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## **Supervisory Board**

KR Dr. Heinrich Wiesmüller  
Chairman

Hon-Prof. Mag. Dr. Johann Bertl  
Deputy Chairman

Dkfm. Guntram Mathis

Gerhard Merten

## **Delegates of the Staff Council**

Roman Hemetsberger

Mag. Walter Schnitzhofer

## **State Commissioners**

Mag. Wolfgang Fend  
State Commissioner

Amtsdirktor Kurt Parzer  
Deputy State Commissioner

## **Board of Management**

KR Heinrich Spängler  
Spokesman

Dr. Helmut Gerlich  
Deputy Spokesman

Dr. Rudolf Oberschneider

Mag. Franz Welt

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## Report of the Supervisory Board

During 2007, the Supervisory Board and its committees performed the duties incumbent on them according to law and the Articles of Association. The Board of Management periodically informed the Supervisory Board on the bank's performance and situation.

In five meetings of the Supervisory Board and four meetings of the credit committee, the proposals to be decided as well as important matters of principle and individual questions were discussed in detail.

The bank's Annual Accounts and Management Report were audited by ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. The conclusive result of this audit has not given rise to any objections so that an unqualified certificate of audit was issued.

The Consolidated Annual Accounts for 2007, including the Annex and the Management Report for the Group, were audited by ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H., Vienna. The audit has not given rise to any objections and the statutory requirements have been complied with in full.

In the opinion of the auditors the Consolidated Annual Accounts in every important respect provide a true and fair view of the assets and liabilities and financial position of Bankhaus Carl Spängler & Co. Aktiengesellschaft and its subsidiaries as at 31 December 2007, as well as their earnings and cash flow for the business year 2007.

The auditors attended the meeting of the Supervisory Board of 16 May 2008 where the Annual Accounts were adopted and were available for answering questions from members of the Supervisory Board.

The Supervisory Board noted and approved the result of the audit and endorsed the Annual Accounts 2007 and the Management Report, which were thus adopted pursuant to Section 125(2) of the Companies Act. The proposal of the Board of Management for the appropriation of profit was noted and approved and was submitted to the Shareholders' General Meeting for resolution. The Supervisory Board also noted and approved the result of the audit of the Consolidated Accounts. The Supervisory Board thanks the staff and the Board of Management for their dedication and the very satisfactory result achieved in the business year 2007.

Salzburg, 16 May 2008

The Supervisory Board:



Dr. Heinrich Wiesmüller  
Chairman

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## Management Report

2007 was another successful business year in the 179-year history of Bankhaus Spängler.

Interest-related operations, in particular, were very satisfactory in the year under review. The total of net interest income and income earned on securities and trade investments was € 16.6 million, up 16.5%. In an environment marked by weak securities markets, the bank's net commission income increased by a moderate 3.1% to € 18.6 million. Overall, therefore, the bank's operating income of € 38.3 topped the previous record level achieved in 2006 by 13.7%.

Operating expenses, too, were clearly up, rising 13.2% to € 26.2 million, due to a great extent to substantial capital expenditure and a necessary special write-down in the real-estate sector. The year under review closed with a net operating income of € 12.1 million, up 14.9%, as well as a profit from ordinary activities of € 8.9 million, down 1.3%, and net income for the year of € 6.7 million (down 1.4%). Our net operating income generated in 2007 is thus the highest amount achieved in the history of the bank, while the profit from ordinary activities and the net income for the year are second only to the amounts achieved in the previous business year.

The positive performance of the bank permits the Board of Management to propose to the General Meeting the payment of a dividend of 10% and a bonus of 2%, while substantially bolstering the reserves by € 5.2 million.

The bank's own funds eligible for determination of the capital ratio were € 71.4 million, up 15.1%, as at the balance sheet date, thus amply exceeding the amount of own funds required by € 21.7 million. At the same time the bank's core capital, which grew by 11.0% to € 52.0 million, accounts for a remarkable 72.8% of its equity.

Total assets amounted to € 904.2 million as at 31 December 2007, an increase of 5.3% compared to the previous year.

The cost-income ratio, which represents the ratio between operating expenses and operating income, was slightly trimmed to 68.4%. Nevertheless, the return on equity, at 17.2%, is lower than in the previous year but still very satisfactory in light of the considerably higher basis resulting from the allocation of substantial funds to the bank's reserves.

Changes in total assets, core capital and selected ratios:

	2007	2006	2005
Total assets in million euros	904.2	858.7	660.0
Core capital in million euros	52.1	46.8	41.4
Cost-income ratio in %	68.4	68.7	68.9
Return on equity (before tax) in %	17.2	19.4	16.4

Savings deposits, which continue to be widely spread, grew by 13.4% to € 282.0 million in 2007, while own issues outstanding increased by 37.0% to € 140.5 million.

Demand and time deposits grew at a clearly slower pace, up 3.5% to € 367.2 million. This item contains several large deposits which are held by clients for future transactions, which may lead to major fluctuations or even considerable declines in such deposits in the future. Overall, however, demand and time deposits, too, are widely spread.

As at the balance sheet date, the volume of aggregate lendings including bills of exchange amounted to € 474.2 million, up 14.2%, relating, as before, almost exclusively to Austrian and Bavarian borrowers.

For our investing clientele 2007 constituted a very difficult environment which was marked by the sub-prime crisis emanating from the USA and the resulting uncertainties in the equity and bond markets. The unsatisfactory performance of the markets and the ensuing uncertainty on the part of investors resulted in a decline in the portfolio assets held in custody on behalf of our private and institutional clients by 1.1% to € 5.0 billion. While the volume held for private clients decreased by 1.5% to € 1.74 billion, client funds managed by the bank's Asset Management totalled around € 1.1 billion, reflecting a slight growth of 1.6%.

The targeted and controlled taking of risks, while observing yield-orientated target figures, is an integral part of the overall risk management for Bankhaus Spängler as a whole.

Counterparty risks arising from customer business are widely spread and covered to a satisfactory extent by collateral customary in banking. Loan loss reserves have been set up to the tune of € 12.2 million, which amounts to 2.5% of the aggregate lending volume. Total expenditure on risk provisioning remained inconspicuous in 2007 and did not exceed expected levels.

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The credit risk is largely confined to borrower default risks, as country risks are maintained at a very low level in both lending and interbank business as a consequence of self-imposed restrictions.

In interbank business all counterparties are subject to a credit assessment procedure and a limitation for each counterparty depending on its specific credit standing. We seek to minimise settlement risks in many cases by involving clearinghouses, which settle each transaction only following performance by both parties, in other cases by concentrating on selected counterparties of first-class credit standing.

The interest rate risk is mapped consistently by gap analyses and managed and limited through self-chosen risk limits by the Board of Management on proposal by a specific committee (Asset-Liabilities Round).

Credit and market price risks in connection with the US residential housing market and other asset-backed securities are only incurred to a very small extent for funds managed by third parties.

Particular attention is paid to the liquidity risk as this risk is of paramount importance for safeguarding the continued existence and independence of the bank. This risk is invariably monitored by means of capital tie-up analyses and several early warning indicators and is also subject to various self-imposed, comparatively restrictive limits.

Most open currency positions are closed on the same day or confined to the bank's operative needs, so that the currency risk is to be considered as very low. Derivative instruments serve mainly to hedge interest rate and currency risks or to obtain short-term liquidity in foreign currencies. The volume of primary financial instruments held by the bank can be seen from the balance sheet. In the period under review the bank maintained a so-called "small" securities trading portfolio.

We seek to minimise operational risks by means of adequate insurance cover and clearly structured and documented responsibilities and operating processes.

The implementation of the law of 2006 amending the Banking Act, which introduced the Basle II Accord in Austria, was expedited in 2007 to such a stage as made it possible to calculate the capital backing under the new rules as at 31 January 2008 as sche-

duled and report the findings for the first time to the supervisory authorities. It turned out that only small changes in the amount of own funds prescribed by the supervisory authorities result from the new rules.

In 2007, as in previous years, several structured products in both the investments and lending sectors were developed in close co-operation with various external partners and successfully placed in the market.

The costly modification of our Linz Branch was completed in 2007. We now own prestigious premises at the centre of this important economic area not only for servicing and counselling of customers but also for customer events. In December 2007 our Anif Branch moved into new premises. Both these measures also made it possible to accommodate additional staff at these locations.

The training of young management staff, which was begun in 2006, was continued in the period under review, as were the ongoing trainee programmes for school-leavers and university graduates.

With the satisfactory profit generated in 2007 and the growth in core capital, the internally set criteria for a variable earnings and performance-related salary element have been met, so that this component will be paid to all the members of the bank's staff employed in 2007.

In accordance with Section 59 of the Banking Act, consolidated annual accounts have been drawn up. In addition to the parent company, the group accounts include the wholly-owned subsidiary Carl Spängler AG, Zurich, which focuses on the administration of trustee moneys and holds a 20% interest in a Swiss asset management company, as well as the majority-owned capital investment company Carl Spängler Kapitalanlagegesellschaft mbH, Salzburg.

The capital investment company (Carl Spängler KAG) had 89 securities investment funds with a volume of around € 3.9 billion under management as at 31 December 2007, representing a 5.0% decrease in the period under review. In 2007 the KAG acquired a 50% stake in Institut für Quantitatives Asset Management GmbH.

Spängler Family Office GmbH serves the purpose of catering to the overall needs related to major asset portfolios on the one hand, while family concerns are accompanied in respect of strategic issues, particularly

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in connection with matters related to succession, on the other.

### **Outlook and Résumé**

No events of particular importance for the Company have occurred after the balance sheet date of 31 December 2007 which would have resulted in a different presentation of the assets and liabilities, financial position and earnings of the Company.

In 2007 we concerned ourselves intensively with the strategic further development of the trademark of Spängler and thus of the entire group of companies and will in 2008 deduce therefrom the reformulation of the strategic planning. The subjects of private wealth and family-owned companies will, even more than before, be the focus of the products and services offered by the bank and its market approach.

Effective May 2008, there will be some significant changes in the senior management of the bank. Kommerzialrat Spängler, up to now Spokesman for the Board of Management, will retire from the Board and devote himself more intensively to the subjects of family wealth and family-owned companies as Managing Director of Spängler Family Office GmbH. Provided the corporate bodies of the Company adopt the pertinent resolutions, Kommerzialrat Spängler will be succeeded by Dr. Helmut Gerlich as Spokesman for the Board of Management, while Dr. Werner Zenz, up to now Head of Private Banking, will be appointed Member of the Board of Management. These changes will be accompanied by changes in the Company's organisational structure.

After the outstanding year 2005 in commission-bearing securities business, 2006 and 2007 saw interest-earning operations grow much faster than commission and fee-earning business. This very diverging development shows that the bank continues to possess two complementing legs boasting a considerable profit-earning capacity.

For 2008 we are planning substantial spending on new locations, particularly the establishment of the Parsch Branch and adaptation of the premises in Ernest-Thun-Strasse in Salzburg acquired by SPÄNGLER Vermögenverwaltungsgesellschaft m.b.H. in the year under review, on servicing capacities and advisor support, which all means clearly rising operating expenses. Although we have also planned clear growth in both interest-related and commission and fee-earning business, it remains to be seen whether we will be successful, in view of the considerable uncertainties weighing on the performance of the capital markets and the economy in general, in repeating in 2008 the very good result achieved in 2007.

We are convinced that the continuity of our shareholder structure, the reasonable size of our business, the great dedication of our staff as well as, above all, the confidence which our customers have in our bank, especially at times of profound changes in our industry, are of great benefit to our Company.

The Board of Management thanks all the staff for the very good co-operation based on mutual trust.

Salzburg, 7 March 2008



## Liabilities

	31.12. 2007		31.12. 2006	
	Euros	Euros	in thousand Euros	in thousand Euros
1. Liabilities to credit institutions				
a) repayable on demand . . . . .	22,769.180,98		70.595	
b) with agreed maturities or periods of notice . . . . .	<u>7,634.352,37</u>	30,403.533,35	<u>8.519</u>	79.114
2. Liabilities to customers				
a) Savings deposits				
aa) repayable on demand . . . . .	8,138.337,81		7.886	
bb) with agreed maturities or periods of notice . . . . .	<u>273,893.902,39</u>		<u>240.775</u>	
	<u>282,032.240,20</u>		<u>248.661</u>	
b) other liabilities				
aa) repayable on demand . . . . .	238,167.684,19		275.195	
bb) with agreed maturities or periods of notice . . . . .	<u>129,057.313,85</u>		<u>79.762</u>	
	<u>367,224.998,04</u>	649,257.238,24	<u>354.957</u>	603.618
3. Liabilities evidenced by certificates . . . . .		140,521.907,34		102.537
4. Other liabilities . . . . .		5,949.733,48		5.587
5. Deferred income . . . . .		78.388,11		83
6. Provisions				
a) Provisions for severance compensation . . . . .	3,718.710,00		3.315	
b) Provisions for pensions . . . . .	1,604.584,77		1.561	
c) Provisions for taxes . . . . .	455.000,00		840	
d) other provisions . . . . .	<u>6,266.084,59</u>	12,044.379,36	<u>5.400</u>	11.116
7. Non-core capital . . . . .		11,589.549,94		7.472
8. Subscribed capital . . . . .		15,000.000,00		15.000
9. Capital reserves non-available . . . . .		1,684.733,76		1.685
10. Revenue reserves other reserves . . . . .		23,235.211,68		18.735
11. Reserves under Section 23 (6) of the Banking Act . .		11,427.000,00		10.686
12. Net profit . . . . .		1,975.213,31		2.022
13. Untaxed reserves				
a) Valuation reserve resulting from special depreciation . . . . .	<u>1,054.593,50</u>		<u>1.068</u>	
b) other untaxed reserves				
Transfer reserve under Section 12 of the Income Tax Act 1988	<u>0,00</u>	1,054.593,50	<u>0</u>	1.068
		<u>904,221.482,07</u>		<u>858.723</u>

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**Items shown below the balance sheet**

**Assets**

	31.12. 2007		31.12. 2006	
	Euros	Euros	in thousand Euros	in thousand Euros
1. Foreign assets . . . . .		201,803.939,34		93.765

## Liabilities

	31.12. 2007		31.12. 2006	
	Euros	Euros	in thousand Euros	in thousand Euros
1. Contingent liabilities of which. . . . .				
a) acceptances and liabilities from the endorsement of rediscounted bills . . . . .	2,497.801,85		2.535	
b) guarantees and assets pledged as collateral security . . . . .	<u>42,198.217,82</u>	44,696.019,67	<u>38.204</u>	40.739
2. Lending risks . . . . .		129,530.000,00		119.911
of which commitments arising from repurchase transactions. . . . .	0,00		0	
3. Total net capital resources under Section 23 (14) . . . of the Banking Act		71,537.447,67		62.093
4. Required equity capital pursuant to Section 22 (1) . . of the Banking Act		49,716.968,00		43.664
of which capital resources under Section 22 (1) 1 and 4 . . . . .		49,502.968,00		43.576
5. Foreign liabilities. . . . .		152,271.074,18		177.905

## Profit and Loss account for the year ended December 31, 2007

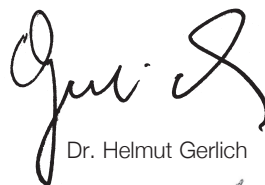
	2007		2006	
	Euros	Euros	in thousand Euros	in thousand Euros
1. Interest and similar income . . . . .		40,928.137,38		26.600
of which:				
from fixed-income securities				
€ 2,191.676,21				
2. Interest and similar expenses . . . . .		<u>- 28,057.760,37</u>		<u>- 15.442</u>
I. NET INTEREST INCOME . . . . .		12,870.377,01		11.158
3. Income from securities and from investments in subsidiaries and associated companies and affiliated companies . . . . .		3,714.821,45		3.077
a) Income from shares and other variable- income securities . . . . .	2,380.052,85		1.967	
b) Income from investments in affiliated companies . . . . .	421.614,59		302	
c) Income from investments in subsidiaries and associated companies . . . . .	<u>913.154,01</u>		<u>808</u>	
4. Fee and commission income . . . . .		19,262.672,58		18.714
5. Fee and commission expenses . . . . .		<u>- 652.704,71</u>		<u>- 656</u>
6. Net profit on trading activities . . . . .		2,229.046,97		941
7. Other operating income . . . . .		<u>865.515,17</u>		<u>435</u>
II. OPERATING INCOME . . . . .		38,289.728,47		33.669
8. General administrative expenses . . . . .				
a) Staff expenses . . . . .	- 14,939.106,06			- 13.478
aa) Salaries . . . . .	10,889.593,71		9.766	
bb) statutory social-security contributions as well as levies and compulsory contributions dependent on salaries . . . . .	2,826.178,96		2.628	
cc) other employee benefits . . . . .	322.474,39		344	
dd) Expenses for retirement benefits . . . . .	242.783,31		300	
ee) Allocation to pension provisions . . . . .	43.802,08		22	
ff) Expenditure on severance and allocations to in-house staff provident funds . . . . .	<u>614.273,61</u>		418	
b) other administrative expenses . . . . .	<u>- 7,837.733,15</u>			- 7.787
		- 22,776.839,21		- 21.265
9. Depreciation in respect of asset items 9 and 10 . . . . .		<u>- 2,510.401,39</u>		<u>- 1.610</u>
10. Other operating expenses . . . . .		<u>- 906.758,98</u>		<u>- 268</u>
III. OPERATING EXPENSES . . . . .		<u>- 26,193.999,58</u>		<u>- 23.143</u>
IV. OPERATING RESULT . . . . .		12,095.728,89		10.526

	2007		2006	
	Euros	Euros	in thousand Euros	in thousand Euros
11./12. Net income expenses arising from the sale and valuation of loans and securities . . . . .		- 2,833.718,26		- 1.037
13./14. Net income/expenses arising from the sale and valuation of securities valued as financial fixed assets and of investments in subsidiaries and associated companies and affiliated companies . . . . .		- 317.618,56		- 425
V. RESULT OF ORDINARY ACITIVITES . . . . .		8,944.392,07		9.064
15. Taxes on income. . . . .		- 2,192.140,05		- 2.177
16. Other taxes unless included in item 15 . . . . .		- 31.595,57		- 74
VI. SURPLUS FOR THE YEAR . . . . .		6,720.656,45		6.813
17. Adjustment of reserves . . . . . of which: reserves under Section 23(6) the Banking Act € - 741.000,00 (2006: in thousand € - 963,0) . . . . .		- 5,227.933,51		- 5.051
VII. PROFIT OF THE YEAR . . . . .		1,492.722,94		1.762
18. Profit brought forward from the previous year. . . . .		482.490,37		260
VIII. NET PROFIT . . . . .		1,975.213,31		2.022

Bankhaus Carl Spängler & Co.  
Aktiengesellschaft



KR Heinrich Spängler



Dr. Helmut Gerlich



Dr. Rudolf Oberschneider



Mag. Franz Welt

Salzburg, 7. March, 2008

## Annex to Annual Accounts as of 31 December 2007

### I. Accounting and valuation methods

The balance sheet as of 31 December 2007 and the profit and loss account for the period from 1 January to 31 December 2007 were drawn up with due observance of the provisions of the Corporate Law and the Banking Act.

Assets have been valued in accordance with the strict principle of the lower of cost or market. Securities treated as fixed assets have been valued at their cost of acquisition or if such cost was above 100%, at their redemption prices. Any discernible lending risks were allowed for by making adequate individual value adjustments. Amounts expressed in currencies of the member states of the European Monetary Union have been valued at their official fixed conversion rates. Amounts expressed in other currencies were translated at the buying or middle exchange rates ruling on the balance sheet date. Provisions for pensions were based on an actuarial opinion at their discounted present value subject to an assumed rate of interest of 4,0 %. Part of the pension commitments allow for adjustment for monetary erosion. Provisions for severance liabilities have been made according to the discounted cash flow method based likewise on an assumed rate of interest of 4,0 %. The pensionable age was estimated at 64 for men and 62 for women.

### II. Notes to the balance sheet

Moneys due from third parties.

Moneys due from banks and other borrowers, not including those due at sight, break down as follows according to their residual term to maturity (being the aggregate of items 2, 3, 4 and 5 on the assets side of the balance sheet):

a) up to 3 months	€ 261,758.000,00
b) more than 3 months	
to 1 year	€ 96,963.000,00
c) more than 1 year to 5 years	€ 148,232.000,00
d) more than 5 years	€ 206,331.000,00

General bad-debt provision

A general bad-debt provision of € 638 thousand has been set up against the item "Due from customers".

Amounts falling due in 2008:

a) Assets:		
Treasure bills	€	78,295.420,00
Claims on credit institutions	€	556.000,00
Bonds and other		
fixed-interest securities	€	10,210.596,67
b) Liabilities:		
Bonds	€	8,896.000,00
Own medium-term notes	€	492.000,00
Non-core capital	€	0,00

Investments

Investments in subsidiaries and associated companies:

	Our holding	Last annual accounts (31 December 2007)	
		Equity capital	Result of the year
Carl Spängler Aktiengesellschaft, Zürich	%	CHF	€
	100	1,250.400,-	21.800,-
Carl Spängler Kapitalanlagegesellschaft mbH., Salzburg	%	€	€
	51	11,805.200,-	2,859.600,-
"Spartrust" Treuhandgesellschaft mbH., Salzburg	%	€	€
	100	7.900,-	-4.800,-
Spängler Family Office GmbH., Salzburg	%	€	€
	100	150.800,-	13.300,-
Spängler Vermögensverwaltungs-GesmbH, Salzburg	%	€	€
	100	4,955.100,-	-105.600,-

Moneys due from and to subsidiaries and associated companies and affiliated companies:

	Subsidiaries and associated companies		Affiliated companies
	€		€
a) Due from such companies			
Balance sheet asset item 3)	0,00	6,045.504,24	
Balance sheet asset item 4)	1,331.580,54	4,030.782,60	
b) Due to such companies			
Balance sheet liability item 1)	10,837.176,73	57.292,41	
Balance sheet liability item 2)	39.499,62	8,941.718,19	

Listed securities treated as current assets

The difference between the cost of acquisition or book values stated in the balance sheet and their higher market values is € 15 thousand (Section 56 (4) of the Banking Act).

#### Unlisted securities and listed securities

The asset items 5, 6, 7 and 8 include unlisted securities amounting to € 101,490.108,34 and listed securities amounting to € 25,494.942,01.

#### Securities trading portfolio

The holdings in the securities trading portfolio do not exceed the limits laid down in Section 22b (2) of the Banking Act (small securities trading portfolio). The volume amounts to € 2.152 thousand.

#### Tangible fixed assets

This item contains the land value of developed properties, amounting to € 3,307.802,00.

#### Other assets

The main components of this item are gold (€ 3.230 thousand), salary advances to staff (€ 358 thousand), agency fees (€ 97 thousand) and due from property management (€ 161 thousand).

#### Liabilities

Moneys due to banks and other borrowers, not including those payable on demand, break down as follows according to their residual term to maturity (being the corresponding amounts derived from items 1, 2 and 3 on the liabilities side of the balance sheet):

a) up to 3 months	€ 109,469.000,00
b) more than 3 months to 1 year	€ 126,494.000,00
c) more than 1 year to 5 years	€ 227,389.000,00
d) more than 5 years	€ 82,253.000,00

#### Share capital

##### Ordinary shares

10,000.000 non-par shares € 13,636.363,64

##### Preferred shares (non-voting shares)

1,000.000 non-par shares € 1,363.636,36

€ 15,000.000,00

By resolution adopted at the 12th Ordinary General Meeting held on 5 May 2006, the Board of Management was authorised to increase the Company's share capital by a maximum amount of € 7.5 million to a maximum of € 22.5 million within a period of five years (i.e. by 20 June 2011).

#### Non-core capital

As at 31 December 2007 bonds amounting to € 11.379.168,86 constituting non-core capital were outstanding, of which € 589.412,74 were held in the bank's own portfolio. The expenditure on these bonds was € 396.607,97.

#### Provisions break down as follows:

for severance liabilities	€ 3,718.710,00
for pension liabilities	€ 1,604.584,77
other staff provisions	€ 2,642.504,91
corporation tax	€ 455.000,00
savings bond interest	€ 1,798.736,00
other	€ 1,824.843,68
	€ 12,044.379,36

#### Other liabilities

The major items are liabilities to revenue authorities relating to investment tax withheld, turnover tax and EU withholding tax totalling € 4.901 thousand, liabilities to the ARZ-Allgemeines Rechenzentrum amounting to € 297 thousand, and other suppliers amounting to € 512 thousand.

#### Untaxed reserves

a) The valuation reserve resulting from special fiscal writedowns relates to the following items:

Investments in subsidiaries and associated companies	€ 571.935,20
Tangible fixed assets	€ 482.658,30
	€ 1,054.593,50

#### Off-balance sheet items

##### Contingent liabilities

These amount to € 44.696 thousand, of which € 42.198 thousand relate to guarantees.

##### Lending risks

Lending risks amount to € 129.530 thousand, relating to loan commitments not yet availed of.

##### Financial derivatives:

	Nominal- amount	Market value (positive)	Market value (negative)
a) Interest rate contracts:			
Interest rate swaps	T€ 21.645	T€ 256	T€ 325
OTC transactions	T€100.000	T€ 265	T€ -
b) Exchange rate contracts:			
Forward exchange transactions	T€ 1.006	T€ 15	T€ 48
Currency swaps	T€ 92.080	T€ 552	T€ 205

## Supplementary information

Amounts in foreign currency:

Total amount of assets  
denominated in foreign currency € 119,840.121,06  
Total amount of liabilities  
denominated in foreign currency € 27.356.013,28

Assets deposited as collateral under Section 64 (1) 8  
of the Banking Act.

As of 31 December 2007 fixed-interest securities in  
a nominal amount of € 14,223.470,19 had been  
deposited as collateral for liabilities arising from the  
following transactions:

	€
Arrangement deposit in favour of Oesterreichische Kontrollbank AG	202.180,19
Cover funds for ward money savings deposits	1,400.000,00
Collateral for interest rate contracts – Goldman Sachs, London	1,000.000,00
Cover funds for purchase of securities through Clear Stream Banking S.A., Luxembourg	11,621.290,00
	<u>14,223.470,19</u>

### III. Notes to the profit and loss account

Staff expenditure

Expenditure on compensation included in the item  
"Expenditure on compensation and contributions to  
company staff provident funds" is € 171 thousand.

Changes in reserves	€	€
Allocation under Section 23(6) of the Banking Act		741.000,00
Free Reserves		<u>4,500.000,00</u>
		5,241.000,00
Release:	€	€
Valuation reserve	<u>13.066,49</u>	<u>13.066,49</u>
		<u>5,227.933,51</u>

Untaxed reserves

The effect of the change in untaxed reserves (reser-  
ves for taxes relating to Section 10–12 of the Income  
Tax Act) on taxes on income and earnings of the  
business year resulted in an increase in the tax  
burden for 2007 by around € 3 thousand.

The amount to be carried as an asset pursuant to  
Section 198 (10) of the Austrian Commercial Code,  
i.e. the tax burden relating to the part of pension,  
severance and anniversary bonus liabilities calculated  
according to the provisions of the Commercial Code,  
is € 1 thousand.

Expenditure on severance and pensions

Expenditure on severance and pensions amounted  
to € 933.554,61 in the year under review. Of this  
amount € 575.122,35 related to members of the  
Board of Management and managerial staff.

### IV. Other information

Staff

In the year under review the average number of  
staff was 227.

Advances, loans to and contingent claims on  
members of the Board of Management and the  
Supervisory Board

	Loans/ advances T€	Contingent claims T€
Board of Management	1.147	573
Supervisory Board	21	5
Total	1.168	578

Loans to members of the Board of Management  
and the Supervisory Board are made at prevailing  
market interest rates. Repayments are made as  
agreed.

Emoluments of the Board of Management and the  
Supervisory Board

In the year under review expenditure on the emolu-  
ments of the Board of Management  
amounted to € 1,075.605,80  
remuneration of the  
Supervisory Board € 32.248,20

Board of Management and Supervisory Board  
See page 1.

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