Annual Financial Report 2015

OESTERREICHISCHE KONTROLLBANK AG

OeKB

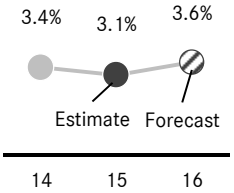
Contents

Group management report 2015

Economic environment in 2015

The anticipated upturn in the global economy did not materialise in 2015. According to the most recent forecast by the IMF (International Monetary Fund), global economic growth slowed down from 3.4% in 2014 to 3.1% in the year under review. Economic stimuli from industrial nations were weaker than initially expected, although the US and Euro zone economies picked up slightly (by +2.6% and +1.6% respectively) and Japan managed to pull out of recession. In line with this, the business year 2015 saw a slow-down in trading world-wide. While the World Trade Organization (WTO) expected global trade to increase by 3.3% at the beginning of 2015, recent estimations indicate that world trade grew by only 2.8%. Low raw material prices and subdued import demand from emerging markets like China and Brazil were some of the main reasons for this development.

World
Real GDP Growth in %

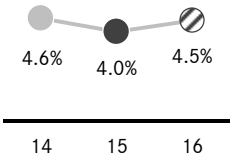


Sources: WIFO, EU Commission, IMF

Growth slows in emerging and developing economies

In 2015, growth in the emerging and developing countries lost momentum once again. The IMF estimates a GDP increase of 4%. However, diverging economic trends could be observed between the different world regions. For instance, economic output in the ASEAN states (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) developed just as strongly as in 2014, increasing by 4.6%. In contrast, economic activity in the BRIC countries cooled markedly in the year in question. While China's growth rate fell below the seven-percent mark, Brazil and Russia even saw a drop in gross domestic product. Russia, in particular, is facing a longer-lasting recession due to the fall in oil prices and the ongoing sanctions resulting from the Ukraine crisis. Only India's economy continued to grow dynamically, with GDP increasing by 7.3%.

Emerging and developing countries

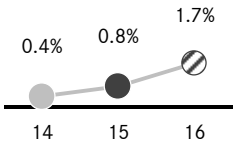


Diverging trends in economic development in Central, Eastern and Southeastern Europe

According to the Vienna Institute for International Economic Studies (WIIW), the overall economic situation in Central, Eastern and Southern Europe improved slightly in 2015. At the country level, however, economic development varied. While a positive economic trend could be observed in the Czech Republic (+3.9%), Poland (+3.5%) and Romania (+3.4%), the economic situation in Ukraine remained difficult. The country's GDP decreased by more than 11% in the year under review owing to continuing political unrest. The ongoing regional uncertainty is also reflected in the expectations of investors operating in the CEE region. As the results of the OeKB CEE business climate in the 4th quarter of 2015 show, the assessment of both the current business situation and the business expectations for the next six months was slightly less favourable than in the previous quarter.

Subdued economic development in Austria

Austria



In 2015 economic development in Austria was subdued, also due to the difficult international environment. The Austrian Institute of Economic Research (WIFO) estimates that GDP grew by a mere 0.8% last year. The main reasons for this are the weak consumption by private households as well as the slow-down in exports and corporate investment. After relatively strong results in previous years, the Austrian market for corporate bonds experienced a slump in 2015. The total issue volume of € 5.3 billion was below the previous year's level (€ 7.3 billion). Government bonds meanwhile benefited from Austria's reputation as a safe haven for investments. The 10-year yield on government-bonds was to 0.9% at the end of the year (previous year's reference value: 0.7%).

Business development in 2015

In the course of the financial year, early repayments of large-scale export financing and the low growth in Austrian exports reduced the financing volume under OeKB's Export Financing Scheme (EFS). OeKB Group's export financing decreased by € 1,442.9 million. As a result, the financing volume relating to small and medium-sized enterprises increased by € 44.9 million to € 1,073.7 million.

The 100% OeKB subsidiary, OeKB CSD GmbH (OeKB CSD) was founded on 14 January 2015 and consolidated in OeKB Group. OeKB fulfilled the requirements of Regulation (EU) No 909/2014 (CSD Regulation) by spinning-off the central securities depository from Oesterreichische Kontrollbank AG (OeKB) into OeKB CSD. The demerger has no effect on the consolidated financial statements as the spun-off assets and liabilities have remained in the Group.

While the total comprehensive income for the year in the amount of € 47.8 million is 11.6% under that of the previous year (€ 54.1 million), it is 14.2% higher than expected.

Consolidated statement of comprehensive income

Overall, it can be said that the Group's operating result for 2015 exceeded expectations. The net gain on financial instruments was far above the estimated amount in spite of volatile capital markets.

Owing to lower distributions from investment funds, income from securities investments decreased to € 12.3 million from the 2014 level of € 14.1 million (the securities investments consist of the Group's own investment portfolio, the liquid assets portfolio that supports the Export Financing Scheme, and investments of the development bank). Income from unconsolidated investments increased to € 1.7 million (2014: € 1.5 million).

Net interest income

Incorporating these results as well as one-off effects from early loan repayments, the Group's net interest income was € 79.5 million (2014: € 79.9 million).

The share of profit of equity-accounted investments decreased from € 5.9 million in 2014 to € 5.1 million in 2015. This was primarily due to a worse financial result compared to the previous year's in net financial items at the credit insurance subsidiary.

The item 'impairment losses on loans and advances and other credit risk provisions' represents the year's change in individual impairment charges for microcredits extended by OeKB. No other new loan loss provisions were required.

In the lending business, net fee and commission expenses changed by € (1.7) million to € (4.4) million. The reason lay in higher guarantee fees for the increased volume of the development bank.

Reflecting higher income from services provided to capital markets, net fee and commission income in the securities business rose by € 1.1 million year-on-year to € 27.9 million (2014: € 26.8 million).

Income went down from fees for the administration of export guarantees on behalf of the Republic of Austria. As the Corporate Liquidity Support Act (ULSG) expired in 2015, OeKB's administration fee also decreased. The net fee and commission income from the development bank's guarantee business increased. OeKB Group had a total net fee and commission income from the guarantee business in the amount of € 15.7 million compared with € 16.6 million in the previous year.

Net fee and commission income

In total, OeKB Group posted net fee and commission income of € 44.3 million (2014: € 45.7 million).

Administrative expenses, at € 83.2 million, were somewhat higher than in the previous year (2014: € 78.8 million). The reasons were increases in staff costs (up € 2.7 million), other administrative expenses (up € 1.2 million) and depreciation and amortisation (up € 0.5 million). The main reason the staff costs increased was one-off effects connected with the pension costs. The increase in other administrative expenses is mainly attributable to higher consultancy expenses. These, in turn, were primarily a result of the implementation of Regulation (EU) No 909/2014 (CSD Regulation) and higher costs connected with the Export Financing Scheme. The increase in depreciation and amortisation was largely due to investments in intangible assets (software) and IT hardware.

Net other operating income, at € 5.8 million, was down from the previous year's figure of € 7.6 million. The reduction mainly resulted from the termination of the service agreement for the ongoing liquidation of CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A).

Operating profit

Operating profit, at € 51.4 million, was down by approximately € 8.9 million from the previous year's amount of € 60.3 million.

The net gain of € 9.3 million on financial instruments reflected the volatility in financial markets (2014: net gain of € 24.0 million). The net gain on disposal and valuation of securities (€ 8.1 million; 2014: € 23.9 million) was driven by realised gains on bond redemptions and positive valuation effects for equities and bonds. The valuation of securities at fair value through profit or loss is recognised directly in the income statement. A profit of € 1.1 million was generated from the sale of the shares in the Budapest Stock Exchange Ltd, Budapest. As in the previous year, no impairment was recognised on investments in unconsolidated companies.

Total comprehensive income

Profit before tax in 2015 amounted to € 60.8 million (2014: € 84.2 million). Profit for the year was € 47.2 million, of which € 47.0 million (2014: € 65.4 million) was attributable to the owners of the parent company. With other comprehensive expense taken into account, total comprehensive income for the year attributable to owners of the parent was € 47.6 million (2014: € 53.9 million).

Segment results

The following positions in the segment statement differ from the positions in the consolidated statement of comprehensive income: the actuarial gains and losses under IAS 19 as part of the staff costs (in administrative expenses); the share of net other operating income, which according to equity-accounted investments as part of the share of profit of equity-accounted investments, net of tax.

The net interest income in the **Export Services segment** went down by € 55.4 million to € 51.3 million. The decrease was a result of the reduced credit volume in the Export Financing Scheme.

The net fee and commission income is mainly attributable to the administration of export guarantees and of the ULSG for the Republic of Austria. The ULSG expired in 2015 and there was generally weaker demand for export guarantees than in the previous years. The net fee and commission income was lower at € 14.9 million (2014: € 16.6 million).

The administrative expenses of the segment fell to € 36.0 million (2014: € 42.8 million). The reduction compared to the previous year is essentially attributable to the previous year‘s actuarial losses resulting from changes in the parameter in accordance with IAS 19. This effect is noticeable in all segments.

The net other operating income in the amount of € (0.9) million (2014: € (0.8) million) mainly resulted from the stability tax expenses and the income from service agreements.

The operating profit of the segment stood at € 29.3 million (2014: € 28.4 million). The net gain or loss on financial instruments was € (0.1) million (2014: € 0.1 million), the profit for the year amounted to € 22.0 million (2014: € 21.6 million).

The interest surplus in the **Capital Market Services segment** is shown as being negative (€ 19 thousand) because of the calculation of negative interest (2014: no net interest income).

The share of the losses in equity-accounted investments, coming from the CCP.A decreased from € (73) thousand to € (43) thousand.

The net fee and commission income in the segment increased to € 31.0 million (2014: € 29.6 million).

The administrative expenses fell to € 25.9 million (2014: € 28.7 million).

The net other operating income of the segment in the amount of € 1.1 million (2014: € 2.9 million) resulted from the income from service agreements. The reduction compared with the previous year was primarily due to the termination of the service agreement regarding the ongoing winding-down of CCP.A.

The operating profit of the segment stood at € 6.0 million (2014: € 3.6 million) and the profit for the year amounted to € 4.6 million (2014: € 2.8 million).

The net interest income in the **Other Services segment** rose from € 24.5 million to € 28.2 million. The rise is mainly attributable to the increase in financing connected with the 100% OeKB subsidiary Oesterreichische Entwicklungsbank AG (OeEB), the development bank of Austria.

The share of profits in equity-accounted investments resulting from the OeKB EH Beteiligungs- und Management AG, decreased from € 5.6 million to € 5.1 million. The private credit insurance activities are bundled in this holding company.

The impairment losses on loans and advances and other credit risk provisions in the segment amounted to € (0.1) million (2014: € (0.1) million).

The net fee and commission income went from € (0.4) million to € (1.6) million mainly due to the guarantee fees under section 9 of the Export Guarantees Act for financing relating to OeEB development projects.

The administrative expenses in the segment fell to € 20.2 million (2014: € 22.2 million).

The net other operating income in the amount of € 5.6 million (2014: € 5.6 million) was generated by income from service agreements.

The operating profit of the segment was € 17.1 million (2014: € 13.0 million). The net gain or loss on financial instruments dropped from € 23.9 million to € 9.4 million. This year's result included the income on the sale of the shares in the Budapest Stock Exchange, Budapest, in the amount of € 1.1 million. The profit for the year amounted to € 21.3 million (2014: € 29.6 million).

Balance sheet

At 31 December 2015, cash and balances at central banks (liquid assets in the form of balances at central banks) stood at € 223.1 million (2014: € 271.8 million).

Loans and advances to banks decreased, with the lower amount of lending under the Export Financing Scheme, to € 17,874.6 million (2014: € 19,311.8 million). Loans and advances to customers also decreased from € 1,510.3 million to € 1,481.4 million. However, the liquid assets portfolio in the EFS was expanded further. The holdings of other financial instruments mainly rose for that reason by € 813.2 million to € 2,602.5 million (2014: € 1,789.3 million). The deposits from banks increased owing to higher collateral deposits (2015: € 948.3 million; 2014: € 378.5 million).

The share of profits of the private credit insurance group was similar compared to the previous year's result. In total, the value of interests in equity-accounted investments changed slightly to € 67.8 million in 2015 (2014: € 67.7 million).

Total assets at 31 December 2015 amounted to € 28,775.7 million (2014: € 28,001.6 million).

Financial performance indicators

The cost/income ratio stood at 61.8% at the balance sheet date and was similar to the previous year's level (2014: 56.8%).

In 2015 the Group's equity capital was boosted from € 718.4 million to € 746.1 million.

At the balance sheet date, OeKB Group had € 695.4 million of consolidated regulatory capital pursuant to Regulation (EU) No 575/2013. In the preceding year, the corresponding amount was € 651.0 million.

The Tier 1 capital ratio at the balance sheet date was 83.1%. The previous year's comparative value was 67.4% (see note 24; formula: Tier 1 capital divided by (regulatory capital requirement divided by 8%)).

Return on equity (total comprehensive income attributable to owners of the parent company, divided by Tier 1 capital attributable to owners of the parent company) eased in 2015 from 7.5% to 6.4%.

Research and development

No research and development is conducted as a direct result of OeKB Group's business activities (banking and insurance).

Claims for damages

In the Meinl European Land Limited, Jersey (MEL) case, in which share certificates were issued by OeKB, the Supreme Court decided, in its test-case 23 October 2015 ruling, in OeKB's favour on the question of whether OeKB was obliged to make ad-hoc reports concerning MEL. New claims against OeKB are not expected to be made before 31 March 2016, which is the end of the period of limitations.

Events after the balance sheet date

There were no events that required reporting after the balance sheet date.

Risk management system

System of internal control management

The aim of the internal control system is to support the management in such a way that it is in a position to ensure ever better and more effective internal checks. This aim should not only be limited to financial reporting, but should include all important business processes, so that the economic efficiency and effectiveness of business activities, the reliability of the corporate information (including non-financial reporting, e.g. Corporate Responsibility) as well as the adherence to guidelines and regulations (compliance) can be guaranteed.

OeKB's system of internal control (the 'internal control system', or ICS) draws on the COSO framework, which has five components: the control environment, risk assessment, control activities, information and communication, and monitoring ('COSO' stands for the Committee of Sponsoring Organizations of the Treadway Commission).

Control environment

The most fundamental aspect of the control environment is the corporate culture in which management and employees operate. Central organisational principles are the avoidance of conflicts of interest through strict separation of risk origination and risk oversight, the transparent documentation of core processes and control activities, and rigorous segregation of duties and application of the principle of dual control (i.e., transactions require approval by at least two individuals). The Internal Audit/Group Internal Audit independently and regularly verifies the adherence to internal rules, including the accounting rules. The head of Internal Audit/Group Internal Audit reports directly to the Executive Board and Supervisory Board.

Risk assessment

The goal of risk management at OeKB Group is to file risks and take measures to avert or mitigate risks. This also includes the risk of material misstatement of transactions. The risk management system includes all processes that serve to identify, analyse and evaluate risks. They are identified and monitored by management, with a focus on risks that are deemed to be material. The internal control activities performed by those responsible are evaluated regularly.

Control activities

OeKB Group has a governance system that sets out structures, processes, functions and responsibilities within the company. Care is taken to implement all control activities in such a way as to ensure that potential errors or discrepancies in financial reporting are avoided or discovered and corrected.

Control activities regarding information technology security represent a cornerstone of the internal control system. Thus, the separation of sensitive responsibilities is supported by restrictiveness in the assignment of IT authorisation (need-to-know basis). For accounting and financial reporting, the software SAP is used. The functioning and effectiveness of this accounting system is assured, among other ways, by automated IT controls installed in the system.

In subsidiaries, the respective management has ultimate responsibility for the internal control and of risk management appropriate to the respective company's requirements, particularly in relation to the accounting process, and for compliance with the associated Group-wide policies and rules.

Information and communication

The Supervisory Board is briefed at least every quarter with a comprehensive report on the balance sheet, income statement and other management accounting and risk data. The Executive Board receives this information in regular, significantly more detailed reports prepared monthly or even more frequently. The Executive Board monitors the appropriateness and effectiveness of the internal control system. The Executive Board also established an Asset Liability Management Committee and a Risk Management Committee that receive, analyse and monitor this data.

Monitoring

Financial statements intended for publication undergo a final review by management staff of the Accounting & Financial Control department and by the Executive Board before being forwarded to the Audit Committee of the Supervisory Board. By monitoring compliance with all rules and regulations, OeKB Group aims to make all business processes as safe as possible and ensure Group-wide conformity with policies and procedures. The staff members responsible manage identified risks and shortcomings in controls through prompt mitigative measures. To be able to assure compliance with requirements within OeKB Group, compliance is monitored in accordance with the annual audit plan of the Internal Audit/ Group Internal Audit department.

Risk management

Risk management – essentially, the identification, monitoring, assessment, reporting, planning and treatment of risks – consists of important processes integrated in Group strategy that are designed to ensure the lasting stability and profitability of the enterprise. Every risk assumed by OeKB Group is accepted consciously and is consistent with the Executive Board's risk policy and strategy, which aims to assure a stable return on equity through a conservative approach to all risks, including financial risks and risks arising from business operations in general. The risk policy and strategy set out the risk management principles, the risk appetite and the principles for the measurement and control of the risk categories used.

Details on the risk management of OeKB Group are provided in ***notes 35 to 38 to the consolidated financial statements.***

OeKB acts as Austria's official export credit agency and is a central provider of services to the capital market. This special position of the bank and the associated responsibility for supporting the Austrian economy shape the business strategy and risk policy.

The Export Financing Scheme represents the great majority of assets on the balance sheet, and is treated as a separate accounting entity. In this respect, OeKB is exempt from certain relevant legislation, such as the Capital Requirements Regulation or CRR (Regulation (EU) No 575/2013). In OeKB Group's process for assessing risk coverage, the Export Financing Scheme is treated as investee risk for which risk coverage is calculated separately.

Further major exemptions for OeKB apply in connection with the European and national provisions for banking union (such as the Bank Recovery and Resolution Directive, or BRRD). Similarly, these exemptions apply to the core businesses of the two banking subsidiaries, "Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG. Comprehensive exemptions apply to OeKB CSD GmbH (cf. section 3(1.12) of the Austrian Banking Act) in order to avoid the overlapping of different supervisory requirements.

ICAAP and ILAAP

Despite the exemptions referred to above, OeKB uses a risk management system, centred on the Internal Capital Adequacy Assessment Process (ICAAP) of OeKB Group. As a measurement and control tool, the ICAAP forms an integral part of the management process. In its ICAAP, the Group applies both the 'going concern' approach (designed to ensure sufficient regulatory capital to continue in business even in times of severe losses) and the 'gone concern' approach (focusing on protecting creditors and the ability to repay deposits and other senior debt in the event of liquidation). Besides the management of credit, market and operational risks, the control of liquidity risk represents a key risk management process.

Key variables used in risk management

A key variable in the measurement and management of OeKB Group's risk is economic capital; it is calculated using the concept of Value at Risk (VaR) as well as Credit Value at Risk (CVaR), over a one-year observation period. Key components of aggregate risk are market risk, credit risk and operational risk. Other risks, such as model risk and business risk, are incorporated in the risk coverage calculation through flat percentage-based amounts.

Risk appetite

OeKB Group defines risk appetite primarily through the confidence levels at which economic capital is determined. In the gone concern approach, the confidence level regarding the unexpected loss (the statistical probability that the unexpected loss will not exceed a given level) is set at 99.98%, which on the internal rating master scale corresponds to OeKB's current rating (S&P: AA+/Moody's: Aaa).

In the calculation of risk coverage, the economic capital required is compared to the economic capital available, using a multi-tiered system that takes into account the different coverage objectives, and limit-compliance is monitored.

Liquidity risk is managed primarily using the specified survival period, which is determined by means of liquidity gap analysis under stress scenarios. The specified minimum survival period under stress is set at one month.

Non-financial performance indicators

Given OeKB Group's significance for Austria's capital market and export industry, it is acutely aware of the importance of highly qualified and motivated staff. Service quality and expertise, combined with consciousness regarding sustained earnings, cost and risk, are the key success factors.

In the year under review, important work was done to establish an expert career path as an alternative to the traditional management career model, in order to remain an attractive employer for specialists and technical experts. In OeKB Group's flat management hierarchy, our experts play a critical role in the success of the business. The significance of expert staff should be made more apparent in the future.

OeKB Group's long-term success depends on the commitment of the people working for it. Family-friendly measures such as flexible working hours, teleworking and a company kindergarten should appeal to every employee who values the compatibility of work and family life. As a result, the compatibility of professional and non-professional activities should be supported in a comprehensive way. The high percentage of positions held by women, the large number of part-time employees and low staff turnover testify to the popularity of these features.

For details on the compensation policy, see ***Offenlegungsbericht*** *(in German only)*

Compensation at OeKB has a variable component that is based on personal performance and corporate results. The compensation policy was reviewed to ensure conformity with the legal requirements. Comparable remuneration models are in place at Oesterreichische Entwicklungsbank, at OeKB CSD and at Exportfonds.

The Group's staff headcount at the end of 2015 was 412 full-time employees (previous year: 404).

Despite the difficult market situation, the Group generated an operating profit of € 125 thousand per full-time employee (2014: € 149 thousand).

OeKB Group's staff [1]

As at	31 Dec 2013	31 Dec 2014	31 Dec 2015
Total number of employees	**437**	**435**	**444**
Of whom part-time employees	*99*	*99*	*101*
Of whom part-time employees (in %)	*22.7%*	*22.8%*	*22.7%*
Total employees in full-time equivalents	406	404	412
Average number of employees	403	400	404
Average age in years	44.2	44.6	44.9
Average length of service in years	15.6	16.2	16.2
Sick days per year and employee	8.6	7.8	9.1
Proportion of total positions held by women	58.1%	58.4%	56.8%
Proportion of management positions held by women	34.4%	35.4%	40.3%
Turnover rate [2]	2.5%	1.9%	2.3%

[1] Including the fully consolidated subsidiaries OeEB, OeKB CSD and Exportfonds, and employees seconded to Acredia AG.

[2] The turnover rate is calculated as follows: the number of people leaving during the year (excluding retirement), multiplied by 100, divided by the average number of employees in the year. As a result of the low turnover, presenting an analysis by gender and age group would not make sense.

Outlook for 2016

Macro-economically, 2016 will be another difficult year. The climate of uncertainty will persist (with some regional variation). This poses a big challenge for the Austrian export industry. As in the past, OeKB continues to assist exporters both through export credits and with export guarantees. After the lifting of the economic and financial sanctions in Iran, it is one again possible to offer export credits and guarantees for export business with Iran as of January 2016. Credit disbursements can be expected to remain steady in 2016.

For 2016 we expect our investments in securities to generate a reduced return as a result of lasting low interest rates, despite the recent improvement in economic forecasts for the USA. The risk premiums on Austrian treasury instruments continue to be stable and the terms of OeKB's access to the market should thus remain unchanged.

In the course of 2016 OeKB CSD will apply to the FMA for a licence under the CSDR in order to continue to carry out the function of a domestic central securities depository in accordance with the CSDR. The licence under the CSDR should have been granted by the end of 2016/the start of 2017. Furthermore, the completion of the target 2 securities project will also be very high priority. The aim of this project is to have a pan-European settlement platform for securities in place by February 2017.

Overall, the Group's companies are well prepared to meet the challenges ahead and are expecting a sustained stable trend in operating income.

We wholeheartedly thank all our employees for their commitment and their contribution to the business results achieved. This sincere 'thank you' also goes to the Staff Council, whose members, true to tradition, represented the interests both of the employees and the bank.

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN ANGELIKA SOMMER-HEMETSBERGER

OeKB Group 2015 consolidated financial statements

Consolidated statement of comprehensive income

€ thousand	Notes		2015	2014	Change in %
Interest and similar income		293,202	292,428	344,436	-15.1%
Minus negative interest from money market business		(574)		-	-
Minus negative interest from credit business		(200)		-	-
Interest and similar expenses		(289,833)	(212,958)	(264,512)	9.6%
Minus positive interest from money market business		433		-	-
Minus positive interest from refinancing business		76,442		-	-
Net interest income	7		**79,470**	**79,924**	**-0.6%**
Share of profit of equity-accounted investments, net of tax	7, 18		5,142	5,887	-12.7%
Impairment losses on loans and advances and other credit risk provisions	8		(60)	(91)	-34.0%
Fee and commission income			55,530	56,044	-0.9%
Fee and commission expenses			(11,231)	(10,302)	9.0%
Net fee and commission income	9		44,299	45,742	-3.2%
Administrative expenses	10		(83,181)	(78,808)	5.5%
Net other operating income	11		5,774	7,609	-24.1%
Operating profit			**51,444**	**60,263**	**-14.6%**
Net gain or loss on financial instruments	12		9,343	23,979	-61.0%
Profit before tax			**60,787**	**84,242**	**-27.8%**
Income tax and other taxes	13		(13,613)	(18,596)	-26.8%
Profit for the year			**47,174**	**65,646**	**-28.1%**
Items that will not be reclassified in the income statement					
Actuarial gains/(losses) on defined benefit plans	21		999	(14,894)	-106.7%
Equity-accounted investments - share of other comprehensive income/(expense)	18		(98)	(384)	-74.5%
Tax effects	13		(250)	3,723	-106.7%
Other comprehensive income/(expense) after tax			**651**	**(11,555)**	**-105.6%**
Total comprehensive income for the year			**47,825**	**54,091**	**-11.6%**
Profit for the year attributable to					
Owners of the parent			46,950	65,401	-28.2%
Non-controlling interests			224	245	-8.8%
			47,174	**65,646**	**-28.1%**
Total comprehensive income for the year attributable to					
Owners of the parent			47,596	53,875	-11.7%
Non-controlling interests			228	216	5.7%
			47,825	**54,091**	**-11.6%**

Earnings per share

	2015	2014
Total comprehensive income for the year attributable to owners of the parent, in € thousand	47,596	53,875
Average number of shares outstanding	880,000	880,000
Earnings per share, in €	**54.09**	**61.22**

At 31 December 2015, as in the previous year, there were no exercisable conversion or option rights. The stated earnings per share therefore represent basic earnings per share and are not subject to dilution.

Consolidated balance sheet of OeKB Group

Assets

€ thousand	Notes	31 Dec 2015	31 Dec 2014	Change in %
Cash and balances at central banks	25	223,147	271,838	-17.9%
Loans and advances to banks	14	17,874,580	19,311,835	-7.4%
Loans and advances to customers	14	1,481,426	1,510,321	-1.9%
Allowance for impairment losses on loans and advances	15	(622)	(562)	10.7%
Other financial instruments	16	2,602,495	1,789,342	45.4%
Derivatives designated as hedging instruments	33	6,331,911	4,872,878	29.9%
Interests in equity-accounted investments	18	67,763	67,670	0.1%
Property and equipment and intangible assets	17	23,065	26,173	-11.9%
Current tax assets		4,393	409	974.0%
Deferred tax assets	22	85,313	83,209	2.5%
Other assets	19	82,260	68,456	20.2%
Total assets		**28,775,731**	**28,001,569**	**2.8%**

Liabilities and equity

€ thousand	Notes	31 Dec 2015	31 Dec 2014	Change in %
Deposits from banks	20	1,079,421	513,146	110.4%
Deposits from customers	20	754,526	814,380	-7.3%
Debt securities in issue	20	23,624,706	23,541,088	0.4%
Derivatives designated as hedging instruments	33	915,216	1,026,694	-10.9%
Provisions	21	1,498,072	1,237,201	21.1%
Current tax liabilities		2,406	4,359	-44.8%
Deferred tax liabilities	22	28,018	26,478	5.8%
Other liabilities	23	127,277	119,799	6.2%
Equity	24	746,089	718,424	3.9%
Attributable to non-controlling interests		*4,439*	*4,352*	*2.0%*
Total liabilities and equity		**28,775,731**	**28,001,569**	**2.8%**

Consolidated statement of changes in equity of OeKB Group

The amounts of subscribed share capital and capital reserves shown in the following tables are the same as those reported in the separate financial statements of Oesterreichische Kontrollbank AG.

More information on equity is provided in note 24.

Consolidated statement of changes in equity 2015

€ thousand	Notes	Called-up share capital	Capital reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	Total equity
At 1 January 2015		130,000	3,347	580,725	714,072	4,352	718,424
Profit for the year		-	-	46,950	46,950	224	47,174
Other comprehensive income	24	-	-	647	647	4	651
Total comprehensive income for the year		**-**	**-**	**47,596**	**47,596**	**228**	**47,825**
Transactions with owners (dividends)	24	-	-	(20,020)	(20,020)	(140)	(20,160)
At 31 Dec 2015		**130,000**	**3,347**	**608,302**	**741,650**	**4,439**	**746,089**

Consolidated statement of changes in equity 2014

€ thousand	Notes	Called-up share capital	Capital reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	Total equity
At 1 January 2014		130,000	3,347	546,870	680,217	4,273	684,490
Profit for the year		-	-	65,401	65,401	245	65,646
Other comprehensive (expense)	24	-	-	(11,526)	(11,526)	(29)	(11,555)
Total comprehensive income for the year		**-**	**-**	**53,875**	**53,875**	**216**	**54,091**
Transactions with owners (dividends)	24	-	-	(20,020)	(20,020)	(137)	(20,159)
At 31 Dec 2014		**130,000**	**3,347**	**580,725**	**714,072**	**4,352**	**718,424**

Consolidated statement of cash flows of OeKB Group

As of 2015, the loans and advances to banks and customers are presented divided into proceeds from amortisation and disposal and from purchase. At the same time deposits from banks and customers as well as debt securities in issue are presented in proceeds and purchase of amortisation. The comparative data from the previous year was restated. Further detail on cash and cash equivalents and additional information on the cash flow statement are provided in note 25.

Consolidated statement of cash flows of OeKB Group

€ thousand	2015	2014
Cash and cash equivalents at beginning of period	**271,838**	**520,631**
Net cash from/(used in) operating activities	83,654	154,076
Net cash from/(used in) investing activities	601,452	1,922,881
Net cash (used in) financing activities	(733,797)	(2,325,750)
Cash and cash equivalents at end of period	**223,147**	**271,838**

€ thousand	Notes	2015	2014
Profit before tax		**60,787**	**84,242**
Non-cash items included in profit before tax, and adjustments to reconcile profit before tax to cash flows from operating activities			
Depreciation, amortisation and impairment of property and equipment	17	4,688	4,558
Depreciation, amortisation and impairment of intangible assets	17	582	240
Changes in provisions		(2,957)	5,150
Gains/(losses) from disposal and/or valuation of property and equipment		79	-
Gains/(losses) from disposal and/or valuation of investments in other unconsolidated companies	12	(1,074)	-
Unrealised (losses) from valuation of investments	12	(5,873)	(22,658)
Unrealised gains/(losses) from valuation of issues and swaps	12	12,731	(1,162,736)
Unrealised gains/(losses) from foreign exchange fluctuation	12	(12,871)	1,162,676
Gains/(losses) from exchange rate fluctuation		(192)	(277)
Other non-cash items		(2,306)	(2,660)
Changes in operating assets and liabilities, after adjustment for non-cash components			
Other operating assets		(11,949)	5,971
Other operating liabilities		8,269	35,433
Interest and dividends received		295,244	346,347
Interest paid		(241,200)	(285,286)
Income tax paid	13	(20,304)	(16,924)
Net cash from operating activities		**83,654**	**154,076**
Proceeds from amortisation and disposal of			
Loans and advances to banks	14	23,539,356	28,202,630
Loans and advances to customers	14	532,210	1,995,889
Other financial instruments	16	180,589	99,868
Investments in other unconsolidated companies	16	11,104	-
Property and equipment and intangible assets		-	-
Purchase of			
Loans and advances to banks	14	(22,147,764)	(26,151,709)
Loans and advances to customers	14	(503,200)	(2,017,272)
Other financial instruments	16	(1,007,700)	(205,465)
Property and equipment and intangible assets	17	(3,143)	(1,059)
Net cash from investing activities		**601,452**	**1,922,881**
Proceeds from			
Deposits from banks	20	5,122,971	3,780,159
Deposits from customers	20	1,970,383	2,371,758
Debt securities in issue	20	24,676,148	22,504,754
Purchase of amortisation on			
Deposits from banks	20	(4,556,743)	(3,647,871)
Deposits from customers	20	(2,030,237)	(2,232,123)
Debt securities in issue	20	(25,896,299)	(25,082,407)
Issue of shares		-	-
Dividends paid	24	(20,020)	(20,020)
Net cash (used in) financing activities		**(733,797)**	**(2,325,750)**

Notes on the consolidated financial statements of OeKB Group

Accounting policies

(1) General information

Oesterreichische Kontrollbank Aktiengesellschaft ('OeKB') is a special-purpose bank with its registered office in 1011 Vienna, Austria. The activities of OeKB Group consist largely of export services and capital market services.

Special features of the export guarantee system

The export guarantee system is based on the provisions of the Export Guarantees Act and the respective regulation issued by the Federal Minister of Finance. OeKB, as the agent of and on behalf of the Republic of Austria, offers cover for non-marketable risks, focusing on exports of capital goods and Austrian direct investment abroad. OeKB receives an adequate fee for the administration of these export guarantees (shown in fee and commission income in the export guarantee business, note 9).

Special features of the Export Financing Scheme (EFS)

The purpose of the OeKB Export Financing Scheme is to fund export credits extended by the banks participating in the scheme (with OeKB refinancing bank lending to the customer) and to provide direct lending (debt-rescheduling agreements with state agencies, purchase of accounts receivable from predominantly public bodies). The Export Financing Scheme is managed as a separate system of accounts. It encompasses most of the loans, interim investments and money market transactions on the one hand, and the required refinancing (including derivatives used for hedging) on the other. The majority of debt securities in issue bear a guarantee as well as an exchange rate guarantee of the Republic of Austria in accordance with the Export Financing Guarantees Act (AFFG). The provider of the guarantees receives an adequate guarantee fee (shown under interest and similar expenses). The volume of the EFS accounts for more than 95% of OeKB's total assets.

The majority of loans to banks and customers under the EFS are covered by a guarantee of the Republic of Austria under the Export Financing Guarantees Act, making the remaining credit risk minimal for OeKB Group. Allowance for impairment losses on loans and advances for financing connected with the EFS are, consequently, not necessary.

Exchange rate risks essentially exist only in connection with raising long- and short-term funds for the Export Financing Scheme. These risks are largely secured by the exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act. OeKB, thus, does not bear any exchange rate risk resulting from the Export Financing Scheme. A foreign currency strategy is agreed with the Austrian Ministry of Finance. The calculation and settlement of these exchange-rate positions is conducted in agreement with the Ministry of Finance for each individual transaction. Alternatively, the transactions are refinanced in the same currency and the exchange rate guarantee is extended to the next transaction. This exchange rate guarantee of the Republic of Austria is similar to a derivative financial instrument, and, for this reason, is shown as a derivative in the company financial statements.

The interest rate stabilisation provision in the EFS contains the surpluses from the current interest calculation.

Since the inception of the Export Financing Scheme in 1960, the interest rate stabilisation provision has established itself out of the ongoing surpluses. In accordance with an order from the Ministry of Finance in 1968, the surpluses from the EFS are to be channelled into a provision (interest rate stabilisation account). This provision is to be used for decreasing the effective scheme-specific refinancing interest rate in the following years. The Finance office for corporations (Vienna) has acknowledged the interest rate stabilisation provision as a provision or as a deductible debt position, in so far as it is used for decreasing the effective scheme-specific refinancing interest rate. The profit/loss from the current interest calculation of the EFS is neutralised through the transfer to the interest rate stabilisation provision in the consolidated financial statements.

OeKB is entitled to a settlement fee for the administration of the EFS. The fee is charged together with the interest for the export financing (share of the interest margin).

Services for the Capital Market

With a broad range of services for the capital market, OeKB Group is a hub for numerous activities required before and after the purchase or sale of securities. For decades now, these services have benefited financial services providers, issuers, investors and the Republic of Austria.

Oesterreichische Kontrollbank AG, Vienna, prepared the consolidated financial statements for the year ending 31 December 2015 in accordance exclusively with the International Financial Reporting Standards (IFRS) as adopted by the European Union, thus also satisfying the requirements of section 59a of the Austrian Banking Act and section 245a of the Austrian Commercial Code.

In preparing these financial statements, OeKB Group applied all IFRS (including IAS) and interpretations of them by the International Financial Reporting Interpretations Committee (IFRIC, formerly Standard Interpretations Committee or SIC) that were effective at the balance sheet date. Uniform accounting policies are used throughout the Group.

OeKB Group follows the IFRS-based regulatory requirements (FIN-REP) in the presentation of its financial statements. These requirements were reintroduced by the European Banking Authority (EBA) in 2014 and represent an obligatory regulatory framework to be applied by EU-based credit institutions. This harmonisation considerably increases the comparability of reports published by the regulator, by the investors and by OeKB Group.

Changes in accounting methods

New standards or changes to be introduced in 2015

Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions

The amendments aim at clarifying the assignment of employee contributions or contributions by third parties to years of service, if these contributions are coupled with the length of service. Moreover, facilitations are provided, if the contributions are not dependent on the number of years served. The EU announced its acceptance of the above in its official circular on 17 December 2014. The amendments, which are to be implemented in financial years beginning on or after 1 February 2015, will work retrospectively. There will be no changes for OeKB Group.

Annual improvements – Cycle 2010–2012

As part of the Annual Improvement Project amendments were made to seven standards. By adapting formulations in individual IFRS, the existing rules should be clarified. Certain changes have an effect on annex data. IFRS standards 2, 3, 8, 13, IAS 16, 24 and 38 are affected. The amendments are mandatory for periods beginning on or after 1 February 2015, or in the case of the change to IFRS 2, on share-based payment, granted on or after 1 February 2015.

IFRS 2 – Share-based Payment

As OeKB Group has no share-based payment, there is no change to the consolidated financial statements.

IFRS 3 – Business Combinations

The regulations are not applicable for OeKB Group, and therefore, there are no changes in the consolidated financial statements.

IFRS 8 – Operating Segments

When summarizing business segments into reportable segments, the considerations by the management for identifying reportable segments are specified (a brief description of the summarized business segments and of the economic factors applied for determining the 'comparable economic features' as defined in IFRS 8.12). A transitional calculation of the segment asset values into the corresponding amounts in the financial statements is only required if data on the segment asset values is also part of the financial information which is reported on a regular basis to the responsible company authority (CODM). As the company authority responsible does not operate based on the assets in the business segment, the amendments have no effects on the consolidated financial statements.

IFRS 13 – Fair Value Measurement

Through an amendment to the 'Basis for Conclusions' of IFRS 13, it has become clear that with the amendments to IFRS 9 and IAS 39 resulting from IFRS 13, the IASB did not want to remove the possibility to waive a discount on short-term loans and advances and liabilities in case of non-materiality. OeKB Group is not affected by these amendments.

IAS 16 – Property, Plant and Equipment, IAS 38 – Intangible Assets

As OeKB Group does not use the revaluation method, there are no changes.

IAS 24 – Related Party Disclosures

The amendment broadens the definition of 'related persons or entities' to include companies which, either on their own or via a company in their group, perform management services in key positions for the reporting entity, without a close relationship, as defined in IAS 24, existing between the two companies (so-called management entities). For the expenses registered with the reporting entity for the services provided by the management entity, extra data is required in accordance with the newly inserted section 18A. However, no data is required by the reporting entity for the remuneration, which is, provided under IAS 24.17 by the management entity to those employees, encharged with management functions at the reporting entity. A voluntary early application of the rules is permissible. These amendments have no effects on OeKB Group.

Annual improvements – Cycle 2011–2013

As part of the Annual Improvement Project changes were made to four standards. With the adaptation of formulations in individual IFRS, the existing rules should be clarified. IFRS standards 1, 3, 13 and IAS 40 are affected. The EU announced its acceptance in its official circular on 18 December 2014. The amendments are to be implemented for financial years beginning on or after 1 January 2015.

IFRS 1 – First-time Adoption of International Financial Reporting Standards

Only those adopting IFRS for the first time are affected.

IFRS 3 – Business Combinations

OeKB Group has no need for this and, therefore, there are no changes in the consolidated financial statements.

IFRS 13 – Fair Value Measurement

As OeKB Group does not apply the portfolio exception under IFRS 13.48, the amendments have no effect on the consolidated financial statements.

IAS 40 – Investment Property

OeKB Group holds no property as a financial investment, so the amendment has no effect on the consolidated financial statements.

IFRIC 21 – Levies

OeKB Group accounts for the stabilisation levy as of the effective date of the levy obligation, therefore the amendment has no effect on the consolidated financial statements.

New standards and interpretations not yet applied

A number of new standards and changes to standards are to be implemented in the first reporting period of a new financial year after 1 January 2015, whereby an earlier implementation is possible. The Group did not apply the following new or changed standards earlier than required, when compiling these consolidated financial statements.

IFRS 9 – Financial Instruments

The version of IFRS 9 issued in July 2014 replaces the existing guidelines of IAS 39 – Financial Instruments: Recognition and Valuation.

IFRS 9 includes revised requirements for the classification and valuation of financial instruments, including a new model of expected credit losses for evolving impairment of financial assets and the new general hedge accounting model. It also takes over guidelines according to IAS 39 for recognition and derecognition of financial instruments.

Application of IFRS 9 is mandatory for periods beginning on or after 1 January 2018 with early adoption permitted.

We are currently analysing the potential impacts of the adoption of IFRS 9 on our consolidated financial statements.

IFRS 15 - Revenue from Contracts with Customers

IFRS 15 provides a comprehensive framework for determining whether or not to recognise revenue, in which amount and at which specific date. It replaces existing standards and interpretations on revenue recognition, including IAS 18 – Revenue, IAS 11 – Construction Contracts, and IFRIC 13 – Customer Loyalty Programmes.

The application of IFRS 15 is mandatory for periods beginning on or after 1 January 2018 with early adoption permitted.

We are currently analysing the potential impacts of the adoption of IFRS 15 on our consolidated financial statements.

IAS 16 and IAS 41 Amended by Agriculture: Bearer Plants

These amendments demand that a fruit-bearing plant, defined as a living organism, is listed in the financial statements as a tangible asset and falls under the scope of IAS 16 Tangible Assets, instead of IAS 41 Agriculture.

As the Group has no fruit-bearing plants, there are no changes in the consolidated financial statements.

The following new or changed standards are not expected to have a material impact on our consolidated financial statements.

Amended standards and interpretations		EU-acceptance	Effective date
IFRS 11	Income from shares in a joint arrangement	24 November 2015	1 January 2016
IFRS 14	Regulatory Deferral Accounts	declined	1 January 2016
IAS 16/IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation	2 December 2015	1 January 2016
IAS 27	Company financial statements (under the equity method)	planned Q1/16	1 January 2016
IFRS 10/IAS 28	Disposal of assets of an investor to or contribution thereof in their associated company or joint venture	open	1 January 2016
Annual improvements (Cycle 2012-2014)	Sundry	14 December 2015	1 January 2016
IAS 1	Presentation of Financial Statements	17 December 2015	1 January 2016
IFRS 10/IFRS 12/ IAS 28	Consolidation of companies invested in	planned Q1/16	1 January 2016

(2) Scope of consolidation

A list of all entities that are represented in OeKB Group's consolidated financial statements is provided in note 18, 'Companies wholly or partly owned by OeKB'. Four companies are fully consolidated: Oesterreichische Kontrollbank AG ('OeKB', the Group parent) and the Vienna-based Oesterreichische Entwicklungsbank AG ('OeEB'), OeKB CSD GmbH ('OeKB CSD') and "Österreichischer Exportfonds" GmbH ('Exportfonds'). OeKB CSD was founded in 2015 and consolidated in the Group. OeKB CSD conducts the business previously done by the central securities depository, which was part of OeKB until the end of 2014. There are no changes in the consolidated financial statements with regard to the financial position and results of operations compared with the previous year as a result of the above.

Representing the unconsolidated entities held at cost, two subsidiaries were not consolidated (previous year: two); they are of minor overall significance to the Group's financial position and results of operations. The combined total assets of these two entities represent 0.02% of the Group's consolidated total assets, and their combined profit for the year represents less than 0.01% of the Group's consolidated profit for the year. In OeKB Group's consolidated financial statements, two companies (previous year: two) were accounted for by the equity method.

Number of companies included in the consolidated financial statements or held at cost, by accounting method

	31 Dec 2014	31 Dec 2015
Fully consolidated companies	2	3
Equity-accounted investees	2	2
Unconsolidated subsidiaries held at cost (adjusted acquisition costs included)	2	2
Other investments in companies held at cost (adjusted acquisition costs included)	9	8
Total	**15**	**15**

(3) Methods of consolidation

The consolidation of the Group accounts involves purchase-method accounting; equity-method accounting; consolidation of intercompany balances, expenses and revenues; and the elimination of intercompany profits. The separate annual accounts of the fully consolidated entities and of the entities accounted for by the equity method are uniformly prepared as of 31 December.

The Group elected to make use of an option under IFRS 1 on 1 January 2004 (the date of transition to IFRS) by adopting the book values from the initial consolidation that was performed under the Austrian Commercial Code, or UGB. Capital consolidation is thus accounted for by the book value method. Under this method, the cost of the acquired ownership interest is offset against the Group's share of the subsidiary's net assets at the time that control passes to the Group. As in previous periods, the provisions of IFRS 3 on business combinations were not yet applied in the year under review, as no relevant transactions occurred. Intercompany balances, expenses, revenues, profits and losses are eliminated when significant.

Group companies are accounted for under the equity method and are reported as interests in equity-accounted investments. In general, IFRS-compliant financial statements are used for the equity measurement. If these are not available, local financial statements, adjusted to adhere to the Group's uniform accounting methods, are used. The annual results are obtained from the latest available annual separate financial statements and sub-groups' consolidated financial statements, and the changes in equity are thus recognised in the year in which they occur. Dividends paid are eliminated. Profits for the year are shown in the consolidated income statement under share of profit of equity-accounted investments, net of tax. Shares in other income are shown under equity-accounted investments – share in other income.

(4) Foreign currency translation

The consolidated financial statements are presented in thousands of euros, rounded by the standard round-half-up convention. The euro is also OeKB Group's functional currency.

Assets and liabilities denominated in foreign currencies are translated at the reference exchange rates of the European Central Bank at the balance sheet date as of 31 December 2015.

Foreign exchange reference rates at 31 December 2015

Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency
1.4897	AUD	7.4626	DKK	131.07	JPY	9.1895	SEK
1.5116	CAD	0.7339	GBP	9.603	NOK	1.0887	USD
1.0835	CHF	7.638	HRK	4.2639	PLN		
27.023	CZK	315.98	HUF	4.524	RON		

Foreign exchange reference rates at 31 December 2014

Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency
1.4829	AUD	7.4453	DKK	145.23	JPY	9.393	SEK
1.4063	CAD	0.7789	GBP	9.042	NOK	1.2141	USD
1.2024	CHF	7.658	HRK	4.2732	PLN		
27.735	CZK	315.54	HUF	4.4828	RON		

(5) Determination of fair value

A number of accounting methods and disclosures of OeKB Group require the determination of the fair value of financial assets and liabilities. A valuation team consisting of members of the Accounting & Financial Control, Risk Controlling, and International Finance departments measures the fair values. The monitoring of the measurement of fair values is centralised and is reported to the Executive Board.

The valuation team regularly reviews the significant non-observable input factors and the remeasurement gains and losses. Where information from third parties (such as quotations from brokers or from pricing services) is used to determine fair values, the respective valuation team reviews the valuation obtained from the third parties, supporting the conclusion that such measurements meet the IFRS requirements, including the level in the fair value hierarchy to which these measurements are to be classified.

Significant valuation results are reported to the Audit Committee.

In the determination of the fair values of assets and liabilities, OeKB Group, when possible, uses available market data. Based on the input factors employed in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilites.
- Level 2: The valuation parameters, i.e. other than quoted prices considered in level 1, which can be obtained for the asset value or the debt directly (as price) or indirectly (as a value derived from prices).
- Level 3: Valuation parameters for assets and liabilities which are not based on available market data.

Other financial instruments are recognised at market values, using those values determined on the basis of quoted market prices or, in the case of investment fund units, on the basis of the net asset values calculated in accordance with the Investment Fund Act. These financial instruments are reported under ‘other financial instruments’ and assigned to level 1 in the fair value hierarchy under IFRS 13.

The relevant market prices and interest rates observed at the balance sheet date, that are obtained from widely accepted external sources, are used, as far as possible, to determine the market value as entry parameter for loans and advances to banks and customers, deposits from banks and customers, debt securities in issue as well as derivatives designated as hedging instruments. This method is based on the present value of discounted contractual cash flows. Financial instruments the market value of which is determined using the present value method are assigned to level 2 in the fair value hierarchy under IFRS 13.

Loans and advances to banks and loans and advances to customers consist predominantly of loans guaranteed by the Republic of Austria under the Export Guarantees Act. In the valuation of these assets, the discounting of contractual cash flows is based on a yield curve, observable on the market, adjusted by the credit spreads of the Austrian government.

A yield curve observable on the market was used to determine the market values of deposits from banks and customers and of debt securities in issue for the discounting of the contractual cash flows. For this, OeKB's credit spreads at the valuation date were taken into account.

For items repayable on demand, the fair value equals the book value; this applies both to financial assets and financial liabilities.

For derivatives used for hedging, fair value is measured by discounting the contractual cash flows by the current swap curve, including adjustment of the credit valuation (CVA and DVA). A credit valuation adjustment (CVA) is a price estimate of the default risk of the counterparty in a financial transaction. A debt valuation adjustment (DVA) estimates the risk of an entity's own default.

In determining the CVA/DVA, OeKB Group uses the Basel method for regulatory capital from credit losses, which is based on the path-dependent multiplication of the following variables and their subsequent aggregation:

- Exposure at default: Market values at specific future points in time; calculated using Monte Carlo simulation.
- Probability of default: Default probabilities at these points in time are calculated from the counterparty's CDS spreads or the company's own CDS spreads.
- Loss given default: Estimation of the expected recovery in the case of counterparty default or own default.

Financial instruments falling neither under level 1 nor level 2 must be assigned to a separate category (level 3), within which fair value determination is based on special quantitative and qualitative information. OeKB Group does not hold any level 3 financial instruments.

Reclassifications between levels in the fair value hierarchy are recognised at the end of the reporting period in which the change occurred. In the financial year, investments in unconsolidated subsidiaries and investments in other unconsolidated companies (shown under other financial instruments) were reclassified as level 2 (from level 1). The comparative data from the previous year was also reclassified and the value for the previous year was restated.

Segment information

In the segment analysis presented below, the activities of OeKB Group are divided into business segments. The delineation of these three segments – Export Services, Capital Market Services and Other Services – is based on the internal control structure and the internal financial reporting to the Executive Board as the chief operating decision-making body. The financial information for these segments is regularly reviewed to allocate resources to the segments and judge their performance. In the segment analysis, unlike the presentation in the statement of comprehensive income, actuarial gains and losses under IAS 19 are presented as an element of staff costs within administrative expenses. Furthermore, in the segment information, unlike in the consolidated statement of comprehensive income, the share in other income from equity-accounted investments is shown under share of profit of equity-accounted investments, net of tax.

The Export Services segment encompasses the administration of guarantees provided by the Republic of Austria through OeKB as the government's official agent under the Export Guarantees Act (in German: Ausfuhrförderungsgesetz); OeKB's Export Financing Scheme; and the shareholding in "Österreichischer Exportfonds" GmbH. The Group receives volume-dependent fixed remuneration for operating the Export Financing Scheme; this is presented as net interest income. As a result of the running of the EFS, the regional focus of OeKB Group's business activities lies in Austria. If foreign banks fulfil the EFS criteria, they are eligible for the Scheme. For a regional breakdown, see note 37.

The Capital Market Services segment comprises all services provided by Oesterreichische Kontrollbank AG relating to the capital market, clearing and settlement of on-exchange and off-exchange securities transactions, clearing services for the energy market and the shareholdings in OeKB CSD GmbH and CCP.A.

The Other Services segment consists of OeKB's information and research services, its own-account investment portfolio and investments, the activities of OeKB Group in private sector credit insurance, and the shareholding in Oesterreichische Entwicklungsbank AG.

Key figures are operating profit (in all segments), net interest income in Export Services, and profit for the year in the Other Services segment.

Segment performance in 2015

Results by business segment in 2015

€ thousand	Export Services	Capital Market Services	Other Services	**Total**
Interest and similar income	263,930	(19)	28,517	**292,428**
Interest and similar expenses	(212,630)	-	(328)	**(212,958)**
Net interest income	**51,299**	**(19)**	**28,189**	**79,470**
Share of profit of equity-accounted investments, net of tax	-	(43)	5,087	**5,044**
Impairment losses on loans and advances and other credit risk provisions	-	-	(60)	**(60)**
Fee and commission income	16,761	32,095	6,673	**55,530**
Fee and commission expenses	(1,869)	(1,122)	(8,239)	**(11,231)**
Net fee and commission income	**14,892**	**30,973**	**(1,565)**	**44,299**
Administrative expense	(36,022)	(25,939)	(20,221)	**(82,182)**
Net other operating (expense)/income	(909)	1,061	5,622	**5,774**
Operating profit	**29,260**	**6,033**	**17,052**	**52,345**
Net gain or loss on financial instruments	(98)	9	9,432	**9,343**
Profit before tax	**29,162**	**6,042**	**26,484**	**61,688**
Income tax and other taxes	(7,182)	(1,477)	(5,204)	**(13,863)**
Profit for the year	**21,980**	**4,565**	**21,280**	**47,825**
Attributable to non-controlling interests	*(228)*	-	-	***(228)***
Attributable to owners of the parent	*21,752*	*4,565*	*21,280*	***47,595***
Segment assets	27,569,669	43,285	1,162,777	**28,775,731**
Segment liabilities	27,613,940	42,558	373,145	**28,029,643**

Transitional calculation of information on segments to be reported on for the 2015 Group value

	€ thousand
Profit from segments to be reported on	47,825
Non-assignable amounts	
Share of profit of equity-accounted investments, net of tax	98
Actuarial gains/(losses) on defined benefit plans	(999)
Tax effects stemming from actuarial gains/(losses) on defined benefit plans	250
Profit for the year according to the consolidated statement of comprehensive income	**47,174**

Results by business segment in 2014

€ thousand	Export Services	Capital Market Services	Other Services	**Total**
Interest and similar income	319,707	-	24,729	**344,436**
Interest and similar expenses	(264,293)	-	(219)	**(264,512)**
Net interest income	**55,413**	**-**	**24,510**	**79,924**
Share of profit of equity-accounted investments, net of tax	-	(73)	5,576	**5,503**
Impairment losses on loans and advances and other credit risk provisions	-	-	(91)	**(91)**
Fee and commission income	18,778	31,159	6,107	**56,044**
Fee and commission expenses	(2,189)	(1,577)	(6,536)	(10,302)
Net fee and commission income	**16,589**	**29,582**	**(429)**	**45,742**
Administrative expense	(42,813)	(28,736)	(22,153)	**(93,702)**
Net other operating (expense)/income	(812)	2,854	5,567	**7,609**
Operating profit	**28,377**	**3,627**	**12,980**	**44,984**
Net gain or loss on financial instruments	114	-	23,865	**23,979**
Profit before tax	**28,491**	**3,627**	**36,845**	**68,963**
Income tax and other taxes	(6,882)	(783)	(7,207)	**(14,872)**
Profit for the year	**21,609**	**2,844**	**29,638**	**54,091**
Attributable to non-controlling interests	*(216)*	-	-	***(216)***
Attributable to owners of the parent	*21,393*	*2,844*	*29,638*	***53,875***
Segment assets	26,446,078	13,751	1,541,740	**28,001,569**
Segment liabilities	26,883,819	41,868	357,458	**27,283,145**

Transitional calculation of information on segments to be reported on for the 2014 Group value

	€ thousand
Profit from segments to be reported on	54,091
Non-assignable amounts	
Share of profit of equity-accounted investments, net of tax	384
Actuarial gains/(losses) on defined benefit plans	14,894
Tax effects stemming from actuarial gains/(losses) on defined benefit plans	(3,723)
Profit for the year according to the consolidated statement of comprehensive income	**65,646**

Transactions offset between segments represent services rendered which are provided at cost. No reconciliation of the amounts for the reportable segments to the amounts recorded in the consolidated balance sheet is necessary, as the consolidation items are assigned directly to the segments.

The segment information is based on the same presentation and accounting policies as the consolidated financial statements, with the following exceptions. Actuarial gains and losses under IAS 19 are reported in the segment analysis within administrative expenses. The share of net other operating income of equity-accounted investments is shown as part of the share of profit of equity-accounted investments, net of tax.

Notes on the consolidated statement of comprehensive income of OeKB Group

(6) Consolidated statement of comprehensive income

Income and expenses are recognised as they accrue. Interest income is recognised on an accrual basis using the effective interest method. Dividend income is recognised at the time of the decision to pay the dividend.

Gains and losses on financial instruments are affected by fair value changes recognised through profit or loss, by impairment losses, reversal of impairment through profit or loss, exchange rate movements and derecognition.

For financial assets designated on initial recognition as at fair value through profit or loss, and thus measured as such, interest and dividend income is recorded within net interest income.

(7) Net interest income and share of profit of equity-accounted investments

€ thousand	Amortised cost 2014	Fair value option 2014	Total 2014	Amortised cost 2015	Fair value option 2015	Total 2015
Loans and advances and money market instruments	328,874	-	328,874	278,236	-	**278,236**
Fixed income securities	-	8,212	8,212	-	5,613	**5,613**
Equity shares and other variable income securities	-	5,896	5,896	-	6,849	**6,849**
Investments in unconsolidated subsidiaries and other companies	1,453	-	1,453	1,730	-	**1,730**
Interest income	**330,327**	**14,108**	**344,436**	**279,966**	**12,462**	**292,428**
Money market instruments and current accounts	(8,988)	-	(8,988)	(7,633)	-	**(7,633)**
Debt securities in issue	(132,758)	(122,766)	(255,524)	(57,018)	(148,307)	**(205,325)**
Interest expense	**(141,746)**	**(122,766)**	**(264,512)**	**(64,651)**	**(148,307)**	**(212,958)**
Net interest income	**188,581**	**(108,658)**	**79,924**	**215,315**	**(135,845)**	**79,470**
Share of profit of equity-accounted investments, net of tax	5,887	-	5,887	5,142	-	**5,142**

(8) Impairment losses on loans and advances and other credit risk provisions

In the 2015 financial year an impairment loss of € 60 thousand (2014: € 91 thousand) was amassed regarding microcredits extended by OeKB.

(9) Net fee and commission income

The export guarantee activities represent services provided by OeKB on behalf of the Austrian government. As a central and independent provider, OeKB offers energy clearing services in connection with credit rating services, financial clearing and risk management.

Net fee and commission income

€ thousand	2014	2015
Income from credit operations	5,762	5,478
Expenses from credit operations	(8,465)	(9,900)
Credit operations	**(2,703)**	**(4,422)**
Income from securities services	28,577	29,137
Expenses from securities services	(1,777)	(1,263)
Securities services	**26,800**	**27,875**
Export guarantee income	16,641	15,662
Export guarantee expenses	-	-
Export guarantees	**16,641**	**15,662**
Energy clearing income	2,615	2,831
Energy clearing expenses	-	-
Energy clearing	**2,615**	**2,831**
Income from other services	2,449	2,421
Expenses from other services	(60)	(68)
Other services	**2,389**	**2,353**
Net fee and commission income	**45,742**	**44,299**
Of which income	*56,045*	*55,530*
Of which expenses	*(10,302)*	*(11,231)*

(10) Administrative expenses

Administrative expenses

€ thousand	2014	2015
Salaries	36,606	37,508
Social security costs	8,423	8,608
Pension and other employee benefit costs	7,123	8,775
Staff costs	**52,152**	**54,891**
Other administrative expenses	21,856	23,017
Depreciation, amortisation and impairment of property and equipment and intangible assets	4,800	5,272
Administrative expenses	**78,808**	**83,181**

Expenses for the auditor and affiliated companies

€ thousand	2014	2015
Costs for the audit of the annual financial statements	320	285
Audit-related activities	227	325
Expenses for the auditor	**547**	**610**
Tax consultancy	125	85
Other consultancy	80	-
Expenses for companies affiliated with the auditor	**205**	**85**

(11) Net other operating income

The item ‘other operating income’ relates largely to service fees received by OeKB for providing outsourced services (for instance, accounting & financial control, information technology, human resources, internal audit and other services). ‘Other operating expenses’ relate mainly to the stability tax on Austrian banks.

Net other operating income

€ thousand	2014	2015
Other operating income	9,239	7,454
Other operating expenses	(1,630)	(1,680)
Net other operating income	**7,609**	**5,774**

(12) Net gain or loss on financial instruments

Net gain or loss on financial instruments represents gains and losses from the disposal and valuation of securities, interests in investments and other companies.

Net gain or loss on financial instruments

€ thousand	2014	2015
Net gain or loss from measurement at fair value through profit or loss		
Foreign exchange differences	(1,162,676)	12,871
Debt securities in issue and derivatives	1,162,736	(12,731)
Subtotal	**60**	**140**
Other financial instruments	23,919	8,129
Net gain or loss on disposal of investments in unconsolidated companies	-	1,074
Net gain or loss on financial instruments	**23,979**	**9,343**
Of which at fair value through profit or loss	*23,843*	*9,309*
Of which at amortised cost	*136*	*34*

Foreign exchange differences and the fair-value debt securities in issue and derivatives relate to the Export Financing Scheme and are to be regarded as a single unit from an economic point of view. The net loss from foreign exchange differences arose predominantly from the changes in the USD and CHF exchange rate. Thanks to the hedging function of the derivatives and the exchange rate guarantee by the Republic of Austria, the foreign exchange differences are almost completely offset by the valuation gain on debt securities in issue and derivatives.

Gains on other financial instruments

€ thousand	2014	2015
Gains realised on disposal	1,270	2,268
Valuation losses	(502)	(2,442)
Valuation gains	23,151	8,304
Gains on other financial instruments	**23,919**	**8,129**

The change in fair values of financial liabilities resulted exclusively from changes in market interest rates.

(13) Income tax and other taxes

The recognition and calculation of income taxes is performed in accordance with IAS 12. Current income tax assets and liabilities are measured by reference to local tax rates. Deferred taxes are determined by the balance sheet/liability approach. Under this approach, the book values of the assets and liabilities in the balance sheet are compared with the respective tax base for the particular Group Company. Any temporary differences between the two sets of valuations lead to the recognition of deferred tax assets or liabilities.

Tax recognised in profit or loss

€ thousand	2014	2015
Current year	20,128	14,426
Adjustment for previous years	(121)	-
Total current tax expenses	**20,007**	**14,426**
Origination and reversal of temporary differences	(9)	(20)
Change in recognised deductible temporary differences	(1,402)	(793)
Net deferred taxes	**(1,411)**	**(813)**
Income tax and other taxes	**18,596**	**13,613**

Tax recognised in other comprehensive income

€ thousand	2014	2015
Actuarial (losses) on defined benefit plans	(3,723)	250

The actual taxes are calculated on the tax base for the financial year, at the local tax rates applicable to the individual Group companies.

The taxation at the standard Austrian income tax rate is reconciled with the reported actual taxes as shown in the following table. OeKB Group believes that its provisions for taxes are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and previous experience.

Effective tax rate reconciliation

€ thousand	2014		2015	
Profit before tax	**84,242**	**100.0%**	**60,787**	**100.0%**
Tax expenses at Austrian standard corporate income tax rate	21,061	25.0%	15,172	25.0%
Non-deductible expenses	131	0.2%	213	0.4%
Tax-exempt income	(2,674)	-3.2%	(2,090)	-3.4%
Change in recognised deductible temporary differences	(43)	-0.1%	318	0.5%
Change in estimates related to previous years	121	0.1%	-	-
Total	**18,596**	**22.2%**	**13,613**	**22.4%**

Notes on the consolidated balance sheet of OeKB Group

(14) Loans and advances to banks and customers

Loans and advances to banks and customers, to the extent that they are originated by the Group, are carried at their nominal amount or at amortised cost, before deduction of impairment losses and including accrued interest. Individual allowances for impairment losses are recognised for identifiable individual credit risks and for country risks.

Impairment losses are not deducted from the corresponding loans and advances but are disclosed in the balance sheet as a separate line item. As a result of OeKB's business model, most of its assets are loans and advances to banks under OeKB's Export Financing Scheme and are guaranteed by the Republic of Austria, and therefore no provision for credit losses is required (see note 1, General information).

The analysis by rating category is presented in note 37.

Loans and advances to banks

€ thousand	Repayable on demand		Other maturities		Total	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Domestic banks	25,925	7,800	16,629,551	15,759,373	16,655,476	15,767,172
Foreign banks	8,609	3,484	2,647,750	2,103,925	2,656,359	2,107,408
Total	**34,534**	**11,283**	**19,277,301**	**17,863,297**	**19,311,835**	**17,874,580**

Loans and advances to customers

€ thousand	Domestic customers		Foreign customers		Total	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
States or state-affiliated organisations	3,590	2,515	359,468	292,325	363,058	294,840
Other	1,014,970	1,054,649	132,293	131,937	1,147,263	1,186,586
Total	**1,018,560**	**1,057,164**	**491,761**	**424,262**	**1,510,321**	**1,481,426**

(15) Allowance for impairment losses on loans and advances and other credit risk provisions

The allowance for impairment losses on loans and advances and other credit risk provisions relates to impairment of loans and advances and to provisions for credits. The allowance and provisions are raised for all identifiable credit risks. As part of its risk management system, OeKB Group employs a credit analysis system and an internal rating procedure. Counterparties are classified into 22 internal credit rating categories based on an internal rating and mapping system that draws both on external ratings from internationally recognised rating agencies (Standard & Poor's, Moody's) and on internal ratings. Credit ratings are monitored on an ongoing basis. As a result, all banking book assets and off-balance sheet business can be classified according to creditworthiness and collateralisation. The largest share of the credit portfolio falls under the Export Financing Scheme described in note 1, the requirement for loan loss provisions is small.

The allowance for impairment losses on loans and advances shown on the balance sheet relates to loans and advances to customers, and only takes credit risks into account. The item also includes interest arrears on the balance sheet date. The amount of non-performing loans and advances before impairment allowances was € 622 thousand (2014: € 599 thousand).

On the balance sheet date there were no arrears and thus no impaired financial assets.

(16) Other financial instruments

The item 'other financial instruments' consists of all fixed and floating rate securities (including equities) and investments in unconsolidated subsidiaries and smaller shareholdings in other companies. Effects on profit or loss are shown in the statement of comprehensive income within net gain or loss on financial instruments. The date of initial recognition or derecognition of other financial instruments is the settlement date.

Bonds and other fixed income securities as well as equity shares and other floating rate securities are designated at fair value through profit or loss, consistent with the business model. The business model of the investment portfolio calls for taking long-term positions in bonds and investment funds. The portfolio is managed on the basis of market values. These securities are measured by OeKB Group at fair value through profit or loss. The Group does not have a trading portfolio.

The investments in unconsolidated subsidiaries and other companies are initially measured at amortised cost.

As part of liquidity management for the Export Financing Scheme, a liquid assets portfolio has been established that had a market value of € 1,906.3 million (2014: € 1,121.1 million) as at 31 December 2015.

Other financial instruments

€ thousand	31 Dec 2014	31 Dec 2015
Treasury bills	775,672	1,363,676
Bonds	607,068	824,872
Bonds and other fixed income securities	**1,382,740**	**2,188,548**
Of which listed bonds	*1,382,740*	*2,188,548*
Equity shares	-	-
Investment fund units	387,020	404,396
Equity shares and other variable income securities	**387,020**	**404,396**
Of which listed equity shares and other variable income securities	*1,995*	*200*
Investments in unconsolidated subsidiaries	1,536	1,536
Investments in other unconsolidated companies	18,045	8,015
Unconsolidated companies	**19,581**	**9,551**
Total other financial instruments	**1,789,342**	**2,602,496**
Of which at fair value through profit or loss	*1,769,761*	*2,592,945*
Of which at amortised cost	*19,581*	*9,551*
Due in the subsequent year		
Bonds and other fixed income securities	166,161	80,441
Investment fund units (with fixed maturity)	10,000	-
Accrued interest	3,582	3,324
Total	**179,743**	**83,765**

(17) Property and equipment and intangible assets

Property and equipment comprises land and buildings used by the Group, and fixtures, fittings and equipment. Property and buildings used by the Group are those which are used primarily for the Group's own business operations. The value of the property itself was € 4.4 million (2014: € 4.4 million).

Intangible assets comprise only purchased software.

Property and equipment and intangible assets are recorded at cost less accumulated depreciation and amortisation. The following economic lifetime is assumed:

Useful life

	Years
Buildings	40
Fixtures, fittings and equipment, other than information technology	3 to 10
IT hardware	3 to 5
Software	3 to 5

Depreciation and appreciation are periodically reviewed.

Property and equipment and intangible assets 2015

€ thousand	Cost at 1 Jan 2015	Additions in 2015	Disposals in 2015	Cost at 31 Dec 2015	Accumulated depreciation and amortisation	Net book value at 31 Dec 2015	Net book value at 31 Dec 2014	Current-year depreciation and amortisation
Land and buildings	82,378	120	(8,520)	73,978	(56,712)	17,266	20,619	(3,398)
Fixtures, fittings and equipment	19,932	882	(1,300)	19,514	(15,583)	3,931	4,201	(1,292)
Assets under construction	120	-	(120)	-	-	-	120	-
Property and equipment	**102,430**	**1,002**	**(9,940)**	**93,492**	**(72,295)**	**21,197**	**24,940**	**(4,690)**
Software	3,562	1,988	(29)	5,521	(3,655)	1,866	475	(582)
Advanced payments on software	757	153	(910)	-	-	-	757	-
Intangible assets	**4,319**	**2,141**	**(939)**	**5,521**	**(3,655)**	**1,866**	**1,232**	**(582)**
Total	**106,749**	**3,143**	**(10,879)**	**99,013**	**(75,950)**	**23,065**	**26,173**	**(5,272)**

Property and equipment and intangible assets 2014

€ thousand	Cost at 1 Jan 2014	Additions in 2014	Disposals in 2014	Cost at 31 Dec 2014	Accumulated depreciation and amortisation	Net book value at 31 Dec 2014	Net book value at 31 Dec 2013	Current-year depreciation and amortisation
Land and buildings	82,378	-	-	82,378	(61,759)	20,619	23,975	(3,356)
Fixtures, fittings and equipment	22,366	574	(3,008)	19,932	(15,731)	4,201	4,858	(1,203)
Assets under construction	-	120	-	120	-	120	-	-
Property and equipment	**104,744**	**694**	**(3,008)**	**102,430**	**(77,490)**	**24,940**	**28,833**	**(4,559)**
Software	3,739	305	(482)	3,562	(3,087)	475	405	(240)
Advanced payments on software	697	60	-	757	-	757	698	-
Intangible assets	**4,436**	**365**	**(482)**	**4,319**	**(3,087)**	**1,232**	**1,103**	**(240)**
Total	**109,180**	**1,059**	**(3,490)**	**106,749**	**(80,577)**	**26,173**	**29,936**	**(4,800)**

(18) Companies wholly or partly owned by OeKB

Companies wholly or partly owned by OeKB

Company name and registered office	Banking Act Category[1]	Type of investment		Share-holding	Financial information			
	Credit Institution/ Other Company	Directly held	Indirectly held	in %	Reporting date of latest annual accounts	Balance sheet total as defined in the UGB[2], € '000'	Equity as defined in sec. 224(3) of the UGB, € '000'	Profit for the year, € '000'
Fully consolidated companies								
Oesterreichische Entwicklungsbank AG, Vienna	CI	x		100.00%	31 Dec 2015	665,563	19,202	6,114
OeKB CSD GmbH, Vienna	CI	x		100.00%	31 Dec 2015	32,014	24,295	3,521
"Österreichischer Exportfonds" GmbH, Vienna	CI	x		70.00%	31 Dec 2015	1,077,200	12,347	1,078
Equity-accounted investments								
OeKB EH Beteiligungs- und Management AG, Vienna	OC	x		51.00%	31 Dec 2015	95,207	94,955	11,583
Acredia Versicherung AG, Vienna	OC		x	51.00%	31 Dec 2015	152,273	92,620	11,436
PRISMA Risikoservice GmbH, Vienna	OC		x	51.00%	31 Dec 2015	-	12,738	2,873
PRISMA Risk Services D.O.O., Belgrade	OC		x	51.00%	31 Dec 2015	-	483	9
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00%	31 Dec 2015	40,436	11,334	(51)
Unconsolidated subsidiaries held at amortised cost								
OeKB Business Services GmbH, Vienna	OC	x		100.00%	31 Dec 2015	1,595	1,549	2
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00%	31 Dec 2015	4,541	4,540	1
Investments in other unconsolidated companies, held at amortised cost								
AGCS Gas Clearing and Settlement AG, Vienna	OC	x		20.00%	31 Dec 2014	19,608	2,988	210
APCS Power Clearing and Settlement AG, Vienna	OC	x		17.00%	31 Dec 2014	38,998	2,831	429
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	x		18.50%	31 Dec 2014	4,746	3,343	2,543
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	OC	x		0.10%	31 Dec 2014	677	77	-
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	x		8.06%	31 Dec 2014	5,055	2,924	507
"Garage Am Hof" Gesellschaft m.b.H., Vienna	OC	x		2.00%	31 Dec 2014	5,158	4,256	1,069
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	x		12.60%	31 Dec 2014	328,501	5,460	414
CEESEG Aktiengesellschaft (former Wiener Börse AG), Vienna	OC	x		6.60%	31 Dec 2014	398,616	351,510	22,842

[1] 'Other Company' (OC) refers to companies that are neither Credit Institutions nor Financial Institutions by the definitions of the Austrian Banking Act.

[2] 'UGB' refers to the Austrian Commercial Code.

The tables below provide material information on a **non-wholly owned subsidiary and on equity-accounted investments**.

"Österreichischer Exportfonds" GmbH, Vienna, Austria

€ thousand	2014	2015
Export Services segment	Minority shareholding 30%	Minority shareholding 30%
Net interest income	3,101	3,160
Operating profit	1,099	1,003
Profit for the year	818	745
Profit – attributable to non-controlling interests	245	224
Other comprehensive (expenses)/income	(98)	16
Total comprehensive income for the year	**720**	**761**
Total comprehensive income for the year - attributable to non-controlling interests	216	228
Current assets	1,029,494	1,077,747
Non-current assets	1,919	1,906
Current liabilities	1,003,077	1,051,516
Non-current liabilities	13,834	13,339
Net assets	**14,502**	**14,798**
Net assets attributable to non-controlling interests	4,352	4,439
Net cash from operating activities	779	665
Net cash (used in) investing activities	(2,313)	(48,200)
Net cash from financing activities	1,536	47,535
Net cash	**2**	**2**
Dividend payments to non-controlling interests	**137**	**140**

The book value of the **equity-accounted investments** on the balance sheet date was € 67.8 million (2014: € 67.7 million). Of this total, OeKB EH Beteiligungs- und Management AG accounted for € 62.1 million (2014: € 62.0 million) and CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH for € 5.7 million (2014: € 5.7 million).

The financial information for OeKB EH Beteiligungs- und Management AG is based on its IFRS consolidated financial statements. The data for CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH is based on national accounting standards (Austrian Commercial Code); the amounts under the Austrian Commercial Code largely match those under IFRS.

There are no contingent liabilities for the equity-accounted investments.

OeKB EH Beteiligungs- und Management AG, Vienna, Austria

Other Services segment	2014	2015
Shareholding	51%	51%
Share of voting rights	51%	51%

OeKB EH Beteiligungs- und Management AG is a holding company not listed on the stock exchange. It is the sole owner of Acredia Versicherung AG. Acredia markets its products under the brands: 'PRISMA Die Kreditversicherung.' and 'OeKB Versicherung'. It offers a wide range of credit insurances to the Austrian export industry.

OeKB EH Beteiligungs- und Management AG is operated as a joint venture with Euler Hermes Aktiengesellschaft, Hamburg, and is included in the consolidated financial statements using the equity method. OeKB does not have the power of decision through voting rights or other rights, that would allow it to influence the returns from the affiliated company.

Insurance contracts are accounted for by applying IFRS 4 taking into account the provisions of the Insurance Supervision Act. In accordance with IFRS 4 the claims equalisation reserve under the Act (after deduction of deferred taxes) is reported in IFRS equity.

€ thousand	2014	2015
Earned premiums	26,057	23,839
Technical result	9,001	9,583
Profit before tax	14,335	12,375
Of which depreciation	*279*	*918*
Of which interest income	*1,404*	*1,173*
Of which interest expense	-	-
Profit for the year	11,687	10,167
Other comprehensive (expense)	(753)	(193)
Total comprehensive income for the year	**10,934**	**9,974**
Current assets	44,946	53,603
Of which cash and cash equivalents	*19,412*	*30,496*
Non-current assets	152,313	136,908
Current liabilities	20,412	18,200
Non-current liabilities	55,354	50,554
Equity	**121,493**	**121,757**
OeKB Group's share of equity at the beginning of the period	61,983	61,960
OeKB Group's share of total comprehensive income for the period	5,576	5,087
Dividend payments received	(5,599)	(4,951)
OeKB Group's share of equity at the end of the period	**61,960**	**62,096**

CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna, Austria

Other Services segment	2014	2015
Shareholding	50%	50%
Share of voting rights	50%	50%

CCP Austria ('CCP.A') is operated as a joint venture with the Wiener Börse AG, Vienna, and is equity-accounted in the consolidated financial statements.

CCP.A is not listed on the stock exchange. It acts as the clearing agent for the Vienna Stock Exchange and as the central counterparty for all trades concluded on the exchange. Including CCP Austria, eleven European clearing-houses are EMIR certified (European Market Infrastructure Regulation).

€ thousand	2014	2015
Revenue	2,553	2,675
Operating loss	(176)	(52)
Loss before tax	(157)	(52)
Of which depreciation	-	*(1)*
Of which interest income	*18*	-
Of which interest expense	-	-
Loss for the year	(146)	(86)
Other comprehensive (expense)	-	-
Total comprehensive (expense) for the year	**(146)**	**(86)**
Current assets	30,313	40,434
Of which cash and cash equivalents	*30,147*	*40,276*
Non-current assets	-	-
Current liabilities	18,758	29,102
Non-current liabilities	135	(2)
Equity	**11,420**	**11,334**
OeKB Group's share of equity at the beginning of the period	5,783	5,710
OeKB Group's share of total comprehensive (expense) for the period	(73)	(43)
Dividend payments received	-	-
OeKB Group's share of equity at the end of the period	**5,710**	**5,667**

(19) Other assets

€ thousand	31 Dec 2014	31 Dec 2015
Sundry assets	48,768	57,281
Prepayments and accrued income	19,688	24,979
Other assets	**68,456**	**82,260**

(20) Financial liabilities

Financial liabilities are initially valued at the amount that has been actually been granted. As a rule, financial liabilities are held at amortised cost, in keeping with the business model. Where derivatives are used to hedge the interest rate risk or currency risk associated with liabilities, the hedged debt instruments are recorded at fair value in order to avoid accounting mismatches. Premiums, discounts or other differences between the proceeds and the repayment amount are realised over the term of the instrument by the effective-interest method and recognised in net interest income (at amortised cost). Zero coupon bonds are calculated at present value.

Deposits from banks

€ thousand	Repayable on demand		Other deposits		Total	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Domestic banks	50,950	31,484	-	-	50,950	31,484
Foreign banks	46,226	37,080	415,970	1,010,857	462,196	1,047,937
Total	**97,176**	**68,564**	**415,970**	**1,010,857**	**513,146**	**1,079,421**

Deposits from customers

€ thousand	Domestic customers		Foreign customers		Total	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
States or state-affiliated organisations	696,826	647,921	1,423	1,326	698,249	649,246
Others	65,956	78,386	50,175	26,894	116,131	105,280
Total	**762,782**	**726,306**	**51,598**	**28,220**	**814,380**	**754,526**

Debt securities in issue

€ thousand	Debt securities in issue		Of which listed	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Bonds issued	18,165,493	19,448,791	18,165,493	19,448,791
Other debt securities in issue	5,375,595	4,175,915	-	-
Total	**23,541,088**	**23,624,706**	**18,165,493**	**19,448,791**
Of which at fair value through profit or loss	*17,118,531*	*17,287,990*	-	-
Of which amortised cost	*6,422,557*	*6,336,715*	-	-

The amount repayable on maturity for debt securities in issue that are valued using the fair value option was € 13,177.5 million (2014: € 14,112.3 million).

Maturities in 2015/2016

€ thousand	Maturities in 2015	Maturities in 2016
Debt securities in issue	8,523,015	8,885,801
Accrued interest	110,531	84,963
Redemption and coupon payments in the course of transmission to security holders	128	83
Fair value measurement	19,419	34,223
Total	**8,653,094**	**9,005,070**

(21) Provisions

Movement in provisions

€ thousand	1 Jan 2015	Amounts used or released	Additions	31 Dec 2015
Non-current provisions for employee benefits	131,099	(5,409)	4,413	130,103
Other current provisions	1,106,103	(48,638)	310,504	1,367,969
Of which interest rate stabilisation provisions	*1,090,983*	*(16,286)*	*278,220*	*1,352,917*
Provisions	**1,237,201**	**(54,047)**	**314,917**	**1,498,072**

Employee benefit provisions

The provisions for pensions and similar obligations (termination benefits) represent post-employment benefits falling within the scope of IAS 19.

The obligations under defined benefit plans are measured by the projected unit credit method. Under this method, dynamic parameters are taken into account in calculating the expected benefit payments after the payable event occurs; these payments are spread over the entire average remaining years of service of the employees. The method differentiates between interest cost (which is the amount by which the obligation increases over a given year because benefits have moved closer to payment) and service cost (benefits newly accrued by employees in the year through their employment). The service cost and interest cost are recognised in staff costs, i.e., within operating profit. By contrast, actuarial gains and losses are recognised in other comprehensive income under items that will not be reclassified to the income statement.

The calculation of the defined benefit obligation involves actuarial assumptions regarding discount rates, rates of salary increase and pension trends as well as employee turnover, which are determined in accordance with the economic conditions. The respective discount rates are selected based on the yields of high-quality corporate bonds of an appropriate maturity and currency. The present value of the defined benefit obligation (DBO) is recognised at its value as of the balance sheet date. There are no plan assets (i.e., no fund-held assets against which to offset the DBO).

The pension obligations relate to both defined benefit and defined contribution plans and consist of obligations both for current and future pensions.

OeKB Group offers most of its eligible employees the opportunity to participate in defined contribution plans. The Group has an obligation to transfer a set percentage of annual salaries to the pension institution (pension fund). Defined contribution plans do not involve any obligations beyond the payment of contributions to dedicated pension institutions. The contributions are recognised in staff costs for the period.

For a small number of key employees the Group still maintains performance-related benefit plans, which are generally based on length of service and on salary level. These performance-related pension plans are funded entirely through provisions.

The provisions for termination benefits relate to statutory and contractual obligations to pay the employee a specified amount on termination if certain conditions are met.

The current version of the computation tables by Pagler & Pagler for employees are used as the biometric basis for the calculations. The key parameters are:

- A discount rate of 2.40% (previous year: 2.40%),
- An overall rate of salary and pension increases of up to 3.0% (previous year: 3.0%) – which represents the collective-agreement trend, regular multi-employee increases and unscheduled individual-employee increases
- An assumed age at retirement of 59 years 6 months for women (previous year: 59 years 3 months) and 64 years 6 months for men (previous year: 64 years 3 months) based on the transitional provisions of the Austrian public pension scheme (ASVG) under the Budget Implementation Act 2003.

Movement in non-current employee benefit provisions

€ thousand	Pension	Termination benefits	**Total 2015**	Total 2014
Present value of defined benefit obligation (DBO), representing the total non-current employee benefit provisions at 1 January	104,160	26,939	131,099	115,650
Service cost	1,554	781	2,335	1,290
Interest cost	2,448	628	3,076	3,396
Benefits paid	(4,041)	(1,368)	(5,409)	(4,131)
Actuarial gain/(loss)	(281)	(718)	(999)	14,894
Of which actuarial gain/(loss) arising from change in parameters	-	-	-	*17,891*
Of which actuarial gain/(loss) arising from experience adjustments	*(281)*	*(718)*	*(999)*	*(2,997)*
DBO at 31 December	103,841	26,262	130,103	131,099
Non-current employee benefit provisions at 31 December	**103,841**	**26,262**	**130,103**	**131,099**

Historical information on defined benefit obligation

€ thousand	2010	2011	2012	2013	2014
Pension provisions	81,368	84,016	88,051	91,781	104,160
Termination benefit provisions	23,027	23,500	24,503	23,869	26,939
Non-current employee benefit provisions	**104,395**	**107,516**	**112,554**	**115,650**	**131,099**

The pension obligations for most of the staff have been transferred to a pension fund under a defined contribution plan. In connection with this plan, contributions of € 1.7 million were paid to the pension fund in 2015 (2014: € 0.9 million).

Staff costs also included the contributions of € 0.2 million to the termination benefit fund (2014: € 0.2 million).

The following table presents the sensitivity of the obligations to key actuarial assumptions. It shows the respective absolute amount of the provision recognised at 31 December 2015 when a single assumption is varied at a time with the other assumptions held constant.

Analysis of sensitivity to changes in principal assumptions (minus signs denote resulting higher expenses for the Group, plus signs denote savings for the Group)

€ thousand	Pension expenses	Termination benefit expenses	**Total**	Total 2014
Increase in discount rate by 0.50%-point	6,526	1,113	**7,639**	7,529
Decrease in discount rate by 0.50%-point	(7,277)	(1,189)	**(8,466)**	(9,282)
Increase in expected salary growth by rate by 0.50%-point	(642)	(1,179)	**(1,821)**	(2,155)
Decrease in expected salary growth by rate by 0.50%-point	617	1,112	**1,729**	2,049
Increase in pension trend by 0.50%-point	(6,289)	-	**(6,289)**	(6,362)
Decrease in pension trend by 0.50%-point	5,752	-	**5,752**	5,820

Principal assumptions

	2014	2015
Discount rate	2.40%	2.40%
Salary trend	1.25%	1.25%
Pension trend	1.75%	1.75%
Total trends	**3.00%**	**3.00%**

The sensitivity analysis was performed by an independent actuary using the projected unit credit method. Information on the manner of arriving at the assumptions underlying the sensitivity analysis is provided in the section 'Accounting policies'.

Maturity profile of the non-current pension provisions

	Pension expenses		Termination benefit expenses	
€ thousand	DBO at 31 Dec 2014	DBO at 31 Dec 2015	DBO at 31 Dec 2014	DBO at 31 Dec 2015
Not more than 1 year	4,390	5,127	1,967	2,056
Over 1 year but not more than 3 years	9,667	10,807	3,278	1,839
Over 3 years but not more than 5 years	10,199	11,187	3,326	4,002
Over 5 years	79,904	76,720	18,368	18,365
Total	**104,160**	**103,841**	**26,939**	**26,262**
Duration	14.2 years	13.9 years	9.3 years	9.0 years

Other current provisions

Other current provisions are recognised where all of the following conditions are met:

- OeKB Group has a legal or real obligation to a third party as a result of a past event
- The obligation is likely to lead to an outflow of resources
- The amount of the obligation can be reliably estimated.

Provisions are assessed at the amount representing the best estimate of the expenditure required to settle the obligation. If the present value of the obligation determined on the basis of a market interest rate differs materially from its nominal amount, the present value of the obligation is used.

In support of the Export Financing Scheme, an interest rate stabilisation provision is maintained to stabilise the interest rates on export credits. The provision is based on the actual obligation regarding the use of surpluses from the Export Financing Scheme. This de facto obligation has a dual basis; it arises from the rules for the fixing of interest rates in the Export Financing Scheme, which specify fixed margins for OeKB, and from a directive from the Austrian Ministry of Finance on the use of surpluses from fixed interest facilities.

The additions to and utilisation of the provision are determined by the net interest income from the Export Financing Scheme, less OeKB's fixed margin for the operation of the scheme and less the costs directly related to the scheme's funding. The net effects from the measurement of the derivatives and financial liabilities in the Export Financing Scheme are also reflected in this item. In accordance with these rules, the provision is used to stabilise the terms of export credits. The nature of the interest rate stabilisation provision allows either a one-year or a multi-year liquidation plan to be assumed for it depending on the stress scenario. To take account of the short-term stress scenario, the provision was classified as current.

At 31 December 2015 the interest rate stabilisation provision was € 1,352.9 million (2014: € 1,090.0 million). In the fiscal year, an allocation of € 52.0 million (2014: € 117.9 million) to the interest rate stabilisation provision came from the net interest income of the Export Financing Scheme and a further allocation of € 226.2 million (2014: € 145.4 million) was made from the Scheme's valuation results (also see note 1).

(22) Tax assets and tax liabilities

Tax assets and liabilities respectively include deferred tax assets and deferred tax liabilities arising from temporary differences between the IFRS carrying amounts and the corresponding tax base in Group companies.

Deferred taxes arose on the following items:

€ thousand	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Financial investments at fair value through profit or loss	-	-	25,411	27,022
Other financial instruments	9,133	8,060	1,067	996
Employee benefit provisions	15,744	16,408	-	-
Other provisions	58,332	60,845	-	-
Total	**83,209**	**85,313**	**26,478**	**28,018**
Net deferred taxes	56,731	57,295	-	-

(23) Other liabilities

Accruals and deferred income included deferrals of up-front payments received for services in connection with the export guarantee business, and deferrals related to the issue of debt securities by the Group, measured at amortised cost.

€ thousand	31 Dec 2014	31 Dec 2015
Accruals and deferred income	31,833	28,924
Sundry liabilities	87,966	98,353
Other liabilities	**119,799**	**127,277**

(24) Capital and capital management

Equity

The share capital of € 130.0 million (2014: € 130.0 million) is divided into 880,000 no-par-value shares. These registered ordinary shares with restricted transferability are represented by global certificates registered in the name of each individual shareholder.

The capital reserves remained unchanged at € 3.3 million.

The retained earnings attributable to owners of the parent company increased by € 27.8 million (2014: € 33.9 million) to € 608.3 million (2014: € 580.7 million).

The following table shows the accumulated net other operating income in the retained earnings, after taxes.

€ thousand	2014	2015	Change
Actuarial gains/(losses) on defined benefit plans	(15,707)	(14,958)	+749
Equity-accounted investments - Share in net other comprehensive income	(384)	(482)	(98)
Attributable to owners of the parent	(16,091)	(15,440)	+651
Attributable to non-controlling interests	9	4	(5)
Total	**(16,082)**	**(15,436)**	**+646**

The Executive Board will propose to the 70th Annual General Meeting on 19 May 2016 that the profit available for distribution recorded in the parent company's financial statements for the year 2015, in the amount of € 20.3 million, be used to pay a dividend of € 22.75 per share. In total, the proposed dividend will be € 20.0 million. This represents approximately 15% of the participating ordinary share capital for 2015. After payment of the Supervisory Board performance-based compensation, the balance is to be carried forward.

The dividend payment for the 2014 financial year, which was made in May 2015, amounted to € 22.75 per share or a total of € 20.0 million. In 2015 the return on assets under section 64(1)19 of the Austrian Banking Act attributable to the owners of the parent was 0.2% (2014: 0.2%).

Capital management

Section 3(1)7 of the Austrian Banking Act provides that Regulation (EU) No 575/2013 and section 39(3) and (4) of the Austrian Banking Act do not apply to transactions of Oesterreichische Kontrollbank Aktiengesellschaft related to export promotion under the Export Guarantees Act and the Export Financing Guarantees Act. Under section 3(2)1 of the Austrian Banking Act, the following legal provisions are not applicable either: Part 6 of Regulation (EU) No 575/2013, and sections 27a, 39(2b)7 in conjunction with 39(4), 39(3), and 74(6)3a in conjunction with 74(1) of the Austrian Banking Act.

The banking group as defined under section 30 of the Austrian Banking Act consists of Oesterreichische Kontrollbank AG, "Österreichischer Exportfonds" GmbH, OeKB CSD GmbH and Oesterreichische Entwicklungsbank AG. The strategic aim of capital management in OeKB Group is to ensure a sustained stable capital base. There were no material changes in capital management. At all times during the reporting period, the Group satisfied the capital requirements of the national supervisor.

The regulatory capital requirement for credit risk is determined in accordance with the provisions of Regulation (EU) No 575/2013. The capital required to be held for operational risk is determined by the Basic Indicator approach. The banking group does not hold a trading book. At Group level, the risks are aggregated in accordance with the concept of economic capital. Through the analysis of risk-bearing capacity, the economic capital required is compared with the economic capital available, and both measures are monitored.

OeKB is the parent institution of the OeKB 'banking group' for the purposes of section 30 of the Austrian Banking Act. OeKB Group's regulatory capital determined in accordance with Regulation (EU) No 575/2013 showed the following composition and development:

Regulatory capital requirement pursuant to article 92 of CRR (EU) No 575/2013 (Capital Requirements Regulation)

€ thousand	2014	2015
Risk-weighted assets (Standardised approach to credit risk)	596,171	558,426
Total risk exposure amount (= Total regulatory capital requirement/8%)	**966,263**	**837,242**
Regulatory capital requirement for		
Credit risk	47,694	44,674
Foreign exchange risk	7,509	1,541
Operational risk (Basic Indicator approach)	22,098	20,765
Total regulatory capital requirement	**77,301**	**66,979**
Consolidated regulatory capital under Part 2 of the CRR		
Paid-up share capital	130,000	130,000
Reserves[1]	519,056	564,797
Amounts to be added from a minority stakeholding under Art. 84 in conjunction with Art. 480 of the CRR	3,149	2,468
Less deductions		
Intangible assets	(1,228)	(1,858)
Common Equity Tier 1	**650,976**	**695,407**
Amounts to be added from a minority stakeholding under Art. 85 in conjunction with Art. 480 of the CRR	**5**	11
Additional Tier 1 capital	**5**	**11**
Less deductions under article 472(4) of the CRR		
Intangible assets	**(5)**	(11)
Tier 1 capital	**650,976**	**695,407**
Amounts to be added from a minority stakeholding under Art. 85 in conjunction with Art. 480 of the CRR	7	15
Tier 2 capital	**7**	15
Available regulatory capital under Part 2 of the CRR	**650,983**	**695,422**
Surplus regulatory capital	573,683	628,443
Consolidated capital adequacy ratio (regulatory capital resources as a percentage of total risk-weighted assets)	67.4%	83.1%
Consolidated Tier 1 capital ratio	67.4%	83.1%
Cover ratio (capital resources as a percentage of the capital requirement)	842.1%	1038.3%

[1] Under article 26(2) of the CRR, earnings for the year are included in Common Equity Tier 1 capital only after the official adoption of the final annual financial results.

Other information and risk report

(25) Information regarding the statement of cash flows

The statement of cash flows presents the development of cash positions of OeKB Group. The cash position recorded consists of cash and balances with central banks and corresponds to the item 'cash and balances at central banks'. The Group has additional liquidity reserves (see note 38), but these are not included in the cash and cash equivalents definition. This supplementary liquidity buffer, is called upon only in a stress scenario. The cash and cash equivalents displayed are denominated exclusively in Euros.

In cash flows from operating activities, all income and expense components are adjusted for non-cash items, especially depreciation, amortisation and impairment, changes in provisions, deferred taxes and unrealised currency translation gains and losses, as well as all other items the cash effects of which represent cash flows from investing or financing activities. Foreign currency losses and gains essentially occur only in connection with raising long-term and short-term funds for the Export Financing Scheme. These exchange rate risks are largely secured by the exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act. OeKB Group thus does not bear any exchange rate risk from the Export Financing Scheme. Changes in exchange rates have little or no impact on cash and cash equivalents held or due in foreign currency.

Cash flows from investing activities represent changes in the financial assets in the investment portfolio, in the property and equipment and intangible assets as well as in loan assets.

Cash flows from financing activities consist of changes in funding and of the payments related to the equity of the parent company.

(26) Analysis of remaining maturities

The remaining maturity is the period from the balance sheet date to the contractual maturity date of the asset or liability; in the case of instalments, the remaining maturity is determined separately for each instalment. Accrued and deferred interest is assigned to the maturity class of 'Not more than 3 months'.

Residual maturities at 31 December 2015

€ thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total**
Loans and advances to banks	11,283	2,198,585	5,874,564	6,715,033	3,075,115	**17,874,580**
Loans and advances to customers	51	393,518	725,142	184,215	178,500	**1,481,426**
Other financial instruments	403,059	21,328	62,437	762,708	1,352,963	**2,602,495**
Total	**414,393**	**2,613,431**	**6,662,143**	**7,661,956**	**4,606,578**	**21,958,501**
Deposits from banks	68,564	948,516	-	28,971	33,370	**1,079,421**
Deposits from customers	723,144	188	562	18,414	12,218	**754,526**
Debt securities in issue	-	3,593,682	5,411,388	10,463,827	4,155,809	**23,624,706**
Total	**791,708**	**4,542,386**	**5,411,950**	**10,511,212**	**4,201,397**	**25,458,653**

Residual maturities at 31 December 2014

€ thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total**
Loans and advances to banks	34,534	1,723,063	6,633,816	8,291,634	2,628,788	**19,311,835**
Loans and advances to customers	110	372,680	682,654	191,310	263,567	**1,510,321**
Other financial instruments	375,852	16,984	162,759	562,959	670,788	**1,789,342**
Total	**410,496**	**2,112,727**	**7,479,229**	**9,045,903**	**3,563,143**	**22,611,498**
Deposits from banks	97,175	378,616	-	5,000	32,355	**513,146**
Deposits from customers	783,595	-	-	1,285	29,500	**814,380**
Debt securities in issue	-	4,939,035	3,714,059	10,507,467	4,380,527	**23,541,088**
Total	**880,770**	**5,317,651**	**3,714,059**	**10,513,752**	**4,442,382**	**24,868,614**

(27) Subordinated assets

The balance sheet contains no subordinated assets.

(28) Assets pledged as collateral

€ million	2014	2015
Securities pledged as collateral (market value)		
With OeNB for tender	3,993	2,160
For trading on futures exchanges (EUREX)	20	-
For energy trading (ECC)	6	7
For Eurex Repo platform	687	1,114
Collateral for credit risks of derivatives transactions		
Collateral pledged	485	275
Collateral received	379	948

(29) Contingent liabilities and commitments

The off-balance sheet contingent liabilities of € 100.5 million (2014: € 102.7 million) were related to guarantees issued by Oesterreichische Entwicklungsbank AG, which in turn are backed by a guarantee of the Republic of Austria. At the balance sheet date OeKB Group had total undrawn credit commitments of € 2,974.9 million (2014: € 2,463.9 million).

(30) Sundry off-balance sheet obligations

OeKB and Exportfonds are required to guarantee a proportionate amount of deposits in accordance with the deposit insurance system operated by the Vienna-based Banken and Bankiers GmbH and with section 93 of the Austrian Banking Act.

Obligations arising under rental agreements for 2016 amounted to € 1.3 million (at the end of the previous year the obligations for 2015 were € 1.2 million). The corresponding obligations for the five-year period from 2016 to 2020 were € 6.1 million (at the end of the previous year the obligations for the five-year period from 2015 to 2019 were € 7.2 million). Rent paid for 2015 was € 0.6 million (2014: € 0.5 million).

(31) Fiduciary assets and liabilities

Off-balance sheet fiduciary transactions amounted to € 17.8 million (2014: € 17.9 million). This item consists largely of development-aid credits processed on behalf of the Republic of Austria.

Fiduciary positions recognised in the balance sheet

€ thousand	31 Dec 2014	31 Dec 2015
Loans and advances to banks	10,407	8,273
Other assets	73,304	85,722
Fiduciary assets	**83,711**	**93,995**
Deposits from customers	10,407	8,273
Other liabilities	73,304	85,722
Fiduciary liabilities	**83,711**	**93,995**

(32) Supplementary information on assets and liabilities under the Austrian Banking Act

Supplementary disclosures under sections 43 and 64 of the Austrian Banking Act

€ thousand	31 Dec 2014		31 Dec 2015	
	Assets	Liabilities	Assets	Liabilities
Denominated in foreign currency	1,720,885	18,190,928	2,085,696	16,893,431
Issued or originated outside Austria	3,451,566	21,120,571	2,887,906	19,354,930

(33) Derivative financial instruments

To manage market risks, the Group uses derivative financial instruments (derivatives), especially to hedge future variable cash flows against changes in market interest rates. The derivatives involved are largely interest rate swaps and cross currency swaps, which are traded over the counter (OTC) and used as hedging instruments, primarily for debt securities issued by OeKB Group.

The fair value of derivative contracts is calculated using generally accepted methods. Derivatives are recognised at the trade date. Derivative contracts are reported at their market value (the clean price) as a separate item in assets or liabilities.

Instead of hedge accounting according to IAS 39, these financial liabilities are classified at fair value through profit or loss (FVTPL) to avoid an accounting mismatch. Thereby the value fluctuations of the derivative and the liability are covered in the statement of income and accumulated earnings directly in profit and loss (result from financial instruments). Credit exposures arising from fluctuations in value are secured with collateral. Derivatives are not used for speculative purposes.

The clearing of interest swaps is to be done via a central counterparty from 2016 in conformity with EMIR (Regulation (EU) No 648/2012).

The exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act (in German: Ausfuhrfinanzierungsförderungsgesetz, published in Federal Law Gazette No 216/1981, as amended), which is used to hedge exchange rate risks under the Export Financing Scheme, uses the balance sheet date value.

Derivative financial instruments 2015

€ thousand	Notional amount at 31 Dec 2015 - by remaining maturity				Fair values	
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total 2015**	Positive	Negative
Interest rate derivatives						
Interest rate swaps	5,387,890	11,122,720	2,667,788	**19,178,398**	202,369	290,487
Currency derivatives						
Currency swaps [1]	5,896,337	9,281,553	1,384,703	**16,562,593**	6,129,541	624,728
Foreign exchange transactions	-	-	-	**-**	-	-
Total	**11,284,227**	**20,404,273**	**4,052,491**	**35,740,991**	**6,331,911**	**915,216**

[1] Predominantely results from guarantees in accordance with section 1 of the Export Guarantees Act (see note 1)

Derivative financial instruments 2014

€ thousand	Notional amount at 31 Dec 2014 - by remaining maturity				Fair values	
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total 2014**	Positive	Negative
Interest rate derivatives						
Interest rate swaps	4,157,904	10,775,362	1,837,657	**16,770,924**	274,700	289,344
Currency derivatives						
Currency swaps [1]	7,379,581	8,022,232	934,250	**16,336,064**	4,598,178	729,706
Foreign exchange transactions	58,996	-	-	**58,996**	-	7,644
Total	**11,596,482**	**18,797,594**	**2,771,908**	**33,165,984**	**4,872,878**	**1,026,694**

[1] Predominantely results from guarantees in accordance with section 1 of the Export Guarantees Act (see note 1)

Global netting arrangements

OeKB concludes derivative business in accordance with the global netting arrangements (framework contract) of the International Swaps and Derivatives Association (ISDA). As a rule, the amounts owed with such an agreement, are settled and paid on an individual transaction basis. In specific cases, for example, if a credit event arises, all outstanding transactions are terminated under the agreement, the termination value is determined and a single net amount is payable to settle all transactions.

The ISDA-agreements do not fulfil the criteria for offsetting in the consolidated financial statements. This is due to the fact that OeKB has no claim to the offsetting of the amounts covered as the right to offset is enforceable only in the case of certain events arising, like a change in the credit environment.

The following table shows the book values of the derivatives covered.

Global netting agreements 2015

€ thousand	Gross and net amounts from derivatives in the consolidated financial statements	Relevant derivatives which are not offset	Net amount
Derivative financial instruments with positive fair value			
Interest rate derivatives			
Interest rate swaps	202,369	(78,790)	123,579
Currency derivatives			
Currency swaps	6,129,541	(376,113)	5,753,428
Foreign exchange transactions	-	-	-
Total	**6,331,911**	**(454,903)**	**5,877,007**
Derivative financial instruments with negative fair value			
Interest rate derivatives			
Interest rate swaps	290,487	(247,474)	43,013
Currency derivatives			
Currency swaps	624,728	(207,429)	417,299
Foreign exchange transactions	-	-	-
Total	**915,216**	**(454,903)**	**460,312**

Global netting agreements 2014

€ thousand	Gross and net amounts from derivatives in the consolidated financial statements	Relevant derivatives which are not offset	Net amount
Derivative financial instruments with positive fair value			
Interest rate derivatives			
Interest rate swaps	274,700	(151,533)	123,167
Currency derivatives			
Currency swaps	4,598,178	(463,903)	4,134,275
Foreign exchange transactions	-	-	-
Total	**4,872,878**	**(615,436)**	**4,257,442**
Derivative financial instruments with negative fair value			
Interest rate derivatives			
Interest rate swaps	289,344	(268,404)	20,940
Currency derivatives			
Currency swaps	729,706	(347,052)	382,654
Foreign exchange transactions	7,644	-	7,644
Total	**1,026,694**	**(615,456)**	**411,238**

(34) Fair value of financial instruments

The table below presents the book value and fair values of financial assets and liabilities, analysed by category.

Fair values are determined as described in note 5.

Fair value at 31 December 2015

€ thousand	Notes	Carrying amount				Fair value		
		Loans and receivables	Other financial instruments, at amortised cost	Fair value option	**Total**	Level 1	Level 2	**Total**
Financial assets measured at fair value								
Other financial instruments	16	-	-	2,592,944	**2,592,944**	2,592,944	-	**2,592,944**
Derivatives held for hedging	33	-	-	6,331,911	**6,331,911**	-	6,331,911	**6,331,911**
Total		**-**	**-**	**8,924,855**	**8,924,855**			
Financial assets not measured at fair value								
Cash and balances at central banks	25	-	223,147	-	**223,147**	-	223,147	**223,147**
Loans and advances to banks	14	17,874,580	-	-	**17,874,580**	-	18,299,457	**18,299,457**
Loans and advances to customers	14	1,481,426	-	-	**1,481,426**	-	1,506,932	**1,506,932**
Allowance for impairment losses on loans and advances	15	(622)	-	-	**(622)**	-	(622)	**(622)**
Other financial instruments	16	-	9,551	-	**9,551**	-	9,551	**9,551**
Total		**19,355,384**	**232,698**	**-**	**19,588,082**			
Financial liabilities measured at fair value								
Debt securities in issue	20	-	-	17,287,990	**17,287,990**	-	17,287,990	**17,287,990**
Derivatives held for hedging	33	-	-	915,216	**915,216**	-	915,216	**915,216**
Total		**-**	**-**	**18,203,206**	**18,203,206**			
Financial liabilities not measured at fair value								
Deposits from banks	20	-	1,079,421	-	**1,079,421**	-	1,080,687	**1,080,687**
Deposits from customers	20	-	754,526	-	**754,526**	-	754,582	**754,582**
Debt securities in issue	20	-	6,336,715	-	**6,336,715**	-	7,142,099	**7,142,099**
Total		**-**	**8,170,662**	**-**	**8,170,662**			

Fair value at 31 December 2014

€ thousand	Notes	Carrying amount				Fair value		
		Loans and receivables	Other financial instruments, at amortised cost	Fair value option	**Total**	Level 1	Level 2	**Total**
Financial assets measured at fair value								
Other financial instruments	16	-	-	1,769,760	**1,769,760**	1,769,760	-	**1,769,760**
Derivatives held for hedging	33	-	-	4,872,878	**4,872,878**	-	4,872,878	**4,872,878**
Total		**-**	**-**	**6,642,638**	**6,642,638**			
Financial assets not measured at fair value								
Cash and balances at central banks	25	-	271,838	-	**271,838**	-	271,838	**271,838**
Loans and advances to banks	14	19,311,835	-	-	**19,311,835**	-	19,940,811	**19,940,811**
Loans and advances to customers	14	1,510,321	-	-	**1,510,321**	-	1,563,757	**1,563,757**
Allowance for impairment losses on loans and advances	15	(562)	-	-	**(562)**	-	(562)	**(562)**
Other financial instruments	16	-	19,581	-	**19,581**	-	19,581	**19,581**
Total		**20,821,593**	**291,419**	**-**	**21,113,012**			
Financial liabilities measured at fair value								
Debt securities in issue	20	-	-	17,118,531	**17,118,531**	-	17,118,531	**17,118,531**
Derivatives held for hedging	33	-	-	1,026,694	**1,026,694**	-	1,026,694	**1,026,694**
Total		**-**	**-**	**18,145,225**	**18,145,225**			
Financial liabilities not measured at fair value								
Deposits from banks	20	-	513,146	-	**513,146**	-	515,869	**515,869**
Deposits from customers	20	-	814,380	-	**814,380**	-	814,468	**814,468**
Debt securities in issue	20	-	6,422,557	-	**6,422,557**	-	7,167,273	**7,167,273**
Total		**-**	**7,750,083**	**-**	**7,750,083**			

(35) Risk management

OeKB is a special-purpose bank for capital market services and the Austrian export industry. It does not do retail banking or deposit-taking business. In significant business segments, OeKB acts as a contractor to the Republic of Austria. This also applies to its roles in the promotion of exports through guarantees and financing.

To ensure the stability and profitability of the bank in the interest of all stakeholders (especially customers, owners, and the Republic of Austria), its risk management – essentially, the identification, monitoring, assessment, reporting, planning and treatment of risks – consists of important processes integrated in the business strategy. OeKB's risk management systems are appropriate to the risk profile and business model.

Risk policy - key content

Every risk assumed by OeKB Group is accepted consciously and is consistent with the Executive Board's risk policy and strategy, which aims to assure a stable return on equity through a conservative approach to all risks, including financial risks and risks arising from business operations in general.

The risk policy and strategy sets out the risk management principles, the risk appetite and the principles for the measurement and control of the risk categories used.

Market risk, credit risk and operational risk are recognised as key risks; OeKB Group also places importance on conservative management of liquidity risk, with the objective of being able to meet all payment obligations at all times even in stress periods.

Special features of OeKB – legal environment and its effects on risk management

By far the biggest part of OeKB's total assets is made up of the Export Financing Scheme, which is treated as a separate accounting entity distinct from the rest of the business (see note 1).

The risks of the Export Financing Scheme which OeKB has been commissioned to run by the Republic are mitigated by extensive loan security and guarantees especially by the Republic of Austria. The Export Financing Guarantees Act sets out the requirements for guarantees for export lending and thus the conditions for customers' access to credit under the scheme, as well as the rules for the Austrian government guarantees protecting creditors in OeKB's borrowing operations (creditor guarantees) and the government guarantees protecting OeKB from exchange rate risk (exchange rate guarantees).

Exemptions from regulatory requirements are key for OeKB's business model. OeKB is exempt from the liquidity requirements (LCR, NSFR) as well as European and national provisions for the banking union (such as the Bank Recovery and Resolution Directive, or BRRD). Further exemptions exist regarding the requirements in export guarantees (i.e. the EFS), in particular the exemption from the European Union's CRR, or Capital Requirements Regulation (Regulation (EU) No 575/2013). Similarly, these exemptions apply to the two fully consolidated subsidiaries, "Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG. Furthermore, similar exemptions apply to the fully consolidated subsidiary OeKB CSD GmbH, the Austrian central securities depository intending to be licensed according to the CSD Regulation. Together with OeKB, these subsidiaries form a credit institution group.

OeKB, as the superordinate credit institution, runs the Internal Capital Adequacy Assessment Process (ICAAP) according to section 39a(1) of the Austrian Banking Act on a consolidated basis as a Group ICAAP; accordingly, no individual ICAAP's are performed on an institutional level.

Taking into account the special importance of the Export Financing Scheme (EFS), its treatment as a separate accounting entity, and OeKB's steering principles the EFS is treated as investment risk. For this purpose, a separate calculation is performed for EFS's risk bearing ability. Provided that the EFS can bear its own risks it will pose no risks for the OeKB Group. Any risk exceeding the Export Financing Scheme's dedicated pool of economic capital thus becomes part of the Group's credit risk. For details, see 'ICAAP EFS and its integration in the Group ICAAP' in note 37.

Risk management organisation

Against the backdrop of OeKB Group's major business activities and its specific business and risk structure, the bank has adopted a clear, functional organisation of the risk management process with well-defined roles. In line with proportionality rules there is no separation between market and risk management on the board level.

Executive Board: In accordance with the responsibilities prescribed in the Austrian Banking Act, the Executive Board sets the risk policy and strategy, in consultation with and subject to the approval of the Risk Committee of the Supervisory Board. As part of the Group's enterprise-wide risk management, the Executive Board, working with the Risk Management Committee, determines the acceptable aggregate amount of risk (based on the calculated capacity to assume risk), approves risk limits derived from this aggregate and decides on the procedures for risk monitoring.

Risk Management Committee: The function of the Risk Management Committee is derived from the risk policy and consists of strategic risk control and risk monitoring. The Risk Management Committee is the primary recipient of the risk reports, monitors and manages the risk profiles for the individual risk types, and, as needed, decides what action to take based on the risk reports. The committee consists of the Executive Board, the Chief Risk Officer (CRO) and the Deputy CRO, the Operational Risk Manager (ORM), the Financial Risk Manager (FRM), the Internal Control System Officer, the Legal Compliance Officer and representatives from the Accounting & Financial Control department and business segments.

Chief Risk Officer: The implementation of the measures decided by the Risk Management Committee is overseen by the Chief Risk Officer, supported by the Financial Risk Manager, the Operational Risk Manager and the Chief Information Security Officer (CISO). The CISO reports directly to the full Board and, once a year, to the Risk Committee of the Supervisory Board.

Risk Controlling department: The 'Risk Controlling' department is responsible for the measurement and assessment of financial risks, the operating-level financial risk accounting and the implementation and monitoring of internal controls regarding financial risk, including the monitoring of internal limits and the actual implementation of the Internal Capital Adequacy Assessment Process.

Operational risk management: The standards for the management of operational risk are implemented in the Group's business operations by the Organisation, Construction, Environmental Issues and Security department (known as OBUS), with the exception of information security matters which are the responsibility of the Chief Information Security Officer. The activities relating to operational risk management, information security and coming under the remit of the Internal Control System Officer are subject to ongoing coordination.

Asset and Liability Management Committee (ALCO): The principal responsibilities of the ALCO are to manage the balance sheet structure and market risks and to set lending rates under the Export Financing Scheme.

Internal Audit: The organisational units involved in the risk management process and the procedures applied are regularly reviewed by the Internal Audit department.

Supervisory Board: The Supervisory Board overseas all risk management arrangements at OeKB Group and receives quarterly reports on the Group's risk situation. These risk reports present a detailed view of OeKB Group's risk situation. The Supervisory Board also maintains a Risk Committee under section 39d of the Austrian Banking Act, which convened for one meeting in 2015. The Audit Committee of the Supervisory Board also monitors the effectiveness of the internal control system.

In order to ensure that the senior management responsible for steering and supervising financial and operational risks are adequately and promptly informed OeKB has implemented a comprehensive and risk orientated reporting scheme. This reporting includes the quarterly risk reports by the Executive Board to the Supervisory Board and yearly coordination and consultation within the Risk Committee of the Supervisory Board according to section 39d of the Austrian Banking Act.

Risk management is supplemented by a system of internal controls (IKS), ensuring compliance with guidelines and risk-reducing provisions. An Internal Control System Officer was nominated to safeguard the compliance of the internal control system with legal requirements as well as the implementation and ongoing development of the internal control guideline enacted by the Executive Board. Largely automated general IT controls and audits conducted by the Internal Audit department ensure its effectiveness.

To reduce legal risks, a Legal Compliance Officer reports directly to the Executive Board and provides a comprehensive view of the effects of different legal matters on OeKB. They are also responsible for compliance in accordance with the Securities Supervision Act (WAG). Furthermore, OeKB has set up an appropriate organisational structure and appointed an officer in charge to implement the anti-money-laundering and counter-terrorism measures in the Austrian Banking Act.

As part of the operational risk management strategy, organisational structures have been defined for various emergency and crisis scenarios.

In 2015 the dominant topic was the spin-off of the depository services and founding of OeKB CSD GmbH, a 100% subsidiary of OeKB. In the autumn of 2016, OeKB CSD intends to submit an application to the Financial Markets Authority for the license as central securities depository according to the CSDR. The preparations for this application will be a dominant factor in 2016. Furthermore, in 2016 the bank will continue to offer training for key function holders including directors and Supervisory Board members according to the Fit & Proper requirements.

Risk appetite and approaches to risk control

The ICAAP serves to assure the maintenance of the defined bank-specific level of capital adequacy and, as a measurement and control tool, forms an integral part of the management process. The risk appetite is set annually by the Executive Board in consultation with and subject to the approval of the Risk Committee of the Supervisory Board.

In its ICAAP, OeKB applies both the 'going concern' approach (designed to ensure sufficient regulatory capital to continue in business even amid severe loss events) and the 'gone concern' approach (focusing on protecting creditors and the ability to repay deposits and other senior debt in the event of liquidation). The key difference between the two approaches lies in the definition of the economic capital available to cover risk, and the choice of confidence level for the risk (99.9% for the going concern approach and 99.98% for the gone concern variant). Additionally, early-warning levels are defined.

Another measure for expressing risk appetite is based on liquidity risk as insolvency risk. This is the short-term risk of not being able to meet present or future payment obligations fully as they come due. A minimum survival period of one month and a target survival period of two months have been set for OeKB Group.

(36) Internal Capital Adequacy Process (ICAAP)

OeKB runs the Internal Capital Adequacy Process exclusively on the Group level. This is done according to the two steering perspectives specified in note 35, Going and Gone Concern.

There is no steering of individual business divisions or segments within OeKB, as this is of limited relevance. The steering of credit institution subsidiaries is based on risk budgets according to economic capital and for the Export Financing Scheme a separate ICAAP is carried out. For further details see note 37.

Risk assessment is performed at least quarterly by the Risk Controlling department – which as a risk oversight function is independent from risk origination – and is reported both to the Risk Management Committee and the Supervisory Board. The results of liquidity and market risk analysis are also dealt with by the ALCO. The most important systems for risk measurement and riskmonitoring are SAP, QRM, Bloomberg and in-house designed systems.

Principles of risk measurement and of risk coverage calculation

The key variable in the measurement and management of risk is economic capital. Risk is defined by OeKB as the danger that the actual outcome will be less favourable than the expected outcome (unexpected loss). The economic capital is calculated using the concept of Value at Risk (VaR) over a one-year time horizon.

The calculation of risk coverage particularly takes into account credit risk, market risk and operational risk. Credit risks that are individually material are measured using Credit Value at Risk (CVaR); individually material market risks are measured using VaR. Credit and market risks that are not individually material are measured analogously to the material risks, or are assessed by allowing a lump sum for them.

Liquidity risk is measured and managed primarily by using the survival period. The survival period is determined on the basis of cash-flow and funding projections (using idiosyncratic and systemic stress assumptions) that are compared critically with the liquidity buffer – see note 38.

Calculating risk-bearing capability and defining limits

In the calculation of risk coverage, the economic capital required is compared with the economic capital available. This is done for different risk coverage objectives and approaches ('going concern' and 'gone concern') – see note 35.

Based on the calculated risk-bearing capability and the recommendations by the Risk Management Committee, the Executive Board defines the limits for market and credit risks for OeKB Group as a whole as well as risk budgets for the credit institution subsidiaries. Compliance with these limits is monitored by the Risk Controlling department and reported to the Risk Management Committee and the Executive Board. Concentrations of risk are also monitored through these processes.

In the calculation of risk coverage, concentrations of risk between risk types are taken into consideration by determining the aggregate risk as the sum of the type-specific risk capitals and thus assuming a perfect positive correlation.

Other risks, such as reputation and business risk, are recognised through flat percentage-based amounts. The assessment of operational risk employs the Basic Indicator Approach, expanded by a distribution for scaling to the respective confidence level of the two steering views (i.e. Going and Gone Concern).

The following table shows the high risk-bearing capability of OeKB Group in the Going and Gone Concern. The increase in economic capital is credited, on the one hand, to a valuation model change (the previous binomial distribution model was replaced by a credit risk model assuming Vasicek-distributed losses) and, on the other hand, to changes in market parameters such as rising volatilities.

Risk coverage calculation of OeKB Group

€ thousand	31 Dec 2014 Economic capital	31 Dec 2014 Capital available to cover the risks	31 Dec 2015 Economic capital	31 Dec 2015 Capital available to cover the risks
Going Concern	100,278	635,310	116,687	664,439
Gone Concern	118,315	792,508	149,545	821,637

The economic capital calculations are supplemented with stress tests. This involves both univariate tests for key risk drivers, and multivariate market-specific tests.

Comparison of risk under ICAAP with regulatory capital requirement under article 92 of Regulation (EU) No 575/2013

€ thousand	Value at Risk under ICAAP (99.98% confidence)		Regulatory capital requirement under Regulation (EU) No 575/2013	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Credit risk	20,754	37,445	47,694	44,674
Commodity and foreign exchange risk	22,342	17,670	7,509	1,541
Other market risk in the banking book	30,382	50,804	-	-
Other risks	13,611	17,204	-	-
Operational risk	28,119	26,422	22,098	20,765

For details concerning the individual risk types which are considered in the Group's ICAAP see note 37.

(37) Risk types in detail

Market risk

Market risk is the risk of losses due to changes in market parameters. The types of market risk distinguished are specific and general interest rate risk, foreign exchange risk, and equity price risk. As no trading book is maintained, the Group's market risks relate only to banking book positions.

Risks are assessed in the Group ICAAP by using the Value at Risk concept to estimate maximum potential losses at given confidence levels. According to the steering principles the calculation is carried out at the two confidence levels of 99.9% and 99.98%. The economic capital determined in this manner is then taken into account in the calculation of risk coverage.

The largest amount of economic capital arises in connection with the Group's investment portfolio (see note 16, other financial instruments), 11.1% (2014: 16.2%) of which consisted of investment funds and 88.9% (2014: 83.9%) of which was made up of bonds owned by the Group. Of these bonds, € 1,906.3 million (2014: € 1,121.1 million) served as a liquidity buffer in the Export Financing Scheme; the buffer's interest rate risk is hedged by interest rate swaps. The Value at Risk of the rest of the investment portfolio is determined monthly. At 31 December 2015 the VaR amounted to € 58.8 million (2014: € 35.0 million) for a holding period of one year at a 99% confidence level. In the risk management of the investment portfolio, the in-house portfolio management is supported by an external overlay manager.

Exchange rate risks exist above all in connection with raising long-term and short-term funds for the Export Financing Scheme. These risks are largely secured by an exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act. For interest rate risks under the Export Financing Scheme (which are measured using Earnings at Risk), an interest rate stabilisation provision is maintained. It forms the dedicated capital available to cover the risks determined in the calculation of risk coverage for the Export Financing Scheme. See 'ICAAP EFS and its integration in the Group ICAAP'.

With the exemption of the business regarding export promotion in accordance with the Export Guarantees Act and the Export Financing Guarantees Act, the effects of extreme market scenarios are calculated using stress tests. These tests comprise both the determination of Value at Risk under stress conditions (e.g. credit migration and correlations) and multivariate stress tests based on specific historical scenarios (e.g. Black Monday, September 11, and the 2007/08 financial crisis).

Interest rate sensitivity gap analysis

The following tables show the interest rate sensitivity gap analysis for OeKB Group (including the Export Financing Scheme).

Interest rate sensitivity gap analysis at 31 December 2015

€ thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	223,147	-	-	-	-	223,147
Loans and advances to banks	11,058,105	669,251	331,363	3,821,908	1,993,953	17,874,580
Loans and advances to customers	1,323,828	145,523	1,791	6,532	3,752	1,481,426
Bonds and other fixed income securities	284,798	16,500	49,500	610,500	1,227,250	2,188,548
Subtotal	**12,889,878**	**831,274**	**382,654**	**4,438,940**	**3,224,955**	**21,767,702**
Deposits from banks	(1,053,914)	(25,507)	-	-	-	(1,079,421)
Deposits from customers	(753,703)	(8)	-	(816)	-	(754,526)
Debt securities in issue	(4,770,616)	(1,692,829)	(3,287,816)	(9,819,277)	(4,054,167)	(23,624,706)
Subtotal	**(6,578,233)**	**(1,718,343)**	**(3,287,816)**	**(9,820,093)**	**(4,054,167)**	**(25,458,652)**
Gap before derivatives	**6,311,645**	**(887,069)**	**(2,905,162)**	**(5,381,152)**	**(829,212)**	
Effect of derivative contracts	(5,031,287)	301,707	820,076	3,474,318	435,186	
Total	**1,280,358**	**(585,362)**	**(2,085,086)**	**(1,906,834)**	**(394,027)**	

Interest rate sensitivity gap analysis at 31 December 2014

€ thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	271,838	-	-	-	-	271,838
Loans and advances to banks	10,828,364	484,145	763,708	5,036,114	2,199,504	19,311,835
Loans and advances to customers	1,299,081	197,105	1,599	8,647	3,889	1,510,321
Bonds and other fixed income securities	243,990	15,000	137,000	436,000	550,750	1,382,740
Subtotal	**12,643,273**	**696,249**	**902,306**	**5,480,761**	**2,754,143**	**22,476,733**
Deposits from banks	(483,194)	(29,952)	-	-	-	(513,146)
Deposits from customers	(786,041)	(45)	(355)	(4,918)	(23,020)	(814,380)
Debt securities in issue	(6,086,486)	(712,428)	(2,987,689)	(9,492,259)	(4,262,226)	(23,541,088)
Subtotal	**(7,355,721)**	**(742,425)**	**(2,988,045)**	**(9,497,176)**	**(4,285,246)**	**(24,868,614)**
Gap before derivatives	**5,287,553**	**(46,176)**	**(2,085,738)**	**(4,016,415)**	**(1,531,103)**	
Effect of derivative contracts	(4,831,837)	71,961	1,107,575	2,866,620	785,682	
Total	**455,715**	**25,785**	**(978,163)**	**(1,149,796)**	**(745,421)**	

Credit risk

OeKB Group differentiates between the following types of credit risk: counterparty risk/default risk, investment risk and concentration risk. The critical measure used for credit risk is Credit Value at Risk, representing the difference between absolute VaR at a given confidence level (99.98% in the gone concern approach) and the expected loss associated with the respective default.

Counterparties are classified into internal credit rating categories on the basis of external ratings from internationally recognised rating agencies and internal credit ratings. An internal guideline precisely defines the rating classification scheme and mapping systematics. There is a detailed 22-point internal master scale; for the assignment of probabilities of default within the very good credit ratings segment sovereign and other counterparties are differentiated between.

The distribution of assets in OeKB Group's banking book across rating categories was as shown in the table below. Guaranteed assets are, to the extent of the guarantee, assigned to the rating category of the guarantor.

Credit portfolio by rating category 2015

€ thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	223,147	-	-	-	-	-	223,147
Loans and advances to banks	17,376,980	337,658	158,424	16	-	1,501	17,874,580
Loans and advances to customers	1,429,156	29,867	16,835	-	665	4,902	1,481,426
Allowance for impairment losses on loans and advances	-	-	-	-	-	(622)	(622)
Other financial instruments	2,249,061	52,030	295,689	5,054	630	31	2,602,495
Derivatives	5,513,076	691,854	126,981	-	-	-	6,331,911

Credit facilities and commitments to lend amounted to € 3,016,234 thousand at the balance date.

Credit portfolio by rating category 2014

€ thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	271,838	-	-	-	-	-	271,838
Loans and advances to banks	18,648,470	466,009	197,235	32	6	83	19,311,835
Loans and advances to customers	1,460,528	43,772	-	-	47	5,974	1,510,321
Allowance for impairment losses on loans and advances	-	-	-	-	-	(562)	(562)
Other financial instruments	1,452,048	61,033	273,426	2,173	630	31	1,789,342
Derivatives	3,859,006	1,013,872	-	-	-	-	4,872,878

Credit facilities and commitments to lend amounted to € 2,463,894 thousand at the balance date.

OeKB Group's outstanding credit volume almost exclusively consists of export financing loans. The extension of credits is subject to strict principles and high standards concerning collateralisation (mainly by guarantees of the Republic of Austria). To limit credit risk resulting from derivative transactions, OeKB has in place collateral agreements with all counterparties. Credit derivatives are not used at all.

Concentration risks

Significant credit risk concentrations are found primarily in the Export Financing Scheme (EFS); these mainly concern credit institutions, the Republic of Austria as well as further protection providers. These concentrations are inherent in the business and integral to the business model; the scope for diversification in this regard is limited.

The following tables show the geographical breakdown by country of the loans and advances to credit institutions and other customers taking into account guarantees and other credit insurance.

Portfolio-breakdown by country after recognition of the guarantor

	Loans and advances to banks		Loans and advances to customers		Total carrying amount per country	
€ thousand	2014	2015	2014	2015	2014	2015
Austria	17,555,602	16,302,665	1,507,336	1,478,793	19,062,938	17,781,458
Denmark	420,003	396,898	-	-	420,003	396,898
Finland	198,551	339,719	-	-	198,551	339,719
United Kingdom	462,636	278,500	-	-	462,636	278,500
Germany	247,452	224,391	0	-	247,453	224,391
Other countries	427,590	332,407	2,985	2,633	430,574	335,040
Total	**19,311,835**	**17,874,580**	**1,510,321**	**1,481,426**	**20,822,155**	**19,356,006**

€ 18.4 billion of the amount of loans and advances to banks and customers totalling € 19.4 billion (see table above) is guaranteed by central governments and international organisations, which corresponds to a share of 95%.

Additional to regulatory provisions, the Executive Board sets volume limits at the transaction-type, portfolio and counterparty levels for daily business operations. Through a limit system implemented in SAP, compliance with defined customer-specific credit limits and with the large-loan limits set by the Supervisory Board is verified daily.

ICAAP EFS and its integration in the Group ICAAP

In line with OeKB's steering principles and the recognition of the EFS as a separated accounting entity OeKB performs a separate risk-bearing capacity calculation for the EFS. Residual risks within the EFS, which are not covered by the Republic of Austria, are evaluated and compared to the interest rate stabilisation provision in accordance with the Austrian Commercial Code which serves as funds available to cover risks.

Within OeKB Group's Internal Capital Adequacy Assessment Process (ICAAP) the EFS is taken into account as investment risk. If the risks within the EFS exceed its risk cover funds, the surplus economic risk is factored into the calculation of the risk bearing capacity of OeKB Group.

In accordance with the main underlying management principle, market risks are measured using Earnings at Risk and credit risks using CVaR. As a consequence of the comprehensive warranties and guarantees provided by the Republic of Austria there is a high risk concentration vis-à-vis the Republic of Austria, which is intrinsic to OeKB's business model and not measured by economic capital due to the high quality of those hedges. Like the calculation of market risk, the calculation of credit risk also uses Monte Carlo Simulation techniques, by which further intra-credit risk concentrations are taken into account in the economic capital. Other risk types considered are CVA risk caused by swap transactions and refinancing risks. Since liquidity risks resulting from business outside the EFS are of minor magnitude, refinancing risk is assigned in total to the EFS ICAAP. According to the defined risk appetite, the economic capital for risks within EFS is calculated at the same confidence levels as in the Group ICAAP, i.e. 99.9% and 99.98%.

The overall risk is compared to the funds available to cover the risk to assess EFS's ability to bear its associated risks. The funds available to cover risk essentially correspond to the interest rate stabilisation provision according to the Austrian Commercial Code. These funds result from surpluses generated in the EFS which have to be retained there in accordance with the instruction of the Ministry of Finance dating from 1968 (non-interest liability). Since the tax office accepts the favourable tax treatment of those funds as 'provisions or deductible liabilities' only if the funds are used to lower the refinancing interest rate provided by EFS to customers, a charge for surtax is added to the economic capital for credit risk when calculating the risk bearing capacity.

Any risk exceeding the dedicated economic capital of the EFS thus becomes part of the Group's credit risk and enters into the calculation of risk coverage for OeKB Group. Thanks to the risk-averse management of the EFS, this eventuality has not arisen since the inception of the calculation of risk bearing capacity in 2007.

Operational risk

Operational risk is the risk of losses resulting from the inadequacy or failure of internal processes, people or systems, or from external events, including legal risks.

Standards, rules and processes are derived from the risk policy and documented in manuals. They include emergency management manuals and emergency plans, as well as crisis scenarios, all of which are reviewed annually. The effectiveness of plans and concepts is checked using tests and exercises. The ongoing maintenance and evaluation of the loss database helps to assure a constant optimisation of operational risks.

In view of the high importance of information security, the Group has a separate Information Security Officer. Legal risks are mitigated through ongoing monitoring by the business segments, through the activities of the bank's Legal Officer, and through coordination by a Legal Compliance Officer.

Operational risk is more than market and credit risk influenced by the corporate culture and the behaviour of each individual. Therefore, the Executive Board has established a Code of Conduct with binding rules for all employees, which provides clear value concepts and rules concerning, for example, corruption prevention, a whistle-blower system and a complaints mechanism.

The economic capital required is determined by scaling the regulatory capital requirement under the Basic Indicator Approach to the respective confidence level.

Regular checks conducted by Internal Audit and an effective system of internal control contribute to the further mitigation of operational risks.

Other risks

Strategic risks, reputation-related risks and business risks are not explicitly assessed. These risks are assumed to be proportional to the explicitly measured risks; in the calculation of risk coverage they are therefore included as percentage-based add-ons to the economic capital determined for the measured risks.

OeKB Group faces various risk concentrations. Two of the most significant concentrations are the business field concentration as a specialised banking group and the dependence on the guarantees provided by the Republic of Austria in connection with the EFS. These are intrinsic to the business model and of fundamental importance; consequently, possibilities for business field diversification are quite limited.

Inter-concentration risks which arise from interdependences between different risk types are factored into the Group ICAAP as well as in the EFS ICAAP by simply summing up the economic capital values for each risk type (credit risk, market risk, etc.). Additionally, multivariate stress tests are performed to evaluate these risks.

The risk of excessive leverage, and hence the leverage ratio, are of minor significance for OeKB Group, as most of its balance sheet total is accounted for by the Export Financing Scheme. The EFS exposure is to a large extent, secured by the guarantee of the Republic of Austria, and the debt financing is part of the business model.

OeKB also differs markedly from commercial banks regarding risks from the macroeconomic environment. Thus, significantly, OeKB is not subject to the risk of a run on savings deposits. Other risks, such as fluctuations in interest rates or share prices, are already covered in the ICAAP through other risk types or, like potential reductions in income caused by macroeconomic weakness, are income statement risks that are the subject of multi-year profit projections. Therefore, no additional economic capital is recognised for these risks.

(38) Liquidity risk management (ILAAP)

Liquidity risk is:

- The risk of not being able to meet present or future payment obligations fully as they fall due;
- the funding liquidity risk (the risk that funding can be obtained only on unfavourable market terms);
- the market liquidity risk (the risk that assets can be sold only at a discount).

Liquidity risk management is performed for OeKB Group as a unit, including the Export Financing Scheme.

The goal of the liquidity strategy is to ensure sufficient access to required liquidity on acceptable terms even in difficult market situations. OeKB's excellent standing for decades in international financial markets coupled with the high diversification of its funding instruments, markets and maturities, and, most importantly of all, the Austrian government guarantee protecting the lenders, combine to facilitate market access for the Group even when markets are under special stress. The approach to measurement and management of liquidity risk is documented in the liquidity risk management manual.

As the overwhelming need for liquidity results from the Export Financing Scheme, the refinancing risk is factored into the risk bearing capacity calculation for the EFS.

The central tool for the measurement of liquidity risk in the narrower sense is a monthly liquidity gap analysis. This is done using one-day time buckets for the next twelve-month period and is based on cash-flow and funding projections – under both idiosyncratic and systemic stress assumptions – that are set against the liquidity buffer (consisting primarily of securities eligible for rediscounting by the ECB). Market liquidity risk is taken into account through corresponding haircuts for liquid assets.

The average survival period determined by this methodology was about three months in 2015. OeKB defines the survival period as that period for which the current liquidity buffer is sufficient, under an assumed combination of simultaneous idiosyncratic and systemic stresses, to meet all payment obligations without having to raise additional capital on the financial markets (although the full faith and credit of the Republic of Austria supports such borrowing by OeKB). In a stress period the survival period is thus the time available to take any strategic corrective action necessary. For crisis situations, a liquidity contingency plan is in place.

The unencumbered liquidity reserves of OeKB Group have the following composition:

Liquidity buffer of OeKB Group

€ thousand	Fair value 2014	Fair value 2015
Cash and balances at central banks [1]	230,720	179,204
Securities deposited by the central bank	3,571,950	2,011,155
Treasury bills and similar securities eligible for rediscount	494,854	1,114,842
Central-bank-approved bonds by other issuers	653,358	16,448
Total	**4,950,882**	**3,321,649**

[1] Cash reserves reduced by minimum reserves (2015: € 43.9 million, 2014: € 41.1 million) which are not part of the liquidity reserves

In addition to monitoring the daily liquidity position, long-term liquidity is assessed based on the gap analysis of the maturity profile of assets and liabilities.

The table below shows the interest and capital cash flows in the consolidated balance sheet arising from assets, liabilities and derivatives.

The allocation to the respective maturity-band is, in general, determined by the contractual maturity structure; positions due daily are assigned to the first maturity-band 'Not more than 1 month', and for the Kontrollbank refinancing line (KRR) it is assumed that the usage of the lines stays constant over time. Loan disbursements and repayments are shown as net amounts within the same category. The value of the derivatives in terms of the balance sheet is the net value of the assets and liabilities items.

Cash flow analysis of assets and liabilities - at 31 December 2015

€ thousand	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years	**Total Inflows/ Outflows**	Total carrying amount
Cash flow analysis at 31 December 2015							
Cash and balances at central banks	223,147	-	-	-	-	**223,147**	223,147
Loans and advances to banks	464,157	1,499,467	1,974,096	6,992,718	3,750,801	**14,681,239**	17,874,580
Loans and advances to customers	(8,550)	(64,896)	83,788	249,091	278,934	**538,366**	1,481,426
Bonds and other fixed income securities	8,385	17,433	98,716	838,596	1,309,156	**2,272,286**	2,188,548
Total	**687,140**	**1,452,004**	**2,156,600**	**8,080,405**	**5,338,891**	**17,715,039**	**21,767,702**
Deposits from banks	(926,719)	34	(81,547)	(32,288)	(44,068)	**(1,084,588)**	(1,079,421)
Deposits from customers	(666,378)	3,917	(55,764)	(9,177)	(25,346)	**(752,747)**	(754,526)
Debt securities in issue	(1,438,538)	(2,167,164)	(5,699,568)	(11,285,207)	(4,687,790)	**(25,278,267)**	(23,624,706)
Total	**(3,031,636)**	**(2,163,212)**	**(5,836,879)**	**(11,326,672)**	**(4,757,204)**	**(27,115,603)**	**(25,458,652)**
Commitments to lend	-	-	(19,128)	(235,453)	254,581	**-**	-
Derivatives designated as hedging instruments	-	-	-	-	-	**-**	5,416,695
Inflows	1,152,454	3,537,301	8,249,041	23,167,062	5,605,292	**41,711,151**	-
Outflows	(1,109,463)	(3,245,016)	(7,021,915)	(19,750,450)	(4,114,168)	**(35,241,012)**	-

Cash flow analysis of assets and liabilities - at 31 December 2014

€ thousand	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years	**Total Inflows/ Outflows**	Total carrying amount
Cash flow analysis at 31 December 2014							
Cash and balances at central banks	271,838	-	-	-	-	**271,838**	271,838
Loans and advances to banks	1,305,318	397,219	3,040,863	8,678,048	2,998,142	**16,419,590**	19,311,835
Loans and advances to customers	1,982	3,115	91,828	243,104	254,404	**594,432**	1,510,321
Bonds and other fixed income securities	5,866	15,516	177,831	610,642	611,602	**1,421,456**	1,382,740
Total	**1,585,003**	**415,850**	**3,310,522**	**9,531,793**	**3,864,147**	**18,707,316**	**22,476,733**
Deposits from banks	(129,792)	(239,961)	(102,133)	1,365	(46,539)	**(517,060)**	(513,146)
Deposits from customers	(733,250)	(419)	(48,279)	(10,830)	(30,225)	**(823,004)**	(814,380)
Debt securities in issue	(1,487,848)	(3,444,882)	(4,041,740)	(11,095,949)	(4,918,301)	**(24,988,720)**	23,541,088
Total	**(2,350,890)**	**(3,685,261)**	**(4,192,153)**	**(11,105,414)**	**(4,995,065)**	**(26,328,784)**	**(24,868,613)**
Commitments to lend	92,486	61,809	10,000	74,501	(238,796)	**-**	-
Derivatives designated as hedging instruments	-	-	-	-	-	**-**	3,846,184
Inflows	2,549,484	4,704,981	6,438,508	19,758,666	4,034,481	**37,486,120**	-
Outflows	(11,547,623)	(2,442,180)	(4,100,306)	(12,062,028)	(2,826,001)	**(32,978,138)**	-

OeKB does not manage its liquidity according to the Liquidity Coverage Ratio (LCR) or Net Stable Funding Ratio (NSFR). Pursuant to section 3(2)1 of the Austrian Banking Act, the following legal provisions are not applicable either: Part 6 of Regulation (EU) No 575/2013 and sections 27a, 39(2b)7 in conjunction with 39(4), 39(3), and 74(6)3.a in conjunction with 74(1) of the Austrian Banking Act.

(39) Staff headcount

During the financial year, the Group had an average of 404 employees (2014: 400), based on full-time equivalents.

(40) Boards' compensation and loans

The following table gives details of the aggregate compensation of the Executive Board and Supervisory Board members and the termination benefits and pension expenses for Executive Board members, key management and other employees (including changes in entitlements and provisions).

Boards' compensation and loans

€ thousand	2014	2015
Aggregate compensation		
Current members of the Executive Board	Not disclosed	Not disclosed
Former members of the Executive Board	459	948
Members of the Supervisory Board	275	235
Pension and termination benefit expenses for		
Executive Board (and former members)	2,755	2,674
Key management	1,178	1,964
Other employees	3,190	4,137

The data for breaking-down the total emoluments of the current board members is not disclosed in view of the fact that, in OeKB's case, the board comprises fewer than three members. At 31 December 2015 there were no outstanding loans to members of the Executive Board or Supervisory Board. There were also no liabilities for these individuals. There are no management share option plans for the Executive Board or for key managers.

(41) Other related party transactions

As an institution specialising in export services and capital market services, OeKB engages in many transactions with its shareholders, for example as the bank for its export financing customers and as issuer of securities. All these transactions are conducted using the 'arm's length' principle.

The following balance sheet items include transactions with related parties of OeKB Group:

Related party transactions 2015

€ thousand	Shareholders of OeKB Group	Fully consolidated and unconsolidated subsidiaries	Equity-accounted investments
Other financial instruments	24,871	-	-
Loans and advances to banks	13,550,770	-	-
Assets	**13,575,641**	**-**	**-**
Deposits from banks	15,621	-	-
Deposits from customers	-	15,431	32,317
Liabilities	**15,621**	**15,431**	**32,317**
Nominal amount of loan commitments, financial guarantees and other items	261,581	-	20,000

Related party transactions 2014

€ thousand	Shareholders of OeKB Group	Fully consolidated and unconsolidated subsidiaries	Equity-accounted investments
Other financial instruments	22,004	-	-
Loans and advances to banks	14,228,043	-	-
Assets	**14,250,046**	**-**	**-**
Deposits from banks	36,330	-	-
Deposits from customers	-	12,817	22,211
Liabilities	**36,330**	**12,817**	**22,211**
Nominal amount of loan commitments, financial guarantees and other items	238,796	-	20,000

There were no transactions with Executive Board or Supervisory Board members, as in the previous year.

(42) Board members and officials

Members of the Executive Board

	Term of office	
Name	from	to
Rudolf Scholten	1 May 1997	30 April 2017
Angelika Sommer-Hemetsberger	1 January 2014	31 December 2018

Members of the Supervisory Board

Position	Name	Term of office from	Term of office to
Chairman	Erich Hampel	1 January 2010	AGM 2016
First Vice-Chairman	Walter Rothensteiner	2 August 1995	AGM 2016
Second Vice-Chairman	Thomas Uher	12 May 2015	AGM 2020
Second Vice-Chairman	Franz Hochstrasser	19 May 2009	12 May 2015
Member	Helmut Bernkopf	19 May 2009	AGM 2019
Member	Peter Bosek	25 May 2011	12 May 2015
Member	Michael Glaser	22 May 2012	AGM 2017
Member	Andreas Gottschling	12 May 2015	AGM 2016
Member	Matthias Heinrich	21 May 2014	12 May 2015
Member	Dieter Hengl	25 May 2011	AGM 2016
Member	Herbert Messinger	18 December 2012	AGM 2016
Member	Christoph Raninger	21 May 2014	12 May 2015
Member	Karl Sevelda	24 September 2013	AGM 2018
Member	Jozef Sikela	12 May 2015	AGM 2020
Member	Herta Stockbauer	21 May 2014	AGM 2019
Member	Herbert Tempsch	29 May 2013	AGM 2018
Member	Susanne Wendler	12 May 2015	AGM 2016
Member	Robert Zadrazil	19 May 2009	AGM 2016
Member	Franz Zwickl	20 May 1999	AGM 2016

AGM = Annual General Meeting

Employee representatives

		Term of office from	Term of office to
Chairman of the Staff Council	Martin Krull	14 March 2002	13 March 2018
Vice-Chairwoman of the Staff Council	Erna Scheriau	1 April 2001	13 March 2018
Member	Alexandra Griebl	14 March 2010	13 March 2018
Member	Elisabeth Halys	1 July 2013	13 March 2018
Member	Christian Leicher	7 July 2009	31 December 2015
Member	Ulrike Ritthaler	14 March 2014	13 March 2018
Member	Christoph Seper	14 March 2014	13 March 2018
Member	Markus Tichy	1 July 2011	13 March 2018

Government commissioners

under section 76 of the Austrian Banking Act

Position	Name	Term of office since
Commissioner	Harald Waiglein	1 July 2012
Deputy Commissioner	Johann Kinast	1 March 2006

The above government commissioners are also representatives of the Austrian Minister of Finance under section 6 of the Export Financing Guarantees Act.

Government commissioners

under section 27 of the Articles of Association (supervision of bond cover pool)

Position	Name	Term of office since
Commissioner	Beate Schaffer	1 November 2013
Deputy Commissioner	Edith Wanger	1 June 1997

(43) Date of approval for publication

The date of submission of these financial statements to the Supervisory Board for approval is 9 March 2016. Expanded disclosures in accordance with Part 8 of Regulation (EU) No 575/2013 ('Offenlegungsbericht', in German only) are provided on the OeKB website (*www.oekb.at*).

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN ANGELIKA SOMMER-HEMETSBERGER

Auditor’s Report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

Oesterreichische Kontrollbank AG,

Vienna, Austria

that comprise the consolidated balance sheet as of 31 December 2015, the consolidated statement of profit or loss and other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the fiscal year then ended, and the notes.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to § 245a UGB (Austrian Commercial Code) and 59a BWG (Austrian Banking Act) and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors’ Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2015 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and other legal or regulatory requirements.

Report on the Management Report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements.

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

Vienna, 19 February 2016

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by

MARTIN WAGNER

Austrian Chartered Accountant

This report is a translation of the original report in German, which is solely valid.

Statement by the Executive Board

We confirm to the best of our knowledge that the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group directors' report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

We confirm to the best of our knowledge that the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the directors' report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

OeKB GRUPPE/GROUP

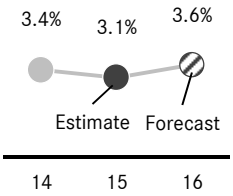
Company financial statements 2015

Contents

Oesterreichische Kontrollbank AG – Management report 2015

Economic environment in 2015

World
Real GDP Growth
in %

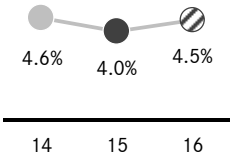


Sources: WIFO, EU Commission, IMF

The anticipated upturn in the global economy did not materialise in 2015. According to the most recent forecast by the IMF (International Monetary Fund), global economic growth slowed down from 3.4% in 2014 to 3.1% in the year under review. Economic stimuli from industrial nations were weaker than initially expected, although the US and Euro zone economies picked up slightly (by +2.6% and +1.6% respectively) and Japan managed to pull out of recession. In line with this, the business year 2015 saw a slow-down in trading world-wide. While the World Trade Organization (WTO) expected global trade to increase by 3.3% at the beginning of 2015, recent estimations indicate that world trade grew by only 2.8%. Low raw material prices and subdued import demand from emerging markets like China and Brazil were some of the main reasons for this development.

Growth slows in emerging and developing economies

Emerging and developing countries



In 2015, growth in the emerging and developing countries lost momentum once again. The IMF estimates a GDP increase of 4%. However, diverging economic trends could be observed between the different world regions. For instance, economic output in the ASEAN states (Indonesia, Malaysia, the Philippines, Thailand and Vietnam) developed just as strongly as in 2014, increasing by 4.6%. In contrast, economic activity in the BRIC countries cooled markedly in the year in question. While China's growth rate fell below the seven-percent mark, Brazil and Russia even saw a drop in gross domestic product. Russia, in particular, is facing a longer-lasting recession due to the fall in oil prices and the ongoing sanctions resulting from the Ukraine crisis. Only India's economy continued to grow dynamically, with GDP increasing by 7.3%.

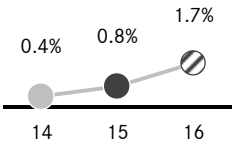
Diverging trends in economic development in Central, Eastern and Southeastern Europe

According to the Vienna Institute for International Economic Studies (WIIW), the overall economic situation in Central, Eastern and Southern Europe improved slightly in 2015. At the country level, however, economic development varied. While a positive economic trend could be observed in the Czech Republic (+3.9%), Poland (+3.5%) and Romania (+3.4%), the economic situation in Ukraine remained difficult. The country's GDP decreased by more than 11% in the year under review owing to continuing political unrest. The ongoing regional uncertainty is also reflected in the expectations of investors operating in the CEE region. As the results of the OeKB CEE business climate in the 4th quarter of 2015 show, the assessment of both the current business situation and the business expectations for the next six months was slightly less favourable than in the previous quarter.

Subdued economic development in Austria

In 2015 economic development in Austria was subdued, also due to the difficult international environment. The Austrian Institute of Economic Research (WIFO) estimates that GDP grew by a mere 0.8% last year. The main reasons for this are the weak consumption by private households as well as the slow-down in exports and corporate investment. After relatively strong results in previous years, the Austrian market for corporate bonds experienced a slump in 2015. The total issue volume of € 5.3 billion was below the previous year's level (€ 7.3 billion). Government bonds meanwhile benefited from Austria's reputation as a safe haven for investments. The 10-year yield on government-bonds was 0.9% at the end of the year (previous year's reference value: 0.7%).

Austria



Business development in 2015

In 2015 the amount of funding provided under the Export Financing Scheme continued to decrease. Reasons for this were the continued weak demand for large export credits and the early repayment of investment financing. The number of credits managed in the Export Financing Scheme remained basically the same at around 2,700 contracts (2014: c. 2,800).

As a result of the European Parliament and Council Regulation No 909/2014 (dated 23 July 2014), the operation of the central securities depository business had to be separated from OeKB's other activities in accordance with section 1(3) of the depository law ('Depotgesetz'). In order to comply with the regulatory standards, the CSD business was transferred to OeKB CSD GmbH (OeKB CSD), effective as of 1 January 2015. This was achieved by spin-off for absorption by (partial) legal transfer pursuant to the Federal Act on the Demerger of Stock Companies. At the same time, OeKB increased CSD's nominal capital from € 35,000.00 by an amount of € 19,965,000.00, from the capital of the spun-off business of the central securities depository, to € 20,000,000.00, with effect from the demerger. The employees have remained with OeKB but are seconded to OeKB CSD. Service contracts were concluded with OeKB for the running of OeKB CSD. The central securities depository's net fee and commission income for 2014 was € 20,145,737.51.

Income statement of OeKB

On balance, the low-interest-rate environment in 2015 created some challenges that were reflected in the year's results. The resulting high volume of early loan repayments meant lower net interest income. Furthermore, there was a marked drop in interest income from the investment portfolio.

Net interest income

Loans and advances from export financing went down by € 1,218,767,085.16 to € 19,224,700,243.72 (2014: € 20,443,467 thousand). Despite positive one-off effects from early loan repayments, the decrease in net export loans outstanding was reflected in net interest income, which in 2015 amounted to € 58,241,550.22 (2014: € 63,204 thousand). In the refinancing of the export financing program, OeKB benefited from negative interest rates in the form of reduced costs.

Income from securities and investments

Income from securities and investments, at € 9,702,952.30, was € 383 thousand less than the previous year's result of € 10,086 thousand. This was attributable mainly to a decrease in dividends from the investments in private credit insurance companies.

Net fee and commission income

Net fee and commission income, adjusted to reflect the spin-off of the central securities depository, increased in Capital Market Services. However, the income from fees for the administration of export guarantees on behalf of the Austrian government declined. OeKB's net fee and commission income in 2015 was € 25,809,682.27 (2014: € 44,663 thousand). The value for the previous year is only partially comparable, as the central securities depository had a net fee and commission income of € 20,145,737.51 in 2014. As a result of the spin-off into the OeKB CSD, incurred net fee and commission income is now attributable to the subsidiary.

Net income from financial operations, at € 47,702.14, constituted a slight year-on-year improvement from the 2014 net expense of € 38 thousand.

Other operating income

Other operating income of € 20,645,813.73 (2014: € 11,541 thousand) represented mainly service fees and staff costs (for seconded staff) charged to subsidiaries. The increase compared to the year before is essentially attributable to the new secondment and service contracts with OeKB CSD.

Total operating income

Total operating income was € 114,447,700.66 (2014: € 129,532 thousand).

Within administrative expenses of € 68,301,713.00 (2014: € 83,319 thousand), staff costs rose slightly. The release of the pension and termination benefit provisions contributed significantly to the reduction in personnel costs. The drop in material costs mainly resulted from contracts which were transferred to OeKB CSD by way of the spin-off.

Operating expenses

Overall operating expenses, at € 74,991,764.07, were down from the previous year's figure of € 89,720 thousand, as a result of the higher release of provisions noted above.

Operating profit

The operating profit in 2015 was € 39,455,936.59, which is a decrease of 0.9% in comparison to the previous year.

In the business year, value adjustments totalling € 60,067.34 were made in loans and advances relating to micro-credits. The depreciation of marketable securities amounted to € 477,289.25.

The yields from the release of adjustments regarding loans and advances amounted to € 12,700,000.00 (2014: € 25,400 thousand) and were driven by the reversal of impairment losses under section 57 of the Austrian Banking Act, which are no longer eligible as regulatory capital under the Capital Requirements Regulation (CRR). The profits from marketable securities were € 2,269,414.62.

The profit on the sale of investments of € 1,073,624.44 derived from the sale of shares in the Budapest Stock Exchange Ltd, Budapest.

Profit for the year

With all of the above effects accounted for, profit before tax amounted to € 54,961,619.06 (2014: € 66,299 thousand). After income tax, profit for the year of € 42,876,158.74 was below the result of € 52,235 thousand of the previous year.

Profit available for distribution

In view of the more stringent regulatory capital requirements, OeKB transferred € 22,618,296.00 to reserves in 2015 (2014: € 31,936 thousand) to strengthen the capital base. However, under the CRR, this addition to regulatory capital does not qualify as Common Equity Tier 1 capital until the adoption of the annual financial statements. OeKB recorded € 20,268,157.24 of profit available for distribution, which was similar to the previous year's level of € 20,305 thousand.

Balance sheet

At 31 December 2015, liquid assets in the form of balances at central banks amounted to € 197,826,080.71 (2014: € 271,650 thousand). In liabilities, deposits from banks fell from € 432,803 thousand in 2014 to € 156,857,027.17 at the end of 2015.

Loans and advances to banks decreased (as a result mainly of repurchase agreements) from € 276,524 thousand one year ago to € 74,807,654.68 at 31 December 2015.

The size of OeKB's investment portfolio increased slightly in 2015. The portfolio's book value at 31 December 2015, determined by conservative valuation at the lower of cost or market value, was € 441,028,396.99 (2014: € 420,172 thousand), while the market value was € 549,078,912.36 (2014: € 521,789 thousand).

The liquid assets portfolio, used to support the Export Financing Scheme and consisting of bonds, grew by € 745,500 thousand in terms of nominal value, to a nominal value of € 1,740,500,000.00.

The balance sheet amount relating to export financing accounted for 95.8% of the total balance sheet volume, decreasing by € 418,640 thousand or 1.9% to € 21,102,041,161.93 in 2015. Major reasons were the decrease in loans and advances to banks as well as the increase in the size of the liquid assets portfolio. Accordingly, the volume of debt securities in issue was reduced.

Total assets

Total assets at 31 December 2015 amounted to € 22,023,627,287.71 (2014: € 22,689,586 thousand).

Financial performance indicators

The cost-income ratio declined to 65.5% from the previous year's figure of 69.3%, driven especially by lower operating expenses owing to the significant decrease in employee benefit provisions.

The regulatory capital available under Regulation (EU) No 575/2013 (CRR) rose by € 19,459 thousand to € 547,125,215.93 in 2015. In accordance with the Capital Requirements Regulation, movements in the reserves for 2015 are recognised as regulatory capital only after the adoption of the annual financial statements.

The Tier 1 capital ratio (CRR Tier 1 as a percentage of risk-weighted assets) was 70.2% in 2015, reflecting the lower capital requirement (2014: 54.4%).

Return on equity (profit for the year as a percentage of Tier 1 capital), at 8.9%, was below the previous year's level of 11.3%.

Research and development

No research and development is conducted as a direct result of OeKB's business activities.

Claims for damages

In the Meinl European Land Limited, Jersey (MEL) case, in which share certificates were issued by OeKB, the Supreme Court decided, in its test-case 23 October 2015 ruling, in OeKB's favour on the question of whether OeKB was obliged to make ad-hoc reports concerning MEL. New claims against OeKB are not expected to be made before 31 March 2016, which is the end of the period of limitations.

Events after the balance sheet date

There were no events that required reporting after the balance sheet date.

Risk management system

System of internal control and risk management

The aim of the internal control system is to support the management in such a way that it is in a position to ensure ever better and more effective internal checks. This aim should not only be limited to financial reporting, but should include all important business processes, so that the economic efficiency and effectiveness of business activities, the reliability of the corporate information (including non-financial reporting, e.g. Corporate Responsibility) as well as the adherence to guidelines and regulations (compliance) can be guaranteed.

OeKB's system of internal control (the 'internal control system', or ICS) draws on the COSO framework, which has five components: the control environment, risk assessment, control activities, information and communication, and monitoring ('COSO' stands for the Committee of Sponsoring Organizations of the Treadway Commission).

Control environment

The most fundamental aspect of the control environment is the corporate culture in which management and employees operate. Central organisational principles are the avoidance of conflicts of interest through strict separation of risk origination and risk oversight, the transparent documentation of core processes and control activities, and rigorous segregation of duties and application of the principle of dual control (i.e., transactions require approval by at least two individuals). The Internal Audit/Group Internal Audit independently and regularly verifies the adherence to internal rules, including the accounting rules. The head of Internal Audit/Group Internal Audit reports directly to the Executive Board and Supervisory Board.

Risk assessment

The goal of risk management at OeKB is to recognise all risks and take measures to avert or mitigate risks. This also includes the risk of material misstatement of transactions. The risk management system includes all processes that serve to identify, analyse and evaluate risks. Risks are identified and monitored by management, with a focus on risks that are deemed to be material. The internal control activities performed by those responsible are evaluated regularly.

Control activities

OeKB has a governance system that sets out structures, processes, functions and responsibilities within the company. Care is taken to implement all control activities in such a way as to ensure that potential errors or discrepancies in financial reporting are avoided or discovered and corrected.

Control activities regarding information technology security represent a cornerstone of the internal control system. Thus, the separation of sensitive responsibilities is supported by restrictiveness in the assignment of IT authorisation (need-to-know basis). For accounting and financial reporting, the software SAP is used. The functioning and effectiveness of this accounting system is assured, among other ways, by automated IT controls installed in the system.

Information and communication

The Supervisory Board is briefed at least every quarter with a comprehensive report on the balance sheet, income statement and other management accounting and risk data. The Executive Board receives this information in regular, significantly more detailed reports prepared monthly or even more frequently. The Executive Board monitors the appropriateness and effectiveness of the internal control system. The Executive Board also established an Asset Liability Management Committee and a Risk Management Committee that receive, analyse and monitor this data.

Monitoring

Financial statements intended for publication undergo a final review by management staff of the Accounting & Financial Control department and by the Executive Board before being forwarded to the Audit Committee of the Supervisory Board. By monitoring compliance with all rules and regulations, OeKB aims to make all business processes as safe as possible and ensure Group-wide conformity with policies and procedures. When risks and shortcomings in controls are identified, measures are promptly developed to mitigate them, the implementation of which is monitored. To be able to assure compliance with requirements within OeKB, compliance is monitored in accordance with the annual audit plan of the Internal Audit/Group Internal Audit department.

Risk management

Risk management – essentially, the identification, monitoring, assessment, reporting, planning and treatment of risks – consists of important processes integrated in the business strategy that are designed to ensure the lasting stability and profitability of the enterprise. Every risk assumed by OeKB is accepted consciously and is consistent with the Executive Board's risk policy and strategy, which aims to assure a stable return on equity through a conservative approach to all risks, including financial risks and risks arising from business operations in general. The risk policy and strategy sets out the risk management principles, the risk appetite and the principles for the measurement and control of the risk categories used.

OeKB acts as Austria's official export credit agency and is a central provider of services to the capital market. This special position of the bank and the associated responsibility for supporting the Austrian economy shape the business strategy and risk policy.

The Export Financing Scheme which is treated as a separate accounting entity, represents by far the greatest part of the assets on the balance sheet. In this respect, OeKB is exempt from certain relevant legislation, such as the Capital Requirements Regulation or CRR. In OeKB's process for assessing risk coverage, the Export Financing Scheme is treated as investee risk for which risk coverage is calculated separately.

Further major exemptions for OeKB apply in connection with rules governing liquidity and the European and national provisions for banking union (such as the Bank Recovery and Resolution Directive, or BRRD). These exemptions also apply to the banking subsidiaries „Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG.

The Internal Capital Adequacy Assessment Process (ICAAP) for OeKB Group ensures the maintenance of the defined bank-specific level of capital adequacy and, as a measurement and control tool, forms an integral part of the management process. This risk coverage calculation is multi-tiered, using both a 'going concern' approach (designed to ensure sufficient regulatory capital to continue doing business even in the case of severe losses) and a 'gone concern' approach (focusing on protecting creditors and the ability to repay deposits and other senior debt in the event of liquidation). Consistent with the risk appetite defined, the gone concern scenario uses a confidence level of 99.98%. The going concern calculations are based on a confidence level of 99.9%.

New developments

In 2015 the dominant topic was the spin-off of the depository services and founding of OeKB CSD GmbH, a 100% subsidiary of OeKB. In the autumn of 2016, OeKB CSD intends to submit an application to the financial markets authority for the license as a central securities depository according to the CSDR. The preparations for this application will be a dominant factor in 2016. Furthermore, in 2016 the bank will continue to offer training for key function holders including directors and supervisory board members according to the Fit & Proper requirements.

Risk management organisation

Against the backdrop of OeKB's major business activities and its specific business and risk structure, the bank has adopted a clear functional organisation of the risk management process; well-defined roles are assigned to the following organisational units:

Executive Board: In accordance with the responsibilities prescribed in the Austrian Banking Act, the Executive Board sets the risk policy and strategy, in consultation with and subject to the approval of the Risk Committee of the Supervisory Board. As part of the Group's enterprise-wide risk management, the Executive Board, working with the Risk Management Committee, determines the acceptable aggregate amount of risk (based on the calculated capacity to assume risk), approves risk limits derived from this aggregate and decides on the procedures for risk monitoring.

Risk Management Committee: The function of the Risk Management Committee is derived from the risk policy and consists of strategic risk control and risk monitoring. The Risk Management Committee is the primary recipient of the risk reports, monitors and manages the risk profiles for the individual risk types, and, as needed, decides what action to take based on the risk reports. The committee consists of the Executive Board, the Chief Risk Officer (CRO) and the Deputy CRO, the Operational Risk Manager (ORM), the Financial Risk Manager (FRM), the Internal Control System Officer, the Legal Compliance Officer, and representatives from the Accounting & Financial Control department and business segments.

Chief Risk Officer: The implementation of the measures decided by the Risk Management Committee is overseen by the Chief Risk Officer, supported by the Financial Risk Manager, the Operational Risk Manager and the Chief Information Security Officer (CISO).

Risk Controlling department: The 'Risk Controlling' department is responsible for the measurement and assessment of financial risks, the operating-level financial risk accounting and the implementation and monitoring of internal controls regarding financial risk, including the monitoring of internal limits and the actual implementation of the Internal Capital Adequacy Assessment Process.

Operational risk management: The standards for the management of operational risk are implemented in OeKB's business operations by the Organisation, Construction, Environmental Issues and Security department (known as OBUS), with the exception of information security matters, which are the responsibility of the Chief Information Security Officer. The activities relating to operational risk management, information security and coming under the remit of the internal control system officer are subject to ongoing coordination.

Asset and Liability Management Committee (ALCO): The principal responsibilities of the ALCO are to manage the balance sheet structure and market risks and to set lending rates under the Export Financing Scheme.

Internal Audit: The organisational units involved in the risk management process and the procedures applied are regularly reviewed by the Internal Audit department.

Supervisory Board: The Supervisory Board oversees all risk management arrangements at OeKB and receives quarterly reports on OeKB's risk situation. These risk reports present a detailed view of OeKB's risk situation. The Supervisory Board also maintains a Risk Committee under section 39d of the Austrian Banking Act, which convened for one meeting in 2015. The Audit Committee of the Supervisory Board also monitors the effectiveness of the internal control system.

Market risk

Market risks arise from a potential change in risk factors that may lead to a reduction in the market value of the financial items. The types of market risk distinguished are specific and general interest rate risk, foreign exchange risk, and equity price risk. As no trading book is maintained, OeKB's market risks relate only to banking book positions.

Risks are assessed by using the Value at Risk concept to estimate maximum potential losses at given confidence levels. In addition, interest rate and exchange rate sensitivity ratios are determined, and the effects of extreme market movements are calculated through stress tests.

The largest amount of economic capital was from OeKB's investment portfolio, which at year-end had an asset mix of 49.7% investment funds and 50.3% bonds in the banking book. The Value at Risk is determined monthly. At 31 December 2015 the VaR for general and specific interest rate risk amounted to € 44.3 million for a holding period of one year at a 99% confidence level. In the risk management of the investment portfolio, the in-house portfolio management is supported by an external overlay manager.

Exchange rate risks exist above all in connection with raising long-term and short-term funds for the Export Financing Scheme. These risks are largely secured by an exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act. For interest rate risks under the Export Financing Scheme (which are measured using Earnings at Risk), an interest rate stabilisation provision is maintained. It forms the dedicated capital available to cover the risks determined in the calculation of risk coverage for the Export Financing Scheme.

Derivative financial instruments

Derivative financial instruments are used to assist in controlling market risks. The derivatives involved are largely interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and are used largely as hedging instruments for debt securities issued. Credit exposures arising from fluctuations in value are secured with collateral. In 2015 preparations were made for the implementation of the EMIR regulations (Regulation (EU) No 648/2012) on the clearing of derivative contracts through a central counterparty.

Total derivatives positions at 31 December 2014 were as follows (fair values shown represent clean prices):

€	Notional amount at 31 Dec 2015 - by remaining maturity				Fair values	
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total 2015	Positive	Negative
Interest rate derivatives						
Interest rate swaps (OTC)	5,387,890,022.28	11,122,720,495.91	2,667,787,643.05	19,178,398,161.24	201,898,757.46	288,476,983.12
Currency derivatives						
Currency swaps (OTC)	5,896,337,304.39	9,281,552,650.41	1,384,703,138.84	16,562,593,093.64	960,108,546.46	620,405,039.88
Foreign exchange transactions	0.00	0.00	0.00	0.00	0.00	0.00
Total	**11,284,227,326.67**	**20,404,273,146.32**	**4,052,490,781.89**	**35,740,991,254.88**	**1,162,007,303.92**	**908,882,023.00**

Liquidity risk

OeKB differentiates between three forms of liquidity risk:

- Generally, the risk of not being able to meet present or future payment obligations fully as they fall due;
- Funding liquidity risk – the risk that additional funding can be obtained only on unfavourable market terms; and
- Market liquidity risk – the risk that assets can be sold only at a discount.

The goal of OeKB's liquidity strategy is to ensure sufficient access to required liquidity on acceptable terms even in difficult market situations. OeKB's excellent standing for decades in international financial markets coupled with the high diversification of its funding instruments, markets and maturities, and, most importantly of all, the Austrian government guarantee protecting the lenders, combine to facilitate market access for the Bank even when markets are under special stress.

Liquidity management and liquidity risk management are conducted jointly for OeKB's banking business and the Export Financing Scheme as an integral whole. As the liquidity requirements are dominated by those of the Export Financing Scheme, liquidity costs are not, for the time being, assigned to individual business segments. The economic capital for the funding liquidity risk is allocated in its entirety to the Export Financing Scheme.

The adequacy of available liquidity is ensured by means of a survival period analysis. At the core of this risk measurement are cash-flow and funding projections – based on combined idiosyncratic and systemic stress scenarios – that are set against the counterbalancing capacity (represented primarily by securities eligible for rediscounting by the ECB). For crisis situations, a liquidity contingency plan is in place. Long-term liquidity is assessed based on the gap analysis of the maturity profile of assets and liabilities.

Credit risk

Credit risk is the risk of unexpected losses as a result of the default of counterparties. In view of its business structure, OeKB differentiates between the following types of credit risk: counterparty risk/default risk, investee risk and concentration risk. The critical measure used for credit risk is Credit Value at Risk (CVaR), representing the difference between absolute VaR at a given confidence level (for example 99.98% in the gone concern approach) and the expected loss associated with the respective default.

Counterparties are classified into internal credit rating categories on the basis of external ratings from internationally recognised rating agencies and internal credit ratings. A detailed 22-point internal master scale and clearly defined rating and mapping rules are used; the assignment of probabilities of default within the very good credit ratings segment differentiates between sovereign and other counterparties.

The credit exposure of OeKB consists largely of export credits. In keeping with OeKB's exacting lending standards, the approval of these loans and commitments is subject to high loan security requirements (such as, notably, guarantees of the Republic of Austria). To secure credit risks in connection with derivative transactions, collateral agreements are concluded with all counterparties. Credit derivatives are not used.

In the OeKB ICAAP, the Export Financing Scheme (EFV) is treated as investee risk for which risk coverage is calculated separately. In this way the risks in the EFV are assessed (especially credit risk, refinancing and CVA risk as well as risk related to interest rate fluctuation) and contrasted with the risk coverage potential (i.e. interest rate stabilisation provision). When assessing the credit risk, business-partner concentration is taken into consideration. The extensive security and guarantees provided by the Austrian government have a high concentration of risk, a fact that is inherent in the business model. If the risk exceeds the interest rate stabilisation provision, it is included in the OeKB ICAAP as credit risk.

Operational risk

Operational risk is the risk of losses resulting from inadequacy or failure of internal processes, people or systems, or from external events, including legal risks.

Company-wide standards, rules and processes are derived from the risk policy and documented in the operational risk manual. This also includes emergency management manuals and emergency plans, as well as crisis scenarios, all of which are reviewed annually. The ongoing maintenance and evaluation of the loss database helps to assure a permanent process of optimisation of operational risks.

In view of the high importance of information security, OeKB has a separate information security officer. Legal risks are mitigated through ongoing monitoring by the business segments, through the activities of the bank's Legal Officer, and through coordination by a Legal Compliance Officer.

Regular checks conducted by Internal Audit and an effective system of internal control contribute to the further mitigation of operational risks.

Non-financial performance indicators

Given OeKB's central significance for Austria's capital market and export industry, it is acutely aware of the importance of highly qualified and motivated staff. Service quality and expertise, combined with consciousness regarding sustained earnings, cost and risk, are the key success factors.

In the year under review, important work was done to establish an expert career path as an alternative to the traditional management career model, in order to remain an attractive employer for specialists and technical experts. In OeKB's flat management hierarchy, our experts play a critical role in the success of the business. The significance of expert staff should be made more apparent in the future.

OeKB's long-term success depends on the commitment of the people working for it. Family-friendly measures such as flexible working hours, teleworking and a company kindergarten should appeal to every employee who values the compatibility of work and family life. The high percentage of positions held by women, the large number of part-time employees and low staff turnover testify to the popularity of these features.

In 2015, at a total cost of € 429,008.56 (2014: € 454 thousand), OeKB spent € 1,097.21 per employee on training and development (2014: € 1 thousand). The average time spent in training and development activities fell slightly to 4.9 days per employee (2014: 5.1 days).

OeKB's staff [1]

	2013	2014	2015
Total number of employees as of 31 December	393	388	391
Of whom part-time employees	*97*	*96*	*95*
Total employees in full-time equivalents	363	358	362
Average number of employees	363	356	356
Turnover rate	2.3%	1.8%	2.1%
Sick days per year and employee	8.6	8.0	9.3
Training days per year and employee	5.5	5.1	4.9
Proportion of total positions held by women	56.7%	57.0%	55.5%
Of whom part-time employees	*40.4%*	*38.9%*	*38.7%*
Proportion of management positions held by women	32.1%	32.1%	40.7%

[1] Including employees posted to OeEB, OeKB CSD, Acredia Versicherung and Exportfonds.

The staff headcount increased from 358 full-time equivalents in the previous year to 362 at the end of 2015. Profit for the year per full-time employee was € 118,442.42.

Proposal for the appropriation of profit

Unallocated profit for the year 2015	€	20,257,862.74
Profit brought forward from the previous year	€	10,294.50
Profit available for distribution 2015	€	20,268,157.24
Proposed use:		
Payment of a dividend of € 22.75 per share on 880,000 no-par-value shares	€	20,020,000.00
Payment of performance-based compensation to the Supervisory Board	€	235,424.00
Profit to be carried forward	€	12,733.24

Outlook for 2016

Macro-economically, 2016 will be another difficult year. The climate of uncertainty will persist (with some regional variation). This poses a big challenge for the Austrian export industry. As in the past, OeKB continues to assist exporters both through export credits and with guarantees for the financing of business acquisitions and start-ups. We expect to keep our credit disbursements steady in 2016.

For 2016 we expect our investments in securities to generate a reduced return as a result of lasting low interest rates, despite the recent improvement in economic forecasts for the USA. The risk premiums on Austrian treasury instruments continue to be stable and the terms of OeKB's access to the market should thus remain unchanged.

Overall, OeKB is well prepared to meet the challenges ahead and is expecting a sustained stable operating income.

We wholeheartedly thank all our employees for their commitment and their contribution to the business results achieved. This sincere 'thank you' also goes to the Staff Council, whose members, true to tradition, represented the interests both of the employees and the bank.

Vienna, 12 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN ANGELIKA SOMMER-HEMETSBERGER

Oesterreichische Kontrollbank AG – Company financial statements 2015

Balance sheet of OeKB		31 Dec 2015	31 Dec 2014
Assets		€	€ thousand
01	**Cash and balances at central banks**	**197,826,080.71**	**271,650**
02	**Treasury bills and similar securities eligible for rediscounting by the ECB**	**79,031,417.43**	**80,692**
03	**Loans and advances to banks**	**74,807,654.68**	**276,524**
	a) Repayable on demand	7,607,654.68	34,320
	b) Other loans and advances	67,200,000.00	242,204
04	**Loans and advances to customers**	**5,034,395.64**	**5,521**
05	**Bonds and other fixed income securities**	**182,024,629.41**	**157,903**
	Of other issuers	182,024,629.41	157,903
06	**Equity shares and other variable income securities**	**173,310,241.07**	**175,105**
07	**Interests in investments other than subsidiaries**	**7,983,461.80**	**18,014**
	Of which in banks	*0.00*	-
08	**Interests in subsidiaries**	**55,264,627.15**	**34,491**
	Of which in banks	*31,761,483.60*	*10,988*
09	**Non-current intangible assets**	**1,127,379.00**	**1,232**
10	**Property and equipment**	**21,162,071.18**	**24,898**
	Of which land and buildings occupied for own business use	*16,899,433.90*	*20,306*
11	**Other assets**	**11,090,642.04**	**7,682**
12	**Prepayments and accrued income**	**112,923,525.67**	**114,191**
13	**Assets related to export financing**	**21,102,041,161.93**	**21,521,681**
13.1	Treasury bills and similar securities eligible for rediscount at the central bank	1,233,006,397.83	641,881
13.2	Loans and advances to banks (others)	18,907,454,257.92	20,052,649
13.3	Loans and advances to customers	317,245,985.80	390,818
13.4	Bonds and other fixed income securities	615,649,358.09	413,792
	Of which own bonds	*23,947,772.38*	*21,471*
13.5	Other assets	100,386.43	366
13.6	Prepayments and accrued income	28,584,775.86	22,175
	Of which for issue of own debt securities	*22,566,475.86*	*17,273*
	Total assets	**22,023,627,287.71**	**22,689,586**
	Memo items		
1	Foreign assets	2,280,786,099.07	2,900,635

Balance sheet of OeKB		31 Dec 2015	31 Dec 2014
Liabilities and equity		€	€ thousand
01	**Deposits from banks**	**156,857,027.17**	**432,803**
	a) Repayable on demand	128,838,127.07	151,791
	b) With agreed maturity or notice period	28,018,900.10	281,011
02	**Deposits from customers (miscellaneous, repayable on demand)**	**77,603,750.03**	**66,806**
03	**Sundry liabilities**	**6,316,118.91**	**5,519**
04	**Accruals and deferred income**	**8,199,047.54**	**8,043**
05	**Provisions**	**169,044,100.64**	**173,749**
	a) Termination benefit provisions	25,447,217.00	26,173
	b) Pension provisions	103,146,472.00	103,409
	c) Tax provisions	0.00	3,619
	d) Other provisions	40,450,411.64	40,548
06	**Called-up share capital**	**130,000,000.00**	**130,000**
07	**Allocated capital reserves**	**3,347,629.63**	**3,348**
08	**Retained earnings**	**321,998,977.35**	**299,079**
	a) Statutory reserve	10,601,796.47	10,602
	b) Other reserves	311,397,180.88	288,477
09	**Liability reserve under section 57(5) of the Austrian Banking Act**	**23,850,000.00**	**23,850**
10	**Profit available for distribution**	**20,268,157.24**	**20,305**
11	**Untaxed reserves (valuation reserve from special depreciation)**	**4,101,317.27**	**4,403**
12	**Liabilities related to export financing**	**21,102,041,161.93**	**21,521,681**
12.1	Deposits from banks		
	With agreed maturity or notice period	948,244,535.05	97,492
12.2	Deposits from customers	671,279,537.08	718,511
	a) Repayable on demand	642,696,510.89	689,905
	b) With agreed maturity or notice period	28,583,026.19	28,606
12.3	Debt securities in issue	18,132,540,302.04	19,433,824
	a) Bonds issued	14,222,781,466.17	14,362,720
	b) Other debt securities in issue	3,909,758,835.87	5,071,105
12.4	Sundry liabilities	9,819,774.31	27,223
12.5	Accruals and deferred income	139,407,304.10	94,646
12.6	Provisions (interest rate stabilisation provision)	1,200,749,709.35	1,149,985
	Total liabilities and equity	**22,023,627,287.71**	**22,689,586**

	Memo items		
1	Off-balance sheet credit risks	3,016,234,382.55	2,520,000
2	Available regulatory capital under Part 2 of Regulation (EU) No 575/2013	547,125,215.93	527,666
3	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013	52,242,441.90	62,644
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - Common Equity Tier 1 ratio	70.2%	54.4%
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - Tier 1 capital ratio	70.2%	54.4%
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - total capital ratio	83.8%	67.4%
4	Foreign liabilities	19,291,090,033.45	21,083,100

Income statement of OeKB				2015	2014
				€	€ thousand
01.		Interest and similar income	318,252,200.77	317,496,421.45	433,662
		Minus negative interest from money market business	-555,618.25		-
		Minus negative interest from credit business	-200,161.07		-
		Of which from fixed-income securities		*5,688,643.38*	*8,193*
02.	-	Interest and similar expenses	336,130,181.23	259,254,871.23	370,458
		Minus positive interest from money market business	-432,876.50		-
		Minus positive interest from refinancing business	-76,442,433.50		-
I.		**Net interest income**		**58,241,550.22**	**63,204**
03.	+	Income from securities and investments		9,702,952.30	10,086
		a) Income from equity shares, other ownership interests and variable income securities	2,503,012.15		*2,503*
		b) Share of results of investments other than subsidiaries	1,529,865.85		*1,254*
		c) Dividends from subsidiaries	5,670,074.30		*6,329*
04.	+	Fee and commission income		30,304,271.77	50,840
05.	-	Fee and commission expenses		4,494,589.50	6,178
06.	+/-	Income/(expenses) from financial operations		47,702.14	38
07.	+	Other operating income		20,645,813.73	11,541
II.		**Operating income**		**114,447,700.66**	**129,532**
08.	-	Administrative expenses		68,301,713.00	83,319
		a) Staff costs		48,846,255.72	62,548
		Of which:			
		aa) Salaries	*33,631,394.22*		*33,326*
		bb) Statutory social security costs, pay-based levies, and other compulsory pay-based contributions	*7,507,276.84*		*7,450*
		cc) Other social expenses	*1,286,760.31*		*1,475*
		dd) Expenses for retirement and other post-employment benefits	*5,610,213.56*		*4,220*
		ee) Additions to pension provision	*-262,692.00*		*12,336*
		ff) Expenses for termination benefits and contributions to termination benefit funds	*1,073,302.79*		*3,741*
		b) Other administrative expenses		19,455,457.28	20,770
09.	-	Impairment losses on asset items 9 and 10		5,071,172.09	4,787
10.	-	Other operating expenses		1,618,878.98	1,615
III.		**Operating expenses**		**-74,991,764.07**	**- 89,720**
IV.		**Operating profit**		**39,455,936.59**	**39,812**
11.	-	Adjustments in loans and advances and depreciation for securities held as current assets		537,356.59	182
12.	+	Income from the release of adjustments in loans and advances and profits from securities held as current assets		14,969,414.62	26,669
13.	+	Profits from the sale of investments		1,073,624.44	-
V.		**Profit before tax**		**54,961,619.06**	**66,299**
14.	-	Income tax		12,085,460.32	14,064
VI.		**Profit for the year**		**42,876,158.74**	**52,235**
15.	-	Transfer to reserves		22,618,296.00	31,936
		Of which transfer to liability reserve		*0.00*	-
VII.		**Unallocated profit for the year**		**20,257,862.74**	**20,298**
16.	+	Profit brought forward from the previous year		10,294.50	7
VIII.		**Profit available for distribution**		**20,268,157.24**	**20,305**

Oesterreichische Kontrollbank AG – Notes on the company financial statements

General information

The financial statements were prepared according to the provisions of the Austrian Commercial Code (UGB, or 'Commercial Code') and the provisions of the Austrian Banking Act (BWG, or 'Banking Act'). In accordance with section 906(28) of the Commercial Code, the stipulations in the Commercial Code are still to be applied in the version preceding the Federal Law Gazette I No 22/2015 (the 2014 law amending accounting principles, i.e. 'Rechnungslegungs-Änderungsgesetz 2014') for financial documents relating to business years beginning before 1 January 2016.

The financial statements were compiled in line with proper accounting principles and general accounting standards to convey as accurate a picture as possible of the financial position, results of operations and cash flows of the company.

In the preparation of the financial statements the principle of completeness was adhered to.

Impairments were made on the basis of being a going concern. In the case of values for assets and liabilities the individual impairment approach was used.

OeKB elected to make use of the capitalisation option under section 198(7) of the Commercial Code.

Caution was exercised by including only profits that are realised on the balance sheet date. Moreover, all detectable risks and impending losses, resulting from the financial year 2015, were taken into consideration.

The closed financial year corresponds to the calendar year.

Section 3(1)7 of the Austrian Banking Act provides that Regulation (EU) No 575/2013 and section 39(3) and (4) of the Austrian Banking Act do not apply to business of Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) related to export promotion under the Export Guarantees Act and the Export Financing Guarantees Act. Pursuant to section 3(2)1 of the Austrian Banking Act, the following legal provisions are also not applicable: Part 6 of Regulation (EU) No 575/2013 and sections 27a, 39(2b)7 in conjunction with 39(4), 39(3), and 74(6)3.a in conjunction with 74(1) of the Austrian Banking Act.

The disclosures required under part 8 of CRR Regulation (EU) No 575/2013 are provided in the 'Offenlegungsbericht' (in German only) of OeKB Group. For more detailed information, consult the OeKB website (*www.oekb.at*).

The effect of the demerger on the OeKB balance sheet

Owing to the Regulation (EU) No 909/2014, OeKB had to separate the operation of the central securities depository business from its other banking business. For this reason OeKB legally transferred for absorption the administration of the central securities depository together with its assets (see the following table) to OeKB CSD GmbH. However, liabilities were not transferred.

The demerger was carried out proportionally, without a reduction in the nominal capital of OeKB with recourse to article VI of the tax law governing corporate restructuring ('Umgründungssteuergesetz') as well as to section 6(1.3) of the tax law governing capital movements ('Kapitalverkehrssteuergesetz'), with financial and contractual effect as of 1 January 2015. The demerger was entered in the company register on 12 September 2015.

	1 Jan 2015
Assets	€
Cash and balances at central banks	19,965,000.00
Non-current intangible assets	773,968.80
Property and equipment	0.00
Total assets	**20,738,968.80**

Due to the changes relating to the demerger, the figures in the financial statements for the previous year are only partially comparable. In 2014 the central securities depository fee and commission income was € 21,722,980.34 with fee and commission expenses of € 1,577,242.83. In the following table the comparative value for the previous year has been restated.

	2015	2014 restated*
	€	€
Fee and commission income	30,304,271.77	29,117,368.67
Fee and commission expenses	4,494,589.50	4,600,385.86
Net fee and commission income	**25,809,682.27**	**24,516,982.81**

* Not including fee and commission income/expenses of the CSD

Format of the balance sheet and income statement

To reinforce the importance of the volume of OeKB's Export Financing Scheme, the format of the balance sheet provides more detail than the format set out in annex 2 to section 43 of the Banking Act, in that items relating to the OeKB-operated Export Financing Scheme are shown separately. The use of this expanded format is permitted by section 43(2) of the Banking Act.

In the income statement a more detailled breakdown is provided in accordance with section 43(2) of the Banking Act rather than according to the format in annex 2 to section 43. The positions for net interest income in the income statement are complemented by the negative interest positions.

The previous year's figures for negative interest (shown in a netted form) are technically not ascertainable, but in comparison not of significance.

Complementary information on the valuation of the balance sheet positions in the own-account section of the balance sheet

- Securities are measured at cost (using the weighted average cost formula), applying conservative valuation at the lower of cost or market value (section 207 of the Commercial Code, subject to section 57 of the Banking Act).
- Loans and advances to banks, loans and advances to customers, and sundry assets are quoted using the nominal value (in line with section 57 of the Banking Act). Value adjustments are made for detactable risks relating to borrowers.
- Interests in investments and subsidiaries are valued at cost less any impairment.
- Property and equipment and intangible assets (buildings, fixtures, fittings and equipment, leasehold improvements, software and other non-current assets) are valued at cost less depreciation and amortisation. The valuation reserve from accelerated tax depreciation in previous years is presented as a separate item under reserves, in accordance with the standard format set out in the Austrian Banking Act.
- Foreign currency items are valued at mid-market rates of exchange prevailing at the balance sheet date.
- Provisions for current and future pension obligations and for termination benefits are determined on the basis of generally accepted actuarial principles, using the projected unit credit method in accordance with International Accounting Standard 19. The following assumptions and tables are used:
  - a discount rate of 2.40% (2014: 2.40%),
  - an age of retirement of 64 years 6 months for men (2014: 64 years 3 months) and 59 years 6 months for women (2014: 59 years 3 months), and
  - the computation tables by Pagler & Pagler.
- Deferred taxes are recognised in accordance with section 198(9) and (10) of the Commercial Code and are shown under payments and accrued income.

Complementary information on the valuation of key balance sheet items concerning export financing

- For the securities investments serving as a liquid assets portfolio for the Export Financing Scheme, interest rate swaps (in the form of asset swaps) were used to hedge the interest rate risk. The hedging periods and amounts of the hedged items and corresponding derivatives are identical, which ensures hedge effectiveness. The respective hedged items and hedging instruments thus qualify for hedge accounting. Any valuation effects from changes in credit spreads are accounted for by the conservative valuation of the lowest value pinciple.

- Loans and advances to banks, loans and advances to customers, and sundry assets are quoted using the nominal value (in line with section 57 of the Banking Act). Value adjustments are made for detectable risks relating to borrowers.
- Liabilities are, as a rule, quoted with the repayable amount. For the majority of the liabilities, swaps were entered into to cover the interest-rate and exchange-rate risk. The coverage period and volumes of the underlying transactions and derivatives are identical, thereby assuring the effectiveness of the hedge. Accordingly, the respective hedged items and hedging instruments are represented as separate entities.
- In the case of swap contracts the interest payable both on the hedged transaction and on the swap is recognised in the time periods in which it accrues. In so far as there are any timing differences between the interest payment obligations of OeKB and of the swap counterparty, the amounts payable are recognised within other loans and advances to banks.
- Foreign currency items are valued at mid-rates of exchange prevailing at the balance sheet date. Where the Republic of Austria has furnished an exchange rate guarantee under the Export Financing Guarantees Act (AFFG, as amended), valuation is made at the guaranteed exchange rate.
- Derivative financial instruments are valued according to recognised methods, allowing for observable parameters (with interest rates and exchange rates suited to the maturity) as well as allowing for OeKB's refinancing costs assessed at a fair value.

  These transactions to hedge the interest-rate risk and exchange-rate risk are managed entirely in conjunction with assets (liquid assets portfolio) and liabilities, with which they form an economic unit.

  The effectiveness is measured by means of critical terms matching (the identity of the parameter of the respective hedged items and hedging instruments).

  Owing to the exchange-rate guarantee in accordance with the Export Financing Guarantees Act, no provisions were made for negative market values resulting from currency swaps.
- Deferred taxes are recognised in accordance with section 198(9) and (10) of the Commercial Code. Deferred taxes for export financing are shown together with the deferred taxes in the own-account section of the balance sheet.
- The interest rate stabilisation provision relates to the future support of interest rates on export credits for which OeKB carries the interest rate risk, and also to the interest rate risk from the funding of the Export Financing Scheme. Any surplus from interest income (after deduction of OeKB's required interest margin) on financing facilities not subject to interest support and the respective funding costs is added to the interest rate stabilisation provision; in the event of a deficit, this provision is used, as intended, to cover the shortfall.

Notes on the balance sheet

Financial position

Total assets decreased by € 665,959 thousand (-2.9%) compared with the previous year, to a new balance of € 22,023,627,287.71. The reduction was largely attributable to a decrease in cash and balances at central banks, in loans and advances to banks in the own-account section of the balance sheet and in the financing volume under the Export Financing Scheme. By way of compensation, the deposits from banks (i.e. liabilities) in the own-account section of the balance sheet and liabilities associated with export financing decreased.

Financial position - divided into two sections

	31 Dec 2013	31 Dec 2014	+/- Change		31 Dec 2015
Assets	€ thousand	€ thousand	€ thousand	in %	€
Cash and balances at central banks	520,361	271,650	-73,824	-27.2%	197,826,080.71
Treasury bills and similar securities	73,936	80,692	-1,661	-2.1%	79,031,417.43
Loans and advances to					
Banks	88,642	276,524	-201,716	-72.9%	74,807,654.68
Customers	5,753	5,521	-487	-8.8%	5,034,395.64
Securities	306,185	333,008	22,327	6.7%	355,334,870.48
Interests in subsidiaries and other investments	52,505	52,504	10,744	20.5%	63,248,088.95
Property and equipment and intangibles	29,897	26,130	-3,841	-14.7%	22,289,450.18
Other assets	116,551	121,874	2,140	1.8%	124,014,167.71
I. Own account	**1,193,830**	**1,167,905**	**-246,319**	**-21.1%**	**921,586,125.78**
Treasury bills and similar securities	642,114	641,881	591,125	92.1%	1,233,006,397.83
Loans and advances to					
Banks	22,383,050	20,052,649	-1,145,195	-5.7%	18,907,454,257.92
Customers	398,844	390,818	-73,572	-18.8%	317,245,985.80
Bonds and other fixed income securities	374,405	413,792	201,857	48.8%	615,649,358.09
Other assets	204	366	-266	-72.6%	100,386.43
Prepayments and accrued income	26,643	22,175	6,410	28.9%	28,584,775.86
II. Export financing account	**23,825,260**	**21,521,681**	**-419,640**	**-1.9%**	**21,102,041,161.93**
Total assets	**25,019,090**	**22,689,586**	**-665,959**	**-2.9%**	**22,023,627,287.71**
Liabilities and equity					
Deposits from					
Banks	495,626	432,803	-275,946	-63.8%	156,857,027.17
Customers	82,257	66,806	10,798	16.2%	77,603,750.03
Employee benefit provisions	114,224	129,583	-989	-0.8%	128,593,689.00
Other liabilities	52,678	57,729	-2,763	-4.8%	54,965,578.09
Equity	428,743	460,680	22,618	4.9%	483,297,924.25
Profit available for distribution	20,302	20,305	-37	-0.2%	20,268,157.24
I. Own account	**1,193,830**	**1,167,905**	**-246,319**	**-21.1%**	**921,586,125.78**
Deposits from					
Banks	66,819	97,492	850,753	872.6%	948,244,535.05
Customers	568,890	718,511	-47,231	-6.6%	671,279,537.08
Debt securities in issue	22,028,199	19,433,824	-1,301,284	-6.7%	18,132,540,302.04
Sundry liabilities	24,263	27,223	-17,403	-63.9%	9,819,774.31
Accruals and deferred items	97,648	94,646	44,761	47.3%	139,407,304.10
Provisions	1,039,441	1,149,985	50,765	4.4%	1,200,749,709.35
II. Export financing account	**23,825,260**	**21,521,681**	**-419,640**	**-1.9%**	**21,102,041,161.93**
Total liabilities and equity	**25,019,090**	**22,689,586**	**-665,959**	**-2.9%**	**22,023,627,287.71**

Own-account section of the balance sheet

The reduction of € 246,319 thousand in overall assets in the own-account section of the balance sheet mainly reflected a lower credit balance with Oesterreichische Nationalbank (the Austrian central bank), and the marked reduction in loans and advances to banks. On the liabilities and equity side, deposits from banks were reduced and equity was built up.

The item 'land and buildings' includes land valued at € 4,398,853.90 (2014: € 4,399 thousand).

For the purposes of section 64(1)10 and 11 of the Banking Act, the analysis of securities holdings is as follows:

€	Admitted to trading on exchange and listed	Not listed	*Of which securities held as non-current assets*
Treasury bills and similar securities eligible for rediscounting by the ECB	79,031,417.43	0.00	*0.00*
2014 in € thousand	80,692	-	-
Bonds and other fixed income securities	182,024,629.41	0.00	*0.00*
2014 in € thousand	157,903	-	-
Equity shares and other variable income securities	199,852.34	173,110,388.73	*0.00*
2014 in € thousand	1,995	173,110	-

Of the securities held, securities in the amount of € 38,561,721.50 are maturing in 2016.

As a disclosure under section 56(4) of the Banking Act, the difference between the market value and book value of securities held as current assets was € 8,280,719.58 (2014: € 10,112 thousand).

For the entire investment portfolio, the difference between market value and book value was a total of € 108,050,515.37 (2014: € 101,618 thousand).

The omitted value adjustments, in accordance with section 208(3) of the Commercial Code amounted to € 15,179,065.00, at 31 December 2015.

Interests in subsidiaries and other investments by their nature represent non-current assets. The Executive Board has adopted rules for the other securities categories to the effect that the classification of securities as non-current assets is made on the basis of, among other factors, maturity and the relationship between cost and face amount. At 31 December 2015, as in the previous year, all securities holdings were classified as current assets. OeKB does not hold a trading portfolio and therefore has no trading book. The asset items contained no subordinated assets.

The item 'other assets' mainly consists of prepayments and accrued income and other receivables, including accounts receivable from subsidiaries. The increase of 1.8% compared to the previous year was attributable to a rise in deferred tax assets. The decrease in the item 'other liabilities' (which consists primarily of sundry liabilities, accruals and deferred items, and provisions) is largely attributable to the consumption of the tax provisions for the previous years in their entirety. Advanced tax payments for corporation tax were activated in the amount of € 3,983,437.88.

Prepayments and accrued income include deferred tax assets under section 198(10) of the Commercial Code in the amount of € 110,956,588.59 (2014: € 112,024 thousand).

Companies wholly or partly owned by OeKB

Company name and registered office	Banking Act Category[1]	Type of invest-ment		Share-holding	Financial information			
	Credit Institution/ Other Company	Directly held	Indirectly held	in %	Reporting date of latest annual accounts	Balance sheet total as defined in the UGB € thousand	Equity as defined in sec. 224(3) of the UGB, € thousand	Profit for the year, € thousand
Subsidiaries								
Oesterreichische Entwicklungsbank AG, Vienna	CI	x		100.00%	31 Dec 2015	665,563	19,202	6,114
OeKB CSD GmbH, Vienna	CI	x		100.00%	31 Dec 2015	32,014	24,295	3,521
"Österreichischer Exportfonds" GmbH, Vienna	CI	x		70.00%	31 Dec 2015	1,077,200	12,347	1,078
OeKB EH Beteiligungs- und Management AG, Vienna	OC	x		51.00%	31 Dec 2015	95,207	94,955	11,583
Acredia Versicherung AG, Vienna	OC		x	51.00%	31 Dec 2015	152,273	92,620	11,436
PRISMA Risikoservice GmbH, Vienna	OC		x	51.00%	31 Dec 2015	-	12,738	2,873
PRISMA Risk Services D.O.O., Belgrade	OC		x	51.00%	31 Dec 2015	-	483	9
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00%	31 Dec 2015	40,436	11,334	(51)
OeKB Business Services GmbH, Vienna	OC	x		100.00%	31 Dec 2015	1,595	1,549	2
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00%	31 Dec 2015	4,541	4,540	1
Other investments								
AGCS Gas Clearing and Settlement AG, Vienna	OC	x		20.00%	31 Dec 2014	19,608	2,988	210
APCS Power Clearing and Settlement AG, Vienna	OC	x		17.00%	31 Dec 2014	38,998	3,053	429
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	x		18.50%	31 Dec 2014	4,746	3,343	2,543
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	OC	x		0.10%	31 Dec 2014	677	77	0
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	x		8.06%	31 Dec 2014	5,055	2,924	506
"Garage Am Hof" Gesellschaft m.b.H., Vienna	OC	x		2.00%	31 Dec 2014	5,158	4,256	1,070
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	x		12.60%	31 Dec 2014	328,501	5,460	415
CEESEG Aktiengesellschaft (former Wiener Börse AG), Vienna	OC	x		6.60%	31 Dec 2014	398,616	351,510	22,842

[1] 'Other Company' (OC) refers to companies that are neither Credit Institutions nor Financial Institutions according to the definitions of the Austrian Banking Act.

[2] 'UGB' refers to the Austrian Commercial Code.

Export finance section of the balance sheet

The loans and advances in export financing decreased by € 1,218,767,085.16 (2014: € 2,338,427 thousand) to a volume of € 19,224,700,243.72 (2014: € 20,443,467 thousand). The export financing loan book comprised a total of about 2,700 credits at the end of the year (2014: about 2,800).

The securities holdings totalling € 1,848,655,755.92 (2014: € 1,062,532 thousand) are all classified as current assets. All are admitted for trading on a stock exchange and are listed. The aggregate book value of these securities exceeded their market value by € 1,375,305.12. Of the securities held, securities in the amount of € 44,400,000.00 are maturing in 2016.

The deposits from banks and from customers rose by € 803,521,049.24 (2014: € 180,294 thousand) to € 1,619,524,072.13 (2014: € 816,003 thousand). The debt securities in issue decreased by € 1,301,283,894.00 (2014: € 2,594,375 thousand) to € 18,132,540,302.04 (2014: € 19,433,824 thousand). At 31 December 2015, OeKB had access to € 1,960,987,068.35 of overnight funds under the ECB's marginal lending facility.

In the reporting period, as in the previous year, most of the debt securities were issued abroad.

Within the balance sheet item 'debt securities in issue', the following principal amounts are due in 2016:

Debt securities in issue

€	Due in 2016
Bonds issued	4,236,766,552.14
Other debt securities in issue	3,449,247,166.44
Total	**7,686,013,718.58**

In 2015 the total assets associated with export financing decreased by € 416,640 thousand, or 1.9%, from the previous year's level.

Fiduciary assets and liabilities

The transactions overseen by OeKB as trustee represent neither financial nor legal exposure for the Bank. They are covered in the balance sheet within the following items:

Export financing

	31 Dec 2014	31 Dec 2015
	€ thousand	€
Fiduciary assets		
Loans and advances to banks	10,407	8,272,490.03
Fiduciary liabilities		
Deposits from customers with agreed maturity or notice period	10,407	8,272,490.03

These fiduciary transactions are soft loan financing (preferential loans with an interest rate below market level) for selected countries and projects, as well as start-up loans. Soft loan financing is used in accordance with the Federal Ministry of Finance's Austrian soft loan policy for supporting the competitiveness of Austria's export industry on the international market. The loans are funded through a co-financing agreement with the World Bank and with resources from the ERP Fund and Wirtschaftskammer Österreich, the Austrian Chamber of Commerce.

Provisions

Other provisions

	31 Dec 2014	31 Dec 2015
	€ thousand	€
Legal consulting, tax consulting, and audit of annual financial statements	596	774,800.00
Performance-related compensation	5,082	5,195,738.75
Software projects	462	120,000.00
Unused holiday and overtime credits	4,913	4,760,632.95
General business risks and IT projects	28,485	28,485,000.00
Sundry provisions	1,010	1,114,239.94
Other provisions	**40,548**	**40,450,411.64**

Provisions recognised in connection with export financing

	31 Dec 2014	31 Dec 2015
	€ thousand	€
Interest rate stabilisation provision	1,149,985	1,200,749,709.35

The provision recognised in connection with export financing consisted entirely of an interest rate stabilisation provision to stabilise interest rates on export credits.

Non-current assets in 2015

€	Costs at 1 Jan 2015	Additions in 2015	Disposals in 2015	Accumulated depreciation and amortisation	Net book value at 31 Dec 2015	Net book value at 31 Dec 2014	Depreciation and amortisation 2015
Non-current intangible assets	4,165,247.58	1,214,414.30	938,533.20	3,313,749.68	1,127,379.00	1,232,380.80	392,402.90
Property and equipment	102,260,397.81	997,287.38	9,924,068.47	72,171,545.54	21,162,071.18	24,897,911.18	4,514,659.07
Low-value assets	0.00	164,110.12	164,110.12	0.00	0.00	0.00	164,110.12
Subtotal	**106,425,645.39**	**2,375,811.80**	**11,026,711.79**	**75,485,295.22**	**22,289,450.18**	**26,130,291.98**	**5,071,172.09**
Interests in investments other than subsidiaries	26,324,154.95	0.00	18,340,693.15	0.00	7,983,461.80	18,013,832.40	0.00
Interests in subsidiaries	34,490,658.35	20,773,968.80	0.00	0.00	55,264,627.15	34,490,658.35	0.00
Total	**167,240,458.69**	**23,149,780.60**	**29,367,404.94**	**75,485,295.22**	**85,537,539.13**	**78,634,782.73**	**5,071,172.09**

The reductions in investments are due to the sale of the shares in the Budapest Stock Exchange Ltd, Budapest. As a result of the sale, OeKB made a profit of € 1,073,624.44.

The reductions in tangible assets essentially resulted from the booking-out of no longer used construction investments in other buildings. These are connected with the spin-off of the central securities depository and establishment of OeKB CSD GmbH.

Valuation reserves from special depreciation

€	At 1 Jan 2015	Additions in 2015	Releases in 2015	At 31 Dec 2015
Land and buildings	1,273,614.00	0.00	299,405.00	974,209.00
Fixtures, fittings and equipment	116,661.00	0.00	2,299.00	114,362.00
Securities	3,012,746.27	0.00	0.00	3,012,746.27
Total	**4,403,021.27**	**0.00**	**301,704.00**	**4,101,317.27**

The valuation reserves under section 12 of the Austrian Income Tax Act (EStG, 'Income Tax Act'), also resulting from special depreciation under sections 8 and 122 of the Income Tax Act 1972, were drawn down as stipulated.

Regulatory capital under the CRR

Pursuant to section 3(1)7 of the Banking Act, transactions relating to the Export Financing Scheme are exempt from Regulation (EU) No 575/2013 and section 39(3) and (4) of the Banking Act.

In the year under review, no transfer to the liability reserve was required. € 22,920,000.00 was transferred to other retained earnings.

Oesterreichische Kontrollbank AG has a share capital of € 130 million, divided into 880,000 shares of no par value. These registered ordinary shares with restricted transferability are represented by provisional share certificates made out in the name of each individual shareholder. The ownership of OeKB as at 31 December 2015 is presented in the Group's Integrated Report.

Regulatory capital requirements pursuant to Article 92 of Regulation (EU) No 575/2013

	2014	2015
	€ thousand	€
Total risk-weighted assets	**783,048**	**653,030,523.76**
Regulatory capital requirement for credit risk (8% of total risk-weighted assets)	34,296	31,620,160.47
Regulatory capital requirement for exchange risk	7,502	1,537,533.92
Regulatory capital requirement for operational risk (Basic Indicator approach)	20,847	19,084,747.51
Risk-weighted item amounts	**62,644**	**52,242,441.90**
Available regulatory capital under Part 2 CRR		
Paid-up capital instruments	130,000	130,000,000.00
Retained earnings and reserves	329,579	352,272,594.93
Less transfer to retained earnings [1]	-32,280	-22,920,000.00
Other intangible assets	-1,232	-1,127,379.00
Common Equity Tier 1 capital (CET 1)	**426,066**	**458,225,215.93**
Tier 2 capital (reserve for general banking risks under section 57 of the Banking Act), weighted at 70% (2014: 80%) of the 2013 basis [2]	101,600	88,900,000.00
Tier 2 capital (T2)	**101,600**	**88,900,000.00**
Total regulatory capital resources	**527,666**	**547,125,215.93**
Surplus regulatory capital	465,023	494,882,774.03

[1] Under article 26(2) of the CRR, earnings for the year are included in Common Equity Tier 1 capital only after the official adoption of the final annual financial results.

[2] Under article 486(4) of Regulation (EU) No 575/2013 in conjunction with section 20 of the CRR.

Notes on the income statement

Condensed income statement

	2013	2014	+/- Change		2015
	€ '000	€ '000	€ '000	in %	€
Net interest income and income from securities and investments	81,435	73,290	-5,345	-7.3%	67,944,502.52
Net fee and commission fee	44,312	44,663	-18,853	-42.2%	25,809,682.27
Income and expenses from financial operations and other operating income	11,968	11,579	9,115	78.7%	20,693,515.87
Operating income	**137,715**	**129,532**	**-15,084**	**-11.6%**	**114,447,700.66**
Staff costs, including social security and pension costs	51,551	62,548	-13,702	-21.9%	48,846,255.72
Other administrative expenses	21,490	20,770	-1,315	-6.3%	19,455,457.28
Depreciation, amortisation and impairment losses on property and equipment and intangible assets	5,021	4,787	284	5.9%	5,071,172.09
Other operating expenses	1,327	1,615	4	0.2%	1,618,878.98
Operating expenses	**79,389**	**89,720**	**-14,728**	**-16.4%**	**74,991,764.07**
Operating profit	**58,326**	**39,812**	**-356**	**-0.9%**	**39,455,936.59**
Net gain on disposal and valuation of loans and advances, securities and interests in subsidiaries and other investments	3,040	26,487	-10,981	-41.5%	15,505,682.47
Profit before tax	**61,366**	**66,299**	**-11,337**	-17.1%	54,961,619.06
Taxes	12,643	14,064	-1,979	-14.1%	12,085,460.32
Profit for the year	**48,723**	**52,235**	**-9,359**	**-17.9%**	**42,876,158.74**
Net movement in reserves	-28,426	-31,936	9,318	29.2%	-22,618,296.00
Unallocated profit for the year	**20,297**	**20,298**	**-40**	**-0.2%**	**20,257,862.74**
Profit brought forward from the previous year	5	7	3	47.1%	10,294.50
Profit available for distribution	**20,302**	**20,305**	**-37**	**-0.2%**	**20,268,157.24**

As the table shows, operating profit declined by 0.9% from the previous year's level.

As a result of the reduced reversal of impairment losses under section 57 of the Austrian Banking Act, there was a decrease of about 41.5% to € 15,505,682.47 in the item 'net gain on disposal and valuation of loans and advances, securities and interests in subsidiaries and other investments' as well as in the profit from the sale of investments.

Income tax

	31 Dec 2014	31 Dec 2015
	€ thousand	€
Corporation tax for financial years	13,057	8,479,628.71
Corporation tax for previous years	-119	0.00
Income from prepaid capital yield tax from investment funds	-31	0.00
Change in deferred tax assets	1,157	3,605,831.61
Income tax	**14,064**	**12,085,460.32**

After taxes, profit for the year is € 42,876,158.74, representing a decrease of 17.9% compared to the previous year (€ 52,235 thousand). OeKB's return on assets in 2015 was 0.19% (2014: 0.23%).

For the disclosures relating to the costs of the audit for the annual financial statements, please refer to the data in the OeKB Group consolidated financial statements.

As the regional focus of the activities lies in Austria, geographic market data has been omitted.

Supplementary disclosures

Obligations from the use of off-balance sheet property and equipment

- In the subsequent financial year: € 1,264,749.89 (2014: € 1,213 thousand)
- In the subsequent five financial years (total): € 6,324,849.45 (2014: € 6,065 thousand).

Derivative financial instruments at the balance sheet date

€	Notional amount	Fair values positive	Fair values negative
Interest rate swaps	17,437,898,161.24	201,125,046.58	147,924,182.04
Asset swaps for liquid assets portfolio	1,740,500,000.00	773,710.88	140,552,801.08
Currency swaps	16,562,593,093.64	960,108,546.46	620,405,039.88
Foreign exchange forwards	0.00	0.00	0.00
Total 2015	**35,740,991,254.88**	**1,162,007,303.92**	**908,882,023.00**
Total 2014 in € thousand	33,165,984	1,352,265	1,019,168

The fair values shown represent the clean prices (i.e. the fair value without interest accrued) of the derivatives.

Other off-balance-sheet transactions

The off-balance-sheet credit risks of € 3,016,234,382.55 shown as memorandum items relate to undrawn credit facilities and commitments to lend, all of which are in connection with the Export Financing Scheme (2014: € 2,520,000 thousand).

Assets pledged as collateral

	2014	2015
	€ thousand	€
Securities pledged as collateral		
With OeNB for tender	3,992,942	2,160,287,378.00
For trading on futures exchanges (EUREX)	19,605	0.00
For energy trading (ECC)	6,391	7,271,680.00
For EUREX Repo platform	686,522	1,113,772,500.00
Collateral for credit risks of derivative transactions		
Collateral pledged	485,000	275,000,000.00
Collateral received	378,500	948,300,000.00

Assets and liabilities denominated in foreign currency

The balance sheet contained foreign-currency-denominated items in the following Euro-equivalent amounts, largely related to export financing:

- Assets: € 1,838,369,616.02 (2014: € 1,505,999 thousand)
- Liabilities: € 16,649,911,788.62 (2014: € 17,978,451 thousand).

Maturity analysis of loans and advances and financial liabilities

The following figure on the remaining maturities under section 64 (1.4) of the Banking Act was also adjusted for 2014, as a result of the refinements made to the system evaluations in 2015 in order to make the data more easily comparable.

Remaining time to maturity

	Credit balances at banks and loans and advances to banks and customers as well as sundry assets		Deposits from banks and customers and debt securities in issue	
	2014	2015	2014	2015
	€ thousand	€	€ thousand	€
Repayable on demand	34,421	7,658,243.71	908,502	849,138,387.99
Not more than 3 months	1,827,962	2,203,355,939.54	411,246	992,399,328.37
Over 3 months but not more than 1 year	7,504,163	6,893,030,787.02	-	0.00
Over 1 year but not more than 5 years	8,499,593	6,933,581,423.17	4,759	17,149,266.35
Over 5 years	2,867,422	3,278,106,929.07	23,847	11,433,759.84

Related-party transactions

As a specialised institution for export services and capital market services, OeKB engages in many transactions with its shareholders. All these transactions are conducted according to the 'arm's length' principle.

Related-party transactions with shareholders of OeKB

	31 Dec 3014	31 Dec 2015
	€ thousand	€
Loans and advances to banks	14,228,043	13,556,520,155.50
Bonds and other fixed income securities	22,004	24,280,470.00
Deposits from banks	36,330	15,620,746.14

Analysis of loans and advances to, and deposits, unconsolidated subsidiaries and other investments

Loans and advances and deposits

	Unconsolidated subsidiaries		Other investees	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Own-account	€ thousand	€	€ thousand	€
Loans and advances to banks	70,000	67,200,000.00	-	0.00
Deposits from banks	54,616	64,195,628.52	-	0.00
Deposits from customers	28,387	38,362,779.71	6,641	9,385,206.19

	Unconsolidated subsidiaries		Other investees	
	31 Dec 2014	31 Dec 2015	31 Dec 2014	31 Dec 2015
Export financing	€ thousand	€	€ thousand	€
Loans and advances to banks	1,393,214	1,462,080,868.01	-	0.00

Staff costs

	2014	2015
Average number of employees (all were salaried)	356	356

	€ thousand	€
Analysis of staff costs in items dd, ee and ff of the income statement		
Executive Board members (including former members or their surviving dependants)	7,850	2,673,615.77
Key managers	3,359	1,206,459.61
Other employees	9,089	2,540,748.97
Total	**20,297**	**6,420,824.35**
Contributions to termination benefit funds (included in the item 'expenses for termination benefits and contributions to termination benefit funds')	133	144,282.11
Total remuneration of the Boards		
Executive Board: Not disclosed, in reliance on section 241(4) of the Austrian Commercial Code	Not disclosed	Not disclosed
Supervisory Board	275	235,424.00
Former members of the Executive Board or their surviving dependants	459	947,845.41

The change in the staff costs shown in the table mainly results from the valuation of long-term provisions for employee benefits. The previous year's value was clearly affected by the reduction in the discount rate from 3.25% to 2.4%. In the financial year 2015 this factor remained constant.

There were no transactions with key management personnel.

Board members and officials

Members of the Executive Board

Name	Term of office from	Term of office to
Rudolf Scholten	1 May 1997	30 April 2017
Angelika Sommer-Hemetsberger	1 January 2014	31 December 2018

Members of the Supervisory Board

Position	Name	Term of office from	Term of office to
Chairman	Erich Hampel	1 January 2010	AGM 2016
First Vice-Chairman	Walter Rothensteiner	2 August 1995	AGM 2016
Second Vice-Chairman	Thomas Uher	12 May 2015	AGM 2020
Second Vice-Chairman	Franz Hochstrasser	19 May 2009	12 May 2015
Member	Helmut Bernkopf	19 May 2009	AGM 2019
Member	Peter Bosek	25 May 2011	12 May 2015
Member	Michael Glaser	22 May 2012	AGM 2017
Member	Andreas Gottschling	12 May 2015	AGM 2016
Member	Matthias Heinrich	21 May 2014	12 May 2015
Member	Dieter Hengl	25 May 2011	AGM 2016
Member	Herbert Messinger	18 December 2012	AGM 2016
Member	Christoph Raninger	21 May 2014	12 May 2015
Member	Karl Sevelda	24 September 2013	AGM 2018
Member	Jozef Sikela	12 May 2015	AGM 2020
Member	Herta Stockbauer	21 May 2014	AGM 2019
Member	Herbert Tempsch	29 May 2013	AGM 2018
Member	Susanne Wendler	12 May 2015	AGM 2016
Member	Robert Zadrazil	19 May 2009	AGM 2016
Member	Franz Zwickl	20 May 1999	AGM 2016

AGM = Annual General Meeting

Employee representatives

		Term of office	
		from	to
Chairman of the Staff Council	Martin Krull	14 March 2002	13 March 2018
Vice-Chairwoman of the Staff Council	Erna Scheriau	1 April 2001	13 March 2018
Member	Alexandra Griebl	14 March 2010	13 March 2018
Member	Elisabeth Halys	1 July 2013	13 March 2018
Member	Christian Leicher	7 July 2009	31 December 2015
Member	Ulrike Ritthaler	14 March 2014	13 March 2018
Member	Christoph Seper	14 March 2014	13 March 2018
Member	Markus Tichy	1 July 2011	13 March 2018

Government commissioners

under section 76 of the Austrian Banking Act

Position	Name	Term of office since
Commissioner	Harald Waiglein	1 July 2012
Deputy Commissioner	Johann Kinast	1 March 2006

The above government commissioners are also representatives of the Austrian Minister of Finance under section 6 of the Export Financing Guarantees Act.

Government commissioners

under section 27 of the Articles of Association (supervision of bond cover pool)

Position	Name	Term of office since
Commissioner	Beate Schaffer	1 November 2013
Deputy Commissioner	Edith Wanger	1 June 1997

Vienna, 12 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN ANGELIKA SOMMER-HEMETSBERGER

Auditor's Report

Report on the Financial Statements

We have audited the accompanying financial statements of

Oesterreichische Kontrollbank AG,
Vienna,

that comprise the statement of financial position as of 31 December 2015, the income statement for the fiscal year then ended, and the notes.

Management's Responsibility for the Financial Statements

The Company's management is responsible for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles and Austrian Banking Act and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing – ISA. In accordance with International Standards on Auditing, we are required to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

Our audit did not give rise to any objections. In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2015, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements.

Report on Other Legal Requirements (Management Report)

Pursuant to statutory provisions, the management report is to be audited as to whether it is consistent with the financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report is consistent with the financial statements.

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

Vienna, 12 February 2016

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Signed by:

MARTIN WAGNER

Austrian Chartered Accountants

This report is a translation of the original report in German, which is solely valid.

The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Oesterreichische Kontrollbank AG

1011 Wien, Am Hof 4
Tel. +43 1 531 27-0
Fax +43 1 531 27-5233
info@oekb.at
www.oekb.at

OESTERREICHISCHE
KONTROLLBANK AG