

EURAM BANK

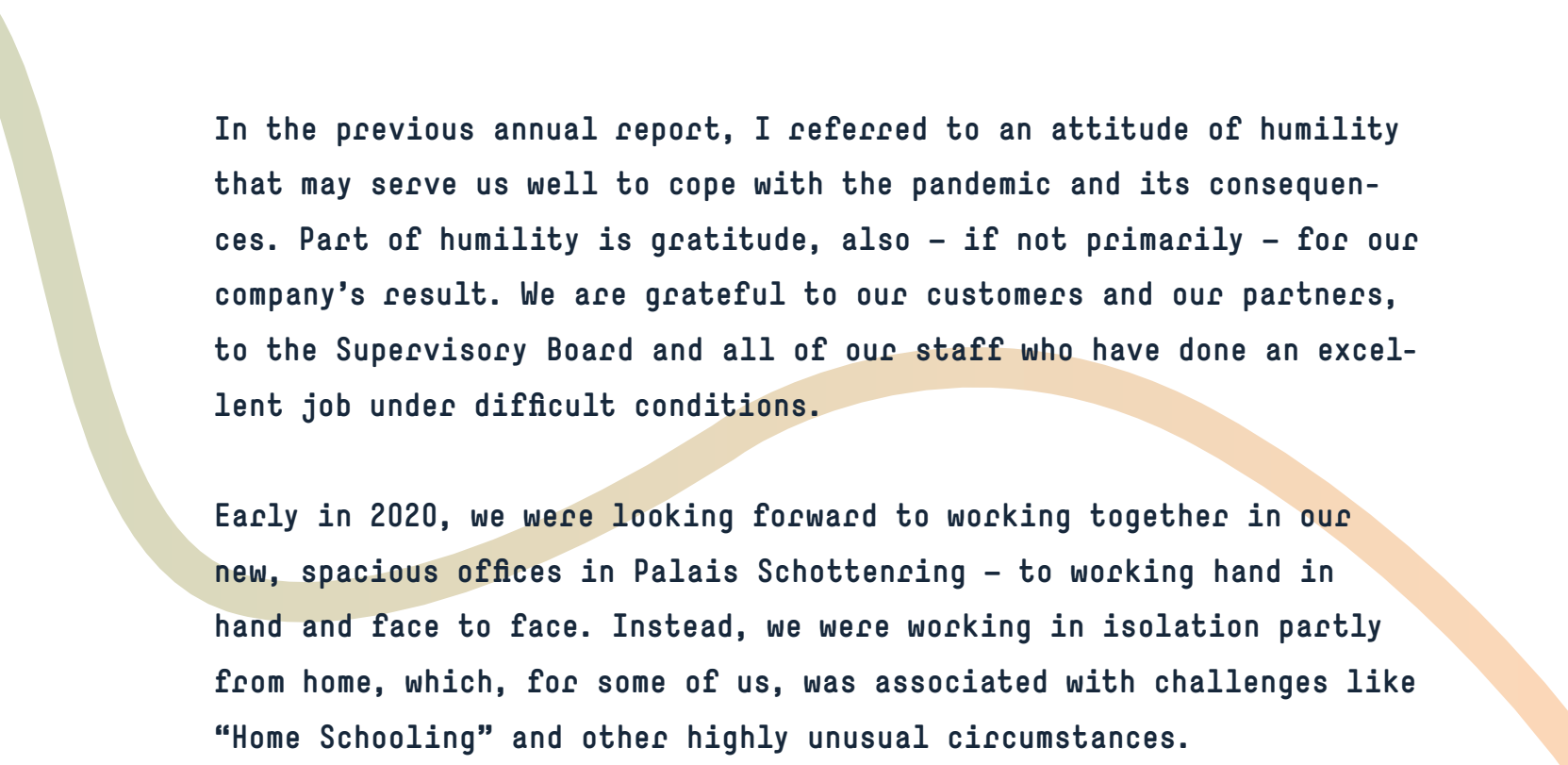




FOREWORD BY THE CHIEF EXECUTIVE OFFICER

On behalf of my fellow members of the Managing Board, I am pleased to submit to you the report on fiscal year 2020. One tends to forget, but the year 2020 began like any other “normal” year. However, a few weeks later, due to the global pandemic, we were suddenly facing challenges that none of us had ever seen before. The bigger these challenges became, the more profound our determination and commitment to stay by our customers’ side, to listen, to find solutions, and to personally see them through this crisis.

Now, there is reason to believe that we are approaching the end of the pandemic and that the situation is going to ease. We are justified in viewing the future cheerfully and with optimism, not least because we continue to work from a solid foundation, and because the past year’s result even exceeds our previously “best” result of 2019. However, this new “best year” also shows how quickly the present turns into the past and that any result is only relative. It will always be relative to the times, to circumstances and developments, to the decisions made, and also to everything that is unforeseeable in this world; a world that seems smaller than in the past – but only from afar: it is actually getting bigger and more complex with every step of globalisation.



In the previous annual report, I referred to an attitude of humility that may serve us well to cope with the pandemic and its consequences. Part of humility is gratitude, also – if not primarily – for our company's result. We are grateful to our customers and our partners, to the Supervisory Board and all of our staff who have done an excellent job under difficult conditions.

Early in 2020, we were looking forward to working together in our new, spacious offices in Palais Schottenring – to working hand in hand and face to face. Instead, we were working in isolation partly from home, which, for some of us, was associated with challenges like “Home Schooling” and other highly unusual circumstances.

In spite of all this, our employees have never lost their motivation, facing the new situation and making the best of it. The motto of this year's annual report is “Everything flows”. I am very glad that the flow of success confirms our people's commitment and performance.

Manfred Huber
Chief Executive Officer
May 2021



IT'S ONLY A COUPLE OF STEPS FROM EURAM BANK TO THE DONAUKANAL,

It is very pleasant to work in our new offices on Schottenring. The premises encourage concentration and creativity and offer the space required for future developments. Another beautiful thing that adds enjoyment to everyday life is the nearby river. Its banks invite us to go jogging in the morning, to spend our lunch break, or to sit and relax in the evening sun.



The Donaukanal is
a natural branch
of the Danube.
It runs through
downtown Vienna
like an artery.

VIENNA'S INNER-CITY WATER CHANNEL.

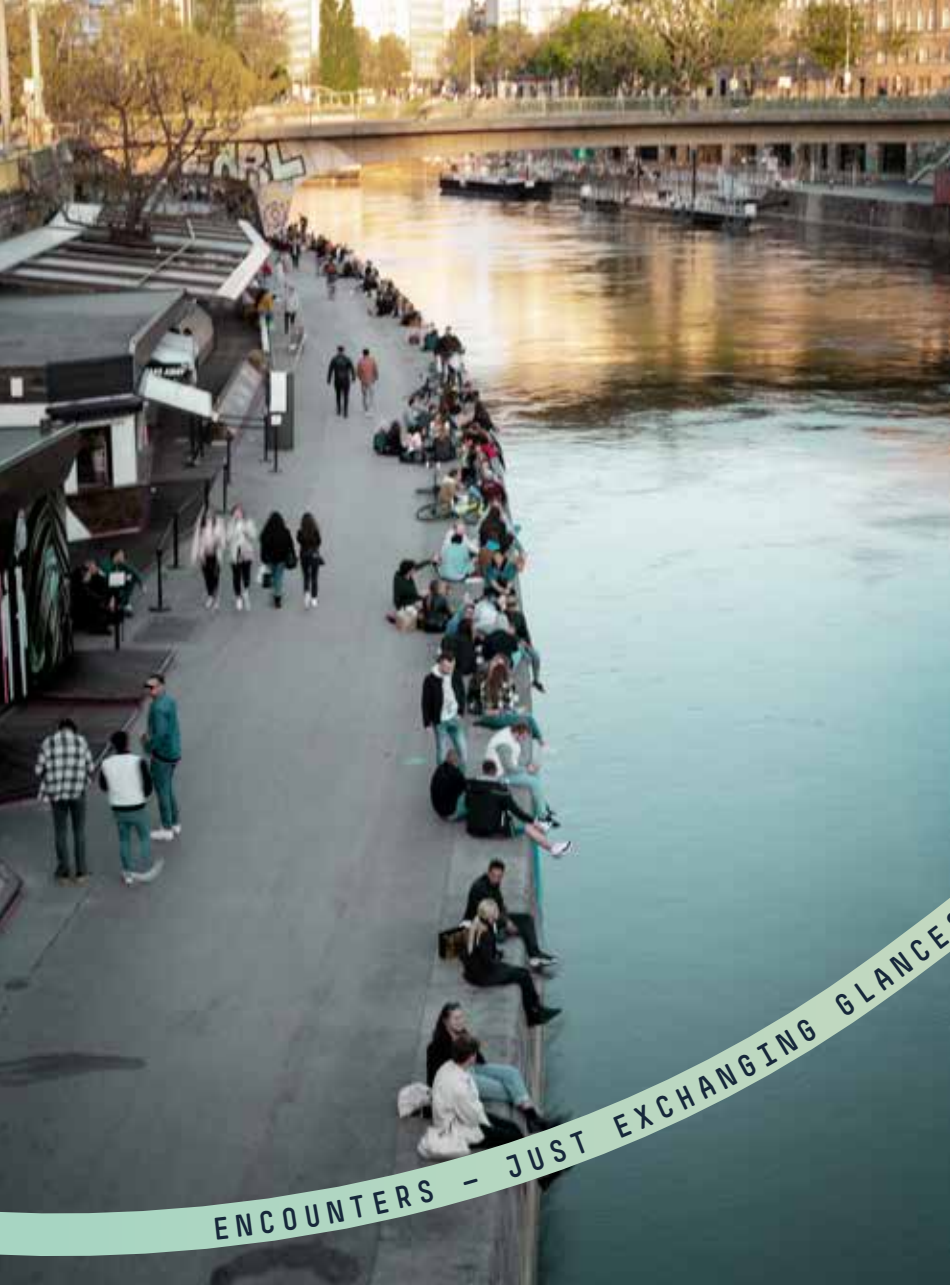




GOING FOR A WALK, TAKING A FEW BREATHS.



WIDENING ONE'S CHEST, CLEARING ONE'S MIND.



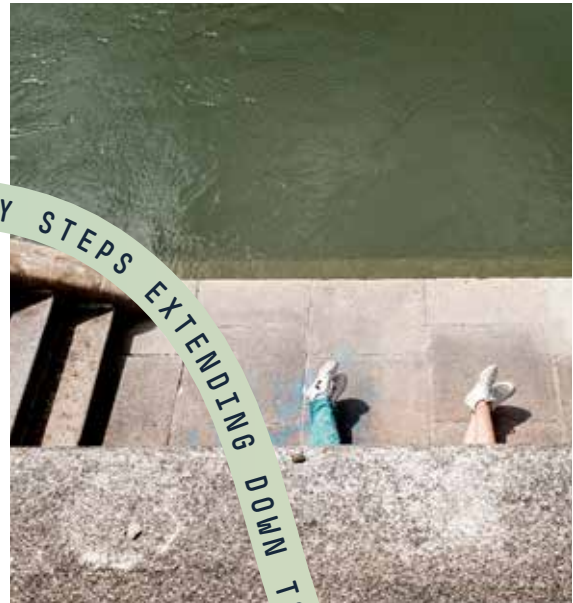
ENCOUNTERS - JUST EXCHANGING GLANCES, A FEW WORDS OR MORE.





On Donaukanal, there is a lot of air and space, and it is here that we have found a place to breathe freely, by ourselves and together as a group, especially during the hard times of the pandemic – though always observing “social” distancing rules, a paradox that was particularly noticeable here on the river banks, where the proximity and closeness to others is felt in many pleasurable ways.





WITH ITS GRASSED AREAS, TREES, THE MANY STEPS EXTENDING DOWN TO THE WATER, THE BENCHES,



BARS, CAFÉS AND NIGHTCLUBS, THE DONAUKANAL IS ONE BIG INVITATION TO ENJOY LIFE.



The people working at Euram Bank come from different countries and cultures. Nevertheless, even we are sometimes surprised at the diversity of idioms that you get to overhear on Donaukanal. People are talking about their plans and hopes, their families and friends, and about their work in so many languages. This buzz of activity, which has a lively ring to it, sounds like fun, future and creative power.



LIKE THE BEES HUMMING IN THE GREENS ALONG THE RIVER BANKS.



Down here on the banks of the channel, the vibrancy and colourfulness of everyone - young and old - feels like home. All this diversity brings to mind an old proverb: "To call yourself a true Viennese, you need to have at least one grandma from Bohemia." Which doesn't say anything about the origins of the other grandma - and the corresponding grandpas. But quite likely, some of them exchanged their first kiss down here, beneath the poplars.

THE BIRDS ARE CHITTERING - NOT ONLY IN THE TREES AND BUSHES.



Incidentally, even the ancient Romans had their “offices” on Schottenring – and on Donaukanal their taverns to celebrate after work, just like many Viennese before and after them.



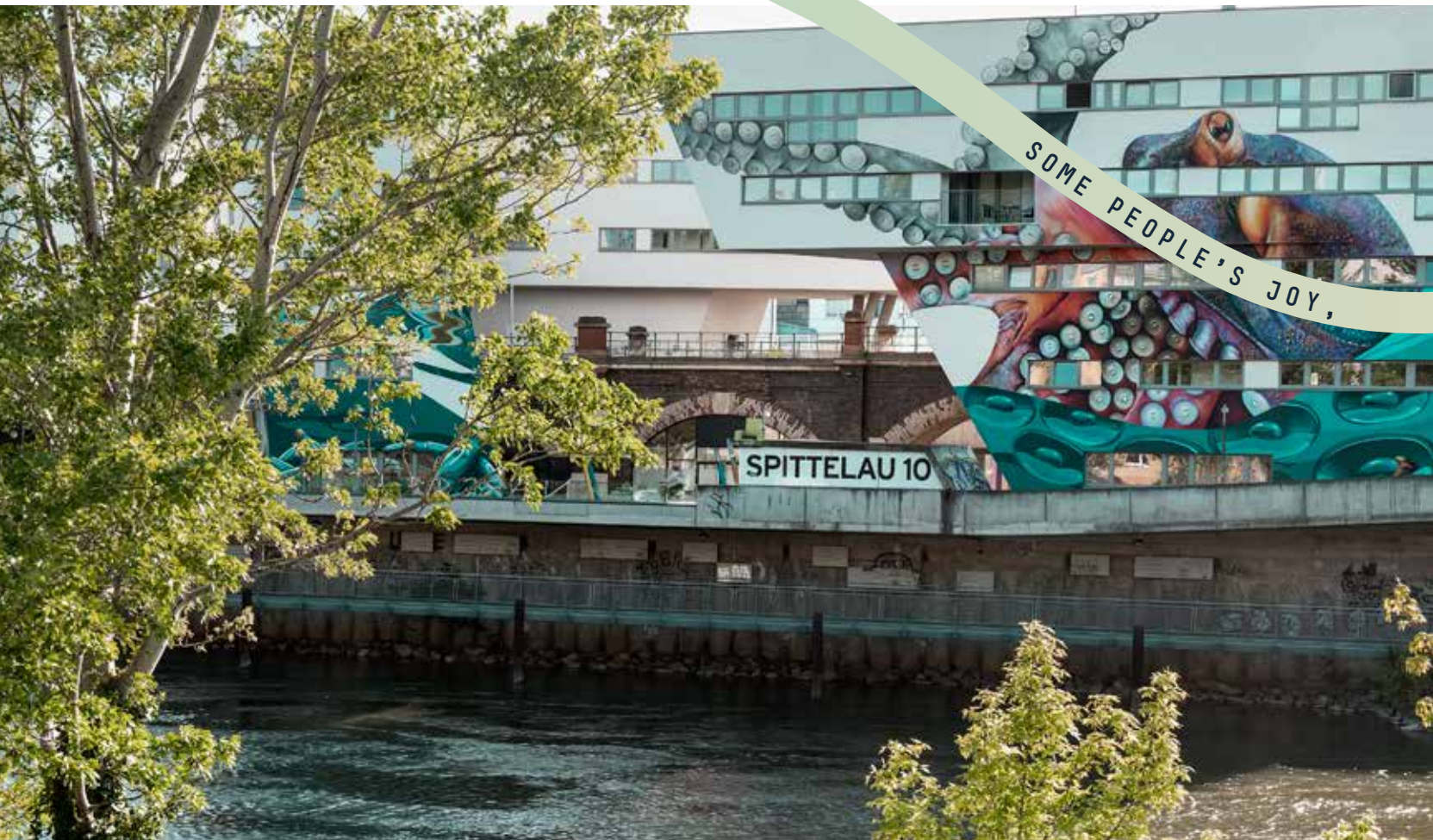


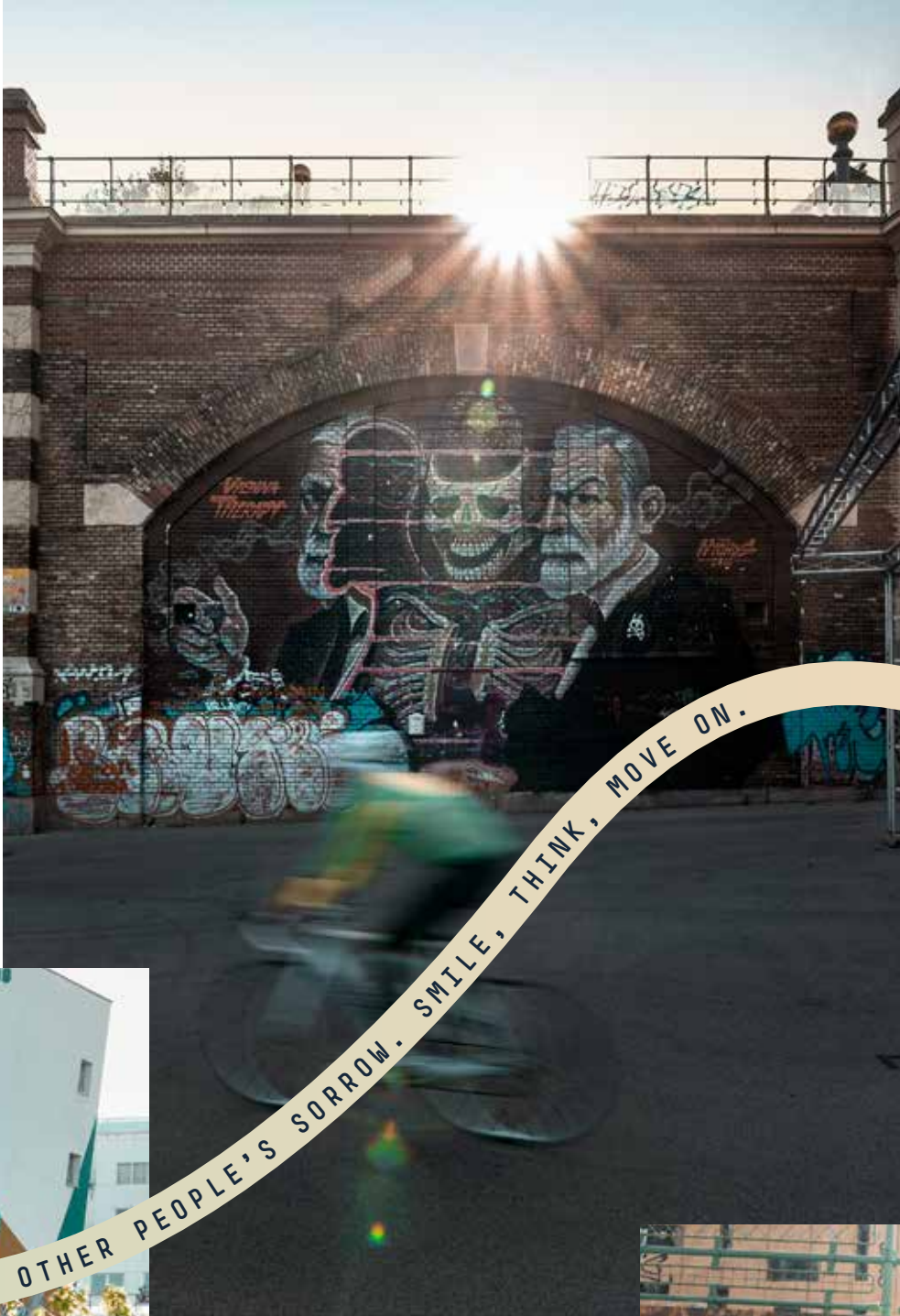
THE RIVER, THE ARCHITECTURE, THE SKY ABOVE - SOMETIMES WE SEE ALL THIS



AS A WHOLE AND EXPERIENCE THE THINGS OF THE PAST AND FUTURE AS NOTHING BUT THE PRESENT.

Graffiti are an inextricable element of the special atmosphere on Donaukanal. Some of them inspire us by confronting us with anarchistic and critical reflections of our times, others on account of their rampant enthusiasm for creativity. New ones are created between nightfall and daybreak, some of them you will see for extended periods, but none will stay forever. In this respect, these images are like the river.





OTHER PEOPLE'S SORROW. SMILE, THINK, MOVE ON.





ANNUAL REPORT 2020

SUPERVISORY BOARD

Dr. Peter Maser
Chairman

Dipl.-Ök. Thomas Weismann
Vice Chairman

Dkfm. Senta Penner

MANAGING BOARD

Manfred Huber
Chairman

Johannes Langer

Josef Leckel



Johannes Langer

Manfred Huber

Josef Leckel

MANAGEMENT REPORT

MANAGEMENT REPORT

1. Business development and economic environment

Business model

As a small private bank, European American Investment Bank Aktiengesellschaft (Euram Bank) provides banking and other financial services in Austria, Germany, Central and Eastern Europe, the Middle East and Central Asia, and in Russia. The focus is on business with retail and corporate customers. Our highly qualified staff are drawn from various nations, reflecting the cosmopolitan corporate culture of Euram Bank.

Euram Bank mainly specialises in the business areas of Private Banking / Real Estate Financing and Asset Management; the Card Payment Services division is operated on an opportunistic basis. In line with the principle of proportionality, there are no further functional divisions in the company's reporting.

Euram Bank is 100% privately owned. Senior management and financial investors hold a majority stake in the bank through Euram Holding AG.

Business development

In Austria, as in many other countries, economic activity was clearly below the previous year's level at the beginning of 2020. While industrial production benefits from the global economic recovery, economic activity in the retail sector and in other services continues to suffer greatly from applicable official restrictions. While global economic recovery is continuing, it decelerated somewhat towards the end of 2020. Global trade lost some of its momentum in the 4th quarter. In the USA, the GDP in Q4 exceeded that of the previous quarter only slightly. In the euro zone, economic output even declined towards the end of the year. In most of the major national economies, except for China, economic activity was still clearly below pre-crisis levels at the end of 2020. This situation is not very likely to have changed in the first weeks of the current year. However, some indicators suggest that the recovery is going to continue: The RWI container handling index – a global trade indicator – increased again in January, and commodity prices recorded another increase in February. In most industrial countries, however, consumers have remained cautious to date. Moreover, the situation on the labour markets is still much more unfavourable than before the outbreak of the COVID-19 pandemic.

Euram Bank is looking back on a very successful fiscal year. In spite of the adverse conditions, the business development in the two divisions of Private Banking / Real Estate Financing and Asset Management was highly satisfying. In the Private Banking / Real Estate Financing division, loans collateralised on securities and real estate financing continued to be in demand in fiscal year 2020, apart from investments in mutual funds, stocks and bonds as well as payment transactions; in addition, repo transactions were concluded with selected customers. Accordingly, the budget targets in this division for fiscal year 2020 were again exceeded. Based on the conservative investment approach that has been pursued for years now, the Asset Management division managed again to achieve a positive performance of Euram Bank's mutual funds.

One important step towards increasing efficiency and data security was made by the successful changeover from working on physical computers to working in a virtual environment. This solution is designed to be independent from providers, hardware and software, and is georedundant. This changeover was carried out in the course of the bank's relocation.

As at 31/12/2020, the total assets of Euram Bank amounted to EUR 457.6 million, slightly lower than the previous year's figure (EUR 458.1 million as at 31/12/2019) by EUR 0.5 million. The individual items have developed as follows:

Cash reserves increased by EUR 52.1 million to EUR 139.7 million (EUR 87.6 million as at 31/12/2019), debt instruments issued by public bodies decreased by EUR 21.1 million to EUR 11.5 million (EUR 32.6 million as at 31/12/2019). Loans and advances to credit institutions increased by EUR 28.1 million to EUR 56.7 million (EUR 28.6 million as at 31/12/2019). Loans and advances to customers increased by EUR 31.4 million to EUR 179.4 million (EUR 148.0 million as at 31/12/2019). The increase resulted from the conclusion of repo transactions, on the one hand, and from granting highly selective short-term financing, on the other hand. Bonds and other fixed-interest securities decreased by EUR 90.9 million to EUR 62.4 million (EUR 153.3 million as at 31/12/2019). The decrease is due to the closing of a customer GBP deposit – the customer has invested the resulting liquid funds in securities. Euram Bank's corresponding investment of the GBP in unencumbered high-quality liquid GBP assets (HQLA) also had to be closed accordingly. Stocks and other non-fixed income securities decreased by 0.5 million to EUR 2.1 million (EUR 2.6 million as at 31/12/2019). The item "shares in affiliated companies" remained unchanged at EUR 159 thousand (EUR 159 thousand as at 31/12/2019). The growth in fixed assets by EUR 2 million to EUR 2.1 million (EUR 0.1 million as at 31/12/2019) is due to the furnishings and equipment of the business location on Schottenring 18, 1010 Vienna, which the bank newly moved into in February 2020. Other assets decreased slightly by EUR 0.2 million to EUR 2.0 million (EUR 2.2 million as at 31/12/2019), accruals also decreased by EUR 1.2 million to EUR 0.6 million (EUR 1.8 million as at 31/12/2019). Deferred taxes amounted to EUR 0.5 million (EUR 0.9 million as at 31/12/2019).

On the liabilities side, amounts owed to credit institutions increased slightly to EUR 338.3 thousand (EUR 74.0 thousand as at 31/12/2019). At the balance sheet date, the amounts owed to customers amounted to EUR 411.7 million (EUR 418.3 million as at 31.12.2019), representing 90% of the balance sheet total and accordingly still the largest portion of the refinancing basis of Euram Bank. Since July 2016, Euram Bank is represented on the “Weltsparen” interest rate platform; the volume of deposits received through that platform is declining and amounted to EUR 6.7 million as at 31/12/2020 (EUR 23.1 million as at 31/12/2019). Other liabilities decreased by EUR 0.3 million to EUR 1.6 million (EUR 1.9 million as at 31/12/2019), provisions decreased by EUR 0.4 million to EUR 3.4 million year on year (EUR 3.8 million as at 31/12/2019). Provisions for variable remuneration in the amount of EUR 1.1 million are included.

Net interest income amounted to EUR 9.3 million (EUR 8.7 million as at 31/12/2019), an increase by 7.6%. Income from securities and participations amounted to EUR 0.1 million (EUR 0.2 million as at 31/12/2019). The balance of fee and commission income and expenses amounted to EUR 13.1 million (EUR 12.2 million as at 31/12/2019). In fiscal year 2020, due to an increase in securities activities, the major part of the net fee and commission income resulted from securities business (EUR 6.7 million), followed by credit and repo business (EUR 4.8 million) as well as payment transactions (EUR 1.6 million). The balance of income/expenses from financial transactions amounted to EUR 0.5 million (EUR -1.2 million as at 31/12/2019). The result was mainly due to the positive FX result. Other operating income amounted to EUR 0.4 million (EUR 0.1 million as at 31/12/2019). Accordingly, operating income amounted to EUR 23.5 million (EUR 20.0 million as at 31/12/2019).

Total operating expenses amounted to EUR 14.1 million (EUR 12.2 million as at 31/12/2019). Staff expenses amounted to EUR 6.2 million (EUR 6 million as at 31/12/2019), operating expenditure increased by EUR 0.6 million to EUR 6.6 million (EUR 6.0 million as at 31/12/2019). This item essentially included the expenditure on IT, rent, advertising as well as legal consultancy and audit fees. The aforementioned increase largely resulted from IT developments as well as increased legal costs. Depreciation and amortisation of tangible fixed assets and intangible assets amounted to EUR 0.9 million (EUR 0.2 million as at 31/12/2019). The increase is due to the newly purchased furnishings and equipment of the business location on Schottenring 18, 1010 Vienna, which the bank moved into in February 2020. Other operating expenses amounted to EUR 0.4 million (EUR 0.1 million as at 31/12/2019). The main reason for the increase was the settlement of statutory absorption interest in relation to exceeding the upper limit for large exposures of Euram Bank vis-à-vis customers in fiscal years 2016 to 2018. Euram Bank has made a provision in this respect already in fiscal year 2018.

After deduction of operating expenses from operating income, accordingly, the operating result for the 2020 fiscal year amounts to EUR 9.4 million (EUR 7.8 million as at 31/12/2019).

The income/expenditure balance from the sale and valuation of receivables and certain securities was minus EUR 0.5 million (minus EUR 2.9 million as at 31/12/2019). Two loan exposures in the total amount of EUR 1 million were revalued as a precaution, general bad debt provisions of various loans and advances to customers were released in the amount of EUR 0.5 million. The income/expenditure balance from the sale and valuation of financial assets amounted to minus EUR 1.4 thousand (minus EUR 25.8 thousand as at 31/12/2019).

Accordingly, the result of ordinary operations for fiscal year 2020 amounted to EUR 8.8 million (EUR 4.8 million as at 31/12/2019).

Taxes on income and earnings amounted to EUR 2.5 million (EUR 1.1 million as at 31/12/2019). The result shows expenditure from deferred taxes in the amount of EUR 0.4 million (EUR 0.7 million as at 31/12/2019) and from the distribution of the tax burden in the amount of EUR 2.1 million (EUR 1.7 million as at 31/12/2019).

The annual surplus of fiscal year 2020 accordingly amounted to EUR 6.4 million (EUR 3.8 million as at 31/12/2019). Movements of reserves in the amount of EUR 6.4 million were effected in the 2020 fiscal year (EUR 3.8 million as at 31/12/2019) – the resulting profit for the year amounted to EUR 10 thousand (EUR 7 thousand as at 31/12/2019).

Taking account of the profit carried forward of EUR 0.3 million, the net profit of fiscal year 2020 amounts to EUR 0.3 million (EUR 0.3 million as at 31/12/2019).

Financial and non-financial performance indicators

The equity capitalisation of Euram Bank continues to be excellent. Eligible own funds according to Part 2 of Regulation (EU) no. 575/2013 amounted to EUR 38.5 million (EUR 32.8 million as at 31/12/2019) and by far exceeded the own funds required according to Article 92 of Regulation (EU) 575/2013 of EUR 14.1 million (EUR 12.4 million as at 31/12/2019). In fiscal year 2020, the (CET1) Tier 1 capital ratio ((eligible (CET1) Tier 1 capital / (required own funds * 12.5)) increased by 1.2% in the course of the year and amounted to 21.0% on the last day of the year (19.8% as at 31/12/2019); the total capital ratio ((eligible own funds / (required own funds * 12.5)) amounted to 21.9% in fiscal year 2020 (21.1% as at 31/12/2019) – hence, both ratios were clearly above the statutory minimum level. The return on equity (annual surplus / equity capital) amounted to 16.9% (16.2% as at 31/12/2019), the return on assets (result of ordinary operations / average balance sheet total) increased by 0.79% to 1.92% in the course of fiscal year 2020 (1.13% as at 31/12/2019), the return on capital employed (result of ordinary operations / own funds requirements) also increased by 23.8% to 62.7% (38.9% as at 31/12/2019). The cost/income ratio (operating expenditures / operating income) amounted to 60.1% (61.0% as at 31/12/2019).

The volume of customers' securities deposits amounts to EUR 0.8 billion in fiscal year 2020 and is lower by EUR 200 million than the previous year's value (EUR 1.1 billion as at 31/12/2019).

Retaining experienced, committed staff is a fundamental precondition for any enterprise's long-term success. Therefore, a central concern of Euram Bank is the qualification of its staff. Euram Bank offers its employees the opportunity of ongoing training and development, and to achieve their personal and career goals by systematically developing their competencies. As at 31 December 2020, Euram Bank has a headcount of 40 (headcount of 39 as at 31/12/2019).

Events of particular importance after the balance sheet date of 31 December 2020

None

2. Anticipated trends and risks

Outlook for 2021

In spite of the severe coronavirus-induced economic crisis, the EU Commission expects economic growth to resume in April. Overall, economic output in the euro zone is anticipated to grow by 3.8 percent this year, and in the European Union as a whole by 3.7 percent. However, this current economic forecast is worse than the one in November, when the European Commission had still projected a growth rate of 4.2 percent for the euro zone and 4.1 percent for the EU. According to the EU Commission, the launch of the vaccination campaigns against Covid-19 is responsible for the fact that any significant upward trend is visible in Europe at all. Considering, however, that these campaigns are delayed in many places, economic recovery may suffer – extending the duration of expensive lockdowns to fight the pandemic. Therefore, the EU expects far-reaching restrictions of everyday life to continue in the first quarter, and accordingly economic output to be negative as well¹.

To best possibly protect the health of employees and customers while maintaining the bank's operations is still considered a top priority by the Managing Board of Euram Bank. The precautions against the coronavirus taken by Euram Bank at the beginning of the pandemic have proven their worth; the decisions and recommendations of the Austrian federal government were also strictly implemented.

¹ https://ec.europa.eu/info/business-economy-euro/economic-performance-and-forecasts/economic-performance-country/eu_de

In the 2021 fiscal year, the Private Banking / Real Estate Financing division is going to continue to follow the successful course taken in fiscal year 2017, namely the development of holistic strategies to maintain capital and assets, based on individual planning, combined with first-class customer service. Equally, the financing of carefully selected real estate projects in Austria and Germany is going to be maintained on the current high level; there are still no plans for any expansion of this area of business. In cooperation with the Asset Management division, the focus continues to be on the expansion of the volume of customers' securities accounts.

Significant risks and uncertainties

An Austrian bank launched proceedings against Euram Bank in 2018, calling on the latter to join several proceedings pending against the former (as defendant) as intervener. The parties suing the Austrian Bank essentially base their alleged claims on the unfitness of an investment product to produce positive returns as well as on missing risk warnings, claiming that said unfitness had already existed ex ante. Euram Bank and the defendant have concluded a consultancy agreement with respect to said investment product. In the event that the defendant loses the pending lawsuits, it would basically be possible for Euram Bank to be subject to a recourse liability vis-à-vis the defendant (whether this is the case would have to be clarified in another lawsuit).

The aim of Euram Bank is to avoid or minimise staff-related risks by identifying negative tendencies and peculiarities and initiating corrective action. Fraudulent or negligent acts are countered by Compliance functions and an internal control system. Special attention is paid to the following four risk factors: risk of employees leaving, availability risk, qualification risk and diligence risk. Additionally, long-term relationships with employees are meant to be encouraged through sustainable staff development, continuous advancement and qualification, as well as an attractive workplace.

3. Research and development

Euram Bank undertakes no research and development activities. Euram Bank does not operate any branch establishments.

4. Risk reporting

Euram Bank continuously develops its risk management in order to effectively identify, assess and control risks. Risk management is a component of overall bank management, and takes into account the nature, extent and complexity of transactions, and the resultant risks, in addition to the legal and regulatory framework. The Managing Board has defined a risk strategy that is consistent with the business strategy and the risks resulting therefrom. The risk strategy comprises the aims of diversification of risk from essential business activities as well as the measures to accomplish those aims. In particular, risk tolerances have been determined for all essential risks, taking account of risk concentrations. In this context, risk concentrations have also been accounted for with a view to the earnings situation of the bank.

Risk-bearing capacity

On the basis of the overall risk profile, care is being taken that the essential risks are covered by the risk covering potential on a current basis, taking into account risk concentrations, and that the risk-bearing capacity of the bank is ensured accordingly. Euram Bank has established an internal process to ensure its risk-bearing capacity. The risk-bearing capacity is considered during determination of the strategies as well as their modification. Adequate risk control and controlling processes have been established to implement the strategies and/or to ensure the organisation's risk-bearing capacity. For risks that are incorporated in the concept of risk-bearing capacity but for which no suitable quantification procedure is available, a risk amount (risk buffer) is determined on the basis of a plausibility check. The plausibility check is carried out on the basis of a qualified expert estimate. The choice of the methods and procedures for assessing risk-bearing capacity is the responsibility of the Managing Board. The determination of essential elements of risk-bearing capacity control as well as of essential underlying assumptions is approved by the Managing Board. The adequacy of the methods and procedures is checked by the respective competent employees every year. The procedures used to control risk-bearing capacity take account of the aim to manage the bank on a going-concern basis, but also the protection of creditors against economic loss. Euram Bank disposes of a process for the planning of future capital requirements. The planning horizon comprises an adequately long period of several years (3 years). In this context, account is taken of the effects that changes of the bank's own business activity or of the strategic targets as well as changes to the economic environment will have on the capital requirement – beyond the risk assessment horizon of the risk-bearing capacity concept.

Internal control system

The Internal Control System (ICS) of Euram Bank is the sum of all process-related monitoring measures, the elements of which are incorporated in the bank's organisational and technical workflows. This includes the relevant organisational policies of the entire operational management as well as the defined control mechanisms and monitoring responsibilities of the immediate process owners, ordered and put in place by the management as required and periodically checked and modified, with support from the Risk Management department, in terms of functionality and effectiveness. Overall responsibility for the ICS lies with the Managing Board; the Head of Risk Management was installed as technical ICS officer.

Organisational structure and process organisation

The characteristics of the organisational structure and process organisation ensure that incompatible activities are carried out by different employees and that conflicts of interest are avoided. Processes and the associated tasks, competencies, responsibilities, controls and communication channels are clearly defined and geared to each other. This includes the regular and ad-hoc review of IT authorisations, signatory powers and other authorities granted. The same applies with respect to interfaces with key outsourcing partners.

Risk control and controlling process

Euram Bank has put in place adequate risk control and controlling processes that ensure the identification, assessment, control as well as monitoring and communication of essential risks and of the associated risk concentrations. These processes are integrated in a joint yield management and risk control system (internal capital adequacy assessment process, ICAAP). Suitable measures ensure that the risks and associated risk concentrations are effectively limited and monitored taking account of the risk-bearing capacity and of the risk tolerances. The risk control and controlling processes make sure that essential risks – even from outsourced activities and processes – can be identified early on, measured in full and presented adequately. Reports on the risk situation are presented to the Managing Board at suitable intervals. Risk reporting must be effected in a comprehensible, meaningful way. Apart from the relevant presentation, it will also include an assessment of the risk situation. If necessary, risk reporting will also include proposed action, e.g. with a view to a reduction of risk. Moreover, risk concentrations and their potential consequences are dealt with separately. As a complement to regular reporting, annual stress tests are carried out. The results of the stress tests and the potential effects on the risk situation and the risk covering potential, as well as the essential assumptions underlying the stress tests are presented in a separate report. Information that is essential with a view to risk will be passed on to the Managing Board, the respective officers

and the Internal Audit department without delay, for suitable measures or audits to be initiated at an early stage. The Managing Board will inform the Supervisory Board in writing about the risk situation at quarterly intervals. Information that is essential for the Supervisory Board under a risk aspect will be passed on by the Managing Board without delay. The risk control and controlling processes are promptly adjusted to changing conditions.

Risk Management

Euram Bank disposes of a Risk Management function responsible for the independent monitoring and communication of risks.

Risk Management has the following tasks in particular:

- Assistance of the Managing Board in all risk policy matters, in particular in developing and implementing the risk strategy, as well as in devising a system for the limitation of risks
- Assistance of the Managing Board in establishing and developing the risk control and controlling processes
- Putting in place and developing a system of risk ratios and of an early warning mechanism for risks
- Ongoing monitoring of the bank's risk situation and risk-bearing capacity as well as of compliance with the risk limits established
- Regular preparation of the risk reports for the Managing Board
- Responsibility for the processes put in place to immediately pass on any information that is essential in terms of risk to the Managing Board, to the respective officers and to Internal Audit, if applicable

The staff of the Risk Management function have been granted all the requisite powers and unlimited access to all information that is required for the performance of their tasks.

Management of special types of risk

Euram Bank's scope of business results in essential risks, especially in the sphere of credit and counterparty risk, concentration risk as well as other risks.

Credit and counterparty risk

Euram Bank limits the credit and counterparty risk by primarily granting collateralised loans. For the calculation of the credit and counterparty risk, Euram Bank applies the standard approach under Art. 111-141 CRR.

Euram Bank measures and controls the credit risk in line with the following principles:

- In all divisions, uniform standards are applied to the respective credit decisions.
- The approval of credit limits for business partners and the control of the individual credit exposures must take place within the scope of the credit strategy. Moreover, each decision includes a risk-return analysis.
- Each loan granted to a business partner and any material change of a credit component (such as term, collateral structure or important contractual provisions) is subject to renewal of the credit approval.
- Credit exposures to a certain group of borrowers are consolidated by Euram Bank. Euram Bank considers borrowers that are associated with each other by the same beneficial owners beyond legal requirements or that are jointly and severally liable for all or essential parts of the loans granted as a “group of borrowers”.

An important element of the credit approval process is a detailed risk assessment of each credit exposure of a borrower or group of borrowers. In assessing the risk, Euram Bank will consider both the creditworthiness of the business partner and the risks relevant to credit exposure. The resulting risk classification will not only influence the structure of the transaction and the credit decision, but will also determine the degree of monitoring for the respective exposure.

Concentration risk

Risk Management has adopted guidelines for the identification, assessment, reporting and monitoring of concentration risks. Within the scope of its business activity, Euram Bank intentionally accepts risk concentrations. Concerning the management and control of risk concentrations, the bank distinguishes the dimensions stipulated in section 7 KI-RMV (Kreditinstitute-Risikomanagementverordnung; risk management ordinance for banks), limiting the same and monitoring both the actual and potential exhaustion of said limits:

- a. Concentration risks through exposures to individual counterparties (including central counterparties)
- b. Concentration risks through exposures to groups of affiliated counterparties
- c. Concentration risks through exposures to counterparties from the same economic sector
- d. Concentration risks through exposures to counterparties from the same region
- e. Concentration risks through exposures to counterparties within the scope of asset investments and from funding sources

- f. Indirect concentrations of credit risk due to credit risk minimising strategies
- g. Concentration risks from large indirect credit exposures
- h. Concentration risks from correlative risk factors

Other risks

General business risk:

Basically, Euram Bank is in a position to achieve a positive result on the basis of the existing business model. In the course of preparing the annual accounts, a risk strategy is defined for the new fiscal year which also serves as a basis for the allocation of economic capital. Based on the preliminary balance sheet figures of the annual accounts and on the risk strategy adopted by the joint Managing Board, a financial forecast will be prepared for the new fiscal year. A Profit Centre account is prepared monthly. The result is compared with the target values, which were calculated according to the same criteria, on a monthly basis. Strategic risks, business and yield risks are consolidated with the credit, market and interest rate risks and supplemented by operational risks. The result will be discussed and analysed promptly by the joint Managing Board. This process ensures that general business risks are identified immediately.

Reputational risk:

Euram Bank defines reputational risk as the risk of potential damage to its brand and its reputation and the risk associated therewith, and/or the impact on its earnings, its capital or its liquidity that results from being associated with, from acting or not acting in the context of, certain events, which the parties concerned might consider as inappropriate or not compatible with the values and convictions of Euram Bank. In the spring of 2020, Euram Bank started to thoroughly revise and improve applications and systems for the prevention of money laundering and the financing of terrorism within the scope of initiating customer relationships. This includes the prevention of money laundering, combatting the financing of terrorism, compliance with (financial) sanctions and embargos, as well as measures for the prevention of fraud, bribery and corruption when initiating customer relationships, and continuous development in line with changing legislation. The activities of Euram Bank have always been based on the exclusion of products or investments involving, for instance, the production or sale of nuclear weapons, cluster munition and land mines, the encouragement or use of child labour, the violation of human rights, or the support of drug trafficking and money laundering. Controls were intensified in front office areas, in the sphere of Compliance, and in Internal Audit, in order for the bank to comply even more strictly with the model of the “three lines of defense”.

Euram Bank uses the anti-money laundering platform “kdprevent”, in combination with various databases, for due diligence checks of private individuals, legal entities, financial institutions, banks and business partners for initial business contacts as well as for the ongoing monitoring of their activities. In the past fiscal year of 2020, the bank put its focus on improving its own data as well as the data supplied to it and on expanding the modules of the “kdprevent” anti-money laundering platform. Among others, this helps to better identify any suspicious persons, legal entities and transactions and to filter them in a risk-based manner. Moreover, in the course of the bank’s AML strategy, preparations were made for a daily screening of customers, all controls to combat money laundering were improved, existing processes to identify new legal provisions were optimised, and relevant amendments were included in the existing policies

Vienna, dated 30 March 2021

The Managing Board

Manfred Huber

Johannes Langer

Josef Leckel

BALANCE SHEET

BALANCE SHEET AS OF DECEMBER 31, 2020

Assets	31/12/2020		31/12/2019	
	EUR	EUR	TSD EUR	TSD EUR
1. Cash in hand, balances with central banks and post office banks		139,671,940.11		87,562
2. Debt instruments of public authorities which are eligible for refinancing at central banks		11,502,311.66		32,571
a) Debt instruments of public authorities and similar securities	11,502,311.66		32,571	
3. Claims against credit institutions				
a) payable on demand	19,369,511.66		8,194	
b) other receivables	37,345,747.78	56,715,259.44	20,401	28,595
4. Loans and advances to customers		179,386,931.29		147,963
5. Debentures and other fixed-income securities				
a) of public issuers		62,400,519.77		153,317
6. Stocks and other non fixed-income securities		2,144,000.83		2,611
7. Participations		1,000.00		1
8. Shares in affiliated companies		159,000.00		159
9. Intangible fixed assets		388,326.89		340
10. Tangible assets		2,075,233.52		109
11. Other assets		2,010,567.06		2,168
12. Accruals and deferred income		571,449.53		1,848
13. Deferred tax assets		525,743.66		878
		457,552,283.77		458,122
1. Foreign assets		232,105,211.82		297,814

Liabilities		31/12/2020		31/12/2019	
	EUR	EUR	TSD EUR	TSD EUR	
1. Liabilities to credit institutions					
a) repayable on demand	338,270.04		74		
b) with agreed maturity date or period of notice	0.00	338,270.04	0	74	
2. Liabilities to customers					
a) other liabilities					
aa) repayable on demand	338,413,226.23		259,356		
bb) with agreed maturity date or period of notice	73,325,787.48	411,739,013.71	158,901	418,258	
3. Securitized liabilities					
a) self-issued bonds	0.00		0		
b) other securitized liabilities	0.00	0.00	0	0	
4. Other liabilities		1,628,835.99		1,921	
5. Provisions					
a) Provisions for severance payments	288,000.00		363		
b) Other provisions	3,124,139.39	3,412,139.39	3,431	3,794	
6. Supplementary capital pursuant to part 2 title 1 chapter 4 of regulation (EU) no. 575/2013		3,000,000.00		3,000	
7. Subscribed capital		10,045,712.61		10,046	
8. Capital reserves					
a) tied-up	1,886,813.16		1,887		
b) free	6,438,537.61	8,325,350.77	6,439	8,325	
9. Profit reserves					
a) other reserves		17,353,904.17		11,094	
10. Liability reserve pursuant to §57 para 5 Banking Act		1,396,650.00		1,308	
11. Net profit		312,407.09		302	
		457,552,283.77		458,122	
1. Contingent liabilities					
a) Contingent liabilities of sureties and assets pledged as collateral security		50,000.00		112	
2. Credit risks		9,761,530.20		9,565	
3. Required own funds pursuant to art 92 of regulation (EU) no. 575/2013 hereof supplementary capital pursuant to part 2 title 1 chapter 4 of regulation (EU) no. 575/2013 EUR 1,448,275.86 (31/12/2019: TSD EUR 2,649)		38,493,973.61		32,784	
4. Required own funds pursuant to art 92 of regulation (EU) no. 575/2013 (overall risk value)		176,108,326.27		155,490	
lit a of regulation (EU) no. 575/2013		21,0%		19,8%	
lit b of regulation (EU) no. 575/2013		21,0%		19,8%	
lit c of regulation (EU) no. 575/2013		21,9%		21,1%	
5. Foreign liabilities		358,514,341.45		368,191	

PROFIT & LOSS ACCOUNT AS OF DECEMBER 31, 2020

Profit & Loss Account	01/01/2020–31/12/2020		01/01/2019–31/12/2019	
	EUR	EUR	TSD EUR	TSD EUR
1. Interest and similar earnings hereof: from fixed-income securities	2,940,619.92	10,322,448.21	4,462	10,276
2. Interest and similar expenses		-981,126.97		-1,597
I. NET INTEREST EARNINGS		9,341,321.24		8,679
3. Earnings from securities and participations		57,089.96		173
a) Earnings from shares, other share rights, and non fixed-income securities	57,089.96		173	
4. Earnings from commissions		14,403,062.35		13,451
5. Commission expenses		-1,267,815.72		-1,260
6. Earnings/expenses from financial transactions		531,451.19		-1,232
7. Other operating earnings		415,916.98		150
II. OPERATING EARNINGS		23,481,026.00		19,960
8. General administrative expenses				
a) Personnel expenses				
aa) Wages and salaries	-5,079,948.67		-4,821	
bb) Expenses for statutory social security contributions and compulsory contributions associated with remuneration	-797,427.14		-759	
cc) Other social security expenses	-108,154.62		-80	
dd) Expenses for retirement provisions and support	-162,029.65		-167	
ee) Expenses for severance payments and contributions to company retirement schemes	-82,842.14		-136	
	-6,230,402.22		-5,963	
b) Other administrative expenses (Overhead)	-6,570,584.75	-12,800,986.97	-5,986	-11,949

Profit & Loss Account	01/01/2020–31/12/2020		01/01/2019–31/12/2019	
	EUR	EUR	TSD EUR	TSD EUR
9. Value adjustments of the assets listed in assets items 9 and 10		-911,756.30		-176
10. Other operating expenses		-391,899.28		-45
III. OPERATING EXPENSES		-14,104,642.55		-12,170
IV. OPERATING RESULTS		9,376,383.45		7,790
11. Value adjustments on claims and allocations to provisions for contingent liabilities and credit risk		-532,190.86		-2,926
12. Value adjustments on securities, valued like financial assets		-1,400.00		-26
V. RESULT OF ORDINARY BUSINESS OPERATION		8,842,792.59		4,838
13. Income and earnings tax		-2,484,132.51		-1,050
VI. ANNUAL SURPLUS		6,358,660.08		3,787
14. Changes in reserves hereof: allocation to the liability reserve	-88,650.00	-6,348,650.00	0	-3,780
VII. ANNUAL PROFIT		10,010.08		7
15. Profit carryforward		302,397.01		295
VIII. NET PROFIT		312,407.09		302

NOTES

to the annual accounts of European American Investment Bank Aktiengesellschaft (“Euram Bank”) for the year ending 31 December 2020.

The annual accounts for the year ending 31 December 2020 were prepared in accordance with the regulations of the Accounting Act (RLG, Rechnungslegungsgesetz), taking account of the special requirements of the Banking Act (BWG, Bankwesengesetz).

It was resolved, in the ordinary general meeting on 30 November 2016, to shift the balance sheet date from 30 June to 31 December. There is comparability with the 2019 fiscal year of 12 months.

1. General principles and information on accounting and valuation

General principles

The annual accounts for the year ending 31 December 2020 are prepared in compliance with generally accepted accounting principles, and with the general standard of conveying a true and fair view of the net worth, financial position and results of the company.

The principle of completeness and accounting continuity was observed in preparing the annual accounts.

The unit account method of valuation is applied in valuing the individual assets and debts, on a going-concern basis.

The principle of prudence was taken into account considering the particular characteristics of banking business.

Under the provisions of section 9 of the Corporate Income Tax Act (KStG) relating to group taxation, a corporate group exists as at 31/12/2020 comprising Euram Holding AG as group parent and Euram Bank as group member. The tax rate applied in fiscal year 2020 is 25% (previous year: 25%). The tax sharing agreements stipulate the stand-alone method.

Euram Bank belongs to the joint stock bank sector.

Euram Bank is wholly owned by Euram Holding AG.

Foreign currency amounts

Foreign currency amounts are translated at the middle rates set on the reporting date, in accordance with section 58 (1) BWG.

Financial assets

Investments are valued at cost of purchase. Lower values are recognised in the case of material, sustained impairments.

Stocks and other non-fixed interest securities, as well as any security from loans and advances to customers held as fixed assets are measured at the lower of fair value and cost of purchase on the balance sheet date. Unscheduled write-downs to a fair value that is lower on the reporting date are performed where the impairments are likely to be permanent.

Write-ups on fixed assets are performed if the reasons for the unscheduled write-down have lapsed.

Current assets

Debt instruments issued by public bodies, bonds and other fixed-income securities, as well as stocks and other non-fixed interest securities held as current assets were reported at cost of purchase less value adjustments for discernible individual risks or possibly a lower share price, market value, or market value derived from a similar financial instrument, on the reporting date.

Impairments are reversed (up to no more than the cost of purchase) if the reasons for the impairment have lapsed.

The company does not keep a trading book.

Receivables and other assets are reported at their nominal value less value adjustments for identifiable individual risks. Moreover, to take account of credit risks within loans and advances to customers, a general bad debt provision was made for the performing portfolio. Credit balances with central banks are reported in the balance sheet with their nominal value.

The recoverability of loans and advances to customers is estimated based on impairment indicators and on the collateral provided. In doing so, the fair values less haircuts are used. Estimates are based on prudent assessments. The general bad debt provision is determined on the basis of a simplified valuation model, where the default risk is calculated using the following formula: “blank volume (exposure at default (EAD) * loss given default (LGD))* probability of default (PD)”. Apart from customer exposure and collateral values, it is primarily the probability of default (PD) based on the customer rating that is relevant in this model. Based on the existing internal customer rating, probabilities of default – obtained externally – are allocated to the blank volumes. To the extent that statistically identifiable data from similar situations are available, the bank has taken them into account when preparing the estimates; for instance, collateral haircuts and historical default rates published by Creditreform (Verband der Vereine Creditreform e.V.).

Shares in affiliated companies

Euram Bank has a 100% holding in Euram Invest Holdings 3 GmbH headquartered in Munich, Germany (line of business of the GmbH: management of participations).

In fiscal year 2020, as already in fiscal year 2019, no dividends were distributed to Euram Bank.

Under section 238 (2) of the UGB (Austrian Business Code), the equity and results of the last fiscal year of the affiliated undertaking are as follows:

Euram Invest Holdings 3 GmbH	in EUR thousand
Capital	631.8
Share of capital	100%
Result FY	33.8

The figures of the fiscal year 2020 of Euram Invest Holdings 3 GmbH are based on final accounts.

Participating interests

This item includes the share in the deposit guarantee fund of Banken und Bankiers Gesellschaft m.b.H. in liqu., Vienna, in the amount of EUR 0.0 (EUR 70.0 as at 31/12/2019) as well as the share in Einlagensicherung AUSTRIA Ges.m.b.H., Vienna, in the amount of EUR 1,0 thousand (EUR 1.0 thousand as at 31/12/2019). The liquidation of Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H in liqu., Vienna, was completed in fiscal year 2020.

Intangible and tangible assets

Intangible and tangible fixed assets are measured at cost of acquisition or production, less scheduled depreciation. Low-value assets are capitalised and written off in full in the year of acquisition. Assets are depreciated on a straight-line basis.

The following useful life is assumed for the purposes of scheduled depreciation:

Company motor vehicles	8 years
Office equipment	5 years
Fixtures	5 years
Office machines	5 years
Software	5 years
Hardware	5 years

Under applicable tax regulations, a full year's depreciation for acquisitions in the first half of the year, and half a year's depreciation for acquisitions in the second half of the year are effected.

Severance pay obligations

The provision for severance payments is determined according to actuarial principles using an interest rate of 2.30% (previous year: 2.72%) and on the basis of a calculatory retirement age of 60 years for women and 65 years for men. No staff turnover deduction is determined. For fiscal year 2020, Euram Bank AG used the discount rate announced by Deutsche Bundesbank (10-year average), with a residual term of 15 years (2.30%). The interest rate selected and its calculation shall continuously be applied from now on.

Other provisions

In the other provisions, in accordance with the principle of prudence, all risks discernible as well as liabilities uncertain in terms of amount and on the merits at the time of preparation of the balance sheet are accounted for in amounts that will be required according to reasonable commercial judgement.

Liabilities

Liabilities are recognised at the repayment amount including deferred interest.

Contingent liabilities

Contingent liabilities include financing guarantees granted and secured by credit institutions, securities, mortgages or in cash in the amount of EUR 0.1 million (EUR 0.1 million as at 31/12/2019). In fiscal year 2020, no unsecured financing guarantee was granted.

Credit risks

This position includes the amount of unused credit facilities in the amount of EUR 7.9 million (EUR 7.8 million as at 31/12/2019), as well as guarantees towards credit card companies for credit lines granted to Euram Bank customers in the amount of EUR 1.8 million (EUR 1.7 million as at 31/12/2019).

Fiduciary receivables

Fiduciary receivables are contained in the following items:

- Shares and other non-fixed interest securities: EUR 0.0 thousand (EUR 0.0 thousand as at 31/12/2019)

Fiduciary liabilities

Fiduciary liabilities from trust transactions are contained in the following items:

- Securitised liabilities: EUR 0.0 thousand (EUR 0.0 thousand as at 31/12/2019))

2. Notes concerning the balance sheet**A. Maturities analysis**

Amounts due to and from banks and customers other than at call are structured according to residual maturities as follows:

Loans and advances to credit institutions:		thousand
up to 3 months	EUR	29,277
more than 3 months up to 1 year	EUR	4,075
more than 1 year up to 5 years	EUR	3,993
over 5 years	EUR	0

Loans and advances to customers: thousand

up to 3 months	EUR	62,063
more than 3 months up to 1 year	EUR	41,743
more than 1 year up to 5 years	EUR	72,654
over 5 years	EUR	3,531

Liabilities to credit institutions: thousand

up to 3 months	EUR	0
more than 3 months up to 1 year	EUR	0
more than 1 year up to 5 years	EUR	0
over 5 years	EUR	0

Liabilities to customers: thousand

up to 3 months	EUR	29,131 Tsd
more than 3 months up to 1 year	EUR	42,655 Tsd
more than 1 year up to 5 years	EUR	1,541 Tsd
over 5 years	EUR	0 Tsd

B. Risks in the area of loans and advances to customers

Loans and advances to customers are reported in the balance sheet (after deduction of risk provisions) with an amount of EUR 179.4 million (EUR 148.0 million as at 31/12/2019). This amount includes specific provisions amounting to EUR 1,023 thousand (EUR 191 thousand as at 31/12/2019), as well as a general bad debt provision in the amount of EUR 2,200 thousand (EUR 2,660 thousand as at 31/12/2019). Overall, loans and advances to customers amounting to EUR 0.9 million (EUR 1.7 million as at 31/12/2019) are secured through deposits, and loans amounting to EUR 135.6 million (EUR 109.5 million as at 31/12/2019) are secured through mortgages, deposits and/or securities. Unsecured loans and advances to customers amount to EUR 42.9 million (EUR 36.8 million as at 31/12/2019) in fiscal year 2020. Loans and advances to customers include amounts due from issuers at a volume of EUR 7.5 million (EUR 6.4 million as at 31/12/2019).

Loans and advances to customers: million

secured by deposits	EUR	0.9 Mio
secured by mortgages, deposits and securities	EUR	135.6 Mio
unsecured	EUR	42.9 Mio

C. Securities

In fiscal year 2020, securities were held in the following asset items:

- Debt instruments issued by public authorities: EUR 11.5 million (EUR 32.6 million as at 31/12/2019)
- Loans and advances to credit institutions: EUR 8.1 million (EUR 8.8 million as at 31/12/2019)
- Loans and advances to customers: EUR 7.5 million (EUR 6.4 million as at 31/12/2019)
- Bonds and other fixed-interest securities: EUR 62.4 million (EUR 153.3 million as at 31/12/2019)
- Stocks and other non-fixed interest securities: EUR 2.1 million (EUR 2.6 million as at 31/12/2019)

C.1. Debt instruments issued by public authorities that are admitted for refinancing with the central bank

In fiscal year 2020, two (previous year: three) non-fixed interest listed securities (regulated market) with a gross carrying amount of EUR 3.4 million (previous year: EUR 13.1 million) and two (previous year: five¹) fixed-interest listed securities (regulated market) with a gross carrying amount of EUR 8.1 million (previous year: EUR 19.5 million) were held in current assets.

thousand		
0 Berlin, Land FRN 08.10.2015–28.07.2025	EUR	4,096
0 Berlin, Land 05.10.2015–16.01.2023	EUR	4,044
0 Nordrhein-Westfalen FRN 28.10.2015–28.10.2020/R1381	EUR	0
0 Latvia, Republic 05.07.2019–31.01.2025	EUR	0
0,8 Republic of Lithuania 21.11.2018–2025	EUR	0
1,625 Belgium 05.10.2017–15.01.2020/Reg.S	EUR	0
1,5 Finland, Republic 21.09.2017–21.09.2020/Reg.S	EUR	0
1,25 Sweden, Kingdom 08.09.2016–2021/Reg.S	EUR	824
2,125 Europ. Stab. Mech. (ESM) DL-MTN 2017–2022	EUR	2,538

¹ Due to adjustments, 6 securities would be stated here from today's perspective

C.2. Loans and advances to credit institutions – of which other issuers

In fiscal year 2020, two (previous year: two) non-fixed interest, unlisted securities with a gross carrying amount of EUR 8.1 million (previous year: EUR 8.8 million) were held in current assets.

		thousand
0,23688% Inter-Amer.Dev.Bank FRN 26.01.2015–17.01.2022	EUR	3,993
0,22875% Intl.Bank Rec. Dev. FRN 17.12.2014–2021	EUR	4,075

C.3. Loans and advances to customers – of which other issuers

In fiscal year 2020, one (previous year: one) fixed-interest unlisted security with a gross carrying amount of EUR 1.9 million (previous year: EUR 1.9 million) was held in fixed assets, and two (previous year: two) fixed-interest listed securities (open market) with a gross carrying amount of EUR 4.0 million (previous year: EUR 3.9 million) and two (previous year: one) fixed-interest, unlisted securities with a gross carrying amount of EUR 1.6 million (previous year: EUR 0.6 million) were held in current assets.

Fixed assets:		thousand
CPI Immobilien AG 30.11.2013–30.11.2033	EUR	1,900

Current assets:		thousand
6,875 Aggregate Holdings S.A. 09.11.2020–2025	EUR	2,154
6 CPI Immobilien AG 30.11.2013–30.11.2033	EUR	618
CPI Immobilien GmbH 31.03.2019–2029	EUR	1,013
5 VIC Properties S.A. 24.08.2018–2023	EUR	1,855

C.4. Bonds and other fixed-interest securities

In fiscal year 2020, seven (previous year: seven) fixed interest listed securities (regulated market) with a gross carrying amount of EUR 40.2 million (previous year: EUR 118.8 million) and two (previous year: six²) non-fixed interest listed securities (regulated market) with a gross carrying amount of EUR 22.2 million (previous year: EUR 34.5 million) were held in current assets. Of these, securities in the amount of EUR 15,859 thousand will mature in fiscal year 2021.

Current assets: thousand

1,625 International Finance Corp. 16.07.2015–2020	EUR	0
1,375 Inter. Finance Corp. DL-MTN 16.10.2019–2024	EUR	10,788
1,91263 European Bk Rec.Dev. FRN 19.07.2017–19.11.2020	EUR	0
0,22363 Eur.Bank Rec.Dev. DL-FLR MTN 11.05.2022	EUR	21,922
2,875 European Inv. Bank DL-Notes 2018–2021	EUR	6,694
2,5 European Investment Bank DL-Notes 2018(23)	EUR	4,311
1,375 European Investment Bank 17.01.2018–15.05.2023	EUR	7,555
2 European Investment Bank 18.10.2017–15.12.2022	EUR	1,689
2,75 Intl.Bank Rec.Dev. 25.07.2018–23.07.2021	EUR	6,691
0,343 Austria, Republic FRN 04.08.2005–04.08.2025	EUR	276
2,23725 Asian Dev.Bank FRN 26.02.2016–26.02.2020	EUR	0
2,01088 Inter-Amer.Dev.Bank FRN 07.08.2015–15.07.2020	EUR	0

² Due to adjustments, 5 securities would be stated here from today's perspective

		thousand
2,32088 Inter-Amer.Dev.Bank FRN 02.03.2016–15.04.2020	EUR	0
2,5 European Investment Bank 19.03.2014–15.04.2021	EUR	2,473
1,375 European Investment Bank 22.04.2015–15.06.2020	EUR	0
2,125 Inter-American Dev. Bank 08.11.2013–09.11.2020	EUR	0
4,75 UK-Treasury 29.03.2005–07.03.2020	EUR	0

C.5. Shares and other non-fixed interest securities

This item contains investment fund units allocated to fixed assets in the amount of EUR 1,524 thousand (EUR 1,525 thousand as at 31/12/2019).

Hedge fund units in the amount of EUR 291 thousand (EUR 396 thousand as at 31/12/2019) are reported in current assets. Current assets also include investment fund units of Euram Bank's mutual funds in the amount of EUR 0.3 million (EUR 0.7 million as at 31/12/2019). Furthermore, shares in "Petrocapital Resources PLC" in the amount of EUR 10.0 (EUR 10.0 as at 31/12/2019) are held. All securities shown in the asset item "Shares and other non-fixed interest securities" with a carrying amount of EUR 2.1 million (previous year: EUR 2.6 million) are unlisted.

Fixed assets:		thousand
Euroopportunity Bond	EUR	1,524

Current assets:		thousand
Sharpe Special Situations Fund	EUR	291
Euroopportunity Bond	EUR	78
USD Convergence Bond	EUR	231
Advantage Stock	EUR	20
Petrocapital Resources PLC	EUR	0.01

One share (“Petrocapital Resources PLC”) was held in fiscal year 2020. “Petrocapital Resources PLC” was delisted in 2010.

In fiscal year 2020, the company managed customer securities to a value of EUR 770.9 million (EUR 1,070.6 million as at 31/12/2019).

As at 31 December 2020, the fixed assets of the bank include securities with a carrying amount of EUR 3.4 million (EUR 3.4 million as at 31/12/2019). The difference between acquisition costs and market value (if higher) amounted to EUR 100.0 thousand (EUR 100.0 thousand as at 31/12/2019).

For the securities held as current assets that are admitted for stock exchange trading, the difference between acquisition costs and the market value (if higher) amounted to EUR 870.9 thousand (EUR 5,520.4 thousand as at 31/12/2019).

D. Fixed assets

The movement of the individual fixed asset items and the breakdown of annual depreciation by individual items are shown in the fixed asset movement schedule.

E. Other assets

Other assets essentially include

- a repayment pending due to value date factors: EUR 0.3 million (EUR 0.3 million as at 31/12/2019)
- invoiced commission from fund management: EUR 0.3 million (EUR 0.3 million as at 31.12.2019),
- outstanding receivables: EUR 1.4 million (EUR 1.4 million as at 31/12/2019), including commission income from previous years due to contracts in the amount of EUR 0.6 million (previous year: EUR 0.6 million),
- a real property that is not intended to be held in the long term: EUR 0 thousand (EUR 240 thousand as at 31/12/2019).

In fiscal year 2020, no other receivables with a residual term of more than one year were reported.

The material income included in the item “Other assets” in fiscal year 2020 that becomes payable only after the reporting date amounts to EUR 1.7 million (EUR 1.7 million as at 31/12/2019).

F. Accruals

Apart from current salary payments in the amount of EUR 158.1 thousand (EUR 144.5 thousand as at 31/12/2019), this position includes prepaid insurance premiums as well as information and maintenance costs in the amount of EUR 346.5 thousand (EUR 324.8 thousand as at 31/12/2019) and other advance payments in the amount of EUR 66.8 thousand (EUR 1,378.6 thousand as at 31/12/2019).

G. Deferred tax assets

At the balance sheet date, deferred tax assets under section 198 (10) UGB amount to EUR 525.7 thousand (previous year: EUR 878.0 thousand).

H. Securitised liabilities

In fiscal year 2020, no securitised liabilities were held.

I. Other liabilities

Other liabilities include invoices already received, but not yet paid, regarding the 2020 fiscal year, in the amount of EUR 0.2 million (EUR 0.3 million as at 31/12/2019), liabilities from distribution of the tax burden towards one affiliated company in the amount of EUR 819.5 thousand (EUR 1,027.6 thousand as at 31/12/2019), liabilities towards the tax office in the amount of EUR 542.9 thousand (EUR 497.3 thousand as at 31/12/2019), as well as liabilities towards the investors of the Tier 2 capital bond for interest expenses in the amount of EUR 120.0 thousand (EUR 120.0 thousand as at 31/12/2019).

The material expenses included in the item "Other liabilities" in fiscal year 2020 that become payable only after the reporting date amount to EUR 0.2 million (EUR 0.3 million as at 31/12/2019).

J. Deferrals

This position does not include any commissions already earned, but attributable to the 2020 fiscal year.

K. Tier 2 capital

On 1 June 2016, Euram Bank AG issued a fixed-interest unlisted subordinate bond for EUR 3 million with a term of 7 years, of which EUR 3 million are subscribed at the balance sheet date (31/12/2020). The conditions of the bond are in line with the CRR – EU Regulation no. 575/2013 Part 2 Chapter 4 (Articles 62-71) on Tier 2 capital. Expenses in the amount of EUR 120.0 thousand were recognised for interest in fiscal year 2020.

L. Equity capital

1.) The share capital amounting to EUR 10,045.7 thousand is divided into 270,000 no-par shares, each with an equal portion of the share capital.

2.) Eligible own funds pursuant to Part 2 CRR: thousand

Subscribed capital	EUR	10,045.7
(Appropriated) capital reserve	EUR	1,886.8
(Free) capital reserve	EUR	6,438.5
Revenue reserve	EUR	17,353.9
Liability reserve as per section 57 (5) BWG	EUR	1,396.7
Retained earnings	EUR	312.4
Adjustments to be made to CET1 capital due to deductions and adjustment items	EUR	-388.3
<i>Common Equity Tier 1 capital (CET1)</i>	<i>EUR</i>	<i>37,045.7</i>
Tier 2 capital	EUR	3,000.0
Other components or deductions regarding Tier 2 capital	EUR	-1,551.7
<i>Tier 2 capital (T2)</i>	<i>EUR</i>	<i>1,448.3</i>
Own funds	EUR	38,493.9

3.) In fiscal year 2020, the parent company, Euram Holding AG, did not effect any allocation (EUR 3,960.0 thousand as at 31/12/2019). In the previous year, this allocation was included in the (free) capital reserve.

4.) Euram Bank allocated an amount of EUR 6,260.0 thousand to the revenue reserve in fiscal year 2020 (EUR 3,780.0 thousand as at 31/12/2019).

5.) Euram Bank allocated an amount of EUR 88.7 thousand to the liability reserve in fiscal year 2020 (none as at 31/12/2019).

6.) The net profit for fiscal year 2020 amounts to EUR 312.4 thousand (EUR 302.4 thousand as at 31/12/2019), which is carried forward to new account.

M. Capital adequacy requirements

Euram Bank uses the following methods to calculate its capital adequacy requirements:

- Credit risk: Standard approach
- Operational risk: Basic indicator approach
- Risk of adjustment to credit valuation (CVA risk): Standard method

In fiscal year 2020, the total amount of risk pursuant to Article 92 of the CRR – EU Regulation no. 575/2013 amounts to EUR 176,108 thousand (EUR 155,489 thousand as at 31/12/2019).

The risk-weighted item amounts for credit risk are EUR 139,652 thousand (EUR 125,925 thousand as at 31/12/2019) and consist of the following: thousand

Exposures to central governments or central banks	EUR	0
Exposures to regional or local administrative bodies	EUR	0
Exposures to multilateral development banks	EUR	0
Exposures to international organisations	EUR	0
Exposures to institutes	EUR	3,490
Exposures to corporates	EUR	28,132
Exposures from retail business	EUR	578
Defaulted exposures	EUR	76
Exposures secured by real property	EUR	6,299
Exposures associated with very high risks	EUR	84,255
Exposures to institutes and corporates with short-term credit ratings	EUR	8,454
Exposures in the form of investment fund units (UCI)	EUR	1,350
Investment exposures	EUR	160
Other positions	EUR	6,861

The total exposure of the risk items for Operational risks is EUR 36,456 thousand (EUR 29,564 thousand as at 31/12/2019).

N. Supplementary information

- 1.) Total amount of assets and liabilities in foreign currency:

million

Assets in foreign currency	EUR	115.7
Liabilities in foreign currency	EUR	115.1

The foreign currency assets and liabilities essentially concern USD.

- 2.) In fiscal year 2020, Euram Bank had a restraint on disposal for an asset amounting to EUR 0.1 million (EUR 0.1 million as at 31/12/2019).
- 3.) Amounts due from affiliated companies amount to EUR 0.0 million (EUR 0.0 million as at 31/12/2019).
- 4.) Amounts payable to affiliated companies amount to EUR 1.1 million (EUR 1.3 million as at 31/12/2019).
- 5.) In fiscal year 2020, Euram Bank had material customary transactions with other “related parties” in the amount of EUR 25.8 million (EUR 20.2 million as at 31/12/2019).
- 6.) Other provisions in the amount of EUR 3.1 million (EUR 3.4 million as at 31/12/2019) include:

thousand

Legal, auditing and consultancy costs	EUR	1,193.4
Vacation entitlements not consumed yet	EUR	273.7
Bonuses	EUR	1,657.0

Other provisions for “Legal, auditing and consultancy costs” essentially concern expenses for possible legal costs in the amount of EUR 980.9 thousand (EUR 593.6 thousand as at 31/12/2019), as well as expenses for absorption interest in the amount of EUR 0.0 thousand (EUR 1,325.0 thousand as at 31/12/2019).

- 7.) From a present-day perspective, obligations arising from the use of fixed assets not reported in the balance sheet amount to EUR 1,143.1 thousand for the next year (EUR 780.4 thousand as at 31/12/2019), to EUR 5.7 million for the following five years, and exclusively relate to rent for the use of the office premises.

- 8.) In fiscal year 2020, the company did not conclude any currency futures. These are basically used to hedge foreign currency positions. The lives of the foreign exchange futures are basically less than one year.
- 9.) In fiscal year 2020, Euraam Bank had not issued any loan to officers and related persons.
- 10.) In fiscal year 2020, Euraam Bank reports a return on assets (annual result after taxes / balance sheet total) of 1.39%.

3.Explanatory note on the income statement

In fiscal year 2020, the breakdown of income by geographical markets as per section 64 (1) (9) BWG is essentially the following:

Interest income: thousand

The Caribbean	EUR	-641.1
Asia	EUR	141.6
Europe – EU	EUR	10,744.1
CEE	EUR	45.8
America	EUR	18.1
Africa	EUR	13.9

Income from securities and investments: thousand

Europe – EU	EUR	57.1
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Commission earned: thousand

The Caribbean	EUR	2,044.5
Asia	EUR	441.4
Europe – EU	EUR	11,734.3
CEE	EUR	134.9
America	EUR	13.1
Africa	EUR	28.1
Australia	EUR	6.8

Income/expenses from financial transactions: thousand

The Caribbean	EUR	18.8
Asia	EUR	20.4
Europe – EU	EUR	461.8
CEE	EUR	13.9
America	EUR	12.3
Africa	EUR	4.1
Australia	EUR	0.1

Other operating income: thousand

Africa	EUR	17.5
Europe – EU	EUR	398.2
The Caribbean	EUR	0.2

The operating expenditure reported in fiscal year 2020 in the amount of EUR 6.6 million (EUR 6.0 million as at 31/12/2019) essentially consists of the following:

thousand

IT and information expense	EUR	2,671
Office and operating expense	EUR	333
Rental expense	EUR	1,143
Advertising expense	EUR	448
Insurance	EUR	306
Legal and consultancy expenses	EUR	955
Supervisory Board	EUR	189
Recruitment and training	EUR	91
Travel expenses and motor vehicle operating costs	EUR	84
Other costs	EUR	351

With reference to section 237 of the Business Code (UGB), the breakdown of other operating income and other operating expenditure in accordance with section 64 (1) (12) of the Banking Act (BWG) is as follows:

- Apart from costs charged on in the amount of EUR 76 thousand (EUR 43 thousand as at 31/12/2019), other operating income essentially includes a VAT credit of EUR 78 thousand (EUR 104 thousand as at 31/12/2019) and income from the release of provisions in the amount of EUR 22 thousand (EUR 2 thousand as at 31/12/2019), as well as the proceeds from the sale of an apartment in Neubaugasse, 1070 Vienna, in the amount of EUR 240 thousand (EUR 0 thousand as at 31/12/2019).
- The other operating expenses reported in fiscal year 2020, in the amount of EUR 391.9 thousand (EUR 45.5 thousand as at 31/12/2019) essentially relate to expenses for external consultants in the amount of EUR 35.1 thousand (EUR 45.5 thousand as at 31/12/2019) and expenses for taxes from previous years in the amount of EUR 11.1 thousand (EUR 0.0 thousand as at 31/12/2019), as well as expenses for absorption interest in the amount of EUR 345.7 thousand (EUR 0.0 thousand as at 31/12/2019).

In fiscal year 2020, specific provisions for individually significant receivables were effected in the amount of EUR 1,000.0 thousand (EUR 1,216.5 thousand as at 31/12/2019; relating to the insolvency of Maple Bank GmbH, Germany). These risk provisions concern the company Patentportfolio S.a.r.l., Luxembourg, in the amount of EUR 900.0 thousand, as well as Patentportfolio 2 S.a.r.l., Luxembourg, in the amount of EUR 100.0 thousand.

General bad debt provisions in the amount of EUR 2,200.0 thousand (EUR 2,660.0 thousand as at 31/12/2019) were formed for loans and advances to customers not in default in fiscal year 2020. Accordingly, compared to the previous year (allocation of EUR 1,710.0 thousand as at 31/12/2019), the general bad debt provisions were released in the amount of EUR 460.0 thousand in fiscal year 2020.

In fiscal year 2020, value adjustments of receivables were posted in the amount of EUR 467.8 thousand (EUR 0.0 thousand as at 31/12/2019). These essentially concern income from the release of the general bad debt provision formed in previous years in the amount of EUR 460.0 thousand (EUR 0.0 thousand as at 31/12/2019), as well as income from receivables derecognised in the amount of EUR 7.8 thousand (EUR 0.0 thousand as at 31/12/2019).

Value adjustments of securities as well as of participating interests and shares in affiliated companies amount to EUR 1.4 thousand (EUR 25.8 thousand as at 31/12/2019), relating to the impairment of the Euroopportunity Bond fund held in fixed assets.

The expenditure for auditors attributable to the fiscal year are disclosed in the group accounts of Euram Holding AG.

The taxes on income and earnings reported in the income statement, taking account of tax sharing and deferred taxes, in the amount of EUR -2,484.1 thousand (EUR -1,050.4 thousand as at 31/12/2019) are made up of the expenditure from deferred taxes in the amount of EUR 352.2 thousand (income from deferred taxes EUR 657.1 thousand as at 31/12/2019) and the expenditure from tax allocations (tax sharing) in the amount of EUR 2,131.9 thousand (EUR 1,707.5 thousand as at 31/12/2019) and affect the result of ordinary activities at a rate of -28.1% (-21.7% as at 31/12/2019).

Euram Bank allocated an amount of EUR 6,260.0 thousand to the revenue reserve in fiscal year 2020 (EUR 3,780.0 thousand as at 31/12/2019).

Euram Bank allocated an amount of EUR 88.7 thousand to the liability reserve in fiscal year 2020 (none as at 31/12/2019).

4. Other notes

- 1.) In fiscal year 2020, an average of 40 employees (38 as at 31/12/2019) were employed with the company.
- 2.) For senior executives, the severance pay provision in fiscal year 2020 amounts to EUR 90.2 thousand (EUR 169.8 thousand as at 31/12/2019) and for other employees EUR 197.8 thousand (EUR 192.9 thousand as at 31/12/2019). Moreover, contributions in the amount of EUR 162.0 thousand (EUR 167.1 thousand as at 31/12/2019) were paid to the employee pension fund. The changes to the staff cost provisions were included in personnel costs.

3.) The total remuneration of 3 (3 as at 31/12/2019) Managing Board members that was granted for their work in fiscal year 2020 amounts to EUR 1.8 million (EUR 1.8 million as at 31/12/2019); the remuneration granted to members of the Supervisory Board in fiscal year 2020 amounts to EUR 188.8 thousand (EUR 176.4 thousand as at 31/12/2019).

4.) No loans were granted to senior executives in fiscal year 2020.

5.) The following persons were members of the company's Managing Board in fiscal year 2020:

Manfred Huber (Chairman)
Johannes Langer
Josef Leckel

6.) The members of the elected Supervisory Board during fiscal year 2020 were:

Dr. Peter Maser (Chairman since 28/05/2019)
Dipl.-Ök. Thomas Weismann (Deputy Chairman since 28/05/2019)
Dkfm. Senta Penner

7.) Euram Bank is included in group accounts. The entity that prepares the group accounts is the following:

Euram Holding AG
Schottenring 18
1010 Vienna

5. Significant events after the reporting date

No significant events occurred up to the annual accounts being signed by the Managing Board members of Euram Bank AG on 30 March 2021.

6. Additional disclosures

In order to comply with the company's disclosure obligations under Articles 431 to 435 of the CRR – EU Regulation no. 575/2013, it is pointed out that the publication can be viewed on the website of Euram Bank AG (www.eurambank.com) under "Euram Bank / publications and disclosures".

Vienna, dated 30 March 2021

The Managing Board

Manfred Huber

Johannes Langer

Josef Leckel

AUDIT OPINION

AUDIT OPINION

Report on the annual accounts

Audit opinion

We have audited the annual accounts of European American Investment Bank Aktiengesellschaft, Vienna, consisting of the balance sheet as at 31 December 2020, the income statement for the financial year ending on that reporting date, and the notes.

Based on our assessment, we consider that the annual accounts comply with the statutory rules and convey a true and fair view of the net worth and financial position as at 31 December 2020 and of the earnings situation of the company for the financial year ending on that reporting date, in accordance with the provisions of Austrian business and banking law.

Basis of the audit opinion

We have carried out our audit in accordance with EU Regulation no. 537/2014 (hereinafter EU-REG) and with the Austrian principles of proper year-end audits. Said principles require the application of the International Standards on Auditing (ISA). Our responsibilities under said provisions and standards are described in greater detail in the “Responsibilities of the auditor with a view to auditing the annual accounts” section of our audit certificate. According to Austrian business and banking law provisions and professional regulations, we are independent from the company, and we have met our other professional duties in accordance with said requirements. We believe that, by the date of this audit certificate, we have obtained sufficient and suitable audit evidence to base our audit opinion on.

Particularly important audit facts

Particularly important audit facts include any facts that, according to our dutiful discretion, were most critical for our audit of the annual accounts of the fiscal year. Said facts were considered here in connection with our audit of the annual accounts as a whole and in forming our audit opinion, and we shall not provide any separate audit opinion on said facts.

Recoverability of loans and advances to customers

Risk regarding the annual accounts:

Loans and advances to customers are reported in the balance sheet – after deduction of risk provisions – with an amount of EUR 179,387,000. This amount includes general bad debt provisions in the amount of EUR 2,200,000 (31 Dec. 2019: EUR 2,660,000) and specific bad debt provisions in the amount of EUR 1,023,000 (31 Dec. 2019: EUR 191,000). In terms of amount, loans and advances to customers constitute a material balance sheet item (almost 39.2% of total assets).

The Managing Board of the bank explains the procedure to determine the specific and general bad debt provisions for loans and advances to customers in the notes to the annual accounts in the chapter “General principles and information on accounting and valuation”, as well as in item 2B “Risks in the sphere of loans and advances to customers”.

Within the scope of credit monitoring, the bank assesses whether loan defaults exist and whether, accordingly, bad debt provisions must be formed. This also includes an assessment as to whether customers will be able to pay the full amount of the contractually agreed return flows.

The calculation of bad debt provisions for individually significant defaulted loans and advances to customers is based on the assessment of the economic situation and development of the individual customer, the valuation of collaterals and an estimate of the amount and time of expected return flows.

In the event of loans and advances to customers not yet defaulted, a general bad debt provision is formed for the expected credit loss. The general bad debt provision is determined on the basis of a simplified valuation model. Apart from customer exposure and collateral values, it is primarily the probability of default (PD) based on the customer rating that is relevant in this model. Based on the existing internal customer rating, probabilities of default – obtained externally – are allocated to the blank volumes.

The determination of the bad debt provision is based on significant estimates involving discretionary decisions. For the annual accounts, this entails the risk of a potentially false statement regarding the amount of bad debt provisions required.

Procedure during the audit

During examination of the recoverability of loans and advances to customers, we performed the following essential audit procedures:

- We analysed the existing documentation of the processes for monitoring and forming bad debt provisions for loans and advances to customers and critically questioned whether these processes are suitable to identify any defaults and determine an appropriate amount of bad debt provisions for loans and advances to customers. We have also investigated the relevant key controls, assessed their design and implementation, and tested their effectiveness on a random sample basis.
- We examined the entire portfolio of loans and advances to customers, as to whether there are any indicators for defaults, and whether the amount of bad debt provisions formed is adequate.
- In the event of defaults of individually significant loans and advances to customers, the assumptions made by the bank when determining the recoverable return flows were examined in terms of coherence, consistency, time and amount.
- Finally, we assessed whether the information regarding the procedure for the formation of bad debt provisions for loans and advances to customers was stated correctly in the accounting and valuation principles contained in the notes.

Responsibilities of the legal representatives and of the Supervisory Board for the annual accounts

The legal representatives are responsible for preparing the annual accounts and must ensure that the latter convey a true and fair view of the assets, financial and earnings position of the company, in line with Austrian business and banking law provisions. Moreover, the legal representatives are responsible for the internal controls they deem necessary in order to allow for the preparation of annual accounts that are free from material false representations resulting from fraudulent acts or errors.

During preparation of the annual accounts, the legal representatives are responsible for assessing the company's ability to continue its business activities, for indicating circumstances associated with the continuation of the business activities – if relevant –, as well as for applying the going-concern accounting principle, unless the legal representatives intend to either liquidate the company or to discontinue its business activities, or do not have any realistic alternative to any such way of procedure.

The Supervisory Board is responsible for monitoring the accounting process of the company.

Responsibilities of the auditor with a view to auditing the annual accounts

Our objectives are to obtain sufficient certainty as to whether the annual accounts as a whole are free from significant false representations resulting from fraudulent acts or errors and to issue an audit certificate that contains our audit opinion. Sufficient certainty is a high degree of certainty, but no guarantee that an audit conducted according to the EU-REG and the Austrian principles of proper year-end audits that require application of the ISA will always reveal material false representations, if such exist. False representations may result from fraudulent acts or errors and are deemed material if some or all of them may reasonably be expected to impact on the economic decisions made by users on the basis of these annual accounts.

In the course of a year-end audit in accordance with the EU-REG and the Austrian principles of proper year-end audits that require application of the ISA, we exercise our dutiful discretion throughout the entire audit, maintaining a critical basic attitude.

Moreover, the following applies:

- We identify and analyze the risks of material false statements resulting from fraudulent acts or errors in the annual accounts, we plan audit procedures in response to said risks, we implement them and obtain audit evidence that is sufficient and suitable to serve as a basis for our audit opinion. The risk that material false representations resulting from fraudulent acts are not revealed is higher than the one resulting from errors, as fraudulent acts may involve collusive interactions, falsifications, intentional omissions, misleading representations or the bypassing of internal controls.
- We obtain insights into the internal control system, inasmuch as it is important for the audit, in order to determine audit procedures appropriate in the circumstances, not however to provide an audit opinion in relation to the effectiveness of the company's internal control system.
- We assess the adequacy of the accounting methods applied by the legal representatives, as well as the tenability of the estimated values presented by the legal representatives in the accounting and the associated information.

- We draw conclusions regarding the appropriateness of the going-concern accounting principle being applied by the legal representatives as well as, based on the audit evidence obtained, whether any significant uncertainty exists in connection with events or circumstances that may raise strong doubts regarding the company's ability to continue its business activities. If we conclude that any such significant uncertainty exists, we are obliged to point out the relevant information in the annual accounts in our audit certificate or, if such information is inappropriate, to modify our audit opinion. We draw our conclusions on the basis of the audit evidence obtained up to the date of our audit certificate. Future events or circumstances may, however, cause the company to discontinue its business activities.
- We assess the overall presentation, the structure and content of the annual accounts including the information provided, as well as whether the annual accounts reflect the underlying transactions and events in such a way that a true and fair view of the company's situation is achieved.
- We consult with the Supervisory Board among others about the planned scope and timing of the year-end audit, as well as about meaningful audit findings, including any significant deficiencies within the internal control system that we find during our audit.
- From among the facts about which we have communicated with the Supervisory Board, we shall determine those facts which were most important for the audit of the annual accounts of the fiscal year, and hence are particularly important audit facts. We describe said facts in our audit certificate unless legislation or other legal regulations preclude public disclosure of said facts, or we determine, in extremely rare cases, that a fact should not be reported in our audit certificate because it may be reasonably expected that the negative consequences of any such disclosure would exceed the benefits to public interest.

Other statutory and other legitimate requirements

Report on the management report

Under Austrian business law provisions, the management report must be audited as to whether it is consistent with the annual accounts and whether it was prepared according to applicable legal requirements.

The legal representatives are responsible for preparing the management report in accordance with Austrian business law provisions.

We have carried out our audit in accordance with the professional principles regarding the audit of the management report.

Opinion

According to our opinion, the management report has been prepared according to applicable legal requirements and is consistent with the annual accounts.

Statement

Considering the findings and insights obtained during the audit of the annual accounts with respect to the company and its environment, no significant inaccurate information was found in the management report.

Additional information under Article 10 AUD-REG

We were elected as auditors by the General Meeting on 14 May 2018 and commissioned by the Supervisory Board on 14 May 2018 with performing an audit of the company for the financial year ending on 31 December 2020.

On 28 May 2020, we were elected by the General Meeting as auditors for the financial year ending on 31 December 2021 and commissioned to perform the year-end audit by the Supervisory Board on 28 May 2020.

We have been the auditors of the company without interruption since the annual accounts as at 30 June 2014.

We declare that the audit opinion included in the section “Report on the annual accounts” corresponds with the additional report to the audit committee under Article 11 of the EU-REG.

We declare that we have not provided any prohibited non-audit services (Article 5 para. 1 of the EU-REG) and that in performing the audit we have maintained our independence from the audited entity.

Auditor responsible for the assignment

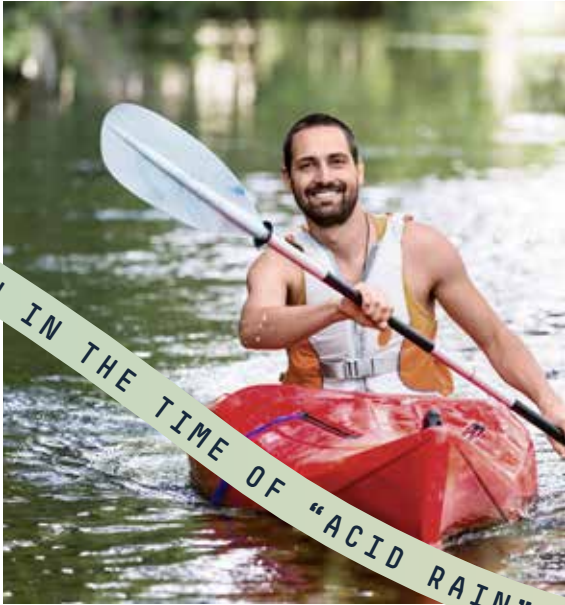
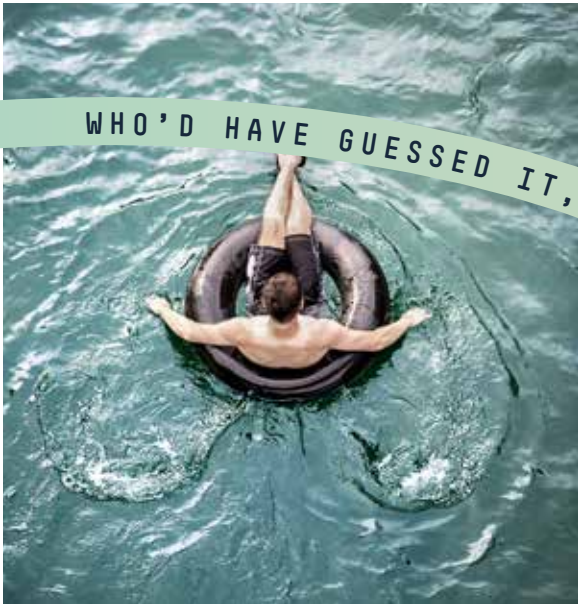
The auditor responsible for the audit assignment is Mag. Georg Blazek.

Vienna, 31 March 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Georg Blazek
Certified Public Accountant





WHO'D HAVE GUESSED IT, BACK THEN IN THE TIME OF "ACID RAIN".

A few decades ago, no Viennese would have jumped into the Donaukanal of their own free will. And then we became increasingly aware of the value of our rivers and forests, and of the consequences of air pollution and the contamination of water – not only in Vienna, but all over Europe. And this insight was followed by improvement.





WATER FLOWS, TIME FLOWS, THOUGHTS ARE FLOWING...





MANY OF THEM WILL REMAIN ILLUSIONS, BUT SOME WILL COME TRUE.



More than fifty species of fish are currently living in the Donaukanal and in the Danube; the beaver has returned, herons, ducks, swans and many other birds are living on and above the water.

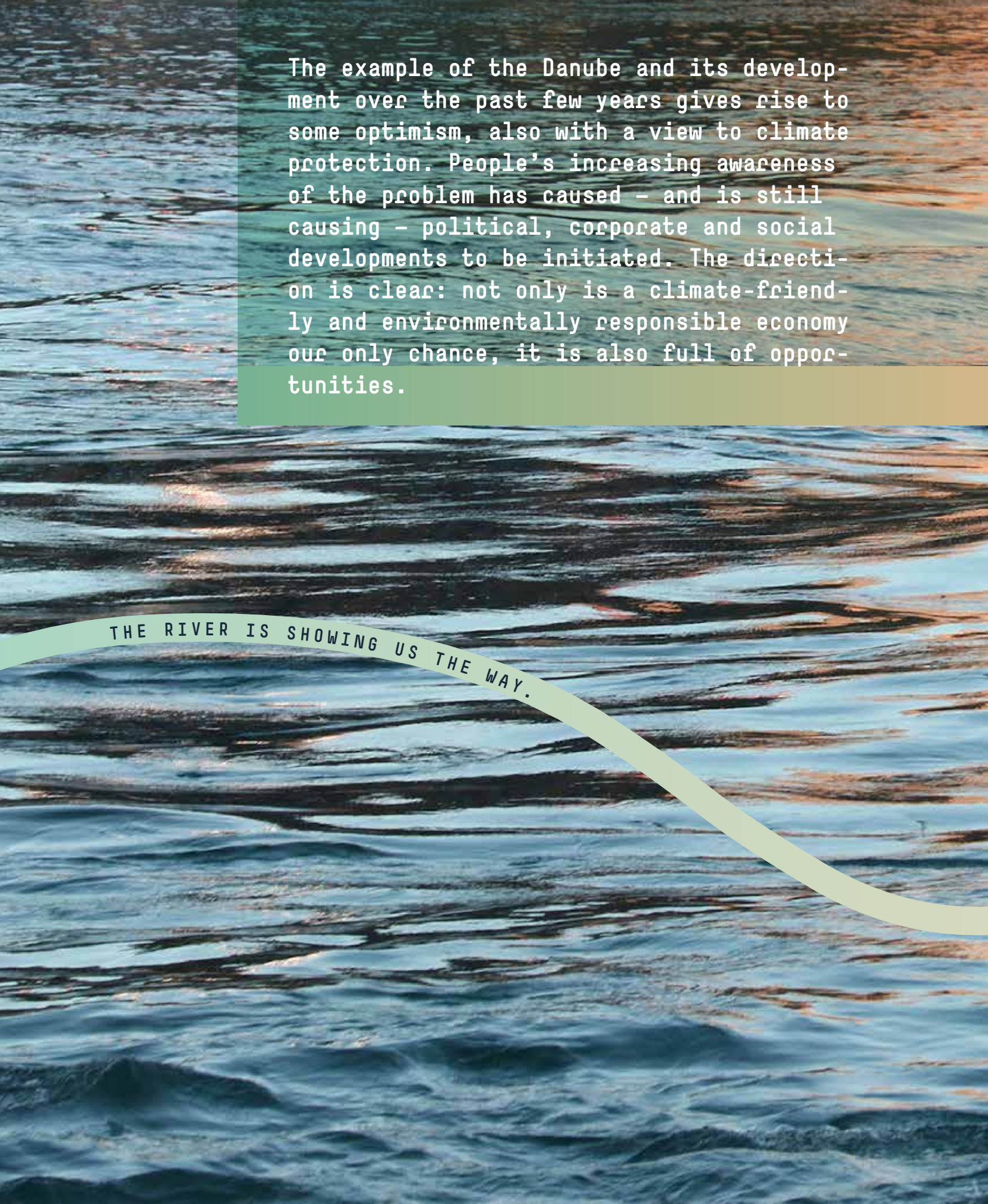




LOOK, SOMETHING'S SWIMMING OUT THERE.



Today, owing to the neighbouring states' joint efforts, the Danube has regained its function as a huge swimming pool – also in Vienna – and is home to a rich variety of flora and fauna again.

The background of the entire image is a photograph of a river, likely the Danube, with water reflecting the sky and surrounding landscape. The water has a mix of blue, green, and brown tones. In the upper left, there is a semi-transparent teal rectangular box containing white text. A thick, light green curved line starts from the left edge of the image, arches upwards, and then curves downwards towards the bottom right corner.

The example of the Danube and its development over the past few years gives rise to some optimism, also with a view to climate protection. People's increasing awareness of the problem has caused – and is still causing – political, corporate and social developments to be initiated. The direction is clear: not only is a climate-friendly and environmentally responsible economy our only chance, it is also full of opportunities.

THE RIVER IS SHOWING US THE WAY.





TWO THOUSAND EIGHT HUNDRED AND FIFTY-SEVEN KILOMETRES, MANY DIKES,

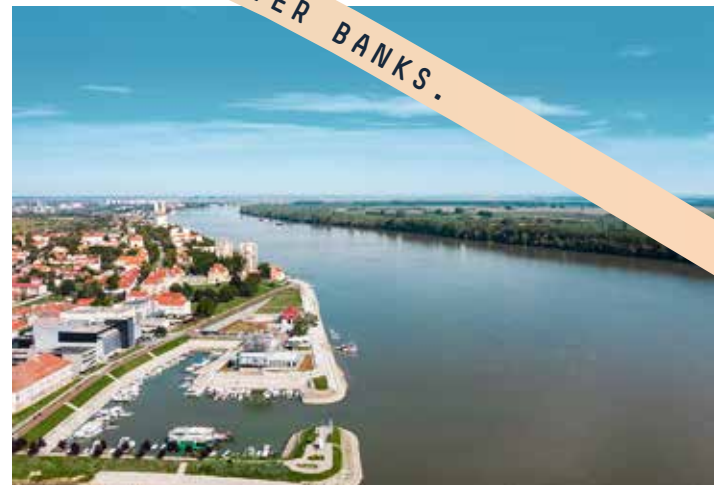


No other river in the world flows through so many countries. And all along – often in the face of huge obstacles – people have managed to build connections based on more than just the Danube.

From the Danube's origins in the Black Forest up to its estuary mouth into the Black Sea, tiny, sparkling brooks combine to form a wide river abounding in water. And while we are walking along the bank, thinking about life, an analogy comes to mind regarding the flow of thoughts: just like the big river, big ideas are born from countless small sources.

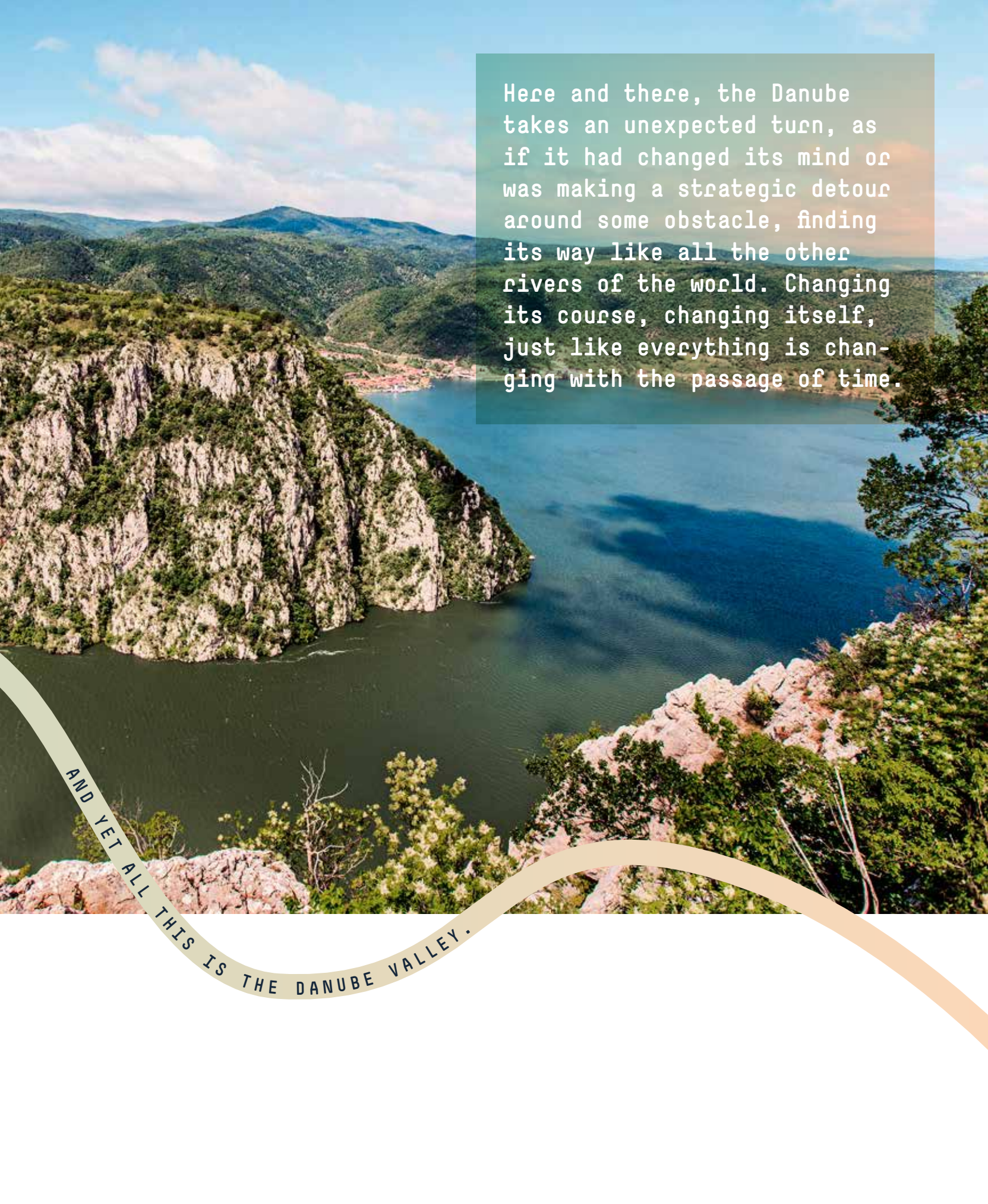


MANY BRIDGES, AND MILLIONS OF PEOPLE ALONG THE RIVER BANKS.





A DIFFERENT VALLEY BEHIND EVERY BEND,



Here and there, the Danube takes an unexpected turn, as if it had changed its mind or was making a strategic detour around some obstacle, finding its way like all the other rivers of the world. Changing its course, changing itself, just like everything is changing with the passage of time.

AND YET ALL THIS IS THE DANUBE VALLEY.



SEE YOU SOON, AT EURAM BANK, ON THE BANKS OF THE DANUBE,





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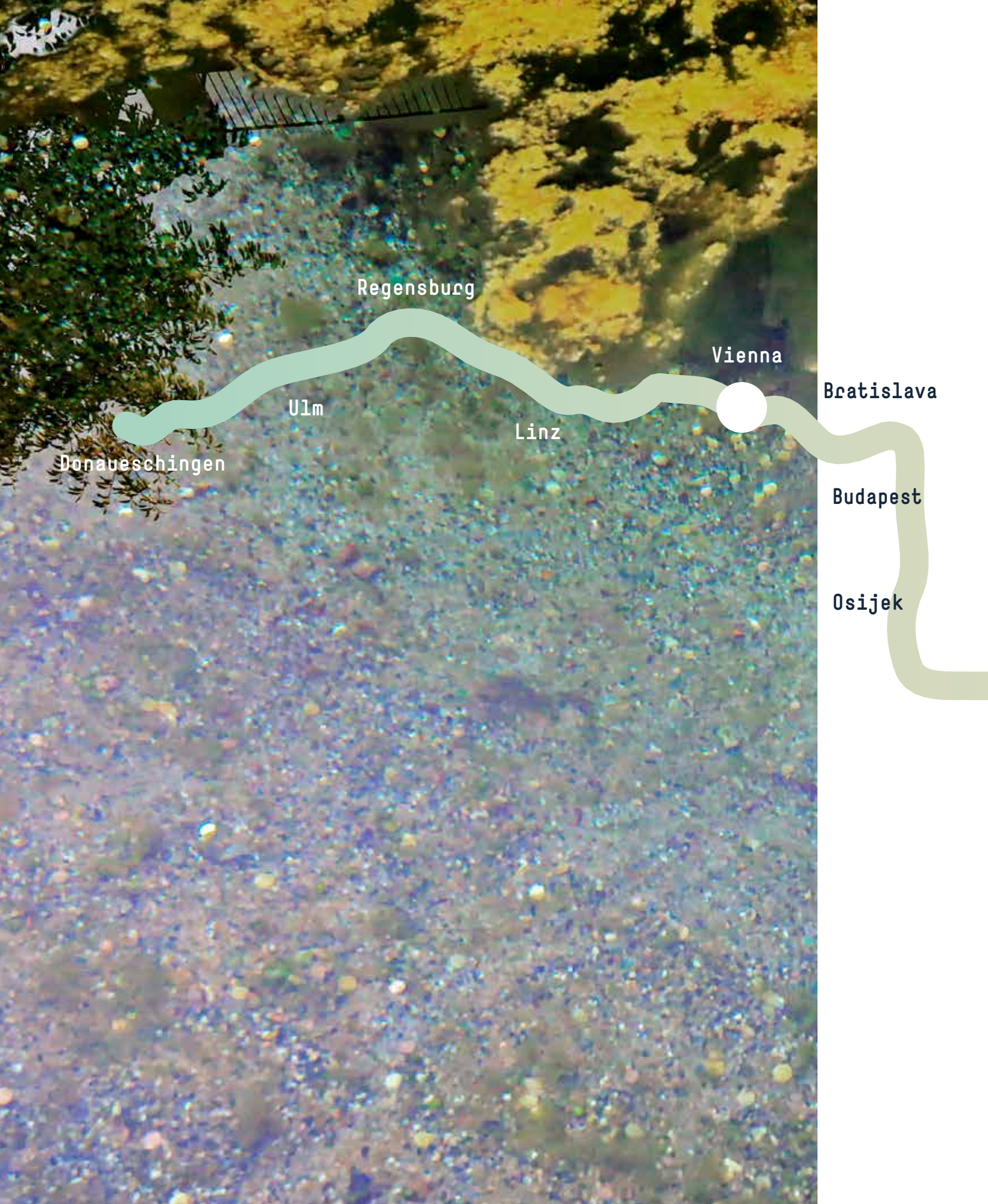
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This is a translation from German. In case of
any discrepancies between the English and the
German version the German text shall prevail.

OR AT YOUR PLACE. KEEP GOING WITH THE FLOW!





Regensburg

Vienna

Bratislava

Ulm

Linz

Donaueschingen

Budapest

Osijek



Belgrade

Vidin

Giurgiu

Ruse

Giurgiuleşti

Vylkove



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