



VIG RE zajišťovna, a.s.

Klímentská 1216/46, 110 02 Praha 1

INFORMATION ON REINSURANCE UNDER § 82, PARAGRAPH 7 OF ACT NO. 277/2009 COLL. ON INSURANCE (INSURANCE CORPORATIONS) IN COMPLIANCE WITH § 29 TO 31 OF DECREE OF CZECH NATIONAL BANK NO. 434/2009 COLL., IMPLEMENTING SOME PROVISIONS OF THE LAW ON INSURANCE (DECREE).

Status to date: 30. 09. 2011  
(Decisive day)

## Basic data about the reinsurance company

Business Name:	VIG RE zajišťovna, a.s.
Legal form:	Joint-stock company
Address:	Praha 1, Klímentská 1216/46, PSČ 110 02
Identification number:	28445589
Date of incorporation:	18 <sup>th</sup> August 2008
Last date of registration of changes in the commercial register (including purpose):	April 27 <sup>th</sup> , 2011 – Creation of membership of Ing. Martin Divis, MBA and Mag. Roland Groll in the Supervisory Board and simultaneously cancellation of membership of Dr. Rudolf Ertl and Dr. Franz Kosyna in the Supervisory Board
The amount of capital registered in the Commercial Register:	2 500 000 000,- CZK
The amount of paid-up capital:	100 %
Type, form, and the number of issued shares:	25 000 ordinary shares in dematerialized form with a nominal value of 100 000,- CZK

## Data on members of the Supervisory Board

### **Dkfm. Karl Fink** - Chairman of the Supervisory Board

Between 1979 and 1987 he was a Chairman of the Management Board of Interrisk – Internationale Versicherungs Aktiengesellschaft. In 1987 he became a member of the Management Board of Wiener Städtische Allgemeine Versicherungs AG and in July 2004 Deputy Managing Director. In October 2007 he was appointed as a Managing Director of Wiener Städtische Versicherung AG, Vienna Insurance Group. Dkfm. Karl Fink's active career as a member of the Management Board of Wiener Städtische Versicherung AG, Vienna Insurance Group came to an end on 30<sup>th</sup> September, 2009.

Date of function: 18<sup>th</sup> August, 2009

The total amount of loans: 0

The total amount of guarantees: 0

**Mag. Peter Höfinger** - Vice-Chairman of the Supervisory Board

In 2007, Mag. Peter Höfinger was appointed as a member of the Management Board of Wiener Städtische Versicherung AG, Vienna Insurance Group. Before that, he was Member of the Managing Board of Donau Versicherung AG, Vienna Insurance Group.

Date of function: 18<sup>th</sup> August, 2009

The total amount of loans: 0

The total amount of guarantees: 0

**Ing. Martin Diviš, MBA** - Member of the Supervisory Board

Education: University of Management and Marketing. He operates in the insurance industry for 13 years. Ing. Diviš is also the CEO and Chairman of the Board of Kooperativa insurance, a.s., VIG, Chairman of the Supervisory Board of the Česká podnikatelská pojišťovna, a.s., VIG, Chairman of the Supervisory Board of the SBA ZASO Viktoria, Chairman of the Supervisory Board of the SBA ZASO Victoria, Chairman of the Insurance Supervisory Board of Pojišťovna České spořitelny, a.s., VIG, Chairman of the Supervisory Board of Sanatorium Astoria, a.s., Chairman of the Supervisory Board of HOTELY SRNI, a.s., a member of the Presidium of the Czech Insurance Association and Chairman of the Governing Board of the Czech Insurers' Bureau.

Date of function: April 27<sup>th</sup>, 2011

The total amount of loans: 0

The total amount of guarantees: 0

**Dr. Wolfgang Eilers** - Member of the Supervisory Board

Dr. Wolfgang Eilers was since 1990 a Member of the Board of Management of Hamburger Internationale Rückversicherung AG (HIR) and since 2004 he became a Chairman of the Board. By today, he is a Chief Executive officer of Chilmington Internationale Group and Director of some subsidiaries. He is also a member of the Supervisory Board of agents Consulting GmbH Co. KGaA and agent Management GmbH, Ellerau, President of the Conseil d'Administration of Pavant International Re, Paris, and a Chairman of the Supervisory Board of Komrowski Group, Hamburg.

Date of function: 18<sup>th</sup> August, 2009

The total amount of loans: 0

The total amount of guarantees: 0

**Mag. Roland Gröll** - Member of the Supervisory Board

Education: College of Business Administration

Areas of responsibility: Finance and Accounting

he joined the Vienna Insurance Group in 1994 and is currently head of finance and accounting.

Date of function: April 27<sup>th</sup>, 2011

The total amount of loans: 0

The total amount of guarantees: 0

**Ing. Juraj Lelkes** - Member of the Supervisory Board

Ing. Lelkeš is a Chairman of the Board and CEO in Kooperativa poisťovňa, a.s. Vienna Insurance Group, in the Slovak Republic. He has served in leadership positions since its inception in 1990.

During his many years of work, he held key management positions in the field of economy and trade. In 1998 he became a member of the Board and since May 2003 became a Chairman and Chief Executive Officer in Kooperativa poisťovňa, a.s. Vienna Insurance Group.

Date of function: 18<sup>th</sup> August, 2009

The total amount of loans: 0

The total amount of guarantees: 0

## Data on members of the Board of Directors

### **Dr. Peter Hagen** – Chairman of the Board

Dr. Peter Hagen joined Wiener Städtische Versicherung AG, Vienna Insurance Group in 1989 and was elected to the Management Board effective from July 1<sup>st</sup>, 2004. Between January 1998 and December 2002, he headed the International Division & the Reinsurance Department and at the same time being the Board Member in Vienna Insurance Group's Czech and Slovak subsidiaries. From November 2007 until December 2009, Dr. Peter Hagen was also Deputy General Manager and Member of the Managing Board of Kooperativa pojišťovna, a.s., Vienna Insurance Group in the Czech Republic. Since 2008 he is General Manager of VIG RE zajišťovna, a.s. In October 2009, Dr. Hagen was appointed as a "Deputy General Manager" of Vienna Insurance Group.

Date of function: 18<sup>th</sup> August, 2009

The total amount of loans: 0

The total amount of guarantees: 0

### **Mag. Dušan Bogdanović** – Member of the Board

Since 2001, Mag. Bogdanović worked as an IT manager in insurance company Osiguranje Europe in Belgrade. In 2002, he joined the Wiener Städtische Versicherung AG, Vienna Insurance Group as a member of the founding team Wiener Städtische Osiguranje a.d.o., in which he worked in Belgrade until 2007. Mag. Bogdanović was also a representative of Vienna Insurance Group in Russia, deputy of the CEO and a member of the Board in insurance company MSK-Life in Moscow.

Date of function: 1<sup>st</sup> October, 2009

The total amount of loans: 0

The total amount of guarantees: 0

### **Dipl. Vw. Denis Pehar** - Member of the Board

In 2003-2006 Mr. Pehar worked for Swiss Re Germany AG in Munich and since 2006 was employed at Mapfre Re Compania de Reaseguro SA in branch office in Munich as the Underwriter for Germany and Austria.

Date of function: 1<sup>st</sup> January, 2009

The total amount of loans: 0

The total amount of guarantees: 0

### **Mag. Claudia Stránský** - Member of the Board

Mag. Stránský cooperated with insurance company Wiener Städtische Versicherung AG, Vienna Insurance Group since 1986. Since 1998, she worked as a country manager in the same insurance company and in 2007 she became an Advisor to the Board of Kooperativa, pojišťovna, a.s., Vienna Insurance Group. Mag. Stránský is also a member of the Supervisory Board of Kniazha z.a.t., VIG, Ukraine.

Date of function: 6<sup>th</sup> October, 2008

The total amount of loans: 0

The total amount of guarantees: 0

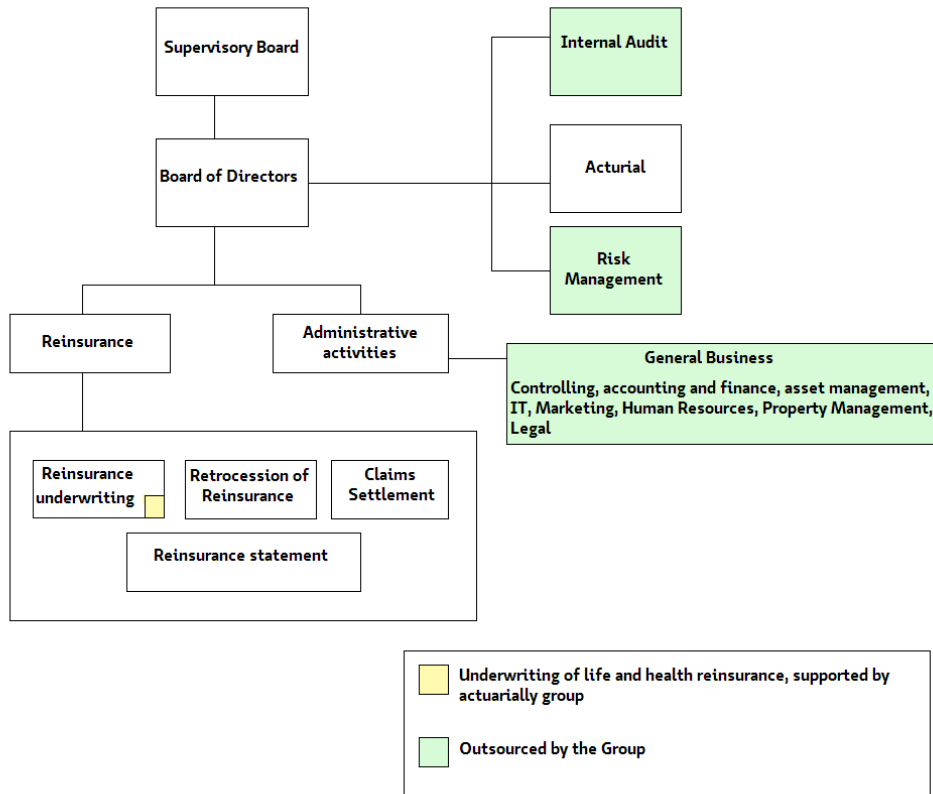
## Organizational structure of the reinsurance

Reinsurance has not established any branch.

Up to the above date is the number of employees 12.

In order to optimize operating costs within the company, VIG provides most of the activities outside of the main course of business through outsourcing (i.e. the exclusion of activities) by other companies of the VIG Group.

### Organizational structure of the reinsurance:



## Information on Shareholders of Reinsurance

Business Name	Legal form	Address	Share capital	Share of voting rights
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	joint-stock company	Schottenring 30 1010 Wien	70 %	70%
Donau Versicherung AG Vienna Insurance Group	joint-stock company	Schottenring 15 1010 Wien	10 %	10%
Kooperativa pojišťovna, a.s., Vienna Insurance Group	joint-stock company	Templová 747, 110 01 Praha 1	10 %	10%
Kooperativa poisťovňa, a.s. Vienna Insurance Group	joint-stock company	Štefanovičova 4, 816 23 Bratislava	10%	10%

Up to the above stated date, Reinsurance Company does not have any liabilities or receivables to the shareholders. Reinsurance Company also up to that date has no assets in securities issued by shareholders and no obligations of these securities. Reinsurance Company did not issue any guarantee for the shareholders and did not accept any guarantees from the shareholders.

## Details of group structure

### Persons forming the holding

#### 1. Controlled Entity

VIG RE zajišťovna, a.s.

located at Prague 1, Klimentská 1216-1246, Postal Code 110 02

IR: 28445589, registered in the Commercial Register kept by Municipal Court in Prague, section B, insert 14560

VIG Re focuses on reinsurance activities in VIG Group. Furthermore, it begins to develop the activities outside the Group. VIG Re provides as well facultative reinsurance of property and technical risks for the insurers of VIG Group.

The main markets where the company operates as a reinsurer are now mainly the Czech Republic, Slovak Republic, Austria and Germany, but also other countries of Central and Eastern Europe.

Scope of business is specified in the company's Articles of Association and Trade Register.

#### 2. Controlling Person

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe located at Schottenring 30, Wien 1010, Republik Österreich, registered in the Commercial Register kept by the Commercial Court Vienna, FN Section, File 75 687 F.



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VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is a joint stock company, which runs the insurance business. Vienna Insurance Group owns shares of VIG RE zajišťovna, a.s., the total nominal value is 70% of the capital and represents 70% of the voting rights.

### 3. Related Entities

List of subsidiaries of the VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe and VIG RE zajišťovna, a.s., according to the share capital are set out in the Annual Report of VIG RE zajišťovna a.s.

For a complete list, click: [here](#)

Ownership Structure of VIG RE zajišťovna, a.s.:

<i>Company</i>	<i>Country of origin</i>	<i>Capital share</i>	<i>Share of voting rights</i>
<i>VIG RE zajišťovna, a.s.</i>	<i>Czech Republic</i>	<i>Mother company</i>	<i>Mother company</i>
<i>*MuVi Re S.A.</i>	<i>Luxemburg</i>	<i>100.00%</i>	<i>100.00%</i>
<i>**Wiener Re Akcionarsko Društvo za Reosiguranje</i>	<i>Srbsko</i>	<i>99,2%</i>	<i>99,2%</i>

\* As of September 30<sup>th</sup>, 2011, VIG RE zajišťovna, a.s. has a obligation to MuVi Re of € 26 835,73.

\*\*As of September 30<sup>th</sup>, 2011, VIG RE zajišťovna, a.s. has a receivable to Wiener Re of €500 034,52.

## Information on the activities of Reinsurance Company

- ▶ Reinsurance activity under § 7 paragraph 3 of Act No. 363/1999 Coll. Insurance and amending certain related Acts, as amended (the Insurance Act), within all branches of life insurance listed in Appendix 1 of the Insurance, Part A and all non-life insurance listed in Schedule 1 of the Insurance Act, Part B.

Activities related to reinsurance activities under § 7 paragraph 3 of the Law on Insurance in conjunction with § 3, paragraph 4 and § 2, paragraph 1. h) of the Insurance Act:

- ▶ investigation of reinsurance events;
- ▶ mediation activities undertaken in connection with reinsurance activities;
- ▶ consulting services related to reinsurance;
- ▶ educational activities for reinsurance intermediaries and independent assessors of reinsurance events.

Reinsurance activities referred to the decisive date are of actual exercise. Performance of these activities was not limited or suspended by the Czech National Bank.

**Balance Sheet:** The report is Annex 1 of this document.

**Profit and Loss Account:** The report is Annex 2 of this document.

## Reinsurance ratios as at 30<sup>th</sup> September 2011

<b>Return on average assets (ROAA)</b>	100% * Profit or loss for the period / Total Assets	<b>2,9%</b>
<b>Return on average equity (ROAE)</b>	100% * Profit or loss for the period / Equity	<b>14,6%</b>
<b>Combined ratio in non-life insurance</b>	100% * (cost of claims, including changes in reserves for claims, net of reinsurance + Net operating expenses) / earned premiums, net of reinsurance	<b>91,6%</b>

<b>Solvency*</b>	<b>Life</b>	<b>NonLife</b>	<b>Total</b>
<b>Available solvency margin</b>			104,21
<b>Required solvency margin</b>	4,39	20,74	25,13
<b>Guarantee fund</b>	4,79	4,79	9,58
<b>The ratio of the actual and required solvency margin</b>			415%
<b>The ratio of the GF and the sum of items according to § 18</b>			9%

<b>The adjusted solvency margin (+ calculation)</b>	
<b>Related reinsurance 1</b>	MuVi Re, S.A.
<b>Related reinsurance 2</b>	Wiener RE
<b>The available solvency margin of reinsurance holding</b>	114,43
<b>Proportional share of the insurance holding company in the capital of a related reinsurance 1</b>	1
<b>Proportional share of the insurance holding company in the capital of a related reinsurance 2</b>	1
<b>Available solvency margin of related reinsurance 1</b>	4,00
<b>Available solvency margin of related reinsurance 2</b>	6,11
<b>The book value of the share of a related reinsurance 1</b>	4,00
<b>The book value of the share of a related reinsurance 2</b>	6,22
<b>Required solvency margin for reinsurance holding</b>	25,13
<b>Required solvency margin for a related reinsurance 1</b>	3,20
<b>Required solvency margin for a related reinsurance 2</b>	4,50
<b>The adjusted solvency margin</b>	81,52

\* In millions of EUR



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**Real and nominal (notional) value of the derivatives as derivatives collectively agreed to the provision and agreed collectively as derivatives for trading or speculation:**

EUR	Fair value	Nominal value
<b>Derivatives agreed to ensure</b>	493.904,01	16.958.333,33
<b>Negotiated derivatives for trading or speculation</b>	0	0

**Attachments:**

Annex 1 – NON-CONSOLIDATED BALANCE SHEET

Annex 2 – NON-CONSOLIDATED INCOME STATEMENT

In Prague on November 7<sup>th</sup>, 2011



**NON-CONSOLIDATED BALANCE SHEET AS OF 30 September 2011**

<b>ASSETS</b>	Notes	<b>30.9.2011</b>
In EUR '000		
<b>Intangible assets</b>		1 451
<b>Property, plant and equipment</b>		111
<b>Investment in subsidiary</b>		10 222
<b>Financial investments</b>		450 467
Financial assets held to maturity		175 235
Financial assets available for sale		34 538
Financial assets held for trading		494
Loans - Term deposits		4 961
Deposits due from cedants		235 239
<b>Receivables</b>		25 737
<b>Ceded share of reinsurance liabilities</b>		82 128
<b>Other assets</b>		280
<b>Deferred acquisition costs</b>		3 831
<b>Cash and cash equivalents</b>		1 430
<b>Total ASSETS</b>		<b>575 693</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Shareholders' equity</b>		
Share capital		92 833
Other components of equity		1 354
Retained earnings		21 875
<b>Total EQUITY</b>		116 062
<b>Reinsurance liabilities</b>		406 446
Unearned premiums		20 077
Outstanding claims		166 010
Life reinsurance provision		130 609
Other		89 750
<b>Other liabilities evidenced by paper</b>		0
<b>Liabilities</b>		52 615
<b>Deferred tax liabilities</b>		137
<b>Current tax liabilities</b>		433
<b>Other liabilities</b>		0
<b>Total LIABILITIES</b>		459 631
<b>Total EQUITY AND LIABILITIES</b>		<b>575 693</b>

**NON-CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 September 2011**

Income Statement	Notes	30.9.2011
in EUR '000		
<b>Premiums</b>		
Premiums written – Gross		207 262
Premiums written – Ceded		73 080
<b>Premiums written - Retention</b>		
Change due to provision for premiums – Gross		4 796
Change due to provision for premiums – Ceded		682
<b>Net earned premiums</b>		<b>130 068</b>
<b>Investment Result</b>		
Investment and interest income		10 876
Investment and interest expenses		129
<b>Total investment result</b>		<b>10 747</b>
<b>Other income</b>		<b>131</b>
<b>Claims and insurance benefits</b>		
Expenses for claims and insurance benefits – Gross		91 323
Expenses for claims and insurance benefits – Ceded		30 559
<b>Claims and insurance benefits – retention</b>		
Change in claims and other reinsurance liabilities – Gross		10 588
Change in claims and other reinsurance liabilities – Ceded		-8 346
<b>Total expenses for claims and insurance benefits</b>		<b>79 699</b>
<b>Acquisition expenses</b>		
Commission expenses		48 589
Other acquisition expenses		378
Change in deferred acquisition expenses		-760
Commission income from retrocessionaries		3 794
<b>Total acquisition expenses</b>		<b>44 412</b>
<b>Other operating expenses</b>		<b>1 536</b>
<b>Other expenses</b>		<b>10</b>
<b>Profit before taxes</b>		<b>15 290</b>
<b>Tax expense</b>		<b>2 578</b>
<b>Profit for the period</b>		<b>12 712</b>