







# CONTENTS

<b>6</b>	<b>Profile of the Company</b>
7	Basic Information about the Company (as of 31 December 2001)
7	Integration into the Komerční banka/Société Générale Group
7	Market Position – Competitive Positioning
7	General Objectives for the Coming Years
<b>8</b>	<b>Opening Statement from the Chairman of the Board of Directors</b>
<b>10</b>	<b>Report of the Board of Directors</b>
11	Principal Developments during the Year
11	Business Activities
12	Product Offerings of the Company
13	Comments on the Results of Operations for 2001
13	Human Resources
13	Public Relations
13	2002 Outlook
<b>16</b>	<b>Top Management of the Company</b>
17	Board of Directors
17	Supervisory Board
17	Changes in the Composition of the Boards during 2001
<b>18</b>	<b>Supervisory Board Report</b>
<b>20</b>	<b>Financial Part</b>
22	Auditor's Report
24	Balance Sheet
26	Profit & Loss Account Notes to the Financial Statements for the Year Ended 31 December 2001
49	Report on Related Party Transactions (Per S. 66a (9) of the Commercial Code)
<b>54</b>	<b>Appendices</b>
<b>62</b>	<b>Organizational Structure of the Company</b>
<b>64</b>	<b>Addresses</b>

## Profile of the Company

## Basic Information about the Company (as of 31 December 2001)

<b>Business Name</b>	Komerční pojišťovna, a. s.
<b>Legal Status</b>	Joint Stock Company
<b>Date of Incorporation</b>	1 September 1995
<b>Registered Office</b>	Prague 1, Jindřišská 17
<b>Corporate ID</b>	63998017, recorded with the Municipal Court in Prague, Volume B, File 3362
<b>Shareholder</b>	The sole shareholder is Komerční banka, a. s., having its registered office address at Na Příkopě 33, Prague 1, Corporate ID 45317054
<b>Share Capital</b>	CZK 450 million
<b>Business Activities</b>	<ul style="list-style-type: none"><li>- Life and non-life insurance</li><li>- Re-insurance by ceding part of the assumed risk to the re-insurer</li><li>- Activities underlying insurance and re-insurance activities</li><li>- Preventive activities</li><li>- Entering into brokers' insurance contracts with individuals or corporate entities on the territory of the Czech Republic</li></ul>
<b>Bodies of the Company</b>	General Meeting of Shareholders, Board of Directors, Supervisory Board

### Integration into the KB/SoGe Group

Komerční pojišťovna, a.s. (henceforth 'Komerční pojišťovna' or the 'Company') is a wholly owned subsidiary of Komerční banka, a.s. ('KB' or 'Komerční banka'). The key strategic objective for the year ending 31 December 2002 will involve the restructuring of the Company with the objective of substantially improving the effectiveness of its business activities. As a result of the integration of KB into the Société Générale Group ('SoGe') in October 2001, Komerční pojišťovna has become part of a financial institution that ranks among the largest and most profitable businesses in Europe. With

more than 12 million clients, the SoGe Group provides, through its 3,100 branch offices all around the world, high quality services and comprehensive financial services that include retail banking, asset management, private banking, corporate banking and investment banking. The integration of KB into the strong SoGe Group will contribute to the strengthening of the position of KB and its subsidiary undertakings in the marketplace. This will principally be the result of an ongoing increase in the quality of offered products and services, coupled with the gradual extension of their range.

### Market Position – Competitive Positioning

Komerční pojišťovna is a universal insurance company providing a wide range of life and non-life insurance products. The Company ranks among the five largest businesses in the Czech Republic specifically in relation to motor third party liability insurance ('MTPL'). With effect from 2002, the Company has discontinued its industrial and entrepreneurial insurance activities. Following the privatization of Komerční banka in 2001, the Company can rely on strong support by the Société Générale Group.

According to the statistical data published by the Czech Insurance Association, Komerční pojišťovna ranked seventh on the Czech insurance market, having acquired a 3.51 percent share of underwritten premiums. On a year-on-year basis, the sales of life insurance grew by 119.88 percent. With regard to non-life insurance, the growth was slightly lower and amounted to 5.64 percent. Despite this trend, the Company's share of the Czech insurance market of underwritten non-life premiums was 3.01 percent, leading to the Company's sixth position in this industry nation-wide.

### General Objectives for the Coming Years

- Developing the sale of life insurance by more effectively using the potential of KB's points-of-sale
- Increasing the importance of life insurance in KB's product packages
- Optimizing the offering of joint products within the KB Financial Group
- Improving the quality of customer care and providing services within the whole KB Financial Group
- Focusing on the sale of long-term life insurance

Opening Statement from the Chairman of the Board of Directors





2001 was a tumultuous year for Komerční pojišťovna. Key steps included the privatization of KB by the Société Générale Group, substantial changes in the Company's management, and last but not least a considerable revamp of the Company's strategy designed to obtain a greater share of the life insurance market.

The objective of new management, which joined the Company on an ongoing basis throughout 2001, was to address the difficult position as a matter of urgency, contribute to the successful privatization of KB and properly close the year-end accounting books.

In 2001, the Company markedly increased its life insurance market share. Naturally, this necessitated substantial costs, however this business line shows considerable profit potential for the future.

Komerční pojišťovna incurred audited losses of CZK 713 million for the year ended 31 December 2001. This adverse result was due to the Company's operating losses and principally, a prudent approach to technical and non-technical reserving.

As a result of negative developments in its operations, Komerční pojišťovna reported a deficit on its equity of

CZK 443 million as of 31 December 2001. In December 2001, Komerční banka decided to resolve KP's difficult financial position by increasing its share capital by CZK 105 million and committed to injecting another CZK 700 million in equity in the coming years as and when required! At the end of 2001, Komerční pojišťovna also discontinued its business line that involved offering insurance of great industrial and entrepreneurial risks and initiated discussions at the start of 2002 to transfer a portion of its non-life insurance portfolio to another insurer, thus reflecting KP's objective of focusing its future activities principally on life insurance products and on obtaining non-life insurance contracts that are entered into with individuals and sole traders.

Komerční pojišťovna's business plan is to expand, on an ongoing basis, its offering of insurance products in so called 'packages' which include both insurance and other products of Komerční banka and its subsidiaries.

Komerční banka and its new owner, the international financial group Société Générale, are the Company's financial backers and guarantors.

Zbyněk Veselý

Chairman of the Board of Directors  
and CEO of Komerční pojišťovna, a. s.

## Report of the Board of Directors

## Principal Developments during the Year

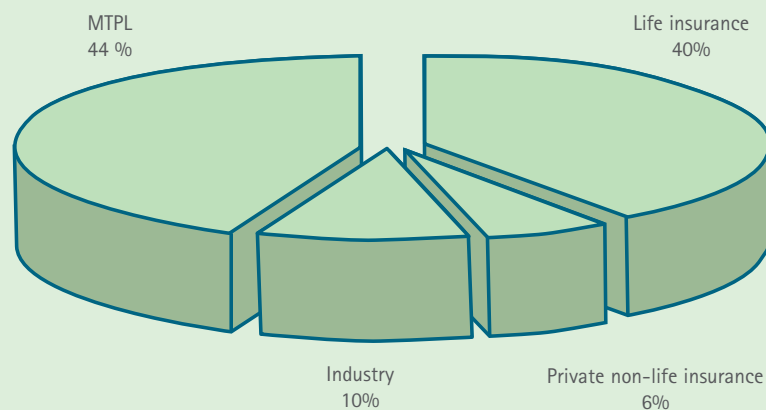
The year 2001, which brought about the completion of the privatization of the KB Group, principally saw changes to the Company's top management, and changes of goals and priorities as defined by the shareholder. The key objective was to create assumptions for a substantial expansion of cross-selling activities within the Komerční banka Group and balance the Company's insurance portfolio in favor of life insurance products. At the same time, the Company aimed to streamline its operations by

reorganizing its structure, changing its value system and modernizing both the front and back office functions, the objective being to present Komerční pojistovna to the new strategic owner of Komerční banka as a business that is not only placed to successfully operate on the Czech insurance market but also rank among market leaders in combination with the products of Komerční banka and its financial group.

## Business Activities

Type of insurance	Underwritten insurance in 2001 (CZK '000)	Number of policies
Life insurance	1 030 247	38 218
Private non-life insurance*	159 851	290 138
Industry	255 946	4 708
MTPL	1 134 349	395 584

\*including travel insurance and insured payment cards



Komerční pojišťovna sold its products through 81 points-of-sale evenly distributed on the territory of the Czech

Republic. Its products were also available through the branch offices of Komerční banka (total 330 branches).

#### Summary of the Company's Level of Business Staff

Director of Divisional Branch	4
Director of Regional Branch	10
Manager of Business Agency	81
Insurance broker	1 054

### Product Offerings of the Company

In the year ended 31 December 2001, the Company partially updated its offering of life insurance products and private property insurance products. With regard to life insurance, the Company changed the variability of additional insurance and extended the possibility of combining varied products.

From a business perspective, it is of importance that the year 2002 is the first year in which it is possible to deduct payments made under insurance schemes from the tax base.

The clients specifically expressed interest in the product packages that combined products offered by the Company, Komerční banka and its financial group. However, the evolving market situation and the link between KB and the Company that is getting closer and closer requires developing brand new products that are compatible with new strategic plans and current client needs.

#### Key Products in 2001

Capital life insurance with profit shares

Saving capital life insurance

Combined children's insurance

Retirement insurance

Risk life insurance

Collective loan insurance

Personal accident insurance for recoverable deposit

Other accident insurance

Private liability insurance

Travel insurance

Payment cards

Hull insurance

Motor third party liability insurance

Industrial and entrepreneurial insurance

Building insurance

Household insurance

The Komerční banka Financial Group is set to establish over time a good basis for creating a loyal client program. In 2001, Komerční pojišťovna began its work on developing the principles of this system and pursued a number of partial product opportunities.

New management principles and systems in place within Komerční pojišťovna which the Board of Directors began to implement in 2001 will be completed and refined during 2002. The objective is to make Komerční pojišťovna an important component of the whole KB Group in developing financial advisory services.

## Comments on the Results of Operations for 2001

In view of the substantial losses incurred by the Company, management undertook an analysis of the causes of these losses. In addition to operating losses and costs associated with the expansion of the Company's insurance portfolio, the losses were driven by a number of other factors.

During the year ended 31 December 2001, management of the Company reassessed the sufficiency of technical reserves, principally in relation to life insurance and MTPL.

The Company's results were also negatively impacted by the reassessment of a substantial portion of its contribution to the deficit in the funding of motor third part liability insurance as determined by the Czech Insurance Bureau, and the provision for and settlement of liabilities arising from industrial and entrepreneurial insurance activities.

In response to the adverse situation, management of the Company, together with its shareholder, developed a series of measures which are described in greater detail in the notes to the financial statements.

## Human Resources

As of 31 December 2001, the number of the Company's employees was 447, which represents a year-on-year increase of 30 staff.

## Public Relations

Specific attention was given to the clarification of basic principles of insurance and insurance business and the integration of this industry into societal processes. The Company published articles, reports and press releases to present its business in the context of the state social and health policies. In popularizing life insurance, the Company referred to the possibility of making deductions from the tax base. With regard to non-life insurance, the Company,

for instance, analyzed the impact of natural calamities and terrorist attacks on the Czech economy and documented by detailed data the importance of this insurance industry. Greater prominence was given to travel insurance and its link to Komerční banka's cards. Information provided to the public with regard to the Company's products was largely based on the product packages developed with assistance from the KB Financial Group.

## 2002 Outlook

Completing the restructuring of Komerční pojišťovna and its business network and transforming it into a profitable business that will be fully compatible with the entire KB/SoGe Group remains a necessity.

advanced products, the boosting of sales through modern technologies and distribution channels, the streamlining of all processes, specifically settlement of claims and client communication.

In 2002, the Company is planning to finalize key activities initiated in 2001 that primarily entail the stabilization and modernization of IT systems, the development of new

A high priority set by the Board of Directors in respect of the year ending 31 December 2002 is establishing closer and more effective cooperation with KB and its points-of-sale.

In 2002, Komerční pojišťovna will again undergo a number of changes designed to make it a solid component of the SoGe international financial group. These developments will primarily focus on life insurance and KP's selected products.

The development model will be implemented with substantial assistance from the SoGe Group and will involve increasing focus on retail clients and high quality services.

As part of KP's restructuring process, Komerční banka will offer for sale the MTPL and accident insurance portfolios. Komerční pojišťovna will continue conducting life insurance business. The process of selling the MTPL and accident insurance portfolios was initiated at the beginning of May 2002.

Throughout the whole selling process, Komerční pojišťovna will provide services related to MTPL and accident insurance and, naturally, will meet all its commitments arising from the MTPL and accident insurance policies. This means that the existing MTPL and accident insurance policy holders will be provided with the same level of service quality as previously, that is, Komerční pojišťovna will provide insurance protection, settle claims and render all other services pending the completion of the portfolio sale process. On conclusion of the selling process, the strategic partner will assume all commitments associated with the policies entered into between Komerční pojišťovna and its clients.

Komerční banka is confident that this important and positive step in the development of Komerční pojišťovna will be beneficial for both the current and future clients of both companies and will improve the level and quality of services offered.



## Top Management of the Company



## Board of Directors

### Zbyněk Veselý

Chairman of the Board of Directors and CEO

Mr Veselý was born on 27 August 1967 and resides at Na Pankráci 995/5, Prague 4. He was elected to the Board of Directors with effect from 1 April 2001. From 1995 to his appointment to the Company's Board of Directors, he held various managerial positions in the insurance industry, most recently from 1999 he was CEO and chairman of the Board of Directors of Česká životní pojišťovna, a.s. Mr Veselý is a graduate of the Prague School of Economics where he majored in the economics of industry. He has attended foreign secondments.

### Zdeněk Zavadil

Member of the Board of Directors and Deputy CEO

Mr Zavadil was born on 22 April 1969 and resides at Kunešova 2651/14, Prague 3. He was elected to the Board of Directors with effect from 10 April 2001. From 1993, he has held various managerial positions in leasing companies. With effect from 1 May 2001 he was appointed as the Company's Deputy CEO. He is a graduate of the Prague School of Economics, Faculty of National Economy.

## Supervisory Board

### Libor Löfler

Chairman of the Supervisory Board

Mr Löfler was born on 29 May 1966 and resides at Bublavská 312, Prague 5. He was elected to the Supervisory Board on 18 January 2002. He currently acts as the Deputy Director of the Finance Division of Komerční banka's Head Office where he is responsible for accounting and financial reporting. He has been in the banking business since 1988, holding various positions. He has been with Komerční banka since 1999. He is a graduate of the Prague School of Economics, the Faculty of National Economy, where he majored in finance and lending.

### Robert Kubinský

Vice Chairman of the Supervisory Board

Mr Kubinský was born on 3 March 1971 and resides at Bulharská 7, Prague 10. He was elected to the Supervisory Board on 18 January 2002. Since June 2001, he has held a post of the Director of the KB Group Coordination, Planning and Controlling Department. He has held various economic positions in the financial and insurance industry since 1996. He is a graduate of the Economic School in Bratislava, Faculty of National Economy, where he majored in financial and monetary systems.

## Changes in the Composition of the Boards during 2001

### Board of Directors

Member - Jan Klak (from 10 February 1998 through 1 November 2001)

Member - Stanislava Fiedlerová (from 1995 through 10 May 2001)

### Supervisory Board

Member - Petr Mandl (from 1997 through 10 May 2001)

Member - Michal Jelínek (from 6 March 2001 through 15 January 2002)

Member - Jiří Witzany (from 10 May 2001 through 17 January 2002)

Member - Jiří Dvořáček (from 1999 through 26 January 2001)

Member - Jaroslav Martinec (from 1999 through 1 March 2001)

Member - Jiřina Bokšová (from 24 May 1999 through 31 December 2001)

Member - Jan Hora (from 20 December 2001 through 30 April 2002)

## Supervisory Board Report

## Report of the supervisory board of Komerční pojišťovna, a.s. on the review of the annual financial statements, proposal for the settlement of loss and the report on relations pursuant of section 66a of the commercial code.

The Supervisory Board carried out its role pursuant to Act No. 513/91, Commercial Code and the Articles of Association of the Company on an ongoing basis. The Supervisory Board oversaw the Company's operations and provided the Board of Directors with suggestions and recommendations.

Having reviewed the Company's annual financial statements for the year ended 31 December 2001 and taking into consideration the auditor's report, the Supervisory Board states that the accounting records were maintained in a supportable and correct manner in compliance with generally applicable legislation that sets out the accounting principles for insurance companies as well as the Articles of Association of the Company. The accounting records reflect fairly, in all material respects, the financial position of the Company as of 31 December 2001.

Without qualifying the opinion on the financial statements for the year ended 31 December 2001, the Supervisory Board together with the auditor draw attention to the following matters:

1. The presentation of the financial statements has required the Company's Board of Director to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and of assets and liabilities at the year-end date (principally reinsurance balances);
2. The Company's Board of Directors has reassessed the assumptions and data used in determining technical reserves for claims incurred but not yet reported (IBNR) for motor third party liability insurance as of 31 December 2001;
3. The Company's Board of Directors has updated and reassessed the accounting treatment of the Company's contribution to the deficit in the funding of motor third party liability insurance required to settle estimated payables to the insureds that have been transferred from Česká pojišťovna, a.s., the former monopoly provider, to the Czech Insurance Bureau as of 1 January 2000.

The Supervisory Board together with the auditor state that the Company incurred substantial losses in the year ended

31 December 2001 and had net liabilities of CZK 433 million as of that date.

Taking into consideration the losses for the year ended 31 December 2001, the Company and its sole shareholder, Komerční banka, have prepared a comprehensive restructuring, reorganization and recapitalization plan for the Company which is expected to be implemented during 2002. The sole shareholder has undertaken to provide sufficient financial support to the Company such that it is able to settle claims to policy holders and to meet applicable legal and regulatory requirements and continue its business activities.

The recapitalization of the Company was initiated by executing a capital increase of CZK 289 million which began in November 2001. These funds were paid into the Company after the year-end date but the capital increase was not recorded in the Register of Companies as of the date of issuance of these financial statements and consequently had not been recognized on the face of the balance sheet as of 31 December 2001.

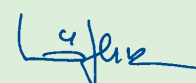
Details about the causes of the losses and the restructuring, reorganization and recapitalization plan for the Company are provided in the notes to the financial statements for the year ended 31 December 2001 and the auditor's report on those financial statements.

The Supervisory Board recommends that the General Meeting of Shareholders approve the financial statements for the year ended 31 December 2001 and the settlement of the 2001 losses as proposed by the Board of Directors of the Company.

Furthermore, the Supervisory Board has reviewed the Report on Relations prepared by the Company as a controlled entity pursuant to Section 66a (9) of the Commercial Code. The Supervisory Board states that its review of the report has highlighted no material mis-representation of the information set out in the Report and that the Board of Directors identified no damage incurred by the Company in undertaking transactions with the controlling entity.

Prague, 29 April 2002

On behalf of the Supervisory Board of Komerční pojišťovna, a.s.



Libor Löfler

Chairman of the Supervisory Board (since 18 January 2002)

## Financial Section



## **Auditor's Report to the Shareholders of Komerční pojišťovna, a. s.**

Based upon our audit, we issued the following audit report dated 26 March 2002 on the financial statements which are included in this annual report on pages 24 to 48:

"We have audited the accompanying financial statements of Komerční pojišťovna, a.s. for the year ended 31 December 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements, taken as a whole, based on our audit.

We conducted our audit in accordance with the Act on Auditors and the auditing standards issued by the Chamber of Auditors of the Czech Republic. Those standards require that we plan and conduct the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, the accounting records and other evidence supporting the amounts and disclosures in the financial statements. An audit also includes an assessment of the accounting principles used and significant estimates made by the Company in the preparation of the financial statements, as well as evaluation of the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion on the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the assets, liabilities and equity of Komerční pojišťovna, a.s. as of 31 December 2001, the results of its operations and its financial position for the year then ended in accordance with the Accounting Act and applicable Czech regulations."

Without qualifying our opinion we draw attention to the following matters.

As discussed in Note 2 to the financial statements, the presentation of these financial statements has required management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and of assets and liabilities at the year-end date. The principal estimates and assumptions are also set out in Note 2 to the financial statements. Management has made its best efforts to analyze and determine such amounts based on the information presently available to it. Specifically we draw attention to the estimates and assumptions regarding the calculation, reconciliation and settlement of the Company's reinsurance balances for the year ended 31 December 2001. The Company is presently discussing such balances with reinsurers and the amounts recorded in the financial statements represent management's best estimate of the amounts to be ceded and collected from reinsurers. Actual results and outcomes could differ from these estimates.

As discussed in Note 2 to the financial statements, management of the Company has reassessed the assumptions and data used in determining technical reserves for claims incurred but not yet reported (IBNR) for motor third party liability insurance as of 31 December 2001. This reassessment contributed to an overall increase of CZK 181 million in such technical reserves as of 31 December 2001 when compared with the prior year.

As discussed in Note 2 to the financial statements, management of the Company has reassessed the accounting

treatment of its contribution to the deficit in the funding of motor third party liability insurance required to settle estimated payables to the insureds that have been transferred from Česká pojišťovna, a.s., the former monopoly provider, to the Czech Insurance Bureau as of 1 January 2000. This reassessment together with an increase of the contribution of CZK 121 million notified by the Czech Insurance Bureau during 2001 has led to a charge of CZK 183 million to the profit and loss account for the year ended 31 December 2001. As of that date, management of the Company estimated the future income from the increased premium rates to be CZK 143 million. This amount has been carried forward as an asset as of the balance sheet date and will be expensed during 2002.

As discussed in Note 2 to the financial statements, the Company has incurred substantial losses in the year ended 31 December 2001 and has net liabilities of CZK 433 million as of that date. Management has set out in Note 2 to the financial statements a summary of the causes of the losses and the steps presently being taken and considered with regard to the future scope of activities and operations of the Company. The Company's sole shareholder initiated a capital increase of CZK 289 million immediately prior to the year-end. These funds have been paid into the Company after the year-end date but the capital increase has not been recorded in the Register of Companies at the date of issuance of this report and consequently has not been recognized on the face of the balance sheet as of 31 December 2001. Net liabilities of the Company as of

that date, taking into account the capital increase, amount to CZK 144 million. The sole shareholder has undertaken to provide sufficient financial support to the Company such that it is able to settle claims to policy holders and to meet legal and regulatory requirements applicable to it. The Company has discussed and will continue to formulate and implement its plans in conjunction with the requirements of its regulator. Based on this, management considers it appropriate to prepare the financial statements on a going concern basis. The Company's ability to continue its operations is dependent on the successful implementation of the actions and plans set out in Note 2 to the financial statements. These financial statements do not include any adjustments that may arise from the failure of all or any of the steps outlined above.

We have reviewed the factual accuracy of information included in the report on transactions with related parties included in this annual report on pages 49 to 53 and related Appendices. This report is the responsibility of the Company's Board of Directors. Nothing has come to our attention based on our review that indicates that there are material factual inaccuracies in the information contained in the report.

We have read other financial information included in this annual report for consistency with the audited financial statements. In our opinion, this information is consistent, in all material respects, with the audited financial statements.

Prague, 29 May 2002



Audit firm:

Deloitte & Touche, spol. s r.o.

Certificate no. 79



Statutory auditor:

Michal Petman

Certificate no. 1105

## Balance Sheet

(CZK '000)

ASSETS			2001	2000	1999
Intangible assets	(20)	11	10 646	9 385	5 854
Establishment costs	(201)	12	0	0	586
Goodwill	(202)	13			
Financial placements (investments)	(10 to 14)	14	2 306 480	1 385 277	942 894
Land and buildings (real estate)	(10)	15	22 581	23 088	23 855
Land and buildings used in operations	(101,102 AE)	16	22 581	23 087	23 855
Financial placements in third-party companies and other long-term rec.	(11)	17			
Participating interests in companies with controlling influence	(111)	18			
Participating interests in companies with substantial influence	(112)	19			
Bonds and other debentures, loans to companies with controlling infl.	(113-114)	20			
Bonds and other debentures, loans to companies with substantial infl.	(115-116)	21			
Other participating interests and other long-term receivables	(117-118)	22			
Other financial placements	(12)	23	2 283 899	1 362 189	919 009
Variable-yield securities	(121)	24			
Fixed-income securities	(122)	25	2 011 309	1 191 399	909 009
Financial placements in investment companies and investment funds	(123AE)	26			
Financial placements in associations with legal entity status	(123AE)	27			
Financial placements in associations without legal entity status		28			
Mortgage loans	(124)	29			
Other loans	(125)	30			
Bank deposits	(126)	31	272 590	170 790	10 000
Other financial placements	(127)	32			
Receivables for advance deposits paid	(13)	33			
Financial placements made on behalf of insureds	(14)	34			
Receivables	(30,31,32,z35,z37)	35	185 242	147 934	75 886
Receivables arising out of direct insurance and reinsurance	(30)	36	136 301	107 733	55 470
Owed by insureds	(301,308AE)	37	135 858	79 573	46 680
Owed by intermediaries	(302,308AE)	38	443	118	8 512
Receivables arising out of reinsurance operations	(303,308AE)	39		28 042	278
Receivables for subscribed capital	(321)	40			
Other receivables	(32, z 35, z 37)	41	48 941	40 201	20 416
Other assets	(21 až 25)	42	72 528	70 309	181 749
Tangible movable assets	(21)	43	40 824	36 216	19 952
Movable assets used in operations	(211AE)	44	40 648	36 040	19 781
Movable assets not subject to depreciation	(216)	45	176	176	171
Acquisition of property	(22)	46	1 295	468	7 759
Advance deposits paid toward acquisition of intangible assets	(222)	47			1 900
Other assets	(25)	48			
Cash and other financial assets	(23)	49	30 409	33 625	154 038
Current accounts	(235,234)	50	28 711	32 220	153 445
Cash and cash equivalents	(231,232AE)	51	1 698	1 405	593
Checks	(233)	52			
Own shares	(243)	53			
Temporary accounts of assets	(z 39)	54	333 095	448 215	176 159
Interest and rent	(391 AE)	55			66
Acquisition costs arising out of insurance contracts	(391 AE)	56	29 850	119 753	9 786
Other temporary accounts of assets	(395)	57	303 245	328 462	166 307



(CZK '000)

ASSETS			2001	2000	1999
Loss brought forward	(414)	58			
Loss for the current financial year		59			
<b>TOTAL ASSETS</b>		<b>60</b>	<b>2 907 991</b>	<b>2 061 120</b>	<b>1 382 542</b>
Control number			11 227 341	7 736 825	5 316 612

(CZK '000)

LIABILITIES AND EQUITY			2001	2000	1999
Share capital and funds	(40,41)	61	460 038	460 038	460 038
Share capital	(401)	62	450 000	450 000	450 000
Share premium account	(402)	63			
Other capital accounts	(403,404)	64	10 000	10 000	10 000
Re-valuation reserve fund	(405)	65			
Statutory reserve fund	(411)	66			
Other funds	(412)	67	38	38	38
Technical provisions	(44 mimo 446)	68	2 448 668	1 109 028	328 278
Provision for unearned premiums	(441)	69	85 268	80 596	51 804
Life assurance provision	(442)	70	1 485 939	619 562	178 926
Outstanding claims provision	(443)	71	414 395	169 473	95 550
Bonuses and rebates provision	(444)	72	94 419	13 758	1 998
Equalization provision and other technical provisions	(449)	73	368 648	225 640	0
Provision for covering liabilities under fin. placements on behalf of insured	(446)	74			
Provision for other risks and losses	(45)	75	157 310	16 644	3 149
Statutory provisions	(451)	76			
Other provisions	(452,459)	77	157 310	16 644	3 149
Advance payments received	(461)	78			
Subordinated debt	(zejm.z 36, z 48)	79			
Payables	(33, z 35, 36, z 37, 47, 48)	80	536 038	574 369	737 832
Payables arising out of direct insurance and reinsurance	(33)	81	508 256	548 438	704 924
Owed to insureds	(331, 338 AE)	82	483 119	527 276	662 720
Owed to intermediaries	(332, 338 AE)	83	11 179	7 899	30 360
Payables arising out of reinsurance operations	(333, 338 AE)	84	13 958	13 263	11 844
Payables secured by debenture	(367, 487)	85			
Payables secured by debenture in convertible currency	(367AE, 487 AE)	86			
Bank credits	(363 ,364, 365, 471)	87			
Tax payables	(z 37)	88	1 563	1 948	2 561
Social security and public health insurance payables	(z 355)	89	4 556	5 416	4 463
Payables to companies with controlling influence	(481)	90			
Payables to companies with substantial influence	(482)	91			
Other payables	(z 35, z 36, z 37, 472, z 48)	92	21 663	18 567	25 884
Temporary accounts of liabilities	(z 39)	93	199 439	81 926	27 532
Retained earnings	(413)	94	1 866	1 866	1 866
Accumulated losses		95	182 751	176 153	77 297
Loss for the current accounting period		95	-712 617	-6 598	-98 856
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>96</b>	<b>2 907 991</b>	<b>2 061 120</b>	<b>1 382 542</b>
Control number		99	10 291 795	7 183 064	5 153 89

## Profit & Loss Account

(CZK '000)

TECHNICAL ACCOUNT – NON-LIFE INSURANCE			2001	2000	1999
1.	Earned premiums, net of reinsurance		11		
	Gross premiums written	(601)	12	1 550 146	1 454 814
	Gross premiums written ceded to reinsurers	(602)	13	915 816	808 402
	Change in balance of provision for unearned premiums	(505-605)	14	32 165	90 552
	Change in balance of provision for unearned prem. – reinsurers' share	(506-606)	15	27 493	61 760
2.	Return from financial placements transferred from the non-technical acc.	(611)	16	30 938	24 390
3.	Other technical income, net of reinsurance	(618-619)	17	121 508	205 499
4.	Claims paid, net of reinsurance:		18		
	Claims paid	(501)	19	554 129	316 703
	Claims paid, reinsurers' share	(502)	20	344 920	200 896
	Change in outstanding claims provision	(503-603)	21	682 979	241 772
	Change in outstanding claims provision, reinsurers' share	(504-604)	22	423 936	168 167
5.	Bonuses and rebates, net of reinsurance	(507-607)-(508-608)	23	889	858
6.	Operating expenses, net amounts	(514-515)	24	43	8
7.	Operating expenses, net amounts:		25		
	Acquisition costs on insurance contracts	(511)	26	200 141	334 811
	Deferred acquisition costs on insurance contracts	(511 AE)	27	89 903	-109 967
	Administrative expenses	(512)	28	244 951	271 919
	Reinsurance commissions and profit participation, net of reinsurance (616-617)	(-)	29	267 711	211 020
8.	Other technical charges, net of reinsurance	(518-519)	30	303 321	228 153
9.	Change in balance of equalization provision	(509-609)	31	22 207	561
10.	RESULT of non-life technical account	(=712)	32	-279 892	142 774
					-52 189

TECHNICAL ACCOUNT – LIFE INSURANCE			2001	2000	1999
1. Earned premiums, net of reinsurance:		33			
Gross premiums written	(621)	34	1 030 247	468 334	187 269
Gross premiums written ceded to reinsurers	(622)	35	2 955	7 836	4 955
Change in balance of provision for unearned premiums, net of reinsurance	(523-623)-(524-624)	36	0	0	-47
2. Income from financial placements		37			
Income from participating interests and of which: controlling influence	(634) of which: (AE 634)	38	0	0	0
Income from other financial placements: and of which: controlling influence	of which:	39			
Income from land and buildings	(635)	40	0	0	0
Income from other financial placements	(636)	41	110 593	67 103	11 723
Value re-adjustments on financial placements	(637)	42	6 494	0	0
Gains on the realization of financial placements	(638)	43	22 550 594	20 473 582	2 076 529
3. Unrealized gains on financial placements	*)	44	0	0	0
4. Other technical income, net of reinsurance	(647-648)	45	47	10	7
5. Claims paid, net of reinsurance:		46			
Claims paid	(521)	47	30 120	7 227	2 184
Claims paid, reinsurers' share	(522)	48	1 229	961	0
Change in provision for claims	(525-625)	49	2 020	317	-2 247
Change in provision for claims, reinsurers' share	(526-626)	50	0	0	0
6. Change in balance of other technical provisions		51			
Change in balance of life assurance provision	(527-627)	52	950 877	440 636	127 903
Change in balance of life assurance provision, reinsurer's share	(528-628)	53	0	0	0
Change in balance of other technical provisions, net of reinsurance	(529-629)-(531-631)	54	79 773	10 902	566
7. Bonuses and rebates, net of reinsurance	(536-541)	55	0	0	0
8. Net operating expenses		56			
Acquisition costs on insurance contracts	(532)	57	98 478	47 621	27 563
Deferred acquisition costs on insurance contracts	(532 AE)	58	0	0	0
Administrative expenses	(533)	59	126 983	69 229	60 199
Net reinsurance commissions and profit participation		60	0	0	0
9. Charges for financial placements:		61			
Charges for financial placements:	(535)	62	10 267	12 880	926
Value adjustments to financial placements	(537)	63	8 900	-623	327
Costs of realization of financial placements	(538)	64	22 540 271	20 449 940	2 072 749
10. Unrealized losses on financial placements	*)	65	0	0	0
11. Other technical charges, net of reinsurance	(547-548)	66	0	0	0
12. Transfer of return from financial placements to the non-technical acc.	(649)	67	52 845	45 622	4 836
<b>13. RESULT of life technical account</b>	<b>(= 713)</b>	<b>68</b>	<b>-204 285</b>	<b>-81 597</b>	<b>-24 386</b>

III. NON-TECHNICAL ACCOUNT			2001	2000	1999
1. Non-life insurance technical account result	(result line 32)	69	-279 892	142 774	-52 189
2. Life assurance technical account result	(result line 68)	70	-204 285	-81 597	-24 386
3. Income from financial placements:		71			
Income from participating interests	of which:	72	0	0	0
Income from other financial placements: and of which: controlling influence	of which:	73			
Income from land and buildings	(652)	74	0	0	0
Income from other financial placement components	(653)	75	0	0	10 796
Value re-adjustments on financial placements	(654)	76	0	0	0
Gains on the realization of financial placements	(655)	77	0	0	3 222 281
4. Return from fin. placements transferred from life insurance technical acc.	(656)	78	52 845	45 622	4 836
5. Charges for financial placements:		79			
Charges for financial placements	(551)	80	0	0	1 688
Value adjustments on financial placements	(554)	81	0	0	600
Losses on the realization of financial placements	(555)	82	0	0	3 213 422
6. Transfer of return from financial placements to non-life technical acc.	(657)	83	30 938	24 390	10 925
7. Other income	(658,659,661)	84	25 302	5 694	8 180
8. Other charges	(558,559,561)	85	260 495	99 189	44 352
9. Income tax on ordinary activities	(571, 572,575)	86	12 705	-5 303	-2 822
10. Profit or loss on ordinary activities after tax	(AE 711)	87			
11. Extraordinary income	(663)	88	430	351	38
12. Extraordinary charges	(563)	89	173	145	94
13. Extraordinary result	(AE 711)	90	257	206	-56
14. Income tax on extraordinary activities	(573, 574)	91	0	0	0
15. Other taxes and fees	(562)	92	2 706	1 021	153
<b>16. PROFIT OR LOSS of the financial year</b>	<b>(711)</b>	<b>93</b>	<b>-712 617</b>	<b>-6 598</b>	<b>-98 856</b>
Control number		99	48 143 305	43 923 298	11 114 40

## Notes to the Financial Statements for the Year Ended 31 December 2001

### 1. BACKGROUND INFORMATION

#### 1.1. Incorporation and Description of the Business

**Komerční pojišťovna, a. s.**, (henceforth the 'Company' or 'KP') was incorporated and recorded in the Register of Companies on 1 September 1995.

**The principal operations are as follows:**

- Insurance activities (non-life and life insurance, Section 7 (1) of the Insurance Act);
- Reinsurance by ceding part of the assumed risk to reinsurers (Section 7 (2) of the Insurance Act);
- Operations underlying insurance and reinsurance activities (Section 7 (3) of the Insurance Act);
- Preventive activities (Section 7 (4) of the Insurance Act); and
- Entering into brokers' insurance contracts with individuals or corporate entities resident on the territory of the Czech Republic (Section 8 (3) of the Insurance Act).

The Company has been licensed by the Czech Finance Ministry to conduct business in the following areas:

- Life insurance
- Non-life insurance

- Personal property and liability insurance, industrial and entrepreneurial insurance (the 'universal license')
- Motor third party liability insurance ('MTPL'); and
- Insurance activities according to non-life insurance class no. 15 (guarantee/bail insurance, including the approval of general insurance terms and conditions for guarantee insurance in regard to the failure of a travel agency).

All insurance policies have been entered into on the territory of the Czech Republic.

**Share capital:** CZK 450,000 thousand (fully paid up).

The share capital consists of 3,000 certificate registered shares with a nominal value of CZK 100,000 in the book-entry form and 3,000 certificate registered shares with a nominal value of CZK 50,000 in the book-entry form.

Komerční banka, a.s. is the sole shareholder of the Company as of 31 December 2001.

#### 1.2. Management and Supervisory Boards as of 31 December 2001

	Position	Name
Management Board	Member	Zbyněk Veselý
	Member	Zdeněk Zavadil
Supervisory Board	Member	Michal Jelínek
	Member	Jiří Witzany
	Member	Jiřina Bokšová

During the year ended 31 December 2001, the composition of the boards was changed as follows:

#### *Management Board*

Position	Original member	New member	Date of change
Member	Václav Runštuk		1 February 2001
Member		Zbyněk Veselý	1 April 2001
Member	Stanislava Fiedlerová	Zdeněk Zavadil	10 May 2001
Member	Jan Klak		10 May 2001

## Supervisory Board

Position	Original member	New member	Date of change
Member	Jiří Dvořáček		26 January 2001
Member	Jaroslav Martinec		1 March 2001
Member		Michal Jelínek	6 March 2001
Member	Petr Mandl	Jiří Witzany	10 May 2001

The changes listed above were recorded in the Register of Companies in the year ended 31 December 2001.

### Acting on behalf of the Company

All members of the Management Board jointly are authorized to act on behalf of the Company where legislation requires so. Otherwise, two members of the Management Board jointly are always entitled to act on behalf of the Company and the Company's Managing Director to the extent that he is authorized to do so by the Management Board and employees of the Company authorized by the Managing Director and persons listed as 'procura.'

### 1.3. Equity Holdings in Other Businesses

The Company held no equity investments in other businesses as of 31 December 2001.

### 1.4. Changes and Amendments to the Register of Companies


Except for the changes in the composition of the Management and Supervisory Boards, no other changes were made to the details within the Register of Companies.

## 2. Principal developments and financial situation of the company

### 2.1. Operating Performance of the Company

In the last quarter of 2001, management of the Company and its shareholder, Komerční banka, a.s. (the 'Parent Bank' or 'shareholder') initiated a comprehensive assessment and review of the operating activities and performance of the Company. The losses that have been incurred in the year ended 31 December 2001 arose primarily in connection with:

- operating losses of and an increase in technical reserves held for the life portfolio primarily because of the acquisition cost of insurance policies and the level of investment return inherent within such policies. Management estimates the impact to be CZK 115 million;
- operating losses of and an increase in technical reserves held for the motor third party liability portfolio reflecting the fact that the Company experienced deteriorating loss ratios, reassessment of the basis for reserving, high administrative and acquisition costs and the need to provide for increased overdue debts. Management estimates the impact to be CZK 280 million;
- the provision for and settlement of liabilities arising from non-life industrial and entrepreneurial



insurance activities. Management estimates the impact to be CZK 116 million;

- the reassessment and expensing of a significant proportion (CZK 183 million) of the Company's contribution to the MTPL deficit administered by the Czech Insurance Bureau; and
- adjustments arising from the Company's reconciliation of its insurance ledgers, unmatched cash balances and the settlement of balances with its reinsurers.

## 2.2. Use of Estimates and Assumptions in Preparation of the Financial Statements for the Year Ended 31 December 2001

The presentation of these financial statements has required management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and of assets and liabilities at the year-end date. Management has made its best efforts to analyze and determine such amounts based on the information presently available to it. Actual results and outcomes could differ from those estimates.

A summary of the principal areas in which management has made estimates and assumptions are set out below. Further details are set out in other notes to the financial statements.

- The calculation, reconciliation and settlement of balances with reinsurers: The Company is presently discussing such balances with its reinsurers. The amounts recorded in the financial statements represent management's best estimate of the amounts to be ceded to and collected from reinsurers. Further details are set out at Note 4.19;
- The assessment of the sufficiency of life and non-life technical reserves: Management of the Company has undertaken a comprehensive review of the sufficiency of technical reserves for all classes of life and non-life activities. Specifically it has reassessed the basis on which it calculates claims incurred but not yet reported (IBNR) for its motor third party liability insurance portfolio. This reassessment has contributed to a significant increase of CZK 181 million in these reserves as of 31 December 2001 when compared with the prior year. Management acknowledges that the absence of long-term historic loss occurrence rates increases the degree of uncertainty with regard to the actual level of the settlement of both reported and incurred but not reported claims. Further details are set out at Note 4.7;
- The reassessment of the accounting treatment of the motor deficit: The Company is liable to participate in the coverage of the deficit in the funding of motor third party liability insurance required to settle estimated payables to the insureds that have been transferred from Česká pojišťovna, a.s., the former monopoly provider, to the Czech Insurance Bureau as of 1 January 2000. The reassessment, together with an increase in contribution of CZK 121 million notified by the Czech Insurance Bureau during 2001, of the accounting treatment has led to a charge of CZK 183 million to the profit and loss account for the year ended 31 December 2001. As of that date, management of the Company estimated that the future cash collected from premiums collected during 2002 to fund the Company's contribution to the deficit to be CZK 143 million. This amount has been carried forward as an asset as of the balance sheet date and will be expensed during 2002. Further details are set out at Note 4.7;
- Provision for and settlement of liabilities arising from industrial and entrepreneurial insurance activities. Further details are set out at Note 4.8.

### 2.3. Reorganization and Restructuring Plan

The Company has incurred losses of CZK 713 million in the year ended 31 December 2001, leaving the Company with net liabilities of CZK 433 million at the year-end date. These losses have eliminated the equity capital base of the Company. Subsequent to the review referred to above, management of the Company and its shareholder have prepared a comprehensive restructuring and reorganization plan which they intend to implement during 2002. The principal features of this plan are as follows:

- The clear separation of life business from non-life activities;
- The exit from certain non-life activities, specifically industrial and entrepreneurial insurance;
- The completion of a capital increase of approximately CZK 289 million initiated in November 2001. Details of the present status of the capital increase are set out at Note 4.6. It is expected that this increase will be registered in the second quarter of 2002; and

- The restructuring of the Company's existing business model.

Further, the sole shareholder has undertaken to provide sufficient financial support to the Company such that it is able to settle claims to policy-holders and to meet legal and regulatory requirements applicable to it. The Company has discussed and will continue to formulate and implement its plans in conjunction with the requirements of its regulator.

Given the steps taken to date and the confirmed continuing support of its shareholder, management of the Company considers it appropriate to prepare the financial statements of the Company on a going concern basis. These financial statements do not include any adjustments that may arise from the failure of all or any of the steps outlined above.

## 3. Accounting policies

### 3.1. Tangible and Intangible Fixed Assets (including Land and Structures)

Tangible fixed assets include assets with an acquisition cost greater than CZK 40,000 on an individual basis and an estimated useful life exceeding one year. Tangible fixed assets costing less than CZK 40 thousand are expensed in the year of acquisition.

Intangible fixed assets include incorporation costs greater than CZK 20,000 and other assets with an acquisition cost greater than CZK 60,000 on an individual basis and an estimated useful life exceeding

one year. Intangible fixed assets costing less than CZK 60 thousand are expensed in the year of acquisition.

The Company makes provisions against tangible and intangible fixed assets if the inventory count highlights that there is a temporary impairment. No provisions were recognized for fixed assets in the year ended 31 December 2001.

Depreciation of fixed assets is recorded on a straight line basis over the depreciation period indicated below.

Category of assets	Depreciation period in years
Structures	30
Cars	4
Furniture and fixtures	6-12
Software	4
Incorporation costs	5



As a result of binding statutory requirements regarding the format of financial statements of insurance companies, the components of fixed assets shown above are classified on the face of the balance sheet as follows:

- Land and structures are reported within financial placements in lines 15 and 16;

- Movable tangible fixed assets are reported as a component of other assets in lines 43-45;
- Intangible assets are reported in lines 11 - 13;
- Acquisition of assets is reported within other assets in lines 46 and 47.

### 3.2. Financial Placements

Accounting policies applicable to land and structures that are reported as a component of financial placements are set out at Note 3.1 above.

Term placements and other deposits are carried at nominal value.

Securities are stated at cost. With regard to debt securities, purchased accrued interest income is capitalized to the cost of the investment.

Publicly tradable securities are stated at the lower of cost and market value. Market value is derived from the prices at which the securities are traded.

The Company determines fair values of individual components of financial placements as of the balance sheet date. The fair value of publicly tradable securities is defined as the value at which the security is traded on the Prague Stock Exchange or quoted by major securities

dealers, as appropriate. The fair value of other components of financial placements is estimated based on available information about their investment return or risk of recoverability, as appropriate. If the fair value is lower than the carrying value, the difference is recognized through a provision.

The Company takes the same approach to determining the fair value of financial derivatives that are reported as a component of financial placements. In the event that the established fair value of the financial derivative contract is negative, the Company provides for the amount (refer to Note 3.6).

The structure of the financial placement portfolio is managed by compliance with the obligatory limits as set out in Insurance Act 363/1999 and the Finance Ministry Regulation 75/2000.

### 3.3. Accounts Receivable

Accounts receivable are stated at nominal value.

Provisions against past due receivables are recorded as follows:

- Receivables that are past due from three to six months are provisioned at 20 percent of the outstanding balance;
- Receivables that are past due from six months to one year are provisioned at 50 percent of the outstanding

balance or at 100 percent when they result from motor third party liability insurance;

- Receivables that are past due by greater than one year are provisioned in full.

In determining debt provisioning levels the Company treats as troubled all amounts due from the specific debtor if their portion exceeded the past due dates as outlined above.

### 3.4. Cash and Cash Equivalents

Cash comprises cash on hand and current bank accounts. Term accounts or current accounts used to collect premiums are reported as a component of financial

placements. Cash equivalents comprise revenue and postal stamps and meal vouchers. Cash and cash equivalents are stated at nominal value.

### 3.5. Technical Reserves

The Company records technical reserves pursuant to Insurance Act 363/1999 as follows:

The balance of the IBNR reserve is determined using actuarial methods based on an analysis of available information that includes, but is not limited to:

#### *Life Insurance Reserve*

The life insurance reserve is created as a sum of reserves calculated under individual life insurance policies and represents balances of the Company's commitments calculated using the 'Zillmer' method. This technical reserve takes into account the calculated costs and the portfolio size. This reserve includes an element of unearned premiums, if any.

- Supporting evidence underlying the non-life insurance portfolio split by classes of non-life activities;
- Historical series relating to individual classes of non-life activities that monitor the moment of a claim origination and the moment of the claim settlement (the Chain-Ladder method);
- The estimated aggregate claims ratio.

#### *Reserve for Unearned Premiums*

The reserve for unearned premiums represents actual (or estimated as appropriate) underwritten premiums that do not relate to the current accounting period and are calculated as a proportion of the aggregate underwritten premiums, reflecting the number of days that relate to the current accounting period and to the following accounting period.

#### *Rezerva na prémie a slevy*

The reserve for bonuses and discounts is recorded to cover costs of bonuses and discounts provided to the insureds under insurance policies.

#### *Reserve for Insurance Claims*

The reserve for insurance claims includes a reserve for insurance claims reported but not settled during the year ('RBNS') and a reserve for insurance claims incurred but not reported during the year ('IBNR').

#### *Equalization Reserve*

The equalization reserve is established and used pursuant to Insurance Act 363/1999, Regulation 75/2000 and actuarial principles. The purpose of the reserve is to offset increased costs of insurance claims that were incurred as a result of fluctuations in loss occurrence. This reserve is recorded in respect of individual classes of non-life insurance in periods when the actual loss occurrence is lower than the industry average and is used in periods when the actual loss occurrence is greater.

The RBNS reserve is established as equal to the sum of reserves for individual estimated insurance claims reported but not settled, taking into account the estimated damages recorded as of the balance sheet date.

#### *Other Technical Reserves*

Other technical reserves are recorded for commitments arising from the Company's allocation of the deficit of motor third party liability insurance (refer to Note 4.7).

### 3.6. Reserves for Other Risks and Losses

The Company makes other reserves for risks that are not directly related to its insurance activities. Specifically, the Company recorded a reserve for estimated risks and

losses associated with legal disputes and similar cases and a reserve for losses on financial derivative contracts.

### 3.7. Accounts Payable

Accounts payable are stated at nominal value.

Accounts payable to the insureds (balance sheet line 82) also comprise:

- Premiums collected in respect of motor third party liability insurance under policies effective from 1 January of the year following the current accounting period; such amounts will be settled against the premium written in the following accounting period;
- Received payments unmatched with the related amounts receivable as of the balance sheet date.

### 3.8. Profit/(loss)

In order to give a fair and true view of the assets, liabilities and shareholder's equity of the Company, the balance of accumulated losses brought forward is

reported on the face of the balance sheet as a component of liabilities (rather than as an item increasing the balance of the Company's assets).

### 3.9. Temporary Assets and Liabilities

Temporary assets principally comprise:

- Deferred expenses – primarily deferred acquisition costs of insurance policies;
- Accrued income – primarily an asset arising from the increased minimal premium rates for motor third party liability insurance for the following accounting period to fund the Company's contribution to the MTPL deficit incurred in prior periods;

- Estimated receivables – primarily estimated funds to be collected from the reinsurers (shares of insurance claims, commissions and profit shares) for the last quarter of the current accounting period.

Temporary liabilities principally consist of the estimated balances of premiums ceded to the reinsurers, unpaid commissions, fees and unbilled supplies.

### 3.10. Gross Underwritten Premiums

Gross premiums underwritten are recognized at the due date of the respective insurance policy in direct line with the payment method (monthly, quarterly, semi-annually and annually). Premium paid on a one-off basis is charged in full in the current accounting period.

Income from underwritten premiums is recognized on an accruals basis by recording a reserve for unearned premiums in accordance with accounting procedures for insurance companies (refer to Note 3.5).

### 3.11. Costs of Insurance Claims

Costs of life and non-life insurance claims are recognized on the basis of documentation underlying the settlement of insurance claims as prepared by individual departments. The cost is charged in the current accounting period when the amount payable to the policy-holder is recognized.

The costs of insurance claims (specifically life insurance claims) include not only the claims incurred (non-life insurance, death or endowment in respect of non-life insurance) but also client payments from capital life insurance accounts and the lump-sum settlement when this insurance is cancelled.

### 3.12. Acquisition Costs

Acquisition costs of insurance policies principally comprise:

- Commission paid to insurance policy acquirers;
- Other acquisition costs such as costs of materials consumed in direct relation to the arrangement of insurance policies, medical assessments, advisory costs, advertising costs, etc.

Non-life insurance commissions are deferred, depending upon the ratio of unearned premiums to underwritten premiums or reflecting the estimated period of validity of the policy to which the commission relates.

Commissions paid in respect of life activities are deferred by way of zillmerized life insurance reserves.

Other acquisition costs are not deferred.

### 3.13. Administrative Costs

Administrative costs consist of costs that are not directly involved in entering into insurance policies, such as consumption of material and fuel, travel expenses, rental expenses, advertising, postal fees, other fees, wages and other social costs, depreciation, etc.

If administrative costs are clearly identifiable, they are charged directly to the relevant technical life and non-life accounts during the year.

Other administrative costs are primarily posted to non-technical cost accounts and at year-end they are re-allocated to life and non-life insurance accounts in a proportion that matches the proportion of underwritten premiums in respect of both insurance activities for the current accounting period.

### 3.14. Financial Placement Cost and Income Recognition

Income (proceeds from the sold securities, interest income and received coupon payments) and costs (largely the carrying value of sold securities) on financial placements relating to life and non-life technical

reserves are primarily recorded to the life insurance technical account. At year-end, net income unrelated to life insurance is re-allocated to the non-technical account.

### 3.15. Reinsurance

Under the terms of reinsurance arrangements, the reinsurer's share of premiums is calculated and paid based on the premiums collected from reinsured policies. As of the balance sheet date, the Company records an estimated payable in respect of the projected reinsurer's share of premiums not yet collected.

Under the terms of reinsurance arrangements, the reinsurer's share of claims is calculated and paid based on the actually settled insurance claims. Estimated amounts due from the expected reinsurer's share of reported but not yet settled claims are not recognized as they are considered immaterial.

Under the terms of reinsurance arrangements, reinsurance commissions are calculated and paid based on the paid reinsurer's share of premiums reflecting loss experience.

As of the balance sheet date, the Company records an estimated receivable in respect of expected commissions from the reinsurer's share of premiums not yet collected.

The Company recognizes the reinsurer's profit shares when the entitlement to this profit share can be determined and ascertained with reasonable certainty. No profit shares were recognized as of 31 December 2001.

The reinsurer's share of reserves is determined pursuant to the reinsurer's share of collected premiums or insurance claims taking into account other relevant factors.

### 3.16. Income Taxation

The income tax liability is accounted for based on a tax return. The Company incurred tax losses in the year ended 31 December 2001 and hence the income tax liability is zero. Carrying values of fixed assets multiplied by the income tax rate effective for the following year. A deferred tax asset is recognized only to the extent that it is probable that the assets will be realized in the near future. Deferred income tax balances are calculated as equal to the difference between the accounting and tax

### 3.17. Foreign Currency Translation

Transactions during the year were re-translated at the Czech National Bank exchange rate that prevails as of the first day of the month and applies to the whole month. Assets and liabilities denominated in foreign currencies at the year-end are re-translated using the Czech National Bank exchange rate prevailing as of that date.

### 3.18. Changes in Accounting Policies

No significant changes were made to the accounting policies during the year ended 31 December 2001.

## 4. Additional information on the balance sheet and profit & loss account

### 4.1. Fixed Assets (except for land and structures)

Cost

(CZK '000)

	31 December 2000	Additions	Disposals	31 December 2001
Depreciable tangible assets	59 838	22 287	-	80 875
Of which: cars	8 842	4 309	-	13 151
hardware	42 477	15 406	1 250	56 633
office equipment	6 689	1 291	-	7 980
furniture and fixtures	1 830	1 281	-	3 111
Depreciable intangible assets	24 979	6 413	-	31 392
Non-depreciable tangible assets	176	-	-	176
Acquisition of assets	468	1 295	468	1 295
<b>Total</b>	<b>85 461</b>	<b>29 995</b>	<b>1 718</b>	<b>113 738</b>

*Accumulated Depreciation*

(CZK '000)

	31 December 2000	Additions	Disposals	31 December 2001
Depreciable tangible assets	23 798	17 679	-	40 227
Of which: cars	4 300	2 971	-	7 271
hardware	15 576	12 677	1 250	27 003
office equipment	3 092	1 792	-	4 884
furniture and fixtures	830	239	-	1 069
Depreciable intangible assets	15 594	5 152	-	20 746
Non-depreciable tangible assets	-	-	-	-
Acquisition of assets	-	-	-	-
<b>Total</b>	<b>39 392</b>	<b>22 831</b>	<b>1 250</b>	<b>60 973</b>

*Net Book Value*

(CZK '000)

	31 December 2000	Additions	Disposals	31 December 2001
Depreciable tangible assets	36 040	22 287	17 679	40 648
Of which: cars	4 542	4 309	2 971	5 880
hardware	26 901	16 656	13 927	29 630
office equipment	3 597	1 291	1 792	3 096
furniture and fixtures	1 000	1 281	239	2 042
Depreciable intangible assets	9 385	6 413	5 152	10 646
Non-depreciable tangible assets	176	-	-	176
Acquisition of assets	468	1 295	468	1 295
<b>Total</b>	<b>46 069</b>	<b>29 995</b>	<b>23 299</b>	<b>52 765</b>

The assets shown in the above tables represent tangible and intangible assets reported within the following balance sheet lines:

(CZK '000)

	31 December 2001	31 December 2000
Intangible assets (line 11)	10 646	9 385
Tangible movable assets (line 43)	40 824	36 216
Acquisition of assets (line 46)	1 295	468
<b>Total</b>	<b>52 765</b>	<b>46 069</b>

Depreciation of fixed assets charged to expenses for the year ended 31 December 2001 amounted to CZK 22,831 thousand.

upgrades and nine cars. The principal additions to intangible depreciable assets involves the purchase of a travel insurance ledger software system and a new accounting system.

For the year ended 31 December 2001, the principal additions to tangible depreciable assets included hardware

As of 31 December 2001, the Company does not hold any assets under finance lease agreements.

#### 4.2. Financial Placements

##### *Land and Structures*

Land and structures principally comprise buildings and land used by the Company for business purposes.

	31 December 2001	31 December 2001
Government debt securities and bonds issued by the CNB	738 908	817 682
Debt securities issued by banks	537 383	232 535
Registered bonds issued by businesses	176 956	143 929
Registered municipal bonds	90 716	0
Mortgage bonds	100 193	0
Foreign securities traded on the open markets of EU or OECD countries	385 967	0
Provision for securities	-2 711	-305
Total fixed income securities (including accrued interest income)	2 027 412	1 193 841
of which: accrued interest income (carried as a temporary asset, refer to Note 4.5)	16 103	2 442
Total fixed income securities (at cost)	2 011 309	1 191 399
Deposits with banks	272 590	170 790
<b>Total securities and deposits</b>	<b>2 283 899</b>	<b>1 362 189</b>

Set out below is information regarding individual securities:

- Debt securities issued by banks largely consist of the bonds issued by Komerční banka and Konsolidační banka;
- Bonds issued by businesses consist of bonds issued by Severomoravská energetika and RadioMobil;
- Municipal bonds consist of the bonds issued by the City of Prague;
- Mortgage bonds held by the Company include bonds issued by Komerční banka and Českomoravská hypoteční banka;

- Foreign securities traded on open markets of EU or OECD countries consist of debt securities issued by GE Capital, DEPFA 12.125/03, BMW, Deutsche Finance, GMAC, Daimler Chrysler and France Telecom;
- Deposits with banks include a deposit of CZK 10 million blocked in favor of the Ministry of Finance pursuant to applicable legislation.

#### Financial Derivative Contracts

As of 31 December 2000, the Company entered into two interest rate swap contracts. During the year ended 31 December 2001, the Company entered into a third swap transaction. These transactions were structured such that the Company paid to Komerční banka a fixed interest rate on the agreed-upon principal amount whereas Komerční banka paid a floating interest rate derived from the real market interest rate. These transactions were effected to minimize interest rate risk inherent in the portfolio.

Given interest rate fluctuations in 2001, these transactions resulted in significant losses being incurred and it was therefore decided that the Company's will focus its efforts on selling the contracts. Two of the swap contracts were disposed of at a loss of CZK 19,714 thousand. The last swap transaction remained effective as of 31 December 2001 and was provided for to the value of CZK 45,183 thousand (refer to Note 4.8).

The following table presents detailed information about the swap transactions:

No.	Principal amount (CZKm)	Floating (paid by KB)	Fixed (paid by KP)	Loss incurred at 31 December 2001 in CZK '000	Date of inception of swap	Date of expiration of swap	Provision for losses at 31 December 2000 in CZK '000	Provision for losses at 31 December 2001 in CZK '000
1	400 000	6M Pribor	7 %		12/6/2000	-	15 407	45 183
2	100 000	6M CZK Pribor + 5.52	7,423 %	-13 209	6/11/2000	26/10/2001	1 237	-
3	100 000	6M CZK Pribor	6,6875 %	-6 505	2/2/2001	26/10/2001	-	-
				<b>-19 714</b>			<b>16 644</b>	<b>45 183</b>

### Other Information

Activities involving the formation and management of a securities portfolio were undertaken by Komerční banka under an Asset Management Contract dated 28 December 1999. In the year ended 31 December 2001, the Company paid portfolio management fees of CZK 10,562 thousand (2000: CZK 13,238 thousand) under the terms of the contract referred to above.

### 4.3. Accounts Receivable

#### Analysis of Accounts Receivable

(CZK '000)

	31 December 2001	31 December 2000
Receivables from direct insurance from policy-holders	320 688	184 805
Receivables from agents (brokers)	443	118
Amounts due from reinsurance transactions	0	28 042
Other receivables from direct insurance and reinsurance	16 668	2 116
Total receivables from direct insurance and reinsurance	337 799	215 081
Operating prepayments	20 924	23 596
Other debtors	15 410	2 641
Amounts due from employees	56	1 095
Prepaid income tax	12 551	164
Deferred tax assets	0	12 705
<b>Total receivables</b>	<b>386 740</b>	<b>255 282</b>

As of 31 December 2001, other receivables from direct insurance and reinsurance primarily consist of a receivable of CZK 10,520 thousand arising from the delay between the transfer of insurance claim payments through the client payment check system, and their settlement (ie the settlement of receivables against the related account payable to the policy-holders).

As of 31 December 2001, operating prepayments include a prepayment of CZK 10,678 thousand in respect of

assistance services for the year ending 31 December 2002 and other advances for rental and other operating expenses.

As of 31 December 2001, other debtors primarily consist of receivables from outstanding coupons of securities amounting to CZK 14,625 thousand.

Details about the income tax prepayments and deferred tax assets are set out at Note 4.11.

#### Aging Structure of Accounts Receivable

Set out below is an aging analysis of receivables from direct insurance:

(CZK '000)

Months past due	Year ended 31 December 2001					Year ended 31 December 2000				
	MTPL	Industry	Other non-life	Life	Total	MTPL	Industry	Other non-life	Life	Total
0-3	19 086	12 240	4 758	36 377	72 461	14 776	5 078	12 143	6 340	38 337
4-6	16 741	8 781	2 239	5 224	32 985	20 447	14 201	1 064	1 785	37 497
7-12	55 391	19 671	1 401	10 669	87 132	46 102	16 024	541	1 678	64 345
Over 12	71 195	48 913	3 697	4 305	128 110	0	40 151	1 823	2 652	44 626
<b>Total</b>	<b>162 413</b>	<b>89 605</b>	<b>12 095</b>	<b>56 575</b>	<b>320 688</b>	<b>81 325</b>	<b>75 454</b>	<b>15 571</b>	<b>12 455</b>	<b>184 805</b>



Set out below is a summary of provisions against receivables from direct insurance:

(CZK '000)

Months past due	Year ended 31 December 2001					Year ended 31 December 2000				
	MTPL	Industry	Other non-life	Life	Total	MTPL	Industry	Other non-life	Life	Total
0-3	0	0	0	0	0	0	0	0	0	0
4-6	3 348	4 069	447	1 044	6 595	4 089	2 840	213	357	7 499
7-12	38 773	19 671	701	5 335	66 793	46 102	8 011	271	839	55 223
Over 12	71 195	48 913	3 697	4 305	128 110	0	40 151	1 823	2 652	44 626
<b>Total</b>	<b>113 316</b>	<b>72 653</b>	<b>4 845</b>	<b>10 684</b>	<b>201 498</b>	<b>50 191</b>	<b>51 002</b>	<b>2 307</b>	<b>3 848</b>	<b>107 348</b>

The Company recognizes provisions solely against the receivables from the policy-holders. The risk of non-payment of other receivables is immaterial.

#### 4.4. Cash and Cash Equivalents

(CZK '000)

Rok	31 December 2001	31 December 2001
Cash at bank	28 711	32 220
Cash on hand	609	635
Cash equivalents	1 089	770
<b>Total</b>	<b>30 409</b>	<b>33 625</b>

#### 4.5. Temporary Assets

(CZK '000)

Temporary assets	31 December 2001	31 December 2000
<b>Deferred acquisition costs</b>	<b>29 850</b>	<b>119 753</b>
of which: non-life insurance commissions	29 850	77 089
other MTPL acquisition costs	-	42 664
<b>Other deferred expenses</b>	<b>5 051</b>	<b>23 989</b>
<b>Accrued income</b>	<b>159 744</b>	<b>208 028</b>
of which: MTPL deficit	143 641	205 361
other	16 103	2 667
<b>Estimated receivables</b>	<b>138 449</b>	<b>96 445</b>
of which: premiums	98 689	8 326
reinsurer's commission and share of claims	39 760	88 119
<b>Total</b>	<b>333 094</b>	<b>448 215</b>

As of 31 December 2000, the balance of other MTPL acquisition costs of CZK 42,664 thousand consisted of deferred costs incurred in 1999 and 2000 in connection with the acquisition of policies following the Company's receipt of the MTPL license. This balance was fully expensed in the year ended 31 December 2001.

Detailed information about the MTPL deficit is set out at Note 4.7.

The balance of premiums as of 31 December 2001 of CZK 98,689 thousand represents premiums under policies

that have been entered into but not recorded by the closing date, specifically in relation to life insurance. This balance is matched with an estimated payable representing the estimated reserving level of CZK 78,140 thousand (refer to Note 4.10).

The balance of reinsurer's commission and share of claims as of 31 December 2001 of CZK 39,760 thousand consists of an estimated receivable from the reinsurers arising as a result of the settlement of reinsurance balances for the last quarter of 2001. Further details about reinsurance balances are set out at Note 4.19.

#### 4.6. Shareholder's Equity

(CZK '000)

	31 December 2001	31 December 2000
Share capital	450 000	450 000
Other capital accounts	10 000	10 000
Statutory reserve fund	0	0
Other funds (Loss Prevention Fund)	38	38
Retained earnings	1 866	1 866
Accumulated losses brought forward	-182 751	-176 153
Loss for the period	-712 617	-6 598
<b>Total</b>	<b>-433 464</b>	<b>279 153</b>

Other capital funds represent a deposit of CZK 10,000 thousand. These funds are blocked on a term account (refer to Note 4.2).

thousand. This resolution has not been recorded in the Register of Companies as of the date of issuance of this report but the funds were paid into the Company in January 2002.

On 11 December 2001 the Company's sole shareholder resolved to undertake a capital increase of CZK 288,750

Further details about the Company's equity are set out at Note 2.3.

#### 4.7. Technical Reserves

##### *Structure of Technical Reserves*

(CZK '000)

Name of reserve	31 December 2001	31 December 2000	Change
<b>Reserve for life insurance</b>	<b>1 485 939</b>	<b>619 562</b>	<b>869 694</b>
<b>IBNR reserve</b>	<b>298 845</b>	<b>88 399</b>	<b>210 447</b>
Of which: MTPL	219 156	38 308	180 849
Industry and entrepreneurs	35 393	20 219	15 174
Other non-life insurance	44 296	29 872	14 424
<b>RBNS reserve</b>	<b>115 550</b>	<b>81 074</b>	<b>34 476</b>
Of which: MTPL	90 632	63 692	26 940
Industry and entrepreneurs	15 103	12 152	2 951
Other non-life insurance	7 378	4 813	2 565
Life insurance	2 437	417	2 020
<b>Reserve for bonuses and discounts</b>	<b>94 419</b>	<b>13 758</b>	<b>80 662</b>
Of which: Non-life insurance	3 178	2 289	889
Life insurance	91 241	11 469	79 773
<b>Equalization reserve</b>	<b>22 767</b>	<b>560</b>	<b>22 206</b>
Of which: MTPL	16 236	0	16 236
Other non-life insurance	6 531	560	5 970
<b>Reserve for unearned premiums – KP's share</b>	<b>85 268</b>	<b>80 596</b>	<b>4 672</b>
Of which: MTPL	32 283	13 809	18 474
Industry and entrepreneurs	11 097	24 688	-13 591
Other non-life insurance	41 888	42 099	-211
<b>Other technical reserves</b>	<b>345 880</b>	<b>225 080</b>	<b>120 800</b>

##### *Reserving for MTPL*

In determining the level of the IBNR reserve for the motor third party liability insurance portfolio as of 31 December 2000, management of the Company primarily referred to the average loss occurrence rates resulting from an assessment of claims reported to the Company for the period from 1 January 2000 through 31 January 2001.

In the year ended 31 December 2001, management of the Company re-assessed the assumptions and data used in determining the level of the IBNR reserve as of 31 December 2001 and took into account the most recent loss experience rates resulting from an analysis of claims reported to the Company and other sources

of information including the data provided by the Czech Insurance Bureau and international benchmark experience. This reassessment has contributed to a significant increase of CZK 180,849 thousand in these technical reserves as of 31 December 2001 when compared with the prior year.

#### **MTPL Deficit**

In transferring assets and liabilities arising from the provision of motor third party liability insurance by Česká pojišťovna, a.s., the former monopoly provider, to the Czech Insurance Bureau, it was determined that there exists a deficit in the funding required to settle estimated payables to the insureds that have been transferred from Česká pojišťovna to the Czech Insurance Bureau as of 1 January 2000.

Pursuant to the applicable legislation whereby the members of the Czech Insurance Bureau are required to guarantee its commitments, the Czech insurance Bureau calculated the contribution of its members to the coverage of the deficit in 2000. The Company's contribution was calculated at CZK 225 million and the Company made other technical reserves as of 31 December 2000 to cover this balance. The Czech Insurance Bureau reflected the need to fund the MTPL deficit by increasing the minimum premium rates for the year 2001. Management of the Company considered all information available to it and estimated the future income from the increased premium

Management of the Company acknowledges that, given the absence of long-term historic loss occurrence rates, there is a greater degree of uncertainty over the actual level of claims incurred but not reported or not settled as of the balance sheet date and therefore also of the adequacy of the IBNR reserve.

rates to be CZK 205 million. This amount was carried forward as an asset on the balance sheet.

In the year ended 31 December 2001, the Czech Insurance Bureau assessed its estimate of the MTPL deficit upwards and increased the contribution of its members to the funding of the deficit. The Company's contribution has been increased by CZK 121 million and the Company increased the balance of other technical reserves by the same amount to CZK 346 million and the temporary asset to CZK 326 million. Management of the Company reassessed the accounting treatment of the MTPL deficit and estimated the future income from the increased premium rates to be CZK 143 million. This amount has been carried forward as an asset as of the balance sheet date and will be expensed during 2002. Management of the Company considers that the recoverability of this asset is reasonably certain and its recognition on the face of the balance sheet as of 31 December 2001 is appropriate. The remaining portion of the asset of CZK 183 million was expensed in 2001.

#### **4.8. Reserve for Other Risks and Losses**

(CZK '000)

	31 December 2001	31 December 2000
Reserve for losses on interest rate swap	41 310	16 644
Reserve for legal disputes and similar risks	116 000	
<b>Total reserve for other risks and losses</b>	<b>157 310</b>	<b>16 644</b>

Details about the reserve for losses on an interest rate swap are set out at Note 4.2.

The reserve for legal disputes and similar risks represents a reserve for estimated losses from pending or potential litigation and other estimated losses on transactions

entered into by the year-end, specifically in relation to industrial and entrepreneurial insurance. Based on all information available to it, management of the Company established this reserve as an appropriately prudent estimate of the ultimate balance of costs associated with the matters referred to above.

#### 4.9. Accounts Payable

(CZK '000)

	31 December 2001	31 December 2000
Payables from direct insurance to insureds	470 941	527 276
Payables to agents	11 179	7 899
Payables from reinsurance transactions	13 958	13 263
Other payables from direct insurance	12 178	0
<b>Total payables from direct insurance and reinsurance</b>	<b>508 256</b>	<b>548 438</b>
Payables to staff from dependant activities	7 918	8 819
Settlement balances with social and health insurance institutions	4 556	5 416
Other payables	13 745	9 748
Other direct taxes	1 563	1 948
<b>Total payables</b>	<b>536 038</b>	<b>574 369</b>

As of 31 December 2001, payables from direct insurance to insureds include received payments of CZK 173,456 thousand (2000: CZK 41,530 thousand) that were not matched with the relevant accounts receivables as of the balance sheet date, and prepaid MTPL premiums of CZK 277,477 thousand (2000: CZK 469,188 thousand). These balances will be settled post balance sheet date as outlined in Note 3.7.

None of these payables fall due for repayment over five years. As of 31 December 2001, the Company records no past due payables. None of the Company's payables were encumbered or subject to any other lien as of 31 December 2001.

#### 4.10. Temporary Liabilities

(CZK '000)

Temporary liabilities	31 December 2001	31 December 2000
Reinsurer's share of premiums	49 120	50 658
Estimated reserving	78 140	-
Commissions to acquirers	10 537	5 017
Clients' share of income	22 500	-
Insurance claims	14 789	-
Other	24 353	26 251
<b>Total</b>	<b>199 439</b>	<b>81 926</b>

The reinsurer's share of premiums as of 31 December 2001 of CZK 49,120 thousand consists of an estimated payable to the reinsurers arising as a result of the settlement of reinsurance balances for the last quarter of 2001. Further details about reinsurance balances are set out at Note 4.19.

As of 31 December 2001, the estimated reserving level of CZK 79,140 thousand represents the estimated balance of reserves for policies that have been entered into but not recorded by the closing date, specifically in relation to life insurance. This balance is related to an estimated receivable representing premiums of CZK 98,689 thousand (refer to Note 4.5).

As of 31 December 2001, commissions to acquirers of CZK 10,537 thousand represent an estimate of commissions for the acquisition of insurance policies not yet paid.

As of 31 December 2001, the clients' share of income of CZK 22,500 thousand consists of income from financial placements for the year ended 31 December 2000 credited to life insurance clients above the contracted amount of income as determined by management of the Company. No decision involving the crediting of similar income for the year ended 31 December 2001 was made prior to the balance sheet date and the amount of this balance, if any, cannot be determined. As such, these financial statements do not include any adjustments that may arise from the future decision, if any, of the Company's management to credit shares of income for the year ended 31 December 2001.

As of 31 December 2001, insurance claims of CZK 14,789 thousand represent estimated payables arising from claims settled but not yet paid as of the balance sheet date which

are not included in current accounts payable to policy-holders.

assistance services for the year ended 31 December 2001 of CZK 8,878 thousand.

Other estimated payables principally comprise unbilled supplies of CZK 9,025 thousand and estimated costs of

#### 4.11. Taxation

##### *Corporate Income Tax Liability*

The balance of the Company's corporate income tax liability for the year ended 31 December 2001 was zero.

The Company's interest income from securities trading was subject to tax of CZK 12,551 thousand which is treated as an income tax prepayment pursuant to Section 36 (6) of Income Taxes Act 586/1992 and a refund will be requested during 2002 to recover the tax. This balance has been recorded as a component of accounts receivable (refer to Note 4.3).

##### *Deferred Tax*

The Company's deferred tax asset amounted to CZK 20,034 thousand as of 31 December 2001. Given the substantial balance of tax losses carried forward and overall doubts about the realization of the deferred tax asset in the foreseeable future, the Company has not recognized this asset. As such, during the year ended 31 December 2001, the Company recognized a valuation allowance of CZK 12,705 thousand against the previously recognized deferred tax asset balance through a charge to expense.

#### 4.12. Non-life Insurance Technical Account

Non-life insurance consists of motor third party liability insurance (MTPL), industrial and entrepreneurial insurance

and other non-life insurance products (eg household insurance, casco insurance, etc).

The following tables show selected balances from the non-life insurance technical account:

(CZK '000)

	31 December 2001	31 December 2000
<b>Gross premiums underwritten</b>	<b>1 550 146</b>	<b>1 454 814</b>
– MTPL	1 134 349	1 113 115
– Industry and entrepreneurs	255 946	200 873
– Other non-life insurance	159 851	140 826
<b>Earned premiums</b>	<b>1 517 981</b>	<b>1 364 261</b>
– MTPL	1 178 575	1 124 853
– Industry and entrepreneurs	223 443	152 829
– Other non-life insurance	115 963	86 579
<b>Gross costs of insurance claims</b>	<b>554 129</b>	<b>316 703</b>
– MTPL	61 110	237 341
– Industry and entrepreneurs	130 233	52 020
– Other non-life insurance	62 786	27 342
<b>Reinsurance balance</b>	<b>302 852</b>	<b>396 485</b>
<b>Acquisition costs of insurance policies</b>	<b>290 044</b>	<b>224 844</b>
– Commissions	161 057	170 835
– Other acquisition costs	39 084	163 976
– Release of a deferral (asset)	119 753	9 786
– Recording of a deferral (asset)	-29 850	-119 753

#### 4.13. Life Insurance

The following tables shows selected balances from the life insurance technical account:

(CZK '000)

	31 December 2001	31 December 2000
Gross premiums underwritten	1 030 247	468 335
Gross costs of insurance claims	30 120	7 227
Reinsurance balance	1 726	6 876
Acquisition costs of insurance policies	98 478	47 621
– Commissions	66 916	38 607
– Other acquisition costs	31 562	9 014

Acquisition costs of insurance policies largely consist of insurance policies. Other acquisition costs principally commissions awarded to the acquirers for the arrangement include advertising costs.

#### 4.14. Financial Placements Income and Expense

For the year ended 31 December 2001, net income on assets generated from technical reserves amounted to CZK 86,336 thousand (2000: CZK 57,256 thousand). This amount includes net gains from the holding and trading of securities, interest income on current and term accounts and gains/(losses) on swap transactions.

As discussed in Note 3.14, income and expense from the financial placement of other assets are recorded primarily to the life insurance technical account during the accounting period. In the financial statements, net financial income related to non-life insurance is primarily recorded to the non-technical account and subsequently re-allocated to the non-life insurance technical account. For the year ended 31 December 2001, this re-allocated balance was CZK 30,938 thousand (2000: CZK 24,390 thousand) and is equal to the proportion of the average balance of non-life reserves to the average balance of the aggregate reserves during the accounting period.

(CZK '000)

	31 December 2001		31 December 2000	
	Life insurance	Non-life insurance	Life insurance	Non-life insurance
Year-end balances of reserves	1 579 617	869 050	631 448	477 580
Income from reserves	55 398	30 938	32 866	24 390
Percentage income from average reserves	5.77 % p.a.	5.77 % p.a.	8.47 % p.a.	8.47 % p.a.

#### 4.15. Non-technical Account

For the year ended 31 December 2001, other income principally involves the releasing of reserves for risks and losses in the amount of CZK 20,517 thousand (refer to Note 4.8).

losses of CZK 161,183 thousand (refer to Note 4.10.) and provisioning charges of CZK 94,150 thousand (refer to Note 4.3).

For the year ended 31 December 2001, other costs principally consist of the reserving charges for risks and

The corporate income tax balance for the year ended 31 December 2001 consists of the expensing of the deferred tax asset of CZK 12,705 thousand (refer to Note 4.11).

## 4.16. Profit/(loss)

(CZK '000)

	31 December 2001	31 December 2000
Non-life insurance	-279 892	142 774
Life insurance	-182 378	-81 597
Non-technical account (before tax)	-237 642	-73 078
<b>Loss before tax</b>	<b>-699 912</b>	<b>-11 901</b>
Corporate income tax	-12 705	5 303
<b>Net loss</b>	<b>-712 617</b>	<b>-6 598</b>

## 4.17. Intercompany Transactions

(CZK '000)

	31 December 2001	31 December 2001	Description
Intra-group payables Of which: Komerční banka, a. s.	1 154	506	Billed commissions for the arrangement of policies
	0	8 453	Fee for the maintenance of the securities account
<b>Intra-group expenses</b>	<b>40 363</b>	<b>39 688</b>	
Of which: Komerční banka, a.s.	10 652	13 238	Costs of financial placements
	7 153	5 100	Bank fees
	6 513	2 560	Costs of insurance claims
	6 281	10 981	Commissions for the arrangement of policies
	2 578	1 825	Use of trade mark
	4 397	2 460	Costs of office lease
<b>Intra-group income</b>	<b>91 199</b>	<b>20 096</b>	
Of which: Komerční banka, a.s.	2 759	1 230	Interest on current account
	1 918	1 660	Interest on the portfolio account
	85 627	13 527	Underwritten premium

## 4.18. Staff Costs and Similar Costs

2001

(CZK '000)

	Number	Wages and salaries	Social security and health insurance	Total staff costs
Staff	452	128 292	44 363	172 655
Management	6	10 008	3 978	13 986
<b>Total</b>	<b>458</b>	<b>138 300</b>	<b>48 341</b>	<b>186 641</b>

2000

(CZK '000)

	Number	Wages and salaries	Social security and health insurance	Total staff costs
Staff	396	91 893	47 105	138 998
Management	21	20 160	7 078	27 238
<b>Total</b>	<b>417</b>	<b>112 053</b>	<b>54 183</b>	<b>166 236</b>

The following tables summarize bonuses paid to administrative, management, supervisory and other bodies:

(CZK '000)

	31 December 2001	31 December 2000
Bonuses to the Supervisory Board	252	527
Bonuses to the Management Board	458	41

Eleven managers of the Company have been provided with business cars for both business and private purposes. The Company has provided no other advances, borrowings or loans to the members of its statutory, management and supervisory bodies.

#### 4.19. Reinsurance

The aggregate reinsurance result is as follows:

(CZK '000)

	31 December 2001	31 December 2000
Reinsurer's share of premiums	-918 438	-816 238
Reinsurer's share of insurance claims	346 149	201 857
Commissions	267 711	211 020
<b>Reinsurance balance</b>	<b>-304 578</b>	<b>-403 361</b>
Reinsurer's share of the creation of use of reserves	451 429	229 927
<b>Reinsurance result</b>	<b>146 851</b>	<b>-173 434</b>

The amounts due from and to reinsurers are as follows:

(CZK '000)

	31 December 2001	31 December 2000
Receivable from reinsurers (refer to Note 4.3)	-	28 041
Estimated receivable (refer to Note 4.5)	39 760	88 119
Payable to reinsurers (refer to Note 4.9)	-13 958	-13 263
Estimated payable (refer to Note 4.10)	-49 120	-50 658
<b>Net receivable (payable) from reinsurers</b>	<b>-23 318</b>	<b>52 239</b>

The Company has performed procedures focused on the calculation, reconciliation and settlement of balances with reinsurers. These procedures have highlighted reconciling differences between the balances in the accounting books and the information made available to the reinsurers. Management of the Company is presently finalizing such balances and the amounts recorded in the financial statements represent management's best estimate of the amounts to be ceded and collected from reinsurers.



## Report on Related Party Transactions (Per Section 66a (9) of the Commercial Code)

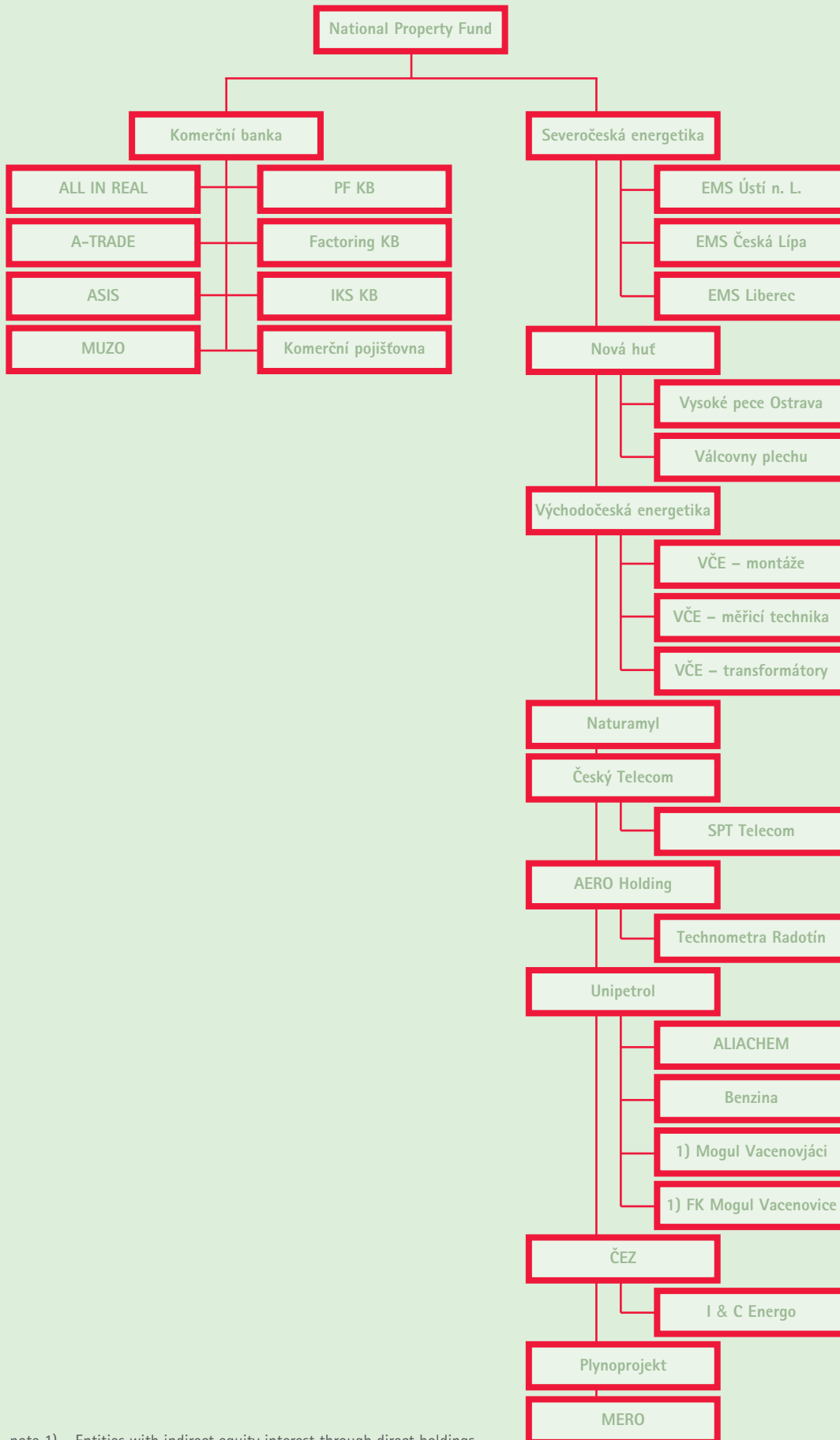
Komerční pojišťovna, a.s., having its registered office address at Jindřišská 17, Prague 1, 111 21, registered at the Municipal Court in Prague, Volume B, File 3362, Corporate ID 63998017 (henceforth the 'reporting entity'), is part of a business group in which the following relations between the reporting entity and controlling entities and further between the reporting entity and the entities controlled by the same controlling entities (henceforth the 'related entities') exist.

This report on relations between the entities stated below was prepared pursuant to Section 66a (9) of Commercial Code 513/1991 Coll., as amended, for the accounting period ended 31 December 2001 (henceforth the 'reporting period'). In the reporting period, the reporting entity and the entities listed below entered into the contracts as summarized below in the relevant tables.



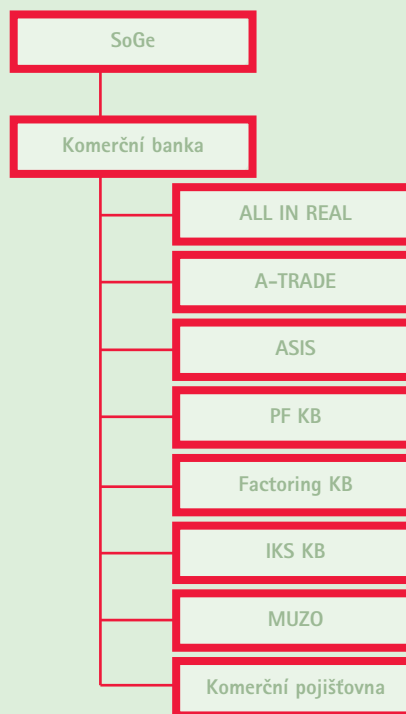
A. Chart of Entities whose Relations are Described:

a. Until 4 October 2001



note 1) – Entities with indirect equity interest through direct holdings

b. From 4 October 2001



## B. Controlling Entities

**Komerční banka, a. s.**, having its registered office address at Na příkopě 33, Prague 1, 114 07, Corporate ID 45317054 ('**Komerční banka**'). Relation to the reporting entity: the directly controlling entity. For a description of relations refer to **Appendix 1**.

**The National Property Fund of the Czech Republic**, having

its registered office address at Rašínovo nábřeží 42, Prague 2, 128 00, Corporate ID 41692918 ('**NPF**'). Relation to the reporting entity: the directly controlling entity prior to 4 October 2001. Description of relations: the reporting entity had no direct relations with the NPF during the reporting period.

## C. Other Related Entities

### a) Entities controlled by the same controlling entity as the reporting entity

For a description of relations with all the entities listed below refer to Appendix 2.

**ALL IN REAL ESTATE LEASING, s.r.o.**, having its registered office address at Truhlářská 18, Prague 1, 110 00, Corporate ID 49617982 ('**ALL IN REAL**')

**A-TRADE, s.r.o.**, having its registered office address at Truhlářská 18, Prague 1, 110 00, Corporate ID 63988071 ('**A-TRADE**')

**ASIS, a. s.**, having its registered office address at náměstí OSN 1, Prague 9, 191 02, Corporate ID 26418479 ('**ASIS**')

**Penzijní fond Komerční banky, a. s.**, having its registered office address at Na příkopě 33, Prague 1, 114 07, Corporate ID 61860018 ('**PF KB**')

**Factoring KB, a. s.**, having its registered office address at Na Poříčí 36, Prague 1, 110 00, Corporate ID 25148290 ('**Factoring KB**')

**Investiční kapitálová společnost KB, a.s.**, having its registered office address at Dlouhá 34, Prague 1, 110 15, Corporate ID 60196769 ('**IKS KB**')

**MUZO, a. s.**, having its registered office address at V Olšínách 80, Prague 10, 100 00, Corporate ID 00001155 ('**MUZO**')

**b) Other entities controlled by the same entity prior to 4 October 2001 that controls the directly controlling entity and entities controlled by these entities**

For a description of relations with all the entities listed below refer to **Appendix 3**.

**MERO CR, a. s.**, having its registered office address at Veltruská 748, Kralupy nad Vltavou, 278 01, Corporate ID 60193468 („MERO“)

**Benzina, a. s.**, having its registered office address at Trojská 13a, Prague 8, 182 21, Corporate ID 60193328 („Benzina“)

**Naturamyl, a. s.**, having its registered office address at Hamry 1596, Havlíčkův Brod, 580 01, Corporate ID 60108649 („Naturamyl“)

**NOVÁ HUŤ, a. s.**, having its registered office address at Vratimovská 689, Ostrava-Kunčice, Corporate ID 45193258 („NOVÁ HUŤ“)

**Plynoprojekt Praha, a. s.**, having its registered office address at Sokolská 1796, Praha 2 Nové Město, 120 21, Corporate ID 60193484 („Plynoprojekt Praha“)

**Válcovny plechu, a. s.**, having its registered office address at Křižíkova 1377, Frýdek-Místek, 738 01, Corporate ID 14613581 („Válcovny plechu“)

**ALIACHEM, a. s.**, having its registered office address at Kodaňská 46, Praha 10, 100 10, Corporate ID 60108916 („ALIACHEM“)

**Energetická montážní společnost Česká Lípa, s.r.o.**, having its registered office address at Dubická ulice 959, Česká Lípa, 470 02, Corporate ID 62743333 („EMS Česká Lípa“)

**Severočeská energetika, a. s.**, having its registered office address at Teplická 874/8, Děčín IV, 405 49, Corporate ID 49903179 („Severočeská energ.“)

**Energetická montážní společnost Liberec, s.r.o.**, having its registered office address at Budyšínská 1294, Liberec, 460 01, Corporate ID 62743325 („EMS Liberec“)

**Energetická montážní společnost Ústí nad Labem, s.r.o.**, having its registered office address at U vlečky 440, Ústí nad Labem, 400 01, Corporate ID 62743317 („EMS Ústí n. L.“)

**I & C Ergo, s.r.o.**, having its registered office address at Pražská 684/49, Třebíč, 67401, Corporate ID 49433431 („I & C Ergo“)

**FK Mogul Vacenovice, s.r.o.**, having its registered office address at Vacenovice 467, Hodonín District, 696 06, Corporate ID 25502115 („Mogul Vacenovice“)

**Mogul Vacenovjáci, spol. s r.o.**, having its registered office address at Vacenovice 426, Hodonín District, 696 06, Corporate ID 25324551 („Mogul“)

**Technometra Radotín, a. s.**, having its registered office address at Vrážská 239, Praha 5 - Radotín, 150 00, Corporate ID 00238856 („Technometra Radotín“)

**Východočeská enegetika, a.s.**, having its registered office address at Sladkovského 215, Hradec Králové, 501 03, Corporate ID 60108720 („VČE“)

**VČE - montáže, a. s.**, having its registered office address at Arnošta z Pardubic 2082, Pardubice, 531 17, Corporate ID 25938746 („VČE-montáže“)

**VČE - měřicí technika, s.r.o.**, having its registered office address at Husova 610, Skuteč, 539 73, Corporate ID 25938878 („VČE-měřicí technika“)

**VČE - transformátory, s.r.o.**, having its registered office address at Koutníkova 208, Hradec Králové, 503 01, Corporate ID 25938916 („VČE-transformátory“)

**Vysoké pece Ostrava, a. s.**, having its registered office address at Vratimovská 142, Ostrava-Kunčice, Corporate ID 25352954 („Vysoké pece“)

**Český Telecom, a. s.**, having its registered office address at Olšanská 55/5, Praha 3, 130 34, Corporate ID 60193336 („SPT Telecom“)

#### D. Conclusion

Our review of the legal relations between the reporting entity and the related entities indicates that the reporting entity incurred no damage as a result of contractual arrangements, other legal acts or other measures

implemented, made or adopted by the reporting entity during the year ended 31 December 2001 in the interest, or at the initiative, of individual related parties.

Prague 12 March 2002



Zbyněk Veselý

Chairman of the Board of Directors and  
CEO of Komerční pojišťovna, a.s.



## Appendices

## Appendix 1 to the Report on Related Party Transactions

### Description of Relations with Komerční banka, a.s.,

#### 1. Contracts

##### 1.1. Performance Provided

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Total 60 rental contracts	KB			rental,	4 913 552	none	
- lease of areas at KB's branches				fees for other services	1 796 395		

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Contract for acceptance of payment cards	KB	14. 3. 2001	14. 3. 2001	2 - 3 % of effected payments		none	
4 contracts for the use of safes and security boxes	KB			under Schedule of prices		none	
Contract for the opening and maintenance of accounts - total 17 contracts, of which 14 current accounts and 3 deposit accounts	KB			under Schedule of prices		none	
Contract for the use of application software for compatible media	KB	15. 1. 1996	15. 1. 1996	free of charge of prices		none	
Contract for the connection to KB Voice Information System	KB	8. 7. 1998	8. 7. 1998	under Schedule of prices		none	
Contract for the transfer of data files in the payment system through the BBS system	KB	1. 3. 2000	1. 3. 2000	under Schedule of prices		none	
<b>Total amount paid for the services in 2001</b>	<b>KB</b>			<b>fees</b>	<b>7 153 000</b>		

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Costs of paid insurance claims	KB			insurance claims	6 513 000	none	110 cases

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance	Price (CZK)	Incurred damage	Note
License contract for the use of trade marks	KB	14. 12. 1998	14. 12. 1998	Use of KB logo	2 578 000	none	

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Agreement on technical rules and business terms for short-term deposits in CZK	KB	4. 4. 1996	4. 4. 1996			none	
Contract for the mediation of sale or purchase of securities	KB	30. 10. 1996	30. 10. 1996			none	
Asset management contract	KB	28. 12. 1999	28. 12. 1999			none	
Agreement on rules and business terms for term deposits with individual interest rates	KB	8. 12. 2000	8. 12. 2000			none	
Contract for the provision of services on the short-term bond market	KB	25. 10. 2001	25. 10. 2001			none	
<b>Total amount paid for 2001</b>	<b>KB</b>			<b>fees and portfolio management</b>	<b>10 562 000</b>		

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Sub-contract for cooperation with TC KB Liberec	KB	19. 12. 2001	19. 12. 2001	capital life insurance		none	
Agreement on the amount of commission for the service rendered to KP	KB	15. 1. 1996	15. 1. 1996	life insurance loans for real estate and individuals		none	
Agreement on the amount of commission for the service rendered to KP	KB	15. 3. 1996	15. 3. 1996	life insurance for mortgage loan		none	
Master agreement on cooperation	KB	1. 4. 1996	1. 4. 1996			none	
Agreement on commissions for the services rendered to KP	KB	2. 1. 1997	2. 1. 1997	sale of KP's products		none	
Agreement on cooperation in industrial and entrepreneurial insurance	KB	12. 3. 1999	12. 3. 1999	industrial and entrepreneurial insurance		none	
Sub-contract for cooperation in telephone banking banking with TC KB Liberec	KB	30. 6. 2000	30. 6. 2000	commission for negotiated transactions		none	
Contract for cooperation in offering mortgage loans	KB	27. 12. 2000	27. 12. 2000	commission for negotiated transactions		none	
<b>Total amount paid in 2001</b>	<b>KB</b>			<b>commission for rendered services</b>	<b>6 281 000</b>		



## 1.2. Performance Received

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Contract for cooperation in providing insurance to AMEXCO payment cards	KB	22. 4. 1998	22. 4. 1998	insurance premium	11 480 552	none	
Contract for cooperation in providing insurance to EC/MC and VISA payment cards	KB	1. 3. 1999	1. 3. 1999	insurance premium	67 083 201	none	
Contract for collective insurance for consumer loans to KB's clients	KB	27. 12. 2000	27. 12. 2000	pojistné premium	6 576 032	none	
<b>Industrial insurance</b>				<b>number of contracts</b>			
45317054	KB			11	487 269	none	

## 2. Other Legal Acts

During the reporting period, the reporting entity did not adopt or implement any other legal acts in the interest, or at the initiative, of Komerční banka, a.s.

## 3. Other Factual Measures

During the reporting period, the reporting entity did not adopt or implement any other factual measures in the interest, or at the initiative, of Komerční banka, a.s.

## Appendix 2 to the Report on Related Party Transactions

### Description of Relations with Entities Controlled by the Same Controlling Entity as the Reporting Entity (KB's Subsidiaries)

#### 1. Contracts

##### 1.1. Performance Provided

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Costs of paid insurance claims	A-TRADE			insurance claims	11 890	none	2 cases
Agreement to effect electronic payments via Internet	MUZO	1. 10. 2001	1. 10. 2001		8 000	none	one-off fee

##### 1.2. Performance Received

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
<b>Industrial insurance</b>				<b>number of contracts</b>			
IČO 63988071	A-TRADE			3	187 216	none	
26418479	ASIS			1	300 000	none	
61860018	PF KB			1	1 064 108	none	
25148290	Factoring KB			2	125 509	none	
<b>Property and liability insurance</b>							
49617982	ALL IN Real E.L.			4	37 935	none	
25148290	Factoring KB			15	186 621	none	
60196769	IKS KB			2	6 906	none	
61860018	PF KB			8	40 938	none	

#### 2. Other Legal Acts

During the reporting period, the reporting entity did not adopt or implement any other legal acts in the interest, or at the initiative, of the entities listed above.

#### 3. Other Factual Measures

During the reporting period, the reporting entity did not adopt or implement any other factual measures in the interest, or at the initiative, of the entities listed above.

## Appendix 3 to the Report on Related Party Transactions

### Description of Relations with Other Related Entities

#### 1. Contracts

##### 1.1. Performance Provided

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Contract for the provision of pricing plan	SPT Telecom	31. 7. 2001	31. 7. 2001			none	
Contract for the provision of services	SPT Telecom	7. 9. 1995	7. 9. 1995			none	
Contract for the connection to final point of unified telecommunication network	SPT Telecom	14. 10. 1998	14. 10. 1998			none	
Contract for the connection PbÚ to the final point of unified telecommunication network	SPT Telecom	22. 10. 1999	22. 10. 1999			none	
Contract for the establishment of digital connection	SPT Telecom	20. 3. 2000	20. 3. 2000			none	
<b>Total amount paid for 2001</b>	SPT Telecom			<b>fees</b>	<b>7 950 000</b>		

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Costs of paid insurance claims	Technometra Radotín			insurance claim	3 584	none	1 cases
Costs of paid insurance claims	VČE montáže			insurance claim	75 374	none	5 cases
Costs of paid insurance claims	I & C Energo			insurance claim	39 838	none	3 cases
Costs of paid insurance claims	VČE			insurance claim	716 548	none	40 cases
Costs of paid insurance claims	ALIACHEM			insurance claim	189 887	none	9 cases
Costs of paid insurance claims	EMS Ústí n. L.			insurance claim	53 971	none	6 cases
Costs of paid insurance claims	EMS Liberec			insurance claim	10 872	none	1 cases
Costs of paid insurance claims	EMS Česká Lípa			insurance claim	10 708	none	2 cases
Costs of paid insurance claims	Plynoprojekt Praha			insurance claim	13 500	none	1 case

## 1.2. Performance Received

Name	Contracting party	Date of conclusion	Date of effectiveness	Description of performance and quantity	Price (CZK)	Incurred damage	Note
Master agreement on private collective insurance	MERO	14. 1. 1998	15. 1. 1998	insurance premium	81 700	none	
Contract for insurance of holders of the Benzina payment cards	Benzina	29. 12. 2000	29. 12. 2000	insurance premium	2 146 438	none	
<b>Industrial insurance</b>				<b>number of contracts</b>			
60108649	Naturamyl			1	135 908	none	
45193258	Nová huť			1	1 031 249	none	
60193484	Plynoproj. Praha			1	324 039	none	
14613581	Válcovny plechu			1	2 170	none	
<b>Property and liability insurance</b>							
IČO 60108916	Aliachem			101	1 871 482	none	
62743333	EMS Česká Lípa			83	470 170	none	
49903179	Severočeská energetika			1	3 837	none	
62743325	EMS Liberec			97	240 287	none	
62743317	EMS Ústí n. L.			127	178 573	none	
49433431	I&C Energo			73	85 956	none	
25324551	Mogul Vacenovice			2	5 950	none	
00238856	Technometra			2	12 086	none	
25938746	VČE-montáže			270	1 021 093	none	
25938878	VČE -měřicí tech.			5	13 222	none	
25502115	Mogul Vacenovice			1	2 682	none	
25938916	VČE -transform.			9	28 704	none	
60108720	VČE			883	3 162 748	none	
25352954	Vysoké pece			69	15 096	none	

## 2. Other Legal Acts

During the reporting period, the reporting entity did not adopt or implement any other legal acts in the interest, or at the initiative, of the related entities.

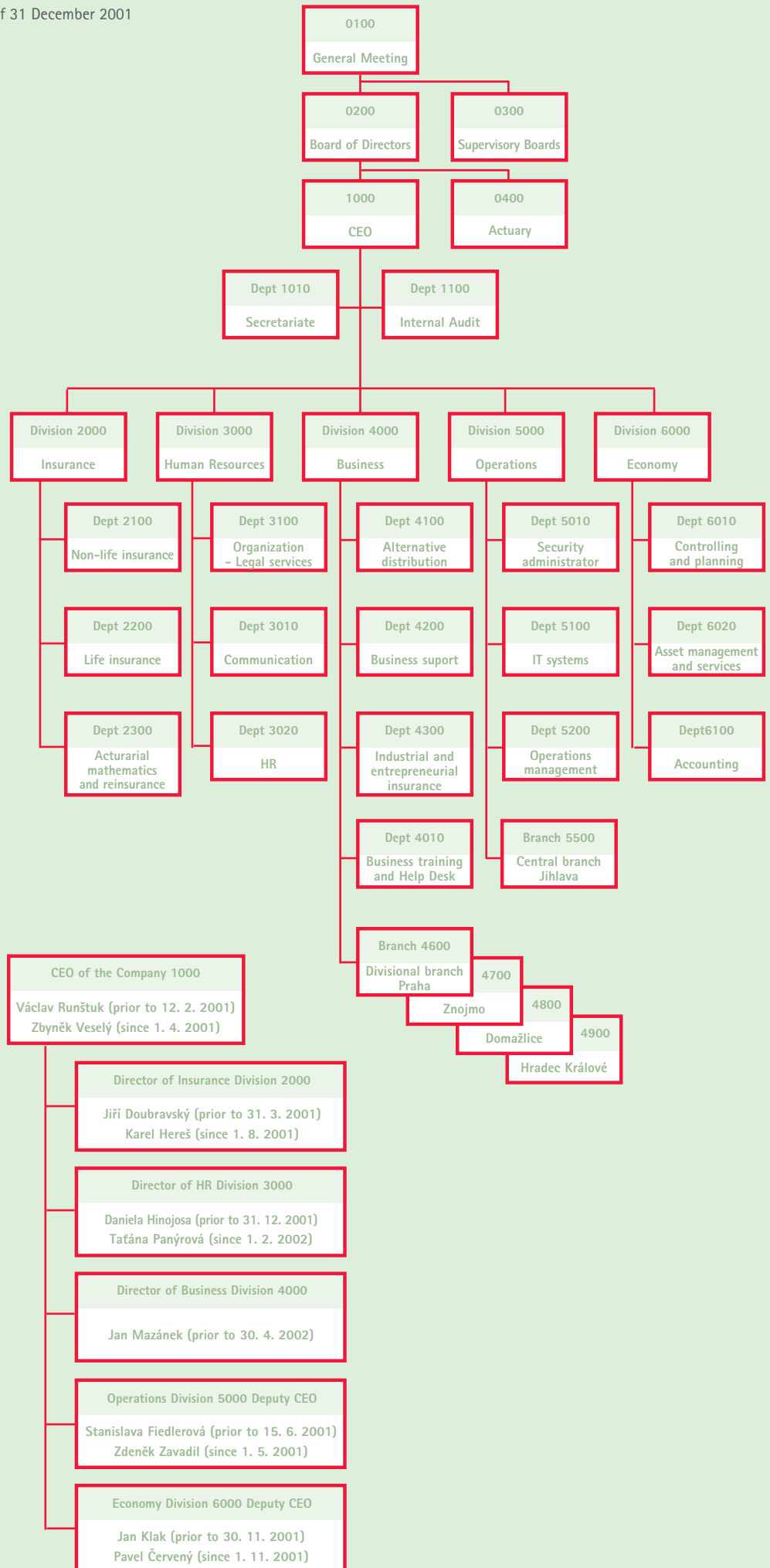
## 3. Other Factual Measures

During the reporting period, the reporting entity did not adopt or implement any other factual measures in the interest, or at the initiative, of the related entities.



Organizational Structure of the Company

As of 31 December 2001

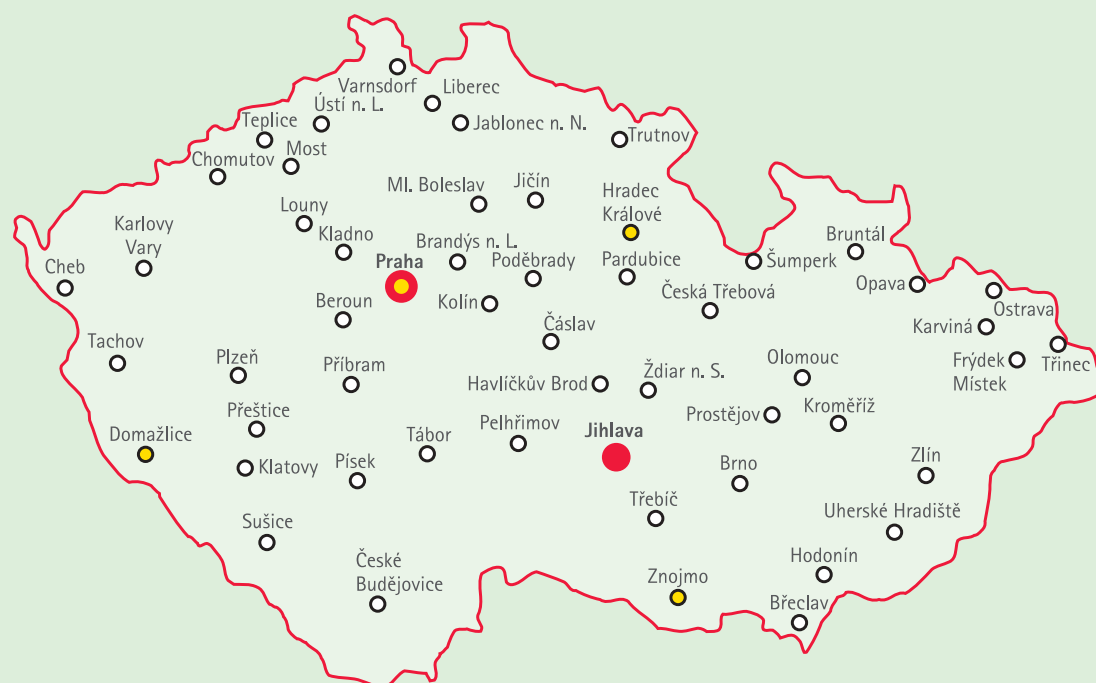


## Addresses



<b>Registered Office Address</b>	Jindřišská 17, 111 21 Praha 1
<b>Corporate ID</b>	63998017
<b>Tax ID</b>	001-63998017
<b>Telephone</b>	02/22095111
<b>Fax</b>	02/24236696
<b>Green line</b>	0800/111199
<b>E-mail</b>	servis@komercpoj.cz
<b>Internet</b>	http://www.komercpoj.cz
<b>Bank connection</b>	19-550 298 0267/0100
<b>Auditor</b>	Deloitte & Touche spol. s r. o.

Addresses of Branch Offices	Telephone, fax	ZIP	Town	Street
Central branch	066/7565111, 066/7322586	586 01	Jihlava	Palackého 53
Divisional branch Domažlice	0189/717402, 0189/717308	344 11	Domažlice	U Nemocnice 579
Regional branch Karlovy Vary	0184/723845, 0184/723846	347 01	Tachov	Hornická 1786
Regional branch České Budějovice	038/7741279, 038/7741297	370 72	České Budějovice	Krajinská 15
Divisional branch Hradec Králové	049/5610252, 049/5630196	500 02	Hradec Králové	Škroupova 673
Regional branch Pardubice	040/6856560, 040/6210349	530 78	Pardubice	U Divadla 784
Regional branch Olomouc	068/5221614, 068/5221613	772 14	Olomouc	tř. Svobody 14
Regional branch Ostrava	069/6970180, 069/6970132	708 00	Ostrava-Poruba	U Soudu 6/6188
Divisional branch Praha	02/51091500, 02/51091535	150 00	Praha 5	Staropramenná 17
Regional branch Střední Čechy	02/51091539, 02/51091535	150 00	Praha 5	Staropramenná 17
Regional branch Liberec	048/5106024, 048/5105001	460 01	Liberec	nám. Dr. E. Beneše 13/5
Regional branch Ústí nad Labem	0417/513151, 0417/513150	415 61	Teplice	Mírové nám. 2970
Divisional branch Znojmo	0624/220878, 214294, 0624/214295	669 01	Znojmo	nám. Svobody 18
Regional branch Jihlava	0618/807301, 0618/807302	674 01	Třebíč	Martinské nám. 143/8
Regional branch Zlín	067/7217385, 067/6011571	760 01	Zlín	Štefánikova 167



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