

2009

*Komerční pojišťovna focuses mainly
on providing life insurance services.*



Number of clients of Komerční pojišťovna exceeded 500 thousand in 2009.



Life insurance market share of Komerční pojišťovna was 7.7% in 2009.

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Company Profile

Komerční pojišťovna, a.s., is an insurance company focused primarily on providing life insurance services. As part of the Soci t  G n rale Group and Komer n  banka Group, KP offers its products mainly to KB clients. In addition to services related to insurance products, Komer n  pojišťovna clients have direct access to comprehensive financial advisory.

Company name:
Komer n  pojišťovna, a.s.

Legal form:
joint-stock company

Date of establishment:
1 September 1995

Registered office:
Prague 8, Karolinsk  1/650

Corporate ID:
63998017, incorporated with the Municipal Court in Prague, Section B, File 3362

Shareholders:
SOGECAP S.A., 50 Avenue du G n ral De Gaulle, 92093 Paris la D fense Cedex
Corporate ID: 086380730 R.C.S. NANTERRE (51% of the registered capital)

Komer n  banka, a.s.,
Na P rikop  33, Prague 1
Corporate ID:
45317054 (49% of the registered capital)

Registered capital:
CZK 602,768 thousand

Business:

- insurance
- reinsurance
- activities related to insurance and reinsurance

Komer n  pojišťovna, a.s. (hereinafter referred to as KP or Komer n  pojišťovna) is an insurance company which is mainly focused on providing life insurance services. When Soci t  G n rale S.A. (hereinafter referred to as SG or Soci t  G n rale) acquired an ownership interest in Komer n  banka, a.s. (hereinafter referred to as KB or Komer n  banka) in 2001, KP started to gradually implement the SG bank insurance business model. Presently, this business model is fully implemented and KP products are offered and sold mainly via distribution networks of companies belonging to the Soci t  G n rale Group. Apart from the extensive network of KB, it also includes ESSOX s.r.o. (hereinafter referred to as ESSOX) and Modr  pyramida stavebn  spořitelna, a.s. (hereinafter referred to as MPSS). One of KP's products is also offered by Penzijn  fond Komer n  banky (referred to as PF KB).

The insurance company SOGECAP S.A. (hereinafter referred to as SOGECAP), which is a 100% subsidiary of SG, is the majority owner with 51% of KP's shares. The minority shareholder with 49% is KB. Due to this shareholder structure, KP has direct access to the high-quality know-how and long-term experience in the field of financial advisory.

Financial Highlights

| | Units | 2009 | 2008 | 2007 | 2006 |
|-----------------------------|--------------|------------|------------|------------|------------|
| Assets | CZK thousand | 14,498,778 | 11,896,045 | 12,080,767 | 11,629,137 |
| Share capital | CZK thousand | 602,768 | 602,768 | 602,768 | 602,768 |
| Shareholder's equity | CZK thousand | 1,225,247 | 1,047,543 | 974,048 | 855,940 |
| Profit/(loss) | CZK thousand | 71,736 | (65,735) | 385,649 | 193,134 |
| Life insurance market share | % | 7.7 | 3.0 | 3.5 | 5.0 |
| Written premium (gross) | CZK thousand | 4,824,610 | 2,030,264 | 2,211,229 | 2,655,737 |
| Costs of claims (gross) | CZK thousand | 2,285,219 | 2,103,009 | 1,518,578 | 790,222 |
| Technical reserves (gross) | CZK thousand | 12,949,677 | 10,624,691 | 10,943,881 | 10,619,053 |
| Number of employees | Persons | 151 | 146 | 147 | 147 |

Foreword of the Chairman of the Board of Directors



Laurent Dunet
Chairman of the Board of Directors and CEO

On the verge of its fifteenth anniversary, Komerční pojišťovna continues to show an excellent performance and to demonstrate a promising future. 2009 will definitely be viewed as an excellent year in many respects.

First of all, the company achieved the best sales performance in its history with a total volume of written premiums reaching CZK 4,825 million. In life insurance, the total volume of written premiums reached CZK 4,558 million which placed KP sixth on the Czech life insurance market with a 7.7% market share against 3% in 2008 when KP ranked 9th.

Technical reserves grew by 22% to almost CZK 13 billion. The total amount of assets grew by 22% to CZK 14.5 billion as at 2009 year end.

The net profit for 2009 amounted to CZK 71.7 million and the financial position of the company was reinforced in spite of the financial crisis.

One of Komerční pojišťovna's most significant successes was the ability to increase the overall level of the yields given to its clients. In 2009, the company decided that the clients would receive profit-share between 2.4% and 3.6%.

I am convinced that this success is nothing surprising. Year after year, Komerční pojišťovna has been building its future on a very solid foundation to create long-term and reliable relations with clients. In addition I strongly believe that the whole insurance market will go on growing in the coming years.

The company's products are modern and oriented to meet the clients' needs. Komerční pojišťovna's savings insurance contracts offer a unique combination of security, flexibility and performance, not only for today but also for tomorrow. These are key factors for long-term investments and I am extremely satisfied to see the growing number of VIP clients among KP policyholders. The range of Komerční pojišťovna's products also includes risk life insurance and non-life insurance offerings. Both provide protection which can bring a lot of comfort to clients: Loss-of-job guarantees are a clear example of the level of protection available to clients in such a difficult period.

Komerční pojišťovna systematically puts the clients first in its planning. This is visible in the performance of number of contracts and the scope of services rendered. Komerční pojišťovna makes ongoing investments to provide top quality service to its clients, such as IT tools allowing efficient management of the contracts guaranteeing that settlement of claims is performed promptly, a high-performance call centre, or new products.

Komerční pojišťovna can rely on very stable, motivated and well-skilled employees, the development of whom is one of the priorities in order to maintain an efficient and dynamic company. In 2009, KP yet again proved its desire to meet client requirements with the launch of many new products, among them Forte, a guaranteed fund introduced within the frame of Vital Invest, or Brouček, a successful children's investment insurance.

For 2010, a strategy that allows the company to remain fully in line with its objectives will be pursued. The bank insurance model will be the main axis of our development as the cooperation with Komerční banka or its subsidiaries (ESSOX, MPSS and PF KB) is clearly a key advantage and offers huge potential for synergies. The company will go on exploring potential areas for new developments: sales through external partnerships such as brokers or financial institutions, or provision of services under a uniform EU licence to Group partners operating in the European Union.

All these challenges are ambitious but attainable for a young, but by now an experienced company playing on a market that will grow. With the increasing standard of living, people will look forward to increasing their protection in order to secure their future or the future of their relatives. It is also apparent that insurance savings products will have to play an important role in the future as people are more and more aware of the absolute necessity to add a pillar to the existing public pension system and prepare for their retirement. Furthermore, difficult times, such as the financial crisis, have demonstrated the necessity to combine savings with insurance protection to sustain the standard of life.

While it is evident that all the consequences of the crisis are not yet behind us, I strongly believe that the insurance business offers good potential as clients' needs are growing. KP entered the Czech market in 1995. In 2010, KP will celebrate fifteen years of its existence. I wish Komerční pojišťovna all the best.

In life insurance, the total volume of premiums reached CZK 4,558 million which placed KP sixth on the Czech life insurance market with a 7.7% market share.



Clients' assets under management reached almost CZK 13 billion.

Sales Promotion

Operation

Product Marketing

Client Service

Report of the Board of Directors

Komerční pojišťovna, part of the Société Générale Financial Group, focuses on life insurance and also 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 members of the KB Group, especially via the distribution network of KB. The main goal of Komerční pojišťovna is to provide its clients with a broad range of insurance and financial instruments that will protect them and help them achieve their personal wishes and goals.

Business strategy of Komerční pojišťovna stands on four pillars:

1) Development of the bank insurance business model in cooperation with Komerční banka

Komerční banka is the key distributor of KP's products. The product portfolio of Komerční banka includes savings and unit-linked life insurance, risk insurance for loans and also non-life insurance products.

2) Cooperation with other partners of the Société Générale Financial Group

This mainly concerns MPSS and ESSOX that provide especially KP's risk insurance for loans.

3) Expansion of product distribution via external business partners

In 2009, Komerční pojišťovna successfully started cooperation with several brokerage companies whose distribution networks offer KP's risk life insurance.

4) Provision of non-life insurance products within the EU

Komerční pojišťovna uses a uniform EU licence provide services within the EU and offers non-life insurance services to other affiliates.

The Czech economy and insurance market in 2009

Macroeconomic context

The trend started by the 2008 financial crisis continued in 2009. Naturally, the global economic downturn also affected the Czech Republic which in 2009 experienced the worst economic slump since its founding.

The Czech economy – measured by the GDP indicator – decreased in 2009 by 4.1%. The unemployment rate went the other way and increased to 8.1%. This development is, of course, reflected in the consumer behaviour of the population in that household spending significantly decreased.

The positive news in 2009 was the development of inflation which remained very low. In October, we even experienced a year-on-year decline in consumer prices.

Development of the insurance market in the Czech Republic

In 2009, the written premiums increased by 2.5% in total, compared to the previous year, in spite of the recession in the Czech economy. The performance of the life insurance sector was even better and its year-on-year increase represented 5.1% whereas its share in the overall written premiums is approximately 42%.

The good news for the insurance market is that, in 2009, the volume of regularly paid premiums continued to grow. This indicates that the citizens were starting to realize the importance of long-term financial security. The volume of single premiums grew even faster and this might suggest that clients believe in the positive development of the Czech economy in upcoming years and trust that life insurance products are reliable instruments for investing their funds.

As far as the preference for financial products is concerned, the trend of opting for products with guaranteed interest to the traditional investment ones, where the client bears the risk that the value of investment can decrease, continued. With regard to the low interest rates on the market, notably on bank savings accounts, the life insurance products with guaranteed interest are becoming a very attractive option for depositing money.

Compared to advanced EU countries, the share of premiums in the gross domestic product is still less than half in the Czech market. The volumes of premiums account for only one tenth of the EU average. This means that the market has great potential to grow in the future. Equally, the anticipated reforms within the pension and health systems should give further impulse to support growth in life insurance in the Czech Republic in the future.

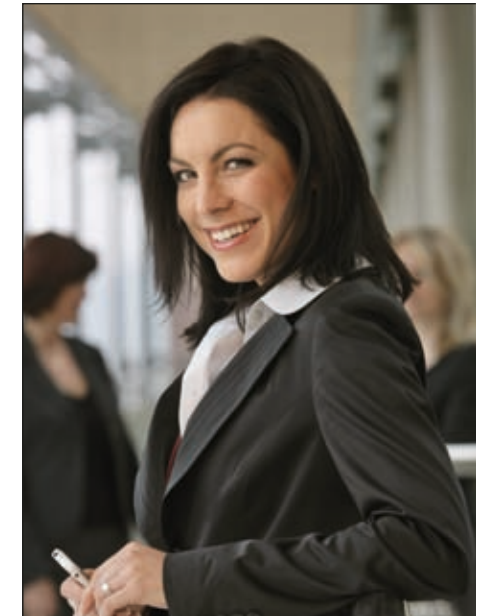
KP's position in the insurance market

Komerční pojišťovna can definitely consider 2009 a very successful year. The volume of written premiums increased along with the market share of Komerční pojišťovna. At the end of 2009, Komerční pojišťovna placed sixth in the Czech life insurance market which, compared to 2008, means a leap of 3 places up. At the end of 2009, KP's share in the life insurance market was 7.7%.

Komerční pojišťovna increased significantly the volume of single premiums. Compared to 2008, it is more than a four-fold increase. This success was achieved thanks to the launch of new products reflecting the current requirements and needs of clients, such as guaranteed yield and prompt access to their funds.

At the same time and in spite of the adverse domestic and worldwide economic situation, KP succeeded in generating for its clients for 2009 an attractive yield ranging between 2.4% and 3.6%, depending on the type of product. In 2009, Komerční pojišťovna created a reserve for bonuses and discounts in the amount of CZK 115 million as deferred client profit shares, see page 32 in Notes to the Financial Statements.

Even in 2009, Komerční pojišťovna followed the trend of previous years and achieved an increase in written premiums in risk life insurance. The purpose of this insurance is to secure the clients and their relatives against unexpected life events. Our market share in risk life insurance is approximately 17% and, since 2006, we have been achieving double-digit growth figures. This fact supports our plan to continue developing cooperation in these products which are suitable insurance instruments for any kind of loan.



Sandra Parmová
Head of Sales Promotion

In 2009, the company decided on client yield ranging between 2.4% and 3.6%, depending on the type of product.



Lukáš Fridrich
Head of Product Marketing

The written premiums in non-life insurance have decreased compared to 2008. This is mainly related to the fact that KP does not focus on this market segment but views it as supplementary for banking or other financial products.

As for the diversification of distribution channels, the sales via networks other than the key distribution network of KB have significantly increased. The volume of written premiums from the affiliates MPSS and ESSOX rose by 27% in 2009.

Internationally, in 2009 KP extended cooperation with affiliates from the SG Group, namely with the Bulgarian bank SG Expressbank, to which KP provides services in the area of travel insurance for payment cards and insurance against misuse of payment cards, and with the Romanian non-banking society BRD Finance specializing in the consumer loans financing. BRD Finance newly offers to its clients KP's insurance against misuse of payment cards.

This development confirms good cooperation of companies within the Soci t  G n rale Financial Group.

KP's product portfolio

New products in 2009

Komer ni pojiřtovna focused on extending its life insurance offer and on risk life insurance innovations.

2009 was rich especially in changes made to products sold via the distribution network. In spring 2009, the risk life insurance for KB mortgage loans was redesigned. Thanks to this redesign, the portfolio of insurance risks was extended to cover most events when the client may have difficulties with repayments of the mortgage loan.

In July 2009, Komer ni pojiřtovna launched a new product for children – children's unit-linked insurance Brou ek.

KP also redesigned the insurance for KB payment cards by extending the list of insurance risks to insurance against theft or misuse of a mobile phone and insurance of purchased goods. At the same time, application of this insurance against misuse was extended to all payment cards of clients even outside Komer ni banka.

In October 2009, KP introduced an important innovation in Vital Invest unit-linked insurance. The new Guaranteed Fund Forte has been added to KP's offer of funds.

In 2009, KP also succeeded in cooperation with external partners when it entered into distribution contracts with several brokerage companies, operating on the Czech market, whom it provides with risk life insurance services.

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

Vital Invest – unit-linked insurance

This is a modern and flexible product that protects not only its owners but brings also an innovative guarantee of return on investment in case of death of the client. This guarantee ensures the return of invested funds to the client's relatives even if the market experiences any significant fluctuations such as in the past years. In Vital Invest we also offer a guaranteed interest fund with the yield of 3.5% in 2009. A brand new product, Guaranteed Funds Forte, introduced to the market in 2009, provide clients with a guaranteed yield and the possibility to participate in the yields of capital markets at the same time.

Brou ek – 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.

Vital – savings life insurance

Long-term, fully flexible savings product offering clients an attractive and steady yield and the possibility to make free extraordinary withdrawals if needed. Moreover and compared to purely savings products, in the case of death we also offer a payout increased by up to 15%.

Program Vital – life insurance with an employer's contribution

Capital life insurance for employees includes two products – a purely savings product and a combined option. It depends on each employer what group of employees and by what amount he wants to motivate and thus increase their loyalty to the company. They can use the opportunity to arrange the insurance contract directly with their company.

Vital Premium – savings life insurance for VIP clients

To our VIP clients we offer a very flexible savings product with an attractive guaranteed yield. In 2009, the value of clients' funds was appreciated by 3.6%.

2. Risk-oriented insurance products

Risk life insurance for mortgages and 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 pays for the client's instalments of the loan and, in certain cases, it even repays the entire outstanding balance of the loan.

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

Today, each payment card can be fully secure if it is insured. Insurance against misuse of the card can be supplemented for a very favourable price with coverage of the cost related to loss of keys or identification documents, misuse of the mobile phone or damage of the goods purchased by the card. The client does not bear any loss participation. In previous years, Merlin insurance was recognized in the Golden Crown competition as one of the best financial products in the field of payment cards.

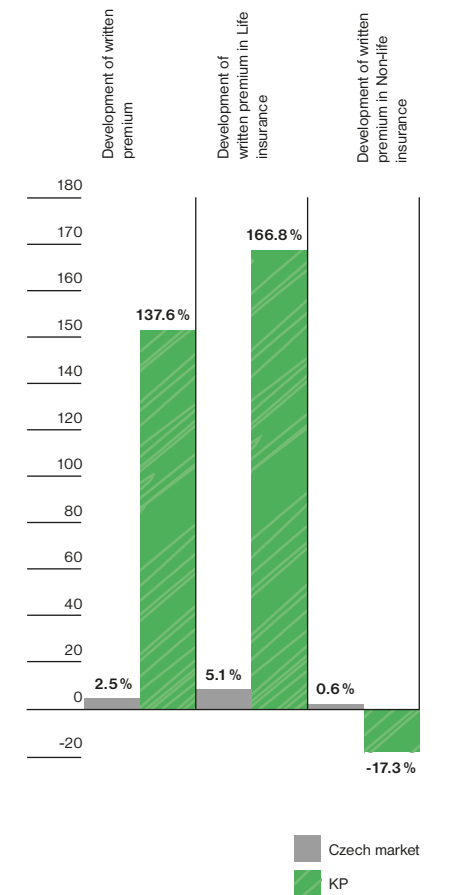
Profi Merlin – insurance against loss or misuse of payment or credit cards for entrepreneurs

A newer version of the popular product Merlin 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 the mobile phone or purchased goods. The client does not bear any loss participation.

Patron – accident insurance

If the client deceases 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 the case of death due to an accident, Patron provides the relatives with immediate indemnity to cover the necessary expenses in this difficult situation. They will receive this insurance indemnity within 48 hours of the submission of all documents. The indemnity is then provided in monthly payments to substitute the insured's income for the period of one year. This insurance may be arranged without completing the medical questionnaire.

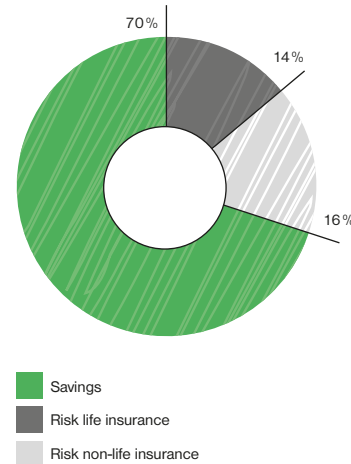
Comparison of Y/Y development of gross written premiums of Komer ni pojiřtovna and the Czech market



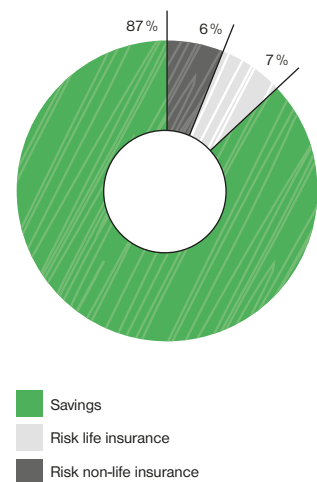
In 2009 Komer ni pojiřtovna recorded the fastest year-on-year growth in life insurance in the entire insurance market and, at the same time, the biggest increase in the life insurance market for the past five years.

Structure of gross written premiums

2008



2009



Profi Patron – accident insurance for entrepreneurs

After the good experience of clients with Patron, we placed this version, tailored especially for entrepreneurs, on the market. According to their income, they may choose from two options of indemnity. The entrepreneur's family always receives half of the amount credited to his or her business account during the year.

Travel insurance

KP covers a full range of risks – medical expenses, loss of luggage, accident and liability for damage. In plain terms, the client is protected against any event that may occur when travelling abroad.

Comments on the Financial Results

Net profit

In 2009, according to Czech Accounting Standards, the net profit of Komerční pojišťovna was CZK 71.7 million. According to International Financial Reporting Standards used for consolidation purposes with KB, the net profit amounted to CZK 52.3 million.

Gross written premiums

In 2009, the volume of gross written premiums reached CZK 4,825 million, which is a significant year-on-year increase compared to 2008. KP was successful particularly in the area of life insurance. In 2009, KP collected premiums amounting to CZK 4,558 million, which is a 2.7 multiple of the 2008 production.

According to the statistics of the Czech Insurance Association, in 2009 Komerční pojišťovna recorded the fastest year-on-year growth in life insurance in the entire insurance market and, at the same time, the biggest increase in the life insurance market for the past five years.

In non-life insurance we experienced a 17.3% decrease caused principally by the fact that we do not focus on this market.

Structure of gross written premiums

In 2009, the structure of gross written premiums changed significantly. The share of risk life insurance and non-life insurance decreased in favour of savings insurance that increased by 17%. The main reason for this is the impact of the worldwide crisis. Compared to the past, clients now prefer to invest their funds into savings products with guaranteed yield. This entails a high increase in the volume of single written premiums. The share of single written premiums in total written premiums increased to 80% in 2009 compared to 47% in the previous year.

Equity

In 2009, the equity amounted to CZK 1,225 million, which is a 17% increase compared to 2008. Total assets grew even faster and in 2009 reached CZK 14,499 million. The year-on-year increase was 22%.

Human resources

Thanks to the long-term efficiency of human capital management, Komerční pojišťovna was not forced to reduce its headcount in 2009, a year in which many employers cut jobs. In fact, while the economic recession contributed to low employee turnover, KP continued to seek quality employees to bring headcount up to budget.

In the light of the tough economic landscape, the SG Group in the Czech Republic again demonstrated the sustainability of its synergy strategy. KP HR supports and makes use of mobility of its employees within the KB and SG Group.

Further evidence of synergies was the implementation in March 2009 of the Starting employee adaptation programme, which KP devised within the Group-wide framework to help facilitate the first weeks and months of new employees in KP and enable them to gain a wider awareness of the KB and SG Groups with which they will cooperate.

For the second year in a row, KP took part in the Best Employer Engagement Survey. The results demonstrated some important trends in the motivation and satisfaction of employees.

The Engagement Survey of 2008 provided some useful feedback in other areas as well. One of the outputs was the need to add a social dimension to employee benefits and, to this end, a social budget was created in January 2009, catering for off-site social team-building events and team sporting activities. Another output was the introduction of flexible benefit vouchers to contribute to employees' various relaxation, sporting, cultural, recreational and educational interests.

Internal processes

The first half of 2009 was dedicated to the migration of Vital insurance contracts – Vital is the key product of our product portfolio – into the AIA IT application, serving as a tool for insurance contracts management. One hundred and fourteen thousand insurance policies were migrated during the second half of May which completed the project of implementing this key policy management application that took several years.

In the second half of the year, the IT environment for administration of the three newly launched products – children's insurance Brouček, Guaranteed Fund Forte as part of the Vital Invest unit-linked insurance, and risk life insurance designed for sale via non-banking distribution channels – was established.

During the year, several projects aimed at enhancing the quality of services provided to our clients and increasing the user-friendliness and efficiency of internal processes were started. The project for CRM system implementation should ensure improved conditions for call centre operators. The project for the centralisation of claim settlement in a unitary system will ensure automation of the processes for all product groups. In cooperation with Komerční banka, a new platform for data exchange, allowing updates of the data in the systems of both entities, was put into operation.

Activities within the Quality Programme that focus on increasing the efficiency of the claim settlement processes, medical underwriting and streamlining of the reminder regime also brought positive results. Moreover, the first project using the Six Sigma methodology aimed at increasing the efficiency of the premium payment matching was also completed.

In early 2009, a fully-fledged BCP test was carried out and its successful execution proved the readiness of the company in the area of crisis management.

Komerční pojišťovna is also concerned about environmental protection and therefore –participates in the "Green Company project". In previous years, we implemented measures aimed at reducing paper consumption.



Renata Ryglová
Head of Client Service

Statutory Bodies

Board of Directors



from left:
Laurent Dunet, Philippe Carlier, Šárka Šindlerová, Stéphane Corbet and Zdeněk Zavadil

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. He is a graduate of the Business School in Pau and he 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 since 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

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 the 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 in 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. He is a graduate of the National School of Statistics and Economic Management and a Member of the Executive Committee of the Association of French Insurance Companies and the French Institute of Actuarial Mathematics.

Henri Bonnet

Deputy 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 Deputy 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. Since 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, a.s.

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 economics from the university Ecole Centrale de Paris. Since 1988 he has worked in the insurance sector - in companies CARDIF, Natio-Vie and BNP Paribas. From September 2006 until November 2009 he was Director for International Development of Société Générale Insurance (Asia). Since 1 December 2009 he has been Deputy General Manager of SOGECAP. He is a Member of the French Institute of Actuarial Mathematics.

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 ČVUT 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.

Radovan Gregor

Member of the Supervisory Board

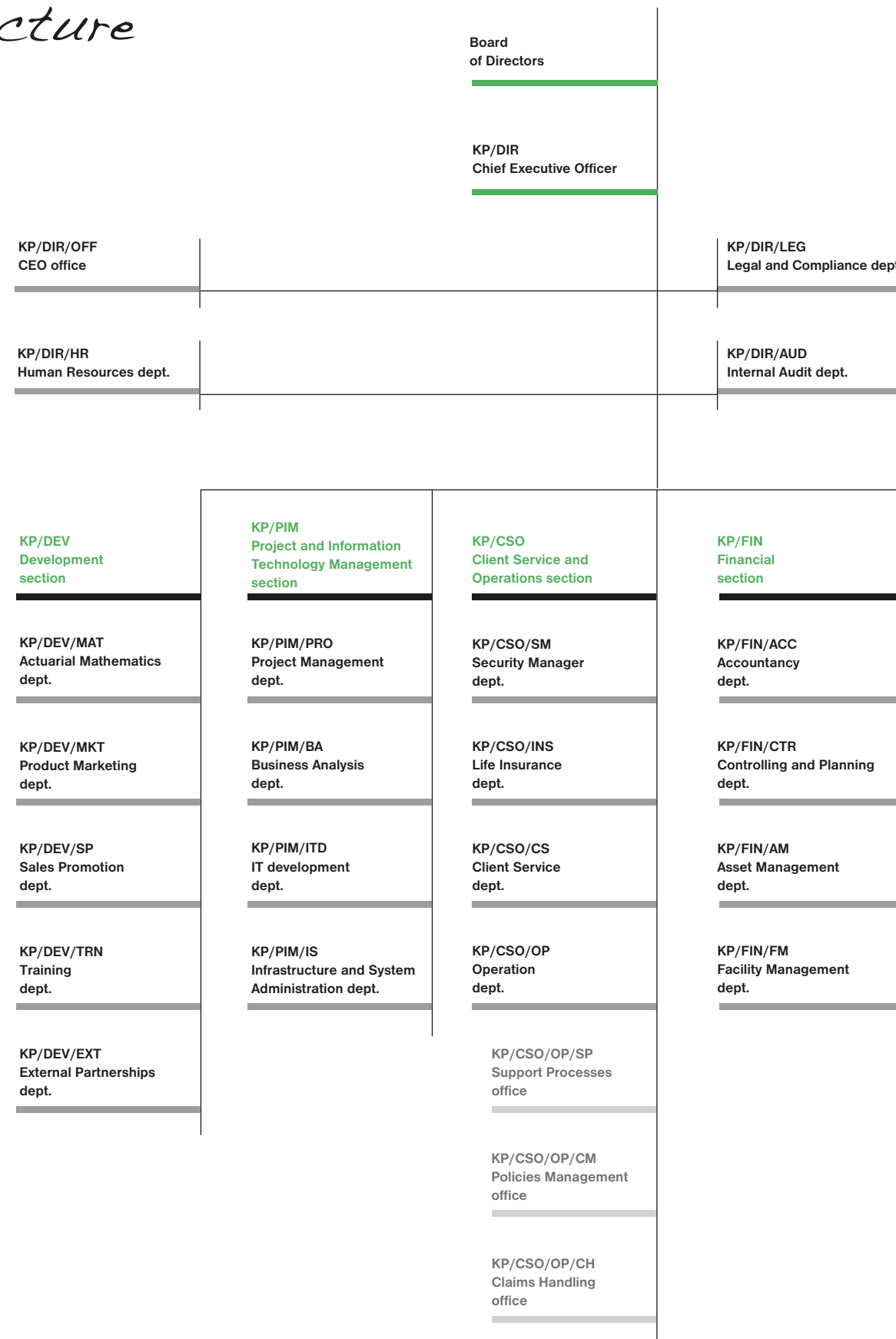
Born 31 August 1949, resident of Prague, elected Member of the Supervisory Board on 3 March 2006. He is a graduate of the Faculty of Mathematics and Physics of Charles University, a Member of the Czech Society of Actuaries and Deputy Chairman of the section for insurance of persons of the Czech Insurance Association. Since 2003 he has been employed at Komerční pojišťovna as the Head of the Actuarial department.

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. First he held various IT positions; since 2006 he has been the Head of Operation department.

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. The General Meeting of the Company at its meeting on 26 June 2009:

- Approved an Amendment to the Articles of Association to comply with new legislation and the actual status;
- Discussed the Report of the Board of Directors concerning business activity of Komerční pojišťovna, a.s. and its assets for 2008;
- Discussed the Company's annual financial statements for 2008 and proposal for loss compensation incurred in 2008;
- Discussed the Report of the Supervisory Board of Komerční pojišťovna, a.s. on the result of its Audit activity and the review of the Related Party Report pursuant to Section 66a (9) of Act No. 513/1991 Coll., the Commercial Code;
- Approved the Company's Financial Statement for the 2008;
- Decided on the settlement of the loss incurred in 2008 in that the loss of CZK 65,735,365.25 incurred in 2008 shall be offset against the retained earnings in the amount of CZK 503,399,799.16, thus reducing the amount of the Retained Earnings to CZK 437,664,433.91;
- Elected Zdeněk Zavadil as a member of the Board of Directors for another four-year term;
- Elected Pavel Čejka as a member of the Audit Committee for a four-year term;
- Elected Philippe Perret as a member of the Audit Committee for a four-year term;
- Elected Christophe Pautet as a member of the Audit Committee for a four-year term.

Report of the Supervisory Board

Throughout 2009, 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 on the Board of Directors.

Having reviewed the Company's financial statements for the period from 1 January to 31 December 2009, and on the basis of the external audit report, the Supervisory Board reports that accounts were maintained in a transparent manner and in accordance with the generally binding regulations provided for 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.

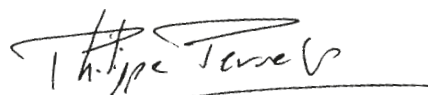
The statutory external auditor performed an audit of the Company's financial statements for the year ended 31 December 2009. The audit states that the financial statements give a true and fair view, in all material respects, of the assets, liabilities, equity and financial position of the Company as of 31 December 2009, as well as the results of its operations for 2009 in compliance with the relevant regulations of the Czech Republic.

The Supervisory Board recommends that the General Meeting approve the financial statements for 2009, as proposed by the Board of Directors.

The Supervisory Board reviewed the Related Party Report for 2009 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 2009 to 31 December 2009 Komerční pojišťovna, a.s. did not suffer any harm.

Prague on 26 February 2010

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



Philippe Perret
Chairman of the Supervisory Board

Financial Section

Sworn Statement

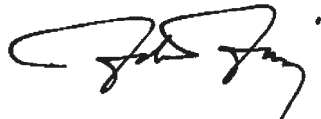
Komerční pojišťovna, a.s. hereby declares that all the information and data stated in this Annual Report are truthful and complete. Komerční pojišťovna, a.s. further declares that before the date of preparing this Annual Report there were no material subsequent events that could negatively impact the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

Prague, on 26 February 2010

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 the Client Service and Operations Section

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

Having its registered office at: Praha 8, Karolinská 1/650, 186 00
Identification number: 639 98 017

Report on the Financial Statements

Based upon our audit, we issued the following audit report dated 26 February 2010 on the financial statements which are included in this annual report on pages 24 to 47:

"We have audited the accompanying financial statements of Komerční pojišťovna, a.s., which comprise the balance sheet as of 31 December 2009, 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Komerční pojišťovna, a.s. as of 31 December 2009, 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 2009 which is included in this annual report on pages 48 to 56. 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 International Standard on Review Engagements (ISRE) 2400 and the related application guidelines issued by the Chamber of Auditors of the Czech Republic. Those standards require 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 2009 contains material factual misstatements.

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

Report on the Annual Report

We have also audited the annual report 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 is consistent, in all material respects, with the financial statements referred to above.

In Prague on 31 March 2010

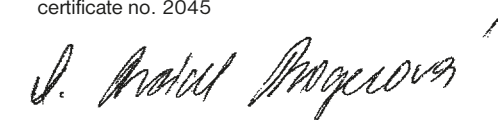
Audit firm:

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



Statutory auditor:

Diana Rádl Rogerová
certificate no. 2045



Balance Sheet as of 31 December 2009

| | CZK thousand | Row No. | Prior period | Gross | Adjustment | Net |
|---------------|---|-----------|-------------------|-------------------|----------------|-------------------|
| Assets | | | | | | |
| A. | Receivables for subscribed share capital | 1 | | | | |
| B. | Intangible fixed assets, of which: | 2 | 79,531 | 192,154 | 125,970 | 66,184 |
| | a) Start-up costs | 3 | 0 | 4,402 | 4,402 | 0 |
| C. | Financial placements (investments) | 5 | 11,381,550 | 13,558,637 | 0 | 13,558,637 |
| III. | Other financial placements | 13 | 11,381,550 | 13,558,637 | 0 | 13,558,637 |
| 1. | Shares and other variable yield securities other equity holdings | 14 | 77,134 | 124,580 | | 124,580 |
| 2. | Bonds and other fixed income securities | 15 | 11,177,388 | 13,423,732 | | 13,423,732 |
| 6. | Deposits placed with financial institutions | 17 | 171,000 | 123,000 | 0 | 123,000 |
| 7. | Other financial placement | 18 | (43,971) | (112,675) | 0 | (112,675) |
| D. | Financial placements of life insurance, if investment risk borne by the policyholder | 21 | 88,828 | 582,360 | 0 | 582,360 |
| E. | Debtors | 22 | 267,977 | 562,154 | 352,378 | 209,776 |
| I. | Receivables arising from direct insurance transactions | 23 | 53,023 | 193,502 | 107,281 | 86,221 |
| 1. | Policyholders | 24 | 53,023 | 193,502 | 107,281 | 86,221 |
| II. | Receivables arising from reinsurance transactions | 26 | 6,258 | 6,350 | 5,474 | 876 |
| III. | Other receivables | 27 | 208,696 | 362,302 | 239,623 | 122,679 |
| F. | Other assets | 28 | 31,660 | 57,846 | 35,395 | 22,451 |
| I. | Tangible fixed assets, other than land buildings (real estate), and inventory | 29 | 20,069 | 53,357 | 35,318 | 18,039 |
| II. | Cash on accounts with financial institutions and cash on hand | 30 | 11,591 | 4,489 | 77 | 4,412 |
| G. | Temporary assets | 32 | 46,499 | 59,371 | 0 | 59,370 |
| II. | Deferred acquisition costs of insurance policies, of which separately: | 34 | 8,096 | 7,601 | 0 | 7,601 |
| a) | Life insurance | 35 | (34) | 44 | | 44 |
| b) | Non-life insurance | 36 | 8,130 | 7,557 | 0 | 7,557 |
| III. | Other temporary assets, of which: | 37 | 38,403 | 51,770 | 0 | 51,770 |
| a) | Estimated receivables | 38 | 36,000 | 48,450 | 0 | 48,450 |
| | TOTAL ASSETS | 39 | 11,896,045 | 15,012,522 | 513,743 | 14,498,778 |

| | CZK thousand | Row No. | Prior period | Gross | Adjustment | Net |
|--------------------|--|-----------|-------------------|-------------------|----------------|-------------------|
| Liabilities | | | | | | |
| A. | Equity | 40 | 1,047,543 | | | 1,225,247 |
| I. | Share capital, of which: | 41 | 602,768 | | | 602,768 |
| IV. | Other capital funds, of which: | 46 | (22,288) | | | 83,680 |
| | Revaluation of securities | | (27,516) | | | 103,307 |
| V. | Reserve fund and other funds from profit | 47 | 29,398 | | | 29,398 |
| VI. | Retained earnings or accumulated losses brought forward | 48 | 503,400 | | | 437,665 |
| VII. | Profit or loss for the period | 49 | (65,735) | | | 71,736 |
| C. | Technical reserves | 51 | 10,423,286 | 12,367,317 | 117,115 | 12,250,202 |
| 1. | Reserve for unearned premiums, of which: | 52 | 84,293 | 35,240 | 402 | 34,838 |
| a) | Reserve for unearned premiums – life insurance business | 53 | 13,214 | 13,381 | 176 | 13,204 |
| b) | Reserve for unearned premiums – non-life insurance business | 54 | 71,079 | 21,859 | 225 | 21,634 |
| 2. | Life insurance reserve | 55 | 9,677,909 | 11,342,163 | 0 | 11,342,163 |
| 3. | Reserve for insurance claims, of which: | 56 | 399,735 | 584,487 | 116,713 | 467,774 |
| a) | Reserve for insurance claims – life insurance business | 57 | 233,674 | 293,905 | 1,571 | 292,334 |
| b) | Reserve for insurance claims – non-life insurance business | 58 | 166,061 | 290,582 | 115,142 | 175,440 |
| 4. | Reserve for bonuses and discounts, of which: | 59 | 57,694 | 178,701 | 0 | 178,701 |
| a) | Reserve for bonuses and discounts – life business | 60 | 52,109 | 172,744 | 0 | 172,744 |
| b) | Reserve for bonuses and discounts – non-life business | 61 | 5,585 | 5,957 | 0 | 5,957 |
| 5. | Equalisation reserve | 62 | 32,948 | 39,435 | 0 | 39,435 |
| 6. | LAT reserve | 63 | 170,707 | 187,291 | 0 | 187,291 |
| D. | Technical life insurance reserve of investment risk borne by the policyholder | 70 | 88,828 | 582,360 | 0 | 582,360 |
| E. | Reserves for other risks and losses | 71 | 15,949 | | | 19,614 |
| 2. | Reserve for taxation | 73 | 537 | | | 0 |
| 3. | Other reserves | 74 | 15,412 | | | 19,614 |
| G. | Creditors | 76 | 127,804 | | | 201,326 |
| I. | Payables arising from direct insurance transactions | 77 | 92,635 | | | 173,013 |
| II. | Payables arising from reinsurance transactions | 78 | 7,409 | | | 6,349 |
| V. | Other payables, of which: | 82 | 27,760 | | | 21,964 |
| a) | Tax liabilities and social security payables | 83 | 5,125 | | | 5,647 |
| H. | Temporary liabilities | 85 | 192,635 | | | 220,028 |
| I. | Accrued expenses and deferred income | 86 | 280 | | | 95 |
| II. | Other temporary liabilities, of which: | 87 | 192,355 | | | 219,933 |
| a) | Estimated payables | 88 | 192,355 | | | 219,933 |
| | TOTAL LIABILITIES | 89 | 11,896,045 | | | 14,498,778 |

Profit and Loss Account for the year ending 31 December 2009

| | CZK thousand | Row No. | Base | Sub total | Result | Prior period |
|--|--------------|-----------|-----------|-----------|----------------|----------------|
| I. Technical account – non-life insurance | | | | | | |
| 1. Earned premium, net of reinsurance: | | 1 | x | x | x | x |
| a) Gross premium written | | 2 | 266,237 | x | x | x |
| b) Premium ceded to reinsurers | | 3 | 7,483 | 258,754 | x | x |
| c) Change in the gross balance of the reserve for unearned premium (+/-) | | 4 | (49,353) | x | x | x |
| d) Change in the balance of the reserve for unearned premium, net of reinsurers' share (+/-) | | 5 | -21 | (49,333) | 308 087 | 299,436 |
| Income from financial placements (investments) transferred from non-technical account (item III.6.) | | 6 | x | x | 13,304 | 12,295 |
| 3. Other technical income, net of reinsurance | | 7 | x | x | 1,548 | 1,856 |
| 4. Costs of claims, net of reinsurance: | | 8 | x | x | x | x |
| a) Costs of claims: | | 9 | x | x | x | x |
| aa) Gross amount | | 10 | 72,710 | x | x | x |
| ab) Reinsurers' share | | 11 | 17,375 | 55,335 | x | x |
| b) Change in the balance of the reserve for claims (+/-): | | 12 | x | x | x | x |
| ba) Gross amount | | 13 | 14,626 | x | x | x |
| bb) Reinsurers' share | | 14 | 5,247 | 9,378 | 64,713 | 57,327 |
| 5. Change in the balance of other technical reserves, net of reinsurance (+/-) | | 15 | x | x | 372 | (352) |
| 6. Bonuses and discounts, net of reinsurance | | 16 | x | x | 5,846 | 6,153 |
| 7. Net operating expenses: | | 17 | x | x | x | x |
| a) Acquisition costs of insurance policies | | 18 | x | 84,484 | x | x |
| b) Change in the balance of deferred acquisition costs (+/-) | | 19 | x | 566 | x | x |
| c) Administrative overheads | | 20 | x | 43,952 | x | x |
| d) Commission from reinsurers and shares of profit | | 21 | x | 0 | 129,001 | 129,985 |
| 8. Other technical costs, net of reinsurance | | 22 | x | x | 6,854 | 1,470 |
| 9. Change in the balance of the equalisation reserve (+/-) | | 23 | x | x | 6,487 | 5,640 |
| Sub-total, balance (result) of the non-life insurance technical account (item III.1.) | | 24 | x | x | 109,665 | 113,364 |
| II. Technical account – life insurance | | | | | | |
| 1. Earned premium, net of reinsurance: | | 25 | x | x | x | x |
| a) Gross premium written | | 26 | x | 4,558,373 | x | x |
| b) Premium ceded to reinsurers | | 27 | x | 10,738 | x | x |
| c) Change in the balance of the reserve for unearned premium, net of reinsurance (+/-) | | 28 | x | (122) | 4,547,758 | 1,696,159 |
| 2. Income from financial placements (investments): | | 29 | x | x | x | x |
| a) Income from equity investments, with a special mention of income from controlled entities | | 30 | x | 0 | x | x |
| b) Income from other financial placements (investments) with a special mention of income from controlled entities, of which: | | 31 | x | x | x | x |
| ba) Income from land and buildings (real estate) | | 32 | 0 | x | x | x |
| bb) Income from other investments | | 33 | 597,721 | 597,721 | x | x |
| c) Change in the value of financial placements (investments) | | 34 | x | 0 | x | x |
| d) Income from the realisation of financial placements (investments) | | 35 | x | 577,055 | 1,174,776 | 2,531,692 |
| 3. Additions to financial placements (investments) | | 36 | x | x | 32,479 | 43,338 |
| 4. Other technical income, net of reinsurance | | 37 | x | x | 59,111 | 45,127 |
| 5. Costs of claims, net of reinsurance: | | 38 | x | x | x | x |
| a) Costs of claims: | | 39 | x | x | x | x |
| aa) Gross amount | | 40 | 2,212,509 | x | x | x |

| | CZK thousand | Row No. | Base | Sub total | Result | Prior period |
|--|--------------|-----------|-----------|-----------|-----------------|-----------------|
| ab) Reinsurers' share | | 41 | 743 | 2,211,766 | x | x |
| b) Change in the balance of the reserve for claims (+/-): | | 42 | x | x | x | x |
| ba) Gross amount | | 43 | 57,997 | x | x | x |
| bb) Reinsurers' share | | 44 | (664) | 58,661 | 2,270,427 | 2,164,345 |
| 6. Change in the balance of other technical reserves, net of reinsurance (+/-): | | 45 | x | x | x | x |
| a) Change in the balance of the life insurance reserve: | | 46 | x | x | x | x |
| aa) Change in the gross balance | | 47 | 1,680,841 | x | x | x |
| ab) Reinsurers' share | | 48 | 0 | 1,680,841 | x | x |
| b) Change in the balance of other technical reserves, net of reinsurance | | 49 | x | 614,167 | 2,295,008 | (433,625) |
| 7. Bonuses and discounts, net of reinsurance | | 50 | x | x | | |
| 8. Net operating expenses : | | 51 | x | x | x | x |
| a) Acquisition costs of insurance policies | | 52 | x | 87,611 | x | x |
| b) Change in the balance of deferred acquisition costs (+/-) | | 53 | x | (78) | x | x |
| c) Administrative overheads | | 54 | x | 331,524 | x | x |
| d) Commission from reinsurers and shares of profits | | 55 | x | 1,662 | 417,395 | 330,443 |
| 9. Costs of financial placements (investments): | | 56 | x | x | | x |
| a) Costs of administering financial placements (investments), including interest | | 57 | x | 113,696 | x | x |
| b) Change in the balance of financial placements (investments) | | 58 | x | 0 | x | x |
| c) Costs attributable to the realisation of financial placements (investments) | | 59 | x | 568,610 | 682,306 | 2,091,650 |
| 10. Disposals of financial placements (investments) | | 60 | x | x | | 86,244 |
| 11. Other technical costs, net of reinsurance | | 61 | x | x | 101,568 | 46,127 |
| Income from financial placements (investments) transferred to non-technical account (item III.4.) | | 62 | x | x | 61,293 | 54,929 |
| 13. Sub-total, balance (result) of the life insurance technical account (item III.2.) | | 63 | x | x | (19,640) | (23,797) |
| III. Non-technical account | | | | | | |
| 1. Result of the non-life insurance technical account (item I.10.) | | 64 | x | x | 109,665 | 113,364 |
| 2. Result of the life insurance technical account (item II.13.) | | 65 | x | x | (19,640) | (23,797) |
| 3. Income from financial placements (investments): | | 66 | x | x | x | x |
| a) Income from equity investments, with a special mention of income from controlled entities | | 67 | x | | x | x |
| b) Income from other financial placements (investments) with a special mention of income from controlled entities, of which: | | 68 | x | x | x | x |
| ba) Income from land and buildings (real estate) | | 69 | 0 | x | x | x |
| bb) Income from other investments | | 70 | 0 | 0 | x | x |
| c) Change in the balance of financial placements (investments) | | 71 | x | 0 | x | x |
| d) Income from the realisation of financial placements (investments) | | 72 | x | 0 | 0 | 0 |
| Income from financial placements (investments) transferred from the life insurance technical account (item II.12.) | | 73 | x | x | 61,293 | 54,929 |
| 5. Costs of financial placements (investments): | | 74 | x | x | x | x |
| a) Costs of administering financial placements (investments), including interest | | 75 | x | 0 | x | x |
| b) Change in the balance of financial placements (investments) | | 76 | x | 8,144 | x | x |
| c) Costs attributable to the realisation of financial placements (investments) | | 77 | x | 0 | 8,144 | 237,276 |
| Income from financial placements (investments) transferred to the non-life insurance technical account (item I.2.) | | 78 | x | x | 13,304 | 12,295 |
| 7. Other income | | 79 | x | x | 14,536 | 34,750 |
| 8. Other expenses | | 80 | x | x | 19,958 | 19,589 |
| 9. Income tax on current activities | | 81 | x | x | 52,677 | (24,216) |
| 10. Profit or loss on current activities after taxation | | 82 | x | x | 71,771 | (65,698) |
| 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 | 35 | 37 |
| 16. Profit or loss for the period (item III.3.) | | 88 | x | x | 71,736 | (65,735) |

Statements of Changes in Equity as of 31 December 2009

| CZK thousand | Share capital | Treasury shares | Share premium | Reserve funds | Capital funds | Valuation gains of losses | Profit/loss | Total |
|--|----------------|-----------------|---------------|---------------|---------------|---------------------------|----------------|------------------|
| Balance at 1 January 2008 | 602,768 | 0 | 0 | 10,116 | 0 | (161,518) | 522,682 | 974,048 |
| FX differences and valuation gains of losses not included in profit/loss | | | | | | 139,230 | | 139,230 |
| Net profit/loss for period | | | | | | | (65,735) | (65,735) |
| Transfer to funds | | | | 19,282 | | | (19,282) | 0 |
| Balance at 31 December 2008 | 602,768 | 0 | 0 | 29,398 | 0 | (22,288) | 437,665 | 1,047,543 |
| Balance at 1 January 2009 | 602,768 | 0 | 0 | 29,398 | 0 | (22,288) | 437,665 | 1,047,543 |
| FX differences and valuation gains or losses not included in profit/loss | | | | | | 105,968 | | 105,968 |
| Net profit/loss for the 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 |

Notes to the Financial Statements for the year ending 31 December 2009

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 2009, the Company is licensed to undertake insurance activities, reinsurance activities and activities relating to insurance and reinsurance activities as follows:

- insurance activities pursuant to Section 7 (3) of the Insurance Act No. 363/1999 Coll., as amended (hereinafter the "Insurance Act"):
 - to the extent of life insurance segments 1, 2, 3, 4, 5 and 6 as set out in Part A of the Appendix to the Insurance Act
 - to the extent of non-life insurance segments 1, 2, 3, 4, 7, 8, 9, 10b, 13, 14, 15 and 18 as set out in Part B of the Appendix to the Insurance Act
- reinsurance activities pursuant to Section 3 (3) and Section 9 (5) of the Insurance Act:
 - optional reinsurance activities for non-life insurance segments 7, 8, 9, 13 and 16 as set out in Part B of the Appendix to the Insurance Act
- activities relating to insurance and reinsurance pursuant to Section 3 (4) 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 602,768,000 and consists of 6,580 ordinary registered shares with a nominal value of CZK 74,600 in the book-entry form and 3,000 ordinary registered shares with a nominal value of CZK 37,300 in the book-entry form. The Company's share capital is fully paid.

Shareholders as of 31 December 2009:

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 49 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 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 2009

| | 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 | Radovan Gregor |
| | Member | Jiří Novotný |

Notes to the Financial Statements

- As of 30 November, Alain Antoine Jean Minette De Saint-Martin resigned from the Supervisory Board.
- As of 3 November 2009, Laurent Goutard resigned from the Supervisory Board.
- As of 2 December 2009 Pascal Bied-Charreton was elected a member of the Supervisory Board at the Company's extraordinary General Meeting.
- As of 2 December 2009, Henri Bonnet was elected a member of the Supervisory Board at the Company's extraordinary General Meeting.
- As of 4 December 2009, Philippe Perret was elected Chairman of the Supervisory Board at its meeting.
- As of 4 December 2009, Henri Bonnet was elected Vice Chairman of the Supervisory Board at its meeting.

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 2009.

1.4. Changes and Amendments to the Commercial Register

As of 30 November 2009, Alain Antoine Jean Minette de Saint-Martin was removed as a member and Chairman of the Supervisory Board from the Commercial Register.

As of 3 November 2009, Laurent Goutard was removed as a member of the Supervisory Board from the Commercial Register.

As of 2 December 2009, Pascal Bied-Charreton was registered as a member of the Supervisory Board in the Commercial Register.

As of 2 December 2009, Henri Bonnet was registered as a member of the Supervisory Board in the Commercial Register.

As of 4 December 2009, Philippe Perret was registered as Chairman of the Supervisory Board in the Commercial Register.

As of 4 December 2009, Henri Bonnet was registered as Vice Chairman of the Supervisory Board in the Commercial Register.

1.5. Legal Relations

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

1.6. Movements in Equity

During the reporting period, there were no changes in the Company's share capital.

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 2009.

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 2009.

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 2009 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 2009.

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 remeasured 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 remeasurement.

The Company remeasures 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 since 2009.

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.

The fair value of certain swaps includes the deferred closing charges related to the derivative which compensate for the handicap of one of the parties emerging from the initial swap of principals based on a non-market exchange rate. This charge is being amortised through the profit and loss account until the final swap of the principals.

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. 363/1999 and Finance Ministry Decree No. 303/2004, 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.

As of 31 December 2009, the Company received neither the payment of the principal nor the two coupon payments from the Landsbanki bond 4.40/09, the market price of which was assessed by the Company's depository at CZK 0 in 2008. The Company therefore accounted for a receivable from the bond's issuer, arising from the principal and two coupons, and concurrently recognised a full provision (refer to Note 3.3).

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.

Notes to the Financial Statements

2.7. Technical reserves

The Company records technical reserves pursuant to Insurance Act No. 363/1999, as amended, as follows:

Life Insurance Reserve

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

Unearned Premiums Reserve

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

Reserve for Outstanding Claims

The claim reserve, for both life and non-life insurance, consists of a reserve for insurance claims reported but not settled during the year (RBNS) and a reserve for insurance claims incurred but not reported during the year (IBNR).

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

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

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

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

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

Reserve for Bonuses and Discounts

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

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

In 2009, the Company newly recognised reserve for bonuses and discounts of CZK 115 million in accordance with Section 16 (3) of Insurance Act No. 363/1999 Coll. The amount reflects the obligation of the Company to provide policy holders with relevant insurance claim payments and cannot be used for any other purpose. The Company undertakes to allocate the amount to individual policies by the relevant resolution of the Company adopted with the Company's full authority which complies with the provisions of insurance policies for profit shares in the following years but no later than within eight years from the recognition of this reserve, specifically to those persons who will be the policy holders of the particular products that stipulate the right for the profit share to the policy holder as of the last date of the calendar year in which the Company takes such decision.

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

The reserve for bonuses and discounts was recognised in addition to the profit shares that were allocated to individual policies and that became part of the reserve of life insurance upon the allocation of shares for 2009.

Equalisation Reserve

The equalisation reserve is recorded for those non-life insurance lines of business that see fluctuations in loss occurrence, incurred as a result of matters that are beyond the Company's control, and is intended to offset increased costs of insurance claims that originated from the fluctuations in loss occurrence. The creation and use of this reserve complies with Decree No. 303/2004 Coll. which sets out guidance on and criteria for determining the amount of the equalisation reserve, the amount of the creation and usage, and the maximum limit of the reserve for the selected line of business of non-life insurance.

For other insurance lines of business, the Company uses, in compliance with Sections 5 and 6 of Annex 1 of Decree No. 303/2004 Coll., the rates stipulated for the insurance line of business that is the most relevant to the insurance line of business.

No reserve is recognised for a line of business where the share of the net earned premiums for all non-life lines of business operated by the Company falls below 4 percent for the monitored period and the volume of net earned premiums arising from this line of business does not exceed CZK 1,000 thousand in any of the years of the monitored period.

LAT reserve (Deficiency Reserve)

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

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

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

Pursuant to Section 18 (a) of the Insurance Act, the Company requested the Ministry of Finance's approval of the methodology used in calculating this reserve and obtained approval on 31 December 2004.

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.

In the financial statements, the LAT reserve is presented in line C.6. LAT reserve.

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

This reserve is held to cover obligations of the insurance company to the policy holders for the life insurance products where it is the policy holder who bears the investment risk on the basis of the insurance contract; the Company has recognised this reserve since 2006 when the sale of the Vital Invest product 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 19 (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 18 of the Insurance Act.

2.8. Reserves for Other Risks and Losses

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

Specifically, the Company recorded a reserve for anticipated risks and losses associated with legal disputes, a reserve for outstanding vacation days 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.

Notes to the Financial Statements

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. and AXA Assistance CZ, s.r.o. 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.

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 15.2% for non-life insurance and 84.8% for life insurance.

In 2008, the Company applied the proportion of gross written premium to the proportion referred to above for both types on insurance in the reporting period.

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

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

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

Accounting Treatment for the Realisation of Financial Placements

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

2.16. Other Costs and Income

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

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

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

2.17. Reinsurance

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

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

Under the terms of reinsurance arrangements, reinsurance commissions are calculated and paid based on the paid reinsurer's share of premiums reflecting loss experience. 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 2009.

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).

As of 31 December 2009, the tax due equals zero owing to the tax losses of previous periods. As of 31 December 2008, the Company incurred a tax loss and the income tax due was equal to zero.

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 and other temporary differences are recognised to the extent to which it is probable that future taxable profit will be available. The Company recognised a deferred tax asset in 2009.

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 remeasurement 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 2009 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.

The Company might be influenced by the global financial and economic crisis even in the following period. The Company might be exposed to an increased risk specifically due to the high volatility and uncertainty regarding the valuation, possible impairment of assets and future developments of the markets. Those potential risks may have an impact on the Company's financial statements in the future.

2.23. Changes in Accounting Policies

Pursuant to the amendment to Decree No. 502/2002 Coll. the treatment of accounting for Czech government bonds was changed. The held-to-maturity securities, 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, are measured at amortised cost. Other held-to-maturity securities are remeasured at fair value and the gains or losses from the revaluation are recognised in equity.

In 2009, the frequency of accounting for written premiums from card insurance was changed from an annual basis for a monthly basis. This change affects only the year-end amount of gross written premiums, it does not have any impact on the amount of earned premiums. The financial impact of this change on gross written premium totals CZK 50,135 thousand.

In respect of the recognition of costs in the period to which they relate on an accrual basis, the Company decided to newly recognise the non-technical reserve for the costs associated with audit services, annual report and annual letters to clients. The total recognised amount is CZK 3,505 thousand.

In 2009, the Company created, pursuant to Section 16 (3) of Insurance Act No. 363/1999 Coll., a reserve for bonuses and rebates in the amount of CZK 115 million, refer to Note 2.7.

As part of the allocation of administrative costs of life and non-life insurance, the basis for reallocation has been changed, refer to Note 2.14.

2.24. Changes in Accounting Estimates

In 2009, the Company reviewed the coefficients for provisioning against life insurance receivables. As a result, the provisions for the Vital Invest and Vital Corporate products increased by CZK 32,924 thousand.

In 2009, the model of calculating the fair value of payables in adequacy testing was made more accurate. All the life insurance products, including the new Vital Premium, Vital Plus and Vital Invest products, are now included in the calculation. Furthermore, the new cost model based on the actual 2008 expenses was implemented which increased the fair value of payables by CZK 20 million.

3. Additional Information to the Financial Statements

3.1. Tangible and Intangible Fixed Assets

Acquisition cost

| (CZK thousand) | Additions | Disposals | 31 December 2009 | 31 December 2008 |
|---------------------------------|---------------|---------------|------------------|------------------|
| Depreciated tangible assets | 5,290 | 4,433 | 52,623 | 51,766 |
| of which: cars | 2,084 | 2,957 | 9,418 | 10,291 |
| hardware | 988 | 1,078 | 30,985 | 31,075 |
| office equipment | 1,908 | 381 | 10,087 | 8,560 |
| furniture and fixtures | 308 | 16 | 2,133 | 1,841 |
| Amortised intangible assets | 15,920 | 305 | 190,909 | 175,294 |
| Non-depreciated tangible assets | 0 | 0 | 236 | 236 |
| Acquisition of assets | 21,843 | 21,210 | 1,743 | 1,110 |
| of which: intangible assets | 16,055 | 15,920 | 1,245 | 1,110 |
| tangible assets | 5,788 | 5,290 | 498 | 0 |
| Total | 43,053 | 25,947 | 245,511 | 228,406 |

Accumulated Depreciation

| (CZK thousand) | Additions | Disposals | 31 December 2009 | 31 December 2008 |
|---------------------------------|---------------|--------------|------------------|------------------|
| Depreciated tangible assets | 7,820 | 4,434 | 35,318 | 31,932 |
| of which: cars | 1,604 | 2,957 | 5,833 | 7,186 |
| hardware | 5,399 | 1,079 | 21,147 | 16,827 |
| office equipment | 539 | 381 | 7,443 | 7,285 |
| furniture and fixtures | 277 | 16 | 896 | 635 |
| Amortised intangible assets | 29,402 | 305 | 125,970 | 96,873 |
| Non-depreciated tangible assets | 0 | 0 | 0 | 0 |
| Acquisition of assets | 0 | 0 | 0 | 0 |
| of which: intangible assets | 0 | 0 | 0 | 0 |
| tangible assets | 0 | 0 | 0 | 0 |
| Total | 37,222 | 4,739 | 161,288 | 128,805 |

Net Book Value

| (CZK thousand) | 31 December 2009 | 31 December 2008 |
|---------------------------------|------------------|------------------|
| Depreciated tangible assets | 17,305 | 19,834 |
| of which: cars | 3,585 | 3,105 |
| hardware | 9,838 | 14,249 |
| office equipment | 2,644 | 1,275 |
| furniture and fixtures | 1,237 | 1,205 |
| Amortised intangible assets | 64,939 | 78,421 |
| Non-depreciated tangible assets | 236 | 236 |
| Acquisition of assets | 1,743 | 1,110 |
| of which: intangible assets | 1,245 | 1,110 |
| tangible assets | 498 | 0 |
| Total | 84,223 | 99,601 |

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

| (CZK thousand) | 31 December 2009 | 31 December 2008 |
|-----------------------------------|------------------|------------------|
| Intangible assets (line 2) | 66,184 | 79,531 |
| Tangible movable assets (line 29) | 18,039 | 20,070 |
| Total | 84,223 | 99,601 |

Depreciation of fixed assets charged to expenses for the year ended 31 December 2009 amounted to CZK 37,221 thousand (2008: CZK 35,226 thousand). In 2009, principal additions to tangible depreciated assets included the purchase of cars (CZK 2,084 thousand) and office equipment (CZK 1,909 thousand).

As for amortised intangible assets, the most significant item was the gradual improvement of SW AIA (CZK 15,629 thousand). Disposals of depreciated tangible assets predominantly included the retirement of the GAPP tape library (CZK 878 thousand) and the sale of cars (CZK 2,957 thousand).

3.2. Financial Placements

Fair Value of Financial Placements

| Group of assets (CZK thousand) | 31 December 2009 | 31 December 2008 |
|--|-------------------|-------------------|
| Debt securities issued by an EU member state or its central bank*) | 7,376,466 | 5,836,785 |
| Debt securities issued by banks of EU member states | 3,562,754 | 2,200,748 |
| Listed bonds issued by EU businesses | 1,795,032 | 1,593,105 |
| Listed municipal bonds | 198,252 | 196,172 |
| Listed debt securities issued by banks and trading companies of non-EU member states | 491,228 | 782,498 |
| Debt securities issued by EIB, ECB, EBRD or IBRD | 0 | 568,081 |
| Provision against securities | 0 | 0 |
| Total fixed income securities | 13,423,732 | 11,177,388 |
| Shares | 124,580 | 77,134 |
| Deposits with banks | 123,000 | 171,000 |
| Other financial placements - Cross Currency Swap | (112,675) | (43,971) |
| Total securities and deposits | 13,558,637 | 11,381,550 |

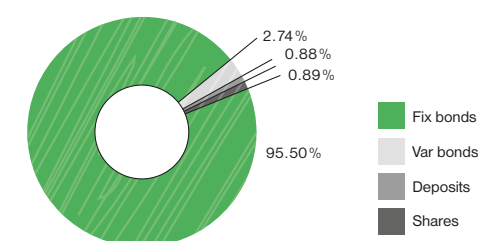
*) Note: Pursuant to the amendment to the Accounting Act, the bonds, which were issued by OECD member states and the rating of which is at the level of the Czech Republic or higher, are measured at amortised cost and therefore the market revaluation of the above mentioned bonds of CZK 335 million does not increase the account of assets and equity.

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. 303/2004 Coll., which provides implementation guidance on the Insurance Act.

More than 55 percent (2008: 51 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 2009, the volume of stock investments amounted only to 0.89 percent (2008: 0.67 percent).

In 2009, bonds denominated in EUR and USD were purchased and included into the investment portfolio. These bonds were issued by the following entities: Electric de France, Société Générale, ČEZ, Česká exportní banka (in USD) and the Czech Republic. There are also two EUR bonds of SOCIETE GENERALE 5 1/4 /13, CEZCO 6/14 acquired in 2008. Seven foreign-currency bonds in KP's portfolio total EUR 67 million and USD 15 million (equivalent to CZK 2 billion) of which CZK 1.62 billion of is created by foreign-currency bonds acquired in 2009. The future EUR 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 of investments



3.3. Receivables

Analysis of receivables

| (CZK thousand) | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| Receivables from direct insurance from policy holders | 193,502 | 119,234 |
| Receivables from agents (brokers) | 0 | 0 |
| Amounts due from reinsurance transactions | 6,350 | 6,258 |
| Other receivables from direct insurance and reinsurance | 22,504 | 15,468 |
| Total receivables from direct insurance and reinsurance | 222,356 | 140,960 |
| Operating prepayments | 59,579 | 75,623 |
| Other debtors | 280,202 | 127,285 |
| Amounts due from employees | 17 | 0 |
| Prepaid income tax | 0 | 0 |
| Total receivables | 562,154 | 343,868 |

As of 31 December 2009, 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 2009, operating prepayments totalling CZK 59,579 thousand (2008: CZK 75,623 thousand) primarily included prepayments for the share in the profit of collective contracts of CZK 49,818 thousand (2008: CZK 44,073 thousand), a prepayment of CZK 1,715 thousand provided to AXA ASSISTANCE (2008: CZK 369 thousand) and a rental guarantee payment of CZK 7,478 thousand (2008: CZK 7,628 thousand).

As of 31 December 2009, other debtors primarily consist of a deferred tax asset of CZK 21,042 thousand (2008: CZK 98,571 thousand) and receivables from the outstanding principal and coupon of the security 4.40/09 amounting to CZK 258,125 thousand (2008: CZK 28,445 thousand).

Aging Analysis of Receivables from Direct Insurance for Policy Holders:

| (CZK thousand) | Months past due date 2009 | | | | |
|--|---------------------------|---------------|--------------|---------------|----------------|
| | 0-3 | 4-6 | 7-12 | Over 12 | Total |
| 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 |
| Mortgages | 4,429 | 1,174 | 2,158 | 11,462 | 19,223 |
| Insurance of consumer loans and credit cards | 24,412 | 9,989 | 0 | 0 | 34,401 |
| Other life products | 2,038 | 328 | 38 | 345 | 2,749 |
| Total | 114,471 | 20,155 | 6,669 | 52,207 | 193,502 |

| (CZK thousand) | Months past due date 2008 | | | | |
|--|---------------------------|---------------|---------------|---------------|----------------|
| | 0-3 | 4-6 | 7-12 | Over 12 | Total |
| Industry and business | 0 | 0 | 0 | 27,180 | 27,180 |
| Merlin, Merlin Profi | 692 | 0 | 0 | 0 | 692 |
| Patron, Patron Profi | 295 | 2,877 | 248 | 379 | 3,799 |
| Other non-life products | 1,225 | 20 | 46 | 1,321 | 2,612 |
| Vital Invest | 3,170 | 2,113 | 5,283 | 0 | 10,566 |
| Vital | 13,798 | 3,880 | 3,195 | 12,133 | 33,007 |
| Mortgages | 3,641 | 1,481 | 2,144 | 18,375 | 25,641 |
| Insurance of consumer loans and credit cards | 12,837 | 0 | 0 | 0 | 12,837 |
| Other life products | 1,981 | 417 | 157 | 346 | 2,901 |
| Total | 37,639 | 10,789 | 11,072 | 59,734 | 119,234 |

Provisions against Receivables from Direct Insurance:

| (CZK thousand) | Months past due date 2009 | | | | |
|--|---------------------------|--------------|--------------|---------------|----------------|
| | 0-3 | 4-6 | 7-12 | Over 12 | Total |
| 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 |
| Mortgages | 0 | 895 | 1,960 | 11,462 | 14,317 |
| Insurance of consumer loans and credit cards | 0 | 0 | 0 | 0 | 0 |
| Other life products | 0 | 175 | 27 | 345 | 547 |
| Total | 50,869 | 3,189 | 4,391 | 48,832 | 107,281 |

| (CZK thousand) | Months past due date 2008 | | | | |
|--|---------------------------|--------------|--------------|---------------|---------------|
| | 0-3 | 4-6 | 7-12 | Over 12 | Total |
| Industry and business | 0 | 0 | 0 | 27,180 | 27,180 |
| Merlin, Merlin Profi | 0 | 0 | 0 | 0 | 0 |
| Patron, Patron Profi | 0 | 19 | 124 | 379 | 522 |
| Other non-life products | 0 | 17 | 38 | 1,321 | 1,376 |
| Vital Invest | 0 | 1,268 | 2,113 | 0 | 3,381 |
| Vital | 0 | 1,401 | 1,615 | 8,558 | 11,574 |
| Mortgages | 0 | 1,157 | 1,968 | 18,374 | 21,499 |
| Insurance of consumer loans and credit cards | 0 | 0 | 0 | 0 | 0 |
| Other life products | 0 | 222 | 111 | 346 | 679 |
| Total | 0 | 4,084 | 5,969 | 56,158 | 66,211 |

In 2009, in addition to the provisions against receivables from policy holders, the Company also recognised provisions against other receivables.

As of 31 December 2009, a provision for the principal and 2 coupons of the Landsbanki bond 4.40/09 in the amount of CZK 239,360 thousand (2008: CZK 9,680 thousand) was recognised in respect of other receivables.

Receivables Arising from Reinsurance Transactions

The amount of receivables arising from reinsurance transactions is CZK 6,350 thousand (2008: CZK 6,258 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) | 2009 | 2008 |
|----------------------|--------------|---------------|
| Current accounts | 4,016 | 10,534 |
| Cash on hand | 76 | 140 |
| Cash equivalents | 397 | 994 |
| Provision against UB | (77) | (77) |
| Total | 4,412 | 11,591 |

The Company recognised a full provision against its current account maintained with Union banka, amounting to CZK 96 thousand in 2003. In 2004, this outstanding receivable was partly settled by the amount of CZK 19 thousand. The underlying provision was reduced by the same amount. Based upon the recommendation of the Legal Department, 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 2009 | 31 December 2008 |
|---|------------------|------------------|
| Deferred acquisition costs | 7,601 | 8,096 |
| of which: Non-life insurance commissions | 7,557 | 8,130 |
| of which: Life insurance commissions | 44 | -34 |
| Other deferred expenses | 3,308 | 2,364 |
| Accrued income | 12 | 39 |
| Estimated receivables | 48,450 | 36,000 |
| of which: Premiums | 39,701 | 30,635 |
| Reinsurer's commission and share in claims | 8,393 | 5,040 |
| Other | 355 | 325 |
| Total | 59,371 | 46,499 |

The balance of estimated premium receivables as of 31 December 2009 in the amount of CZK 39,701 thousand (2008: CZK 30,635 thousand) represents premiums under policies that have been entered into but not recorded in the operating system by the closing date.

The balance of estimated receivables from reinsurer's commission and share of reinsurer as of 31 December 2009 of CZK 8,394 thousand (2008: CZK 5,040 thousand) results from the settlement of reinsurance balances mainly for the last quarter of 2009.

For further details about reinsurance balances refer to Note 3.24.

3.6. Equity

| (CZK thousand) | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Share capital | 602,768 | 602,768 |
| Other capital funds | 83,680 | (22,288) |
| - valuation gains and losses of securities | 103,307 | (27,516) |
| - deferred tax | (19,628) | 5,228 |
| Statutory reserve fund | 29,398 | 29,398 |
| Other funds (Loss Prevention Fund) | 0 | 0 |
| Retained earnings | 437,665 | 503,400 |
| Accumulated losses brought forward | 0 | 0 |
| Profit/(loss) for the period | 71,736 | (65,735) |
| Total | 1,225,247 | 1,047,543 |

3.7. Technical Reserves

| Name of reserve (CZK thousand) | 31 December 2009 | | | 31 December 2008 |
|---|-------------------|---------------|-------------------|------------------|
| | Gross balance | Reins. share | Net balance | Net balance |
| Life insurance reserve | 11,342,163 | 0 | 11,342,163 | 9,677,909 |
| Life insurance reserve where the investment risk is assumed by the policy holder | 582,360 | 0 | 582,360 | 88,828 |
| of which: Vital Invest | 582,360 | 0 | 582,360 | 88,828 |
| IBNR reserve | 108,566 | 21,031 | 87,535 | 89,703 |
| of which: Non-life insurance | 82,519 | 20,413 | 62,106 | 68,108 |
| P&P (industrial and business insurance) | 0 | 0 | 0 | 0 |
| P&C (property and casualty insurance) | 989 | 494 | 495 | 754 |
| Card insurance | 39,839 | 19,919 | 19,920 | 22,825 |
| Merlin, Merlin Profi | 2,972 | 0 | 2,972 | 3,086 |
| Patron, Patron Profi | 3,501 | 0 | 3,501 | 5,164 |
| Other non-life insurance | 35,218 | 0 | 35,218 | 36,279 |
| Life insurance | 26,047 | 618 | 25,429 | 21,595 |
| Vital | 420 | 0 | 420 | 183 |
| Mortgages | 9,188 | 0 | 9,188 | 8,917 |
| Insurance of consumer loans and credit cards | 11,097 | 0 | 11,097 | 0 |
| Other life insurance | 5,342 | 618 | 4,724 | 5,464 |

| Name of reserve (CZK thousand) | 31 December 2009 | | | 31 December 2008 |
|--|------------------|---------------|----------------|------------------|
| | Gross balance | Reins. share | Net balance | Net balance |
| RBNS reserve | 475,921 | 95,682 | 380,239 | 310,032 |
| of which: Non-life insurance | 208,063 | 94,729 | 113,334 | 97,953 |
| P&P (industrial and business insurance) | 140,879 | 69,900 | 70,979 | 71,138 |
| P&C (property and casualty insurance) | 3,310 | 1,976 | 1,334 | 1,603 |
| Card insurance | 57,586 | 22,853 | 34,733 | 16,759 |
| Merlin, Merlin Profi | 3,746 | 0 | 3,746 | 4,267 |
| Patron, Patron Profi | 2,249 | 0 | 2,249 | 2,273 |
| Other non-life insurance | 293 | 0 | 293 | 1,913 |
| Life insurance | 267,858 | 953 | 266,905 | 212,079 |
| Vital | 240,011 | 0 | 240,011 | 187,465 |
| Mortgages | 758 | 0 | 758 | 2,583 |
| Insurance of consumer loans and credit cards | 8,316 | 0 | 8,316 | 7,154 |
| Other life insurance | 18,773 | 953 | 17,820 | 14,877 |
| Reserve for bonuses and discounts | 178,701 | 0 | 178,701 | 57,694 |
| of which: Non-life insurance | 5,957 | 0 | 5,957 | 5,585 |
| P&P (industrial and business insurance) | 4,991 | 0 | 4,991 | 4,533 |
| P&C (property and casualty insurance) | 966 | 0 | 966 | 1,052 |
| Life insurance | 172,744 | 0 | 172,744 | 52,110 |
| Vital | 50,989 | 0 | 50,989 | 49,978 |
| Vital Invest | 3,879 | 0 | 3,879 | 0 |
| Other life insurance | 117,876 | 0 | 117,876 | 2,132 |
| Equalisation reserve | 39,435 | 0 | 39,435 | 32,948 |
| P&C (property and casualty insurance) | 373 | 0 | 373 | 354 |
| Card insurance | 15,705 | 0 | 15,705 | 14,046 |
| Merlin, Merlin Profi | 14,491 | 0 | 14,491 | 10,516 |
| Patron, Patron Profi | 5,645 | 0 | 5,645 | 4,830 |
| Other non-life insurance | 3,221 | 0 | 3,221 | 3,202 |
| Reserve for unearned premiums | 35,240 | 402 | 34,838 | 84,293 |
| of which: Non-life insurance | 21,859 | 225 | 21,634 | 71,079 |
| P&C (property and casualty insurance) | 313 | 225 | 88 | 108 |
| Card insurance | 0 | 0 | 0 | 47,288 |
| Patron, Patron Profi | 19,893 | 0 | 19,893 | 21,404 |
| Other non-life insurance | 1,653 | 0 | 1,653 | 2,279 |
| Life insurance | 13,381 | 177 | 13,204 | 13,214 |
| Vital Invest | 947 | 0 | 947 | 577 |
| Vital | 718 | 0 | 718 | 728 |
| Mortgages | 1,936 | 0 | 1,936 | 1,777 |
| Other life insurance | 9,780 | 177 | 9,603 | 10,132 |
| LAT reserve | 187,291 | 0 | 187,291 | 170,707 |
| Vital | 183,558 | 0 | 183,558 | 170,707 |
| Other life insurance | 3,733 | 0 | 3,733 | 0 |

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

| (CZK thousand) | 2009 | 2008 |
|---|---------------|---------------|
| Balance of the reserve for claims as of 1 January | 135,733 | 126,088 |
| Claims paid in the current period arising from claims from the prior period | 25,427 | 16,347 |
| Balance of the reserve for claims as of 31 December | 102,306 | 97,518 |
| Result of claims settlement | 21,093 | 12,223 |

The run-off analysis (net) does not take into account the reserve for claims arising from deposit accident insurance. Reflecting this reserve in the analysis of the result of claims settlement would bias the analysed information.

The balances of the reserve for claims arising from deposit accident insurance were CZK 53 thousand as of 1 January 2008, CZK 122 thousand as of 31 December 2008 and CZK 123 thousand as of 31 December 2009.

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

| (CZK thousand) | 2009 | 2008 |
|---|------------|------------|
| Balance of the reserve for claims as of 1 January | 2,540 | 2,929 |
| Claims paid in the current period arising from claims from the prior period | 629 | 623 |
| Balance of the reserve for claims as of 31 December | 1,491 | 1,373 |
| Result of claims settlement | 420 | 933 |

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 2009 | 31 December 2008 |
|---|------------------|------------------|
| Reserve for legal disputes and similar risks | 12,114 | 8,449 |
| Restructuring reserve | 7,500 | 7,500 |
| Total reserve for other risks and losses | 19,614 | 15,949 |

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 2009, the balance of the reserve for legal disputes and similar risks was CZK 12,114 thousand (2008: CZK 8,449 thousand). The increase in the reserve in 2009 predominantly includes the recognition of the reserve for audit fees, annual letters and annual report in the amount of CZK 3,505 thousand (2008: CZK 0 thousand).

The balance of the restructuring reserve as of 31 December 2009 was the same as of 31 December 2008. During the reporting period, the reserve was not released in relation to the sales network agent settlement.

3.11. Payables

| (CZK thousand) | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Payables from direct insurance to the policy holders | 172,972 | 92,586 |
| Payables to agents | 76 | 49 |
| Payables from reinsurance transactions | 4,885 | 6,143 |
| Other payables from direct insurance and reinsurance | 1,429 | 1266 |
| Total payables from direct insurance and reinsurance | 179,362 | 100,044 |
| Payables to staff from dependent activities | 7,149 | 6,883 |
| Settlement balances with social security and health insurance institutions | 3,605 | 3,627 |
| Payables to financial institutions | 0 | 0 |
| Other payables | 9,168 | 15,753 |
| Other direct taxes | 1,994 | 1,510 |
| Other indirect taxes and fees | 48 | (13) |
| Total payables | 201,326 | 127,804 |

None of the Company's payables were secured by a pledge or any other encumbrance as of 31 December 2009.

As of 31 December 2009, the Company records overdue payables from direct insurance to the policy holders (older than 5 years, in the amount of CZK 7,202 thousand; 2008: CZK 3,989 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 2009 | 31 December 2008 |
|---|------------------|------------------|
| Deferred income | 95 | 280 |
| Estimated payables | 219,933 | 192,355 |
| of which: Reinsurer's share in premiums | 6,370 | 38,960 |
| Commissions to acquirers | 148,557 | 104,348 |
| Insurance claims | 1,039 | 366 |
| Other | 63,967 | 48,681 |
| Total temporary liabilities | 220,028 | 192,635 |

Estimated commissions payables to acquirers of CZK 148,557 thousand (2008: CZK 104,348 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 60,999 thousand (2008: CZK 51,486 thousand) and commissions not paid to Komerční banka, a.s., in respect of Vital, travel insurance to cards, risk life insurance to mortgage loans and insurance of consumer loans totalling CZK 68,063 thousand (2008: CZK 46,658 thousand).

Other temporary liabilities of CZK 63,967 thousand (2008: CZK 48,681 thousand) principally comprise unbilled supplies of CZK 54,882 thousand (2008: CZK 25,129 thousand) and costs of staff bonuses for 2009 amounting to CZK 7,624 thousand (2008: CZK 4,517 thousand).

3.13. Taxation**Income Tax**

In the 2009 fiscal year, the Company utilised the accumulated losses. For this reason, the due income tax for 2009 is zero.

Deferred Tax

The Company's deferred tax assets amounted to CZK 21,041 thousand as of 31 December 2009, of which CZK (19,628) thousand were recognised in equity and CZK 52,673 thousand in the profit and loss account.

| Deferred tax arising from (CZK thousand) | 31 December 2009 | 31 December 2008 |
|--|------------------|------------------|
| Net book value of tangible and intangible fixed assets | 7,389 | 19,188 |
| Non-current financial assets | (19,628) | 5,228 |
| Tax loss of previous years | 33,280 | 74,155 |
| Reserve | 0 | 0 |
| Total deferred tax | 21,041 | 98,571 |

3.14. Non-Life Insurance

| (CZK thousand) | 2009 | 2008 |
|---|----------------|-----------------|
| Gross written premiums | 266,237 | 321,751 |
| P&P (industrial and business insurance) | 8,081 | 8,064 |
| P&C (property and casualty insurance) | 2,202 | 4,471 |
| Card insurance | 62,301 | 120,079 |
| Merlin, Merlin Profi | 131,182 | 122,723 |
| Patron, Patron Profi | 44,959 | 47,855 |
| Other non-life insurance | 17,512 | 18,559 |
| Gross earned premiums | 315,591 | 342,227 |
| P&P (industrial and business insurance) | 8,081 | 8,064 |
| P&C (property and casualty insurance) | 3,246 | 4,451 |
| Card insurance | 109,589 | 141,006 |
| Merlin, Merlin Profi | 131,137 | 122,723 |
| Patron, Patron Profi | 46,469 | 47,430 |
| Other non-life insurance | 17,069 | 18,553 |
| Gross costs of insurance claims | 72,710 | 63,364 |
| P&P (industrial and business insurance) | 2,762 | 3,029 |
| P&C (property and casualty insurance) | 3,636 | 5,126 |
| Card insurance | 47,856 | 34,101 |
| Merlin, Merlin Profi | 13,011 | 12,878 |
| Patron, Patron Profi | 3,470 | 3,996 |
| Other non-life insurance | 1,975 | 4,234 |
| Reinsurance balance | 9,892 | (29,361) |
| Acquisition costs of insurance policies | 85,050 | 85,177 |
| - commissions | 80,636 | 81,486 |
| - other acquisition costs | 3,848 | 4,200 |
| - release of deferred expenses and accrued income | 0 | 0 |
| - recognition of deferred expenses and accrued income | 566 | (509) |

3.15. Life insurance

| (CZK thousand) | 2009 | 2008 |
|---|-----------|-----------|
| Gross written premiums | 4,558,373 | 1,708,513 |
| Earned premiums | 4,558,495 | 1,709,258 |
| Gross costs of insurance claims | 2,212,509 | 2,039,645 |
| Reinsurance balance | (8,333) | (11,854) |
| Acquisition costs of insurance policies | 87,533 | 45,961 |
| – commissions | 80,867 | 34,925 |
| – other acquisition costs | 6,744 | 10,938 |
| – deferred expenses and accrued income | (78) | 98 |

| Summary of life insurance, written premiums (CZK thousand) | 2009 | 2008 |
|---|------------------|------------------|
| Individual contracts | 4,360,785 | 1,424,188 |
| of which: insurance contracts where the investment risk is assumed by the policy holder | 1,635,773 | 288,800 |
| Collective contracts | 197,588 | 284,325 |
| Life insurance - total | 4,558,373 | 1,708,513 |
| Single premiums | 3,673,983 | 754,618 |
| of which: insurance contracts where the investment risk is assumed by the policy holder | 1,538,063 | 253,936 |
| Regular premiums | 884,390 | 953,895 |
| of which: insurance contracts where the investment risk is assumed by the policy holder | 33,957 | 0 |
| Life insurance - total | 4,558,373 | 1,708,513 |
| Insurance contracts without premium | 0 | 0 |
| Insurance contracts with premium | 4,558,373 | 1,708,513 |
| of which: insurance contracts where the investment risk is assumed by the policy holder | 1,635,773 | 288,800 |
| Life insurance - total | 4,558,373 | 1,708,513 |

In 2009, the Company reported a significant increase in written premiums amounting to CZK 4,824,610 thousand (for life and non-life insurance; 2008: CZK 2,030,264 thousand). This increase principally relates to Vital Premium of CZK 1,723,032 thousand (2008: CZK 85,000 thousand) and Vital Invest of CZK 1,635,773 thousand (2008: CZK 288,800 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 and Germany.

| Written premiums arise from contracts into which the Company entered (CZK thousand) | 2009 | 2008 |
|---|------------------|------------------|
| in the EU member state where it has its registered office | 4,821,851 | 2,028,048 |
| in other EU member states | 2,759 | 2,216 |
| Total premiums written | 4,824,610 | 2,030,264 |

3.17. Summary of Commissions

For the year ended 31 December 2009, the aggregate balance of commissions in respect of direct insurance was CZK 161,501 thousand (2008: CZK 116,411 thousand) and was segmented as follows:

| (CZK thousand) | Life insurance | | Non-life insurance | |
|-------------------------|----------------|--------|--------------------|--------|
| Year | 2009 | 2008 | 2009 | 2008 |
| Expenses on commissions | 80,867 | 34,925 | 80,636 | 81,486 |

Commissions in 2009 were predominantly billed by Komerční banka, a.s., in the amount of CZK 141,612 thousand (2008: CZK 103,169 thousand) – cumulatively for both life and non-life insurance.

3.18. Financial Placements Income and Expense

For the year ended 31 December 2009, the net income on the Company's financial placements amounted to CZK 492,470 thousand (2008: CZK 440,042 thousand), of which the net income from assets generated from technical reserves amounted to CZK 444,481 thousand (2008: CZK 397,409 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 2009, this re-allocated balance was CZK 13,304 thousand (2008: CZK 12,297 thousand) and is equal to the proportion of the average balance of non-life reserves to the average balance of the aggregate reserves during the reporting period.

| Year (CZK thousand) | 2009 | | 2008 | |
|-----------------------------------|----------------|--------------------|----------------|--------------------|
| | Life insurance | Non-life insurance | Life insurance | Non-life insurance |
| Year-end net balances of reserves | 12,591,847 | 357,832 | 10,238,879 | 385,813 |
| Income from reserves | 431,178 | 13,304 | 385,114 | 12,295 |

3.19. Administrative Expenses

The total amount of administrative expenses was CZK 375,476 thousand in 2009 (2008: CZK 328,672 thousand). The administrative expenses are analysed as follows:

| (CZK thousand) | 2009 | 2008 |
|---|----------------|----------------|
| Staff cost (salaries, social security and health insurance) | 114,998 | 100,257 |
| Rent | 20,544 | 20,735 |
| Advisory services | 47,394 | 16,038 |
| Telecommunication | 3,486 | 3,962 |
| Training | 2,671 | 3,347 |
| Banking and postal fees | 10,362 | 11,809 |
| IT costs | 18,745 | 16,829 |
| Depreciation | 37,221 | 35,226 |
| Profit Sharing KB | 38,286 | 47,207 |
| Profit Sharing Essox | 61,442 | 46,075 |
| Other administrative costs | 20,327 | 27,187 |
| Total | 375,476 | 328,672 |

The costs of the audit of the financial statements amounted to CZK 1,523 thousand in 2009 (2008: CZK 1,521 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 1,247 thousand (2008: CZK 1,303 thousand).

Other technical expenses of non-life insurance amounting to CZK 6,853 thousand (2008: CZK 1,470 thousand) include the charge for provisions against receivables.

Other technical income of life insurance primarily includes the use of provisions in the amount of CZK 56,049 thousand (2008: CZK 43,562 thousand).

Other technical expenses of life insurance include balances relating to the charge for provisions against receivables in the amount of CZK 96,972 thousand (2008: CZK 44,384 thousand).

Other income from the non-technical accounts amounted to CZK 14,535 thousand (2008: CZK 34,750 thousand), of which the principal balances involved foreign exchange rate gains of CZK 11,280 thousand (2008: CZK 19,329 thousand) and the release of the reserve for risks in the amount of CZK 1,631 thousand (2008: CZK 4,397 thousand).

Other costs of the non-technical accounts amounted to CZK 19,958 thousand (2008: CZK 19,589 thousand), of which the principal balances related to the charge for the reserve for outstanding vacation days in the amount of CZK 1,628 thousand (2008: CZK 1,483 thousand), the cost of audit, annual report and annual letters to clients in the amount of CZK 3,505 thousand (2008: CZK 0) and foreign exchange losses of CZK 14,121 thousand (2008: CZK 15,756 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 278,681 thousand (2008: CZK 234,009 thousand) as of 31 December 2009.

3.22. Transactions with Related Parties

| (CZK thousand) | 2009 | 2008 | Text |
|---|----------------|----------------|---|
| Amounts owed to the Group entities | 150,693 | 115,381 | |
| of which: Komerční banka, a.s. | 43,729 | 37,907 | Estimated accrued expenses – Profit sharing |
| | 1,741 | 12,784 | Paid commissions for insurance arrangement |
| | 42,452 | 11,163 | Estimated accrued expenses – Commissions |
| | 239 | 265 | Bank fees |
| | 314 | 33 | Trade payables |
| of which: ESSOX s.r.o. | 59,482 | 53,229 | Estimated accrued expenses – Profit sharing |
| | 12 | 0 | Paid commissions for insurance arrangement |
| of which: ESSOX SK, s.r.o. | 1,517 | 0 | Estimated accrued expenses – Profit sharing |
| of which: MPSS, a.s. | 1,207 | 0 | Estimated accrued expenses – Commissions |

| (CZK thousand) | 2009 | 2008 | Text |
|--|----------------|----------------|--|
| Amounts due from the Group entities | 261,235 | 260,548 | |
| of which: Komerční banka, a.s. | 125,580 | 180,809 | Current accounts and deposits |
| | 7,206 | 7,671 | Accrued commissions |
| | 30,970 | 5,773 | Estimated accrued income – premiums |
| | 24,483 | 3,890 | Receivables from insurance |
| | 22 | 23 | Prepayments |
| | 8 | 19 | Trade receivables |
| of which: ESSOX s.r.o. | 48,198 | 44,073 | Prepayments |
| | 15,357 | 11,708 | Receivables from insurance |
| | 7,842 | 6,209 | Estimated accrued income – premiums |
| | 243 | 331 | Accrued commissions |
| of which: IKS, a.s. | 56 | 42 | Commissions for purchase of participation certificates |
| of which: SG | 682 | 0 | Trade receivables |
| of which: Komerční banka Bratislava, a.s. | 588 | 0 | Current accounts and deposits |
| Expenses with the Group entities | 255,136 | 55,253 | |
| of which: Komerční banka, a.s. | 31,643 | 35,207 | Expenses on profit sharing |
| | 6,530 | 10,333 | Use of trademark + advertising |
| | 3,795 | 4,768 | Bank fees |
| | 2,651 | 2,702 | Offices lease related expenses |
| | 2,097 | 1,963 | Financial investment related expenses |
| | 141,612 | 0 | Commissions |
| | 97 | 270 | Forms |
| of which: Komerční banka Bratislava, a.s. | 11 | 9 | Bank fees |
| of which: ESSOX s.r.o. | 60,021 | 0 | Expenses on profit sharing |
| of which: ESSOX SK, s.r.o. | 1,422 | 0 | Expenses on profit sharing |
| of which: MPSS, a.s. | 5,257 | 0 | Commission |
| Income with the Group entities | 299,936 | 303,971 | |
| of which: Komerční banka, a.s. | 292 | 11,005 | Interest from current accounts and deposits |
| | 213,309 | 226,770 | Written premiums |
| of which: ESSOX s.r.o. | 84,562 | 64,062 | Written premiums |
| of which: ESSOX SK, s.r.o. | 1,773 | 2,134 | Written premiums |

3.23. Profit/(Loss)

| (CZK thousand) | 2009 | 2008 |
|--|---------------|-----------------|
| Non-life insurance | 109,665 | 113,364 |
| Life insurance | (19,640) | (23,797) |
| Non-technical account (before tax) | (18,254) | (155,265) |
| Profit/(loss) before tax | 71,771 | (65,698) |
| Other taxes | (35) | (37) |
| Profit/(loss) for the accounting period | 71,736 | (65,735) |

3.24. Staff Costs and Similar Costs

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

| 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 |

| 2008 (CZK thousand) | Average recalculated headcount | Wages and salaries | Social security and health insurance | Other staff costs | Total staff costs |
|------------------------|-----------------------------------|--------------------|---|-------------------|-------------------|
| Staff | 141 | 63,421 | 21,815 | 1,678 | 86,914 |
| Management | 5 | 11,801 | 1,344 | 198 | 13,343 |
| Total | 146 | 75,222 | 23,159 | 1,876 | 100,257 |

| Bonuses paid to administrative, management, supervisory and other bodies (CZK thousand) | 2009 | 2008 |
|---|-------|------|
| Bonuses to the Supervisory Board | 24 | 24 |
| Bonuses to the Board of Directors | 1,117 | 910 |

As of 31 December 2009, fifteen 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) | 2009 | 2008 |
|---|--------------|-----------------|
| Reinsurer's share of premiums | (18,221) | (55,777) |
| Reinsurer's share of insurance claims | 18,118 | 15,181 |
| Commissions | 1,662 | -619 |
| Reinsurance balance | 1,559 | (41,215) |
| Reinsurer's share in the creation and use of reserves | 4,536 | 5,403 |
| Reinsurance result | 6,095 | (35,812) |

| The amounts due from and to reinsurers (CZK thousand) | 31 December 2009 | 31 December 2008 |
|---|------------------|------------------|
| Receivable from reinsurers | 6,350 | 6,258 |
| Estimated receivable | 8,394 | 5,040 |
| Payable to reinsurers | (6,314) | (7,409) |
| Estimated payable | (6,371) | (38,960) |
| Net receivable (payable) from reinsurers | 2,059 | (35,071) |

4. Other Significant Events

In the year ended 31 December 2008, the Company recognised the impairment of Landsbanki bond 4.40/09 to CZK 0. The overall effect of the revaluation of this asset amounts to CZK 246,956 thousand.

5. Off-Balance Sheet Commitments

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

6. 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.

Related Parties Report for the year ending 2009

(hereinafter referred to as the Related Parties Report)

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 Related Parties Report 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 2009, i.e. from 1 January 2009 to 31 December 2009 (hereinafter referred to as the Reporting Period).

I. Introduction

In the period from 1 January 2009 to 31 January 2009, 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 2009 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% |
| SOGÉCAP 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 | 100.00% |
| Penzijní fond Komerční banky, a.s. | Prague 3, Lucemburská 1170/7, 130 11, Czech Republic | 100.00% |
| Investiční kapitálová společnost KB, a.s. | Prague 1, Dlouhá 34, 110 15, Czech Republic | 100.00% |
| Modrá pyramida stavební spořitelna, a.s. | Prague 2, Bělehradská 128/222, 120 21, Czech Republic | 100.00% |
| Komerční banka Bratislava, a.s. | Bratislava, Hodžovo nám. 1A, 811 00, Slovak Republic | 100.00% |
| ESSOX SK s.r.o. | Bratislava, Cesta na Senec 2/A, 821 04, Slovak Republic | 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 | Harm, if any |
|---|---|----------------------------------|--|--------------|
| 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 | Fulfillment of duties of the Group's representative member | None |
| Contract for cooperation in organising a contest (as of 1 April 2009) | Komerční banka, a.s. | Contractual remuneration | Organisation of a contest for bank advisors | 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. 3070000000 (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 |

Related Parties Report

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting Party | Provided performance | Accepted performance | Harm, if any |
|--|---|---|---|--------------|
| 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 |
| 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. 30100000000 (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 PROFÍ 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 5.10.2009) 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 |
| 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 |

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 | Harm, if any |
|--|---|----------------------------------|---|--------------|
| 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 |
| 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. 312000000 (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 |

Related Parties Report

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting party | Provided performance | Accepted performance | Harm, if any |
|---|---|----------------------------------|---|--------------|
| 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 |
| 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 KP, 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 KP, 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. 310000000 (as of 1 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 |

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting party | Provided performance | Accepted performance | Harm, if any |
|--|----------------------|--|--|--------------|
| 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 |
| 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 |

Related Parties Report

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting party | Provided performance | Accepted performance | Harm, if any |
|---|---|------------------------------------|--|--------------|
| 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 SKK 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. 301000245 (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 |
| 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 |

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting party | Provided performance | Accepted performance | Harm, if any |
|---|----------------------|---|---|--------------|
| 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 |
| 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 |

Related Parties Report

| Type of Contract (or Subject-matter of the Contract – unless clear from the title) | Contracting party | Provided performance | Accepted performance | Harm, if any |
|--|--|--|---|--------------|
| 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 |
| 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 2009, the Company did not take or implement any other legal acts in the interest of the Controlling Entity and other Related Entities.

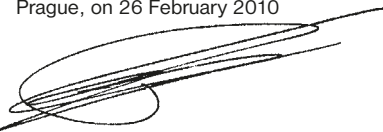
C. Measures Taken or Implemented by the Company in the Interest or at the Initiative of the Controlling Entity and Other Related Entities

During 2009, 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 2009 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 26 February 2010


Laurent Dunet
 Chairman of the Board of Directors


Zdeněk Zavadil
 Member of the Board of Directors

Contacts

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