

Annual Financial Statements 2020



**CENTRAL
SECURITIES
DEPOSITORY**

CeKB 
CSD GmbH

Contents

Management report	4
COVID-19 Pandemic - the formative condition 2020	4
Business development 2020	5
Non-financial performance indicators	10
OeKB CSD risk management system (RMS)	11
Preview for 2021	14
Annual Financial Statements 2020	15
Balance sheet as at 31.12.2020	15
Income statement for the financial year 2020	17
Notes to the annual financial statements	18
General Disclosures	18
Notes to the balance sheet	21
Notes to the income statement	24
Supplementary disclosures	25
Additional disclosures	27
Officers of the company	29
Auditor's Report	30
Publication information	35

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

Legend

A rounded actual value of less than € 500 is shown as "0" in the tables. If no numerical value is available, the item is shown with "-". Rounding may result in calculation differences.

Management report

COVID-19 Pandemic - the formative condition 2020

The COVID-19 pandemic not only shaped the 2020 financial year of OeKB CSD GmbH (OeKB CSD) in the operational area, it also led to changed implementation requirements for EU-wide regulatory and technical projects and positively influenced the business result by increased settlement and issue volumes.

In line with the obligation as a system relevant financial market infrastructure to maintain business operations without any restrictions even in crisis situations, OeKB CSD activated the first stage of the precautionary measures on 26 February 2020 by requesting full readiness for homeoffice for all employees at all times. In line with the current legal requirements, business operations were further organised individually for each team with the aim of minimising the common presence in the offices. Despite the massive restrictions, thanks to the exemplary commitment of the employees in connection with the workplace infrastructure geared towards homeoffice, it was possible to fully maintain business operations throughout the entire year.

Due to massive demands by numerous important participants and interest groups in the European financial market to reconsider the timing of EU legal provisions as well as projects of the Eurosystem due to the COVID-19 pandemic, both the EU Commission postponed the entry into force of the settlement discipline regime regulated in the CSDR (Central Security Depository Regulation) by 12 months to February 2022 and ECB postponed the consolidation of the IT platform T2S used by OeKB CSD with TARGET2 and the start of operations of the ECMS (Eurosystem Collateral Management System) by 12 months to November 2022 and November 2023, respectively.

The projects set up in OeKB CSD for these intentions were replanned in coordination with the clients according to the new schedules.

Due to COVID-19 related increased trading activities there was a massive increase in business volume in the settlement area, especially in March, while at the same time the price value of the custody volume in shares fell sharply, which only approached the values of the beginning of the year in the course of the fourth quarter. Viewed over the year, however, the lower level in equities was more than compensated by considerable growth in the volume of bonds held in custody, mainly resulting from the COVID-19 related increased issuing activity by the Republic of Austria. The COVID-19 pandemic therefore had a positive effect on the income and thus the business result of OeKB CSD.

Projects

An important project was the preparation of the employment of the staff previously employed by Oesterreichische Kontrollbank AG (OeKB AG) and transferred to OeKB CSD on the basis of an agreement at the beginning of 2021. The aim of this project, to avoid the additional expense incurred in the course of charging on personnel expenses and to reflect the existing entitlements unchanged in the new employment contracts with OeKB CSD, was achieved. At the end of August, the employees elected a staff works council, from whose ranks two members have been delegated to OeKB CSD 's supervisory board as employee representatives in December.

The project "MegaCor Phase 2" was completed in the third quarter and the goals of more efficient and customer-friendly processing of corporate actions and the reduction of expenses by replacing the existing IT systems for corporate actions were achieved.

With the "SRD" project, OeKB CSD prepared the requirements of the SRD II (Shareholder Rights Directive II), which obliges custodian banks on request of a joint-stock company to disclose the names of the shareholders with a holding in their shares and to receive event data on securities in electronic form from issuers. The "SRD" project was implemented in accordance with market participants and completed on time at the beginning of September when the SRD II came into force. OeKB CSD is thus one of the few CSDs in Europe that have fully complied with all obligations under SRD II from the very beginning.

The project "3i" (3 Issuer CSD) with the aim to digitise the notary lifecycle management taking into account the dematerialization of securities that is mentioned in the government programme 2021-2024 was continued as planned. A draft amendment to the Austrian Securities Deposit Act, which has meanwhile been assigned to the Finance Committee in the National Council, provides the possibility to present Austrian securities in the form of a digital Global Certificate in the future. For this purpose, the issuer is to transmit the relevant data to OeKB CSD in a structured form, whereby the essential information in the terms and conditions of securities, previously contained in text form, will become electronically readable and the relevant process steps can be digitised. The implementation of such digital interfaces between issuers and OeKB CSD will enable significantly more efficient business processes and is the most important area of the 3i project, which is scheduled for completion in mid-2022.

Business development 2020

Due to COVID-19 there was a massive increase in business volume in settlement in March, which subsequently stabilised at a level above that of the previous year. The strongly reduced market value of the unit-listed securities since the end of the first quarter only approached the values of the beginning of the year in the course of the fourth quarter. The volume of bonds held in custody increased strongly due to increased issuing activities of the Republic of Austria in the course of COVID-19.

The operating income amounted to € 19,765,878.05 is clearly above the expectations and 1.6 % above the previous year. The operating profit of € 7,074,452.00 is also significantly above the budgeted amount and 19.4 % above the previous year.

Safekeeping and administration

		31.12.2017	31.12.2018	31.12.2019	31.03.2020	30.06.2020	30.09.2020	31.12.2020
Securities with Nominal Value in Euro million	Issuer CSD	312,985	312,390	308,516	320,363	345,011	340,351	347,129
	Investor CSD	15,508	14,032	10,791	11,188	11,141	11,010	11,353
Market Value in Euro million	Issuer CSD	282,231	263,565	268,348	217,448	235,337	235,941	267,806
	Investor CSD	3,275	1,827	2,038	1,512	1,643	1,622	1,602
Unit-listed securities	Issuer CSD	8,908	7,801	7,429	7,483	7,523	7,581	7,524
	Investor CSD	420	398	396	344	570	355	363
Units in million	Issuer CSD	14,510	14,285	13,885	12,872	13,574	13,445	14,074
	Investor CSD	1,414	1,383	1,200	1,275	1,282	1,275	1,269
Number of Securities Categories								

The volume of securities with a nominal value kept and administered as Issuer CSD increased by 12.5 % to € 347.13 billion nominal value due to COVID-19 related increased issuing activity. After the COVID-19 related price decline of up to minus 23.8 % in the first quarter, the market value of the unit-listed securities rose again significantly from the fourth quarter onwards and at the end of the year was only 0.3 % below the value at the beginning of the year at € 267.81 billion. At the end of the year the number of securities categories kept and administered as Issuer CSD came to 14,074, 1.3 % slightly above the previous year.

For the securities kept and administered by OeKB CSD with a custodian as an Investor CSD, the securities with a nominal value rose by 5.2 % to € 11.35 billion and the unit-listed securities decreased by 21.4 % to a market value of € 1.6 billion. The number of securities categories kept with a custodian increased by 5.7 % to 1,269.

Settlement

		Monthly Average 2017	Monthly Average 2018	Monthly Average 2019	Σ 01-12/ 2019	Monthly Average 2020	Monthly Average 01-03/2020	Monthly Average 04-06/2020	Monthly Average 07-09/2020	Monthly Average 10-12/2020	Σ 01-12/ 2020
Number of Transactions	Intra	101,839	106,759	112,059	1,344,703	126,392	134,716	119,016	118,200	133,638	1,516,709
	Cross/External	1,177	2,978	3,102	37,226	5,183	4,990	6,209	4,569	4,963	62,193
Settled Volume	Intra	55,693	54,580	38,153	457,838	44,083	47,957	56,540	34,167	37,666	528,990
Nominal Value in Euro million	Cross/External	2,763	272	341	4,088	166	277	86	65	237	1,997
Market Value in Euro million	Intra	-	-	14,616	175,392	13,917	15,949	12,042	11,171	16,506	167,004
	Cross/External	-	-	150	1,796	208	205	206	162	260	2,496
Unit-listed securities	Intra	955	675	555	6,663	659	685	645	599	708	7,910
	Cross/External	11	8	17	206	30	31	28	16	45	361

Due to COVID-19 increased trading activities OeKB CSD processed more than 1.5 million transactions of the transaction type Intra in 2020, 12.7 % more than in 2019. This equated to a settled volume of € 528.99 billion for securities with a nominal value, a 15.5 % increase over 2019, and a 4.9 % year-on-year decrease in the volume of unit-listed securities to 167 billion units.

The number of the transaction types Cross and External rose by 67 % in annual comparison to more than 62,000 transactions. The settled volume of securities with a nominal value decreased by 51.4 % to € 2.00 billion compared to 2019 while the volume of unit-listed securities increased by 38.6 % to € 2.50 billion.

Income statement

Net interest income came to minus € 143,899.71 in 2020 (2019: minus € 87 thousand), primarily as a result of the negative interest applied to deposits at Oesterreichische Nationalbank.

Net fee and commission income came to € 19,628,461.10 in 2020, a year-on-year increase of 1.0 % (2019: € 19,429 thousand). This increase resulted from COVID-19-related higher income in the area of settlement which together with slightly lower commission expenses more than compensated the decline in custodian fees. The decline in custodian fees is mainly due to the fall in market value between March and October 2020. As a result, the fee and commission income from custodian fees decreased by 2.3 % to € 14,426,741.34 (2019: € 14,768 thousand). The transaction fees increased by 10.6 % to € 5,137,852,29 (2019: € 4,645 thousand) due to increased COVID-19 related trading activities.

The **net income from financial operations** came to minus € 1,133.80 (2019: € 0 thousand) and was the result of foreign exchange differences.

Operating income amounted to € 19,765,878.05 (2019: € 19,452 thousand). The increase in other operating income to € 282,450.46 (2019: € 109 thousand) is due to a one-off effect from input tax corrections from previous years.

The **general administrative expenses** decreased by 6.1 % to € 12,385,187.74 (2019: € 13,194 thousand). The other administrative expenses amounted to € 7,692,767.96 (2019: € 8,122 thousand) including expenses for IT operations, software maintenance, IT workplace equipment of € 5,100,326.00 (2019: € 5,287 thousand) as well as project costs in the amount of € 520,658.00 (2019: € 916 thousand). The general administrative expenses also include the staff costs charged by Oesterreichische Kontrollbank AG (OeKB AG) in the amount of € 4,692,419.78 which have decreased by 7.5 % compared to the previous year (2019: € 5,071 thousand) due to decreased personnel provisions. 2020, all staff were employees of OeKB AG and were delegated to OeKB CSD.

Operating expenses came to € 12,691,426.05 (2019: € 13,529 thousand).

The **operating profit** totalled € 7,074,452.00 (2019: € 5,923 thousand) and the profit before tax totalled € 7,074,700.70 (2019: € 5,923 thousand). After income tax, the **profit for the year** amounted to € 5,295,973.75 (2019: € 4,442 thousand).

A total of € 1,000,000.00 was allocated to the retained earnings in 2020 (2019: € 1,000 thousand). Furthermore, € 265,000.00 (2019: € 223 thousand) was allocated as statutory reserve. Including the retained earnings, the **profit available for distribution** amounts to € 4,057,084.23 (2019: € 3,226 thousand).

Balance sheet

The **assets** of OeKB CSD as at 31 December 2020 stemmed primarily from balances at central banks in the amount of € 28,015,754.99 (2019: € 23,188 thousand), intangible assets in the amount of € 1,040,792.73 (2019: € 623 thousand) and other assets in the amount of € 2,018,976.98 (2019: € 1,958 thousand). The other assets consist largely of receivables from clients relating to custodian fees and transaction fees for the month of December.

The reported **liabilities** consist primarily of payables to banks in the amount of € 146,556.39 (2019: € 280 thousand), especially relating to redeemed claims that have not yet been paid out (coupons, redemptions, dividends), of other liabilities in the amount of € 924,973.58 (2019: € 1,499 thousand), provisions in the amount of € 597,004.00 (2019: € 14 thousand) and of the equity of OeKB CSD in the amount of € 29,803,053.03 (2019: € 27,707 thousand). Provisions consist mainly of € 232,199.00 (2019: € 0 Tsd.) for tax provisions and € 351,250.00 (2019: € 0 Tsd.) for the disbursement of bonuses.

The **total assets** at 31 December 2020 amounted to € 31,482,698.36 (2019: € 29,514 thousand).

Financial performance indicators

The available regulatory capital pursuant to the Capital Requirements Regulation (CRR) came to € 23,705,176.07 in 2020 (2019: € 22,858 thousand). Allocations to reserves - except those for the statutory reserve- are generally not recognised as regulatory capital until the adoption of the annual financial statements. The capital requirements according to Regulation (EU) No. 909/2014 (CSDR) and Delegated Regulation 2017/390 Article 1-7 amounted to € 16,068,917.29 as at 31 December 2020 (2019: € 16,619 thousand). A detailed list can be found in the appendix.

An allocation in the amount of € 1,000,000.00 (2019: € 1,000 thousand) was made to the retained earnings as well as an allocation of € 265,000.00 (2019: € 223 thousand) to the statutory reserves during the financial year.

The tier 1 capital amounted to € 23,705,176.07 at the end of 2020 (2019: € 22,858 thousand). Pursuant to Article 3 (1) 12 of the Austrian Banking Act (BWG) OeKB CSD is exempt from parts 3, 5, 6 and 7 of Regulation (EU) No. 575/2013 and therefore did not calculate own regulatory capital requirements according to CRR.

The equity ratio (equity/total capital) was 94.7 % in 2020 (2019: 93.9 %).

The return on equity (profit for the year after tax/average equity) was 18.4 % in 2020 (2019: 16.0 %).

The cost/income ratio (operating expenses/operating income) was 64.2 % at the reporting date (2019: 69.5 %).

Research and development

No research and development is conducted due to the nature of OeKB CSD's business activities.

Non-financial performance indicators

Staff

OeKB CSD had a staff of 37 (2019: 38) employees who have been delegated by OeKB AG, one employee was on maternity leave. The delegated employees were subject to the collective bargaining agreement for the banking industry.

As of 01 January 2021, 26 of the delegated employees will be directly employed by OeKB CSD. It is planned that further delegated employees will be transferred to OeKB CSD in the course of 2021. The directly employed staff of OeKB CSD are still subject to the collective bargaining agreement for the banking industry.

Regulation (EU) No. 909/2014, which is intended to improve securities deliveries and settlement in the European Union and through central depositories, specifies in Article 26 (1) that a central depository must have a dedicated remuneration policy. Even though all employees were employed by OeKB AG and delegated to OeKB CSD, the remuneration policy of OeKB CSD applied to them.

The remuneration policy specifies that the variable pay components depend both on individual performance as well as various performance indicators of the company. In general, importance is placed on a balanced combination of fixed and variable pay components.

Internal and external training was offered and supported to enhance the capabilities of the individual employees. With a total expenditure of € 18,907.14 (2019: € 22 thousand), € 504.19 (2019: € 1 thousand) per employee were spent on further training measures in the financial year. Due to the pandemic most training courses took the form of virtual events. In addition, there are annual performance reviews in which the previous working period is analysed, constructive feedback is given and goals are set for the new year.

Employees of OeKB CSD are entitled to discounts at the OeKB AG employee cafeteria. Further employee benefits consist of the services of the company physician including the vaccination campaigns offered and the health week, a company children's daycare centre, and the use of the sport centre.

OeKB CSD offers employees a flexible working time model. There are no benefits that are only available to full-time employees.

Environmental issues

As part of the sustainability management of OeKB Group, operational ecology figures for the location at Strauchgasse are carefully complied with and monitored (EMAS, GRI). These can be found in the 2020 sustainability report of OeKB Group.

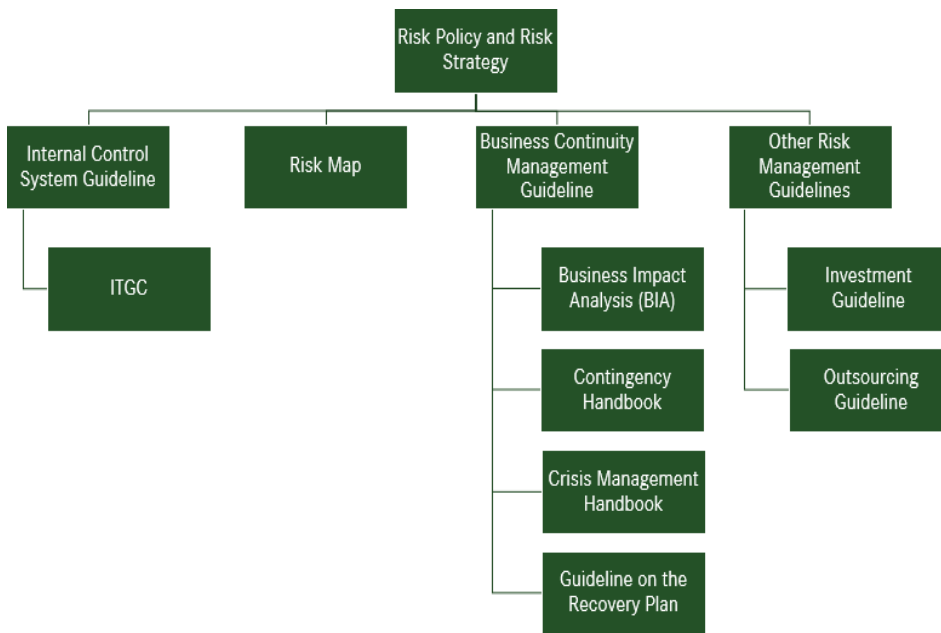
Branches

As in the previous year, OeKB CSD had no branches during the reporting period.

OeKB CSD risk management system (RMS)

Overview RMS

The processes and structures of the RMS are outlined in the documents that define and govern the risk management at OeKB CSD:



Due to the special business and risk profile of OeKB CSD as a system relevant financial market infrastructure, measures to manage operational risks in the handling of business processes are of particular importance. In this respect, OeKB CSD's risk strategy aims to reduce these risks to a technically possible and economically still justifiable minimum, so that there are only minor or no net risks for OeKB CSD.

The risks are mitigated through a comprehensive set of measures (including insurance). In addition, all damages to be reimbursed to clients in a single calendar year arising from slight negligence or failure to act on the part of OeKB CSD employees and agents are limited to a maximum of € 5 million per year according to the general terms and conditions of OeKB CSD.

Because of limitations in its business model and optimised processes, OeKB CSD has no or only very low traditional banking risks such as market, credit, and liquidity risk.

Summery risk analysis results in 2020

A total of 36 risks were evaluated and documented in a risk map in 2020. The main risks remain the inherent and strategic risks, namely the "medium to long-term business model risk" and the "risks arising from the macroeconomic environment", the ratings of which were reduced in 2020 not at least due to the experience of a successful management and the predominantly positive impact of the COVID-19 pandemic on OeKB CSD's business result. Other risks are the operational risks including IT risks.

To concretise and control the risk acceptance levels, OeKB CSD has defined Key Risk Indicators (KRI) with appropriate limits for the risks documented in the risk map. These are monitored on a quarterly basis.

Operational risks slightly deteriorated in 2020. Although the number of damages fell slightly from 17 in 2019 to 15 in the reporting year, the expenses for remedying the damages, which were almost exclusively caused by IT incidents, increased from € 16,860.00 in 2019 to € 41,317.00 whereby this mainly concerned indirect damages (with only internal expenses). The total extent of damage was also "low" in 2020 and was far below the "tolerable error" of € 100,000.00 per damage calculated for OeKB CSD.

	2020	2019
Number of damage incidents	Total: 15	Total: 17
- Near losses	0	0
- Indirect damages	10	16
- Direct damages	5	1
Expenses for damage incidents	Total: € 41,317	Total: € 16,860
- Near losses	€ 0	€ 0
- Indirect damages	€ 32,275	€ 14,550
- Direct damages	€ 9,042	€ 2,310

Risk for the purposes of managing the bank group

Pursuant to Article 39a (4) of the Austrian Banking Act (BWG), OeKB CSD is exempt from Article 39a (1) and (2) of the Austrian Banking Act (BWG) because OeKB AG as its parent bank meets these requirements on the basis of the consolidated financial situation. OeKB CSD does not perform a separate ICAAP but is integrated into the group ICAAP of OeKB Group.

In order to enable part of the equity to be invested in government bonds, the following risk budgets were decided for OeKB CSD by the risk management committee of OeKB AG effective 01 January 2020:

Risk budget for OeKB CSD	Amount
Risk budget for credit risk	€ 0.5 million
Risk budget for market risk	€ 0.3 million
Total	€ 0.8 million

All of the risk indicators calculated in the group ICAAP for OeKB CSD throughout 2020 and 2019 came to zero.

Risk-bearing capacity according to CSDR

OeKB CSD is exempt from parts 3, 5, 6 and 7 of Regulation (EU) No. 575/2013 pursuant to Article 3 (1) 12 of the Austrian Banking Act (BWG) and is subject to the minimum regulatory capital requirements of the CSDR and Delegated Regulation (EU) 2017/390: Title I: Art. 1-7. The minimum regulatory capital requirement calculated on this basis came to € 16.1 million as at 31.12.2020 (31.12.2019: € 16.6 million.).

The capital instruments available as of 31.12.2020 according to Article 2 of the Delegated Regulation 2017/390 in the amount of € 25,745,968.80 (31.12.2019: € 24,481 thousand) were above the thresholds for the restructuring "equity base".

The following table shows the restructuring indicators and thresholds as defined in the directive for the restructuring plan of OeKB CSD along with current values in form of the figures from the financial statements as at 31.12.2020.

Restructuring indicator	Threshold Triggering restructuring plan	Threshold / early warning level	Current value
Equity base (according to Art. 2 of Delegated Regulation 2017/390)	€ 16.1 million (31.12.2019: €16.6 million) (according to CSDR and Delegated Regulation)	€ 20.1 million (31.12.2019: € 20.9 million)	€ 25.7 million (31.12.2019: € 24.5 million) (according to Art. 2 of Delegated Regulation 2017/390)
Return on equity (RoE)	2.5 % (31.12.2019: 2.5 %)	7.5 % (31.12.2019: 7.5 %)	18.4 % (31.12.2019: 16.0 %)

Preview for 2021

The scheduled implementation of the project "3i" will be a focal point of the next business year. In parallel, the "Settlement Discipline" project, which was postponed by 12 months due to COVID-19, will be continued.

Analysis will focus on the "T2/T2 Consolidation" and "ECMS" (European Collateral Management System) projects specified by the Eurosystem.

We wholeheartedly thank all our employees for their commitment and their contribution to our success.

Vienna, 15 February 2021

OeKB CSD GmbH

Managing Directors

PETER FELSINGER m.p.

GEORG ZINNER m.p.

Annual Financial Statements 2020

Balance sheet as at 31.12.2020

Balance sheet as at	31.12.2020	31.12.2019
ASSETS	Euro	Euro thousand
01 Cash and balances at central banks	28,015,754.99	23,188
02 Receivables from banks	275,280.85	3,730
Repayable on demand	275,280.85	3,730
<i>Of which: to affiliated companies</i>	<i>116,394.56</i>	<i>3,572</i>
03 Equity investments	1,000.00	1
04 Non-current intangible assets	1,040,792.73	623
05 Property and equipment	900.87	2
06 Other assets	2,018,976.98	1,958
<i>Of which: to affiliated companies</i>	<i>5,365.46</i>	<i>5</i>
07 Prepayments and accrued income	126,485.72	11
08 Active deferred taxes	3,506.22	-
Total assets	31,482,698.36	29,514
Memo items		
1 Foreign assets	804,611.03	730

Balance sheet as		31.12.2020	31.12.2019
LIABILITIES AND EQUITY		Euro	Euro thousand
01	Payables to banks	146,556.39	280
	Repayable on demand	146,556.39	280
	<i>Of which: to affiliated companies</i>	300.00	0
02	Payables to customers	11,111.36	15
	Repayable on demand	11,111.36	15
03	Other liabilities	924,973.58	1,499
	<i>Of which: to affiliated companies</i>	98,369.82	1,254
04	Provisions	597,004.00	14
	a) Tax provisions	232,199.00	-
	b) Other	364,805.00	-
05	Subscribed share capital	20,000,000.00	20,000
06	Unallocated capital reserves	773,968.80	774
07	Retained earnings	4,972,000.00	3,707
	a) Statutory reserve	1,162,000.00	897
	b) Other reserves	3,810,000.00	2,810
08	Profit available for distribution	4,057,084.23	3,226
	Total liabilities and equity	31,482,698.36	29,514

Memo items

1	Available regulatory capital pursuant to Part 2 of Regulation (EU) No. 575/2013	23,705,176.07	22,858
2	Minimum regulatory capital requirement pursuant to Article 92 of Regulation (EU) No. 575/2013*	0.00	-
	Minimum regulatory capital requirement pursuant to Article 92 (1) lit. a of Regulation (EU) No. 575/2013 (core tier 1 ratio in %) *	0.00 %	0.00 %
	Minimum regulatory capital requirement pursuant to Article 92 (1) lit. b of Regulation (EU) No. 575/2013 (tier 1 ratio in %) *	0.00 %	0.00 %
	Minimum regulatory capital requirement pursuant to Article 92 (1) lit. c of Regulation (EU) No. 575/2013 (total capital ratio in %) *	0.00 %	0.00 %
3	Foreign liabilities	589,648.50	328

* OeKB CSD GmbH is exempt from parts 3, 5, 6, and 7 of Regulation (EU) No. 575/2013 pursuant to § 3 (1) 12 BWG (central depository).

Income statement for the financial year 2020

Income statement for the financial year		2020		2019	
		Euro		Euro thousand	
01.	Interest and similar income	0.25	-143,754.41		0
	Less negative interest from balances at central banks	-143,754.66			-87
02.	Interest and similar expenses		-145.30		0
I.	Net interest income		-143,899.71		-87
03.	Fee and commission income		21,098,402.51		20,960
04.	Fee and commission expenses		-1,469,941.41		-1,531
05.	Income/expenses from financial operations		-1,133.80		0
06.	Other operating income		282,450.46		109
II.	Operating income		19,765,878.05		19,452
07.	Administrative expenses		-12,385,187.74		-13,194
	a) Staff costs passed on	-4,692,419.78			-5,071
	b) Other administrative expenses	-7,692,767.96			-8,122
08.	Impairment losses on asset items 4 and 5		-170,305.33		-220
09.	Other operating expenses		-135,932.98		-115
III.	Operating expenses		-12,691,426.05		-13,529
IV.	Operating profit		7,074,452.00		5,923
10.	Net income/expenses from the sale and valuation of investment securities, as well as shares in affiliated companies and participations and participations		248.70		-
V.	Profit before tax		7,074,700.70		5,923
11.	Income tax		-1,778,726.95		-1,481
VI.	Profit for the year		5,295,973.75		4,442
12.	Transfer to reserves		-1,265,000.00		-1,223
VII.	Unallocated profit for the year		4,030,973.75		3,219
13.	Profit brought forward from the previous year		26,110.48		7
VIII.	Profit available for distribution		4,057,084.23		3,226

Notes to the annual financial statements

General Disclosures

Legal basis

OeKB CSD GmbH (OeKB CSD) is a limited liability company domiciled in the first district of Vienna, Austria.

OeKB CSD is a central securities depository (CSD) according to the CSD Regulation (Regulation [EU] No. 909/2014).

In a decision dated 1 August 2018, the FMA authorised OeKB CSD as a central depository according to Article 17 of Regulation (EU) No. 909/2014 and granted the licence for the provision of banking-type ancillary services according to Article 54 of Regulation (EU) No. 909/2014 and to "provide cash accounts for participants in a securities delivery and settlement system and holders of securities accounts and to accept deposits from these parties in the sense of Annex I Number 1 of Directive 2013/36/EU" according to section C lit. a) of the Annex to Regulation (EU) No. 909/2014 (CSDR) in conjunction with Article 1 (1) of the Austrian Banking Act (BWG).

The securities delivery and settlement system operated by OeKB CSD is recognised under the Settlement Finality Act.

OeKB CSD is a company of public interest pursuant to Article 189a of the Austrian Uniform Commercial Code (UGB).

The activities of OeKB CSD

The activities of OeKB CSD cover the following central services for the capital market:

- Acceptance of securities for safekeeping and administration;
- Process of instructions from investors for the settlement of their securities transactions;
- Coordinating of the payments from the issuers to investors to settle their claims to issuers as evidenced by the securities.

The aim and task of OeKB CSD are the long-term fulfilment of its responsibilities as the CSD on the Austrian capital market while generating an appropriately stable profit.

Recognition and measurement methods

The annual financial statements as at 31 December 2020 were prepared by the management according to the provisions of the Austrian Uniform Commercial Code (UGB) and the Austrian Banking Act (BWG), each as amended. Where applicable, the classification corresponds to Annex 2 of Article 43 of the Austrian Banking Act (BWG).

The annual financial statements were prepared in accordance with generally accepted accounting principles to provide a true and fair view of the assets and financial and earnings position of the company. The principle of completeness was adhered to in the preparation of the annual financial statements.

Asset values were measured on the basis of being a going concern. Assets and liabilities were measured on an individual basis.

Caution was exercised by only including profits that were realised as at the balance sheet date. All identifiable risks and impending losses that arose up to the reporting date were taken into consideration.

The previous recognition and measurement methods were retained.

The closed financial year corresponds to the calendar year.

Balances, Receivables and other assets

Balances with central banks, receivables from banks and other assets are recognised at their nominal values. Impairment losses are recognised for identified risks.

Non-current intangible assets

Intangible assets are recognised on the balance sheet when they have been purchased. They are recognised at cost less scheduled depreciation and impairment charges. Internally produced intangible assets and low-value assets (individual acquisition cost below € 800) are immediately recognised as expenses.

Scheduled depreciation is applied on a straight-line basis assuming a useful life of 3 to 5 years.

Impairment charges are applied to bring the asset in question to its lower fair value when the reasons for the impairment are expected to be other than temporary.

Property and equipment

Scheduled depreciation is applied on a straight-line basis. The following useful life is assumed:

Useful life

	Years
Fixtures, fittings, and equipment	3 to 10
Computer hardware	3 to 5
Software	3 to 5

Equity investments

Equity investments are recognised at cost less any write-downs made to recognise material impairment that is other than temporary in nature. Write-ups are made if the reasons for write-downs no longer apply.

Liabilities

Liabilities are recognised at their settlement amount.

Provisions

Following the principle of prudence, the other provisions take into account all identifiable risks and uncertain liabilities in terms of amount or origin that exist on the reporting date in the amounts deemed necessary. Long-term provisions are discounted if the discount amount is material.

As the company has no direct employees, no employee benefit provisions are formed. These provisions are formed by the company assigning the personnel (OeKB AG) and allocated to OeKB CSD in the amount of the expenses or income incurred in the year for the duration of the assignment.

Foreign currency translation

The reporting currency is Euro. Foreign currency items are measured using ECB reference rate as of 31.12.2020.

Deferred taxes

Deferred taxes are formed in accordance with Article 198 (9) and (10) of the Austrian Uniform Commercial Code (UGB) using the balance sheet-oriented concept and without discounting on the basis of the current corporate tax rate of 25 %.

Notes to the balance sheet

Receivables

Receivables from banks

	31.12.2020	31.12.2019
	Euro	Euro thousand
Receivables payable on demand		
In Euro	120,821.65	3,583
In foreign currencies	154,459.20	147
Total	275,280.85	3,730

Non-current intangible assets, property and equipment, and equity investments

The changes in the individual non-current asset items and a breakdown of the depreciation and amortisation in the financial year by asset item are presented below.

Non-current assets in 2020 - Cost

Euro	01.01.2020	Acquisition costs			31.12.2020
		Additions	Transfers	Disposals	
Software	1,111,916.04	0.00	881,342.09	0.00	1,993,258.13
Assets under construction	493,992.54	587,039.55	-881,342.09	0.00	199,690.00
Non-current intangible assets	1,605,908.58	587,039.55	0.00	0.00	2,192,948.13
Fixtures, fittings, and equipment	5,085.98	0.00	0.00	0.00	5,085.98
Property and equipment	5,085.98	0.00	0.00	0.00	5,085.98
Equity investments	1,070.00	0.00	0.00	70.00	1,000.00
Total	1,612,064.56	587,039.55	0.00	70.00	2,199,034.11

Non-current assets in 2020 - Accumulated depreciation and amortisation

Euro	01.01.2020	Accumulated depreciation		31.12.2020	Amorisation	
		Additions	Disposals		31.12.2019	31.12.2020
Software	982,484.05	169,671.35	0.00	1,152,155.40	129,431.99	841,102.73
Assets under construction	0.00	0.00	0.00	0.00	493,992.54	199,690.00
Non-current intangible assets	982,484.05	169,671.35	0.00	1,152,155.40	623,424.53	1,040,792.73
Fixtures, fittings, and equipment	3,551.13	633.98	0.00	4,185.11	1,534.85	900.87
Property and equipment	3,551.13	633.98	0.00	4,185.11	1,534.85	900.87
Equity investments	0.00	0.00	0.00	0.00	1,070.00	1,000.00
Total	986,035.18	170,305.33	0.00	1,156,340.51	626,029.38	1,042,693.60

The assets under construction relate to the project "3i" (software), which is expected to go live in mid-2022.

Deferred taxes

Deferred tax assets as at the balance sheet date were formed for temporary differences of € 14,024.88 (previous year: € 0.00) between the tax valuation and the valuation under company law concerning the other provisions. The resulting deferred tax asset as at 31 December 2020 (25 %) amounts to € 3,506.22. Beyond that, there are no differences between the tax and company law valuations.

Other assets

	31.12.2020	31.12.2019
	Euro	Euro thousand
Other domestic receivables	1,217,991.49	1,194
Other foreign receivables	800,614.15	706
Receivables from tax authorities	-	58
Others	371.34	0
Total	2,018,976.98	1,958

The item "other assets" consists largely of receivables from customers relating to custodian fees and transaction fees for the month of December. All other assets are not payable until the next year and have a remaining maturity of less than one year, as was the case in the previous year.

Liabilities

Payables to banks

	31.12.2020	31.12.2019
	Euro	Euro thousand
Liabilities payable on demand		
In Euro	38,969.39	170
In foreign currencies	107,587.00	110
Total	146,556.39	280

Payables to customers

	31.12.2020	31.12.2019
	Euro	Euro thousand
Liabilities payable on demand		
In Euro	6,779.55	9
In foreign currencies	4,331.81	6
Total	11,111.36	15

Other liabilities

	31.12.2020	31.12.2019
	Euro	Euro thousand
Other domestic liabilities	152,512.53	1,321
Other foreign liabilities	563,452.53	178
Liabilities from tax authorities	208,760.91	0
Others	247.61	0
Total	924,973.58	1,499

The item "other domestic liabilities" consists primarily of liabilities from the service agreement with OeKB AG (payables to banks) that are not payable until the next year (€ 98,369.82; 2019: € 1,254 thousand). As in the previous year, all other liabilities have a remaining maturity of up to three months. The liabilities to the tax authority mainly consist of VAT liabilities.

Provisions

Other provisions

	31.12.2020	31.12.2019
	Euro	Euro thousand
Legal consulting, tax consulting, and audit of annual financial statements	10,000.00	10
Bonuses, premiums	351,250.00	0
Custodian fees and other fees	3,555.00	4
Other provisions	364,805.00	14

Provisions for taxes

The tax provisions as of 31.12.2020 relate to provisions for corporate income tax.

Equity

The share capital of OeKB CSD totals € 20,000,000.00.

Unallocated capital reserves relate to shareholder contributions of OeKB AG in the course of the spin-off in 2015. The profit for the year came to € 5,295,973.75 (2019: € 4,442 thousand). The statutory reserve increased to € 1,162,000 as of 31.12.2020 (2019: € 897 thousand) due to the allocation of an amount of € 265,000.00 (2019: € 223 thousand) from the profit for the year. Other reserves increased to € 3,810,000 as of 31.12.2020 (2019: € 2,810 thousand) due to the allocation of an amount of € 1,000,000.00 (2019: € 1,000 thousand) from the profit for the year.

This resulted in an unallocated profit for the year of € 4,030,973.75 (2019: € 3,219 thousand). Including the profit brought forward from the previous year of € 26,110.48 (2019: € 7 thousand) the profit available for distribution as at 31.12.2020 is € 4,057,084.23 (2019: € 3,226 thousand). The return on total capital (net profit / total assets) for 2020 amounts to 16.8 % (2019: 15.0 %).

Proposal for the appropriation of profits

	2020	2019
	Euro	Euro thousand
Unallocated profit for the year	4,030,973.75	3,219
Profit brought forward from the previous year	26,110.48	7
Profit available for distribution	4,057,084.23	3,226
Use		
Disbursement of a dividend of	4,050,000.00	3,200
To be carried forward	7,084.23	26

Notes to the income statement

Fee and commission income and expenses

	01-12/2020	01-12/ 2019
	Euro	Euro thousand
Fee and commission income from custodian fees	14,426,741.34	14,768
Fee and commission income from transaction fees	5,137,852.29	4,645
Other fee and commission income from securities services	163,120.61	170
Other fee and commission income (cash account management, communication fees, minor differences)	1,370,688.27	1,378
Fee and commission income	21,098,402.51	20,960
Fee and commission expenses from custodian fees	1,254,434.18	1,354
Other fee and commission expenses from securities services	206,967.76	145
Other fee and commission expenses (payment transactions)	8,539.47	32
Fee and commission expenses	1,469,941.41	1,531
Net fee and commission income	19,628,461.10	19,429

The fees are calculated in a separate billing module. The raw data for calculating the fees are provided to the billing module by the peripheral systems, in particular by the account management and settlement system. The invoices are generated and the fee and commission income posted in SAP based on the data from the billing module.

The billing module provides customers with detailed information about the fees that have been charged.

Staff costs passed on

The staff costs passed on stem entirely from the personnel assignment agreement with OeKB AG. The item also includes the allocation to provisions for bonuses.

OeKB AG had delegated 37 employees (2019: 38) to OeKB CSD, including the management, at the reporting date. The annual average was 37,5 (2019: 37).

Other administrative expenses

The administrative expenses consist primarily of IT operations, software maintenance, IT workplace equipment and project costs.

In connection with the audit of the annual financial statements, € 21,755.70 (2019: € 19 thousand) were spent. Of the remaining € 13,691.73 (2019: € 12 thousand), the majority was spent on tax advice.

Income tax

	01-12/2020	01-12/2019
	Euro	Euro thousand
Corporate income tax	1,772,511.00	1,481
Corporate income tax for previous years	9,722.17	-
Change in deferred tax assets	-3,506.22	-
Income tax	1,778,726.95	1,481

Supplementary disclosures

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

The future rent obligations from the use of assets not reported on the balance sheet come to € 272,102.88 for 2021 (2019 for 2020: € 272 thousand) and to € 1,360,514.40 (2020-2024: € 1,358 thousand) for the next five years (2021-2025). As in the previous year, these obligations are solely to OeKB AG.

Disclosures on derivative financial instruments

As it was the case in the previous year, the company held no derivative financial instruments at the reporting date.

Trading book

The company does not hold a trading portfolio and therefore has no trading book.

Disclosures on off-balance sheet transactions pursuant to Article 238 (1) 10 of the Austrian Uniform Commercial Code (UGB)

The company had no contingent liabilities at the reporting date.

Total assets and liabilities denominated in foreign currencies

The company had foreign currency items with the following equivalent values in Euro at the reporting date:

Assets: € 157,064.29 (2019: € 150 thousand)

Liabilities: € 112,166.42 (2018: € 115 thousand)

The difference between the assets and liabilities is the result of cash account administration, which is an ancillary service to the administration of securities accounts. For this, OeKB CSD holds foreign currency amounts of customers received in corresponding accounts (opened in the name of OeKB CSD) at banks. OeKB CSD also holds additional cash in these foreign currency accounts as a buffer to ensure that business operations can be maintained.

Associated and affiliated companies pursuant to Article 238 (1) 12 of the Austrian Uniform Commercial Code (UGB)

OeKB CSD has its registered domicile in Vienna (FN 428085m, Vienna Commercial Court), is a 100 % subsidiary of Oesterreichische Kontrollbank Aktiengesellschaft (OeKB AG, FN 85749 b, Vienna Commercial Court), and is included in the consolidated financial statements of the bank group by way of full consolidation.

The disclosures pursuant to Part 8 of the CRR (Regulation [EU] No. 575/2013) are made in the Disclosure Report prepared by OeKB AG. Further information on this can be found on the OeKB AG website (www.oekb.at).

All transactions with associated and affiliated companies in the financial year were concluded with OeKB AG and were conducted at arm's-length terms.

OeKB CSD has concluded service agreements with OeKB AG that cover the rendering of services by OeKB AG. These agreements cover areas such as the rental of office space, personnel assignment, accounting, controlling, personnel management, IT services, and other services.

Related-party transactions with shareholders of OeKB CSD GmbH

	31.12.2020	31.12.2019
	Euro	Euro thousand
Receivables from banks	116,394.56	3,572
Other assets	5,365.46	5
Payables to banks	300.00	0
Other liabilities	98,369.82	1,254

	01-12/2020	01-12/2019
	Euro	Euro thousand
Interest income	-6,835.97	-10
Net fee and commission income	53,969.50	50
Staff costs passed on	-4,692,419.78	-5,071
Other administrative expenses	-4,221,369.61	-4,387

Action for damages

There were no known actions for damages or pending legal cases at the reporting date.

Events after balance sheet date

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

As of 01 January 2021, 26 of the delegated staff will be directly employed by OeKB CSD.

Impact of the COVID-19 pandemic

Due to its business model, OeKB CSD is not negatively affected by the COVID-19 pandemic.

Additional disclosures

Total regulatory capital resources

Available regulatory capital pursuant to Part 2 of Regulation (EU) No. 575/2013 (CRR)

OeKB CSD is exempt from parts 3, 5, 6 and 7 of Regulation (EU) No. 575/2013 pursuant to Article 3 (1) 12 of the Austrian Banking Act (BWG).

	31.12.2020	31.12.2019
	Euro	Euro thousand
Share capital	20,000,000.00	20,000
Retained earnings and reserves	5,745,968.80	4,481
Less transfer to retained earnings ¹	-1.000.000,00*	-1.000.000,00*
Non-current intangible assets	-1,040,792.73	-623
Common equity tier (CET 1)	23,705,176.07	22,858
Total regulatory capital resources	23,705,176.07	22,858
Surplus regulatory capital	23,705,176.07	22,858

¹ Pursuant to article 26 (2) CRR, earnings for the year are included in common equity tier 1 only after the official adoption of the final annual financial results.

* Statutory reserves (2020: Euro 265,000.00) are recognised immediately in equity.

Regulatory capital pursuant to Regulation (EU) No. 909/2014 (CSDR) and Delegated Regulation 2017/390 Articles 1-7

The CSDR sets supervisory requirements for central depositories to ensure that they are on solid footing and that they meet the regulatory capital requirements at all times. These regulatory capital requirements, which are found in Delegated Regulation 2017/390 Articles 1-7, ensure that central depositories have adequate capital at their disposal at all times. This is intended to protect against risks to which they are exposed and to allow for the orderly winding down or restructuring of their business operations, if necessary.

OeKB CSD was granted the licence as a central depository according to the CSDR on 1 August 2018 by FMA. Because of this, the following minimum regulatory capital requirements apply as at 31 December 2020.

Indicators pursuant to Delegated Regulation 2017/390 Articles 1-7

	31.12.2020	31.12.2019
	Euro	Euro thousand
Equity pursuant to		
Operational risks pursuant to Art. 4	2,991,294.16	2,982
Investment risks pursuant to Art.54	176,894.89	213
Business risks pursuant to Art. 6	3,382,158.71	3,278
Settlement risks pursuant to Art. 7	9,518,569.54	10,146
Minimum regulatory capital requirement	16,068,917.29	16,619

The capital requirements are thus lower than the existing capital instruments pursuant to Article 2 of the Delegated Regulation 2017/390 in the amount of € 25,745,968.80 (31.12.2019: € 24,481 thousand).

Officers of the company

The operations of the company were directed by the following general managers during the financial year:

Peter Felsinger
Georg Zinner

The company is represented by two general managers together. The wages for the management are included in the staff costs passed on by OeKB. The wages for management are not broken down pursuant to Article 242 of the of the Austrian Uniform Commercial Code (UGB).

The Supervisory Board consisted of the following members during the financial year:

Angelika Sommer-Hemetsberger (Chairwoman)
Helmut Bernkopf (Deputy Chairman)
Maria Doralt
Anneliese Blasl-Müller
Markus Schmidt (until 02 December 2020)

Employee representatives:

Petra Zettel (since 02 December 2020)
Clemens Gajics (since 02 December 2020)

Attendance fees of € 1,200.00 were paid for the 2020 financial year.

The **Audit Committee** consists of the following Supervisory Board members:

Helmut Bernkopf, Chairman
Angelika Sommer-Hemetsberger
Petra Zettel

The following members are assigned to the **Remuneration Committee**:

Angelika Sommer-Hemetsberger, Chairwoman
Helmut Bernkopf
Petra Zettel

The following members are assigned to the **Risk Committee**:

Helmut Bernkopf, Chairman
Angelika Sommer-Hemetsberger
Clemens Gajics

Vienna, 15 February 2021

OeKB CSD GmbH

Managing Directors

PETER FELSINGER m.p. GEORG ZINNER m.p.

Auditor's Report

Report on the Financial Statements

Audit Opinion

We have audited the financial statements of

**OeKB CSD GmbH,
Vienna,**

which comprise the Balance Sheet as of 31 December 2020, the Income Statement for the year then ended, and the Notes.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2020, and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles, and other legal or regulatory requirements.

Basis for our Opinion

We conducted our audit in accordance with EU Regulation 537/2014 ("AP Regulation") and the Austrian Standards on Auditing. These standards require the audit to be conducted in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the "Auditor's Responsibilities" section of our report. We are independent of the Company, in accordance with Austrian company and banking law as well as professional regulations, and we have fulfilled our other responsibilities under those relevant ethical requirements. We believe that the audit evidence we have obtained up to the date of the auditor's report is sufficient and appropriate to provide a basis for our audit opinion on this date.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. These matters were addressed in the context of our audit of the financial statements as a whole. However, we do not provide a separate opinion thereon.

Recognition of fee and commission income

Risk for the Financial Statements

OeKB CSD's fee and commission income in 2020 mainly comprises fee and commission income from custodian fees and from transaction fees and amount to € 21,098 thousand, primarily based on OeKB CSD's activity as Austria's Central Securities Depository. The management describes the recognition of fee and commission income under section "Notes to the income statement - Fee and commission income and expenses".

There is an inherent risk on the financial statements regarding completeness, accuracy and allocation in proper period of fee and commission income recorded, given the complexity of related IT systems, the large volume of data processed as well as the impact of changing pricing models. Therefore, to monitor this, management has established processes and internal controls. Control failures in these processes may have a material impact on the operating profit of the financial statements of OeKB CSD.

Our Audit Approach

We have performed the following audit procedures in respect of the recognition of fee and commission income:

- We identified the processes regarding the recognition of fee and commission income and assessed their design and implementation, their ability to recognize fee and commission income completely, accurately and appropriate to the period in the financial statements of OeKB CSD.
- Furthermore, we examined the relevant processes and key controls within these processes in the respective operating departments. We assessed the design & implementation as well as – based on a random sample - the "operating effectiveness" of the relevant key controls in these areas.
- With the involvement of our IT specialists we evaluated internal controls over automatic reconciliation of deposit fees in sub-systems, automatic calculation of transaction fees and deposit fees as well as general IT controls for related systems in use.
- Based on substantive analytical procedures, we evaluated the development of fee and commission income from custodian fees and from transaction fees. We compared our expected values with the fee and commission income recorded to identify unexpected deviations or developments and to analyze their causes.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and other legal or regulatory requirements and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Management is also responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The audit committee is responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement – whether due to fraud or error – and to issue an auditor's report that includes our audit opinion. Reasonable assurance represents a high level of assurance, but provides no guarantee that an audit conducted in accordance with the AP Regulation and Austrian Standards on Auditing (and therefore ISAs), will always detect a material misstatement, if any. Misstatements may result from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the AP Regulation and Austrian Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit.

Moreover:

- We identify and assess the risks of material misstatements in the financial statements, whether due to fraud or error, we design and perform audit procedures responsive to those risks and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. The risk of not detecting material misstatements resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- We conclude on the appropriateness of management's use of the going concern basis of accounting assumption and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast considerable doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the respective note in the financial statements. If such disclosures are not appropriate, we will modify our audit opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements, including the notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We communicate with the audit committee regarding, amongst other matters, the planned scope and timing of our audit as well as significant findings, including any significant deficiencies in internal control that we identify during our audit.

- We communicate to the audit committee that we have complied with the relevant professional requirements in respect of our independence, that we will report any relationships and other events that could reasonably affect our independence and, where appropriate, the related safeguards.
- From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit i.e. key audit matters. We describe these key audit matters in our auditor’s report unless laws or other legal regulations preclude public disclosure about the matter or when in very rare cases, we determine that a matter should not be included in our audit report because the negative consequences of doing so would reasonably be expected to outweigh the public benefits of such communication.

Report on Other Legal Requirements

Management Report

In accordance with Austrian company law, the management report is to be audited as to whether it is consistent with the financial statements and prepared in accordance with legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian company law.

We have conducted our audit in accordance with generally accepted standards on the audit of management reports.

Opinion

In our opinion, the management report is consistent with the financial statements and has been prepared in accordance with legal requirements.

Statement

Based on our knowledge gained in the course of the audit of the financial statements and our understanding of the Company and its environment, we did not note any material misstatements in the management report.

Additional information under Article 10 AP Regulation

We were elected as auditors at the Annual General Meeting on 14 March 2019 and were appointed by the supervisory board on 14 March 2019 to audit the financial statements of the Company for the financial year ending 31 December 2020.

Furthermore, during the Annual General Meeting dated 18 March 2020, we were elected as auditors for the financial statements of the year ending 31 December 2021. We were appointed by the Supervisory Board on 25 March 2020.

We have been the Company's auditors, without interruption, from the year ended 31 December 2015.

We declare that our opinion expressed in the "Report on the Financial Statements" section of our report is consistent with our additional report to the audit committee, in accordance with Article 11 AP Regulation.

We declare that we have not provided any prohibited non-audit services (Article 5 Paragraph 1 AP Regulation) and that we have ensured our independence throughout the course of the audit, from the audited Company.

Engagement Partner

The engagement partner is Mr. Wilhelm Kovsca.

Vienna, 17 February 2021

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by
Wilhelm Kovsca
Wirtschaftsprüfer
(Austrian Chartered Accountant)

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These separate financial statements are a translation of the German original.

Gender-neutral formulations were not used in the interests of readability. All functions, offices, and references are intended in a gender-neutral manner unless a specific person is being referred to.

