
Supervisory Board

Kom.-Rat Dr. Heinrich Wiesmüller
Chairman

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

Dr. Arno Gasteiger

Dr. Reinhard Fritz

Delegates of the Staff Council

Roman Hemetsberger (till 01.09.2009)

Mag. Walter Schnitzhofer (till 30.01.2009)

Wolfram Stöphasius (since 01.09.2009)

Alois Silberer (since 30.01.2009)

Board of Management

Dr. Helmut Gerlich
Spokesman

Dr. Rudolf Oberschneider

Mag. Franz Welt

Dr. Werner Zenz

State Commissioners

Mag. Wolfgang Fend (till 30.09.2009)

Mag. Peter Maerschalk (since 01.12.2009)

Amtsdirktor Kurt Parzer
Deputy State Commissioner

Report of the Supervisory Board

During 2009, 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, four meetings of the credit committee and five meetings of the audit 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 2009, 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 2009, as well as their earnings and cash flow for the business year 2009.

The auditors attended the meeting of the Supervisory Board of 7 May 2010 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 2009 and the Management Report, which were thus adopted pursuant to Section 96(4) 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 wishes to thank the bank's staff and Board of Management for the commitment shown during the business year 2009, which was marked by a difficult market environment.

Salzburg, 7 May 2010

The Supervisory Board:



Dr. Heinrich Wiesmüller, Chairman

Management Report

Following the peak of the 2008 financial market crisis, 2009 was marked by persistently severe uncertainties and the early effects of the crisis on the real economy. In this difficult environment the cornerstones of our business model proved their worth to a particular extent:

- Provider of services and assistance to the real economy
- Solid foundations for 182 years
- Limitation of risks
- Availability of sound capital and liquid resources
- Strong customer orientation

In the light of the foregoing, we are looking back at an absolutely successful 181th business year.

The total of net interest income and income from securities and trade investments was € 17.7 million, up 1.3%. The bank's net commission income was impaired by the decline in the valuation of securities portfolios held by our customers, decreasing by 6.2% to € 14.9 million. Overall, the operating income thus fell by 1.5% to € 34.8 million. Our efforts aimed at achieving a perceptible reduction in the cost burden resulted in clearly lower operating expenditure (€ 25.9 million, down 3.4%), resulting in an operating profit of € 9.0 million, up 4.2%.

In spite of noticeably higher loan loss allowances, the gratifying result of the valuation of the bank's securities holdings led to an increase in the result from ordinary activities to € 3.9 million, up 46.2%. The net income for the year is € 3.4 million, € 1.8 million of which was allocated to reserves.

The bank's own funds eligible for determining the capital ratio amounted to € 78.7 million, up 4.1%, as at the balance sheet date, thus, as in previous years, clearly exceeding the minimum capital resources required by law, by € 27.7 million. The core capital grew by 3.4% to € 56.0 million, accounting for as much as 71.2% of the total capital resources, resulting in a core capital ratio of 9.8%.

Total assets increased to € 1,094.8 million as at 31 December 2009, reflecting an expansion of 5.6% compared to the previous year.

The cost-income ratio, being the ratio between operating expenses and operating income, slightly improved to € 74.3%, while the return on equity showed a distinct rise to 7.0%.

Changes in total assets, core capital and selected ratios:

	2009	2008	2007
Total assets in million €	1,094.8	1,036.4	904.2
Core capital in million €	56.0	54.1	52.0
Cost-income ratio in %	74.3	75.7	68.4
Return on equity (before tax) in %	7.0	5.0	17.2

Savings deposits, which continue to be widely spread, grew 2.7% to € 351.8 million in 2009. We view this as an expression of the great confidence shown in our bank by our customers even in turbulent times.

Demand and time deposits grew 20.3% to € 480.0 million. This item includes several major deposits which are held by customers with a view to decisions to be made in the future. Therefore, major fluctuations may occur in the future in these deposits, possibly even significant declines. Overall, however, demand and time deposits, too, are widely spread.

As at the balance sheet date, the loan portfolio, including bills of exchange, amounted to € 566.4 million, up 7.8%, the borrowers being, as before, almost exclusively Austrian and Bavarian names.

The positive performance of the securities markets during the course of the year, as well as considerable new investments, resulted in an increase in the portfolio assets held in custody on behalf of our private and institutional customers by 34.6% to € 5,770 million, with the volume held for private customers growing 13.9% to € 1,630 million. Customer funds managed by our Asset Management amounted to some € 800 million, reflecting an increase of around 10%.

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 continue to be widely spread and covered to a satisfactory extent by collateral customary in banking. Loan loss provisions have been set up to the tune of € 19.5 million, amounting to 3.3% of the aggregate lending volume.

The credit risk is largely confined to borrower default risks through a wide spreading among borrowers and through self-imposed limitation of exposure, e.g., in the amounts of individual loans. The country risk is

maintained at a very low level in both lending and interbank business.

In interbank business all counterparties are subjected 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. Bankhaus Spängler does not and did not hold any credit derivatives.

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).

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 consistently monitored by means of capital tie-up analyses and other early warning indicators and is also subject to various self-imposed, comparatively restrictive, limits.

Open currency positions are largely 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. 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 account.

We seek to minimise operational risks by taking out adequate insurance as well as by means of clearly structured and documented responsibilities and operating processes.

In the summer of 2009 we conducted a customer and staff survey together with an external partner. On the basis of these results, Bankhaus Spängler was awarded the prize for the best entrepreneurial culture as part of victor®, a competition in which more than 100 banks from Austria and Germany participated. The determining factors for the award were our distinctive system of values and our strong customer orientation.

The results of the customer survey left their mark in the strategic planning "Spängler 2012", which has meanwhile been finalised and completes the bank's corporate philosophy, which was revised in 2008, by adding explicit targets and strategies.

In co-operation with the SPAR retail chain, we have for the first time realised a joint real estate project. Investors were given the possibility to take an interest in four supermarkets in Salzburg and Upper Austria via a company specifically established for this purpose. A total of € 20 million was thus successfully placed through private investors.

The training of junior executive staff, which was commenced in 2006, was successfully concluded in 2009. The majority of the trainees have since assumed staff or functional management responsibilities. This programme as well as the ongoing trainee programmes for school-leavers and university graduates will be carried on with a further group of young staff members.

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

As at the balance sheet date 2009 the capital investment company Carl Spängler KAG had 94 securities investment funds with a total volume of around € 3,800 million under management, reflecting a 10% increase in the period under review. The 50% equity interest taken by Carl Spängler KAG in 2007 in the Institut für Quantitatives Asset Management GmbH is continuing its positive development.

Outlook and Résumé

Following the balance sheet date of 31 December 2009, no events of particular importance for the company have occurred which would have resulted in a different presentation of the bank's assets and liabilities, financial situation and earnings.

Due to the fact that the business volume has meanwhile become very small, we will – subject to resolutions to that effect being adopted – incorporate Carl Spängler AG, Zurich, into Bankhaus Carl Spängler with retroactive effect as from 1 January 2010. This will have little influence on the economic condition of the bank.

With effect from the end of June 2010 some important changes will take place within the bank's Supervisory Board: After 12 years in this function, Dr. Heinrich Wiesmüller will resign as Chairman of the Supervisory Board. Subject to resolutions to this effect being adopted, he will be succeeded in this function by KR Heinrich Spängler, Spokesman of the Board of Management from 1998 to 2008, while Dr. Wiesmüller will continue as Honorary Chairman of the Supervisory Board.

For 2010 we plan to make substantial investments in the remodelling of the property located at Makartplatz, Salzburg, which was acquired by SPÄNGLER Vermögensverwaltungsgesellschaft m.b.H. in 2008, to be used for business purposes in the future.

In addition to heightened attention being paid to credit risk, the further development and implementation of our counselling concepts and strict control of operating expenses will remain operative focuses.

In view of the great uncertainties prevailing about trends on the capital markets and the economy in general, it remains to be seen whether we will succeed in reaching the growth targeted for 2010 in both interest and commission-earning business.

With its interest and securities commission business, Bankhaus Spängler possesses two complementing legs having significant earnings capacity. Not least, the recent trends on the financial markets reinforce our conviction that we are well advised to carry on with this business model.

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, are of great benefit to our company especially at times of profound changes.

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

Salzburg, 24 March 2010

Balance Sheet as of 31 December 2009

Assets

	31.12.2009		31.12.2008
	Euros	Euros	in thousand Euros
1. Cash in hand, balances with central banks and post office banks		162,074.470,74	115.086
2. Treasury bills and other bills eligible for refinancing with central banks:			
a) Treasury bills and similar securities	41,939.291,19		54.985
b) other bills eligible for refinancing with central banks	0,00		0
		41,939.291,19	54.985
3. Claims on credit institutions			
a) repayable on demand	18,846.797,73		9.607
b) other claims	143,597.946,72		224.781
		162,444.744,45	234.388
4. Claims on customers		566,415.108,72	525.390
5. Bonds and other fixed-income securities			
a) of public issuers	0,00		0
b) of other issuers	65,895.503,69		24.977
		65,895.503,69	24.977
6. Shares and other variable-income securities		63,604.301,42	49.457
7. Investments in affiliated companies		7,259.441,99	6.051
of which: in credit institutions € 460.341,35 (2008: in thousand € 818,2)			
8. Investments in subsidiaries and associated companies		6,184.404,67	6.071
of which: in credit institutions € 884.697,20 (2008: in thousand € 884,7)			
9. Intangible fixed assets		288.560,00	342
10. Tangible fixed assets		14,193.911,33	15.636
of which: land and buildings occupied by the credit institution for its own activities € 8,618.069,69 (2008: in thousand € 7.784,6)			
11. Other assets		4,419.736,48	4.039
12. Deferred expenses		33.349,75	21
		<u>1.094,752.824,43</u>	<u>1.036.443</u>

Liabilities

	31.12.2009		31.12.2008
	Euros	Euros	in thousand Euros
1. Liabilities to credit institutions			
a) repayable on demand	21,411.997,76		13.363
b) with agreed maturities or periods of notice	<u>7,259.233,20</u>	28,671.230,96	<u>9.448</u>
			<u>22.811</u>
2. Liabilities to customers			
a) Savings deposits			
aa) repayable on demand	21,395.237,34		10.080
bb) with agreed maturities or periods of notice	<u>330,396.161,25</u>		<u>332.423</u>
	351,791.398,59		<u>342.503</u>
b) other liabilities			
aa) repayable on demand	432,973.126,46		284.211
bb) with agreed maturities or periods of notice	<u>47,046.164,60</u>		<u>114.874</u>
	480,019.291,06	831,810.689,65	<u>399.085</u>
			<u>741.588</u>
3. Liabilities evidenced by certificates		143,356.433,50	<u>182.695</u>
4. Other liabilities		3,652.596,37	<u>4.068</u>
5. Deferred income		47.724,00	<u>52</u>
6. Provisions			
a) Provisions for severance compensation	3,906.000,00		3.555
b) Provisions for pensions	1,965.349,44		1.915
c) Provisions for taxes	100.000,00		75
d) other provisions	<u>5,542.442,48</u>	11,513.791,92	<u>6.711</u>
			<u>12.256</u>
7. Non-core capital		17,622.346,97	<u>17.667</u>
8. Subscribed capital		15,000.000,00	<u>15.000</u>
9. Capital reserves			
non-available		1,684.733,76	<u>1.685</u>
10. Revenue reserves			
other reserves		27,129.450,02	<u>25.329</u>
11. Reserves under Section 23 (6) of the Banking Act		11,427.000,00	<u>11.427</u>
12. Net profit		1,790.166,13	<u>823</u>
13. Untaxed reserves			
a) Valuation reserve resulting from special depreciation	1,046.661,15		1.042
b) other untaxed reserves			
Transfer reserve under Section 12 of the Income Tax Act 1988	<u>0,00</u>		<u>0</u>
		1,046.661,15	<u>1.042</u>
		<u>1.094,752.824,43</u>	<u>1.036.443</u>

Items shown below the balance sheet

Assets

	31.12.2009		31.12.2008
	Euros	Euros	in thousand Euros
Foreign assets.		220,954.212,68	231.811


	31.12.2009		Liabilities
	Euros	Euros	31.12.2008 in thousand Euros
1. Contingent liabilities of which			
a) acceptances and liabilities from the endorsement of rediscounted bills	2,497.801,85		2.498
b) guarantees and assets pledged as collateral security	<u>37,811.898,06</u>	40,309.699,91	27.265
			29.763
2. Lending risks.		130,641.000,00	129.530
of which commitments arising from repurchase transactions	0,00		
3. Total net capital resources under Section 23 (14) of the Banking Act		78,702.894,09	75.621
4. Required equity capital pursuant to Section 22 (1) of the Banking Act		51,016.725,77	49.548
of which capital resources under Section 22 (1) 1 and 4		51,016.725,77	49.366
5. Foreign liabilities		167,242.656,71	185.059

Profit and Loss account for the year ended December 31, 2009

	2009		2008	
	Euros	Euros	in thousand Euros	in thousand Euros
1. Interest and similar income		31,952.195,62		50.457
of which:				
from fixed-income securities				
€ 3,963.524,97				
2. Interest and similar expenses.		<u>- 16,585.368,12</u>		<u>- 37.094</u>
I. NET INTEREST INCOME.		15,366.827,50		13.363
3. Income from securities and from investments in subsidiaries and associated companies and affiliated companies.		2,294.649,82		4.066
a) Income from shares and other variable- income securities	1,639.833,32		2.807	
b) Income from investments in affiliated companies	245.449,27		322	
c) Income from investments in subsidiaries and associated companies	<u>409.367,23</u>		<u>938</u>	
4. Fee and commission income		15,708.534,91		16.511
5. Fee and commission expenses		- 801.519,48		- 623
6. Net profit on trading activities		1,504.381,82		1.441
7. Other operating income.		<u>756.512,69</u>		<u>608</u>
II. OPERATING INCOME.		34,829.387,26		35.366
8. General administrative expenses				
a) Staff expenses	- 17,090.865,14			- 16.764
aa) Salaries.	12,504.711,81		11.841	
bb) statutory social-security contributions as well as levies and compulsory contributions dependent on salaries	3,200.721,74		3.206	
cc) other employee benefits.	354.434,74		424	
dd) Expenses for retirement benefits.	430.457,98		437	
ee) Allocation to pension provisions.	49.941,20		311	
ff) Expenditure on severance and allocations to in-house staff provident funds	<u>550.597,67</u>		545	
b) other administrative expenses	<u>- 6,983.724,32</u>			- 7.902
		- 24.074.589,46		- 24.666
9. Depreciation in respect of asset items 9 and 10		- 1,584.922,47		- 1.567
10. Other operating expenses		<u>- 206.208,55</u>		<u>- 534</u>
III. OPERATING EXPENSES.		<u>- 25,865.720,48</u>		<u>- 26.767</u>
IV. OPERATING RESULT		8,963.666,78		8.599


	2009		2008	
	Euros	Euros	in thousand Euros	in thousand Euros
11./12. Net income expenses arising from the sale and valuation of loans and securities		- 6,099.109,38		- 4.382
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		1,064.384,23		- 1.530
V. RESULT OF ORDINARY ACITIVITES		3,928.941,63		2.687
15. Taxes on income		- 499.577,01		55
16. Other taxes unless included in item 15		- 42.616,77		- 37
VI. SURPLUS FOR THE YEAR		3,386.747,85		2.705
17. Adjustment of reserves of which: reserves under Section 23(6) the Banking Act € 0,00 (2008: in thousand € 0,0)		- 1,759.741,72		- 1.987
VII. PROFIT OF THE YEAR		1,627.006,13		718
18. Profit brought forward from the previous year		163.160,00		105
VIII. NET PROFIT		1,790.166,13		823

Bankhaus Carl Spängler & Co.
Aktiengesellschaft


Dr. Helmut Gerlich


Dr. Rudolf Oberschneider


Mag. Franz Welt


Dr. Werner Zenz

Salzburg, 24. March, 2010

Annex to Annual Accounts as of 31 December 2009

I. Accounting and valuation methods

The balance sheet as of 31 December 2009 and the profit and loss account for the period from 1 January to 31 December 2009 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. Making use of Sec. 208, paragraph 2, of the Austrian Commercial Code, a write-up amounting to € 2.242,434.44 was refrained from. The future tax burden resulting therefrom will be € 560 thousand. 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	€ 330.180,000.00
b) more than 3 months	
to 1 year	€ 86.268,000.00
c) more than 1 year to 5 years	€ 221.963,000.00
d) more than 5 years	€ 248.424,000.00

General bad-debt provision

A general bad-debt provision of € 950 thousand has been set up against the item "Due from customers".

Amounts falling due in 2010:

a) Assets:		
Treasure bills	€	4.481,060.00
Claims on credit institutions	€	14.970,583.58
Bonds and other		
fixed-interest securities	€	14.469,402.01
b) Liabilities:		
Bonds	€	18.361,000.00
Own medium-term notes	€	36.340,000.00
Non-core capital	€	789,988.91

Investments

Investments in subsidiaries and associated companies:

	Our holding	Last annual accounts (31 December 2009)	Equity capital	Result of the year
Carl Spängler Aktiengesellschaft, Zürich	% 100	CHF 1.007,500	€	-217,500
Carl Spängler Kapitalanlagegesellschaft mbH., Salzburg	% 51	€ 13.115,200	€	1.490,200
Spängler Spartrust Immo GmbH., Salzburg	% 100	€ 217,600	€	2,900
Spängler M&A GmbH., Salzburg	% 90	€ -40,000	€	-36,600
Spängler Vermögensverwaltungs-GesmbH, Salzburg	% 100	€ 4.839,900	€	-95,500

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	49,575.46
Balance sheet asset item 4)	14.458,566.68	4.601,743.43
b) Due to such companies		
Balance sheet liability item 1)	10.728,221.87	530,632.57
Balance sheet liability item 2)	204,607.33	5.572,742.78

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 € 179 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 € 66.709,939.72 and listed securities amounting to € 64.672,947.73.

Breakdown of the securities admitted to trading on a stock exchange and contained in the asset items 5. and 6.

Valued as fixed assets	€ 58.342,174.84
Valued as current assets	€ 6.330,772.89

Securities trading account

Total items held in the securities trading account do not exceed the limits laid down in Section 22b (2) of the Banking Act (Small securities trading account). As at the balance sheet date no items are held in the securities trading account.

Tangible fixed assets

This item contains the land value of developed properties, amounting to € 2.977,184.00.

Commissions received from counselling and agency activities

The main components of this item are gold (€ 3,286 thousand), Purchase-money claims (€ 500 thousand), salary advances to staff (€ 395 thousand), agency fees (€ 37 thousand) and due from property management (€ 174 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	€ 74.124,000.00
b) more than 3 months to 1 year	€ 152.394,000.00
c) more than 1 year to 5 years	€ 238.704,000.00
d) more than 5 years	€ 60.311,000.00

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 2009 bonds amounting to € 17.329,168.86 constituting non-core capital were outstanding, of which € 1.638,164.71 were held in the bank's own portfolio. The expenditure on these bonds was € 711,312.94.

Provisions break down as follows:

for severance liabilities	€ 3.906,000.00
for pension liabilities	€ 1.965,349.44
other staff provisions	€ 2.574,797.84
corporation tax	€ 100,000.00
Contingent loss on derivatives	€ 1.658,644.64
other	€ 1.309,000.00
	€ 11.513,791.92

Other liabilities

The major items are liabilities to revenue authorities relating to investment tax withheld, turnover tax and EU withholding tax totalling € 3.037 thousand, liabilities to the ARZ-Allgemeines Rechenzentrum amounting to € 169 thousand, and other suppliers amounting to € 447 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	€ 474,725.95
	€ 1.046,661.15

Off-balance sheet items

Contingent liabilities

These amount to € 40,310 thousand, of which € 37,812 thousand relate to guarantees.

Lending risks

Lending risks amount to € 130,641 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€ 33,330	T€ 433	T€ 481
OTC transactions	T€ 114,442	T€ 4,158	T€ 552
b) Exchange rate contracts:			
Forward exchange transactions	T€ 616	T€ –	T€ 13
Currency swaps	T€ 90,710	T€ 106	T€ 1,373

Financial derivatives were used to hedge interest rate risks and currency risks. Their valuation was based on the net present value concept.

Supplementary information

Amounts in foreign currency:

Total amount of assets
denominated in foreign currency € 114.882,146.40
Total amount of liabilities
denominated in foreign currency € 19.118,019.34

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

As of 31 December 2009 fixed-interest securities in a nominal amount of € 9.602,180.19 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	€ 1.500,000.00
Cover funds for purchase of securities through Clear Stream Banking S.A., Luxembourg	€ 7.900,000.00
	<u>€ 9.602,180.19</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 € 471 thousand.

Changes in reserves

Allocation under Section 23(6) of the Banking Act	€ 0.00
Free Reserves	€ 1.800,000.00
	<u>€ 1.800,000.00</u>

Release:

Valuation reserve	€ 40,258.28	€ 40,258.28
		<u>€ 1.759,741.72</u>

Untaxed reserves

The effect of the change in untaxed reserves (reserves 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 2009 by around € 10 thousand.

The amount recognisable as an asset under Sec. 198 (10) of the Austrian Commercial Code, i.e., the tax burden on the part of pension, severance and anniversary bonus liabilities set up under commercial law, is € 40 thousand.

Expenditure on severance and pensions

Expenditure on severance and pensions amounted to € 1.118,040.12 in the year under review. Of this amount € 498,447.71 related to members of the Board of Management and managerial staff.

Audit charges

Total audit charges paid in the year under review were € 78,960.00. This amount related exclusively to the audit of the annual accounts.

IV. Other information

Staff

In the year under review the average number of staff was 247.

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	348	0
Supervisory Board	<u>60</u>	<u>15</u>
Total	408	15

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 emoluments of the Board of Management amounted to	€ 1.035,856.11
remuneration of the Supervisory Board	€ 36,720.00

Board of Management and Supervisory Board
See page 1.

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