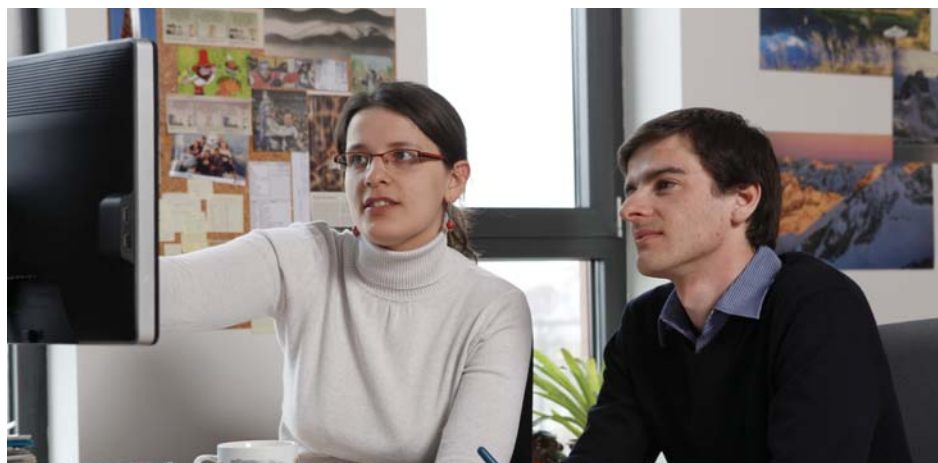




partnership
sustainability
responsibility

Komerční pojišťovna, a.s., is a universal insurance company that specializes primarily in the provision of life insurance services.



	Units	2012	2011	2010	2009
Total assets	CZK thousand	32,047,712	26,257,298	21,700,214	14,498,778
Share capital	CZK thousand	1,175,398	1,175,398	904,152	602,768
Equity	CZK thousand	2,389,057	1,346,544	1,382,292	1,225,247
Profit/loss	CZK thousand	175,418	251,046	139,116	71,736
Written premiums (gross)	CZK thousand	6,148,770	6,850,897	8,981,639	4,824,610
Costs of claims (gross)	CZK thousand	1,933,341	1,926,337	1,821,015	2,285,219
Technical provisions (gross)	CZK thousand	29,191,745	24,506,866	19,964,136	12,949,677
Number of employees	Persons	154	151	149	151

Financial Highlights

- The volume of technical provisions (gross) totalled CZK 29.2 billion.
- Gross written premiums amounted to CZK 6,149 million in 2012.
- In 2012, appreciation for KP's clients ranged from 2.3% to 2.7%.
- KP has ranked fifth in the Czech life insurance market for the past two years.

Technical provisions (gross) – CZK thousand

2009	12,949,677	
2010	19,964,136	
2011	24,506,866	
2012	29,191,745	

Written premiums (gross) – CZK thousand

2009	4,824,610	
2010	8,981,639	
2011	6,850,897	
2012	6,148,770	

Contacts

Komerční pojišťovna, a.s.

Karolinská 1/650
186 00 Praha 8
Tel: +420 800 106 610
Fax: +420 224 236 696
E-mail: servis@komercpoj.cz
Website: www.kb-pojistovna.cz

Komerční banka, a.s.

Na Příkopě 33
114 07 Praha 1
Tel: +420 955 559 550
Fax: +420 224 243 020
E-mail: mojebanka@kb.cz
Website: www.kb.cz

Additional information

For more information on KP's products and services, go to www.kb-pojistovna.cz.

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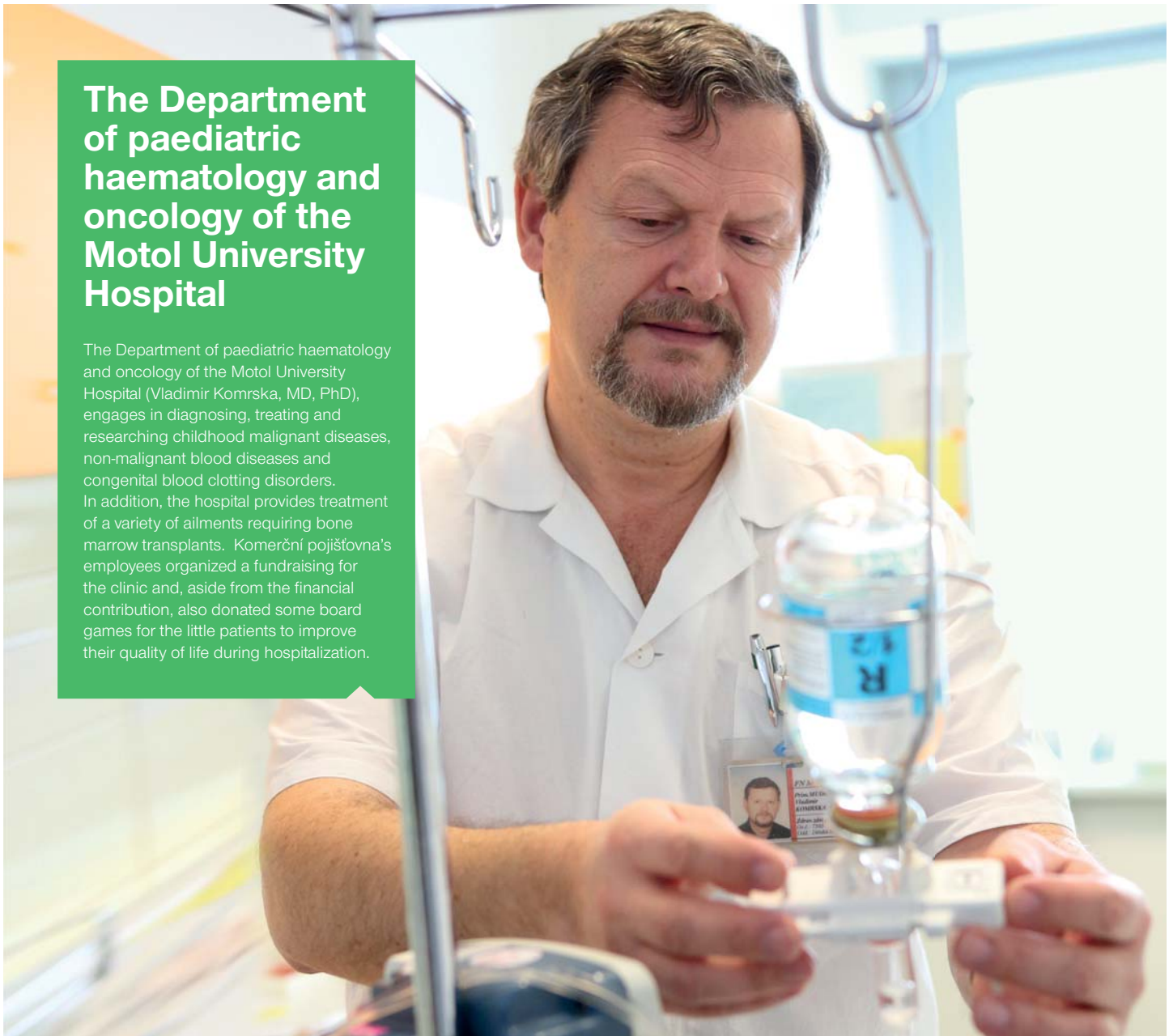
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The Department of paediatric haematology and oncology of the Motol University Hospital

The Department of paediatric haematology and oncology of the Motol University Hospital (Vladimir Komrská, MD, PhD), engages in diagnosing, treating and researching childhood malignant diseases, non-malignant blood diseases and congenital blood clotting disorders. In addition, the hospital provides treatment of a variety of ailments requiring bone marrow transplants. Komerční pojišťovna's employees organized a fundraising for the clinic and, aside from the financial contribution, also donated some board games for the little patients to improve their quality of life during hospitalization.



Company Profile

Business name

Komerční pojišťovna, a.s.

Legal form

Joint-stock company

Date of founding

1 September 1995

Registered office

Karolinská 1/ 650, Prague 8

Company Registration No.

63998017, incorporated by the Municipal Court in Prague, Section B, File 3362

Shareholders

SOGECAP, S.A., registered office at 50 avenue du Général de Gaulle, 92093 Paris la Défense Cedex

(51% share)

Komerční banka, a.s., registered office at Na Příkopě 33, Prague 1

(49% share)

Registered capital

CZK 1,175,397,600

Scope of business

- insurance;
- operations related to insurance and reinsurance.

Komerční pojišťovna, a.s. is a universal insurance company that specializes primarily in the provision of life insurance services.

Komerční pojišťovna, a.s. (hereinafter “KP” or “Komerční pojišťovna”) is a universal insurance company that specializes primarily in the provision of life insurance services. Since the acquisition of Komerční banka, a.s. (hereinafter “KB” or “Komerční banka”) by Société Générale S.A. (hereinafter “SG” or “Société Générale”) in 2001, KP started implementing SG’s bank-insurance business model. This business model has been already fully implemented and today KP’s products are offered and sold mostly through the distribution networks of Société Générale Group companies. In addition to KB’s largest network, other sales networks comprise ESSOX, s.r.o. (hereinafter “ESSOX”), Modrá pyramida stavební spořitelna, a.s. (hereinafter “MPSS”) and Penzijní společnost Komerční banky, a.s. (hereinafter “KB PS”).

Insurance brokers joining the ranks of KP’s external partners since 2009 have become an important part of the Company’s distribution network, while cooperation with them has been expanding.

KP enjoys the status of a universal insurance company which permits it to provide life as well as non-life insurance services in the Czech Republic and also within the EU on the basis of a single licence. Since 2008, KP has been successfully cooperating with SG Group companies abroad, rendering its services in Bulgaria, Romania and Germany.

The majority owner of KP’s shares is insurance company SOGECAP S.A. (hereinafter “SOGECAP”), SG’s wholly-owned subsidiary, which holds a 51% ownership interest; KB is a 49% minority shareholder. Due to the shareholders’ structure, KP has had direct access to top know-how and long-term experience in the field of financial advisory.

Komerční pojišťovna is a member of the Komerční banka and Société Générale Groups of companies. KP’s products are offered to Komerční banka’s clients in particular, thus complementing KB’s services so that clients can obtain comprehensive financial advisory including insurance.

Foreword of the Chairman of the Board of Directors



Stéphane Corbet
Chairman of the Board of Directors and CEO

In 2012 KP kept on growing. Our assets are now amounting to more than CZK 30 billion. KP is progressively becoming one of the biggest life insurance companies on the Czech market in terms of assets under management.

In 2012, for the very first time in its history, KP received the World Finance Insurance Award of Best Insurance Company in Czech Republic for the year 2012. The jurors underlined that KP's approach to customer care is marked by maintaining a high standard level but also constantly seeking ways to improve through innovative projects (such as the Quality Management System) and incorporating the latest technology. The jurors also appreciated KP's financial strength coupled with staff development and attention to clients.

This award is rewarding the efforts made by our employees as well as by our distributors and especially KB distribution network to make the bank-insurance model work in the Czech environment.

We have to go on focusing on clients' satisfaction and improvement of our work efficiency and I am sure we will receive new awards in the upcoming years.

Due to the general economical context which was not very positive, we knew that 2012 would be a difficult year. I cannot say it was

not as the crisis was spreading around us but, at the same time, we did much more than just resist to the crisis. 2012 was a year when KP teams showed their motivation, their involvement and their trust in our ability to face successfully the difficulties we had in front of us.

In 2012 KP kept on growing. Our assets are now amounting to more than CZK 30 billion. KP is progressively becoming one of the biggest life insurance companies on the Czech market in terms of assets under management. KP is the life insurance company who had the biggest growth of its assets under management during the last 5 years! This result is according to me very important and shows the pertinence of our business model and of our strategy.

In 2012 KP kept on innovating. We implemented many new projects like SMS reminders, Insurance for corporate cards, new standalone risk life insurance, Vital Premium in euros, policy number distribution via sms.

2013 will bring new challenges. Some of them are already announcing themselves.

The new law on insurance brokers should come into force during the year and will require from us a fast adaptation of some of our cooperation models. New civil code, Solvency II implementation and others projects will challenge our ability to be reactive and creative. I have no doubt that KP teams are experienced enough to face these challenges and make 2013 another year of growth.



STÉPHANE CORBET

Chairman of the Board of Directors and CEO

Report of the Board of Directors

In spite of the ongoing economic downturn in the Czech Republic, in 2012 Komerční pojišťovna exceeded CZK 6 billion in written premium.

The key objective of Komerční pojišťovna is to offer a broad range of insurance and financial products to provide customers with insurance protection and support them in achieving their personal wishes and goals. Komerční pojišťovna uses a single licence for the delivery of services within the European Union territory and cooperates with partner companies of the Soci t  G n rale Group in Bulgaria, Romania and Germany.

Komerční pojišťovna, a member of the Soci t  G n rale Financial Group, focuses on life insurance, but it also sells other types of insurance that suitably complement banking and other financial products offered by its

partners within SG Group. KP's products are mostly distributed via KB Group members, especially through the distribution network of KB, and also by the Company's external partners from the ranks of insurance brokers.

Macroeconomic Overview 2012

In 2012 the Czech economy declined by 1.2% year-on-year (measured by GDP). In general, 2012 was characterized by higher unemployment, the unemployment rate in December 2012 was 9.4%. Inflation ranged from 3% to 4% in the first nine months of 2012, then began to decline in November and fell to 2.4% at the end of the year. The average yearly inflation rate was 3.3%. While average income from Czech government bonds in Q1 2012 was 2.9%, in following three quarters average income kept falling till 1.7% recorded in Q4 2012.

Trends in the Czech Insurance Market

In 2012, total written premiums fell by 1.2% year-on-year to CZK 140 billion. Conversely, the life insurance market as such kept growing at a rate of 1.8% year-on-year. The volume of premium in the life insurance segment totalled more than CZK 72 billion (all figures have been calculated in accordance with the Czech Insurance Association's old

methodology). As a result, the ratio of life to non-life premiums written changed in 2012 in favour of life insurance which accounted for 51.4%.

KP's Position in the Insurance Market

In spite of the ongoing economic downturn in the Czech Republic, in 2012 Komerční pojišťovna succeeded in surpassing the CZK 6 billion mark in written premium. In the long run, Komerční pojišťovna has been achieving excellent results, in particular as a result of offering competitive products which provide above-average appreciation to clients despite the volatile conditions in the financial markets and decreasing interest rates.

Depending on the product type, Komerční pojišťovna ensured an attractive appreciation of 2.3% to 2.7% for its clients in 2012. In addition, Komerční pojišťovna significantly boosted its sales of products outside the Komerční banka Group. 2012 was again a very successful year in terms of distribution of KP's risk life insurance within the sales networks of external partners from the ranks of insurance brokers; compared to 2011, the number of new policies doubled and the volume of written premiums even tripled.

Komerční pojišťovna's business strategy is built upon four pillars

Bank-insurance business model in cooperation with Komerční banka

- Savings and unit-linked life insurance
- Risk life insurance
- Non-life insurance

1.

Cooperation with other partners in the KB Financial Group – MPSS, ESSOX, KB PS

- Savings and unit-linked life insurance
- Risk life insurance
- Non-life insurance

2.

External business partners

- Risk life insurance

3.

International cooperation within the Soci t  G n rale Group

- Non-life insurance

4.

KP's products are mostly distributed via KB Group members, especially through the distribution network of KB, and also by the Company's external partners from the ranks of insurance brokers.

For the past two years, Komerční pojišťovna has ranked fifth in the Czech life insurance market. At the end of 2012, KP's market share accounted for 8.14% in this segment (the figure has been calculated in accordance with the Czech Insurance Association's old methodology).

In the non-life insurance segment, Komerční pojišťovna achieved favourable results as well, notably in the sale of new or redesigned products prepared in cooperation with Komerční banka, such as MojePojištění plateb or the Merlin insurance policy designed to protect clients against credit card fraud.

Similarly to prior years, cooperation with SG Group's companies continued in 2012. Total written premiums generated from sales of non-life insurance products by international partner companies significantly climbed by 64% year-on-year.

In 2012, KP created provisions for bonuses and discounts in the amount of CZK 194 million for the clients' future profit sharing (see clause 2.7. in the Notes to the Financial Statements).

Product Portfolio and New Products in 2012

As in previous years, Komerční pojišťovna designed several new products for its clients in 2012.

In February KP launched a new guaranteed fund Optimo Komodity, allowing customers to participate in commodity markets growth and ensuring return on investment. A second tranche of the fund became available for clients in May.

Since mid-2012 Komerční pojišťovna has expanded its product range with Pojištění Penze, sold via broker companies' distribution networks. It ranks among risk life insurance policies taken out along with supplementary pension insurance (currently 2nd and 3rd pillars of the pension reform). It protects clients in the event of diminished ability to keep up with payments, such as disability, sick leave, loss of job, etc. Since January 2013 the product has been available also within sales networks of KB and MPSS.

The start of the holiday season coincided with redesigned travel insurance. At the same time, KP began to sell risk life insurance related to a new cash loan provided by Essox, distributed through the MPSS sales network.

October and November were busy months in terms of a variety of new products. KP launched a brand new insurance product in the Czech market – insurance against corporate credit card fraud committed by employees. In addition, in cooperation with Investiční a kapitálová společnost KB, a.s. KP has modified the portfolio of funds listed with unit-linked insurance Vital Invest and Brouček.

Saving product Vital Premium was expanded by a EUR tranche to help clients diversify their investments and savings.

A significant project related to Komerční pojišťovna's product range offered in 2012 was the introduction of new risk life insurance against major life risks, such as disability, permanent consequences of an accident, serious illnesses, death, inability to work, etc. The new type of insurance was launched

in October for the MPSS sales network (under the brand name Moudré pojištění) and for external partners (under the brand name Elán). Another insurance intended for external partners was risk life insurance linked to mortgage loans, marketed under the brand name Hypo. Furthermore, KP adjusted the rates of risk life insurance of mortgage loans due to the implementation of unisex rates.

1. Unit-linked and capital life insurance – Vital product family

Vital Invest – unit-linked life insurance

This is a modern and flexible product that not only protects the client, but also provides an innovative guarantee of return on investment in case of the client's death. This guarantee ensures the return of invested funds to the client's relatives even in the event of major market fluctuations. With the Vital Invest product, KP also offers a guaranteed-appreciation fund with a yield of 2.3% in 2012. Our product offer also comprises the Forte and Optimo guaranteed funds, some of which provide not only the opportunity to participate in capital markets yields, but also the certainty of a guaranteed yield.

Brouček – children's unit-linked life insurance

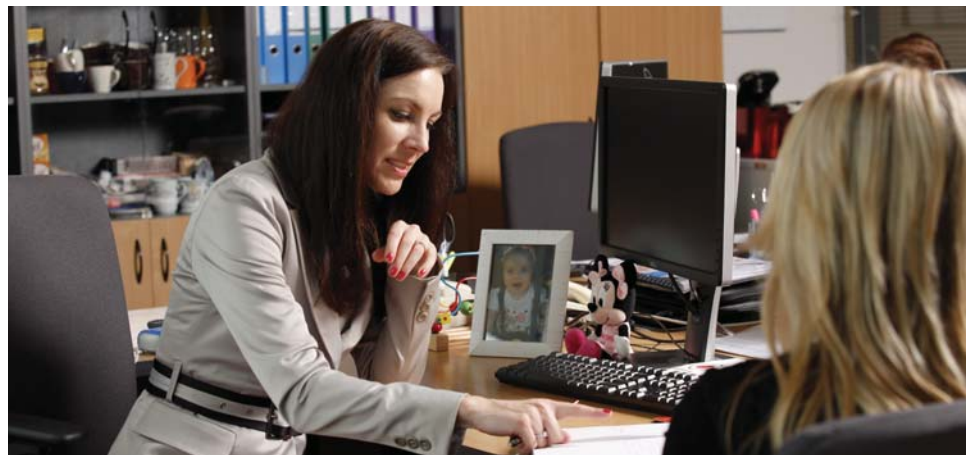
The product allows parents to save an amount necessary for their children to start their adult life and, at the same time, it provides an opportunity to insure themselves and their child against unforeseeable events. The product comes complete with assistance services.

Report of the Board of Directors



Equal opportunity

Komerční pojišťovna is an equal opportunity employer. It enables part-time employment for women with young children, hires students to gain professional knowledge during their study, and supports seniors eager to pass on their experience to younger generations. A well-balanced team comprising people of various ages creates a natural environment generating excellent results.



Program Vital – life insurance with employer's contribution

This capital life insurance for employees offers an interesting appreciation and tax benefits. The programme allows companies and their employees to play an active part in their pension insurance and improve their standard of living even when retired. It is up to each employer to decide which group of employees should be motivated and what the amount for motivation should be to enhance their loyalty toward the company. Policyholders may take advantage of signing insurance contracts for this product directly with the employer.

Vital Premium – savings life insurance for KB's private banking and affluent clients

Komerční pojišťovna offers KB's VIP clientele a highly flexible savings product with an attractive guaranteed appreciation, which in 2012 accounted for 2.6%. Since 2012 the product has been available in EUR denomination where 2012 appreciation accounted for 2.7%.

2. Risk-oriented insurance products

Risk life insurance

Risk life insurance provides coverage of clients' key risks and helps them to overcome financial losses arising from death, disability, long-term illness or involuntary loss of job.

Risk insurance against defaulted loans

This insurance policy protects clients against a inability to repay a loan. The clients can decide which of the four main life risks they want to be insured against. In the event of death or disability, KP shall pay the balance of the loan; in the event of incapacity for work or loss of job, KP shall take over the client's loan instalments.

Pension insurance – insurance against inability to pay contributions within pension plans associated with KB PS products

Pension insurance is risk insurance ensuring that, in the event of unanticipated events, policyholders can continue payments to their pension savings plans, i.e. within the second pillar or supplementary pension savings plan – third pillar.

Risk life insurance Elán / Moudré pojištění

This product covers clients against major risks – 2nd and 3rd-degree disability, permanent consequences of an accident, serious illnesses, death, sick leave, loss of job, hospitalization.

Merlin, Vega and Super Vega – Insurance against loss and abuse of payment or credit cards

Today, each payment card can be fully secure if it is insured. At a very good price, the card is protected against abuse, plus the policy covers any expenses related to a loss of house keys or identification documents. It also covers the purchase of a new mobile phone if the client's old phone is misused. In November 2011, the Merlin product was redesigned to include insurance of personal belongings and coverage of selected KB's bank fees. No loss participation is required from the policyholders. KP makes this type of product available for other SG Group companies within the EU.

Profi Merlin – insurance against loss or abuse of payment or credit cards for entrepreneurs

Insurance of credit and payment cards also comprises the corporate segment. At a favourable price, clients can take out insurance against card fraud, payment of stop-listing fees, stolen cash withdrawn from ATMs, business proceeds stolen on the way to a KB branch, and a stolen or misused mobile phone. In November 2011, the Profi Merlin product was redesigned to include insurance of personal belongings and coverage of KB's selected bank fees. No loss participation is required from the policyholders.

MojePojištění plateb – payments insurance

MojePojištění plateb ensures funds needed for regular monthly payments executed from the client's current account maintained by Komerční banka in the event of a long-term inability to work, disability, loss of job or sudden death. The amount of regular payments is determined on the basis of regular payments from the policyholder's account, such as rent, electricity and phone bills, etc.

Profi pojištění plateb – payments insurance

Profi pojištění plateb ensures funds needed for regular monthly payments executed from the client's business account maintained by Komerční banka in the event of a long-term incapacity for work, disability, or sudden death.

Travel insurance

Komerční pojišťovna covers a full range of risks associated with travelling, i.e. medical expenses, loss of luggage, accident and liability for damage. KP provides travel insurance also within the framework of payment and credit cards of Komerční banka, as well as for SG Group's partners within the EU.

Risk life insurance to credit cards and consumer loans

KP offers coverage of the risk of death, permanent disability, incapacity for work and loss of job for credit card holders and clients who take advantage of consumer loans from KB and ESSOX.

Insurance to credit cards Lady karta and A karta


This insurance, automatically included for the relevant cardholders, protects clients' purchases and mitigates the impact of any unforeseeable events. The product covers insurance of purchased goods, extended guarantee, online shopping and insurance of the lowest price. Ticket cancellation insurance reimburses the costs of a cultural or any other event if the clients cannot participate for unforeseeable reasons. The credit card insurance also comprises home assistance services and the Lifestyle service, including ticket reservation for cultural and sporting events and help with ordering gifts. In addition, holders of Lady karta can take advantage of insurance against theft and robbery of their purse.

Insurance against Komerční banka's corporate card fraud



The insurance covers financial losses of employers in the event the corporate card holder uses the card in conflict with the employer's instructions.

Comments on the Financial Results

Year-on-year trend in gross written premiums – non-life insurance (in CZK thousand)

2011	257,522		
2012	286,621		+11.3%

Year-on-year trend in gross written premiums – life insurance (in CZK thousand)

2011	6,593,375		
2012	5,862,149		-11.1%

Structure of gross written premiums

The structure of gross written premiums did not change significantly in 2012. Similarly to prior years, risk life insurance and non-life insurance showed slight growth. Savings life insurance, in particular products with guaranteed appreciation and Forte and Optimo Komodity funds offered within the Vital Invest insurance sold by Komerční banka and MPSS, accounted for the biggest part.

Profit

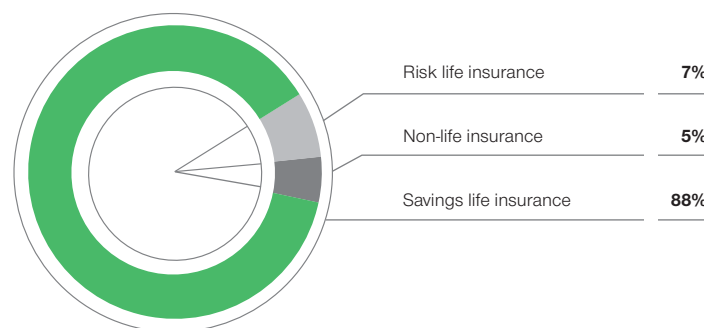
According to Czech Accounting Standards, Komerční pojišťovna posted a profit of CZK 175 million for 2012. According to International Financial Reporting Standards used for the purpose of consolidation with KB, KP's 2012 profit amounted to CZK 247 million.

Gross written premiums

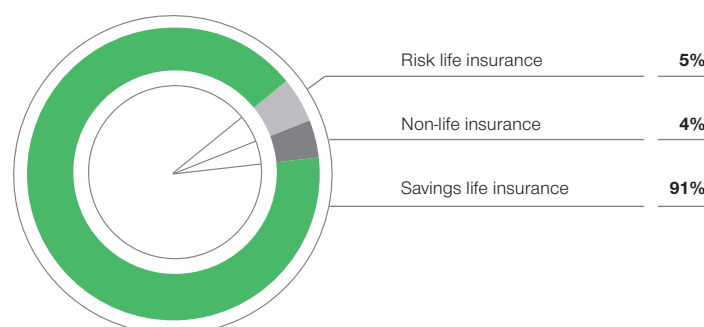
In 2012, gross written premiums totalled CZK 6,149 million. Gross written premiums in the life insurance segment amounted to CZK 5,862 million, a slight decline of 11.1% year-on-year.

The non-life segment showed positive results, generating written premiums in the amount of CZK 287 million, which represented an 11.3% increase compared to 2011.

Structure of gross written premiums in 2012



Structure of gross written premiums in 2011



Portfolio structure

Few changes have been made to the investment portfolio structure in recent years. Komerční pojišťovna continued to focus on conservative items. Fixed-income bonds accounted for 96% of the portfolio in 2012, making it possible to guarantee the clients a fixed yield. Czech government bonds constituted a large part of the portfolio, followed by bonds issued by banks and corporations seated within the EU, time deposits and shares.

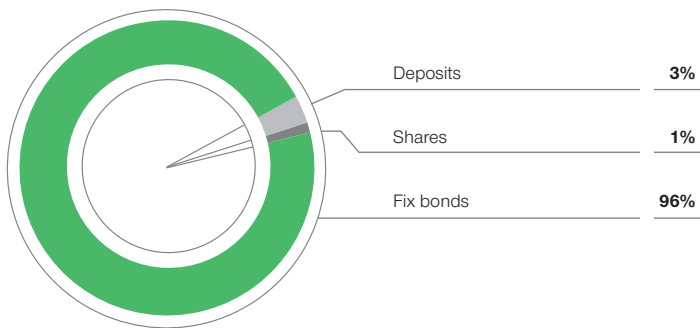
Technical provisions

The volume of technical provisions rose by 19% year-on-year to CZK 29.2 billion as at 31 December 2012.

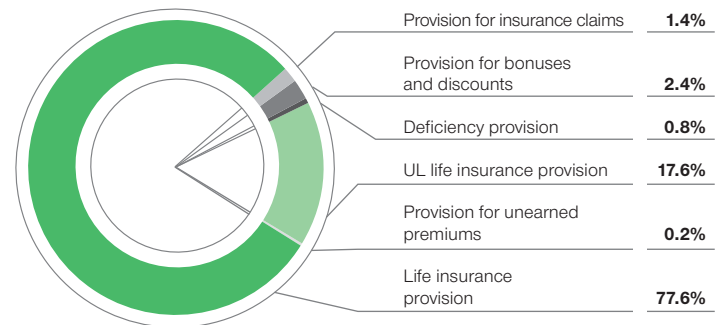
Equity

As at 31 December 2012, equity totalled CZK 2,389 million, which represents a 77% increase compared to 2011. The balance sheet sum amounted to CZK 32,048 million, a 22% increase year-on-year, as at 31 December 2012.

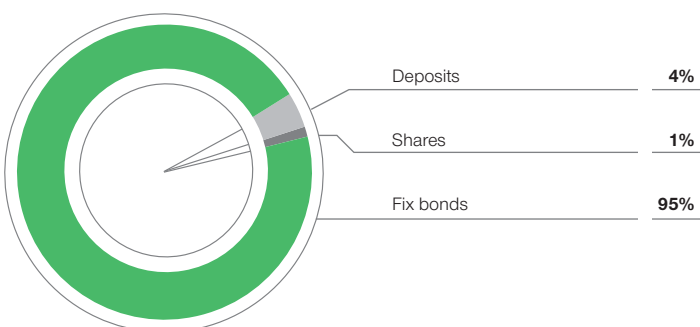
Komerční pojišťovna's portfolio structure at 31 December 2012



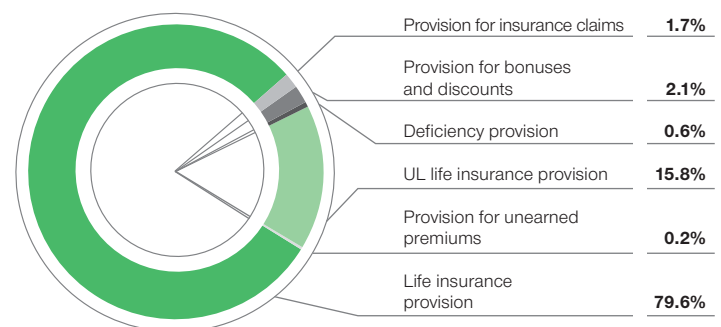
Structure of technical provisions at 31 December 2012



Komerční pojišťovna's portfolio structure at 31 December 2011



Structure of technical provisions at 31 December 2011



Voluntary blood donation

Traditionally, all companies of the Komerční banka Group participate in voluntary blood donation by their employees. Komerční banka has organized regular blood donation drives since 2008, in spring and autumn months. It goes without saying that Komerční pojišťovna's staff takes part in this beneficial activity that allows them to help save lives.



Internal Processes

Komerční banka's operations underwent fundamental changes in 2012, stemming primarily from the sale and administration of new risk life insurance designed for distribution by MPSS and external partners from the ranks of insurance brokers. Another major modification pertained to several operational innovations aimed at enhancing customer satisfaction.

In the last quarter of 2012, Komerční pojišťovna launched sales of new risk life insurance, which significantly differs from the previous product range, in particular in offering a wide variety of risks and high variability of its parameters. This product was slightly adapted into several variants for different distribution channels. The variations comprised complex implementations in support applications and related processes, in particular management of insurance policies, underwriting and claims handling.

Major innovations aimed at enhancing customer comfort comprised another extension of functionalities of the MojeBanka online application allowing for administration of changes in insurance contracts and direct sale of selected products. Measures taken in the course of the year to improve customer service resulted in better client and distributor support in the pre-sale and sale stages, notably in health assessment for risk insurance policies.

In April 2012, an important modification of the system for notification of clients about due premiums was put into operation. Part of the system is soft collection software allowing for SMS and e-mail reminders. Information exchange via text messages was also introduced for specific communication with external distributors.

A new project was launched in the second half of the year with the aim to create a website for external distributors of insurance products and help them gain access to both general information for selling Komerční pojišťovna's products and details of individual brokers' portfolios. This tool will

become available for product distribution in the first quarter of 2013.

In 2012, Komerční pojišťovna initiated several surveys of customer satisfaction among clients and distributors. The surveys, focused on risk life insurance, were conducted via call centres or online using an application tool. The findings will be utilized for continuous improvement of services, optimization of processes and modifications of product offerings. In the coming years, Komerční pojišťovna will further expand these activities with the goal of raising the standard of customer service.

In Komerční pojišťovna also encompasses environmental protection. KP actively participates in the Green Firm project.

In terms of research and development KP is mainly focused on product 's development including IT systems used for products administration.

Human Resources

Within the scope of the SG Ambitions 2015 programme, the Société Générale Group decided to implement in all Group companies an integrated employee evaluation system, using the eValuation application with the objective of ensuring a transparent approach toward employee assessment. Uniform criteria and consistent format guarantee an objective method of employee evaluation across KP and SG Group.

This tool was launched in Komerční pojišťovna in the summer of 2012. For this purpose, in-house documents were drafted for both employees and managers. The programme also comprised in-house training sessions for managers to make them better oriented in the new system and the process of employee evaluation.

In connection with the new evaluation tool, in mid-2012 KP implemented SG Group's Competency Model focused on seven key competencies of employees that are being monitored and developed.

The Talent Management project continued in 2012 in cooperation with KB. In the course of the year, selected talented employees participated in a variety of training sessions and meetings tailor-made to their specific needs and focused on enhancement of managerial potential.

Within Komerční banka's development programme Challenging a winning team's project was announced. One of the winning team members was a KP employee who successfully represented Komerční pojišťovna in the KB Group.

Board of Directors



WILLIAM CHONIER
Member of the Board
of Directors

JIŘÍ KOUTNÍK
Member of the Board
of Directors

STÉPHANE CORBET
Chairman of the Board
of Directors

ŠÁRKA ŠINDLEROVÁ
Member of the Board
of Directors

ZDENĚK ZAVADIL
Member of the Board
of Directors

Statutory Bodies

Board of Directors

STÉPHANE CORBET

Chairman of the Board of Directors and CEO

Born 11 September 1969 in France, resident of Prague, French citizen, elected Chairman of the Board of Directors as of 29 September 2011. Member of the Board of Directors of Komerční pojišťovna since 1 September 2003. He held various actuarial positions, most recently at SOGECAP, after an engagement with A.G.F. (Allianz Group member). Mr. Corbet is a graduate of the Institute of Statistics of Paris University and member of the French Institute of Actuaries.

JIŘÍ KOUTNÍK

Member of the Board of Directors and Head of Project and Information Technology Management Section

Born 8 October 1969, resident of Prague, elected member of the Board of Directors as of 19 April 2011. Mr. Koutník joined Komerční banka in 2003 and worked in top IT positions, the last one being Head of SW Development for Distribution Channels. In April 2011 he joined KP as Head of Project and Information Technology Management Section. He is a graduate of Czech Technical University in Prague, Faculty of Electrical Engineering.

ŠÁRKA ŠINDLEROVÁ

Member of the Board of Directors and Head of Financial Section

Born 11 January 1973, resident of Velké Popovice, elected member of the Board of Directors as of 1 July 2007. Ms. Šindlerová has worked in the financial sector since 1996, namely at Deloitte and ING. In November 2002 she joined Komerční pojišťovna in the position of Head of Financial Section. She is a graduate of Silesian University, School of Economics.

ZDENĚK ZAVADIL

Member of the Board of Directors and Head of Client Service and Operations Section

Born 22 April 1969, resident of Prague, elected member of the Board of Directors as of 10 May 2001. Mr. Zavadil has worked in the financial sector since 1993, holding various managerial positions. He is a graduate of University of Economics in Prague, Faculty of Business Administration.

WILLIAM CHONIER

Member of the Board of Directors and Head of Development Section

Born 25 January 1971 in France, resident of Prague, French citizen, elected member of the Board of Directors as of 27 September 2011. Prior to joining KP on 1 September 2011 as Head of Development Section, he held the position of Sales Director of SG Insurance Russia. Mr. Chonier is a graduate of Clermont-Ferrand University in France, where he majored in Economics and Management.

Supervisory Board

PHILIPPE PERRET

Chairman of the Supervisory Board

Born 11 January 1963 in France, resident of Paris, France, French citizen, elected member of the Supervisory Board as of 4 March 2006, elected Chairman of the Supervisory Board as of 4 December 2009. He has worked in the financial sector since 1987, first in NATIO-VIE (BNP Group member), and since 1997 at SOGECAP of which he became CEO as of 1 December 2009. Mr. Perret is a graduate of the National School of Statistics and Economic Management and member of the Executive Committee of the Association of French Insurance Companies and the French Institute of Actuaries.

PAVEL ČEJKA

Member of the Supervisory Board

Born 13 December 1964, resident of Prague, elected member of the Supervisory Board as of 21 March 2007. He is a graduate of Czech Technical University and University of Chicago, Graduate School of Business. Mr. Čejka started his career with the auditing and consulting firm Arthur Andersen. He then held the position of Head of Finance Management at Československá obchodní banka. He joined Komerční banka in 2003, first as Deputy Executive Director for Finance and from February 2006 to July 2012 as Executive Director for Strategy and Finance. Since 1 August 2012 he has been member of KB's Board of Directors and is in charge of managing the Strategy and Finance, Operations, Information Technology, Project Organization and Management, Support Services and Investment banking – Operations Sections.

HENRI BONNET

Vice-Chairman of the Supervisory Board

Born 6 July 1949 in France, resident of Fourqueux, France, French citizen, elected member of the Supervisory Board as of 2 December 2009, elected Vice-Chairman of the Supervisory Board as of 4 December 2009. He graduated from Law Faculty of University of Poitiers, France. In 1967 he joined Société Générale; he has held several long-term managerial positions with different foreign entities of Société Générale. In 2001 Mr. Bonnet was named Deputy Director of Société Générale's Division of Specialized Financial Services. Since 10 September 2009 he has been Chairman of the Board of Directors and Chief Executive Officer of Komerční banka, a.s.

JIŘÍ POTUŽIL

Member of the Supervisory Board

Born 30 June 1975, resident of Prague, elected member of the Supervisory Board as of 16 November 2011. He is a graduate of the Faculty of Mathematics and Physics, Charles University. Mr. Potužil started his career at the Generali Insurance company. In 2010 he joined Komerční pojišťovna in the position of Head of Actuarial Department. He is a certified member of the Czech Society of Actuaries.

PASCAL BIED-CHARRETON

Member of the Supervisory Board

Born 28 December 1964 in France, resident of Paris, France, citizen of France, elected member of the Supervisory Board as of 2 December 2009. He graduated in economics from the university Ecole Centrale de Paris. Mr. Bied-Charreton has worked in the insurance sector since 1988, in the companies CARDIF, NATIO-VIE and BNP Paribas. From September 2006 to November 2009 he was Director for International Development of Société Générale Insurance (Asia). On 1 December 2009 he was appointed Deputy General Manager of SOGECAP. He is a member of the French Institute of Actuaries.

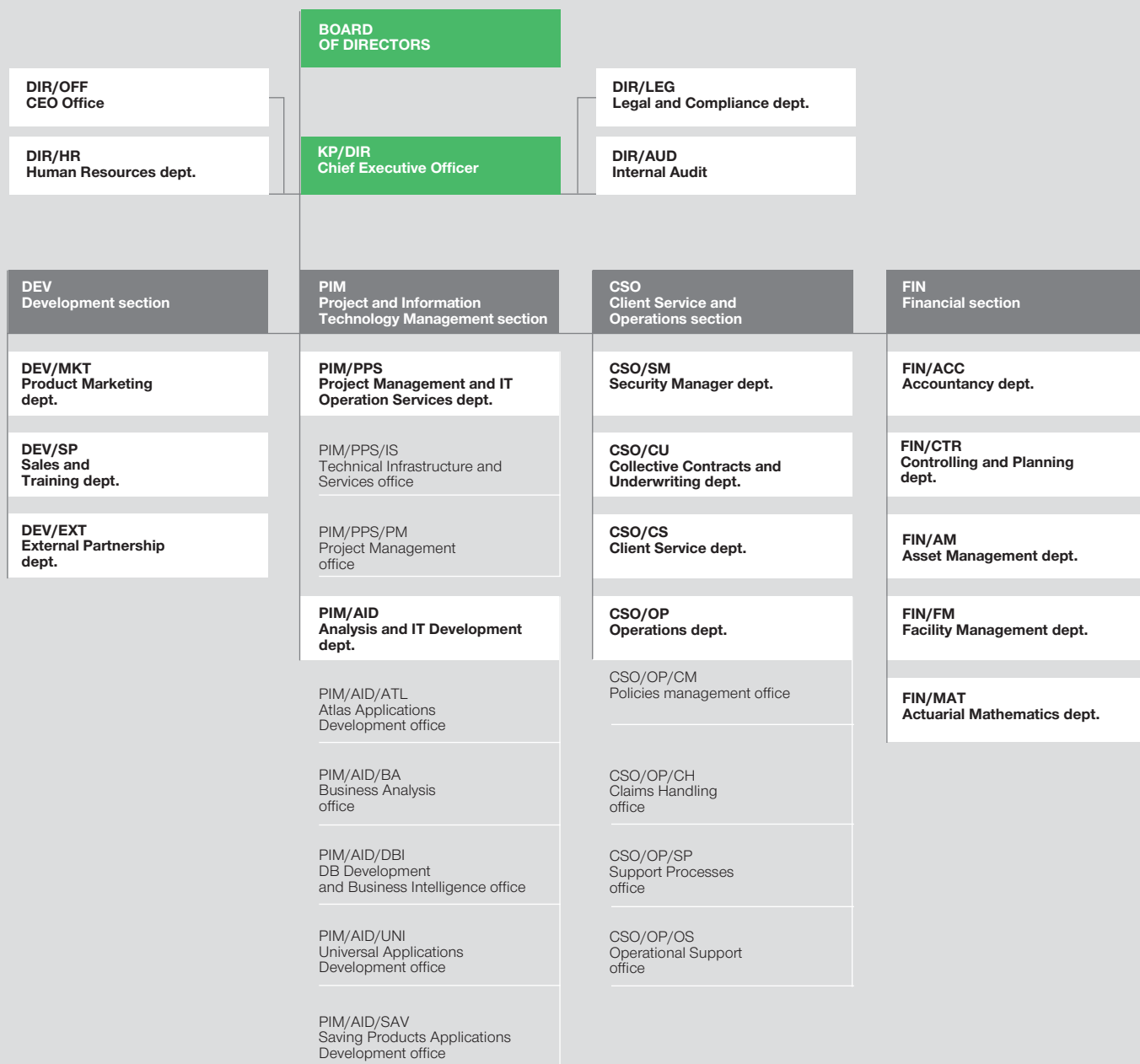
MARTIN KALIVODA

Member of the Supervisory Board

Born 17 March 1974, resident of Střížov, elected member of the Supervisory Board as of 16 November 2011. He is a graduate of Masaryk University in Brno. His career started in public administration. In 2007 he joined Komerční pojišťovna, first as Applications Manager and then Quality Manager. Mr. Kalivoda is the holder of the Six Sigma Green Belt certificate.

Organizational Structure

Komerční pojišťovna, a.s.



Shareholders' Decisions at General Meetings

Pursuant to Section 187(1) of the Commercial Code, the following decisions of the General Meeting were made:

The regular General Meeting at its session held on 30 April 2012:

- discussed the Report of the Board of Directors on Company's Business and Assets for 2011;
- discussed the submitted financial statements and the Board of Directors' proposal for distribution of profits for 2011;
- reviewed the Report of the Supervisory Board on the results of overseeing the activities of the Board of Directors and a review of the Board of Directors' Related Party Report pursuant to Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code, as amended;
- approved the Company's annual financial statements for 2011; decided on distribution of profits for 2011 by allocating to the reserve fund CZK 12,552,277,23 out of the after-tax profit of CZK 251,045,544,57, and CZK 238,493,267,34 to retained earnings of prior years. The resulting amount of retained earnings is CZK 303,837,789,94;
- approved remuneration of Board of Directors members pursuant to Section 66d of the Commercial Code;
- approved Agreements on serving as Supervisory Board members of Komerční pojišťovna, a.s., entered into by and between Komerční pojišťovna, a.s. and Mgr. Martin Kalivoda and Mgr. Jiří Potužil;
- authorized Deloitte Audit, s.r.o., Karolinská 654/2, 186 00 Praha 8 to perform a statutory audit of the Company for 2012.

The Extraordinary General Meeting at its session held on 2 May 2012:

- approved changes to the Company Articles of Association in that it allowed shareholders to make a contribution, in addition to registered capital, to create or increase the Company's equity; this contribution will be deposited in the Solvency Capital Fund established by the General Meeting's decision.

Report of the Supervisory Board

Throughout 2012, the Supervisory Board carried out the tasks stipulated by law and by the Articles of Association of a joint-stock company. It performed its supervision over the activities of the insurance company and submitted its proposals to the Board of Directors.

Having reviewed the Company's financial statements for the year from 1 January to 31 December 2012, and on the basis of the external auditor's report on these financial statements, the Supervisory Board acknowledges that accounting records were maintained in a transparent manner, in compliance with the generally binding regulations arranging the bookkeeping of insurance companies and in compliance with the Company's Articles of Association, and that the financial statements provide a true and fair view of the

Company's financial position in all material respects.

The statutory external auditor performed an audit of the Company's financial statements for the year ended 31 December 2012; the audit states that the financial statements give a true and fair view, in all material respects, of the assets, liabilities, equity and financial position of the Company as at 31 December 2012, as well as the result of its operations for 2012 in compliance with the relevant regulations of the Czech Republic.

The Supervisory Board recommends that the General Meeting approve the financial statements for 2012, as proposed by the Board of Directors.

The Supervisory Board reviewed the Related Party Report for 2012, prepared by the

Company under the provision of Section 66a(9) of the Commercial Code, and stated, based on the presented documents, that during the accounting period of 1 January 2012 to 31 December 2012 Komerční pojišťovna, a.s. did not suffer any losses.

Prague, on 18 March 2013

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



PHILIPPE PERRET
Chairman of the Supervisory Board

Sworn Statement

Komerční pojišťovna, a.s. hereby declares that all information and data included in this Annual Report is true and complete. Furthermore, Komerční pojišťovna, a.s. declares that no subsequent events occurred prior to the date of preparing this Annual Report that would have a material impact on the Company's financial position.

Prague, on 18 March 2013

Signed on behalf of the Board of Directors:



Stéphane Corbet

Chairman of the Board of Directors
and CEO



Zdeněk Zavadil

Member of the Board of Directors
and Head of Client Service and Operations
Sections

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



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DIČ: CZ49620592

INDEPENDENT AUDITOR'S REPORT To the Shareholders of Komerční pojišťovna, a.s.

Having its registered office at: Karolinská 1, 186 00 Praha 8
Identification number: 639 98 017

Report on the Financial Statements

Based upon our audit, we issued the following audit report dated 11 March 2013 on the financial statements which are included in this annual report on pages 24 to 52:

"We have audited the accompanying financial statements of Komerční pojišťovna, a.s. which comprise the balance sheet as of 31 December 2012, and the profit and loss account and the statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Statutory Body's Responsibility for the Financial Statements

The Statutory Body is responsible for the preparation and fair presentation of these financial statements in accordance with accounting regulations applicable in the Czech Republic, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Komerční pojišťovna, a.s. as of 31 December 2012, and of its financial performance for the year then ended in accordance with accounting regulations applicable in the Czech Republic."

Report on the Related Party Transactions Report

We have also reviewed the factual accuracy of the information included in the related party transactions report of Komerční pojišťovna, a.s. for the year ended 31 December 2012 which is included in this annual report on pages 53 to 61. This related party transactions report is the responsibility of the Company's Statutory Body. Our responsibility is to express our view on the related party transactions report based on our review.

We conducted our review in accordance with Auditing Standard 56 issued by the Chamber of Auditors of the Czech Republic. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the related party transactions report is free of material factual misstatements. A review is limited primarily to inquiries of Company personnel and analytical procedures and examination, on a test basis, of the factual accuracy of information, and thus provides less assurance than an audit. We have not performed an audit of the related party transactions report and, accordingly, we do not express an audit opinion.

Nothing has come to our attention based on our review that indicates that the information contained in the related party transactions report of Komerční pojišťovna, a.s. for the year ended 31 December 2012 contains material factual misstatements.

The Company has decided not to disclose amounts under related party contracts citing business secrecy restrictions.

Report on the Annual Report

We have also audited the annual report of the Company as of 31 December 2012 for consistency with the financial statements referred to above. This annual report is the responsibility of the Company's Statutory Body. Our responsibility is to express an opinion on the consistency of the annual report and the financial statements based on our audit.

We conducted our audit in accordance with International Standards on Auditing and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require that the auditor plan and perform the audit to obtain reasonable assurance about whether the information included in the annual report describing matters that are also presented in the financial statements is, in all material respects, consistent with the relevant financial statements. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the information included in the annual report of the Company is consistent, in all material respects, with the financial statements referred to above.

In Prague on 29 March 2013

Audit firm:

Deloitte Audit s.r.o.
certificate no. 79



Statutory auditor:

David Batal
certificate no. 2147



Balance Sheet as of 31 December 2012

(CZK thousand)	Row No.	Prior period 4	Gross 1	Adjustment 2	Net 3
ASSETS					
A. Receivables for subscribed share capital	1	0	0	0	0
B. Intangible fixed assets, of which:	2	16,939	201,293	188,438	12,855
a) Start-up costs	3	0	4,402	4,402	0
C. Financial placements (investments)	4	21,969,822	26,381,036	0	26,381,036
I. Land and buildings (real estate), of which:	5	0	0	0	0
II. Financial placements in businesses	6	0	0	0	0
III. Other financial placements	7	21,969,822	26,381,036	0	26,381,036
1. Shares and other variable yield securities, other equity holdings	8	232,261	255,821	0	255,821
2. Bonds and other fixed income securities	9	21,361,970	25,636,614	0	25,636,614
3. Deposits placed with financial institutions	10	789,000	903,000	0	903,000
4. Other financial placements	11	(413,408)	(414,399)	0	(414,399)
IV. Deposits in respect of active reinsurance	12	0	0	0	0
D. Financial placements of life insurance, if investment risk borne by the policyholder	13	3,867,361	5,136,987	0	5,136,987
E. Debtors	14	262,100	542,426	266,441	275,984
I. Receivables arising from direct insurance transactions	15	101,778	172,514	27,081	145,433
1. Policyholders	16	101,778	172,514	27,081	145,433
2. Brokers	17	0	0	0	0
II. Receivables arising from reinsurance transactions	18	283	0	0	0
III. Other receivables	19	160,039	369,911	239,360	130,551
F. Other assets	20	50,756	117,714	22,419	95,295
I. Tangible fixed assets, other than land buildings (real estate), and inventory	21	14,161	35,927	22,352	13,575
II. Cash on accounts with financial institutions and cash on hand	22	36,595	81,788	67	81,720
III. Treasury shares or treasury interim certificates, own equity holdings	23	0	0	0	0
G. Temporary assets	24	90,320	145,555	0	145,555
I. Accrued interest and rental (income)	25	0	0	0	0
II. Deferred acquisition costs of insurance policies, of which separately:	26	39,541	68,513	0	68,513
a) Life insurance	27	20,093	43,991	0	43,991
b) Non-life insurance	28	19,448	24,522	0	24,522
III. Other temporary assets, of which:	29	50,778	77,042	0	77,042
a) Estimated receivables	30	42,382	66,823	0	66,823
TOTAL ASSETS	31	26,257,298	32,525,012	477,299	32,047,712

(CZK thousand)	Row No.	Prior period 4	Gross 1	Adjustment 2	Net 3
LIABILITIES					
A. Equity	32	1,346,544	0	0	2,389,057
I. Share capital, of which:	33	1,175,398	0	0	1,175,398
a) Changes in share capital	34	0	0	0	0
b) Own shares and shares certificates	35	0	0	0	0
II. Share premium	36	0	0	0	0
III. Revaluation reserve fund	37	0	0	0	0
IV. Other capital funds	38	(185,185)	0	0	681,910
of which: revaluation gains or losses on securities	39	(42,384)	0	0	841,864
V. Reserve fund and other funds from profit	40	39,941	0	0	52,493
VI. Retained earnings or accumulated losses brought forward	41	65,345	0	0	303,838
VII. Profit or loss for the period	42	251,046	0	0	175,418
B. Subordinated liabilities	43	0	0	0	0
C. Technical reserves	44	20,553,771	24,054,758	179,021	23,875,737
1. Reserve for unearned premiums	45	52,758	56,920	276	56,644
of which: a) Reserve for unearned premiums – life insurance business	46	17,376	17,178	119	17,059
b) Reserve for unearned premiums – non-life insurance business	47	35,382	39,742	157	39,585
2. Life insurance reserve	48	19,500,670	22,640,615	104,547	22,536,068
3. Reserve for insurance claims	49	331,802	409,714	74,198	335,516
of which: a) Reserve for insurance claims – life insurance business	50	161,074	187,509	1,527	185,982
b) Reserve for insurance claims – non-life insurance business	51	170,729	222,205	72,671	149,534
4. Reserve for bonuses and discounts	52	524,411	712,830	0	712,830
of which: a) Reserve for bonuses and discounts – life business	53	523,638	712,336	0	712,336
b) Reserve for bonuses and discounts – non-life business	54	774	495	0	495
5. Equalisation reserve	55	0	0	0	0
6. Reserve for the fulfilment of payables arising from the used technical interest rate	56	144,129	234,679	0	234,679
7. Non-life insurance reserve	57	0	0	0	0
of which: a) Non-life insurance reserve – life insurance business	58	0	0	0	0
b) Non-life insurance reserve – non-life insurance business	59	0	0	0	0
8. Other reserves	60	0	0	0	0
of which: a) Other reserves – life insurance business	61	0	0	0	0
b) Other reserves – non-life insurance business	62	0	0	0	0
D. Technical life insurance reserve of investment risk borne by the policyholder	63	3,867,361	5,136,987	0	5,136,987
E. Reserves for other risks and losses	64	65,852	0	0	57,513
1. Reserve for pensions and similar liabilities	65	0	0	0	0
2. Reserve for taxation	66	45,178	0	0	36,454
3. Other reserves	67	20,674	0	0	21,059

Financial Section > Financial Statements

(CZK thousand)	Row No.	Prior period 4	Gross 1	Adjustment 2	Net 3
F. Deposits in respect of passive reinsurance	68	0	0	0	0
G. Creditors	69	141,037	0	0	357,636
I. Payables arising from direct insurance transactions	70	113,802	0	0	152,282
II. Payables arising from reinsurance transactions	71	4,523	0	0	17,130
III. Loans backed by a debt security, of which:	72	0	0	0	0
a) Convertible loans	73	0	0	0	0
IV. Payables to financial institutions	74	0	0	0	0
V. Other payables, of which:	75	22,712	0	0	188,224
a) Tax liabilities and social security payables	76	8,991	0	0	8,692
VI. Guarantee fund of the Bureau	77	0	0	0	0
H. Temporary liabilities	78	282,734	0	0	230,783
I. Accrued expenses and deferred income	79	0	0	0	0
II. Other temporary liabilities, of which:	80	282,734	0	0	230,783
a) Estimated payables	81	282,734	0	0	230,783
TOTAL LIABILITIES	82	26,257,298	0	0	32,047,712

Profit and Loss Statement for the Year 2012

	Row No. b	Base 1	Sub-total 2	Result 3
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE				
1. Earned premium, net of reinsurance:	1	x	x	x
a) Gross premium written	2	286,621	x	x
b) Premium ceded to reinsurers	3	9,460	277,161	x
c) Change in the gross balance of the reserve for unearned premium (+/-)	4	4,246	x	x
d) Change in the balance of the reserve for unearned premium, net of reinsurers' share (+/-)	5	(22)	4,268	272,893
2. Income from financial placements (investments) transferred from non-technical account (item III.6.)	6	x	x	15,952
3. Other technical income, net of reinsurance	7	x	x	16,817
4. Costs of claims, net of reinsurance:	8	x	x	x
a) Costs of claims:	9	x	x	x
aa) Gross amount	10	50,985	x	x
ab) Reinsurers' share	11	4,665	46,320	x
b) Change in the balance of the reserve for claims (+/-):	12	x	x	x
ba) Gross amount	13	(32,943)	x	x
bb) Reinsurers' share	14	(11,749)	(21,195)	25,125
5. Change in the balance of other technical reserves, net of reinsurance (+/-)	15	x	x	(279)
6. Bonuses and discounts, net of reinsurance	16	x	x	944
7. Net operating expenses:	17	x	x	x
a) Acquisition costs of insurance policies	18	x	66,358	x
b) Change in the balance of deferred acquisition costs (+/-)	19	x	(1,950)	x
c) Administrative overheads	20	x	49,407	x
d) Commission from reinsurers and shares of profit	21	x	0	113,816
8. Other technical costs, net of reinsurance	22	x	x	44,067
9. Change in the balance of the equalisation reserve (+/-)	23	x	x	0
10. Sub-total, balance (result) of the non-life insurance technical account (item III.1.)	24	x	x	121,989
II. TECHNICAL ACCOUNT – LIFE INSURANCE				
1. Earned premium, net of reinsurance:	25	x	x	x
a) Gross premium written	26	x	5,862,149	x
b) Premium ceded to reinsurers	27	x	123,194	x
c) Change in the balance of the reserve for unearned premium, net of reinsurance (+/-)	28	x	(382)	5,739,336
2. Income from financial placements (investments):	29	x	x	x
a) Income from equity investments, with a special mention of income from controlled entities	30	x	0	x
b) Income from other financial placements (investments) with a special mention of income from controlled entities, of which:	31	x	x	x
ba) Income from land and buildings (real estate)	32	0	x	x
bb) Income from other investments	33	1,385,403	1,385,403	x
c) Change in the value of financial placements (investments)	34	x	0	x
d) Income from the realisation of financial placements (investments)	35	x	70,964	1,456,367
3. Additions to financial placements (investments)	36	x	x	748,374
4. Other technical income, net of reinsurance	37	x	x	52,116
5. Costs of claims, net of reinsurance:	38	x	x	x
a) Costs of claims:	39	x	x	x
aa) Gross amount	40	1,882,356	x	x
ab) Reinsurers' share	41	4,992	1,877,364	x

Financial Section > Financial Statements

	Row No. b	Base 1	Sub-total 2	Result 3
b) Change in the balance of the reserve for claims (+/-):	42	x	x	x
ba) Gross amount	43	25,424	x	x
bb) Reinsurers' share	44	516	24,908	1,902,272
6. Change in the balance of other technical reserves, net of reinsurance (+/-):	45	x	x	x
a) Change in the balance of the life insurance reserve:	46	x	x	x
aa) Change in the gross balance	47	3,230,495	x	x
ab) Reinsurers' share	48	104,547	3,125,948	x
b) Change in the balance of other technical reserves, net of reinsurance	49	x	1,458,324	4,584,273
7. Bonuses and discounts, net of reinsurance	50	x	x	
8. Net operating expenses:	51	x	x	x
a) Acquisition costs of insurance policies	52	x	204,386	x
b) Change in the balance of deferred acquisition costs (+/-)	53	x	(23,901)	x
c) Administrative overheads	54	x	199,589	x
d) Commission from reinsurers and shares of profits	55	x	2,571	377,503
9. Costs of financial placements (investments):	56	x	x	x
a) Costs of administering financial placements (investments), including interest	57	x	502,132	x
b) Change in the balance of financial placements (investments)	58	x	0	x
c) Costs attributable to the realisation of financial placements (investments)	59	x	70,964	573,097
10. Disposals of financial placements (investments)	60	x	x	311,586
11. Other technical costs, net of reinsurance	61	x	x	141,700
12. Income from financial placements (investments) transferred to non-technical account (item III.4.)	62	x	x	71,750
13. Sub-total, balance (result) of the life insurance technical account (item III.2.)	63	x	x	34,014
III. NON-TECHNICAL ACCOUNT				
1. Result of the non-life insurance technical account (item I.10.)	64	x	x	121,989
2. Result of the life insurance technical account (item II.13.)	65	x	x	34,014
3. Income from financial placements (investments):	66	x	x	x
a) Income from equity investments, with a special mention of income from controlled entities	67	x		x
b) Income from other financial placements (investments) with a special mention of income from controlled entities, of which:	68	x	x	x
ba) Income from land and buildings (real estate)	69	0	x	x
bb) Income from other investments	70	0	0	x
c) Change in the balance of financial placements (investments)	71	x	0	x
d) Income from the realisation of financial placements (investments)	72	x	0	0
4. Income from financial placements (investments) transferred from the life insurance technical account (item II.12.)	73	x	x	71,750
5. Costs of financial placements (investments):	74	x	x	x
a) Costs of administering financial placements (investments), including interest	75	x	0	x
b) Change in the balance of financial placements (investments)	76	x	0	x
c) Costs attributable to the realisation of financial placements (investments)	77	x	0	0
6. Income from financial placements (investments) transferred to the non-life insurance technical account (item I.2.)	78	x	x	15,952
7. Other income	79	x	x	6,443
8. Other expenses	80	x	x	4,381
9. Income tax on current activities	81	x	x	38,018
10. Profit or loss on current activities after taxation	82	x	x	175,845
11. Extraordinary expenses	83	x	x	0
12. Extraordinary income	84	x	x	0
13. Extraordinary profit or loss	85	x	x	0
14. Income tax on extraordinary activities	86	x	x	0
15. Other taxes not reported above	87	x	x	427
16. Profit or loss for the period (item III.3.)	88	x	x	175,418

Statement of Changes in Equity for the Year Ended 31 December 2012

(CZK thousand)	Share capital	Treasury shares	Share premium	Reserve funds	Capital funds	Valuation gains or losses	Retained earnings	Total
Balance at 1 January 2011	904,152	0	0	32,985	0	101,609	343,546	1,382,295
FX differences and valuation gains or losses not included in profit/(loss)	0	0	0	0	0	(286,794)	0	(286,794)
Net profit/(loss) for the period	0	0	0	0	0	0	251,046	251,046
Transfers to funds	271,246	0	0	6,956	0	0	(278,201)	0
Balance at 31 December 2011	1,175,398	0	0	39,941	0	(185,185)	316,391	1,346,544
Balance at 1 January 2012	1,175,398	0	0	39,941	0	(185,185)	316,391	1,346,544
FX differences and valuation gains or losses not included in profit/(loss)	0	0	0	0	0	867,095	0	867,095
Net profit/(loss) for the period	0	0	0	0	0	0	175,418	175,418
Transfers to funds	0	0	0	12,552	0	0	(12,552)	0
Balance at 31 December 2012	1,175,398	0	0	52,493	0	681,910	479,256	2,389,057

Notes to the Financial Statements for the Year Ended 31 December 2012

1. GENERAL INFORMATION

1.1. Description of the Business and Principal Activities of the Company

Komerční pojišťovna, a.s., (hereinafter the “Company” or “KP”) was incorporated following its registration in the Commercial Register kept by the Municipal Court in Prague, Section B, File 3362, on 1 September 1995.

The principal operations are as follows:

As of 31 December 2012, the Company is licensed to undertake insurance activities, reinsurance activities and activities relating to insurance and reinsurance activities as follows:

1. insurance activities pursuant to Section 13 (1) of the Insurance Act No. 277/2009 Coll., as amended (hereinafter the “Insurance Act”):
 - to the extent of life insurance segments I, II, III, VI, VII and IX as set out in Part A of the Appendix 1 to the Insurance Act
 - to the extent of non-life insurance segments 1, 2, 3, 4, 7, 8, 9, 10c, 13, 14, 15, 16 and 18 as set out in Part B of the Appendix 1 to the Insurance Act
2. activities relating to insurance and reinsurance pursuant to Section 13 (1) of the Insurance Act:
 - agency activities undertaken in connection with insurance activities under the Insurance Act
 - advisory activities relating to insurance of individuals and legal entities under the Insurance Act
 - investigation into insurance claims undertaken on a contractual basis with an insurance company under the Insurance Act
 - mediation of financial services listed under (a) to (e):
 - a) agency services in respect of building society savings programmes;
 - b) agency services in respect of retirement benefit programmes;
 - c) agency services in respect of the arrangement of consumer and mortgage loans;
 - d) agency services in respect of the arrangement of credit cards;
 - e) leasing agency services.
 - training activities for insurance brokers and independent loss adjusters.

Share capital

The share capital amounts to CZK 1,175,397,600 and consists of 6,580 ordinary registered shares with a nominal value of CZK 145,470 in the book-entry form and 3,000 ordinary registered shares with a nominal value of CZK 72,735 in the book-entry form. The Company’s share capital is fully paid.

Shareholders as of 31 December 2012

Komerční banka, a.s., having its registered office at Prague 1, Na Příkopě 33/969, 114 07, incorporated with the Municipal Court in Prague, Section B, File 1360, Corporate ID: 45 31 70 54; a 48.99 percent shareholder.

SOGECAP S.A., having its registered office at 50, Avenue du Général de Gaulle, 92093 Paris, La Défense Cedex, identification number: 086380730 R.C.S. NANTERRE; a 51.01 percent shareholder.

Registered Office of the Company

Karolinská 1/650
186 00, Prague 8

The Company has no foreign branch.

1.2. Board of Directors and Supervisory Board as of 31 December 2012

	Position	Name
Board of Directors	Chairman	Stéphane Corbet
	Member	Zdeněk Zavadil
	Member	Jiří Koutník
	Member	Šárka Šindlerová
	Member	William Hans Chonier
Supervisory Board	Chairman	Philippe Perret
	Member	Henri Bonnet
	Member	Pascal Bied-Charreton
	Member	Pavel Čejka
	Member	Martin Kalivoda
	Member	Jiří Potužil

Acting on behalf of the Company

The Board of Directors acts on behalf of the Company. No less than two members of the Board of Directors act jointly on behalf of the Board of Directors. The act of signing is conducted in such a manner that no less than two members of the Board of Directors attach their signatures to the written or printed name of the Company or the Company's stamp.

1.3. Equity Holdings in Other Businesses

The Company held no equity investments in other businesses as of 31 December 2012.

1.4. Changes and Amendments to the Commercial Register

In 2012 no changes or amendments to the Commercial register were made.

1.5. Legal Relations

As of the balance sheet date, all of the Company's legal relations comply with the Insurance Act including the related implementation guidance notes. The Company operates both in life and non-life insurance segments.

1.6. Movements in Equity

The Company didn't recognize any changes in the equity within the year 2012.

2. ACCOUNTING POLICIES

2.1. Basis of Accounting

In maintaining its accounting books and records and in preparing the financial statements, the Company complied with Accounting Act No. 563/1991 Coll., as amended, Decree No. 502/2002, which provides implementation guidance on certain provisions of the Accounting Act No. 563/1991 Coll., as amended, for reporting entities that are insurance companies (hereinafter "Decree 502"), and with Czech Accounting Standards for reporting entities that maintain their accounts under Decree 502.

The Company's accounting books and records are maintained in such a manner so as to ensure that the financial statements prepared on the basis of the accounting books and records give a true and fair view of assets, liabilities, equity and the financial position of the Company while complying with the prudence and going concern principles.

The financial statements are prepared on the accruals basis of accounting whereby the effects of transactions and other events are recognised when they occur and are reported in the financial statements of the periods to which they relate. Assets that are not recalculated at fair value and suffered impairment are stated at net recoverable amount.

The reporting currency used in the financial statements is the Czech crown (“CZK”) with accuracy to CZK thousand, unless indicated otherwise. The financial statements were prepared as of and for the year ended 31 December 2012.

2.2. Tangible and Intangible Fixed Assets

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 assets costing less than CZK 40,000 are expensed in the year of acquisition.

Intangible fixed assets include start-up costs greater than CZK 20,000 and other intangible assets with an acquisition cost greater than CZK 60,000 on an individual basis and an estimated useful life exceeding one year. Intangible assets costing less than CZK 60,000 are expensed in the year of acquisition.

In respect of information technologies, the Company invests in research and development; these expenses are principally related to the preparation of development studies and implementation of individual projects.

The Company creates provisions against tangible and intangible fixed assets if the inventory count highlights that their fair value is lower than their carrying value and the impairment is temporary. No provisions were recognised against fixed assets in the year ended 31 December 2012.

Depreciation of fixed assets is recorded on a straight line basis for accounting purposes. Accounting depreciation is based on the expected useful life of the tangible and intangible assets. The depreciation period is indicated below:

Category of assets	Depreciation period in years
Cars	4
Furniture and fixtures	7 – 10
Software	4
AIA Software	5
Start-up costs	5

As a result of binding statutory requirements regarding the presentation of financial statements of insurance companies, the components of fixed assets shown above are classified on the face of the balance sheet as of 31 December 2012 as follows:

- Intangible fixed assets, including acquisition, are presented in lines 2 – 4; and
- Tangible fixed assets (both depreciable and non-depreciable), including acquisition, are presented in line 21.

The Company recognised tax depreciation charges for tangible and intangible assets in 2012.

2.3. Financial Placements

Deposits

Deposits placed with financial institutions are measured at their nominal value upon acquisition. As of the year-end, these assets are recalculated at fair value. The fair value of short-term deposits placed with financial institutions is the nominal value including accrued interest. Deposits denominated in foreign currencies are retranslated into Czech crowns at the ruling exchange rate of the Czech National Bank and any foreign exchange rate difference is included in the valuation. Revaluation is recognised through the profit and loss account.

Debt Securities

Debt securities are stated at cost upon acquisition. Purchased accrued interest income is added to the cost of the investment. The difference between the cost of the jacket of debt securities and their nominal value is recorded to income or expense over the remaining maturity of these securities using the effective interest rate method. Accrued interest income on securities is reflected directly in the relevant account of these securities. The same types of securities are valued using a price determined by the FIFO method. Debt securities denominated in foreign currencies are retranslated into Czech crowns at the ruling exchange rate of the Czech National Bank and any foreign exchange rate difference is included in the fair value recalculation.

The Company recalculated individual components of financial placements at fair values as of the balance sheet date, excluding the securities held until maturity and issued by an OECD member state (refer to below). 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 gains or losses from the revaluation of securities are charged against equity (account 404) as all the securities held by the Company are not intended for trading.

The securities held until maturity, which were issued by an OECD member state and the rating of which, stated by at least two internationally recognised rating agencies, was defined at the level of the Czech Republic or higher, have been measured at amortised cost.

Derivatives

As part of the implemented investment strategy, KP hedges cash flows from foreign currency debt securities using cross-currency swaps. The purpose of hedging derivatives is to eliminate the currency risk posed by the holding of foreign-currency debt securities. Pursuant to the current legislation, KP classifies these derivatives as hedging derivatives and the gains or losses from the revaluation of swaps at their fair value are recognised in equity accounts. The fair value of swaps is calculated using the net present value of the fixed future cash flows from these derivatives.

Other Financial Placement Components

The gains or losses from the revaluation of other financial placement components, if any, are recognised in the profit and loss account (accounts 539 and 639).

The structure of the financial placement portfolio follows the obligatory limits set out in Insurance Act No. 277/2009 and Finance Ministry Decree No. 434/2009, which provides implementation guidance on certain provisions of the Insurance Act.

2.4. Receivables

Receivables are stated at nominal value.

Following the analysis of the recoverability of past due debts undertaken by the Company, individual groups of receivables were assigned specific coefficients for provisioning. The Company used coefficients of similar product groups for the newly sold products.

In determining debt provisioning levels, the risk (the number of past due days) attached to all amounts due from a specific debtor is considered to be equal to the risk (the number of past due days) of the oldest of these receivables.

2.5. Permanent or Long-Term Impairment of Assets

At the balance sheet date, the Company assesses whether there is any indication that assets, which are not measured at fair value or assets that are fair valued but the revaluation differences are included in the balance sheet, may be impaired.

2.6. Cash and Cash Equivalents

Cash comprises cash on hand and current bank accounts designed to secure the Company's operations. Term deposits, with the exception of foreign currency term deposits, which are also used to finance the Company's operations, are reported as a component of financial placements.

Cash equivalents comprise labels, meal vouchers, stamps, flexi pass vouchers and Prague public transport tickets.

Cash and cash equivalents are stated at nominal value.

2.7. Technical reserves

The Company records technical reserves pursuant to Insurance Act No. 277/2009, as amended, as follows:

Life Insurance Reserve

The life insurance reserve is created as a sum of reserves calculated under individual life insurance policies and represents the sum of the Company's liabilities net of the value of future premiums. The technical reserve includes the allocated share of profit and the costs associated with insurance administration. The life insurance reserve for traditional life insurance products is calculated using the "Zillmer" method where negative values are substituted with zero.

Unearned Premiums Reserve

The unearned premium reserve represents actual (or estimated as appropriate) written premiums that do not relate to the current reporting period and are calculated using a daily 'pro rata' method of the aggregate written premiums according to the number of days that relate to the current reporting period and to the following reporting periods.

Reserve for Outstanding Claims

The claim reserve, for both life and non-life insurance, consists of 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').

The claim reserve also reflects the amount of the estimated claims handling costs associated with settling claims.

The RBNS is recognised as equal to the sum of reserves for anticipated insurance payments for individual reported, but unsettled claims according to estimated damage amounts arising from claims recorded as of the balance sheet date.

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

- Supporting evidence underlying the insurance portfolio split by classes of individual insurance activities;
- Historical series relating to individual classes of insurance activities that monitor the moment of claim origination and the moment of claim settlement (the Chain-Ladder method applied to quarterly data) – it is used for non-life insurance activities only;
- The estimated aggregate claims ratio; and
- The estimated claims need for a determined period of time is usually used for life insurance activities.

While the Board of Directors considers the balance of the reserve for outstanding claims to be fairly presented on the basis of the information available at the balance sheet date, the ultimate balance of liabilities may differ as a result of subsequent information and events and can result in significant changes in the final amounts. Changes in the reserve balance are reflected in the financial statements for the period in which they occur. The adopted approaches and estimates are assessed on a regular basis.

Reserve for Bonuses and Rebates

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

In respect of life insurance, this reserve also reflects a portion of income from financial placements held for anticipated but not yet awarded profit shares.

In 2012, the Company increased, in accordance with Section 63 (2) of the Insurance Act, the reserve for bonuses and discounts by CZK 194 million up to the final amount of CZK 648 million. The amount reflects the obligation of the Company to provide policy holders with relevant insurance claim payments and cannot be used for any other purpose. The Company undertakes to allocate the amount to individual policies by the relevant resolution of the Company adopted with the Company's full authority which complies with the provisions of insurance policies for profit shares in the following years but no later than within eight years from the recognition of this reserve, specifically to those persons who will be the policy holders of the particular products that stipulate the right for the profit share to the policy holder as of the last date of the calendar year in which the Company takes such decision.

If the Company does not take the above decision within eight years from the recognition of the reserve, it undertakes to allocate this amount (or its so far unallocated part) to policies (ie products that stipulate the right for the share profit for the policy holder) of individual policy holders who will be the policy holders on the last day of the 8th year from the recognition of the reserve. Each policy holder should receive an amount calculated as an average balance of the reserve of life insurance of the relevant policy holder during the 8th calendar year from the recognition of this reserve for bonuses and discounts/(divided) by the total average value of the reserve of life insurance of these policy holders (ie policy holders of those products that stipulate the right for the profit share to the share holder) during the eighth calendar year from the recognition of the reserve for bonuses and discounts * (multiplied by) the reserve for bonuses and discounts recognised in the year of recognition, or its unpaid part.

The reserve for bonuses and discounts was recognised in addition to the profit shares that were allocated to individual policies and that became part of the reserve of life insurance upon the allocation of shares for 2012.

No part in respect of the similar increases of CZK 174 million in 2011, 165 million and CZK 115 million made in 2010 and 2009, respectively, was used in 2012.

Reserve for the Coverage of Obligations from the Used Technical Interest Rate (Deficiency Reserve)

The Company creates a reserve for obligations resulting from life insurance contracts. At the balance sheet date, the Company undertakes a test of the adequacy of life insurance technical reserves (the "liability adequacy test") designed to verify the sufficiency of the total sum of amounts of life insurance reserves. The basic testing method is the model of discounted financial cash flows.

The result of the liability adequacy test is the minimum value of liabilities to the policy holders calculated when using the best estimate of the presumptions of the future development of input parameters adjusted for an additional charge reflecting risk and uncertainty.

The reserves are insufficient when the minimum value of insurance liabilities is greater than the amount of life provisions decreased by the corresponding outstanding acquisition costs. If the result of the liability adequacy test shows insufficiency of technical reserves, the Company creates a reserve equivalent to this deficiency.

The methodology for creating and using reserves for the coverage of obligations from the used technical interest rate is in accordance with Special Directive No. 3 of the Czech Society of Actuaries as of 22 September 2003.

Life Insurance Reserve where the Investment Risk is Assumed by the Policy Holder

This reserve is held to cover obligations of the insurance company to the policy holders for the life insurance products where it is the policy holder who bears the investment risk on the basis of the insurance contract; the Company has recognised this reserve since 2006 when the sale of these products began.

The reserve amount is determined as a sum of the liabilities to the policy holders in the amount of their shares of allocated premiums from individual contracts according to the principles specified in insurance contracts.

In compliance with Section 67 (3) of the Insurance Act, a reserve is recognised for a portion of liabilities from the insurance contracts which arise from (a) covering the risk of death and (b) funds placed in the guaranteed fund in accordance with Section 65 of the Insurance Act.

2.8. Reserves for Other Risks and Losses

The Company creates other reserves for risks that are not directly related to its insurance activities.

Specifically, the Company recorded a reserve for anticipated risks and losses associated with legal disputes, a reserve for outstanding vacation days, a reserve for auditing, annual letters to clients, annual report, and a restructuring reserve.

Restructuring Reserve

Following the reporting of significant losses in the year ended 31 December 2001 and in prior years, the parent company initiated a restructuring of the Company in 2002.

Based upon an analysis of anticipated costs resulting from this restructuring, the Company recorded, in 2002 and 2003, a reserve for the portion of those costs that can be recognised in the current period under applicable accounting regulations. This reserve is released to expenses as the actual costs are incurred.

2.9. Payables

Payables are stated at nominal value.

Payables to the policyholders principally comprise insurance premium prepayments and overpayments, and received payments temporary unmatched with the related receivables at the balance sheet date.

2.10. Temporary Assets and Liabilities

Temporary assets and liabilities principally comprise:

- Deferred expenses – primarily deferred acquisition costs of insurance policies;
- Accrued income – particularly accrued revenues from term deposits;
- Estimated receivables – primarily estimated funds to be collected from reinsurers (shares of insurance claims, commissions and profit shares) and an estimate for premiums not yet written in the operating systems; and
- Estimated payables – primarily estimated balances of anticipated premiums ceded to the reinsurers, unpaid commissions, fees and unbilled supplies.

2.11. Gross Written Premiums

Gross written premiums include all premiums amounts stated in insurance policies during the period, regardless of whether these amounts relate partly or wholly to the following accounting periods.

Income from written premiums is recognised on an accruals basis by recording a reserve for unearned premiums in accordance with accounting procedures for insurance companies (refer to Note 2.7.).

2.12. Costs of Insurance Claims

Costs of insurance claims are recorded as equal to the amounts awarded for the settlement of claims and also include external costs of the Company incurred in processing claims. Costs of insurance claims are reduced by claims of recourse or other similar claims of the Company. The cost is recognised in the current period when the level of a payable to a client is acknowledged.

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

In settling non-life insurance claims the Company cooperates with WILLIS, s.r.o., AXA Assistance CZ, s.r.o., Gras Savoye and Mondial Assistance in respect of organisational, economic and technical advice, including investigations into insured events, preparation of full documentation in support of examining and settling these insured events.

2.13. Acquisition Costs of Insurance Policies

Acquisition costs of insurance policies include all direct and indirect costs incurred in acquiring insurance policies. Acquisition costs of insurance policies principally comprise:

- Commission paid to insurance policy acquirers; and
- Payment for medical assessments.

Non-life insurance commissions are deferred in line with the proportion of the unearned premiums to premiums written or reflect the estimated period of validity of the policy to which the commission relates.

Acquisition costs of traditional life insurance products are deferred in the form of Zillmer life insurance reserves.

Life insurance commissions where the investment risk bearer is the policy holder are deferred in line with the unearned premiums reserve or reflect the estimated period of validity of the policy to which the respective commission relates.

2.14. 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, advisory services, postal fees, other fees, wages and other social costs, or depreciation of assets.

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

Other unallocated administrative costs are primarily posted to non-technical cost accounts and, at the year-end, they are re-allocated to life and non-life insurance technical accounts in a proportion that matches the allocation based on the ABC (Activity Based Costing) method, regulating the matching of costs to individual types of insurance. The proportion was 20.1% for non-life insurance and 79.9% for life insurance.

2.15. Financial Placement Costs and Income Recognition

Recognition of Costs and Income from Financial Placements and their Allocation between Life and Non-life Insurance

The Company has split its portfolio of securities into the following three parts:

- i) portfolio of securities covering non-life insurance reserves,
- ii) portfolio of securities covering life insurance reserves,
- iii) portfolio of securities covering funds of the Company's equity.

Income from and costs of financial placements are primarily recorded on the life insurance technical accounts. At the year-end, net income not related to life insurance is re-allocated to the non-technical accounts and the relevant amount of income is re-allocated from the non-technical accounts to the non-life insurance technical accounts.

The Company uses the proportion of the average balances of life and non-life insurance technical reserves and equity as a basis for re-allocating expenses and income from financial placements.

Accounting Treatment for the Realisation of Financial Placements

The Company's accounts for the realisation of financial placements on a gross basis and accordingly records separately all the revenues arising from realisation as equal to the selling value of the relevant financial placement instruments and the costs as equal to their carrying value.

2.16. Other Costs and Income

Clearly identifiable costs and income are recorded directly on the life and non-life technical accounts during the year.

Costs that are not clearly identifiable are primarily recorded on the non-technical accounts and subsequently reallocated to the technical life or non-life accounts. As a basis for reallocating the costs and income, the Company uses separate coefficients for life and non-life insurance (refer to Note 2.14).

This treatment does not apply to taxes and fees, and other expenses not related to insurance and reinsurance.

2.17. Reinsurance

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

Under the terms of reinsurance arrangements, the reinsurer's share of claims is calculated and paid based on the actually settled insurance claims. The Company recognises estimated receivables in respect of the anticipated but not yet paid reinsurer's share of recorded insurance claims. Under the terms of reinsurance arrangements, reinsurance commissions are calculated and paid based on the paid reinsurer's share of premiums reflecting loss experience.

The Company recognises its share of the reinsurer's profit when the entitlement to this profit share can be determined and ascertained with reasonable certainty. No profit shares were recognised as of 31 December 2012.

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.

2.18. Income Taxation

The income tax for the relevant period consists of the due tax and the change in the deferred tax. The due tax consists of the tax calculated from the tax base using the tax rate valid in the current year and all additionally assessed taxes and refunds of the overpaid taxes of previous periods, as well as the reserve for the due tax, including the independent tax base (dividends received from abroad).

2.19. Deferred Income Tax

Deferred income tax is provided using the balance sheet method, for all temporary differences arising between the tax basis of assets and liabilities and their carrying values for financial reporting purposes. Deferred income tax is determined using tax rates effective in the periods in which the temporary tax difference is expected to be realised.

The principal temporary differences arise from depreciation on tangible fixed assets, provisions against receivables, reserves and tax losses carried forward.

In 2012, the Company recognised a deferred tax liability.

2.20. Foreign Currency Retranslation

Transactions during the year were retranslated at the Czech National Bank's exchange rate prevailing as of the transaction date or at the rate at which the transaction was realised. Assets and liabilities denominated in foreign currencies at the year-end are retranslated using the Czech National Bank's exchange rate prevailing as of that date. Foreign exchange rate gains and losses are recognised through the profit and loss account, except for the foreign-currency debt securities for which these foreign exchange gains or losses are included in recalculation at fair value.

2.21. Consolidation

These financial statements have been prepared on an unconsolidated basis. The Company's financial information is included in the consolidated financial statements of Komerční banka, a.s., having its registered office at Na Příkopě 33/969, Prague 1, 114 07, and SOGECAP S.A., having its registered office at 50, avenue du Général De Gaulle, 92093 Paris la Defense Cedex, which can be obtained at the same place.

2.22. Use of Estimates

The presented financial statements for the year ended 31 December 2012 are based on the best estimates available as of the reporting period-end which specifically relate to the determination of fair values of financial instruments, impairment of assets and determination of reserves. Management of the Company believes that the financial statements give the truest and fairest view of the Company's financial results and financial position using all relevant and available information at the financial statements date.

3. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

3.1. Tangible and Intangible Fixed Assets

Acquisition cost

(CZK thousand)	Additions	Disposals	31 December 2012	31 December 2011
Depreciated tangible assets	4,586	24,787	35,691	55,892
of which: cars	315	947	8,709	9,341
hardware	3,980	22,916	16,232	35,168
office equipment	291	908	8,644	9,261
furniture and fixtures	0	16	2,106	2,122
Amortised intangible assets	5,154	0	201,293	196,139
Non-depreciated tangible assets	0	0	236	236
Acquisition of assets	0	397	0	397
of which: intangible assets	0	397	0	397
tangible assets	0	0	0	0
Total	9,740	25,184	237,220	252,664

Accumulated Depreciation

(CZK thousand)	Additions	Disposals	31 December 2012	31 December 2011
Depreciated tangible assets	5,172	24,788	22,352	41,968
of which: cars	1,842	947	6,110	5,215
hardware	2,374	22,916	8,010	28,552
office equipment	672	908	6,596	6,832
furniture and fixtures	284	17	1,636	1,369
Amortised intangible assets	8,842	0	188,438	179,597
Total	14,014	24,788	210,790	221,564

Net Book Value

(CZK thousand)	31 December 2012	31 December 2011
Depreciated tangible assets	13,339	13,925
of which: cars	2,599	4,127
hardware	8,222	6,616
office equipment	2,048	2,429
furniture and fixtures	470	753
Amortised intangible assets	12,855	16,542
Non-depreciated tangible assets	236	236
Acquisition of assets	0	397
of which: intangible assets	0	397
tangible assets	0	0
Total	26,430	31,100

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

(CZK thousand)	31 December 2012	31 December 2011
Intangible assets (line 2)	12,855	16,939
Tangible movable assets (line 21)	13,575	14,161
Total	26,430	31,100

Depreciation of fixed assets charged to expenses for the year ended 31 December 2012 amounted to CZK 18,870 thousand (2011: CZK 32,083 thousand). In 2012, principal additions to tangible depreciated assets related to servers, including their accessories (CZK 3,980 thousand).

As for amortised intangible assets, the most significant item was the purchase of new software equipment (CZK 5,154 thousand). Disposals of depreciated tangible assets predominantly included the retirement of servers (CZK 22,916 thousand).

3.2. Financial Placements

Fair Value of Financial Placements (CZK thousand)

Group of assets	31 December 2012	31 December 2011
Debt securities issued by an EU member state or its central bank	15,397,713	12,312,303
Debt securities issued by banks of EU member states	3,420,747	4,890,562
Listed bonds issued by EU businesses	4,151,202	3,476,394
Listed municipal bonds	343,600	312,310
Listed debt securities issued by banks and trading companies of non-EU member states	2,323,352	370,400
Debt securities issued by EIB, ECB, EBRD or IBRD	0	0
Provision against securities	0	0
Total fixed income securities	25,636,614	21,361,970
Shares	255,821	232,261
Deposits with banks	903,000	789,000
Other financial placements – Cross Currency Swap	(414,399)	(413,408)
Total securities and deposits	26,381,036	21,969,822

The financial placement of assets originated from the Company's technical reserves complies with the requirements set out in respect of the structure of financial placements by the Insurance Act and Decree No. 434/2009 Coll., which provides implementation guidance on the Insurance Act.

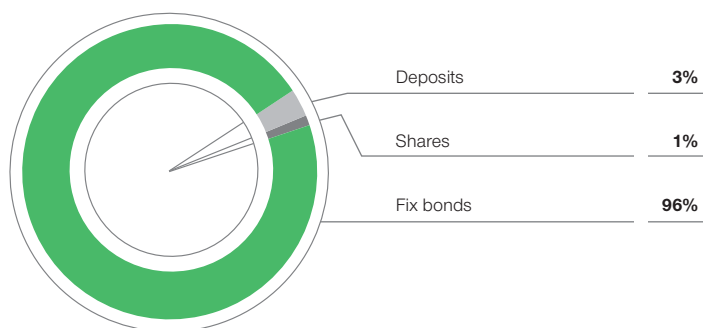
47 percent (2011: 45 percent) of financial placements are allocated to government bonds issued by the Czech Republic. Financial placements have also been allocated to debt securities issued by banks, bonds issued by businesses (registered both in the Czech Republic and abroad), municipal bonds, shares and bank deposits.

Investments in shares represent an additional instrument added to the portfolio at the beginning of 2007. The limit for these investments is 1 percent of the total volume of the portfolio. At the end of 2012, the volume of stock investments amounted only to 1 percent (2011: 1 percent).

In 2012, apart from the bonds denominated in CZK (acquisition cost: CZK 2.3 billion), eleven bonds denominated in EUR and USD were purchased and included in the investment portfolio. Their total acquisition cost was EUR 100.8 million and USD 23.7 million (an equivalent of CZK 3.04 billion). The future foreign-currency cash flows from these investments were hedged against the currency risk by the retranslation of cash flows from the

foreign-currency bonds into Czech crowns at a previously stipulated exchange rate using the cross-currency swaps. The foreign-currency bonds were purchased because of their higher yield offered by issuers on the European financial market compared to the domestic market.

KP portfolio of investments



3.3. Receivables

Analysis of receivables

(CZK thousand)	31 December 2012	31 December 2011
Receivables from direct insurance from policy holders	172,514	150,040
Receivables from agents (brokers)	0	0
Amounts due from reinsurance transactions	0	283
Other receivables from direct insurance and reinsurance	9,690	11,778
Total receivables from direct insurance and reinsurance	182,204	162,101
Operating prepayments	51,810	51,914
Other debtors	287,533	335,708
Amounts due from employees	0	0
Prepaid income tax	20,879	0
Total receivables	542,426	549,723

As of 31 December 2012, other receivables from direct insurance and reinsurance arise from the delay between the transfer of insurance claim payments through the client payment check system and their settlement (i.e. the settlement of receivables against the related account payables to the policy holders).

As of 31 December 2012, operating prepayments totalling CZK 51,810 thousand (2011: CZK 51,914 thousand) primarily included prepayments for the share in the profit of collective contracts of CZK 39,798 thousand (2011: CZK 39,321 thousand), a prepayment of CZK 1,701 thousand provided to AXA ASSISTANCE (2011: CZK 1,708 thousand) and a rental guarantee payment of CZK 7,555 thousand (2011: CZK 7,364 thousand).

As of 31 December 2012, other debtors primarily consist of receivables from the outstanding principal and security coupon amounting to CZK 282,960 thousand (2011: CZK 272,025 thousand).

Aging Analysis of Receivables from Direct Insurance for Policy Holders:

(CZK thousand)	Months past due date 2012				Total
	0 – 3	4 – 6	7 – 12	over 12	
Industry and business	0	0	0	11,011	11,011
Merlin, Merlin Profi	7,576	1,037	23,162	390	32,165
Patron, Patron Profi	1,897	1,168	65	57	3,187
Other non-life products	4,460	80	61	825	5,426
Vital Invest	12,935	1,517	152	305	14,910
Vital	36,645	115	121	3,488	40,369
Other life insurance products	34,476	19,342	2,722	8,907	65,446
Total	97,989	23,259	26,283	24,983	172,514

(CZK thousand)	Months past due date 2011				Total
	0 – 3	4 – 6	7 – 12	over 12	
Industry and business	0	0	0	26,941	26,941
Merlin, Merlin Profi	108	932	25,649	1,460	28,149
Patron, Patron-Profi	2,198	52	108	909	3,268
Other non-life products	544	80	93	788	1,505
Vital Invest	14,658	1,078	141	983	16,860
Vital	7,394	406	288	3,483	11,570
Other life insurance products	27,363	19,508	3,169	11,707	61,747
Total	52,265	22,056	29,448	46,271	150,040

Provisions against Receivables from Direct Insurance:

(CZK thousand)	Months past due date 2012				Total
	0 – 3	4 – 6	7 – 12	over 12	
Industry and business	0	0	0	11,011	11,011
Merlin, Merlin Profi	0	0	0	0	0
Patron, Patron-Profi	0	9	33	57	98
Other non-life products	0	76	58	815	949
Vital Invest	0	1,442	144	305	1,891
Vital	0	98	120	3,488	3,707
Other life insurance products	0	324	363	8,739	9,425
Total	0	1,949	718	24,415	27,081

(CZK thousand)	Months past due date 2011				Total
	0 – 3	4 – 6	7 – 12	over 12	
Industry and business	0	0	0	26,941	26,941
Merlin, Merlin Profi	0	0	0	0	0
Patron, Patron-Profi	0	10	54	909	973
Other non-life products	0	78	86	778	941
Vital Invest	0	1,024	134	983	2,141
Vital	0	361	285	3,483	4,129
Other life insurance products	0	554	898	11,684	13,136
Total	0	2,027	1,457	44,778	48,262

The Company recognised the provisions against receivables only for individual policies. In case of collective policies, i. e. Merlin and Profi Merlin products, the risk of default is on side of Komerční banka as a policy holder.

Apart from the provisions described above, the Company recognised provisions against other receivables.

As of 31 December 2012, a provision for the principal and two coupons of the Landsbanki bond 4.40/09 in the amount of CZK 239,360 thousand (2011: CZK 239,360 thousand) was recognised in respect of other receivables.

Receivables Arising from Reinsurance Transactions

The amount of receivables arising from reinsurance transactions is CZK 0 thousand (2011: CZK 283 thousand). Receivables predominantly include unsettled shares of the reinsurer in insurance claims and unsettled commissions from the reinsurer.

3.4. Cash and Cash Equivalents

(CZK thousand)	2012	2011
Current accounts	82,477	36,060
Cash on hand	82	45
Cash equivalents	630	557
Provision against UB	(67)	(67)
Cash in route	(1,402)	0
Total	81,720	36,595

The Company recognised a full provision against its current account maintained with Union banka, amounting to CZK 96 thousand in 2003. In 2004 and 2010, this outstanding receivable was partly settled in the amount of CZK 29 thousand. The underlying provision was reduced by the same amount. The Company will record the provision until the liquidation of Union banka is completed.

3.5. Temporary Assets

Analysis of temporary assets

(CZK thousand)	31 December 2012	31 December 2011
Deferred acquisition costs	68,513	39,541
of which: Non-life insurance commissions	24,522	19,448
of which: Life insurance commissions	43,991	20,093
Other deferred expenses	10,219	8,396
Accrued income	0	0
Estimated receivables	66,823	42,382
of which: Premiums	32,841	31,720
Reinsurer's commission and share in claims	654	2,404
Other	33,328	8,258
Total	145,555	90,320

The balance of estimated premium receivables as of 31 December 2012 of CZK 32,841 thousand (2011: CZK 31,720 thousand) represents premiums under policies that have been entered into but not recorded in the operating system by the closing date.

The balance of estimated receivables from reinsurer's commission and share of reinsurer as of 31 December 2012 of CZK 654 thousand (2011: CZK 2,404 thousand) results from the settlement of reinsurance balances mainly for the last quarter of 2012.

Other estimated receivables results mainly from not invoiced managerial fees related to Forte funds of CZK 30,765 thousand (2011: CZK 5,745 thousand)

For further details about reinsurance balances refer to Note 3.25.

3.6. Equity

(CZK thousand)	31 December 2012	31 December 2011
Share capital	1,175,398	1,175,398
Other capital funds	681,910	(185,185)
– valuation gains and losses of securities	886,405	10,173
– valuation gains and losses of derivatives	(383,542)	(392,286)
– valuation of up-front fees	339,001	153,489
– deferred tax	(159,954)	43,439
Statutory reserve fund	52,493	39,941
Retained earnings	303,838	65,345
Accumulated losses brought forward	0	0
Profit/(loss) for the period	175,418	251,046
Total	2,389,057	1,346,544

3.7. Technical Reserves

(CZK thousand) Name of reserve	31 December 2012			31 December 2011
	Gross balance	Reins. share	Net balance	Net balance
Life insurance reserve	22,536,068	0	22,536,068	19,500,670
Life insurance reserve where the investment risk is assumed by the policy holder	5,136,987	0	5,136,987	3,867,361
of which:				
Vital Invest, Brouček, Modrý Vital Invest	5,136,987	0	5,136,987	3,867,361
IBNR reserve	71,120	3,317	67,803	82,664
of which:				
Non-life insurance	45,485	2,964	42,521	59,178
PpaP (industrial and business insurance)	0	0	0	0
P&C (property and casualty insurance)	673	292	381	446
Card insurance	11,334	2,672	8,662	23,687
Merlin, Merlin Profi	476	0	476	649
Patron, Patron Profi	2,376	0	2,376	2,215
Other non-life insurance	30,626	0	30,626	32,182
Life insurance	25,635	353	25,282	23,486
Vital	1,816	0	1,816	265
Mortgages	10,789	0	10,789	9,588
Insurance of consumer loans and credit cards	9,129	0	9,129	10,880
Other life insurance	3,901	353	3,548	2,753
RBNS reserve	338,594	70,880	267,714	249,138
of which:				
Non-life insurance	176,738	69,706	107,033	111,550
PpaP (industrial and business insurance)	124,795	59,685	65,110	68,120
P&C (property and casualty insurance)	2,189	1,221	968	978
Card insurance	42,800	8,800	34,000	37,619
Merlin, Merlin Profi	2,895	0	2,895	2,272
Patron, Patron Profi	2,466	0	2,466	1,671
Other non-life insurance	1,594	0	1,594	891
Life insurance	161,855	1,174	160,681	137,588
Vital	117,929	0	117,929	92,430
Mortgages	8,929	234	8,695	6,880
Insurance of consumer loans and credit cards	8,920	0	8,920	8,165
Other life insurance	26,077	940	25,137	30,113
Reserve for bonuses and discounts	712,831	0	712,831	524,411
of which:				
Non-life insurance	495	0	495	774
PpaP (industrial and business insurance)	0	0	0	0
P&C (property and casualty insurance)	495	0	495	774
Life insurance	712,336	0	712,336	523,638
Vital	59,489	0	59,489	64,221
Vital Invest, Brouček, Modrý Vital Invest	4,787	0	4,787	5,356
Other life insurance	648,060	0	648,060	454,060

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(CZK thousand) Name of reserve	31 December 2012			31 December 2011
	Gross balance	Reins. share	Net balance	Net balance
Reserve for unearned premiums	56,920	276	56,644	52,758
of which:				
Non-life insurance	39,742	157	39,585	35,381
P&C (property and casualty insurance)	1,001	157	844	618
Card insurance	329	0	329	0
Patron, Patron Profi	13,554	0	13,554	16,623
Other non-life insurance	24,858	0	24,858	18,140
Life insurance	17,178	119	17,059	17,376
Vital Invest	1,744	0	1,744	1,542
Vital	468	0	468	567
Mortgages	1,988	0	1,988	2,081
Other life insurance	12,978	119	12,859	13,186
Reserve for the coverage of obligations from the used TIR	234,679	0	234,679	144,129
Vital	227,238	0	227,238	140,826
Life insurance	7,441	0	7,441	3,303

3.8. Result of Non-Life Insurance Claims Settlement – Run-Off Analysis (Net)

(CZK thousand)	2012	2011
Balance of the reserve for claims as of 1 January	170,626	152,160
Claims paid in the current period arising from claims from the prior period	15,386	17,851
Balance of the reserve for claims as of 31 December	124,325	105,452
Result of claims settlement	30,915	28,856

3.9. Result of Life Insurance Claims Settlement – Run-off Analysis (Net)

(CZK thousand)	2012	2011
Balance of the reserve for claims as of 1 January	1,521	1,955
Claims paid in the current period arising from claims from the prior period	543	610
Balance of the reserve for claims as of 31 December	883	957
Result of claims settlement	95	388

The run-off analysis (net) of life insurance products is presented for accident riders. The run-off in respect of insurance capital products is neutral.

3.10. Reserve for Other Risks and Losses

(CZK thousand)	31 December 2012	31 December 2011
Reserve for corporate income tax	36,454	45,178
Reserve for legal disputes and similar risks	13,559	13,174
Restructuring reserve	7,500	7,500
Total reserve for other risks and losses	57,513	65,852

The reserve for legal disputes and similar risks represents a reserve for estimated losses of pending litigations and other estimated losses on transactions entered into by the year-end, specifically in relation to industrial and business insurance. Based on all information available, management of the Company established and updated this reserve as an appropriately prudent estimate of the ultimate balance of costs associated with the matters referred to above.

The balance of the restructuring reserve as of 31 December 2012 was the same as of 31 December 2011. During the reporting period, the reserve was not released in relation to the sales network agent settlement.

3.11. Payables

(CZK thousand)	31 December 2012	31 December 2011
Payables from direct insurance to the policy holders	152,186	113,686
Payables to agents	96	115
Payables from reinsurance transactions	15,229	4,452
Other payables from direct insurance and reinsurance	1,901	71
Total payables from direct insurance and reinsurance	169,412	118,325
Payables to staff from dependent activities	9,939	7,512
Settlement balances with social security and health insurance institutions	4,293	4,575
Payables to financial institutions	0	0
Other payables	169,593	6,209
Other direct taxes	2,200	1,713
Other indirect taxes and fees	2,199	2,703
Total payables	357,636	141,037

None of the Company's payables were secured by a pledge or any other encumbrance as of 31 December 2012.

As of 31 December 2012, the Company records overdue payables from direct insurance to the policy holders (older than 5 years, in the amount of CZK 13,103 thousand; 2011: CZK 8,059 thousand). These consist of unpaid claims and overpayments of premiums.

Other payables that do not relate to insurance predominantly include deferred tax liability in CZK 150,193 thousand and unpaid invoices (older than 5 years: CZK 0 thousand).

3.12. Temporary Liabilities

Analysis of Temporary Liabilities

(CZK thousand)	31 December 2012	31 December 2011
Deferred income	0	0
Estimated payables	230,783	282,734
of which: Reinsurer's share in premiums	6,367	6,240
Commissions to acquirers	191,143	219,264
Insurance claims	2,184	2,308
Other	31,089	54,922
Total temporary liabilities	230,783	282,734

Estimated commissions payables to acquirers of CZK 191,143 thousand (2011: CZK 219,264 thousand) represent an estimate of unpaid commissions for the acquisition of insurance policies. This balance predominantly consists of commissions not paid to ESSOX amounting to CZK 68,854 thousand (2011: CZK 69,744 thousand) and commissions not paid to Komerční banka, a.s. totalling CZK 92,809 thousand (2011: CZK 128,026 thousand).

Other temporary liabilities of CZK 31,089 thousand (2011: CZK 54,922 thousand) principally comprise unbilled supplies of CZK 24,280 thousand (2011: CZK 45,701 thousand) and costs of staff bonuses for 2012 amounting to CZK 6,073 thousand (2011: CZK 8,378 thousand).

3.13. Taxation

Income Tax

The tax due in the fiscal year 2012 totals CZK 35,042 thousand. The tax stemming from the independent tax base is CZK 1,412 thousand.

Deferred Tax

The Company's deferred tax liability amounted to CZK (150,192) thousand as of 31 December 2012, of which CZK (159,954) thousand was recognised in equity and CZK (3,792) thousand in the profit and loss account in 2012 as decrease of deferred tax asset due to fixed assets and reserves.

(CZK thousand)	31 December 2012	31 December 2011
Deferred tax arising from:		
Net book value of tangible and intangible fixed assets	7,251	11,051
Non-current financial assets	(159,954)	43,438
Reserve	2,510	2,503
Total deferred tax	(150,193)	56,992

3.14. Non-Life Insurance

(CZK thousand)	2012	2011
Gross written premiums	286,621	257,522
PpaP (industrial and business insurance)	0	(1)
P&C (property and casualty insurance)	1,387	1,657
Card insurance	50,818	43,901
Merlin, Merlin Profi	135,293	114,895
Patron, Patron Profi	35,620	37,174
Other non-life insurance	63,503	59,896
Gross earned premiums	282,375	248,434
PpaP (industrial and business insurance)	(247)	(351)
P&C (property and casualty insurance)	1,432	1,701
Card insurance	50,755	43,901
Merlin, Merlin Profi	131,806	116,198
Patron, Patron Profi	38,689	39,078
Other non-life insurance	59,940	47,907
Gross costs of insurance claims	50,985	33,047
PpaP (industrial and business insurance)	425	(9)
P&C (property and casualty insurance)	2,244	2,951
Card insurance	20,123	22,001
Merlin, Merlin Profi	14,244	2,617
Patron, Patron Profi	2,639	2,762
Other non-life insurance	11,310	2,725
Reinsurance balance	(4,795)	(1,607)
Acquisition costs of insurance policies	64,409	73,004
- commissions	66,359	77,371
- other acquisition costs	0	2,690
- release of deferred expenses and accrued income	0	0
- recognition of deferred expenses and accrued income	(1,950)	(7,057)

3.15. Life insurance

(CZK thousand)	2012	2011
Gross written premiums	5,862,149	6,593,375
Earned premiums	5,862,536	6,593,454
Gross costs of insurance claims	1,882,356	1,893,290
Reinsurance balance	(115,631)	(8,276)
Acquisition costs of insurance policies	180,486	166,593
– commissions	202,759	184,172
– other acquisition costs	1,627	1,352
– deferred expenses and accrued income	(23,901)	(18,931)

Summary of life insurance, written premiums

(CZK thousand)	2012	2011
Individual contracts	5,658,476	6,392,256
of which: insurance contracts where the investment risk is assumed by the policy holder	1,106,216	1,756,157
Collective contracts	203,672	201,119
Life insurance – total	5,862,149	6,593,375
Single premiums	4,982,593	5,725,417
of which: insurance contracts where the investment risk is assumed by the policy holder	1,079,549	1,732,394
Regular premiums	879,555	867,958
of which: insurance contracts where the investment risk is assumed by the policy holder	26,667	23,763
Life insurance – total	5,862,149	6,593,375
Insurance contracts without premium	0	0
Insurance contracts with premium	5,862,149	6,593,375
of which: insurance contracts where the investment risk is assumed by the policy holder	1,106,216	1,756,157
Life insurance – total	5,862,149	6,593,375

3.16. Territorial Analysis of Total Premiums Written

The Company entered into insurance contracts in the Czech Republic, Slovakia, Bulgaria, Romania and Germany.

(CZK thousand)	2012	2011
Written premiums arise from contracts into which the Company entered:		
in the EU member state where it has its registered office	6,083,713	6,810,973
in other EU member states	65,057	39,924
Total premiums written	6,148,770	6,850,897

3.17. Summary of Commissions

For the year ended 31 December 2012, the aggregate balance of commissions in respect of direct insurance was CZK 268,302 thousand (2011: CZK 235,555 thousand) and was segmented as follows:

(CZK thousand)	Life insurance		Non-life insurance	
	2012	2011	2012	2011
Expenses on commissions	201,943	165,241	66,359	70,314

3.18. Financial Placements Income and Expense

For the year ended 31 December 2012, the net income on the Company's financial placements amounted to CZK 883,271 thousand (2011: CZK 803,902 thousand), of which the net income from assets generated from technical reserves amounted to CZK 836,776 thousand (2011: CZK 759,198 thousand).

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As discussed in Note 2.15, income and expense from financial placements are recorded primarily on the life insurance technical account during the reporting period.

At the year-end, net financial income unrelated to life insurance is re-allocated to the non-technical accounts and subsequently re-allocated to the non-life insurance technical accounts. For the year ended 31 December 2012, this re-allocated balance was CZK 15,952 thousand (2011: CZK 16,582 thousand).

(CZK thousand)	2012		2011	
	Life insurance	Non-life insurance	Life insurance	Non-life insurance
Year-end net balances of reserves	28,824,738	262,461	24,215,383	291,483
Income from reserves	820,824	15,952	742,615	16,582

3.19. Administrative Expenses

The total amount of administrative expenses was CZK 248,996 thousand in 2012 (2011: CZK 253,170 thousand). The administrative expenses are analysed as follows:

(CZK thousand)	2012	2011
Staff cost (wages, social security and health insurance)	138,716	132,241
Rent	17,498	17,707
Advisory services	21,926	22,668
Telecommunication	1,974	2,505
Training	2,559	1,993
Banking and postal fees	6,433	9,398
IT costs	12,967	13,503
Depreciation	18,870	32,159
Other administrative costs	28,052	20,996
Total	248,996	253,170

The costs of the audit of the financial statements amounted to CZK 1,790 thousand in 2012 (2011: CZK 1,768 thousand).

3.20. Other Technical Income and Expenses and Non-Technical Account

Other income from non-life insurance primarily includes the use of provisions against receivables in the amount of CZK 16,797 thousand (2011: CZK 6,686 thousand).

Other technical expenses of non-life insurance amounting to CZK 44,067 thousand (2011: CZK 19,877 thousand) mainly include the profit shares totalling CZK 26,753 thousand (2011: CZK 18,327 thousand).

Other technical income of life insurance primarily includes the management fee for the sale of Forte funds amounting to CZK 43,257 thousand (2011: CZK 28,446 thousand).

Other technical expenses of life insurance include items relating to the cost of profit sharing in the amount of CZK 105,793 thousand (2011: CZK 106,135 thousand).

Other income from the non-technical accounts amounted to CZK 6,443 thousand (2011: CZK 21,388 thousand), of which the positive exchange rate difference totals CZK 3,448 thousand (2011: CZK 9,427 thousand).

Other costs of the non-technical accounts amounted to CZK 4,381 thousand (2011: CZK 17,723 thousand), of which the negative exchange rate difference totals CZK 4,457 thousand (2011: CZK 9,309 thousand).

3.21. Reallocation of Costs between Technical and Non-Technical Accounts

The aggregate balance of costs re-allocated between the life insurance technical accounts, the non-life insurance technical accounts and the non-technical accounts on the basis as disclosed in Note 2.16 was CZK 245,742 thousand (2011: CZK 250,340 thousand as of 31 December 2012).

3.22. Transactions with Related Parties

	2012	2011	Text
Amounts owed to the Group entities	963,285	823,011	
Of which: Komerční banka, a.s.	53,484	51,224	Estimated accrued expenses – Profit sharing
	7,661	2,051	Paid commissions for insurance arrangement
	39,113	75,651	Estimated accrued expenses – Commissions
	1,314	755	Estimated accrued expenses – Trade payables
	245	243	Bank Fees
	534	198	Trade payables
	414,399	413,408	Payables from the cross currency swaps
	330,330	153,489	Up-front fee from the cross currency swaps
	16	142	Payables from insurance
Of which: Essox, s.r.o.	66,828	69,299	Estimated accrued expenses – Profit sharing
	1,955	140	Paid commissions for insurance arrangement
Of which: Essox SK, s.r.o.	0	445	Estimated accrued expenses – Profit sharing
	272	0	Estimated accrued expenses – Commissions
Of which: MPSS, a.s.	3,606	2,100	Estimated accrued expenses – Commissions
	1,373	0	Trade payables
Of which: SG	3,872	4,186	Estimated accrued expenses – Trade payables
Of which: Sogecap	6,500	31,622	Estimated accrued expenses – Trade payables
	231	0	Trade payables
	14,350	0	Payables from insurance
Of which: SGEB	4,861	1,834	Estimated accrued expenses – Profit sharing
	1,077	504	Estimated accrued expenses – Commissions
Of which: BRD	2,009	6,694	Estimated accrued expenses – Commissions
	7,091	2,973	Estimated accrued expenses – Profit sharing
Of which: BRD Finance	54	0	Estimated accrued expenses – Profit sharing
	559	726	Estimated accrued expenses – Commissions
Of which: PFKB	0	4,428	Payables from insurance
	428	320	Trade payables
Of which: HB	517	475	Estimated accrued expenses – Profit sharing
	604	104	Estimated accrued expenses – Commissions
Of which: Sogelease	1	0	Estimated accrued expenses – Commissions
Amounts due from the Group entities	3,529,503	2,956,867	
Of which: Komerční banka, a.s.	951,192	810,818	Current accounts and deposits
	4,920	5,967	Accrued commissions
	14,873	15,706	Estimated accrued income – premiums
	49,985	38,462	Receivables from insurance
	23	23	Prepayments
	400,255	0	Financial placements
Of which: Essox, s.r.o.	37,945	37,701	Prepayments
	31,809	32,981	Receivables from insurance
	10,081	10,365	Estimated accrued income – premiums
	335	332	Accrued commissions

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	2012	2011	Text
Of which: Essox SK, s.r.o.	23	0	Accrued commissions
	23	39	Receivables from insurance
	233	401	Prepayments
Of which: Komerční banka Bratislava, a.s.	0	840	Current accounts and deposits
Of which: HB	2,680	512	Current accounts and deposits
	2,950	703	Accrued commissions
	1,031	214	Estimated accrued income – premiums
	4,263	482	Receivables from insurance
Of which: BRD	13,014	9,542	Accrued commissions
	2,590	2,590	Estimated accrued income – premiums
	16,407	6,668	Current accounts and deposits
Of which: BRD Finance	1,546	1,052	Accrued commissions
	667	529	Estimated accrued income – premiums
Of which: MPSS	2,025	429	Estimated accrued income – premiums
Of which: PFKB	0	530	Estimated accrued income – premiums
Of which: SG	1,957,450	1,965,010	Financial placements
Of which: SGEB	1,262	1,266	Accrued commissions
	1,528	1,117	Estimated accrued income – premiums
	17,961	6,914	Current accounts and deposits
	727	0	Receivables from insurance
Of which: SGCIB	1,704	5,605	Trade receivables
Of which: Sogecap	0	69	Trade receivables
Of which: Sogelease	1	0	Estimated accrued income – premiums
Expenses with the Group entities	825,142	712,725	
Of which: Komerční banka, a.s.	54,150	48,749	Expenses on profit sharing
	6,804	9,039	Use of trademark + advertising
	3,715	3,638	Bank Fees
	1,044	748	Accrued expenses – Commissions
	386,011	280,922	Accrued expenses – Cross currency swaps
	2,771	2,684	Offices lease related expenses
	6,771	5,301	Financial investment related expenses
	203,766	211,700	Commissions
	637	644	Advisory
	13,925	16,950	Expenses on instance claims
	4,067	455	Other expenses
Of which: SG	3,840	3,482	Advisory
	2,208	0	Other expenses
Of which: Komerční banka Bratislava, a.s.	0	11	Bank Fees
Of which: Essox, s.r.o.	70,320	71,533	Expenses on profit sharing
	8,926	9,190	Expenses on instance claims
Of which: Essox SK, s.r.o.	303	440	Expenses on profit sharing
Of which: MPSS, a.s.	11,746	10,545	Commissions
	608	1,290	Use of trademark + advertising
Of which: BRD	6	6	Bank Fees
	16,166	8,130	Commissions
	3,795	1,806	Expenses on profit sharing

	2012	2011	Text
Of which: BRD Finance	54	(1)	Expenses on profit sharing
	1,595	907	Commissions
Of which: HB	3,814	447	Expenses on profit sharing
	503	1,493	Commissions
Of which: PFKB	2,369	2,124	Contribution of the Company
Of which: SGEB	11	9	Bank Fees
	3,241	1,465	Expenses on profit sharing
	7,238	4,260	Commissions
Of which: Sogecap	5,473	14,758	Advisory
	(736)	0	Advertising
Of which: Sogelease	1	0	Commissions
Income with the Group entities	760,310	729,400	
Of which: Komerční banka, a.s.	6,420	4,423	Interest from current accounts and deposits
	323,273	281,038	Accrued interest – cross currency swaps
	234,584	195,637	Written premiums
	76	60	Other income
	255	0	Výnosy z finančního umístění
Of which: SG	93,766	80,226	Výnosy z finančního umístění
Of which: Essox, s.r.o.	97,227	98,827	Written premiums
Of which: Essox SK, s.r.o.	319	548	Written premiums
Of which: MPSS, a.s.	0	(110)	Written premiums
Of which: BRD	32,577	23,909	Written premiums
	6	3	Interest from current accounts and deposits
Of which: BRD Finance	2,997	2,145	Written premiums
Of which: HB	8,639	2,524	Written premiums
Of which: PFKB	0	2,172	Written premiums
Of which: SGEB	17,577	9,465	Written premiums
	11	8	Interest from current accounts and deposits
	0	79	Advertising
Of which: SGCIB	43,257	28,446	Other income
Of which: Sogecap	(104,537)	0	Written premiums
	3,859	0	Other income
Of which: Sogelease	4	0	Written premiums

3.23. Profit/(Loss)

(CZK thousand)	2012	2011
Non-life insurance	121,989	109,027
Life insurance	34,014	139,964
Non-technical account (before tax)	57,860	56,097
Profit/(loss) before tax	213,863	305,088
Corporate income tax and other taxes	38,445	54,042
Profit/(loss) for the accounting period	175,418	251,046

3.24. Staff Costs and Similar Costs

Staff and similar costs paid by the Company were as follows:

2012

(CZK thousand)	FTE	Wages and salaries	Social security and health insurance	Other staff costs	Total staff costs
Staff	149	87,272	29,169	2,431	118,872
Management	5	16,668	2,788	389	19,845
Total	154	103,940	31,957	2,820	138,717

2011

(CZK thousand)	FTE	Wages and salaries	Social security and health insurance	Other staff costs	Total staff costs
Staff	146	76,090	25,732	4,633	106,455
Management	5	20,223	5,243	320	25,786
Total	151	96,313	30,975	4,953	132,241

Bonuses paid to administrative, management, supervisory and other bodies

(CZK thousand)	2012	2011
Bonuses to the Supervisory Board	24	26
Bonuses to the Board of Directors	990	1,048

As of 31 December 2012, fourteen employees 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, executive and supervisory bodies in addition to this benefit.

3.25. Reinsurance

The aggregate reinsurance result

(CZK thousand)	2012	2011
Reinsurer's share of premiums	(132,654)	(22,536)
Reinsurer's share of insurance claims	9,657	10,694
Commissions	2,571	1,959
Reinsurance balance	(120,426)	(9,883)
Reinsurer's share in the creation and use of reserves	(11,260)	(3,038)
Reinsurance result	(131,686)	(12,921)

The amounts due from and to reinsurers:

(CZK thousand)	31 December 2012	31 December 2011
Receivable from reinsurers	0	283
Estimated receivable	654	2,404
Payable to reinsurers	(17,130)	(4,523)
Estimated payable	(6,367)	(6,240)
Net receivable (payable) from reinsurers	(22,843)	(8,075)

4. OFF-BALANCE SHEET COMMITMENTS

The Company is not aware of any off-balance sheet commitments.

5. OTHER SIGNIFICANT POST BALANCE SHEET EVENTS

At the financial statements date, management of the Company is not aware of any events that would require adjustment of the Company's financial statements.

Report on Relations Between Related Parties for the Reporting Period of 2012

(hereinafter referred to as the "Report on Relations")

Komerční pojišťovna, a.s., with its registered office in Prague 8, Karolinská 1/650, post code 186 00, Corporate ID 63998017, incorporated with the Municipal Court in Prague, Section B, File 3362, (hereinafter referred to as the "Company"), is part of a business group in which the following relations between the Company and its Controlling Entity and further between the Company and other entities controlled by the same Controlling Entity (hereinafter referred to as the "Related Entities") exist.

This Report on Relations Between Related Parties was prepared in accordance with provisions of Section 66a (9) of Act No. 513/1991 Coll., as amended (the Commercial Code), for the year ended 31 December 2012, i.e. from 1 January 2012 to 31 December 2012 (hereinafter referred to as the "Reporting Period").

I. INTRODUCTION

In the period from 1 January 2012 to 31 December 2012, the Company was a member of the Société Générale S.A. Group with its registered office at 29, BLD Hausmann, 75009 Paris, France, number of registration in the French Commercial Register: R.C.S. Paris B55212022 (1955 B 12022) (hereinafter referred to as the "SG" or "SG Paris").

In the 2012 Reporting Period, the Company entered into arrangements with the following Related Entities:

Company	Registered office	SG's share of voting
ESSOX s.r.o.	Senovážné náměstí 231/7, 370 21 České Budějovice	100.00%
Komerční banka, a.s.	Na Příkopě 33, 114 07 Praha 1	60.73%
Modrá pyramida stavební spořitelna, a.s.	Bělehradská 128/222, 120 21 Praha 2	100.00%
SG Equipment Finance Czech Republic s.r.o.	Antala Staška 2027/79, 140 00 Praha 4, Krč	100.00%
Penzijní fond Komerční banky, a.s.	Lucemburská 1170/7,130 11 Praha 3, Vinohrady	100.00%
Société Générale S.A.	29, BLD Hausmann, 75009 Paříž, France	100.00%
Sogecap S.A.	Paris La Défence Cedex, 50 Av. Du Général De Gaulle, 92093 France	100.00%
BRD Group Societe Generale S.A.	Bucharest, B-dul Ion Mihalache, BRD Building, Romania	60.17%
Société Générale EXPRESSBANK AD	92 bd, Vladislav Varnenchik Str., 9000 Varna, Bulgaria	99.74%
Sogelife Bulgaria IJSC	73 Aleksandar Stamboliyski Blvd, Vazrazhdane Region, Sofia 1303, Bulgaria	99.89%
BRD Finance	Rue Ion Mihalache no.1-7, Tour BRD, Secteur 1, Bucarest, Romania	100.00%
Hanseatic Bank GmbH & Co KG	Bramfelder Chaussee 101, Hamburg, Germany	75.00%
Sogelease Bulgaria Ltd.	73 Aleksandar Stamboliyski Btvd, Sofia 1303, Bulgaria	99.74%
ESSOX SK s.r.o.	Cesta na Senec 2/A, 821 04 Bratislava, Slovenia	100.00%

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II. ARRANGEMENTS WITH RELATED ENTITIES

A. Contracts and Agreements with the Controlling Entity and Other Related Entities

I. Contracts and agreements entered into within the Reporting Period

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Amendment No. 4 to the Separate distribution Agreement for product VITAL (Termination of sales) (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 13 January) to Insurance Agency Agreement No. 1 (as of 24 September 2009)	Société Générale („SG“) EXPRESSBANK AD	Commission	Intermediation and arrangement of insurance contracts	None
Annex 10, 11, 12 (as of 15 January 2012) to the Insurance Agency Agreement No. 1 (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 15 (as of 6 February 2012) to the Separate Distribution Agreement for product Vital Invest (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement Relating to the Financial Instrument – Optimo Komodity (as of 7 February 2012)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Subcontract No. 1 (as of 22 February 2012) to Framework agreement for provision of services (as of 14 September 2010)	Komerční banka, a.s.	Contractual remuneration	Provision of services – infrastructure and information technology	None
Subcontract No. 2 (as of 22 February 2012) to Framework agreement for provision of services (as of 14 September 2010)	Komerční banka, a.s.	Contractual remuneration	Provision of services – infrastructure and information technology	None
Subcontract No. 3 (as of 22 February 2012) to Framework agreement for provision of services (as of 14 September 2010)	Komerční banka, a.s.	Contractual remuneration	Provision of services – infrastructure and information technology	None
Subcontract No. 4 (as of 22 February 2012) to Framework agreement for provision of services (as of 14 September 2010)	Komerční banka, a.s.	Contractual remuneration	Provision of services – infrastructure and information technology	None
Record of agreement to decrease base for commission for travel insurance (as of 29 June 2012)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Group Term Life Insurance Agreement for Employees No. 3280000000 (as of 29 February 2012)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 1 (as of 29 June 2012) to the Contract for Group Risk life Insurance of Employees No. 3280000000 (as of 29 February 2012)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement on Cooperation (as of 29 June 2012) in Execution on Contract for Group Risk life Insurance of Employees No. 3280000000, in the wording of Amendment No. 1 (as of 29 February 2012)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Master contract for Cooperation within the DSFS Group in the Czech republic (as of 6 March 2012)	ESSOX s.r.o.	Contractual remuneration	Provision of services	None
Contract for provision of direct banking (as of 6 March 2012)	Komerční banka, a.s. pobočka zahraničnej banky	Fees according to the price list	Provision of direct banking	None
Administration order (as of 6 February 2012)	Komerční banka, a.s. pobočka zahraničnej banky	Fees according to the price list	Provision of direct banking	None
Amendment No. 4 (as of 26 March 2012) to the Contract for collective insurance related to payment cards, No. 2149500001 (as of 26 January 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 6 (as of 2 April 2012) to the Separate Distribution Agreement for product Vital Premium (as of 18 December 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Commitment letter (Optimo Komodity II) as of 24 April 2012	Société Générale S. A. a Komerční banka a. s.	Contractual remuneration	Sale of fund	None
Agreement Relating to the Financial Instrument (Optimo Komodity II) (as of 24 April 2012)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement on Settlement and Replacement of Rights and Obligations (as of 25 April 2012)	Sogecap	Contractual remuneration	Provision of services	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Amendment No. 3 (as of 9 May 2012) to the Contract for COLLECTIVE MERLIN and PROFIL MERLIN INSURANCE No. 3170000000 (as of 5 October 2009)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 16 (as of 9 May 2012) to the Separate Distribution Agreement for product Vital Invest (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 10 May 2012) to Contract of collective insurance „Profi pojištění plateb“ No. 3250000000 (as of 7 December 2011)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 1 (as of 10 May 2012) to Contract of collective insurance „Moje pojištění plateb“ No. 3240000000 (as of 7 December 2011)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement relating to the decrease of commission on entry fee from extra premium within products Brouček, Vital and Vital Invest (as of 14 May 2012)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement for insurance agency No. 3 (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Annex No. 1 (as of 16 May 2012) to Agreement for insurance agency No. 3 (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Annex No.2 (as of 27 June 2012) to Agreement for insurance agency No. 3 (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Financial protocol for the commercialization of insurance contracts (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Appendix No. 1 (as of 16 May 2012) to the Financial protocol for the commercialization of insurance contracts (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Appendix No. 2 (as of 16 May 2012) to the Financial protocol for the commercialization of insurance contracts (as of 16 May 2012)	Sogelease Bulgaria Ltd.	Commission	Intermediation and arrangement of insurance contracts	None
Master policy No. 1024 (as of 4 June 2012)	Sogelease Bulgaria Ltd., Sogellife Bulgaria IJSC	Provision of insurance	Insurance premium	None
Amendment No. 4 (as of 4 June 2012) to Insurance Collective Contract of the optional insurance for the card and purchase protection No. 3160000000 (as of 17 November 2009)	BRD Finance	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 7 June 2012) to the Contract for collective insurance to business loans, No. 3140000000 (as of 5 May 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for issuance and use of payment cards (as of 15 June 2012)	Komerční banka, a.s.	Fees according to the price list	Issuance of card	None
Master policy No. 1027 (as of 27 June 2012)	Sogelease Bulgaria Ltd., Sogellife Bulgaria	Provision of insurance	Insurance premium	None
Amendment No. 2 (as of 29 June 2012) to the Separate distribution Agreement for product Travel Insurance (as of 14 June 2006)	Komerční banka, a.s.			
Amendment No. 7 (as of 1 July 2012) to Contract for collective insurance to the loans of ESSOX s.r.o., No. 3070000000 (as of 1 April 2005)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 5 (as of 1 July 2012) to the Contract for financial compensation in the form of profit sharing (as of 30 November 2005)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Agreement relating to collateral of securities (as of 2 July 2012)	Komerční banka, a.s.	Collateral of securities	Collateral of securities	None
Amendment No 1 (as of 19 July 2012) to Agreement on custody services (as of 7 June 2010)	Komerční banka, a.s.	Contractual remuneration	Securities management	None
Amendment No. 2 (as of 24 July 2012) to the Separate Distribution Agreement for product Brouček (as of 15 June 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 4 (as of 24 July 2012) to the Separate distribution Agreement for product Vital Plus (as of 14 April 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 20 August 2012) of the contract No. 4 – for IT Infrastructure hosting VMWare (as of 22 February 2012)	Komerční banka, a.s.	Contractual remuneration	Provision of services – infrastructure and information technology	None
Annex No. 9 (as of 31 September 2012) to the Insurance Agency Agreement No. 1 (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None
Appendix No. 8 – New revolving cards (as of 31 September 2012) to the Financial Protocol for Commercialization of Insurance Contracts – (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None
Appendix No. 9 – New Travel Assistance (as of 31 September 2012) to the Financial Protocol for Commercialization of Insurance Contracts (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None

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Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Appendix No. 10 – New V-Pay (as of 31 September 2012) to the Financial Protocol for Commercialization of Insurance Contracts (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None
Appendix No 2 (as of 31 September) to Master policy 0001 Assistance insurance during travel abroad for holders of cards issued by Société Générale Expressbank (as of 15 January 2010)	Société Générale EXPRESSBANK AD, Sogelife Bulgaria IJSC	Commission	Intermediation and arrangement of insurance contracts	None
Annex No. 1 (as of 31 September 2012) to the Group Agreement for purchase protection insurance included in V pay card issued by SGEB – master policy 0002 (as of 1 September 2011)	Société Générale ExpressBank AD	Provision of insurance	Insurance premium	None
Master Policy No. 1023 (as of 31 September 2012)	Société Générale ExpressBank AD	Provision of insurance	Insurance premium	None
The agreement on setting individual prices (as of 1 September 2012)	Komerční banka, a.s.	Fees according to the price list	Provision of banking services	None
Annex No. 1 (as of 1 October 2012) to Contract for accepting payment cards – Internet (as of 29 March 2007)	Komerční banka, a.s.	Fees according to the price list	Acceptance of payment cards	None
Separate agreement Nr. 5 for Master contract concerning IT Process Procedure (as of 7 September 2012)	Komerční banka, a.s.	Contractual remuneration	Provision of notification services	None
General Distribution Agreement (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Separate Distribution Agreement for Product Vital Invest (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Separate Distribution Agreement for Product Moudré pojištění Risk Life Insurance (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Separate Distribution Agreement for Product Pyramida Risk Life insurance (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Framework agreement relating to trading/dealing on financial market (as of 19 November 2012)	Komerční banka, a.s.	Trading/dealing on financial market	Trading/dealing on financial market	None
Separate Distribution Agreement for product VITAL PREMIUM v EUR (as of 23 November 2012)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 19 December 2012) to the Separate Distribution Agreement for Product Vital Invest (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 15 November 2012) to the General Distribution Agreement (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 19 December 2012) to the Separate Distribution Agreement for Product Moudré pojištění Risk Life Insurance (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 19 December 2012) to the Separate Distribution Agreement for Product Pyramida Risk Life insurance (as of 15 October 2012)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Cooperation agreement (as of 21 December 2012)	Komerční banka, a.s.	Commission	Cooperation in developing products and other business activities	None

II. Performance received and provided in the reporting period under contracts entered into in prior reporting periods

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Master Policy 1018 – Group Credit Life insurance agreement for borrowers/co-debtors of Société Générale Expressbank (as of 1 February 2011)	Sogelife Bulgaria IJSC	Commission	Intermediation and arrangement of insurance contracts	None
Agreement relating to the Structured product which terms and conditions are enclosed herein – Forte 5 (as of 8 February 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement relating to the Structured product which terms and conditions are enclosed herein – Forte 6 (as of 8 February 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement relating to the Structured product which terms and conditions are enclosed herein – Forte 7 (as of 8 February 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement relating to the Structured product which terms and conditions are enclosed herein – Forte 8 (as of 8 February 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Contract for two types of collective insurance provided to A karta and Lady cards of Komerční banka No. 3230000000 (as of 1 April 2011)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement on the organization of periodic control (as of 1 April 2011)	Komerční banka a.s., Société Générale	Contractual remuneration	Provision of services – outsourcing (Internal audit services)	None
Record of agreement to decrease commission for sale of travel insurance (as of 23 May 2011)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Master policy 1022 Group Credit life insurance agreement for borrowers of Credibul & Group loss of employment insurance for borrowers of Credibul (as of 4. June 2011)	Sogelife Bulgaria IJSC, Credibul AD	Commission	Intermediation and arrangement of insurance contracts	None
Agreement for insurance agency No. 1 (as of 4 June 2011) + 1 Annex	Credibul AD	Commission	Intermediation and arrangement of insurance contracts	None
Financial Protocol for the commercialization of Insurance contracts between Komerční pojišťovna and Credibul (as of 4 June 2011) + 1 Appendix	Credibul AD	Commission	Intermediation and arrangement of insurance contracts	None
Commitment Letter 3-8 Autocallable in CZK (Forte 9)	Société Générale S. A. and Komerční banka, a.s.	Contractual remuneration	Sale of fund	None
Contract for rent of non-residential premises – Plzeň (as of 25 July 2011)	Komerční banka, a.s.	Rent payments	Provision of premises	None
Master policy 0002 – Purchase protection insurance included in V PAY card issued by Société Générale ExpressBank (as of 1 September 2011) + 1 Annex	Société Générale ExpressBank AD	Provision of insurance	Insurance premium	None
Contract for rent of non-residential premises – Hradec Králové (as of 29 August 2011)	Komerční banka, a.s.	Rent payments	Provision of premises	None
Appendix 7 (as of 1 September 2011) to the Financial Protocol for Commercialization of Insurance Contracts (as of 24 September 2009)	Société Générale ExpressBank AD	Commission	Intermediation and arrangement of insurance contracts	None
Data protection agreement – Processing of HR Data by Société Générale (as of 16 September 2011)	Société Générale S. A.	No performance	No performance	None
Commitment Letter – Optimo 6Y EMTN in CZK (as of 20 September 2011)	Société Générale S. A. and Komerční banka, a.s.	Contractual remuneration	Sale of fund	None
Framework contract on financial market trading (as of 3 September 2011)	Komerční banka, a.s.	Financial market trading	Financial market trading	None
Agreement relating to collateral of securities (as of 3 October 2011)	Komerční banka, a.s.	Collateral of securities	Collateral of securities	None
Agreement relating to the structured product Optimo (as of 5 October 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement relating to the structured product Forte 9 (as of 5 October 2011)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Contract of collective insurance „Profi pojištění plateb“ No. 3250000000 (as of 7 December 2011)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Contract of collective insurance „Moje pojištění plateb“ No. 3240000000 (as of 7 December 2011)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Personnel costs re-invoicing agreement for employees assigned to ASSU/SOGECAP (as of 19 December 2011)	Sogecap S. A.	No performance	No performance	None
Certificate for Identity for Insurance Agent No. 1 (as of 1 January 2010)	SG Expressbank JSC, Bulgaria	No performance	No performance	None
Worldwide Insurance Plan (as of 7 January 2010)	Société Générale	No performance	No performance	None
Agreement relating to the structured product which terms and conditions are enclosed herein (as of 13 January 2010)	Société Générale	Contractual remuneration	Sale of fund	None
Master policy 0001 Assistance insurance during travel abroad for holders of cards issued by Société Générale Expressbank + 1 Annex	Société Générale EXPRESSBANK AD, Sogelife Bulgaria IJSC	Commission	Intermediation and arrangement of insurance contracts	None
Agreement relating to the structured product which terms and conditions are enclosed herein (as of 15 March 2010)	Société Générale	Contractual remuneration	Sale of fund	None
Agreement for provision of services – outsourcing HR services (as of 21 April 2010)	Komerční banka, a.s.	Contractual remuneration	Provision of services – outsourcing (HR services)	None
Agreement relating to the structured product which terms and conditions are enclosed herein (as of 30 April 2010)	Société Générale	Contractual remuneration	Sale of fund	None
Commitment Letter – 3-8Y Autocallable in CZK Forte 3 (as of 30 April 2010)	Société Générale	Contractual remuneration	Sale of fund	None

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Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Framework agreement for the provision of services (as of 3 Mai 2010)	Sogecap S. A.	Contractual remuneration	Provision of services	None
Contract for collective insurance to the leasing and credit contracts of ESSOX, s.r.o., No. 3180000000 (as of 1 June 2010) + 2 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Agreement on custody services (as of 7 June 2010)	Komerční banka, a.s.	Contractual remuneration	Securities management	None
Agreement on confidentiality (as of 9 July 2010)	Komerční banka, a.s.	No performance	No performance	None
Cost re invoicing from KP to MPSS (as of 10 October 2010)	Modrá pyramida stavební spořitelna, a.s.	Provision of sales documents	Payment for sales documents	None
Framework agreement for provision of services (as of 14 September 2010)	Komerční banka, a.s.	Remuneration hourly rate	Provision of services – infrastructure and information technology	None
Acceptance of Rules for cooperation between KB and Members of the Group In the field of sourcing and purchasing (as of 15 October 2010)	Komerční banka, a.s.	No performance	No performance	None
Commitment Letter – 3-8Y Autocallable in CZK Forte 4 (as of 7 September 2010)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Agreement relating to the Structured product which terms and conditions are enclosed herein – Forte 4 (as of 27 September 2010)	Société Générale S. A.	No performance	No performance	None
Collective insurance contract of the optional insurance for card protection/keys/documents No. 3220000000 (as of 1 November 2010) + 3 Amendments	BRD -Société Générale S.A.	Commission	Intermediation and arrangement of insurance contracts	None
Framework agreement for the provision of services (as of 16 December 2010) + 1 Amendment	Sogecap S. A.	Contractual remuneration	Provision of services	None
Agreement on KB Call Centre services (as of 31 December 2009)	Komerční banka, a.s.	Contractual remuneration	Provision of call centre services	None
Contract for collective insurance related to consumer loans of the company, No. 3130000000 (as of 2 January 2009) + 1 Amendment	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance related to payment cards, No. 2149500001 (as of 26 January 2009), and Amendment No. 1 (as of 28 August 2009) and Amendment No. 2 (as of 30 October 2009) to this Contract + 4 Amendments	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Group insurance contract (as of 30 March 2009) + 1 Amendment	Hanseatic Bank GmbH & Co KG	Commission	Intermediation and arrangement of insurance contracts	None
Contract for rent of non-residential premises – Ostrava (as of 30 September 2009)	Komerční banka, a.s.	Rent payments	Provision of premises	None
Contract for intermediation of Vital Plus (as of 14 April 2009) + 3 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Record (as of 20 April 2009) of the change in conditions for commissions payments related to KP 's maturing contracts (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance to loans, No. 3140000000 (as of 5 May 2009) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of Brouček (as of 15 June 2009) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Commitment letter (as of 29 July 2009)	Société Générale S.A.	Contractual remuneration	Sale of fund	None
Agreement to perform insurance activities (as of 24 September 2009) + 8 Appendix	Société Générale EXPRESSBANK AD	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance MERLIN and PROFI MERLIN No. 3170000000 (as of 5 October 2009) + 2 Amendments	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Custody contract for "VITAL INVEST FORTE" (as of 6 October 2009)	Komerční banka, a.s.	Contractual remuneration	Securities management	None
Framework contract for the arrangement of term deposits with an individual interest rate (as of 22 October 2009)	Komerční banka, a.s.	Contractual remuneration	Arrangements of term deposits	None
Contract for collective insurance of purchased goods provided to KB credit cards, No. 3190000000 (as of 29 October 2009)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Commitment letter – 3-8Y autocallable in CZK Forte 2 (as of 12 November 2009) + 1 Amendment	Société Générale S. A.	Contractual remuneration	Sale of fund	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Insurance Collective Contract of the optional insurance for the card protection and purchase protection no. 3160000000 (as of 17 November 2009) + 3 Amendments	BRD Finance -Société Générale S.A.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of VITAL PREMIUM´s sales (as of 18 December 2006) + 5 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for accepting electronic payments via Mojeplatba (as of 14 December 2009)	Komerční banka, a.s.	Fees according to the price list	Acceptance of electronic payments	None
Contract for cooperation in valuation (as of 9 December 2009)	Komerční banka, a.s.	Contractual remuneration	Valuation of investment instruments	None
Contract relating to the Contract (as of 29 July 2009) regulating structured products and their conditions (as of 23 November 2009)	Société Générale S.A.	Contractual remuneration	Sale of fund	None
Contract for provision of SG´s consultancy services (as of 31 January 2008)	Société Générale S.A.	Contractual remuneration	Provision of consultancy services	None
Framework cooperation contract No. 3010000246 (as of 9 April 2008)	Modrá pyramida stavební spořitelna, a.s.	Provision of insurance	Insurance premium	None
Agreement to terminate the Contract for connection to KB´s HIS (as of 10 April 2008)	Komerční banka, a.s.	No performance	No performance	None
Contract for collective insurance of revolving loans and credit cards of ESSOX, No.3110000000 (as of 29 February 2008) + 2 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Agreement fees´ clearance (as of 1 October 2008)	Komerční banka, a.s.	No performance	No performance	None
Contract for collective insurance to revolving loans and credit card of ESSOX No. 3120000000 (as of 1 June 2008) + 2 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for Groupwide cooperation in terms of the value added tax (as of 21 November 2008)	Komerční banka, a.s.	Contractual remuneration	Fulfillment of duties of the Group´s representative member	None
Contract for accepting payment cards – Internet (as of 29 March 2007)	Komerční banka, a.s.	Fees according to the price list	Acceptance of payment cards	None
Collective insurance agreement for consumer loans No. 3010000000 (as of 1 August 2007) + 4 Amendments	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement for provision of a chip card scanner (as of 2 April 2007)	Komerční banka, a.s.	Contractual remuneration	Provision of chip card scanner	None
Agreement to send electronic messages about clearance (as of 5 June 2007)	Komerční banka, a.s.	Fees according to the price list	Sending of electronic messages about clearance	None
Framework contract for distribution (as of 22 June 2007) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for the use of safety deposit boxes (as of 16 July 2007)	Komerční banka, a.s.	Fees according to the price list	Use of safety deposit boxes	None
Contract for mutual cooperation (as of 1 August 2007) + 1 Amendment	Komerční banka, a.s.	No performance	Provision of banking services	None
Contract for collective insurance to the consumer loans of ESSOX s.r.o., No. 3100000000 (as of 31 August 2007) + 2 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance to credit cards of Komerční banka, a.s., No. 3040000000 (as of 1 November 2007) + 2 Amendments	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Contract for provision of consultancy services	Sogecap S. A.	Contractual remuneration	Provision of consultancy services	None
Contract for provision of collective insurance to loans of ESSOX SK s.r.o., No. 3080000000 (as of 1 August 2006) + 1 Amendment	ESSOX SK s.r.o.	Provision of insurance	Insurance premium	None
Contract for intermediation of Vital Invest (as of 4 October 2006) + 14 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for financial compensation in the form of profit sharing (as of 1 August 2006)	ESSOX SK s.r.o.	Profit sharing	Insurance premium	None
Insurance contract for collective insurance of persons (as of 9 January 2003) + 8 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Framework contract for personal data processing entered into between KB and KP (as of 24 March 2006)	Komerční banka, a.s.	No performance	Personal data processing	None
Contract for intermediation of „PATRON“ (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of „PROFI PATRON“ (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None

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Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Contract for intermediation of "RISK LIFE FOR MORTGAGE LOANS" (as of 25 April 2006) + 4 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of "PROFI MERLIN" (as of 25 April 2006) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of "MERLIN" (as of 25 April 2006) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of "VITAL AND VITAL PLUS" (as of 25 April 2006) + 2 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of "VITAL GRANT" (as of 25 April 2006) + 2 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of "VITAL" (as of 25 April 2006) + 3 Amendments	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement on cooperation in delivering payments (as of 29 May 2006)	Komerční banka, a.s.	Contractual remuneration	Cooperation in delivering payments	None
Contract for intermediation of "TRAVEL INSURANCE" (as of 14 June 2006) + 1 Amendment	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance to consumer loans of ESSOX s.r.o., No. 3090000000 (as of 1 August 2006) + 1 Amendment	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Agreement to alter contractual conditions (as of 31 August 2006)	Komerční banka, a.s.	Fees according to the price list	Provision of direct banking	None
Framework cooperation contract No. 3010000245 (SPEKTRUM PROGRAMME) (as of 17 October 2006)	Penzijní fond Komerční banky, a.s.	Arrangement of insurance contracts	Intermediation and arrangement of insurance contracts	None
Contract for provision of direct banking/Administration order (as of 5 October 2006)	Komerční banka, a.s.	Fees according to the price list	Provision of direct banking	None
Contract for TVIS/STVIS and spot transactions (as of 7 December 2006)	Komerční banka, a.s.	Fees according to the price list	Realisation of TVIS/STVIS and spot transactions	None
Contract for establishment and management of a CZK current account at Komerční banka, a.s. (as of 21 January 2005) + 2 Amendments	Komerční banka, a.s.	Fees according to the price list	Current account 's management	None
Contract for provision of advantageous conditions to employees of Komerční pojišťovna, a.s. – participants of the building society savings in MPSS (as of 15 June 2005)	Modrá pyramida stavební spořitelna, a.s.	No performance	Arrangement of building savings contracts for employees of KP	None
Contract for renting non-residential premises (Brno) (as of 31 September 2005)	Komerční banka, a.s.	Rent	Provision of premises	None
Contract for provision of services on the short-term bonds market (as of 23 October 2001)	Komerční banka, a.s.	Fees according to the price list	Provision of services on the short-term bonds market	None
Contract for the use of KB safety deposit box (2 contracts)	Komerční banka, a.s.	Fees according to the price list	Provision of safety deposit boxes	None
Contract for rent of non-residential premises – Jihlava (as of 31 January 2003) + 3 Amendments	Komerční banka, a.s.	Rent payments	Provision of premises	None
Licence agreement (as of 20 December 2004)	Komerční banka, a.s.	Contractual remuneration	Provision of the KB trademark	None
Contract for collective insurance to loans (as of 21 December 2000)+ 3 Amendments	Komerční banka, a.s.	Provided insurance, insurance indemnity	Insurance premium	None
Framework agreement No. 3010001126 Contract for cooperation between Komerční pojišťovna a. s. and Franfinance Czech republic, s. r. o. – Program Vital (as of 14 June 2004)	Société Générale Equipment Finance	Contractual remuneration	Intermediation and arrangement of insurance contracts	None
Contract for cooperation (as of 27 December 2000)	Komerční banka, a.s.	Cooperation in developing products and other business activities	Cooperation in developing products and other business activities	None
Contract for collective insurance to KB credit cards, No. 3040000000 (as of 1 November 2004)	Komerční banka, a.s.	Provided insurance, insurance indemnity	Insurance premium	None
Contract for Patron collective insurance (as of 25 August 2003) + 1 Amendment	Komerční banka, a.s.	Provision of insurance	Insurance premium	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred
Framework contract for cooperation between KB and KP, Spektrum Insurance Programme (as of 28 January 2003) + 3 Amendments	Komerční banka, a.s.	Entering into insurance contracts	Intermediation of insurance contracts	None
Contract for collective insurance to loans of ESSOX s.r.o., No. 3020000000 (as of 1 August 2004) + 1 Amendment	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance to revolving loans and future cards of ESSOX s.r.o., No. 3030000000 (as of 1 September 2004) + 4 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance to revolving loans and credit cards of ESSOX s.r.o., No. 3050000000 (as of 1 December 2004) + 2 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance to the loans of ESSOX s.r.o., No. 3070000000 (as of 1 April 2005) + 6 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for cooperation in the field of additional pension insurance with a state contribution (as of 18 August 2003)	Penzijní fond Komerční banky, a.s.	Cooperation in administering the additional pension insurance contracts	Commission	None
Contract for commercial representation (as of 10 May 2005) + 3 Amendments	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation of insurance contracts	None
Contract for personal data processing (as of 10 October 2002)	Penzijní fond Komerční banky, a.s.	No performance	No performance	None
Agreement on financial compensation in the form of Profit Sharing (as of 30 November 2005) + 4 Amendments	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for personal data processing (as of 1 October 2003)	ESSOX s.r.o.	No performance	No performance	None
Cooperation agreement (as of 22 September 2005)	Komerční banka, a.s.	Cooperation in developing products and other business activities	Cooperation in developing products and other business activities	None

B. Other Legal Actions Taken by the Company in the Interest of the Controlling Entity and Other Related Entities

During 2012, the Company did not take or implement any other legal acts in the interest of the Controlling Entity and other Related Entities.

C. Measures Taken or Implemented by the Company in the Interest or at the Initiative of the Controlling Entity and Other Related Entities

During 2012, the Company did not take or implement any measures that would be in the interest and at the initiative of the Controlling Entity another Related Entities.

III. CONCLUSION

The Board of Directors of the Company has reviewed all arrangements put in place between the Company and the Related Entities during the 2012 Reporting Period and states that the Company incurred no damage as a result of any contracts, agreements, or any other legal steps or measures taken or implemented in the Reporting Period.

Prague, on 18 March 2013


Stéphane Corbet
 Chairman of the Board of Directors


Zdeněk Zavadil
 Member of the Board of Directors

Notes

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