

# 2002 annual report



# annual

Union, poisťovacia a. s.  
Páričkova 18  
813 60 Bratislava 1  
Slovak Republic

telephone: 02/555 66 400  
fax: 02/555 67 479

[www.union.sk](http://www.union.sk)  
[union.direct@union.sk](mailto:union.direct@union.sk)

Business ID no.: 31322051

Union, poisťovacia a. s.  
is the establishing member  
of the Slovak Association  
of Insurance Companies.

Union, poisťovacia a.s. was established 1<sup>st</sup> May 1992  
X<sup>th</sup> General Meeting decided from 8<sup>th</sup> January 2003  
that the trade name will be changed  
primary trade name: Union, poisťovacia a.s  
new trade name: Union poisťovňa, a.s.

# report

## Introductory Address of the Chairman of the Board of Directors

The previous year's results, already the tenth since our establishment in 1992, confirmed that our focus on Life Insurance, travel Insurance and Commercial Non-life Insurance was correct and showed positive economic results, even better than expected.

In Commercial Non-life Insurance a remarkable improvement could be seen despite a reduction in premium connected with our withdrawal from the Motor Insurance (casco) market. Even though our overall market share decreased we maintained our leading position in Travel Insurance and increased our market share in this segment.

Investment income from Life Insurance represented nearly double the average interest rate of crown deposits in banks. With the aim of moving further forward we have established a new distribution channel for co-operation with brokers specialised in Life Insurance.

We have adopted a Corporate Governance Code with the aim of increasing the transparency of our insurance company.

We have been monitoring the preparation of reforms in pension and health insurance from the viewpoint of possibly extending the range of new products for our existing and potential clients.

I would like to thank our long-term clients for their loyalty, new clients for the trust expressed, shareholders for supporting the development of our insurance company and my colleagues for results which satisfy not only clients but also shareholders and which give enough strength to all of us to further improve them.

Ing. Tibor Bôrik

## Report from the Board of Directors

**“2002 was an excellent year for Union, achieving growth in all core business areas and recording the highest profit in the company's history”**

We are delighted to report that the confidence shown by policyholders and shareholders alike, in our strategy has been proven correct. Following 2001, which saw Union realign its strategy and product offering in order to face the challenges offered in this rapidly changing market, the year 2002 recorded a number of significant highlights.

### Main Achievements 2002

- Non-Life premium income (excluding motor) grew by 14% compared to 2001.
- Written premium from the Life business increased by 20% to SKK 217.9 million.
- Increased market-leading position in travel Insurance from 50% in 2001 to 52% in 2002.
- A program of measures to reduce costs and improve the quality of the portfolio in Non-Life resulted in a significant

improvement in profitability with reductions in both loss and cost ratios.

- A new distribution channel for distribution of Life Insurance through the expanding broker market was launched in 2002.
- During the second quarter of 2002 Union launched a Unit Linked Insurance product, offering funds from Tatra Asset Management and F&C (A Leading asset Management company from the UK which is also a Eureko group operating company).

# quality

**“The Customer remains at the core of our activities”** and during 2002 we continued to widen the range of products offered, to satisfy the needs of our clients, and also increased the spread of our distribution, allowing our customers to deal with us in the way most suited to their needs.

A new sales channel specifically for the distribution of Union's Life insurance products through the growing external broker market was created in the second half of 2002. This increase in distribution capability will, we believe, allow us to continue with the rapid expansion of our Life insurance portfolio and further increase our market share.

The number of Tied Agents working in our network, specialising in the Life insurance market, grew by nearly 30%, approaching 500 people at the end of 2002. Six new sub-branches were opened in Slovakia, making us more accessible to our current and future customers.

A new unit-linked Life insurance product was launched in the second quarter of 2002 which offers our customers the choice of investing in funds from both Tatra Asset Management and F&C (Eureko's Asset Management company). The funds offered allow the customer to select funds denominated in either SK or Euro.

In Travel insurance Union once again confirmed its market dominance, not only by remaining the market leader but also by increasing its market share from 50% to 52%. Written premium in travel insurance grew by 15%. This was achieved not only through the success of our own distribution networks but also through co-operation with Travel Agencies who continue to select Union as their preferred insurance provider. Also, there was a large increase in customers choosing to purchase travel insurance with Union through the Internet.

In Customs bond Insurance, for which Union is the market leader,

premium income grew by 25% when compared to 2001, further confirming our position on the market as the customer's number one choice for this product.

The growth within our main Non-Life product lines was achieved by increased written premium from both the broker segment and our own corporate sales channel based in our branches throughout Slovakia.

In the first full year of compulsory insolvency insurance for Tour Operators, Union emerged as the clear leader in this new market, demonstrating our unparalleled knowledge of the travel segment.

Throughout 2002 measures were applied to increase the efficiency and reduce the costs of administration. Specifically, the commencement of Electronic Data Transmission had a positive impact on costs and further savings are expected in the future by expanding the scope of this initiative. Another initiative in 2002

was moving policy administration from our branch offices to regional centers, this resulted in a further reduction of costs.

Our company has always been renowned for its fast and efficient claims handling service, during 2002 we improved this even further by extending the activities of our customer service center to act as a first contact point for claims handling for our travel insurance customers.

## Financial Highlights

In 2002 the net income of Union was SKK 16.3 million, a sharp improvement when compared to the SKK 0.5 million in 2001.

Premium income in Non-Life reached SKK 557.7 million, a decrease of 10% compared with 2001. This decrease was an immediate result of the decision in 2001 to exit the motor insurance market. Excluding motor business, premium income grew by 14% in 2002.

The technical results in Non-Life improved dramatically, from SKK 26.0 million in 2001 to SKK 67.6 million in 2002. Union was able to decrease the net combined ratio for the second consecutive year, from 126% in 2000 and 96% in 2001 to 84% in 2002. Both the expense ratio and loss ratio decreased in 2002, due to the increased focus on profitable business lines, and improved efficiency of the operations.

In Life insurance Union recorded a strong growth of premium income, from SKK 182.0 million in 2001 to SKK 217.9 million in 2002, an increase of 20%. The technical result was still negative, due to the relatively

young age of the business. Expansion into new products (Unit Link) and the creation of new distribution channels (brokers) created a strong basis for the years 2003 onwards.

Our position in the corporate market remains strong, our Life business continues to grow and in Travel we remain the market leader.

We firmly believe that Union is now ideally placed both to face the challenges and take advantage of the opportunities which will come over the coming years as the economic situation and the financial market continue to evolve. Current penetration of insurance products is around 50% of what it is in Western European markets and below comparable European countries. This, and positive political developments, implies a substantial growth potential in both the Non-Life and Life markets.

### Expectations for 2003

The new government has announced an aggressive schedule of reforms within the social sector and is expected to implement reforms of both the Health care and Pension systems during 2003. These

reforms will provide opportunities for the insurers to widen their scope of activities.

Union continues to demonstrate the innovation that has led to it becoming the clear market leader for travel insurance by adding a new annual policy to our product range from the beginning of 2003. This new product will give our customers who travel frequently, or at short notice, (or those who simply wish to avoid having to arrange a new policy each time they travel) cover for the whole year.

As the economy strengthens, the provision of employee benefits is also expected to become more important for employers. During 2003 Union will work together with our customers to develop products suitable to the future needs of the market.

With increased distribution potential, new markets and continued focus on improving the efficiency of processes and customer service, we believe we will continue to grow our business and deliver increasing value to our customers and shareholders.

## Bodies of the Company

Union, poisťovacia a. s., is registered in the Commercial Register of the District Court Bratislava 1, section Sa, file No. 383/B.

### Supervisory board

Ernst Jansen, Chairman  
Rolf Sprünken, Member  
Wilfried Miehe, Member  
Anna Pilková, Member till 17.6.2002  
Viera Poludvomá, Member  
Martin Spišák, Member

### Board of Directors

Tibor Bôrik, Chairman  
Elena Májeková, Member  
Nicolaas Slemmer, Member  
Shaun Russell, Member

Shareholders' capital:  
SKK 390.000.000.

# people

## Organization Structure of the Company



### I. Section of the Managing Director

- Secretariat to the Managing Director
- Human Resources Department
- Reinsurance Department
- Legal Department
- Chief Actuary Department
- Internal Control Department

### II. Finance, IT and Administration Section

- Economic Division
- IT Division
- Administration Division
- Administration and Travel Insurance Claims-Handling Division
- Process Management Department
- Financial Services and Statistic Department
- Inkasso Department

### III. Corporate Insurance Section

- Non-Life Sales Division
- *Branches*
- Brokers Division
- Non-Life Support Division
- Non-life Claims-Handling Department

### IV. Private Individuals Insurance and Claims Handling Section

- Marketing Division
- Life Sales Division
- *Sub-branches*
- Client Center Division
- Life Support Division
- Claims Handling Division

Board of directors, from the left:

Tibor Bórik  
Elena Májeková  
Shaun Russell  
Nicolaas Slemmer

Structure of shareholders' according to the amount of paid shareholders' capital as of December 31, 2002 in thousands SKK:

EUREKO B. V.	368 996	94,61 %
Unibanka a. s.	10 377	2,66 %
other legal and natural persons	10 627	2,73 %

## Eureko B.V.

Eureko B.V. is a privately-owned, financial services Group whose core businesses are primarily insurance and asset management, and which has operations in fifteen European countries. The company was created in its present form in November 2000.

The Eureko Group includes:

- Achmea, in The Netherlands;
- F&C, a pan-European asset management group, headquartered in the UK;
- Friends First in Ireland;
- Interamerican Hellenic Life in Greece;
- Union of Slovakia;
- Império, France,
- and, with its consortium partner, Bank Millennium SA (formerly Big Bank Gdanski) also has a strategic 31.8% investment in PZU, Poland primary insurer, with an agreement to acquire a further 21% shareholding.

In addition, Eureko and Banco Comercial Português (BCP) have a strategic partnership, in particular for the development of joint initiatives in Bancassurance and Asset Management in Poland and Greece.

Eureko and BCP each hold a 5% shareholding in the other company.

The Eureko Group is rated "A+" by Standard & Poor's (financial strength rating).

Eureko's ambitions are to expand its European insurance and asset management activities, increasing its presence in the markets where it is currently active and seeking to enter new markets which fit its investment criteria.

strenuous

# investment

Eureko has operations in the following countries (under the respective Operating Company brands):

- The Netherlands, Luxembourg, Belgium (Achmea)
- United Kingdom, the Netherlands, Portugal, Ireland, Germany (F&C)
- Greece, Romania, Bulgaria, Cyprus (Interamerican)
- Ireland (Friends First)
- Slovakia (Union)
- France (Império France)

In addition, Eureko has a company based in Warsaw (Eureko Polska) whose personnel are engaged in the development plans of Eureko's shareholding in PZU, Poland

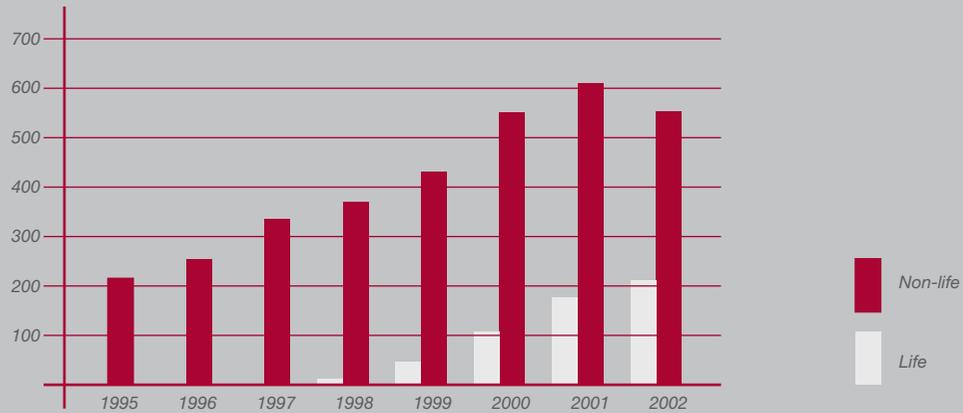
## Eureko Mission Statement

„Eureko is one of Europe's leading personal financial services groups. Our mission is to provide superior products and services to our clients and to deliver shareholder value. We will achieve this mission by leveraging our expanding family of leading local brands, growing our client base and developing our proven capabilities in personal and asset protection, asset accumulation and management. We are committed to remain close to our clients and to maintain a balanced, ethical and transparent relationship with our shareholders, employees and clients.“

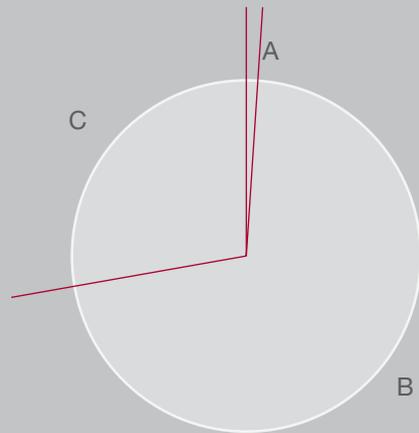


## The Development of Written Premium

(in thousands SKK)



## The Structure of Premium by Classes



year	life	non-life	total
1995	0	208 481	208 481
1996	0	265 127	265 127
1997	0	335 362	335 362
1998	3 820	382 280	386 100
1999	35 991	433 969	469 960
2000	102 559	554 675	657 234
2001	182 010	617 945	799 955
2002	217 933	557 690	775 623

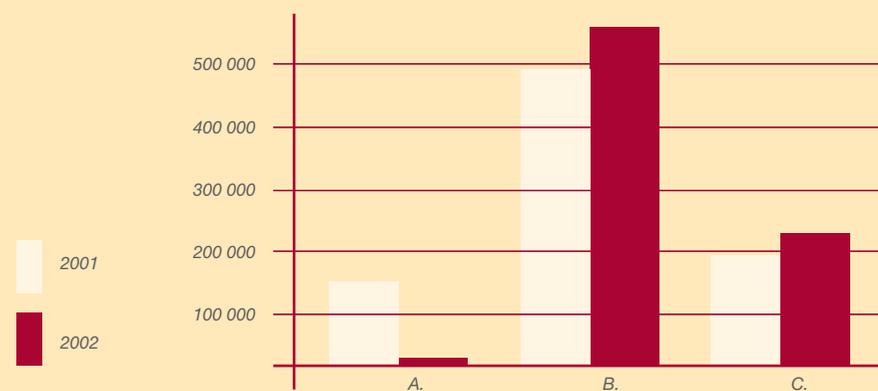
A. Casco	1%
B. Other non-life	71 %
<b>Total non-life</b>	<b>72 %</b>
C. Total life	28 %
<b>Total Gross Written premium</b>	<b>100 %</b>

# results:

## Gross Written Premium by Classes

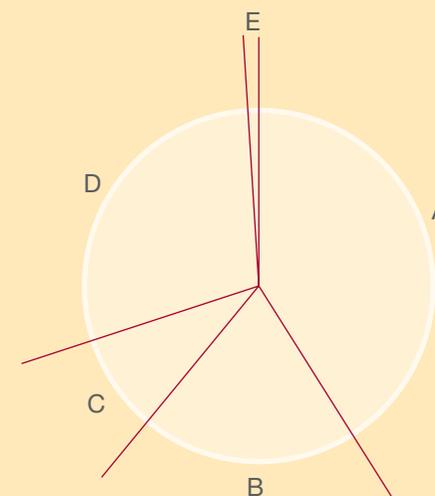
(in thousands SKK)

	2001	2002
A. Casco	137 652	9 069
B. Other non-life	480 293	548 621
Total non-life	617 945	557 690
C. Total life	182 010	217 933
<b>Total</b>	<b>799 955</b>	<b>775 623</b>



## The Share of Specialised Distribution Channels in Sales

A. Corporate salesmen	41 %
B. Headquarters	20 %
C. Brokers	9 %
D. Tied agents	29 %
E. Telemarketing	1 %
<b>Total</b>	<b>100 %</b>



# positive

**Profit and Loss  
Account**  
(in thousands SKK)

<b>Non-life insurance technical account</b>	<b>2001</b>	<b>2002</b>
<b>Revenues</b>		
Gross written premium	617 945	557 690
Reinsurance premium	-237 565	-191 321
Change in unearned premium (net)	-5 192	1 200
<i>Net earned premium</i>	<i>375 188</i>	<i>367 569</i>
Technical investment income	13 389	12 270
Other technical revenues	885	18 893
<i>Total technical revenues</i>	<i>389 462</i>	<i>398 732</i>
<b>Costs</b>		
Claims costs (net) <sup>1</sup>	- 187 602	-140 807
Change in other technical reserves	- 466	166
Bonuses and rebates	-1 498	-985
Acquisition costs, administrative expenses and other technical costs (net) <sup>2</sup>	-173 853	-189 475
Change in reserve for extraordinary risks	0	0
<i>Total technical costs</i>	<i>-363 419</i>	<i>-331 101</i>
Result in non-life technical account	26 043	67 631
<b>Life insurance technical account</b>		
<b>Revenues</b>		
Gross written premium	182 010	217 932
Reinsurance premium	-413	-476
Change in unearned premium reserves (net)	-12 127	-7 990
<i>Net earned premium</i>	<i>169 470</i>	<i>209 466</i>
Technical investment income (net)	9 747	15 251
Other technical revenues	21	1 192
Total technical revenues	179 238	225 909
<b>Costs</b>		
Claims costs (net)	-10 371	-20 158
Change in other technical reserves	- 93 473	-116 745
Bonuses and rebates	-397	-410
Acquisition costs, administration (net) <sup>3</sup>	-94 954	-139 768
Other technical costs (net)	-7 625	-5 500
<i>Total technical costs</i>	<i>-206 820</i>	<i>-282 581</i>
Result in life technical account	-27 582	-56 672
<b>Non-technical account</b>		
Non-technical investment income	16 980	19 085
Investment costs	-212	-1 578
Investment income to technical account (non-life)	-13 389	-12 270
Other income	207	435
Other costs	-1 240	-1 893
Other fees	-1 188	-1 264
<b>Operating result after tax</b>	<b>-381</b>	<b>13 474</b>
Extraordinary income	1 494	4 016
Extraordinary costs	-649	-1 205
Extraordinary result	845	2 811
<b>Total operating result</b>	<b>464</b>	<b>16 285</b>

<sup>1,2,3</sup> see notes on page 14



# Balance Sheet

<b>Assets</b>	<b>2001</b>	<b>2002</b>
Intangible assets	60 978	42 755
Financial placement (investment) <sup>4</sup>	388 180	567 926
Receivables	61 801	48 368
Out of which long-term	1 550	1 516
Other assets <sup>5</sup>	39 387	39 605
Prepayments and accrued income	62 612	62 287
<b>Total assets</b>	<b>612 958</b>	<b>760 941</b>
<b>Liabilities</b>		
Total shareholders funds <sup>6</sup>	400 237	400 283
Technical reserves (net) <sup>7</sup>	341 315	459 546
Provision arising from financial placements in the name of the insured	0	1 380
Reserve for other risks	6	0
Liabilities	34 342	43 217
Out of which long-term	1 890	168
Retained earnings	-192 697	-192 280
Accruals and deferred income	29 291	32 510
Result of the current accounting period	464	16 285
<b>Total liabilities</b>	<b>612 958</b>	<b>760 941</b>

**Balance Sheet  
as at 31<sup>st</sup>  
December 2002**  
(in thousands SKK)

<sup>4,5,6,7</sup> see notes on page 14

**Explanation  
of Profit and Loss  
Account and  
Balance Sheet**  
(in thousands SKK)

	<b>2001</b>	<b>2002</b>
<b><sup>1</sup> Claims costs non-life (net)</b>	<b>187 602</b>	<b>140 807</b>
Claims costs (gross)	339 132	258 313
Reinsurers' share in claims	-151 530	-117 506
<b><sup>2</sup> Costs non-life</b>	<b>173 853</b>	<b>189 475</b>
Acquisition costs	102 325	109 616
Administrative costs	132 844	124 242
Commissions from reinsurers	-72 390	-68 988
Other technical costs	11 074	24 605
<b><sup>3</sup> Costs life</b>	<b>94 954</b>	<b>139 768</b>
Acquisition costs	37 952	69 707
Administrative costs	57 002	70 061
<b><sup>4</sup> Financial placement</b>	<b>388 180</b>	<b>567 926</b>
Land and buildings	5 632	5 469
Investments in subsidiaries	950	1 250
Other financial placements	381 598	559 827
Out of which long-term	116 936	216 625
<b><sup>5</sup> Other assets</b>	<b>39 387</b>	<b>39 605</b>
Tangible assets	16 053	14 867
Property acquisition	0	228
Inventory	2 569	2 416
Other financial assets	20 765	22 094
<b><sup>6</sup> Shareholders' capital and funds</b>	<b>400 237</b>	<b>400 283</b>
Shareholders' capital	390 000	390 000
Basic reserve fund	0	46
Other capital funds	10 051	10 051
Loss prevention fund	186	186
<b><sup>7</sup> Technical reserves (net)</b>	<b>341 315</b>	<b>459 546</b>
Unearned premium reserve (net)	86 479	93 269
Reserve for claims payment (net)	117 610	113 852
Reserve for life insurance	136 415	251 780
Reserve for bonus and rebates (net)	811	645
Reserve for extraordinary risk	0	0
Technical reserves (net)	341 315	459 546
Technical reserves (gross)	640 158	758 721
Reinsurers' share in reserves	-298 843	-299 175

consistency

### General information

Union insurance company is a joint stock company established on May 1, 1992 from a former state enterprise, Istota.

### Basic accounting principles

Union insurance company (hereafter referred to as the 'company') executes accounting in accordance with Accounting Law no. 563/1991 Coll., the Account Classification (Spreadsheet) and the Accounting Procedures for Insurance Companies.

### Intangible assets

Intangible assets include software; they are registered according to acquisition price and writeoffs are realised five years.

### Financial placement

Financial investments and securities were posted at the acquisition price. Financial means are placed in time deposits for periods from 1 day to 5 years in different financial institutions.

### Reserve

The reserve for unpaid premium is created on the basis of aging structure of receivables using rates.

### Tangible fixed assets

are registered according to acquisition prices and are depreciated by straight line method, calculated from the acquisition price and expected service life in the following way:

1. tangible assets categorised in the 1st group: 4 years (motor vehicles, computer, office and communication technology)
  2. tangible assets categorised in the 2nd group: 8 years (security equipment, inventory)
  3. tangible assets categorised in the 3rd group: 15 years (air conditioning and safes)
  4. tangible assets categorised in the 4th group: 30 years (towers, chimneys, rail tracks – not applicable to Union)
  5. tangible assets categorised in the 5th group: 40 years (buildings)
- Tangible assets were divided into depreciation groups in accordance with the income tax law No. 366/99 as amended.

In accordance with the Accounting Procedures for Insurance Companies, our company created the following technical reserves:

**The unearned premium reserve** is created in life and non-life insurance from the part of written premium related to future accounting periods. It represents the part of value of the risk related to the future period of insurance cover. The reserve is adjusted by amounts following from passive reinsurance.

**The claims reserve in life** and non-life insurance is designed for claims payment from claims:

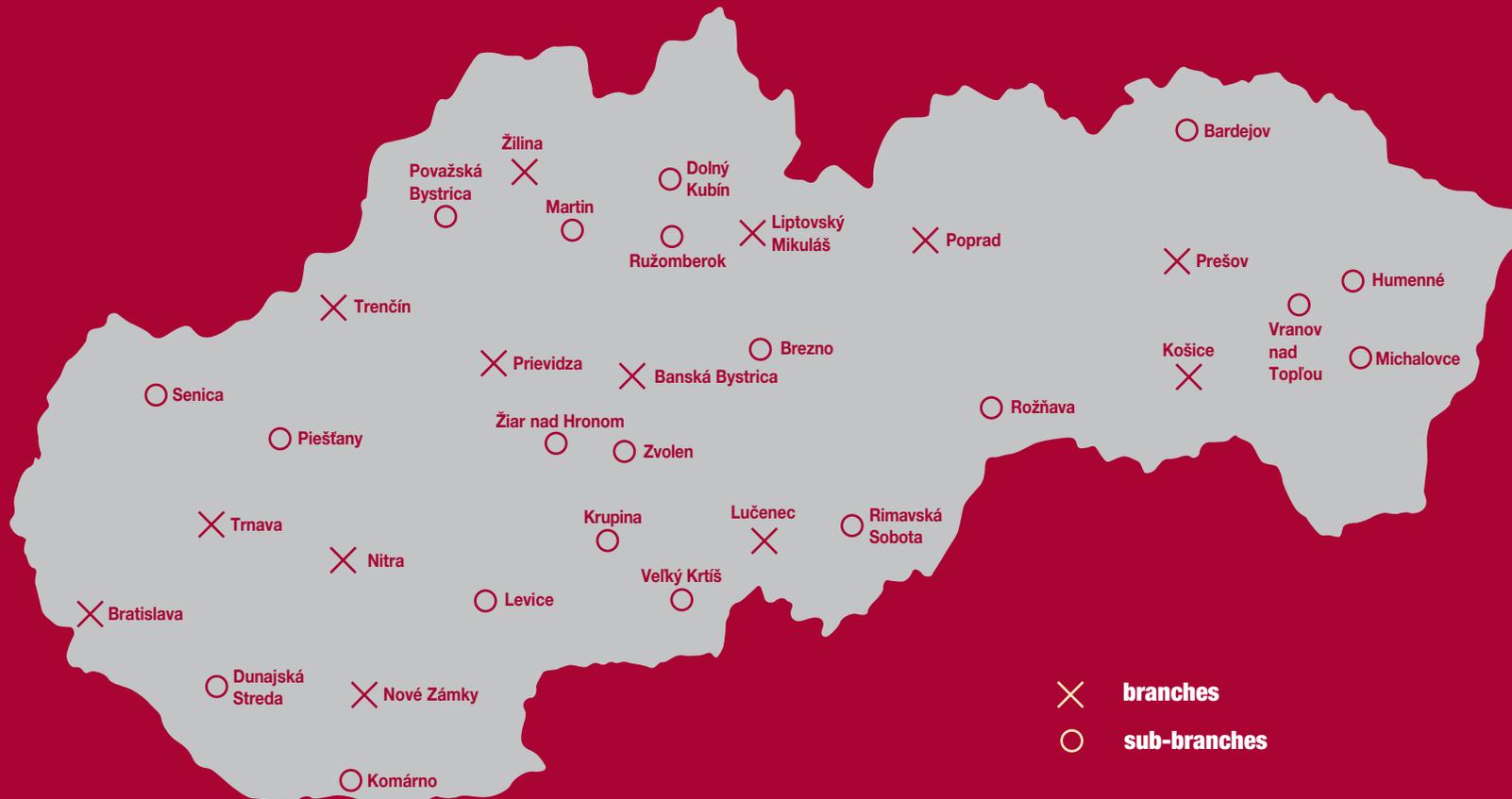
- a.) reported but not settled until the end of the current accounting period
- b.) incurred but not reported in the current accounting period. The reserve is increased by expected costs related to claims settling and file handling, and is decreased by the expected amount of recoverable receivables. The reserve is also adjusted by amounts connected with passive reinsurance.

**The premium bonus and rebate reserve** is created in non-life insurance according to general insurance conditions and contractual agreements and is designed for granting premium bonuses and reductions.

**The life insurance reserve** is created as a sum of reserves calculated according to individual life policies. Deferring of acquisition costs is used in calculation of the reserve (Zillmerization).

## List of Branches

Branches	Telephone	Fax	Address	E-mail
Banská Bystrica	048/4151673	048/4151685	Horná 18, 974 01 Banská Bystrica	banska.bystrica@union.sk
Bratislava	02/50249270	02/55567417	Páričkova 18, 813 60 Bratislava	bratislava@union.sk
Bratislava	02/54131246		Klobučnícka 7, 813 60 Bratislava	bratislava@union.sk
Košice	055/6232418	055/6220217	Hlavná 117, 040 01 Košice	kosice@union.sk
Liptovský Mikuláš	044/5514452	044/5514452	Belopotockého 2, 031 01 Liptovský Mikuláš	liptovsky.mikulas@union.sk
Lučenec	047/4331333	047/4331336	Bazovského 41, 984 01 Lučenec	lucenec@union.sk
Nitra	037/6522222	037/6522226	Štefánikova 30, 949 01 Nitra	nitra@union.sk
Nové Zámky	035/6400047	035/6400037	Podzámska 36, 940 01 Nové Zámky	nove.zamky@union.sk
Poprad	052/7723807	052/7723763	Nám. Sv. Egídiá 4/7, 058 01 Poprad	poprad@union.sk
Prešov	051/7724645	051/7731386	Hlavná 23, 080 01 Prešov	presov@union.sk
Prievidza	046/5421936	046/5421930	M. Miška 19 A, 971 01 Prievidza	prievidza@union.sk
Trenčín	032/7442570	032/7442572	Braneckého 7, 911 01 Trenčín	trencin@union.sk
Trnava	033/5513357	033/5513372	Hlavná 2, 917 00 Trnava	trnava@union.sk
Žilina	041/5626621	041/5620604	Národná 9, 010 01 Žilina	zilina@union.sk



availability

**List of  
Sub-branches**

<b>Sub-Branches</b>	<b>Telephone</b>	<b>Fax</b>	<b>Adress</b>	<b>E-mail</b>
Banská Bystrica	048/4151674	048/4151685	Horná 18, 974 01 Banská Bystrica	banska.bystrica@rpp.union.sk
Bardejov	054/4744129	054/4744129	Stöcklová 26, 085 01 Bardejov	bardejov@rpp.union.sk
Bratislava 1	02/54432005	02/54432125	Klobučnícka 7, 813 60 Bratislava	bratislava1@rpp.union.sk
Bratislava 2	02/50249272	02/55567417	Páričkova 18, 813 60 Bratislava	bratislava2@rpp.union.sk
Bratislava 3	02/50249346	02/55567417	Páričkova 18, 813 60 Bratislava	bratislava3@rpp.union.sk
Bratislava 4	02/63537141	02/63537143	Rovniankova 12, 851 02 Bratislava 5	bratislava4@rpp.union.sk
Bratislava 5	02/65413177		F. Kostku 1, 813 60 Bratislava	bratislava5@rpp.union.sk
Bratislava 6	02/44442629	02/44442629	Hálkova 1, 831 01 Bratislava	bratislava6@rpp.union.sk
Brezno	048/6116021	048/6116022	Rázusova 7, 977 01 Brezno	brezno@rpp.union.sk
Dolný Kubín	043/5866465	043/5866466	Hviezdoslavovo nám. 1685/21, 026 01 Dolný Kubín	dolny.kubin@rpp.union.sk
Dunajská Streda	031/5517499	031/5517499	Korzo B. Bartóka 14c, 929 01 Dunajská Streda	dunajska.streda@rpp.union.sk
Humenné	057/7757935	057/7757556	Mierová 6, 066 01 Humenné	humenne@rpp.union.sk
Komárno	035/7700184	035/7700184	Pohraničná 21, 945 01 Komárno	komarno@rpp.union.sk
Košice 1	055/6250459	055/6250453	Hlavná 58, 040 01 Košice	kosice1@rpp.union.sk
Košice 2	055/6338015	055/6338465	Gorkého 8, 040 01 Košice	kosice2@rpp.union.sk
Košice 3	055/6452988	055/6452990	Moskovská trieda - KVP, 041 01 Košice	kosice3@rpp.union.sk
Krupina	045/5512553	045/5512553	Nám. SNP 127/20, 963 01 Krupina	krupina@rpp.union.sk
Levice	036/6316353	036/6316354	Nám. Šoltésovej 10, 934 01 Levice	levice@rpp.union.sk
Liptovský Mikuláš	044/5514314	044/5514314	Belopotockého 2, 031 01 Liptovský Mikuláš	liptovsky.mikulas@rpp.union.sk
Lučenec	047/4332214	047/4331336	Bazovského 41, 984 01 Lučenec	lucenec@rpp.union.sk
Martin	043/4237544	043/4221699	Osloboditeľov 64, 036 01 Martin	martin@rpp.union.sk
Michalovce	056/6425749	056/6425749	Nám. Osloboditeľov 1, 071 01 Michalovce	michalovce@rpp.union.sk
Nitra	037/6522218	037/7411391	Štefánikova 30, 949 01 Nitra	nitra@rpp.union.sk
Nové Zámky	035/6402606	035/6400047	Podzámska 36, 940 01 Nové Zámky	nove.zamky@rpp.union.sk
Piešťany	033/7729368	033/7729368	Rázusova 5, 921 01 Piešťany	piestany@rpp.union.sk
Poprad	052/7724354	052/7723763	Nám. Sv. Egídia 4/7, 058 01 Poprad	poprad@rpp.union.sk
Považská Bystrica	042/4340281	042/4340281	Nám. A. Hlinku 36/9, 017 01 Považská Bystrica	povazska.bystrica@rpp.union.sk
Prešov 1	051/7724683	051/7731386	Hlavná 23, 080 01 Prešov	presov@rpp.union.sk
Prešov 2	051/7711265	051/7711305	Hlavná 129, 080 01 Prešov	presov2@rpp.union.sk
Prievidza	046/5421967	046/5421930	M. Mišika 19/A, 971 01 Prievidza	prievidza@rpp.union.sk
Rimavská Sobota	047/5633273	047/5633273	SNP 20, 979 01 Rimavská Sobota	rimavska.sobota@rpp.union.sk
Rožňava	058/7329666	058/7329666	Šafárikova 21, 048 01 Rožňava	roznava@rpp.union.sk
Ružomberok	044/4321306	044/4321306	Podhora 46, 034 01 Ružomberok	ruzomberok@rpp.union.sk
Senica	034/6512846	034/6516897	Nám. Oslobodenia 11, 905 01	senica@rpp.union.sk
Trenčín	032/7442571	032/7442572	Braneckého 7, 911 01 Trenčín	trencin@rpp.union.sk
Tnava	033/5513357	033/5513372	Hlavná 2, 917 00 Tnava	tnava@rpp.union.sk
Veľký Krtíš	047/4831898	047/4831898	Banická 2, 990 01 Veľký Krtíš	velky.krtis@rpp.union.sk
Vranov nad Topľou	057/4431690	057/4431690	Boženy Němcovej, 093 01 Vranov nad Topľou	vranov.nad.toplou@rpp.union.sk
Zvolen	045/5333962	045/5333974	J. Kozáčeka 7, 960 01 Zvolen	zvolen@rpp.union.sk
Žiar nad Hronom	045/6735542	045/6735542	M. Chrásteka 25, 965 01 Žiar nad Hronom	ziar.nad.hronom@rpp.union.sk
Žilina 1	041/5643577	041/5620604	Národná 9, 010 01 Žilina	zilina@rpp.union.sk
Žilina 2	041/5640910	041/5640910	Národná 9, 010 01 Žilina	zilina2@rpp.union.sk

KAPITOLA

# Auditor's Report



KPMG Slovensko spol. s r.o.

P. O. Box 7  
820 04 Bratislava 24  
Slovakia

Mostová 2  
811 02 Bratislava  
Slovakia

Telephone +421 2 59984 111  
Fax +421 2 59984 222  
Internet www.kpmg.sk

Translation of the statutory Auditors' Report originally prepared in Slovak language

## Independent Auditors' Report

To the shareholders, Board of Directors and Supervisory Board of Union, poisťovacia a.s.:

We have audited the statutory financial statements of Union, poisťovacia a.s. ("the Company") for the year ended 31 December 2002, from which the summary balance sheet and summary profit and loss account set out on pages 12 to 13 of this annual report were derived, in accordance with Slovak and International Standards on Auditing. The statutory financial statements were prepared in accordance with the Act 563/1991 Coll. on Accounting as amended and relevant legislation issued by the Ministry of Finance of the Slovak Republic ("statutory financial statements"). In our report on statutory financial statements, dated 17 January 2003, we outlined the responsibility of management for the financial statements, our responsibility as auditors and we described the scope of the audit. Our report expressed an unqualified opinion on the statutory financial statements.

In our opinion, the summary balance sheet and summary profit and loss account are consistent, in all material respect, with the statutory financial statements from which they were derived.

For a better understanding of the Company's financial position as at 31 December 2002 and the results of its operations for the year then ended, the summary balance sheet and summary profit and loss account should be read in conjunction with the statutory financial statements.

27 June 2003  
Bratislava, Slovak Republic

KPMG Slovensko spol. s r. o.  
Licence No. 96

Responsible Auditor:  
Ing. Richard Farkaš, PhD.  
Licence No. 406



KPMG Slovensko spol. s r.o., a company  
incorporated under the Slovak Commercial Code, is  
a member of KPMG International, a Swiss Association.

Evidenčné číslo licence auditors: 96  
Licence number of statutory auditor: 96

ICO/Registration number: 31 348 238  
Obchodný register Okresného súdu Bratislava I, oddiel Sro, vložka č. 4864/B  
Commercial register of District court Bratislava I, section Sro, file No. 4864/B

thank you