Consolidated Balance Sheet on 31 December 2013

Assets

	31.12.2013	31.12.2012
	EUR	TEUR
A. Intangible assets		
I. Goodwill acquired for valuable consideration	1,414,733.88	954
II. Other intangible assets	1,441,013.04	665
B. Investments		
I. Land and buildings	461,478,056.32	437,911
II. Investments in affiliated undertakings and participating interests		
1. Shares in affiliated undertakings	3,664,257.35	10,032
2. Loans to affiliated undertakings	3,085,345.42	3,087
3. Participating interests	6,176,768.96	6,839
of which associated undertakings	*181,913.44*	*483*
III. Other investments		
1. Shares and other variable-yield securities	568,379,017.51	526,854
2. Debt securities and other fixed-income securities	2,390,540,160.29	2,254,074
3. Loans guaranteed by mortgages	3,793,166.99	4,473
4. Advance payments on policies	9,988,261.06	10,131
5. Other loans	72,549,006.25	73,492
6. Deposits with credit institutions	102,907,405.04	109,528
7. Other investments	2,904,686.73	2,902
IV. Deposits with ceding undertakings	85,248.30	106
C. Investments of unit-linked and index-linked life insurance	224,908,730.06	194,072
D. Receivables		
I. Receivables from direct insurance operations		
1. due from policyholders	30,187,459.79	33,357
2. due from intermediaries	1,096,140.64	2,038
3. due from insurance undertakings	1,878,631.90	1,637
II. Settlement receivables arising from reinsurance operations	5,015,088.65	6,495
III. Other receivables	12,650,460.54	14,967
E. Accrued interest and rent	59,072,553.29	57,823
F. Other assets		
I. Tangible assets (except for land and buildings) and stocks	8,699,702.89	8,682
II. Cash at bank and in hand	63,846,017.39	103,497
III. Other assets	102,245.61	405
G. Prepaid expenses		
I. Other prepaid expenses	2,656,951.21	1,411
H. Assets which derive from credit institutions	4,174,813,565.11	4,242,524
	8,213,334,674.22	**8,107,955**

Liabilities

	31.12.2013	31.12.2012
	EUR	TEUR
A. Equity		
I. Revenue reserves		
1. Contingency reserve	19,553,543.09	19,545
2. Free reserves	707,360,693.69	683,040
II. Risk reserve pursuant to Article 73 a VAG, taxed share	7,304,404.67	6,684
III. Compensating items for the other shareholders' shares	7,571,162.83	7,611
B. Untaxed reserves		
I. Risk reserve pursuant to Article 73 a VAG	10,051,970.01	10,052
II. Valuation reserve based on special depreciation allowances	14,677,469.54	15,198
III. Other untaxed reserves	2,367,817.40	2,367
C. Technical provisions, net of reinsurance		
I. Provision for unearned premiums		
1. Gross amount	157,538,299.72	167,052
2. Reinsurance amount	-8,469,798.26	-8,612
II. Life insurance provision		
1. Gross amount	2,109,085,521.21	2,033,840
2. Reinsurance amount	-19,111.44	-96
III. Provision for claims outstanding		
1. Gross amount	800,173,143.20	785,564
2. Reinsurance amount	-70,671,892.34	-71,476
IV. Provision for rebates		
Gross amount	1,542,890.00	927
V. Provision for bonuses and/or policyholders' participation in profits		
Gross amount	91,153,128.72	82,222
VI. Volatility reserve	84,724,253.22	82,599
VII. Other technical provisions		
1. Gross amount	27,346,315.17	22,931
2. Reinsurance amount	-472,148.67	-565
D. Technical provisions of unit-linked and index-linked life insurance		
Gross amount	219,693,879.19	191,381
E. Non-technical provisions		
I. Provisions for severance pay	24,546,973.79	22,806
II. Provisions for pensions	33,741,608.79	30,811
III. Provisions for taxes	1,460,115.53	1,650
IV. Other provisions	24,225,774.44	19,244
F. Deposits received from reinsurers	8,182,236.71	8,161
G. Other liabilities		
I. Liabilities arising from		
1. owed to policyholders	57,783,164.97	54,326
2. owed to intermediaries	7,139,053.38	7,131
3. owed to insurance undertakings	3,322,534.16	3,424
II. Settlement liabilities arising from reinsurance operations	11,103,768.03	8,673
III. Amounts owed to credit institutions	8,613,198.84	8,398
IV. Other liabilities	99,913,435.69	92,249
H. Deferred income	978,916.12	985
I. Provisions, liabilities and deferred income, which derive from credit institutions	3,751,812,352.82	3,819,833
	8,213,334,674.22	**8,107,955**

Consolidated Income Statement for Financial Year 2013

General insurance business

	2013 EUR	2012 TEUR
Technical account		
1. Earned premiums		
a) Premiums written		
Gross amount	397,214,136.19	390,993
Ceded reinsurance premiums	−62,888,222.89	−65,490
b) Change in the provision of unearned premiums		
Gross amount	−2,395,058.59	−70
Reinsurance amount	268,385.14	499
2. Allocated investment return transferred from the non-technical account	188,163.81	176
3. Other technical income	1,772,817.57	1,476
4. Claims accrued		
a) Claims payments		
Gross amount	−227,959,218.63	−220,978
Reinsurance amount	28,691,976.23	28,941
b) Change in the provision for claims outstanding		
Gross amount	−10,139,407.67	−27,026
Reinsurance amount	837,512.47	7,173
5. Increase in the technical provisions		
a) Other technical provisions		
Gross amount	−284,454.59	0
6. Decrease in the technical provisions		
a) Other technical provisions		
Gross amount	0.00	308
7. Rebates		
Gross amount	−423,872.93	−592
8. Operating expenses		
a) Insurance acquisition costs	−101,481,608.00	−96,010
b) Other operating expenses	−31,794,865.21	−28,538
c) Reinsurance commissions and bonuses from reinsurance covers	19,647,864.30	19,283
9. Other technical charges	−5,619,306.13	−4,995
10. Change in the volatility reserve	−1,782,135.30	−5,971
11. Technical account balance	**3,852,705.77**	**−820**
Non-technical account		
1. Technical account balance	3,852,705.77	−820
2. Investment income and investment return		
a) Income from affiliated undertakings	220,000.00	185
b) Income from associated undertakings	33,390.37	0
c) Income from other participating interests	367,960.55	355
d) Income from land and buildings	23,889,420.12	22,312
e) Income from other investments	28,554,935.41	28,544
of which affiliated undertakings	*187.60*	*0*
f) Gains on the realisation of investments	3,228,159.42	3,083
g) Other investment income and investment return	1,082,620.84	1,713
3. Investment charges and interest paid		
a) Asset management charges	−2,279,423.61	−2,171
b) Write-offs on investments	−12,245,302.67	−11,160
c) Interest paid	−1,615,957.49	−2,883
d) Losses on the realisation of investments	−2,702,759.35	−102
e) Other investment charges	−580,114.50	−898
4. Capital income transferred to the technical account	−188,163.81	−176
5. Other non-technical income	941,122.37	3,236
6. Other non-technical charges	−4,146,126.54	−9,473
7. Earnings gross before taxes	**38,412,466.88**	**31,746**

Life insurance

	2013 EUR	2012 TEUR
Technical account		
1. Earned premiums		
a) Premiums written		
Gross amount	351,853,329.38	360,296
Ceded reinsurance premiums	-3,387,139.32	-2,449
b) Change in the provision of unearned premiums		
Gross amount	7,098,618.58	-5,788
Reinsurance amount	-4,893.50	192
2. Allocated investment return transferred from the non-technical account	122,210,404.62	134,067
3. Unrealised gains on investments pursuant to asset item C.	12,834,268.28	27,339
4. Other technical income	2,480,636.09	1,029
5. Claims accrued		
a) Claims payments		
Gross amount	-235,314,216.50	-217,662
Reinsurance amount	879,311.95	1,231
b) Change in the provision for claims outstanding		
Gross amount	-10,130,827.10	-5,933
Reinsurance amount	-33,804.99	46
6. Increase in the technical provisions		
a) Life insurance provision		
Gross amount	-106,158,300.51	-126,825
Reinsurance amount	0.00	48
b) Other technical provisions		
Gross amount	-4,194,358.28	-7,566
7. Bonuses and/or policyholders' profit participation		
Gross amount	-23,723,740.47	-23,440
8. Operating expenses		
a) Insurance acquisition costs	-59,062,593.41	-75,973
b) Other operating expenses	-20,273,277.43	-20,006
c) Reinsurance commissions and bonuses from reinsurance covers	863,661.10	779
9. Other unrealised losses on investments pursuant to asset item C.	-477,330.12	0
10. Other technical charges	-195,260.02	-97
11. Technical account balance	**35,264,488.35**	**39,288**

Non-technical account		
1. Technical account balance	35,264,488.35	39,288
2. Investment income and investment return		
a) Income from participating interests	247,321.08	145
b) Income from land and buildings	12,020,960.97	12,956
c) Income from other investments	119,491,438.16	118,593
of which affiliated undertakings	192,232.64	38
d) Gains on the realisation of investments	9,059,492.04	9,463
e) Other investment income and investment return	5,597,979.32	9,632
3. Investment charges and interest paid		
a) Asset management charges	-1,008,378.52	-1,051
b) Write-offs on investments	-18,913,634.30	-11,578
c) Interest paid	-660,031.43	-994
d) Losses on the realisation of investments	-1,125,515.24	-421
e) Other investment charges	-1,278,966.09	-2,851
4. Capital income transferred to the technical account	-122,210,404.62	-134,067
5. Other non-technical income	1,682,901.28	2,124
6. Other non-technical charges	-5,885,801.96	-7,624
7. Earnings gross before taxes	**32,281,849.04**	**33,615**

Consolidated Income Statement for Financial Year 2013

Total

	2013	2012
	EUR	TEUR
Non-technical account		
1. Earnings gross before taxes of insurance undertakings		
General insurance business	38,412,466.88	31,746
Life insurance	32,281,849.04	33,615
	70,694,315.92	**65,361**
2. Earnings gross before taxes of credit institutions	20,472,495.69	23,483
3. Earnings gross before taxes, in total	**91,166,811.61**	**88,843**
4. Taxes on income	-14,689,424.70	-12,775
5. Profit / Loss for the financial year	**76,477,386.91**	**76,068**
6. Share in profit for the year allocated to other shareholders	-1,668,360.16	-679
7. Release of reserves		
a) Release of the valuation reserve based on special depreciation allowances	520,194.63	548
8. Transfer to reserves		
a) Transfer to the risk reserve pursuant to Article 73 a VAG	-620,675.71	-617
b) Transfer to other untaxed reserves	-456.89	-1
c) Transfer to the contingency reserve	-8,513.37	-14
d) Transfer to free reserves	-74,699,575.41	-75,304
9. Annual profit = Net profit for the year	**0.00**	**0**

Development of Equity for Financial Year 2013

Development of equity

	Contingency reserve	Free reserves	Risk reserve pursuant to Article 73 a VAG, taxed share	Compensating items for the other shareholders' shares	Net profit for the year	Equity
	EUR	EUR	EUR	EUR	EUR	EUR
As of 31.12.2011	**19,530,850.90**	**609,716,157.83**	**6,066,415.76**	**7,713,982.47**	**0.00**	**643,027,406.96**
Profit for the financial year					76,068,006.67	76,068,006.67
Change in reserves	14,178.82	75,304,341.35	617,313.20	679,409.45	−76,068,006.67	547,236.15
Offsetting transactions recognised directly in equity		−1,980,553.25		−101,986.78		−2,082,540.03
Dividends to minority shareholders				−680,034.86		−680,034.86
As of 31.12.2012	**19,545,029.72**	**683,039,945.93**	**6,683,728.96**	**7,611,370.28**	**0.00**	**716,880,074.89**
Profit for the financial year					76,477,386.91	76,477,386.91
Change in reserves	8,513.37	74,699,575.41	620,675.71	1,668,360.16	−76,477,386.91	519,737.74
Offsetting transactions recognised directly in equity		−50,378,827.65		−1,439,083.05		−51,817,910.70
Dividends to minority shareholders				−269,484.56		−269,484.56
As of 31.12.2013	**19,553,543.09**	**707,360,693.69**	**7,304,404.67**	**7,571,162.83**	**0.00**	**741,789,804.28**

Consolidated Cash Flow Statement for Financial Year 2013

		2013	2012
		EUR	TEUR
1.	Period result (not including credit institutions)	58,862,639.69	55,501
2.	Change in technical provisions, net	123,866,178.61	200,655
3.	Change in deposit receivables and liabilities and in settlement receivables and liabilities	3,846,449.44	−4,014
4.	Change in other receivables and liabilities	18,111,010.28	7,124
5.	Profit/loss on the realisation of investments	−8,459,376.87	−11,863
6.	Change in other balance sheet items	7,437,273.66	−7,471
7.	Other non-cash expenses and income and adjustments of the period result	51,423,186.41	21,411
8.	**Cash flow from ongoing activities**	**255,087,361.22**	**261,343**
8.a)	**Cash flow from ongoing activities of credit institutions**	**106,939,641.76**	**140,553**
9.	Inflows from sale of consolidated companies and other business units	2,503,852.46	0
10.	Outflows for the acquisition of consolidated companies and other business units	−52,152,818.58	−1,173
11.	Inflows from the sale and final maturities of remaining investments	305,043,823.98	318,671
12.	Outflows for the acquisition of remaining investments	−527,026,741.88	−542,763
13.	Outflows for the acquisition of investments of unit-linked and index-linked life insurance	−30,836,909.81	−46,132
14.	Other inflows	96,537.70	3,174
15.	Other outflows	−4,089,815.56	−3,669
16.	**Cash flow from investment activities**	**−306,462,071.69**	**−271,890**
16.a)	**Cash flow from investment activities of credit institutions**	**−20,072,000.00**	**17,965**
17.	Outflows to company owners and minority shareholders	−269,484.56	−680
18.	**Cash flow from financing activities**	**−269,484.56**	**−680**
18.a)	**Cash flow from financing activities of credit institutions**	**−10,000,000.00**	**−1,833**
19.	**Cash-based changes in funds (sum of 8, 8.a, 16, 16.a, 18, 18.a)**	**25,223,446.73**	**145,458**
20.	Changes in cash funds due to exchange rate, consolidation and valuation factors	6,992,911.15	3,033
21.	Cash funds at the beginning of the period	286,019,835.86	137,529
22.	**Cash funds at the end of the period**	**318,236,193.74**	**286,020**

I. General information on the consolidated financial statement

GRAWE-Vermögensverwaltung, Graz, is a parent company subject to the regulations on consolidation stipulated under Article 244 UGB (Austrian Commercial Code) and is obliged to draw up consolidated financial statements as stipulated under Articles 244 to 267 UGB. There exists no exemption regarding the consolidated financial statement as defined under Article 245 UGB.

II. Consolidation principles and methods

The consolidated financial statement was drawn up on the cutoff date of the annual financial statement of GRAWE-Vermögensverwaltung, Graz. The date of the first consolidation is drawn from the date when the subsidiaries were for the first time included in the consolidated financial statement, or the date when the shares were purchased, or the 31st December before or after the date of purchasing the shares.

The consolidation of investments through full consolidation was carried out according to the book value method. During the first stage of this process, significant differences were disclosed between the book values and the fair values of those companies to be included for the first time. Undisclosed reserves are only disclosed if they are covered by any active differences. Remaining active differences have been openly offset against revenue reserves until financial year 2009. The passive differences arose solely from retained profits and were allocated to revenue reserves at the time of the first consolidation.

For the capital consolidation of associated undertakings valued according to the equity method, the book value method was applied. Inclusion in the accounts took place based on the valuations at the time when the company was for the first time included in the consolidated financial statement. In the case of those companies valued according to the equity method, pursuant to Article 264 para. 5 UGB, the valuation was not adjusted to that of the parent company.

Intermediate results of intra-group goods and services were eliminated, with effect on the income statement.

In the course of the consolidation of debts, after the adjustment of accounting differences, the receivables and liabilities between companies belonging to the fully consolidated group were offset against each other. Bank deposits and liabilities, as well as loan receivables and liabilities, were not offset, as this would contradict the principle of conveying as faithful as possible a picture of the net asset, financial and profit situation of an insurance group.

In the consolidated income statement, the proceeds from intra-group sales and other revenues between the group companies were offset against the appropriate expenses.

In the case of group companies which draw up their annual accounts in a foreign currency, assets and liabilities were converted at the central rate or the reference exchange rate of the ECB on the balance sheet date, whereas income statement items were converted at the annual average exchange rate. Since financial year 2008, currency differences from long-term consolidated receivables have been offset in the equity within the framework of foreign currency conversion. In 2013, the total amount offset was TEUR 200 (previous year: TEUR 2,004).

The "Compensating items for the other shareholders' shares" displayed under "Equity" shows the minority interest in companies that are included in the consolidated financial statement.

The standard valuation stipulated in Article 260 UGB was applied separately with sector-specific valuation regulations for the fully-consolidated credit institutions, pursuant to Article 85 b para. 1 VAG (Insurance Supervision Act). The right of exemption from the principle of uniformity of valuation, pursuant to Article 260 UGB, if rights of the policyholders are influenced or established, as provided for in Article 85 b para. 1 VAG, was utilised.

III. Disclosure and explanatory notes concerning accounting and valuation methods

A. General principles

The annual financial statement was drawn up while taking into account the Generally Accepted Accounting Principles as well as the general standard of conveying as faithful as possible a picture of the net asset, financial and profit situation of the company. The annual financial statement has been drawn up in conformity with the principle of completeness.

The balance sheet, income statement and the notes to the financial statement have been drawn up in compliance with the provisions of the Austrian Commercial Code and Insurance Supervision Act, as amended from time to time, in the year under report.

In valuating the individual assets and debts, the principle of item-by-item valuation has been observed, based on the going concern assumption.

The imparity realisation principle was observed through stating only those profits that had actually been realised on the balance sheet date. All foreseeable risks and anticipated losses have been taken into account.

B. Assets

1. Intangible assets

The other intangible assets are allocated to acquisition costs, minus systematic depreciations of between 15 % and 33 % p.a.

2. Investments

Land is valued at acquisition costs, buildings at acquisition or production costs, minus systematic depreciations. The systematic depreciations on buildings amount to 1.3 % to 4 % p.a. Maintenance expenses for residential buildings which are rented out to external people are written off over a period of ten years.

The basic value of developed land amounts to TEUR 115,567 (previous year: TEUR 109,560).

The systematic depreciation is calculated in linear proportion to the estimated useful life.

Shares in affiliated undertakings and participating interests (not including shares and participating interests in companies valued according to the equity method), loans to affiliated undertakings, debt securities issued by companies with which the investing company is linked by virtue of a participating interest, shares and other variable-yield securities, as well as debt securities and other fixed-income securities, have basically been valued in accordance with the rigorous lowest-value principle. In life insurance, debt securities and fixed-income securities, provided the right of exemption has not been applied, pursuant to Article 85 b para. 1 VAG, have been valued as fixed assets, pursuant to Article 81 h para. 1 VAG. Grazer Wechselseitige Versicherung AG also applies the rigorous lowest-value principle for life insurance. The flat-rate value adjustment of bond issues from CEE countries, which was set up for the higher risk of these bond issues compared to government bonds from the EU area, amounted to 3.96 % of the book value in 2013. Provisions amounting to a total of 12.0 million EUR were made for the country-related risk in the Ukraine and Moldova.

Loans guaranteed by mortgages, policy advances and loans and other assignment of credits are basically valued at the par value of the outstanding receivables. The credit issue disagio distributed for the duration is shown on the liability side of the balance sheet under "Deferred income".

Tangible assets (other than land and buildings) are valued at acquisition costs, minus systematic depreciations ranging from 10 % to 33.33 % p.a.

Low-value assets up to a value of EUR 400.00 have been completely written off in the year of acquisition.

C. Liabilities

In cases where, in accordance with Article 85 b para. 1 VAG, technical provisions have been transferred from the respective individual company financial statements and negative premium reserves which have arisen for technical reasons have not been reset to zero pursuant to national regulations, this approach has been retained in the consolidated financial statement.

Unearned premiums have been calculated minus cost reductions of 10 % for motor third-party liability insurance and 14–15 % in all other classes of insurance for self-concluded business, and 15 % for accepted co-insurance business. For the financial year 2013 this amounts to TEUR 9,056 (previous year: TEUR 8,985.

In the overall insurance business, the provision for bonuses amounts to TEUR 91,153 (previous year: TEUR 82,222). In life insurance, the provision for policyholders' participation in profits includes the profit shares to be distributed in subsequent years from the results up to 31st December 2013.

The pension provisions of EUR 33,741,608.79 (previous year: TEUR 30,811) shown on the balance sheet on 31st December 2013, are composed of the pension provisions calculated according to the regulations of Article 14 EStG (Austrian Income Tax Act) and amounting to EUR 22,964,273.00 (previous year: TEUR 23,071) and a taxed sum of EUR 10,777,335.79 (previous year: TEUR 7,740).

The additional payment of 50.8 million EUR that was made for the acquisition of HYPO-BANK BURGENLAND AG in accordance with the ruling of the European Court of Justice was, like the difference that arose at the time of acquisition in 2006, directly set off against the free reserves, as it falls under subsequent acquisition costs.

D. Other information

The technical items for accepted reinsurance business (technical provisions, technical income and expenses), and the retrocession covers associated with them, are included in the financial statement, partially booked later. The indirect premiums included in the income statement for the financial year amount to EUR 21,430,344.98 (previous year: TEUR 23,013). Of premiums included in the income statement for the financial year, EUR 7,058,214.00 from 2012 (previous year: TEUR 7,445 from 2011) and EUR 29,571.00 from 2011 and earlier years (previous year: TEUR 47 from 2010 and earlier years) were booked later.

The capital income for general insurance business transferred from the non-technical account to the technical account comprises the deposit interest from accepted reinsurance, as well as interest on the provisions for claims outstanding relating to the product "accident annuity". In life insurance, the capital income transferred to the technical account conforms to the provisions of Article 16 para.1 RLVVU (Regulation on the Accounting by Contract Insurance Companies).

E. Accounting and valuation methods of credit institutions

Assets and liabilities stated in foreign currency on the balance sheet are valued at the published reference rates of the ECB on the balance sheet date. Forward transactions are assessed at the relevant forward rate.

Insofar as security assets are held for trading, these are valued at their market values, in accordance with the stipulations of the Austrian Banking Act (BWG). The rigorous lowest-value principle is applied in the area of the other current assets. In the case of securities in fixed assets, valuation is carried out partly through application of the moderated lowest-value principle.

Receivables due from credit institutions and customers are basically valued at their par values. Individual value adjustments are made for identifiable risks.

In the case of two credit institutions, use was made of the voting right defined in Article 57 para. 1 BWG.

The securitised liabilities contain in part items for which the redemption sum is dependent on the market value of specific basic investments and which are therefore valued at the market value of these items. These securitised liabilities constitute one valuation unit together with the assets shown under the various items. The securitised liabilities benefit in part from a capital guarantee.

Consolidated companies

For all those companies included in the consolidated financial statement in accordance with the full consolidation method, the balance sheet date is 31st December 2013. On 31st December 2013 the list of consolidated companies was as follows:

Affiliated undertakings	Full consolidation	Share %
Insurance undertakings		
Austria	Grazer Wechselseitige Versicherung AG, Graz	100.00
	Hypo Versicherung AG, Graz	82.86
Abroad	GRAWE Bulgaria Lebensversicherung EAD, Sofia, Bulgaria	100.00
	GRAWE CARAT Asigurari S.A., Chisinau, Moldova	99.17
	GRAWE Életbiztosító Zrt., Pécs, Hungary	100.00
	GRAWE Hrvatska d.d., Zagreb, Croatia	100.00
	GRAWE Kosova J.S.C., Pristina, Kosovo	100.00
	GRAWE osiguranje a.d., Banja Luka, BiH	100.00
	GRAWE osiguranje a.d.o., Beograd, Serbia	100.00
	GRAWE osiguranje a.d., Podgorica, Montenegro	100.00
	GRAWE osiguruvanje a.d., Skopje, Macedonia	100.00
	GRAWE osiguranje d.d., Sarajevo, BiH	100.00
	GRAWE Reinsurance Ltd., Nicosia, Cyprus	100.00
	GRAWE Romania Asigurare SA, Bucharest, Romania	100.00
	GRAWE Ukraine Life Insurance, Kiev, Ukraine	100.00
	GRAWE Zavarovalnica d.d., Maribor, Slovenia	100.00
	Insurance Company GRAWE Ukraine, Lviv, Ukraine	100.00
Real estate undertakings		
Austria	GRAWE Immo Holding AG, Graz	100.00
	GRAWE Immobilien Verwaltungs GmbH, Graz	100.00
	Immo-Pro Immobilien GmbH, Innsbruck	100.00
	RIS Realitäten- und Investitions-Service GmbH, Wolfsberg	100.00
	STIWOG Immobilien GmbH, Graz	100.00
Abroad	GRAWE nekretnine d.o.o., Beograd, Serbia	100.00
	GRAWE nekretnine d.o.o., Dubrovnik, Croatia	100.00
	GRAWE nekretnine d.o.o., Sarajevo, BiH	100.00
	GRAWE Consulting & Development International S.R.L., Chisinau, Moldova	99.17
	GRAWE Imoti EOOD, Sofia, Bulgaria	100.00
	GRAWE Nedviznosti DOEEL, Skopje, Macedonia	100.00
Others		
Austria	GW Beteiligungserwerbs- und -verwaltungs GmbH, Graz	100.00
	Intersecuritas-Betriebs-Service GmbH, Graz	100.00
	GWB Beteiligungs-AG, Graz	100.00

Affiliated undertakings	Full consolidation	Share %
Banking sector		
	HYPO-BANK BURGENLAND AG, Eisenstadt	100.00
	Capital Bank – GRAWE Gruppe AG, Graz	100.00
	Security KAG, Graz	100.00
	Brüll Kallmus Bank AG, Graz	100.00
	Hypo-Liegenschaftserwerbsges.m.b.H., Eisenstadt	99.52
	KBAW Liegenschaftsverwertung GmbH, Eisenstadt	99.52
	Hypo-Liegenschafts-Vermietungs- und Verwaltungsges.m.b.H., Eisenstadt	100.00
	Sopron Bank Burgenland ZRt., Sopron, Hungary	100.00
	SB Immobilien Beruhazo Tanacsado es Szolgaltato Kft., Sopron, Hungary	100.00
	SB Center Kft., Sopron, Hungary	100.00
	SB-DIP Ingatlanforgalmazó Kft., Sopron, Hungary	100.00
	KSKF Ingatlanforgalmazó Kft., Sopron, Hungary	100.00
	SB-Real Ingatlanforgalmazó Kft., Sopron, Hungary	100.00
	BB LEASING HOLDING GmbH, Eisenstadt	100.00
	BB Leasing GmbH, Eisenstadt	100.00
	BBIV 1 GmbH, Eisenstadt	100.00
	BBIV ZWEI GmbH, Eisenstadt	100.00
	BBIV DREI GmbH, Eisenstadt	100.00
	BBIV VIER GmbH, Eisenstadt	100.00
	BBIV FÜNF GmbH, Eisenstadt	100.00
	BBIV SECHS GmbH, Eisenstadt	100.00
	SB-Galerius Holding Kft., Sopron, Hungary	100.00
	IMMO-Real HUNGARIA Kft., Budapest, Hungary	100.00
	SB-Pelso Ingatlanforgalmazó és Szolgáltató Kft., Sopron, Hungary	100.00
	LU-HO TREUHAND Szolgáltató Kft., Budapest, Hungary	100.00

Associated undertakings (Equity method)	Share %
ZSG Kfz-Zulassungsservice GmbH, Vienna	33.33

The annual financial statement of 31.12.2012 was used for the valuation of ZSG Kfz-Zulassungsservice GmbH, Vienna.

In the case of one associated undertaking included in accordance with the equity method, the protection provision of Article 265 para. 3 UGB (Austrian Commercial Code) was applied.

G+R Leasing GmbH (share: 37.5 %) was not shown as an associated undertaking, as no significant influence is exercised on the business and financial policy of the company.

The following companies of the sub-group Bank Burgenland were not valuated at equity, pursuant to Article 263 para. 2 UGB (Austrian Commercial Code):

Associated undertakings	Share
	%
ELZ – Verwertungs GmbH, Eisenstadt	49.00
ELZ – Immobilien GmbH, Eisenstadt	49.00
IEB Immobilien Entwicklung & Bauträger GmbH, Eisenstadt	33.00
IVB – Immobilienvermarktung und Bauträger GmbH, Eisenstadt	33.33
Real 2000 Immobilienbeteiligungsgmbh, Eisenstadt	33.33
Bioenergie Burgenland Service GmbH, Eisenstadt	38.30

The following affiliated undertakings were not included in the consolidation, pursuant to Article 249 para. 2 UGB:

Insurance sector:

- BAYOU Kft., Pecs, Hungary (Share: 100 %)
- BORYVITER AT, Kiev, Ukraine (Share: 100 %)
- BVG Beteiligungs- und Verwaltungsgesellschaft mbH, Graz (Share: 100 %)
- CARATEST NORD Srl, Drochia, Moldova (Share: 99.17 %)
- CARATEST Srl, Taraclia, Moldova (Share: 99.17 %)
- Chestnut TOB, Kiev, Ukraine (Share: 100 %)
- GRAWE Facility Management, Bucharest, Romania (Share: 100 %)
- GRAWE-IT GmbH, Graz (Share: 100 %)
- GRAWE nekretnine d.o.o., Banja Luka, Bosnia and Herzegovina (Share: 100 %)
- GRAWE Pension Service Broker de Pensii Private SRL, Bucharest, Romania (Share: 100 %)
- GW-IT d.o.o., Beograd, Serbia (Share: 99.83 %)
- HÖPO Haustechnik GmbH, Graz (Share: 63.25 %)
- Künig Hausverwaltung GmbH, Kufstein (Share: 100 %)
- Ing. Majcen Baugesellschaft m.b.H., Seiersberg (Share: 51 %)
- Jauschowetz Baugesellschaft m.b.H., Bad Radkersburg (Share: 51 %)
- MBA Training & Marketing Srl, Bucharest, Romania (Share: 100 %)
- S.C. SAXAN Srl, Comrat, Moldova (Share: 89.25 %)
- Stromline Elektrotechnik GmbH, Seiersberg (Share: 75 %)
- TEST-AUTO-SUD-EST, Stefan Voda, Moldova (Share: 49.59 %)
- WBH Wohnbau Holding GmbH, Graz (Share: 100 %)

Banking sector:

- Bank Burgenland Beteiligungs- und Finanzierungs GmbH, Eisenstadt (Share: 99.52 %)
- Bank Burgenland Immobilien Holding GmbH, Eisenstadt (Share: 100 %)
- Bank Burgenland Vermietungs- GmbH, Eisenstadt (Share: 100 %)
- Bauenergie Holding GmbH, Eisenstadt (Share: 100 %)
- BB-REAL Ingatlanfejlesztö Kft., Sopron, Hungary (Share: 99.98 %)
- BCI GmbH, Eisenstadt (Share: 100 %)
- BK Immo Vorsorge GmbH, Graz (Share: 100 %)
- BK Immo Vorsorge Projekt Bodenfeldg. 8, 8a GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt Degengasse 49 GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt Grazbachgasse 54 GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt A.-Schweitzer-Gasse 8-10 GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt St. Peter Hauptstrasse 77-79, Graz
- BK Immo Vorsorge Projekt 1230 Wien, In der Klausen 2, Graz
- BK Immo Vorsorge Projekt Leonhardstraße 108, Graz
- BK Immo Vorsorge Projekt Myrtheng. 16 GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt Ragnitzstraße 34-36 GmbH & Co KG, Graz
- BK Immo Vorsorge Projekt Steyrergasse 45 GmbH & Co KG, Graz
- BVG Beteiligungs- und VerwaltungsgmbH & Co KG, Eisenstadt
- CB Family Office Service GmbH, Graz (Share: 100 %)
- CENTEC.AT Softwareentwicklungs- und Dienstleistungs GmbH, Graz (Share: 58 %)
- Corporate Finance – GRAWE Gruppe GmbH, Graz (Share: 100 %)
- EKO Immo GmbH, Eisenstadt (Share: 100 %)
- GYPFOR HOLDING Kft., Budapest, Hungary (Share: 99.98 %)
- GYP-Real Kft., Budapest, Hungary (Share: 99.98 %)
- HYPO GIROC Investments SRL, Arad, Romania (Share: 99 %)
- Hypo-Liegenschafts-Vermietungs- und VerwaltungsgmbH & Co KEG, Eisenstadt
- Immobilienerrichtungs- und Vermietungs GesmbH, Eisenstadt (Share: 100 %)
- LEO II Immobilienverwaltungs- und Vermietungs GesmbH, Eisenstadt (Share: 67.33 %)
- MLP-Real Hungaria Ingatlanforgalmazó Kft., Budapest, Hungary (Share: 99.98 %)
- "Neufelder" Hypo-Liegenschafts- Vermietungs- und VerwaltungsgmbH & Co KEG, Eisenstadt
- Security Finanzservice GmbH, Graz (Share: 100 %)
- Security Finanz-Software GmbH, Graz (Share: 100 %)
- VIVERE Bauprojekte GmbH, Graz (Share: 100 %)

In the case of one subsidiary included in accordance with the full consolidation method, the protection provision of Article 265 para. 3 UGB was utilised.

IV. Explanatory notes on items of the balance sheet and income statement

A. Explanatory notes on the assets

1. Investments

a) Land and buildings

The balance sheet value of company-used land amounted to TEUR 29,985 (previous year: TEUR 31,535) on the balance sheet date.

b) Development of individual investment items

The development of the individual items of fixed assets includes intangible assets, land and buildings, participating interests and investments in affiliated undertakings:

Development of investments	Intangible assets	Land and buildings	Shares in affiliated undertakings	Loans to affiliated undertakings	Participating interests in associated undertakings	Other participating interests
	TEUR	TEUR	TEUR	TEUR	TEUR	TEUR
As of 31.12.2012	**1,619**	**437,911**	**10,032**	**3,087**	**483**	**6,356**
Additions	1,820	42,993	1,351	76	127	13
Disposals	−8	−4,192	−7,331	−52	0	0
Reallocations	0	0	0	0	0	0
Write-offs	−575	−15,234	−388	−26	−428	−374
As of 31.12.2013	**2,856**	**461,478**	**3,664**	**3,085**	**182**	**5,995**

The following table shows the fair values of the investments on 31.12.2013:

Fair values of investments	2013	2012
	TEUR	TEUR
Land and buildings	818,814	791,634
Shares in affiliated undertakings	17,830	10,032
Loans to affiliated undertakings	3,085	3,087
Participating interests	6,177	6,839
of which associated undertakings	*182*	*483*
Shares and other variable-yield securities	708,749	648,928
Debt securities and other fixed-income securities	2,638,936	2,540,871
Loans guaranteed by mortgages	3,793	4,473
Advance payments on policies	9,988	10,131
Other loans	72,556	74,659
Deposits with credit institutions	102,907	109,528
Other investments	2,905	2,902
Deposits with ceding undertakings	85	106

Land and buildings have been valued in accordance with procedures considered permissible in the relevant recommendation of the Austrian Insurance Association (VVO). The valuation was carried out from 2009 to 2013.

Shares in affiliated undertakings and participating interests were included under the pro-rata own funds or book values. The entry of loans to affiliated undertakings, of debt securities issued by undertakings with which an insurance undertaking is linked by virtue of a participating interest, of shares and other variable-yield securities, of debt securities and other fixed-income securities, as well as other loans was carried out at the book value or at a stock market or market value lying above the book value.

In the case of the remaining investments, the fair value corresponds to the book value.

The investments of the unit-linked and index-linked life insurance are composed of portions of the following investment funds:

- Apollo Konservativ
- Apollo Ausgewogen
- Apollo Ausgewogen T2
- Apollo Dynamisch
- Apollo Dynamisch T2
- Apollo 32
- Apollo 32 Basis
- Apollo Emerging Europe T
- Apollo New World T
- Apollo Selection Trend
- Apollo Styrian Global Equity T
- HI – Growth
- HI – Balanced
- HI – Conservativ
- VALIF T
- Security Romania Fund

The advance payments on policies consist entirely of policy loans. The other loans include loans to credit institutions amounting to 58.6 million EUR (previous year: 60.7 million EUR).

The balance sheet items "Shares and other variable-yield securities" and "Other loans" include structured assets without a capital guarantee. These break down as follows:

Structured assets without a capital guarantee	Book value 2013	Fair value 2013	Book value 2012	Fair value 2012
	TEUR	TEUR	TEUR	TEUR
Assets for which the payment of the interest during the duration is assured, but a repayment of the capital may be partly or completely dispensed with	24,801	29,236	28,246	31,254
Assets for which a loss of interest and/or capital may occur in any possible combination	4,173	4,248	5,381	5,429

The market value or stock market price of a recognised and solvent market, a valuation from Security KAG investment company and/or the book value has been drawn upon, as the fair value.

2. Assets which derive from credit institutions

Composition		2013	2012
		TEUR	TEUR
1.	Cash balance, credit at central banks	254,390	182,523
2.	Debt certificates of public bodies who are permitted to have recourse to the central bank for refinancing	112,161	98,128
3.	Receivables due from credit institutions	356,377	298,393
4.	Receivables due from customers	2,502,348	2,589,896
5.	Debt securities and other fixed-income securities from other issuers	519,173	618,994
6.	Shares and other variable-yield securities	197,332	199,553
7.	Participating interests	7,229	7,203
8.	Shares in affiliated undertakings	2,408	2,411
9.	Intangible assets of the fixed assets	1,272	1,097
10.	Tangible assets	46,072	46,460
11.	Other assets	174,996	195,948
12.	Prepaid expenses	1,056	1,919
Total		**4,174,814**	**4,242,524**

The basic value of the land belonging to the assets of the credit institutions amounts to 8.45 million EUR (previous year: 8.00 million EUR).

In the next financial year, liabilities of the credit institutions arising from the utilisation of tangible assets not shown on the balance sheet will amount to 1.40 million EUR (previous year: 2.50 million EUR) and, over the five subsequent years, 15.30 million EUR (previous year: 15.40 million EUR).

Items on the balance sheet of the credit institutions	2013	2012
	TEUR	TEUR
1. Foreign assets	1,110,515	1,142,288
2. Special assets of administered investment funds	2,730,785	2,267,644

B. Explanatory notes on the liabilities

1. Untaxed reserves

a) Risk reserve pursuant to Article 73 a VAG (Insurance Supervision Act)

Risk reserve	As of 31.12.2012	Transfer	Reallocation	As of 31.12.2013
	EUR	EUR	EUR	EUR
Risk reserve pursuant to Article 73 a VAG	10,051,970.01	0.00	0.00	10,051,970.01

b) Valuation reserve based on special depreciation allowances

Valuation reserve based on special depreciation allowances	As of 31.12.2012	Transfer	Release	As of 31.12.2013
	EUR	EUR	EUR	EUR
I. Pursuant to Article 8 (2) EstG (Austrian Income Tax Act)				
Land and buildings	316,546.20	0.00	17,200.68	299,345.52
II. Pursuant to Article 122 EStG 1972				
Land and buildings	1,380,870.74	0.00	15,154.07	1,365,716.67
III. Pursuant to Article 12 EStG				
Land and buildings	10,122,712.23	0.00	259,552.42	9,863,159.81
IV. Pursuant to Article 116 (2) EStG				
Land and buildings	3,080,218.27	0.00	109,050.23	2,971,168.04
V. Pursuant to Article 10 a EStG				
Land and buildings	27,676.45	0.00	0.00	27,676.45
VI. Pursuant to Article 7 a EStG				
Premature depreciation for wear and tear	269,640.28	0.00	119,237.23	150,403.05
Total	**15,197,664.17**	**0.00**	**520,194.63**	**14,677,469.54**

c) Other untaxed reserves

Other untaxed reserves	As of 31.12.2012	Transfer	Release	As of 31.12.2013
	EUR	EUR	EUR	EUR
I. Transfer reserve pursuant to Article 12 EstG	8,811.58	0.00	0.00	8,811.58
II. Reserve from contributions pursuant to Article III UmgrStG (Austrian Corporate Restructuring Tax Act)	2,352,191.71	0.00	0.00	2,352,191.71
III. Others	6,357.22	456.89	0.00	6,814.11
Total	**2,367,360.51**	**456.89**	**0.00**	**2,367,817.40**

2. Liabilities

The item "Other liabilities" includes taxes amounting to TEUR 15,784 (previous year: TEUR 13,456) as well as amounts owed to social insurance agencies amounting to TEUR 2,233 (previous year: TEUR 2,097).

3. Provisions, liabilities and deferred income which derive from credit institutions

Composition	2013	2012
	TEUR	TEUR
1. Amounts owed to credit institutions	102,237	118,965
2. Amounts owed to customers	1,576,770	1,530,399
3. Securitised liabilities	1,879,459	1,974,160
4. Other liabilities	52,069	44,352
5. Deferred income	2,598	2,921
6. Provisions	65,278	65,636
7. Subordinated liabilities	34,767	44,767
8. Supplementary capital	38,634	38,634
Total	**3,751,812**	**3,819,833**

The interest paid on supplementary capital and subordinated liabilities amounted to TEUR 1,882 (previous year: TEUR 2,283).

4. Contingencies, liabilities from utilisation of tangible assets

a) Liabilities from utilisation of tangible assets not shown on the balance sheet

Liabilities from utilisation of tangible assets	of the next financial year	of the next five financial years
	TEUR	TEUR
Liabilities in connection with tenancy agreements	1,069	4,925

Contingencies

There are guarantees for the collateralisation of loans or note liabilities, amounting to a total of TEUR 667 (previous year: TEUR 672).

b) Items on the balance sheet of the credit institutions

Items on the balance sheet of the credit institutions	2013	2012
	TEUR	TEUR
1. Contingent liabilities Liabilities from loan guarantees and liabilities from the provision of collaterals and from options	325,812	360,014
2. Credit risks	333,629	325,355
3. Liabilities from trust transactions	19,429	20,384
4. Foreign liabilities	486,207	464,573

c) Market values of free derivative transactions

Itemised according to categories, the market value of exchange rate contracts not shown on the balance sheet amounts to −1.5 million EUR (previous year: 0.6 million EUR) and the market value of the interest rate contracts not shown on the balance sheet amounts to 49.6 million EUR in the credit institutions. In 2013 there are no securities-related transactions (previous year: 0 EUR).

C. Explanatory notes on the income statement

1. Premiums

The premiums written, the earned premiums, the claims accrued, the operating expenses and the reinsurance balance in the general insurance business in 2013 are itemised as follows:

Gross amount	Premiums written	Earned Premiums	Claims accrued	Operating expenses	Reinsurance balance
	TEUR	TEUR	TEUR	TEUR	TEUR
Direct business					
Fire and fire-caused business interruption insurance	35,599	35,625	13,728	12,274	−3,977
Household insurance	42,560	42,449	18,140	14,534	−1,579
Other property insurances	51,870	51,835	40,511	18,578	−82
Motor third-party liability insurance	96,103	94,992	63,465	26,694	−2,361
Other motor insurances	54,940	54,312	41,163	17,646	−665
Accident insurance	27,710	27,738	9,928	9,126	−1,508
Third-party liability insurance	30,955	30,694	20,606	11,434	−544
Legal expenses insurance	18,671	18,464	8,027	6,247	−152
Marine, aviation and transport insurance	1,179	1,166	199	398	−298
Other insurances	17,013	16,882	8,921	5,578	−1,481
Total	**376,600**	**374,157**	**224,688**	**122,509**	**−12,647**
Indirect business					
Other insurances	20,614	20,662	13,410	10,767	−1,040
Total	**20,614**	**20,662**	**13,410**	**10,767**	**−1,040**
Direct and indirect business 2013	**397,214**	**394,819**	**238,098**	**133,276**	**−13,687**
Direct and indirect business 2012	390,993	390,923	248,004	124,548	−9,594

The premiums written for life insurance from direct business are composed as follows:

Development of life insurance	2013 TEUR	2012 TEUR
By category		
Individual insurance	313,764	323,152
Group contract insurance	1,109	1,196
Unit-linked life insurance	19,181	18,023
Index-linked life insurance	16,983	17,382
Total	**351,037**	**359,753**
By contract		
Single premium contracts	28,080	21,690
Single premium contracts, unit-linked life insurance	3,137	474
Single premium contracts, index-linked life insurance	1,102	1,534
Regular premium contracts	286,793	302,657
Regular premium contracts, unit-linked life insurance	16,044	17,549
Regular premium contracts, index-linked life insurance	15,881	15,848
Total	**351,037**	**359,753**
By profit participation		
Bonus contracts	299,462	307,131
Non-bonus contracts	16,095	17,591
Non-bonus contracts, unit-linked life insurance	18,493	17,643
Non-bonus contracts, index-linked life insurance	16,987	17,387
Total	**351,037**	**359,753**

The reinsurance balance in life insurance was negative in 2013, at –1.73 million EUR (previous year: –0.15 million EUR).

2. Expenses

Personnel costs (insurance sector)

The items "Claims accrued", "Operating expenses", "Other technical charges", "Investment charges" and "Other non-technical charges" include the following:

Personnel costs	Sales	Administration	Total
	TEUR	TEUR	TEUR
Wages	669	1,121	1,790
Salaries	27,483	35,894	63,377
Expenses for severance pay and pensions	2,853	6,363	9,216
Expenses for social insurance contributions, salary-related taxes and compulsory contributions	9,903	11,462	21,365
Other social expenses	408	622	1,030
Total 2013	**41,316**	**55,462**	**96,779**
Total 2012	38,617	46,509	85,126

In the financial year, commissions in the direct insurance business amounted to TEUR 82,091 (previous year: TEUR 94,922).

The following table shows the average number of employees over the financial year, divided by sales and administration:

Average number of employees	2013	2012
Sales	2,464	2,221
Administration	1,327	1,253
Total	**3,791**	**3,474**

3. Earnings gross before taxes of credit institutions

Composition		2013 TEUR	2012 TEUR
1.	Interest and similar income	91.326	108.586
2.	Interest and similar charges	−25.616	−42.572
I.	**NET INTEREST INCOME**	**65.710**	**66.014**
3.	Revenue from securities and participating interests	4.689	6.921
4.	Income from commissions	87.000	71.704
5.	Commission expenses	−36.244	−29.844
6.	Income / expenses from financial transactions	3.116	4.016
7.	Other operating income	8.577	9.257
II.	**OPERATING INCOME**	**132.848**	**128.066**
8.	Administrative costs	−70.594	−67.967
9.	Value adjustments on the assets included under the asset items 9 and 10	−3.928	−3.818
10.	Other operating expenses	−8.273	−13.047
III.	**OPERATING EXPENSES**	**−82.795**	**−84.833**
IV.	**OPERATING RESULT**	**50.053**	**43.234**
11.	Value adjustments on receivables and transfers to provisions for contingent liabilities and credit risks, as well as the balance from income and expenses arising from securities of other current assets	−61.072	−66.082
12.	Income from the release of value adjustments on receivables and from provisions for contingent liabilities and for credit risks	32.238	46.150
13.	Value adjustments on securities which are held as financial investments, as well as on shares in affiliated undertakings	−910	−579
14.	Income from the release of value adjustments on securities which are held as financial investments, as well as on shares in affiliated undertakings	163	760
V.	**EARNINGS GROSS BEFORE TAXES**	**20.472**	**23.482**

The expenses for severance pay and pensions of the credit institutions amounted to 175,411.95 EUR (previous year: TEUR 507) for executive staff and 1,235,739.56 EUR (previous year: TEUR 1,817) for other employees.

As an annual average, the number of staff employed at credit institutions incorporated through full consolidation was as follows:

Average number of employees	2013	2012
White-collar employees	680	666
Blue-collar employees	35	31
Trainees	0	5
Total	**715**	**702**

4. Taxes on income and earnings

A sum of TEUR 28,101 (of which TEUR 815 pertained to credit institutions), which would be possible to capitalise pursuant to Article 198 para. 10 UGB (Austrian Commercial Code), was not shown on the balance sheet.

V. Other Information

A. Expenses for the auditor of the consolidated financial statement

The expenses incurred by the auditor for auditing the consolidated financial statement for the year under report amounted to TEUR 222; expenses incurred by the auditor for other services amounted to TEUR 66.

B. Information on personnel matters

On 31st December 2013, there were no liabilities for members of the Board of Directors and the Supervisory Board.

In 2013, of the expenses for severance pay and pension provision, amounting to a total of TEUR 9,216 (previous year: TEUR 4,327), TEUR 939 (previous year: TEUR 176) pertain to severance and pension expenses for Board of Directors' members, pursuant to Article 80 para. 1 AktG (Austrian Stock Corporation Act).

For their work, the members of the Board of Directors received emoluments amounting to TEUR 1,347 (previous year: TEUR 1,253) in 2013. The total stipends for former members of the Board of Directors amounted to TEUR 340 (previous year: TEUR 332) in 2013. The stipends for members of the Supervisory Board for their work for the company amounted to TEUR 69 (previous year: TEUR 78) in 2013.

Graz, 28th March 2014

The Board of Directors:

Dr. Othmar Ederer m.p.
Dr. Günther Puchtler m.p.
Mag. Klaus Scheitegel m.p.
Dipl. Techn. Erik Venningdorf m.p.

Opinion of the Auditor on the Consolidated Financial Statement

Unqualified auditor's opinion

Report on the consolidated financial statement

We have audited the attached consolidated financial statement of

GRAWE – Vermögensverwaltung,
Graz,

for the financial year **from 1st January 2013 to 31st December 2013**, including the accounting records. This consolidated financial statement shall comprise the consolidated balance sheet on 31st December 2013, the consolidated income statement, consolidated cash flow statement and the consolidated statement of equity changes for the financial year ending on 31st December 2013, as well as the notes to the consolidated financial statement.

Responsibility of the legal representatives for the annual financial statement and the accounting

The legal representatives of the company are responsible for the group accounting, as well as for the drawing up of consolidated financial statements which convey as faithful as possible a picture of the net asset, financial and profit situation of the group, in conformity with the Austrian Commercial Code and the special legal provisions for insurance companies. This responsibility includes: the planning, implementation and maintenance of an internal control system, insofar as this is important for drawing up the consolidated financial statement and for conveying as faithful as possible a picture of the net asset, financial and profit situation of the group, in order to ensure that the statements be free of material misstatements, whether due to intentional or unintentional error; the selection and application of appropriate accounting and valuation methods; the carrying out of estimates which appear commensurate, taking into account the given basic parameters.

Responsibility of the auditor and description of the nature and extent of the statutory annual audit

Our responsibility is to issue an auditor's opinion on this consolidated financial statement, on the basis of our audit. We have carried out our audit while taking into account the legal regulations applicable in Austria and Austrian standards governing the orderly and correct auditing of financial statements. These basic principles require us to adhere to the ethics of the profession and to plan and conduct the audit in such a way as to be able to form an opinion with reasonable certainty as to whether the consolidated financial statement is free of material misstatement.

An audit involves the conducting of audit procedures in order to obtain audit evidence with regard to the amounts and other information given in the consolidated financial statement. The selection of audit procedures lies within the discretion of the auditor in accordance with his duties, while taking into account his assessment of the risk of the occurrence of material misstatements, whether due to intentional

or unintentional errors. In undertaking this risk assessment, the auditor takes into account the internal control system, insofar as this is important for drawing up the consolidated financial statement and for conveying as faithful as possible a picture of the net asset, financial and profit situation of the company, in order to determine suitable audit procedures while taking the general conditions into account – not, however, in order to deliver an auditor's opinion on the effectiveness of the internal inspections of the group. Furthermore, the audit involves an assessment of the appropriateness of the accounting and valuation methods being applied, and of the essential assessments carried out by the legal representatives, as well as an appraisal of the overview of the consolidated financial statement.

It is our opinion that we have obtained sufficient and appropriate audit evidence to provide assurance that our audit forms a sufficiently safe basis for our auditor's opinion.

Auditor's opinion

Our audit has given rise to no objections. In our opinion, based on the results of the audit, the consolidated financial statement conforms to the statutory regulations and conveys as faithful as possible a picture of the net asset and financial situation of the group on 31st December 2013, as well as the profit situation of the group and the payment flows of the group for the financial year from 1st January 2013 to 31st December 2013, in conformity with the Austrian Generally Accepted Accounting Principles.

Statements on the consolidated management report

Due to the statutory regulations, the consolidated management report has to be audited to ascertain whether it is consistent with the consolidated financial statement and whether or not the rest of the information in the consolidated management report presents a false picture of the situation of the group. The auditor's opinion must also contain a statement as to whether or not the consolidated management report is consistent with the consolidated financial statement.

In our judgement, the consolidated management report is consistent with the consolidated financial statement.

Vienna, 28th March 2014

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft
(Auditing and Tax Consulting Company)

Mag. Thomas Smrekar
Auditor

Mag. Michael Schlenk
Auditor