Oesterreichische
Kontrollbank
Aktiengesellschaft

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Annual Financial Report 2022

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Totals may not add up due to rounding.

- indicates zero. 0 means the amount is smaller than half of the stated unit.

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Economic environment in 2022

While 2021 was still dominated by the recovery from the coronavirus crisis, global economic growth slowed noticeably in 2022. According to the latest estimate from the International Monetary Fund (IMF), global economic output expanded by a moderate 3.2% during the reporting period (2021: 6.0%). This was due primarily to the economic impacts of the Russian invasion of Ukraine. This resulted not only in energy and food shortages, but also significantly accelerated the inflation uptrend that had begun in 2021. Against this backdrop, growth in the Eurozone slowed from over 5% to just shy of 3%. In the USA, the rate of growth even only came to 1.9% (2021: 6.0%) due to the more rapid tightening of monetary policy and the resulting decreases in demand. The foreign trade situation was similarly uninspiring. The most recent estimate of the World Trade Organization (WTO) puts international trade growth at around 3.5%. A trend reversal is not expected before the second half of 2023.

Mixed conditions in the emerging and frontier markets

Structural challenges and limited capacities for overcoming the crisis again dominated the conditions in the emerging and frontier markets. According to IMF estimates, aggregate economic output growth declined to 3.7% in 2022 (2021: 6.6%). Unlike in the previous years, the Middle East and Central Asia exhibited the highest growth in regional terms at plus 5%. This is due primarily to the rapid rise in commodity prices, which had a correspondingly positive effect on the economies of the oil and gas exporting countries. In Asia, India proved to be relatively crisis-resistant (plus 7.0%) while China (plus 2.8%) was supplanted in its role as the driver of the global economy due to the far-reaching consequences of country's strict zero-COVID policy. Latin America and Sub-Saharan Africa also each posted solid growth in excess of 3%, but the debt problems also worsened in a number of regional markets. Extensive international support will thus again be of central importance in 2023.

Convergence in Central, Eastern, and Southeastern Europe facing headwinds

The immediate geographical proximity to the war in Ukraine resulted in major economic, political, and social challenges for large parts of Central, Eastern, and Southeastern Europe in 2022. Despite this, this economic region proved to be more resilient than had been expected after the onset of the conflict. For example, Poland, Slovenia, Croatia, and Hungary posted stronger GDP increases than the major Western European economies. The markets that are traditionally linked closely with German industrial production and that were thus impacted by production hurdles in the form of supply, material, and energy shortages did not grow as rapidly. Growth rates were thus only around 2% in Czechia and Slovakia in particular.

Resilient domestic economy under challenging conditions

Even though the Austrian economy also faced increasing headwinds, the overall performance for the year was again very impressive in EU comparison. The Austrian Institute of Economic Research (WIFO) currently estimates that GDP increased by 4.7% in 2022 (2021: plus 4.6%). In additional to the surprisingly resilient industrial production, this was also due to stabilised private consumption – which in turn profited from good labour market conditions and measures to mitigate the impacts of inflation. Government initiatives to overcome the crisis also continued to have a positive effect on corporate financing. Issuance of corporate bonds on the Austrian market came to € 13.1 billion in 2022, somewhat below the € 16.3 billion issued in the previous year, and the Republic of Austria profited from its reputation among investors as a safe haven in the issuance of government bonds.

Business development in 2022

Despite the challenges posed by the general flattening of economic growth in all business segments, OeKB Group was again able to achieve growth in the 2022 financial year. The volumes in export services (Export Financing Scheme – EFS), development bank activities (OeEB), and tourism financing all grew.

In the export promotion operations, the new supplementary Kontrollbank refinancing facility to provide liquidity assistance to exporters in connection with the Ukraine/Russia war in the amount of € 1 billion was launched in cooperation with the Federal Ministry of Finance (BMF). In addition, exporters were also still able to avail themselves of previously approved working capital financing in the form of the special Kontrollbank refinancing facility (COVID-19 assistance). The export stimulus measures that were taken (extension of the possible terms, expanded risk coverage by the Republic of Austria, a further 10 percentage point increase in the guarantee rates for especially sustainable projects, as well as facilities including our SARON financing) contributed to the positive development. In the export service guarantee business (export guarantees and guarantees by aval), the guarantee volume managed by OeKB on behalf of the Republic of Austria increased significantly.

In the development bank activities, the financing volume for development projects was also expanded in 2022. The mandate of OeEB is aimed at promoting private sector development in developing countries and in this way at contributing to the attainment of the Sustainable Development Goals (SDGs). This objective is to be reached through projects in the field of renewable energy, financial inclusion for micro, small, and medium-sized enterprises, and through infrastructure projects in developing countries.

The year 2022 also saw a continuation of the successful trend from the previous year in tourism financing despite the expiration of the COVID promotion programmes. Activities in this segment in 2022 focused above all on participation in the call for tenders for the handling of tourism promotion for the Federal Ministry for Labour and Economy, which is now home to the tourism agendas. The decision from the principal is expected at some point in 2023.

OeKB Group also further expanded or improved its services relating to capital market infrastructure and energy clearing. The COVID assistance programmes are expiring, meaning that the services provided by OeKB Group for COFAG (COVID-19-Finanzierungsagentur des Bundes GmbH) are also ending or being reduced.

Loans and advances to banks increased from € 21,286 million to € 21,752 million during the financial year, which represents an increase of 2.2%. This was the result of the growth in the financing volume under the Export Financing Scheme (EFS) due to the repayments of the new special Kontrollbank refinancing facility. OeKB once again supported the export activity by Austrian companies with suitable financing products in 2022. Especially considering the general sharp rise in the interest rate level, OeKB Group offers very attractive interest rate terms for Austrian exporters.

Loans and advances to customers advanced by 10.7%, going from € 1,706 million to € 1,889 million due above all to the tourism financing commitments and business activities as a development bank.

The total comprehensive income for the year of € 68.5 million (2021: € 78.5 million) decreased by 12.7% against the previous year. The negative developments in the international capital markets in the wake of the Ukraine war contributed materially to this trend, and primarily affected the proprietary investments.

Consolidated statement of comprehensive income

Overall, it can be said that the Group's operating result for 2022 surpassed the expectations. While net interest income came in somewhat short of the expectations, net fee and commission income was significantly better than projected.

Due to the general rise in the interest rate level, interest income increased to € 385.5 million (2021: € 330.4 million). OeKB Group was also able to profit from the budget underruns stemming from negative interest rates on refinancing in the first six months of the year 2022 and posted income of € 66.2 million (2021: € 132.3 million). Interest expenses came to minus € 275.7 million (2021: minus € 219.9 million).

Taking these results, the Group's net interest income was € 109.8 million (2021: € 110.5 million).

Overall net fee and commission income came in at € 43.7 million (2021: € 42.8 million).

In credit operations, the negative net fee and commission income increased from minus € 1.6 million to minus € 14.2 million (2021: minus € 12.6 million), primarily due to higher commission expenses for guarantees of the Republic of Austria for development aid financing.

Net fee and commission income from securities services rose largely as a result of higher income from securities account management and the notification office services and from revenue from the government bond auctions, amounting to € 33.7 million (2021: € 31.4 million).

The fees for the administration of export guarantees on behalf of the Republic of Austria rose in annual comparison thanks to a significant increase in new business volume (2022: € 6.2 billion; 2021: € 4.0 billion). In particular, the volume of export guarantees rose substantially again. The processing fee for the management of the COFAG guarantees decreased. The net fee and commission income from the development aid financing operations declined in annual comparison. Net fee and commission income from tourism promotion guarantees rose in annual comparison. OeKB Group generated total net fee and commission income from its guarantee business in the amount of € 19.6 million compared with € 19.0 million in the previous year.

The loan loss provisions (expected credit loss pursuant to IFRS 9) changed by plus € 3.6 million during the financial year (2021: plus € 5.4 million). This positive development was largely the result of the remeasurement of POCI assets (purchasing of export receivables) and substantially lower loan loss provisions from tourism financing, as these could be reduced based on improved projections.

OeKB Group posted a net loss on financial instruments measured at fair value through profit or loss of minus € 9.6 million for the financial year (2021: profit of € 1.2 million). This stemmed from the result of the fair value measurement of the other financial assets in the amount of minus € 9.5 million (2021: +€ 1.4 million) and the result from foreign exchange differences in the amount of minus € 0.1 million (2021: -€ 0.2 million). A key driver of this measurement result in 2022 was the general development of prices on the capital markets in the wake of the Ukraine war and the increase in the interest rate level. This also led to a reallocation of the investment volume from the special purpose fund into the proprietary bond portfolio over the course of the year.

The gain from the derecognition of financial instruments measured at amortised cost came to € 0.0 million for the financial year (2021: +€ 0.1 million).

Current income from investments in other unconsolidated companies decreased by 6.8% to € 2.6 million (2021: € 2.8 million), primarily due to a lower dividend from the stake held in Wiener Börse AG.

The share of profit or loss of equity-accounted investments significantly decreased from € 7.9 million in 2021 to € 5.1 million in 2022. This was primarily the result of a higher premium volume, but also a significantly higher but still very good claims ratio for the insurance subsidiary Acredia.

Within the administrative expenses (€ 91.8 million; 2021: € 87.9 million), there was a year-on-year increase in staff costs (€ 62.0 million; 2021: € 59.9 million) that resulted from the higher salaries (including ancillary wage costs) and higher expenses for pension and other employee benefit costs. Other administrative expenses came in at € 25.0 million (2021: € 23.4 million), an increase over the prior year but still within our expectations considering the general increase in inflation. Depreciation and amortisation increased to € 4.8 million (2021: € 4.5 million).

The other operating income resulted largely from income from services and from the letting of spaces not needed for business operations, income from the input tax adjustment, and the outlay for the stability tax and came to € 7.3 million, which was higher than the € 6.3 million posted in the previous year.

Profit before tax in 2022 amounted to € 70.8 million (2021: € 89.2 million). After taxes in the amount of € 12.6 million (2021: € 23.7 million), the profit came to € 58.2 million (2021: € 65.5 million).

Other comprehensive income came to € 10.3 million (2021: € 13.0 million). This item was impacted in both years primarily by actuarial gains and losses on defined-benefit pension commitments stemming largely from the change in the discount rate. While the salary and pension trends were unchanged in the previous year, both trends were raised in 2022 due to the general increase in inflation.

The total comprehensive income for the year was € 68.5 million in 2022 (2021: € 78.5 million).

Segment performance

Net interest income in the Export Services segment came in below the prior year level at € 93.4 million (2021: € 95.7 million) above all due to the lower financing volume during the year and lower breakage costs.

The net fee and commission income came in below the prior-year level at € 0.1 million (2021: € 1.5 million). Fee and commission income from the business activities as a development bank declined only slightly in annual comparison while the income from the processing of the export guarantees rose. The fee and commission expenses rose due to higher guarantee fees paid to the Republic of Austria for the development aid financing, which ultimately contributed to the decline in net fee and commission income.

The net credit risk provisions resulted above all from the income from the write-ups on POCI assets due to higher expected returns.

The result on financial instruments measured at fair value through profit or loss was a profit of € 0.2 million (2021: a loss of € 0.3 million).

Administrative expenses for the segment rose due to higher staff costs and came to € 56.2 million (2021: € 54.6 million).

The net other operating income in the amount of minus € 0.7 million (2021: minus € 1.3 million) arose largely from the stability tax, which declined in the previous year, and the income from service agreements.

The profit after tax amounted to € 31.3 million (2021: € 27.6 million).

Net interest income in the **Capital Market Services segment** amounted to minus € 0.1 million, and thus improved over the prior-year level (2021: minus € 0.3 million) due to the increase in the interest rate level from negative rates.

Net fee and commission income in the segment came to € 36.8 million, a substantial increase over the previous year (2021: € 34.5 million). The increase resulted primarily from higher fee and commission income from custodian fees, the expansion of government bond auction services, and higher earnings from the notification office function and the fund capital gains tax services.

Current income from investments in other unconsolidated companies decreased to € 2.4 million (2021: € 2.6 million) due to a lower dividend from Wiener Börse AG.

The share of profits of equity-accounted investments increased in annual comparison, coming to € 0.6 million (2021: € 0.5 million), and stemmed from the result achieved by CCP.A.

Administrative expenses increased above all because of higher staff costs and came to € 21.9 million (2021: € 21.4 million).

The net other operating income in the amount of € 0.4 million (2021: € 0.5 million) was generated by income from service agreements.

The profit after tax from the segment amounted to € 14.7 million (2021: € 12.6 million).

The net interest income in the **Tourism Services segment** amounted to € 12.8 million (2021: € 12.5 million).

The net fee and commission income stemmed primarily from the settlement of tourism promotion funding measures and guarantee fees from the business activities of ÖHT. Net fee and commission income came in at € 6.0 million (2021: € 5.6 million), above all due to higher income from the guarantee business.

Due to the improved prospects in the Austrian tourism industry (COVID-19), the net credit risk provisions in the ECL calculation improved by plus € 0.4 million (2021: plus € 1.8 million).

The administrative expenses in the segment came to € 7.7 million (2021: € 7.3 million) as a result of higher other administrative expenses.

The other operating income in the amount of € 2.4 million (2021: € 2.7 million) resulted primarily from income from services in support of the tourism industry relating to the COVID-19 measures of the Republic of Austria (insolvency protection, protection for event organisers).

The profit after tax from the segment amounted to € 11.5 million (2021: € 12.0 million).

Net interest income in the **Other Services segment** rose from € 2.6 million to € 3.8 million due to the higher interest rate level and due to the higher investment volume in the proprietary bond portfolio.

Net fee and commission income decreased due to lower processing fees for the administration of the COFAG guarantees and came to € 0.9 million (2021: € 1.3 million).

The net gain or loss on financial instruments measured at fair value through profit or loss amounted to a loss of € 9.8 million (2021: a profit of € 1.5 million). These measurement losses, the majority of which were realised in the 2022 financial year, stemmed largely from the changes in the fair values of the other financial assets.

The share of profit or loss of equity-accounted investments decreased from € 7.5 million in 2021 to € 4.5 million in 2022. This was primarily the result of a higher claims ratio for the insurance subsidiary Acredia.

Administrative expenses were higher than in the previous year due to an increase in staff costs and came to € 5.9 million (2021: € 4.5 million).

The other operating income of € 5.1 million (2021: € 4.4 million) resulted from income from service agreements and rental income as well as from income related to the input tax adjustment for the previous year.

The profit after tax from the segment amounted to € 0.7 million (2021: profit of € 13.3 million).

Balance sheet

At 31 December 2022, cash and cash equivalents (liquid assets in the form of balances at central banks) stood at € 319.5 million (2021: € 1,245.1 million).

Loans and advances to banks increased to € 21,752.0 million (2021: € 21,285.8 million) primarily due to the higher volume of lending under the Export Financing Scheme. Loans and advances to customers increased from € 1,706.4 million to € 1,889.4 million.

The other financial assets came in at € 2,532.1 million, which is below the prior-year level (2021: € 2,922.7 million).

Deposits from banks totalled € 1,063.1 million, which is close to the prior-year level (2021: € 1,091.6 million). Deposits from customers rose due to higher demand deposits from energy clearing (2022: € 1,129.9 million; 2021: € 942.0 million).

The debt securities issued corresponded to the lower cash and cash equivalents at central banks and changed by minus € 952.9 million from € 28,046.8 million to € 27,093.9 million.

Total assets at 31 December 2022 amounted to € 33,574.5 million (2021: € 33,270.7 million), an increase of € 303.8 million or 0.9%.

Financial performance indicators

The cost/income ratio* for 2022 came to 53.3% on the reporting date, which represents an increase in annual comparison (2021: 50.0%).

The Group's equity capital totalled € 900.6 million as at 31 December 2022, which is higher in annual comparison (31 Dec 2021: € 865.6 million).

At the balance sheet date, OeKB Group had € 835.4 million in available consolidated regulatory capital pursuant to Regulation (EU) No 575/2013. This capital amounted to € 793.5 million at 31 Dec 2021.

The tier 1 capital ratio (tier 1 capital/[minimum regulatory capital requirement/8%]) at the balance sheet date was 119.1%. The ratio came to 94.5% in the previous year. Further ratios can be found in Note 28.

The return on equity (total comprehensive income attributable to owners of the parent/average equity attributable to owners of the parent) decreased from 9.1% to 7.7% in 2022.

* Calculation of the cost/income ratio: administrative expense/(profit before tax + administrative expense – net gain or loss on financial instruments measured at fair value through profit or loss – net gain or loss on the derecognition of financial instruments not measured at fair value through profit or loss)

Research and development

No research and development activities are conducted due to the specialised business model and specific task of OeKB Group.

Report on branches

OeKB Group maintains no domestic or foreign branches.

Risk management system

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 and to avoid damage in accordance with the risk appetite. This aim should not be limited solely to the accounting system, but should also include all important business processes so that the economic efficiency and effectiveness of business activities, the reliability of the business information (including non-financial reporting, e.g. corporate responsibility), and adherence to guidelines and regulations (compliance) can be guaranteed.

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

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. The Internal Audit/Group Internal Audit department independently and regularly verifies adherence to the internal regulations, including the accounting and financial control rules. The management 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 identify all risks and take measures to avert or mitigate these 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 the responsible departments are evaluated regularly.

Control activities

OeKB Group has a governance system that sets out structures, processes, functions, and responsibilities within the bank. 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.

IT-based control activities are a key component of the internal control system. Thus, the compartmentalisation of sensitive responsibilities is supported by the restrictive assignment of access permissions in the computer systems (need-to-know basis). The SAP enterprise management system is used for accounting and financial reporting except for in ÖHT, which uses Mesonic. Consolidation takes place in SAP. The functioning and effectiveness of this accounting system is ensured by means including integrated, automated control mechanisms.

In subsidiaries, the respective management bears ultimate responsibility for the internal control and risk management system. This system must fulfil the respective company's requirements with regards to the accounting process and 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 controlling and risk data. The Executive Board receives this information in regular, significantly more detailed reports prepared on a monthly or more frequent basis. The Executive Board monitors the appropriateness and effectiveness of the internal control system. The Executive Board also established an Asset and Liability Management Committee and a Risk Management Committee that receive, analyse, and monitor these data.

Monitoring

Financial statements intended for publication and control-relevant internal documents undergo a final review by management and staff of the Accounting & Financial Control department and by the Executive Board before being forwarded to the Audit Committee of the Supervisory Board. The Executive Board is responsible for company-wide monitoring. We have established three lines of defence. The first line of defence (control procedures) is located in the operating segments. The second line of defence, including Risk Management, Compliance, and Legal, implements and monitors the application of and compliance with the controls. The third line of defence is the Internal Audit/Group Internal Audit with its auditing and monitoring functions.

By monitoring compliance with all rules and regulations, OeKB Group aims to make all business processes as reliable 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 and preventative measures. The implementation of these measures is monitored. The Internal Audit/Group Internal Audit department evaluates compliance with the requirements in accordance with the annual audit plan.

Risk management

Risk management and risk controlling are key processes that are integral to the business strategy and are designed to ensure the lasting stability and profitability of the company and the entire OeKB Group. Every risk assumed by OeKB Group is accepted consciously and is consistent with the Executive Board's risk policy and strategy, which aims to ensure a stable return on equity through a conservative approach to all business and operational risks. The risk policy and strategy set out the risk management principles, the risk appetite, the framework of the risk management organisation, and the principles for the measurement, control, and limitation of the defined risk categories.

As the parent company of OeKB Group, OeKB acts as Austria's official export credit agency and is a central provider of services to the capital market. Fully consolidated subsidiaries in the OeKB Group supplement these functions: Oesterreichische Entwicklungsbank AG is the official development bank of the Republic of Austria, OeKB CSD GmbH is the central depository in Austria pursuant to the EU's CSD Regulation, and Österreichische Hotel- und Tourismusbank acts as the principal promotion agency for tourism in Austria. This special position of the Bank and its subsidiaries and the associated responsibility for supporting the Austrian economy shape the business strategy and risk policy of the OeKB Group.

The Export Financing Scheme (EFS) represents the great majority of assets on the balance sheet. In this respect, OeKB Group is exempt from key bank supervision laws such as the Capital Requirements Regulation or CRR (Regulation [EU] No 575/2013). In OeKB Group's process for assessing risk coverage, the EFS is treated as investment risk for which risk coverage is calculated separately. Further major exemp-tions for OeKB Group apply in connection with liquidity regulations and the European and national provisions for the banking union (such as the Bank Recovery and Resolution Directive or BRRD).

Holistic risk management

The Executive Board of OeKB employs a comprehensive management system to ensure the long-term success of the company, transparent management, and compliance with the due diligence obligations. In addition to maintaining a suitable organisational structure and process structure, OeKB Group has a comprehensive system of internal guidelines that enables the Executive Board to manage Group-level risks.

One central guideline of the risk management framework is the risk policy and strategy, which the Executive Board formulates and adopts in coordination with the Chief Risk Officer (CRO) and in consultation with the Risk Committee of the Supervisory Board on an annual basis. Each risk exposure that is accepted must conform with the risk policy and strategy of OeKB Group. The principles and standards for ethical business practices are set forth in the Code of Conduct, and are binding. These especially govern the handling of data, complaints, and conflicts of interest as well as compliance, whistleblowing, the prevention of corruption and money laundering, and the fit and proper policy for key personnel. The remuneration policy contains the principles for pay pursuant to the BWG and takes account of the relevant risks. An effective internal control system is in place to ensure proper processes and correct financial reporting. Internal Audit and Group Internal Audit serve as the third line of defence.

ICAAP and ILAAP

Despite the exemptions referred to above, OeKB Group employs a risk management system that is based on the Internal Capital Adequacy Assessment Process (ICAAP) of OeKB Group. As a controlling and steering instrument, the ICAAP is an integral part of the management process. The process accounts for a going concern and gone concern approach. In addition to managing credit risk, market risk, and the operational risks, the management of liquidity and business risk are key aspects of the risk management process.

Key risk management metrics and risk coverage calculation

The key variable in the measurement and management of OeKB Group's risk is economic capital, which 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. Business risk is determined on the basis of statistical analyses of deviations between the target and actual situation.

The economic capital is compared against the risk coverage potential from both a going concern and gone concern perspective in the risk coverage calculation. The limits that are derived from this calculation and that are adopted by the Executive Board are continuously monitored.

In the OeKB ICAAP, the Export Financing Scheme is treated as investment risk (a component of credit risk) for which risk coverage (EFS ICAAP) is calculated separately. For this, the risks in the EFS (especially credit, interest rate, refinancing, and CVA risk) are assessed and compared against the risk coverage potential (i.e. the EFS interest rate stabilisation provision). The material risk metrics in the EFS ICAAP are the CVaR for the credit risk and the earnings at risk for the market risk. If the risk exceeds the EFS interest rate stabilisation provision, it is included in the OeKB ICAAP as credit risk – but this has not yet occurred.

Risk appetite

OeKB Group defines risk appetite primarily in relation to the confidence levels at which the economic capital is determined. In the gone concern approach, the confidence level for unexpected losses is set at 99.98%, which on the internal master rating scale corresponds to OeKB's current rating (S&P: AA+/Moody's: Aa1).

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

Unlike financial risks, non-financial risks can only be measured and managed through key figures to a limited extent, so the risk appetite is defined primarily on a qualitative basis. Regular assessments and quarterly non-financial risk position assessments give management ample avenues for monitoring and control. A five-stage traffic light system has been used since 2020 for the holistic assessment of the non-financial risks. A workflow-based decentralised assessment of the various risk categories is conducted on a quarterly basis using a software system. The dashboard system provides an overview and allows an integrated evaluation of the overall situation.

Sustainability and climate risks

OeKB Group has been applying an effective sustainability management system for many years. OeKB Group's sustainability policy reflects the responsibility for the positive development of the economy over the long term and for the stakeholders within and outside of the Group. It is submitted to the Executive Board once per year as part of the management review and is adapted when needed. The environmental and social impacts are analysed separately per business segment during the regular environmental aspect evaluation. The sustainability report also describes the business model of OeKB Group and its effects on environmental and social issues in detail in the form of an income statement. Broken down by the business segments of the bank, any material direct, indirect, and positive effects are shown and where there are connections to the Sustainable Development Goals (SDGs) on which OeKB Group concentrates. The possible negative impacts in the form of the gross risks are also shown. The implemented management approaches show how OeKB Group addresses and mitigates these risks. The business segments that are subject to ESG criteria are identified not only on the basis of environmental and social criteria, but also based on governance aspects such as transparency, security, and compliance.

The certified environmental management system that was implemented according to the EMAS Regulation in 2001 and the annual sustainability reporting according to Global Reporting Initiative (GRI) since 2003 ensure the continuous improvement of our sustainability management system. The 2021-2025 sustainability strategy contains ambitious goals that are systematically being implemented. Specific measures included the issue of sustainability bonds for refinancing in the Export Financing Scheme and the "Export Invest Green" instrument that was created in conjunction with the Federal Ministry of Finance. The sustainability bond framework was revised in March 2022 with the addition of two new categories (green buildings and circular economy) and closer orientation towards the EU Taxonomy.

The growing importance of the ESG (environmental, social, and governance) factors and especially of climate change and the associated social and political reactions are a source of rising reputation and business model risks. At the same time, this harbours opportunities for future growth. Thus, OeKB Group has increased its focus on climate risks in its risk management and business strategy. ESG risks are not a separate risk category but are factors that affect the other risk categories. Since 2020, we have explicitly integrated climate-based risks and opportunities into the risk policy and strategy of the OeKB Group. The causal chain analysis of global warming as it relates to the different risk types that was conducted for the first time in 2020 has been subjected to a comprehensive review every year since. Sustainability risks are also a core aspect of the quarterly risk situation assessment and of the reporting to the RMC, Executive Board, and Supervisory Board. Various tools and methods were also the subject of intensive research and evaluation in 2022. This included a focus on the further integration of ESG factors in risk management and the implementation of the method of climate risk heat mapping.

Non-financial performance indicators

OeKB Group's social and economic responsibility

OeKB Group has strengthened Austria as a place to do business since 1946, and as private-sector companies with a government mandate, its members live up to their social responsibility. Many of its services are relevant for the Austrian economy as a whole. Within their broad range of competencies, they focus on five segments: Export Services, Capital Market Services, Energy Market Services, Development Financing, and Tourism Services.

The companies of OeKB Group issue export guarantees of the Republic of Austria and credit insurance policies, and thus assume a proportion of default risks abroad. With commercial banks as partners of Export Services, small, medium, and large enterprises are offered financing solutions at attractive interest rates to facilitate their export transactions, foreign equity investments, or investments in Austria. These facilities are generally refinanced with a paid guarantee of the Republic of Austria pursuant to the Export Financing Guarantees Act (AFFG), which makes OeKB a respected, established issuer in the international capital market. Thus, the very good rating of OeKB Group is closely linked to the rating of the Republic of Austria.

Every Austrian security comes into contact with Capital Market Services, including in relation to a number of legally mandated tasks. Among other things, OeKB Group serves as the legal notification office under the Capital Market Act (KMG), a depositary for securities, and the national issuing agency for International Securities Identification Numbers (ISIN) – and also auctions Austrian government bonds.

With decades of know-how in financial clearing and risk management, the Energy Market Services segment of OeKB Group serves the liberalised Austrian energy market. The core tasks are checking the credit rating of market participants, handling financial clearing, payment processing, and risk management. As a general clearing member of European Commodity Clearing (ECC), collateral management and financial processing are handled for non-clearing members.

As the official development bank of the Republic of Austria, the OeKB subsidiary Oesterreichische Entwicklungsbank AG (OeEB) finances investments of private companies in developing and emerging countries, where access to financial products is often limited. The sustainable growth that is generated in this manner is intended to improve the living conditions of the people in these countries. Project-related programmes of OeEB enhance the development-policy impact. OeKB can also offer subsidised loans (soft loan financing) from the Federal Ministry of Finance for certain projects in selected developing and emerging countries. These are not always economically viable, but soft loans and grants facilitate the implementation of sustainable Austrian projects in these countries.

Tourism is a key industry in Austria, and OeKB Group offers a wide range of services to assist tourism and leisure industry companies in their growth and in maintaining their competitiveness. Österreichische Hotel- und Tourismusbank GmbH (ÖHT) has been the national contact point for promotion and financing in the tourism and leisure industry since 1947. It implements the tourism promotion measures of the federal government on behalf of the Federal Ministry for Labour and Economy. The promotion products range from cash grants and guarantees to subsidised loans. OeKB offers tailored financing for lodging operations with a high proportion of foreign guests.

Sustainability

Sustainable action plays a key role in the business activities of OeKB Group and determines the quality of life that we will enjoy in future. The importance of sustainability is underscored by the numerous measures and initiatives of OeKB Group.

The regulatory requirements also became considerably more stringent for OeKB Group on 1 January 2023, and this trend is likely to continue in the coming years. Due to the NFRD (Non-Financial Reporting Directive), the sustainability report that OeKB Group has published on a voluntary basis since 2001 has now become a mandatory report.

As EMAS (Eco-Management and Audit Scheme) registered and certified companies, OeKB, OeEB, OeKB CSD, and ÖHT have committed to accounting for resource consumption, climate protection, and social developments in their core business and operations and to pursuing annual goals for improvement. A key quality feature of the business and risk policy is the conservative approach to business and operational risks without jeopardising the necessary returns. OeKB Group has maintained an environmental management system in accordance with the EMAS Regulation since 2001. The EMAS environmental statement is part of the annually published sustainability report. This has been prepared according to the GRI (Global Reporting Initiative) since 2003 and is externally audited. Thanks to these many years of continuous consideration of direct and indirect environmental effects, OeKB Group has been able to implement comprehensive environmental data management in its operations. Regular monitoring, the definition of measures to reduce consumption, and reporting environmental statistics are integral aspects of the OeKB Group sustainability management system. All metrics and trends are presented in the separate OeKB Group sustainability report.

The 2021–2025 sustainability strategy with ambitious goals for 2025 is a cornerstone of OeKB Group's business strategy. OeKB Group critically evaluates future trends to ensure success in its core business over the long term and to live up to its social responsibility. Climate change, resource scarcity, and sustainable finance are key challenges, but also harbour equally great opportunities. The sustainable finance activities that were launched in 2019 were successfully continued with the issue of the third OeKB sustainability bond. The sustainability framework was updated, edged in further, and expanded with the categories of circular economy and green buildings. This accounts for these key areas that should support the transition to a climate-neutral Europe.

OeKB Group is placing a focus on the successive implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A TCFD core team was set up in 2020. Since then, governance, strategy, the risk management approach, objectives, and indicators have been discussed in the sustainability report.

The topics of diversity and inclusion again played an important role in OeKB Group in 2022. The diversity policy was revised to also promote diversity in recruiting. Transparency is being improved through the publication of entry-level salaries and salary tiers on the intranet and in job vacancy postings. Targeted measures to increase the share of women in managerial positions to 40% by 2025 remain a high priority.

Our travel policy and travel guidelines were also updated in 2022 to anchor sustainability aspects more firmly. Carbon emissions from business travel are offset. However, the principle of "reduction before offsetting" still applies to all business travel in OeKB Group.

OeKB Group launched a key new ESG project with the OeKB > ESG Data Hub, which went online on 1 August 2022. Companies can use this online platform to simply and efficiently collect and report their ESG data by completing questionnaires. ESG stands for environmental, social, and governance. These are three core aspects used to transparently measure sustainability. ESG aspects now also play a central role in competetiveness. Because of this, companies should also show that they act in an environmentally and socially responsible manner. The European Union is steadily increasing its requirements for sustainability reporting. Another reason why documenting ESG data is becoming increasingly relevant. The questionnaires for small, medium, and large enterprises were drawn up in collaboration with Austrian banks and form a standard in ESG evaluation. The companies are offered a structured, standardised, and harmonised reporting format for their results in line with the current regulatory requirements.

To meet the requirements of the EU Taxonomy Regulation for sustainable business activities (EU) 2020/852, which applies to OeKB Group for the first time starting on 1 January 2023 in relation to the 2022 financial year, a project was conducted with an external auditor in 2022. In this way, we prepared for the new sustainability reporting obligations.

Details on the extensive activities of OeKB can be found in the separate sustainability report.

Information on the EU Taxonomy for sustainable economic activities in accordance with Regulation (EU) 2020/852

Annex XI to the EU Taxonomy – qualitative disclosures

The EU Taxonomy[1] for sustainable economic activities stands for a classification system that is intended to make it easier for investors and companies to assess whether certain economic activities are environmentally sustainable. This is intended to redirect capital flows to promote the transition to sustainable and integrative growth and to prevent greenwashing. Economic activities within the meaning of the Taxonomy Regulation contribute to at least one of the six defined environmental objectives without having an adverse impact on the others. The Regulation also includes minimum social requirements. The environmental objectives are: climate change mitigation, climate change adaptation, the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems.

According to Art 8 of the Taxonomy Regulation, companies that are subject to the Directive regarding Disclosure of Non-financial Information (NFRD[2]) are required to publicly disclose how and to what degree

[1] Regulation (EU) 2020/852
[2] Directive 2013/34

their economic activities qualify as environmentally sustainable in accordance with the Taxonomy Regulation. The NFRD has applied to OeKB since 2022. At present, the disclosure obligations only pertain to Taxonomy eligibility. Because financial services providers are dependent on the ESG KPIs disclosed by their customers, this hierarchical approach was chosen in the regulation.

OeKB and its bank subsidiaries have committed to a sustainable business policy and to taking sustainability into account in business strategy and in their daily actions. Going forward, the Taxonomy Regulation will be taken into account in the business strategy of OeKB and its subsidiaries, in product design processes, and in all collaboration with counterparties. Compliance with and the implementation of the Taxonomy Regulation within OeKB Group and the Taxonomy eligibility and Taxonomy alignment of economic activities will be assigned significant importance in future. Refinancing Taxonomy-aligned economic activities through the EFS is a key consideration for OeKB. To promote this trend, a sustainability bond framework was also developed and was updated and refined during the financial year as part of the Taxonomy developments.

As the Austrian export credit agency, OeKB supports Austrian exporters in their domestic and foreign business. Based on this mandate, guarantees and refinancing will continue to be provided for various economic activities, even if they are not covered by the rules in the Taxonomy Regulation. The export guarantee services are offered and handled at the behest of the Republic of Austria (Federal Ministry of Finance). Here, Austria has committed to taking the environmental and social impacts of publicly subsidised export loans into account. This is achieved through the environmental and social audit. OeKB Group will assist the export industry and tourism industry as they move towards a climate-neutral future and is employing a transformation dialogue in the context of the Taxonomy Regulation. The extensive sustainability activities are also presented transparently in the sustainability report of OeKB Group.

In a second disclosure step, the actual Taxonomy alignment will also be reported for the 2023 financial year. Economic activities qualify as Taxonomy aligned when they are described in the delegated acts of the Taxonomy Regulation and meet all technical criteria, the minimum social standards, and the “do no significant harm” criteria. Information on the development of these economic activities over time will then be published starting in the second year after implementation, i.e. starting in 2024.

Taxonomy eligibility metrics

In accordance with Art 10(3) of Delegated Regulation (EU) 2021/2178 supplementing the EU Taxonomy, OeKB Group is reporting six quantitative KPIs. As there is currently no common market standard for the interpretation of the Taxonomy Regulation, the calculations were performed to the best of the OeKB Group’s knowledge and judgement on the basis of the regulatory requirements and thus represent the interpretation of the OeKB Group.

	Indicators	Ratio
lit a)	The proportion of exposures to Taxonomy-eligible economic activities	8.77%
lit a)	The proportion of exposures to Taxonomy non-eligible economic activities	39.45%
lit b)	The proportion of exposures to central governments, central banks and supranational issuers	23.95%
lit b)	The proportion of exposures to derivatives	2.30%
lit c)	The proportion of exposures to undertakings not subject to the NFRD	30.46%
	Proportion of exposures to on demand inter-bank loans	3.72%

Explanation of the Taxonomy-related KPIs

To increase the transparency of which assets are contained in the various KPIs, this is presented in the following:

lit a) Taxonomy-eligible and Taxonomy non-eligible assets

The most relevant indicator, the proportion of Taxonomy-eligible assets, consists of the assets that can be assessed according to the delegated acts of the Taxonomy Regulation. The legal acts specify which counterparties and products the bank may include in its reporting about the exposures that are covered by the Taxonomy. In this, the disclosures must generally be based on the KPIs published by the counterparty in the transaction. Thus, the KPIs of OeKB Group consist largely of the KPIs of the counterparties, weighted according to the respective exposure. For the purposes of identifying companies that are subject to the NFRD and those that are not, the registered office and net revenue of the customers was evaluated, as well as whether a company is listed, a credit institution, or an insurance company. Disclosure obligations under the NFRD apply to banks and insurance companies with their registered office in the EU and with 500 or more employees, and to listed corporations (AG or GmbH) with 500 or more employees.

Due to its role as a group of special-purpose banks and as the provider of refinancing for the Austrian export financing operations, the largest balance sheet item by far is the risk item “Loans and advances to banks“. This involves Austrian and international banks. The majority of the Taxonomy-eligible assets of OeKB Group thus arise from the loans and advances to these banks, which were weighted according to the respective published indicators on Taxonomy eligibility. If a bank has not yet published data on the indicators, it is categorised as 0% Taxonomy eligible and the balance sheet item is classified as lit a) Taxonomy non-eligible.

The item lit a) Taxonomy non-eligible also includes loans and advances to NFRD companies that have not yet published KPIs. As the figures for both KPIs in lit a) only represent a part of the assets of OeKB Group, the two indicators do not add up to 100%. This also shows that the low Taxonomy eligibility KPI from lit a) is caused in part by the low share of assets that may be classified as Taxonomy eligible in the first place. The denominator in lit a) is the total balance sheet assets (reported total assets in accordance with Annex V of Delegated Regulation 2021/2178), especially loans, debt securities, and interests in investments other than subsidiaries (a) financial assets at amortised cost, (b) financial assets at fair value through other comprehensive income, (c) investments in subsidiaries, (d) joint ventures and associates, (e) financial assets designated at fair value through profit or loss and non-trading financial assets mandatorily at fair value through profit or loss, less the exposures to central governments, central banks, and supranational issuers.

lit b) Exposures to central governments, central banks, and supranational issuers and exposures to derivatives

The denominator for the exposure to central governments, central banks, and supranational issuers is the total balance sheet assets. Central governments, central banks, and supranational issuers are, however, not included in the denominator for the green asset ratio (GAR) calculation. The GAR indicates the proportion of assets that is Taxonomy aligned. The calculation only includes counterparties that are supranational issuers if they are included in the European Central Bank’s (ECB) list of recognised supranational issuers.

All types of exposures to the identified counterparties were taken into account. Guarantees pursuant to the AusfFG are reported in lit b) Exposures to central governments. Cash and cash equivalents at central banks are included in the exposure to central banks.

lit c) Exposures to undertakings that are not subject to the NFRD

Non-NFRD companies that are corporations (e.g. with the legal form of AG or GmbH) and NFRD companies that exercise the group exemption are included in lit c). As these business partners make up a significant portion of the OeKB Group balance sheet, this leads to a low Taxonomy eligibility ratio and a high indicator in accordance with lit c).

Due to OeKB Group's global scope of activity, its customers also include many companies with registered offices outside of the EU. These may also inherently be Taxonomy non-eligible and are included in lit c) if they are corporations.

If no data are yet available for the funds, they are included among the non-NFRD companies if they have the legal form of a corporation – otherwise, the fund is not included in any indicator.

The denominator in lit c) is the total assets reported on the balance sheet.

Human resources

Highly qualified and motivated staff are of key importance for OeKB and its subsidiaries. Given the central role that these institutions play for Austria's export industry and tourism as well as the capital and energy market, service quality and expertise combined with awareness for the importance of sustained earnings, controlling costs, and mitigating and managing risk are key success factors.

The complex combination of needs resulting from different generations in the company, a lack of qualified specialists on the labour market, and advancing digitalisation make a flexible personnel strategy indispensable. This makes knowledge management and transfer just as crucial as the promotion of digital competency and the process management.

In addition to management career paths, particular importance is attached to expert career paths to remain attractive as an employer for highly qualified personnel. In OeKB Group's flat management hierarchy, our experts play a critical role in the success of the Bank. We have also appointed "team leads" as technical managers in addition to the traditional expert career path.

OeKB Group's long-term success depends on the commitment of the people working for it. Family-friendly measures such as flexible working hours, or the option to work from home address the needs of every employee who values the compatibility of work and family life. Full- and part-time educational leave is actively supported. All of this is intended to ensure a good balance between professional and non-professional activities in every career stage. Company health management with numerous initiatives and measures has a positive impact on the aspects of exercise, good nutrition, and mental fitness.

In addition to orientation towards the market benchmarks, compensation at OeKB is based on personal performance, risk behaviour, and the corporate results. Oesterreichische Entwicklungsbank, Österreichische Hotel- und Tourismusbank and OeKB CSD also apply remuneration models that are based on the remuneration policy at OeKB as parent company.

The Group's headcount at the end of 2022 was 470 full-time equivalents (2021: 475). The Group generated a profit before tax of € 151 thousand per full-time equivalent (2021: € 188 thousand).

Employees of OeKB Group [1]

As at	31 Dec 2022	31 Dec 2021
Total as at 31 December	**516**	**525**
Of whom part-time employees	*135*	*134*
Part-time employees in %	*26.2%*	*25.5%*
Total employees in full-time equivalents	470	475
Average number of employees pursuant to the UGB	471	478
Average age	45.7	45.3
Average length of service	15.9	15.8
Sick days per year and full-time employee [2]	7.2	6.1
Proportion of total positions held by women	56.0%	55.6%
Proportion of management positions held by women	29.2%	33.3%
Turnover rate [3]	6.4%	6.3%

[1] Incl. the fully consolidated companies Oesterreichische Entwicklungsbank AG, Österreichische Hotel- und Tourismusbank GmbH, and OeKB CSD GmbH; incl. employees assigned to Acredia AG.
[2] Not incl. coronavirus-related sick days (around 2 full-time sick days per employee per year).
[3] The turnover rate is calculated as follows: The number of people leaving during the year (excl. retirement) x 100 divided by the number of employees as at 31 Dec. Because of the low turnover rate, a breakdown by gender and age group is not sensible.

Outlook for 2023

We expect business with export guarantees and guarantees by aval to be slightly better in 2023 than in 2022, but business from the special COVID-19 Kontrollbank refinancing facility to decline due to the expiration of the programme. Global economic growth slowed considerably in the wake of the regional impacts of the COVID pandemic and the sustainably higher energy costs. The Ukraine/Russia war and the Western sanctions are also significantly hampering growth. Thus, the economic outlooks and global economic dynamics will likely be mixed on a country-by-country basis in 2023. The political uncertainty will continue. Especially the war in Ukraine will continue for some time according to expert projections. This poses significant challenges for the Austrian export industry. For this phase, OeKB is offering Austrian exporters extensive support through export loans and guarantees under the legal framework to enable the acquisition and founding of companies to be financed. We are continuously evaluating the situation and are reacting with corresponding measures in coordination with the Federal Ministry of Finance. We expect our credit volume under the Export Financing Scheme to rise in 2023 due to higher demand from Austrian companies for secure export and foreign investment activity. OeKB Group will continue offering attractive financing conditions and products in the coming year despite the very volatile interest rate conditions.

We expect our securities investments to deliver increasing earnings in 2023 due to the higher interest from re-investments and due to the expanded volume following the reallocation of assets from the special investment fund into the proprietary bond portfolio. The Federal Reserve System (Fed) has indicated that USD interest rates will rise further. Interest rates in the Eurozone will also increase in 2023 due to the measures taken by the ECB to fight inflation. The risk premiums on Austrian government bonds are still low, which means that the terms of access to the international capital markets should remain attractive for OeKB (due to the AFFG guarantees of the Republic of Austria). The equity markets will remain very volatile due to the geopolitical developments in particular.

We plan to continue our digitalisation offensive in 2023 to meet the needs of our customers more rapidly and in a more targeted and streamlined manner and to make our internal processes better and above all faster. We will also continue to place a focus on space efficiency and adapt further locations to the changed working conditions. We are also placing a targeted focus on the increased cyber risks, which we intend to anticipate more effectively through a corresponding project.

Overall, OeKB Group is well prepared to meet the challenges ahead and is expecting stable operating income. We expect net interest income to rise starting in 2023, especially from our securities investments thanks to the higher interest rate level. Fee and commission income will decline slightly due to the expiration of the COVID-19 assistance programmes. Administrative expenses will increase in 2023, primarily due to the higher inflation and the outlay for space efficiency and cyber security. Overall, we expect slightly higher profits for OeKB Group. In other comprehensive income, the one-off effects from actuarial gains should be substantially lower than in the previous years. For this reason, we expect total comprehensive income for the year to be consistent with that posted for the previous year.

We wholeheartedly thank all our employees for their commitment and their contribution to our success. Our sincere thanks also go to the Staff Council, whose members continued their long tradition of representing the interests of the employees and of the Bank.

Vienna, 10 March 2023

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Helmut Bernkopf Angelika Sommer-Hemetsberger

OeKB Group 2022 consolidated financial statements

The Notes are an integral part of the total comprehensive income for the year, the balance sheet, the consolidated statement of changes in equity, and the cash flow.

Income statement

€ thousand	Notes		2022		2021
Interest income calculated using the effective interest method		282,645		186,294	
Budget underruns from negative interest calculated using the effective interest method		11,901		17,316	
Other interest income		31,850		9,197	
Budget underruns from other negative interest		59,067		117,552	
Interest income			385,463		330,359
Interest expenses calculated using the effective interest method		(122,414)		(77,673)	
Losses from negative interest calculated using the effective interest method		(14,457)		(29,205)	
Other interest expenses		(129,990)		(97,237)	
Losses from other negative interest		(8,796)		(15,761)	
Interest expenses			(275,657)		(219,875)
Net interest income	**6**		**109,806**		**110,483**
Fee and commission income		65,327		63,308	
Fee and commission expenses		(21,587)		(20,463)	
Net fee and commission income	**7**		**43,740**		**42,845**
Net credit risk provisions	8		3,620		5,351
Net gain or loss on financial instruments measured at fair value through profit or loss	9		(9,565)		1,233
Net gain or loss on the derecognition of financial instruments not measured at fair value through profit or loss	10		(34)		107
Current income from investments in other unconsolidated companies	11		2,614		2,805
Share of profit or loss of equity-accounted investments, net of tax	20		5,062		7,915
Administrative expenses	12		(91,775)		(87,855)
Other operating income		9,697		8,861	
Other operating expenses		(2,380)		(2,581)	
Other operating income	13		7,317		6,280
Profit before tax			**70,786**		**89,163**
Income tax	14		(12,558)		(23,672)
Profit for the year			**58,229**		**65,491**
Attributable to owners of the parent			*56,046*		*62,142*
Attributable to non-controlling interests			*2,183*		*3,349*

Other comprehensive income/(expense)

€ thousand	Notes	2022	2021
Items that will not be reclassified into the income statement in future			
Actuarial gains/losses on defined benefit plans	24	18,318	11,758
Equity-accounted investments - Share of net other comprehensive income	20	412	269
Net gain or loss from the fair value measurement of investments in other unconsolidated companies (FVOCI)		(5,800)	5,220
Tax effects	14	(2,625)	(4,244)
Other comprehensive income, net of tax		**10,305**	**13,002**
Total comprehensive income		**68,534**	**78,493**
Attributable to owners of the parent		*66,282*	*75,142*
Attributable to non-controlling interests		*2,252*	*3,351*

Earnings per share

	2022	2021
Profit for the year attributable to owners of the parent, in € thousand	56,046	62,142
Average number of shares outstanding	880,000	880,000
Earnings per share, in €	**63.69**	**70.62**

As in the previous year, there were no exercisable conversion or option rights at 31 December 2022. The diluted earnings per share correspond to the undiluted earnings per share (see Note 2).

Consolidated balance sheet of OeKB Group

Assets

€ thousand	Notes	31 Dec 2022	31 Dec 2021
Cash and cash equivalents	16	319,542	1,245,090
Loans and advances to banks	17	21,752,034	21,285,804
Loans and advances to customers	17	1,889,368	1,706,431
Other financial assets	18	2,532,053	2,922,732
Derivative financial instruments	19	772,045	595,160
Guarantees pursuant to § 1(2b) AFFG	19	6,198,441	5,362,547
Equity-accounted investments	20	68,070	73,096
Property, equipment, and intangible assets	21	25,709	25,908
Current tax assets		885	1,417
Deferred tax assets	25	40,175	44,468
Other assets		14,956	8,034
Balance sheet total		**33,613,278**	**33,270,686**

Liabilities and equity

€ thousand	Notes	31 Dec 2022	31 Dec 2021
Deposits from banks	22	1,063,065	1,091,550
Deposits from customers	22	1,129,898	941,966
Debt securities issued	23	27,093,878	28,046,750
Derivative financial instruments	19	1,768,151	889,979
Provisions	24	119,246	142,777
Current tax liabilities		5,678	7,864
Other liabilities	26	46,338	43,067
EFS interest rate stabilisation provision	27	1,486,405	1,241,148
Equity	28	900,620	865,585
Of which attributable to non-controlling interests		*17,415*	*15,944*
Balance sheet total		**33,613,278**	**33,270,686**

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 financial statements of Oesterreichische Kontrollbank Aktiengesellschaft.

More information on equity is provided in Note 28.

Consolidated statement of changes in equity 2022

€ thousand	Notes	Subscribed share capital	Capital reserves	Retained earnings	IAS 19 - Reserve	FVOCI - Reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 1 Jan 2022	**28**	**130,000**	**3,347**	**723,138**	**(30,111)**	**23,268**	**849,643**	**15,944**	**865,585**
Profit for the year		-	-	56,046	-	-	56,046	2,183	58,229
Other comprehensive income/ (expense)		-	-	-	14,079	(3,843)	10,236	69	10,305
Total comprehensive income		**-**	**-**	**56,046**	**14,079**	**(3,843)**	**66,282**	**2,252**	**68,534**
Dividend payments	28	-	-	(32,718)	-	-	(32,718)	(781)	(33,499)
As at 31 Dec 2022		**130,000**	**3,347**	**746,466**	**(16,032)**	**19,425**	**883,207**	**17,415**	**900,620**

Consolidated statement of changes in equity 2021

€ thousand	Notes	Subscribed share capital	Capital reserves	Retained earnings	IAS 19 - Reserve	FVOCI - Reserve	Equity attributable to owners of the parent	Non-controlling interests	Total equity
As at 1 Jan 2021	**28**	**130,000**	**3,347**	**693,715**	**(39,195)**	**19,352**	**807,219**	**13,374**	**820,592**
Profit for the year		-	-	62,142	-	-	62,142	3,349	65,491
Other comprehensive income (expense)		-	-	-	9,085	3,916	13,001	2	13,002
Total comprehensive income		**-**	**-**	**62,142**	**9,085**	**3,916**	**75,142**	**3,351**	**78,493**
Dividend payments	28	-	-	(32,718)	-	-	(32,718)	(781)	(33,500)
As at 31 Dec 2021		**130,000**	**3,347**	**723,138**	**(30,111)**	**23,268**	**849,643**	**15,944**	**865,585**

Consolidated statement of cash flows of OeKB Group

€ thousand	Notes	2022	2021
Profit before tax		**70,786**	**89,163**
Non-cash items included in profit, and adjustments to reconcile profit with cash flows from operating activities			
Depreciation on property and equipment	21	3,128	2,934
Amortisation on intangible assets	21	1,692	1,565
Change in provisions	24	(29,498)	(16,352)
Change in loan loss provisions (ECL)	8	(1,525)	(4,111)
Change in the EFS interest rate stabilisation provision	27	245,256	(9,652)
Change in guarantees pursuant to § 1(2b) AFFG	19	(835,894)	(567,729)
Unrealised gains/losses from the measurement of other financial assets measured at fair value through profit or loss and not assigned to the EFS	9	9,469	(1,413)
Net gain or loss from the derecognition of loans and advances measured at amortised cost	10	34	-
Share of profit or loss of equity-accounted investments, net of tax	20	(5,062)	(7,915)
Unrealised gains/losses from foreign currency differences on financial instruments assigned to the EFS	9	96	180
Other non-cash items		457,322	478,750
Subtotal for non-cash adjustments		**(84,196)**	**(34,580)**
Change in operating assets and liabilities after adjustment for non-cash components			
Proceeds from the redemption of			
Loans and advances to banks	17	14,446,165	14,602,953
Loans and advances to customers	17	2,210,716	1,760,862
Payments for the purchase of			
Loans and advances to banks	17	(15,132,153)	(12,334,317)
Loans and advances to customers	17	(2,386,984)	(1,883,950)
Proceeds from			
Deposits from banks	22	12,621,111	4,645,927
Deposits from customers	22	2,427,574	1,793,811
Debt securities issued	23	41,847,089	22,980,122
Repayments from the redemption of			
Deposits from banks	22	(12,651,313)	(4,909,273)
Deposits from customers	22	(2,239,653)	(1,622,577)
Debt securities issued	23	(42,234,754)	(25,337,045)
Lease liabilities	21	(2,099)	(1,668)
Other assets from operating activities		(2,097)	9,437

€ thousand	Notes	2022	2021
Other liabilities from operating activities		1,085	3,770
Interest received		277,529	253,805
Interest paid		(296,623)	(230,125)
Dividends received from investments in other unconsolidated companies		10,500	2,805
Dividends received from equity-accounted investments	20	2,614	2,880
Income tax paid		(12,444)	(12,318)
Net cash from operating activities		**(1,197,933)**	**(309,481)**
Proceeds from the redemption and disposal of			
Other financial assets	18	1,724,844	1,322,640
Payments for the purchase of			
Other financial assets - Other unconsolidated companies	18	-	(41)
Other financial assets	18	(1,413,683)	(1,336,766)
Property, equipment, and intangible assets	21	(5,276)	(3,341)
Net cash from investing activities		**305,885**	**(17,508)**
Dividend payments	28	(33,500)	(33,500)
Net cash from financing activities		**(33,500)**	**(33,500)**

Consolidated statement of cash flows of OeKB Group

€ thousand	31 Dec 2022	31 Dec 2021
Cash and cash equivalents at beginning of period	**1,245,090**	**1,605,579**
Net cash from operating activities	(1,197,933)	(309,481)
Net cash from investing activities	305,885	(17,508)
Net cash from financing activities	(33,500)	(33,500)
Cash and cash equivalents at end of period	**319,542**	**1,245,090**

Further details on cash and cash equivalents and additional information on the change in the presentation of the cash flows are provided in Note 30 and Note 1.

Notes to the consolidated financial statements of OeKB Group

Note 1 General information

Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) is a special-purpose bank with its registered office in 1010 Vienna, Am Hof 4, Austria, and was founded in 1946. OeKB is a public interest entity pursuant to § 189a 1 lit a UGB (Uniform Commercial Code).

OeKB Group comprises Oesterreichische Kontrollbank Aktiengesellschaft, Oesterreichische Entwicklungsbank AG (OeEB), OeKB CSD GmbH (OeKB CSD), Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. (ÖHT), CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A), and OeKB EH Beteiligungs- und Management AG (Acredia Versicherung AG), see also Note 39 Scope of consolidation.

Because of the unique nature of the business model of OeKB Group, the operating principles and relevant legal regulations are explained in this section to allow a better understanding of these consolidated financial statements.

OeKB Group is a group of special-purpose banks that act as service providers for the export industry, capital market (incl. the energy market), and tourism industry.

The OeKB Group business model has four core segments:

- Export guarantees and guarantees by aval
- Export financing and financing as the development bank of the Republic of Austria
- Capital Market Services
- Tourism promotion and financing.

Export guarantees/Guarantees by aval

In this segment, OeKB acts as an agent in the name of and for the account of the Republic of Austria. OeKB is responsible here for the bank-specific handling of guarantee applications, the administrative and technical processing of the guarantee agreements, and for enforcing the rights of the Republic from guarantee claims. OeKB receives a processing commission for this off-balance-sheet business segment on the basis of an agency agreement.

Legal basis: Liability according to the Export Guarantees Act (AusfFG)

According to the AusfFG, the Federal Minister of Finance is authorised until 31 December 2027 to assume guarantees in the name of the Republic of Austria for the proper fulfilment of transactions by foreign counterparties and for the enforcement of the rights of export companies that directly or indirectly improve Austria's current account. These transactions and rights relate to projects abroad – especially in the areas of environmental protection, waste disposal, and infrastructure – whose realisation by domestic or foreign companies is in Austria's interests. According to § 7 AusfFG, the guarantee fee and all claims paid shall be collected by the agent of the federal government (OeKB) and credited regularly to an account of the federal government opened at the authorised agent of the federal government. Pursuant to § 8a AusfFG, OeKB will remain responsible for the processing of these export guarantees/guarantees by aval until the conclusion of a new agency contract.

OeKB is entitled to an adequate fee for the administration of these export guarantees (shown in fee and commission income from guarantee business, Note 7).

The tasks of the Austrian development bank are specified in § 9 AusfFG. Oesterreichische Entwicklungsbank AG has been commissioned to fulfil these responsibilities, and is obligated to follow the objectives and principles of Austria's development policy as set forth in the Development Cooperation Act (EZA-G). OeEB's business activities are also oriented towards the provisions of the EZA-G.

Bridging guarantees (§ 2[2]7 in conjunction with § 6a[2] ABBAG-G) for large enterprises

OeKB is handling the processing of bridging guarantees for large enterprises under the government's € 19 billion corona aid fund as an agent of COVID-19-Finanzierungsagentur des Bundes GmbH (COFAG). The corona aid fund is part of the corona support measures enacted by the federal government to ensure the survival of Austrian businesses. The goal is to rapidly provide financing for Austrian companies suffering serious liquidity bottlenecks due to the corona crisis. The COFAG bridging guarantee is one of the measures that is being financed from the corona aid fund. It is issued for bullet loans extended by banks to companies to bridge their liquidity gaps. The guarantee from the Republic of Austria covers 90% of the loan amount. An appropriate fee is paid for the administration of these bridging guarantees (shown in fee and commission income from guarantee business, Note 7). It was no longer possible to apply for new bridging guarantees in 2023, meaning that this product is slowly phasing out.

Export Financing Scheme (EFS)

OeKB Group acts as a contractor to the Republic of Austria in significant business segments. The Republic of Austria also issues extensive guarantees for the protection of OeKB and its creditors. OeKB Group engages in no retail business and accepts no savings deposits. As an agent of the Republic of Austria, it provides refinancing to banks and financial institutions at attractive terms, and these institutions then extend this financing to their customers as export loans (delivery, purchase, and investment financing and export acceptance credit, financing of export induced domestic investments, and financing of lease arrangements of domestic exporters).

The majority of the loans and advances to banks and customers in the EFS feature a guarantee from the Republic of Austria pursuant to the AusfFG. Because of this, OeKB Group is not exposed to significant credit risk, and only minor loan loss provisions need to be formed in connection with the EFS. Because of these guarantees, the claims are subject to uniform conditions depending on the time at which the refinancing agreements were concluded. These uniform refinancing interest rates, which are published on the OeKB website, are derived from the OeKB's credit spreads. The credit spreads of OeKB are in turn dependent on the credit spreads of the Republic of Austria due to the creditor guarantee pursuant to § 1(2a) AFFG. The Export Financing Guarantees Act also permits export financing based on other guarantees and insurance policies.

In order to assist Austrian companies in overcoming the COVID-19 crisis, operating financing was extended to exporters in collaboration with the BMF in the form of special Kontrollbank refinancing facilities. The original budget that was allocated in the amount of € 2 billion was increased to € 3 billion due to the high demand. This assistance programme is currently expiring. The income generated in this context is recognised in net interest income (Note 6).

The Ukraine war is creating a challenging situation for Austrian companies. To support the Austrian exporters that are being impacted by this armed conflict, OeKB is offering additional credit facilities (framework € 1 billion) in the form of the supplementary Kontrollbank refinancing facility (short-term working-capital loans) at the behest of the BMF. These financing facilities are currently limited to a term of no more than 2 years.

Aside from this scheme, OeKB Group only engages in significant lending activities in connection with tourism financing and as development bank and thus only generates significant interest income in these business segments. This means that the income of OeKB Group aside from the income generated by proprietary investments results primarily from fees and commissions for the services rendered to customers and clients.

The majority of the refinancing needed for the Export Financing Scheme is raised on the international money and capital markets, where OeKB is a respected and established issuer thanks to the guarantees provided by the federal government. Exchange rate risks exist for the most part only in connection with these long- and short-term debt securities issued. The risks are largely secured by the exchange rate guarantees of the Republic of Austria pursuant to § 1(2b) AFFG on an individual transaction basis. This means that OeKB Group bears no significant exchange rate risk from the EFS. The calculation and settlement of these exchange rate positions is conducted in agreement with the Federal Ministry of Finance (BMF) for each individual transaction. The foreign currency strategy is implemented in coordination with the BMF as part of an ongoing portfolio strategy. In some cases, the transactions are refinanced in the same currency and the exchange rates that apply to maturing liabilities are immediately applied to newly issued debt. Because of the importance and relevance of this receivable for all parties, it is being reported in a separate item (guarantees pursuant to § 1 [2b] AFFG).

Legal basis: Federal law on the financing of transactions and rights (Export Financing Guarantees Act – AFFG)

Pursuant to § 1 AFFG, the Federal Minister of Finance is authorised until 31 December 2028 to issue guarantees in the name of the Republic of Austria for credit operations (bonds, loans, lines of credit, and other obligations) conducted by the authorised agent of the federal government pursuant to § 5(1) AusfFG (OeKB).

The guarantees are issued:

- to the benefit of the creditor of the agent authorised by the federal government (OeKB) for the fulfilment of its obligations under credit operations (§ 1[2a] AFFG);
- to the benefit of the authorised agent of the federal government (OeKB) to guarantee a specific exchange rate between the euro and another currency (exchange rate risk) for the fulfilment of obligations under credit operations for the period of time during which the proceeds from the credit operation are used for financing in euros (§ 1[2b] AFFG).

The fee provisions for the issue of guarantees by the Republic of Austria pursuant to the AFFG specify a (minimum) guarantee fee that depends on the volume of the outstanding borrowings in the Export Financing Scheme.

The EFS interest rate stabilisation provision is based on the specific purpose of and risks associated with the Export Financing Scheme, which is maintained as a separate accounting entity under the authorisation as an agent of the federal government under the AFFG (see § 1[1] AFFG in conjunction with § 5[1] AusfFG). It contains the surpluses from charged interest (interest income) and the net gains or losses from the measurement of the financial instruments in the EFS at fair value (net gain or loss on financial instruments measured at fair value through profit or loss). OeKB was commissioned by the Federal Ministry of Finance in 1968 to collect proceeds generated under the EFS in a separate account and to use them solely for financing the EFS as needed. This was implemented through the formation of the EFS interest rate stabilisation provision and through the annual resolutions of OeKB's Supervisory Board. The proceeds generated under the EFS cannot be accessed by the owners now or in future and may only be used by management for the purposes of the EFS. This provision reflects the fact that the proceeds from the EFS do not accrue to OeKB but are instead to be kept in the EFS for the covering of risks (including in relation to the obligation to continue operating in the event that the agency agreement pursuant to § 8a AusfFG is terminated). The federal tax office for corporations in Vienna has acknowledged the EFS interest rate stabilisation provision as a deductible debt item in so far as it is used for decreasing the effective refinancing interest rate for the EFS.

In coordination with the Federal Ministry of Finance, OeKB has decided to report the EFS interest rate stabilisation provision separately due to its specific nature (see Note 27).

Services for the capital market and energy market

OeKB Group offers a wide range of services for the Austrian capital market. These include the office for the issue of government bonds of the Republic of Austria through auction, the payment and calculation office for government bonds of the Republic of Austria, the notification office pursuant to the KMG, OAM Issuer Info (storage medium for securities exchange information), ISIN code assignment, and financial data service - the collection and sale of master, schedule, and price data for financial instruments, fund services (platform for data exchange), and a LEI service partnership. As part of the business activities of OeKB CSD, central depository services are offered pursuant to the EU CSD Regulation (Regulation [EU] No 909/2014). These services include the acceptance of securities from issuers for safekeeping and administration, the execution of booking orders to settle securities transactions, and the handling of payments from issuers to satisfy the claims evidenced in the securities.

Related to the core competencies in the capital market, services are also provided for the Austrian energy market. This segment includes financial clearing and risk management services for the settlement agents in the Austrian gas and electricity market. OeKB is also active as a general clearing member (GCM) on European Commodity Clearing AG (ECC), and in this capacity handles collateral management and financial processing for non-clearing members.

Services as development bank

OeKB works on behalf of the Federal Ministry of Finance to improve living conditions for people in developing and emerging countries. The legal basis for these activities is largely defined in the Export Guarantees Act (see also Legal basis: Liability according to the Export Guarantees Act [AusfFG]). As a public agent, OeEB provides financing at near-market terms but can assume a higher degree of economic risk than commercial banks thanks to comprehensive guarantees from the Republic of Austria. OeEB acquires stakes in companies in developing and emerging countries on a fiduciary basis using federal funds and reinforces the resulting development policy effects with flanking measures. In the field of business advisory services, OeEB provides special financing to strengthen the development policy effects, in particular to lay the groundwork for and accompany equity investments with federal funds and investment financing from the development bank.

Services for the tourism financing and promotion services

ÖHT acts as a tourism and leisure industry agency that is an Austrian funding entity and a bank. The funding awarded by ÖHT is provided by public authorities. The core task of ÖHT is financing investment projects by SMEs in the Austrian tourism and leisure industry. The unique feature of financing through ÖHT is the federal promotion measures that are part of every offered financing product. It handles the tourism promotion operations of the federal government on behalf of the Federal Ministry for Labour and Economy. These promotion measures can take the form of guarantees, cash contributions, or subsidised interest rates. ÖHT is a partner institution of the European Investment Bank (EIB), which is headquartered in Luxembourg. As part of the ERDF (European Regional Development Fund), ÖHT acts as the intermediary for several provinces in connection with the award of subsidised loans for tourism promotion projects. Since the onset of the COVID-19 crisis in 2020, ÖHT has also been administering the Austrian promotion programmes for tourism, restaurants, and leisure companies. An appropriate fee is paid for the administration of these promotion programmes (shown in fee and commission income from guarantee business, Note 7 or Other operating income, Note 13).

Accounting principles

The consolidated financial statements of OeKB Group were prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union on the basis of IAS Regulation (EC) No 1606/2002. The requirements of § 59a BWG and § 245a UGB were met.

The Executive Board of OeKB is responsible for preparing the consolidated financial statements and group management report, which was signed by the Executive Board on 10 March 2023. These were acknowledged by the Supervisory Board of OeKB based on the Audit Committee's recommendation.

Details about the recognition and measurement principles of OeKB Group (aside from the explanations in chapter Export Financing Scheme), including the changes made to these during the year, can be found in Note 2.

The reporting currency and functional currency of these consolidated financial statements and of OeKB Group is the euro. All amounts are indicated in thousands of euros unless specified otherwise. The tables may contain rounding differences.

In preparing its consolidated financial statements, OeKB Group orients itself towards the most important characteristics of the business model and towards the presentations of its peer organisations and the proposals of major, internationally active financial auditors on the preparation of consolidated financial statements for banks according to IFRS, which makes the consolidated financial statements easier for investors to compare.

Uncertainty in judgements and assumptions

The preparation of consolidated financial statements in accordance with the IFRS requires the Executive Board to make judgements and assumptions about future developments that can have an impact on the reported value of assets and liabilities, the disclosure of other obligations at the balance sheet date, and the reporting of earnings and expenses during the financial year.

Areas where this is necessary are:

- The assessment of the business model in which the assets are held and the assessment of whether the contractual terms of the financial asset solely represent capital payments and interest on the outstanding principal. Note 2
- The parameters that are used for fair value measurement are based in part on forward-looking assumptions that may fluctuate. Note 3
- Specifying the term of a lease: determining whether the ability to exercise termination options is sufficiently assured. Note 21
- The assessment of whether the credit risk of the financial asset has increased significantly since the first-time recognition and inclusion of forward-looking information for the determination of the expected credit loss as used to identify the impairment of financial assets. The determination of the LGD (loss given default) and the PD (probability of default) in the calculation of the impairment. Note 38
- Assumptions are made about the discount rate, retirement age, life expectancy, staff turnover, and future remuneration growth for the measurement of the existing pension and termination benefit obligations. Note 24
- The recognised amount of deferred tax assets is based on the assumption that sufficient taxable revenue will be generated in future. Note 25
- Assessment are made regularly as to whether obligations that are not reported on the balance sheet arising from guarantees and other commitments must be reported on the balance sheet. Note 34

The estimates and assumptions upon which they are based are assessed on a regular basis and conform with the respective standards. The estimates are based on past experience and other factors such as plans, expectations as at the reporting date, and projections of future events. The actual results can deviate from the assumptions and estimates when the actual conditions develop differently than was expected on the reporting date. Changes are taken into account as they occur.

Note 2 Accounting and measurement principles

New standards and amendments to be applied for the first time in 2022

With regards to new or amended standards and interpretations, only those that are relevant for the business activities of OeKB Group are listed with explanations.

Standards and amendments to be applied for the first time in 2022		First-time application
Amendments to IFRS 3	Reference to the conceptual framework	1 Jan 2022
Amendments to IAS 16	Income before entering an operational state	1 Jan 2022
Amendments to IAS 37	Scope of the fulfilment costs for onerous contracts	1 Jan 2022
Annual improvements	Annual improvements (2018-2020) to IFRS 1, IFRS 9, IFRS 16, IAS 41	1 Jan 2022

Amendments to IFRS 3 – Reference to the conceptual framework

The amendments updated IFRS 3 so that the references now only refer to the current conceptual framework for financial reporting. The amendments also include the requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether there is a present obligation as a result of past events at the time of acquisition. For a levy falling under the scope of IFRIC 21, the acquirer applies IFRIC 21 to determine whether the obligating event triggering the obligation to pay occurred at the time of acquisition. The amendments include an explicit clarification that an acquirer may not recognise a contingent liability acquired in a business combination.

The amendments had no material effects on the consolidated financial statements.

Amendments to IAS 16 – Proceeds before intended use

The amendments to IAS 16 now explicitly prohibit the deduction of any net proceeds from the cost of an item of property, plant, and equipment. If goods are produced while bringing an asset to the location and condition necessary for it to be capable of operating in the manner intended by management, the company must recognise the proceeds from selling such items, and the cost of producing those items, in profit or loss in accordance with the pertinent standards. The regulations in IAS 2 must be applied to the measurement of the production costs.

Costs for test runs conducted to determine whether the asset is functioning properly are still an example of directly attributable costs. The amendments now clarify that test runs serve to determine whether the technical or physical performance of the asset is such that it can be used to produce or deliver goods or services, for rental to third parties, or for administrative purposes.

Additional disclosures are now also required in the notes on the income and expenses recognised in profit or loss from the sale of goods produced in test runs that do not fall under the scope of the company's ordinary business operations. The respective amounts must be indicated along with the items in which they are contained. This only does not apply when they are reported separately in the consolidated statement of comprehensive income.

The amendments had no effect on the consolidated financial statements because the Group has no property or equipment where goods are produced during test runs.

Amendments to IAS 37 – Scope of the fulfilment costs for onerous contracts

The amendments to IAS 37 more concretely define the scope of fulfilment costs for onerous contracts. Fulfilment costs must take into account all directly attributable costs, i.e. the incremental costs for the fulfilment of the contract (e.g. directly attributable labour and material costs) as well as other costs that can be directly attributed to the fulfilment of the contract (e.g. proportionate depreciation of property and equipment used for the fulfilment of multiple contracts).

The amendments must be applied to all contracts for which not all obligations have been fulfilled at the time that the amendments enter into force. The comparison information must not be revised, rather the cumulative effect of the first-time application shall be recognised in the retained earnings (or another suitable equity item) in the opening balance sheet.

The amendments had no effects on the consolidated financial statements.

Annual improvements to IFRS (2018-2020 cycle)

IFRS 1 First-Time Adoption – Subsidiaries as first-time adopters

Subsidiaries as first-time adopters are permitted to recognise cumulative translation differences at the amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRSs.

IFRS 9 Financial Instruments – Fees in the 10% test for derecognition of financial liabilities

The borrower may explicitly only include fees paid or received between it and the lender, including the fees paid or received by the borrower or lender in the name of another party, in the present value test (10% test) for the derecognition of financial liabilities. Cash flows paid to or received from a party other than the borrower or lender must not be included.

IFRS 16 Leasing – Change in the example lease incentives

The description of reimbursement by the lessor of lessee leasehold improvements was removed from example 13 because this example does not explicitly clarify that it does not comply with the definition of lease incentives.

IAS 41 Agriculture – Taxation in fair value measurements

The requirement to exclude taxation cash flows from the discounted cash flow model in determining the fair value of biological assets was removed. Depending on the actual facts and circumstances, an entity can, following the IFRS 13 requirements, determine the fair value through the discounting of cash flows after taxes (using a discount rate after taxes) or the cash flows before taxes (using a discount rate before taxes).

The amendments had no effects on the consolidated financial statements.

New standards and interpretations that are not yet being applied

A number of new standards and amendments to standards that were adopted by the EU are to be applied in the first financial year beginning after 31 December 2022, though earlier application is possible. The Group did not apply the following new or amended standards earlier than required when preparing these consolidated financial statements.

IFRS 17 Insurance Contracts

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of insurance contracts and replaces the standard IFRS 4 Insurance Contracts, which is valid until 31 December 2022.

The new standard describes a general model that was modified for insurance contracts with direct participation features (the "variable fee approach"). When certain criteria are fulfilled, the general model is simplified by measuring the liability for the remaining insurance cover according to the "premium allocation approach".

The general model uses current assumptions to estimate the amount, timing, and uncertainty of future cash flows and makes an explicit measurement of the costs of this uncertainty. In this, it takes into account market interest rates and the effect of options and guarantees of the policyholder.

In June 2020, the IASB published amendments to IFRS 17 to address questions and implementation problems that had been identified after the publication of IFRS 17. The amendments also shift the first-time application of IFRS 17 (taking the amendments into account) to financial years beginning on or after 1 January 2023. At the same time, the IASB published the extension of the temporary exemption from the application of IFRS 9 (amendments to IFRS 4) to financial years beginning before 1 January 2023.

In December 2021, the IASB published a further amendment to IFRS 17 – Initial application of IFRS 17 and IFRS 9 comparative information – which is intended to allow entities to improve the usefulness of the comparative information presented upon the initial application of IFRS 17 and IFRS 9.

IFRS 17 must be applied retrospectively unless this is not feasible. In such a case, either the modified retrospective approach or the fair-value approach must be used.

The implementation of the new standard will likely result in changes to the processes and systems of an affected entity and require improved coordination between numerous functions of an entity (incl. finances, actuarial department, and IT). The future application of the new standard has no material effects on the consolidated financial statements as no corresponding insurance contracts are held.

One equity-accounted company (OeKB EH Beteiligungs- und Management AG, Vienna), currently applies the valid standard IFRS 4 (incl. the option to apply IFRS 9 together with IFRS 17) and will switch to the new standard in the coming financial year. The transition project has not yet been completed, but a transition effect in the range of € 3.0 to € 4.5 million (share of OeKB Group), which will increase the proportionate equity of the company, is expected.

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

Amended standards and interpretations		Effective date
Amendments to IAS 1 and IFRS practice statement 2	Explanation of Accounting and Measurement Principles	1 Jan 2023
Amendments to IAS 8	Definition of accounting estimates	1 Jan 2023
Amendments to IAS 12	Deferred taxes relating to assets and liabilities from a single transaction	1 Jan 2023
Amendments to IFRS 10 and IAS 28	Sale or deposit of assets between an investor and an associated company or joint venture	1 Jan 2024 *
Amendments to IAS 1	Classification of debt with covenants as current or non-current	1 Jan 2024 *
Amendments to IFRS 16	Lease liability in a sale and leaseback transaction	1 Jan 2024 *

* Has not yet been adopted by the EU.

Material recognition and measurement principles

OeKB Group consistently applied the following accounting methods to all periods shown in these consolidated financial statements unless indicated otherwise.

A. Consolidation principles

— Business combinations
In the case of business combinations as defined in IFRS 3, all identifiable tangible and intangible assets, liabilities, and contingent liabilities of the subsidiary are remeasured at the time of the acquisition for capital consolidation. The acquisition costs are settled with the proportionate share of the net assets at the time of the transfer of control. Non-controlling interests are calculated on the basis of the assets and liabilities measured at fair value.

— Subsidiaries
Subsidiaries are companies controlled by OeKB. OeKB Group controls a company when it is subject to fluctuating returns from the company and has a right to returns from the company, and when it has the ability to influence these returns by means of the control that it exercises over the company. The assets, liabilities and equity, and income of subsidiaries are included in the consolidated financial statements from the point in time at which control begins and until the point in time at which control ends.

– Non-controlling interests
Non-controlling interests are measured at the proportionate value of the identifiable net assets of the acquired company at the time of acquisition.
Changes in a share held by the Group in a subsidiary that do not lead to a loss of control are recognised as equity transactions.

– Loss of control
If OeKB Group loses control over a subsidiary, it moves the assets and liabilities of the subsidiary and all associated non-controlling interests and other components out of equity. Any profit or loss is recognised in the income statement. Every retained share in the former subsidiary is measured at fair value at the time that control is lost.

— Equity-accounted investments

Equity-accounted investments consist of shares in joint ventures. A joint venture is a company over which OeKB Group exercises joint control through an agreement. These are recognised according to the equity method, and are initially measured at the cost of acquisition including transaction costs. After initial recognition, the consolidated financial statements contain the share in the overall net gain or loss of the equity-accounted investments up to the point in time at which the significant influence or joint control ends. The relevant share of the total comprehensive income is recognised in the income statement in the item “Share of profit or loss of equity-accounted investments”. Dividends received are recognised as a reduction of the net book value measured according to the equity method (asset swap). Based on internal and external findings, the need for any impairment charges will be evaluated annually. If need for impairment charges is determined, the asset will be written down to the impaired value. The value in use is determined on the basis of planning projections according to recognised methods.

— Transactions eliminated during consolidation

Internal loans and advances and liabilities and all recognised income and expenses from internal transactions within the Group are eliminated during the preparation of the consolidated financial statements. There are no grounds for the elimination of intercompany profits in OeKB Group. Unrealised gains from transactions with equity-accounted investments are written off against the Group’s share in the company in question. Unrealised losses are eliminated in the same manner as unrealised gains, but only if there is no evidence of impairment.

B. Foreign currency translations

Transactions in foreign currencies are translated into the functional currency at the spot rate on the date of the transaction.

Monetary assets and debts denominated in a foreign currency on the reporting date are translated into the functional currency at the reference exchange rates published by the European Central Bank for the reporting date.

Indicative exchange rates as at 31 December 2022

Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency
1.5693	AUD	0.8869	GBP	10.5138	NOK	19.9649	TRY
1.4440	CAD	8.3163	HKD	1.6798	NZD	1.0666	USD
0.9847	CHF	7.5365	HRK	4.6808	PLN	18.0986	ZAR
7.3582	CNY	400.8700	HUF	4.9495	RON		
24.1160	CZK	140.6600	JPY	11.1218	SEK		

Indicative exchange rates as at 31 December 2021

Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency
1.5615	AUD	0.8403	GBP	9.9888	NOK	10.2503	SEK
1.4393	CAD	8.8333	HKD	1.6579	NZD	15.2335	TRY
1.0331	CHF	7.5156	HRK	4.5969	PLN	1.1326	USD
7.1947	CNY	369.1900	HUF	4.9490	RON	18.0625	ZAR
24.8580	CZK	130.3800	JPY	85.3004	RUB		

Non-monetary assets and debts that are measured at fair value in a foreign currency are translated at the rate valid on the date that the fair value is determined. Non-monetary items measured at the cost of acquisition or production in a foreign currency are translated at the exchange rate on the date of the transaction.

Currency translation differences are recognised in the profit or loss for the period.

C. Net interest income

— Effective interest method
Interest income and interest expenses of financial instruments measured at amortised cost are recognised through profit or loss using the effective interest method. The effective interest rate is calculated on the basis of the estimated future cash flows (incl. transaction costs) over the expected term of a financial asset or financial liability. When calculating the effective interest rate for financial assets that were not impaired at the time of acquisition, OeKB Group estimates the future cash flows taking all contractual provisions of the financial instrument but not expected credit losses (credit risks) into account. For financial assets that were impaired at the time of acquisition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses (credit risks).
The calculation of the effective interest rate includes the transaction costs and the paid or received fees, which are an integral part of the effective interest rate. The transaction costs include additional costs that are directly related to the purchase or issue of a financial asset or financial liability.

— Amortised cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability was measured upon initial recognition less repayments and plus or less the accumulated amortisation using the effective interest method, adjusted for any credit risk provisions.
The gross book value of a financial asset is the amortised cost of the financial asset before adjustment for credit risk provisions.

— Calculation of the “Interest income and expenses calculated using the effective interest method”
In this case, the effective interest rate is applied to the gross book value of the asset (when the asset is not impaired) or to the amortised cost of the debt.
For financial assets whose credit rating was not impaired upon initial recognition but is impaired on the reporting date (level 3), the interest income is calculated using the effective interest rate based on the amortised cost (net basis). If the credit rating of the asset is no longer impaired, the interest income is again calculated using the gross basis.

For financial assets already impaired at the time of acquisition, the interest income is calculated by applying the credit-adjusted effective interest rate to the amortised cost of the asset. The calculation of the interest income does not revert to the gross basis, even when the credit risk of the asset improves. See Note 38 for information about when the credit rating of assets is impaired.

— Presentation on the income statement
The interest income and expenses for financial assets and financial liabilities calculated using the effective interest method are shown on the income statement under "Interest income and expenses calculated using the effective interest method".
The other interest income and expenses shown on the income statement include interest from financial assets and financial liabilities designated at fair value (FV option) and those that must be measured at fair value through profit or loss (FVTPL). The other interest income also includes budget underruns from other negative interest, and the other interest expenses losses from other negative interest.

— Charged interest and the Export Financing Scheme interest rate stabilisation provision
If interest charged under the EFS leads to surpluses, these are transferred to the EFS interest rate stabilisation provision according to the resolutions of the governing bodies of OeKB (allocation to the EFS interest rate stabilisation provision). Measures taken to reduce the effective refinancing rate in the scheme are charged against the EFS interest rate stabilisation provision (use of the interest rate stabilisation provision). Corresponding to the income of the EFS, the interest allocation and use through the EFS interest rate stabilisation provision is recognised in the items "Interest income calculated using the effective interest method" and "Other interest income" (see Note 6 and Note 27).

— Guarantees pursuant to § 1(2) AFFG
The guarantees pursuant to § 1(2) AFFG are directly related to the debt securities issued by OeKB. The expenses are calculated for each guarantee and period and recognised under "Interest expenses calculated using the effective interest method". If the FV option is applied to guaranteed financial liabilities, the guarantee fees are calculated for the period in question and reported in the item "Other interest expenses".

D. Net fee and commission income

Fee and commission income and expenses, which are an integral part of the effective interest rate of a financial asset or financial liability, are included in the effective interest rate and are thus presented in the interest income. If a loan commitment is not expected to result in the payout of a loan, the associated loan commitment fee is recognised through profit or loss.

Fee and commission income is recognised in the period in which the associated service is rendered. Fee and commission expenses are recognised as an expense when the service is received.

The guarantee fees paid from the development bank to the Republic of Austria pursuant to § 9 AusfFG are related to the individual financial assets and are reported under the fee and commission expenses (see Note 7).

E. Current income from investments in other unconsolidated companies

Dividend income is recognised at the time of the decision to pay the dividend (see Note 11).

F. Net gain or loss on financial instruments measured at fair value (FV option) in the income statement (FVTPL)

The net gain or loss on financial instruments pertains to

- derivative financial instruments and guarantees pursuant to § 1(2b) AFFG that are held for hedging purposes,
- financial assets that must be measured at FVTPL, and
- financial assets and financial liabilities to which the FV option has been applied.

This item contains the changes in the fair value and all currency translation differences (see Note 9).

G. Income taxes

The tax expenses consist of actual and deferred taxes. Actual taxes and deferred taxes are recognised on the income statement unless they are related to a business combination or to an item recognised directly in equity or in other comprehensive income.

Interest and penalties on income taxes, including on uncertain tax positions, are recognised according to IAS 37.

- Actual taxes pertain to the expected tax obligation or tax receivable on the taxable income for the financial year or to the tax loss, both based on the tax rates that apply on the reporting date or that will soon apply, plus all changes to the tax obligations for previous years. The amount of the expected tax obligation or tax receivable represents the best estimate taking tax uncertainties into account, if any apply. Actual tax obligations also include all tax obligations resulting from resolutions to disburse dividends. Actual tax assets and obligations are only offset according to the provisions of IAS 12.71 ff.

- Deferred taxes recognised for temporary differences between the book values of the assets and debts for group accounting purposes and the amounts used for tax purposes. Deferred taxes are not recognised for

  - temporary differences arising during the initial recognition of assets or liabilities from transactions not involving business combinations and that have no impact on the earnings before taxes or the taxable income;

  - temporary differences related to shares in subsidiaries, associated companies, and joint ventures, provided that OeKB Group is in a position to control the timing of the elimination of the temporary differences and it is probable that these will not be eliminated in the foreseeable future;

  - taxable temporary differences arising during the initial recognition of goodwill.

There are no deferred tax assets for as of yet unused tax losses.

Unrecognised deferred tax assets are re-evaluated on every reporting date and are recognised to the extent that it is probable that future taxable income will permit the realisation of these deferred tax assets.

Deferred taxes are measured on the basis of the tax rates that are expected to apply to temporary differences once they are reversed, using the tax rates that apply or are announced on the reporting date.

The measurement of deferred taxes reflects the tax consequences expected by OeKB Group based on the manner of the realisation of the net book values of the assets and the repayment of the debts at the reporting date.

Deferred tax assets and deferred tax obligations are offset when the requirements for this according to IAS 12.74 ff are met.

H. Financial assets and financial liabilities

H1 – Initial recognition

OeKB Group recognises the cash and cash equivalents, loans and advances to banks and customers, deposits from banks and customers, and debt securities issued for the first time upon their origination. All other financial instruments (including the purchase of financial assets) are initially recognised on the trade date, i.e. on the date on which OeKB Group becomes a contractual party to the instrument. Financial assets and financial liabilities are initially recognised at their fair value. If an instrument must be measured at amortised cost, it is initially recognised at the fair value plus transaction costs.

The current income from the financial assets measured at amortised cost is recognised under “Interest income calculated using the effective interest method”. All other current income (except for current income from investments in other unconsolidated companies) is recognised under “Other interest income”. If losses are incurred from negative interest, these are recognised under “Losses from negative interest calculated using the effective interest method” and “Losses from other negative interest” in interest expenses. OeKB Group holds no financial assets for trading purposes as in the previous year.

The current expenses from the financial liabilities measured at amortised cost are recognised under “Interest expenses calculated using the effective interest method”. All other current expenses are recognised under “Other interest expenses”. If budget underruns are incurred from negative interest, these are recognised under “Budget underruns from negative interest calculated using the effective interest method” and “Budget underruns from other negative interest” in interest income.

H2 – Classification of financial assets

Upon initial recognition, a financial asset is recognised at amortised cost (AC), at fair value through other comprehensive income (FVOCI), or at fair value through profit or loss (FVTPL). This classification is made on the basis of

- the business model of OeKB Group for managing financial assets and
- the characteristics of the contractual cash flows of the financial asset.

A financial asset must be measured at amortised cost when the following conditions are met:

- The financial asset is held under a business model with the objective of holding these assets to receive the contractual cash flows, and
- The contractual provisions of the asset lead to cash flows at set times and that solely represent the repayment of and interest payments on the outstanding principal.

A financial asset is measured at FVOCI when the following conditions are met:

- The financial asset is held under a business model with the objective of receiving the contractual cash flows as well as of selling the assets, and
- The contractual provisions of the asset lead to cash flows at set times and that solely represent the repayment of and interest payments on the outstanding principal.

AC and FVOCI financial assets are initially recognised at their fair value, taking transaction costs into account.

A financial asset that is neither measured at AC nor at FVOCI must be measured at fair value through profit or loss (FVTPL).

Equity instruments must generally be measured at fair value through profit or loss. Equity instruments not held for trading purposes may also be measured at fair value through other comprehensive income. OeKB Group elected to exercise this option for all of the equity instruments it holds because they are strategic, long-term investments in other unconsolidated companies. All changes in the fair value of these equity instruments are recognised in other comprehensive income, and these cumulatively recognised value changes cannot be recycled to the income statement. Only dividend income from these equity instruments is recognised on the income statement in the item “Income from investments in other unconsolidated companies”.

A financial asset can be irrevocably designated as measured at fair value through profit or loss (FV option) upon initial recognition when this eliminates or significantly reduces an accounting mismatch. The affected balance sheet items can be found in Note 3.

Business model

OeKB Group assesses the objective of a business model under which an asset is held at the portfolio level on the basis of the manner in which the instrument is managed and how information is reported to management. The information that is taken into account includes:

- The specified strategy and objectives for the portfolio. Especially whether the strategy aims to generate interest income, maintain a certain interest rate profile, adapt the duration of the financial assets to the term of the associated financial liabilities, or to realise the cash flows through the sale of the assets;
- How the performance of the portfolio is assessed and reported to management;
- The risks that influence the net gain or loss of the business model and how these risks are managed;
- Whether the management remuneration is based on the change in the fair value of the managed assets or the received cash flows; and

— The frequency, volume, and timing of sales in previous periods and the reasons for such sales and the expectations for future selling activity. Information about selling activity is not considered in isolation, however, but as part of an overall assessment of how the express goal of OeKB Group is achieved and how the cash flows are realised.

Assessment as to whether contractual cash flows consist solely of principal and interest payments

For the purposes of this assessment, the principal is defined as the fair value of the financial asset upon initial recognition. Interest is defined as consideration for the fair value of the money and for the credit risk relating to the outstanding principal sum over a specific period of time and for other fundamental credit risks and costs (such as liquidity risk and administrative costs) plus the profit margin.

In assessing whether the contractual cash flows consist solely of repayment and interest, OeKB Group takes all contractual provisions of the instrument into account. This includes an assessment of whether the financial asset includes contractual provisions that could change the timing or amount of the agreed cash flows in such a manner that they no longer meet this requirement.

Reclassification

Financial assets are not reclassified after their initial recognition except during the period after OeKB Group changed its business model for the management of financial assets. No reclassifications took place during the current or previous year.

Classification of financial liabilities

Upon initial recognition, financial liabilities are generally classified as at amortised cost, except for financial guarantees and loan commitments.

A financial liability can be irrevocably designated as measured at fair value through profit or loss (FV option) upon initial recognition when this eliminates or significantly reduces an accounting mismatch. For the liabilities measured at fair value, IFRS 9 stipulates that the part of the measurement that pertains to the own credit risk must be recognised in other comprehensive income. Because all results from the fair value measurement of financial instruments that fall under the Export Financing Scheme are reconciled under "EFS interest rate stabilisation provision", this approach would lead to an accounting mismatch. For this reason, the exception allowed under IFRS 9.5.7.7 and IFRS 9.5.7.8 is used and the entire result from fair value measurement is still recognised through profit or loss on the income statement.

Derecognition of a financial asset

OeKB Group derecognises a financial asset when its contractual entitlement to the cash flows from the financial asset expires, or when it transfers the rights to receive the contractual cash flows into a transaction under which all risks and opportunities associated with the ownership of the financial asset are materially transferred.

When derecognising a financial asset, the difference between the net book value of the asset and the amount of received consideration (including a newly acquired asset less a new liability) plus any accumulated profit or loss, if such is recognised in OCI, is recognised on the income statement.

Any accumulated profit or loss that is recognised in OCI for equity instruments designated at FVOCI (investments in other unconsolidated companies) is not recognised on the income statement when such instruments are derecognised.

All rights and obligations arising from or retained for each share of transferred financial assets that qualifies for derecognition will be recognised as a separate asset or liability upon this transfer.

OeKB Group conducts transactions under which assets are transferred but all material risks and opportunities of the transferred assets remain with OeKB Group (such as repurchase transactions). In these cases, the transferred assets are not derecognised.

Derecognition of a financial liability

OeKB Group decrecognises a financial liability when its contractual obligations have been fulfilled or waived or have expired.

Modification of financial assets

Modifications are adaptations to originally agreed contract terms. The effects of these adaptations are evaluated at the quantitative and qualitative level by OeKB Group. When the contractual terms of a financial asset are changed, OeKB Group assesses whether the cash flows of the modified asset differ quantitatively. If the difference is material, the original financial asset is derecognised and a new financial asset is recognised at fair value. OeKB Group primarily uses a present value comparison between the original and changed cash flow on the basis of the effective interest rate to assess the quantitative materiality. Similarly to the modification of financial liabilities, a deviation of more than 10% in this comparison qualifies the modification as material. Qualitative criteria are also taken into account in assessing the materiality of a modification, with materiality being assessed based on the object of the change. This includes currency changes, debtor changes, and contractual amendments that lead to a change in the SPPI criterion.

When the cash flows of the modified assets measured at amortised cost do not differ materially, the change does not lead to the derecognition of the financial asset. In this case, OeKB Group recalculates the gross book value of the financial asset and recognises the amount resulting from the change in the gross book value on the income statement as a modification profit or loss. As the modifications of OeKB Group are primarily market-induced modifications, these are recognised in interest income. The difference compared with the repayable amount is distributed over the remaining term of the financial asset through the effective interest rate. If such a change is made due to financial difficulties of the borrower, on the other hand, the profit or loss is reported together with the impairment in the net credit risk provisions.

Modification of financial liabilities

Modifications are adaptations to originally agreed contract terms. The effects of these adaptations are evaluated at the quantitative and qualitative level by OeKB Group. As described above for the modification of financial assets, a quantitative and qualitative assessment is also conducted here. If a material modification is identified, OeKB Group posts a financial liability. In this case, a new financial liability is recognised at fair value based on the changed terms. The difference between the net book value of the derecognised financial liability and the new financial liability with modified conditions is recognised on the income statement Immaterial modifications do not result in the derecognition of the corresponding liability, though any modification gains or losses are recognised in interest income.

Offsetting of financial assets and financial liabilities

Financial assets and financial liabilities are only offset and the resulting net amount reported on the balance sheet when OeKB Group has an enforceable entitlement to offset the amounts and intends to fulfil them on a net basis or to simultaneously realise the asset and pay the debt.

Income and expenses are only reported on a net basis when this is permitted by IFRS or these gains and losses result from a group of similar transactions (such as the net credit risk provisions).

H3 – Measuring the fair value

The fair value (FV) is the price at which a financial asset can be sold or a financial liability can be transferred between market participants at arm's length terms on the reporting date.

A number of accounting methods and disclosures require the determination of the fair values of financial assets and financial liabilities (debts). A valuation team consisting of members of the Accounting and Financial Control, Risk Controlling, and Treasury departments defines the methods and parameters for the measurement of the fair values. The monitoring of the measurement of fair values is centralised. Significant valuation results are reported to the Audit Committee.

OeKB Group uses market data that can be observed on active markets when possible to determine the fair values of financial assets or financial liabilities. A market is considered to be active when transactions for the financial asset or financial liability occur with sufficient frequency and volume to continuously provide price information.

When there is no listed price on an active market, OeKB Group uses valuation methods that maximise the use of relevant observable inputs and minimise the use of non-observable inputs. The selected valuation technique takes into account all factors that market participants would consider in determining a price for a transaction.

When a financial asset or financial liability that is measured at fair value has a bid rate and ask rate, the financial asset is measured at the bid rate and the financial liability at the ask rate.

OeKB Group recognises reclassifications between levels in the fair value hierarchy at the end of the reporting period in which the change occurred. No reclassifications took place during the current year (as in the previous year).

H4 - Impairment

OeKB Group recognises impairment charges for the expected credit loss (ECL) for the following financial instruments that are not measured at FVTPL:

- financial assets that are debt instruments;
- outstanding guarantee commitments;
- loan commitments.

No impairment charges are recognised for the financial instruments classified as investments in other unconsolidated companies.

OeKB Group measures the impairment in the amount of the ECL calculated over the lifetime of the financial instruments, except for the following financial instruments for which a 12-month ECL is calculated:

— debt instruments that have a low level of credit risk at the reporting date;
— financial instruments for which the credit risk has not risen substantially since initial recognition.

OeKB Group considers a bond to have a low credit risk when its credit risk rating is equivalent to the generally recognised definition of investment grade.

The 12-month ECL is the portion of the ECL resulting from a default event of a financial instrument that is possible in the next 12 months after the reporting date (corresponds to stage 1 of the expected credit loss model). The lifetime ECL corresponds to the expectation of default over the entire lifetime of a financial instrument (corresponds to stage 2 and 3 of the expected credit loss model).

Determining the expected credit loss (ECL)

The ECL is a probability-weighted estimation of the credit losses. It is calculated as follows:

— Financial assets that are not impaired on the reporting date: as the present value of all expected defaults (i.e. the difference between the contractually owed cash flows and the cash flows that OeKB Group expects to receive from the financial instruments);

— Financial assets that are impaired on the reporting date or that had a rating below investment grade upon initial recognition: as the difference between the net book value and the present value of the estimated future cash flows;

— Unused loan commitments/credit facilities: as the present value of the difference between the contractual cash flows owed to OeKB Group when the payout of the credit amount is demanded and the cash flows that OeKB Group expects from the financial instruments;

— Financial guarantees: the expected payments less the amounts that OeKB Group is expected to retain.

Restructured financial assets

When the terms of a financial asset are renegotiated or amended or when a financial asset is replaced with a new asset because of financial difficulties of the borrower, an evaluation is conducted to determine whether the financial asset is to be derecognised.

The ECL is then calculated as follows:

— If the expected restructuring does not lead to the derecognition of the existing asset, the expected cash flows from the modified financial asset are included in the calculation of the defaults from the existing asset.

— If the expected restructuring leads to the derecognition of the existing asset, the expected fair value of the new asset is used as the derecognition value of the existing financial asset at the time of its retirement. The nominal lost payments from the existing financial asset are included in the calculation of this amount and are discounted with the original effective interest rate on the reporting date starting at the expected time of derecognition.

Impaired financial assets

OeKB Group assesses every financial asset recognised at amortised cost on the reporting date to identify any impairment. A financial asset is considered to be impaired when one or more events have occurred that have a negative impact on the estimated future cash flows of the financial asset.

OeKB Group employs a rating assessment system and an internal borrower assessment process for the purposes of credit risk management. 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, Fitch) and on internal credit assessments. Credit ratings are monitored on an ongoing basis.

The majority of loans and advances to banks and customers is assigned to the EFS described in Note 1. No losses have been incurred in this business model since its inception.

The criteria that a financial asset is impaired consists of the following observable data:

- Substantial financial difficulties of the borrower or issuer;
- A contractual violation such as a default or an event in the past;
- The restructuring of a loan by OeKB Group;
- It is likely that the borrower will file for bankruptcy or undergo some other form of financial reorganisation (i.e. restructruring measures);
- The loss of an active market for an item of collateral because of financial difficulties.

A loan that is renegotiated because of a worsening in borrower status is usually classified as credit-impaired unless there is evidence that the risk of receiving no contractual cash flows has diminished substantially and there are no further indications of impairment. The rating of a loan that is more than 30 days past due is also indication of impairment.

OeKB Group deviates from this practice when assessing whether an investment in government bonds is creditworthy and observes the following external factors:

- The rating assessment of the market is reflected in the bond yields.
- Rating assessments of the rating agencies.
- The ability of the country to access the capital markets for the issue of new debt instruments.
- The probability that debts will be restructured leads to voluntary or mandatory haircuts and thus losses for the creditors.
- The international support mechanisms that give this country the necessary assistance as the lender of last resort, and the intention of governments and agencies to make use of these mechanisms as stated in public declarations. This includes an assessment of the effect of these mechanisms and of whether the country has the ability and political intention to meet the required criteria.

Presentation of the impairment charges for expected credit losses on the balance sheet

- Financial assets measured at amortised cost: as a deduction from the gross book value of the assets;

- Loan commitments and open credit facilities, financial guarantees: generally as a provision;

- When a financial instrument contains a drawn and also an undrawn component and OeKB Group cannot calculate the ECL of the loan commitment component separately from the drawn component: reporting of a combined impairment charge for both components. The total amount is reported as a deduction from the gross book value of the drawn component. If the total of the impairment losses exceeds the gross book value of a financial instrument, the excess portion of the impairment losses is reported in the provisions.

Write-offs

Loans and bonds are (partially or fully) derecognised when there are no realistic prospects of recovery. This is generally the case when OeKB Group determines that the borrower has no assets or income sources that can generate sufficient cash flows to repay the outstanding amounts. Retired financial assets may still be subject to enforcement measures that can generate repayments to OeKB Group. Such repayments are recognised on the income statement on the date of receipt.

H5 - Designation at fair value on the income statement (FVTPL) – Fair value option

Financial assets

OeKB Group designated certain financial assets for recognition at FVTPL upon initial recognition because these financial assets are transactions underlying contracts with derivative financial instruments. For this reason, they are measured at fair value through profit or loss (FVTPL) in the income statement to avoid an accounting mismatch.

Financial liabilities

In those cases where financial liabilities are hedged against interest or currency risks at the time of acquisition, the financial liability is designated at fair value to avoid an accounting mismatch. The net profits or losses from the fair value measurement are recognised on the income statement in the same manner as the hedging instruments.

I. Cash and cash equivalents

This item consists of cash on hand in euros and claims against central banks (deposits) that are payable on demand. This means unlimited availability without prior notice or availability with a period of notice of no more than one business day or 24 hours. The required minimum reserves are also reported in this item. The item is recognised at amortised cost.

J. Loans and advances to banks and customers

The balance sheet items “Loans and advances to banks” and “Loans and advances to customers” contain:

- Loans at amortised cost; these are reported at fair value plus incremental direct transaction costs upon initial recognition and are then measured at amortised cost applying the effective interest method over the term of the financial instrument;

- Loans and advances that must be measured at FVTPL or that are designated at FVTPL (to avoid an accounting mismatch), with changes being recognised immediately through profit or loss on the income statement.

The majority of the loans and advances to banks and part of the loans and advances to customers that are assigned to the EFS and the development bank are subject to guarantees from the Republic of Austria pursuant to the AusfFG (see also Note 1), which are integral components of the credit agreements. The integral relationship for contracts of OeEB is set forth in § 9 AusfFG. No credit agreement is concluded without a corresponding guarantee.

The majority of the loans and advances to customers relating to tourism financing and promotion are covered by guarantees from Austrian commercial banks. The remainder of these loans and advances to customers are secured by mortgages or by the Republic of Austria.

K. Other financial assets

The balance sheet item “Other financial assets” contains:

— Debt instruments measured at amortised cost; these are reported at fair value plus incremental direct transaction costs upon initial recognition and are then measured at amortised cost applying the effective interest method over the term of the financial instrument.

— Debt and equity instruments that must be measured at FVTPL or that are designated at FVTPL (to avoid an accounting mismatch), with changes being recognised immediately through profit or loss on the income statement.

— Equity instruments (investments in unconsolidated companies and investments in other unconsolidated companies) that are measured at FVOCI, with changes being recognised in other comprehensive income (no recycling through the income statement), and current income (dividend payments) are recognised in “Current income from investments in other unconsolidated companies” on the income statement.

L. Hedging instruments

General

Derivative financial instruments and the guarantees pursuant to § 1(2b) AFFG (see Note 1) are used to hedge market risks. These instruments primarily protect future cash flows against changes in interest rates and foreign exchange rates. The derivatives involved are mostly OTC interest rate swaps and OTC cross-currency interest rate swaps, which are employed as hedging instruments for loans and advances to banks, other financial assets, and debt securities issued.

Hedged financial assets and financial liabilities are measured at fair value through profit or loss to prevent an accounting mismatch. This means that the fluctuations in the value of the hedging instruments and the hedged financial assets and financial liabilities are recognised directly on the income statement (net gain or loss on financial instruments measured at fair value through profit or loss). No derivative financial instruments are held for trading purposes.

The hedge accounting provisions were not applied at OeKB Group in the financial year or in the previous year.

Derivative financial instruments

The fair value of derivative financial instruments is calculated using recognised methods. Derivatives are recognised at the trade date. Derivative financial instruments are recognised at their present values in a separate asset and liability item.

Credit exposures arising from fluctuations in value are secured with collateral. As required by the EMIR (Regulation [EU] No 648/2012), the clearing of interest rate swaps has been shifted to a central counterparty (LCH – London Clearing House) since the fourth quarter of 2016.

Guarantees pursuant to § 1(2b) AFFG

Guarantees of the Republic of Austria pursuant to § 1(2b) AFFG (Federal Law Gazette No. 216/1981 as amended) that serve as hedges against exchange rate risks in the EFS (see also Note 1) are measured at fair value and are reported in a separate asset item because of their unique nature (based on the legal regulations).

M. Property, equipment, and intangible assets

Property and equipment

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. Spaces that cannot be used optimally for business operations are leased to third parties. Purchased software that is an integral part of the functionality of the associated system is capitalised as part of this system.

Property and equipment are recognised at cost less scheduled straight-line depreciation and accumulated impairment charges. A gain or loss from the retirement of property or equipment is recognised in the "Other operating income" on the income statement.

Subsequent expenses are only capitalised when it is likely that the future economic benefit of the expenses will flow to OeKB Group. Ongoing repairs and maintenance are recognised as expenses.

The equipment depreciation rates are calculated so that the cost of acquisition or production less the estimated residual value will be written off over the estimated useful life on a straight-line basis. Depreciation is not recognised on properties.

Depreciation methods, useful lives, and residual values are reviewed on every reporting date and adapted as necessary.

The estimated useful lives of the key equipment items for the current and comparison period are as follows:

- Buildings 40 years
- Fixtures, fittings, and equipment 3 to 10 years
- IT hardware 3 to 5 years.

Intangible assets

Software and other intangible assets with a foreseeable useful life purchased by OeKB Group are recognised at cost less scheduled straight-line depreciation and accumulated impairment charges. Costs for internally produced software are not capitalised as the capitalisation requirements in IAS 38 are not met.

Subsequent expenditures for software are only capitalised when they increase the future economic benefits of the asset in question. All other expenditures are recognised as expenses.

Depreciation methods, useful lives, and residual values are reviewed on every reporting date and adapted as necessary.

Software is written off over the estimated useful life on a straight-line basis once its use begins. The estimated useful life of software for the current and comparison period is 3 to 5 years. The loan management system that was developed specifically for the purposes of ÖHT in 2019 is being measured on the basis of a useful life of 6 years.

The customer relationships acquired through the purchase of ÖHT in 2019 were assigned a useful life of 6 years.

N. Deposits from banks and customers

The items “Deposits from banks” and “Deposits from customers” include:

- Liabilities from cash and deposit accounts,
- Money market business,
- Repurchase agreements,
- Borrowing.

These financial liabilities are measured at amortised cost; they are reported at fair value plus incremental direct transaction costs upon initial recognition and are then measured at amortised cost applying the effective interest method over the term of the financial instrument.

OeKB Group engages in no traditional deposit-taking business and thus offers no savings accounts. This means that all accounts held by OeKB Group are related to the settlement of or holding of collateral for underlying transactions as described in Note 1.

O. Debt securities issued

Debt securities issued are generally measured at amortised cost; they are reported at fair value plus incremental direct transaction costs upon initial recognition and are then measured at amortised cost applying the effective interest method over the term of the financial instrument.

Debt securities issued are in most cases hedged against interest rate and currency risks upon origination. To avoid an accounting mismatch, these hedged debt securities issued are designated at FVTPL and the net profit or loss from measurement is recognised on the income statement in the same manner as the hedging instruments.

The majority of the debt securities issued at the reporting date feature guarantees pursuant to § 1(2a) and (2b) AFFG of the Republic of Austria (as in the previous year).

P. Provisions

Non-current employee benefit provisions

The provisions for pensions and similar obligations (termination benefits) represent post-employment benefits falling within the scope of IAS 19. The long-term employee benefit provisions contain provisions relating to the death quarter pursuant to the collective bargaining agreement for the banking industry.

The obligations under defined-benefit plans are measured using 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 beneficiary employees. The method differentiates between interest costs (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 and therefore in the operating profit. By contrast, actuarial gains and losses are recognised in other comprehensive income under items that will not be reclassified into the income statement.

The calculation of the defined-benefit obligation involves actuarial assumptions regarding discount rates, salary growth rates, 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 at the balance sheet date. There are no plan assets (i.e. assets held by a fund against which to offset the DBO).

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

For a small number of senior managers, the Group still maintains defined-benefit plans that are generally based on length of service and on salary level. These defined-benefit 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 AVÖ 2018-P for employees are used as the biometric basis for the calculations.

Principal assumptions are the rate of salary increases taking into the changes in the collective bargaining agreement and periodic and extraordinary increases into account as well as the retirement age according to the ASVG transitional provisions pursuant to the Budget Implementation Act 2003.

Principal assumptions

	2022	2021
Discount rate	**3.75%**	**1.00%**
Future salary growth (for termination benefits and pensions)	3.70%	2.50%
Future pension growth (for pensions)	3.20%	2.00%
Retirement age		
Women	65 years (gradually until 2033)	65 years (gradually until 2033)
Men	65 years	65 years

OeKB Group offers most of its eligible employees the opportunity to participate in defined-contribution plans. OeKB Group is obligated to transfer a set percentage of the 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.

Other provisions

Other provisions are formed if:

— 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, and
— the amount of the obligation can be reliably estimated.

Provisions are formed in 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.

EFS interest rate stabilisation provision

The Austrian system of export promotion and financing is based on two special laws: the Export Guarantees Act (AusfFG) and the Export Financing Guarantees Act (AFFG). Based on these laws, the Republic of Austria commissioned OeKB to handle the technical banking aspects of the federal export promotion and financing activities. OeKB operates the EFS in its own name and for its own account. This also applies to the acceptance of financing pursuant to the AFFG and to the provision of the associated funds to the client banks (the banks of exporters that are participating in the EFS).

The EFS is thus subject to specific legal regulations and has particular characteristics that are not directly covered by any IFRS accounting standards.

The EFS interest rate stabilisation provision for the Export Financing Scheme is based on the specific purpose of the EFS and the risk associated with this programme. OeKB was commissioned by the Federal Ministry of Finance in 1968 to collect proceeds generated under the EFS in a separate account and to use them solely for the purposes of the EFS as needed. This obligation has always been met via the annual motions of the Supervisory Board of OeKB in December of each year, and the change in the EFS interest rate stabilisation provision is posted accordingly. The proceeds generated under the EFS thus cannot be used by OeKB for other purposes or accessed by the owners now or in future and may only be employed for the purposes of the EFS.

The recognition of an interest rate stabilisation provision thus reflects the fact that the surpluses accumulated under the EFS are not at the free disposal of OeKB, but are solely available for the offsetting of risks stemming from the EFS.

Since the inception of the internationally unique Export Financing Scheme, the EFS interest rate stabilisation provision has been built up from the ongoing surpluses. In coordination with the Federal Ministry of Finance, OeKB has decided to report this item separately due to its specific nature.

The decision to report this item in this specific manner was based on the following considerations by OeKB. The fact that the IFRS contain no specific rules about the recognition of the surpluses from the EFS that are allocated to the EFS interest rate stabilisation provision was taken into account in this. Assessment for recognition is also made more difficult by the fact that these funds have the character of being earmarked directly for the EFS and serve as a provision to cover possible future losses in the EFS. At the same time, there are also elements that point to a certain degree of mandatory allocation. OeKB also took the perspective of its sponsor (Republic of Austria/Federal Ministry of Finance) into account, which clearly sees an obligation on the part of its agent vis-à-vis the EFS. Thus, OeKB acts in its own name and for its own account in accepting funding under the AFFG and disbursing this funding to the banks of its clients. Under IAS 37.10ff, a provision is a liability of uncertain timing or amount. A liability is a present obligation of the company that results from past events and for which settlement is expected to result in an outflow of resources with economic value. An obligating event is an event that creates a legal or factual obligation that leaves the company with no realistic alternative to fulfilment of the obligation.

However, if the definition of IAS 32.11 stating that equity is a contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities is applied to this item, the funds allocated to the EFS interest rate stabilisation provision do not meet these requirements. These funds are earmarked solely for use within the EFS.

Taking the provisions of the IFRS into account and in coordination with its sponsor (the Federal Ministry of Finance), the management has decided to recognise the EFS interest rate stabilisation provision as a special item directly on the balance sheet between debt instruments and equity instruments, with a description in the Notes. The management is thus following IAS 1 and is recognising this item directly on the balance sheet due to its special characteristics. Reporting in this manner allows OeKB to clearly show that the EFS interest rate stabilisation provision is a future obligation for the OeKB and that the shareholders have no access to these funds from the EFS. This depiction also supports the view that the funds in the EFS interest rate stabilisation provision are clearly viewed as an asset of the EFS by the OeKB and may only be used within the EFS.

The federal tax office for corporations in Vienna has acknowledged the EFS interest rate stabilisation provision as a deductible debt item in so far as it is used for decreasing the effective refinancing interest rate for the EFS. The item is thus temporarily tax exempt.

Q. Earnings per share

The calculation of the undiluted earnings per share is based on the profit for the year attributable to the ordinary shareholders and a weighted average of the number of outstanding shares.

The calculation of the diluted earnings per share is based on the profit for the year attributable to the ordinary shareholders and a weighted average of the number of outstanding shares after correction for all potential dilution effects from potential ordinary shares.

Note 3 Determining fair value

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

OeKB Group maintains an established control framework for the determination of the fair values. Responsibility for measuring financial instruments at fair value is separate from the trading units. Specific controls cover:

- Verification of the observable prices;
- Validation and calibration of the valuation models;
- Review and approval process for new models and changes to existing models.

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 valuation team reviews the inputs obtained from the third parties. This review includes

- whether the values obtained from a broker or price information service are generally recognised by OeKB Group;
- the understanding of the determination of the fair value; to what extent this represents actual market transactions and whether the fair value represents a listed price for an identical instrument on an active market;
- the understanding of how prices for similar instruments were used to measure the fair value and how these prices were adapted to account for the features of the instrument being measured;
- if a number of price quotes were received for the same financial instrument, that the fair value was determined on the basis of these quotes.

This supports the conclusion that such measurements meet the IFRS requirements, including the level in the fair value hierarchy to which these measurements are to be assigned.

Significant valuation results are reported to the Audit Committee.

OeKB Group uses available market data when possible to determine the fair values of assets and liabilities. 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: Valuation parameters other than quoted prices considered in Level 1 that can be observed for the asset or the liability directly (i.e. as a price) or indirectly (i.e. as a value derived from prices).
- Level 3: Valuation parameters for assets and liabilities that are not based on observable market data.

For items repayable on demand, the fair value equals the net book value; this applies especially cash and cash equivalents.

The relevant market prices and interest rates observed at the balance sheet date and obtained from widely accepted external sources are used as far as possible as an initial parameter for determining the fair value of loans and advances to banks and customers, deposits from banks and customers as well as debt securities issued. The present value of the discounted contractual cash flows is calculated using this data. Financial instruments that are measured in this manner are assigned to Level 2 in the IFRS 13 fair value hierarchy.

— The majority of the loans of the EFS in the items "Loans and advances to banks" and "Loans and advances to customers" are subject to AusfFG guarantees from the Republic of Austria (see also Note 1). Because of the guarantees, the claims are subject to uniform conditions depending on the time at which they were concluded. OeKB's credit spreads are dependent on the credit spreads of the Republic of Austria due to the creditor guarantee pursuant to § 1(2a) AFFG. In the valuation of these assets, the contractually agreed cash flows are therefore discounted using a yield curve that is observable on the market and adjusted by the credit spreads of the Republic of Austria.

— The majority of the "Loans and advances to customers" that relate to tourism financing are subject to guarantees from Austrian banks or guarantees from the Republic of Austria. Mortgages are in place for a small portion of the loans with an especially low level of default risk.
The guarantees received has a material effect on the credit rating of the loans, for which reason a yield curve that is based on the credit spreads of the guarantor and that can be observed on the market is used to discount the contractually agreed cash flows when measuring the fair value of these receivables. For measuring the fair value of loans with mortgage collateral, a yield curve that is based on the credit spreads of the Republic of Austria and that can be observed on the market is used to discount the contractually agreed cash flows. This approach is in line with the business practices for loan extension, which apply stringent requirements to the acceptance of mortgage collateral and which are reflected in low customer default risk. Due to this extremely low credit risk, the approximation is based on the credit spreads of the Republic of Austria.
A margin of 67 bp (2021: 64 bp) is added to the applied yield curves for these loans and is derived from the administrative expenses for tourism financing.

— A yield curve observable on the market is used to discount the contractually agreed cash flows when determining the fair values of deposits from banks and customers and of debt securities issued that are related to the EFS. For this, the credit spreads observable for OeKB on the market at the valuation date are taken into account. Debt securities issued under the EFS are covered by inseparable default guarantees from the Republic of Austria. These are not taken into account in the calculation of the fair value, but the credit rating of OeKB is linked closely with that of the Republic of Austria. A yield curve observable on the market is used to discount the contractually agreed cash flows when determining the fair values of deposits from banks and customers that are related to tourism financing. For this, the credit spreads derived from ÖHT and observable on the market at the valuation date are taken into account.

So Other financial assets that do not fall under the hold-to-collect business model and do not meet the SPPI criterion are recognised at the fair value determined on the basis of quoted market prices. These financial instruments are assigned to Level 1 in the IFRS 13 fair value hierarchy.

OeKB Group also holds microfinance funds for the purposes of development aid. There are no listed prices for these funds. In these cases, the fair value is thus determined on a quarterly basis using the information and net asset value (NAV) obtained by the fund managers and assigned to Level 1. This NAV is the value at which the fund units are redeemed.

Investments were also made in private equity funds that focuses on equity investments in developing and emerging countries. The fair value of these funds is determined according to the IPEV valuation standards and stems primarily from valuation methods based on market price, which are assigned to Level 3. The valuation is based largely on EBITDA and P/E multipliers derived from a group of listed and comparable companies. The measurement methods used take into account company-specific information and conditions, as well as any applicable discounts for impaired marketability and control. Thus, the fair value depends largely on input factors, multipliers, and corresponding income statement figures.

Derivative financial instruments held solely for hedging purposes are measured using a standard model. This model is based on the discounted cash flow method. Under this model, the fair value is determined by discounting the contractually agreed 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: Fair values at specific future points in time; calculated using a 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: Estimate of the expected recovery in the case of counterparty default or own default.

The CVA value adjustment at the reporting date was € 1.5 million (2021: € 0.6 million), the DVA value adjustment was € 0.8 million (2021: € 0.2 million).

The fair value of the guarantees pursuant to § 1(2b) AFFG (see also Note 1) is based on all future interest and principal cash flows of the debt securities issued with rate guarantees (ultimate obligations = after derivative financial instruments), which are issued in the currency of the financing and translated into euros at the rate guaranteed by the AFFG (taking the AFFG rate guarantee into account) as well as at the forward FX rate (without taking the AFFG rate guarantee into account). The difference between the euro amounts taking the AFFG rate guarantee into account and the euro amounts without taking the AFFG guarantee into account is calculated on a daily basis for each ultimate obligation and represents the potential rate difference that is covered by the guarantee of the Republic of Austria (future decisions for the application of existing exchange rates to new liabilities are handled as new agreements). The fair value of the guarantee is calculated by discounting the previously calculated time series of the potential rate differences taking the refinancing spreads of the Republic of Austria into account for negative rate differences and the refinancing curve of OeKB for positive rate differences and is recognised in the item "Guarantees pursuant to § 1(2b) AFFG". The CVA value adjustment for the guarantees pursuant to § 1(2b) AFFG was € 42.5 million (2021: € 0.1 million) and the DVA value adjustment € 65.9 million as of the reporting date (2021: € 43.2 million).

Financial instruments falling neither under Level 1 nor Level 2 must be assigned to a separate category (Level 3) within which the fair value is determined using special quantitative and qualitative information. OeKB Group recognises its investments in other unconsolidated companies at their fair values. The fair value of Wiener Börse AG was determined based on an appraisal according to the dividend discounted model. The parameters used to determine the fair value and the sensitivity can be found in Note 18.

The following table shows a reconciliation of the financial instruments measured at fair value in Level 3:

Reconciliation of the net book values in Level 3

€ thousand	2022	2021
As at 1 January	44,472	37,671
Additions	-	40
Disposals	-	-
Total gains and losses		
In other comprehensive income (net gain or loss from the fair value measurement of investments in other unconsolidated companies [FVOCI])	(5,796)	5,220
In the Income Statement (net gain or loss on financial instruments measured at fair value through profit or loss)	2,818	1,541
As at 31 December	**41,495**	**44,472**

The following table shows the financial instruments that are measured at fair value as at the reporting date broken down by fair value hierarchy level and the fair values of the financial instruments that are not measured at fair value. The amounts are based on the figures reported on the balance sheet.

Fair value hierarchy 2022

€ thousand	Notes	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Loans and advances to banks	17	2,077,262	2,077,262	-	2,077,262	-
Bonds and other fixed-income securities		1,547,076	1,547,076	1,547,076	-	-
Equity shares and other variable-income securities		374,291	374,291	367,774	-	6,517
Investments in other unconsolidated companies		34,977	34,977	-	-	34,977
Other financial assets	18	1,956,344	1,956,344	1,914,850	-	41,495
Derivative financial instruments	19	772,045	772,045	-	772,045	-
Guarantees pursuant to § 1(2b) AFFG	19	6,198,441	6,198,441	-	6,198,441	-
Financial assets not measured at fair value						
Cash and cash equivalents	16, 30	319,542	319,542	-	319,542	-
Loans and advances to banks	17	19,674,772	19,401,522	-	19,401,522	-
Loans and advances to customers	17	1,889,368	1,840,896	-	1,840,896	-
Other financial assets	18	575,708	541,455	541,455	-	-
Financial liabilities measured at fair value						
Debt securities issued	23	20,427,583	20,427,583	-	20,427,583	-
Derivative financial instruments	19	1,768,151	1,768,151	-	1,768,151	-
Financial liabilities not measured at fair value						
Deposits from banks	22	1,063,065	1,040,804	-	1,040,804	-
Deposits from customers	22	1,129,898	1,129,913	-	1,129,913	-
Debt securities issued	23	6,666,295	6,776,672	-	6,776,672	-

Fair value hierarchy 2021

€ thousand	Notes	Carrying amount	Fair value	Level 1	Level 2	Level 3
Financial assets measured at fair value						
Loans and advances to banks	17	2,711,945	2,711,945	-	2,711,945	-
Bonds and other fixed-income securities		1,996,562	1,996,562	1,996,562	-	-
Equity shares and other variable-income securities		584,422	584,422	580,723	-	3,699
Investments in other unconsolidated companies		40,773	40,773	-	-	40,773
Other financial assets	18	2,621,757	2,621,757	2,577,285	-	44,472
Derivative financial instruments	19	595,160	595,160	-	595,160	-
Guarantees pursuant to § 1(2b) AFFG	19	5,362,547	5,362,547	-	5,362,547	-
Financial assets not measured at fair value						
Cash and cash equivalents	16, 30	1,245,090	1,245,090	-	1,245,090	-
Loans and advances to banks	17	18,573,859	18,873,599	-	18,873,599	-
Loans and advances to customers	17	1,706,431	1,785,497	-	1,785,497	-
Other financial assets	18	300,975	306,152	306,152	-	-
Financial liabilities measured at fair value						
Debt securities issued	23	23,355,088	23,355,088	-	23,355,088	-
Derivative financial instruments	19	889,979	889,979	-	889,979	-
Financial liabilities not measured at fair value						
Deposits from banks	22	1,091,550	1,084,637	-	1,084,637	-
Deposits from customers	22	941,966	942,053	-	942,053	-
Debt securities issued	23	4,691,662	5,093,199	-	5,093,199	-

OeKB Group recognises reclassifications between levels in the fair value hierarchy at the end of the reporting period in which the change occurred. No reclassifications took place during the business year.

Note 4 Segment information

The activities of OeKB Group are presented by business segment in the following. The delineation of these four segments – Export Services, Capital Market Services, Tourism Services, and Other Services – is based on the business model, the internal control structure, and the additional internal financial reporting to the Executive Board as the chief operating decision-making body. The definition of these segments is regularly reviewed to allocate resources to the segments and judge their performance. Key figures are profit for the year (in all segments), net interest income in Export Services and Tourism Services, and net fee and commission income in Capital Market Services.

The Export Services segment covers the Export Financing Scheme of OeKB, the business activities of Oesterreichische Entwicklungsbank AG, and the administration of guarantees of the Republic of Austria by OeKB as authorised agent pursuant to the Export Guarantees Act. Due to the legal basis for the EFS, the regional focus of OeKB's business activities lies in Austria. If foreign banks fulfil the EFS criteria, they are eligible to participate in the EFS. To be eligible for financing, the goods deliveries or services in question must result in a direct or indirect improvement to Austria's current account.

The Capital Market Services segment covers all services of Oesterreichische Kontrollbank Aktiengesellschaft for the capital market (securities data, point of contact for the fund capital gains tax reporting service, notify-cation office pursuant to the KMG, office for the issue of government bonds) and clearing services for the energy market as well as the operations of the interests in OeKB CSD GmbH and CCP.A GmbH. The current income from the investments in other unconsolidated companies is assigned to the segment when the activities of the companies in question also fall under this segment.

The Tourism Services segment contains the business activities (promotion and financing for the tourism and leisure industry) of Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. These business activities are limited to Austrian companies.

The Other Services segment consists of the proprietary trading portfolio, the income from rental, and the income from the investments in other unconsolidated companies that cannot be assigned to a different segment. The segment also contains the private credit insurance activities of OeKB Group and the administration of the COFAG COVID-19 bridging guarantees by OeKB (see also Note 1), as well as the activities related to the OeKB ESG Data Hub.

Segment performance

Amounts charged for intersegmental services 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 and consolidated statement of comprehensive income is necessary because the consolidation items are assigned directly to the segments.

Results by business segment in 2022

€ thousand	Export Services	Capital Market Services	Tourism Services	Other Services	Total
Interest income	356,121	-	22,351	6,991	385,463
Interest expenses	(262,753)	(95)	(9,576)	(3,233)	(275,657)
Net interest income	**93,368**	**(95)**	**12,775**	**3,758**	**109,806**
Fee and commission income	18,472	38,070	7,711	1,074	65,327
Fee and commission expenses	(18,406)	(1,289)	(1,686)	(206)	(21,587)
Net fee and commission income	**66**	**36,781**	**6,025**	**868**	**43,740**
Net credit risk provisions	3,125	-	446	49	3,620
Net gain or loss on financial instruments measured at fair value through profit or loss	209	-	-	(9,774)	(9,565)
Net gain or loss on the derecognition of financial instruments not measured at fair value through profit or loss	(31)	-	-	(3)	(34)
Current income from investments in other unconsolidated companies	-	2,414	-	200	2,614
Share of profit or loss of equity-accounted investments, net of tax	-	591	-	4,471	5,062
Administrative expenses	(56,214)	(21,922)	(7,706)	(5,932)	(91,774)
Other operating income	(651)	404	2,423	5,141	7,317
Profit before tax	**39,872**	**18,173**	**13,963**	**(1,222)**	**70,786**
Income tax	(8,546)	(3,467)	(2,441)	1,897	(12,557)
Profit of the reportable segments	**31,326**	**14,706**	**11,522**	**675**	**58,229**
Attributable to owners of the parent	*31,326*	*14,706*	*9,339*	*675*	*56,046*
Attributable to non-controlling interests	*-*	*-*	*2,183*	*-*	*2,183*
Segment assets	31,627,081	67,977	1,282,470	635,750	33,613,278
Segment liabilities	31,463,251	40,020	651,228	558,159	32,712,658

The profit of the reportable segments is identical to the profit reported on the income statement.

Results by business segment in 2021

€ thousand	Export Services	Capital Market Services	Tourism Services	Other Services	Total
Interest income	306,685	(164)	20,624	3,214	330,359
Interest expenses	(210,953)	(146)	(8,137)	(639)	(219,875)
Net interest income	**95,732**	**(309)**	**12,486**	**2,575**	**110,483**
Fee and commission income	18,699	35,947	7,254	1,408	63,308
Fee and commission expenses	(17,215)	(1,437)	(1,687)	(124)	(20,463)
Net fee and commission income	**1,484**	**34,510**	**5,567**	**1,284**	**42,845**
Net credit risk provisions	(6)	-	1,788	3,568	5,351
Net gain or loss on financial instruments measured at fair value through profit or loss	(316)	1	-	1,547	1,233
Net gain or loss on the derecognition of financial instruments not measured at fair value through profit or loss	(3)	-	-	110	107
Current income from investments in other unconsolidated companies	-	2,605	-	200	2,805
Share of profit or loss of equity-accounted investments, net of tax	-	456	-	7,458	7,915
Administrative expenses	(54,641)	(21,418)	(7,255)	(4,542)	(87,855)
Other operating income	(1,256)	511	2,668	4,357	6,280
Profit before tax	**40,994**	**16,357**	**15,255**	**16,557**	**89,163**
Income tax	(13,381)	(3,741)	(3,272)	(3,277)	(23,672)
Profit of the reportable segments	**27,613**	**12,615**	**11,983**	**13,280**	**65,491**
Attributable to owners of the parent	*27,613*	*12,615*	*8,634*	*13,280*	*62,142*
Attributable to non-controlling interests	-	-	*3,349*	-	*3,349*
Segment assets	31,327,555	36,701	1,230,304	676,126	33,270,686
Segment liabilities	31,119,140	27,607	773,591	484,763	32,405,101

The profit of the reportable segments is identical to the profit reported on the income statement.

Notes on the consolidated statement of comprehensive income of OeKB Group

Note 5 Consolidated statement of comprehensive income

Income and expenses are essentially recognised as they accrue.

Gains and losses are influenced by fair value changes recognised through profit or loss, by impairment losses, reversal of impairment through profit or loss, exchange rate fluctuation, and derecognition.

Note 6 Net interest income

Net interest income 2022

€ thousand	Amortised cost	FVTPL (designated)	FVTPL (mandatory)	Total
Money market instruments	19,060	-	-	19,060
Credit operations	184,648	15,052	-	199,700
Securities	4,400	5,479	11,319	21,198
Debt securities issued	7,084	59,067	-	66,151
Allocation to or use of the EFS interest rate stabilisation provision relating to charged interest	20,806	59,188	(639)	79,354
Interest income	**235,998**	**138,786**	**10,679**	**385,463**
Money market instruments	(11,940)	-	-	(11,940)
Credit operations	(22,112)	(3,890)	-	(26,002)
Securities	-	(4,907)	-	(4,907)
Debt securities issued	(81,037)	(64,928)	-	(145,965)
Guarantee fees relating to debt securities issued for guarantees purs. to § 1(2) AFFG (see Note 1)	(21,782)	(65,062)	-	(86,844)
Interest expenses	**(136,871)**	**(138,786)**	**-**	**(275,657)**
Net interest income	**99,127**	**-**	**10,679**	**109,806**

Net interest income 2021

€ thousand	Amortised cost	Fair value option	FVTPL	Total
Money market instruments	3,104	-	-	3,104
Credit operations	107,793	3,105	-	110,899
Securities	2,424	-	6,092	8,515
Debt securities issued	14,742	117,552	-	132,294
Allocation to or use of the EFS interest rate stabilisation provision relating to charged interest	83,210	(7,659)	(4)	75,547
Interest income	**211,273**	**112,998**	**6,088**	**330,359**
Money market instruments	(7,494)	-	-	(7,494)
Credit operations	(32,204)	(6,203)	-	(38,407)
Securities	-	(9,558)	-	(9,558)
Debt securities issued	(49,097)	(29,648)	-	(78,745)
Guarantee fees relating to debt securities issued for guarantees purs. to § 1(2) AFFG (see Note 1)	(18,083)	(67,589)	-	(85,672)
Interest expenses	**(106,877)**	**(112,998)**	**-**	**(219,875)**
Net interest income	**104,396**	**-**	**6,088**	**110,483**

The interest income included income of € 2.0 million (2021: € 3.0 million) stemming from the special Kontrollbank refinancing facility launched in response to the COVID-19 crisis.

Note 7 Net fee and commission income

€ thousand	2022	2021
Income from credit operations	4,348	4,859
Expenses from credit operations	(18,513)	(17,443)
Credit operations	**(14,164)**	**(12,584)**
Income from securities services	35,348	33,213
Expenses from securities services	(1,677)	(1,843)
Securities services	**33,671**	**31,370**
Income from guarantees	20,884	20,106
Expenses from guarantees	(1,266)	(1,090)
Guarantees	**19,619**	**19,016**
Income from energy clearing	2,675	2,626
Expenses from energy clearing	-	-
Energy clearing	**2,675**	**2,626**
Income from other services	2,071	2,504
Expenses from other services	(132)	(87)
Other Services	**1,939**	**2,417**
Net fee and commission income	**43,740**	**42,845**
Of which income	*65,327*	*63,308*
Of which expenses	*(21,587)*	*(20,463)*

The fee and commission income from credit operations resulted primarily from the activities of the development bank, the servicing of the development aid loans of the Republic of Austria, and the servicing of the ERP loans through ÖHT (tourism financing). Fee and commission expenses from credit operations resulted primarily from the guarantee fees paid to the Republic of Austria pursuant to the AusfFG in connection with the operations of the development bank and the tourism financing. The Republic of Austria assumed the default risk for these transactions under these guarantees. The income and expenses stemmed entirely from financial instruments that are measured at amortised cost.

The net fee and commission income from securities services resulted from the services rendered by OeKB Group for the Austrian capital market. These services pertained primarily to securities account management and the acquisition of securities transactions as well as the servicing of government bond auctions, the management of the technical infrastructure for legally required reporting relating to securities, the assignment of ISIN codes for Austrian securities, and the securities data service for master and maturity data.

The guarantee activities represent primarily services of the export guarantees activities provided by OeKB on behalf of the Republic of Austria (see also Note 1). The processing fees charged by OeKB are based on the guarantee fees collected for the Republic of Austria. The processing fee is recognised on an accrual basis. The guarantee business of OeKB Group also includes services related to the administration of federal government guarantees in connection with tourism financing arrangements.

At the onset of the COVID-19 crisis, the responsible ministries engaged OeKB Group to conduct measures to combat the crisis (see also Note 1). Fee and commission income of € 0.4 million (2021: € 0.6 million) was recognised for these services and relates to the processing of the guarantees for the special Kontrollbank refinancing facility. Fee and commission income of € 0.6 million (2021: € 0.7 million) was generated through the processing of the COFAG bridging guarantees. The fee and commission income for the ÖHT services relating to processing COVID-19 assistance for tourism operations, restaurants, and leisure companies came to € 2.4 million (2021: € 1.9 million).

OeKB offers energy clearing services in connection with credit rating services, financial clearing, and risk management as a central and independent provider.

The net fee and commission income from the other services operations were primarily the result of collected account management and transaction fees and the remuneration for the fiduciary services relating to the development aid measures of the Republic of Austria (see also Note 36).

Note 8 Credit risk provisions

This item includes impairment charges and impairment charge reversals on financial instruments that are subject to the IFRS 9 impairment model for expected credit losses. The changes in POCI assets are also shown in this item. Additional information on loan loss provisions can be found in Note 38.

€ thousand	2022	2021
Allocation/release of credit risk povisions (net) for		
Loans and advances to banks	2	(1)
Loans and advances to customers	3	(5)
Other financial assets	1	(7)
Allocation/release of credit risk provisions (net)	**6**	**(13)**
Change due to stage transfer		
Loans and advances to banks	(81)	-
Loans and advances to customers	(422)	(358)
Change due to stage transfer	**(503)**	**(358)**
Change due to present value effects, risk parameters, and model changes for		
Loans and advances to banks	(39)	96
Loans and advances to customers	869	2,149
Other financial assets	45	223
Change due to present value effects, risk parameters, and model changes	**876**	**2,467**
Change in POCI assets for		
Loans and advances to customers	3,124	3,350
Change in POCI assets	**3,124**	**3,350**
Transfer of the net gain or loss on financial instruments assigned to the EFS interest rate stabilisation provision	118	(95)
Net credit risk provisions	**3,620**	**5,351**

Note 9 Net gain or loss on financial instruments measured at fair value through profit or loss

Net gain or loss from the fair value measurement of financial instruments in 2022

	Financial instruments assigned to the EFS				Financial instruments not assigned to the EFS		
€ thousand	Fair value option	FVTPL	Hedging transactions	Total	FVTPL	Total	Total 2022
Change in the fair value of the							
Loans and advances to banks	(244,315)	-	-	(244,315)	-	-	(244,315)
Other financial assets	(183,915)	-	-	(183,915)	(9,469)	(9,469)	(193,385)
Derivative financial instruments	-	-	(676,722)	(676,722)	-	-	(676,722)
Guarantees pursuant to § 1(2b) AFFG	-	-	253,694	253,694	-	-	253,694
Debt securities issued	1,140,540	-	-	1,140,540	-	-	1,140,540
Change in the fair value	**712,309**	**-**	**(423,028)**	**289,281**	**(9,469)**	**(9,469)**	**279,812**
Transfer of the net gain or loss on financial instruments assigned to the EFS interest rate stabilisation provision	(712,309)	-	423,028	(289,281)	-	-	(289,281)
Net gain or loss from fair value measurement	**-**	**-**	**-**	**-**	**(9,469)**	**(9,469)**	**(9,469)**
Net gain or loss from foreign exchange differences	-	-	-	(0)	-	(96)	(96)
Net gain or loss from fair value measurement	-	-	-	-	-	(9,469)	(9,469)
Net gain or loss on financial instruments	**-**	**-**	**-**	**(0)**	**-**	**(9,565)**	**(9,565)**

The share of the changes in the fair value of loans and advances to banks that stems from changes in the credit spreads came to minus € 8.3 million in the period (2021: minus € 3.3 million) and to € 3.3 million in total (2021: € 11.5 million). There was almost no default risk for these claims because of the extensive guarantees provided by the Republic of Austria (see Note 1).

The share of the changes in the fair value of debt securities issued that stems from changes in the credit spreads came to minus € 37.4 million in the period (2021: +€ 7.3 million) and to minus € 102.0 million in total (2021: minus € 64.6 million).

Net gain or loss from foreign exchange differences on financial instruments in 2022

€ thousand	Financial instruments assigned to the EFS	Financial instruments not assigned to the EFS	Total 2022
Foreign exchange differences income	125,366	225,341	350,707
Foreign exchange differences expenses	(668,577)	(225,437)	(894,014)
Subtotal	**(543,211)**	**(96)**	**(543,307)**
Foreign exchange differences on guarantees pursuant to § 1(2b) AFFG	543,375	-	543,375
Transfer of the net gain or loss on financial instruments assigned to EFS to the EFS interest rate stabilisation provision	(165)	-	(165)
Net gain or loss from foreign exchange differences	**(0)**	**(96)**	**(96)**

The result from foreign exchange differences stems predominantly from changes in the USD exchange rate and to a lesser degree from changes in the CHF exchange rate. Because the exchange rates are hedged with guarantees pursuant to § 1(2b) AFFG, they were largely offset through the foreign exchange differences.

Net gain or loss from the fair value measurement of financial instruments in 2021

€ thousand	Financial instruments assigned to the EFS				Financial instruments not assigned to the EFS		
	Fair value option	FVTPL	Hedging transactions	Total	FVTPL	Total	Total 2021
Change in the fair value of the							
Loans and advances to banks	(35,126)	-	-	(35,126)	-	-	(35,126)
Other financial assets	(54,315)	-	-	(54,315)	1,413	1,413	(52,902)
Derivative financial instruments	-	-	556,053	556,053	-	-	556,053
Guarantees pursuant to § 1(2b) AFFG	-	-	(883,758)	(883,758)	-	-	(883,758)
Debt securities issued	482,989	-	-	482,989	-	-	482,989
Change in the fair value	**393,548**	**-**	**(327,705)**	**65,843**	**1,413**	**1,413**	**67,255**
Transfer of the net gain or loss on financial instruments assigned to the EFS interest rate stabilisation provision	(393,548)	-	327,705	(65,843)	-	-	(65,843)
Net gain or loss from fair value measurement	**-**	**-**	**-**	**-**	**1,413**	**1,413**	**1,413**
Net gain or loss from foreign exchange differences	-	-	-	0	-	(180)	(180)
Net gain or loss from fair value measurement	-	-	-	-	-	1,413	1,413
Net gain or loss on financial instruments	**-**	**-**	**-**	**0**	**-**	**1,233**	**1,233**

Net gain or loss from foreign exchange differences on financial instruments in 2021

€ thousand	Financial instruments assigned to the EFS	Financial instruments not assigned to the EFS	Total 2021
Foreign exchange differences income	86,183	139,708	225,891
Foreign exchange differences expenses	(1,537,713)	(139,888)	(1,677,601)
Subtotal	**(1,451,530)**	**(180)**	**(1,451,710)**
Foreign exchange differences on guarantees pursuant to § 1(2b) AFFG	1,451,487	-	1,451,487
Transfer of the net gain or loss on financial instruments assigned to EFS to the EFS interest rate stabilisation provision	43	-	43
Net gain or loss from foreign exchange differences	**0**	**(180)**	**(180)**

Note 10 Net gain or loss on the derecognition of financial instruments not measured at fair value through profit or loss

No assets measured at amortised cost were sold during the reporting period (2021: minus € 0.1 million).

Note 11 Current income from investments in other unconsolidated companies

The current income from investments in other unconsolidated companies in the amount of € 2.6 million (2021: € 2.8 million) includes income from dividends from equity instruments not held for trading purposes, which are measured at fair value through other comprehensive income. These are strategic, long-term investments in other unconsolidated companies. The dividend income in the reporting period did not pertain to any equity holdings that were sold or otherwise derecognised.

OeKB did not reclassify accumulated profits and losses from other comprehensive income to equity during the reporting period. No material equity holdings were sold or otherwise derecognised during the reporting period.

Details on the net book value and corresponding fair value can be found in Note 39 Scope of consolidation. Changes in the fair value are shown in other comprehensive income.

Note 12 Administrative expenses

€ thousand	2022	2021
Salaries	(45,676)	(45,507)
Social security costs	(11,036)	(10,087)
Expenses for retirement benefits and social security costs	(5,259)	(4,348)
Staff costs	**(61,970)**	**(59,942)**
Other administrative expenses	(24,985)	(23,415)
Depreciation and amortisation of property, equipment, and intangible assets	(4,820)	(4,498)
Administrative expenses	**(91,775)**	**(87,855)**

The increase in staff costs resulted from greater release of provisions from time credit in the previous year and higher expenses for retirement benefits and social security costs (stemming primarily from the higher interest expense for the employee benefit provisions).

The increase in other administrative expenses resulted from higher project expenses relating to digitalisation projects (digital workplace and cyber security), higher expenses for business travel after the lifting of the COVID-19 restrictions, and maintenance expenses (Future Office), as well as from higher energy expenses.

The increase in write-downs and impairment losses on property and equipment and intangible assets was caused by the higher write-downs on office and business equipment due to the ongoing furnishing replacements (Future Office) and increased write-downs due to the completion of the digitalisation projects (replacement of the payment transaction system due to the switch to T2/T2S consolidation, issuer platform – 3i, customer portal – my.oekb).

Expenses for the auditor and affiliated companies

€ thousand	2022	2021
Audit of the consolidated and annual financial statements	(400)	(388)
Audit-related activities	(60)	(307)
Expenses for the auditor	**(460)**	**(695)**
Tax consulting	-	(99)
Other consulting	-	(46)
Expenses for companies affiliated with the auditor	**-**	**(145)**

Deloitte Audit Wirtschaftsprüfungs GmbH (Deloitte) was appointed as the auditor for the consolidated and individual annual financial statements for the 2022 financial year due to the routine rotation. Deloitte only provides services under this mandate and provides no other consulting services. In the prior year, KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft (KPMG) was the appointed auditor for the consolidated and individual annual financial statements and also provided other consulting services (e.g. tax consulting and other consulting) through its network of companies. The expenses for audit-related activities involved quality-assurance support for the implementation of measures related to IT systems and cyber security. In the prior year, these expenses were related to the issuance activity of OeKB for the EFS.

Note 13 Other operating income

The item „Other operating income“ related largely to service fees received by OeKB for providing outsourced services (such as accounting and financial control, IT services, human resources, and other services) and income from the rental of business space. ÖHT also generated income through the administration of tourism promotion programmes and COVID-19 assistance programmes for food service and event companies. The other operating expenses related mainly to the bank stability tax paid to the Republic of Austria.

Note 14 Income taxes

Income taxes are recognised and calculated in accordance with IAS 12. Current income tax entitlements and obligations are measured using the locally applicable tax rates of 25% for 2022, 24% for the 2023 financial year, and 23% for the financial year 2024 and onward (2021: 25%). Deferred taxes are calculated using the liability concept. Under this approach, the book values of the assets and liabilities in the IFRS balance sheet are compared with the respective values that are relevant for the taxation of the respective group company. Differences in these values lead to temporary differences that are recognised as deferred tax assets or liabilities (see also Note 25).

Tax recognised in profit or loss

€ thousand	2022	2021
Current year	(14,558)	(14,295)
Adjustment for previous years	126	(3,036)
Total current tax expenses	**(14,432)**	**(17,331)**
Change in recognised deductible temporary differences	1,874	(6,341)
Net deferred taxes/tax income	**1,874**	**(6,341)**
Income tax	**(12,558)**	**(23,672)**
Other taxes	-	-
Total	**(12,558)**	**(23,672)**

Tax recognised in other comprehensive income

€ thousand	2022	2021
Actuarial gains/losses on defined benefit plans	(4,075)	(2,939)
Net gain or loss from the fair value measurement of investments in other unconsolidated companies (FVOCI)	1,450	(1,305)
Total	**(2,625)**	**(4,244)**

Change in deferred taxes

€ thousand	2022	2021
Change in deferred taxes on the income statement	1,874	(6,341)
Change in deferred taxes in other comprehensive income	(2,625)	(4,244)
Total	**(751)**	**(10,585)**

The actual taxes are calculated on the tax base for the financial year at the local tax rates applicable to the respective group company.

The taxation at the standard local rates is reconciled with the reported actual income taxes in the 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		2022		2021
Profit before tax	**70,786**	**100.0%**	**89,164**	**100.0%**
Tax expenses at the domestic tax rate of the company	(17,697)	(25.0)%	(22,291)	(25.0)%
Non-deductible expenses	(481)	(0.7)%	(927)	(1.0)%
Tax-exempt income	1,919	2.7%	2,680	3.0%
Change in recognised deductible temporary differences	3,267	4.6%	-	-
Input taxes	308	0.4%	(98)	(0.1)%
Income tax payments for previous years	126	0.2%	(3,036)	(3.4)%
Total	**(12,558)**	**(17.7)%**	**(23,672)**	**(26.5)%**

The above tax rate change will lead to no material result for OeKB Group. The change in recognised deductible temporary differences is primarily the result of the sale of the special investment fund Sirius 40.

Notes on the consolidated balance sheet of OeKB Group

Note 15 Financial instruments

Classification of financial assets and financial liabilities

The following tables show a breakdown of the financial assets and financial liabilities by category according to IFRS 9. The methods and results of the ECL calculation are explained in Note 38.

Financial instruments by IFRS 9 category as at 31 December 2022

€ thousand	Notes	At amortised cost	FVOCI (designated)	FVTPL (mandatory)	FVTPL (designated)	Total
Assets						
Cash and cash equivalents	16	319,542	-	-	-	319,542
Loans and advances to banks	17	19,674,772	-	-	2,077,262	21,752,034
Loans and advances to customers	17	1,889,368	-	-	-	1,889,368
Other financial assets	18	575,708	34,977	374,291	1,547,076	2,532,053
Derivative financial instruments	19	-	-	772,045	-	772,045
Guarantees pursuant to § 1(2b) AFFG	19	-	-	6,198,441	-	6,198,441
Total		**22,459,391**	**34,977**	**7,344,777**	**3,624,337**	**33,463,483**
Liabilities and equity						
Deposits from banks	22	1,063,065	-	-	-	1,063,065
Deposits from customers	22	1,129,898	-	-	-	1,129,898
Debt securities issued	23	6,666,295	-	-	20,427,583	27,093,878
Derivative financial instruments	19	-	-	1,768,151	-	1,768,151
Total		**8,859,258**	**-**	**1,768,151**	**20,427,583**	**31,054,991**

Financial instruments by IFRS 9 category as at 31 December 2021

€ thousand	Notes	At amortised cost	FVOCI (designated)	FVTPL (mandatory)	FVTPL (designated)	Total
Assets						
Cash and cash equivalents	16	1,245,090	-	-	-	1,245,090
Loans and advances to banks	17	18,573,859	-	-	2,711,945	21,285,804
Loans and advances to customers	17	1,706,431	-	-	-	1,706,431
Other financial assets	18	300,975	40,773	584,422	1,996,562	2,922,732
Derivative financial instruments	19	-	-	595,160	-	595,160
Guarantees pursuant to § 1(2b) AFFG	19	-	-	5,362,547	-	5,362,547
Total		**21,826,355**	**40,773**	**6,542,128**	**4,708,507**	**33,117,764**
Liabilities and equity						
Deposits from banks	22	1,091,550	-	-	-	1,091,550
Deposits from customers	22	941,966	-	-	-	941,966
Debt securities issued	23	4,691,662	-	-	23,355,088	28,046,750
Derivative financial instruments	19	-	-	889,979	-	889,979
Total		**6,725,178**	**-**	**889,979**	**23,355,088**	**30,970,244**

Note 16 Cash and cash equivalents

The recognition and measurement principles are shown in Note 2.

€ thousand	31 Dec 2022	31 Dec 2021
Balances at central banks	319,540	1,245,088
Cash	2	2
Cash and cash equivalents	**319,542**	**1,245,090**

The minimum reserves amounted to € 57.2 million as at 31 Dec 2022 (31 Dec 2021: € 35.8 million) and were included in the balances at central banks.

The cash and cash equivalents serve to ensure sufficient liquidity for OeKB Group.

Note 17 Loans and advances to banks and customers

The recognition and measurement principles are shown in Note 2. The classification according to IFRS 9 is indicated in Note 15. The breakdown by rating category is presented in Note 38.

Loans and advances to banks

€ thousand	Repayable on demand 31 Dec 2022	Repayable on demand 31 Dec 2021	Other maturities 31 Dec 2022	Other maturities 31 Dec 2021	Total 31 Dec 2022	Total 31 Dec 2021
Domestic banks	24,532	14,759	18,600,309	18,783,220	18,624,841	18,797,979
Foreign banks	1,226,800	549,526	1,900,392	1,938,298	3,127,192	2,487,824
Loans and advances to banks	**1,251,332**	**564,285**	**20,500,701**	**20,721,518**	**21,752,033**	**21,285,803**

The item loans and advances to banks pertains to the loans of the Export Financing Scheme with net book values of € 20.1 billion (2021: € 20.3 billion).

At the reporting date, € 0.6 billion (2021: € 0.9 billion) had been tapped under the special Kontrollbank refinancing facility launched as part of the efforts to combat the COVID-19 crisis (see also Note 1). The average utilisation of the volume in the financial year was € 0.7 billion (2021: € 1.1 billion).

Loans and advances to customers

€ thousand	Domestic customers 31 Dec 2022	Domestic customers 31 Dec 2021	Foreign customers 31 Dec 2022	Foreign customers 31 Dec 2021	Total 31 Dec 2022	Total 31 Dec 2021
States or government-affiliated organisations	2,726	835	82,505	93,952	85,231	94,787
Others	1,255,431	1,217,068	548,706	394,576	1,804,137	1,611,644
Loans and advances to customers	**1,258,157**	**1,217,903**	**631,211**	**488,528**	**1,889,368**	**1,706,431**

Note 18 Other financial assets

The recognition and measurement principles are shown in Note 2. The classification according to IFRS 9 is indicated in Note 15.

Other financial assets

€ thousand	31 Dec 2022	31 Dec 2021
Treasury bills and similar securities	1,406,840	1,632,490
Fixed-income securities from public-sector issuers	0	1,536
Bonds	715,945	663,511
Bonds and other fixed-income securities	**2,122,785**	**2,297,537**
Of which listed bonds	*2,122,785*	*2,297,537*
Investment certificates	374,291	584,422
Equity shares and other variable-income securities	**374,291**	**584,422**
Of which listed equity shares and other variable-income securities	*130*	*129*
Investments in unconsolidated subsidiaries	5,584	5,697
Investments in other unconsolidated companies	29,393	35,076
Investments	**34,977**	**40,773**
Other financial assets	**2,532,053**	**2,922,732**

Of the bonds and other fixed-income securities, € 318.8 million will come due in the following year (2021 for 2022: € 304.5 million).

The reduction of investment certificates in the 2022 financial year resulted chiefly from the liquidation of the special investment fund Sirius 40 with a value of € 249.7 million (2021: € 259.4 million).

The other financial assets (investment certificates) included units in private equity funds in the amount of € 6.5 million (2021: € 3.7 million). As the fair value is particularly dependent on unobservable parameters, a change in these parameters may lead to different valuation results. Parameters that reflect the actual market conditions at the reporting date were used for the recognition. Changes in the applied EBITDA and P/E multipliers were primarily assessed to determine possible effects. A decrease (an increase) in these market multipliers would cause lower (higher) fair values. These private equity funds are secured by guarantees from the Republic of Austria, which means that potential losses of value are essentially covered. As profits are allocated without undue delay and losses are hedged, no sensitivities are indicated for these assets due to immateriality.

The investments in other unconsolidated companies included Wiener Börse AG (WBAG) at € 26.7 million (2021: € 32.0 million). Wiener Börse AG, Vienna, (the Vienna Stock Exchange) helds 99.54% on Burza cenných papírů Praha, a.s., Prague (the Prague Stock Exchange). The recognised value of Wiener Börse is based on a valuation conducted on 31 December 2022 using the dividend discounted model.

The most important assumptions in the valuation were:

		2022		2021
	Vienna Stock Exchange	Prague Stock Exchange	Vienna Stock Exchange	Prague Stock Exchange
Free cash flows	4 years	4 years	4 years	4 years
WACC	8.76%	9.86%	7.78%	8.55%

Sensitivity analyses

		2022		2021
€ thousand	Vienna Stock Exchange	Prague Stock Exchange	Vienna Stock Exchange	Prague Stock Exchange
Change in WACC (WACC increases)	1.00%	1.00%	1.00%	1.00%
Change in the total value (fair value) of WBAG		(40,677)		(70,300)
Effect on the fair value of OeKB Group in WBAG		(2,687)		(4,643)

Details about the individual interests in investments other than subsidiaries can be found in Note 39.

Additional mandatory disclosures pursuant to § 64(1) No 11 BWG

The item bonds and other fixed-income securities contains the fixed-rate bond portfolio of OeKB Group, which is classified as fixed assets.

The item equity shares and other variable-income securities contains securities with variable interest rates, of which € 374.2 million are classified as fixed assets (2021: € 584.3 million).

Of the bonds and other fixed-income securities, € 2,123 million are listed (2021: € 2,298 million). Of the equity shares and other variable-income securities, € 0.1 million are listed (2021: € 0.1 million).

Note 19 Hedging instruments

The recognition and measurement principles are shown in Note 2. The classification according to IFRS 9 is indicated in Note 15.

Derivative financial instruments

			2022			2021
€ thousand	Notional amount	Fair value positive	Fair value negative	Notional amount	Fair value positive	Fair value negative
Interest rate derivatives						
Interest rate swaps	24,578,118	566,865	833,636	23,579,089	323,050	262,180
Currency derivatives						
Currency swaps	18,984,565	205,180	934,515	22,019,731	272,110	627,798
Total	**43,562,683**	**772,045**	**1,768,151**	**45,598,820**	**595,160**	**889,979**

The development of the fair values for the interest-rate-based and currency-based transactions was largely the result of the increase in variable interest rates.

Information on global netting arrangements

Derivative financial instruments are agreed in accordance with the global netting arrangements (framework contract) of the International Swaps and Derivatives Association (ISDA). The amounts owed under such an agreement are generally settled and paid on an individual transaction basis. In certain cases, for example if a credit event occurs, all outstanding transactions under the agreement are terminated, the termination value is determined, and a single net amount is paid to settle all transactions.

In addition, this net amount is calculated daily as per the ISDA contract and is furnished to or received from the given business partner as collateral. Therefore, the default risk is limited to the performance of one to two days (calculation of the previous day's value and transfer of the difference to the previous collateral).

The ISDA agreements do not fulfil the criteria for netting on the balance sheet. This is due to the fact that no legal claim to the netting of the covered amounts because the right to netting is enforceable only in the case of certain future events such as a credit event.

The following table shows the book values of the derivative financial instruments covered by the reported agreements.

Global netting agreements

€ thousand	Derivative financial instruments on the balance sheet 2022	Gross and net amounts of derivative financial instruments that are not netted 2022	Net amount 2022	Derivative financial instruments on the balance sheet 2021	Gross and net amounts of derivative financial instruments that are not netted 2021	Net amount 2021
Derivative financial instruments with positive fair value						
Interest rate derivatives - Interest rate swaps	566,865	(558,847)	8,018	323,050	(202,749)	120,300
Currency derivatives - Currency swaps	205,180	(196,600)	8,580	272,110	(242,255)	29,855
Total	**772,045**	**(755,447)**	**16,598**	**595,160**	**(445,004)**	**150,155**
Derivative financial instruments with negative fair value						
Interest rate derivatives - Interest rate swaps	833,636	(448,141)	385,495	262,180	(182,487)	79,694
Currency derivatives - Currency swaps	934,515	(307,307)	627,208	627,798	(262,517)	365,281
Total	**1,768,151**	**(755,447)**	**1,012,704**	**889,979**	**(445,004)**	**444,974**

Guarantees pursuant to § 1(2b) AFFG

€ thousand	31 Dec 2022	31 Dec 2021
Fair value at the beginning of the period	5,362,547	4,794,818
Change resulting from foreign exchange differences	543,375	1,451,487
Change resulting from fair value measurement	292,519	(883,758)
Net profit for the period	835,894	567,729
Fair value at the end of the period	**6,198,441**	**5,362,547**

The change from foreign exchange differences resulted primarily from the exchange rate of the euro to the CHF (see the indicative exchange rates on the reporting dates – Note 2) as well as from a reduction of the positions in Swiss francs.

Note 20 Composition of the net profit or loss of equity accounted investments

Equity-accounted investments

€ thousand	2022	2021
OeKB EH Beteiligungs- und Management AG, Vienna	61,470	66,587
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	6,599	6,508
Equity-accounted investments	**68,070**	**73,096**

Net profit or loss of equity-accounted investments

Income statement

€ thousand	2022	2021
OeKB EH Beteiligungs- und Management AG, Vienna	4,471	7,458
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	591	456
Share of profit or loss of equity-accounted investments, net of tax	**5,062**	**7,914**

Other comprehensive income/(expense)

€ thousand	2022	2021
OeKB EH Beteiligungs- und Management AG, Vienna	412	269
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	-	-
Equity-accounted investments - Share of other comprehensive income	**412**	**269**

Total comprehensive income

€ thousand	2022	2021
OeKB EH Beteiligungs- und Management AG, Vienna	4,883	7,727
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	591	456
Net profit for the period	**5,474**	**8,183**

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

OeKB EH Beteiligungs- und Management AG, Vienna, Austria

Other Services segment	2022	2021
Shareholding	51%	51%
Share of voting rights	51%	51%

OeKB EH Beteiligungs- und Management AG is an unlisted holding company. It is the sole owner of Acredia Versicherung AG. It offers a complete range of credit insurance to Austrian businesses.

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 according to 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 were accounted for according to IFRS 4 taking into account the provisions of the Insurance Supervision Act (VAG). In accordance with IFRS 4, the claims equalisation reserve under the VAG (after deduction of deferred taxes) was reported in IFRS equity. The company exercised the option to apply IFRS 9 together with IFRS 17.

€ thousand	2022	2021
Earned premiums	28,194	23,525
Actuarial result	16,527	17,846
Profit before tax	10,582	18,457
Of which depreciation and amortisation	*(8,536)*	*(1,646)*
Of which interest income	*615*	*642*
Of which interest expense	*(61)*	*(90)*
Profit for the year	8,766	14,624
Other comprehensive income/(expense)	808	527
Total comprehensive income	**9,574**	**15,151**
Current assets	48,684	47,979
Of which cash and cash equivalents	*30,890*	*37,318*
Non-current assets	116,247	131,748
Current liabilities	18,969	20,761
Non-current liabilities	25,430	28,401
Equity	**120,532**	**130,565**
Proportionate share of equity at the beginning of the period	66,587	61,490
Proportionate share of total comprehensive income for the period	4,883	7,727
Dividend payments received	(10,000)	(2,630)
Proportionate share of equity at the end of the period	**61,470**	**66,587**

CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna, Austria

Capital Market Services segment	2022	2021
Shareholding	50%	50%
Share of voting rights	50%	50%

CCP.A is operated as a joint venture with Wiener Börse AG, Vienna, and is recognised in the consolidated financial statements according to the equity-method.

CCP.A is not a listed company. It acts as the clearing agent for the Vienna Stock Exchange and EXAA electricity exchange. As the central counterparty, it is involved in all transactions conducted on the Vienna Stock Exchange and EXAA electricity exchange. CCP Austria was licensed pursuant to Art 14(1) of Regulation (EU) No 648/2012 (European Market Infrastructure Regulation, EMIR) in 2014.

€ thousand	2022	2021
Revenue	4,983	4,755
Operating profit	1,284	1,234
Profit before tax	1,580	1,217
Of which depreciation and amortisation	-	-
Of which interest income	*583*	*202*
Of which interest expense	*287*	*(219)*
Profit for the year	1,182	912
Other comprehensive income/(expense)	-	-
Total comprehensive income	**1,182**	**912**
Current assets	178,081	114,976
Of which cash and cash equivalents	*175,907*	*105,081*
Non-current assets	-	-
Current liabilities	164,883	101,960
Non-current liabilities	-	-
Equity	**13,198**	**13,016**
Proportionate share of equity at the beginning of the period	6,508	6,302
Proportionate share of total comprehensive income for the period	591	456
Dividend payments received	(500)	(250)
Proportionate share of equity at the end of the period	**6,599**	**6,508**

Note 21 Property, equipment, and intangible assets

Net book value changes in property, equipment and intangible assets in 2022!

€ thousand	Net book values 31 Dec 2021	Additions	Transfers	Disposals	Net book values 31 Dec 2022
Land and buildings	11,435	-	-	(157)	11,278
Right of use - buildings	4,931	-	-	(1,533)	3,398
Fixtures, fittings, and equipment	4,487	2,923	-	(2,087)	5,323
Right of use - vehicle fleet	7	-	-	(7)	-
Property and equipment	**20,860**	**2,923**	**-**	**(3,784)**	**19,999**
Software	4,147	404	1,234	(1,606)	4,180
Advanced payments on software	642	1,950	(1,234)	-	1,358
Customer relationships	259	-	-	(86)	173
Intangible assets	**5,048**	**2,354**	**-**	**(1,692)**	**5,710**
Total	**25,908**	**5,276**	**-**	**(5,476)**	**25,709**

Net book value changes in property, equipment and intangible assets in 2021

€ thousand	Net book values 31 Dec 2020	Additions	Transfers	Disposals	Net book values 31 Dec 2021
Land and buildings	11,625	-	-	(190)	11,435
Right of use - buildings	6,584	-	-	(1,653)	4,931
Fixtures, fittings, and equipment	4,424	1,877	-	(1,814)	4,487
Right of use - vehicle fleet	24	5	-	(22)	7
Property and equipment	**22,657**	**1,882**	**-**	**(3,679)**	**20,860**
Software	4,260	726	640	(1,479)	4,147
Advanced payments on software	544	738	(640)	-	642
Customer relationships	345	-	-	(86)	259
Intangible assets	**5,149**	**1,464**	**-**	**(1,565)**	**5,048**
Total	**27,805**	**3,346**	**-**	**(5,244)**	**25,908**

The value of the property itself was € 6.4 million (2021: € 6.4 million).

There were no additions from capitalised interest in the current financial year or the previous year. There were no write-ups or transfers in the accumulated amortisation and depreciation in the current financial year or previous year.

Lease liabilities in the amount of € 3.4 million (2021: € 5.0 million; recognition in "Other liabilities") were connected to the rights of use pursuant to IFRS 16 mentioned above. Of these recognised lease liabilities, € 891 thousand come due in 2023 and the remainder in subsequent years. The interest expense for lease liabilities totaled € 6.2 thousand in the financial year (2021: € 8.8 thousand). The expenses for current lease liabilities (the accounting option is not being exercised) came to € 31.6 thousand in the financial year (2021: € 18.9 thousand). The disposals include the reassessment of rights of use in the amount of € 558 thousand (2021: € 673 thousand additions).

Note 22 Deposits from banks and customers

The recognition and measurement principles are shown in Note 2. The classification according to IFRS 9 is indicated in Note 15.

Deposits from banks

	Repayable on demand		Other deposits		Total	
€ thousand	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Domestic banks	152,029	174,627	453,093	544,846	605,122	719,473
Foreign banks	66,970	245,123	390,972	126,954	457,942	372,077
Total	**218,999**	**419,750**	**844,065**	**671,800**	**1,063,064**	**1,091,550**

The reduction in deposits from banks resulted from a lower volume of collaterals and loans.

Deposits from customers

	Domestic customers		Foreign customers		Total	
€ thousand	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
States or government-affiliated organisations	582,959	708,801	181	195	583,140	708,996
Others	485,382	192,745	61,376	40,225	546,758	232,970
Total	**1,068,341**	**901,546**	**61,557**	**40,420**	**1,129,898**	**941,966**

Note 23 Debt securities issued

The recognition and measurement principles are shown in Note 2. The classification according to IFRS 9 is indicated in Note 15.

€ thousand	Net book value 31 Dec 2022	31 Dec 2021	Of which listed 31 Dec 2022	31 Dec 2021
Bonds issued	20,381,101	21,997,961	20,381,101	21,997,961
Other debt securities issued	6,712,777	6,048,789	-	-
Total	**27,093,878**	**28,046,750**	**20,381,101**	**21,997,961**

The amount repayable on maturity for debt securities issued that were measured at fair value option was € 21,324.8 million (2021: € 23,166.5 million). This corresponds to a difference to the fair value of minus € 897.3 million (2021: +€ 188.6 million).

Of the debt securities issued, € 12,440.5 million will come due in the following year (2021 maturing in 2022: € 10,265.1 million).

The other debt securities issued contained subordinated liabilities in the amount of € 2.0 million (2021: € 2.1 million), for which interest expenses of € 0.1 million (2021: € 0.1 million) were paid.

Note 24 Provisions

Changes in provisions

€ thousand	31 Dec 2021	Use	Release	Addition	31 Dec 2022
Non-current employee benefit provisions	135,763	(7,380)	(18,319)	2,193	112,257
Other provisions	7,014	(4,971)	(66)	5,012	6,989
Total provisions 2022	**142,777**	**(12,351)**	**(18,385)**	**7,205**	**119,246**
Total provisions 2021	160,065	(12,545)	(11,885)	7,291	142,777

Changes in non-current employee benefit provisions

€ thousand	Pensions	Termination benefits	Total 2022	Total 2021
Present value of defined-benefit obligations (DBO) = employee benefit provisions at 1 January	109,211	26,552	135,763	152,902
Service cost	265	593	858	998
Interest cost	1,065	270	1,335	768
Payments	(5,271)	(2,109)	(7,380)	(7,148)
Actuarial gain/loss	(15,604)	(2,715)	(18,319)	(11,757)
Of which actuarial gain/loss arising from changes in parameters	*(18,308)*	*(3,150)*	*(21,458)*	*(6,432)*
Of which actuarial gain/loss arising from experience adjustments	*2,704*	*435*	*3,139*	*(5,325)*
Employee benefit provisions at 31 December (DBO)	**89,667**	**22,590**	**112,257**	**135,763**

The actuarial result stemmed from the change in the discount rate from 1.00% to 3.75% (2021: from 0.50% to 1.00%), the change of the trend for future wage growth of 3.70% (2021: 2.50%), and the trend for future pension increases of 3.20% (2021: 2.00%). The result in 2021 was attributed largely to the change in the discount rate.

Historical information on defined-benefit obligations

€ thousand	2017	2018	2019	2020	2021
Pension provisions	105,306	107,495	124,247	123,279	109,211
Termination benefit provisions	23,168	26,894	30,378	29,623	26,552
Non-current employee benefit provisions	**128,474**	**134,389**	**154,625**	**152,902**	**135,763**

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 € 1.2 million were paid to the pension fund in 2022 (2021: € 1.2 million).

Staff costs also included the contributions of € 0.4 million to the termination benefit fund (2021: € 0.4 million).

The following table presents the sensitivity of the obligations to key actuarial assumptions. It showed the respective absolute change in the amount of the provision recognised at 31 December 2022 when varying a single assumption at a time. The other assumptions are unchanged in each case.

Sensitivity analyses - Changes in expenses (-)/earnings (+)

€ thousand	Pensions	Termination benefits	Total 2022	Total 2021
Increase in the discount rate by 0.50%	4,394	870	5,264	7,836
Decrease in the discount rate by 0.50%	(5,149)	(930)	(6,079)	(8,661)
Increase in expected salary growth by 0.50%	(200)	(922)	(1,122)	(1,542)
Decrease in expected salary growth by 0.50%	192	871	1,063	1,454
Increase in the pension trend by 0.50%	(4,805)	-	(4,805)	(7,001)
Decrease in the pension trend by 0.50%	4,441	-	4,441	5,954
Increase in life expectancy by 10% (corresponds to 1 year)	(4,891)	-	(4,891)	(6,608)

The sensitivity analysis was performed by an independent actuary using the projected unit credit method.

Maturity profile of the non-current employee benefit provisions

	Pensions		Termination benefits	
€ thousand	DBO 31 Dec 2022	DBO 31 Dec 2021	DBO 31 Dec 2022	DBO 31 Dec 2021
1 year	5,529	5,386	2,873	2,291
2 up to 3 years	10,963	10,591	2,827	3,622
4 up to 5 years	10,662	10,066	2,598	2,539
Over 5 years	62,513	83,168	14,292	18,100
Total	**89,667**	**109,211**	**22,590**	**26,552**
Duration	11.4 years	13.1 years	8.6 years	9.2 years

Other provisions

€ thousand	2022	2021
Staff-related provisions	6,844	6,858
Other provisions	145	156
Total	**6,989**	**7,014**

Note 25 Tax assets and tax liabilities

Tax assets and tax liabilities each include deferred tax assets and deferred tax liabilities arising from temporary differences between the IFRS carrying amounts and the corresponding tax base taking account of the valid tax rates (up to and including 2022: 25.0%, 2023: 24.0%, from 2024: 23.0%) for Group companies (see also Note 14).

The recognised amount of deferred tax assets is based on the assumption that sufficient taxable revenue will be generated in future. OeKB Group had no (unused) loss carryforwards at the reporting date.

Deferred taxes

	Deferred tax assets		Deferred tax liabilities	
€ thousand	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Loans and advances to banks	44,320	-	-	16,028
Loans and advances to customers	-	-	1,919	2,145
Other financial assets	-	-	2,501	50,864
Derivative financial instruments	406,675	222,495	177,570	148,790
Guarantees pursuant to § 1(2b) AFFG	-	-	1,425,641	1,340,637
Property and equipment	-	-	1,421	1,589
Other assets	138	256	-	-
Deposits from banks	1,676	2,415	-	-
Debt securities issued	1,005,918	1,243,288	-	-
Provisions	12,311	19,016	-	-
Other liabilities	-	-	332	179
EFS interest rate stabilisation provision	178,521	117,230	-	-
Total	**1,649,559**	**1,604,700**	**1,609,384**	**1,560,232**
Tax settlement	(1,609,384)	(1,560,232)		
Tax claims (liabilities), net	**40,175**	**44,468**		

€ thousand	2022	2021
Change	**(4,293)**	**(4,296)**
Of which in the income statement	*1,874*	*(4,761)*
Of which transfer to the EFS interest rate stabilisation provision	*3,543*	-
Of which in the net other comprehensive income	*(2,624)*	*465*

The change in the tax rate resulted in a remeasurement effect of € 3.5 million from the Export Financing Scheme. As the EFS directly bears the attributable tax expenses, the remeasurement effect was assigned to the EFS.

Unrecognised deferred taxes payable

As in the previous year, there were no deferred taxes payable for temporary differences relating to shares in subsidiaries and joint ventures on 31 December 2022.

Note 26 Other liabilities

The item other liabilities in the amount of € 46.3 million (2021: € 43.1 million) consists of € 24.9 million (2021: € 20.8 million) other liabilities and € 21.4 million (2021: € 22.2 million) accruals and deferred income.

The item other liabilities consists primarily of open offsetting items in the amount of € 7.0 million (2021: € 5.3 million), obligations for staff-related expenses in the amount of € 3.2 million (2021: € 3.4 million), and lease expenses in the amount of € 3.4 million (2021: € 5.0 million).

The accruals and deferred income consist primarily of not-yet-received commission payments from export and tourism guarantee operations in the amount of € 18.7 million (2021: € 19.4 million). The accruals and deferred income also include general fees and fees from commitments to lend in the amount of € 2.4 million (2021: € 2.6 million) relating to loans that have not yet been paid out. These are taken into account in the effective interest rate at the time that the underlying loan is paid out and then received on an ongoing proportionate basis through this rate.

Note 27 EFS interest rate stabilisation provision

The EFS interest rate stabilisation provision is formed for the Export Financing Scheme. The provision is based on the actual obligation regarding the use of surpluses from the Export Financing Scheme. This obligation arises from the rules for the fixing of interest rates in the EFS, which specify fixed margins for OeKB, and from a directive from the Austrian Ministry of Finance on the use of surpluses from the scheme (see also Note 1).

The additions to and utilisation of the EFS interest rate stabilisation provision result from the net interest income from the EFS less OeKB's fixed margin for the operation of the scheme and less the costs directly related to the refinancing of the scheme. The net effects from the measurement of the derivative financial instruments, guarantees pursuant to § 1(2b) AFFG, and the receivables and payables of the EFS are also included in this item. In accordance with the associated decisions, the provision is used to stabilise the terms of export financing loans.

Change in the EFS interest rate stabilisation provision

€ thousand	2022	2021
At the beginning of the period	**1,241,148**	**1,250,800**
Release/allocation from the net interest income	(79,354)	(75,547)
Release/allocation from the net credit risk provisions	(118)	95
Release/allocation from the net gain or loss on financial instruments measured at fair value through profit or loss	324,728	65,800
Change in the EFS interest rate stabilisation provision	**245,256**	**(9,652)**
At the end of the period	**1,486,404**	**1,241,148**

Note 28 Capital management

Equity disclosure

The subscribed capital of € 130.0 million (2021: € 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. Every share represents an equal proportion of the share capital. There are no shares in issue that have not been fully paid up. Each share represents a rounded proportion of € 147.73 of the share capital.

The capital reserve remained unchanged at € 3.3 million and is restricted pursuant to § 229(4) UGB.

The retained earnings attributable to owners of the parent increased by € 23.4 million to € 746.5 million (2021: € 723.1 million). The retained earnings contained an amount of € 10.6 million (2021: € 10.6 million) as a legal reserve pursuant to § 229(4) UGB.

The IAS 19 reserve is the result of actuarial gains and losses on defined-benefit pension plans and changed by minus € 14.1 million from minus € 30.1 million to minus € 16.0 million in annual comparison. The FVOCI reserve resulted from the fair value measurement of investments in other unconsolidated companies and came to € 19.4 million (2021: € 23.3 million).

The equity attributable to owners of the parent thus came to € 883.2 million (2021: € 849.6 million).

The Executive Board will propose to the 77th Annual General Meeting on 24 May 2023 that the profit available for distribution reported in Oesterreichische Kontrollbank Aktiengesellschaft's financial statements for the year 2022 in the amount of € 32.9 million be used to pay a dividend of € 22.75 per share plus a bonus of € 14.43 per share. In total, the proposed dividend will be € 32.7 million. This represents approximately 25% of the participating share capital for 2022. After payment of the compensation to the Supervisory Board members, the remaining balance is to be carried forward.

The dividend payment for the 2021 financial year, which was made in May 2022, amounted to € 22.75 per share plus a bonus of € 14.43 per share or a total of € 32.7 million. The return on assets pursuant to § 64(1)19 BWG attributable to the owners of the parent was 0.2% in 2022 (2021: 0.2%).

Capital management

According to § 3(1)7 BWG, transactions conducted by OeKB and OeEB under the Export Guarantees Act (Federal Law Gazette No 215/1981) and the Export Financing Guarantees Act (Federal Law Gazette No 196/1967) are not subject to Regulation (EU) No 575/2013 or to §§ 22 to 24d, 39(2d) in conjunction with § 69(3), § 39(3) and (4), § 70(4a) 1, 8, 9, and 11, and §§ 70b to 70d BWG and are not subject to the inclusion of these transactions in the limits according to § 5(4) BWG. In terms of the supervisory law monitoring pursuant to § 69(2) BWG, the requirements in Regulation (EU) No 575/2013 do not apply. According to § 3(1)11 BWG, the provisions of the BWG and Regulation (EU) No 575/2013 do not apply to the business activities of ÖHT (however, § 5[1]1 to 4a and 6 to 14, §§ 38 to 39b except § 39[2d] in conjunction with § 69[3], §§ 41 to 42, § 65, §§ 69 to 70a, §§ 71 to 73a, and §§ 98 to 99e BWG do apply, though the supervisory monitoring pursuant to § 69[2] BWG shall not take into account the requirements of Regulation [EU] No 575/2013).

The bank group pursuant to § 30 BWG consists of Oesterreichische Kontrollbank Aktiengesellschaft, OeKB CSD GmbH, Oesterreichische Entwicklungsbank AG, and Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. The strategy of OeKB Group aims to maintain a stable capital base over the long term. There were no material changes in capital management. The Group satisfied the capital requirements of the national supervisory authority at all times during the reporting period.

The minimum regulatory capital requirement for credit risk was determined in accordance with the provisions of Regulation (EU) No 575/2013. The capital required to be held for operational risk was determined according to the Basic Indicator Approach. The credit risk was significantly lower due to the exemptions from the supervisory regulations described above. The bank group did not hold a trading book at any time. At Group level, the risks were aggregated in accordance with the concept of economic capital. Through the analysis of risk-bearing capacity, the economic capital required was compared with the economic capital available, and both metrics are monitored.

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

€ thousand	2022	2021
Risk-weighted assets (standardised approach to credit risk)	383,460	532,263
Total risk exposure amount (total regulatory capital requirement/8%)	**701,594**	**839,525**
Minimum regulatory capital requirement for		
Credit risk	30,677	42,581
Foreign exchange risk	-	-
Operational risk (Basic Indicator Approach)	25,451	24,581
Total regulatory capital requirement	**56,128**	**67,162**
Consolidated regulatory capital purs. to Part 2 CRR		
Paid-up share capital	130,000	130,000
Reserves *	711,056	668,552
Less deductions		
Intangible assets	(5,676)	(5,047)
Common equity tier 1 capital	**835,380**	**793,505**
Tier 1 capital	**835,380**	**793,505**
Available regulatory capital purs. to Part 2 CRR	**835,380**	**793,505**
Surplus regulatory capital	779,252	726,343
Consolidated capital adequacy ratio (regulatory capital as a percentage of total risk-weighted assets)	119.1%	94.5%
Consolidated tier 1 ratio	119.1%	94.5%
Cover ratio (regulatory capital as a percentage of the capital requirement)	1,488.4%	1,181.5%

* Pursuant to Art 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. The dedicated reserve for technical assistance is deducted from the reserves.

This results in the following ratios pursuant to Art 92(1) lit a to c of Regulation (EU) No 575/2013 at the reporting date, which are compared with the minimum ratios for the Group:

Minimum ratios purs. to Art 92 of Regulation (EU) No 575/2013

In %	Minimum ratio	2022 Actual ratio	Minimum ratio	2021 Actual ratio
Core tier 1 ratio	7.092	119.069	7.038	94.518
Tier 1 ratio	8.592	119.069	8.538	94.518
Total capital ratio	10.592	119.069	10.538	94.518

Calculation of the actual ratio

$$\text{Core tier 1 ratio} = \frac{\text{Common equity tier 1 capital purs. to Part 2 CRR * 100}}{\text{Minimum regulatory capital requirement purs. to Art 92 CRR}}$$

$$\text{Tier 1 ratio} = \frac{\text{Tier 1 capital purs. to Part 2 CRR * 100}}{\text{Minimum regulatory capital requirement purs. to Art 92 CRR}}$$

$$\text{Total capital ratio} = \frac{\text{Available regulatory capital purs. to Part 2 CRR * 100}}{\text{Minimum regulatory capital requirement purs. to Art 92 CRR}}$$

Minimum ratio for OeKB Group

In %	2022	2021
Core tier 1 ratio purs. to Art 92(1) lit a of Regulation (EU) No 575/2013	4.500	4.500
Capital conservation buffer purs. to § 22 BWG in conjunction with § 103q line 11 BWG	2.500	2.500
Anti-cyclical capital buffer purs. to § 23a BWG in conjunction with § 103q line 11 BWG	0.092	0.038
Core tier 1 ratio purs. to Art 92(1) lit a of Regulation (EU) No 575/2013 incl. buffer requirements	7.092	7.038
Tier 1 ratio purs. to Art 92(1) lit b of Regulation (EU) No 575/2013 incl. buffer requirements	8.592	8.538
Total capital ratio purs. to Art 92(1) lit c of Regulation (EU) No 575/2013 incl. buffer requirements	10.592	10.538

The required ratios resulted from Art 92(1) of Regulation (EU) No 575/2013, the additional capital buffer requirements of the BWG, and the capital buffer regulation of the FMA.

Other disclosures and risk report

Note 29 Revenue from contracts with customers

OeKB Group primarily generated revenue from contracts with customers from the sale of banking services (fee and commission income). Other income sources (other revenue) were revenue from assigned staff and service agreements. The following table shows a breakdown of the revenue from contracts with customers by the most important types of service and of the other revenue by the time of realisation. The table also shows the assignment of the broken down revenue to the reportable segments of OeKB Group.

Revenue flows in 2022

€ thousand	Export Services	Capital Market Services	Tourism Services	Other Services	2022
Income from					
Credit operations	1,998	-	2,350	-	4,348
Securities services	-	35,348	-	-	35,348
Guarantees	14,909	-	5,361	614	20,884
Energy clearing	123	2,553	-	-	2,675
Other services	1,443	169	-	459	2,071
Revenue from contracts with customers	**18,472**	**38,070**	**7,711**	**1,074**	**65,327**
Assigned staff	-	-	-	539	539
Billed services	279	656	1,899	1,552	4,386
Other revenue	**279**	**656**	**1,899**	**2,091**	**4,925**
Total revenue	**18,752**	**38,726**	**9,610**	**3,164**	**70,252**
Services rendered at a specific point in time	*6,203*	*18,684*	-	*51*	*24,937*
Services rendered over a period of time	*12,549*	*20,042*	*9,610*	*3,114*	*45,315*

The “Other liabilities” contained deferred liabilities relating to revenue from service contracts with customers in the amount of € 18.7 million (2021: € 19.4 million). These liabilities resulted mostly to fees and commissions already received in relation to export and tourism guarantees. These fees were recorded over a specific period of time in the cases where the terms of the guarantees from the Republic of Austria to be managed by OeKB Group were more than 1 year.

The revenues recognised in financial year 2022 from fees and commissions received in previous periods came to € 4.2 million (2021: € 4.1 million).

As permitted by IFRS 15, no disclosures were made about remaining service obligations that had an expected residual term of 1 year or less as at 31 December 2022.

Revenue flows in 2021

€ thousand	Export Services	Capital Market Services	Tourism Services	Other Services	2021
Income from					
Credit operations	2,303	-	2,556	-	4,859
Securities services	-	33,213	-	-	33,213
Guarantees	14,684	-	4,698	724	20,106
Energy clearing	63	2,563	-	-	2,626
Other services	1,650	171	-	684	2,505
Revenue from contracts with customers	**18,699**	**35,947**	**7,254**	**1,408**	**63,308**
Assigned staff	-	-	-	273	273
Billed services	76	717	2,572	1,148	4,514
Other revenue	**76**	**717**	**2,572**	**1,421**	**4,786**
Total revenue	**18,775**	**36,664**	**9,826**	**2,829**	**68,094**
Services rendered at a specific point in time	*6,381*	*17,889*	-	*231*	*24,501*
Services rendered over a period of time	*12,394*	*18,775*	*9,826*	*2,598*	*43,593*

Note 30 Information regarding the consolidated statement of cash flows

The consolidated statement of cash flows shows the state and development of the cash and cash equivalents of OeKB Group. The reported cash position consisted largely of cash and balances at central banks and corres-ponds to the item cash and cash equivalents on the balance sheet. The Group had additional liquidity reserves (see Note 38), but these were not included in the definition of cash and cash equivalents. This additional liquidity buffer was formed in the EFS and was only used in stress scenarios. The reported cash and cash equivalents were denominated exclusively in euros.

The cash flow from operating activities included the changes in loans and advances to banks and customers, the changes in deposits from banks and customers, and the changes in debt securities issued. The change in the lease liabilities was also reported in cash flows from operating activities as these do not represent a material financing component. In net cash from operating activities, all income and expense components were adjusted for non-cash items, especially depreciation, amortisation, and impairment; changes in provisions and loan loss 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 were incurred primarily in connection with the issue of long- and shortterm debt securities issued for the EFS. The exchange rate risks were mostly covered by the guarantees pursuant to § 1(2b) AFFG. OeKB Group thus did not bear any exchange rate risk from the Export Financing Scheme. Fluctuations in exchange rates had little or no impact on cash and cash equivalents held or due in foreign currency. The total of the other adjustments primarily contains non-cash foreign currency losses and gains and non-cash effects from the fair value measurement of debt securities issued and derivative financial instruments, which are related to the change to the AFFG guarantee.

The cash flow from investing activities reflected changes in the other financial assets in the investment portfolio, in the property, equipment, and intangible assets. The cash flow from financing activities reflected changes in equity transactions with the owners.

Reconciliation of the changes in equity to the cash flows from financing activities

€ thousand	Notes	Retained earnings 2022	Non-controlling interests 2022	Net cash from financing activities 2022	Retained earnings 2021	Non-controlling interests 2021	Net cash from financing activities 2021
Balance sheet at 1 Jan		723,138	-		693,715	-	
Dividends paid	28	(32,718)	(781)	(33,500)	(32,718)	(781)	(33,500)
Total change in cash flows from financing activities		**(32,718)**	**(781)**	**(33,500)**	**(32,718)**	**(781)**	**(33,500)**
Profit for the year		**56,046**	**2,183**		**62,142**	**3,349**	
Balance sheet at 31 Dec		746,465			723,138		

Most important developments during the financial year

The cash flow from operating activities in the amount of minus € 1,197.9 million (2021: minus € 309.5 million) changed by minus € 888.5 million compared with the previous year. The change was due to primarily the change of loans and advances to banks and customers, the change in the deposits from banks, and the change in the debt securities issued. The repayments from redemptions of loans and advances to banks and customers exceeded the payments for the purchase redemptions by minus € 862.3 million (2021: +€ 2,145.5 million). The repayments from the redemption of payables to banks and customers and the debt securities in issue exceeded the payments received by € 229.9 million (2021: € 2,449.0 million).

The cash flow from investing activities in the amount of € 305.9 million increased by € 323.4 million compared with the previous year (2021: minus € 17.5 million). During the financial year, payments received exceeded the payments made due to reinvestments from previous investments.

Note 31 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.

Remaining maturities purs. to § 64(1) BWG at 31 Dec 2022

€ thousand	Repayable on demand	Up to 3 months	3 months up to 1 year	1 up to 5 years	More than 5 years	Total
Loans and advances to banks	1,251,333	506,364	7,739,100	9,377,369	2,877,868	21,752,034
Loans and advances to customers	19,543	61,473	225,764	832,645	749,943	1,889,368
Other financial assets	16,753	325,261	1,576,930	507,500	105,609	2,532,053
Derivative financial instruments	-	38,196	43,809	408,883	281,158	772,046
Guarantees pursuant to § 1(2b) AFFG	-	1,166,453	578,432	3,899,779	553,777	6,198,441
Current tax assets	-	-	885	-	-	885
Total	**1,287,629**	**2,097,747**	**10,164,920**	**15,026,176**	**4,568,355**	**33,144,827**
Deposits from banks	218,999	307,090	145,206	295,679	96,090	1,063,064
Deposits from customers	1,026,020	2,667	95,000	6,211	-	1,129,898
Debt securities issued	-	8,515,502	3,815,359	13,058,593	1,704,424	27,093,878
Derivative financial instruments	-	147,977	221,465	1,354,404	44,305	1,768,151
Total	**1,245,019**	**8,973,236**	**4,277,030**	**14,714,887**	**1,844,819**	**31,054,991**

Remaining maturities purs. to § 64(1) BWG at 31 Dec 2021

€ thousand	Repayable on demand	Up to 3 months	3 months up to 1 year	1 up to 5 years	More than 5 years	Total
Loans and advances to banks	564,286	905,193	6,930,342	9,522,924	3,363,059	21,285,804
Loans and advances to customers	9,124	56,965	188,833	798,606	652,903	1,706,431
Other financial assets	276,308	308,284	1,680,572	558,530	99,038	2,922,732
Derivative financial instruments	-	91,158	95,776	233,698	174,527	595,160
Guarantees pursuant to § 1(2b) AFFG	-	817,079	605,766	3,452,685	487,017	5,362,547
Current tax assets	-	-	1,417	-	-	1,417
Total	**849,718**	**2,178,679**	**9,502,706**	**14,566,443**	**4,776,544**	**31,874,091**
Deposits from banks	421,414	38,349	103,466	380,535	147,785	1,091,549
Deposits from customers	826,863	2,603	105,975	6,526	-	941,967
Debt securities issued	-	7,245,958	3,131,301	15,821,882	1,847,609	28,046,750
Derivative financial instruments	-	136,385	129,571	589,101	34,922	889,979
Total	**1,248,277**	**7,423,295**	**3,470,313**	**16,798,044**	**2,030,316**	**30,970,245**

Note 32 Subordinated assets

In relation to the development aid activities of OeEB, there are subordinated assets in the balance sheet items loans and advances to banks in the amount of € 74.5 million (2021: € 35.2 million), loans and advances to customers in the amount of € 8.1 million (2021: € 2.2 million), and other financial assets in the amount of € 5.0 million (2021: € 13.4 million) that are covered by guarantees from the Republic of Austria.

Note 33 Assets pledged as collateral

€ thousand	2022	2021
Collateral for credit risks in derivative financial instruments		
Collateral pledged	1,202,581	540,330
Collateral received	130,251	175,709

The change in the assets and liabilities pledged as collateral was due to the changes in the collateral furnished and received pursuant to ISDA contracts with derivatives partners (see Note 19).

Note 34 Contingent liabilities and other off-balance sheet commitments

The contingent liabilities not reported on the balance sheet in the amount of € 1,245.1 million (2021: € 1,373.3 million) pertained to guarantees issued by OeEB in the amount of € 43.2 million (2021: € 56.3 million) that were in turn backed by guarantees from the Republic of Austria pursuant to the AusfFG and guarantees issued by ÖHT in the amount of € 1,201.9 million (2021: € 1,317.0 million) that were backed by an indemnity from the Republic of Austria. Information about the undrawn credit facilities and commitments to lend in the amount of € 3,693.3 million (2021: € 3,726.2 million) is provided in Note 38. There are also security purchase obligations in the amount of € 7.3 million (2021: € 31.3 million) relating to the activities of OeEB. These purchase obligations are in turn covered by guarantees of the Republic of Austria pursuant to the AusfFG.

Note 35 Other off-balance sheet commitments

Pursuant to § 2(3) ESAEG, the fully consolidated companies of OeKB Group are required to guarantee a proportionate amount of deposits under the deposit insurance system operated by the Vienna-based Einlagensicherung AUSTRIA Ges.m.b.H. OeKB, OeEB, OeKB CSD, and ÖHT are members of this institution.

Note 36 Fiduciary assets and liabilities

Off-balance sheet fiduciary transactions from the segment export financing amounted to € 170.4 million (2021: € 154.8 million). The fiduciary transactions for the Republic of Austria pertain mostly to the operations of the development bank that were entered into under the advisory programme and the "Holdings financed by federal funds" according to § 3 of the contract pursuant to § 9(1) AusfFG, as well as to the fiduciary account of the federal government.

Off-balance sheet fiduciary transactions from the tourism financing amounted to € 474.9 million (2021: € 496.3 million). The fiduciary transactions under the ERP fund pertain largely to the business activities of ÖHT that were commenced under the aws erp tourism programme (legal basis: ERP Fund Act, general provisions for the aws erp programme, Regulation [EU] No 651/2014 Art 14 and 17, and Regulation [EU] No 1407/2013).

Note 37 Supplementary disclosures on assets and liabilities pursuant to BWG

Supplementary disclosures purs. to § 43 and § 64 BWG

	31 December 2022		31 December 2021	
€ thousand	Assets	Liabilities and equity	Assets	Liabilities and equity
Denominated in foreign currency	2,813,889	20,728,921	2,423,028	22,619,930
Issued or originated outside Austria	4,744,717	28,501,377	3,529,074	28,355,778

Note 38 Financial risk management and loan loss provisions

Overview and special features of OeKB Group

In significant business segments, the OeKB Group acts as a contractor to the Republic of Austria. It engages in no retail or deposit-taking business. As the parent company, OeKB is a special-purpose bank for capital and energy market services, and the Austrian export industry. The bank subsidiary Oesterreichische Entwicklungsbank AG supplements the Export Services, and the bank subsidiary OeKB CSD GmbH the Capital Market Services. Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., which finances investment projects in the Austrian tourism and leisure industry, is managed as the separate Tourism Services segment.

Risk management and risk controlling are key processes that are integral to the business strategy and are designed to ensure the lasting stability and profitability of the company and the entire OeKB Group. Each risk exposure is accepted after careful consideration and must conform with the risk policy and strategy defined by the Executive Board. The policy and strategy are intended to ensure a stable return on equity on the basis of a conservative approach to business and operational risks. The risk policy and strategy set out the risk management principles, the risk appetite, the key features of the risk management organisation, and the principles for the measurement, control, and limitation of the defined risk categories.

The Export Financing Scheme represents the majority of the business model and thus of the assets on the balance sheet – see also Note 1.

The risks of the Export Financing Scheme that is administered for the Republic of Austria were mitigated by extensive collateral and guarantees, especially from the Republic of Austria. The Export Financing Guarantees Act sets out the requirements for guarantees for export lending and thus the conditions for customer access to credit under the scheme, as well as the rules for the Austrian government guarantees protecting creditors in refinancing operations (creditor guarantees) and the government guarantees for exchange rate risk (exchange rate guarantees).

Exemptions from regulatory requirements are highly important for the business model. OeKB Group is not subject to the liquidity regulations (LCR, NSFR) or European and national provisions for the banking union (such as the BRRD). Further exemptions exist regarding export financing (i.e. the EFS), in particular the exemption from the CRR (Regulation [EU] No 575/2013). These exemptions apply to OeKB as the parent company of OeKB Group as well as to the fully consolidated banking subsidiary Oesterreichische Entwicklungsbank AG (see § 3[1]7 BWG). Similar exceptions apply to the OeKB Group member OeKB CSD GmbH, which is authorised as a central depository under the CSD Regulation (see § 3[1]12 BWG) and for Österreichische Hotel- und Tourismusbank GmbH (see § 3[1]11 BWG).

OeKB as the parent bank runs the Internal Capital Adequacy Assessment Process (ICAAP) pursuant to § 39a(1) and (3) BWG on a consolidated basis as the Group ICAAP. The risks at the individual company level are managed in part by setting risk budgets and monitoring compliance with these budgets on a quarterly basis.

Because of the special importance of the Export Financing Scheme and based on the management principles of OeKB Group, the EFS is treated as a separate investment risk entity (part of credit risk) in the Group ICAAP. For this purpose, a separate risk coverage calculation is performed for the EFS. The EFS poses no risks for the OeKB Group so long as it can bear its own risks. Any risk exceeding the Export Financing Scheme's risk coverage capital would become part as a credit risk of the Group's ICAAP. For details, see Chapter "ICAAP EFS and its integration in the Group ICAAP".

The following contents of this note specify the risk management objectives, policies, and processes of the OeKB Group with regard to market, credit, business, and liquidity risk, operational risk and other non-financial risks, and the impacts of climate-related factors in particular on the risk types.

Aside from the sub-ICAAP for the EFS (see above) and the allocation of risk budgets for the bank subsidiaries, no other risk capital is assigned to the individual segments of OeKB Group. Because of the far-reaching exceptions (see above), risk management is not conducted according to the CRR regulations for the most part, but according to the pillar 2 concepts of ICAAP and ILAAP.

Risk management framework

The Executive Board bears overall responsibility for the establishment of an adequate, functional, and holistic risk management system that covers all material operational and business risks of OeKB Group. It meets this obligation by enacting suitable organisational measures as well as by providing a suitable guideline structure.

Guideline structure

One central guideline of the risk management framework is the risk policy and strategy of OeKB Group, which the Executive Board formulates and adopts in coordination with the Chief Risk Officer (CRO) and in consultation with the Risk Committee of the Supervisory Board on an annual basis in line with the business strategy.

The risk policy and strategy set out the risk management principles, the key features of the risk management organisation, the risk appetite, and the principles for the measurement, control, and limitation of the defined risk categories and the integration of sustainability factors. In this manner, the Executive Board ensures the uniform management of risks throughout the OeKB Group.

Each risk exposure that is accepted must conform with the Risk Policy and Strategy of OeKB Group. The principles and standards for ethical business practices are set forth in the Code of Conduct and are binding for all employees. These especially govern the handling of data, complaints, and conflicts of interest as well as compliance, whistleblowing, the prevention of corruption and money laundering, and the fit and proper policy for key personnel. The remuneration policy contains the principles for pay pursuant to the BWG and takes account of the relevant risks. An effective internal control system is in place to ensure proper processes and correct financial reporting. Internal Audit and Group Internal Audit serve as the third line of defence.

Organisation

Given OeKB Group's key business activities and its specific business and risk structure, the Bank has adopted a clear functional organisation for its risk management process with well defined roles. In line with proportionality rules, there is no separation between risk origination and risk oversight in the Executive Board; risk-controlling units such as the Chief Risk Officer report to the full Executive Board.

The Risk Management Committee (RMC) plays a central role in risk management, and the majority of the committee members are appointed by the risk-controlling units. The function of the Risk Management Committee consists of strategic risk management and risk controlling in accordance with the valid risk policy and risk strategy. The Committee is the recipient of the risk reports, monitors and controls the risk profiles of the individual risk types, and adopts or proposes to the Executive Board any necessary measures and proposes to the Executive Board limits, risk budgets, and risk monitoring methods based on the risk coverage calculation as part of overall bank risk management. The Risk Management Committee set up the Non-

Financial Risk Committee (NFRC) as a sub-committee to enhance its ability to control non-financial risks, especially operational and ICT (information and communication technology) risks.

The implementation of the measures decided by the Risk Management Committee is overseen by the Chief Risk Officer (CRO), together with the Financial Risk Manager, and the Operational Risk Manager. The CRO reports directly to the overall Executive Board and, once a year, to the Risk Committee of the Supervisory Board. The CRO directs the Risk Controlling department, which is responsible for the measurement and assessment of financial risks, operating-level financial risk controlling including monitoring the internal limits, and the practical implementation of the Internal Capital Adequacy Assessment Process.

In operational terms, operational risk management including business continuity management is integrated in the ODFM (Organisational Development and Facility Management) department, which ensures close collaboration with process management and the ICS.

Due to the particular importance of information and cyber security, the Executive Board set up the Information and Cyber Security Executive Committee (CSEC) in 2022. It is chaired by the Chief Information Security Officer (CISO) and serves, among other things, to regularly exchange information with the Executive Board, to ensure governance, to evaluate risks, and to provide advice on and commission measures in the area of information and cyber security. In addition to the CISO and the Executive Board, the CRO and head of the IT department are also members of the committee. The CISO is responsible for the information and cyber security of OeKB Group and reports regularly and directly to the full Executive Board.

Other key functions of the governance structure are the officers for preventing money laundering, for compliance (WAG and § 39[6] BWG), and for outsourcing – all of whom report directly to the Executive Board.

A comprehensive risk assessment is conducted every year to ensure that all material risks have been identified and that they can be measured and controlled. New products and services are subject to a product introduction process, which includes a risk assessment.

Risk management is supplemented by the Internal Control System (ICS), which ensures compliance with guidelines and risk-mitigation measures. An Internal Control System Officer was nominated to ensure that the ICS complies with the legal requirements and to implement and continuously refine the ICS guideline enacted by the Executive Board. Largely automated IT general controls and audits conducted by the Internal Audit department ensure its effectiveness.

Internal Audit and Group Internal Audit serve as 3rd line of defence and conduct regular audits on operational management (the 1st line of defence) and on the organisational units involved in the risk management processes (2nd line of defence) and on the employed procedures.

The Supervisory Board oversees all risk management arrangements and receives quarterly reports on OeKB 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 pursuant to § 39d BWG, which convened one meeting in 2022. The Audit Committee of the Supervisory Board also monitors the effectiveness of the Internal Control System. The Supervisory Board has also set up a Nomination Committee and a Remuneration Committee.

OeKB Group has implemented a comprehensive and risk-oriented reporting and limit system to ensure that the senior management responsible for managing and monitoring financial and operational risks are informed adequately and in good time. This reporting includes the quarterly risk reports by the Executive Board to the Supervisory Board and annual coordination and consultation within the Risk Committee of the Supervisory Board pursuant to § 39d BWG.

As part of the operational risk management strategy, organisational structures have been defined for various emergency and crisis scenarios. Especially the COVID-19 pandemic provided impressive proof of the efficacy of the crisis management system in the recent years. OeKB Group was not only able to act effectively at all times, but was also able to handle additional tasks relating to the government business aid programmes.

Internal Capital Adequacy Assessment Process (ICAAP)

Risk appetite and approaches to risk control

The ICAAP is conducted pursuant to § 39a(3) BWG at the group level and serves to ensure the maintenance of the defined bank-specific level of capital adequacy and forms an integral part of the management process as a controlling and measurement tool. The risk appetite is set annually by the Executive Board in coordination with the Risk Committee of the Supervisory Board.

The process accounts for the going concern approach and the gone concern approach. The key difference between the two approaches lies in the definition of the economic capital available to cover risk and the choice of the confidence level for the risk (99.9% for the going concern approach and 99.98% for the gone concern approach).

Risk coverage calculations and limitation

The risk coverage calculation is performed 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. In the risk coverage calculation, the economic capital requirement is compared with the risk coverage capital (internal or business capital). This is done in consideration of different coverage objectives and approaches (going concern and gone concern).

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 on the basis of a one-year horizon at the confidence levels defined in the steering principles.

The risk coverage calculation especially takes all defined material risk categories into account, namely credit risk, market risk, operational risk, and business risk. Credit risks are measured using the credit value at risk (CVaR) approach and market risks using the VaR approach. Business risk is determined on the basis of a statistical analysis of empirical target deviations in the operating profit.

Based on the results of the risk coverage calculation and the recommendations by the Risk Management Committee, the Executive Board defines the limits for market and credit risk for the OeKB Group as a whole as well as risk budgets for the individual banks in the OeKB Group. Compliance with these limits and risk budgets is monitored by the Risk Controlling department and reported to the Risk Management Committee and the Executive Board on a quarterly basis. There is no steering of individual business divisions or segments in the economic capital within OeKB Group, as this is of limited relevance; a separate ICAAP is conducted for the EFS. As in the previous years, the risk-bearing capacity of the EFS was assured as at 31 December 2022, meaning that there is no risk of spill-over from the EFS to the group ICAAP. See also the section “EFS ICAAP and its integration in the group ICAAP”.

Additional operational limits are also in place in key areas. These also cover the monitoring of risk concentrations.

In the risk coverage calculation, concentrations of risk between risk types are taken into consideration by determining the aggregate risk by adding up the individual type-specific risk capital amounts and thus assuming a perfectly positive correlation.

The measurement of operational risk is based on the Basic Indicator Approach expanded by a distribution for scaling to the respective confidence level of the specific approach.

The following table shows the high risk-bearing capability of OeKB Group in the going concern and gone concern approach.

Risk coverage calculation for OeKB Group

	31 December 2022		31 December 2021	
€ thousand	Economic capital	Available risk coverage capital	Economic capital	Available risk coverage capital
Going concern	186,718	745,955	122,187	745,387
Gone concern	244,542	906,538	174,615	905,970

The rise in economic capital was the result of the elevated market risk following the reallocation to a pure bond portfolio and massively increased interest rate volatility.

The economic capital calculations are supplemented with stress tests. This involves both univariate tests for key risk drivers and multivariate market-specific tests. To assess the sustainability of the risk-bearing capacity under adverse market conditions (this test was shaped by the Ukraine crisis in 2022), input parameters such as volatilities, correlations, and probabilities of default are subject to stress on the basis of a macroeconomic scenario and then evaluated on the basis of this risk-bearing capacity.

Comparison of risk pursuant to ICAAP with minimum regulatory capital requirements purs. to Art 92 of Regulation (EU) No 575/2013

	Value at Risk pursuant to ICAAP (confidence level 99.98%)		Regulatory capital requirement purs. to Reg. (EU) No 575/2013 (see Note 28)	
€ thousand	31 Dec 2022	31 Dec 2021	31 Dec 2022	31 Dec 2021
Credit risk	81,881	96,245	30,677	42,581
Commodity and foreign exchange risk	3,391	16,430	-	-
Other market risk in the banking book	115,241	22,347	-	-
Other risks	11,645	8,315	-	-
Operational risk	32,384	31,278	25,451	24,581
Total	**244,542**	**174,615**	**56,128**	**67,162**

The risk in the ICAAP exceeded the regulatory capital requirement pursuant to CRR. This resulted primarily from the fact that ÖHT does not fall under the CRR and that the market risk in the banking book is not covered by the CRR. The decline in credit risk was driven by a decrease in risk in the ÖHT portfolio and in the investment portfolio. The previous mixed investment fund was liquidated in 2022 and the capital allocated to the proprietary portfolio under internal management. This is purely a EUR bond portfolio of issues with good to very good ratings. This portfolio restructuring and the massive increase in interest rate volatility led to the decrease in commodity position and foreign exchange risk and the increase in market risk in the banking book.

Market risk – banking book

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

The risk amounts for market risk are assessed in the Group ICAAP (see previous table) using the value at risk (VaR) concept to estimate maximum potential losses within a single year (holding period). According to the steering principles, the calculation is carried out at the two confidence levels of 99.9% and 99.98% by means of Monte Carlo simulations.

The market risk limit is set by the Executive Board based on the proposal of the Risk Management Committee. This is managed in operational terms on the basis of these requirements and in coordination with the portfolio group by the Treasury department, which administers the proprietary portfolio that makes the most significant VaR contribution. OeKB fundamentally changed the investment strategy in 2022, liquidated all investments in the previously held mixed special purpose fund, and allocated this capital to the directly held portfolio. The directly held investments consist of bonds held directly in securities accounts and managed on the basis of a buy-and-hold strategy. The investments were also reclassified so that they are measured according to the discretionary lower of cost or market principle, which should avoid negative valuation effects from rising interest rates.

The effects of extreme market changes are also determined by means of stress tests, which also serve to assess the plausibility of the VaR values. These tests comprise both the determination of the value at risk under stress conditions (such as credit migration and correlations) and multivariate stress tests based on specific historical scenarios (such as Black Monday, 11 September, the 2007/08 financial crisis). The effects of interest rate shifts and twists as defined by the EBA Guidelines on interest rate risk in the banking book are also calculated in present-value and the outlier tests are performed pursuant to the listed EBA Guidelines on a quarterly basis.

General interest rate risk in the banking book

In addition to the stochastic interest rate risk calculation in the risk coverage calculation, interest rate risk is also regularly calculated using interest rate scenarios. This also includes the employee benefit provisions. The following table shows the sensitivity of the net present value (PV) of the OeKB Group (present value basis) and the net interest income (NII) (income basis) depending on defined interest rate shocks on the basis of the EBA Guidelines on the Management of Interest Rate Risk Arising from Non-trading Book Activities (EBA/GL/2018/02).

General interest rate risk in the banking book (IRRBB) at 31 Dec 2022

		Parallel shift		Short/long twist		Parallel shift of key currencies			
€ thousand	PV/NII	+50 BP	(50) BP	-/+25 BP	+/-25 BP	EUR +25 BP	EUR (25) BP	CHF +25 BP	CHF (25) BP
Interest rate sensitivities on a present value basis (excl. non-interest-bearing assets)									
OeKB Group	1,473,488	(52,407)	54,126	(10,075)	10,477	(43,413)	44,180	16,820	(17,140)
Of which EFS	*436,213*	*(42,603)*	*44,233*	*(5,782)*	*6,177*	*(38,942)*	*39,689*	*16,823*	*(17,144)*
Interest rate sensitivities on an earnings basis (1 year, before guarantee fee)									
OeKB Group	264,608	(17,163)	17,096	12,948	(12,966)	16,647	(16,663)	(23,377)	23,416
Of which EFS	*145,096*	*(19,186)*	*19,120*	*13,850*	*(13,868)*	*15,596*	*(15,612)*	*(23,389)*	*23,429*

General interest rate risk in the banking book (IRRBB) at 31 Dec 2021

		Parallel shift		Short/long twist		Parallel shift of key currencies			
€ thousand	PV/NII	+50 BP	(50) BP	-/+25 BP	+/-25 BP	EUR +25 BP	EUR (25) BP	CHF +25 BP	CHF (25) BP
Interest rate sensitivities on a present value basis (excl. non-interest-bearing assets)									
OeKB Group	1,699,587	(51,213)	56,258	(13,511)	15,792	(52,005)	53,681	25,387	(25,868)
Of which EFS	*619,652*	*(43,276)*	*45,275*	*(11,163)*	*11,484*	*(49,057)*	*50,088*	*25,388*	*(25,869)*
Interest rate sensitivities on an earnings basis (1 year, before guarantee fee)									
OeKB Group	92,447	(10,231)	10,283	4,773	(4,772)	14,631	(14,634)	(18,431)	18,463
Of which EFS	*2,584*	*(11,173)*	*11,066*	*5,206*	*(5,225)*	*14,131*	*(14,149)*	*(18,435)*	*18,467*

As can be seen in the table below, the mandatory outlier tests required by EBA Guideline 2018/02 were below 3% throughout the year, and thus well below the specified early warning threshold of 15% of regulatory capital according to COREP.

The following table shows the maximum present value change in relation to the CET 1 capital per quarter and the underlying type of interest rate shock.

Results of outlier tests 2022

Effective date	Max. present value change in %	Shift typ
31 Mar 2022	(1.0)%	Flattener
30 Jun 2022	(1.1)%	Flattener
30 Sep 2022	(1.3)%	Short up
31 Dec 2022	(2.4)%	Parallel up

Results of outlier tests 2021

Effective date	Max. present value change in %	Shift typ
31 Mar 2021	(1.3)%	Flattener
30 Jun 2021	(1.4)%	Flattener
30 Sep 2021	(1.3)%	Flattener
31 Dec 2021	(1.2)%	Flattener

Credit risk

OeKB Group differentiates between the following types of credit risk: counterparty risk/default risk, investment risk, and concentration risk.

Beyond the EFS, the only entity in OeKB Group that engages in significant credit operations is the Tourism Services segment (tourism financing). The overall low credit risks compared with the risk coverage capital of OeKB Group therefore stem primarily from the proprietary portfolio (bonds), the non-consolidated holdings, and the tourism financings extended by ÖHT. The latter is subject to high collateral standards. The majority of the loans are secured by banks but also by public sector entities and to a limited extent by mortgages.

Credit risks are assessed using the credit value at risk (CVaR). This is the difference between the maximum loss at a given confidence level (for example 99.98% in the gone concern approach) and the expected loss associated with the respective default. The CVaR is calculated by means of the Vasicek distribution assuming a one-year holding period. The CVaR amounted to € 81.9 million as at 31 Dec 2022 (31 Dec 2021: € 96.2 million).

OeKB follows the strategy of broad diversification in the management of its proprietary portfolio. There are individual concentrations of exposure to issuers with the highest credit ratings. The major loan limits must also be followed in this, and reports are submitted regularly to the RMC and the Executive Board. Segment Tourism services concentration on the tourism and leisure industry in Austria is inherent to the company's business model, so loans are only provided under stringent collateral requirements.

The credit risk limits are set by the Executive Board according to the proposal of the RMC, which is based on the risk coverage calculation; compliance is monitored by the RCO. Credit derivatives are not used.

The creditworthiness of counterparties is assessed using a clear rating and mapping system. This rating is based on a detailed 22-part internal master scale that differentiates between sovereign and other counterparties in the very good rating segment in assessing the probability of default. The PDs are derived taking migration risks into account. This rating and mapping system is adopted by the RMC and is reviewed annually by the RCO.

EFS ICAAP and its integration in the Group ICAAP

The EFS, which OeKB manages as an agent of the Republic of Austria, accounts for the vast majority of the total assets and is managed as a separate accounting entity from the other business activities. In line with the steering principles, OeKB performs a separate risk coverage calculation for the EFS. Risks within the EFS that are not covered by the guarantees from the Republic of Austria (guarantees and avals according to AusfFG and AFFG) are evaluated and compared with the EFS interest rate stabilisation provision pursuant to UGB, which serves as risk coverage capital for the EFS.

This EFS interest rate stabilisation provision results from surpluses generated in the EFS, which are to be retained in the EFS in accordance with the decree of the Ministry of Finance from 1968 (non-interest liability). As the tax office only treats the EFS interest rate stabilisation provision as a “deductible debt item” if the funds are used to lower the effective refinancing interest rate, a tax provision is added to the economic capital for credit risk when calculating the risk-bearing capacity.

The EFS is taken into account as investment risk within OeKB Group’s Internal Capital Adequacy Assessment Process (ICAAP). Any risk exceeding the risk coverage capital of the EFS thus becomes part of the OeKB Group’s credit risk and is included in the calculation of risk coverage for OeKB Group.

The EFS has always had an unimpaired risk-bearing capacity to date, and there has never been a spillover of risks. The total of the risks in the EFS described below is less than the risk coverage capital in the EFS again in 2022, meaning that no risk from the EFS is accounted for in the group ICAAP.

The most substantial risk types by far are credit and interest rate risk. Other relevant risk positions are CVA risk in connection with swap transactions and the refinancing risk.

Credit risk in the Export Financing Scheme

OeKB’s credit exposure consists primarily of financial instruments in the Export Financing Scheme (loans and advances to banks and customers). These loans are extended according to strict principles and high collateral requirements (mainly by guarantees of the Republic of Austria). To secure credit risks in connection with derivative financial instruments, collateral agreements are concluded with all counterparties. Credit derivatives are not used.

The extensive collateral and guarantees provided by the Republic of Austria result in a high level of risk concentration vis-à-vis the Republic of Austria, which is not measured due to the high quality of the collateral.

Credit risks above and beyond this are assessed using the credit value at risk (CVaR) method. This is the difference between absolute VaR at a given confidence level (99.9% in the going concern approach and 99.98% in the gone concern approach) and the expected loss associated with the respective default. The CVaR is calculated by means of a Monte Carlo simulation assuming a one-year holding period.

In addition to the risk concentration vis-à-vis the Republic of Austria, there are also significant concentrations vis-à-vis banks and other guarantors. These concentrations are inherent to the business model, and scope for diversification in this regard is limited. Due to the use of the Monte Carlo simulation, the calculated CVaR contains both business partner concentration risks as well as concentrations relating to guarantors and the probability of impairment as based on their credit ratings and correlation with the borrowers.

Credit risk is managed on the basis of the risk coverage calculation and the limits defined on this basis, and in day-to-day operations through a business partner limit system in which business partners and guarantors as well as combinations thereof are assigned limits. The concrete limits are assigned by the Executive Board based on the recommendations of the Credit Committee. Compliance is monitored by the Risk Controlling department.

Market risk in the EFS

In accordance with the primary steering principle, market risk is measured by means of the earnings at risk (EaR) and includes interest rate risks and, to the extent not guaranteed by the Republic of Austria, a limited level of exchange rate risks. As is the case for the measurement of credit risk, market risk is measured by means of a Monte Carlo simulation with the confidence levels specified above and a planning period of one year.

The Treasury department is responsible for the operational management of market risk based on the requirements from the EFS ICAAP and, in particular, in coordination with the Asset Liability Management Committee (ALCO), to which the Treasury department submits regular reports. The ALCO, which includes the Executive Board, is also responsible for defining the EFS asset rates and for designing the EFS products.

The effects of interest rate shifts and twists as defined by the EBA Guidelines on interest rate risk in the banking book are also calculated in present-value and net-result terms on a quarterly basis and are reported to the Risk Management Committee and the Executive Board (see above).

Business risk

OeKB Group primarily understands business risks to mean declines in profits caused by unexpected changes in business volume or margins or unexpected operating costs and expenses. Unexpected refers to deviations from the Group's planning. To the extent that they have materialised in the past, these risks also include business model risks and strategic risks arising from business policy decisions and changes in economic or legal conditions as well as reputation risks as negative consequences of stakeholder perceptions.

Business risk is initially determined on a quantitative basis and then subject to expert review so that concrete limits can be set annually by the Risk Management Committee. As this risk category is a profit risk, it is accounted for in the risk coverage calculation by being deducted from the risk coverage capital.

Aside from quantitative inclusion in the ICAAP, the Group is aware of the relevance of these risks in particular in its role as a special-purpose bank group, due to the high importance of the Export Financing Scheme, and in light of the associated legal exceptions. The active monitoring of legislative changes, stakeholder dialogue, adherence to a conservative risk policy, and a proactive reputation policy (including a Code of Conduct) are central factors in mitigating these risks.

Other risk in the ICAAP

Model risks and risks from risk types that are not separately measured are taken into account in the risk coverage calculation by the application of percentage surcharges to the determined economic capital.

OeKB Group faces various risk concentrations. Two of the most significant concentrations are the business field concentration as a special-purpose bank group and the dependence on the guarantees provided by the Republic of Austria in connection with the EFS. These concentrations are inherent to the business model and scope for diversification in this regard is limited.

Inter-concentration risks that arise from interdependences between different risk types are factored into the Group ICAAP as well as into the EFS ICAAP by aggregating the economic capital values for each risk type (credit risk, market risk, etc). Multivariate stress tests are also 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 assets stem from the Export Financing Scheme. The EFS exposure is secured by the guarantees of the Republic of Austria to a large extent, and the debt financing is part of the business model.

Non-financial risks und operational risks

Unlike market and credit risks, for example, non-financial risks can only be measured and managed through key figures to a limited extent, so the definition of the risk appetite and the management of these risks primarily occur on a qualitative basis. OeKB Group includes the following risks in this category: systemic risk, business model risk, strategic risk, reputation and conduct risk, compliance risk, and operational risk, including IT risks.

The RMC set up a separate sub-committee in order to keep pace with the diversity and high relevance of these risks. A five-stage traffic light system has also been used since 2020 for the holistic assessment of the non-financial risks. A workflow-based decentralised assessment of the various risk categories is conducted by all departments, bank subsidiaries, and risk and compliance officers on a quarterly basis using a special software system (ARIS). The dashboard system provides an overview and allows an integrated evaluation of the overall situation. The goal is to have all processes, precautions, and measures put into place and executed in such a manner that the expected annual damages are below € 500 thousand (half of the tolerable error specified in the ICS).

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. The economic capital requirement for the Group ICAAP is determined by scaling the regulatory capital requirement according to the Basic Indicator Approach to the respective confidence level.

Standards, rules, and processes are derived from the risk policy and documented in manuals. This also includes emergency management manuals, contingency plans, and 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 central loss incident database, in which near losses are also documented, helps to ensure the continuous optimisation of operational risks.

In order to complete the tasks outlined above, the Executive Board has appointed an Operational Risk Manager who reports to the RMC and coordinates group-wide implementation.

Given the high importance of information and cyber security, the Group has a separate Information Security Officer. The Chief Information Security Officer (CISO) reports directly to the Executive Board and chairs the Information and Cyber Security Executive Committee that was installed in 2022. In addition, a comprehensive project by the name Cyber Security & Defense Program was launched with goals including information security certification according to ISO 27001 and preparing for the implementation of the requirements in the Network and Information System Security Act (NISG) and the Digital Operational Resilience Act (DORA).

Legal risks are minimised through continuous monitoring by the respective business segments and the Legal & Compliance department, and by the appointment of Compliance Officers pursuant to the WAG and § 39(6) BWG.

Operational risk is dictated by the corporate culture and the behaviour of each individual more strongly than market risk and credit risk. With this in mind, the Executive Board has established a Code of Conduct with rules, as such as for corruption prevention, the whistle-blower system, and the complaint handling system.

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

Discussion: Benchmark rate reform – IBOR reform

The most important interbank interest rate benchmarks around the world are being reformed, which includes the replacement of some interbank offered rates (IBORs) with alternative, risk-free rates (RFRs). This switch is also being called the "IBOR reform". Starting on 1 January 2022 (or 1 July 2023 for selected USD LIBOR rates), no LIBOR benchmark rates will be listed or published.

OeKB Group has a large number of financial instruments that are affected by this reform.

As OeKB Group primarily maintains business relationships with other credit institutions, credit and market risks are extremely low. The most material risk for OeKB Group relating to the IBOR reform is in operations.

Thus, a Group-wide project group has been tasked with evaluating the affected business segments and ensuring the requisite technical and legal basis for the switch to the risk-free rates (RFRs).

This project group reports directly to the Executive Board and has developed a Group-wide concept for the switch to risk-free rates, evaluated the legal implications, and adapted the IT systems accordingly so that the required new calculation methods and postings can be depicted without problems. A series of contracts were already concluded on the basis of SARON and SOFR interest rates over the past year, and all CHF Libor transactions were converted to SARON interest rates.

The following table show the carrying amounts of the loans and advances and liabilities that must be switched from IBOR rates to alternative interest rate conditions in the 2023 financial years:

€ thousand	Discount rate	Carrying amount of the contracts not yet switched as at 31 Dec 2022	Of which already contractually regulated	Of which not contractually regulated
Assets				
Loans and advances to banks	USD LIBOR	1,111,590	119,819	991,772
Loans and advances to customers	USD LIBOR	114,429	61,574	52,855
Liabilities and equity				
Deposits from customers	USD LIBOR	28,647	-	28,647

The debt securities issued include no contracts with IBOR rates that must be switched.

The following table shows the nominal amounts of the derivative financial instruments that must still be switched.

€ thousand	Discount rate	Notional amount of the contracts not yet switched as at 31 Dec 2022	Of which subject to ISDA fallback clause
Derivative financial instruments (incoming side)	USD LIBOR	7,313,158	7,313,158
Derivative financial instruments (outgoing side)	USD LIBOR	7,502,547	7,502,547

Derivative financial instruments are concluded according to the ISDA contract (see also Note 19) and thus include a concrete fallback clause governing the procedure to be followed when the benchmark rate is no longer published. OeKB Group will use this clause for all derivative financial instruments, and thus concludes no separate agreements.

The loans and advances to banks and customers pertain above all to loans under the EFS (€ 858.5 million) and development aid loans (€ 367.5 million). As this involves individual contracts with different counterparties, work to make corresponding agreements is proceeding apace.

OeKB Group expects no material effects from the IBOR reform on the balance sheet or consolidated statement of comprehensive income.

Liquidity risk (ILAAP)

OeKB Group differentiates between the following types of liquidity risk:

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

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

The Executive Board defines the principles for liquidity risk management and the risk appetite in the Risk Policy and Strategy that is coordinated with the Supervisory Board's Risk Committee on an annual basis. This refers to 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 at least one month and a target survival period of at least two months have been set for OeKB Group.

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 on the international financial markets for decades as an issuer coupled with the high diversification of its financial instruments, markets, and maturities, and most importantly of all the Austrian government guarantee protecting the lenders pursuant to § 1(2a) AFFG combine to facilitate market access even when markets are under special stress. The processes used to measure and manage liquidity risk are documented in the liquidity risk management manual that is adopted by the RMC.

As the overwhelming need for liquidity results from the Export Financing Scheme, the refinancing risk is factored into the risk coverage 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 roughly seven months in 2022. OeKB Group 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. A liquidity contingency plan is in place for crisis situations.

OeKB Group's survival period

Days	2022	2021
Annual average	207	333
Yearly maximum	321	365
Yearly minimum	71	275

The unencumbered liquidity buffer of OeKB Group has the following composition:

Liquidity buffer of OeKB Group

€ thousand	Fair values 2022	Fair values 2021
Cash and cash equivalents	319,542	1,245,090
Less minimum reserves	(57,163)	(35,774)
Cash and cash equivalents at central banks	**262,380**	**1,209,316**
Securities deposited at the central bank	7,421,619	8,513,166
Treasury bills and similar securities eligible for rediscounting	1,214,890	1,272,685
Bonds from other issuers eligible for rediscounting	429,268	58,881
Total	**9,328,157**	**11,054,049**

The vast majority of the securities deposited at the central bank are covered bonds issued by OeKB and immediately bought back, for which reason they are not reported on the balance sheet. They are used solely to secure liquidity.

Daily liquidity is ensured on the basis of the needs and coverage calculation, and long-term liquidity is assessed on the basis of the gap analysis. Operational liquidity management is handled by the Treasury department, which reports to the ALCO. Compliance with the survival period requirements is monitored by the Risk Controlling department and reported to the RMC.

OeKB does not manage its liquidity according to the liquidity coverage ratio (LCR) or net stable funding ratio (NSFR). Pursuant to § 3(2)1 BWG, the following legal provisions do not apply: Part 6 of Regulation (EU) No. 575/2013 and §§ 27a, 39(2b)7 in conjunction with 39(4), 39(3), and 74(6)3a in conjunction with § 74(1) BWG.

The following table shows the maturity structure of the financial liabilities. The principal flows are assigned to the individual maturity bands based on the contractual maturities. Positions that are repayable on demand are assigned to the first maturity band.

Maturity structure as at 31 December 2022

€ thousand	Total outflows/ inflows	Up to 2 years	2 up to 5 years	5 up to 10 years	More than 10 years
Financial liabilities					
Deposits from banks	(1,077,922)	(759,090)	(210,820)	(82,678)	(25,333)
Deposits from customers	(1,213,844)	(553,767)	(627,087)	(29,756)	(3,235)
Debt securities issued	(29,451,027)	(17,265,778)	(10,185,956)	(1,741,513)	(257,780)
Total	**(31,742,794)**	**(18,578,635)**	**(11,023,863)**	**(1,853,947)**	**(286,349)**
Derivative financial instruments					
Outflows	30,180,843	13,304,564	13,865,624	3,010,655	-
Inflows	(31,458,079)	(14,053,541)	(14,339,311)	(3,065,227)	-
Total	**(1,277,236)**	**(748,977)**	**(473,687)**	**(54,572)**	**-**

Maturity structure as at 31 December 2021

€ thousand	Total outflows/ inflows	Up to 2 years	2 up to 5 years	5 up to 10 years	More than 10 years
Financial liabilities					
Deposits from banks	(1,108,926)	(696,045)	(250,549)	(129,578)	(32,754)
Deposits from customers	(927,305)	(283,146)	(614,980)	(26,173)	(3,007)
Debt securities issued	(29,092,659)	(17,511,954)	(9,602,059)	(1,745,123)	(233,522)
Total	**(31,128,890)**	**(18,491,144)**	**(10,467,588)**	**(1,900,874)**	**(269,283)**
Derivative financial instruments					
Outflows	(22,496,076)	(9,919,767)	(12,063,205)	(513,104)	-
Inflows	21,976,059	9,822,403	11,647,386	506,270	-
Total	**(520,017)**	**(97,363)**	**(415,819)**	**(6,834)**	**-**

The following table shows the expected liquidity gaps per maturity band. Here, the contractual capital flows of the liabilities are compared with the corresponding receivables. Revolving credit facilities are included with a constant degree of utilisation, as experience has shown that the degree of utilisation is generally stable.

Gap according to the gap analysis as at 31 Dec 2022

	Up to 2 years	2 up to 5 years	5 up to 10 years	More than 10 years
Incl. guarantees	(2,760,348)	746,555	2,890,937	798,319

Gap according to the gap analysis as at 31 Dec 2022

	Up to 2 years	2 up to 5 years	5 up to 10 years	More than 10 years
Incl. guarantees	(2,687,277)	731,651	3,183,939	766,468

The majority of the portfolio can be attributed to the Export Financing Scheme, and existing liquidity gaps can be closed at any time. Funding operations are conducted on the international financial markets, primarily via commercial paper programmes and bond issues.

Details on credit risk and loan loss provisions

The maximum credit risk essentially encompasses all of OeKB Group's assets (with the exception of property, equipment, and intangible assets). The maximum credit risk is significantly reduced by the extensive guarantees and sureties, primarily from the Republic of Austria.

Credit rating and country breakdown

The distribution of OeKB Group's financial instruments measured at amortised cost across rating categories (summary of the master rating scale with six rating levels) was as shown in the table below. Guaranteed assets were assigned to the rating category of the guarantor in the amount of the guarantee.

Credit quality of the financial instruments at amortised cost

€ thousand	Stage 1 net book value	Stage 2 net book value	Stage 3 net book value	POCI net book value	Carrying amount 2022	Carrying amount 2021
Loans and advances to banks						
Rating category 1 (AAA/AA)	17,996,799	338,900	-	-	18,335,700	17,775,798
Rating category 2 (A)	986,277	-	-	-	986,277	542,036
Rating category 3 (BBB)	291,642	43,947	-	-	335,589	256,025
Rating category 4 (BB)	11,752	-	-	-	11,752	-
Rating category 5 (B)	-	-	-	-	-	-
Rating category 6 (CCC or lower)	5,454	-	-	-	5,454	-
Total	**19,291,924**	**382,848**	**-**	**-**	**19,674,772**	**18,573,859**
Loans and advances to customers						
Rating category 1 (AAA/AA)	575,232	109,155	20,123	78,781	783,292	638,972
Rating category 2 (A)	566,365	90,603	-	-	656,968	474,772
Rating category 3 (BBB)	378,397	64,853	-	-	443,250	578,431
Rating category 4 (BB)	707	1,269	-	568	2,544	11,975
Rating category 5 (B)	573	-	-	24	597	393
Rating category 6 (CCC or lower)	53	-	-	2,665	2,719	1,887
Total	**1,521,326**	**265,880**	**20,123**	**82,038**	**1,889,368**	**1,706,431**
Other financial assets (at amortised cost)						
Rating category 1 (AAA/AA)	398,424	-	-	-	398,424	128,150
Rating category 2 (A)	127,675	-	-	-	127,675	125,709
Rating category 3 (BBB)	49,512	-	-	-	49,512	47,021
Rating category 4 (BB)	-	-	-	-	-	-
Rating category 5 (B)	-	-	-	-	-	-
Rating category 6 (CCC or lower)	96	-	-	-	96	95
Total	**575,708**	**-**	**-**	**-**	**575,708**	**300,975**
					Value 2022	Value 2022
Credit facilities and commitments to lend						
Rating category 1 (AAA/AA)	3,627,447	7,754	-	-	3,635,201	3,613,971
Rating category 2 (A)	35,241	4,900	-	-	40,141	55,347
Rating category 3 (BBB)	15,590	2,393	-	-	17,983	56,916
Rating category 4 (BB)	-	-	-	-	-	-
Rating category 5 (B)	-	-	-	-	-	-
Rating category 6 (CCC or lower)	-	-	-	-	-	-
Total	**3,678,278**	**15,047**	**-**	**-**	**3,693,325**	**3,726,234**

Credit risk concentrations

The following table shows the geographical breakdown of the loans and advances to banks and loans and advances to customers.

Breakdown of the loan commitments based on the country of the guarantor

	Loans and advances to banks		Loans and advances to customers		Total per country	
€ thousand	2022	2021	2022	2021	2022	2021
Austria	19,928,692	19,903,675	1,882,230	1,700,249	21,810,922	21,603,924
France	673,516	414,001	26	-	673,541	414,001
Germany	405,208	294,354	3,605	3,923	408,814	298,277
Italy	192,948	235,233	-	-	192,948	235,233
Canada	152,431	36,509	-	-	152,431	122,123
Other countries	399,238	402,031	3,507	2,260	402,745	318,677
Total	**21,752,034**	**21,285,804**	**1,889,368**	**1,706,431**	**23,641,402**	**22,992,235**

Determining the expected credit loss (ECL)

The following shows the material input factors, assumptions, and techniques employed by OeKB Group to calculate impairment charges according to IFRS 9 (expected credit loss model). Because of the business model of OeKB Group and its special credit risk situation, the ECL values calculated according to the IFRS 9 are of limited informational value.

Low credit risk exemption

According to IFRS 9, the credit risk can be considered to be low when the rating of the financial instrument is equivalent to an investment grade rating. OeKB Group applies this low credit risk exemption. A non-significant increase is generally assumed when the financial instrument in question has a low default risk (before accounting for collateral) on the reporting date.

OeKB Group defines categories 1 to 10 of the 22 total categories on the internal master rating scale as low default risk. Level 10 corresponds to an S&P rating of BBB-; this means that the classes 1 to 10 correspond to the market's typical definition of investment grade.

Justification for the use of the low credit risk exemption

OeKB Group is purely a group of special-purpose banks with special, legally mandated tasks for the capital market, the export services, and in the tourism services segment (see Note 1). The majority of the total assets result from the Export Financing Scheme and is governed by special laws (AFFG and AusfFG). Exemptions from the CRR and CRD apply to all activities relating to export (financing) promotion (and to the entire OeKB Group without limitations at the European level), and the subsidiaries are not banks for the purposes of the CRR. The EFS is a self-sustaining promotion system; credit losses do not reduce equity but are posted against the EFS interest rate stabilisation provision or are directly covered by a guarantee from the Republic of Austria (see Note 1). Decades of operational experience have shown no or only minor losses from the portfolios to date.

In line with the EBA Guidelines, OeKB Group regularly monitors the development of credit ratings and reserves the right to take individual financial instruments out of the low credit risk exemption based on an assessment (30-days past due or a different qualitative trigger). This means that the low credit risk exemption is only applied to financial instruments that are of investment grade and that have no qualitative indicators for stage 2 or stage 3.

Definition significant increase in credit risk

The assessment of the significant increase in credit risk is a central aspect of the ECL model. In the event of a significant increase in credit risk, the impairment value must not be the 12-month ECL, but the lifetime ECL (except for instruments to which the low credit risk exemption can be applied).

As OeKB Group uses the low credit risk exemption, the 12-month ECL (stage 1) is generally used. An impairment in the amount of the lifetime expected loss (stage 2) is relevant for financial instruments whose rating is not or is no longer in the investment grade range, if the credit risk increases significantly at the same time (based on quantitative or qualitative characteristics).

Significance criteria

An increase in credit risk is significant when the probability of default (PD) increases significantly. The assessment is conducted quantitatively on the basis of the aggregated probabilities of default (PDs) for the (expected) term of the instrument. OeKB Group has selected a change in the forward lifetime PD as the relative transfer criterion for assignment to stage 2, with the change in the default risk being neutralised over the course of time in the comparison. If the increase exceeds the defined threshold, the instrument is assigned to stage 2 (unless the instrument remains in stage 1 on the basis of the low credit risk exemption).

The thresholds for assessing the significance of the change in the default risk are defined relative to the risk of default upon initial recognition, and more than 250% increase in the forward lifetime PD is seen as significant.

In addition to the quantitative definition, OeKB Group also uses qualitative information to assess a significant change in the default risk. This especially includes significant changes in external market indicators (such as credit spreads) and actual or anticipated significant changes in external credit ratings of a financial instrument or borrower. When such marked developments occur, the significance is assessed on a case-by-case basis. A borrower being past due by more than 90 days generally qualifies as a transfer criterion, and being past due by more than 30 days is an indicator that can be refuted in individual cases.

Collateral is not taken into account when assessing the default risk (except collateral included in the security rating).

Collective stage transfer

While in the previous year the instrument of collective stage transfer was used as a management overlay for the Tourism Services segment, which was affected significantly by COVID-19 and the associated travel restrictions and lockdowns but which also received considerable government assistance, no collective stage transfer was applied in this year. Unlike the COVID-19 pandemic, the Ukraine crisis does not represent a structural break between modelled economic output and credit rating, so no management overlay in the form of collective staging is necessary.

Contracts with modified conditions

There are many different reasons why conditions in customer contracts are changed after the fact, even when the business partner's credit rating has not worsened, such as changed market conditions or early repayments.

One reason in OeKB Group is development and loans used to finance projects in developing and emerging countries. Because projects take different courses, it is normal here to make changes to the times of payout and repayment.

As explained in Note 2, the previous contract is terminated and a new financial asset recognised at fair value when substantial contract amendments are made. In cases of minor changes, the difference in the fair value of the contract before and after the amendment is recognised on the income statement.

When significant changes are made, the date of the initial recognition of the new financial asset is also used as the original credit risk for the future calculation of the change in the credit risk, while the original credit risk upon the conclusion of the original contract is still used in the case of minor changes.

If contracts are modified due to the borrower experiencing financial difficulties and with the intention of maximising the future interest and principal payments of this business partner (forbearance), this is in any case a qualitative indicator for the default of the borrower (see also "Definition of default" below). The partner may be returned to the 12-month ECL after a longer period of consistent contract fulfilment and when there are additional indications that the financial difficulties have been overcome.

Calculation of the expected credit loss

The three key parameters for calculating the ECL are the

- probability of default (PD)
- loss given default (LGD)
- exposure at default (EAD).

The derivation of these three parameters is explained below.

Probability of default

Credit rating classification

OeKB Group classifies every credit exposure and assigns every borrower and every financial instrument to a credit rating category on the internal master rating scale based on external ratings from qualified agencies and internal credit assessments. A probability of default is assigned to every rating level and increases exponentially from level to level. These one-year probabilities of default are used for risk management in the sense of the Basel requirements and must therefore be adapted accordingly for use in the ECL calculation.

PIT and FLI adjustments

In the first step, monthly aggregated probabilities of default are determined out to the maximum maturity in the portfolio using conditional probabilities (Bayes' theorem) in line with the one-year through the cycle PDs used in risk management. The use of the Bayesian scalar approach ensures that the PD values are between 0 and 1.

According to IFRS 9, the PD must not only be estimated for a point in time (PIT), but must also take forward looking information (FLI) into account. This means that OeKB Group adapts the PIT probabilities of default to account for expected future developments in the next step.

Portfolio-specific models that allow a multi-year (up to three years) projection of the portfolio PDs by way of relevant macroeconomic indicators (see also below) are created for these FLI adjustments. These adjustments are applied to the PIT PDs and continued on a tapering basis after the end of the forecasting period to calculate the FLI PDs. The FLI models consist of a multilinear regression of quarterly data over a period typically lasting 10 or more years. The dependent variable is the average probability of default for the portfolio, usually calculated as a share-weighted value. A set of independent variables is selected for each portfolio in collaboration with economic experts and added to the regression. Different compositions are then tested from this set in the regression, with the variants taking into account relative and absolute changes as well as time-delayed effects. The model is selected taking the calculated coefficient of determination and the distribution characteristics of the unexplained variation into account. The most important factors include long-term and short-term interest rates, inflation and the wage trend, GDP, and budget balances. The decisive factors in the tourism model are the development of overnight stays, the Austrian unemployment rate, and Germany's GDP growth. The analysis also takes into account government assistance measures, which had a material effect in the tourism segment in particular. In the final step, the FLI adjustments are estimated from projections for the macroeconomic parameters using the regression coefficients.

This econometric model forms the base scenario for the changes in the probabilities of default. This base scenario is included in the ECL calculation with a weighting of 50%. The two other scenarios are derived from possible further developments in the Ukraine crisis and their effects on the energy supply, inflation, and interest rates. The comeback scenario (weighting 30%) assumes rising interest rates, sufficient energy for households and businesses, and little government assistance; the stress scenario (weighting 20%) is dominated by a recession and subsequently low interest rates, significant tourism restrictions, and government assistance measures. Depending on the susceptibility of the respective sector, the future probabilities of default for these two scenarios are increased or decreased using multiplicative factors. For the tourism sector, which makes the greatest contribution to the ECL, this means that the probabilities of default are 20% lower in the comeback scenario than in the base scenario in the coming three years, and that they rise by 150% to 200% in the coming one to two years in the stress scenario and then return to the levels in the base scenario after that.

No PIT or FLI adjustments are applied to the EAD or LGD values.

Definition of default

OeKB Group uses default indicator definitions that are oriented towards Art 178 CRR. These especially include debtors being past due by more than 90 days, the initiation of bankruptcy/restructuring proceedings against the debtor, and other crisis-related restructuring measures that lead to concessions to the debtor. There may also be other indicators that point to a potential default (such as information about the default of the debtor with other creditors) in individual cases. These must be assessed on a case-by-case basis and are also taken into account in the period from the balance sheet to the preparation of the balance sheet.

Loss given default (LGD) and application of collateral

The loss given default is another central parameter in calculating the ECL. It indicates the amount of the loss in the event of borrower or financial instrument default, in which case fungible collateral must be taken into account.

Because of its business model, OeKB Group does not have sufficient data to derive a statistically significant LGD model, either for a 12-month LGD or for a lifetime LGD.

Therefore, the following approach has been selected in general based on the ICAAP and the values specified in the CRR:

- LGD for assets economically guaranteed by the Republic of Austria: unchanged 0%.
- LGD of unchanged 3.25% for reverse repurchase agreements and unchanged 6% for loans with mortgage collateral (ÖHT).
- LGD for other financial transactions: unchanged 65% (see Art 161 CRR: senior exposures 45% and subordinated 75%). Note: There are no subordinated exposures at this time; because of the business model and the material portfolios (EFS, bond portfolio), it seems appropriate to apply a higher value than specified in the CRR based on the wide variation in the empirical estimations of LGDs and the comparatively high LGDs found in the literature for bonds.

No collateral is taken into account by way of LGD aside from the cases listed above. Other collateral is not taken into account in the loss given default, but in the PD (multiple default).

The calculation of these multiple default PDs takes the number of collateral items into account. This means that this represents the probability that not only the borrower will default, but also the guarantors at the same time, with the correlation between the borrower and the guarantors being taken into account. This means that the joint probability of default is a cumulative bivariate or trivariate distribution function depending on whether there is one item of collateral or two items of collateral.

Collateral is not taken into account in the PD as part of the staging process, but is only used to calculate the ECLs (for the one-year ECL and the lifetime ECL).

Expected exposure at default (EAD)

The EAD represents the expected gross book value at the time of default. The EADs are modelled on the basis of a monthly observation calculated from the contractual cash flows plus accrued interest according to the effective interest method.

Product-specific credit conversion factors are estimated for undrawn facilities and loan commitments based on empirical experience with degrees of utilisation.

Impairment requirement according to the ECL calculation

The impairment charges are determined by the weighting of the ECLs calculated on the basis of the scenarios, using the following weighting factors: 50% for the basic scenario, 30% for the comeback scenario, and 20% for the stress scenario. The following table shows the need for impairment charges based on the ECL calculation and does not include the subsequent measurement of the POCI assets; these can be found in Note 4.

Change in loan loss provisions in 2022

€ thousand	Loans and advances to banks	Loans and advances to customers	Other financial assets	Total
Loan loss provisions as at 31 Dec 2021	48	1,738	211	1,997
Additions	1	75	22	98
Disposals	(3)	(77)	(23)	(103)
Stage transfers				
Transfers from stage 1 in stage 2	81	484	-	564
Transfers from stage 2 in stage 1	-	(61)	-	(61)
Present value effects and changes in risk parameters	39	(869)	(45)	(876)
Foreign exchange effects and other changes	-	(19)	-	(19)
Loan loss provisions as at 31 Dec 2022	**166**	**1,270**	**164**	**1,600**
Of which 1-year-ECL	*31*	*219*	*164*	*414*
Of which lifetime-ECL	*135*	*1,052*	-	*1,186*

Change in loan loss provisions in 2021

€ thousand	Loans and advances to banks	Loans and advances to customers	Other financial assets	Total
Loan loss provisions as at 31 Dec 2020	148	3,542	425	4,115
Additions	2	218	49	269
Disposals	(1)	(213)	(42)	(256)
Stage transfers				
Transfers from stage 1 in stage 2	-	668	-	668
Transfers from stage 2 in stage 1	-	(310)	-	(310)
Transfers from stage 3 in stage 1	(97)	(2,149)	(222)	(2,469)
Present value effects and changes in risk parameters	(4)	(18)	-	(22)
Loan loss provisions as at 31 Dec 2021	**48**	**1,738**	**211**	**1,997**
Of which 1-year-ECL	*48*	*730*	*211*	*988*
Of which lifetime-ECL	-	*1,009*	-	*1,009*

Because of the extensive guarantees from the Republic of Austria, OeKB Group only has limited need for loan loss provisions. Thus, no further breakdown is provided. The greatest share of these provisions can be attributed to the Tourism Services segment. These ÖHT loans to Austrian tourism and leisure companies also feature a high collateral quality (guarantees from the Republic of Austria and banks and a limited level of mortgages).

The effects (risks and opportunities) of global warming in particular on the various risk types were evaluated in a causal chain analysis covering the entire OeKB Group. Among other things, the findings show that ESG factors currently have no material effect on credit risk, meaning that no additional climate-induced adjustments of the loan loss provisions were made beyond the ESG risks already taken into account in the assessment of creditworthiness.

As can be seen in the table above, the loan loss provisions have decreased slightly. This is especially true of the credit portfolio of ÖHT, which makes the greatest contribution to the ECL. The probabilities of default for tourism companies and banks (a large portion of the ÖHT portfolio is secured by banks) projected on the basis of the econometric model improved significantly in annual comparison. For details on this forward looking information, see “PIT and FLI adjustments” above.

The corresponding gross book values of the impaired financial assets as at 31 Dec 2022 came to € 18,471.7 million (2021: € 18,033.8 million) for loans and advances to banks, € 1,890.6 million (2021: € 1,708.2 million) for loans and advances to customers, and € 575.9 million (2021: € 301.2 million) for other financial assets. Unimpaired collateral in the amount of € 1,203.2 million (2021: € 540.2 million) is not included in the gross book values.

Sensitivity of the need for impairment charges depending on the economic scenarios (see the item “PIT and FLI adjustments” for a description of the scenarios) as a percentage deviation from posted figures:

31 Dec 2022	Comeback scenario	Basic scenario	Stress scenario
Impairment requirement	(14)%	(15)%	+57%

31 Dec 2021	Optimistic scenario	Expected scenario	Adverse scenario
Impairment requirement	(16)%	(5)%	+32%

Sustainability risks

The OeKB Group understands sustainability risks to mean environmental, social, or governance events or conditions (ESG risks) that could have a material negative effect on the bank’s asset, financial, or earnings position or reputation. This especially includes climate-related risks in the form of physical and transition risks. Sustainability risks are not a new risk type, but are aspects that are taken into account in the assessment and management of the various financial and non-financial risks.

The management and employees of the OeKB Group are aware of their responsibility to conduct business in a sustainable manner. This applies both to the sustainability policy in terms of the impacts that OeKB Group’s business activities have on environmental and social issues as well as to the risks and opportunities that could arise for the business model from changing environmental conditions, such as climate change.

Especially the issue of climate change and potential social and political reactions are a source of rising risks, above all relating to reputation and the business model. For OeKB Group, the direct physical risks are less relevant than the transition risks. At the same time, this harbours opportunities for future growth. For this reason, OeKB is continuing to place a clear focus on the increased consideration of climate risks in its risk management and business strategy.

The topic of climate-based risks and opportunities was explicitly added to the risk policy and strategy of OeKB Group in 2020, including a comprehensive causal chain analysis of global warming as it relates to the different risk types. These risk types have been subjected to an annual review since then. Sustainability risks are also a core aspect of the quarterly risk situation assessment and of the reporting to the RMC, Executive Board, and Supervisory Board.

All departments of OeKB and the bank subsidiaries are included in the causal chain analysis process. In this, physical and transition risks relating especially to global warming and its impacts on the risk factors are identified and evaluated from a qualitative perspective and with regard to their timing on a five-level scale.

The salient conclusion of the analysis is that the effect is very low and no adjustment of the risk modelling or in the risk coverage calculation is required over the short term (one to three years). ESG factors are already taken into account in the assessment of lending commitments. At the project level, OeKB Group identifies, assesses, and manages climate-related risks starting with the due diligence assessment, which also includes an environmental and social audit in OeKB and OeEB.

Over the medium to long term (five to fifteen years), it is especially transition risks that at least have the potential to impact the business model, reputation, and to a limited degree credit risk. This is above all due to the specific business segments of the OeKB Group, which are operated on the basis of legal regulations and at the behest of the Republic of Austria to promote the export and tourism industries and with the goal of development-policy financing. The measures are conducted in close cooperation with the Republic of Austria in conformity with the sustainability strategy (such as the issue of sustainability bonds) not only as the sponsor but also through the extensive guarantees pertaining especially to the credit risks of the Republic of Austria.

Various tools and methods were also the subject of intensive research and evaluation in 2022. This included a focus on the further integration of ESG factors in risk management and the implementation of the method of climate risk heat mapping.

The OeKB Group has also taken key steps towards the implementation of the TCFD (Task Force on Climate-related Financial Disclosures) recommendations since 2020 and discusses these steps in the sustainability report. This is intended to enhance the resilience of our business strategy. Overall, OeKB sees high potential for the Austrian economy and thus for the business segments of the OeKB Group in the transition of the economy.

Thus, ESG factors, especially global warming, have no material impact on the continued operations of the OeKB Group at present, and there are no reasons to correct the fair values or valuations of financials, including the determination of risk provisions.

Note 39 Scope of consolidation

The following table shows all companies that are included in the financial statements of OeKB Group. In addition to the parent company Oesterreichische Kontrollbank Aktiengesellschaft, the following companies are fully consolidated: Oesterreichische Entwicklungsbank AG, Vienna, OeKB CSD GmbH, Vienna, and Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., Vienna.

Four companies were not consolidated (2021: 4) because they do not have a material influence on the asset, financial, or earnings position of the Group. The combined total assets of these four entities represented 0.02% of the Group's consolidated total assets, and their combined profit for the year represented less than 0.16% of the Group's consolidated profit for the year. AGCS Gas Clearing and Settlement AG, in which OeKB holds a 20% stake, was not recognised at the equity book value because its results do not have a material effect on the item "Share of profit or loss of equity-accounted investments, net of tax" and on the item "Equity-accounted investments". The holding is included in the investments in other unconsolidated companies at fair value (proportionate equity), as is the case with the stakes in other energy clearing companies.

Number of companies consolidated or held at cost

	31 Dec 2022	31 Dec 2021
Fully consolidated companies	3	3
Equity-accounted investments	2	2
Investments in unconsolidated subsidiaries (fair value measurement)	4	4
Investments in other unconsolidated companies (fair value measurement)	10	10
Total	**19**	**19**

Companies wholly or partly owned by OeKB

Name and registered office	BWG category		Type of investment		Shareholding				Financial information	
Amounts in € thousand	Credit Institution/ Other Company	Segment structure[1]	Directly held	Indirectly held	In %	Rep. date of latest annual accounts as at	Balance sheet total as defined in the UGB	Equity as defined in § 224(3) UGB	Profit/loss for the year	Share of OeKB Group at fair value
Fully consolidated companies										
Oesterreichische Entwicklungsbank AG, Vienna	CI	E	x		100.00%	31 Dec 2022	1,348,656	58,914	3,648	
OeKB CSD GmbH, Vienna	CI	C	x		100.00%	31 Dec 2022	43,569	34,760	7,680	
Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., Vienna	CI	T	x		68.75%	31 Dec 2022	1,271,923	49,237	6,306	

Companies wholly or partly owned by OeKB

Name and registered office	BWG category		Type of investment		Share-holding					Financial information
Amounts in € thousand	Credit Institution/ Other Company	Segment structure[1]	Directly held	Indirectly held	In %	Rep. date of latest annual accounts as at	Balance sheet total as defined in the UGB	Equity as defined in § 224(3) UGB	Profit/loss for the year	Share of OeKB Group at fair value
Equity-accounted investments										
OeKB EH Beteiligungs- und Management AG, Vienna	OC	O	x		51.00%	31 Dec 2022	94,259	92,690	9,066	61,471
Acredia Versicherung AG, Vienna	OC	O		x	51.00%	31 Dec 2022	154,696	93,860	13,613	47,869
Acredia Services GmbH, Vienna	OC	O		x	51.00%	31 Dec 2022	14,282	12,466	2,602	6,358
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	C	x		50.00%	31 Dec 2022	178,081	13,198	1,182	6,599
Unconsolidated subsidiaries (fair value measurement in other comprehensive income - OCI)										
OeKB Business Services GmbH, Vienna	OC	O	x		100.00%	31 Dec 2022	562	546	45	546
OeKB Zentraleuropa Holding GmbH, Vienna	OC	O	x		100.00%	31 Dec 2022	4,552	4,551	11	4,551
Internationale Tourismus-Investment-Service GmbH, Vienna	OC	T	x		68.75%	31 Dec 2022	126	122	-	84
OeEB Impact GmbH, Vienna	OC	E	x		100.00%	31 Dec 2022	392	365	38	365
Investments in other unconsolidated companies (fair value measurement in other comprehensive income - OCI)										
AGCS Gas Clearing and Settlement AG, Vienna	OC	C	x		20.00%	31 Dec 2021	87,649	3,964	330	741
APCS Power Clearing and Settlement AG, Vienna	OC	C	x		17.00%	31 Dec 2021	95,466	3,557	488	575
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	C	x		18.50%	31 Dec 2021	4,906	3,292	2,492	557
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	C	x		12.60%	31 Dec 2021	1,110,319	5,513	468	636
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	C	x		8.06%	31 Dec 2021	4,205	2,168	(128)	132
Wiener Börse AG, Vienna	OC	C	x		6.60%	31 Dec 2021	186,324	170,454	35,226	26,676
Einlagensicherung AUSTRIA Ges.m.b.H., Vienna	OC	O	x		0.78%	31 Dec 2021	1,014	515	-	4
EDFI Management Company S.A., Belgium	OC	E	x		10.00%	30 Sep 2021	5,174	440	(29)	44
European Financing Partners S.A., Luxembourg	OC	E	x		7.63%	31 Dec 2021	189,810	186	5	14
Interact Climate Change Facility S.A., Luxembourg	OC	E	x		7.69%	31 Dec 2021	208,609	195	8	15

[1] E = Export Services, C = Capital Market Services, O = Other Services, T = Tourism Services

No interests in investments other than subsidiaries and no interests in subsidiaries are listed on an exchange.

Note 40 Subsidiaries with non-controlling interests

The following table contains material disclosures about Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H. It is the only company in OeKB Group with shares held by non-controlling interests, amounting to 31.25%.

Tourism Services segment

€ thousand	2022	2021
Net interest income	7,921	10,834
Profit before tax	9,279	14,193
Profit net of tax	6,986	10,718
Total other comprehensive income, net of tax	222	6
Total comprehensive income for the year	**7,208**	**10,724**
Total comprehensive income attributable to non-controlling interests	*2,253*	*3,351*
Current assets	15,106	11,252
Non-current assets	1,271,379	1,223,539
Current liabilities	7,721	14,923
Non-current liabilities	1,223,035	1,168,848
Net assets	**55,729**	**51,020**
Net assets attributable to non-controlling interests	*17,415*	*15,944*
Net cash from operating activities	3,005	2,875
Net cash from investing activities	(505)	(378)
Net cash from financing activities	(2,500)	(2,500)
Net cash	**1**	**(3)**
Dividend payment to non-controlling interests	**(781)**	**(781)**

Note 41 Staff disclosures

During the financial year, the Group had an average of 471 full-time equivalents (2021: 478).

Note 42 Officer's compensation and loans

The following tables give details of the aggregate compensation of the Executive Board and Supervisory Board members. The remuneration of the Executive Board included salaries, a variable component based on the success of the company, benefits in kind, and payments for defined-contribution benefits after the end of the employment relationship.

Remuneration of the members of the Executive Board

€ thousand	2022	2021
Current benefits	(863)	(766)
Expenses for benefits due after the end of the employment relationship (termination benefits and pensions)	(131)	(196)
Other non-current benefits	(782)	(755)
Total	**(1,776)**	**(1,717)**

Remuneration of former members of the Executive Board and members of the Supervisory Board

€ thousand	2022	2021
Former members of the Executive Board	(1,471)	(1,493)
Members of the Supervisory Board	(145)	(156)

No active member of the Executive Board had entitlements under defined-benefit plans.

OeKB Group did not offer share-based payment.

The members of the Executive Board and Supervisory Board did not receive any loans or guarantees from OeKB Group during the financial year, as in the previous year.

Note 43 Other related party transactions

As a specialise-purpose institution for export services and capital market services, OeKB engages in many transactions with its shareholders such as acting as the "Hausbank" under the EFS and as an issuer of securities. In addition to shareholders, OeKB Group also defines companies that are controlled by the Group but not consolidated and companies that are recognised in the consolidated financial statements according to the equity method as related parties (see following table). Individuals who are considered related parties include the members of the Executive Board and Supervisory Board of Oesterreichische Kontrollbank Aktiengesellschaft (see Note 44). All of the following transactions were conducted at arm's length terms.

The majority of loans and advances to banks stem from transactions with shareholders of OeKB relating to the Export Financing Scheme. As explained in Note 1, uniform terms that are published on the OeKB website are offered to all customers in the EFS. The majority of the receivables under the EFS feature a guarantee from the Republic of Austria, and the remainder feature a guarantee from another country or an insurance company. The share of interest income generated by credit transactions with shareholders in 2022 came to € 22.7 million or 11.4% (2021: € 30.0 million or 27.0%).

The other financial assets are bonds that were publicly issued by the shareholders of OeKB. The fee and commission income from the investments in other unconsolidated companies resulted primarily from services relating to energy clearing.

The deposits from banks consist of loans extended by shareholders of OeKB to ÖHT to refinance the tourism financing measures.

Transactions between Oesterreichische Kontrollbank Aktiengesellschaft and fully consolidated subsidiaries were not disclosed in the consolidated financial statements because they are eliminated in the consolidation process.

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

Related party transactions

€ thousand	Owners of OeKB Group 2022	Investments in unconsolidated subsidiaries and other interests 2022	Equity-accounted investments 2022	Owners of OeKB Group 2021	Investments in unconsolidated subsidiaries and other interests 2021	Equity-accounted investments 2021
Loans and advances to banks	8,279,805	-	-	8,592,315	-	-
Other financial assets	7,949	-	-	8,954	-	-
Assets	**7,949**	**-**	**-**	**8,954**	**-**	**-**
Deposits from banks	436,266	-	-	485,684	-	-
Deposits from customers	-	-	118,500	-	-	90,200
Debt securities issued	1,790	-	-	1,918	-	-
Liabilities and equity	**438,056**	**-**	**118,500**	**487,602**	**-**	**90,200**
Nominal amount of loan commitments, financial guarantees and other commitments	1,577,742	-	-	1,764,090	-	-
Income statement						
Interest income	23,081	-	228	30,511	-	161
Interest expenses	11,711	-	373	18,937	-	-
Fee and commission income	4,796	-	472	1,388	-	500
Fee and commission expenses	15	-	0	13	-	-
Current income from investments in other unconsolidated companies	-	-	5,062	781	-	7,915
Administrative expenses	-	-	72	-	-	67
Other operating income	1,367	-	2,007	1,373	-	1,704

As part of a process evaluation, the relationships with associated entities and persons of OeKB Group was analysed in detail during the financial year and further details added to the definitions to increase the substantive relevance of the presentation. The figures for the prior year were adjusted accordingly to ensure comparability.

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

The following table shows the shareholder structure of OeKB.

Ownership structure of Oesterreichische Kontrollbank AG at 31 Dec 2022

Shareholders	Number of shares held	Shareholding in %
CABET-Holding-GmbH, Vienna (UniCredit Bank Austria Group)	217,800	24.750%
UniCredit Bank Austria AG, Vienna	142,032	16.140%
Erste Bank der oesterreichischen Sparkassen AG, Vienna	113,432	12.890%
Schoellerbank Aktiengesellschaft, Vienna	72,688	8.260%
AVZ GmbH, Vienna	72,600	8.250%
Raiffeisen Bank International AG, Vienna	71,456	8.120%
P.S.K. Beteiligungsverwaltung GmbH, Vienna	44,792	5.090%
Raiffeisen OeKB Beteiligungsgesellschaft mbH, Vienna	44,000	5.000%
Oberbank AG, Linz	34,224	3.889%
Beteiligungsholding 5000 GmbH, Innsbruck	26,888	3.055%
BKS Bank AG, Klagenfurt	26,888	3.055%
Volksbank Wien AG, Vienna	13,200	1.500%
Total shares	**880,000**	**100.000%**

Note 44 Board members and officials

Members of the Executive Board

Name	Term of office from	to
Helmut Bernkopf	1 Aug 2016	31 Jul 2028
Angelika Sommer-Hemetsberger	1 Jan 2014	31 Dec 2023

Members of the Supervisory Board

Position	Name	Term of office from	to
Chairman	Robert Zadrazil	19 May 2009	AGM 2026
First Vice Chairman	Peter Lennkh	18 May 2017	AGM 2027
Second Vice Chairwoman	Alexandra Habeler-Drabek	28 Sep 2022	AGM 2027
Member	Sabine Abfalter	25 May 2022	AGM 2027
Member	Veronika Bernklau	20 May 2021	AGM 2024
Member	Sigrid Burkowski	25 May 2022	AGM 2023
Member	Mary-Ann Hayes	29 May 2019	AGM 2024
Member	Dieter Hengl	25 May 2011	AGM 2026
Member	Herbert Pichler	27 May 2020	AGM 2025
Member	Friedrich Spandl	20 May 2021	AGM 2026
Member	Herta Stockbauer	21 May 2014	AGM 2024
Member	Herbert Tempsch	29 May 2013	AGM 2023
Member	Hans Unterdorfer	28 Sep 2022	AGM 2025
Member	Robert Wieselmayer	19 May 2016	AGM 2026
Member	Janine Wukovits	25 May 2022	AGM 2027
First Vice Chairman	Johann Strobl	27 May 2020	25 May 2022
Second Vice Chairman	Willibald Cernko	29 May 2019	31 Jul 2022
Member	Ingo Bleier	29 May 2019	28 Sep 2022
Member	Gerda Holzinger-Burgstaller	20 May 2021	25 May 2022
Member	Susanne Wendler	18 May 2017	25 May 2022

AGM = Annual General Meeting

Employee representatives

Position	Name	Term of office from	to
Chairman	Martin Krull	14 Mar 2002	13 Mar 2023
Vice Chairwoman	Erna Scheriau	1 Apr 2001	13 Mar 2023
Member	Elisabeth Halys	1 Jul 2013	13 Mar 2023
Member	Melanie Kucera	1 Jan 2023	13 Mar 2023
Member	Christoph Seper	14 Mar 2014	13 Mar 2023
Member	Markus Tichy	1 Jul 2011	13 Mar 2023
Member	Evelyn Ulrich-Hell	8 Feb 2021	13 Mar 2023
Member	Ulrike Ritthaler	14 Mar 2014	31 Dec 2022

Audit Committee

Position	Name
Chairwoman (since 25 May 2022)	Sabine Abfalter
Member	Robert Wieselmayer
Member	Martin Krull
Chairman (until 25 May 2022)	Johann Strobl

Working Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member (until 25 May 2022)	Johann Strobl

Compensation Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 28 Sep 2022)	Alexandra Habeler-Drabek
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member	Erna Scheriau
Member (until 31 Jul 2022)	Willibald Cernko
Member (until 25 May 2022)	Johann Strobl

Risk Committee

Position	Name
Chairwoman	Herta Stockbauer
Member	Robert Zadrazil
Member	Erna Scheriau

Nomination Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member (until 25 May 2022)	Johann Strobl

Government commissioners

	Name	Term of office since
Commissioner	Harald Waiglein	1 Jul 2012
Deputy Commissioner	Johann Kinast	1 Mar 2006

The government commissioners under § 76 of the Austrian Banking Act are also representatives of the Austrian Minister of Finance under § 6 of the Export Financing Guarantees Act.

Government commissioners

	Name	Term of office since
Commissioner	Beate Schaffer	1 Nov 2013
Deputy Commissioner	Karl Flatz	1 Dec 2017

Government commissioners under § 27 of the Articles of Association (supervision of bond cover pool).

Note 45 Legal risks

As of the reporting date, there were no legal risks that would have negatively influenced the asset, financial, and earnings position of OeKB Group.

Note 46 Events after the balance sheet date

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

Note 47 Date of approval for publication

These financial statements will be submitted to the Supervisory Board for approval on 27 March 2023. Additional disclosures in accordance with Part 8 of Regulation (EU) No 575/2013 (Disclosure Report, in German only) are provided on the OeKB website (www.oekb.at).

Vienna, 10 March 2023

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Helmut Bernkopf Angelika Sommer-Hemetsberger

Independent Auditors‘ Report

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Oesterreichische Kontrollbank Aktiengesellschaft, Vienna, and its subsidiaries (the Group), which comprise the statement of financial position as of 31 December 2022, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the financial year then ended, and notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2022, and of its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and the additional requirements under section 245a UGB (Austrian Commercial Code) and the Austrian Banking Act.

Basis for Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 and the Austrian Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with laws and regulations applicable in Austria and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management of loans and advances to credit institutions in the export financing scheme

Description and Issue

As of December 31, 2022, receivables from credit institutions in connection with the export financing scheme in the amount of EUR 20.072 million were reported. The Republic of Austria is predominantly liable for these claims.

The Company's export financing scheme serves domestic and foreign credit institutions as a source of refinancing, provided that they meet

- OeKB's creditworthiness criteria ("house bank status"),
- the statutory conditions for the assumption of liabilities of the Republic of Austria in the form of guarantees regarding the transactions to be financed, and
- the conditions for a uniform settlement of the financing (collateral).

Please refer to the information provided by the Executive Board in the chapter "Legal basis for the export guarantee and for the Export Financing Scheme" of the Notes.

In the context of the valuation of receivables from credit institutions, liabilities (mainly by the Republic of Austria) are considered. If the statutory or contractually defined management criteria are not met, there is a risk that the liabilities cannot be considered in the valuation. The Company has implemented appropriate processes, manual and automated controls in its IT systems that monitor proper management.

Due to the extensive and partly manual process steps to ensure compliance with the management criteria, the associated high audit effort, and the importance of the item for the consolidated financial statements, we have determined the management of receivables from credit institutions in the export financing scheme as a key audit matter.

Our response

In auditing the management of loans and advances to credit institutions in the export financing scheme, we performed the following key audit procedures:

- We have collected the processes to ensure the legally and contractually defined management criteria and analyzed whether these processes and the key controls established by the company in these areas are suitable for ensuring compliance with the management criteria. We have tested the effectiveness of these key controls – in the case of automated controls involving our IT specialists – in random samples.

- For a random sample of financing at house banks, we have checked whether there is an assumption of liability by the Federal Ministry of Finance for them.

- At the end of the year, we carried out an overall comparison of the receivables issued to credit institutions under the export financing scheme with the liabilities of the Republic of Austria on the basis of the coverage report.

- For new house banks added in 2022, we checked whether all criteria were met.
- For a random sample of new financing to house banks issued in 2022 as part of the export financing scheme and still available at the end of the year, we compared the parameters recorded in the system with the application documents.

Reference to other facts - previous year's Consolidated Financial Statements

The Company's consolidated financial statements as of 31 December 2021 were audited by another auditor who issued an unqualified opinion on these consolidated financial statements on 4 March 2022.

Other information

The legal representatives are responsible for the other information. Other information comprises all information in the Annual Financial Report, except for the consolidated financial statements, the group management report, the annual financial statements, the management report, and the related auditor's reports. The Annual Financial Report (except the report of the supervisory board) is expected to be made available to us after the date of the auditor's report.

Our opinion on the consolidated financial statements does not cover this other information, and we do not and will not express any form of assurance conclusion thereon. Regarding the information in the management report, we refer to the section "Report on the management report".

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and consider whether it is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears misleading.

If, based on the work we have done on other information received prior to the date of this audit report, we conclude that such other information is materially misrepresented, we must report this. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, the additional requirements under section 245a UGB and the Austrian Banking Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with EU rules and Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Regulation (EU) 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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.

- 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that give a true and fair view.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Consolidated Management Report

Pursuant to Austrian Commercial Code, the consolidated management report is to be audited as to whether it is consistent with the consolidated financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the consolidated management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the consolidated management report.

Opinion

In our opinion, the consolidated management report attached is prepared in accordance with the applicable legal requirements, the disclosures pursuant to section 243a UGB are appropriate, and it is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the thus obtained understanding concerning the Group and its circumstances no material misstatements in the consolidated management report came to our attention.

Additional Information in Accordance with Article 10 of EU Regulation (EU) 537/2014

We were elected as auditor of the Group at the annual general shareholders' meeting on 20 May 2021 for the fiscal year ending on 31 December 2022 and mandated by the chairman of the Supervisory Board on 9 June 2021. Furthermore, we were elected as auditor at the annual general shareholders' meeting on 25 May 2022 for the subsequent fiscal year and mandated by the chairman of the Supervisory Board on 25 May 2022.
We are the auditor of the Company since the financial year ending 31 December 2022.

We confirm that the audit opinion in the section "Report on the Consolidated Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent from the Group in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Dr. Gottfried Spitzer.

Vienna

10 March 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

(signed by:)

Dr. Gottfried Spitzer	Mag. Wolfgang Wurm
Certified Public Accountant	Certified Public Accountant

Publication or sharing with third parties of the consolidated financial statements together with our auditors' opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 para 2 UGB applies to alternated versions.

This translation is for convenience purposes only.
Only the German original is legally valid and binding.

Supervisory Board

In 2022 the Supervisory Board monitored the Executive management and approved their actions. The Executive Board informed the Supervisory Board regularly, promptly, and comprehensively about all relevant business development issues, especially in terms of the effects of the COVID-19 pandemic and the Ukraine/Russia war on OeKB Group and the assistance programmes administered in this context, during meetings, telephone calls, in written reports, and in personal discussions. To help it fulfil its duties efficiently, the Supervisory Board has set up five committees.

The consolidated financial statements for 2022 and the group management report presented herein, as well as the 2022 financial statements and management report of Oesterreichische Kontrollbank Aktiengesellschaft, were audited by Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna. As the audit did not give rise to any objections and the legal requirements were met in full, an unqualified audit certificate was issued.

The Supervisory Board and its Audit Committee have reviewed the reports presented by the Executive Board on the result of the audit for the financial year 2022, and the proposal for the distribution of profit. The final result of this review did not give rise to any objections.

In its meeting on 27 March 2023 the Supervisory Board approved the financial statements for 2022 Oesterreichische Kontrollbank Aktiengesellschaft, which were thereby adopted, and declared its agreement with the Executive Board's proposal for the distribution of profit. The Supervisory Board has also approved the consolidated financial statements and group management report.

The Supervisory Board takes this opportunity to sincerely thank the members of the Executive Board and the employees of OeKB Group for their excellent work.

We would also like to extend our special thanks to Johann Strobl and Willibald Cernko for their service as Deputy Chairmen of the Supervisory Board of OeKB.

Vienna, March 2023

For the Supervisory Board of Oesterreichische Kontrollbank AG

Robert Zadrazil

Chairman

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, 10 March 2023

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Helmut Bernkopf Angelika Sommer-Hemetsberger

Annual financial statements 2022

Management report

Economic environment in 2022

While 2021 was still dominated by the recovery from the coronavirus crisis, global economic growth slowed noticeably in 2022. According to the latest estimate from the International Monetary Fund (IMF), global economic output expanded by a moderate 3.2% during the reporting period (2021: 6.0%). This was due primarily to the economic impacts of the Russian invasion of Ukraine. This resulted not only in energy and food shortages, but also significantly accelerated the inflation uptrend that had begun in 2021. Against this backdrop, growth in the Eurozone slowed from over 5% to just shy of 3%. In the USA, the rate of growth even only came to 1.9% (2021: 6.0%) due to the more rapid tightening of monetary policy and the resulting decreases in demand. The foreign trade situation was similarly uninspiring. The most recent estimate of the World Trade Organization (WTO) puts international trade growth at around 3.5%. A trend reversal is not expected before the second half of 2023.

Mixed conditions in the emerging and frontier markets

Structural challenges and limited capacities for overcoming the crisis again dominated the conditions in the emerging and frontier markets. According to IMF estimates, aggregate economic output growth declined to 3.7% in 2022 (2021: 6.6%). Unlike in the previous years, the Middle East and Central Asia exhibited the highest growth in regional terms at plus 5%. This is due primarily to the rapid rise in commodity prices, which had a correspondingly positive effect on the economies of the oil and gas exporting countries. In Asia, India proved to be relatively crisis-resistant (plus 7.0%) while China (plus 2.8%) was supplanted in its role as the driver of the global economy due to the far-reaching consequences of country's strict zero-COVID policy. Latin America and Sub-Saharan Africa also each posted solid growth in excess of 3%, but the debt problems also worsened in a number of regional markets. Extensive international support will thus again be of central importance in 2023.

Convergence in Central, Eastern, and Southeastern Europe facing headwinds

The immediate geographical proximity to the war in Ukraine resulted in major economic, political, and social challenges for large parts of Central, Eastern, and Southeastern Europe in 2022. Despite this, this economic region proved to be more resilient than had been expected after the onset of the conflict. For example, Poland, Slovenia, Croatia, and Hungary posted stronger GDP increases than the major Western European economies. The markets that are traditionally linked closely with German industrial production and that were thus impacted by production hurdles in the form of supply, material, and energy shortages did not grow as rapidly. Growth rates were thus only around 2% in Czechia and Slovakia in particular.

Resilient domestic economy under challenging conditions

Even though the Austrian economy also faced increasing headwinds, the overall performance for the year was again very impressive in EU comparison. The Austrian Institute of Economic Research (WIFO) currently estimates that GDP increased by 4.7% in 2022 (2021: plus 4.6%). In additional to the surprisingly resilient industrial production, this was also due to stabilised private consumption – which in turn profited from good labour market conditions and measures to mitigate the impacts of inflation. Government initiatives to overcome the crisis also continued to have a positive effect on corporate financing. Issuance of corporate bonds on the Austrian market came to € 13.1 billion in 2022, somewhat below the € 16.3 billion issued in the previous year, and the Republic of Austria profited from its reputation among investors as a safe haven in the issuance of government bonds.

Business development in 2022

As part of the export promotion programme, operating financing was extended to exporters in the form of the special Kontrollbank refinancing facilities (COVID-19 assistance and the effects of the Ukraine/Russia war) once again in 2022. While new applications can no longer be filed for the special Kontrollbank refinancing facility for COVID-19 assistance as of July 2022 (but extensions were still possible beyond this deadline), the new special Kontrollbank refinancing facility to provide liquidity assistance to exporters in connection with the Ukraine/Russia war in the amount of € 1 billion was launched in cooperation with the Federal Ministry of Finance (BMF). The financing volume in the Export Financing Scheme (EFS) increased by € 539,476 thousand to € 23,407,823,910.10 (2021: € 22,868,348 thousand) in 2022. With targeted flexible and innovative financing products (export stimulus through longer terms, expanded risk coverage by the Republic of Austria, a further 10 percentage point increase in the guarantee rates for especially sustainable projects, as well as facilities including our SARON financing) and continued attractive interest rates, the credit volume for Austrian export activities was maintained at the same level as in the previous year despite a general flattening of Austrian economic growth. The increase resulted primarily from the rise in cash collaterals relating to hedging instruments under the Export Financing Scheme.

Since the onset of the coronavirus crisis in March 2020, OeKB has also been supporting the federal COVID-19 Financing Agency COFAG (COVID-19-Finanzierungsagentur des Bundes GmbH) in processing applications and issuing guarantees to maintain solvency and bridge liquidity gaps for major enterprises. An average guarantee volume of € 241,799,796.90 (2021: € 608,923 thousand) was processed in this context during the financial year.

The number of loans managed under the Export Financing Scheme increased slightly to around 5,460 contracts (2021: around 5,430 contracts).

Income statement

OeKB again achieved a good operating result in 2022, though the profit before tax was affected materially by one-off effects in staff costs, the other operating income, and the net result from financial assets in the proprietary portfolio.

Net interest income declined to € 67,095,975.78 (2021: € 67,211 thousand) due to the decrease in the EFS financing volume during the year, and especially related to the special Kontrollbank refinancing facility for COVID-19 assistance in an amount of € 1,996,127.91 (2021: € 3,030 thousand). Furthermore, in the refinancing of the Export Financing Scheme, OeKB benefited from negative interest rates.

Income from securities and investments came to € 20,282,873.48, € 8,729 thousand more than the previous year's result of € 11,554 thousand. Key reasons for the increase were rising investment income from OeKB EH Beteiligungs- und Management AG and from Wiener Börse AG and also from the bank subsidiary OeKB CSD GmbH.

OeKB's net fee and commission income was € 29,426,812.66 (2021: € 28,716 thousand) and increased in annual comparison. Fee and commission income in the Capital Market Services segment in particular exceeded that from the previous year due to higher income from the government bond auctions and notification office services, and the income from the payment office services for securities issues. The income from fees for the administration of export guarantees on behalf of the Austrian government increased in annual comparison due to the higher volume.

The other operating income in the amount of € 27,133,655.40 (2021: € 13,585 thousand) resulted primarily from rental revenue, the input tax adjustment for previous years, and the invoicing of service fees, as well as from the one-off effect from the release of provisions in the amount of € 12,884,802.35 (2021: zero). The provision was adjusted to the required amount for IT and maintenance projects in the 2022 financial year.

Total operating income was € 143,889,980.73 (2021: € 121,062 thousand).

The general administrative expenses (€ 44,878,278.51) decreased in annual comparison (2021: € 49,549 thousand). Total staff costs decreased to € 26,601,758.34 (2021: € 32,080 thousand). The reason for the decline was the adjustment of the pension and termination benefit provisions due to the increase in the discount rate. The decrease in employee benefit provisions resulted primarily from the higher interest rate level in annual comparison and the resulting change in the discount rate from 1.00% in 2021 to 3.75%. Conversely, the salary and pension trend was raised to 3.70% and 3.20%, respectively, due to the inflation situation (2021: 2.50% and 2.00%, respectively). The other administrative expenses came to € 18,276,520.17 (2021: € 17,469 thousand), exceeding the prior-year level. This increase is the result of price adjustments for energy costs and data services, an increase in business travel due to the lifting of the COVID-19 restrictions, and expenses in the Export Financing Scheme relating to issuance. The other administrative expenses consisted primarily of IT expenses (purchase services and maintenance) in the amount of € 5,344,638.98 (2021: € 5,433 thousand), business space costs in the amount of € 6,038,104.07 (2021: € 5,437 thousand), expenses for external data procurement in the amount of € 2,048,685.23 (2021: € 1,755 thousand), and consulting, auditing, and insurance expenses in the amount of € 2,096,905.56 (2021: € 2,313 thousand). Provisions in the amount of € 353,197.65 were used in relation to other administrative expenses (IT projects) in the 2022 financial year.

The other operating expenses of € 1,318,422.47 increased in annual comparison (2021: € 1,256 thousand) and consist primarily of rental costs for sublet business premises, contributions to supervisory authorities, and postage fees for energy clearing.

This put the operating expenses at € 48,951,958.26, a year-on-year decrease (2021: € 53,376 thousand).

The operating profit for 2022 came to € 94,938,022.47, an increase of 40.3% over the previous year (€ 67,685 thousand) due to the effects described above.

No individual allowances for impairment losses were formed during the reporting period (2021: € 18 thousand). The write-downs on securities held as current assets resulted solely from the markedly higher yields on bonds and came to € 21,839,231.00 as at 31 Dec 2022 (31 Dec 2021: € 876 thousand).

Income from impairment reversals on loans and advances amounted to € 13,029,083.25 (2021: € 13,011 thousand) and stemmed mainly from impairment reversals pursuant to § 57(1) of the Austrian Banking Act (BWG). The write-ups on securities came to € 1,294.70 (2021: € 1,299 thousand). The profits realised on securities held as current assets and from the purchase of accounts receivable came to € 2,149,681.58 (2021: € 1,467 thousand).

Impairments on interests in investments other than subsidiaries resulted in expenses of € 63,000.00 in the financial year (2021: zero).

In the expenses from securities measured as financial investments, expenses of € 9,725,647.29 (2021: income from write-ups in the amount of € 253 thousand) resulted from the sale of the special investment fund Sirius 40.

Taking all of these effects into account, the profit before tax was € 78,490,203.71 (2021: € 82,840 thousand).

After income tax and other taxes, profit for the year of € 65,716,524.14 was higher than the result of € 60,148 thousand of the previous year.

In financial year 2022, € 32,866,524.85 (2021: € 27,265 thousand) was allocated to the other retained earnings to further 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.

The unallocated profit for the year came to € 32,849,999.29 (2021: € 32,884 thousand). Including the profit brought forward from the previous year in the amount of € 24,626.71 (2021: € 15 thousand), the profit available for distribution was reported at € 32,874,626.00 (2021: € 32,899 thousand).

Balance sheet

At 31 December 2022, liquid assets from the investment of excess liquidity in the form of balances at central banks amounted to € 295,545,574.35 (2021: € 1,216,086 thousand). This liquidity reserve, which stemmed primarily from the EFS in 2021 and was deposited at the Oesterreichische Nationalbank, protects OeKB against potential short-term market distortions. On the liabilities side, deposits from banks decreased from € 840,128 thousand in 2021 to € 260,407,141.67 in 2022.

The volume of the investment portfolio (debt instruments, bonds, and equity shares and other variable-income securities, see also “investment portfolio” in the notes) decreased to € 522,436,902.92 in 2022 (2021: € 536,223 thousand). The fair value on the reporting date was € 510,447,278.16 (2021: € 545,818 thousand).

Interests in subsidiaries amounted to € 73,880,193.17 (2021: € 73,880 thousand), interests in investments other than subsidiaries amounted to € 7,917,031.44 (2021: € 7,980 thousand).

OeKB’s Export Financing Scheme accounted for 94.2% (2021: 92.8%) of the total balance sheet volume and increased by € 228,854 thousand or 0.9% in 2022 from € 24,922,362 thousand to € 25,151,215,559.61. The increase in loans and advances to banks made the most significant contribution to this. In line with this, deposits from banks rose while the volume of debt securities issued declined. The liquid assets portfolio that is used for the Export Financing Scheme and that consists primarily of bonds (see “liquidity portfolio” in the notes) decreased by € 322,171 thousand to a nominal value of € 1,720,285,864.91 (2021: € 2,042,457 thousand).

The increase in equity on the balance sheet resulted from the allocation to retained earnings.

The total assets as at 31 December 2022 came to € 26,695,143,489.25 (31 Dec 2021: € 26,858,212 thousand), which represents a decrease of 0.6%.

Financial performance indicators

The cost/income ratio (operating expenses/operating income) fell, above all due to lower operating expenses and the higher operating income resulting from the one-off effect in “Other operating income“, namely from 44.1% in the prior year to 34.0%.

The regulatory capital available under CRR increased by € 13,573 thousand to € 638,693,611.28 in 2022 (2021: € 625,121 thousand).

The tier 1 ratio (CRR tier 1/risk-weighted assets) came to 116.6% in 2022 (2021: 87.2%). Further information on the capital ratios can be found in the notes under “Additional disclosures pursuant to the BWG”.

The return on equity (profit for the year/average equity) came in at 9.5% in 2022 (2021: 9.1%).

Research and development

No research and development activities are conducted due to the specialised business model and specific task of OeKB.

Report on branches

OeKB maintains no domestic or foreign branches.

Risk management system

Internal control system

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 be limited solely to the accounting system, but should also include all important business processes so that the economic efficiency and effectiveness of business activities, the reliability of the business information (including non-financial reporting, e.g. corporate responsibility), and adherence to guidelines and regulations (compliance) can be guaranteed.

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

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. The Internal Audit/Group Internal Audit department independently and regularly verifies adherence to the internal regulations, including the accounting and financial control rules. The management 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 identify all risks and take measures to avert or mitigate these 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 the responsible departments are evaluated regularly.

Control activities

OeKB has a governance system that sets out structures, processes, functions, and responsibilities within the bank. 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.

IT-based control activities are a key component of the internal control system. Thus, the compartmentalisation of sensitive responsibilities is supported by the restrictive assignment of access permissions in the computer systems (need-to-know basis). The SAP enterprise management system is used for accounting and financial reporting. The functioning of this accounting system is ensured by measures including integrated, automated control mechanisms.

Information and communication

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

Monitoring

Financial statements intended for publication and control-relevant internal documents undergo a final review by senior staff of the Accounting and Financial Control department and by the Executive Board before being forwarded to the Audit Committee of the Supervisory Board. The Executive Board is responsible for company-wide monitoring. We have established three lines of defence. The first line of defence (control procedures) is located in the operating segments. The second line of defence, including Risk Management, Compliance, and Legal, imple¬ments and monitors the application of and compliance with the controls. The third line of defence is the Internal Audit/Group Internal Audit with its auditing and monitoring functions.

By monitoring compliance with all rules and regulations, OeKB aims to make all business processes as reliable 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 and preventative measures. The implementation of these measures is monitored. The Internal Audit/Group Internal Audit department evaluates compliance with the requirements in accordance with the annual audit plan.

Risk management

Risk management and risk controlling are key processes within the business strategy and are designed to ensure the long-term stability and profitability of the Bank. Every risk assumed is accepted consciously and is consistent with the Executive Board's risk policy and strategy, which aims to ensure a stable return on equity through a conservative approach to all business and operational risks. The risk policy and strategy set forth the risk policy principles, the risk appetite, the framework of the risk management organisation, and the principles upon which the measurement and management as well as limitation of the defined risk categories are based.

OeKB acts as official export credit agency of the Republic of Austria. This special position of the Bank and the associated responsibility for supporting the Austrian economy shape the Bank's business and risk policies.

The Export Financing Scheme (EFS) represents the great majority of assets on the balance sheet and is treated as a separate accounting entity. The risks of the EFS that is administered for the Republic of Austria are mitigated by extensive collateral and guarantees from the Republic of Austria. OeKB is exempt from key bank supervision laws such as the CRR in all transactions relating to export (financing) promotion.

Further major exemptions for OeKB apply in connection with liquidity regulations and the European and national provisions for the banking union (such as the Bank Recovery and Resolution Directive or BRRD). These exceptions also apply for the subsidiary bank Oesterreichische Entwicklungsbank AG (OeEB). Similar exceptions apply to the Group member bank OeKB CSD GmbH (OeKB CSD), which is authorised as a central depository under the CSD regulation (see § 3[1]12 BWG) and to Österreichische Hotel- und Tourismusbank G.m.b.H (ÖHT - see § 3[1]11 BWG).

Organisation

Given OeKB's key business activities and its specific business and risk structure, the Bank has adopted a clear functional organisation for its risk management process with well defined roles. In line with proportionality rules, there is no separation between risk origination and risk oversight in the Executive Board. All risk-controlling and risk-bearing units are independent.

The central role in risk management is played by the Risk Management Committee (RMC), in which the risk-controlling units hold the majority and which is chaired by the Chief Risk Officer (CRO). The function of the Risk Management Committee consists of strategic risk management and risk controlling in accordance with the valid risk policy and risk strategy. The Committee is the recipient of the risk reports, monitors and controls the risk profiles of the individual risk types, and proposes corresponding measures to the Executive Board. As part of overall bank risk management, the RMC proposes limits to the Executive Board based on the risk coverage calculation and procedures for risk monitoring as well as guidelines to implement the principles set forth in the risk policy and strategy, including the ICAAP manual and the liquidity risk management manual. The Risk Management Committee set up a Non-Financial Risk Committee (NFRC) as a sub-committee to coordinate its control of non-financial risks, especially operational and ICT (information and communication technology) risks.

The CRO reports directly to the Executive Board and, once a year, to the Risk Committee of the Supervisory Board. The CRO directs the Risk Controlling department, which is responsible for the measurement and assessment of financial risks, operating-level financial risk controlling including monitoring the internal limits, and the practical implementation of the Internal Capital Adequacy Assessment Process (ICAAP) and of the liquidity risk (ILAAP).

The standards for the Operational Risk Management are implemented in OeKB's business operations by the "Organisation Development and Facility Management" department with the exception of information security matters, which are the responsibility of the CISO. The activities relating to Operational Risk Management, Information Security and those coming under the remit of the Internal Control System Officer are subject to ongoing coordination.

The Information and Cyber Security Executive Committee (CSEC) was set up in 2022. It is chaired by the Chief Information Security Officer (CISO) and serves to ensure regular direct communication with and advice to the overall Executive Board on topics relating to information and cyber security.

Other key functions of the governance structure are the officers for preventing money laundering, for compliance (WAG and § 39[6] BWG), and for outsourcing – all of whom report directly to the Executive Board.

A comprehensive risk assessment is conducted every year to ensure that all material risks have been identified and that they can be measured and controlled. New products and services are subject to a product introduction process, which includes a risk assessment.

Risk management is supplemented by the Internal Control System (ICS), which ensures compliance with guidelines and risk-mitigation measures. An Internal Control System Officer was nominated to ensure that the ICS complies with the legal requirements and to implement and continuously refine the ICS guideline enacted by the Executive Board. Largely automated general IT controls and audits conducted by the Internal Audit department ensure its effectiveness.

Internal Audit and Group Internal Audit serve as a 3rd line of defence and conduct regular audits on the organisational units involved in the risk management processes and on the employed procedures.

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 the risk situation. The Supervisory Board also maintains a Risk Committee pursuant to § 39d BWG, which convened for one meeting in 2022. The Audit Committee of the Supervisory Board also monitors the effectiveness of the Internal Control System. The Supervisory Board has also set up a Nomination Committee and a Remuneration Committee.

OeKB has implemented a comprehensive and risk-oriented reporting and limit system to ensure that the senior management responsible for managing and monitoring financial and operational risks are informed adequately and in good time. This reporting includes the quarterly risk reports by the Executive Board to the Supervisory Board and annual coordination and consultation within the Risk Committee of the Supervisory Board pursuant to § 39d BWG.

As part of the operational risk management strategy, organisational structures have been defined for various emergency and crisis scenarios and were tested and proven during the COVID-19 pandemic.

Risk management framework

The Executive Board bears overall responsibility for the establishment of an adequate, functional, and holistic risk management system that covers all material operational and business risks. The Executive Board of OeKB employs a comprehensive management system to meet this obligation and to ensure the long-term success of the group, transparent management, and compliance with the due diligence obligations. In addition to maintaining a suitable organisational structure and process structure, the Executive Board of OeKB set up a comprehensive system of internal guidelines.

Guideline structure

One central guideline of the risk management framework is the Risk Policy and Strategy of OeKB Group, which the Executive Board formulates and adopts in coordination with the Chief Risk Officer (CRO) and in consultation with the Risk Committee of the Supervisory Board on an annual basis.

The Risk Policy and Strategy sets out the risk management principles, the key features of the risk management organisation, the risk appetite, and the principles for the measurement, control, and limitation of the defined risk categories. In this manner, the Executive Board of OeKB ensures the uniform management of risks throughout the Bank Group.

Each risk exposure that is accepted must conform with the Risk Policy and Strategy of OeKB Group. This is the foundation for a comprehensive system of internal guidelines for the management of group risks and the risks to which OeKB is exposed as an individual entity.

The principles and standards for ethical business practices are set forth in the Code of Conduct, and are binding. These especially govern the handling of data, complaints, and conflicts of interest as well as compliance, whistleblowing, the prevention of corruption and money laundering, and the fit and proper policy for key personnel. The remuneration policy contains the principles for pay pursuant to the BWG and takes account of the relevant risks.

Internal Capital Adequacy Assessment Process (ICAAP)

Risk appetite and approaches to risk control

The ICAAP is conducted at the group level and serves to ensure the maintenance of the defined bank-specific level of capital adequacy and forms an integral part of the management process as a controlling and measurement tool. The risk appetite is set annually by the Executive Board in coordination with the Risk Committee of the Supervisory Board.

The process accounts for the going concern approach and the gone concern approach as required by the supervisory authorities. The key difference between the two approaches lies in the definition of the economic capital available to cover risk and the choice of the confidence level for the risk (99.9% for the going concern approach and 99.98% for the gone concern approach).

Risk coverage calculation and limitation

The risk coverage calculation is performed quarterly by the Risk Controlling department – which as a risk oversight function is independent from risk origination – and is reported to the Risk Management Committee, the Executive Board and the Supervisory Board. In the risk coverage calculation, the economic capital requirement is compared with the risk coverage capital (internal or business capital). This is done in consideration of different coverage objectives and approaches (going concern and gone concern). The application of the going concern principle also ensures compliance with the minimum regulatory capital requirements.

The risk coverage calculation especially takes all defined material risk categories into account, namely credit risk, market risk, operational risk, and business risk.

Based on the results of the risk coverage calculation and the recommendations by the Risk Management Committee, the Executive Board of OeKB defines the limits for market and credit risk for OeKB Group as a whole as well as risk budgets for the bank subsidiaries. Compliance with these limits and risk budgets is monitored by the Risk Controlling department and reported to the Risk Management Committee and the Executive Board on a quarterly basis. There is no steering of individual business divisions or segments within OeKB on an economic capital basis as this is of limited relevance; a separate ICAAP is conducted for the EFS (see “Credit risk” below).

The economic capital calculations are supplemented with stress tests. This involves both univariate tests for key risk drivers and multivariate market-specific tests. To assess the sustainability of the risk-bearing capacity under adverse market conditions, input parameters such as volatilities, correlations, and probabilities of default are subject to stress on the basis of a macroeconomic scenario and then evaluated on the basis of this risk-bearing capacity.

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, 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 greatest market risk for OeKB by far in terms of VaR stems from the investment portfolio. This was fundamentally restructured in 2022 by terminating the mixed special investment fund and allocating the capital to the directly held bonds. Thus, the investment portfolio consisted purely of bonds with conservative rating requirements and an allocation to ESG bonds of over 10% at the end of 2022. The VaR of the investment portfolio is calculated every month and came to € 106.5 million (31 Dec 2021: € 33.7 million) at a confidence level of 99.98% and a holding period of one year as of 31 Dec 2022. This increase in risk resulted primarily from the significantly higher interest rate volatility.

Exchange rate risks exist, above all, in connection with raising long- 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. An interest rate stabilisation provision is maintained for interest rate risks under the EFS, which are measured using earnings at risk. It forms the dedicated capital available to cover the risks determined in the risk coverage calculation for the Export Financing Scheme.

Derivative financial instruments

Derivative financial instruments are used to assist in managing market risks in the EFS. The derivatives involved are mostly interest rate swaps and cross-currency interest rate swaps that are traded over the counter (OTC) and that are used as hedging instruments in valuation units with own issues.

The total volume of derivative financial instruments at 31 Dec 2022 was as follows (the shown fair values are present values):

Euro	Notional amount 31 Dec 2022	Fair values 2022 Positive	Negative
Interest rate derivatives			
Interest rate swaps (OTC)	24,578,117,856.62	567,989,742.88	834,024,347.29
Currency derivatives			
Currency swaps (OTC)	18,984,564,822.54	205,587,535.91	934,950,353.12
Total	**43,562,682,679.16**	**773,577,278.79**	**1,768,974,700.41**

€ thousand	Notional amount 31 Dec 2021	Fair values 2021 Positive	Negative
Interest rate derivatives			
Interest rate swaps (OTC)	23,579,089	323,375	262,228
Currency derivatives			
Currency swaps (OTC)	22,019,731	272,383	627,913
Total	**45,598,820**	**595,758**	**890,141**

The development of the fair values in 2022 was dominated by the steep rise in market interest rates, especially in the second half of the year.

Credit risk

OeKB primarily understands credit risk as the risk of unexpected losses as a result of the default of counterparties. The bank differentiates between the following types of credit risk: counterparty risk/default risk, investment risk, and concentration risk. Credit risks are assessed using the credit value at risk (CVaR).

Counterparties are classified into internal credit rating categories on the basis of external ratings from internationally recognised rating agencies and internal credit ratings. This rating is based on a detailed 22-part internal master scale that differentiates between sovereign and other counterparties in the very good rating segment and that uses clearly defined rating and mapping rules.

The credit exposure of OeKB consists largely of export financing credits. These credits are extended according to strict principles and high collateral requirements (mainly by 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 is treated as investment risk for which risk coverage is calculated separately (ICAAP EFS). For this, the risks in the EFS (especially credit, interest rate, refinancing, and CVA risk) are assessed and compared against the risk coverage potential (i.e. the EFS interest rate stabilisation provision). When assessing credit risk, business partner concentrations are taken into consideration. The extensive collateral and guarantees of the Republic of Austria result in a high level of risk concentration. If the risk exceeds the EFS interest rate stabilisation provision, it is included in the OeKB ICAAP as credit risk.

Business risk

OeKB primarily understands business risks as declines in profits caused by unexpected changes in business volume or margins. Business risk is first quantified by means of statistical comparisons of planned and actual values and then subjected to an expert review so that concrete limits can be set annually by the Risk Management Committee. As this risk category is a profit risk, it is accounted for in the risk coverage calculation by being deducted from the risk coverage capital. The net interest income in the Export Financing Scheme is offset by the interest rate stabilisation provision and has no impact on the Bank's income statement.

Aside from quantitative inclusion in the ICAAP, OeKB is aware of the relevance of these risks in particular in its role as a special-purpose bank, due to the high importance of the Export Financing Scheme, and in light of the associated legal exceptions. The active monitoring of legislative changes, stakeholder dialogue, adherence to a conservative risk policy, and a proactive reputation policy (i.e. the Code of Conduct) are central factors in mitigating these risks.

Operational risk and other non-financial risks

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.

The economic capital requirement is determined by scaling the regulatory capital requirement according to the Basic Indicator Approach to the respective confidence level. Model risks and risks from risk types that are not separately measured are taken into account in the risk coverage calculation by the application of percentage surcharges to the determined economic capital.

Unlike financial risks, non-financial risks (which include operational risks) can only be measured and managed through key figures to a limited extent, so the risk appetite is defined primarily on a qualitative basis. Regular risk assessments and reports to the Executive Board from the responsible officers facilitate corresponding monitoring and steering by the Executive Board. A five-stage traffic light system has been used since 2020 for the holistic assessment of the non-financial risks. A workflow-based decentralised assessment of the various risk categories is conducted with a software system on a quarterly basis. The dashboard system provides an overview and allows an integrated evaluation of the overall situation.

Bank-wide standards, rules, and processes are derived from the risk policy and documented in the operational risk manual. This also includes emergency management manuals, contingency plans, and crisis scenarios, all of which are reviewed annually. The ongoing maintenance and evaluation of the loss incident database helps to ensure the continuous optimisation of operational risks.

Given the high importance of information security, the Bank has a separate Information Security Officer (CISO). In addition, the Information and Cyber Security Executive Committee (CSEC) was set up in 2022 to ensure regular direct communication with and advice to the overall Executive Board on topics relating to information and cyber security. Legal risks are minimised through continuous monitoring by the respective business segments and the Legal & Compliance department, and by the appointment of compliance officers pursuant to the WAG and § 39(6) BWG. Compliance with § 25 BWG and the EBA Guidelines on Outsourcing Arrangements is ensured through a corresponding outsourcing policy and the nomination of an outsourcing officer.

Regular checks conducted by Internal Audit and an effective Internal Control System contribute to the mitigation of operational risks.

Liquidity risk (ILAAP)

OeKB differentiates between three forms of liquidity risk:

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

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

Liquidity management and liquidity risk management are conducted jointly for OeKB bank group 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 assigned to individual business segments at this time. The economic capital for the refinancing risk is allocated entirely to the Export Financing Scheme.

The adequacy of available liquidity is ensured by means of a survival period analysis. The Executive Board of OeKB defines the principles for liquidity risk management and the risk appetite in the risk policy and strategy that is coordinated with the Supervisory Board’s Risk Committee on an annual basis. The survival period must be at least one month, with a target of at least two months.

This risk measurement is based on cash flow and funding projections under combined idiosyncratic and systemic stress scenarios against which the liquidity reserve (especially securities eligible for rediscounting by central banks) is compared. The specified minimum survival period under stress is set at one month. A liquidity contingency plan is in place for crisis situations. Market liquidity risk is taken into account through corres-ponding haircuts for liquid assets.

In 2022, the average survival period determined by this methodology was roughly seven months (2021: eleven months).

OeKB does not manage its liquidity according to the liquidity coverage ratio (LCR) or net stable funding ratio (NSFR) because of the exceptions that apply.

Sustainability and climate risks

OeKB has been applying an effective sustainability management system for many years. OeKB's sustainability policy reflects the responsibility of the company for the positive development of the economy over the long term and for the stakeholders within and outside of the Group. It is submitted to the Executive Board once per year as part of the management review and is adapted when needed. The environmental and social impacts are analysed separately per business segment during the regular environmental aspect evaluation. The sustainability report also describes the business model of the OeKB bank group and its effects on environmental and social issues in detail in the form of an income statement. Broken down by the business segments of the bank, any material direct, indirect, and positive effects are shown and where there are connections to the Sustainable Development Goals (SDGs) on which the OeKB bank group concentrates. The possible negative impacts in the form of the gross risks are also shown. The implemented management approaches show how the OeKB bank group addresses and mitigates these risks. The business segments that are subject to ESG criteria are identified not only on the basis of environmental and social criteria, but also based on governance aspects such as transparency, security, and compliance.

The certified environmental management system that was implemented according to the EMAS Regulation in 2001 and the annual sustainability reporting according to the Global Reporting Initiative (GRI) that was launched in 2003 ensure the continuous improvement of our sustainability management system. The 2021-2025 sustainability strategy contains ambitious goals that are systematically being implemented. Specific measures included the issue of sustainability bonds for refinancing in the Export Financing Scheme and the "Export Invest Green" instrument that was created in conjunction with the Federal Ministry of Finance. The sustainability bond framework was revised in March 2022 with the addition of two new categories (green buildings and circular economy) and closer orientation towards the EU Taxonomy.

The growing importance of the ESG (environmental, social, and governance) factors and especially of climate change and the resulting social and political reactions are a source of rising reputational and business model risks over the medium to long term. At the same time, this harbours opportunities for future growth. Thus, OeKB has increased its focus on climate risks in its risk management and business strategy. ESG risks are not a separate risk category but are factors that affect the other risk categories. The topic of climate-based risks and opportunities was explicitly added to the risk policy and strategy of OeKB in 2020, including a comprehensive causal chain analysis of global warming as it relates to the different risk types, and has been subjected to a comprehensive review every year since. Sustainability risks are also a core aspect of the quarterly risk situation assessment and of the reporting to the RMC, Executive Board, and Supervisory Board. Various tools and methods were also the subject of intensive research and evaluation in 2022. This included a focus on the further integration of ESG factors in risk management and the implementation oft he method of climate risk heat mapping.

Non-financial performance indicators

OeKB's social and economic responsibility

As a private-sector company with a government mandate, OeKB lives up to its social responsibility. Many of its services are relevant for the Austrian economy as a whole. As an agent of the Republic of Austria, OeKB provides guarantees for export sales and investments by Austrian exporters. The guarantee system is based on the provisions of the Export Guarantees Act (AusfFG) and the respective regulations.

The majority of the OeKB debt securities issued feature a paid guarantee from the Republic of Austria pursuant to the Export Financing Guarantees Act (AFFG), which makes OeKB a respected, established issuer in the international capital market. Thus, the very good rating of OeKB (Standard & Poor's: AA+/Moody's: Aa1) is closely linked to the rating of the Republic of Austria.

Sustainability

Sustainable action plays a key role in the business activities of OeKB and determines the quality of life that we will enjoy in future. The importance of sustainability is underscored by the numerous measures and initiatives of OeKB.

The regulatory requirements also became considerably more stringent for OeKB on 1 January 2023, and this trend is likely to continue in the coming years. Due to the NFRD (Non-Financial Reporting Directive), the sustainability report that OeKB has published on a voluntary basis since 2001 has now become a mandatory report.

As EMAS (Eco-Management and Audit Scheme) registered and certified companies, OeKB, OeEB, OeKB CSD, and ÖHT have committed to accounting for resource consumption, climate protection, and social developments in their core business and operations and to pursuing annual goals for improvement. A key quality feature of the business and risk policy is the conservative approach to business and operational risks without jeopardising the necessary returns. OeKB has maintained an environmental management system in accordance with the EMAS Regulation since 2001. The EMAS environmental statement is part of the annually published sustainability report. This has been prepared according to the GRI (Global Reporting Initiative) since 2003 and is externally audited. Thanks to these many years of continuous consideration of direct and indirect environmental effects, OeKB has been able to implement comprehensive environmental data management in its operations. Regular monitoring, the definition of measures to reduce consumption, and reporting environmental statistics are integral aspects of the OeKB sustainability management system. All metrics and trends are presented in the separate OeKB sustainability report.

The 2021–2025 sustainability strategy with ambitious goals for 2025 is a cornerstone of OeKB's business strategy. OeKB critically evaluates future trends to ensure success in its core business over the long term and to live up to its social responsibility. Climate change, resource scarcity, and sustainable finance are key challenges, but also harbour equally great opportunities. The sustainable finance activities that were launched in 2019 were successfully continued with the issue of the third OeKB sustainability bond. The sustainability framework was updated, edged in further, and expanded with the categories of circular economy and green buildings. This accounts for these key areas that should support the transition to a climate-neutral Europe.

OeKB is placing a focus on the successive implementation of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). A TCFD core team was set up in 2020. Since then, governance, strategy, the risk management approach, objectives, and indicators have been discussed in the sustainability report.

The topics of diversity and inclusion again played an important role in OeKB in 2022. The diversity policy was revised to also promote diversity in recruiting. Transparency is being improved through the publication of entry-level salaries and salary tiers on the intranet and in job vacancy postings. Targeted measures to increase the share of women in managerial positions to 40% by 2025 remain a high priority.

Our travel policy and travel guidelines were also updated in 2022 to anchor sustainability aspects more firmly. Carbon emissions from business travel are offset. However, the principle of "reduction before offsetting" still applies to all business travel in OeKB.

OeKB launched a key new ESG project with the OeKB > ESG Data Hub, which went online on 1 August 2022. Companies can use this online platform to simply and efficiently collect and report their ESG data by completing questionnaires. ESG stands for environmental, social, and governance. These are three core aspects used to transparently measure sustainability. ESG aspects now also play a central role in competitiveness. Because of this, companies should also show that they act in an environmentally and socially responsible manner. The European Union is steadily increasing its requirements for sustainability reporting. Another reason why documenting ESG data is becoming increasingly relevant. The questionnaires for small, medium, and large enterprises were drawn up in collaboration with Austrian banks and form a standard in ESG evaluation. The companies are offered a structured, standardised, and harmonised reporting format for their results in line with the current regulatory requirements.

To meet the requirements of the EU Taxonomy Regulation for sustainable business activities (EU) 2020/852, which applies to OeKB for the first time starting on 1 January 2023 in relation to the 2022 financial year, a project was conducted with an external auditor in 2022. In this way, we prepared for the new sustainability reporting obligations. The figures that OeKB is required to report under the EU Taxonomy and the assumptions upon which their calculation is based can be found in the group management report.

Details on the extensive activities of OeKB can be found in the separate sustainability report.
https://www.oekb.at/en/oekb-group/oekb-ag.html#berichte

Human Resources

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 awareness for the importance of sustained earnings, controlling costs, and mitigating and managing risk are key success factors.

The complex combination of needs resulting from different generations in the company, a lack of qualified specialists on the labour market, and advancing digitalisation make a flexible personnel strategy indispensable. This makes knowledge management and transfer just as crucial as the promotion of the digital competency and the process management.

In addition to management career paths, particular importance is attached to expert career paths to remain attractive as an employer for qualified personnel and to help move the company towards its goals as a cohesive team. In OeKB's flat management hierarchy, our experts play a critical role in the success of the Bank. For a number of years, we have also appointed "team leads" as technical managers in addition to the traditional specialist career path.

OeKB's long-term success depends on the commitment of the people working for it. Family-friendly measures such as flexible working hours, or the option to work from home, address the needs of every employee who values the compatibility of work and family life. Full- and part-time educational leave is actively supported. All of this is intended to ensure a good balance between professional and non-professional activities in every career stage. Company health management with numerous initiatives and measures has a positive impact on the aspects of exercise, good nutrition, and mental fitness.

At a total cost of € 378,533.25 (2021: € 330 thousand), OeKB spent € 1,060.32 per employee on training and development in 2022 (2021: € 1 thousand).

The headcount decreased from 331 full-time equivalents in 2021 to 323 at the end of 2022. The profit for the year per full-time equivalent came to € 203,456.73 (2021: € 182 thousand).

Employees of OeKB [1]

As at	31 Dec 2022	31 Dec 2021
Total as at 31 December	357	367
Of whom part-time employees	*104*	*104*
Total employees in full-time equivalents	323	331
Average number of employees pursuant to the UGB	324	330
Turnover rate	5.0%	4.4%
Sick days per year and full-time employee [2]	7.2	6.1
Training days per year and employee	2.5	3.5
Proportion of total positions held by women	54.9%	54.0%
Of whom part-time employees	*44.4%*	*42.9%*
Proportion of management positions held by women	36.6%	40.9%

[1] Including employees posted to OeKB CSD GmbH and Acredia Versicherung AG.
[2] Not including coronavirus-related sick days (around 2 full-time sick days per employee per year).

Outlook for 2023

We expect business with export guarantees and guarantees by aval to be slightly better in 2023 than in 2022, but business from the special COVID-19 Kontrollbank refinancing facility to decline due to the expiration of the programme. Global economic growth slowed considerably in the wake of the regional impacts of the COVID pandemic and the sustainably higher energy costs. The Ukraine/Russia war and the Western sanctions are also significantly hampering growth. Thus, the economic outlooks and global economic dynamics will likely be mixed on a country-by-country basis in 2023. The political uncertainty will continue. Especially the war in Ukraine will continue for some time according to expert projections. This poses significant challenges for the Austrian export industry. For this phase, OeKB is offering Austrian exporters extensive support through export loans and guarantees under the legal framework to enable the acquisition and founding of companies to be financed. We are continuously evaluating the situation and are reacting with corresponding measures in coordination with the Federal Ministry of Finance. We expect our credit volume under the Export Financing Scheme to rise in 2023 due to higher demand from Austrian companies for secure export and foreign investment activity. OeKB will continue offering attractive financing conditions and products in the coming year despite the very volatile interest rate conditions.

We expect our securities investments to deliver increasing earnings in 2023 due to the higher interest from re-investments and due to the expanded volume following the reallocation of assets from the special investment fund into the proprietary bond portfolio. The Federal Reserve System (Fed) has indicated that USD interest rates will rise further. Interest rates in the Eurozone will also increase in 2023 due to the measures taken by the ECB to fight inflation. The risk premiums on Austrian government bonds are still low, which means that the terms of access to the international capital markets should remain attractive for OeKB (due to the AFFG guarantees of the Republic of Austria). The equity markets will remain very volatile due to the geopolitical developments in particular.

We plan to continue our digitalisation offensive in 2023 to meet the needs of our customers more rapidly and in a more targeted and streamlined manner and to make our internal processes better and above all faster. We will also continue to place a focus on space efficiency and adapt further locations to the changed working conditions. We are also placing a targeted focus on the increased cyber risks, which we intend to anticipate more effectively through a corresponding project.

Overall, OeKB is well prepared to meet the challenges ahead, and we are expecting stable operating income growth. We will place a greater degree of attention on efficient cost management and the higher cyber security risks.

We wholeheartedly thank all our employees for their commitment and their contribution to our success. Our sincere thanks also go to the Staff Council, whose members continued their long tradition of representing the interests of the employees and of the Bank.

Vienna, 10 March 2023

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Helmut Bernkopf   Angelika Sommer-Hemetsberger

Oesterreichische Kontrollbank AG – Financial statements 2022

Balance sheet

Assets		31 Dec 2022 €	31 Dec 2021 € thousand
01	**Balances at central banks**	**295,545,574.35**	**1,216,086**
02	**Treasury bills and similar securities eligible for rediscounting by the ECB**	**69,731,572.94**	**36,558**
03	**Loans and advances to banks**	**560,874,341.16**	**17,587**
	a) Repayable on demand	28,967,745.14	12,686
	b) Other loans and advances	531,906,596.02	4,901
04	**Loans and advances to customers**	**1,385,788.28**	**1,864**
05	**Bonds and other fixed-income securities**	**452,575,083.91**	**240,155**
	a) Of public issuers	1,619,090.23	1,513
	b) Of other issuers	450,955,993.68	238,643
06	**Equity shares and other variable-income securities**	**130,246.07**	**259,510**
07	**Interests in investments other than subsidiaries**	**7,917,031.44**	**7,980**
	Of which in banks	*0.00*	*-*
08	**Interests in subsidiaries**	**73,880,193.17**	**73,880**
	Of which in banks	*50,377,049.62*	*50,377*
09	**Non-current intangible assets**	**3,050,604.59**	**2,370**
10	**Property and equipment**	**9,496,711.58**	**8,675**
	Of which land and buildings occupied for own business use	*4,398,853.90*	*4,399*
11	**Other assets**	**10,249,410.41**	**6,190**
12	**Accruals and deferred income**	**3,076,891.56**	**2,420**
13	**Deferred tax assets**	**56,014,480.18**	**62,575**
14	**Assets related to export financing**	**25,151,215,559.61**	**24,922,362**
14.1	Treasury bills and similar securities eligible for rediscounting by the ECB	1,432,347,484.53	1,577,340
14.2	Loans and advances to banks	23,325,795,079.39	22,773,780
	a) Repayable on demand	*1,203,266,505.79*	*540,160*
	b) Other loans and advances	*22,122,528,573.60*	*22,233,620*
14.3	Loans and advances to customers	82,028,830.71	94,568
14.4	Bonds and other fixed-income securities	224,397,802.96	411,133
14.5	Equity shares and other variable-income securities	63,540,577.42	53,984
14.6	Accruals and deferred income	23,105,784.60	11,556
	Of which for issue of own debt securities	*22,381,682.84*	*5,827*
	Total assets	**26,695,143,489.25**	**26,858,212**
	Memo items		
1	Foreign assets	3,308,599,416.05	2,392,076

Balance sheet

Liabilities and equity		31 Dec 2022 €	31 Dec 2021 € thousand
01	**Deposits from banks**	**260,407,141.67**	**840,128**
	a) Repayable on demand	260,407,141.67	279,974
	b) With agreed maturity or notice period	0.00	560,154
02	**Deposits from customers (others, repayable on demand)**	**417,993,772.97**	**230,232**
03	**Other liabilities**	**9,683,602.17**	**4,207**
04	**Accruals and deferred income**	**13,764,315.74**	**11,870**
05	**Provisions**	**134,593,730.37**	**174,770**
	a) Termination benefit provisions	20,892,268.00	24,400
	b) Pension provisions	87,462,071.00	106,660
	c) Tax provisions	1,292,377.00	5,709
	d) Other provisions	24,947,014.37	38,001
06	**Subscribed share capital**	**130,000,000.00**	**130,000**
07	**Allocated capital reserves**	**3,347,629.63**	**3,348**
08	**Retained earnings**	**514,028,111.09**	**481,162**
	a) Statutory reserve	10,601,796.47	10,602
	b) Other reserves	503,426,314.62	470,560
09	**Liability reserve purs. to § 57(5) BWG**	**27,235,000.00**	**27,235**
10	**Profit available for distribution**	**32,874,626.00**	**32,899**
11	**Liabilities related to export financing**	**25,151,215,559.61**	**24,922,362**
11.1	Deposits from banks	849,050,582.47	175,637
	a) Repayable on demand	*130,312,872.97*	*175,637*
	b) With agreed maturity or notice period	*718,737,709.50*	*-*
11.2	Deposits from customers (others)	601,879,627.31	593,285
	a) Repayable on demand	*573,903,376.70*	*565,430*
	b) With agreed maturity or notice period	*27,976,250.61*	*27,855*
11.3	Debt securities issued	22,777,653,063.31	23,071,227
	a) Bonds issued	*16,308,731,744.46*	*17,509,610*
	b) Other debt securities issued	*6,468,921,318.85*	*5,561,618*
11.4	Other liabilities	1,268,531.36	153
11.5	Accruals and deferred income	35,613,368.92	118,905
11.6	Provisions	885,750,386.24	963,155
	a) EFS interest rate stabilisation provision	*885,647,788.43*	*963,155*
	b) Other provisions	*102,597.81*	*-*
	Total liabilities and equity	**26,695,143,489.25**	**26,858,212**

Balance sheet

Liabilities and equity		31 Dec 2022 €	31 Dec 2021 € thousand
	Memo items		
1	Credit risks	3,623,518,024.57	3,581,594
2	Available regul. capital purs. to Part 2 of Reg. (EU) No 575/2013	638,693,611.28	625,121
3	Minimum regulatory capital requirement purs. to Art 92 of Regulation (EU) No 575/2013	547,615,893.38	701,822
	Minimum regulatory capital requirement purs. to Art 92(1) lit a of Regulation (EU) No 575/2013 - Core tier 1 ratio in %	116.6%	87.2%
	Minimum regulatory capital requirement purs. to Art 92(1) lit b of Regulation (EU) No 575/2013 - Tier 1 ratio in %	116.6%	87.2%
	Minimum regulatory capital requirement purs. to Art 92(1) lit c of Regulation (EU) No 575/2013 - Total capital ratio in %	116.6%	89.1%
4	Foreign liabilities	23,216,202,141.35	23,476,223

Income statement

				2022	2021
			€	€	€ thousand
01.	+	Interest and similar income	178,096,132.50	156,732,133.90	65,043
		Minus loss from negative interest from money market business	(2,417,635.00)		(5,093)
		Minus loss from negative interest from credit operations	(14,039,477.96)		(28,661)
		Minus loss from negative interest from securities	(4,906,885.64)		(9,558)
		Of which from fixed-income securities	*5,443,589.08*		*(7,520)*
02.	-	Interest and similar expenses	152,194,813.59	89,636,158.12	70,160
		Minus budget underrun from negative interest from money market business	(4,909,558.13)		(2,726)
		Minus budget underrun from negative interest from refinancing business	(57,649,097.34)		(112,914)
I.		**Net interest income**		**67,095,975.78**	**67,211**
03.	+	Income from securities and investments		20,282,873.48	11,554
		a) Income from equity shares, other ownership interests and variable-income securities	11.63		-
		b) Share of results of investments other than subsidiaries	2,414,111.85		2,605
		c) Dividends from subsidiaries	17,868,750.00		8,949
04.	+	Fee and commission income		32,007,104.52	31,277
05.	-	Fee and commission expenses		2,580,291.86	2,561
06.	±	Income/expenses from financial operations		(49,336.59)	(4)
07.	+	Other operating income		27,133,655.40	13,585
II.		**Operating income**		**143,889,980.73**	**121,062**
08.	-	General administrative expenses		44,878,278.51	49,549
		a) Staff costs	26,601,758.34		32,080
		Of which: aa) Salaries	*32,521,702.77*		*32,374*
		bb) Statutory social security costs, pay-based levies, and other compulsory pay-based contributions	*7,501,727.59*		*7,488*
		cc) Other social expenses	*1,077,339.21*		*1,014*
		dd) Expenses for retirement and other post-employment benefits	*5,939,700.27*		*5,888*
		ee) Release of pension provision	*(19,198,427.00)*		*(13,826)*
		ff) Expenses for termination benefits and contributions to termination benefit funds	*(1,240,284.50)*		*(857)*
		b) Other administrative expenses (Property and equipment)	18,276,520.17		17,469
09.	-	Impairment losses on asset items 9 and 10		2,755,257.28	2,571
10.	-	Other operating expenses		1,318,422.47	1,256
III.		**Operating expenses**		**(48,951,958.26)**	**(53,376)**

Income statement

				2022	2021
			€	€	€ thousand
III.		**Operating expenses - Carryover**		**(48,951,958.26)**	**(53,376)**
IV.		**Operating profit**		**94,938,022.47**	**67,685**
11.	-	Impairment losses on loans and advances and amortisation on securities held as current assets		21,839,231.00	876
12.	+	Income from impairment reversals on loans and advances and from write-ups on securities held as current assets		15,180,059.53	15,777
13.	-	Impairment of securities measured as financial assets and of interests in investments other than subsidiaries and interests in subsidiaries (including previously realised expenses)		(9,788,647.29)	-
14.	+	Income from impairment of securities measured as financial assets and of interests in investments other than subsidiaries and interests in subsidiaries (including previously realised income)		0.00	253
V.		**Profit before tax**		**78,490,203.71**	**82,840**
15.	-	Income tax		11,738,185.93	21,433
16.	-	Other taxes, unless shown under item 15		1,035,493.64	1,258
VI.		**Profit for the year**		**65,716,524.14**	**60,148**
17.	-	Transfer to reserves		32,866,524.85	27,265
		Of which transfer to liability reserve		*0.00*	-
VII.		**Unallocated profit for the year**		**32,849,999.29**	**32,884**
18.	+	Profit brought forward from the previous year		24,626.71	15
VIII.		**Profit available for distribution**		**32,874,626.00**	**32,899**

Oesterreichische Kontrollbank AG - Notes

General information

Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) is registered with Vienna Commercial Court under number FN 85749b. The registered office is located at Am Hof 4, 1010 Vienna, Austria. The annual financial statements are submitted to the commercial court of registry and published in “Amtsblatt zur Wiener Zeitung” as well as on the OeKB website (www.oekb.at) in accordance with the legal requirements.

The Executive Board of OeKB prepared the present annual financial statements as at 31 December 2022 according to the provisions of the Austrian Uniform Commercial Code (UGB), the relevant regulations of the Austrian Banking Act (BWG), the CRR (Regulation [EU] No 575/2013), and the Stock Corporation Act (AktG) as amended.

OeKB is a public interest entity pursuant to § 189a UGB.

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 Bank.

The principle of completeness was adhered to in the preparation of the annual financial statements.

Asset values were measured on a going concern basis. 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.

Estimates are based on a conservative assessment. If statistically measurable experiences from similar circumstances are available, these were taken into account in the estimates.

The previously applied recognition and measurement methods were maintained in principle. The bond holdings in the proprietary portfolio and the fixed-income securities of the Export Financing Scheme were reclassified from current financial assets to non-current financial assets for measurement purposes during the financial year. As a result, the measurement method was changed from the conservative lower of cost or market to the discretionary lower of cost or market.

The financial year corresponds to the calendar year.

OeKB prepares consolidated financial statements according to IFRS and publishes them on the Internet (www.oekb.at).

The disclosures required in Part 8 of the CRR (Regulation [EU] No 575/2013) are made in the Disclosure Report (only in German). Further information can be found on the OeKB website (www.oekb.at).

Legal basis for the export guarantee and for the Export Financing Scheme

Liability according to the Export Guarantees Act (AusfFG)

According to the AusfFG, the Federal Minister of Finance is authorised to assume guarantees in the name of the Republic of Austria for the proper fulfilment of transactions by foreign counterparties and for the enforcement of the rights of export companies that directly or indirectly improve Austria's current account. These transactions and rights relate to projects abroad – especially in the areas of environmental protection, waste disposal, and infrastructure – whose realisation by domestic or foreign companies is in Austria's interests.

Pursuant to § 1(2) AusfFG, the Federal Minister of Finance is also authorised to issue guarantees for a specific exchange rate between the euro and the contract currency (foreign exchange risk). In addition to issuing guarantees for export promotion, § 1(3) AusfFG also permits the issue of guarantees for restructuring loans if these restructuring measures relate to previously guaranteed claims. The Federal Minister of Finance is authorised in § 2a AusfFG to conclude transactions in the name of the Republic of Austria to improve the risk of the overall portfolio of exposures. The Federal Minister of Finance is also authorised to assume liability for contracts concluded between banks for the refinancing of loan agreements provided that guarantees have already been issued pursuant to § 1(1)2 AusfFG for the underlying loan agreements (securitisation).

According to § 5 AusfFG, the Federal Minister of Finance is authorised to delegate the following to an agent of the federal government pursuant to § 1002ff ABGB:

- The technical handling (credit rating evaluation and bank-specific processing) of the applications for guarantees,
- The drafting of the guarantee agreements,
- The conclusion of transactions pursuant to § 2a AusfFG, and
- The administration of the rights of the federal government under the guarantee agreements with the exception of their judicial enforcement.

The agent must be licensed to conduct banking business in Austria and must ensure the solid, reliable, and cost-efficient management of the export promotion process. The rights of representation must be contractually agreed between the Austrian government and the agent. Pursuant to § 8a AusfFG, OeKB will remain the authorised representative of the federal government until the conclusion of an agency contract. OeKB receives fair compensation for the processing of the AusfFG guarantees, which it recognises in fee and commission income.

According to § 7 AusfFG, the guarantee fee and all claims paid shall be collected by the agent of the federal government and credited regularly to an account of the federal government opened at the authorised agent of the federal government.

The federal law will be superseded on 31 December 2027 pursuant to § 10 AusfFG. This will have no impact on guarantees issued before this point in time. In the past, the legal provisions have always been extended by a further five years (with the last extension taking place in the 2022 financial year). The term of the AFFG is set at the same time as for the AusfFG.

Federal law on the financing of transactions and rights (Export Financing Guarantees Act – AFFG)

Pursuant to § 1 AFFG, the Federal Minister of Finance is authorised until 31 December 2028 to issue guarantees in the name of the Republic of Austria for credit operations (bonds, loans, lines of credit, and other obligations) conducted by the authorised agent of the federal government pursuant to § 5(1) AusfFG. The guarantees are issued:

- To the benefit of the creditor of the agent authorised by the federal government (OeKB) for the fulfilment of its obligations under credit operations;
- To the benefit of the agent authorised by the federal government (OeKB) to guarantee a specific exchange rate between the euro and another currency (exchange rate risk) for the fulfilment of obligations under credit operations for the period of time during which the proceeds from the credit operation are used for financing in euros.

The Federal Minister of Finance may only issue guarantees pursuant to § 2 AFFG under certain circumstances, especially:

- The total outstanding guarantee amounts may not exceed € 40 billion.
- The individual credit operations may not exceed an (equivalent) value of € 3.3 billion.
- The term of the credit operations may not exceed 40 years.
- The overall exposure (internal interest rate) of the federal government may not exceed certain limits.

The fee provisions for the issue of guarantees by the federal government pursuant to the AFFG specify a minimum guarantee fee that depends on the volume of the outstanding borrowings in the Export Financing Scheme. The fees paid by OeKB to the Federal Ministry of Finance for guarantees pursuant to § 1(2) AFFG are directly related to the refinancing costs of the Export Financing Scheme. For this reason, the guarantee fees are shown under interest and similar expenses on the income statement.

OeKB Export Financing Scheme (EFS)

The EFS is used to refinance export credits (delivery, purchase and investment financing, and export acceptance credit, financing of export induced domestic investments, and financing of lease arrangements of domestic exporters) from banks and to cover the direct financing provided by OeKB. The Export Financing Scheme is handled as a separate accounting entity at OeKB.

A prerequisite for refinancing under the EFS is the previous issue of an AFFG-compliant guarantee for the transaction or right for which the financing was arranged:

- Guarantee of the Republic of Austria pursuant to the AusfFG,
- Fulfilment of the prerequisites for a guarantee pursuant to the AusfFG in the case of the liability of a credit insurer,
- Guarantee from Austria Wirtschaftsservice GmbH,
- Guarantee from an international organisation with a top credit rating.

In addition, both the rights arising from the guarantees as well as the underlying export or other receivables typically must be assigned as security.

OeKB's Export Financing Scheme is available to Austrian and foreign banks as a source of refinancing provided that they fulfil the rating criteria of OeKB ("Hausbank" status), the legal requirements with regards to the transactions to be financed, and the terms for the uniform processing of the financing (collateral management).

OeKB is entitled to a reasonable portion of the interest margin for the loans provided under the EFS. The interest income from financing arrangements (without interest support agreements) that exceeds the refinancing costs after deduction of the OeKB margin is allocated to the EFS interest rate stabilisation provision. The EFS interest rate stabilisation provision is used when the refinancing costs are higher than the interest income from the EFS financing arrangements.

Interest support agreements have been concluded with the Federal Ministry of Finance and the Federal Economic Chamber Austria (from 6 December 2018) for a dedicated portion of the credits with a fixed interest rate under which these two parties assume the interest rate risk.

Format of the balance sheet and income statement

To reinforce the importance of the volume of OeKB's Export Financing Scheme and based on § 43(2) BWG, the format of the balance sheet provides more detail than the format set out in Annex 2, in that items relating to the Export Financing Scheme are shown separately. The disclosures in the notes also differentiate between the own account and the Export Financing Scheme and are structured in the same order as the balance sheet.

The income statement provides also a more detailed breakdown than specified in Annex 2 based on § 43(2) BWG. The items for net interest income in the income statement are complemented by the negative interest items. The stability tax is recognised in the item Other taxes not reported in item 15.

Information on the measurement of balance sheet items in the own account section

— Balances at central banks are recognised at their nominal value.

— Treasury bills and similar securities, bonds and other fixed-income securities are measured at cost (using the weighted average cost method), applying the lower of cost or market value principle (§ 204 UGB). The comparison figures for the previous year were determined applying conservative valuation at the lower of cost or market principle (§ 206 UGB). All holdings under this item were reclassified to fixed intangible assets in the 2022 financial year (see the notes to the balance sheet). Write-ups (to no more than the original cost) are recognised when the reasons for the impairment no longer apply.

— Equity shares and other variable-income securities are measured at cost (using the weighted average cost method), applying conservative valuation at the lower of cost or market principle (§ 206 UGB). Write-ups (to no more than the original cost) are recognised when the reasons for the impairment no longer apply. Current income from securities funds is realised when the entitlement to the underlying claim is essentially certain. In this case, the current income in the fund is recognised through profit or loss by increasing the book value of the fund in the form of an increase in the cost of acquisition (above the original cost if applicable).

— Loans and advances to banks, loans and advances to customers, and other assets are recognised at their nominal value or at cost. Individual allowances for impairment losses are recognised for identified risks.

— Interests in investments other than subsidiaries and subsidiaries are valued at cost less any impairment that is deemed permanent. Write-ups (up to the cost of acquisition) are recognised when the reasons for the impairment no longer apply.

— Non-current intangible assets (computer software and licences) are recognised on the balance sheet when they have been purchased. They are recognised at cost less scheduled depreciation and impairment charges. In accordance with the tax regulations, a full annual depreciation rate is applied when the asset is purchased in the first half of the year and half of the annual rate when the asset is purchased in the second half of the year. Internally produced intangible assets are recognised as expenses.

— Property and equipment (buildings, fixtures, fittings, and equipment, adaptation of rented space, hardware, and other equipment) are recognised at cost less scheduled straight-line depreciation. In accordance with the tax regulations, a full annual depreciation rate is applied when the asset is purchased in the first half of the year and half of the annual rate when the asset is purchased in the second half of the year. Low-value assets (cost up to € 800) are generally recognised in the expenses, are only capitalised in exceptional cases, and are written off entirely in the year of recognition. The estimated useful lives of the key equipment items for the current and comparison period are as follows:

  - Buildings 40 years
  - Fixtures, fittings, and equipment: 4 to 10 years
  - IT hardware 3 to 5 years

— Liabilities are recognised at their settlement amount.

— 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 IAS 19. Actuarial gains and losses are recognised in profit or loss. The interest expenses relating to termination benefit and pension provisions and the effects of actuarial gains and losses are recognised in staff costs. The discount rate for termination benefit and pension provisions is derived from the interest rate on the reporting date as based on market interest rates of companies with high credit ratings. The calculation is based on the following:

  - A discount rate of 3.75% (2021: 1.00%), a salary trend of 3.70% (2021: 2.50%), and a pension trend of 3.20% (2021: 2.00%),
  - A retirement age of 65 years for women (gradually until 2033) and men (2021: 65 years), and
  - The computation tables by AVÖ 2018-P.

— 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 on the basis of prudence. Provisions are also formed pursuant to § 198(8)2 for IT projects and maintenance expenses. Long-term provisions are discounted if the discount amount is material.

— **Foreign currency items** are valued at the mid-market exchange rates prevailing at the balance sheet date.

— **Deferred taxes** are formed according to the balance sheet-oriented concept and without discounts on the basis of the corporate income tax rates applicable in the respective years of 24% (financial year 2023) or 23% (financial years beginning in or after 2024) pursuant to § 198(9) and (10) UGB. No deferred taxes on tax loss carryforwards are taken into account in this.

— **Interest that is to be deferred** is recognised in the respective interest-bearing balance sheet item.

Information on the measurement of balance sheet items concerning the export financing (Export Financing Scheme)

— **Treasury bills and similar securities, bonds and other fixed-income securities** are measured at cost (using the weighted average cost method), applying the lower of cost or market value principle (§ 204 UGB). The comparison figures for the previous year were determined applying conservative valuation at the lower of cost or market principle (§ 206 UGB). All holdings under this item were reclassified to fixed intangible assets in the 2022 financial year (see the notes to the balance sheet). Write-ups (to no more than the original cost) are recognised when the reasons for the impairment no longer apply. For securities that are measured as fixed assets, the option afforded in § 56 BWG to write off the acquisition cost that exceeds the repayment amount on a proportionate basis is exercised. The option for proportionate write-ups to the higher repayment amount is also exercised.

— **Equity shares and other variable-income securities** are measured at cost (using the weighted average cost method), applying conservative valuation at the lower of cost or market principle (§ 206 UGB). Write-ups (to no more than the original cost) are recognised when the reasons for the impairment no longer apply. Current income from securities funds is realised when the entitlement to the underlying claim is essentially certain. In this case, the current income in the fund is recognised through profit or loss by increasing the book value of the fund in the form of an increase in the cost of acquisition (above the original cost if applicable).

— **Loans and advances to banks, loans and advances to customers, and other assets** are recognised at their nominal value. Individual allowances for impairment losses are recognised for identified risks with borrowers, taking any collateral into account. Derivative financial instruments (interest rate swaps) were employed (asset swaps) for a small number of loans and advances to banks to hedge the interest rate risk.

— **Liabilities** and **debt securities issued** are generally recognised at their settlement amount. The majority of the debt securities issued are subject to guarantees pursuant to § 1(2)a and b AFFG. Derivative financial instruments were also entered into, to hedge the interest rate and exchange rate risk.

— The **issue costs** are recognised immediately as expenses while **premiums and discounts for issued securities** are deferred and distributed over the term of the security.

— **Derivative financial instruments** that are in a hedging relationship according to the AFRAC opinion are recognised as a valuation unit, which means that their fair value is not recognised in the annual financial statements because the underlying transactions result in opposing cash flows on the income statement. Interest income and expenses are recognised as they are accrued during the period.

— 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 on the basis of prudence. Long-term provisions are discounted if the discount amount is material.

The EFS interest rate stabilisation provision is part of the Export Financing Scheme that is based on the AFFG and is reported in the other provisions. This provision serves to support interest rates on export credits for which OeKB bears the interest rate risk and is also a provision for the interest rate risk from the refinancing of the Export Financing Scheme. OeKB was commissioned by the Federal Ministry of Finance to deposit the funds collected from EFS in a special account used exclusively for offsetting in the Export Financing Scheme as needed. The financial authorities recognised the formation of a special interest rate adjustment account as a provision and as a deductible debt item (§ 64 Austrian Valuation Act) in a letter dated 7 May 1968.

Any surplus from interest income (after deduction of OeKB's interest margin), from financing facilities not subject to interest support, and from the respective refinancing expenses is allocated to the EFS interest rate stabilisation provision. In the event of a deficit, this provision is used as intended to cover the shortfall.

— **Foreign currency items** are generally measured at the mid-market rate. Items are measured at the guaranteed exchange rate when the Republic of Austria has furnished an exchange rate guarantee pursuant to § 1(2)b AFFG.

— **Deferred taxes** are formed according to the balance sheet-oriented concept and without discounts on the basis of the corporate income tax rates applicable in the respective years of 24% (financial year 2023) or 23% (financial years beginning in or after 2024) pursuant to § 198(9) and (10) UGB. Deferred taxes from export financing are recognised together with the deferred taxes in the own account section of the balance sheet.

Notes to the balance sheet

Own account

	End of 2022 €	End of 2021 € thousand	€ thousand	Change in %
Assets				
Balances at central banks	295,545,574.35	1,216,086	(920,540)	(75.7)%
Treasury bills and similar securities eligible for rediscounting by the ECB	69,731,572.94	36,558	33,174	90.7%
Loans and advances to				
banks	560,874,341.16	17,587	543,287	>100.0%
customers	1,385,788.28	1,864	(478)	(25.7)%
Bonds and other fixed-income securities	452,575,083.91	240,155	212,420	88.5%
Equity shares and other variable-income securities	130,246.07	259,510	(259,380)	(99.9)%
Interests in subsidiaries and other investments	81,797,224.61	81,860	(63)	(0.1)%
Property, equipment, and intangibles	12,547,316.17	11,045	1,502	13.6%
Other assets	13,326,301.97	8,610	4,716	54.8%
Deferred tax assets	56,014,480.18	62,575	(6,560)	(10.5)%
Own account	**1,543,927,929.64**	**1,935,850**	**(391,922)**	**(20.2)%**
Liabilities and equity				
Deposits from				
banks	260,407,141.67	840,128	(579,721)	(69.0)%
customers (others)	417,993,772.97	230,232	187,762	81.6%
Provisions	134,593,730.37	174,770	(40,176)	(23.0)%
Other liabilities	23,447,917.91	16,077	7,371	45.8%
Equity	707,485,366.72	674,643	32,842	4.9%
Of which profit available for distribution	*32,874,626.00*	*32,899*	*(24)*	*(0.1)%*
Own account	**1,543,927,929.64**	**1,935,850**	**(391,922)**	**(20.2)%**

The **balances at central banks** serve to cover the minimum reserves and as a liquidity reserve in the EFS. The lower level at the end of the year resulted largely from lower cash collateral deposits at OeKB for derivative financial instruments.

	31 December 2022		31 December 2021	
€ (2021: € thousand)	Net book value	Fair value	Net book value	Fair value
Treasury bills	71,350,663.17	69,579,561.78	36,558	37,492
Bonds and other fixed-income securities	450,955,993.68	440,737,470.31	240,155	243,633
Equity shares and other variable-income securities	130,246.07	130,246.07	259,510	259,510
Investment portfolio	**522,436,902.92**	**510,447,278.16**	**536,223**	**540,636**

OeKB did not hold a trading portfolio at any time and therefore has no trading book.

The bonds contained in the items treasury bills (book value as at 31 Dec 2021: € 36,557,883.97) and bonds and other fixed-income securities (book value as at 31 Dec 2021: € 240,155,320.20) were classified as current assets as at 31 Dec 2021. The investment strategy was changed in the 2022 financial year. For this reason, the bonds were revised and reclassified from current financial assets to fixed financial assets. At the time of reclassification, the value of treasury bills amounted to € 29,524,240.00 and of the bonds and other fixed-income securities to € 228,004,990.00. The reclassification from current to fixed financial assets was completed at the book values that applied at the time of reclassification (30 Sep 2022) and represented neither a realisation nor a purchase. At this time, measurement was performed according to the principles for the current financial assets. The differences to the repayment amount totalling € 22,020,770.00 that result from this measurement at the time of reclassification will be carried forward in accordance with the principles for fixed financial assets.

These securities held as fixed assets contain the following hidden reserves and hidden liabilities:

Determination of hidden reserves

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Net book value	62,696,617.48	-
Fair value	63,120,631.91	-
Hidden reserves	**424,014.43**	-

Determination of hidden liabilities

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Net book value	459,610,039.37	-
Fair value	447,196,400.19	-
Hidden liabilities	**(12,413,639.18)**	-

The hidden liabilities result primarily from fixed-income securities whose fair value has declined due to the higher interest rate level. Securities with hidden liabilities are regularly analysed and measured in terms of their credit risk. According to these analyses, no impairments needed to be recognised because the decrease in value is not likely to be permanent.

The difference between the higher cost and the repayment amount of the securities that are held as fixed assets pursuant to § 56(2) BWG is € 933,315.93, and the difference between the lower cost and repayment amount of these assets pursuant to § 56(3) BWG is € 33,143,506.97.

Of the bonds and other fixed-income securities held, securities in the amount of € 59,088,936.41 are maturing in 2023 (2021: € 24,356 thousand maturing in 2022).

As a disclosure pursuant to § 64(1)10 and 11 BWG, the treasury bills and the bonds and other fixed-income securities were admitted for public trading and were listed. Equity shares and other variable-income securities with a book value of € 130,246.07 (2021: € 129 thousand) were admitted for public trading and listed on the exchange; no shares and other fixed-income securities worth were unlisted (2021: € 259,381 thousand).

The **loans and advances to banks** consisted primarily of claims from cash accounts of OeKB at domestic and foreign banks.

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	28,967,745.14	12,686
Up to 3 months	527,005,410.78	-
More than 5 years	4,901,185.24	4,901
Loans and advances to banks	**560,874,341.16**	**17,587**

The balance sheet item contained subordinated assets in the amount of € 4,901,185.24 (2021: € 4,901 thousand).

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	53,104.14	54
Up to 3 months	159,675.45	198
More than 3 months up to 1 year	311,819.79	319
More than 1 year up to 5 years	749,292.15	1,059
More than 5 years	111,896.77	234
Loans and advances to customers	**1,385,788.30**	**1,864**

Companies wholly or partly owned by OeKB

Name and registered office	BWG category: Credit institution/ Other company	Type of investment: Directly held	Type of investment: Indirectly held	Shareholding: In %	Financial information: Reporting date of latest annual accounts as at	Balance sheet total pursuant to the UGB € thousand	Equity pursuant to § 224(3) UGB, € thousand	Profit/(loss) for the year, € thousand
Interests in subsidiaries								
Subsidiaries								
Oesterreichische Entwicklungsbank AG, Vienna	CI	x		100.00%	31 Dec 2022	1,348,656	58,914	3,648
OeKB CSD GmbH, Vienna	CI	x		100.00%	31 Dec 2022	43,569	34,760	7,680
Österreichische Hotel- und Tourismusbank Gesellschaft m.b.H., Vienna	CI	x		68.75%	31 Dec 2022	1,271,923	49,237	6,306
OeKB Business Services GmbH, Vienna	OC	x		100.00%	31 Dec 2022	562	546	45
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00%	31 Dec 2022	4,552	4,551	11
Associated companies								
OeKB EH Beteiligungs- und Management AG, Vienna [1]	OC	x		51.00%	31 Dec 2022	94,259	92,690	9,066
Acredia Versicherung AG, Vienna	OC		x	51.00%	31 Dec 2022	154,696	93,860	13,613
Acredia Services GmbH, Vienna	OC		x	51.00%	31 Dec 2022	14,282	12,466	2,602
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00%	31 Dec 2022	178,081	13,198	1,182
Interests in investments other than subsidiaries								
AGCS Gas Clearing and Settlement AG, Vienna	OC	x		20.00%	31 Dec 2021	87,649	3,964	330
APCS Power Clearing and Settlement AG, Vienna	OC	x		17.00%	31 Dec 2021	95,466	3,557	488
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	x		18.50%	31 Dec 2021	4,906	3,292	2,492
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	x		12.60%	31 Dec 2021	1,110,319	5,513	468
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	x		8.06%	31 Dec 2021	4,205	2,168	(128)
Wiener Börse AG, Vienna	OC	x		6.60%	31 Dec 2021	186,324	170,454	35,226
Einlagensicherung AUSTRIA Ges.m.b.H., Vienna	OC	x		0.19%	31 Dec 2021	1,014	515	-

[1] Joint venture

No interests in investments other than subsidiaries and no interests in subsidiaries are listed on an exchange.

An impairment of € 63,000.00 was recognised on the interest held in EXAA Abwicklungsstelle für Energie-produkte AG, Vienna, during the financial year.

The restructuring plan of OeKB CSD GmbH, as a central depository pursuant to the CSD Regulation, submitted as part of the licensing application, stipulates the option of a capital increase to as much as € 6,200,000.00 by OeKB by no later than 31 Dec 2023 after an assessment of the economic sustainability.

Non-current assets in 2022 - Cost

€	1 Jan 2022	Additions	Transfers	Disposals	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	72,527,043.18	0.00	0.00	72,527,043.18
Bonds and other fixed-income securities	0.00	472,193,275.36	0.00	(1,812,246.16)	470,381,029.20
Equity shares and other variable-income securities	267,012,728.70	0.00	0.00	(267,012,728.70)	0.00
Bonds, equity shares, and securities	**267,012,728.70**	**544,720,318.54**	**0.00**	**(268,824,974.86)**	**542,908,072.38**
Interests in investments other than subsidiaries	7,980,031.43	0.00	0.00	0.00	7,980,031.43
Interests in subsidiaries	73,880,193.17	0.00	0.00	0.00	73,880,193.17
Interests in investments other than subsidiaries and in subsidiaries	**81,860,224.60**	**0.00**	**0.00**	**0.00**	**81,860,224.60**
Non-current intangible assets	9,224,147.03	128,698.32	490,046.25	0.00	9,842,891.60
Assets under construction (intangible assets)	88,200.00	1,480,458.84	(490,046.25)	0.00	1,078,612.59
Non-current intangible assets	**9,312,347.03**	**1,609,157.16**	**0.00**	**0.00**	**10,921,504.19**
Fixtures, fittings, and equipment	88,800,605.85	2,400,692.51	0.00	(1,019,831.48)	90,181,466.88
Low-value assets	0.00	277,848.23	0.00	(277,848.23)	0.00
Property and equipment	**88,800,605.85**	**2,678,540.74**	**0.00**	**(1,297,679.71)**	**90,181,466.88**
Total	**446,985,906.18**	**549,008,016.44**	**0.00**	**(270,122,654.57)**	**725,871,268.05**

Non-current assets in 2022 – Depreciation and amortisation

€	1 Jan 2022	Additions	Write-ups	Disposals	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	2,886,354.08	(90,883.84)	0.00	2,795,470.24
Bonds and other fixed-income securities	0.00	18,457,135.84	(651,190.55)	0.00	17,805,945.29
Equity shares and other variable-income securities	7,631,729.65	0.00	0.00	(7,631,729.65)	0.00
Bonds, equity shares, and securities	**7,631,729.65**	**21,343,489.92**	**(742,074.39)**	**(7,631,729.65)**	**20,601,415.53**
Interests in investments other than subsidiaries	0.00	63,000.00	0.00	0.00	63,000.00
Interests in subsidiaries	0.00	0.00	0.00	0.00	0.00
Interests in investments other than subsidiaries and in subsidiaries	**0.00**	**63,000.00**	**0.00**	**0.00**	**63,000.00**
Non-current intangible assets	6,942,690.03	928,209.57	0.00	0.00	7,870,899.60
Assets under construction (intangible assets)	0.00	0.00	0.00	0.00	0.00
Non-current intangible assets	**6,942,690.03**	**928,209.57**	**0.00**	**0.00**	**7,870,899.60**
Fixtures, fittings, and equipment	80,125,136.30	1,549,199.48	0.00	(989,580.48)	80,684,755.30
Low-value assets	0.00	277,848.23	0.00	(277,848.23)	0.00
Property and equipment	**80,125,136.30**	**1,827,047.71**	**0.00**	**(1,267,428.71)**	**80,684,755.30**
Total	**94,699,555.98**	**24,161,747.20**	**(742,074.39)**	**(8,899,158.36)**	**109,220,070.43**

Non-current assets in 2022 – Net book value

€	1 Jan 2022	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	69,731,572.94
Bonds and other fixed-income securities	0.00	452,575,083.91
Equity shares and other variable-income securities	259,380,999.05	0.00
Bonds, equity shares, and securities	**259,380,999.05**	**522,306,656.85**
Interests in investments other than subsidiaries	7,980,031.43	7,917,031.43
Interests in subsidiaries	73,880,193.17	73,880,193.17
Interests in investments other than subsidiaries and in subsidiaries	**81,860,224.60**	**81,797,224.60**
Non-current intangible assets	2,281,457.00	1,971,992.00
Assets under construction (intangible assets)	88,200.00	1,078,612.59
Non-current intangible assets	**2,369,657.00**	**3,050,604.59**
Fixtures, fittings, and equipment	8,675,469.55	9,496,711.58
Property and equipment	**8,675,469.55**	**9,496,711.58**
Total	**352,286,350.20**	**616,651,197.62**

The property and equipment included land and buildings in the amount of € 4,398,853.90 (2021: € 4,399 thousand).

The reclassification of the bonds contained in the items treasury bills and bonds and other fixed-income securities from current assets to fixed financial assets caused the purchase costs to increase by € 280,274,004.49. At the time of reclassification, the net book value was € 257,529,230.00.

The item "Other assets" – Other assets and prepayments and accrued income – consisted primarily of prepayments and accrued income from payment transactions in the amount of € 9,260,359.96 (2021: € 3,489 thousand), including claims against subsidiaries and other entities in the amount of € 975,844.38 (2021: € 2,687 thousand). The increase in other receivables compared with the previous year was largely the result of tax prepayments with the financial authorities. Of the balance sheet item totalling € 13,326,301.97 (2021: € 8,610 thousand), € 11,711,398.50 (2021: € 7,593 thousand) will come due after the reporting date.

The **deferred tax assets** at the reporting date were formed for temporary differences between the values of the following items for tax purposes and under commercial law:

	31 Dec 2022 €	31 Dec 2021 € thousand	Change € thousand
Impairment losses pursuant to § 57 BWG	0.00	13,011	(13,011)
Equity shares and other fixed-income securities	0.00	(53,316)	53,316
Interests in subsidiaries	54,000.00	-	54
Termination benefit provision	8,079,483.00	11,474	(3,395)
Pension provision	42,328,504.00	60,770	(18,442)
Other provisions	15,506,427.35	28,740	(13,233)
Untaxed reserves	0.00	(3,013)	3,013
Total OeKB	**65,968,414.35**	**57,667**	**8,301**
EFS interest rate stabilisation provision	177,129,557.69	192,631	(15,501)
Total Export Financing Scheme	**177,129,557.69**	**192,631**	**(15,501)**
Total differences	**243,097,972.04**	**250,298**	**(7,200)**
Resulting deferred taxes	**56,014,480.18**	**62,575**	**(6,560)**
Of which attributable to OeKB profit	*15,274,681.91*	*14,417*	*858*
Of which attributable to the profit of the Export Financing Scheme	*40,739,798.27*	*48,158*	*(7,418)*

The tax income from the Export Financing Scheme (€ 7,417,955.76; 2021: tax income € 3,762 thousand) was credited to the scheme and had no impact on the income statement of OeKB.

Deposits from banks consisted of accounts held by banks at OeKB (repayable on demand) and the export financing liquidity reserve.

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	260,407,141.67	279,974
Up to 3 months	0.00	560,154
Deposits from banks	**260,407,141.67**	**840,128**

Deposits from customers consist primarily of security deposits at OeKB that serve as collateral and current cash accounts. The growth can be attributed to an increase in the need for collateral.

The increase in **“Other liabilities”**, which primarily contained **other liabilities and accruals and deferred items,** was based largely on higher liabilities to debtors and liabilities to the tax office from current tax charges. Deferred items and accruals increased to € 13,764,315.74 (2021: € 11,870 thousand).

The **other liabilities** included payment transaction items in the amount of € 4,829,752.99 Euro (2021: € 681 thousand), which were settled at the beginning of the following year, deposits from regional authorities in the amount of € 770,509.74 (2021: € 679 thousand), and deposits from goods deliveries and rendered services in the amount of € 1,319,435.67 (2021: € 1,521 thousand). Of the balance sheet item other liabilities, € 9,683,602.17 (2021: € 4,207 thousand) will come due after the reporting date.

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Legal consulting, tax consulting, and financial auditing	351,100.00	470
Performance-related compensation	5,481,436.25	5,408
Unused holiday and overtime credits	2,019,274.16	2,215
Other employee benefit provisions	223,116.55	211
Software projects	963,000.00	259
Provision for expenses	15,247,000.00	28,485
Other provisions	662,087.41	954
Other provisions	**24,947,014.37**	**38,001**

The amounts of the provisions for IT and maintenance projects were adapted, resulting in the release of this provision in the amount of € 12,884,802.35. The remaining provision amount will be used in the context of the measures for IT projects relating to cyber security and maintenance expenses in the coming years.

Equity disclosure

The share capital of € 130,000,000.00 (2021: € 130,000 thousand) was 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 allocated capital reserves remained unchanged at € 3,347,629.63.

The other reserves increased by € 32,866,524.85 (2021: +€ 27,265 thousand). The retained earnings came in at € 514,028,111.09 in 2022 (2021: € 481,162 thousand). The liability reserve amounted to € 27,235,000.00 on the reporting date (2021: € 27,235 thousand).

Proposal on the distribution of profits

The following distribution of profits will be proposed to the Annual General Meeting:

€ (2021: € thousand)	2022	2021
Unallocated profit for the year	32,849,999.29	32,884
Profit brought forward from the previous year	24,626.71	15
Profit available for distribution	**32,874,626.00**	**32,899**
Use		
Disbursement of a dividend of € 22.75 per share on 880,000 no-par-value shares	20,020,000.00	20,020
Disbursement of a bonus of € 14.43 per share on 880,000 no-par-value shares	12,698,400.00	12,698
Payment of profit-based emoluments to the Supervisory Board	145,151.00	156
To be carried forward	11,075.00	25

Export finance section of the balance sheet

	End of 2022 €	End of 2021 € thousand	Change € thousand	Change in %
Assets				
Treasury bills and similar securities eligible for rediscounting by the ECB	1,432,347,484.53	1,577,340	(144,993)	(9.2)%
Loans and advances to				
banks (others)	23,325,795,079.39	22,773,780	552,015	2.4%
customers	82,028,830.71	94,568	(12,540)	(13.3)%
Bonds and other fixed-income securities	224,397,802.96	411,133	(186,735)	(45.4)%
Equity shares and other variable-income securities	63,540,577.42	53,984	9,557	17.7%
Accruals and deferred income	23,105,784.60	11,556	11,549	99.9%
Export financing	**25,151,215,559.61**	**24,922,362**	**228,854**	**0.9%**
Liabilities and equity				
Deposits from				
banks	849,050,582.47	175,637	673,414	383.4%
customers	601,879,627.31	593,285	8,595	1.4%
Debt securities issued	22,777,653,063.31	23,071,227	(293,574)	(1.3)%
Other liabilities	1,268,531.36	153	1,116	729.0%
Accruals and deferred income	35,613,368.92	118,905	(83,292)	(70.0)%
Provisions	885,750,386.24	963,155	(77,405)	(8.0)%
Export financing	**25,151,215,559.61**	**24,922,362**	**228,854**	**0.9%**

The asset items contained no subordinated assets.

€ (2021: € thousand)	31 December 2022 Net book value	31 December 2022 Fair value	31 December 2021 Net book value	31 December 2021 Fair value
Treasury bills	1,433,599,282.48	1,331,216,551.72	1,577,340	1,590,150
Bonds and other fixed-income securities	225,269,721.88	215,859,325.37	411,133	397,722
Equity shares and other variable-income securities	63,540,577.42	63,540,577.42	53,984	53,984
Liquidity portfolio of the Export Financing Scheme	**1,722,409,581.78**	**1,610,616,454.51**	**2,042,457**	**2,041,855**

* For bonds and other fixed-income securities, asset swaps were concluded to hedge the interest rate risk and are in a hedging relationship with these assets according to the AFRAC opinion (valuation unit). The difference between the fair value and net book value in the amount of € 9,410,396.51 (2021: € 13,576 thousand) is offset by accruals and deferred income from up-front payments in the amount of € 4,454,697.47 (2021: € 29,082 thousand).

The bonds contained in the items treasury bills (book value as at 31 Dec 2021: € 1,577,340,182.07) and bonds and other fixed-income securities (book value as at 31 Dec 2021: € 411,132,971.58) were classified as current assets as at 31 Dec 2021. The investment strategy was changed in the 2022 financial year. For this reason, the bonds were revised and reclassified from current financial assets to fixed financial assets. At the time of reclassification (30 Sep 2022), the value of treasury bills amounted to € 1,458,963,120.00 and of the bonds and other fixed-income securities to € 234,861,871.50.

These securities held as fixed assets contain hidden liabilities in the amount of € 111,793,127.27. The hidden liabilities result primarily from fixed-income securities whose fair value has declined due to the higher interest rate level. The hidden liabilities are offset in part by market values of the interest rate swaps concluded for hedging purposes. Securities with hidden liabilities are regularly analysed and measured in terms of their credit risk. According to these analyses, no impairments needed to be recognised because the decrease in value is not likely to be permanent.

The difference between the higher cost and the repayment amount of the securities that are held as fixed assets pursuant to § 56(2) BWG is € 30,634,039.87, and the difference between the lower cost and repayment amount of these assets pursuant to § 56(3) BWG is € 419,741.50.

Of the bonds and other fixed-income securities held, an amount of € 258,846,550.00 is maturing in 2023 (2021: € 296,596 thousand maturing in 2022).

As a disclosure on the individual security categories pursuant to § 64(1)10 and 11 BWG, the treasury bills, the bonds and other fixed-income securities and the equity shares and other variable-income securities were admitted for public trading and were listed.

Non-current assets – securities in the Export Financing Scheme in 2022 - Cost

€	1 Jan 2022	Additions	Disposals	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	1,464,235,996.72	0.00	1,464,235,996.72
Bonds and other fixed-income securities	0.00	236,208,700.77	0.00	236,208,700.77
Total	**0.00**	**1,700,444,697.49**	**0.00**	**1,700,444,697.49**

Non-current assets – securities in the Export Financing Scheme in 2022 - Depreciation and amortisation

€	1 Jan 2022	Additions	Write-ups	Disposals	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	34,125,027.59	(3,488,313.35)	0.00	30,636,714.24
Bonds and other fixed-income securities	0.00	11,132,174.04	(193,195.15)	0.00	10,938,978.89
Total	**0.00**	**45,257,201.63**	**(3,681,508.50)**	**0.00**	**41,575,693.13**

Non-current assets – securities in the Export Financing Scheme in 2022 - Net book value

€	1 Jan 2022	31 Dec 2022
Treasury bills and similar securities eligible for rediscounting by the ECB	0.00	1,433,599,282.48
Bonds and other fixed-income securities	0.00	225,269,721.88
Total	**0.00**	**1,658,869,004.36**

Loans and advances to banks consisted primarily of loans for which guarantees have been issued by the Republic of Austria pursuant to the AusfFG. Roughly 5,460 loans (2021: roughly 5,430 loans) with a volume of € 22,080,858,566.55 (2021: € 21,673,466 thousand) were serviced under the Export Financing Scheme. The outstanding amount stemming from the special Kontrollbank refinancing facility, which was launched in 2020 in collaboration with the BMF as a coronavirus support mechanism for exporters, came to € 609,731,638.06 on the reporting date (2021: € 885,297 thousand) and is recognised in the item loans and advances to banks.

There are also claims totalling € 1,203,266,505.79 (2021: € 540,160 thousand) from collateral agreements (payable on demand). These were concluded to offset value fluctuations from currency swaps.

The receivables from time deposits in the amount of € 41,670,007.05 (2021: € 560,154 thousand) are related to the EFS liquidity reserve, which is recognised as balances at central banks in the own accounts.

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	1,206,833,523.39	540,160
Up to 3 months	158,464,991.34	1,461,437
More than 3 months up to 1 year	8,282,152,336.54	7,037,417
More than 1 year up to 5 years	10,083,848,522.66	9,985,943
More than 5 years	3,552,825,698.41	3,748,822
Loans and advances to banks	**23,284,125,072.34**	**22,773,780**

Loans and advances to customers consisted primarily of restructuring loans to public agencies for which guarantees had been issued by the Republic of Austria pursuant to the AusfFG.

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand. in € (2021: € thousand)	2022	2021
Repayable on demand	2,723,359.30	1,039
Up to 3 months	598,319.49	3,017
More than 3 months up to 1 year	6,988,665.88	11,805
More than 1 year up to 5 years	39,155,655.99	39,819
More than 5 years	32,562,830.05	38,888
Loans and advances to customers	**82,028,830.71**	**94,568**

The **equity shares and other variable-income securities** included an investment fund for USD liquidity management purposes in 2021. This fund invested solely in highly liquid American government bonds. Investments and redemptions in this fund could be made daily without issue premiums.

The **deferred items and accruals** consisted of up-front payments made on derivative financial instruments for fixed-income securities (liquid assets portfolio), the issue discount on debt securities issued, and accrued interest on commercial paper.

Deposits from banks (repayable on demand) consisted of collateral agreements (without AFFG guarantees). Collateral agreements are concluded to compensate for fluctuations in the value of arising credit exposures.

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	130,312,872.97	175,637
Up to 3 months	718,737,709.50	-
Deposits from banks	**849,050,582.47**	**175,637**

Deposits from customers consisted primarily of the cash account maintained at OeKB for the Republic of Austria in connection with § 7 AusfFG (see also General information - Legal basis for the export guarantee and for the Export Financing Scheme).

Terms to maturity purs. to § 64(1)4 BWG incl. repayable on demand in € (2021: € thousand)	2022	2021
Repayable on demand	573,903,376.70	565,430
More than 1 year up to 5 years	27,976,250.61	27,855
Deposits from customers	**601,879,627.31**	**593,285**

The **debt securities issued** decreased by € 293,574 thousand to € 22,777,653,063.31 (2021: € 23,071,227 thousand). Of the settlement amount, € 5,290,920,020.12 (2021: € 4,747,556 thousand) was placed in guarantees pursuant to § 1(2b) AFFG.

Within the balance sheet item debt securities issued, the following principal amounts are due in the coming year:

€ (2021: € thousand)	Due in 2023	Due in 2022
Bonds issued	5,409,336,641.01	4,350,166
Other debt securities issued	5,674,613,351.51	4,612,920
Debt securities issued	**11,083,949,992.52**	**8,963,086**

Loans and advances to banks in the amount of € 8,635,915,832.16 (2021: € 8,942,841 thousand) were pledged as collateral for debt securities issued pursuant to § 64(1)8 BWG. These covered bank bonds served solely as collateral for raising liquidity through the ECB and OeNB and came to a nominal value of € 7,750,000,000.00 at 31 Dec 2022 (31 Dec 2021: € 8,000,000 thousand). These bonds were not intended for sale to third parties and were not shown as assets or liabilities on the balance sheet for this reason.

The item “Other liabilities” consisted primarily of offsetting items related to the CIRR support agreements with the Austrian Federal Economic Chamber and the Federal Ministry of Finance and offsetting items from restructuring loans.

Terms to maturity purs. to § 64(1)4 BWG in € (2021: € thousand)	2022	2021
Up to 3 months	1,268,531.36	153
Other liabilities	**1,268,531.36**	**153**

The deferred items in the amount of € 35,613,368.92 (2021: € 118,905 thousand) consisted primarily of received up-front payments on derivative financial instruments for fixed-income securities (liquid assets portfolio) and issue premiums on debt securities issued.

Change in the EFS interest rate stabilisation provision

€ (2021: € thousand)	2022	2021
As at 1 January	963,155,080.60	1,038,391
Allocation	3,121,939.41	2,636
Use	(80,629,231.58)	(77,872)
As at 31 December	**885,647,788.43**	**963,155**

Allocations were made to, and funds used from the EFS interest rate stabilisation provision in accordance with the guidelines on a quarterly basis. In the reporting period, breakage costs of € 436,385.47 (2021: € 1,795 thousand) were charged in the Export Financing Scheme in connection with early loan repayments and increased the EFS interest rate stabilisation provision accordingly.

The transactions overseen by OeKB as trustee represented neither financial nor legal exposure for the Bank. They were recognised on the balance sheet in the following items:

Fiduciary assets and liabilities

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Fiduciary assets		
Loans and advances to banks	477,882.48	1,377
Fiduciary liabilities		
Deposits from customers with agreed maturity or notice period	477,882.48	1,377

These fiduciary transactions were soft loan financing (preferential loans with an interest rate below market level) for selected countries and projects. Soft loan financing was 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 were refinanced through a co-financing agreement with the World Bank.

Derivative financial instruments

In accordance with the OeKB strategy, derivative financial instruments were used to hedge cash flows and to thereby reduce the interest rate and currency risk of the Export Financing Scheme to the level defined in the risk strategy.

OeKB used interest rate swaps and currency swaps to individually hedge future cash flows or the market risk (interest rate and foreign currency risk) from balance sheet assets (treasury bills, loans and advances to banks, and bonds and other fixed-income securities) and liabilities (debt securities issued).

	Notional amount	Fair value derivates 2022	
€	31 Dec 2022	Positive	Negative
Loans and advances to banks	2,265,914,960.35		
Interest rate swaps	*2,193,273,436.78*	*235,712,713.78*	*0.00*
Currency swaps	*164,499,568.70*	*11,283,799.27*	*3,482,877.00*
Treasury bills	1,402,500,000.00		
Interest rate swaps	*1,402,500,000.00*	*95,707,125.77*	*5,716,408.05*
Bonds and other fixed-income securities	219,535,000.00		
Interest rate swaps	*219,535,000.00*	*5,765,814.26*	*1,260,022.06*
Debt securities issued	21,324,830,392.57		
Interest rate swaps	*18,820,065,253.84*	*194,303,736.71*	*931,467,476.19*
Currency swaps	*20,762,809,419.84*	*230,804,089.00*	*827,047,917.11*
Total		**773,577,278.79**	**1,768,974,700.41**

	Notional amount	Fair value derivates 2021	
€ thousand	31 Dec 2021	Positive	Negative
Loans and advances to banks	2,654,903		
Interest rate swaps	*2,151,823*	*17,318*	*2,819*
Currency swaps	*467,867*	*1,932*	*15,856*
Treasury bills	1,502,500		
Interest rate swaps	*1,502,500*	*901*	*74,433*
Bonds and other fixed-income securities	383,035		
Interest rate swaps	*383,035*	-	*17,183*
Debt securities issued	23,166		
Interest rate swaps	*21,552*	*270,452*	*612,057*
Currency swaps	*19,542*	*305,155*	*167,793*
Total		**595,758**	**890,141**

The reported fair values were present values (fair value determined by discounting the contractually agreed cash flows with the current yield curve including accrued interest). In the event of negative fair values they represent the losses from derivative financial instruments in a hedging relationship that is not reported on the balance sheet.

The positive and negative fair values of derivative financial instruments used to hedge cash flows were not recorded with their gains and losses at the start of the year because these cash flows are almost certainly offset by cash flows recognised in the income statement for the underlying transactions. As at 31 Dec 2022, the hedging period extended into 2044.

The effectiveness was measured by means of critical terms matching (the identity of the parameters of the respective underlying transaction and hedging instruments) both prospectively and retrospectively.

In determining the CVA (credit value adjustment) and DVA (debit value adjustment), OeKB uses the Basel method for regulatory capital from credit losses, which is based on the path-dependent multiplication and aggregation of the variables “exposure at default”, “probability of default” and “loss given default”. As hedging with derivatives takes place solely within the Export Financing Scheme, the CVA and DVA have no impact on the income statement of OeKB.

Collateral for credit risks in derivative financial instruments

€ (2021: € thousand)	2022	2021
Collateral pledged	1,202,581,471.63	540,330
Collateral received	130,250,968.87	175,709

No collateral was provided through pledging in the form of financial instruments (such as securities).

Early termination of an effective hedge relationship

No effective hedging relationships were terminated early with material results during the financial year.

Notes to the income statement

Condensed income statement

	2022	2021		Change
	€	€ thousand	€ thousand	in %
Net interest income and income from securities and investments	87,378,849.26	78,765	8,614	10.9%
Net fee and commission income	29,426,812.66	28,716	711	2.5%
Financial operations and other operating income	27,084,318.81	13,581	13,503	99.4%
Operating income	**143,889,980.73**	**121,062**	**22,828**	**18.9%**
Staff costs including social security and pension costs	26,601,758.34	32,080	(5,479)	(17.1)%
Other administrative expenses	18,276,520.17	17,469	808	4.6%
Impairment losses on property and equipment and intangible assets	2,755,257.28	2,571	184	7.2%
Other operating expenses	1,318,422.47	1,256	63	5.0%
Operating expenses	**48,951,958.26**	**53,376**	**(4,424)**	**(8.3)%**
Operating profit	**94,938,022.47**	**67,685**	**27,253**	**40.3%**
Balance of the measurement of current loans and advances, and securities	(6,659,171.47)	14,901	(21,560)	(144.7)%
Balance of the measurement of securities measured as financial assets and of interests in investments other than securities	(9,788,647.29)	253	(10,041)	>100.0%
Profit before tax	**78,490,203.71**	**82,840**	**(4,349)**	**(5.3)%**
Income tax	(11,738,185.93)	(21,433)	9,695	45.2%
Other taxes, unless shown under item 15	(1,035,493.64)	(1,258)	223	17.7%
Profit for the year	**65,716,524.14**	**60,148**	**5,568**	**9.3%**
Transfer to reserves	(32,866,524.85)	(27,265)	(5,602)	(20.5)%
Unallocated profit for the year	**32,849,999.29**	**32,884**	**(34)**	**(0.1)%**
Profit brought forward from the previous year	24,626.71	15	10	64.9%
Profit available for distribution	**32,874,626.00**	**32,899**	**(24)**	**(0.1)%**

Due to the several quarters of zero-interest rates, the interest and similar income only contained € 569,997.87 (2021: zero due to the zero-interest conditions throughout the year) in income from the special Kontrollbank refinancing facility, which was launched in 2020 in collaboration with the BMF as a coronavirus support mechanism for exporters.

The **net interest income** resulted primarily from the interest margin of OeKB from the management of the Export Financing Scheme and the interest income from the investments in the Bank's own account. Net interest income decreased by € 115 thousand to € 67,095,975.78. The net interest income includes one-off effects for OeKB's share of the breakage costs for early loan repayments in the Export Financing Scheme in the amount of € 283,349.89 (2021: € 1,341 thousand) and € 1,996,127.91 (2021: € 3,030 thousand) in OeKB interest margins from the special Kontrollbank refinancing facility.

The fees paid by OeKB to the Federal Ministry of Finance for guarantees pursuant to § 1(2) AFFG amounted to € 86,843,953.75 (2021: € 85,676 thousand).

The losses and budget underruns from negative interest reported separately in the income statement pertain mostly to the activities under the Export Financing Scheme. The negative interest from credit operations is the result of the terms of the Export Financing Scheme less the OeKB interest margin. The negative interest from securities transactions pertains to the EFS liquid assets portfolio. This portfolio consists of fixed-income securities that are hedged with derivative financial instruments to protect against market risks. Thanks to the very good rating of OeKB and the debt securities issued that are guaranteed by the Republic of Austria, the Export Financing Scheme benefits from budget underruns from negative interest in the refinancing transactions through the employment of derivative financial instruments for hedging purposes.

In **income from equity shares, other ownership interests, and variable-income securities** no dividend-equivalent earnings were made (2021: no dividend-equivalent earnings).

The **income from unconsolidated investments** comprises dividends and profit disbursements from the interests in investments other than subsidiaries. The change in annual comparison was primarily the result of a higher dividend from Wiener Börse AG.

The **dividends from subsidiaries** increased from € 8,949 thousand to € 17,868,750.00. The change was largely the result of a higher dividend from OeKB EH Beteiligungs- und Management AG and of higher dividends from OeKB CSD GmbH and from Österreichische Hotel- und Tourismusbank GmbH in annual comparison.

The **fee and commission income** increased by € 730 thousand to € 32,007,104.52 (2021: € 31,277 thousand). The following table shows the changes in fee and commission income in the individual segments. The income from guarantee business includes income related to the processing of guarantees under the special Kontrollbank refinancing facility in the amount of € 355,170.59 (2021: € 568 thousand) and income relating to the processing of the COFAG guarantees in the amount of € 614,235.43 (2021: € 724 thousand).

The **fee and commission expenses** increased by € 19 thousand to € 2,580,291.86 (2021: € 2,561 thousand).

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Credit operations	1,394,830.93	1,598
Securities services	12,288,020.60	11,240
Guarantees	14,048,958.47	13,923
Energy clearing	2,675,414.34	2,626
Other services	1,599,880.18	1,890
Fee and commission income	**32,007,104.52**	**31,277**

The **other operating income** consisted largely of the billing of services, the letting of business premises, and input tax adjustments for previous years. The increase to € 27,133,655.40 (2021: € 13,585 thousand) resulted primarily from the release of provision for expense in the amount of € 12,884,802.35 (2021: zero).

The **staff costs** decreased by € 5,479 thousand from € 32,080 thousand to € 26,601,758.34. This decline was primarily the result of the release of employee benefit provisions. The **discount rate** for the calculation of the employee benefit provisions increased from 1.00% to 3.75% in the reporting period. This rate increased from 0.50% to 1.00% in the previous year. The sustainable **salary and pension trend** for calculating employee benefit provisions was increased from 2.50% and 2.00% to 3.70% and 3.20% on the basis of the inflation trend in the business year and was left unchanged in the previous period. Staff costs decreased due to compensation pursuant to § 32 Epidemic Act (measure related to COVID-19) in the amount of € 132,813.30 (2021: € 35 thousand) and compensation for the financial expenditure from semi-retirement benefits from AMS in the amount of € 334,083.00 (2021: € 292 thousand).

The **expenses for the auditor and affiliated companies** include costs for the audit of the annual financial statements in the amount of € 266,200.00. Due to the change in the auditor starting in the 2022 financial year, there are no 2021 comparison figures for the costs.

No costs were incurred in the 2022 financial year for the auditor of the previous year (2021: € 388 thousand). Expenses for audit-related services in the amount of € 318,095.27 (2021: € 308 thousand), for tax consulting in the amount of € 68,020.00 (2021: € 99 thousand), and for other consulting in the amount of € 14,448.00 (2021: € 46 thousand) were incurred in the 2022 financial year with the auditor of the previous year.

The **other operating expenses** in the amount of € 1,318,422.47 (2021: € 1,256 thousand) consisted primarily of expenses for the sub-leasing of business premises, contributions to supervisory authorities, and postage fees.

The net gain on the **measurement of current loans and advances and securities** decreased to minus € 6,659,171.47 (2021: € 14,901 thousand).

The net gain from the **valuation of receivables, securities held as fixed assets, and equity interests** decreased to minus € 9,788,647.29 (2021: € 253 thousand).

€ (2021: € thousand)	31 Dec 2022	31 Dec 2021
Corporate income tax for financial years	12,572,856.26	11,288
Corporate income tax for previous years	23,251.05	3,252
Change in deferred tax assets	(857,921.38)	6,892
Income tax	**11,738,185.93**	**21,433**

The decrease in **income taxes** resulted primarily from the release of deferred taxes relating to the release of the tax write-up reserve for the special investment fund Sirius 40 and the back taxes paid following the tax audit conducted in the previous year.

The item **Other taxes not reported in item 15** contains the expenses for the stability tax and for property taxes.

The **return on assets** (profit for the year/total assets) of OeKB came to 0.25% for 2022 (2021: 0.22%).

Supplementary disclosures

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

Non-current liabilities

€ (2021: € thousand)	2022 for 2023	2023-2027	2021 for 2022	2022-2026
Rent	1,175,189.68	4,729,091.64	1,223	4,936
Leasing	27,095.76	136,478.80	41	171
Non-current liabilities	**1,202,285.44**	**4,865,570.44**	**1,264**	**5,107**

No material obligations were associated with the use of property and equipment not reported on the balance sheet under rental or leasing agreements.

Other off-balance-sheet transactions

The off-balance sheet credit risks of € 3,623,518,024.57 (2021: € 3,581,594 thousand) shown as memo items related largely to undrawn credit facilities and commitments to lend, which are related to the Export Financing Scheme.

Assets and liabilities denominated in foreign currency

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

— Assets: € 2,782,833,720.88 (2021: € 2,392,076 thousand)
— Liabilities: € 15,485,364,439.18 (2021: € 23,476,223 thousand).

Related-party transactions

As a specialised institution for export services and capital market services, OeKB engages in many transactions with its shareholders. All of these transactions were conducted at arm's length terms.

Loans and advances to and deposits from subsidiaries and other investments

Loans, advances, and deposits

€ (2021: € thousand)	Subsidiaries 31 Dec 2022	Subsidiaries 31 Dec 2021	Other interests 31 Dec 2022	Other interests 31 Dec 2021
Own account				
Loans and advances to banks	595,123.92	27	0.00	-
Deposits from banks	89,743,295.35	86,267	0.00	-
Deposits from customers	123,596,288.96	95,378	159,466,865.41	63,483
Export financing				
Loans and advances to banks	1,817,405,387.94	1,445,464	0.00	-

Staff costs

Monetary values in € (2021: € thousand)	2022	2021
Average number of employees pursuant to the UGB	324	330
Staff costs in items dd, ee, and ff of the income statement		
Executive Board members (incl. former members or their surviving dependants)	(6,632,580.33)	(3,291)
Senior managers	(1,123,031.00)	(256)
Other employees	(6,743,399.90)	(5,248)
Total	**(14,499,011.23)**	**(8,796)**
Contributions to pension funds (included in "Expenses for retirement and other post-employment benefits")	911,129.26	922
Contributions to termination benefit funds (included in "Expenses for termination benefits and contributions to termination benefit funds")	248,309.99	246
Aggregate compensation paid to officers		
Executive Board members: Not disclosed pursuant to § 242(4) UGB	Not disclosed	Not disclosed
Members of the Supervisory Board	145,151.00	156
Former members of the Executive Board or their surviving dependants	1,654,735.42	1,673

The change in the staff costs shown in the table resulted mainly from the valuation of long-term employee benefit provisions. The value for the reporting period was influenced significantly by the change in the discount rate from 1.00% to 3.75% (2021: 0.50% to 1.00%). In addition, the long-term salary and pension trend was raised from 2.50% and 2.00%, respectively, to 3.70% and 3.20%, during the financial year due to the current inflation trend.

The expenses for retirement benefits pertained to defined-benefit commitments in the amount of minus € 15,658,450.48 (2021: minus € 9,964 thousand) and defined-contribution commitments in the amount of € 1,159,439.25 (2021: € 1,168 thousand).

There were no transactions with key management personnel.

Action for damages

The Bank was not aware of any legal action for damages at the reporting date.

Events after the balance sheet date

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

Additional disclosures pursuant to the BWG

Regulatory capital pursuant to the CRR

According to § 3(1)7 of the BWG, transactions conducted by OeKB under the Austrian Export Guarantees Act (Federal Law Gazette No 215/1981) and the Export Financing Guarantees Act (Federal Law Gazette No 196/1967) are not subject to Regulation (EU) No 575/2013 or to §§ 22 to 24d, 39(2d) in conjunction with § 69(3), § 39(3) and (4), § 70(4a) 1, 8, 9, and 11, and § 70b to 70d BWG and are not subject to the inclusion of these transactions in the limits according to § 5(4) BWG. In terms of the supervisory law monitoring pursuant to § 69(2) BWG, the requirements in Regulation (EU) No 575/2013 do not apply.

Minimum regulatory capital requirements purs. to Art 92 of Regulation (EU) No 575/2013

€ (2021: € thousand)	2022	2021
Total risk-weighted assets	**547,615,893.38**	**701,822**
Minimum regulatory capital requirement for credit risk (8% of the total risk-weighted assets)	24,288,478.66	37,443
Minimum regulatory capital requirement for foreign exchange risk	0.00	-
Minimum regulatory capital requirement for operational risk (Basic Indicator Approach)	19,520,792.81	18,703
Risk-weighted item amounts	**43,809,271.47**	**56,146**
Available regulatory capital purs. to Part 2 CRR		
Paid-up capital instruments	130,000,000.00	130,000
Retained earnings and reserves	544,610,740.72	511,744
Less transfer to retained earnings [1]	(32,866,524.85)	(27,265)
Other intangible assets	(3,050,604.59)	(2,370)
Common equity tier 1 (CET 1)	**638,693,611.28**	**612,110**
Tier 2 capital (reserve for general banking risks purs. to § 57 BWG), weighted at 0% (2021: 10%) of the 2013 basis [2]	0.00	13,011
Tier 2 capital (T2)	**0.00**	**13,011**
Total regulatory capital resources	**638,693,611.28**	**625,121**
Surplus regulatory capital	594,884,339.81	568,975

[1] Pursuant to Art 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.
[2] Pursuant to Art 486(4) of Regulation (EU) No 575/2013 in conjunction with § 20 CRR Supplementary Regulation.

This resulted in the following ratios pursuant to Art 92(1) lit. a to c of Regulation (EU) No 575/2013 at the reporting date, which are compared with the minimum ratios for the credit institution:

Minimum ratio purs. to Article 92 of Regulation (EU) No 575/2013

	2022		2021	
In %	Minimum ratio	Actual ratio	Minimum ratio	Actual ratio
Core tier 1 ratio	7.118	116.63	7.048	87.22
Tier 1 ratio	8.618	116.63	8.548	87.22
Total capital ratio	10.618	116.63	10.548	89.07

The net debt ratio (tier 1 capital/risk-weighted assets pursuant to Art 429 of Regulation [EU] No 575/2013) was 65.73% in 2022 (2021: 32.31%).

Calculation of the actual ratio

$$\text{Core tier 1 ratio} = \frac{\text{Common equity tier 1 capital purs. to Part 2 CRR * 100}}{\text{Aggregate risk amount purs. to Art 92 CRR}}$$

$$\text{Tier 1 ratio} = \frac{\text{Tier 1 capital purs. to Part 2 CRR * 100}}{\text{Aggregate risk amount purs. to Art 92 CRR}}$$

$$\text{Total capital ratio} = \frac{\text{Total regulatory capital resources purs. to Part 2 CRR * 100}}{\text{Aggregate risk amount purs. to Art 92 CRR}}$$

Minimum ratio for OeKB

In %	2022	2021
Core tier 1 ratio purs. to Art 92(1) lit a of Regulation (EU) No 575/2013	4.500	4.500
Capital conservation buffer purs. to § 22 BWG in conjunction with § 103q line 11 BWG	2.500	2.500
Anti-cyclical capital buffer purs. to § 23a BWG in conjunction with § 103q line 11 BWG	0.118	0.048
Core tier 1 ratio purs. to Art 92(1) lit a of Regulation (EU) No 575/2013 incl. combined capital buffer requirements	7.118	7.048
Tier 1 ratio purs. to Art 92(1) lit b of Regulation (EU) No 575/2013 incl. combined capital buffer requirements	8.618	8.548
Total capital ratio purs. to Art 92(1) lit c of Regulation (EU) No 575/2013 incl. combined capital buffer requirements	10.618	10.548

The required ratios at the reporting date result from Art 92(1) of Regulation (EU) No 575/2013, the additional capital buffer requirements of the BWG, and the capital buffer regulation of the FMA.

Board members and officials

Members of the Executive Board

Name	Term of office from	to
Helmut Bernkopf	1 Aug 2016	31 Jul 2028
Angelika Sommer-Hemetsberger	1 Jan 2014	31 Dec 2023

Members of the Supervisory Board

Position	Name	Term of office from	to
Chairman	Robert Zadrazil	19 May 2009	AGM 2026
First Vice Chairman	Peter Lennkh	18 May 2017	AGM 2027
Second Vice Chairwoman	Alexandra Habeler-Drabek	28 Sep 2022	AGM 2027
Member	Sabine Abfalter	25 May 2022	AGM 2027
Member	Veronika Bernklau	20 May 2021	AGM 2024
Member	Sigrid Burkowski	25 May 2022	AGM 2023
Member	Mary-Ann Hayes	29 May 2019	AGM 2024
Member	Dieter Hengl	25 May 2011	AGM 2026
Member	Herbert Pichler	27 May 2020	AGM 2025
Member	Friedrich Spandl	20 May 2021	AGM 2026
Member	Herta Stockbauer	21 May 2014	AGM 2024
Member	Herbert Tempsch	29 May 2013	AGM 2023
Member	Hans Unterdorfer	28 Sep 2022	AGM 2025
Member	Robert Wieselmayer	19 May 2016	AGM 2026
Member	Janine Wukovits	25 May 2022	AGM 2027
First Vice Chairman	Johann Strobl	27 May 2020	25 May 2022
Second Vice Chairman	Willibald Cernko	29 May 2019	31 Jul 2022
Member	Ingo Bleier	29 May 2019	28 Sep 2022
Member	Gerda Holzinger-Burgstaller	20 May 2021	25 May 2022
Member	Susanne Wendler	18 May 2017	25 May 2022

AGM = Annual General Meeting

Employee representatives

Position	Name	Term of office from	to
Chairman	Martin Krull	14 Mar 2002	13 Mar 2023
Vice Chairwoman	Erna Scheriau	1 Apr 2001	13 Mar 2023
Member	Elisabeth Halys	1 Jul 2013	13 Mar 2023
Member	Melanie Kucera	1 Jan 2023	13 Mar 2023
Member	Christoph Seper	14 Mar 2014	13 Mar 2023
Member	Markus Tichy	1 Jul 2011	13 Mar 2023
Member	Evelyn Ulrich-Hell	8 Feb 2021	13 Mar 2023
Member	Ulrike Ritthaler	14 Mar 2014	31 Dec 2022

Audit Committee

Position	Name
Chairwoman (since 25 May 2022)	Sabine Abfalter
Member	Robert Wieselmayer
Member	Martin Krull
Chairman (until 25 May 2022)	Johann Strobl

Risk Committee

Position	Name
Chairwoman	Herta Stockbauer
Member	Robert Zadrazil
Member	Erna Scheriau

Working Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member (until 25 May 2022)	Johann Strobl

Nomination Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member (until 25 May 2022)	Johann Strobl

Compensation Committee

Position	Name
Chairman	Robert Zadrazil
Member (since 28 Sep 2022)	Alexandra Habeler-Drabek
Member (since 25 May 2022)	Peter Lennkh
Member	Martin Krull
Member	Erna Scheriau
Member (until 31 July 2022)	Willibald Cernko
Member (until 25 May 2022)	Johann Strobl

Government commissioners

	Name	Term of office since
Commissioner	Harald Waiglein	1 Jul 2012
Deputy Commissioner	Johann Kinast	1 Mar 2006

The government commissioners under § 76 of the Austrian Banking Act are also representatives of the Austrian Minister of Finance under § 6 of the Export Financing Guarantees Act.

Government commissioners

	Name	Term of office since
Commissioner	Beate Schaffer	1 Nov 2013
Deputy Commissioner	Karl Flatz	1 Dec 2017

Government commissioners under § 27 of the Articles of Association (supervision of bond cover pool).

Vienna, 10 March 2023

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Helmut Bernkopf Angelika Sommer-Hemetsberger

Independent Auditors' Report

Report on the Audit of the Annual Financial Statements

Opinion

We have audited the annual financial statements of Oesterreichische Kontrollbank Aktiengesellschaft, Vienna, which comprise the statement of financial position as of 31 December 2022, the income statement, and the notes to the financial statements.

In our opinion, the accompanying financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2022, and of its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the Austrian Banking Act.

Basis for Opinion

We conducted our audit in accordance with the Regulation (EU) No. 537/2014 and the Austrian Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with laws and regulations applicable in Austria and we have fulfilled our other professional responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of our opinion is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Management of loans and advances to credit institutions in the export financing scheme

Description and Issue

As of December 31, 2022, receivables from credit institutions in connection with the export financing scheme in the amount of EUR 22.123 million were reported. The Republic of Austria is predominantly liable for these claims.

The Company's export financing scheme serves domestic and foreign credit institutions as a source of refinancing, provided that they meet

- OeKB's creditworthiness criteria ("house bank status"),
- the statutory conditions for the assumption of liabilities of the Republic of Austria in the form of guarantees regarding the transactions to be financed, and

— the conditions for a uniform settlement of the financing (collateral).

Please refer to the information provided by the Executive Board in the chapter "Legal basis for the export guarantee and for the Export Financing Scheme" of the Notes.

In the context of the valuation of receivables from credit institutions, liabilities (mainly by the Republic of Austria) are considered. If the statutory or contractually defined management criteria are not met, there is a risk that the liabilities cannot be considered in the valuation. The Company has implemented appropriate processes, manual and automated controls in its IT systems that monitor proper management.

Due to the extensive and partly manual process steps to ensure compliance with the management criteria, the associated high audit effort, and the importance of the item for the annual financial statements, we have determined the management of receivables from credit institutions in the export financing scheme as a key audit matter.

Our response

In auditing the management of loans and advances to credit institutions in the export financing scheme, we performed the following key audit procedures:

— We have collected the processes to ensure the legally and contractually defined management criteria and analyzed whether these processes and the key controls established by the company in these areas are suitable for ensuring compliance with the management criteria. We have tested the effectiveness of these key controls – in the case of automated controls involving our IT specialists – in random samples.
— For a random sample of financing at house banks, we have checked whether there is an assumption of liability by the Federal Ministry of Finance for them.
— At the end of the year, we carried out an overall comparison of the receivables issued to credit institutions under the export financing scheme with the liabilities of the Republic of Austria on the basis of the coverage report.
— For new house banks added in 2022, we checked whether all criteria were met.
— For a random sample of new financing to house banks issued in 2022 as part of the export financing scheme and still available at the end of the year, we compared the parameters recorded in the system with the application documents.

Reference to other facts - previous year's financial statements

The Company's financial statements as at 31 December 2021 were audited by another auditor who issued an unqualified opinion on these financial statements on 4 March 2022.

Other Information

The legal representatives are responsible for the other information. Other information comprises all information in the Annual Financial Report, except for the consolidated financial statements, the group management report, the annual financial statements, the management report, and the related auditor's reports. The Annual Financial Report (except the report of the supervisory board) is expected to be made available to us after the date of the auditor's report.

Our opinion on the financial statements does not cover this other information, and we do not and will not express any form of assurance conclusion thereon. Regarding the information in the management report, we refer to the section "Report on the management report".

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and consider whether it is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or otherwise appears misleading.

If, based on the work we have done on other information received prior to the date of this audit report, we conclude that such other information is materially misrepresented, we must report this. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view of the financial position of the Company as of December 31, 2022, and of its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the 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.

In preparing the financial statements, management is 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 for the Audit of the Financial Statements

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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with EU rules and Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the 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 Regulation (EU) 537/2014 and with Austrian Generally Accepted Auditing Standards, which require the application of the ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

— Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement 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.

- 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that give a true and fair view.

We communicate with the audit committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the audit committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the audit committee, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Management Report

Pursuant to Austrian Commercial Code, the management report is to be audited as to whether it is consistent with the financial statements and whether it has been prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with the Austrian Commercial Code.

We conducted our audit in accordance with laws and regulations applicable with respect to the management report.

Opinion

In our opinion, the management report attached is prepared in accordance with the applicable legal requirements, the disclosures pursuant to section 243a UGB are appropriate, and it is consistent with the financial statements.

Statement

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Additional Information in Accordance with Article 10 of EU Regulation (EU) 537/2014

We were elected as auditor of the Company at the annual general shareholders' meeting on 20 May 2021 for the fiscal year ending on 31 December 2022 and mandated by the chairman of the Supervisory Board on 9 June 2021. Furthermore, we were elected as auditor at the annual general shareholders' meeting on 25 May 2022 for the subsequent fiscal year and mandated by the chairman of the Supervisory Board on 25 May 2022. We are the auditor of the Company since the financial year ending 31 December 2022.

We confirm that the audit opinion in the section "Report on the Financial Statements" is consistent with the additional report to the audit committee referred to in article 11 of the EU regulation.

We declare that no prohibited non-audit services (article 5 par. 1 of the EU regulation) were provided by us and that we remained independent from the Company in conducting the audit.

Engagement Partner

The engagement partner responsible for the audit is Dr. Gottfried Spitzer.

Vienna

10 March 2023

Deloitte Audit Wirtschaftsprüfungs GmbH

(Signed by:)

Dr. Gottfried Spitzer	Mag. Wolfgang Wurm
Certified Public Accountant	Certified Public Accountant

Publication or sharing with third parties of the financial statements together with our auditors' opinion is only allowed if the financial statements and the management report are identical with the audited version. This audit opinion is only applicable to the German and complete financial statements with the management report. Section 281 para 2 UGB applies to alternated versions.

This translation is for convenience purposes only.
Only the German original is legally valid and binding.

Publication information

This report is a translation of the German original and is provided solely for readers' convenience.
In the event of discrepancies or dispute, only the German version of the report shall be deemed definitive.

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it possible.

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