



“Well, asking me I would say this business report rocks!”



Contents

Michelle & Maximilian – Two sociable public relaters

In the successful TV spots "Cat, car and squirrel" produced by the agency „Wien Nord Pils“ children managed to draw a lot of positive attention to the idea of insurance and earned us numerous advertising awards.

Two children from Graz, Michelle and Maximilian, were chosen to perform the entire GRAWE program - with leaflets, posters and advertisements - in a sociable and empathizing way.

The picture concepts were elaborated jointly with Wolfgang Croce from "Croce & Wir", then they were depicted by the illustrator for the photo production and finally submitted to the operating GRAWE departments for a conformity check. Market and target group analysis were crucial for the decision.

Colour codes defined according to the products and reflected in the props, present the business of life, accident, property and motor insurance. Live castings with more than 60 children took place lasting over two weeks resulting in test shots in front of a committee in the GRAWE conference hall. It was a demanding task for the committee to spot out of the numerous sweet and lovely faces those actors best suitable for the assignment to act naturally and non promotional in front of a camera.

The decision could not have been any better. During the twelve common days of production Michelle and Maximilian grew into a congenial duo and stood out by spontaneity, humour and discipline.

In return for their natural and refreshing performance they were elected into the enlarged board and assumed with immediate effect jointly with Dr. Franz Harnoncourt-Unverzagt, Dr. Othmar Ederer, Dr. Siegfried Grigg and Dr. Günther Puchtler the responsibility for personable public relations and cool customer loyalty.

Life has plenty facets and sometimes unexpected ones. To provoke a spontaneous smile with one or the other reader of this report is the marketer's declared bold wish.

GRAWE Group

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GRAWE România Asigurare SA

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Statement by the Chairman of the Board



Members of the Board
(from left to right)

Dr. Siegfried Grigg
Vice Chairman of the Board

Dr. Günther Puchtl
Member of the Board

Dr. Othmar Ederer
Chairman of the Board

Ladies and Gentlemen,

In the business year 2006 the Austrian insurance industry once again produced well, albeit the growth of total premium income of 1.9 % turned out more moderate than the years before. Simultaneously the total accrued claims increased by 10.4 % to a total of 9.7 billion EUR due to the enormous snow pressure damages in the winter 2005/2006 and the high liabilities out of expiring life insurance contracts.

At the beginning of the year 2007 the burden of natural disasters has once again been exceptionally high. Winter storm "Kyrill" swept with a top speed of 200 km/h over Austria causing damages in the total value of 100 Mio. EUR. Also in the future – due to climatic changes – we will be confronted with damaging events resulting from natural disasters. In order to offer our customers henceforth adequate insurance solutions within this sector it is necessary to calculate and evaluate these risks as precise as possible in advance.

Since the mid year of 2006 a cooperation between the Federal Ministry of Agriculture, Forestry, Environment and Water Management and the Austrian Insurance Association within the framework of the flood water zoning system "HORA" permits for the first time a nation wide risk zoning for natural disasters and therewith provides a basis for the insurability of such risks.

In 2006 the Grazer Wechelseitige Versicherung AG managed anew to surpass previous year's record result not least as a consequence of consistent improvement in cost structure. Thus we were once again able to allocate reserves whereby we kept strengthening our sound and stable financial basis.

Once again all Central and South East European subsidiaries remarkably contributed to the gratifying GRAWE Group result with their positive annual returns.

In the business year 2006 around 35 % of the total premium income of the GRAWE Group business were produced by the foreign subsidiaries. At the beginning of 2007 we successfully pursued our expansion path in the South and

East European countries by setting up Grawe Macedonia.

In order to continue growing in the future the main emphasis with our subsidiaries lies in the setting up and expanding of our own sales and increasing the motor and property insurance. Furthermore another upcoming aim is to assert our present solid market position in the life insurance business within the abovementioned markets.

HYPO Group Alpe Adria was able to achieve a highly satisfying group result and thus contributed significantly to the GRAWE Group result in 2006. Bank Burgenland purchased in 2006 was for the first time fully integrated in the consolidated financial statements and constitutes an ideal completion of the hitherto banking engagement. Capital Bank Group contributed notably to this year's business result continuing to confirm its position within the Austrian private banking business.

In the real estate business we predominantly kept investing in foreign projects. Major projects in Zagreb, Sarajevo and Bucharest have been successfully realized and offer about 25.000 m² additional facilities for living, office and business space. On this occasion I would like to thank all our employees of GRAWE Group who facilitated with commitment and delight all mentioned accomplishments and hence contributed crucially to the business success.

I would also like to thank all our customers for the confidence they placed in us in 2006. In the future we will go from strength to strength to meet our customers demands with individual insurance products.

We seek to pursue the chosen path jointly with you since the aim to be the insurance on your side lies in the centre of our activities.

Yours Othmar Ederer

	1828 Austria	 GRAZER WECHSELSEITIGE Versicherung Aktiengesellschaft
	1991 Slovenia	 GRAWE Zavarovalnica d.d.
	1993 Croatia	 GRAWE HRVATSKA osiguravajuće d.d.
	1997 Hungary	 GRAWE Életbiztosító Zrt.
	1997 Belgrade	 GRAWE osiguranje a.d.o.
	1997 Sarajevo	 GRAWE osiguranje d.d.
	1998 Ukraine	 ГРАВЕ УКРАЇНА Страхове АТ
	2000 Bulgaria	 ГРАВЕ БЪЛГАРИЯ Животозастраховане АД
	2000 Romania	 GRAWE ROMÂNIA Asigurare SA
	2001 Banja Luka	 GRAWE osiguranje a.d.
	2004 Moldova	 GRAWE Asigurare de viață SA
	2004 Podgorica	 GRAWE osiguranje a.d.
	2007 Mazedonia	 ГРАВЕ осигурување ад Скопје



Company Profile

The core competencies of GRAWE include the insurance business, financial services and real estate. 13 external insurance subsidiaries all over Central Europe underline GRAWE's international orientation. Its strong roots in the insurance market and an A-rating reflect its 179 yearlong history of success.

Due to its customer-friendly service and individual consulting, and by providing tailor-made, demand-oriented products, Grazer Wechselseitige AG nowadays stands for international quality combined with our domestic standards of security.

Group Profit and Loss Account

For the Year ended December 31, 2006 (summary)

	2006 EUR	2005 TEUR
Revenue Account Non-Life Business		
1. Earned premiums, net of reinsurance	278,371,950.91	270,804
2. Other technical income	1,356,301.56	1,282
3. Claims incurred, net of reinsurance	-199,630,593.21	-197,622
4. Change in other technical provisions	-284,275.74	-283
5. Expenses for premium refunds	-909,737.18	-1,016
6. Operating expenses		
a) Acquisition costs	-73,719,130.08	-72,634
b) Administrative expenses	-25,766,159.67	-21,575
c) Reinsurance commissions and profit sharing	21,561,998.49	23,235
7. Other technical charges	-3,997,128.74	-3,902
8. Change in the equalisation provision	-25,820.56	-557
9. Balance on the technical account	-3,042,594.22	-2,267
10. Investment income	117,502,039.70	61,231
11. Investment charges	-18,488,609.02	-20,461
12. Profit from ordinary activity	95,970,836.46	38,503
Revenue Account Life Business		
1. Earned premiums, net of reinsurance	301,450,870.06	260,987
2. Other technical income	158,905.88	641
3. Claims incurred, net of reinsurance	-120,896,907.51	-92,385
4. Change in the provision for policy liabilities and in other technical provisions	-125,291,966.76	-124,265
5. Expenses for profit sharing	-27,733,082.57	-27,991
6. Operating expenses		
a) Acquisition costs	-73,725,987.24	-61,168
b) Administrative expenses	-12,091,488.21	-11,141
c) Reinsurance commissions and profit sharing	887,630.72	1,408
7. Other technical charges	-414,844.11	-150
8. Balance on the technical account	-57,656,869.74	-54,064
9. Investment income	109,042,291.72	96,122
10. Investment charges	-26,500,598.35	-18,599
11. Profit from ordinary activity	24,884,823.63	23,459
Non technical Account		
1. Transfer from revenue accounts		
Profit from ordinary activity non-life business	95,970,836.46	38,503
Profit from ordinary activity life business	24,884,823.63	23,459
	120,855,660.09	61,962
Profit from ordinary activity financial institutions	37,635,127.46	19,520
	158,490,787.55	81,482
2. Income taxes	-9,617,409.97	-16,575
3. Profit for the year	148,873,377.58	64,907

Group Balance Sheet

at December 31, 2006 (summary)

ASSETS

Life and Non-life Business

	31.12.2006 EUR	31.12.2005 TEUR
A. Intangible assets	955,073.92	720
B. Investments		
I. Land and buildings	360,252,667.98	339,722
II. Investments in affiliated companies and other shareholdings	320,310,640.15	236,937
III. Other financial investments	1,888,496,782.07	1,794,016
IV. Deposits with ceding companies	743,646.71	995
C. Investments for the benefit of life-assurance policyholders who bear the investment risk	31,129,547.10	18,292
D. Receivables	79,539,912.89	81,201
E. Accrued interest and rentals	33,569,202.69	30,898
F. Other assets		
I. Tangible assets (excluding land and buildings) and stocks	6,160,418.02	8,058
II. Cash at bank and in hand	47,713,029.24	43,441
III. Other	319,283.96	231
G. Prepayments and accrued income	1,504,433.86	2,546
H. Assets from financial institutions	3,890,432,327.05	411,338
	6,661,126,965.64	2,968,395



LIABILITIES

Life and Non-life Business

	31.12.2006 EUR	31.12.2005 TEUR
A. Shareholders' equity	512,292,844.69	404,622
B. Untaxed reserves	30,362,137.09	31,467
C. Technical provisions, net of reinsurance		
I. Unearned premiums	145,517,680.05	133,169
II. Premium reserve	1,378,470,133.80	1,264,359
III. Provision for outstanding claims	544,760,191.03	495,525
IV. Provision for premium refunds	2,066,451.00	2,154
V. Provision for profit sharing	72,618,510.36	65,898
VI. Equalisation provision	31,371,005.42	31,344
VII. Other technical provisions	5,837,580.36	4,819
D. Provision for policies where the investment risk is borne by the policyholder	30,975,769.05	17,152
E. Provisions for liabilities and charges	71,189,546.25	76,688
F. Deposits withheld from reinsurers	8,396,030.07	7,701
G. Other liabilities	130,814,023.87	125,707
H. Accruals and deferred income	689,921.52	1,017
I. Liabilities from financial institutions	3,695,765,141.08	306,773
	6,661,126,965.64	2,968,395

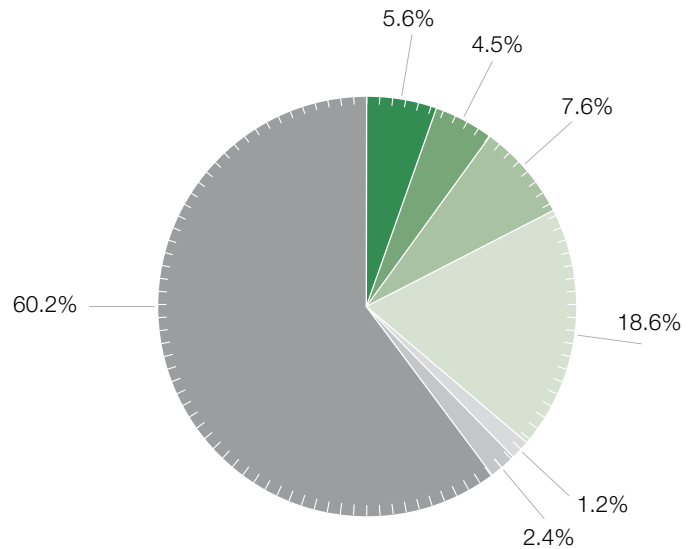
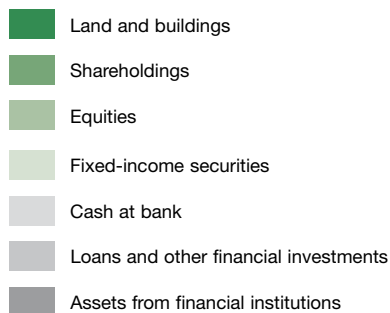


“We let the market prices fly!”

The Group's Investments - a Reliable Basis

For the Year ended December 31, 2006 (summary)

At 31 December 2006 the Group's total investments amounted to EUR 6,460 million (2005: EUR 2,783 million), corresponding to a 132.1 % rise with respect to the previous year.



Auditor's Opinion

We have audited the consolidated financial statements including the underlying accounting records of GRAWE Vermögensverwaltung, Graz for the fiscal year from 1 January to 31 December 2006. The maintenance of the accounting records and the preparation and contents of these financial statements including the management report in accordance with the Austrian Commercial Code are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit and to state whether the management report corresponds with the financial statements.

We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement and whether we can state that the management report is in accordance with the financial statements. In determining the audit procedures we considered our knowledge of the business, the economic and legal environment of the Company as well as the expected occurrence of errors. An audit involves procedures to obtain evidence about amounts and other disclosures in the financial statements and underlying accounting records on a sample basis. An audit also includes assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements are in accordance with legal requirements and present fairly, in all material respects the financial position and the results of its operations at 31 December 2006 and its cash flows from 1 January to 31 December 2006 in accordance with Generally Accepted Accounting Principles in Austria. The management report is in accordance with the financial statements.

Vienna, 5 April 2007

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Michael Schlenk

CPA and Tax advisors
(Austrian Chartered Accountants)

Mag. Thomas Smrekar



GRAWE ROMÂNIA

Asigurare SA



GRAWE România Asigurare SA

Raport 2006

Grupul financiar internațional Grawe a decis în anul 2000 intrarea pe piața românească a asigurărilor de viață prin înființarea societății Grawe România Asigurare SA, al cărei acționar majoritar este, deținând 99,98% din capitalul social. În prezent, Grawe România a diversificat paleta de produse, adăugând asigurărilor de viață, asigurări de sănătate și de accident.

An de an, evoluția constantă a companiei Grawe România a reprezentat o confirmare a deciziei inițiale, strategia bazată pe siguranță și eficiență clasându-ne la sfârșitul anului 2006 pe locul 5 în top-ul asigurărilor de viață, cu o cotă de piață de 5,68%. În anul 2006 Grawe România a realizat cea mai spectaculoasă evoluție din piața asigurărilor de viață, urcând patru poziții în clasament, cu subscrieri a căror valoare a depășit 18,3 mil. EUR, în creștere cu 88% față de rezultatele anului 2005. Evoluția reală în lei a depășit 83%.

În anul 2005, după preluarea societății de asigurări de viață Sara Merkur, Grawe a decis că noile sale „dimensiuni” impun un nou sediu, astfel că, la începutul anului 2006 Grawe România a achiziționat o clădire de birouri de 8 etaje. Noul Grawe Business Center a devenit sediul central al companiei în cursul lunii septembrie 2006, valoarea investiției totale fiind de 7,5 milioane Euro.

Această achiziție vine în continuarea politicii de investiții imobiliare ale companiei, politică armonizată interesului în domeniul al Grupului Grawe. Astfel, prima achiziție de acest gen a fost în anul 2001 – Vila Simu – o clădire inclusă în patrimoniul imobilelor istorice ale Bucureștiului. Avem programate investiții în domeniul imobiliar de minim 5 milioane euro în perioada 2007 - 2008.

Pentru anul 2007 preconizăm o creștere de minim 40% a volumului de prime subscrise și a rezultatului financiar.

De când am intrat pe piață și până în prezent, seriozitatea și profesionalismul ce ne caracterizează au determinat un număr de aproape 140.000 de clienți să opteze pentru produsele noastre.

Concluzia anului 2006 este că am avut un an prosper și plin de succese și rezultatele dovedesc că acest curs ascendent va continua și în anii care vin. Și aceasta pentru că punem în permanență clientul pe primul loc. Scopul nostru este să oferim cele mai bune produse și servicii în orice moment, pentru a fi demni de motto-ul nostru: “Asigurarea de partea TA”.



Comitetul de direcție al societății Grawe România Asigurare SA:

Dr. Gernot Reiter

Peter Kasyk

Monica Spătaru

Contul de profit și pierderi

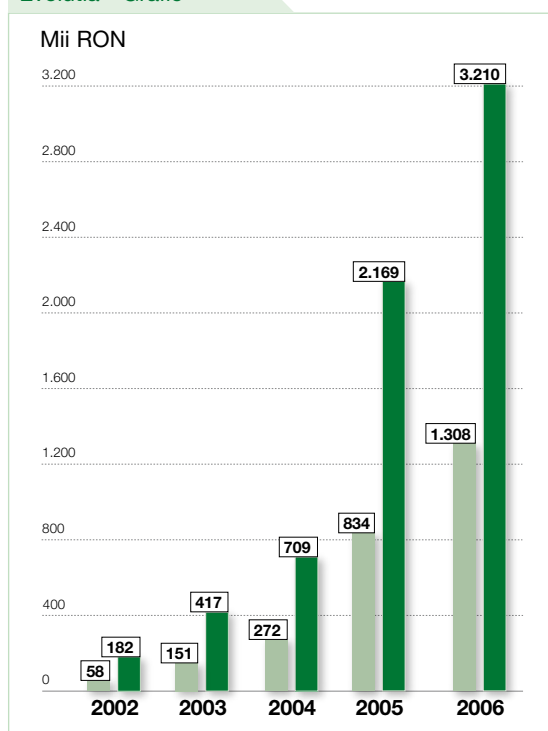
	2005 mii RON	2006 mii RON
1. Venituri din prime, nete de reasurare	28.242	51.753
a) Venituri din prime brute subscrise	35.309	64.538
b) Prime cedate în reasurare	-2.091	-3.679
c) Variația rezervei de prime, netă de reasurare	-4.976	-9.106
2. Venituri din plasamente	6.744	12.039
3. Alte venituri tehnice, nete de reasurare	467	885
4. Cheltuieli cu daunele, nete de reasurare	-1.281	-2.536
a) Sume plătite:		
- sume brute	-458	-2.312
- partea reasurătorilor	37	214
b) Variația rezervei de daune	-860	-438
- suma brută	-825	-612
- partea reasurătorilor	114	172
5. Variația rezervelor tehnice privind asigurările de viață	-8.589	-18.549
a) Variația rezervei matematice	-6.963	-15.582
- suma brută	-6.963	-15.582
b) Variația rezervei pentru participare la beneficii și risturnuri	-1.626	-2.967
- suma brută	-1.626	-2.967
6. Cheltuieli de exploatare nete:	-18.683	-32.019
a) cheltuieli de achiziție	-14.844	-28.165
b) cheltuieli de administrare	-4.980	-5.269
c) comisioane primite de la reasurători și participări la beneficii	1.140	1.377
7. Cheltuieli cu plasamente:	-2.023	-4.579
8. Alte cheltuieli tehnice, nete de reasurare	-954	-1.648
9 Cota din venitul net al plasamentelor transferată în contul netehnic	0	0
10. Rezultatul tehnic	4.220	5.306
11. Rezultatul net al exercițiului	3.988	4.163

Evoluția societății

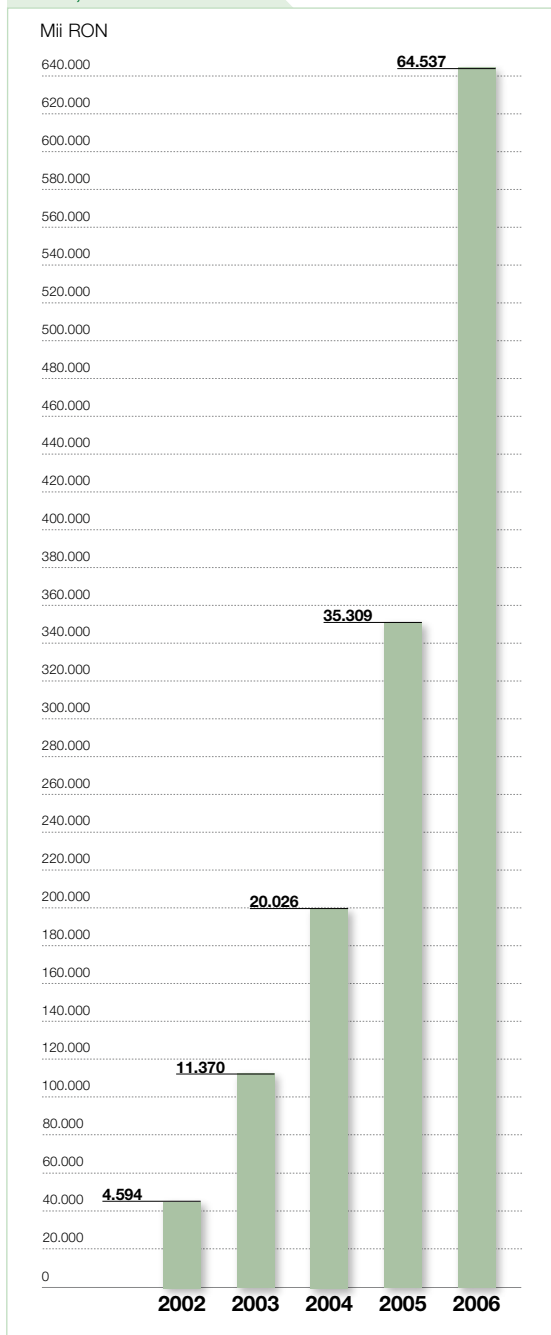
Evoluția societății Grawe România Asigurare SA subliniază imaginea pe care am dorit și am reușit să o impunem, aceea de profesionalism și siguranță, fiind totodată o confirmare a așteptărilor și încrederii arătate posibilităților de dezvoltare și consolidare a domeniului asigurărilor din România. Răspunsul nostru la necesitățile clienților este clar: costuri de achiziție mici, produse bine structurate și diversificate, servicii de calitate și consiliere specializată.

- sume asigurate aferente contractelor de asigurare mixtă de viață
- sume asigurate aferente contractelor de asigurări de viață suplimentare, care cuprind: asigurări de vătămări corporale din accidente, asigurări de deces rezultat sau nu dintr-un accident

Evoluția - Grafic



Evoluția - Grafic



Încă o dată, Grawe România a reușit să depășească și în anul 2006 rezultatele excepționale ale anului precedent, propriile previziuni și, nu în ultimul rând, ritmul mediu de dezvoltare a pieței asigurărilor.

Creșterea medie nominală în Euro a companiilor active în piața asigurărilor de viață în anul 2006 a fost de 24,36%, în timp ce Grawe România a reușit o îmbunătățire cu circa 88% a rezultatelor anului precedent.

Polițe de asigurări mixte de viață:

2005: 110.731

2006: 137.052

Sume asigurate aferente contractelor valabile la 31 decembrie:

- asigurări mixte de viață:

2005: 834.128 mii lei

2006: 1.307.522 mii lei

- asigurări de viață suplimentare, care cuprind:
asigurări de vătămări corporale din accidente,
asigurări de deces rezultat sau nu dintr-un accident:

2005: 2.168.856 mii lei

2006: 3.210.201 mii lei

Prime totale subscrise:

2005: 35.309 mii lei

2006: 64.537 mii lei

Concluzia raportului auditorului independent ACL International a stabilit că gestiunea societății a fost realizată în conformitate cu reglementările legale în vigoare, iar documentele menționate dau o imagine fidelă a rezultatului operațiunilor exercițiului încheiat, precum și a situației financiare și a patrimoniului societății la sfârșitul acestui exercițiu. În anul 2006, Grawe România Asigurare SA a obținut o cifră de afaceri de 64.537.607 lei, profitul înregistrat a fost de 4.163.447 lei, iar totalul activelor din bilanțul contabil au o valoare de 147.066.000 lei și au o acoperire financiară în totalul pasivelor de aceeași valoare.

Volum de prime totale subscrise

Opinia auditorului ACL International:

Declarațiile financiare reprezintă în mod corect, în toate aspectele, situația financiară a societății Grawe România Asigurare SA la data de 31 decembrie 2006, fiind în concordanță cu Legea contabilității nr. 82/1991 republicată și cu Ordinul Comisiei de Supraveghere a Asigurărilor nr. 3.129/2006 pentru aprobarea reglementărilor contabile conforme cu directivele europene specifice domeniului asigurărilor.





GRAWE România Asigurare SA Group Report 2006



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