

Annual Report



člen skupiny ČSOB

2003

Contents

I.	A message of the Chairman of the Board of Directors	4
II.	Shareholders of ERGO poisťovňa	5
2.1	Board of Director	5
2.2	Supervisory Board	5
III.	History of ERGO poisťovňa	6
3.1	Foundation	6
3.2	Scope of activities	6
3.3	Shareholders	6
3.4	Rating	6
3.5	Membership	6
3.6	KBC Group	6
IV.	PROFILE of ERGO poisťovňa	6
4.1	Orientation of the company	6
4.2	Reinsurance	6
4.3	Branches	6
4.4	Vision, strategy after joining the ČSOB Group	7
4.5	Rebranding	7
V.	The CSOB Group in Slovakia and other Business Partners	8
VI.	Life insurance	9
6.1	Written premium	9
6.2	Claim settlement	9
6.3	Re-insurance	9
6.4	Future plans	9
VII.	Non-life insurance	10
VIII.	Corporate insurance	11
IX.	Reinsurance	11
X.	Financial Results	12
XI.	List of running products	31
11.1	Productst offered by financial consultants	31
11.2	Insurance of business risks and property	32
XII.	Sales points of the company	34



1. A MESSAGE OF THE CHAIRMAN OF THE BOARD OF DIRECTORS

Dear clients, business partners and shareholders,

We may say that the year 2003 has been one of the most significant years in the history of our insurance company so far. This year saw changes that had the ambition to move the development of our company towards the European quality level in the terms of providing insurance services and products.

The end of the last year was marked by changes in the ownership of ERGO poisťovňa, a.s. which went hand in hand with the membership of the largest financial group in Central Europe. At the turn of the year, ERGO Poisťovňa, a.s. became a new member of the ČSOB financial group.

Its current results rank ERGO poisťovňa, a.s. on the eight place among the 28 commercial insurance companies in Slovakia. We aim at not only sustaining our position on the market, but also at becoming a company that is capable to react flexible on market requirements. Furthermore, we want to create new insurance possibilities and focus on knowing our clients' needs. The contribution of a foreign investor with experience of the European insurance market will help us to improve to observe trends in the insurance field, to strengthen the orientation on clients and closely monitor their requirements and needs. The innovation strategy for life and non-life insurance products and services in particular brought tangible results in the last year.

The market share of our insurance company in the previous year confirms its stable position on the Slovak market. The total written premium in the Slovak Republic reached in 2003 41,811 billion SKK out of which the share of the non-life insurance was 24,803 billion SKK and the life insurance was 17,008 billion SKK. The proportion of non-life to life insurance in 2003 was 59% to 41%. In 2002, this index was 57% for non-life to 43% for life insurance. In comparison to 2002, the increase of life insurance slowed down. However, the launched pension reform is expected to bring a new impulse in the life insurance.

2003 brought changes in the visual aspect of the company's logo and 2004 constitutes a period of anticipated final transformation of the whole corporate identity of ERGO poisťovňa, a.s. These clearly successful activities accompany the transformation of ERGO poisťovňa, a.s. The launched co-operation with other members of the ČSOB financial group confirms that the tendency to extend the complexity of offered services is our daily work for clients. New products – Travel Insurance and Loans Insurance prove that nowadays, insurance becomes a common part of bank products.

Finally, I would like to express my belief in the success of the ongoing changes. I am convinced that all actions that have been already taken will move us closer to our clients' needs. Their satisfaction is and will be the most important driving force for improving our financial services today as well as in the future. Moreover, we are still able to offer all our clients a stable financial background, modern products of competitive quality and prices with professional consultancy.



Boris Čuchran
Chief Executive Officer
Member of Board of Director



2. Shareholders of ERGO poist'ovna

	on 31.12.2003	as of 11.2.2004
KBC Insurance NV Leuven, Belgium	40%	75%
ČSOB Pojišťovna, a.s. Pardubice Czech Republic	35%	0
Prvá slovenská investičná skupina, a.s. Bratislava, Slovakia	25%	25%

2.1 Bodies of ERGO poist'ovna

Board of Directors

Boris ČUCHRAN	Chairman of the Board of Directors Chief Executive Officer of ERGO Poist'ovna a.s.
Vladimír KOŽUCH	Member of the Board of Directors as of 13/06/2003
Ľudovít KRISTINÍK	Member of the Board of Directors
Ludo SWINNEN	Member of the Board of Directors
Dalibor PAVEL	Member of the Board of Directors until 15/07/2003

2.2 Supervisory Board

Chris DEFRANCO	Chairman of the Supervisory Board Chief Executive Officer of KBC Insurance NV
Albert J. KESSLER	Member of the Supervisory Board
Jeroen van LEEUWEN	Member of the Supervisory Board
Vladimír RAJČÁK	Member of the Supervisory Board
Jan LAMSER	Member of the Supervisory Board as of 17/10/2003
Carl ROSSEY	Member of the Supervisory Board until 17/10/2003
Peter VAJDA	Member of the Supervisory Board



3. History of ERGO poisťovňa, a.s.

3.1 Foundation

ERGO poisťovňa was founded on January 1, 1992 as an insurance company specialised in legal services insurance.

3.2 Scope of activities

The significant capital contribution of ČSOB poisťovňa, a.s. Pardubice to ERGO Poisťovňa, a.s. in 1995 resulted in an extension of the scope of activities in the field of life and non-life insurance. The particular insurance products offered by ERGO poisťovňa, a.s. had passed the difficult test of the Czech insurance market and became a successful part of ERGO's product portfolio.

3.3 Shareholders

Based on the acquisition agreements of August 2002, the Belgian company KBC Insurance NV became a new shareholder in the same month. KBC Insurance NV is a part of the bank and insurance group KBC Bank & Insurance Holding. It is also the majority shareholder of Československá obchodní banka, a.s. (ČSOB). The daughter companies of the bank in Slovakia are ČSOB Stavebná sporiteľňa a.s., ČSOB Leasing, a.s. and OB HELLER Factoring, a.s. Other Central European KBC members are: the insurance company Warta in Poland, Argozs and K&H Eljetbiztosító in Hungary and ČSOB poisťovňa Pardubice in the Czech Republic.

On December 31, 2003 75% of the share was owned by the KBC/ČSOB group and 25% by Prvá slovenská investičná skupina, a.s.

3.4 Rating

In 2001, ERGO poisťovňa was as the first insurance company in Slovakia rated Ba, the second highest possible level of international rating for companies in Slovakia. This rating reflects the value and quality of the company, its capability to meet its obligations to clients. The rating was given by CRA RATING Agency, an associated company of Moody's Investors Service – the leader in rating evaluation.

3.5 Membership

ERGO poisťovňa is one of the founding members of the Slovak Association of Insurers.

3.6 KBC Group

KBC Group (KBC Bank NV, Moody's Rating Aa3 / P-1) is a Belgian bank-insurance group established in 1998 by merging activities of the banks Kredietbank, CERA Bank and ABB insurance company. The group is institutionally sheltered by KBC Bank and Insurance Holding Company NV and is run by 3 daughter companies – KBC Bank NV, KBC Insurance NV and KBC Asset Management NV. All other companies in the KBC group are (in)directly owned by these 3 companies. The KBC group spreads its activities among 30 countries employing more than 43.000 people.

6

4. ERGO poisťovňa, a.s. PROFILE

Head Office:	Drieňová 7, 821 02 Bratislava 2, Slovakia
Commencement of activity:	June 9, 1992
Share capital:	350 mil SKK

4.1 Orientation of the company

The main activity of the company is providing services in life and non-life insurance. ERGO poisťovňa, a.s. is a universal insurance company offering a wide range of life and property insurance. Moreover, it provides insurance for entrepreneurs, their property, business risks and liabilities. High quality insurance services are offered to corporate organisations as well.

4.2 Reinsurance

The reinsurance programme of ERGO poisťovňa is created by the insurance and reinsurance broker – Benfield Group seated in London.

The underwriting capacity of ERGO poisťovňa is covered by renowned international re-insurers, most of who are rated AAA, AA or A by Standard & Poors.

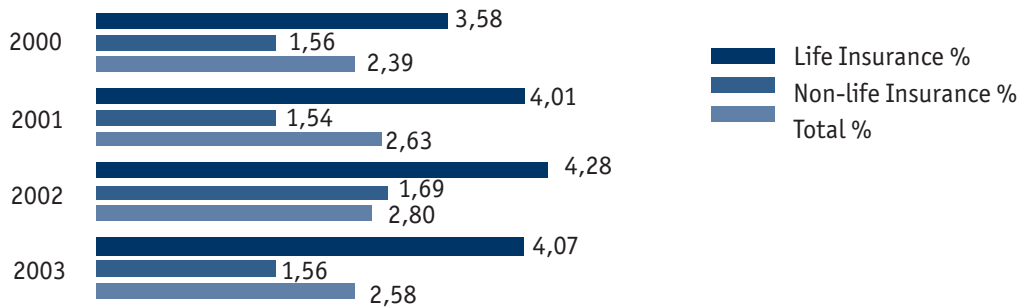
4.3 Branches

Nowadays, the ERGO's branch network spreads across 31 Slovak towns and involves a range of other co-operating entities. It also uses the services of exclusive agents and insurance broker companies along with the ČSOB Bank branches in Slovakia.



Table No. 1
Market share – development

The development of Slovak insurance market share of ERGO poisťovňa.



4.4 Vision, strategy after joining the ČSOB financial group

ERGO poisťovňa is a member of a strong multinational group and covers life and non-life insurance within Slovakia. It plans to provide its clients with complex financial consultancy with a possibility to use the services of other ČSOB group companies. Current changes and transformation of ERGO poisťovňa take place in a period of chances resulting from Slovakia's participation in the European integration process.

We hope that ERGO's joining the strongest financial group in Central Europe will bring better possibilities in providing insurance and financial services. International experience, a larger space and prospects of co-operation within the group, knowledge, experience in European financial market – these are only a few means that will help us reach our objectives. We wish to create such conditions for our current and potential clients, which will develop our mutual relationship towards the satisfaction of either party.

These are our strategic objectives for the following period:

- further stabilisation of the company's financial background
- modern products at one sales point with a full product spectrum
- 1st class quality services at a reasonable price
- pleasant, responsible and professional attitude of our staff to our clients

Our priority within the company is mainly the growth of the professional potential of our staff. We consider the improvement of communication techniques and culture as one of the key aspects of the contact with clients. We also consider serious interest in our own employees as an invaluable investment into our future. Our aim is to become an attractive employer capable of creating pleasant and quality environment and conditions as well as a feeling of partnership and loyalty of our employees towards our company. We believe that by improving the internal environment, the relations within the company and a long-term profitability, we become a reliable and profitable investment for our shareholders too.

4.5 Rebranding

The contribution of a new shareholder initiated the process of changing the logo and commercial name of ERGO poisťovňa, a.s. as the KBC financial group uses the uniform brand ČSOB combined with the KBC logo in the Czech Republic and Slovakia. Compare the logo of the mother company KBC and ČSOB.



In order to gain more information essential for the decision on further actions concerning ERGO poisťovňa, a.s., a quantitative survey took place on a group of our clients and clients of other insurance companies.

The outcome of the survey confirmed that the found-out information is conform to our market position. The priority of the ČSOB financial group is to provide clients as much advantages as possible resulting from the mutual co-operation. In addition to this, using the commercial potential of the ČSOB brand would be an effective option for ERGO poisťovňa, a.s. Taking into consideration the survey outcome, the following sequence in the rebranding was agreed on:



Step 1 – Transition period

Change of logo with keeping the old commercial name, but with the change of symbol – i.e. the symbol of ram substituted by the KBC symbol.



Carried out in August 2003.

Graphic change.

Step 2 – Change of the commercial name and logo into ČSOB Poist'ovňa, a.s. with the KBC symbol.
The change of the brand and commercial name will be completed in August 2004.



Organisation structure

See separate annex in segmentation according to divisions.

5. THE ČSOB GROUP IN SLOVAKIA AND OTHER BUSINESS PARTNERS

After the capital contribution of KBC Insurance NV, ERGO poist'ovňa, a.s. became a member of the ČSOB financial group along other members – ČSOB Bank, ČSOB Stavebná Sporiteľňa, ČSOB Leasing and OB HELLER Factoring. These companies collaborate closely and occupy prominent positions in the ranking of the Slovak financial sector.

The collaboration within the financial group launched a gradual introduction of banc assurance – sales of insurance products via bank branches. The first step was the sell of Travel Insurance as of June 2003 followed by the Consumer Loans Insurance and other products.

The first leasing company in Slovakia B.O.F. Leasing is an important business partner of our company. Thanks to a variety of its products, it is able to offer complex universal-oriented services of financial leasing.

ZFP Akademia, a.s., an international broker company active also on the Slovak market, belongs to eminent partners as well. Furthermore, our insurance company co-operates with a range of other renowned broker companies.



6. LIFE INSURANCE

ERGO poisťovňa, a.s. experienced a successful year in 2003. This fact reflected in the increase of written premium and the number of clients. The company again confirmed its strong position on the insurance market.

2003 also saw the improvement of the quality of services to our clients. We introduced new products, extended the product scale and the range of insurance coverage by the additional insurance of dread diseases.

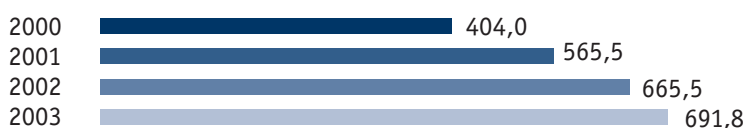
In 2003, ERGO poisťovňa, a.s. earned the market share in life insurance in the extent of 4,1% which ranks the company on the 6th position out of 21 insurance companies within the Slovak Association of Insurers.

In 2003, the company reached a favourable valuation of premium technical reserve up to 6,4% for its clients by secure and prudent investment.

6.1 Written premium

ERGO poisťovňa, a.s. reached the written premium total of 691,825 mil SKK in life insurance (including accident additional insurance), which was a 4 % increase in comparison to 2002. The number of concluded policies reached 144.271.

Development of written premium (in mil SKK)



In 2003, 15.172 new life policies were concluded. The largest share was held by the OPTIMUS product. The new products KVARTETO and ŠTVORLÍSTOK which cover the dread disease risk experienced a successful launch in sales as well.

6.2 Claim settlement

7.497 claims within personal insurance were reported in 2003, which means an increase by 19% comparing to the previous year. 6.588 claims were settled and the settlement ratio was about 88%.

Our insurance company spent 65,6 mil SKK on claim payments, which is an increase by 12% compared to the previous year. The greatest volume of claim payments was made by accident payments in the sum of 62,8 mil SKK. This fact was influenced by the possibility of lowering the limit of daily compensation payment from 29 to 15 days of treatment and the limit of permanent after-effects from 10% to 1% plus an option of additional insurance – progressive permanent after-effects payment.

6.3 Re-insurance

The re-insurance of a part of the life insurance portfolio followed the tendency of previous years and traditional co-operation with prominent re-insurers. The growing portfolio and extended life insurance offer go hand in hand with an unfolding collaboration within the optional re-insurance.

6.4 Future plans

Our activities will further focus on providing quality services of European standard to our clients.

ERGO Poisťovňa, a.s. will continue to extend its product scale so that it further meets the changing requirements of the clients. We will focus on both the development of products sold in own sales net and the banc assurance where the KBC group belongs to leaders on the European market. In 2004, we plan the introduction of mortgage loans insurance in co-operation with ČSOB as well as the preparation of a new life investment insurance.

Our aim is to provide clients complex service together with other companies of our financial group in the following years. We can reach this easily with the help of knowledge and long experience of our mother company KBC.



7. NON-LIFE INSURANCE

The main aim of non-life insurance in 2003 was a maximum growth in the sales volume of non-life insurance products as well in insurance of SMEs. We focused on improving the claim settlement processes and optimisation of the policy management – back-office. These particular goals were formed based on the need to cut the costs of the Non-Life Insurance Division.

As in life insurance, also within the non-life risks we began to carry out first systematic steps for distributing our products via ČSOB Bank and sales channels of other ČSOB group partners.

The year 2003 saw also the increase in quality of services to our clients. We extended our product scope by introducing new products. All products meet the basic criteria and are therefore client-friendly, profitable and technically easy to sell. In 2003, the Product Management Department was created within the Division of Non-Life Insurance; its task is the development and management of existing and new products of non-life insurance. All products are designed for sales in our internal network and for possible distribution within the ČSOB group in Slovakia.

Development in written premium (in mil. SKK)



In 2003, we upgraded, launched the sales of or began developing the following products:

ERGOLEX – MTPL (Compulsory Motor Third Party Liability Insurance)

The sales of this state-regulated product, reached the total written premium of 65 mil SKK. The number of insured cars rose by 39%. During the whole year of 2003, we strictly held onto our underwriting policy. This fact reflected in our excellent claim ratio that was lower than the claim ratio on the MTPL market.

Motor Hull Insurance CASCO

In 2003, we transformed successfully most of the portfolio of the ERGOCAR product into the high quality product VARIANT. The very good claim ratio justified the introduction of a strict underwriting control.

DOMOS – Immovable Property and Household Insurance

As the DOMOS product was considered to be too complicated for our sales net, we developed a new product – DOMOS Kompakt. It is a unique product on the market thanks to its simplicity and concept. At the same time, we upgraded and simplified the already existing product DOMOS Klasik. Hence, these two represent one product line consisting of two products.

TRAVEL INSURANCE

This brand new product was introduced to our sales network and the ČSOB sales network as of June 1, 2003. It became the first product of banc assurance within the ČSOB group in Slovakia. Despite the fact that the whole product with its sales processes were developed very fast, we managed to exceed the planned sales volume.

Improvement of claim settlement service

In 2003, we carried out an important internal project within the claim settlement service. Its task was to monitor the settlements, to identify the obstacles in the settlement process and to implement the improvements within a short time horizon. The first phase of the project was successfully accomplished.

In 2004 and the years after, we will continue to focus on the development of new products as well as the upgrade of the existing ones in order to accommodate even more our clients' needs.



8. CORPORATE INSURANCE

In 2003, the corporate insurance was separated from the non-life insurance within the new organisational structure. This insurance is oriented on providing service in corporate and entrepreneurs insurance. The results and observed ratios ranked ERGO poisťovňa, a.s. among the top ten on the Slovak insurance market. Within the product and services offer, our company focused on providing individual service not only to the large industry clients but also to small and medium entrepreneurs.

Our insurance company reached the volume of 240.694.596,- SKK in sales production in 2003.

BUSINESS PRODUCTION OF CORPORATE INSURANCE AND ENTREPRENEUR

In classification by separate insurance risk (corporate + Small Medium Enterprises) year 2003

Insurance Risk	Business Produktion in Sk	% Share
Element	69 888 583	29.0
Theft	21 184 214	8.8
Transport	2 946 775	1.2
Casco	116 040 836	48.2
Machines	11 080 369	4.6
Glass	778 408	0.3
Profit Loss	3 808 737	1.6
Liability	12 714 140	5.3
Seating	2 252 574	0.9
Total	240 694 636	100.0

Structure of sales production

In 2003, we paid more attention to corporate insurance, especially technical risks insurance. This orientation fits into our long-term strategy of corporate insurance focusing on a high quality of risk underwriting and a decrease of claim ratio.

9. REINSURANCE

The reinsurance plan of ERGO poisťovňa, a.s. was executed by the reinsurance broker Benfield Group Ltd. seated in London. The main re-insurer is GE Frankona Re who has the highest levels of Standard & Poor 's rating like most of our re-insurers.

Our quality reinsurance enables us to participate on the insurance of companies with a high-value property. It also contributes to reliable and fast settlement of obligations towards clients in case of a claim.

Annexes

X. FINANCIAL RESULTS

B. PLACEMENT OF INSURANCE-TECHNICAL RESERVES



BALANCE SHEET (in thousand SKK)

as at 31/12/2003

Item	Line	Current period		Net amount last year		
No.	Description	Gross Adjustment amount		Net amount		
a	b	c	1	2	3	4
	ASSETS	X				
A.	Intangible Assets, of which	1	39 636	31 899	7 738	14 239
I.	Start up costs	2	x	x	x	x
II.	Goodwill	3	x	x	x	x
B.	Financial Placement	4	1 821 723	1 605	1 820 118	1 304 374
I.	Land and buildings	5	23 730	1 605	22 125	22 818
1.	Land and buildings for operating activity	6	23 730	1 605	22 125	22 818
II.	Financial placements in enterprises and other long term receivables	7	x	x	x	x
1.	Shares and deposits in enterprises with majority interest	8	x	x	x	x
2.	Shares and deposits in enterprises with significant interest	9	x	x	x	x
3.	Bonds issued by enterprises with majority interest	10	x	x	x	x
4.	Bonds issued by enterprises with significant interest	11	x	x	x	x
5.	Other long term receivables	12	x	x	x	x
III.	Other financial placements	13	1 797 993	x	1 797 993	1 281 557
1.	Securities with variable interest rates	14	18 090	x	18 090	41 636
2.	Securities with fixed interest rates	15	1 720 670	x	1 720 670	1 189 674
3.	Debentures and other bonds purchased in primary issues determined not for trading	16	x	x	x	x
4.	Other loans	17	x	x	x	x
5.	Deposits in banks	18	59 233	x	59 233	50 247
6.	Other financial placements	19	x	x	x	x
IV.	Reinsurance placements	20	x	x	x	x
C.	Financial placement from unit link	21	x	x	x	x



Item	Line	Current period		Net amount last year		
No.	Description	Gross Adjustment amount		Net amount		
a	b	c	1	2	3	4
	ASSETS	X				
D. Receivables, of which		22	119 229	53 311	65 918	73 072
I. Receivables from insurance		23	113 962	52 573	61 389	68 554
1. Receivables from direct insurance of which		24	107 351	46 462	60 889	66 834
1a. Receivables from enterprises in which the company owns majority interest		25	x	x	x	x
1b. Receivables from enterprises in which the company owns significant interest		26	x	x	x	x
2. Receivables from agents, of which		27	6 611	6 111	500	1 721
2a. Receivables from enterprises in which the company owns majority interest		28	x	x	x	x
2b. Receivables from enterprises in which the company owns significant interest		29	x	x	x	x
II. Receivables from reinsurance, of which		30	609	x	609	2 108
1. Receivables from enterprises in which the company owns majority interest		31	x	x	x	x
2. Receivables from enterprises in which the company owns significant interest		32	x	x	x	x
III. Other receivables, of which		33	4 658	738	3 920	2 410
1. Receivables from enterprises in which the company owns majority interest		34	x	x	x	x
2. Receivables from enterprises in which the company owns significant interest		35	x	x	x	x
IV. Receivables from subscribed share capital		36	x	x	x	x
E. Other assets		37	152 550	84 976	67 573	40 228
I. Tangible assets and inventory		38	115 763	84 976	30 787	38 740
II. Cash, bank accounts, other financial assets		39	36 523	x	36 523	1 487
III. Another assets		40	263	x	263	x
F. Accruals and prepayments		41	179 164	x	179 164	243 499
I. Rent		42	49 831	x	49 831	53 607
II. Acquisition costs for insurance policies		43	123 881	x	123 881	121 890
III. Other accruals and prepayments		44	5 452	x	5 452	68 002
Total Assets		45	2 312 301	171 791	2 140 511	1 675 412
Control Number		998	8 832 953	537 652	8 295 302	6 384 927



	Item	Line riadku	Current period	Previous period
No.	Description		Brutto	Netto
a	b	c	5	6
	LIABILITIES	X		
	A. Equity	46	314 837	296 484
	I. Share capital, of which	47	350 000	350 000
	1. Fully paid share capital	48	350 000	350 000
	II. Own shares (-)	49	0	0
	III. Share premium	50	17 000	17 000
	IV. Other capital funds	51	0	0
	V. Revaluation differences from assets and liabilities	52	0	0
	VI. Reserve funds and other funds created from profit	53	0	0
	VII. Retained earnings	54	-37 094	-12 377
	VIII. Current period profit	55	-15 069	-58 139
	B. Sub-ordinate liabilities	56	0	0
	C. Technical reserves	57	1 639 577	1 268 929
	I. Unearned premium reserve	58	63 818	41 278
	1. Gross Amount	59	72 975	74 820
	2. Reinsured Amount (-)	60	-9 157	-33 542
	II. Life insurance reserve	61	1 455 061	1 143 296
	1. Gross Amount	62	1 455 061	1 143 296
	2. Reinsured Amount (-)	63	0	0
	III. Claims reserve	64	107 772	72 450
	1. Gross Amount	65	146 907	113 180
	2. Reinsured Amount (-)	66	-39 135	-40 730
	IV. Bonuses and discounts reserve	67	10 049	9 027
	1. Gross Amount	68	10 997	22 567
	2. Reinsured Amount (-)	69	-948	-13 540
	V. Extraordinary risk reserve	70	2 805	2 805
	VI. Other technical reserves	71	72	72
	1. Gross Amount	72	72	72
	2. Reinsured Amount (-)	73	0	0
	D. Unit link reserve	74	0	0
	1. Gross Amount	75	0	0
	2. Reinsured Amount (-)	76	0	0
	E. Reserves	77	24 000	2 747
	F. Deposits from reinsures	78	0	0



	Item	Line riadku	Current period	Previous period
No.	Description		Brutto	Netto
a	b	c	5	6
G.	Liabilities, of which	79	119 867	79 717
I.	Liabilities from direct insurance, of which	80	32 782	42 076
1a.	Liabilities against enterprises in which company owns majority interest	81	0	0
1b.	Liabilities against enterprises in which the company owns significant interest	82	0	0
II.	Liabilities from reinsurance, of which	83	11 598	11 186
1a.	Liabilities against enterprises in which the company owns majority interest	84	0	0
1b.	Liabilities against enterprises in which the company owns significant interest	85	0	0
III.	Loans guaranteed by bonds, of which	86	0	0
1.	Loans guaranteed by bonds in convertible currency	87	0	0
1a.	Liabilities against enterprises in which the company owns majority interest	88	0	0
1b.	Liabilities against enterprises in which the company owns significant interest	89	0	0
2.	Other loans guaranteed by bonds	90	0	0
2a.	Liabilities against enterprises in which the company owns majority interest	91	0	0
2b.	Liabilities against enterprises in which the company owns significant interest	92	0	0
IV.	Bank Loans	93	0	0
V.	Other Liabilities, of which	94	75 487	26 455
1.	Tax liabilities	95	6 289	1 479
2.	Liabilities from social and health insurance	96	2 424	3 193
H.	Accruals and deferred income	97	42 229	27 535
	Total Liabilities	98	2 140 511	1 675 412
	Control Number	999	8 350 787	6 284 338



PROFIT AND LOSS STATEMENT (in thousands SKK)

at 31/12/2003

Item		Line	Current period		Net amount last year	
No.	Description		Gross Adjustment amount		Net amount	
a	b	c	1	2	3	4
I.	GENERAL INSURANCE TECHNICAL ACCOUNT	1	x	x	x	x
1.	Insurance premium, net	2	x	x	x	x
1a.	Insurance premium, gross amount	3	386 956	x	x	x
1b.	Insurance premium gross amount transferred to re-insurers	4	-154 658	232 298	x	x
1c.	Change in unearned premium reserve	5	3 419	x	x	x
1d.	Change in unearned premium reinsured	6	-24 384	-20 965	211 333	162 218
2.	Revenues from financial placement transferred from non-technical account	7	x	x		4 272
3.	Other technical revenues, net	8	x	x	3 803	7 849
4.	Cost of claims, net	9	x	x	x	x
4a.	Cost of claims	10	179 549	x	x	x
4aa.	Cost of claims transferred to re-insurers	11	-65 990	113 559	x	x
4b.	Change in claims reserve, gross	12	24 946	x	x	x
4ba.	Change in claims reserve, reinsured	13	1 595	26 541	-140 100	-95 030
5.	Change in other technical reserves, net	14	x	x	-1 022	-3 578
6.	Bonuses and discounts, net	15	x	x	x	-21 627
7.	Net operating costs	16	x	x	x	x
7a.	Acquisition costs of insurance policies	17	x	52 235	x	x
7b.	Change in acquisition costs reinsured	18	x	x	x	x
7c.	Administration overheads	19	x	146 169	x	x
7d.	Commissions from re-insurers and received share on profit	20	x	-32 373	-166 030	-82 860
8.	Other technical costs, net	21	x	x	-15 388	-10 217
9.	Change in extraordinary risk reserve	22	x	x	x	-696
10.	Result from general insurance	23	x	x	-107 405	-39 669



Item	Line	Current period		Net amount last year		
No.	Description	Gross Adjustment amount		Net amount		
a	b	c	1	2	3	4
II.	LIFE INSURANCE TECHNICAL ACCOUNT	24	x	x	x	x
1.	Earned premium, gross	25	x	x	x	x
1a.	Insurance premium, gross amount	26	x	691 825	x	x
1b.	Insurance premium gross amount transferred to re-insurers	27	x	-755	x	x
1c.	Change in unearned premium reserve, gross	28	x	-1 556	689 514	675 760
2.	Revenues from financial placement	29	x	x	x	x
2a.	Revenues from shares and deposits in enterprises with majority interest	30	x	x	x	x
2b.	Revenues from other financial placement in enterprises with majority interest	31	x	x	x	x
2ba.	Revenues from lands and buildings	32	x	x	x	x
2bb.	Revenues from other financial placement	33	134 808	134 808	x	x
2c.	Utilization of provisions against financial placement	34	x	0	x	x
2d.	Revenues from realization of financial placement	35	x	565 970	700 778	823 044
3.	Unrealized additions to financial placement	36	x	x	27 514	x
4.	Other technical revenues, net	37	x	x	336	7 882
5.	Cost of claims, net	38	x	x	x	x
5a.	Cost of claims	39	192 187	x	x	x
5aa.	Cost of claims transferred to re-insurers	40	0	192 187	x	x
5b.	Change in claim reserve	41	-8 799	x	x	x
5ba.	Change in insurance claims reserve reinsured	42	0	-8 799	-200 986	-156 761
6.	Change in other technical reserves, net	43	x	x	x	x
6a.	Change in life insurance reserve, net	44	311 765	x	x	x
6aa.	Change in life insurance reserve reinsured	45	0	311 765	x	x
6b.	Change in other technical reserves, net	46	x	0	-311 765	-333 245
7.	Commissions and rebates, net	47	x	x	0	x
8.	Net operating costs	48	x	x	x	x
8a.	Acquisition costs of insurance policies	49	x	71 923	x	x
8b.	Change in acquisition costs reinsured	50	x	x	x	x
8c.	Administration overheads	51	x	127 276	x	x
8d.	Commission from re-insurers and shares on profit received	52	x	-187	-199 012	-239 852
9.	Cost of financial placement	53	x	x	x	x
9a.	Cost of financial placement	54	x	109 481	x	x
9b.	Creation of provisions to financial placement	55	x	x	x	x
9c.	Costs of realization of financial placement	56	x	489 904	-599 385	-742 196



Item		Line	Current period		Net amount last year	
No.	Description		Gross Adjustment		Net	
			amount		amount	
a	b	c	1	2	3	4
10.	Unrealized losses from financial placement	57	x	x	x	x
11.	Other technical costs, net	58	x	x	-4 948	-12 810
12.	Revenues from financial placement transferred to non-technical account	59	x	x	x	x
13.	Result from life-insurance	60	x	x	102 046	21 822
III.	NON-TECHNICAL ACCOUNT	61	x	x	x	x
1.	General insurance technical account result	62	x	x	-107 405	-39 669
2.	Life insurance technical account result	63	x	x	102 046	21 822
3.	Revenues from financial placement	64	x	x	x	x
3a.	Revenues from shares and deposits in enterprises with majority interest	65	x	x	x	x
3b.	Revenues from other financial placement in enterprises with majority	66	x	x	x	x
3ba.	Revenues from lands and buildings	67	x	x	x	x
3bb.	Revenues from other financial placement	68	20 778	20 778	x	x
3c.	Utilization of provisions against financial placement	69	x	0	x	x
3d.	Revenues from realization of financial placement	70	x	130 850	151 628	38 081
4.	Unrealized additions to financial placements	71	x	x	2 615	x
5.	Revenues from financial placements transferred	72	x	x	0	x
6.	Cost of financial placement	73	x	x	x	x
6a.	Cost of financial placement	74	x	15 854	x	x
6b.	Creation of provisions to financial placement	75	x	0	x	x
6c.	Costs of realization of financial placement	76	x	119 230	-135 084	-32 123
7.	Unrealized losses from financial placement	77	x	x	x	x
8.	Result from financial placements transferred	78	x	x	0	-4 272
9.	Other revenues	79	x	x	3 183	4 032
10.	Other costs	80	x	x	-24 616	-2 966
11.	Other taxes and fees	81	x	x	-1 970	-1 695
12.	Income from ordinary activities	82	x	x	-5 466	x
13.	Profit or loss after taxation from ordinary activities	83	x	x	-15 069	-16 790
14.	Extraordinary revenues	84	x	x	0	86
15.	Extraordinary costs	85	x	x	0	-41 436
16.	Profit or loss from extraordinary activities	86	x	x	0	-41 349
17.	Income tax from extraordinary activities	87	x	x	0	x
18.	Profit or loss for the period	88	x	x	-15 069	-58 139
	Control Number	999	1 002 172	3 488 018	-55 924	-210 112



1. GENERAL INFORMATION

a) ERGO poisťovňa a.s. (hereafter "Company") was founded on June 9, 1992 and registered in the Trade Register on June 9, 1992. On September 4, 1995 it was granted a permission to perform insurance activities. The Company's seat is located in Drieňová 7, 821 02 Bratislava. The Company Registration Number is 31 325 416.

b) In accordance with the Trade Register Record, the main activities of the Company are:

I insurance activities in life, non-life and accident insurance, and concluding mediation contracts with natural persons and legal entities in the territory of Slovakia for the purpose of concluding the insurance in the extent of the permission assigned by the Ministry of Finance of the Slovak Republic.

c) On December 31, 2003 the Board of Directors consisted of:

Name	Function
Boris Čuchran	Chairman
Vladimír Kožuch	Member
Ľudovít Kristiník	Member
Ludo Swinnen	Member

d) On December 31, 2003 the Supervisory Board consisted of:

Name	Function
Chris Defrancq	Chairman
Albert J. Kessler	Member
Jan Lamser	Member
Jeroen van Leeuwen	Member
Vladimír Rajčák	Member
Peter Vajda	Member

e) On December 31, 2003 the structure of shareholders the following:

Name	Share amount in share capital		
	Total amount in SKK	In %	Number of votes
Prvá slovenská investičná skupina a.s.	87.000.000	24,86	174 votes
ČSOB Pojišťovna, a.s.	123.000.000	35,14	246 votes
KBC Insurance NV	140.000.000	40,00	280 votes

f) An average number of employees in the course of 2003 was 246 (compared to 318 in 2002), 12 out of which in leading functions.

g) On May 19, 2003 the Company's General Meeting approved the financial statement for 2002.



2. ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES

a) Principle accounting policies

The ordinary financial statements of the Company have been prepared on the going concern basis in accordance with the requirements of Act 431/2002 Coll. on Accounting as amended. The Company consistently applied the accounting methods and general accounting principles except for the following changes:

Valuation of securities and shares, foreign exchange assets and liabilities and deferred tax calculation. Changes of the methods are described below (in relevant paragraphs). As the structure of the balance sheet and the income statement have been changed as of January 1, 2003, the data for the previous accounting period (from January 1, 2002 to December 31, 2002) shown in the balance sheet and the income statement have been adjusted accordingly without affecting the profit/(loss), equity, or the total value of assets and liabilities.

b) Transaction date

The transaction date is the date of acquisition or termination of ownership title, acquisition of the right to third party items, decision of a state body on origination of a receivable or payable. The transaction date of receivables from insurance and reinsurance at the amount of prescribed gross premium is the date of insurance policy, co-insurance contract or reinsurance contract or any other date specified in these contracts.

The transaction date for the acquisition or sale of securities is the day of settlement of the deal.

c) Non-current tangible and intangible assets

Purchased non-current tangible assets are valued at acquisition cost that includes the acquisition price and the related costs. As of January 1, 2003 realized foreign exchange differences and loan interest are not included in the acquisition cost.

Amortisation starts as of the first day of the month when the asset is put in use.

Non-current intangible assets are amortized in accordance with amortization plan using a straight-line method, based on estimated economic useful life of the asset, subject to a maximum of 5 years.

Low-value, non-current intangible assets with an acquisition cost (or own cost) not exceeding SKK 50.000 (until December 31, 2002: SKK 40.000) are depreciated when put into use.

Estimated economic useful life and amortization method are shown in the following chart:

	Estimated economic useful life	Depreciation method in years
Software	4 years	Straight-line

Non-current tangible assets are depreciated according to a depreciation plan prepared based on estimated economic useful life of the asset and its expected wear-and-tear.

Low-value non-current tangible assets with acquisition cost not exceeding SKK 30.000 (until December 31, 2002: SKK 20.000) are written off when put into use.



2. ACCOUNTING POLICIES AND GENERAL ACCOUNTING

a) Non - current tangible and intangible assets (continued)

Estimated economic useful life and depreciation method are shown in the following chart

	Estimated economic useful life	Depreciation method
Buildings, halls and constructions	30 years	Straight-line
Machinery and equipment	12 years	Straight-line
Vehicles	4 years	Straight-line
Office equipment	6 years	Straight-line

A provision is set-up, where necessary, for temporary diminution in the value of a non-current tangible asset.

d) Financial placement

The Company uses funds from the financial placements to cover the technical reserves. The financial placements are structured as follows:

- 1) Term deposits in banks
- 2) Securities:
 - I) held to maturity - securities with fixed interest rate
 - II) available for sale - unit trust

When acquired, securities are stated at cost, which includes direct costs on transactions with securities. At balance sheet date, securities are stated as follows:

1) Securities held to maturity are stated at accumulated value. The value used at the transaction date is adjusted for the amount of interest expense or interest income, calculated using the effective interest rate.

A provision is created in the case of temporary diminution in the value of securities held to maturity to reflect their realizable value. A provision is created for individual bonds held to maturity only in the case of increased credit risk of the bond issuer. A provision is not created for interest rate fluctuations related to the risk free financial instruments.

The effective interest rate method is the way of calculating the amortization. This method is used to exactly express future cash flows discounted to present value at the valuation or maturity date.

2) Available for sale securities are stated at fair value Changes in the fair value are posted directly to current year revenues and costs with corresponding entries on securities accounts.

Prior to 2003 securities were stated at acquisition price.

On January 1, 2003 they were revaluated to market price, this revaluation was adjusted to equity.

e) Receivables

When originated, receivables are stated at their nominal value. A provision is set up for bad and doubtful debts as well as for receivables from debtors in bankruptcy, based on receivables ageing analysis and analysis of credibility of customers.

For receivables outstanding, more than one year 100% provision is created. For receivables outstanding between 180 and 360 days 35% provision is created.



2. ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES (continued)

f) Liabilities

Liabilities and accruals and deferred income are stated at nominal value.

g) Bank accounts and cash in hand

Bank accounts and cash in hand are stated at their nominal value. A provision is created for the diminution of the value of bank accounts and cash in hand to reflect their realizable value.

h) Deferred expenses and accrued income

Deferred expenses and accrued income are stated at nominal value, while presented at the amount reflecting the accrual principle (correspondence in fact and timing with the accounting period).

i) Deferred tax

Deferred tax (deferred tax asset and deferred tax liability) relates to:

- a) temporary differences between the carrying value of assets and carrying value of liabilities shown in the balance sheet and their tax base,
- b) the possibility to carry forward a tax loss to future periods, which means the possibility to deduct the tax loss from the tax base in the future,
- c) the possibility to transfer unused tax deductions and other tax claims to future periods.

A deferred tax asset arising from deductible temporary differences is only recognized, if it is probable, that a tax base will be recorded, against which these deductible differences could be utilized.

j) Deferred revenues and accrued expenses

Deferred revenues and accrued expenses are stated at their nominal value, while presented at the amount reflecting the accrual principle.

k) Foreign currency translation

Assets and liabilities in foreign currency are converted into Slovak crowns using the foreign exchange rate of the National Bank of Slovakia at the transaction date and in the financial statements at the balance sheet date. The resulting foreign exchange differences are posted to the profit and loss account (until December 31, 2002, unrealized foreign exchange gains were not credited to the profit/loss).

When buying and selling foreign currency, the foreign exchange rate at which this currency was purchased or sold is used when converting it into Slovak crowns



2. ACCOUNTING POLICIES AND GENERAL ACCOUNTING PRINCIPLES (continued)

l) Technical reserves

In accordance with the requirements of Act No. 95/2002 Coll. on Insurance Business as amended, the Company creates the following technical reserves:

Unearned premium reserve

Unearned premium reserve is created in both, life and non-life insurance, except for one-off life insurance products, from that part of written premium that relates to future accounting periods. The reserve is calculated as a sum of reserves based on individual insurance policies using the 1/365 method.

Claims reserve

Claims reserve is created for insured events

- reported before the end of the accounting period but not settled in that period
- that occurred but were not reported in the current period.

Claims reserve reported but not settled is calculated as a sum of reserves for individual insured events based on the claims administrator estimate. The reserve includes all anticipated costs related to the settlement of the insured events.

Claims reserve for events that occurred but were not reported is calculated as follows:

- For products with longer history (Variant, Ergocar, Domos, Entrepreneurs risk and Group leasing) was used Chain - Ladder method.
- For Ergolex (motor third party liability) was used method % of gross written premium based on experience from the parent company ČSOB Pojišť'ovna Pardubice. Percentage used was 35%.
- For travel insurance was used the expected loss ratio of 60%.

Bonuses and discounts reserve

Bonuses and discounts reserve is created in non-life insurance in accordance with the general insurance terms and conditions. The reserve provides for the bonuses and discounts in car insurance for no claim.

Life insurance reserve

Life insurance reserves are created for:

1. Collective life
2. Individual life
3. Premium deficiency



l) Technical reserves (continued)

Individual life insurance reserve is calculated using actuarial methods for each individual insurance policy. Zillmer method is only used in case of surrender related financial placement or decrease of insurance policy period. Reserve includes also interest benefit from.

Collective life insurance reserve is calculated for death insurance, insurance of the exemption from paying insurance premiums due to permanent disability for live insurance contracts and for pensions. The reserve is determined by actuarial calculations, including estimated future cash flows. For products Kwarteto and Štvorlístok - new products launched during 2003, the life insurance reserve is zillmerised.

Life reserves are computed using 3%, 5% and 6% technical interest rate.

Part of the life insurance reserve is formed by reserve for covering deficiency in insurance premium with relation to future liabilities out of insurance claims. Reserve represents discounted future deficits from difference between guaranteed technical interest rate and actual interest rate using effective interest rate for discounting.

m) Allocation of costs and revenues

From 2003 costs and revenues are allocated directly to technical account for life and non-life insurance based on estimated time spent by employees dealing with life and non-life business respectively.

n) Changes in accounting policies

Changes in accounting procedures due to changes in legislation are described in more detail in Part 2, sections b, c, d), and i). The effect of changes of accounting policies as of January 1, 2003 on equity is shown in part 6 (Equity).

3. FINANCIAL PLACEMENT

Type	January 1, 2003	Additions	Disposals	December 31, 2003
	SKK'000	SKK'000	SKK '000	SKK'000
Land and buildings (costs)	23 730	-	-	23 730
Land and buildings (accumulated depreciation)	913	692	-	1 605
Land and buildings (net book value)	22 817	692	-	22 125
Securities	1 048 452	1 859 099	1 486 910	1 420 641
Investment funds	65 576	-21 645	25 842	18 090
Mortgage loans	141 223	175 814	17 007	300 029
Deposits in banks	50 247	8 307 813	8 298 827	59 233
Total	1 304 374	10 561 643	10 045	1 820 118

Land and buildings are financed from own sources of insurance company.

State bonds are quoted on Bratislava Stock exchange. Charges paid in relation with securities trading represented SKK 4,241 million in 2003.

Company has securities in its portfolio classified as held to maturity and available for sale. Their structure is as follows:



A. Securities held to maturity:

Securities held to maturity	2003	2002
	SKK '000	SKK '000
State treasury bills	167 800	-
Mortgage loans	300 029	134 144
State bonds	476 089	366 950
Domestic bonds	-	83 029
Foreign bonds	88 763	145 339
Total	1 032 681	729 462

B. Securities available for sale:

Unit trusts	2003	2002
	SKK '000	SKK '000
Investment funds	18 090	41 636
Mortgage loans	-	10 035
State bonds 687988	391 872	
Other bonds -	82 248	
Total	706 078	525 789

Share of the bonds with remaining maturity of less than as a percentage of total value of bonds is 9,5%. The ERGO poisťovňa portfolio revenue reached 4,13% in 2003. In 2003, the portfolio duration increased due to bond acquisition with maturity longer than 10 years. At the end of 2003, the modified duration 3,38%.

4. NON CURRENT TANGIBLE AND INTANGIBLE ASSETS

Type of assets	January 1, 2003	Additions	Disposals	December 31, 2003
	SKK '000	SKK '000	SKK '000	SKK '000
Machinery and equipment	104 089	4 328	4 996	103 421
Accumulated depreciation	71 873	18 099	4 996	84 976
Total	32 216	-13 771	18 445	
Acquisition of assets	119	506 029	499 697	6 451
Total	32 335	492 258	499 697	24 896

5. RECEIVABLES, ACCRUALS AND PREPAYMENTS

Ageing analysis of receivables from direct insurance is as follows:

Receivables	December 31, 2003
	SKK '000
Within the due date	56 280
Overdue	51 071
Out of which	
overdue more than one year	43 981
Total	107 351

Analysis of bad debt provision movements:

Provision 2003	January 1, 2003	Creation	Reduction	December 31,
	SKK'000	SKK'000	SKK'000	SKK'000
From direct insurance to policyholders	41 674	4 849	61	46 462

Accruals and Prepayments	To be settled within 12 months	Total
	SKK '000	in SKK '000
Of that:	74 817	179 164
Interest and rent	15 661	49 831



Acquisition costs of insurance policies	56 789	123 881
Other accruals and prepayments	2 367	5 452
Deferred acquisition costs of policies	2003	2002
	SKK '000	SKK '000
Life insurance	123 881	121 530
Non-life insurance	1 620	360
Total	125 501	121 890

Acquisition costs of policies in non-life insurance are deferred in the same ratio as written premium.

Acquisition costs for life insurance are deferred and charged to the income statement over 7 years based on the average policy life, for policies acquired before 2002 for 4 years.

6. SHAREHOLDERS' EQUITY

The share capital of the Company represents SKK 350.000 thousand at December 31, 2003 (December, 31 2002: SKK 350.000 thousand). Nominal value of each share is SKK 500.000.

Shareholders' equity	January 1, 2003	Transfer of prior years loss	Current year results	Change policy	December 31, 2003
Share capital	350 000				350 000
Share premium	17 000				17 000
Retained earnings	(12 377)	(58 139)		34 422	(37 094)
Current year results	(58 139)	58 139	(15 069)		(15 069)
Equity	296 484	-	(15 069)	33 422	314 837

General Meeting held on May 19, 2003 approved the transfer of the 2002 loss to retained earnings. Company has proposed that the 2003 loss be transferred to retained earnings.



7. TECHNICAL RESERVES

Reserves	January 1, 2003 SKK'000	Creation SKK'000	Release/Transfer SKK'000	December 31, 2003 SKK'000
Unearned premium reserve	74 820	86 698	88 543	72 975
Life insurance reserve	1 143 296	1 852 858	1541 093	1 455 061
Claim reserve	113 180	383 399	349 672	146 907
Bonuses and discount reserve	22 567	15 090	26 660	10 997
Other technical reserve	2 877	-	-	-
Total	1 356 740	2 338 045	2 005 968	1 688 817

Technical reserves SKK'000	Gross		Re-insurer		Net	
	2003	2002	2003	2002	2003	2002
Unearned premium reserve	72 975	74 820	9 157	33 542	63 818	41 278
Life insurance reserve	1 455 061	1 143 296	0	0	1 455 061	1 143 296
Claim reserve	146 907	113 180	39 135	40 730	107 772	72 450
Bonuses and discount reserve	10 997	22 567	948	13 540	10 049	9 027
Other technical reserve	-	-	-	-	-	-
Total	1 688 817	1 356 740	49 240	87 812	1 639 577	1 268 929

8. NON-TECHNICAL RESERVES

Non-technical reserves	January 1, 2003 SKK'000	Creation SKK'000	Release SKK'000	Transfer	Dec 31, 2003 SKK'000
Reserve for the historical deficit in MTPL	-	24 000	(3 730)	11 000	31 720

ERGO poisťovňa has provided MTPL business since 2001 after the de-monopolization process was finalized. All rights and obligations related to MTPL were transferred to the MTPL Office from January 1, 2002, of which ERGO poisťovňa as a member is responsible for loss covering. There exists a deficit in technical reserves transferred to MTPL Office.

The reserve for historical deficit in MTPL was presented as part of a claim reserve in 2002 of SKK 11 million. During 2003, SKK 3,7 million was released and created a part, which represented the expected deficit in MTPL announced in 2003. ERGO's share of SKK 24 million was computed based on market share in MTPL business, which ERGO achieved in 2003.

9. LIABILITIES, ACCRUALS AND DEFERRED INCOME

All liabilities are repayable within one year.

Accruals and deferred income

Accruals and deferred income	Total In SKK '000
Accruals and deferred income	42 229
Out of which	
Prepaid insurance for MTPL policies for 2004	33 611
Prepaid insurance for life and travel insurance policies	8 616
Other	2



10. TECHNICAL REVENUES AND EXPENSES

Insurance according to type of insurance

Non-life insurance according to insurance types

Insurance group	Gross written premium SKK '000	Premium received SKK '000	Claims expenses SKK '000	Reinsurance SKK '000
Property	104 522	229 057*	14 647	84 283
CASCO	48 784		22 995	4 947
Group leasing	79 813		73 568	22 105
Injury	2 259	2 878	71	—
Property household	11 842	11 891	2 636	5 921
ERGO car and Variant - CASCO	72 488	70 668	43 014	6 094
MTPL	65 103	63 114	21 642	31 306
Travel	2 145	2 080	976	-
Total Non-Life insurance	386 956	379 688	179 549	154 658

*Includes CASCO and Group leasing Life insurance

Gross written premium of life-premium

Life insurance	Written premium in SKK '000
A/1 Endowment or death benefit	411 562
A/2 Insurance of child	88 396
A/5 Annuities	14 398
A/6 Injury	177 469
Total	691 825

28

Life insurance	Direct Insurance	
	2003 in SKK '000	2002 in SKK '000
Individual insurance	691 274	665 577
Group insurance	551	-
Current (periodical) insurance	673 917	635 724
One-off insurance	17 908	29 853
Premium without the share on profit	1 758	1 180
Premium with the share on profit	690 067	664 397

The written premium of life insurance is formed by 155.745 policies, out of which 12.744 were concluded in 2003.

The written premium of non-life insurance is formed by 37.588 policies, out of which 20.332 were concluded in 2003.

The written premium of life and non-life insurance is formed by policies concluded in the territory of Slovakia.

The insurance company provided discounts in the total amount of 26.661 thousand SKK within the motorcar insurance (compared to 21.627 thousand SKK in 2002) due to claimless developments.



Administration overhead and commissions

Following items have been included in administration overheads:

Administration overhead	2003	2002
	in SKK'000	in SKK'000
Personnel and payroll costs	112 381	101 942
Social insurance	28 228	28 413
Rent	23 261	22 443
Office expenses	6 586	8 661
Marketing and advertisement	23 710	20 875
Depreciation	29 656	32 095
Advisory and other expenses	68 043	61 486
Total administration costs	291 865	275 915

	2003 in	2002 in
	SKK'000	SKK'000
Acquisition commissions	91 298	93 816
Sustaining commissions	15 085	
Other purchase commissions	398 248	369 731
Total Purchase commissions		

Expenses related to the members of statutory bodies and management

Expense type	2003 In SKK'000
Salary	22 028
Bonuses	9 165
Social insurance	7 756
Total	38 949


11. RELATED PARTIES

The Company carried out transactions with related parties under common business conditions with the following related parties:

- ČSOB, a.s.
- ČSOB leasing, a.s.
- V-Brokers, o.c.p.,a.s.
- PSIS, a.s.
- BOF, a.s.
- Petit Press, a.s.
- Drôtovňa Holding, a.s.



C. Audit Report

PRICEWATERHOUSECOOPERS 

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R/Dr. Boris Čuchran
General director
Poisťovňa ERGO, a.s.
Drieňová 7
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19 July 2004

Dear Mr Čuchran

Management letter from 2003 audit of Poisťovňa Ergo, a.s.

In performing our audit of the financial statements of Poisťovňa Ergo, a.s. ("the Company") for the year ended 31 December 2003 certain matters came to our attention that we believe are of interest to management and the directors. These matters are communicated for information purposes and, where appropriate and feasible, we offer our constructive suggestions for improvement.

Our review of the internal accounting controls was limited to what we considered necessary to enable us to express an opinion on the financial statements in accordance with International Standards on Auditing. Our review cannot be expected to reveal all weaknesses and therefore the matters dealt with in this letter are not necessarily all the shortcomings that may exist in the system.

The comments on the 2003 audit points reflect the situation as at date of the conclusion of our audit fieldwork and not necessarily as at the date on which this letter was issued for comment.

The Directors of the Company are responsible for establishing and maintaining adequate systems of internal control and for ensuring that proper accounting records are kept on a timely basis. This letter is designed to assist the directors of the Company to meet these responsibilities and no persons other than those to whom it is addressed may rely on it for any purposes whatsoever. It must not be made available or copied in whole or in part to any other persons without the express written permission of PricewaterhouseCoopers.

Our comments and recommendations for further improvements which are based on our findings arising in the course of the audit are included in the Appendix to this letter.

We wish to take this opportunity to place on record our thanks for the assistance and courtesy your team offered during our audit, and we look forward to working with you again in the near future.

Yours sincerely



Gordon Latimer
Partner

VAT Reg. No. of PricewaterhouseCoopers Slovakia, s.r.o. (IC DPH) SK200279021.
Spoločnosť je zapísaná v Obchodnom registri Okresného súdu Bratislava 1, poisťovníca 2, 84811/B.
The company is registered in the Commercial Register of Bratislava 1 District Court, no. No. 14811/B.



XI. LIST OF RUNNING PRODUCTS

11.1 PRODUCTS OFFERED BY FINANCIAL CONSULTANTS

PERSONAL INSURANCE

Life Insurance

KVARTETO – capital life insurance with additional serious diseases insurance

A modern product that ranks among the top insurance products thanks to its convenient proportion of insurance coverage to premium. The KVARTETO insurance cover 4 risks, along the common ones as death and maturity, it compresses serious disease risks as well as premium payment exemption.

OPTIMUS – variable capital life insurance

An insurance for an indefinite period maximum up to 70 years of age. In combination with additional accident insurance and additional daily compensation insurance, it covers risks and offers the clients a high valuation of finances as well as service above average.

ŠTVORLÍSTOK – complex children and parents insurance

Grants a complex insurance protection not only for the insured child but also for both parents. It allows to save enough financial means for the child's "entry to life".

Except of the additional accident insurance, it involves serious diseases insurance and exemption of premium payment in the event of permanent disability of one or both parents.

JUVENTUS – children and parents insurance

Provides the child an insurance protection from its birth until its adult age. At the same time, it allows the parents to build a solid financial basis for their child using the form of insurance.

PLUS – special insurance, loan guarantee

An insurance for directors, managers, entrepreneurs. It covers risks without an active generation of a capital value. Moreover, it meets requirements of a loan guarantee.

PROFIT – pension insurance

Various options of lifetime and survivor's pension payout grant a solid financial background of the insured person in the old age.

DEPOZIT – deposit life insurance with accident insurance

An insurance for the event of death or maturity with accident insurance for single paid premium for a period of 5 years maximum up to 70 years of age.

Additional accident insurance

Provides an insurance protection in the event of death caused by an accident as well as in the even of permanent after-effects the extent of which caused by one accident reaches as least 1%. It may be agreed upon with all types of insurance for adults and children.

Additional accident insurance of daily compensation

Provides insurance protection during sick leave caused because of the after-accident treatment.

Group life and accident insurance

Grants staff stabilisation to employers and social security to employees.

Non-Life Insurance

VARIANT – motorcar insurance

The insured subjects are passenger and delivery motor cars of domestic and foreign production. The insurance covers risks in the event of damage or destruction of a car caused by an accident, natural disaster, vandalism or theft.

ERGOLEX – compulsory motor third party liability insurance

Insures a third party liability for damage caused by a motor car if the insured period still lasts in the moment of damage, which is the third party's liability.

DOMOS – insurance of family houses, apartments and households

DOMOS KOMPAKT – complex insurance of family houses, apartments and households

Done for the events of damage or destruction of immovable property (family houses, apartments) caused by a natural disaster, water from a water supply system and for the event of damage liability. It is also applied in the event of damage or destruction of belonging to the household equipment by natural disaster, water from a water supply system, theft goods and for the event of damage liability.



TRAVEL INSURANCE

It is designed for all who travel abroad. The travel insurance provides complex travel protection. The base is formed by medical treatment insurance up to the level of 2 mil. SKK with a possible additional insurance for accident, damage liability, luggage and journey cancellation.

11.2 INSURANCE OF BUSINESS RISKS AND PROPERTY

Insurance in the event of property damage or destruction by a natural disaster

Covers the damages caused by fire, explosion, lightning strike, crash or piloted flying object, flood, inundation, landslide, earthquake or damages caused by car crash, supersonic wave and water from the water supply system.

Insurance of damages caused by theft, burglary or robbery

Done for the event of theft, burglary, robbery, fraud as well as unauthorised use of property, concealment, deliberate damaging of property of another.

LIBELA – constructor's all risks insurance

Provides complex and convenient protection against all risks possible during construction works. Furthermore, it covers risks during the montage of machines and equipment, steel constructions and industrial installations.

Machines insurance

Offered for the events of sudden damage or destruction of the insured machine by all possible coincidental events that eliminate or hinder its functioning.

Liability insurance for damages of natural person and legal entities

It is applied on liability for damages caused to another's property, health in connection with activity, relation of the insured during the insurance duration.

Motor car insurance

Concluded for the events of sudden destruction or damage of the motor car caused by a car accident, natural disaster as well as for the event of theft of the motor car.

Insurance of transported persons

Applied for the events of death or permanent after-effects caused by an injury during transportation of persons in a motor car.

Insurance of goods and stock transportation

Done in the events of coincidental damage or destruction by natural disaster, theft or damage caused directly by a car accident.

Glass insurance

Insurance for the event of damage or destruction of glass if the insured mounted or placed glass was broken cracked or damaged so that the glass exchange is necessary.



Special types of insurance

Product liability insurance
Professional liability insurance of engineers and architects
Professional liability insurance of accountants, tax advisors and auditors
Professional liability insurance of managers, directors and Board of Directors members
Professional liability insurance of authorised geodesists and cartographers
Insurance of damages caused by business interruption due to fire alert
Exhibition insurance

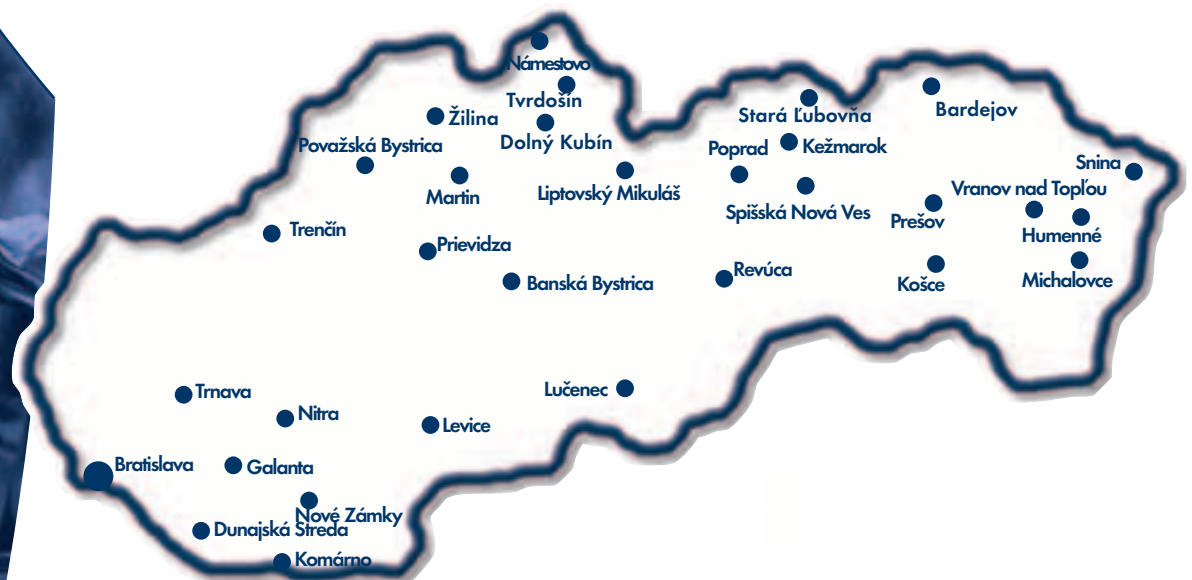
Products offered via ČSOB Bank branches in Slovakia

Travel insurance
Consumer loans insurance
Motor car insurance



XII. Sales points of the company

Town	Street	Telephone no.
Banská Bystrica	Národná 8	048/471 53 11
Bardejov	Dlhý rad 17	054/472 49 08
Bratislava	Drieňová 7	02/482 482 87
Dolný Kubín	Radlinského 1712/34	043/586 23 10
Dunajská Streda	Korzo Bélu Bartóka 18	031/552 94 74
Galanta	Vajanského 871/7	031/780 66 53
Humenné	Nám. Slobody 19	057/ 775 07 35
Kežmarok	Baštova 6	052/452 53 60
Komárno	Biskupa Királya 14	035/770 02 10
Košice	Mäsiarska 55	055/622 33 53
Levice	Sv. Michala 4	036/ 631 35 09
Liptovský Mikuláš	Tranovského 2	044/551 41 22
Lučenec	Dr. Vodú 2	047/433 32 85
Martin	A.Kmeťa 19	043/422 33 92
Michalovce	Jaroslawská 7	056/644 26 08
Námestovo	Nám. P.O.Hviezdoslava 5	043/552 26 20
Nitra	Kmečkova 27	037/741 02 26
Nové Zámky	Podzámska 32	035/640 31 08
Poprad	Hviezdoslavova 28 1	052/788 02 11
Považská Bystrica	M.R.Štefánika 157/45	042/432 49 20
Prešov	Hlavná 39	051/772 51 76
Prievidza	Matice Slovenskej 12	046/542 34 38
Revúca	M.R.Štefánika 4	058/442 63 90
Snina	Študentská 1442	057/762 12 22
Spišská Nová Ves	Letná 49	053/442 22 09
Stará Ľubovňa	17. novembra 14	052/432 43 68
Trenčín	Rozmarínová 3	032/743 45 83
Trnava	Pekárska 11	033/551 23 71
Tvrdošín	Trojčinné nám. 191	043/532 88 92
Vranov nad Topľou	Nám. Slobody 2	057/446 40 87
Žilina	Hodžova 13	041/564 34 82





člen skupiny ČSOB

2003

Výročná správa



člen skupiny ČSOB