5. Auditor’s report

Report on the financial statements

We have audited the attached financial statements including the accounting of the

Financial Market Authority,
1090 Vienna, Otto-Wagner-Platz 5

for the financial year from 1 January 2013 to 31 December 2013. These financial statements include the balance sheet as at 31 December 2013, the income statement for the financial year ending 31 December 2013, as well as the notes. The statement of costs pursuant to Article 19 FMABG was part of our audit.

Legal representatives’ responsibility for the financial statements and for the accounting

The FMA’s legal representatives are responsible for the accounting and for the preparation of financial statements which present a picture that is as true and fair as possible with respect to net assets, financial position and the results of operations of the FMA in accordance with Austrian company law. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the financial statements and the presentation of as true and fair a picture as possible of the authority’s net assets, financial position and the results of operations, so that these financial statements are free from material misrepresentations, whether due to intentional or unintentional mistakes; it also includes the selection and application of suitable accounting and valuation methods, as well as making estimates that appear appropriate under the existing circumstances.

Auditor’s responsibility and description of type and scope of the statutory audit

It is our responsibility to issue an audit opinion on these financial statements based on our audit. We have carried out our audit with due regard for the legal provisions valid in Austria and the principles of proper auditing. These principles require us to comply with the rules of professional conduct and to plan and perform the audit in a way to issue a sufficiently confident opinion as to whether the financial statements are free from material misrepresentations.

An audit involves performing procedures to obtain audit evidence about the amounts and other information in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misrepresentations in the financial statements, whether due to intentional or unintentional mistakes. In making those risk assessments, the auditor considers the internal control system relevant to the FMA’s preparation of the financial statements and the presentation of as true and fair a picture as possible of the authority’s net assets, financial position and the results of operations in order to determine audit procedures that are appropriate under the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the authority’s internal control procedures. The audit also includes the assessment of the appropriateness of the accounting and valuation methods used and the essential estimates made by the legal representatives, as well as an evaluation of the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.
IB Interbilanz

Audit opinion

Our audit did not lead to any objections. Based on the findings of the audit, we believe that the financial statements comply with the legal provisions and present a picture of the company that is as true and fair as possible with respect to net assets and the financial position of the Financial Market Authority as at 31 December 2013 as well as the results of operations of the Financial Market Authority for the financial year from 1 January 2013 to 31 December 2013 in accordance with the generally accepted Austrian accounting principles. The statement of costs pursuant to Article 19 FMABG complies with the statutory provisions.

Comments on the management report

Legal provisions require us to perform audit procedures to determine whether the management report is consistent with the financial statements and whether the other information made in the management report does not give a false impression of the situation of the Financial Market Authority. The auditor’s report also has to contain a statement as to whether the management report is consistent with the financial statements.

In our opinion, the management report is consistent with the financial statements.

Vienna, 23 May 2014

IB Interbilanz
Wirtschaftsprüfung GmbH

Andreas Röthlin
Auditor

per pro. Michael Szücs
Auditor

Publication or dissemination of the financial statements with our auditor’s report is only permitted in the version we have audited. This auditor’s report refers exclusively to the complete German version of the financial statements including the management report. With regard to other versions, the provisions contained in Article 281 para. 2 UGB are to be observed.
## Balance sheet as at 31 December 2013

(aments in €)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Equity and liabilities</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Previous year</td>
</tr>
<tr>
<td></td>
<td>€ thousands</td>
</tr>
<tr>
<td><strong>A. FIXED ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>I. Intangible fixed assets</td>
<td></td>
</tr>
<tr>
<td>Industrial property and similar rights and licences in such rights</td>
<td>364,218.41</td>
</tr>
<tr>
<td>II. Tangible fixed assets</td>
<td></td>
</tr>
<tr>
<td>1. Buildings on third-party land</td>
<td>1,328,025.96</td>
</tr>
<tr>
<td>2. Other equipment, operating and office equipment</td>
<td>1,323,297.63</td>
</tr>
<tr>
<td></td>
<td>2,651,323.59</td>
</tr>
<tr>
<td></td>
<td>3,015,542.00</td>
</tr>
<tr>
<td><strong>B. PROVISIONS</strong></td>
<td></td>
</tr>
<tr>
<td>1. Provisions for severance pay</td>
<td>1,094,072.70</td>
</tr>
<tr>
<td>2. Other provisions</td>
<td>5,386,708.61</td>
</tr>
<tr>
<td><strong>C. LIABILITIES</strong></td>
<td></td>
</tr>
<tr>
<td>1. Advance payments received pursuant to Article 19 FMABG</td>
<td>40,253,930.20</td>
</tr>
<tr>
<td><strong>B. CURRENT ASSETS</strong></td>
<td></td>
</tr>
<tr>
<td>2. Trade payables</td>
<td>17,777,716.13</td>
</tr>
<tr>
<td><strong>C. PREPAID EXPENSES</strong></td>
<td></td>
</tr>
<tr>
<td>1. Trade receivables</td>
<td>2,315,768.34</td>
</tr>
<tr>
<td>2. Other receivables and assets</td>
<td>1,776,474.74</td>
</tr>
<tr>
<td></td>
<td>4,092,243.08</td>
</tr>
<tr>
<td></td>
<td>68,026,574.77</td>
</tr>
<tr>
<td><strong>D. DEFERRED INCOME</strong></td>
<td></td>
</tr>
<tr>
<td>1. Taxes</td>
<td>541,400.52</td>
</tr>
<tr>
<td>2. Other liabilities a) Taxes</td>
<td>553,281.29</td>
</tr>
<tr>
<td>3. Other liabilities b) Social security and similar obligations</td>
<td>1,344,252.72</td>
</tr>
<tr>
<td>4. Other c) Actual cost accounting for previous years</td>
<td>2,175,036.13</td>
</tr>
<tr>
<td>5. Other d) Other</td>
<td>4,613,970.66</td>
</tr>
<tr>
<td><strong>C. PREPAID EXPENSES</strong></td>
<td></td>
</tr>
<tr>
<td>1.046,454.71</td>
<td>785</td>
</tr>
<tr>
<td>72,088,571.48</td>
<td>63,721</td>
</tr>
<tr>
<td>72,088,571.48</td>
<td>63,721</td>
</tr>
</tbody>
</table>
### Income statement for the financial year from 1 January to 31 December 2013

( amounted in €)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amounts (€ thousands)</th>
<th>Previous year</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Federal Government contribution pursuant to Article 19 FMABG</td>
<td>3,500,000.00</td>
<td>3,500</td>
</tr>
<tr>
<td>2. Other operating income</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Income from the disposal of fixed assets with the exception of financial assets</td>
<td>2,741.00</td>
<td>2</td>
</tr>
<tr>
<td>b) Income from the release of provisions</td>
<td>890,265.87</td>
<td>216</td>
</tr>
<tr>
<td>c) Other</td>
<td>3,167,351.82</td>
<td>3,396</td>
</tr>
<tr>
<td></td>
<td>4,060,358.69</td>
<td>3,613</td>
</tr>
<tr>
<td>3. Personnel expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a) Salaries</td>
<td>-24,877,515.35</td>
<td>-22,852</td>
</tr>
<tr>
<td>b) Expenses for severance pay and contributions to corporate staff provision funds</td>
<td>-427,524.75</td>
<td>-431</td>
</tr>
<tr>
<td>c) Expenses for old-age pensions</td>
<td>-855,413.52</td>
<td>-759</td>
</tr>
<tr>
<td>d) Cost of statutory social security, payroll-related taxes and mandatory contributions</td>
<td>-5,013,345.77</td>
<td>-4,513</td>
</tr>
<tr>
<td>e) Other social security costs</td>
<td>-309,454.03</td>
<td>-288</td>
</tr>
<tr>
<td></td>
<td>-31,483,253.42</td>
<td>-28,844</td>
</tr>
<tr>
<td>4. Amortisation and write-downs of intangible fixed assets, depreciation and write-downs of tangible fixed assets</td>
<td>-1,081,593.77</td>
<td>-916</td>
</tr>
<tr>
<td>5. Other operating expenses</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>-18,400,595.41</td>
<td>-17,840</td>
</tr>
<tr>
<td>6. <strong>Subtotal of items 1 to 5</strong></td>
<td><strong>-43,405,083.91</strong></td>
<td><strong>-40,487</strong></td>
</tr>
<tr>
<td>7. Other interest</td>
<td>87,998.12</td>
<td>88</td>
</tr>
<tr>
<td>8. <strong>Subtotal of item 7</strong></td>
<td><strong>87,998.12</strong></td>
<td><strong>88</strong></td>
</tr>
<tr>
<td>9. Appropriation to reserve pursuant to Article 20 FMABG</td>
<td>-156,313.57</td>
<td>-319</td>
</tr>
<tr>
<td>10. <strong>Share of entities liable to pay costs</strong></td>
<td><strong>43,473,399.36</strong></td>
<td><strong>40,719</strong></td>
</tr>
<tr>
<td>11. <strong>NET RESULT</strong></td>
<td><strong>0.00</strong></td>
<td><strong>0</strong></td>
</tr>
</tbody>
</table>
II. Results of cost allocation

1. Ratios of the FMA for 2012 and 2013 pursuant to Article 19 FMABG

<table>
<thead>
<tr>
<th>Accounting group</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking Supervision</td>
<td>54.62%</td>
<td>54.63%</td>
</tr>
<tr>
<td>Insurance Supervision</td>
<td>18.46%</td>
<td>19.41%</td>
</tr>
<tr>
<td>Securities Supervision</td>
<td>24.30%</td>
<td>23.16%</td>
</tr>
<tr>
<td>Pension Companies Supervision</td>
<td>2.62%</td>
<td>2.80%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

2. Share of FMA entities liable to pay costs for 2012 and 2013 pursuant to Article 19 FMABG (in per cent)

<table>
<thead>
<tr>
<th>Accounting group</th>
<th>Share of entities liable to pay costs</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2013</td>
</tr>
<tr>
<td>Banking Supervision</td>
<td>52.46%</td>
</tr>
<tr>
<td>Insurance Supervision</td>
<td>19.43%</td>
</tr>
<tr>
<td>Securities Supervision</td>
<td>25.32%</td>
</tr>
<tr>
<td>Pension Companies Supervision</td>
<td>2.79%</td>
</tr>
<tr>
<td>Total</td>
<td>100.00%</td>
</tr>
</tbody>
</table>

3. Overview of FMA advance payments and costs of accounting groups for 2013 pursuant to Article 19 FMABG

<table>
<thead>
<tr>
<th>Accounting group</th>
<th>2013 costs</th>
<th>Advance payments</th>
<th>2013 balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banking Supervision</td>
<td>€ 22,807,881.83</td>
<td>€ 20,855,073.00</td>
<td>€ 1,952,808.83</td>
</tr>
<tr>
<td>Insurance Supervision</td>
<td>€ 8,444,983.82</td>
<td>€ 8,023,190.00</td>
<td>€ 421,793.82</td>
</tr>
<tr>
<td>Securities Supervision</td>
<td>€ 11,006,725.12</td>
<td>€ 9,871,213.00</td>
<td>€ 1,135,512.12</td>
</tr>
<tr>
<td>Pension Companies Supervision</td>
<td>€ 1,213,808.59</td>
<td>€ 1,146,800.00</td>
<td>€ 67,008.59</td>
</tr>
<tr>
<td>Total</td>
<td>€ 43,473,399.36</td>
<td>€ 39,896,276.00</td>
<td>€ 3,577,123.36</td>
</tr>
</tbody>
</table>

4. Overview of advance payments and costs of accounting subgroups of FMA Securities Supervision for 2013

<table>
<thead>
<tr>
<th>Accounting subgroups Securities Supervision</th>
<th>2013 costs</th>
<th>Advance payments</th>
<th>2013 balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Institutions subject to reporting obligations</td>
<td>€ 4,045,048.35</td>
<td>€ 3,327,198.00</td>
<td>€ 717,850.35</td>
</tr>
<tr>
<td>Issuers</td>
<td>€ 2,999,870.37</td>
<td>€ 2,955,014.00</td>
<td>€ 44,856.37</td>
</tr>
<tr>
<td>Investment service providers/investment firms</td>
<td>€ 3,961,806.40</td>
<td>€ 3,589,001.00</td>
<td>€ 372,805.40</td>
</tr>
<tr>
<td>Securities Supervision</td>
<td>€ 11,006,725.12</td>
<td>€ 9,871,213.00</td>
<td>€ 1,135,512.12</td>
</tr>
</tbody>
</table>
Notes pursuant to Article 236 UGB
(amounts in €, previous year's amounts in € thousands)

A. GENERAL INFORMATION

1. The FINANCIAL MARKET AUTHORITY (FMA) is an institution under public law and was established by the Financial Market Authority Act (FMABG; Finanzmarktaufsichtsbehördengesetz) (Federal Law Gazette 97/2001) on 22 October 2001. The official competence of the FMA commenced on 1 April 2002. The FMA is in charge of banking supervision, insurance supervision, securities supervision and pension companies supervision.

As at 31 March 2002, the Austrian Securities Authority (ASA) was incorporated into the FMA by way of universal legal succession pursuant to Article 1 of the Securities Supervision Act (WAG; Wertpapieraufsichtsgesetz).

2. The financial statements were prepared in conformity with the generally accepted accounting principles and the general principle of presenting a picture that is as true and fair as possible with respect to net assets, financial position and the results of operations. In accordance with Article 18 FMABG, the provisions of the Corporate Code (UGB; Unternehmensgesetzbuch) were applied correspondingly to the present financial statements.

3. The accounting policies applied to the individual items of the financial statements were based on the general provisions of Articles 193 to 211 UGB, taking the special provisions for large corporations into account.

4. The financial statements were prepared in accordance with the going concern principle.
B. INFORMATION ON THE BALANCE SHEET INCLUDING THE DESCRIPTION OF THE ACCOUNTING POLICIES

1. Fixed assets

The changes in fixed assets and the breakdown of the annual depreciation according to individual items can be seen in Annex I/page 11 (changes in fixed assets).

1.1. Tangible fixed assets

Depreciation is calculated on a straight-line basis.

The useful life of the individual asset groups is as follows:

1. Industrial property and similar rights and licences in such rights: 3 years
2. Buildings on third-party land: 8 to 20 years
3. Other equipment, operating and office equipment: 3 to 10 years

There was no need for depreciation pursuant to Article 204 para. 2 UGB as there was no impairment loss.

The low-value assets pursuant to Article 13 of the Income Tax Law (EStG; Einkommensteuergesetz) with individual acquisition values of below € 400.00 each were reported as disposals in their year of acquisition.

2. Services not yet invoiced to entities liable to pay costs

This item comprises the expenses to be borne by the entities liable to pay costs pursuant to Article 19 FMABG in the amount of € 43,473,399.36 (previous year: € 40,719k). The statement of costs is prepared according to the procedures stipulated under Article 19 FMABG.
In this connection, the FMA has set up four accounting groups to which the cost shares are apportioned as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>€ thousands</td>
<td></td>
</tr>
<tr>
<td>1. Banking supervision costs</td>
<td>22,807,881.83</td>
<td>21,044</td>
</tr>
<tr>
<td>2. Insurance supervision costs</td>
<td>8,444,983.82</td>
<td>8,478</td>
</tr>
<tr>
<td>3. Securities supervision costs</td>
<td>11,006,725.12</td>
<td>9,978</td>
</tr>
<tr>
<td>4. Pension companies supervision costs</td>
<td>1,213,808.59</td>
<td>1,218</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>43,473,399.36</strong></td>
<td><strong>40,719</strong></td>
</tr>
</tbody>
</table>

Rounding differences are ignored.

The costs are apportioned to the individual entities liable to pay costs, and the advance payments made by the entities liable to pay costs in the 2013 financial year are offset based on the reference data, listed in the relevant supervisory laws and reported to the FMA, which is only available after the financial statements have been prepared.

3. **Trade receivables**

The receivables are carried at nominal values and show a residual maturity of less than a year. Individual valuation allowances were recognised for identifiable risks in the measurement of receivables.

receivables of € 2,342,784.39 (previous year: € 3,014k) are still carried from the actual cost accounting of previous years. Itemised valuation allowances of € 27,016.05 (previous year: € 31k) were recognised for receivables from actual cost accounting.

4. **Other receivables**

Other receivables include mostly receivables from orders imposing fees, administrative penalties, penalty interest, trustee fees, interest pursuant to the Company Employee and Self-Employment Provisions Act (BMSVG; Betriebliches Mitarbeiter- und Selbstständigenvorsorgegesetz), as well as reimbursed salary cost and transitory items concerning the Electronic File (ELAK). The itemised valuation allowance amounts to € 0.00 (previous year: € 0k).

5. **Prepaid expenses**

The item prepaid expenses comprises in particular rental fees, insurance expenses, royalties and maintenance fees, membership fees, as well as subscriptions.
6. **Reserve pursuant to Article 20 FMABG**

Article 20 FMABG specifies the option of establishing a reserve in the amount of 1% of the FMA’s total costs based on the latest adopted financial statements as at 31 December 2012 (1% of the total costs of the FMA in 2012 in the amount of €47,919,601.77 is €479,196.02). The maximum amount of the reserve may not, however, exceed the amount of 5% of the FMA’s total costs based on the latest adopted financial statements as at 31 December 2012 (5% of the total costs of the FMA in 2012 in the amount of €47,919,601.77 is €2,395,980.09). As at 31 December 2012, the total in the reserve was €2,239,666.52. Following allocation of €156,313.57 (the maximum amount possible), the reserve pursuant to Article 20 FMABG totalled the maximum amount of €2,395,980.09 as at 31 December 2013.

7. **Provisions**

Provisions are established taking the prudent person rule pursuant to Article 211 para. 1 UGB into account.

7.1 **Provisions for severance pay**

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Change:</strong></td>
<td>€ thousands</td>
<td></td>
</tr>
<tr>
<td>As at 1 January 2013</td>
<td>1,027,437.86</td>
<td>883</td>
</tr>
<tr>
<td>Use</td>
<td>52,026.83</td>
<td>16</td>
</tr>
<tr>
<td>Appropriation/Release</td>
<td>118,661.67</td>
<td>160</td>
</tr>
<tr>
<td>As at 31 December 2013</td>
<td>1,094,072.70</td>
<td>1,027</td>
</tr>
</tbody>
</table>

Rounding differences are ignored.

The provisions for severance pay were calculated in accordance with financial principles. The basis for the computation was an interest rate of 3% and a retirement age of 65 for men and 60 for women.
7.2 Other provisions

Other provisions were determined by exercising sound business judgement in accordance with the prudent person rule pursuant to Article 211 para. 1 UGB and include all risks recognisable at the balance sheet date and all liabilities of the past financial year not yet fixed in terms of their amount.

<table>
<thead>
<tr>
<th></th>
<th>As at 01.01.2013</th>
<th>Use</th>
<th>Release</th>
<th>Appropriation</th>
<th>As at 31.12.2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anniversary bonuses</td>
<td>231,565,28</td>
<td>19,195,28</td>
<td>23,970,00</td>
<td>15,569,00</td>
<td>203,969,00</td>
</tr>
<tr>
<td>Provisions for premiums</td>
<td>1,408,694,06</td>
<td>0,00</td>
<td>0,00</td>
<td>1,542,689,81</td>
<td>1,542,689,81</td>
</tr>
<tr>
<td>Unused holiday entitlement</td>
<td>2,292,231,73</td>
<td>0,00</td>
<td>0,00</td>
<td>119,821,61</td>
<td>2,412,053,34</td>
</tr>
<tr>
<td>Overtime to be paid</td>
<td>11,236,91</td>
<td>11,236,91</td>
<td>0,00</td>
<td>13,488,98</td>
<td>13,488,98</td>
</tr>
<tr>
<td>Additional hours</td>
<td>177,317,03</td>
<td>0,00</td>
<td>0,00</td>
<td>17,874,35</td>
<td>195,191,38</td>
</tr>
<tr>
<td>Other provisions</td>
<td>1,531,412,85</td>
<td>826,048,93</td>
<td>626,817,65</td>
<td>866,978,30</td>
<td>945,524,57</td>
</tr>
<tr>
<td>2011 provision actual costs</td>
<td>239,478,22</td>
<td>0,00</td>
<td>239,478,22</td>
<td>0,00</td>
<td>0,00</td>
</tr>
<tr>
<td>Banking Supervision</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2012 provision actual costs</td>
<td>0,00</td>
<td>0,00</td>
<td>0,00</td>
<td>73,791,53</td>
<td>73,791,53</td>
</tr>
</tbody>
</table>

The provision for anniversary bonuses was computed in accordance with financial principles. The computation was based on an interest rate of 3%, a retirement age of 65 for men and 60 for women, and a rate of non-wage labour costs of 4.5% for contractual employees.

The other provisions comprise the following items:

- Objections to payment notices AG 3/sub-AG 3: 414,284.00
- Consulting costs and external services: 193,553.46
- Objections to payment notices for contributions to penalties: 70,780.00
- Maintenance and other IT expenses: 51,925.01
- Expenses FMA Annual Report: 51,176.00
- Exemption levy for non-employment of disabled persons: 50,768.00
- Operating expenses: 42,000.00
- FMA Academy: 34,950.00
- Miscellaneous: 27,163.10
- Usage fees, licences: 8,925.00

Total: 945,524.57
2011 provision for actual costs of Banking Supervision:
The provision established pursuant to Article 69a BWG in one financial year must be released in the following financial statements of the FMA, i.e. the provision established in the 2012 financial statements for the actual costs incurred in 2011 was released in the 2013 financial statements of the FMA; by way of derogation to Article 19 para. 4 FMABG, the resulting income is only to be deducted from the costs of accounting group (AG) 1.

2012 provision for actual costs of Banking Supervision:
Pursuant to Article 69a BWG the difference between the calculated cost shares and the minimum amounts to be paid by the credit institutions (€ 1,000 per credit institution) for 2012 is to be allocated to a provision in 2013.

8. Liabilities

The liabilities are computed with the amount repayable taking the prudent person rule into account. All liabilities have a residual maturity of up to one year.

8.1 Advance payments received pursuant to Article 19 FMABG

For the 2013 financial year, the entities liable to pay costs had to make advance payments in the amount of € 39,896,276.00 (previous year: € 32,277k) as prescribed by administrative decision. Of the prescribed advance payments, € 9,346.05 (previous year: € 172k) had not been paid by the balance sheet date. Itemised valuation allowances of € 100.00 (previous year: € 15k) were recognised for the amounts not yet paid.

The 2013 advance payments are compared with the cost share to be borne by the entities liable to pay costs within the scope of preparing the statement of costs. The resulting balance is either charged or repaid to the entities liable to pay costs.

As at 31 December 2013, € 366,900.25 (previous year: € 248k) had already been paid in advance for the 2014 financial year.

8.2. Trade payables

With the reform of financial market supervision in Austria having taken effect on 1 January 2008, a clear demarcation was drawn between the FMA and the Oesterreichische Nationalbank in the area of banking supervision, with the FMA remaining the sole authority
and with responsibility for inspection and analysis (including reporting and approval of models) being concentrated at the OeNB. In this context, the FMA must reimburse the OeNB for the direct costs of on-site inspections and the analysis of individual banks (Article 19 para. 5a FMABG). The amounts reimbursed are to be calculated on the basis of the direct costs of banking supervision notified for the respective preceding financial year pursuant to Article 79 para. 4b BWG. Amendments to the 1984 Nationalbank Act (NBG; Nationalbankgesetz) and to the FMABG (Federal Law Gazette I No. 50/2011), which entered into force on 1 August 2011, specified the maximum amount at € 8 million. The reimbursement is to be effected no later than by the end of March of the following financial year.

The liabilities owed to the OeNB, resulting from the direct costs of on-site inspections and the analysis of individual banks, have increased to a total of € 16 million, of which the € 8 million for 2012 is to be reimbursed by 31 March 2014 and the € 8 million for 2013 by 31 March 2015.

The fee for the audit of the 2013 financial statements and allocation of costs, agreed with the auditing firm IB Interbilanz Hübner Wirtschaftsprüfung GmbH upon commissioning the audit, is included in the 2013 incoming invoices still expected; it amounts to € 36,240.00 (previous year: € 34k).

8.3 Other liabilities

A liability of € 1,344,252.72 (previous year: € 990k) is still carried from the actual cost of previous years.

9. Contingent liabilities

As at 31 December 2013 there were no contingent liabilities or guarantees.

10. The liabilities from the use of tangible fixed assets not shown in the balance sheet amount to approximately € 3,465,800.00 (previous year: € 3,092k) for the following year and a total of approximately € 17,263,800.00 (previous year: € 15,393k) for the following five years.
C. INFORMATION ON THE INCOME STATEMENT

1. Income from federal grant

Pursuant to Article 19 para. 4 FMABG, the Federal Government paid a total of € 3,500,000.00 (previous year: € 3,500k) in advance for the 2013 financial year, which was used to cover part of the costs incurred during the 2013 financial year.

2. Share of entities liable to pay costs

Please refer to Point B. 2. “Services not yet invoiced to entities liable to pay costs” in the Notes.

3. Personnel expenses

In the income statement, Item 3b shows “Contributions to corporate staff provision funds” in the amount of € 300,710.85 (previous year: € 268k). The remaining amount of € 126,813.90 (previous year: € 163k) is attributed to “Expenses for severance pay”.

D. OTHER INFORMATION

1. The average number of staff pursuant to Article 239 UGB is as follows:

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Civil servants</td>
<td>20</td>
<td>22</td>
</tr>
<tr>
<td>Employees (incl. contractual employees)</td>
<td>352</td>
<td>328</td>
</tr>
<tr>
<td>Staff total</td>
<td>372</td>
<td>350</td>
</tr>
</tbody>
</table>

2. Management of the FMA pursuant to Article 6 FMABG

Kurt Pribil (until 13 February 2013) and his successor Klaus Kumpfmüller (as of 14 February 2013) as well as Helmut Ettl were appointed to serve as members of the FMA’s Executive Board for the 2013 financial year.
Kurt Pribil had been reappointed by the Federal President on 29 September 2009 to serve as a member of the FMA’s Executive Board from 22 October 2009 to 21 October 2014. He withdrew from his position as Executive Director of the Financial Market Authority as of 13 February 2013.

Klaus Kumpfmüller, his successor, was appointed by the Federal President on 14 February 2013 to serve as a member of the FMA’s Executive Board from 14 February 2013 to 13 February 2018.

Helmut Ettl was reappointed by the Federal President on 14 February 2013 to serve as a member of the FMA’s Executive Board from 14 February 2013 to 13 February 2018.

3. REMUNERATION OF THE MEMBERS OF THE EXECUTIVE AND SUPERVISORY BOARDS

The remuneration of the two Executive Directors of the FMA consists solely of fixed components (no variable components are budgeted) and amounted to € 248,526.46 before taxes per Director and year in 2013.

The remuneration budgeted for the six voting members of the Supervisory Board for the 2013 financial year amount to € 15,300.00 (previous year: € 15k). This amount is distributed as follows:

- Chairperson: € 3,600
- Vice-chairperson: € 2,900
- Member: € 2,200

The remuneration of the members appointed by the Oesterreichische Nationalbank is not paid to the members themselves but to the OeNB, in accordance with the terms of their employment contracts. The members co-opted by the Austrian Federal Economic Chamber do not receive any remuneration.

Members of the Supervisory Board reappointed by the Federal Ministry of Finance as at 1 September 2011:

Alfred LEJSEK (Chairperson)

Federal Ministry of Finance
Ewald NOWOTNY (Vice-Chairperson)
Governor of the Oesterreichische Nationalbank

Andreas ITTNER
Executive Director of the OeNB Governing Board; Director of Financial Stability, Banking Supervision and Statistics at the Oesterreichische Nationalbank

Friedrich KARRER (member until 31 January 2014)
Head of the Accounting Department at the Oesterreichische Nationalbank

Gerhard Zotter
Federal Ministry of Finance

Gerhard BAUMGARTNER (member until 30 June 2013)
Faculty of Law, University of Klagenfurt

Beate Schaffer (member from 1 July 2013)
Federal Ministry of Finance

The co-opted members were nominated by the Austrian Federal Economic Chamber.

Walter KNIRSCHE (co-opted member)
Sworn auditor and tax adviser

Franz Rudorfer (co-opted member)
Bank and Insurance Division, Austrian Federal Economic Chamber

Vienna, 23 May 2014

.................................................................
Helmut Ettl, signed in person

Vienna, 23 May 2014

.................................................................
Klaus Kumpfmüller, signed in person
### Statement of changes in fixed assets pursuant to Article 226 para. 1 UGB

|                      | Cost | Cumulative depreciation, amortisation and write-downs in the financial year, | Depreciation, amortisation and write-downs in the financial year, |
|----------------------|------|--------------------------------------------------------------------------|-----------------------------------------------------------------
|                      | €     | €       | €       | €             | €                           | €                          | €                          | €            |
| **Fixed assets**     |       |         |         |               |                             |                            |                            |              |
| **I. Intangible fixed assets** |       |         |         |               |                             |                            |                            |              |
| Industrial property and similar rights and licences in such rights | 2,375,395,78 | 171,439,82 | 58,928,53 | 2,487,907,07 | 2,123,688,66 | 364,218,07 | 431,318,07 | 238,539,48 |
| **II. Tangible fixed assets** |       |         |         |               |                             |                            |                            |              |
| 1. Buildings on third-party land | 987,440,44 | 728,461,39 | 8,791,20 | 1,707,110,63 | 379,084,67 | 1,328,025,96 | 742,500,07 | 139,918,58 |
| 2. Other equipment, operating and office equipment | 3,810,687,77 | 306,577,54 | 4,095,784,40 | 2,772,488,77 | 1,323,297,63 | 1,372,120,18 | 639,720,79 |        |
| 3. Low-value assets | 63,414,92 | 63,414,92 | 883,873,66 | 5,802,897,03 | 3,151,573,44 | 2,651,323,59 | 2,116,680,25 | 843,054,29 | |
|                      | 7,173,523,99 | 1,554,992,30 | 437,712,19 | 8,290,804,10 | 5,275,262,10 | 3,015,542,00 | 2,545,998,32 | 1,081,593,77 | |
1. **Report on the business developments and economic situation**

**Business developments**

- **2013 financial year**

Changes in expenses and income in 2013:

The share contributed by entities liable to pay costs increased on the previous year by some € 2.8 million to about € 43.5 million. Other operating income increased by approximately € 0.4 million. However, this was offset by higher personnel expenses (around € 2.6 million) and other operating expenses (around € 0.6 million), with the result that the item “share of entities liable to pay costs” rose by around € 2.8 million compared with the previous year.

The fact that other operating income was approximately € 0.4 million up on 2012 is primarily a result of increased releases of provisions in 2013.

The rise of about € 2.6 million in personnel expenses is due to the higher number of staff (approximately 15 FTEs on average) and to salary adjustments (increase in collective agreement salary levels, salary progressions).

Other operating expenses rose by some € 0.6 million (roughly 3%) compared with the previous year, to about € 18.4 million. Increases were predominantly seen in the items rent, membership fees, other external services and IT expenses.

The allocation of approximately € 156,000 pursuant to Article 20 FMABG is lower than in the previous year due to the limit of 5% of the total costs for 2012.
Appointments

Markus Pammer was appointed interim Director of Department V Services with effect from 1 August 2013 until 30 September 2013.

Markus Pammer was appointed Director of Department V Services for a period of five years with effect from 1 October 2013.

Eva-Désirée Lembeck-Kapfer was appointed Head of Division I/1 – Horizontal Banking Supervision for a period of five years with effect from 1 November 2013.

Jürgen Bauer was appointed Head of Division V/5 – Strategic Organisation Development and Consumer Information for a period limited to 10 May 2015 with effect from 1 October 2013.

Birgit Puck was appointed Head of Staff Division Enforcement for a period limited to 31 March 2017 with effect from 1 October 2013.

Bernhard Hörttagl was appointed Head of Division I/2 – Supervision of Significant Banks for a period of five years with effect from 1 November 2013.

Marion Göstl-Höllerer was appointed Head of Division I/5 – Supervision of Other Large and Regional Banks for a period limited to 31 December 2014 with effect from 1 November 2013.

Robert Peterka was appointed Head of Division V/1 – Human Resources for a period of five years with effect from 1 January 2014.

Robert Hellwagner was appointed Head of Division III/3 – Asset Management – On- and Off-Site Analysis for a period of five years with effect from 1 January 2014.
Appointment extensions

**Joachim Hacker** was reappointed Head of **Division III/2 – Investment Firms** for a period of five years with effect from **1 January 2013**.

**Katharina Muther-Pradler** was reappointed Head of **Division III/3 (now: IV/3) – Rules of Conduct and Compliance** for a period of five years with effect from **1 July 2013**.

**Michael Hysek** was reappointed Director of **Department I Banking Supervision** for a period of five years with effect from **1 December 2013**.

**Patrick Darlap** was reappointed Head of **Division IV/1 – Integrated Financial Markets** for a period of five years with effect from **1 January 2014**.
Financial Market Authority
Tax No. 023/5300

Annex IV

23 May 2014

EXECUTIVE BOARD
Heimut Ertl
Klaus Kumpfmüller
Executive Board Affairs and Public Relations

Enforcement
Birgit Puck

Internal Audit
Martin Schmölzter

DEPARTMENT I
Banking Supervision
Michael Hysak

DIVISION II/1
Horizontal Banking Supervision
Eva-Désirée Lenzbeck-Kapfer

DIVISION II/2
Supervision of Significant Banks
Bernhard Höningl

DIVISION II/3
Supervision of Joint Stock Banks and Payment Institutions
Christian Saukel

DIVISION II/4
Supervision of Decentralized Credit Institutions
Johann Palkovitsch

DIVISION II/5
Supervision of Large Regional Banks
Marion Götschl-Höliefer

DEPARTMENT II
Insurance and Pension Supervision
Peter Braumüller

DIVISION II/1
General Insurance and Pension Supervision Issues NN

DIVISION II/2
Prudential Supervision of Insurance and Pension Companies
Stephan Korinek

DIVISION II/3
On-Site Inspection and Internal Models of Insurance and Pension Companies
Oskar Ulreich

DIVISION II/4
Analysis and Statistics of Insurance and Pension Companies
Karl Proschofsky-Spindler

DEPARTMENT III
Securities Supervision
Erich Schäffer

DIVISION III/1
Markets and Exchanges Supervision
Gabriele Klein-Gleissinger

DIVISION III/2
Investment Firms
Joachim Hasker

DIVISION III/3
Asset Management - On- and Off-Site Analysis
Robert Hellwagner

DIVISION III/4
Prudential Supervision Asset Management and Capital Market Prospectus
Andrea Mörl

DEPARTMENT IV
Integrated Supervision
Gerald Reisch

DIVISION IV/1
Integrated Financial Markets
Patrick Darlap

DIVISION IV/2
International and Legislative Affairs
Christoph Kapfer

DIVISION IV/3
Rules of Conduct and Compliance
Katharina Muther-Pradler

DIVISION IV/4
Combat against Unauthorised Business
Markus Ohlinger

DIVISION IV/5
Prevention of Money Laundering and Terrorist financing
Christoph Kodada

DEPARTMENT V
Services
Markus Pannier

DIVISION V/1
Human Resources
Robert Paterka

DIVISION V/2
Finance and Controlling
Markus Pannier

DIVISION V/3
IT Systems
Karl Schwarzmayr

DIVISION V/4
Services and Documentation
Alfred Steininger

DIVISION V/5
Strategic Organisation Development and Consumer Information
Jürgen Bauer

Corporate Compliance Officer reports directly to the Executive Board
Audit report on branches

The FMA is an independent, autonomous and integrated supervisory authority for the Austrian financial market, established as an institution under public law. It is responsible for supervising credit institutions, payment institutions, insurance undertakings, Pensionskassen (pension companies), corporate provision funds, investment funds, licensed investment service providers, rating agencies and stock exchanges, as well as for prospectus supervision. The FMA is also responsible for monitoring trading in listed securities to ensure that it is carried out properly and for monitoring issuers’ compliance with information and organisation obligations. Further tasks include combating the unauthorised provision of financial services and taking preventive action against money laundering and terrorist financing.

The FMA is an integral part of the European System of Financial Supervisors (ESFS) and represents Austria in the relevant European institutions, closely cooperating with the network of supervisors and actively contributing to its work.

The FMA has its head office in Vienna (9th district of Vienna) and has no branches.

Financial and non-financial performance indicators

Financial performance indicators

- Liquidity development in 2013

Liquidity at the start of 2013 totalled approximately € 15.5 million. Due to income of some € 46.6 million, expenses of about € 51.4 million and the payments pursuant to Article 19 para. 5 FMABG (additional payments by the entities liable to pay costs of approximately € 9.7 million), year-end liquidity as at 31 December 2013 amounted to about € 20.5 million.

As a consequence of increased payments by the entities liable to pay costs, income from advance payments rose by some € 8.1 million over the previous year to approximately € 40.0 million. A decrease of some € 0.5 million compared with 2012 was posted for “Other income”. This is attributed to less income from authorisation fees and also to the fact that fees for 2013 were already received by the FMA at the end of 2012.
Compared with 2012, expenses in 2013 were up by some € 9.3 million to approximately € 51.4 million. The major reasons are:

- The increase in personnel expenses over 2012, amounting to some € 3.3 million, is due to annual salary adjustments and to the rise in the average number of staff, which was up by about 15 FTEs.

- The year-on-year rise in material expenses is primarily due to the reimbursement of Oesterreichische Nationalbank for the costs incurred by on-site inspections and the analyses of individual banks; reimbursement, for 2011, amounting for the first time to € 8 million (instead of the previous € 4 million) was remitted in the first quarter of 2013.

- The higher investments, up by some € 0.7 million, originate from acquisitions made at the end of 2012, particularly in the area of IT, which became due only later in early 2013.

The roughly € 9.7 million charged pursuant to Article 19 para. 5 FMABG is composed mainly of the actual costs charged for 2012 (approximately € 7.8 million) and for 2011 (approximately € 1.9 million).

As at 31 December 2013 year-end liquidity amounted to around € 20.5 million.

➢ Details of 2013 cash flow statement pursuant to expert report KFS BW2

<table>
<thead>
<tr>
<th>in € thousands</th>
<th>2013</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash flow from ordinary activities</td>
<td>6,495</td>
<td>9,876</td>
</tr>
<tr>
<td>Net cash flow from investing activities</td>
<td>-1,551</td>
<td>-1,583</td>
</tr>
<tr>
<td>Net change in cash and cash equivalents</td>
<td>4,944</td>
<td>8,293</td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at beginning of period</strong></td>
<td><strong>15,517</strong></td>
<td><strong>7,223</strong></td>
</tr>
<tr>
<td><strong>Cash and cash equivalents at end of period</strong></td>
<td><strong>20,459</strong></td>
<td><strong>15,517</strong></td>
</tr>
</tbody>
</table>

Rounding differences are ignored.

Deposits made to petty cash (€ 1,793.90 in 2013 and € 1,000 in 2012) were entered as expenses on the dates of deposit.
Non-financial performance indicators

- Staff

Staff turnover

The staff turnover rate for 2013 was 5.68% (2012: 9.43%), fixed-term contracts not considered. When deducting the number of staff leaving by common consent, the turnover rate amounted to 4.48%. Staff turnover thus clearly decreased from the previous year and is at one of the lowest levels in the many years of the FMA's history. The decline is due to the countermeasures defined as a consequence of the implementation of the turnover analysis carried out in 2012, and perhaps also to the prevalent labour market conditions.

Training and career development

As a specialist organisation, the FMA places particular emphasis on the CPD of its workforce, which rests on five pillars:

- the university programme in Financial Market Supervision, with the option to continue with an MBA programme, offered in conjunction with the OeNB;
- the Management Curriculum, introduced in 2012;
- the FMA Academy;
- international seminars organised by the European Supervisory Authorities (ESAs); and
- third-party seminars, funded by departmental budgets and offered on an individual basis.

The university programme in Financial Market Supervision, jointly organised by the OeNB and the FMA, continued successfully in 2013. Since its inception in 2010, seven classes have started this programme. More than 130 individual courses have been held and eleven block exams have taken place. The topics of the final papers submitted by the graduates are published within the FMA and the OeNB, with the aim of spreading the knowledge acquired by the graduates among a larger number of staff of both institutions.

The training courses offered by the university programme are a valuable contribution to enhancing the qualifications of financial market supervisors, and they also strengthen the
profession. This is not least thanks to the numerous speakers from within the FMA and the OeNB, who held the majority of the 49 seminar days per programme.

Additional students will complete the programme in 2014 and receive their diplomas in a graduation ceremony. A new class, comprising 14 students from the FMA, commenced their studies in March 2014.

Further developing the curriculum in cooperation with the WU Executive Academy has also paved the way for recognition of the programme towards postgraduate studies at the Vienna University of Economics and Business (WU). In autumn 2013 four graduates of the programme were the first to receive the opportunity to study for two semesters at the WU Executive Academy and complete the course with an MBA. The programme thus makes the FMA an even more attractive place to work.

**Recruitment process**

The FMA follows a structured process for recruiting new staff, which has proven very useful over the years and comprises the steps described in the following. As a first step, a requirements profile is prepared in joint consultation between the respective division and Human Resources. In a second step, vacant positions are advertised on the FMA’s website as well as on a leading job website through automatic data replication and, in specific cases, in the career sections of daily newspapers. Short-listed candidates then undergo a three-tier selection process. A first round of interviews takes place with the heads of the division concerned. After the field of candidates is further narrowed down, a second interview is held with the responsible Director and Head of Division, as well as one representative from Human Resources. The third and final interview takes place with the Executive Directors. When recruiting staff members with a number of years of specialised professional experience (specialists according to the FMA salary system), the third interview is staged as a hearing preceded by a potential assessment.

Recruiting fairs, some of which provide an opportunity to interview pre-selected candidates, have proved a highly effective method for recruiting and personnel marketing among university graduates, so that participation in additional events of this kind was continued in 2013. The FMA also continued to successfully take part in events aimed especially at the target group of high-potential graduates. The main focus of the FMA’s recruiting efforts, however, continues to be on professionals, i.e. individuals having at least five to ten years of specialised professional experience.
Health and safety

Staff health and safety is an important concern at the FMA. Therefore, widespread activities are offered in this area. An occupational physician and a safety expert are available on site to the staff for more consultation hours than the legally required number. Since 2013 the services of an industrial psychologist have also been used, who in the course of the “Healthy Organisation Development” project will conduct an evaluation of psychological stress on the job in accordance with the stipulations laid down in the Employee Protection Act (ASchG; Arbeitnehmerinnenschutzgesetz) in 2014. In the area of preventive health care, extensive health checks focusing on diverse issues, immunisation programmes, subsidised exercise courses and a fitness room were also made available.

Events of particular importance after the balance sheet date

Quarterly report pursuant to Article 6 para. 5 FMABG for Q4 2013

The FMA’s quarterly report, pursuant to Article 6 para. 5 FMABG, for the fourth quarter of 2013 concerning its ongoing activities and the liquidity report, which describes the FMA’s income and expenses as well as the asset additions for 2013, was presented to the Supervisory Board of the FMA at its meeting of 3 March 2014. At the same time, the Board was also provided with an outlook of the 2013 financial statement figures.

Annual Report pursuant to Article 16 para. 3 FMABG

The FMA’s 2013 annual report to be drawn up pursuant to Article 16 para. 3 FMABG will be submitted to the Supervisory Board for its approval. After approval by the Supervisory Board, the annual report will be submitted to the Finance Committee of the National Council and the Federal Minister of Finance.
2. Report on the expected development and risks of the company

Expected development of the company

➢ Outlook for 2014

The FMABG requires the FMA to submit to the Supervisory Board by 31 October a financial plan including an investment and staff plan for the following financial year. This financial plan must be approved by the Supervisory Board by no later than 15 December.

The financial plan is based on the FMA’s goals, which are defined and detailed at an annual strategy meeting. The impact of the future goals on financial planning is broadly discussed in meetings with the Executive Directors and the Directors of the Departments in order to accommodate the goals in financial planning.

The 2014 financial plan including the investment and staff plan was approved unanimously on 13 December 2013.

• Based on the results of a resources analysis, 20 full-time equivalents (FTEs) are to be employed, resulting in a planned staffing level of 362 FTEs by 31 December 2014.

• Pursuant to Article 33 of the SSM Regulation, the FMA is required to provide to the European Central Bank all relevant information for the ECB to carry out a comprehensive assessment, including a balance sheet assessment (BSA), of the credit institutions of the participating Member States. In order to provide the ECB with this information, the FMA will commission external third parties (auditors) to carry out on-site analyses of the banks’ balance sheets in 2014. The costs incurred will be collected directly from the affected institutions, i.e. neither the associated expenses nor the income received will be taken into account in the allocation of costs pursuant to Article 19 FMABG.

• Licences for the planned acquisition of an analysis tool for Insurance Supervision (risk analysis and assessment software complying with the Solvency II requirements concerning risk-based supervision of insurance undertakings and groups) need to be purchased in 2014.

• The corresponding investment for Securities Supervision (i.e. an analysis tool to be used in ongoing market monitoring to identify evidence of market abuse – market manipulation and misuse of inside information) which was originally budgeted for 2013 will be postponed to 2014.
Reorganisation of the FMA

At the Supervisory Board’s 58th meeting on 3 March 2014, the third stage of the FMA’s reorganisation was approved so that the whole project can be concluded on 1 April 2014.

The goal of reorganisation as defined in June 2013 was to increase efficiency and also to separate supervision activities along functional lines into analysis, on-site activities and official supervision activities conducted by the FMA.

The following milestones have been achieved:

**1 October 2013:**
- integration of “Executive Board Affairs and Public Relations” into the Executive Board’s direct remit;
- reorganisation of Department I “Banking Supervision” by establishing a fifth division and changes in organisation to accommodate future work within a Single Supervisory Mechanism;
- integration of the “Rules of Conduct and Compliance” Division into Department IV “Integrated Supervision”;
- establishment of the “Strategic Organisation Development and Consumer Information” Division under Department V “Services”;
- removal of the “Enforcement” Division from the line organisation.

**1 January 2014:**
- reorganisation of Department III “Securities Supervision” by creating the new “Asset Management – On- and Off-Site Analysis” Division;
- separation of the “Human Resources, Finance and Controlling” Division into “Human Resources” and “Finance and Controlling”.

**1 April 2014:**
- reorganisation of Department II “Insurance and Pension Supervision” into four new divisions.
Material risks and uncertainties

**Liability for the FMA’s activities (Article 3 FMABG as amended by Federal Law Gazette I No. 136/2008)**

The Federal Government shall be liable pursuant to the provisions of the Public Liability Act (AHG; *Amtshaftungsgesetz*), Federal Law Gazette No.20/1949, for damage caused by the FMA’s bodies and employees in the enforcement of the federal acts specified under Article 2. Damage as defined in this provision is such that was directly caused to the legal entities subject to supervision pursuant to this federal act. The FMA as well as its employees and bodies are not liable to the injured party (Article 3 para. 1 FMABG). If the Federal Government makes good the damage to the injured party pursuant to para. 1, it is entitled to demand reimbursement from the FMA’s bodies or employees according to the provisions of the AHG (Article 3 para. 3 FMABG). The law does not, however, provide the Federal Government with a right of recourse against the FMA (819 annex to the shorthand verbatim records of the National Council, 22nd legislative period.

**Staff**

Any personnel risks at the FMA have been mitigated as far as possible through specific measures, including a system of deputies, clear documentation and management of limited contracts. Scenarios entailing the inability to replace staff due to demographic change continue to pose only little risk as well. Only a small number of staff will retire in the coming years, and the average age of employees remained constant in 2013 at a relatively low level of 38.

The turnover rate was low in 2013, and vacant positions were filled quickly with qualified candidates. When hiring new staff, it was frequently possible to recruit experts having several years of specialised professional experience. Any possible losses among key employees can be made up for quickly since every division has a deputy for the Head of Division. Furthermore, most divisions are structured to include teams, whose team leaders would be able to compensate for management staff losses.

In the event of any indication of an increase in the turnover rate, the FMA analyses the situation and takes timely countermeasures.
In 2013 as well, periods of leave, such as due to illness or excused absence, did not present the organisation as a whole with any appreciable challenges. The corresponding levels at the FMA continue to be clearly below the national average.

3. **Report on research and development**

The FMA, as supervisory authority for the Austrian financial market, does not publish a report on research and development due to the nature and purpose of its business.

Vienna, 23 May 2014

[Signature]

Helmut Ettl, signed in person

Vienna, 23 May 2014

[Signature]

Klaus Kumpfmüller, signed in person