Provisions	76 830		79 445	
1. Provisions for pensions and similar obligations				
2. Provisions for taxation	44 732		49 277	
3. Other provisions	32 098		30 168	
F. Deposits received from reinsurers	1 414 733		1 244 460	

Description	2013	2012
G. Creditors	437 431	448 907
I. Payables arising from direct insurance operations, thereof	269 160	247 770
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
II. Payables arising from reinsurance operations, thereof	60 617	58 325
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
III. Debenture loans		
a) Payables to entities in which the Company has a controlling influence, thereof		
aa) Convertible loans		
b) Payables to entities in which the Company has a significant influence, thereof		
ba) Convertible loans		
IV. Amounts owed to credit institutions, thereof		
a) Payables to entities in which the Company has a controlling influence		
b) Payables to entities in which the Company has a significant influence		
V. Other payables, thereof	107 654	142 812
a) Tax liabilities and payables due to social security and health insurance institutions	40 970	51 053
b) Payables to entities in which the Company has a controlling influence		
c) Payables to entities in which the Company has a significant influence		
VI. Guarantee Fund of the Bureau		
H. Temporary liability accounts	663 616	480 603
I. Accrued expenses and deferred revenues	274 080	296 858
II. Other temporary liability accounts, thereof	389 536	183 745
a) Estimated payables	389 536	183 745
TOTAL LIABILITIES	14 177 147	13 578 536

PROFIT AND LOSS ACCOUNT FOR THE YEAR 2013 (TCZK)

Description	2013 Base	2013 Subtotal	2013 Result	2012 Result
I. TECHNICAL ACCOUNT FOR NON-LIFE INSURANCE	x	x	x	x
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	5 000 318	x	x	x
b) outward reinsurance premiums (-)	1 906 398	3 093 920	x	x
c) change in the gross provision for unearned premiums (+/-)	74 380	x	x	x
d) change in the provision for unearned premiums, reinsurers' share (+/-)	31 445	42 935	3 050 985	2 928 180
2. Allocated investment return transferred from the non-technical account	x	x	192 133	369 658
3. Other technical income, net of reinsurance	x	x	95 187	105 128
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	3 287 518	x	x	x
bb) reinsurers' share (-)	1 204 020	2 083 498	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	277 767	x	x	x
bb) reinsurers' share (-)	540 610	-262 843	1 820 655	1 745 686
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	-125 806	-64 582
6. Bonuses and rebates, net of reinsurance	x	x	21 378	14 177
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	1 340 652	x	x
b) change in deferred acquisition costs (+/-)	x	-26 614	x	x
c) administrative expenses	x	198 885	x	x
d) reinsurance commissions and profit participation (-)	x	392 612	1 120 311	966 590
8. Other technical expenses, net of reinsurance	x	x	115 877	185 135
9. Change in the equalisation provision (+/-)	x	x		
10. Sub-total on the technical account for non-life insurance	x	x	385 890	555 960

Description	2013 Base	2013 Subtotal	2013 Result	2012 Result
II. TECHNICAL ACCOUNT FOR LIFE ASSURANCE	x	x	x	x
1. Earned premiums, net of reinsurance:	x	x	x	x
a) gross premiums written	x	2 227 142	x	x
b) outward reinsurance premiums (-)	x	82 080	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	-732	2 145 794	2 053 764
2. Income from financial placements (investments):	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	196	x	x
b) income from other investments, with a separate indication of that derived from controlling influence, thereof	x	x	x	x
aa) income from land and buildings (real estate)		x	x	x
bb) income from other financial placements (investments)	174 000	174 000	x	x
c) value adjustments on financial placements	x	15 482	x	x
d) income from disposal of financial placements	x	620 931	810 609	317 236
3. Unrealised gains on financial placements	x	x	121 533	78 922
4. Other technical income, net of reinsurance	x	x	143 747	50 169
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	1 196 958	x	x	x
bb) reinsurers' share (-)	22 171	1 174 787	x	x
b) change in the provision for outstanding claims	x	x	x	x
aa) gross amount	29 818	x	x	x
bb) reinsurers' share (-)	14 591	15 227	1 190 014	1 335 286
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	368 494	x	x	x
bb) reinsurers' share (-)		368 494	x	x
b) other technical provisions, net of reinsurance	x	266 642	635 136	386 648

Description	2013 Base	2013 Subtotal	2013 Result	2012 Result
7. Bonuses and rebates, net of reinsurance	x	x	16 111	5 932
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	578 357	x	x
b) change in deferred acquisition costs (+/-)	x	-136 896	x	x
c) administrative expenses	x	59 888	x	x
d) reinsurance commissions and profit participation (-)	x	41 317	460 032	424 954
9. Expenses connected with financial placements (investments):	x	x	x	x
a) investment management charges, including interest	x	9 944	x	x
b) value adjustments on financial placements	x	10 678	x	x
c) book value of disposed financial placements	x	630 918	651 540	99 316
10. Unrealised losses on financial placements (investments)	x	x	2 670	2 935
11. Other technical expenses, net of reinsurance	x	x	96 064	133 258
12. Allocated investment return transferred to the non-technical account (-)	x	x		
13. Sub-total on the technical account for life assurance	x	x	170 116	111 763

Description	2013 Base	2013 Subtotal	2013 Result	2012 Result
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	385 890	555 960
2. Result of the technical account for life assurance	x	x	170 116	111 763
3. Income from financial placements:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	22 632	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		x	x	x
bb) income from other financial placements (investments)	169 926	169 926	x	x
c) value adjustments on financial placements	x	84 173	x	x
d) income from disposal of financial placements	x	1 403 174	1 679 905	2 780 895
4. Allocated investment return transferred from the technical account for life-assurance	x	x		
5. Expenses connected with financial placements:	x	x	x	x
a) investment management charges, including interest	x	44 793	x	x
b) value adjustments on financial placements	x	26 871	x	x
c) book value of disposed financial placements	x	1 416 108	1 487 772	2 411 237
6. Allocated investment return transferred to the technical account for non-life insurance	x	x	192 133	369 658
7. Other income	x	x	26 948	19 155
8. Other expenses	x	x	40 089	39 224
9. Income tax on ordinary activities	x	x	91 215	140 133
10. Profit or loss on ordinary activities after tax	x	x	451 650	507 521
11. Extraordinary expenses	x	x		
12. Extraordinary income	x	x		
13. Extraordinary profit or loss	x	x		
14. Income tax on extraordinary activities	x	x		
15. Other taxes not shown under the preceding items	x	x	278	271
16. Profit or loss for the financial year	x	x	451 372	507 250

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR 2013 (TCZK)

	Registered capital	Own shares	Share premium	Reserve funds	Capital funds	Changes in valuation	Profit (loss)	Total
Balance at 1.1.2012	1 000 000			71 668		52 272	1 002 036	2 125 976
Correction of fundamental errors								
FX gains (losses) and changes in valuation not included in the profit and loss statement								
Net profit/loss for accounting period							507 250	507 250
Dividends							-320 000	-320 000
Addition to funds				25 505		63 056	-25 505	63 056
Reduction of funds				-6 992				-6 992
Shares issued								
Reduction in registered capital								
Own shares purchased								
Other changes								
Balance at 31.12. 2012	1 000 000			90 181		115 328	1 163 781	2 369 290
Balance at 1.1.2013	1 000 000			90 181		115 328	1 163 781	2 369 290
Correction of significant errors								
FX gains (losses) and changes in valuation not included in the profit and loss statement								
Net profit/loss for accounting period							451 372	451 372
Dividends							-431 200	-431 200
Addition to funds				33 712		-40 924	-33 712	-40 924
Reduction of funds				-7 835				-7 835
Shares issued								
Reduction in registered capital								
Own shares purchased								
Other changes								
Balance at 31.12. 2013	1 000 000			116 059		74 404	1 150 240	2 340 703

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2013

I. GENERAL CONTENTS

I. 1. Description and principal activities

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group („the Company” or „the Insurance Company”) was recorded in the Commercial Register („the CR”) on 6 November 1995.

ID number of the Company: 63 99 85 30

Principal business activities:

1. insurance activities pursuant to Act No. 277/2009 Coll., on Insurance („the Insurance Act“), Annex No. 1 to the Insurance Act: in the scope of life assurance classes listed
 - in Part A, Point I, letters (a), (b), (c), Point II and Point III; in the scope of non-life insurance classes listed – in Part B, Points 14, 15, 16, 17, 18; in the scope of non-life insurance groups listed – in Part C, letters (a), (b), (c), (d), (e), (f), (g), (h).
2. reinsurance activities in the scope of non-life insurance
3. activities related to insurance activities:
 - intermediary activity performed in relation to insurance activities in accordance with the Insurance Act
 - advisory activity related to insurance of natural persons and legal entities in accordance with the Insurance Act
 - investigation of claims performed based on a contract entered into with the insurance company in accordance with the Insurance Act
 - pursuit of intermediary activities in terms of
 - construction savings
 - supplementary pension insurance with state contribution
 - educational activities for insurance intermediaries and independent loss adjusters.

Registered office of the Company:

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group
Pobřežní 665/23
186 00, Praha 8

Members of the Board of Directors and Supervisory Board as at 31 December 2013:

Board of Directors:

Chairman:

Ing. Jaroslav Besperát, date of birth: 23 December 1970
Čenovická 2142, 190 16 Praha 9
Function held from: 1 November 2012
Membership held from: 1 November 2012

Members:

Ing. Milan Nidl, MBA, date of birth: 31 March 1963
Výletní 357/20, 142 00 Praha 4 - Písnice
Membership held from: 1 November 2012

Ing. František Vlناř, date of birth: 6 June 1960
Mikuláše z Husi 2, 140 00 Praha 4
Membership held from: 1 November 2012

Ing. Vít Rozsypal, date of birth: 20 April 1972
Na Sídlišti 350, 257 26 Divišov
Membership held from: 15 July 2013
Membership terminates: 31 October 2015

Supervisory Board:

Chairman:

Ing. Martin Diviš, MBA, date of birth: 1 December 1973
Divoká Šárka 39/4, Liboc, 164 00 Praha 6
Function held from: 7 June 2013
Membership held from: 1 April 2013

Vice-chairman:

Dr. Hans – Peter Hagen, date of birth: 12 December 1959
Laudon Gasse, 1080 Wien
Austria
Function held from: 7 June 2013
Membership held from: 1 April 2013

Members:

Prof. Ing. Jaroslav Daňhel, CSc., date of birth: 1 June 1943
K louži 1261/9, Vršovice, 101 00 Praha 10
Membership held from: 1 April 2013

Ing. Martina Kapinosová, date of birth: 17 March 1973
Nad Soutokem 3349, 276 01 Mělník
Membership held from: 1 April 2013

Ing. Pavel Cepek, date of birth: 5 October 1953
Rejta 272, 374 01 Trhové Sviny
Membership held from: 1 April 2013

Mag. Roland Gröll, date of birth: 30 August 1965
Neuwaldegger Str.37/1, 1170 Wien
Austria
Membership held from: 1 April 2013

Sole shareholder:

Kooperativa pojišťovna, a.s., Vienna Insurance Group
Pobřežní 665/21, 186 00, Praha 8 - Karlín
Identification number: 471 16 617

Changes in the Board of Directors, which occurred in 2013:

The membership of Mag. Gerhard Lahner in the Board of Directors was terminated on 30 June 2013. the record of the membership of Mag. Gerhard Lahner was deleted from the Commercial Register on 13 August 2013.

Ing. Vít Rozsypal was appointed a member of the Board of Directors on 15 July 2013. This change was recorded in the Commercial Register on 13 August 2013.

The Board of Directors acts on behalf of the Company. Two members of the Board of Directors of the Company must always act together in the name of the Company, who may also bind the Company. in order to sign on behalf of the Company, their signature, name, surname, title and role on the Board are required alongside the printed or written name of the Company.

Organisational structure:

The Company has the following bodies: the General Meeting of Shareholders, the Board of Directors and the Supervisory Board. The Company conducts its activities through its organisational divisions, comprising first line divisions in the headquarters and the regional headquarters.

I. 2. Compliance with legislation

At the balance sheet date the Company was fully compliant with Act No. 277/2009 Coll., on Insurance, as amended ("the Insurance Act"), Act No. 37/2004 Coll., on Insurance Contract, as amended, Act No. 38/2004 Coll., on Insurance Intermediaries and Independent Loss Adjusters, Act No. 168/1999 Coll., on the Insurance of Liability for Losses Caused by the Operation of a Motor Vehicle, as amended ("the Act on Motor Third Party Liability Insurance"), including the applicable implementing regulations, and with other related legislation in force.

I. 3. Basis of preparation of the financial statements

The accounting records of the Company are maintained and in the financial statements of the Company have been prepared in accordance with Act No. 563/1991 Coll., on Accounting, as amended, Regulation No. 502/2002 Coll., implementing certain provisions of Act No. 563/1991 Coll., on Accounting, as amended, for entities which are insurance companies, as amended ("Regulation No. 502/2002 Coll."), the Czech Accounting Standards for entities maintaining their accounting records pursuant to Regulation No. 502/2002 Coll., and other related legislation.

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on these records present a true and fair view of the accounting and financial position of the Company.

I. 4. Significant accounting policies

a) Gross premiums written

Gross premiums written comprise all amounts due during the financial year in respect of insurance contracts regardless of the fact that such amounts may relate in whole or in part to future financial years.

b) Claims paid

Claims paid comprise the amount assessed for payment based on the claims investigation process, external claims handling costs and a deduction for the salvage value and other recoveries.

Claims paid are recorded upon completion of the investigation of the claim and in the amount of the assessed settlement.

c) Acquisition costs

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

d) Deferred acquisition costs

Deferred acquisition costs comprise the portion of acquisition costs incurred during the current financial year that relates to the revenues of subsequent financial years.

Non-life insurance

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

Life assurance (traditional products)

For 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. (f). As at the balance sheet date, the Company assesses the adequacy of the life assurance deferred acquisition costs using a life assurance liability adequacy test.

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

For unit-linked assurance, the Company determines deferred acquisition costs using actuarial methods.

e) Accumulated debt

Accumulated debt arises in respect of unit-linked assurance contracts. This receivable due from the insured 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. A change of the accumulated debt from unit-linked assurance is charged to the profit and loss account. The total balance of accumulated debt is disclosed in the balance sheet (Assets) in Other temporary asset accounts.

At the end of the accounting period, the Company assesses the adequacy of the amount of the accumulated debt based on the life assurance liability adequacy test.

f) Provision for unearned premiums

The provision for unearned premiums comprises that part of gross premiums written which is to be allocated to subsequent financial years. It equals the sum of all amounts calculated for individual contracts using the "pro rata temporis" method.

g) Life assurance provision

The life assurance provision comprises the sum of the provisions for individual life assurance policies. The life assurance provision amounts to the value of future liabilities of the Company and 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 in accordance with the calculation of individual tariffs approved by the Ministry of Finance of the Czech Republic. The zillmerisation method results in the deferral of acquisition costs for life assurance contracts. These costs are included within the life assurance provision through actuarial methods after eliminating temporary negative balances, which are capitalised and presented as deferred acquisition costs. The acquisition costs are capitalised and deferred in accordance with the prudence principle and taking into account the risk of lapses and cancellations.

h) Provision for outstanding claims

The provision for outstanding claims in respect of both life and non-life insurance comprises the amount of expected costs in respect of claims:

- a) reported but not settled during the period (RBNS),
- b) incurred but not reported during the period (IBNR).

The provision for outstanding claims reported by the end of the year represents the sum of all amounts calculated for individual claims.

The provision for outstanding claims incurred but not reported as at the balance sheet date is determined using the actuarial methods. The Company uses the Chain Ladder method based on claims reported 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 includes an estimate of all related external and internal claims handling costs.

The provision is reduced by an estimate of the value of salvage and subrogation recoveries, which were or will be enforced against debtors (parties that caused the damage), or other insurance companies based on liability insurance.

When calculating the provision for outstanding claims, no discounting is carried out except for the provision for outstanding claims where claims payments are made in the form of annuities (particularly in the case of motor third party liability insurance).

When creating the provision for outstanding claims in respect of claims where the insurance company acts as the leading co-insurer, the applicable provisions of the Act on Insurance Contracts are adhered to.

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 and upon recommendation of the appointed actuary.

i) Provision for bonuses and rebates

The provision for bonuses and rebates is established in accordance with the insurance contracts. For non-life insurance, the provision is established principally in cases where the Company is liable to refund to policyholder a portion of the premiums relating to the current financial year due to favourable claims experience.

For life assurance, the provision for bonuses and rebates includes shares of surpluses arising as at 31 December of the current period, which have not been allocated to specific insurance contracts and thus are not included in the life assurance provision.

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

j) Provision for liabilities arising from the applied technical interest rate

The Company carries out a life assurance liability adequacy test as at the balance sheet date ("the liability adequacy test") in order to assess the adequacy of the life assurance provisions (provision for unearned premiums, life assurance

provision, provision for outstanding claims, provision for bonuses and rebates, and life assurance provision, where the investment risk is borne by the policyholder).

The liability adequacy test is performed using discounted projected cash flows.

The liability adequacy test results in the minimum value of liabilities to policyholders based on best estimates of the future development of entry parameters adjusted by market value margins.

Where this amount exceeds the total amount of the life assurance provisions reduced by the respective unamortised acquisition costs and other intangible assets, the deficiency is recognised through the establishment of a provision for liabilities arising from the applied technical interest rate and other calculation parameters.

In compliance with Section 66 (2) of the Insurance Act, the Company informed ČNB about the method for calculating the provision for liabilities arising from the applied technical interest rate and other calculation parameters.

The change in this provision is presented in item II. 6. (b) in the profit and loss account.

k) Non-life insurance provision

The non-life insurance provision is established for those classes of non-life insurance where the premium amount depends on the entry age or the gender of the insured. This provision represents the value of the insurance company's liabilities calculated using actuarial methods, including allocated profit shares or contractual entitlements to premium refunds and maintenance expenses, reduced by the present value of future premiums.

l) Provision for the liabilities of the Czech Insurers' Bureau

The Company is a member of the Czech Insurers' Bureau ("the Bureau"). Pursuant to Section 18 (6) of the Act on Motor Third-Party Liability Insurance, a member of the Bureau must guarantee the liabilities of the Bureau in an amount calculated pro rata based on the respective amounts of members' contributions. To meet this requirement, members must create technical provisions for liabilities that are not covered by relevant assets of the Bureau.

The amount of the provision for the liabilities of the Bureau is determined using actuarial methods pursuant to the Insurance Act.

Based on information available as at the balance sheet date, the Board of Directors of the Company believes that the provision established is adequate to cover the cost of claims incurred in connection with the liability assumed by the Company in respect of statutory motor liability insurance. The ultimate claims expenses will remain unknown for several years. The Company's share of these outstanding claims will be determined according to its market share for this class of insurance at the time these claims are finally settled.

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

The life assurance provision where the investment risk is borne by the policyholders is intended to cover the liabilities of the Company due to insured persons for 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 determined as the sum of liabilities due to insured persons in the amount of their shares of invested premiums from individual life assurance contract in accordance with the principles included in the insurance contracts.

If 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.

n) Reinsurers' share of technical provisions

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

The Company presents the reinsurers' share of the provision for unearned premiums, the provision for outstanding claims, the provision for bonuses and rebates, and of the non-life insurance provision. the reinsurers do not participate in other technical provisions.

o) Provisions

Provisions are intended to cover risks, losses and other payables, 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 at the balance sheet date and amounts to the estimated corporate income tax liability due. the utilisation (release) of the provision is accounted for when the tax return is filed.

Provision for employee benefits

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

Provision for legal disputes

A provision for legal disputes is created to cover any potential losses arising from litigations against the Company that are not closed upon a final and conclusive judgment as at the date of financial statements. This provision does not cover payables arising from disputes in respect of the amount of an insurance settlement, which are included in a provision for outstanding claims.

p) Investments

Land and buildings (real estate)

Land and buildings (real estate) are initially recorded at their acquisition cost and are not subsequently depreciated.

At the balance sheet date, land and buildings (real estate) are re-measured at their fair value. Fair value means the market value, which is the price for which such land and buildings (real estate) could be sold on the date of valuation.

The fair value is determined through a separate valuation of each item of land and buildings, carried out at least once every five years, based on a qualified estimate or a qualified external appraiser's opinion. in the intervening years, the Company assesses whether the carrying amount of land and buildings (real estate) corresponds to their fair value.

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

Any change in the fair value of land and buildings (real estate) is recognised in equity.

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.

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

Where the market price is not available, the fair value of participating interests is determined based on their share in equity.

At the balance sheet date, participating interests are revalued at their fair value. Changes in fair value are recognised in equity.

Debt securities

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

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

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

All securities, except for held-to-maturity bonds, which were issued by a member state of the Organisation for Economic Cooperation and Development and rated by at least two internationally acknowledged rating agencies on the level of the Czech Republic or higher ("the OECD bonds held to maturity"), are remeasured to fair value at the balance sheet date.

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

Fair value means the market price published by a domestic or foreign stock exchange or other public (organised) market. the Company applies the most recently published market price as at the date of the financial statements. 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.

Amortised cost means the price used when first recognised (the acquisition cost), which is gradually increased by accrued interest income, adjusted by amortisation of the discount/premium and decreased by the amount of adjustments.

Debt securities are classified as securities valued at fair value through profit and loss or securities available for sale, OECD bonds held to maturity and other securities held to maturity.

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

Where debt securities are denominated in a foreign currency, their value is translated to Czech crowns using the current exchange rate published by the Czech National Bank ("CNB"). the corresponding exchange rate difference is included in the fair value.

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

Shares and other variable-yield securities

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

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

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

Fair value means the market price 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 change in fair value of shares or other variable-yield securities is recognised in the profit and loss account.

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

Deposits with financial institutions

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

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

Derivatives intended for trading

Financial derivatives that do not meet the requirements for the application of hedge accounting or, if appropriate, derivatives in respect of which the Company has decided not to apply hedge accounting, are carried at fair value and the gains or losses arising from their revaluation are recognised in the profit and loss account.

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

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

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

r) Expenses and income from financial placements

Distribution of expenses and income from financial placements between life assurance and non-life insurance accounts

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

Other expenses and income from financial placements, which are not related to life assurance activities, are recorded in the non-technical account and the result is subsequently transferred to the non-life insurance technical account.

Expenses and income related to the disposal of financial placements

The disposal of financial placements is recognised on a gross basis, whereby the revenues from disposal in the amount of the selling price of the relevant financial instruments are recorded separately from the expenses in the amount of the carrying value of the related financial placements.

s) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Tangible fixed assets costing less than TCZK 40 and intangible fixed assets costing less than TCZK 60 are charged to the profit and loss account in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

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

Fixed assets	Method	Depreciation period (yrs)
Software	Straight-line	4
Other intangible fixed assets	Straight-line	5-6
Tangible fixed assets	Straight-line	4-6

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

t) Foreign currency translation

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

At the balance sheet date, foreign currency assets and liabilities are translated at the CNB official rate for that date. Unless stated otherwise, foreign currency gains and losses are recorded in the profit and loss account.

u) Adjustments

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

The Company establishes adjustments using the net method, i.e. the difference between the adjustment's opening and closing balance is recorded in the profit and loss account.

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

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

v) Impairment of assets

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

w) 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 approved by the Ministry of Finance of the Czech Republic. 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 the allocation ratio based on an internal cost analysis of individual groups of costs of life assurance and non-life insurance.

Expenses and income from financial placements

Expenses and income from financial placements are distributed between life assurance and non-life insurance using the method described in note I. 4. (r) above.

Other expenses and revenues

During the accounting period, clearly attributable expenses and revenues are recorded directly in the life assurance or non-life insurance technical account or the non-technical account. Expenses and revenues that cannot be clearly attributed are allocated to the technical accounts for life assurance and non-life insurance based on the ratio described above.

Taxes, fees and other expenses that are not directly connected with insurance and reinsurance are not allocated in this manner but are reported in the non-technical account.

x) Income tax

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

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

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

y) Consolidation

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

z) Group relations

The Company has not concluded a controlling agreement with its majority shareholder Kooperativa pojišťovna, a.s.,

Vienna Insurance Group, with its registered office in Prague. Kooperativa is controlled by VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, which controls the whole Vienna Insurance Group. A report on relations between related parties will be a part of the annual report.

I. 5. Changes in accounting policies and procedures

During the year 2013, there were no changes in accounting policies and procedures made by the Company. During the financial year the Company did not apply any deviations from these policies and procedures.

I. 6. Risk management

In compliance with Regulation No. 434/2009 Coll., to implement certain provisions of the Act on Insurance, the Company has ensured that the set-up of the internal control system covers all of its operations.

The set-up of the internal control system enables consistent and systematic risk management.

The Company is exposed to insurance risk, which naturally results from the underwritten insurance contracts as well as other risks, mainly the market risk, credit risk, operational risk, liquidity risk and concentration risk.

The policies and procedures for risk management are comprehensive and interrelated with the policies and procedures for maintenance of the capital determined to cover these risks.

The bodies responsible for risk management in the Company are the Board of Directors and the risk working group.

a) Non-life insurance risk

The Company is exposed to insurance risk and underwriting risks following from the sale of non-life insurance products.

Insurance risk relates to uncertainty in respect of the period, frequency and amount of damage covered by insurance contracts.

The most significant components of insurance risk are the reserve risk and the premium risk. the premium amount is determined using historical assumptions, which may differ from the actual situation. the risk of trend, risk of estimate, change in assumption etc. may have a significant impact on determining the amount of provisions. the liability adequacy tests and analysis of sensitivity to change in assumptions are used to eliminate the reserve risk.

In order to manage the insurance risk the Company applies internal policies for development and valuation of products, determination of the technical provisions amount, reinsurance strategy and underwriting rules.

Concentration of insurance risk

Concentration of insurance risk may exist in the event that a particular event or a series of events may impact significantly upon the Company's liabilities. the concentration of insurance risk then determines the extent of the possible impact of these events on the amount of the Company's liabilities. Such concentration may arise from a single insurance contract or through a small number of related contracts, and relates to circumstances that gave rise to significant liabilities. Concentration of insurance risk may arise from accumulation of risks in frame of several individual groups of contracts; it may also arise in low-frequency, high-severity events (e.g. natural disasters) or in the event of significant litigations or legislative amendments.

Geographic concentration

The risks underwritten by the Company are primarily located in the Czech Republic. From the geographical point of view, the Company has no significant concentration of exposure to any group of persons insured.

b) Life assurance risk

The Company is exposed to risks resulting from an unfavourable development of assumptions compared to their determining at the moment of valuation of products. This involves, for example, the risk of unfavourable development of mortality or survival, risk of a different development of investment return, risk resulting from an unexpected development of cost inflation or behaviour of clients upon cancellation of the contract. in the above cases the Company is exposed to the danger of a loss resulting from the discrepancy between collected premiums and claims paid, investment returns and expenses.

Other risks are, for example, the objective and subjective risk of the insured. the objective risk is determined by objective factors such as the age, gender, health condition or profession. the subjective risk is determined by subjective factors such as the effort of the insured to survive or maintain a healthy life or the poor financial condition of the insured.

Other risks to which the Company is exposed are as follows:

- Risks with a low-frequency occurrence and a significant impact, which in life assurance may represent any claim that affects several persons insured at the same time and in the same place (e.g. natural disasters).
- Risk of concentration of high sums assured, which do not constitute a significant part of the portfolio but

which may have significant impact on the amount of settlements and as a result also the profit (loss) of the Company.

The goal of risk management is identification, quantification and elimination of risks in order to prevent changes that have a negative impact on the profit (loss) of the Company and the Company's equity.

The Company applies profit testing when valuing insurance products and further the liability adequacy test in order to identify, quantify and eliminate the risks. Profit testing is used to determine adequate insurance rates for the insurance and financial guarantees for individual products and for the determined assumptions.

The purpose of the liability adequacy test is to assess the amount of the life assurance provisions in terms of the updated assumptions. the level of sensitivity of the results to a change in the individual assumptions is also a component of these procedures.

In respect of the objective and subjective risks of the insured, these risks must be assessed individually upon conclusion of the contract, primarily in the event of a higher sum assured. There are procedures for identifying and assessing these risks; as part of such procedures it is necessary to carry out a qualified assessment of the health condition, or, if appropriate, the financial condition of the client, or to assess the level of risk to which the insured is exposed. Based on information on the health condition, subjective risk and other actuarial risks, the premium rate is determined. in addition to a discount or a surcharge on the premium, certain risks, types of injury or illnesses may be excluded from the insurance, or the amount of the sum assured may be limited.

The Company has no significant concentration of exposure to any group of persons insured.

In order to manage the insurance risk, the Company primarily uses reinsurance and a prudent underwriting policy.

Reinsurance strategy

The Company reinsures some of the risks it underwrites in order to control its exposures to losses and protect its own capital resources. the Company has based its reinsurance scheme on a complementary combination of contracts with external reinsurers and reinsurance contracts with companies from the Group.

The Company concludes a combination of proportionate and non-proportionate reinsurance treaties to reduce its net exposure. the maximum net exposure limits (own retentions) for particular business lines are reviewed annually. to provide additional protection the Company uses facultative reinsurance for certain insurance contracts.

The Company cooperates primarily with reinsurers rated "A" and higher (based on the rating provided by the Standard&Poor's rating agency) and carries out regular monitoring of their financial condition.

c) Market risk

The Company is exposed to market risk, which follows from trading positions in interest rate, currency and equity instruments that are all exposed to common and specific changes in the market.

The main exposure is that the revenues from investments will not be sufficient to cover the liabilities from insurance contracts.

The market risk is constantly monitored, measured and managed using Asset/Liability management (ALM). the basic method of ALM involves adjusting the due date of assets to the liabilities from insurance contracts.

Asset/Liability management (ALM)

The basic goal of ALM is to achieve balance in the structure of assets and liabilities, in particular from the point of view of their maturity, interest rates and currency structure. the aim is to ensure that the assets permanently generate sufficient cash flows in the required currency structure necessary to cover the due liabilities to clients (including the guaranteed revenues) and at the same time to ensure that the system enables the generation of adequate profit for shareholders.

For this purpose the Company performs regular monitoring of assets and liabilities, followed by ALM calculation, which enables the Company to monitor and compare the structure of its assets and liabilities in terms of their maturity, achieved and guaranteed interest rates and in terms of their currency structure. This type of output is one of the underlying tools for making decisions on the further allocation of financial investments.

Interest rate risk

The Company is exposed to interest rate risk due to the impact of up-to-date market interest rate fluctuations. the fair value and investment return may both grow or decrease as a result of these fluctuations.

Besides changes in the value of assets, the interest rate fluctuations may also result in changes of liabilities.

Based on a cash flow analysis, the Company prepares the portfolio of securities the value

of which changes together with a change in the value of liabilities upon a change in the interest rate.

The risk of changes in cash flows as a result of a change in interest rate represents exposure primarily to the insurance contracts with a guaranteed interest rate, where the client compares the revenue guaranteed by the contract with the revenue offered in the market. Where the market interest rates increase, some types of contracts may show an increase in the lapse rate, and on the other hand, in the event of decrease in the interest rates, an increased number of clients claiming a settlement in the form of pension may be observed, or the payment of settlements from contracts with a guaranteed revenue higher than the revenue offered in the market, may be deferred.

Price fluctuation risk

The Company is exposed to a price fluctuation risk, which consists in the fact that the value of the financial instrument will change due to changes in the market prices. These changes may be caused by factors specific to a single instrument or by the issuers of the instruments or by factors affecting all instruments traded in the capital or money markets.

The Company manages its use of equity investments by maintaining a diversified portfolio and by determining and monitoring the limits for investments.

Currency risk

The Company is exposed to currency risk through transactions in foreign currencies and through its assets and liabilities denominated in foreign currencies. As the currency in which the Company presents its financial statements is the Czech crown (CZK), movements in the exchange rates between these currencies and the CZK affect the Company's financial statements.

d) Credit risk

The Company is exposed to the credit risk, which follows from the counterparty failing to pay the amounts due in full.

The main areas of the Company's exposure to the credit risk:

- Reinsurers' share in insurance liabilities
- Reinsurer's debt, which relates to a claim that has already been paid
- An intermediary's debt resulting from commissions paid on lapsed insurance contracts
- Outstanding premiums
- Counterparty risk relating to derivative transactions
- Risk of failure to repay the principal or income from financial investments

Concentrations of credit risk arise where groups of counterparties have similar economic characteristics that would cause their ability to meet their contractual obligations to be similarly affected by changes in economic or other conditions.

The credit risk is limited by external limits regulating the structure of financial placement (Regulation No. 434/2009 Coll., to implement certain provisions of the Act on Insurance).

The Company further sets its own limits for individual issuers/counterparties depending on their credit quality and regularly monitors whether these limits are met. the limits are subject to a regular reassessment.

The outstanding premiums are regularly monitored, and the method of creating adjustments is described in note I. 4. (u).

Recovery of debt from insurance is carried out by the Company in cooperation with external partners.

e) Operational risk

Operational risk is the risk of a potential loss following from missing or insufficient internal processes, human resources and systems or other causes, which may arise due both to internal and external events.

The Company analyses these risks and designs modifications to work procedures and processes to eliminate the risks associated with operational events.

f) Liquidity risk

The Company is exposed to requirements for liquidity on a daily basis. These requirements are related to claim settlements. 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 need for liquidity is continuously monitored in order to ensure necessary resources.

The Company has access to a diverse funding base, and in compliance with the legislation in force it has invested a sufficient portion of its financial placement in liquid financial instruments.

II. SPECIAL CONTENTS

II. 1. Non-life insurance

Non-life insurance for 2013 and 2012 divided by classes of insurance:

		Gross premiums written	Gross premium earned	Gross claims paid	Gross operating expenses	Reinsurance balance
Direct insurance						
Travel insurance						
	2013	42 006	41 605	21 268	15 562	0
	2012	36 312	35 908	20 458	9 117	-6
Accident and health insurance						
	2013	59 050	59 954	25 741	18 017	-6 082
	2012	69 254	69 342	23 287	25 356	-1 697
Motor third party liability insurance						
	2013	2 512 543	2 499 687	1 315 771	763 696	-154 754
	2012	2 528 286	2 560 522	1 192 796	826 433	-199 693
Property insurance						
	2013	692 026	662 767	854 143	215 048	280 167
	2012	626 187	600 753	348 475	195 235	-126 852
Liability insurance						
	2013	345 459	337 366	215 571	107 126	-1 813
	2012	310 973	301 419	141 609	96 311	-32 548
Motor insurance						
	2013	1 005 294	997 490	784 313	288 045	2 209
	2012	920 251	885 068	732 785	272 845	-2 890
Atom pool						
	2013	18 060	18 061	-179	2 487	-5 814
	2012	18 678	18 593	2 341	2 906	-6 375
Active facultative reinsurance						
	2013	325 880	309 008	348 657	102 942	144 431
	2012	345 175	341 036	200 379	137 435	-1 473
Total						
	2013	5 000 318	4 925 938	3 565 285	1 512 923	258 344
	2012	4 855 116	4 812 641	2 662 130	1 565 638	-371 534

II. 2. Life assurance

Gross premiums written in life assurance:

	2013	2012
Individual premium	2 227 142	2 104 893
Premiums under group contracts	0	0
Total	2 227 142	2 104 893
Regular premium	1 165 462	1 106 097
Single premium	1 061 680	998 796
Total	2 227 142	2 104 893
Premiums from non profit-sharing contracts	603 218	518 793
Premiums from profit-sharing contracts	689 111	872 579
Premiums from contracts where the investment risk is borne by policyholders	934 813	713 521
Total	2 227 142	2 104 893
Reinsurance balance	-4 785	-2 119

II. 3. Total amount of gross premiums written by country

All contracts were concluded in the Czech Republic.

II. 4. Commissions and other acquisition costs for insurance contracts

	2013			2012		
	Non-life insurance	Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions	827 344	466 786	1 294 130	869 227	272 174	1 141 401
Other acquisition costs	513 308	111 571	624 879	479 663	97 763	577 426
Change in deferred acquisition costs	-26 614	-136 896	-163 510	-19 344	12 998	-6 346
Total commissions and other acquisition costs	1 314 038	441 461	1 755 499	1 329 546	382 935	1 712 481

The amount of commissions comprises all commissions to insurance intermediaries, which relate to acquisition and follow-up renewal of the insurance contracts, including commissions on active reinsurance.

III. OTHER DISCLOSURES

III. 1. Intangible fixed assets

Intangible fixed assets of the Company as at 31 December 2013 comprise the following items:

	Software	Other intangible fixed assets	Total
Acquisition cost at 1/1/2013	211 288	268	211 556
Additions	17 174	21 458	38 632
Disposals	5 463	17 173	22 636
Acquisition cost at 31/12/2013	222 999	4 553	227 552
Accumulated dep. at 1/1/2013	180 493	268	180 761
Depreciation expense	13 146	0	13 146
Disposals	3 194	0	3 194
Accumulated dep. at 31/12/2013	190 445	268	190 713
Net book value at 1/1/2013	30 795	0	30 795
Net book value at 31/12/2013	32 554	4 285	36 839

III. 2. Investment

a) Shares

	Fair value		Acquisition cost	
	2013	2012	2013	2012
Issued by financial institutions				
- Listed on a recognized CR exchange	4 421	4 010	3 127	3 127
- Unlisted	43 990	0	35 220	0
Other				
- Listed on a recognized CR exchange	9 521	32 888	9 621	33 103
- Listed elsewhere	170 204	69 077	148 561	69 578
- Unlisted	547 611	503 705	531 525	512 597
Total	775 747	609 680	728 054	618 405

b) Ownership interests

2013

Company name	Stake (%)	Stake (acquisition cost)	Stake (fair value)	Total registered capital	Profit (loss) for the period	Total equity
Stakes in controlled entities						
ČPP Servis, s.r.o., Praha	100	300	300	300	59	846
V.I.G. ND, uzavřený investiční fond a.s., Praha	10,48	302 006	304 665	2 671 000	60 797	2 880 278
Total		302 306	304 965	2 671 300	60 856	2 881 124

Data based on non-audited financial statements.

2012

Company name	Stake (%)	Stake (acquisition cost)	Stake (fair value)	Total registered capital	Profit (loss) for the period	Total equity
Stakes in controlled entities						
ČPP Servis, s.r.o., Praha	100	300	300	300	36	786
V.I.G. ND, uzavřený investiční fond a.s., Praha	10,48	302 006	304 540	2 671 000	63 995	2 897 514
Total		302 306	304 840	2 671 300	64 031	2 898 300

c) Land and buildings (real estate)

The amounts stated in this section comprise technical improvement made to third-party property as at 31 December 2013 amounting to TCZK 6 466 (2012: TCZK 6 612).

d) Debt securities

Debt securities valued at fair value through profit and loss

	Fair value		Acquisition cost	
	2013	2012	2013	2012
Issued by financial institutions				
- Listed on a recognized CR exchange	48 894	32 383	48 805	32 000
- Listed elsewhere	449 591	680 153	448 905	640 908
- Unlisted	0	52 215	0	50 001
Issued by government sector				
- Listed on a recognized CR exchange	990 880	1 052 936	989 874	1 029 825
- Listed elsewhere	449 384	68 203	446 980	68 559
- Unlisted	249 975	469 664	249 808	469 378
Other				
- Listed on a recognized CR exchange	67 081	15 801	64 986	14 911
- Listed elsewhere	46 954	72 708	46 485	68 534
Total	2 302 759	2 444 063	2 295 843	2 374 116

OECD bonds held to maturity

	Fair value		Amortised value		Acquisition cost	
	2013	2012	2013	2012	2013	2012
Traded on the primary or secondary securities market	6 799 269	7 358 000	6 179 300	6 318 539	6 131 523	6 249 463
Total	6 799 269	7 358 000	6 179 300	6 318 539	6 131 523	6 249 463

Other securities held to maturity

	Fair value		Acquisition cost	
	2013	2012	2013	2012
Issued by financial institutions				
- Listed on a recognized CR exchange	545 567	578 942	506 419	495 148
- Listed elsewhere	160 014	211 196	139 956	189 956
- Unlisted	134 468	142 974	128 078	128 078
Issued by government sector				
- Listed on a recognized CR exchange	0	11 868	0	11 271
Other				
- Listed on a recognized CR exchange	145 475	0	145 530	0
- Listed elsewhere	109 637	110 211	99 973	99 973
Total	1 095 161	1 055 191	1 019 956	924 426

Deposits with financial institutions

	Fair value		Acquisition cost	
	2013	2012	2013	2012
Deposits	525 002	308 801	525 000	308 800
Total	525 002	308 801	525 000	308 800

Other loans

	Fair value		Acquisition cost	
	2013	2012	2013	2012
Repos	0	28 730	0	28 726
Total	0	28 730	0	28 726

e) Fair value of financial placements for the benefit of life assurance policyholders who bear the investment risk

Description	Fair value	
	2013	2012
Shares and other variable-yield securities	1 026 315	759 673
Total	1 026 315	759 673

f) Other financial placements - derivatives

Derivatives intended for trading

Fixed term contracts with a positive fair value	Nominal value		Fair value	
	2013	2012	2013	2012
Term currency transactions	994 411	654 741	8 636	1 026
Total	994 411	654 741	8 636	1 026

All the above financial instruments were concluded at the interbank market (OTC). The Company records the nominal value of a derivative as an off-balance sheet item. A change of the fair value of a derivative is recognised in the profit and loss account.

Remaining maturity of derivatives

At 31 December 2013	Within 3 months	3 months to 1 year	1 to 5 years	More than 5 years	Not specified	Total
Other derivatives - intended for trading						
Term currency transactions	8 636	0	0	0	0	8 636

g) Currency structure of the financial placement

2013	Variable-yield securities	Debt securities	Deposits and other financial placements	Securities where the investment risk is borne by the policyholders	Total
CZK	374 796	8 930 564	533 638	821 534	10 660 532
EUR	99 586	83 492	0	204 781	387 859
USD	301 365	563 164	0	0	864 529
Total	775 747	9 577 220	533 638	1 026 315	11 912 920

2012	Variable-yield securities	Debt securities	Deposits and other financial placements	Securities where the investment risk is borne by the policyholders	Total
CZK	365 470	9 331 392	338 557	612 151	10 647 570
EUR	71 560	338 225	0	147 522	557 307
USD	172 650	148 176	0	0	320 826
Total	609 680	9 817 793	338 557	759 673	11 525 703

III. 3. Receivables and Payables

a) Receivables

31 December 2013	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	133 666	10 758	0	31 269	175 693
Overdue	464 346	229 094	155 206	4 941	853 587
Total	598 012	239 852	155 206	36 210	1 029 280
Adjustment	155 604	217 686	0	1 954	375 244
Total net	442 408	22 166	155 206	34 256	654 036

31 December 2012	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	157 794	10 623	24 240	35 600	228 257
Overdue	476 877	224 709	86 537	3 957	792 080
Total	634 671	235 332	110 777	39 557	1 020 337
Adjustment	148 255	208 300	0	1 917	358 472
Total net	486 416	27 032	110 777	37 640	661 865

b) Other receivables

	2013		2012	
	Gross amount	Adjustments	Gross amount	Adjustments
Other prepayments	17 733	0	18 744	0
Loans to employees	10 581	0	9 611	0
Sureties	1 895	0	3 467	0
Other receivables	6 001	1 954	7 735	1 917
Total	36 210	1 954	39 557	1 917

The corporate income tax prepayments are recognised together with corporate income tax liabilities.

c) Payables

31 December 2013	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	183 488	82 415	60 617	99 701	426 221
Overdue	0	3 257	0	7 953	11 210
Total	183 488	85 672	60 617	107 654	437 431

31 December 2012	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	173 747	68 823	58 325	142 215	443 378
Overdue	0	5 200	0	597	5 529
Total	173 747	74 023	58 325	142 812	448 907

d) Payables and receivables due to or from the reinsurer

The Company has a net receivable from reinsurers of TCZK 94 589 (2012: a net receivable from reinsurers of TCZK 52 452).

The Company reports a deposit of TCZK 1 414 733 with reinsurers (2012: TCZK 1 244 460).

III. 4. Inter-company receivables and payables

Company name	Receivables		Payables	
	2013	2012	2013	2012
Kooperativa pojišťovna, a.s., Vienna Insurance Group	43 889	34 055	54 124	11 296
Kooperativa, poisťovna, a.s. Vienna Insurance Group, Bratislava	0	0	4 216	4 061
WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group	147	464	0	1
VIENNA INSURANCE GROUP Wiener Versicherung Gruppe AG, Vienna	20 251	28 849	29 854	26 089
Pojišťovna České spořitelny, a.s., Vienna Insurance Group	0	0	50	0
VIG RE zajišťovna, a.s.	11 649	1 809	12 442	10 441
Global assistance, a.s.	0	0	6 577	0
AIS Servis, s.r.o.	0	0	2 211	1 739
Total	75 936	65 177	109 474	53 627

III. 5. Tangible fixed assets and inventories

	Total
Acquisition cost at 1/1/2013	159 070
Additions	21 879
Disposals	30 235
Acquisition cost at 31/12/2013	150 714
Accumulated dep. at 1/1/2013	125 813
Depreciation expenses	18 915
Disposals	29 068
Accumulated depreciation at 31/12/2013	115 660
Net book value at 1/1/2013	33 257
Net book value at 31/12/2013	35 054

III. 6. Temporary asset or liability accounts

a) Temporary asset accounts

	2013	2012
Accumulated debt	134 678	78 437
Estimated premiums	9 875	8 472
Estimated receivables arising from reinsurance operations	2 990	5 690
Other	19 874	18 938
Total	167 417	111 537

Estimated premiums

Estimated receivables comprise estimated written premiums for December, including an estimate of the lapse rate, where the settlement with intermediaries is carried out retrospectively, i.e. for the previous month.

Estimated receivables arising from reinsurance operations

The Company discloses under estimated receivables arising from reinsurance operations an estimate of the appropriate profit commission from the reinsurers' share in the estimated written premiums disclosed above and the not-yet-agreed receivables due from reinsurers for the fourth quarter of 2013.

b) Estimated payables

	2013	2012
Estimated payables arising from reinsurance operations	204 247	18 990
Accrued commission (not yet due)	108 674	100 584
Services not invoiced	34 374	41 729
Accruals in respect of untaken holiday	29 856	12 931
Other estimated payables	12 385	9 511
Total	389 536	183 745

Estimated payables arising from reinsurance operations

Payables that have not been reconciled with reinsurers and payables arising from facultative reinsurance that have not been reconciled with insurers for the fourth quarter of 2013 are reported in estimated payables arising from reinsurance operations.

Accrued commission (not yet due)

The Company discloses as Accrued commission (not yet due) the expected amount of commissions relating to premiums written in the current accounting period where the insurance intermediary's right to receive the commission is dependent on meeting additional specific criteria.

Services not invoiced

The Company discloses under Services not invoiced the expected amount of payables that have not yet been invoiced.

III. 7. Registered capital

The registered capital consists of 10 000 registered ordinary shares in booked form with a nominal value of TCZK 100. As at 31 December 2013, 100%, i.e. TCZK 1 000 000 (2012: TCZK 1 000 000), of the registered capital was paid up.

The Company's registered capital amount 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.

a) Other capital accounts

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

	2013	2012
Balance at 1.1.2013	115 328	52 272
Change in fair value of financial placement	-50 553	77 252
Change in deferred tax	9 629	-14 196
Balance at 31.12.2013	74 404	115 328

b) Planned distribution of the current period profit

Current period profit	451 372
Transfer to legal reserve fund	22 568
Transfer to social fund	9 000
Payment of profit shares	356 850
Profit to be added to retained earnings	62 954

The planned distribution of the profit is subject to approval of the general meeting of shareholders.

III. 8. Technical provisions

a) Provision for unearned premiums (gross)

	2013	2012
Non-life insurance	1 463 123	1 420 484
Life assurance	12 155	13 670
Total	1 475 278	1 434 154

b) Provision for outstanding claims

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2012, the claims payments during 2013 (relating to claims considered in this provision) and the residual amount of this provision as at 31 December 2013.

The net run-off result is as follows:

Insurance class	2013	2012
Motor insurance	3 471	33 418
Motor third party liability insurance	176 968	237 523
Insurance against fire and other damage to property	-14 841	-40 855
Liability insurance	18 075	11 196
Accident and sickness insurance	2 491	1 507
Life assurance	3 780	-10 162
Travel insurance	2 022	-2 417
Other	5 545	4 023
Total	197 511	234 233

As for MTPL, the reliability level was updated based on the annual reassessment of its adequacy performed by the Board of Directors of the Company.

Provision for outstanding claims paid in the form of annuities

The gross provision for outstanding claims in respect of third party liability insurance paid in the form of annuities arising from reported claims amounted to TCZK 1 059 356 after discounting (2012: TCZK 873 396).

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Bureau methodology as at 3 June 2013 (breaking point method) 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 2%.

c) Provision for bonuses and rebates (gross)

Insurance class	2013	2012
Non-life insurance	17 572	21 709
Life assurance	37 921	21 810
Total	55 493	43 519

d) Non-life insurance provision (gross)

	Opening balance	Creation	Release	Closing balance
Non-life insurance	742	153	0	895
Total	742	153	0	895

e) Provision for the liabilities of the Czech Insurers' Bureau

	Opening balance	Creation	Release	Closing balance
Provision for liabilities of the Bureau	645 540	0	125 884	519 656
Total	645 540	0	125 884	519 656

III. 9. Provisions

Type of provision	Opening balance	Creation	Release	Closing balance
Provision for taxes	49 277	44 732	49 277	44 732
Provision for employee benefits	29 908	1 930	0	31 838
Provision for litigations	260	0	0	260
Total	79 445	46 662	49 277	76 830

III. 10. Contingent liabilities

a) Litigations

The Company was the defendant in a law suit in which an action was brought against the Company as a secondary insurer in the frame of co-insurance for payment of the insurance settlement from the insurance of Průmyslový palác in Prague by the owner, the Capital of Prague.

At the beginning of 2013, this long-pending claim was settled using a composition deed concluded between the plaintiff and the defendants.

Subsequently, several operations were made in order to terminate this claim. These operations comprise payment/ additional payment of both the amounts stated in the agreement, the share of ČPP to UNIQA, settlement of the share of Maxima to ČPP, and settlement of cashcalls from reinsurers.

b) Co-insurance

The Company is the leading insurer in several coinsurance contracts in respect of which claims of significant amounts have been reported as at the balance sheet date.

The Company considers it improbable that the beneficiary will file a claim in full against the Company as the leading co-insurer pursuant to Section 30 of Act No. 37/2004 Coll., on Insurance Contracts, and has therefore established a provision for outstanding claims amounting only to the Company's share.

c) Membership in the Czech Insurers' Bureau

As a member of the Bureau the Company is obliged to guarantee the liabilities of the Bureau pursuant to Section 18 (6) of the Act on Motor Third Party Liability Insurance. the Company contributes to the guarantee fund and creates other technical provisions. the amount of the contribution and other technical provisions are determined based on a calculation made by the Bureau.

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

d) 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.

III. 11. Additional disclosures in respect of the profit and loss account

a) Bonuses and rebates

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

	2013	2012
Gross amount		
Non-life insurance	21 493	15 450
Life assurance	0	0
Total gross amount	21 493	15 450
Reinsurers' share	0	0
Total net amount	21 493	15 450

The Company accounted for the following changes in the provision for bonuses and rebates in accordance with the procedures stated in note I. 4. (h):

2013	Gross amount	Reinsurers' share	Net amount
Non-life insurance			
Creation	17 356	7 427	9 929
Release	21 493	11 449	10 044
Change of balance	-4 137	-4 022	- 115
Life assurance			
Creation	37 921	0	37 921
Release	21 810	0	21 810
Change of balance	16 111	0	16 111
Total change of balance	11 973	-4 023	15 996
2012	Gross amount	Reinsurers' share	Net amount
Non-life insurance			
Creation	11 400	11 449	-49
Release	15 450	14 226	1 224
Change of balance	-4 050	-2 777	- 1 273
Life assurance			
Creation	21 810	0	21 810
Release	15 879	0	15 879
Change of balance	5 931	0	5 931
Total change of balance	1 881	-2 777	4 658

b) Administrative expenses

	2013	2012
Personnel expenses (payroll, social and health insurance)	179 118	190 568
Rental	103 277	94 322
Advisory	6 454	5 745
Energy consumption	15 923	12 893
Material consumption	5 795	6 657
Postage + telephone services	33 014	43 927
Software services	62 857	46 411
Depreciation of tangible and intangible fixed assets	31 304	32 927
Outsourcing expenses	93 349	90 129
Expenses for printing	5 784	5 748
Other administrative expenses	88 040	91 519
Total administrative expenses before reallocation	624 915	620 844
Reallocation to acquisition costs	-200 607	-180 348
Reallocation to claims handling costs	-138 591	-112 984
Reallocation to costs of financial placement	-26 944	-23 800
Reallocation total	-366 142	-317 132
Total administrative expenses	258 773	303 712

Information about the fee payable to the audit company is disclosed in the notes to the consolidated financial statements of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, the parent company.

c) Other technical expenses and income

2013	Gross amount	Reinsurers' share	Net amount
Non-life insurance			
Other technical expenses	115 878	0	115 878
Other technical income	95 187	0	95 187
Life assurance			
Other technical expenses	96 063	0	96 063
Other technical income	143 747	0	143 747

2012	Gross amount	Reinsurers' share	Net amount
Non-life insurance			
Other technical expenses	185 135	0	185 135
Other technical income	105 128	0	105 128
Life assurance			
Other technical expenses	133 258	0	133 258
Other technical income	50 169	0	50 169

d) Employees and executives

The average number of employees and executives and remuneration paid for 2013 and 2012 are as follows:

2013	Average number of employees	Total personnel expenses	Social and health insurance	Of which other personnel expenses
Employees	738	296 098	94 160	6 594
Executives	71	77 949	24 301	0
Total	809	374 047	118 461	6 594

2012	Average number of employees	Total personnel expenses	Social and health insurance	Of which other personnel expenses
Employees	715	270 014	93 021	6 130
Executives	71	84 227	20 447	0
Total	786	354 241	113 468	6 130

The part of the total payroll, social security and health insurance expenses, in the amount of TCZK 179 118 (2012: TCZK 190 568) represents administrative overheads and TCZK 313 390 (2012: TCZK 296 369) accounts for expenses incurred to acquire insurance contracts, of which commission payments amount to TCZK 11 346 (2012: TCZK 13 012) and are disclosed in Note II.4.

e) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 12 841 (2012: TCZK 12 779), of which TCZK 8 685 (2012: TCZK 8 457) relates to social security and TCZK 4 156 (2012: TCZK 4 322) relates to health insurance. None of these liabilities are overdue.

f) Tax liabilities and subsidies

Tax liabilities total TCZK 28 129 (2012: liabilities of TCZK 35 456), of which a deferred tax liability is TCZK 15 726 (2012: TCZK 26 450).

g) Statutory, Executive and Supervisory Board members' remuneration

The Company has reported the following monetary and non-monetary remuneration provided to the statutory, executive and Supervisory Board members for the financial years 2013 and 2012:

	2013	2012
Members of the Board of Directors	5 963	10 750
Members of the Supervisory Board	1 315	1 077
Total remuneration	7 278	11 827

h) Statutory, Executive and Supervisory Board members' loans and advances

In 2013 and 2012, the Company had no receivables from members of the Board of Directors or the Supervisory Board relating to provided loans or advances.

i) Expense allocation between technical accounts and non-technical account

As at the balance sheet date, the total amount of expenses allocated between the technical accounts for life assurance, non-life insurance and the non-technical account by means of the method stated in note I. 4. (w) amounted to TCZK 197 865 (2012: TCZK 196 996).

j) Result of non-technical account

The result of the non-technical account as at 31 December 2013 was a loss of TCZK 13 418 (2012: a loss of TCZK 20 340).

k) Profit before tax

The profit before tax as at 31 December 2013 amounted to TCZK 542 587 (2012: TCZK 647 382).

III. 12. Taxation

a) Income tax in the profit and loss account

	2013	2012
Current period income tax	90 044	139 824
Receivables from paid corporate income tax prepayments decreased by an income tax provision for the current period	0	0
Current income tax relating to prior periods	2 266	- 1 216
Change in deferred tax asset/Change in deferred tax liability	-1 095	1 525
Income tax in profit and loss account	91 215	140 133

b) Deferred tax assets/Deferred tax liabilities

Deferred tax assets and liabilities are as follows:

Temporary differences	Assets		Liabilities		Net	
	2013	2012	2013	2012	2013	2012
Fixed assets	1	0	-833	-2 387	-832	-2 387
Receivables	1 927	2 395	0	0	1 927	-2 395
Accumulated losses	0	0	0	0	0	0
Other temporary differences recorded in profit and loss account	0	0	0	0	0	0
Total temporary differences recorded in profit and loss account	1 928	2 395	-833	-2 387	1 095	8
Revaluation of assets and liabilities	0	0	-16 829	-26 458	-16 829	-26 458
Deferred tax asset/liability	1 928	2 395	-17 662	-28 845	-15 734	-26 450

In accordance with the accounting policy described in note I. 4. (x), deferred tax was calculated using the tax rate of 19%.

III. 13. Subsequent events

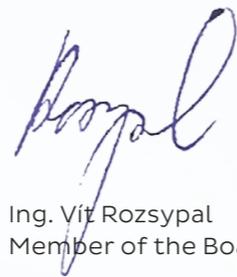
The Company's management is not aware of any material subsequent events that have occurred since the balance sheet date that would have a material impact on these financial statements.

Prague, 3 March 2014

100



Ing. Jaroslav Besperát
Chairman of the Board of Directors



Ing. Vít Rozsypal
Member of the Board of Directors

101

REPORT OF THE BOARD OF DIRECTORS ON RELATIONS BETWEEN RELATED PARTIES PURSUANT TO SECTION 66A OF THE COMMERCIAL CODE

SECTION I.

ENTITIES INCLUDED in The GROUP

1. Controlled person

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

with its registered office at Pobřežní 665/23, 186 00 Praha 8
Corporate identification number (IČ): 63998530

Recorded in the Commercial Register maintained by the Municipal Court
in Prague, Section B, File 3433 ("ČPP").

ČPP is a trade company carrying on insurance business in compliance with Act No. 277/2009 Coll., on Insurance. Its business activities are defined in its Articles of Association and recorded in the Commercial Register.

2. Controlling person

Kooperativa pojišťovna, a.s., Vienna Insurance Group

with its registered office at Pobřežní 665/21, 186 00 Praha 8
Corporate identification number (IČ): 47116617

Recorded in the Commercial Register maintained by the Municipal Court
in Prague, Section B, File 1897 ("Kooperativa").

Kooperativa is a trade company carrying on insurance business in compliance
with Act No. 277/2009 Coll., on Insurance. Its business activities are defined in its
Articles of Association and recorded in the Commercial Register.

Kooperativa is controlled by VIENNA INSURANCE GROUP AG Wiener Versicherung
Gruppe with its registered office at Schottenring 30, A-1010 Vienna, Austria ("VIG
AG"). Its business activities are defined in its Articles of Association.

3. Related parties

A list of subsidiaries of VIG AG is attached to this report as an Appendix.

SECTION II.

RELATIONS BETWEEN GROUP ENTITIES

1. Type of control

Kooperativa owns shares of ČPP with an aggregate nominal value of 100% of its
registered capital.

2. Structure of relations

The ownership interest of VIG AG in the other subsidiaries expressed
as a percentage of the registered capital is stated in the Appendix to this Report.

SECTION III.

REPORTING PERIOD

This Report has been prepared for the last accounting period, i.e. for the period
between 1 January 2013 and 31 December 2013.

SECTION IV.

CONTRACTS AND AGREEMENTS CONCLUDED BETWEEN GROUP ENTITIES in 2013

1. Contracts and agreements concluded between the controlling person
(Kooperativa, VIG AG) and the controlled person ČPP in 2013
 - Proportional quota reinsurance contract on MTPL insurance coverage
concluded between ČPP and VIG AG.
 - Accidental proportional quota reinsurance contract concluded between
ČPP and VIG AG.
 - Proportional quota reinsurance contract on property insurance coverage
concluded between ČPP and Kooperativa.
 - Contract on cost sharing concluded between ČPP and Kooperativa.
 - Appendix No. 1 to Insurance contract No. 0013868500 for business
interruption insurance due to a natural disaster and due to destruction
of machinery concluded between ČPP and Kooperativa.
 - Insurance contract No. 3880013411 for comprehensive fleet insurance
concluded between ČPP and Kooperativa.
 - Appendices No. 24 – 25 to Insurance contract No. 0012341541 for property
insurance concluded between ČPP and Kooperativa.

- Appendix No. 4 to Mandate contract No. 8720000000 for an insurance agent concluded between ČPP and Kooperativa.
- Contract for business representation No. 4116-9930001756/01-2013-ADR concluded between ČPP and Kooperativa.

ČPP incurred no detriment as a result of these contracts and agreements.

2. Contracts and agreements concluded between ČPP and the other controlled parties from the VIG Group in 2013.
 - Contract for outsourcing concluded between ČPP and Global Expert, s.r.o.
 - Appendices No. 2 - 4 to Insurance contract No. 00138663033 concluded between ČPP and V.I.G. ND uzavřený investiční fond, a.s.
 - Reinsurance contracts concluded between ČPP and VIG RE zajišťovna, a.s.
 - Insurance contract No. 0013964496 for liability insurance and for faulty product liability insurance concluded between ČPP and Obecně prospěšná společnost Kooperativy.
 - Appendices No. 115- 139 to Mandate contract No. 8580000000 for insurance mediation concluded between ČPP and ČPP Servis, s.r.o.

ČPP incurred no detriment as a result of these contracts and agreements.

SECTION V.

OTHER LEGAL ACTS OR MEASURES ADOPTED OR REALISED in The INTEREST OR AT the INSTIGATION of RELATED PARTIES

In 2013, no legal acts or other measures were performed in the interest or at the instigation of the related parties.

SECTION VI.

CONFIDENTIALITY

1. Information and facts that form a part of the trade secret of ČPP, Kooperativa and other related parties as well as any information indicated as confidential by any group entity shall be considered confidential within the Group. Furthermore, these comprise any business information that may, separately or combined with other information or facts, cause a detriment to any of the Group entities.

2. In order to prevent any loss to the controlled person, and subject to the provisions of paragraph 1 of this Section, the Report of the statutory body does not contain financial information on fulfilment and consideration under the contracts and agreements concluded.

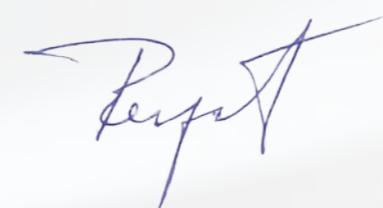
SECTION VII.

CONCLUSION

1. This report has been prepared by the Board of Directors of the controlled person, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, and submitted for review to the Supervisory Board and to KPMG Česká republika Audit, s.r.o., an audit company, which will audit the financial statements of the Company. As ČPP is obliged under the law to prepare an annual report, this Report constitutes an integral part of it.

Prague, on 18 February 2014

Signature of the Chairman of the Board of Directors and of a member of the Board of Directors of the controlled person, Česká podnikatelská pojišťovna, a. s., Vienna Insurance Group:



Ing. Jaroslav Besperát
Chairman of the Board of Directors



Ing. Vít Rozsypal
Member of the Board of Directors

APPENDIX TO THE REPORT OF THE BOARD OF DIRECTORS ON RELATIONS BETWEEN RELATED PARTIES

A list based on the VIG Group financial statements as at 31 December 2013

Company name	Country	Ownership interest in %
Consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY, Sofia	Bulgaria	95,53
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Vienna	Austria	100,00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	98,57
"WIENER RE" akcionarsko društvo za reosiguranje, Belgrade	Serbia	100,00
"WIENER STÄDTISCHE OSIGURANJE" akcionarsko društvo za osiguranje, Belgrade	Serbia	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bucharest	Romania	99,10
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Austria	94,00
Anděl Investment Praha s.r.o., Prague	Czech Republic	100,00
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Vienna	Austria	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A., Bucharest	Romania	92,36
BENEFIA Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group, Warsaw	Poland	100,00
BML Versicherungsmakler GmbH, Vienna	Austria	100,00
Benefia Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	100,00
Blizzard Real Sp. z o.o., Warsaw	Poland	100,00
Business Insurance Application Consulting GmbH, Vienna	Austria	100,00
Businesspark Brunn Entwicklungs GmbH, Vienna	Austria	100,00
CAL ICAL "Globus", Kiev	Ukraine	80,00
CAME Holding GmbH, Vienna	Austria	100,00
CAPITOL, akciová spoločnosť, Bratislava	Slovakia	100,00
CENTER Hotelbetriebs GmbH, Vienna	Austria	80,00
COMPENSA Holding GmbH, Wiesbaden	Germany	100,00
Central Point Insurance IT-Solutions GmbH, Vienna	Austria	100,00

Company name	Country	Ownership interest in %
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	100,00
Compensa Life Vienna Insurance Group SE, Tallinn	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	100,00
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	99,92
DBLV Immobesitz GmbH, Vienna	Austria	100,00
DBLV Immobesitz GmbH & Co KG, Vienna	Austria	100,00
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Germany	100,00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Germany	100,00
DONAU Versicherung AG Vienna Insurance Group, Vienna	Austria	99,24
DVIB GmbH, Vienna	Austria	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH, Vienna	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH, Vienna	Austria	100,00
ELVP Beteiligungen GmbH, Vienna	Austria	100,00
ERSTE Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	95,00
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Croatia	95,00
GPIH B.V., Amsterdam	Netherlands	91,11
Gesundheitspark Wien -Oberlaa Gesellschaft m.b.H., Vienna	Austria	100,00
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia	Bulgaria	98,00
INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	75,00
Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group, Skopje	Macedonia	94,25
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	99,98
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
InterAlbanian Vienna Insurance Group Sh.a., Tirana	Albania	93,17

Company name	Country	Ownership interest in %
International Insurance Company "IRAO" LTD, Tbilisi	Georgia	100,00
Joint Stock Company Insurance Company GPI Holding, Tbilisi	Georgia	90,00
Jahorina osiguranje Vienna Insurance Group akcionasko društvo, Pale	Bosnia and Herzegovina	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Macedonia	100,00
KOMUNÁLNA poisťovňa, a.s. Vienna Insurance Group, Bratislava	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group, Bratislava	Slovakia	100,00
Kaiserstraße 113 GmbH, Vienna	Austria	100,00
Kapitol pojišťovací a finanční poradenství, a.s., Brno	Czech Republic	100,00
Kooperativa pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	98,39
Kvarner Wiener Städtische nekretnine d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100,00
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Hungary	100,00
LVP Holding GmbH, Vienna	Austria	100,00
MAP Bürodienstleistung Gesellschaft m.b.H., Vienna	Austria	100,00
MH 54 Immobilienanlage GmbH, Vienna	Austria	100,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH, Linz	Austria	99,81
Neue Heimat Oberösterreich Holding GmbH, Vienna	Austria	90,00
OMNIASIG VIENNA INSURANCE GROUP S.A., Bucharest	Romania	99,40
PFG Holding GmbH, Vienna	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Vienna	Austria	92,88
Private Joint-Stock Company "Insurance company" Ukrainian insurance group", Kiev	Ukraine	100,00
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", Kiev	Ukraine	99,99
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiev	Ukraine	97,80
PROGRESS Beteiligungsges.m.b.H., Vienna	Austria	60,00
Palais Hansen Immobilienentwicklung GmbH, Vienna	Austria	56,55
Passat Real Sp. z o.o., Warsaw	Poland	100,00
Poisťovňa Slovenskej sporiteľne, a.s. Vienna Insurance Group, Bratislava	Slovakia	95,00
Pojišťovna České spořitelny, a.s., Vienna Insurance Group, Pardubice	Czech Republic	95,00

Company name	Country	Ownership interest in %
Projektbau GesmbH, Vienna	Austria	100,00
Projektbau Holding GmbH, Vienna	Austria	90,00
Rathstraße 8 Liegenschaftsverwertungs GmbH, Vienna	Austria	100,00
Ray Sigorta Anonim Sirketi, Istanbul	Turkey	94,96
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slovakia	100,00
SIGMA VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	87,01
SVZ GmbH, Vienna	Austria	100,00
SVZI GmbH, Vienna	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Vienna	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Vienna	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	66,70
Sparkassen Versicherung AG Vienna Insurance Group, Vienna	Austria	95,00
T 125 GmbH, Vienna	Austria	100,00
TBI BULGARIA EAD, Sofia	Bulgaria	100,00
TBIH Financial Services Group N.V., Amsterdam	Netherlands	100,00
UNION Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	100,00
V.I.G. ND, uzavřený investiční fond a.s., Prague	Czech Republic	100,00
VIG FUND uzavřený investiční fond, a.s., Prague (financial statements of the Group)	Czech Republic	100,00
VIG RE zajišťovna, a.s., Prague	Czech Republic	100,00
VIG REAL ESTATE DOO, New Belgrade	Serbia	100,00
VIG Real Estate GmbH, Vienna	Austria	100,00
VIG-CZ Real Estate GmbH, Vienna	Austria	100,00
VLTAVA majetkovosprávní a podílová spol.s.r.o., Prague	Czech Republic	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group, Bendern	Liechtenstein	100,00
WGPV Holding GmbH, Vienna	Austria	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb	Croatia	99,47
WIENER STÄDTISCHE Beteiligungs GmbH, Vienna	Austria	100,00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Vienna	Austria	100,00

Company name	Country	Ownership interest in %
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	Austria	99,90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H., Vienna	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG, Vienna	Austria	100,00
WSV ImmoHolding GmbH, Vienna	Austria	100,00
Companies consolidated using the equity method		
"Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH, Vienna	Austria	55,00
AIS Servis, s.r.o., Brno	Czech Republic	100,00
Benefita, a.s., Prague	Czech Republic	100,00
ČPP Servis, s.r.o., Prague	Czech Republic	100,00
CROWN-WSF spol. s.r.o., Prague	Czech Republic	30,00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Vienna	Austria	99,77
GLOBAL ASSISTANCE, a.s., Prague	Czech Republic	100,00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft, Leonding	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH, Kapfenberg	Austria	55,00
Gewista-WerbeGesellschaft m.b.H., Vienna	Austria	33,00
Global Expert, s.r.o., Pardubice	Czech Republic	100,00
HOTELY SRNÍ, a.s., Prague	Czech Republic	100,00
KIP, a.s., Prague	Czech Republic	100,00
Kámen Ostroměř, s.r.o., Ostroměř	Czech Republic	100,00
Medial Beteiligungs-Gesellschaft m.b.H., Vienna	Austria	29,63
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna	Austria	50,12
Sanatorium Astoria, a.s., Karlovy Vary	Czech Republic	92,71
S - budovy, a.s., Prague	Czech Republic	100,00
S IMMO AG, Vienna (financial statements of the Group)	Austria	10,04
S-správa nemovitostí, a.s., Prague	Czech Republic	100,00
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Vienna	Austria	50,12
SURPMO, a.s., Prague	Czech Republic	100,00
TECH GATE VIENNA Wissenschafts- und Technologiepark GmbH, Vienna	Austria	60,00
Unigeo, a.s., Ostrava - Hrabová	Czech Republic	100,00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna	Austria	50,12

Company name	Country	Ownership interest in %
Non-consolidated companies		
"Auto-Ekspert" Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
"Compensa Services" SIA, Riga	Latvia	100,00
"DUNAJ - Finanse" - Spolka z ograniczona adpowiedzialnoscia, Warsaw	Poland	50,00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H., Linz	Austria	100,00
AISMP Meditzinski Tsentar Bulstrad Zdrave EOOD, Sofia	Bulgaria	100,00
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group, Podgorica	Montenegro	100,00
Amadi GmbH, Wiesbaden	Germany	100,00
AQUILA Hausmanagement GmbH, Vienna	Austria	100,00
AREALIS Liegenschaftsmanagement GmbH, Vienna	Austria	50,00
Autosig SRL, Bucharest	Romania	100,00
B&A Insurance Consulting s.r.o., Moravská Ostrava	Czech Republic	49,00
BENEFIA Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
Beteiligungs- und Immobilien GmbH, Linz	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Austria	25,00
Brunn N68 Sanierungs GmbH, Vienna	Austria	50,00
Bulstrad Trudova Meditzina EOOD, Sofia	Bulgaria	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H., Villach	Austria	99,48
CAPITOL BROKER DE PENSII PRIVATE S.R.L., Bucharest	Romania	97,56
CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L., Bucharest	Romania	97,57
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L., Bucharest	Romania	97,56
CAPITOL Spolka z Ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
CARPLUS Versicherungsvermittlungsentur GmbH, Vienna	Austria	100,00
CCA EDV für Versicherungswirtschaft GmbH, Vienna	Austria	100,00
DIRECT-LINE Direktvertriebs-GmbH, Vienna	Austria	100,00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna	Austria	100,00
EBS Wohnungsgesellschaft mbH Linz, Linz	Austria	99,99
EBV-Leasing Gesellschaft m.b.H., Vienna	Austria	49,49
EGW Wohnbau gemeinnützige Ges.m.b.H., Vienna	Austria	100,00
ERSTE d.o.o. - company for mandatory pension fund management, Zagreb	Croatia	29,00
Erste S Biztositasi Alkusz Kft, Budapest	Hungary	100,00

Company name	Country	Ownership interest in %
European Insurance & Reinsurance Brokers Ltd., London	United Kingdom	85,00
EXPERTA Schadenregulierungs-Gesellschaft mbH, Vienna	Austria	100,00
Finanzpartner GmbH, Vienna	Austria	50,00
Foreign limited liability company "InterInvestUchastie", Minsk	Belorussia	100,00
Gain Capital SA, SICAV-FIS Real Estate Car Parks I, Luxembourg	Luxembourg	52,88
GELUP GmbH, Vienna	Austria	33,33
GEO HOSPITALS LLC, Tbilisi	Georgia	100,00
Glamas Beteiligungsverwaltungs GmbH, Vienna	Austria	23,33
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG, Vienna	Austria	23,33
HAVLÍČKOVA INVESTMENT a.s., Prague	Czech Republic	100,00
Henderson Global Investors Immobilien Austria GmbH, Vienna	Austria	35,00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Vienna	Austria	100,00
InterRisk Informatik GmbH, Wiesbaden	Germany	100,00
Jahorina auto d.o.o., Brcko	Bosnia and Herzegovina	100,00
Jahorina Konseko Progres a.d., Pale	Bosnia and Herzegovina	28,00
Joint Stock Company "Curatio", Tbilisi	Georgia	100,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	Macedonia	100,00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company, Minsk	Belorussia	98,26
KWC Campus Errichtungsgesellschaft m.b.H., Klagenfurt	Austria	50,00
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG, Vienna	Austria	21,59
LiSciV Muthgasse GmbH & Co KG, Vienna	Austria	23,33
MC EINS Investment GmbH, Vienna	Austria	50,00
MuVi Re S.A., Luxembourg	Luxembourg	100,00
Österreichisches Verkehrsbüro Aktiengesellschaft, Vienna	Austria	36,58
Pension Insurance Company Doverie AD, Sofia	Bulgaria	92,58
People's Pharmacy LLC, Tbilisi	Georgia	50,00
PFG Liegenschaftsbewirtschaftungs GmbH, Vienna	Austria	83,57
Privat Joint-stock company "VAB Insurance", Kiev	Ukraine	100,00
Renaissance Hotel Realbesitz GmbH, Vienna	Austria	40,00

Company name	Country	Ownership interest in %
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H., Vienna	Austria	51,00
S.C. CLUB A.RO S.R.L., Bucharest	Romania	100,00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH, Vienna	Austria	100,00
Slovexperta, s.r.o., Žilina	Slovakia	100,00
Soleta Beteiligungsverwaltungs GmbH, Vienna	Austria	23,33
Soravia Food Market GmbH, Vienna	Austria	33,33
Sparkassen-Versicherungsservice Gesellschaft m.b.H., Vienna	Austria	100,00
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE, Warsaw	Poland	100,00
students4excellence GmbH, Vienna	Austria	24,75
TBI Asset Management EAD, Sofia	Bulgaria	100,00
TBI CONSULTING EOOD, Sofia	Bulgaria	100,00
TBI Info EOOD, Sofia	Bulgaria	100,00
TBI Invest EAD, Sofia	Bulgaria	100,00
Thermenland Congress Center Loipersdorf GmbH & Co KG, Loipersdorf	Austria	32,26
TOGETHER Internet Services GmbH, Vienna	Austria	24,99
UAB "Compensa Services", Vilnius	Lithuania	100,00
UNION-Informatikai Szolgáltató Kft., Budapest	Hungary	100,00
Untere Donaulände 40 GmbH, Vienna	Austria	100,00
Untere Donaulände 40 GmbH & Co KG, Vienna	Austria	100,00
VBV - Betriebliche Altersvorsorge AG, Vienna	Austria	23,56
VBV - Vorsorgekasse Aktiengesellschaft, Vienna	Austria	94,00
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H., Vienna	Austria	33,33
Vienna Finanse Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
Vienna Insurance Group Contact CenterBulgaria AD, Sofia	Bulgaria	100,00
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	100,00
Vienna International Underwriters GmbH, Vienna	Austria	100,00
VIG Asset Management investiční společnost, a.s., Prague	Czech Republic	100,00
VIG Management Service SRL, Bucharest	Romania	100,00
VIG Properties Bulgaria AD, Sofia	Bulgaria	99,97

Company name	Country	Ownership interest in %
VIG Services Bulgaria EOOD, Sofia	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K., Tirana	Albania	100,00
VIG Services Ukraine, LLC, Kiev	Ukraine	100,00
VILE BAREDINE d.o.o., Zagreb	Croatia	30,00
VÖB Direkt Versicherungsagentur GmbH, Graz	Austria	50,00
VVT Vermögensverwaltung GmbH, Vienna	Austria	33,33
WAG Wohnungsanlagen Gesellschaft m.b.H., Linz	Austria	100,00
Wien 3420 Aspern Development AG, Vienna	Austria	73,40
Wiener Städtische Donau Leasing GmbH, Vienna	Austria	100,00
WILA GmbH, Vienna	Austria	100,00
WNH Liegenschaftsbesitz GmbH, Vienna	Austria	100,00
WSBV Beteiligungsverwaltung GmbH, Vienna	Austria	100,00
WSV Vermögensverwaltung GmbH, Vienna	Austria	100,00

Report of the Supervisory Board of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group on the results for the year 2013 including a report on concluding contracts pursuant to Section 196a of the Commercial Code

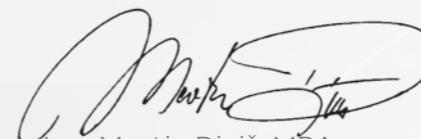
In 2013, the Supervisory Board of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group („the Company“) carefully monitored the work of the Board of Directors and the Company’s business. the Supervisory Board carried out its activities in accordance with the relevant provisions of the Commercial Code and exercised its duties both as a whole and through its members acting individually.

The Supervisory Board was presented with and reviewed the annual financial statements, comprising the complete set of financial statements, for the year ended 31 December 2013. the review was based on the documents presented to the Supervisory Board, information obtained while carrying out its activities, decisions adopted in 2013 by the sole shareholder exercising the powers of the General Meeting of Shareholders, and the Auditor’s report on the financial statements for the period between 1 January 2013 and 31 December 2013. the documents presented to the Supervisory Board and the controlling activities carried out clearly imply that the Company’s accounting records were maintained faithfully in 2013, and that the 2013 financial statements have been prepared in accordance with all relevant legal regulations and accounting policies, and that the Company carried out its business in compliance with the relevant legal regulations and the Company’s Articles of Association.

All of the above has led the Supervisory Board to unanimously approve the annual financial statements as presented to it by the Board of Directors, and to agree with the profit distribution as proposed by the Board of Directors.

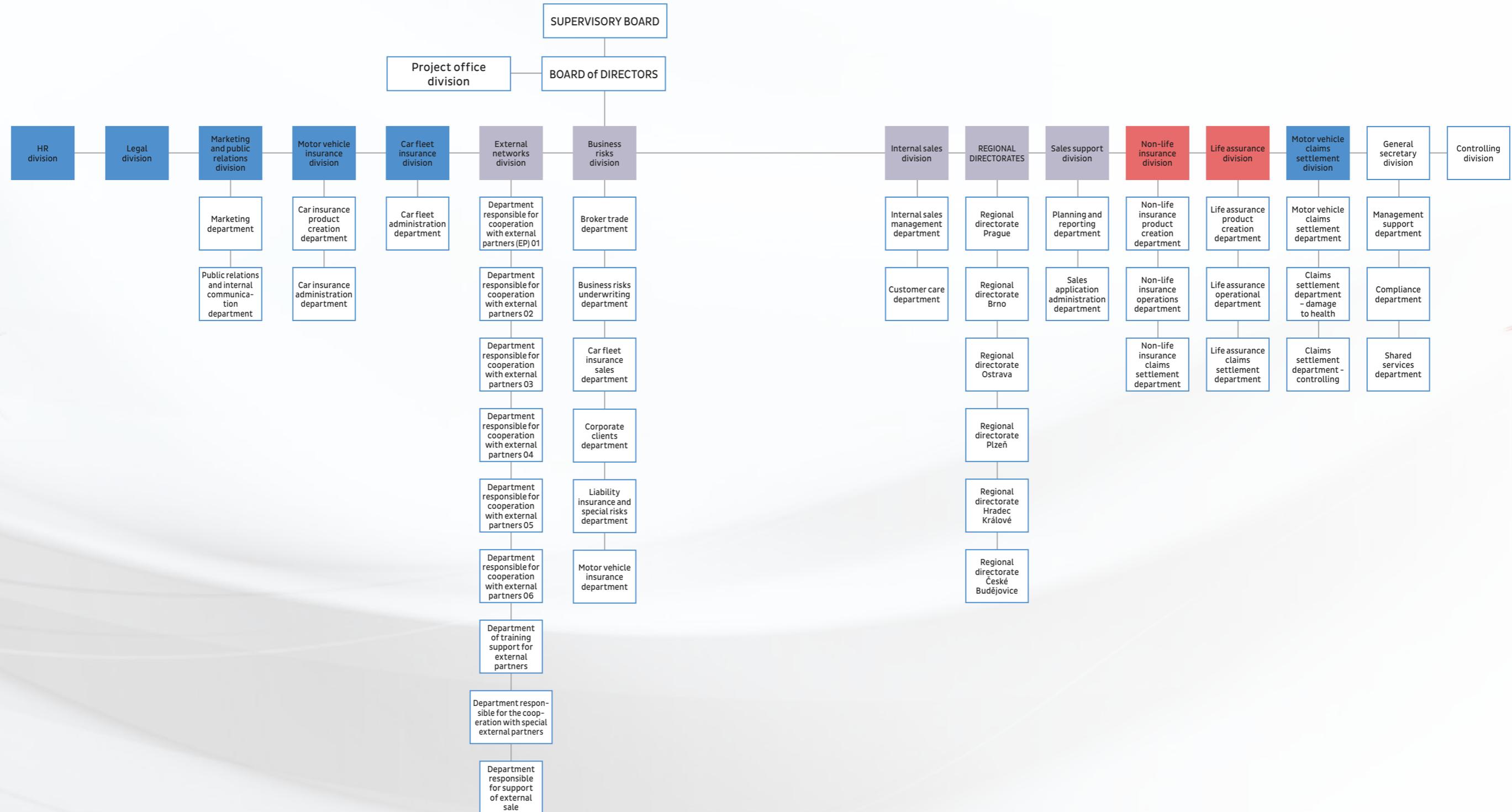
Furthermore, in line with Article 18 (3) (m) of the Company’s Articles of Association, the Supervisory Board hereby notifies the sole shareholder whose competences include approving the conclusion of contracts pursuant to Section 196a of the Commercial Code that in 2013 the Supervisory Board did not discuss any contracts pursuant to Section 196a of the Commercial Code.

Prague, on 18 March 2014



Ing. Martin Diviš, MBA
Chairman of the Supervisory Board

ORGANISATIONAL STRUCTURE AS AT 1 JANUARY 2014





LIST OF REGIONAL
DIRECTORATES
AND BRANCH OFFICES
AS AT 1 JANUARY 2014

Prague

Head office

Pobřežní 665/23, 186 00 Prague 8, tel.: 841 444 555

Regional directorate

Prague, Budějovická 5, 140 21 Prague 4, tel.: 261 022 438

Branch offices

Prague 5, Jindřicha Plachty 25, 150 00 Prague 5, tel.: 257 319 003

Prague 9, Jandova 3/10, 190 00 Prague 9, tel.: 233 901 237

Prague 2, Korunní 1300/65, 120 00 Prague 2, tel.: 221 501 310

Prague 4, Budějovická 3a, 140 21 Prague 4, tel.: 261 022 559

Prague 8, Pobřežní 665/23, 186 00 Prague 8, tel.: 956 451 050

Mladá Boleslav, U Kasáren 1377, 293 01 Mladá Boleslav, tel.: 326 736 168

Kolín, Legerova 182, 280 02 Kolín, tel.: 321 716 931

Příbram, Dlouhá 95, 261 01 Příbram, tel.: 318 627 195

Nymburk, Palackého třída 449/64, 288 02 Nymburk, tel.: 325 531 908

Kladno, Tyršova 1396, 272 01 Kladno, tel.: 312 240 214

Mělník, Jaroslava Seiferta 147/6, 276 01 Mělník, tel.: 315 628 643

Beroun, Politických vězňů 153/21, 266 01 Beroun, tel.: 311 626 736

Rakovník, Vysoká 100, 269 01 Rakovník, tel.: 313 502 590

Brno

Regional directorate

Brno, Benešova 14/16, 602 00 Brno, tel.: 542 120 800

Branch offices

Břeclav, U Stadionu 2144, 690 02 Břeclav, tel.: 519 322 854

Znojmo, Pražská 2 F, 669 02 Znojmo, tel.: 515 331 011

Hodonín, Národní třída 55c, 695 01 Hodonín, tel.: 518 342 444

Třebíč, Smila Osovského 25/35, 674 01 Třebíč, tel.: 568 843 448

Brno-venkov, Pekařská 58, 602 00 Brno, tel.: 542 215 140

Brno II, Kapucínské nám. 14, 602 00 Brno, tel.: 542 215 232

Brno-město, Palackého třída 879/84, 612 00 Brno, tel.: 541 217 647

Boskovice, Růžové náměstí 3 a 4, 680 01 Boskovice, tel.: 516 452 137

Žďár nad Sázavou, Nádražní 430/16, 591 01 Žďár nad Sázavou, tel.: 566 629 899

Zlín, Dlouhá 5617, 760 01 Zlín, tel.: 577 220 954

Uherské Hradiště, Na Splávku 1182, 686 01 Uherské Hradiště, tel.: 572 540 602

Kroměříž, Stoličkova 44, 767 01 Kroměříž, tel.: 573 331 759

České Budějovice

Regional directorate

České Budějovice, Průmyslová 1656, 370 01 České Budějovice, tel.: 386 103 315

Branch offices

České Budějovice, Průmyslová 1656, 370 01 České Budějovice, tel.: 386 103 306

Point of sale of the branch office České Budějovice, Tovární 164, 381 01 Český Krumlov, tel.: 380 713 700

Strakonice, Komenského 105, 386 01 Strakonice, tel.: 383 322 935

Point of sale of the branch office Strakonice, Velké náměstí 6, 383 01 Prachatice, tel.: 388 311 138

Písek, Fráni Šrámka 167, 397 01 Písek, tel.: 382 215 351

Pelhřimov, Arch. Janáka 2256, 393 01 Pelhřimov, tel.: 565 322 449

Tábor, Fügnerova 822, 390 02 Tábor, tel.: 381 257 555

Jindřichův Hradec, Masarykovo náměstí 108, 377 01 Jindřichův Hradec, tel.: 384 361 080

Havlíčkův Brod, Dolní 1, 580 01 Havlíčkův Brod, tel.: 569 420 408

Jihlava, Žižkova 13, 586 01 Jihlava, tel.: 567 300 255

Point of sale of the branch office Strakonice, Jiřího z Poděbrad 772, 386 01 Strakonice

Hradec Králové

Regional directorate

Hradec Králové, Škroupova 441/9, 500 02 Hradec Králové, tel.: 495 704 400

Branch offices

Hradec Králové, Škroupova 441/9, 500 02 Hradec Králové, tel.: 495 704 401

Point of sale of the branch office Hradec Králové, Šimkova 1223/2, 500 03 Hradec Králové, tel.: 495 510 100

Point of sale of the branch office Hradec Králové, Gočárova 1013, 500 02 Hradec Králové, tel.: 495 591 506

Liberec, Kostelní 4/2 - entrance from náměstí Dr. E. Beneše, 460 01 Liberec 1, tel.: 485 106 534

Point of sale of the branch office Liberec, Jeronýmova 576/39, 460 07 Liberec, tel.: 485 104 411

Trutnov, Palackého 388, 541 01 Trutnov, tel.: 499 813 359

Jablonec nad Nisou, Komenského 33, 466 01 Jablonec nad Nisou, tel.: 483 319 881

Náchod, Krámská 29, 547 01 Náchod, tel.: 491 433 168

Turnov, 28. října 17, 511 01 Turnov, tel.: 481 322 854

Jičín, Čelakovského 86, 506 01 Jičín, tel.: 493 520 710

Rychnov nad Kněžnou, Staré náměstí 59, 516 01 Rychnov nad Kněžnou, tel.: 494 661 095

Pardubice, třída Míru 302, 530 02 Pardubice, tel.: 466 610 167

Chrudim, Palackého 55, 537 01 Chrudim, tel.: 469 622 831

Ústí nad Orlicí, Mírové náměstí 1389, 562 01 Ústí nad Orlicí, tel.: 465 526 290

Svitavy, nám. Míru 95, 568 02 Svítavy, tel.: 461 530 317

Ústí nad Labem, Dlouhá 3458/2A - Palác Jordan, 400 01 Ústí nad Labem, tel.: 475 220 001

Česká Lípa, Barvířská 737, 470 01 Česká Lípa, tel.: 487 853 984

Děčín, Palackého 823/4, 405 02 Děčín, tel.: 412 520 108

Point of sale of the branch office Pardubice, Smilova 429, 530 02 Pardubice, tel.: 466 068 305

Ostrava

Regional directorate

Ostrava, Černá louka 78 - Vila Tereza, 702 00 Ostrava, tel.: 596 123 476

Branch offices

Opava, Ostrožná 38, 746 01 Opava, tel.: 553 624 989

Třinec, náměstí Míru 551, 739 61 Třinec, tel.: 558 335 700

Frýdek Místek, Stará cesta 2325, 738 02 Frýdek-Místek, tel.: 558 436 796

Karviná, Masarykovo náměstí 26/14, 733 01 Karviná, tel.: 596 320 224

Nový Jičín, Tyršova 15, 741 01 Nový Jičín, tel.: 556 706 765

Point of sale of the branch office Nový Jičín, Kostelní 478, 744 01 Frenštát pod Radhoštěm,
tel.: 556 801 365

Point of sale of the branch office Nový Jičín, Náměstí 71, 757 01 Valašské Meziříčí,
tel.: 571 610 581

Bruntál, Zámecké nám. 2/8, 792 01, Bruntál, tel.: 554 211 831

Ostrava, Černá louka 78 - Vila Tereza, 702 00 Ostrava, tel.: 596 123 476

Point of sale of the branch office Ostrava, 17. listopadu 677, 708 00 Ostrava-Poruba,
tel.: 596 911 421

Olomouc, Litovelská 17, 779 00 Olomouc, tel.: 585 700 939

Šumperk, M. R. Štefánika 3198/15, 787 01 Šumperk, tel.: 583 224 827

Přerov, Mostní 226/2, 750 02 Přerov, tel.: 581 203 161

Prostějov, Hradební 4603/15, 796 01 Prostějov, tel.: 582 337 735

Jeseník, Poštovní 884/1, 790 01 Jeseník, tel.: 584 409 059

Vsetín, Na Příkopě 814/15, 755 01 Vsetín, tel.: 571 410 004

Point of sale of the branch office Třinec, Smetanova 9, 737 01 Český Těšín, tel.: 558 711 225

Point of sale of the branch office Ostrava, Pode zdí 31/1878, 748 01 Hlučín, tel.: 595 046 273

Point of sale of the branch office Ostrava, Dr. Martíňka 1590, 700 30 Ostrava-Hrabůvka, tel.: 596 111 515

Plzeň

Regional directorate

Plzeň, Lochotínská 18, 301 00 Plzeň, tel.: 377 831 107

Branch offices

Karlovy Vary, Majakovského 29, 360 05 Karlovy Vary, tel.: 353 563 910

Point of sale of the branch office Karlovy Vary, Jaltská 1107, 360 01 Karlovy Vary, tel.: 353 222 562

Klatovy, Pražská 120, 339 01 Klatovy, tel.: 376 321 122

Mariánské Lázně, Chebská 731/15, 353 01 Mariánské Lázně, tel.: 354 626 227

Sokolov, Marie Majerové 1815, 356 01 Sokolov, tel.: 352 605 751

Point of sale of the branch office Sokolov, Staroměstská 538, 357 35 Chodov, tel.: 352 676 664

Plzeň-město, Slovanská alej 28, 326 00 Plzeň, tel.: 377 970 789

Point of sale of the branch office Plzeň-město, Lochotínská 18, 301 00 Plzeň, tel.: 377 831 107

Point of sale of the branch office Plzeň-město, Skupova 24 - OC LUNA NORD,
323 00 Plzeň-město, tel.: 377 540 509

Point of sale of the branch office Plzeň-město, Gerská 1951/15, 323 00 Plzeň, tel.: 377 320 283

Cheb, 26. dubna 583/14, 350 02 Cheb, tel.: 354 544 944

Domažlice, Vodní 31, 344 01 Domažlice, tel.: 379 768 435

Teplice, 28. října 780/10, 415 01 Teplice, tel.: 417 531 007

Tachov, Boženy Němcové 98, 347 01 Tachov, tel.: 374 720 311

Most, Moskevská 3336, 434 01 Most, tel.: 476 744 980

Point of sale of the branch office Most, DS Unipetrol RPA, 436 70 Litvínov-Záluží, tel.: 476 162 800

Litoměřice, Velká Dominikánská 129/10, 412 01 Litoměřice, tel.: 416 733 343

Chomutov, Revoluční 30, 430 01 Chomutov, tel.: 474 623 494

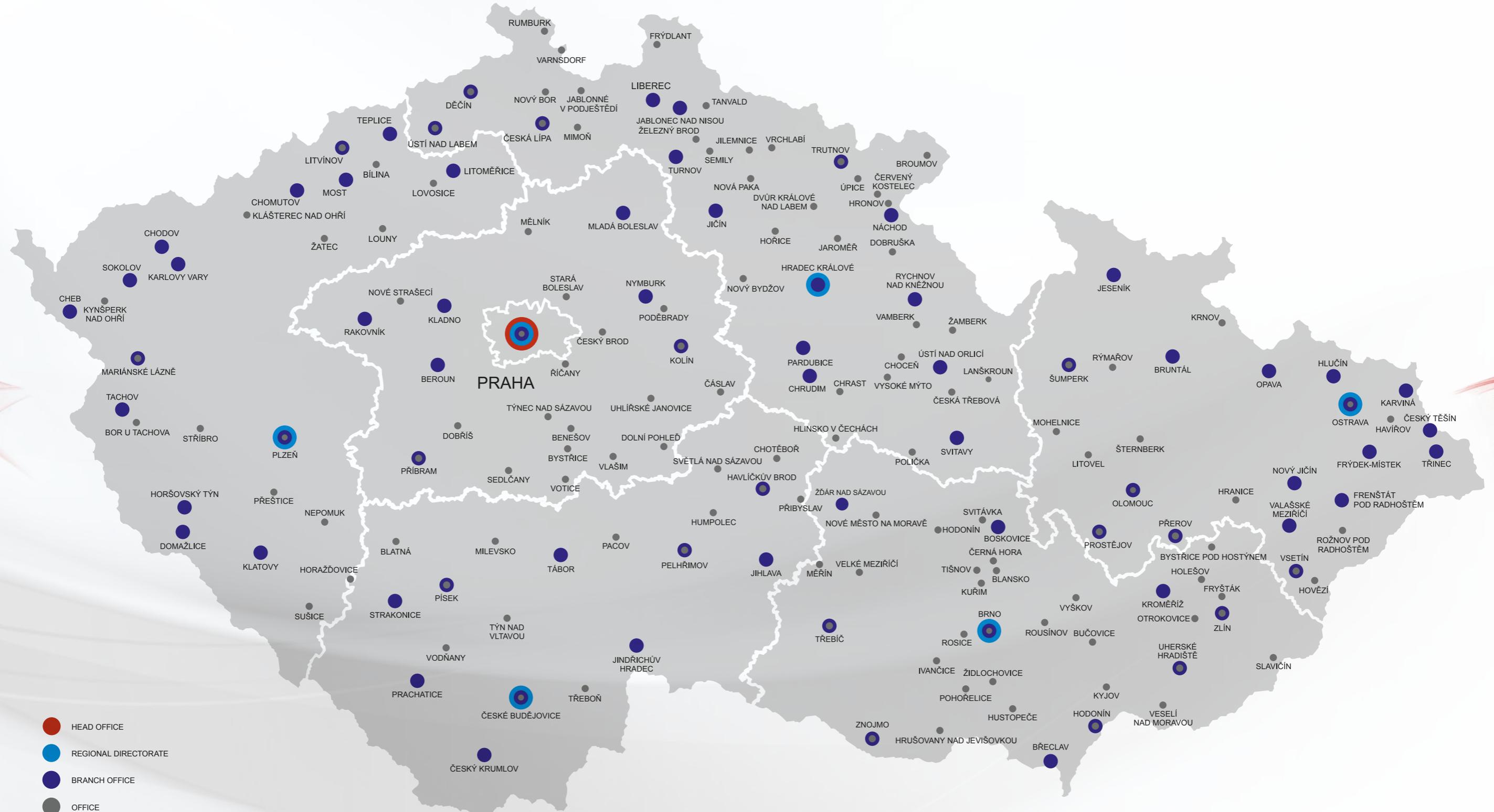
Point of sale of the branch office Domažlice, Domažlická 55, 346 01 Horšovský Týn, tel.: 379 789 310

Points of sale of ČPP Servis

Brno, Štefánikova 61, 612 00 Brno
Kyjov, Masarykovo nám. 8, 697 01 Kyjov
České Budějovice, Průmyslová 1656, 370 01 České Budějovice
Hradec Králové, Škroupova 441/9, 500 02 Hradec Králové
Ostrava, Mlýnská 2352/12, 702 00 Ostrava
Prostějov, nám. T. G. Masaryka 30, 796 01 Prostějov
Plzeň, Nepomucká 159/A, 326 00 Plzeň
Prague, Budějovická B3a, 140 00 Prague 4
Prague 5, Jindřicha Plachty 25, 150 00 Prague 5, tel.: 257 319 003
Prague 9, Jandova 3/10, 190 00 Prague 9, tel.: 233 901 237
Prague 2, Korunní 1300/65, 120 00 Prague 2, tel.: 221 501 310
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Kolín, Legerova 182, 280 02 Kolín, tel.: 321 716 931
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MAP OF CONTACT POINTS
AS AT 1 JANUARY 2014





- HEAD OFFICE
- REGIONAL DIRECTORATE
- BRANCH OFFICE
- OFFICE

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