ANNUAL REPORT 2025

GENERALI ČESKÁ POJIŠŤOVNA A.S.

CONTENTS

LETTER FROM THE CHAIRMAN

Ladies and Gentlemen,

Global economic growth slowed in 2025, amid heightened uncertainty and the continuing effects of geopolitical tensions. In the Czech Republic, the economy saw a moderate recovery, while Slovakia experienced low growth and the pronounced effects of fiscal consolidation.

For the Generali Group as a whole, including our operations in the Czech Republic and Slovakia, the past year included the launch of Lifetime Partner 27: Driving Excellence, a new three-year strategic cycle aimed at further enhancing service quality, delivering simpler, more efficient processes, and strengthening overall operational efficiency. The strategy is underpinned by a clear vision: to grow faster than the market, improve efficiency and performance through process simplification, and sustain high profitability over the long term. I am very pleased that, despite many challenges, the year proved exceptionally successful for us in both countries. We remain among the strongest players in the insurance market and have delivered on our growth ambitions. We also posted solid results in motor insurance, where we continue to consolidate our position. Our long-term strategy is to be a lifetime partner to our clients, supported by our integrated offering across insurance, pensions, and investments. A key pillar of this approach is our network of advisers, one of the most extensive and professional in both countries. Their expertise, personal approach, and close contact with clients enable us to cultivate enduring relationships and deliver a level of service that clearly sets our brand apart. Developing relationships with our business partners is equally important, as the combination of a strong distribution network and solid partnerships provides the foundation for stable growth and underpins our ambition to be a lifetime partner. In 2025, our cooperation with VÚB banka and UniCredit Bank was particularly successful in this respect.

The past year confirmed that being a lifelong partner is not only about providing advisory services, but about being there for our clients precisely when they need us. Our clients contacted us almost 1,200,000 times and, in many demanding situations at key moments in their lives, relied on our support – we handled almost 750,000 insurance claims. We maintained a high level of service through a combination of personal approach, digitalisation, and the rapid handling of even the most complex requests. Digitalisation and artificial intelligence are major drivers of rising client satisfaction. Over the past year, we focused on modernising key processes and invested in automation, robotics, and advanced AI tools. These technologies enabled us to streamline internal workflows, eliminate time-consuming tasks, and improve both the speed and quality of our work. The introduction of a voicebot brought a major benefit, handling 30% of all incoming calls on its own. This significantly reduced the load on call centres, shortened waiting times, and sped up overall service.

Our long-term focus on high-quality advisory services and service is clearly reflected in client feedback – over the past year, we moved into first place in the Czech market in our RNPS (Relation Net Promoter Score).

We are recognised not only by our clients, but also by the professional community. In 2025, we won a number of major awards in the Czech Republic and Slovakia. Generali Česká pojišťovna was among the top performers in the prestigious VISA Best Insurance Company competition, winning four categories and named the highest-rated insurance company of the year overall. In Slovakia, we retained the title of Most Innovative Insurance Company of the Year for the fifth consecutive time.

According to the Copernicus programme, 2025 was the third warmest year on record, after 2023 and 2024. Sustainability and reducing our carbon footprint therefore remain key priorities. We take a comprehensive, consistent, long-term approach across the business, as this affects many areas of our operations.

As a responsible employer, we foster a respectful environment where everyone can realise their full potential. We place a premium on wellbeing, with the Longevity365 programme now an integral part of our approach to physical and mental health. We also continue to support the professional development of women, as reflected in the introduction of the FinŽeny programme in Slovakia. Last year, our Slovak operations took a significant step, relocating to the new Red Quarter headquarters in Bratislava and creating modern, inspiring spaces that support collaboration, concentration, and creativity.

We also focus on supporting disadvantaged groups and advancing prevention. The Human Safety Net initiative is our flagship in both countries, directing support where it is needed most. In Slovakia, in response to data pointing to an exceptionally challenging situation for single-parent families, we partnered with the organisation Jeden rodič (“One Parent”) and launched the project Small Steps – Big Changes. We also made headway with initiatives promoting inclusion among the general public, including the LVICE (“Lionesses”) show and the traditional Christmas Wishing Tree. Our support reached into broader societal values: in both countries, we marked 17 November as an important public holiday and highlighted its significance through a series of activities for our employees.

I would like to conclude by extending my gratitude, on behalf of the Generali Česká pojišťovna Board of Directors, to all our customers for their trust, to our shareholders for their support, and to our business partners for their successful cooperation. My thanks also go to all colleagues, including – of course – our advisers, who contributed in any way to accomplishing our shared goals and to weathering another challenging year.

I am confident that, in 2026, we will meet our targets and our commitments to customers, shareholders, and business partners.

Roman Juráš
Chairman of the Board of Directors

GENERALI ČESKÁ POJIŠŤOVNA – WHO WE ARE

GENERALI ČESKÁ POJIŠŤOVNA – PROFILE AND HISTORY

Generali Česká pojišťovna a.s. ("Generali Česká pojišťovna") is a composite insurer that provides a comprehensive range of services encompassing life and non-life personal lines, as well as insurance covering the industrial, business, and farming risks faced by small, mid-sized, and large customers.

The history of Generali Česká pojišťovna dates back to 1827, when the predecessor of the current Czech market leader – První česká vzájemná pojišťovna (First Bohemian Mutual Insurance Company) – was founded. Assicurazioni Generali – the most successful insurance group in Europe today – was established in the Italian city of Trieste in 1831 and swiftly extended its reach to Prague, opening an agency here in 1832.

The history of Generali Česká pojišťovna is littered with eminent statesmen, Czech cultural luminaries, and aristocrats. It has survived numerous regimes, wars, monarchs and presidents, and stood witness to a whole litany of historically significant events. It has stayed true to its customers in good times and bad. It has never wavered from its mission to provide help in difficult situations.

One notable chapter in the history of the Company (and its subsidiaries) in the Czech Republic occurred in 2008, when it joined Generali PPF Holding. Subsequently, in 2015, it was fully integrated into the Generali multinational insurance group's structures, which efficiently cover a range of services related to the provision of private insurance, retirement savings, and investments. Generali Česká pojišťovna leverages the advantages offered by this framework to the full.

Most Generali Česká pojišťovna subsidiaries, in addition to their core business, collaborate with their Generali CEE Holding affiliates by sharing capacities and providing services to each other on an arm's-length basis.

At the end of 2021, Generali Česká pojišťovna in the Czech Republic and Generali Poisťovňa in Slovakia were merged and began to operate as a single entity under Czecho-Slovak management. The Company's roots in Slovakia date back to 1833, when six branches of Assicurazioni Generali were established here. Their operations came to an end in 1945 with the nationalisation of private insurers, and Generali re-entered the Slovak market in 1996 (since late 2021, as a foreign branch of Generali Česká pojišťovna). In that time it has evolved considerably to become the third largest insurer in Slovakia, offering life and non-life product lines to individuals and businesses.

GENERALI ČESKÁ POJIŠŤOVNA GROUP HIGHLIGHTS

JANUARY 25

The **Záchranka app**, one of Generali Česká pojišťovna's long-term partner project, made further significant progress in improving user safety abroad. Following Austria, Hungary, and the Slovak mountains, it is now also connected to Finland's emergency 112 number. The more than three million Czech users of Záchranka can now quickly and easily call for help while travelling in Finland.

At the start of 2025, Generali announced the first award-winning stories from the pilot year of the Heart of the Road (**Srdce ciest**) project in Slovakia. A jury selected three winners from eighteen short-listed finalists. The project was developed in cooperation with the STVR radio programme Pozor, zákruta!, with expert input from the Police Force of the Slovak Republic.

January also brought new goals and direction. The Generali Group presented its new strategy, "**Lifetime Partner 27: Driving Excellence**", for 2025–2027, which aims to enhance the customer experience, invest in artificial intelligence and modern technologies, and increase employee skills. The strategy also targets 8–10% profit growth and more than €11 billion in cumulative cash flow.

FEBRUARY 25

Generali Česká pojišťovna became the title partner of the Prague Half Marathon, now run as the **Generali Prague Half Marathon**. As the race's main charity partner, it connected sport with giving under The Human Safety Net initiative. A total of 165 entries were sold at a special price that included a direct contribution to two of the Company's long-term partner charities in the Czech Republic. In total, CZK 330,000 was raised.

The Company fleet in the Czech Republic entered its first phase of electrification, with **four VW ID.3 electric vehicles** added to the line-up.

At the turn of February and March, the VOS and FIS distribution networks in Slovakia were merged into a single network under the **new name IDK** to streamline internal processes. This move followed successful integration in the Czech Republic in 2020. In both countries, the drive to simplify and improve efficiency continues.

As part of its partnership with a Czech biathlon, Generali Česká pojišťovna in Nové Město na Moravě supported a charitable cause. The sale of special promotional items during the World Cup enabled fans to contribute to the Leontinka Foundation, one of the non-profit partners of The Human Safety Net global initiative in the Czech Republic. A total of **CZK 338,115** was raised from fans and donated to the foundation.

MARCH 25

Generali Česká pojišťovna became a signatory to the **Human Rights Decalogue for Employers**. The initiative, created by OPIM in cooperation with the Office of the Government of the Czech Republic and Česká spořitelna, supports employers in raising awareness of human rights in the context of diversity, inclusion, and equal opportunities.

During the spring campaign, life insurance at Generali Slovakia underwent significant changes. The number of covered serious illnesses was expanded, and the number of illness groups increased from four to five based on diagnosis type, including a new standalone group for oncological diseases. The Company also expanded the list of diagnoses covered and was the first on the market to include conditions such as anorexia nervosa and bulimia, organ donation to a family member, and scoliosis in children. For selected progressive diagnoses (Alzheimer's disease, Parkinson's disease, multiple sclerosis), conditions were adjusted so that clients receive financial support from the early stages. As part of the campaign, the insurer also supported Chuť žiť, civic association that helps people with eating disorders.

Generali Slovakia introduced the **SRDCE Plus** insurance product. Together with critical illness insurance, this provides comprehensive protection in the event of serious diseases and cardiovascular surgery. The product covers a wide range of cardiac procedures, from pacemaker and defibrillator implantation, through surgeries for congenital heart defects and procedures addressing arrhythmias using ablation methods, to operations related to chronic thromboembolic pulmonary hypertension (CTEPH).

Generali became the **first insurer in Slovakia to launch bicycle collision insurance**. The standalone policy covers standard and electric bicycles, scooters, bike trailers, and tricycles against accidents, theft, and natural events across Europe. The insured items need not be new. The policy also includes available 24/7 cycling assistance.

APRIL 25

Sustainable vehicle repairs were introduced and systematically embedded in practice. This approach to claims handling yields environmental benefits and practical advantages for motorists. It applies in particular to windscreen repairs and selected damaged body parts that do not require repainting. In the Czech market, up to half of all claims could be resolved using windscreen repair methods rather than replacement. This could translate into annual savings of 500 tonnes of CO_2.

In the Czech Republic and Slovakia, the **third year of the TOP AUTOSERVIS project** recognised 20 of the best partner repair shops for 2024. A wide range of parameters was monitored throughout the year. The main criteria included repair quality and speed linked to process digitalisation, as well as transparency and automation in claims handling. In the scoring, a strong emphasis was placed on sustainable repair technologies and customer satisfaction.

Generali Česká pojišťovna once again took part in the **reality show Lvice** ("Lionesses"), a project supporting women with disabilities, helping them to cope with everyday life, hold their heads high, and move forwards with confidence. Our involvement included the active participation of two colleagues from Generali Česká pojišťovna.

Generali Česká pojišťovna again joined the **International Slowdown Day**, an awareness initiative by the Czech Insurance Association encouraging the public to reflect on the dangers of rushing at the wheel. It calls on drivers to slow down and consider whether it is worth putting their own lives and those of others at risk.

In 2025, the Company also handled highly unusual claims. After more than half a century, foot-and-mouth disease reappeared in Slovakia in the spring, leading to the culling of thousands of cattle and pigs. Generali Slovakia paid out almost €5 million to affected clients.

MAY 25

After three years, there was a paradigm shift in Generali Group's marketing communications. The previous concept, Reditude, with the slogan "You're not alone with us", helped to position it as a reliable partner. The new concept, "**Here and Now**", builds on this and takes it further. It centres on strong human emotions in key moments of people's lives that shape their future. The right partner understands this and is always close at hand. With "Here and Now", we listen, advise, and help clients to build a better future.

Warm weather draws out not only cyclists, but motorcyclists too. With this in mind, Generali Slovakia adjusted its motorcycle insurance so that every rider receives a no-claims bonus and more favourable premiums for annual payments. The insurance is arranged at the new value of the motorcycle and can be combined with travel insurance for trips abroad.

In addition to foot-and-mouth disease, African swine fever also affected livestock in Slovakia. Only one insured event was recorded, with damages exceeding €1 million.

JUNE 25

Ahead of the summer season, Generali Slovakia launched the second year of the Heart of the Road (Srdce ciest) project in cooperation with the STVR radio show Pozor, zákruta! The Police Force of the Slovak Republic again acted as expert partner, and the team of specialists was expanded to include the Operational Centre of the Emergency Medical Service of the Slovak Republic. The public could nominate stories for the awards.

Both Generali Group insurers in the Czech Republic and Slovakia again joined the global fundraising challenge of The Human Safety Net initiative to support non-profit partners and their child clients. Employees and insurance advisers took part in a wide range of original fundraising activities. The funds that were raised helped children to attend summer camps, receive neuro-rehabilitation, and take part in weekend stays for families of children with visual impairments. A remarkable sum of more than CZK 1.5 million was distributed among non-profit partners.

JULY 25

A large-scale blackout engulfed the Czech Republic. Part of the transmission system remained without voltage, and a large number of substations were affected. The Company's operational systems and client centre remained functional, with only isolated local outages and service disruptions recorded. Generali Česká pojišťovna registered several hundred claims as a result of this incident.

Following the insolvency of HappyTravel in July, Generali Slovakia confirmed that it had provided the travel agency with insolvency insurance. Immediately after the insolvency was declared, the Company took over care for clients, ensuring their safe return from abroad and launching the process for reporting claims.

Generali Slovakia introduced **new supplementary cover to the La Vita life insurance policy** – insurance for travel-related illnesses. This insurance covers clients even after they return from holidays, as many exotic diseases may not appear until several days later, even if they did not travel outside Europe. It encompasses more than 20 imported diseases, including monkeypox, typhoid fever, malaria, dengue fever, and viral hepatitis.

AUGUST 25

The shift towards more sustainable transport continued, with the company fleet in the Czech Republic expanded by **19 new Škoda Elroqs**. These electric vehicles are equipped with the largest available battery, with a capacity of 77 kWh, and offer a declared range of up to 570 km.

Generali Česká pojišťovna and the Slovak arm of Generali showed their **support for LGBTQIA+ people**, with employees and their families taking part in both Prague Pride and Duhový Pride Bratislava.

Generali Česká pojišťovna was once again the main partner of Země živitelka, the largest and most significant agricultural trade fair in the Czech Republic, as it marked its 51st year.

During the summer, Generali organised public activities focused on prevention and safety in the mountains through the Horská záchranná služba (HZS – Mountain Rescue Service) application. Tourists could learn about the app and download it free of charge before starting their hikes. The app had more than 200,000 downloads and was used in hundreds of cases.

SEPTEMBER 25

The results of the fifth SME EnterPRIZE were announced. This competition recognises sole traders, SMEs, and start-ups that promote sustainability and have a positive environmental impact. A total of 80 companies and start-ups entered. The winner was TIERRA VERDE, s.r.o., specialising in everyday sustainable household and cosmetic products. In the start-up category, FYTOLASER, s.r.o., focusing on non-chemical laser seed treatment, was successful.

The project **Geny české rodiny** (Czech Family Genes) was launched, mapping the lives of three families who have chosen a more sustainable way of living. The stories show ecological, financial, and family sustainability in both its positive and more challenging aspects. A total of 12 videos will be published monthly on the YouTube channel and social media of Generali Česká pojišťovna, as well as on the dedicated project website www.genyceskerodiny.cz.

Generali Slovakia introduced new **specialised property insurance** products – four standalone policies covering sports and outdoor equipment, fishing gear, musical instruments, and medical aids. The insurance is valid worldwide and provides a loan of a replacement device of up to €500 in the event of damage to a medical aid.

In 2025, there were more than 357,000 single-parent families in Slovakia, with up to 15% of pre-school children at risk of poverty, significantly affecting their physical and mental development. As part of The Human Safety Net initiative, Generali Slovakia launched a new partnership with the non-profit organisation JEDEN RODIČ through the **project Small Steps – Big Changes** to support single parents, with the aim of helping to create a stable and safe environment for their children.

Generali Slovakia supported the Brose **Night Run Prievidza**, organising children's races under The Human Safety Net initiative.

OCTOBER 25

Generali Slovakia was again the general partner of **MoneyFest**, a financial conference bringing together experts from the Czech Republic and Slovakia in finance, insurance, InsurTech, and personal development.

Generali Slovakia also became the main partner of **Forbes Women's Summit 2025**, the second of an event which connects women across sectors and countries and addresses equal opportunities and the success of women in business, technology, and the arts.

NOVEMBER 25

Generali Česká pojišťovna signed an agreement to acquire D.A.S. právní ochrana, the Czech arm of ERGO Versicherung AG, in a landmark transaction opening up new opportunities for growth and cooperation.

For the fourth consecutive year, the **131 most inspiring women in the Czech financial world were honoured under the FinŽeny project**, of which we are the main partner. This initiative brings together women from across the financial sector, sparking discussions on key issues within the industry and inspiring others with stories of women whose expertise is foundational to the finance industry.

At the end of November, the pilot Czech–Slovak version of the FinŽeny project took place in Bratislava, introducing the first laureates into the Hall of Fame. This is an initiative that connects, supports, and raises the profile of women in the financial sector. A total of 45 women from banks, insurance companies, universities, and advisory and investment firms were shortlisted. Among those recognised were the Company's Andrea Leskovská and Katarína Bobotová. Generali, together with VÚB banka, became the main partner of the project in Slovakia.

DECEMBER 25

At the turn of November and December, Generali Slovakia launched the "Moja Generali" mobile application for clients, contributing to digitalisation and improving the quality and simplicity of service.

AM Best, the international rating agency specialising in the insurance sector, upgraded Generali Česká pojišťovna's financial strength rating to A+ with a stable outlook; its long-term credit rating remained at aa--.

AWARDS

In 2025, Generali Česká pojišťovna triumphed in the prestigious VISA Best Insurance Company competition, securing accolades in four categories and emerging as the highest-rated insurer overall. It took first place in the main category Best Life Insurance Company, and also ranked first in Most Customer-Friendly Life Insurance Company.

It placed second in Most Customer-Friendly Non-Life Insurance Company and third in Best Non-Life Insurance Company.

OTHER ACCOLADES

In the Mastercard competition, Generali Česká pojišťovna was named Responsible Insurance Company of the Year. This special-category award recognised its long-term support for children under six and their families in difficult life situations, as well as children with visual impairments, all under the umbrella of The Human Safety Net (THSN), which operates in 25 countries worldwide as part of Generali Group.

In the 23rd Zlatá Koruna (Golden Crown) competition, the Company took **first place in the Non-Life Insurance category for its Můj majetek 2.0 product**.

In the 24th Insurance Company of the Year survey, Generali Česká pojišťovna's products received four awards: gold in Personal Lines and three bronze placements for Life Insurance, Car Insurance, and Industrial and Business Insurance.

Among university students, Generali Česká pojišťovna again claimed **first place in the Top Employers poll**. For the eleventh time in a row, the Company earned plaudits from students asked to decide which employer they would most like to join.

The 2025 Most Trusted Brands programme saw Generali Česká pojišťovna win first place in the Insurance Companies category. This is an independent poll in which 4,000 consumers rate how much they trust brands.

In the Czech Contact Center Awards, Generali Česká pojišťovna received two awards: second place for the Systemic Laboratory project and third place for its GČP Training Bot, designed for the automated training of operators' sales skills.

In the Randstad Awards, which evaluates employer attractiveness across 34 countries, Generali Česká pojišťovna ranked second among the most attractive employers in the Czech Republic in the Banking and Insurance category.

At the Táta 21. století ("21st-Century Dad") conference, Generali Česká pojišťovna received an award in the Dad-Supporting Company category, recognising organisations that actively support parents in both their professional and family lives.

Generali Slovakia retained the title Most Innovative Insurance Company of the Year for the fifth consecutive year in the Zlatá Mince competition. It also received the ECO Product of the Year award for bicycle collision insurance and the Discovery of the Year title for its ProFi Simple business insurance product. In addition, an expert jury awarded it six gold coins across categories including personal accident and sickness insurance, term life insurance, collision insurance, employee liability insurance, business insurance, and motor third party liability insurance.

The quality of its insurance products and services was also recognised by independent financial agents and the SIBAF® Award expert jury. Generali again ranked as the best insurer in collision insurance and in personal lines in this event assessing the quality of property insurance. It also placed second in insurance for industry and business, and for its team of underwriters in industrial insurance.

At the awards ceremony organised by the independent financial magazine FinReport and the comparison platform Multikalkulačka, the insurer received further high-profile recognition. In a poll covering both life and non-life insurance that was based on readers' votes and the independent comparison platform Multikalkulačka, Generali ranked among the top performers, receiving five awards: for motor third-party liability insurance, collision insurance, travel insurance, GAP insurance against financial loss of a vehicle, and property and household contents insurance.

In 2024, Generali Slovakia increased its premiums written by almost 14%, securing a prestigious position in the TREND Insurance Company of the Year 2025 competition. By placing third, it confirmed that growth can be achieved without a significant increase in costs.

BUILT ON EXCEPTIONAL INSURANCE EXPERTISE

We combine deep local knowledge with proven group solutions to strengthen our insurance expertise. We respond quickly to changing market needs, underpinned by a broad client base and modern technologies.

KEY FINANCIAL INDICATORS

Basic indicators	Units	2025	2024	2023
Highlights from the financial statements				
Total assets	CZK millions	111,059	111,202	115,568
Share capital	CZK millions	4,000	4,000	4,000
Shareholder's equity	CZK millions	30,504	33,018	37,447
Retained earnings	CZK millions	26,504	29,018	33,447
Net profit	CZK millions	4,841	3,640	5,720
Performance indicators				
Result of insurance services	CZK millions	6,088	4,342	4,874
– non-life insurance	CZK millions	2,795	1,195	1,886
– life insurance	CZK millions	3,293	3,147	2,988
Gross premiums written	CZK millions	57,553	53,859	50,494
– non-life insurance	CZK millions	42,131	39,074	36,652
– life insurance	CZK millions	15,422	14,785	13,842
CSM in life insurance	CZK millions	24,062	23,342	22,116
Assets and liabilities arising from insurance and reinsurance contracts	CZK millions	51,029	51,420	53,183
– non-life insurance	CZK millions	15,633	15,126	14,988
– life insurance	CZK millions	35,396	36,294	38,195
Other information				
Czech market share in premiums written[1]	%	23.1	23.2	24.1
Slovak market share in premiums written[1]	%	13.8	13.7	13.1
Average number of employees	Number	3,200	3,467	3,533
Performance ratios				
ROA (net profit/total assets)	%	4.4	3.3	4.9
ROE (net profit/equity)	%	15.9	11.0	15.3
Equity per share	CZK	762,607	825,452	936,151
Earnings per share	CZK	121,037	90,986	142,969
Non-life combined ratio	%	94.64	98.03	96.29

[1] The Czech market share is sourced from the Czech Insurance Association, and the Slovak market share is sourced from the Slovak Insurance Association.

DESCRIPTION OF GROUP STRUCTURE, POSITION OF GENERALI ČESKÁ POJIŠŤOVNA A.S.

As at 31 December 2025, Generali Česká pojišťovna a.s. was part of a group, with Generali CEE Holding B.V. serving as the principal holding company overseeing that group's entire structure. Generali CEE Holding B.V. is also the Company's sole shareholder.

The ultimate controlling entity of Generali Česká pojišťovna is Assicurazioni Generali S.p.A., which held a 100% stake in the voting rights attached to the shares of Generali CEE Holding B.V. as at 31 December 2025. Generali Group's consolidated annual report will be published on its website at www.generali.com.

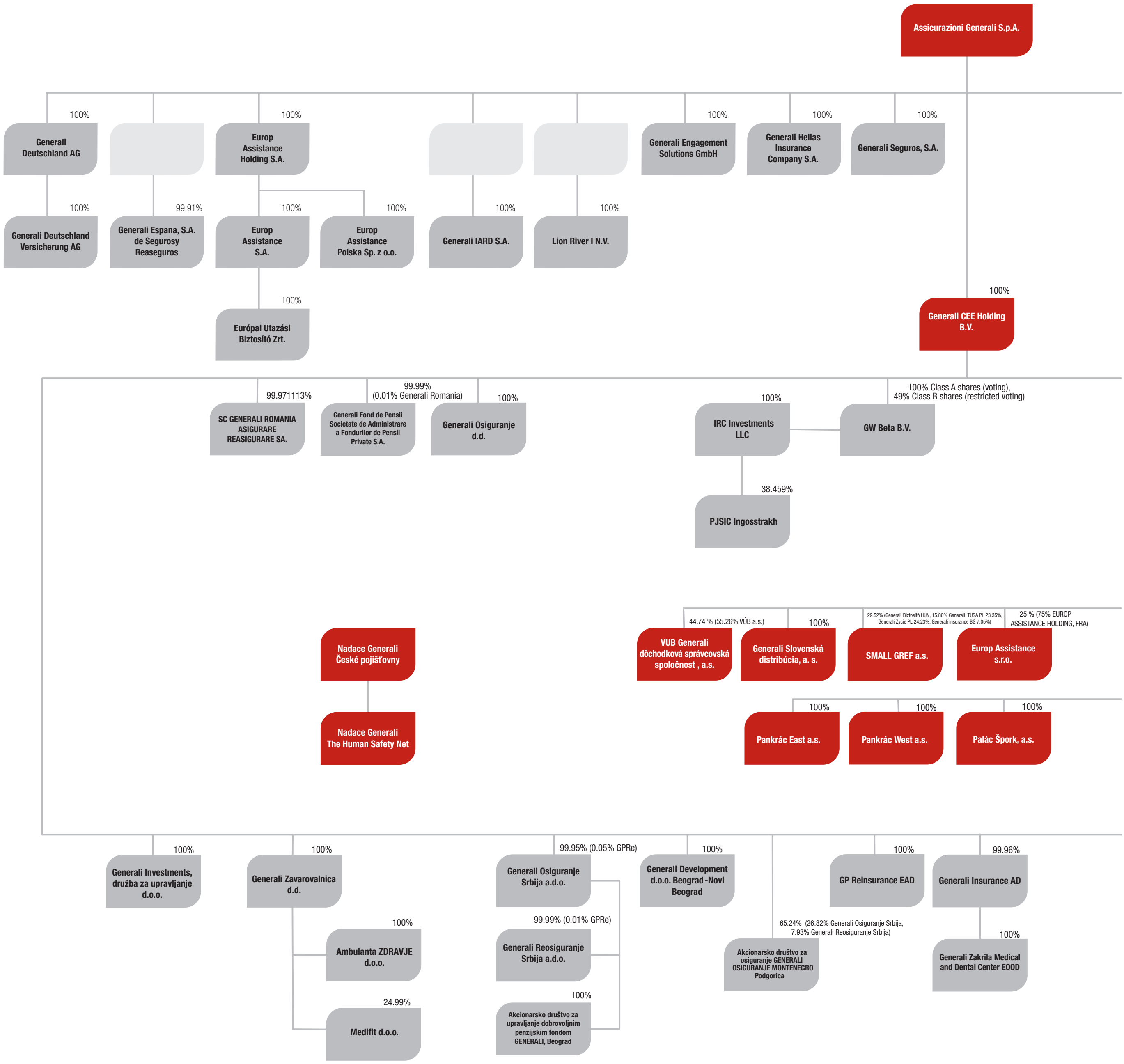
Generali CEE Holding B.V.

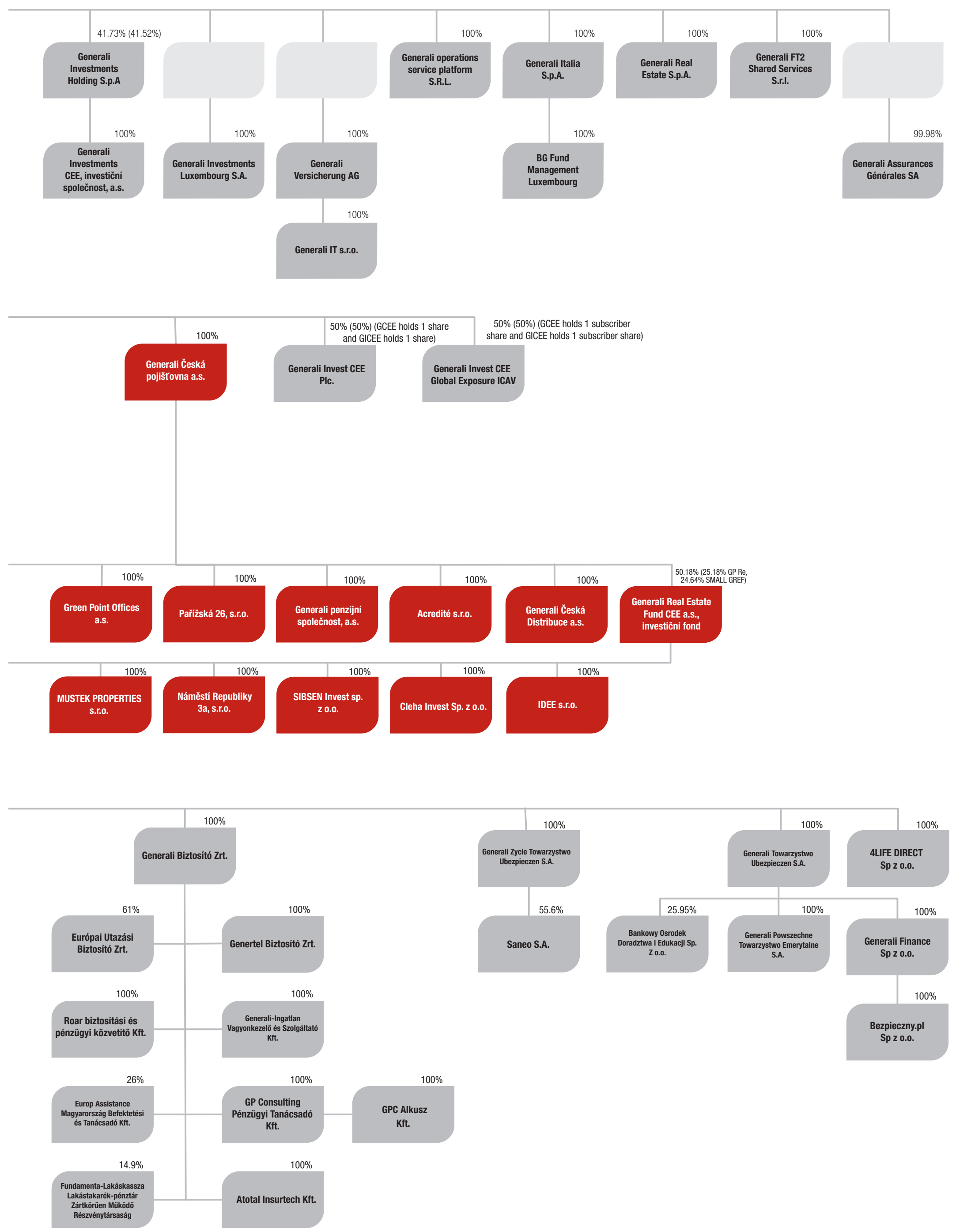
Date of inception:	8 June 2007
Registered office:	De Entree 91, 1101 BH Amsterdam, Netherlands
File number in the Register of the Amsterdam Chamber of Commerce and Industry:	34275688
Registered capital:	EUR 100,000
Principal business:	holding activities

Generali CEE Holding B.V. directs the business of its subsidiaries through an organisational unit based in Prague, Czech Republic. The holding company has operations not only in the Czech Republic, but also in Slovakia, Poland, Hungary, Romania, Bulgaria, Serbia, Slovenia, Montenegro, and Croatia.

GENERALI CEE HOLDING B.V. GROUP STRUCTURE

as at 31 December 2025




41.73% (41.52%)
Generali Investments Holding S.p.A
100%
Generali Investments CEE, investiční společnost, a.s.
100%
Generali Investments Luxembourg S.A.
100%
Generali Versicherung AG
100%
Generali IT s.r.o.
100%
Generali operations service platform S.R.L.
100%
Generali Italia S.p.A.
100%
BG Fund Management Luxembourg
100%
Generali Real Estate S.p.A.
100%
Generali FT2 Shared Services S.r.l.
99.98%
Generali Assurances Générales SA
100%
Generali Česká pojišťovna a.s.
50% (50%) (GCEE holds 1 share and GICEE holds 1 share)
Generali Invest CEE Plc.
50% (50%) (GCEE holds 1 subscriber share and GICEE holds 1 subscriber share)
Generali Invest CEE Global Exposure ICAV
100%
Green Point Offices a.s.
100%
Pařížská 26, s.r.o.
100%
Generali penzijní společnost, a.s.
100%
Acredité s.r.o.
100%
Generali Česká Distribuce a.s.
50.18% (25.18% GP Re, 24.64% SMALL GREF)
Generali Real Estate Fund CEE a.s., investiční fond
100%
MUSTEK PROPERTIES s.r.o.
100%
Náměstí Republiky 3a, s.r.o.
100%
SIBSEN Invest sp. z o.o.
100%
Cleha Invest Sp. z o.o.
100%
IDEE s.r.o.
100%
Generali Biztosító Zrt.
61%
Európai Utazási Biztosító Zrt.
100%
Genertel Biztosító Zrt.
100%
Roar biztosítási és pénzügyi közvetítő Kft.
100%
Generali-Ingatlan Vagyonkezelő és Szolgáltató Kft.
26%
Europ Assistance Magyarország Befektetési és Tanácsadó Kft.
100%
GP Consulting Pénzügyi Tanácsadó Kft.
100%
GPC Alkusz Kft.
14.9%
Fundamenta-Lakáskassza Lakástakarék-pénztár Zártkörűen Működő Részvénytársaság
100%
Atotal Insurtech Kft.
100%
Generali Zycie Towarzystwo Ubezpieczen S.A.
55.6%
Saneo S.A.
100%
Generali Towarzystwo Ubezpieczen S.A.
25.95%
Bankowy Osrodek Doradztwa i Edukacji Sp. Z o.o.
100%
Generali Powszechne Towarzystwo Emerytalne S.A.
100%
4LIFE DIRECT Sp z o.o.
100%
Generali Finance Sp z o.o.
100%
Bezpieczny.pl Sp z o.o.

CORPORATE GOVERNANCE

(as at the Annual Report compilation date)

BOARD OF DIRECTORS

CHAIRMAN

Roman Juráš

Member since: 1 July 2019
Date of appointment: 1 September 2019
Born: 1970
Education: University of Economics, Bratislava
Experience: KPMG Alpen Treuhand GmbH Vienna;
VÚB Generali dôchodková správcovská spoločnosť, a.s.; Generali Poisťovňa, a.s.;
Generali Versicherung AG Vienna; Generali Česká pojišťovna a.s.

MEMBER

Milan Novotný

Member since: 1 July 2023
Born: 1977
Education: Prague University of Economics and Business
Experience: Hasičská vzájemná pojišťovna; Generali Česká pojišťovna a.s.;
Generali CEE Holding B.V.; Generali Deutschland AG

MEMBER

Karel Bláha

Member since: 1 June 2015
Born: 1976
Education: Charles University, Prague; Prague University of Economics and Business
Experience: Transgas, a.s.; Pojišťovna Patricie a.s.; Generali Česká pojišťovna a.s.

MEMBER

Katarína Bobotová

Member since: 19 December 2021
Born: 1983
Education: Slovak University of Agriculture, Nitra
Experience: Grafton Recruitment Slovakia; Generali Poisťovňa, a.s.;
Generali Česká pojišťovna a.s.

BOARD OF DIRECTORS

MEMBER
Jiří Doubravský
Member since: 1 July 2019
Born: 1972
Education: University of West Bohemia, Plzeň; Czech University of Life Sciences, Prague; Nottingham Trent University & Brno Business School; Prague University of Economics and Business
Experience: Komerční banka; HVB Bank; Generali Česká pojišťovna a.s.; Generali Poisťovňa, a.s.

MEMBER
Lenka Kejíková
Member since: 1 February 2024
Born: 1983
Education: Prague University of Economics and Business
Experience: Allianz pojišťovna a.s.; Generali Penzijní společnost; Generali Česká pojišťovna a.s.

MEMBER
Pavol Pitoňák
Member since: 20 January 2021
Born: 1975
Education: Slovak University of Technology, Bratislava; ESCP-EAP, Berlin
Experience: Allianz – Slovenská poisťovňa, a.s.; Allianz – Slovenská dôchodková správcovská spoločnosť, a.s.; Wüstenrot poisťovňa, a.s.; Wüstenrot stavebná sporiteľňa, a.s.; Poisťovňa TATRA, a.s. (Poisťovňa Poštovej banky, a.s.); Generali Poisťovňa, a.s.; Generali Česká pojišťovna a.s.

MEMBER
David Vosika
Member since: 1 January 2020
Born: 1982
Education: Faculty of Informatics and Statistics, Prague University of Economics and Business
Experience: Home Credit Insurance; Allianz Life; Wüstenrot pojišťovna a.s.; Generali PPF Life Insurance; Generali PPF Russia; Generali PPF Holding B.V.; Pojišťovna Patricie a.s.; Generali Česká pojišťovna a.s.

MEMBER
Marián Zelko
Member since: 1 March 2023
Born: 1984
Education: Faculty of Business and Management, University of Economics, Bratislava
Experience: Allianz – Slovenská poisťovňa a.s.; Generali Poisťovňa a.s.; Generali Česká pojišťovna a.s.

FIELDS OF COMPETENCE OF MEMBERS OF THE BOARD OF DIRECTORS

CHIEF EXECUTIVE OFFICER
Roman Juráš

CHIEF FINANCIAL OFFICER
Milan Novotný

CHIEF CORPORATE AND INDUSTRIAL INSURANCE OFFICER
Karel Bláha

CHIEF OPERATING OFFICER
Jiří Doubravský

CHIEF SALES OFFICER FOR THE CZECH REPUBLIC
Marián Zelko

CHIEF SALES OFFICER FOR THE SLOVAK REPUBLIC
Pavol Pitoňák

CHIEF NON-LIFE INSURANCE OFFICER
David Vosika

CHIEF LIFE AND HEALTH INSURANCE OFFICER
Lenka Kejíková

CHIEF TRANSFORMATION, MARKETING AND CUSTOMER DEVELOPMENT OFFICER
Katarína Bobotová

SUPERVISORY BOARD

CHAIRMAN
Miroslav Singer

Member since: 1 February 2022
Date of appointment: 1 February 2022
Born: 1968
Education: Prague University of Economics and Business; University of Pittsburgh
Experience: CERGE-EI; Economics Institute of the Czech Academy of Sciences; Prague University of Economics and Business; Expandia a.s.; PricewaterhouseCoopers Česká republika, s.r.o.; Czech National Bank; MONETA Money Bank, a.s.

MEMBER
Jose Garcia Naveros

Member since: 1 July 2023
Born: 1972
Education: University of Barcelona; BarcelonaTech (UPC)
Experience: KPMG Auditors; Allianz Brazil; Allianz Spain; Generali Spain; Generali Italy

MEMBER
Marek Kubiska

Member since: 1 January 2019
Born: 1977
Education: Faculty of Social and Economic Studies, Jan Evangelista Purkyně University, Ústí nad Labem
Experience: Pražské pivovary, a.s.; Generali Česká pojišťovna a.s.

MEMBER
Lucie Šmerousová

Member since: 1 January 2024
Born: 1983
Education: Masaryk University, Brno
Experience: Generali Česká pojišťovna a.s.

MEMBER
Manlio Lostuzzi

Member since: 1 January 2023
Born: 1960
Education: University of Trieste
Experience: Generali; Generali Italia S.p.A.; Genertel S.p.A.; Generali GC&C; Generali CEE Holding

MEMBER
Andrea Leskovská

Member since: 1 May 2025
Born: 1974
Education: University of Economics, Bratislava
Experience: Allianz-Slovenská poisťovňa, a.s.; Generali poisťovňa, a.s.; Generali-Česká pojišťovna, a.s.; Generali CEE Holding, B.V.

AUDIT COMMITTEE

CHAIRMAN
Martin Mančík

Appointment: 2 March 2017
Date of birth: 27 January 1975
Education: Prague University of Economics and Business

MEMBER
Beáta Petrušová

Appointment: 10 February 2017
Born: 21 April 1968
Education: Management Faculty, University of Economics, Bratislava

MEMBER
Roman Smetana

Appointment: 1 January 2016
Date of birth: 11 November 1974
Education: Prague University of Economics and Business

MANAGEMENT REPORT

Generali Česká pojišťovna is a modern financial institution with an international background and a profound knowledge of the Czech and Slovak markets. It provides life and non-life personal lines, as well as insurance for small, mid-sized, and large customers covering business and industrial risks and agriculture.

With a market share of 23.1% (as at 31 December 2025), calculated according to the Czech Insurance Association's methodology, it is one of the largest domestic insurance companies. In Slovakia, the branch is one of the fastest-growing insurers and, with a market share of 13.8%, ranks among the top three. Generali Česká pojišťovna is also part of Generali Group, one of the world's largest insurance and asset management providers. Together with other Generali Group companies, Generali Česká pojišťovna is part of the Central and Eastern Europe region, which is a key component of the group's Insurance Division.

Generali Česká pojišťovna's size and stability guarantee that it will be able to meet its commitments whatever the circumstances. This was confirmed by the financial strength rating of A+ with a stable outlook, as well as the long-term credit rating of aa--, both reaffirmed for 2025 by the international rating agency AM Best.

The Company combines major technological innovations with fast, professional services. The constantly broadening use of modern technology and advances in robotics and automation also help in situations where customers need to be provided with really effective, fast assistance.

A key competitive advantage of Generali Česká pojišťovna is its integrated offering under the Generali brand, combining insurance with pension and investment solutions. It also boasts the largest network of in-house insurance advisers, who offer their expertise in the spirit of lifelong partnership with their customers.

Our policy of embracing innovation is valued by experts, who last year declared Generali Poisťovňa the Most Innovative Insurance Company on the Slovak market for the fifth year running. Generali has thus long been perceived in Slovakia as an innovative trendsetter and digital champion, and continues to reinforce this position.

In 2025, Generali Česká pojišťovna continued to strengthen its role as a reliable lifelong partner for its customers. This was evident in its product and service innovations focused on simplifying everyday life and supporting a more sustainable approach.

In motor insurance, the Company concentrated on improving convenience and efficiency. In April, sustainable vehicle repairs were introduced into practice, offering clients a more environmentally friendly and cost-effective way of handling claims, particularly for windscreens and unpainted body parts. This approach has the potential to reduce annual emissions in the Czech Republic by up to 500 tonnes of CO_2.

In June, a new variant of the Expres collision insurance product was launched, with a clear emphasis on the speed of claims settlement. Claims under this product are always handled on a cost estimate basis, with payment made within two days of vehicle inspection and submission of the required documents. Expres insurance is available for vehicles up to 20 years old.

Digitalisation advanced significantly at the Company in 2025. In August, the Company introduced a new online tool for arranging property insurance, Můj majetek 2.0, using elements of artificial intelligence and offering a modern, clear, and highly user-friendly environment. In October, this digital portfolio expanded to include the option to arrange Odpovědnost liability insurance and Chytré cestovní pojištění (smart travel insurance) online, enabling clients to secure comprehensive protection more quickly and conveniently.

Continued progress in digitalisation and the use of artificial intelligence played a key role. This focus brought tangible benefits for policyholders, reflected in more than 900,000 users of the Moje Generali combined app and client zone. Effectively an insurance company in your pocket, it offers a convenient experience for managing policies and handling other matters. A local version of the Moja Generali app was launched in Slovakia at the end of 2025.

Sustainability (ESG) is playing an ever-greater role in the insurance industry, and Generali Česká pojišťovna remains proactive in this area. Beyond its commitment to reducing greenhouse gas emissions, it integrates sustainability into its product offerings. Product innovations include cover for green roofs, façades, and photovoltaic systems, alongside more favourable terms for clients actively contributing to sustainability, such as energy-efficient and timber buildings. A standout initiative in this field is SME EnterPRIZE, a competition that promotes sustainable entrepreneurship in the Czech Republic, which was organised for the fifth time in 2025. Sustainability is also reflected in the Company's fleet, which is becoming increasingly electrified. Generali Česká pojišťovna employees have 23 fully electric vehicles available for business travel.

Generali Poisťovňa also introduced a range of product innovations in Slovakia. In life insurance, coverage was significantly enhanced in spring through an expanded list of diagnoses and their clear division into five groups. Additional diagnoses include Crohn's disease, Lyme disease, tuberculosis, and paralysis of one limb. The Company was the first insurer on the market to include specific diagnoses such as anorexia nervosa and bulimia, organ donation to a family member, and scoliosis in children. At the same time, the Company supported the civic association Chuť žiť, which helps people with eating disorders. For selected progressive diagnoses (Alzheimer's disease, Parkinson's disease, multiple sclerosis), conditions were adjusted so that clients receive financial support from the early stages.

Further innovation in life insurance came with the launch of the SRDCE Plus product, providing more comprehensive protection in the event of cardiovascular diseases and procedures. The product covers a range of serious cardiac surgical procedures. As men are affected by heart conditions more than women, enhanced bonus benefits were introduced for them for a specified period.

In non-life insurance, Generali became the first insurer in Slovakia to launch standalone bicycle collision insurance. The policy covers standard and electric bicycles, scooters, bike trailers, and tricycles against accidents, theft, and natural events across Europe, includes 24/7 cycling assistance, offers cover up to €10,000, and allows up to five bicycles per policy.

From a corporate social responsibility perspective, Generali Česká pojišťovna continued its involvement in The Human Safety Net (THSN), a global initiative supporting vulnerable families with children under the age of six. In the Czech Republic, this included ongoing cooperation with SOS Children's Villages and the Leontinka Foundation.

Within the framework of the help provided to SOS Children's Villages, the Company supported the Big Five method under the SOS Compass programme. The aim, to avoid children being placed in out-of-home care, is built around the work of a social worker who visits the family in their home setting and, in particular, helps them to deal with their social or material needs so that the youngest members of the family can grow up at home. Over the past year, this joint project helped 1,251 children and 652 parents across 18 locations.

In partnership with the Leontinka Foundation, the Company continues to support families with visually impaired children, with a strong focus on early intervention social services. These services provide guidance, counselling, and assistance to over a thousand families with visually impaired children. Under The First 1,000 Days Matter programme, last year saw the maximisation of children's potential and skill development in areas such as visual perception, communication, motor skills, self-care, and speech. In total, 460 children benefited from this support, while 580 parents of visually impaired children gained timely access to expert assistance and psychosocial support.

The Company is also working hard on the development of The Human Safety Net initiative in Slovakia. Here, Generali Poisťovňa is behind a unique programme called Learning for Life, which helps disadvantaged and socially vulnerable families with children up to the age of six. The programme is continuously evolving to meet the needs of families from underprivileged communities. Since 2018, more than 4,524 courses have been organised in early childhood centres, along with summer camps for nearly 1,405 children. Today, 20 early childhood centres across 26 locations in Slovakia operate under the auspices of the Union of Early Childhood Centres.

A new THSN development in Slovakia is cooperation with the non-profit organisation JEDEN RODIČ. Together with Generali, the Small Steps – Big Changes project was launched to support single parents in their everyday lives so they can create a stable and safe environment for their children.

We build long-term partnerships with our clients that are grounded in trust and understanding. Modern systems allow us to provide personalised advice and high-quality service. Our advisers receive regular training to ensure they deliver genuine added value.

THE INSURANCE MARKET – SITUATION AND OUTLOOK

THE MARKET IN 2025

CZECH REPUBLIC

The past year was more favourable for the insurance market, with both the frequency and intensity of catastrophic events significantly lower than in 2024. A more stable claims experience, combined with a recovery in economic growth, created conditions that allowed insurers to focus more on product development, investment in innovation, and further improvements in client services.

Total written premiums of Czech Insurance Association members, under new methodology, came to CZK 198 billion, up 7.2% year on year. The market continues to deliver solid growth, reflecting rising interest among households and businesses in asset protection and financial stability. Both life and non-life insurance contributed, with non-life remaining more dynamic and the main pillar of the market.

Non-life insurance grew by 8.5% year on year, driven by stronger demand for broader coverage and adjustments to sums insured to reflect current price levels following past natural events. The strongest growth was recorded in business insurance, particularly through adjustments to existing contracts. This was followed by property and liability insurance for individuals, both growing by approximately 10%.

Motor insurance grew more moderately, despite rising repair costs and claims expenses. Motor third-party liability insurance increased by 6%, while collision insurance, after growing strongly and peaking in previous years, is now gradually slowing and rose by 7.2% in the past year.

Life insurance also recorded positive growth, rising by 5.9% under the new Czech Insurance Association methodology. Clients continue to seek long-term financial protection and are increasingly taking out cover for the risk of death and supplementary insurance. This trend is strengthening the role of life insurance within the market. However, this growth does not include supplementary risk insurance, particularly for illness and accidents, now classified under Solvency II as income protection within non-life insurance. If it were included, life insurance growth would be even stronger.

SLOVAKIA

The Slovak insurance market also maintained its growth trajectory, despite a more challenging regulatory and tax environment. Member insurers of SLASPO wrote almost EUR 3.2 billion in premiums, up 7.4% year on year.

Growth was driven primarily by non-life insurance, with premiums written increasing by 10.1% year on year to EUR 2.04 billion. Non-life insurance now accounts for nearly two thirds of the market, with strong growth underpinned by price increases in motor insurance due to high claims and rising vehicle repair costs. Motor third-party liability insurance accelerated by 3.6 percentage points year on year to 13.7%. Collision insurance grew more slowly than in the previous year, but still maintained solid growth above 10%.

Life insurance, calculated under the SLASPO methodology, which fully includes single-premium contracts, increased by 3.1%. This is slightly lower than in the previous year; however, regular-premium life insurance maintained a similar pace, growing by 4.1%. This confirms growing client awareness of the importance of long-term financial protection and security.

OUTLOOK FOR THE DEVELOPMENT OF THE INSURANCE MARKET

The insurance market will maintain its growth momentum in 2026, although at a more moderate pace than in the previous period, reflecting the gradual saturation of certain insurance segments.

THE ECONOMIC SITUATION IN THE CZECH REPUBLIC

Global developments last year were marked by uncertainty linked to the introduction of tariffs by the United States. However, this has not yet fed through into a slowdown in global growth. In Europe, several countries announced plans to increase spending on defence and infrastructure, which began to support industrial performance towards the end of the year. For this year, a moderate acceleration of GDP growth is expected in the United States and a slight slowdown in the euro area.

In response to falling inflation in the euro area, the ECB cut interest rates four times last year, each time by 25 basis points, most recently in June, bringing the deposit rate to 2%. The Fed, concerned about rising price pressures, including those linked to import tariffs, reduced its main rate for the first time only in September, followed by further cuts at both meetings in the fourth quarter of 2025, each time by 25 basis points, to a range of 3.50–3.75%. ECB rates are expected to remain stable this year. As of mid-February, the yield curve implied a total reduction of more than 50 basis points for the Fed over the year.

Economic growth in Central Europe presented a mixed picture. GDP growth in the Czech Republic reached 2.5%, exceeding initial expectations. Growth was driven by domestic demand, particularly household consumption. In 2026, only a slight slowdown in the Czech economy is expected, with continued growth in household consumption supported by real income growth and stronger investment activity backed by EU funds.

Inflation in the Czech economy has remained within the Czech National Bank's target band since the beginning of 2024. In 2025, average inflation stood at 2.5%, and this year it is expected to fall below 2%, driven by food prices, a stronger crown, and the transfer of renewable energy payments to the state. Inflation is expected to return to the 2% target in 2027. The Czech National Bank cut interest rates in February and May last year, each time by 25 basis points, with the repo rate remaining at 3.50% since then. The Bank Board considers that the current situation still requires relatively tight monetary policy, while assessing the risks and uncertainties to the inflation outlook as broadly balanced. Interest rates are expected to remain unchanged throughout 2026. The crown appreciated by 4% in December compared with the end of 2024. At the end of 2025, it traded slightly above CZK 24.20 per euro and remained at a similar level in mid-February.

THE ECONOMIC SITUATION IN SLOVAKIA

In 2025, the Slovak economy faced a combination of challenges from both domestic and external factors. Economic growth slowed significantly to 0.8%, reflecting global trade protectionism and shutdowns in the key domestic automotive industry.

Slovakia continues to undergo a demanding process of fiscal consolidation. Tax increases pushed inflation above 4% by more than one percentage point, while also dampening household consumption, although real wage growth remained positive. Inflation in 2025 would have been even higher without continued blanket government subsidies for energy prices. This, however, kept the public finance deficit high, at around 5% of GDP. Continued consolidation in the coming years is therefore likely to keep weighing on economic growth.

These factors led S&P in April 2025 to revise the outlook to negative, while affirming the rating itself at investment grade A+.

ECB interest rates reached a neutral level, with the deposit rate stabilising at 2% in June 2025. Generali Asset Management expects rates to remain stable at current levels, as inflation in the euro area is expected to remain at or below the ECB's 2% target. Current market expectations of a slight rate increase at the beginning of 2027 are considered overstated.

The open and export-oriented Slovak economy nevertheless remains vulnerable due to its high exposure to the automotive industry, which may continue to face uncertainty linked to protectionism, such as US import tariffs or export restrictions on strategic raw materials from China. A stronger euro against the US dollar would also weaken export competitiveness. On the other hand, improving euro area performance and investment activity linked to EU programmes, including higher defence spending and fiscal stimulus in Germany, should support the Slovak economy.

REPORT ON FINANCIAL PERFORMANCE

Generali Česká pojišťovna has long been a highly capitalised and stable company, with assets totalling more than CZK 111 billion as at CZK 31 December 2025. Shareholder's equity is CZK 30.5 billion and the share capital stands at CZK 4 billion.

ASSETS

The value of investments in equity holdings remained unchanged year on year.

The most significant item by volume on the asset side is investments, which totalled CZK 70.8 billion as at 31 December 2025, down by approximately CZK 300 billion on 2024.

More details on the Company's asset position are provided in the financials of this Annual Report.

TREASURY STOCK

Generali Česká pojišťovna a.s. did not hold any treasury shares during the 2025 accounting period.

EARNINGS

In 2025, Generali Česká pojišťovna a.s. reported a post-tax profit of CZK 4.8 billion a.s. according to international accounting standards, an almost CZK 1.2 billion increase year on year. This rise is primarily driven by the insurance service result, which amounted to CZK 6.1 billion in 2025, representing year-on-year growth of approximately CZK 1.8 billion. Details of the Company's financial performance are set out in the financials of this Annual Report.

SHARE CAPITAL AND RESERVES

The Company's share capital was unchanged at CZK 4 billion in 2025.

The Company's equity decreased in 2025 by approximately CZK 2.5 billion compared to 2024, falling to CZK 30.5 billion.

DIVIDENDS IN PREVIOUS YEARS

In April 2025, the sole shareholder, acting in the capacity of the General Meeting, decided to pay a dividend for 2024 totalling CZK 8 billion.

ASSETS AND LIABILITIES ARISING FROM INSURANCE CONTRACTS

Total assets and liabilities arising from insurance contracts, measured according to international accounting standards (net of the reinsurer share) amounted to CZK 61.1 billion as at 31 December 2025, and were down by CZK 1.4 billion year on year.

LIFE INSURANCE ASSETS AND LIABILITIES

These assets and liabilities account for almost two thirds of total assets and liabilities (58%) and mainly comprise liabilities for residual cover and liabilities for claims incurred. Liabilities for residual cover as at 31 December 2025 came to CZK 32.5 billion, a CZK 0.8 billion decrease year on year.

NON-LIFE INSURANCE ASSETS AND LIABILITIES

These assets and liabilities mainly comprise liabilities for residual cover and liabilities for claims incurred. Liabilities for residual cover as at 31 December 2025 came to CZK 5.8 billion, a CZK 0.7 billion increase year on year. Liabilities for claims incurred as at 31 December 2025 amounted to CZK 19.1 billion, a CZK 1.3 billion decrease year on year.

RECEIVABLES AND PAYABLES

Receivables remained broadly stable year on year, with a slight decrease of CZK 43 million, driven mainly by a reduction in tax receivables and lower ECL reflecting a higher volume of write-offs of accessories on overdue receivables. Payables increased by CZK 2.4 billion year on year, primarily due to a rise in collateral for derivative transactions of CZK 966 million. Other payables continue to include a significant amount owed to the Ministry of Finance of the Czech Republic in respect of employers' liability insurance administered by the Company on behalf of the state, totalling CZK 1,371 million. The remaining increase in payables reflects a higher volume of unapplied payments.

FINANCIAL LIABILITIES

Financial liabilities decreased by CZK 156 million between 2025 and 2024, largely due to a decline in the fair value of derivatives.

REPORT ON BUSINESS ACTIVITIES

Generali Česká pojišťovna is a composite insurer providing life and non-life personal lines, insurance for small, mid-sized, and large customers covering industrial and business risks, and agriculture. The internal distribution network is operated in the Czech Republic by the subsidiary Generali Česká distribuce a.s., and in Slovakia by the subsidiary Generali Slovenská distribuce a.s.

CZECH REPUBLIC

NON-LIFE INSURANCE

Generali Česká pojišťovna is one of the largest insurers in the Czech Republic's non-life insurance sector, offering a broad range of products to meet customer needs.

In 2025, Generali Česká pojišťovna a.s.'s non-life premium billing came to CZK 34.7 billion, tantamount to year-on-year growth of CZK 2.4 million (7.5%), underpinned by a significant 4.0% increase in the number of contracts in the insurance portfolio. This result continues to be influenced by the market's inflationary trends. The Company is still conducting a review of the adequacy of customer insurance coverage, which translates into an increase in policy amounts and therefore a rise in premiums written.

The year-on-year percentage-based rise in the Company's premiums written is lower than the market growth, which stands at 8.5% according to Czech Insurance Association guidelines. This market growth in non-life insurance is higher than in 2024.

Claims expenses fell sharply compared with 2024, down CZK 4.3 billion to CZK 16.9 billion. This decline was driven primarily by the absence of any major catastrophe events in 2025. The Company's reduction, at 20.5%, was significantly higher than the market decrease of 14.9%.

BUSINESS RISK INSURANCE

In business risk insurance (including accepted reinsurance), premiums written in 2025 increased by CZK 700 million, a stronger increase than in the previous year. The increase was driven by property insurance for medium-sized businesses and corporate trade in equal measure.

Claims costs in the business insurance segment fell by CZK 3.3 billion year on year in 2025.

CORPORATE INSURANCE

Last year delivered strong growth in premiums written, which exceeded 2024 by CZK 300 million. Performance was driven mainly by property insurance and liability for large risks.

Claims expenses fell by CZK 1.5 billion compared to 2024.

SME PROPERTY AND LIABILITY INSURANCE, INCLUDING AGRICULTURAL INSURANCE

Last year was even more successful for the medium-sized enterprise segment than for the corporate segment.

Premiums written rose by CZK 400 million, while claims expenses fell by CZK 1.7 billion. The increase in premiums written was primarily underpinned by property insurance for small risks, which grew by CZK 180 million.

NON-LIFE PERSONAL LINES

Non-life personal lines continued to grow in 2025, with premiums written increasing by almost CZK 700 million year on year, broadly in line with 2024.

Favourable weather conditions and the absence of catastrophe events reduced claims expenses in personal property insurance by CZK 2 billion year on year.

MOTOR INSURANCE

In motor insurance, premiums written grew faster than in the previous year, rising by CZK 1 billion year on year. Most of this growth came from the retail segment.

Collision insurance continues to play a key role in stabilising financial results and supporting the profitability of non-life insurance. Premiums written increased by CZK 700 million year on year, while claims expenses rose by CZK 650 million.

In motor third-party liability insurance, premiums written increased by CZK 300 million, while claims expenses fell by almost CZK 140 million.

CORPORATE INSURANCE

In corporate insurance, 2025 was defined by the decommissioning of legacy systems and the continued migration of insurance contracts to a new operating platform for large risks. This process will be completed by 31 December 2026. To track the success of offers across their full lifecycle, the Group-wide AGORA tool was launched and progressively enhanced with additional components, significantly strengthening pipeline management. The Company continues to focus on improving profitability across all lines of business, including by placing a greater emphasis on more detailed information on insured risks.

SME PROPERTY AND LIABILITY INSURANCE

In 2025, the Company continued its campaign targeting clients whose sums insured in property insurance had not been updated for an extended period, as well as those with low liability limits. This was followed by premium increases on existing policies at renewal. Premium rates were increased for loss-making clients in school liability insurance. In property insurance, the loss-making segment of biogas plant insurance was addressed. A calculator for determining updated building values in line with the valuation decree was implemented across all property insurance products, helping to avoid incorrect sums insured and potential reductions in claims payments due to underinsurance.

TRANSPORT AND FINANCIAL RISK INSURANCE

As part of ongoing digitalisation, the Company launched the Zásilky application in 2025, enabling clients with a framework insurance contract to register individual shipments for parcel insurance.

AGRICULTURAL INSURANCE

Several significant developments shaped the agricultural sector in 2025. While not reflected in the insured portfolio for the year, they may materially influence future performance. In livestock insurance, this primarily involved the risk of the introduction of the highly contagious foot-and-mouth disease (FMD) into the Czech Republic and its outbreak in Slovakia. In crop insurance, the first half of the year remained relatively stable, with commodity prices declining only in the second half. Although this did not affect premium levels, it is expected to have a significant impact on the following year.

From the perspective of loss ratio and claims costs, 2025 was favourable, particularly in agricultural insurance. It was the first time in several years that were no catastrophe events.

Product development focused mainly on simplifying processes and advancing digitalisation. In the autumn, attention also turned to improving profitability in crop insurance and adjusting conditions for 2026 in livestock insurance in response to the FMD risk.

SLOVAKIA

NON-LIFE INSURANCE

Non-life insurance in 2025 faced a range of challenges driven by technological progress, climate and legislative changes, and evolving customer behaviour. These factors affected multiple segments and required an active response from the Company.

MOTOR THIRD-PARTY LIABILITY AND MOTOR INSURANCE

Motor insurance continued to be affected by rising average claim costs, driven mainly by inflation in repair and spare parts prices. The Company responded to adverse developments in both collision insurance and motor third-party liability insurance, while also taking into account changes in VAT and other impacts of the government's consolidation package. In the regulated motor third-party liability segment, the priority remains to ensure sufficient premium levels to cover claims and to continue optimising tariffs.

DOMINO PROPERTY AND LIABILITY INSURANCE

The impact of climate change remained evident in property insurance in 2025. The Company therefore continued to send information letters on voluntary indexation, as underinsurance remains a significant risk for part of the client base.

The DOMINO product underwent further simplification and expansion of coverage. Limits for individual risks were increased and the range of additional cover expanded. A key innovation was the ESO Allrisk add-on, introducing all-risk coverage for residential property.

2025 also brought significant product innovation, with several new types of insurance introduced in response to changing client needs:

- Bicycle Collision Insurance, which received the Zlatá Mince award and the EcoProdukt title; Medical Aid Insurance; Sports and Fishing Equipment Insurance; Musical Instrument Insurance.

These products expanded the Company's portfolio and strengthened its position as an innovator in the Slovak market.

TRAVEL INSURANCE

Travel insurance, which has built a strong position since its launch, saw shifts in customer behaviour in 2025. Destination preferences changed, while average claim sizes increased. This trend required adjustments to product parameters and further innovation.

AWARDS AND MARKET POSITION

The quality of products and services was again reflected in success in industry awards, including the SIBAF® Award, Zlatá Mince, and FINREPORT awards.

Generali enters 2026 with the aim of further strengthening its position as one of the leading insurers in Slovakia, continuing to modernise its products and services, and remaining a reliable partner for clients across all their insurance needs.

CZECH REPUBLIC

LIFE INSURANCE

In 2025, Generali Česká pojišťovna a.s. focused on supporting sales across both internal and external distribution. For new contracts under Můj život version 2 and Bel Mondo 20, a new life insurance configurator, LISA, was rolled out for distribution purposes, featuring a range of enhancements and automation designed to reduce the time needed to conclude a contract. Service and support for existing clients were also improved. The online contract update process in the new LISA configurator includes automatic health assessment when insurance is changed, including for contracts originally concluded with the former Generali pojišťovna.

Based on feedback from distribution channels, the Company also supported new business through targeted sales campaigns focused on selected client segments, such as children and clients aged 45 and over. Nor has it neglected younger clients, aiming to engage them in the digital environment. As part of preparations for online sales of life and personal accident insurance, a “quick calculator” for life insurance was launched on the Company’s website in the autumn, helping (not only) younger clients to navigate product options more easily. Clients can obtain an indicative price through a model calculation and, if interested, leave their contact details to be contacted by an insurance representative.

The long-term shift towards protection against unexpected events continues in life insurance. In newly concluded contracts, the share of premiums for life insurance risks (such as disability and serious illness) and income protection insurance continues to increase, at the expense of accident insurance. This reflects a positive trend in covering clients’ most important needs, as the frequency and severity of illness-related impacts significantly outweigh those of accidents.

FINANCIAL INDICATORS

Total premiums written for regular-premium life insurance contracts increased by 4.6% year on year to CZK 11.1 billion. Single-premium products generated CZK 0.5 billion in premiums written. Regular-premium life insurance products were purchased by 160,000 customers in 2025.

In 2025, life insurance claims paid out fell by 3.4% year on year to CZK 8.2 billion. As in previous years, the greatest number of paid claims was in the “death and survival insurance” class. Measured by monetary volume, most funds (CZK 3.1 billion) were released in the form of endowments. In 2025, the Company handled 252,000 claims under the life insurance portfolio.

OUTLOOK

In 2026, the Company will continue to monitor developments in national and European regulatory requirements, particularly in relation to legislation, relevant case law, and the practical application of regulation in the insurance sector. A continued emphasis will be placed on meeting EIOPA expectations in terms of value for money, in particular in relation to the benchmarking of the underlying funds of life insurance products with an investment component (as defined in the document Methodology on Value for Money Benchmarks, EIOPA-BoS-24-332, dated 27 August 2024). Attention will also be paid to developments in national and European oversight and supervisory practices, including ongoing monitoring of relevant publications and positions issued by the Czech National Bank.

In conducting its insurance activities, the Company will act with professional care and in the best interests of clients, with a particular focus on consumer protection in the distribution, sale, and modification of life insurance contracts. Building on previous years, Generali will continue in 2026 to focus on transparent product development, particularly in bringing products to market and providing clear and comprehensive information to clients throughout the life of the policy and at its termination. The Company will continue to ensure that its products meet regulatory expectations over the long term and deliver appropriate value to clients.

SLOVAKIA

LIFE INSURANCE

Generali Pojišťovna again focused primarily on making qualitative improvements to its La Vita life insurance product throughout 2025.

Drawing on its market monitoring and distributor requirements, the Company continued to improve the quality of its products and enhance selected supplementary insurance coverage. New risks were added for serious illness cover, including a variant with a decreasing sum insured. Coverage was also extended to include the Srdce Plus risk, covering selected cardiac operations and procedures. Another development was the extension of cover for travel-related illnesses to a broader group of clients, previously limited to students. The La Vita product on the website was expanded to include additional risks, allowing clients to take out insurance with very attractive coverage without the need for health assessments.

In the group insurance segment, the product offering was updated for group risk insurance for employees and for group personal accident insurance, covering both short-term and long-term periods. A key innovation was a change in the possibility of concluding insurance for these group products electronically.

FINANCIAL INDICATORS

Total premiums written on regular-premium life insurance contracts increased by 10.4% year on year to EUR 145.4 million. Regular-premium life insurance products totalling EUR 34.9 million were purchased in 2025.

Life insurance claims paid out in 2025 rose by 2% year on year to EUR 80.92 million. As in the previous year, the greatest number of paid claims was in the “death and survival insurance” class. Measured by monetary volume, most funds (EUR 17.7 million) were released in the form of endowments. In 2025, more than 75,000 claims were paid out under the life insurance portfolio.

OUTLOOK

In its product development, the Company will continue to focus on innovations and enhancements to La Vita. It will also strive to complement its product offering appropriately, especially in regular-premium life insurance, in order to reach as many customers as possible. Further expansion will also affect the payment protection product portfolio. Here, the Company wants to further strengthen its market position and cover additional segments of credit products, for example through key person insurance for companies.

In 2026, the Company will continue to monitor current consumer protection requirements in life insurance distribution, sale, and changes. Particular attention will be paid to monitoring and fulfilling demands related to EIOPA’s oversight requirements in the value for money of life insurance with an investment component and group products insuring the credit liabilities of customers of Generali pojišťovna.

During 2026, the Company will continue to focus on evaluating the implementation of the new requirements under Commission Delegated Regulation (EU) 2021/1257 related to the integration of sustainability factors, risks, and preferences into product oversight requirements and into conduct in the provision of advice for insurance-based investment products.

In addition, the Company will continuously monitor developments related to Regulation (EU) 2019/2088 of the European Parliament and of the Council on sustainability-related disclosures in the financial services sector to ensure that customers are always provided with comprehensible and up-to-date information within the scope of life insurance.

Sales of Insurance

CZECH REPUBLIC

INTERNAL DISTRIBUTION CHANNELS

Internal distribution in early 2025 focused on driving sales of motor third-party liability and collision insurance. The Motor Back to Market campaign offered clients attractive motor insurance terms, including benefits for drivers with ten years of claim-free history in MTPL, incentives for using more cost-effective and environmentally friendly repair methods, and a new collision insurance product for vehicles older than four years. These measures had a strong positive impact on new business in retail motor insurance.

At the beginning of the year, the CEO Strategic Council was established, replacing the former advisory body, the CEO Collegium. It provides a platform for effective dialogue with management on key commercial topics, including balanced cooperation terms, input in new products and services, portfolio management, professional development, and competitiveness. Following elections at the start of 2025 and management appointments, 22 representatives of the internal distribution network were selected – advisers and managers from retail, branch, and SME networks. Their names were announced in February at Forum 2025 in Brno.

Forum is the annual internal distribution meeting, traditionally held at the Brno Exhibition Centre, and is one of the year's key events. More than a thousand advisers and managers attend to review business performance, discuss plans for the coming period, and recognise top performers. The main theme of Forum 2025 was stabilising the client base and aligning performance growth with market trends. Activities supporting this objective were reinforced by the Otáčíme skóre ("Turning the Tide") incentive programme, which ran until the end of 2025.

During 2025, several new features were introduced to support advisers in their work with clients. As of February, SME contracts could be concluded via SMS signature. In September, a new feature in the Prospector app enabled advisers to identify business opportunities through clear insights into key changes in their clients' companies. Sales activity was further supported by a new feature in the Moje Generali app, allowing clients to book appointments with advisers.

Two major innovations defined the year. The new LISA configurator replaced LISA2 and now ranks among the leading life insurance configurators. In an internal survey, more than three quarters of advisers rated it as very good, particularly for its stability. The second was Miniplan, a simplified version of the Generali Plan, covering the client's life, property, and family situation, contracts, plans, and goals. Clients can pre-fill Miniplan ahead of a meeting and then review and complete it with their adviser, saving time on both sides.

The most significant change in internal distribution was an organisational restructuring effective from 1 July 2025. The number of regions was reduced from 15 to 10, simplifying processes, improving management efficiency, and clarifying roles and responsibilities.

Recruitment remained focused on expanding internal distribution capacity. A targeted campaign for experienced advisers resulted in 142 new hires. The internal network was further strengthened by an expanded succession programme, enabling senior advisers to transfer their client portfolios smoothly to successors. In training, the Vést a růst ("Lead and Grow") programme was launched, developing both business and communication skills among managers.

From a performance perspective, investment results reached record levels. Clients invested a record CZK 856 million in GICEE funds, exceeding the plan by 41%.

At year-end, the internal podcast Slyšíme vás ("We Hear You") was launched, featuring the Chief Commercial Officer and the Head of Internal Distribution responding to feedback from advisers and managers and commenting on current developments. The format quickly gained strong traction and will continue in 2026.

Representatives of Generali Česká Distribuce again demonstrated strong solidarity in 2025. Through the charitable initiative "Superhrdinové jsou i ve vašem regionu" ("Superheroes on Your Doorstep"), they raised CZK 536,700, providing significant support to Generali Group's projects under The Human Safety Net.

SPECIFIC DISTRIBUTION CHANNELS

External Retail Partners – Focus on Personal Lines

In 2025, cooperation with external partners progressed further, delivering a series of innovations and strong results. Collaboration deepened and delivered excellent performance across all lines of insurance. Growth accelerated overall, with even stronger momentum in strategic products.

INNOVATION AND DIGITALISATION

The Company continued to advance digitalisation and improve process efficiency. New features were added to the San Marco partner portal, including:
- claims tracking with the option to contact the loss adjuster;
- a new, more modern Training section;
- an electronic request for a change of portfolio manager.

At the same time, the Company responded to the needs of its sales network by developing the LISA calculator, significantly simplifying work with life insurance.

The new LISA calculator offers:
- a fast, clear environment with a modern design tailored to advisers' needs;
- an intuitive interface with a fully redesigned layout;
- instant calculation of variants, including health assessments;
- maximum clarity and simplicity;
- automatic saving, ensuring work in progress is never lost.

In non-life insurance, paperless policy conclusion was expanded:
- SMS signature for motor insurance, Můj Majetek, Bytové domy, and Jistota products.

PRODUCT PORTFOLIO SUCCESSES

In life insurance, two key enhancements were introduced alongside the LISA calculator:

- revised discount bands – a 40% discount on contracts up to CZK 1,000;
- an additional 50% benefit in disability insurance (level 3), automatically applied to sums insured arranged by December 2025.

In non-life insurance, the focus shifted more strongly to motor insurance:

- the "Rozjeďte to s námi" ("Get Moving with Us") campaign, aimed at increasing cross-selling;
- new tariffs and a preferential HAV Express Package, offering collision insurance for vehicles older than four years.

PARTNER TRAINING AND SUPPORT

The Company continued to support partners through training and workshops. The EDflix portal was expanded with new courses and materials, helping partners to deepen their expertise and improve client service.

FUTURE PLANS

In 2026, the Company will continue to pursue technological and product innovation.

In non-life insurance, it will simplify administration through electronic requests and focus on enhancing the attractiveness of the motor insurance pricing structure.

In life insurance, a spring campaign targeting children is planned, alongside the further development of the LISA calculator.

SLOVAKIA

BANCASSURANCE

In 2025, the Company maintained strong results in cooperation with banking partners. New business grew by 20% year on year, with the strongest growth in non-life insurance, particularly in personal property. The largest share of production generated through banking partners comes from individual regular-premium life insurance and payment protection insurance for consumer and mortgage loans.

In Slovakia, the Company works closely with Intesa Sanpaolo subsidiaries – VÚB banka and UniCredit Bank. Bancassurance remains a key distribution channel. The Company continues to introduce innovations in this area, both through dedicated bancassurance products and individual products such as La Vita and DOMINO, offered by VÚB banka as part of its financial advisory services.

EXTERNAL SALES

External sales delivered another year of growth and a stronger market position in 2025. Gross premiums written in this distribution channel increased significantly across multiple segments. Growth continued in life insurance, where new business exceeded EUR 13.1 million, up 8% year on year, reflecting strong cooperation with intermediaries and ongoing improvements to the offering. External sales in Slovakia again reached record levels, with total new business exceeding EUR 44 million. Net production increased by EUR 15.9 million year on year, delivering outstanding performance. This reflects growing client confidence and successful strategy execution. These figures highlight both the momentum in external sales and the high quality of partner performance, with their commitment and professionalism supporting Generali's long-term stability and growth.

INTERNAL NETWORK

The Slovak internal network delivered a strong year in both sales and client service across retail and corporate segments. 2025 was marked by transformation aimed at improving process efficiency and streamlining the management structure. As of 1 March 2025, the Retail and Corporate Networks were merged into the single, stronger Internal Distribution. Client needs continue to be served by 700 advisers, supported by 65 managers. This stable structure drove growth in both new business and the existing portfolio. Beyond ongoing growth, the internal network contributes to the Group's ambition to be a true lifelong partner for clients. The advisory-led service model remains a key priority. Across more than 130 Generali Slovenská distribúcia offices, clients can address not only insurance and service needs, but also matters relating to investment, pensions, and housing finance.

REPORT ON OPERATIONS

CUSTOMER SERVICES

Customer service units are responsible for serving customers via the communication centre, which covers insurance contract administration, the entry of contracts in systems, contract amendments, payment processing, and the handling of the entire claim settlement agenda.

Customer satisfaction is a priority for the Company. Generali Česká pojišťovna continues to measure NPS-based customer satisfaction via the Medallia tool. Customers are approached with an email questionnaire. They use a scale from 0 (worst) to 10 (best) in assessments of Company services. Customers awarding scores from 0 to 6 are contacted again by a Company employee. The aim of the call is to identify the root cause of the customer's dissatisfaction. This output serves as a reference for improvements in internal processes. The Company determines customer satisfaction at five key points of interaction – insurance contracting, the service, claim settlements, insurance contract renewals, and insurance contract cancellation. In 2025, Generali Česká pojišťovna received a total of 206,717 responses, and Generali Slovakia 21,536 responses.

In 2024, the Company prepared its 2025–2027 strategic plan, in which customer services play an integral role. A key aim of the plan is to further digitalise and automate processes to improve internal efficiency and, most importantly, speed up customer request handling in both the Czech Republic and Slovakia.

In 2025, Generali Česká pojišťovna introduced a number of innovations across its departments. The use of machine learning was expanded in selected processes and will continue to grow in the coming years. The Company continues to digitalise all processes where legislation permits, including full digitalisation of onboarding and the expansion of digital services within the Moje Generali client platform, where clients can handle everything quickly and easily at any time. Digitalisation is also advancing in client communications, delivering significant gains in efficiency and speed.

This shift to digital technologies improves the speed and accuracy of service, enhances client convenience, and significantly reduces the environmental footprint. Digitalisation therefore supports greater efficiency, improved service availability, and the Company's long-term sustainable development.

In 2025, almost 70% of claims were reported digitally, either via the web or through B2B services for partners. Clients could also use the redesigned claims tracking tool, which shows claim status, required documents, and provides direct contact with the claims handler. Artificial intelligence is increasingly embedded in claims processes, enabling faster settlement and partial or full automation. Digital services for reporting and managing claims are also available via the Moje Generali mobile app. At the same time, the Company continues to develop advanced tools to detect and prevent insurance fraud, supporting a responsible approach to managing claims costs.

In 2025, Generali Česká pojišťovna detected insurance fraud totalling CZK 755.7 million, surpassing the previous record set in 2023. This exceptional result was driven primarily by a sophisticated, continuously enhanced alert system that flags suspicious claims and behaviour. Approximately three quarters of detected fraud, or prevented losses, related to entities with business property and liability insurance. These entities claimed compensation to which they were not entitled, either in full or in part. Loss prevention under business insurance reached CZK 572.6 million, an increase of more than CZK 80 million year on year.

To improve the speed and accessibility of service, the Company continued to develop robotic tools for handling incoming calls, emails, and online chats. The most significant progress was in voicebot technology, through which more than 164,000 clients were served on the service line in 2025 without the need for a live operator.

In 2025, operators handled more than 375,000 incoming calls on the service line in the Czech Republic, and 150,000 in Slovakia. They also processed more than 227,000 further client service requests via online chat and email.

The call centre focuses on improving internal efficiency and service quality. Through the continuous enhancement of machine learning and data services, the Company can predict client enquiries and route them more accurately to the most suitable operators. This continues to support high levels of client satisfaction.

INVESTMENT POLICY

Financial investments stand alongside insurance and reinsurance as another important area of operations for the Company. They contribute significantly to overall Company assets and are financed primarily from insurance provisions and equity.

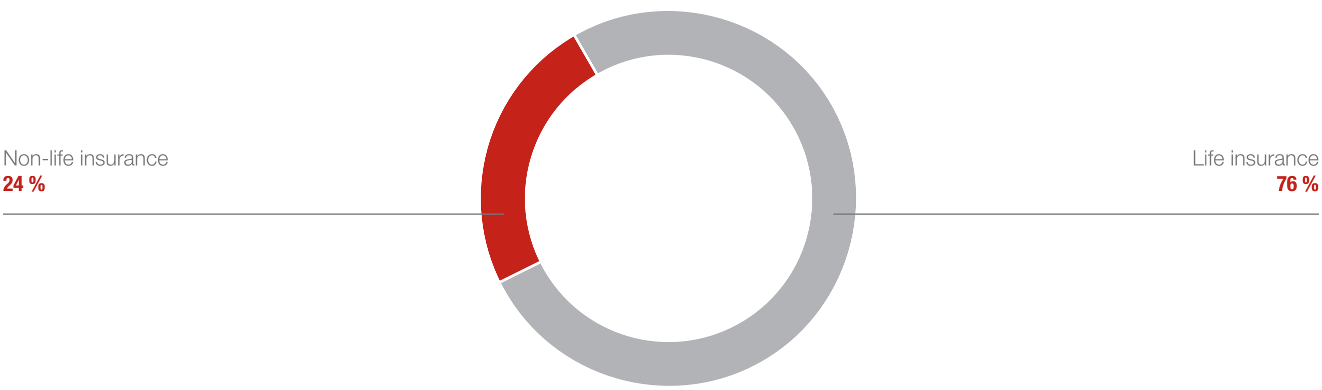
In keeping with the law, the Company makes investments based on the principle of prudent investment and a valid investment policy with the aim of achieving safety, liquidity, and profitability in order to ensure that the Company is fully capable of meeting its commitments to customers. As required by the Capital Market Act, the Company's investment strategy is published online at generaliceska.cz.

As a long-term institutional investor, an asset manager with a fiduciary duty, and a member of Generali Group, the Company exercises and asserts shareholder rights in order to mitigate risks and increase the value of the Company for its clients and shareholders over the long term. The approach to the exercise of shareholder rights is published in the Engagement Policy at generaliceska.cz.

From an investor perspective, 2025 ranks among the most successful years in recent decades. Equities, bonds, and private assets all delivered above-average performance. Bond markets benefited from risk premiums declining to multi-year lows and favourable central bank policies, with interest rates kept low (by both the Czech National Bank and the ECB) or reduced further (by the Fed and the Bank of England). These developments reflect relatively low economic growth and stable inflation close to the 2% target. The main disruptive factor was interventions by Donald Trump, particularly the threats to impose high import tariffs. However, final tariff levels were significantly lower than initially proposed and included numerous exemptions. Central Europe was among the best-performing regions. Local equity markets performed strongly, local currencies appreciated, and local bonds outperformed those of developed markets. This was supported by investor interest in emerging markets and a shift away from the US dollar due to weakening confidence in the US financial system. Precious metals benefited most from this trend, with prices doubling over the year. Favourable economic conditions are expected to continue in 2026. Economic recovery in the Czech Republic and Europe should strengthen, supported by favourable supply- and demand-side factors, including accommodative fiscal and monetary policy. Growth and investment in security remain priorities, and central banks have little incentive to tighten policy, as low energy and agricultural commodity prices, together with AI and low-cost imports from China, are expected to help keep inflation low.

At the end of 2025, total financial investments amounted to CZK 76.2 billion, of which CZK 58.0 billion related to life insurance and CZK 18.2 billion to non-life insurance. The majority of investments are in fixed-income instruments, primarily Czech and foreign government bonds, and corporate bonds issued mainly by investment-grade issuers.

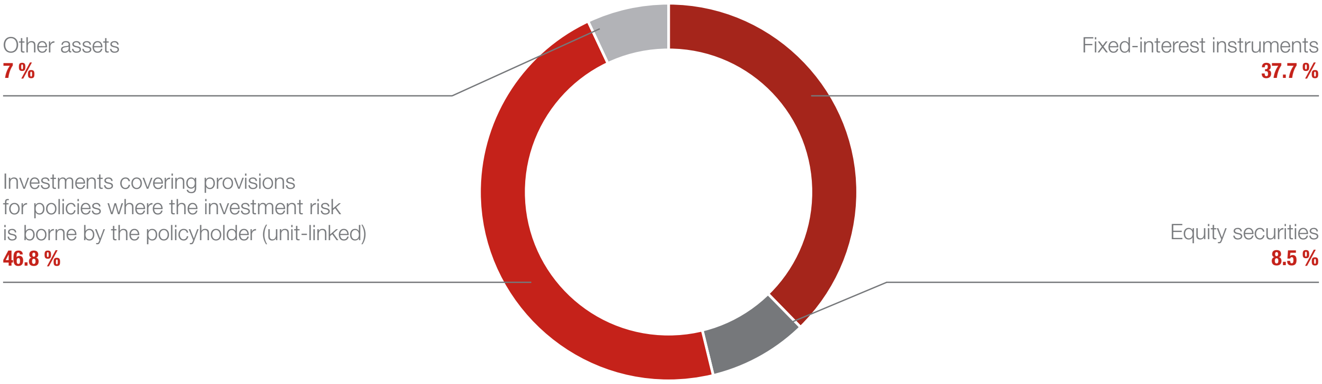
STRUCTURE OF FINANCIAL INVESTMENTS (IFRS, BOOK VALUE), BY BUSINESS SEGMENT



FINANCIAL INVESTMENTS WITHIN THE LIFE INSURANCE SEGMENT

In accordance with a feature typical for life insurance liabilities, i.e. their longer timeframe, debt securities covering life insurance provisions have, on average, longer to maturity. The aim is to safeguard a sufficient and stable yield in the long run that will enable obligations arising from insurance contracts to be met. In terms of accounting classification, all debt securities are classified as available-for-sale financial assets, so as to align the reporting of their result with the method used to account for insurance liabilities, and reduce earnings volatility resulting from changes in market interest rates.

STRUCTURE OF FINANCIAL INVESTMENTS (IFRS, BOOK VALUE), BY LIFE INSURANCE BUSINESS SEGMENT

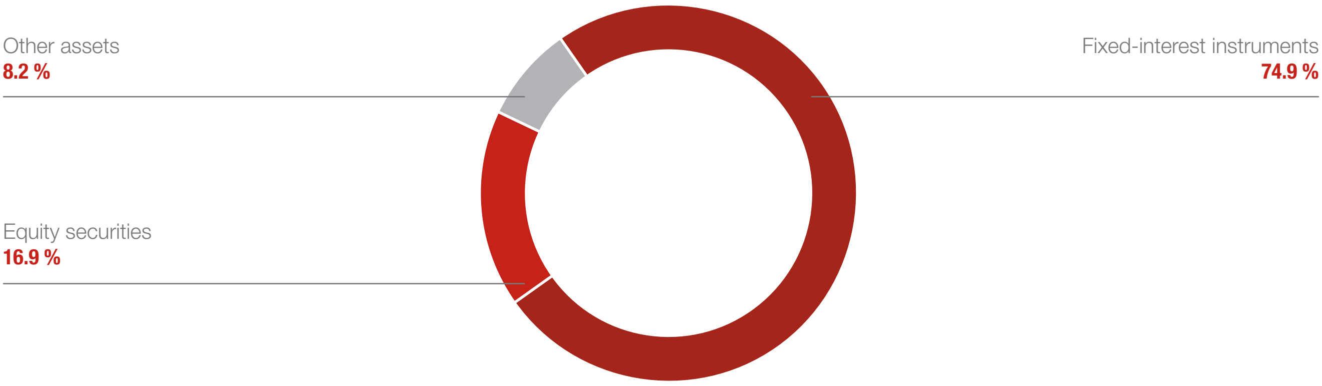


The total profit on financial investments within the conventional life insurance segment, before the deduction of management expenses, was CZK 4.2 billion. Positive developments on the financial markets meant that, in particular, contributions were also made by gains from the revaluation of investment funds, especially in the case of investments covering provisions for policies where the investment risk is borne by the policyholder, delivering a profit of CZK 3.3 billion.

FINANCIAL INVESTMENTS WITHIN THE NON-LIFE INSURANCE SEGMENT

Investments in the non-life segment are financed by non-life insurance technical provisions and the equity allocated to this segment. Since non-life liabilities are shorter than life liabilities, there are more assets with shorter times to maturity in the investment portfolio, as well as more liquid instruments, which can be readily converted into cash when needed to pay insurance claims.

STRUCTURE OF FINANCIAL INVESTMENTS (IFRS, BOOK VALUE), BY NON-LIFE INSURANCE BUSINESS SEGMENT



The total profit on financial investments within the non-life insurance segment, before the deduction of management expenses, was CZK 0.5 billion. Yields from fixed-interest instruments were the main contributor to this result.

REINSURANCE

Generali Česká pojišťovna's reinsurance programme is a long-term contributor to the Company's balanced earnings and stability. As a risk management tool, reinsurance shields Generali Česká pojišťovna, along with its customers and shareholders, from unexpected isolated or catastrophic events, as well as from random variations in loss frequency. Analyses of reinsurance needs and the optimisation of the reinsurance structure take place using modern dynamic financial analysis tools in collaboration with Holding Company experts and with the support of reinsurance brokers. Each year, the reinsurance programme is modified by the Holding Company to ensure that it reflects changes in the portfolio and the product line.

Generali Česká pojišťovna's principal and obligatory reinsurance partner is the Group's captive reinsurer, GP Reinsurance EAD, based in Bulgaria. Through GP Reinsurance EAD, risks are further retroceded into the Group's reinsurance contracts by Assicurazioni Generali S.p.A. Thanks to this optimisation, Generali Česká pojišťovna can profit from the advantages of Group coverage, and thereby further optimise reinsurance costs while expanding coverage terms. Group rules determine the maximum possible exposure that Generali Česká pojišťovna may have to each type of insurance.

Thanks to intensive work detailing individual risks in the portfolio, Generali Česká pojišťovna is able, through the use of sophisticated models, to control its exposure to risks arising from catastrophes. Flood losses are modelled regularly over the personal lines, commercial lines, and large risks portfolios. Gale and storm exposure is modelled in a similar structure.

Generali Česká pojišťovna is perceived by partners and affiliates as a stable and strong reinsurance partner in its own right. This fact is reflected in the volumes of obligatory and facultative reinsurance in the areas of corporate customers and large risks.

NUCLEAR INSURANCE POOL

The Czech Nuclear Insurance Pool (CNIP) is an informal consortium of non-life insurers based on the co-insurance and reinsurance of nuclear risks. For more than 30 years, the CNIP has offered insurance and reinsurance services for liability and property risks, including risks related to the transportation of nuclear material. Insurers on the Czech market do not usually insure nuclear risks on their own due to the specific nature of those risks, which are typically excluded from coverage. The insurers in the CNIP each provide their own net lines, the sum of which forms the overall capacity of the CNIP for individual types of insured risks. Within the CNIP, an Agreement on the Joint and Several Liability of Members is concluded every year to increase security and trust in the CNIP.

Generali Česká pojišťovna a.s. is one of the founding members of the CNIP and, since the outset, has been the lead insurer by agreement with those companies involved. The CNIP's executive body is the CNIP Office, which is incorporated into the Nuclear Pool and International Trade Department within the Corporate and Industrial Insurance Division.

Generali Poisťovňa, pobočka poisťovne z iného členského štátu is a member of the Slovak Nuclear Insurance Pool (SNIP). The SNIP, a loose association of insurance companies, was established by the Slovak Insurance Association. At present, the SNIP has eight members.

The SNIP operates on a similar basis to the CNIP, with the two associations working closely together to reinsure nuclear risks. Both pools meet regularly to discuss current nuclear risk issues.

HUMAN RESOURCES

At the end of 2025, there were 3,233 employees, down from 3,518 at the end of 2024.

The Company annually refines its core appraisal principles, which place an emphasis on positive motivation and on identifying and harnessing the strengths of individuals. Employee development and reward systems are closely linked to the performance review framework, ensuring that top-rated employees receive the greatest support in their professional growth.

Employee development is closely aligned with the Company's overall strategy and reflects current market trends. It is structured around the following areas:

Focus on Company-wide strategy and core competencies:

Learning and development activities support strategic objectives and build the critical competencies required for both the current and future environment. In 2025, the Company introduced learning pathways that supported the development of future skills and reflected different learning styles, enabling flexible, personalised development tailored to individual needs.

Inspiration from external sources:

Company activities were enriched with external input through cooperation with experts, guest speakers, and partner organisations, giving employees access to new perspectives and fresh impetus for professional and personal growth.

Support of internal growth and experimentation:

Innovation communities create space for internal growth, knowledge sharing, and experimentation. They reinforce the concept of a "learning organisation" and connect people across teams and generations.

Digitalisation and artificial intelligence:

The Company is strengthening its digital competencies, with a particular focus on standardising core digital foundations. It adheres to a "digital minimum" concept that builds practical digital skills and supports more efficient ways of working. Development is offered at different levels to reflect diverse employee needs.

Personalised development for managers and the talent pool:

Managers have access to tailored individual development. In 2025, the Company designed and implemented Cesta Talenta ("Talent Path"), a new approach to developing the talent pool based on deep personalisation and an enhanced range of learning opportunities. The Talent Path also supports the involvement of talent in strategic projects, strengthening their contribution to corporate priorities.

Access to training for all:

Learning and development opportunities are available to all employees, regardless of position or seniority. The broad range of digital platforms, internal workshops, and external professional events supports long-term growth across the workforce.

All learning and development activities are closely linked to performance management to ensure that they remain relevant and effective for each employee.

Generali Česká pojišťovna is considered a responsible employer within the EU and is a signatory to the Diversity Charter, committing to equal treatment and respect for all employee groups. The Company focuses not only on employing people with disabilities, but also on equal opportunities, fair remuneration, intergenerational cooperation, and employee well-being.

These priorities form an integral part of the corporate culture and complement development activities that support long-term sustainability, employee satisfaction, and stability across generations.

In an effort to retain key employees and prevent the loss of unique know-how, a scheme aimed at identifying, promoting and retaining employees with unique assets and expertise has been prepared. Mobilita ("Mobility"), a programme designed to broaden career opportunities within the Company and Generali Group, both in the Czech Republic and abroad, has also been continuing successfully.

A Company-wide annual satisfaction survey was conducted at the end of 2025 to monitor the engagement and satisfaction of employees. Building on the results of the poll and in an attempt to improve employee care, the Company continues to develop benefits that reflect the key lifestyle needs of employees.

The Company aims to deliver maximum flexibility in order to cover the diverse needs of all employees. It also prioritises employee well-being and has a long-standing commitment to supporting a work-life balance by offering flexitime and remote work options. The Red Quarter scheme, focused on enhancing office workspaces, continues to progress successfully.

SUPERVISORY BOARD REPORT

The Supervisory Board of Generali Česká pojišťovna a.s. is the Company's oversight body. It oversees the exercise of the responsibilities incumbent upon the Board of Directors and the pursuit of the Company's business activities. Its competence is derived from Czech legislation and the Company's Articles of Association. In particular, the Supervisory Board oversees the functionality and efficiency of the Company's management and control system, as well as matters related to its strategic direction.

The Supervisory Board of Generali Česká pojišťovna a.s. has five members, two of whom are elected by Company employees. Members of the Supervisory Board are elected and removed by the Company's General Meeting, with the exception of members elected by Company employees. Members of the Supervisory Board serve for terms of five years.

The Supervisory Board's work is guided by an activity plan which the Board sets for each half-year in advance. Outside of the activity plan, the Supervisory Board may discuss such matters as may arise between its meetings, provided that the nature of such matters so requires. Meetings of the Supervisory Board are held as needed, but not fewer than four times per year.

Individual checks, investigations, examinations, and inspections of Company materials, etc., are conducted by members of the Supervisory Board either individually or in groups authorised by the Supervisory Board in a resolution adopted at a Supervisory Board meeting or as separately authorised by the Chairman outside of a Supervisory Board meeting. Afterwards, at the immediately following Supervisory Board meeting, the Supervisory Board is informed of the activities carried out by individual members or delegated groups of the Supervisory Board and of the results thereof. If any serious findings or circumstances arise from the checks, the Chairman of the Supervisory Board is informed of such on an ongoing basis – even between Supervisory Board meetings.

The composition of the Supervisory Board as at the date the Annual Report was published is set forth on page 20 hereof.

Prague, 1 April 2026

Miroslav Singer
Chairman of the Supervisory Board

PERSONS RESPONSIBLE FOR THE ANNUAL REPORT

DECLARATION

We hereby declare that the information presented in this Annual Report is true to the facts and that no material information has been omitted that could influence an accurate and precise assessment of the Company.

Roman Juráš
Chairman of the Board of Directors

Milan Novotný
Member of the Board of Directors

AUDIT OF THE FINANCIAL STATEMENTS

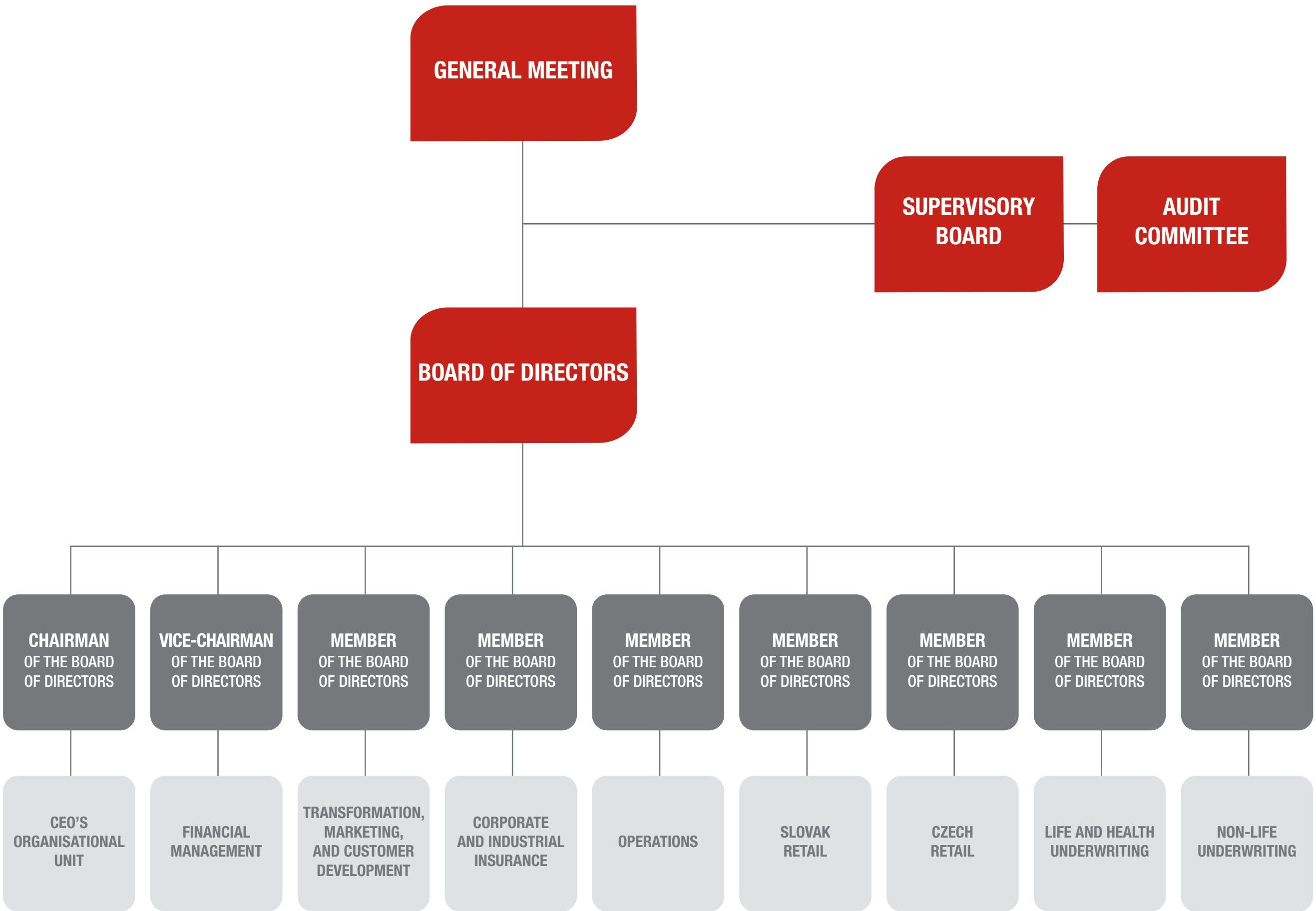
Since 2021, the financial statements have been audited by KPMG Česká republika Audit, s.r.o. The auditor’s opinion on the financial statements of Generali Česká pojišťovna was issued on 1 April 2026.

Registration number: 496 19 187
Registered office: Praha 8, Pobřežní 648/1a, 18600
Statutory audit licence number: 71
Auditor-in-charge: Jindřich Vašina
Authorisation number: 2059

We believe our success is built on an inspiring culture, strong leadership, the development of talent, and a modern organisation. We foster a contemporary working environment where people can grow, share experiences, and find meaning in what they do.

ORGANISATION AND CONTACT DETAILS

BASIC ORGANISATION CHART OF GENERALI ČESKÁ POJIŠŤOVNA AS AT THE DATE OF THE ANNUAL REPORT



CONTACT DETAILS FOR GENERALI ČESKÁ POJIŠŤOVNA

Head Office:

Generali Česká pojišťovna a.s.
Registered office: Spálená 75/16, 110 00 Praha 1
Temporary address of head office: Vyskočilova 1442/1b, 140 28 Praha 4
GČP Customer Service: 241 114 114
Website: www.generaliceska.cz
Correspondence address: Generali Česká pojišťovna a.s., P.O. Box 305, 659 05 Brno

Generali Poisťovňa, pobočka poisťovne z iného členského štátu:

Name: Generali Poisťovňa, pobočka poisťovne z iného členského štátu
Registered office: Lamačská cesta 3/A, 841 04 Bratislava, Slovak Republic

ADDITIONAL INFORMATION

SNAPSHOT

Company name	Generali Česká pojišťovna a.s.
Legal form	Public limited company (akciová společnost)
Registered office	Spálená 75/16, 110 00 Praha 1
Registration number	452 72 956
VAT number	CZ699001273
Date of incorporation	1 May 1992 The Company has been formed for an indefinite duration.
Legal reference	The Company was founded (pursuant to Section 11(3) of Act No 92/1991 on conditions for the transfer of state property to other entities, as amended) by the National Property Fund of the Czech Republic under a memorandum of association dated 28 April 1992, and was incorporated by registration in the Commercial Register on 1 May 1992.
Incorporated at	Municipal Court in Prague Register entry: Section B, File 1464
Date and purpose of most recent change in the Commercial Register	Effective as of 1 June 2025, Karel Bláha's membership of the Company's Board of Directors was re-established.

The company owns a branch in Slovakia, which was incorporated by entry in the Slovak Commercial Register on 11 November 2021. The branch is engaged in the same activities as its founding company. All information reported includes the branch, unless otherwise stated.

As at 31 December 2024, the approved and paid-up share capital consisted of 40,000 dematerialised, registered ordinary shares totalling CZK 4,000 million.

Issue (ISIN)	CZ0009106043
Security category	ordinary
Form	registered
Type	dematerialised
Nominal value	CZK 100,000
Number of shares issued	40,000
Total volume	CZK 4,000,000,000
Issue date	15 November 2006
Admission to trading on a regulated (public) market	unlisted security (not tradable in public markets)

PRINCIPAL BUSINESS ACCORDING TO THE CURRENT ARTICLES OF ASSOCIATION AND TYPES OF INSURANCE WRITTEN

Generali Česká pojišťovna is a composite insurer offering a wide range of life and non-life insurance classes.

Under Decision of the Ministry of Finance of the Czech Republic Ref. No 322/26694/2002, dated 11 April 2002, which entered into force on 30 April 2002 and which grants the Company a licence to engage in insurance, reinsurance and related activities, under Decision of the Ministry of Finance of the Czech Republic Ref. No 32/133245/2004-322, dated 10 January 2005, which entered into force on 14 January 2005 and which expands the Company's licence to engage in insurance- and reinsurance-related activities, and under Decision of the Czech National Bank Ref. No 2012/11101/570, amending the scope of licensed activities, the Company's principal business objects are as follows:

1. Insurance activities pursuant to Act No 277/2009 on insurance, comprising
   - life insurance classes referred to in Annex 1 to the Insurance Act, Part A, I, II, III, VI, VII, and IX;
   - the non-life insurance classes referred to in Annex 1 to the Insurance Act, Part B, 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18.

2. Reinsurance activities, comprising all types of reinsurance activities under the Insurance Act.

3. Insurance- and reinsurance-related activities
   - intermediary services related to insurance and reinsurance activities under the Insurance Act;
   - consultancy services related to the insurance of natural and legal persons under the Insurance Act;
   - investigations into insurance claims conducted under a contract with an insurer under the Insurance Act;
   - the exercise of rights and fulfilment of obligations for and on behalf of the Czech Insurers' Bureau pursuant to Act No 168/1999, as amended;
   - the intermediation of financial services referred to in (a) to (j) below:
     a) intermediation of the acceptance of deposits and other funds due from the public, including intermediation in building savings schemes and supplementary pension insurance;
     b) intermediation of loans of all types, including, without limitation, consumer loans, mortgage loans, factoring and the financing of commercial transactions;
     c) intermediation of finance leases;
     d) intermediation of all payments and money transfers, including credit and debit cards, travellers' cheques and bank drafts;
     e) intermediation of guarantees and commitments;
     f) intermediation of customer trading on individual customer accounts on the stock exchange or other markets, for cash or otherwise, concerning negotiable instruments and financial assets;
     g) intermediation of the management of assets, such as cash or portfolios, all forms of collective investment management, pension fund management, escrow accounts and custodianships;
     h) intermediation of payment and clearing services relating to financial assets, including securities, derivatives and other negotiable instruments;
     i) advisory-based intermediation and other ancillary financial services relating to all activities listed in (a) to (h), including references to loans and analysis thereof, research and consultancy in the field of investments and portfolios, consultancy in the field of acquisitions and restructuring, and corporate strategy;
     j) intermediation of the provision and transmission of financial information, financial data processing, and relevant software from providers of other financial services.

4. Training activities for insurance intermediaries and independent loss adjusters.

The Company also engages in all activities related to its ownership interests in other legal entities.

PERSONS WITH EXECUTIVE AUTHORITY

In 2025, the Company recorded no loans or guarantees extended to members of the Board of Directors or the Supervisory Board.

No member of the Company's Board of Directors or Supervisory Board is in a conflict of interest due to membership of another company's governing bodies.

No member of the Board of Directors or Supervisory Board has been convicted of any fraud-related crime.

IN 2025, THE FOLLOWING CHANGES WERE MADE TO THE COMPANY'S BODIES:

Board of Directors:

Effective as of 1 January 2025, David Vosika was re-appointed a member of the Board of Directors.
Effective as of 1 June 2025, Karel Bláha was re-appointed a member of the Board of Directors.

Supervisory Board:

Effective as of 1 May 2025, Andrea Leskovská became a member of the Supervisory Board.

PRINCIPAL ACTIVITIES OF MEMBERS OF THE BOARD OF DIRECTORS AND SUPERVISORY BOARD IN OTHER COMPANIES, TO THE EXTENT THEY ARE MATERIAL FOR THE COMPANY, IN 2025:

Roman Juráš:
- chairman of the Management Board of the Czech Insurers' Bureau;
- vice-president of Czech Insurance Association;
- chairman of the Supervisory Board of VÚB GENERALI DÔCHODKOVÁ SPRÁVCOVSKÁ SPOLOČNOSŤ, A.S., Slovakia;
- chairman of the Board of Trustees of the Generali Foundation – The Human Safety Net;
- member of the Supervisory Board of OVB Holding AG, Germany, as of 14 June 2023.

Pavol Pitoňák:
- head of the organisational unit Generali Poisťovňa, pobočka poisťovne z iného členského štátu, Slovakia, as of 1 March 2023;
- chairman of the Supervisory Board of Generali Slovenská distribúcia, a. s., Slovakia.

Miroslav Singer:
- vice-chairman of the Supervisory Board of MONETA Money Bank, a.s.;
- member of the Supervisory Board of Generali zavarovalnica d.d., Slovenia.

Marek Kubiska
- This member of the Supervisory Board engages in no significant activity in other companies.

Jiří Doubravský:
- This member of the Supervisory Board engages in no significant activity in other companies.

David Vosika
- member of the Supervisory Board of Europ Assistance s.r.o.

Katarína Bobotová
- member of the Supervisory Board of Generali Slovenská distribúcia, a. s., Slovakia;
- chairwoman of the Supervisory Board of the Generali Česká pojišťovna Foundation;
- member of the Supervisory Board of Generali Česká Distribuce a.s.

Marián Zelko
– member of the Supervisory Board of Generali Česká Distribuce a.s.

Manlio Lostuzzi
– member of the Board of Directors of Generali CEE Holding B.V., Netherlands;
– chairman of the Supervisory Board of Generali Towarzystwo Ubezpieczeń S.A., Generali Życie Towarzystwo Ubezpieczeń S.A., and Generali Finance Sp. Z o.o.;
– chairman of the Supervisory Board of Generali Powszechne Towarzystwo Emerytalne S.A.;
– vice-chairman of the Supervisory Board of GENERALI INVESTMENTS TOWARZYSTWO FUNDUSZY INWESTYCYJNYCH AKCYJNA, Poland.

Milan Novotný
– member of the Supervisory Board of Generali Česká Distribuce a.s.;
– member of the Supervisory Board of the Generali Česká pojišťovna Foundation;
– member of the Supervisory Board of Generali Slovenská distribúcia, a. s.

Jose Garcia Naveros
– chairman of the Board of Directors of Asesoria e Inversiones Los Olmos S.A., Chile.

Karel Bláha
– This member of the Board of Directors engages in no significant activity in other companies.

Lenka Kejíková
– member of the Supervisory Board of Generali Česká Distribuce a.s.;
– member of the Supervisory Board of Generali penzijní společnost, a.s.;
– member of the Supervisory Board of Generali Investments CEE, investiční společnost, a.s.;
– member of the Supervisory Board of Europ Assistance s.r.o.;
– member of the Supervisory Board of VÚB GENERALI DÔCHODKOVÁ SPRÁVCOVSKÁ SPOLOČNOSŤ, A.S. (Slovakia).

Lucie Šmerousová
– This member of the Supervisory Board engages in no significant activity in other companies.

Andrea Leskovská
– member of the Supervisory Board of Generali penzijní společnost, a.s.;
– member of the Supervisory Board of AKCIONARSKO DRUŠTVO ZA OSIGURANJE GENERALI OSIGURANJE SRBIJA, BEOGRAD (Serbia);
– member of the Supervisory Board of GENERALI zavarovalnica d.d. (Slovenia);
– member of the Supervisory Board of Generali Biztosító Zrt. (Hungary).

INFORMATION ON RESEARCH AND DEVELOPMENT

Other than innovation activities customary in its line of business, the Company does not carry out any research and development.

NON-FINANCIAL INFORMATION

In accordance with an exemption pursuant to Act No 563/1991, the Company does not present non-financial information in its Annual Report as such details can be found in the consolidated annual report published by Assicurazioni Generali S.p.A., registered office: Piazza Duca degli Abbruzi 2, 34132, Trieste, Italy.

Under applicable legislation, Generali Česká pojišťovna a.s. is included in the consolidation of another consolidating entity from the European Union and, on the basis of this statutory exemption, is not required to prepare a separate sustainability report. Generali Group's consolidated annual report, including the sustainability report and related assurance documents, is publicly available online at www.generali.com.

SUBSEQUENT EVENTS

The Company has not identified any significant events between the end of the accounting period and 1 April 2026 that would have an impact on this annual report, other than those disclosed in the notes to the financial statements.

BUILT ON THE GROUP'S EXCEPTIONAL OPERATING MODEL

We are building an operating model that brings together specialised functions, centralised capabilities, and scalable services. Shared IT solutions and automation simplify our operations, support innovation, and increase productivity.

FINANCIAL SECTION

KPMG Česká republika Audit, s.r.o.
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186 00 Prague 8
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+420 222 123 111
www.kpmg.cz

This document is an unsigned English translation of the Czech auditor's report.
Only the Czech version of the report is legally binding.

Independent Auditor's Report

to the Shareholder of Generali Česká pojišťovna a.s.

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Generali Česká pojišťovna a.s. ("the Company"), prepared in accordance with IFRS Accounting Standards as adopted by the European Union, which comprise the statement of financial position as at 31 December 2025, and the income statement, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, comprising material accounting policies and other explanatory information. Information about the Company is set out in Note A to the financial statements.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

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, and Auditing Standards of the Chamber of Auditors of the Czech Republic, consisting of International Standards on Auditing (ISAs), which may be supplemented and amended by relevant application guidelines. Our responsibilities under those regulations are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic that are relevant to audits of the financial statements of public interest entities in the Czech Republic, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 opinion on these matters.

KPMG

Measurement of liabilities for remaining coverage in life segment

As at 31 December 2025, liabilities for remaining coverage in life segment: MCZK 32,030 (2024: MCZK 32,969).

Refer to additional information disclosed in Note C.1.12 and E.9 of the Company's financial statements.

The key audit matter

The outstanding balance of liability for remaining coverage for insurance contracts represents significant elements of insurance contract liabilities in the Company's statement of financial position.

In measuring the liabilities for remaining coverage ("LRC") the Company's management is required to estimate the present value of future cash flows (PVFCFs), risk adjustment for non-financial risk (RA) and contractual service margin (CSM). Estimating the PVFCFs requires application of professional judgment as well as complex and subjective assumptions, including those with a long-time horizon, with the complexity increased in the current volatile economic conditions. Those assumptions are treated as inputs into the cash flow models using actuarial methods. PVFCFs and further data and assumptions are then used to calculate the RA and CSM.

The key assumptions include those related to costs, lapse rates, contract boundaries, claim ratios, mortality/morbidity rates, coverage units, discount and crediting rates. Relatively minor changes in management's assumptions can have a significant effect on the recognized amount of the LRC.

Due to the above factors, we determined measurement of the LRC to be associated with a significant risk of material misstatement. As such, we considered measurement of the LRC to be our key audit matter which required our increased attention in the audit.

How the matter was addressed in our audit

Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and information technology (IT) audit specialists, included the following, among other things:

- We tested the design, implementation and, where relevant, operating effectiveness of selected system (IT-based) and manual controls over measurement of the liabilities for remaining coverage, including those over determination of actuarial assumptions.
- We tested the relevance and reliability of data used in making the LRC estimates, which included, among other things, testing the policy data, data on expenses, data used for estimation of future cash flows and actual cash flow data in the period;
- With specific consideration of the assessed effects of the current economic conditions, we:
    - Critically assessed the method and model applied in measuring the amounts of the LRC against the relevant requirements of the financial reporting standards and market practice;
    - Challenged the key assumptions applied therein, such as costs, lapse rates, contracts boundaries, claim ratios, mortality/morbidity rates, coverage units, discount and crediting rates, by reference to the Company's experience studies and market data, as considered appropriate, and also by analysing the development of the assumptions over time;
- We analytically assessed significant year-to-year variations in the amounts of LRC. On a sample of contracts we recalculated projected cash flows applying the said data and assumptions;
- We assessed the appropriateness of the Company's disclosures regarding LRC against the requirements of the relevant financial reporting standards.

Measurement of liabilities for incurred claims

As at 31 December 2025, liability for incurred claims: MCZK 23,174 (2024: MCZK 24,342).

Refer to additional information disclosed in Note C.1.12 and E.9 of the Company's financial statements.

The key audit matter

Liability for incurred claims ("LIC") constitute significant elements of insurance contract liabilities in the Company's statement of financial position. In measuring the amounts of LIC, management was required, among other things, to establish the present value of future fulfilment cashflows for claims that occurred until 31 December 2025 (including claims that have been incurred but not yet reported).

The measurement is complex, as it requires judgment and involves selection and application of methods and models and making complex assumptions. A number of acceptable actuarial methods may be used, and in many cases standard actuarial methods need adjustments specific to the circumstances and such adjustments also require the application of significant judgment.

Also, relatively minor changes in management's assumptions can have a material effect on the recognized amounts of LIC, with the key assumptions including those in respect of the claims development factors and discount rates.

Due to the above factors, satisfying ourselves regarding measurement of the liabilities for incurred claims required our increased attention in the audit and we determined the area to be our key audit matter.

How the matter was addressed in our audit

Our procedures in the area, performed, where applicable, with the assistance of our own actuarial and IT audit specialists, included the following, among other things:

- We tested the design, implementation and, where relevant, operating effectiveness of selected system (IT-based) and manual controls over measurement of the liabilities for incurred claims, including those over determination of actuarial assumptions.
- In respect of the LIC estimates we:
  - critically assessed the methods and models applied in measuring the amounts of the LIC against the relevant requirements of the financial reporting standards and market practice.
  - challenged the key assumptions applied therein, as follows:
    - development factors – assessing whether they were properly extracted from the Company's experience studies;
    - discount rates - by reference to risk free rates obtained from publicly available external sources.
  - analytically assessed significant year-to-year variations in the amounts of LIC, the development of claims ratio and also made relevant inquiries of the Company's actuarial experts and employees of claims handling department. We also carried out own independent recalculations of key elements of the LIC;
- We traced the input data for the calculation of LIC to the underlying databases of incurred and paid claims, whose relevance and reliability we independently assessed, among other things, through inspection of evidence such as loss adjustor reports, independent expert reports, bank statements with payments for particular claims or other relevant documentation.

- We evaluated the reasonableness of the methods and models applied in estimating the liabilities for incurred claims by performing the comparison of the actual experience to previously expected results;
- We assessed the appropriateness of the Company's disclosures regarding the LIC against the requirements of the relevant financial reporting standards.

Other Information

In accordance with Section 2(b) of the Act on Auditors, other information is defined as information included in the annual report other than the financial statements and our auditor's report. The statutory body is responsible for the other information.

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 obtained in the audit, or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable laws and regulations, in particular, whether the other information complies with laws and regulations in terms of formal requirements and the procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with those requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- the other information describing matters 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 applicable laws and regulations.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement.

Responsibilities of the Statutory Body, Supervisory Board and Audit Committee for the Financial Statements

The statutory body is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the statutory body 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 statutory body is responsible for assessing the 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 statutory body either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process. The Audit Committee is responsible for monitoring the Company's financial reporting 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 above 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 above regulations, we exercise professional judgment and maintain professional skepticism 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the statutory body.
- Conclude on the appropriateness of the statutory body's 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 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 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, 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.

KPMG

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of International Standards on Auditing:

Appointment of Auditor and Period of Engagement

We were appointed as the auditors of the Company by the General Meeting of Shareholders on 18 September 2025 and our uninterrupted engagement has lasted for 5 years.

Consistency with Additional Report to Audit Committee

We confirm that our audit opinion on the financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 31 March 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council.

Provision of Non-audit Services

We declare that no prohibited services referred to in Article 5 of Regulation (EU) No. 537/2014 of the European Parliament and of the Council were provided.

Except for the statutory audit, we did not provide the Company and its controlled undertakings with any other services that have not been disclosed in notes to the financial statements or annual report.

Statutory Auditor Responsible for the Engagement

Jindřich Vašina is the statutory auditor responsible for the audit of the financial statements of Generali Česká pojišťovna a.s. as at 31 December 2025, based on which this independent auditor's report has been prepared.

Prague
1 April 2026

KPMG Česká republika Audit, s.r.o.
Registration number 71

Signed by

Jindřich Vašina
Partner
Registration number 2059

BUILT ON SUSTAINABILITY

Sustainability is an integral part of our business. We are reducing the carbon footprint of our buildings, transitioning to electric mobility, and using digitalisation to conserve resources. This delivers measurable results, including a significant reduction in CO_2 emissions and paper consumption.

CONTENTS

SEPARATE FINANCIAL STATEMENTS

ACRONYMS:

Acronym	
AC	Amortized Cost
ALM	Asset-liability Management
Bp, Bps	Basic points
BPV	Basis Point Value
CASCO	Motor Insurance
CAT	Catastrophic Excess of Loss Reinsurance Contract
CCS	Cross Currency Swap
CDO	Collateralized Debt Obligation
CDS	Credit Default Swap
CEE	Central and Eastern Europe
CF	Cash Flows
CNB	Czech National Bank
CRO	Chief Risk Officer
CSM	Contractual Service Margin
CZK	Czech Crown
CzNIP	Czech Insurance Nuclear Pool
DORA	Digital Operational Resilience Act
DPF	Discretionary Participation Features
DT	Deferred Tax
D&O	Directors and Officers Liability
EAD	Exposure at default
ECAI	External Credit Assessment Institutions
ECL	Expected Credit Loss
EIOPA	European Insurance and Occupational Pensions Authority
EIR	Effective Interest Rate
ESMA	European Securities and Markets Authority
EU	European Union
EUR	Euro
FV	Fair Value
FVH	Fair Value Hierarchy
FVO	Fair Value Option
FVOCI	Fair Value Through Other Comprehensive Income
FVTPL	Fair Value Through Profit or Loss
FX	Foreign Exchange
GCEE	Generali CEE Holding
GM	General model
GMM	General Measurement Model

ACRONYMS:

Acronym	
GoC	Group of contracts
GP Re	GP Reinsurance EAD
IAS	International Accounting Standards
IBOR	Interbank Offered Rate
IASB	International Accounting Standards Board
ID Number	Identification Number
IFRIC	Interpretation of International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IRGG	Generali Investments Risk Group Guidelines
IRR	Internal Rate of Return
IRS	Interest Rate Swap
ISDA	International Swaps and Derivatives Association
ISO/IEC	International Organization for Standardization/International Electrotechnical Commission
IT	Information Technology
IVASS	Institution for the Supervision of Insurance
LGD	Loss given default
LRC	Liability for remaining coverage
MTPL	Motor Third Party Liability
NAV	Nett Asset Value
NIS2	Network and Information Security Directive
No	Number
OCI	Other Comprehensive Income
PAA	Premium Allocation Approach
PD	Probability of default
PPE	Property, Plant and Equipment
PVFCF	Present Value of Future Cash Flows
P&L	Profit and Loss
RA	Risk Adjustment
ROE	Return on Equity
rTSR	relative Total Shareholder´s Return
SAA	Strategic Asset Allocation
SCR	Solvency capital requirement
SFCR	Solvency and Financial Condition Report
SME	Small and Medium-sized Enterprises
SPPI	Solely payment of principle and interest
TC	Total Cycle Cost
ULAE	Unallocated Loss Adjustment Expenses
USD	United States Dollar
VFA	Variable Fee Approach
w/o	Without
X/L	Excess of Loss Reinsurance

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER

In CZK million	Note	2025	2024
Cash and cash equivalents	E.6	2,046	1,606
Subsidiaries and associates	B	13,274	13,274
Investments	E.3	70,788	71,083
Investment property		14	9
Measured at amortized cost		-	666
Measured at FVOCI		36,255	40,540
Measured at FVTPL		34,519	29,868
Receivables	E.4	1,131	1,174
of which: Current tax assets		-	242
Insurance contract assets	E.9	5,512	4,704
Reinsurance contract assets	E.9	13,788	14,454
Property and equipment		260	219
of which: Right of use	E.2	148	130
Intangible assets	E.1	1,710	1,750
Non-current assets held for sale	E.5	-	331
Deferred tax receivable	E.22	2,079	2,103
Other assets	E.7	471	504
Total assets		**111,059**	**111,202**
Share capital		4,000	4,000
Retained earnings and other reserves		26,504	29,018
Total equity	**E.8**	**30,504**	**33,018**
Insurance contract liabilities	E.9	66,588	67,216
Reinsurance contract liabilities	E.9	3,741	3,362
Other provisions	E.10	770	383
Financial liabilities	E.11	208	364
Payables	E.12	8,040	5,632
of which: Current tax payables		946	597
Other liabilities	E.13	1,208	1,227
Total liabilities		**80,555**	**78,184**
Total equity and liabilities		**111,059**	**111,202**

INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER

In CZK million	Note	2025	2024
Insurance service result		**6,088**	**4,342**
Insurance revenue	E.14	53,067	49,501
Insurance service expenses	E.15	(41,231)	(44,000)
Net expenses from reinsurance contracts	E.16	(5,748)	(1,159)
Net financial result		**2,086**	**1,506**
Investment return	**E.17**	**6,198**	**4,426**
Interest revenue calculated using the effective interest method	E.17	1,263	1,502
Other investment revenue	E.17	4,928	2,952
Net impairment loss on financial assets	E.17	7	(28)
Insurance finance result	**E.18**	**(4,112)**	**(2,920)**
Net finance expenses or income from insurance contracts	E.18	(4,417)	(3,180)
Net finance expenses or income from reinsurance contracts	E.18	305	260
Other income	E.19	691	763
Other operating expenses	E.20	(2,126)	(1,689)
Other finance costs		(17)	(37)
Profit before tax		**6,722**	**4,885**
Income tax expense	E.22	(1,881)	(1,245)
Net profit for the year		**4,841**	**3,640**

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER

In CZK million	Note	2025	2024
Net profit for the year		**4,841**	**3,640**
Other comprehensive income - elements which will not be reclassified to profit or loss			
Currency translation differencies		(2)	-
Equity investments at FVOCI		473	395
Tax on items of Other comprehensive income		(33)	(84)
		438	**311**
Other comprehensive income - elements which may be recycled to profit or loss			
Currency translation differencies		(81)	199
Debt investments at FVOCI - Net change in fair value		(216)	14
Debt investments at FVOCI - Net amount reclassified to profit or loss		245	(14)
Net finance expenses from insurance contracts		419	33
Net finance income from reinsurance contracts		(44)	61
Tax on items of Other comprehensive income		(59)	(17)
		264	**276**
Other comprehensive income/loss, net of tax		**702**	**587**
Total comprehensive income		**5,543**	**4,227**

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER

In CZK million	Note	Share capital	Revaluation financial assets FVOCI	Insurance finance reserve	Reserve fund	Trans-lation reserve	Other funds	Retained earnings	Total
Balance as at 1 January 2024	**E.8**	**(4,000)**	**155**	**3**	**(912)**	**262**	**(21)**	**(32,934)**	**(37,447)**
Currency translation differences		-	(33)	(1)	-	(165)	-	-	(199)
Net finance expenses from insurance contracts		-	-	(33)	-	-	-	-	(33)
Net finance income from reinsurance contracts		-	-	(61)	-	-	-	-	(61)
Financial assets revaluation in eguity		-	(409)	-	-	-	-	-	(409)
Financial assets revaluation realised in income statement		-	14	-	-	-	-	-	14
Tax on items of other comprehensive income		-	77	24	-	-	-	-	101
Other Comprehensive income		**-**	**(351)**	**(71)**	**-**	**(165)**	**-**	**-**	**(587)**
Net profit for the year		-	-	-	-	-	-	(3,640)	(3,640)
Total Comprehensive income		**-**	**(351)**	**(71)**	**-**	**(165)**	**-**	**(3,640)**	**(4,227)**
Dividends to shareholder		-	-	-	-	-	-	8,730	8,730
Share-based payment reserve		-	-	-	-	-	(29)	(45)	(74)
Transactions with owners of the Company		**-**	**-**	**-**	**-**	**-**	**(29)**	**8,685**	**8,656**
Balance as at 31 December 2024	**E.8**	**(4,000)**	**(196)**	**(68)**	**(912)**	**97**	**(50)**	**(27,889)**	**(33,018)**
Currency translation differences		-	72	(2)	-	13	-	-	83
Net finance expenses from insurance contracts		-	-	(419)	-	-	-	-	(419)
Net finance income from reinsurance contracts		-	-	44	-	-	-	-	44
Financial assets revaluation in eguity		-	(257)	-	-	-	-	-	(257)
Financial assets revaluation realised in income statement		-	(245)	-	-	-	-	-	(245)
Tax on items of other comprehensive income		-	28	64	-	-	-	-	92
Other Comprehensive income		**-**	**(402)**	**(313)**	**-**	**13**	**-**	**-**	**(702)**
Net profit for the year		-	-	-	-	-	-	(4,841)	(4,841)
Total Comprehensive income		**-**	**(402)**	**(313)**	**-**	**13**	**-**	**(4,841)**	**(5,543)**
Dividends to shareholder		-	-	-	-	-	-	8,026	8,026
Derecognition of equities under FVOCI option		-	322	-	-	-	-	(322)	-
Share-based payment reserve		-	-	-	-	-	(16)	(9)	(25)
Transactions with owners of the Company		**-**	**322**	**-**	**-**	**-**	**(16)**	**7,695**	**8,001**
Other		-	-	-	-	-	-	56	56
Balance as at 31 December 2025	**E.8**	**(4,000)**	**(276)**	**(381)**	**(912)**	**110**	**(66)**	**(24,979)**	**(30,504)**

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER

In CZK million	Note	2025	2024
Cash flow from operating activities			
Profit before tax	E.22	6,722	4,885
Adjustments for:			
Depreciation and amortisation	E.1, E.2	675	717
Impairment and reversal of impairment of current and non-current assets		(7)	528
Profit/Loss on disposal of PPE, intangible assets and investment property		(1)	(30)
Profit/Loss on sale and revaluation of financial assets		(13)	16
Gains/losses on disposal of subsidiaries and associated companies	E.17	173	158
Dividends income		(1,429)	(1,177)
Interest expense		11	12
Interest income		(1,273)	(1,496)
Unrealised gains and losses from FVTPL including derivatives		(3,070)	(1,091)
Foreign currency differences		532	(210)
Other income/expenses not involving movements of cash		(183)	371
Share based compensation		24	75
Cash flow from operating activities from non-changeable items		**2,161**	**2,758**
Change in loans and advances to banks		(14)	21
Change in loans and advances to non-banks		6	(12)
Change in receivables		77	516
Change in insurance contract assets and liabilities		(1,141)	70
Change in reinsurance contract assets and liabilities		999	(1,824)
Change in other assets, prepayments and accrued income		37	(45)
Change in payables		1,729	(1,572)
Change in liabilities to banks		138	(226)
Change in other liabilities, accruals and deferred income		(20)	3
Change in other provisions		387	69
Interest on securities received		1,486	2,259
Dividends received		1,429	1,177
Purchase of financial assets at FVTPL		(7,973)	(6,891)
Purchase of financial assets at FVOCI		(49,176)	(64,541)
Proceeds from financial assets at FVTPL		6,299	6,273
Proceeds from financial assets at FVOCI		53,238	70,867
Income taxes paid		(1,210)	(601)
Net cash flow from operating activities		**8,452**	**8,301**

In CZK million	Note	2025	2024
Cash flow from investing activities			
Interest received on loans granted		14	76
Purchase of tangible assets and intangible assets	E.1, E.2	(721)	(630)
Purchase of investment property		(8)	(1)
Proceeds from disposals of tangible and intangible assets		39	91
Proceeds from disposal of subsidiaries and associated companies and other proceeds from subsidiaries		157	369
Repayment of loans granted	E.3	663	386
Net cash flow from investing activities		**144**	**291**
Cash flow from financing activities			
Payment of lease liability	E.11	(119)	(160)
Interest paid on lease liability	E.11	(11)	(12)
Dividends paid to shareholders	E.8.2	(8,026)	(8,730)
Net cash flow from financing activities		**(8,156)**	**(8,902)**
Net increase/decrease in cash and cash equivalents		**440**	**(310)**
Cash and cash equivalents as at 1 January	**E.6**	**1,606**	**1,916**
Cash and cash equivalents as at 31 December	**E.6**	**2,046**	**1,606**

NOTES TO THE FINANCIAL STATEMENTS

A. GENERAL INFORMATION

A.1 Description of the Company

Generali Česká pojišťovna a.s. (”Generali Česká pojišťovna” or “the Company”) is a composite insurer offering a wide range of life and non-life insurance products and is domiciled in the Czech Republic. The Company was incorporated on 1 May 1992 as a joint stock company and is the successor to the former state-owned insurance company Česká státní pojišťovna.

The Company has established a branch in Slovakia, Generali Poisťovňa, pobočka poisťovne z iného členského štátu (the Branch). The Branch was registered into the Slovak Commercial Register on 11 November 2021. Financial data of the Branch are, in accordance with a legislation of the Czech Republic, an integral part of the financial statements of the Company. Activities of the Branch are identical to those of the founder and are subject to supervision of the Czech National Bank.

Structure of Shareholders

The Company's sole shareholder is Generali CEE Holding B.V., registered office De Entrée 91, 1101BH, Amsterdam, the Netherlands; registered on 8 June 2007, identification number 34275688.

Ultimate parent of the Company is Assicurazioni Generali S.p.A. (“Generali Group”). Consolidated financial statements of Generali Group are publicly available on www.generali.com. Generali Group is registered in the Group Insurance Register maintained by Institution for the Supervision of Insurance (IVASS) under No. 026.

Registered Office of the Company:

Spálená 75/16
110 00 Prague 1
Czech Republic
ID number: 45 27 29 56

Registered Office of the Slovak Branch:

Lamačská cesta 3/A,
841 04 Bratislava
Slovakia
ID number: 54 228 573

The Directors authorised the financial statements for issue on 24th March 2026. The financial statements are subject to an approval of the sole shareholder.

A.2 Statutory bodies

Board of Directors as at the end of the reporting period:

Chairman:	Roman Juráš, Bratislava
Member:	Milan Novotný, Prague
Member:	David Vosika, Kosoř
Member:	Karel Bláha, Prague
Member:	Pavol Pitoňák, Prague
Member:	Jiří Doubravský, Černošice
Member:	Katarína Bobotová, Bratislava
Member:	Lenka Kejíková, Prague
Member:	Marián Zelko, Moravské Lieskové

There were no changes in Board of Directors in 2025. Effective from 1 February 2024, Lenka Kejíková joined the Board of Directors. Effective from 31 January 2024, Andrea Leskovská terminated her membership in the Board of directors.

At least two members of the Board of Directors must act together in the name of the Company in relation to third parties, courts and other bodies. When signing on behalf of the Company, the signatures and positions of at least two members of the Board of Directors must be appended to the designated business name of the Company.

Supervisory Board as at the end of the reporting period:

Chairman: Miroslav Singer, Prague
Member: Manlio Lostuzzi, Terst
Member: Marek Kubiska, Nový Rychnov
Member: Lucie Šmerousová, Prague
Member: Jose Garcia Naveros, Madrid
Member: Andrea Leskovská, Kostolište

Effective from 1 May 2025, Andrea Leskovská joined the Supervisory board . Effective from 1 January 2024, Lucie Šmerousová joined the Supervisory board. Effective from 1 January 2024, Marek Kubiska joined the Supervisory board. Effective from 1 January 2024 Miloslava Mášová terminated her membership in the Supervisory board. Effective from 31 December 2024 Antonella Maier terminated her membership in the Supervisory board.

A.3 Statement of compliance

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

The management has reviewed those standards and interpretations adopted by the EU at the reporting date of the financial statements but which were not effective as at that date. An assessment of the expected impact of these standards and interpretations on the Company is shown in Note C.3.

A.4 Basis of preparation

The shareholders of the Company decided in accordance with Act. No. 563/1991 Sb., section 3, § 19a, that the financial statements for the period ended 31 December 2025 will be drawn up in accordance with International Financial Reporting Standards ("IFRS"). In accordance with IFRS 10 "Consolidated Financial Statements" and in accordance with Act. No. 563/1991 Sb., section 3, § 19a and § 22aa the Company does not prepare consolidated financial statements and does not prepare consolidated annual report. Consolidated financial statements and consolidated annual report is prepared by its ultimate parent company Assicurazioni Generali S.p.A. and will be presented on its website www.generali.com

The Company is not required to prepare a sustainability report pursuant to Section 21c of Act No. 563/1991 Coll., on Accounting, because the data of the accounting entity are included in the consolidated sustainability report issued by the Generali Group.

Details of the Company's material accounting policies are included in Note C.

Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following assets and liabilities, which are measured on the following alternative basis on each reporting date:

Item Measurement	Basis
Financial instruments at FVTPL, including hedging instruments	Fair value
Financial assets at FVOCI	Fair value
Non-current assets held for sale	Lower of their carrying amount and fair value less cost to sell
Insurance and reinsurance contracts	Fulfilment cash flows and, if any, the CSM
Other impaired non-financial assets	Higher of fair value less costs of disposal and value in use

Functional and presentation currency

The financial statements are presented in Czech Crowns ("CZK") which is the Company's functional currency. The functional currency of the branch in Slovakia is Euro ("EUR").

Use of judgements and estimates

The preparation of the financial statements requires that management make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that cannot readily be determined from other sources. The actual values may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision only affects that period or in both, the period of the revision and future periods, if the revision affects both the current and future periods.

More information about assumptions and judgements is described in note C.2.

B. SUBSIDIARIES AND ASSOCIATES

The following table provides details about the Company's subsidiaries and associates:

In CZK million, for the year ended 31 December 2025 Name	Country	Cost of investment	Accumulated impairment	Net cost of investment	Proportion of ownership interest (%)	Proportion of voting power (%)	Accounting treatment
Acredité s.r.o.	Czech Republic	8	-	8	100.00	100.00	Cost less impairment
Europ Assistance s.r.o.	Czech Republic	30	-	30	25.00	25.00	
Generali Česká Distribuce a.s.	Czech Republic	14	-	14	100.00	100.00	
Generali penzijní společnost, a.s.	Czech Republic	6,904	(80)	6,824	100.00	100.00	
Generali Real Estate Fund CEE a.s., investiční fond	Czech Republic	4,500	-	4,500	50.18	50.18	
Generali Slovenská Distribúcia a.s.	Slovak Republic	23	-	23	100.00	100.00	
Nadace Generali České pojišťovny	Czech Republic	6	-	6	100.00	100.00	
Pařížská 26, s.r.o.	Czech Republic	346	-	346	100.00	100.00	
SMALL GREF a.s.	Czech Republic	735	-	735	29.52	29.52	
VÚB Generali dôchodková správcovská spoločnosť, a.s.	Slovak Republic	788	-	788	44.74	44.74	
TOTAL		**13,354**	**(80)**	**13, 274**			

In CZK million, for the year ended 31 December 2024 Name	Country	Cost of investment	Accumulated impairment	Net cost of investment	Proportion of ownership interest (%)	Proportion of voting power (%)	Accounting treatment
Acredité s.r.o.	Czech Republic	8	-	8	100.00	100.00	Cost less impairment
Europ Assistance s.r.o.	Czech Republic	30	-	30	25.00	25.00	
Generali Česká Distribuce a.s.	Czech Republic	14	-	14	100.00	100.00	
Generali penzijní společnost, a.s.	Czech Republic	6,904	(80)	6,824	100.00	100.00	
Generali Real Estate Fund CEE a.s., investiční fond	Czech Republic	4,500	-	4,500	50.18	50.18	
Generali Slovenská Distribúcia a.s.	Slovak Republic	23	-	23	100.00	100.00	
Nadace Generali České pojišťovny	Czech Republic	6	-	6	100.00	100.00	
Pařížská 26, s.r.o.	Czech Republic	346	-	346	100.00	100.00	
SMALL GREF a.s.	Czech Republic	735	-	735	29.52	29.52	
VÚB Generali dôchodková správcovská spoločnost', a.s.	Slovak Republic	788	-	788	44.74	44.74	
TOTAL		**13,354**	**(80)**	**13, 274**			

PALAC KRIZIK a.s.

The Company on 17 December 2024 sold its 50% share in the company PALAC KRIZIK a.s. The sale price amounted to CZK 369 million and the realised loss from this operation was booked in the amount of CZK 158 million.

C. MATERIAL ACCOUNTING POLICIES

C.1 Material accounting policies

C.1.1 Intangible assets

Intangible assets that are acquired by the Company are stated at cost less accumulated amortisation and impairment losses.

The Company owns no software with indefinite useful life. Intangible assets with finite useful lives are amortised on a straight-line basis over an average period of 3 - 5 years. The amortisation methods, useful lives and residual values, if not insignificant, are reassessed annually. If a material additional investment is made to an asset during the year, its useful life and residual value are reassessed at the time the cost of the investment is added to the carrying amount of the asset.

Amortisation is recognised in 'insurance service expenses' if it is directly attributable to insurance activities, otherwise, it is recognised in 'other operating expeses'.

Gains or losses arising from 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.

C.1.2 Property and equipment

Property and equipment are measured at the purchase price or production cost, less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Depreciation is provided on a straight-line basis using the following rates:

Item	Depreciation rate (%)
Buildings (including technical appreciation)	10.00 – 20.00
Other tangible assets and equipment	5.88 – 33.33

The leasehold improvements (technical appreciation) performed on leased asset is depreciated over the rental period.

Component parts of an asset which have different useful lives or provide benefits in a different pattern are recognised as component with different depreciation rates.

The depreciation methods, useful lives and residual values, if not insignificant, are reassessed annually. If a material additional investment is made to an asset during the year, its useful life and residual value are reassessed at the time the cost of the investment is added to the carrying amount of the asset.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the income statement in other income. Depreciation is recognised in ‘insurance service expenses’ if it is directly attributable to insurance activities, otherwise, it is recognised in ‘other operation expeses’.

C.1.3 Subsidiaries and associates

All subsidiaries are measured at cost less any impairment losses.

The carrying amount of subsidiaries is tested for impairment annually. The Company observes if events or changes in subsidiaries business indicate that it might be impaired. The Company considers the decreasing equity of a subsidiary as a key indicator of potential impairment.

Distributions of profits (dividends) from subsidiaries are recognised as income in the income statement when the Company's right to receive the payment is established.

C.1.4 Investments

C.1.4.1 Recognition, initial measurement and derecognition

Investments include financial assets at fair value through profit or loss, financial assets at fair value through other comprehensive income, financial assets at amortised costs and investment property.

For spot purchases and sales of financial assets, the Company’s policy is to recognise them using settlement-date accounting. Other financial assets are recognised on the statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Any change in the fair value of an asset to be received during the period between the trade date and the settlement date is accounted for in the same way as would be accounted for subsequent measurement for the respective measurement category. Financial instruments are measured initially at fair value plus, with the exception of financial instruments at fair value through profit or loss, transaction costs directly attributable to the acquisition or issue of the financial instrument.

A financial asset is derecognised when the Company transfers the risk and rewards of ownership of the financial assets or loses control over the contractual rights that comprise that asset. This occurs when the rights are realised, expired or surrendered.

C.1.4.2 Classification and subsequent measurement

C.1.4.3 Financial assets

Classification

On initial recognition, a financial asset is classified as measured at amortised cost, FVOCI or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI.

The Company elects to present changes in the fair value of certain equity investments that are not held for trading in OCI. The election is made on an instrument-by-instrument basis on initial recognition and is irrevocable.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

In addition, on initial recognition the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Company has designated certain debt investments in the life segments as at FVTPL on initial recognition, because they relate to insurance contracts that are measured in a way that incorporates current information and all related insurance finance income and expenses are recognised in profit or loss. The assets would otherwise be measured at FVOCI.

Business model assessment

The Company assesses the objective of the business model in which a financial asset is held for each segment because this best reflects the way that the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the segment and the operation of those policies in practice, including whether management’s strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of assets;
- how the performance of the portfolio is evaluated and reported to the Company’s management;
- 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 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 is achieved and how cash flows are realised.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

The segments for business model purposes are defined as non-life business, life traditional business and life unit-linked business.

Financial Investments within the Life Insurance Segment

The aim of financial investments within this segment is to safeguard a sufficient and stable yield in the long run that will enable obligations arising from insurance contracts to be met. The Company invests major part in fixed-income instruments (especially Czech, Slovak and foreign government bonds and corporate bonds of issuers generally with an investment grade rating). Equity instruments are another significant items in the structure of financial investments (for purposes of risk diversification and to optimise overall medium- and long-term returns). There are other assets of which the biggest share has real estate.

In accordance with a feature typical for life insurance liabilities, i.e. their longer duration, instruments covering life insurance provisions have, on average, longer to maturity.

General business model for life traditional business is held to collect and sale. There is a small portfolio of held to collect financial investments.

For unit-linked products there is a specific business model as insurance contracts and relating underlying assets can be seen as portfolios of group of financial assets (and liabilities) that are managed and whose performance is evaluated on a fair value basis.

Financial Investments within the Non-life Insurance Segment

While non-life liabilities are shorter than life liabilities, assets are invested in instruments with shorter maturity, as well as more liquid instruments, which can be readily converted into cash when needed to pay claims occured.

General business model for non-life business is held to collect and sale.

Assessment of whether contractual cash flows are SPPI

For the purposes of this assessment, principal is defined as the fair value of the financial asset on initial recognition. However, the principal may change over time – e.g. if there are repayments of principal.

Interest is defined as consideration for the time value of money, 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 a profit margin.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. 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 this assessment, the Company considers:

– contingent events that would change the amount or timing of cash flows;
– leverage features;
– prepayment and extension features;
– terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse asset arrangements); and
– features that modify consideration for the time value of money (e.g. periodic reset of interest rates).

A prepayment feature is consistent with the SPPI criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. In addition, for a financial asset acquired at a premium or discount to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant on initial recognition.

Some prepayment features permit the debtor to prepay the debt instrument at an amount calculated as the remaining contractual cash flows discounted at the current market benchmark interest rate plus a fixed spread. The Company has determined that these prepayment features are consistent with the SPPI criterion. Because the Company would be compensated only for the change in the market benchmark interest rate and for lost interest margin, the prepayment penalty would not include any non-SPPI risks and may be seen as reasonable compensation.

Subsequent measurement and gains and losses

Financial assets at FVTPL	Measured at fair value. Net gains and losses, including any interest or dividend income and foreign exchange gains and losses, are recognised in profit or loss.
Debt investments at FVOCI	Measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI and accumulated in the fair value reserve. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	Measured at fair value. Dividends are recognised as income in profit or loss when the Company's right to receive payment is established, unless they clearly represent a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss. Cumulative gains and losses recognised in OCI are transferred to retained earnings on disposal of an investment.
Financial assets at amortised cost	Measured at amortised cost using the effective interest method. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

C.1.4.4 Financial liabilities

Classification

The Company classifies its financial liabilities, into one of the following categories:

- financial liabilities at FVTPL, and within this category as:
  – held-for-trading;
  – derivative hedging instruments; or
  – designated as at FVTPL; and
- financial liabilities at amortised cost.

Subsequent measurement and gains and losses

Financial liabilities at FVTPL	Measured at fair value. Net gains and losses, including any interest expenses and foreign exchange gains and losses, are recognised in profit or loss. Financial liabilities are removed from the Statement of Financial Position when, and only when, they are extinguished – i.e. when the obligation specified in the contract is discharged, cancelled or expires.
Financial liabilities at amortised cost	Measured at amortised cost using the effective interest method. Interest expenses and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

C.1.4.5 Interest on financial instruments

Interest income and expenses are recognised in profit or loss using the effective interest method. The effective interest rate is calculated on initial recognition of a financial instrument and is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

The effective interest rate is revised as a result of periodic re-estimation of cash flows of floating rate instruments to reflect movements in market rates of interest.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The gross carrying amount of a financial asset is its amortised cost before adjusting for any loss allowance.

Financial assets not credit-impaired on initial recognition	If the financial asset is not credit-impaired, then interest income is calculated by applying the effective interest rate to the gross carrying amount of the asset. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the asset, but not ECL.
	If the financial asset has become credit-impaired subsequent to initial recognition, then interest income is calculated by applying the effective interest rate to the amortised cost of the asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis. For information on when financial assets are credit-impaired, see (C.1.4.7).
Financial assets credit-impaired on initial recognition	Interest income is calculated by applying a credit-adjusted effective interest rate to the amortised cost of the asset. The credit-adjusted effective interest rate is calculated using estimated future cash flows including ECL. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.
Financial liabilities	Interest expenses are calculated by applying the effective interest rate to the amortised cost of the liability. When calculating the effective interest rate, the Company estimates future cash flows considering all contractual terms of the liability.

The calculation of the effective interest rate includes transaction costs and fees and points paid or received that are an integral part of the effective interest rate. Transaction costs are incremental costs that are directly attributable to the acquisition or issue of a financial asset or financial liability.

Interest revenue calculated using the effective interest method and other finance costs presented in profit or loss include interest on financial assets and financial liabilities measured at amortised cost and debt investments measured at FVOCI.

Interest on financial assets at fair value through profit or loss is reported as a part of Net income from financial instruments at fair value through profit or loss. Interest income and interest expense on other assets or liabilities is reported as ‘insurance service expenses’ if it is directly attributable to insurance activities (Note E.21), otherwise it is recognised in ‘other operating expenses‘ (Note E.20).

C.1.4.6 Derivatives, including embedded derivatives

Derivatives, including embedded derivatives separated from their host contracts, are classified as held-for-trading or hedging derivatives (see C.1.21). They are measured at fair value with changes in fair value recognised in profit or loss.

Derivatives may be embedded in another contractual arrangement (a host contract). When the host contract is a financial asset in the scope of IFRS 9, the hybrid financial instrument as a whole is assessed for classification and the embedded derivative is not separated from the host contract.

A derivative embedded in a host insurance or reinsurance contract is not accounted for separately from the host contract if the embedded derivative itself meets the definition of an insurance or reinsurance contract (see C.1.12.1).

For other contracts, the Company accounts for an embedded derivative separately from the host contract when:

- the hybrid contract is not measured at FVTPL;
- the terms of the embedded derivative would have met the definition of a derivative if they were contained in a separate contract; and
- the economic characteristics and risks of the embedded derivative are not closely related to those of the host contract. In particular, an embedded derivative is closely related to a host insurance contract if they are so interdependent that the embedded derivative cannot be measured separately – i.e. without considering the host contract.

C.1.4.7 Impairment

The impairment requirements are based on an expected credit loss (ECL) model. The ECL model applies to debt instruments accounted for at amortised cost or at FVOCI, most loan commitments, financial guarantee contracts, receivables from intermediaries and lease receivables under IFRS 16 Leases. The Company recognise 12-month ECL on initial recognition (or when the commitment or guarantee was entered into) and thereafter as long as there is no significant deterioration in credit risk. However, if there has been a significant increase in credit risk on an individual or collective basis, then a lifetime ECL is recognised. For trade receivables, a simplified approach is applied whereby the lifetime ECL are always recognised.

Expected credit loss is weighted average credit losses with the probability of default as a weight.

The Company determines whether the financial asset is in one of three stages (Stage 1, Stage 2, Stage 3) based on assessment whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition.

	Stage 1	Stage 2	Stage 3
Credit-impaired assets:	No	No	Yes
Significant increase of the credit risk:	No	Yes	Yes
Expected credit loss:	ECL – 12 month	ECL – lifetime	ECL – lifetime
Interest revenue	On gross carrying amount	On gross carrying amount	On amortised carrying amount

12 month ECL is the portion of expected credit losses associated with the financial instrument defaulting in the next 12 month. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

In this risk assessment, the Company takes into account the change in default that may occur after the expected life of the financial instrument (see D.5.2) and not the change in the amount of expected credit losses.

The key inputs into the measurement of ECL are term structures of the following variables:

- Probability of default / PD;
- loss given default (LGD); and
- exposure at default (EAD).

These parametres are based on the Company's experience, expert credit assessment and forward-looking information. See also Note D.5.2.

If the Company in previous reporting periods calculated lifetime ECL and if there is an evidence that there is no longer a significant increase in credit risk, relative to initial recognition, then the loss allowance on an instrument returns to be measured as 12 month ECL.

Presentation of expected credit losses in the Statement of financial position and the Income statement.

In case of financial assets measured at amortised cost, ECL is deducted from gross carrying amount of the asset. In case of FVOCI assets, ECL is deducted from the FVOCI revaluation in equity.

In Income statement, ECL of financial asset are presented in the line "Net impairment loss on financial assets".

Debt securities are derecognised (written off either partially or fully) if there is not real and achievable possibility of recovery.

Loss on derecognition due to writte off of financial instruments and other receivables writte off is presented as "Net impairment loss on financial assets".

Significant increase in credit risk a forward looking information are described in the chapter D.5.2.

C.1.4.8 Investment property

Investment properties are properties held either to earn rental income, for capital appreciation or both. A property owned by the Company is treated as an investment property if it is not occupied by the Company or it occupies only an insignificant proportion of the property.

To measure the value of investment properties, the Company applies the cost model set out by IAS 40, and adopts the depreciation criteria defined by IAS 16. Please refer to the paragraph on property and equipment (C.1.2) for information about the criteria used by the Company. Rental income from investment property is accounted for on a straight-line basis over the term of the lease.

Investment properties are derecognised either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in the income statement in the period of derecognition.

C.1.5 Receivables

This item includes receivables arising out of shared services to other companies within the group, receivables from intermediates, co-insurers, tax and other receivables.

They are initially recognised at fair value and subsequently measured at amortised cost reflecting their presumed recoverable amounts. For impairment requirements see C.1.4.7.

C.1.6 Non-current assets held for sale

Non-current assets that are expected to be recovered primarily through sales rather than through continuing use are classified as held-for-sale. Immediately before being classified as held-for-sale, the assets are measured in accordance with the applicable IFRS. Thereafter, generally, the assets are measured at the lower of their carrying amount and fair value less cost to sell. Any impairment loss on a disposal group is allocated to assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets and investment property, which continue to be measured in accordance with the Company's accounting policies.

Impairment losses on initial classification as held for sale and subsequent gains or losses on remeasurement are recognised in profit or loss. Gains are not recognised in excess of any cumulative impairment loss.

C.1.7 Cash and cash equivalents

Cash consists of cash on hand, demand deposits with banks and other financial institutions and term deposit due within 15 days. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

C.1.8 Lease transactions

The determination of whether an arrangement is a lease, or contains a lease, is based on the substance of the arrangement at the inception date and requires an assessment of whether the 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 (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

The Company has about 26 lease contracts as at 31 December 2025 (2024: 26) which represent real estate interests held on a leasehold basis. The real estates serve mainly as the head office buildings and a network of branches. Part of the leased property is subleased mainly to subsidiaries of the Company. The main part of income is recognised in 'insurance service expenses' if it is directly attributable to insurance activities, otherwise, it is recognised in 'other operating expenses'.

There are no material exposures in the lease contracts relating to variable lease payments, extension and termination options or residual guarantees. There are no commitments to future leases and no restrictions or covenants imposed by leases. The Company did not make any sale and leaseback transaction during the accounting period.

At the commencement of a lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets is recognised.

Right-of-use-assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Right-of-use assets (buildings): 1 to 8 years
- Right-of-use asset (car): 4 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

Amortisation is recognised in 'insurance service expenses' if it is directly attributable to insurance activities, otherwise, it is recognised in 'other operating expenses'.

The right-of-use assets are also subject to impairment testing.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the option to terminate.

Right-of-use assets are presented in balance sheet as Tangible assets if self-used (Note E.2) and as Investments (Note E.3) if not used for own use. Lease liabilities are presented in Financial liabilities (Note E.11). Depreciation charge and interest expense of right-of-use assets are reported in 'insurance service expenses' if it is directly attributable to insurance activities (Note E.21), otherwise, it is recognised in 'other operating expenses' (Note E.20).

Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments of properties, the Company uses its incremental borrowing rate at the lease commencement when the interest rate implicit in the lease is not readily determinable. The leases are of similar characteristics (similar class of underlying assets (properties) in similar economic environment) and the discount rates are as follows:

Lease term	2025	2024
Less or equal 3 years	3.96%	4.48%
3-5 years	4.25%	4.83%
Over 5 years	4.63%	5.14%

There is one leasing contract for car where interest rate implicit in the lease is 1.5% (2024 1.5%).

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short term and low value assets leases

Lease payments associated with short term and low value assets leases are recognised in the income statement as 'insurance service expenses' if it is directly attributable to insurance activities (Note E.21), otherwise, it is recognised in 'other operating expenses' (Note E.20).

C.1.9 Equity

C.1.9.1 Share capital issued

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

C.1.9.2 Retained earnings and other reserves

This item comprises the following reserves:

Reserve fund

The Company created the reserve fund. The reserve fund is not available for distribution to the shareholders, unless approved by the General Meeting.

Retained earnings

The item includes retained earnings or losses adjusted for the effect due to changes arising from the first application of IFRS and reserves for share-based payments.

Revaluation - financial assets FVOCI

The item includes gains or losses arising from changes in the fair value of FVOCI financial assets, as previously described in the corresponding item of financial investments. The amounts are presented net of the related deferred taxes.

Insurance finance reserve

The insurance finance reserve comprises the cumulative insurance and reinsurance finance income and expenses recognised in OCI (see note C.1.12.8).

Translation reserve

The item includes unrealised gains or losses arising from revaluation of the financial statements of the Branch from its functional currency which is Euro to the reporting currency Czech Crowns (see C.1.20.1).

Result of the period

This item refers to the Company's result for the period.

C.1.10 Dividends

Dividends are recognised as a liability provided they are declared before the end of the reporting period. Dividends declared after the end of the reporting period are not recognised as a liability but are disclosed in the notes.

C.1.11 Insurance, reinsurance and investment contracts – Classification

Contracts under which the Company accepts significant insurance risk, including insurance risk from other insurers, are classified as insurance contracts. Contracts held by the Company under which it transfers significant insurance risk related to underlying insurance contracts are classified as reinsurance contracts. Insurance and reinsurance contracts also expose the Company to financial risk.

Insurance contracts may be issued and reinsurance contracts may be initiated by the Company, or they may be acquired in a business combination or in a transfer of contracts that do not form a business. All references in these accounting policies to 'insurance contracts' and 'reinsurance contracts' include contracts issued, initiated or acquired by the Company, unless otherwise stated.

Some contracts entered into by the Company have the legal form of insurance contracts but do not transfer significant insurance risk. These contracts are classified in scope of IFRS 17 as they contain discretionary participation features and are referred to as an investment contracts with DPF.

Insurance contracts are classified as direct participating contracts or contracts without direct participation features. Direct participating contracts are contracts for which, at inception:

- the contractual terms specify that the policyholder participates in a share of a clearly identified pool of underlying items;
- the Company expects to pay to the policyholder an amount equal to a substantial share of the fair value returns on the underlying items; and
- the Company expects a substantial proportion of any change in the amounts to be paid to the policyholder to vary with the change in fair value of the underlying items.

Direct participating contracts are measured by the VFA measurement model (mainly pure unit-link contracts).

All other insurance contracts and all reinsurance contracts are classified as contracts without direct participation features. These contracts are measured under the GMM or PAA measurement model (see C.1.12.6).

C.1.12 Insurance and reinsurance contracts

C.1.12.1 Separating components from insurance and reinsurance contracts

At inception, the Company separates the following components from an insurance or reinsurance contract and accounts for them as if they were stand-alone financial instruments (see C.1.4):

- derivatives embedded in the contract whose economic characteristics and risks are not closely related to those of the host contract, and whose terms would not meet the definition of an insurance or reinsurance contract as a stand-alone instrument; and
- distinct investment components: i.e. investment components that are not highly inter-related with the insurance components and for which contracts with equivalent terms are sold, or could be sold, separately in the same market or the same jurisdiction.

After separating any financial instrument components, the Company separates any promises to transfer to policyholders distinct goods or services other than insurance coverage and investment services and accounts for them as separate contracts with customers (i.e. not as insurance contracts). A good or service is distinct if the policyholder can benefit from it either on its own or with other resources that are readily available to the policyholder. A good or service is not distinct and is accounted for together with the insurance component if the cash flows and risks associated with the good or service are highly inter-related with the cash flows and risks associated with the insurance component, and the Company provides a significant service of integrating the good or service with the insurance component.

C.1.12.2 Aggregation and recognition of insurance and reinsurance contracts

Insurance contracts

Insurance contracts are aggregated into groups for measurement purposes. Groups of insurance contracts are determined by identifying portfolios of insurance contracts, each comprising contracts subject to similar risks and managed together, and dividing each portfolio into annual cohorts (i.e. by year of issue) and each annual cohort into three groups based on the profitability of contracts:

- any contracts that are onerous on initial recognition;
- any contracts that, on initial recognition, have no significant possibility of becoming onerous subsequently; and
- any remaining contracts in the annual cohort.

Contracts within a portfolio that would fall into different groups only because law or regulation specifically constrains the Company´s practical ability to set a different price or level of benefits for policyholders with different characteristics are included in the same group. This applies to contracts that are required by regulation to be priced on a gender-neutral basis.

An insurance contract issued by the Company is recognised from the earliest of:

- the beginning of its coverage period (i.e. the period during which the Company provides services in respect of any premiums within the boundary of the contract);
- when the first payment from the policyholder becomes due or, if there is no contractual due date, when it is received from the policyholder; and
- when facts and circumstances indicate that the contract is onerous.

An insurance contract acquired in a transfer of contracts or a business combination is recognised on the date of acquisition.

When the contract is recognised, it is added to an existing group of contracts or, if the contract does not qualify for inclusion in an existing group, it forms a new group to which future contracts are added. Groups of contracts are established on initial recognition and their composition is not revised once all contracts have been added to the group.

Reinsurance contracts

Groups of reinsurance contracts are established such that for some reinsurance contracts a group may comprises a single contract. Some reinsurance contracts provide cover for underlying contracts that are included in different groups. However, the Company concludes that the reinsurance contract’s legal form of a single contract reflects the substance of the Company’s contractual rights and obligations, considering that the different covers lapse together and are not sold separately. As a result, the reinsurance contract is not separated into multiple insurance components that relate to different underlying groups.

A group of reinsurance contracts is recognised on the following date.

– *Reinsurance contracts initiated by the Company that provide proportionate coverage*: The date on which any underlying insurance contract is initially recognised. This applies to the Company's quota share reinsurance contracts.
– *Other reinsurance contracts initiated by the Company*: The beginning of the coverage period of the group of reinsurance contracts. However, if the Company recognises an onerous group of underlying insurance contracts on an earlier date and the related reinsurance contract was entered into before that earlier date, then the group of reinsurance contracts is recognised on that earlier date (see 'Reinsurance of onerous underlying insurance contracts' under (C.1.12.5)). This applies to the Company's excess of loss and stop loss reinsurance contracts.
– *Reinsurance contracts acquired:* The date of acquisition.

C.1.12.3 Insurance acquisition cash flows

Insurance acquisition cash flows are allocated to groups of insurance contracts using a systematic and rational method and considering, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort.

If insurance acquisition cash flows are directly attributable to a group of contracts (e.g. non-refundable commissions paid on issuance of a contract), then they are allocated to that group and to the groups that will include renewals of those contracts. The allocation to renewals only applies to non-life contracts and certain term assurance and critical illness contracts that have a one-year coverage period. The Company expects to recover part of the related insurance acquisition cash flows through renewals of these contracts. The allocation to renewals is based on the manner in which the Company expects to recover those cash flows.

If insurance acquisition cash flows are directly attributable to a portfolio but not to a group of contracts, then they are allocated to groups in the portfolio using a systematic and rational method.

Insurance acquisition cash flows arising before the recognition of the related group of contracts are recognised as an asset. Insurance acquisition cash flows arise when they are paid or when a liability is required to be recognised under a standard other than IFRS 17. Such an asset is recognised for each group of contracts to which the insurance acquisition cash flows are allocated.

The asset is derecognised, fully or partially, when the insurance acquisition cash flows are included in the measurement of the group of contracts (see C.1.12.5).

When the Company acquires insurance contracts in a transfer of contracts or a business combination, at the date of acquisition it recognises an asset for insurance acquisition cash flows at fair value for the rights to obtain:

– renewals of contracts recognised at the date of acquisition; and
– other future contracts after the date of acquisition without paying again insurance acquisition cash flows that the acquiree has already paid.

At each reporting date, the Company revises the amounts allocated to groups to reflect any changes in assumptions that determine the inputs to the allocation method used. Amounts allocated to a group are not revised once all contracts have been added to the group.

Recoverability assessment

At each reporting date, if facts and circumstances indicate that an asset for insurance acquisition cash flows may be impaired, then the Company:

a. recognises an impairment loss in profit or loss so that the carrying amount of the asset does not exceed the expected net cash inflow for the related group; and
b. if the asset relates to future renewals, recognises an impairment loss in profit or loss to the extent that it expects those insurance acquisition cash flows to exceed the net cash inflow for the expected renewals and this excess has not already been recognised as an impairment loss under (a).

The Company reverses any impairment losses in profit or loss and increases the carrying amount of the asset to the extent that the impairment conditions have improved.

C.1.12.4 Contract boundaries

The measurement of a group of contracts includes all of the future cash flows within the boundary of each contract in the group, determined as follows.

Insurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the period in which the Company can compel the policyholder to pay premiums or has a substantive obligation to provide services (including insurance coverage and any investment services). A substantive obligation to provide services ends when: – the Company has the practical ability to reassess the risks of the particular policyholder and can set a price or level of benefits that fully reflects those reassessed risks; or – the Company has the practical ability to reassess the risks of the portfolio that contains the contract and can set a price or level of benefits that fully reflects the risks of that portfolio, and the pricing of the premiums up to the reassessment date does not take into account risks that relate to periods after the reassessment date. The reassessment of risks considers only risks transferred from policyholders to the Company, which may include both insurance and financial risks, but exclude lapse and expense risks.
Reinsurance contracts	Cash flows are within the contract boundary if they arise from substantive rights and obligations that exist during the reporting period in which the Company is compelled to pay amounts to the reinsurer or has a substantive right to receive services from the reinsurer. A substantive right to receive services from the reinsurer ends when the reinsurer: – has the practical ability to reassess the risks transferred to it and can set a price or level of benefits that fully reflects those reassessed risks; or – has a substantive right to terminate the coverage.

The contract boundary is reassessed at each reporting date to include the effect of changes in circumstances on the Company's substantive rights and obligations and, therefore, may change over time.

C.1.12.5 Measurement – Contracts not measured under the PAA

Insurance contracts – Initial measurement

On initial recognition, the Company measures a group of insurance contracts as the total of (a) the fulfilment cash flows, which comprise estimates of future cash flows, adjusted to reflect the time value of money and the associated financial risks, and a risk adjustment for non-financial risk; and (b) the CSM. The fulfilment cash flows of a group of insurance contracts do not reflect the Company's non-performance risk.

The risk adjustment for non-financial risk for a group of insurance contracts, determined separately from the other estimates, is the compensation required for bearing uncertainty about the amount and timing of the cash flows that arises from non-financial risk.

The CSM of a group of insurance contracts represents the unearned profit that the Company will recognise as it provides services under those contracts. On initial recognition of a group of insurance contracts, if the total of (a) the fulfilment cash flows, (b) any cash flows arising at that date and (c) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under C.1.12.3) is a net inflow, then the group is not onerous. In this case, the CSM is measured as the equal and opposite amount of the net inflow, which results in no income or expenses arising on initial recognition.

For groups of contracts acquired in a transfer of contracts or a business combination, the consideration received for the contracts is included in the fulfilment cash flows as a proxy for the premiums received at the date of acquisition. In a business combination, the consideration received is the fair value of the contracts at that date.

If the total is a net outflow, then the group is onerous. In this case, the net outflow is recognised as a loss in profit or loss. A loss component is created to depict the amount of the net cash outflow, which determines the amounts that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue (see C.1.12.8).

Insurance contracts – Subsequent measurement

The carrying amount of a group of insurance contracts at each reporting date is the sum of the liability for remaining coverage and the liability for incurred claims. The liability for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be provided under the contracts in future periods and (b) any remaining CSM at that date. The liability for incurred claims includes the fulfilment cash flows for incurred claims and expenses that have not yet been paid, including claims that have been incurred but not yet reported.

The fulfilment cash flows of groups of insurance contracts are measured at the reporting date using current estimates of future cash flows, current discount rates and current estimates of the risk adjustment for non-financial risk. Changes in fulfilment cash flows are recognised as follows.

Changes relating to future services	Adjusted against the CSM (or recognised in the insurance service result in profit or loss if the group is onerous)
Changes relating to current or past services	Recognised in the insurance service result in profit or loss
Effects of the time value of money, financial risk and changes therein on estimated future cash flows	Recognised as insurance finance income or expenses (participating and non-participating contracts) or in OCI (non-participating contracts only) (see C.1.12.8)

The CSM of each group of contracts is calculated at each reporting date as follows.

Insurance contracts without direct participation features

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- changes in fulfilment cash flows that relate to future services, except to the extent that:
  - any increases in the fulfilment cash flows exceed the carrying amount of the CSM, in which case the excess is recognised as a loss in profit or loss and creates a loss component (see C.1.12.8); or
  - any decreases in the fulfilment cash flows are allocated to the loss component, reversing losses previously recognised in profit or loss (see C.1.12.8);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year (see C.1.12.8).

Changes in fulfilment cash flows that relate to future services comprise:

- experience adjustments arising from premiums received in the year that relate to future services and related cash flows, measured at the discount rates determined on initial recognition;
- changes in estimates of the present value of future cash flows in the liability for remaining coverage, measured at the discount rates determined on initial recognition, except for those that arise from the effects of the time value of money, financial risk and changes therein;
- differences between (a) any investment component expected to become payable in the year, determined as the payment expected at the start of the year plus any insurance finance income or expenses (see C.1.12.8) related to that expected payment before it becomes payable; and (b) the actual amount that becomes payable in the year;
- differences between any loan to a policyholder expected to become repayable in the year and the actual amount that becomes repayable in the year; and
- changes in the risk adjustment for non-financial risk that relate to future services.

Changes in discretionary cash flows are regarded as relating to future services and accordingly adjust the CSM (see Note C.2.1.1).

The Company does not disaggregate changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses.

Direct participating contracts

Direct participating contracts (see C.1.11) are contracts under which the Company's obligation to the policyholder is the net of:

- the obligation to pay the policyholder an amount equal to the fair value of the underlying items; and
- a variable fee in exchange for future services provided by the contracts, being the amount of the Company's share of the fair value of the underlying items less fulfilment cash flows that do not vary based on the returns on underlying items. The Company provides investment services under these contracts by promising an investment return based on underlying items, in addition to insurance coverage.

When measuring a group of direct participating contracts, the Company adjusts the fulfilment cash flows for the whole of the changes in the obligation to pay policyholders an amount equal to the fair value of the underlying items. These changes do not relate to future services and are recognised in profit or loss. The Company then adjusts any CSM for changes in the amount of the Company's share of the fair value of the underlying items, which relate to future services, as explained below.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- the change in the amount of the Company's share of the fair value of the underlying items and changes in fulfilment cash flows that relate to future services, except to the extent that:
  - the Company has applied the risk mitigation option to exclude from the CSM changes in the effect of financial risk on the amount of its share of the underlying items or fulfilment cash flows (see Note C.2.1.1);
  - a decrease in the amount of the Company's share of the fair value of the underlying items, or an increase in the fulfilment cash flows that relate to future services, exceeds the carrying amount of the CSM, giving rise to a loss in profit or loss (included in insurance service expenses) and creating a loss component (see C.1.12.8); or
  - an increase in the amount of the Company's share of the fair value of the underlying items, or a decrease in the fulfilment cash flows that relate to future services, is allocated to the loss component, reversing losses previously recognised in profit or loss (included in insurance service expenses) (see C.1.12.8);
- the effect of any currency exchange differences on the CSM; and
- the amount recognised as insurance revenue because of the services provided in the year (see C.1.12.8).

Changes in fulfilment cash flows that relate to future services include the changes relating to future services specified above for contracts without direct participation features (measured at current discount rates) and changes in the effect of the time value of money and financial risks that do not arise from underlying items – e.g. the effect of financial guarantees.

Indirect General Model

The Company hold insurance contracts that provide participation features but do not fulfil VFA eligibility requirements. These contracts have to be measured under the GMM, but the general approach is modified and is referred to as Indirect General Model (IGM).

The Company aims to mitigate the potential accounting mismatch and related volatility in P&L that may arise because of the interaction between the classification and measurement of financial assets in accordance with IFRS 9 and the accounting for insurance contracts issued and reinsurance contracts held.

For the insurance contracts measured under IGM, the Company ammended treatment of Protection component and Saving/Unit Linked component of one UoA. Previously, the amounts arising by discounting insurance contracts assets and liabilities with the discount rates determined at initial recognition (i.e. locked-in rate) were included in insurance finance income or expenses (P&L) for all components. However, the impact due to the change of the yield curve related to Protection component arising from the application of current rates was accounted for in OCI, while change of the yield curve related to the Saving/Unit Linked component was entirely recognized to P&L.

This approach has been amended to better comply with IFRS 17. The Company aligned the measurement with par. B132 (a) (ii) of IFRS and for the contracts, a new systematic allocation for the insurance finance income or expenses arising from the estimates of future cash flows was determined. The measurement derives a discount curve via adjusting the actual and expected crediting rates at the end of period. The discount curve subsequently drives the allocation of the insurance finance income or expenses to P&L of the current period.

Reinsurance contracts

To measure a group of reinsurance contracts, the Company applies the same accounting policies as are applied to insurance contracts without direct participation features, with the following modifications.

The carrying amount of a group of reinsurance contracts at each reporting date is the sum of the asset for remaining coverage and the asset for incurred claims. The asset for remaining coverage comprises (a) the fulfilment cash flows that relate to services that will be received under the contracts in future periods and (b) any remaining CSM at that date.

The Company measures the estimates of the present value of future cash flows using assumptions that are consistent with those used to measure the estimates of the present value of future cash flows for the underlying insurance contracts, with an adjustment for any risk of non-performance by the reinsurer. The effect of the non-performance risk of the reinsurer is assessed at each reporting date and the effect of changes in the non-performance risk is recognised in profit or loss.

The risk adjustment for non-financial risk is the amount of risk being transferred by the Company to the reinsurer.

On initial recognition, the CSM of a group of reinsurance contracts represents a net cost or net gain on purchasing reinsurance. It is measured as the equal and opposite amount of the total of (a) the fulfilment cash flows, (b) any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group, (c) any cash flows arising at that date and (d) any income recognised in profit or loss because of onerous underlying contracts recognised at that date (see ‘*Reinsurance of onerous underlying insurance contracts*’ below).

However, if any net cost on purchasing reinsurance coverage relates to insured events that occurred before the purchase of the group, then the Company recognises the cost immediately in profit or loss as an expense.

The carrying amount of the CSM at each reporting date is the carrying amount at the start of the year, adjusted for:

- the CSM of any new contracts that are added to the group in the year;
- interest accreted on the carrying amount of the CSM during the year, measured at the discount rates on nominal cash flows that do not vary based on the returns on any underlying items determined on initial recognition;
- income recognised in profit or loss in the year on initial recognition of onerous underlying contracts (see below);
- reversals of a loss-recovery component (see ‘*Net expenses from reinsurance contracts*’ under C.1.12.8) to the extent that they are not changes in the fulfilment cash flows of the group of reinsurance contracts;
- changes in fulfilment cash flows that relate to future services, measured at the discount rates determined on initial recognition, unless they result from changes in fulfilment cash flows of onerous underlying contracts, in which case they are recognised in profit or loss and create or adjust a loss-recovery component;
- the effect of any currency exchange differences on the CSM; and
- the amount recognised in profit or loss because of the services received in the year.

Reinsurance of onerous underlying insurance contracts

The Company adjusts the CSM of the group to which a reinsurance contract belongs and as a result recognises income when it recognises a loss on initial recognition of onerous underlying contracts, if the reinsurance contract is entered into before or at the same time as the onerous underlying contracts are recognised. The adjustment to the CSM is determined by multiplying:

– the amount of the loss that relates to the underlying contracts; and
– the percentage of claims on the underlying contracts that the Company expects to recover from the reinsurance contracts.

For reinsurance contracts acquired in a transfer of contracts or a business combination covering onerous underlying contracts, the adjustment to the CSM is determined by multiplying:

– the amount of the loss component that relates to the underlying contracts at the date of acquisition; and
– the percentage of claims on the underlying contracts that the Company expects at the date of acquisition to recover from the reinsurance contracts.

If the reinsurance contract covers only some of the insurance contracts included in an onerous group of contracts, then the Company uses a systematic and rational method to determine the portion of losses recognised on the onerous group of contracts that relates to underlying contracts covered by the reinsurance contract.

A loss-recovery component is created or adjusted for the group of reinsurance contracts to depict the adjustment to the CSM, which determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid (see '*Net expenses from reinsurance contracts*' under C.1.12.8).

C.1.12.6 Measurement – Contracts measured under the PAA

In the non-life segment, the Company uses the PAA to simplify the measurement of groups of contracts when the following criteria are met at inception.

– *Insurance contracts:* The coverage period of each contract in the group is one year or less. The PAA applies if a group contains multi-year contracts with no significant materiality. The Company reasonably expects that the resulting measurement of the liability for remaining coverage would not differ materially from the result of applying the accounting policies in C.1.12.5.
– *Loss-occurring reinsurance contracts*: The coverage period of each contract in the group is one year or less.
– *Risk-attaching reinsurance contracts:* The Company reasonably expects that the resulting measurement of the asset for remaining coverage would not differ materially from the result of applying the accounting policies in C.1.12.5. When comparing the different possible measurements, the Company considers the impact of the different release patterns of the asset for remaining coverage to profit or loss and the impact of the time value of money. If significant variability is expected in the fulfilment cash flows during the period before a claim is incurred, then this criterion is not met.

Insurance contracts

On initial recognition of each group of contracts, the carrying amount of the liability for remaining coverage is measured at the premiums received on initial recognition minus any insurance acquisition cash flows allocated to the group at that date, and adjusted for any amount arising from the derecognition of any assets or liabilities previously recognised for cash flows related to the group (including assets for insurance acquisition cash flows under C.1.12.3). The Company has chosen not to expense insurance acquisition cash flows when they are incurred.

Subsequently, the carrying amount of the liability for remaining coverage is increased by any premiums received and the amortisation of insurance acquisition cash flows recognised as expenses, and decreased by the amount recognised as insurance revenue for services provided (see C.1.12.8) and any additional insurance acquisition cash flows allocated after initial recognition. On initial recognition of each group of contracts, the Company expects that the time between providing each part of the services and the related premium due date is no more than a year and the materiality of multi-year contracts is not significant. Accordingly, the Company has chosen not to adjust the liability for remaining coverage to reflect the time value of money and the effect of financial risk.

If at any time during the coverage period, facts and circumstances indicate that a group of contracts is onerous, then the Company recognises a loss in profit or loss and increases the liability for remaining coverage to the extent that the current estimates of the fulfilment cash flows that relate to remaining coverage exceed the carrying amount of the liability for remaining coverage.

The fulfilment cash flows are discounted (at current rates) if the liability for incurred claims is also discounted (see below).

The Company recognises the liability for incurred claims of a group of insurance contracts at the amount of the fulfilment cash flows relating to incurred claims. The future cash flows are discounted (at current rates) unless they are expected to be paid in one year or less from the date the claims are incurred.

Reinsurance contracts

The Company applies the same accounting policies to measure a group of reinsurance contracts, adapted where necessary to reflect features that differ from those of insurance contracts.

If a loss-recovery component (see '*Reinsurance of onerous underlying insurance contracts*' under C.1.12.5) is created for a group of reinsurance contracts measured under the PAA, then the Company adjusts the carrying amount of the asset for remaining coverage instead of adjusting the CSM.

C.1.12.7 Derecognition and contract modification

The Company derecognises a contract when it is extinguished – i.e. when the specified obligations in the contract expire or are discharged or cancelled.

The Company also derecognises a contract if its terms are modified in a way that would have changed the accounting for the contract significantly had the new terms always existed, in which case a new contract based on the modified terms is recognised. If a contract modification does not result in derecognition, then the Company treats the changes in cash flows caused by the modification as changes in estimates of fulfilment cash flows.

On derecognition of a contract from within a group of contracts not measured under the PAA:

- the fulfilment cash flows allocated to the group are adjusted to eliminate those that relate to the rights and obligations derecognised;
- the CSM of the group is adjusted for the change in the fulfilment cash flows, except where such changes are allocated to a loss component; and
- the number of coverage units for the expected remaining services is adjusted to reflect the coverage units derecognised from the group (see C.1.12.8).

If a contract is derecognised because it is transferred to a third party, then the CSM is also adjusted for the premium charged by the third party, unless the group is onerous.

If a contract is derecognised because its terms are modified, then the CSM is also adjusted for the premium that would have been charged had the Company entered into a contract with the new contract's terms at the date of modification, less any additional premium charged for the modification. The new contract recognised is measured assuming that, at the date of modification, the Company received the premium that it would have charged less any additional premium charged for the modification.

C.1.12.8 Presentation

Portfolios of insurance contracts that are assets and those that are liabilities, and portfolios of reinsurance contracts that are assets and those that are liabilities, are presented separately in the statement of financial position. Any assets or liabilities recognised for cash flows arising before the recognition of the related group of contracts (including any assets for insurance acquisition cash flows under C.1.12.3) are included in the carrying amount of the related portfolios of contracts.

The Company disaggregates amounts recognised in the statement of profit or loss and OCI into (a) an insurance service result, comprising insurance revenue and insurance service expenses; and (b) insurance finance income or expenses..

Income and expenses from reinsurance contracts are presented separately from income and expenses from insurance contracts. Income and expenses from reinsurance contracts, other than insurance finance income or expenses, are presented on a net basis as ‘net expenses from reinsurance contracts’ in the insurance service result.

The interest accretion of PVFCF at locked-in rates, crediting rates and constant rates is presented in the finance result as financial expense. The impact of a change in discounting between locked-in rates and current rates is presented in OCI.

The Company does not disaggregate changes in the life risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. All changes in the risk adjustment for non-financial risk are included in the insurance service result. For non-life risk adjustment, the Company disaggregates changes in the risk adjustment for non-financial risk between the insurance service result and insurance finance income or expenses. The changes in the risk adjustment for non-financial risk arising from the interest accreation of the period and currency translation differences are included in the finance result.

Insurance revenue and insurance service expenses exclude any investment components and are recognised as follows.

Insurance revenue – Contracts not measured under the PAA

The Company recognises insurance revenue as it satisfies its performance obligations – i.e. as it provides services under groups of insurance contracts. For contracts not measured under the PAA, the insurance revenue relating to services provided for each year represents the total of the changes in the liability for remaining coverage that relate to services for which the Company expects to receive consideration, and comprises the following items.

- A release of the CSM, measured based on coverage units provided (see ‘*Release of the CSM*’ below).
- Changes in the risk adjustment for non-financial risk relating to current services.
- Claims and other insurance service expenses incurred in the year, generally measured at the amounts expected at the beginning of the year. This includes amounts arising from the derecognition of any assets for cash flows other than insurance acquisition cash flows at the date of initial recognition of a group of contracts (see C.1.12.5), which are recognised as insurance revenue and insurance service expenses at that date.
- Other amounts, including experience adjustments for premium receipts for current or past services for the life risk segment.

In addition, the Company allocates a portion of premiums that relate to recovering insurance acquisition cash flows to each period in a systematic way based on the passage of time. The Company recognises the allocated amount, adjusted for interest accretion at the discount rates determined on initial recognition of the related group of contracts, as insurance revenue and an equal amount as insurance service expenses.

Release of the CSM

See also Note C.2.1.1

The amount of the CSM of a group of insurance contracts that is recognised as insurance revenue in each year is determined by identifying the coverage units in the group, allocating the CSM remaining at the end of the year (before any allocation) equally to each coverage unit provided in the year and expected to be provided in future years, and recognising in profit or loss the amount of the CSM allocated to coverage units provided in the year. The number of coverage units is the quantity of services provided by the contracts in the group, determined by considering for each contract the quantity of benefits provided and its expected coverage period. The coverage units are reviewed and updated at each reporting date.

Services provided by insurance contracts include insurance coverage and, for all direct participating contracts, investment services for managing underlying items on behalf of policyholders. In addition, life savings contracts may also provide investment services for generating an investment return for the policyholder, but only if:

- an investment component exists or the policyholder has a right to withdraw an amount (e.g. the policyholder’s right to receive a surrender value on cancellation of a contract);
- the investment component or withdrawal amount is expected to include an investment return; and
- the Company expects to perform investment activities to generate that investment return.

The expected coverage period reflects expectations of lapses and cancellations of contracts, as well as the likelihood of insured events occurring to the extent that they would affect the expected coverage period. The period of investment services ends no later than the date on which all amounts due to current policyholders relating to those services have been paid.

Insurance revenue – Contracts measured under the PAA

For contracts measured under the PAA, the insurance revenue for each period is the amount of expected premium receipts for providing services in the period. The Company allocates the expected premium receipts to each period on the passage of time.

Loss components

For contracts not measured under the PAA, the Company establishes a loss component of the liability for remaining coverage for onerous groups of insurance contracts. The loss component determines the amounts of fulfilment cash flows that are subsequently presented in profit or loss as reversals of losses on onerous contracts and are excluded from insurance revenue when they occur. When the fulfilment cash flows are incurred, they are allocated between the loss component and the liability for remaining coverage excluding the loss component on a systematic basis.

The systematic basis is determined by the proportion of the loss component relative to the total estimate of the present value of the future cash outflows plus the risk adjustment for nonfinancial risk at the beginning of each year (or on initial recognition if a group of contracts is initially recognised in the year).

Changes in fulfilment cash flows relating to future services and changes in the amount of the Company's share of the fair value of the underlying items for direct participating contracts are allocated solely to the loss component. If the loss component is reduced to zero, then any excess over the amount allocated to the loss component creates a new CSM for the group of contracts.

Insurance service expenses

Insurance service expenses arising from insurance contracts are recognised in profit or loss generally as they are incurred. They exclude repayments of investment components and comprise the following items.

- *Incurred claims and other insurance service expenses:* For some life risk contracts, incurred claims also include premiums waived on detection of critical illness.
- *Amortisation of insurance acquisition cash flows*: For contracts not measured under the PAA, this is equal to the amount of insurance revenue recognised in the year that relates to recovering insurance acquisition cash flows. For contracts measured under the PAA, the Company amortises insurance acquisition cash flows on a straight-line basis over the coverage period of the group of contracts.
- Losses on onerous contracts and reversals of such losses.
- Adjustments to the liabilities for incurred claims that do not arise from the effects of the time value of money, financial risk and changes therein.
- Impairment losses on assets for insurance acquisition cash flows and reversals of such impairment losses.

Net expenses from reinsurance contracts

Net expenses from reinsurance contracts comprise an allocation of reinsurance premiums paid less amounts recovered from reinsurers.

The Company recognises an allocation of reinsurance premiums paid in profit or loss as it receives services under groups of reinsurance contracts. For contracts not measured under the PAA, the allocation of reinsurance premiums paid relating to services received for each period represents the total of the changes in the asset for remaining coverage that relate to services for which the Company expects to pay consideration. For contracts measured under the PAA, the allocation of reinsurance premiums paid for each period is the amount of expected premium payments for receiving services in the period.

For a group of reinsurance contracts covering onerous underlying contracts, the Company establishes a loss-recovery component of the asset for remaining coverage to depict the recovery of losses recognised:

– on recognition of onerous underlying contracts, if the reinsurance contract covering those contracts is entered into before or at the same time as those contracts are recognised; and
– for changes in fulfilment cash flows of the group of reinsurance contracts relating to future services that result from changes in fulfilment cash flows of the onerous underlying contracts. The loss-recovery component determines the amounts that are subsequently presented in profit or loss as reversals of recoveries of losses from the reinsurance contracts and are excluded from the allocation of reinsurance premiums paid. It is adjusted to reflect changes in the loss component of the onerous group of underlying contracts, but it cannot exceed the portion of the loss component of the onerous group of underlying contracts that the Company expects to recover from the reinsurance contracts.

Insurance finance income and expenses

Insurance finance income and expenses comprise changes in the carrying amounts of groups of insurance and reinsurance contracts arising from the effects of the time value of money, financial risk and changes therein, unless any such changes for groups of direct participating contracts are allocated to a loss component and included in insurance service expenses (see C.1.12.5). They include changes in the measurement of groups of contracts caused by changes in the value of underlying items (excluding additions and withdrawals).

For life risk and life savings contracts, the Company has chosen to disaggregate insurance finance income or expenses between profit or loss and OCI . The amount included in profit or loss is determined by a systematic allocation of the expected total insurance finance income or expenses over the duration of the group of contracts. The systematic allocation is determined using the following rates:

– *life risk contracts:* the discount rates determined on initial recognition of the group of contracts; and
– *life savings contracts:* for insurance finance income or expenses arising from the estimates of future cash flows, a rate that allocates the remaining revised expected finance income or expenses over the remaining duration of the group of contracts at a constant rate (i.e. the effective yield); and for insurance finance income or expenses arising from the CSM, the discount rates determined on initial recognition of the group of contracts.

Amounts presented in OCI are accumulated in the insurance finance reserve. If the Company derecognises a contract without direct participation features as a result of a transfer to a third party or a contract modification, then any remaining amounts of accumulated OCI for the contract are reclassified to profit or loss as a reclassification adjustment.

For participating and non-life contracts, the Company presents insurance finance income or expenses in profit or loss.

C.1.12.9 Transition

At 1 January 2022, the Company applied the following approaches to identify and measure certain groups of contracts in the life risk, life savings and participating segments on transition to IFRS 17. The transition approach has material impact on current financial statements.

Transition Approach	Scope of Application
Contracts underwritten in the Czech Republic	
Full Retrospective Approach	Applied on protection and hybrid units of accounts with cohorts of year 2020 and 2021
Modified Retrospective Approach	Applied on participating business for pure unit-link contracts for all accounting periods and in case of non-participating business, the approach is applied for protection and hybrid units of accounts with cohorts between years 2008 and 2019
Fair Value Approach	Applied on endowment, annuities and employee benefit units of accounts for all cohorts and on protection and hybrid units of accounts of 2007 cohort and older.
Contracts underwritten in the Slovak Republic Portfolio of the Branch	
Full Retrospective Approach	Applied on accounting periods 2017-2021 excluding credit protection unit of accounts from periods 2017-2020 and Annuities steaming from Pillar II
Modified Retrospective Approach	Applied to units of accounts falling in cohorts between years 2010 and 2016
Fair Value Approach	Applied on portfolios with cohort less than 2010, acquired business from business combination and portfolios which didn't passed the data quality or are immaterial

The Company applied the full retrospective approach to all contracts and assets for insurance acquisition cash flows in the non-life segment except for accident years prior to 2016 where retrieving the full set of information could require high judgement and imply hindsight.

Modified retrospective approach

The objective of the modified retrospective approach is to achieve the closest outcome to retrospective application possible using reasonable and supportable information available without undue cost or effort. The Company applied each of the following modifications only to the extent that it did not have reasonable and supportable information to apply IFRS 17 retrospectively to certain groups of contracts.

Historical data were not available in GoC detail, historical accounting balances were used.

The future cash flows on initial recognition wer e taken from IFRS4 accounting reports. For participating business, there was a simplification for calculation of management fee as this figure was not available separately in accounting data. Future statutory profit was calculated as Present Value of Future Profits from actuarial platform.

Attributable expenses were not available in GoC detail except for direct acquisition commissions. The expenses were allocated in GoC level based on the similar allocation process used in actuarial platform for future cash-flow model. This allocation was based on a number of policies in case of direct costs and on a regular premium in case of indirect expenses.

RA at inception based on the following formula:

RA at Transition * ((Past Cash Outflows-Past Acq.CF+Future Cash outflows)) / (Future Cash outflows)

The CSM release was driven by aggregated coverage units in order to represent the service provided by the different components of the insurance contracts. It has been decided to go with a formula which attempts to normalise the value of the service to 1 currency unit for the risk of death, using the outputs from actuarial platform.

If the calculation results in a loss component, then the Company adjusted the loss component to zero and increased the liability for remaining coverage excluding the loss component by the same amount at 1 January 2022.

Fair value approach

Under the fair value approach, the CSM (or the loss component) at 1 January 2022 was determined as the difference between the fair value of a group of contracts at that date and the fulfilment cash flows at that date. The Company measured the fair value of the contracts as the sum of (a) the present value of the net cash flows expected to be generated by the contracts, determined using a discounted cash flow technique; and (b) an additional margin, determined using a confidence level technique.

The cash flows considered in the fair value measurement was consistent with those that were within the contract boundary. Therefore, the cash flows related to expected future renewals of insurance contracts were not considered in determining the fair value of those contracts if they are outside the contract boundary. The present value of the future cash flows considered in measuring fair value were broadly consistent with that determined in measuring the fulfilment cash flows.

Differences in the Company's approach to measuring fair value from the IFRS 17 requirements for measuring fulfilment cash flows gave rise to a CSM at 1 January 2022. In particular, in measuring fair value the Company included a margin comprising a risk premium to reflect what market participants would demand as compensation for the uncertainty inherent in the cash flows and a profit margin to reflect what market participants would require to assume the obligations to service the insurance contracts. In determining this margin, the Company considered certain costs that were not directly attributable to fulfilling the contracts (e.g. general overheads) and certain risks that were not reflected in the fulfilment cash flows (e.g. general operational risk), among other factors that a market participant would consider.

For all contracts measured under the fair value approach, the Company used reasonable and supportable information available at 1 January 2022 to determine:

- how to identify groups of contracts;
- whether a contract meets the definition of a direct participating contract;
- how to identify discretionary cash flows for contracts without direct participation features; and
- whether an investment contract meets the definition of an investment contract with DPF.

Some groups of contracts measured under the fair value approach contained contracts issued more than one year apart. For these groups, the discount rates on initial recognition was determined at 1 January 2022 instead of at the date of initial recognition.

For all contracts measured under the fair value approach, the amount of insurance finance income or expenses accumulated in the insurance finance reserve at 1 January 2022 were determined to be zero.

C.1.13 Other provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reasonable estimate can be made of the amount of the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Company, among the other similar classes of potential legal disputes, monitors and assesses thoroughly whether some liabilities should be recognized under Act No. 229/2002 Coll. as amended by subsequent changes.

C.1.14 Payables

Accounts payable represent contractual obligation to deliver cash or another financial asset. Accounts payable are measured at amortised cost, which will normally equal their nominal or repayment value.

C.1.15 Other investment revenue/expense

Other income and expenses from financial assets comprise realised and unrealised gains/losses, dividends and net impairment loss or reversals of impairment (see C.1.4.7).

A realised gain/loss arises on derecognition of financial assets other than financial assets at fair value through profit or loss. The amount of the realised gain/loss represents the difference between the carrying value of a financial asset and the sales price adjusted for any cumulative gain or loss that had been recognised directly through OCI.

Net fair value gains on financial assets and liabilities at fair value through profit or loss not held-for-trading represent the amount of the subsequent measurement of financial assets and liabilities designated at fair value through profit or loss to their fair value or the gain/loss from disposal thereof.

Dividends from investments are recorded when declared and approved by the shareholder's meeting of the respective company.

C.1.16 Income and expense from investment property

Income and expense from investment property comprise realised gains/losses triggered by derecognition, rental income and other income and expense related to investment property (See Note E.17).

C.1.17 Other income and other operating expense

The main part of other income and other operating expenses arise from expenses non-atributable to insurance contracts, like image marketing, project cost, product development cost and some training cost and administration services relating to the Employer's liability insurance provided by the Company for the state. For this type of insurance, the Company bears no insurance risk; it only administrates the fee collection and claims settlement. The revenue is recognised in the period when services are provided and in the amount stated by law.

C.1.18 Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised through OCI, in which case it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted as at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

The entity accounts for uncertain tax positions in accordance with IFRIC 23, recognizing and measuring tax positions based on the probability that the taxation authority will accept the treatment.

Deferred tax is provided using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Temporary differences from the initial recognition of assets or liabilities outside of business combinations that affect neither accounting nor taxable profit are not provided for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates enacted or substantially enacted as at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

C.1.19 Employee benefits

C.1.19.1 Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are payable wholly within twelve months after the end of the period in which the employees render the related service. Short-term employee benefits include mainly wages and salaries, management remuneration and bonuses, remuneration for membership in Company boards and non-monetary benefits. The Company makes contributions to the government pension at the statutory rates in force during the year, based on gross salary payments. The benefits are recognised in an undiscounted amount as an expense and as a liability (accrued expense).

C.1.19.2 Other long-term employee benefits

Other long-term employee benefits are employee benefits (other than post-employment benefits and termination benefits) that do not become due wholly within twelve months after the end of the period in which the employees render the related service.

The benefits are measured at present value of the defined obligation at the balance sheet date using the projected unit credit method.

C.1.19.3 Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) that are payable after the completion of employment. The Company makes contributions to the government accident and guarantee insurance and unemployment schemes at the statutory rates in force during the year, based on gross salary payments. Throughout the year, the Company made contributions amounting to 25% (2024: 25%) of gross salaries up to a limit, which is defined by the relevant law, to such schemes, together with contributions made by employees of a further 6.5% (2024: 6.5%). The cost of these Company made contributions is charged to the income statement in the same period as the related salary cost as this is a defined contribution plan since there are no further obligations of the Company in respect of employees’ post-employment benefits.

C.1.19.4 Termination benefits

Termination benefits are employee benefits payable as a result of the Company’s decision to terminate an employee’s employment before the normal retirement date, or as a result of an employee’s decision to accept voluntary redundancy in exchange for those benefits.

The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after the balance sheet date are discounted to present value.

C.1.20 Other accounting policies

C.1.20.1 Foreign currency translation

A foreign currency transaction is a transaction that is denominated in or requires settlement in a currency other than functional currency. Functional currency is the currency of the primary economic environment in which entity operates. A foreign currency transaction is recorded, on initial recognition in the functional currency, by applying the exchange rate effective as at the date of the transaction to the foreign currency amount.

At each end of the reporting period:

– Foreign currency monetary items are translated using the closing foreign exchange rate. Groups of insurance and reinsurance contracts that generate cash flows in a foreign currency, including the CSM, are treated as monetary items;
– Non-monetary assets and liabilities denominated in a foreign currency, which are carried at fair value, are translated using the foreign exchange rates ruling as at the dates the fair values were determined,
– Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction.

Foreign currency differences arising on translation are generally recognised in profit or loss. However, foreign currency differences arising from the translation of the following items are recognised in OCI:

– groups of insurance and reinsurance contracts to the extent that the foreign currency differences relate to changes in the carrying amount of the groups recognised in OCI (see 'Insurance finance income and expenses' under C.1.12.8). The amount included in OCI is the difference between the total foreign currency differences and the amount included in profit or loss. The amount included in profit or loss is the difference between the measurement of the group that is used to determine the insurance finance income and expenses in profit or loss in the year in the functional currency at the beginning of the year, adjusted for accreted interest and payments during the year, and the same measurement in the foreign currency translated at the exchange rate at the end of the year;
– equity investments designated as at FVOCI; and
– exchange rate differences arising from translation from functional to presentation currency of the branch in Slovakia.

Translation from functional to presentation currency

The items in the statement of financial position in functional currencies different from the presentation currency of the Company, the branch in Slovakia, were translated into Czech crown (CZK) based on the exchange rates as at the end of the year.

The income statement items were translated based on the exchange rates as at the dates of the transactions.

The exchange rate differences arising from the translation are accounted for in other comprehensive income in an appropriate reserve and are recognised in the income statement only at the time of the disposal of the investments.

C.1.20.2 Impairment of non-financial assets

The carrying amounts of the Company's non-financial assets, other than insurance and reinsurance contract assets, investment property, deferred tax assets and employee benefit assets, are reviewed as at each end of the reporting period to determine whether there is any indication of impairment. This determination requires judgement. If any such indication exists, the asset's recoverable amount is estimated. The recoverable amount is measured annually regardless of any indication of impairment for intangible assets not yet available for use.

An impairment loss is recognised to the extent that the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the income statement; net impairment losses are part of other operating expenses, net reversals of impairment are part of other income.

The recoverable amount of assets is the greater of their fair value less cost to sell and the value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

In respect of the assets, an impairment loss is reversed through the income statement if there has been an increase in the recoverable amount and the increase can be objectively related to an event occurring after the date of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount of the asset that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

C.1.20.3 Discretionary participation features (DPF)

A discretionary participation feature (DPF) represents a contractual right to receive, as a supplement to guaranteed benefits, additional benefits that constitute a significant portion of the total contractual benefits, whose amount or timing is at the discretion of the Company and are based on the performance of pooled assets, profit or loss of the company or investment returns.

As the amount of the bonus to be allocated to policyholders has been irrevocably fixed as at the end of the reporting period, the amount is presented as a liability in the financial statements, i.e. within the life insurance contract assets or liabilities.

C.1.20.4 REPO and reverse REPO transactions

Securities sold under agreements to repurchase at a specified future date are not derecognised from the statement of financial position as the Company retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognised in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within cash collateral on securities lent and repurchase agreements, reflecting the transaction's economic substance as a loan to the Company. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

Conversely, securities purchased under agreements to resell at a specified future date are not recognised in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position, within loans, reflecting the transaction's economic substance as a loan by the Company. The difference between the purchase and resale prices is recorded in net interest income and is accrued over the life of the agreement using the EIR.

If securities purchased under an agreement to resell are subsequently sold to third parties, the obligation to return the securities is recorded as a short sale within financial liabilities held for trading and measured at fair value with any gains or losses included in Investment return.

C.1.20.5 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position only when there is an unconditional and legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

C.1.20.6 Share-based payments

Employees of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The Company has no obligation to settle the share-based transaction, transaction will be settled by shares issued by Assicurazioni Generali S.p.A. (ultimate parent company).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model. That cost is recognised together with a corresponding increase in retained earnings in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the best estimate of the number of equity instruments that will ultimately vest. The statement of profit or loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in other operating expenses.

No expense is recognised for awards that do not ultimately vest, except for equity-settled transactions for which vesting is conditional upon a market or non-vesting condition. These are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

When the terms of an equity-settled award are modified, the minimum expense recognised is the expense had the terms had not been modified, if the original terms of the award are met. An additional expense is recognised for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

C.1.20.7 Fair value measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the asset or liability is exchanged in an orderly transaction between market participants to sell the asset or transfer the liability at the measurement date under current market conditions.

The fair value of financial instruments and other assets and liabilities is based on their quoted market price as at the end of the reporting period without any deduction for transaction costs. If a quoted market price is not available or if the market for an asset or liability is not active, the fair value is estimated using pricing models or discounted cash-flow techniques. The IBOR transition implemented in 2020 was smooth and overall impact very small (only EUR and USD valued derivatives with central settlement slightly affected). Czech curve is compliant.

A quoted instrument is an instrument that is negotiated on a regulated market or on a multilateral trading facility. To assess whether the market is active or not, the Company carefully determines whether the quoted price really reflects the fair value, i.e. in cases when the price has not changed for a long period or the Company has information about an important event but the price did not change accordingly, the market is not considered active. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Discounted cash flow techniques use estimated future cash flows, which are based on management's estimates, and the discount rate, which is constructed from risk-free rates adjusted by risk margin (credit spread). This is usually derived from an instrument with similar terms and conditions (ideally from the same issuer, similar maturity and seniority) which reflects the market price in the best way.

In general, in the case that pricing models are used, inputs are based on market-related measures as at the end of the reporting period which limits the subjectivity of the valuation performed by the Company, and the result of such a valuation best approximates the fair value of an instrument.

The fair value of derivatives that are not exchange-traded as at the end of the reporting period is estimated using appropriate pricing models as described in the previous paragraph taking into account current market conditions and the current creditworthiness of the counterparties. In the case of options, Black-Scholes models are applied. Also, for any other over-the-counter instruments (CDS, IRS, CCS, etc.), widely recognised models are applied and, again, the parameters of the valuation intend to reflect the market conditions.

Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs are used.

The fair value hierarchy (defined by IFRS 13) into three levels has been used. The fair value hierarchy categorises the inputs to valuation techniques used to measure fair value:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date,
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly,
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of assets or liabilities traded in active markets is based on quoted market prices at the end of the reporting period. These instruments are included in level 1.

The fair value of assets or liabilities that are not traded in an active market (for example, over-the-counter derivatives or unquoted bonds) are determined by using valuation techniques. If all significant inputs required to fair value an instrument are observable on the market, the instrument is included in level 2. Specific valuation techniques used in valuation include mainly quoted market prices or over-the-counter offers for similar instruments, cash flow estimation and risk-free curves.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Level 3 contains assets and liabilities where market prices are unavailable and entity specific estimates are necessary.

Assets and liabilities are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 instruments also include those for which the determination of fair value requires significant expert judgment or estimation. A general description of the valuation techniques used for Level 3 assets and liabilities is provided below.

- Independent evaluation of third party - the adequacy of the price results from evaluations, reports or fairness opinions issued by independent third parties.
- Price based on the amount of shareholders' equity
- Price that incorporates additional information about the value of an instrument (insufficient value of illiquid underlying assets in case of funds/hedge funds, not enough resources to finance junior tranches in case of structured products like CDO, default of an issuer).

The following table provide a description of the valuation techniques and the inputs used in the fair value measurement:

	Level 2	Level 3
Equities		The fair value is mainly determined using independent evaluation provided by third party or is based on the amount of shareholders' equity.
Investment funds		The fair value is mainly based on the information about value of underlying assets. Valuation of underlying assets requires significant expert judgment or estimation.
Bonds, Loans	Bonds are valued using discounted cash flow technique. It uses estimated future cash flows and the discount rate, which is constructed from risk-free rates adjusted by credit spread. The spread is usually derived from an instrument with similar terms and conditions which is traded on active market (ideally from the same issuer, similar maturity and seniority) which reflects the market price in the best way.	Indicative price is provided by third party or discounted cash flow technique uses objectively unobservable inputs (extrapolated interest rates and volatilities, historical volatilities and correlations, significant adjustments to the quoted CDS spreads, prices of similar assets requiring significant adjustments etc.).
Derivatives	Derivatives are valued using discounted cash flow technique. Estimated future cash flows and market observable inputs like the risk free rates and foreign exchange rates and basis swap spreads are used.	
Deposits, Reverse REPO operations, Deposits under reinsurance business	These instruments are valued using discounted cash flow technique. Estimated future cash flows and market observable inputs like the risk free rates and foreign exchange rates are used.	

Table below describes Level 3 instruments and their unobservable inputs of Level 3 (mil CZK):

Description	Fair value as at 31 December 2025	Valuation technique(s)	Non-market observable input(s)	Range
Interest in investment vehicles	2,036	Net asset value	n/a*	n/a*
Investment funds	1,015	Expert judgment	Value of underlying instruments	n/a
Bonds Corporate	764	Discounted cash flow technique /Third party valuation (Refinitive)	Level of credit spread	52 - 1171 bps**

* Level 3 interest in investment vehicles consist of Lion River investment. The fair value is taken from the issuer, no non-market observable input is used.

** Spreads of impaired bonds are excluded from the range as their fair value is set to 5% or even 0% of their nominal value. These bonds are technically treated as defaulted ones.

Description	Fair value as at 31 December 2024	Valuation technique(s)	Non-market observable input(s)	Range
Interest in investment vehicles	2,169	Net asset value	n/a*	n/a*
Investment funds	610	Expert judgment	Value of underlying instruments	n/a
Bonds Government	1,349	Discounted cash flow technique /Third party valuation (Refinitive)	Level of credit spread	35 - 82 bps**
Bonds Corporate	1,064	Discounted cash flow technique /Third party valuation (Refinitive)	Level of credit spread	18 - 434 bps**

* Level 3 interest in investment vehicles consist of Lion River investment. The fair value is taken from the issuer, no non-market observable input is used.

** Spreads of impaired bonds are excluded from the range as their fair value is set to 5% or even 0% of their nominal value. These bonds are technically treated as defaulted ones.

Where possible, the Company tests the sensitivity of the fair values of Level 3 investments to changes in unobservable inputs to reasonable alternatives. Where possible valuations for Level 3 investments are sourced from independent third parties and, where appropriate, validated against internally-modelled valuations, third-party models or broker quotes.

Where third-party pricing sources are unwilling to provide a sensitivity analysis for their valuations or where no third-party pricing source is available, the Company undertakes, where feasible, sensitivity analysis on the following basis:

- For third-party valuations validated against internally-modelled valuations using significant unobservable inputs, the sensitivity of the internally modelled valuation to changes in unobservable inputs to a reasonable alternative is determined.
- For third-party valuations either not validated or validated against a third-party model or broker quote, the third-party valuation in its entirety is considered an unobservable input. Sensitivities are determined by flexing inputs of internal models to a reasonable alternative, including the yield, NAV multiple, IRR or other suitable valuation multiples of the financial instrument implied by the third-party valuation. For example, for a fixed income security the implied yield would be the rate of return which discounts the security's contractual cash flows to equal the third-party valuation.

On the basis of the methodology outlined above and ranges specified in the table with unobservable inputs the Company is able to perform sensitivity analysis for Company's Level 3 investments.

Table below describes result of changes of unobservable valuation inputs by ± 100 bps (mil CZK):

Description	Fair value as at 31 December 2025	Sensitivity result
Bonds Corporate	764	(4) - 4
Total		

Description	Fair value as at 31 December 2024	Sensitivity result
Bonds Government	1,349	(266) – 346
Bonds Corporate	1,064	(14) - 15
Total	**2,413**	

The policy about the timing of recognising transfers, which is based on the date of the event or change in circumstances that caused the transfer, is the same for transfers into the levels as for transfers out of the levels.

C.1.21 Fair value hedge

The Company designates certain derivatives as hedges of the fair value of recognised assets. The hedge accounting has been applied to derivatives hedging an interest rate exposure of interest-bearing financial assets at fair value through OCI.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the Income statement (see C.1.4.6), together with any changes in the fair value, or a portion of fair value, of the hedged assets that are attributable to the hedged risk.

At the inception of the transaction, the Company documents the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking hedging transactions.

The Company also documents its assessment of the hedging effectiveness, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are expected to be and have been highly effective in offsetting changes in the fair values of hedged items.

C.2 Critical accounting estimates, judgements and assumptions

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

C.2.1 Significant assumptions, judgements and estimates used for measurement of insurance and reinsurance contracts

The Company uses certain assumptions when calculating its insurance and reinsurance contracts assets and liabilities. The assumptions, judgements and estimates that have the greatest effect on the measurement of the items in the Company's financial statements, and the effects of changes in the assumptions that would have a material effect on the recognised amounts, are discussed below

C.2.1.1 Fulfilment cash flows

Fulfilment cash flows comprise:

- estimates of future cash flows;
- an adjustment to reflect the time value of money and the financial risks related to future cash flows, to the extent that the financial risks are not included in the estimates of future cash flows; and
- a risk adjustment for non-financial risk.

The Company's objective in estimating future cash flows is to determine the expected value of a range of scenarios that reflects the full range of possible outcomes. The cash flows from each scenario are discounted and weighted by the estimated probability of that outcome to derive an expected present value.

Estimates of future cash flows

In estimating future cash flows, the Company incorporates, in an unbiased way, all reasonable and supportable information that is available without undue cost or effort at the reporting date. This information includes both internal and external historical data about claims and other experience, updated to reflect current expectations of future events.

The estimates of future cash flows reflect the Company's view of current conditions at the reporting date, as long as the estimates of any relevant market variables are consistent with observable market prices.

When estimating future cash flows, the Company takes into account current expectations of future events that might affect those cash flows. However, expectations of future changes in legislation that would change or discharge a present obligation or create new obligations under existing contracts are not taken into account until the change in legislation is substantively enacted. The Company derives cost inflation assumptions from the difference between the yields on nominal and inflation-linked government bonds.

Cash flows within the boundary of a contract relate directly to the fulfilment of the contract, including those for which the Company has discretion over the amount or timing. These include payments to (or on behalf of) policyholders, insurance acquisition cash flows and other costs that are incurred in fulfilling contracts.

Insurance acquisition cash flows arise from the activities of selling, underwriting and starting a group of contracts that are directly attributable to the portfolio of contracts to which the group belongs. Other costs that are incurred in fulfilling the contracts include:

- claims handling, maintenance and administration costs;
- recurring commissions payable on instalment premiums receivable within the contract boundary;
- costs that the Company will incur in providing investment services;
- costs that the Company will incur in performing investment activities to the extent that the Company performs them to enhance benefits from insurance coverage for policyholders by generating an investment return from which policyholders will benefit if an insured event occurs; and
- income tax and other costs specifically chargeable to the policyholders under the terms of the contracts.

Insurance acquisition cash flows and other costs that are incurred in fulfilling contracts comprise both direct costs and an allocation of fixed and variable overheads.

Reinsurance cash-flows on incurred claims are estimated by applying net-on-gross ratio considering specificity of cession of each claim component, specifically claim expenses, recoveries, settlement expenses or profit sharing.

Contract boundaries

The assessment of the contract boundary, which defines which future cash flows are included in the measurement of a contract, requires judgement and consideration of the Company's substantive rights and obligations under the contract (See note C.12.4). Cash flows are attributed to acquisition activities, other fulfilment activities and other activities at local entity level using activity-based costing techniques. Cash flows attributable to acquisition and other fulfilment activities are allocated to groups of contracts using methods that are systematic and rational and are consistently applied to all costs that have similar characteristics. Other costs are recognised in profit or loss as they are incurred.

C.2.1.2 The assumptions used to measure GM insurance contracts

The Company primarily uses deterministic projections to estimate the present value of future cash flows.

In the life portfolio of the Company, there is a prevailing component of saving contracts, but there are also pure risk covers (death plus riders, such as an accident, disability, dread disease, etc.) and some annuity portfolios, with the presence of the longevity risk.

The following assumptions were used when estimating future cash flows:

Mortality and morbidity rates (insurance risk and reinsurance business)

Assumptions are based on standard industry and national tables, according to the type of contract written and the territory in which the insured person resides. They reflect recent historical experience and are adjusted when appropriate to reflect the Company's own experiences. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by policyholder gender, underwriting class and contract type.

An increase in expected mortality and morbidity rates will increase the expected claim cost which will reduce future expected profits of the Company.

Longevity (immediate annuity business)

Assumptions are based on standard industry and national tables, adjusted when appropriate to reflect the Company's own risk experience. An appropriate, but not excessive, allowance is made for expected future improvements. Assumptions are differentiated by a number of factors including (but not limited to) policyholder gender, underwriting class and contract type.

An increase in expected longevity rates will lead to an increase in expected cost of immediate annuity payments which will reduce future expected profits of the Company.

Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in–force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation if appropriate.

An increase in the expected level of expenses will reduce future expected profits of the Company.

Lapse and surrender rates

Lapses relate to the termination of policies due to non–payment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on the Company's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce profits of the Company, but later increases are broadly neutral in effect.

The assumptions that have the greatest effect on the expected cash flows are disclosed in the note D.7.3.

C.2.1.3 Discounting

All cash flows are discounted using risk free rate, plus an illiquidity premium where applicable. Risk free rates are determined by reference to the reference swap rates of a currency, adjusted for credit risk if needed. If for certain currencies swap rates are not available or not deemed to be liquid, government bonds yields or equivalent instruments are used. The yield curve is interpolated between the last available market data point and an ultimate forward rate, which reflects long-term real interest rate and inflation expectations. The illiquidity premium is determined by reference to the average spread of a reference portfolio of assets subsequently adjusted in order to exclude credit risk components and the effect of potential cash flows mismatching compared to the liability portfolios. For non-participating insurance contracts an external reference portfolio of assets is defined where only bonds are considered as base instrument.

The table below set out the yield curves used to discount the cash flows of insurance contracts for major currencies.

Projection Year				2025				2024
		CZK		EUR		CZK		EUR
	GMM, PAA	VFA	GMM, PAA	VFA	GMM, PAA	VFA	GMM, PAA	VFA
1	3.56%	3.40%	2.22%	2.08%	3.83%	3.67%	2.47%	2.24%
5	4.21%	4.05%	2.99%	2.85%	3.81%	3.65%	2.46%	2.23%
10	4.72%	4.56%	3.64%	3.50%	4.16%	4.00%	2.72%	2.49%
15	4.70%	4.54%	3.68%	3.54%	4.14%	3.98%	2.53%	2.30%
20	4.15%	4.06%	3.64%	3.50%	3.84%	3.74%	2.32%	2.09%
25	3.80%	3.76%	3.52%	3.44%	3.63%	3.58%	2.75%	2.64%
30	3.60%	3.57%	3.45%	3.40%	3.51%	3.48%	2.99%	2.94%

The effect of discounting is disclosed in the Note D.7.3 and D.7.4

C.2.1.4 Risk adjustment for non-financial risk

The risk adjustment for non-financial risk represents the compensation that the Company requires for bearing the uncertainty about the amount and timing of the cash flows of groups of insurance contracts and covers insurance risk, lapse risk and expense risk. The risk adjustment reflects an amount that an insurer would rationally pay to remove the uncertainty that future cash flows will exceed the best estimate amount.

The Company has estimated the risk adjustment using a Percentile Approach. This approach leverages on the outcome of the Solvency 2 risk calibration process in order to reflect current view on the Company's risk exposure. In this way, the risk profile of the Company is aligned to Solvency 2 which is the current framework use by the Company to manage, measure and monitor risks underlying its business.

With reference to diversification benefits, the Company does not consider diversification benefits between Life and Non-Life business.

The risk adjustment for insurance and reinsurance contracts is set to 75% confidence levels, respectively (2024: 75%).

C.2.1.5 Contractual Service Margin

Determination of coverage units

The CSM of a group of contracts is recognised in profit or loss to reflect services provided in each year based on the number of coverage units provided in the year, which is determined by considering for each contract the quantity of the benefits provided and its expected coverage period (see Note C.1.12.4). The coverage units are reviewed and updated at each reporting date. The Company determines the quantity of the benefits provided under each contract as follows:

Product	Basis for determining quantity of benefits provided
Term life **Non-participating whole-life**	Sum assured payable on death
Critical illness	Maximum amount payable (including any premiums waived) on detection of illness
Immediate fixed annuity	Annuity amount payable in each period
Universal life **Traditional participating** **Unit-linked and other investment-linked**	Insurance coverage: net amount at risk (i.e. guaranteed minimum benefits less account value), if any Investment services: account value

For insurance contracts that provide both insurance coverage and investment services, the assessment of the quantity of benefits entails determining the relative weighting of the benefits provided to the policyholder by these services, determining how the benefits provided by each service change over the coverage period and aggregating those different benefits. To determine the relative weighting of the benefits provided by insurance coverage and investment services the function of Assets under Management is considered (i.e. quantity of benefit).

Risk mitigation option

The Company does no apply risk mitigation option.

Investment components

The Company identifies the investment component of a contract by determining the amount that it would be required to repay to the policyholder in all scenarios with commercial substance. These include circumstances in which an insured event occurs or the contract matures or is terminated without an insured event occurring. Investment components are excluded from insurance revenue and insurance service expenses.

Life participating and non-participating contracts have explicit surrender values. The investment component excluded from insurance revenue and insurance service expenses is determined as the surrender value specified in the contractual terms less any accrued fees and surrender charges.

The Company's other contracts do not contain investment components.

C.2.2 Classification of financial assets

The Company uses certain assumptions and judgements when assessing the business model within which the assets are held and whether the contractual terms of the assets are solely payments of principal and interest (SPPI) on the principal amount outstanding (see also C.1.4.3).

C.2.3 Fair value of derivatives and other financial instruments

The fair value of financial instruments that are not traded on an active market (for example, over-the-counter derivatives) is determined using valuation techniques. The Company uses its judgement to select a variety of methods and makes assumptions that are mainly based on the market conditions existing as at each end of the reporting period (see also C.1.20.7).

C.2.4 Assumptions used to calculate impairment of financial instruments and subsidiaries

The Company uses certain assumptions when calculating impairment of financial instruments and subsidiaries as described in C.1.20.2.

C.2.5 Corporate income tax calculation

The Company makes the estimate of Solvency II Technical Provisions for the purpose of corporate income tax calculation. This valuation is the estimation of the official year end Solvency II Technical Provision on best effort basis.

C.3 Changes in accounting policies and correction of prior year errors

C.3.1 Standards, interpretations and amendments to existing standards relevant for the Company and applied in the reporting period

The Company applied all new standards, interpretations and amendments to the issued standards. These did not have a significant effect on the financial statements.

C.3.2 Standards, interpretations and amendments to published standards that are not yet effective and are relevant for the Company´s financial statements

The following amended standards are effective for annual periods beginning after 1 January 2026 (earlier application is permitted). The Company has not early adopted any of these amended standards and does not expect that they will have a significant impact on the Company’s financial statements when become effective, except from IFRS 18 and IFRS 19, the impact of which the Company is assessing.

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);
- IFRS 18 Presentation and Disclosure in Financial Statements;
- IFRS 19 Subsidiaries without Public Accountability: Disclosures. Not yet endorsed by EU;
- Annual Improvements to IFRS Standards – Volume 11.
- The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary (Amendments to IAS 21). Not yet endorsed by EU.

D. RISK REPORT

In the risk report, the Company presents further information in order to enable the assessment of the significance of financial instruments and insurance contracts for an entity's financial position and performance. Furthermore, the Company provides information about its exposure to risks arising from financial instruments and insurance contracts, and it discloses the management's objectives, policies and processes for managing those risks, in accordance with IFRS 17 and IFRS 7.

D.1. Risk Management System

The Company is a member of Generali Group ("the Group") and is part of its risk management structure. Generali Group has implemented a Risk Management System that aims at identifying, evaluating and monitoring the most important risks to which Generali Group and the Company are exposed, which means the risks whose consequences could affect the solvency of Generali Group or the solvency of any single business unit, or negatively hamper any Company goals.

The risk management processes apply to the whole Generali Group, i.e. all the countries where it operates and each business unit. However, the degree of integration and depth varies with the complexity of the underlying risks. Integration of processes within Generali Group is fundamental to assure an efficient system of risk management and capital allocation for every business unit.

The main objectives of the risk management process are to maintain the identified risks below an acceptable level, to optimise the capital allocation and to improve the risk-adjusted performance.

Risk management policies and guidelines of the Company are in place treating the management of all the significant risks the Company is exposed to (incl. methodologies to identify and assess risks, risk preferences and tolerances, escalation process etc.).

Risk Management System is based on three main pillars:

a) risk assessment process: aimed at identifying and evaluating the risks and the solvency position of the Company;
b) risk governance process: aimed at defining and controlling the managerial decisions in relation with relevant risks;
c) risk management culture: aimed at embedding the risk awareness in the decision making processes and increasing the value creation.

D.2 Roles and responsibility

The system is based on three levels of responsibility:

a) Assicurazioni Generali (Generali Group) – for every country, it sets the targets in terms of solvency, liquidity and operating results; moreover it defines the risk management policies and guidelines for treating the main risks.

b) Generali CEE Holding (GCEE) - defines strategies and objectives for every Company within the CEE region, taking into account the local features and regulations, providing methodological support and controlling the results. In particular, in order to ensure a better solution to the specific features of local risks and changes in local regulation, risk management responsibility and decisions are delegated to the Chief Risk Officer (CRO) of GCEE, respecting Generali Group policy framework. Generali Group and GCEE are also assigned performance targets for their respective areas.

c) The Company defines strategies and targets in respect of the policies and guidelines established by GCEE. Risk management involves the corporate governance of the Company and the operational and control structure, with defined responsibility levels, and aims to ensure the adequacy of the entire Risk Management System at every moment. Company´s Risk Management reports on regular basis on the exposure to all the main risks

D.3 Risk measurement and control

Through its insurance activity, the Company is naturally exposed to several types of risk, that are related to movements on financial markets, to adverse developments of insurance related risks, both in life and non-life business, and generally to all the risks that affect ongoing organised economic operations.

These risks can be grouped into the following main categories which will be detailed later in this report: market risk, credit risk, liquidity risk, life and non-life insurance risks and operational risk.

Along with the specific measures for the risk categories considered by Generali Group, the calculation of the Economic Capital represents a comprehensive measure of risk that can be aggregated at the different organisational levels (Group, country and operative entity) and at the main business lines (life, non-life and asset management).

The Economic Capital is a risk measure that corresponds to the amount of capital to be held so that the market value of assets is greater than the market value of liabilities in twelve months' time, with a given confidence level.

The internal models of risk measurement are constantly being improved, in particular those relating to calculation of the Economic Capital and asset-liability management (ALM) approaches have been harmonised at all different organisational levels within Generali Group.

D.4 Market risk

The Company collects premiums from policyholders in exchange for payment promises contingent on pre-determined events. It invests the collected premiums in a wide variety of financial assets, with the purpose of honoring future promises to policyholders and generating value for its shareholders.

Unexpected movements in prices of equities, real estate, currencies and interest rates might negatively impact the market value of the investments. These might affect both assets and the present value of the insurance liabilities.

The Company is a long-term liability-driven investor and holds assets until they are needed to redeem the promises to policyholders.

Nonetheless, the Company is required by the Solvency II Regulation to hold a capital buffer with the purpose of maintaining a sound solvency position even under adverse market movements. The Company evaluates its Market risk using Generali Group's Internal Model. To ensure the ongoing appropriateness of the Internal Model methodology, Market risk calibrations are reviewed on a yearly basis. Risks are monitored on a fair value basis.

In the participating segment, changes in the fair value of underlying items due to changes in market variables are largely reflected in the value of the related insurance and investment contracts with DPF. The Company is exposed to market risk only to the extent of the changes in its share of the fair value of the underlying items that are not economically hedged, represented by the CSM.

D.4.1 Interest rate risk

The Company's operations are subject to the risk of interest rate fluctuations to the extent that interest-earning assets (including investments) and interest-bearing liabilities mature or reprice at different times or in differing amounts. In the case of floating rate assets and liabilities, the Company is also exposed to an interest rate cash flow risk, which varies depending on the different repricing characteristics of the various floating rate instruments.

The Company concludes derivative trades to manage the interest rate risk position of the asset portfolio as part of the risk management strategy. The objective of the investment and hedging strategy is to manage the overall interest rate risk position on a continuous basis. The Company achieves this objective using a dynamic strategy. The asset manager dynamically adjusts the positions within the fixed income portfolio and hedging derivatives that are used to adjust and hedge the interest rate sensitivity of the overall portfolio.

Interest rate derivatives are primarily used to bridge the mismatch in the repricing of assets and liabilities. In some cases derivatives are used to convert certain interest-earning assets to floating or fixed rates to reduce the risk of losses in value due to interest rate changes or to lock in spreads.

The Company monitors the sensitivity of financial assets and liabilities to various standard and non-standard interest rate scenarios. Standard scenarios that are considered on a monthly basis include a 100 basis point (bp) parallel fall or rise in all relevant yield curves.

The following table shows this sensitivity analysis at year end, before and after the related taxes. The overall impact on the Company's position is the result of sensitivity analysis on both the asset and liability side that creates a mitigating effect. There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

In CZK million, as at 31 December 2025	Current value	100bp parallel increase		100bp parallel decrease	
		Income statement	Shareholders' equity	Income statement	Shareholders' equity
Financial assets at amortized costs	**-**				
Reverse repo operations	**621**				
Bonds					
Bonds FVOCI	33,362				
- gross impact on fair value		*(182)*	*(1,392)*	*218*	*1,582*
- income tax charge /(credit)		*38*	*292*	*(46)*	*(332)*
Bonds FVTPL	575				
- gross impact on fair value		*(7)*	*-*	*7*	*-*
- income tax charge /(credit)		*1*	*-*	*(1)*	*-*
Derivatives					
Derivatives FVTPL	1,042				
- gross impact on fair value		188	-	(220)	-
- income tax charge /(credit)		(39)	-	46	-

In CZK million, as at 31 December 2024	Current value	100bp parallel increase		100bp parallel decrease	
		Income statement	Shareholders' equity	Income statement	Shareholders' equity
Financial assets at amortized costs	**666**				
Reverse repo operations	**1,451**				
Bonds					
Bonds FVOCI	36,286				
- gross impact on fair value		*(238)*	*(1,502)*	*282*	*1,726*
- income tax charge /(credit)		*50*	*315*	*(59)*	*(362)*
Bonds FVTPL	219				
- gross impact on fair value		*(5)*	*-*	*5*	*-*
- income tax charge /(credit)		*1*	*-*	*(1)*	*-*
Derivatives					
Derivatives FVTPL	476				
- gross impact on fair value		*240*	*-*	*(278)*	*-*
- income tax charge /(credit)		*(50)*	*-*	*58*	*-*

Some of the contracts with saving component issued by the Company contain interest rate guarantees (see D.7.3). The Company hedges its exposure to interest rate changes using derivatives (e.g. interest rate swaps) and does not have a significant concentration of interest rate risk arising from these guarantees.

D.4.2 Asset liability matching

A substantial part of insurance liabilities carries an interest rate risk. Asset-liability management is significantly involved in interest rate risk management. The management of interest rate risk, implied from the net position of assets and liabilities, is a key task of asset-liability management.

GCEE has Local Investment Committee which is an advisory body of the Board of Directors of the Company and is in charge of the most strategic investment and ALM-related decisions. The Committee is responsible for setting and monitoring the GCEE Group's strategic asset allocation in the main asset classes, i.e. government and corporate bonds, equities, real estate, etc. and also the resulting asset and liability strategic position. The objective is to establish appropriate return potential together with ensuring that the GCEE Group can always meet its obligations without undue cost and in accordance with the GCEE Group's internal and regulatory capital requirements. In order to guarantee the necessary expertise and mandate, the Committee consists of representatives of top management, asset management, risk management and ALM experts from business units.

The ALM manages the net asset-liability positions in both, life and non-life insurance, with the main focus on traditional life with the long-term nature and often with embedded options and guarantees. The insurance liabilities are analysed, including the embedded options and guarantees and models of future cash flows are prepared in cooperation with actuaries. The models allow for all guarantees under the insurance contracts and for expected development of the key parameters, primarily mortality, morbidity, lapses and administration costs.

At first, government bonds are used to manage the net position of assets and liabilities and in particular its sensitivity to parallel and non-parallel shifts in the yield curve. Next corporate bonds and derivatives, primarily interest rate swaps, can be used. However, in line with the credit risk management policy, investments in long-term and thus also in high-duration instruments focus on government bonds. The use of interest rate swaps is limited due to their accounting treatment – as their revaluation which is reported in the income statement does not match with the reporting of the insurance liabilities.

There is a strategic target asset-liability interest rate position set within the strategic asset allocation process (SAA). With the goals being a) to deliver rates of return that are in line with both, commercial needs and strategic planning targets, and b) that the overall SAA, including equity, credit, real estate allocation and also including the strategic asset & liability duration position, is in line with the risk and capital management policy. In addition to the management of the strategic position, there are certain limits allowed for tactical asset managers´ positions, so that asset interest rate sensitivity can deviate from the benchmark in a managed manner.

D.4.3 Equity price risk

Equity price risk is the risk that equity prices will fluctuate affecting the fair value of equity investments and other instruments that derive their value from a particular equity investment or index of equity prices.

The Company manages its use of equity investments in response to changing market conditions using the following risk management tools:

a) the portfolio is geographically diversified, in line with approved SAA,
b) the relative equity limits for investments are set and monitored on a daily basis.

Following table shows the sensitivity analysis as at the year end, before and after the related deferred taxes. There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis. The portfolio does not contain instruments covering participating contracts, as the investment risk is transferred from the Company to the policyholder. There is no impact on insurance contracts, therefore these are not shown in the table.

In CZK million, as at 31 December 2025	Current value	Equity price +10 % Income statement	Shareholders' equity	Equity price -10 % Income statement	Shareholders' equity
Equities					
Equities FVOCI	2,272				
- gross impact on fair value		-	*227*	-	*(227)*
-income tax charge /(credit)		-	*(48)*	-	*48*
Total net impact		**-**	**179**	**-**	**(179)**
FVTPL investments					
Investment fund units	3,678				
-gross impact on fair value		*368*	-	*(368)*	-
-income tax charge /(credit)		*(77)*	-	*77*	-
Investment in private equity	2,036				
-gross impact on fair value		*204*		*(204)*	
-income tax charge /(credit)		*(43)*	-	*43*	-
Total net impact		**452**	**-**	**(452)**	**-**

In CZK million, as at 31 December 2024	Current value	Equity price +10 % Income statement	Shareholders' equity	Equity price -10 % Income statement	Shareholders' equity
Equities					
Equities FVOCI	2,803				
- gross impact on fair value		-	*280*	-	*(280)*
-income tax charge /(credit)		-	*(59)*	-	*59*
Total net impact		**-**	**221**	**-**	**(221)**
FVTPL investments					
Investment fund units	2,260				
-gross impact on fair value		*226*	-	*(226)*	-
-income tax charge /(credit)		*(47)*	-	*47*	-
Investment in private equity	2,169				
-gross impact on fair value		*217*	-	*(217)*	-
-income tax charge /(credit)		*(46)*	-	*46*	-
Total net impact		**350**	**-**	**(350)**	**-**

D.4.4 Currency risk

The Company is exposed to currency risk through transactions in foreign currencies and through its assets and liabilities denominated in foreign currencies. As the Company's functional currency is the Czech crown (CZK), movements in the exchange rates between selected foreign currencies and CZK affect the Company's financial statements. The functional currency of the branch in Slovakia is Euro ("EUR"). The exchange rate differences arising from the translation of the branch functional currency into the Company´s functional currency are accounted for in other comprehensive income (see C.1.20.1).

Instruments denominated in foreign currencies are either dynamically hedged into CZK via FX or assigned to foreign currency technical reserves at a corresponding value. The Company ensures that its net exposure is kept on an acceptable level by buying and selling foreign currencies at spot rates when considered appropriate, or using short-term FX operations. The FX position is regularly monitored and the hedging instruments and tools are reviewed on a monthly basis and adjusted accordingly. Derivative financial instruments and tools are used to manage the potential earnings impact of foreign currency movements, including repo operations settled in foreign currency, currency swaps, spot and forward contracts. When suitable other instruments are also considered and used.

The Company's main foreign exposures are to European countries and the United States of America. Its exposures are measured mainly in Euros ("EUR") and U.S. Dollars ("USD").

The currency exposure is shown in the following tables.

These tables show sensitivities of the portfolio to changes in currency risk. Currency shocks are considered to be a rise or a fall in the value of foreign currency position by a specified percentage. This approach is in line with the Solvency II definition of the currency risk.

The following tables show sensitivities of the investment portfolio (including derivatives classified as financial liabilities) to change in currency risk. There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis (accounting sign convention).

In CZK million, as at 31 December 2025	EUR 10%	EUR -10%	USD 10%	USD -10%	Other 10%	Other -10%
FX investment portfolio exposure						
Income statement						
- Impact on income statement	*182*	*(182)*	*(17)*	*17*	*3*	*(3)*
- Income tax charge /(credit)	*(38)*	*38*	*3*	*(3)*	*(1)*	*1*
Shareholders´equity						
- Impact on equity	*426*	*(426)*	*1*	*(1)*	*-*	*-*
- Income tax charge /(credit)	*(116)*	*116*	*-*	*-*	*-*	*-*

In CZK million, as at 31 December 2024	EUR 10%	EUR -10%	USD 10%	USD -10%	Other 10%	Other -10%
FX investment portfolio exposure						
Income statement						
- Impact on income statement	*138*	*(138)*	*(18)*	*18*	*-*	*-*
- Income tax charge /(credit)	*(29)*	*29*	*4*	*(4)*	*-*	*-*
Shareholders´equity						
- Impact on equity	*378*	*(378)*	*1*	*(1)*	*-*	*-*
- Income tax charge /(credit)	*(103)*	*103*	*-*	*-*	*-*	*-*

The following tables show sensitivities of the insurance and reinsurance assets and liabilities to change in currency risk:

In CZK million, as at 31 December 2025	EUR 10%	EUR -10%	USD 10%	USD -10%	Other 10%	Other -10%
FX insurance assets and liabilities exposure						
Income statement						
- Impact on income statement	*(190)*	*190*	*(1)*	*1*	*(19)*	*19*
- Income tax charge /(credit)	*40*	*(40)*	*-*	*-*	*4*	*(4)*
Shareholders´equity						
- Impact on equity	*(385)*	*385*	*-*	*-*	*-*	*-*
- Income tax charge /(credit)	*105*	*(105)*	*-*	*-*	*-*	*-*

In CZK million, as at 31 December 2024	10%	EUR -10%	10%	USD -10%	10%	Other -10%
FX insurance assets and liabilities exposure						
Income statement						
- Impact on income statement	*(156)*	*156*	*(1)*	*1*	*(15)*	*15*
- Income tax charge /(credit)	*33*	*(33)*	*-*	*-*	*3*	*(3)*
Shareholders´equity						-
- Impact on equity	*(377)*	*377*	*-*	*-*	*-*	*-*
- Income tax charge /(credit)	*103*	*(103)*	*-*	*-*	*-*	*-*

In CZK million, as at 31 December 2025	10%	EUR -10%	10%	USD -10%	10%	Other -10%
FX reinsurance assets and liabilities exposure						
Income statement						
- Impact on income statement	*85*	*(85)*	*1*	*(1)*	*12*	*(12)*
- Income tax charge /(credit)	*(18)*	*18*	*-*	*-*	*(3)*	*3*
Shareholders´equity						
- Impact on equity	*105*	*(105)*	*-*	*-*	*-*	*-*
- Income tax charge /(credit)	*29*	*(29)*	*-*	*-*	*-*	*-*

In CZK million, as at 31 December 2024	10%	EUR -10%	10%	USD -10%	10%	Other -10%
FX reinsurance assets and liabilities exposure						
Income statement						
- Impact on income statement	*1*	*(1)*	*7*	*(7)*	*8*	*(8)*
- Income tax charge /(credit)	*-*	*-*	*(2)*	*2*	*(2)*	*2*
Shareholders´equity						
- Impact on equity	*100*	*(100)*	*-*	*-*	*-*	*-*
- Income tax charge /(credit)	*27*	*(27)*	*-*	*-*	*-*	*-*

The following tables show the composition of assets and liabilities and insurance and reinsurance assets and liabilities with respect to the main currencies (without tax liabilities and receivables and liabilities and receivables to employees):

In CZK million, as at 31 December 2025	EUR	USD	CZK	Other	Total
Financial assets at FVOCI	11,035	1,195	23,784	241	36,255
Financial assets at FVTPL	13,617	648	18,590	1,664	34,519
Insurance contract assets	862	15	4,545	90	5,512
Reinsurance contract assets	2,549	7	11,030	202	13,788
Receivables	115	87	904	21	1,127
Cash and cash equivalents	1,112	16	912	6	2,046
Total assets	**29,290**	**1,968**	**59,765**	**2,224**	**93,247**
Insurance contract liabilities	10,295	29	55,985	279	66,588
Reinsurance contract liabilities	654	(4)	3,009	82	3,741
Financial liabilities	168	2	35	3	208
Payables	2,333	16	4,188	2	6,539
Other liabilities	137	-	404	-	541
Total liabilities	**13,587**	**43**	**63,621**	**366**	**77,617**
Net foreign currency position	**15,703**	**1,925**	**(3,856)**	**1,858**	**15,630**

In CZK million, as at 31 December 2024	EUR	USD	CZK	Other	Total
Financial assets at AC	666	-	-	-	666
Financial assets at FVOCI	12,061	2,050	26,182	247	40,540
Financial assets at FVTPL	11,896	584	16,032	1,356	29,868
Insurance contract assets	829	17	3,763	95	4,704
Reinsurance contract assets	1,679	64	12,545	166	14,454
Receivables	272	34	600	22	928
Cash and cash equivalents	762	33	795	16	1,606
Total assets	**28,165**	**2,782**	**59,917**	**1,902**	**92,766**
Insurance contract liabilities	9,966	30	56,973	247	67,216
Reinsurance contract liabilities	669	(11)	2,618	86	3,362
Financial liabilities	168	145	49	2	364
Payables	1,639	22	2,926	2	4,589
Other liabilities	100	-	510	-	610
Total liabilities	**12,542**	**186**	**63,076**	**337**	**76,141**
Net foreign currency position	**15,623**	**2,596**	**(3,159)**	**1,565**	**16,625**

D.4.5 Risk limits

The principal tools used to measure and control market and credit risk exposure within the Company's investments portfolios are the System of Investment Risk Limits, the adoption of the Generali Investments Risk Group Guidelines (IRGG).

This covers single and total limits on market concentration, foreign currency, interest rate and equity risks. The primary aim of the system of limits is to control exposure to single types of risk. Limits are monitored on daily basis and allow Risk Management to take immediate action and actively manage the level of the undertaken risks.

D.5 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a reinsurance contract or financial instrument fails to meet its contractual obligations, and arises principally from the Company's reinsurance contract assets and investments in debt securities.

The table below shows the fair value of assets sensitive to change in credit risk:

In CZK million, as at 31 December	Note	2025	2024
Bonds and Loans		**34,558**	**38,623**
Bonds FVOCI	E.3.2	33,362	36,286
Bonds FVTPL	E.3.3	575	219
Loans (fair value)	E.3.1	-	667
Reverse repo	E.3.2	621	1,451
Receivables	**E.4**	**1,131**	**1,174**
Reinsurance contract assets and liabilities	**E.9**	**10,047**	**11,092**
Total		**45,736**	**50,889**

Credit risk includes:

- Spread widening risk - the risk of adverse changes in the market value of the assets due to changes in the market value of non-defaulted credit assets. The market value of an asset can decrease because of Spread widening risk either because the market's assessment of the creditworthiness of the specific obligor decreases, which is typically accompanied by a credit rating downgrade, or because there is a market-wide systemic reduction in the price of credit assets.
- Default risk - refers to the risk of incurring losses because of the inability of a counterparty to honor its financial obligations.

The Company evaluates its Credit risk using Generali Group Internal Model. To ensure the continuous appropriateness of the Internal Model methodology, Credit risk calibrations are reviewed on a yearly basis.

The Company has adopted risk guidelines to manage the credit risk of the investments. These guidelines favour the purchase of investment-grade securities and encourage the diversification and dispersion of the portfolio. Four main types of Credit risk limits are in place: SAA limits defining maximal allocation to government and corporate bonds, portfolio cumulative credit limit defining the minimum allocation to government or government guaranteed bonds, expected credit loss limits and creditor concentration limits.

Moreover on a monthly basis company monitors its credit portfolio by analysing rating changes, changes of credit spread levels and analysing issuers' news.

The Group Credit Rating Assignment Guideline provides a framework for the methodology, process and governance used for assigning and reviewing credit ratings. These ratings evaluate the creditworthiness of counterparties and financial instruments. For the external rating assessment of an issue or an issuer, only ESMA (European Securities and Markets Authority) recognized ECAIs' (External Credit Assessment Institutions) ratings can be used and the Second Best Rule is applied (i.e. if more ratings leading to a different assessment are available, the second best rule states that the lower of the two best credit ratings is chosen). Securities without an external rating are given an internal one in line with Group Credit Rating Assignment Guideline and based on materiality.

The following tables show the credit quality of the Company's financial assets at fair value.

Rating of bonds and loans

In CZK million, as at 31 December 2025	Stage 1	Stage 2	Stage 3	FVTPL bonds
AAA	36	-	-	-
AA	19,594	-	-	-
A	5,370	-	-	-
BBB	5,968	-	-	-
BB	2,926	-	-	368
B	-	-	-	-
CCC	-	-	-	-
Non-rated	89	-	-	207
Total	**33,983**	**-**	**-**	**575**

In CZK million, as at 31 December 2024	Stage 1	Stage 2	Stage 3	FVTPL bonds
AAA	36	-	-	-
AA	20,943	-	-	-
A	5,157	-	-	-
BBB	10,545	-	-	-
BB	1,704	-	-	-
B	-	-	-	-
CCC	-	-	-	-
Non-rated	-	-	19	219
Total	**38,385**	**-**	**19**	**219**

Rating of reinsurance assets and liabilities

In CZK million, as at 31 December	2025	2024
AA	520	448
A	202	430
Captive reinsurance	7,512	8,525
Non-rated	1,813	1,689
Total	**10,047**	**11,092**

There were no past due or impaired reinsurance assets and liabilities neither in 2025 nor in 2024.

D.5.1 Concentrations of credit risk

There is, in general, a credit risk associated with reinsurance. However, majority of reinsurance treaties are concluded with GP Re, the Group captive reinsurance company based in Bulgaria (see also note D.7.5.).

The Company then monitors concentrations of credit risk arising from investments in debt instruments by geographic location of the issuer and by sector. An analysis of the carrying amounts of financial investments is shown below.

In CZK million, as at 31 December		2025		2024
	CZK million	in %	CZK million	in %
Economic concentration				
Public sector	22,841	66.2	24,172	62.6
Financial	7,028	20.3	10,114	26.2
Consumer Discretionary	1,146	3.3	1,028	2.6
Utilities	1,079	3.1	844	2.2
Industrial	812	2.4	735	1.9
Telecommunication services	696	2.0	541	1.4
Materials	426	1.2	143	0.4
Energy	248	0.7	189	0.5
Information technology	243	0.7	272	0.7
Consumer Staples	39	0.1	585	1.5
Total	**34,558**	**100.0**	**38,623**	**100.0**

In CZK million, as at 31 December		2025		2024
	CZK million	in %	CZK million	in %
Geographic concentration				
Czech Republic	22,419	64.8	28,308	73.3
Other central-eastern European countries	2,902	8.3	1,417	3.7
Slovakia	2,244	6.5	860	2.2
Poland	1,249	3.6	982	2.5
Netherlands	912	2.6	1,217	3.2
United Kingdom	825	2.4	1,026	2.7
Italy	342	1.0	1,021	2.6
Slovenia	264	0.8	193	0.5
Austria	93	0.3	217	0.6
Rest of Europe	1,779	5.2	1,869	4.8
USA	709	2.1	1,289	3.3
Russia	-	0.0	19	0.1
Rest of the world	820	2.4	205	0.5
Total	**34,558**	**100.0**	**38,623**	**100.0**

The risk characteristics of each bond or loan are taken into account when assessing economic and geographic concentration. The amounts reflected in the tables represent the maximum loss that would be incurred as at the end of the reporting period if the counter parties failed completely to perform as contracted and any collateral or security proved to be of no value. The amounts, therefore, greatly exceed incurred losses, which are included in the allowance for uncollectibility.

The Company generally holds collateral for loans and advances to banks in the form of securities as part of reverse repurchase agreements, cash collateral for derivatives agreements, collateral for established rights from travel agencies, collateral for loans and advances to non-banks in the form of pledge over property, received notes and guarantees.

The following table shows the fair value of collateral held:

In CZK million, as at 31 December	Loans and advances to banks and nonbanks 2025	2024
Against individually impaired	-	-
Against neither past due nor impaired	2,293	3,258
Securities	795	1,496
Cash	1,138	1,403
Property	360	359
Total	**2,293**	**3,258**

D.5.2 Amounts arising from ECL on financial assets

Inputs, assumptions and techniques used for estimating impairment

See accounting policies in C.1.4.7

Significant increase in credit risk

When determining whether the credit risk (i.e. risk of default) on a financial instrument has increased significantly since initial recognition, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis based on the Company's experience, expert credit assessment and forward-looking information.

The Company primarily identifies whether a significant increase in credit risk has occurred for an exposure by assigned credit rating.

Whenever available, the Company monitors changes in credit risk by tracking published external credit ratings. Where external credit ratings are not available, the Company allocates each exposure to a credit risk grade based on internal process.

Company's credit rating scale is aligned with external credit rating scale from S&P.

The Company has assumed that the credit risk of a financial asset has not increased significantly since initial recognition if the financial asset has low credit risk at the reporting date. The Company considers a financial asset to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be BBB- or higher based on S&P ratings.

Management overlays may be applied to the model outputs if they are consistent with the objective of identifying a significant increase in credit risk.

If there is evidence that there is no longer a significant increase in credit risk relative to initial recognition, then the loss allowance on an instrument returns to being measured as 12-month ECL.

Definition of default

The Company considers a financial asset to be in default when:

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

In assessing whether a debtor is in default, the Company considers indicators that are:

- qualitative: e.g. breaches of covenant;
- quantitative: e.g. overdue status and non-payment of another obligation of the same debtor to the Group; and
- based on data developed internally and obtained from external sources.

Inputs into the assessment of whether a financial instrument is in default and their significance may vary over time to reflect changes in circumstances.

Incorporation of forward-looking information

The Company incorporates forward-looking information into both its assessment of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL.

The Company formulates three economic scenarios: a base case, and two less likely scenarios, one upside and one downside scenario. External information considered includes economic data and forecasts. Weights of the scenarios are following:

- Base 40%
- Down 30%
- Up 30%

Measurement of ECL

The key inputs into the measurement of ECL are the term structures of the following variables:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

ECL for exposures in Stage 1 are calculated by multiplying the 12-month PD by LGD and EAD. Lifetime ECL (Stage 2 and Stage 3) are calculated by multiplying the lifetime PD by LGD and EAD.

To determine lifetime and 12-month PDs, the Company uses the PD tables supplied by Moody's based on the default history of obligors in the same industry and geographic region with the same credit rating. The Company adopts the same approach for unrated investments by mapping its internal risk grades to the equivalent external credit ratings. The PDs are recalibrated on quarterly bases and adjusted to reflect forward-looking information. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Company uses the LGD parameters based on the history of recovery rates of claims against defaulted counterparties. The LGD models consider the structure, collateral, seniority, counterparty industry and recovery costs of any collateral that is integral to the financial asset.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and potential changes to the current amount allowed under the contract, including amortisation, and prepayments. The EAD of a financial asset is its gross carrying amount at the time of default.

Loss allowance

The following tables show reconciliations from the opening balance to the closing balance of the loss allowance by class of financial instrument.

In CZK million, as at 31 December 2025	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January (gross of DT)	**26**	**-**	**572**	**598**
Deffered tax	(6)	-	(120)	(126)
Net as at 1 January	**20**	**-**	**452**	**472**
Transfer to Stage 1	-	-	-	-
Net remeasurement of loss allowance	3	-	(65)	(62)
New financial assets acquired	10	-	-	10
Financial assets derecognised	(6)	-	-	(6)
Effects of deferred tax	(1)	-	14	13
Balance at 31 December (gross of DT)	**33**	**-**	**507**	**540**
Deferred tax	(7)	-	(106)	(113)
Net closing balance as at 31 December	**26**	**-**	**401**	**427**

In CZK million, as at 31 December 2024	Stage 1	Stage 2	Stage 3	Total
Balance as at 1 January (gross of DT)	**27**	**-**	**530**	**557**
Deffered tax	(6)	-	(111)	(117)
Net as at 1 January	**21**	**-**	**419**	**440**
Transfer to Stage 1	-	-	-	-
Net remeasurement of loss allowance	(3)	-	42	39
New financial assets acquired	6	-	-	6
Financial assets derecognised	(4)	-	-	(4)
Effects of deferred tax	-	-	(9)	(9)
Balance at 31 December (gross of DT)	**26**	**-**	**572**	**598**
Deferred tax	(6)	-	(120)	(126)
Net closing balance as at 31 December	**20**	**-**	**452**	**472**

D.6 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its insurance and reinsurance contracts and financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises in general from funding of the Company's activities and in the management of its positions. It includes both the risk of being unable to fund assets using instruments with appropriate maturities and rates and the risk of being unable to liquidate an asset sufficiently quickly and in the appropriate amount, and the risk of being unable to meet obligations as they become due.

The Company has access to a diverse funding base. Apart from insurance liabilities, which serve as a main source of financing, funds are raised using a broad range of instruments including deposits, other liabilities evidenced by paper, real estates and shareholder equity. This enhances funding flexibility, limits dependence on any one source of funds and generally lowers the cost of funds.

The Company strives to maintain a balance between continuity of funding and flexibility through the use of liabilities with a range of maturities; for details see also the section above on asset and liability matching. Further, the Company holds a portfolio of liquid assets as part of its liquidity risk management strategy. The Company continuously monitors the liquidity risk to gain smooth access to funds to meet known obligations, with an additional buffer to cover potential unknown situations. Special attention is paid to the liquidity management of non-life insurance business requiring sufficient funding to meet all the potential obligations in the event of a natural disaster or other extraordinary event.

The Company continually assesses its liquidity risk by identifying and monitoring changes in the funding required to meet business goals and the targets set in terms of the overall Company strategy.

The following tables show an analysis of the Company's assets and liabilities broken down into their relevant maturity bands based on the residual maturities (undiscounted cash flows, without tax liabilities and receivables and liabilities and receivables to employees).

Residual maturities of financial assets:

In CZK million, as at 31 December 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Non-specified	Total
Investments	**2,131**	**5,465**	**20,089**	**22,786**	**33,400**	**83,871**
Financial assets at FVOCI	1,320	5,179	18,391	21,627	2,272	48,789
Bonds	699	5,179	18,391	21,627	-	45,896
Equities	-	-	-	-	2,272	2,272
Other investments	621	-	-	-	-	621
Financial assets at FVTPL	811	286	1,698	1,159	31,128	35,082
Bonds	4	16	605	-	-	625
Unit-linked investments	320	215	915	549	25,414	27,413
Investment fund units	-	-	-	-	3,678	3,678
Derivatives	487	55	178	610	-	1,330
Other investments	-	-	-	-	2,036	2,036
Receivables	**931**	**120**	**21**	**55**	**-**	**1,127**
Cash and cash equivalents	**2,046**	**-**	**-**	**-**	**-**	**2,046**
Assets	**5,108**	**5,585**	**20,110**	**22,841**	**33,400**	**87,044**

In CZK million, as at 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Non-specified	Total
Investments	**3,623**	**5,902**	**22,473**	**22,314**	**30,277**	**84,589**
Financial assets at amortized costs	-	694	-	-	-	694
Financial assets at FVOCI	3,310	5,023	21,136	21,261	2,803	53,533
Bonds	1,858	5,023	21,136	21,261	-	49,278
Equities	-	-	-	-	2,803	2,803
Other investments	1,452	-	-	-	-	1,452
Financial assets at FVTPL	313	185	1,337	1,053	27,474	30,362
Bonds	-	-	252	-	-	252
Unit-linked investments	231	105	889	513	23,045	24,783
Investment fund units	-	-	-	-	2,260	2,260
Derivatives	82	80	196	540	-	898
Other investments	-	-	-	-	2,169	2,169
Receivables	**928**	**-**	**-**	**-**	**-**	**928**
Cash and cash equivalents	**1,606**	**-**	**-**	**-**	**-**	**1,606**
Assets	**6,157**	**5,902**	**22,473**	**22,314**	**30,277**	**87,123**

Residual maturities of liabilities:

In CZK million, as at 31 December 2025	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Financial liabilities	44	62	106	4	216
Financial liabilities at fair value through profit or loss	23	(2)	14	-	35
Lease liabilities	21	64	92	4	181
Payables	2,716	3,800	23	-	6,639
Other liabilities	541	-	-	-	541
Liabilities	**3,301**	**3,862**	**129**	**4**	**7,296**

In CZK million, as at 31 December 2024	Less than 3 months	Between 3 months and 1 year	Between 1 and 5 years	More than 5 years	Total
Financial liabilities	210	91	69	1	371
Financial liabilities at fair value through profit or loss	180	(2)	29	-	207
Lease liabilities	30	93	40	1	164
Payables	1,954	2,629	6	-	4,589
Other liabilities	610	-	-	-	610
Liabilities	**2,774**	**2,720**	**75**	**1**	**5,570**

Estimated cash flows of insurance and reinsurance GMM and VFA contract assets and liabilities:

In CZK million, as at 31 December 2025	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Insurance contracts	**848**	**1,043**	**905**	**708**	**450**	**(14,030)**	**(10,076)**
Liabilities – direct participating contracts	(630)	(532)	(483)	(475)	(450)	(5,411)	(7,981)
Liabilities - other	(1,165)	(1,015)	(899)	(817)	(797)	(15,979)	(20,672)
Assets - other	2,643	2,590	2,287	2,000	1,697	7,360	18,577
Total	**848**	**1,043**	**905**	**708**	**450**	**(14,030)**	**(10,076)**

In CZK million, as at 31 December 2024	Less than 1 year	Between 1 and 2 years	Between 2 and 3 years	Between 3 and 4 years	Between 4 and 5 years	More than 5 years	Total
Insurance contracts	**648**	**889**	**750**	**574**	**348**	**(14,470)**	**(11,261)**
Liabilities – direct participating contracts	(516)	(535)	(461)	(429)	(435)	(5,117)	(7,493)
Liabilities - other	(1,243)	(941)	(874)	(811)	(759)	(15,961)	(20,589)
Assets - other	2,407	2,365	2,085	1,814	1,542	6,608	16,821
Total	**648**	**889**	**750**	**574**	**348**	**(14,470)**	**(11,261)**

D.7 Insurance risks

Insurance risk results from the uncertainty surrounding the timing, frequency and size of claims under insurance contracts. The principal risk is that the frequency or size of claims is greater than expected. In addition, for some contracts, there is uncertainty about the timing of insured events. These are, by their nature, random, and the actual number and size of events during any one year may vary from those estimated using established statistical techniques.

The Company is exposed to underwriting risk through a wide range of life and non-life products offered to customers: participating and non-participating traditional life products, unit-linked, annuities, universal life products, guaranteed investment products and all lines of non-life products (property, accident and health, car, third party liability).

The most significant components of underwriting risk concern the adequacy of insurance premium rate levels and the adequacy of provisions with respect to insurance liabilities and the capital base. The adequacy is assessed taking into consideration the supporting assets (fair and book value, currency and interest sensitivity), changes in interest rates and exchange rates and developments in mortality, morbidity, non-life claims frequency and amounts, lapses and expenses as well as general market conditions and customer behaviour, influenced also by changes within the legal environment, including observable court practice.

The Company manages the insurance risk using internal guidelines for product design, reserving, pricing criteria, reinsurance strategy and guidelines for underwriting. Monitoring risk profiles, review of insurance-related risk control and asset/liability management are also carried out by senior management. For those insurance contracts that contain high interest rate guarantees, stochastic modelling is used to assess the risk of these guarantees. The pricing reflects the cost of the guarantees and appropriate reserves are established accordingly.

Methods based on dynamic and stochastic modelling were implemented and are continuously being improved. These methods are used, among others, to measure the economic capital of insurance risks.

D.7.1 Terms and conditions of insurance and investment contracts with DPF that have a material impact on the amount, timing and uncertainty of future cash flows

D.7.1.1 Non-life insurance contracts

The Company offers many forms of general insurance, mainly motor insurance, property insurance and liability insurance. Contracts may be concluded for a fixed term of one year or on a continuous basis with either party having the option to cancel at 6 weeks' notice. The Company is therefore generally able to re-price the risk by revising the premium at intervals of not more than one year. It also has the ability to impose deductibles and reject fraudulent claims.

Future insurance claims are the main source of uncertainty which influences the amount and the timing of future cash flows.

The amount of particular claim payments is limited by the sum insured which is established in the insurance policy.

The other significant source of uncertainty connected with non-life insurance arises from legislative regulations which entitle the policyholder to report a claim before the time of expiration, which usually lasts 3-4 years from the date when the policyholder becomes aware of the claim. This feature is particularly significant in the case of permanent disability arising from accident insurance, because of the difficulty in estimating the period between occurrence and confirmation of permanent effects.

The following statements describe characteristics of particular types of insurance contracts if they are significantly different from the above-mentioned features.

Motor insurance

The Company motor portfolio comprises both motor third party liability insurance (MTPL) and motor (CASCO) insurance. MTPL insurance covers bodily injury claims and property claims in the Czech Republic as well as claims caused abroad by insured motorists under the Green Card system.

Property damage under MTPL and CASCO claims are generally reported and settled within a short period of the accident occurring. Payments relating to bodily injury claims, however, take longer to finalise and are more difficult to estimate. Such claims may be settled in the form of a lump-sum settlement or an annuity.

For claims relating to bodily injury and related losses of earnings, the amount of the related claim payments is derived from governmental decree. This requirement may have a retrospective effect on claims incurred before the effective date of this requirement.

Policyholders are entitled to a no-claims-bonus on renewal of their policy where the conditions are fulfilled.

Casco insurance represents standard insurance against damage; claim payment is limited by the sum insured and the amount of participation.

Property insurance

This is broadly split into Industrial and Personal lines. For Industrial lines, the Company uses risk management techniques to identify and evaluate risks and analyses possible losses and hazards and also cooperates with reinsurers. Risk management techniques include primarily inspection visits in the industrial areas performed by risk management team which consist of professionals with a long term experience and deep safety rules knowledge. Personal property insurance consists of the standard buildings and contents insurance.

Claims are normally notified promptly and can be settled within a short period of time in the Retail business, more complex claims arising from natural catastrophe events and claims in SME and Corporate business take longer to settle and are more difficult to estimate.

Liability insurance

This covers all types of liabilities and includes commercial liabilities, directors and officers and professional indemnity as well as personal liability.

While the majority of general liability coverage is written on a "claims-made basis”, certain general liability coverage is typically insured on an "occurrence basis".

Accident insurance

Accident insurance is traditionally sold as rider to the life products offered by the Company and belongs to the life insurance segment. Standalone accident insurance policies fall under the non-life insurance business. They are typically sold to groups of insured individuals, such as employes, students in schools. Accident coverage is also included as part of comprehensive insurance packages, such as Casco insurance or Travel insurance.

D.7.1.2 Life insurance contracts

Bonuses

Over 90% of the Company’s life insurance contracts include an entitlement to receive a bonus. Bonuses to policyholders are granted at the discretion of the Company and are recognised when proposed and approved by the Board of Directors in accordance with the relevant legal requirements. Once allocated to policyholders, bonuses are guaranteed (see DPF in C.1.11).

Premiums

Premiums may be payable in regular instalments or as a single premium at the inception of the policy. Most endowment-type insurance contracts contain a premium indexation option that may be exercised at the discretion of the policyholder annually. Where the option is not exercised, premiums are not increased with inflation.

Term life insurance products

Traditional term life insurance products comprise risk of death, waiver of premium in case of permanent disability, dread diseases and accident rider. Premium is paid regularly or as a single premium. Policies offer fixed or decreasing sum insured of death. The policies offer protection from several years to long-term. Death benefits are only paid if the policyholder dies during the term of insurance. Waiver of premium arises only in case of an approved disability pension of the policyholder.

The period of disability is the main source of uncertainty connected with life insurance products. It is limited by the contractual minimum duration of the insurance policy and by the end of the insurance period.

Endowment products

These are also traditional term life insurance products providing life-long financial protection. Many long-term policies have tax advantages and give the insured the possibility to finance their needs in retirement. Capital life insurance products for regular or single premium offers covering risk of death, endowment, dread diseases, waiver of premium in case of disability and accident rider. Insurance benefits are usually paid as a lump-sum.

Variable capital life insurance products

Variable capital life insurance products offer all types of insurance risk as traditional capital life insurance products. In addition, they offer the policyholder the possibility to pay an extra single premium during the term of the insurance. The policyholder can ask to interrupt payment for regular premium, to withdraw a part of the extra single premium, to change the term of insurance, risks, sum insured and premium.

Children's insurance products

These products are based on traditional life risk: death or endowment of assured, waiver of premium in case of disability and accident rider. They are paid regularly. The term of insurance is usually limited by the 18th birthday (for old generation products) or by the 26th birthday (for new generation products) of the child for which the policy is negotiated. Benefits may be in the form of a lump-sum or annuity payment.

Retirement insurance for regular payments (with interest rates)

Life-long retirement programme products include all kinds of pensions paid off in case of death, dread diseases or maturity of agreed age of assured, options for variable combination of component. The policyholder can pay the premium regularly or in a single payment. Basic types of pension are short-term pension and lifetime pension.

Unit-linked life insurance

Unit-linked are those products where the policyholders carry the investment risk. They consist of two types, pure unit-linked products which fulfil conditions of direct participating contracts and are measured under VFA measurement model (see C.1.12), and hybrid products for which GMM measurement model is used.

The Company earns management, administration fees and mortality surplus on these products.

Unit-linked life insurance combines traditional term life insurance, with risks of death or dread diseases together with a waiver of premium in case of permanent disability, with the possibility to invest regular premium or extra single premium to some investment funds. The policyholder defines funds and the ratio of premium where payments are invested and can change the funds and ratio during the contract. He can also change sums assured, regular premium, and insurance risks. He can pay an additional single premium or withdraw a part of the extra single premium.

Investment contracts with DPF

Investment contract with DPF are modelled due to its immateriality together with insurance contracts..

Underlying items

The following table sets out the composition and the fair value of underlying items of the Company's participating contracts at the reporting date.

In CZK million, for the year ended 31 December	Unit-linked life insurance	
	2025	2024
Cash and cash equivalents	124	147
Financial investments	27,015	24,409
Derivatives	12	(18)
Total	**27,151**	**24,538**

D.7.2 Concentration of insurance risk

A key aspect of the insurance risk faced by the Company is the extent of the concentration of insurance risk, which determines the extent to which a particular event or series of events could significantly impact upon the Company's liabilities. Such concentrations may arise from a single insurance contract or through a number of related contracts where significant liabilities could arise. An important aspect of the concentration of insurance risk is that it could arise from the accumulation of risks within a number of different insurance classes.

Concentrations of risk can arise in low-frequency, high-severity events such as natural disasters; in situations where the Company is exposed to unexpected changes in trends, for example, unexpected changes in human mortality or in policyholder behaviour; or where significant litigation or legislative risks could cause a large single loss, or have a pervasive effect on many contracts.

D.7.2.1 Geographical concentration

The risks underwritten by the Company are primarily located in the Czech Republic and in the Slovak Republic through the Branch.

The following table sets out the carrying amounts of the Company's insurance contracts by country of issue.

In CZK million, for the year ended 31 December	2025	2024
Czech Republic	53,545	54,941
Slovak Republic	7,531	7,571
Total	**61,076**	**62,512**

D.7.2.2 Low-frequency, high-severity risks

Significant insurance risk is connected with low-frequency and high-severity risks. The Company manages these risks through its underwriting strategy and adequate reinsurance arrangements.

According to its underwriting strategy, the most significant risk of natural disaster to which the Company is exposed is the risk of flooding in the Czech Republic and the earthquake risk in the Slovak Republic. In the event of a major flood, the Company expects the property portfolio to see high claims for structural damage to properties and contents, and high claims for business interruption while transport links are inoperable and business properties are closed for repair. Apart from the risk of flooding, other climatic phenomena, such as long-lasting snow-fall, claims caused by snow-weight, strong wind-storms or hail-storms or earthquake for Slovak portfolios would have a similar effect.

Underwriting strategy

The underwriting strategy is an integral part of the annual business plan that specifies the classes of business to be written within the planned period and the target sectors of clients. Following approval of underwriting limits by the Board of Directors, the strategy is cascaded to the individual underwriters in the form of underwriting limits (each underwriter can write business by line size, class of business, territory and industry in order to ensure the appropriate risk selection within the portfolio).

D.7.3 Life risk

The table below analyses how the CSM, profit or loss and equity would have increased (decreased) if changes in risk variables with highest impact had occurred.

In CZK million, for the year ended 31 December 2025	CSM closing balance		Loss Component closing balance		Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
GMM contracts	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Risk free rates -50 bps	-	-	-	-	254	254	(54)	(54)
Risk free rates +50 bps	-	-	-	-	(247)	(247)	51	51
Equity capital values -25%	-	-	-	-	(336)	(336)	2,742	2,742
Equity capital values +25%	-	-	-	-	328	328	(2,734)	(2,734)
Corporate credit spread +50bps	-	-	-	-	(49)	(49)	47	47
Governement credit spread +50bps	-	-	-	-	(56)	(56)	20	20
Lapses +10%	(1,446)	(1,446)	-	-	65	65	(17)	(17)
Lapses -10%	1,577	1,577	-	-	(75)	(75)	19	19

In CZK million, for the year ended 31 December 2025	CSM closing balance		Loss Component closing balance		Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
VFA contracts	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Risk free rates -50 bps	12	12	-	-	-	-	-	-
Risk free rates +50 bps	(11)	(11)	-	-	-	-	-	-
Equity capital values -25%	(174)	(174)	-	-	-	-	-	-
Equity capital values +25%	187	187	(1)	(1)	-	-	-	-
Corporate credit spread +50bps	(4)	(4)	-	-	-	-	-	-
Governement credit spread +50bps	(2)	(2)	-	-	-	-	-	-
Lapses +10%	(58)	(58)	-	-	-	-	-	-
Lapses -10%	62	62	-	-	-	-	-	-

In CZK million, for the year ended 31 December 2024	CSM closing balance		Loss Component closing balance		Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
GMM contracts	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**	**Gross**	**Net**
Risk free rates -50 bps	-	-	-	-	169	169	(2)	(2)
Risk free rates +50 bps	-	-	-	-	(164)	(164)	(2)	(2)
Equity capital values -25%	-	-	-	-	-	-	1 748	1 748
Equity capital values +25%	-	-	-	-	-	-	(1 748)	(1 748)
Corporate credit spread +50bps	-	-	-	-	(40)	(40)	30	30
Governement credit spread +50bps	-	-	-	-	(29)	(29)	7	7
Lapses +10%	(1,313)	(1,313)	-	-	65	65	(6)	(6)
Lapses -10%	1,436	1,436	-	-	(73)	(73)	6	6

In CZK million, for the year ended 31 December 2024	CSM closing balance		Loss Component closing balance		Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
VFA contracts	Gross	Net	Gross	Net	Gross	Net	Gross	Net
Risk free rates -50 bps	10	10	-	-	-	-	-	-
Risk free rates +50 bps	(9)	(9)	-	-	-	-	-	-
Equity capital values -25%	(129)	(129)	-	-	-	-	-	-
Equity capital values +25%	130	130	-	-	-	-	-	-
Corporate credit spread +50bps	(2)	(2)	-	-	-	-	-	-
Governement credit spread +50bps	(2)	(2)	-	-	-	-	-	-
Lapses +10%	(57)	(57)	-	-	-	-	-	-
Lapses -10%	61	61	-	-	-	-	-	-

There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

D.7.4 Non-life risk

Non-life underwriting risk measured by insurance revenue for the period recognised from pure premium reserve per line of business is shown in the following table:

In CZK million, for the year ended 31 December	2025	2024
Motor	(20,779)	(19,603)
Accident, Health and Disability	(1,287)	(1,293)
Marine, aviation and transport	(526)	(525)
Property	(13,901)	(12,699)
General liability	(4,214)	(4,004)
Other	(104)	(99)
Total	**(40,811)**	**(38,223)**

The table below analyses the sensitivity of liability for incurred claims to variables with highest impact.

In CZK million, for the year ended 31 December 2025	Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
	Gross	Net	Gross	Net
Risk free rates +50 bps	(224)	(115)	13	6
Risk free rates -50 bps	237	122	(14)	(6)

In CZK million, for the year ended 31 December 2024	Impact on OCI liabilities (+ profit, - loss)		Impact on P&L finance expense (+ profit, - loss)	
	Gross	Net	Gross	Net
Risk free rates +50 bps	(240)	(128)	15	7
Risk free rates -50 bps	255	137	(15)	(7)

There were no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

D.7.5 Reinsurance strategy

The Company pursues a renewal of reinsurance treaties on annual basis which reinsure some of the underwritten risks to control its exposures to individual, frequent and catastrophe losses according to quantitative and qualitative points and protect its capital resources.

The Company concludes the proportional and non-proportional reinsurance treaties or a combination of these reinsurance treaties to reduce its net exposure. The maximum net exposure limits for individual lines of business are reviewed annually. To provide an additional protection, the Company uses facultative reinsurance for certain insurance policies.

Most reinsurance treaties are concluded with GP Reinsurance EAD, the Group captive reinsurance company, based in Bulgaria. On top of it, the Company benefits from the consolidated reinsurance programme and diversification of its risks due to the GCEE group cover which is retro-ceded via Assicurazioni Generali S.p.A. on the regular reinsurance market.

Ceded reinsurance contains a reinsurers' credit risk as the cession does not relieve the Company of its obligations to its clients. Through the GCEE credit risk management, the Company regularly evaluates the financial status of its reinsurers and monitors the concentration of credit risk to minimise its exposure to financial loss caused by a reinsurer's insolvency. Any external reinsurance placement is governed by the Security List of Assicurazioni Generali S.p.A.

All reinsurance procedures are subject to strict review. This includes the evaluation of reinsurance arrangements, setting the minimum capacity and retention criteria, monitoring the purchase of reinsurance against those criteria, erosion of the reinsurance programme and its ongoing adequacy and credit risk. Treaty capacity needed is based on both internal and group modelling.

The overview of obligatory reinsurance treaties for the main programme and calendar year 2025 (and for the year 2024):

Line of business / Treaty	Form of reinsurance	Leader
Property		
Property	Quota Share + Risk X/L, CAT X/L	GP Reinsurance EAD
Engineering	Quota Share + Risk X/L, CAT X/L	GP Reinsurance EAD
Civil Building	Quota Share, CAT X/L	GP Reinsurance EAD
Household	Quota Share, CAT X/L	GP Reinsurance EAD
SME Property	Quota Share, CAT X/L	GP Reinsurance EAD
Casco	**Quota Share, CAT X/L**	**GP Reinsurance EAD**
Liability		
Commercial Liability	Quota Share + Risk X/L	GP Reinsurance EAD
Motor Third Party Liability	Quota Share + Risk X/L	GP Reinsurance EAD
D&O	Quota Share + Risk X/L	GP Reinsurance EAD
Cargo transport	**Quota Share + Risk X/L**	**GP Reinsurance EAD**
Travel	**Quota Share**	**EUROP ASSISTANCE S.A.**
Agriculture		
Livestock	Risk / Event X/L	GP Reinsurance EAD
Crop	Hail Stop Loss	GP Reinsurance EAD
Bonds	**Quota Share**	**GP Reinsurance EAD**
Life, pensions		
Individual life insurance	Surplus	Assicurazioni Generali S.p.A.
Group life insurance	Quota Share	Assicurazioni Generali S.p.A.
Life & Disability	Surplus	Swiss Re
Personal Accident	Quota Share	GP Reinsurance EAD
Credit Protection Insurance	Quota Share	GP Reinsurance EAD

D.8 Operational risk and other risks

Operational risk is defined as the potential loss arising from inadequate or failed internal processes, personnel and systems or from external events. The operational risk category includes the compliance risk and financial reporting risk. The compliance risk is the risk of incurring of legal or regulatory sanctions, material financial losses or reputational damage arising from failure to comply with laws, regulations and administrative provisions applicable to the Company business. The financial reporting risk is also considered as an operational risk. This is the risk of a transaction error which could entail an untrue and incorrect representation of situation of the assets, liabilities, profit or loss in the Company's financial statements.

As a part of the ongoing processes of Generali Group, the Company has set some common principles and techniques to manage the Operational Risk:

– policies and operating guidelines are in place establishing consistent framework of Operational Risk management within Generali Group;
– methodologies to identify significant risk event types and evaluation of their impact on Company's objectives;
– process of collecting the information of operational losses occurred to validate the results of different assessments and to allow the identification of not yet identified risks and control deficiencies;

The operational risk management process is based primarily on assessing the risks by experts in different fields of the Company's operations and collecting information on actually occurred losses. Outputs of these analyses are used to target investment in the new or modified current controls and mitigation actions in order to keep the level of risks in acceptable range.

Climate risks

The Company is fully alligned with the Group´s processes and tools to mitigate climate risks and seize the opportunities arising from the green transaction. These include monitoring the adequacy of the actuarial models to assess and rate risks, recourse to risk transfer mechanism, periodical analysis of the investments and product and service Innovation processes.

D.8.1 Operating systems and IT security management

Organization of the Company's IT is based on separating the IT security unit from other IT functions (IT operations, IT development etc.). The rules set by the Company regarding IT risk management and IT security are based on the rules and recommendations contained in ISO/IEC 27001: Information technology - Security techniques - Information security management systems - Requirements from 2013 with later updates and on guidelines and policies created by Generali Group. Moreover, the Company has been included into critical IT infrastructure of the Czech Republic since 2021 which brings another requirements on cyber security. The Company continuously works on improvement of IT risk management and digital risk management framework considering also new regulations in IT area (e.g. DORA, NIS2).

D.8.2 Other risks

In addition to above mentioned main risk categories, Company assesses also some other risks which are difficult to measure so their assessment relies on expert estimation:

– Reputational Risk, i.e. the risk of potential losses due to a reputational deterioration or to a negative perception of Company's or Generali Group's image among its customers, counterparties, shareholders and Supervisory Authority.
– Strategic Risk, i.e. the risk arising from external changes and/or internal decisions that may impact on the future risk profile of the Company or Generali Group.
– Contagion Risk, i.e. the risk that problems arising from one of Generali Group's local entities could affect the solvency, economic or financial situation of other entities within Generali Group or Generali Group as a whole.
– Emerging Risk, i.e. the new risks due to internal or external environmental, social or technological changes that may increase Company's or Generali Group's risk exposure or require to define a new risk category.

Assessment of these risks is performed at least on yearly basis as a part of planning process aiming at identification of potential threats to planned business objectives.

D.9 Financial strength monitoring by third parties

The Company's risks are monitored by third parties such as the insurance regulator.

Moreover, the leading rating agencies periodically assess the financial strength of the Company and the whole Generali Group expressing a judgment on the ability to meet the ongoing obligations assumed toward policyholders.

This assessment is performed considering several factors such as financial and economic data, the positioning of the Company within its market and the strategies developed and implemented by the management.

The Company has a Financial Strength Rating of A+ (Superior) with stable outlook and an Long-Term Issuer Credit Rating „aa-" (Superior) with stable outlook, assigned by A.M. Best on 11 December 2025.

D.10 Capital management

The Capital Management Policy defines the principles of the Capital Management Framework that Assicurazioni Generali S.p.A. and the Group Legal Entities must adhere to, with the aim to optimize the use of capital while preserving an adequate capitalization both at Group and Local level.

Capital management activities refer to Own Funds management and control and in particular to procedures to:

- define the Capital Allocation Framework, i.e. the set of limits and the process to:
  - assign capital remittance target (including the process to reimburse infra-group subordinated debts)
  - redeploy the capital, including the process to regulate the issuance of Own Funds according to the medium-term Capital Management Plan;
- implement both at Group and Local level a sound process to embed the capital and cash centralization targets in the medium-term Capital Management Plan coherently with the strategic planning;
- classify and review the Own Funds;
- ensure consistency with policy or statement in respect of ordinary share dividends.

Capital management activities support the solvency position management taking into account the limits set out in the Risk Appetite Framework. Capital management shall operate in compliance with all the regulatory requirements and legislative framework at Local and Group level.

D.10.1 Solvency

The Company carries out business in the insurance sector, which is a regulated industry. The Company must comply with all regulations set in the Insurance Act No 277/2009 Coll. and regulation No 306/2016 Coll., fully harmonised with EU regulations, including prudential rules related to capital. In line with the Solvency II requirements, the Company, following regulatory approval, uses the Group Internal Model for regulatory solvency capital requirement (SCR) calculation. The Company regularly assesses its statutory solvency position which is derived from the ratio of its eligible own funds and the solvency capital requirement. To determine the amount of eligible own funds, the total Equity per financial statements is further adjusted for revaluation of assets and liabilities to market value according to Solvency II principles and taking into account the eligibility criteria set by Solvency II.

The Company has complied with the solvency capital requirement both in the previous and current period and its solvency position is published as part of the Solvency and Financial Condition Report (SFCR), available on the web pages of the Company.

E. NOTES TO THE STATEMENTS OF FINANCIAL POSITION, INCOME AND COMPREHENSIVE INCOME

E.1 Intangible assets

In CZK million, as at 31 December	2025	2024
Software	1,655	1,681
Other intangible assets	55	69
Total	**1,710**	**1,750**

E.1.1 Software

In CZK million, for the year ended 31 December	2025	2024
Acquisition cost		
Balance as at 1 January	9,951	9,569
Additions	502	435
Disposals	-	(1)
Currency translation difference	(17)	5
Other movements	(7)	(57)
Balance as at 31 December	**10,429**	**9,951**
Amortisation and impairment		
Balance as at 1 January	(8,270)	(7,788)
Amortisation of the period	(512)	(523)
Currency translation difference	8	(3)
Accumulated amortisation related to other movements	-	44
Balance as at 31 December	**(8,774)**	**(8,270)**
Carrying amount as at 1 January	**1,681**	**1,781**
Carrying amount as at 31 December	**1,655**	**1,681**

E.1.2 Other intangible assets

In CZK million, for the year ended 31 December	2025	2024
Acquisition cost		
Balance as at 1 January	168	167
Currency translation difference	(1)	-
Other movements	7	1
Balance as at 31 December	**174**	**168**
Amortisation and impairment		
Balance as at 1 January	(99)	(91)
Amortisation of the period	(20)	(10)
Accumulated amortisation related to other movements	-	2
Balance as at 31 December	**(119)**	**(99)**
Carrying amount as at 1 January	**69**	**76**
Carrying amount as at 31 December	**55**	**69**

Other intangible assets include mainly upfront fee paid in connection for bancassurance partnership agreement. Upfront fee mechanism satisfies conditions of IAS 38 for the recognition of intangible assets. This intangible assets is amortized over the useful life which is equal to duration of the contracts.

E.2 Tangible assets and Right-of-use assets

In CZK million, as at 31 December	2025	2024
Land and buildings (self-used)	4	13
Tangible assets and inventories	88	56
Right of use	148	130
Other assets	20	20
Total	**260**	**219**

E.2.1 Land and buildings (self-used)

In CZK million, for the year ended 31 December	2025	2024
Acquisition cost		
Balance as at 1 January	32	120
Additions	2	8
Disposals	(4)	(96)
Balance as at 31 December	**30**	**32**
Amortisation and impairment		
Balance as at 1 January	(19)	(72)
Amortisation of the period	(11)	(12)
Disposals	4	65
Balance as at 31 December	**(26)**	**(19)**
Carrying amount as at 1 January	**13**	**48**
Carrying amount as at 31 December	**4**	**13**

E.2.2 Right-of-use assets (self-used)

In CZK million, for the year ended 31 December	2025	2024
Acquisition cost		
Balance as at 1 January	300	1,349
Additions	120	143
Disposals	(5)	(1,194)
Currency translation difference	(4)	2
Balance as at 31 December	**411**	**300**
Amortisation and impairment		
Balance as at 1 January	(170)	(960)
Amortisation of the period	(100)	(146)
Disposals	3	937
Currency translation difference	4	(1)
Balance as at 31 December	**(263)**	**(170)**
Carrying amount as at 1 January	**130**	**389**
Carrying amount as at 31 December	**148**	**130**

Right of use assets comprise primarily leased buildings.

E.2.3 Other tangible assets

In CZK million, for the year ended 31 December	2025	2024
Acquisition cost		
Balance as at 1 January	171	193
Additions	98	45
Disposals	(45)	(67)
Currency translation difference	(4)	-
Other movements	(1)	-
Balance as at 31 December	**219**	**171**
Amortisation and impairment		
Balance as at 1 January	(115)	(122)
Amortisation of the period	(30)	(24)
Disposals	12	32
Currency translation difference	2	(1)
Balance as at 31 December	**(131)**	**(115)**
Carrying amount as at 1 January	**56**	**71**
Carrying amount as at 31 December	**88**	**56**

Other tangible assets comprise primarily IT and office equipment.

E.3 Investments

Carrying values of investment:

In CZK million, for the year ended 31 December	Investment properties – Right of use assets	Financial investments at amortized costs	Financial investments at FVOCI	Financial investments at FVTPL
Balance as at 1 January 2024	**115**	**1,287**	**46,150**	**28,865**
Purchases/additions	1	2,557	64,541	6,891
Disposals/repayments/sales/maturities	(104)	(3,177)	(70,865)	(6,901)
Depreciation	(3)	2	-	-
Fair value gains/losses recorded in the income statements	-	4	318	1,021
Fair value gains/losses recorded in other comprehensive income	-	-	517	68
Accrued interest	-	(2)	(121)	(76)
Other movements	-	(5)	-	-
Balance as at 31 December 2024	**9**	**666**	**40,540**	**29,868**
Purchases/additions	7	1,134	49,176	7,973
Disposals/repayments/sales/maturities	-	(1,797)	(52,915)	(6,349)
Depreciation	(2)	1	-	-
Fair value gains/losses recorded in the income statements	-	(3)	(576)	3,201
Fair value gains/losses recorded in other comprehensive income	-	-	174	(146)
Accrued interest	-	(1)	(144)	(28)
Balance as at 31 December 2025	**14**	**-**	**36,255**	**34,519**

E.3.1 Financial assets at amortized costs

In CZK million, as at 31 December	2025	2024
Financial assets at amortized costs		
Loans to subsidiaries	-	666
Total	**-**	**666**
Current portion	**-**	**666**
Non-current portion	**-**	**-**

Loans to subsidiaries were reported as financial assets at amortized costs. Loans to subsidiaries Pařížská and Green Point Offices were repaid in 2025 as planed.

In 2024, the financial assets at amortized costs were classified as Stage 1 financial assets.

The fair value of loans:

In CZK million, as at 31 December	2025	2024
Financial assets at amortized costs		
Loans to subsidiaries	-	667
Total	**-**	**667**

In CZK million, as at 31 December 2025	Level 1	Level 2	Level 3	Total
Financial assets at amortized costs				
Loans to subsidiaries	-	-	-	-
Total	**-**	**-**	**-**	**-**

In CZK million, as at 31 December 2024	Level 1	Level 2	Level 3	Total
Financial assets at amortized costs				
Loans to subsidiaries	-	667	-	667
Total	**-**	**667**	**-**	**667**

E.3.2 Financial assets at fair value through other comprehensive income

In CZK million, as at 31 December	2025	2024
Equites	2,272	2,803
Quoted	2,272	2,803
Unquoted	-	-
Bonds	33,362	36,286
Quoted	32,985	36,150
Unquoted	377	136
Reverse repo operations Unquoted	621	1,451
Total	**36,255**	**40,540**
Current portion	**4,451**	**5,541**
Non-current portion	**31,804**	**34,999**

Equities designated as at FVOCI: the Company has activated an OCI option taking into consideration equity instruments' implicit volatility, confimed also by historical movements and impacts on Company's result or equity. Dividend income from these equities recognized in profit and loss represented CZK 79 million (2024: CZK 30 million). Equity investments in FVOCI include in 2025 and 2024 primarily Irish collective asset-management vehicle (related party) and Moneta Money bank investments.

Fair value measurement as at the end of the reporting period:

In CZK million, as at 31 December 2025	Level 1	Level 2	Level 3	Total
Equities	565	1,707	-	2,272
Quoted	565	1,707	-	2,272
Unquoted	-	-	-	-
Bonds	31,621	1,249	492	33,362
Quoted	31,244	1,249	492	32,985
Unquoted	377	-	-	377
Reverse repo	-	621	-	621
Total	**32,186**	**3,577**	**492**	**36,255**

In CZK million, as at 31 December 2024	Level 1	Level 2	Level 3	Total
Equities	305	2,498	-	2,803
Quoted	305	2,498	-	2,803
Unquoted	-	-	-	-
Bonds	31,340	2,752	2,194	36,286
Quoted	31,340	2,616	2,194	36,150
Unquoted	-	136	-	136
Reverse repo	-	1,451	-	1,451
Total	**31,645**	**6,701**	**2,194**	**40,540**

The following table presents the changes in Level 3 instruments for the year ended 31 December.

In CZK million for the year ended 31 December	2025	2024
Opening balance	**2,194**	**3,067**
Transfers into Level 3	442	-
Total gains or losses	(32)	(88)
in income statement	(26)	11
in other comprehensive income	(6)	(99)
Purchases	184	110
Sales	(812)	(225)
Impairment	-	-
Transfer out of Level 3	(1,484)	(670)
Closing balance	**492**	**2,194**
Total change	**(1,702)**	**(873)**

In 2025 no securities were reclassified out of the Level 3 to Level 1.

In 2025 goverment bonds in the amount of CZK 1,349 million and corporate bonds in the amount of CZK 135 million were reclassified out of the Level 3 to Level 2. The main driver was the fact that level of credit spread used for valuation ceased to be classified as material non-observable market input (either materiality decreases or more information on the market was available).

In 2025 corporate bonds in the amount of CZK 195 million were reclassified out of the Level 1 to Level 3. The main reason was the transition from market observable valuation to expert valuation.

In 2025 corporate bonds in the amount of CZK 247 million were reclassified out of the Level 2 to Level 3. The main driver was the fact that level of credit spread used for valuation started to be classified as material non-observable market input (either materiality increases or less information on the market was available).

In 2024 corporate bonds in the amount of CZK 197 million were reclassified out of the Level 3 to Level 1. The main driver was the fact that level of credit spread used for valuation ceased to be classified as material non-observable market input (either materiality decreases or more information on the market was available).

In 2024 goverment bonds in the amount of CZK 383 million and corporate bonds in the amount of CZK 90 million were reclassified out of the Level 3 to Level 2. The main driver was the fact that level of credit spread used for valuation ceased to be classified as material non-observable market input (either materiality decreases or more information on the market was available).

In CZK million, for the year ended 31 December	**2025**	**2024**
Transfer into Level 1 from Level 2	744	73
Transfer into Level 1 from Level 3	-	197
Transfer into Level 2 from Level 1	28	159
Transfer into Level 2 from Level 3	1,484	473
Transfer into Level 3 from Level 1	195	-
Transfer into Level 3 from Level 2	247	-

Maturity of financial assets at FVOCI – bonds in fair value:

In CZK million, as at 31 December	**2025**	**2024**
Up to 1 year	3,831	4,090
Between 1 and 5 years	14,563	17,802
Between 5 and 10 years	9,120	8,665
More than 10 years	5,848	5,729
Total	**33,362**	**36,286**

Realised gains and losses and net creation of ECL on financial assets FVOCI:

In CZK million, for the year ended 31 December 2025	**Realised gains**	**Realised losses**	**ECL**
Equities	60	262	-
Bonds	117	(335)	(27)
Total	**177**	**(73)**	**(27)**

In CZK million, for the year ended 31 December 2024	**Realised gains**	**Realised losses**	**ECL**
Equities	(9)	(33)	-
Bonds	133	(113)	(5)
Total	**124**	**(146)**	**(5)**

E.3.3 Financial assets at fair value through profit or loss

In CZK million, as at 31 December	2025	2024
Investment fund units (mandatorily measured at FVTPL)	**3,678**	**2,260**
Quoted	2,686	1,664
Unquoted	992	596
Bonds (mandatorily measured at FVTPL)	**575**	**219**
Quoted	368	-
Unquoted	207	219
Derivatives	**1,079**	**682**
Hedging derivatives	604	600
Held for trading (mandatorily measured at FVTPL)	475	82
Unit-linked investments (designated as at FVTPL)	**27,151**	**24,538**
Allocated to policyholders	27,157	24,470
Not allocated to policyholders	(6)	68
Interest in investment vehicles (designated as at FVTPL)	**2,036**	**2,169**
Total	**34,519**	**29,868**
Current portion	**479**	**58**
Non-current portion	**34,040**	**29,810**

Unit-linked investment might not precisely match the liabilities. Certain part could not be allocated to policyholders as at year end and stay available for new unit linked insurance contracts or the contrary. Fair value revaluation of financial assets that are designated through profit and loss eliminate accounting mismatch from related liabilities arising from unit linked insurance contracts.

Fair value measurement as at the end of the reporting period:

In CZK million, as at 31 December 2025	Level 1	Level 2	Level 3	Total
Investment fund units (mandatorily measured at FVTPL)	2,686	-	992	3,678
Bonds (mandatorily measured at FVTPL)	368	-	207	575
Derivatives	-	1,079	-	1,079
Interest in investment vehicles (designated as at FVTPL)	-	-	2,036	2,036
Unit-linked investments (designated as at FVTPL)	26,657	406	88	27,151
Total	**29,711**	**1,485**	**3,323**	**34,519**

In CZK million, as at 31 December 2024	Level 1	Level 2	Level 3	Total
Investment fund units (mandatorily measured at FVTPL)	1,664	-	596	2,260
Bonds (mandatorily measured at FVTPL)	-	-	219	219
Derivatives	-	682	-	682
Interest in investment vehicles (designated as at FVTPL)	-	-	2,169	2,169
Unit-linked investments (designated as at FVTPL)	24,224	300	14	24,538
Total	**25,888**	**982**	**2,998**	**29,868**

The following table presents the changes in Level 3 instruments:

In CZK million, for the year ended 31 December	2025	2024
Opening balance	**2,998**	**2,113**
Transfers into Level 3	75	-
Total gains or losses in P/L	(277)	(6)
Purchases	1,009	1,126
Disposals	(473)	(176)
Pay-backs (maturities)	(9)	(12)
Transfer out of level 3	-	(47)
Closing balance	**3,323**	**2,998**
Total change	**325**	**885**

In CZK million, for the year ended 31 December	2025	2024
Transfer into Level 1 from Level 2	6	14
Transfer into Level 1 from Level 3	-	18
Transfer into Level 2 from Level 3	-	28
Transfer into Level 3 from Level 1	54	-
Transfer into Level 3 from Level 2	21	-

E.4 Receivables

In CZK million, as at 31 December	2025			2024		
	Gross	ECL	Net	Gross	ECL	Net
Receivables from intermediares	58	(28)	30	49	(42)	7
Trade and other receivables	1,350	(258)	1,092	1,222	(359)	863
Receivables from derivatives collateral	9	-	9	62	-	62
Tax receivables	-	-	-	242	-	242
Total	**1,417**	**(286)**	**1,131**	**1,575**	**(401)**	**1,174**
Current portion			1,055			1,174
Non-current portion			76			-

The prepayments represent the non-current portion of receivables.

In CZK million, for the year ended 31 December	2025	2024
Balance as at 1 January	**1,174**	**1,715**
Net change in gross value of receivables	(56)	(517)
Movement in ECL	115	3
Write offs	(102)	(27)
Balance as at 31 December	**1,131**	**1,174**

The decrease in receivables during 2024 was caused primarily by a decrease of tax receivables (the Company reported a high tax receivable due to high tax prepayment in 2024). The movement in ECL and related write offs in 2025 corresponds to write-off of the past due receivables.

E.5 Non-current assets held for sale and discontinued operations

As at 31 December 2025 the Company does not classifies any non-current assets held for sale. As of 31 December 2024 the Company classified as non-current assets held for sale its investment in a subsidiary Green Point Offices s. r. o. in the amount of CZK 331 million. The subsidiary was sold at 30 June 2025. A loss on disposal amounting to CZK 173 million was recognised in connection with the sale and is presented in the line “Other investment revenue “.

E.6 Cash and cash equivalents

In CZK million, as at 31 December	2025	2024
Cash and cash equivalents	1	1
Cash at bank	1,808	1,236
Short term deposits	237	369
Total	**2,046**	**1,606**

E.7 Other assets

In CZK million, as at 31 December	2025	2024
Accrued income and prepayments	471	504
Total	**471**	**504**
Current portion	**471**	**504**

E.8 Shareholder´s equity

In CZK million, as at 31 December	2025	2024
Share capital	4,000	4,000
Currency translation differences	(110)	(97)
Fair value revaluation of financial assets at FVOCI	276	196
Insurance finance reserve	381	68
Statutory reserve fund	912	912
Retained earnings (and other funds) brought forward	20,204	24,299
Net profit for the year	4,841	3,640
Total	**30,504**	**33,018**

Fair value revaluation of financial assets at FVOCI comprises:

- the cumulative net change in the fair value of bonds measured at FVOCI (which is increased by the amount of loss allowance) until the assets are derecognised or reclassified;
- the cumulative net change in the fair value of equity securities measured at FVOCI.

Insurance finance reserve include reserve for OCI component related to insurance contracts.

The following table provides details on reserves for fair value revaluation of financial assets at FVOCI.

In CZK million, for the year ended 31 December	2025	2024
Balance as at 1 January	**196**	**(155)**
Gross revaluation as at the beginning of the year	**230**	**(196)**
Tax on revaluation as at the beginning of the year	**(34)**	**41**
Bonds	(36)	40
Revaluation gain/loss in OCI – gross	(216)	14
Revaluation gain/loss on realisation in income statement – gross	224	(15)
Sales and disposal	(6)	(4)
Movement in ECL	27	5
Tax on revaluation	5	7
Currency trans. differences on tax on revaluation	(2)	2
Currency translation differences	(68)	31
Equities/Investment fund units	116	311
Revaluation gain/loss in OCI – gross	473	436
Sales and disposal	(322)	(41)
Tax on revaluation	(33)	(84)
Currency trans. Differences	(2)	-
Gross revaluation as at the end of the year	**340**	**230**
Tax on revaluation as at the end of the year (Note E.22.4)	**(64)**	**(34)**
Balance as at 31 December	**276**	**196**

The insurance finance reserve comprises the cumulative insurance and reinsurance finance income and expenses:

Balance as at 1 January	2025	2024
Balance as at 1 January	**68**	**(3)**
Gross revaluation as at the beginning of the year	**92**	**(3)**
Tax on revaluation as at the beginning of the year	**(24)**	**-**
Finance expenses on insurance contracts - gross	420	36
Finance expenses on insurance contracts - tax	(74)	(16)
Finance income on reinsurance contracts – gross	(43)	59
Finance income on reinsurance contracts – tax	10	(8)
Gross revaluation as at the end of the year	**469**	**92**
Tax on revaluation as at the end of the year (Note E.22.4)	**(88)**	**(24)**
Balance as at 31 December	**381**	**68**

E.8.1 Share capital

There are no preferences or restrictions attached to the shares of the Company. The following table provides details of ordinary shares.

As at 31 December	2025	2024
Number of shares authorised, issued and fully paid	40,000	40,000
Par value per share (CZK)	100,000	100,000

E.8.2 Dividends

No proposal for a distribution of the profit of the year 2025 has been made by the date of the financial statements.

The sole shareholder approved on 8 April 2025 the payment of dividend in the amount of CZK 8,026 million. The dividend amounted to CZK 200.650 per each share in the nominal value of CZK 100,000.

The sole shareholder approved on 11 April 2024 the payment of dividend in the amount of CZK 8,730 million. The dividend amounted to CZK 218.250 per each share in the nominal value of CZK 100,000.

E.9 Insurance and reinsurance contract assets and liabilities

In CZK million, as at 31 December	Direct insurance		Accepted reinsurance		Total	
	2025	2024	2025	2024	2025	2024
Insurance contracts	**(59,342)**	**(61,635)**	**(1,734)**	**(877)**	**(61,076)**	**(62,512)**
Non-life segment	**(23,261)**	**(24,750)**	**(1,750)**	**(909)**	**(25,011)**	**(25,659)**
Insurance contract assets	118	111	270	275	388	386
Insurance contract liabilities	(23,379)	(24,861)	(2,020)	(1,184)	(25,399)	(26,045)
Life segment	**(36,081)**	**(36,885)**	**16**	**32**	**(36,065)**	**(36,853)**
Insurance contract assets	5,108	4,286	16	32	5,124	4,318
Insurance contract liabilities	(41,189)	(41,171)	-	-	(41,189)	(41,171)
Reinsurance contracts	**8,556**	**10,501**	**1,491**	**591**	**10,047**	**11,092**
Non-life segment	**7,872**	**9,910**	**1,506**	**623**	**9,378**	**10,533**
Reinsurance contract assets	11,395	13,073	1,671	765	13,066	13,838
Reinsurance contract liabilities	(3,523)	(3,163)	(165)	(142)	(3,688)	(3,305)
Life segment	**684**	**591**	**(15)**	**(32)**	**669**	**559**
Reinsurance contract assets	722	616	-	-	722	616
Reinsurance contract liabilities	(38)	(25)	(15)	(32)	(53)	(57)
Total	**(50,786)**	**(51,134)**	**(243)**	**(286)**	**(51,029)**	**(51,420)**
Current	**(15,204)**	**(14,162)**	**(87)**	**(74)**	**(15,291)**	**(14,236)**
Non-current	**(35,582)**	**(36,972)**	**(156)**	**(212)**	**(35,738)**	**(37,184)**

At 31 December 2025, the maximum exposure to credit risk from insurance contracts is CZK 9,685 million (2024: CZK 9,156 million), which primarily relates to premiums receivable for services that the Company has already provided, and the maximum exposure to credit risk from reinsurance contracts is CZK 4,451 million (2024: CZK 4,346 million).

Insurance and reinsurance contract assets and liabilities by measurement model:

	GMM		VFA		PAA		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
Insurance contracts	(26,665)	(28,082)	(9,375)	(8,763)	(25,036)	(25,667)	(61,076)	(62,512)
Non-life segment	-	-	-	-	(25,011)	(25,659)	(25,011)	(25,659)
Insurance contract assets	-	-	-	-	388	386	388	386
Insurance contract liabilities	-	-	-	-	(25,399)	(26,045)	(25,399)	(26,045)
Life segment	(26,665)	(28,082)	(9,375)	(8,763)	(25)	(8)	(36,065)	(36,853)
Insurance contract assets	5,108	4,286	-	-	16	32	5,124	4,318
Insurance contract liabilities	(31,773)	(32,368)	(9,375)	(8,763)	(41)	(40)	(41,189)	(41,171)
Reinsurance contracts	-	-	-	-	10,047	11,092	10,047	11,092
Non-life segment	-	-	-	-	9,378	10,533	9,378	10,533
Reinsurance contract assets	-	-	-	-	13,066	13,838	13,066	13,838
Reinsurance contract liabilities	-	-	-	-	(3,688)	(3,305)	(3,688)	(3,305)
Life segment	-	-	-	-	669	559	669	559
Reinsurance contract assets	-	-	-	-	722	616	722	616
Reinsurance contract liabilities	-	-	-	-	(53)	(57)	(53)	(57)
Total	**(26,665)**	**(28,082)**	**(9,375)**	**(8,763)**	**(14,989)**	**(14,575)**	**(51,029)**	**(51,420)**

E.9.1 Non-life segment

E.9.1.1 Movement of non-life insurance contract assets and liabilities – analysis by remaining coverage and incurred claims

	Liability for remaining coverage (PAA)		Liability for incurred claims		Total
In CZK million, for the year ended 31 December 2025	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risks**	
Balance as at 1 January – assets / liabilities	**(5,114)**	**(79)**	**(19,729)**	**(737)**	**(25,659)**
Changes in the statement of profit or loss and OCI					
Insurance revenues	**40,811**	**-**	**-**	**-**	**40,811**
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(25,082)	(328)	(25,410)
Losses on onerous contracts	-	9	-	-	9
Amortisation of insurance acquisition cash flows	(9,320)	-	-	-	(9,320)
Adjustments to liabilities for incurred claims	-	-	1,379	378	1,757
Insurance service result	**31,491**	**9**	**(23,703)**	**50**	**7,847**
Net finance expenses from insurance contracts	-	-	(427)	(26)	(453)
Effect of movements in exchange rates	35	-	172	6	213
Total changes in the statement of profit or loss and OCI	**31,526**	**9**	**(23,958)**	**30**	**7,607**
Cash flows					
Premiums received	(41,946)	-	-	-	(41,946)
Claims and other insurance service expenses paid	-	-	25,238	-	25,238
Insurance acquisition cash flows	9,757	-	-	-	9,757
Total cash flows	**(32,189)**	**-**	**25,238**	**-**	**(6,951)**
Transfer to other items in the statement of financial position	-	-	(8)	-	(8)
Balance as at 31 December - assets / liabilities	**(5,777)**	**(70)**	**(18,457)**	**(707)**	**(25,011)**

	Liability for remaining coverage (PAA)		Liability for incurred claims		Total
In CZK million, for the year ended 31 December 2024	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risks**	
Balance as at 1 January – assets / liabilities	**(4,575)**	**(128)**	**(18,271)**	**(733)**	**(23,707)**
Changes in the statement of profit or loss and OCI					
Insurance revenues	38,223	-	-	-	38,223
Insurance service expenses					
Incurred claims and other insurance service expenses	-	-	(27,355)	(397)	(27,752)
Losses on onerous contracts	-	49	-	-	49
Amortisation of insurance acquisition cash flows	(8,544)	-	-	-	(8,544)
Adjustments to liabilities for incurred claims	-	-	(690)	433	(257)
Insurance service result	29,679	49	(28,045)	36	1,719
Net finance expenses from insurance contracts	-	-	(647)	(37)	(684)
Effect of movements in exchange rates	(10)	-	(76)	(3)	(89)
Total changes in the statement of profit or loss and OCI	**29,669**	**49**	**(28,768)**	**(4)**	**946**
Cash flows					
Premiums received	(38,867)	-	-	-	(38,867)
Claims and other insurance service expenses paid	-	-	27,316	-	27,316
Insurance acquisition cash flows	8,659	-	-	-	8,659
Total cash flows	**(30,208)**	**-**	**27,316**	**-**	**(2,892)**
Transfer to other items in the statement of financial position	-	-	(6)	-	(6)
Balance as at 31 December - assets / liabilities	(5,114)	(79)	(19,729)	(737)	(25,659)

E.9.1.2 Movement of non-life reinsurance contract assets and liabilities – analysis by remaining coverage and incurred claims

	Asset for remaining coverage (PAA)		Asset for incurred claims		Total
In CZK million, for the year ended 31 December 2025	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risks**	
Balance as at 1 January – assets / liabilities	**(2,930)**	**29**	**13,007**	**427**	**10,533**
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid, including reinsurance commission	(14,402)	-	-	-	(14,402)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	10,360	-	10,360
Recoveries on onerous contratcs	-	(6)	-	-	(6)
Adjustment to assets to incurred claims	-	-	(977)	(24)	(1,001)
Reinsurance service result	(14,402)	(6)	9,383	(24)	(5,049)
Effect of changes in non-performance risk of reinsurers	-	-	(4)	-	(4)
Net finance income from reinsurance contracts	-	-	250	16	266
Effect of movements in exchange rates	18	-	(78)	(3)	(63)
Total changes in the statement of profit or loss and OCI	**(14,384)**	**(6)**	**9,551**	**(11)**	**(4,850)**
Cash flows					
Premiums paid	14,212	-	-	-	14,212
Amounts received	-	-	(10,517)	-	(10,517)
Total cash flows	**14,212**	**-**	**(10,517)**	**-**	**3,695**
Transfer to other items in the statement of financial position	-	-	-	-	-
Balance as at 31 December - assets / liabilities	**(3,102)**	**23**	**12,041**	**416**	**9,378**

	Asset for remaining coverage (PAA)		Asset for incurred claims		Total
In CZK million, for the year ended 31 December 2024	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risks**	
Balance as at 1 January – assets / liabilities	(2,715)	57	10,977	400	8,719
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid, including reinsurance commission	(13,473)	-	-	-	(13,473)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	11,916	-	11,916
Recoveries on onerous contratcs	-	(28)	-	-	(28)
Adjustment to assets to incurred claims	-	-	1,066	5	1,071
Reinsurance service result	(13,473)	(28)	12,982	5	(514)
Effect of changes in non-performance risk of reinsurers	-	-	(1)	-	(1)
Net finance income from reinsurance contracts	6	-	313	20	339
Effect of movements in exchange rates	(17)	-	42	2	27
Total changes in the statement of profit or loss and OCI	**(13,484)**	**(28)**	**13,336**	**27**	**(149)**
Cash flows					
Premiums paid	13,269	-	-	-	13,269
Amounts received	-	-	(11,277)	-	(11,277)
Total cash flows	**13,269**	**-**	**2,059**	**-**	**1,992**
Transfer to other items in the statement of financial position	-	-	(29)	-	(29)
Balance as at 31 December - assets / liabilities	**(2,930)**	**29**	**13,007**	**427**	**10,533**

E.9.1.3 Claims development

The table below illustrates how estimates of cumulative claims for the Company's non-life segment have developed over time on a gross and net of reinsurance basis. Each table shows how the Company's estimates of total claims for each accident year have developed over time and reconciles the cumulative claims to the amount included in the statement of financial position. Balances have been translated at the exchange rates prevailing at the reporting date. Due to the transition to IFRS17, reliable historical data except those disclosed below are not available.

In CZK million, for the year ended 31 December 2025

Gross of reinsurance	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimates of undiscounted cumulative claims	-	-	-	-	-	17,347	15,963	17,597	25,143	18,672	
One year later	-	-	-	-	13,362	17,645	15,777	16,909	24,268		
Two years later	-	-	-	14,937	13,183	17,530	15,505	16,805			
Three years later	-	-	14,164	14,918	13,050	17,335	15,470				
Four years later	-	13,894	14,120	14,917	13,000	17,320					
Five years later	12,418	13,863	14,030	14,872	12,966						
Six years later	12,398	13,861	13,961	15,055							
Seven years later	12,365	13,802	13,940								
Eight years later	12,183	13,767									
Nine years later	12,155										
Estimate of cumulative claims	**12,155**	**13,767**	**13,940**	**15,055**	**12,966**	**17,320**	**15,470**	**16,805**	**24,268**	**18,672**	**160,418**
Cumulative payments	**12,050**	**13,599**	**13,771**	**14,466**	**12,637**	**16,568**	**14,864**	**15,747**	**21,359**	**11,186**	**146,247**
Risk adjustment											707
NL annuities											1,433
Provisions for ULAE											874
Unmodelled											2,619
Discounting effect											(1,259)
Undiscounted Liability for Incurred claims - not included in accident year											619
Value recognized in the Statement of Financial Position	**105**	**168**	**169**	**589**	**329**	**752**	**606**	**1,058**	**2,909**	**7,486**	**19,164**

In CZK million, for the year ended 31 December 2024

Gross of reinsurance	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of undiscounted cumulative claims	-	-	-	-	-	-	17,438	16,054	17,717	25,275	
One year later	-	-	-	-	-	13,429	17,717	15,870	17,025		
Two years later	-	-	-	-	15,010	13,242	17,601	15,597			
Three years later	-	-	-	14,225	14,986	13,109	17,405				
Four years later	-	-	13,949	14,179	14,984	13,058					
Five years later	-	12,469	13,917	14,089	14,938						
Six years later	11,265	12,448	13,914	14,020							
Seven years later	11,234	12,414	13,855								
Eight years later	11,276	12,232									
Nine years later	11,238										
Estimate of cumulative claims	**11,238**	**12,232**	**13,855**	**14,020**	**14,938**	**13,058**	**17,405**	**15,597**	**17,025**	**25,275**	**154,643**
Cumulative payments	**10,970**	**12,088**	**13,644**	**13,805**	**14,474**	**12,654**	**16,320**	**14,595**	**14,837**	**15,251**	**138,638**
Risk adjustment											737
NL annuities											1,551
Provisions for ULAE											864
Unmodelled											2,033
Discounting effect											(1,320)
Undiscounted Liability for Incurred claims - not included in accident year											596
Value recognized in the Statement of Financial Position	**268**	**144**	**211**	**215**	**464**	**404**	**1,085**	**1,002**	**2,188**	**10,024**	**20,466**

Information in the table include also claims handling costs attributable to the claims. Provisions for outstanding claims which were not included in the analysis by an accident year include provision for claims which occurred before 2015 and provisions related to minor non-life insurance products.

In CZK million, for the year ended 31 December 2025

Net of reinsurance	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total
Estimates of undiscounted cumulative claims	-	-	-	-	-	8,956	9,161	9,710	11,177	10,214	
One year later	-	-	-	-	7,583	8,682	8,951	9,264	10,768		
Two years later	-	-	-	8,375	7,442	8,618	8,763	9,188			
Three years later	-	-	-	8,369	7,393	8,536	8,748				
Four years later	-	-	-	8,349	7,331	8,462					
Five years later	-	-	-	8,304	7,320						
Six years later	-	-	-	8,334							
Seven years later	-	-	-								
Eight years later	-	-									
Nine years later	-										
Estimate of cumulative claims	**-**	**-**	**-**	**8,334**	**7,320**	**8,462**	**8,748**	**9,188**	**10,768**	**10,214**	**63,034**
Cumulative payments	**-**	**-**	**-**	**8,153**	**7,186**	**8,245**	**8,469**	**8,666**	**9,734**	**6,392**	**56,845**
Risk adjustment											
NL annuities											291
Provisions for ULAE											930
Unmodelled											874
Discounting effect											(537)
Undiscounted Liability for Incurred claims - not included in accident year											453
Value recognized in the Statement of Financial Position	**-**	**-**	**-**	**181**	**134**	**217**	**279**	**522**	**1,034**	**3,822**	**6,707**

In CZK million, for the year ended 31 December 2024

Net of reinsurance	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total
Estimates of undiscounted cumulative claims	-	-	-	-	-	-	8,997	9,205	9,762	11,221	
One year later	-	-	-	-	-	7,608	8,701	8,986	9,283		
Two years later	-	-	-	-	8,400	7,460	8,633	8,793			
Three years later	-	-	-	-	8,392	7,410	8,551				
Four years later	-	-	-	-	8,372	7,347					
Five years later	-	-	-	-	8,325						
Six years later	-	-	-	-							
Seven years later	-	-	-								
Eight years later	-	-									
Nine years later	-										
Estimate of cumulative claims	**-**	**-**	**-**	**-**	**8,325**	**7,347**	**8,551**	**8,793**	**9,283**	**11,221**	**53,520**
Cumulative payments	**-**	**-**	**-**	**-**	**8,148**	**7,179**	**8,202**	**8,322**	**8,269**	**7,312**	**47,432**
Risk adjustment											310
NL annuities											1,013
Provisions for ULAE											864
Unmodelled											(1,319)
Discounting effect											(526)
Undiscounted Liability for Incurred claims - not included in accident year											602
Value recognized in the Statement of Financial Position	**-**	**-**	**-**	**-**	**177**	**168**	**349**	**471**	**1,014**	**3,909**	**7,032**

E.9.2 Life segment

E.9.2.1 Movement of GMM life insurance contract assets and liabilities

Analysis by remaining coverage and incurred claims

In CZK million, for the year ended 31 December 2025 and 31 December 2024	Liability for remaining coverage		Liability for incurred claims	Total.	Liability for remaining coverage		Liability for incurred claims	Total
	Excluding loss component	Loss component			Excluding loss component	Loss component		
		2025				2024		
Balance as at 1 January – assets / liabilities	**(24,404)**	**(23)**	**(3,655)**	**(28,082)**	**(26,474)**	**(13)**	**(3,510)**	**(29,997)**
Changes in the statement of profit or loss and OCI								
Insurance revenues	11,717	-	-	11,717	10,717	(2)	-	10,715
Contract under modified retrospective transition approach	1,338	-	-	1,338	1,547	-	-	1,547
Contract under fair value transition approach	3,671	-	-	3,671	3,997	-	-	3,997
Other contracts	6,708	-	-	6,708	5,173	(2)	-	5,171
Insurance service expenses	**(2,076)**	**7**	**(5,822)**	**(7,891)**	**(1,876)**	**(8)**	**(5,261)**	**(7,145)**
Incurred claims and other insurance service expenses **	-	4	(5,598)	(5,594)	-	-	(5,203)	(5,203)
Adjustments to liabilities for incurred claims	-	-	(224)	(224)	-	-	(58)	(58)
Losses and reversals of losses on onerous contracts	-	3	-	3	-	(8)	-	(8)
Amortisation of insurance acquisition cash flows	(2,076)	-	-	(2,076)	(1,876)	-	-	(1,876)
Insurance service result	**9,641**	**7**	**(5,822)**	**3,826**	**8,841**	**(10)**	**(5,261)**	**3,570**
Net finance expenses from insurance contracts	(2,160)	(1)	(46)	(2,207)	(1,412)	-	(52)	(1,464)
Effect of movements in exchange rates	29	-	24	53	(22)	-	(6)	(28)
Finance expenses/income	**(2,131)**	**(1)**	**(22)**	**(2,154)**	**(1,434)**	**-**	**(58)**	**(1,492)**
Investment components **	**5,174**	**-**	**(5,174)**	**-**	**5,661**	**-**	**(5,661)**	**-**
Total changes in the statement of profit or loss and OCI	**12,684**	**6**	**(11,018)**	**1,672**	**13,068**	**(10)**	**(10,980)**	**2,078**
Cash flows								
Premiums received	(14,442)	-	-	(14,442)	(14,004)	-	-	(14,004)
Claims and other insurance service expenses paid, including investment components	-	-	10,853	10,853	-	-	10,835	10,835
Insurance acquisition cash flows	3,334	-	-	3,334	3,006	-	-	3,006
Total cash flows	**(11,108)**	**-**	**10,853**	**(255)**	**(10,998)**	**-**	**10,835**	**(163)**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-
Balance as at 31 December - assets / liabilities	(22,828)	(17)	(3,820)	(26,665)	(24,404)	(23)	(3,655)	(28,082)

** Incurred claims are presented net of Investment components

Analysis by measurement component

In CZK million, for the year ended 31 December 2025	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	Total
Balance as at 1 January – assets / liabilities	**(4,687)**	**(1,087)**	**(10,705)**	**(2,081)**	**(9,522)**	**(22,308)**	**(28,082)**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services	**448**	**114**	**1,467**	**280**	**1,730**	**3,477**	**4,039**
CSM recognised for services provided (release of CSM)	-	-	1,467	280	1,730	3,477	3,477
Change in risk adjustment for non-financial risk for risk expired	-	114	-	-	-	-	114
Experience adjustments	448	-	-	-	-	-	448
Changes that relate to future services	**3,655**	**(26)**	**(110)**	**(90)**	**(3,425)**	**(3,625)**	**4**
Contracts initially recognised in the year (new business contribution)	3,138	(190)	-	-	(2,941)	(2,941)	7
Changes in estimates that adjust the CSM and other	520	164	(110)	(90)	(484)	(684)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(3)	-	-	-	-	-	(3)
Changes that relate to past services	**(224)**	**7**	**-**	**-**	**-**	**-**	**(217)**
Adjustments to liabilities for incurred claims	(224)	7	-	-	-	-	(217)
Insurance service result	**3,879**	**95**	**1,357**	**190**	**(1,695)**	**(148)**	**3,826**
Net finance expenses from insurance contracts	(1,523)	(43)	(281)	(31)	(329)	(641)	(2,207)
Effect of movements in exchange rates	(172)	7	29	2	187	218	53
Total changes in the statement of profit or loss and OCI	**2,184**	**59**	**1,105**	**161**	**(1,837)**	**(571)**	**1,672**
Cash flows	**(255)**	**-**	**-**	**-**	**-**	**-**	**(255)**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-
Balance as at 31 December - assets / liabilities	**(2,758)**	**(1,028)**	**(9,600)**	**(1,920)**	**(11,359)**	**(22,879)**	**(26,665)**

Analysis by measurement component

In CZK million, for the year ended 31 December 2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM				Total
			Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	Subtotal	
Balance as at 1 January – assets / liabilities	**(7,810)**	**(1,049)**	**(11,652)**	**(2,219)**	**(7,267)**	**(21,138)**	**(29,997)**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services	190	104	1,587	301	1,457	3,345	3,639
CSM recognised for services provided (release of CSM)	-	-	1,587	301	1,457	3,345	3,345
Change in risk adjustment for non-financial risk for risk expired	-	104	-	-	-	-	104
Experience adjustments	190	-	-	-	-	-	190
Changes that relate to future services	**3,867**	**(81)**	**(317)**	**(128)**	**(3,352)**	**(3,797)**	**(11)**
Contracts initially recognised in the year (new business contribution)	2,855	(186)	-	-	(2,669)	(2,669)	-
Changes in estimates that adjust the CSM and other	1,023	105	(317)	(128)	(683)	(1,128)	-
Changes in estimates that result in losses and reversals of losses on onerous contracts	(11)	-	-	-	-	-	(11)
Changes that relate to past services	**(58)**	**-**	**-**	**-**	**-**	**-**	**(58)**
Adjustments to liabilities for incurred claims	(58)	-	-	-	-	-	(58)
Insurance service result	**3,999**	**23**	**1,270**	**173**	**(1,895)**	**(452)**	**3,570**
Net finance expenses from insurance contracts	(774)	(56)	(306)	(34)	(294)	(634)	(1,464)
Effect of movements in exchange rates	61	(5)	(17)	(1)	(66)	(84)	(28)
Total changes in the statement of profit or loss and OCI	**3,286**	**(38)**	**947**	**138**	**(2,255)**	**(1,170)**	**2,078**
Cash flows	**(163)**	**-**	**-**	**-**	**-**	**-**	**(163)**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-
Balance as at 31 December - assets / liabilities	**(4,687)**	**(1,087)**	**(10,705)**	**(2,081)**	**(9,522)**	**(22,308)**	**(28,082)**

E.9.2.2 Movement of VFA life insurance contract assets and liabilities

Analysis by remaining coverage and incurred claims

In CZK million, for the year ended 31 December 2025 and 2024	Liability for remaining coverage – Excluding loss component (2025)	Liability for remaining coverage – Loss component (2025)	Liability for incurred claims (2025)	Total (2025)	Liability for remaining coverage – Excluding loss component (2024)	Liability for remaining coverage – Loss component (2024)	Liability for incurred claims (2024)	Total (2024)
Balance as at 1 January – assets / liabilities	**(8,542)**	**-**	**(221)**	**(8,763)**	**(8,447)**	**(1)**	**(240)**	**(8,688)**
Changes in the statement of profit or loss and OCI								
Insurance revenues	**333**	**-**	**-**	**333**	**365**	**(2)**	**-**	**363**
Contract under modified retrospective transition approach	46	-	-	46	59	-	-	59
Contract under fair value transition approach	268	-	-	268	294	-	-	294
Other contracts	19	-	-	19	12	(2)	-	10
Insurance service expenses	**(72)**	**-**	**(163)**	**(235)**	**(85)**	**3**	**(131)**	**(213)**
Incurred claims and other insurance service expenses **	-	-	(162)	(162)	-	-	(131)	(131)
Adjustments to liabilities for incurred claims	-	-	(1)	(1)	-	-	-	-
Losses and reversals of losses on onerous contracts	-	-	-	-	-	3	-	3
Amortisation of insurance acquisition cash flows	(72)	-	-	(72)	(85)	-	-	(85)
Insurance service result	**261**	**-**	**(163)**	**98**	**280**	**1**	**(131)**	**150**
Net finance expenses from insurance contracts	(1,531)	-	-	(1,531)	(964)	-	-	(964)
Effect of movements in exchange rates	95	-	3	98	(51)	-	(1)	(52)
Finance expenses/income	**(1,436)**	**-**	**3**	**(1,433)**	**(1,015)**	**-**	**(1)**	**(1,016)**
Investment components **	1,123	-	(1,123)	-	1,243	-	(1,243)	-
Total changes in the statement of profit or loss and OCI	**(52)**	**-**	**(1,283)**	**(1,335)**	**508**	**1**	**(1,375)**	**(866)**
Cash flows								
Premiums received	(591)	-	-	(591)	(606)	-	-	(606)
Claims and other insurance service expenses paid, including investment components	-	-	1,314	1,314	-	-	1,394	1,394
Insurance acquisition cash flows	-	-	-	-	3	-	-	3
Total cash flows	**(591)**	**-**	**1,314**	**723**	**(603)**	**-**	**1,394**	**791**
Transfer to other items in the statement of financial position	-	-	-	-	-	-	-	-
Balance as at 31 December - assets / liabilities	**(9,185)**	**-**	**(190)**	**(9,375)**	**(8,542)**	**-**	**(221)**	**(8,763)**

** Incurred claims are presented net of Investment components

Analysis by measurement component

In CZK million, for the year ended 31 December 2025	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	CSM: Contracts under modified retrospective approach	CSM: Contracts under fair value approach	CSM: Other contracts	CSM: Subtotal	Total
Balance as at 1 January – assets / liabilities	**(7,683)**	**(46)**	**(963)**	**(71)**	**-**	**(1,034)**	**(8,763)**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services	(57)	4	141	11	-	152	99
CSM recognised for services provided	-	-	141	11	-	152	152
Change in risk adjustment for non-financial risk for risk expired	-	4	-	-	-	-	4
Experience adjustments	(57)	-	-	-	-	-	(57)
Changes that relate to future services	**299**	**9**	**(286)**	**(22)**	**-**	**(308)**	**-**
Contracts initially recognised in the year	-	-	-	-	-	-	-
Changes in estimates that adjust the CSM and other	299	9	(286)	(22)	-	(308)	-
Changes in estimates that result in losses and reversals of losses on onerous							
Contracts	-	-	-	-	-	-	-
Changes that relate to past services	**(1)**	**-**	**-**	**-**	**-**	**-**	**(1)**
Adjustments to liabilities for incurred claims	(1)	-	-	-	-	-	(1)
Insurance service result	**241**	**13**	**(145)**	**(11)**	**-**	**(156)**	**98**
Net finance expenses from insurance contracts	(1,531)	-	-	-	-	-	(1,531)
Effect of movements in exchange rates	91	-	4	3	-	7	98
Total changes in the statement of profit or loss and OCI	**(1,199)**	**13**	**(141)**	**(8)**	**-**	**(149)**	**(1,335)**
Cash flows	**723**	**-**	**-**	**-**	**-**	**-**	**723**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December - assets / liabilities	**(8,159)**	**(33)**	**(1,104)**	**(79)**	**-**	**(1,183)**	**(9,375)**

Analysis by measurement component

In CZK million, for the year ended 31 December 2024	Estimates of present value of future cash flows	Risk adjustment for nonfinancial risk	Contracts under modified retrospective approach	Contracts under fair value approach	Other contracts	CSM Subtotal	Total
Balance as at 1 January – assets / liabilities	**(7,660)**	**(50)**	**(928)**	**(50)**	**-**	**(978)**	**(8,688)**
Changes in the statement of profit or loss and OCI							
Changes that relate to current services	7	4	129	10	-	139	150
CSM recognised for services provided	-	-	129	10	-	139	139
Change in risk adjustment for non-financial risk for risk expired	-	4	-	-	-	-	4
Experience adjustments	7	-	-	-	-	-	7
Changes that relate to future services	**192**	**-**	**(162)**	**(30)**	**-**	**(192)**	**-**
Contracts initially recognised in the year	26	-	-	-	-	-	26
Changes in estimates that adjust the CSM and other	192	-	(162)	(30)	-	(192)	-
Changes in estimates that result in losses and reversals of losses on onerous							
Contracts	(26)	-	-	-	-	-	(26)
Changes that relate to past services	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjustments to liabilities for incurred claims	-	-	-	-	-	-	-
Insurance service result	**199**	**4**	**(33)**	**(20)**	**-**	**(53)**	**150**
Net finance expenses from insurance contracts	(964)	-	-	-	-	-	(964)
Effect of movements in exchange rates	(49)	-	(2)	(1)	-	(3)	(52)
Total changes in the statement of profit or loss and OCI	**(814)**	**4**	**(35)**	**(21)**	**-**	**(56)**	**(866)**
Cash flows	**791**	**-**	**-**	**-**	**-**	**-**	**791**
Transfer to other items in the statement of financial position	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Balance as at 31 December - assets / liabilities	**(7,683)**	**(46)**	**(963)**	**(71)**	**-**	**(1,034)**	**(8,763)**

E.9.2.3 Movement of life reinsurance contract assets and liabilities – analysis by remaining coverage and incurred claims

	Asset for remaining coverage (PAA)		Asset for incurred claims		Total
In CZK million, for the year ended 31 December 2025	**Excluding loss component**	**Loss component**	**Present value of future cash flows**	**Risk adjustment for non-financial risks**	
Balance as at 1 January – assets / liabilities	**(374)**	**-**	**915**	**18**	**559**
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(1,569)	-	-	-	(1,569)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	797	-	797
Recoveries on onerous contratcs	-	-	-	-	-
Adjustment to assets to incurred claims	-	-	75	(2)	73
Reinsurance service result	(1,569)	-	872	(2)	(699)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net finance income from reinsurance contracts	-	-	18	1	19
Effect of movements in exchange rates	5	-	(4)	-	1
Total changes in the statement of profit or loss and OCI	**(1,564)**	**-**	**886**	**(1)**	**(679)**
Cash flows					
Premiums paid	1,535	-	-	-	1,535
Amounts received	-	-	(746)	-	(746)
Total cash flows	**1,535**	**-**	**(746)**	**-**	**789**
Transfer to other items in the statement of financial position	-	-	-	-	-
Balance as at 31 December - assets / liabilities	(403)	-	1,055	17	669

In CZK million, for the year ended 31 December 2024	Asset for remaining coverage (PAA)		Asset for incurred claims		Total
	Excluding loss component	Loss component	Present value of future cash flows	Risk adjustment for non-financial risks	
Balance as at 1 January – assets / liabilities	**(368)**	**-**	**840**	**18**	**490**
Changes in the statement of profit or loss and OCI					
Allocation of reinsurance premiums paid	(1,350)	-	-	-	(1,350)
Amounts recoverable from reinsurers					
Recoveries of incurred claims and other insurance service expenses	-	-	694	-	694
Recoveries on onerous contratcs	-	-	-	-	-
Adjustment to assets to incurred claims	-	-	20	-	20
Reinsurance service result	(1,350)	-	714	-	(636)
Effect of changes in non-performance risk of reinsurers	-	-	-	-	-
Net finance income from reinsurance contracts	-	-	22	-	22
Effect of movements in exchange rates	1	-	-	-	1
Total changes in the statement of profit or loss and OCI	**(1,349)**	**-**	**736**	**-**	**(613)**
Cash flows					
Premiums paid	1,343	-	-	-	1,343
Amounts received	-	-	(661)	-	(661)
Total cash flows	**1,343**	**-**	**(661)**	**-**	**682**
Transfer to other items in the statement of financial position	-	-	-	-	-
Balance as at 31 December - assets / liabilities	(374)	-	915	18	559

E.9.2.4 Effect of contracts initially recognised in the year

The following tables summarise the effect on the measurement components arising from the initial recognition of insurance and reinsurance contracts not measured under the PAA in the year:

In CZK million, for the year ended 31 December 2025	GMM		VFA		Total
	Profitable contracts issued	Onerous contract issued	Profitable contracts issued	Onerous contract issued	
Claims and other insurance service expenses payable	(9,731)	-	-	-	(9,731)
Insurance acquisition cash flows	(3,318)	-	-	-	(3,318)
Estimates of present value of cash outflows	(13,049)	-	-	-	(13,049)
Estimates of present value of cash inflows	16,180	-	-	-	16,180
Risk adjustment for non-financial risk	(190)	-	-	-	(190)
CSM	2,941	-	-	-	2,941
Losses recognised on initial recognition	-	-	-	-	-

In CZK million, for the year ended 31 December 2024	GMM Profitable contracts issued	GMM Onerous contract issued	VFA Profitable contracts issued	VFA Onerous contract issued	Total
Claims and other insurance service expenses payable	(8,860)	-	-	-	(8,860)
Insurance acquisition cash flows	(2,942)	-	-	-	(2,942)
Estimates of present value of cash outflows	(11,802)	-	-	-	(11,802)
Estimates of present value of cash inflows	14,658	-	-	-	14,658
Risk adjustment for non-financial risk	(187)	-	-	-	(187)
CSM	**2,669**	**-**	**-**	**-**	**2,669**
Losses recognised on initial recognition	**-**	**-**	**-**	**-**	**-**

E.9.2.5 CSM

The following table sets out when the Company expects to recognise the remaining CSM in profit or loss after the reporting date for contracts not measured under the PAA.

In CZK million, for the year ended 31 December 2025	Less than 1 year	Between 1-5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	More than 20 years	Total
GMM	3,215	9,001	5,840	2,784	1,234	805	22,879
VFA	143	436	334	168	66	36	1,183
Total	**3,358**	**9,437**	**6,174**	**2,952**	**1,300**	**841**	**24,062**

In CZK million, for the year ended 31 December 2024	Less than 1 year	Between 1-5 years	Between 5 and 10 years	Between 10 and 15 years	Between 15 and 20 years	More than 20 years	Total
GMM	3,110	8,736	5,668	2,756	1,234	804	22,308
VFA	126	384	291	147	57	29	1,034
Total	**3,236**	**9,120**	**5,959**	**2,903**	**1,291**	**833**	**23,342**

E.10 Other provisions

In CZK million, as at 31 December	2025	2024
Restructuring provision	95	64
Provisions for personnel expenses	232	169
Other provisions	443	150
Total	**770**	**383**
Current portion	**270**	**190**
Non-current portion	**500**	**193**

In CZK million, for the year ended 31 December	2025	2024
Carrying amount as at 1 January	**383**	**315**
Increases of provisions	517	193
Unused and reversed amounts	(114)	(128)
Amounts used without impact on P&L	2	-
Foreign currency translation	(18)	3
Carrying amount as at 31 December	**770**	**383**

Other provisions represent mainly a guarantee for Slovak Insurers´ Bureau in amount of CZK 148 million (2024: CZK 132 million) and a provision established to recognise a liability related to interest and penalties on uncertain tax payments of CZK 265 million (see note E.22.1). The impact shown in the income statement is CZK 275 million. The difference between the balance sheet amount and the income statement amount represents the currency revaluation from EUR to CZK).

E.11 Financial liabilities

In CZK million, as at 31 December	2025	2024
Financial liabilities at fair value through profit or loss	37	206
Derivatives	37	206
Lease liabilities	171	158
Total	**208**	**364**
Current portion	**100**	**266**
Non-current portion	**108**	**98**

Roll-forward of financial liabilities:

In CZK million, for the year ended 31 December			Non-cash movements			
	Carrying amount as at 31.12.2024	Cash flow movements	Foreign currency translation effects	Fair value changes	Other non-cash movements	Carrying amount as at 31.12.2025
Lease liabilities	158	(119)	(4)	-	136	171
Total	**158**	**(119)**	**(4)**	**-**	**136**	**171**

In CZK million, for the year ended 31 December			Non-cash movements			
	Carrying amount as at 31.12.2023	Cash flow movements	Foreign currency translation effects	Fair value changes	Other non-cash movements	Carrying amount as at 31.12.2024
Lease liabilities	542	(160)	3	-	(227)	158
Total	**542**	**(160)**	**3**	**-**	**(227)**	**158**

Other non-cash movements are represented mainly by new leases in the amount of CZK 127 million (2024: CZK 119 million) and interest expense in the amount of CZK 11 million (2024: CZK 12 million). In 2024, other non-cash movements, in addition to these items, were represented mainly by the early terminated leasing contracts in the amount of CZK 382,2 million.

Fair value measurement as at the end of the reporting period:

In CZK million, as at 31 December 2025	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	-	37	-	37
Lease liabilities	-	171	-	171

In CZK million, as at 31 December 2024	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss	-	206	-	206
Lease liabilities	-	158	-	158

E.11.1 Lease liabilities

In CZK million, as at 31 December	2025			2024		
	Amortised cost	Fair value	Fair value level	Amortised cost	Fair value	Fair value level
Lease liabilities	171	171	2	158	158	2
Total	**171**	**171**		**158**	**158**	
Current portion	80	80		94	94	
Non-current portion	91	91		64	64	

E.12 Payables

In CZK million, as at 31 December	2025	2024
Payables to intermediaries	1,702	1,020
Payables relating to taxation	567	726
Other payables related to taxation	564	-
Payables to client and suppliers	517	418
Payables to employees	200	186
Social security	99	97
Other payables	4,391	3,185
Total	**8,040**	**5,632**
Current portion	**7,478**	**5,626**
Non-current portion	**562**	**6**

A new payable related to taxation has been established in 2025 to recognise an uncertain tax position related to potential tax payment (see note E.22.1 The difference between the balance sheet amount and the income statement amount represents the currency revaluation from EUR to CZK as at 31 December). Almost the entire above-mentioned provision for taxation was classified as non-current, which is the reason why the amount of non-current portion of payables has increased compared to the previous year.

The significant items of other payables in 2025 are the payable to the Ministry of Finance of the Czech Republic for the employer´s liability insurance in the amount of CZK 1,371 million (2024: CZK 1,289 million) which the Company administers for the state and the liability from a collateral in the amount of CZK 966 million (2024: CZK 449 million). The rest of the balance represents unmatched payments related to policyholders.

E.13 Other liabilities

In CZK million, as at 31 December	2025	2024
Other accrued expense	1,208	1,227
Thereof: Non-invoiced supplies	543	606
Accrued expenses for untaken holidays and bonuses	665	621
Total	**1,208**	**1,227**
Current portion	**1,208**	**1,227**

E.14 Insurance revenues

In CZK million, for the year ended 31 December 2025	GMM	VFA	Life PAA	Non-life PAA	Total
Contracts not measured under the PAA	**11,717**	**333**	**-**	**-**	**12,050**
Amounts relating to changes in liabilities for remaining coverage	9,641	261	-	-	9,902
CSM recognised for services provided	3,477	152	-	-	3,629
Change in risk adjustment for nonfinancial risk for risk expired	114	4	-	-	118
Expected incurred claims and other insurance service expenses	5,863	105	-	-	5,968
Other	187	-	-	-	187
Recovery of insurance acquisition cash Flows	2,076	72	-	-	2,148
Contracts measured under the PAA	**-**	**-**	**206**	**40,811**	**41,017**
Total	**11,717**	**333**	**206**	**40,811**	**53,067**

In CZK million, for the year ended 31 December 2024	GMM	VFA	Life PAA	Non-life PAA	Total
Contracts not measured under the PAA	**10,715**	**363**	**-**	**-**	**11,078**
Amounts relating to changes in liabilities for remaining coverage	8,838	278	-	-	9,116
CSM recognised for services provided	3,345	139	-	-	3,484
Change in risk adjustment for nonfinancial risk for risk expired	106	4	-	-	110
Expected incurred claims and other insurance service expenses	5,224	123	-	-	5,347
Other	163	12	-	-	175
Recovery of insurance acquisition cash Flows	1,877	85	-	-	1,962
Contracts measured under the PAA	**-**	**-**	**200**	**38,223**	**38,423**
Total	**10,715**	**363**	**200**	**38,223**	**49,501**

E.15 Insurance service expenses

In CZK million, for the year ended 31 December	2025	2024
Non-life insurance service expenses	**32,964**	**36,504**
Losses on onerous contracts	(9)	(49)
Claims paid	21,633	24,133
Change in liabilities for incurred claims	(1,379)	690
Change in liabilities for incurred claims – risk adjustment	(50)	(36)
Amortisation of insurance acquisition cash flows	9,320	8,544
Other insurance service expenses	3,449	3,222
Life insurance service expenses	**8,267**	**7,496**
Losses on onerous contracts	(6)	7
Claims paid	10,158	10,443
Change in liabilities for incurred claims	234	120
Change in liabilities for incurred claims – risk adjustment	(7)	1
Non-distinct investment component, expense reduction	(6,297)	(6,904)
Amortisation of insurance acquisition cash flows	2,263	2,056
Other insurance service expenses	1,922	1,773
Total	**41,231**	**44,000**

E.16 Net expenses from reinsurance contracts

In CZK million, for the year ended 31 December	2025	2024
Non-life net expenses from reinsurance contract	**5,049**	**523**
Reinsurance expenses of the period recognised from pure premium reserve (PAA)	14,402	13,473
Recoveries on onerous contratcs	6	28
Claims received	(10,370)	(11,916)
Change in reinsurance asset for incurred claims	1,001	(1,071)
Other	10	9
Life net expenses from reinsurance contract	**699**	**636**
Reinsurance expenses of the period recognised from pure premium reserve (PAA)	1,569	1,350
Claims received	(788)	(689)
Change in reinsurance asset for incurred claims	(73)	(20)
Other	(9)	(5)
Total	**5,748**	**1,159**

E.17 Investment return

In CZK million, for the year ended 31 December	2025	2024
Interest revenue calculated using the effective interest method	**1,263**	**1,502**
Interest income from financial assets at amortized costs	15	79
Interest income from financial assets at FVOCI	1,200	1,359
Interest income from cash and cash equivalents	48	64
Other investment revenue/expense	**4,928**	**2,952**
Net revenue from financial assets at FVTPL backing policies where the risk is borne by policyholders (backing liabilities under IFRS17)	3,282	1,905
Net revenue on financial instruments mandatorily measured FVTPL	107	208
Net revenue from derivative instuments	879	(37)
Net gains/losses on derecognition of debt investments at FVOCI	(218)	19
Dividends on equity investments at FVOCI	79	30
Net foreign exchange gain on debt investments not measured at FVTPL	(527)	280
Income from subsidiaries and associates	1,051	764
Dividends and other income	1,224	922
Realized gains/loss from disposal	(173)	(158)
Other investment income/expense	275	(217)
Net impairment loss on financial assets	**7**	**(28)**
Bonds at FVOCI	(27)	(5)
Receivables	33	(25)
Other	1	2
Total	**6,198**	**4,426**

Income from dividends from subsidiaries and associates consists of the dividends received from:

In CZK million, for the year ended 31 December	2025	2024
Generali Česká Distribuce a.s.	154	-
Generali Slovenská Distribuce a.s.	12	10
Europ Assistance s.r.o.	8	4
Acredité s.r.o.	9	5
Generali penzijní společnost a.s.	1,024	835
Pařížská 26, s.r.o.	14	-
VÚB Generali dôchodková správcovská spoločnost', a.s.	-	68
Small GREF a.s.	3	1
Total	**1,224**	**922**

E.18 Net insurance finance result

In CZK million, for the year ended 31 December	2025	2024
Net finance expenses from insurance contracts	**(3,998)**	**(3,147)**
Changes in fair value of underlying items of direct participating Contracts	(1,530)	(964)
Interest accreted	(1,393)	(1,502)
Effect of changes in interest rates and other financial assumptions	(1,563)	(679)
Net foreign exchange loss	69	(35)
Amounts recognised in OCI	419	33
Net finance income from reinsurance contracts	**261**	**321**
Interest accreted	327	297
Other	(22)	(37)
Amounts recognised in OCI	(44)	61
Net insurance financial result	**(3,737)**	**(2,826)**
Amounts recognised in profit or loss	(4,112)	(2,920)
Amounts recognised in OCI	375	94

E.19 Other income

In CZK million, for the year ended 31 December	2025	2024
Gains on foreign currency	67	166
Reversal of other provisions	81	86
Income arising from service and assistance activities	482	457
Other income	61	54
Total	**691**	**763**

E.20 Other operating expenses

In CZK million, for the year ended 31 December	2025	2024
Marketing expenses	497	465
Expenses from service and assistance activities and charges incurred on behalf of third parties	351	369
Project expenses	217	196
Losses on foreign currency	72	122
Management expense of insurance distribution companies	159	159
Product development expenses	95	92
Education and training expenses	96	83
Restructuring charges and allocation to other provisions	473	75
Termination employee benefits expenses	74	39
Other taxes	12	10
Other expenses	80	79
Total	**2,126**	**1,689**

Other provisions increased by CZK 275 million due to a new provision established to recognise a liability related to interest and penalties on potential tax payment (see note E.22.1).

The allocation to other provisions also includes allocation to restructuring provision in amount of CZK 110 million (2024: CZK 62 million).

E.21 Expenses by nature

In CZK million, for the year ended 31 December	Non-life segment		Life segment		Total	
	2025	2024	2025	2024	2025	2024
Claims and benefits (w/o ULAE)	19,202	23,723	10,218	10,375	29,420	34,098
Acquisition costs	9,745	8,649	3,364	3,006	13,109	11,655
Losses on onerous contracts	(9)	(49)	(6)	7	(15)	(42)
Non-distinct investment component, expense reduction	-	-	(6,297)	(6,904)	(6,297)	(6,904)
Staff costs	3,171	3,125	1,066	1,057	4,237	4,182
Depreciation and amortization	457	487	218	230	675	717
Marketing and advertising	427	390	146	145	573	535
IT costs	653	560	293	269	946	829
Other administration costs	862	678	1,163	790	2,025	1,468
of which: statutory audit	30	29	11	11	41	40
tax advisory	3	3	1	1	4	4
other assurance services	14	8	4	2	19	10
other non-audit services	53	33	22	14	75	47
Total	**34,508**	**37,563**	**10,165**	**8,975**	**44,673**	**46,538**
Amounts attributed to insurance acquisition cash flows incurred during the year	(9,590)	(8,501)	(3,268)	(2,922)	(12,858)	(11,423)
Amortization of insurance acquisition cash flows	9 364	8,587	2 178	1,987	11,542	10,574
Total change in insurace acquisiton cash flows	**(226)**	**(86)**	**(1,090)**	**(935)**	**(1,316)**	**(849)**
Total expenses by nature	**34,282**	**37,649**	**9,075**	**8,040**	**43,357**	**45,689**
Represented by						
Insurance service expenses	32,964	36,504	8,267	7,496	41,231	44,000
Other operating expenses	1,318	1,145	808	544	2,126	1,689

Other administration costs in 2025 include an allocation to the provision established to recognise a liability related to interest and penalties on potential tax payment (Note E.20).

E.22 Income taxes

In CZK million, for the year ended 31 December	2025	2024
Current income taxes	2,045	1,323
of which: changes related to prior years	576	(23)
Deferred taxes	(164)	(78)
Total	**1,881**	**1,245**

Income tax expense is as at year end 2025 higher by CZK 586 million as it include a provision established to recognise a liability related to uncertain tax position (see note E.22.1).

E.22.1 Provision for Expected Payments from Additional Assessments of Income Taxes

E.22.1.1 Nature of Expected Payments

In connection with the acquisition of the business of Generali poisťovňa by Generali Česká pojišťovna in 2021, a difference was identified between the purchase price (i.e., the consideration for the transferred enterprise as determined based on an expert appraisal) and the net asset value of the acquired business.

In accordance with applicable accounting and tax regulations and with the Company's accounting policies, this difference was measured using the pooling–of–interests method and recognised as a prior–year loss within retained earnings.

Pursuant to tax legislation in the Czech Republic (requiring the exclusion of the impact of international accounting standards on the profit or loss used to determine the tax base) and in the Slovak Republic (the transition "bridge"), the Company treats the above–mentioned difference as goodwill, which qualifies as an intangible asset amortisable (for tax purposes) over 180 months in the Czech Republic and up to seven years in the Slovak Republic.

During the tax audit of the Branch's 2021 tax return, the Slovak tax authority (the Office for Selected Economic Entities) challenged this treatment and took the position that the Company was not entitled to claim goodwill amortisation as a tax–deductible item. The Company disagrees with this conclusion and is prepared to defend the correctness of its interpretation, including through judicial proceedings, if required.

Given the nature of tax proceedings, the Company has assessed that it is highly probable that, prior to obtaining confirmation of its position, it will be required to settle additional income tax assessed by the tax authority, which will result in an outflow of funds.

In accordance with IAS 37, IAS 12 and IFRIC 23 and based on the information available, the Company developed several scenarios of possible future developments (actions of the tax authority) and calculated the present value of the expected cash outflows for each scenario. The Company then determined the most probable estimate using a weighted average. The resulting amount has been recorded in the balance sheet at CZK 564 million (the PL impact in the amount of MCZK 586 million) as a provision for the potential tax payment and CZK 265 million (the PL impact int the amount of MCZK 275 million) has been recognized as other provisions for potential payments related to interest and penalties. The difference between the balance sheet amount and the income statement amount represents the revaluation from functional currency of the Branch EUR to reporting currency CZK).

E.22.1.2 Major Paramtres and Assumptions of Calculation of Expected Outflows

When preparing the expected cash outflows for the individual scenarios, the following assumptions and parameters were applied (in addition to the amounts of intangible asset depreciation by which the tax base should had been increased, in accordance with the conclusions of the Slovak tax authority):

- The discount rate was determined based on the expected development of the Czech 5–year government bond yield curve and set at 3.7% p.a.;
- Using CNB forecasts, the CZK/EUR exchange rate was estimated at an average level of 24.60;
- The corporate income tax rate in the Czech Republic was 19% for the 2024 tax period and 21% for the 2025 tax period and the subsequent years;
- The corporate income tax rate in the Slovak Republic was 21% for the 2025 tax period and earlier, and a rate of 24% was applied for the 2026 tax period and the subsequent years;
- The following rates were used to calculate the default interest in the Slovak Republic (a default interest is not relevant in the Czech Republic by its nature):
  - 2022: 10.00% p.a.
  - 2023: 11.39% p.a.
  - 2024: 12.37% p.a.
  - 2025 and beyond: 10.00% p.a.

E.22.1.3 Expected future development

At the same time, based on consultations with external advisors and in line with the economic substance of the transaction — namely that the Company is entitled to claim, for tax purposes, the difference between the purchase price and the value of the recognised assets — and also with reference to the principle of equal tax treatment applicable to the transaction, the Company considers this cash outflow to be temporary. The Company believes it will ultimately succeed in challenging the conclusions of the tax authority and will recover all amounts paid on the basis of these unjustified assessments.

Furthermore, the Company considers it likely that as a consequence of the circumstances described above, it will also be entitled to compensation for damages arising from the unjustified additional tax assessment and the assessment of default interest related to this additional assessment.

E.22.2 Reconciliation between expected and effective tax rates

In CZK million, for the year ended 31 December	2025	2024
Expected income tax rate	**21%**	**21%**
Earnings before taxes	**6,722**	**4,885**
Expected income tax expense	**1,412**	**1,026**
Expenses not allowable for tax purposes	148	205
Income not subject to tax	(388)	(328)
Expenses related to potential tax payment	586	-
Other reconciliations	123	342
Tax expense	1,881	1,245
Effective tax rate	**27,98%**	**25,49%**

Expenses related to potential tax payment in 2025 includes a provision established to recognise a liability related to uncertain tax position.

In 2025 the effective tax rate is significantly influnced by the provision for potential tax payment. In 2024 the effective tax rate was higher due to recalculation of the deferred tax.

The tax authority may at any time inspect the books and records of the Company within a maximum period of 10 years subsequent to the reported tax year,and may impose additional tax assessments and penalties. The Company's management is not aware of any circumstances which may give rise to a potential material liability in this respect except for the above itemFor the year 2025 and 2024 no impact on additional income tax is recognised as a effect of Pillar II implementation.

E.22.3 Deferred tax

In CZK million, as at 31 December	Deferred tax Asset		Deferred tax Liabilities	
	2025	2024	2025	2024
Intangible assets	-	-	(154)	(160)
Assets from business combinations recognised in equity	714	1,006	-	-
Tangible assets and Land and buildings (self used)	-	-	(3)	(3)
Land and buildings (investment properties)	-	-	(3)	(2)
Financial assets at FVOCI	328	456	-	-
Financial liabilities and other liabilities	205	160	-	-
Insurance and reinsurance contract assets and liabilities	973	639	-	-
Other	19	7	-	-
Total	**2,239**	**2,268**	**(160)**	**(165)**
Net deferred tax asset/liability	**2,079**	**2,103**		

The decrease of deferred tax asset related to assets from business combinations recognised in equity is driven by the tax effective write-off of one of the asset.

In accordance with the accounting method, the amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted as at the end of the reporting period which, for the year 2025 and following years is 21% on Czech assets and liabilities (2024: 21%) and 24% for Slovak branch in 2025 (2024: 24%).

E.22.4 Current tax and deferred tax recognised in OCI

In CZK million, for the year ended 31 December	2025	2024
Items that will not be reclassified to profit and loss		
Deferred tax - revaluation gain/losses on equities at FVOCI	190	157
Items that may be reclassified subsequently to profit and loss		
Deferred tax - revaluation gain/losses on bonds at FVOCI	(245)	(253)
Net change in fair value	(985)	(946)
Reclassified to profit and loss	740	693
Deferred tax – ECL on financial assets at FVOCI	118	131
Deferred tax – finance expense on insurance contracts	134	60
Deferred tax – finance income on reinsurance contracts	(46)	(36)
Current tax – realised gain/losses on financial assts – OCI option	(176)	147
Total	**(25)**	**206**

Details on tax on revaluation on financial assets at FVOCI are provided in Note E.8.

E.23 Share-based payments

Management plans

Selected members of management of the Company are beneficiaries of a Generali Group's long-term incentive 2022-2024, 2023-2025, 2024-2026 and 2025-2027 Cycle. The plans aim to strengthen the link between the remuneration of the potential beneficiaries and expected performance under Generali Group's strategic plan (so-called absolute performance), also retaining the link between remuneration and the creation of value relative to a peer group (so-called relative performance). The plans also aim to achieve management engagement at Generali Group level. The incentive for achieving the objectives will be paid in shares issued by Assicurazioni Generali S.p.A. (ultimate parent company).

Cycles are divided into three tranches. The sum of shares set aside in each of the three years will be assigned in a single deal only at the end of the third year, approximately by the month of April (date of assignment), after an overall evaluation of the Board of Directors concerning the effective achievement of the Objectives not only on annual basis but over three years as well.

For each cycle, the maximum number of shares (per beneficiary) that can be assigned at the end of three years is calculated by dividing the maximum award amount (calculated as a percentage of base salary) by the share value, calculated as the average of the three months prior to the approval by the Board of Director of the draft budget for the financial year and the consolidated financial statement relating to the financial year that closed prior to that in which the plan began.

Total amount of shares which can be assigned is subdivided into the three tranches at respective percentages rate of 30 % - 30 % - 40 %.

Plan structure and Vesting period

The plans are structured to cover approximately a period of 6 calendar years: three financial reporting years (vesting period) plus about three years for shares assignment and lock-up period (50% shares will be assigned after 2-year holding period beginning from the date of enrollment in the name of the beneficiaries). Vesting period starts from January 1, of a first year of a Cycle.

Vesting conditions

The number of shares to be allocated for each tranche is directly linked to the assessment of achievement against the objectives identified for the cycle. For the plans, the objectives identified are the relative Total Shareholders' Return – rTSR (compared with a Peer Group, identified in the STOXX Euro Insurance Index) and the Return on Equity – ROE); the performance level, and corresponding incentive level, depends on the simultaneous achievement of the two objectives.

Even after Objectives achievement, the Plan´s Bonus (whole or in part) might not be assigned when a strategic objective is not met or the working/administrative relationship with Assicurazioni Generali S.p.A. or with other companies in Generali Group of a beneficiary is terminated before the end of the three years period of the Plan.

Valuation

Total cycle cost (TC) is calculated in following manner:

Maximum award amount = 175 % (based on table of annual performance outcome) * Base salary

Maximum share number = Maximum award amount/share value (calculated as the average of the three months prior to the approval by the Board of Director of the draft financial statements relating the year before the beginning of the plan)

Base Share number = Base salary / share value (calculated as the average of the three months prior to the approval by the Board of Director of the draft financial statements relating the year before the beginning of the PLAN)

Employee plan

In 2023 new share based plan has been introduced. The plan is designed for all group employees, except executives and will be paid in shares (the Shares) issued by Assicurazioni Generali S.p.A. (ultimate parent company). The grant date of the plan was established on 24 May 2023. At that point, the Board of Directors communicated the initial price of the Shares equal to EUR 16.45. The participating employees will be required to select a payment option at maturity of the plan. If the final share price is greater than the initial price, employees receive shares (physical delivery) or require the sale of all the shares and receive the corresponding sum by cash.

Effect on the Company´s financial statements

In CZK million	2025	2024
Total expenses per year	**25**	**33**
Employee plan	15	22
2022-2024 Plan	-	5
2023-2025 Plan	5	6
2024-2026 Plan	4	-
2025-2027 Plan	1	-
Total equity reserve as at 31.12.	**66**	**50**
Employee plan	48	33
2022-2024 Plan	-	9
2023-2025 Plan	13	8
2024-2026 Plan	4	-
2025-2027 Plan	1	-

In 2025 the 2022-2024 Cycle vested with share assignment. In 2024 the 2021-2023 Cycle vested with share assignment. There is no fiscal implications and related tax effect for the Company.

E.24 Information on employees

Number of employees, as at 31 December	2025	2024
Top management	34	36
Other managers	226	248
Employees	2,971	3,232
Others	2	2
Total	**3,233**	**3,518**

In CZK million, for the year ended 31 December	2025	2024
Wages and salaries	3,089	3,032
Compulsory social security contributions	983	984
Thereof: state-defined contribution pension plan	557	561
Other expenses	165	166
Thereof: contribution to the private pension funds	43	43
Total staff costs	**4,237**	**4,182**
Total remuneration included in staff cost for top management	**328**	**328**

The following table shows an allocation of staff costs in the income statement.

In CZK million, for the year ended 31 December	2025	2024
Acquisition costs	760	752
Insurance Benefits and Claims	938	982
Administration costs	2,539	2,448
Total	**4,237**	**4,182**

E.25 Hedge accounting

E.25.1 Interest rate risk hedging

Since 1st July 2011, fair value hedge accounting has been applied to derivatives hedging interest rate risk exposure of interest-bearing financial assets.

The Company has implemented a risk management strategy for interest rate risk. The objective of the investment and hedging strategy is to manage the overall interest rate risk position on a continuous basis. The Company achieves this objective by a dynamic strategy. The Company adjusts dynamically the positions within the fixed income portfolio and hedging derivatives that are used to adjust and hedge the interest rate sensitivity of the overall portfolio. Hedging derivates are purchased according to BPV vector of fixed income portfolio (i.e. including current credit spreads).

The change in the fair value of interest rate derivatives and FVTPL interest-bearing financial assets is reported in the profit or loss account according to IFRS 9. Change in the fair value of OCI interest-bearing financial assets attributable to the interest rate risk is within the hedge accounting reported in the profit or loss account either as other income from financial instruments and other investments or other expenses for financial instruments and other investments.

Hedged items

The Company designates as the hedged item a group of fixed income instruments (mainly bonds). Hedged items include financial assets classified in the category of financial assets at fair value through OCI.

Hedging instruments

Hedging instruments are defined as a group of interest rate derivatives. The derivatives are designated as hedging instruments in their entirety according to IFRS 9.

Assets and derivatives according to this definition can be clearly identified at any time.

The amounts relating to items designated as hedging instruments and hedge ineffectiveness at 31 December 2025 were as follows.

	Nominal amount	Carrying amount	
		Assets	Liabilities
Interest rate risk	**5,089**	**604**	**(21)**
Interest rate swaps	5,089	604	(21)

The amounts relating to items designated as hedged items at 31 December 2025 were as follows.

	Carrying amount	
	Assets	Liabilities
Bonds	3,946	-

Line item in the statement of financial position where the hedging instruments is included	Change in fair value used for calculating hedge ineffectiveness for 2025	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Financial investments measured at FVTPL	23	6	Other investment revenue

Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	Line item in the statement of financial position in which the hedge item is included	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses
(500)	Financial investments measured at FVOCI	(17)	(224)

The amounts relating to items designated as hedging instruments and hedge ineffectiveness at 31 December 2024 were as follows.

	Nominal amount	Carrying amount	
		Assets	Liabilities
Interest rate risk	**5,262**	**600**	**(25)**
Interest rate swaps	5,262	600	(25)

The amounts relating to items designated as hedged items at 31 December 2024 were as follows.

	Carrying amount	
	Assets	Liabilities
Bonds	5,196	-

Line item in the statement of financial position where the hedging instruments is included	Change in fair value used for calculating hedge ineffectiveness for 2024	Ineffectiveness recognised in profit or loss	Line item in profit or loss that includes hedge ineffectiveness
Financial investments measured at FVTPL	(28)	21	Other investment revenue

Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item	Line item in the statement of financial position in which the hedge item is included	Change in value used for calculating hedge ineffectiveness	Accumulated amount of fair value hedge adjustments remaining in the statement of financial position for any hedged items that have ceased to be adjusted for hedging gains and losses
(542)	Financial investments measured at FVOCI	49	(162)

Hedging effectivness

There is an expectation that the value of the hedging instrument and the value of the hedged item will systematically change in response to movements in (risk-free) interest rate curves. Hence, there is an economic relationship between the hedged item and the hedging instrument over the lifetime (1 month) of hedging relationship.

The credit risk does not dominate in hedging instrument as derivatives are collateralized and issued by well rated banks.

For the purpose of hedging relationship, a BPV has been chosen as quantity. In particular, quantity of the hedged item is BPV of (group of) qualified fixed income instruments. Similarly, quantity of the hedging instrument that the entity actually uses to hedge that quantity of hedged item is BPV of (group of) qualified interest rate derivatives.

Hedge ratio is then ratio of BPV of hedged item and BPV of hedging instrument in absolute amount.

Hedge ratio is determined at the beginning of a hedging relationship and its initial value is usually set to 100%. In other words, individual items of hedged item and hedging instrument are chosen in a way that BPVs of both are equal.

Assessment of hedging effectiveness and possible adjustment of dynamic hedging strategy is performed by the Company on a monthly basis. In every month of 2025 and 2024 Company´s hedging was evaluated as effective according to IFRS and internal rules governing hedge accounting.

E.26 Offsetting of financial instruments

The following table presents the recognized financial instruments that are subject to enforceable master netting arrangements or other similar agreements but not offset, as at 31 December 2025 and 2024, and shows what the net impact would be on the Company´s statements of financial position if all set-off rights were exercised. There are no instruments that are offset as at 31 December 2025 and 2024.

In CZK million, as at 31 December 2025	Note	Derivative assets	Derivative liabilities
Financial instrument total carrying value	E.3.3, E.11	1,079	(36)
Financial instruments not subject to master netting agreements		107	49
Financial instrument subject to master netting agreements		972	(85)
Collateral paid/Cash deposit received	E.4, E.12	(966)	9
Amounts presented in the balance sheet		6	(77)
Effect of master netting agreement		(85)	972
Net amount after master netting agreement		**(79)**	**895**

In CZK million, as at 31 December 2024	Note	Derivative assets	Derivative liabilities
Financial instrument total carrying value	E.3.3, E.11	682	206
Financial instruments not subject to master netting agreements		89	(12)
Financial instrument subject to master netting agreements		593	(193)
Collateral paid/Cash deposit received	E.4, E.12	(449)	62
Amounts presented in the balance sheet		144	(131)
Effect of master netting agreement		(193)	593
Net amount after master netting agreement		**(49)**	**462**

As regards to derivative assets and liabilities the Company is subject to an enforceable master netting arrangement in the form of an ISDA agreement with a derivative counterparty. Under the terms of this agreement, offsetting of derivative contracts is permitted only in the event of bankruptcy or default of either party to the agreement. In order to manage the counterparty credit risk associated with derivative trades, the parties have executed a collateral support agreement.

E.27 Off balance sheet items

E.27.1 Commitments

As at 31 December 2025, the Company had a commitment under investment agreements of CZK 1,824 million (2024: CZK 2,081 million) to make an additional contribution into the private equity funds. Till 31 December 2025, the Company already invested CZK 2,036 million (2024: CZK 2,169 million) into these private equity funds.

E.27.2 Pledged assets and collaterals

As at 31 December 2025 CZK 9 million (2024: CZK 62 million) has been pledged in derivatives agreements. The fair value of the derivative liability amounted to CZK 36 million (2024: CZK 206 million).

Furthermore, as at 31 December 2025 the Company has received financial assets as collateral for CZK 800 million (2024: CZK 1,491 million), in particular for transactions in bonds and loans and CZK 1,091 million (2024: CZK 663 million) for derivative transactions and CZK 498 million (2024: CZK 1,293 million) for other operations . Fair value of collateral held in bonds and loans is CZK 795 million (2024: 1,496 million), in derivative CZK 966 million (2024: CZK 449 million) and in other operations CZK 532 million (2024: CZK 1,313 million) (see Note D.5).

E.27.3 Other contingencies

E.27.3.1 Participation in Czech insurance nuclear pool

Generali Česká pojišťovna a.s. is a member of the Czech insurance nuclear Pool (CzNIP). The subscribed net retention is as follows:

In CZK million, for the year ended 31 December	2025	2024
Liability (w/o D&O liability)	341	291
D&O liability only	39	33
Property plus Business Interruption, Construction, MB	759	709
Total	***1,139***	***1,033***

The Company, as a member of CzNIP, has signed pool documents such as the Statute, Cooperation Agreement, Claims Handling Cooperation Agreement, and Solidarity Agreement. As a result, the Company is jointly and severally liable for the obligations arising from these pool documents. This means that, in the event that one or more of the other members are unable to meet their obligations to CzNIP, the Company would assume the uncovered portion of this liability, pro-rata to its own net retention used for the relevant contracts. The management does not consider the risk of another member being unable to meet its obligations to CzNIP to be material to the financial position of the Company. CzNIP has implemented adequacy rules for net members' retentions related to their capital positions, which are evaluated quarterly. Additionally, the potential liability of the Company for any given insured/assumed risk is contractually capped at four times the Company’s net retention for direct risks (insurance contracts) and twice the Company’s net retention for indirect risks (inwards reinsurance contracts).

E.27.3.2 Participation in Slovak insurance nuclear pool

Generali Poisťovňa, pobočka poisťovne z iného členského štátu is a member of the Slovak insurance nuclear Pool (SJPP). The subscribed net retention is as follows:

In CZK million, for the year ended 31 December	2025	2024
Liability (w/o D&O liability)	16	13
Property plus Business Interruption, Construction, MB	3	5
Total	**19**	**18**

The Company as a member of SJPP signed pool documents like Statute, Cooperation agreement, Claims handling cooperation agreement and Solidarity agreement. As a result of this, the Company is jointly and severally liable for the obligations resulting from these pool documents. This means that, in the event that one or more of the other members are unable to meet their obligations to the SJPP, the Company would take over the uncovered part of this liability, pro-rata to its own net retention used for the contracts in question. The management does not consider the risk of another member being unable to meet its obligations to the SJPP to be material to the financial position of the Company. SJPP implemented adequacy rules of net member's retentions related to their capital positions and evaluated in individual quarters.

E.27.3.3 Collateral pledged on behalf of third party

There is no collateral pledged on behalf of third party as at 31 December 2025 and 2024.

E.27.3.4 Membership in the Insurers' Bureau

As a member of the Czech Insurers' Bureau and Slovak Insurers´ Bureau ("the Bureau") related to MTPL insurance, the Company is committed to guarantee the MTPL liabilities of the Bureau. For this purpose, the Company makes contributions to the guarantee fund of the Bureau based on the calculations of the Bureau.

In the event of a fellow member of the Bureau being unable to meet its liabilities arising from MTPL due to insolvency, the Company may be required to make additional contributions to the guarantee fund. Management has evaluated this risk and a provision for commitments for Slovak Insurers´ Bureau of CZK 148 million (2024: CZK 131 million) has been created. Apart from this, management does not believe there is any other risk of this occurring to be material to the financial position of the Company.

E.28 Related parties

This section contains information about all significant transactions with related parties excluding those which are described in other parts of the notes.

E.28.1 Identity of related parties

The Company is related to ultimate controlling entity Assicurazioni Generali S.p.A. and to companies controlled by it.

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly.

The key management personnel of the Company and its parent, their close family members and other parties that are controlled, jointly controlled or significantly influenced by such individuals and entities in which such individuals hold significant voting power are also considered related parties.

Key management personnel of the Company comprise the members of the Board of Directors and the Supervisory Board.

In considering each possible related party relationship, attention is directed to the substance of the relationship and not merely the legal form.

E.28.2 Key management personnel compensation

There were no significant transactions with members of the Supervisory Board during 2025 and 2024. Transactions with members of the Board of Directors comprised:

In CZK million, as at 31 December 2025	Board of Directors	
	Related to the board membership	Related to employment contract
Short-term employee benefits	124	26
State-defined contribution pension plan	5	-

In CZK million, as at 31 December 2024	Board of Directors	
	Related to the board membership	Related to employment contract
Short-term employee benefits	156	26
State-defined contribution pension plan	5	-

Short-term employee benefits include wages, salaries and social security contributions, allowances provided for membership in the statutory bodies, bonuses and non-monetary benefits such as medical care and cars.

During the reporting period 2025 and 2024 termination benefits to the key management personnel of the Company were not paid.

As at 31 December 2025 and 31 December 2024, the members of the statutory bodies held no shares of the Company.

Selected members of management of the Company are beneficiaries of a Generali Group's long-term incentive Plans as described in the Chapter E.26.

E.28.3 Related party transactions

The related party transactions were carried out on terms equivalent to those that would apply in similar transactions with unrelated parties and are usually settled in cash.

The Company had no material transactions or outstanding balances with the ultimate and direct parent company Assicurazioni Generali S.p.A. and Generali CEE Holding B.V. in either in 2025 or in 2024, except for those described in the notes below.

The Company held no securities issued by the controlling entity. The Company also did not accept any guarantees from the controlling entity, nor did it provide any guarantees to such person.

The other related parties fall into the following groups:

Group 1a – subsidiaries of the Company
Group 1b – associates of the Company
Group 2 – enterprises directly consolidated within the group of the ultimate parent company
Group 3 – other companies

In CZK million, as at 31 December 2025	Notes	Group 1a	Group 1b	Group 2	Group 3
Cash and cash equivalents		-	-	-	-
Subsidiaries and associates		-	-	-	-
Investments		-	-	3,901	930
Investment property		-	-	-	-
Measured at amortized cost		-	-	-	-
Measured at FVOCI	1	-	-	1,707	839
Measured at FVTPL	2	-	-	2,194	91
Receivables		350	79	13	-
Insurance contract assets		-	-	220	-
Reinsurance contract assets	3	-	-	11,657	-
Property and equipment		-	-	-	-
Intangible assets		-	-	-	-
Non-current assets held for sale		-	-	-	-
Deferred tax receivable		-	-	-	-
Other assets		305	-	83	-
Total assets		**655**	**79**	**15,874**	**930**
Insurance contract liabilities		(47)	2	603	-
Reinsurance contract liabilities	4	-	-	3,472	-
Other provisions		-	-	-	-
Financial liabilities		-	-	1	-
Payables		261	-	171	-
Deferred tax liabilities		-	-	-	-
Other liabilities		88	12	165	-
Total liabilities		**302**	**14**	**4,412**	**-**

Notes:

1. The balance in Group 2 consists of ICAV funds.
2. The balance in Group 2 consists of mainly Lion River investments in the amount of CZK 2,036 million.
3. The balances with companies in Group 2 comprise mainly assets from ceded reinsurance from GP Re in the amount of CZK 10,509 million and assets from ceded reinsurance from Assicurazioni Generali S.p.A. in the amount of CZK 70 million.
4. The balances with companies in Group 2 comprise mainly liabilities from ceded reinsurance from GP Re in the amount of CZK 2,996 million and liabilities from ceded reinsurance from Assicurazioni Generali S.p.A. in the amount of CZK 59 million.

In CZK million, as at 31 December 2024	Notes	Group 1a	Group 1b	Group 2	Group 3
Cash and cash equivalents		-	-	-	-
Subsidiaries and associates		-	-	-	-
Investments		666	-	4,809	767
Investment property		-	-	-	-
Measured at amortized cost		666	-	-	-
Measured at FVOCI	1	-	-	2,498	666
Measured at FVTPL	2	-	-	2,311	101
Receivables		69	67	22	-
Insurance contract assets		1	-	180	-
Reinsurance contract assets	3	-	-	11,957	-
Property and equipment		-	-	-	-
Intangible assets		-	-	-	-
Non-current assets held for sale		-	-	-	-
Deferred tax receivable		-	-	-	-
Other assets		330	-	89	-
Total assets		**1,066**	**67**	**17,057**	**767**
Insurance contract liabilities		531	3	384	-
Reinsurance contract liabilities	4	-	-	3,154	-
Other provisions		-	-	-	-
Financial liabilities		-	-	10	-
Payables		209	23	147	-
Deferred tax liabilities		-	-	-	-
Other liabilities		78	16	218	-
Total liabilities		**818**	**42**	**3,913**	**-**

Notes:

1. The balance in Group 2 consists of ICAV funds.
2. The balance in Group 2 consists of mainly Lion River investments in the amount of CZK 2,169 million.
3. The balances with companies in Group 2 comprise mainly assets from ceded reinsurance from GP Re in the amount of CZK 11,309 million and assets from ceded reinsurance from Assicurazioni Generali S.p.A. in the amount of CZK 93 million.
4. The balances with companies in Group 2 comprise mainly liabilities from ceded reinsurance from GP Re in the amount of CZK 2,784 million and liabilities from ceded reinsurance from Assicurazioni Generali S.p.A. in the amount of CZK 39 million.

In CZK million, as at 31 December 2025	Notes	Group 1a	Group 1b	Group 2	Group 3
Insurance service result		(4,296)	(167)	(5,534)	(18)
Insurance revenue	1	2	-	499	-
Insurance service expenses	2	(4,298)	(167)	(1,211)	(18)
Net expenses from reinsurance contracts	3	-	-	(4,822)	-
Net financial result		1,216	11	265	83
Investment return		1,216	11	(8)	83
Interest income		3	-	-	17
Other investment revenue	4	1,213	11	(8)	66
Net impairment loss on financial assets		-	-	-	-
Insurance finance result		-	-	273	-
Net finance expenses or income from insurance contracts		-	-	6	-
Net finance expenses or income from reinsurance contracts		-	-	267	-
Other income		255	-	31	-
Other operating expenses		(254)	-	(25)	1
Other finance costs		-	-	-	-
Expenses from discontinued operations		-	-	-	-
Total		**(3,079)**	**(156)**	**(5,263)**	**66**

Notes:

1. The balances in Group 2 include net income from asumed reinsurance with Generali Insurance AD in the amount of CZK 429 million.
2. The balances in Group 1a include transactions with Generali Česká Distribuce a.s. in the amount of CZK 3,903 million (acquisition costs) and transactions with Generali Slovenská distribúcia, a. s. in the amount of CZK 405 million (acquisition costs). The balances in Group 2 comprise transactions from reinsurance Assicurazioni Generali S.p.A. in the amount of CZK 196 million (Generali brand fee) and expenses from IT service with Generali Shared Services S.c.a.r.l. in the amount of CZK 577 million.
3. The balances in Group 2 include net expences from ceded reinsurance with GP Re in the amount of CZK 5,009 million, net expences from ceded reinsurance with Assicurazioni Generali S.p.A. in the amount of CZK 287 million and net income from asumed reinsurance with Generali Biztosító Zrt. in the amount of CZK 565 million.
4. The balances in Group 1a comprise mainly dividends received from Generali penzijní společnost, a.s. in the amount of CZK 1,024 million.

In CZK million, as at 31 December 2024	Notes	Group 1a	Group 1b	Group 2	Group 3
Insurance service result		**(4,232)**	**(172)**	**(1,131)**	**(28)**
Insurance revenue		-	-	409	-
Insurance service expenses	1	(4,232)	(172)	(668)	(28)
Net expenses from reinsurance contracts		-	-	(872)	-
Net financial result		**554**	**5**	**283**	**72**
Investment return		**554**	**5**	**70**	**72**
Interest income		50	-	-	12
Other investment revenue		503	5	70	60
Net impairment loss on financial assets		1	-	-	-
Insurance finance result		**-**	**-**	**213**	**-**
Net finance expenses or income from insurance contracts		-	-	(18)	-
Net finance expenses or income from reinsurance contracts		-	-	231	-
Other income		273	-	31	-
Other operating expenses		(207)	-	8	(2)
Other finance costs		-	-	-	-
Expenses from discontinued operations		-	-	-	-
Total		**(3,612)**	**(167)**	**(809)**	**42**

Notes:

1. The balances in Group 1a include transactions with Generali Česká Distribuce a.s. in the amount of CZK 3,780 million (acquisition costs) and transactions with Generali Slovenská distribúcia, a. s. in the amount of CZK 409 million (acquisition costs). The balances in Group 2 comprise transactions from reinsurance Assicurazioni Generali S.p.A. in the amount of CZK 181 million (Generali brand fee) and expenses from IT service with Generali Shared Services S.c.a.r.l. in the amount of CZK 552 million.

As at 31 December 2025 and 31 December 2024, the Company held no securities issued by related parties.

For the details of the collateral pledged with the related parties, any guarantees received or provided and commitments to such entities, see Note D.5, E.27.1 and E.27.2.

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F. SUBSEQUENT EVENTS

Appart form the information disclosed below, the Company has not identified any other significant events that have occurred since the end of the reporting period up to 24 March 2026 that would have a material impact on the financial statements as at 31 December 2025.

F.1 Acquisition of a business

On 5 November 2025 the Company has signed the Portfolio and business transfer agreement with ERGO Versicherung Aktiengesellschaft concerning the legal protection insurance business performed in the Czech Republic through locally registered branch D.A.S právní ochrana, pobočka ERGO Versicherung Aktiengesellschaft pro ČR. The Company has agreed to acquire and take over the legal protection insurance business of the branch in the Czech Republic as a going concern consisting of the insurance portfolio and the assets and liabilities. All conditions precedent to closing has been met before the date of the issue of the financial statements of the Company and the transfer will take place on 1 April 2026.

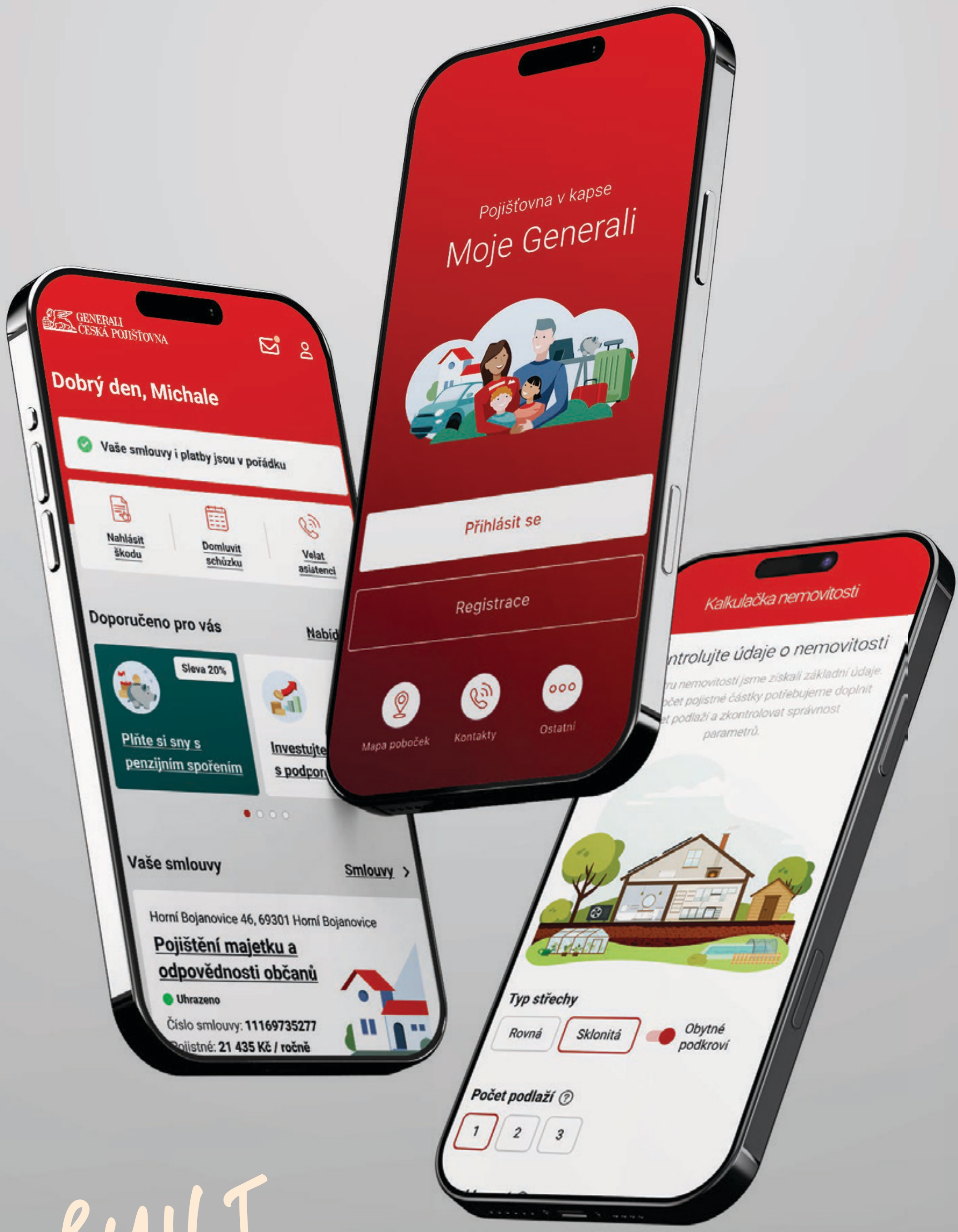
F.2 Tax inspection report

As described in the note E.22.1 the tax audit of the Branch's 2021 tax return has been running. On 24 March 2026 the Company has received from the Slovak tax authority (the Office for Selected Economic Entities) an official tax inspection report, stating opinion that the Company was not entitled to claim goodwill amortisation as a tax–deductible item.

24 March 2026

Roman Juráš
Statutory bodies

Milan Novotný
Responsible person for Accounting and annual closing



BUILT ON SMART DATA AND AI

Data and artificial intelligence give us a deeper understanding of our clients, streamline processes, and drive innovation. We are strengthening data governance, investing in modern technologies, and developing AI capabilities to deliver tangible benefits to our clients and society.

REPORT ON RELATED-PARTY TRANSACTIONS FOR THE 2025 ACCOUNTING PERIOD

Generali Česká pojišťovna a.s., incorporated by entry in the Commercial Register maintained by the Municipal Court in Prague, Section B, File 1464, on 1 May 1992, as a public limited company (registration number 45272956), having its registered office at Spálená 75/16, 110 00 Praha 1 (the "Company"), is required to compile a report on related-party transactions for the 2025 accounting period in accordance with Section 82 of Act No 90/2012 on companies and cooperatives (Business Corporations Act), as amended.

The Company's sole shareholder as at 31 December 2025 was Generali CEE Holding B.V., having its registered office at De Entree 91, 1101 BH Amsterdam, Netherlands (the controlling entity). The disclosures in the Generali Česká pojišťovna a.s. financial statements are incorporated into the consolidated financial statements of Assicurazioni Generali S.p.A., Italy, which is the ultimate controlling company ("Generali Group").

Controlling entities wield control within Generali Group by the weight of their votes alone, i.e. by exercising voting rights at general meetings.

The structure of the Group and the status of Generali Česká pojišťovna are described in a separate section of the Annual Report.

The Report on Related-party Transactions includes contracts and agreements concluded in the last accounting period between related parties, other legal transactions executed in the interests of such parties, and all other measures taken on behalf of or at the instigation of those parties by the controlled entity. Effective contracts and agreements concluded in prior periods, under which the Company provided or received performance or consideration to/from related parties in the current period, are also listed here.

OVERVIEW OF MUTUAL CONTRACTS BETWEEN THE COMPANY AND THE CONTROLLING ENTITY AND BETWEEN ENTITIES CONTROLLED BY THE SAME CONTROLLING ENTITY:

Contracts with Acredité s.r.o., Na Pankráci 1658, 140 21 Praha 4, Czech Republic:
- insurance contracts;
- framework cost-sharing contract (including addenda);
- lease/sublease contracts (including addenda);
- contract on the fulfilment of obligations arising from group participation;
- contracts granting rights of software use;
- Helpline access contract;
- service agreements (including addenda);
- contract on access to the APH application (including addendum);
- contract on the conduct of professional examinations and follow-up training.

Contracts with Akcionarsko društvo za osiguranje Generali Osiguranje Srbija, Beograd, Španskih boraca 3, Beograd Noví Beograd, Serbia:
- framework cost-sharing agreement;
- international MTPL insurance card (green card) contract.

Contracts with Akcionarsko društvo za reosiguranje Generali Reosiguranje Srbija, Beograd, Španskih boraca 3, Beograd – Noví Beograd, Serbia:
- reinsurance contracts.

Contracts with Assicurazioni Generali S.p.A., Piazza Duca degli Abruzzi, 2, Trieste, Italy:
- cooperation agreements (including addendum);
- derivatives trading contract;
- global framework consultancy agreement;
- terms and conditions for the use of the Generali brand;
- service contract on the appointment of a proxy to exercise voting rights at general meetings of companies;
- credit rating contract;
- Orion platform (HR system) administration;
- agreement on the assignment of a contract (service contract);
- reinsurance contracts.

Contracts with Europ Assistance S.A., 1, Promenade de la Bonnette, Gennevilliers, France:
- reinsurance contracts.

Contracts with Europ Assistance s.r.o., Na Pankráci 1724/129, Nusle, 140 00 Praha 4, Czech Republic:
- Helpline access contract;
- insurance contracts;
- assistance service cooperation agreements (including addenda);
- cooperation agreement.

Contract with Generali Assurances Générales SA, Avenue Perdtemps 23, Nyon, Switzerland:
- reinsurance contract.

Contracts with Generali Biztosító Zrt., 1066 Budapest, Teréz krt. 42-44, Hungary:
- IT support contract (including addendum);
- tripartite agreements on the transfer of a contract;
- reinsurance contracts.

Contracts with Generali CEE Holding B.V., De Entree 91, 1101 BH Amsterdam, Netherlands:
- agreement on the assignment of rights and assumption of obligations;
- Earnix licensing agreement;
- insurance contracts (including addendum);
- framework cost-sharing contracts (including addenda);
- lease/sublease contracts (including addenda);
- contract on the fulfilment of obligations arising from group participation;
- Helpline access contract;
- service agreements (including addenda);
- cooperation agreement.

Contracts with Generali Česká Distribuce a.s., Na Pankráci 1658/121, Nusle, 140 00 Praha 4, Czech Republic:
- insurance contracts;
- lease/sublease contracts (including addenda);
- agency agreement;
- contract on the fulfilment of obligations arising from group participation;
- Helpline access contract (including addendum);
- advertising and promotion contract;
- framework cost-sharing contract (including addenda);
- cooperation agreements (including addenda);
- loan contract (including addendum).

Contracts with Generali Deutschland Versicherung AG, Adenauerring 7, München, Germany:
- reinsurance contracts.

Contract with Generali Development d.o.o. Beograd, Španskih boraca 3, Beograd – Noví Beograd, Serbia:
- software development and technical support contract.

Contract with Generali Engagement Solutions GmbH, Adenauerring 9, München, Germany:
- IT service agreement (including addendum).

Contracts with Generali Espana, S.A. de Seguros y Reaseguros, Plaza de Manuel Gomez Moreno 5, Madrid, Spain:
- reinsurance contracts.

Contract with Generali Finance spólka z ograniczoną odpowiedzialnością, Senatorska 18, 00-082, Warszawa, Poland:
- licensing agreement.

Contract with Generali FT2 Shared Services S.r.l., Piața Charles de Gaulle 15, București, Romania:
- framework IT and non-IT sharing contract.

Contracts with Generali Hellas Insurance Company S.A., Syngrou Ave. & 40 Lagoumitzi St., Athína, Greece:
- reinsurance contracts.

Contracts with Generali IARD S.A., 2 rue Pillet-Will, Paris, France:
- reinsurance contracts.

Contracts with Generali Insurance AD, 68 Knyaz Al. Dondukov Blvd., Sofia, Bulgaria:
- cost-sharing agreement;
- reinsurance contracts.

Contracts with Generali Investments CEE, investiční společnost, a.s., Na Pankráci 1720/123, Nusle, 140 00 Praha 4, Czech Republic, service number 140 21:
- agreement on a uniform method of shared-cost accounting;
- employee placement agreement;
- investment management agreement (including addenda);
- insurance contracts;
- framework cost-sharing contracts (including addenda);
- framework IT and non-IT sharing contract (including addenda);
- lease/sublease contracts (including addenda);
- contract on the fulfilment of obligations arising from group participation (VAT);
- contract on terms and conditions for the issuance and redemption of investment fund securities, and on the establishment and maintenance of asset accounts (including addendum);
- Helpline access contract;
- cooperation agreement;
- loyalty bonus contract (including addenda).

Contract with Generali Investments Holding S.p.A., Via Machiavelli, 4, Trieste, Italy:
- agreement on the assignment of a contract (service contract).

Contract with Generali Investments Luxembourg S.A., 4, rue Jean Monnet, Luxembourg:
- cooperation agreement (including addenda).

Contract with Generali IT s. r. o., Heydukova 12–14, 811 08 Bratislava, Slovakia:
- software development and maintenance support contract.

Contracts with Generali Italia S.p.A., Via Marocchesa 14, Mogliano Veneto, Italy:
- reinsurance contracts.

Contracts with Generali Operations Service Platform s.r.l., Piazza Duca degli Abruzzi, 2, Trieste, Italy:
- framework service agreements (including addendum);
- framework cost-sharing contract (including addenda);
- framework IT and non-IT sharing contract (including addenda);
- lease/sublease contracts (including addenda);
- contract on the fulfilment of obligations arising from group participation.

Contracts with Generali Osiguranje d.d., Slavonska avenija 1b, 10000 Zagreb, Croatia:
- cost-sharing agreement;
- reinsurance contracts.

Contracts with Generali penzijní společnost, a.s., Na Pankráci 1720/123, Nusle, 140 21 Praha 4, Czech Republic:
- agreement on an assessment of professional competence;
- Helpline access contract;
- insurance contract;
- mandate contract (including addenda);
- framework cost-sharing contract (including addenda);
- framework IT and non-IT sharing contract (including addendum);
- lease/sublease contract (including addendum);
- cooperation agreements (including addenda).

Contract with Generali Powszechne Towarzystwo Emerytalne S.A., Senatorska 18, 00-082, Warszawa, Poland:
- service agreement.

Contract with Generali Real Estate Fund CEE a.s., investiční fond, Na Pankráci 1658/121, Nusle, 140 00 Praha 4, Czech Republic:
- framework cost-sharing contract (including addendum).

Contracts with Generali Real Estate S.p.A., Via Machiavelli, 4, Trieste, Italy:
- framework cost-sharing contracts (including addendum);
- shared services contract.

Contracts with Generali Romania Asigurare Reasigurare S.A., Piața Charles de Gaulle 15, București, Romania:
- framework cost-sharing agreement;
- reinsurance contracts.

Contracts with Generali Seguros, S.A., Avenida da Liberdade, 242, Lisboa, Portugal:
- reinsurance contracts.

Contracts with Generali Slovenská distribúcia, a. s., Lamačská cesta 6257/3/A, Bratislava 841 04, Slovakia:
- framework IT and non-IT sharing contract (including addenda);
- cost-sharing contracts (including addenda).

Contracts with Generali Towarzystwo Ubezpieczeń Spółka Akcyjna, Senatorska 18, 00-082, Warszawa, Poland:
- contracts on the assignment of an IT administration contract by Generali Česká pojišťovna (including addendum);
- cost-sharing agreement;
- reinsurance contracts.

Contracts with Generali Versicherung AG, Landskrongasse 1–3, Wien, Austria:
- outsourcing and service cooperation contract;
- reinsurance contracts.

Contracts with Generali zavarovalnica d.d., Kržičeva 3, Ljubljana, Slovenia:
- cost-sharing agreement;
- reinsurance contracts.

Contracts with GP Reinsurance EAD, 68 Knyaz Al. Dondukov Blvd., Sofia, Bulgaria:
- contract assignment agreement (software maintenance);
- reinsurance contracts.

Contract with Green Point Offices a.s., Lamačská cesta 3/A, 841 04 Bratislava, Slovakia:
- credit agreement (including addenda).

Contracts with GREF Pankrác East a.s., Václavské náměstí 772/2, Nové Město, 110 00 Praha 1, Czech Republic:
- insurance contract;
- lease/sublease contract.

Contracts with GREF Pankrác West a.s., Václavské náměstí 772/2, Nové Město, 110 00 Praha 1, Czech Republic:
- insurance contract;
- lease/sublease contract.

Contract with Nadace Generali – The Human Safety Net, Na Pankráci 1720/123, Nusle, 140 00 Praha 4, Czech Republic:
- framework cost-sharing agreement.

Contracts with Nadace Generali České pojišťovny, Na Pankráci 1720/123, Nusle, 140 00 Praha 4, Czech Republic:
- donation contract;
- Helpline access contract;
- framework cost-sharing contracts (including addendum).

Contract with Pařížská 26, s.r.o., Václavské náměstí 772/2, Nové Město, 110 00 Praha 1, Czech Republic:
- loan contract (including addendum).

Contracts with VUB Generali dôchodková správcovská spoločnost', a.s., Mlýnské nivy 1, 820 04 Bratislava, Slovakia:
- insurance contracts;
- cost compensation agreement (including addenda).

All the contracts listed above were concluded on an arm's-length basis. The granting of an interest-free loan to a controlled subsidiary is also considered to be on an arm's-length basis as it is not to the detriment of the parent company. All services provided and received under these contracts and under contracts concluded in prior periods, as disclosed in previous reports on related-party transactions, which continued to be delivered in the 2025 accounting period were provided on an arm's-length basis and the Company incurred no loss. Nor did the contracts executed result in any special advantages, disadvantages or additional risks for the Company.

Consideration under the above contracts comprises the payment of the price agreed for services provided by the other party, which is subject to business secrecy.

Within Generali Group, the Company cooperates on Group projects and policies. The Company incurred no detriment or loss as a result of its cooperation on such Group activities.

The Company did not take any measures or execute other legal acts on behalf of or at the instigation of related parties in the 2025 accounting period in respect of assets exceeding 10% of the Company's equity as determined by the latest financial statements.

The Company's governing body declares that it has prepared this report with due professional care and that the information disclosed herein is sufficient, correct, and complete. In keeping with its statutory obligations, the Company will publish an Annual Report, of which this Company Report on Related-party Transactions will be an integral part.

Prague, 24 March 2026

Roman Juráš
Chairman of the Board of Directors

Milan Novotný
Member of the Board of Directors

Annual Report 2025

Design, consulting and production: TAC-TAC agency, s.r.o.