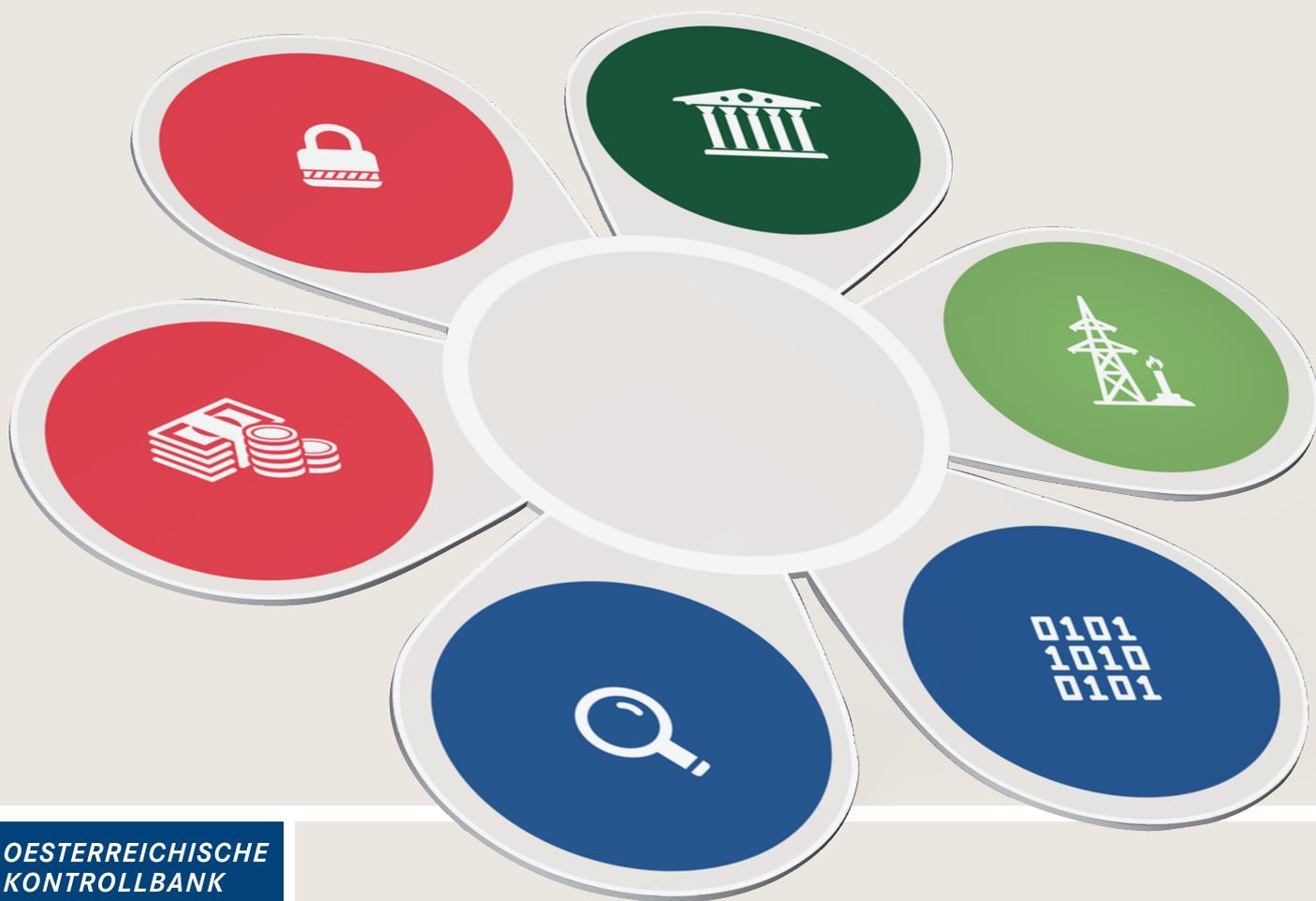


# Expertise which our economy has thrived. For 70 years.

Integrated Report 2015



OESTERREICHISCHE  
KONTROLLBANK  
GROUP

## OeKB Group Highlights

Monetary values in € million	2011	2012	2013	2014	2015
<b>Consolidated financial statements</b>					
Total assets at 31 December	37,978	32,768	28,964	28,002	28,776
Equity including minority interest	599	662	684	718	746
Operating profit <sup>1</sup>	78	82	62	60	51
Profit before tax <sup>1</sup>	65	109	71	84	61
Total comprehensive income for the year	50	83	53	54	48
Return on equity in % <sup>2</sup>	13.6%	20.7%	7.7%	7.5%	6.4%
Cost/income ratio in % <sup>1</sup>	50.5%	49.3%	56.2%	56.8%	61.8%
<b>Non-financial performance indicators</b>					
OeKB Group's average number of employees	397	398	403	400	404
Proportion of management positions held by women in percent	34.4%	34.4%	34.4%	35.4%	40.3%
Average number of training days per employee	5.3	5.3	5.5	5.1	4.9
Carbon dioxide equivalents in tonnes	466.9	444.6	455.3	399.8	347.2
<b>Guarantees of the Republic of Austria under the Export Guarantees Act</b>					
Number of guarantees in place	3,786	3,637	3,657	3,502	3,509
Number of new guarantee contracts issued	1,000	972	811	676	738
New guarantee contracts issued	4,658	5,135	3,512	3,842	3,758
Aggregate guarantee exposure limit at 31 December	50,000	50,000	50,000	50,000	50,000
Utilisation of the guarantee exposure limit at 31 December	37,058	34,836	31,501	28,272	25,897
Premium and interest income <sup>3</sup>	219	229	207	191	165
Gross claims paid by the Guarantor	147	154	122	102	81
Recoveries on claims paid	55	65	72	73	58
<b>OeKB Export Financing Scheme</b>					
New commitments issued	5,948	7,085	5,124	3,173	5,007
Total lending commitments outstanding at 31 December	32,244	28,054	24,632	22,087	21,369
Disbursements outstanding	28,362	24,827	22,031	19,587	18,373
Loan funds disbursed	5,026	6,846	4,724	2,771	4,051
Repayments received	6,093	10,381	7,520	5,216	5,265
(Decrease) in net loans outstanding	(1,067)	(3,535)	(2,796)	(2,445)	(1,214)
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	33,695	30,015	28,779	26,055	24,314
Total new guarantees issued	12,504	10,567	8,482	10,585	9,767
<b>Capital Market Services</b>					
Bond market – Federal bonds administered by OeKB	13,205	11,252	13,994	12,581	14,795
CSD.Austria – EUR/ATS bonds at 31 December (nominal)	304,490	311,701	309,113	300,802	298,947
DS.A volume of transactions (nominal, internal, double counting)	919,543	803,527	851,000	1,064,035	815,469
Number of depositors/classes of securities	162/22.322	157/22.382	152/23.100	138/20.397	93/20.364

<sup>1</sup> Beginning in 2012, this item is stated net of deferred up-front premiums.

<sup>2</sup> RoE = (Total comprehensive income attributable to the owners of the parent company/equity attributable to the owners of the parent company)

<sup>3</sup> Beginning in 2012, this item reflects accrual-basis accounting for up-front premiums (i.e. premiums are recognised in the period in which they are earned).

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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.

# Letter from the Executive Board

Dear Reader,

this OeKB Group Integrated Report is intended to be your guide to our business model, not only showing our significance for the Austrian market but also our role as a participant in international financial markets. In addition to facts and figures concerning OeKB's business, you will also find information on how we run our business and how we handle our responsibilities towards society and the environment.

In 2015, the difficult economic situation, constantly low interest rates and exceptionally cheap financing opportunities supplied to corporates by international institutions left their mark on OeKB's financing business. This is reflected in a decrease in OeKB's loan portfolio. Nevertheless, we expect our credit business to pick up by 2017. OeKB's group companies performed very successfully in 2015. The development bank of Austria – Oesterreichische Entwicklungsbank AG – was able to increase its business volume and its returns; the results of the other group companies were stable.

We are set on continuing OeKB's successful business in the future. The organisational measures taken in 2015, focusing on Export and Capital Market Services, are a base for continuing long-term success. The Export Services Consultancy Team ('Exportservice-Beratung'), set up at the start of 2015, supplies companies with our advice on export insurance and financing matters. The experience gained in numerous discussions with our clients helps us to understand them better and cater to their needs, especially the SME's. Another 'innovation' that was tailored to our clients' needs, is the calculation of interest rates applicable in OeKB's Export Financing Scheme, based on the weighted average life (WAL) of a loan. This change, effective as of January 2016, and the clear and easy online calculator on our website were greatly welcomed by the export industry and its banks.

Since mid-September 2015, there has been a new service provider for the Austrian capital market: the OeKB CSD GmbH. Due to EU regulations this 100% subsidiary of OeKB has taken over the function of domestic Central Securities Depository (CSD) from the parent company. OeKB will continue to act as the national ISIN issuing agent as well as the notification office under the Capital Markets Act. In this way, the EU requirements concerning transparency and risk management in the securities business have been met. Furthermore, this successful switch to OeKB CSD GmbH underlines the flexibility of Austria's capital market infrastructure, as well as providing a good base for handling future challenges in the efficient settlement of securities.

An Export Services Annual Review, with facts and figures on our services for the export industry, is also published parallel to this Integrated Report.



RUDOLF SCHOLTEN



ANGELIKA SOMMER-HEMETSBERGER



[https://reports.oekb.at/  
es-jb-2015-en/](https://reports.oekb.at/es-jb-2015-en/)

# Supervisory Board report



G4-1, FS11

In 2015 the Supervisory Board monitored the executive management and approved its actions. The Executive Board briefed the Supervisory Board regularly, promptly and comprehensively on all relevant business matters and developments, through meetings, written reports and personal contact. To support the efficient fulfilment of its duties, the Supervisory Board maintains five committees assembled from its members.

The consolidated financial statements for 2015 and the Group management report presented herein, as well as the 2015 company financial statements and management report of Oesterreichische Kontrollbank AG, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit did not give rise to reservations and the legal requirements were fully met. An unqualified audit opinion was therefore 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 2015 financial year, and the proposal for the appropriation of profit. The final result of this review did not give rise to objections.

The Supervisory Board in its meeting on 9 March 2016 approved the company financial statements for 2015, which were thereby adopted, and declared its agreement with the Executive Board's proposal for the appropriation of profit. The Supervisory Board has approved the consolidated financial statements and Group management report.

OeKB services are designed to enable Austrian companies to do more business globally and to strengthen Austria as a business location. These special tasks require an open and transparent corporate culture and an on-going dialogue with economic and political stakeholders, lobby groups and society as a whole. In this context, it is important to consider global connections and values, which OeKB does through its active membership of the UN Global Compact.

The Supervisory Board takes this opportunity to recognise and sincerely thank the members of the Executive Board, the Staff Council and the employees of OeKB Group for their hard work and professionalism.

Vienna, March 2016

For the Supervisory Board of Oesterreichische Kontrollbank AG

**ERICH HAMPEL**

Chairman

# OeKB Group

## About this report

Since 2013, OeKB Group has been publishing integrated reports providing a comprehensive and integrated view of the Group's performance on the basis of financial and non-financial information. This report covers both Oesterreichische Kontrollbank AG and all fully-consolidated subsidiaries:

- Oesterreichische Entwicklungsbank AG,
- "Österreichischer Exportfonds" GmbH,
- OeKB CSD GmbH.

The financial side includes the consolidated financial statements, the management report, the financial statements of OeKB and financial data from the internal reporting. The clearly represented non-financial information addresses the social, environmental and economic aspects identified in the company's materiality analysis.

The subjects of the report are selected and presented both as required by law and according to their significance and the communication needs of the stakeholders. Further, this report includes the Annual Financial Report that contains the audited financial statements and the management report of the Group and of its parent company, Oesterreichische Kontrollbank AG. In addition, our Export Services Annual Review documents the significance of OeKB services for exporters and outbound foreign investors.

The present report concerning the business year 2015 complies with requirements set forth by the Global Reporting Initiative (GRI), version 4, comprehensive. The auditor's report on sustainability reporting as per GRI G4 is contained in both the printed and pdf version of the integrated annual report. The online version was not audited. The OeKB Group Sustainability Report 2014 has been available on the website since 20 April 2015.

The report also functions as a progress report under the UN Global Compact and satisfies the high requirements of its Advanced Level. It also includes the implementation of the programme of measures for EMAS certification and the implementation plan of the 'workandfamily' audit. Key indicators regarding operational ecology were extended documenting the required saving of energy for the GreenBuilding Partner certificate.

The OeKB sustainability management system not only complies with the EMAS environmental management standards and with ISO 14001 but also expanded the original environmental management system by adding social and economic components. Furthermore, the Global Reporting Initiative (GRI) Guidelines were incorporated. The Central Counterparty Austria (CCP.A) is not EMAS-certified, but is included in the environmental statistics provided.



EN6, EN19



See section **Materiality analysis**



G4-15, 28, 29, 30, 32





For more information about the audit 'workandfamily' see chapter **OeKB Group is regarded as a highly attractive employer**

With the introduction of the 'workandfamily' audit, all related project goals were integrated in the sustainability programme. This process will be continued during the ongoing development of the audit to avoid reduplication and additional work.



FS9

The EMAS-certified companies in OeKB Group are directly integrated in terms of their internal processes. These include, for example, procurement, energy and facility management, as well as internal auditing. The internal audit of the sustainability management system is conducted annually by the Internal Audit department in accordance with OeKB's audit plan. The sustainability team meetings can be attended by the companies in the Group, thus turning the sustainability team into an interlinking, joint management system.



For many years, OeKB has been rated by oekom research, one of the leading rating agencies worldwide in the field of sustainable investments. Oekom research makes use of the so-called absolute 'Best-in-class' approach, in which a defined standard has to be met or surpassed. This standard is based on the various environmental, social and employee-related challenges the sector is faced with. Companies that meet or surpass these standards are awarded oekom 'Prime' status and consequently count among the leading players in their sector.

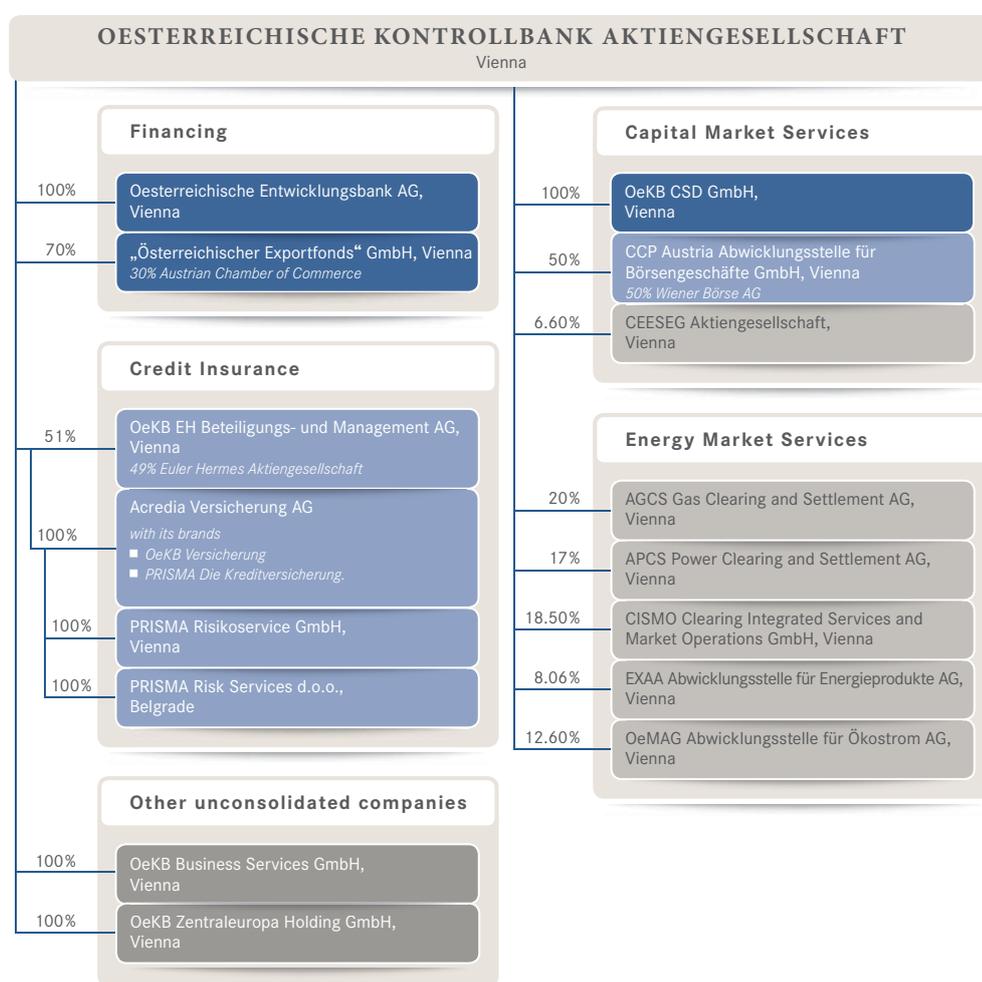
## Structure of OeKB

Oesterreichische Kontrollbank Aktiengesellschaft (OeKB) is a financial services provider in the Austrian banking industry. OeKB acts as a trustee for the Austrian government by implementing the Austrian Export Guarantees Act.



G4-3, 4, 7, 17

OeKB was founded on 22 January 1946 to provide specialised banking services. It has its registered office in Vienna (Company Register Number FN 85749b, Vienna Commercial Court).



■ Fully consolidated companies ■ Equity-accounted investees (joint ventures) ■ Unconsolidated subsidiaries ■ Investments in other unconsolidated companies as of 31 Dezember 2015  
Investments in other unconsolidated companies under 3% are not included.

## Shareholders and ownership structure of OeKB



G4-13, 7

OeKB has a share capital of € 130 million. In view of the special functions performed by OeKB, its shares are registered ordinary shares that are not listed on the Vienna Stock Exchange. The shares may be transferred only with the consent of the Supervisory Board.



### Ownership structure of Oesterreichische Kontrollbank AG at 31 December 2015

The ownership structure of OeKB is currently updated on [www.oekb.at/en/about-oekb/oekb-at-a-glance/shareholders](http://www.oekb.at/en/about-oekb/oekb-at-a-glance/shareholders)

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 Finanz-Holding GmbH, Vienna	72,600	8.250%
Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	71,456	8.120%
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Vienna	44,792	5.090%
Raiffeisen OeKB Beteiligungsgesellschaft mbH, Vienna	44,000	5.000%
Oberbank AG, Linz	34,224	3.890%
Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck	26,888	3.055%
BKS Bank AG, Klagenfurt	26,888	3.055%
Volksbank Wien AG, Vienna	13,200	1.500%
<b>Total shares</b>	<b>880,000</b>	<b>100.000%</b>

## Sustainability management in OeKB Group

The OeKB Group companies are, to varying degrees, woven into the sustainability management system of the Group parent company, OeKB.

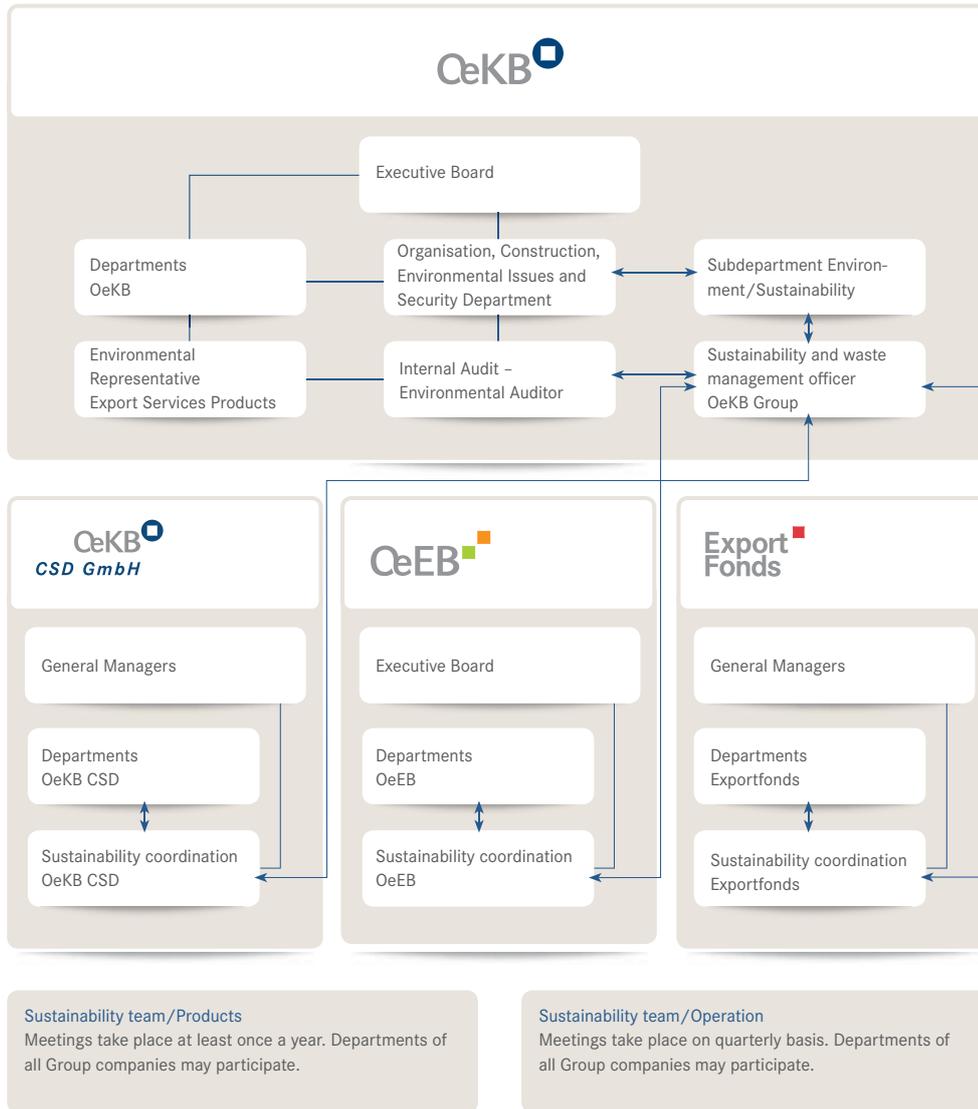


G4-42, 43, DMA

## Organisational structure of OeKB Group's sustainability management



G4-35, 36, 48



## **Sustainability - Accountability**

### ***Executive Board***

The Board of Executive Directors is responsible for implementing the sustainability policy and further developing agreed targets by virtue of the management review. It approves financial means and human resources. The Board of Executive Directors, as the supreme body, adopts resolutions on changes to the operational, organisational structure, on training measures and on the manner in which internal and external communication is designed and carried out. Moreover, it adopts resolutions on improvement measures and how to respond to emergencies. Ultimately, responsibility in terms of sustainability lies with the Board of Executive Directors.

### ***Sustainability/Waste Management Officer***

The Sustainability Officer's responsibilities include planning and coordinating the implementation of sustainable objectives at OeKB Group and administrative tasks, such as: updating the OeKB sustainability programme and policy; maintaining all relevant documents relating to sustainability; calling meetings of the sustainability teams; documenting relevant activities and providing the employees with information on a continuous basis. Moreover, solutions shall be developed in cooperation with the sustainability teams in order to keep alive the feedback loop of continuous improvement. The Waste Management Officer ensures compliance with statutory provisions governing waste separation and disposal, as well as compiling and maintaining data relating to the waste management concept and the environmental audit.

### ***Health and Safety Coordinator***

The Health and Safety Coordinator ensures the Bank's compliance with legal provisions governing health and safety and keeps relevant documentation up-to-date. The Health and Safety Coordinator's responsibilities include calling, handling and documenting the meetings of the Occupational Health and Safety Committees (Arbeitnehmerschutzausschüsse - ASA); training and briefing Safety Representatives, Fire Prevention Officers and their assistants as well as first-aiders; and, lastly, disseminating information to employees throughout the bank.

### ***Sustainability Coordinators***

The Sustainability Coordinators represent the interface between the OeKB Group companies and the OeKB Group's Sustainability/Waste Management Officer. They enforce the sustainability strategy and policy at the relevant Group companies. In cooperation with the Group's Sustainability/Waste Management Officer, the Sustainability Coordinators plan, monitor and actively implement sustainable development within their respective organisations.

### ***Sustainability Teams***

The Sustainability Teams meet on a regular basis to develop ideas, improve processes and optimise their enforcement. The Sustainability Teams independently determine how to communicate on sustainability issues and assign relevant responsibilities.

### ***Sustainability Team for Products***

The Sustainability Team for Products meets at least once a year. It helps interpret the OeKB sustainability policy, further develop the objectives of the OeKB sustainability programme and brainstorms sustainable aspects of product development.

### ***Sustainability Team for Operations***

The Sustainability Team for Operations provides stimuli for sustainable corporate practice. Its members meet on a quarterly basis to suggest centralised measures on the targets defined in the employee appraisal interviews. Furthermore, it is responsible for deciding which sustainability-related information employees are given.

This team develops possible improvements in the operational segment of OeKB. With the introduction of the 'workandfamily' (berufundfamilie) audit, all issues related to work-life balance are also discussed.

### ***Environmental Representative for Export Services Products***

The Environmental Representative for Export Services Products is actively involved in product development in the Export Services segment. They are in charge of coordinating OeKB's advising and supporting of the Guarantor, i.e. the Austrian government, on environmental agendas in international committees. They have operational responsibility for environmental project analyses. Since 2004, OeKB has been increasingly addressing questions concerning human rights and social issues in the course of such consulting.

### ***Internal Audit/Group Internal Audit***

Handles the internal sustainability audits currently carried out twice a year by environmental auditors.

### ***Research, Analyses and International Affairs (RAI)***

In addition to carrying out other tasks, RAI helps bring the law index up-to-date, as well as prepare relevant information and information sources.

### ***Organisation, Construction, Environmental Issues and Security (OBUS)***

Among the tasks of the department for Organisation, Construction, Environmental Issues and Security are:

- Implementing changes in process organisation,
- updating the service catalogue,
- assisting with the updating of the law index,
- contributing to internal sustainability audits,
- supporting the introduction of sustainable measures and
- co-determining key indicators.

Moreover, OBUS appoints the Sustainability and Waste Management Officer and is in charge of safety and security. It is responsible for energy management in accordance with the Energy Efficiency Law and consequently selects the Internal Energy Auditor.

### ***Human Resources***

The HR department compiles the part of the Integrated Report on social affairs. It produces KPIs and constantly tries to further the understanding of social responsibility in OeKB Group. Besides the ongoing HR work, it is also in charge of occupational health and personnel development.

### ***All Departments***

Departments work actively on the Sustainability Teams and in their daily business as well as operating responsibly in all towards sustainability-accountability business fields.

### ***Subsidiaries***

Sustainability Coordinators were appointed at “Österreichischer Exportfonds” GmbH and at Oesterreichische Entwicklungsbank AG. As of 12 September 2015, when the CSD business was spun off from OeKB and the OeKB CSD GmbH was formed, this subsidiary has also been integrated in the sustainability management system.

## Social licence to operate

The companies in the OeKB Group affect business and society in many diverse ways. Their services contribute significantly to the financial stability and the economic resilience of the Austrian market. The portfolio ranges from financing and government-backed guarantees to credit insurance in the private-sector market, to numerous other services on the financial and energy markets as well as the provision of research. In its core business, OeKB provides services for different areas of activity:

- For the export industry, through guarantees of the Republic of Austria and financing for export transactions and cross-border investment activities which even strengthen the ability of comparatively small/medium-sized companies to compete globally. This, in turn, helps generate prosperity both in Austria and in the countries receiving the exports and investment.
- For capital markets, OeKB Group makes an important contribution to establishing a perfectly tuned market in Austria, by providing infrastructure. Examples of this are the OeKB subsidiary OeKB CSD GmbH as a central securities depository, and the CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, run as a joint venture with the Vienna Stock Exchange, which acts as the domestic central counterparty. Furthermore, as a provider of IT services and information broker, and as the agency responsible for Austrian government bond issues (using an electronic auction process).
- As a knowledge broker OeKB provides clients with high-quality research services in the form of studies and by conducting analyses on the development of new business areas, the choice of business location and evaluation of the feasibility of international projects.

## Materiality analysis

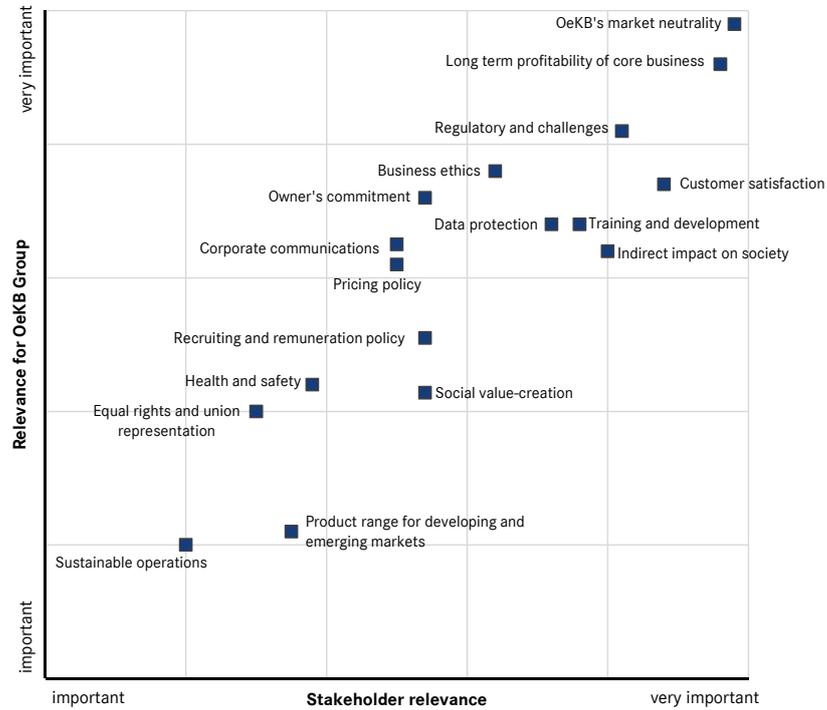
With the introduction of the fourth version of the Global Reporting Initiative's (GRI G4) Sustainability Reporting Guidelines, the assessment of report-content changed. What makes a report comply with GRI is no longer the inclusion of the greatest possible number of indicators, but coverage and analysis of the most relevant topics, based on a review of their materiality. The materiality analysis is performed on 'aspects' identified using the GRI structure.

The top-level principles applied in defining the report content are sustainability context, materiality, stakeholder inclusiveness, and completeness. On the next level down, the categories 'environmental', 'economic', and 'social' are used. The social category is subdivided into product responsibility, labour practices and decent work, and human rights. Each of these categories includes a number of indicators that relate to various aspects. For example, the indicators 'waste', 'water' and 'emissions' fall into the environmental category. This list forms the starting point for the analysis which a company can use to assess whether an aspect may be internally and externally relevant to the company's business activities and therefore material.



G4-18, 20, 21, 24, 25, SO1,  
DMA

### Materiality Matrix - important to very important



### Procedure followed



In order to get a balanced picture of materiality in all its facets, the guidelines of the Global Reporting Initiative were enhanced by adding the *Capitals* of the <IR> Framework of the International Integrated Reporting Council (IIRC; [www.theiirc.org](http://www.theiirc.org)) and the *Issues* of the Sustainable Accounting Standards Board ([www.sasb.org](http://www.sasb.org)).

In a workshop presented by Ernst & Young, OeKB Group staff identified the key stakeholders (listed below, in alphabetical order):

- The Austrian Federal Ministry of Finance, as the guarantor of export guarantees and credits
- Clients
- Investors
- Non-governmental organisations (NGOs), the general public, the media
- The owners of OeKB
- Regulators/Legislators
- Staff

The following topics and aspects were viewed as being material, the numbering reflects the ranking in the materiality-matrix.

## List of materiality <sup>1</sup>

Topics and aspects	GRI KPIs (G4)	OeKB implementation
1.) OeKB's market neutrality		Letter from the Executive Board, social licence to operate
2.) Long-term profitability of OeKB's core business	G4-9, G4-13, FS7, FS8, SO1, SO2, HR9	Services that benefit the environment and society
3.) Regulatory challenges	Not directly covered by GRI KPIs, comprises e.g. BASEL III etc.	BASEL III
4.) Business ethics	G4-56, G4-57, G4-58, SO3, SO4, SO5, SO7, SO8, EC4	Provisions regarding corruption prevention and violations of competition law, Code of Conduct
5.) Customer satisfaction	PR5	Customer satisfaction and customer care
6.) Owners' commitment	FS 11	Assets subject to environmental and social screening
7.) Data protection	PR8	Violations of the Austrian Data Protection Act, Code of Conduct
8.) Training and development	LA9, LA10, LA11, HR2, SO4, FS4	Employee training, programmes for skills management and career development. Training on anti-corruption policies, improvement of employee competence
9.) Corporate communications	G4-24, SO1, SO11, LA16, HR12, FS5	Complaints mechanism, interaction with customers, investors, business partners
10.) Indirect impact on society and the environment - environmental assessments	EC8, EN27, FS1, FS2, FS3	Significant indirect economic impacts, impact mitigation of environmental impacts and services, OECD Guidelines MNE, impacts on society and the environment in the course of environmental assessments
11.) Pricing policy	FS15	Policies to promote fairness in designing and selling financial products and services
12.) Recruiting and remuneration policy	G4-10, LA1, LA2, LA3, EC3	Social benefits, pension plans, Code of Conduct
13.) Health and safety	LA5, LA6	Health and safety committees, occupational health problems and accidents
14.) Social value-creation	EC 1, EC7	Business model of OeKB Group
15.) Equal rights and union representation	G4-11, LA12, LA13, HR3, HR4	Composition of governance bodies, ratio of basic salary of women to that of men, action taken concerning incidents of discrimination
16.) Product range for developing and emerging markets	G4-8, FS6, FS7, FS8, FS13, FS14	Services that benefit the environment and society
17.) Sustainable operations	EN3, EN4, EN5, EN6, EN8, EN15, EN16, EN17, EN19, EN23, EN30, FS9	Ecology in ongoing operations

<sup>1</sup> For the indicators for the Financial Sector (FS) see GRI-Index.

The analysis at hand only includes the most material aspects and is not a comprehensive summary. Therefore, the Group's own physical operations ('operational ecology') are inherently less significant and consequently not classified as material. Having said that, operational ecology features are in the matrix because of OeKB's commitment to EMAS as a long-standing management-backed practice and the effect it has of raising employee awareness of what is material.

*Analysis*





#### AUSTRIA BENEFITS

OeKB has been a bedrock of Austria for the last 70 years. Foreign trade, the capital market, energy market and the Republic of Austria all benefit from its expertise. As do all of Austria's citizens.

# Six areas of expertise that make Austria stronger.



## Financing foreign trade

Through clients' own banks, companies of all sizes which export and invest abroad benefit from low interest financing from OeKB. Revolving Credit Facility are provided to SMEs by Exportfonds and to large companies by OeKB. Oesterreichische Entwicklungsbank AG finances projects in developing countries and emerging markets that are developmentally and economically sustainable.



## Insuring foreign trade

For exports and investment abroad, OeKB offers export guarantees by the Austrian government, which protect against the consequences of non-payment while providing access to attractive funding. Acredia Versicherung AG, with its brands 'OeKB Versicherung' and 'PRISMA Die Kreditversicherung.', protects against the consequences of non-payment at home and abroad.



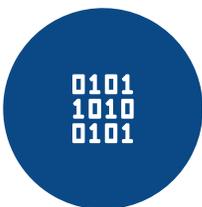
## Servicing the capital market

OeKB Group offers services which are essential before and after any trading on the domestic capital market: From ISIN allocation and registration pursuant to the Capital Market Act to Clearing & Settlement, data services and the holding of Government Bond Auctions.



## Servicing the energy market

The liberalised energy market benefits from OeKB's decades of experience in financial clearing and risk management.



## Managing IT and processes

Streamlined processes as well as a secure IT infrastructure and IT solutions at OeKB ensure that all services remain efficient and reliable.



## Research and analysis

Sound knowledge and clear analysis are the cornerstones of important decisions and services from which the entire country benefits.

# Business model of OeKB Group

As a central service provider for the Austrian credit industry, OeKB sees its role as strengthening Austria's competitiveness in a global environment. It fulfils its remit by using economically-relevant services to support the Austrian export industry, the domestic capital market, the commercial banks and the Republic of Austria.



G4-2, 4, EC1, EC8, FS5

OeKB provides its services impartially across sectors. It carries out this role so responsibly and professionally that it is regularly entrusted with new tasks in the interest of the Republic.

OeKB is the second-largest Austrian issuer on the international capital markets, after the Republic of Austria. Its bonds serve the refinancing of the Export Financing Scheme.

Where OeKB, for strategic or practical reasons, does not offer central services itself, it advocates the carrying-out of these tasks by its subsidiaries. OeKB's Export Services are complemented by the specialised SME-financing credit institute "Österreichischer Exportfonds" GmbH, the 'Oesterreichische Entwicklungsbank AG' (development bank of Austria) and the private insurance company 'Acredia Versicherung AG'.

The significant holdings in the field of Capital Market Services are the 'CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH' and the 'OeKB CSD GmbH'.

## Business model

Core business	Effect on the consolidated statement of comprehensive income	How the OeKB Group creates long-term value
Financing	Interest and similar income	Working through the Export Financing Scheme, OeKB provides exporters with financing (via their own bank) for exports and direct investments abroad. Exportfonds makes revolving credit facilities available to small and medium-sized exporters. OeEB offers long-term loans, equity investments and non-financial support for private enterprises in developing and emerging economies.
Funding operations	Interest and similar expense	To fund its operations, OeKB taps international and domestic financial markets by issuing bonds, tailor-made private placements, structured medium-term notes (MTNs) and short-term money market products, and also obtains loans.
Credit insurance	Net fee and commission income	Export guarantees of the Austrian federal government (guarantees and avals) reduce risks for exporters and outbound foreign direct investors. OeKB has the mandate from the federal government to offer and manage the export guarantees.
Capital Market Services	Net fee and commission income	OeKB's Capital Market Services include: - Provision of financial data and analytical metrics - Process and IT solutions for the investment fund industry - Auction agent for Austrian government bonds  OeKB CSD Services include: - Custody and administration of securities - Consulting and processing services for issuers
Energy Market Services	Net fee and commission income	Services provided to the power and gas balancing energy market, to Energy Exchange Austria, to the clearing and settlement agent for green electricity, to the spot energy market and for carbon emission trading
Other services of OeKB Group	Other operating income	Economic & Business Research, OeKB CEE Business Climate Index, Online Press Review, SWIFT Access Service, Balance Sheet Data Transfer system for electronic sharing of accounting data
Services of other subsidiaries	Other operating income	IT services
	Share of profit of joint ventures	Acredia Versicherung AG with its brands 'PRISMA' and 'OeKB Versicherung' serves customers by performing credit analysis of their business partners and insuring receivables against the risk of buyer insolvency. Credit insurance for sales of goods and services is provided in western industrialised countries and domestically in Austria, but especially in emerging economies.
<b>Operating income</b>		
	Staff costs	Employees as the most crucial asset in the provision of services
	Other administrative expenses, and amortisation, depreciation and impairment	Cost-conscious investment in IT systems and infrastructure to give customers the very best service
<b>Administrative expenses</b>		
	Income tax	Tax expenses consist of current and deferred tax
	Dividend	Dividend payments to the owners of OeKB
<b>Retained earnings</b>		To strengthen the capital base for the further development of the business

The relevant indicators can be found in the appendix of the Consolidated Financial Statement in note 6 'Consolidated statement of comprehensive income' as well as in note 24 'Capital and capital management'.

## Financing

OeKB Group offers the Austrian export industry many financing options for its exports and investments abroad. In the Export Financing Scheme, assuming appropriate security is provided, OeKB makes attractive financing terms available via the exporter's bank.

For small and medium-sized businesses, Exportfonds provides revolving credit facilities. Oesterreichische Entwicklungsbank, the development bank, finances investments of private sector companies in developing and emerging economies, without being restricted to projects with Austrian content.



Detailed statistics regarding OeKB's Export Financing Scheme are provided in the **OeKB Export Services Annual Review**, <https://reports.oekb.at/es-jb-2015-en/>

### OeKB's Export Financing Scheme (EFS)

The credits to banks require a guarantee. The guarantee must conform with the provisions of the Export Financing Guarantees Act. Sustainability aspects are considered mainly in connection with issuing of the guarantees. In addition, both the rights arising from the guarantees and the underlying receivables (export or other receivables) typically must be assigned as security.

#### Requirements

OeKB's Export Financing Scheme is a funding source available to domestic and foreign credit institutions. These institutions must meet OeKB's creditworthiness criteria. They also need to fulfil the legal requirements regarding the transactions to be financed and satisfy OeKB's standard conditions for uniform financing procedures. The latter applies particularly to collateral management.

In issuing credits under the Export Financing Scheme, OeKB observes the applicable guidelines, directives and regulations of international agreements of the Organisation for Economic Cooperation and Development (OECD), the EU and the Berne Union.

#### International environment

### Financing on commercial terms

The financing for banks' supplier and buyer credits and investment loans is extended at variable and fixed interest rates. OeKB sets the variable interest rate for one calendar quarter at a time, based on its own average cost of funding itself in the market. In 'tranche financing' (which combines a shorter-term and a longer-term loan tranche), the floating-rate portion of the credit is repaid first; the fixed interest rate is applied to the longer-term portion of the facility.



The current interest rates of the Export Financing Scheme can be viewed at [www.oekb.at/en/export-services/financing/interest-rates](http://www.oekb.at/en/export-services/financing/interest-rates)

OeKB also offers floating-rate-only financing of non-revolving supplier and buyer credits and investments. These are priced at 3-month or 6-month EURIBOR plus a term-dependent margin.

Financing for exports and direct investments is also available in foreign currency at variable and fixed interest rates. Supplementing this, fixed-interest foreign currency financing for supplier credits is offered on a CIRR basis.



The current CIRR rates can be found online at [www.oecd.org/tad/xcre d/cirrs.pdf](http://www.oecd.org/tad/xcre d/cirrs.pdf)

## Concessional financing for certain projects (soft loans)



EC8, FS7, FS8

Individual transactions can be financed on concessional terms (i.e. with soft loans). This is subject to the relevant provisions of the OECD Arrangement and to the approval of the Export Financing Committee. Soft loans are made possible by official support from the Austrian public sector. Federal funds used for this purpose are categorised as payments under Austria's official development assistance.

The projects financed on concessional terms are intended to contribute to economic growth, and thus to sustainable development, in the recipient countries. In evaluating projects as to their eligibility for soft loans, sustainability criteria are given special attention. Examples of soft loan financing are projects in the areas of infrastructure, drinking water and wastewater, education and healthcare. All such projects include extensive training of the staff involved. Sustainable use is assured through stringent requirements and accompanying monitoring.



The eligibility criteria for soft loans and the financing terms can be found online at

[www.oekb.at/en/export-services/financing/soft-loans](http://www.oekb.at/en/export-services/financing/soft-loans)

Advantages for the Austrian companies include support in entering new markets in developing and emerging countries, and a stronger competitive position through the availability of lower-cost financing. As well, the implementation of such reference projects can lead to additional, commercially financed projects and strengthen the vendor's local market position. In the year under review, soft loans were extended predominantly for projects in Asia, the Western Balkans and in Africa.

## Developments in products and services in 2015/2016



For the WAL calculator (weighted average life) see

[www.oekb.at/en/export-services/financing/interest-rates](http://www.oekb.at/en/export-services/financing/interest-rates)

Since January 2016, in the case of Euro-financing of supply and purchase credits as well as of investments, the interest conditions are ascertained on the basis of the weighted average life (WAL) of the refinancing credit. As a consequence, the refinancing is even simpler, more standardised and more strongly orientated to market practices. In this way, the attractiveness of the Export Financing Scheme has been further enhanced. The export industry and its banks have reacted extremely positively to this innovation and like the clear and easy online calculator on our website.

In 2015, to promote and expand financial cooperation, framework agreements were renewed with Kosovo and Vietnam.

The project preparation programme, soft loan, has been extended to the end of 2016. After the announcement of this extension, four new enquiries were made in 2015. Two of these studies were authorised by the Federal Ministry of Finance and are near completion.

## Business in 2015

At the end of 2015, the programme was in use by 67 banks and served 948 exporters through about 2,700 export credits.

In the Export Financing Scheme at the end of the year, there were outstanding total lending commitments (including conditional commitments) of € 21,369 million (2014: € 22,087 million). Of this total, € 18,373 million or 86.0% was drawn (2014: € 19,587 million or 88.7%).

Total outstanding lending commitments, including conditional commitments, thus decreased by € 718 million or 3.3% from 2014. Disbursements fell by € 1,214 million or 6.2%. The outstanding loan agreement with the longest term expires in the year 2046.

For 2016, credit disbursements in the Export Financing Scheme are expected to remain unchanged.

Since the OeKB-operated Export Financing Scheme came into existence 56 years ago, a total of € 144.3 billion of credit has been disbursed to the Austrian export industry and banking sector, and credit repayments of € 123.1 billion have been received.

### OeKB's Export Financing Scheme

As at	2013	2014	2015
Number of banks/exporters involved	67 / 1.000	68 / 934	67 / 948
Number of export financing contracts outstanding (rounded)	3,000	2,800	2,700
<b>€ million</b>			
Total lending commitments (i.e., financing contracts and conditional commitments) outstanding at 31 December	24,632	22,087	21,369
Financing contracts outstanding at 31 December	24,377	21,848	21,108
Disbursements outstanding	22,031	19,587	18,373
New commitments issued	5,124	3,173	5,007
New conditional lending commitments issued	177	158	369
Loan funds disbursed	4,724	2,771	4,051
Repayments received	7,520	5,216	5,265
(Decrease) in net loans outstanding	(2,796)	(2,445)	(1,214)
Total funds used under the Export Financing Scheme	31,585	34,882	39,391
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	28,779	26,055	24,314
Total new guarantees issued	8,482	10,585	9,767

### Financing from Exportfonds

Exportfonds (short for “Österreichischer Exportfonds” GmbH) offers revolving credit facilities to small and medium-sized businesses. Clients are able to access these facilities through their commercial bank. The credit is used to finance ongoing export orders and export receivables. As a partner to the client’s bank, Exportfonds can take part of the risk.



Currently, Exportfonds finances more than about 2,000 exporters, many of which have built their market position on innovation and are successful niche players worldwide. In 2015, Exportfonds won 190 new customers, including a number of newcomers to the export industry. At the other end of the spectrum, Exportfonds has been supporting many customers in their export growth for generations. Disbursed loans outstanding at 31 December 2015 amounted to € 1,073,702.00.

Oesterreichische Kontrollbank AG holds 70% of the subsidiary's share capital. The other 30% is held by Wirtschaftskammer Österreich, the Austrian Federal Economic Chamber.

Excluding the management, Exportfonds had 14 employees as of December 2015.

  
More on Exportfonds, its  
products and services:  
[www.exportfonds.at](http://www.exportfonds.at)  
(in German only)

Sustainable business practices represent a clear management approach with concrete targets that combines running an economically successful business with accepting social and ecological responsibility. Providing information about corruption prevention on the Exportfonds website helps raise clients' awareness on this issue. By formulating specific goals and participating in OeKB Group's sustainability management strategy, Exportfonds will continue to document its social responsibility for its stakeholders.

## Financing from Oesterreichische Entwicklungsbank AG (OeEB) – development bank of Austria

  
EC8, EC7, SO1, FS14, FS15

OeEB finances investments of private companies in developing and emerging countries. The development bank grants loans at near-market conditions, provides equity capital and enhances the development effectiveness of projects through technical assistance. On behalf of the Republic of Austria, OeEB works to improve living conditions for people in developing and emerging countries.

The bank's projects are located in developing countries and emerging markets, where companies often lack access to needed capital. Demand is high both for credit and equity financing. Investing in these projects creates jobs, contributes to higher tax revenues and brings foreign currency inflows to the target countries.

  
More about OeEB, its  
products and services:  
[www.oe-eb.at](http://www.oe-eb.at)

2015 was marked by dynamic growth and, also as a result of intensified project acquisition activities, the year brought many requests for financing, with a number of deals signed by OeEB. OeEB's growth was accompanied by organisational adjustments.

At the end of December 2015, OeEB had 40 employees (excluding the Executive Board). The total transaction volume (based on contracts signed) was approximately € 235.41 million. Profit for the year was € 6.11 million. After transfers to reserves, unallocated profit for the year amounted to € 130 thousand.

OeEB has share capital of € 5 million, which is entirely held by OeKB. OeEB focuses on its immediate core activities: the identification, structuring, implementation and management of eligible projects. All support functions, such as accounting, IT, human resources administration, internal audit and asset management have (with the approval of the Financial Market Authority) been outsourced to OeKB on a paid basis. The resulting lean organisation is conducive to a high level of efficiency.

As sustainability is a prerequisite for OeEB's core business, it has been covered by the sustainability management strategy of OeKB Group since its establishment. Sustainability is a clear strategic aim in OeEB's external business. Internally, regular team meetings give staff the opportunity to discuss day-to-day issues, including sustainability topics, with OeEB's Executive Board.

## Renewable energy and energy efficiency

More than two billion people in developing countries do not have access to modern energy services. Yet such access is indispensable as a basis for economic development. In its financing decisions, OeEB thus favours renewable energy projects, among others.



FS8

An example is the financing of the largest wind farm in Central America – Penonomé in Panama. More than half of Panama's electricity is generated from hydropower plants, making the power sector vulnerable during the dry season. During these bottlenecks, the country depends on fossil fuels which not only have negative impacts on the environment but also need to be imported at high cost.

*Wind farm in Panama*

The Penonomé wind farm - around 100 km south of Panama City – is expected to generate 448 GWh of energy per year, equivalent to around 5 percent of the country's total energy demand. This helps improve the energy supply during the dry season and contributes to reducing CO<sub>2</sub> emissions.

OeEB is contributing USD 25 million to the construction of the Penonome wind farm.

Many emerging countries also have a high potential for conserving energy. Providing funds to finance energy efficiency measures helps utilise this potential. OeEB, for example, signed a long-term credit line of USD 15 million to ProCredit Bank Georgia. These funds will also be used for financing energy efficiency measures. OeEB also supported ProCredit Holding in introducing financing for renewable energy and energy efficiency as a bank product. As part of this, employees received additional training to ensure that the financing facilities are used effectively.



[www.oe-eb.at/en/projects](http://www.oe-eb.at/en/projects)

## Financing for micro, small and medium-sized enterprises

Since OeEB's founding in 2008, microfinance has been part of the bank's toolkit for improving access to financial services in developing countries. To be sure, microfinance is not a panacea for poverty. However, when taken beyond mere lending and viewed also as an opportunity for building savings and obtaining insurance, microfinance makes a valuable contribution to sustainable development in the financial sector.



FS7, FS13

It is critical for the success of small-loan programmes that the credits are granted responsibly and that customers are protected from accumulating excessive debt, through transparency in the microfinance sector. In order to instill these principles and good practices in the local financial institutions, funds from the 'Advisory Programmes' are used to provide training.

Micro loans make it possible for many people to build up their own small businesses. Micro, small and medium-sized enterprises (MSME) are often the backbone of the economy – especially in many developing countries. OeEB thus not only invests in funds that provide microfinance but also funds that support the development of SME's. An example is OeEB's equity participation of USD 5 million in Ascent Rift Valley Fund.

This fund provides SME's in East Africa with equity capital and thus facilitates new investments. For example, in 2015, Ethiopia's most significant medical laboratory, ICL Medpharm, was co-financed with funds provided by Ascent Rift Valley: The high-quality laboratory makes an important contribution to the healthcare sector in Ethiopia. ICL now provides services not only in Addis Ababa but also in other regions of the country.

## Funding operations – OeKB as an issuer on capital markets

OeKB's bonds are unconditionally and explicitly guaranteed by the Republic of Austria and are rated Aaa/AA+ by Moody's and Standard & Poor's, with short-term debt rated P1 and A1+, respectively.

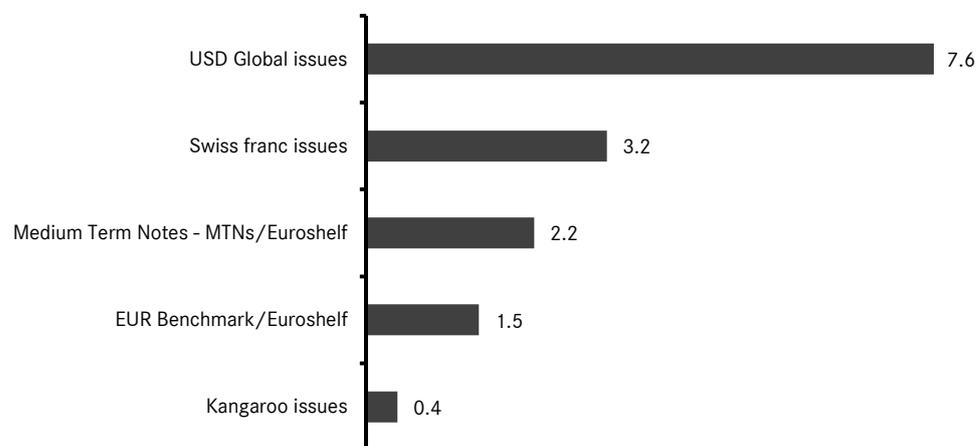
OeKB funds itself on international and domestic financial markets through the issuance of

- global bonds,
- liquid benchmark transactions,
- private placements,
- medium-term notes and
- short-term money market instruments.

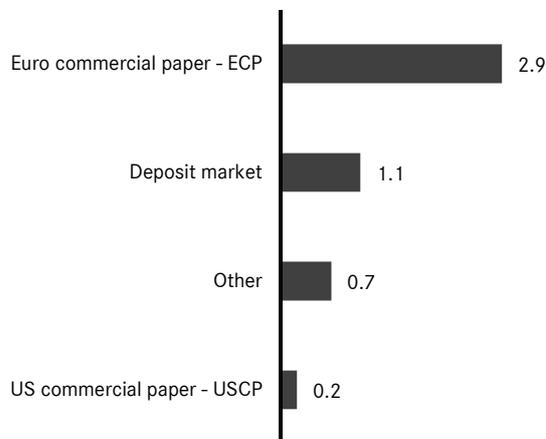
In 2015, long-term transactions totalling € 4.1 billion were placed domestically and abroad. Notable issues were three US dollar global bonds in the amount of USD 3.5 billion and an AUD transaction including three taps totalling AUD 300 million. Other offerings were three increases in a GBP issue totalling GBP 200 million as well as USD private placements amounting to USD 550 million were also made.

### Long-term issuance programmes of OeKB

in € billion at 31 December 2015



**Short-term issuance programmes of OeKB**  
in € billion at 31 December 2015



**Selected transactions of Oesterreichische Kontrollbank AG in 2015**

Oesterreichische Kontrollbank  
Aktiengesellschaft

**USD 1,000,000,000**  
1.375% Guaranteed Global Notes  
due 10 February 2020

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unconditionally and irrevocably guaranteed by the  
**Republic of Austria**

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Deutsche Bank AG, London Branch  
Goldman Sachs International  
HSBC Bank plc

Oesterreichische Kontrollbank  
Aktiengesellschaft

**AUD 125,000,000**  
AUD 75,000,000 (Tap 1)  
AUD 75,000,000 (Tap 2)  
AUD 25,000,000 (Tap 3)  
3.20% Medium Term Notes  
due 25 August 2025

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unconditionally and irrevocably guaranteed by the  
**Republic of Austria**

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Deutsche Bank AG, Sydney Branch  
Royal Bank of Canada  
Commonwealth Bank of Australia

Oesterreichische Kontrollbank  
Aktiengesellschaft

**USD 1,500,000,000**  
0.75% Guaranteed Global Notes  
due 19 May 2017

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unconditionally and irrevocably guaranteed by the  
**Republic of Austria**

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Citigroup Global Markets Inc.  
HSBC Bank plc

Oesterreichische Kontrollbank  
Aktiengesellschaft

**USD 1,000,000,000**  
1.5% Guaranteed Global Notes  
due 21 October 2020

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unconditionally and irrevocably guaranteed by the  
**Republic of Austria**

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Barclays Bank PLC  
Citigroup Global Markets Inc.  
J.P. Morgan Securities plc

OeKB uses derivatives for portfolio hedging and management. This use is subject to the provisions of the European Markets Infrastructure Regulation (EMIR) on OTC derivatives.

## Aggregate exposure limit of € 45 billion and utilisation of € 24.3 billion

In 2015 the Republic of Austria issued guarantees under the Export Financing Guarantees Act for a total principal amount of € 9.4 billion of funds borrowed by OeKB. At the reporting date of 31 December 2015, € 24.3 billion of the € 45.0 billion aggregate exposure limit was utilised by guarantees covering principal amounts and exchange rate risks, compared with utilisation of € 26.1 billion at the end of the previous year.

## Credit insurance

OeKB Group is partner to the Austrian export industry. Its comprehensive portfolio of products and services helps Austrian exporters succeed in international markets. By going through OeKB Group, financial risks can be minimised using export guarantees of the Austrian government and private export credit insurance.

The OeKB Group companies thus play an important role in the maintenance and expansion of a competitive Austrian economy. This contributes to the improvement of Austria's current account balance and helps protect Austrian jobs.

Its systemic significance to the economy brings with it a particular obligation for OeKB Group to exercise responsibility for its actions. This responsibility extends beyond the national border. Export credit agencies like OeKB, have a clear obligation to be mindful of sustainable development, human rights, democracy and environmental issues in the target regions. These aspects are key criteria in the evaluation of applications for federal government guarantees for exports and direct investments abroad.

## Management of Austrian federal government guarantees by OeKB



Detailed statistics are provided in the **OeKB Export Services Annual Review**, <https://reports.oekb.at/es-jb-2015-en/>

Since 1950, OeKB has been a solid partner to the Republic of Austria and the Austrian export industry. As the agent of the Republic of Austria, OeKB provides guarantees for export sales and Austrian direct investment abroad. The export guarantees are limited to non-marketable risks. Cover for marketable risks is available from private export credit insurers. The guarantee system is based on the provisions of the Export Guarantees Act and the respective regulations issued by the Federal Minister of Finance.



More information on OeKB's Export Services is available at [www.oekb.at/en/export-services](http://www.oekb.at/en/export-services)

The guarantees for the cover of political and commercial risks, along with the use of avals (guarantees by endorsement of bills of exchange), give customers access to the Export Financing Scheme. The EFS greatly facilitates the low-interest financing of exports and outward foreign direct investment.

Guarantees are issued in compliance with the guidelines, directives and regulations of international agreements of the OECD, the EU and the Berne Union.

## International cooperation

In today's globalised economy, many large projects are made possible only by the collaboration of partners from several countries. In recent years OeKB has woven a dense network of cooperation agreements with other export credit insurers and financial institutions. This facilitates the provision of one-stop insurance and financing for such complex multisourcing projects.

Since autumn 2015 the Belarussian export credit agency Eximgarant numbers among these. The aim of this collaboration is to intensify economic cooperation between Austria and Belarus and to facilitate the realisation of joint projects in other countries.

The cooperation with other export credit agencies is deepened by means of regular meetings. At the start of July the traditional trilateral consultations with the partner institutions from Switzerland and Germany took place in Vienna. A similar meeting with representatives of the Japanese export and investment insurance agency Nexi was held in Paris in April.

Since 1954, OeKB has been a member of the Berne Union (International Union of Credit and Investment Insurers). This organisation currently comprises 51 export guarantee and investment guarantee institutions from 41 countries. The aims of the Berne Union are the coordination of international trade terms and the extensive sharing of information between members.

## OECD Guidelines for Multinational Enterprises

OeKB promotes the awareness and application of the OECD Guidelines for Multinational Enterprises. Since 2008, OeKB has been encouraging all guarantee holders and beneficiaries of aval endorsements for foreign investment projects to become familiar with this important instrument for the promotion of responsible business and to observe it in their international activities.

The latest update, in 2011, brought major advances in this comprehensive code of conduct and in the associated recommendations for responsible business practices.

## Environmental and social responsibility

OeKB's operations are based on the Export Guarantees Act, serve the competitiveness of Austrian enterprises and support Austria as a business location. Any application by a company for federal guarantees will be examined by OeKB based on various risks. Then a proposal is created to be submitted to the advisory committee in the Ministry of Finance for the final decision.

OeKB is bound under the Trust Deed to accept all requests for review, apart from those based on the War Material Act and the Safety Control Act, and, therefore, cannot define its own exclusion criteria.

OeKB's clients are active worldwide. All applications undergo a human rights screening. Based on this, further screening depth is set for environmental and social criteria. Depending on the transaction size and duration, the screening is carried out under the applicable OECD rules/framework. The majority of applications will be analysed according to the 'watchful eye' principle.



See

[www.en.bmfwf.gv.at/  
ExternalTrade/Investment\\_Policy/Seiten/  
OECD-Guidelines-for-Multinational-Enterprises.aspx](http://www.en.bmfwf.gv.at/ExternalTrade/Investment_Policy/Seiten/OECD-Guidelines-for-Multinational-Enterprises.aspx)



For more go to  
[www.oecd.org](http://www.oecd.org)



G4-14, EN12, HR9, EC8,  
SO1, SO2, FS2, FS3



For more on the environmental and social impact assessment, the 'Common Approaches' and projects, visit [www.oekb.at/en/export-services/transparency-compliance-environment](http://www.oekb.at/en/export-services/transparency-compliance-environment)

The assessment procedure divides projects into different categories, depending on the size of the project's potential impact.

Large project financing category A and sometimes also category B projects will be accompanied during the export service process by monitoring, which is carried out for sensitive sites and/or sensitive sectors. In most cases, these are the sectors iron/steel, hydropower, pulp and also so-called greenfield projects, i.e. the construction of new buildings instead of extensions of existing installations.

During the construction period and for the duration of OeKB's involvement this monitoring is carried out at regular intervals.

### Environmental impact assessments

	2013	2014	2015
Category A	12	14	6
Category B	16	12	4
Category C	10	12	10
Category E	1	3	3
<b>Total</b>	<b>39</b>	<b>41</b>	<b>23</b>

#### Sectors

Power station, thermal	3	3	-
Power station, hydro-electric	9	13	4
Other forms of renewable energy	1	2	1
Refinery (oil, gas)	1	-	-
Chemicals (synthetics)	1	-	-
Paper & pulp	-	3	1
Engineering	1	-	-
Iron & steel	9	6	4
Drinking water, waste water	2	1	-
Traffic	-	1	-
Agriculture, timber	3	2	-
Transport infrastructure	3	2	2
Miscellaneous <sup>1</sup>	6	8	11
<b>Total</b>	<b>39</b>	<b>41</b>	<b>23</b>

<sup>1</sup> Miscellaneous: medical-technical equipment (3), health (2), telecommunications (1), tourism (1), transportation (1), other (3)

### Project example: USA - supply of a direct-reduction plant

<b>Project Category</b>	A
<b>Type of goods/project</b>	Services and supplies for the construction of a direct-reduction plant/gowest
<b>Beneficiary</b>	KfW IPEX-Bank GmbH
<b>Project country</b>	USA
<b>Loan period</b>	8.5 years
<b>Date</b>	21 September 2015 (UW782)

The main purpose of this direct reduction plant near the Texas port of Corpus Christi is the conversion of iron ore pellets to sponge iron. Half the volume produced is destined for Austrian Voestalpine locations, the remainder is sold on the world market.

The environmental technology used corresponds to the best available technology, and results in dust and sludge recycling. The facility has a contactless seawater cooling system, three closed cooling circuits and is supplemented by voluntary environmental investments, such as a fully decked iron ore pellet store and the aforementioned recycling.



Detailed information on other projects is available at [www.oekb.at/en/export-services/projects](http://www.oekb.at/en/export-services/projects)

## **Business in 2015**

Growth in Austrian exports increased slightly in 2015 on the previous year. In total, Austrian exports rose by about 3.0% from 2014. At the same time, outward foreign direct investment by Austrian companies was rather subdued and looked like it would remain so.

In 2015 the total value of new guarantees was below the level of the previous year. The main reasons were sluggish investment across the board and, in particular, in the BRIC countries, which are the traditional markets in our business. The decline in new guarantee contracts was more noticeable than in new aval endorsements. This is a result of the events in Ukraine and the ongoing tensions in the Middle East and North Africa.

Against this backdrop, the number of guarantee and aval holders serviced in the export guarantee system at the end of the year under review remained steady at about 1,100.

At the beginning of 2015 a team of Export Services consultants was established to counter this development. Its aim is to attract new customers by mainly going out, visiting SME's, regional banks or appropriate institutions and advising them on all OeKB Group's services to the export industry.

## **Economic situation**

### **Aggregate exposure limit of € 50.0 billion, with utilisation of € 25.9 billion**

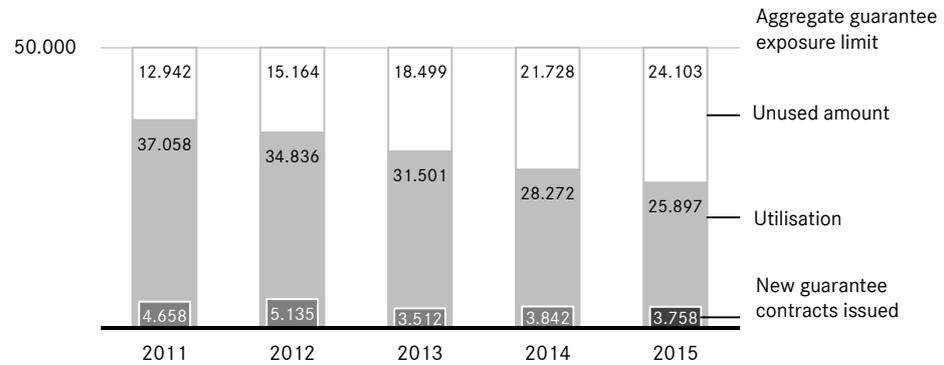
With an exposure limit of € 50.0 billion (the limit on the aggregate liability) under the Export Guarantees Act, actual exposure at 31 December 2015 from outstanding guarantees amounted to € 25.9 billion, representing 51.8% utilisation. This compared with actual exposure of € 28.3 billion or 56.5% one year earlier. Utilisation thus decreased by € 2.4 billion or 8.4%. The outstanding guarantee with the longest term covers a credit period ending in the year 2040.

The amounts include debt rescheduling guarantees for 13 countries totalling € 308 million at 31 December 2015 (2014: € 391 million).

### Utilisation of the guarantee exposure limit

at 31 December 2015

in € million



### € 3.8 billion of new guarantees issued

In the year under review, 738 new guarantees (guarantees, aval endorsements, and guarantees issued for OeEB) with a total value of € 3.8 billion were issued by the Republic of Austria under the Export Guarantees Act (2014: 676 new guarantees with a total value of € 3.8 billion). The credit management and administrative processing of the guarantees were provided by OeKB, as the agent of the Austrian government.

### Claim payments and premium income

Premium and interest income in 2015 totalled € 165 million. The Republic of Austria made gross claim payments (including those under guarantees for debt rescheduling agreements) in the amount of € 81 million. Recoveries amounted to € 58 million. A total of € 40 million was written off by the Republic of Austria in 2015 as unrecoverable.

The level of premium income, in harmony with international premium regulations, is intended to cover losses and administrative costs in the long term. This enables the guarantee system to be self-supporting.

In 2015 OeKB achieved a surplus of € 142 million of guarantee programme income over net costs.

## Guarantees of the Republic of Austria under the Export Guarantees Act

	2013	2014	2015
Number of holders of outstanding guarantees (rounded)	1,100	1,100	1,100
Number of guarantees in place	3,657	3,502	3,509
Number of new guarantee contracts issued	811	676	738
<b>€ million</b>			
Aggregate guarantee exposure limit, at 31 December	50,000	50,000	50,000
Utilisation of the guarantee exposure limit, at 31 December	31,501	28,272	25,897
New guarantee contracts issued	3,512	3,842	3,758
New conditional commitments (new guarantee offers for prosp. underlying transactions)	1,861	2,399	1,855
Premium and interest income	207	191	165
Gross claims paid by the Guarantor	122	102	81
Recoveries on claims paid	72	73	58
Amounts written off as unrecoverable (with Maastricht relevance)	21	5	40
Guarantor's recoverable claims, at 31 December	927	952	935
Net interest rate relief granted	2	1	1

## Capital Market Services

OeKB is a neutral, central provider of highly specialised services and infrastructure on the Austrian capital market. Financial service providers, issuers, investors and the Republic of Austria make use of these services.

OeKB upgrades its services in agreement with the Vienna Stock Exchange and the participants on the capital market as well as in coordination with the Federal Ministry of Finance (BMF), the Austrian Financial Market Authority (FMA) and the Austrian Central Bank (OeNB).

### Organisation and administration of Austrian government-bond issues

OeKB is the agent for the issuance of bonds of the Republic of Austria (done by means of auctions). The bond auctions are conducted using ADAS (Austrian Direct Auction System), which was developed by OeKB.

At the end of every year, the Austrian Treasury Agency (OeBFA) announces the expected issuance volume of Austrian government bonds and the auction calendar for the forthcoming year. The auctions are generally held monthly. Besides being issued through the auction procedure, bonds are also issued through a syndicate of banks.

Furthermore, OeKB acts as the paying and calculating agent for government bonds of the Republic of Austria.


  
[www.oekb.at/en/  
capital-market/  
government-bonds](http://www.oekb.at/en/capital-market/government-bonds)

## Austrian Federal Government bonds issued in 2015

Nominal value in € thousand

1.200%	<b>Bundesanleihe 2015-2025/1</b>	4,000,000
	First reopening	855,434
	Second reopening	715,000
	Third reopening	660,000
	Fourth reopening	770,000
	Fifth reopening	715,000
	Sixth reopening	605,000
1.650%	<b>Bundesanleihe 2014-2024/1</b>	
	Seventh reopening	440,000
	Eighth reopening	605,000
	Ninth reopening	495,000
	Tenth reopening	550,000
0.250%	<b>Bundesanleihe 2014-2019/2</b>	
	Second reopening	660,000
	Third reopening	605,000
	Fourth reopening	660,000
	Fifth reopening	574,497
2.400%	<b>Bundesanleihe 2013-2034/1</b>	
	Fifth reopening	495,000
	Sixth reopening	605,000
1.750%	<b>Bundesanleihe 2013-2023/2</b>	
	Eighth reopening	495,000
	Ninth reopening	660,000
3.150%	<b>Bundesanleihe 2012-2044/4</b>	
	Seventh reopening	495,000
3.400%	<b>Bundesanleihe 2012-2022/2</b>	
	Eleventh reopening	605,000
4.850%	<b>Bundesanleihe 2009-2026/2</b>	
	Seventh reopening	527,756
3.500%	<b>Bundesanleihe 2006-2021/1</b>	
	Tenth reopening	627,000
	Eleventh reopening	605,000
3.900%	<b>Bundesanleihe 2005-2020/1</b>	
	Tenth reopening	770,000

## Notification office under the Capital Markets Act

In accordance with section 12 of the Capital Markets Act, OeKB acts as Austria's official notification office. In this capacity it carries out the following legal functions:

- The administration of the new issue calendar showing the securities and investments that will be offered in Austria, based on the notifications to the new-issue calendar. The new-issue calendar is publicly available, free of charge, at <http://meldestelle-online.oekb.at>
- The filing and depositing of prospectuses for securities, investments and funds as well as key investor information documents. The fund documents are also publicly available, free of charge, at <http://meldestelle-online.oekb.at>
- The answering of requests regarding compliance with the formal publication regulations and the supplying of copies of the filed documents. The notification office informs the Federal Ministry of Finance (BMF), the Financial Market Authority (FMA) and the Austrian Central Bank (OeNB) about trends observed in the capital market.
- The centralised collection and publication of data on capital-yields tax (KESt) and EU withholding tax for funds. OeKB publishes the tax data for approximately 39,000 share classes on [www.profitweb.at](http://www.profitweb.at) and automatically passes on this information to banks obliged to deduct capital-yields tax.



[www.oekb.at/en/capital-market/services-az/notification-office](http://www.oekb.at/en/capital-market/services-az/notification-office)



The functions of the notification office are regulated by the following laws:

- the Capital Markets Act (KMG),
- the Investment Fund Act (InvFG),
- the Real Estate Investment Fund Act (ImmoInvFG),
- the Alternative Investment Fund Manager Act (AIFMG) and
- the EU Withholding Tax Act (EU-QuStG).

## OAM Issuer Info

OeKB, in its capacity as the Officially Appointed Mechanism (OAM) under the Austrian Stock Exchange Act, receives both voluntary and legally required data from issuers in electronic format. These documents are saved and made available, free of charge, to market participants and to the public.



<https://issuerinfo.oekb.at>

## Financial Data Services

OeKB provides the Austrian capital market with comprehensive financial data services. As a neutral provider, OeKB not only collects master data and transaction data on domestic and foreign securities, but also on fund prices. Furthermore, OeKB, as an independent agency, calculates performance results for capital investment companies as well as for pension and provision funds.



[www.oekb.at/en/capital-market/financial-data](http://www.oekb.at/en/capital-market/financial-data)

### **ISIN Services**



As the National Numbering Agency (NNA), OeKB on request assigns an International Securities Identification Number (ISIN) to a financial instrument. The ISIN uniquely identifies each financial instrument. The ISIN are available in the ISIN directory at [www.profitweb.at](http://www.profitweb.at) (in German only).

### **Legal Entity Identifier (LEI)**

To be able to uniquely identify market participants worldwide in their financial transactions, the G20 countries introduced a global reference number for companies and funds in 2012.

The LEI is a 20-digit code assigned by so-called Local Operation Units (LOU). Since November 2014, OeKB verifies LEI applications by Austrian registrants, as the service partner to the LEI allocation agency WM Datenservice Deutschland. OeKB thus handles the role of providing customer service in Austria.

### **Securities master data and transaction data**

OeKB maintains databases for Austrian and international securities and other investment vehicles. The data is entered by OeKB, and its up-to-dateness and accuracy are verified by a standardised quality assurance process. 450 data fields specify every Austrian security. 700 fields are available for foreign issues.

### **Portfolio data**



[www.oekb.at/en/capital-market/funds](http://www.oekb.at/en/capital-market/funds)

This service enables fund companies to exchange detailed fund data (particularly data on full holdings) on an automated basis in the international, standardised format FundsXML. The data is made available to business partners, data vendors, investors and regulators.

### **Notification of measures taken concerning funds**

In accordance with the InvFG and the ImmoInvFG, fund management companies are obliged to inform investors about specific measures. So that this duty to inform can be discharged quickly, OeKB, in cooperation with the Association of Austrian Investment Companies (VÖIG), offers the Austrian fund industry a solution with the following functions:



- The conveying of information and provision of documents on fund-related measures via the fund management companies;
- the announcing of the above information on OAM Issuer Info on the freely accessible website <http://issuerinfo.oekb.at> for investors and the public;
- lastly, the targeted forwarding of the information to custodian banks and the respective CSD depositors.

## OeKB CSD GmbH

The OeKB CSD GmbH (OeKB CSD) is a 100% subsidiary of Oesterreichische Kontrollbank AG (OeKB). It was spun off from OeKB in September 2015 and performs the role of central securities depository in Austria.

OeKB CSD's clients are mainly banks and issuers. It conducts its business in close cooperation with the Vienna Stock Exchange and the CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A). Contact with its business partners is generally maintained by means of face-to-face meetings.

OeKB CSD draws on its expertise to support the legislative process and the implementation of EU directives. It provides infrastructure for capital market transactions (from IPO's to AGM's) and thereby supports Austria as a business location. In this way the necessary investments are made possible for the domestic issuers.

Simple and reasonable financing is offered for Austrian companies via the capital market within the legal framework provided. This financing supports the competitiveness of Austrian companies in a globalised environment. At the same time, a functioning domestic capital market secures good jobs.

## OeKB CSD services

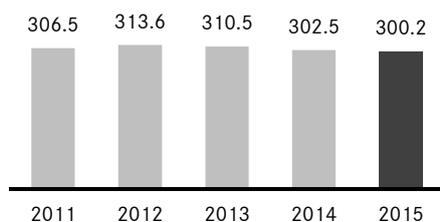
### Notary & safekeeping services

The delivery and registration of securities in OeKB CSD's IT-system are a precondition for being able to settle securities transactions electronically.

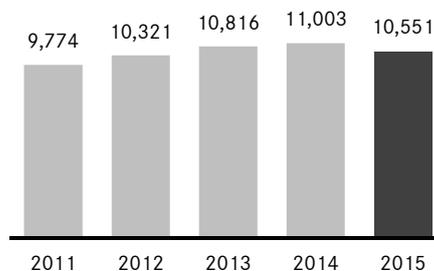
### Accounts & settlement services

The securities delivered are credited to the clients' deposits. A transfer of deposits to OeKB CSD replaces the movement of actual securities certificates. At 31 December 2015 OeKB CSD kept 20,364 categories of securities in safe custody for 93 deposit clients.

**Securities that are quoted in percent of par value**  
in € billion



**Securities that are quoted per unit**  
units in millions

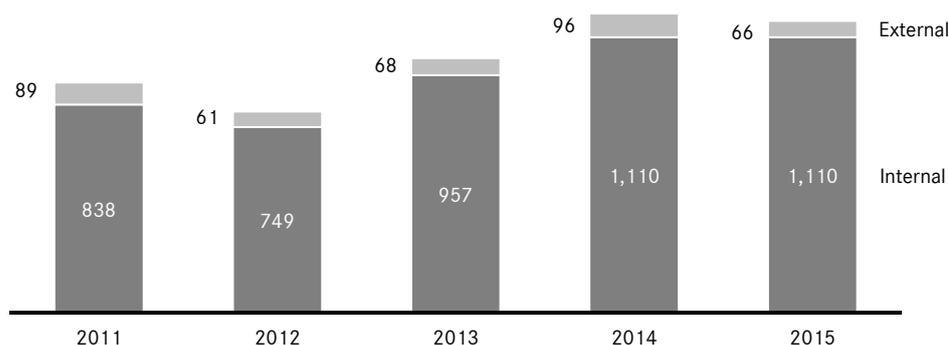


For the settling of off-exchange securities transactions there is the DS.Advanced (DS.A) settlement system. Orders are placed using WebClient or SWIFT. Furthermore, the transaction status is shown on WebClient in real time or forwarded via SWIFT.

In the DS.A system transactions can be settled between two OeKB CSD depositors (transaction type – internal) or between an OeKB CSD depositor and a transaction partner at an OeKB CSD facility (transaction type – external).

### OeKB CSD

Number of transactions settled in thousands



The general collective form of deposit offers the banks which keep deposits at OeKB CSD a high level of efficiency and security in the safe-keeping of securities, thereby saving them time and costs in their in-house deposit business.

### Asset servicing

OeKB CSD takes over all the administrative work which can arise in the course of a complete securities transaction. This includes collection services, and the efficient settlement of outstanding payments in connection with coupon services and redemption for the securities in safe custody at OeKB CSD.

### AGM services

OeKB CSD's AGM services ensure, in a legally correct and technically optimised way, that AGM's can be conducted simply and conveniently. The modular nature of what OeKB CSD offers makes it possible to combine the complete range of AGM services or just parts thereof, such as:

- Organisation of the registration,
- conducting of traditional AGM's,
- state-of-the-art voting technology and electronic remote-voting,
- experienced stage communication with back-office experts,
- teleparticipation or satellite AGM's.

### *Current developments*

As a result of the successful spin-off of OeKB CSD from OeKB in September 2015, in the course of 2016 OeKB CSD will be submitting an application to the Financial Market Authority for the licence in accordance with Regulation (EU) No 909/2014 (CSDR or Central Depository Regulation). Approval in accordance with the CSDR is expected at the end of 2016/beginning of 2017.

A further main focus in 2016 will be the continuation of the Target 2 securities (T2S) project. The aim is to have this paneuropean settlement platform in operation from February 2017.

## Energy Market Services

Since the liberalisation of the Austrian energy market, OeKB, as a central and neutral agency, has been commissioned to conduct financial clearing, risk management and credit rating services by the following companies:

- A&B Ausgleichsenergie & Bilanzgruppen-Management AG,
- AGCS Gas Clearing and Settlement AG,
- APCS Power Clearing and Settlement AG,
- EXAA Energy Exchange Austria,
- OeMAG Abwicklungsstelle für Ökostrom AG.

Moreover, since 2012 OeKB has been providing the European Commodity Clearing AG (ECC) with clearing-bank services, and is an active General Clearing Member (GCM). The ECC is an important European clearing house, which handles settlement for a number of energy exchanges. In its capacity as GCM, OeKB carries out collateral management and the financial settlement of spot trades on selected energy exchanges for non-clearing members (NCM) of the ECC.



More information at  
[www.ecc.de](http://www.ecc.de)

## Other services of OeKB Group

The uninterrupted operation of systems at OeKB Group's data processing centres is the key to reliable processing in securities trading and other services. OeKB Group employs standard software, supplemented by additional application components developed for specific requirements, thereby guaranteeing a high level of performance and flexibility.

The users of the systems have demanding security and uptime requirements. OeKB Group has thus made a name for itself as a provider of IT solutions where these qualities are top priorities. At the same time, the IT operations are contributing to the sustainability of OeKB Group's business through the responsible use of resources.

### SWIFT Access Service



More information in only 2 minutes at [www.oekb.at/SWIFTvideo](http://www.oekb.at/SWIFTvideo)  
(in German only)

With the OeKB Swift Access Service, any company can simplify its payments transfers and securities transactions while, at the same time, saving costs on licence fees, hardware investments and employee training. From simply exchanging SWIFT messages to converting proprietary data formats into SWIFT language - OeKB experts have customised solutions to hand.

### Balance sheet data transfer system



The constantly updated list of all participating banks, along with other information, is found at [www.oekb.at/en/capital-market/services-a-z/pages/balance-sheet-transfer](http://www.oekb.at/en/capital-market/services-a-z/pages/balance-sheet-transfer)

The balance sheet data transfer system, which was developed by OeKB building on initiatives by UniCredit Bank Austria and Erste Bank der oesterreichischen Sparkassen AG, allows certified public accountants, company accountants and self-employed accountants acting on behalf of their clients to submit financial statement data to banks in electronic form. Balance sheets and all-inclusive income statements can be transmitted in standardised XML format.

By way of return service, banks use the balance sheet data transfer system to transfer feedback on analyses (evaluations, key indicators and credit rating). Data structure and technology applied in such an electronic transfer are tailored to requirements for data transfer to the companies register.

In 2015, the number of participating certified public accountants rose to 1,039 (2014: 876).

## Research Services

OeKB Research Services supports its clients' operational management and strategic decisions by collecting and structuring data, providing economic analyses for annual reports and offering news services.



[www.oekb.at/en/research-services](http://www.oekb.at/en/research-services)

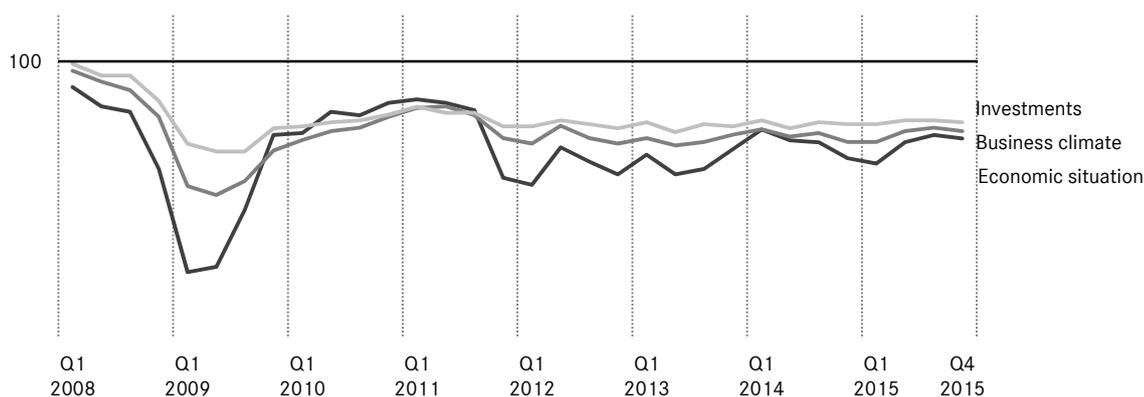
## OeKB Business Climate Index CEE

The OeKB Business Climate Index serves companies, analysts and market observers as an indicator for current and future developments in Central and Eastern Europe (CEE). The focus of the regular surveys is on the experiences, assessments and expectations of globally operating companies concerning economic and business developments in CEE.



More information at  
[www.oekb.at/en/research-services/our-services/oekb-cee](http://www.oekb.at/en/research-services/our-services/oekb-cee)

**Economic situation, business climate, investments;  
CEE overall (Index: Ø 2007 = 100)**



Source: OeKB Research Services  
OeKB CEE Business Climate Index

## Online Press Review

In response to demand, the traditional Online Press Review, which OeKB Research Services has been compiling daily for many years for about 2,500 users in collaboration with APA Austria Presse Agentur, has been expanded to include a tool for the personalised monitoring of international press coverage. The OeKB Research Services media analysis team searches specifically for coverage on the topics chosen by the client and compiles a customised, concise daily news round-up. This can, for example, consist of background on pending court cases or the monitoring of companies likely to experience major problems.



More information at  
[www.oekb.at/en/research-services/our-services/mediaservices](http://www.oekb.at/en/research-services/our-services/mediaservices)

## Services of other subsidiaries

### Private credit insurers - OeKB EH Beteiligungs- und Management AG

OeKB holds a 51% ownership interest in OeKB EH Beteiligungs- und Management AG, a company founded in 2008. The other 49% is owned by Hamburg-based Euler Hermes Aktiengesellschaft. Euler Hermes is the world's largest credit insurance group. The holding company holds 100% of the shares in Acredia Versicherung AG.

### Acredia Versicherung AG



More on Acredia and its services: [www.acredia.at](http://www.acredia.at)

With a market share of about 54%, Acredia is by far the largest Austrian credit insurance company. It markets its products under the same well-established brands as before, 'PRISMA Die Kreditversicherung,' and 'OeKB Versicherung'. The company thus continues to offer a wide range of credit insurance choices for Austrian industry. The merger in 2014 simplified administration, thus facilitating new insurance combinations that pool the strengths of the two brands as needed.

With revenue of € 73 million in 2015, Acredia had an insurance exposure of € 27 billion and employed 180 people at 31 December in the year under review. In addition to its headquarters in Vienna, PRISMA has offices in Linz, Graz, Innsbruck, and Belgrade (PRISMA Risk Services Serbia). Acredia also holds the majority of the shares in PRISMA Risikoservice GmbH. This subsidiary provides most of the insurance company's credit analysis, for which it draws on the information resources of the global Euler Hermes network. This network gives Austrian clients access to information on 40 million companies in more than 50 countries.

In 2015 the preparations for implementing Solvency II, the new European regulatory regime for insurance companies, remained a central priority in the risk management activities of Acredia. The new regulatory framework for Europe, structured in three pillars like its banking equivalent Basel III, came into force on 1 January 2016.

### Services of IT subsidiary, OeKB Business Services GmbH (OeKB-BS)



More on OeKB Business Services GmbH, its products and services: [www.oekb-bs.at](http://www.oekb-bs.at)  
(in German only)

OeKB-BS specialises in the development and operating of secure data-management solutions. Its clients are export-orientated companies, financial service providers as well as the public sector, which value OeKB-BS's technically advanced and highly methodical implementation as well as the possible use of both OeKB calculating centres.

# Financing foreign trade.

*Austrian goods and services are in global demand. Primarily because they are often associated with attractive financing. Which is good for the export-driven economy and for business partners abroad. And good for anyone working for companies in Austria that are active internationally.*



#### **BESPOKE FINANCING**

*OeKB Group provides small, medium and large enterprises with precisely the low interest financing solutions they need in order to grow. From loans for individual projects or investments to Revolving Credit Facility financing and projects which offer substantial added value in terms of development policy.*

# Strengthening the economy. Since 1946.

## Financing foreign trade

The Export Financing Scheme was introduced 56 years ago. Since then, OeKB has enabled companies to benefit from attractive financing based on government liabilities in close collaboration with commercial banks, thereby promoting growth and international success. Through "Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG, OeKB Group is able to finance ongoing export orders and export receivables of SMEs and investments of private companies in developing countries and emerging markets.



1946

**Oesterreichische Kontrollbank AG founded**



1950

**"Österreichischer Exportfonds" GmbH founded**



1960

**Export Financing Scheme introduced**



1964

**First long-term export bonds issued**



1995

**Refinancing based on liabilities of credit insurances**



1998

**OeKB acquires 70% (30% Austrian Economic Chambers) of "Österreichischer Exportfonds" GmbH from the Republic of Austria**



2003

**OLEF introduced as B2B service for banks**



2008

**Oesterreichische Entwicklungsbank AG (Development Bank of Austria) founded**



2015

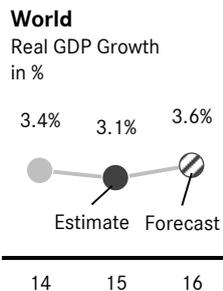
**Web-based reporting tool for banks introduced**

# Annual Financial Report 2015

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# Group management report 2015

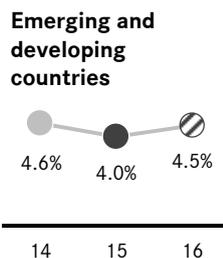
## Economic environment in 2015



Sources: WIFO, EU  
Commission, IMF

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

## Growth slows in emerging and developing economies



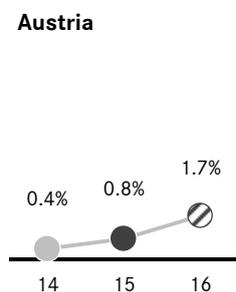
In 2015, growth in the emerging and developing countries lost momentum once again. The IMF estimates a GDP increase of 4%. However, diverging economic trends could be observed between the different world regions. For instance, economic output in the ASEAN states (Indonesia, Malaysia, the Philippines,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

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

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

### Subdued economic development in Austria

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



### Business development in 2015

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

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

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

### Consolidated statement of comprehensive income

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

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

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

#### Net interest income

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

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

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

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

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

**Net fee and commission income**

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

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

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

**Operating profit**

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

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

**Total comprehensive income**

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

## Segment results

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Balance sheet***

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

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

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

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

### ***Financial performance indicators***

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

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

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

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

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

### ***Research and development***

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

### ***Claims for damages***

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

### ***Events after the balance sheet date***

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

## Risk management system

### *System of internal control management*



G4-14, 45, 46

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

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

#### *Control environment*

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

#### *Risk assessment*

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

#### *Control activities*

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

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

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

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

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

### ***Risk management***

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



*G4-2, 14, 45, 46*

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



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

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

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

#### *ICAAP and ILAAP*

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

#### *Key variables used in risk management*

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

#### *Risk appetite*

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

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

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

## **Non-financial performance indicators**

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

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

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

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



For details on the compensation policy, see [Offenlegungsbericht](#) (in German only)

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

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

### OeKB Group's staff <sup>1</sup>

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

<sup>1</sup> Including the fully consolidated subsidiaries OeEB, OeKB CSD and Exportfonds, and employees seconded to Acredia AG.

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

## Outlook for 2016

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

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

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

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

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

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# OeKB Group 2015 consolidated financial statements

## Consolidated statement of comprehensive income

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

## Earnings per share

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

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

## Consolidated balance sheet of OeKB Group

### Assets

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

### Liabilities and equity

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

## Consolidated statement of changes in equity of OeKB Group

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

More information on equity is provided in note 24.

### Consolidated statement of changes in equity 2015

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

### Consolidated statement of changes in equity 2014

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

## Consolidated statement of cash flows of OeKB Group

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

### Consolidated statement of cash flows of OeKB Group

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

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

# Notes on the consolidated financial statements of OeKB Group

## Accounting policies

### (1) General information

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

#### **Special features of the export guarantee system**

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

#### **Special features of the Export Financing Scheme (EFS)**

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

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

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

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

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

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

### **Services for the Capital Market**

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

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

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

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

## ***Changes in accounting methods***

### ***New standards or changes to be introduced in 2015***

#### **Amendment to IAS 19 – Defined Benefit Plans: Employee Contributions**

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

#### **Annual improvements – Cycle 2010–2012**

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

##### **IFRS 2 – Share-based Payment**

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

##### **IFRS 3 – Business Combinations**

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

##### **IFRS 8 – Operating Segments**

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

##### **IFRS 13 – Fair Value Measurement**

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

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

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

#### IAS 24 – Related Party Disclosures

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

### Annual improvements – Cycle 2011–2013

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

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

Only those adopting IFRS for the first time are affected.

#### IFRS 3 – Business Combinations

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

#### IFRS 13 – Fair Value Measurement

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

#### IAS 40 – Investment Property

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

#### IFRIC 21 – Levies

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

### *New standards and interpretations not yet applied*

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

#### *IFRS 9 – Financial Instruments*

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

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

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

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

#### *IFRS 15 – Revenue from Contracts with Customers*

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

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

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

#### *IAS 16 and IAS 41 Amended by Agriculture: Bearer Plants*

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

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

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

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

## (2) Scope of consolidation

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

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

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

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

### (3) Methods of consolidation

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

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

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

### (4) Foreign currency translation

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

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

#### Foreign exchange reference rates at 31 December 2015

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

## Foreign exchange reference rates at 31 December 2014

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

## (5) Determination of fair value

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

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

Significant valuation results are reported to the Audit Committee.

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

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

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

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

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

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

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

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

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

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

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

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

## Segment information

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

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

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

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

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

## Segment performance in 2015

### Results by business segment in 2015

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

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

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

## Results by business segment in 2014

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

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

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

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

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

## Notes on the consolidated statement of comprehensive income of OeKB Group

### (6) Consolidated statement of comprehensive income

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

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

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

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

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

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

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

## (9) Net fee and commission income

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

### Net fee and commission income

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

## (10) Administrative expenses

### Administrative expenses

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

### Expenses for the auditor and affiliated companies

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

## (11) Net other operating income

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

### Net other operating income

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

## (12) Net gain or loss on financial instruments

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

### Net gain or loss on financial instruments

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

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

### Gains on other financial instruments

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

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

## (13) Income tax and other taxes

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

### Tax recognised in profit or loss

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

### Tax recognised in other comprehensive income

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

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

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

### Effective tax rate reconciliation

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

## Notes on the consolidated balance sheet of OeKB Group

### (14) Loans and advances to banks and customers

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

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

The analysis by rating category is presented in note 37.

#### Loans and advances to banks

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

#### Loans and advances to customers

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

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

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

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

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

## **(16) Other financial instruments**

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

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

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

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

## Other financial instruments

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

## (17) Property and equipment and intangible assets

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

Intangible assets comprise only purchased software.

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

### Useful life

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

Depreciation and appreciation are periodically reviewed.

## Property and equipment and intangible assets 2015

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

## Property and equipment and intangible assets 2014

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

## (18) Companies wholly or partly owned by OeKB

### Companies wholly or partly owned by OeKB

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

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

<sup>2</sup> 'UGB' refers to the Austrian Commercial Code.

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

**"Österreichischer Exportfonds" GmbH, Vienna, Austria**

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

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

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

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

## OeKB EH Beteiligungs- und Management AG, Vienna, Austria

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

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

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

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

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

**CCP Austria Abwicklungsstelle für Börsengeschäfte  
GmbH, Vienna, Austria**

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

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

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

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

## (19) Other assets

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

## (20) Financial liabilities

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

### Deposits from banks

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

### Deposits from customers

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

## Debt securities in issue

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

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

## Maturities in 2015/2016

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

## (21) Provisions

### Movement in provisions

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

### Employee benefit provisions

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

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

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

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

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

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

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

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

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

## Movement in non-current employee benefit provisions

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

## Historical information on defined benefit obligation

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

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

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

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

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

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

**Principal assumptions**

	2014	2015
Discount rate	2.40%	2.40%
Salary trend	1.25%	1.25%
Pension trend	1.75%	1.75%
<b>Total trends</b>	<b>3.00%</b>	<b>3.00%</b>

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

**Maturity profile of the non-current pension provisions**

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

**Other current provisions**

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

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

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

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

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

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

## (22) Tax assets and tax liabilities

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

Deferred taxes arose on the following items:

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

## (23) Other liabilities

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

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

## (24) Capital and capital management

### Equity

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

The capital reserves remained unchanged at € 3.3 million.

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

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

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

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

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

## Capital management

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

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

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

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

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

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

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

## Other information and risk report

### (25) Information regarding the statement of cash flows

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

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

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

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

### (26) Analysis of remaining maturities

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

## Residual maturities at 31 December 2015

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

## Residual maturities at 31 December 2014

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

## (27) Subordinated assets

The balance sheet contains no subordinated assets.

## (28) Assets pledged as collateral

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

## (29) Contingent liabilities and commitments

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

## (30) Sundry off-balance sheet obligations

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

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

## (31) Fiduciary assets and liabilities

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

### Fiduciary positions recognised in the balance sheet

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

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

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

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

## (33) Derivative financial instruments

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

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

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

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

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

## Derivative financial instruments 2015

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

<sup>1</sup> Predominantly results from guarantees in accordance with section 1 of the Export Guarantees Act (see note 1)

## Derivative financial instruments 2014

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

<sup>1</sup> Predominantly results from guarantees in accordance with section 1 of the Export Guarantees Act (see note 1)

### Global netting arrangements

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

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

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

## Global netting agreements 2015

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

## Global netting agreements 2014

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

### (34) Fair value of financial instruments

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

Fair values are determined as described in note 5.

#### Fair value at 31 December 2015

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

## Fair value at 31 December 2014

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

## **(35) Risk management**

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

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

### ***Risk policy - key content***

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

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

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

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

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

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

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

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

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

### ***Risk management organisation***

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

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

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

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

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

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

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

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

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

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

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

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

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

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

### ***Risk appetite and approaches to risk control***

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

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

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

### **(36) Internal Capital Adequacy Process (ICAAP)**

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

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

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

### ***Principles of risk measurement and of risk coverage calculation***

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

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

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

### ***Calculating risk-bearing capability and defining limits***

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

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

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

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

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

## Risk coverage calculation of OeKB Group

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

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

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

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

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

## (37) Risk types in detail

### Market risk

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

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

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

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

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

## Interest rate sensitivity gap analysis

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

### Interest rate sensitivity gap analysis at 31 December 2015

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

### Interest rate sensitivity gap analysis at 31 December 2014

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

## Credit risk

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

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

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

### Credit portfolio by rating category 2015

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

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

## Credit portfolio by rating category 2014

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

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

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

### Concentration risks

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

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

## Portfolio-breakdown by country after recognition of the guarantor

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

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

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

### ICAAP EFS and its integration in the Group ICAAP

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

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

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

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

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

### **Operational risk**

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

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

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

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

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

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

### **Other risks**

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

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

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

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

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

### **(38) Liquidity risk management (ILAAP)**

Liquidity risk is:

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

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

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

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

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

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

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

#### Liquidity buffer of OeKB Group

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

<sup>1</sup> Cash reserves reduced by minimum reserves (2015: € 43.9 million, 2014: € 41.1 million) which are not part of the liquidity reserves

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

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

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

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

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

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

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

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

### (39) Staff headcount

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

### (40) Boards' compensation and loans

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

#### Boards' compensation and loans

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

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

#### (41) Other related party transactions

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

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

##### Related party transactions 2015

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

##### Related party transactions 2014

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

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

## (42) Board members and officials

### Members of the Executive Board

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

### Members of the Supervisory Board

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

AGM = Annual General Meeting

### Employee representatives

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

### Government commissioners

under section 76 of the Austrian Banking Act

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

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

### Government commissioners

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

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

## (43) Date of approval for publication

The date of submission of these financial statements to the Supervisory Board for approval is 9 March 2016. Expanded disclosures in accordance with Part 8 of Regulation (EU)



No 575/2013 ('Offenlegungsbericht', in German only) are provided on the OeKB website ([www.oekb.at](http://www.oekb.at)).

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Auditor's Report

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

**Oesterreichische Kontrollbank AG,**

**Vienna, Austria**

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

### *Management's Responsibility for the Consolidated Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

### *Opinion*

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

### *Report on the Management Report for the Group*

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

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

Vienna, 19 February 2016

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by

MARTIN WAGNER

Austrian Chartered Accountant

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

## Statement by the Executive Board

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

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

Vienna, 19 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

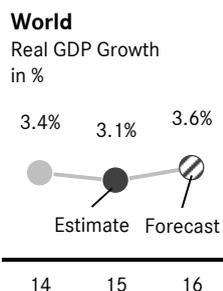
Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Oesterreichische Kontrollbank AG – Management report 2015

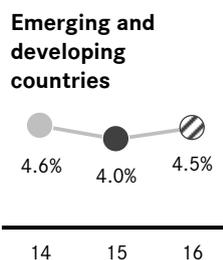
## Economic environment in 2015



Sources: WIFO, EU  
Commission, IMF

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

## Growth slows in emerging and developing economies



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

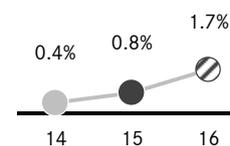
## Diverging trends in economic development in Central, Eastern and Southeastern Europe

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

## Subdued economic development in Austria

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

### Austria



## Business development in 2015

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

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

## Income statement of OeKB

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

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

### Net interest income

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

### Income from securities and investments

<b>Net fee and commission income</b>	<p>Net fee and commission income, adjusted to reflect the spin-off of the central securities depository, increased in Capital Market Services. However, the income from fees for the administration of export guarantees on behalf of the Austrian government declined. OeKB's net fee and commission income in 2015 was € 25,809,682.27 (2014: € 44,663 thousand). The value for the previous year is only partially comparable, as the central securities depository had a net fee and commission income of € 20,145,737.51 in 2014. As a result of the spin-off into the OeKB CSD, incurred net fee and commission income is now attributable to the subsidiary.</p> <p>Net income from financial operations, at € 47,702.14, constituted a slight year-on-year improvement from the 2014 net expense of € 38 thousand.</p>
<b>Other operating income</b>	<p>Other operating income of € 20,645,813.73 (2014: € 11,541 thousand) represented mainly service fees and staff costs (for seconded staff) charged to subsidiaries. The increase compared to the year before is essentially attributable to the new secondment and service contracts with OeKB CSD.</p>
<b>Total operating income</b>	<p>Total operating income was € 114,447,700.66 (2014: € 129,532 thousand).</p> <p>Within administrative expenses of € 68,301,713.00 (2014: € 83,319 thousand), staff costs rose slightly. The release of the pension and termination benefit provisions contributed significantly to the reduction in personnel costs. The drop in material costs mainly resulted from contracts which were transferred to OeKB CSD by way of the spin-off.</p>
<b>Operating expenses</b>	<p>Overall operating expenses, at € 74,991,764.07, were down from the previous year's figure of € 89,720 thousand, as a result of the higher release of provisions noted above.</p>
<b>Operating profit</b>	<p>The operating profit in 2015 was € 39,455,936.59, which is a decrease of 0.9% in comparison to the previous year.</p> <p>In the business year, value adjustments totalling € 60,067.34 were made in loans and advances relating to micro-credits. The depreciation of marketable securities amounted to € 477,289.25.</p> <p>The yields from the release of adjustments regarding loans and advances amounted to € 12,700,000.00 (2014: € 25,400 thousand) and were driven by the reversal of impairment losses under section 57 of the Austrian Banking Act, which are no longer eligible as regulatory capital under the Capital Requirements Regulation (CRR). The profits from marketable securities were € 2,269,414.62.</p> <p>The profit on the sale of investments of € 1,073,624.44 derived from the sale of shares in the Budapest Stock Exchange Ltd, Budapest.</p>
<b>Profit for the year</b>	<p>With all of the above effects accounted for, profit before tax amounted to € 54,961,619.06 (2014: € 66,299 thousand). After income tax, profit for the year of € 42,876,158.74 was below the result of € 52,235 thousand of the previous year.</p>
<b>Profit available for distribution</b>	<p>In view of the more stringent regulatory capital requirements, OeKB transferred € 22,618,296.00 to reserves in 2015 (2014: € 31,936 thousand) to strengthen the capital base. However, under the CRR, this addition to regulatory capital does not qualify as Common Equity Tier 1 capital until the adoption of the annual financial statements. OeKB recorded € 20,268,157.24 of profit available for distribution, which was similar to the previous year's level of € 20,305 thousand.</p>

## **Balance sheet**

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

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

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

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

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

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

*Total assets*

## **Financial performance indicators**

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

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

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

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

## **Research and development**

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

### ***Claims for damages***

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

### ***Events after the balance sheet date***

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

## **Risk management system**

### ***System of internal control and risk management***

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

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

#### ***Control environment***

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

#### ***Risk assessment***

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

#### ***Control activities***

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

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

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

*Information and communication*

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

*Monitoring*

### ***Risk management***

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

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

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

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

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

#### *New developments*

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

#### **Risk management organisation**

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

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

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

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

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

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

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

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

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

## Market risk

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

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

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

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

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

## *Derivative financial instruments*

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

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

### Liquidity risk

OeKB differentiates between three forms of liquidity risk:

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

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

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

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

## Credit risk

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

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

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

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

## Operational risk

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

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

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

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

## Non-financial performance indicators

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

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

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

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

### OeKB's staff <sup>1</sup>

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

<sup>1</sup> Including employees posted to OeEB, OeKB CSD, Acredia Versicherung and Exportfonds.

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

## Proposal for the appropriation of profit

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

## Outlook for 2016

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

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

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

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

Vienna, 12 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Oesterreichische Kontrollbank AG – Company financial statements 2015

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

<b>Balance sheet of OeKB</b>		31 Dec 2015	31 Dec 2014
<b>Liabilities and equity</b>		€	€ thousand
<b>01</b>	<b>Deposits from banks</b>	<b>156,857,027.17</b>	<b>432,803</b>
	a) Repayable on demand	128,838,127.07	151,791
	b) With agreed maturity or notice period	28,018,900.10	281,011
<b>02</b>	<b>Deposits from customers (miscellaneous, repayable on demand)</b>	<b>77,603,750.03</b>	<b>66,806</b>
<b>03</b>	<b>Sundry liabilities</b>	<b>6,316,118.91</b>	<b>5,519</b>
<b>04</b>	<b>Accruals and deferred income</b>	<b>8,199,047.54</b>	<b>8,043</b>
<b>05</b>	<b>Provisions</b>	<b>169,044,100.64</b>	<b>173,749</b>
	a) Termination benefit provisions	25,447,217.00	26,173
	b) Pension provisions	103,146,472.00	103,409
	c) Tax provisions	0.00	3,619
	d) Other provisions	40,450,411.64	40,548
<b>06</b>	<b>Called-up share capital</b>	<b>130,000,000.00</b>	<b>130,000</b>
<b>07</b>	<b>Allocated capital reserves</b>	<b>3,347,629.63</b>	<b>3,348</b>
<b>08</b>	<b>Retained earnings</b>	<b>321,998,977.35</b>	<b>299,079</b>
	a) Statutory reserve	10,601,796.47	10,602
	b) Other reserves	311,397,180.88	288,477
<b>09</b>	<b>Liability reserve under section 57(5) of the Austrian Banking Act</b>	<b>23,850,000.00</b>	<b>23,850</b>
<b>10</b>	<b>Profit available for distribution</b>	<b>20,268,157.24</b>	<b>20,305</b>
<b>11</b>	<b>Untaxed reserves (valuation reserve from special depreciation)</b>	<b>4,101,317.27</b>	<b>4,403</b>
<b>12</b>	<b>Liabilities related to export financing</b>	<b>21,102,041,161.93</b>	<b>21,521,681</b>
12.1	Deposits from banks		
	With agreed maturity or notice period	948,244,535.05	97,492
12.2	Deposits from customers	671,279,537.08	718,511
	a) Repayable on demand	642,696,510.89	689,905
	b) With agreed maturity or notice period	28,583,026.19	28,606
12.3	Debt securities in issue	18,132,540,302.04	19,433,824
	a) Bonds issued	14,222,781,466.17	14,362,720
	b) Other debt securities in issue	3,909,758,835.87	5,071,105
12.4	Sundry liabilities	9,819,774.31	27,223
12.5	Accruals and deferred income	139,407,304.10	94,646
12.6	Provisions (interest rate stabilisation provision)	1,200,749,709.35	1,149,985
	<b>Total liabilities and equity</b>	<b>22,023,627,287.71</b>	<b>22,689,586</b>
<b>Memo items</b>			
1	Off-balance sheet credit risks	3,016,234,382.55	2,520,000
2	Available regulatory capital under Part 2 of Regulation (EU) No 575/2013	547,125,215.93	527,666
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013	52,242,441.90	62,644
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - Common Equity Tier 1 ratio	70.2%	54.4%
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - Tier 1 capital ratio	70.2%	54.4%
	Minimum regulatory capital requirement under article 92 of Regulation (EU) No 575/2013 - total capital ratio	83.8%	67.4%
4	Foreign liabilities	19,291,090,033.45	21,083,100

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

# Oesterreichische Kontrollbank AG – Notes on the company financial statements

## General information

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

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

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

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

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

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

The closed financial year corresponds to the calendar year.

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

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



### The effect of the demerger on the OeKB balance sheet

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

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

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

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

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

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

### Format of the balance sheet and income statement

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

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

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

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

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

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

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

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

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

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

Owing to the exchange-rate guarantee in accordance with the Export Financing Guarantees Act, no provisions were made for negative market values resulting from currency swaps.

- Deferred taxes are recognised in accordance with section 198(9) and (10) of the Commercial Code. Deferred taxes for export financing are shown together with the deferred taxes in the own-account section of the balance sheet.
- The interest rate stabilisation provision relates to the future support of interest rates on export credits for which OeKB carries the interest rate risk, and also to the interest rate risk from the funding of the Export Financing Scheme. Any surplus from interest income (after deduction of OeKB's required interest margin) on financing facilities not subject to interest support and the respective funding costs is added to the interest rate stabilisation provision; in the event of a deficit, this provision is used, as intended, to cover the shortfall.

## Notes on the balance sheet

### *Financial position*

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

## Financial position - divided into two sections

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

### Own-account section of the balance sheet

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

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

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

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

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

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

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

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

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

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

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

## Companies wholly or partly owned by OeKB

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

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

<sup>2</sup> 'UGB' refers to the Austrian Commercial Code.

### *Export finance section of the balance sheet*

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

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

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

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

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

#### **Debt securities in issue**

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

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

### *Fiduciary assets and liabilities*

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

## Export financing

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

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

## Provisions

### Other provisions

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

### Provisions recognised in connection with export financing

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

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

## Non-current assets in 2015

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

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

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

## Valuation reserves from special depreciation

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

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

## Regulatory capital under the CRR

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

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

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

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

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

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

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

## Notes on the income statement

### Condensed income statement

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

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

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

## Income tax

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

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

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

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

## Supplementary disclosures

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

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

### Derivative financial instruments at the balance sheet date

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

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

### Other off-balance-sheet transactions

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

### Assets pledged as collateral

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

### Assets and liabilities denominated in foreign currency

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

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

### Maturity analysis of loans and advances and financial liabilities

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

## Remaining time to maturity

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

## Related-party transactions

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

### Related-party transactions with shareholders of OeKB

	31 Dec 2014	31 Dec 2015
	€ thousand	€
Loans and advances to banks	14,228,043	13,556,520,155.50
Bonds and other fixed income securities	22,004	24,280,470.00
Deposits from banks	36,330	15,620,746.14

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

### Loans and advances and deposits

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

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

### Staff costs

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

	€ thousand	€
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#### Analysis of staff costs in items dd, ee and ff of the income statement

Executive Board members (including former members or their surviving dependants)	7,850	2,673,615.77
Key managers	3,359	1,206,459.61
Other employees	9,089	2,540,748.97
<b>Total</b>	<b>20,297</b>	<b>6,420,824.35</b>

Contributions to termination benefit funds (included in the item 'expenses for termination benefits and contributions to termination benefit funds')	133	144,282.11
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#### Total remuneration of the Boards

Executive Board: Not disclosed, in reliance on section 241(4) of the Austrian Commercial Code	Not disclosed	Not disclosed
Supervisory Board	275	235,424.00
Former members of the Executive Board or their surviving dependants	459	947,845.41

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

There were no transactions with key management personnel.

## Board members and officials

### Members of the Executive Board

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

### Members of the Supervisory Board

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

AGM = Annual General Meeting

## Employee representatives

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

## Government commissioners

under section 76 of the Austrian Banking Act

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

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

## Government commissioners

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

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

Vienna, 12 February 2016

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Auditor's Report

## Report on the Financial Statements

### **We have audited the accompanying financial statements of**

Oesterreichische Kontrollbank AG,  
Vienna,

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

### *Management's Responsibility for the Financial Statements*

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

### *Auditors' Responsibility*

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

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

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

## *Opinion*

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

## *Report on Other Legal Requirements (Management Report)*

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

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

Vienna, 12 February 2016

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Signed by:

MARTIN WAGNER

Austrian Chartered Accountants

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

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



# Insuring foreign trade.

*Exporting and investing abroad – strategies that enable Austrian companies to grow and provide stable employment at home. Export guarantees and credit insurance policies ensure that positive growth continues even in the event of non-payment.*



#### **ONE-STOP SHOP**

*Insuring and financing go hand in hand: the export guarantees of the Austrian government and credit insurance policies of 'OeKB Versicherung' and 'PRISMA Die Kreditversicherung,' not only minimise risk. They also provide access to attractive financing.*

# Strengthening the economy. Since 1946.

## Insuring foreign trade

Soon after its founding, OeKB was appointed central service provider for export promotion activities of the Republic of Austria. Today, OeKB Group offers appropriate mechanisms for insuring all export business and foreign investments. From export guarantees of the Austrian government to policies of the credit insurance brands 'PRISMA Die Kreditversicherung' and 'OeKB Versicherung'. These also allow access to attractive financing.



# Stakeholder relations and dialogue

## Customer satisfaction and customer care

OeKB Group's clients are diverse and often have different needs and desires. It is essential to be familiar with these wishes in order to continuously develop our product range further and adapt the processes to our clients' requirements: The OeKB Group employees obtain this knowledge in personal conversations, structured interviews, electronic surveys and at special client forums. The findings flow into the conceptions, structuring and forming of innovations.



G4-15, 16, 26, 27, SO1,  
FS1, FS5, PR5

OeKB Group companies regularly organise information events for clients. Not only is feedback collected on these occasions but participants are also offered a forum to exchange experiences. Representatives of all OeKB Group business segments come into direct contact with clients by attending external events and appearing on discussion panels.

Numerous visits to clients, provision of information and the holding of speeches are designed to make the advantages of the Austrian export subsidies clear to the domestic economy, and to facilitate entry into international business for new clients.

### *Customer-related management*

#### Export Services

- Export Services newsletter: Export service clients receive relevant information on the export industry several times per year. The newsletter was redesigned in 2015 and now offers even more useful tips and background information.
- OeKB >Export academy for employees of banks, exporters and other interested parties. During this three-day seminar OeKB Group companies not only share their knowledge, but also receive constructive input enabling them to tailor their services to the needs of the partner banks and the export industry.
- Annual information and dialogue breakfast with experts from banks and the OeKB Group companies
- Site visits to companies by client advisers as well as by the export consultancy team – Austria-wide and with a special focus on SME's
- Joint client events with commercial banks in the federal states



See Events

## Capital Market Services

- Information and networking events for capital market participants
- Developing of new services in close cooperation with client groups



### RELEVANT

The current RELEVANT for  
download at  
<http://relevant.oekb.at>  
(in German only)  
Orders: [relevant@oekb.at](mailto:relevant@oekb.at)

Customers and other interested stakeholders are additionally kept up to date through RELEVANT, the OeKB Group magazine published four times a year. Moreover, each issue of this publication features projects and OeKB customers' success stories.

## OeKB Investor Relations

Regular roadshows are the basis for OeKB's efforts to diversify and expand its investor base. Last year meetings were organised with investors in Europe, South Africa and the US, who then later participated in OeKB's bond issues. In addition, OeKB attends issuer and investor conferences arranged by various banks to meet with central banks, official organisations, insurers, asset managers, bank treasuries and investment funds. These investors buy OeKB's debt securities due to their very high credit quality, the explicit guarantee of the Republic of Austria, their rarity value and excellent performance in the primary and secondary markets. To measure its success as an issuer in the capital markets, OeKB compares its performance with that of its peer group, which include sovereign issuers, multilateral organisations as well as other export credit agencies.

## Rating agencies



[www.oekb.at/en/invest-or-relations/rating](http://www.oekb.at/en/invest-or-relations/rating)

Due diligence meetings with the rating agencies Standard & Poor's and Moody's are scheduled annually. Rating reports are published on a yearly basis and can be found on the OeKB website.

## Dialogue with civil society



G4-37, 58

Members of civil society (committed citizens or groups) address OeKB almost exclusively in its role as national export credit agency, that is acting on behalf and for the account of the Federal Ministry of Finance. More concretely, this refers to large projects with potentially high impact on the environment, on social issues and on human rights, which OeKB assesses or for which the Austrian Government has either provided or indicated the prospect of a guarantee.

Relevant NGOs are organised into the ECA Watch Austria platform. OeKB has maintained a dialogue with this platform over the years. In doing so, OeKB always actively informs these NGOs as soon as project information is published on the OeKB website in compliance with OECD standards.

In return, ECA Watch Austria contacts OeKB if it deems applications on the part of OeKB customers feasible and provides OeKB with information concerning projects, sensitive locations or sectors. Such information is useful for OeKB as it may be relevant for its audit activities or for potential applicants in terms of ensuring a holistic view of a particular project and related issues.

Also, OeKB, itself, is a member of civil initiatives, for instance a corporate member of Transparency International - Austrian Chapter and of respACT austrian business council for sustainable development.



See *Membership*

Similarly, in its capacity as development bank of Austria, OeEB maintains a dialogue with civil society (e.g. 'Netzwerk Globale Verantwortung', a Central European network for global responsibility) and exchanges views, for example during events and in personal conversations. OeEB deems its services supplementary to and supportive of the work of Austrian politics, investors, banks and civil society towards development in the poorer countries of this world.

## Membership/networking

Various memberships of OeKB Group companies focus on organisations and initiatives that are essential for achieving business objectives. Moreover, OeKB Group thus emphasises its commitment to issues concerning the national economy and civil society.



An excerpt of our memberships is available at [www.oekb.at/de/unternahmen/ueberblick/netzwerke](http://www.oekb.at/de/unternahmen/ueberblick/netzwerke) (in German only)

## Federal Ministry of Finance

OeKB regularly coordinates its activities with the Federal Ministry of Finance in terms of guarantees and financing.

Following a proposal by OeKB, the basic parameters for coverage of export business with specific countries are determined and published in the form of country policies on the OeKB website at [www.oekb.at/en/export-services/managing-risks/export-guarantees/country-policy/pages/list-of-countries.aspx](http://www.oekb.at/en/export-services/managing-risks/export-guarantees/country-policy/pages/list-of-countries.aspx). Moreover, OeKB advises the Federal Ministry of Finance on financing issues and submits proposals for recipient countries and specific soft loan terms. OeKB performs the banking assessment of applications for business transactions, including summary reports to the Federal Ministry of Finance and, from there, to the members of the advisory and export financing committees. In addition, OeKB and the Federal Ministry of Finance exchange information on a regular basis, more intensively with regard to specific, major cases and in the case of critical, current developments (e.g., substantially increased political risk in the target country).



OeKB prepares reports on a quarterly basis, which serve the Federal Ministry of Finance as the basis for information submitted to parliament. Moreover, OeKB provides basic data to the Federal Ministry of Finance for the annual report to the Main Committee of the National Council, i.e. 'Activity Report of the Advisory Committee pursuant to Article 6, Austrian Export Guarantees Act'. OeKB also supplies the Federal Ministry of Finance with the necessary information for enquiries.

With regard to granting loans and processing guarantee applications under the Austrian Export Guarantees Act, OeKB has to comply with international regulations (OECD Arrangement on Officially Supported Export Credits, EU Communication). Such regulations are negotiated and discussed in Brussels, on the EU level, and in Paris, on the OECD level. In this context, OeKB acts as advisor to the Federal Ministry of Finance, which heads the Austrian delegation on the international level.



FS5

## Events and awards

### OeKB >Export academy

OeKB >Export academy is an event for banks, exporters, consultants and export support agencies, intended to raise their awareness of the OeKB Group services, to enable them to exchange experiences and make contacts. On three consecutive days, the participants learn everything important about OeKB Group relating to the covering and financing of exports and foreign direct investments. The presentations range from country analysis to export guarantees and avals to the services of our private credit insurer and the Oesterreichische Entwicklungsbank. Participants in the OeKB >Export academy not only receive practical information and tips first-hand, but also have a good opportunity to network.

### Export Services Breakfast

Once a year OeKB organises an information/dialogue breakfast in its Reitersaal hall for employees of banks. Employees from the export services departments and the OeKB subsidiaries report briefly on the latest developments concerning covering and financing with OeKB Group. Afterwards they are on hand for questions and discussions in smaller groups. Traditionally, the Export Services Breakfast takes place on the day after the Austrian Export Day.

### Vienna Roundtable

In December 2015, OeKB held its twenty-fifth Roundtable. This is a forum attended by experts from Austria and abroad where they can discuss current topics relating to economic developments and finance. The Roundtable shows how well connected OeKB is with international banks and public sector institutions.

## OeKB CSD Participant Meeting and CCP.A Member Meeting

OeKB Group regularly meets its clients to further develop the infrastructure of the domestic capital market. Twice a year the aim is to catch up with the depositing and clearing banks. OeKB CSD and our clearing subsidiary CCP.A value this dialogue because it usually leads to settlement solutions which keep the domestic capital market participant-orientated and internationally competitive. By supporting the information-flow between sector participants in this way, OeKB is true to its role as communicative hub for the export and capital markets.

## Secular stagnation

The term secular stagnation denotes a long phase of weak growth, with low real interest rates and inflation. Possible causes include a decrease in population, underinvestment as well as over-saving and inequality.

Lessons to be learned and possible solutions were the subject of a speech by Richard A. Werner (University of Southampton, Centre for Banking, Finance and Sustainable Development) at a joint OeKB/Club of Rome event.

## CEE Impact Day

*"Is there impact? – that is the question each investor should ask himself"*  
Michael Altrichter, Business Angel

The CEE Impact Day forms the climax of the Investment Ready Program. During this final event, a selection of handpicked, young, 'socially-minded entrepreneurs' are given the opportunity to meet potential investors from the investment sector to facilitate the implementation of their projects. The precondition is that these young entrepreneurs have first completed the Investment Ready Program. Impact investment, itself, is regarded as a new form of investment, since it focuses on having a positive impact on the environment and society, rather than on maximising financial returns.

  
<http://ceeimpactday.org>

In 2015, OeKB once again welcomed guests to its Reitersaal hall for the CEE Impact Day, which was well-attended with more than 100 participants. Last year's topic, the possibility of combining crowdfunding with OeKB services, has since been shelved, due to a change in the law making a central registry within OeKB impossible.

  
<http://investment-ready.org>

## The changing world of work – chances or risks for women?

At the panel discussion on 14 October 2015, co-organised by the UN Women's national committee for Austria and OeKB, the topic in question was how new working conditions will affect the role of women in the world of work.

The 'new world of work' will mark the end of traditional forms of organisations and will be dominated by job-sharing, teleworking and freelancing. Furthermore, traditional forms of work will also increasingly revolve around trust-based working times, teleworking and virtual teams. For many processes, it is no longer necessary to be permanently present in the office.

Dangers resulting from this development were discussed: The blurring of work and leisure time as a psychological burden; the inevitable self-exploitation resulting from a shift in working times to the night, especially for women and single mothers; the increased pressure on employees to perform when working on a trust basis and absent.



The chances, i.e. the improved combinability of family and work, self-empowerment, the freedom to organise yourself and take responsibility, seem to outweigh the risks, according to a study by Michael Bartz from the IMC University of Applied Science in Krems. The future will show how these new working options, with the challenges and chances they present, will be implemented.

### **Kleber, Block & Co (stationery)**

Sustainable alternative products are hard to find, expensive to create and qualitatively inferior to standard products - according to conventional opinion. The aim of this event (Kleber, Block & Co) was to discuss these points with experts. Additionally, it was a chance to inform interested procurement managers about the current state of sustainable procurement.

The group discussions found the quality of sustainable alternative products to be perfectly comparable with that of standard products. In addition to their own product characteristics, such as a long life and refillability, sustainable products also have a further benefit, in that they generate less waste and require less energy. Lastly, this kind of procurement is part of the awareness-building process in the company.

Kleber, Block & Co was the first of a series of events, for which possible future topics include energy, IT and sustainable building.

### **Austrian Sustainability Reporting Award (ASRA)**



*For more information about ASRA see*  
[www.kwt.or.at/de/desktopdefault.aspx/tabid-144/](http://www.kwt.or.at/de/desktopdefault.aspx/tabid-144/)

Since the year 2000, the Chamber of Certified Public Accountants, the Institute of Austrian Auditors and other cooperation partners have been jointly presenting the Austrian Sustainability Reporting Award (ASRA) for the best sustainability reports by Austrian companies.

ASRA 2015 ranked the OeKB Group Integrated Report third in the category integrated reporting. This was the thirteenth time that OeKB Group had received an ASRA award, including three first and three second places.

## Certificate and validation

### European Market Infrastructure Regulation (EMIR)

CCP Austria (CCP.A), Austria's clearing house for Stock Exchange transactions, received the authorisation to act as a clearing house pursuant to the European Market Infrastructure Regulation (EMIR) from the Austrian Financial Market Authority (FMA) in August 2014.

EMIR came into force in August 2012 and aims to increase financial market stability by standardising the legal framework for clearing houses in the European Union.

### Eco Management and Audit Scheme (EMAS) und ISO 14001

EMAS was launched by the European Commission in 1993 to demonstrate that the enhancement of environmental performance also leads to an improvement in competitiveness.

In 2003 sustainability management was introduced at OeKB Group, at first just for OeKB. In the following years it was extended to include almost the whole group. It is done in accordance with both EMAS, ISO 14001 and the guidelines of the Global Reporting Initiative (GRI).

The EMAS-certified companies in OeKB Group are directly integrated in terms of their internal processes, e.g. procurement, energy and facility management. The internal audit of the sustainability management system is conducted annually by the Internal Audit department in accordance with OeKB's audit plan.

The sustainability team meetings can be attended by the Group companies, and the sustainability system thus forms an interlinking, joint management system.



# Servicing the capital market.

*The capital market helps Austrian companies to strengthen their capital base and finance growth. OeKB Group is the central provider of services on the domestic capital market. For decades Austria's capital market has relied on the expertise of OeKB and its extensive international network.*



#### SHAPING THE CAPITAL MARKET

*Anyone operating on the Austrian capital market stands to benefit from the combined services of OeKB Group. This specialist know-how combined with unparalleled reliability and an international network is also relied upon by the Republic of Austria.*

# Strengthening the economy. Since 1946.

## Servicing the capital market

OeKB was founded, among other things, to rebuild the Austrian capital market in the wake of the Second World War. Today OeKB and its associate companies provide the central services that strengthen the capital market. Capital market participants such as banks, issuers, investment funds and pension funds benefit from this wide range of services.

	<p>1946 <b>Oesterreichische Kontrollbank AG founded</b> ★</p>	<p>1987 <b>Introduction of auction process for government bonds</b> ★</p>
<p>★</p>	<p>1946 <b>Placement of first Austrian treasury bonds, one year later federal bonds</b> ★</p>	<p>1988 <b>Depository for money market treasury bonds</b> ★</p>
<p>★</p>	<p>1947 <b>Federal bonds</b> ★</p>	<p>1992 <b>OeKB is Notification Office under Capital Markets Act</b> ★</p>
<p>★</p>	<p>1949 <b>Settlement centre for Vienna Stock Exchange; OeKB leads issuer consortium of first government bonds; Austrian Central Securities Depository stocks reconstructed</b> ★</p>	<p>since 2002 <b>Head of Austrian Securities Market Practice Group Austria (SMPG A)</b> ★</p>
<p>★</p>	<p>1953 <b>Auction agent for the issuance of government bonds</b> ★</p>	<p>2004 <b>Founding of CCP.A with Vienna Stock Exchange</b> ★</p>
<p>★</p>	<p>1956 <b>First Austrian government bonds, OeKB is auction agent</b> ★</p>	<p>2005 - 2015 <b>Calculation of OeKB Sustainability Fund Index (OeSFX)</b> ★</p>
<p>★</p>	<p>1965 <b>Austrian Central Securities Depository founded; assignment of International Securities Identification Numbers (ISIN)</b> ★</p>	<p>2007 <b>Operation of Issuer Information Center (now OAM Issuer Info)</b> ★</p>
<p>★</p>	<p>1970 <b>Collective certificates introduced</b> ★</p>	<p>since 2009 <b>AGM Services</b> ★</p>
	<p>1987 <b>Introduction of auction process for government bonds</b> ★</p>	<p>since 2014 <b>Verification of LEI applications</b> ★</p>
	<p>1988 <b>Depository for money market treasury bonds</b> ★</p>	<p>2015 <b>OeKB CSD GmbH founded</b> ★</p>



# Personnel and responsibilities

Appreciation and recognition create a positive working environment, which promotes identification with the company and thus stimulates productivity. Interesting work and flat hierarchies make for attractive, responsible jobs. Mutual trust between employer and employees makes it possible to use innovative work schedules that reflect a focus on performance over attendance. A comparatively stable work setting, relative job security and low employee turnover are other features that make the Group an attractive employer. The convenient office location in Vienna's city centre is easily accessible by public transport.



G4-10, LA1

Four broad skill sets specifically sought in employees – entrepreneurial spirit (thinking and acting like entrepreneurs), leadership, joining forces (working together), and generating positive energy – are considered critical success factors for the future of OeKB Group. Within these general skill sets, 15 individual abilities have been identified by which management and technical staff are measured.



## OeKB staff numbers <sup>1</sup>

As per	31 Dec 2013	31 Dec 2014	31 Dec 2015
Total number of employees	393	388	391
<i>Of whom part-time employees</i>	97	96	95
Total employees in full-time equivalents	363	358	362
Average age in years	44.2	45.3	45.7
Average length of service in years	16.5	17.2	17.4
Sick days per year and employee	8.6	8.0	9.3
Proportion of total positions held by women	56.7%	57.0%	55.5%
Proportion of management positions held by women	32.1%	32.1%	40.7%
Turnover rate excluding retirements <sup>2</sup>	2.3%	1.8%	2.1%
Turnover rate including retirements <sup>2</sup>	3.3%	2.6%	3.1%

<sup>1</sup> Including employees seconded to OeEB, OeKB CSD, Acredia Versicherung and Exportfonds.

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

## Subsidiary staff numbers

As of 31 Dec 2015 including employees who have been seconded	"Österreichischer Exportfonds" GmbH	Oesterreichische Entwicklungsbank AG	OeKB CSD GmbH
Total number of employees	16	40	33
<i>Of whom part-time employees</i>	2	4	1
Total employees in full-time equivalents	15.0	38.3	32.7
Average age in years	43.0	37.4	45.2
Average length of service in years <sup>1</sup>	17.0	4.7	-
Sick days per year and employee	6.9	6.9	10.1
Proportion of total positions held by women	75.0%	62.5%	39.4%
Proportion of management positions held by women	50.0%	50.0%	20.0%

<sup>1</sup> OeKB CSD has only seconded employees and, therefore, no average length of service of its own.

## Training and human resource development

The ‘OeKB Academy’ provides a wide range of in-house seminars for all salaried staff of OeKB Group. Areas of emphasis include training managers in the skills they need for leadership, and helping employees enhance their interdisciplinary competencies.



LA10, LA11

In employee performance interviews, the individual and group targets, training needs and risk objectives are identified, as are the goals for ensuring work/family compatibility, employee health and sustainability.

Good governance and compliance are key priorities for the Group. Every year, four mandatory online training sessions are held on subjects such as the activities of the business segments and new regulatory developments. Managing directors, members of supervisory boards and other people in key positions received intensive training on supervisory law, corporate law, Basel III and finance subjects.

### Specific trainings

#### Employees in training 2015



#### Cost of training and training hours 2015





## Training and development

As per	31 Dec 2013	31 Dec 2014	31 Dec 2015
<b>Total number of employees of OeKB</b>	<b>393</b>	<b>388</b>	<b>391</b>
Total cost of training (EUR)	512,119	454,034	429,009
Total hours of training	17,205	15,856	15,316
Per employee (EUR)	1,303	1,170	1,097
Hours per employee	44	41	39
Per employee (days)	5.5	5.1	4.9
<b>Senior officers</b>	<b>56</b>	<b>56</b>	<b>54</b>
Cost of training (senior managers)	117,240	114,479	135,968
Training hours, senior managers	2,519	2,560	2,510
Per employee (EUR)	2,094	2,044	2,518
Hours per employee	45	46	46
Per employee (days)	5.6	5.7	5.8

Only training hours with external trainers were included.

## OeKB Group is regarded as a highly attractive employer

OeKB Group's human resources policy is characterised by its focus on sustainability, high quality standards in training and staff development, and social measures. Since 2006, OeKB has had the 'workandfamily' audit certificate. The 'workandfamily' audit is a process which also involves the employees, thereby continuously helping to develop the working environment at OeKB in a target-oriented way.

Ongoing, comprehensive training and development in Austria and abroad supports employees in their work. Family-friendly measures, such as flexible working hours, teleworking and a company kindergarten, as well as school-holiday care for school-age children should appeal to every employee who values a work-life balance.

Online recruiting, as well as presentations at schools and universities introduce the OeKB Group companies as a potential employer. For classes from business high schools (in German: Handelsakademien) and technical colleges (Höhere Technische Lehranstalten), OeKB Group offers events dedicated to its business segments.

OeKB offers vocational days for secondary school pupils, mandatory job-placements for students from universities of applied sciences and general summer work-placements. Under partnership agreements, Group employees are also active, as part of a cooperative arrangement, as teachers or lecturers at universities of applied sciences and Vienna University of Economics and Business.

The in-house job portal is a good place to find out about new job vacancies in the Group. This has allowed many positions (both for specialists and managers) to be filled internally, thus motivating and retaining highly trained employees who seek a change. The reduced need for a time-consuming and costly external talent search is a welcome additional benefit. The job satisfaction of OeKB Group's employees is evident not just in a low turnover rate but also in the positive reviews on [www.kununu.com](http://www.kununu.com) (in German only).



## Remuneration and gender policy

Remuneration is in conformity with the market, with variable remuneration throughout the Group, on average, accounting for less than 10% of overall remuneration. Social benefits (supplementary health insurance, employee restaurant offering health food etc.) focus on health and sustainability.



LA2, LA13

Our payroll policy strictly adheres to the principle of gender equality. Initial salaries of holders of academic degrees correspond to the market level. These are published on the intranet, hence transparent for all employees. Individual career moves are independent of gender. Equal pay for equal work is a matter of course. Assessment of employees is based exclusively on personal skills and professional qualifications.

Internal benchmarking of salaries at OeKB is according to eight salary bands, divided into two schemes: One for experts, the other for management. Which scheme an employee is in is decided primarily based on the kind of problem solving, the complexity of the activities and on the leadership function their position involves. This ensures similar pay for similar jobs in a fair and transparent manner, according to qualifications required, vested responsibility and actual performance. In addition, compensation is regularly benchmarked against the market.

Hiring, promotions and salary increases are based exclusively on professional qualifications. At OeKB Group, the traditionally high ratio of female employees was 56.8% at 31 December 2015. In particular, the high ratio of female executives (40.3%) should be highlighted.



See Group management report **Non-financial performance indicators**

Looking ahead, OeKB Group is aiming for a combined female representation of 30% in the composition of top management and of supervisory boards. This proportion is to be reached by the year 2020. Making this a reality will require further purposeful investment in the compatibility of work and family life, development measures to support women on the path to middle management, transparent job postings (including for management positions) and enhancement of the objectiveness of hiring decisions.

At the managing director level, the target gender ratio has already been achieved. Thus, at Acredia Versicherung AG one of three management board positions is held by a woman. At each of "Österreichischer Exportfonds" GmbH, Oesterreichische Entwicklungsbank AG and Oesterreichische Kontrollbank AG, one of the two respective managing directors or management board members is a woman. OeKB CSD GmbH constitutes the only exception.

## Occupational health and safety

Comprehensive occupational health and safety as well as different forms of health support are of great importance to OeKB. Various vaccinations and more extensive health checks were provided in addition to the Employee Assistance Programme. OeKB's occupational reintegration strategy for employees returning from longer periods of sick leave also proved its worth.

At the end of the day, participating together in leisure activities enables and encourages employees to pursue common objectives in corporate life. That is why OeKB Group organises sports and cultural events on a regular basis for employees in their spare time. Sports offered include table tennis, football, squash, tennis and softball, among others. We also organise regular pilates, spinal gymnastics and yoga classes, which not only enhance physical fitness and general health, but also help to increase stamina and motivation, and make work more fun.

In 2015, as in previous years, a building evacuation drill took place for employees at the Strauchgasse and Am Hof locations. On that day, employees also had the opportunity to actively participate in a fire drill.

## Private volunteering



More information about the participating organisations at <http://weihnachtsmarkt.oekb.at> (in German only).

The Christmas market for charity organised by the 'OeKB karitativ' association is actively supported by OeKB employees. Throughout Advent the stand selling punch and mulled drinks is staffed by committed people, in two-hour shifts, ten hours a day, seven days a week. Some of the sales receipts go towards the costs of the charity Christmas market itself. Four additional stands are made available free for social organisations. The net earnings are donated to specially selected non-profit projects.



Once a year, old OeKB BlackBerry devices are donated to the 'Wundertüte' radio campaign by radio station Ö3, which benefits families with children in difficult situations. This initiative is additionally supported by employees giving private mobile phones.

Homeless people in Vienna can find a place to sleep, food and sanitary facilities at the 'Grufft' shelter operated by Caritas. On certain days, OeKB employees volunteer in small groups to cook and serve meals on-site. OeKB provides the food ingredients.

Employees who are volunteer members of fire brigades or other emergency services receive a period of special leave in the event of disasters (also for taking care of refugees).

Events such as annual blood donations organised by the staff council and the collection for victims of the earthquake in Nepal round off employees' social engagement.

# Servicing the energy market.

*The liberalised Austrian energy market has benefited from OeKB's decades of experience in financial clearing and risk management from the very start.*

*European Commodity Clearing AG (ECC) has admitted OeKB as a General Clearing Member.*



#### **NEUTRAL SERVICE CENTER**

*OeKB acts as a neutral and independent service center on behalf of the liberalised electricity and gas market. OeKB is responsible for credit analysis, financial clearing, payment processing and risk management.*

# Strengthening the economy. Since 1946.

## Servicing the energy market

OeKB had its first dealings with the energy market way back in the early 1950s. It was an administrative-technical settlement centre for energy bonds. In 2001 and 2002 the Austrian markets for grid- and pipeline-bound electricity and natural gas were liberalised. OeKB was the obvious partner for financial clearing and risk management for balance energy, with a successful and already proven track record in this area on the capital market.

OeKB

1946

Oesterreichische Kontrollbank AG founded



2006

Share in Cismo Clearing Integrated Services and Market Operations GmbH



1953

Management of energy bond



2012

GCM (General Clearing Member) of ECC AG for gas spot market



2001

Financial clearing and risk management for APCS Power Clearing and Settlement AG



2012

Financial clearing and risk management for balancing energy gas for A&B Ausgleichsenergie & Bilanzgruppen-Management AG



2002

Financial clearing and risk management for AGCS Gas Clearing and Settlement AG



2016

Expansion of electricity spot market to GCM service with ECC AG



2002

Financial clearing and risk management for Energy Exchange Austria (EXAA)



2004 - 2012

ECRA Emission Certificate Registry Austria GmbH/CO<sub>2</sub> Registerstelle GmbH (co-founder) / Liquidation 2012



2006

Financial clearing and risk management for OeMAG Abwicklungsstelle für Ökostrom AG

# Governance & Business Ethics

## Executive Board

Angelika Sommer-Hemetsberger

Rudolf Scholten



Member of the Executive Board  
since 1 January 2014

Accounting & Financial Control

Capital Market Services

Human Resources

International Finance

IT Services

Member of the Executive Board  
since 1 May 1997

Claims Management

Credit Department

Export Guarantees

Guarantees for Export Acceptance Credits

Organisation, Construction, Environmental  
Issues and Security

Research, Analyses & International Relations

**The Executive Board is collectively responsible for**

Internal Audit/Group Internal Audit

Marketing & Corporate Communications

Risk Controlling

Secretariat of the Executive Board

Legal Affairs



G4-34, 38, LA12

The employment contract of  
Rudolf Scholten (\*1955)  
runs until 30 April 2017.

The employment contract of  
Angelika Sommer-  
Hemetsberger (\*1967) runs  
until 31 December 2018.

# Supervisory bodies

## Supervisory Board

Position	Name	Year of birth	Term of office		Company	Capacity
			from	to		
Chairman	Erich Hampel	1951	1 January 2010	AGM 2016	UniCredit Bank Austria AG, Vienna	
First Vice-Chairman	Walter Rothensteiner	1953	2 August 1995	AGM 2016	Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	General Manager and Chairman of the Board of Executive Directors
Second Vice-Chairman	Thomas Uher	1965	12 May 2015	AGM 2020	Erste Bank der oesterreichischen Sparkassen AG, Vienna	Chairman of the Board of Executive Directors
Second Vice-Chairman	Franz Hochstrasser	1963	19 May 2009	12 May 2015	Erste Group Bank AG, Vienna	Deputy General Manager and Vice-Chairman of the Board of Executive Directors
Member	Helmut Bernkopf	1967	19 May 2009	AGM 2019	UniCredit Bank Austria AG, Vienna	Director and member of the Board of Executive Directors
Member	Peter Bosek	1968	25 May 2011	12 May 2015	Erste Bank der oesterreichischen Sparkassen AG, Vienna	Director and member of the Board of Executive Directors
Member	Michael Glaser	1967	22 May 2012	AGM 2017	UniCredit Bank Austria AG, Vienna	Director
Member	Andreas Gottschling	1967	12 May 2015	AGM 2016	Erste Group Bank AG, Vienna	Member of the Board of Executive Directors
Member	Matthias Heinrich	1963	21 May 2014	12 May 2015	Raiffeisen-Landesbank Steiermark AG, Graz	Director and member of the Board of Executive Directors
Member	Dieter Hengl	1964	25 May 2011	AGM 2016	UniCredit Bank Austria AG, Vienna	Director and member of the Board of Executive Directors
Member	Herbert Messinger	1961	18 December 2012	AGM 2016	BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Vienna	
Member	Christoph Raninger	1972	21 May 2014	12 May 2015	Österreichische Volksbanken-Aktiengesellschaft, Vienna	Director and member of the Board of Executive Directors
Member	Karl Sevelda	1950	24 September 2013	AGM 2018	Raiffeisen Bank International AG, Vienna	General Manager and Chairman of the Board of Executive Directors
Member	Jozef Sikela	1967	12 May 2015	AGM 2020	Erste Group Bank AG, Vienna	Member of the Board of Executive Directors
Member	Herta Stockbauer	1960	21 May 2014	AGM 2019	BKS Bank AG, Klagenfurt	Director and Chairwoman of the Board of Executive Directors
Member	Herbert Tempsch	1961	29 May 2013	AGM 2018	UniCredit Bank Austria AG, Vienna	
Member	Susanne Wendler	1967	12 May 2015	AGM 2016	UniCredit Bank Austria AG, Vienna	
Member	Robert Zadrazil	1970	19 May 2009	AGM 2016	UniCredit Bank Austria AG, Vienna	Director and member of the Board of Executive Directors
Member	Franz Zwickl	1953	20 May 1999	AGM 2016		

AGM = Annual General Meeting

## Employee representatives

Position	Name	Year of birth	Term of office	
			from	to
Chairman of the Staff Council	Martin Krull	1976	14 March 2002	13 March 2018
Vice-Chairwoman of the Staff Council	Erna Scheriau	1959	1 April 2001	13 March 2018
Member	Alexandra Griebel	1977	14 March 2010	13 March 2018
Member	Elisabeth Halys	1976	1 July 2013	13 March 2018
Member	Christian Leicher	1968	7 July 2009	31 December 2015
Member	Ulrike Ritthaler	1962	14 March 2014	13 March 2018
Member	Christoph Seper	1983	14 March 2014	13 March 2018
Member	Markus Tichy	1971	1 July 2011	13 March 2018

## Government commissioners

under section 76 Austrian Banking Act

Position	Name	Year of birth	Term of office since	Company
Commissioner	Harald Waiglein	1967	1 July 2012	Austrian Ministry of Finance
Deputy Commissioner	Johann Kinast	1963	1 March 2006	Austrian Ministry of Finance

## Government commissioners

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

Position	Name	Year of birth	Term of office since	Company
Commissioner	Beate Schaffer	1959	1 November 2013	Austrian Ministry of Finance Head of Department
Deputy Commissioner	Edith Wanger	1955	1 June 1997	Austrian Ministry of Finance Public Office Director

## Independent auditor (for the 2015 financial year)

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna

The auditors pursuant to the Austrian Stock Corporate Act (Aktiengesetz) also act as bank auditors for the purposes of the Austrian Banking Act (Bankwesengesetz).

## Legal Advisers

Position	Name	Year of birth	Company
Lawyer, Legal Adviser	Peter Pöch	1940	Pöch Krassnigg Rechtsanwälte GmbH, Vienna

# Corporate Governance



The Code in its full wording  
is available at  
[www.corporate-governance.at](http://www.corporate-governance.at)  
(in German only)

The Austrian Code of Corporate Governance was first presented to the public on 1 October 2002. It is reviewed and revised annually in light of national and international developments. The most recent revisions to the Code took effect in January 2015. They focused mainly on the structure of the corporate governance report, the composition, compensation and operation of the Executive Board and Supervisory Board, and measures to promote equity for women.

OeKB is not a listed company, but is nevertheless guided by the Austrian Code of Corporate Governance to the extent that the Code's principles are applicable. For non-listed stock corporations, 'L-rules' (rules based on legal requirements) are to be interpreted as 'C-rules' ('comply-or-explain' rules).

## Cooperation between the Supervisory Board and Executive Board

The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant business developments, including the risk situation and risk management at OeKB and significant Group companies. The aim of good corporate governance in managing the Group's business is pursued through open discussion and communication between and within the Executive Board and Supervisory Board.

The Executive Board sets the Group's strategic direction together with, and subject to the approval of, the Supervisory Board and regularly discusses the status of strategy implementation with the latter Board. The Supervisory Board meets at least four times per financial year.

## Executive Board

The two-member Executive Board of OeKB is responsible for managing the company. Its decisions comply with all relevant laws, the Articles of Association and the Executive Board's internal rules of procedure. The division of responsibilities and the internal cooperation of the Executive Board are set out in its internal rules of procedure.



G4-51

The Executive Board's compensation includes both fixed and performance-based variable components. The variable portion can represent up to 40% of total compensation. The design of the variable compensation policy ensures that the incentive structure is aligned with the long-term interests of OeKB (see 'Offenlegungsbericht', in German only). OeKB maintains directors and officers liability insurance (D&O) for members of the Executive and Supervisory Boards. The disclosure under L-rule 29 of the Austrian Code of Corporate Governance concerning the aggregate compensation of the Executive Board is omitted in reliance on section 241(4) of the Austrian Commercial Code.

## Supervisory Board

The Supervisory Board supervises the Executive Board and supports it in managing the Group, particularly in reaching decisions of fundamental importance. At the end of the year under review, the Supervisory Board was composed of 15 shareholder representatives and eight employee representatives. As a result of an agreement among OeKB's shareholders, the number of board members deviates from C-rule 52, which stipulates that supervisory boards should have a maximum of ten members, excluding the employee representatives.



G4-41, G4-44

The Supervisory Board's remuneration is determined at the Annual General Meeting and is shown in note 40 on the consolidated financial statements. The employee representatives perform their responsibilities on the Supervisory Board in the course of their ordinary employment.



The membership of the Supervisory Board is presented in section **Supervisory bodies**

## Committees

A Compensation Committee was formed to approve compensation policy and supervise its implementation in practice. The committee consists of Erich Hampel (Chairman and Compensation Specialist), Walter Rothensteiner, Thomas Uher (since 12 May 2015), Franz Hochstrasser (until 12 May 2015), as well as the staff council members Martin Krull and Erna Scheriau. In matters of compensation policy and the specific compensation of the Executive Board, the employee representatives do not attend or vote at the meetings of the committee. The Compensation Committee met once in 2015.

**Compensation Committee**

The Supervisory Board also has an Audit Committee, Working Committee, Nomination Committee and Risk Committee, which are described below. Erich Hampel (Chairman and Financial Specialist), Walter Rothensteiner and Martin Krull are members of these committees.

The Audit Committee is responsible primarily for

**Audit Committee**

- the auditing, and preparation of the adoption of the company financial statements, the proposal for the appropriation of profit, and the company management report;
- the auditing of the consolidated financial statements and Group management report; and
- recommending to the Supervisory Board the choice of independent auditors.

The Audit Committee is also required to monitor the effectiveness of the enterprise-wide internal audit system and the risk management system. The Audit Committee met twice in 2015.

The Working Committee oversees borrowing operations to fund the Export Financing Scheme; lending under the Export Financing Scheme; lending under section 3 of the internal rules of procedure (related debt rescheduling facilities and purchase of accounts receivable); and the use of the amounts in the interest stabilisation account.

**Working Committee**

The Nomination Committee (pursuant to Article 29 of the Austrian Banking Act) regularly evaluates balance and variety in terms of knowhow, skills and experience of executives and supervisory board members, alike. Issuing recommendations, it monitors and supports the policy of the Executive Board with regard to appointing senior management. The Nomination Committee met once in 2015.

**Nomination Committee**

### Risk Committee

The Risk Committee (pursuant to Article 39(d) of the Austrian Banking Act) monitors implementation of the OeKB risk strategy. The Risk Committee met once in 2015.

## Transparency and auditing

Openness and transparency in communications with its shareholders and stakeholders is particularly important to OeKB. This priority was upheld in 2015 by the Executive Board and the Investor Relations and Corporate Communications departments. In addition to other communication channels, up-to-date information on the company and its business segments is always available on the OeKB website at [www.oekb.at](http://www.oekb.at).



For details on this, see the section **Compensation and gender policy**.

OeKB promotes the development of women in all management positions (L-rule 60).

The publication of motions under L-rules 4 to 6 of the Code is not considered appropriate, as this information is reserved for shareholders. This applies to motions submitted to the General Meetings of shareholders and all related official documents, including shareholder motions and countermotions, as well as the list of candidates nominated for election to the Supervisory Board and the resolutions passed at the General Meetings.



The independent auditor's report is found in the section **Auditor's Report**.

The company financial statements, company management report, consolidated financial statements and Group management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna, the auditor appointed by the Annual General Meeting.

## Compliance and legal standards

In order to counteract risks arising from non-compliance with legal regulations, OeKB created a separate legal compliance position; this officer performs an advisory and coordinating role and ensures that no undesired regulatory gaps occur. Emphasis is laid on identifying the essential legal regulations and standards it would jeopardise OeKB's assets not to comply with.

### Data protection

OeKB has had a prudent approach to the protection of data for many years, on the one hand to meet the requirements of the Austrian Banking Act concerning bank secrecy, on the other hand as interpreted in the Data Protection Act. As part of the outsourcing of CSD activities this topic has become a particular focus of attention once again.

The following requirements apply as the basis for dealing with data at OeKB:

- Data is transparent within OeKB Group only to the extent that it is absolutely necessary for the settlement of the transaction and the assessment of risk.
- For OeKB Group purposes risk management customer amounts are combined at OeKB and considered together.

- There is a service agreement for the Group Export Service Consultancy under which marketing and consulting activities for Exportfonds are transferred to OeKB. To this end, selected customer data from Exportfonds is provided to OeKB Export Service Consultancy.
- In the common shared ‘central counterparties’ a comprehensive authorisation system has been implemented. This gives employees who are not engaged in the relevant management areas such as risk management, finance, organization or IT, no information on business activities of customers with other members of the group.
- The possibility of implementing an information interface within the group was checked but has currently been postponed.

## OeKB Code of Conduct

The OeKB Code of Conduct (CoC) represents a compilation of the basic facts which our corporate culture is based on. Documenting the manner in which the company interacts with employees, customers, suppliers and all other stakeholders, the CoC provides orientation for conduct in daily business.



G4-56, 57, 58

The CoC contains ethical rules and legal requirements which support autonomous action and promote an open working atmosphere characterised by respect and responsibility.

In addition to the whistle-blowing system that deals with the company’s inner structure, a complaints mechanism was introduced in 2014, enabling OeKB stakeholders to forward their feedback, suggestions and representations as well as their criticism to OeKB online.

The whistle-blowing system provides data-confidentiality. The contact persons are mainly direct supervisors, the works council, those responsible for various issues and OeKB’s Legal Counsel. In 2014 there were neither any reports of internal misconduct nor external complaints. The number of inquiries to the works council did not exceed the normal amount, none of those made triggered an internal audit on the matter concerned.



[www.oekb.at/en/osn/Pages/feedback.aspx](http://www.oekb.at/en/osn/Pages/feedback.aspx)

## Policies

The following issues form an integral part of the company’s policy and are handled accordingly by the management and the employees in their daily business.



G4-56

Having evolved from the OeKB environmental policy during the first EMAS certification process, the OeKB Group sustainability policy was broadened to include social aspects in 2004. It is subject to revision periodically.



**Sustainability policy**

G4-1, FS1

<http://www.oekb.at/en/about-oekb/sustainability/pages/sustainabilitypolicy.aspx>



**Human rights policy**



G4-HR1, FS1

The human rights policy breaks down the articles of the Universal Declaration of Human Rights at company level. Accordingly, it was decided how to implement each article in practice, in terms of sustainability activities on the part of OeKB Group.

[www.oekb.at/de/unternehmen/nachhaltigkeit/menschenrechte](http://www.oekb.at/de/unternehmen/nachhaltigkeit/menschenrechte) (in German only)

#### Climate policy



EC2, FS1

The OeKB climate policy stipulates that adequate measures be taken in all business processes aimed at a sustainable climate policy to achieve a reduction in carbon dioxide emissions. The policy applies to all OeKB Group companies that are certified under EMAS.



For more details, including itemisation according to Scopes 1, 2 and 3, see the chapter on **Ecology in ongoing operations**.

Over the years, EMAS has triggered various improvements that have led to a clear reduction in carbon dioxide equivalents.

[www.oekb.at/de/unternehmen/nachhaltigkeit/klimapolitik](http://www.oekb.at/de/unternehmen/nachhaltigkeit/klimapolitik) (in German only)

#### Communication policy

The aim of all corporate communication is to win and/or reinforce stakeholder confidence in OeKB and to further understanding of the responsibilities and positions of OeKB Group.

#### Gender policy



More on gender policy, risk policy and remuneration policy see [www.oekb.at/de/osn/seiten/65a-bwg.aspx](http://www.oekb.at/de/osn/seiten/65a-bwg.aspx) (in German only)

In the salary policy strict gender equality is observed. Individual career steps are not dependent on gender. It is clear employees get the same pay for the same work. Only specialist and personal qualifications are considered when rating employees.

OeKB places importance on the use of gender-sensitive language in its publications.

## Preventing corruption



G4-56, SO4

The CoC reflects not only the provisions set forth in the Austrian Act amending the Criminal Law on Corruption, but additional restrictions as well, given that not every manner of conduct that is harmless in terms of criminal law meets with the standards of behaviour that OeKB deems appropriate for its employees.



SO3

Even though OeKB employees are not office-holders, as meant by article 74 of the Austrian Penal Code, OeKB deems it appropriate, based on its central position on the Austrian capital market and its role as Austrian export credit agency (ECA), that its employees comply with the more stringent criminal law provisions applicable to office-holders.

Lectures and training courses on preventing corruption continued to be offered company-wide. Since 2014 this issue has also been part of the so-called start-up workshops, compulsory for all new employees.

## Fighting money-laundering and terrorism-financing

With the resolution on the fourth EU directive on money-laundering in the summer of 2015, the scope of the definition of politically exposed persons (PePs) – who are subject to more stringent requirements concerning money-laundering than ordinary citizens – was expanded and the criminal law provisions relating to this matter were extended. This directive will be implemented into national law by 2017 and thus also find its way into the Austrian Banking Act (BWG).



Information on preventing money laundering and terrorism-financing is available on [www.oekb.at/en/about-oekb/OeKB-at-a-glance/legal-framework/anti-money-laundering-financing-terrorism](http://www.oekb.at/en/about-oekb/OeKB-at-a-glance/legal-framework/anti-money-laundering-financing-terrorism)

## OECD Recommendation on Bribery and Officially Supported Export Credits

The Austrian government undertook internationally to adhere to all anti-corruption measures adopted on the OECD level. In its capacity as national export credit insurer acting on behalf of the Austrian government, OeKB fully complies with the regulations set forth in the OECD Recommendation on Bribery and Officially Supported Export Credits.



In terms of export guarantees, this implies that applications under the Export Guarantees Act include the request for information concerning pending litigation, final judgments for bribing foreign office-holders and verification as to whether the applicant is on one of the exclusion lists of certain international financial institutions. If this is the case, OeKB initiates an intensified assessment procedure to examine, in terms of avoiding and preventing corruption, the structure of the transaction and the applicant's internal set of regulations. Only after all concerns have been dealt with, will the application be processed.

Besides this, customers are routinely screened anyway. If necessary, the assessment procedure can be intensified here, too.

OeKB also supports its customers in their efforts to counteract corruption preventatively, particularly by organising and promoting events and workshops.

- Information on preventing corruption that is available on the OeKB website [www.oekb.at/en/export-services/transparency-compliance/combating-corruption/](http://www.oekb.at/en/export-services/transparency-compliance/combating-corruption/)
- Recommendation of the ICC with regard to preventing corruption is available on [www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/corporate-responsibility-and-anti-corruption/ICC-Rules-on-Combatting-Corruption/](http://www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/corporate-responsibility-and-anti-corruption/ICC-Rules-on-Combatting-Corruption/)



## Sponsoring, public funds, grants

### Sponsoring

OeKB sponsoring essentially refers to social projects and sustainability as well as to education and science, with the intention of achieving the company's communication objectives and enhancing employee motivation and identification. Specific return services are set out in writing and compliance is verified for each sponsoring activity.

Donations may be granted only if the identity of the recipient and intended purpose are known. These may not be used to avoid external or internal regulations and must be fully documented for the sake of transparency.

Reimbursement of expenses or similar reimbursements for services not actually provided are not permitted. The same applies to incommensurate reimbursements for services actually provided.

In 2015, for example, OeKB sponsored the following projects:

- ICEP – Institut zur Cooperation bei Entwicklungsprojekten  
Cooperation on CorporAid-Initiative
- Respekt.net  
Sponsoring of a project award on the topic of refugees and migration on this platform for socio-political work
- Österreichisches Gesellschafts- und Wirtschaftsmuseum  
Sponsoring of the brochure 'Austria's economy at a glance'
- Staatspreis Consulting 2015  
Event sponsoring
- Conferenece 'ASEAN – An economic community with 600 million consumers'  
Co-staging of events with Außenwirtschaft Austria

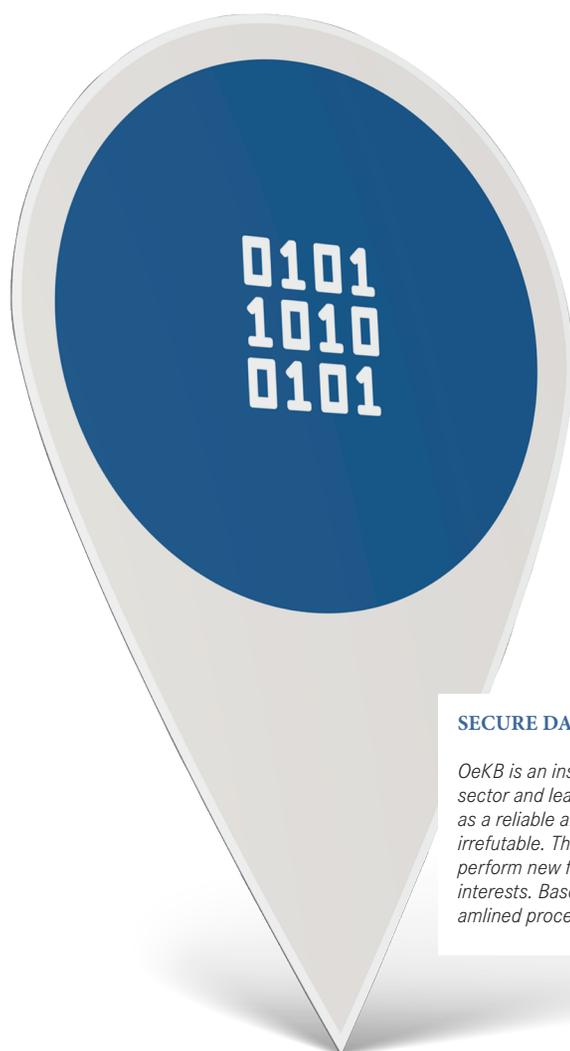
### Public funds



In 2015 there were no public subsidies for structural measures nor for the training of employees.

# Managing IT and processes.

*OeKB Group performs many functions that are important to the national economy. To ensure that everything works seamlessly and as efficiently as possible, OeKB places a premium on cost-effective, clearly defined processes and secure IT solutions.*



#### **SECURE DATA, WELL MANAGED**

*OeKB is an institute that is relied upon by the public sector and leading business enterprises. Its expertise as a reliable and well organised data custodian is irrefutable. That is why it is repeatedly chosen to perform new functions which serve general economic interests. Based on up-to-date IT solutions and streamlined processes.*

# Strengthening the economy. Since 1946.

## Managing IT and processes

Since it was founded, OeKB has specialised in various activities which serve the interests of the economy. The reason: there is a need for independent third parties on the market that are in a position to help and support banks, companies and the Republic of Austria in the best possible manner. For 70 years OeKB has been using the most appropriate technologies for this purpose. And employing competent people who know how best to use these technologies.



1946

**Oesterreichische Kontrollbank AG founded**



1962

**Involved with US dollar bonds of World Bank**



1970s

**Syndicated financing (University of Economics and Business, museums, residential building renovation, etc.)**



1978

**Austrian financial market benefits from OeKB's central IT support for first time (system PICS)**



since 1996

**Subsidiary OeKB Business Services GmbH with IT services on the market**



2008 - 2011

**Setup and operation of Oesterreichische Clearingbank AG (OeCAG)**



2008 - 2015

**CO<sub>2</sub> Emission Trading Services**

# Ecology in ongoing operations

The ecological impact of office operations is not particularly relevant for OeKB Group. Nevertheless, as our power consumption is equivalent to that of nearly 600 homes, it represents an absolute value that requires careful consideration. In 2015, as in previous years, there were no breaches of environmental law that resulted in legal action.



G4-6, EN1, EN33

## Locations

With regard to operational ecology, key indicators for energy, heating energy, water and paper are for the main locations at Am Hof 4 and Strauchgasse 1-3. The key indicator for waste relates exclusively to the Strauchgasse location, since OeKB Group companies at other locations are merely tenants, hence unable to determine exact values for such indicators.

### Locations

	2000	2013	2014	2015
<b>Floor space in m<sup>2</sup></b>				
Strauchgasse	13,612	15,210	15,210	15,512
Am Hof	3,075	4,297	4,297	3,479
<b>Floor space, main locations</b>	<b>16,687</b>	<b>19,507</b>	<b>19,507</b>	<b>18,991</b>
<b>Number of employees</b>				
Strauchgasse	267	368	337	371
Am Hof	75	88	87	68
<b>Employees, main locations</b>	<b>342</b>	<b>456</b>	<b>424</b>	<b>439</b>
Other locations	20	16	24	-
<b>Total number of employees</b>	<b>362</b>	<b>472</b>	<b>448</b>	<b>439</b>

## Energy management

With the introduction of the Energy Efficiency Act (EEffG) companies were obliged to set measures between 2015 and 2020 to improve energy efficiency, and to document and report these to a newly established monitoring body. Even large companies with an already implemented management system such as EMAS have to perform an energy audit in addition, however in this case this can be carried out by an in-house energy auditor. The tasks of an in-house energy auditor include not only the preparation and implementation of energy audits, but the energy management of buildings, processes and mobility, and the identification and evaluation of energy-saving measures. The energy management refers to all OeKB Group sites including the default data-processing centre, but in particular the Strauchgasse building, where OeKB as the owner has the greatest influence.

In recent years, significant measurements were collected using the building management system and appropriate action was set.

The installation of new cooling machines, the waste heat from which is used to heat the Strauchgasse site, led to a significant reduction in district heating consumption. Thus, the need for heating in the mild December of 2015 was completely covered by waste heat.

### Energy consumption

kWh	2000	2013	2014	2015	Changes compared to previous year
<b>Electric power</b>					
Strauchgasse	2,970,060	2,434,265	2,248,554	2,227,507	(21,047)
Am Hof	821,900	386,940	367,570	344,580	(22,990)
Wallnerstr., Wipplingerstr.	-	47,279	48,108	46,106	(2,002)
Linz	-	11,063	-	-	-
Data processing centre Vienna 21	-	289,211	261,293	213,043	(48,250)
<b>Total electric power</b>	<b>3,791,960</b>	<b>3,168,758</b>	<b>2,925,525</b>	<b>2,831,236</b>	<b>(94,289)</b>
<b>District heat</b>					
Strauchgasse	1,496,750	534,311	414,760	211,805	(202,955)
Am Hof	359,453	236,869	225,295	269,102	43,807
<b>Total district heat</b>	<b>1,856,203</b>	<b>771,180</b>	<b>640,055</b>	<b>480,907</b>	<b>(159,148)</b>
Natural gas Strauchgasse	64,914	-	-	-	-
<b>Optimisation of energy consumption (Strauchgasse)</b>					
Cooling energy produced	-	1,667,832	1,544,136	1,492,857	(51,279)
Utilised waste heat	-	282,500	285,224	521,592	236,368
Own photovoltaic system	-	30,110	29,510	31,050	1,540

## Business travel (all locations)



G4-EN30

km	2000	2013	2014	2015	Changes compared to previous year
Aircraft	984,663	1,594,812	1,430,974	1,316,601	(114,373)
<i>Of which carbon-dioxide compensated</i>	-	620,959	571,483	569,354	(2,129)
Railway	14,117	37,503	42,628	37,653	(4,975)
Passenger car	39,237	23,354	19,506	30,576	11,070
<i>Of which emission-free (e-mobility)</i>	-	5,932	6,714	4,802	(1,912)
<b>Total business travel</b>	<b>1,038,017</b>	<b>1,655,669</b>	<b>1,493,108</b>	<b>1,384,830</b>	<b>(108,278)</b>

## Carbon dioxide equivalent



G4-EN4, 6, 15, 16, 17, 19

Tons	2000	2013	2014	2015	Changes compared to previous year
<b>Scope 2</b>					
Electric power	750.81	57.26	49.61	42.18	(7.42)
District heat	37.12	15.42	12.80	9.62	(3.18)
Natural gas	16.03	-	-	-	0.00
<b>Total purchased energy</b>	<b>803.96</b>	<b>72.69</b>	<b>62.41</b>	<b>51.80</b>	<b>(10.61)</b>
<b>Scope 1</b>					
Passenger car	5.62	2.50	1.83	3.70	1.86
<b>Scope 3</b>					
Aircraft	384.22	380.00	335.37	291.58	(43.80)
Railway	0.06	0.16	0.18	0.16	(0.02)
<b>Total business travel</b>	<b>389.90</b>	<b>382.65</b>	<b>337.39</b>	<b>295.43</b>	<b>(41.96)</b>
<b>Total carbon dioxide equivalents</b>	<b>1,193.86</b>	<b>455.34</b>	<b>399.79</b>	<b>347.23</b>	<b>(52.56)</b>

At the locations in the first district of Vienna (Am Hof and Strauchgasse, Wallnerstraße and Wipplingerstraße) OeKB uses electricity obtained exclusively from hydro-electric power plants. The rented premises in Linz and the default data-processing centre use the standard power mix, which is reflected in significantly higher emissions to air.

Classification by separate scopes (i.e. defined segments) is done according to the Greenhouse gas protocol, whereby Scope 1 includes all direct emissions from combustion in in-house plants, in the case of OeKB Group, combustion engines in the company cars. Scope 2 includes indirect emissions from consumption of purchased energy, and Scope 3 includes other indirect emissions from upstream processes. In 2015 the calculation was changed to include CO<sub>2</sub> equivalents, and the emissions figures for previous years were recalculated. As a result of the new calculation factors the emissions from international flights went up noticeably (see the conversion table in the integrated report 2014, p. 104).



Source:  
[www.ghgprotocol.org/calculation-tools/faq](http://www.ghgprotocol.org/calculation-tools/faq)

With a capacity of 31 kWp, the photovoltaic system is making a small contribution towards energy production in the building, which amounted to 31,050 kWh in 2015. A green IT data centre offers a high level of availability, the reliability required and optimises the use of electrical energy.

## Conversion table for calculating carbon dioxide equivalents

	kg CO <sub>2</sub> - equivalents	Sources
1 km railway (electro)/person	0.0042	Federal Environmental Agency data base 2013
1 km aircraft/person, domestic	0.7302	Federal Environmental Agency data base 2013
1 km aircraft/person, international	0.3902	Federal Environmental Agency data base 2013
1 km passenger car, per vehicle	0.1434	Federal Environmental Agency data base 2013
1 kWh electric power - data processing centre	0.1980	Wien Energie Vertrieb GmbH & Co KG
1 kWh hydro-electric power	0.0000	Wien Energie Vertrieb GmbH & Co KG
1 kWh district heat	0.0200	OIB guideline 6

## Water and paper

In 2015, the water consumption at the Strauchgasse site was up by almost 10% on the previous year's values; the extreme temperatures in the summer were responsible for this. As a consequence, the water consumption for the coolers increased by 500 m<sup>3</sup>.



G4-EN1

The water consumption at the Am Hof site did not change significantly and lay within the range of the previous years.

Copy-paper consumption decreased by about 19%.



G4-EN2, EN8, EN22

### Water and paper consumption

	2000	2013	2014	2015	Changes compared to previous year
Water consumption (m <sup>3</sup> )	9,956	6,577	5,986	6,390	404
Copy paper consumption (A4 sheets)	3,540,157	2,683,500	3,148,500	2,551,500	(597,000)

## Waste management

The key waste indicators shown below relate exclusively to the Strauchgasse location. As a mere tenant at other locations, OeKB Group is unable to quantify waste amounts generated there precisely.



G4-EN23, EN31

In 2001, in the course of a waste-contracting process, weights were attributed to particular containers when full to facilitate allocation of generated waste amounts to specific fractions. Now full containers are determined by visual inspection and recorded at the end of each day (using 25% increments). The amounts of paper disposed of in a confidential manner are added to these values. Waste generated by the company canteen is excluded from these records, as such waste is disposed of independently. All hazardous waste is disposed of in compliance with statutory requirements. Every batch of waste handed over for processing is documented using a stamped and signed certificate. All of this data is recorded in an online waste-management tool.

The total cost of waste disposal amounted to € 47,374 in 2015. Renovation work generated 140,760 kg of construction waste in 2015 (2014: 28,890 kg).

### Waste in kg (Strauchgasse)

	2000	2013	2014	2015	Changes compared to previous year
Waste paper	26,288	55,579	53,461	54,070	609
Glass	1,824	3,808	4,130	3,264	(866)
Plastic waste	1,248	4,869	4,464	2,232	(2,232)
Scrap metal and metal scrap	480	480	350	270	(80)
Grease trap contents	20,410	13,960	13,220	15,980	2,760
Electronic scrap	715	1,566	194	262	68
Bulky items	-	170	686	172	(514)
<b>Reusable materials</b>	<b>50,965</b>	<b>80,432</b>	<b>76,505</b>	<b>76,250</b>	<b>(255)</b>
Accumulators, batteries	774	895	2,206	798	(1,408)
Fluorescent lamps	129	27	163	40	(123)
Colour residues	800	-	-	-	-
Developer, fixer	540	-	-	-	-
(Waste) oil	-	-	17	-	(17)
Monitors/TVs	-	159	8	-	(8)
Cooling/air-conditioning appliances	-	194	-	-	-
Synthetic packaging	-	91	-	-	-
Coolants	-	-	54	-	(54)
<b>Hazardous waste</b>	<b>2,243</b>	<b>1,366</b>	<b>2,448</b>	<b>838</b>	<b>(1,610)</b>
Domestic type commercial waste	90,000	33,900	32,940	32,250	(690)
<b>Total waste</b>	<b>143,208</b>	<b>115,698</b>	<b>111,893</b>	<b>109,338</b>	<b>(2,555)</b>

## Ecological key indicators



G4-EN3, EN5, EN18

	2000	2013	2014	2015	Unit	ÖGUT 2008 average*
<b>Energy (Strauchgasse, Am Hof)</b>						
Electric power consumption	11,088	6,187	6,170	5,859	kWh/empl.	5,940
District heat	111	40	33	25	kWh/m <sup>2</sup>	95
<b>Business travel (all EMAS locations)</b>						
Railway, aircraft, passenger car	2,867	3,508	3,333	2,997	km/empl.	4,390
<b>Carbon dioxide equivalents</b>						
Energy and business travel	3,124	217	206	859	kg/empl.	2,559
<b>Water (Strauchgasse, Am Hof)</b>						
Water consumption	116	58	56	58	l/empl./day	60
<b>Paper (Strauchgasse, Am Hof)</b>						
Paper consumption	41	23	30	25	Sheet/empl./day	37
Proportion of recycling paper	4.4%	99.4%	99.9%	98.4%	%	40.0%
<b>Waste (Strauchgasse including tenants)</b>						
Waste paper	98	151	159	146	kg/empl.	141
Residual waste	337	92	98	87	kg/empl.	70
Separation quota	73.3%	33.6%	33.0%	35.0%	%	

\* Source: 'Benchmarking für Finanzdienstleister' (benchmarking for financial service providers), ÖGUT Österreichische Gesellschaft für Umwelt und Technik, 2008

## Supplier management



G4-12

As a rule, replacement and newly purchased office furniture and equipment as well as work materials are pre-selected by the relevant purchasing officers and subsequently checked by the sustainability officer for their adherence to the sustainability criteria in the criteria catalogue.

The criteria catalogue 'Sustainable procurement at OeKB', includes sustainability principles to be observed in the procurement procedure. Superimposed upon these basic rules are more elaborate, detailed rules concerning the office supplies, IT hardware, employee catering, construction, merchandising and energy-procurement sectors.

In addition to the OeKB sustainable procurement guidelines, procurement of office supplies also relies upon the [www.bueroeinkauf.at](http://www.bueroeinkauf.at) platform (in German only) maintained by the Federal Ministry of Agriculture, Forestry, the Environment and Water Management. Provided that a product is registered in the website's database, it is deemed sustainable. If the desired product is not indicated on the website, the internal procurement criteria for office supplies will apply.



In addition to measurable criteria (such as electricity consumption, proportion of recyclable components, etc.) procurement takes into consideration certificates and (product) quality seals for all product groups. Based on their own evaluation and on the expertise of the sustainability manager, the procurement officer may then select one of the eligible products at their own discretion.

OeKB does not procure any products containing PVC, preferring renewable, recyclable, repairable and regional products as well as suppliers that address social issues as defined in the UN Global Compact.

## Outsourcing guidelines

For its operational risk management, OeKB has put in place a procedure that subjects significant as well as less significant outsourcing projects, as defined by the Austrian National Bank (OeNB) and the Financial Market Authority (FMA), to specific checks and ensures they comply with certain rules.

OeKB does not presently outsource any significant banking business, financial services or other OeKB-specific services. It does, however, use outsourcing for less significant projects in accordance with the aforementioned definitions.

Irrespective of materiality, processes and services are identified annually, which,

- have a great impact on operational procedures and daily business operations,
- come with a contract volume of considerable size and/or
- are of vital importance for the core business.

The above are subject to more rigorous due diligence and are to be evaluated annually within the scope of the risk management strategy.

In addition to a simple evaluation of their economic standing and adherence to defined service-level agreements, relevant assessment issues include: questions concerning personnel powers, training, work-related accidents as well as certifications, also in the area of Corporate Social Responsibility (CSR).

Non-compliance on the part of a particular service provider triggers a procedure that may result in their replacement. In 2015, no such action needed to be taken.



# Research and analysis.

*In order to provide services that are relevant to the national economy, OeKB Group requires sound information, first-rate analyses and experience in evaluating the rationales behind decision-making. This is to the benefit of the entire economy and the Republic of Austria.*



#### **LEVERAGING KNOWLEDGE**

*It is the job of many of the people within OeKB Group to deal with the fundamental and practical aspects of the economy, such as risks in countries and regions or market trends. They research, summarise, analyse and in that process render the decision-making process that much easier.*



# Strengthening the economy. Since 1946.

## Research and analysis

OeKB is an institute with very specific responsibilities. There is also a specific process by which critical information creates knowledge. Knowledge that employees use on a daily basis to successfully advise growth-orientated companies, banks and the Republic of Austria.



1946

**Oesterreichische Kontrollbank AG founded**



1992

**Structured information management**



1996

**Research and analysis offered externally for the first time**



1997

**Online press review service focusing on financial sector launched**



2004

**austrian business monitor offers service to Austrian companies and sectors**



2007

**OeKB CEE Business Climate Index calculated for the first time**

# Implementing the programme of measures and EMAS objectives

## Programme of sustainability



G4-27, EN19, EN27, FS16, DMA

### Long-term profitability of OeKB's core business

Objective	Measure	Responsibility	Deadline
<b>Making the OeKB portfolio more ecological</b>	To check emissions from green bonds	International Financing	December 2016
<b>Indirect support of recently founded sustainable companies</b>	Cooperation with the Investment Ready Program, by hosting the CEE Impact Day 2016	Organisation, Construction, Environmental Issues and Security	December 2016
<b>Harmonisation of the premium scheme for guarantees in OECD countries with category '0'; this applies to 'High-income' OECD countries, countries in the Euro zone and countries classified under category '0'.</b>	The OECD will adopt laws, enabling fair competition as well as ensuring a premium level not under market level. The implementation of the rules is OeKB's responsibility.	OECD committees, Export Guarantees; Analyses, Research and International Affairs	Mid 2016

Objective	Measure	Responsibility	Deadline
<b>To improve stakeholder-management</b>	To agree regularly on rating-related matters with the rating agencies	Organisation, Construction, Environmental Issues and Security; Marketing & Corporate Communications	December 2016
	Checking and updating the materiality matrix to reflect the new strategy	Organisation, Construction, Environmental Issues and Security; Marketing & Corporate Communications	December 2016
	Updating the stakeholder matrix	Organisation, Construction, Environmental Issues and Security; Marketing & Corporate Communications	December 2016
	To compare and openly discuss findings of the internal 'longest-serving employees' survey with the findings of the 'Generation Y' survey. To integrate the results into the further development of OeKB's work-life-balance strategy	Human Resources; Organisation, Construction, Environmental Issues and Security; Staff Council	June 2016
<b>To inform issuers about legal aspects of the Alternative Financing Act (AFA)</b>	Organising and designing an event for platform operators and issuers under the AFA to give these target groups an overview of the important regulatory issues	Capital Market Services	June 2016

## Regulatory challenges

Objective	Measure	Responsibility	Deadline
<b>To implement the regulatory framework and guidelines subject to Basel III, the Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD)</b>	To adapt all handbooks and the reporting system	“Österreichischer Exportfonds“ GmbH	June 2017
<b>To implement the 4th Money Laundering Directive</b>	To adapt internal policies	Oesterreichische Entwicklungsbank AG	December 2016
<b>Introduction of the platform for securities provided by Eurosystem (TARGET2-Securities; T2S)</b>	To implement the project according to the project plan	OeKB CSD GmbH	June 2017
<b>Authorisation of OeKB CSD GmbH under Regulation (EU) No. 909/2014</b>	Preparation of necessary documentation for the licence application for OeKB CSD GmbH	OeKB CSD GmbH	December 2016

## Training and Development

Objective	Measure	Responsibility	Deadline
<b>Cross-generational knowledge management</b>	To review opportunities for knowledge transfer and to analyse and implement them	“Österreichischer Exportfonds“ GmbH; Organisation, Construction, Environmental Issues and Security	December 2016
<b>Deepening the developmental knowledge of the theories of development-cooperation</b>	Seminars and lectures to deepen the developmental knowledge of employees	Oesterreichische Entwicklungsbank AG	December 2016

## Business ethics

Objective	Measure	Responsibility	Deadline
<b>To increase awareness of the importance of data protection</b>	Holding online training on the topic	Organisation, Construction, Environmental Issues and Security	December 2016
<b>To determine targets and measures based on the Sustainable Development Goals (SDGs)</b>	Defining SDGs as a focus for in-house sustainability meetings	Organisation, Construction, Environmental Issues and Security; Marketing & Corporate Communications	December 2017
<b>To promote non-discriminatory language in the company's publications</b>	To modify upstream documentation such as the management manual and the status report to reflect the non-gender-specific nature of the Integrated Report 2015	Organisation, Construction, Environmental Issues and Security	June 2017
<b>To raise awareness regarding fair-trade products</b>	Collaboration with Fairtrade as part of the Fairtrade @ work campaign	OeKB	Autumn 2016
<b>Generation management</b>	Project 55+ to promote interaction between the generations in daily business	Organisation, Construction, Environmental Issues and Security; Human Resources; Staff Council	December 2016
<b>Joint target quota of 30 % for women for the composition of the management and Supervisory Boards</b>	Putting the case to the owners	OeKB's Executive Board	December 2020

### Sustainable operations (environmental footprint)

Objective	Measure	Responsibility	Deadline
<b>Reduction of energy consumption</b>	To equip five offices with LED lighting	Organisation, Construction, Environmental Issues and Security	December 2016
<b>Sustainable mobility</b>	To purchase an e-bike for official journeys	Organisation, Construction, Environmental Issues and Security	June 2016
<b>Improving the measurability and traceability of energy indicators</b>	To draw up a list of all energy meters (electricity, district heating) including counter numbers and all serviced areas	Organisation, Construction, Environmental Issues and Security	December 2016 (Strauchg.) December 2017 (Am Hof)
<b>Reduction of urban traffic</b>	Streamlining the external collection of confidential waste	Organisation, Construction, Environmental Issues and Security	December 2016
<b>Stronger positioning of CSR in the supply chain</b>	To organise six events, together with partners, which are open to the public. The topics will be based on the six pillars of OeKB's Guideline for Sustainable Procurement, i.e. office supplies, employee refreshments, IT hardware, construction, merchandising and energy supply.	Organisation, Construction, Environmental Issues and Security	December 2016
<b>Reduction in district heating of 60 MWh to 340 MWh at 2016</b>	Integrating the new refrigerating machine in the waste-heat utilisation	Organisation, Construction, Environmental Issues and Security	December 2016

## Implementing the programme of measures



G4-EN19

### Long term profitability of OeKB's core business

Objective	Measure	Progress to date
<b>Support of crowdfunding settlement with banking standards</b>	<p>Coordination with stakeholders and legal assessment of the project possibilities</p> <p>Evaluation of the suitability of the existing in-house software-systems for crowdfunding</p>	<p>The audit results were, in agreement with the new CRS Regulations (Common Reporting Standard Regulations) published in March 2015, that the 'central registrar' variant is unfortunately not feasible for OeKB. With this variant OeKB would make payments directly to individuals and, therefore, lose its exemption from the CRS Regulation. As a consequence, the Trustee Account management of subordinated loans and their administration is not possible due to the CRS Regulation, even in a register location. Escrow accounts could be strictly limited in their function to normal accounting for the initial issue, but not used for repayment.</p>
<b>Ecologising OeKB's portfolio</b>	Assesment of green bond emissions	<p>Work was commenced on a portfolio of projects within the framework of the Export Financing Scheme to meet the requirements of the green bond criteria. A new deadline of December 2016 was set for the completion of the portfolio.</p>
<b>Indirect promotion of recently founded sustainable companies</b>	To work with the Investment Ready Program, with OeKB acting as host of the CEE Impact Day 2015	<p>On 19 June the CEE Impact Day 2015 took place in OeKB's Reitersaal hall</p>
<b>To improve stakeholder management</b>	To create a broader basis for the next materiality analysis by integrating other stakeholder groups	<p>In December 2015 the project for focusing stakeholder management was launched.</p>

## Regulatory challenges

Objective	Measure	Progress to date
<b>To implement the guidelines as required by the Energy Efficiency Law</b>	Integration of additional KPIs and audit (as part of the EMAS audit)	In coordination with the external auditors an internal energy audit will be conducted by a certified in-house auditor, the results of which will be incorporated in the EMAS status report. The relevant parts of the Integrated Annual Report will be audited in accordance with EMAS. Both documents (the internal energy audit report and the Integrated Annual Report) are submitted to the monitoring agency.
<b>To implement the fourth Money Laundering Directive</b>	To adapt the internal guidelines	The 4th EU directive on money laundering, accepted in the summer of 2015, will be implemented into national law by 2017 and also included in the Banking Act (BWG). At the same time, internal guidelines will be adapted. A new deadline of the end of 2016 was set.
<b>To implement the legal standards on the protection of workers regarding psychological stress in the workplace</b>	To evaluate psychological stress in the workplace	The implementation of the roll-out was agreed with the Labour Inspectorate and carried out jointly with IFES and Deloitte. Only the conditions/circumstances in which work takes place are the subject of the evaluation of work-related mental stress.

### Initial and further training

Objective	Measure	Progress to date
<b>To develop a 'feedback culture'</b>	To establish a transparent information policy whereby different positions can be discussed top-down/bottom-up	The Board provided regular information at various events. Thanks to the expanded use of the intranet (Mops) as a communication medium for various current topics, questions can now be put directly.
<b>To further the development of senior management</b>	To provide leadership and feedback competence by means of interactive and compact training	Leadership Nuggets, based on our competence model, were provided on various current management topics in the form of practical training.
<b>To support the key aspects of generation management</b>	Training and lectures to raise mutual understanding of the different generation-specific concerns and needs	A concept was developed aimed at passing on valuable employee experience and knowledge. This will be coordinated with the heads of department in Q1 2016.
<b>To improve staff retention</b>	To broaden the number of indicators through the development of a significant permanent indicator showing the number of employees returning from maternity leave	The findings of the 3-year monitoring of staff returning from parental leave (conducted on a rolling basis) will be published internally as a new indicator.

## Business ethics

Objective	Measure	Progress to date
<b>Creating awareness of fairly-traded products</b>	Cooperation with Fair Trade in the course of the 'Fair Trade@work' programme	In future, in cooperation with the Works Council, Fair-Trade products will be included in the range of offers submitted whenever t-shirts, garments etc. are purchased. A new deadline of the end of the Fairtrade@work campaign in autumn 2016 was set.
<b>Fair working conditions in OeKB's supply chain</b>	To evaluate the possibilities of cooperating with the NGO 'Südwind' on the EU project 'Electronic Watch'	In total three meetings were held at which the progress of the project and the possible involvement of OeKB, should the project be extended to the non-public sector, were discussed. At the last meeting, the idea was floated of working towards the SDGs by working with the Austrian network of the UN Global Compact.
<b>To roll out a groupwide social acceptance policy at OeKB</b>	To include OeKB's subsidiaries in the Code of Conduct framework	OeKB's subsidiaries have implemented the legal obligations regarding the prevention of corruption schemes, whistle-blowing, rules on sponsorship, data protection, money laundering and compliance. Most of these issues are handled in a standardised way for all members of the OeKB Group by means of service agreements. A formal CoC, which is also valid for subsidiaries, has yet to be completed.
<b>Implementing the UN Women's Empowerment Principles</b>	To organise a conference on work-life balance with the UN Women's National Committee so that signatories can exchange experiences and develop guidelines with examples of best practice.	The original content of the event was changed in consultation with the UN Women's National Committee. The jointly organised panel discussion focused on the question of how new working conditions and relationships affect the role of women in the workplace.
<b>To promote 'non-discriminatory language' at OeKB</b>	To organise workshops for the reporting team	The TUM School of Management was contacted and offers were obtained. However, the implementation has been delayed to Q1 2016.
<b>To further biodiversity in urban areas</b>	To set up 3 bee colonies (+ 1 colony of young bees) on the terrace of the 6th floor of the Strauchgasse building	The goal has been successfully implemented. In 2015 around 90 kg of honey was produced.

**Sustainable operations**

Objective	Measure	Progress to date
<b>Further reduction in pumping energy of 2 MWh to approx. 29 MWh</b>	Further replacement of heating and air conditioning pumps with more energy-efficient models	As a result of the exchanging of the pumps, the target set could be beaten slightly.
<b>Energy-efficiency and reduction in the amount of ecologically-harmful operating materials</b>	Further changeover to ecologically-friendly refrigerant by replacing some of the cooling machines	The cooling machines were replaced in the course of 2015.

# External Confirmations and GRI Index

## Independent Assurance Report



### **Independent assurance over the 2015 sustainability disclosures and data of Oesterreichische Kontrollbank Aktiengesellschaft**

Attention: This letter has been translated from German to English for referencing purposes only. Please refer to the officially legally binding version as written and signed in German/English. Only the German/English version is the legally binding version.

#### ***Engagement***

We were requested to perform a limited assurance engagement over the 2015 sustainability disclosures and data (hereafter ‘Reporting’) in accordance with the GRI G4 COMPREHENSIVE Option of Oesterreichische Kontrollbank Aktiengesellschaft.

The assurance engagement covers the Reporting as follows:

- ‘Integrated Report 2015’ in pdf-format concerning information and references linked from the GRI-Index to sustainability disclosures and data.

Our assurance engagement solely covers references directly specified in the GRI-Index. It does not cover any further web references, nor references made directly in the Reporting.

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

#### ***Limitations to our Review***

- We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Reporting.

- The objective of our engagement was neither a financial audit nor a financial audit review. We did not perform any assurance procedures on data, which were subject of the annual financial audit, the corporate governance report or the risk reporting. We merely checked that data was presented in accordance with the GRI Guidelines.
- Limited assurance over prospective information was not subject to our engagement.
- Neither the detection and investigation of criminal offenses, such as embezzlement or other fraudulent actions, nor the assessment of effectiveness and efficiency of management were subject to our engagement.

### **Criteria**

The information included in the Reporting was based on the criteria applicable in the year 2015 ('The Criteria'), consisting of:

- GRI Sustainability Reporting Guidelines G4 1
- EMAS Regulation in the scope of a recertification audit<sup>2</sup>

We believe that these criteria are suitable for our assurance engagement.

### **Management responsibilities**

Oesterreichische Kontrollbank Aktiengesellschaft's management is responsible for the Reporting and that the information therein is in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal controls. These are essential for the elimination of material misstatements in the Reporting.

### **Our responsibilities**

It is our responsibility to express a conclusion on the information included in the Reporting on the basis of the limited assurance engagement.

<sup>1</sup> [www.globalreporting.org/reporting/g4/](http://www.globalreporting.org/reporting/g4/)

<sup>2</sup> Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organisations in a Community eco-management and audit scheme (EMAS), repealing Regulation (EC) No 761/2001 and Commission Decisions 2001/681/EC and 2006/193/EC, <http://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32009R1221>

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants' ISAE30003 and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

The objective of our engagement is not to account for the interests of any third parties. Our work solely serves the client and his purpose. Our engagement is thus not destined to be used as a basis of decision-making for third parties.

The 'General Conditions of Contract for the Public Accounting Professions'<sup>4</sup>, are binding for this engagement. According to that, our liability is limited and an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence the maximum liability towards Oesterreichische Kontrollbank Aktiengesellschaft and any third party together is EUR 726,730 in the aggregate.

### *What we did to form our conclusion*

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. The assurance engagement was conducted at Oesterreichische Kontrollbank Aktiengesellschaft head quarter in Vienna. Our main procedures were:

- Obtained an overview over the industry as well as the characteristics and governance of the organisation;
- Interviewed a selection of Group and functional senior managers and executives to understand key expectations and identify systems, processes and internal control processes to support them;
- Reviewed Group level, Board and Executive documents to assess awareness and priority and to understand how progress is tracked;
- Examined risk management and governance processes related to sustainability and critical evaluation of the representation in the Reporting;
- Performed analytical procedures at Group level;
- Performed site visits in Vienna (Strauchgasse 1-3, Vienna) to review progress and obtain evidence of performance. In addition we reviewed data samples at site level for completeness, reliability, accuracy and timeliness;
- Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;

3 International Federation of Accountants' International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000), effective for assurance statements dated after January 1, 2005.

<sup>4</sup>version of February 21th 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8

[www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB\\_2011\\_englische\\_Fassung.pdf](http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_englische_Fassung.pdf)

- Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of Osterreichische Kontrollbank Aktiengesellschaft's peers;
- Challenged a sample of statements and claims in the Reporting against our work steps and the GRI G4 principles;
- Reviewed whether the GRI G4 Guidelines were consistently applied for the COMPREHENSIVE Option and
- Assessed completeness of UNGC reporting against the links with the '10 principles' of the UNGC as outlined in the GRI G4 guidelines.<sup>5</sup>

### *Our Conclusion*

Based on the scope of our review nothing has come to our attention that causes us to believe that the disclosures and data in the Reporting were not prepared, in accordance with the criteria identified above.

Vienna, 25 February 2016

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H

BRIGITTE FREY

PPA CHRISTINE JASCH



<sup>5</sup> [www.globalreporting.org/resource/library/UNGC-G4-linkage-publication.pdf](http://www.globalreporting.org/resource/library/UNGC-G4-linkage-publication.pdf)

## Environmental verifier's declaration in verification and validation activities

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Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. declares as an accredited environmental verifier in the scope Spezialkreditinstitute (64.92-0) to have verified whether

OeKB- Oesterreichische Kontrollbank AG (Reg. No. AT-000406), "Österreichischer Exportfonds GmbH", OeKB Business Services GmbH, OeEB – Oesterreichische Entwicklungsbank AG

as stated in the Integrated Report 2015 meets all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, we declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement (as integrated part of the Sustainability Report) reflect a reliable, credible and correct image of all the activities, within the scope mentioned in the environmental statement.

The next comprehensive Environmental Statement is due in 2018. An updated environmental statement is published every year.

This document is not equivalent to EMAS registration. EMAS registration can only be granted by a Competent Body under Regulation (EC) No 1221/2009. This document shall not be used as a stand-alone piece of public communication.

Vienna, 25 February 2016

BRIGITTE FREY

CHRISTINE JASCH

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.  
1220 Wien, Wagramer Strasse 19, IZD Tower

EY registration number: AT-V-0025  
Certificate Registration number: 01/2016  
Date of validation: February 25<sup>th</sup> 2016

# GRI G4 Contents Index

■ reported  
■ not applicable

## General Standard Disclosures

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G4-8	Markets served by geographic breakdown	A detailed illustration is included in the Export Services Annual Review 2015.	
G4-9	Scale of the organisation	OeKB Group Highlights	U2
G4-10	Total number of employees by employment contract and gender	Personnel and responsibilities	177
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G4-18	Process for defining the report content and aspect boundaries	Materiality analysis	15
G4-19	List of all material aspects identified	See GRI Contents Index long version under <a href="http://www.oekb.at">www.oekb.at</a>	
G4-20	Boundary of material aspects and specific limitations within the organisation	See GRI Contents Index long version under <a href="http://www.oekb.at">www.oekb.at</a>	
G4-21	Boundary of material aspects and specific limitations outside the organisation	See GRI Contents Index long version under <a href="http://www.oekb.at">www.oekb.at</a>	
G4-22	Restatements of information provided in previous reports	When the CSD business was spun off from OeKB and the OeKB CSD GmbH was formed, this subsidiary was also integrated in the sustainability management system	
G4-23	Specific changes regarding scope and aspect boundaries	When the CSD business was spun off from OeKB and the OeKB CSD GmbH was formed, this subsidiary was also integrated in the sustainability management system	
<b>Stakeholder Engagement</b>			
G4-24	List of stakeholder groups	Materiality analysis	15
G4-25	Basis for identification and selection of stakeholders	Materiality analysis	15
G4-26	Frequency of stakeholder engagement	Stakeholder relations and dialogue	74
G4-27	Key topics and concerns raised through stakeholder engagement	Stakeholder relations and dialogue, programme of sustainability	167, 207

Report Profile		Section	Page
G4-28	Reporting period	About this report	7
G4-29	Date of most recent previous report	About this report	7
G4-30	Reporting cycle	About this report	7
G4-31	Contact point	Publication information	231
G4-32	GRI Contents Index	About this report, GRI Contents Index	7, 218
G4-33	External assurance for the report	Certificate and validation	218
<b>Governance</b>			
G4-34	Governance structure of the organisation	Governance & Business Ethics	185
G4-35	Process for delegating authority for sustainable topics from the highest governance body to other employees	Organisational structure of Group's sustainability management	11
G4-36	Position with responsibility for sustainable topics	Organisational structure of Group's sustainability management	11
G4-37	Process for consultation between stakeholders and the highest governance body	Dialogue with civil society	168
G4-38	Composition of the highest governance body	Governance & Business Ethics	185
G4-39	Independence of the highest governance body	Under the Austrian Stock Corporation Act, the chairperson of the Supervisory Board shall be independent of the company's operations. Supervisory Board Members are independent on the operational level, except for those designated by the Works Council.	
G4-40	Nomination and selection processes of the highest governance body	Shareholders appoint Supervisory Board members at the shareholder meeting, according to their shareholdings. Supervisory Board members are subject to Fit & Proper criteria.	
G4-41	Process for avoiding and managing conflicts of interest	Corporate Governance, Supervisory Board	189
G4-42	Role of the highest governance body regarding sustainable impacts	Sustainability - accountability	12
G4-43	Measures taken to enhance the highest governance body's knowledge of sustainable topics	Sustainability - accountability	12
G4-44	Processes for evaluating the highest governance body's performance with respect to sustainability	Corporate Governance, Supervisory Board	189
G4-45	Role of the highest governance body in the identification and management of sustainable risks and opportunities	Risk management	54f.
G4-46	Effectiveness of risk management processes for sustainable topics	Risk management	54f.
G4-47	Frequency of the highest governance body's review of that risks and opportunities	Subject to revision on an annual basis	
G4-48	Review and approval of the organisation's sustainability report and the completeness of the material aspects.	Organisational structure of OeKB Group's sustainability management, Management review: performed on an annual basis by the Executive Board pursuant to the EMAS regulation	11
G4-49	Process for communicating critical concerns to the highest governance body	Responsibility of representatives of the Works Council on the Supervisory Board	
G4-50	Nature and number of critical concerns	Confidential	
G4-51	Remuneration policies of the highest governance body and senior executives	Corporate Governance, Executive Board	188
G4-52	Process for determining remuneration	Published in the OeKB AG Offenlegungsbericht (in German only)	
G4-53	Stakeholders' views regarding remuneration policy	Salary bands for the Board of Managing Directors are set by the Supervisory Board	
G4-54	Ratio of the annual total compensation for the highest paid individual to the median of all employees	Ratio of highest salary: median of all employees - confidential	
G4-55	Ratio of percentage increase in annual total compensation for the highest paid individual to the median of all employees	Ratio of percentage increase in highest salary: median of all employees - confidential	

Ethics and Integrity		Section	Page
G4-56	Values, principles and codes of conduct	Policies, OeKB Code of Conduct, Preventing corruption	191, 192
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	OeKB Code of Conduct	191
G4-58	Internal and external mechanisms for reporting concerns on unethical and unlawful behaviour	Internal: OeKB Code of Conduct, External: Dialogue with civil society	191, 168

## Specific Standard Disclosures

### Disclosures on Management Approach

G4-DMA	Analyses of materiality and its impacts	Sustainability management in OeKB Group, materiality analysis, programme of sustainability	11, 15, 207
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#### Category: Economic

##### *Economic Performance*

G4-EC1	Direct economic value generated and distributed	Business model of OeKB Group, income statement of OeKB	21, 142
G4-EC2	Risks and opportunities for the organisation's activities due to climate change	<a href="http://www.oekb.at/en/about-oekb/sustainability/Pages/climate.aspx">http://www.oekb.at/en/about-oekb/sustainability/Pages/climate.aspx</a>	192
G4-EC3	Coverage of the organisation's defined benefit plan obligations	Payments into the external pension fund for all employees in accordance with the pension collective agreement	
G4-EC4	Financial assistance received from government	Sponsoring, public funds, grants	193f.

##### *Market Presence*

G4-EC5	Ratios of standard entry level compared to local minimum wage	Starting salaries at OeKB clearly exceed those set out in the Collective Bargaining Agreement for bank employees, which all OeKB Group employees are subject to, except for employees of OeKB Versicherung AG.	
G4-EC6	Proportion of senior management hired from the local community	Not applicable	

##### *Indirect Economic Impacts*

G4-EC7	Development and impact of infrastructure investments	Financing from Exportfonds, financing from OeEB	25, 26
G4-EC8	Significant indirect economic impacts	Business model of OeKB Group, concessional financing for certain projects (soft loans), financing from OeEB, environmental and social responsibility	21, 24, 26f., 32

##### *Procurement Practices*

G4-EC9	Proportion of spending on local suppliers	A relevant assessment procedure is currently being set up; Data collection in progress	
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#### Category: Environmental

##### *Materials*

G4-EN1	Materials used by weight or volume	Ecology in ongoing operations	197
G4-EN2	Percentage of recycled materials	Water and paper	200

##### *Energy*

G4-EN3	Energy consumption within the organisation	Ecological key indicators	202
G4-EN4	Energy consumption outside of the organisation	Carbon dioxide equivalents (Scope 2)	199
G4-EN5	Energy intensity	Ecological key indicators	202
G4-EN6	Reduction of energy consumption	About this report, business travel, implementing the programme of measures, programme of sustainability	7, 199, 213, 207
G4-EN7	Reductions in energy requirements of products and services	Not relevant to the financial services sector	

##### *Water*

G4-EN8	Total water withdrawal by source	Water and paper	200
G4-EN9	Water sources significantly affected by withdrawal of water	Not applicable	
G4-EN10	Percentage of water recycled and reused	Not applicable	

<i>Biodiversity</i>		Section	Page
G4-EN11	Operational sites of high biodiversity	There are no estates with a high biodiversity quota	
G4-EN12	Significant impacts of products and services on biodiversity	Not relevant; assessed indirectly in the environmental audit (Project and Environmental Analyses), environmental and social responsibility	
G4-EN13	Habitats protected or restored	Not applicable	
G4-EN14	Operations and endangered species	Not applicable	
<i>Emissions</i>			
G4-EN15	Direct greenhouse gas emissions (scope 1)	Carbon dioxide equivalents (Scope 1)	199
G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	Carbon dioxide equivalents (Scope 2)	199
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	Carbon dioxide equivalents (Scope 3), Business travel	199
G4-EN18	Greenhouse gas emissions intensity	Ecological key indicators	202
G4-EN19	Reduction of greenhouse gas emissions	About this report, business travel, implementing the programme of measures, programme of sustainability	7,199, 213, 207,177
G4-EN20	Emissions of ozone-depleting substances	There are no emissions of ozone-depleting substances due to the service-providing nature of the business.	
G4-EN21	Other significant air emissions (SOx, NOx)	There are no relevant emissions due to the service-providing nature of the business	
<i>Effluents and Waste</i>			
G4-EN22	Total water discharge	Water and paper	200
G4-EN23	Total weight of waste	Waste management	201
G4-EN24	Number and volume of significant spills	There are no spillages or leaks due to the service-providing nature of the business	
G4-EN25	Weight of transported hazardous waste	We do not transport any hazardous waste	
G4-EN26	Impacts of the organisation's discharges of water	Waste water is on a normal level for service providers; it is disposed of using the public sewage system	
<i>Products and Services</i>			
G4-EN27	Extent of impact mitigation of environmental impacts of services	Programme of sustainability	207
G4-EN28	Percentage of packaging materials reclaimed	There is no product packaging due to the service-providing nature of the business.	
<i>Compliance</i>			
G4-EN29	Monetary value of fines due to non-compliance with environmental laws and regulations	No monetary fines were imposed.	
<i>Transport</i>			
G4-EN30	Environmental impacts of transporting goods and workforce members	Business travel	199
<i>Overall</i>			
G4-EN31	Total environmental protection expenditures	Waste management	201
<i>Supplier Environmental Assessment</i>			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	A procedure to evaluate key indicators for new suppliers is being established. At present, all major suppliers are screened according to environmental criteria.	
G4-EN33	Negative environmental impacts in the supply chain and actions taken	Ecology in ongoing operations	197
<i>Environmental Grievance Mechanisms</i>			
G4-EN34	Number of grievances about environmental impacts	Not applicable	
<b>Category: Social</b>			
<b>labour Practices and Decent Work</b>			
<i>Employment</i>			
G4-LA1	Fluctuation rate	Personnel and responsibilities	177
G4-LA2	Benefits provided to employees	OeKB part-time employees also have full access to all social benefits. Employees of subsidiaries are eligible only for some of the voluntary social benefits, Remuneration and gender policy	181
G4-LA3	Return to work and retention rates after parental leave	A target has been formulated, but the numbers are only published internally	

<i>Labour/Management Relations</i>		Section	Page
G4-LA4	Minimum notice periods regarding operational changes	The fact that the Works Council is represented on the Supervisory Board ensures that the Works Council has access to comprehensive information on the current business activities at any time.	
<i>Occupational Health and Safety</i>			
G4-LA5	Percentage of total workforce represented in health and safety committees	The health and safety committee consists of thirteen people, including an external occupational health specialist and an external security expert.	
G4-LA6	Type and rate of injury, occupational diseases, lost days and absenteeism	There was one accident on the way to OeKB in 2015	
G4-LA7	Workers with high risk of occupational diseases	According to employee protection law, all workplaces will be checked regularly for physical risks they pose by trained safety officers and occupational physicians. Most workplaces were found to be largely ergonomically nuisance-free. Since January 1st 2013 legal pressure to implement the test to detect mental burdens has increased, so it has been implemented for all employees.	
G4-LA8	Health and safety topics in formal agreements with trade unions	There were no such measures	
<i>Training and Education</i>			
G4-LA9	Average hours of training per year by gender and employee category	Training and human resource development	179
G4-LA10	Programs for skills management and lifelong learning	Personnel and responsibilities	177
G4-LA11	Percentage of employees receiving regular performance and career development reviews	Personnel and responsibilities	177
<i>Diversity and Equal Opportunity</i>			
G4-LA12	Composition of governance bodies	Governance & Business Ethics	185
<i>Equal Remuneration for Women and Men</i>			
G4-LA13	Ratio of basic salary and remuneration of women to	Remuneration and gender policy	182
<i>Supplier Assessment for Labour Practices</i>			
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	See G4-EN32	
G4-LA15	Negative impacts for labour practices in the supply chain and actions taken	not applicable	
<i>Labour Practices Grievance Mechanisms</i>			
G4-LA16	Number of grievances about labour practices	According to information provided by Works Council and the company lawyer, no complaints were made in 2015 with regard to harassment and no litigation was pending	
<b>Human Rights</b>			
<i>Investments</i>			
G4-HR1	Number of investments that include human rights clauses	Human rights policy , OECD Common Approaches 2012 (Common Approaches for officially supported export credits and environmental and social due diligence)	191
G4-HR2	Total hours of employee training on human rights policies	Training on Common Approaches	
<i>Non-discrimination</i>			
G4-HR3	Total number of incidents of discrimination and actions taken	There are written statements by the company lawyer and the Works Council to the effect that no such incidents came to light in the period under review.	
<i>Freedom of Association and Collective Bargaining</i>			
G4-HR4	Violations of the right to excess freedom of association and collective bargaining and measures taken	In Austria, the right to collective bargaining is governed by law. A Works Council is in place.	

<i>Child Labour</i>		Section	Page
G4-HR5	Significant risks of child labour	See G4-HR 1 and G4-HR 10	
<i>Forced or Compulsory Labour</i>			
G4-HR6	Significant risks of forced labour	See G4-HR1 and G4-HR 10	
<i>Security Practices</i>			
G4-HR7	Training of security personnel regarding human rights	Security personnel receive clear service instructions and participate in training on a regular basis.	
<i>Indigenous Rights</i>			
G4-HR8	Total number of incidents violating rights of indigenous people	See G4-HR 1 and G4-HR 10	
<i>Assessment</i>			
G4-HR9	Total number and percentage of operations that have been subject to impact assessments	Environmental and social responsibility, Watchful-Eye-Principle <a href="http://www.oekb.at/en/export-services/transparency-compliance/environment/">www.oekb.at/en/export-services/transparency-compliance/environment/</a>	32
<i>Supplier Human Rights Assessment</i>			
G4-HR10	Percentage of new suppliers screened using human rights criteria	not applicable	
G4-HR11	Negative human rights impacts in the supply chain and actions taken	not applicable	
<i>Human Rights Grievance Mechanisms</i>			
G4-HR12	Number of grievances about human rights impacts	An external grievance mechanism came into force as of Q2 2014. A statistical evaluation of complaints takes place at the end of every year. There were no complaints during the period under review.	
<b>Society</b>			
<i>Local Communities</i>			
G4-SO1	Operations with implemented local community engagement	Materiality analysis, financing from OeEB, environmental and social responsibility, stakeholder relations and dialogue	15, 26, 31f., 167
G4-SO2	Operations with negative impacts on local communities	Environmental and social responsibility	
<i>Anti-corruption</i>			
G4-SO3	Operations assessed for risks related to corruption	In the Export Services department, the risk of corruption is examined in accordance with the implemented OECD Recommendation on Bribery and with the statutory provisions under the Austrian Criminal Code. Employees receive written information on the Criminal Code on a regular basis; Export Services Project Underwriting Division employees receive additional information on OECD Recommendations. See Preventing corruption	31f. 192
G4-SO4	Training on anti-corruption policies	Preventing corruption, see SO3, <a href="http://www.oekb.at">www.oekb.at</a>	192
G4-SO5	Confirmed incidents of corruption and actions taken	Violations on the part of OeKB are not evident	
<i>Public Policy</i>			
G4-SO6	Total value of political contributions	No financial contributions were made to any political party	
<i>Anti-competitive Behaviour</i>			
G4-SO7	Total number of legal actions for anti-competitive behaviour	There were no violations of competition law in the period under review 2015.	
<i>Compliance</i>			
G4-SO8	Monetary value of fines for non-compliance with laws	See G4-SO7	
<i>Supplier Assessment for Impacts on Society</i>			
G4-SO9	Percentage of new suppliers screened using criteria for impacts on society	Not relevant to assessment of suppliers. With regard to customers, screening conducted pursuant to the OECD Recommendation on Bribery applies.	
G4-SO10	Negative impacts on society and actions taken	Not relevant to assessment of suppliers. With regard to customers, screening conducted pursuant to the OECD Recommendation on Bribery applies.	
<i>Grievance Mechanisms for Impacts on Society</i>			
G4-SO11	Number of grievances about impacts on society	There are written statements by the company lawyer and the Works Council to the effect that no such incidents came to light in the period under review.	

## Product Responsibility

<i>Customer Health and Safety</i>		Section	Page
G4-PR1	Percentage of products and services assessed for health and safety impacts	not applicable	
G4-PR2	Number of incidents of non-compliance with regulations concerning health and safety impacts	not applicable	
<i>Product and Service Labeling</i>			
G4-PR3	Information requirements of products and services	Not applicable; GTC include detailed service specifications	
G4-PR4	Number of incidents of non-compliance with regulations concerning product and service information	not applicable	
G4-PR5	Results of surveys measuring customer satisfaction	Customer satisfaction and customer care	167
<i>Marketing</i>			
G4-PR6	Sale of banned or disputed products	not applicable	
G4-PR7	Number of incidents of non-compliance with regulations concerning marketing communications	No charges were filed for non-compliance with marketing regulations	
<i>Customer Privacy</i>			
G4-PR8	Number of complaints regarding customer privacy and customer data	No charges were filed for violations of the Austrian Data Protection Act	
<i>Compliance</i>			
G4-PR9	Monetary value of fines for non-compliance with laws concerning the provision and use of products and services	No legal action was initiated for non-compliance with laws concerning the provision and use of products and services	
<b>Financial Services Sector Supplement</b>			
<i>Management Approach</i>			
(FS1)	Company policy concerning environmental and social aspects in the various business segments	Stakeholder relations and dialogue, OeKB Group sustainability policy, climate policy, human rights policy	167, 191, 192
(FS2)	Procedures to analyse environmental and social risks in the business segments	Environmental and social responsibility, OECD Common Approaches 2012	32
(FS3)	Procedures to ascertain compliance of customers' projects with environmental and social requirements	Environmental and social responsibility, OECD Common Approaches 2012	32
(FS4)	Procedures to improve employee competence in terms of implementing environmental and social policies	See G4-LA9	
(FS5)	Interacting with customers/investors/business partners with regard to opportunities and risks in an environmental or social context	Business model of OeKB Group, stakeholder relations and dialogue, events and awards	21, 167, 170
<i>Product Portfolio</i>			
FS6	Percentage of portfolio allocation to the business segments by region, size (e.g. micro/SME/large) and industry	Export Services Annual Review 2015	
FS7	Specifically developed services that benefit social communities	Concessional financing for certain projects (soft loans), microfinance	24, 27
FS8	Specifically developed services that benefit the environment	Concessional financing for certain projects (soft loans), renewable energy and energy efficiency	24, 27
<i>Audit</i>			
(FS9)	Extent and frequency of audits that review implementation of environmental and social policies and risk management procedures	The Internal Audit department relies on the services of a trained environmental auditor who reviews the agreed objectives according to legally prescribed standards applying to audits. Audits are conducted twice a year.	

<i>Active Ownership</i>		Section	Page
FS10	Percentage and number of companies represented in the organisation's portfolio with which the reporting organisation has directly interacted concerning environmental and social issues	Exclusion criteria for the Bank's own portfolio were drafted and implemented in 2011.	
FS11	Percentage of assets subject to environmental and social screening	Supervisory Board report	6
(FS12)	Voting policies with regard to environmental or social issues	Reporting includes fully-consolidated and at-equity shareholdings. For the energy clearing companies and shareholdings in listed companies appropriate OeKB standards apply.	
FS13	Access to financial services in sparsely populated or economically disadvantaged regions	Microfinance	27
FS14	Initiatives to improve access to financial services for people with special needs	see G4-FS13, Financing from OeEB	
(FS15)	Policies to promote fairness in designing and selling financial products and services	see G4-FS13, Financing from OeEB	
(FS16)	Initiatives to enhance financial literacy, by target groups	Programme of sustainability	207

## Publication information

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