

ANNUAL REPORT

20
23






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About us

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

(„Česká podnikatelská pojišťovna“ or „ČPP“)

-  Registered office: Pobřežní 665/23, 186 00 Praha 8
-  Registered capital: BCZK 1
-  Client phone line: +420 957 444 555
-  E-mail: info@cpp.cz
-  Internet: www.cpp.cz
-  Identification number: 639 98 530

NET PROFIT
752
MCZK

5th
largest insurer
in the Czech Republic

MARKET SHARE
8.29%

In 2023, ČPP grew by 9.44% year-on-year,
according to the Czech Insurance
Association, ČAP.

GROSS PREMIUMS
WRITTEN
14.609
BCZK
(according to Czech Accounting
Standards, CAS)

MOTOR THIRD-PARTY
LIABILITY INSURANCE
CONTRACTS CONCLUDED
FOR MORE THAN

1.4
million vehicles
vozidel

ČPP is the third largest provider of MTP insurance
in the Czech Republic according
to Czech Insurers' Bureau.

Vienna Insurance Group

ČPP is part of the Vienna Insurance Group, the market leader in Central and Eastern Europe.

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:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
A-1010 Vienna, Schottenring 30, Austria



963

Number of full-time employees

of the Company as
at 31 December 2023

A decorative graphic consisting of a vertical light blue bar on the left, with horizontal light blue lines of varying lengths extending to the right from its top and bottom edges, creating a stylized, rounded rectangular shape.

**INTRODUCTION
BY THE CHAIRMAN
OF THE BOARD
OF DIRECTORS**



Pavel Wiesner

Chairman
of the Board
of Directors

The year 2023 was a very complicated for many companies. Although in the early months of the year we, like many others, were concerned about what the year would bring, 2023 was a successful year for ČPP commercially. ČPP managed to grow by 9.44%, while the average market growth was around 7.07%. The overall market share of 8.29% places CPP among the top 5 insurance companies in the country.

We were successful in selling insurance through all the distribution channels we use. Be it our insurance brokers, external financial advisors, car dealerships or car shops. We grew in all segments of life and non-life insurance. Virtually everywhere we outperformed the previous year.

We did best in motor hull and entrepreneurial insurance. We have seen solid sales growth in this segment over the past few years, with more than 15% in 2023. With our range of additional insurance, ČPP covers drivers looking for ways to further protect their vehicles. We have prepared premium assistance services called CAR Premium for clients in 2023 and also supported sales with a campaign. Clients are using assistance services more and more often. And not just on the roads. They have also become accustomed to assistance services for home insurance and life insurance.

Thanks for the excellent results go to everyone, of course, because without proper claims handling, quality products but also insurance administration, marketing support and other parts of the insurance business we could not have been so successful.

Insurance today is no longer just about price. What clients can appreciate the most is the quality of service in the claims handling process. The true quality of an insurance company demonstrates only when a claim occurs, a loss is incurred and clients then receive a settlement. And if everything is done as it should be and, above all, quickly, then the clients are satisfied. And that is our goal.

In this context, one cannot omit the increasing opportunities offered to insurers by modern technology and artificial intelligence (AI). Over the past few years, the insurance industry has really made great progress in

digitisation. For example, we have been using AI to detect insurance fraud for many years. On the other hand, it has to be said that AI can never completely replace direct human contact, which is indispensable in the insurance industry in particular. We will always strive to give clients a choice in the channels, they wish to communicate with us.

In the past year, ČPP has made extensive organisation and process changes, mainly due to the dynamic growth of the company in recent years, with one basic goal - to offer the best and fastest possible service to clients. We take great pride in our pro-client approach. Thanks to this, we also won the award in the category of the Most Client-Friendly Non-Life Insurance Company in the Best Insurance Company of the Year 2023 competition.

I also consider it important that our employees feel the connection with the brand and that they are part of the team. This is something we have been building our insurance company on for many years. Our business partners say that they value long-term stability of ČPP and there are many keepers among them. In a highly competitive market of domestic insurance companies, ČPP profiles itself as a stable and financially strong company that continues the growth trend of recent years even under difficult conditions.

In conclusion, I would like to thank the management of ČPP and all its employees for their efforts, diligence and cooperation in achieving common goals. Thanks to your work and professional approach, ČPP has become a dynamically growing and respected insurance company on the Czech insurance market. This is the only way we will be able to continue our successful journey in the future. We would also like to thank all our clients and business partners for their trust and loyalty.

Ing. Pavel Wiesner
Chairman of the Board of Directors

1st place

Motor Insurance

**2nd place**

Citizens Insurance

**3rd place**

Industrial and Business Insurance

**3rd place**

Life Insurance

**1st place**

Industrial and Business Insurance

**2nd place**

Motor Insurance

**3rd place**

most client-friendly non-life insurance company



Insurance Company of the Year

ČPP won four medals in the prestigious Insurance Company of the Year poll, where the quality of services of individual insurers is assessed by insurance brokers themselves. We defended our victory in the Motor Insurance category, and won a total of seven gold medals in the last eight years. The silver medal was awarded in the category of Citizens Insurance. ČPP also received two bronze medals in the Industrial and Business Insurance and Life Insurance categories.

Zlatá koruna (Golden Crown)

In the 21st year of the Golden Crown competition, ČPP won two awards. It won gold for Insurance of Entrepreneurs and Industry and silver for the Motor Insurance COMBI PLUS IV product. The products are assessed in the individual categories by the expert jury of the Golden Crown Financial Academy, which is composed of independent experts. The jury is headed by the Financial Academy Council. The project for this year was under the auspices of Zbyněk Stanjura, Minister of Finance of the Czech Republic, and Aleš Michl, the Governor of the Czech National Bank.

Best Insurance Company

In the 15th year of the Best Insurance Company competition announced by Hospodářské noviny newspaper, ČPP was awarded third place in the category of the most client-friendly non-life insurance company. The result are based on hundreds of objective data and indicators. The analysts evaluated not only the width of product offer and services, accessibility, communication, overall approach to the client, but also selected economic indicators.

Other awards

In 2023, ČPP received again the silver medal for its mascots. Pat and Mat succeeded in the Best Advertising Mascot of the Year 2023 competition. This was decided by respondents of the Czech National Panel over 15 years of age in a extensive representative survey organised by Nielsen Admosphere agency.



MANAGEMENT REPORT



ASSESSMENT OF 2023

In 2023, ČPP's total premiums written reached a record BCZK 14.609 according to Czech accounting standards (CAS). This is the highest ever value of premiums written in ČPP history and existence on the insurance market. The year-on-year increase in premiums written according to the methodology of the Czech Insurance Association (ČAP) reached 9.44%. With a market share of 8.29%, ČPP consolidated its position as the fifth largest insurance company in the overall ranking. Net profit (according to CAS) in 2023 reached almost MCZK 752. The registered capital amounted to BCZK 1. ČPP manages almost 2.4 million insurance policies and services more than 1.3 million clients.

ČPP sales network consists of six regional directorates with offices in Praha, Pilsen, Hradec Králové, České Budějovice, Brno and Ostrava. In 2023, ČPP serviced its clients through more than 100 branches offices across the country. In addition to the branch offices, in 2023, ČPP products were offered by 69 exclusive insurance offices and another 150 points of sale. The performance of the internal sales network was also increasingly contributed to by the subsidiary ČPP Servis, s.r.o. Gross premiums written generated by brokers grew by CZK 364 million year-on-year to almost BCZK 4.82. In the large risk insurance segment, ČPP collaborates with major insurance intermediaries and other professional entities operating on the insurance market. ČPP offers a complete range of property, liability, and transportation insurance, as well as special risk insurance. The high quality of our services, and in particular our individual approach to every client, are the key to ČPP's long-term success – and this also applies to contracting, administration, and, most importantly, claim settlement. In the civil insurance segment, further changes were made to DOMEX+, our flagship property and civil liability insurance product, concerning both property and liability insurance coverage. All changes reflected the emerging need for assistance services that can help clients in emergencies on their photovoltaic power plant, wallbox, solar water heating system or heat pump. At the same time, in 2023, ČPP was the first insurer on the market



1.3
million clients

to implement the ČAP Self-Regulatory Standard for the calculation of the insured value in an insurance product. In 2023, the development of a completely new product for insuring the liability of employees for damages caused to their employer under the name ZAMEX was completed, which fully reflects all the legislative changes that have occurred in this respect. The travel insurance product was also updated in 2023. ČPP has prepared for clients a higher limit of insurance settlement in medical expenses insurance and a wider range of insurance protection for individual supplementary insurance policies. In non-life insurance products for legal entities, the product of Financial Capability of Carrier was also updated and Supplementary Insurance Terms and Conditions for all-risk insurance were drafted.

In the motor insurance segment, growth dynamics was maintained mainly by motor hull insurance and some supplementary insurance, despite the fact that, due to rising claims inflation and maintaining the necessary level of premium sufficiency, it was necessary to adjust premiums sensitively. According to the Czech Insurers' Bureau, the number of vehicles insured under MTPL insurance reached 1,426,508 at the yearend, which secured ČPP third place with a market share of 15.35% and a position among the market leaders in motor insurance. In motor hull insurance, the portfolio increased

by 20,000 policies to a total of 235,000 insurance policies. Significant increase was achieved mainly in glass and assistance insurance, which was upgraded in spring 2023 with a completely new product, namely Assistance CAR Premium for passenger and commercial vehicles, with unlimited towing coverage and the possibility of renting a replacement vehicle for up to 15 days. This product was also supported by a successful spring sales campaign.

An interesting product innovation that ČPP experts worked on in 2023 is that clients take photos before entering into motor hull insurance. This is an application containing elements of artificial intelligence that will help the insurance company and the client to assess the technical condition and level of damage of the vehicle before entering the insurance. The use of this app significantly saves time not only for the insurance company, but more importantly for clients who do not have to waste time bringing the vehicle in for inspection, which is also an element that reduces the carbon footprint. In 2023, this app was in pilot operation. For almost two years, we have been working intensively on drafting a completely new Motor Third Party Liability Insurance Act. ČPP responded to the changes resulting from the legislation early enough. The law brings, among other things, an increase in the minimum limits of insurance settlement, the transfer of the obligation to arrange insurance from the owner to the operator of the vehicle or the introduction of the obligation to arrange MTPL insure for a group of electric scooters defined by certain parameters, unicycles, segways and e-boards. The biggest change, however, will be the transition to an online environment, i.e. the transfer of data on the arranging, changing or terminating insurance to a common database of insured vehicles maintained by the Czech Insurer's Bureau in real time. This change represents a fundamental modification of the processes of taking out and terminating insurance, ensuring completely new technological processes, e.g. in the area of payment and communication methods. However, the result will be an up-to-date database of insured vehicles and the possibility of checking insurance in the Czech Republic without the need to present a green card.

In the area of unit-linked, risk and life insurance, ČPP continued to sell the NEON family of products, which in its variants focuses on the insurance of life and non-life risks in a possible combination with the unit-linked component of the insurance. A new approach to insurance for clients already diagnosed with diabetes mellitus was the major change of these NEON products carried out in 2023. For these clients, the insurer offers accident insurance without limitations for any type of diabetes mellitus as part of the automatic health assessment process upon contracting the insurance. ČPP has also established cooperation with company of Loono in this area.



2.4
million insurance contracts

Another important innovation is the insurance policy brochures, where the interactive content of the document has been introduced, i.e., for example, pop-up windows with explanations of terms and conditions or links to individual parts of the brochure or to the ČPP website. In 2023 we also innovated for example the daily benefit for hospitalisation, where the insurer will also provide

benefits for staying in a spa as part of the treatment. A 10-fold progression has been added for permanent consequences insurance. A new discount has also been introduced for higher insurance protection when taking out selected supplementary insurances. There has been a change within the product whereby selected additional insurance coverages are now completely free from the original two month waiting period.

Under the ESG Regulation, regular and pre-contractual information on green funds has been added in accordance with Articles 8 and 9 of the SFRD Regulation. The pre-contractual ESG information is provided to clients at the time of signing a contract for the Erste responsible bond and Erste WWF Stock Environment funds. ESG information is available here: <http://www.cpp.cz/izp/esg>. Regular ESG information is sent to clients as part of the recapitulations of unit-linked life insurance products.

In 2023, ČPP reported a life insurance premium written of almost BCZK 3.1, an increase of 6.9% year-on-year. ČPP also grew by 6% in regular premiums paid, a segment paramount importance. The number of insurance policies in the portfolio reaches almost 259 thousand. Outside of our own sales network, the we achieved a significant part of our business production through selected consulting companies.

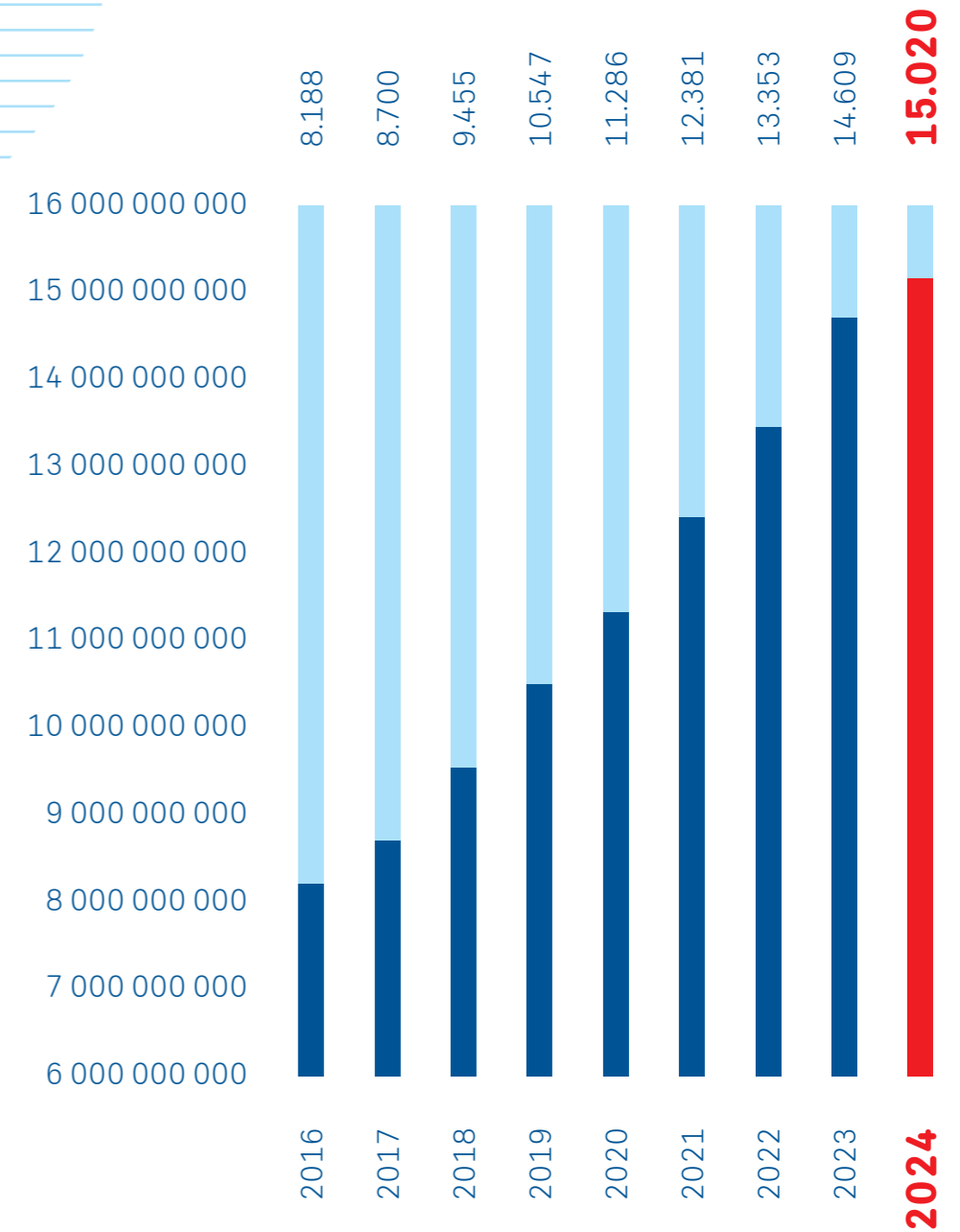
In 2023, ČPP also continued with digitalisation, especially in the area of digitally arranged insurance. This progress was significantly accelerated by the pandemic in previous years. ČPP also aims to be among the most modern insurers on the market due to our skills to settle claims online or by involving artificial intelligence. By implementing artificial intelligence into the insurance company internal processes, for example through an in-house chatbot, ČPP is achieving ever greater efficiency. Thanks to digitisation, more than half a million insurance policies with a total premium written of almost BCZK 2.5 were concluded via the internal insurance negotiator SUS+. ČPP web services contributed to more than BCZK 1 in premiums. The SUS+ Helpdesk successfully handled almost 13.5 thousand enquiries sent by e-mail, which demonstrates the high level of care for partners. In the area of customer care, ČPP achieved many

positive effects. In 2023, the number of clients using the MyCPP client zone increased. In total, more than 60,000 clients opened over 85,000 documents in the client zone (insurance policies, correspondence and other insurance documentation) last year. At the same time, ČPP is committed to protecting the environment and to comfortable communication with the insurance company. Therefore, specialists from ČPP worked to increase the share of electronic communication, which was consented to by more than 50,000 additional clients last year.

In 2023, ČPP won a number of awards. It won the Insurance Broker of the Year, the Golden Crown and the Best Insurance Company awards announced by Hospodářské noviny newspaper.

Development of written premiums 2016 - 2023 (in BCZK)

plan 2024



REINSURANCE

The reinsurance programme for 2023 has traditionally been designed to ensure that in the event of individual or cumulative losses, there will be no adverse fluctuations and no threat to the stability of the company and thus its ability to meet its obligations towards clients. The deductibles were again set at a conservatively low level.

The company had sufficient reinsurance capacity to effectively support the underwriting strategy in all key segments. Catastrophe risk exposure was effectively protected by a reinsurance programme with capacity reaching several multiples of the regulatory requirements.

Reputable reinsurance brokers AON, Gallagher Re and Guy Carpenter were involved in the design and placement of most of the reinsurance programs.

The reinsurers structure remained almost unchanged, with most of them rated at a minimum level of A+ by Standard & Poor's. The leading reinsurers on the fire and liability programme were traditional partners such as SCOR and Munich Re. A large part of the reinsurance programme was placed with our group reinsurer, namely VIG Re.



A+
Rating
Standard & Poor's

SOCIAL RESPONSIBILITY

ČPP considers responsible business conduct to be one of its main commitments to society and the environment. The current situation place considerable demands on all market leaders in this respect. It is also important for ČPP to cope well with all the challenges ahead. In 2023, we succeeded in making social responsibility more visible and in incorporating it into our daily business. Sustainability is understood in the broadest meaning in ČPP. It means not only sustainable business and sustainable investments, but also sustainable relationships with employees, clients and communities.

One of the main projects of the year is the re-engagement of ČPP in corporate volunteering through the Business for Society platform. In 2023, ČPP dedicated a total of 848 days to volunteering. This time, the management of ČPP organised a joint volunteering day at the Children's Home in Dolní Počernice. The top management did whatever was needed and contributed to improving the environment for the children living in this home. Moreover, ČPP donated CZK 100,000 to cover children's current needs.

In the spring and autumn of 2023, employees organised a collection of clothes or household utensils for those in need who benefit from Nora Fridrichová Wardrobe Foundation.

Employees also traditionally participate in a series of events called Breakfast That Helps. This is always to help a specific story chosen directly for a the employee. In 2023, ČPP carried out four breakfasts, during which a total of CZK 181,495 was raised.

ČPP is also involved in the Czech on Foot project. The project was established in 2021 as a prevention programme in cooperation with the Czech Tourist Club. This is our largest CSR project aiming at active promotion of health and fitness. In 2023, more than 55,000 tourists set out on 12 walks across the Czech Republic. The project was supported by Jitka Čvančarová and Michal Malátný as ambassadors of the 2023 run. The Czech Red Cross, the Kryštůfek Foundation, Loono and others participate in this project too.

ČPP is part of the European Diversity Charters. It is also committed to creating equal opportunities for men and women at the workplace and to reconciling work and private life. In 2022, ČPP was the first insurance company to sign up to the 2017+ Memorandum on promoting LGBT diversity, inclusion at the workplace and actively applying the principle of equality. Since 2020, ČPP has been publishing a Diversity Strategy report.

ČPP has a sustainable approach to the environment. The Praha headquarters is one of the top rated buildings of its kind in the Czech Republic. It excels in energy use, the quality of the indoor environment and the innovations used. Environmental friendliness is an important value of the company culture. Through continuous innovation, ČPP is stepping up its efforts to ensure the environmentally friendly operation both of its headquarters and of its branch offices. Since 2021, ČPP has been measuring its carbon footprint.

In 2023, CPP began its journey from corporate social responsibility to the current ESG world. More detailed information can be found in our Sustainability Report, which can be found on our website.



**VIENNA
INSURANCE
GROUP**

„We want to further develop our leading position on the CEE markets, relying on the proven cooperation within the Group. At the same time, we want to live up to the requirements to remain a reliable and resilient partner for our stakeholders.“

Hartwig Löger, CEO of Vienna Insurance Group



Vienna Insurance Group (VIG) based in Vienna is a leading international insurance group in the Central and Eastern Europe (CEE) region. Around 50 insurance companies and pension companies in 30 countries form a group with a long tradition and closeness to clients. Around 29,000 employees care for over 28 million clients.

FIRST MOVER A MARKET LEADER IN CENTRAL AND EASTERN EUROPE

VIG was one of the first European insurance groups to expand into markets in Central and Eastern Europe after the fall of the Iron Curtain in 1989. The Group gradually established itself in new markets and became the number one in the region. Vienna Insurance Group considers Central and Eastern Europe its home market and pursues a long-term business strategy in the markets where it is present. More than half of its total written premiums and profits come from this region.

COMPETENCE WITH LOCAL RESPONSIBILITY

Vienna Insurance Group is synonymous with stability and expertise in providing financial protection against risks. The group pursues a local multi-brand strategy based on established local multi-brands and local management. The strengths of each individual brand and local know-how allow us to be close to our customers and contribute to the Group success.

FINANCIAL STRENGTH & CREDIT RATING

Vienna Insurance Group has an A+ rating with a stable outlook from internationally renowned rating agency Standard & Poor's. Vienna Insurance Group's shares are traded on stock markets in Vienna, Praha and Budapest. Around 72% of VIG shares are owned by Wiener Städtische Versicherungsverein, a stable core shareholder with a long-term strategy. The rest of the shares are owned by small shareholders.



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



Status: January 2024



AUDITOR'S REPORT



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

Independent Auditor's Report

to the Shareholders of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group ("the Company"), prepared in accordance with Czech accounting legislation, which comprise the balance sheet as at 31 December 2023, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, comprising material accounting policies. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2023, and of its financial performance for the year then ended in accordance with Czech accounting legislation.

Basis for Opinion

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

Key Audit Matters

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

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

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

Identification No. 49619187
 VAT No. CZ699001996
 ID data box: 8h3gtra



Measurement of life insurance contract liabilities

As at 31 December 2023, provision for liabilities arising from the applied technical interest rate as disclosed under other technical reserves: MCZK nil.

Refer to additional information disclosed in Note I.4. (m) and II.8. (d) of the Company's financial statements.

The key audit matter

Life insurance contracts liabilities represent significant liability items in the statement of financial position. Measurement thereof is associated with significant estimation uncertainty as it requires management board to exercise judgment and develop complex and subjective assumptions. These assumptions are used as inputs into the valuation model that uses standard actuarial methods.

At each reporting date, the Company is also required to perform a liability adequacy test (hereinafter, "LAT") with an aim to determine whether its recognized life insurance contract liabilities are adequate. The test is based on the comparison of the management's current estimates of the present value of future cash flows arising from the in-force insurance contracts with the stated amounts of life insurance contracts liabilities. In case the LAT shows that the amounts of the recognized liabilities are insufficient in light of the estimated future cash flows, the entire deficiency is recognized as a provision for liabilities arising from the applied technical interest rate in correspondence with profit or loss. Relatively insignificant changes in the assumptions applied by the Company can have a material effect on the amount of liabilities arising from the applied technical interest rate. The assumptions that we consider as those with most significant impact are the ones for discount rates used, policyholders' life expectancy, morbidity and mortality rates, policy lapse rates and expenses. For the above reasons, we considered this area to be associated with a significant estimation uncertainty and a significant risk of material misstatement, which required our increased attention in the audit. As such we considered it to be a key audit matter.

How the matter was addressed in our audit

Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:

- We critically assessed the method and models applied by the Company against current industry practice and relevant regulatory and financial reporting requirements;
- We evaluated the design and implementation of selected controls within the Company's process for setting actuarial assumptions and other input data for actuarial models;
- We assessed the relevance and reliability of key input data used in the LAT model. As part of our procedures, we traced significant data elements to the Company's records and experience analysis;
- We assessed the results of the Company's experience studies ('back-testing'), and used those historical results, as well as market data, to challenge the key assumptions used in the LAT test, such as, among others:
 - policyholders' life expectancy,
 - morbidity and mortality rates,
 - policy lapse rates,
 - expenses, and discount rates.
- We performed a retrospective assessment of the Company's ability to produce accurate liability adequacy test estimates by comparing the predictions of the previous year's model with the current year's actual outcomes;
- We assessed the appropriateness of the Company's disclosures regarding provision for liabilities arising from the applied technical interest rate against the requirements of the relevant financial reporting standards.



Measurement of accumulated debt (life insurance)

As at 31 December 2023, accumulated debt in life insurance: MCZK 209.

Refer to additional information disclosed in Note I.4. (g) and Note II.6. (a) of the financial statements.

The key audit matter

The Company recognizes accumulated debt in life insurance within Other temporary assets. As described in Note I.4.(g), the accumulated debt balances are associated with the Company's unit linked insurance products. We designated the area as a key audit matter as management is required to make subjective and complex assumptions and judgments in measuring the amount of any such accumulated debt. Relatively insignificant changes in the assumptions applied in the process can have a material effect on the amount of accumulated debt as at the reporting date.

The accumulated debt in life insurance is measured using the prospective method, where negative account balances on client accounts are multiplied by the capitalization percentage parameter. The assumptions that we consider as those with most significant impact on the estimate are the ones for lapse rates, claim frequency and expenses, among other things.

Relevance and reliability of data used in the Company's actuarial calculations were also our area of focus.

Addressing the above complexities required our increased attention in the audit, and as such the area represented a key audit matter.

How the matter was addressed in our audit

Our procedures in the area, performed, where applicable, with the assistance of our own actuarial specialists, included the following, among other things:

- We critically assessed the method and model applied by the Company against current industry practice and relevant regulatory and financial reporting requirements;
- We evaluated the design and implementation of selected controls within the Company's process for setting actuarial assumptions and other input data for actuarial models;
- We assessed the relevance and reliability of data applied in the measurement of accumulated debt, including tracing total amount of negative balances on clients' accounts to the Company's technical database;
- We challenged the key assumptions used in the measurement of accumulated debt, such as, among other things, expected lapse rate of the existing insurance portfolio, claim frequency and related expenses by reference to the Company's experience studies as well as publicly available market data;
- We independently estimated the capitalization percentage parameter, by reference to the Company's cash flow projections, which we independently challenged, for a sample of contracts, to underlying source documents (contract terms);
- Based on the outcome of the preceding procedures, we independently estimated the amount of accumulated debt as at 31 December 2023 and compared it with the Company's estimate;
- We assessed the appropriateness of the Company's accumulated debt-related disclosures in the financial statements against the requirements of the relevant financial reporting standards.



Measurement of provisions for incurred but not yet reported claims (life- and non-life insurance)

As at 31 December 2023, provision for outstanding claims: MCZK 8,236 (including provision for insurance claims incurred but not yet reported in the period (IBNR) of MCZK 1,725 and provision for claims incurred and reported, but not yet settled (RBNS) of MCZK 6,511).

Refer to additional information disclosed in Note I.4. (k) and II.8. (b) of the Company's financial statements.

The key audit matter

In measuring the provisions for outstanding claims, particular complexity is associated with the estimate of the amount of the expected ultimate cost of claims incurred but not yet reported ('IBNR'). A range of methods may be used, and in many cases standard actuarial methods need adjustments specific to the circumstances and such adjustments also require the application of significant judgment.

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

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

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

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

How the matter was addressed in our audit

Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and information technology (IT) specialists, included the following, among other things:

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



Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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



as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 27 April 2022 and our uninterrupted engagement has lasted for 17 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 25 March 2024 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

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

**Statutory Auditor Responsible for the Engagement**

Ondřej Fikrle is the statutory auditor responsible for the audit of the financial statements Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group as at 31 December 2023, based on which this independent auditor's report has been prepared.

Prague
25 March 2024

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

A handwritten signature in blue ink, appearing to read 'Ondřej Fikrle'.

Ondřej Fikrle
Partner
Registration number 2525



FINANCIAL PART



BALANCE SHEET AS AT 31 DECEMBER 2023

(In thousands of Czech crowns TCZK)

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

Description	2023 Gross	2023 Adjustment	2023 Net	2022 Net
I. ASSETS				
A. Receivables for subscribed registered capital				
B. Intangible fixed assets	797 814	581 554	216 260	195 272
C. Investments	14 758 172	2 153	14 756 019	12 831 440
I. Land and buildings, thereof	6 876	2 153	4 723	4 871
2. Buildings	6 876	2 153	4 723	4 871
a) Investments - self-occupied	6 876	2 153	4 723	4 871
II. Investments in affiliated undertakings and participating interests	486 453		486 453	491 835
1. Participating interests with controlling influence	485 899		485 899	484 949
2. Debt securities issued by, and loans and credits to, undertakings - controlling influence	554		554	6 886
III. Other investments	14 264 843		14 264 843	12 334 734
1. Shares and other variable-yield securities, other participating interests	1 003 333		1 003 333	866 697
2. Bonds and other fixed-income securities	11 715 637		11 715 637	9 949 954
a) valued at fair value	7 581 569		7 581 569	6 246 168
b) held to maturity	4 134 068		4 134 068	3 703 786
5. Other loans and credits	1 300 961		1 300 961	1 049 654
6. Deposits with financial institutions	248 262		248 262	460 605
7. Other investments	-3 350		-3 350	7 824

Description	2023 Gross	2023 Adjustment	2023 Net	2022 Net
D. Investments for the benefit of life assurance policyholders who bear the investment risk	2 702 419		2 702 419	2 366 773
E. Debtors	2 217 893	396 090	1 821 803	2 118 364
I. Receivables arising from direct insurance operations	988 389	344 426	643 963	863 171
1. Policyholders	891 931	249 350	642 581	850 364
2. Intermediaries	96 458	95 076	1 382	12 807
II. Receivables arising from reinsurance operations	84 732		84 732	18 769
III. Other receivables	1 144 772	51 664	1 093 108	1 236 424
F. Other assets	228 343	110 211	118 132	225 304
I. Tangible fixed assets other than those listed under „C.I. Land and buildings“, and inventories	144 540	110 211	34 329	30 998
II. Cash on accounts in financial institutions and cash in hand	83 803		83 803	194 306
G. Temporary asset accounts	4 372 749		4 372 749	3 763 632
II. Deferred acquisition costs	3 579 813		3 579 813	3 027 353
a) in life-assurance business	2 512 756		2 512 756	2 058 683
b) in non-life insurance	1 067 058		1 067 058	968 670
III. Other temporary asset accounts	792 936		792 936	736 279
a) Estimated receivables	559 900		559 900	483 716
TOTAL ASSETS	25 077 390	1 090 008	23 987 382	21 500 785

Description	2023 Gross	2023 Adjustment	2023 Net	2022 Net
II. LIABILITIES				
A. Equity		3 246 400		2 606 291
I. Registered capital		1 000 000		1 000 000
IV. Other capital funds		26 365		-448 340
V. Reserve fund and other funds from profit		23 478		20 372
VI. Profit or loss brought forward		1 448 209		1 212 180
VII. Profit or loss for the financial year		748 348		822 079
B. Subordinated liabilities		503 212		
C. Technical provisions		12 499 329		11 692 243
1. Provision for unearned premiums				
a) gross amount	4 292 189		4 016 198	
b) reinsurance share (-)	950 618	3 341 571	903 541	3 112 657
2. Life assurance provision				
a) gross amount	3 462 079		3 318 798	
b) reinsurance share (-)		3 462 079		3 318 798
3. Provision for outstanding claims				
a) gross amount	8 235 549		7 820 125	
b) reinsurance share (-)	3 608 883	4 626 666	3 571 230	4 248 895
4. Provision for bonuses and rebates				
a) gross amount	1 052 189		1 012 245	
b) reinsurance share (-)	56 885	995 304	63 105	949 140

Description	2023 Gross	2023 Adjustment	2023 Net	2022 Net
6. Other technical provisions				
a) gross amount	90 279		76 452	
b) reinsurance share (-)	16 570	73 709	13 699	62 753
D. Life assurance technical provision where the investment risk is borne by the policyholders		2 702 420		2 366 774
a) gross amount	2 702 420		2 366 774	
E. Provisions		210 900		132 264
1. Provisions for pensions and similar obligations		24 470		29 475
3. Other provisions		186 430		102 789
F. Deposits received from reinsurers		2 683 075		2 548 826
G. Creditors		972 868		968 953
I. Payables arising from direct insurance operations		547 770		608 665
II. Payables arising from reinsurance operations		90 027		71 744
V. Other payables, thereof		335 071		288 544
a) Tax liabilities and payables due to social security and health insurance institutions		35 500		41 436
H. Temporary liability accounts		1 169 178		1 185 434
I. Accrued expenses and deferred revenues		451 240		417 724
II. Other temporary liability accounts		717 938		767 710
a) Estimated payables		717 938		767 710
TOTAL LIABILITIES		23 987 382		21 500 785

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

(In thousands of Czech crowns TCZK)

Registered office of the Company: Pobežní 665/23, 186 00 Praha 8

Description	2023 Base	2023 Subtotal	2023 Result	2022 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	11 531 758	x	x	x
b) outward reinsurance premiums (-)	3 580 734	7 951 024	x	x
c) change in the gross provision for unearned premiums (+/-)	267 710	x	x	x
d) change in the provision for unearned premiums, reinsurance share (+/-)	47 076	220 634	7 730 390	6 951 377
2. Allocated investment return transferred from the non-technical account	x	x	276 873	25 283
3. Other technical income, net of reinsurance	x	x	119 366	97 954
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	6 030 657	x	x	x
bb) reinsurance share (-)	1 808 380	4 222 277	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	360 091	x	x	x
bb) reinsurance share (-)	38 758	321 333	4 543 610	3 781 277
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	3 244	3 947
6. Bonuses and rebates, net of reinsurance	x	x	309 212	197 455
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	3 433 624	x	x
b) change in deferred acquisition costs (+/-)	x	-98 388	x	x
c) administrative expenses	x	429 368	x	x
d) reinsurance commissions and profit participation (-)	x	1 039 208	2 725 396	2 342 131
8. Other technical expenses, net of reinsurance	x	x	215 120	229 249
10. Sub-total on the technical account for non-life insurance	x	x	330 047	520 555

Description	2023 Base	2023 Subtotal	2023 Result	2022 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	3 076 821	x	x
b) outward reinsurance premiums (-)	x	490 661	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	8 280	2 577 880	2 408 383
2. Income from investments:	x	x	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
bb) income from other investments	201 681	201 681	x	x
c) value adjustments on investments	x	1 150	x	x
d) income from disposal of investments	x	144 962	347 793	605 332
3. Unrealised gains on investments	x	x	353 400	644
4. Other technical income, net of reinsurance	x	x	72 938	142 813
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	1 511 640	x	x	x
bb) reinsurance share (-)	183 097	1 328 543	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	55 333	x	x	x
bb) reinsurance share (-)	-1 105	56 438	1 384 981	1 210 806

Description	2023 Base	2023 Subtotal	2023 Result	2022 Result
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	143 281	x	x	x
bb) reinsurance share (-)		143 281	x	x
b) other technical provisions, net of reinsurance	x	343 358	486 639	-130 316
7. Bonuses and rebates, net of reinsurance	x	x	13 145	69 853
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	1 308 261	x	x
b) change in deferred acquisition costs (+/-)	x	-454 073	x	x
c) administrative expenses	x	116 448	x	x
d) reinsurance commissions and profit participation (-)	x	286 268	684 368	662 555
9. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	15 923	x	x
b) value adjustments on investments	x	33 015	x	x
c) book value of disposed investments	x	138 096	187 034	530 245
10. Unrealised losses on investments	x	x	71	277 853
11. Other technical expenses, net of reinsurance	x	x	48 683	37 368
13. Sub-total on the technical account for life assurance	x	x	547 090	498 808

Description	2023 Base	2023 Subtotal	2023 Result	2022 Result
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	330 047	520 555
2. Result of the technical account for life assurance	x	x	547 090	498 808
3. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	10 405	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
bb) income from other investments	363 893	363 893	x	x
c) value adjustments on investments	x	18 188	x	x
d) income from disposal of investments	x	953 250	1 345 736	1 672 297
5. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	167 389	x	x
b) value adjustments on investments	x	103 301	x	x
c) book value of disposed investments	x	798 173	1 068 863	1 647 014
6. Allocated investment return transferred to the technical account for non-life-insurance	x	x	276 873	25 283
7. Other income	x	x	0	12 475
8. Other expenses	x	x	91 340	38 119
9. Income tax on ordinary activities	x	x	37 449	171 640
10. Profit or loss on ordinary activities after tax	x	x	748 348	822 079
15. Other taxes not shown under the preceding items	x	x	0	0
16. Profit or loss for the financial year	x	x	748 348	822 079

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023

(In thousands of Czech crowns TCZK)

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

	Registered capital	Own shares	Share premium	Reserve funds	Capital funds	Changes in valuation	Profit (loss)	Total
Balance at 1.1. 2022	1 000 000			17 738		-41 907	1 875 916	2 851 747
FX gains (losses) and changes in valuation not included in the profit and loss statement						-406 433		-406 433
Net profit/loss for accounting period							822 079	822 079
Profit shares							-638 737	-638 737
Transfers to funds				25 000			-25 000	0
Reduction of funds				-22 365				-22 365
Balance at 31.12. 2022	1 000 000	0	0	20 373	0	-448 340	2 034 258	2 606 291

	Registered capital	Own shares	Share premium	Reserve funds	Capital funds	Changes in valuation	Profit (loss)	Total
Balance at 1.1. 2023	1 000 000	0	0	20 373	0	-448 340	2 034 258	2 606 291
FX gains (losses) and changes in valuation not included in the profit and loss statement						474 705		474 705
Net profit/loss for accounting period							748 348	748 348
Profit shares							-557 049	-557 049
Transfers to funds				29 000			-29 000	0
Reduction of funds				-25 895				-25 895
Balance at 31.12. 2023	1 000 000	0	0	23 478	0	26 365	2 196 557	3 246 400

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2023

I. GENERAL INFORMATION

I. 1. Description and principal activities

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

ID number of the Company: 639 98 530

Principal business activities:

- Insurance activities pursuant to Act No. 277/2009 Coll., on Insurance, as amended, (“the Insurance Act”), Annex No. 1 to the Insurance Act:
 - in the scope of life assurance classes listed in Part A, par. I, letters (a), (b), (c), par. II and par. III;
 - in the scope of non-life insurance classes listed in Part B, par. 14, 15, 16, 17, 18;
 - in the scope of non-life insurance classes listed in Part C, letters (a), (b), (c), (d), (e), (f), (g), (h).
- Reinsurance of non-life insurance.

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 2023:

Board of Directors:

Chairman:

Ing. Pavel Wiesner, date of birth 12 September 1979
Chvalova 1577/12, 130 00 Praha 3

Members:

Ing. Jaroslav Kulhánek, date of birth 12 March 1957
Zalomená 175/22, 500 02 Hradec Králové

Ing. Petr Žaba, date of birth 16 April 1971
Na Ladech 2330, 250 01 Brandýs nad Labem,

Mag. Christoph Rath, date of birth 16 November 1976
1090 Wien, Clusiusgasse 1, Republic of Austria

Supervisory Board:

Chairman:

Ing. Vladimír Mráz, date of birth 11 April 1940
Nekázanka 881/9, Nové Město, 110 00 Praha 1

Vice-Chairman:

Hartwig Löger, date of birth 15 July 1965
8630 Mariazell, Schießstattgasse 6, Republic of Austria

Members:

Jolana Kolaříková, date of birth 9 February 1978
Bacháčkova 210/4, Malešice, 108 00 Praha 10

Petr Vokřál, date of birth 23 November 1973
Politických vězňů 123, 281 51 Velký Osek

Ing. Martin Diviš, MBA, date of birth 1 December 1973
Divoká Šárka 39/4, Liboc, 164 00 Praha 6

Mag. Gerhard Lahner, date of birth 15 March 1977
2130 Mistelbach, Gartengasse 21, Republic of Austria

Dkfm. Karl Fink, date of birth 22 August 1945
1020 Wien, Kurzbauer Gasse 5/17, Republic of Austria

Romana Hartlová, date of birth 5 January 1969
Na Návsí 600, Osnice, 252 42 Jesenice

As of 31 December 2023, the term of office of Ing. Jaroslav Kulhánek, member of the Board of Directors, terminated. As of 1 January 2024, the Supervisory Board elected Ing. Eva Poláčková.

As of 30 June 2023, Prof. Elisabeth Stadler resigned from her position as a member and Vice-Chairman of the Supervisory Board. Mr. Hartwig Löger was elected Vice-Chairman of the Supervisory Board with effect from 1 July 2023. Ing. Jaroslav Kulhánek was elected as member of the Supervisory Board with effect from 1 January 2024.

Sole shareholder:

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe
A-1010 Wien, Schottenring 30, Republic of Austria
Registration no.: FN 75687 f

Acting on behalf of ČPP:

Two members of the Board of Directors jointly shall express will and sign on behalf of the company. Where will is expressed towards the company, it suffices if this is done towards one member of the Board of Directors. To sign on behalf of the company, the required number of persons shall attach their name and office in print or in writing to the company name.

Organisational structure:

The company has the following bodies: a general assembly, a Supervisory Board and a Board of Directors. The company carries out its activity through organisational units of its first management level consisting of the general directorate, the head office, and regional directorates.

I. 2. Compliance with legislation

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

I. 3. Basis of preparation

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

The following depreciation rates are used for individual asset classes:

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

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

The accounting records of the Company are maintained in such a manner that the financial statements prepared based on those records give a true and fair view of the Company financial position and financial performance. The financial statements are based on the assumption that the Entity will continue as a going concern and that there is no circumstance that would restrict or prevent the Entity's ability to continue as a going concern in the foreseeable future.

I. 4. Significant accounting methods

(a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Tangible fixed assets costing less than TCZK 80 referred to as low-value assets are depreciated over a three-year period except for IT assets. Low value IT assets costing less than TCZK 80 are charged to the profit and loss statement in the year in which they are acquired. Intangible fixed assets costing less than TCZK 500 are charged to the profit and loss statement in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

(b) Investments

Land and buildings

Land and buildings are initially recorded at their acquisition cost. Land is not subsequently depreciated

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

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

Investments in affiliated undertakings and participating interests

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

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

At the acquisition date and at the balance sheet date, participating interests are stated at their acquisition cost. The acquisition cost is the amount for which the participating interests were acquired and includes all expenses directly associated with the acquisition. Similarly for other assets, as at the balance sheet date the Company assesses whether the participating interests are impaired.

Participation interests denominated in foreign currency are translated based on the current exchange rate published by

while buildings are subsequently depreciated over their estimated useful lives. In the profit and loss statement, depreciation and respective impairment are presented in: Investment management charges.

the CNB as at the balance sheet date and the appropriate exchange rate difference is charged to profit or loss

Debt securities

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

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

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

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

Fair value means the price derived from the listed market mid prices which are published by a domestic or foreign stock exchange or other public (organised) market.

The Company applies the most recent published market price as at the date of the financial statements (balance

sheet date). If no market price is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date.

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

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

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

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

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

Shares and other variable-yield securities

At the acquisition date, shares and other variable-yield securities are accounted for at acquisition cost. Acquisition cost is the amount for which the shares or other variable-yield securities were acquired and includes all expenses directly associated with the acquisition. At the balance sheet date, shares and other variable-yield securities are revalued at their fair value. Fair value means the price derived from the listed market mid prices which are published by a domestic or foreign stock exchange or other public (organised) market. The Company applies the most recent published market

price as at the date of the financial statements (balance sheet date). If no market price is available or if it does not sufficiently represent the fair value, the fair value is determined on the basis of a qualified estimate. The Company uses in its models intended to establish the fair value of the Company's securities exclusively available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market situation before or after that date. The change in fair value of available-for-sale shares and units is recognised in the balance sheet. The change in fair value of other variable-yield securities is recognised in the profit and loss statement.

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

Deposits with financial institutions

Deposits with financial institutions are initially recognised at nominal value. As at the balance sheet date, this nominal value is adjusted by accrued interest. Deposits denominated in a foreign currency are translated based on the current exchange rate published by the CNB and the appropriate exchange rate difference is charged to profit or loss.

Derivates intended for trading

Derivatives are valued at fair value. Their fair value is derived from the listed market mid prices, from discounted cash flow models or from option valuation models that are based solely on available market data. Valuation models reflect current market conditions existing at the date of valuation, which may not reflect the market condition before or after that date. The management has reviewed these models as at the balance sheet date to ensure that they appropriately reflect current market conditions, including the relative liquidity of the market and credit spreads. All derivatives are presented in Other investments. Valuation differences of financial derivatives held for trading are presented as plus or minus of the investment in the profit and loss statement.

Hedging derivatives

Hedging derivatives are recognised in the balance sheet at fair value. Hedge accounting is only applied where:

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

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

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

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

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

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

(d) Adjustments

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

Adjustments to receivables from policyholders are established based on an analysis of their recoverability. Adjustments are created inclusively based on ageing analysis of the receivables. Adjustments to bonds held to maturity are accounted for only if there is a risk that the notional principal amount of the bond, the bond yield or both the value and the yield would not be repaid.

(e) Impairment of assets

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

(f) Deferred acquisition costs

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

At the end of each reporting period, the Company carries out a liability adequacy test to determine whether the amount of the deferred acquisition costs is appropriate based on an insurance adequacy test for non-life insurance, and establishing a provision to settle liabilities based on the technical interest rate for life insurance.

Non-life insurance

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

costs is based on the total cost of acquisition of insurance contracts concluded before the end of the reporting period, and calculated based on the ratio of the period until the end of the end of guarantee to the total period of intermediary's guarantee, or based on the remaining time until the end of the average period of insurance contract duration.

Life insurance

In life assurance, the Company determines deferred acquisition costs using different actuarial methods depending on the insurance type and structure and on the method selected for determining the amount of life insurance provision, or the life insurance provision where the policyholders bear the investment risk. On majority of the portfolio, the following methods are applied: For life assurance with intermediary's guarantee, deferred acquisition costs are determined in the same way as for non-life insurance with intermediary guarantee. For unit-linked assurance, where the fees for acquisition cost payments are deducted during the first years of the insurance directly from the paid premiums or from the policyholder's account (insurance capital value), the amount of deferred acquisition costs is determined by direct calculation of the current value of future acquisition cost fees.

(g) Accumulated debt

Accumulated debt arises primarily in unit-linked assurance contracts, when the insurance capital value is not sufficient to cover the fees for insurance risks, initial costs, cost of account management, and other insurance-related costs. Accumulated debt 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. Its book value is determined in respect of the expected recovery of the asset, which is carried out prospectively considering all relevant future cash flows and using careful estimates of lapse rate, losses, cost and other insurance agreements' parameters. A change of the accumulated debt from unit-linked assurance is charged to profit or loss statement.

(h) Income tax

Income tax for the current year comprises current income tax and the change in deferred tax. Current tax comprises tax payable calculated based on the taxable income, using the tax rate valid in the current period, and any adjustments to taxes payable for previous periods.

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

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

On 1 January 2020, Act No. 364/2019 Coll. Regulating the taxation of technical provisions came into effect. Technical provisions for tax calculation purposes are defined in accordance with the Solvency II EU Directive, and their amount is provided in the Solvency and Financial Condition Report. Since 2020, in connection with the new legislative regulation, a deferred tax asset has been calculated in respect of the different book and tax values of the technical provisions.

(i) Provision for unearned premium

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

(j) Life insurance provision

The life assurance provision is established based on the individual life assurance contracts. The life assurance provision represents the value of future liabilities including profit shares declared and allocated, calculated using actuarial estimates after deducting the actuarial value of future premiums, which may reflect already

provided premium rebates. To determine the amount of the provision, different actuarial methods are applied as appropriate for the specific type and structure of insurance. Any resulting negative values are replaced by zero.

The life assurance provision also includes a specific portion to cover the risks arising from the uncertainty which relates to the interpretation of the regulation related to the general trend of strengthening the rights and protection of consumers (2023: TCZK 45 000; 2022: TCZK 45 000).

(k) Provision for outstanding claims

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

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

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

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

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

For all insurance classes with the exception of motor third party liability insurance, the Company uses the Chain Ladder method based on the amount of claims paid. For motor third party liability insurance the provision is determined using the Monte Carlo simulation. The Monte Carlo simulation provides the opportunity to estimate the probability distribution of a liability, especially to predict the different security levels also in form of a split to the risk commencement years and underwriting years.

The provision for outstanding claims also includes an estimate of all expected external and internal claims handling costs.

On an annual basis, the Board of Directors reassesses the adequacy of the reliability level of the estimated provision for outstanding claims in respect of individual groups of insurance in accordance with the Company accounting policies.

Due to the COVID-19 pandemic and the related increased uncertainty regarding the development of claims settlement, the safety margins for the occurrence of claims in the last 12 months were doubled in 2020. This measure has been implemented within the entire portfolio of non-life and life insurance and continued in 2021 and partially in 2022. The management does not consider this margin relevant any more in respect of the current pandemic situation and therefore decided to release this margin fully in 2023.

From 2022 onwards, inflation has been the main driver of increased uncertainty about future claims development, partly already implicit in the mean value of claims provision. As last year, the uncertainty about the future economic environment is captured through an increase in the risk margin in the non-life provision.

(l) Provision for bonuses and rebates

The provision for bonuses and rebates is created in accordance with the respective terms set out in insurance contracts.

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

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

As at the balance sheet date, the Company calculates the value of the provision for liabilities arising from the applied technical interest rate and other calculation parameters to be able to determine a sufficient amount

of life assurance provision so that the Company is able to meet its liabilities arising from concluded insurance contracts while simultaneously taking into account current estimates of the parameters when assessing the amount of liabilities accepted.

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

The change in this provision is presented in note II.6b) in the profit and loss statement.

(n) Provision for credit risk in respect of intermediaries

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

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

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

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

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

(p) Reinsurance share of technical provisions

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

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

(q) Provisions

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

Provision for taxes

The provision for taxes is created at the balance sheet date and amounts to the estimated corporate income tax liability due. The use (release) of the provision is accounted d. The Company reduces the provision for taxes by corporate income tax prepayments. The result is presented in provision for taxes (note II.9) or in other receivables in case the income tax prepayments exceed the expected tax liability for the current period (note II.3).

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. The applied actuarial methods include valorisation according to the expected increase in wages and the probability of survival and leaving a function. A risk-free interest rate adjusted by market value margins is used for discounting.

Provision for cyber risk

The provision was established due to an increased risk of targeted cyber-attacks the Company presently faces. Based on an analysis of risk scenarios, a cumulative expected annual impact was calculated using the probability of risk to the Company, risk frequency, and the best estimate of total costs. The Company will annually assess the adequacy of this provision.

(r) Gross premium written

Gross premiums written comprise all amounts written for the insurance period as at the date of the commencement of insurance coverage (in case of unit-

linked assurance also paid amounts) based on insurance contracts during the financial year regardless of whether such amounts may relate in whole or in part to future financial years.

(s) Claims paid

Claims paid comprise the amount assessed for payment based on the claims investigation process and claims handling costs. Claims paid are reduced by 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.

(t) Acquisition costs

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

(u) Personnel expenses, supplementary pension insurance and social fund

The Company makes contributions to the defined contribution pension plans and to the endowment insurance of its employees. These contributions are recognised directly in personnel expenses. The Company creates a social fund to cover the social needs of its employees and the employee programme. In compliance with Czech accounting legislation, the allocation to the social fund is not recognised in the income stated but as profit distribution. The funds drawn from the social fund are not recognised in the profit and loss statement but as a decrease in the fund. The social fund forms an integral part of equity and is not recognised as a liability.

(v) Loss prevention fund

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

(w) Allocation of items between life insurance and non-life insurance

In order to account for items common to both life assurance and non-life insurance, the Company uses a method in compliance with Decree No. 502/2002 Coll. Under this method, individual items are grouped according to the class of insurance to which they relate. For items that cannot be allocated directly, the Company uses 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 investments

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

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

Other expenses and income

During the accounting period, clearly attributable expenses and income are accounted for directly in the technical account for life assurance or non-life insurance 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) Foreign currency translation

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

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

(y) Consolidation

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

I. 5. Changes in accounting policies and procedures and correction of prior period errors

In 2023, the Company did not make any change in accounting policies and procedures, and did not apply any deviations from these policies and procedures in the reporting period, and did not perform any correction of prior period errors.

I. 6. Risk management

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

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

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

(a) Strategy for using financial instruments

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

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

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

(b) Market risk

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

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

(c) Interest rate risk

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

(d) Currency risk

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

(e) Credit risk

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

Commercial and personal insurance is written primarily through intermediaries. Intermediaries are subject to rigorous monthly checks of information on unearned commissions in order to mitigate part of the credit risk associated with the intermediaries' involvement in the underwriting process.

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

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

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

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

(f) Liquidity risk

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

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

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

(g) Insurance risk

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

- risk of occurrence – the probability that the number of claims will differ from the original estimate;

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

The Company manages insurance risks in particular by:

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

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

(h) Operational risk

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

Operational risk groups comprise:

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

Operational risk is evaluated in two ways. Firstly, by quantification through SCR calculated based on a standard formula – i.e., from the amount of technical provisions and premiums written. Secondly, by qualitative

assessment through processional approach, risk mapping and evaluation of the control environment within which the risk owners of all divisions identify the risks their divisions are exposed to. The employees assess the effects of the risks and determine adequate measures, including control mechanisms aimed at mitigating these risks. The output is the risk and control matrix (RCM). All organisational units including regional directorates are included in the operational risk mapping process. The Company also specifically manages residual risks from important projects (i.e., risks that are further evaluated and managed by specific owners). Risk mapping output and the level of risk mapping and important projects residual risk action plans' implementation helps to monitor the risk profile in operational risk. The division of non-financial risks of Kooperativa pojišťovna, a.s., Vienna Insurance Group operating under shared services regime¹ methodically manages first line protection departments, carries out independent control in the second line protection and reports through the Risk and capital management committee about the situation of operational risk management in the Company and proposes other operational risk solutions to the Board of Directors.

(i) Compliance risk

Compliance risk is the risk of legal and regulatory sanctions (including the insurance company's criminal liability), financial loss or the loss of reputation that the

Company may suffer as a result of non-compliance with statutory and regulatory requirements, rules relating to the Code of the Company, the VIG group and the Code of Ethics of the Czech Insurance Association. Compliance risk is a subcategory of operational risk.

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

- a) monitoring of legal and regulatory changes;
- b) reflecting legal and regulatory changes in the Company internal management documents;
- c) subsequent review of the compliance of performed activities with internal management documents and legislation;
- d) monitoring mutual compliance of internal management documents;
- e) identification, measuring, evaluation, monitoring and reporting of compliance risks, and adopting measures to remove or mitigate these risks.

The Compliance department of Kooperativa pojišťovna, a.s., Vienna Insurance Group operating under shared services regime monitors any upcoming legislation (new legislation, changes in current legislation) on an ongoing basis, as well as case law, including regulatory requirements of the supervisory authorities, and evaluates their impact on the Company's activity. For this purpose, the Compliance department publishes Legal news.

¹The cooperation is based on the contract on expenses sharing concluded between Kooperativa pojišťovna, a.s., Vienna Insurance Group and Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group.

II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

II. 1. Intangible fixed assets

As at 31 December 2023, intangible fixed assets of the Company comprise the following items:

	Software	Other intangible fixed assets	Total
Acquisition costs as at 1 Jan 2023	697 176	5 212	702 388
Additions	97 152	359	97 511
Disposals	2 085	0	2 085
Acquisition costs as at 31 Dec 2023	792 243	5 571	797 814
Accumulated depreciation at 1 Jan 2023	503 709	3 407	507 116
Write-offs	73 478	960	74 438
Disposals	0	0	0
Accumulated depreciation at 31 Dec 2023	577 187	4 367	581 554
Net book value at 1 Jan 2023	193 467	1 805	195 272
Net book value at 31 Dec 2023	215 056	1 204	216 260

II. 2. Investments

(a) Land and buildings

The amounts stated in this section comprise improvements to third-party property as at 31 December 2023, totalling TCZK 4 723 (2022: TCZK 4 871).

(b) Participating interests with controlling influence

2023

Company name	Share of registered capital in %	Carrying amount	Acquisition costs	Fair value	Total registered capital	Total equity	Profit (loss) for the period
Participating interests with controlling influence							
ČPP Servis, s.r.o.**	100	29 300	29 300	55 653	300	55 653	4 841
VIG ND, a.s.**	11,71	278 386	302 006	278 562	2 391 000	2 378 722	34 397
AIS servis, s.r.o.**	30	51 404	51 404	18 049	7 400	60 164	10 173
VIG FUND, a.s.*/**	0,6	38 517	40 510	42 663	5 697	6 764 941	102 924
Global Expert, s.r.o.***	30	88 292	88 292	100 456	200	1 402 482	13 753
Total		485 899	511 512	489 383	2 404 597	10 661 959	166 088

Explanation:

The data in the Fair value column represent the Company interest in the total equity of the controlled entity (NAV).

Participating interests with controlling influence are held by the Company primarily for strategic reasons and the holding is not motivated by an attempt to realise profit from market value fluctuations.

* The Company has the valuation of the interest which is stated in the Fair value field instead of the interest in the equity of the controlled entity.

** The data is based on non-audited financial statements.

*** In 2023, additional payments were made by a second shareholder outside the registered capital of the company (ČPP did not participate). The fair value is the amount of equity attributable to ČPP, i.e. the share in the registered capital and profits plus the additional payments made by ČPP.

Note:

All companies have their registered office in Prague, excepting Global Expert, s.r.o., with registered office in Pardubice, and AIS servis, s.r.o., with registered office in Brno.

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

2022

Company name	Share of registered capital in %	Carrying amount	Acquisition costs	Fair value	Total registered capital	Total equity	Profit (loss) for the period
Participating interests with controlling influence							
ČPP Servis, s.r.o.**	100	29 300	29 300	52 195	300	52 195	4 584
VIG ND, a.s.**	11,71	278 386	302 006	280 679	2 391 000	2 396 797	36 315
AIS servis, s.r.o.**	30	51 404	51 404	16 457	7 400	54 855	22 647
VIG FUND, a.s.*/**	0,6	37 567	40 510	41 755	5 697	6 646 745	217 493
Global Expert, s.r.o.	30	88 292	88 292	98 264	200	327 547	21 818
Total		484 949	511 512	489 350	2 404 597	9 478 139	302 857

(c) Shares and other variable-yield securities

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

	2023	2022
Shares and other variable-yield securities at fair value through profit or loss	179 781	95 557
Available-for-sale shares and other variable-yield securities	823 552	771 140
Total	1 003 333	866 697

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

	Fair value		Acquisition costs	
	2023	2022	2023	2022
Other				
- Unlisted	179 781	95 557	173 271	87 134
Total	179 781	95 557	173 271	87 134

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

	Fair value		Acquisition costs	
	2023	2022	2023	2022
Issued by financial institutions				
- Listed on a recognised exchange in the Czech Republic	0	27 160	0	19 446
- Listed elsewhere	38 754	35 477	37 799	18 872
- Unlisted	51 232	40 226	50 853	36 644
Other				
- Listed on a recognised exchange in the Czech Republic	6 357	29 952	5 021	18 934
- Listed elsewhere	9 836	19 211	8 924	23 310
- Unlisted	717 373	619 114	674 139	604 782
Total	823 552	771 140	776 736	721 988

(d) Debt securities

Classification of debt securities

	2023	2022
Available-for-sale debt securities	7 551 292	6 235 063
Debt securities valued at fair value through profit and loss	30 277	11 105
Debt securities held to maturity	4 134 068	3 703 786
Total	11 715 637	9 949 954

Analysis of available-for-sale debt securities

	Fair value		Acquisition costs	
	2023	2022	2023	2022
Issued by financial institutions				
- Listed on a recognised exchange in the Czech Republic	183 730	259 255	178 378	267 378
- Listed elsewhere	485 503	534 888	503 263	549 650
Issued by government sector				
- Listed on a recognised exchange in the Czech Republic	6 493 910	4 838 139	6 361 966	5 285 544
- Listed elsewhere	62 378	192 359	159 173	201 173
Other				
- Listed on a recognised exchange in the Czech Republic	237 395	214 085	250 330	254 252
- Listed elsewhere	63 177	171 847	61 131	176 201
Unlisted	25 199	24 490	24 460	24 460
Total	7 551 292	6 235 063	7 538 701	6 758 658

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

	Fair value		Acquisition costs	
	2023	2022	2023	2022
Other				
- Listed elsewhere	30 277	11 105	29 430	12 171
Total	30 277	11 105	29 430	12 171

Analysis of debt securities held to maturity

	Fair value		Amortised value		Acquisition costs	
	2023	2022	2023	2022	2023	2022
Issued by financial institutions						
- Listed on a recognised exchange in the Czech Republic	400 222	390 863	422 059	432 208	499 881	499 881
- Listed elsewhere	29 758	29 479	30 144	30 144	30 001	30 001
Issued by government sector						
- Listed on a recognised exchange in the Czech Republic	3 447 890	2 701 373	3 681 865	3 189 944	3 750 880	3 250 330
Other						
- Listed elsewhere	0	50 077	0	51 490	0	49 973
Total securities held to maturity	3 877 870	3 171 792	4 134 068	3 703 786	4 280 762	3 830 185

(e) Debt securities issued by entities in which the accounting entity holds a controlling or significant influence and loans and credits provided to these entities

	Fair value		Amortised value		Acquisition costs	
	2023	2022	2023	2022	2023	2022
Loans granted (controlled entities)	546	6 583	554	6 886	551	6 822
Total	546	6 583	554	6 886	551	6 822

(f) Deposits with financial institutions and other loans and credits

	Fair value		Acquisition costs	
	2023	2022	2023	2022
Deposits	248 262	460 605	248 262	460 605
Other loans and credits	1 300 961	1 049 654	1 300 961	1 049 654
Total	1 325 223	1 510 259	1 325 223	1 510 259

In 2023, other loans and credits comprised reverse repurchase transactions totalling TCZK 1 300 961 (in 2022 TCZK 1 049 654).

(g) Fair value of investments for the benefit of life assurance policyholders who bear the investment risk

Description	Acquisition costs		Fair value	
	2023	2022	2023	2022
Shares and other variable-yield securities	1 893 284	1 889 859	2 702 419	2 366 773
Total	1 893 284	1 889 859	2 702 419	2 366 773

(h) Other investments – derivatives

Hedging derivatives

Fixed term contracts	Nominal value		Fair value	
	2023	2022	2023	2022
Term currency transactions	490 797	409 330	-3 350	7 824
Total	490 797	409 330	-3 350	7 824

The above derivatives hedge the currency risk resulting from foreign currency instruments in investments.

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 in the fair value of a derivative is recognised in the profit and loss statement.

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

(i) Měnová struktura investic

2023	Variable-yield securities	Debt securities	Deposits and other investments	Life assurance investments where the investment risk is borne by the policyholders	Total
CZK	630 423	11 346 924	2 001 882	2 392 827	16 372 056
EUR	182 590	331 125	35 494	309 592	858 801
USD	190 320	30 318	-327	0	220 311
PLN	0	7 270	0	0	7 270
Total	1 003 333	11 715 637	2 037 049	2 702 419	17 458 438

2022	Variable-yield securities	Debt securities	Deposits and other investments	Life assurance investments where the investment risk is borne by the policyholders	Total
CZK	629 738	9 727 521	1 969 398	2 089 960	14 416 617
EUR	84 360	216 524	40 628	276 813	618 325
USD	152 599	0	4 763	0	157 362
PLN	0	5 909	0	0	5 909
Total	866 697	9 949 954	2 014 789	2 366 773	15 198 213

II. 3. Receivables and payables

(a) Receivables

31 December 2023	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	224 259	2 577	61 746	1 050 005	1 338 587
Overdue	667 672	93 881	22 986	94 767	879 306
Total	891 931	96 458	84 732	1 144 772	2 217 893
Adjustment	249 350	95 076	0	51 664	396 090
Total net amount	642 581	1 382	84 732	1 093 108	1 821 803

31 December 2022	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	88 492	9 842	4 657	1 210 186	1 163 666
Overdue	1 007 136	95 251	14 112	77 930	1 343 940
Total	1 095 628	105 093	18 769	1 288 116	2 507 606
Adjustment	245 264	92 286	0	51 692	389 242
Total net amount	850 364	12 807	18 769	1 236 424	2 118 364

(b) Other receivables

	2023		2022	
	Gross amount	Adjustments	Gross amount	Adjustments
Other prepayments	29 173	0	24 662	0
Deferred tax asset	1 043 723	0	1 067 922	0
Pre-paid AFS tax	1 070	0	5 107	0
Income tax prepayment	17 597	0	134 651	0
Loans to employees	1 016	0	1 101	0
Czech Nuclear Pool	3 795	0	1 853	0
Other receivables	48 398	51 664	52 820	51 692
Total	1 144 772	51 664	1 288 116	51 692

Corporate income tax prepayments related to the 2023 tax liability of TCZK 133 392 (2022: TCZK 341 589) were offset to the corporate income tax provision of TCZK 115 795 (2022: TCZK 207 311). The net balance is reported under income tax prepayments.

Details of the 'Deferred tax asset' are set out in note III.14(b) to the financial statements.

(c) Subordinated liabilities

On 23 November 2023, the Company obtained a subordinated loan from Kooperativa pojišť'ovna, a.s., Vienna Insurance Group, in the amount of TCZK 250,000 CZK and the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe in the amount of TCZK 250,000. The annual interest rate was agreed at 7.46% and the loan repayment period at 10 years. The total principal amount of the subordinated loan at 31 December 2023 is TCZK 500,000 and the amount of the interest expense was TCZK 3 212.

(d) Liabilities

	2023	2022
Due		
Payables to policyholder	542 153	565 647
Payables to insurance intermediaries	5 617	43 018
Payables from reinsurance operations	90 027	71 744
Other Liabilities	335 071	288 544
Total	972 868	968 953

The residual maturity of all liabilities is less than 5 years.

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

The Company has a net payable from reinsurers, excluding reinsurance deposits, of TCZK 5 295 (2022: a net payable of TCZK 52 975).

II. 4. Inter-company receivables and payables

	2023	2022
Receivables		
Receivable from reinsurance	3 306 056	3 368 875
Other receivables	20 476	26 472
Total receivables	3 326 532	3 395 347
Liabilities		
Payables from reinsurance	2 806 165	2 683 033
Other payables	875 430	444 757
Total liabilities	3 681 595	3 127 790

Receivables from reinsurance operations include reinsurance assets of TCZK 3 262 400 (2022: TCZK 3 322 193). Payables from reinsurance operations include a reinsurance of TCZK 2 679 561 (2022: TCZK 2 544 874).

II. 5. Tangible fixed assets and inventories

	Total
Acquisition cost at 1 Jan 2023	161 041
Additions	88 265
Disposals	104 766
Acquisition cost at 31 Dec 2023	144 540
Accumulated depreciation at 1 Jan 2023	130 043
Write-offs	13 282
Disposals	-33 114
Accumulated depreciation at 31 Dec 2023	110 211
Net book value at 01 January 2023	30 998
Net book value at 31 December 2023	34 329

II. 6. Temporary asset or liability accounts

(a) Other temporary asset accounts

	2023	2022
Estimated premiums	25 020	28 217
Estimated receivables arising from reinsurance operations	116 977	46 821
Estimated receivables – service agreements	417 903	408 678
Prepaid services	23 716	60 110
Accumulated debt	209 320	192 453
Total	792 936	736 279

Estimated premiums

Estimated receivables comprise estimated written premiums, 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

Under estimated receivables arising from reinsurance operations, the Company discloses an estimate of the appropriate profit commission from the reinsurers' share related to the estimate of the written premiums disclosed.

Estimated receivable resulting from service agreements

Estimated receivables resulting from service agreements comprise the estimated impact of the results of service agreements at the given moment of time, depending on the recognition of the other items relating to these agreements.

(b) Estimated payables

	2023	2022
Estimated payables arising from reinsurance operations	113 940	106 500
Accrued commission	216 494	295 194
Services not invoiced	109 200	111 264
Accruals in respect of personnel expenses	217 525	185 716
Service agreement bonification	52 702	47 817
Accrual of reinsurance commissions	240 671	237 365
Prepayments of premiums	209 937	179 667
Other estimated payables	8 709	21 911
Total	1 169 178	1 185 434

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 are reported in estimated payables arising from reinsurance operations.

Accrued commission

The Company discloses as Accrued commission 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.

Accruals in respect of personnel expenses

As the business targets and results of the Company were exceeded in 2023, accruals in respect of personnel expenses were adjusted accordingly.

The accruals are intended as bonuses for exceeding business results and the Company management uses them as financial reward of employees for performance achieved. This reward is used as a motivation tool for employees, leading to achieving new targets according to the Company aims.

Services not invoiced

Under Services not invoiced, the Company discloses the expected amount of payables that have not yet been invoiced..

II. 7. Registered capital

The registered capital consists of 10 000 registered ordinary shares in book-entry form with a nominal value of TCZK 100. As at 31 December 2023, 100%, i.e., TCZK 1 000 000 (2022: TCZK 1 000 000) of the registered capital was paid up. The amount of the Company registered capital meets 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 funds

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

	2023	2022
Balance as at 1 Jan	-448 340	-41 907
Change in the fair value of investments	586 880	-501 769
Change in deferred tax	-112 175	95 336
Balance at 31 Dec	26 365	-448 340

(b) Proposed distribution of current period profit

Profit for the current period	748 348
Transfer to social fund	31 000
Payment of profit shares	609 746
Retained earnings	107 602

The proposed distribution of profit is subject to the approval of the general assembly.

II. 8. Technical provisions

(a) Provisions for unearned premiums (gross)

	2023	2022
Non-life insurance	4 259 555	3 991 844
Life assurance	32 634	24 354
Total	4 292 189	4 016 198

(b) Provision for outstanding claims (gross amount)

The provision for outstanding claims at the end of the financial year can be analysed as follows:

	2023	2022
RBNS	6 510 827	6 444 157
IBNR	1 724 722	1 375 968
Total	8 235 549	7 820 125

Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2022, the claims payments during 2023 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2023.

The gross run-off result is as follows:

Class of insurance	2023	2022
Motor third-party liability insurance	308 103	553 578
Motor – other classes	-34 546	-16 986
Property insurance against fire and other damage	128 592	-39 874
Liability insurance	158 715	34 063
Accident and sickness insurance – non-life insurance	10 913	18 550
Life assurance	72 925	102 668
Other	-53 952	-266 787
Total	590 750	385 212

Provision for outstanding claims in the form of annuities

The gross provision for outstanding claims from motor third party liability insurance paid in the form of annuities arising from reported claims after discounting is TCZK 1 090 046 (2022: TCZK 964 326), the impact of discounting is TCZK 443 143 (2022: TCZK 447 350), and it is carried out only in respect of these liabilities.

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Bureau methodology as at 1 July 2023, 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 is further discounted at 5% in 2023–2024, and at 1.5% in the remaining years. In 2023, the discount rate was in compliance with the Czech Insurers' Bureau methodology. The method, rates and criteria used to estimate the remaining period for payment of the annuities are based on the currently valid Calculation tool for provisioning for annuities provided by the Czech Insurers' Bureau.

(c) Provision for bonuses and rebates (gross)

Class of insurance	2023	2022
Non-life insurance	152 353	125 554
Life assurance	899 836	886 691
Total	1 052 189	1 012 245

(d) Other technical provision (gross)

	Opening balance	Additions	Utilisation	Closing balance
Non-life insurance provision	27 397	5 742	0	33 139
Provision for credit risk	49 055	8 085	0	57 140
Total	76 452	13 827	0	90 279

II. 9. Rezervy

Type of provision	Opening balance	Additions	Utilisation	Closing balance
Provision for employee benefits	29 475	0	5 005	24 470
Provision for cyber risks	102 789	83 641	0	186 430
Total	132 264	83 641	5 005	210 900

Corporate income tax prepayments totalling TCZK 133 392 (2022: TCZK 341 589) were offset against corporate income tax provision of TCZK 115 795 (2022: TCZK 207 311). This year, the balance has been recognised under „Advances for corporation tax“ II.3.(b).

III. ADDITIONAL DISCLOSURES IN RESPECT OF THE PROFIT AND LOSS STATEMENT

III. 1. Non-life insurance

Non-life insurance for 2023 and 2022, by class of insurance:

		Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance
Direct insurance						
Accident and sickness						
	2023	219 625	218 897	95 082	123 951	-1 968
	2022	196 614	195 612	78 490	113 055	2 618
Motor – other classes						
	2023	2 817 383	2 679 947	1 647 544	880 815	-25 536
	2022	2 428 484	2 311 882	1 375 812	803 383	-8 617
Fire and other damage to property						
	2023	2 000 729	1 958 916	1 141 903	703 805	-176 763
	2022	1 823 738	1 760 763	856 777	641 934	-196 779
Motor – liability						
	2023	4 317 437	4 289 027	2 680 943	1 422 928	-91 762
	2022	4 198 206	4 118 329	2 228 880	1 297 840	-137 088
Liability insurance						
	2023	1 437 195	1 420 264	637 285	492 527	-126 219
	2022	1 287 296	1 230 972	656 415	449 229	61 849
Reinsurance accepted						
	2023	739 389	696 997	187 991	140 578	-175 193
	2022	540 750	540 814	505 786	128 220	119 556
Total	2023	11 531 758	11 264 048	6 390 748	3 764 604	-597 441
	2022	10 475 088	10 158 372	5 702 160	3 433 661	-158 461

III. 2. Life assurance

Gross premiums written in life assurance:

	2023	2022
Individual (special) premiums	3 076 821	2 877 893
Total	3 076 821	2 877 893
Regular premium	2 981 890	2 813 305
Single premium	94 931	64 588
Total	3 076 821	2 877 893
Premiums from contracts without bonuses	1 300 395	899 402
Premiums from contracts with bonuses	154 330	169 254
Premiums from contracts where the investment risk is borne by policyholders	1 622 096	1 809 237
Total	3 076 821	2 877 893
Reinsurance balance (- expense/+ revenue)	-30 682	-15 143

III. 3. Total amount of gross premiums written by country in which the insurance contract was concluded

All gross written life assurance and non-life insurance premiums arise from insurance policies concluded in the Czech Republic.

III. 4. Bonuses and rebates

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

	2023	2022
Gross amount		
Non-life insurance	329 412	197 493
Total gross amount	329 412	197 493
Reinsurers' share	53 220	11 075
Total net amount	276 192	186 418

In accordance with the procedures stated in note I. 4 (l) of the Notes, the Company accounted for the following changes in the provision for bonuses and rebates:

2023	Gross amount	Reinsurance share	Net
Non-life insurance			
Creation	356 211	56 885	299 326
Release	329 412	63 105	266 307
Change in adjustments	26 799	-6 220	33 019
Life assurance			
Creation	899 835	0	899 835
Release	886 690	0	886 690
Change in adjustments	13 145	0	13 145
Total change of balance	39 944	-6 220	46 164

2022	Gross amount	Reinsurance share	Net
Non-life insurance			
Creation	229 568	63 105	166 463
Release	197 493	42 067	155 426
Change in adjustments	32 075	21 038	11 037
Life assurance			
Creation	886 691	0	886 691
Release	816 838	0	816 838
Change in adjustments	69 853	0	69 853
Total change of balance	101 928	21 038	80 890

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

	2023			2022		
	Non-life insurance	Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions	2 263 804	1 073 239	3 337 043	2 124 910	679 680	2 804 590
Other acquisition costs	1 169 820	235 022	1 404 842	1 047 053	240 061	1 287 114
Change in deferred acquisition costs	-98 388	-454 073	-552 461	-127 004	-76 310	-203 314
Total commissions and other acquisition costs	3 335 236	854 188	4 189 424	3 044 959	843 431	3 888 390

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

III. 6. Administrative expenses

	2023	2022
Personnel expenses (payroll, social and health insurance)	317 525	262 354
IT expenses	353 837	299 743
Expenses related to the operation of buildings	51 258	46 218
Communications	35 227	28 724
Other services	8 350	15 720
Company car expenses	9 412	5 553
Material	2 659	4 301
Insurance premiums	2 561	2 537
Bank fees	11 309	10 744
Advisory services	27 224	13 170
Representation expenses and presents	10 714	14 941
Depreciation of assets	1 915	1 995
Education	8 367	8 499
Travel expenses	1 996	1 103
Other finance expenses	10 308	5 664
Outsourcing	308 998	288 287
Translation difference	4 374	9 797
Other administrative expenses	9 334	13 219
Total administrative overheads before reallocation	1 175 368	1 032 569
Reallocation to acquisition costs	-300 280	-246 178
Reallocation to claims handling costs	-311 413	-262 076
Reallocation to costs on investments	-17 859	-17 856
Total reallocation	-629 552	-526 110
Total administrative expenses	545 816	506 459

III. 7. Other technical expenses and income

	2023	2022
Non-life insurance		
Other technical expenses	215 120	229 249
Other technical income	-119 366	-97 954
Balance – non-life insurance (+ expense/- revenue)	95 754	131 295
Life assurance		
Other technical expenses	48 683	37 368
Other technical income	-72 938	-142 813
Balance – life assurance (+ expense/- revenue)	-24 255	-105 445

The reinsurer does not have a share in the Company's other technical expenses and income.

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

	2023	2022
Creation (+)/Release (-) of adjustments for receivables	1 831	34 617
Depreciation (+)/Payments after depreciation (-) for receivables	17 299	14 877
Foreign exchanges losses (+)/gains (-)	-2 245	-1 958
Contribution to the loss prevention fund	127 056	123 532
Delegated insurance events	-10 056	-9 017
Cost of the Bureau's liabilities	-5 120	0
Compensation of the cost of debt recovery and collection	-32 367	-30 849
Other	-644	93
Balance of other expenses and income	95 754	131 295

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

	2023	2022
Creation (+)/Release (-) of adjustments for receivables	5 044	3 626
Depreciation (+)/Payments after depreciation (-) for receivables	3 273	3 801
Cancellation fees	-6 871	-5 015
Foreign exchanges losses (+)/gains (-)	-594	-574
Accumulated debt	-16 868	-98 046
Compensation of the cost of debt recovery and collection	-6 269	-7 079
Other	-1 970	-2 158
Balance of other expenses and income	-24 255	-105 445

III. 8. Other expenses and income

	2023	2022
Non-technical account		
Other expenses	91 340	38 119
Other revenues	0	-12 475
Balance of other expenses and income	91 340	25 644

The balance of other expenses and income comprises the following items:

	2023	2022
Creation (+)/Release (-) of adjustments to other receivables	0	-20
Creation of (+)/Release (-) of other provisions	78 636	11 229
Bureau's contributions	14 617	21 570
Other	-1 913	-7 135
Balance of other expenses and income	91 340	25 644

III. 9. Employees and executives

The average number of employees and executives and remuneration for 2023 and 2022 are as follows:

2023	Average number of employees	Payroll expenses	Social and health insurance	of which other personnel expenses
Employees	867	636 109	192 006	43 251
Executives	77	140 280	38 018	0
Total	944	776 389	230 024	43 251

2022	Average number of employees	Payroll expenses	Social and health insurance	of which other personnel expenses
Employees	850	536 483	182 829	35 429
Executives	70	138 807	44 075	0
Total	920	675 290	226 904	35 429

TCZK 317 525 (2022: TCZK 262 354) of the total personnel, social security and health insurance expenses represents administrative expenses before reallocation, and TCZK 688 888 (2022: TCZK 639 840) accounts for expenses incurred to acquire insurance contracts.

(a) Social security and health insurance liabilities

Liabilities in respect of social security and health insurance total TCZK 25 929 (2022: TCZK 28 335), of which TCZK 17 420 (2022: TCZK 17 792) relates to social security, and TCZK 8 509 (2022: TCZK 10 543) relates to health insurance. None of these liabilities are overdue.

(b) Tax liabilities and subsidies

Tax liabilities total TCZK 9 571 (2022: TCZK 13 101) and represent outstanding taxes arising from personal income tax as at the end of the current period.

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

For the 2023 and 2022 reporting periods, the Company recognised the following monetary and non-monetary remuneration to the statutory, executive and supervisory board members:

	2023	2022
Members of the board of directors	21 910	38 301
Members of the supervisory board	1 918	2 055
Total remuneration	23 028	40 356

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

In 2023 and 2022, the Company did not present any receivables from members of the board of directors or the supervisory board relating to granted loans or advances paid.

III. 10. Fees payable to statutory auditors

	2023	2022
Statutory audit	3 500	2 303
Non-audit services	849	579
of which:		
SFCR audit reports	800	579
actuarial consulting	49	0

III. 11. Allocation of investment return between technical account for non-life insurance and non-technical account

As at the balance sheet date, the total amount of investment return allocated between the technical account for non-life insurance and the non-technical account by means of the method stated in note I.4.(v) totalled TCZK 276 873 (2022: TCZK 25 283).

III. 12. Result of non-technical account

As at 31 December 2023, the result of the non-technical account before tax totalled a loss of TCZK 91 340 (2022: loss of TCZK 25 644).

III. 13. Profit before tax

As at 31 December 2023, profit before tax totalled TCZK 785 797 (2022: TCZK 993 719).

III. 14. Taxes

(a) Income tax in the profit and loss statement

	2023	2022
Current period income tax	116 002	207 311
Current income tax relating to prior periods	5 386	-10 394
Change in deferred tax asset/Change in deferred tax liability	-87 976*	-25 591
Current tax expense – restated current tax from AFS	4 037	314
Income tax in the profit and loss statement	37 449	171 640

*The effect of the change in the tax rate in 2023 represents an increase in the deferred tax asset of TCZK 100 069.

(b) Deferred tax assets and liabilities

Deferred tax assets and liabilities are as follows:

Temporary differences	Assets		Payables		Net	
	2023	2022	2023	2022	2023	2022
Fixed assets	0	0	-13 555	-11 555	-13 555	-11 555
Receivables	34 531	32 400	0	0	34 531	32 400
Technical provisions	935 587	877 690	0	0	935 587	877 690
Provisions	94 169	64 221	0	0	94 169	64 221
Total temporary differences recorded in the profit and loss statement	1 064 287	974 311	-13 555	-11 555	1 050 732	962 756
Revaluation of assets and liabilities	0	105 166	-7 009	0	-7 009	105 166
Deferred tax asset/(liability)	1 064 287	1 079 477	-20 564	-11 555	1 043 723	1 067 222

In accordance with the accounting policy described in note I.4.(h), a tax rate of 21% has been used to calculate the deferred tax in 2023 (19% in 2022).

IV. OTHER DISCLOSURES

IV. 1. Contingent liabilities

(a) Co-insurance

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

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

(b) Membership in the Czech Insurer's Bureau ("the Bureau")

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

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

(c) Membership in the Czech Nuclear Pool

As a member of the Czech Nuclear Pool, under a Joint and Several Liability agreement, the Company has assumed a liability, in proportion to the Company 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.

IV. 2. Subsequent events

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

The Company expects to become a taxpayer for the next financial year in accordance with Act No. 416/2023 Coll., on equalisation taxes for large multinational groups and large domestic groups. At this point in time, the exact impact of this on the total tax liability in the following financial year cannot be estimated with sufficient precision. The Group is currently preparing a Group-wide tool that will control the calculation of the equalisation tax for Group companies in all affected jurisdictions. The Company anticipates that the impact of this on the overall tax liability will not be material.

Prague, 25 March 2024



Ing. Pavel Wiesner,
Chairman of the Board of Directors



Mag. Christoph Rath
Vice Chairman of the Board of Directors



ORGANISATIONAL STRUCTURE

ORGANISATIONAL STRUCTURE AS AT 31 DECEMBER 2023:

SUPERVISORY BOARD

Ing. Vladimír Mráz

Chairman of the Supervisory Board

Prof. Elisabeth Stadler *

Vice-Chairman of the Supervisory Board (until 30 June 2023)

Hartwig Löger**

Member of the Supervisory Board (from 1 July 2023 Vice-Chairman)

Ing. Martin Diviš, MBA

Member of the Supervisory Board

Dkfm. Karl Fink

Member of the Supervisory Board

Romana Hartlová

Member of the Supervisory Board

Mgr. Jolana Kolaříková

Member of the Supervisory Board

Mag. Gerhard Lahner

Member of the Supervisory Board

Ing. Petr Vokřál

Member of the Supervisory Board

BOARD OF DIRECTORS

Ing. Pavel Wiesner

Member of the Board of Directors

Chairman of the Board of Directors (from 3 January 2023)

Ing. Petr Žaba

Member of the Board of Directors (from 1 February 2023)

Ing. Jaroslav Kulhánek

Member of the Board of Directors

Mag. Christoph Rath

Member of the Board of Directors

AUDIT COMMITTEE

Ing. Vladimír Mráz

Chairman of the Audit Committee

Prof. Elisabeth Stadler***

Vice-Chair of the Audit Committee (until 30 June 2023)

Hartwig Löger****

Member of the Audit Committee (from 15 July 2023)

Vice-Chairman of the Audit Committee (from 5 October 2023)

Ing. Martin Diviš, MBA

Member of the Audit Committee

Ing. František Dostálek

Member of the Audit Committee

*On the basis of a written request from Prof. Elisabeth Stadler, the Supervisory Board of Česká podnikatelská pojišťovna, a.s. approved her resignation as Vice-Chairman and member of the Supervisory Board, effective as at 30 June 2023.

**The Supervisory Board has elected Hartwig Löger as a new vice-chairman of the Supervisory Board for the period from 1 July 2023 to 31 December 2023.

***On the basis of a written request from Prof. Elisabeth Stadler, the members of the Audit Committee of Česká podnikatelská pojišťovna, a.s. approved her resignation as Vice-Chairman and member of the Audit Committee, effective as at 30 June 2023.

**** The sole shareholder, in the exercise of the powers of the General Assembly, appointed Hartwig Löger as a new member of the Audit Committee for the period from 15 July 2023 to 31 December 2023.

REGIONAL DIRECTORATE

Regional Directorate Pilsen

Ing. Dušan Zeman

Regional Directorate Brno

René Heinc

Regional Directorate Hradec Králové

Igor Rejzek

Regional Directorate Praha

Ing. Petr Vokřál

Regional Directorate Ostrava

Alan Zahrada

Regional Directorate České Budějovice

Jiří Tůma, DiS.

SPECIALISED DEPARTMENTS

Secretary General Division

Ing. René Činátl

Sales Support Division

Mgr. Jakub Pöbiš

Sales Division

Bc. Jan Křehlík

Business Risk Division

Ing. Michal Krajčovič

Customer Care Department

Martin Lakomý

Digitalisation and Service Development Division

Ing. Petr Školník

Product Development Section

Bc. Marek Woitsch

Life Insurance Administration and Claims Settlement Division

Mgr. Jiří Urbaník

Non-Life Insurance and Fleet Administration Division

Jana Maryšková

Non-life Insurance Claims Settlement Division

Bořek Těžký

Marketing and PR Division

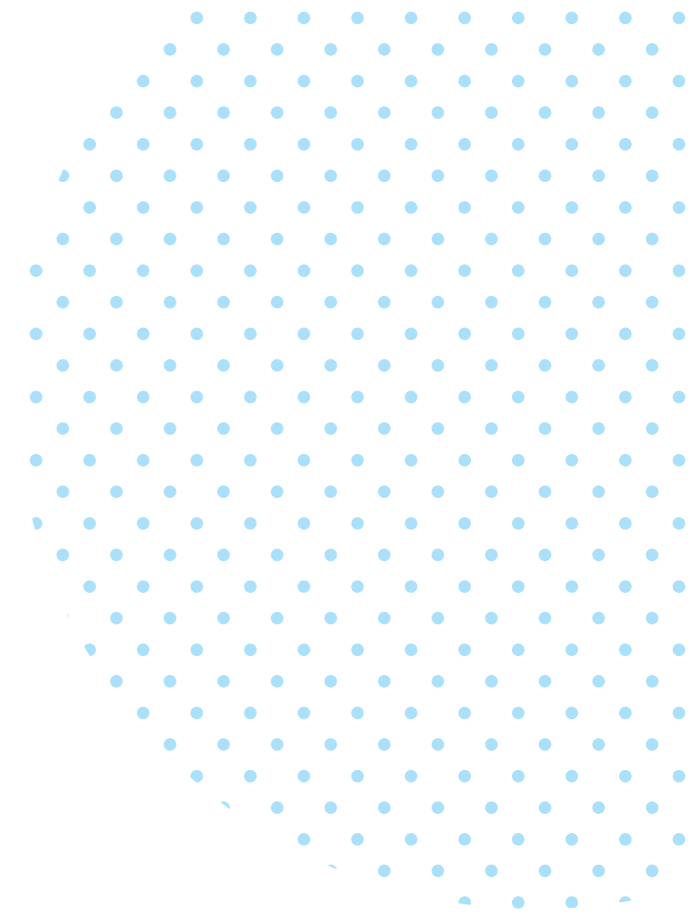
Mgr. Jolana Kolaříková

HR Division

Romana Hartlová

Business Controlling Division

Ing. Zdeněk Kolář



**LIST OF
REGIONAL
BRANCHES AND
DIRECTORATES**



LIST OF REGIONAL BRANCHES AND DIRECTORATES AS AT 31 DECEMBER 2023

Praha

General Directorate

Pobřežní 665/23, 186 00, Praha 8, tel.: 957 444 555

Regional Directorates

Praha, Budějovická 778/3, 140 21 Praha 4, tel.: 957 554 045

Branches

Benešov, Týršova 2260, 256 01 Benešov, tel.: 315 694 947

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

Kladno, Komenského 3379/2, 272 01 Kladno, tel.: 312 240 214

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

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

Mladá Boleslav, U Kasáren 1377, 293 01 Mladá Boleslav, tel.: 326 722 864

Nymburk, náměstí Přemyslovců 39, 288 02 Nymburk, tel.: 325 516 370

Praha 2 – Vinohrady, Korunní 841/27, 120 00 Praha 2, tel.: 221 501 310

Praha 4 – Pankrác, Budějovická 3a, 140 21 Praha 4, tel.: 957 554 045

Praha 5 – Smíchov, Jindřicha Plachty 25, 150 00 Praha 5, tel.: 257 319 003

Praha 8 – Karlín, Pobřežní 665/23, 186 00 Praha 8, tel.: 956 451 051

Praha 9 – Vysočany, Jandova 10/3, 190 00 Praha 9, tel.: 233 901 485

Příbram, Dlouhá 97, 261 01 Příbram, tel.: 318 627 195

Rakovník, Husovo náměstí 52, 269 01 Rakovník, tel.: 313 502 589

Branch offices

Kutná Hora, Anenské nám. 693, 284 01 Kutná Hora, tel.: 731 625 440

Milovice, V Konírnách 517, 289 24 Milovice-Mladá, tel.: 703 491 498

Mladá Boleslav, Kvasiny 145, 517 02 Mladá Boleslav, tel.: 494 530 053

Mladá Boleslav, tř. Václava Klementa 869, 293 01 Mladá Boleslav II, tel.: 326 817 198

Poděbrady, Hakenova 1423, 290 01 Poděbrady III, tel.: 730 573 050

Brno

Regional Directorate

Brno, Vlněna 526/1, 602 00 Brno, tel.: 957 553 019

Branches

Blansko, Rožmitálova 36/2, 678 01 Blansko, tel.: 731 135 653

Brno – Gajdošova, Gajdošova 4392/7, 615 00 Brno, tel.: 606 060 246

Brno – Kounicova, Kounicova 271/13, 602 00 Brno, tel.: 957 548 289

Brno – Palackého, Palackého třída 879/84, 612 00 Brno, tel.: 545 214 542

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

Hodonín, Národní třída 301/26, 695 01 Hodonín, tel.: 957 548 120

Kroměříž, Vejvanovského 1592/20, 767 01 Kroměříž, tel.: 573 331 759

Třebíč, Hrotovická 1202/27, 674 01 Třebíč, tel.: 957 548 134

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

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

Znojmo, Pražská 1653/30, 669 02 Znojmo, tel.: 734 522 753

Žďár nad Sázavou, Nádražní 2119/69, 591 01 Žďár nad Sázavou, tel.: 566 629 899

Branch offices

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

Brno, Vlněna 526/1, 602 00 Brno, tel.: 957 533 000

Brno – Campus, Netroufalky 837, 625 00 Brno – Starý Lískovec, tel.: 737 206 802

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

Hradec Králové

Regional Directorate

Škroupova 441/9, 500 02 Hradec Králové, tel.: 957 553 628

Branches

Česká Lípa, Berkova 107/2 – naproti OD Andy, 470 01 Česká Lípa, tel.: 487 821 194

Děčín, Prokopa Holého 701/18, 405 02 Děčín IV – Podmokly, tel.: 412 520 108

Hradec Králové, Škroupova 441/12, 500 02 Hradec Králové, tel.: 957 553 628

Chrudim, Poděbradova 72, 537 01 Chrudim, tel.: 469 622 831

Jablonec nad Nisou, Komenského 33, 466 01 Jablonec nad Nisou, tel.: 485 143 499

Jičín, Havlíčkova 176, 506 01 Jičín, tel.: 957 548 217

Liberec, Kostelní 4/2 – vchod z náměstí Dr. E. Beneše, 460 01 Liberec 1, tel.: 485 105 104

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

Pardubice, Smilova 429, 530 02 Pardubice, tel.: 466 068 305

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

Svitavy, nám. Míru 53/59, 568 02 Svitavy, tel.: 461 530 317

Trutnov, Palackého 103, 541 01 Trutnov, tel.: 499 813 359

Turnov, Hluboká 284, 511 01 Turnov, tel.: 731 135 420

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

Ústí nad Orlicí, Příkopy 99, 562 01 Ústí nad Orlicí, tel.: 465 526 290

Branch offices

Hradec Králové, Habrmanova 204/6, 500 02 Hradec Králové, tel.: 495 591 506

Hradec Králové, Šimkova 1223/2A, 500 03 Hradec Králové, tel.: 495 510 100

Liberec – OC Plaza, Palachova 1404/2, 460 01 Liberec, tel.: 485 104 411

Pardubice, 17. listopadu 408, 530 02 Pardubice, tel.: 466 610 168

České Budějovice

Regional Directorate

Průmyslová 1656, 370 01 České Budějovice, tel.: 957 554 615

Branches

České Budějovice, Průmyslová 1656, 370 01 České Budějovice, tel.: 957 554 606

Český Krumlov, Tovární 198, 381 01 Český Krumlov, tel.: 380 711 260

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

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

Jihlava, Masarykovo náměstí 1188/45, 586 01 Jihlava, tel.: 567 300 255

Jindřichův Hradec, Masarykovo náměstí 108, 377 01 Jindřichův Hradec, tel.: 384 361 061

Pelhřimov, Příkopy 476, 393 01 Pelhřimov, tel.: 565 322 449

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

Prachatice, Velké náměstí 6, 383 01 Prachatice, tel.: 388 311 139

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

Tábor, Fügnerova 822, 390 02 Tábor, tel.: 381 252 452

Branch offices

České Budějovice, IGY centrum – Pražská tř. 1247/24, 370 04 České Budějovice, tel.: 957 548 130

Dačice, Havlíčkovovo nám. 103, 380 01 Dačice, tel.: 957 548 110

Sušice, Americké armády 78, 342 01 Sušice, tel.: 731 625 446

Strakonice, Krále Jiřího z Poděbrad 772, 386 01 Strakonice, tel.: 734 522 750

Trhové Sviny, Žižkovo náměstí 136, 374 01 Trhové Sviny tel.: 387 202 282

Ledeč nad Sázavou, Koželská 209, 584 01 Ledeč nad Sázavou, tel.: 733 616 321

Vimperk, Pivovarská 109/14, 385 01 Vimperk, tel.: 957 548 101

Ostrava

Regional Directorate

28. října 3337/7, 702 00 Ostrava, tel.: 734 522 914

Branches

Bruntál, Zámecké náměstí 2/8, 792 01 Bruntál, tel.: 731 135 411

Frýdek-Místek, Viléma Závady 3679, 738 01 Frýdek-Místek, tel.: 734 522 787

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

Nový Jičín, Tyršova 15, 741 01 Nový Jičín, tel.: 731 135 561

Olomouc, Litovelská 17, 779 00 Olomouc, tel.: 608 782 212

Opava, Ostrožná 231/36, 746 01 Opava, tel.: 731 135 672

Ostrava, 28. října 3337/7, 702 00 Ostrava – Moravská Ostrava, tel.: 731 135 761

Prostějov, Hradební 4603/15, 796 01 Prostějov, tel.: 737 206 895

Přerov, Mostní 226/2, 750 02 Přerov, tel.: 733 616 325

Šumperk, M. R. Štefánika 3198/15, 787 01 Šumperk, tel.: 957 548 300

Vsetín, Na Příkopě 814/15, 755 01 Vsetín, tel.: 571 424 733

Branch offices

Český Těšín, Smetanova 9, 737 01 Český Těšín, tel.: 733 616 198

Jeseník, Poštovní 884/1, 790 01 Jeseník, tel.: 584 413 100

Krnov, Revoluční 1125/86, 794 01 Krnov, tel.: 731 135 411

Olomouc, Tovární 1197/42a, 779 00 Olomouc – Hodolany, tel.: 731 135 674

Ostrava, Dr. Martíňka 1590 – OD Špalíček, 700 30 Ostrava-Hrabůvka, tel.: 734 511 486

Rožnov pod Radhoštěm, Nádražní 23, 756 61 Rožnov pod Radhoštěm, tel.: 571 438 438

Valašské Meziříčí, Náměstí 71/11, 757 01 Valašské Meziříčí, tel.: 571 610 581

Třinec, nám. Svobody 527, 739 61 Třinec, tel.: 558 335 700

Plzeň

Regional Directorate

Lochotínská 18, 301 00 Plzeň, tel.: 957 553 328

Branches

Cheb, 26. dubna 583/14, 350 02 Cheb, tel.: 957 548 173

Chomutov, Riegrova 229, 430 01 Chomutov, tel.: 474 621 903

Karlovy Vary, Moskevská 10, 360 01 Karlovy Vary, tel.: 353 563 910

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

Litoměřice, Dlouhá 182, 412 01 Litoměřice, tel.: 416 733 343

Most, tř. Budovatelů 1998, 434 01 Most, tel.: 957 548 200

Plzeň, Lochotínská 18, 301 00 Plzeň, tel.: 957 553 328

Sokolov, Marie Majerové 1815, 356 01 Sokolov, tel.: 957 548 330

Tachov, Boženy Němcové 98, 347 01 Tachov, tel.: 374 720 543

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

Branch offices

Litvínov, 9. května 26 – Galerie, 436 01 Litvínov, tel.: 957 548 131

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

Plzeň – Gerská, Gerská 1951/15, 323 00 Plzeň, tel.: 734 178 380

Plzeň – Luna, Skupova 24, 301 00 Plzeň, tel.: 377 540 509

Plzeň – nám. Generála Píky, náměstí Generála Píky 15, 326 00 Plzeň, tel.: 377 970 790

Rokycany, Jiráskova 1298, 337 01 Rokycany, tel.: 371 785 223

Žatec, Karla IV. 353, 438 01 Žatec, tel.: 415 214 435

ČPP Servis

Headquarters ČPP Servis s.r.o.

Budějovická 778/3, 140 21 Praha 4

Branches

Brno, Tolstého 562/35, 616 00 Brno

Brno, Trnitá 500/9, 602 00 Brno

Dobříš, Pionýrů 373, 263 01 Dobříš

Havířov, Národní třída 576/2, 736 01 Havířov

Hořice, Aloise Hlavatého 2185, 508 01 Hořice

Chlumec nad Cidlinou, 9. května 6, 503 51 Chlumec nad Cidlinou

Chomutov, 28. října 1025, 430 01 Chomutov

Jičín, Valdštejnovo náměstí 88, 506 01 Jičín

Karlovy Vary, Chebská 80/52, Dvory, 360 06 Karlovy Vary

Kolín, Antonína Dvořáka 1101, 280 02 Kolín

Moravský Krumlov, Palackého 112, 672 01 Moravský Krumlov

Most, tř. Budovatelů 3078, 434 01, Most

Ostrava-Poruba, 17. listopadu 677, 708 00 Ostrava-Poruba

Ostrava-Zábřeh, Patrice Lumumby 2717, 700 30 Ostrava-Zábřeh

Plzeň, Americká 819/19, 301 01, Plzeň

Poděbrady, Komenského 39/III, 290 01 Poděbrady

Praha 4, Budějovická 778/3a, 140 00 Praha 4

Prostějov, Plumlovská 17, 796 01 Prostějov

Rožnov pod Radhoštěm, Meziříčská 2868, 756 61 Rožnov pod Radhoštěm

Teplice, Masarykova třída 428/28, 415 01, Teplice

Třebíč, V. Nezvala 127/4, 674 01 Třebíč

Veselí nad Lužnicí, Budějovická 197, 391 81 Veselí nad Lužnicí

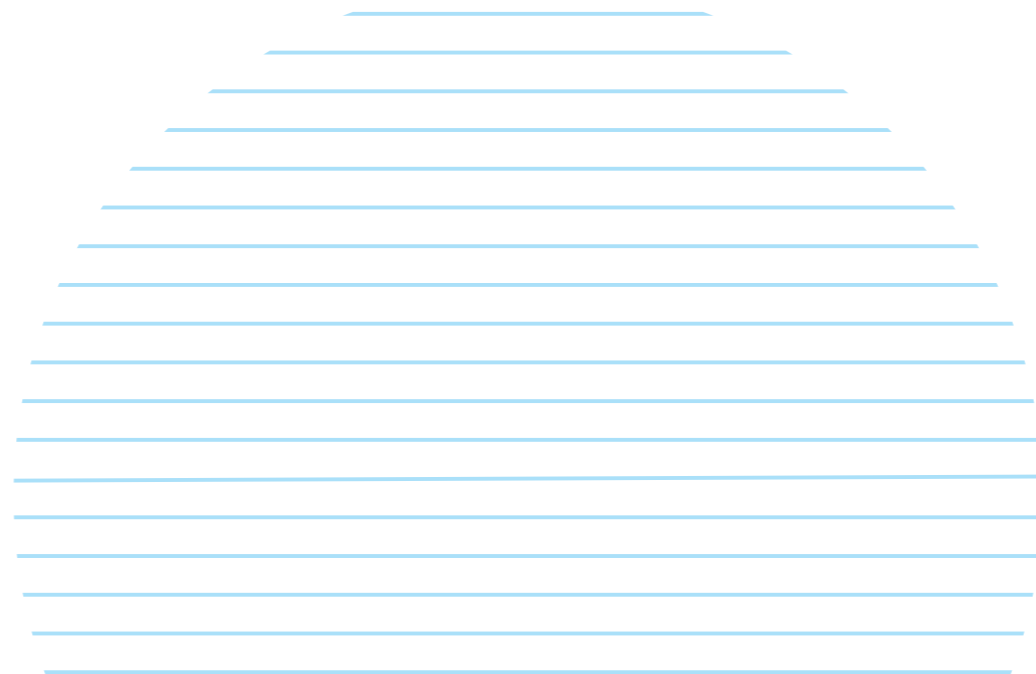
Vyškov, Dobrovského 422/3, 682 01 Vyškov

Zlín, Vavrečkova 7074, 760 01 Zlín

Znojmo, U Brány 1, 669 02 Znojmo



**REPORT
OF THE BOARD
OF DIRECTORS
ON RELATIONS**



Report of the Board of Directors

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

I. Structure of relations

Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, with its registered office at Pobřežní 665/23, 186 00 Praha 8, ID No.: 63998530, recorded in the Commercial Register maintained by the Municipal Court in Prague, section B, insert 3433 ("ČPP") is the controlled entity.

The controlling entity is VIENNA INSURANCE GROUP AG Wiener Versicherungs Gruppe, with its registered office at Schottenring 30, Vienna 1010, Austria, recorded in the Commercial Register maintained by the Commercial Court in Vienna, section FN, file 75687 F ("VIG AG").

II. ČPP's role in the group

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

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

III. Manner and means of control

VIG AG owns ČPP's shares in an aggregate nominal value of 100% of its registered capital and controls ČPP primarily through decision-making of the sole shareholder when exercising the powers of a general meeting.

A list of VIG AG's subsidiaries is included in an appendix to this report (the "VIG group companies").

IV. An overview of contracts between ČPP and the VIG group companies

AIS Servis, s.r.o.

- Contract for work on Golem and SAP training concluded between ČPP and AIS Servis s.r.o.
- Loan agreements concluded between ČPP and AIS Servis s.r.o.
- Application support and development agreement concluded between ČPP and AIS Servis, s.r.o.
- Agreement on information confidentiality and personal data processing concluded between ČPP and AIS Servis, s.r.o.

Anděl Investment Praha s.r.o.

- Contract for car insurance concluded between ČPP and Anděl Investment Praha s.r.o.

Bohemika a.s.

- Insurance contract for professional liability insurance concluded between ČPP and Bohemika a.s. – liability of an independent intermediary of insurance, consumer loans, supplementary pension insurance and investments
- Insurance contract for liability insurance of members of the statutory body concluded between ČPP and Bohemika a.s.
- Contract for car insurance concluded between ČPP and Bohemika a.s.
- Contract for business representation concluded between ČPP and Bohemika a.s.
- Contract for cost sharing concluded between ČPP and Bohemika a.s.
- Agreement for business cooperation on distribution of non-insurance products concluded between ČPP and Bohemika a.s.

CP Solutions a.s.

- Contract on the provision of user rights for software and related services concluded between ČPP and CP Solutions a.s.

ČPP Servis, s.r.o.

- Contract for property and liability insurance concluded between ČPP and ČPP Servis, s.r.o.
- Insurance contract for liability insurance of members of the statutory body concluded between ČPP and ČPP Servis, s.r.o.
- Insurance contracts for professional liability insurance concluded between ČPP and ČPP Servis, s.r.o. – liability of an independent intermediary of insurance, consumer loans, supplementary pension insurance and investments.
- Contract for GDPR liability insurance concluded between ČPP and ČPP Servis, s.r.o.
- Contract for car insurance concluded between ČPP and ČPP Servis, s.r.o.
- Framework contract for travel insurance concluded between ČPP and ČPP Servis, s.r.o.
- Contracts for business representation concluded between ČPP and ČPP Servis, s.r.o.
- Contract for cost sharing concluded between ČPP and ČPP Servis, s.r.o.
- Contract on telephone support services concluded between ČPP and ČPP Servis, s.r.o.
- Agreement for business cooperation in distribution of non-insurance products concluded between ČPP and ČPP Servis, s.r.o.

FinServis Plus, s.r.o.

- Insurance contract for professional liability insurance concluded between ČPP and FinServis Plus, s.r.o. – liability of an independent insurance intermediary.
- Contract for business representation concluded between ČPP and FinServis Plus, s.r.o.

GLOBAL ASSISTANCE a.s.

- Contract for personal data handling concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Confidentiality agreement concluded between ČPP and GLOBAL ASSISTANCE a.s.

- Framework contract concluded between ČPP and GLOBAL ASSISTANCE a.s. on the provision of discounts.
- Contract for cooperation relating to legal expenses insurance concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation on providing vehicle assistance services concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation relating to home assistance services in line with Section 269 (2) of the Commercial Code concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation relating to assistance services for the compulsory guarantee insurance due to travel agency bankruptcy concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract on the provision of assistance services relating to insurance of medical expenses abroad, liability insurance, luggage insurance and insurance for unused holidays concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation relating to legal expenses insurance in line with Section 1746 (2) of the Civil Code concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation relating to legal assistance services concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation relating to legal assistance services in line with Section 269 (2) of the Commercial Code concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation on providing assistance services relating to health and social ČPP Pomoc info line concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation in providing health assistance services for household and building insurance. concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation in the field of technical assistance concluded between ČPP and GLOBAL ASSISTANCE a.s.

Global Expert, s.r.o.

- Contracts for outsourcing concluded between ČPP and Global Expert, s.r.o.
- Data protection contract concluded between ČPP and Global Expert, s.r.o.
- Sublease contract concluded between ČPP and Global Expert, s.r.o.
- Loan agreement concluded between ČPP and Global Expert, s.r.o.

KAPITOL, a.s.

- Contracts for business representation concluded between ČPP and KAPITOL, a.s.
- Contracts for changing the administrator of insurance contracts (transfers of stocks) concluded between ČPP and KAPITOL, a.s.
- Contract for GDPR liability insurance concluded between ČPP and KAPITOL, a.s.

Kooperativa pojišťovna, a.s., Vienna Insurance Group

- Contracts for provision of reinsurance coverage in respect of property and liability insurance concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contracts for managerial life assurance concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contracts for property and liability insurance concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contracts on ČPP's co-insurance or reinsurance share in insurance contracts led by Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contract for a comprehensive car fleet insurance concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contract for lease and sublease of non-residential premises concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Cost sharing contract concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group
- Contract concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group for cooperation of insurers in insuring liability for nuclear

facility operation.

- Contract concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group for cooperation of insurers in insuring property damage incurred on nuclear facilities.
- Agreement on intra-group cooperation concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.
- Agreement on personal data processing concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.
- Contract for managerial liability insurance concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.
- Agreement of insurers participating in insurance of the liability for nuclear facility operation on solidary liability concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.
- Contract for a subordinated loan concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.
- Contract for the supply of goods and provision of services concluded between ČPP and Kooperativa pojišťovna, a.s., Vienna Insurance Group.

Slovexperta, s.r.o.

- Cooperation contract concluded between ČPP and Slovexperta, s.r.o.

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

- A 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.
- Reinsurance contract concluded between ČPP and VIG AG.
- Contracts on services and maintenance concluded between ČPP and VIG AG.
- Contract on software license use concluded between ČPP and VIG AG.
- Cooperation contract concluded between ČPP and VIG AG.

- Contract for subordinated loan concluded between ČPP and VIG AG.

VIG ND, a.s.

- Contracts for property and liability insurance concluded between ČPP and VIG ND, a.s.
- Contract for the location of the Company's seat concluded between ČPP and VIG ND, a.s.

VIG RE zajišťovna, a.s.

- Reinsurance contracts concluded between ČPP and VIG RE zajišťovna, a.s.

V. An overview of acts performed in the last accounting period at the instigation or in the interest of VIG AG or other VIG Group companies

In 2023, no legal acts or other measures were performed in the interest or at the instigation of the related parties, except for the payment of dividend to the shareholder.

VI. Confidentiality

Information and facts that form part of the trade secret of the VIG Group companies as well as any information indicated as confidential by any VIG group company are considered confidential within the VIG Group. Furthermore, these comprise any business information that may, separately or combined with other information or facts, cause a detriment to any of the VIG Group companies.

In order to prevent any damage to be incurred by the controlled entity, this report does not include any

Prague, 5 March 2024



Ing. Pavel Wiesner,
Chairman of the Board of Directors



Mag. Christoph Rath
Vice Chairman of the Board of Directors

financial information about performance and counter-performance relating to concluded contracts and agreements.

VII. Assessment of relations and risks within the VIG Group

The VIG Group belongs to the strongest insurance and reinsurance groups in the European market. As a result, ČPP has access to know-how relating, among others, to Solvency II, audit, compliance and information technologies. Both the VIG Group and ČPP generate advantages from their mutual relations. Risks arising from their participation in the VIG Group are considered to be entirely proportionate when taking into account related advantages.

ČPP did not incur any damage from contracts entered into between ČPP and VIG AG and other VIG Group companies and from other acts performed in the last accounting period in the interest or at the instigation of VIG AG or other VIG Group companies.

VIII. Conclusion

This report has been prepared by the Board of Directors of the controlled person, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, for the period from 1 January 2023 to 31 December 2023, and will be submitted for review to the Supervisory Board. As ČPP is obliged under the law to prepare an annual report, this report constitutes an integral part of the annual report. The annual report will be submitted for review to the audit firm KPMG Česká republika Audit, s.r.o.

ANNEX TO THE RELATED PARTIES REPORT 2023

Related parties to VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.

Company	Country	The current capital share in %
Consolidated companies		
„BULSTRAD LIFE VIENNA INSURANCE GROUP“ Joint Stock Company	Bulgaria	100,00
„Grüner Baum“ Errichtungs- und Verwaltungsges.m.b.H.	Austria	100,00
AB Modřice, a.s.	Czech Republic	100,00
Alfa Vienna Insurance Group Biztosito Zartkörűen Működő Reszvenytársaság	Hungary	100,00
Alfa VIG Penztárszolgtató Zartkörűen Működő Reszvenytársaság	Hungary	100,00
Anděl Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A.	Romania	99,79
ATBIH GmbH	Austria	100,00
Atrium Tower spolka z ograniczona odpowiedzialnoscia	Poland	100,00
Atzlergasse 13-15 GmbH	Austria	100,00
Atzlergasse 13-15 GmbH & Co KG	Austria	100,00
AUTODROM SOSNOVÁ u České Lípy a.s.	Czech Republic	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A.	Romania	93,98
Blizzard Real Sp. z o.o.	Poland	100,00
Brockmannngasse 32 Immobilienbesitz GmbH	Austria	100,00
BTA Baltic Insurance Company AAS	Latvia	100,00
Businesspark Brunn Entwicklungs GmbH	Austria	100,00
CAPITOL, akciová spoločnosť	Slovakia	100,00
Central Point Insurance IT-Solutions GmbH in Liqu.	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Chrástany komerční areál a.s.	Czech Republic	100,00
Compania de Asigurari „DONARIS VIENNA INSURANCE GROUP“ Societate pe Actiuni	Moldova	99,99
Compensa Life Vienna Insurance Group SE	Estonia	100,00

Company	Country	The current capital share in %
Consolidated companies		
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group	Poland	99,97
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,95
Compensa Vienna Insurance Group, akcine draudimo bendrove	Lithuania	100,00
CP Solutions a.s.	Czech Republic	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	100,00
DV Immoholding GmbH	Austria	100,00
DVIB alpha GmbH	Austria	100,00
DVIB GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
EUROPEUM Business Center s.r.o.	Slovakia	100,00
Floridsdorf am Spitz 4 Immobilienverwertungs GmbH	Austria	100,00
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Hansenstraße 3-5 Immobilienbesitz GmbH	Austria	100,00
HUN BM Korlatolt Felelőssegű Társaság	Hungary	100,00
Insurance Company Vienna osiguranje d.d., Vienna Insurance Group	Bosnia and Herzegovina	100,00
INSURANCE ONE-SHAREHOLDER JOINT-STOCK COMPANY BULSTRAD VIENNA INSURANCE GROUP EAD	Bulgaria	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00

Company	Country	The current capital share in %
Consolidated companies		
Joint Stock Insurance Company WINNER-Vienna Insurance Group	North Macedonia	100,00
Kaiserstraße 113 GmbH	Austria	100,00
KALVIN TOWER Ingatlanfejlesztési és Beruházási Korlátolt Felelősségű Társaság	Hungary	100,00
KAPITOL, a.s.	Czech Republic	100,00
KKB Real Estate SIA	Latvia	100,00
KOMUNALNA poisťovňa, a.s. Vienna Insurance Group	Slovakia	100,00
KOOPERATIVA dochodková spracovská spoločnosť, a.s.	Slovakia	100,00
KOOPERATIVA poisťovňa, a.s. Vienna Insurance Group	Slovakia	98,47
Kooperativa, poisťovňa, a.s., Vienna Insurance Group	Czech Republic	97,28
KOPUS Nordbahnhof Wohnungserrichtungs GmbH	Austria	100,00
LVP Holding GmbH	Austria	100,00
MAP-WSV Beteiligungen GmbH	Austria	100,00
MC EINS Investment GmbH	Austria	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
NNC Real Estate spółka z ograniczoną odpowiedzialnością	Poland	100,00
Nordbahnhof Projekt EPW8 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt EPW8 Komplementär GmbH	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 GmbH & Co KG	Austria	100,00
Nordbahnhof Projekt Taborstraße 123 Komplementär GmbH	Austria	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	100,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,54
OÜ LiveOn Paevalille	Estonia	100,00
Palais Hansen Immobilienentwicklung GmbH	Austria	100,00
Passat Real Sp. z o.o.	Poland	100,00
Pension Assurance Company Doverie AD	Bulgaria	82,59
Pereca 11 Spółka z ograniczoną odpowiedzialnością	Poland	100,00
PFG Holding GmbH	Austria	89,23

Company	Country	The current capital share in %
Consolidated companies		
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Porzellangasse 4 Liegenschaftsverwaltung GmbH & Co KG	Austria	100,00
Private Joint Stock Company „Insurance Company „USG“	Ukraine	100,00
Private Joint-Stock Company „INSURANCE COMPANY „KNIAZHA LIFE VIENNA INSURANCE GROUP“	Ukraine	99,81
PRIVATE JOINT-STOCK COMPANY „UKRAINIAN INSURANCE COMPANY „KNIAZHA VIENNA INSURANCE GROUP“	Ukraine	100,00
PROGRESS Beteiligungsges.m.b.H.	Austria	70,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	100,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta Anonim Sirketi	Turkey	94,96
Rößlbergasse Bauteil Drei GmbH	Austria	100,00
Rößlbergasse Bauteil Zwei GmbH	Austria	100,00
S - budovy, a.s.	Czech Republic	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
SECURIA majetkovospravna a podielova s.r.o.	Slovakia	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
SIA „Alauksta 13/15“	Latvia	100,00
SIA „Gertrudes 121“	Latvia	100,00
SIA „Global Assistance Baltic“	Latvia	100,00
SIA „LiveOn Stirnu“	Latvia	100,00
SIA „LiveOn Terbatas“	Latvia	100,00
SIA „LiveOn“	Latvia	100,00
SIA „Urban Space“	Latvia	100,00
SIA „Artilerijas 35“	Latvia	100,00
SIGMA VIENNA INSURANCE GROUP Sh.A.	Albania	89,05
SK BM s.r.o.	Slovakia	100,00

Company	Country	The current capital share in %
Consolidated companies		
SMARDAN 5 DEVELOPMENT S.R.L.	Romania	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje - Vienna Insurance Group	North Macedonia	94,50
SVZ GmbH	Austria	100,00
SVZD GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
T 125 GmbH	Austria	100,00
TECHBASE Science Park Vienna GmbH	Austria	100,00
twinformatics GmbH	Austria	100,00
UAB LiveOn Linkmenu	Lithuania	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	98,64
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
Vienibas Gatve Investments OÜ	Estonia	100,00
Vienibas Gatve Properties SIA	Latvia	100,00
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia	Poland	100,00
Vienna Life Towarzystwo Ubezpieczen na Zycie S.A. Vienna Insurance Group	Poland	100,00
VIENNALIFE EMEKLILIK VE HAYAT A.S.	Turkey	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
VIG Befektetesi Alapkezelő Magyarorszag Zartkörűen Működő Reszvenytársasag	Hungary	100,00
VIG FUND, a.s.	Czech Republic	100,00
VIG Home, s.r.o.	Slovakia	100,00
VIG HU GmbH	Austria	100,00
VIG IT - Digital Solutions GmbH	Austria	100,00
VIG Magyarország Befektetési Zártkörűen Működő Reszvenytársasag	Hungary	90,00
VIG ND, a.s.	Czech Republic	100,00
VIG Offices, s.r.o.	Slovakia	100,00
VIG Properties Bulgaria AD in Liquidation	Bulgaria	99,97
VIG RE zajišť'ovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00

Company	Country	The current capital share in %
Konsolidované spoločnosti		
VIG Türkiye Holding B.V.	Netherlands	100,00
VIG ZP, s. r. o.	Slovakia	100,00
VIG-AT Beteiligungen GmbH	Austria	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
VIVECA Beteiligungen GmbH	Austria	100,00
WGPV Holding GmbH	Austria	100,00
WIBG Holding GmbH & Co KG	Austria	100,00
WIBG Projektentwicklungs GmbH & Co KG	Austria	100,00
Wiener Osiguranje Vienna Insurance Group a.d.	Bosnia and Herzegovina	100,00
Wiener osiguranje Vienna Insurance Group dionicko drustvo za osiguranje	Croatia	97,82
WIENER RE akcionarsko drustvo za reosiguranje, Beograd	Serbia	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje Beograd	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	97,75
Wiener Towarzystwo Ubezpiezen Spolka Akcyjna Vienna Insurance Group	Poland	100,00
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
WINO GmbH	Austria	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
Wohnquartier 11b Immobilienbesitz GmbH	Austria	100,00
Wohnquartier 12b Immobilienbesitz GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV Beta ImmoHolding GmbH	Austria	100,00
WSV ImmoHolding GmbH	Austria	100,00
WSV Triesterstraße 91 Besitz GmbH & Co KG	Austria	100,00
WSV Vermögensverwaltung GmbH	Austria	100,00
WSVA Liegenschaftbesitz GmbH	Austria	100,00
WSVB Liegenschaftbesitz GmbH	Austria	100,00
WSVC Liegenschaftbesitz GmbH	Austria	100,00

Company	Country	The current capital share in %
Companies consolidated using the equity method		
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
ERSTE drustvo s ogranicenom odgovornoscu za upravljanje obveznim i dobvoljnim mirovinskim fondovima	Croatia	25,30
Gewista-Werbegesellschaft m.b.H.	Austria	33,00
Towarzystwo Ubezpieczen Wzajemnych „TUW”	Poland	52,16
VBV - Betriebliche Altersvorsorge AG (Konzernabschluss)	Austria	25,32
Österreichisches Verkehrsbüro Aktiengesellschaft (Konzernabschluss)	Austria	36,58

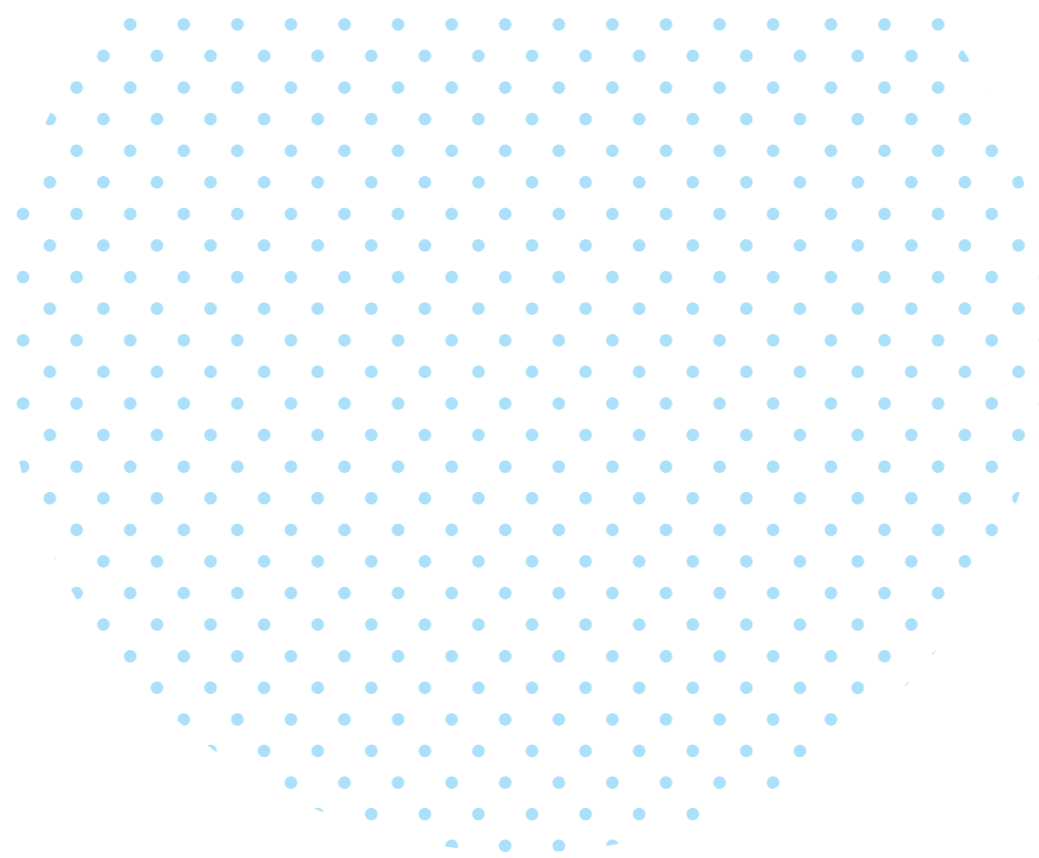
Company	Country	The current capital share in %
Unconsolidated companies		
„Assistance Company „Ukrainian Assistance Service“ LLC	Ukraine	100,00
„LifeTrust“ Ltd	Bulgaria	100,00
„MEDICINSKI CENTER AMERIMED“ OOD	Bulgaria	51,00
„OC PROPERTIES“ OOD	Bulgaria	51,00
AEGON Services Sp. zoo.	Poland	100,00
AEGON Towarzystwo Ubezpieczen na Zycie Spolka Akcyjna	Poland	100,00
AIS Servis, s.r.o.	Czech Republic	98,10
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro (Rep.)	100,00
Alfa VIG Közvetítő Zártkörűen működő Reszvénytársaság	Hungary	90,00
Amadi GmbH	Germany	100,00
AQUILA Hausmanagement GmbH	Austria	97,75
AREALIS Liegenschaftsmanagement GmbH	Austria	48,87
arithmetic Consulting GmbH	Austria	98,31
Auto - Poly spol. s r.o.	Czech Republic	98,10
Autocentrum Lukáš s.r.o.	Czech Republic	98,10
AUTONOVA BRNO s.r.o.	Czech Republic	98,10
Autosig SRL	Romania	99,54
B&A Insurance Consulting s.r.o.	Czech Republic	48,45
Beesafe Spolka z Ograniczona Odpowiedzialnoscia	Poland	99,99
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,95
Bohemika a.s.	Czech Republic	100,00
Bohemika HYPO s.r.o.	Czech Republic	100,00
BSA + OFK Germany Real Estate Immobilien 4 GmbH	Germany	97,75
Bulstrad Trudova Meditzina EOOD	Bulgaria	100,00
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	92,86
CARPATHIA PENSII-SOCIETATE DE ADMINISTRARE A FONDURILOR DE PENSII PRIVATE S.A.	Romania	100,00
CARPLUS Versicherungsvermittlungsgesellschaft GmbH	Austria	97,75

Company	Country	The current capital share in %
Unconsolidated companies		
CLAIM EXPERT SERVICES S.R.L.	Romania	99,16
Color Car, společnost s ručením omezeným (s.r.o.)	Czech Republic	98,10
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia	Poland	99,97
ČPP Servis, s.r.o.	Czech Republic	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBR-Liegenschaften Verwaltungs GmbH	Germany	97,75
DELOIS s. r. o.	Slovakia	98,47
Domácí péče Haná s.r.o.	Czech Republic	63,23
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
EBV-Leasing Gesellschaft m.b.H.	Austria	47,90
EKG UW Nord GmbH	Austria	24,46
Első Maganegeszsegügyi Halozat Zrt.	Hungary	43,50
Erste Biztosítási Alkusz Kft	Hungary	88,78
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	100,00
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	99,44
Finanzpartner GmbH	Austria	48,87
FinServis Plus, s.r.o.	Czech Republic	100,00
Foreign limited liability company „InterInvestUchastie“	Belarus	100,00
FRANCE CAR, s.r.o.	Czech Republic	98,10
GELUP GmbH	Austria	32,58
GGVier Projekt-GmbH	Austria	53,76
Glamas Beteiligungsverwaltungs GmbH & Co „Beta“ KG	Austria	42,76
GLOBAL ASSISTANCE Croatia drustvo s ogranicenom odgovornoscju za usluge	Croatia	49,46
GLOBAL ASSISTANCE D.O.O. BEOGRAD	Serbia	100,00
Global Assistance Georgia LLC	Georgia	95,00
Global Assistance Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99

Company	Country	The current capital share in %
Unconsolidated companies		
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SERVICES SRL	Romania	99,23
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slovakia	99,22
Global Expert, s.r.o.	Czech Republic	98,10
Global Partner Beskydy, s.r.o.	Czech Republic	63,23
Global Partner Péče, z.ú.	Czech Republic	63,23
Global Partner Praha s.r.o.	Czech Republic	63,23
Global Partner Zdraví, s.r.o.	Czech Republic	63,23
Global Partner, a.s.	Czech Republic	63,23
Global Repair Centres, s.r.o.	Czech Republic	98,10
Global Services Bulgaria JSC	Bulgaria	100,00
Help24 Assistance Korlatolt Felelősségű Tarsaság	Hungary	90,00
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,29
Hotel Voltino in Liquidation	Croatia	97,82
HOTELY SRNÍ, a.s.	Czech Republic	97,28
Hyundai Hradec s.r.o.	Czech Republic	98,10
insureX IT GmbH	Austria	98,87
InterRisk Informatik GmbH	Germany	100,00
ITIS Spolka z ograniczona odpowiedzialnoscia spolka komandytowa	Poland	99,99
ITIS Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
Joint Stock Company „Curatio“	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	North Macedonia	100,00
K A P P A - P, spol. s r.o.	Czech Republic	98,10
Kitzbüheler Bestattung WV GmbH	Austria	97,75
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	48,87
LD Vermögensverwaltung GmbH	Austria	98,65
Lead Equities II.Private Equity Mittelstandsfinanzierungs AG	Austria	21,59

Company	Country	The current capital share in %
Unconsolidated companies		
LiSciV Muthgasse GmbH & Co KG	Austria	42,76
Main Point Karlín II., a.s.	Czech Republic	97,28
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	88,78
Nadacia poisťovne KOOPERATIVA	Slovakia	98,47
Palais Hansen Hotelbetriebs GmbH	Austria	97,75
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	73,42
POLISA - ZYCIE Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,97
Privat Joint-Stock Company „OWN SERVICE“	Ukraine	100,00
Profitowi S.A.	Poland	100,00
Renaissance Hotel Realbesitz GmbH	Austria	40,00
Risk Consult Bulgaria EOOD	Bulgaria	100,00
Risk Consult Polska Sp.z.o.o.	Poland	100,00
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	100,00
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Turkey	98,49
Risk Experts s.r.o.	Slovakia	100,00
Risk Logics Risikoberatung GmbH	Austria	100,00
S. C. SOCIATEA TRAINING IN ASIGURARI S.R.L.	Romania	99,16
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	100,00
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
samavu s.ro	Slovakia	98,47
Sanatorium Astoria, a.s.	Czech Republic	97,28
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	97,75
serviceline contact center dienstleistungs-gmbh	Austria	97,75
Slovexperta, s.r.o.	Slovakia	98,70
Soleta Beteiligungsverwaltungs GmbH	Austria	42,76
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	97,75
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,97
SURPMO, a.s.	Czech Republic	97,28

Company	Country	The current capital share in %
Unconsolidated companies		
TAUROS Capital Investment GmbH & Co KG	Austria	19,55
TAUROS Capital Management GmbH	Austria	25,30
TeleDoc Holding GmbH	Austria	25,01
TGMZ Team Gesund Medizin Zentren GmbH	Austria	39,10
TOGETHER CCA GmbH	Austria	24,71
UAB „Compensa Life Distribution“	Lithuania	100,00
UNION-Erted Ellatasszervező Korlatold Felelőssegű Tarsasag	Hungary	88,78
VENPACE GmbH & Co. KG	Germany	23,53
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	47,90
Vienna International Underwriters GmbH	Austria	100,00
VIENNA POWSZECHNE TOWARZYSTWO EMERYTALNE SPÓŁKA AKCYJNA VIENNA INSURANCE GROUP	Poland	100,00
viesure innovation center GmbH	Austria	98,87
VIG AM Real Estate, a.s.	Czech Republic	100,00
VIG AM Services GmbH	Austria	100,00
VIG Management Service SRL	Romania	99,16
VIG platform partners GmbH	Austria	100,00
VIG Poland/Romania Holding BV.	Netherlands	100,00
VIG Polska Real Estate Spolka z Ograniczona Odpowiedzialnosc	Poland	99,97
VIG Services Bulgaria EOOD	Bulgaria	100,00
VIG Services Shqiperi Sh.p.K.	Albania	89,52
VIG Services Ukraine, LLC	Ukraine	89,52
VIG/C-QUADRAT Towarzystwo Funduszy Inwestycyjnych SPOLKA AKCYJNA	Poland	50,99
VÖB Direkt Versicherungsagentur GmbH	Austria	48,87
WIENER AUTO CENTAR d.o.o.	Bosnia and Herzegovina	100,00
Wiener Städtische Donau Leasing GmbH	Austria	97,75
Wiener Verein Bestattungsbetriebe GmbH	Austria	97,75
WSBV Beteiligungsverwaltung GmbH	Austria	97,75
zuuri s.r.o.	Slovakia	98,47



NON-FINANCIAL PART

1. Company development

ČPP maintained its growth momentum in 2023. With a market share of 8.29%, ČPP has consolidated its position as the fifth largest insurance company in the Czech Republic. ČPP success on the domestic insurance market is credited to the high-quality services, intensive development of relationships with clients, business partners and the general public, as well as regular product innovations and the use of advanced digital procedures and technologies, including online sales.

2. Research and Development

In the area of research and development, ČPP focuses on topics closely related to its business, i.e. the provision of insurance services. Our activities are primarily directed on development of information and communication technologies and on projects focusing on digitalisation of insurance processes. The outcomes of research and development are then used in contracting, administration, and claims settlement. Apart from higher process efficiency and cost cutting, the digitalisation of what used to be a paper-based administration also contributes to us being more environmental-friendly.

3. Environmental protection and social-labour relations

Important values of the corporate culture at ČPP include respect for the environment and natural resources. Employees are encouraged to behave in an environmentally friendly manner and adhere to the principles of thrift and economy. ČPP focuses on client and employee satisfaction and needs, ethical behaviour, responsibility, environmental protection, innovation and support for charitable activities. It is not only the company's long-term prosperity that leads to employer attractiveness. The young generation demands innovation, digitalisation, personal development and work-life balance from the company.

ČPP also supports the education and personal development of all employees and focuses on the care of the 55+ category. It maintains contact with parents on maternity and parental leave through regular meetings.

4. Foreign branches

ČPP has no foreign branches.

5. Acquisition of own shares or ownership interests

ČPP did not acquire any of its own shares or ownership interests.

6. Other requirements under special legislation

ČPP complies with the requirements within the scope of its business, namely insurance. It is regulated primarily by the Insurance Act, as well as by the Act on Insurance Intermediaries and Independent Claims Adjusters. It is also subject to all other legal requirements that apply to its activities, e.g. in the area of personal data protection or prevention of money laundering.

More detailed information on the Corporate Social Responsibility and Sustainable Business Strategy is published by ČPP under the Corporate Social Responsibility section on our website

www.cpp.cz.

Non-financial information about Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, is included in the consolidated report of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, which is available on the website

<https://group.vig/en/sustainability>.

