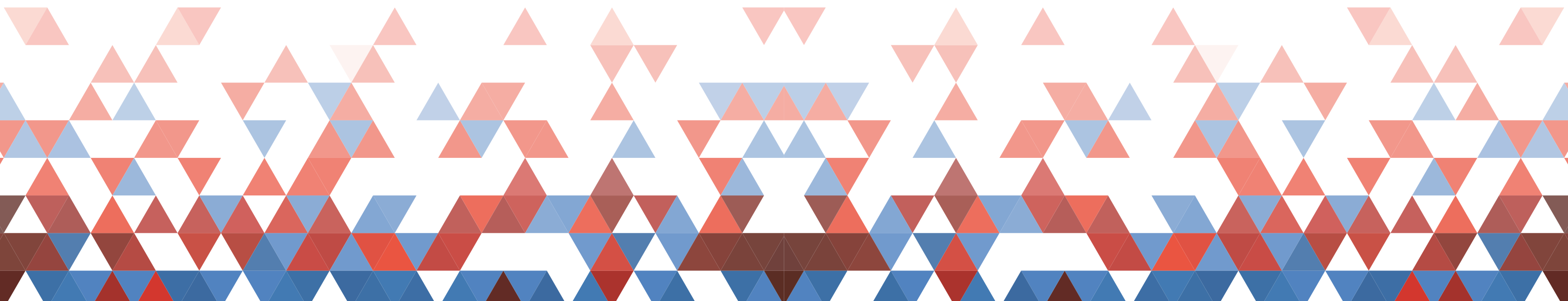


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ANNUAL REPORT

## 2016 ANNUAL REPORT

ČESKÁ PODNIKATELSKÁ POJIŠŤOVNA, A.S.,  
VIENNA INSURANCE GROUP



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## ABOUT THE COMPANY

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

(hereinafter “Česká podnikatelská pojišťovna” or “ČPP”)

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

**Registered capital:** BCZK 1

**Client phone line:** 957 444 555

**E-mail:** info@cpp.cz

**Company web site:** www.cpp.cz

**Identification number:** 639 98 530

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**Net profit MCZK 441**

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**Gross premiums written BCZK 8.2**

### Motor third-party liability insurance contracts concluded for almost 1 175 000 vehicles

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

### The Company is the fourth largest non-life insurer in the Czech Republic

In 2016, the volume of non-life insurance production rose by 7.5%\*.

### Vienna Insurance Group

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

### Establishment and incorporation of the Company:

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

### Sole shareholder (since 1 July 2005):

Kooperativa pojišťovna, a.s., Vienna Insurance Group

Pobřežní 665/21, 186 00 Praha 8

Identification number: 471 16 617

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**Number of full-time employees of the Company as at 31 December 2016:**

848

\*According to Czech Accounting Standards.

## SHAREHOLDER DESCRIPTION

### Kooperativa pojišťovna, a.s., Vienna Insurance Group

(“Kooperativa”)

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

**Registered capital:** BCZK 3

**Client phone line:** 957 105 105

**E-mail:** info@koop.cz

**Internet:** www.koop.cz

**Identification number:** 471 16 617

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**Net profit MCZK 1 790**

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**Gross premiums written BCZK 32.33**

### Market share of 22.5%\*

Kooperativa is the second largest domestic insurance company. It advanced to the first place in the market in terms of business insurance and motor vehicle insurance.

### Vienna Insurance Group

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

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

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

### Shareholder structure (as at 31 December 2016):

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

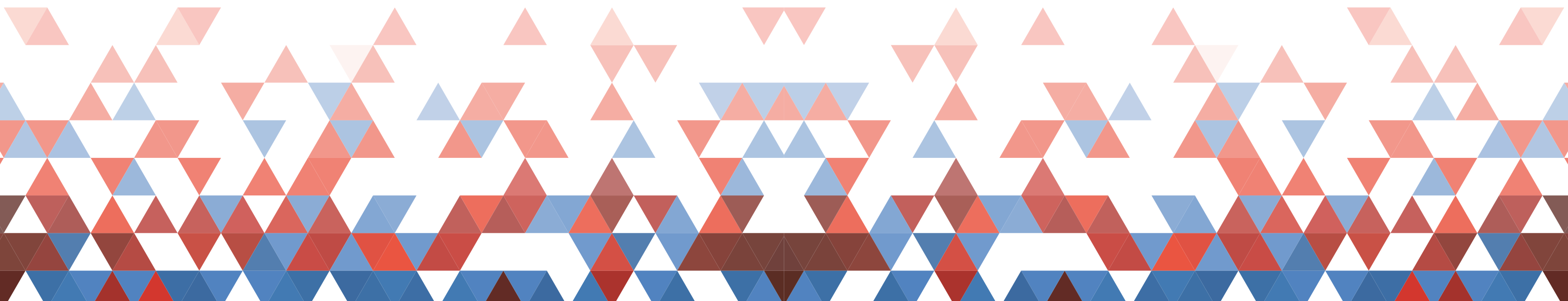
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**Number of full-time employees of the Company as at 31 December 2016:**

3 679

\*According to Czech Accounting Standards.

**SUPERVISORY BOARD  
AND BOARD OF DIRECTORS**





## **INTRODUCTION**

by the Chairman of the Supervisory Board

2016 was a year rich in legislative changes. Among others, the long awaited amendment to the Insurance Act was passed and hence the European directive Solvency II came in force in the Czech Republic as well. The Czech Republic is a true example of insurance companies providing great security for the economy and acting as stabiliser of the business environment and human fates. The insurance industry is a stable sector which shows no significant fluctuations in the long term and provides clients with what they expect from it - peace, security and safety. As for the financial results, the insurance companies collected total insurance premiums of BCZK 118.5, which is an impressive year-on-year increase by 2.1%. Non-life insurance showed higher dynamics as it grew by 4.5% year-on-year. Life assurance again wrote red numbers, reporting a 1.8% decrease.

The legislative changes implemented in 2016 also had impact on the life assurance distribution and commission system which had to start being regulated in the interest of the clients. The new legislation significantly contributes to consumer protection and it is an acceptable compromise strongly backed by the insurance market. If I detach from the current problems with sales and from low interest rates, life assurance definitely is a product which had, has and will have a significant and irreplaceable role in the life and security of a family.

The same applies more or less to non-life insurance products. I believe that no reasonable person or responsible company can do without risk protection in the form of insurance. However, the role of non-life insurance is still not fully appreciated in many ways - e.g. the role of general liability insurance primarily in connection with the new Civil Code. The new legislation has allowed damaged persons to ask for much higher damages for damage to health than in the past. We can see the impact of higher damages in terms of motor insurance, among others. As for car accidents, damages for damage to health accounted for approx. 10% of the total insurance settlement four or five years ago while now it is more than 25%.

I am proud to say that the companies from the Vienna Insurance Group in the Czech Republic have preserved their key position under the demanding conditions of the insurance market. In 2016, Česká podnikatelská pojišťovna, Kooperativa and Pojišťovna České spořitelny wrote gross insurance premiums totalling BCZK 38. Approximately one fifth of the total gross premiums written by the Vienna Insurance Group entities comes from the Czech Republic. The Combined Ratio reached the value of 91% in 2016. With its market share of 33.2 %, the VIG Czech Republic group defended its position as the Czech insurance market leader. The Vienna Insurance Group has been awarded a high A+ rating with a stable outlook.

The current insurance industry appears to be complicated, unattractive and connected with unpleasant events in human life. I consider it a long-term objective of the insurance industry to explain to clients, the public, media and to everyone else what purpose insurance companies serve and what the real reason for the existence of insurance companies and insurance is.

The interconnection between modern technologies and recent pieces of knowledge of cybernetics represent a big potential for the future. We therefore pay increased attention to the opportunities of digitalisation. If we want insurance to become one of the important parts of our clients' lives, we have to, in addition to our main task of risk insurance, offer modern ways of communication and conclusion of the insurance product they prefer.

I highly appreciate the financial results achieved by ČPP in 2016 primarily in the non-life insurance segment where the Company has been growing faster than the insurance market as a whole in the long-term. I would like to express my thanks to the Company's management, business partners and brokers. I highly appreciate the virtuous work of all employees thanks to whom ČPP is a company with a good repute and a professional and stable team. I would also like to thank our clients for their favour and trust which have helped ČPP rank among the top ten insurance companies in the Czech market.



Ing. Martin Diviš, MBA  
Chairman of the  
Supervisory Board



## **INTRODUCTION**

by the Chairman of the Board of Directors



We have been through another successful year and are proud to present our results which prove that we keep growing. In 2016, we wrote gross premiums totalling more than BCZK 8 and our net profit was MCZK 441. Under the methodology of the Czech Insurance Association (CAP), gross premiums written by ČPP rose year-on-year by 8% and ČPP thus belongs to the fastest growing insurance companies in the Czech market. With its market share of 6.4%, ČPP defended its sixth place in the ranking of top insurance companies. ČPP has been administering more than 1.7 million insurance contracts and provides its services to over 1,000,000 clients.

Our results confirm that we are going the right way. Non-life insurance production grew by 7.5% and currently we are the fourth largest non-life insurer in the market. In 2016, life assurance production grew by 10.4%. Production in terms of the important regular premium products segment grew year-on-year by 15.7% which is the best result among the top ten insurance companies in the Czech market. With more than one million insured cars in its portfolio, the Company has been the third biggest market player for a long period of time. In terms of business risk insurance, we have been growing at the fastest pace compared to other insurance companies over the past two years.

Our work is assessed on a comprehensive basis in the market, including the level of service in administering and settling claims, flexibility and helpfulness of our employees and agents. The level of mutual cooperation is decisive for the long-term success of our business and directly depends on the functioning of a unified and experienced team. We are good at our work which has been confirmed by a number of prizes awarded both by the general public and experts. In addition to our victory in the Insurance Company of the Year competition, we achieved several other successes in 2016. We also defended the third place in the Best Non-Life Insurance Company category among many competitors in the competition organised by the daily *Hospodářské noviny*. The AutoCombi Plus product was awarded the third place in the Car Insurance category of the Fincentrum Bank of the Year competition.

We want to be a reliable partner for our clients and we have therefore reflected a number of new insured perils, e.g. terrorism insurance, in innovating our products. In 2017, we would like to concentrate on property insurance and general liability insurance of citizens as well as small and medium-sized businesses. We will also pay attention to the further enhancement of quality and competitiveness of car insurance products, our key segment.

Our age brings with it a huge boom of technologies and new ways of communication. We continue to search for new ways and opportunities to stay in touch with our clients. We want to accommodate our clients' requirements, follow recent trends and present innovations which are in line with our vision of comfortable and modern conclusion of insurance. Already now, our clients can express their consent with electronic way of communication, including biometric signature.

Corporate social responsibility is an integral part of our corporate culture. ČPP provides both financial and immaterial support to a number of cultural, social, sports or environmental protection organisations. More than 1 200 ČPP employees participated in the internal volunteering programme in the more than six years of its existence. Since 2013, the VIG group has been awarding the Volunteer of the Year prize. By awarding this prize, it expresses its support to those who provide selfless help to people in need also in their leisure time. I am proud to say that three of our employees were awarded this prize.

To conclude, I would like to express my appreciation for the effort and engagement of our employees, business partners and brokers who have significantly contributed to our great results.



Ing. Jaroslav Besperát  
Chairman of the Board  
of Directors

## MEMBERS OF THE SUPERVISORY BOARD

### **Ing. Martin Diviš, MBA**

Chairman of the Supervisory Board since 1 April 2013

### **Prof. Elisabeth Stadler**

Vice-chair of the Supervisory Board since 31 March 2016

### **Prof. Ing. Jaroslav Daňhel, CSc.**

Member of the Supervisory Board since 1 April 2013

### **Ing. Martina Janurová**

Member of the Supervisory Board since 1 April 2013

### **Dkfm. Karl Fink**

Member of the Supervisory Board since 31 March 2016

### **KR Franz Fuchs**

Member of the Supervisory Board since 31 March 2016

Note:

Mag. Roland Gröll resigned as a member of the Supervisory Board with effect from 31 March 2016 (member of the Supervisory Board since 1 April 2013). Ing. Pavel Cepek resigned as a member of the Supervisory Board with effect from 31 March 2016 (member of the Supervisory Board since 1 April 2013).

## MEMBERS OF THE BOARD OF DIRECTORS

### **Ing. Jaroslav Besperát**

Chairman of the Board of Directors since 17 March 2010

Education: University degree, Czech Technical University (ČVUT)

He has been working in the insurance industry since 1994.

### **Ing. Vít Rozsypal**

Member of the Board of Directors since 15 July 2013

Education: University degree, University of Economics

He has been working in the insurance industry since 1995.

### **Ing. František Vlnář**

Member of the Board of Directors since 23 November 2010

Education: University degree, Czech Technical University (ČVUT)

He has been working in the insurance industry since 1992.

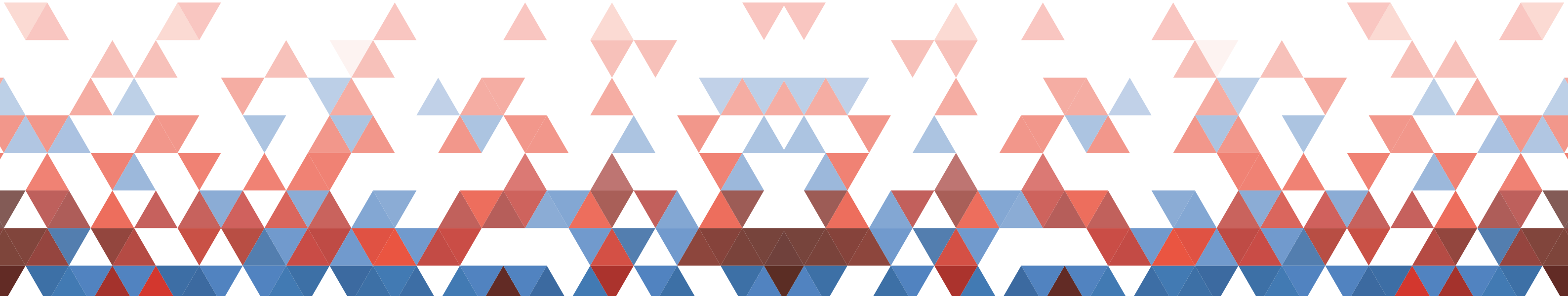
### **Gary Wheatley Mazzotti, BA (Hons) ACA**

Member of the Board of Directors since 1 May 2016

Education: university degree, University of Reading, United Kingdom

He has been working in the insurance industry since 2012.

**MANAGEMENT REPORT**



## MANAGEMENT REPORT

In 2016, ČPP succeeded in drawing on its success in previous years and again reported excellent financial results. With emphasis on effectiveness and profit generation, we cleansed the life assurance and fleet insurance portfolio. In spite of these measures, ČPP reported a year-on-year increase in gross premiums written which again exceeded the threshold of BCZK 8. Under the methodology of the Czech Insurance Association (CAP), the gross premiums written by ČPP rose by 8% and ČPP ranked among the fastest growing insurance companies from the top ten ranking.

In 2016, ČPP provided its services to more than 1,000,000 clients and administered more than 1.7 million contracts. In 2016, the net profit under CAS was MCZK 441. The registered capital of the Company totals BCZK 1. The total assets of the Company amounted to BCZK 15.7 in 2016 and the technical provisions amounted to BCZK 8.1. ČPP increased its market share to 6.4% (under the data of Czech Insurance Association - CAP) and thus strengthened its 6th place among the insurance companies operating in the Czech insurance market.

ČPP belongs to the car insurance leaders in the Czech market. As for motor third-party liability insurance, it defended its third place with a market share of 15.5% in terms of the number insured cars. According to Czech Insurance Association (CAP) data, ČPP's revenues rose year-on-year by 1.8%.

At the end of 2016, the company had 1,173,847 insured cars in its portfolio, which is a year-on-year increase

by 39,000. In 2016, ČPP was also successful in terms of motor casco insurance, with a growth of 8.8%. The motor casco insurance portfolio volume rose to a total of 163,000 insurance contracts. The great success in terms of motor vehicle insurance is primarily due to the product line Autopojištění Combi Plus III and its improvements and tariff adjustments.

In 2016, the life assurance production grew by 10.4% according to the data by the Czech Insurance Association (CAP). Production in the important regular premium products segment grew year-on-year by 15.7% which is the best result among the top ten insurance companies in the market, similarly as in the past year. In 2016, the best-selling unit-linked assurance products comprised the following products - Evoluce for adults, Štístko for children and further Exclusive life assurance (výběrové životní pojištění) Maximum Evolution and OK1. In addition to its own insurance intermediary network, the Company has realised a significant part of its sales through selected broker companies. Total life assurance gross premiums written amounted to BCZK 1.8.

In 2016, non-life insurance gross premiums written rose year-on-year by 7.5%. This result confirmed the position of ČPP as the fourth largest non-life insurer in the market. The most successful classes of non-life insurance were industrial and business insurance which grew year-on-year by 17.1%, and insurance of individuals (personal insurance). ČPP achieved a significant business success by implementing an optimum pricing policy combined with product innovations. The increase

in revenues is a result of a long-term successful cooperation with the best insurance intermediaries.

In 2016, we were successful in arranging a more effective business cooperation between the insurance companies from the group within the VIG CR Multibrand strategy programme. Based on implementing the SAP CD module following all cash flows relating to premium payments and insurance settlements, ČPP further improved the effectiveness of processes and controls. The Central Ordering System project was used to implement another SAP module and to set processes supporting centralised procurement system within VIG CR.

In 2016, we saw the impact of significant legislative changes which also had effect on the costs incurred by insurance companies. An amendment to the Insurance Act was passed in the first half of 2016, implementing the Solvency II directive into Czech law. Another major legislative change was an amendment to the Act on Insurance Intermediaries. This amendment implements regulations in terms of life assurance commissions. ČPP used this change to implement a new modern system for the on-line conclusion of life assurance contracts in SUS Plus.

Big changes lie ahead of ČPP also in 2017. In terms of market regulation, it has to prepare for implementation of GDPR (General Data Protection Regulation), a new EU regulation which will come in force in May 2018. In relation to this new regulation, ČPP will modernise and develop its internal

operating system which will enable it to meet future market requirements and implement legislative changes.

The services of ČPP are highly appreciated both by its clients and by experts which can be proven by a number of awards and the positions in surveys received in 2016. ČPP drew on its successes from previous years and won the Insurance Company of the Year opinion poll organised by the Association of Czech Insurance Brokers. It ranked first in the Business Insurance, Insurance of individuals (personal insurance) and Motor Vehicle Insurance categories and in addition it ranked second in the Life Assurance category.

It also defended the third place in the Best Non-Life Insurance Company category among all insurance companies in the competition organised by the daily Hospodářské noviny.

## PRINCIPAL INDICATORS OF ČPP

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

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

With a total number of almost 1,175,000 vehicles in its portfolio, ČPP is the third largest provider of motor third party liability insurance in the Czech Republic.

ČPP has been administering more than 1.7 million insurance contracts and provides its services to over 1,000,000 clients.

In 2016, gross premiums written by ČPP totalled BCZK 8.2.

The registered capital of the Company amounts to BCZK 1.

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

ČPP is reinsured by renowned global reinsurance companies.

Since 2005, ČPP has been a member of one of the major European insurance groups - the Vienna Insurance Group.

Next to Česká podnikatelská pojišťovna, the following insurance companies from the Vienna Insurance Group also operate in the Czech market: Kooperativa, Pojišťovna České spořitelny, and VIG RE zajišťovna.

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

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

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

## AWARDS ACQUIRED IN 2016

### Insurance Company of the Year



ČPP won the 16th annual Insurance Company of the Year survey. It ranked first in the most prestigious category Industrial and Business Insurance, in the Motor Vehicle Insurance category and in the Insurance of Individuals category. In addition it ranked second in the Life Assurance category. The survey is organised by the Association of Czech Insurance Brokers.

### Best Insurance Company



We also defended the third place in the Best Non-Life Insurance Company category of the Best Insurance Company competition organised by the daily Hospodářské noviny. The project is announced under the auspices of Vladimír Tomšík, the Vice-Governor of the Czech National Bank.

### Fincentrum Bank of the Year

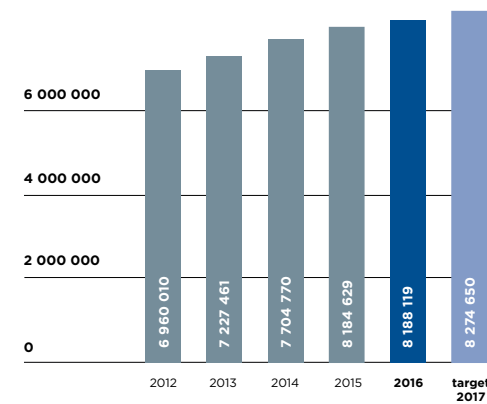


The insurance product offer of ČPP also gained success in the 15th year of the Fincentrum Bank of the Year competition. The expert jury recognised its Auto Combi Plus III product and ČPP won the third place in the Motor Vehicle Insurance category. The results of this competition are announced by Fincentrum, one of the major finance advisory companies in the Czech and Slovak markets.

## BUSINESS ACTIVITIES IN 2016

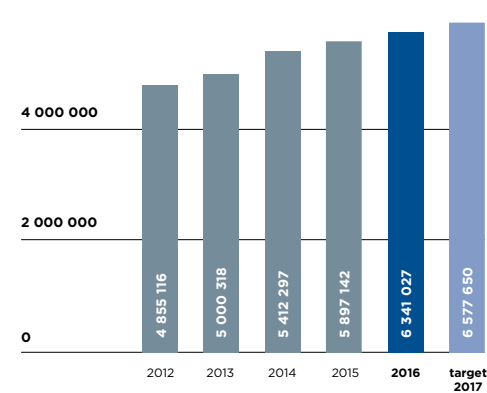
### Total gross premiums written (TCZK)

In 2016, gross premiums written by ČPP totalled BCZK 8.2. With emphasis on effectiveness and profit generation, we cleansed the life assurance and fleet insurance portfolios. In spite of these measures, ČPP managed to keep gross premiums written on the same level and to slightly increase them compared to 2015. With its market share of 6.4%, ČPP ranked 6th among all insurance companies in the Czech market in 2016.



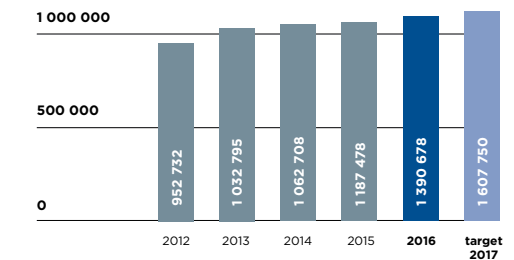
### Non-life insurance (TCZK)

Gross premiums written from non-life insurance grew year-on-year by 7.5%. The most successful non-life insurance segments were industrial and business insurance which reported an increase by 17.1% and insurance of individuals (personal insurance) with an increase by 14.9%. The year-on-year increase in this insurance class is supported by an adequate pricing policy of ČPP and by regular innovations in terms of product development.



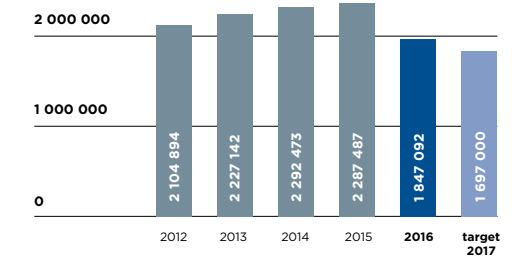
### Industrial and business insurance (TCZK)

High-quality insurance coverage and terms and conditions tailored to the needs of each individual client have again established a basis for ČPP's growth in terms of this insurance segment in 2016. Total gross premiums written for industrial risks grew year-on-year by 17.1% up to BCZK 1.4, which is more than a quadruple compared to the market growth.



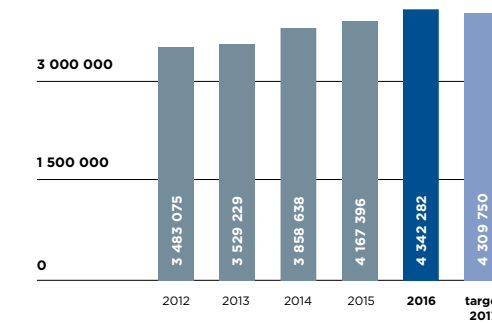
### Life assurance (TCZK)

In 2016, total life assurance gross premiums written amounted to BCZK 1.8. ČPP even managed to increase gross premiums written for the important segment of regular premium life assurance products year-on-year by 15.7% which is the best result among the top ten insurance companies on the Czech market. ČPP has thus kept its first place in this insurance class from 2015.



### Motor vehicle insurance (TCZK)

Total gross premiums written for motor vehicle insurance grew year-on-year by 4.2% to BCZK 4.3. In terms of MTPL, ČPP showed a growth of 1.8% and in terms of motor casco insurance a growth of 8.8%. ČPP keeps its traditionally strong position in terms of motor vehicle insurance, primarily in terms of motor third-party liability insurance. With more than one million insured cars in its portfolio, the Company is the third largest provider of this type of insurance in the Czech Republic.





## INTERNAL AND EXTERNAL DISTRIBUTION NETWORKS, COOPERATION WITH BUSINESS PARTNERS

In 2016, ČPP reinforced the structure of its internal sales network. Individual regions within the regional structure of the network are managed by six regional directorates seated in Prague, Pilsen, Hradec Králové, České Budějovice, Brno, and Ostrava. The quality of the Company's services and availability of its points of sale has been further enhanced by opening two new points of sale of the branch office in Olomouc-Hodolany and Zábřeh na Moravě, moving the Kladno, Žďár nad Sázavou, Karlovy Vary, Hradec Králové and Liberec branch offices to more attractive premises and extension of the premises of the Hodonín and Brno branch offices. The number of the Company's counter points of sale in the whole country rose to a new total of 97.

In addition to these branch offices, in 2016 ČPP's products were also sold through 90 insurance offices with the exclusive representation right and through 130 points of sale specialising primarily in motor vehicle insurance. Sales realised by 19 points of sale of the subsidiary ČPP Servis, s.r.o. also contributed to the performance of the internal sales network. In 2016, ČPP continued its cooperation with Finanční skupina České spořitelny (the Financial Group of Česká spořitelna) with the aim to provide its clients with comprehensive services. To provide clients with ever better services, ČPP provides the employees of its counter points of sale with regular intensive training and certification in the field of insurance products and selling skills, and further

provides them with methodical and sales support, including set internal control mechanisms and, among others, mystery shopping.

In 2016, ČPP was again successful in achieving very good sales results thanks to intensive cooperation with external partners. As for retail insurance, these external partners primarily include Bohemia Servis Finance, a.s., Broker Consulting, a.s, Broker Trust, a.s., Fincentrum, a.s., OVB Allfinanz, a.s., Partners Financial Services, a.s., and Česká průmyslová zdravotní pojišťovna. The developing cooperation with external partners has helped ČPP to increase sales production.

The sales production generated by broker companies was developing very well in 2016. The number of actively cooperating brokers remains stable and the total volume of insurance premiums generated by brokers increased year-on-year by 4.4%, totalling BCZK 2.7. In 2016, the total volume of gross premiums written by ČPP was higher by MCZK 110 than in 2015. This success can be attributed to the systematic establishment of long-term business relations. It is also the right way to ensure a sustainable business growth.

## STRATEGY

ČPP is a universal insurance company which wants to develop long-term relations with its clients and to provide comprehensive life assurance and non-life insurance services. Our mission is to be a reliable partner of our clients which is able to moderate the impact of unpleasant events in life. The objective of ČPP is to continue in enhancing its position in the insurance market and to develop business activities in all segments.

### GOALS AND STRATEGY FOR THE YEAR 2017:

- maintaining the Company's share of the Czech insurance market
- establishing long-term relations with clients and applying individual approaches
- improving products and services according to the needs and interests of clients
- supporting product sales via a SW system developed for concluding insurance contracts
- improving the effectiveness of sales using new distribution channels
- using cross-selling in terms of the sales process
- utilising the potential of modern information technologies in communication with clients and in data processing
- developing cooperation with broker companies and external business partners
- supporting projects aimed at development of sustainable business and at improving the quality of life in the communities where ČPP operates
- supporting equal employment opportunities and programmes aimed at development of the current employees and employing of disabled persons
- offering flexible employment relationships in compliance with the current work/life balance trend
- continuing the preparations for the expected legislative changes (GDPR, non-financial reporting, Corporate Criminal Liability Act, Consumer Act, Insurance Act, Act on Insurance Distribution)

## REINSURANCE

Similarly as in previous years, in 2016 the reinsurance strategy of ČPP remained conservative in terms of concluded reinsurance capacity and amount of own retention. The structure of reinsurers in the individual reinsurance programmes did not change. The leading reinsurers of the property and liability reinsurance contract were SCOR and Munich Re, both with an AA- rating from the Standard&Poor's rating agency. The model of exposure to natural catastrophic risks prepared by the reinsurance brokers Aon Benfield and Willis Re and setting sufficient reinsurance coverage capacity in cooperation with the group reinsurer VIG Re again played a key role in the process of forming the optimum structure of ČPP's reinsurance programme.

## HUMAN RESOURCES

In 2016, ČPP drew on the newly established educational concept for the employees of the head office and regional directorates. In addition to a broad variety of professional trainings for employees from all levels, we also organised self-development programmes, lectures and encounters with inspiring personalities from the social and cultural sphere. We have been paying special attention to the professional and managerial development of the talents and key employees. To intensify cooperation and communication between the departments, we now offer and organise teambuilding events which are appreciated by the employees and contribute to team stabilisation.

Another new feature in our HR concept was the launch of a programme for those colleagues who are currently at parental leave. During a one-day meeting which includes intensive care for their children, they can acquaint themselves with all news from the Company and attend professional trainings. We want these employees to feel being a part of ČPP team and this programme is intended to facilitate their return to their profession and work. ČPP has also been establishing optimum conditions for the employees who return to work after parental leave.

ČPP provides a large scale of both financial and non-financial benefits to its employees. ČPP puts emphasis on improving the quality of the work environment while observing the safety at work principles, and on a regular and contractually arranged health care for its employees, which includes also above-the-standard bonus and preventive care programmes. A component part of the corporate culture of ČPP is meeting the diversity principles in the work environment. These principles primarily include employment of handicapped persons, establishment of equal employment opportunities, diversity of the age groups in the team, support of work-life balance and last but not least a fair approach to all employees.



## CORPORATE SOCIAL RESPONSIBILITY

ČPP provides support to programmes that represent a contribution for the whole society and it is involved in regional charity projects. Its aim is to support development of sustainable business and to improve the quality of life in the communities where ČPP operates and which its employees come from. In 2016, ČPP provided support both in financial and non-material form to organisations which carry on educational, social, cultural, sports, or environmental protection activities.

Since 2011, the Social Activity Day, an internal volunteering programme aims to provide comprehensive aid to community organisations across the Czech Republic. In 2016, 343 employees were involved in this programme and they dedicated a total of 2 744 hours helping 44 organisations. The volunteering programme is also supported by the VIG group which has been announcing the Volunteer of the Year since 2013. Three of our employees who help those in need also during their leisure time were awarded this prize.

The main values of the company's corporate culture include sustainability and an environment-friendly approach and the protection of natural resources. ČPP has been motivating its employees to follow the principles of environment-friendly approach and the economising rules.

## SELECTED NATIONAL AND REGIONAL ORGANISATIONS SUPPORTED IN 2016:

### CHARITY

- The Brick project 2016 - Prutek civic society (Akce Cihla)
- Foundation of Policemen and Firefighters – mutual help in need (Nadace policistů a hasičů)
- Association of Fire fighters of Bohemia, Moravia and Silesia (Sdružení hasičů Čech, Moravy a Slezska)
- Retirement home of St. Anna (Dům klidného stáří sv. Anny)
- Children's home Kašperské Hory (Dětský domov Kašperské Hory)

### CULTURE

- Divadlo Broadway
- Cleopatra Musical
- Divadlo Na Jezerce
- Love for Music concerts (Z lásky k hudbě)
- Marlene Film Production – Anděl páně 2
- Post Bellum – Cena Paměť národa (Memory of Nation Award)
- Ratolest Fest
- Festival Lipa Musica
- Festival španělske kultury IBÉRICA 2016
- Film Do větru
- Bohemia JazzFest 2016
- Folkovy kvítek
- Slavonice Fest

### SPORTS

- CS SKI
- FK Jablonec
- SK Slavia – fotbal Praha
- Sport Invest Marketing Hermannová/Sluková
- AGES – Dolomitenmann 2016
- McDonald's Cup
- TK Plus – Zlatá tretra (Golden Spike)
- Mistrovství světa na horských kolech
- MTB Cyklokros Team
- Nadační fond pro rozvoj mládežnického sportu – Příbram Cup 2016
- Golden Tour
- Mistrovství ČR v latinskoamerických tancích
- Sen o Dakaru

## PRODUCT PORTFOLIO IN 2016

### NON-LIFE INSURANCE

In 2016, ČPP continued the growth trend of the previous years. ČPP reported a total increase in non-life insurance gross premiums written by 7.5% to BCZK 6.3. Gross premiums written for motor vehicle insurance grew year-on-year by 4.2%. The year-on-year increase in non-life insurance was also enhanced by the class of insurance of individuals (personal insurance) which reported an increase of 14.9%. The increase in non-life insurance gross premiums written was also positively effected by the increase in corporate property and liability insurance which reported an increase in gross premiums written by 17.1%. According to the data by the Czech Insurance Association, ČPP managed to keep its market share and position of the fourth largest non-life insurer.

In 2016, the expected impact of the private law recodification relating to the amendment to the Civil Code demonstrated itself in full extent. However, in terms of non-life insurance the year 2016 can be considered very successful. ČPP has been concentrating on improving the services provided to clients and innovation of insurance products under the clients' needs.

#### Motor vehicle insurance

In 2016, a fierce competition for the clients continued among insurance companies in respect of motor third-party liability insurance and motor casco insurance. The average price of motor third-party liability insurance even showed a drop which was definitely

positive for the client but the situation led to an increase in the demands on profitability and provisions of the insurance companies. The amount of insurance benefits resulting from car accidents rose significantly and after two years the impact of the new legislation fully demonstrated itself. While the material damages rose only by units of percent, the increase in damages for damage to health rose by tens of percent.

ČPP has been one of the three largest market players in terms of MTPL insurance for a long term. In 2016, ČPP supported the sale of motor vehicle insurance through an attractive offer within the spring and autumn campaigns. A competition connected with the possibility to win a car has become the most successful campaign of ČPP in the past years. Also innovations and tariff changes in terms of the product line **Autopojištění Combi Plus III** provided for an increase in motor vehicle insurance production. In 2016, ČPP wrote motor vehicle insurance gross premiums of BCZK 4.3, which is a year-on-year increase by 4.2%. Under the data of Czech Insurance Association (CAP), the MTPL insurance revenues of ČPP rose year-on-year by 1.8%. Simultaneously, the number of motor vehicles in the Company's MTPL insurance portfolio rose by almost 39,000 to 1,173,847 vehicles. In 2016, ČPP was also successful in terms of motor casco insurance, with a growth of 8.8%. The motor casco insurance portfolio rose to a total of 162,719 insurance contracts.

The volume of insurance settlements for damage to health rose by 47% in 2016 and provisions were raised by MCZK 115.

In 2016, ČPP also reported higher expenses in respect of losses caused by the insured vehicles abroad. The related provisions were raised by MCZK 167. Mandatory payments to the Loss Prevention Fund and for fire brigade interventions at car accidents and contributions to the Guarantee Fund of the Czech Bureau of Insurers used to cover losses caused by uninsured drivers which depend on the number of insured motor vehicles also contributed to the increase in expenses.

In terms of operations, in 2016 ČPP concentrated on improving the effectiveness of internal processes (transition to the new software SAP) and adjustments to the SUS insurance contracts conclusion module. ČPP used its analytical and programming capacities also for the development of web applications both for insurance intermediaries and brokers.

A significant change was made in the field of assistance services where ČPP in cooperation with its partner Global Assistance launched a new data transfer system from the point of view of assistance interventions administration to be able to better evaluate the behaviour of the insurance portfolio in terms of assistance and to react more precisely to the clients' needs.

Due to the development of profitability of motor vehicle insurance products, ČPP focused on scoring and on assessment of the overall history of clients at their acceptance to insurance in 2016. It established a mechanism for individual client assessment and if a higher risk level is identified, an individual premium

rate can be set more effectively. ČPP will pay more attention to the scoring development in 2017 as well.

Car fleet insurance is an individual section of motor vehicle insurance. It meets the needs of medium-sized and big clients. The basic principle applied in selling this insurance product is an individual approach during the process of the group contract conclusion. Within one fleet, the individual vehicles can have a different combination of insurance risks covered, different insurance settlement retention (excess) or different riders, according to the client's needs. In 2016, we continued offering the successful product **Comprehensive Car Fleet Insurance (FAP)** and its modifications. In terms of car fleet insurance, ČPP succeeded in keeping its market share and increasing the segment profitability in spite of the concurrent increase in claims-related expenses, primarily in respect of damage to health.

In 2016, 42,000 claims in terms of MTPL insurance and 44,000 claims in terms of motor casco insurance were reported to ČPP. The number of claims reported as a result of car crashes showed a year-on-year increase of 12.5% and claims connected with windscreen damage showed a year-on-year increase of 6.8%. The claims frequency of MTPL insurance remained approximately on the same level as in the previous year and also the claims frequency of motor casco insurance did not increase or decrease significantly. The objective of the motor vehicle claims settlement division is to settle as many claims as possible through the network of contractual car repair shops as only in this way it is possible to

ensure further enhancement of quality of the entire process thanks to damage recalculation and direct communication between the contractual car repair shop, Global Expert and the loss adjuster, primarily a reduction of the time necessary for the settlement of a claim.

### **Insurance of individuals (personal insurance) and property and liability insurance for individuals**

In 2016, gross premiums written for non-life insurance of individuals (property insurance, liability insurance, accidental insurance, health insurance, and travel insurance) showed an increase again, totalling MCZK 608. In 2016, ČPP participated in the communication campaign of the Czech Insurance Association called Den blbec (Bad Hair Day) the aim of which was enhancement of the general public's financial literacy and informing about the importance of liability insurance. The objective of the campaign was to provide basic public education to the general public in an accessible and comprehensible manner, to motivate potential clients to conclude this type of insurance and to correctly explain its purpose and benefits. Since the effect of the new Civil Code, the interest in conclusion of liability insurance has slightly risen and at present ČPP has approximately 88,000 contracts in its portfolio.

In terms of the segment of property and liability insurance for individuals, ČPP decided to innovate the product **Domex** both in its property coverage part and in its liability coverage part. The Company's offer in terms of assistance services

was significantly extended. Within this innovation, ČPP prepared a significantly larger insurance coverage both in respect of insurance of buildings (constructions) and household insurance.

In 2016, ČPP continued offering the **Bytex** product, which is intended as insurance of apartment houses owned by individuals, also to housing cooperatives. This insurance product is based on the building set system under which the client opts, at his own discretion, only for those risks to which he feels exposed. In connection with the changes and requirements following from the new Civil Code, ČPP increased the insurance limits for liability insurance in 2016.

Risk and accidental insurance coverage can either be concluded as a separate product or as a rider attached to a life assurance or non-life insurance product. In 2016, ČPP offered a risk insurance product called **RIZIKOVKA** which provides accident risk coverage and offers a full range of coverage for insurable risks, e.g. a term rider (rider for the case of death), disability rider, rider for dependence on 2nd-4th grade care, short-term disability rider, hospitalisation daily allowance rider, rider for caring for a sick child by a family member etc. Accident insurance can also be concluded for a group of people through **Úrazové skupinové pojištění s Filipem PLUS** (Group accident insurance with Filip PLUS).

ČPP offered travel insurance in three options, varying depending on the extent of coverage. This offer was supplemented by special summer equipment insurance, winter equipment

insurance and golf equipment insurance. In 2016, ČPP has further extended this offer by special assistance services for shorter trips abroad under the name **Auto Plus**. This product will help clients solve situations connected with a car accident or car failure and when the driver gets hurt or falls ill and cannot drive his car back to the Czech Republic, the Company will provide a substitute driver and take care of the passengers.

### **Industrial and business insurance**

ČPP has been successful in the field of business risks for a long term and it is successful in raising sales every year. The most important things in the relationship to clients and brokers are quality, promptness and reliability in settling claims. ČPP has been ranking high in terms of these features in the insurance market. High-quality tailored insurance coverage is the reason behind the increase of ČPP's sales in this segment. In 2016, gross premiums written by ČPP in respect of this class of insurance amounted to BCZK 1.4. They exceeded the result from 2016 by 17.1%, which is more than a quadruple of the market growth. In big competition ČPP reported very good sales results with its products for small and medium-sized enterprises. The production volume of this segment grew year-on-year by 15.2% to MCZK 183.

**Podnikatel Plus** is a package for small and medium-sized enterprises or tradesmen. Bigger companies can get a broad and high-quality protection with the product called **Komplex**. ČPP's standard product offer also includes a broad range of specialised products,

such as the General Liability Insurance, Professional Liability Insurance, and Financial Capacity Loss Insurance for Carriers, etc. ČPP also offers its services to big corporations and the major players from all industrial sectors, big business corporations, developers, financial institutions, public administration authorities, municipalities etc. belong to its clients.

In 2016, ČPP continued selling the **MaxiON** product determined to cover damage resulting from using up the whole property damage limit for MTPL insurance. ČPP prepared this product based on demand from transportation companies which were interested in an insurance product covering large damage (losses) incurred in traffic accidents. ČPP is one of the insurance companies in the market which offer compulsory insurance of a guarantee for the case of insolvency for tour operators. Special risks insured by ČPP also include event cancellation insurance, which covers cultural, social or sports events, and risks connected with shooting of advertisements and full-length films, organising theatre performances and music festivals.

### **LIFE ASSURANCE**

In recent years, the life assurance market has been struggling with a decrease in the total number of contracts and the related decrease in the volume of gross premiums written. It is due to the significant drop in customers' interest in single and top-up premiums across the market. This drop has been caused not only by the long-term low value of

interest rates but also by a change in the regime for tax deductible contracts. A similar trend also emerged in endowment assurance. On the other hand, unit-linked assurance managed to keep customers' interest. Innovations and product development had positive impact not only on the interest of clients but also on the volume of gross premiums written which totalled BCZK 1.8 in 2016.

While the Czech life assurance market as a whole reported a decrease, life assurance premiums written by ČPP increased according to the data by the Czech Insurance Association (CAP) year-on-year by 10.4%. ČPP managed to increase gross premiums written for the important segment of regular premium life assurance products year-on-year by 15.7% which is the best result among the top ten insurance companies in the Czech market for the second time in a row. Under the data of CAP, in 2016 ČPP held a 3.8% share in the life assurance market and defended the 9th position in the overall ranking of insurance companies.

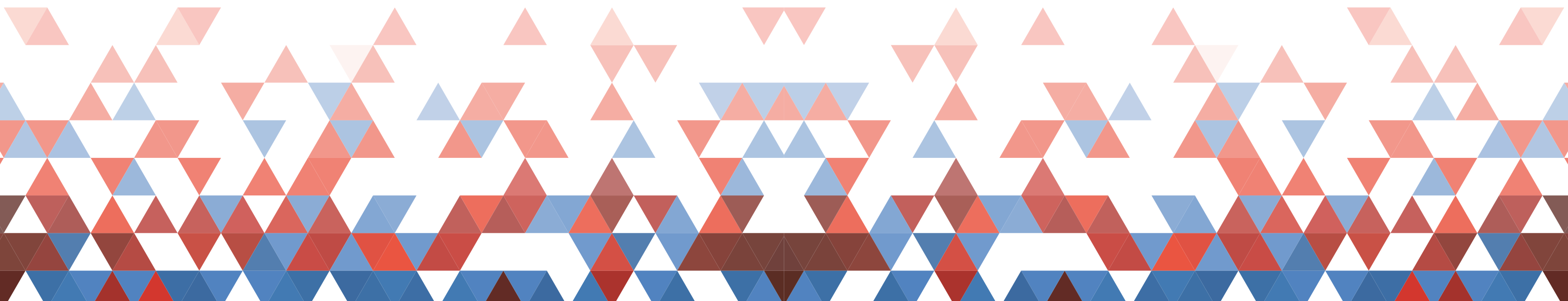
Similarly as in the previous years, unit-linked assurance was the leading insurance class in terms of life assurance. Regular premiums written for unit-linked assurance rose year-on-year by 20.7%. More and more clients prefer the combination of risk insurance and individual investments which offer the opportunity to achieve higher yields than in respect of the guaranteed endowment assurance products. In 2016, ČPP innovated the successful unit-linked products which are now offered under the new names **EVOLUCE PLUS** and **ŠTÍSTKO** and further innovated Exclusive life assurances (výběrové

životní pojištění) **MAXIMUM EVOLUTION PLUS** and **OK1 PLUS**. In terms of single premium products, the Company continued offering the product **Garant**. In 2016, ČPP as one of the few insurance companies in the market offered a special **insurance against terrorism** (in cooperation with Britanika).

In 2016, the life assurance segment had to cope with an amendment to Act No. 38/2004, on Insurance Intermediaries. The new legislation has brought a significant change in respect of cancelled commissions for lapsed contracts and the related new calculation of surrender value from life assurance contracts. ČPP also used this legislative change as an opportunity for an extensive product innovation. At the beginning of 2016, ČPP implemented CRS, which is a standard obliging companies to check information on financial accounts.



**VIENNA INSURANCE GROUP**





## VIENNA INSURANCE GROUP

Vienna Insurance Group (VIG) is well established in all lines of business and thus offers a comprehensive customer-oriented portfolio of products and services with more than 50 Group companies and around 24,000 employees in 25 countries. The Group generated around EUR 9 billion in premiums in 2016, further strengthening its market leader position in Austria and in Central and Eastern Europe (CEE), where VIG has been operating for more than 25 years.

### **VIG's successful expansion into the CEE region**

VIG's roots reach back more than 190 years in Austria, during which time the Company developed from its start as a local insurer in 1824 to an international insurance group. In 1990, visionaries in Wiener Städtische recognised the many opportunities offered by the CEE region and took the chance of entering the market in the former Czechoslovakia. The expansion continued in following years. From Estonia to Albania and Germany to Georgia, the entire region was slowly covered. The 2014 entry into the market in the Republic of Moldova filled the final remaining gap in coverage of the CEE region.

### **Using its combined strengths to become number 1**

VIG has worked its way to the top of the insurance market in many countries in previous years. Using a focused growth strategy and long-term perspective, it

created a stable base that led to double-digit market shares in many markets.

The figures for the region show that the decision to expand into the CEE region was correct. In 2016, around half of VIG's total premium volume of around EUR 9 billion was generated in the CEE markets. The Group continues to believe in the potential offered by the ongoing economic growth in the region, which brings with it a rising demand for insurance products.

The importance of the region was confirmed by another decision by the Group in 2008 to establish the registered office of the internal Group reinsurance company VIG Re in the Czech Republic.

### **Focusing together on the core business**

The decisions above underscore the path followed by VIG and strengthen the focus on insurance as the clear core business. It pursues a progressive and highly risk-conscious insurance strategy. Reliability, trustworthiness and solidity define its

relationships with business partners, employees and shareholders.

This fundamental approach is also reflected in its strategy of continuous sustainable growth and excellent creditworthiness. The international rating agency Standard & Poor's has confirmed VIG's development with an A+ rating with stable outlook for many years. VIG continues to have the best rating of all companies in the ATX, the leading index of the Vienna Stock Exchange.

### **Side-by-side with our customers**

Customer loyalty and customer proximity are major factors in VIG's success. Our local employees know the needs of their customers the best, which is why VIG places its trust in these employees and local management.

In order to create stability and trust, the Group uses a multi-brand strategy that retains established brands and unites them under the Vienna Insurance Group umbrella. This also allows a wide variety of distribution channels to be used. The Company's strategic orientation is rounded off by a conservative investment and reinsurance policy.

### **Erste Group and VIG: strong together**

Erste Group is strongly anchored in Austria and is one of the top players in the CEE region. The strategic partnership between Erste Group and VIG began in 2008 and has grown and strengthened over the past eight years. VIG Group companies offer Erste Group products,

and Erste Group branches sell VIG insurance products in return.

### **Stable dividend policy of the Group**

VIG has been listed on the Vienna stock exchange since 1994. Today, it is one of the top companies in the "prime market" segment, and offers an attractive dividend policy with a dividend payout ratio of at least 30% of Group profits (after taxes and non-controlling interests) for shareholders.

The significance of the Central and Eastern European economic area was once again underscored by the Company's second listing on the Prague Stock Exchange in February 2008. VIG shares have also established themselves as one of the top companies there.

The shareholder structure has remained stable since the capital increase in 2005. Around 70% of the shares are held by its principal shareholder, Wiener Städtische Versicherungsverein. The remaining 30% of the shares are in free float.

### **Searching for the best together**

All VIG Group companies strive to attract the most talented and intelligent employees. As a result, identifying and developing individual skills is a central priority in the company's human resources management. Promoting diversity is also highly important, as is creating a framework that offers appropriate development opportunities for employees. This is because it is clear to VIG that its success is built on the dedication of its 24,000 employees.

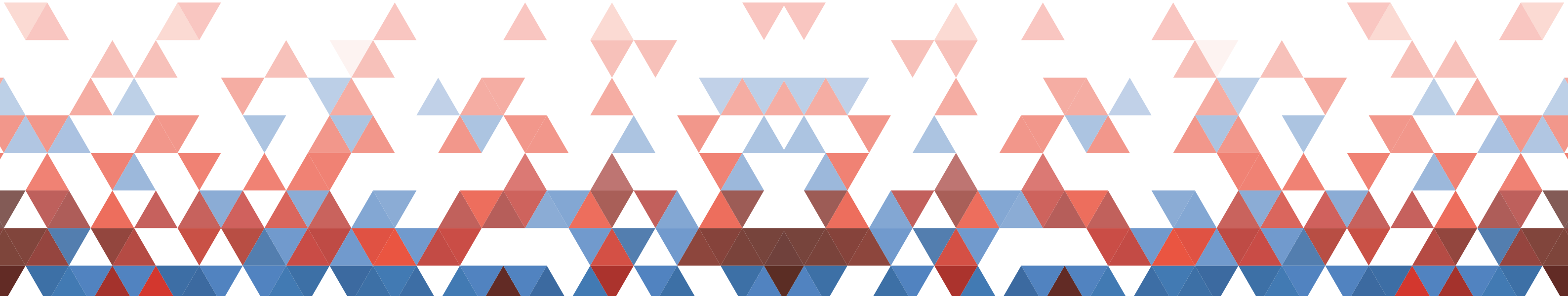
THE LEADING INSURANCE  
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<p><b>AUSTRIA</b></p> <p><b>WIENER STÄDTISCHE</b> VIENNA INSURANCE GROUP</p> <p><b>lonau</b> VIENNA INSURANCE GROUP</p> <p><b>S-VERSICHERUNG</b> VIENNA INSURANCE GROUP</p>	<p><b>SLOVAKIA</b></p> <p><b>Kooperativa</b> VIENNA INSURANCE GROUP</p> <p><b>KOMUNÁLNA POISTOVŇA</b> VIENNA INSURANCE GROUP</p> <p><b>POISTOVŇA SLOVENSKEJ ŠPORTILNE</b> VIENNA INSURANCE GROUP</p>	<p><b>BULGARIA</b></p> <p><b>BULSTRAD</b> VIENNA INSURANCE GROUP</p> <p><b>Life BULSTRAD</b> VIENNA INSURANCE GROUP</p>	<p><b>ESTONIA</b></p> <p><b>COMPENSA</b> VIENNA INSURANCE GROUP</p>	<p><b>TURKEY</b></p> <p><b>RAYSIGORTA</b> VIENNA INSURANCE GROUP</p>
<p><b>ITALY BRANCH</b></p> <p><b>WIENER STÄDTISCHE</b> VIENNA INSURANCE GROUP</p> <p><b>lonau</b> VIENNA INSURANCE GROUP</p>	<p><b>POLAND</b></p> <p><b>COMPENSA</b> VIENNA INSURANCE GROUP</p> <p><b>InterRisk</b> VIENNA INSURANCE GROUP</p> <p><b>POLISA-ŻYCIE</b> VIENNA INSURANCE GROUP</p> <p><b>Vienna Life</b> VIENNA INSURANCE GROUP</p>	<p><b>CROATIA</b></p> <p><b>WIENER OSIGURANJE</b> VIENNA INSURANCE GROUP</p> <p><b>ERSTE OSIGURANJE</b> VIENNA INSURANCE GROUP</p>	<p><b>LATVIA</b></p> <p><b>COMPENSA</b> VIENNA INSURANCE GROUP</p> <p><b>Baltikums</b> VIENNA INSURANCE GROUP</p> <p><b>БТА</b></p>	<p><b>ALBANIA</b></p> <p><b>SIGMA INTERALBANIAN</b> VIENNA INSURANCE GROUP</p> <p><b>INTERSIG</b> VIENNA INSURANCE GROUP</p>
<p><b>SLOVENIA BRANCH</b></p> <p><b>WIENER STÄDTISCHE</b> VIENNA INSURANCE GROUP</p>	<p><b>HUNGARY</b></p> <p><b>UNION BIZTOSÍTÓ</b> VIENNA INSURANCE GROUP</p> <p><b>ERSTE BIZTOSÍTÓ</b> VIENNA INSURANCE GROUP</p> <p><b>viennalife</b> VIENNA INSURANCE GROUP</p>	<p><b>LITHUANIA</b></p> <p><b>COMPENSA</b> VIENNA INSURANCE GROUP</p>	<p><b>MACEDONIA</b></p> <p><b>ОСИГУРУВАЊЕ МАКЕДОНИЈА</b> VIENNA INSURANCE GROUP</p> <p><b>WINNER</b> VIENNA INSURANCE GROUP</p> <p><b>Life WINNER</b> VIENNA INSURANCE GROUP</p>	<p><b>MOLDOVA</b></p> <p><b>DONARIS</b> VIENNA INSURANCE GROUP</p>
<p><b>CZECH REPUBLIC</b></p> <p><b>Kooperativa</b> VIENNA INSURANCE GROUP</p> <p><b>ČPP</b> VIENNA INSURANCE GROUP</p> <p><b>POJIŠŤOVNA ČESKÉ ŠPORTILNY</b> VIENNA INSURANCE GROUP</p> <p><b>VIG Re</b></p>	<p><b>ROMANIA</b></p> <p><b>OMNIASIG</b> VIENNA INSURANCE GROUP</p> <p><b>ASIROM</b> VIENNA INSURANCE GROUP</p> <p><b>DE VIATA BCR ASIGURARI</b> VIENNA INSURANCE GROUP</p>	<p><b>SERBIA</b></p> <p><b>WIENER STÄDTISCHE</b> VIENNA INSURANCE GROUP</p>	<p><b>MONTENEGRO</b></p> <p><b>Život WIENER STÄDTISCHE</b> VIENNA INSURANCE GROUP</p>	<p><b>BELARUS</b></p> <p><b>КУПАЛА</b> VIENNA INSURANCE GROUP</p>
<p><b>UKRAINE</b></p> <p><b>КНЯЖА</b> VIENNA INSURANCE GROUP</p> <p><b>life КНЯЖА</b> VIENNA INSURANCE GROUP</p> <p><b>ГЛОБУС</b> VIENNA INSURANCE GROUP</p> <p><b>УКРАЇНСЬКА СТРАХОВА ГРУПА</b> VIENNA INSURANCE GROUP</p>	<p><b>GEORGIA</b></p> <p><b>GPIA</b> VIENNA INSURANCE GROUP</p> <p><b>IRRO</b> VIENNA INSURANCE GROUP</p>	<p><b>BOSNIA HERZEGOVINA</b></p> <p><b>WIENER OSIGURANJE</b> VIENNA INSURANCE GROUP</p>	<p><b>GERMANY</b></p> <p><b>InterRisk</b> VIENNA INSURANCE GROUP</p>	<p><b>LIECHTENSTEIN</b></p> <p><b>VIENNA-LIFE</b> VIENNA INSURANCE GROUP</p>

January 2017  
www.vig.com

**AUDITOR'S REPORT**







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

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

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

**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 2016, the income statement and the statement of changes in equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory notes. Information about the Company is set out in Note 1 to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2016, 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, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs) as 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.

**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 and Audit Committee are responsible for the oversight of 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.


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

Jindřich Vašina is the statutory auditor responsible for the audit of the financial statements of Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group as at 31 December 2016, based on which this independent auditor's report has been prepared.

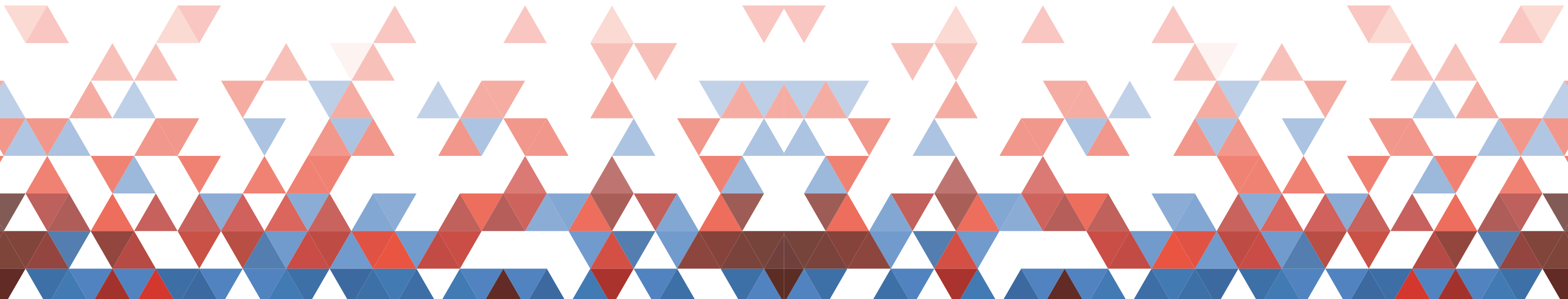
Prague

12 April 2017

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

  
Ing. Jindřich Vašina  
Partner  
Registration number 2059

## FINANCIAL PART



## BALANCE SHEET AS AT 31 DECEMBER 2016

(In thousands of Czech crowns TCZK)

Description	2016 Gross	2016 Adjustment	2016 Net	2015 Net
<b>I. ASSETS</b>				
A. Receivables for subscribed registered capital				
B. Intangible fixed assets, thereof	330 496	-240 198	90 298	68 765
b) Goodwill				
C. Investments	10 527 768		10 527 768	11 506 321
I. Land and buildings, thereof	6 025		6 025	6 172
2. Buildings	6 025		6 025	6 172
a) Investments - self-occupied	6 025		6 025	6 172
II. Investments in affiliated undertakings and participating interests	370 767		370 767	278 833
1. Participating interests with controlling influence	344 941		344 941	278 833
2. Debt securities issued by, and loans and credits to, undertakings - controlling influence	25 826		25 826	
III. Other investments	10 150 976		10 150 976	11 221 316
1. Shares and other variable-yield securities, other participating interests	984 789		984 789	957 193
2. Bonds and other fixed-income securities	9 167 017		9 167 017	9 894 531
a) bonds and other fixed-income securities valued at fair value through profit and loss	2 115 882		2 115 882	2 413 465
b) bonds and other fixed-income securities held to maturity	7 051 135		7 051 135	7 481 066
6. Deposits with financial institutions				368 002
7. Other investments	-830		-830	1 590
D. Investments for the benefit of life assurance policyholders who bear the investment risk	1 496 932		1 496 932	1 262 581

Description	2016 Gross	2016 Adjustment	2016 Net	2015 Net
E. Debtors	991 749	-272 284	719 465	650 698
I. Receivables arising from direct insurance operations	731 655	-271 487	460 168	415 354
1. Policyholders, thereof	576 191	-135 364	440 827	402 902
2. Intermediaries, thereof	155 464	-136 123	19 341	12 452
II. Receivables arising from reinsurance operations, thereof	207 835		207 835	167 506
III. Other receivables, thereof	52 259	-797	51 462	67 838
F. Other assets	788 606	-96 308	692 298	106 211
I. Tangible fixed assets other than those listed under "C.I. Land and buildings", and inventories	134 693	-96 308	38 385	36 458
II. Cash on accounts in financial institutions and cash in hand	653 913		653 913	69 753
G. Temporary asset accounts	2 148 605		2 148 605	1 539 625
I. Accrued interest and rent				
II. Deferred acquisition costs	1 662 039		1 662 039	1 260 372
a) in life-assurance business	1 220 825		1 220 825	865 294
b) in non-life insurance	441 214		441 214	395 078
III. Other temporary asset accounts, thereof	486 566		486 566	279 253
a) Estimated receivables	68 510		68 510	25 066
<b>TOTAL ASSETS</b>	<b>16 284 156</b>	<b>-608 790</b>	<b>15 675 366</b>	<b>15 134 202</b>

Description	2016		2015	
II. LIABILITIES				
A. Equity	2 481 880		2 505 103	
I. Registered capital, thereof	1 000 000		1 000 000	
IV. Other capital funds			66 525	
V. Reserve fund and other funds from profit	2 096		1 431	
VI. Profit or loss brought forward	1 039 148		1 035 222	
VII. Profit or loss for the financial year	440 636		401 925	
C. Technical provisions	8 105 776		8 130 605	
1. Provision for unearned premiums				
a) gross amount	1 971 006		1 754 306	
b) reinsurance share (-)	613 572	1 357 434	574 154	1 180 152
2. Life assurance provision				
a) gross amount	3 590 979		3 849 259	
b) reinsurance share (-)	3 590 979		3 849 259	
3. Provision for outstanding claims				
a) gross amount	5 124 523		4 872 648	
b) reinsurance share (-)	2 462 852	2 661 671	2 280 374	2 592 274
4. Provision for bonuses and rebates				
a) gross amount	221 678		144 215	
b) reinsurance share (-)	13 867	207 811	13 162	131 053
6. Other technical provisions				
a) gross amount	288 256		378 438	
b) reinsurance share (-)	375	287 881	570	377 868
D. Life assurance technical provision where the investment risk is borne by the policyholders	1 496 932		1 262 581	
a) gross amount	1 496 932		1 262 581	
b) reinsurance share (-)				
E. Provisions	25 913		41 580	
1. Provisions for pensions and similar obligations	23 425		41 560	
2. Provisions for taxation	2 488			
3. Other provisions			20	
F. Deposits received from reinsurers	2 088 894		2 101 390	

Description	2016		2015	
G. Creditors	842 646		549 126	
I. Payables arising from direct insurance operations, thereof	246 193		258 449	
II. Payables arising from reinsurance operations, thereof	398 125		104 979	
a) závazky vůči ovládaným osobám				
V. Other payables, thereof	177 200		165 421	
a) Tax liabilities and payables due to social security and health insurance institutions	18 796		34 619	
VII. Loss prevention fund	21 128		20 277	
H. Temporary liability accounts	633 325		543 817	
I. Accrued expenses and deferred revenues	295 336		274 854	
II. Other temporary liability accounts, thereof	337 989		268 963	
a) Estimated payables	337 989		268 963	
TOTAL LIABILITIES	15 675 366		15 134 202	

## INCOME STATEMENT FOR THE YEAR ENDED AS AT 31 DECEMBER 2016

(In thousands of Czech crowns TCZK)

Description	2016 Base	2016 Subtotal	2016 Result	2015 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	6 341 027	x	x	x
b) outward reinsurance premiums (-)	2 304 214	4 036 813	x	x
c) change in the gross provision for unearned premiums (+/-)	217 579	x	x	x
d) change in the provision for unearned premiums, reinsurance share (+/-)	39 380	178 199	3 858 614	3 591 867
2. Allocated investment return transferred from the non-technical account	x	x	146 025	145 597
3. Other technical income, net of reinsurance	x	x	173 714	131 065
4. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	3 713 795	x	x	x
bb) reinsurance share (-)	1 345 930	2 367 865	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	178 717	x	x	x
bb) reinsurance share (-)	151 462	27 255	2 395 120	2 193 453
5. Changes in other technical provisions, net of reinsurance (+/-)	x	x	-89 987	-69 550
6. Bonuses and rebates, net of reinsurance	x	x	28 312	22 742
7. Net operating expenses:	x	x	x	x
a) acquisition costs	x	1 691 187	x	x
b) change in deferred acquisition costs (+/-)	x	-46 136	x	x
c) administrative expenses	x	260 603	x	x
d) reinsurance commissions and profit participation (-)	x	591 724	1 313 930	1 137 637
8. Other technical expenses, net of reinsurance	x	x	228 385	231 217
10. Sub-total on the technical account for non-life insurance	x	x	302 593	353 030

Description	2016 Base	2016 Subtotal	2016 Result	2015 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	1 847 092	x	x
b) outward reinsurance premiums (-)	x	232 440	x	x
c) change in the provision for unearned premiums, net of reinsurance (+/-)	x	-917	1 615 569	2 115 144
2. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	264	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
aa) income from land and buildings		x	x	x
bb) income from other investments	147 322	147 322	x	x
c) value adjustments on investments	x	8 171	x	x
d) income from disposal of investments	x	219 749	375 506	704 665
3. Unrealised gains on investments	x	x	84 508	24 480
4. Other technical income, net of reinsurance	x	x	251 231	184 107
5. Claims incurred, net of reinsurance:	x	x	x	x
a) claims paid:	x	x	x	x
aa) gross amount	1 066 453	x	x	x
bb) reinsurance share (-)	69 167	997 286	x	x
b) change in the provision for outstanding claims:	x	x	x	x
aa) gross amount	73 158	x	x	x
bb) reinsurance share (-)	31 016	42 142	1 039 428	1 410 099
6. Changes in other technical provisions, net of reinsurance (+/-):	x	x	x	x
a) life assurance provisions:	x	x	x	x
aa) gross amount	-258 280	x	x	x
bb) reinsurance share (-)		-258 280	x	x
b) other technical provisions, net of reinsurance	x	234 351	-23 929	127 423
7. Bonuses and rebates, net of reinsurance	x	x	75 050	48 875
8. Net operating expenses:	x	x	x	x
a) acquisition costs	x	1 086 752	x	x

Description	2016 Base	2016 Subtotal	2016 Result	2015 Result
b) change in deferred acquisition costs (+/-)	x	-355 531	x	x
c) administrative expenses	x	75 896	x	x
d) reinsurance commissions and profit participation (-)	x	126 865	680 252	618 402
9. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	14 971	x	x
b) value adjustments on investments	x	14	x	x
c) book value of disposed investments	x	219 591	234 576	530 113
10. Unrealised losses on investments	x	x	4 317	31 805
11. Other technical expenses, net of reinsurance	x	x	79 889	92 335
12. Allocated investment return transferred to the non-technical account (-)	x	x		
13. Sub-total on the technical account for life assurance	x	x	237 231	169 344
III. NON-TECHNICAL ACCOUNT	x	x	x	x
1. Result of the technical account for non-life insurance	x	x	302 593	353 030
2. Result of the technical account for life assurance	x	x	237 231	169 344
3. Income from investments:	x	x	x	x
a) income from participating interests, with a separate indication of that derived from controlling influence	x	20 683	x	x
b) income from other investments, with a separate indication of that derived from controlling influence	x	x	x	x
aa) income from land and buildings		x	x	x
bb) income from other investments	156 681	156 681	x	x
c) value adjustments on investments	x	69 390	x	x
d) income from disposal of investments	x	1 874 273	2 121 027	2 108 128
4. Allocated investment return transferred from the technical account for life-assurance	x	x		
5. Expenses connected with investments:	x	x	x	x
a) investment management charges, including interest	x	59 762	x	x
b) value adjustments on investments	x	34 214	x	x
c) book value of disposed investments	x	1 881 026	1 975 002	1 962 531

Description	2016 Base	2016 Subtotal	2016 Result	2015 Result
6. Allocated investment return transferred to the technical account for non-life-insurance	x	x	146 025	145 597
7. Other income	x	x	25 707	1 119
8. Other expenses	x	x	22 820	28 366
9. Income tax on ordinary activities	x	x	101 950	92 267
10. Profit or loss on ordinary activities after tax	x	x	440 761	402 860
15. Other taxes not shown under the preceding items	x	x	125	935
16. Profit or loss for the financial year	x	x	440 636	401 925

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED AS AT 31 DECEMBER 2016

(In thousands of Czech crowns TCZK)

	Registered capital	Reserve funds	Capital funds	Profit (loss)	Total
<b>Balance at 1.1. 2015</b>	<b>1 000 000</b>	<b>138 765</b>	<b>103 750</b>	<b>1 309 663</b>	<b>2 552 178</b>
FX gains (losses) and changes in valuation not included in the profit and loss statement			-37 225		-37 225
Net profit/loss for accounting period				401 925	401 925
Profit shares				-399 000	-399 000
Transfers to funds		-124 559		124 559	
Reduction of funds		-12 775			-12 775
<b>Balance at 31.12. 2015</b>	<b>1 000 000</b>	<b>1 431</b>	<b>66 525</b>	<b>1 437 147</b>	<b>2 505 103</b>
Adjustments upon change of legislation*				-66 525	-66 525
<b>Balance at 1.1. 2016</b>	<b>1 000 000</b>	<b>1 431</b>		<b>1 437 147</b>	<b>2 438 578</b>
Net profit/loss for accounting period				440 636	440 636
Profit shares				-388 000	-388 000
Addition to funds		9 999		-9 999	
Reduction of funds		-9 334			-9 334
<b>Balance at 31.12. 2016</b>	<b>1 000 000</b>	<b>2 096</b>		<b>1 479 784</b>	<b>2 481 880</b>

\*values were adjusted in line with I.5 of the Notes to the financial statements



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016

### I. GENERAL CONTENTS

#### I. 1. Description and principal activities

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

ID number of the Company: 63 99 85 30

#### Principal business activities:

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

#### Registered office of the Company:

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

## Members of the board of directors and supervisory board as at 31 December 2016:

### Members of the board of directors:

#### Chairman:

Ing. Jaroslav Besperát, date of birth: 23 December 1970  
Praha 9, Čenovická 2142, post code 190 16  
Membership held from: 1 November 2015

#### Members:

Ing. František Vlnař, date of birth: 6 June 1960  
Praha 4, Mikuláše z Husi 1521/2, post code 140 00  
Membership held from: 1 November 2015

Ing. Vít Rozsypal, date of birth: 20 April 1972  
Na Sídlišti 350, 257 26 Divišov  
Membership held from: 1 November 2015

Gary Wheatley Mazzotti, date of birth: 26 September 1961  
Statenická 365, 252 62 Statenice  
Membership held from: 1 May 2016

### Supervisory board:

#### Chairman:

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

#### Vice-chairman:

Prof. Elizabeth Stadler, date of birth: 1 December 1961  
3550 Langenlois, Höllgasse 32, Austria  
Membership held from: 31 March 2016

#### Members:

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

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

Franz Fuchs, date of birth: 23 December 1953  
2344 Maria Enzersdorf, Fürtenstrasse 43, Austria  
Membership held from: 31 March 2016

Dkfm. Karl Fink, date of birth: 22 August 1945  
1020 Wien, Kurzbauergasse 5/17, Austria  
Membership held from: 31 March 2016

#### Sole shareholder:

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

#### Changes in the board of directors and supervisory board made in 2016:

The membership of Pavel Cepek and Roland Gröll in the supervisory board was terminated on 31 March 2016. The entry of these members was deleted from the Commercial Register on 23 May 2016.

On 31 March 2016, Prof. Elizabeth Stadler, Dkfm. Franz Fuchs and Karl Fink became members of the supervisory board. This change was recorded in the Commercial Register on 23 May 2016.

On 1 May 2016, Gary Wheatley Mazzotti became a member of the board of directors. This change was recorded in the Commercial Register on 23 May 2016.

#### Course of action:

The board of directors acts on behalf of the Company. Two members of the board of directors of the Company must always act together on behalf of the Company and may also bind the Company. In order to sign on behalf of the Company, their signature, name, surname, title and function on the board are required alongside the printed or written name of the Company.

#### Organisational structure:

The Company has the following bodies: the general meeting of shareholders, the board of directors and the supervisory board. The Company conducts its activities through its organisational divisions, comprising divisions of the first management level of the general directorate, the head office and the regional headquarters.

## I. 2. Compliance with legislation

At the balance sheet date the Company fully complied with Act No. 277/2009 Coll., on Insurance, as amended (“the Insurance Act”), Act No. 89/2012 Coll. (“the Civil Code”), Act No. 38/2004 Coll., on Insurance Intermediaries and Independent Loss Adjusters, as amended, Act No. 168/1999 Coll., on Liability Insurance for Losses Caused by the Operation of a Motor Vehicle, as amended (“the Act on Motor Third-Party Liability Insurance”), including the applicable implementing regulations, and with other legislation in force.

## I. 3. Basis of preparation of the financial statements

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

As a result of the above legislation being amended as at 1 January 2016, some of the accounting policies described in note I.5. have been changed.

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

The financial statements have been prepared on a going concern basis.

## I. 4. Significant accounting policies

### (a) Tangible and intangible fixed assets

Tangible and intangible fixed assets are stated at acquisition cost.

Tangible fixed assets costing less than TCZK 40 referred to as low-value assets are depreciated over a three-year period. Intangible fixed assets costing less than TCZK 60 are charged to the income statement in the year in which they are acquired. The annual depreciation rate reflects the assets' expected useful lives.

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

Fixed Assets	Method	Depreciation rate in %
Software	Straight-line	25.0
Other intangible fixed assets	Straight-line	16.7 - 100
Long-term operating movable assets - classes I and II	Straight-line	16.7 - 25
Long-term operating movable assets - class III	Straight-line	16.7

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

## (b) Investments

### Land and buildings

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

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

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

### Investments in affiliated undertakings and participating interests

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

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

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

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

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

### Debt securities

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

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

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

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

Fair value means the price derived from the listed market 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 or available for sale is recognised in the income statement.

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 ("ČNB"). 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 shares or other variable-yield securities is recognised in the income statement.

Where shares and other variable-yield securities are denominated in a foreign currency, their value is translated based on the current exchange rate published by ČNB. 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 ČNB and the appropriate exchange rate difference is charged to profit or loss.

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

All derivatives are presented in Other investments.

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

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

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

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

#### **(d) Adjustments**

The Company creates adjustments to receivables and other assets except for investments reported at fair value. Adjustments represent a temporary decrease in value of individual assets. The amount of the decrease is determined on the basis 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. The analysis includes an ageing analysis of the receivables and assessment of the risk of non-payment of specific receivables.

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

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

At the balance sheet date the Company assesses whether those assets, which are not carried at fair value, are impaired.



Impairment of an asset is recognised in the income statement.

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

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

At the end of each financial year the Company carries out a liability adequacy test to determine whether the amount of the deferred acquisition costs is appropriate for non-life insurance, reps. by determining the provision for liabilities arising from the technical interest rate applied on life assurance.

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

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

#### **Life assurance (traditional products)**

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

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

Deferred acquisition costs in unit-linked assurance are determined using actuarial methods.

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

Accumulated debt arises in respect of unit-linked assurance contracts. This receivable due from the insured persons represents an aggregate of costs incurred by the Company in connection with unit-linked assurance contracts which have not been settled by the policyholders yet. A change of the accumulated debt from unit-linked assurance is charged to profit or loss.

At the end of the accounting period, the Company assesses the amount of the accumulated debt by determining the provision for liabilities arising from the applied technical interest rate. The life assurance provision is reduced by a respective share of outstanding acquisition costs as well as a respective share of intangible assets and also includes a reduction by accumulated debt. In 2016, impairment amounted to TCZK 24 895.

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

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

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

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

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

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

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

The life assurance provision is established based on the individual life assurance contracts. The life assurance provision is calculated using actuarial methods, including profit shares declared and allocated and a provision for expenses, related to the administration of contracts, after deducting the value of future premiums.

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

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

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

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

incurred but not reported till the end of period (IBNR).

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

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

The Company uses the Chain Ladder method based on the amount of claims paid or on the amount of incurred claims, as applicable. 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's accounting policies.

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

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

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

**(m) Provision for liabilities arising from the applied technical interest rate**

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

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

(e.g. accumulated debt). Where the minimum value of insurance liabilities exceeds the amount of life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets, the provision for liabilities arising from the applied technical interest rate and other calculation parameters established by the Company will amount to the difference between the minimum value of insurance liabilities and the life assurance provision reduced by the respective outstanding acquisition costs and by the respective intangible assets.

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

**(n) Provision for the liabilities of the Czech Insurers' Bureau**

This provision represents an additional motor third party liability ("MTPL") provision created by the Company to cover a proportion of the liabilities of the Czech Insurers' Bureau (the "Bureau") resulting mainly from a deficit of assets to cover the liabilities of the Bureau and to contribute to the Bureau's guarantee fund and it is created using information known as at the balance sheet date. The provision changes proportionally based upon the Company's share of the MTPL market and the estimated deficit of the Bureau. The Company's share of these outstanding claims will be determined according to its share of the market for this class of insurance at the time these claims are finally settled.

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

The life assurance technical provision where the investment risk is borne by the policyholders is intended to cover

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

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

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

**(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 for when the tax return is filed.

**Provision for employee benefits**

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

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

**(r) Gross premiums**

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

**(s) Claims paid**

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

Claims paid are recorded upon completion of the claim settlement process 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) Expenses and revenues from investments**

##### **Distribution of expenses and revenues from investments between life assurance and non-life insurance accounts**

Expenses and revenues 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.

##### **Expenses and revenues related to the disposal of investments**

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

#### **(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 assurance and non-life insurance**

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

##### **Expenses and revenues from investments**

Expenses and revenues from investments are allocated between life assurance and non-life insurance using the method stated in note I.4 (u).

##### **Other expenses and revenues**

During the accounting period clearly attributable expenses and revenues 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 ČNB 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 ČNB official rate on that date. Unless stated otherwise, foreign currency gains and losses are recorded in Company's income 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 (2c) and 21a of the Act on Accounting.

#### **I. 5. Change in accounting policies and procedures and corrections of prior year errors**

The Company adjusted the valuation of selected items from investments as at 1 January 2016 based on the amendments to legal regulations stated in note I.3. As the above mentioned amendment to legal regulations did not include any transitory provisions, the Company carried out all changes as follows in accordance with generally accepted accounting principles:

##### **Securities held to maturity**

All securities held to maturity have been valued at amortised cost since 2016

in accordance with note I.4.(b) and presented in C.III.2.b) Bonds and other fixed-income securities held to maturity in the Company's balance sheet. These securities include securities that were until 2015 revalued at fair value. The Company carried out a one-off derecognition of the revaluation difference recognised in A.IV. Other capital funds as at 31 December 2015 and it also derecognised the relevant amount from C.III.2.b) Other securities held to maturity.

##### **Investments in affiliated undertakings and participating interests**

Until the end of 2015, the Company was obliged to value participating interests at fair value. Effective from 2016, these items are valued in accordance with note I.4.(b). The Company carried out a one-off derecognition of the revaluation difference recognised in A.IV. Other capital funds as at 31 December 2015 and it also derecognised the relevant amount from C.II. Investments in affiliated undertakings and participating interests.

##### **Technical provisions**

As the Company has a sufficient experience with the motor third-party liability insurance product, it has adjusted the existing IBNR calculation model. The IBNR provision will be calculated separately for annuities and other claims (for groups according to financial limits) and further separately for individual portfolio groups (retail/fleets). The change was implemented retrospectively as at 1 January 2015.



The impact of all changes on the Company's financial statements is depicted in the table below. Changes arising from technical provisions were reflected directly in the Company's financial statements, as adjustments of comparable items as at 31 December 2015.

Effect of the change in the method			
1/1/2015	Original value	Change	New value
<b>Total assets</b>	<b>14 550 333</b>	<b>28 306</b>	<b>14 578 639</b>
E. II. Receivables arising from reinsurance operations	118 331	28 306	146 637
<b>Total liabilities</b>	<b>14 550 333</b>	<b>28 306</b>	<b>14 578 639</b>
A.VI. Profit or loss brought forward	761 821	34 219	796 041
C.3 a) Provision for outstanding claims - gross amount	4 724 764	-303 725	4 421 039
C.3 a) Provision for outstanding claims - reinsurance share	2 162 930	-289 785	1 873 145
Creditors	539 517	8 027	547 544

Effect of the change in the method			
31/12/2015	Original value	Change	New value
<b>Total assets</b>	<b>15 105 896</b>	<b>28 306</b>	<b>15 134 202</b>
E. II. Receivables arising from reinsurance operations	139 201	28 306	167 506
<b>Total liabilities</b>	<b>15 105 896</b>	<b>28 306</b>	<b>15 134 202</b>
A.VI. Profit or loss brought forward	1 001 003	34 219	1 035 222
C.3 a) Provision for outstanding claims - gross amount	5 176 373	-303 725	4 872 648
C.3 b) Provision for outstanding claims - reinsurance share	2 570 159	-289 785	2 280 374
G.V. Creditors	541 098	8 027	549 126

	31/12/2015	Adjustment	1/1/2016
<b>Total assets</b>	<b>15 134 202</b>	<b>-73 498</b>	<b>15 060 704</b>
C.III.2.b) Securities held to maturity	7 481 066	-96 970	7 384 096
C.II. Investments in affiliated undertakings and participating interests	278 833	23 474	302 307
<b>Total liabilities</b>	<b>15 134 202</b>	<b>-73 498</b>	<b>15 060 704</b>
G.V. Creditors	549 126	-6 973	542 153
- securities		-6 973	
A.IV. Other capital funds	66 525	-66 525	0
- securities		-89 998	
- participating interests		23 473	

## 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, currency risk, interest rate risk, liquidity risk, insurance risk, compliance risk, fiscal risk, regulation risk and solvency risk. The Company's policies and procedures in respect of managing these risks are set out below.

### (a) Strategy for the use of 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 following 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 structure of the investment portfolio is governed by the nature of insurance liabilities, the expected return on every individual group of assets, and the available capital used to reflect the price fluctuations of the individual groups of assets.

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

### (b) Market risk

The Company is exposed to market risk, which follows from trading positions in interest rates, currencies, equity instruments and real properties 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, credit spreads, foreign exchange rates and equity prices. The board of directors sets the strategy for the portfolio characteristics and the limits on the level of risk that may be accepted, monitored on a daily basis. The investment is invested 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.

The application of this approach cannot prevent losses going beyond these limits in the event of considerable market movements. As for unit-linked assurance assets, the market risk is borne exclusively by the policyholder.

### (c) Credit risk

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

Commercial and personal insurance is written primarily through intermediaries who are subject to rigorous annual checks of financial and other information, to mitigate the 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.

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

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

#### **(e) Interest rate risk**

The Company's financial position and cash flows are exposed to the risk of

effects of fluctuations in the prevailing levels of market interest rates. Income from investments may both grow and decrease as a result of these fluctuations. As a part of its investment strategy, the Company insulates itself from possible losses by preventing the rate of return on investments to drop below the level of the technical interest rate. Based on methods following from a cash flow analysis, the Company creates portfolios of securities whose value should ideally correspond to the value of liabilities, even when interest rates change.

#### **(f) Liquidity risk**

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

In compliance with the valid legislation, the Company maintains a sufficient portion of its financial placements in liquid and secure financial instruments, which are used to cover insurance settlements, payments from lapsed policies, and surrenders.

The Company monitors regularly, i.e. on monthly basis, the level of receivables from outstanding premiums and the credit rating of the issuers of the financial instruments held by the Company. The Company evaluates its cash flows on daily basis and performs analyses at regular weekly meetings. A sufficient amount of cash and liquid financial instruments are held to meet the cash requirements for insurance settlements, lapsed policies, and surrenders.

#### **(g) Insurance risk**

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

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

#### **The Company manages the insurance risk by:**

- mitigating the risk through reinsurance as regards the Company's exposure to the risk of individual large claims and catastrophes;
- using sophisticated management information systems that provide up to date, reliable data on the risks to which the Company is exposed at any point in time;
- applying a prudent underwriting policy.

The nature of the insurance business requires a number of assumptions to be made before preparing the financial statements, primarily assumptions regarding the expected return on investments, lapse rate, mortality and costs incurred in connection with existing insurance contracts.

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

#### **(h) Compliance risk, fiscal risk, and solvency risk**

Adherence to regulatory requirements is monitored by internal compliance officers. Their regular reports are submitted to the board of directors.

Compliance risk also includes the possibility that transactions may not be enforceable under the current legislation. In addition, it includes indemnifications and penalties and the possibility of legislative changes adversely affecting the Company's position. The Company seeks to minimise the compliance risk by ensuring that transactions are properly approved and by submitting new or unusual transactions to legal advisers for review.

Fiscal risks arise from changes in tax legislation and from application of procedures and performed reviews of the Company's tax position. These risks and risks associated with changes in other legislation and regulations are managed through the ongoing monitoring of the proposed changes to tax legislation by the relevant departments and through membership in professional chambers which can add their comments within the circulation procedure of a draft bill.

In relation to the Solvency II directive coming in force, the regulatory authority has set a solvency capital requirement in the interest of the policyholders in order to guarantee the Company's ability to cover future insurance settlements. The capital is the surplus of the value of insurer's assets over the value of its liabilities increased by the value of the common equity capital and the value of the subordinated liabilities where each calculation item is to be determined in compliance with the applicable rules. The capital must exceed the solvency capital requirement throughout the year.

## II. ADDITIONAL DISCLOSURES IN RESPECT OF THE BALANCE SHEET

### II. 1. Intangible fixed assets

Intangible fixed assets of the Company as at 31 December 2016 comprise the following items:

	Software	Other intangible fixed assets	Total
<b>Acquisition cost at 1/1/2016</b>	<b>270 716</b>	<b>19 629</b>	<b>290 345</b>
Additions	33 967	13 833	47 800
Disposals	5 544	2 105	7 649
<b>Acquisition cost at 31/12/2016</b>	<b>299 139</b>	<b>31 357</b>	<b>330 496</b>
Accumulated depreciation at 1/1/2016	221 580	0	221 580
Depreciation expense	18 618	0	18 618
Disposals	0	0	0
<b>Accumulated depreciation at 31/12/2016</b>	<b>240 198</b>	<b>0</b>	<b>240 198</b>
Net book value at 1/1/2016	49 136	19 629	68 765
<b>Net book value at 31/12/2016</b>	<b>58 941</b>	<b>31 357</b>	<b>90 298</b>

### II. 2. Investments

#### (a) Land and buildings

The amounts stated in this section comprise improvements to third-party property as at 31 December 2016 amounting to TCZK 6 025 (2015: TCZK 6 172).

#### (b) Participating interests

2016

Company name, registered office	Share of registered capital in %	Acquisition cost	Fair value	Total registered capital	Profit (loss) for the period	Total equity
<b>Participating interests with controlling influence</b>						
ČPP Servis, s.r.o., Prague	100	300	300	300	696	2 034
VIG ND, a.s., Prague *	11.71	302 006	278 386	2 391 000	32 895	2 377 217
AIS servis, Brno	30	51 405	51 405	7 400	18 663	44 489
VIG FUND, Prague *	0.35	14 856	15 250	3 734	166 785	4 117 570
<b>Total</b>		<b>368 567</b>	<b>345 341</b>	<b>2 402 434</b>	<b>219 039</b>	<b>6 541 310</b>

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

At the end of the year, the Company impaired the investment value to the fair value with regard to a decrease in the revenues following from a building held by VIG ND, a.s. which was reflected in a decrease in its fair value.

On 31 March 2016, the Company purchased a 30% participating interest in AIS servis from Business Insurance Application Consulting GmbH in relation to IT services provided by the company.

The above companies in which the Company's share in registered capital does not exceed 50% are considered parties controlled by concerted practises between other VIG companies.

The valuation of the participating interests in controlled entities was adjusted in accordance with the procedure described in note I.5 as at 1 January 2016.

2015

Company name, registered office	Share of registered capital in %	Acquisition cost	Fair value	Total registered capital	Profit (loss) for the period	Total equity
<b>Participating interests with controlling influence</b>						
ČPP Servis, s.r.o., Prague	100	300	300	300	216	1 062
VIG ND, a.s., Prague	10.48	302 006	283 344	2 671 000	58 812	2 702 904
<b>Total</b>		<b>302 306</b>	<b>283 644</b>	<b>2 671 300</b>	<b>59 028</b>	<b>2 703 966</b>

VIG ND, a.s. was incorporated as a result of transformation of V.I.G. ND, uzavřený investiční fond a.s. to a corporation without the status of an investment fund. The legal effects of the transformation came into effect on 1 January 2015.

### (c) Shares and other variable-yield securities

	Fair value		Acquisition cost	
	2016	2015	2016	2015
<b>Issued by financial institutions</b>				
- Listed on a recognised CR exchange	4 425	4 950	4 548	3 127
<b>Other</b>				
- Listed on a recognised CR exchange	43 539	40 799	41 104	39 622
- Listed elsewhere	256 395	268 317	237 190	269 318
- Unlisted	680 430	643 127	668 275	678 014
<b>Total</b>	<b>984 789</b>	<b>957 193</b>	<b>951 117</b>	<b>990 081</b>

### (d) Debt securities

Debt securities valued at fair value through profit and loss

	Fair value		Acquisition cost	
	2016	2015	2016	2015
<b>Issued by financial institutions</b>				
- Listed on a recognised CR exchange	373 518	268 350	373 074	268 129
- Listed elsewhere	671 975	641 088	660 505	632 924
- Unlisted	0	299 346	0	300 450
<b>Issued by government sector</b>				
- Listed on a recognised CR exchange	704 581	1 042 646	699 504	1 039 641
<b>Other</b>				
- Listed on a recognised CR exchange	166 319	79 864	164 381	79 021
- Listed elsewhere	199 489	82 171	194 424	79 540
<b>Total</b>	<b>2 115 882</b>	<b>2 413 465</b>	<b>2 091 888</b>	<b>2 399 705</b>

### Securities held to maturity

	Fair value		Amortised value		Acquisition cost	
	2016	2015	2016	2015	2016	2015
<b>Issued by financial institutions</b>						
- Listed on a recognised CR exchange	761 869	768 230	702 402	713 693	730 978	730 978
- Listed elsewhere	98 374	98 476	81 031	81 028	79 955	79 955
- Unlisted	94 039	97 486	90 955	91 753	96 665	96 665
<b>Issued by government sector</b>						
- Listed on a recognised CR exchange	7 083 940	7 425 107	5 978 742	6 299 913	5 884 092	6 302 094
<b>Other</b>						
- Listed on a recognised CR exchange	153 745	154 811	146 512	146 218	145 530	145 530
- Listed elsewhere	60 975	62 150	51 493	51 491	49 973	49 973
<b>Total securities held to maturity</b>	<b>8 252 942</b>	<b>8 606 260</b>	<b>7 051 135</b>	<b>7 384 096</b>	<b>6 987 193</b>	<b>7 405 195</b>

### (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 cost	
	2016	2015	2016	2015	2016	2015
Loans granted (controlled entities)	25 826	0	25 826	0	25 826	0
<b>Total</b>	<b>25 826</b>	<b>0</b>	<b>25 826</b>	<b>0</b>	<b>25 826</b>	<b>0</b>

### (f) Deposits with financial institutions

	Fair value		Acquisition cost	
	2016	2015	2016	2015
Deposits	0	368 002	0	368 002
<b>Total</b>	<b>0</b>	<b>368 002</b>	<b>0</b>	<b>368 002</b>

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

Description	Fair value	
	2016	2015
Shares and other variable-yield securities	1 496 932	1 262 581
<b>Total</b>	<b>1 496 932</b>	<b>1 262 581</b>

**(h) Other investments - derivatives**

Derivatives intended for trading

Fixed term contracts	Nominal value		Fair value	
	2016	2015	2016	2015
Term currency transactions	417 065	423 417	-830	1 590
<b>Total</b>	<b>417 065</b>	<b>423 417</b>	<b>-830</b>	<b>1 590</b>

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 income 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) Currency structure of the investments**

2016	Variable-yield securities	Debt securities	Deposits and other investments	Life assurance investments where the investment risk is borne by the policyholders	Total
CZK	497 365	8 937 835	310 530	1 267 083	11 078 245
EUR	256 594	229 182	65 692	229 849	715 625
USD	22 633	0	-260	0	22 633
GBP	208 197	0	0	0	208 197
<b>Total</b>	<b>984 789</b>	<b>9 167 017</b>	<b>375 962</b>	<b>1 496 932</b>	<b>12 024 700</b>

2015	Variable-yield securities	Debt securities	Deposits and other investments	Life assurance investments where the investment risk is borne by the policyholders	Total
CZK	473 074	9 675 154	653 007	1 051 793	11 854 618
EUR	232 729	219 377	-359	210 788	662 894
USD	230 639	0	1 949	0	230 639
GBP	20 751	0	0	0	20 751
<b>Total</b>	<b>957 193</b>	<b>9 894 531</b>	<b>654 597</b>	<b>1 262 581</b>	<b>12 768 902</b>

**II. 3. Receivables and payables**

**(a) Receivables**

31 December 2016	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	146 079	18 500	123 836	25 551	313 966
Overdue	430 112	136 964	83 999	26 708	677 783
<b>Total</b>	<b>576 191</b>	<b>155 464</b>	<b>207 835</b>	<b>52 259</b>	<b>991 749</b>
Adjustment	135 364	136 123	0	797	272 284
<b>Total net</b>	<b>440 827</b>	<b>19 341</b>	<b>207 835</b>	<b>51 462</b>	<b>719 465</b>

31 December 2015	Receivables from policyholders	Receivables from insurance intermediaries	Receivables from reinsurance operations	Other receivables	Total
Due	144 023	10 170	130 667	46 055	330 915
Overdue	404 341	189 172	36 839	23 981	654 333
<b>Total</b>	<b>548 364</b>	<b>199 342</b>	<b>167 506</b>	<b>70 036</b>	<b>985 248</b>
Adjustment	145 462	186 890	0	2 198	334 550
<b>Total net</b>	<b>402 902</b>	<b>12 452</b>	<b>167 506</b>	<b>67 838</b>	<b>650 698</b>

#### (b) Other receivables

	2016		2015	
	Gross amount	Adjustments	Gross amount	Adjustments
Securities purchase prepayments	0	0	674	0
Other prepayments	19 027	0	18 246	0
Deferred tax asset	22 246	0	18 633	0
Loans to employees	1 129	0	11 443	0
Income tax prepayments	0	0	9 367	0
Czech Nuclear Pool	3 747	0	4 259	0
Other receivables	6 110	797	7 414	2 198
<b>Total</b>	<b>52 259</b>	<b>797</b>	<b>70 036</b>	<b>2 198</b>

In 2016, corporate income tax prepayments were recognised together with corporate income tax liabilities in Income tax provision.

#### (c) Payables

31 December 2016	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	131 469	111 362	362 750	192 416	833 372
Overdue	0	3 362	35 375	5 912	9 274
<b>Total</b>	<b>131 469</b>	<b>114 724</b>	<b>398 125</b>	<b>198 328</b>	<b>842 646</b>

31 December 2015	Payables to policyholders	Payables to insurance intermediaries	Payables from reinsurance operations	Other payables	Total
Due	150 716	103 296	97 831	185 698	544 689
Overdue	0	4 437	7 148	0	4 437
<b>Total</b>	<b>150 716</b>	<b>107 733</b>	<b>104 979</b>	<b>185 698</b>	<b>549 126</b>

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

The Company has a net payable to reinsurers excluding reinsurance deposits of TCZK 190 290 (2015: a net receivable of TCZK 62 527).

#### II. 4. Inter-company receivables and payables

	2016	2015
<b>Receivables</b>		
Receivables from reinsurance operations	2 680 659	2 614 385
Other receivables	50 421	15 205
<b>Total receivables</b>	<b>2 731 080</b>	<b>2 629 590</b>
<b>Payables</b>		
Payables from reinsurance operations	2 449 445	2 204 001
Other payables	273 067	183 227
<b>Total payables</b>	<b>2 722 512</b>	<b>2 387 228</b>

Receivables from reinsurance operations include reinsurance assets of TCZK 2 550 616 (2015: TCZK 2 506 761). Payables from reinsurance operations include a reinsurance deposit of TCZK 2 083 316 (2015: TCZK 2 095 518 ).

## II. 5. Tangible fixed assets and inventories

	Total
<b>Acquisition cost at 1/1/2016</b>	<b>129 028</b>
Additions	21 150
Disposals	15 485
<b>Acquisition cost at 31/12/2016</b>	<b>134 693</b>
Accumulated depreciation at 1/1/2016	92 570
Depreciation expense	17 249
Disposals	13 511
<b>Accumulated depreciation at 31/12/2016</b>	<b>96 308</b>
Net book value at 1/1/2016	36 458
<b>Net book value at 31/12/2016</b>	<b>38 385</b>

## II. 6. Temporary asset or liability accounts

### (a) Other temporary asset accounts

	2016	2015
Accumulated debt	390 025	217 582
Estimated premiums	67 786	15 035
Estimated receivables arising from reinsurance operations	724	10 031
Prepaid services	28 031	32 348
Other	0	4 257
<b>Total</b>	<b>486 566</b>	<b>279 253</b>

### 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

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

## (b) Estimated payables

	2016	2015
Estimated payables arising from reinsurance operations	44 534	38 547
Accrued commission	86 688	96 661
Services not invoiced	123 140	65 780
Accruals in respect of untaken holidays	66 372	51 864
Other estimated payables	17 255	16 111
<b>Total</b>	<b>337 989</b>	<b>268 963</b>

### 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.

### Services not invoiced

The Company discloses under Services not invoiced 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 2016, 100 %, i.e. TCZK 1 000 000 (2015: TCZK 1 000 000) of the registered capital was paid up.

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

### (a) Other capital funds

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

	2016	2015
Derecognition of change in fair value of investments due to a change in legislation described in note I.5	-73 498	0
Derecognition of deferred tax on revaluation of investments due to a change in legislation described in note I.5	6 973	0
<b>Balance as at 1/1</b>	<b>66 525</b>	<b>103 750</b>
Change in fair value of investments	0	-39 113
Change in deferred tax	0	1 888
<b>Balance at 31/12</b>	<b>0</b>	<b>66 525</b>

### (b) Proposed distribution of current period profit

<b>Profit from the current period</b>	<b>440 636</b>
Transfer to social fund	10 650
Payment of profit shares	356 200
<b>Profit to be added to retained earnings</b>	<b>73 786</b>

Proposed distribution of profit is subject to the approval of the general meeting.

## II. 8. Technical provisions

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

	2016	2015
Non-life insurance	1 962 589	1 745 010
Life assurance	8 417	9 296
<b>Total</b>	<b>1 971 006</b>	<b>1 754 306</b>

### (b) Provision for outstanding claims

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

	2016	2015
RBNS	3 761 457	3 560 792
IBNR	1 363 066	1 311 856
<b>Total</b>	<b>5 124 523</b>	<b>4 872 648</b>

In 2016, the Company adjusted the existing IBNR calculation model in accordance with the procedure described in note I.5. The change was implemented retrospectively as at 1 January 2015.

### Claims run-off result

The claims run-off result is the difference between the provision for outstanding claims as at 31 December 2015, the claims payments during 2016 (with respect to claims included within this provision) and the residual amount of this provision as at 31 December 2016.

The gross run-off result is as follows:

Class of insurance	2016	2015
Motor insurance	-22 543	-11 746
Motor third-party liability insurance	170 161	333 800
Insurance against fire and other damage to property	40 141	-54 801
Liability insurance	53 925	11 452
Accident and sickness insurance	-1 297	2 637
Life assurance	6 743	-7 383
Travel insurance	-480	4 767
Other	3 494	3 384
<b>Total</b>	<b>250 144</b>	<b>282 110</b>



### Provision for outstanding claims paid 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 944 806 (2015: TCZK 978 820).

The Company used a wage valorisation rate and a disability pension valorisation rate according to the Bureau methodology as at 6 May 2016 (breaking point method) to calculate the provision for outstanding claims paid in the form of annuities in respect of liability insurance/statutory motor third party liability insurance for the subsequent years. The provision was further discounted at 1%.

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

Class of insurance	2016	2015
Non-life insurance	28 901	26 489
Life assurance	192 777	117 726
<b>Total</b>	<b>221 678</b>	<b>144 215</b>

#### (d) Other technical provisions

	Opening balance	Additions	Utilisation	Closing balance
Non-life insurance provision	570	0	195	375
Provision for liabilities of the Bureau	377 298	0	89 792	287 506
<b>Total</b>	<b>377 868</b>	<b>0</b>	<b>89 986</b>	<b>287 881</b>

## II. 9. Provisions

Type of provision	Opening balance	Additions	Utilisation	Closing balance
Provision for taxes	0	2 488	0	2 488
Provision for employee benefits	41 560	24 080	42 215	23 425
Provision for litigations	20	0	20	0
<b>Total</b>	<b>41 580</b>	<b>2 488</b>	<b>18 155</b>	<b>25 913</b>

The provision for taxes was reduced by income tax prepayments.

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

### III. 1. Non-life insurance

Non-life insurance for 2016 and 2015 divided by classes of insurance:

		Gross premiums written	Gross premiums earned	Gross claims paid	Gross operating expenses	Reinsurance balance
<b>Direct insurance</b>						
Travel insurance						
	2016	18 337	17 248	21 841	15 546	9 097
	2015	18 594	18 457	17 446	11 994	-232
Accident and sickness insurance						
	2016	52 786	52 742	9 915	12 205	- 7 225
	2015	54 378	53 726	6 265	12 015	-12 184
Motor third-party liability insurance						
	2016	2 807 530	2 767 627	1 892 013	812 765	2 697
	2015	2 757 040	2 716 379	1 884 968	789 243	176 058
Property insurance						
	2016	966 306	907 414	355 989	294 000	-180 455
	2015	848 251	824 988	466 900	271 474	-61 087
Liability insurance						
	2016	521 996	461 734	273 975	156 338	-13 911
	2015	423 888	420 211	265 847	137 593	-14 120
Motor casco insurance						
	2016	1 534 610	1 474 426	1 093 839	435 189	21 014
	2015	1 410 338	1 332 240	960 367	370 205	-8 121
Czech Nuclear Pool						
	2016	25 428	24 462	-191	3 120	-7 318
	2015	21 244	20 907	245	2 555	-6 530
<b>Active facultative reinsurance</b>						
	2016	414 034	417 795	245 131	176 491	893
	2015	363 409	358 050	218 999	162 441	27 427
<b>Total</b>						
	<b>2016</b>	<b>6 341 027</b>	<b>6 123 448</b>	<b>3 892 512</b>	<b>1 905 654</b>	<b>-175 208</b>
	<b>2015</b>	<b>5 897 142</b>	<b>5 744 958</b>	<b>3 821 037</b>	<b>1 757 520</b>	<b>101 211</b>



### III. 2. Life assurance

Gross premiums written in life assurance:

	2016	2015
Individual premium	1 847 092	2 287 487
<b>Total</b>	<b>1 847 092</b>	<b>2 287 487</b>
Regular premium	1 641 241	1 418 050
Single premium	205 851	869 437
<b>Total</b>	<b>1 847 092</b>	<b>2 287 487</b>
Premiums from contracts without bonuses	323 971	601 487
Premiums from contracts with bonuses	85 828	495 627
Premiums from contracts where the investment risk is borne by policyholders	1 437 293	1 190 373
<b>Total</b>	<b>1 847 092</b>	<b>2 287 487</b>
<b>Reinsurance balance (- expense/+ revenue)</b>	<b>- 5 354</b>	<b>- 2 498</b>

### III. 3. Total amount of gross premiums written by country

All contracts were 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:

	2016	2015
<b>Gross amount</b>		
Non-life insurance	26 604	18 859
<b>Total gross amount</b>	<b>26 604</b>	<b>18 859</b>
Reinsurers' share	0	0
<b>Total net</b>	<b>26 604</b>	<b>18 859</b>

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

2016	Gross amount	Reinsurance share	Net
<b>Non-life insurance</b>			
Creation	29 018	13 867	15 151
Release	26 605	13 162	13 443
<i>Change of balance</i>	<i>2 413</i>	<i>705</i>	<i>1 708</i>
<b>Life assurance</b>			
Creation	192 777	0	192 777
Release	117 727	0	117 727
<i>Change of balance</i>	<i>75 050</i>	<i>0</i>	<i>75 050</i>
<b>Total change of balance</b>	<b>77 463</b>	<b>705</b>	<b>76 758</b>

2015	Gross amount	Reinsurance share	Net
<b>Non-life insurance</b>			
Creation	29 530	13 162	16 368
Release	18 859	6 374	12 485
<i>Change of balance</i>	<i>10 671</i>	<i>6 788</i>	<i>3 883</i>
<b>Life assurance</b>			
Creation	117 726	0	117 726
Release	68 851	0	68 851
<i>Change of balance</i>	<i>48 875</i>	<i>0</i>	<i>48 875</i>
<b>Total change of balance</b>	<b>59 546</b>	<b>6 788</b>	<b>52 758</b>

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

	2016			2015		
	Non-life insurance	Life assurance	Total	Non-life insurance	Life assurance	Total
Commissions	1 078 160	933 975	2 012 135	1 011 047	552 131	1 563 178
Other acquisition costs	613 027	152 777	765 804	545 490	138 850	684 340
Change in deferred acquisition costs	-46 136	-355 531	-401 667	-53 303	-49 225	-102 528
<b>Total commissions and other acquisition costs</b>	<b>1 645 051</b>	<b>731 221</b>	<b>2 376 272</b>	<b>1 503 234</b>	<b>641 756</b>	<b>2 144 990</b>

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

### (a) Administrative expenses

	2016	2015
Personnel expenses (payroll, social and health insurance)	204 537	216 899
IT expenses	172 224	117 818
Expenses related to the operation of buildings	39 295	39 369
Communications	18 998	19 135
Other services	19 974	20 569
Company car expenses	6 976	5 775
Material consumption	1 293	1 438
Insurance	2 148	1 969
Banking fees	4 197	4 584
Advisory	15 640	13 460
Representation expenses and presents	6 969	6 033
Depreciation of assets	156	240
Education	6 386	5 693
Travel expenses	2 487	1 630
Other financial expenses	1 053	3 297
Outsourcing	112 818	107 477
Other administrative expenses	18 090	5 581
<b>Total administrative expenses before reallocation</b>	<b>633 241</b>	<b>570 967</b>
Reallocation to acquisition costs	-115 915	-95 653
Reallocation to claims handling costs	-139 476	-126 649
Reallocation to costs on investments	-41 351	-28 467
<b>Total reallocation</b>	<b>-296 742</b>	<b>-250 769</b>
<b>Total administrative expenses</b>	<b>336 499</b>	<b>320 198</b>

Information about fees payable to statutory auditors are provided in the Notes to the consolidated financial statements of the parent company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe.

## (b) Other technical expenses and income

	2016	2015
<b>Non-life insurance</b>		
Other technical expenses	228 385	231 217
Other technical income	-173 714	-131 065
<b>Balance - non-life insurance (+ expense/- revenue)</b>	<b>54 671</b>	<b>100 152</b>
<b>Life assurance</b>		
Other technical expenses	79 889	92 335
Other technical income	-251 231	-184 107
<b>Balance - life assurance (+ expense/- revenue)</b>	<b>-171 342</b>	<b>-91 772</b>

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:

	2016	2015
Creation (+)/Release (-) of adjustments for receivables	-12 572	-6 211
Write-offs (+)/Payments after write-offs (-) to receivables	38 613	36 159
Foreign exchanges losses (+)/gains (-)	- 3 241	-2 907
Contribution to the loss prevention fund	84 381	82 950
Delegated insurance events	-11 977	-4 993
Other	-40 533	-4 846
<b>Balance of other expenses and income</b>	<b>54 671</b>	<b>100 152</b>

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

	2016	2015
Creation (+)/Release (-) of adjustments for receivables	-48 293	-58 583
Write-offs (+)/Payments after write-offs (-) to receivables	60 325	67 431
Accumulated debt	-172 443	-98 552
Foreign exchanges losses (+)/gains (-)	-3 951	-3 344
Other	-6 980	1 276
<b>Balance of other expenses and income</b>	<b>-171 342</b>	<b>-91 772</b>

## (c) Employees and management

The average number of employees and executives and remuneration for 2016 and 2015 are as follows:

2016	Average number of employees	Payroll expenses	Social and health insurance	of which other personnel expenses
Employees	761	324 256	95 960	21 791
Executives	74	108 665	31 696	7 303
<b>Total</b>	<b>835</b>	<b>432 921</b>	<b>127 656</b>	<b>29 094</b>

2015	Average number of employees	Payroll expenses	Social and health insurance	of which other personnel expenses
Employees	750	315 103	92 886	21 392
Executives	75	97 148	26 805	6 595
<b>Total</b>	<b>825</b>	<b>412 251</b>	<b>119 691</b>	<b>27 987</b>

TCZK 204 537 (2015: TCZK 216 899) of the total payroll, social security and health insurance expenses represents administrative expenses before reallocation and TCZK 356 040 (2015: TCZK 315 042) accounts for expenses incurred to acquire insurance contracts.

## (d) Social security and health insurance liabilities

Social security and health insurance liabilities total TCZK 13 787 (2015: TCZK 13 247), of which TCZK 9 154 (2015: TCZK 8 763) relates to social security and TCZK 4 633 (2015: TCZK 4 484) to health insurance. None of these liabilities are overdue.

## (e) Tax liabilities and subsidies

Tax liabilities total TCZK 5 009 (2015: a liability of TCZK 21 372), of which a deferred tax liability is TCZK 0 (2015: TCZK 6 973).

#### (f) Statutory, Executive and Supervisory Board members' remuneration

The Company recognised the following monetary and non-monetary remuneration to the statutory, executive and supervisory board members for the financial years 2016 and 2015:

	2016	2015
Members of the Board of Directors	21 084	22 006
Members of the Supervisory Board	1 340	1 395
<b>Total remuneration</b>	<b>22 424</b>	<b>23 401</b>

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

The Company presented no receivables from members of the Board of Directors or the Supervisory Board relating to granted loans or advances paid, either in 2016 or in 2015.

#### (h) Expense allocation between technical accounts and non-technical account

As at the balance sheet date, the total amount of expenses allocated between the technical accounts for life assurance, non-life insurance and the non-technical account by means of the method stated in note I.4.(w) amounted to TCZK 146 025 (2015: TCZK 145 597).

#### (i) Result of non-technical account

The result of the non-technical account before tax as at 31 December 2016 amounted to TCZK 2 762 (2015: a loss of TCZK 28 182).

#### (j) Result before tax

The profit before tax as at 31 December 2016 amounted to TCZK 542 586 (2015: TCZK 494 192).

### III. 6. Taxation

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

	2016	2015
Current period income tax	113 931	98 312
Current income tax relating to prior periods	-342	-2 055
Change in deferred tax asset/Change in deferred tax liability	-3 613	-3 990
Current tax expense – change in IBNR method	-8 026	0
<b>Income tax in the income statement</b>	<b>101 950</b>	<b>92 267</b>

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

Deferred tax assets and liabilities are as follows:

Temporary differences	Assets		Liabilities		Net	
	2016	2015	2016	2015	2016	2015
Fixed assets	0	0	-5 414	-4 083	-5 414	-4 083
Receivables	10 599	4 966	0	0	10 599	4 966
Provisions	17 061	17 750	0	0	17 061	17 750
<b>Total temporary differences recorded in the income statement</b>	<b>27 660</b>	<b>22 716</b>	<b>-5 414</b>	<b>-4 083</b>	<b>22 246</b>	<b>18 633</b>
Revaluation of assets and liabilities	0	0	0	-6 973	0	-6 973
<b>Deferred tax asset/(liability)</b>	<b>27 660</b>	<b>22 716</b>	<b>-5 414</b>	<b>-11 056</b>	<b>22 246</b>	<b>11 660</b>

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

## 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 Bureau of Insurers (the Bureau)

As a member of the Bureau, the Company is obliged to guarantee the liabilities of the Bureau pursuant to the Act on Motor Third Party Liability Insurance. The Company contributes to the guarantee fund and creates other technical provisions. The amount of the Company's contributions and other technical provision is determined based on the Bureau's calculation.

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

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

As a member of the Czech Nuclear Pool, the Company, under a "Joint and Several Liability" agreement, has assumed a liability, in proportion to the Company's net retention for the given 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.

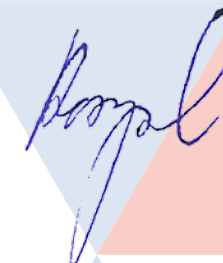
### IV. 2. Subsequent events

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

Prague, on 21 March 2017



Ing. Jaroslav Besperát  
Chairman of the board of directors



Ing. Vít Rozsypal  
Member of the board of directors

## REPORT OF THE BOARD OF DIRECTORS ON RELATIONS BETWEEN RELATED PARTIES UNDER SECTION 82 OF THE ACT NO. 90/2012, COLL. ON BUSINESS CORPORATIONS

### SECTION I

#### ENTITIES INCLUDED IN THE GROUP

##### 1. Controlled entity

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

with its registered office at Pobřežní 665/23, 186 00 Praha 8

Identification number: 63998530

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

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

##### 2. Controlling Entity

###### **Kooperativa pojišťovna, a.s., Vienna Insurance Group**

with its registered office at Pobřežní 665/21, 186 00 Praha 8

Identification number: 47116617

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

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

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

### 3. Related parties

A list of subsidiaries of VIG AG constitutes an annex hereto.

### SECTION II

#### RELATIONS BETWEEN GROUP ENTITIES

##### 1. Manner and means of controlling

Kooperativa owns ČPP's shares in an aggregate nominal value of 100% of its registered capital and consequently it controls ČPP primarily through decision-making at the general meeting.

##### 2. Structure of relations

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

### SECTION III

#### RELEVANT PERIOD

This Report has been prepared for the past accounting period, i.e. for the period between 1 January 2016 and 31 December 2016.

### SECTION IV

#### CONTRACTS AND AGREEMENTS IN FORCE BETWEEN GROUP ENTITIES IN 2016

1. Contracts and agreements which were in force between the controlling entities (Kooperativa, VIG AG) and the controlled entity ČPP in 2016

- Insurance contract for motor casco insurance and motor third-party liability insurance concluded between ČPP and Kooperativa
- Insurance contract for business interruption insurance concluded between ČPP and Kooperativa
- Insurance contracts for property and liability insurance concluded between ČPP and Kooperativa
- Contracts for provision of reinsurance coverage in respect of property and liability insurance concluded between ČPP and Kooperativa
- Contracts for lease and sublease concluded between ČPP and Kooperativa
- Mandate contract for an insurance agent concluded between ČPP and Kooperativa
- Contract for business representation concluded between ČPP and Kooperativa
- Contract for comprehensive motor vehicle insurance - LH product - concluded between ČPP and Kooperativa
- Contract No. 4116-9930001756/01-2014-ACS for exclusive business representation concluded between ČPP and Kooperativa
- Contract for inter-company cooperation concluded between ČPP and Kooperativa
- Contract for the right to use and other matters regarding the SAP software concluded between ČPP and Kooperativa
- Framework contracts for a marketing survey concluded between ČPP and Kooperativa
- Contract for making available "DATA FROM REGISTER OF TERRITORIAL IDENTIFICATION, ADDRESSES AND REAL ESTATE" concluded between ČPP and Kooperativa
- Contract for cost sharing concluded between ČPP and Kooperativa
- Contract for transportation of a thing concluded between ČPP and Kooperativa
- Partial agreement for Supply of a centralised supervision system concluded between ČPP and Kooperativa
- Contract for supply of hardware, software and services concluded between ČPP and Kooperativa
- Contract No. 4600-9930001756/03-2015-MP for extraordinary commission for financial products of Česká spořitelna, a.s. concluded between ČPP and Kooperativa
- a proportional quota reinsurance contract on MTPL insurance coverage concluded between ČPP and VIG AG.
- an accidental proportional quota reinsurance contract concluded between ČPP and VIG AG.

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

2. Contracts and agreements which were in force between ČPP and the other controlled entities from the VIG group in 2016
  - Contract for property and liability insurance concluded between ČPP and Global Expert, s.r.o., ("Global Expert")
  - Contract for property and liability insurance concluded between ČPP and ČPP Servis, s.r.o. ("ČPP Servis")

- Insurance contract for liability insurance for damage caused by members of the bodies of corporations concluded ČPP and ČPP Servis
- Insurance contract for liability insurance concluded between ČPP and Obecně prospěšná společnost Kooperativy
- Insurance contract for property and liability insurance concluded between ČPP and VIG ND, a.s.
- Contract for maintenance concluded between ČPP and AIS Servis, s.r.o.
- Contract for sublease concluded between ČPP and ČPP Servis
- Contracts for business representation concluded between ČPP and ČPP Servis
- Contract for financial products of FSČS concluded between ČPP and ČPP Servis
- Contract for cost sharing concluded between ČPP and ČPP Servis
- Contract for professional liability concluded between ČPP and ČPP Servis
- Contract for data and personal data protection concluded between ČPP and ČPP Servis
- Contract for data and personal data protection concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for cooperation in terms of health care assistance services concluded between ČPP and GLOBAL ASSISTANCE a.s.
- Contract for business representation concluded between ČPP and Global Expert
- Contract for outsourcing concluded between ČPP and Global Expert
- Contract for sublease concluded between ČPP and Global Expert
- General cooperation contract concluded between ČPP and Global Expert
- Reinsurance contracts concluded between ČPP and VIG RE zajišťovna, a.s.
- Reinsurance contract concluded between ČPP and WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group

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

## SECTION V

### OTHER LEGAL ACTS OR MEASURES ADOPTED OR REALISED IN THE INTEREST OR AT THE INITIATIVE OF RELATED PARTIES

In 2016, no legal acts or other measures were performed in the interest or at the initiative of the related parties, except for payment of ordinary dividend to the shareholder.



## SECTION VI

### CONFIDENTIALITY

1. Information and facts that form a part of the trade secret of ČPP, Kooperativa and other related parties as well as any information indicated as confidential by any group entity shall be deemed confidential within the Group. Furthermore, these comprise any business information that may, separately or combined with other information or facts, cause a detriment to any of the group entities.
2. In order to prevent any detriments to be incurred by the controlled entity in respect of paragraph 1 of this section, this report of the statutory body does not include the financial information on services provided and offsets received from contracts and agreements entered into.

## SECTION VII

### ASSESSMENT OF RELATIONS AND RISKS WITHIN THE VIG GROUP

The VIG group is one of the strongest insurance and reinsurance groups in the European market. As a result, ČPP has access to a know-how relating among others to Solvency II, audit, compliance and information technologies. We can say that ČPP has mainly advantages from the relations within the VIG group.

## SECTION VIII

### CONCLUSION

1. This report has been prepared by the Board of Directors of the controlled entity, Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, 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.

Prague, 21 March 2017

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



Ing. Jaroslav Besperát  
Chairman of the Board of Directors



Ing. Vít Rozsypal  
Member of the Board of Directors



## ANNEX TO THE REPORT OF THE BOARD OF DIRECTORS ON RELATIONS BETWEEN RELATED PARTIES

Business name	Country	Present capital share in %
<b>Consolidated Companies</b>		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" JOINT STOCK COMPANY, Sofia	Bulgaria	100,00
"Baltikums Vienna Insurance Group" AAS, Riga	Latvia	100,00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H., Vienna	Austria	100,00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	99,43
"Schwarzatal" Gemeinnützige Wohnungs- und Siedlungsanlagen-GmbH, Vienna	Austria	100,00
"WIENER RE" akcionarsko društvo za reosiguranje, Belgrade	Serbia	100,00
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H., Innsbruck	Austria	94,84
Anděl Investment Praha s.r.o., Prague	Czech Republic	100,00
Anif-Residenz GmbH & Co KG, Anif	Austria	100,00
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H., Vienna	Austria	100,00
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A., Bucharest	Romania	99,65
ATBIH N.V., Amsterdam	Netherlands	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A., Bucharest	Romania	93,98
Blizzard Real Sp. z o.o., Warsaw	Poland	100,00
BML Versicherungsmakler GmbH, Vienna	Austria	100,00
BTA Baltic Insurance Company AAS, Riga	Latvia	90,00
Bulgarski Imoti Asistans EOOD, Sofia	Bulgaria	100,00
Business Insurance Application Consulting GmbH, Vienna	Austria	100,00
Businesspark Brunn Entwicklungs GmbH, Vienna	Austria	100,00
CAL ICAL "Globus", Kiev	Ukraine	100,00
CAPITOL, akciová spoločnosť, Bratislava	Slovakia	100,00
CENTER Hotelbetriebs GmbH, Vienna	Austria	80,00

Business name	Country	Present capital share in %
Central Point Insurance IT-Solutions GmbH, Vienna	Austria	100,00
Česká podnikatelská pojišťovna, a.s., Vienna Insurance Group, Prague	Czech Republic	100,00
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni, Kishinev	Moldova	99,99
COMPENSA Holding GmbH, Wiesbaden	Germany	100,00
Compensa Life Vienna Insurance Group SE, Tallinn	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group, Warsaw	Poland	100,00
Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group, Warsaw	Poland	99,94
Compensa Towarzystwo Ubezpieczen S.A. Vienna Insurance Group, Vilnius	Lithuania	100,00
DBLV Immobesitz GmbH & Co KG, Vienna	Austria	100,00
DBLV Immobesitz GmbH, Vienna	Austria	100,00
DBR-Liegenschaften GmbH & Co KG, Stuttgart	Germany	100,00
DBR-Liegenschaften Verwaltungs GmbH, Stuttgart	Germany	100,00
Deutschmeisterplatz 2 Objektverwaltung GmbH, Vienna	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH, Vienna	Austria	100,00
DONAU Versicherung AG Vienna Insurance Group, Vienna	Austria	99,24
DVIB GmbH, Vienna	Austria	100,00
ELVP Beteiligungen GmbH, Vienna	Austria	100,00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H., Vienna	Austria	99,77
Erste osiguranje Vienna Insurance Group d.d., Zagreb	Croatia	95,00
ERSTE Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	95,00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft, Leonding	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH, Kapfenberg	Austria	99,92
Gesundheitspark Wien -Oberlaa Gesellschaft m.b.H., Vienna	Austria	100,00
IM31 Floridsdorf am Spitz GmbH, Salzburg	Austria	100,00
Insurance Company Nova Ins EAD, Sofia	Bulgaria	100,00
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP", Sofia	Bulgaria	99,38
International Insurance Company "IRAO" LTD, Tbilisi	Georgia	100,00
InterRisk Lebensversicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
InterRisk Towarzystwo Ubezpieczeń S.A. Vienna Insurance Group, Warsaw	Poland	99,98

Business name	Country	Present capital share in %
InterRisk Versicherungs-AG Vienna Insurance Group, Wiesbaden	Germany	100,00
INTERSIG VIENNA INSURANCE GROUP Sh.A., Tirana	Albania	89,98
Joint Stock Company for Insurance and Reinsurance Makedonija Skopje - Vienna Insurance Group, Skopje	Macedonia	94,26
Joint Stock Company Insurance Company GPI Holding, Tbilisi	Georgia	90,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group, Skopje	Macedonia	100,00
Kaiserstraße 113 GmbH, Vienna	Austria	100,00
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H., Budapest	Hungary	100,00
KAPITOL pojišť'ovací a finanční poradenství, a.s., Brno	Czech Republic	100,00
KOMUNÁLNA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slovakia	100,00
KOOPERATIVA poisťovna, a.s. Vienna Insurance Group, Bratislava	Slovakia	100,00
Kooperativa pojišť'ovna, a.s., Vienna Insurance Group, Prague	Czech Republic	98,39
Limited Liability Company "UIG Consulting", Kiev	Ukraine	100,00
LVP Holding GmbH, Vienna	Austria	100,00
MAP Bürodienstleistung Gesellschaft m.b.H., Vienna	Austria	100,00
MH 54 Immobilienanlage GmbH, Vienna	Austria	100,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs- und SiedlungsgesmbH, Linz	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H., Vienna	Austria	61,00
OMNIASIG VIENNA INSURANCE GROUP S.A., Bucharest	Romania	99,50
Palais Hansen Immobilienentwicklung GmbH, Vienna	Austria	56,55
Passat Real Sp. z o.o., Warsaw	Poland	100,00
Pension Insurance Company Doverie AD, Sofia	Bulgaria	92,58
PFG Holding GmbH, Vienna	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Vienna	Austria	92,88
Poisťovna Slovenskej sporiteľne, a.s. Vienna Insurance Group, Bratislava	Slovakia	95,00
Pojišť'ovna České spořitelny, a.s., Vienna Insurance Group, Pardubice	Czech Republic	95,00
Private Joint-Stock Company "Insurance company" Ukrainian insurance group", Kiev	Ukraine	100,00
Private Joint-Stock Company "JUPITER LIFE INSURANCE VIENNA INSURANCE GROUP", Kiev	Ukraine	97,80

Business name	Country	Present capital share in %
PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIAZHA VIENNA INSURANCE GROUP", Kiev	Ukraine	99,99
PROGRESS Beteiligungsges.m.b.H., Vienna	Austria	60,00
Projektbau GesmbH, Vienna	Austria	100,00
Projektbau Holding GmbH, Vienna	Austria	90,00
Rathstraße 8 Liegenschaftsverwertungs GmbH, Vienna	Austria	100,00
Ray Sigorta Anonim Sirketi, Istanbul	Turkey	94,96
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH, Vienna	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG, Vienna	Austria	100,00
SECURIA majetkovosprávna a podielová s.r.o., Bratislava	Slovakia	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH, Innsbruck	Austria	66,70
Sigma InterAlbanian Vienna Insurance Group Sh.a, Tirana	Albania	89,05
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft, Vienna	Austria	54,17
Sparkassen Versicherung AG Vienna Insurance Group, Vienna	Austria	95,00
SVZ GmbH, Vienna	Austria	100,00
SVZI GmbH, Vienna	Austria	100,00
T 125 GmbH, Vienna	Austria	100,00
TBI BULGARIA EAD, Sofia	Bulgaria	100,00
UNION Vienna Insurance Group Biztosító Zrt., Budapest	Hungary	100,00
Untere Donaulände 40 GmbH & Co KG, Vienna	Austria	100,00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H., Vienna	Austria	51,46
V.I.G. ND, Prague	Czech Republic	100,00
Vienibas Gatve Investments OÜ, Tallinn	Estonia	100,00
Vienibas Gatve Properties SIA, Riga	Latvia	100,00
Vienna Life Vienna Insurance Group Biztosító Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group, Bendorf	Liechtenstein	100,00
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group, Warsaw	Poland	100,00

Business name	Country	Present capital share in %
VIG FUND uzavřený investiční fond, a.s., Praha (group financial statements)	Czech Republic	100,00
VIG Properties Bulgaria AD, Sofia	Bulgaria	99,97
VIG RE zajišť'ovna, a.s., Prague	Czech Republic	100,00
VIG REAL ESTATE DOO, Belgrade	Serbia	100,00
VIG Real Estate GmbH, Vienna	Austria	100,00
VIG-CZ Real Estate GmbH, Vienna	Austria	100,00
VIG Services Ukraine, LLC, Kiev	Ukraine	100,00
VLTAVA majetkovosprávní a podílová spol. s r.o., Prague	Czech Republic	100,00
WGPV Holding GmbH, Vienna	Austria	100,00
Wiener Osiguranje Vienna Insurance Group ad, Banja Luka	Bosnia and Herzegovina	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje, Zagreb	Croatia	99,47
WIENER STÄDTISCHE Beteiligungs GmbH, Vienna	Austria	100,00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH, Vienna	Austria	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko drustvo za osiguranje, Belgrade	Serbia	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group, Vienna	Austria	99,90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H., Vienna	Austria	100,00
WILA GmbH, Vienna	Austria	100,00
WNH Liegenschaftsbesitz GmbH, Vienna	Austria	100,00
WOFIN Wohnungsfinanzierungs GmbH, Vienna	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG, Vienna	Austria	100,00
WSV Immoholding GmbH, Vienna	Austria	100,00
WWG Beteiligungen GmbH, Vienna	Austria	87,07

Business name	Country	Present capital share in %
<b>Companies consolidated using the equity method of accounting</b>		
ALS Servis, s.r.o., Brno	Czech Republic	100,00
Benefita, a.s., Prague	Czech Republic	100,00
Beteiligungs- und Immobilien GmbH, Linz	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH, Linz	Austria	25,00
ČPP Servis, s.r.o., Prague	Czech Republic	100,00
CROWN-WSF spol. s.r.o., Prague	Czech Republic	30,00
ERSTE d.o.o. - za upravljanje obveznim i dobrovoljnim mirovinskim fondovima, Zagreb	Croatia	25,30
Gewista-Werbegesellschaft m.b.H., Vienna	Austria	33,00
GLOBAL ASSISTANCE a.s., Prague	Czech Republic	100,00
Global Expert, s.r.o., Pardubice	Czech Republic	100,00
HOTELY SRNÍ, a.s., Prague	Czech Republic	100,00
KIP, a.s., Prague	Czech Republic	100,00
Österreichisches Verkehrsbüro Aktiengesellschaft, Vienna (group financial statements)	Austria	36,58
S - budovy, a.s., Prague	Czech Republic	100,00
S IMMO AG, Vídeň (group financial statements)	Austria	10,25
Sanatorium Astoria a.s., Karlovy Vary	Czech Republic	92,71
S - správa nemovitostí, a.s., Prague	Czech Republic	100,00
SURPMO, a.s., Prague	Czech Republic	100,00
VBV - Betriebliche Altersvorsorge AG, Vienna (group financial statements)	Austria	23,56

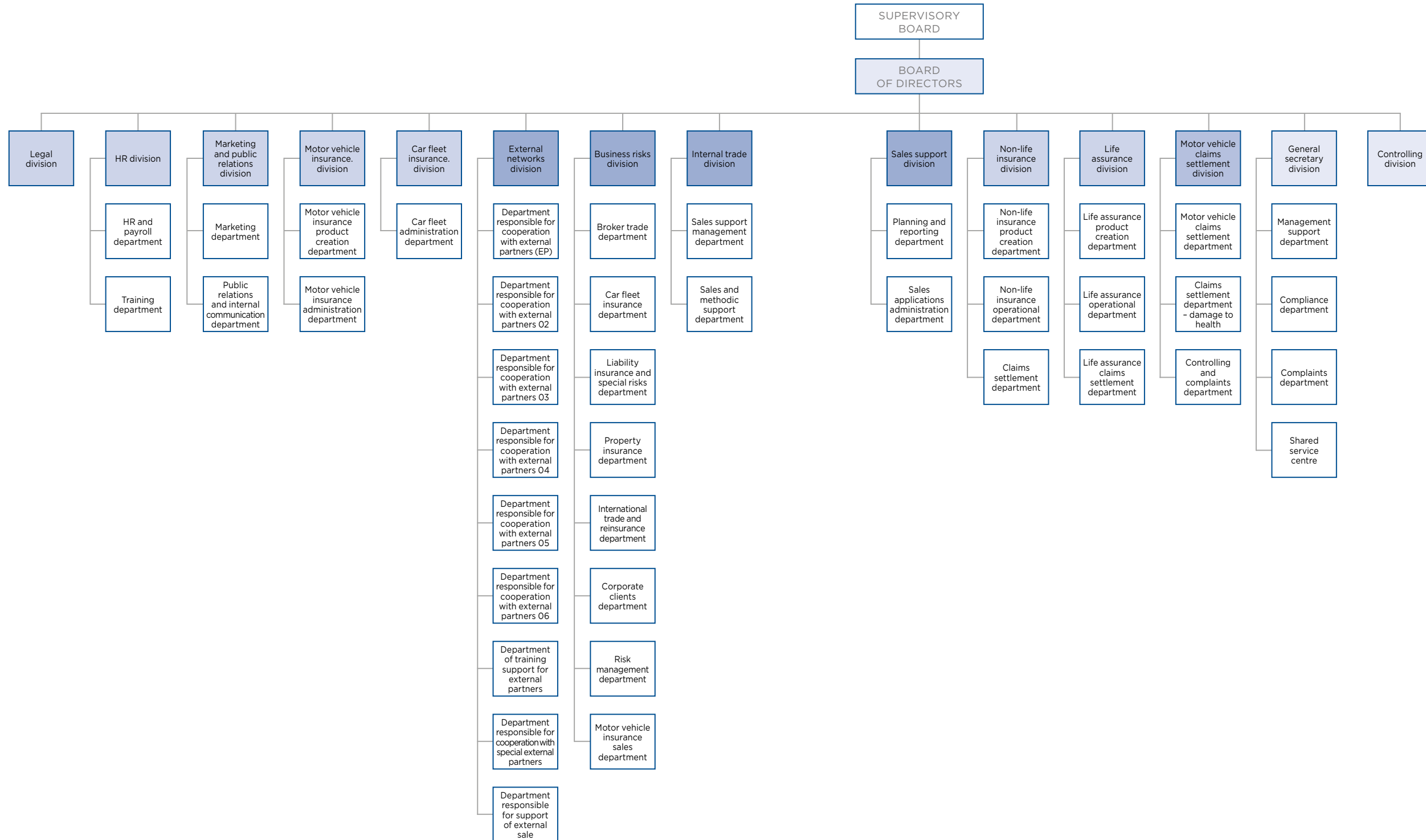
Business name	Country	Present capital share in %
<b>Non-Consolidated Companies</b>		
Assistance Company "Ukrainian Assistance Service" LLC, Kiev	Ukraine	100,00
"Compensa Services" SIA, Riga	Latvia	100,00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H., Vienna	Austria	20,13
Medical Clinic "DIYA" LLC, Kiev	Ukraine	100,00
AIMSP Meditzinski Tsentar Bulstrad Zdrave EOOD, Sofia	Bulgaria	100,00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H., Linz	Austria	79,51
Akcionarsko drustvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group, Podgorica	Montenegro	100,00
Amadi GmbH, Wiesbaden	Germany	100,00
Anif-Residenz GmbH & Co KG, Anif	Austria	99,90
AQUILA Hausmanagement GmbH, Vienna	Austria	99,90
AREALIS Liegenschaftsmanagement GmbH, Vienna	Austria	49,95
Autosig SRL, Bucharest	Romania	99,50
AXA Nezivotno Osiguranje akcionarsko drustvo za osiguranje, Belgrade	Serbia	100,00
AXA Životno Osiguranje akcionarsko drustvo za osiguranje, Belgrade	Serbia	100,00
B&A Insurance Consulting s.r.o., Moravská Ostrava	Czech Republic	49,00
BENEFIA Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	99,94
Brunn N68 Sanierungs GmbH, Vienna	Austria	49,95
Bulstrad Trudova Meditzina EOOD, Sofia	Bulgaria	99,38
Camelot Informatik und Consulting Gesellschaft m.b.H., Villach	Austria	90,18
CAPITOL BROKER DE PENSII PRIVATE S.R.L., Bucharest	Romania	98,15
CAPITOL INTERMEDIAR DE PRODUSE BANCARE S.R.L., Bucharest	Romania	98,15
CAPITOL INTERMEDIAR DE PRODUSE DE LEASING S.R.L., Bucharest	Romania	98,15
CAPITOL Sp. z o.o., Warsaw	Poland	99,98
CARPLUS Versicherungsvermittlungsagentur GmbH, Vienna	Austria	99,90
CCA EDV für Versicherungswirtschaft GmbH, Vienna	Austria	24,28
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	99,99
Compensa Life Distribution, UAB, Vilnius	Lithuania	100,00
DIRECT-LINE Direktvertriebs-GmbH, Vienna	Austria	99,90
DV CONSULTING EOOD, Sofia	Bulgaria	100,00

Business name	Country	Present capital share in %
DV Invest EAD, Sofia	Bulgaria	100,00
DV Asset Management EAD, Sofia	Bulgaria	100,00
VS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H., Vienna	Austria	99,40
EBS Wohnungsgesellschaft mbH Linz, Linz	Austria	24,97
EBV-Leasing Gesellschaft m.b.H., Vienna	Austria	73,92
EGW Datenverarbeitungs-Gesellschaft m.b.H., Vienna	Austria	71,92
EGW Liegenschaftsverwertungs GmbH, Vienna	Austria	71,92
EGW Wohnbau gemeinnützige Ges.m.b.H., Vienna	Austria	71,92
Erste Bank und Sparkassen Leasing GmbH, Vienna	Austria	48,95
Erste S Biztositasi Alkusz Kft, Budapest	Hungary	95,00
European Insurance & Reinsurance Brokers Ltd., London	UK	84,47
EXPERTA Schadenregulierungs-Gesellschaft mbH, Vienna	Austria	95,78
Finanzpartner GmbH, Vienna	Austria	49,95
Foreign limited liability company "InterInvestUchastie", Minsk	Belarus	100,00
GELUP GmbH, Vienna	Austria	33,30
GEO HOSPITALS LLC, Tbilisi	Georgia	93,50
GGVier Projekt-GmbH, Vienna	Austria	54,95
Glamas Beteiligungsverwaltungs GmbH, Vienna	Austria	23,31
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG, Vienna	Austria	23,31
GLOBAL ASSISTANCE SERVICES s.r.o., Prague	Czech Republic	100,00
GLOBAL ASSISTANCE SLOVAKIA s.r.o., Bratislava	Slovakia	100,00
Global Services Bulgaria JSC, Sofia	Bulgaria	99,69
Hauservice Objektbewirtschaftungs GmbH, Vienna	Austria	20,72
Henderson Global Investors Immobilien Austria GmbH, Vienna	Austria	34,97
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH, Vienna	Austria	98,58
Immodat Global Investors Immobilien Austria GmbH, Vienna	Austria	20,72
IMOVE Immobilienverwertung-und-verwaltungs GmbH, Vienna	Austria	20,72
InterRisk Informatik GmbH, Wiesbaden	Germany	100,00
Jahorina auto d.o.o., Brcko	Bosnia and Herzegovina	100,00
Joint Stock Company "Curatio", Tbilisi	Georgia	90,00

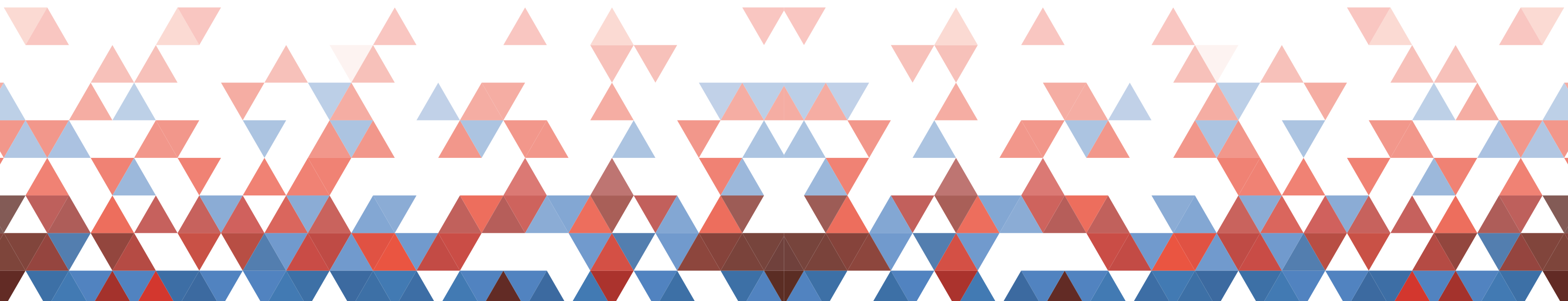
Business name	Country	Present capital share in %
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	Macedonia	100,00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company, Minsk	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H., Klagenfurt	Austria	49,95
LiSciV Muthgasse GmbH & Co KG, Vienna	Austria	23,31
MC EINS Investment GmbH, Vienna	Austria	49,95
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság, Budapest	Hungary	100,00
Nusdorfer Strase 30-92 Projektentwicklung GmbH & Co KG, Vienna	Austria	94,93
People's Pharmacy LLC, Tbilisi	Georgia	45,00
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG, Vienna	Austria	74,45
Privat Joint-Stock Company OWN SERVICE, Kiev	Ukraine	100,00
Renaissance Hotel Realbesitz GmbH, Vienna	Austria	37,76
Risk Consult Bulgaria EOOD, Sofia	Bulgaria	50,44
Risk Consult Polska Sp.z.o.o., Warsaw	Poland	67,78
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H., Vienna	Austria	50,44
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi, Istanbul	Turkey	63,80
Risk Experts s.r.o., Bratislava	Slovakia	50,44
Risk Logics Risikoberatung GmbH, Vienna	Austria	50,44
EGW Liegenschaftsverwertungs GmbH, Vienna	Austria	40,26
S.C. CLUB A.RO S.R.L., Bucharest	Romania	99,60
S.C. Risk Consult & Engineering Romania S.R.L., Bucharest	Romania	50,44
S.C. SOCIETATEA TRAINING IN ASIGURARI S.R.L., Bucharest	Romania	98,43
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama, Zagreb	Croatia	100,00
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH, Vienna	Austria	99,90
Slovexperta, s.r.o., Žilina	Slovakia	100,00
Soleta Beteiligungsverwaltungs GmbH, Vienna	Austria	23,31
Sparkassen-Versicherungsservice Gesellschaft m.b.H., Vienna	Austria	94,93
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE, Warsaw	Poland	99,96
Spoldzielnia Vienna Insurance Group IT Polska, Warsaw	Poland	99,95

Business name	Country	Present capital share in %
SVZ Immobesitz GmbH & Co KG, Vienna	Austria	94,93
SVZ Immoholding GmbH, Vienna	Austria	94,93
TBI Info EOOD, Sofia	Bulgaria	99,88
TOGETHER Internet Services GmbH, Vienna	Austria	24,28
UAB "Compensa Services", Vilnius	Lithuania	100,00
UNION-Informatikai Szolgáltató Kft., Budapest	Hungary	100,00
Untere Donaulände 40 GmbH & Co KG, Vienna	Austria	97,70
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H., Vienna	Austria	33,30
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia, Warsaw	Poland	99,99
Vienna International Underwriters GmbH, Vienna	Austria	100,00
VIG AM Services GmbH, Wien	Austria	100,00
VIG Asset Management investiční společnost, a.s., Prague	Czech Republic	100,00
VIG Management Service SRL, Bucharest	Romania	98,43
VIG Services Bulgaria EOOD, Sofia	Bulgaria	99,38
VIG Services Shqiperi Sh.p.K., Tirana	Albania	89,36
VÖB Direkt Versicherungsagentur GmbH, Graz	Austria	49,95
WAG Immobilien Einsiedlergasse GmbH, Linz	Austria	24,98
WAG Wohnungsanlagen Gesellschaft m.b.H., Linz	Austria	24,98
Wien 3420 Aspern Development AG, Vienna	Austria	24,44
Wiener Städtische Donau Leasing GmbH, Vienna	Austria	99,90
WINO GmbH, Vienna	Austria	99,90
WSBV Beteiligungsverwaltung GmbH, Vienna	Austria	99,90
WSV Vermögensverwaltung GmbH, Vienna	Austria	99,90
WSV Beta Immoholding GmbH, Vienna	Austria	99,90

# ORGANISATIONAL STRUCTURE AS AT 1 JANUARY 2017



**LIST OF REGIONAL  
DIRECTORATES AND BRANCH  
OFFICES AS AT 1 JANUARY 2017**





## Praha

### Head office

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

### Regional directorate

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

### Branch offices

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.: 326 736 168

Nymburk, náměstí Přemyslovců 39, 288 02 Nymburk, tel.: 325 531 908

Praha 2 – Vinohrady, Korunní 1300/65, 120 00 Praha 2, tel.: 221 501 310

Praha 4 – Pankrác, Budějovická 3a, 140 21 Praha 4, tel.: 261 022 559

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

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

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

## Brno

### Regional directorate

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

### Branch offices

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

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

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

Point of sale of the branch office Brno – Palackého, Benešova 14/16, 602 00 Brno, tel.: 542 120 800

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

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

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

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

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

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

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

## České Budějovice

### Regional directorate

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

### Branch offices

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

Point of sale of the branch office České Budějovice, Lidická tř. 170/29, 370 01 České Budějovice, tel.: 386 350 320

Český Krumlov, Tovární 194, 381 01 Český Krumlov, tel.: 380 713 700

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

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

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

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.: 388 311 138

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

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

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

## Hradec Králové

### Regional directorate

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

### Branch offices

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

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

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

Point of sale of the branch office Hradec Králové, Habrmanova 204/6, 500 02 Hradec Králové, tel.: 495 591 506

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

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

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

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

Liberec, Kostelní 4/2 – vchod z náměstí Dr. E. Beneše, 460 01 Liberec 1, tel.: 485 106 534

Point of sale of the branch office Liberec – OC Plaza, Palachova 1404/2, 460 01 Liberec, tel.: 485 104 411

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

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

Point of sale of the branch office Pardubice, 17. listopadu 408, 530 02 Pardubice, tel.: 466 610 168

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

Svitavy, náměstí Míru 53, 568 02 Svitavy, tel.: 461 530 317

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

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

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

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

## Ostrava

### Regional directorate

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

### Branch offices

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

Frydek-Místek, Ostravská 2125, 738 02 Frydek-Místek, tel.: 558 436 796

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

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

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

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

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

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

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

Point of sale of the branch office Olomouc, Tovární 1197/42a, 779 00 Olomouc-Hodolany, tel.: 585 203 251

Opava, Ostrožná 231/36, 746 01 Opava, tel.: 553 624 989

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

Point of sale of the branch office Ostrava, Dr. Martínka 1590, 700 30 Ostrava-Hrabůvka, tel.: 596 110 536

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

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

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

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

Point of sale of the branch office Šumperk, nám. Osvobození 14/298, 789 01 Zábřeh na Moravě, tel.: 583 414 655

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

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

## Plzeň

### Regional directorate

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

### Branch offices

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

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

Chomutov, Riegrova 229, 430 01 Chomutov, tel.: 474 623 494

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

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

Point of sale of the branch office Klatovy, Mostní 43, 342 01 Sušice, tel.: 376 522 171

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

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

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

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

Point of sale of the branch office Most, Karla IV. 353, 438 01 Žatec, tel.: 415 214 435

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

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

Point of sale of the branch office Plzeň, Masarykovo náměstí 93, 337 01 Rokycany, tel.: 371 785 223

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

Point of sale of the branch office Plzeň, Slovanská alej 28, 326 00 Plzeň, tel.: 377 970 789

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

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

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

## Points of sale of ČPP Servis

Brno, Štefánikova 61, 612 00 Brno

Blučina, Havlíčkova 104, 664 56 Blučina

Hořice, Aloise Hlavatého 2185, 508 01 Hořice

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

Jičín, Čelakovského 86, 506 01 Jičín

Karlovy Vary, Majakovského 29, 360 05 Karlovy Vary

Kolín, A. Dvořáka 1101, 280 02 Kolín

Náchod, Krámská 29, 547 01 Náchod

Olomouc, Ostružnická 351/25, 779 00 Olomouc

Vysoké Mýto, Karolíny Světlé 202, Vysoké Mýto 566 01

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

Pardubice, Smilova 429, 530 02 Pardubice

Plzeň, Nepomucká 159/A, 326 00 Plzeň

Šenov u Nového Jičína, Dukelská 672, 742 42 Šenov u Nového Jičína

Zlín, Vavrečkova 7074, 760 01 Zlín

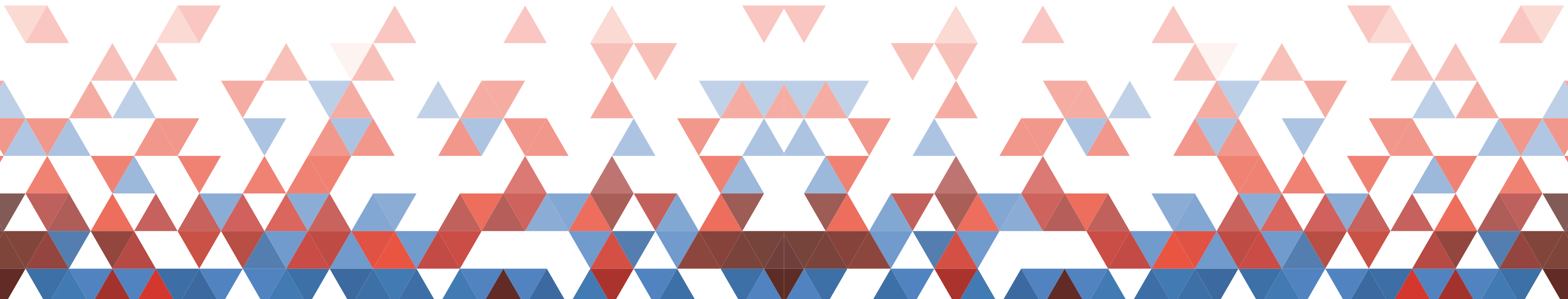
Frenštát pod Radhoštěm, Horní 125, 744 01 Frenštát pod Radhoštěm

Ledeč nad Sázavou, Husovo náměstí 62, 584 01 Ledec nad Sázavou

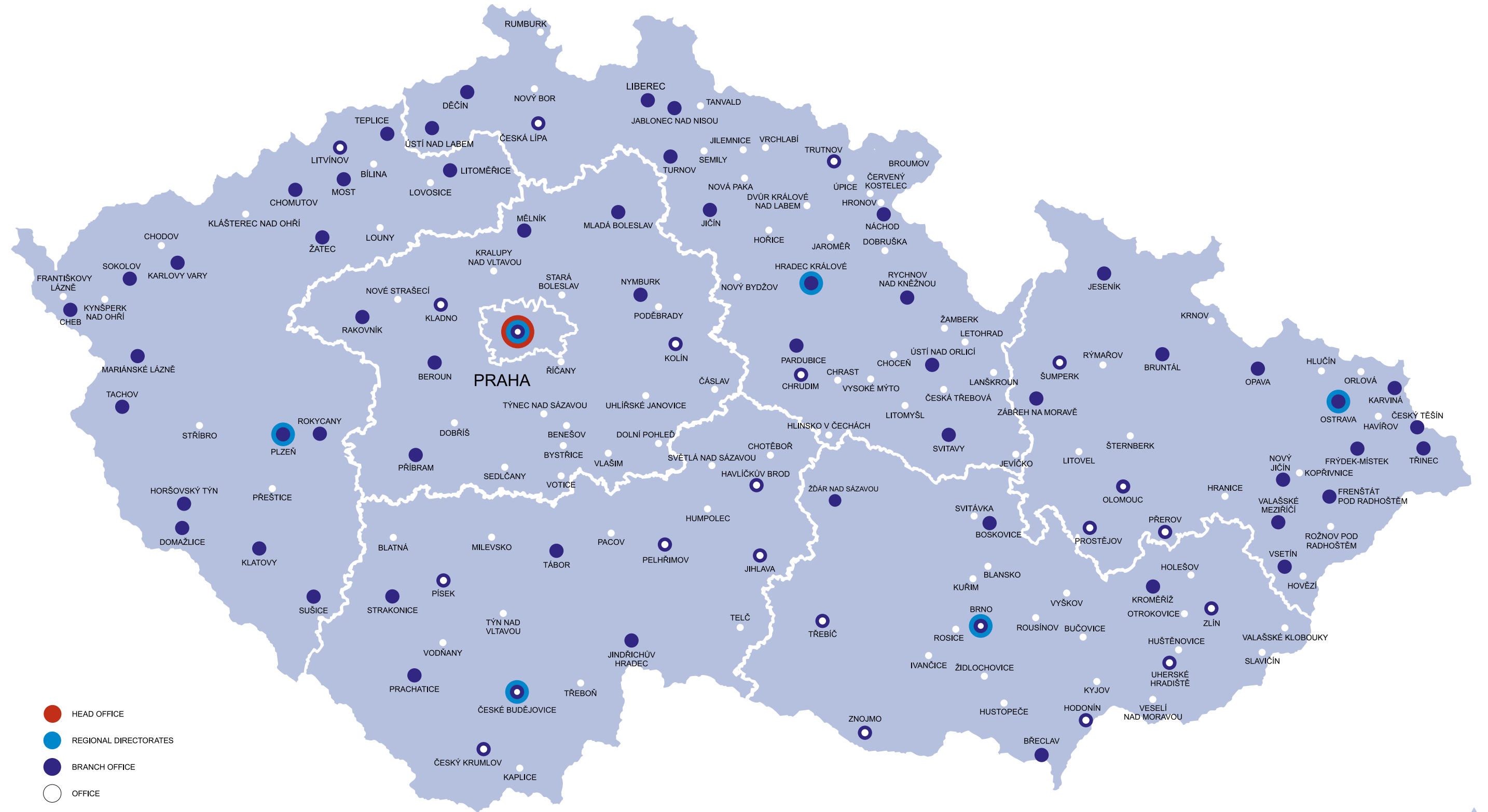
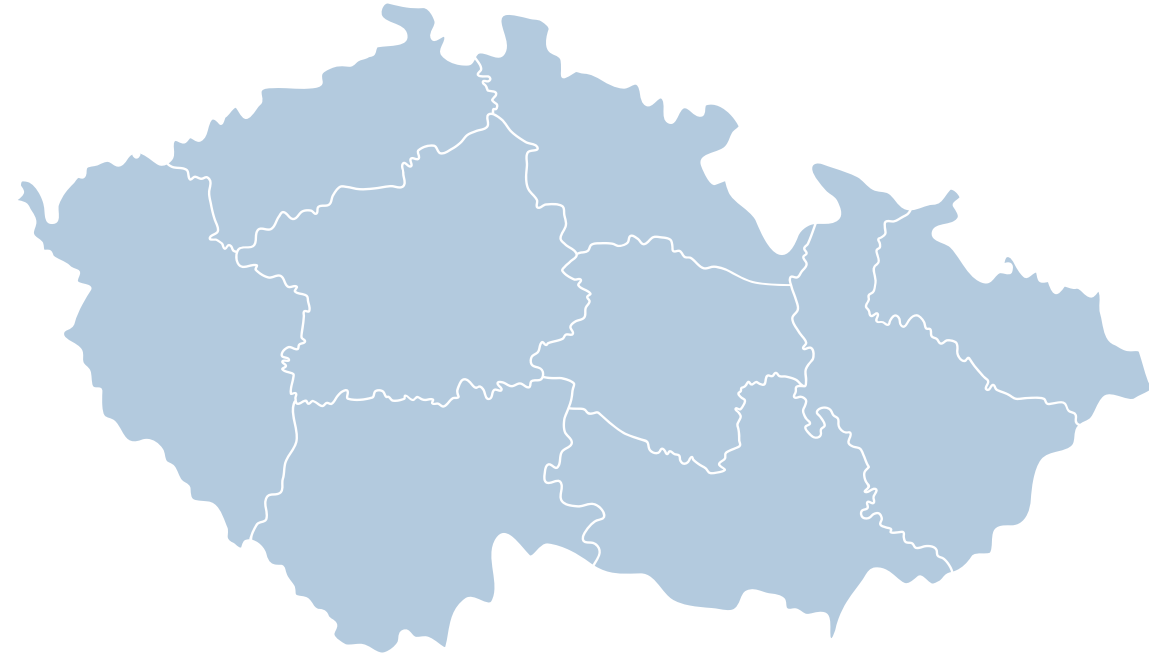
Praha 10, Kodaňská 1441/46, 101 00 Praha 10

Praha 4, Budějovická 3a, 140 21 Praha 4

## MAP OF CONTACT POINTS



# MAP OF CONTACT POINTS AS AT 8 MARCH 2017





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