



annual report 2001

annual



Union, poisťovacia a. s.
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Slovak Republic

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report 2001

Business ID no.: 31322051

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

Introductory Address of the Chairman of the Board of Directors and Managing Director

The year 2001 was a breakthrough year on the way to stabilising our positive results and to realise our expectations from the actions taken.

Our strategy was focussed on three core areas of our business activity – Life Insurance, Travel Insurance and Corporate Clients Insurance. We finished with direct selling of Motor Insurance (cas-co), but we still offer this type of insurance through our recently established daughter company Union-Broker, s. r. o., the offer being even wider than before.

The objective of these changes in our strategy is re-orientation of our efforts to areas with strong growth potential in the market – Life Insurance, traditional areas of our business activities in which we are market leaders – Travel Insurance and areas in which we are able to provide a high standard of services with adequate results – Corporate Clients Insurance.

Our results in the year 2001, such as premium increase in Life Insurance, which represents more than 70 % on a year on year basis, strengthening of our leading position in the Travel Insurance market, achieving the positive result in Corporate Clients Insurance and in total company's results,

confirmed that the orientation we decided for was correct. As I mentioned at the beginning, changes in the year 2001 showed positive results. These mean the beginning of further steps towards increasing the quality of services provided for our clients and fulfilling expectations of our shareholders. At the same time it is a challenge for all of us who want to contribute to this trend by our actions.

Let me thank my colleagues for their activity and discipline when realising the changes, our clients for their ongoing trust in our company, and our shareholders for supporting our strategy.

Tibor Bórik

correctness

Report from the Board of Directors

“Our focus is the continued growth and improved efficiency of our core business areas together with constant improvement in the quality of products and services provided to our customers”

Following the realignment of the company strategy early in 2001 Union is committed to the continued rapid expansion of its Life business together with maintaining and leveraging on its leading position within the Travel Insurance sector. The commercial Non-life market is the third key business area for Union with the focus being on improved profitability.

The year 2001 has been a successful year for our company during which a high level of customer satisfaction was combined with positive financial results. We are pleased that we were able to satisfy all our stakeholders, in particular our clients and our shareholders. For other stakeholders, like our employees, it has not always been an easy year. However, we are convinced that the chosen strategy is the right one, and is beneficial to our personnel as well.

Main achievements in 2001

- Total written premium increased by 21 % to 800 mil SKK.

- Written premium from the Life business increased by 77 % to 182 mil SKK, this was achieved by both continued expansion of the distribution network and increased productivity of sales staff.
- Increased premium income for both Travel Insurance and Customs Bond Insurance which strengthened further the Market leadership of Union in these segments.
- At the beginning of the year 2001 Union created and launched on-line Travel Insurance through the internet.

- Union withdrew from the Motor Insurance market in 2001. This was due to the decision not to enter the MTPL market upon its de-monopolisation at the beginning of 2002 as a result of poor profitability forecasts.
- In September a brokerage company (Union-Broker, s. r. o.) was established allowing Union to offer a full insurance package to its customers.

We achieved significant growth in the year 2001, especially in our core business areas of Life Insurance, Commercial Non-life Insurance and Travel Insurance. Due to restructuring our insurance portfolio and improving our internal processes, we were able

with competitive prices together with excellent service. We ended our first year of selling Travel Insurance through the Internet and a steady increase was recorded in the number of clients using this service and we are confident this will continue to grow in coming years. We continue to be the most innovative distributor of Travel Insurance and we are the only company offering clients the ability to purchase insurance and pay premiums through the Internet.

A new important product offered by Union was Travel Insolvency Insurance. At the end of the year 2001 we were the first insurance company to offer this product.

This brokerage is also used to provide our clients with Motor Third Party Liability cover following the de-monopolisation of this market. The customers in the Custom Bonds Insurance market kept their trust in our company. Again our leading position in this market segment was strengthened with an increase in premium of 25 % in 2001. The corporate sales network not only significantly increased production during 2001 but also improved its cost efficiency. Other Non-life products sold by our company were Accident, Property, Liability and Cargo Insurance. We are happy that we were able to welcome more and more satisfied customers in all of these product-lines.

and quality

to reduce loss ratios and cost ratios considerably. The net result was +0,5 mil SKK, a major improvement compared to the year 2000, which was closed with a loss of 73,9 mil SKK.

In Travel Insurance a growth of 16 % in comparison to the year 2000 was recorded, Union maintained its dominant position in the market. Economies of scale helped us to offer good products

In the Non-life Insurance section actions were taken to make the portfolio healthy and profitable. The most important decision was to withdraw from the Motor Insurance business due to what we believe are poor result forecasts.

To ensure that we are able to provide a complete insurance to our clients we established a brokerage company, called Union-Broker, through which our Motor business is sold now. In this way our clients are able to continue to arrange Motor Insurance through Union.

In Life Insurance our market share continues to grow with gross written premium of 182 mil SKK in 2001 which is an increase of 77 % from 2000.

Our Agent network dedicated to the distribution of Life Insurance continues to grow and new business productivity per Agent grew dramatically reflecting the increased maturity and development of this distribution channel. 2001 was also a year of preparation and improvement and the results from much of the work done during the year will be realised in 2002 and beyond.

Expectations for 2002

Union will continue with its program of initiatives to improve productivity and cost efficiency whilst delivering a high quality range of products and services to its clients.

Union will continue to focus on the rapid expansion of its Life Insurance portfolio and to this end will begin co-operation with Brokers for the distribution of Life products in 2002.

Currently the dominant product type within the Life Insurance market is the traditional endowment policy, however Unit Linked policies are steadily gaining in

Union will continue to capitalise in its previous investment in software by expanding the use of its Life Insurance administration system to include claims handling during 2002. This provides a good platform to ensure that administration costs are controlled and will reduce substantially in proportion to written premium year on year.

Recent government announcements indicate that a reform of the pension system is expected to start in 2003 giving also Life Insurance companies the possibility of expanding in the private pension business. Union will prepare itself during 2002 to take advantage of this future opportunity.

A program to reward and increase customer loyalty will be launched in 2002, encouraging our clients to use more of the products and services provided by Union.

An intensive review of the terms and conditions of our Non-life products will be conducted throughout 2002 to ensure that we remain able to provide competitively priced products which meet the needs of our clients.

We forecast growth in both terms of customers and volume of premium for all of our Commercial Insurance lines during 2002. This will happen as more and more customers choose to use Unions excellent product

flexible

popularity with more and more insurers adding this to their product range. To take advantage of this market opportunity Union is launching its first Unit Linked product in the first quarter of 2002.

In Travel Insurance we will continue to use innovative distribution and unique services to maintain and extend our market dominance.

Travel Insurance customers will enjoy an even higher level of service in 2002 with the development of a claims helpline.

range following their experience of our unrivalled Customs Bond Insurance.

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

Shareholders' capital registered in the Commercial Register as of December 31, 2001: SKK 390,000,000.

Supervisory board

Ernst Jansen, Chairman
Rolf Sprünken, Member
Wilfried Miehe, Member
Anna Pilková, Member
Viera Poludvorná, Member
Martin Spišák, Member

Board of Directors

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

Structure of shareholders' according to the amount of paid shareholders' capital as of December 31, 2001 in thousands SKK:

EUREKO B. V.	368,995	94,61 %
Polhobanka, a. s.	10,376	2,66 %
other legal and natural persons	10,629	2,73 %



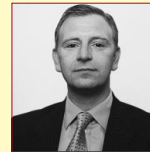
Tibor Bôrik



Elena Májeková



Nicolaas Slemmer



Shaun Russell

Bodies of the Company

approach

I. Section of the Managing Director

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

II. Finance, IT and Administration Section

Economic Division

IT Division

Administration Division

Travel Insurance Administration and Claims Handling Division

III. Corporate Insurance Section

Non-Life Sales Division

Branches

Brokers Division

Non-Life Support Division

IV. Private Individuals Insurance and Claims Handling Section

Marketing Division

Life Sales Division

Sub-branches

Telemarketing Division

Life Support Division

Claims Handling Division

Organisation Structure of the Company

Eureko B. V.

Eureko was formed in 1992 as an alliance of European insurers and banking operations. The original aim of Eureko was to create a vehicle for international development by seeking further partnership opportunities in both mature and emerging markets where there were natural synergies for development. A further goal was to add value to existing operations through co-operation and bilateral exchange of resources and skills.

In November 2000 Eureko was re-structured, with the merger of Dutch company **Achmea** (the second largest insurance company in the Netherlands; the largest non-life company and the fourth in life) and the

of fund services to the Portuguese retail and institutional market

- **Friends First** of Ireland, the seventh largest in life
- **InterAmerican**, the market leader in the insurance industry in Greece, number 1 in Life Insurance
- A strategic 20 % shareholding of **PZU** of Poland. Largest in life and non-life in Central Europe. An agreement has been concluded for Eureko to acquire further 21 % of PZU shares
- A strategic 10 % shareholding in France's **MAAF Vie SA** and

Eureko seeks to achieve stronger growth and profitability for its operating companies than they could achieve alone. Eureko's strategy, therefore, is to create an integrated group while leveraging on its competencies and unique strengths at local level.

In general, participants in the Eureko group benefit from the following:

- Access to a wider network
- Sharing of skills and experience
- Potential international service to customers
- Economies of scale through sharing of development costs
- Spread of financial risk
- Management focus on domestic market

strategic

insurance businesses of **Banco Comercial Português – Seguros e Pensões**, (the largest life and non-life insurer in Portugal).

The Group also includes:

- **F & C** (formerly Foreign & Colonial), a leading pan-European full investment manager, has a major presence in the UK, Netherlands, Portugal, Ireland and Greece and ranks among the top ten managers of European Pensions assets and is a top ten (active) pension manager in the UK and Netherlands, the leading provider

an 8 % shareholding in **MAAF Assurances SA**

- **Union** (Slovakia)

Together they represent an important financial group on financial service market:

Key figures (in mil EUR) 2001

Insurance gross written premiums	7,236.0
Assets under management	112,282.0
Total assets	53,204.0
Group pre-tax profit	198.8

In the year 2001 Eureko completed the acquisition of **F & C** (previously Foreign & Colonial), a leading European institutional and retail investment manager and consolidated its Asset Management activities under **F & C**. The new **F & C** provides investment management services to both individual and corporate third-party clients across Europe and North America and makes investments in all major equity and bond markets with Assets under Management of 109,9 Billion EUR.



investments

During 2001 Eureko acquired 100 % of InterAmerican (the market leader in the insurance industry in Greece, number 1 in Life Insurance) shares.

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.“

Eureko B. V. within Europe ■

France

Great Britain

Greece

Holland

Ireland

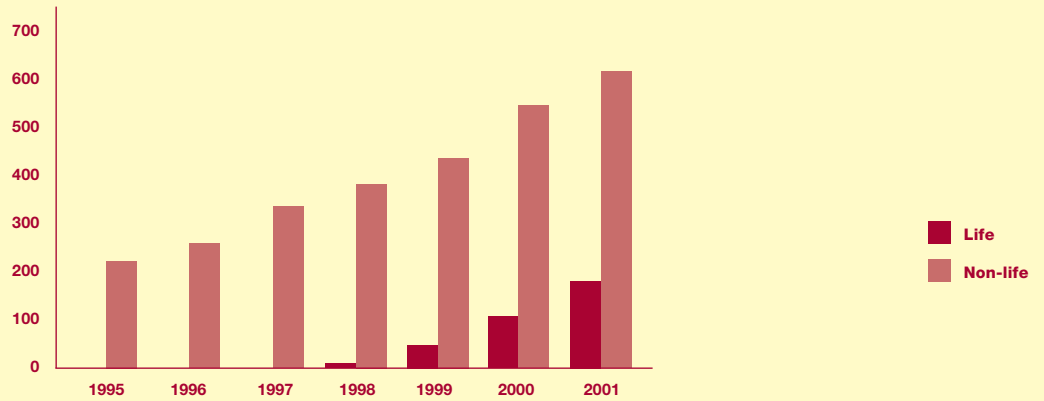
Portugal

Slovakia

The Development of Written Premium

(in thousands SKK)

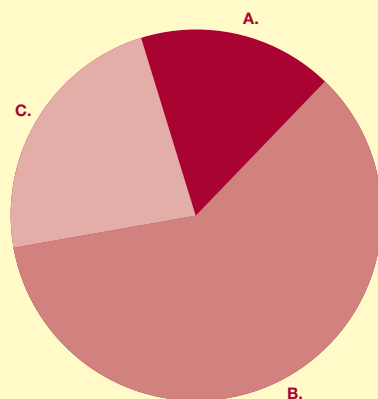
Year	Life	Non-life	Total
1995	0	217,195	217,195
1996	0	265,127	265,127
1997	0	335,362	335,362
1998	3,820	382,280	386,100
1999	35,991	433,969	469,960
2000	102,559	554,675	657,234
2001	182,010	617,945	799,955



positive

The Structure of Premium by Classes

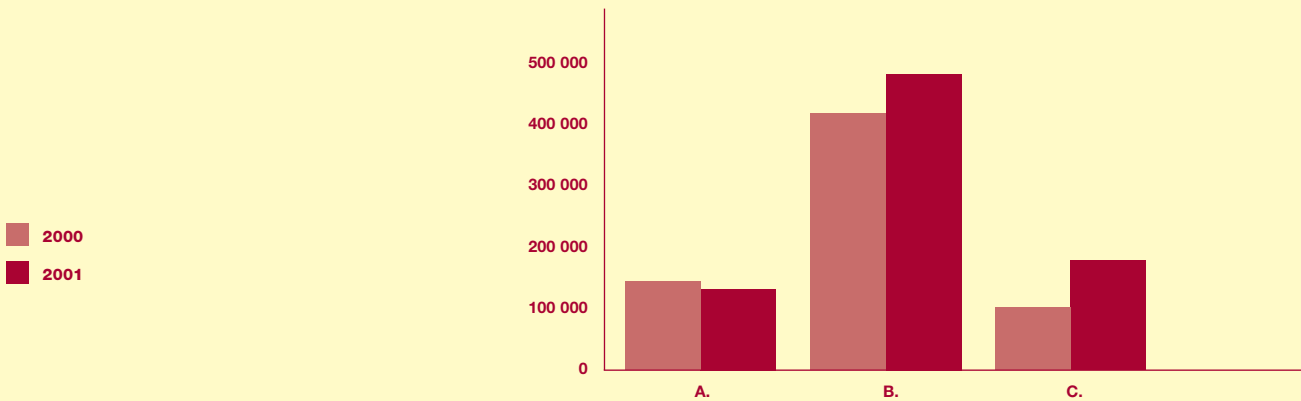
A. Casco	17 %
B. Other Non-life	60 %
Total Non-life	77 %
C. Total Life	23 %
Total Gross Written Premium	100 %



	2000	2001
A. Casco	142,323	137,652
B. Other Non-life	412,352	480,293
Total Non-life	554,675	617,945
C. Total Life	102,559	182,010
Total	657,234	799,955

Gross Written Premium by Classes

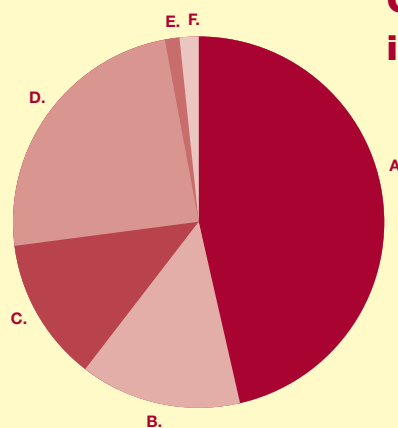
(in thousands SKK)



results

A. Corporate salesmen	45 %
B. Headquarters	16 %
C. Brokers	12 %
D. Tied agents	24 %
E. Telemarketing	1 %
F. Cross-selling	2 %
Total	100 %

The Share of Specialised Distribution Channels in Sales



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

Non-life insurance technical account

Revenues	2000	2001
Gross written premium	554,675	617,945
Reinsurance premium	-179,953	-237,565
Change in unearned premium (net)	-14,415	-5,192
Net earned premium	360,307	375,188
Technical investment income	16,860	13,389
Other technical revenues	290	885
Total technical revenues	377,457	389,462
Costs	2000	2001
Claims costs (net) ¹	-211,204	-187,602
Change in other technical reserves	-112	-466
Bonuses and rebates	-435	-1,498
Acquisition costs, administrative expenses and other technical costs (net) ²	-203,542	-173,853
Change in reserve for extraordinary risks	5,700	0
Total technical costs	-409,593	-363,419
Result in non-life technical account	-32,136	26,043

^{1,2} see notes on page 12

effective

Life insurance technical account

Revenues	2000	2001
Gross written premium	102,559	182,010
Reinsurance premium	-339	-413
Change in unearned premium reserves (net)	-9,803	-12,127
Net earned premium	92,417	169,470
Technical investment income (net)	5,578	9,747
Other technical revenues	1	21
Total technical revenues	97,996	179,238
Costs	2000	2001
Claims costs (net)	-5,063	-10,371
Change in other technical reserves	-36,849	-93,473
Bonuses and rebates	-211	-397
Acquisition costs, administration (net) ³	-95,346	-94,954
Other technical costs (net)	-848	-7,625
Total technical costs	-138,317	-206,820
Result in life technical account	-40,321	-27,582

³ see notes on page 12

Non-technical account	2000	2001
Non-technical investment income	17,373	16,980
Investment costs	-504	-212
Investment income to technical account (non-life)	-16,860	-13,389
Other income	304	207
Other costs	-791	-1,240
Other fees	-976	-1,188
Operating result after tax	-72,935	-381
Extraordinary income	1,044	1,494
Extraordinary costs	-1,032	-649
Extraordinary result	12	845
Total operating result	-73,899	464

Profit and Loss Account

(in thousands SKK)

and success

Assets	2000	2001
Intangible assets	66,629	60,978
Financial placement (investment) ⁴	284,413	388,180
Receivables	63,344	61,801
Out of which long-term	1,196	1,550
Other assets ⁵	37,338	39,387
Prepayments and accrued income	35,279	62,612
Total assets	487,003	612,958

Balance Sheet as at 31st

December 2001

(in thousands SKK)

Liabilities	2000	2001
Total shareholders funds ⁶	400,237	400,237
Technical reserves (net) ⁷	231,327	341,315
Reserve for other risks	0	6
Liabilities	35,720	34,342
Out of which long-term	0	1,890
Retained earnings	-118,798	-192,697
Accruals and deferred income	12,416	29,291
Result of the current accounting period	-73,899	464
Total liabilities	487,003	612,958

^{4, 5, 6, 7} see notes on page 12

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

	2000	2001
¹Claims costs non-life (net)	211,204	187,602
Claims costs (gross)	343,919	339,132
Reinsurers' share in claims	-132,715	-151,530
²Costs non-life	203,542	173,853
Acquisition costs	119,183	102,325
Administrative costs	111,808	132,844
Commissions from reinsurers	-52,194	-72,390
Net operating costs	178,797	162,779
Other technical costs	24,745	11,074
³Costs life	95,346	94,954
Acquisition costs	54,570	37,952
Administrative costs	40,776	57,002
⁴Financial placement (investment)	284,413	388,180
Land and buildings	5,795	5,632
Investments in subsidiaries	0	950
Other financial placements	278,618	381,598
Out of which long-term	92,484	116,936
⁵Other assets	37,338	39,387
Tangible assets	22,410	16,053
Property acquisition	0	0
Inventory	3,249	2,569

quick claims

Other financial assets	11,679	20,765
⁶Shareholders' capital and funds	400,237	400,237
Shareholders' capital	390,000	390,000
Basic reserve fund	0	0
Other capital funds	10,051	10,051
Loss prevention fund	186	186
⁷Technical reserves (net)	231,327	341,315
Unearned premium reserve (net)	69,160	86,479
Reserve for claims payment (net)	118,880	117,610
Reserve for life insurance	42,942	136,415
Reserve for bonus and rebates (net)	345	811
Technical reserves (net)	231,327	341,315
Technical reserves (gross)	522,914	640,158
Reinsurer's share in reserves	-291,587	-298,843

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 write-offs are realised in the 1st depreciation group.

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.

Selected Accounting Principles

handling

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).

Technical Reserves

List of Branches



availability of

Branches	Telephone	Fax	E-mail	Address
Banská Bystrica	048/415 33 51, 415 16 73	048/415 16 85	banska.bystrica@union.sk	Horná 18, 974 01 Banská Bystrica 1
Bratislava	02/50 24 92 66, 50 24 92 70	02/55 56 74 17	bratislava@union.sk	Páričkova 18, 813 60 Bratislava 1
Bratislava	02/54 13 12 46	02/54 43 21 25	bratislava@union.sk	Klobučnícka 7, 813 60 Bratislava 1
Humenné	057/775 75 54	057/775 75 56	humenne@pobocky.union.sk	Mierová 2, 066 01 Humenné 1
Košice	055/623 24 18, 623 24 19	055/622 02 17	kosice@union.sk	Hlavná 117, 040 01 Košice 1
Liptovský Mikuláš	044/551 44 52, 552 65 97	044/551 44 52	liptovsky.mikulas@union.sk	Belopotockého 2, 031 01 L. Mikuláš 1
Lučenec	047/433 13 33, 433 13 34	047/433 13 36	lucenec@union.sk	Bazovského 41, 984 01 Lučenec 1
Nitra	037/652 22 15, 652 22 22	037/652 22 26	nitra@union.sk	Štefánikova 30, 949 01 Nitra 1
Nové Zámky	035/640 00 47, 640 00 37	035/640 00 47	nove.zamky@union.sk	Nám. Slobody 1, 940 01 Nové Zámky 1
Poprad	052/772 38 07, 772 43 55	052/772 37 63	poprad@union.sk	Nám. Sv. Egídia 4/7, 058 01 Poprad 1
Prešov	051/772 46 45	051/773 13 86	presov@union.sk	Hlavná 23, 080 01 Prešov 1
Prievidza	046/542 19 51, 542 19 36	046/542 19 30	prievidza@union.sk	M. Mišíka 19/A, 971 01 Prievidza 1
Trenčín	032/744 25 74, 744 25 75	032/744 25 72	trencin@union.sk	Braneckého 7, 911 01 Trenčín 1
Trnava	033/551 33 56, 551 33 57	033/551 33 72	trnava@union.sk	Hlavná 2, 917 00 Trnava 1
Žilina	041/562 66 21, 562 48 19	041/562 06 04	zilina@union.sk	Národná 9, 010 01 Žilina 1

List of Sub-Branches

Sub-Branches	Telephone	Fax	E-mail	Address
Banská Bystrica	048/415 16 74	048/415 16 85	banska.bystrica@rpp.union.sk	Horná 18, 974 01 Banská Bystrica
Bardejov	054/474 41 29	054/474 41 29	bardejov@rpp.union.sk	Stöcklova 26, 085 01 Bardejov
Bratislava 1	02/54 43 20 05	02/54 43 21 25	bratislava1@rpp.union.sk	Klobučnícka 7, 813 60 Bratislava
Bratislava 2	02/50 24 92 72-73	02/55 56 74 17	bratislava2@rpp.union.sk	Páričkova 18, 813 60 Bratislava
Bratislava 3	02/50 24 93 45-46	02/55 56 74 17	bratislava3@rpp.union.sk	Páričkova 18, 813 60 Bratislava
Bratislava 4	02/50 24 93 61	02/55 56 74 17	bratislava4@union.sk	Páričkova 18, 813 60 Bratislava
Brezno	048/611 60 21	048/611 60 22	brezno@rpp.union.sk	Rázusova 7, 977 01 Brezno
Dolný Kubín	043/586 64 65	043/586 64 66	dolny.kubin@rpp.union.sk	Hviezdoslavovo nám. 21, 026 01 Dolný Kubín
Humenné	057/775 79 35	057/775 75 56	humenne@rpp.union.sk	Mierová 2, 066 01 Humenné
Komárno	035/770 01 84	035/770 01 84	komarno@rpp.union.sk	Pohraničná 21, 945 01 Komárno
Košice 1	055/625 04 59	055/625 04 53	kosice1@rpp.union.sk	Hlavná 58, 040 01 Košice
Košice 2	055/633 80 15	055/633 84 65	kosice2@rpp.union.sk	Gorkého 8, 040 01 Košice
Košice 3	055/625 04 59	055/625 04 53	kosice3@rpp.union.sk	Hlavná 58, 040 01 Košice
Krupina	045/551 25 53	045/551 25 53	krupina@rpp.union.sk	Nám. SNP 127/20, 963 01 Krupina
Levice	036/631 63 53	036/631 63 54	levice@rpp.union.sk	Nám. Šoltésovej 10, 934 01 Levice
Liptovský Mikuláš	044/551 43 14	044/551 43 14	liptovsky.mikulas@rpp.union.sk	Belopotockého 2, 031 01 Liptovský Mikuláš
Lučenec	047/433 22 14	047/433 13 36	lucenec@rpp.union.sk	Bazovského 41, 984 01 Lučenec

information

Martin	043/423 75 44	043/422 16 99	martin@rpp.union.sk	Osloboditeľov 64, 036 01 Martin
Michalovce	056/642 57 49	056/642 57 49	michalovce@rpp.union.sk	Nám. Osloboditeľov 1, 071 01 Michalovce
Nitra	037/652 22 18-19	037/741 13 91	nitra@rpp.union.sk	Štefánikova 30, 949 01 Nitra
Nové Zámky	035/640 26 06-07	035/640 00 47	nove.zamky@rpp.union.sk	Nám. Slobody 1, 940 01 Nové Zámky
Piešťany	033/772 93 68	033/772 93 68	piestany@rpp.union.sk	Rázusova 5, 921 01 Piešťany
Poprad	052/772 43 54	052/772 37 63	poprad@rpp.union.sk	Nám. Sv. Egídia 4/7, 058 01 Poprad
Prešov	051/772 46 83	051/773 13 86	presov@rpp.union.sk	Hlavná 23, 080 01 Prešov
Prievidza	046/542 19 67	046/542 19 30	prievidza@rpp.union.sk	M. Mišíka 19/A, 971 01 Prievidza
Rimavská Sobota	047/563 32 73	047/563 32 73	rimavska.sobota@rpp.union.sk	SNP 20, 979 01 Rimavská Sobota
Rožňava	058/732 96 66	058/732 96 66	roznava@rpp.union.sk	Šafárikova 21, 048 01 Rožňava
Senica	034/651 28 46	034/651 68 97	senica@rpp.union.sk	Nám. Oslobodenia 11, 905 01 Senica
Spišská Nová Ves	053/441 48 65	053/441 48 65	spisska.nova.ves@rpp.union.sk	Letná 47, 052 01 Spišská Nová Ves
Trenčín	032/744 25 71	032/744 25 72	trencin@rpp.union.sk	Braneckého 7, 911 01 Trenčín
Trnava	033/551 33 57-59	033/551 33 72	trnava@rpp.union.sk	Hlavná 2, 917 01 Trnava
Veľký Krtíš	047/483 18 98	047/483 18 98	velky.krtis@rpp.union.sk	Banícka, blok 2, 990 01 Veľký Krtíš
Vranov nad Topľou	057/443 16 90	057/443 16 90	vranov.nad.toplou@rpp.union.sk	B. Němcovej 1, 093 01 Vranov nad Topľou
Zvolen	045/533 39 62	045/533 39 74	zvolen@rpp.union.sk	J. Kozáčka 7, 960 01 Zvolen
Žilina	041/564 35 77	041/562 06 04	zilina@rpp.union.sk	Národná 9, 010 01 Žilina



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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 2001, from which the summary balance sheet and summary profit and loss account set out on pages 10 to 11 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 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 1 February 2002, 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. The financial statements for the year 2000 were audited by other auditors, who issued an unqualified opinion in their report dated 15 March 2001.

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 2001 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 2002
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 licencie audítora: 96
Licence number of statutory auditor: 96

ICO/Registration number: 31 548 238
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

