

Disclosure Statement

pursuant to Section 26a (2) of the Austrian Banking Act and the Disclosure Ordinance issued by the Austrian Financial Market Authority (*FMA*) to implement the Austrian Banking Act in respect of credit institutions' disclosure obligations.

§ 1 – General disclosure provisions

The purpose of this Ordinance is to transpose into Austrian law Annex XII, Part 2 and Part 3 of Directive 2006/48/EC of the European Parliament and of the Council relating to the taking up and pursuit of the business of credit institutions (OJ no L 177 of 30 June 2006, page 1), unless that Directive was already implemented in the context of the Austrian Banking Act (BWG), Federal Law Gazette no 532/1993, most recently amended by Federal Law Gazette I no 141/2006 or other ordinances issued by the Financial Market Authority.

§ 2 – General requirements: risk management for individual risk categories

Risk strategy

The objective of strategic risk considerations is to permanently ensure Euram Bank AG's risk-carrying ability and thus Euram Bank AG's continued existence. Besides a risk-oriented perspective, appropriate annual results constitute another prerequisite for the Bank's operations in order to further improve its risk-carrying ability and its own funds.

Euram Bank AG is generally influenced by a conservative approach to risks pertaining to the business and operations of a bank. This also means that the Bank applies the principle of prudence if risks are unclear and unmanageable and will only accept risks that can be fully estimated and thus evaluated.

New business activities or products are generally launched not until after an adequate analysis of business-specific risks has been carried out.

The risk strategy forms an integral part of the internal capital adequacy assessment process. Euram Bank AG has laid down its risk strategy in writing, defining its basic risk management approach.

Credit Risk

According to internal rules, loans are granted almost exclusively if 100 % security is available. Credit risks are covered to a large extent by securities which are allowable under the Basle II Standard Method.

Market Risk

Only very few business dealings of the Bank are subject to the risk of changes in market prices and rates, therefore Market Risk is of low significance .

Operational Risk

In all sectors of Euram Bank Operational Risks are minimized by means of clear assignment of responsibilities and written operating procedures. Damages are reported irrespective of the amount and are recorded in a central damage data base. Operational Risk is measured according to the Basis Indicator Method.

Liquidity Risk:

The liquidity risk management is ensuring that Euram Bank always can meet its payment liabilities on time. The respective internal guidelines have been established in line with the Bank's Risk Strategy. Liquidity is monitored and ensured on a daily basis. Due to the deposit structure of Euram Bank on one hand and the conservative investment policy on the other, Liquidity Risk is of minor significance.

Risk-carrying ability

The definition of risk-carrying ability (income, capital, hidden reserves) is based both on regular and problem cases. Overall risks are calculated by adding major individual risks.

Risk management, risk control

Pursuant to the Austrian Banking Act, responsibility for implementing risk strategies and risk management lies with Euram Bank AG's managers. Professional risk management is one of the core management tasks of a credit institution. The material risks, the development of risk-carrying ability and exploitation thereof are set out in quarterly risk disclosure statements, taking into account also unquantifiable risks. The risk disclosure statements are containing details about credit risk, market risk, liquidity risk, operational risk, money laundering and compliance as well as about the total risk position of the Bank.

Risks are continuously managed on the basis of the available risk disclosure statements.

The Chief Financial Officer (CFO), a member of the managing board of Euram Bank, is in charge of the risk management activities related to credit-, market- and operational risk. The CFO is responsible for the planning, managing and controlling of the aforementioned risks and is thereby supported by a risk manager. Treasury is in charge of liquidity management. Treasury management of Euram Bank is performed by the Asset Management department.

Risk Reporting and Risk Measurement Systems

EURAM Bank is measuring and managing risks based on principles formulated in writing, which are defined in the internal guidelines (Risk Management). Limits have been defined for all relevant types of risk. The risk manager is monitoring compliance with those limits on an ongoing basis and provides regular reports to all members of the managing board.

Organisation

Organisation and operations are structured in a manner to avoid conflicts of interests as much as possible. Any instructions and guidelines necessary for risk management are available to the relevant employees in the form of service instructions. The processes applied are regularly monitored by Euram Bank AG's internal audit department.

§ 3 – General requirements: Information pertaining to the scope of application

Name of the credit institution: European American Investment Bank Aktiengesellschaft ("Euram Bank AG")

Euram Holding AG is Euram Bank AG's financial holding company pursuant to Section 30 (1) of the Austrian Banking Act and as such holds 100 % of Euram Beteiligungverwaltung GmbH and 37 % of Euram Bank AG. Euram Beteiligungverwaltung GmbH, in turn, holds 63 % of Euram Bank AG. Euram Holding AG consolidates Euram Bank AG on a full basis and Euram Beteiligungverwaltung GmbH at equity. Furthermore Euram Holding AG Euram Holding AG holds 14.2% in Voice Cash Mobile Commerce Ltd, Malta and 15.7% in Jet Republic Malta Ltd.

Pursuant to Section 249 (2) of the Austrian Companies Act (*UGB*), Euram Bank AG elects not to include the subsidiaries mentioned below into its consolidated financial statements. Since the balance-sheet total of all investments is less than 1 % of Euram Bank AG's balance-sheet total and the annual results of the individual investments are insignificant, the subsidiaries' assets and liabilities, financial conditions and results of operation are not consolidated due to the subsidiaries' subordinate significance.

Euram Bank AG holds 100 % in Euram Asset Management Monaco S.A.M., a Monaco based asset manager, and 100 % in Euram Invest Holdings I GmbH, in Euram Invest Holdings II GmbH, in Euram Invest Holdings 3 GmbH and in Euram Invest Holdings Vier GmbH (limited liability companies' lines of business: management of investments).

Euram Holding AG holds 51 % of Euram Bank Asia Ltd, Dubai since November 2009.

§ 4 – General requirements: equity capital structure

As of 30 June 2009, the Euram Holding AG Group's regulatory capital amounted to EUR 18,176 thousand pursuant to Section 23 (1) of the Austrian Banking Act, consisting of core capital of EUR 15,176 thousand pursuant to Section 23 (14) no. 1 of the Austrian Banking Act and supplementary capital of EUR 3,000 thousand pursuant to Section 23 (1) no. 5 of the Austrian Banking Act.

The core capital consists of paid-up capital (EUR 2,900 thousand), capital reserves (EUR 305 thousand), revenue reserve (EUR 3,500 thousand) other reserves (EUR 8,521 thousand), less intangible assets (EUR 50 thousand).

As of 30 June 2009, Euram Bank AG's regulatory capital amounted to EUR 14,642 thousand pursuant to Section 23 (1) of the Austrian Banking Act, consisting 100 % of core capital pursuant to Section 23 (14) no. 1 of the Austrian Banking Act.

The core capital consists of paid-up capital (EUR 10,046 thousand), capital reserves (EUR 1,886 thousand), revenue reserves (EUR 2,099 thousand), other reserves (EUR 661 thousand), less intangible assets (EUR 50 thousand).

§ 5 – General requirements: Minimum capital requirement

Euram Bank AG analyses all relevant risks pertaining to its operations in the context of its risk management process. The objective of risk identification is to permanently, fully and economically record all individual risks. Identified risks are measured and aggregated to a total loss potential. The loss potential is compared with the available risk covering potential (income, capital, hidden reserves) in the context of the risk-carrying ability statement for the purpose of planning, measuring and monitoring the Bank's total risks. This, just like optimising the own funds approach, is one of the main tasks of risk management.

The minimum capital requirement pursuant to Section 22 (1) of the Austrian Banking Act amounts to EUR 7,671 thousand including EUR 4,216 thousand for any credit risk pursuant to Section 22 (1) no. 1 of the Austrian Banking Act, EUR 52 thousand for any foreign exchange risk pursuant to Section 22 (1) no. 3 of the Austrian Banking Act, EUR 2,099 thousand for any operational risk pursuant to Section 22 (1) no. 4 of the Austrian Banking Act and EUR 1,304 thousand for qualified non-financial investments pursuant to Section 29 (4) of the Austrian Banking Act.

The credit risk assessment basis is calculated based on the credit risk standardised approach referred to in Section 22a (4) of the Austrian Banking Act. The capital requirement for any credit risk consists of EUR 1,283 thousands for claims on institutions (Section 22a (4) no. 6 of the Austrian Banking Act), EUR 2,124 thousands for claims on corporates (Section 22a (4) no. 7 of the Austrian Banking Act), EUR 139 thousands for retail claims (Section 22a (4) no. 8 of the Austrian Banking Act), EUR 84 thousands for claims secured on real estate property (Section 22a (4) no. 9 of the Austrian Banking Act), EUR 141 thousands for claims in the form of investment fund shares (Section 22a (4) no. 15 of the Austrian Banking Act), and EUR 466 thousands for other items (Section 22a (4) no. 16 of the Austrian Banking Act).

An internal claims data base is maintained in the context of operational risk management. Since the risk-carrying ability statement shall also include unexpected risks, the risk potential rather than being determined on the basis of past data from the claims data base is determined using the basic indicator approach pursuant to Section 22j of the Austrian Banking Act.

§ 6 – General requirements: Counter-party default risk

Euram Bank does not conduct commercial credit business. Loans are granted only in connection with existing client relationships in Private Banking and solely on a fully secured basis against pledged cash deposits, securities, life insurance or mortgages. For that reason counter-party default risk does not have significant relevance.

§ 7 – General requirements: credit and dilution risks

Credits are deemed past due if the contractually agreed interest or redemption payments are 90 days or more past due and interest is still being accrued.

Credits are deemed impaired if, due to a customer's credit standing, a loss cannot be excluded in the near future. Euram Bank AG defines such credits as problem credits (credits for which interest is no longer being accrued, and credits where interest and/or redemption payments are 90 days or more past due). Problem credits comprise all credits where, due to

available information about borrowers' potential credit problems, management has considerable doubts that borrowers are able to comply with their contractual repayment agreements.

Credits are depreciated if these are irrecoverable based on an assessment by credit risk management. As a rule, a credit is depreciated if all economically reasonable methods of collection have been exhausted, taking into account any information on any material change in a borrower's financial condition based on which the borrower is no longer able to fulfil his obligation or based on which the proceeds from the collaterals provided will not be sufficient to repay the credit.

During business year 2008/2009 value adjustments of securities valued like financial investments amount to EUR 409 thousands. The amount of EUR 409 thousands is shown in the profit- and loss statement directly.

§ 8 – General requirements: application of the credit risk standardised approach

Euram Bank AG does not use external ratings for the purpose of determining the weighted exposure amounts for the exposure classes pursuant to Section 22a (4) of the Austrian Banking Act.

§ 9 – General requirements: special financing, equity exposures, and other assets

Not relevant to Euram Bank AG from today's viewpoint, since credit risks are calculated on the basis of the standardised approach.

§ 10 – General requirements: other risk types

The minimum capital requirement for the foreign exchange risk of the Euram Holding Group (pursuant to Section 22(3) of the Austrian Banking Act) is not significant.

§ 11 – General requirements: internal market risk limitation models

Euram Bank AG does not use any internal market risk limitation models.

§ 12 – General requirements: operational risk

Euram Bank AG determines the minimum capital requirement according to the basic indicator approach pursuant to Section 22j of the Austrian Banking Act.

§ 13 – General requirements: equity exposures outside the trading book

Euram Bank AG is comprised in the consolidated financial statements of Euram Holding AG, Vienna.

According to the consolidated financial statements as of June 30, 2009, the equity exposures of Euram Holding AG are as follows (in €thousands)

Book value equity exposures	4.620
Book value investment in affiliated companies	1.156

A listing of the whole group as well as the affiliated companies is shown under Section 3 above.

§ 14 – General requirements: interest risk arising from items held in the non trading book

Interest risks are measured on a monthly basis. Fixed-rate and variable-rate instruments are assigned to the maturity schedules based on their effective duration. All positions with an indefinite duration are classified on the basis of expert assessments.

§ 15 – General requirements: securitisation

Not relevant to Euram Bank AG from today's viewpoint.

§ 16 – Requirements prescribed for use of certain instruments or methods: disclosures upon application of the IRB-approach

Not relevant to Euram Bank AG from today's viewpoint, since credit risks are calculated on the basis of the standardised approach.

§ 17 – Requirements prescribed for use of certain instruments or methods: disclosures upon application of credit risk mitigation

Euram Bank AG only uses the recognised collaterals referred to in Section 22h of the Austrian Banking Act to mitigate credit risks, in particular pledged securities, cash deposits, life insurance, mortgages and guarantees. Collaterals are rated and managed according to existing laws and internal regulations.

§ 18 – Requirements prescribed for use of certain instruments or methods: disclosures upon application of the advanced measurement approach

Not relevant to Euram Bank AG from today's viewpoint, since own funds for operational risks are determined using the basic indicator approach.

§ 19 – Final provisions

Where this Ordinance refers to provisions of the Austrian Banking Act (BWG), Federal Law Gazette no 532/1993, the Austrian Banking Act, as amended by Federal Law Gazette I

no 141/2006, shall apply. Where this Ordinance refers to other ordinances issued by the Federal Market Authority, those ordinances, as amended from time to time, shall be applicable, unless otherwise provided.

All amounts indicated refer to 30 June 2009 if not stated explicitly.