

Annual report 2016

VIG Asset Management, a.s.



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2. Basic Information on the Company

Company name: VIG Asset Management, a.s.

Registered office: Templová 747/5, Staré Město, 110 01 Praha 1

Legal form: Joint-stock company

Identification number: 24838233

Balance sheet date: 31.12.2016

Accounting period: 01.01.2016 – 31.12.2016

VIG Asset Management, a.s. was incorporated by being entered into the Companies Register administrated by the Prague City Court, Section B, File B 17131 on 27.04.2011. On 21.10.2011, VIG Asset Management, a.s. was granted a license to carry the business of an investment company from the Czech National Bank and changed its name to VIG Asset Management investiční společnost, a.s. (hereinafter referred to as "VIG AM" or the "Company"). With effective date 28.02.2017 the Company gave back its licence to carry the business of an investment company granted by Czech National Bank. As a consequence the Company's name was changed from VIG Asset Management investiční společnost, a.s. to VIG Asset Management, a.s.

a) Board of Directors, Supervisory Board

Board of Directors

Dipl. Ing. Caroline Mocker, MSc. MRICS

Chairperson of the Board of Directors

Function established on: 27.04.2011

- Graduate of the Vienna University of Technology (Architecture)
- Postgraduate studies at the Vienna University of Technology (Real Estate Management and Pricing)
- Member of Royal Institution of Chartered Surveyors

Experience:

- since 04/2011 International real estate expert (Vienna Insurance Group AG)
- 12/2010 - 03/2011 Project management "Smashing Suns" Franchise GmbH
- 07/2009 - 11/2010 Project manager of group investments (Bank Austria Real Invest GmbH)
- 01/2008 - 06/2009 Investment manager for Real Invest Austria (RIA) and Real Invest Europe (RIE)
- 01/2007 - 12/2007 Head of the Portfolio Management Department (Bundesimmobiliengesellschaft mbH)
- 11/2005 - 12/2006 Portfolio manager (Bundesimmobiliengesellschaft m.b.H)
- 02/1998 - 10/2005 Technical employee and work on free-lance basis

Ing. Luděk Marek
Member of the Board of Directors

Function established on: 11.10. 2011

- Graduate of the University of Economics in Prague, Faculty of Economics, Finances

Experience:

- since 2002 Head of the Treasury Division
(Kooperaiva pojišťovna, a.s., Vienna Insurance Group)
- 1993 – 2001 Head of the Portfolio and Liquidity Management Department
(Kooperaiva pojišťovna, a.s., Vienna Insurance Group)
- 1991 – 1993 Trade certificate for the area of business consulting
- 1987 – 1991 Česká státní pojišťovna – Economy Department
- 1985 – 1987 Československá obchodní banka

Ing. Mag. Christoph Roiser until 28.04.2016
Member of the Board of Directors

Function established on: 11.10. 2011

- Graduate of the Vienna University of Economics and Business (Business Economics, Production and IT Management)
- Study abroad at the University of Illinois at Urbana-Champaign, USA (Production)
- Study abroad at the Jiangxi University of Finance and Economics, China
(International Management and Accounting)

Experience:

- since 2008 Deputy manager of the Real Estate Department,
(WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group)
- 2005-2008 Business manager (general manager) of the
"Electronic Assembly" operational unit for Central and Eastern Europe (Siemens AG Austria, Automation & Drives)
- 2002-2004 Senior Controller of Sales
(Siemens AG Germany, Logistics & Assembly)
- 1999-2002 Project manager
(Siemens AG Austria, Siemens Dematic)

MMag. Dr. Wolfgang M. Hajek
Member of the Board of Directors

Function established on: 29.04.2016

- Graduate of Doctoral Studies at Juridicum Wien
- Graduate of Business and Management as well as Law at Karl Franzens Universität Graz
- MBA Graduate at Maastricht School of Management, the Netherlands

Experience:

- Since 2016 Member of Board of Directors of VIG AM
- 2012 – 2016 VIG AM, Strategic Portfolio Management and Strategic Decision Implementation Officer

- Since 2011 Deputy Head of Affiliated Companies Department
- 2007 – 2011 Volksbanken Group
- 2007 Austrian Financial Market Authority

Supervisory Board

Dr. Martin Simhandl

Chairperson of the Supervisory Board

Function established on: 27.04.2011

- Graduate of the University of Vienna (Law)

Experience:

- since 11/2004 Member of the Board of Directors
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 1994 - 2004 Management of subsidiaries
(Head of Subsidiary Management since 1998)
- 1985 – 1993 Legal department (proxy holder since 1991)
- 1985 Start in Vienna Insurance Group

Mag. Roland Gröll

Member of the Supervisory Board

Function established on: 27.04.2011

- Graduate of the Vienna University of Economics and Business

Experience:

- Since 01/2016 Member of the Board of Directors
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 01/2014 – 12/2015 Head of the Financial and Accounting Department
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 01/2010 – 12/2013 Member of the Board of Directors
Donau Versicherung AG Vienna Insurance Group
- 10/2008 - 12/2013 Deputy of the Board of Directors
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 02/2008-2010 Member of the Extended Board of Directors
Vienna Insurance Group Wiener Städtische Versicherung AG
- since 03/2008 Head of the Financial and Accounting Department
- since 06/2003 Proxy holder, WIENER STÄDTISCHE Versicherung AG
Vienna Insurance Group
- 05/2003-02/2008 Deputy manager of the Financial and Accounting Department
- 01/2001 Proxy holder
- 02/1994 Start in WIENER STÄDTISCHE Versicherung AG
Vienna Insurance Group, Financial and Accounting Department

Gary Wheatley Mazzotti

Member of the Supervisory Board

Function established on: 01.04.2012

- Graduate of the University of Reading (Economics)
- ACA chartered accountant

Experience:

- Since 04/2014 Member of the Board of Directors,
Kooprativa pojišťovna, a.s., Vienna Insurance Group
- Since 03/2012 Senior Executive,
Vienna Insurance Group AG Wiener Versicherung Gruppe
- 10/2010-01/2012 Senior Investment Director, PPF, a.s.
- 09/2008-10/2010 Chief Financial Officer Private Equity Division, PPF, a.s.
- 09/2007-09/2008 Chief Executive Officer, ENERGY 21, a.s.
- 01/2006-08/2007 Chief Operating Officer, AAA Auto, a.s.
- 09/2001-12/2005 Chief Financial Officer, AAA Auto, a.s.
- 04/1994-08/2001 Finance Director,
Sound and Media Group (Part of Virgin Group)
- 03/1991-04/1994 Group Operational Review Manager, Atlantic Computers PLC
- 09/1988-03/1991 Financial Controller, Greyhound Leasing

b) Persons in which the Company had a qualified holding

The Company has qualified interest in:

- **VIG AM Services GmbH:** Since 2015 the Company holds 100 % of the shares of VIG AM Services GmbH, with its registered office at Schottenring 30, 1010 Vienna, Austria registered in the Commercial Register at the Commercial Court in Vienna under Number FN 428678 i. VIG AM Services is a consulting company for real estate business. The unaudited economic result of VIG AM Services GmbH 2016 amounts to EUR 14 567,-.

Managing Director:

Dipl. Ing. Caroline Mocker, MSc. MRICS

MMag. Dr. Wolfgang M. Hajek

c) Persons who had a qualified holding in the Company

Name of the natural person; name of the legal entity	Place of residence; registered office	Current accounting period
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	Schottenring 30 1010 Vienna Republic of Austria	33 ordinary shares in the nominal value of CZK 100,000 per share (i.e. 100 % of the shares)

d) Persons who were interconnected with the Company in personnel terms
Dipl. Ing. Caroline Mocker, MSc. MRICS

EUROPEUM Business Center s.r.o.

HUN BM Kft.

SK BM s.r.o.

VIG AM Services GmbH

VIG FUND, a.s. (former: VIG FUND uzavřený investiční
fond, a.s.)

VIG FUND Revoluční s.r.o.

Managing Director

Managing Director

Managing Director

Managing Director

Chairperson of Board of Directors

Managing Director

VL TAVA majetkovosprávní a podílová spol.s.r.o.

Managing Director

Ing. Luděk Marek

VIG FUND, a.s.

Member of Board of Directors

VIG FUND Revoluční s.r.o.

Managing Director

VIG ND, a.s.

Member of Board of Directors

Ing. Mag. Christoph Roiser until 28.04.2016

Anděl Investment Praha s.r.o.

Managing Director

HUN BM Kft.

Managing Director

SK BM s.r.o.

Managing Director

VIG AM Services GmbH

Managing Director

VIG FUND, a.s.

Member of Board of Directors

MMag. Dr. Wolfgang M. Hajek from 29.04.2016

EUROPEUM Business Center s.r.o.

Managing Director

HUN BM Kft.

Managing Director

SK BM s.r.o.

Managing Director

VIG AM Services GmbH

Managing Director

VIG FUND, a.s.

Member of Board of Directors

VIG FUND Revoluční s.r.o.

Managing Director

Dr. Martin Simhandl

InterRisk Lebensversicherungs-AG Vienna Insurance Group

Chairperson of the Supervisory Board

InterRisk Versicherungs-AG Vienna Insurance Group

Chairperson of the Supervisory Board

VIENNA INSURANCE GROUP AG Wiener

Versicherung Gruppe

Member of the Board of Directors

VIG FUND, a.s.

Chairperson of the Supervisory Board

Mag. Roland Gröll

VIENNA INSURANCE GROUP AG Wiener

Versicherung Gruppe

Member of the Board of Directors

VIG FUND, a.s.

Member of the Supervisory Board

Wiener Osiguranje Vienna Insurance Group d.d., Zagreb

Chairperson of the Supervisory Board

Mr. Gary Wheatley Mazzotti

Anděl Investment Praha s.r.o.

Managing Director

Česká podnikatelská pojišťovna, a.s.

Member of Board of Directors

Kooperativa pojišťovna, a.s. Vienna Insurance Group

Member of Board of Directors

VIG FUND, a.s.

Member of the Supervisory Board

VIG ND, a.s.

Member of the Supervisory Board

VIG RE zajišťovna, a.s.

Member of the Supervisory Board

e) Persons who acted in concert with the Company not listed in a) to d)

In 2016, the Company did not act in concert with any person, who is not listed in paragraph a) to d).

f) Changes to the facts registered in the Commercial Register

In 2016 the following changes were made in the Commercial Register: Ing. Mag. Christoph ROISER was deleted as Member of the Board of Directors, MMag. Dr. Wolfgang M. HAJEK was registered as Member of Directors and Mag. Birgit WEBER was registered as proxy holder.

g) Facts with a significant impact on the performance of activities by the Company

The Company operates as the sole member of the Board of Directors of VIG FUND, a.s. and manages VIG FUND's assets based on the Contract on performance of office, which was the only activity of VIG AM.

h) Judicial or arbitration disputes in which the Company was or is involved

Neither VIG FUND nor the Company was not involved in judicial or arbitration disputes in 2016.

i) Overview of the Managed Funds

In the period from 01.01.2016 until 31.12.2016, VIG AM – being the sole Member of the Board of Directors - managed the assets of the following entity based on the Contract on performance of office (§14, article 1, letter b) of the Collective Investment Act):

- VIG FUND, a.s., IČ: 24220809, registered office Templová 747/5, Staré Město, 110 00 Prague 1, registered in the Commercial Register of the Municipal Court in Prague, Section B, file 17896. See also point j) below.

j) Information on facts that occurred after the date of balance sheet which are significant for fulfilling the purpose of the annual report

The Company's management gave back its licence as investment company to the Czech National Bank (ČNB) with effective date 28.02.2017. As a consequence the Company's name was changed from VIG Asset Management investiční společnost, a.s. to VIG Asset Management, a.s.. The Company's business was based on the Contract on performance of office concluded between the Company as the Investment Company and VIG Fund a.s.. With effective date 01.01.2017 VIG Fund a.s. was deregistered of the list of funds kept by ČNB. The Contract on performance of office, signed between the Company and VIG Fund a.s. will be adjusted accordingly. The Company will continue to manage VIG Fund's assets.

3. Report by the Board of Directors on the Business Activities and Status of Assets

VIG AM focuses on the management of the funds, the investment properties and the investment activities of real estate companies respectively of qualified investors.

VIG AM managed VIG FUND a.s. from the position of the sole Member of the Board of Directors based on the Contract on performance of office.

The Company's financial management resulted in a profit amounting TCZK 1 223 as of 31.12.2016.

The results of financial management of VIG AM are audited by TPA Audit s.r.o. (license number 80) as the auditor.

Status of Assets

Assets

Total Assets of VIG AM as of 31.12.2016 amount to TCZK 16 779.

Liabilities

The Liabilities of the VIG AM as of 31.12.2016 amount to TCZK 3 824.

Capital Stock

The Capital Stock as of 31.12.2016 amounts to TCZK 3,300.

The Board of Directors has no knowledge of any other facts that would significantly influence the financial standing of the Company as of the date of preparation of the annual report 2016 and has no knowledge of any significant litigations (active or passive), which could influence the financial standing of the Company for the year 2016.

4. Additional information

Expected development of the Company in 2017

The Company's management gave back its licence as investment company to the Czech National Bank (ČNB) with effective date 28. 02.2017. As a consequence the Company's name was changed from VIG Asset Management investiční společnost, a.s. to VIG Asset Management, a.s..

In 2017, the main activity of the Company will still be defined by the function of the sole Member of the Board of Directors and administrator of VIG FUND, a.s. and the search for additional investment opportunities in real estates in Central and Eastern Europe.

Activities in Research and Development

The Company does not carry out any activities in research and development at present.

Activities in Environmental Protection and Industrial Relations

The Company proceeds in accordance with the applicable generally binding laws in the fields of environmental protection and industrial relations.


Organizational Units Abroad

The Company does not have any organizational unit abroad.

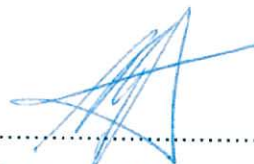
Litigation and arbitration disputes

In 2016, VIG AM was not a party to any litigation or arbitration dispute.

28.2.2017



DI Caroline Mocker, MSc. MRICS
Chairman of the Board of Directors



MMag. Dr. Wolfgang M. Hajek
Member of the Board of Directors

5. Report on relationships between Related Parties

Decisive period

This report describes the relationship between related parties under § 82 Act no. 90/2012 Coll., on companies and cooperatives for the last accounting period, i.e. the period from 1.1.2016 to 31.12. 2016.

Controlled party

VIG Asset Management, a.s. registered office Templová 747/5, Staré Město, 110 00 Prague 1, IČ: 24838233, registered in the Commercial Register of the Municipal Court in Prague, Section B, File 17131 ("VIG AM").

Directly controlling party

Vienna Insurance Group AG Wiener Versicherung Gruppe, registered office Schottenring 30, 1010 Vienna, Austria. Share of the controlling party in the controlled party is 100%.

Role of the controlled entity in the group

The controlled party is an investment company that manages VIG FUND, a.s. a company which is part of the VIG group.

Method and means of controlling

Vienna Insurance Group AG Wiener Versicherung Gruppe manages VIG AM from the position of sole shareholder.

Entities controlled by the same controlling party (hereinafter referred to as: "Related Parties")

Members of Vienna Insurance Group AG Wiener Versicherung Gruppe can be considered to be Related Parties (see also point 7 of the VIG AM annual report for the year 2016).

Contracts between VIG AM and Related Parties

Following table provides an overview of contracts concluded in the decisive period between VIG AM and Related Parties:

Contract title	Counterparty	Performance
Contract on performance of office	VIG FUND, a.s.	Carried out under standard conditions and at common price
Amendment of the Contract on performance of office	VIG FUND, a.s.	Carried out under standard conditions and at common price
Service Agreement	WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Carried out under standard conditions and at common price
Service Agreement	Vienna Insurance Group AG Wiener Versicherung Gruppe	Carried out under standard conditions and at common price
Amendment no. 1 to the Lease contract	Kooperativa pojišťovna, a.s., Vienna Insurance Group	Carried out under standard conditions and

		at common price
Sub-lease contract of non-residential premises	VIG FUND, a.s.	Carried out under standard conditions and at common price
Lease contract of non-residential premises	Kooperativa pojišťovna, a.s., Vienna Insurance Group	Carried out under standard conditions and at common price
Amendment no. 2 to the Lease contract	Kooperativa pojišťovna, a.s., Vienna Insurance Group	Carried out under standard conditions and at common price
Agreement on sharing of costs	Kooperativa pojišťovna, a.s., Vienna Insurance Group	Carried out under standard conditions and at common price
Property Management Services	Kooperativa pojišťovna, a.s., Vienna Insurance Group S-správa nemovitostí, a.s.	Carried out under standard conditions and at common price
Service agreement	VIG AM Services GmbH	Carried out under standard conditions and at common price

Provided and accepted performance between related parties

The Board of Directors of VIG AM declares that VIG AM did not provide Related Parties with other benefits, took any action in the interest or at the request of the Related Parties other than those listed in this report.

Arrangements between related parties

VIG AM is embedded in the network of Vienna Insurance Group and uses advantages which follow from the membership of this international group.

In the last financial year all arrangements between VIG AM and related parties were standard arrangements.

VIG AM did not suffer any damage from the transactions with related parties and the business relations are performed at arm's length.

28.2.2017



Dipl. Ing. Caroline Mocker, MSc. MRICS
Chairman of the Board of Directors



MMag. Dr. Wolfgang M. Hajek
Member of the Board of Directors

6. Related Parties and equity interests of VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe

Company	Registered Office	participation %
Fully consolidated companies		
"BULSTRAD LIFE VIENNA INSURANCE GROUP" EAD	Bulgaria	100,00
"Baltikums Vienna Insurance Group" AAS	Latvia	100,00
"Grüner Baum" Errichtungs- und Verwaltungsges.m.b.H.	Austria	100,00
"POLISA-ZYCIE" Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,43
ASIGURAREA ROMANEASCA - ASIROM VIENNA INSURANCE GROUP S.A.	Romania	99,57
ATBIH N.V.	Netherlands	100,00
AXA Nezivotno Osiguranje akcionarsko drustvo za osiguranje Beograd	Serbia	100,00
Alpenländische Heimstätte, gemeinnützige Wohnungsbau- und Siedlungsgesellschaft m.b.H.	Austria	94,84
Andel Investment Praha s.r.o.	Czech Republic	100,00
Anif-Residenz GmbH & Co KG	Austria	100,00
Arithmetica Versicherungs- und Finanzmathematische Beratungs-Gesellschaft m.b.H.	Austria	100,00
BCR Asigurari de Viata Vienna Insurance Group S.A.	Romania	93,98
BML Versicherungsmakler GmbH	Austria	100,00
BTA Baltic Insurance Company AAS	Latvia	90,00
Blizzard Real Sp. z o.o.	Poland	100,00
Bulgarski Imoti Asistans EOOD	Bulgaria	100,00
Business Insurance Application Consulting GmbH	Austria	100,00
Businesspark Brunn Entwicklungs GmbH	Austria	100,00
Compania de Asigurari "DONARIS VIENNA INSURANCE GROUP" Societate pe Actiuni	Moldova	99,99
CAL ICAL "Globus"	Ukraine	100,00
CAPITOL, akciová spoločnosť	Slovakia	100,00
CENTER Hotelbetriebs GmbH	Austria	80,00
COMPENSA Holding GmbH	Germany	100,00
Central Point Insurance IT-Solutions GmbH	Austria	100,00
Ceská podnikatelská pojist'ovna, a.s., Vienna Insurance Group	Czech Republic	100,00
Compensa Life Vienna Insurance Group SE	Estonia	100,00
Compensa Towarzystwo Ubezpieczen Na Zycie Spolka Akcyjna Vienna Insurance Group	Poland	100,00
Compensa Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,94
Compensa Vienna Insurance Group, uždaroji akcine draudimo bendrove	Lithuania	100,00
DBLV Immobesitz GmbH	Austria	100,00
DBLV Immobesitz GmbH & Co KG	Austria	100,00
DBR-Liegenschaften GmbH & Co KG	Germany	100,00

DBR-Liegenschaften Verwaltungs GmbH	Germany	100,00
DONAU Versicherung AG Vienna Insurance Group	Austria	99,24
DVIB GmbH	Austria	100,00
Deutschemeisterplatz 2 Objektverwaltung GmbH	Austria	100,00
Donau Brokerline Versicherungs-Service GmbH	Austria	100,00
ELVP Beteiligungen GmbH	Austria	100,00
ERSTE Vienna Insurance Group Biztosító Zrt.	Hungary	95,00
Erste gemeinnützige Wohnungsgesellschaft Heimstätte Gesellschaft m.b.H.	Austria	99,77
Erste osiguranje Vienna Insurance Group d.d.	Croatia	95,00
Europeum Busniss Center s.r.o.	Slowakia	100,00
Gemeinnützige Industrie-Wohnungsaktiengesellschaft	Austria	55,00
Gemeinnützige Mürz-Ybbs Siedlungsanlagen-GmbH	Austria	99,92
Gesundheitspark Wien-Oberlaa Gesellschaft m.b.H.	Austria	100,00
HUN BM Kft.	Hungary	100,00
IM31 Floridsdorf am Spitz GmbH	Austria	100,00
INSURANCE JOINT-STOCK COMPANY "BULSTRAD VIENNA INSURANCE GROUP"	Bulgaria	99,38
INTERSIG VIENNA INSURANCE GROUP Sh.A.	Albania	89,98
Insurance Company Nova Ins EAD	Bulgaria	100,00
Stock Company for Insurance and Reinsurance MAKEDONIJA Skopje Vienna Insurance Group	Makedonia	94,26
InterRisk Lebensversicherungs-AG Vienna Insurance Group	Germany	100,00
InterRisk Towarzystwo Ubezpieczen Spolka Akcyjna Vienna Insurance Group	Poland	99,98
InterRisk Versicherungs-AG Vienna Insurance Group	Germany	100,00
Joint Stock Company Insurance Company GPI Holding	Georgia	90,00
Joint Stock Company International Insurance Company IRAO	Georgia	100,00
KOMUNÁLNA poisťovna, a.s. Vienna Insurance Group	Slowakia	100,00
KOOPERATIVA poisťovna, a.s. Vienna Insurance Group	Slowakia	100,00
Kaiserstraße 113 GmbH	Austria	100,00
Kapitol poisťovací a finanční poradenství, a.s.	Czech Republic	100,00
Kooperativa, poisťovna, a.s. Vienna Insurance Group	Czech Republic	98,39
KÁLVIN TOWER Immobilienentwicklungs- und Investitionsgesellschaft m.b.H.	Hungary	100,00
LVP Holding GmbH	Austria	100,00
Limited Liability Company "UIG Consulting"	Ukraine	100,00
MAP Bürodienstleistung Gesellschaft m.b.H.	Austria	100,00
MH 54 Immobilienanlage GmbH	Austria	100,00
NEUE HEIMAT Oberösterreich Gemeinnützige Wohnungs-und SiedlungsgesmbH	Austria	99,82
Neuland gemeinnützige Wohnbau-Gesellschaft m.b.H.	Austria	61,00
OMNIASIG VIENNA INSURANCE GROUP S.A.	Romania	99,50
PFG Holding GmbH	Austria	89,23
PFG Liegenschaftsbewirtschaftungs GmbH & Co KG	Austria	92,88
Private Joint-Stock Company "Insurance company" Ukrainian insurance group"	Ukraine	100,00

PRIVATE JOINT-STOCK COMPANY "UKRAINIAN INSURANCE COMPANY "KNIASHA VIENNA INSURANCE GROUP"	Ukraine	99,99
Private Joint-Stock Company "INSURANCE COMPANY "KNIASHA LIFE VIENNA INSURANCE GROUP"	Ukraine	97,80
PROGRESS Beteiligungs-ges.m.b.H.	Austria	60,00
Palais Hansen Immobilienentwicklung GmbH	Austria	56,55
Passat Real Sp. z o.o.	Poland	100,00
Pension Insurance Company Dobre AD	Bulgaria	92,58
Poist'ovna Slovenskej sporitel'ne, a.s. Vienna Insurance Group	Slowakia	95,00
Pojist'ovna Ceské sporitelny, a.s. Vienna Insurance Group	Czech Republic	95,00
Projektbau GesmbH	Austria	100,00
Projektbau Holding GmbH	Austria	90,00
Rathstraße 8 Liegenschaftsverwertungs GmbH	Austria	100,00
Ray Sigorta Anonim Sirketi	Turkey	94,96
SCHWARZATAL Gemeinnützige Wohnungs- und Siedlungsanlagen GmbH	Austria	100,00
SECURIA majetkovosprávna a podielová s.r.o.	Slowakia	100,00
SIGMA INTERALBANIAN VIENNA INSURANCE GROUP Sh.A.	Albania	89,05
SK BM s.r.o.	Slowakia	100,00
SOZIALBAU gemeinnützige Wohnungsaktiengesellschaft	Austria	54,17
SVZ GmbH	Austria	100,00
SVZI GmbH	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH	Austria	100,00
Schulring 21 Bürohaus Errichtungs- und Vermietungs GmbH & Co KG	Austria	100,00
Senioren Residenz Fultererpark Errichtungs- und Verwaltungs GmbH	Austria	100,00
Senioren Residenz Veldidenapark Errichtungs- und Verwaltungs GmbH	Austria	66,70
Sparkassen Versicherung AG Vienna Insurance Group	Austria	95,00
T 125 GmbH	Austria	100,00
TBI BULGARIA EAD	Bulgaria	100,00
UNION Vienna Insurance Group Biztosító Zrt.	Hungary	100,00
Untere Donaulände 40 GmbH & Co KG	Austria	100,00
Urbanbau Gemeinnützige Bau-, Wohnungs- und Stadterneuerungsgesellschaft m.b.H.	Austria	51,46
V.I.G. ND, a.s.	Czech Republic	100,00
VIG Fund, a.s.	Czech Republic	100,00
VIG Properties Bulgaria AD	Bulgaria	99,97
VIG RE zajist'ovna, a.s.	Czech Republic	100,00
VIG REAL ESTATE DOO	Serbia	100,00
VIG Real Estate GmbH	Austria	100,00
VIG Services Ukraine, LLC	Ukraine	100,00
VIG-CZ Real Estate GmbH	Austria	100,00
VLTAVA majetkovosprávní a podílová spol.s.r.o.	Czech Republic	100,00
Vienna Life Towarzystwo Ubezpieczeń na Życie S.A. Vienna Insurance Group	Poland	100,00

Vienna Life Vienna Insurance Group Biztosító Zártkörűen Működő Részvénytársaság	Hungary	100,00
Vienna-Life Lebensversicherung AG Vienna Insurance Group	Liechtenstein	100,00
WGPV Holding GmbH	Austria	100,00
WIENER RE akcionarsko društvo za reosiguranje, Beograd	Serbia	100,00
WIENER STÄDTISCHE Beteiligungs GmbH	Austria	100,00
WIENER STÄDTISCHE Finanzierungsdienstleistungs GmbH	Austria	100,00
WIENER STÄDTISCHE VERSICHERUNG AG Vienna Insurance Group	Austria	99,90
WIENER VEREIN BESTATTUNGS- UND VERSICHERUNGSSERVICE-GESELLSCHAFT M.B.H.	Austria	100,00
WILA GmbH	Austria	100,00
Joint Stock Insurance Company WINNER-Vienna Insurance Group	Makedonia	100,00
WNH Liegenschaftsbesitz GmbH	Austria	100,00
WOFIN Wohnungsfinanzierungs GmbH	Austria	100,00
WSBV Beteiligungsverwaltung GmbH & Co KG	Austria	100,00
WSV ImmoHolding GmbH	Austria	100,00
WWG Beteiligungen GmbH	Austria	87,07
Wiener Osiguranje Vienna Insurance Group ad	Bosnia and Herzegovina	100,00
WIENER STÄDTISCHE OSIGURANJE akcionarsko društvo za osiguranje, Beograd	Serbia	100,00
Wiener osiguranje Vienna Insurance Group dioničko društvo za osiguranje	Croatia	99,47

Company	Country	participation %
At equity consolidated companies		
AIS Servis, s.r.o.	Czech Republic	100,00
Benefita, a.s.	Czech Republic	100,00
Beteiligungs- und Immobilien GmbH	Austria	25,00
Beteiligungs- und Wohnungsanlagen GmbH	Austria	25,00
CPP Servis, s.r.o.	Czech Republic	100,00
CROWN-WSF spol. s.r.o.	Czech Republic	30,00
ERSTE društvo s ograničenom odgovornošću za upravljanje obveznim i dobrovoljnim mirovinskim fondovima	Croatia	25,30
GLOBAL ASSISTANCE, a.s.	Czech Republic	100,00
Gewista-Werbegeellschaft m.b.H.	Austria	33,00
Global Expert, s.r.o.	Czech Republic	100,00
HOTELY SRNI, a.s.	Czech Republic	100,00
KIP, a.s.	Czech Republic	100,00
S - budovy, a.s.	Czech Republic	100,00
S-správa nemovitosti, a.s.	Czech Republic	100,00
SURPMO, a.s.	Czech Republic	100,00
Sanatorium Astoria, a.s.	Czech Republic	100,00
VBV - Betriebliche Altersvorsorge AG	Austria	23,56
Österreichisches Verkehrsbüro Aktiengesellschaft	Austria	36,58

Company	Country	participation %
Non-consolidated companies		
"Assistance Company "Ukrainian Assistance Service" LLC	Ukraine	100,00
"Compensa Services" SIA	Latvia	100,00
"Eisenhof" Gemeinnützige Wohnungsgesellschaft m.b.H.	Austria	20,13
"Medical Clinic "DIYA" LLC	Ukraine	100,00
"Neue Heimat" Stadterneuerungsgesellschaft m.b.H.	Austria	79,51
AQUILA Hausmanagement GmbH	Austria	99,90
AREALIS Liegenschaftsmanagement GmbH	Austria	49,95
AXA Zivotno Osiguranje akcionarsko drustvo za osiguranje Beograd	Serbia	100,00
Amadi GmbH	Germany	100,00
Anif-Residenz GmbH	Austria	99,90
Autosig SRL	Romania	99,50
B&A Insurance Consulting s.r.o.	Czech Republic	49,00
Benefia Ubezpieczenia Spolka z ograniczona odpowiedzialnoscia	Poland	99,94
Brunn N68 Sanierungs GmbH	Austria	49,95
Bulstrad Trudova Meditzina EOOD	Bulgaria	99,38
CAPITOL BROKER DE PENSII PRIVATE S.R.L.	Romania	98,15
CAPITOL INTERMEDIAR DE PRODUCE BANCARE S.R.L.	Romania	98,15
CAPITOL INTERMEDIAR DE PRODUCE DE LEASING S.R.L.	Romania	98,15
CAPITOL Spolka z Ograniczona odpowiedzialnoscia	Poland	99,98
CARPLUS Versicherungsvermittlungsagentur GmbH	Austria	99,90
CCA EDV für Versicherungswirtschaft GmbH	Austria	24,28
Camelot Informatik und Consulting Gesellschaft m.b.H.	Austria	90,18
Ceska Kooperativa London Ltd.	United Kingdom	98,39
Compensa Dystrybucja Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
DIRECT-LINE Direktvertriebs-GmbH	Austria	99,90
DV Asset Management EAD	Bulgaria	100,00
DV CONSULTING EOOD	Bulgaria	100,00
DV Invest EAD	Bulgaria	100,00
DVS Donau-Versicherung Vermittlungs- und Service-Gesellschaft m.b.H.	Austria	94,40
EBS Wohnungsgesellschaft mbH Linz	Austria	24,97
EBV-Leasing Gesellschaft m.b.H.	Austria	73,92
EGW Datenverarbeitungs-Gesellschaft m.b.H.	Austria	71,92
EGW Liegenschaftsverwertungs GmbH	Austria	71,92
EGW Wohnbau gemeinnützige Ges.m.b.H.	Austria	71,92
EXPERTA Schadenregulierungs-Gesellschaft mbH	Austria	95,78
Erste Bank und Sparkassen Leasing GmbH	Austria	48,95
Erste Biztositasi Alkusz Kft	Hungary	95,00
European Insurance & Reinsurance Brokers Ltd.	United Kingdom	84,47
Foreign limited liability company "InterInvestUchastie"	Belarus	100,00
Finanzpartner GmbH	Austria	49,95
GELUP GmbH	Austria	33,30

GEO HOSPITALS LLC	Georgia	93,50
GGVier Projekt-GmbH	Austria	54,95
GLOBAL ASSISTANCE SERVICES s.r.o.	Czech Republic	100,00
GLOBAL ASSISTANCE SLOVAKIA s.r.o.	Slowakia	100,00
Glamas Beteiligungsverwaltungs GmbH	Austria	23,31
Glamas Beteiligungsverwaltungs GmbH & Co "Beta" KG	Austria	23,31
Global Services Bulgaria JSC	Bulgaria	99,69
HORIZONT Personal-, Team- und Organisationsentwicklung GmbH	Austria	98,58
Hausservice Objektbewirtschaftungs GmbH	Austria	20,72
Henderson Global Investors Immobilien Austria GmbH	Austria	34,97
IMOVE Immobilienverwertung- und -verwaltungs GmbH	Austria	20,72
Immodat GmbH	Austria	20,72
InterRisk Informatik GmbH	Germany	100,00
Jahorina auto d.o.o.	Bosnia and Herzegovina	100,00
Joint Stock Company "Curatio"	Georgia	90,00
Joint Stock Insurance Company WINNER LIFE - Vienna Insurance Group Skopje	Makedonia	100,00
KUPALA Belarusian-Austrian Closed Joint Stock Insurance Company	Belarus	98,26
KWC Campus Errichtungsgesellschaft m.b.H.	Austria	49,95
LiSciV Muthgasse GmbH & Co KG	Austria	23,31
MC EINS Investment GmbH	Austria	49,95
Money & More Pénzügyi Tanácsadó Zártkörűen Működő Részvénytársaság	Hungary	100,00
Nußdorfer Straße 90-92 Projektentwicklung GmbH & Co KG	Austria	94,93
PFG Liegenschaftsbewirtschaftungs GmbH	Austria	74,45
People's Pharmacy LLC	Georgia	45,00
Privat Joint-Stock Company "OWN SERVICE"	Ukraine	100,00
RISK CONSULT Sicherheits- und Risiko- Managementberatung Gesellschaft m.b.H.	Austria	50,44
Renaissance Hotel Realbesitz GmbH	Austria	37,76
Risk Consult Bulgaria EOOD	Bulgaria	50,44
Risk Consult Polska Sp.z.o.o.	Poland	67,78
Risk Expert Risk ve Hasar Danismanlik Hizmetleri Limited Sirketi	Turkey	63,80
Risk Experts s.r.o.	Slowakia	50,44
Risk Logics Risikoberatung GmbH	Austria	50,44
S. C. SOCIETATEA TRAINING IN ASIGURARI S.R.L.	Romania	98,43
S.C. CLUB A.RO S.R.L.	Romania	99,60
S.C. Risk Consult & Engineering Romania S.R.L.	Romania	50,44
S.O.S.- EXPERT d.o.o. za poslovanje nekretninama	Croatia	100,00
SB Liegenschaftsverwertungs GmbH	Austria	40,26
SVZ ImmoHolding GmbH	Austria	94,93
SVZ ImmoHolding GmbH & Co KG	Austria	94,93
Senioren Residenzen gemeinnützige Betriebsgesellschaft mbH	Austria	99,90
Slovexperta, s.r.o.	Slowakia	100,00

Soleta Beteiligungsverwaltungs GmbH	Austria	23,31
Sparkassen-Versicherungsservice Gesellschaft m.b.H.	Austria	94,93
Spoldzielnia Usługowa VIG EKSPERT W WARSZAWIE	Poland	99,96
Spoldzielnia Vienna Insurance Group IT Polska	Poland	99,95
TBI Info EOOD	Bulgaria	99,88
TOGETHER Internet Services GmbH	Austria	24,28
UAB "Compensa Life Distribution"	Lituania	100,00
UAB "Compensa Services"	Lituania	100,00
UNION-Informatikai Szolgáltató Kft.	Hungary	100,00
Untere Donaulände 40 GmbH	Austria	97,70
VIG AM Services GmbH	Austria	100,00
VIG Asset Management investicni spolecnost, a.s.	Czech Republic	100,00
VIG Management Service SRL	Romania	98,43
VIG Services Bulgaria EOOD	Bulgaria	99,38
VIG Services Shqiperi Sh.p.K.	Albania	89,36
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Austria	33,30
Vienna Insurance Group Polska Spolka z ograniczona odpowiedzialnoscia	Poland	99,99
Vienna International Underwriters GmbH	Austria	100,00
VÖB Direkt Versicherungsagentur GmbH	Austria	49,95
WAG Immobilien Einsiedlergasse GmbH	Austria	24,98
WAG Wohnungsanlagen Gesellschaft m.b.H.	Austria	24,98
WINO GmbH	Austria	99,90
WSBV Beteiligungsverwaltung GmbH	Austria	99,90
WSV Beta Immoholding GmbH	Austria	99,90
WSV Vermögensverwaltung GmbH	Austria	99,90
Wien 3420 Aspern Development AG	Austria	24,44
Wiener Städtische Donau Leasing GmbH	Austria	99,90
Akcionarsko društvo za zivotno osiguranje Wiener Städtische Podgorica, Vienna Insurance Group	Montenegro	100,00

7. Financial Statements

8. Independent Auditor's Report on the Verification of the financial statements

FINANCIAL STATEMENTS

from 1.1.2016 to 31.12.2016

VIG Asset Management, a.s.

Date 28.2.2017



Statutory body

Dipl. Ing. Caroline Mocker, MSc. MRICS

MMag. Dr. Wolfgang M. Hajek

Accounting unit:

VIG Asset Management, a.s.

Templová, 11001 Praha 1-Staré Město

IČ: 24838233

BALANCE SHEET

as at 31.12.2016
(in thousands of Czech Crowns)

a	ASSETS b	Row c	Current accounting period			Previous period	
			Gross 1	Adjustment 2	Net 3	Net 4	
1	Cash	001	16	0	16	18	
3	Receivables from banks	005	14 468	0	14 468	13 669	
	a of which: current accounts	006	14 468	0	14 468	13 669	
8	Participations with substantial influence	017	946	0	946	946	
11	Other assets	024	1 350	0	1 350	1 789	
	TOTAL ASSETS	027	16 779	0	16 779	16 422	

a	LIABILITIES b	Row c	Current accounting period 5	Previous period	
				6	
4	Other liabilities	037	2 030	2 861	
6	Provisions	039	1 794	1 825	
	c others	042	1 794	1 825	
8	Capital stock	044	3 300	3 300	
	a in that: paid capital stock	045	3 300	3 300	
10	Reserve funds and other funds from profit	047	307	307	
	a In this: obligatory reserve funds and risk funds	048	307	307	
13	Valuation differences	053	-31	-29	
	c from participations	056	-31	-29	
14	Profit/loss to be approved from previous period	057	8 157	8 020	
15	Profit or loss for the accounting period	058	1 223	137	
	TOTAL LIABILITIES	059	16 779	16 422	

15	Off-balance sheet items Total value of managed assets	Previous period	
		Current accounting period	7 041 742



Accounting unit:

ViG Asset Management, a.s.

Templová, 11001 Praha 1-Staré Město

IČ: 24838233

PROFIT/LOSS ACCOUNT

as at 31.12.2016
(In thousands of Czech Crowns)

a	PROFIT/LOSS ACCOUNT b	row c	Current accounting period	Previous period
1	Interest income and similar income	01	0	0
4	Revenues for fees and commissions	09	16 561	16 367
5	Expenses for fees and commissions	10	14	16
7	Other operating income	12	91	136
9	Administrative expenses	14	15 155	16 418
	a In that: expenses for employees	15	7 197	8 309
	in that: salaries	16	6 036	6 945
	in that: social and health contribution	17	1 162	1 364
	b In that: other administrative expenses	19	7 958	8 109
17	Provisions	27	-32	-102
19	Profit/loss of the year before tax	29	1 514	171
23	Income Tax	33	291	34
24	Profit/loss of the year after tax	34	1 223	137



Accounting unit:

VIG Asset Management, a.s.

Templová, 11001 Praha 1-Staré Město

IČ:

24838233

STATEMENT OF CHANGES IN EQUITY

as at

31.12.2016

		Share capital	Own shares	Share premium	Reserve fund	Capital reserves	Cumulative changes in fair value	P/L for the period	Total equity
a	b	1	2	3	4	5	6	7	8
	Equity as of 31.12.2014	3 300	0	0	307	0	0	8 020	11 627
	Exchange and revaluation movements not included to Pl						-29		
	Net operating result							137	-29 137
	Other changes								1
	Equity as of 31.12.2015	3 300	0	0	307	0	-29	8 157	11 736
	Exchange and revaluation movements not included to Pl						-2		
	Net operating result							1223	-2 1223
	Other changes								-1
	Equity as of 31.12.2016	3 300	0	0	307	0	-31	9 381	12 956



Commentary on the financial statements of the company

VIG Asset Management, a.s.

compiled as of 31. 12. 2016

1. Description of the accounting entity

Business firm: VIG Asset Management, a.s.

Registered office: Templová 747/5, 11001 Praha 1- Staré Město

Legal form: joint stock company

Identification number: 24838233

Balance sheet date: 31. 12. 2016

Accounting period: 01. 01. 2016 – 31. 12. 2016



2. Characteristics and main business activity

VIG Asset Management, a.s. (hereinafter „VIG“ or „the Company“) originated by the entry in the Trade Register kept by the Municipal Court in Prague, section B, file reference number B 17131 dated 27. 04. 2011. On 21. 10. 2011 the Company VIG Asset Management acquired a license for investment activity from the Czech National Bank and changed its name to VIG Asset Management investiční společnost, a.s. With effective date 28. 02. 2017 the Company gave back its licence to carry the business of an investment company granted by Czech National Bank. As a consequence the Company's name was changed from VIG Asset Management investiční společnost, a.s. to VIG Asset Management, a.s.

Principal business activity:

The business activity was rent of immovable property, apartments and non-residential premises up to 11. 11. 2011. Since 11. 11. 2011 the business activity has been collective investments including creation and management of mutual funds or management of investment funds in compliance with a contract on management. And due to the adoption of the Act no. 240/2013 Coll., on investment companies and investment funds, the business objectives of VIG AM changed since 07. 08. 2014 to the following:

- a) managing of qualified investors funds and comparable foreign investment funds (with the exception of qualified investors of venture capital and qualified social entrepreneurship funds and comparable foreign investment funds),
- b) implementation of the administration of the activities according to § 38 par. 1 of Act no. 240/2013 Coll., in relation to funds for qualified investors and foreign investment funds with comparable funds for qualified investors (with the exception of qualified investors of venture capital and qualified social entrepreneurship funds and comparable foreign investment funds).

The Company managed VIG FUND uzavřený investiční fond a.s., ID no.: 24838233, with its registered office at Templová 747/5, 110 01 Praha 1 in compliance with a concluded contract on management dated 13. 03. 2012, hereinafter referred to as VIG FUND. Due to the adoption of the Act no.

240/2013 Coll., on investment companies and investment funds, the Supervisory Board of VIG FUND appointed the Company as the sole member of Board of Directors of VIG FUND and the function was filed with the Commercial register on 16. 07. 2014. Based on the appointment of the Company as the sole member of the Board of Directors of VIG FUND the Management contract has been terminated and replaced by the Contract on performance of office. With effective date 01. 01. 2017 VIG Fund a.s. was deregistered from the list of funds kept by CNB. The Contract on performance of office, signed between the Company and VIG Fund a.s. will be adjusted accordingly. The Company will continue to manage VIG Fund's assets.

Shareholders of the Company as of 31. 12. 2016:

Name of the physical person, name of the legal person	Address, registered office	Ordinary accounting period
VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe	Schottenring 30 1010 Vienna Austria	33 pieces of common stock in the nominal value of 100.000,-CZK a piece (i.e. 100 % shares)

The company VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe is the only shareholder.

Registered office of the Company:

VIG Asset Management investiční společnost, a.s.
 Templová 747/5
 110 01
 Prague 1 - Staré Město

Statutory bodies as of 31. 12. 2015 and overview of changes in 2016:

Board of Directors:

Chairperson of the Board:

DI Caroline Mocker

Address: Kaiserstrasse 91/1, 1070 Vienna, Austria

Duration: since 27. 04. 2011

Member of the Board:

Ing. Luděk Marek

Address: Počernická 3226/2g, Prague 10 - Strašnice, 100 00 Czech Republic

Duration: since 11. 10. 2011

Member of the Board:

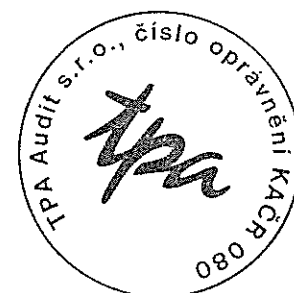
Ing. Mag. Christoph Roiser

Address: Schinaweisgasse 52, 1140 Vienna, Austria

Duration: from 11. 10. 2011 to 28. 04. 2016

Member of the Board:

Wolfgang M. Hajek



Address: Argentinierstrasse 29/33, 1040 Vienna, Austria

Duration: since 29. 04. 2016

Supervisory Board:

Chairperson of the Supervisory Board:

Dr. Martin Simhandl

Address: Hiessbergergasse 27, 3002 Purkersdorf, Austria

Duration: since 27. 04. 2011 Member of the Supervisory Board, since 01. 04. 2012 Chairperson of the Supervisory Board

Member of the Supervisory Board:

Gary Wheatley Mazzotti

Address: Statenická 365, Statenice, 25 262 Czech Republic

Duration: since 01. 04. 2012

Member of the Supervisory Board:

Mag. Roland Gröll

Address: Spinozagasse 12/25, 1170 Vienna, Austria

Duration: since 27. 04. 2011

3. BASIS FOR COMPILATION OF THE FINANCIAL STATEMENTS

The financial statements have been compiled under the accounting records maintained in accordance with the Act no. 563/1991 Coll. on Accounting as amended and in the extent defined by the Decree of the Ministry of Finance CR no. 501/2002 Coll. which specifies organization and contents of the items of the financial statements and the extent of data disclosed for banks and other financial institutions, and in accordance with the Czech Accounting Standards for financial institutions.

Figures in the financial statements are expressed in the Czech crowns (CZK).

Figures of the financial statements are based on accounting documents and other documents which are available to the accounting entity.

The financial statements provide all the important information for assessing the financial and asset situation of the Company in terms of external users.

The following accounting principles were used at compilation of the financial statements as of 31. 12. 2016:

- principle of one accounting entity
- principle of the independence of individual accounting periods
- principle of objectivity (completeness, traceability, accuracy)
- principle of balance continuity
- principle of prudence
- prohibition of compensation



Compiled financial statements are based on the accrual principle where transactions and other events are recognized at the time they originated and recorded in the period they are related to both

in material and time matter.

Compilation of the financial statements requires the Company to make estimates and assumptions that affect the reported figures of assets and liabilities as of the date of the financial statements and expenses and revenues in the related accounting period. Management of the Company believes that applied estimates and assumptions will not significantly differ from the actual values in the following period.

The financial statements contain balance sheet, profit and loss account and overview on changes in equity capital and commentary on the financial statements. The financial statements have been compiled as of the balance sheet date, i.e. 31. 12. 2016.

The financial statements are not consolidated. The Company is not included in consolidation.

4. APPLIED ACCOUNTING METHODS

4.1. Share capital

Share capital of the Company is reported at the value entered in the Trade Register of the Municipal Court in Prague. Share capital is fully paid.

4.2. Methods of appraising of assets and liabilities

4.2.1. Tangible and intangible assets

Tangible fixed assets include lands, buildings and structures, sets of movable assets including equipment, vehicles and light advertisements. Tangible fixed assets include its technical appreciation. Tangible fixed assets also include depreciated and non-depreciated assets which are lands, artworks, collections of coins and cash and library collections. Its acquisition cost exceeds 40 thousand CZK with the exception of non-depreciated assets.

Intangible fixed assets include establishment expenditures, intangible results of research and development, software, items which are reported separately: copyright and goodwill with the useful life longer than one year and up to the amount appraised by the accounting entity, with the exception of goodwill whose acquisition cost exceeds 60 thousand CZK.

Low-valued tangible assets are fixed tangible assets with the acquisition cost from 3 thousand CZK to 40 thousand CZK with the useful life longer than one year.

Low-valued intangible assets are fixed tangible assets with the acquisition cost from 3 thousand CZK to 60 thousand CZK with the useful life longer than one year.

The accounting department will account assets into relevant asset accounts on the basis of decision of putting the assets in use. Depreciation of the fixed depreciated assets will be commenced in the following month after putting the asset in use. Accounting depreciation of fixed tangible and intangible assets is performed on the basis of a depreciation plan and tax depreciation is performed according to the Act on Income Tax.

Licences acquired for PC software are capitalized as intangible depreciated assets based on costs incurred to acquire specific software and putting it in use. These costs are depreciated for the period of their estimated useful life from the following month after putting them in use.

Consequent costs are included in the accounting value of the relevant asset or are reported as an individual asset but only in case if it is probable that economic profit connected with the relevant item will be gained by the accounting entity and that the acquisition cost of the item can be reliably

measured. All the repairs and maintenance are accounted into "other administration costs" within the accounting period when they originate.

Residual value of an asset and its useful life is assessed and if needed it is adjusted as of each balance sheet date.

Profits and losses resulted from decrease of assets will be determined as the difference between revenues and their residual value and are included in "other operational revenues" or "other operational expenses" in net profit.

4.2.2. Income tax

Income tax base is calculation from profit/loss of ordinary accounting period adding tax non-deductible items and deducting revenues that are not subject to income tax, and other items affecting the tax base. Calculation of tax liability is done in the end of taxation period according to Act no. 586/1992 Coll. on Income Tax as later amended.

The Company reported a profit for the year 2016.

Deferred tax

Deferred income tax is accounted in the full amount, using the liability method, from temporary differences arising between tax value of assets and liabilities and their accounting value in the financial statements. Deferred income tax is stipulated using the tax rate and tax laws that were enacted or the process of enacting was finished as of the balance sheet date and which are supposed to be effective in the period when the relevant tax receivable will be implemented, or the deferred income tax payable will be settled.

Deferred tax receivables are reported in the extent of probable future taxable profit which will allow application of these temporary differences.

Tax effects of tax losses of previous years are accounted as an asset if it is probable that there will be taxable profit in the future which will allow application of these losses.

4.2.3. Adjustments

Adjustments are created to the accounts of assets which are not re-valued for a fair value or are not valued by equivalency, in case when decreasing of the asset value in the accounting is proved based on data detected during stock-taking and is not of permanent character.

Creation of adjustments is accounted to the debit of the account of expenses and to the credit of relevant account of adjustments. Using of adjustments is accounted to the credit of revenues and to the debit of relevant account of adjustments.

Adjustments are subject to document inventory check when their value and legitimacy are assessed.

4.2.4. Provisions

Provisions represent probable fulfilment with uncertain time schedule and amount. Provisions are created in case a) there is a liability to fulfil, which is a result of past events, b) it is probable that fulfilment will occur and will demand outflow of means representing an economic profit. "Probable" is understood as exceeding probability higher than 50 %, c) it is possible to perform a reliable estimation of fulfilment.

Provisions are created to the debit of expenses in the amount which is the best estimation of costs needed for settlement of an existing payable. To get the best estimation of a provision all the risks



and uncertainties are taken into consideration which inevitably surround many relating events and circumstances.

4.2.5. Conversion of foreign currency

In 2016 the Company used an exchange rate of foreign exchange market announced by the Czech National Bank for conversion of foreign currencies and assets and liabilities in foreign currencies.

The Company used an exchange rate of foreign exchange market announced by the Czech National Bank effective as of 31. 12. 2016 for conversion of foreign currencies and assets and liabilities registered in foreign currencies as of the balance sheet date.

4.2.6. Receivables

Receivables are valued at their origin by a nominal value. Doubtful and bad debts are subsequently decreased by relevant adjustments.

4.3. Policy of cost and revenue accounting

Costs and revenues are accounted in the period which they relate to in material and time matter. Costs and expenditures, revenues and incomes which relate to future periods are accrued. Criteria for accounting of accrual accounting are the fact that the following is known:

- a) title (material specification),
- b) amount in CZK,
- c) period they are related with

4.3.1. Interest gains

Interest gains from current accounts are accounted on the basis of the bank statement into revenues against relevant balance sheet account.

4.4. Financial tools

With regard to the fact that the accounting entity did not use any financial tools in 2016 there is given no information on applied financial tools according to §54 b) Decree 501/2002 Coll.

4.5. Participation with significant or substantial influence

The Company is the sole shareholder of VIG AM Services GmbH with a share capital of EUR 35 000.

4.6. Type of business and geographical area

The activity of the accounting entity in 2016 consisted in creation and management of mutual funds and in management of investment funds under the contract on management on the territory of the Czech Republic.

5. ADDITIONAL INFORMATION TO THE FINANCIAL STATEMENTS

5.1. Tangible and intangible assets

The Company did not acquire any tangible, intangible or financial assets in 2016.

5.2. Receivables to banks All receivables to banks are due on request. Accounts are kept at Česká spořitelna, a.s.

The Company recorded receivables to banks in the total amount of 13 669 084,22 CZK by reason of current account as of 31. 12. 2015.



The Company recorded receivables to banks in the total amount of 14 468 441,31 CZK by reason of current account as of 31. 12. 2016.

5.3. Share capital

Share capital as of 31. 12. 2016 represents 33 pieces of ordinary shares in certificated form, not publicly traded, in the nominal value of 100 thousand CZK a piece. i.e. in total 3 300 thousand CZK. Share capital is fully paid-up.

5.4. Profit / loss of the period

Total profit as of 31. 12. 2015: 137 400,42 CZK.

Total profit as of 31. 12. 2016: 1 223 317,39 CZK.

As at the day of the financial statement there was no decision on the profit distribution from the period 01. 01. 2016 – 31. 12. 2016 in the amount of 1 223 thousand CZK.

5.5. Other assets

Total amount of receivables as of 31. 12. 2015 amounts to 0,- CZK.

Total value of receivables as of 31. 12. 2016 amounted to 0,- CZK.

Estimated items active as of 31. 12. 2015 in the amount of 270 250,- CZK, as of 31. 12. 2016 810 600,01 CZK.

Other assets (items above included) as of 31. 12. 2015 in the amount of 1 789 244,79 CZK, as of 31. 12. 2016 in the amount 1 349 562,35 CZK.

5.6. Other liabilities

Total amount of payables as of 31. 12. 2015 amounts to 897,- CZK. Total amount of payables as of 31. 12. 2016 amounts to 1 369 435,90 CZK. Estimated items passive as of 31. 12. 2015 amount to 2 278 031,13 CZK. Estimated items passive as of 31. 12. 2016 amount to 0,- CZK.

Other liabilities (items above included) as of 31. 12. 2015 in the amount of 2 860 784,13,- CZK.

Other liabilities (items above included) as of 31. 12. 2016 in the amount of 2 029 515,29 CZK.

5.7. Revenues from concluded contracts on management / on performance of office

Revenues from management amounted to 16 366 969,45 CZK as of 31. 12. 2015 and amounted to 16 561 318,16 CZK as of 31. 12. 2016.

5.8. Interest revenues and similar revenues

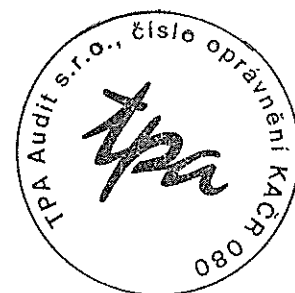
Interest revenues consist of interests of current accounts at Česká spořitelna, a.s.

Interest revenues as of 31. 12. 2015 are in the amount of 459,15 CZK.

Interest revenues as of 31. 12. 2016 were in the amount of 0,- CZK.

5.9. Administration costs

Administration costs as of 31. 12. 2015 consist of expenses for:



- rental payments in the amount of 254 152,66 CZK,
- personal costs in the amount of 8 309 308,- CZK,
- audit and accounting in the amount of 459 717,79 CZK,
- legal consultancy services in the amount of 1 443 135,- CZK
- Service Fees in the amount of 3 840 581,13 CZK
- other costs in the amount of 2 111 431,43 CZK.

Administration costs as of 31. 12. 2016 consist of expenses for:

- rental payments in the amount of 195 771,95 CZK,
- personal costs in the amount of 7 197 487 CZK,
- audit and accounting in the amount of 302 027,84 CZK,
- legal consultancy services in the amount of 790 638,- CZK,
- Service Fees 4 549 577,12 CZK,
- other costs in the amount of 2 119 570,87.

5.10. Employees

Number of employees as of 31. 12. 2015: 6.

Average number of employees as of 31.12.2015: 1.

Social insurance in 2015 was in the amount of: 360 754 - CZK.

Health insurance in 2015 was in the amount of: 129 868, - CZK.

Foreign country insurance – Austria in 2015 was in the amount: 873 719,- CZK.

Wages in 2015 were in the amount of: 6 944 967,- CZK.

In that amount of remuneration of members of management and statutory bodies: 3 197 870, - CZK

Number of employees as of 31. 12. 2016: 6.

Average number of employees as of 31.12.2016: 1.

Social insurance in 2016 was in the amount of: 306 019, - CZK.

Health insurance in 2016 was in the amount of: 110 167, - CZK.

Foreign country insurance – Austria in 2016 was in the amount: 745 637,- CZK.

Wages in 2016 were in the amount of: 6 035 664,- CZK.

In that amount of remuneration of members of management and statutory bodies: 3 363 443,-



5.11. Income tax

In 2015 the Company reported a taxable profit in the amount of 137 400,42 CZK. 2015 income tax was calculated in the amount of 14 250, - CZK.

In 2016 the Company reported a taxable profit in the amount of 1 498 540,- CZK. 2016 income tax was calculated in the amount of 284 620, - CZK.

5.12. Deferred income tax

In 2015 deferred income tax (receivable) was calculated in the amount 346 812,23 CZK.

In 2016 deferred income tax (receivable) was calculated in the amount 340 781,64 CZK.

5.13. Tax receivables and payables

The Company recorded a tax receivable in respect of CIT in the amount 1 079 950 CZK and of VAT in the amount of 439 044,79 CZK and a tax liability in respect of payroll tax in the amount of 152 417 CZK as of 31.12.2015.

The Company recorded a tax receivable from CIT title in the amount of 198 180 CZK and tax liability in the amount of 154 050 CZK in respect of VAT and in the amount of 70 031 CZK in respect of payroll tax as of 31.12.2016

5.14. Provisions

Provision on remunerations including social and health insurance 2015 is created in the amount of 1 757 765, - CZK and provision on audit in the amount 69 562,50 CZK.

Provision on remunerations including social and health insurance 2016 is created in the amount of 1 726 037,60 CZK and provision on audit in the amount 67 550,- CZK.

5.15. Other

The accounting entity does not have any other payables than those given in the accounting. In its balance sheet the accounting entity does not report any external assets (e.g. within the rented business).

The total value of managed assets as of 31. 12. 2016 amounted to EUR 312 243 000, EUR

The audit fee of TPA Audit s.r.o. for the verification of financial statements is equal to 67 550 CZK.

6. RELATIONS WITH RELATED PERSONS

VIENNA INSURANCE GROUP AG Wiener Versicherung Gruppe, and the Company can be considered as related persons.

In 2015 the Company accounted costs in relation to the company Kooperativa pojišťovna, a.s., Vienna Insurance Group in the total amount 254 152,66 CZK. These costs represented rental payments.

In 2016 the Company accounted costs in relation to the company Kooperativa pojišťovna, a.s., Vienna Insurance Group in the total amount 212 696,13 CZK. These costs represented rental payments.

In 2015 the Company accounted costs in relation to the company Vienna Insurance Group AG Wiener Versicherung Gruppe in the total amount 1 253 960,00 CZK. These costs represented recharging of travel costs and project management.

In 2016 the Company accounted costs in relation to the company Vienna Insurance Group AG Wiener Versicherung Gruppe in the total amount 743 860,60 CZK. These costs represented recharging of travel costs and project management.

In 2015 the Company accounted costs in relation to the company VIG AM Services, GmbH, in the total amount 3 840 581,13 CZK. These costs represented service payments since March 2015.

In 2016 the Company accounted costs in relation to the company VIG AM Services, GmbH, in the total amount 4 549 577,12 CZK.

In 2015 the Company accounted accrued costs in relation to the company WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group, in the total amount 324 300,- CZK.. These costs represented management fee.



In 2016 there are no costs in relation to the company WIENER STÄDTISCHE Versicherung AG Vienna Insurance Group.

In 2015 the Company accounted revenues in relation to VIG FUND according to concluded contract on management and according to contract on performance of office in the total amount of 16 366 969,45 CZK and rental payments in the amount of 92 712,- CZK. The Company provided a fulfilment to VIG FUND in total amount of 16 459 681,45 CZK in the year 2015.

In 2016 the Company accounted revenues in relation to VIG FUND according to concluded contract on performance of office in the total amount of 16 561 318,16 CZK and rental payments in the amount of 66 482,61 CZK. The Company provided a fulfilment to VIG FUND in total amount of 16 627 800,18 CZK in the year 2016.

No party sustained any damage resulting from the above mentioned transactions and concluded contracts.

7. SIGNIFICANT EVENTS AFTER FINANCIAL STATEMENTS DATE

On 28. 02. 2017 the Company gave back its licence to carry the business of an investment company granted by Czech National Bank. As a consequence the Company's name was changed from VIG Asset Management investiční společnost, a.s. to VIG Asset Management, a.s. The Company's business was based on the Contract on performance of office concluded between the Company as the Investment Company and VIG FUND, a.s.. With effective date 01. 01. 2017 VIG Fund was deregistered from the list of funds kept by CNB. The Contract on performance of office, signed between the Company and VIG Fund will be adjusted accordingly. The Company will continue to manage VIG Fund's assets.



Independent Auditor's Report

VIG Asset Management, a.s.

Accounting period
from 1.1.2016 to 31.12.2016

Identification of the Accounting Unit

Company:	VIG Asset Management, a.s.
Identification No.:	248 38 233
Registered Office:	Templová 747/5, 110 00 Praha
Legal Form:	Joint Stock Company
File Number:	B.17131, Trade Register Court Prague
Subject of Business:	rent of real estate



The auditor's report is determined for shareholders of the company

Auditor's Opinion

We have audited the accompanying the financial statements of the company VIG Asset Management, a.s. prepared in accordance with accounting principles generally accepted in the Czech Republic, which comprise of the balance sheet as of 31.12.2016, and the income statement, statement of changes in equity, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information. For details of the Company VIG Asset Management, a.s. see Note 1 to the financial statements.

In our opinion, the financial statements give a true and fair view of the financial position of the company VIG Asset Management, a.s. as of 31.12.2016, and of its financial performance for the year then ended in accordance with accounting principles generally accepted in the Czech Republic.

Basis for Opinion

We conducted our audit in accordance with the Act on Auditors and Auditing Standards of the Chamber of Auditors of the Czech Republic, which are International Standards on Auditing (ISAs), as amended by the related application clauses. Our responsibilities under this law and regulation are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Act on Auditors and the Code of Ethics adopted by the Chamber of Auditors of the Czech Republic and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 7 to the financial statements which describes the future business activity of the company. Our opinion is not qualified in respect of this matter.

Other Information

In compliance with Section 2(b) of the Act on Auditors, the other information comprises the information included in the Annual Report other than the financial statements and auditor's report thereon. The Board of Directors is responsible for the other information.

Our opinion on the financial statements does not cover the other information. In connection with our audit of financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. In addition, we assess whether the other information has been prepared, in all material respects, in accordance with applicable law or regulation, in particular, whether the other information complies with law or regulation in terms of formal requirements and procedure for preparing the other information in the context of materiality, i.e. whether any non-compliance with these requirements could influence judgments made on the basis of the other information.

Based on the procedures performed, to the extent we are able to assess it, we report that:

- The other information describing the facts that are also presented in the financial statements is, in all material respects, consistent with the financial statements; and
- The other information is prepared in compliance with applicable law or regulation.

In addition, our responsibility is to report, based on the knowledge and understanding of the Company obtained in the audit, on whether the other information contains any material misstatement of fact. Based on the procedures we have performed on the other information obtained, we have not identified any material misstatement of fact.

Responsibility of Board of Directors and Supervisory Board for the Financial Statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the Czech Republic and for such internal control as statutory body determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

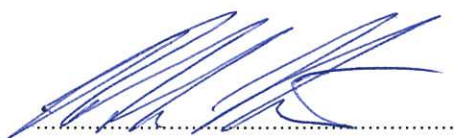
As part of an audit in accordance with the above law or regulation, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



We communicate with the Board of Directors and Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

In Prague, on 28.2.2017

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes, positioned above a horizontal dotted line.

Auditor:

Ing. Rostislav Kuneš

Certificate No. 1307 KAČR



TPA Audit s.r.o.

Antala Staška 2027/79, Praha 4

Certificate No. 080 KAČR