WE ARE COMING TOWARDS YOU

ANNUAL REPORT 2024

CONTENT

DEAR LADIES AND GENTLEMEN, CLIENTS, BUSINESS PARTNERS, COLLEAGUES,

The year 2024 was an outstanding one for ČSOB Pojišťovna in many respects. Whether in terms of gross written premiums, profit, or market share, we achieved impressive results. We were also delighted to receive numerous prestigious awards from both clients and industry experts. However, 2024 was also a record-breaking year in terms of the number of insurance claims, particularly due to the devastating impact of catastrophic floods, which affected most of the Czech Republic to varying degrees. The damage was immense, with losses for our clients amounting to approximately CZK 2 billion. In addition, we continued to face rising inflation, which significantly influenced the prices of practically all goods and services, including insurance.

Let me begin with some key figures. As of the end of 2024, ČSOB Pojišťovna remains the fourth-largest insurance company in the Czech Republic, serving over 1.5 million clients. A few years ago, we embarked on a growth strategy, and since then, we have consistently grown faster than the market. While the overall insurance market saw a year-on-year increase in gross written premiums of 7.7% in 2024, we grew at a rate of 10.1%. This momentum led us to a historic milestone in market share, which we increased by 0.2 percentage points to a final 9.1%. We are well on our way to achieving our ambition of surpassing the 10% market share threshold by 2027.

Another major achievement for ČSOB Pojišťovna in the past year was reaching a record profit level. Our company's net profit after tax, in accordance with international accounting standards, amounted to CZK 2.65 billion in 2024. Our excellent business results are best reflected in the gross written premiums, which neared CZK 17 billion last year (according to ČAP methodology), specifically CZK 12.8 billion in non-life insurance and CZK 4.0 billion in life insurance.

Our outstanding business and financial results in 2024 were further reinforced by the numerous awards we received, such as 1st place for ESG Initiative of the Year in Insurance, 2nd place for Best Non-Life Insurance Company, and 3rd place for Best Life Insurance Company. Additionally, we secured 1st place for App of the Year and 3rd place in the Responsible Insurance Company category. Along with the growing customer satisfaction measured by the Net Promoter Score (NPS), these achievements confirm that the changes we are implementing in our company are moving in the right direction.

For us, putting the client at the centre of our attention is not just a popular catchphrase - it truly reflects how our employees approach their daily tasks. What sets us apart is that our employees and sales representatives strive to understand the client and their needs with heart, rather than relying solely on technical metrics. We aim to ensure that insurance is about people, and technology serves to support the human side of the insurance experience. Furthermore, we place great emphasis on making our clients' interactions with us as positive as possible, as this influences their perception of other products within our financial group.

In 2024, the Czech insurance market once again had the opportunity to demonstrate how strong and essential it is to our economy. The devastating floods that impacted almost the entire country tested the strength and stability of Czech insurance companies - especially in terms of assessing damages and making insurance payouts to individuals, businesses, and municipalities.

One of the most effective contributions to recovery efforts was the extraordinary speed with which we processed claims and paid out insurance benefits – or at least provided advance payments – to affected clients. Similar to the tornado that hit Moravia, our efficiency stood out. Within just one month of the floods, over 70 % of affected ČSOB Pojišťovna clients had received their insurance payouts, which is an exceptional achievement given the scale of the disaster.

Thanks to a well-structured reinsurance program, the direct financial impact of this catastrophic event on our company's bottom line was minimal. Including the fatal natural catastrophe already mentioned, we at ČSOB Insurance settled and paid out nearly 300,000 claims of our clients last year – ranging from car accidents and fires to floods, health risks, and policy surrenders. In total, we paid out approximately CZK 12 billion in claims last year.

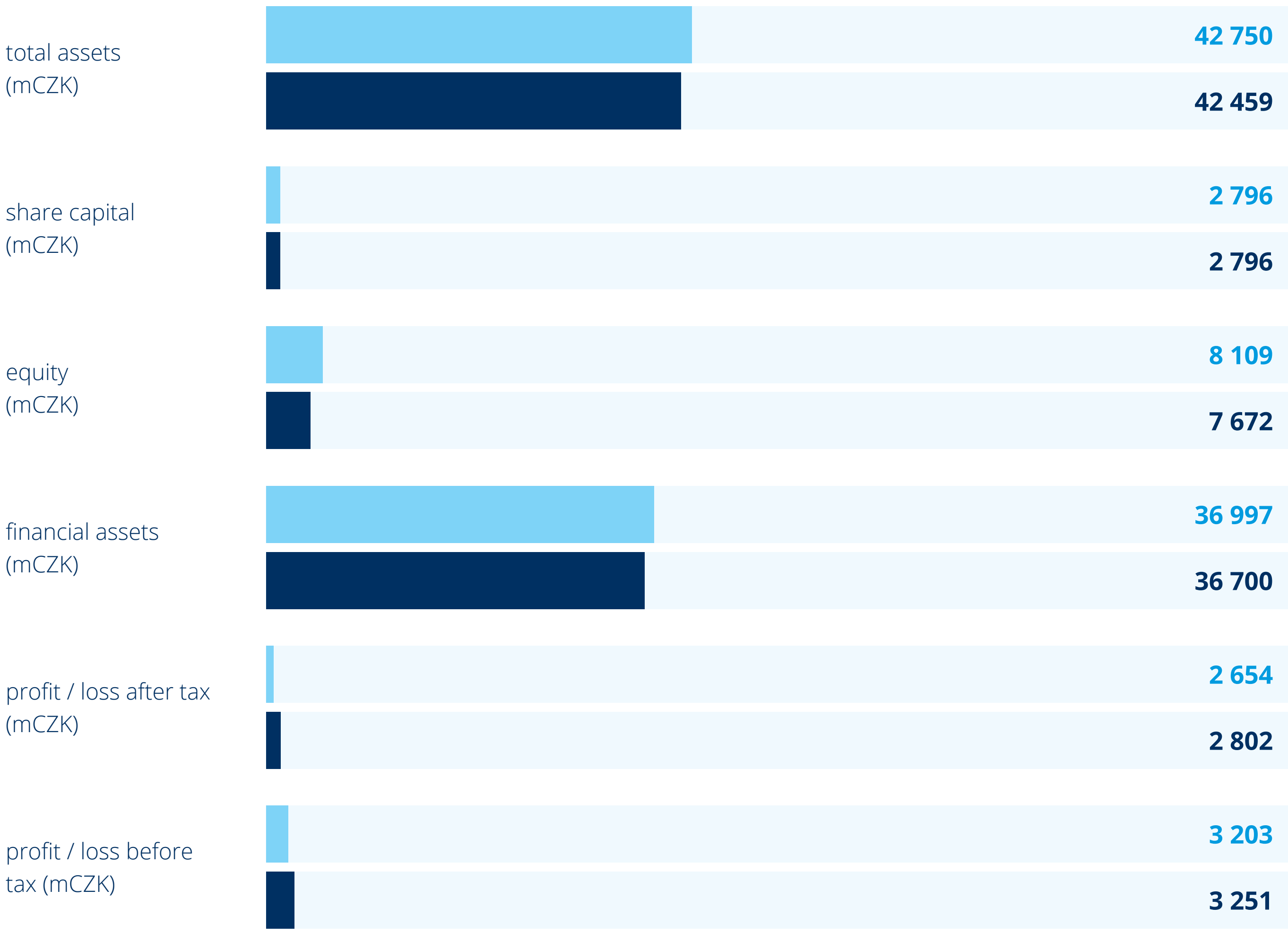
At ČSOB Pojišťovna, we continue to place increasing emphasis on responsible and environmentally sustainable behaviour. We are systematically reducing our carbon footprint and making sustainability a key focus of our future plans. This includes minimizing paper consumption and gradually digitizing all processes. Beyond our commitment to sustainability, we are also deeply invested in supporting those in need within our communities. In 2024, we organized over twenty different charitable activities, and I am incredibly proud to lead a team of people who not only seek out such opportunities but also actively take the initiative in organizing them.

In closing, I would like to sincerely thank, on behalf of the entire board, all our colleagues, sales representatives, and business partners for their hard work, support, and dedication, which enable us to care for our clients and achieve excellent results. I also want to express my deep gratitude to our clients. Your trust means everything to us – it motivates and inspires us to continue improving our products and services.

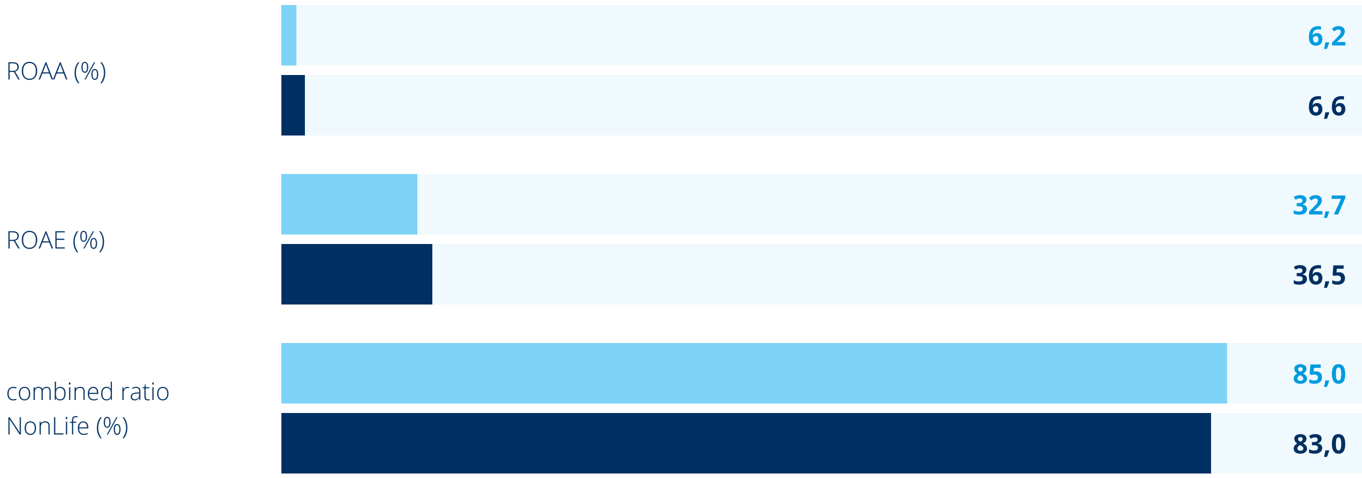
Jiří Střelický
Chairman of the Board of Director
ČSOB Pojišťovna, a. s., člen holdingu ČSOB

FINANCIAL DATA

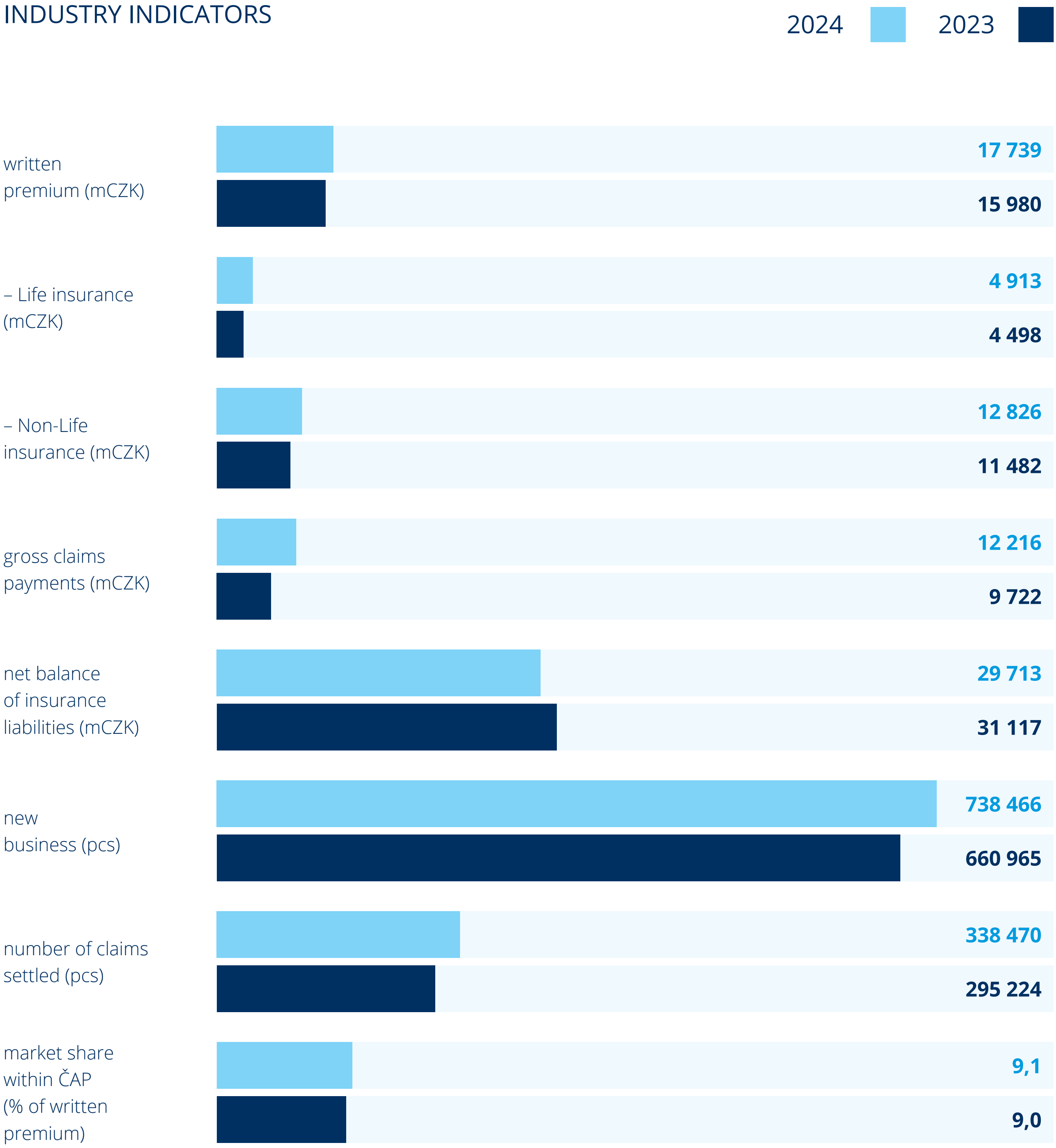
2024 2023



RATIOS



INDUSTRY INDICATORS



OTHER DATA

COMPANY NOTE

THE BOARD OF DIRECTORS (AS AT 31 DECEMBER 2024)

Chairman	Jiří Střelický
Vice-chairman	Stanislav Uma
Members	Tomáš Lain
	Marek Cach
	Tomáš Hotový

Tomáš Hotový became a new member of the Board of Directors with effect from February 1, 2024.

THE SUPERVISORY BOARD (AS AT 31 DECEMBER 2024)

Chairman	Aleš Blažek
Vice-chairman	Isabel Boogers
Members	Přemysl Dolan

Based on the result of the election of a Supervisory Board member elected by the company's employees the mandate of Přemysl Dolan was extended, with effect from January 1, 2024.

MANAGEMENT OF THE COMPANY (AS AT 31 DECEMBER 2024)

Jiří Střelický	Chairman of the Board of Directors responsible for the Chief Executive Officer Unit
Stanislav Uma	Vice-chairman of the Board of Directors responsible to the Internal Distribution Division and Claims Handling
Tomáš Lain	Member of the Board of Directors responsible for the Finance Division
Marek Cach	Member of the Board of Directors responsible for the Life and Non-Life Insurance Division and Brokers
Tomáš Hotový	Member of the Board of Directors responsible for the Bankinsurance Division and Client Services

With effect from February 1, 2024, due to the transformation of the Sales Division, the existing organizational structure was modified. A new Bankinsurance and Client Service Division was created, into which some departments from the Sales Division were transferred. The remaining departments of the Sales Division were transferred to the newly named Internal Distribution and Claim Handling Division (Department of Internal Distribution) and Life, Non-life Insurance and Brokers Business Division (Department of Brokers Business).

COMPANY PROFILE

ČSOB Pojišťovna, a. s., a member of the ČSOB Group (hereinafter referred to as ČSOB Pojišťovna), is a universal insurance company that provides comprehensive insurance services to individuals, sole proprietors, small and medium-sized enterprises, as well as large corporations.

ČSOB Pojišťovna is committed to offering all its clients high-quality European-standard services in both life and non-life insurance. The company benefits from the stable backing of the ČSOB Group and its strong international shareholder, KBC, which enables its clients to secure comprehensive financial solutions under favourable conditions.

ESTABLISHMENT AND SHAREHOLDER STRUCTURE

ČSOB Pojišťovna was founded on April 17, 1992, and has been operating under its current name since January 6, 2003, following the acquisition of the universal insurance company ČSOB Pojišťovna, a.s., and the subsequent renaming from IPB Pojišťovna, a.s. This transformation created a strong insurance entity, which, with a registered capital of CZK 2.8 billion and equity of CZK 8.1 billion (as of December 31, 2024), ranks among the most well-capitalized insurance companies in the Czech market.

ČSOB Pojišťovna operates with the stable support and proven expertise of its majority shareholder, the Belgian insurance company KBC Verzekeringen NV, which is part of the multinational KBC Group.

In 2024, ČSOB Pojišťovna recorded written premiums totaling CZK 17.7 billion, placing it among the largest insurance companies in the Czech Republic. According to data from the Czech Insurance Association, its market share based on written premiums stood at 9.1% at the end of 2024.

INSURANCE OFFERINGS

IN 2024, ČSOB POJIŠŤOVNA OPERATED IN THE FOLLOWING INSURANCE SECTORS / GROUPS:

LIFE INSURANCE

- Insurance covering death, survival, or a combination of both
- Pension insurance
- Capital life insurance
- Investment life insurance
- Accident and health insurance as a supplement to the above
- Children's life insurance
- Specialized insurance for women and men
- Accident, illness, and treatment insurance
- Loan and guarantee insurance
- Mortgage insurance

NON-LIFE INSURANCE

- Motor vehicle insurance
- Fire and property damage insurance
- Aviation, inland waterway, and marine insurance, as well as cargo insurance
- Liability insurance (including motor vehicle liability insurance)
- Insurance for financial losses
- Business risk insurance
- Agricultural insurance
- Legal protection insurance
- Internet risk insurance
- Cyber risk insurance

INSURANCE SALES AND CUSTOMER SERVICE

In 2024, approximately 800 employees and around 1,400 exclusive insurance agents of ČSOB Pojišťovna worked to ensure maximum customer satisfaction. The company operated through 11 regional headquarters and nearly 200 business offices across the Czech Republic. ČSOB Pojišťovna's life and non-life insurance products were also available through the sales network of the ČSOB Group.

MEMBERSHIP IN PROFESSIONAL ASSOCIATIONS

ČSOB Pojišťovna is a member of the Czech Insurance Association, the Czech Insurers' Bureau and the Czech Nuclear Insurance Pool. It's also a member of the global insurance network I.N.I. (International Network of Insurance).

COMPANY INFORMATION

COMPANY NAME:
ČSOB Pojišťovna, a. s., member of the ČSOB Group

Registered in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File 567

COMPANY ID (IČ): 45534306

TAX ID (DIČ): CZ45534306, VAT ID: CZ699000761

HEADQUARTERS: Pardubice, Zelené předměstí, Masarykovo náměstí 1458, Postal Code 530 02

PHONE.: +420 467 007 111

FAX: +420 467 007 444

CUSTOMER SERVICE: +420 466 100 777

WEBSITE: www.csobpoj.cz

E-MAIL: info@csobpoj.cz

REPORT OF THE BOARD OF DIRECTORS ON BUSINESS ACTIVITIES AND THE STATE OF ASSETS FOR THE YEAR 2024

ČSOB Pojišťovna, a.s., a member of the ČSOB Group (hereinafter referred to as the „Company"), recorded written premiums amounting to CZK 17,739 million in 2024.

According to the ranking of the Czech Insurance Association, the Company grew faster than the market and was the fastest growing among the TOP 5 major insurance companies. Its market share increased by 0.2% year-on-year to 9.1%, maintaining its overall 4th position in the market. Growth was achieved in a sustainable manner, particularly in the Company's target areas across the entire ČSOB Group.

Total gross non-life written premiums amounted to CZK 12,826 million, reflecting a year-on-year increase of 12%. The fastest growth was recorded in retail vehicle insurance, fleet vehicle insurance, industrial insurance, and travel insurance. Growth was driven both by new business and the ongoing increase in insured sums for existing policies in response to inflation trends.

In regularly paid life insurance, the Company recorded CZK 3,881 million in written premiums, marking a year-on-year increase of 5%. For single-premium life insurance products, the Company recorded CZK 1,032 million in written premiums, representing a 30% year-on-year increase.

The Company's net profit after tax for 2024, according to International Financial Reporting Standards (IFRS), amounted to CZK 2,654 million, primarily due to the growth in premiums, strong financial performance, and strict cost control. In year-on-year comparison, last year's floods had a negative impact on financial results, but this was largely offset by quality reinsurance.

The Company continues to adhere to a predominantly conservative investment strategy. New investments were primarily allocated to Czech government bonds and bank deposits.

Funds from life insurance investment contracts were invested in mutual funds and investment certificates.

ČSOB Pojišťovna, a.s., a member of the ČSOB Group, remained a well-capitalized company in 2024, maintaining a prudent approach to managing its assets and liabilities.

Board of Directors
ČSOB Pojišťovna, a.s., a member of the ČSOB Group

ABOUT COMPANY

CORPORATE SOCIAL RESPONSIBILITY – 14 YEARS OF HELPING

We strive to take care of our clients by offering them the best services and products. At the same time, we are fully aware of our corporate social responsibility. Corporate social responsibility (CSR) at ČSOB Pojišťovna, just like for other members of the ČSOB Group, is one of the core pillars of our corporate philosophy and an integral part of our business. We recognize our role in society, acting responsibly and sustainably for the benefit of future generations. CSR is a fundamental cornerstone of our long-term strategy.

We focus primarily on 4 pillars:

- Responsible Business
- Philanthropy
- Cybersecurity
- Volunteering

VOLUNTEERING IN 2024

Corporate Social Responsibility – 14 Years of Helping

- Beehives on the roof of the ČSOB Pojišťovna building
- Philanthropy Exchange in Pardubice (financial donation)
- Philanthropy Exchange in Ústí nad Orlicí (donation of a vehicle to the organization Cesta pro rodinu)
- Socks for Feet initiative for clients of the J. J. Pestalozzi Centre
- Autumn baking event for Lída, Brigita, and their children
- Movie day with children from DaR
- Food drive
- Advent wreaths for the Pardubice Regional Charity
- Volunteer assistance in Krnov
- Collection of essential items for mothers and children from a shelter
- ČSOB Pojišťovna Assistance Fund
- Joint blood donation
- Spring assistance at Kosatec
- Paintball with children from DaR
- Rollerblades for a community center
- Summer holidays with RIC
- Support for the Early Intervention Centre
- Assistance at the school athletic para-championship
- Ecological activity with Pestré Polabí
- Sustainability Day

VOLUNTEERING - GALLERY















NEW FEATURES 2024

We redesigned our website **www.csobpoj.cz** to make it as useful as possible for our clients.

Thanks to the online transfer of insurance inception data to the ČKP database, we have successfully completed a multi-year project that prepared us for this technologically and procedurally demanding transition.

We have made Purchase Protection and Extended Warranty Insurance linked to a ČSOB account available to clients with a ČSOB current account directly in the ČSOB Smart app.

We have increased the share of electronic communication with our clients and reduced paper correspondence – sending 305,000 fewer paper letters.

Thanks to technical changes to life insurance arranged through the Life Insurance Calculator, we now enable electronic signatures, which are used by 63% of clients.

We have implemented four new robotic processes and other digital enhancements, bringing us closer to becoming a fully digital company.

Our clients can now submit documents directly via Kate – our digital assistant available in the ČSOB Smart app.

Kate can also:

- Assist with policy termination.

Kate can also:

- Notify clients of the option to view and download a new green card.

Kate can also:

- Guide them to tax certificates.

Kate can also:

- Remind them when it's time to change their tires.

We can resolve most claims related to hospitalization, injury, or work incapacity immediately.

Thanks to process automation, 90% of clients now prefer to report life insurance claims online.

We have also advanced the digitalization of auto insurance claims – newly adjusted claim forms make it easier for clients to select their preferred type of repair and the optimal service provider.

We have introduced several improvements to simplify and speed up the settlement of auto and property insurance claims. For example, partner repair shops can now receive a coverage letter while the car is still being repaired, and most property insurance claims can be settled with a "one-touch" approach.

As part of our digitalization strategy, we have launched and continue to implement a program to modernize key systems to enhance their efficiency for both the company and our clients.

FLOODS 2024

Jiří Střelický, Chairman of the Board of Directors of ČSOB Pojišťovna: „In 2024, the Czech insurance market once again had the opportunity to demonstrate its strength and indispensable role in our economy. I am referring to the devastating floods that, to varying degrees, impacted almost the entire country, testing the resilience and stability of Czech insurers. This was especially evident in the speed of damage assessment and the prompt payout of insurance claims - not only to individuals but also to businesses, companies, municipalities, and cities." The exceptional speed with which we were able to provide compensation or at least advance payments to affected clients was the most effective contribution to restoring their homes, surroundings, and businesses. And in this, we truly succeeded - just as we did when a tornado struck Moravia. Within one month of the floods, more than 70 % of affected clients of ČSOB Pojišťovna had received their insurance payouts. Given the scale of the disaster, this is truly remarkable."

A TOTAL OF APPROXIMATELY 9,000 CLAIMS AMOUNTING TO NEARLY 2 BILLION CZK.

Claims Processing

- In retail property insurance, which saw the highest number of claims, we had settled 90 % of cases just two months after the floods (by mid-November 2024). This was faster than most competitors and set a new ČSOB Pojišťovna record for the speed of claims processing within a given timeframe.
- In the Opava and Krnov regions, where power outages made communication difficult, we were the first to deploy special response teams (two vehicles equipped with power sources and staff who assisted clients and recorded claims on-site).
- We worked approximately 10 weekends to handle the increased demand.

Technical Inspections

- A total of 3,534 disaster-related inspections were conducted.
- In September and October 2024, mobile technicians' overall workload was 28 % higher compared to non-disaster months.
- Normally, 12 mobile technicians operate in flood-affected northern Moravia. During the flood response, this number increased to 20 for five weeks, with an additional 25 technicians, including volunteers from ČSOB Pojišťovna, for one of those weeks.
- On average, each mobile technician conducted six claims' inspections per day.
- To support mobile technicians deployed in disaster-hit regions, four volunteers from ČSOB Pojišťovna stepped in to handle claims in their home regions, processing a total of 200 standard claims after a brief training.
- Field technicians spent an average of up to 10 hours per day on inspections, followed by up to three hours entering documentation into the insurance system and planning the next day's inspections. In total, they dedicated approximately 8,500 hours to processing flood-related claims.
- The average daily mileage for a mobile technician in flood-affected areas was estimated at 120–150 km. During peak disaster response, mobile technicians collectively covered approximately 80,000–100,000 km.




Call Centre Operations

- The floods increased call centre activity by 32 %, considering both the higher number and longer duration of calls.
- In September and October, the call centre handled 48,500 calls in total, including 17,800 property damage claims - almost double the originally expected 9,000 calls.
- Despite the surge in demand, service levels remained high (85 %–87 %), with an average wait time of under 1 minute and 50 seconds.
- A special flood claims helpline was opened during the first two weekends of the disaster to provide additional support.
- Call centre staff worked 350 overtime hours beyond their standard workload, also assisting in the processing of quick claims and guided inspections.
- To manage the increased demand in September and October, 35 volunteers from ČSOB Pojišťovna and 12 colleagues from ČSOB Bank's call centre in Hradec Králové joined the effort. These volunteers were trained by two senior call centre specialists to handle flood-related inquiries efficiently.

NON-FINANCIAL INFORMATION

In 2024, the Company had expenses of 48,667 thousand CZK in the area of development (in 2023 it spent CZK 41,876 thousand). Most of these expenses were related to investments in the development of large information technology projects.

The Company does not have an organizational unit abroad and has not acquired any of its own shares.

In the area of environmental protection and labour-legal relations, the Company proceeds in accordance with applicable legislation.

Sustainability Report - Exception for Subsidiaries

The Company is exempted from the obligation to publish a sustainability report or a consolidated sustainability report, as the information is included in the consolidated sustainability report of its ultimate parent company, KBC Group NV, with registered office at Havenlaan 2, 1080 Brussels, Kingdom of Belgium.

KBC Group's consolidated sustainability report, including its assurance opinion relating to it, is the part of KBC Group's 2024 Annual Report and is available at www.kbc.com/en/investor-relations/reports/annual-reports.

FINANCIAL PART

REPORT OF THE SUPERVISORY BOARD OF ČSOB POJIŠŤOVNA, A. S., MEMBER OF ČSOB HOLDING, TO THE GENERAL MEETING OF ČSOB POJIŠŤOVNA, A. S., MEMBER OF ČSOB HOLDING (HEREINAFTER ALSO REFERRED TO AS „ČSOB POJIŠŤOVNA" OR „THE COMPANY")

In accordance with its work plan, the Supervisory Board held a total of four meetings in 2024 to deal with matters within its competence under the applicable law and the Articles of Association of ČSOB Pojišťovna, a.s. The Supervisory Board also took four written decisions in a correspondent format, i.e. per rollam.

The Supervisory Board of ČSOB Pojišťovna, a. s. oversees the exercise of the powers of the Board of Directors and the administration of the Company's business. During 2024, it had 3 members and it operated in the following composition:

- Aleš Blažek, Chairman of the Supervisory Board
- Isabel Boogers, Member of the Supervisory Board
- Přemysl Dolan, Member of the Supervisory Board

There were no personnel changes in the Supervisory Board of ČSOB Pojišťovna, a.s. during 2024.

Meetings of the Supervisory Board were regularly attended by members of the Board of Directors who presented the materials submitted by the Board of Directors, as well as by invited guests, most often the Compliance Officer, the Actuarial Function Holder, the Risk Manager Function Holder and the Head of the Audit Department.

The documents for meetings of the Supervisory Board were prepared and sent in advance so that the Supervisory Board members had sufficient time to study them. As in the case of the Board of Directors, the Secretary assists with the preparation of the Supervisory Board meetings and the taking of the meeting minutes.

At its meetings, the Supervisory Board dealt in particular with the following issues that constitute the Company's priorities:

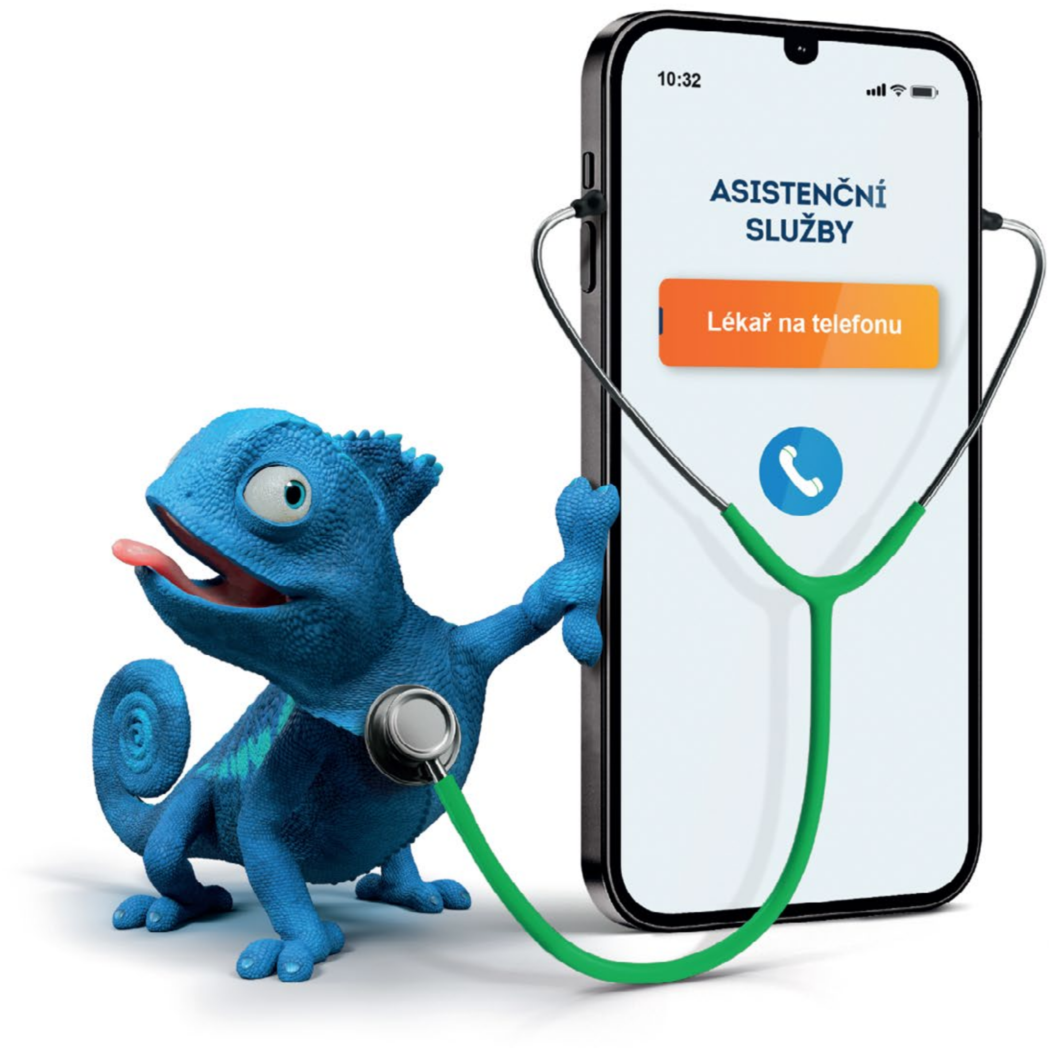
- Supervision of the Company's management activities and efficiency
- Overview of the main development activities and projects
- Regular evaluation of the Company's business results, trends in the fulfilment of its business and financial plans and decisions that should lead to strengthen dynamics of sales
- Regular readouts of the growth strategy fulfilment
- Commented market comparison with main competitors in the Czech Republic
- Discussion of the 2025-2027 Strategic Plan
- Commented profitability and premium sufficiency for life and non-life products
- Monitoring changes in the Company's organisational structure, replacements in managerial positions and results of employee surveys
- Information from the meeting of the Audit Committee, which supervises the efficiency of the Company's internal control system, accounting and auditing of the Company's financial statements
  - In particular, the Compliance Officer, the Actuarial Function Holder, the Head of the Audit Department

  and the Risk Management Function Holder reported regularly on the main risks, risk signals, the current risk profile compared to the Company's risk appetite; the reliability and adequacy of the calculation of insurance and reinsurance assets and liabilities, compliance findings and the status of implementation of compliance plans and compliance findings; main conclusions and materiality of audit reports and the status of implementation of audit recommendations
  - In addition, they reported on any other documents submitted by Compliance, Risk Management or Internal Audit for consideration by the Audit Committee and a brief summary thereof
- Discussion of the 2024 Project Portfolio
- Assessment of the risk profile and the current prospective capital adequacy, solvency assessment, ORSA (Stress test of the impact of climate change)
- Proposal for the appointment of the statutory auditor for the 2025-2026-2027 reporting periods

The Supervisory Board took note of the Company's 2024 financial results and the external auditor's opinion on the financial results.

The Supervisory Board proposes that the General Meeting of Shareholders to approve the Company's economic results and financial statements for the year 2024 and accept the Board of Directors' proposal for the profit allocation.

Aleš Blažek
Chairman of the Supervisory Board



pwc

English translation

Independent Auditor's Report

To the shareholders of ČSOB Pojišťovna, a.s., člen holdingu ČSOB

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of ČSOB Pojišťovna, a.s., člen holdingu ČSOB, with its registered office at Masarykovo náměstí 1458, Zelené Předměstí, Pardubice (the "Insurance Company") as at 31 December 2024, and of the Insurance Company's financial performance and cash flows for the year ended 31 December 2024 in accordance with IFRS Accounting Standards as adopted by the European Union.

What we have audited

The Insurance Company's financial statements comprise:

- the separate statement of financial position as at 31 December 2024;
- the separate income statement for the year ended 31 December 2024;
- the separate statement of other comprehensive income for the year ended 31 December 2024;
- the separate statement of changes in equity for the year ended 31 December 2024;
- the separate statement of cash flow for the year ended 31 December 2024; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with the Act on Auditors, Regulation (EU) No. 537/2014 of the European Parliament and of the Council (the "EU Regulation") and Standards on Auditing of the Chamber of Auditors of the Czech Republic (together the "Audit regulations"). These standards consist of International Standards on Auditing as supplemented and modified by related application guidance. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

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

Independence

We are independent of the Insurance Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted by the Chamber of Auditors of the Czech Republic, with the Act on Auditors and with the EU Regulation. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code, the Act on Auditors and the EU Regulation.

PricewaterhouseCoopers Audit, s.r.o., Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic
T: +420 251 151 111, www.pwc.com/cz

PricewaterhouseCoopers Audit, s.r.o., registered seat Hvězdova 1734/2c, 140 00 Prague 4, Czech Republic, Identification Number: 40765521, registered with the Commercial Register kept by the Municipal Court in Prague, Section C, Insert 3637, and in the Register of Audit Companies with the Chamber of Auditors of the Czech Republic under Licence No. 021.

The primary financial statements are an integral part of the financial statements.

Our audit approach

Overview

Overall materiality represents 1 % of the Company's Insurance revenues before reinsurance and has been estimated at CZK 147 million.

Assumptions and methodologies used in valuation of insurance contracts assets and liabilities.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where management made subjective judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls including, among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance as to whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, if any, both individually and in aggregate, on the financial statements as a whole.

Overall Insurance Company materiality	CZK 147 million
How we determined it	Materiality for the Insurance Company was determined as 1 % on the Company's Insurance revenues before reinsurance.
Rationale for the materiality benchmark applied	We have chosen the Insurance revenue before reinsurance, as a metric under IFRS 17 as well as key focus of the management and stakeholders. Performance of insurance companies on the market is measured on basis of revenues and the Insurance revenues before reinsurance is one of the main indicators monitored by external users of financial statements reported under IFRS Accounting Standards as adopted by the European Union. We have applied 1 % which is within the range of acceptable quantitative materiality thresholds for Public Interest Entities.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Assumptions and methodologies used in valuation of insurance contracts assets and liabilities. Assets and liabilities from insurance contracts which are accounted for in accordance with IFRS 17, are complex, require application of professional judgement and are estimated based on assumptions, which are affected by future economic, non-economic or political conditions based on comprehensive processes for determining assumptions about future developments in relation to the insurance portfolios to be valued. The accounting policies and the process used by management to determine assumptions that have the greatest effect on the measurement of Liability for remaining coverage (LRC) and / or liability for incurred claims (LIC) are disclosed in the note 2.4 and related other explanatory information in the note 4.4 to the accompanying financial statements. LRC estimate within the life and health business segment insurance contracts are measured using the variable fee approach (VFA) or the general measurement model (GMM, also known as the building block approach, BBA). The present values of the estimated future cash flows in particular are affected by possible material uncertainties in relation to the measurement. This uncertainty stems in particular from the methods used	We obtained an understanding of the Company's methodologies and procedures to determine the key assumptions, either based on market observable data or management's own experience and estimates. We have involved PwC actuarial specialists in our audit procedures. As part of our audit, we assessed the appropriateness of selected controls of the Company for selecting the valuation methods applied as well as for determining assumptions and making estimates for the measurement of assets and liabilities from insurance contracts. In this connection, we tested, among others, controls over the completeness and accuracy of the underlying data and controls over the appropriateness of the derivation and implementation of assumptions and estimates used in the valuation. We have compared the valuation methods and key assumptions with generally recognised actuarial methods and industry standards and examined to what extent these are suitable. We have discussed the key assumptions, including expectations of the magnitude of impact of the risks associated to the economic environment (e.g. inflation, changes in market

3

and the actuarial assumptions determined in connection with interest rates, investment income, mortality, disability, longevity, costs and policyholder behaviour.

Estimate of LIC recognises the expectations regarding insurance claims that have been reported but not settled and incurred but not yet reported. These represent the Company's expectation of future payments for known and unknown claims as well as the associated expenses. The Company uses various methods to estimate these obligations. Measurement of these liabilities requires a significant degree of judgement by the management of the Company regarding assumptions made, such as the impact of increased inflation rates, loss developments and regulatory changes.

In addition, there is a significant judgement of the management of the Company regarding construction of the discounting curves applied in discounting of the assets and liabilities from insurance contracts.

Due to the material significance of the amounts for the Company's statement of financial position and financial performance as well as the complexity of determining the underlying assumptions and estimates made by the Company's management, the measurement of these assets and liabilities was of particular significance in the context of our audit.

trends, etc.) with the Company and, where appropriate, challenged the assumptions.

Our focus was the assessment of the cash flow model used by the Company to estimate LRC, use of assumptions as well as the completeness and accuracy of the data used for the measurement of selected liabilities.

Our audit also included an evaluation of the plausibility and integrity of the data and assumptions, including the assessment of the management regarding the impact of increased inflation rates, used in the valuation of LIC.

Furthermore, we recalculated the amount of the liability for incurred claims while we compared the recalculated liabilities with the liabilities determined by the Company and evaluated any differences.

We also assessed the accuracy and completeness of the disclosures in the notes to the financial statements.

How we tailored our audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Insurance Company, the accounting processes and controls, and the industry in which the Insurance Company operates.

Other information

The board of directors is responsible for the other information. As defined in Section 2(b) of the Act on Auditors, the other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge about the Insurance Company obtained in the audit or otherwise appears to be materially misstated. In addition, we assessed whether the other information has been prepared, in all material respects, in accordance with applicable legal requirements, i.e. whether the other information complies with the legal requirements both in terms of formal requisites and the procedure for preparing the other information in the context of materiality.

Based on the procedures performed in the course of our audit, to the extent we are able to assess it, in our opinion:

- the other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and

- the other information has been prepared in accordance with the applicable legal requirements.

In addition, in the light of the knowledge and understanding of the Insurance Company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the other information. We have nothing to report in this regard.

Responsibilities of the board of directors, supervisory board and audit committee of the Insurance Company for the financial statements

The board of directors is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRS Accounting Standards as adopted by the European Union and for such internal control as the board of directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the board of directors is responsible for assessing the Insurance Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the board of directors either intends to liquidate the Insurance Company or to cease operations, or has no realistic alternative but to do so.

The supervisory board of the Insurance Company is responsible for overseeing the financial reporting process.

The audit committee of the Insurance Company is responsible for monitoring the financial statements' preparation process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Audit regulations will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the Audit regulations, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Insurance Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the board of directors.
- Conclude on the appropriateness of the board of directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Insurance Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Insurance Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the board of directors, supervisory board and audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement showing that we have complied with relevant ethical requirements regarding independence, and we communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board and audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

Information required by the EU Regulation

In compliance with Article 10(2) of the EU Regulation, we provide the following information, which is required in addition to the requirements of International Standards on Auditing:

Consistency of the audit opinion with the additional report to the audit committee

We confirm that the audit opinion expressed herein is consistent with the additional report to the audit committee of the Insurance Company, which we issued today in accordance with Article 11 of the EU Regulation.

Appointment of auditor and period of engagement

We were appointed as the auditors of the Insurance Company for year 2024 by the general meeting of shareholders of the Insurance Company on 29 April 2024. Our uninterrupted engagement as auditors of the Insurance Company has lasted for nine years.

Provided non-audit services

We declare that no services prohibited under Article 5 (1) of the EU Regulation, as amended by the Czech law following Article 5 (3) of the EU Regulation, have been provided.

In addition to the statutory audit, no other services were provided by us to the Insurance Company.

The engagement partner on the audit resulting in this independent auditor's report is Tomáš Bašta.

7 April 2025

PricewaterhouseCoopers Audit, s.r.o.
represented by Partner

Tomáš Bašta
Statutory Auditor, Licence No. 1966

Translation note

This version of our report is a translation from the original, which was prepared in the Czech language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the Czech version of our report takes precedence over this translation.

CONTENT

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

SEPARATE STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

(CZK'000)	Note	2024	2023
Intangible assets	4.1	709,751	435,370
Property, plant and equipment	4.2	362,659	362,653
Other assets	4.3	755,292	512,954
Insurance contract assets	4.4	573,343	480,867
Reinsurance contract assets	4.5	1,734,436	738,770
Investments in subsidiaries	4.6	279,000	272,400
Net deferred tax assets	4.10	865,809	853,459
Financial assets	4.7	36,997,307	36,699,934
At amortised cost		8,600,830	7,952,964
At fair value through other comprehensive income		20,242,395	19,506,351
At fair value through profit or loss		7,675,622	8,734,662
Hedging derivatives with positive fair value		478,460	505,957
Cash and cash equivalents	4.7	472,527	2,102,418
TOTAL ASSETS		**42,750,124**	**42,458,825**

(CZK'000)	Note	2024	2023
Share capital	4.9	2,796,248	2,796,248
Share premium		3,600	3,600
Other funds and revaluation differences		150,958	4,219
Retained earnings		5,157,713	4,867,527
TOTAL EQUITY		**8,108,519**	**7,671,594**
Insurance contract liabilities	4.4	32,020,458	32,335,209
Reinsurance contract liabilities	4.5	613	1,133
Net current tax liability	4.10	210,604	13,801
Other liabilities	4.12	2,105,425	2,142,288
Liabilities from lease contracts	4.11	301,737	293,855
Financial liabilities	4.7	2,768	945
TOTAL LIABILITIES		**34,641,605**	**34,787,231**
TOTAL LIABILITIES AND EQUITY		**42,750,124**	**42,458,825**

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

SEPARATE INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2024

(CZK'000)	Note	2024	2023
Insurance service result	4.14	2,838,695	2,797,697
Insurance revenue		*14,711,664*	*13,292,047*
Insurance service expenses from insurance contracts issued		*(13,340,809)*	*(10,064,389)*
Ceded reinsurance result	4.5	*1,467,840*	*(429,961)*
Investment return		1,918,151	2,275,986
Net interest income	4.15	*1,254,369*	*1,389,617*
Net (un)realised gains / (losses) from financial assets at fair value through profit or loss	4.16	*639,051*	*898,293*
Net (un)realised gains / (losses) from the financial assets measured at amortised cost		*-*	*(1,535)*
Net impairment loss on financial assets		*(83)*	*1,455*
Net gains / (losses) from financial assets at fair value through other comprehensive income	4.17	*13,065*	*(15,567)*
Other gains / (losses)		*11,749*	*3,723*
Insurance finance income / (expense)		(1,315,076)	(1,580,532)
Finance income / (expense) from insurance contracts issued	4.4.9	*(1,369,032)*	*(1,625,191)*
Finance income / (expense) from reinsurance contracts held	4.5	*53,956*	*44,659*
Other income	4.18	367,409	330,931
Other expense	4.19	(606,304)	(572,847)
PROFIT BEFORE TAX		**3,202,875**	**3,251,235**
Income tax expense	4.21	(548,537)	(449,083)
PROFIT AFTER TAX		**2,654,338**	**2,802,152**

SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2024

(CZK'000)	Note	2024	2023
PROFIT AFTER TAX		**2,654,338**	**2,802,152**
Items that can be subsequently reclassified into profit or loss			
Net change in revaluation of debt instruments		(410,619)	1,257,260
Revaluation of hedging derivatives		-	2,427
Net finance income / (expense) from insurance contracts issued		558,520	(1,244,570)
Net finance income / (expense) from reinsurance contracts held		(1,162)	28,031
OTHER COMPREHENSIVE INCOME	4.21	**146,739**	**43,148**
TOTAL COMPREHENSIVE INCOME		**2,801,077**	**2,845,300**

These financial statements were approved for issue by the Board of Directors and signed on its behalf by:

Jiří Střelický
Chairman of the Board of Directors

Tomáš Lain
Member of the Board of Directors

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2024

2024 (CZK'000)	**Share capital**	**Share premium**	*Net change in revaluation of debt instruments*	*Revaluation of hedging derivatives*	*Finance income / (expense) from insurance contracts issued*	*Finance income / (expense) from reinsurance contracts held*	*Other funds*	**Total funds and revaluation differences**	**Retained earnings**	**Total equity**
As at 1 January 2024	**2,796,248**	**3,600**	*(315,393)*	-	*(78,422)*	*(12,212)*	*410,246*	**4,219**	**4,867,527**	**7,671,594**
Other	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	2,654,338	2,654,338
Other comprehensive income	-	-	*(410,619)*	-	*558,520*	*(1,162)*	-	146,739	-	146,739
Total comprehensive income	**-**	**-**	*(410,619)*	-	*558,520*	*(1,162)*	-	**146,739**	**2,654,338**	**2,801,077**
Dividends paid	-	-	-	-	-	-	-	-	(2,364,152)	(2,364,152)
As at 31 December 2024	**2,796,248**	**3,600**	*(726,012)*	-	*480,098*	*(13,374)*	*410,246*	**150,958**	**5,157,713**	**8,108,519**

2023 (CZK'000)	**Share capital**	**Share premium**	*Net change in revaluation of debt instruments*	*Revaluation of hedging derivatives*	*Finance income / (expense) from insurance contracts issued*	*Finance income / (expense) from reinsurance contracts held*	*Other funds*	**Total funds and revaluation differences**	**Retained earnings**	**Total equity**
As at 1 January 2023	**2,796,248**	**3,600**	*(1,523,974)*	*(2,427)*	*1,166,148*	*(40,243)*	*410,246*	**9,750**	**5,932,276**	**8,741,874**
Other	-	-	*(53,117)*	-	-	-	-	(53,117)	53,117	-
Profit for the year	-	-	-	-	-	-	-	-	2,802,152	2,802,152
Other comprehensive income	-	-	*1,261,698*	*2,427*	*(1,244,570)*	*28,031*	-	47,586	(4,438)	43,148
Total comprehensive income	**-**	**-**	*1,208,581*	*2,427*	*(1,244,570)*	*(28,021)*	-	**(5,531)**	**2,850,831**	**2,845,300**
Dividends paid	-	-	-	-	-	-	-	-	(3,915,580)	(3,915,580)
As at 31 December 2023	**2,796,248**	**3,600**	*(315,393)*	-	*(78,422)*	*(12,212)*	*410,246*	**4,219**	**4,867,527**	**7,671,594**

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2024

(CZK'000)	Note	2024	2023
Profit before taxation		3,202,874	3,251,235
adjustments for:			
Change in insurance contract liabilities		(1,824)	(1,602,467)
Change in reinsurance contract assets		(473,518)	(246,673)
Depreciation and amortisation	4.1, 4.2	183,624	165,000
Net realized gain / loss from sales property and equipment	4.18	(1,515)	(1,842)
Impairment on financial investments	4.7	83	(1,455)
Net unrealized gain / loss from FVTPL		(639,336)	(871,179)
Net realized gain / loss from FVOCI and AC		(13,065)	17,102
Net interest income	4.15	(1,254,369)	(1,389,617)
Impairment on other assets		(5,227)	(5,674)
Other		21,485	86,012
Net change in operating assets	4.8	(603,008)	574,630
Net change in operating liabilities	4.13	260,680	1,336,664
Interest received		1,197,395	1,297,976
(Purchase) disposal of financial assets		(4,951,611)	885,262
Maturity of financial assets		4,672,070	2,573,621
Net income tax (paid) received		(403,089)	(222,499)
NET CASH FLOW FROM OPERATING ACTIVITIES		**1,191,649**	**5,846,096**
(Purchase) of property, equipment and intangible assets		(394,021)	(175,260)
Disposal of property, equipment and intangible assets		2,291	1,869
NET CASH FLOW FROM INVESTING ACTIVITIES		**(391,730)**	**(173,391)**
Dividends paid (-)	4.9	(2,364,152)	(3,915,580)
Payment of lease liabilities	4.11	(65,658)	(65,074)
NET CASH FLOW FROM FINANCING ACTIVITIES		**(2,429,810)**	**(3,980,654)**
Net increase/(decrease) in cash and cash equivalents		(1,629,891)	1,692,051
Cash and cash equivalents as at 1 January		2,102,418	410,367
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	**4.7.2**	**472,527**	**2,102,418**

The accompanying notes on pages 31 - 124 are an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

ČSOB Pojišťovna, a.s., člen holdingu ČSOB ("the Company") is an insurance company incorporated and domiciled in the Czech Republic. The principal activities of the Company are life and non-life insurance. The Company was incorporated on 17 April 1992 (business registration number 45534306). The Company obtained a license to carry out life insurance activities on 22 April 1992. The Company obtained a license to carry out non-life insurance activities on 13 April 1994.

The registered office of the Company is Masarykovo náměstí 1458, Zelené Předměstí, 530 02, Pardubice.

The shareholders of the Company as at 31 December 2024:

Československá obchodní banka, a. s., Radlická 333/150, 150 57 Prague 5	0.245 %
KBC Verzekeringen NV, Professor Roger Van Overstraetenplein 2, B-3000 Leuven, Belgium	99.755 %

Share on the Company's voting rights as at 31 December 2024:

Československá obchodní banka, a. s., Radlická 333/150, 150 57 Prague 5	40.00 %
KBC Verzekeringen NV, Professor Roger Van Overstraetenplein 2, B-3000 Leuven, Belgium	60.00 %

Members of the Board of Directors and of the Supervisory Board as at 31 December 2024:

Members of the Board of Directors

Chairman	Jiří Střelický, Prague 6, Za Strahovem 432/28, postal code 169 00
Vice-chairman	Stanislav Uma, Prague 9, Újezd nad Lesy, Holšická 2869, postal code 190 16
Members	Tomáš Lain, Praha 9, Satalice, Dany Medřické 599/14, postal code 190 15
	Marek Cach, Pardubice, Pardubičky, Za Kopečkem 499, postal code 530 03
	Tomáš Hotový, Velké Popovice, Václavská 216, postal code 251 69

Tomáš Hotový has been the member of the Board of Directors since February 1st, 2024.

The Board of Directors acts on behalf of the Company in a way that it should always be represented jointly by any two Board members. Act on behalf of the Company involves two members of the Board of Directors who affix their signatures to the business name of the Company.

Members of the Supervisory Board

Chairman	Aleš Blažek, Prague 6, Dejvice, Neherovská 1924/28, postal code 160 00
Members	Isabel Boogers, 32010 Lubbeek, Grotendries 31, Belgium
	Přemysl Dolan, Němčice 106, postal code 533 52

The primary financial statements are an integral part of the financial statements.

2. ACCOUNTING POLICIES

2.1. Basis of preparation

The separate financial statements (also referred to as „financial statements“) have been prepared and approved by the Board of Directors of the Company and are subject to approval at the general meeting of shareholders.

The statement of financial position has been prepared on a historic cost basis except for those financial assets and financial liabilities that have been measured at fair value (financial derivatives, financial instruments at fair value through profit and loss, financial instruments at fair value through other comprehensive income, financial instruments held for trading etc.) and assets and liabilities from insurance and reinsurance contracts, investment contracts with DPF, which are recognised on the basis of estimated present value of future cash flows.

The financial statements are presented in Czech crowns (CZK) rounded to the nearest thousand (CZK’000), which is both the Company’s functional and presentation currency. CZK is the currency of the primary economic environment in which the Company operates.

The Company’s financial data are included in the consolidated financial statements of the direct parent company KBC Verzekeringen NV, Leuven, the Kingdom of Belgium. These financial statements are separate and are further included in the consolidated financial statements of the ultimate parent company KBC Group NV with its registered seat in Brussels, the Kingdom of Belgium. The financial statements of the two consolidating entities KBC Verzekeringen NV and KBC Group NV are compiled in accordance with the International Financial Reporting Standards as adopted by the EU and are submitted to the Belgian National Bank and are publicly available on the website of the ultimate parent company. Therefore, in compliance with IFRS 10, section 4 (a) requirements, the Company does not prepare consolidated financial statements.

Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union („IFRS accounting standards“).

The Company presents its statement of financial position broadly in order of liquidity. An analysis regarding the recovery or settlement within twelve months after the reporting date (current) and more than 12 months after the reporting date (non-current) is presented in the notes.

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position only when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis. Income and expense will not be offset in the income statement unless required or permitted by any IFRS accounting standard or interpretation, as specifically disclosed in the accounting policies of the Company.

2.2. Changes in accounting policies

Effective after 1 January 2024

The adopted accounting policies are consistent with those applied in the annual report for the year ended 31 December 2023, except for the adoption of the following IFRS accounting standards, amendments and interpretations. The adoption of other IFRS accounting standards (other than IFRS 17), amendments (other than amendments to IFRS 17 and IAS 1 Disclosure of Accounting Policies) and interpretations had no material impact unless otherwise stated.

Amendment to IAS 1 Non-current Liabilities with Covenants. The amendment clarifies that a liability is classified as non-current when an entity has a right to defer settlement for at least 12 months after the reporting date.

The primary financial statements are an integral part of the financial statements.

Amendment to IFRS 16 Lease Liability in a Sale and Leaseback. The amendment specifies requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction.

Amendments to IAS 7 and IFRS 7. The amendment introduces new disclosure requirements about supplier finance arrangements, in which finance providers pay amounts the entity owes to its suppliers.

Effective after 1 January 2025

The following IFRS Accounting Standards were issued but not yet effective in 2024. The Company will apply these standards when they become mandatory.

Amendment to IAS 21 Lack of Exchangeability is effective on or after 1 January 2025. Limited-scope amendment.

Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments is effective on or after 1 January 2026. The amendments improve the guidance on assessing whether contractual cash flow characteristics of financial assets meet conditions of basic lending arrangements. The Company investigates possible impact.

IFRS 18 Presentation and Disclosure in Financial Statements is effective on or after 1 January 2027. Replaces IAS 1 Presentation of Financial Statements. The standard provides comprehensive guidelines on how entities should present and disclose information in their financial statements. The Company investigates the impact.

IFRS 19 Subsidiaries without Public Accountability: Disclosures is effective on or after 1 January 2027. The standard provides tailored disclosure requirements for subsidiaries that do not have public accountability.

2.3. Significant accounting estimates and judgements

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent liabilities, at the reporting date. The estimates and associated assumptions are continually evaluated and are based on historical experience and other factors that are considered by the Company's management to be relevant. Actual results may differ from these estimates. The most frequently used significant judgments and estimates are as follows:

2.3.1. Financial instruments fair value

Where the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques which include the application of mathematical models. If possible, the input to these models is taken from observable markets; if not, a degree of judgment is required to establish the fair values. The judgments include considerations of credit and liquidity and model inputs, such as correlation and volatility for longer dated financial instruments.

For more details see Note 4.7.

2.3.2. Impairment losses on financial instruments

Calculation of Expected Credit Loss (ECL) requires significant judgments in various aspects, for example, but not solely, the financial situation of the debtors / issuers and their possibility to repay, and future macroeconomic information. The Company applies a neutral and unbiased approach while evaluating uncertainties and making important judgments. The value of expected credit losses is calculated in a manner that reflects:

The primary financial statements are an integral part of the financial statements.

- unbiased, probable weighted amount;
- time value of money; and
- information about past and actual events and expected economic conditions.

For more details see Note 4.7.

2.3.3. Valuation of insurance contract liabilities

All insurance and reinsurance contracts concluded by the Company are within the scope of IFRS 17.

Insurance contract liabilities consist of two components, namely the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

The Company uses two measurement models for the valuation of life insurance liabilities for remaining coverage: the Building Block Approach (BBA; also called as GMM - General Measurement Model) and Variable Fee Approach (VFA). Life insurance liabilities for incurred claims are evaluated using the BBA model.

Both of these models work with four blocks - an actuarial estimate of expected future cash flows, discounting to reflect the time value of money, a risk adjustment for non-financial risks and, in the case of liabilities for remaining coverage, a contractual service margin (CSM). The variable fee approach (VFA) modifies the basic model for contracts with discretionary participation features (DPF) by including the remuneration that the Company expects to receive for managing the underlying assets in the contractual service margin.

The main assumptions used in calculating the expected future cash flows from liabilities for remaining coverage relate to mortality, accident and morbidity, longevity, annulment rates, investment returns and expenses. The assumptions used are at a best estimate level, which is based primarily on the Company's historical experience and is updated periodically.

The Premium Allocation Approach (PAA) measurement model is used to evaluate the liability for remaining coverage of non-life insurance contracts and for ceded reinsurance. Non - Life insurance and reinsurance liabilities for incurred claims are evaluated using the BBA model.

PAA is optional simplified measurement model. The amount of the liability for remaining coverage (LRC) includes premiums paid and cash flows arising from acquisition costs, which are amortised to profit or loss on a pro rata basis.

To calculate the liability for incurred claims, an estimate is made using a number of standard actuarial techniques for insurance claims projection. The calculation is based on historical data.

Predictive models of future cash flows are naturally associated with uncertainty regarding the amount and timing of cash flows. The risk adjustment for non-financial risks is the compensation the entity needs to bear the uncertainty of the amount and the timing of cashflows arising from nonfinancial risks. It is a buffer on top of the best estimate of future cashflows. It is determined as the difference between the best estimate of future cash flows and the value-at-risk (VaR) at the relevant materiality level. The materiality level is set at 75 % for life and 90 % for non-life insurance contracts.

A number of other accounting estimates and judgements are applied in the preparation of the financial statements, including the aggregation of insurance contracts; portfolio definitions; contract boundaries; units of insurance coverage; the choice of a valuation model (BBA, VFA, PAA);

Their detailed description is given in Note. 2.4.2 Insurance contracts.

2.4. Significant accounting policies

2.4.1. Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange prevailing at the reporting date.

Transactions in foreign currencies are initially recorded at the functional currency rate of exchange prevailing at the date of transaction.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates prevailing at the dates of the initial transactions.

Foreign exchange gains and losses are taken to the income statement.

2.4.2. Insurance contracts

Generally, all contracts sold by the Company are within the scope of IFRS 17.

An insurance contract is an insurance contract within the meaning of IFRS 17 if the contract transfers significant insurance risk from the insured to the insurer. Materiality is assessed based on the existence of a scenario (having commercial substance) in which the insurer must pay additional amounts.

The significance of the insurance risk is assessed at initial recognition of the contract, including consideration of the time value of money.

Typically, significant insurance risk is an integral part of the product design. A minority portion of the portfolio of investment contracts without discretionary participation features should be measured under IFRS 9, however, due to their monitored immateriality, they are also included under IFRS 17. The Company does not issue contracts within the scope of IFRS 15.

There is no distinguishable investment component in insurance contracts, which should be measured separately from the insurance component.

IFRS 17 presents profit and loss by sources of profit and loss. It separates the insurance result, consisting of the insurance revenues and the insurance service, and the financial result. The financial result is contributed to by the interest income from investing available funds and the interest expense reflecting the time value of money.

Cash flows are discounted based on current market rates, where the Company has chosen to disaggregate the discounting impact between other comprehensive income (OCI) and the income statement with a view to stabilize results.

2.4.2.1. Level of aggregation of insurance contracts

A valuation according to IFRS 17 is performed at an aggregate level. Insurance contracts are aggregated into groups according to the nature of the contracts, the year of recognition and the profitability expected upon the initial recognition of the contract.

- IFRS17 portfolio is a set of contracts subject to similar risks and managed together;
- one group of contracts may include contracts negotiated in one year only (annual cohort);
- according to expected profitability, each portfolio is divided into at least 3 groups of contracts - a group of contracts that are unprofitable at initial recognition; a group of contracts that are initially not significantly likely to become unprofitable during their lifetime; a group of other contracts, i.e. profitable contracts with a low probability of turning into a loss.

The primary financial statements are an integral part of the financial statements.

IFRS 17 portfolios

Life portfolios

Measured using BBA
- Non-Linked traditional insurance
- Group risk insurance
- Unit-linked – regular BBA
- Náš Život – internal - BBA
- Náš Život – external - BBA
- Náš Život – ČSOB - BBA
- Náš Život – ČSOB S - BBA
- Náš Život – Česká Pošta - BBA

Measured using VFA
- Unit-linked – single payment VFA
- Unit-linked – regular VFA
- Náš Život – internal - VFA
- Náš Život – external - VFA
- Náš Život – ČSOB - VFA
- Náš Život – ČSOB S - VFA
- Náš Život – Česká Pošta - VFA

Non-life and reinsurance portfolios

- Accident insurance
- Motor third party liability insurance
- General third party liability insurance
- Other motor insurance
- Houses and households insurance
- Travel insurance
- Industrial risk insurance
- Industrial risk liability insurance
- Other insurance

Annual cohorts

The Company implements cohorting on an annual basis (an annual cohort is defined as the set of contracts negotiated in one calendar year). The Company does not apply the optional exemption allowing multiple years to be bundled together in specific cases.

Aggregation according to the expected profitability

For contracts valuated using the general model (BBA) or the variable fee method (VFA), the profitability of a group of contracts is assessed based on the value of the insurance contractual service margin under different risk adjustment scenarios at initial recognition:
- if the service margin is negative at a risk adjustment calculated at 75 % of the quantile, we are talking about an unfavourable group of contracts;
- if the contractual service margin is positive at a risk adjustment calculated at the 90 %, we are talking about a group of contracts that are initially not significantly likely to become unprofitable during their lifetime (profitable group of contracts);

The primary financial statements are an integral part of the financial statements.

- if the contractual service margin is positive at a risk adjustment calculated at the 75 % of the quantile and negative at risk adjustment calculated at the 90 % of the quantile, we speak of a group of remaining contracts.

For contracts valued using the premium allocation approach (PAA), circumstances where a group of contracts could be disadvantageous are indicated by an expected economic combined ratio (EECR) value greater than 100%. The EECR is calculated on an annual basis, so that all contracts written in the same year fall within the same contract group. In exceptional cases, the EECR may be evaluated during the year.

2.4.2.2. Recognition and derecognition

The Company initially recognises groups of insurance contracts on a first-in, first-out basis:

- the inception of insurance coverage;
- when the first payment from the policyholder is due;
- for an unprofitable group, when the group proves to be unprofitable.

Additional contracts negotiated during the calendar year are then allocated to each contract group.

The Company initially recognises a group of reinsurance contracts on a first-in, first-out basis of:

- the inception of the reinsurance coverage;
- the point at which the Company recognises the unprofitability of the underlying group of insurance contracts.

The liability under the insurance contracts is derecognised when it expires, i.e. when it no longer gives rise to an obligation on the Company to perform.

2.4.2.3. Valuation

Insurance contract liabilities represent the Company‘s rights and obligations under underwritten insurance contracts. They consist of two components, namely the liability for remaining coverage (LRC) and the liability for incurred claims (LIC).

IFRS 17 introduces uniform valuation models for insurance liabilities. The core of IFRS 17 is the general model (the ‘Building Block Approach’ or ‘BBA’), supplemented by a specific adaptation for contracts with direct participation features (the ‘Variable Fee Approach’ or ‘VFA’) and a simplified approach (the ‘Premium Allocation Approach’ or ‘PAA’).

All contracts in a single IFRS 17 portfolio must be measured using the same valuation model.

2.4.2.3.1. Valuation of liabilities for remaining coverage by the BBA method

The BBA model works with four blocks:

- an actuarial estimate of expected future cash flows;
- discounting to reflect the time value of money and financial risks;
- risk adjustment to compensate for uncertainty in the amount and timing of expected future cash flows;
- a contractual service margin (CSM) representing the future profit amortised to profit or loss over the life of the contract based on the extent of services provided during the period.

The primary financial statements are an integral part of the financial statements.

Estimated expected future cash flows

The starting point is the projection of estimated expected future cash flows for Solvency II purposes, which ensures consistency of future expectations, but at the same time takes into account the methodological differences between IFRS 17 and Solvency II, namely:

- in Solvency II, all costs are included in the cash flows, whereas IFRS 17 excludes costs that are not directly attributable to groups of insurance contracts, from the projections;
- a different approach to renewals - IFRS 17 contract boundaries include only contracts in force at the reporting date that give rise to an obligation on the policyholder to pay premiums and on the insurer to provide claims in pre-determined circumstances (contracts starting in the future are not considered);
- different approach to risks terminable by the insurer (in case of SII, these terminable risks are terminated at the earliest possible moment, in IFRS17 the evolution of all risks (terminable and non-terminable) is projected taking into account the probability of the best possible estimate);
- Solvency II works with a different portfolio aggregation (LoB);
- liabilities from remaining insurance coverage are adjusted for claims and direct reinsurance liabilities, thus achieving a fair presentation according to claims paid or commissions paid.

Discounting - the time value of money and financial risks

Under IFRS 17, insurance liabilities are measured at the current market rate (meaning the rate observed at the reporting date), which means that the impact of the time value of money is revalued at the current rate each closing period. An accounting policy choice needs to be made whether to recognise the impact of the changes in the current rate in the income statement or in other comprehensive income (OCI). In its accounting policies, the Company has chosen to disaggregate insurance finance income or expenses (IFIE) between the income statement and OCI. This means that the interest expense on the insurance liability over the reporting period is recorded in the income statement – this interest expense is determined based on the locked-in rate (i.e. the interest rate curve applicable at inception of the IFRS 17 contract) – and that the impact of changes in the market rate over the reporting period is recorded in OCI.

The discount curve assumes the currency of the respective cash flows (i.e. CZK). The starting point is market observable prices. The last liquid tenor on the Czech market is assumed to be 20 years. Ultimate forward rate is taken from rates published by EIOPA. There are two approaches to construct the curve - bottom-up and top-down.

The top-down approach derives the discount curves from the market return on a reference portfolio of assets adjusted for factors irrelevant to insurance contracts. The Company uses this approach for contracts with profit-sharing claims on financial assets.

The bottom-up approach is based on a (liquid) risk-free yield curve adjusted for an illiquidity premium (100 basis points). The Company uses it for cash flows for which it does not use the top-down approach, i.e. non-profit-sharing life insurance, contracts measured by VFA (illiquidity premium 0), non-life and reinsurance contracts.

Risk adjustment

The risk adjustment for non-financial risks represents a premium for the uncertainty associated with the estimates. It is determined as the difference between the best estimate of future cash flows and the value-at-risk (VaR) at the relevant materiality level. The materiality level is set at 75 % for life insurance products and 90 % for non-life insurance and reinsurance contracts. The risks considered include in particular mortality, longevity, morbidity, lapse or cost risks.

Contractual service margin

The contractual service margin is recognised in the statement on the financial position as part of the insurance contract liabilities. It ensures that a profit is not realised immediately at the time of initial recognition, but that the profit is spread over time according to the progress of the units of the insurance cover. The units of insurance cover are reassessed at each reporting period and take

The primary financial statements are an integral part of the financial statements.

into account the time value of money (discounting the units of insurance cover leads to a more stable pattern of profit or loss). After the end of the group of policies, the value of the contractual service margin is zero.

The CSM release model is based on coverage units in the group of contracts (GoC). The number of coverage units is the volume of services the insurer provides under the contracts in that GoC, which is determined by considering, for each contract, the total payments a policyholder receives under a contract and the expected period of cover. The CSM amount included in the income statement is the number of coverage units allocated to the current period for the insurance cover provided in the current period.

The number of coverage units is reassessed at the end of every reporting period in order to reflect the most up-to-date contract assumptions. The Company has chosen to present the time value of money on coverage units. Discounting the coverage units helps to achieve a more stable allocation of the CSM to the income statement.

The Company applies 'multivariate coverage units' for contracts under which multiple services are provided, (insurance cover and investment return services) while coverage units are determined based on individual payment components and each component is assigned a weight to reflect an appropriate service level These weights appropriately reflect the CSM release based on the volume of work carried out for each service. Just like the coverage units, these weights are also reassessed at the end of every reporting period.

Loss component

In case that the absorption capacity of the contractual insurance margin is exhausted, a loss component, charged to loss, becomes part of the insurance contract liabilities. When facts and circumstances indicate onerous contracts, under IFRS 17 the respective expected losses concerned are recognised immediately to profit or loss.

2.4.2.3.2. Valuation of liabilities for remaining coverage by the VFA method

The VFA method is a modification of the general valuation model (it adopts most of its features described above). It is characterised by the fact that the contractual service margin includes the remuneration that the Company expects to receive for managing the underlying assets. The residual value of the contractual servicing margin can be determined as the difference between the fair value of the underlying assets and the Company's total liabilities to policyholders.

In contrast to the general valuation model, in the subsequent valuation, all changes in the cash flows from claims are captured in the contractual service margin up to the point of exhaustion of its absorption capacity (i.e. before the service margin reaches zero). Once the absorption capacity of the CSM is exhausted, a loss component is recognised in profit or loss.

The Company applies the variable fee approach (VFA) for contracts whose cash flows depend significantly on the performance of the underlying assets; it is a method applied on a mandatory basis if the defined conditions of IFRS 17 are met (in the Company's single-paid and part of the regular-paid unit-linked products).

2.4.2.3.3. Valuation of liabilities for remaining coverage by the PAA method

Under certain conditions, entities may (but are not required to) opt for simplification by applying the premium allocation approach (PAA). Compliance with the relevant conditions is mostly determined by the duration of the contracts up to one year. For contracts with the duration of more than one year, it is necessary to prove that the PAA is a suitable approximation of the BBA.

The Company uses the Premium Allocation Approach (PAA) for the valuation of non-life insurance assets and liabilities and reinsurance assets and liabilities. The amount of the liability for remaining coverage (LRC) includes premiums paid and cash flows arising from acquisition costs, which are amortised to profit or loss on a pro rata basis. In doing so, the Company assumes written premiums and acquisition costs and ensures the transition to a cash flow basis by adjusting the value for unpaid premiums receivable and unpaid commissions payable.

The primary financial statements are an integral part of the financial statements.

The Company periodically assesses the appropriateness of applying the method for contracts with a duration of more than one year (at least annually). The assessment consists of a comparison of the valuation of liabilities using the premium allocation approach (PAA) and the building bock approach (BBA). Based on the comparison of the calculations, the Company has determined that the valuation of the liabilities using the simplified method does not lead to materially different results compared to the valuation of the liability using the standard method, and thus the premium allocation method can be used even for contracts with a duration of more than one year.

The Company does not use the option to amortise acquisition costs to profit or loss as incurred.

2.4.2.3.4. Valuation of liabilities for incurred claims

When a claim occurs, a liability for incurred claims (LIC) is created (separately valued). The valuation concept is the same as the general valuation model, i.e. the present value of expected future cash flows (including internal and external claim settlement costs) plus a risk adjustment for non-financial risk (a premium for uncertainty in the estimates). The risk adjustment is determined by the value-at-risk (VaR) method, similar to the liability for remaining coverage.

2.4.2.4. Subsequent valuation

2.4.2.4.1. Liabilities for remaining coverage measured by the BBA or VFA method

The amount of the liability for remaining coverage depends, among other things, on calculation assumptions calibrated on the basis of historical experience or publicly available information such as

- lapse rates;
- mortality tables (publicly available, specifically adjusted according to historical experience);
- operating costs directly attributable to the group of contracts (costs incurred as a result of fulfilling obligations under existing insurance contracts).

Parameters may vary for different product types. See sensitivity analysis in Note 3.1.

At the end of each reporting period, the Company updates assumptions and estimates related to expected cash flows, resulting in a change in the residual value of the remaining insurance coverage liability.

The starting point is liabilities from the end of the previous accounting period increased by liabilities from new insurance contracts and accrued interest valued at the discount rates determined during initial recognition. Then there are main liability movements:

- corrections based on experience;
- related to future services provided (absorbed by the contractual service margin);
- relating to services provided in the current or prior period (shown in the current period's profit or loss);
- arising from a change in the portfolio of insurance contracts;
- the effects of changes in calculation assumptions unrelated to financial risks on fulfilment cash flows (absorbed by the contractual service margin);
- the effects of changes in calculation assumptions related to financial risks on fulfilment cash flows;
- release of contractual service margin into the profit or loss of the current period.

2.4.2.4.2. Liabilities for remaining coverage measured by the PAA method

Pro rata temporis allocation to profit or loss - earned premiums to insurance revenues and amortised acquisition costs to insurance service expenses.

Assets and liabilities from reinsurance contracts use similar principles as primary insurance, with the opposite sign of the impact (e.g. reinsurance premiums are analogous to insurance premiums).

2.4.2.4.3. Liabilities from incurred claims

The determination of the value of the liability for remaining coverage draws on

- claim payments;
- internal and external claim settlement costs;
- the number of claims and their amount;

and takes into account external influences such as the interest rate environment affecting discounting or legislative requirements.

The Company measures liabilities from incurred claims using the BBA method. Main changes in the liabilities from incurred claims are:

- changes in fulfilment cash flows as a result of increases or decreases in expected claims, expenses, etc (recognised in profit and loss of the current period - insurance service expenses);
- insurance finance income or expense - changes due to movements in discount rates.

2.4.2.5. Insurance revenue

The recognition of revenue from insurance contracts depends on the valuation model used:

- for contracts valued at PAA, earned premiums (accrued written premiums for the period) are included in the income;
- for contracts valued using the general valuation model, the income consists of the claims and expenses expected for the period (expected claim payments and other costs of insurance services), the release of the risk adjustment for the period (change in the risk adjustment for non-financial risk), the release of the contractual service margin for the period (contractual service margin) and the acquisition costs, including commissions, allocated to the period (allocated insurance acquisition expenses or commissions);
- for contracts valued by VFA the same rules as for contracts valued by the general valuation model are applied.

2.4.2.6. Insurance service expenses

The insurance service expenses include:

- claims incurred (claim payments, changes in fulfilment cash flows relating to current period);
- incurred costs other than claims (e.g. administrative expenses);
- amortised insurance acquisition expenses and commissions;
- changes in fulfilment cash flow relating to future services (losses from onerous contracts and their reversals);
- changes in fulfilment cash flows that relate to past services (changes in the valuation of liabilities for incurred claims relating to claims incurred in prior periods).

2.4.2.7. Others

During the year, the Company updates the calculations from the previous months of the current year.

The Company has chosen to allocate the financial income or expense from insurance claims to profit or loss and other comprehensive income. The interest expense on the insurance liability (calculated on the interest curve fixed at the inception of the contract or claim) for the relevant period is presented in profit or loss, while the impact of movements in the market interest curve is presented in other comprehensive income.

For portfolios valued using the VFA method, the Company mirrors the change in the fair value of the underlying assets in insurance financial income or expense.

Insurance liabilities and reinsurance assets are presented separately in the statement of financial position.

The primary financial statements are an integral part of the financial statements.

2.4.2.8. Reinsurance

Reinsurance is insurance of the risk accepted by the Company. It enables the insurer to accept large risks and transfer part of the risk to another subject – a reinsurer. A reinsurer protects the insurer based on the other methods and techniques that are used for the original insurance of the client, without entering the contractual obligation with the original client.

The Company reinsures all major risks; for several products or insurance contracts all risks are reinsured.

Most of the insurance portfolio is reinsured non-proportionally (i.e. the reinsurers cover only claim expense that exceeds stated limit – priority). However, the Company uses also proportional reinsurance (claim expenses are covered by the reinsurer with the same portion as the premium is ceded). The reinsurance premium is accounted based on the valid contracts either monthly (non-proportional reinsurance) or on the regular bases (proportional reinsurance).

2.4.3. Intangible assets

Intangible fixed assets include mainly software and licenses and at initial recognition are recorded at acquisition cost. After initial recognition intangible assets are carried at the amount of acquisition cost less accumulated amortisation and impairment losses.

Software is categorized by acquisition as either external, i.e., purchased, or internal, i.e., developed through Company's own activities, which includes not only genuinely internally developed software but also significantly customized external software tailored to specific needs, including purchased software licenses.

Software - Core System is a key software application, internally developed, through which the Insurance Company implements its strategic objectives.

Development costs that are directly attributable to a specific software application within the Company's assets are recognized as intangible assets when it is probable that the future economic benefits will exceed these costs. Capitalized costs include personnel costs of the software development team, including a relevant portion of related overheads. All other software costs, such as maintenance, are immediately expensed as operational expenses.

The amortisation of software and other intangibles is calculated linearly over their expected useful economic lives:

Software	5 years
Other intangible assets	5 years

No core system is being amortised; it is being currently developed.

Intangible assets with finite lives

Intangible assets with finite lives are amortised over their useful economic lives. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. The amortisation expenses on intangible assets with finite lives are recognised in the income statement.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement when the asset is derecognised.

Impairment testing of intangible assets is described in chapter 2.4.6 Impairment of non-financial assets.

The primary financial statements are an integral part of the financial statements.

2.4.4. Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses.

Land is not depreciated.

Tangible fixed assets include assets with a cost exceeding CZK 7 thousand (CZK 40 thousand for furniture) on an individual basis and an estimated useful life greater than one year. Such assets are depreciated over their useful economic lives. Tangible assets with a cost not exceeding CZK 7 thousand (CZK 40 thousand for furniture) are expensed as incurred.

Depreciation is provided on a straight-line basis over the useful lives of the following classes of assets:

Buildings:	
Own buildings	30 years
Technical installation (pipeline, water supply, sewerage)	20 years
Rented premises	10 years
IT assets:	
Hardware	3 years
Other:	
Motor vehicles	5 years
Other	3-10 years

The assets' residual values and useful lives are reviewed and adjusted if appropriate at the and of each financial year.

An item of property and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal. Any gain or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

2.4.5. Investments in subsidiaries, associates and joint ventures

A subsidiary is an entity that is controlled by another entity (parent). The Company has control over the company it invested in when it is exposed to, or is entitled to, variable profits on the basis of its investments in that company. The Company is then able to influence these revenues through its control.

A joint venture is a type of joint control in which parties which have joint control have also the right for the net assets of the joint venture. Joint control is the contractual sharing of control over the joint venture. It exists only when the controlling parties reach a single decision on the joint venture's activities.

Investments in subsidiaries, associates and joint ventures are stated at cost less provision for impairment.

Dividends on investments in subsidiaries, associates and joint ventures represent dividend income and are always recognised in the income statement.

2.4.6. Impairment of non-financial assets

At each reporting date the Company assesses whether there are indications for impairment of a non-financial asset. If any such indication exists, or when annual impairment testing takes place, the Company estimates the asset's recoverable amount.

The primary financial statements are an integral part of the financial statements.

An asset's recoverable amount or cash generating unit is the higher of:

- an asset's fair value or cash-generating unit less costs to sell;
- its value in use or the value of cash-generating unit.

The recoverable amount is determined for an individual asset. The impairment loss is recorded in the income statement.

If it is not possible to estimate the recoverable amount of the individual asset, the Company determines the recoverable amount of the cash-generating unit to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company makes an estimate of the recoverable amount. A previous impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the income statement unless the asset is carried at revalued amount, in which case the reversal is treated as a revaluation increase.

2.4.7. Financial instruments

2.4.7.1. Recognition and derecognition

Financial assets and liabilities are recognised in the statement of financial position when the Company becomes a party to the contractual provisions of the financial instrument. A financial asset is derecognised from the statement of financial position when the contractual rights to the cash flows from the financial asset expire or are transferred and the transfer qualifies for derecognition. A transfer requires that the Company either transfers the contractual rights to receive the asset's cash flows; or retains the right to the asset's cash flows but assumes a contractual obligation to pay those cash flows to a third party. When the Company transfers a financial asset, it assesses the extent to which it has retained the risks and rewards of ownership of the transferred asset. If substantially all the risks and rewards have been transferred, the asset is derecognised. If substantially all the risks and rewards have been neither retained nor transferred, the Company assesses whether or not it has retained control of the asset. If it has not retained control, the asset is derecognised. Where the Company has retained control of the asset, it continues to recognise the asset to the extent of its continuing involvement.

A financial liability is derecognised from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expires.

For all categories of financial assets the Company recognises "regular way" purchases and sales using common settlement date (spot transactions) accounting. Under settlement date accounting, a financial asset is recognised or derecognised in the statement of financial position on the day it is physically transferred to or from the Company ("settlement date"). The date on which the Company becomes a party to the contractual provisions of a financial asset purchase, or the Company loses control of the contractual rights from a financial asset sale is commonly referred to as the "trade date". For financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income any change in fair value that occurs between the reporting date and the settlement date of the trade shall be recognised in the income statement in case of financial instruments at fair value through profit or loss, and in case of FVOCI instruments in other comprehensive income.

2.4.7.2. Initial recognition and subsequent measurement

The classification of financial assets depends on the purpose for which the financial instruments were acquired and their cash flow characteristics. All financial instruments are measured initially at their fair value plus, in the case of financial assets and financial liabilities not measured at fair value through profit or loss, any directly attributable incremental costs of acquisition.

2.4.7.3. Classification and valuation

Debt instruments can be allocated into one of the following categories:

- Financial assets at amortised cost (AC);
- Financial assets at fair value recognised in other comprehensive income (FVOCI);
- Financial assets at fair value through profit or loss (FVTPL).

2.4.7.3.1. Financial assets at amortised cost (AC)

A debt instrument is measured at AC only if it meets both of the following conditions and is not designated as FVTPL by the Company:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, financial assets at amortised cost are measured at amortised cost using the effective interest rate method, except in the case of a fair value hedge of items in this category, which have to be fair valued to the extent of the hedged risk.

The effective interest method is the method of calculating the net book value of financial asset or financial liability and the allocation of interest income or interest expense over the period. The effective interest rate is the rate that exactly discounts estimated future cash payments, or the revenue over the expected duration of the financial instrument, or after a shorter period, to the net carrying amount of the financial asset or financial liability. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The interest income is included in Net interest income. The losses arising from the impairment of such investments are recognised in the statement of income in Impairment losses.

2.4.7.3.2. Financial assets at fair value through other comprehensive income (FVOCI)

A debt instrument is measured at FVOCI only if it meets both of the following conditions and is not designated as FVTPL by the Company:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial measurement, financial assets at fair value through other comprehensive income are measured at fair value. Unrealised gains and losses are recognised directly in the OCI line Net change in revaluation reserve for debt instruments, until the financial asset is derecognised. When these assets are disposed of, the unrealised gain or loss recorded in the OCI line Net change in revaluation reserve for debt instruments is reclassified to the income statement to Net realised gains / losses from financial assets at fair value through other comprehensive income. Interest income arising from assets, calculated using the effective interest rate method, is recorded separately in Net interest income. The losses arising from the impairment of such investments are recognised in the income statement in Impairment loss on financial assets.

The primary financial statements are an integral part of the financial statements.

2.4.7.3.3. Business model

The business model assessment is relevant for debt instruments to assess whether they are allowed to be measured at AC and FVOCI. The Company reviews the objective of a business model in which an asset is held at a portfolio level because this best reflects the way the portfolio is managed. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. In particular, whether management's strategy focuses on earning contractual interest revenue, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of the liabilities that are funding those assets or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported the Board of Directors;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales in prior periods, the reasons for such sales and its expectations about future sales activity. However, information about sales activity is not considered in isolation, but as part of an overall assessment of how the Company's stated objective for managing the financial assets.

2.4.7.3.4. Contractual cash flows are solely payments of principal and interest (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument at initial recognition. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, the Company considers:

- contingent events that would change the amount and timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit the Company's claim to cash flows from specified assets; and
- features that modify consideration of the time value of money.

2.4.7.3.5. Reclassification

Financial assets are not reclassified subsequent to their initial recognition, except in the period after the Company changes its business model for managing financial assets which could occur when the Group begins or ceases to perform an activity that is significant to its operations, or the change is permitted by a specific provision (e.g. transition to IFRS 17). The reclassification takes place from the start of the first reporting period following the change.

2.4.7.3.6. Financial assets and financial liabilities at fair value through profit or loss (FVTPL)

This category of financial assets and financial liabilities is further divided into two groups: financial assets and liabilities held for trading and financial assets and liabilities not designated for trading that were initially designated by the Company as assets and liabilities at fair value through profit or loss. Investments made primarily for the purpose of their sale in the near future are classified as held for trading. Investments designated by the Company as FVTPL on initial recognition and irrevocably, must meet the following criteria:

The primary financial statements are an integral part of the financial statements.

- the designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on them on a different basis (applied for financial instruments that relates to unit-linked life insurance contract liabilities measured at fair value).

These investments are initially recorded at fair value. Subsequent to initial recognition, these investments are revaluated at fair value. Fair value adjustments and realised gains and losses are recognised in the income statement.

2.4.7.3.7. Hedging

In accordance with IAS 39, the Company has decided to use the option to continue with current hedge accounting and to await further developments in portfolio hedge accounting.

The Company uses instruments designated as hedging instruments in terms of cash flow hedges to manage the interest rate risk or foreign currency risk. Hedge accounting is used for derivatives designated in this way provided certain criteria are met. The following criteria for a derivative instrument to be accounted for as a hedge include:

- at the inception of the hedge there is formal designation and documentation of the hedging instrument, hedged item, risk management objective and strategy, hedge relationship and how the Company will assess the hedge effectiveness, which must be reliably measurable;
- the hedge is documented at inception showing that it is expected to be highly effective;
- the hedge is highly effective on an ongoing basis. The hedge is considered to be highly effective if the Company achieves offsetting changes in cash flows between 80 % and 125 % for the risk being hedged;
- the forecast transaction that is the subject of the hedge must be highly probable and should ultimately affect the income statement.

Cash flow hedges

Such derivative hedging instruments are initially recognised at fair value on the date on which the derivative contract is entered into. The effective portion of the gain or loss on the hedging instrument is recognised in the other comprehensive income, while the ineffective portion is recognised in the income statement. Amounts taken to equity are transferred to the income statement (net (un)realised gains (losses) from financial instruments at fair value through profit or loss), possibly interest income / expense when the hedged transaction affects the income statement. The exchange rate component of the fair value measurement is always recognised in the income statement. If a cash flow hedge is terminated or the hedge designation removed the related remaining amounts in equity are reclassified into the income statement in the same period during which the hedged item affects income. If the hedged anticipated transaction is no longer expected to occur the related remaining amounts in equity are recognised immediately in the income statement.

Fair value hedges

The Company employs fair value hedging to hedge interest rate and currency risks with certain fixed income investments, using interest rate and currency swaps as hedging instruments. It also hedges the currency risk for equity investments.

For designated and qualifying fair value hedges, the change in the fair value of a hedging derivative instrument is recognised in the income statement. The change in the fair value of the hedged item attributable to the hedged risk adjusts the carrying amount of the hedged item and is also recognised in the income statement.

Hedge accounting is discontinued if the hedging instrument expires, is sold, terminated or exercised, when the hedge no longer meets the criteria for hedge accounting or when the Company cancels or withdraws the hedging relationship. For hedged items measured at amortised cost, the difference corresponding to changes in the fair value of hedged items corresponding to the hedged risk is amortised until the maturity of the original hedging relationship, using the effective interest rate.

2.4.7.3.8. Determination of fair value

The fair value of a financial instrument is the amount which would be received from the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (called exit price). Financial instruments classified as financial assets or financial liabilities at fair value through profit or loss or, trading instruments, or financial assets at fair value recognised in other comprehensive income, are measured at fair value using listed market prices if listed in an active public market. For financial instruments that are not traded in active public markets, fair values are estimated using valuation models, listed prices of instruments with similar characteristics, discounted cash flows or other methods.

These methods of fair value estimation are significantly influenced by the assumptions used by the Company, including discount rates, liquidity, credit indicators and estimates of future cash flows.

2.4.7.3.9. General model of expected credit losses

The model of impairment of financial assets is called the Expected Credit Loss model (ECL).

ECL modelling is based on the classification of financial assets and is used for the following financial assets:

- Financial assets at amortised cost;
- Debt instruments at fair value recognised in other comprehensive income;
- Trade receivables and other receivables.

No expected credit losses are calculated for equity instruments.

If the credit risk has increased significantly since initial recognition, provision equal to lifetime expected credit losses is created for financial assets classified in the above categories. If the credit risk has not increased significantly since the initial recognition, the provision is equal to the 12-month expected credit losses (see the reference to a significant increase in credit risk).

12-month expected credit losses are defined as a portion of the lifetime expected credit losses that result from default events on a financial instrument that are possible within 12 months after the reporting period.

Lifetime expected credit losses are defined as expected credit losses arising from all possible defaults over the remaining lifetime of the financial asset.

To differentiate between individual levels regarding to ECL, the Company uses commonly used terminology Stage 1, 2 and 3.

All financial assets are initially recognised, if they are not already impaired, classified in Stage 1 and carry allowance of 12-months expected credit losses. Once there is a significant increase in credit risk since the initial recognition, the asset is transferred to Stage 2 and the provision is equal to the lifetime expected credit losses. Once an asset meets the definition of default, it is transferred to Stage 3.

The Company uses the same definition of financial assets in default as for the use of internal risk management, which is in compliance with instructions and standards of regulatory bodies.

The Company assesses regularly whether a financial asset or group of financial assets is impaired. Objective evidence that a financial asset or group of assets is impaired includes observable data that comes to the attention of the Company about the following loss events:

- significant financial difficulty of the issuer or obligor, worsening of his credit rating;
- a breach of contract, such as a default or delinquency in interest or principal payments;

The primary financial statements are an integral part of the financial statements.

- granting to the borrower, for economic or legal reasons relating to the borrower's financial difficulty, a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or observable data indicating that there is a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, although the decrease cannot yet be identified with the individual financial assets in the group, including:
  - unfavourable changes in payment conditions of debtors in the group; or
  - economic conditions that correlate with defaults on the assets in the group.

ECL for trade receivables and other receivables is recognised in the amount of lifetime expected credit losses.

Gains and losses on impairment of financial assets are recognised in the income statement in Net impairment loss on financial assets.

Financial assets that are measured at amortised cost are recognised in the balance sheet at carrying value being the gross carrying amount less credit loss allowance. Debt instruments measured at fair value recognised in other comprehensive income are recognised in the balance sheet as book value, which is their fair value. ECL is recognised as a reclassification adjustment between the income statement and other comprehensive income.

2.4.7.3.10. Significant increase in credit risk since initial recognition

In accordance with ECL model, lifetime expected credit loss is recognised if credit risk significantly increased since initial recognition. Key indicators of a significant increase in credit risk are as follows:

- credit rating;
- information on overdue amounts;
- changes in business, economic and financial area;
- market indicators of credit risk;
- regulatory, macroeconomic and technologic environment.

2.4.7.3.11. ECL calculation

The ECL is calculated as a multiple of:

- probability of default (PD). PD reflects the probability of debtor's default over the next 12 months (12m PD) or over the lifetime of the asset (lifetime PD);
- exposure of default (EAD). It is an estimate of a future default date within the next 12 months (12m EAD) or within lifetime of the asset (lifetime EAD); and
- loss given default (LGD). LGD is expressed by expected losses as a percentage of EAD. 12M LGD reflects the percentage of loss if the default occurs within 12 months. A lifetime LGD is the percentage of loss if the default occurs in the remaining life of the asset.

The ECL is measured in a way that reflects:

- unbiased, probability weighted value;
- time value of money; and
- information about past and current events and expected economic conditions.

Lifetime ECL represents sum of expected credit losses during the life of the financial asset discounted at the original effective interest rate.

12-month long ECLs represent part of the lifetime expected credit losses that arise from default within 12 months after reporting date.

The primary financial statements are an integral part of the financial statements.

2.4.8. Taxes

2.4.8.1. Current income tax

Current income tax asset or liability for the current accounting period is measured at the amount expected to be recovered from or paid to the tax authority. The current income tax amount is calculated in accordance with the Act no. 586/1992 Coll., on income taxes as amended.

2.4.8.2. Deferred income tax

Deferred income tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognised for all taxable temporary differences. Deferred income tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, but only to the extent that it is probable that taxable profit will be available against the deductible temporary differences.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been approved at the reporting date.

2.4.9. Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less in the statement of financial position. The carrying value of cash and cash equivalents approximates their fair value.

2.4.10. Share capital

Ordinary shares are classified as equity. The share capital is the nominal amount approved by a shareholders' resolution.

Contributions in excess of basic capital are recorded as share premium.

2.4.11. Retained earnings / accumulated losses, funds and revaluation differences

Retained earnings / accumulated losses include retained earnings or losses arising in previous years and profit or loss for the period.

Other funds represent a reserve fund the Company established in compliance with statutory requirements.

Revaluation differences for unrealised gains and losses include gains or losses arising from changes in the fair value on financial assets FVOCI and cash flow hedges and the impact of the movement of interest rates on assets and liabilities from insurance and reinsurance contracts.

2.4.12. Other liabilities

Other liabilities are recognised at the date of the accounting record. They include current liabilities from unpaid premium and liabilities from unpaired premium and are therefore not part of insurance contract assets and liabilities. Also, liabilities from realised guarantees of the Czech Insurers' Bureau are recognised as other liabilities as well.

The primary financial statements are an integral part of the financial statements.

2.4.13. Lease

Determining whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement and requires an assessment of whether fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The lessee has the right to control the use of the asset and obtain significant economic benefits from its use. The Company has used the exemption from the scope of IFRS 16 for:

- Short-term leases - for lease contracts shorter than one year;
- Leases of low-value assets - for individual assets with values below EUR 5,000;
- Intangible asset leases - when the Company acts as a lessee.

The Company as a lessee

At the commencement of the lease, the lessee (i.e. the Company) recognises the right to use the asset and the lease liability.

The lease liability is initially recognised at the present value of future lease payments and is subsequently increased by the relevant interest calculated on the basis of the implicit interest rate of the lease or incremental interest rate and reduced by the lease payments. Interest is recognised as interest expense in the income statement.

The right to use the asset is initially measured at cost and is included in Property, plant and equipment. The depreciation period corresponds to the useful life of the asset or the lease term, if shorter. The residual value of the right of use is tested for impairment.

Leases for an indefinite period are limited to the earliest date on which the contract can be terminated by the lessee or the lessor or are limited to 10 years in advance. For fixed-term contracts lifetime corresponds to the duration of the contract. If a fixed-term contract includes options, then the lifetime, after considering options, is limited to 10 years.

Total payments made for operating leases subject to exceptions (short-term lease, low-value assets lease and intangible assets lease) are recognised in the income statement on a straight-line basis over the term of the lease.

2.4.14. Revenue recognition

2.4.14.1. Income / (expense) from insurance contracts issued and reinsurance contracts held

For a more detailed description see Note 2.4 Significant accounting policies, point 2.4.2. Insurance contracts.

2.4.14.2. Interest income

Income is recognised in the income statement as it accrues and is calculated by using the effective interest rate method. Fees and commissions that are an integral part of the effective yield of the financial asset or liability are recognised as an adjustment to the effective interest rate of the instrument.

2.4.14.3. Dividend income

Dividend income is recognised when the right to receive payment is established. For listed securities this is the date the security is listed as ex-dividend.

2.4.14.4. Net (un)realised gains / (losses) from financial instruments at fair value through profit or loss

Net (un)realised gains (losses) from financial instruments at fair value through profit or loss include all gains and losses from changes in the fair value of financial assets and financial liabilities held for trading and those designated at fair value through profit or loss. These include also any ineffectiveness recorded in hedging transactions.

2.4.15. Expense recognition

Expenses are divided into expenses directly attributable to insurance contracts, which are part of insurance service expenses (more detailed description in Note 2.4, point 2. Insurance contracts), and indirectly attributable expenses, which are part of other expenses. Indirectly attributable expenses include, in particular, all expenses related to the development of new products, as well as audit fees and marketing campaigns.

2.4.16. Related Parties

The Company's related parties are as follows:

- members of the Company's body corporate, key management personnel and close members of their families;
- entities that directly or indirectly control the Company and their key management personnel;
- entities directly or indirectly controlled or jointly controlled by those entities, which directly or indirectly control the Company;
- entities with significant influence over the Company;
- subsidiaries of the Company.

Other related parties as defined in IAS 24 are not relevant for the Company. In Notes 4.3, 4.8, 4.12, 4.13, 4.14, 4.18, 4.19, 4.20, 6 the following balances and transactions with related party are disclosed:

- the total amount of loans provided by the Company to members of the Board of Directors, Supervisory Board, Audit Committee, other key management personnel of the Company and other related parties;
- receivables from and liabilities to entities controlling the Company directly or indirectly;
- receivables from and liabilities to entities directly or indirectly controlled or jointly controlled by those entities, which directly or indirectly control the Company;
- interest income and interest expense incurred in respect of related parties;
- other income and expenses incurred in respect of related parties;
- staff costs incurred in respect of related parties.

Related parties' transactions are subject to substantially the same terms as comparable transactions with third party counterparties.

2.4.17. Subsequent events

The effects of events, which occurred between the balance sheet date and the date of preparation of the financial statements, are recognised in the financial statements in the case that these events provide further evidence of conditions that existed as at the balance sheet date.

Where significant events occur subsequent to the balance sheet date but prior to the preparation of the financial statements, which are indicative of conditions that arose subsequent to the balance sheet date, the effects of these events are quantified and disclosed, but are not themselves recognised in the financial statements.

The primary financial statements are an integral part of the financial statements.

3. RISK MANAGEMENT

Company's risk management framework

The main objective of the Company's risk management is maintaining financial stability and creating value for the clients, shareholders and other stakeholders. Key management recognises the critical importance of having effective risk management systems in place and established a Risk Management Department to serve this purpose. Its main goal is to propose, maintain and assess the performance of the risk management system in the Company. The risk management system can be understood as a set of policies and procedures developed for managing specific risk types. Its implementation ensures a due process of risk identification, assessment of their significance and proposal of measures for their mitigation to an acceptable level including regular monitoring and reporting of the risks identified to senior management. Integral part of the basic risk management system is also a process of own risk and solvency assessment (i.e. ORSA process). By doing this, the Risk Management Department meets the risk management function according to the Insurance Act (according to the regulation Solvency II).

In order to support proper functioning of the risk management process, the Board of Directors has established several advisory committees; at least one Board of Directors member sits in each committee and is responsible for the consistency of the committee's activities and the Company policies.

Capital management objectives, policies and approach

The Company's approach to managing capital involves managing assets, liabilities and risks in a coordinated way, assessing shortfalls between reported and required capital levels on a regular basis and taking appropriate actions to influence the capital position of the Company in the light of changes in economic conditions and risk characteristics.

The capital requirements are forecast on a periodic basis and assessed against the forecast available capital to maintain capital adequacy even in future periods.

Capital adequacy calculation is carried out using the Standard formula. The Company does not utilise neither any internal nor partially internal model. The Company meets the criteria for capital adequacy. Further information on capital adequacy management will be published in the Report on solvency and financial situation.

The Company's primary capital management policy is to hold sufficient capital to cover the statutory requirements based on the Insurance Act. For the purpose of regulatory requirements, the Company manages capital determined in accordance with the requirements of the directive as at 31 December 2024 in the amount of CZK 8,093,502 thousand (as at 31 December 2023: CZK 9,549,844 thousand).

Regulatory framework

Regulators are primarily interested in protecting the rights of policyholders and monitor them closely to ensure that the Company is satisfactorily managing affairs in line with their interests. At the same time, regulators are also interested in ensuring that the Company maintains an appropriate solvency position to meet unforeseen liabilities arising from economic shocks or natural disasters.

The operations of the Company are subject to regulatory requirements especially stated in the Insurance Act.

Such regulations not only prescribe approval and monitoring of activities of insurance companies, but also impose certain restrictions (e.g., capital adequacy) to minimise the risk of default and insolvency of insurance companies to meet unforeseen liabilities as these arise.

The primary financial statements are an integral part of the financial statements.

Asset liability management (ALM) framework

Financial risks arise from open positions in interest rate, currency, property and equity products, all of which are exposed to general and specific market movements.

The Company manages these positions within an ALM framework that has been developed:

- to achieve sufficient long-term investment returns;
- to minimise the value inconsistency between assets and liabilities in case of macroeconomic environment movements;
- to ensure that sufficient cash flow is available in each period to meet liabilities arising from insurance and investment contracts;
- for effective usage of allocated capital.

The main technique used by the Company to match assets to liabilities is concluding transactions using the appropriate investment instruments in order to ensure consistency of assets and liabilities arising from insurance and investment contracts and to optimise investment return, investment risk and capital efficiency.

3.1. Insurance risk

The principal risk the Company faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from Company's expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid and subsequent development of long-term claims. Therefore, the objective of the Company is to ensure that sufficient reserves are available to cover these liabilities.

The variability of risks is decreased by careful selection and implementation of underwriting strategy, as well as the use of reinsurance arrangements as a risk mitigation technique.

The Company purchases reinsurance coverage as part of its risks mitigation program. Reinsurance ceded is placed on both proportional and non-proportional basis.

The Company places most of the mandatory reinsurance contracts with KBC Group Re, which is further reinsured (retrocession) and, as in case of other local reinsurance contracts, the credit risk from the ceded reinsurance is diversified by placing reinsurance contracts with multiple reinsurance partners and in accordance with the rules set out in the KBC CRF (Central Reinsurance Function) Security List.

There is no exposure to one reinsurer that exceeds 15 % of total assets from incurred claims at the reporting date, with the exception of KBC Group Re.

3.1.1. Life insurance contracts (including investment contracts with DPF)

The following types of life insurance contracts are in the Company's portfolio:

- classic endowment policies;
- universal life type of contracts;
- unit-linked type of contracts;
- risk contracts (especially group business);

The vast majority of all life insurance contracts listed above are classified as insurance contracts. Investment contracts with DPF comprise about 0.7 % of the portfolio (1.4 % of premiums written) and investment contracts without DPF 0.05 % of the portfolio (0.05 % of premiums written).

The primary financial statements are an integral part of the financial statements.

In addition to insurance contracts and investment contracts with DPF, investment contracts without DPF are included in the life portfolio for marginality reasons.

The materiality of investment contracts is regularly monitored.

The table in Section 3.1 shows the concentration (in terms of premiums) of life insurance contracts.

The geographical concentration of the Company's life insurance liabilities and investment contract liabilities with DPF is concentrated in the Czech Republic only.

The majority of the products allow policyholders to add other risk riders – typically accident or illness protection.

The majority of contracts, except for pure risk contracts, have a surrender option.

Typically, in case of universal life and unit-linked type of contracts, an ad-hoc premium may be paid, and ad-hoc partial withdrawal may be allowed by the Company.

The main risks that the Company is exposed to in life insurance type of products are as follows:

- Mortality risk – risk of loss arising due to policyholder death experience being different than expected;
- Morbidity risk – risk of loss arising due to policyholder health experience being different than expected;
- Longevity risk – risk of loss arising due to the annuitant living longer than expected;
- Investment return risk – risk of loss arising from actual returns being different than expected;
- Expense risk – risk of loss arising from expense experience being different than expected;
- Policyholder decision risk – risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

The Company's underwriting strategy is designed to ensure that risks are well diversified in terms of the type of risk and the level of insured benefits. This is mainly achieved by using medical screening in order to ensure that the scope of insurance, including pricing, reflects current health conditions of the insured, through a regular review of actual claims experience and product pricing, as well as through established processes of medical documentation assessment and, in complex cases, examinations by contracted physicians in the settlement of claims. The risk of insurance fraud is managed by individual investigation of the claims including health questionnaire assessment. In case of suspicious cases information could be exchanged with other insurance companies and databases SVIPO ČKP. Underwriting limits are in place to ensure appropriate risk selection criteria. In the settlements of claims, self-audit and revision limits and quarterly checks are set for quality management and error rates in claims payments.

For investment contracts with DPF, the participating nature of these contracts results in a significant portion of the insurance risk being shared with the insured party.

The insurance risk described above is also affected by the policyholder's right to pay reduced premiums or to terminate the contract completely. As a result, the amount of insurance risk is also affected by the behaviour of policyholders.

The primary financial statements are an integral part of the financial statements.

The table below shows the concentration of mortality risk (expressed in sum at risk) for life insurance contracts.

2024

Sum at risk	Sum at risk (CZK'000)	Sum at risk (%)
0 – 499,999	40,171,140	13.59%
500,000 – 999,999	34,368,379	11.63%
1,000,000 – 1,999,999	64,251,275	21.74%
2,000,000 – 3,999,999	76,643,491	25.93%
4,000,000 and more	80,089,042	27.10%
TOTAL	**295,523,327**	**100.00%**

2023

Sum at risk	Sum at risk (CZK'000)	Sum at risk (%)
0 – 499,999	42,675,195	15.78 %
500,000 – 999,999	35,368,713	13.08%
1,000,000 – 1,999,999	64,324,646	23.79 %
2,000,000 – 3,999,999	71,642,383	26.50 %
4,000,000 and more	56,361,495	20.85 %
TOTAL	**270,372,431**	**100.00 %**

3.1.1.1. Assumptions

3.1.1.1.1. Macroeconomic assumptions

Discount rate:

Discount rates are calculated within the KBC Group according to the Group methodology. The calculation is carried out on a monthly basis. For life insurance products, four different curves are used for the following groups of contracts:

- Unit-linked products modelled by the VFA method;
- Unit-linked products modelled by the BBA method;
- Pure risk products modelled by the BBA method;
- Non-linked products modelled by the BBA method.

Inflation:

The inflation assumption is applied to the expected development of the Company's future expenses.

A combination of the consumer price index and the wage inflation is assumed. This structure is based on the analysis of current costs - part is sensitive to CPI and part is related to wages.

The primary financial statements are an integral part of the financial statements.

Investment return:

The investment return is assumed based on expected future income from related asset portfolio, connected with life insurance. New future cash flows are reinvested with Czech government bond depending on the interest rate considering the future expected cash flows purchased on par if positive. If the CF is negative, it is primarily covered by the current account, in case of current account drawdown it is borrowed at the 1M swap rate.

Investment margin:

It is assumed that investment return above the guaranteed interest rate, including the investment margin, will be distributed to policyholders. The investment margin assumption is based on the type of policy and is subject to the approval of the Company's Board of Directors.

3.1.1.1.2. Demographic assumptions

Mortality, injury and morbidity:

Expected mortality and morbidity developments are based on the Company's historical experience. The ratio between Company's historical experience and rates used in premium calculation or current population mortality rates (in the case of mortality) is analysed and applied in the projection. Assumptions are usually differentiated by age, sex, policy year and type of contract.

Lapses:

Expected lapse development is based on the Company's historical experience (it is estimated by the logistic regression model).

The estimated lapse rate is updated annually, separately for several product segments. In each segment, the dependence of the lapse on selected key parameters is considered (for example, policy year, the capital value of the insurance, contract status, the number of insured persons, the number of risks underwritten, the amount of sum insured, insurance period, age and sex of policyholder, distribution channel).

3.1.1.1.3. Other assumptions

Expenses:

Expenses are assumed on the historical experience level considering their future increase in line with the expense inflation (see above).

Partial withdrawals:

The assumption of regular monthly withdrawals as a percentage of policyholder's cash value is based on the Company's historical experience

The primary financial statements are an integral part of the financial statements.

3.1.1.2. Sensitivity

The analysis below is performed for reasonably possible movements in key assumptions with all other assumptions held constant, showing the impact on the value of the liability and profit before tax. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities, but to demonstrate the impact due to changes in assumptions, assumptions had to be changed on an individual basis. It should be noted that movements in these assumptions are non-linear. Sensitivity information will also vary according to the current economic assumptions.

A list of scenarios, including a quantification of their impact, is provided in the table below. The impact of lapses and changes in the discount curve is the most significant one.

2024 (CZK'000)	Discounted fulfilment cash flows	Contractual service margin	Impact on profit before tax	Impact on equity
BBA	**7,977,090**	**6,105,407**	**-**	**-**
Assumption:				
Mortality: +1 %	17,663	(16,283)	(1,454)	74
Mortality: (1) %	(17,666)	16,288	1,451	(73)
Morbidity: +1 %	56,930	(58,009)	(853)	1,932
Morbidity: (1) %	(56,937)	58,023	846	(1,932)
Expenses: +5 %	140,019	(124,787)	(22,620)	7,388
Expenses: (5) %	(140,019)	125,029	22,378	(7,388)
Lapse: +10 %	230,134	(201,095)	778	(29,817)
Lapse: (10) %	(245,457)	214,717	(1,540)	32,280
Discount curve: +0.30 %	(366,740)	(15,802)	(3,154)	385,696
Discount curve: (0.30) %	390,655	15,196	3,044	(408,895)
VFA	**5,533,311**	**1,408,522**	**-**	**-**
Assumption:				
Mortality: +1 %	1,344	(1,385)	41	-
Mortality: (1) %	(1,345)	1,386	(41)	-
Morbidity: +1 %	5,915	(6,282)	367	-
Morbidity: (1) %	(5,916)	6,279	(363)	-
Expenses: +5 %	17,174	(15,709)	(1,465)	-
Expenses: (5) %	(17,174)	15,709	1,465	-
Lapse: +10 %	75,399	(74,361)	(1,038)	-
Lapse: (10) %	(81,668)	80,641	1,027	-
Discount curve: +0.30 %	15,585	(15,866)	95	186
Discount curve: (0.30) %	(15,991)	16,290	(111)	(188)

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Discounted fulfilment cash flows	Contractual service margin	Impact on profit before tax	Impact on equity
BBA	**8,581,952**	**6,213,631**	**-**	**-**
Assumption:				
Mortality: +1 %	17,308	(15,927)	(1,489)	109
Mortality: (1) %	(17,309)	15,930	1,487	(108)
Morbidity: +1 %	51,168	(52,406)	137	1,101
Morbidity: (1) %	(51,174)	52,394	(119)	(1,101)
Expenses: +5 %	145,367	(131,173)	(19,371)	5,177
Expenses: (5) %	(145,367)	131,436	19,108	(5,177)
Lapse: +10 %	205,012	(194,755)	616	(10,873)
Lapse: (10) %	(218,135)	210,041	(2,910)	11,005
Discount curve: +0.30 %	(447,682)	(12,958)	(2,044)	462,685
Discount curve: (0.30) %	480,323	12,439	1,966	(494,729)
VFA	**6,870,111**	**1,359,360**	**-**	**-**
Assumption:				
Mortality: +1 %	1,395	(1,452)	57	-
Mortality: (1) %	(1,396)	1,453	(57)	-
Morbidity: +1 %	6,157	(6,403)	246	-
Morbidity: (1) %	(6,158)	6,400	(242)	-
Expenses: +5 %	18,845	(17,219)	(1,625)	-
Expenses: (5) %	(18,845)	17,219	1,625	-
Lapse: +10 %	68,713	(68,015)	(697)	-
Lapse: (10) %	(74,137)	73,449	687	-
Discount curve: +0.30 %	15,624	(16,197)	219	354
Discount curve: (0.30) %	(16,176)	16,768	(232)	(361)

The primary financial statements are an integral part of the financial statements.

3.1.1.3. Amounts payable on demand versus the carrying amount of insurance contract liabilities

The table below reconciles the amounts payable on demand to the carrying amount of the insurance contract liabilities. The amounts payable on demand correspond to the benefit the client would have received in case of an immediate lapse. This amount includes any lapse fees and penalties. The carrying amount of the insurance contract liabilities corresponds to the discounted value of the fulfilment cash flows plus a risk adjustment and a contractual service margin.

	31 December 2024			**31 December 2023**		
(CZK'000)	Amounts payable on demand	Carrying amount of insurance contract liabilities (see 4.4.1)	Difference	Amounts payable on demand	Carrying amount of insurance contract liabilities (see 4.4.1)	Difference
Life insurance	**21,227,351**	**21,024,330**	**(203,021)**	**22,266,408**	**23,025,055**	**758,646**
BBA	**14,127,742**	**14,082,497**	**(45,245)**	**13,927,227**	**14,795,583**	**868,357**
Non-Linked traditional insurance	10,846,695	10,853,117	6,422	11,123,426	11,702,632	579,206
Group risk insurance	-	96,361	96,361	-	(12,684)	(12,684)
Unit-linked – regular BBA	2,390,354	3,297,691	907,337	2,448,071	3,476,189	1,028,119
Náš Život – internal – BBA	153,768	(188,574)	(342,342)	81,080	(126,117)	(207,197)
Náš Život – external – BBA	6,066	(156,544)	(162,610)	2,815	(110,137)	(112,952)
Náš Život – ČSOB - BBA	571,728	370,408	(201,320)	245,811	97,325	(148,486)
Náš Život – ČSOB S - BBA	17,230	(228,225)	(245,455)	3,361	(176,469)	(179,830)
Náš Život – Česká Pošta - BBA	141,901	38,263	(103,638)	22,662	(55,156)	(77,818)
VFA	**7,099,609**	**6,941,833**	**(157,776)**	**8,339,182**	**8,229,471**	**(109,710)**
Unit-linked – single VFA	4,549,995	4,535,103	(14,892)	6,149,794	6,119,546	(30,248)
Unit-linked - regular VFA	1,873,618	1,781,915	(91,703)	1,871,183	1,822,730	(48,453)
Náš Život – internal - VFA	57,807	42,712	(15,095)	31,603	21,485	(10,118)
Náš Život – external - VFA	4,742	3,914	(828)	2,136	1,389	(747)
Náš Život – ČSOB - VFA	599,742	570,100	(29,642)	280,533	263,234	(17,298)
Náš Život – ČSOB S - VFA	5,231	4,196	(1,035)	1,807	1,390	(416)
Náš Život – Česká Pošta - VFA	8,474	3,893	(4,581)	2,126	(304)	(2,430)

The primary financial statements are an integral part of the financial statements.

3.1.1.4. Life insurance claims development table

The following table shows the estimated cumulative incurred claims, including the cumulative claims payment to date. The estimate of cumulative claims and cumulative claim payments is presented in CZK.

By setting an estimated claim amount, the Company gives some weight to the probability occurrence and severity of future claims development. The amount of the claim corresponds to the Company's best estimate. However, due to the uncertainty embedded in the estimation process, the actual overall incurred claims may not always be in surplus.

31 December 2024

Year of occurence (CZK'000)	Before 2021	2021	2022	2023	2024	Total
Cumulative undiscounted cash flows from insurance contracts						
At the end of the year of occurence	-	785,116	817,206	826,524	794,345	-
1 year later	-	754,141	737,134	776,320	-	-
2 years later	-	748,204	736,352	-	-	-
3 years later	-	749,529	-	-	-	-
Cumulative undiscounted cash flows from insurance contracts at the reporting date	-	749,529	736,352	776,320	794,345	3,056,546
Cumulative actual claims paid	-	732,778	693,202	656,826	380,602	2,463,408
Cumulative insurance liabilities for incurred claims - net of annuities	7,872	16,751	43,150	119,494	413,743	601,010
Cumulative insurance liabilities for incurred claims - annuities	-	-	-	-	-	41,582
Effect of discounting	-	-	-	-	-	(30,425)
Effect of risk adjustment	-	-	-	-	-	51,880
Discounted insurance liabilities for incurred claims (see 4.4.1.)	**-**	**-**	**-**	**-**	**-**	**664,047**

31 December 2023

Year of occurrence (CZK'000)	Before 2021	2021	2022	2023	Total
Cumulative undiscounted cash flows from insurance contracts					
At the end of the year of occurrence	-	785,116	817,206	826,524	-
1 year later	-	754,141	737,134	-	-
2 years later	-	748,204	-	-	-
Cumulative undiscounted cash flows from insurance contracts at the reporting date	-	748,204	737,134	826,524	2,311,862
Cumulative actual claims paid	-	698,438	635,391	389,368	1,723,196
Cumulative insurance liabilities for incurred claims - net of annuities	33,413	49,766	101,743	437,156	622,079
Cumulative insurance liabilities for incurred claims - annuities	-	-	-	-	50,569
Effect of discounting	-	-	-	-	(40,560)
Effect of risk adjustment	-	-	-	-	53,145
Discounted insurance liabilities for incurred claims (see 4.4.1.)	**-**	**-**	**-**	**-**	**685,233**

The primary financial statements are an integral part of the financial statements.

3.1.2. Non-life insurance contracts

The Company principally issues most of the general insurance contracts including:

- Accident;
- Industrial and agricultural risks;
- Motor, third-party liability;
- Motor, other;
- Shipping, aviation, transport;
- Fire and other damage to property;
- General third-party liability;
- Miscellaneous pecuniary losses;
- Legal expenses insurance;
- Pets' insurance;
- Internet risks insurance.

For general insurance contracts the most significant risk arises from natural disasters. For longer tail claims such as MTPL that take some years to settle, there is also the inflation and the revision risk.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts. The variability of risks is reduced by careful selection and implementation of underwriting strategies, which are designed to ensure that risks are diversified in terms of type of risk and the amount of claims. Further, the Company uses, according to the risk amount, segmented procedures for investigating and settling reported claims focused on assessing available documents and information regarding claims, a number of regular revisions and inspections in claims settlement processes and established procedures for identifying, investigating and proving insurance fraud. All these policies and procedures are put in place to reduce the risk exposure of the Company. The Company further enforces a policy of actively managing and promptly pursuing of the claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the business. The inflation risk is mitigated by taking the expected inflation into account when estimating provisions for insurance claims. During the claims settlement, the Company monitors and implements specific measures in detail to limit the inflation impact on the average payment.

The Company has also limited its risk exposure by imposing maximum claim amounts on certain risks (especially natural perils) as well as the use of reinsurance arrangements in order to limit the exposure especially to catastrophic events (especially floods).

The purpose of this underwriting risk and reinsurance strategy is to limit the Company's exposure to risks arising from catastrophic events, according to its willingness to accept certain risks in accordance with the limits determined by the Company's management.

The Company uses professional risk management models (prepared by experts from third parties) to assess catastrophe exposure. However, there is always a risk that the assumptions and techniques used in these models are unreliable or that claims arising from an unmodelled event are greater than those arising from a modelled event. As a further guide to the level of catastrophe exposure written by the Company, the tables below show hypothetical claims arising from various realistic disaster scenarios based on the Company's average risk exposures in 2024.

To analyse the sensitivity of insurance risk in 2024, as well as to assess the effectiveness of risk mitigation techniques, an aggregate stress scenario based on a combination of different natural catastrophic events occurring within one year was used. The estimated probability of a given scenario exceeds the probability of 1/500. Mitigation of the impact on the Company is done, among other things, by transferring risk to reinsurers using all relevant reinsurance arrangements effective as at the balance sheet date. The Company's reinsurance program is regularly reviewed to reflect the current risk appetite and profile of the insurance company. This stress scenario is set to reflect not only the risk of increasing frequency of natural catastrophic events, but also to verify the adequacy of reinsurance coverage (including high-damage flood event). The amount of individual losses is

The primary financial statements are an integral part of the financial statements.

based on the results of modelling of natural catastrophic events (using professional third party models) and among other things it reflects real historical losses and current size of the Company's portfolio.

Stress scenario - natural catastrophic risks:

2024 (CZK'000)	Event type	Gross loss
Event 1	Flood	3,468,493
Event 2	Flood	570,489
Event 3	Whirlwind	647,193
Event 4	Hail	169,529
	Gross impact to:	**Net impact to:**
Profit before tax	4,855,705	582,420
Equity	3,933,121	471,760

2023 (CZK'000)	Event type	Gross loss
Event 1	Flood	3,248,425
Event 2	Flood	558,820
Event 3	Whirlwind	758,770
Event 4	Hail	179,714
	Gross impact to:	**Net impact to:**
Profit before tax	4,745,728	528,489
Equity	3,844,040	428,076

3.1.2.1. Key assumptions

The principal assumption underlying the liability estimates is that the Company's future claims development will follow a similar pattern to past claims development experience. This includes assumptions in respect of average claim costs, claim handling costs, claim inflation factors, and number of claims for each accident year. Additional qualitative judgments are used to assess the extent to which past trends may not apply in the future. For example, single occurrences, changes in market factors such as public attitude to claiming, economic conditions, as well as internal factors such as portfolio mix, policy conditions and claims handling procedures. The judgment is further used to assess the extent to which external factors such as judicial decisions and legislation affected the estimates.

Other key circumstances affecting the reliability of assumptions include the variation in interest rates and delays in settlement.

3.1.2.2. Non-life claims development table

The following tables show the estimated cumulative incurred claims together with cumulative payments to date. The cumulative claims estimate and cumulative payments are in CZK.

In setting estimated amount of claims, the Company gives consideration to the probability and severity of future claims development. The amount of the claim corresponds to the Company's best estimate. However, due to the uncertainty embedded in the estimation process, the actual overall claims amount may not always be in surplus.

31 December 2024

Year of occurrence (CZK'000)	Before 2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Cumulative undiscounted cash flows from insurance contracts												
At the end of the year of occurrence	-	2,957,263	3,229,064	3,597,639	3,771,088	4,347,618	4,458,730	4,763,549	4,572,920	4,921,508	7,529,752	-
1 year later	-	2,893,196	3,144,571	3,600,692	3,680,787	4,291,554	3,739,233	5,131,125	4,961,118	5,612,109	-	-
2 years later	-	2,856,272	3,147,523	3,636,584	3,620,116	3,931,602	3,936,987	5,143,462	5,018,051	-	-	-
3 years later	-	2,836,644	3,167,324	3,617,461	3,345,112	4,192,667	3,857,357	5,157,381	-	-	-	-
4 years later	-	2,783,236	3,135,592	3,324,811	3,206,663	4,009,815	3,543,066	-	-	-	-	-
5 years later	-	2,592,295	2,834,817	3,203,598	3,133,332	3,682,465	-	-	-	-	-	-
6 years later	-	2,511,617	2,811,335	3,175,443	3,104,160	-	-	-	-	-	-	-
7 years later	-	2,504,724	2,762,222	3,159,547	-	-	-	-	-	-	-	-
8 years later	-	2,496,496	2,752,493	-	-	-	-	-	-	-	-	-
9 years later	-	2,476,285	-	-	-	-	-	-	-	-	-	-
Cumulative undiscounted cash flows from insurance contracts at the reporting date	-	2,476,285	2,752,493	3,159,547	3,104,160	3,682,465	3,543,066	5,157,381	5,018,051	5,612,109	7,529,752	42,035,309
Cumulative actual claims paid	-	2,396,541	2,671,611	3,052,125	2,998,453	3,543,950	3,349,689	4,400,787	4,217,212	4,458,101	4,665,396	35,753,865
Cumulative insurance liabilities for incurred claims	158,720	79,744	80,882	107,422	105,707	138,515	193,377	756,594	800,839	1,154,008	2,864,356	6,440,164
Effect of discounting	-	-	-	-	-	-	-	-	-	-	-	(488,984)
Effect of risk adjustment	-	-	-	-	-	-	-	-	-	-	-	771,749
Discounted insurance liabilities for incurred claims before reinsurance (see 4.4.1.)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**6,722,929**

Until 2020, the table includes amounts disclosed in the previous years' notes to the financial statements (i.e. according to IFRS 4), for 2021 and 2022 the amounts are restated to IFRS 17 and for the other years the amounts are in line with IFRS 17. In 2024 values, there is a huge impact of September floods. Gross flood claims are estimated on CZK 1.9 billion – cumulative cash flow from insurance contract on CZK 866 million and claims paid on CZK 1.023 million; net value is estimated on CZK 41 million – reinsurance share on cumulative cash flow from insurance contract is CZK 904 million and reinsurance share on claims paid is CZK 944 million.

The primary financial statements are an integral part of the financial statements.

31 December 2023

Year of occurrence (CZK'000)	**Before 2014**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**Total**
Cumulative undiscounted cash flows from insurance contracts												
At the end of the year of occurrence	-	2,834,781	2,957,263	3,229,064	3,597,639	3,771,088	4,347,618	4,458,730	4,763,549	4,572,920	4,921,508	-
1 year later	-	2,940,892	2,893,196	3,144,571	3,600,692	3,680,787	4,291,554	3,739,233	5,131,125	4,961,118		-
2 years later	-	2,889,693	2,856,272	3,147,523	3,636,584	3,620,116	3,931,602	3,936,987	5,143,462	-		-
3 years later	-	2,869,686	2,836,644	3,167,324	3,617,461	3,345,112	4,192,667	3,857,357	-	-		-
4 years later	-	2,675,038	2,783,236	3,135,592	3,324,811	3,206,663	4,009,815	-	-	-		-
5 years later	-	2,611,669	2,592,295	2,834,817	3,203,598	3,133,332	-	-	-	-		-
6 years later	-	2,583,046	2,511,617	2,811,335	3,175,443	-	-	-	-	-		-
7 years later	-	2,538,163	2,504,724	2,762,222	-	-	-	-	-	-		-
8 years later	-	2,536,392	2,496,496	-	-	-	-	-	-	-		-
9 years later	-	2,526,001	-	-	-	-	-	-	-	-		-
Cumulative undiscounted cash flows from insurance contracts at the reporting date	-	2,526,001	2,496,496	2,762,222	3,175,443	3,133,332	4,009,815	3,857,357	5,143,462	4,961,118	4,921,508	36,986,755
Cumulative actual claims paid	-	2,461,319	2,400,761	2,667,083	3,045,983	2,995,272	3,530,063	3,299,711	4,235,609	4,016,262	3,012,867	31,664,930
Cumulative insurance liabilities for incurred claims	122,468	64,682	95,735	95,139	129,460	138,060	479,752	557,646	907,853	944,856	1,908,641	5,444,292
Effect of discounting	-	-	-	-	-	-	-	-	-	-	-	(435,377)
Effect of risk adjustment	-	-	-	-	-	-	-	-	-	-	-	632,200
Discounted insurance liabilities for incurred claims before reinsurance (see 4.4.1.)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**5,641,116**

The primary financial statements are an integral part of the financial statements.

31 December 2024

Year of occurrence (CZK'000)	Before 2015	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Cumulative undiscounted cash flows from insurance contracts after reinsurance												
At the end of the year of occurrence	-	-	-	-	-	-	-	3,824,242	4,107,150	4,488,465	5,312,333	-
1 year later	-	-	-	-	-	-	3,441,928	4,211,811	4,587,583	5,123,387	-	-
2 years later	-	-	-	-	-	3,586,222	3,633,408	4,208,516	4,584,573	-	-	-
3 years later	-	-	-	-	3,111,300	3,795,206	3,597,653	4,104,256	-	-	-	-
4 years later	-	-	-	3,014,717	2,988,879	3,583,760	3,307,923	-	-	-	-	-
5 years later	-	-	2,627,283	2,912,324	2,911,578	3,349,814	-	-	-	-	-	-
6 years later	-	2,319,689	2,592,393	2,884,518	2,887,362	-	-	-	-	-	-	-
7 years later	-	2,313,899	2,564,415	2,867,287	-	-	-	-	-	-	-	-
8 years later	-	2,305,848	2,553,545	-	-	-	-	-	-	-	-	-
9 years later	-	2,284,813	-	-	-	-	-	-	-	-	-	-
Cumulative undiscounted cash flows from insurance contracts after reinsurance at the reporting date	-	2,284,813	2,553,545	2,867,287	2,887,362	3,349,814	3,307,923	4,104,256	4,584,573	5,123,387	-	36,375,293
Cumulative actual claims paid after reinsurance	-	2,215,284	2,487,494	2,775,526	2,815,950	3,235,582	3,142,874	3,550,283	3,975,727	4,269,360	-	31,943,929
Cumulative insurance liabilities for incurred claims after reinsurance	137,454	69,529	66,051	91,761	71,412	114,232	165,049	553,973	608,846	854,027	-	4,568,819
Effect of discounting	-	-	-	-	-	-	-	-	-	-	-	(332,778)
Effect of risk adjustment	-	-	-	-	-	-	-	-	-	-	-	541,500
Deposit from the reinsurer	-	-	-	-	-	-	-	-	-	-	-	57,600
Discounted insurance liabilities for incurred claims after reinsurance (see 4.4.1., 4.5.1.)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,835,141**

The primary financial statements are an integral part of the financial statements.

31 December 2023

Year of occurrence (CZK'000)	Before 2014	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total
Cumulative undiscounted cash flows from insurance contracts after reinsurance												
At the end of the year of occurrence	-	-	-	-	-	-	-	-	3,824,242	4,107,150	4,488,465	-
1 year later	-	-	-	-	-	-	-	3,441,928	4,211,811	4,587,583	-	-
2 years later	-	-	-	-	-	-	3,586,222	3,207,830	4,208,516	-	-	-
3 years later	-	-	-	-	-	3,111,300	3,187,772	3,597,653	-	-	-	-
4 years later	-	-	-	-	3,014,717	2,802,864	3,583,760	-	-	-	-	-
5 years later	-	-	-	2,627,283	2,752,666	2,911,578	-	-	-	-	-	-
6 years later	-	-	2,319,689	2,475,146	2,884,518	-	-	-	-	-	-	-
7 years later	-	2,326,131	2,216,623	2,564,415	-	-	-	-	-	-	-	-
8 years later	-	2,251,963	2,305,848	-	-	-	-	-	-	-	-	-
9 years later	-	2,312,514	-	-	-	-	-	-	-	-	-	-
Cumulative undiscounted cash flows from insurance contracts after reinsurance at the reporting date	-	2,312,514	2,305,848	2,564,415	2,884,518	2,911,578	3,583,760	3,597,653	4,208,516	4,587,583	4,488,465	33,444,849
Cumulative actual claims paid after reinsurance	-	2,253,551	2,219,554	2,483,274	2,769,468	2,812,969	3,220,557	3,107,460	3,498,898	3,806,999	2,886,819	29,059,550
Cumulative insurance liabilities for incurred claims after reinsurance	108,974	58,963	86,293	81,141	115,050	98,609	363,203	490,194	709,617	780,583	1,601,646	4,494,274
Effect of discounting	-	-	-	-	-	-	-	-	-	-	-	(339,846)
Effect of risk adjustment	-	-	-	-	-	-	-	-	-	-	-	524,269
Deposit from the reinsurer	-	-	-	-	-	-	-	-	-	-	-	38,400
Discounted insurance liabilities for incurred claims after reinsurance (see 4.4.1., 4.5.1.)	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**4,717,097**

The primary financial statements are an integral part of the financial statements.

3.1.2.3. Sensitivity

The main risk to which the value of non-life liabilities is sensitive relates to the misestimation of claims. Claims are influenced by the estimated loss ratios of the individual insurance groups and, for the determination of the present value of cash flows, also by the discount curve.

2024 (CZK'000)	Discounted fulfilment cash flows	Impact to profit before tax	Impact to equity
PAA	**6,722,929**	**-**	**-**
Assumption:			
Unpaid claims and expenses: +5 %	336,147	(339,041)	2,894
Unpaid claims and expenses: (5) %	(336,147)	339,041	(2,894)
Discount curve: +30 %	(35,806)	1,413	34,393
Discount curve: (30) %	36,556	(1,441)	(35,115)

2023 (CZK'000)	Discounted fulfilment cash flows	Impact to profit before tax	Impact to equity
PAA	**5,641,116**	**-**	**-**
Assumption:			
Unpaid claims and expenses: +5 %	282,056	(285,914)	3,858
Unpaid claims and expenses: (5) %	(282,056)	285,914	(3,858)
Discount curve: +30 %	(30,083)	914	29,169
Discount curve: (30) %	30,763	(932)	(29,831)

The primary financial statements are an integral part of the financial statements.

3.2. Financial risks

The risk management function within the Company is carried out with respect to financial risks, operational risks and legal risks. Financial risk comprises market risk (including currency risk, interest rate risk and other price risks), credit risk and liquidity risk. The primary function of financial risk management is to establish risk limits and to ensure that any exposure to risk stays within these limits. The operational and legal risk management functions are intended to ensure the proper functioning of internal policies and procedures in order to minimise operational and legal risks.

3.2.1. Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Company's exposure to credit risk:

The Company follows the internal limits.

A Company´s credit risk policy defined in the Investment strategy sets out the assessment and determination of what constitutes credit risk for the Company. Compliance with the policy is monitored and exposures and breaches are reported to the Company's Risk Management department. The Investment strategy is regularly reviewed for pertinence and for changes in the risk environment.

Concentration of risk is limited by the strategic guideline which is set each year by the Board of Directors and is subject to regular risk management reviews.

The Company diversifies credit risk from ceded reinsurance by placing reinsurance contracts with multiple reinsurance partners in accordance with the rules set out in the KBC CRF (Central Reinsurance Function) Security List.

The Company issues large amount of unit-linked investment policies. In the unit-linked business the policyholder bears the investment risk on the assets held in the unit-linked funds as the policy benefits are directly linked to the value of the assets in the fund. Therefore, the Company is not exposed to material credit risk stemming from unit-linked financial assets.

Credit exposure by credit rating

The table below provides information regarding the credit risk exposure of the Company by classifying assets according to the Company's credit ratings of counterparties.

Sources of credit ratings are the agencies S&P and Moody's (the Company uses second best rating in the case of multiple ratings existence). If available, the Company considers the rating of the particular issuer. In case that the particular issuer of the investment is not rated, the Company considers the rating as non-rated.

Financial assets that are in the not-rated category are mainly represented by mutual funds. These funds are managed by Group entities ČSOB Asset Management and KBC Asset Management. The credit risk of the investments is declared in the fund's statutes and managed by the fund manager.

Investments are also included in bonds whose issuers do not have an external rating. The issuers of these bonds are companies from the Czech Republic, i.e. ČSOB Hypoteční banka a.s., PEGAS NONWOVENS a. s., EUC, a. s.

In these cases, the credit quality of investments is evaluated by the portfolio manager ČSOB Asset Management within the framework of internally set processes.

The primary financial statements are an integral part of the financial statements.

2024 (CZK'000)	AAA	AA	A	BBB	BB	Non rated	Total
Financial assets	1,234,295	26,272,767	2,794,482	455,150	-	6,240,613	36,997,307
At amortised cost	-	8,600,830	-	-	-	-	8,600,830
At fair value through other comprehensive income	1,234,295	17,671,937	479,500	-	-	856,663	20,242,395
At fair value through profit or loss	-	-	40,788	27,742	-	366,342	434,872
At fair value through profit or loss (unit-linked)	-	-	1,795,734	427,408	-	5,017,608	7,240,750
Hedging derivatives with positive fair value	-	-	478,460	-	-	-	478,460
Insurance contract assets	-	-	-	-	-	573,343	573,343
Reinsurance contract assets	-	196,781	1,471,018	45,314	21,323	-	1,734,436
Other assets	-	107,783	372,577	25,391	12,436	237,105	755,292
Cash and cash equivalents	-	-	472,527	-		-	472,527
Total	**1,234,295**	**26,577,331**	**5,110,604**	**525,855**	**33,759**	**7,051,061**	**40,532,905**

2023 (CZK'000)	AAA	AA	A	BBB	BB	Non rated	Total
Financial assets	1,199,524	24,773,013	3,734,514	460,238	-	6,532,645	36,699,934
At amortised cost	-	7,952,964	-	-	-	-	7,952,964
At fair value through other comprehensive income	1,199,524	16,820,049	627,675	-	-	859,103	19,506,351
At fair value through profit or loss	-	-	55,132	24,697	-	275,185	355,014
At fair value through profit or loss (unit-linked)	-	-	2,560,206	435,541	-	5,383,901	8,379,648
Hedging derivatives with positive fair value	-	-	505,957	-	-	-	505,957
Insurance contract assets	-	-	-	-	-	480,867	480,867
Reinsurance contract assets	-	591,120	76,182	71,468	-	-	738,770
Other assets	-	72,517	225,930	23,850	-	190,657	512,953
Cash and cash equivalents	-	-	2,102,418	-	-	-	2,102,418
Total	**1,199,524**	**25,436,650**	**6,139,044**	**555,555**	**-**	**7,204,170**	**40,534,942**

The following table shows the largest concentrations of assets:

Counterparty	2024	2023
Czech Republic	71.01 %	67.38 %
KBC Group	21.69 %	29.57 %

There are no financial assets past due but not impaired.

The primary financial statements are an integral part of the financial statements.

3.2.2. Liquidity risk

A liquidity risk is the risk that the Company may face difficulties with its ability to settle its insurance liabilities. In the worst-case scenario. there is also a liquidity risk related to the time mismatch between gross cash outflow for claims settlement and expected reinsurance inflow.

The liquidity risk of the Company's assets is very limited as:

- 100 % of the financial assets are placed to liquid assets (mainly government bonds and mutual funds). This percentage includes assets which are standardly liquid on the financial market regardless of the accounting classification. It means that all these assets are liquid instruments including those classified at amortised cost (AC);
- repo facility is agreed with ČSOB bank, which can be drawn in case it is needed.

Maturity profiles

The table below summarises the expected maturity profile of financial assets and financial contractual liabilities of the Company. Individual amounts are in first case calculated on the basis of the undiscounted cash flow method.

For insurance contract liabilities and reinsurance assets maturity profiles are determined based on the estimated timing of net cash outflows from the recognised insurance and reinsurance liabilities. Insurance and reinsurance assets and liabilities for remaining coverage measured using the PAA method have been included in the 'up to one year' column.

The Company maintains a portfolio of highly liquid assets that could be realised in case of unexpected cash flow fluctuations.

Maturity analysis on contractual basis – undiscounted future cash flow method:

2024 (CZK'000)	Up to a year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	5-15 years	Over 15 years	No maturity date	Total
Financial assets	3,570,737	3,064,799	1,931,693	4,087,079	4,713,730	25,081,871	2,156,659	2,987,265	47,593,833
At amortised cost	596,544	1,444,044	331,044	1,781,044	401,294	6,289,661	395,764	-	11,239,395
At fair value through other comprehensive income	997,844	946,742	607,450	1,501,346	3,845,038	18,507,659	1,760,895	-	28,166,974
At fair value through profit or loss	1,900,024	599,817	918,287	732,726	396,950	140,553	-	2,987,265	7,675,622
Hedging derivatives with positive fair value	76,325	74,196	74,912	71,963	70,448	143,998	-	-	511,842
Reinsurance contracts assets / liabilities	802,875	672,048	154,025	131,502	52,403	99,350	14,499	-	1,926,702
Other assets	755,292	-	-	-	-	-	-	-	755,292
Cash and cash equivalents	472,527	-	-	-	-	-	-	-	472,527
Insurance contracts assets/ liabilities	(8,768,400)	(1,560,253)	(1,262,202)	(985,476)	(753,623)	(6,212,066)	(13,625,208)	-	(33,167,228)
Other liabilities	(2,105,425)	-	-	-	-	-	-	-	(2,105,425)
Liabilities from lease contracts	(61,292)	(58,908)	(58,291)	(40,964)	(26,257)	(91,899)	-	-	(337,611)
Financial liabilities	(3,818)	-	-	-	-	-	-	-	(3,818)
Total	**(5,337,504)**	**2,117,686**	**765,225**	**3,192,141**	**3,986,253**	**18,877,256**	**(11,454,050)**	**2,987,265**	**15,134,272**

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Up to a year	Up to 2 years	Up to 3 years	Up to 4 years	Up to 5 years	5-15 years	Over 15 years	No maturity date	Total
Financial assets	5,791,468	3,304,774	2,861,875	1,700,420	3,892,535	24,283,126	2,205,696	2,458,564	46,498,458
At amortised cost	510,209	530,519	1,378,019	265,019	1,715,019	4,816,221	405,973	-	9,620,979
At fair value through other comprehensive income	2,906,396	919,151	865,355	526,734	1,420,487	19,188,643	1,799,723	-	27,626,489
At fair value through profit or loss	2,229,800	1,790,491	565,671	861,533	702,681	125,923	-	2,458,564	8,734,663
Hedging derivatives with positive fair value	145,063	64,613	52,830	47,134	54,348	152,339	-	-	516,327
Reinsurance contracts assets / liabilities	332,365	321,769	92,267	69,001	35,608	112,428	24,980	-	988,418
Other assets	512,953	-	-	-	-	-	-	-	512,953
Cash and cash equivalents	2,102,418	-	-	-	-	-	-	-	2,102,418
Insurance contracts assets/ liabilities	(8,328,624)	(2,497,060)	(931,280)	(1,115,800)	(860,513)	(5,591,771)	(15,405,202)	-	(34,730,250)
Other liabilities	(2,142,287)	-	-	-	-	-	-	-	(2,142,287)
Liabilities from lease contracts	(59,451)	(56,236)	(54,191)	(53,680)	(37,578)	(65,408)	-	-	(326,544)
Financial liabilities	(858)	(87)	-	-	-	-	-	-	(945)
Total	**(1,792,016)**	**1,073,160**	**1,968,671**	**599,941**	**3,030,052**	**18,738,375**	**(13,174,526)**	**2,458,564**	**12,902,221**

3.2.3. Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

Market risk comprises three types of risk:

- currency risk (changes in foreign exchange rates);
- interest rate risk (changes in interest rates);
- other market risks (price risk) other than currency and interest rate risk.

The Company has the Investment strategy for managing market risk in place. This strategy sets out the assessment and determination of what the market risk for the Company is. Compliance with this strategy is monitored by the Investment Committee, which monitors compliance on a monthly basis and the Risk and Capital Management Committee, which monitors current market risk exposures and potential future breaches of the limits set by the market risk policy on a quarterly basis. The Investment strategy is reviewed regularly for changes in the economic environment.

The asset allocation and the portfolio limit structure are set to ensure that assets back specific policyholder's liabilities and that assets are held to:

- deliver income and gains for policyholders which are in line with expectations of the policyholders; and
- meet the risk limits given by the Investment strategy.

The Company issues unit-linked investment policies in a number of its operations. In the unit-linked business, the policyholder bears the investment risk of the assets held in the unit-linked funds as the policy claims are directly linked to the value of the assets in the fund. The Company's exposure to market risk on this business is limited to the extent that income arising from asset management fees is based on the value of assets in the fund.

The primary financial statements are an integral part of the financial statements.

3.2.3.1. Currency risk

Significant assets held in currencies other than CZK are hedged using standard market instruments. Insurance contracts are negotiated in CZK. The currency risk on the liability side arises from motor third party liability claims incurred abroad. The insurance liability is offset on the asset side by unsecured bonds held in EUR. Therefore, the currency risk is negligible and no sensitivity to it is presented.

Assets by denominated currencies:

2024 (CZK'000)	Carrying amount	CZK	EUR	USD
Financial assets	36,997,307	36,416,501	580,806	-
At amortised cost	8,600,830	8,600,830	-	-
At fair value through other comprehensive income	20,242,395	20,242,395	-	-
At fair value through profit or loss	7,675,622	7,094,816	580,806	-
Hedging derivatives with positive fair value	478,460	478,460	-	-
Insurance contract assets	573,343	573,343	-	-
Reinsurance contract assets	1,734,436	1,734,436	-	-
Other assets	755,292	755,292	-	-
Cash and cash equivalents	472,527	472,103	421	3
Total	**40,532,905**	**39,951,675**	**581,227**	**3**

2023 (CZK'000)	Carrying amount	CZK	EUR	USD
Financial assets	36,699,934	35,898,284	801,650	-
At amortised cost	7,952,964	7,952,964	-	-
At fair value through other comprehensive income	19,506,351	19,187,742	318,609	-
At fair value through profit or loss	8,734,662	8,251,621	483,041	-
Hedging derivatives with positive fair value	505,957	505,957	-	-
Insurance contract assets	480,867	480,867	-	-
Reinsurance contract assets	738,770	738,770	-	-
Other assets	512,953	512,953	-	-
Cash and cash equivalents	2,102,418	2,101,431	984	3
Total	**40,534,942**	**39,732,305**	**802,634**	**3**

The primary financial statements are an integral part of the financial statements.

3.2.3.2. Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The table below summarises the sensitivity analysis of profit before tax and equity on changes of interest market rates (represent the adjustment of fair value of financial assets valued at fair value including the effect of hedges).

2024 (CZK'000)	Change in variables	Impact on profit before tax	Impact on equity
CZK Yield curve	+100 basis points	40,954	(1,205,037)
CZK Yield curve	-100 basis points	(8,587)	1,342,007

2023 (CZK'000)	Change in variables	Impact on profit before tax	Impact on equity
CZK Yield curve	+100 basis points	(18,030)	(1,280,281)
CZK Yield curve	-100 basis points	53,957	1,443,245

The method used for deriving data about sensitivity and significant variables has not changed since the comparative period.

The Company sets the interest rate risk limits based on a change in the fair value of assets and liabilities when a 10-bps yield curve increase is experienced. The Company also observes the Value at Risk at the level of 99.9 %.

3.2.3.3. Other market risks

These are market risks that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.

The equity and property market risk represents the risk of the decrease of the value of the Company. It relates to the fluctuation of market prices of shares and properties held in the portfolio, principally investment securities not held for the account of unit-linked business.

The Company's Investment strategy requires managing such risks by setting and monitoring objectives and constraints on investments, diversification plans and limits on investments. The Company sets VaR which is used by the Company for measuring of risks and which is the assessment of potential loss based on 99.9 % reliability. When calculating VaR percentile method is used with the assumptions that the value of portfolio is linear function of risk drivers, and the composition of funds is unchanged during the period. The period considered is one year.

In 2024 and 2023 a breach of these limits was not identified.

The table below shows the sensitivity of profit before tax (due to changes in fair value of financial assets and liabilities whose fair values are recorded in the income statement) and equity (that reflects adjustments to profit before tax and changes in fair value of FVOCI financial assets), depending on changes in the market prices of shares.

The method used for deriving sensitivity information and significant variables did not change from the previous period.

2024 (CZK'000)	Change in variables	Impact on profit before tax	Impact on equity
Shares	15 %	4,230	22,331
Shares	(15 %)	(4,230)	(22,331)

2023 (CZK'000)	Change in variables	Impact on profit before tax	Impact on equity
Shares	15 %	7,440	9,254
Shares	(15 %)	(7,440)	(9,254)

The primary financial statements are an integral part of the financial statements.

3.3. Operational risks

Operational risk is the risk of loss arising from internal processes and system failure, human error, internal or external frauds, or external events. When controls fail to perform, operational risks can cause damage to the Company's reputation, have legal or regulatory implications, or can lead to financial loss. In practice it is not possible to expect that the Company could eliminate all potential operational risks, but the Company is trying to implement the effective control mechanisms to eliminate the biggest risks from which the other material financial losses, legal consequences or threat to the reputation can result. Controls include effective segregation of incompatible duties, protection of client data and confidential information, staff education, etc. Significant business risks such as changes in client behaviour and needs, competitor behaviour, changes in the environment, technology, etc. are monitored through the Company's strategic planning and budgeting process.

The Line Management in cooperation with both the Risk Management Department and Compliance sets adequate control mechanisms to cover significant risks and the Risk Management Department evaluate the effectiveness of those controls. In case of identified deficiencies, it leads the process owners to define the action plans to strengthen the control mechanisms and thus improve the risk position of the Company. The risk management function together with the Compliance and Internal audit function prepares documents for the functioning and effectiveness of the internal control system annual evaluation for the Board of Directors.

Increased inflation also affects the growth of the average claim. It concerns the increase in both material and labour price. The Company consistently monitors this trend and continuously reacts, e.g. adjusts the premiums in the affected product lines.

The primary financial statements are an integral part of the financial statements.

4. ADDITIONAL NOTES TO THE SEPARATE STATEMENT OF FINANCIAL POSITION, THE SEPARATE INCOME STATEMENT AND THE SEPARATE STATEMENT OF OTHER COMPREHENSIVE INCOME

4.1. Intangible assets

2024 (CZK'000)	Note	Software	of which internally developed	Total
Opening balance – acquisition costs		945,456	118,140	945,456
Opening balance – depreciation and impairment		(510,086)	(226)	(510,086)
Opening balance – carrying amount		**435,370**	**117,914**	**435,370**
Acquisition		390,809	363,365	390,809
Disposals		(827)	-	(827)
Amortisation	4.19.	(116,428)	(4,531)	(116,428)
Disposal of accumulated amortisation		827	-	827
Closing balance – acquisition costs		1,335,438	481,505	1,335,438
Closing balance – depreciation and impairment		(625,687)	(4,757)	(625,687)
Closing balance – carrying amount		**709,751**	**476,748**	**709,751**

2023 (CZK'000)	Note	Software	of which internally developed	Total
Opening balance – acquisition costs		767,556	-	767,556
Opening balance – depreciation and impairment		(411,718)	-	(411,718)
Opening balance – carrying amount		**355,838**	**-**	**355,838**
Acquisition		177,900	118,140	177,900
Disposals		-	-	0
Amortisation	4.19.	(98,368)	(226)	(98,368)
Disposal of accumulated amortisation		-	-	0
Closing balance – acquisition costs		945,456	118,140	945,456
Closing balance – depreciation and impairment		(510,086)	(226)	(510,086)
Closing balance – carrying amount		**435,370**	**117,914**	**435,370**

The amortisation of intangible assets is presented in the lines "Insurance service expenses from insurance contracts issued" and "Other expenses" in the income statement.

The primary financial statements are an integral part of the financial statements.

4.2. Property, plant and equipment

2024 (CZK'000)	Note	Land and buildings	of which right-of-use asset	Other equipment	Total
Opening balance – acquisition costs		689,839	513,384	72,196	762,035
Opening balance – depreciation and impairment		(350,315)	(233,686)	(49,067)	(399,382)
Opening balance – carrying amount		**339,524**	**279,698**	**23,129**	**362,653**
Acquisition		60,372	55,408	8,398	68,770
Disposals		(16,768)	(16,768)	(10,977)	(27,745)
Amortisation	4.19.	(59,259)	(52,654)	(7,937)	(67,196)
Disposal of accumulated amortisation		15,975	15,975	10,202	26,177
Closing balance – acquisition costs		733,443	552,024	69,617	803,060
Closing balance – depreciation and impairment		(393,599)	(270,365)	(46,802)	(440,401)
Closing balance – carrying amount		**339,844**	**281,659**	**22,815**	**362,659**

2023 (CZK'000)	Note	Land and buildings	of which right-of-use asset	Other equipment	Total
Opening balance – acquisition costs		568,011	398,310	82,206	650,217
Opening balance – depreciation and impairment		(293 718)	(293,718)	(183,164)	(58,672)
Opening balance – carrying amount		**274,293**	**215,147**	**23,534**	**297,827**
Acquisition		124,204	117,449	9,059	133,263
Disposals		(2,376)	(2,376)	(19,069)	(21,445)
Amortisation	4.19.	(58,973)	(52,898)	(7,659)	(66,632)
Disposal of accumulated amortisation		2,376	2,376	17,264	19,640
Closing balance – acquisition costs		689,839	513,384	72,196	762,035
Closing balance – depreciation and impairment		(350,315)	(233,686)	(49,067)	(399,382)
Closing balance – carrying amount		**339,524**	**279,698**	**23,129**	**362,653**

Depreciation of property. plant and equipment is recognised in the lines „Insurance service expenses from insurance contracts issued „ and „Other expenses" in the income statement.

4.3. Other assets

(CZK'000)	2024	2023
Accrued income	33,563	27,956
Prepaid expenses	128,755	86,059
Outstanding payments on the reinsurer's share on claims payments	518,187	322,296
Other receivables from third parties	50,681	47,461
Other assets	24,106	29,182
Total	**755,292**	**512,954**

Considering their short-term nature, outstanding payments from the reinsurer's share on claims payments are not part of the reinsurance contracts assets and liabilities.

The primary financial statements are an integral part of the financial statements.

4.4. Insurance contract assets and liabilities

4.4.1. Breakdown of insurance contract assets and liabilities

	Note	Insurance contract assets			Insurance contract liabilities		
2024 (CZK'000)		Total	Assets for remaining coverage	Assets for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims
Life insurance		**573,343**	**643,131**	**(69,788)**	**21,597,673**	**21,003,414**	**594,259**
BBA	4.4.2	**573,343**	**643,131**	**(69,788)**	**14,655,840**	**14,108,842**	**546,998**
Non-Linked traditional insurance		-	-	-	-	10,853,117	10,795,786
Group risk insurance		-	-	-	96,361	(20,687)	117,048
Unit-linked - regular BBA		-	-	-	3,297,691	2,991,757	305,934
Náš Život - internal - BBA		188,574	232,342	(43,768)	-	-	-
Náš Život - external - BBA		156,544	166,507	(9,963)	-	-	-
Náš Život - ČSOB - BBA		-	-	-	370,408	315,743	54,665
Náš Život - ČSOB S - BBA		228,225	244,282	(16,057)	-	-	-
Náš Život - Česká Pošta - BBA			-	-	-	38,263	26,243
VFA	4.4.2	**-**	**-**	**-**	**6,941,833**	**6,894,572**	**47,261**
Unit-linked - single VFA		-	-	-	4,535,103	4,534,740	363
Unit-linked - regular VFA		-	-	-	1,781,915	1,738,365	43,550
Náš Život - internal - VFA		-	-	-	42,712	41,909	803
Náš Život - external - VFA		-	-	-	3,914	3,914	-
Náš Život - ČSOB - VFA		-	-	-	570,100	567,784	2,316
Náš Život - ČSOB S - VFA		-	-	-	4,196	4,196	-
Náš Život - Česká Pošta - VFA		-	-	-	-	3,893	3,664
Non-life insurance (PAA)	4.4.3	**-**	**-**	**-**	**10,422,785**	**3,699,856**	**6,722,929**
Accident insurance		-	-	-	4,915	3,327	1,588
Motor third party liability insu-rance		-	-	-	-	3,370,997	781,664
General third-party liability insurance		-	-	-	-	248,309	31,668
Other motor insurance		-	-	-	1,627,442	1,196,490	430,952
Houses and households insurance		-	-	-	-	1,193,580	626,615
Travel insurance		-	-	-	230,536	100,125	130,411
Industrial risk insurance		-	-	-	2,060,728	385,976	1,674,752
Industrial risk liability insurance		-	-	-	-	922,496	168,158
Other insurance		-	-	-	763,782	405,833	357,949
Total		**573,343**	**643,131**	**(69,788)**	**32,020,458**	**24,703,270**	**7,317,188**

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Insurance contract assets Total	Assets for remaining coverage	Assets for incurred claims	Insurance contract liabilities Total	Liabilities for remaining coverage	Liabilities for incurred claims
Life insurance		**480,867**	**667,617**	**(186,750)**	**23,505,922**	**23,007,438**	**498,484**
BBA	4.4.2	**480,563**	**667,210**	**(186,647)**	**15,276,147**	**14,851,252**	**424,895**
Non-Linked traditional insurance		-	-	-	11,702,633	11,629,489	73,144
Group risk insurance		12,684	133,973	(121,289)	-	-	-
Unit-linked - regular BBA		-	-	-	3,476,189	3,143,000	333,189
Náš Život - internal - BBA		126,117	166,244	(40,127)	-	-	-
Náš Život - external - BBA		110,137	112,620	(2,483)	-	-	-
Náš Život - ČSOB - BBA		-	-	-	97,325	78,763	18,562
Náš Život - ČSOB S - BBA		176,469	192,289	(15,820)	-	-	-
Náš Život - Česká Pošta - BBA		55,156	62,084	(6,928)	-	-	-
VFA	4.4.2	**304**	**407**	**(103)**	**8,229,775**	**8,156,186**	**73,589**
Unit-linked - single VFA		-	-	-	6,119,546	6,119,219	327
Unit-linked - regular VFA		-	-	-	1,822,729	1,750,283	72,446
Náš Život - internal - VFA		-	-	-	21,486	21,017	469
Náš Život - external - VFA		-	-	-	1,389	1,389	-
Náš Život - ČSOB - VFA		-	-	-	263,235	262,888	347
Náš Život - ČSOB S - VFA		-	-	-	1,390	1,390	-
Náš Život - Česká Pošta - VFA		304	407	(103)	-	-	-
Non-life insurance (PAA)	4.4.3	**-**	**-**	**-**	**8,829,287**	**3,188,172**	**5,641,115**
Accident insurance		-	-	-	9,612	7,796	1,816
Motor third party liability insurance		-	-	-	3,376,800	961,943	2,414,857
General third-party liability insurance		-	-	-	282,458	84,373	198,085
Other motor insurance		-	-	-	1,261,272	821,102	440,170
Houses and households insurance		-	-	-	1,009,836	699,921	309,915
Travel insurance		-	-	-	277,417	153,080	124,337
Industrial risk insurance		-	-	-	1,161,727	215,458	946,269
Industrial risk liability insurance		-	-	-	814,562	100,238	714,324
Other insurance		-	-	-	635,603	144,261	491,342
Total		**480,867**	**667,617**	**(186,750)**	**32,335,209**	**26,195,610**	**6,139,599**

The primary financial statements are an integral part of the financial statements.

A yield curve (forward rates) used to discount cash flows, that does not change based on the performance of the underlying assets - bottom-up and top-down methods:

2024

Currency					Maturity
		1 year	5 years	10 years	20 years
CZK	Bottom-up with volatility adjustment	4.01%	3.93%	4.30%	4.20%
	Bottom-up without volatility adjustment	3.84%	3.76%	4.12%	4.03%
	Top-down Non-UL	3.35%	4.01%	4.46%	4.62%
	Top-down UL	3.03%	4.07%	4.52%	4.86%

2023

Currency					Maturity
		1 year	5 years	10 years	20 years
CZK	Bottom-up with volatility adjustment	4.83%	3.19%	3.70%	3.98%
	Bottom-up without volatility adjustment	4.67%	3.03%	3.54%	3.82%
	Top-down Non-UL	4.54%	2.70%	3.87%	4.47%
	Top-down UL	4.37%	2.44%	3.85%	4.59%

The use of curves for individual portfolios:

- bottom-up with volatility adjustment for group risk insurance, non-life and reinsurance portfolios;
- bottom-up without volatility adjustment for the portfolio measured using VFA ;
- top-down Non-UL for Non-Linked Traditional Insurance;
- top-down UL for the Náš Život portfolio and for the Unit-linked portfolio - regularly paid BBA.

The primary financial statements are an integral part of the financial statements.

4.4.2. Movement in life insurance contract assets and liabilities

2024 (CZK'000)		Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims	Total
BBA	Note	Excluding loss component	Loss component		
Opening assets (-)	4.4.1	(687,142)	19,932	186,647	(480,563)
Opening liabilities	4.4.1	14,851,252	-	424,895	15,276,147
Net opening balance		**14,164,110**	**19,932**	**611,542**	**14,795,584**
Insurance service result		(2,055,442)	31,532	1,023,120	(1,000,790)
Insurance revenues by transition method	4.14.1	(2,258,098)	-	-	(2,258,098)
Fair value approach		(1,430,758)	-	-	(1,430,758)
Other		(827,340)	-	-	(827,340)
Insurance service expenses	4.14.4	202,656	31,532	1,023,120	1,257,308
Incurred claims		-	(2,577)	1,072,593	1,070,016
Incurred costs other than claims		-	(1,134)	311,206	310,072
Amortised acquisition expenses		20,197	-	-	20,197
Amortised acquisition commissions		182,459	-	-	182,459
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	35,243	-	35,243
Changes in fulfilment cash flows that relate to past services		-	-	(360,679)	(360,679)
Investment components		(1,404,670)	-	1,404,670	-
Insurance finance income and expense	4.4.9	(230,758)	1,143	25,918	(203,697)
Recognised in the income statement		500,771	54	21,573	522,398
Recognised in other comprehensive income		(731,529)	1,089	4,345	(726,095)
Total changes in comprehensive income		(3,690,870)	32,675	2,453,708	(1,204,487)
Total cash flows		2,939,864	-	(2,448,464)	491,400
Premiums received		3,688,949	-	-	3,688,949
Claims paid		-	-	(2,137,258)	(2,137,258)
Costs other than claims paid		-	-	(311,206)	(311,206)
Insurance acquisition cash flows paid		(749,085)	-	-	(749,085)
Net closing balance		**13,413,104**	**52,607**	**616,786**	**14,082,497**
Closing assets (-)	4.4.1	(643,131)	-	69,788	(573,343)
Closing liabilities	4.4.1	14,056,235	52,607	546,998	14,655,840

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)		Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims	Total
BBA	Note	Excluding loss component	Loss component		
Opening assets (-)		(397,281)	38,661	34,895	(323,725)
Opening liabilities		13,751,380	-	593,717	14,345,097
Net opening balance		**13,354,099**	**38,661**	**628,612**	**14,021,372**
Insurance service result		(1,898,250)	(22,528)	999,889	(920,889)
Insurance revenues by transition method	4.14.1	(2,036,792)	-	-	(2,036,792)
Fair value approach		(1,438,713)	-	-	(1,438,713)
Other		(598,079)	-	-	(598,079)
Insurance service expenses	4.14.4	138,542	(22,528)	999,889	1,115,903
Incurred claims		-	(5,183)	1,071,242	1,066,059
Incurred costs other than claims		-	(3,172)	309,526	306,354
Amortised acquisition expenses		12,675	-	-	12,675
Amortised acquisition commissions		125,867	-	-	125,867
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	(14,173)	-	(14,173)
Changes in fulfilment cash flows that relate to past services		-	-	(380,879)	(380,879)
Investment components		(1,566,260)	-	1,566,260	-
Insurance finance income and expense	4.4.9	1,885,869	3,799	33,014	1,922,682
Recognised in the income statement		542,179	133	22,742	565,054
Recognised in other comprehensive income		1,343,690	3,666	10,272	1,357,628
Total changes in comprehensive income		(1,578,641)	(18,729)	2,599,163	1,001,793
Total cash flows		2,388,652	-	(2,616,233)	(227,581)
Premiums received		3,378,043	-	-	3,378,043
Claims paid		-	-	(2,306,707)	(2,306,707)
Costs other than claims paid		-	-	(309,526)	(309,526)
Insurance acquisition cash flows paid		(989,391)	-	-	(989,391)
Net closing balance		**14,164,110**	**19,932**	**611,542**	**14,795,584**
Closing assets (-)	4.4.1	(687,142)	19,932	186,647	(480,563)
Closing liabilities	4.4.1	14,851,252	-	424,895	15,276,147

The primary financial statements are an integral part of the financial statements.

2024 (CZK'000)	Note	Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims	Total
VFA		Excluding loss component	Loss component		
Opening assets (-)	4.4.1	(491)	84	103	(304)
Opening liabilities	4.4.1	8,140,192	15,994	73,589	8,229,775
Net opening balance		**8,139,701**	**16,078**	**73,692**	**8,229,471**
Insurance service result		(251,732)	(976)	92,360	(160,348)
Insurance revenues by transition method	4.14.1	(259,017)	-	-	(259,017)
Fair value approach		(194,235)	-	-	(194,235)
Other		(64,782)	-	-	(64,782)
Insurance service expenses	4.14.4	7,285	(976)	92,360	98,669
Incurred claims		-	(13,819)	101,952	88,133
Incurred costs other than claims		-	(3)	32,814	32,811
Amortised acquisition expenses		1,069	-	-	1,069
Amortised acquisition commissions		6,216	-	-	6,216
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	12,846	-	12,846
Changes in fulfilment cash flows that relate to past services		-	-	(42,406)	(42,406)
Investment components		(2,816,015)	-	2,816,015	-
Insurance finance income and expense	4.4.9	591,227	1,359	3,018	595,604
Recognised in the income statement		591,227	1,359	3,203	595,789
Recognised in other comprehensive income		-	-	(185)	(185)
Total changes in comprehensive income		(2,476,520)	383	2,911,393	435,256
Total cash flows		1,214,930	-	(2,937,824)	(1,722,894)
Premiums received		1,258,546	-	-	1,258,546
Claims paid		-	-	(2,905,010)	(2,905,010)
Costs other than claims paid		-	-	(32,814)	(32,814)
Insurance acquisition cash flows paid		(43,616)	-	-	(43,616)
Net closing balance		**6,878,111**	**16,461**	**47,261**	**6,941,833**
Closing assets (-)	4.4.1	-	-	-	-
Closing liabilities	4.4.1	6,878,111	16,461	47,261	6,941,833

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims	Total
VFA		Excluding loss component	Loss component		
Opening assets (-)		(790)	416	-	(374)
Opening liabilities		8,635,755	4,234	77,559	8,717,548
Net opening balance		**8,634,965**	**4,650**	**77,559**	**8,717,174**
Insurance service result		(257,179)	10,598	121,635	(124,946)
Insurance revenues by transition method	4.14.1	(261,357)	-	-	(261,357)
Fair value approach		(198,515)	-	-	(198,515)
Other		(62,842)	-	-	(62,842)
Insurance service expenses	4.14.4	4,178	10,598	121,635	136,411
Incurred claims		-	(1,757)	122,304	120,547
Incurred costs other than claims		-	(26)	36,600	36,574
Amortised acquisition expenses		704	-	-	704
Amortised acquisition commissions		3,474	-	-	3,474
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	12,381	-	12,381
Changes in fulfilment cash flows that relate to past services		-	-	(37,269)	(37,269)
Investment components		(2,190,682)	-	2,190,682	-
Insurance finance income and expense	4.4.9	816,735	830	5,917	823,482
Recognised in the income statement		816,735	830	4,372	821,937
Recognised in other comprehensive income		-	-	1,545	1,545
Total changes in comprehensive income		(1,631,126)	11,428	2,318,234	698,536
Total cash flows		1,135,862	-	(2,322,101)	(1,186,239)
Premiums received		1,171,314	-	-	1,171,314
Claims paid		-	-	(2,285,501)	(2,285,501)
Costs other than claims paid		-	-	(36,600)	(36,600)
Insurance acquisition cash flows paid		(35,452)	-	-	(35,452)
Net closing balance		**8,139,701**	**16,078**	**73,692**	**8,229,471**
Closing assets (-)	4.4.1	(491)	84	103	(304)
Closing liabilities	4.4.1	8,140,192	15,994	73,589	8,229,775

In 2024

- assets from life insurance contracts recorded a year-on-year increase, mainly thanks to BBA contracts. The increase is caused mainly by newly negotiated contracts, on the other hand the evolution of the old portfolio caused decrease of the assets.
- liabilities from life insurance policies decreased; for BBA contracts this is caused by the movement in market interest rates (discount rates), for VFA contracts it is result of maturing Unit-linked single contracts.

In 2023

- assets from life insurance contracts recorded a year-on-year increase thanks to newly negotiated contracts;
- the decrease in liabilities for incurred claims (settled previously incurred claims exceed outstanding new claims) is outweighed by the increase in liabilities for remaining coverage driven primarily by the decline in market interest rates (discount rates) despite a significant opposite movement in the Unit-linked single products due to maturing contracts.

The primary financial statements are an integral part of the financial statements.

4.4.3. Movement in non-life insurance contract assets and liabilities

2024 (CZK'000)	Note	Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims		Total
PAA		Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment	
Opening assets (-)	4.4.1	-	-	-	-	-
Opening liabilities	4.4.1	3,188,172	-	5,008,914	632,201	8,829,287
Net opening balance		**3,188,172**	**-**	**5,008,914**	**632,201**	**8,829,287**
Insurance service result		(9,143,036)	-	8,823,800	109,520	(209,716)
Insurance revenues	4.14.1	(12,194,548)	-	-	-	(12,194,548)
Insurance service expenses	4.14.4	3,051,512	-	8,823,800	109,520	11,984,832
Incurred claims		-	-	7,737,766	353,955	8,091,721
Incurred costs other than claims		3,132	-	948,269	-	951,401
Amortised acquisition expenses		278,487	-	-	-	278,487
Amortised acquisition commissions		2,769,893	-	-	-	2,769,893
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	-	137,765	(244,435)	(106,670)
Insurance finance income and expenses	4.4.9	-	-	240,111	30,028	270,139
Recognised in the income statement		-	-	223,063	27,782	250,845
Recognised in other comprehensive income		-	-	17,048	2,246	19,294
Total changes in comprehensive income		(9,143,036)	-	9,063,911	139,548	60,423
Total cash flows		9,654,720	-	(8,121,645)	-	1,533,075
Premiums received		12,771,571	-	-	-	12,771,571
Claims paid		-	-	(7,173,376)	-	(7,173,376)
Incurred costs other than claims paid		-	-	(948,269)	-	(948,269)
Insurance acquisition cash flows paid		(3,116,851)	-	-	-	(3,116,851)
Net closing balance		**3,699,856**	**-**	**5,951,180**	**771,749**	**10,422,785**
Closing assets (-)	4.4.1	-	-	-	-	-
Closing liabilities	4.4.1	3,699,856	-	5,951,180	771,749	10,422,785

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Assets and liabilities for remaining coverage		Assets and liabilities for incurred claims		Total
PAA	Note	Excluding loss component	Loss component	Estimates of present value of future cash flows	Risk adjustment	
Opening assets (-)		-	-	-	-	-
Opening liabilities		2,360,508	-	4,640,678	610,107	7,611,293
Net opening balance		**2,360,508**	**-**	**4,640,678**	**610,107**	**7,611,293**
Insurance service result		(8,194,308)	-	6,039,256	(26,771)	(2,181,823)
Insurance revenues	4.14.1	(10,993,898)	-	-	-	(10,993,898)
Insurance service expenses	4.14.4	2,799,590	-	6,039,256	(26,771)	8,812,075
Incurred claims		-	-	5,046,049	212,368	5,258,417
Incurred costs other than claims		13,671	-	916,139	-	929,810
Amortised acquisition expenses		239,467	-	-	-	239,467
Amortised acquisition commissions		2,546,452	-	-	-	2,546,452
Changes in fulfilment cash flows that relate to future services - loss on and reversal of loss on onerous groups of contracts		-	-	77,068	(239,139)	(162,071)
Insurance finance income and expenses	4.4.9	-	-	369,119	48,865	417,984
Recognised in the income statement		-	-	210,396	27,804	238,200
Recognised in other comprehensive income		-	-	158,723	21,061	179,784
Total changes in comprehensive income		(8,194,308)	-	6,408,375	22,094	(1,763,839)
Total cash flows		9,021,972	-	(6,040,139)	-	2,981,833
Premiums received		11,585,600	-	-	-	11,585,600
Claims paid		-	-	(5,124,000)	-	(5,124,000)
Incurred costs other than claims paid		-	-	(916,139)	-	(916,139)
Insurance acquisition cash flows paid		(2,563,628)	-	-	-	(2,563,628)
Net closing balance		**3,188,172**	**-**	**5,008,914**	**632,201**	**8,829,287**
Closing assets (-)	4.4.1	-	-	-	-	-
Closing liabilities	4.4.1	3,188,172	-	5,008,914	632,201	8,829,287

In 2024, growth in written premium remains. This is the reason for higher liability for remaining coverage. Liability for incurred claims is impacted by flood – see Note 3.1.2.2.

In 2023, there is a dynamic growth in written premiums, which is reflected in the growth of liabilities for remaining coverage as well as in the growth of the volume of claims and related liabilities for incurred claims.

The primary financial statements are an integral part of the financial statements.

4.4.4. Movements in insurance contract assets and liabilities other than measured at PAA - component analysis

2024 (CZK'000)	Note	Present value of future cash flows	Risk adjustment	Contractual service margin		Total insurance contract assets and liabilities
BBA				Insurance contracts that existed at the transition date - FVA	Other insurance contracts	
Opening assets (-)	4.4.1	(1,501,304)	164,799	135,908	720,034	(480,563)
Opening liabilities	4.4.1	9,523,073	395,384	4,785,922	571,768	15,276,147
Net opening balance		**8,021,769**	**560,183**	**4,921,830**	**1,291,802**	**14,795,584**
Insurance service result		(656,248)	16,757	(446,034)	84,735	(1,000,790)
Changes that relate to future service:		(459,727)	87,912	154,032	253,025	35,242
New business		(360,377)	88,619	-	300,887	29,129
Changes in estimates reflected in the contractual service margin		(110,008)	3,838	154,032	(47,862)	-
Changes in estimates that result in onerous contract losses & reversals		10,658	(4,545)	-	-	6,113
Changes that relate to current service:		124,962	(31,960)	(600,066)	(168,290)	(675,354)
Contractual service margin recognised in profit or loss		-	-	(600,066)	(168,290)	(768,356)
Changes in risk adjustment (expected)		-	(31,960)	-	-	(31,960)
Experience adjustments		124,962	-	-	-	124,962
Changes to liabilities for incurred claims related to past services		(321,483)	(39,195)	-	-	(360,678)
Insurance finance income and expense	4.4.9	(471,101)	14,330	189,283	63,791	(203,697)
Recognised in the income statement		250,958	18,366	189,283	63,791	522,398
Recognised in other comprehensive income		(722,059)	(4,036)	-	-	(726,095)
Total changes in comprehensive income		(1,127,349)	31,087	(256,751)	148,526	(1,204,487)
Total cash flows		491,400	-	-	-	491,400
Premiums received		3,688,949	-	-	-	3,688,949
Claims paid		(2,137,258)	-	-	-	(2,137,258)
Costs other than claims paid		(311,206)	-	-	-	(311,206)
Insurance acquisition cash flows paid		(749,085)	-	-	-	(749,085)
Net closing balance		**7,385,820**	**591,270**	**4,665,079**	**1,440,328**	**14,082,497**
Closing assets (-)	4.4.1	(1,112,214)	123,756	-	415,116	(573,343)
Closing liabilities	4.4.1	8,498,034	467,514	4,665,079	1,025,212	14,655,840

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Present value of future cash flows	Risk adjustment	Contractual service margin		Total insurance contract assets and liabilities
BBA				Insurance contracts that existed at the transition date - FVA	Other insurance contracts	
Opening assets (-)		(693,360)	70,798	-	298,837	(323,725)
Opening liabilities		8,314,234	424,954	4,909,791	696,118	14,345,097
Net opening balance		**7,620,874**	**495,752**	**4,909,791**	**994,955**	**14,021,372**
Insurance service result		(956,765)	(12,700)	(196,948)	245,524	(920,889)
Changes that relate to future service:		(836,840)	39,724	398,084	384,859	(14,173)
New business		(164,741)	73,654	-	197,740	106,653
Changes in estimates reflected in the contractual service margin		(567,020)	(33,155)	398,084	187,119	(14,972)
Changes in estimates that result in onerous contract losses & reversals		(105,079)	(775)	-	-	(105,854)
Changes that relate to current service:		220,212	(11,681)	(595,032)	(139,335)	(525,836)
Contractual service margin recognised in profit or loss		-	-	(595,032)	(139,335)	(734,367)
Changes in risk adjustment (expected)		-	(11,681)	-	-	(11,681)
Experience adjustments		220,212	-	-	-	220,212
Changes to liabilities for incurred claims related to past services		(340,137)	(40,743)	-	-	(380,880)
Insurance finance income and expense	4.4.9	1,585,241	77,131	208,987	51,323	1,922,682
Recognised in the income statement		283,440	21,304	208,987	51,323	565,054
Recognised in other comprehensive income		1,301,801	55,827	-	-	1,357,628
Total changes in comprehensive income		628,476	64,431	12,039	296,847	1,001,793
Total cash flows		(227,581)	-	-	-	(227,581)
Premiums received		3,378,043	-	-	-	3,378,043
Claims paid		(2,306,707)	-	-	-	(2,306,707)
Costs other than claims paid		(309,526)	-	-	-	(309,526)
Insurance acquisition cash flows paid		(989,391)	-	-	-	(989,391)
Net closing balance		**8,021,769**	**560,183**	**4,921,830**	**1,291,802**	**14,795,584**
Closing assets (-)	4.4.1	(1,501,304)	164,799	135,908	720,034	(480,563)
Closing liabilities	4.4.1	9,523,073	395,384	4,785,922	571,768	15,276,147

The primary financial statements are an integral part of the financial statements.

2024 (CZK'000)	Note	Present value of future cash flows	Risk adjustment	Contractual service margin		Total insurance contract assets and liabilities
VFA				Insurance contracts that existed at the transition date - FVA	Other insurance contracts	
Opening assets (-)	4.4.1	(1,515)	346	-	865	(304)
Opening liabilities	4.4.1	6,765,679	105,601	1,038,623	319,872	8,229,775
Net opening balance		**6,764,164**	**105,947**	**1,038,623**	**320,737**	**8,229,471**
Insurance service result		(216,821)	7,311	(73,913)	123,075	(160,348)
Changes that relate to future service:		(183,494)	20,569	22,065	153,707	12,847
New business		(147,884)	12,688	-	135,218	22
Changes in estimates reflected in the contractual service margin		(48,408)	7,854	22,065	18,489	-
Changes in estimates that result in onerous contract losses & reversals		12,798	27	-	-	12,825
Changes that relate to current service:		4,599	(8,779)	(95,978)	(30,632)	(130,790)
Contractual service margin recognised in profit or loss		-	-	(95,978)	(30,632)	(126,610)
Changes in risk adjustment (expected)		-	(8,779)	-	-	(8,779)
Experience adjustments		4,599	-	-	-	4,599
Changes to liabilities for incurred claims related to past services		(37,926)	(4,479)	-	-	(42,405)
Insurance finance income and expense	4.4.9	595,360	244	-	-	595,604
Recognised in the income statement		595,530	259	-	-	595,789
Recognised in other comprehensive income		(170)	(15)	-	-	(185)
Total changes in comprehensive income		378,539	7,555	(73,913)	123,075	435,256
Total cash flows		(1,722,894)	-	-	-	(1,722,894)
Premiums received		1,258,546	-	-	-	1,258,546
Claims paid		(2,905,010)	-	-	-	(2,905,010)
Costs other than claims paid		(32,814)	-	-	-	(32,814)
Insurance acquisition cash flows paid		(43,616)	-	-	-	(43,616)
Net closing balance		**5,419,809**	**113,502**	**964,710**	**443,812**	**6,941,833**
Closing assets (-)	4.4.1	-	-	-	-	-
Closing liabilities	4.4.1	5,419,809	113,502	964,710	443,812	6,941,833

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Present value of future cash flows	Risk adjustment	Contractual service margin		Total insurance contract assets and liabilities
VFA				Insurance contracts that existed at the transition date - FVA	Other insurance contracts	
Opening assets (-)		(557)	183	-	-	(374)
Opening liabilities		7,298,756	105,559	1,064,204	249,029	8,717,548
Net opening balance		**7,298,199**	**105,742**	**1,064,204**	**249,029**	**8,717,174**
Insurance service result		(170,798)	(275)	(25,581)	71,708	(124,946)
Changes that relate to future service:		(162,923)	7,761	75,629	91,912	12,379
New business		(72,126)	7,024	-	66,375	1,273
Changes in estimates reflected in the contractual service margin		(101,955)	768	75,629	25,537	(21)
Changes in estimates that result in onerous contract losses & reversals		11,158	(31)	-	-	11,127
Changes that relate to current service:		24,793	(3,437)	(101,210)	(20,204)	(100,058)
Contractual service margin recognised in profit or loss		-	-	(101,210)	(20,204)	(121,414)
Changes in risk adjustment (expected)		-	(3,437)	-	-	(3,437)
Experience adjustments		24,793	-	-	-	24,793
Changes to liabilities for incurred claims related to past services		(32,668)	(4,599)	-	-	(37,267)
Insurance finance income and expense	4.4.9	823,002	480	-	-	823,482
Recognised in the income statement		821,583	354	-	-	821,937
Recognised in other comprehensive income		1,419	126	-	-	1,545
Total changes in comprehensive income		652,204	205	(25,581)	71,708	698,536
Total cash flows		(1,186,239)	-	-	-	(1,186,239)
Premiums received		1,171,314	-	-	-	1,171,314
Claims paid		(2,285,501)	-	-	-	(2,285,501)
Costs other than claims paid		(36,600)	-	-	-	(36,600)
Insurance acquisition cash flows paid		(35,452)	-	-	-	(35,452)
Net closing balance		**6,764,164**	**105,947**	**1,038,623**	**320,737**	**8,229,471**
Closing assets (-)	4.4.1	(1,515)	346	-	865	(304)
Closing liabilities	4.4.1	6,765,679	105,601	1,038,623	319,872	8,229,775

In 2024, the value of the contractual service margin remained at the similar level as at the end of year 2023. The release of CSM to profit or loss year-on-year increased thanks to higher average closing balance of this margin. In comparison to the year 2023 the amount of the contractual service margin on newly negotiated insurance contracts significantly increased. The update of expected future cash flows has a positive impact on the volume of CSM as well.

In 2023, the value of the contractual service margin has increased due to the development of the portfolio and the update of the expected cash flows. The release of CSM to profit or loss and the amount of CSM on newly negotiated insurance contracts remained at the previous year's level.

The primary financial statements are an integral part of the financial statements.

4.4.5. New business from concluded insurance contracts (BBA / VFA)

	Other than onerous contracts		Onerous contracts		Total	
2024 (CZK'000)	BBA	VFA	BBA	VFA	BBA	VFA
Estimates of present value of cash out-flows	2,152,319	1,090,143	774,967	870	2,927,286	1,091,013
Expected incurred claims	1,503,012	1,088,411	532,246	654	2,035,258	1,089,065
Expected other insurance service expenses	231,911	(33,942)	85,016	25	316,927	(33,917)
Insurance acquisition cash flows	417,396	35,674	157,705	191	575,101	35,865
Estimates of present value of cash inflows	(2,525,529)	(1,238,053)	(762,135)	(845)	(3,287,664)	(1,238,898)
Risk adjustment for non-financial risk	69,887	12,671	18,732	17	88,619	12,688
Contractual service margin	303,323	135,239	-	-	303,323	135,239
Increase in insurance contract liabilities from contracts recognized in the period	**-**	**-**	**31,564**	**42**	**31,564**	**42**

	Other than onerous contracts		Onerous contracts		Total	
2023 (CZK'000)	BBA	VFA	BBA	VFA	BBA	VFA
Estimates of present value of cash out-flows	1,256,466	718,883	1,121,548	98,181	2,378,015	817,064
Expected incurred claims	899,234	711,221	619,125	93,293	1,518,359	804,514
Expected other insurance service expenses	106,040	(19,477)	152,576	1,299	258,616	(18,178)
Insurance acquisition cash flows	251,192	27,139	349,847	3,589	601,040	30,728
Estimates of present value of cash inflows	(1,496,567)	(792,136)	(1,046,188)	(97,054)	(2,542,756)	(889,190)
Risk adjustment for non-financial risk	42,361	6,878	31,293	146	73,654	7,024
Contractual service margin	197,740	66,375	-	-	197,740	66,375
Increase in insurance contract liabilities from contracts recognized in the period	**-**	**-**	**106,653**	**1,273**	**106,653**	**1,273**

New business in 2024 is higher and more profitable compared to 2023 in line with fulfilment of the growth strategy of the Company. The development of CSM from newly negotiated contracts is described in Note 4.4.4 above.

The primary financial statements are an integral part of the financial statements.

4.4.6. Future contractual service margin recognised in the separate income statement

2024 (CZK'000)	1st year	2nd year	3rd year	4th year	5th year	more than 5th year	Total
BBA	716,688	654,304	600,906	552,521	509,588	4,607,533	7,641,540
VFA	130,732	127,680	123,576	118,150	111,411	1,215,273	1,826,822

2023 (CZK'000)	1st year	2nd year	3rd year	4th year	5th year	more than 5th year	Total
BBA	708,622	650,937	598,612	552,293	509,671	4,812,194	7,832,329
VFA	120,139	116,899	112,910	108,227	102,492	1,141,706	1,702,373

The table above shows that the profit on insurance contracts is spread over several future years. The decrease in the value of the contractual service margin recognised in profit or loss over the following years is natural, as the results from future insurance contracts are not considered and existing contracts are gradually being terminated.

4.4.7. Composition of underlying assets covering insurance contract liabilities

2024 (CZK'000)	BBA	VFA	PAA	Total
Financial assets measured at amortised cost	-	-	8,718,122	8,718,122
Financial assets at fair value through other comprehensive income	19,132,295	-	1,110,100	20,242,395
Debt instruments	19,132,295	-	1,110,100	20,242,395
Financial assets at fair value through profit or loss (excluding derivatives)	141,239	7,240,749	269,048	7,651,036
Investment contracts (insurance)	-	7,240,749	-	7,240,749
Other	141,239	-	269,048	410,287
Total underlying assets	**19,273,534**	**7,240,749**	**10,097,270**	**36,611,553**

2023 (CZK'000)	BBA	VFA	PAA	Total
Financial assets measured at amortised cost	-	-	8,218,581	8,218,581
Financial assets at fair value through other comprehensive income	18,689,082	-	817,269	19,506,351
Debt instruments	18,689,082	-	817,269	19,506,351
Financial assets at fair value through profit or loss (excluding derivatives)	155,951	8,379,648	182,994	8,718,593
Investment contracts (insurance)	-	8,379,648	-	8,379,648
Other	155,951	-	182,994	338,945
Total underlying assets	**18,845,033**	**8,379,648**	**9,218,844**	**36,443,525**

The primary financial statements are an integral part of the financial statements.

4.4.8. Changes in accumulated OCI for financial assets related to insurance contracts for which the fair value transition approach is used

(CZK'000)	2024	2023
Other comprehensive income possible to recognised in the income statement	**(180,792)**	**761,448**
Net change in revaluation of debt instruments	(180,792)	761,448
Revaluation	(222,779)	925,930
Deferred tax on revaluation	46,784	(171,754)
Realisation	(4,797)	7,272
Impairment	36	(722)
Realised gains / losses	(6,108)	9,650
Deferred tax on realised gains / losses	1,275	(1,656)

IFRS 17 allows simplifications to set the accumulated OCI for the insurance liabilities at nil at the transition date while maintaining the accumulated OCI for the covering financial assets. This disclosure gives insight in this mismatch between covering financial assets and insurance liabilities as it distorts classification within equity at transition date and subsequently the years thereafter.

The primary financial statements are an integral part of the financial statements.

4.4.9. Investment return and net insurance finance income / (expense)

2024 (CZK'000)	Note	BBA	VFA	PAA	Other	Total
Amounts recognised in the profit or loss						
Investment return		812,736	592,585	523,503	(10,673)	1,918,151
Net interest income		765,008	-	500,034	(10,673)	1,254,369
Net (un)realised gains / (losses) from financial assets at fair value through profit or loss		44,674	592,585	1,792	-	639,051
Net (un)realised gains / (losses) from financial assets at amortised cost		-	-	-	-	-
Net impairment loss on financial assets		(81)	-	(2)	-	(83)
Net gains / (losses) from financial instruments at fair value through other comprehensive income		3,135	-	9,930	-	13,065
Other gains / (losses)		-	-	11,749	-	11,749
Net insurance finance income / (expense)		(522,398)	(595,789)	(196,889)	-	(1,315,076)
Finance income / (expense) from insurance contracts issued	4.4.2 4.4.3 4.4.4	(522,398)	(595,789)	(250,845)	-	(1,369,032)
Interest accretion		(500,825)	-	(250,845)	-	(751,670)
Effect of changes in financial assumptions and in exchange rates		(21,573)	-	-	-	(21,573)
Change in market value of underlying assets for insurance contracts measured at VFA		-	(595,789)	-	-	(595,789)
Finance income / (expense) from reinsurance contracts held	4.5.2	-	-	53,956	-	53,956
Amounts recognised in other comprehensive income						
Income from investments in financial assets at fair value through other comprehensive income before tax		(479,560)	-	(40,211)	-	(519,771)
Financial income or expense from insurance contracts before tax		726,095	185	(20,765)	-	705,515
Finance income / (expense) from insurance contracts issued	4.4.2 4.4.3 4.4.4	726,095	185	(19,294)	-	706,986
Effect of changes in interest rates and in other financial assumptions incl. exchange rates		726,095	-	(19,294)	-	706,801
Change in fair value of underlying assets for insurance contracts measured at VFA		-	185	-	-	185
Finance income / (expense) from reinsurance contracts held	4.5.2	-	-	(1,471)	-	(1,471)

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	BBA	VFA	PAA	Other	Total
Amounts recognised in the profit or loss						
Investment return		948,995	817,565	518,634	(9,208)	2,275,986
Net interest income		892,477	-	506,348	(9,208)	1,389,617
Net (un)realised gains / (losses) from financial assets at fair value through profit or loss		64,851	817,565	15,877	-	898,293
Net (un)realised gains / (losses) from financial assets at amortised cost		-	-	(1,535)	-	(1,535)
Net impairment loss on financial assets		362	-	1,093	-	1,455
Net gains / (losses) from financial instruments at fair value through other comprehensive income		(9,349)	-	(6,218)	-	(15,567)
Other gains / (losses)		654	-	3,069	-	3,723
Net insurance finance income / (expense)		(565,054)	(821,937)	(193,541)	-	(1,580,532)
Finance income / (expense) from insurance contracts issued	4.4.2 4.4.3 4.4.4	(565,054)	(821,937)	(238,200)	-	(1,625,191)
Interest accretion		(542,312)	-	(240,784)	-	(783,096)
Effect of changes in financial assumptions and in exchange rates		(22,742)	-	2,584	-	(20,158)
Change in market value of underlying assets for insurance contracts measured at VFA		-	(821,937)	-	-	(821,937)
Finance income / (expense) from reinsurance contracts held	4.5.2	-	-	44,659	-	44,659
Amounts recognised in other comprehensive income						
Income from investments in financial assets at fair value through other comprehensive income before tax		1,521,614	-	26,182	-	1,547,796
Financial income or expense from insurance contracts before tax		(1,358,521)	(651)	(145,560)	-	(1,504,732)
Finance income / (expense) from insurance contracts issued	4.4.2 4.4.3 4.4.4	(1,358,521)	(651)	(179,784)	-	(1,538,956)
Effect of changes in interest rates and in other financial assumptions incl. exchange rates		(1,357,628)	-	(179,784)	-	(1,537,412)
Change in fair value of underlying assets for insurance contracts measured at VFA		-	(1,544)	-	-	(1,544)
Finance income / (expense) from reinsurance contracts held	4.5.2	-	-	34,224	-	34,224

The primary financial statements are an integral part of the financial statements.

4.5. Reinsurance contract assets and liabilities

4.5.1. Breakdown of reinsurance contract assets and liabilities

	Reinsurance contract assets			Reinsurance contract liabilities		
2024 (CZK'000)	Total	Assets for remaining coverage	Assets for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims
Accident insurance	-	-	-	613	613	-
Motor third party liability insurance	249,214	(41)	249,255	-	-	-
General third-party liability insurance	27,898	-	27,898	-	-	-
Other motor insurance	5,546	2	5,544	-	-	-
Houses and households insurance	249,691	113	249,578	-	-	-
Travel insurance	562	(176)	738	-	-	-
Industrial risk insurance	1,014,811	(52,940)	1,067,751	-	-	-
Industrial risk liability insurance	83,689	(13,566)	97,255	-	-	-
Other insurance	103,025	(86,744)	189,769	-	-	-
Total (see 4.5.2.)	**1,734,436**	**(153,352)**	**1,887,788**	**613**	**613**	**-**

	Reinsurance contract assets			Reinsurance contract liabilities		
2023 (CZK'000)	Total	Assets for remaining coverage	Assets for incurred claims	Total	Liabilities for remaining coverage	Liabilities for incurred claims
Accident insurance	-	-	-	713	713	-
Motor third party liability insurance	171,895	(77)	171,972	-	-	-
General third-party liability insurance	25,334	-	25,334	-	-	-
Other motor insurance	-	-	-	420	-	420
Houses and households insurance	18,066	113	17,953	-	-	-
Travel insurance	402	(187)	589	-	-	-
Industrial risk insurance	344,183	(58,561)	402,744	-	-	-
Industrial risk liability insurance	77,465	(13,961)	91,426	-	-	-
Other insurance	101,425	(112,997)	214,422	-	-	-
Total (see 4.5.2.)	**738,770**	**(185,670)**	**924,440**	**1,133**	**713**	**420**

The year-over-year increase of reinsurance contract assets is caused by floods – see Note 3.1.2.2.

The primary financial statements are an integral part of the financial statements.

4.5.2. Movement in reinsurance contract assets and liabilities

2024 (CZK'000)	Note	Assets and liabilities for remaining	Assets and liabilities for incurred claims: Present value of future cash flows	Assets and liabilities for incurred claims: Risk adjustment	Total
Opening assets		(185,670)	816,832	107,608	738,770
Opening liabilities (-)		(713)	(743)	323	(1,133)
Net opening balance	4.5.1	**(186,383)**	**816,089**	**107,931**	**737,637**
Result from reinsurance contracts held		(884,261)	2,235,621	116,480	1,467,840
Allocation of premiums paid to reinsurer		(1,062,340)	-	-	(1,062,340)
Allocation of commissions received		178,020	-	-	178,020
Amounts recovered from reinsurers		59	2,235,959	116,522	2,352,540
Risk of default by the reinsurer		-	(338)	(42)	(380)
Finance income / (expense) from reinsurance contracts held	4.4.9.	-	46,647	5,838	52,485
Finance income / (expense) from reinsurance contracts held recognised in profit or loss		-	47,979	5,977	53,956
Finance income / (expense) from reinsurance contracts held recognised in other comprehensive income		-	(1,332)	(139)	(1,471)
Total changes in comprehensive income		(884,261)	2,282,268	122,318	1,520,325
Total cash flows		916,679	(1,440,818)	-	(524,139)
Premiums paid to reinsurer		1,098,145	-	-	1,098,145
Commissions received		(181,466)	-	-	(181,466)
Amounts recovered from reinsurers		-	(1,440,818)	-	(1,440,818)
Net closing balance	4.5.1	**(153,965)**	**1,657,539**	**230,249**	**1,733,823**
Closing assets		(153,352)	1,657,539	230,249	1,734,436
Closing liabilities (-)		(613)	-	-	(613)

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Note	Assets and liabilities for remaining	Assets and liabilities for incurred claims: Present value of future cash flows	Assets and liabilities for incurred claims: Risk adjustment	Total
Opening assets		(38,907)	805,953	115,824	882,870
Opening liabilities (-)		(150,571)	34,881	5,548	(110,142)
Net opening balance	4.5.1	**(189,478)**	**840,834**	**121,372**	**772,728**
Result from reinsurance contracts held		(692,958)	286,031	(23,033)	(429,960)
Allocation of premiums paid to reinsurer		(870,028)	-	-	(870,028)
Allocation of commissions received		177,124	-	-	177,124
Amounts recovered from reinsurers		(54)	285,996	(23,041)	262,901
Risk of default by the reinsurer		-	35	8	43
Finance income / (expense) from reinsurance contracts held	4.4.9.	-	69,291	9,592	78,883
Finance income / (expense) from reinsurance contracts held recognised in profit or loss		-	39,208	5,451	44,659
Finance income / (expense) from reinsurance contracts held recognised in other comprehensive income		-	30,083	4,141	34,224
Total changes in comprehensive income		(692,958)	355,322	(13,441)	(351,077)
Total cash flows		696,053	(380,066)	-	315,987
Premiums paid to reinsurer		877,650	-	-	877,650
Commissions received		(181,597)	-	-	(181,597)
Amounts recovered from reinsurers		-	(380,066)	-	(380,066)
Net closing balance	4.5.1	**(186,383)**	**816,089**	**107,931**	**737,637**
Closing assets		(185,670)	816,832	107,608	738,770
Closing liabilities (-)		(713)	(743)	323	(1,133)

In 2024, the reason for higher asset for incurred claims is flood – see Note 3.1.2.2. Higher reinsurance premium paid follows higher premium paid in NonLife portfolio, see Note 4.4.3.

The primary financial statements are an integral part of the financial statements.

4.6. Investments in subsidiaries

(CZK’000)	2024	2023
Investments in subsidiaries measured at cost	279,000	272,400
Total investments in equity	**279,000**	**272,400**

As at 31 December 2024 and 31 December 2023, investments in subsidiaries ČSOB Pojišťovací servis. s.r.o., člen holdingu ČSOB, and Pardubická Rozvojová, a.s. were measured at cost reduced by any impairment. See accounting policies on subsidiaries as described in note 2.4.5.

(CZK’000)	Fair value 31 December 2024	Revenues from dividends recognised for 2024
Investments in ordinary shares of Pardubická Rozvojová, a.s.	278,000	-
Investments in the commercial share of ČSOB Pojišťovací servis. s.r.o., člen holdingu ČSOB	1,000	-
Total	**279,000**	**-**

(CZK’000)	Fair value 31 December 2023	Revenues from dividends recognised for 2023
Investments in ordinary shares of Pardubická Rozvojová, a.s.	272,000	-
Investments in the commercial share of ČSOB Pojišťovací servis. s.r.o., člen holdingu ČSOB	400	-
Total	**272,400**	**-**

The primary financial statements are an integral part of the financial statements.

4.7. Financial instruments

4.7.1. Financial instruments – financial assets

2024 (CZK'000)	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for trading	Financial assets at fair value through profit or loss	Derivatives held for fair value hedges	Total
Loans and advances	-	-	3,432	-	-	3,432
Term loans	-	-	3,432	-	-	3,432
Equity instruments	-	-	28,203	-	-	28,203
Investment contracts (insurance)	-	-	-	7,240,749	-	7,240,749
Mutual fund units	-	-	-	7,240,749	-	7,240,749
Debt instruments issued by	8,600,830	20,242,395	109,604	269,048	-	29,221,877
Public bodies	8,600,830	17,671,936	-	-	-	26,272,766
Credit institutions and investment firms	-	2,570,459	16,202	-	-	2,586,661
Corporates	-	-	93,402	-	-	93,402
Other companies - mutual fund units	-	-	-	269,048	-	269,048
Derivatives	-	-	24,586	-	478,460	503,046
Carrying value including accrued interest income	**8,600,830**	**20,242,395**	**165,825**	**7,509,797**	**478,460**	**36,997,307**

2023 (CZK'000)	Financial assets measured at amortised cost	Financial assets at fair value through other comprehensive income	Financial assets held for trading	Financial assets at fair value through profit or loss	Derivatives held for fair value hedges	Total
Loans and advances	-	-	2,110	-	-	2,110
Term loans	-	-	2,110	-	-	2,110
Equity instruments	-	-	49,600	-	-	49,600
Investment contracts (insurance)	-	-	-	8,379,648	-	8,379,648
Mutual fund units	-	-	-	8,379,648	-	8,379,648
Debt instruments issued by	7,952,964	19,506,351	104,242	182,994	-	27,746,552
Public bodies	7,952,964	16,829,859	-	-	-	24,782,824
Credit institutions and investment firms	-	2,590,195	24,607	-	-	2,614,802
Corporates	-	86,297	79,634	-	-	165,932
Other companies - mutual fund units	-	-	-	182,994	-	182,994
Derivatives	-	-	16,069	-	505,957	522,026
Carrying value including accrued interest income	**7,952,964**	**19,506,351**	**172,020**	**8,562,642**	**505,957**	**36,699,934**

For short and long-term breakdown of assets see Note 3.2.

The primary financial statements are an integral part of the financial statements.

4.7.1.1. Investments in debt securities at FVTPL

Debt securities mandatorily classified as at FVTPL by the Company represent securities held for trading and securities in a 'held to sell' business model.

Debt securities at FVTPL are carried at fair value, which also reflects any credit risk related write-downs and represents Company's maximum exposure to credit risk in the best way.

The debt securities at FVTPL are not collateralised.

4.7.1.2. Investments in debt securities at FVOCI

The table below contains an analysis of the credit risk exposure of debt securities measured at FVOCI as at 31 December 2024 and 31 December 2023, respectively, for which ECL was recognised based on the relevant credit risk level. The following table describes the credit risk classification system used by the Company and the approach to measurement of ECL, including the definition of bankruptcy and SICR, that are applied to debt securities in FVOCI. In both reporting periods, bond investments at FVOCI were all classified in Stage 1.

(CZK'000)	2024	2023
Government bonds		
Excellent	17,672,094	16,830,002
Total gross carrying amount	**17,672,094**	**16,830,002**
Less credit loss allowance	(158)	(143)
Net carrying value	**17,671,936**	**16,829,859**
Corporate bonds		
Excellent	2,570,826	2,676,796
Total gross carrying amount	**2,570,826**	**2,676,796**
Less credit loss allowance	(367)	(304)
Net carrying value	**2,570,459**	**2,676,492**
Total investments in debt securities measured at FVOCI	**20,242,395**	**19,506,351**

4.7.1.3. Investments in debt securities at AC

The following table contains an analysis of debt securities at AC by credit quality as at 31 December 2024 and 31 December 2023, respectively, based on credit risk grades and discloses the balances by three stages for the purpose of ECL measurement. The carrying amount of debt securities at AC as at 31 December 2024 and 2023 below represents also the Company's maximum exposure to credit risk on these assets. In both reporting periods, bond investments at AC were all classified in Stage 1.

(CZK'000)	2024	2023
Government bonds		
Excellent	8,600,905	7,953,034
Total gross carrying amount	**8,600,905**	**7,953,034**
Less credit loss allowance	(75)	(70)
Net carrying value	**8,600,830**	**7,952,964**
Total investments in debt securities measured at AC	**8,600,830**	**7,952,964**

As at 31 December 2024 and 31 December 2023, no debt securities at AC have been pledged to third parties as collateral with respect to the mutual balance of closed derivative transactions.

The primary financial statements are an integral part of the financial statements.

4.7.1.4. Comparison of the fair values of the financial assets to their carrying value

2024 (CZK'000)	Carrying amount	Fair value
Loans and advances	3,432	3,432
Term loans	3,432	3,432
Equity instruments	28,203	28,203
Investment contracts (insurance)	7,240,749	7,240,749
Mutual fund units	7,240,749	7,240,749
Debt instruments issued by	29,221,877	29,339,169
Public bodies	26,272,766	26,390,058
Credit institutions and investment companies	2,586,661	2,586,661
Corporates	93,402	93,402
Corporates - mutual fund units	269,048	269,048
Derivatives	503,046	503,046
Total financial assets	**36,997,307**	**37,114,599**

2023 (CZK'000)	Carrying amount	Fair value
Loans and advances	2,110	2,110
Term loans	2,110	2,110
Equity instruments	49,600	49,600
Investment contracts (insurance)	8,379,648	8,379,648
Mutual fund units	8,379,648	8,379,648
Debt instruments issued by	27,746,552	28,012,168
Public bodies	24,782,824	25,048,440
Credit institutions and investment companies	2,614,802	2,614,802
Corporates	165,932	165,932
Corporates - mutual fund units	182,994	182,994
Derivatives	522,026	522,026
Total financial assets	**36,699,934**	**36,965,552**

4.7.1.5. Fair value hierarchy

Financial assets and liabilities at fair value (financial assets at fair value through other comprehensive income, financial assets and liabilities held for trading and designated by the Company as at fair value through profit or loss) are valued according to the fair value hierarchy used in the measurement of financial instruments, as described in IFRS 13.

The fair value calculation of commonly used financial instruments can be summarised as follows:

– Level 1

  If available, published price quotations of identical financial instruments in active markets are used to determine the fair value of financial assets or financial liabilities. Revaluation is obtained by comparison of prices, which means that no model is involved in the process of revaluation. Financial instruments valued on this basis include government bonds.

  Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Company determines fair values using valuation techniques.

– Level 2

Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments that are not actively traded; or other valuation techniques where all significant inputs are directly or indirectly observed from the market.

Debt instruments are measured by using the discounted cash flows method. The method is based on the estimated future cash flows and the discount rate is based on the risk-free interest rates adjusted for credit margin. The margin is usually derived from an instrument with similar terms (same issuer, maturity, age etc.). Derivatives are measured by using the discounted cash flows method. Estimated future cash flows and market inputs (such as risk-free interest rates or foreign exchange rates) are used for measurement.

Financial instruments valued on this basis include interest rate swaps (IRS), FX forwards, deposits, mortgage bonds, investment contracts – unit linked (UL products) and other debt and equity instruments.

– Level 3

This level includes valuation techniques using significant inputs that are unobservable on the active market. This category includes all financial instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category comprises of financial instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instrument that is subject to valuation and a similar instrument.

The fair value of the investment funds is usually derived from the underlying assets value. The underlying assets measurement requires a professional judgment or estimation.

The fair value of bonds is determined using the discounted cash flow method for Level 2, additionally includes the professional judgement, which has a significant impact on the final value.

The financial instruments classified in this category are as follows: mortgage bonds with a maturity of more than one year, where the valuation model also uses market inputs that are not sufficiently observable, particularly a credit spread.

A valuation model is applied to determine the fair value of mortgage bonds. Input parameters of the model are adjusted on an annual basis to reflect actual inputs. Yield curves used in the model for discounting of future cash flows are constructed from IRS rates and respective credit spreads. The credit spreads are derived from available market quotes of mortgage bonds and Czech government bonds. Yield curves for estimating of future cash flows of mortgage bonds with variable coupon are still derived from IRS rates provided by KBC Bank N.V.

An analysis of mortgage bonds was performed, taking into consideration the above facts, and market unobservable inputs were reassessed. The spread is derived from observed mortgage bond spread at five and ten years and the slope of the Czech government yield curve. The management considers this a significant market unobservable input and, therefore, the mortgage bonds with a maturity of more than one year has been transferred to Level 3 since 2019.

Real estate funds are also included in Level 3. The fair value is derived from the value of the underlying assets and is calculated and disclosed by the fund manager. The main market unobservable input is the fair value of the real estate assets, hence the market rent at a given place and time and is the decisive factor influencing the value of the assets of each fund.

Impact of changes in key assumptions on fair value of Level 3 financial instruments measured at fair value

Management of the Company considers the value of the credit spread included in the discount factor applied on the estimated future cash flows from mortgage bonds as a key assumption not derived from observable market inputs, which is influencing the fair value of Level 3 debt financial instruments.

As at 31 December 2024, an increase / (decrease) of a credit spread by 50 basis points would (decrease) / increase the fair value of the mortgage bonds included in Level 3 by CZK 4,753 thousand (in 2023 by CZK 7,913 thousand). Such a change of the credit spread is based on the variability of mortgage bond quotes that were observed by the management of the Company on the market.

The following table shows an analysis of financial instruments recorded at fair value, between those for which the fair value is based on quoted market prices and those for which the fair value is based on valuation techniques:

2024 (CZK'000)	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost				
Debt instruments	8,600,830	-	-	8,600,830
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	17,671,936	1,713,796	856,663	20,242,395
Debt instruments	17,671,936	1,713,796	856,663	20,242,395
Financial assets at fair value through profit or loss	5,458,131	1,948,443	269,048	7,675,622
Loans & advances to credit institutions	-	3,432	-	3,432
Equity instruments	28,203	-	-	28,203
Mutual fund units	5,341,299	1,899,450	-	7,240,749
Debt instruments - mutual fund units	-	-	269,048	269,048
Debt instruments	88,629	20,975	-	109,604
Derivatives held for trading	-	24,586	-	24,586
Derivatives	-	478,460	-	478,460
Derivatives held for fair value hedges	-	478,460	-	478,460
Financial assets	**31,730,897**	**4,140,699**	**1,125,711**	**36,997,307**
Financial liabilities at fair value				
Derivatives held for fair value hedges	-	2,768	-	2,768
Financial liabilities	**-**	**2,768**	**-**	**2,768**

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Level 1	Level 2	Level 3	Total
Financial assets at amortised cost				
Debt instruments	7,952,964	-	-	7,952,964
Financial assets at fair value				
Financial assets at fair value through other comprehensive income	16,957,871	1,689,377	859,103	19,506,351
Debt instruments	16,957,871	1,689,377	859,103	19,506,351
Financial assets at fair value through profit or loss	5,852,525	2,699,143	182,994	8,734,662
Loans & advances to credit institutions	-	2,110	-	2,110
Equity instruments	49,600	-	-	49,600
Mutual fund units	5,723,291	2,656,357	-	8,379,648
Debt instruments - mutual fund units	-	-	182,994	182,994
Debt instruments	79,634	24,607	-	104,241
Derivatives held for trading	-	16,069	-	16,069
Derivatives	-	505,957	-	505,957
Derivatives held for fair value hedges	-	505,957	-	505,957
Financial assets	**30,763,361**	**4,894,477**	**1,042,097**	**36,699,934**

Financial liabilities at fair value				
Derivatives held for fair value hedges	-	945	-	945
Financial liabilities	**-**	**945**	**-**	**945**

The primary financial statements are an integral part of the financial statements.

Movements in Level 3 financial instruments measured at fair value

The following table shows the reconciliation of the opening and closing balances of financial assets, which are recorded at fair value using valuation techniques based on market unobservable inputs:

(CZK'000)	Financial assets at fair value through other comprehensive income Debts securities	Financial assets at fair value through profit or loss Mutual funds units	Total
At 1 January 2024	**859,103**	**182,994**	**1,042,097**
Total gains / (losses) recorded in profit or loss	-	-	-
Total gains / (losses) recorded in other comprehensive income	-2,440	-27,852	-30,292
Transfers to Level 3	-	-	-
Transfers from Level 3	-	-	-
Purchases	-	-	-
Settlement	-	-	-
Sales	-	-	-
At 31 December 2024	**856,663**	**155,142**	**1,011,805**
Total gains / (losses) recorded in profit or loss related to assets held at the end of the reporting period	**-**	**-**	**-**

(CZK'000)	Financial assets at fair value through other comprehensive income Debts securities	Financial assets at fair value through profit or loss Mutual funds units	Total
At 1 January 2023	**1,382,904**	**200,127**	**1,583,032**
Total gains / (losses) recorded in profit or loss	-	-	-
Total gains / (losses) recorded in other comprehensive income	-126,734	-17,134	-143,868
Transfers to Level 3	-	-	-
Transfers from Level 3	-	-	-
Purchases	-	-	-
Settlement	-397,066	-	-397,066
Sales	-	-	-
At 31 December 2023	**859,103**	**182,994**	**1,042,097**
Total gains / (losses) recorded in profit or loss related to assets held at the end of the reporting period	**-**	**-**	**-**

Total gains or losses recorded in the income statement are included within the item Net gains / (losses) from financial assets FVOCI.

The primary financial statements are an integral part of the financial statements.

4.7.1.6. Derivative financial instruments

2024 (CZK'000)	Assets	Liabilities	Nominal amount
Derivatives held for trading	24,586	-	94,949
Currency swaps	16,878	-	47,662
Interest swaps	7,708	-	47,287
Derivatives held for fair value hedges	478,460	2,768	4,300,000
Currency forwards	-	-	-
Interest swaps	478,460	2,768	4,300,000
Total derivates	**503,046**	**2,768**	**4,394,949**

2023 (CZK'000)	Assets	Liabilities	Nominal amount
Derivatives held for trading	16,069	-	82,021
Currency swaps	12,879	-	42,360
Interest swaps	3,190	-	39,661
Derivatives held for fair value hedges	505,957	945	3,681,795
Currency forwards	11	858	181,795
Interest swaps	505,946	87	3,500,000
Total derivates	**522,026**	**945**	**3,763,816**

4.7.1.7. Hedge accounting

Fair value hedging

The Company hedges interest rate risk and currency risk on certain fixed-rate CZK and foreign currency bonds, that are classified as financial assets FVOCI, by using interest rate and currency swaps.

Interest rate swaps exchange the fixed interest paid in the domestic currency for the PRIBOR 6M variable interest rate received in the domestic currency. Currency interest rate swaps exchange the fixed interest paid in the foreign currency for the PRIBOR 6M variable interest rate received in the domestic currency.

The conditions of fair value hedges are exactly in line with conditions of the underlying hedged instruments.

In the course of 2024, the Company terminated hedging of the currency risk associated with equity investments classified as FVOCI through currency forwards. The reason for termination was the optimization of the foreign currency position using natural hedging.

The fair value of the hedging instruments amounted to CZK 475,692 thousand and CZK 505,012 thousand as at 31 December 2024 and 2023, respectively.

Due to the hedging of the fair value of investments the impact of revaluation of hedging swaps in the income statement was a loss of CZK (9,719) thousand as at 31 December 2024, and a loss of CZK (340,682) thousand as at 31 December 2023. The revaluation of the hedged bonds had an effect of CZK 9,719 thousand as at 31 December 2024 and CZK 340,682 thousand as at 31 December 2023 on the income statement.

The impact of revaluation of currency forwards on the income statement was CZK 0 thousand as at 31 December 2024 and CZK (847) thousand as at 31 December 2023. The revaluation of hedged equity securities had an impact on the Company's result of CZK 2,434 thousand as at 31 December 2024 and of CZK 3,756 thousand as at 31 December 2023.

The following table provides the overview of the nominal amounts of hedging financial derivatives by the remaining contractual maturity:

(CZK'000)	2024	2023
Within 3 months	-	-
Within 3 - 6 months	-	-
Within 6 months - 1 year	300,000	-
Within 1 - 2 years	-	300,000
Within 2 - 5 years	500,000	500,000
More than 5 years	3,500,000	2,700,000
Total	**4,300,000**	**3,500,000**

The primary financial statements are an integral part of the financial statements.

4.7.2. Cash and cash equivalents

All classes of cash and cash equivalents are measured at amortised cost. The ECLs for cash and cash equivalents balances were considered insignificant by the Company.

(CZK'000)	2024	2023
Cash and cash in transit	62	65
Current accounts	472,465	2,102,353
Cash and cash equivalents	**472,527**	**2,102,418**

4.8. Net change in operating assets

(CZK'000)	Note	2024	2023
Net change in financial assets at fair value through profit or loss		117,971	162,712
Net change in securities measured at amortised cost		18,881	39,446
Net change in securities at fair value through other comprehensive income		(56,233)	(356,506)
Net change in hedging derivatives		29,320	360,706
Net change in other assets		(188,808)	52,285
Net change in cash flows of the reinsurer's share on premium and claims payments	4.5.2	(524,139)	315,987
Net change in operating assets		**(603,008)**	**574,630**

4.9. Issued share capital

Issue (ISIN)	Type of security	Form	Nominal value (CZK'000)	Number of securities	Total amount (CZK'000)	Publicly tradable
CZ0008040516	Ordinary share	Registered	16,700	30	501,000	No
CZ0008040524	Ordinary share	Registered	8,350	40	334,000	No
CZ0008040532	Ordinary share	Registered	14,028	30	420,840	No
CZ0008040540	Ordinary share	Registered	7,014	40	280,560	No
CZ0008041159	Ordinary share	Registered	6 847	100	684,700	No
CZ0008041167	Ordinary share	Registered	5 751	100	575,148	No
Total					**2,796,248**	

As at 31 December 2024, 100 % of registered capital was fully paid up. The amount of the Company's registered capital is in accordance with the requirements of the Insurance Act regarding the insurance activities that the Company has been licensed for.

The primary financial statements are an integral part of the financial statements.

Dividends paid:

(CZK'000)	2024	2023
Total amount of dividends paid in the year	2,364,152	3,915,580

In 2024, the dividend was paid from the retained earnings account in the amount of the 2023 profit (CZK 2,364,152 thousand). In 2023, the dividend was paid from the retained earnings account in the amount of the 2022 profit (CZK 2,152,643 thousand) and 2021 profit (CZK 1,762,937 thousand).

Dividend amount per 1 share in CZK thousand:

Issue (ISIN)	2024	2023
CZ0008040516	15,852	16,735
CZ0008040524	7,926	8,368
CZ0008040532	13,316	14,058
CZ0008040540	6,658	7,029
CZ0008041159	6,500	6,861
CZ0008041167	5,460	5,764

The exact amount of the dividend payment from the 2024 profit will be approved by the General Meeting.

The primary financial statements are an integral part of the financial statements.

4.10. Tax assets and liabilities

(CZK'000)	2024	2023
Current tax assets	401,213	308,130
Current tax liabilities	(611,817)	(321,931)
Total current tax asset / (liabilities)	**(210,604)**	**(13,801)**

2024 (CZK'000)	Deferred tax asset	Deferred tax liability	Impact on the income statement	Impact on other comprehensive income
Provision for receivables due to policy holders	40,007	-	10,868	-
Employee benefits	23,688	-	654	-
Tangible and intangible assets	31,817	(2,410)	(10,389)	-
Tangible assets - lease	2,885	-	441	-
Financial instruments	226,681	-	(2,434)	109,152
Taxation on technical provisions	727,045	(184,597)	52,269	(148,158)
Other	693	-	(53)	-
Total	**1,052,816**	**(187,007)**	**51,356**	**(39,006)**

2023 (CZK'000)	Deferred tax asset	Deferred tax liability	Impact on the income statement	Impact on other comprehensive income
Provision for receivables due to policy holders	29,140	-	10,973	-
Employee benefits	23,034	-	4,747	-
Tangible and intangible assets	39,796	-	-7,143	-
Tangible assets - lease	2,444	-	176	-
Financial instruments	119,962	-	-10,125	-285,626
Taxation on technical provisions	638,336	-	-132,801	288,194
Other	747	-	424	-
Total	**853,459**	**-**	**-133,750**	**2,568**

(CZK'000)	Note	2024	2023
At 1 January		**853,459**	**985,681**
Deferred tax recorded in the income statement (-expense / +income)	4.21	51,356	(133,750)
Deferred tax recorded in equity	4.21	(39,006)	1,528
At 31 December		**865,809**	**853,459**

The primary financial statements are an integral part of the financial statements.

4.11. Liabilities from lease contracts

As at 31 December 2024, the amount of the lease liability was CZK 301,737 thousand (as at 31 December 2023: CZK 293,855 thousand).

In 2024 the Company recognised the interest expense from these liabilities of CZK (10,673) thousand (in 2023: CZK (9,208) thousand) in the income statement and maturity of lease contracts in the cash flow statement amounted to CZK 65,659 thousand and CZK 65,074 thousand in 2024 and 2023, respectively.

(CZK'000)	2024	2023
Current	51,378	53,872
Long-term	250,359	239,983
Total	**301,737**	**293,855**

Maturity analysis on contractual discounted cash flows basis

(CZK'000)	2024	2023
Within one year	51,378	53,872
From 1 year to 5 years	163,910	183,981
More than 5 years	86,449	56,002
Total	**301,737**	**293,855**

(CZK'000)	Note	2024	2023
As at 1 January		**293,855**	**222,920**
Interest expenses	4.15	10,673	9,208
Payments		(65,659)	(65,074)
New leases, revaluation of old leases		62,868	126,801
As at 31 December		**301,737**	**293,855**

4.12. Other liabilities

(CZK'000)	2024	2023
Employee benefits	2,622	3,773
Estimate of liabilities due to members of the statutory bodies	4,539	4,194
Liabilities to suppliers	394,923	315,194
Other payables related to financial instruments	10,855	2,968
Other insurance contract liabilities - unmatched premiums	937,735	920,638
Other insurance contract liabilities - outstanding claims payments	556,581	706,781
Liabilities to employees	155,517	147,537
Social security and health insurance liabilities	23,522	20,250
Other provisions	10,984	10,984
Other	8,147	9,969
Total	**2,105,425**	**2,142,288**

All other liabilities are current. The above values correspond to the fair value at the balance sheet date.

The primary financial statements are an integral part of the financial statements.

4.13. Net change in operating liabilities

(CZK'000)	Note	2024	2023
Net change in cash flows from premiums, claim payments, other expenses, and acquisition of insurance contracts	4.4.2, 4.4.3	301,581	1,568,013
Net change in other liabilities		(40,901)	(231,349)
Net change in operating liabilities		**260,680**	**1,336,664**

4.14. Insurance service result

4.14.1. Revenues from life and non-life insurance contracts

According to IFRS 17, the investment component of premiums written is not included in revenue from life insurance contracts (BBA, VFA). The main source of profit is the margin on insurance contracts. Amounts relating to the change in liability for remaining coverage are offset by items of insurance service expenses, i.e. the margin on insurance contracts represents the main source of (non-financial) life insurance profit.

For non-life insurance (PAA) insurance revenue follows business dynamics (year-on-year growth in written premiums).

2024 (CZK'000)	Note	Total	BBA	VFA	PAA
Insurance revenues for BBA and VFA contracts	4.4.2	2,517,115	2,258,098	259,017	-
Amounts related to changes in liabilities for remaining coverage		2,307,175	2,055,443	251,732	-
Expected claims and other insurance service expenses		1,331,444	1,217,203	114,241	-
Changes in risk adjustment for risk expired (non-financial risk)		80,765	69,884	10,881	-
CSM recognized for services provided		894,966	768,356	126,610	-
Recovery of insurance acquisition cash flows		209,940	202,655	7,285	-
Allocated insurance acquisition expenses		21,266	20,197	1,069	-
Allocated insurance acquisition commissions		188,674	182,458	6,216	-
Insurance revenues for PAA contracts	4.4.3	12,194,549	-	-	12,194,549
Total insurance revenues		**14,711,664**	**2,258,098**	**259,017**	**12,194,549**

2023 (CZK'000)	Note	Total	BBA	VFA	PAA
Insurance revenues for BBA and VFA contracts	4.4.2	2,298,149	2,036,792	261,357	-
Amounts related to changes in liabilities for remaining coverage		2,155,429	1,898,250	257,179	-
Expected claims and other insurance service expenses		1,244,267	1,115,738	128,529	-
Changes in risk adjustment for risk expired (non-financial risk)		55,378	48,143	7,235	-
CSM recognized for services provided		855,784	734,369	121,415	-
Recovery of insurance acquisition cash flows		142,720	138,542	4,178	-
Allocated insurance acquisition expenses		13,379	12,675	704	-
Allocated insurance acquisition commissions		129,341	125,867	3,474	-
Insurance revenues for PAA contracts	4.4.3	10,993,898	-	-	10,993,898
Total insurance revenues		**13,292,047**	**2,036,792**	**261,357**	**10,993,898**

The primary financial statements are an integral part of the financial statements.

4.14.2. Life insurance premium written

(CZK'000)	2024	2023
Total	**4,912,810**	**4,498,058**
BBA	**3,686,591**	**3,358,465**
Non-Linked traditional insurance	515,336	568,381
Group risk insurance	552,410	589,383
Unit-linked - regular BBA	1,316,298	1,483,705
Náš Život - internal - BBA	256,978	167,799
Náš Život - external - BBA	77,968	40,592
Náš Život - ČSOB - BBA	590,672	343,281
Náš Život - ČSOB S - BBA	179,435	105,785
Náš Život - Česká Pošta - BBA	197,494	59,539
VFA	**1,226,219**	**1,139,593**
Unit-linked - single VFA	462,665	489,338
Unit-linked - regular VFA	393,010	450,911
Náš Život - internal - VFA	30,047	22,290
Náš Život - external - VFA	325,090	1,575
Náš Život - ČSOB - VFA	8,185	172,154
Náš Život - ČSOB S - VFA	3,446	1,147
Náš Život - Česká Pošta - VFA	3,776	2,178

Of which investment contracts with discretionary participation features (DPF)	**66,753**	**59,760**
BBA	59,707	55,405
VFA	7,046	4,355

The year-on-year growth in total premiums is primarily due to the growing volume of new contracts for the Náš Život product. The volume of the single unit-linked product shows similar results as in previous year. The premium of other products decreases year-on-year due to reduction of the insurance portfolio.

The primary financial statements are an integral part of the financial statements.

4.14.3. Non-life insurance profitability

2024 (CZK'000)	Insurance revenues (see 4.14.1.)	Insurance service expenses (see 4.14.4.)	Insurance finance income and expense	**Insurance income and expense**	Net result from reinsurance contracts held	**Total result from insurance and reinsurance contracts**
Accident insurance	28,741	(7,972)	(68)	**20,701**	(12,999)	**7,702**
Motor third party liability insurance	3,189,075	(2,786,316)	(95,901)	**306,858**	24,532	**331,390**
General third-party liability insurance	238,014	(164,923)	(9,577)	**63,514**	1,945	**65,459**
Other motor insurance	3,184,654	(2,952,957)	(20,423)	**211,274**	12,978	**224,252**
Houses and households insurance	1,693,642	(2,238,268)	(24,091)	**(568,717)**	896,983	**328,266**
Travel insurance	579,284	(459,450)	(6,044)	**113,790**	1,553	**115,343**
Industrial risk insurance	1,423,643	(2,031,276)	(48,091)	**(655,724)**	727,686	**71,962**
Industrial risk liability insurance	696,260	(516,237)	(27,857)	**152,166**	(33,129)	**119,037**
Other insurance	1,161,235	(827,433)	(18,793)	**315,009**	(97,753)	**217,256**
Total	**12,194,548**	**(11,984,832)**	**(250,845)**	**(41,129)**	**1,521,796**	**1,480,667**

2023 (CZK'000)	Insurance revenues (see 4.14.1.)	Insurance service expenses (see 4.14.4.)	Insurance finance income and expense	**Insurance income and expense**	Net result from reinsurance contracts held	**Total result from insurance and reinsurance contracts**
Accident insurance	27,940	(5,762)	(78)	**22,100**	(6,305)	**15,795**
Motor third party liability insurance	2,933,034	(2,294,911)	(94,243)	**543,880**	(45,316)	**498,564**
General third-party liability insurance	227,327	(160,241)	(8,478)	**58,608**	(2,125)	**56,483**
Other motor insurance	2,805,073	(2,524,517)	(20,701)	**259,855**	(17,458)	**242,397**
Houses and households insurance	1,548,965	(980,641)	(17,250)	**551,074**	(57,833)	**493,241**
Travel insurance	510,958	(393,640)	(3,571)	**113,747**	(1,737)	**112,010**
Industrial risk insurance	1,269,027	(821,875)	(47,386)	**399,766**	(254,514)	**145,252**
Industrial risk liability insurance	645,535	(571,510)	(24,793)	**49,232**	(2,804)	**46,428**
Other insurance	1,026,039	(1,058,978)	(21,700)	**(54,639)**	2,790	**(51,849)**
Total	**10,993,898**	**(8,812,075)**	**(238,200)**	**1,943,623**	**(385,302)**	**1,558,321**

Non-life insurance contracts make a relatively stable contribution to the Company's overall performance. On the income side, the portfolio is growing steadily. This is of course followed by the insurance services expenses. The exact amount and composition of costs is always dependent on the occurrence of major claims and catastrophes and agreed reinsurance programs. The negative value of total income and expenses from insurance contracts as well as the positive value of the result from reinsurance contracts held in 2024 is caused by floods, for a more detailed description of the impact of floods, see Note 3.1.2.2.

4.14.4. Insurance service expenses from insurance contracts issued

2024 (CZK'000)	Note	Total	BBA	VFA	PAA
Incurred claims		(9,249,870)	(1,070,017)	(88,133)	(8,091,720)
Incurred costs other than claims		(1,294,284)	(310,072)	(32,811)	(951,401)
Amortised acquisition expenses		(299,753)	(20,197)	(1,069)	(278,487)
Amortised acquisition commissions		(2,958,568)	(182,458)	(6,216)	(2,769,894)
Changes in fulfilment cash flows that relate to future services - loss on and reversals of loss on onerous groups of contracts		(48,089)	(35,243)	(12,846)	-
Changes in fulfilment cash flows that relate to past services		509,755	360,679	42,406	106,670
Total Insurance service expenses	**4.4.2, 4.4.3**	**(13,340,809)**	**(1,257,308)**	**(98,669)**	**(11,984,832)**

2023 (CZK'000)	Note	Total	BBA	VFA	PAA
Incurred claims		(6,445,024)	(1,066,059)	(120,546)	(5,258,419)
Incurred costs other than claims		(1,272,738)	(306,354)	(36,575)	(929,809)
Amortised acquisition expenses		(252,846)	(12,675)	(704)	(239,467)
Amortised acquisition commissions		(2,675,792)	(125,867)	(3,474)	(2,546,451)
Changes in fulfilment cash flows that relate to future services - loss on and reversals of loss on onerous groups of contracts		1,792	14,173	(12,381)	-
Changes in fulfilment cash flows that relate to past services		580,219	380,879	37,269	162,071
Total Insurance service expenses	**4.4.2, 4.4.3**	**(10,064,389)**	**(1,115,903)**	**(136,411)**	**(8,812,075)**

The increase in non-life insurance claims incurred (PAA) in 2024 is caused by floods; for a more detailed description of the impact of floods, see Note 3.1.2.2.

4.15. Net interest income

(CZK'000)	Note	2024	2023
Financial assets at amortised cost		481,723	514,360
Financial assets at fair value through other comprehensive income		624,296	662,797
Financial assets at fair value through profit or loss		480	457
Hedging derivatives		158,543	221,417
Net interest expenses from hedging derivatives		-	(206)
Interest expense on financial liabilities at amortised cost – lease liabilities	4.11	(10,673)	(9,208)
Total		**1,254,369**	**1,389,617**

4.16. Net unrealised gains / (losses) from financial assets at fair value through profit or loss

(CZK'000)	Note	2024	2023
Instruments held for trading (including changes in fair value of derivatives)		630,446	870,534
Gains / (losses) / gains on unit-linked instruments		-	(18,024)
Realised gains / (losses)		1,802	27,068
Other financial instruments initially designated at fair value through profit or loss		6,660	9,761
Foreign exchange gains (+) and losses (-)		143	8,955
Total		**639,051**	**898,293**

The primary financial statements are an integral part of the financial statements.

4.17. Net unrealised gains / (losses) from financial assets at fair value through other comprehensive income

(CZK'000)	2024	2023
Mutual funds units	117	(12,504)
Bonds	12,948	(3,063)
Total	**13,065**	**(15,567)**

4.18. Other income

(CZK'000)	2024	2023
FX gains	328,014	275,004
Other	36,467	52,707
Gains from the sale of assets	1,515	1,842
Rental income	1,413	1,378
Total	**367,409**	**330,931**

4.19. Other expense

(CZK'000)	Note	2024	2023
Staff expenses	4.20	(995,974)	(909,021)
General administrative expenses		(790,162)	(798,455)
Depreciation and amortisation of fixed assets	4.1, 4.2	(183,624)	(165,000)
Amounts attributable to insurance acquisition cash flows		398,990	328,707
Amortisation of insurance acquisition cash flows		(309,195)	(248,781)
Total operating expenses		**(1,879,965)**	**(1,792,550)**
Included in line Insurance service expenses from insurance contracts issued		(1,632,914)	(1,525,147)
Included in line Other expense		(247,051)	(267,402)
Other expenses			
Bank fees		(19,306)	(19,036)
FX losses		(330,420)	(275,089)
Other expenses		(9,527)	(11,320)
Operating expenses - the part included in line Other expenses		(247,051)	(267,402)
Total		**(606,304)**	**(572,847)**

As a part of general administrative expenses, auditor's remuneration represents CZK 6,070 thousand in 2024 and CZK 6,912 thousand in 2023 (statutory financial statements audit and group reporting audit; no other services were provided by the auditor).

The primary financial statements are an integral part of the financial statements.

4.20. Employee and executives' information

2024 (CZK'000)	Average number of employees	Wages and salaries	Health insurance	Social insurance	Other costs	Total
Employees	762	(565,491)	(58,152)	(158,258)	(68,460)	(850,361)
Executives	33	(84,461)	(9,901)	(19,709)	(31,542)	(145,613)
Total	**795**	**(649,952)**	**(68,053)**	**(177,967)**	**(100,002)**	**(995,974)**

2023 (CZK'000)	Average number of employees	Wages and salaries	Health insurance	Social insurance	Other costs	Total
Employees	760	(536,678)	(50,210)	(138,665)	(51,400)	(776,953)
Executives	33	(78,443)	(9,097)	(18,012)	(26,516)	(132,068)
Total	**793**	**(615,121)**	**(59,307)**	**(156,677)**	**(77,916)**	**(909,021)**

Staff expenses are included in Insurance service expenses from insurance contracts issued (CZK 909,708 thousand in 2024 and CZK 820,716 thousand in 2023) and Other expenses (CZK 86,266 thousand in 2024 and CZK 88,305 thousand in 2023). They are divided between these categories on the basis of allocation keys.

Remuneration of members of statutory bodies

Remuneration of the members of the Board of Directors is subject to the approval of the Supervisory Board. The remuneration of the members of the Board of Directors amounted to CZK 28,002 thousand in 2024 and CZK 23,609 thousand in 2023. Remuneration for members of the Supervisory Board is subject to shareholder approval. In 2024 and 2023 it was not paid.

Retirement benefits or long – term investment product (LTIP)

The Company provides its employees (including senior management) with a pension contribution (voluntary contribution defined retirement scheme) or with LTIP. Participating employees can contribute at least CZK 300 of their salaries each month to a pension fund approved by the Czech Ministry of Finance (MF CZ) with a contribution of CZK 500 – 2,000 from the Company.

Life insurance benefits

The Company provides its employees (including senior management) with a contribution on life insurance policies. Participating employees can contribute at least CZK 400 of their salaries monthly on their maximum of two policies, with a contribution of CZK 1,000 – 2,500 from the Company. The Company's contribution is provided only for the payment of premiums which are exempt from the employee's personal income tax in accordance with the effective wording of the Income Tax Act.

The total maximum amount of the employer's contribution to supplementary pension insurance or DIP and to life insurance is CZK 2,500 per month.

Severance

Employees who terminated employment agreement pursuant to § 52 paragraph 1 point. a) to c) of the Labour Code, are entitled to a payment up to two average monthly earnings depending on the date of employment termination. Additional termination benefits are granted to employees who were employed between 10-15 years (two average monthly salaries), respectively 15 and more years (two and half of the average monthly salary) and simultaneously terminated employment agreement in pursuant to § 52 paragraph 1 point. a) to c) of the Labour Code.

4.21. Income tax expense

The components of the income tax expense for the years ended 31 December 2024 and 31 December 2023 are as follows:

(CZK'000)	Note	2024	2023
Current year tax expense		(597,395)	(311,308)
Previous year (over) / under payment		(2,497)	(4,026)
Deferred tax (benefit) / expense relating to the origination and reversal of temporary differences	4.10	51,356	(133,750)
Total		**(548,536)**	**(449,083)**

Reconciliation between the tax expense and the accounting profit multiplied by the local tax rate for the years ended 31 December 2024 and 31 December 2023 is as follows:

(CZK'000)	2024	2023
Profit before taxation	3,202,874	3,251,235
Applicable tax rates	21%	19 %
Taxation at applicable tax rates	(672,604)	(617,735)
Tax related to previous years	(2,497)	(4,026)
Tax effect of non-taxable income	12,349,832	10,084,627
Tax effect of non-deductible expenses	(12,223,267)	(9,909,322)
Other	-	(2,627)
Total	**(548,536)**	**(449,083)**

The applicable tax rate for 2024 was 21 %, for 2023 it was 19 %.

Deferred tax is based on all temporary differences between the accounting and tax value of assets and liabilities and is calculated by the liability method using the tax rate of 21 % for 2024 and 2023.

The deferred tax income (expense) recognised in the income statement comprises the following temporary differences:

(CZK'000)		2024	2023
Provision for receivables due to policyholders		10,868	10,973
Employee benefits		654	4,747
Tangible and intangible assets		(10,389)	(7,143)
Lease		441	176
Financial instruments		(2,434)	(10,125)
Tax on technical provisions		52,269	(132,801)
Other		(53)	424
Total	**4.10**	**51,356**	**(133,750)**

The primary financial statements are an integral part of the financial statements.

The change of the deferred tax relating to other comprehensive income:

2024 (CZK'000)	Note	Before tax amount	Deferred tax	Net of tax amount
In respect of the revaluation of financial assets FVOCI		(506,783)	106,425	(400,358)
Debt instruments		(506,783)	106,425	(400,358)
Hedging derivatives		-	-	-
In respect of the implementation of financial investments FVOCI		(12,988)	2,727	(10,261)
Debt instruments		(12,988)	2,727	(10,261)
Impairment		78	(16)	62
Realised gains / (losses)		(13,065)	2,744	(10,321)
Insurance contracts		706,987	(148,467)	558,520
Reinsurance contracts		(1,471)	309	(1,162)
Total	**4.10**	**185,745**	**(39,006)**	**146,739**

2023 (CZK'000)	Note	Before tax amount	Deferred tax	Net of tax amount
In respect of the revaluation of financial assets FVOCI		1,530,911	(282,601)	1,248,311
Debt instruments		1,527,914	(282,031)	1,245,884
Hedging derivatives		2,997	(569)	2,428
In respect of the implementation of financial investments FVOCI		14,402	(3,024)	11,377
Debt instruments		14,402	(3,024)	11,377
Impairment		(1,164)	244	(920)
Realised gains / (losses)		15,566	(3,269)	12,297
Insurance contracts		(1,538,958)	294,387	(1,244,571)
Reinsurance contracts		34,224	(6,193)	28,031
Total	**4.10**	**40,579**	**2,568**	**43,148**

Based on EU Council Directive 2022/2523 on ensuring the global minimum level of effective taxation of multinational business groups and large national groups, Act No. 416/2023 Coll., on compensatory taxes for large multinational groups and large national groups, with effect from 2024. In accordance with global rules, the Czech Republic also introduced a domestic (Czech) compensatory tax with this law. As the KBC Group is the subject to the new rules, companies from the KBC Group in the Czech Republic are the subject to the domestic equalization tax. Although the statutory corporate income tax rate in the Czech Republic is 21 % since 2024, it is expected that the resulting effective tax rate for KBC Group companies in the Czech Republic will be below the required limit of 15 % in 2024.

In view of the effective tax rate of the Company, the direct impact of the domestic compensating tax on the Company is not expected and no provision has been recorded in this aspect.

The primary financial statements are an integral part of the financial statements.

5. CONTINGENT LIABILITIES

a) Litigation

As at the date of these financial statements, no legal actions representing major risk had been brought against the Company. The Company creates provisions for litigations, which are the part of insurance contract liabilities.

b) Co-insurance

The Company considers it unlikely that a beneficiary would lodge a legal claim in its whole extent pursuant to Article 30 on Insurance Policy or Article 2817 of the Civil Code against the Company as the main co-insurer and, therefore. has only created a provision for outstanding claims amounting to its share, which is the part of insurance contract liabilities.

c) Membership of the Czech Insurers' Bureau

As a member of the Bureau, the Company has committed itself according to § 18 par. 6 of Act no. 168/1999 Coll., on the Motor Third Party liability insurance and on the amendment of some related laws (Act on Motor Third Party Liability insurance), as amended or according to § 54 par. 4 of Act no. 30/2024 Coll., on Motor Third Party Liability insurance, as amended, to guarantee the obligations of the Office. For this purpose, the Company contributes to the guarantee fund. The amount of contributions is determined based on the Bureau's calculation.

In case some of the members of the Bureau fail to meet their obligations resulting from mandatory liability due to their insolvency, a duty may arise for the Company to deposit additional contributions to the guarantee fund.

d) Membership of the Czech Nuclear pool

The Company is a member of the Czech Nuclear Pool. Based on the joint liability, it undertook to take over, in case that one or more members are unable to meet their liabilities, a part of the uncovered liability in proportion to its net own retention used for the given policy. The Company's potential liability, including joint and several liability, is contractually limited to the quadruple of its net retention, which is maximally usable for a specific insurance contract and a double of its net own retention, which is maximally usable for a specific active reinsurance contract.

A determinant indicator for the definition of the maximum Company's net retention is the location of the insured risk:

Czech Republic (CZK'000)	31 December 2024	31 December 2023
Third party liability	40,000	40,000
Property insurance	60,000	60,000
Net own retention total	**100,000**	**100,000**

EU + Switzerland + Great Britain ((CZK'000)	31 December 2024	31 December 2023
Third party liability	10,000	10,000
Property insurance	43,128	43,128
Net own retention total	**53,128**	**53,128**

KBC Group RE S.A. reinsures 100 % of net own retention from 1 January 2014.

The Company has no exposure to insured risks outside the EU, Switzerland and Great Britain.

6. RELATED PARTIES AND TRANSACTION WITH RELATED PARTIES

The Company's parent company is KBC Verzekeringen NV Leuven, the Kingdom of Belgium. The Company's ultimate parent company is KBC Group NV with its registered seat in Brussels, the Kingdom of Belgium. The Company holds 100 % investment ownership in two subsidiaries incorporated in the Czech Republic, see Note 4.6.

The main types of transactions provided to related parties are represented by insurance services, investment to financial products and reinsurance treaties.

The main related parties of the Company are as follows:

Parent company
KBC Verzekeringen NV

Subject with the significant influence over the Company
Československá obchodní banka, a.s.

Subsidiaries (see Note 4.6)
ČSOB Pojišťovací servis, s.r.o., člen holdingu ČSOB
Pardubická Rozvojová, a. s.

Other companies within the Group
ČSOB Asset Management, a.s. investiční společnost
ČSOB Hypoteční banka, a.s.
ČSOB Stavební spořitelna, a.s.
ČSOB Penzijní společnost, a. s., člen skupiny ČSOB
ČSOB Leasing, a.s.
ČSOB Pojišťovací makléř, s.r.o.
KBC Group NV
Bankovní informační technologie, s.r.o.
Skip Pay, s. r. o.
ČSOB Advisory, a.s.
ČSOB Factoring, a.s.
KBC Group RE S.A.
Československá obchodná banka a.s.
ČSOB Poisťovňa a. s.
KBC Global Services NV
Patria investiční společnost, a. s.
Ušetřeno s.r.o.
Patria Corporate Finance, a.s.
Patria Finance, a. s.
KBC BANK NV

The primary financial statements are an integral part of the financial statements.

6.1. Related parties' transactions

The Company enters transactions with its related parties in the normal course of business. Mutual balances have standard terms, are unsecured and will be settled in cash. The contracts were concluded under normal business conditions and no detriment incurred to the Company because of these contracts.

There are no transactions with management of the Company other than those disclosed in Note 4.20.

The Company has no significant liabilities or receivables to members of the Company's management and to the parent company.

The balances from the main related party transactions are as follows:

2024 (CZK'000)	Subject with significant influence	Other companies within the group	Subsidiaries	Total
Financial assets	3,445,510	4,944,394	-	8,389,904
Investments in subsidiaries	-	-	279,000	279,000
Reinsurance assets	-	146,713	-	146,713
Receivables	-	-	-	-
Other assets	-	165,464	-	165,464
Cash and cash equivalents	472,166	-	-	472,166
Total assets	**3,917,676**	**5,256,571**	**279,000**	**9,453,247**
Liabilities from insurance contracts	17,453	384	-	17,837
Financial liabilities	2,768	-	-	2,768
Other liabilities	111,272	7,846	631	119,749
Total liabilities	**131,493**	**8,230**	**631**	**140,354**
Insurance revenues	16,141	8,076	-	24,217
Claims from insurance contracts	(18,721)	(80)	-	(18,801)
Reinsurance result	-	1,426,814	-	1,426,814
Operating expenses	(367,052)	(39,954)	(2,190)	(409,196)
Fee and commission expense	(775,436)	(375,771)	-	(1,151,207)
Interest income	125,246	21,914	-	147,160
Other income	1,027	1,712	147	2,886
Other expenses	-	-	-	-
Total income/(expense)	**(1,018,795)**	**1,042,711**	**(2,043)**	**21,873**

The primary financial statements are an integral part of the financial statements.

2023 (CZK'000)	Subject with significant influence	Other companies within the group	Subsidiaries	Total
Financial assets	4,035,246	5 538 135	-	9 573 381
Investments in subsidiaries	-	-	272,400	272,400
Reinsurance assets	-	263,713	-	263,713
Receivables	-	-	-	-
Other assets	-	43,848	-	43,848
Cash and cash equivalents	2,101,921	-	-	2,101,921
Total assets	**6,137,167**	**5,845,697**	**272,400**	**12 255 264**
Liabilities from insurance contracts	815	492	-	1,307
Financial liabilities	945	-	-	945
Other liabilities	54,216	9,651	631	64,498
Total liabilities	**55,976**	**10,143**	**631**	**66,750**
Insurance revenues	15,323	8,049	-	23,372
Claims from insurance contracts	(92)	(566)	-	(658)
Reinsurance result	-	(224,560)	-	(224,560)
Operating expenses	(367,291)	(35,169)	-	(402,460)
Fee and commission expense	(756,733)	(442,847)	(8,179)	(1,207,759)
Interest income	220,665	22,112	-	242,777
Other income	1,004	734	-	1,738
Other expenses	-	302	-	302
Total income/(expense)	**(887,124)**	**(671,945)**	**(8,179)**	**(1,567,248)**

7. SUBSEQUENT EVENTS

There were no significant subsequent events after the financial statements date that would have significant impact on the financial statements.

The primary financial statements are an integral part of the financial statements.

ČSOB POJIŠŤOVNA, A. S.,
ČLEN HOLDINGU ČSOB

REPORT ON RELATIONS

ON A RELATIONSHIP BETWEEN CONTROLLING AND CONTROLLED PARTY AND BETWEEN CONTROLLED PARTY AND PARTIES CONTROLLED BY THE SAME CONTROLLING PARTY

PURSUANT TO THE PROVISION OF SECTION 82 OF THE ACT NO. 90/2012 COLL., ON BUSINESS CORPORATIONS AND COOPERATIVES (ACT ON BUSINESS CORPORATIONS), AS AMENDED.

1. CONTROLLED PARTY

ČSOB Pojišťovna, a. s., člen holdingu ČSOB with the registered office at Masarykovo náměstí 1458, Zelené Předměstí, postal code 530 02 Pardubice, Business Registration No.: 45534306, entered in the Commercial Register maintained by the Regional Court in Hradec Králové, Section B, File 567 (hereinafter the "Company").

2. CONTROLLING PARTY

KBC Group NV with the registered office at Havenlaan 2, BE – 1080 Brussels, Belgium owns Company through following companies:

KBC Verzekeringen NV with the registered office at Professor Roger Van Overstraetenplein 2, BE – 3000, Leuven, Belgium, with a share 99.755 % and

Československá obchodní banka, a. s., with registered office at Radlická 333/150, Prague 5, postal code 150 57, Czech Republic, with a share 0.245 %.

KBC Verzekeringen NV is an insurance company regulated by the Belgian National Bank. All shares of KBC Verzekeringen NV are held (directly or indirectly) by KBC Group NV (legal entity). KBC Group NV operates primarily on the markets in Belgium, Czech Republic, Slovakia, Bulgaria, Hungary and Ireland. In a more limited extent, it also operates in other countries.

Shares of KBC Group NV (legal entity) are traded on Euronext Brussels Stock Exchange. None of the shareholders has a higher share than 20 %.

3. THE STRUCTURE OF RELATIONS BETWEEN CONTROLLING AND CONTROLLED PARTY, METHOD AND MEANS OF CONTROLLING

KBC Group NV controls the Company by the General Meeting pursuant to the Act on business corporations through decisions of two shareholders:

KBC Verzekeringen NV with 60% voting rights share and Československá obchodní banka, a. s. with 40 % voting rights.

Controlling entity exercises its influence also through its representatives in the bodies of the Company, particularly in the Supervisory Board and the Board of Directors, mainly through cooperation and coordination in the field of consolidated risk management, audit and compliance with prudential rules set for insurance companies and other financial institutions by the law.

Graph with ČSOB Group structure is presented in Appendix no. 1 ČSOB Group structure 2022 and basic graph of KBC Group structure is presented in Appendix no. 2 KBC Group NV. The detailed structure of KBC Group is displayed on www.kbc.com.

4. SUMMARY OF ACTIONS TAKEN IN DURING THE REPORTING PERIOD, WHICH WERE MADE AT THE REQUEST OR IN THE INTEREST OF CONTROLLING PARTY OR PARTIES CONTROLLED BY IT

In the reporting period the Related Parties did not take any action, which was made at the request or in the interest of the Controlling Party or parties controlled by it and that would apply to property that exceeds 10% of the equity of the Company, even in the ordinary course of business.

5. STRUCTURE OF RELATIONS BETWEEN THE CONTROLLING PARTY, PARTY CONTROLLED BY IT AND PARTIES CONTROLLED BY THE SAME CONTROLLING PARTY

In the reporting period, the Company maintained diverse transactions with the Controlling Party, respectively with other parties controlled by it (for the purposes of the Report on relations hereinafter the "Counterparties") in the ordinary course of business.

ČSOB, as the managing entity, has entered into a Group Agreement with other companies belonging to the ČSOB Group (their current overview is available at: https://www.csob.cz/portal/csob/o-csob-a-skupine/koncern-csob), which determines the Group's interest and defines certain rights and obligations of controlled entities within the business group. The sub-areas of unified management are then defined by special group policies, which are the basic tools for the implementation of the group's interest, and which are issued by the Board of Directors of OB and accepted by the controlled entities.

The Company presents overview of relations with the parties controlled by the same Controlling Party in reporting period (in alphabetical order):

Company name	Registered Office	Business Registration No.
Bankovní informační technologie, s.r.o.	Radlická 333/150, 150 57 Prague 5, Czech Republic	63987686
ČSOB Stavební spořitelna, a.s.	Radlická 333/150, 150 57 Prague 5, Czech Republic	49241397
Československá obchodní banka, a. s.	Radlická 333/150, 150 57 Prague 5, Czech Republic	00001350
ČSOB Advisory, a.s.	Radlická 333/150, 150 57 Prague 5, Czech Republic	27081907
ČSOB Asset Management, a.s., investiční společnost	Radlická 333/150, 150 57 Prague 5, Czech Republic	25677888
ČSOB Factoring, a.s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	45794278
ČSOB Leasing, a.s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	63998980
ČSOB Penzijní společnost, a. s., člen skupiny ČSOB	Radlická 333/150, 150 57 Prague 5, Czech Republic	61859265
ČSOB Pojišťovací makléř, s.r.o.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	27151221
ČSOB Pojišťovací servis, s.r.o., člen holdingu ČSOB	Masarykovo náměstí 1458, 530 02 Pardubice - Zelené Předměstí, Czech Republic	27479714
Hypoteční banka, a.s.	Radlická 333/150, 150 57 Prague 5, Czech Republic	13584324
KBC BANK NV	Havenlaan 2, BE-1080 Brussels, Belgium	
KBC Global Services NV	Havenlaan 2, BE-1080 Brussels, Belgium	
KBC Group NV	Havenlaan 2, BE-1080 Brussels, Belgium	
KBC Group, Shared Service Center CZ	Radlická 333/150, 150 57 Prague 5, Czech Republic	28516869
KBC Group RE S.A.	Place de la gare 5, Luxembourg, L-1616	
KBC Verzekeringen NV, sídlo	Professor Roger Van Overstraetenplein 2, BE-3000 Leuven, Belgium	
Pardubická Rozvojová, a.s.	Masarykovo náměstí 1458, 530 02 Pardubice - Zelené Předměstí, Czech Republic	05815614
Patria Corporate Finance, a.s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	25671413
Patria Finance, a. s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	26455064
Patria investiční společnost, a. s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	5154197
Radlice Rozvojová, a. s.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	02451221
Skip Pay, s.r.o.	Výmolova 353/3, Radlice, 150 00 Prague 5, Czech Republic	05154197
Ušetřeno s.r.o.	Lomnického 1705/9, Nusle, 140 00 Prague 4, Czech Republic	28188667
Ušetřeno.cz s.r.o.	Lomnického 1705/9, Nusle, 140 00 Prague 4, Czech Republic	24684295

The Company had contractual relations in the reporting period in the following areas:

5.1. INSURANCE AND REINSURANCE AGREEMENTSY

In the reporting period (or before the reporting period), the Company entered into insurance agreements (including amendments, further concretisations and clarification of the disputable rights associated with these contracts) with companies Ušetřeno s.r.o., Ušetřeno.cz s.r.o., ČSOB Stavební spořitelna, a.s., Československá obchodní banka, a. s., ČSOB Advisory, a.s., ČSOB Leasing, a.s., Radlice Rozvojová, a.s., Skip Pay, s.r.o., ČSOB Hypoteční banka, a.s. and KBC Group NV Czech Branch, organizační složka, KBC Verzekeringen NV. The scope of the agreements comprised accident insurance, motor casco insurance, motor third party liability insurance, risk insurance, professional indemnity insurance, water damage and flood risk insurance, insurance of tangible and intangible assets, passenger insurance, liability insurance, travel insurance and consumer, lease and ČSOB Mortgage loan insurance (payment protection insurance), debit cards insurance, credit cards insurance, life group insurance (including amendments). The Related Parties provided counter performance in the form of premiums paid. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

In the reporting period, the Company entered into reinsurance agreements with KBC Group RE S.A. and KBC Verzekeringen NV. The scope of the agreements comprised quota share aircraft casco, reinsurance of catastrophic claims excess and PML insufficiency, catastrophic excess of loss aggregate reinsurance, property excess of loss reinsurance, liability excess of loss reinsurance, transported cargo and carrier's liability, crops and livestock stop loss reinsurance, reinsurance of the property excess of loss sub-layer on risk and catastrophic excess of loss, accident insurance excess of loss, medical treatment and life insurance, quota share insurance for Nuclear Pool, quota share aircraft casco and liability, quota share reinsurance and first surplus reinsurance, facultative reinsurance of Československá obchodní banka, a. s. Alternatively, the foregoing reinsurance was provided in the reporting period on the basis of agreements entered into prior to the reporting period. KBC Group RE S.A. and KBC Verzekeringen NV provided counter-performance in the form of contractual commissions and indemnity shares. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2. OTHER CONTRACTUAL RELATIONS

5.2.1. LEASE AND SUBLEASE AGREEMENTS

In the reporting period (or before the reporting period), the Company entered into agreements with Československá obchodní banka, a. s., Radlice Rozvojová, a.s.,, ČSOB Pojišťovací servis, s.r.o., člen holdingu ČSOB, Pardubická rozvojová, a.s. The scope of the agreements comprised lease (sub-lease) of non-residential premises, parking places and movable assets. The Related Parties provided counter-performance in the form of lease of non-residential premises, movable assets and contractual rent. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.2. BANKING SERVICES AGREEMENTS

In the reporting period (or before the reporting period), the Company entered into agreements with ČSOB Stavební spořitelna, a.s. and Československá obchodní banka, a. s. The scope of the agreements comprised the use of internet banking services, the provision of a bank guarantee, the issue of pay slips and their processing, the issue and use of check vouchers, the acceptation of credit cards in public data net environment and noncash payments, the settlement of transactions (transactions are in accordance with general business terms and conditions), rental of terminals, using of safe deposit box, current accounts, deposit accounts, savings account and term deposits. Counter-performance, which related party performed, was in the form of provision of the aforementioned banking services, cash appreciation, and maintenance of accounts. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.3. INVESTMENT PRODUCTS AGREEMENTS

In the reporting period (or before the reporting period), the Company entered into agreements with Československá obchodní banka, a. s., ČSOB Asset Management, a.s., investiční společnost, Hypoteční banka, a.s., KBC Verzekeringen NV on securities management, an agreement on the authorisation of securities settlements, an agreement on share subscription, an agreement on investment certificates subscription and purchase, an agreement on the settlement, management and safekeeping of securities, an agreement on trading on the financial market, an agreement on subscription and purchase of ČSOB mortgage bonds, an agreement on the transfer of shares, consignment agreement for the purchase or sale of investment instruments. The Related Parties provided counter-performance in the form of ensuring purchase and sale of securities, financial asset management, and cooperation in asset management. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.4. COOPERATION AGREEMENTS - EMPLOYEE BENEFITS

In the reporting period (or before the reporting period), the Company entered into cooperation agreements with Bankovní informační technologie, s.r.o., ČSOB Stavební spořitelna, a.s., Československá obchodní banka, a. s., ČSOB Advisory, a.s., ČSOB Asset Management, a.s., investiční společnost, ČSOB Factoring, a.s., ČSOB Leasing, a.s., ČSOB Pojišťovací makléř, s.r.o., ČSOB Penzijní společnost, a. s., člen skupiny ČSOB, KBC Group NV, KBC Group NV Czech Branch, organizační složka, ČSOB Hypoteční banka, a.s., Patria Corporate Finance, a.s., Patria Finance, a.s., Patria investiční společnost, a.s., Ušetřeno s.r.o., Ušetřeno.cz s.r.o. such as cooperation in the field of employee benefits, agreement on life insurance contribution to employees insured by the Company, accession to agreement on administration of employee benefits in the Benefit plus system and catering services agreement. The Related Parties provided counter-performance in the form of provision of employee benefits. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.5. GROUP COOPERATION IN VAT AGREEMENTS

On 9 December 2016, the Company entered into agreement with Československá obchodní banka, a.s., ČSOB Stavební spořitelna, a.s., ČSOB Advisory, a.s., ČSOB Asset Management, a.s., investiční společnost, ČSOB Penzijní společnost, a.s., člen skupiny ČSOB, ČSOB Hypoteční banka, a.s., Patria Finance, a.s., Patria Corporate Finance, a.s., Patria investiční společnost, a.s., Centrum Radlická, a.s. and Patria Online, a.s. The scope of the agreement comprised cooperation related to fulfilling of current year tax obligation (VAT) for the group. The counter-performance is in the form of processing of tax obligation by the deputy member of the Group. In relation to tax office in connection with VAT the group is considered as an individual person obliged to tax and behalf the group act deputy member. The agreement was made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.6. BUSINESS REPRESENTATION AGREEMENTS

In the reporting period (or before the reporting period), the Company entered into agreements with ČSOB Stavební spořitelna, a.s., Československá obchodní banka, a. s., ČSOB Pojišťovací makléř, s.r.o., ČSOB Leasing, a.s., ČSOB Penzijní společnost, a.s., člen skupiny ČSOB, ČSOB Pojišťovací servis, s.r.o., člen holdingu ČSOB, and Ušetřeno, s.r.o. The scope of the agreements comprised cooperation related to business representation and performance of activities (agreements on business representation including amendments, which precisely specify terms and conditions of financial bonuses, commissions and brokerage fees, support, promotion, obligations and rights of PZ, etc.), cooperation in the area of insurance contracts, including their administration; cooperation in the conclusion of building savings and pension scheme insurance; agreement on the use of software; agreement on the terms of customer segmentation and insurance conditions; agreement on setting up the HEČ; analysis preparation, client support in developing and implementing his/ her strategic and commercial projects, management consulting, marketing and communication services, call centre services, administrative services reinsurance, provision of client acceptance services. The Related Parties provided counter performance in the form of the aforementioned cooperation and contractual consideration paid. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.7. OTHER SERVICES AGREEMENTS

In the reporting period (or before the reporting period), the Company entered into agreements with Československá obchodní banka, a. s., Patria Corporate Finance, a.s., Patria Finance, a. s., Patria investiční společnost, a. s., ČSOB Asset Management, a.s., investiční společnost, ČSOB Pojišťovací makléř, s.r.o., ČSOB Hypoteční banka, a.s., ČSOB Leasing, a.s., KBC Group NV, KBC BANK NV, KBC Group NV Czech Branch, organizační složka, Pardubická rozvojová, a.s., ČSOB Penzijní společnost, a.s., člen skupiny ČSOB. The scope of the agreements comprised the use of tax services, compliance, support financial services, cooperation in the placement of technical provisions for life investment insurance, advisory and consultancy for example in the field of insurance of natural and legal persons, data processing, ICT services, collaboration in marketing campaigns and e-sales, services related to back office systems and processes related to SAP modules, provision of services in the field of purchasing, provision of services in the field of accounting methodology, ALM and account management, in the field of facilities management, support services in financial risk management, personal an audit (by KBC), business architecture activities for the decision-making of the Board of Directors, email campaigns to minimise the risks associated with phishing attacks on employees, audit services, project management services, services in the field of calculation and data transmission of Solvency II, cooperation on the KBC Rainbow program, cooperation in the field of HR, mutual recognition of training, agreement on the terms and conditions of employee transfer, agreement on the processing of collection orders, agreement on the receipt and digitisation of ČSOBP documents, agreement on cooperation on transaction monitoring. The Related Parties provided mutual counter-performance in the form of provision of the aforementioned services. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.8. CONFIDENTIALITY AGREEMENTS, PROTECTION OF CONFIDENTIAL INFORMATION, PROCESSING OF PERSONAL DATA AND DATA SHARING

In the reporting period (or before the reporting period), the Company entered into agreements with KBC Group NV, Československá obchodní banka, a.s., ČSOB Penzijní společnost, a.s., člen skupiny ČSOB, ČSOB Hypoteční banka, a.s., ČSOB Leasing, a.s. The scope of the agreements comprised cooperation related to confidentiality and personal data processing, which were obtained by the counterparty in the course of the mutual cooperation and are not commonly available to the public (in accordance with Personal Data Protection Act and GDPR), synergies for the creation of consolidated reporting, defining mutual rights and obligations when sharing and transferring data. The Related Parties do not provide counter-performance or provided mutual counter-performance in the form of provision of the aforementioned services. All agreements were made under standard business terms and conditions and their performance resulted in no detriment to the Company.

5.2.9. OTHER UNCLASSIFIED AGREEMENTS AND OTHER LEGAL ACTIONS

Title of other legal action	Contractual Related Party	Detriment
Agreement on exercise of voting rights	Československá obchodní banka, a. s.	none
Group rules for the Ombudsman's activities	Československá obchodní banka, a. s.	none

Aside from the foregoing relations, the Related Parties also exchanged publicly available information or, if applicable, information required by law to meet their statutory obligations.

6. ASSESSMENT OF DETRIMENT TO CONTROLLED PARTY

The Company has not incurred any detriment from contractual and other relationships during reporting period.

7. ASSESSMENT OF RELATIONSHIP BETWEEN THE CONTROLLING PARTY, PARTY CONTROLLED BY IT AND PARTIES CONTROLLED BY THE SAME CONTROLLING PARTY

Common synergies within the ČSOB Group, respectively KBC Group, bring positive results in the areas of efficiency of cost management, human resources and help to set up processes compliant with the corporate strategy. At the same time, this cooperation helps to reduce specific transactional risks, such as risks associated with providing sensitive information and data to third parties.

The Company provides mainly insurance services to the companies in the Group, its associates and joint ventures. The provided services also include insurance advisory, training of intermediaries and insurance claims underwriting.

Receivables and payables to Československá obchodní banka, a. s. consist mainly of derivatives fair value, deposits, and repo operations.

Mutual cooperation of companies within the KBC Group and the Company, respectively other companies controlled by the Company, helps to strengthen a common market position and increase the offer of financial services of its clients in the area of building savings and mortgages, asset management, collective investment, pension, leasing, factoring and distribution of life and non-life insurance.

8. DIVIDENDS AND OTHER FACTS

From the retained earnings account, a dividend in the amount of the profit of 2023 of CZK 2,364,152 thousand was paid in 2024.

In the reporting period, the Company has made decisions of shareholder/company, where the Company is the only shareholder. The decisions included approval of financial statements, profit or loss distribution and dividend payments, election of the members of the companies bodies and their remuneration, changes in Statutes, approval of the Statute changes of some associates, increase/ decrease of share capital and/or share premium.

9. REPORTING PERIOD

This Report describes relations for the period from 1 January 2024 to 31 December 2024.

10. CONCLUSION

The Board of Directors states that this report was prepared within the statutory deadline and in accordance with § 82 of the Act no. 90/2012 Coll., on business corporations. The Board of Directors has proceeded with due diligence during preparation of the report, which range reflects the purpose of the legal requirements of the Act on business corporations on the report in relation to the ownership structure of the Company.

This report was approved by the Board of Directors of the Company and signed on its behalf:

Jiří Střelický

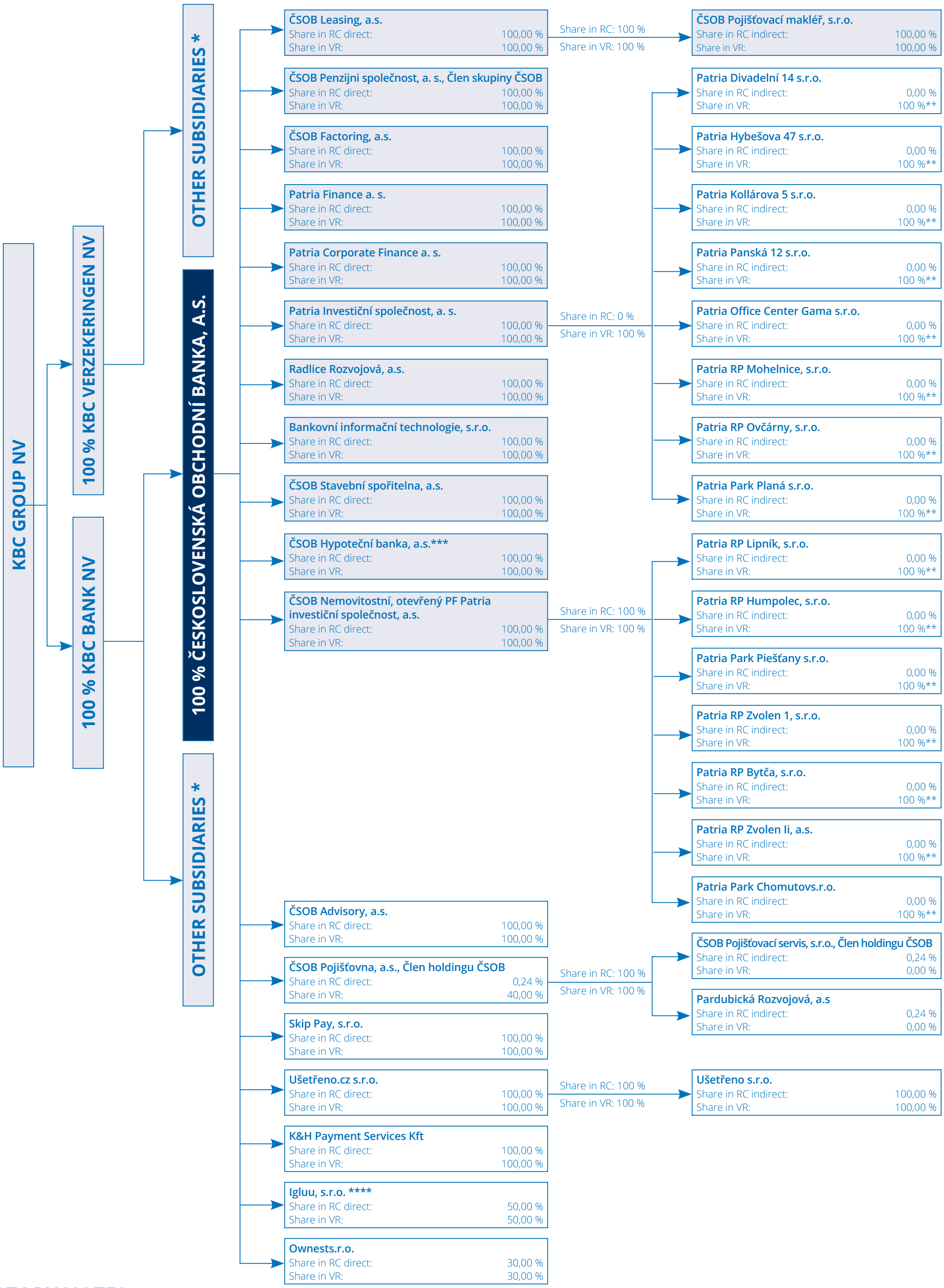
Chairman of the Board of Directors

Tomáš Lain

Member of the Board of Directors

APPENDIX NO. 1 ČSOB 2024 GROUP STRUCTURE

LIST OF ENTITIES CONTROLLING ČESKOSLOVENSKÁ OBCHODNÍ BANKA, A.S. AND ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY (AS OF 31 DECEMBER 2024)



EXPLANATORY NOTES

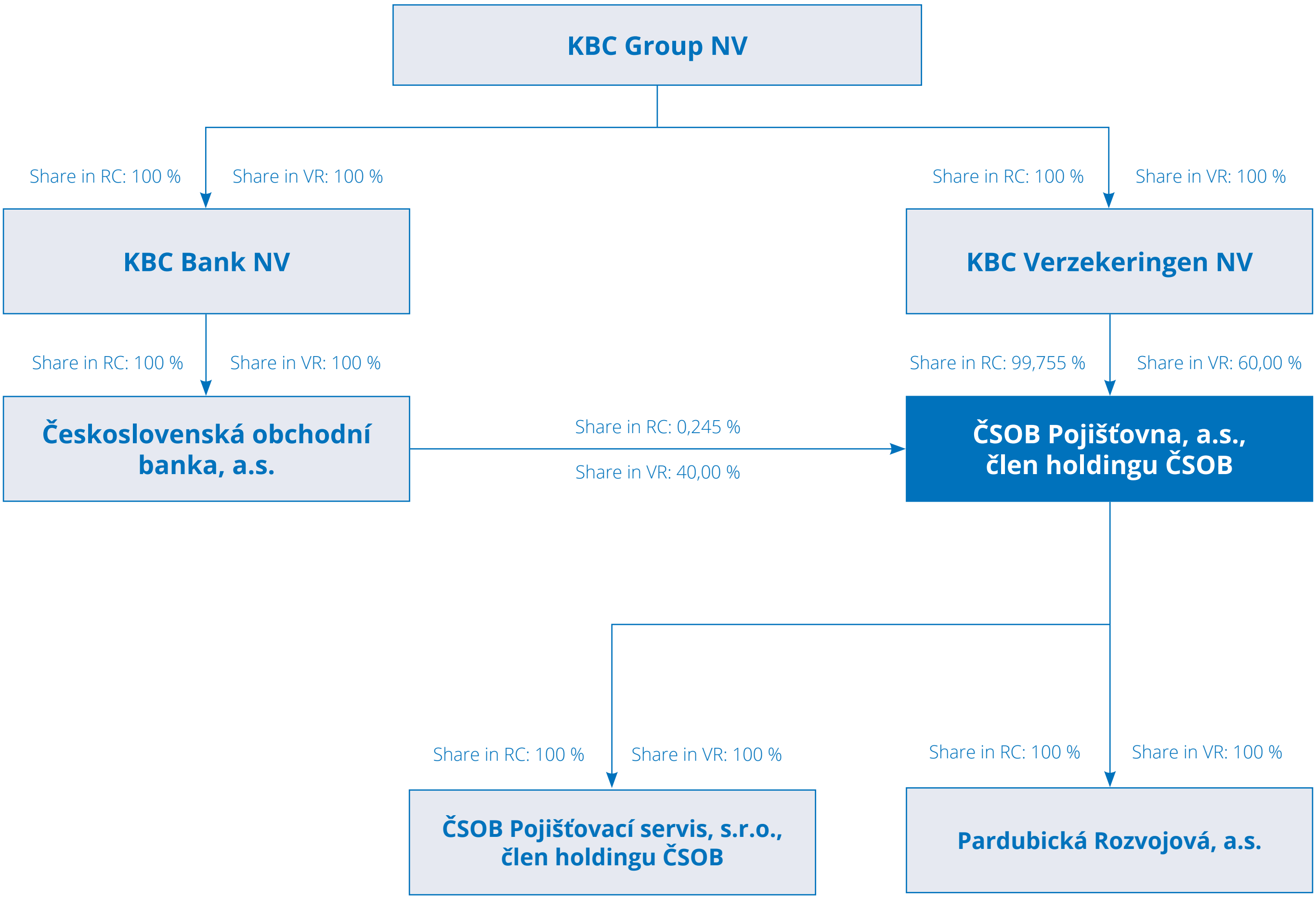
Percentage shares shown for individual companies are expressed from the ČSOB point of view as a parent company.
All shares of KBC Bank and KBC Insurance are held (directly or indirectly) by the KBC Group.
ČSOB is 100% owned and fully controlled by KBC Bank.
The selected companies of the ČSOB group form the ČSOB Concern, the controlling entity of the ČSOB Concern is Československá obchodni banka, a.s. - further information can be found at https://www.csob.cz/portal/csob/o-csob-a-skupine/koncern-csob

* For complete overview of „Other subsidiaries" of the KBC Group please refer to KBC's corporate website www.kbc.com, where other details regarding the KBC Group are available.
** The sole shareholder (PIS), controlled by ČSOB, acts on its own behalf on the account of the closed mutual fund of Patria investini spolenost, a.s.
*** The sole shareholder (PIS) acts on its own behalf on the account of the open-ended mutual fund Patria investiční společnost, a.s. ČSOB Nemovitostni
**** On 30 January 2025 ČSOB acquired from the other shareholder a 50% stake in Igluu s.r.o. and thus became the sole shareholder with 100% of the share capital and 100% of the voting rights.

RC: registered capital (deposit)
VR: voting rights

APPENDIX NO. 2 KBC 2024 GROUP STRUCTURE

AS OF 31 DECEMBER 2024



EXPLANATORY NOTES

RC - Registered capital
VR - Voting rights

3. místo
VISA | Nejlepší pojišťovna 2024
NEJLEPŠÍ ŽIVOTNÍ POJIŠŤOVNA 2024

2. místo
VISA | Nejlepší pojišťovna 2024
NEJLEPŠÍ NEŽIVOTNÍ POJIŠŤOVNA 2024

ESG POČIN ROKU
VISA | Nejlepší pojišťovna 2024
V POJIŠŤOVNICTVÍ 2024

respect. Group

zodpovědná pojišťovna
roku 2024

KPMG

mobilní aplikace
roku 2024

ČSOB Pojišťovna