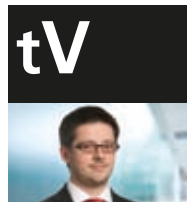
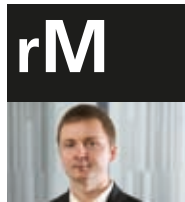
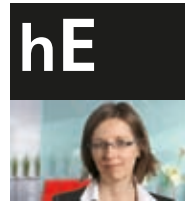
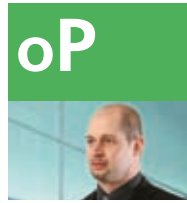
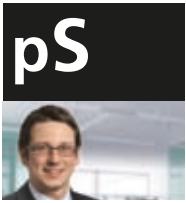


Our employees are *precious elements* –
business of Komerční pojišťovna
is built on them and they form
the basis of our success.



KB
7 Pojišťovna

21.5

Total volume of assets
under management

CZK billion

Komerční pojišťovna's share
in the life insurance market

12.3

percent

In 2010, the gross written
premium reached

8,982

CZK million

Komerční pojišťovna ranked
second in the **life insurance**
market in 2010

2

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Company name

Komerční pojišťovna, a.s.

Legal form

joint-stock company

Date of establishment

1 September 1995

Registered office

Prague 8, Karolinská 1/650,

Corporate ID

63998017, incorporated with 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 , Corporate ID: 086380730 R.C.S. NANTERRE, (51% share)

Komerční banka, a.s., registered office at Na Příkopě 33, Prague 1
Corporate ID: 45317054 (49% share)

Share capital

CZK 904,152,000

Scope of business

– insurance,
– activities related to insurance and reinsurance operations.

Komerční pojišťovna, a.s. (hereinafter also “KP” or “Komerční pojišťovna”) is a universal insurance company that specializes primarily in providing life insurance services. Since the acquisition of Komerční banka, a.s. (hereinafter also “KB” or “Komerční banka”) by Société Générale S. A. (hereinafter also “SG” or “Société Générale”) in 2001, KP has 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 most of all through the distribution networks of Société Générale Group companies. In addition the largest network of KB, this also involves ESSOX, s.r.o. (hereinafter “ESSOX”) and Modrá pyramida stavební spořitelna, a.s. (hereinafter “MPSS”). One of KP’s products is also offered by the pension fund Penzijní fond Komerční banky, a.s. (hereinafter “PF KB”).

KP enjoys the status of a universal insurance company, which permits it to provide life as well as non-life insurance services not only in the Czech Republic, but also within the whole EU on the basis of a single license. KP offers its services abroad, to SG Group companies in Bulgaria, Romania and Germany.

At the end of 2009, KP entered into a cooperation arrangement with external brokerage partners in the risk life insurance business. And also for the future KP plans to develop this pillar of distribution for its products.

The insurance company SOGECAP S.A. (hereinafter “SOGECAP”), a 100% subsidiary of SG, is a majority owner holding 51% of KP’s shares; the minority shareholder with 49% is KB. Thanks to this shareholding structure, KP has direct access to the high-quality know-how and long-term experience in the field of financial consultancy.

Komerční pojišťovna is part of the Komerční banka Financial Group (hereinafter also “KB Group”) and Société Générale Financial Group (hereinafter also “SG Group”) and therefore offers its products particularly to Komerční banka’s clients. In addition to services related to insurance products, Komerční pojišťovna’s clients are also provided with direct access to comprehensive financial consultancy.

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

hE

Helena Endlerová

**Head of Controlling
and Planning dept.**

Having graduated from the Faculty of Economics of the Technical University in Liberec, she was hired by Ernst & Young.

Three years later, in 2006, she decided to take advantage of her experience from the auditing firm in Komerční banka's Financial Group Management Department, Strategy and Finance Section. This department was in charge of financial management of Komerční banka's subsidiaries, including responsibility for regular reporting and planning of sales and financial results. In addition, she cooperated on miscellaneous projects across the KB Group, such as acquisition of Modrá pyramida. At present she heads Controlling and Planning dept., part of Komerční pojišťovna's Financial Section, and in a sense she has crossed the lines – now she reports to Komerční banka and SOGECAP, the shareholders of Komerční pojišťovna.

Helena has been appointed the Deputy Head of the Financial Section with effect from February 2011. Helena has completed ACCA exams.



"Insight seems to be the most important for my work," Helena Endlerová says. "People generally think that someone working with numbers has to be pedantic. It's not so true about me, I rather have to understand the inner workings, what should the numbers reflect and how, and if they are meaningful. However, not only numbers are important; the same applies to the personal growth of people I work with."

FINANCIAL HIGHLIGHTS

	Units	2010	2009	2008	2007
Total assets	CZK thousand	21,700,214	14,498,778	11,896,045	12,080,767
Share capital	CZK thousand	904,152	602,768	602,768	602,768
Shareholders equity	CZK thousand	1,382,292	1,225,247	1,047,543	974,048
Profit/(loss)	CZK thousand	139,116	71,736	(65,735)	385,649
Life insurance market share	%	12.3	7.7	3.0	3.5
Written premium (gross)	CZK thousand	8,981,639	4,824,610	2,030,264	2,211,229
Costs of claims (gross)	CZK thousand	1,821,015	2,285,219	2,103,009	1,518,578
Technical reserves (gross)	CZK thousand	19,964,136	12,949,677	10,624,691	10,934,881
Number of employees	Persons	149	151	146	147

FOREWORD OF THE CHAIRMAN OF THE BOARD OF DIRECTORS



Laurent Dunet
Chairman of the Board
of Directors and CEO

2010 will definitely remain an excellent vintage for Komerční pojišťovna, which could not better celebrate its 15th anniversary. 2010 will also be a very good year for the life insurance business in the Czech Republic as a whole.

Year after year, regardless of global economic conditions, it is confirmed that the Czech life insurance market is growing. Again in 2010, it went up by 19% while GDP grew by 2%. It goes on demonstrating that the Czech Republic citizens are fully conscious of the importance to protect themselves or their relatives and to secure their future revenues. Such a trend is observed in most of the developed countries.

In this growing market, why not say that Komerční pojišťovna's 2010 performance was simply extraordinary. With sales reaching almost CZK 9 billion, the company grew by nearly 86% compared to 2009 – hitherto the year in which the company registered the best performance in its history. On the life insurance market, Komerční pojišťovna moved year on year from the 6th position to the 2nd position with more than 12% market share. Total assets under management amounted to CZK 21.5 billion, +52% compared to last year end.

One of the reasons for this success stems from the bank insurance business model which is steadily proving to be very well adapted to clients needs with an average growth exceeding the total insurance market growth. Additionally, Komerční pojišťovna benefited in 2010 from the strong dynamism and the strong positioning on the market of Komerční banka and its subsidiaries – ESSOX, Modrá pyramida and, newly, KB Pension fund. Across all these distribution channels we see the positive impacts of the Group strategy which puts synergies among its top priorities.

One of the other key drivers of the success is the permanent client-oriented strategy all across the Group and of course in Komerční pojišťovna. In spite of the still unstable financial market situation in 2010, KP is able to provide policyholders with above standard remunerations on their life insurance contracts as they reached 3.1% on average and up to 3.3%.

Such performance is not achieved to the detriment of company stability, far from it. The company is going on building solid financial foundations thanks to regular financial profits, cautious reserving policy, conservative investment strategy and constantly enhanced operational efficiency. The company can also benefit from the soundness of its shareholders, Komerční banka and SOGECAP, who both are key players on their markets and who decided to increase the share capital of the company to support its strong development.

Komerční pojišťovna has key trumps to go on developing and offering the products and services clients are entitled to expect. Our company is also well equipped to give satisfaction to all its distribution channels who share the same vision regarding client satisfaction. And after a promising start in 2010, we will do our best to convince many other commercial partners outside the KB Group to join us.

I am also confident because I know the company can count more than ever on the professionalism and the motivation of all its staff members, a key strength that the company intends to go on developing. In this area, many actions are conducted to enable the company to keep and attract talents and to offer all employees self development and interesting careers opportunities within the Group.

With such strengths and successful development and thanks to all the ongoing projects the company has launched, I consider Komerční pojišťovna to be fully in line with the global targets Societe Generale Group has defined in its 5 years program "SG Ambition 2015", a program that puts clients, employees, and operational efficiency among the top priorities in the global strategy.

Komerční pojišťovna, part of the Soci t  G n rale Financial Group, focuses on life insurance as well as on the sale of other types of insurance that suitably complement the banking and other financial products of its partners. KP's products are distributed via KB Group members, especially through the distribution network of KB, but also by the company's external partners among financial brokers.

The main goal of Komer n  pojišťovna is to offer a broad range of insurance products and financial tools to provide protection to its clients and support them in achieving their personal wishes and goals. Komer n  pojišťovna uses the European license for the delivery of services within the whole EU and cooperates with partner companies in the Soci t  G n rale Group in Bulgaria, Romania and Germany.

Business strategy of Komer n  pojišťovna is based on four pillars:

1) Bank-insurance business model in cooperation with Komer n  banka

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

2) Cooperation with other partners in the KB Financial Group – Modr  pyramidu stavebn  spořitelna, ESSOX, Penzijn  fond KB

Risk life insurance
Non-life insurance

3) External business partners

Risk life insurance

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

Non-life insurance

Czech economy and the insurance market in 2010

Macroeconomic context

In 2010 the Czech economy finally emerged from the red numbers recorded in 2009, growing 2.3% year-on-year (measured by GDP).

All in all, 2010 was characterized by unemployment rate stabilization; however, it still remains high, having reached 9.6% in December 2010.

Inflation development was a positive feature in 2010; during the whole year, inflation stayed at very low values and the average inflation rate reached 1.5%.

In Q4 2010, the trend of government bonds changed and their revenues started growing slowly once again, unlike in the first three quarters, when their revenues declined considerably.

Development of the insurance market in the Czech Republic

In 2010, the total written premium increased by 8% vs. 2009. The performance of the life insurance sector was even better and its year-on-year increase was 19% whereas its share in the overall written premiums was approximately 47%.

A major feature of 2010 was an increase of single premiums vs. 2009 by 58%, which indicates a change in the confidence of clients in life insurance products as a reliable, safe and profitable tool for depositing money.

However, the share of life insurance premiums in the Czech Republic's GDP is still lower than half of that achieved in developed Western European countries, and the Czech insurance market therefore has a huge growth potential for the future.

KP's position in the insurance market

In 2010, Komer n  pojišťovna continued in a trend started in the previous years and claimed a strong position in the life insurance market, ranked second in terms of written premiums during the whole year. Compared to 2009, this was an improvement of 4 places. KP's share in the life insurance market was 12.3% at the end of 2010.

At the same time the company managed, in spite of the fading unfavourable domestic and global economic situation and decreasing interest rates, to ensure for its clients a yield of 2.4–3.3%, depending on the type of product. In 2010, Komerční pojišťovna created a reserve for bonuses and discounts in the amount of CZK 165 million for the client's future shares of profits, see clause 2.7 in the Notes to the Financial Statements.

Just like in the previous years, the written premiums increased once again in 2010 for risk life insurance, which secures the clients and their relatives against unexpected life events. Compared to 2009, the written premiums in risk insurance increased by 6%. Komerční pojišťovna will continue developing these products because they constitute a suitable hedging instrument for loans of all types.

Komerční pojišťovna also did well in non-life insurance, with an increase of almost 10% vs. 2009. This achievement was particularly possible in light of the developing business activities of KP within the Société Générale Group outside of the Czech Republic. Non-life insurance products serve to suitably complement banking and other financial products.

Sales through distribution channels other than Komerční banka also recorded a year-on-year increase. MPSS increased the volume of written premiums by 9% and ESSOX by almost 7%.

In the international insurance market, KP managed to develop cooperation with SG Group companies in 2010. One of them – Bulgarian company SGEB, Komerční pojišťovna provides insurance against misuse of payment or credit card and travel insurance for payment and credit cards. At the same time, partnership with a major Romanian bank BRD was established to provide BRD with KP insurance against misuse of payment or credit cards. Additional cooperation was launched with the Bulgarian company TBI, which uses KP to provide insurance against the risk of loss of job. This development confirms an extremely good cooperation with companies within the Société Générale Financial Group.

2010 can be described as a very successful year also in terms of sales through brokerage companies, as the company entered into cooperation with major partners, such as Fincentrum and INSIA.

KP's product portfolio

New products in 2010

Komerční pojišťovna was focusing on extending its life insurance offer and on risk life insurance innovation.

In cooperation with Komerční banka, KP continued offering Guaranteed Funds Forte in 2010. In the course of the year, three new Forte funds were introduced on the market, offering secured returns on investments and a potential yield of up to 10% p.a. to the clients.

In the first half of the year in cooperation with ESSOX, Komerční pojišťovna introduced its new products Super Vega (special insurance against misuse of credit card) and insurance of the ability to repay loans on car purchase..

As regards risk life insurance, the scope of insured risks was enlarged for the distribution network of MPSS to cover most situations where problems may arise for the client with loan repayment. The risk life insurance product was also redesigned to suit brokerage companies.

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 brings 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 case of significant market fluctuations.

In Vital Invest, KP also offers a guaranteed interest rate fund with the yield of 3.0% in 2010. The Guaranteed Funds Forte are also available to provide clients with a guaranteed yield and the possibility to participate in the yields of capital markets at the same time.

Brouček – children's unit-linked insurance

The product allows parents to save an amount necessary for their children to start their adult life and, at the same time, it gives them an opportunity to insure themselves and their child against unexpected events. Assistance services are included in the product as well.

Vital – savings life insurance

It is a long-term, fully flexible savings product offering clients an attractive and steady yield and the possibility to make free extraordinary withdrawals, if needed. Moreover, compared to pure savings products, in the case of death Vital offers an insurance benefit increased by up to 15%.

Program Vital – life insurance with an employer's contribution

Capital life insurance for employees consists of two products – a pure savings product and a combined option. It is up to each employer to decide which group of employees should be motivated and what the amount for motivation should be to increase their loyalty to the company. For this product it is possible to take an opportunity to arrange insurance contracts directly with the employer.

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

KB's key clients are offered by Komerční pojišťovna a very flexible savings product with an attractive guaranteed yield. In 2010, the value of the clients' funds was appreciated by 3.3%.

2. Risk-oriented insurance products**Risk life insurance for loans**

The client can decide which of the four main life risks he or she wants to be insured against. In the case of death, disability, inability to work or loss of job, KP shall pay the client's instalments of the loan and, in certain cases, even the entire outstanding balance of the loan.

Merlin, Vega a Super Vega – insurance against loss and misuse of payment or credit cards

Today, each payment card can be fully secure if it is insured. At a very good price, it is possible to insure not only against misuse of the card as such, but also against any costs related to loss of keys or identification documents, misuse of a mobile phone or theft or damage of the goods purchased using the card. The client does not bear any loss participation. In the past, the Merlin insurance policy was recognized in the Golden Crown competition as one of the best financial products in the field of payment cards. KP offers this type of product also to SG Group companies within the EU.

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

The newer version of the popular product Merlin is aimed at the corporate sector. At a very favourable price, the client can obtain insurance against misuse of the payment card, payment of stop-listing fees or against losses incurred when an entrepreneur's proceeds are stolen on the way to a KB branch or when cash withdrawn from an ATM is stolen or against theft and misuse of a mobile phone or purchased goods. The client does not bear any loss participation.

Patron – accident insurance

If the client dies due to an accident, the product Patron will secure the client's relatives and compensate them for his or her regular income for the period of one year. In case of death due to injury, the survivors shall be provided an immediate benefit covering the most necessary expenses in such a complicated life situation which it received within 48 hours of submitting all documents, and then for a period of one year with respect to monthly consideration payment. This insurance cover is provided without a medical examination.

Profi Patron – accident insurance for entrepreneurs

After the good experience of clients with Patron, KP launched this version, tailored especially for entrepreneurs, Profi Patron on the market; they can choose from two options depending on their incomes. The entrepreneur's family always receives half of the amount credited to his or her business account during the year.

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. And for partners from the SG Group within the EU as well.

Risk life insurance for credit cards and consumer loans

KP offers coverage of the risk of death, permanent disability, inability for work and loss of job for the owners of credit cards and consumer loans in KB and ESSOX.

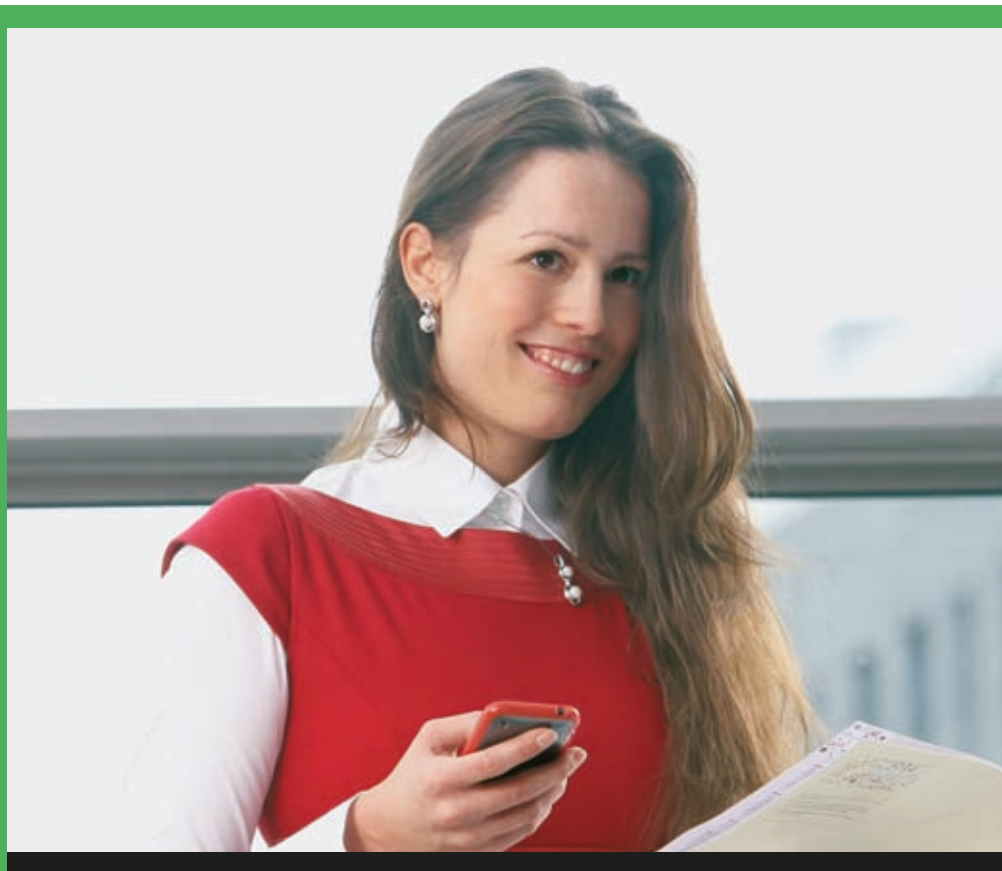
eK

Eva Knebllová

Product Manager

Having finished the bilingual Czech-French Secondary School in Prague, she graduated in French Language and Literature from Charles University in Prague and in Perpignan, southern France. She used her acquired knowledge, enriched by studies of International Relations, in Komerční banka, where she came in 2006 as Assistant to the Head of Retail Marketing. She found this area of activity interesting and, not only thanks to her superior's understanding, started having a say in specific marketing activities. Eva came to Komerční pojišťovna in 2009, taking the position of Product Manager. Her transfer was easier because of her knowledge of the banking environment and the fact that she closely cooperates with her former colleagues.

She enjoys the complexity of Product Manager's job – from product management, development, redesign and market launch to analyses of trends of the life insurance market and preparation of marketing materials and advertising campaigns. She appreciates Komerční pojišťovna's personal approach and friendly environment.



"I love facing all kinds of challenges," Eva Knebllová says. "Marketing doesn't have clearly defined borders and the work of a Product Manager requires great insight, intuition and anticipation. Affiliation with the Société Générale Financial Group also necessitates the ability to combine suggestions and ideas coming not only from Komerční pojišťovna, but also from parent and affiliated companies."

Comments on the financial results

Net profit

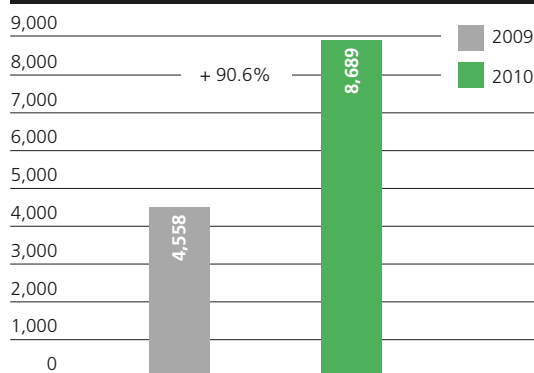
In 2010, according to Czech Accounting Standards, the net profit of Komerční pojišťovna was CZK 139 million. According to International Financial Reporting Standards, used for consolidation purposes with KB, the net profit amounted to CZK 153 million.

Gross written premiums

In 2010, the volume of gross written premiums reached CZK 8,982 million, i.e. almost double of the amount generated in 2009. In 2010 Komerční pojišťovna was particularly successful in life insurance operations, where the collected premiums amounted to CZK 8,689 million, i.e. 90% growth from 2009.

In 2010, Komerční pojišťovna focused also on non-life products with the support of international cooperation. The gross written premiums in non-life insurance increased by 10% compared to 2009.

Comparison of the growth of gross written premiums in 2009 and 2010, life insurance (CZK million)



Comparison of the growth of gross written premiums in 2009 and 2010, non-life insurance (CZK million)



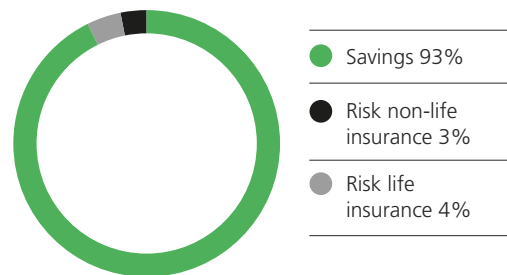
Structure of gross written premiums

In 2010, the development of the structure of gross written premiums continued in the trend started in 2009. The share of risk life insurance and non-life insurance continued decreasing in favour of savings insurance. In terms of yield, the most attractive products for the clients currently include products with guaranteed yields and Forte funds, offered within the framework of the Vital Invest product.

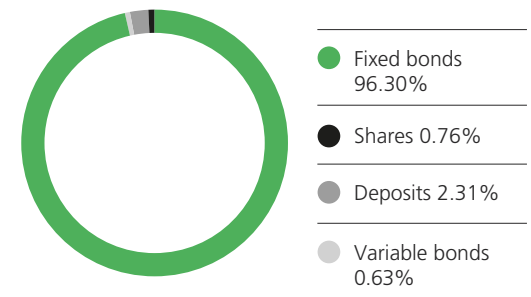
Portfolio structure

As regards the basic structure of the investment portfolio, there were no significant changes and Komerční pojišťovna continues focusing on conservative titles most of all. Fixed-income bonds account for about 96% of the portfolio, making it possible to guarantee a fixed yield to the clients. The Czech Republic's government bonds and bonds issued by banks and corporations seated within the EU constitute a major portion of the portfolio. In addition, it includes time deposits in banks, shares and bonds with variable coupon.

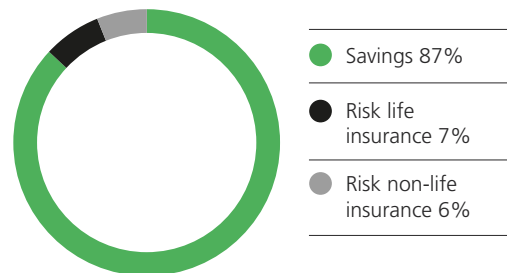
Structure of gross written premiums in 2010



Structure of KP's portfolio



Structure of gross written premiums in 2009



Equity

As at 31 December 2010, total equity amounted to CZK 1,382 million, a 12.5% increase compared to 2009. Total assets at 31 December 2010 reached CZK 21,700 million, which marks a year-on-year growth of almost 50%.

Once again, HR remained amongst the priorities at Komerční pojišťovna. To meet the challenges set by the company, the HR department underwent reorganisation with the goal of moving closer to the business and bringing more added value. Thus an HR Partner model was developed and implemented to bring HR personnel closer to managers and employees and to better streamline the organisation of specialist activities.

Human resources

KP continues to work on developing its human capital. This can be demonstrated by the execution of the year-long manager training programme, the majority of which took place in 2010. The remit was to develop a set of 5 key leadership competencies across all manager levels, sandwiched by 360 degree feedback.

In light of this and in line with the clearly stated goal of enabling employees to develop their careers, KP mapped employee priorities for career development within the group – so-called internal mobility. Towards the end of the year the first fruits of this initiative became apparent with numerous instances of internal mobility, both from within KP, but also from within the SG group, prepared for enacting at the beginning of 2011.

KP HR continues to take part in the regular cooperation and support between SG group entities within the Czech Republic. This established approach to produce synergies at a local level can be best demonstrated by the project to implement *SG Evaluation*, a new group-wide employee appraisal process and IT tool, which was started at the end of the year, to finish in the first half of 2011. The project is led by a project team from KB, demonstrating a more streamlined country approach to SG project implementation.

All in all, in terms of HR, KP is in a good position to deliver the goals of SG Ambition 2015.

Internal processes

The primary operating objective in 2010 was to flexibly respond to the significant growth of written premiums, especially in the area of savings insurance, offered under the products Vital Invest Forte and Vital Premium. In particular, to further reinforce the satisfaction of the clients and the security of the processes, Vital Premium was migrated to the core IT system of the company "AIA" in Q4 2010.

The project aimed at consolidating application support for claims handling for all product groups, launched in 2009, was successfully completed in May. Since May 2010, all claims have been therefore settled in the core IT application dedicated to claims handling and will benefit of the secured and automatized processes.

The operating processing of risk insurance contracts was redesigned on the back of an extension of distribution channels thanks to cooperation with brokerage firms. In addition, internal processes associated with the redesign of risk insurance for Modrá pyramida, carried out in August, were modified.

In the course of 2010, a workflow management system was gradually deployed in the company's individual departments.

Under the Quality Programme, a Document Dematerialization project was triggered in 2010 to eliminate exchange of printed documents with the distributors and clients and to replace them with alternative non-printed forms. This project is coordinated with Komerční banka's related project activities within the framework of SG Ambition 2015.

At the same time, in mid-year 2010, for the second time within the Quality Programme, a survey of satisfaction with KP's services was conducted in Komerční banka's distribution network. It was designed to identify areas for further improvements in quality and efficiency of operating processes.

rl

Roderick Lambert

Head of Human Resources dept.

He was born in England, where he graduated in Music from the University of Birmingham. He came to the Czech Republic 13 years ago and first worked as an education manager. In 2007 he was hired by Komerční pojišťovna as Head of Human Resources dept. He contributed to the deployment of a new bonus scheme and development of internal communication instruments, e.g. quarterly presentations by Board members and employee involvement surveys. He also introduced internal assessment centres and a referral system for hiring new employees and outsourced payroll for Komerční pojišťovna to KB. He closely cooperated with SG Group companies in the Czech Republic. In 2010 he initiated a reorganisation of the HR Department based on the principle of HR Partners and supervised the completion of a manager development programme. Based on this experience, he accepted the position of HR Director for ASSU International Network, SOGECAP's international insurance business, in February 2011.



"I think one of the most important qualities of an HR manager is empathy, the art of listening," Roderick Lambert says. "Everyone has a so-called mental map. A good HR officer should be able to look at the map of the person he faces through that person's eyes. And he needs the art of diplomacy."



Stéphane Corbet

Šárka Šindlerová

Zdeněk Zavadil

Laurent Dunet

Philippe Carlier

STATUTORY BODIES

Board of Directors

Laurent Dunet

Chairman of the Board of Directors and CEO

Born 2 March 1968 in France, resident of Prague, French citizen, elected Chairman of the Board of Directors on 19 September 2008. From 1 September 2008 he held the position of member of the Board of Directors of Komerční pojišťovna, before that he worked in Sogecap. He is a graduate of the Business School in Pau and completed his post-graduate studies as a Master of Finance and Accounting.

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 on 10 May 2001. He has worked in the financial sector holding various managerial positions since 1993. He is a graduate of University of Economics in Prague, Faculty of Business Administration.

Stéphane Corbet

Member of the Board of Directors and Head of Development Section

Born 11 September 1969 in France, resident of Prague, French citizen, elected member of the Board of Directors on 1 September 2003. He held various actuarial positions, most recently at SOGECAP, before that at A.G.F. (Allianz Group member). He is a graduate of the Institute of Statistics of Pierre et Marie Curie University in Paris and member of the French Institute of Actuaries.

Šárka Šindlerová

Member of the Board of Directors and Head of Financial Section

Born 11 January 1973, resident of Prague, elected member of the Board of Directors on 1 July 2007. Since 1996 she has worked in the financial sector, at Deloitte and ING. In November 2002 she joined Komerční pojišťovna and became the Head of Financial Section. She is a graduate of Silesian University, School of Economics.

Philippe Carlier

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

Born 3 December 1971 in France, resident of Prague, French citizen, elected member of the Board of Directors on 17 December 2007. He held various positions in the IT consulting sector and management in the insurance sector, most recently in Aegon. He is a graduate of the National Polytechnic School in Grenoble, where he studied IT and Applied Mathematics. In September 2007 he joined KP and has held the position of Head of the Project and Information Technology Management Section.

Supervisory Board

Philippe Perret

Chairman of the Supervisory Board

Born 11 January 1963 in France, resident of Paris, French citizen, elected member of the Supervisory Board on 4 March 2006, elected Chairman of the Supervisory Board on 4 December 2009. Since 1987 he has been working in the financial sector, first in NATIO-VIE (BNP Group member). Since 1997 he has been working at SOGECAP. Since 1 December 2009 he has taken over the position of the company's CEO. Since 2010 he has been chairman of the insurance business line in Société Générale and member of its Group Management Committee.

Henri Bonnet

Vice-Chairman of the Supervisory Board

Born on 6 July 1949 in France, resident of Fourqueux, France, French citizen, elected member of the Supervisory Board on 2 December 2009, elected Vice-Chairman of the Supervisory Board on 4 December 2009. He graduated from Law Faculty of University of Poitiers, France. Since 1967 he has been working at Société Générale. He held several long-term managerial positions with different foreign entities of Société Générale. From 2001 he worked as Deputy Director of the 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. He is also a member of Société Générale Group Management Committee.

Pascal Bied-Charreton

Member of the Supervisory Board

Born on 28 December 1964 in France, resident of Paris, France, citizen of France, elected member of the Supervisory Board on 2 December 2009. He graduated in engineering from the university Ecole Centrale de Paris. Since 1988 he has worked in the insurance sector – in the French companies CARDIF, Natio-Vie and BNP Paribas Epargne Entreprise and also as Head of Research and Statistics at FFSA, the French Association of Insurers. From September 2006 until November 2009 he was Head of International Development in Asia for Société Générale Insurance. Since 1 December 2009 he is Deputy CEO of SOGECAP, in charge of insurance activities outside France. He is a member of 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 on 21 March 2007. He is a graduate of the Czech Technical University and University of Chicago, Graduate School of Business. He began his career at Arthur Andersen, an auditing and consulting company. He then held the position of the Head of Financial Management at Československá obchodní banka. Since 2003 he has been an employee of Komerční banka. First he was the Head of Strategy and Finance; since 1 February 2006 he has been the CFO of Komerční banka and a Member of the Committee of Directors which is the executive body of KB management.

Tomáš Mareda

Member of the Supervisory Board

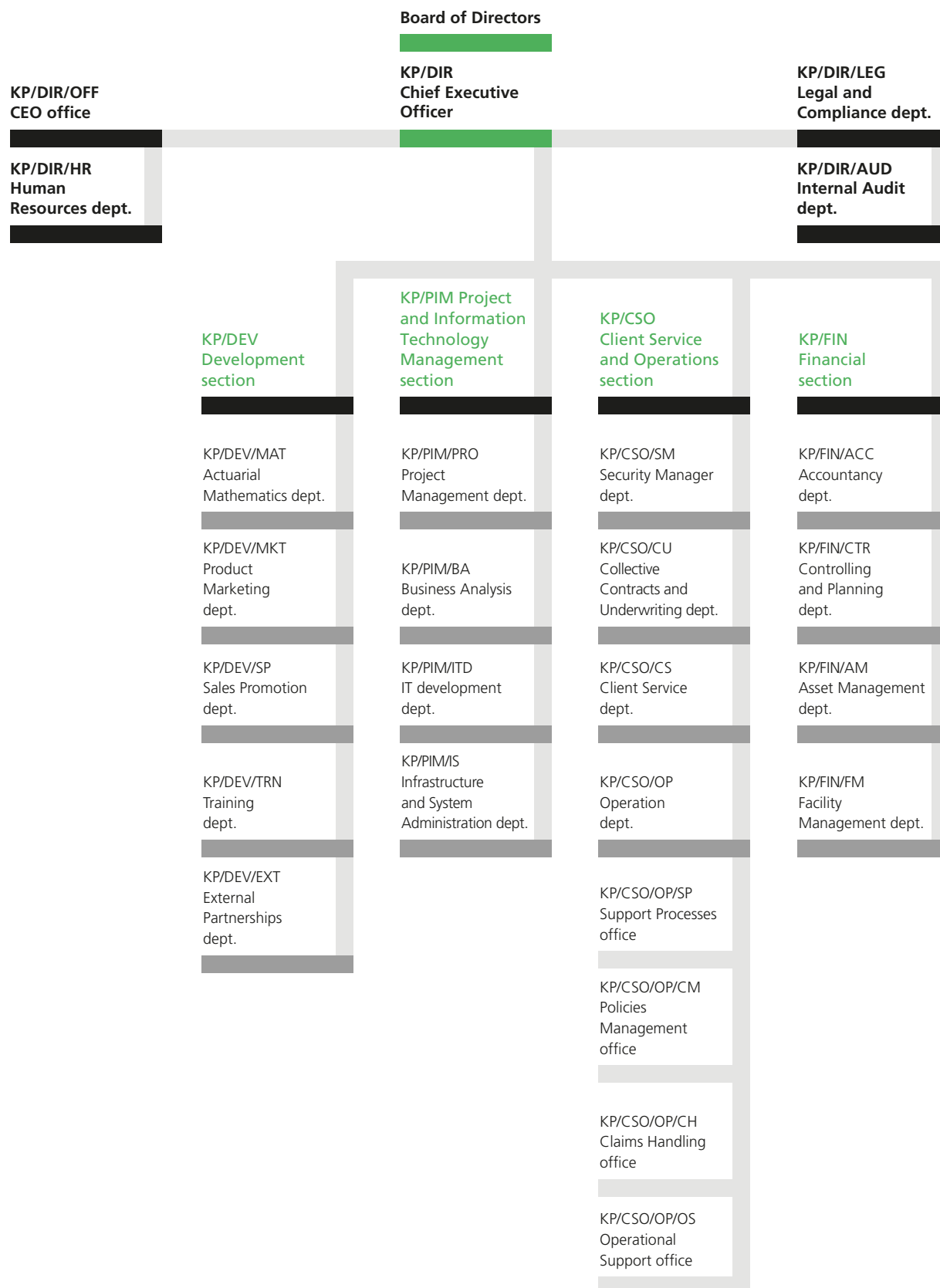
Born 25 September 1973, resident of Prague, elected member of the Supervisory Board on 25 March 2010. He graduated from the Czech Technical University, Faculty of Electrical Engineering. Since 2007 he has been employed in Komerční pojišťovna, where he works as Head of IT Development. He came to Komerční pojišťovna from Profinit, where he worked as an IT consultant / software engineer. Before that he was in charge of IT development in Penzijní fond České pojišťovny and IT support for insurance activities in Česká pojišťovna for Russia and Ukraine.

Jiří Novotný

Member of the Supervisory Board

Born 31 December 1971, resident of Jihlava, elected member of the Supervisory Board on 4 September 2007. He is a graduate of the Faculty of Economics and Administration of Masaryk University in Brno. His previous employer was Česká pojišťovna. He has been an employee of Komerční pojišťovna since 1998, working especially in information technology. Since 2006 he has been Head of Operations.

ORGANIZATIONAL STRUCTURE



OWNERSHIP STRUCTURE AND RESOLUTIONS OF SHAREHOLDERS

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

At its meeting on 27 April 2010, the General Meeting of the Company:

- Discussed the Report of the Board of Directors concerning the business activities of Komerční pojišťovna, a.s. and its assets for 2009,
- Discussed the Company's annual financial statements for 2009 and the proposal for profit distribution for 2009,
- Discussed the Report of the Supervisory Board of Komerční pojišťovna, a.s. on the result of its audit activities and on a review of the Related Party Report of the Board of Directors pursuant to Section 66a(9) of Act No. 513/1991 Coll., Commercial Code,
- Approved the Company's Financial Statement for 2009,
- Decided on the distribution of profit from 2009 so that out of the after-tax profit of CZK 71,736,355.79, the allocation to the Reserve Fund will be CZK 3,586,817.79, while CZK 68,149,538.00 will be carried over into retained earnings, so the final retained earnings will amount to CZK 204,429,344,
- Notes the recommendations of the Supervisory Board and instructed the Board of Directors to convene an Extraordinary General Meeting, in accordance with the applicable statutory and regulatory requirements, to approve an increase of the Company's share capital by CZK 300 million by transferring the retained earnings to the share capital,
- Elected Mr. Philippe Perret as a member of the Supervisory Board of Komerční pojišťovna, a.s. for another four-year term,
- Approved work contracts with the members of the Supervisory Board Philippe Perret and Tomáš Mareda,
- Authorized Deloitte Audit, s.r.o., Karolínská 2/654, 186 00 Prague 8 to perform an audit for the financial year 2010.

At its meeting on 30 June 2010, the Extraordinary General Meeting:

- Decided, subject to approval of the ordinary financial statements for 2009, to increase the Company's share capital by CZK 301,384,000, i.e. from CZK 602,768,000 to CZK 904,152,000, from its own resources
- In connection with the increase of the share capital, the nominal value of the Company's shares was increased as follows:
 - a) for 6,580 shares with the nominal value of CZK 74,600 each, by an amount of CZK 37,300 per share; the nominal value therefore changed from CZK 74,600 per share to CZK 111,900 per share,
 - b) for 3,000 shares with the nominal value of CZK 37,300 each, by an amount of CZK 18,650 per share; the nominal value therefore changed from CZK 37,300 per share to CZK 55,950 per share.

mk

Martin Kalivoda

Quality Manager

During his whole career, he has been loyal to Masaryk University in Brno, where he graduated from English and Hispanic Studies and currently studies Economics. In addition, he acquired a scholarship at the University of Tennessee (UTC), USA, where he took courses in Advertising and Marketing. He came to Komerční pojišťovna in 2007, taking the position of Application Manager; before that he worked in public sector for eight years. Soon after his arrival, he started focusing on quality-related issues. Since autumn 2007 he has been in charge of Komerční pojišťovna's Quality Programme. Martin's job is to search for new improvement opportunities and work with them to ensure higher process efficiency and a minimized error rate. Many projects and measures have been taken during the existence of the Quality Programme, all of them with a positive impact particularly on operations. Martin has obtained the 6Sigma Green Belt certificate and completed the 6Sigma Black Belt training.



"Quality, as perceived by Komerční pojišťovna, brings new challenges and topics from different areas every day. That is why quality manager has to be versatile to a large degree," Martin Kalivoda says about the requirements of his job. "The most important quality control objectives include improvement of the services provided by Komerční pojišťovna to the distribution networks and, of course, increase in customer satisfaction."

REPORT OF THE SUPERVISORY BOARD

Throughout 2010, the Supervisory Board carried out the tasks as defined by law and by the Articles of Association. It performed its supervision over the activities of the insurance company and passed its opinions to the Board of Directors.

Having reviewed the Company's financial statements for the period from 1 January to 31 December 2010 and on the basis of the external audit report on these financial statements, the Supervisory Board reports that accounting records were maintained in a transparent manner and in accordance with the generally binding regulations arranging the bookkeeping of insurance companies, and also in compliance with the Company's Articles of Association, and that the financial statements present a true view of the Company's financial situation in all major respects.

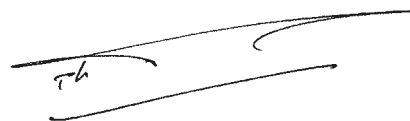
The statutory external auditor performed an audit of the Company's financial statements for the year ended 31 December 2010; the audit states that the financial statements give a true and fair view, in all material respects, of the assets, liabilities, equity and financial position of the Company as of 31 December 2010, as well as the results of its operations for 2010 in compliance with the relevant regulations of the Czech Republic.

The Supervisory Board recommends that the General Meeting approve the financial statements for 2010, as proposed by the Board of Directors.

The Supervisory Board reviewed the Related Party Report for 2010, 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 from 1 January 2010 to 31 December 2010 Komerční pojišťovna, a.s. did not suffer any harm.

Prague, on 3 March 2011

On behalf of Komerční pojišťovna, a.s.



Philippe Perret
Chairman of the Supervisory Board

SWORN STATEMENT

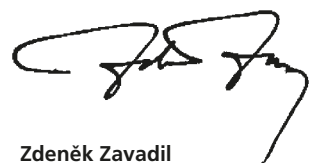
Komerční pojišťovna, a.s. hereby declares that all the information and data stated in this Annual Report are truthful and complete. Komerční pojišťovna, a.s. further declares that before the date of preparing this Annual Report there were no material negative changes in the Company's financial situation.

Prague, on 3 March 2011

Signed on behalf of the Board of Directors:



Laurent Dunet
Chairman of the Board of Directors and CEO



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

FINANCIAL SECTION

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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: 63998017

REPORT ON THE FINANCIAL STATEMENTS

Based upon our audit, we issued the following audit report dated 3 March 2011 on the financial statements which are included in this annual report on pages 24 to 49:

"We have audited the accompanying financial statements of Komerční pojišťovna, a.s., which comprise the balance sheet as at 31 December 2010, and the profit and loss account and 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 at 31 December 2010, 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 2010 which is included in this annual report on pages 50 to 59. 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 2010 contains material factual misstatements.

REPORT ON THE ANNUAL REPORT

We have also audited the annual report of the Company as of 31 December 2010 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.

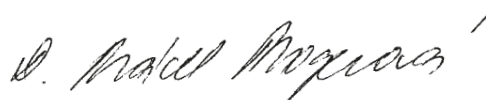
In Prague on 28 March 2011

Audit firm:



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

Statutory auditor:



Diana Rádł Rogerová
certificate no. 2045

BALANCE SHEET AS OF 31 DECEMBER 2010

CZK thousand	Row No.	Prior period	Gross	Adjustment	Net
ASSETS					
A. Receivables for subscribed share capital	1	0	0	0	0
B. Intangible fixed assets, of which:	2	66,184	194,451	156,230	38,221
a) Start-up costs	3	0	4,402	4,402	0
C. Financial placements (investments)	5	13,558,637	18,916,472	0	18,916,472
III. Other financial placements	13	13,558,637	18,916,472	0	18,916,472
1. Shares and other variable yield securities, other equity holdings	14	124,580	145,559	0	145,559
2. Bonds and other fixed income securities	15	13,423,732	18,447,458	0	18,447,458
6. Deposits placed with financial institutions	17	123,000	440,048	0	440,048
7. Other financial placement	18	-112,675	-116,593	0	-116,593
D. Financial placements of life insurance, if investment risk borne by the policyholder	21	582,360	2,530,140	0	2,530,140
E. Debtors	22	209,776	446,096	303,894	142,202
I. Receivables arising from direct insurance transactions	23	86,221	123,393	59,113	64,279
1. Policyholders	24	86,221	123,393	59,113	64,279
2. Brokers	25	0	0	0	0
II. Receivables arising from reinsurance transactions	26	876	6,249	5,373	876
III. Other receivables	27	122,679	316,454	239,408	77,046
F. Other assets	28	22,451	56,937	36,979	19,958
I. Tangible fixed assets, other than land buildings (real estate), and inventory	29	18,039	51,127	36,912	14,216
II. Cash on accounts with financial institutions and cash on hand	30	4,412	5,809	67	5,742
G. Temporary assets	32	59,370	53,222	0	53,222
II. Deferred acquisition costs of insurance policies, of which separately:	34	7,601	12,381	0	12,381
a) Life insurance	35	44	1,162	0	1,162
b) Non-life insurance	36	7,557	11,218	0	11,218
III. Other temporary assets, of which:	37	51,770	40,841	0	40,841
a) Estimated receivables	38	48,450	37,552	0	37,552
TOTAL ASSETS	39	14,498,778	22,197,318	497,103	21,700,214

CZK thousand	Row No.	Prior period	Gross	Adjustment	Net
LIABILITIES					
A. Equity	40	1,225,247	0	0	1,382,292
I. Share capital, of which:	41	602,768	0	0	904,152
IV. Other capital funds	46	83,680	0	0	101,609
		103,307	0	0	29,321
V. Reserve fund and other funds from profit	47	29,398	0	0	32,985
VI. Retained earnings or accumulated losses brought forward	48	437,665	0	0	204,429
VII. Profit or loss for the period	49	71,736	0	0	139,116
C. Technical reserves	51	12,250,202	17,433,997	88,773	17,345,225
1. Reserve for unearned premiums	52	34,838	44,052	295	43,757
of which: a) Reserve for unearned premiums - life insurance business	53	13,204	17,489	131	17,358
b) Reserve for unearned premiums - non-life insurance business	54	21,634	26,563	164	26,399
2. Life insurance reserve	55	11,342,163	16,363,107	0	16,363,107
3. Reserve for insurance claims	56	467,774	423,519	88,477	335,042
of which: a) Reserve for insurance claims - life insurance business	57	292,334	155,384	1,138	154,246
b) Reserve for insurance claims - non-life insurance business	58	175,440	268,135	87,339	180,796
4. Reserve for bonuses and discounts	59	178,701	355,694	0	355,694
of which: a) Reserve for bonuses and discounts - life business	60	172,744	354,829	0	354,829
b) Reserve for bonuses and discounts - non-life business	61	5,957	865	0	865
5. Equalisation reserve	62	39,435	0	0	0
6. Reserve for the fulfillment of payables arising from the used technical interest rate	63	187,291	247,625	0	247,625
D. Technical life insurance reserve of investment risk borne by the policyholder	70	582,360	2,530,139	0	2,530,139
E. Reserves for other risks and losses	71	19,614	0	0	20,565
2. Reserve for taxation	73	0	0	0	699
3. Other reserves	74	19,614	0	0	19,866
G. Creditors	76	201,326	0	0	138,138
I. Payables arising from direct insurance transactions	77	173,013	0	0	102,212
II. Payables arising from reinsurance transactions	78	6,349	0	0	1,986
V. Other payables, of which:	82	21,964	0	0	33,939
a) Tax liabilities and social security payables	83	5,647	0	0	8,665
H. Temporary liabilities	85	220,028	0	0	283,856
I. Accrued expenses and deferred income	86	95	0	0	0
II. Other temporary liabilities, of which:	87	219,933	0	0	283,856
a) Estimated payables	88	219,933	0	0	283,856
TOTAL LIABILITIES	89	14,498,778	0	0	21,700,214

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31 DECEMBER 2010

CZK thousand	Row No.	Base	Sub-total	Result
I. TECHNICAL ACCOUNT – NON-LIFE INSURANCE				
1. Earned premium, net of reinsurance	1	x	x	x
a) Gross premium written	2	292,379	x	x
b) Premium ceded to reinsurers	3	9,279	283,100	x
c) Change in the gross balance of the reserve for unearned premium (+/-)	4	4,825	x	x
d) Change in the balance of the reserve for unearned premium, net of reinsurers' share (+/-)	5	-61	4,886	278,214
Income from financial placements (investments) transferred from non-technical account	6	x	x	16,473
2. (item III.6.)				
3. Other technical income, net of reinsurance	7	x	x	1,385
4. Costs of claims, net of reinsurance	8	x	x	x
a) Costs of claims:	9	x	x	x
aa) Gross amount	10	38,609	x	x
ab) Reinsurers' share	11	6,165	32,444	x
b) Change in the balance of the reserve for claims (+/-):	12	x	x	x
ba) Gross amount	13	-22,445	x	x
bb) Reinsurers' share	14	-27,803	5,357	37,801
5. Change in the balance of other technical reserves, net of reinsurance (+/-)	15	x	x	-5,092
6. Bonuses and discounts, net of reinsurance	16	x	x	6,206
7. Net operating expenses	17	x	x	x
a) Acquisition costs of insurance policies	18	x	76,927	x
b) Change in the balance of deferred acquisition costs (+/-)	19	x	-3,056	x
c) Administrative overheads	20	x	35,921	x
d) Commission from reinsurers and shares of profit	21	x	9	109,782
8. Other technical costs, net of reinsurance	22	x	x	43,363
9. Change in the balance of the equalisation reserve (+/-)	23	x	x	-39,435
10. Sub-total, balance (result) of the non-life insurance technical account (item III.1.)	24	x	x	143,444
II. TECHNICAL ACCOUNT – LIFE INSURANCE				
1. Earned premium, net of reinsurance	25	x	x	x
a) Gross premium written	26	x	8,689,260	x
b) Premium ceded to reinsurers	27	x	9,662	x
c) Change in the balance of the reserve for unearned premium, net of reinsurance (+/-)	28	x	4,033	8,675,565
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	960,148	960,148	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	382,592	1,342,739
3. Additions to financial placements (investments)	36	x	x	71,715
4. Other technical income, net of reinsurance	37	x	x	123,331
5. Costs of claims, net of reinsurance	38	x	x	x
a) Costs of claims:	39	x	x	x
aa) Gross amount	40	1,782,406	x	x
ab) Reinsurers' share	41	1,606	1,780,800	x
b) Change in the balance of the reserve for claims (+/-):	42	x	x	x
ba) Gross amount	43	-138,522	x	x
bb) Reinsurers' share	44	-433	-138,089	1,642,711

CZK thousand	Row No.	Base	Sub-total	Result
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	5,081,275	x	x
ab) Reinsurers' share	48	0	5,081,275	x
b) Change in the balance of other technical reserves, net of reinsurance	49	x	2,129,864	7,211,138
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	184,946	x
b) Change in the balance of deferred acquisition costs (+/-)	53	x	-1,118	x
c) Administrative overheads	54	x	202,257	x
d) Commission from reinsurers and shares of profits	55	x	2,111	383,974
9. Costs of financial placements (investments)	56	x	x	x
a) Costs of administering financial placements (investments), including interest	57	x	229,100	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	402,653	631,754
10. Disposals of financial placements (investments)	60	x	x	145,506
11. Other technical costs, net of reinsurance	61	x	x	167,671
Income from financial placements (investments) transferred to non-technical account	62	x	x	77,100
12. (item III.4.)				
13. Sub-total, balance (result)+A25 of the life insurance technical account (item III.2.)	63	x	x	-46,504
III. NON-TECHNICAL ACCOUNT				
1. Result of the non-life insurance technical account (item I.10.)	64	x	x	143,444
2. Result of the life insurance technical account (item II.13.)	65	x	x	-46,504
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
Income from financial placements (investments) transferred from the life insurance technical	73	x	x	77,100
4. account (item II.12.)				
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
Income from financial placements (investments) transferred to the non-life insurance	78	x	x	16,473
6. technical account (item I.2.)				
7. Other income	79	x	x	6,159
8. Other expenses	80	x	x	4,972
9. Income tax on current activities	81	x	x	19,606
10. Profit or loss on current activities after taxation	82	x	x	139,148
11. Extraordinary expenses	83	x	x	
12. Extraordinary income	84	x	x	
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	32
16. Profit or loss for the period (item III.3.)	88	x	x	139,116

STATEMENTS OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2010

CZK thousand	Share capital	Treasury shares	Share premium	Reserve funds	Capital funds	Valuation gains of losses	Profit/loss	Total
Balance at 1 January 2009	602,768	0	0	29,398	0	-22,288	437,665	1,047,543
FX differences and valuation gains of losses not included in profit/loss						105,968		105,968
Net profit/loss for period							71,736	71,736
Transfer to funds				0			0	0
Balance at 31 December 2009	602,768	0	0	29,398	0	83,680	509,401	1,225,247
Balance at 1 January 2010	602,768	0	0	29,398	0	83,680	509,401	1,225,247
FX differences and valuation gains or losses not included in profit/loss						17,929		17,929
Net profit/loss for the period							139,116	139,116
Transfer to funds	301,384			3,587			-304,971	0
Balance at 31 December 2010	904,152	0	0	32,985	0	101,609	343,546	1,382,292

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2010

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 2010, the Company is licensed to undertake insurance activities and activities relating to insurance activities as follows:

1. Insurance activities pursuant to Section 13 (1) of Insurance Act No. 277/2009:
 - to the extent of life insurance segments I, II, III, VI, VII and IX as set out in Part A of 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 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 904,152,000 and consists of 6,580 ordinary registered shares with a nominal value of CZK 111,900 in the book-entry form and 3,000 ordinary registered shares with a nominal value of CZK 55,950 in the book-entry form. The Company's share capital is fully paid.

Shareholders as of 31 December 2010

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 48.96 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 51.06 percent shareholder.

Registered Office of the Company

Karolinská 1/650
186 00, Prague 8

1.2. BOARD OF DIRECTORS AND SUPERVISORY BOARD AS OF 31 DECEMBER 2010

	Position	Name
Board of Directors	Chairman	Laurent Dunet
	Member	Zdeněk Zavadil
	Member	Stéphane Corbet
	Member	Šárka Šindlerová
	Member	Philippe Carlier
Statutory Board	Chairman	Philippe Perret
	Member	Henri Bonnet
	Member	Pascal Bied-Charreton
	Member	Pavel Čejka
	Member	Tomáš Mareda
	Member	Jiří Novotný

As of 8 February 2010, the four-year mandate of Radovan Gregor for acting as a Member of the Supervisory Board expired.

As of 25 March 2010, Tomáš Mareda was elected a Member of the Supervisory Board by the Company's employees.

As of 27 April 2010, Philippe Perret was elected a Member of the Supervisory Board of Komerční pojišťovna, a.s., by the General Meeting for another four-year term.

As of 18 May 2010, Philippe Perret was elected Chairman of the Supervisory Board.

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 2010.

1.4. CHANGES AND AMENDMENTS TO THE COMMERCIAL REGISTER

As of 15 July 2010, the following changes were made:

- a) registration of
 - the new nominal value of shares,
 - the new amount of the registered share capital
- b) removal of
 - the initial nominal value of shares,
 - the initial amount of the registered share capital.

As of 23 July 2010, the following changes were made:

- a) registration of
 - the subject-matter of business according to Insurance Act 277/2009 Coll.,
 - the change in the permanent residency address of Jiří Novotný, a Member of the Supervisory Board,
 - electing Philippe Perret a Member of the Supervisory Board for the next term,
 - electing Philippe Perret Chairman of the Supervisory Board,
 - electing Tomáš Mareš a Member of the Supervisory Board
- b) removal of
 - Radovan Gregor from the position of a Member of the Supervisory Board,
 - Philippe Perret from the position of Chairman and Member of the Supervisory Board in the original term of office.

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 regulations. The Company operates both in life and non-life insurance segments.

1.6. MOVEMENTS IN EQUITY

The Extraordinary General Meeting held on 30 June 2010:

- after approving the financial statements for 2009, decided to increase the registered share capital of the Company by CZK 301,384,000, i.e. from the initial amount of CZK 602,768,000 to CZK 904,152,000, using the Company's own resources,
- and, in relation to increasing the registered share capital, the General Meeting decided to increase the nominal value of shares in the following manner:
 - a) for 6,580 pieces of shares with a nominal value of CZK 74,600 by CZK 37,300 per each share; it means that the nominal value has changed from CZK 74,600 per share to CZK 111,900 per share,
 - b) for 3,000 pieces of shares with a nominal value of CZK 37,300 by CZK 18,650 per each share; it means that the nominal value has changed from CZK 37,300 per share to CZK 55,950 per share.

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 remeasured 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 2010.

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.

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 2010.

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 2010 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 29.

The Company recognised tax depreciation charges for intangible assets in 2010.

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 revalued 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 revaluation.

The Company revalues 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 Coll. and Finance Ministry Decree No. 434/2009 Coll., 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 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 Coll., 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 paid claims development triangles and/or RBNS) – it is typically used for non-life insurance activities;
- The estimated aggregate claims ratio;
- 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 rebates provided to the policy holders and the insured 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 2010, the Company increased its reserve for bonuses and rebates by CZK 165 million up to the aggregate amount of CZK 280 million in accordance with Section 63 (2) of the Insurance Act. The amount reflects the obligation of the Company to provide relevant insurance indemnity payments to policy holders and cannot be used for any other purposes. The Company undertakes to allocate the amount to individual policies by the relevant resolution of the Company, adopted within the Company's full authority complying with the profit-sharing provisions of insurance policies, in the following years, but within eight years of the recognition of this reserve at the latest, to those persons who will be policy holders of the particular products that constitute the right to a profit share for the policy holder as at the last day of the calendar year in which the Company takes such a decision.

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

The reserve for bonuses and rebates was recognised in addition to the profit shares that were allocated to individual policies and that became part of the life insurance reserve upon the allocation of shares for 2010.

Of the similar increase of CZK 115 million made in 2009, no part was used in 2010.

Equalisation Reserve

With effect from 1 September 2010, the Company does not recognise any equalisation reserve. It has fully released the equalisation reserve recorded in previous years in accordance with Section 140 (2) of the Insurance Act.

Reserve for the Coverage of Obligations from the Used Technical Interest Rate and Other Numerical Parameters (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 the stated 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 been recognising 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 and similar cases, a reserve for outstanding vacation days, a reserve for audit costs, annual client letters, 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
- Other acquisition costs, such as costs of materials consumed in direct relation to the arrangement of insurance policies, payment for medical assessments, advisory costs, or advertising costs.

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. Until 2009, administrative costs also included shares in profit from insurance policies that have been reported as part of other technical costs since 2010 as a result of the change in the policy disclosed in Note 2.23.

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 17.2% for non-life insurance and 82.8% 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

In 2010, the Company divided its portfolio into two parts as follows:

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

Income from and costs of financial placements are recorded separately but primarily 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 insurance technical reserves and equity as a basis for re-allocating non-technical 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. At the balance sheet date, the Company records an estimated receivable in respect of expected commissions from the reinsurer's share of premiums not yet collected.

The Company 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 2010.

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.

Deferred tax assets related to the tax losses carried forward are recognised to the extent to which it is probable that future taxable profit will be available. The Company recognised a deferred tax asset arising from tax losses carried forward in 2010.

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 revaluation 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 2010 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.

2.23. CHANGES IN ACCOUNTING POLICIES

In view of the nature of the costs relating to shares in profit from insurance policies, the Company decided to change the policy of their accounting and reporting. The new treatment matches the treatment used for other technical costs (refer to Note 3.20). In 2009, the Company accounted for and reported the above specified costs as administrative overhead costs.

2.24. CHANGES IN ACCOUNTING ESTIMATES

As a result of changes in economic assumptions, specifically the steeper yield curve, there was an increase in the reserve for the coverage of obligations from the used technical interest rate (Deficiency Reserve) and in other arithmetic parameters of CZK 60 million during 2010. In testing the adequacy of reserves, the Company used the risk-free yield curve derived from the yields of government bonds and recommended by the Czech Society of Actuaries.

The yield curve derived from swaps was used in previous periods. The impact of this change on the reserve calculated as of 1 January 2010 represented a reduction of approximately CZK 110 million.

3. Additional Information on the Financial Statements

3.1. TANGIBLE AND INTANGIBLE FIXED ASSETS

Acquisition cost (CZK thousand)

	Additions	Disposals	31 December 2010	31 December 2009
Depreciated tangible assets	4,605	6,337	50,891	52,623
of which: cars	1,920	2,440	8,898	9,418
hardware	1,911	1,976	30,920	30,985
office equipment	774	1,921	8,940	10,087
furniture and fixtures	0	0	2,133	2,133
Amortised intangible assets	3,123	0	194,032	190,909
Non-depreciated tangible assets	0	0	236	236
Acquisition of assets	5,681	7,004	420	1,743
of which: intangible assets	1,868	2,693	420	1,245
tangible assets	3,813	4,311	0	498
Total	13,409	13,341	245,579	245,511

Accumulated Depreciation (CZK thousand)

	Additions	Disposals	31 December 2010	31 December 2009
Depreciated tangible assets	7,930	6,336	36,912	35,318
of which: cars	1,598	2,440	4,991	5,833
hardware	5,427	1,975	24,599	21,147
office equipment	626	1,921	6,148	7,443
furniture and fixtures	279	0	1,175	896
Amortised intangible assets	30,260	0	156,230	125,970
Total	38,190	6,336	193,142	161,288

Net Book Value (CZK thousand)

	31 December 2010	31 December 2009
Depreciated tangible assets	13,980	17,305
of which: cars	3,907	3,585
hardware	6,322	9,838
office equipment	2,793	2,644
furniture and fixtures	958	1,237
Amortised intangible assets	37,801	64,939
Non-depreciated tangible assets	236	236
Acquisition of assets	420	1,743
of which: intangible assets	420	1,245
tangible assets	0	498
Total	52,437	84,223

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

(CZK thousand)	31 December 2010	31 December 2009
Intangible assets (line 2)	38,221	66,184
Tangible movable assets (line 29)	14,216	18,039
Total	52,437	84,223

Depreciation of fixed assets charged to expenses for the year ended 31 December 2010 amounted to CZK 39,550 thousand (2009: CZK 37,221 thousand). In 2010, principal additions to tangible depreciated assets included the purchase of cars (CZK 1,920 thousand) and hardware (CZK 1,911 thousand).

As for amortised intangible assets, the most significant item was the purchase of the new software (Prezentace 2, Auto SYS, etc.) (CZK 2,116 thousand). Disposals of depreciated tangible assets predominantly included the retirement of small office devices (CZK 1,975 thousand) and the sale of cars (CZK 2,440 thousand).

3.2. FINANCIAL PLACEMENTS

Fair Value of Financial Placements

Group of assets (CZK thousand)	31 December 2010	31 December 2009
Debt securities issued by an EU member state or its central bank	11,112,225	7,376,466
Debt securities issued by banks of EU member states	4,069,655	3,562,754
Listed bonds issued by EU businesses	2,571,061	1,795,032
Listed municipal bonds	194,423	198,252
Listed debt securities issued by banks and trading companies of non-EU member states	500,094	491,228
Debt securities issued by EIB, ECB, EBRD or IBRD	0	0
Provision against securities	0	0
Total fixed income securities	18,447,458	13,423,732
Shares	145,559	124,580
Deposits with banks	440,048	123,000
Other financial placements – Cross Currency Swap	-116,593	-112,675
Total securities and deposits	18,916,472	13,558,637

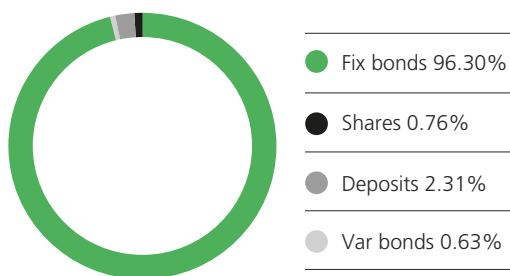
The financial placement of assets originated from the Company's technical reserves complies with the requirements set out in respect of the structure of financial placements by the Insurance Act and Decree No. 434/2009 Coll., which provides implementation guidance on the Insurance Act.

More than 52 percent (2009: 55 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 2010, the volume of stock investments amounted only to 0.76 percent (2009: 0.89 percent).

In 2010, in addition to the bonds denominated in CZK (acquisition cost of CZK 5 billion), other eight bonds denominated in EUR and USD were purchased and included in the investment portfolio at the total acquisition cost of EUR 104 million and USD 19 million (an equivalent to CZK 3 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 to 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 investments



3.3. RECEIVABLES

Analysis of receivables

(CZK thousand)	31 December 2010	31 December 2009
Receivables from direct insurance from policy holders	123,393	193,502
Receivables from agents (brokers)	0	0
Amounts due from reinsurance transactions	6,249	6,350
Other receivables from direct insurance and reinsurance	11,034	22,504
Total receivables from direct insurance and reinsurance	140,676	222,356
Operating prepayments	43,185	59,579
Other debtors	262,228	280,202
Amounts due from employees	7	17
Prepaid income tax	0	0
Total receivables	446,096	562,154

As of 31 December 2010, 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 2010, operating prepayments totalling CZK 43,185 thousand (2009: CZK 59,579 thousand) primarily included prepayments for the share in the profit of collective contracts of CZK 33,439 thousand (2009: CZK 49,818 thousand), a prepayment of CZK 1,701 thousand provided to AXA ASSISTANCE (2009: CZK 1,715 thousand) and a rental guarantee payment of CZK 7,348 thousand (2009: CZK 7,478 thousand).

As of 31 December 2010, other debtors primarily consist of the receivables from the outstanding principal and the coupon of the security amounting to CZK 258,125 thousand (2009: CZK 258,125 thousand).

Aging Analysis of Receivables from Direct Insurance for Policy Holders:

(CZK thousand)	Months past due date 2010				Total
	0-3	4-6	7-12	Over 12	
Industry and business	0	0	84	26,903	26,987
Merlin, Merlin Profi	83	494	4,345	0	4,922
Patron, Patron Profi	2,434	49	159	819	3,461
Other non-life products	486	56	160	755	1,457
Vital Invest	6,182	112	149	722	7,165
Vital	9,197	1,002	1,016	4,376	15,591
Other life insurance products	15,318	23,613	5,326	19,553	63,810
Total	33,700	25,326	11,239	53,128	123,393

(CZK thousand)	Months past due date 2009				Total
	0-3	4-6	7-12	over 12	
Industry and business	0	0	84	26,976	27,060
Merlin, Merlin Profi	68	865	11	0	944
Patron, Patron-Profi	3,089	2,622	161	545	6,417
Other non-life products	328	49	141	1,343	1,861
Vital Invest	61,790	751	929	645	64,115
Vital	18,317	4,377	3,147	10,891	36,732
Other life insurance products	30,879	11,491	2,196	11,807	56,373
Total	114,471	20,155	6,669	52,207	193,502

Provisions against Receivables from Direct Insurance

(CZK thousand)

	Months past due date 2010				Total
	0-3	4-6	7-12	Over 12	
Industry and business	0	0	84	26,903	26,987
Merlin, Merlin Profi	0	0	0	0	0
Patron, Patron-Profi	0	10	80	819	909
Other non-life products	0	49	156	756	961
Vital Invest	0	107	142	721	970
Vital	0	918	1,009	4,376	6,303
Other life insurance products	0	1,129	2,301	19,553	22,983
Total	0	2,213	3,772	53,128	59,113

(CZK thousand)

	Months past due date 2009				Total
	0-3	4-6	7-12	Over 12	
Industry and business	0	0	84	26,976	27,060
Merlin, Merlin Profi	0	0	0	0	0
Patron, Patron-Profi	0	16	80	545	641
Other non-life products	0	42	139	1,343	1,524
Vital Invest	47,165	574	730	507	48,976
Vital	3,704	1,487	1,371	7,654	14,216
Other life insurance products	0	1,070	1,987	11,807	14,864
Total	50,869	3,189	4,391	48,832	107,281

In addition to the provisions against receivables from policy holders, the Company also recognised provisions against other receivables.

As of 31 December 2010, a provision for the principal and 2 coupons of the Landsbanki bond 4.40/09 in the amount of CZK 239,360 thousand (2009: 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 6,249 thousand (2009: CZK 6,350 thousand). Receivables predominantly include unsettled shares of the reinsurer in insurance claims and unsettled commissions from the reinsurer.

3.4. CASH AND CASH EQUIVALENTS

Year (CZK thousand)	2010	2009
Current accounts	5,292	4,016
Cash on hand	48	76
Cash equivalents	469	397
Provision against UB	-67	-77
Total	5,742	4,412

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 by 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 2010	31 December 2009
Deferred acquisition costs	12,381	7,601
of which: Non-life insurance commissions	11,218	7,557
of which: Life insurance commissions	1,162	44
Other deferred expenses	3,281	3,308
Accrued income	8	12
Estimated receivables	37,552	48,450
of which: Premiums	31,025	39,701
Reinsurer's commission and share in claims	3,199	8,394
Other	3,328	355
Total	53,222	59,370

The balance of estimated premium receivables as of 31 December 2010 in the amount of CZK 31,025 thousand (2009: CZK 39,701 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 the reinsurer's commission and share of reinsurer as of 31 December 2010 of CZK 3,199 thousand (2009: CZK 8,394 thousand) results from the settlement of reinsurance balances mainly for the last quarter of 2010.

For further details about reinsurance balances refer to Note 3.25.

3.6. EQUITY

(CZK thousand)	31 December 2010	31 December 2009
Share capital	904,152	602,768
Other capital funds	101,609	83,680
– valuation gains and losses of securities	125,444	103,307
– deferred tax	-23,834	-19,628
Statutory reserve fund	32,985	29,398
Other funds (Loss Prevention Fund)	0	0
Retained earnings	204,429	437,665
Accumulated losses brought forward	0	0
Profit/(loss) for the period	139,116	71,736
Total	1,382,292	1,225,247

3.7. TECHNICAL RESERVES

Name of reserve (CZK thousand)	31 December 2010			31 December 2009
	Gross balance	Reins. share	Net balance	Net balance
Life insurance reserve	16,363,107	0	16,363,107	11,342,163
Life insurance reserve where the investment risk is assumed by the policy holder	2,530,139	0	2,530,139	582,360
of which: Vital Invest	2,530,139	0	2,530,139	582,360
IBNR reserve	96,176	6,156	90,020	87,535
of which: Non-life insurance	70,956	5,675	65,281	62,106
PpaP (industrial and business insurance)	0	0	0	0
P&C (property and casualty insurance)	921	424	497	495
Card insurance	33,609	5,251	28,358	19,920
Merlin, Merlin Profi	786	0	786	2,972
Patron, Patron Profi	2,300	0	2,300	3,501
Other non-life insurance	33,340	0	33,340	35,218
Life insurance	25,220	481	24,739	25,429
Vital	201	0	201	420
Mortgages	9,791	0	9,791	9,188
Insurance of consumer loans and credit cards	13,095	0	13,095	11,097
Other life insurance	2,134	481	1,652	4,724
RBNS reserve	327,343	82,321	245,022	380,239
of which: Non-life insurance	197,180	81,664	115,516	113,334
PpaP (industrial and business insurance)	135,971	65,159	70,813	70,979
P&C (property and casualty insurance)	2,502	1,400	1,102	1,334
Card insurance	53,474	15,105	38,368	34,733
Merlin, Merlin Profi	2,254	0	2,254	3,746
Patron, Patron Profi	2,448	0	2,448	2,249
Other non-life insurance	531	0	531	293
Life insurance	130,163	657	129,507	266,905
Vital	95,228	0	95,228	240,011
Mortgages	7,876	-71	7,947	758
Insurance of consumer loans and credit cards	9,238	0	9,238	8,316
Other life insurance	17,821	727	17,094	17,820

Name of reserve (CZK thousand)	31 December 2010			31 December 2009
	Gross balance	Reins. share	Net balance	Net balance
Reserve for bonuses and discounts	355,694	0	355,694	178,701
of which: Non-life insurance	865	0	865	5,957
PpaP (industrial and business insurance)	0	0	0	4,991
P&C (property and casualty insurance)	865	0	865	966
Life insurance	354,829	0	354,829	172,744
Vital	74,829	0	74,829	50,989
Vital Invest	0	0	0	3,879
Other life insurance	280,000	0	280,000	117,876
Equalisation reserve	0	0	0	39,435
P&C (property and casualty insurance)	0	0	0	373
Card insurance	0	0	0	15,705
Merlin, Merlin Profi	0	0	0	14,491
Patron, Patron Profi	0	0	0	5,645
Other non-life insurance	0	0	0	3,221
Reserve for unearned premiums	44,052	295	43,757	34,838
of which: Non-life insurance	26,563	164	26,398	21,634
P&C (property and casualty insurance)	491	164	327	88
Card insurance	0	0	0	0
Patron, Patron Profi	18,527	0	18,527	19,893
Other non-life insurance	7,544	0	7,544	1,653
Life insurance	17,489	131	17,358	13,204
Vital Invest	1,326	0	1,326	947
Vital	646	0	646	718
Mortgages	2,051	0	2,051	1,936
Other life insurance	13,465	131	13,335	9,603
Reserve for the coverage of obligations from the used TIR	247,625	0	247,625	187,291
Vital	240,900	0	240,900	183,558
Life insurance	6,725	0	6,725	3,733

3.8. RESULT OF NON-LIFE INSURANCE CLAIMS SETTLEMENT – RUN-OFF ANALYSIS (NET)

(CZK thousand)	2010	2009
Balance of the reserve for claims as of 1 January	145,222	135,733
Claims paid in the current period arising from claims from the prior period	14,210	25,427
Balance of the reserve for claims as of 31 December	104,568	102,391
Result of claims settlement	26,443	21,093

3.9. RESULT OF LIFE INSURANCE CLAIMS SETTLEMENT – RUN-OFF ANALYSIS (NET)

(CZK thousand)	2010	2009
Balance of the reserve for claims as of 1 January	2,356	2,540
Claims paid in the current period arising from claims from the prior period	659	629
Balance of the reserve for claims as of 31 December	1,084	1,491
Result of claims settlement	613	420

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 2010	31 December 2009
Reserve for legal disputes and similar risks	13,065	12,114
Restructuring reserve	7,500	7,500
Total reserve for other risks and losses	20,565	19,614

The reserve for legal disputes and similar risks represents a reserve for estimated losses from 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.

As of 31 December 2010, the balance of the reserve for legal disputes and similar risks was CZK 13,065 thousand (2009: CZK 12,114 thousand). The increase in the reserve in 2009 predominantly includes the recognition of the reserve for audit fees, internal IT audit, annual client letters and annual report in the amount of CZK 4,454 thousand (2009: CZK 3,505 thousand).

The balance of the restructuring reserve as of 31 December 2010 was the same as of 31 December 2009. During the reporting period, the reserve was not released in relation to the sales network agent settlement.

3.11. PAYABLES

(CZK thousand)	31 December 2010	31 December 2009
Payables from direct insurance to the policy holders	102,204	172,972
Payables to agents	8	76
Payables from reinsurance transactions	1,986	4,885
Other payables from direct insurance and reinsurance	0	1,429
Total payables from direct insurance and reinsurance	104,198	179,362
Payables to staff from dependent activities	7,142	7,149
Settlement balances with social security and health insurance institutions	4,141	3,605
Payables to financial institutions	0	0
Other payables	18,132	9,168
Other direct taxes	2,570	1,994
Other indirect taxes and fees	1,955	48
Total payables	138,138	201,326

None of the Company's payables were secured by a pledge or any other encumbrance as of 31 December 2010.

As of 31 December 2010, the Company records overdue payables from direct insurance to the policy holders (older than 5 years, in the amount of CZK 9,447 thousand; 2009: CZK 7,202 thousand). These consist of unpaid claims and overpayments of premiums.

Other payables that do not relate to insurance predominantly include unpaid invoices (older than 5 years: CZK 0 thousand).

3.12. TEMPORARY LIABILITIES

Analysis of Temporary Liabilities

(CZK thousand)	31 December 2010	31 December 2009
Deferred income	0	95
Estimated payables	283,856	219,933
of which: Reinsurer's share in premiums	3,674	6,370
Commissions to acquirers	215,730	148,557
Insurance claims	604	1,039
Other	63,848	63,967
Total temporary liabilities	283,856	220,028

Estimated commissions payable to acquirers of CZK 215,730 thousand (2009: CZK 148,557 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 65,699 thousand (2009: CZK 60,999 thousand) and commissions not paid to Komerční banka, a.s., in the total amount CZK 102,259 thousand (2009: CZK 68,063 thousand).

Other temporary liabilities of CZK 63,847 thousand (2009: CZK 63,967 thousand) principally comprise unbilled supplies of CZK 55,241 thousand (2009: CZK 54,882 thousand) and costs of staff bonuses for 2010 amounting to CZK 7,928 thousand (2009: CZK 7,624 thousand).

3.13. TAXATION**Due Income Tax**

In the 2010 fiscal year, the Company utilised the accumulated losses carried forward and the due tax arising from the stand-alone tax base amounts to CZK 1,123 thousand.

Deferred Tax

The Company's deferred tax liability amounted to CZK 1,648 thousand as of 31 December 2010, of which CZK 16,835 thousand were recognised in equity and CZK (18,483) thousand in the profit and loss account in 2010.

Deferred tax arising from (CZK thousand):	31 December 2010	31 December 2009
Net book value of tangible and intangible fixed assets	11,361	7,389
Non-current financial assets	-23,834	-19,628
Tax loss of previous years	10,825	33,280
Reserve	0	0
Total deferred tax	-1,648	21,041

3.14. NON-LIFE INSURANCE

(CZK thousand)	2010	2009
Gross written premiums	292,379	266,237
PpaP (industrial and business insurance)	83	8,081
P&C (property and casualty insurance)	1,957	2,202
Card insurance	93,297	62,301
Merlin, Merlin Profi	134,137	131,182
Patron, Patron Profi	41,215	44,959
Other non-life insurance	21,690	17,512
Gross earned premiums	287,554	315,591
PpaP (industrial and business insurance)	-141	8,081
P&C (property and casualty insurance)	2,003	3,246
Card insurance	93,298	109,589
Merlin, Merlin Profi	131,047	131,137
Patron, Patron Profi	42,581	46,469
Other non-life insurance	18,766	17,069
Gross costs of insurance claims	38,609	72,710
PpaP (industrial and business insurance)	657	2,762
P&C (property and casualty insurance)	3,241	3,636
Card insurance	26,114	47,856
Merlin, Merlin Profi	3,874	13,011
Patron, Patron Profi	2,580	3,470
Other non-life insurance	2,143	1,975
Reinsurance balance	-3,106	9,892
Acquisition costs of insurance policies	73,871	85,050
– commissions	72,730	80,636
– other acquisition costs	4,197	3,848
– release of deferred expenses and accrued income	0	0
– recognition of deferred expenses and accrued income	-3,056	566

3.15. LIFE INSURANCE

(CZK thousand)	2010	2009
Gross written premiums	8,689,260	4,558,373
Earned premiums	8,685,273	4,558,495
Gross costs of insurance claims	1,782,406	2,212,509
Reinsurance balance	-5,944	-8,333
Acquisition costs of insurance policies	183,828	87,533
– commissions	175,576	80,867
– other acquisition costs	9,370	6,744
– deferred expenses and accrued income	-1,118	-78

Summary of life insurance, written premiums

(CZK thousand)	2010	2009
Individual contracts	8,488,822	4,360,785
of which: insurance contracts where the investment risk is assumed by the policy holder	3,782,373	1,635,773
Collective contracts	200,438	197,588
Life insurance – total	8,689,260	4,558,373
Single premiums	7,835,291	3,673,983
of which: insurance contracts where the investment risk is assumed by the policy holder	3,724,856	1,538,063
Regular premiums	853,969	884,390
of which: insurance contracts where the investment risk is assumed by the policy holder	57,517	33,957
Life insurance – total	8,689,260	4,558,373
Insurance contracts without premium	0	0
Insurance contracts with premium	8,689,260	4,558,373
of which: insurance contracts where the investment risk is assumed by the policy holder	3,782,373	1,635,773
Life insurance – total	8,689,260	4,558,373

In 2010, the Company reported a significant increase in written premiums amounting to CZK 8,981,639 thousand (for life and non-life insurance; 2009: CZK 4,824,610 thousand).

This increase principally relates to Vital Premium of CZK 3,756,178 thousand (2009: CZK 1,723,032 thousand) and Vital Invest of CZK 3,847,370 thousand (2009: CZK 1,635,773 thousand), both are life insurance products.

3.16. TERRITORIAL ANALYSIS OF TOTAL PREMIUMS WRITTEN

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

Written premiums arise from contracts into which the Company entered (CZK thousand):	2010	2009
in the EU member state where it has its registered office	8,968,273	4,821,851
in other EU member states	13,366	2,759
Total premiums written	8,981,639	4,824,610

3.17. SUMMARY OF COMMISSIONS

For the year ended 31 December 2010, the aggregate balance of commissions in respect of direct insurance was CZK 248,306 thousand (2009: CZK 161,501 thousand) and was segmented as follows:

(CZK thousand)	Life insurance		Non-life insurance	
	2010	2009	2010	2009
Expenses on commissions	175,576	80,867	72,730	80,636

Commissions in 2010 were predominantly billed by Komerční banka, a.s., in the amount of CZK 228,477 thousand (2009: CZK 141,612 thousand) – cumulatively for both life and non-life insurance.

3.18. FINANCIAL PLACEMENTS INCOME AND EXPENSE

For the year ended 31 December 2010, the net income on the Company's financial placements amounted to CZK 710,985 thousand (2009: CZK 492,470 thousand), of which the net income from assets generated from technical reserves amounted to CZK 650,359 thousand (2009: CZK 444,481 thousand).

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 2010, this re-allocated balance was CZK 16,473 thousand (2009: CZK 13,304 thousand).

Year (CZK thousand)	2010		2009	
	Life insurance	Non-life insurance	Life insurance	Non-life insurance
Year-end net balances of reserves	19,668,572	295,564	12,591,847	357,832
Income from reserves	633,886	16,473	431,178	13,304

3.19. ADMINISTRATIVE EXPENSES

The total amount of administrative expenses was CZK 238,176 thousand in 2010 (2009: CZK 275,748 thousand). The administrative expenses are analysed as follows:

(CZK thousand)	2010	2009
Staff cost (wages, social security and health insurance)	120,881	114,998
Rent	18,268	20,544
Advisory services	6,825	47,394
Telecommunication	3,349	3,486
Training	3,677	2,671
Banking and postal fees	9,505	10,362
IT costs	15,962	18,745
Depreciation	38,190	37,221
Other administrative costs	21,521	20,327
Total	238,178	275,748

The costs of the audit of the financial statements amounted to CZK 1,706 thousand in 2010 (2009: CZK 1,523 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 1,144 thousand (2009: CZK 1,247 thousand).

Other technical expenses of non-life insurance amounting to CZK 43,363 thousand (2009: CZK 13,567 thousand) include the shares in profit from policies amounting to CZK 41,881 thousand (2009: CZK 6,713).

Other technical income of life insurance primarily includes the use of provisions in the amount of CZK 106,218 thousand (2009: CZK 56,049 thousand).

Other technical expenses of life insurance include balances relating to the charge for the shares in profit from policies in the amount of CZK 97,442 thousand (2009: CZK 93,015 thousand).

Other income from the non-technical accounts amounted to CZK 6,159 thousand (2009: CZK 14,535 thousand), of which the principal balances involved foreign exchange rate gains of CZK 2,023 thousand (2009: CZK 11,280 thousand) and the release of the reserve for risks in the amount of CZK 1,656 thousand (2009: CZK 1,631 thousand).

Other costs of the non-technical accounts amounted to CZK 4,972 thousand (2009: CZK 19,958 thousand), of which the principal balances related to the charge for the reserve for outstanding vacation days in the amount of CZK 1,413 thousand (2009: CZK 1,628 thousand), the cost of audit, annual report and annual letters to clients in the amount of CZK 1,394 thousand (2009: CZK 3,505) and foreign exchange losses of CZK 1,360 thousand (2009: CZK 14,121 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 253,354 thousand (2009: CZK 278,681 thousand) as of 31 December 2010.

3.22. TRANSACTIONS WITH RELATED PARTIES

	2010	2009	Text
Amounts owed to the Group entities	276,343	150,693	
of which: Komerční banka, a.s.	71,473	43,729	Estimated accrued expenses – Profit sharing
	12,171	1,741	Billed commissions for insurance arrangement
	71,380	42,452	Estimated accrued expenses – Commissions
	1,020	0	Not billed trade payables
	219	239	Bank fees
	184	314	Trade payables
of which: Essox, s.r.o.	64,822	59,482	Estimated accrued expenses – Profit sharing
	208	12	Billed commissions for insurance arrangement
of which: Essox SK, s.r.o.	877	1,517	Estimated accrued expenses – Profit sharing
of which: MPSS	2,010	1,207	Estimated accrued expenses – Commissions
of which: IKS	636	0	Not billed trade payables
	635	0	Trade payables

	2010	2009	Text
of which: SG	6,056	0	Not billed trade payables
of which: Sogecap	41,533	0	Not billed trade payables
of which: SGEB	369	0	Estimated accrued expenses – Profit sharing
	553	0	Estimated accrued expenses – Commissions
of which: BRD	1,854	0	Estimated accrued expenses – Commissions
of which: BRD Finance	1	0	Estimated accrued expenses – Profit sharing
	342	0	Estimated accrued expenses – Commissions
Amounts due from the Group entities	567,586	261,235	
of which: Komerční banka, a.s.	441,919	125,580	Current accounts and deposits
	6,715	7,206	Accrued commissions
	19,762	30,970	Estimated accrued income – premiums
	8,415	24,483	Receivables from insurance
	23	22	Prepayments
	8	8	Trade receivables
of which: Essox, s.r.o.	31,819	48,198	Prepayments
	37,590	15,357	Receivables from insurance
	9,066	7,842	Estimated accrued income – premiums
	333	243	Accrued commissions
			Commissions for purchase of participation certificates
of which: IKS, a.s.	50	56	
of which: SG	3,838	682	Trade receivables
of which: Komerční banka Bratislava, a.s.	711	588	Current accounts and deposits
of which: BRD	1,614	0	Accrued commissions
	1,068	0	Estimated accrued income – premiums
	345	0	Current accounts and deposits
of which: BRD Finance	396	0	Accrued commissions
	141	0	Estimated accrued income – premiums
of which: SGEB	1,177	0	Accrued commissions
	597	0	Estimated accrued income – premiums
	1,999	0	Current accounts and deposits
Expenses with the Group entities	408,409	255,136	
of which: Komerční banka, a.s.	72,191	31,643	Expenses on profit sharing
	10,294	6,530	Use of trademark + advertising
	3,445	3,795	Bank fees
	491	0	Accrued commissions
	2,648	2,651	Offices lease related expenses
	4,484	2,097	Financial investment related expenses
	228,477	141,612	Commissions
	87	97	Forms
	133	0	Consultancy
of which: IKS, a.s.	6,914	0	Consultancy
of which: SG	5,674	0	Consultancy
of which: Komerční banka Bratislava, a.s.	11	11	Bank fees
of which: Essox, s.r.o.	64,250	60,021	Expenses on profit sharing
of which: Essox SK, s.r.o.	919	1,422	Expenses on profit sharing
of which: MPSS	6,378	5,257	Commission
of which: BRD	2	0	Bank fees
	172	0	Commission
of which: BRD Finance	1	0	Expenses on profit sharing
	109	0	Commission
of which: SGEB	7	0	Bank fees
	369	0	Expenses on profit sharing
	1,353	0	Commission
Income with the Group entities	461,981	299,936	
of which: Komerční banka, a.s.	3,975	292	Interest from current accounts and deposits
	352,363	213,309	Written premiums

	2010	2009	Text
of which: Essox, s.r.o.	91,174	84,562	Written premiums
of which: Essox SK, s.r.o.	1,069	1,773	Written premiums
of which: MPSS	5,258	0	Written premiums
of which: BRD	2,331	0	Written premiums
of which: BRD Finance	637	0	Written premiums
of which: SGEB	5,047	0	Written premiums
of which: Sogecap	127	0	Consultancy

3.23. PROFIT/(LOSS)

(CZK thousand)	2010	2009
Non-life insurance	143,444	109,665
Life insurance	-46,504	-19,640
Non-technical account (before tax)	42,208	-18,254
Profit/(loss) before tax	139,148	71,771
Other taxes	32	-35
Profit/(loss) for the accounting period	139,116	71,736

3.24. STAFF COSTS AND SIMILAR COSTS

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

2010

(CZK thousand)	Average recalculated headcount	Wages and salaries	Social security and health insurance	Other staff costs	Total staff costs
Staff	144	74,097	24,978	2,087	101,162
Management	5	16,573	2,902	244	19,719
Total	149	90,670	27,880	2,331	120,881

2009

(CZK thousand)	Average recalculated headcount	Wages and salaries	Social security and health insurance	Other staff costs	Total staff costs
Staff	146	69,612	22,967	1,953	94,532
Management	5	15,236	1,922	215	17,373
Total	151	84,848	24,889	2,168	111,905

Bonuses paid to administrative, management, supervisory and other bodies

(CZK thousand)	2010	2009
Bonuses to the Supervisory Board	31	24
Bonuses to the Board of Directors	1,117	1,117

As of 31 December 2010, thirteen 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)	2010	2009
Reinsurer's share of premiums	-18,941	-18,221
Reinsurer's share of insurance claims	7,771	18,118
Commissions	2,120	1,662
Reinsurance balance	-9,050	1,559
Reinsurer's share in the creation and use of reserves	-28,342	4,536
Reinsurance result	-37,392	6,095

The amounts due from and to reinsurers

(CZK thousand)	31 December 2010	31 December 2009
Receivable from reinsurers	6,249	6,350
Estimated receivable	3,199	8,394
Payable to reinsurers	-1,986	-6,314
Estimated payable	-3,674	-6,371
Net receivable (payable) from reinsurers	3,788	2,059

4. Off-Balance Sheet Commitments

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

5. 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 AMONG RELATED ENTITIES FOR THE REPORTING PERIOD OF THE YEAR 2010 (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 Among Related Entities 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 2010, i.e. from 1 January 2010 to 31 December 2010 (hereinafter referred to as the "Reporting Period").

I. Introduction

In the period from 1 January 2010 to 31 January 2010, 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 B552120222 (1955 B 12022) (hereinafter referred to as the "SG" or "SG Paris").

In the 2010 Reporting Period, the Company entered into arrangements with the following Related Entities:

Company	Registered office	SG's share of voting power
Société Générale S. A.	Paris, 29 Bld Haussmann, 75009, France	100.00%
Sogecap S. A.	Paris La Défence Cedex, 50, Av. Du Général De Gaulle, 92093 France	100.00%
Komerční banka, a.s.	Prague 1, Na Příkopě 33, 114 07, Czech Republic	60.35%
ESSOX s.r.o.	České Budějovice, Senovážné nám. 231/7, 370 21, Czech Republic	79.78%
Penzijní fond Komerční banky, a.s.	Prague 3, Lucemburská 1170/7, 130 11, Czech Republic	60.35%
Investiční kapitálová společnost KB, a.s.	Prague 1, Dlouhá 34, 110 15, Czech Republic	25.00%
Modrá pyramida stavební spořitelna, a.s.	Prague 2, Bělehradská 128/ 222, 120 21, Czech Republic	60.35%
Komerční banka Bratislava, a.s.	Bratislava, Hodžovo nám. 1A, 811 00, Slovak Republic	60.35%
ESSOX SK s.r.o.	Cesta na Senec 2/A, 821 04 Bratislava, Slovak Republic	79.78%
BRD Group Societe Generale S. A.	Bucharest, B-dul Ion Mihalache, BRD Building Romania	59.37%
Société Générale EXPRESSBANK AD	92 bd, Vladislav Varnenchik Str., 9000 Varna, Bulgaria	99.70%
Sogelife Bulgaria IJSC	73 Alexandar Stamboliiski Blvd, Vazrazhdane Region, Sofia 1303, Bulgaria	99.69%
BRD Finance	Rue Ion Mihalache no.1-7, Tour BRD, Secteur 1, Bucarest, Romania	100.00%

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 by the Company
Amendment No. 1(as of 1 January 2010) to Contract for collective insurance to loans of ESSOX s.r.o., no. 3020000000 (as of 1 August 2004)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 1 (as of 1 January 2010) to Contract for collective insurance related to consumer loans of the company, no. 3130000000 (as of 2 January 2009)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 1(as of 1 January) to Contract for collective insurance of revolving loans and credit cards of ESSOX, no.3110000000 (as of 29 February 2008)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 6 (as of 1 January 2010) 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. 1(as of 1 January 2010) to Contract for collective insurance to the consumer loans of ESSOX s.r.o., No. 3100000000 (as of 31 August 2007)	ESSOX s.r.o.	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 by the Company
Amendment No. 1 (as of 1 January 2010) to Contract for collective insurance to revolving loans and credit card of ESSOX No. 3120000000 (as of 1 June 2008)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Certificate for Identity for Insurance Agent No. 1 (as of 1 January 2010)	SG Expressbank JSC, Bulgaria	No performance	No performance	None
Appendix 1 (as of 4 January 2010) to Agreement for insurance agency (as of 24 September 2009)	Société Générale EXPRESSBANK AD	Commission	Intermediation and arrangement of insurance contracts	None
Worldwide Insurance Plan (as of 7 January 2010)	Societe Generale	No performance	No performance	None
Agreement relating to the structured product which terms and conditions are enclosed herein (as of 13 January 2010)	Societe Generale	Contractual remuneration	Sale of fund	None
Master policy 0001 Assistance insurance during travel abroad for holders of cards issued by Societe Generale Expressbank	Société Générale EXPRESSBANK AD, Sogelife Bulgaria IJSC	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 7 (as of 15 January) 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. 3 (as of 28 January 2010) 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
Record of the Agreement on the decrease in the commission for single and extraordinary premiums Vital invest (as of 10 February 2010)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment (as of 8 February 2010) of the Commitment Letter - Forte 2 (as of 12 October 2010)	Societe Generale	Contractual remuneration	Sale of fund	None
Agreement relating to the structured product which terms and conditions are enclosed herein (as of 15 March 2010)	Societe Generale	Contractual remuneration	Sale of fund	None
Contract for cooperation in organising a contest (as of 16 March 2010)	Komerční banka, a.s.	Contractual remuneration	Organisation of a contest for bank advisors	None
Amendment No. 8 (as of 16 April 2010) 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
Record of the Agreement on the decrease in the commission for single and extraordinary premiums Children, Vital and Vital Invest (as of 19 April 2010)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	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)	Societe Generale	Contractual remuneration	Sale of fund	None
Commitment Letter – 3-8Y Autocallable in CZK Forte 3 (as of 30 April 2010)	Societe Generale	Contractual remuneration	Sale of fund	None
Agreement relating to collateral of securities (as of 30 April 2010)	Komerční banka, a.s.	Collateral of securities	Collateral of securities	None
Framework agreement relating to trading/dealing on financial market (as of 30 April 2010)	Komerční banka, a.s.	Trading/dealing on financial market	Trading/dealing on financial market	None
Amendment No. 9 (as of 30 April 2010) 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
Framework agreement for the provision of services (as of 3 Mai 2010)	Sogecap SA	Contractual remuneration	Provision of services	None
Record of the Agreement on the decrease in the commission for selling the travel insurance (as of 21 Mai 2010)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 26 Mai 2010) to Insurance Collective Contract of the optional insurance for the Card protection and purchase protection no. 3160000000 (as of 17 November 2009)	BRD Finance – Societe Generale S. A.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance to the leasing and credit contracts of ESSOX, s. r. o., No. 3180000000 (as of 1 June 2010)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Annex No. 3 (as of 1 July 2010) to Agreement for insurance agency (as of 24 September 2009)	Société Générale EXPRESSBANK AD	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1(as of 1 July 2010) to Contract for collective insurance to the consumer loans of ESSOX s.r.o., No. 3100000000 (as of 31 August 2007)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 1 (as of 1 July 2010) to the Separate distribution agreement for Product "Profi Merlin" (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 1 July 2010) to the Separate distribution agreement for Product "Merlin" (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
Amendment No. 2 (as of 1 July 2010) to the Contract for MERLIN and PROFI MERLIN COLLECTIVE INSURANCE No. 3170000000 (as of 5 October 2009)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 1. (as of 1 July 2010) to the Mutual cooperation contract (as of 1 August 2007)	Komerční banka, a.s.	No performance	Provision of banking services	None
Agreement on custody services (as of 7 July 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
Record of the Agreement on the decrease in the commission for single and extraordinary premiums within Vital Invest (as of 12 July 2010)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement relating to collateral of securities (as of 20 July 2010)	Komerční banka, a.s.	Collateral of securities	Collateral of securities	None
Amendment No. 3 (as of 30 July 2010) 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
Amendment No. 3 (as of 1 August 2010) to the Contract collective insurance to consumer loans, No. 3010000000 (as of 1 August 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Cost re-invoicing from KP to MPSS (as of 10 October 2010)	Modrá pyramida stavební spořitelny a.s.	Provision of sales documents	Payment for sales documents	None
Agreement on cooperation in organising motivation actions to support sale of products of Komerční pojišťovna, a.s. for agents of Modrá pyramida stavební spořitelny, a.s. (as of 31 August 2010)	Modrá pyramida stavební spořitelny a.s.	Incentive bonus	Organisation of a motivation action for support the sale of products	None
Amendment No. 2 (as of 31 August 2010) to the Contract for commercial representation (as of 10 May 2005)	Modrá pyramida stavební spořitelny a.s.	Commission	Intermediation and arrangement of insurance contracts	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.	Contractual remuneration	Sale of fund	None
Amendment No. 10 (as of 8 October 2010) 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
Collective insurance contract of the optional insurance for card protection / keys/ documents No. 3220000000 (as of 1 November 2010)	BRD – Societe Generale S. A.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 2 (as of 1 December 2010) to Contract for collective insurance of revolving loans and credit cards of ESSOX, No. 3110000000 (as of 29 February 2008)	ESSOX s.r.o	Provision of insurance	Insurance premium	None
Amendment No. 2 (as of 1 December 2010) to Contract for collective insurance to revolving loans and credit card of ESSOX No. 3120000000 (as of 1 June 2008)	ESSOX s.r.o	Provision of insurance	Insurance premium	None
Framework agreement for the provision of services (as of 16 December 2010)	Sogecap S. A.	Contractual remuneration	Provision of services	None
Amendment No. 1 (as of 31 December 2010) to the Separate distribution agreement for product “Program Vital and program Vital Plus” (as of 25 December 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	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 by the Company
Contract for collective insurance related to consumer loans of the company, No. 3130000000 (as of 2 January 2009)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Proposal for entering into the contract for issuance and use of payment cards (as of 8 January 2009)	Komerční banka, a.s.	Fees according to the price list	Issuance and use of payment cards	None
Amendment No. 8 (as of 9 January 2009) to the insurance contract No. 3133100009 regulating the collective insurance of persons (as of 9 January 2003)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	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	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 2 (as of 9 March 2009) to the Contract for intermediation of the risk life insurance to mortgage loans (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Service Level Agreement (as of 26 March 2009)	Komerční banka, a.s.	Contractual remuneration	Sharing of Intranet services	None
Amendment No.1 (as of 31 March 2009) to the Contract for asset management (as of 30 October 2008)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Fulfilment of duties of the Group's representative member	None
Contract for intermediation of Vital Plus (as of 14 April 2009) and Amendment No. 1 (as of 3 July 2009) and Amendment No. 2 (as of 25 September 2009) to this Contract	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 15 April 2009) to the Framework distribution contract (as of 22 June 2007)	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
Record of the Agreement on the decrease in the commission for extraordinary premiums from Vital and Vital Invest (as of 13 May 2009)	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)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Record of the Agreement on the decrease in the commission for selling the travel insurance (as of 21 May 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement to provide a holiday in relation to a change of job (as of 27 May 2009)	Komerční banka, a.s.	Contractual remuneration	Provision of holidays to an employee	None
Record of the Agreement on the decrease in the commission for selling the travel insurance (as of 8 June 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of Brouček (as of 15 June 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 5 (as of 29 June 2009) to the Contract for collective insurance of the loans of ESSOX s.r.o., No. 30700000000 (as of 1 April 2005)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for issuance and use of payment cards (as of 1 July 2009)	Komerční banka, a.s.	Fees according to the price list	Issuance and use of payment cards	None
Amendment No.1 (as of 7 July 2009) to the Contract collective insurance to consumer loans, No. 3010000000 (as of 1 August 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 3 (as of 16 July 2009) to the Contract for intermediation of Risk Life Insurance to mortgage loans (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract of sale – Epson DFX–5000 printing machine (as of 17 July 2009)	Komerční banka, a.s.	Contractual remuneration	Sale of Epson DFX printing machine	None
Amendment No. 2 (27 July 2009) 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
Commitment letter (as of 29 July 2009)	Société Générale S. A.	Contractual remuneration	Sale of fund	None
Amendment No. 4 (as of 28 August 2009) to the Contract for collective insurance related to payment cards MC, VISA and American Express No. 2150500001 (as of 31 December 2007)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Renunciation of the Contract for payment card issuance (as of 19 August 2009)	Komerční banka, a.s.	Contractual remuneration	Cancellation of payment card	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
Amendment No. 2 (as of 28 August 2009) to the Contract for collective insurance to KB credit cards. (as of 1 November 2004)	Komerční banka, a.s.	Provided insurance, insurance indemnity	Insurance premium	None
Amendment No. 2 (as of 28 August 2009) to the Contract for collective insurance related to credit cards, No. 3040000000 (as of 1 November 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 2 (as of 21 September 2009) to the Contract for collective insurance related to consumer loans, No. 3010000000 (as of 1 August 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement to perform insurance activities (as of 24 September 2009)	Société Générale EXPRESSBANK AD	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 2 (as of 1 October 2009) to the Contract stipulating the conditions for purchase and repurchase of allotment certificates (as of 13 September 2006)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Purchase and repurchase of allotment certificates	None
Contract for collective insurance MERLIN and PROFI MERLIN No. 3170000000 (as of 5 October 2009) as amended by Amendment No. 1 (as of 27 October 2009)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 5 (as of 5.Oct 2009) to the Contract for intermediation of "VITAL INVEST" (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Custody contract for "VITAL INVEST FORTE" (as of 6 October 2009)	Komerční banka, a.s.	Contractual remuneration	Securities management	None
Amendment No. 2 (as of 15 October 2009) to the Asset Management Contract (as of 30 October 2008)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Fulfilment of duties of the Group's representative member	None
Amendment No. 1 (as of 20 October 2009) to the Contract for cooperation (as of 21 November 2008)	Komerční banka, a.s.	Contractual remuneration	Fulfilment of duties of the Group's representative member	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
Record of the Agreement on the decrease in the commission for single and extraordinary premiums within the VITAL INVEST programme (as of 30 October 2009)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Commitment letter - 3-8Y autocallable in CZK Forte 2 (as of 12 November 2009)	Societe Generale S. A.	Contractual remuneration	Sale of fund	None
Insurance Collective Contract of the optional insurance for the card protection and purchase protection no. 3160000000 (as of 17 November 2009)	BRD Finance – Societe Generale S. A.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of VITAL PREMIUM's sales (as of 30 November 2009)	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 provision of services in the system of short-term bonds (as of 12 November 2009)	Komerční banka, a.s.	Contractual remuneration	Services in the system of short-term deposits	None
Contract for issuance and use of the company certificate (as of 7 December 2009)	Komerční banka, a.s.	Fees according to the price list	Issuance and use of company certificate	None
Contract for cooperation in valuation (as of 9 December 2009)	Komerční banka, a.s.	Contractual remuneration	Valuation of investment instruments	None
Framework contract for transactions on the financial market (as of 23 December 2009)	Komerční banka, a.s.	Entering into financial transactions	Entering into financial transactions	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
Amendment No. 1 (as of 29 February 2008) to the Contract for intermediation of "RISK LIFE INSURANCE To MORTGAGE LOANS" (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 2 (as of 7 March 2008) to the Contract for intermediation of Vital Invest (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Framework cooperation contract No. 3010000246 (as of 9 April 2008)	Modrá pyramida stavební spořitelna, 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 by the Company
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
Amendment No. 1 (as of 7 April 2008) to the Contract for collective insurance to the loans of ESSOX SK s.r.o., No. 3080000000 (as of 1 August 2006)	ESSOX SK s.r.o.	Provision of insurance	Insurance premium	None
Contract for provision of call centre services (as of 4 February 2008)	Komerční banka, a.s.	Contractual remuneration	Provision of call centre services	None
Amendment No. 1 (as of 18 April 2008) to the Contract for collective insurance related to payment cards MC, VISA and AMERICAN EXPRESS, No. 2150500001 (as of 31 December 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 1 to the Contract for collective insurance to credit cards, No. 3040000000 (as of 1 November 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Agreement on the decrease in commissions for extraordinary premiums within the Vital and Vital Invest programmes and within the travel insurance (as of 30 April 2008)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 20 May 2008) to the Contract for intermediation of "VITAL" (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance of revolving loans and credit cards of ESSOX, No.3110000000 (as of 29 February 2008)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 3 (as of 30 June 2008) to the Contract for intermediation of Vital Invest (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Amendment No. 1 (as of 20 June 2008) to the Contract for commercial representation (as of 10 May 2005)	Modrá pyramida stavební spořitelna, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Renunciation of contracts (2 contracts) for issuing payment cards (as of 29 July 2008)	Komerční banka, a.s.	No performance	No performance	None
Administration order (as of 14 February 2008)	Komerční banka, a.s.	Fees according to the price list	Provision of direct banking	None
Agreement fees' clearance (as of 1 October 2008)	Komerční banka, a.s.	No performance	No performance	None
Contract for issuance and use of payment cards (as of 21 October 2008)	Komerční banka, a.s.	Fees according to the price list	Issuance of card	None
Contract for collective insurance to revolving loans and credit card of ESSOX No. 3120000000 (as of 1 June 2008)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Amendment No. 4 (as of 9 June 2008) to the Contract for collective insurance related to the loans of ESSOX, No. 3070000000 (as of 1 April 2005)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Renunciation of the Contract for issue of a payment card (as of 16 October 2008)	Komerční banka, a.s.	No performance	No performance	None
Record of the Agreement on the decrease in the commission for single and extraordinary premiums within Vital Invest (as of 23 October 2008)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Agreement (as of 30 October 2008) to terminate the Contract for investment consulting (as of 16 July 2007)	Investiční kapitálová společnost KB, a.s.	No performance	No performance	None
Contract for asset management (as of 30 October 2008)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Asset management	None
Contract for the settlement of securities transactions and for the management of securities – "Custody Contract" (as of 30 October 2008)	Komerční banka, a.s.	Contractual remuneration	Securities management	None
Contract for Groupwide cooperation in terms of the value added tax (as of 21 November 2008)	Komerční banka, a.s.	Contractual remuneration	Fulfilment of duties of the Group's representative member	None
Administration order (as of 20 November 2008)	Komerční banka, a.s.	Fees according to the price list	Provision of direct banking	None
Amendment No. 1 (as of 18 December 2008) to the Contract for cooperation in providing insurance to AMERICAN EXPRESS payment cards, No. 2105800003 (as of 22 April 1998)	Komerční banka, a.s.	Profit sharing	Insurance premium	None
Amendment No. 2 (as of 18 December 2008) to the Contract for collective insurance to payment cards MC, Visa and AMERICAN EXPRESS, No. 2150500001 (as of 18 December 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 3 (as of 18 December 2008) to the Contract for collective insurance to payment cards MC, Visa and AMERICAN EXPRESS, No. 2150500002 (as of 18 December 2007)	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 by the Company
Amendment No. 8 (as of 18 December 2008) to the Contract for cooperation in providing insurance to payment cards EC/MC and Visa, No. 2105800011 (as of 1 March 1999)	Komerční banka, a.s.	No performance	No performance	None
Amendment No. 9 (as of 18 December 2008) to the Contract for cooperation in providing insurance to payment cards EC/MC and Visa, No. 2105800012 (as of 1 March 1999)	Komerční banka, a.s.	Profit sharing	Insurance premium	None
Amendment No. 4 (as of 20 December 2008) to the Contract for providing Vital Invest insurance (as of 4 October 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for issuance and use of payment cards (as of 17 January 2007)	Komerční banka, a.s.	Fees according to the price list	Use and issuance of payment cards	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
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
Amendment No. 1 (as of 30 April 2007) to the Contract for purchase and repurchase conditions of allotment certificates, No. 6005610314 (as of 13 September 2006)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Purchase and repurchase of allotment certificates	None
Amendment No. 1 (as of 3 May 2007) to the Contract for long-term cooperation in purchasing allotment certificates (as of 13 September 2006)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Release of allotment certificates for KP	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
Amendment No. 1 (as of 1 June 2007) to the Contract for intermediation of "TRAVEL INSURANCE" (as of 14 June 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Framework contract for distribution (as of 22 June 2007)	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 investment consulting (as of 16 July 2007)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Investment consulting	None
Contract for mutual cooperation (as of 1 August 2007)	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)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Agreement on cancellation of the rights and obligations arising from the lease contract's termination (as of 23 November 2007)	Komerční banka, a.s.	No performance	No performance	None
Contract for collective insurance to credit cards of Komerční banka, a.s., No. 3040000000 (as of 1 November 2007), and Amendment No. 1 (as of 14 November 2007)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Amendment No. 3 (as of 14 November 2007) to the Contract for collective insurance to consumer loans (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
Amendment No. 7 (as of 31 December 2007) to the Contract for collective insurance of persons (as of 9 January 2003)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance to payment cards MC, VISA and AMERICAN EXPRESS, No. 2150500001 (as of 31 December 2007)	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)	ESSOX SK s.r.o.	Provision of insurance	Insurance premium	None
Contract for intermediation of Vital Invest (as of 4 October 2006)	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) as amended by Amendment No. 4 (as of 6 January 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Insurance contract for collective insurance of persons (as of 9 January 2003) as amended by Amendment No. 5 (as of 12 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
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
Framework contract No. 3010000235 (Spektrum Insurance Programme), as amended by Amendment No. 1 (as of 14 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation and management of PATRON as amended by Amendment No. 1 (as of 24 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for collective insurance – PATRON as amended by Amendment No. 1 (as of 24 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	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
Contract for intermediation of “RISK LIFE FOR MORTGAGE LOANS” (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of “PROFI MERLIN” (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of “MERLIN” (as of 25 April 2006)	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)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of “VITAL GRANT” (as of 25 April 2006)	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation of “VITAL” (as of 25 April 2006)	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)	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)	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
Contract for provision of direct banking services with Client’s identification number (as of 31 August 2006)	Komerční banka, a.s.	Fees according to the price list	Provision of direct banking	None
Contract for establishment and management of a current account (as of 5 October 2006)	Komerční banka, a.s.	Fees according to the price list	Establishment and management of a current account	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
Standing order for automatic transfer (as of 5 October 2006)	Komerční banka, a.s.	Fees according to the price list	Transfer of funds	None
Contract for provision of direct banking / Request for change (as of 5 October 2006)	Komerční banka, a.s.	Fees according to the price list	Change of authorised persons	None
Contract for establishment and management of an current account (as of 27 October 2006)	Komerční banka Bratislava, a.s.	Fees according to the price list	Current account’s management	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 (as of 27 October 2006)	Komerční banka Bratislava, a.s.	Fees according to the price list	Provision of direct banking	None
Contract for provision of direct banking as amended by Amendment No.1 (as of 6 December 2006)	Komerční banka Bratislava, a.s.	Fees according to the price list	Provision of direct banking	None
Contract for provision of direct banking / Administration order (as of 27 October 2006)	Komerční banka Bratislava, a.s.	Fees according to the price list	Provision of direct banking	None
Contract for provision of direct banking / Administration order (as of 6 December 2006)	Komerční banka Bratislava, 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 Bratislava, a.s.	Fees according to the price list	Realisation of TVIS/STVIS and spot transactions	None
Contract stipulating the conditions for purchase and repurchase of allotment certificates, No. 6005610314 (as of 13 September 2006)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Purchase and repurchase of allotment certificates	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
Contract for long-term cooperation in purchasing allotment certificates (as of 13 September 2006)	Investiční kapitálová společnost KB, a.s.	Contractual remuneration	Release of allotment certificates for KP	None
Contract for cooperation in organising a contest for retail bank advisors to support the sale of Vital and Vital Grant (as of 18 September 2006)	Komerční banka, a.s.	Provision of prizes	Organisation and realisation of the contest	None
Contract for establishment and management of a CZK current account at Komerční banka, a.s. (as of 21 January 2005) as amended by Amendment No. 1 (as of 19 August 2005) and as amended by Amendment No. 2 (as of 30 September 2005)	Komerční banka, a.s.	Fees according to the price list	Current account's management	None
Contract for establishment and management of a CZK current account at Komerční banka, a.s. (as of 1 June 2005) as amended by Amendment No. 1 (as of 1 June 2005)	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 commercial representation in the sale of products within the Vital and Vital Plus programmes pursuant to Sec. 652 and Commercial Code, as amended by Amendment No. 1 (as of 26 April 2005)	Komerční banka, a.s.	Commission	Performance of activities aimed at entering into insurance contracts	None
Purchase contract for FX transactions	Komerční banka, a.s.	Purchase / Sale of currency	Purchase / Sale of currency	None
Framework contract for provision of the pecuniary claim by transfer of securities (as of 19 April 2005)	Komerční banka, a.s.	Provision and accepting of the loan secured by a transfer of securities	Provision and accepting of the loan secured by a transfer of securities	None
Contract for training of KB's employees pursuant to Act No. 38/2004 Coll. (Contract No. 2200/2005/7) (as of 15 July 2005)	Komerční banka, a.s.	Training of employees	Contractual price	None
Agreement on fee accounting (as of 18 July 2005)	Komerční banka, a.s.	No performance	Agreed method of fee accounting	None
General distribution agreement (as of 22 September 2005)	Komerční banka, a.s.	Commission	Intermediation of insurance contracts arrangements	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
Contract for renting non-residential premises (Brno) (as of 31 September 2005)	Komerční banka, a.s.	Rent	Provision of premises	None
Framework contract for provision of financial services (as of 1 June 2004) as amended Amendment No. 1 (as of 3 December 2004) and Amendment No. 2 (as of 5 December 2005)	Komerční banka, a.s.	Fees according to the price list	Loan frame creation	None
Amendment to the Contract for establishment and management of a CZK bank account at KB, a.s. (Cash-pooling as of 1 October 2003)	Komerční banka, a.s.	Fees according to the price list	Cash-pooling management	None
Agreement on the arrangement of technical rules and business conditions for term deposits with individual interest rates (TVIS, as of 19 December 2002)	Komerční banka, a.s.	Depositing of term deposits	Interest rates according to standard business conditions	None
Framework contract on financial market trading (as of 18 July 2003)	Komerční banka, a.s.	Financial market trading	Financial market trading	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 provision of services on the financial market (Custody Contract) (as of 21 October 2002) as amended by Amendment No. 1 (as of 20 January 2004) and Amendment No. 2 (as of 1 July 2004)	Komerční banka, a.s.	Fees according to the price list	Provision of custody services	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 connection to KB's HIS (as of 8 July 1998)	Komerční banka, a.s.	Fees according to the price list	Connection to KB's HIS	None
Contract for establishment and management of current account (13 contracts in total)	Komerční banka, a.s.	Fees according to the price list	Current account's management	None
Contract for the use of direct banking (as of 13 September 2002)	Komerční banka, a.s.	Fees according to the price list	Provision of KB's direct banking	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
Contract for rent of non-residential premises – Jihlava (as of 31 January 2003), as amended by Amendment No. 1 (as of 30 June 2003), Amendment No. 2 (as of 16 June 2004) and Amendment No. 3 (as of 29 April 2005)	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 payroll administration (as of 1 October 2003)	Komerční banka, a.s.	Contractual remuneration	Payroll administration	None
Contract for cooperation in providing insurance to American Express payment cards (as of 22 April 1998) as amended by Amendments No. 1 to 8	Komerční banka, a.s.	Commission	Insurance premium	None
Contract for cooperation in providing insurance to payment cards EC/MC and VISA (as of 1 March 1999) as amended by Amendments No. 1 to 8	Komerční banka, a.s.	Commission	Insurance premium	None
Contract for collective insurance to loans (as of 21 December 2000) as amended by Amendment No. 1 (as of 29 December 2000) and Amendment No. 2 (as of 27 May 2004)	Komerční banka, a.s.	Provided insurance, insurance indemnity	Insurance premium	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
Agreement on commissions provided by KP (as of 2 January 1997) as amended by Amendment No. 6 to the Agreement on commissions for services provided by KB to KP	Komerční banka, a.s.	Commission	Intermediation and arrangement of insurance contracts	None
Contract for intermediation and management of Patron (as of 25. August 2003)	Komerční banka, a.s.	Commission	Intermediation and management of Patron	None
Contract for Patron collective insurance (as of 25 August 2003)	Komerční banka, a.s.	Provision of insurance	Insurance premium	None
Framework contract for cooperation between KB and KP, Spektrum Insurance Programme (as of 28 January 2003)	Komerční banka, a.s.	Entering into insurance contracts	Intermediation of insurance contracts	None
Contract for intermediation of Vital (as of 22 January 2003) as amended by Amendment No. 1 (as of 30 March 2004)	Komerční banka, a.s.	Commission	Intermediation of insurance contracts	None
Contract for intermediation of MERLIN (as of 1 April 2004)	Komerční banka, a.s.	Commission	Intermediation of insurance contracts	None
Contract for intermediation of Vital Grant (as of 11 November 2004)	Komerční banka, a.s.	Commission	Intermediation of insurance contracts	None
Contract for collective insurance to loans of ESSOX s.r.o., No. 3020000000 (as of 1 August 2004)	ESSOX s.r.o.	Provision of insurance	Insurance premium	None
Contract for collective insurance to revolving loans and futuro cards of ESSOX s.r.o., No. 3030000000 (as of 1 September 2004) as amended by Amendment No. 1 (as of 30 November 2005)	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) as amended by Amendment No. 1 (as of 1 May 2005) and Amendment No. 2 (as of 30 November 2005)	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) as amended by Amendment No. 1 (as of 1 September 2005), Amendment No. 2 (as of 30 November 2005) and Amendment No. 3 (as of 16 October 2006)	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
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 administrating the additional pension insurance contracts	Commission	None

Type of Contract (or Subject-matter of the Contract – unless clear from the title)	Contracting Party	Provided performance	Accepted performance	Damage incurred by the Company
Contract for commercial representation (as of 10 May 2005)	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

B. OTHER LEGAL ACTIONS TAKEN BY THE COMPANY IN THE INTEREST OF THE CONTROLLING ENTITY AND OTHER RELATED ENTITIES

During 2010, 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 2010, the Company did not take or implement any measures that would be in the interest and at the initiative of the Controlling Entity and other Related Entities.

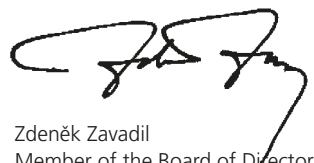
III. Conclusion

The Board of Directors of the Company has reviewed all arrangements put in place between the Company and the Related Entities during the 2010 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 3 March 2011



Laurent Dunet
Chairman of the Board of Directors



Zdeněk Zavadil
Member of the Board of Directors

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eH bH IL jŠ iP IB mCH IO aP eK pB mD pL
mH šS rN jF vV zN bV oT jK šŠ aŠ sB hE
pK IT aK kP tM aT IK jV vCH bT pl mZ zZ
pN dK tK aV hB šV zS mJ jB hŠ tV pS tS
aB mL pC IH sS rV hZ dZ aF jN pŠ zH IJ
kL eR mU cE pP sP jZ hŽ dN yK pM ID eP
sH mR kK jM zV mK jČ dČ IP mP jP aL jT
mB rR pJ kŠ vS sF IS sC iS rL jL mT hF