

Going Distance for Austria's export industry: Facts and figures.

Export Services - Annual Review 2013

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Oesterreichische Kontrollbank AG

EXPORT SERVICES - HIGHLIGHTS

EUR million	2010	2011	2012	2013
Guarantees of the Republic of Austria under the Export Guarantees Act				
<i>Number of holders of outstanding guarantees (rounded)</i>	1,300	1,300	1,200	1,100
New guarantee contracts issued	3,869	4,658	5,135	3,512
New conditional commitments (new guarantee offers for prospective underlying transactions)	1,593	2,029	2,098	1,861
<i>Number of new guarantee contracts issued</i>	948	1,000	972	811
Aggregate guarantee exposure limit, at 31 December	50,000	50,000	50,000	50,000
Utilisation of the guarantee exposure limit at 31 December	38,508	37,058	34,836	31,501
Unused limit	11,492	12,942	15,164	18,499
<i>Number of guarantees in place</i>	3,859	3,786	3,637	3,657
Premium and interest income *	190	219	229	207
Gross claims paid by the Guarantor	116	147	154	122
Recoveries on claims paid	36	55	65	72
Amounts written off as unrecoverable (with Maastricht relevance)	92	34	99	21
Guarantor's recoverable claims, at 31 December **	852	910	898	927
Net interest rate relief granted	-	-	4	2
OeKB Export Financing Scheme				
<i>Number of banks/exporters involved</i>	68/1,300	69/1,300	69/1,141	67/1,000
<i>Number of export financing contracts outstanding (rounded)</i>	3,600	3,400	3,200	3,000
New commitments issued	4,413	5,948	7,085	5,124
New conditional lending commitments issued	257	281	638	177
Total lending commitments outstanding at 31 December	33,246	32,244	28,054	24,632
Financing contracts outstanding at 31 December	32,943	31,868	27,703	24,377
<i>Of which disbursements outstanding</i>	29,429	28,362	24,827	22,031
Loan funds disbursed	2,924	5,026	6,846	4,724
Repayments received	4,896	6,093	10,381	7,520
Increase/(decrease) in net loans outstanding	(1,972)	(1,067)	(3,535)	(2,796)
Total funds used under the Export Financing Scheme	26,787	54,507	65,825	29,625
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	31,658	33,695	30,015	28,779
Unused limit	13,342	11,305	14,985	16,221
Total new guarantees issued	6,294	12,504	10,567	8,482

* From 2012, this item reflects accrual-basis accounting for up-front premiums (i.e., premiums are recognised in the period in which they are earned)

** Beginning in 2012, this item is stated after foreign currency translation effects.

Letter from the Executive Board

Dear Reader

Although Austrian exports grew only modestly in 2013 against the backdrop of the global economic situation, the country's export industry will provide the economy important support in the times ahead. In last year's more difficult environment, OeKB continued to support Austrian exporters effectively with competitive export guarantees, insurance and financing.

The Austrian government export guarantees and avals offered by OeKB served its customers well, with the range of cover facilities available expanded for some countries and with flexible solutions beneficial to the economy. For the Republic of Austria as well, the system of export guarantees continued to prove sustainable and prudently managed in 2013, once again generating a significant revenue surplus, as in the previous years. In 2013 the second stage of Austria's budget law reform took effect, based on the Federal Organic Budget Act. The resulting requirements for the reporting of export services data are met in this report.

For several days in October 2013, Vienna was the place to be for credit insurers, as OeKB hosted the Annual General Meeting of the Berne Union, the year's most important gathering in the industry. We used this opportunity to deepen the personal contacts so important for close partnerships between export credit agencies, and we once again saw that OeKB's product portfolio for guarantees and financing is excellent by even international standards.

We are also pleased that the private credit-insurance firms in the OeKB Group – OeKB Versicherung AG and PRISMA Kreditversicherungs-AG – maintained their strong market positions, "Österreichischer Exportfonds" GmbH (the lender to small and medium-sized enterprises) that kept its total loan book at more than one billion euros and Oesterreichische Entwicklungsbank AG in its role as Austria's official development bank, that further expanded its contribution, to sustainable private-sector development.

Amid the challenging economic situation in the region, which varies greatly from one country to the next, the OeKB Business Climate Index for Central and Eastern Europe, published since 2007, again proved its worth in 2013 as an effective bellwether: The Index provides a highly nuanced real-world picture of how global companies in different sectors view the situation and outlook for the region overall and for the individual countries of Central and Eastern Europe.

** Johannes Attems was a member of the Executive Board of Oesterreichische Kontrollbank AG until 31 December 2013.*



JOHANNES ATTEMS*



RUDOLF SCHOLTEN



ANGELIKA SOMMER-HEMETSBERGER*

Angelika Sommer-Hemetsberger was appointed a member of the Executive Board with effect from 1 January 2014.

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Oesterreichische Kontrollbank AG

Export Services in Austria



The names and areas of responsibility of the individual federal ministries are set out in the Federal Ministries Act. The Federal Ministries Act was amended on 17 February 2014 as published in Federal Law Gazette I Vol. 11/2014.

Background

Protection against export risks

OeKB, as the agent of the federal government, is Austria's official export credit agency (ECA). In this sphere, OeKB's activities are based on the Export Guarantees Act and the international standards of the OECD and European Union. As a service provider for the Austrian Ministry of Finance, OeKB profitably operates the system of export guarantees for non-marketable risks of foreign sales. Applications for guarantees are screened by OeKB and then reviewed by an advisory committee within the Ministry of Finance. The guarantor is the Minister of Finance. Cover for marketable risks is provided by private export credit insurers.

Top-rated issuer

OeKB raises finance on attractive terms in international financial markets by issuing bonds. Channelled through commercial banks, this capital is used to fund lending for exports and outward foreign investment. OeKB's good issuer credit ratings (Aaa/AA+) are based on the guaranteed backing of its debt by the full faith and credit of the Republic of Austria. OeKB pays a fee to the government for this guarantee.

Financing for exports and foreign investment

To be eligible for funding through the OeKB Export Financing Scheme, transactions require an export guarantee from the Austrian government, an appropriate guarantee from a credit insurer, a guarantee from Austria Wirtschaftsservice Gesellschaft mbH (aws) or an appropriate guarantee from an international organisation.

Efficient advisory network with commercial banks

OeKB is owned by commercial banks. An efficient system of collaboration in advising on export guarantees and as lenders in export financing connects OeKB with these shareholders. Another financing partner working with the banks to serve small and medium-sized companies is Exportfonds, a subsidiary of OeKB Group.

Proven partners for export services

Through the Austrian Chamber of Commerce (WKO) and its trade commissions at home and abroad, Austrian exporters enjoy outstanding worldwide support for their international activities. WKO and OeKB work closely together in making this possible. Their joint ownership of Exportfonds underlines the closeness of this alliance. OeKB is also a partner in the ongoing export promotion drives of the Austrian Federal Ministry of Economy, Family and Youth. Internationally, OeKB is tightly networked with other export credit agencies through insurance treaties and the Berne Union, the world's leading organisation of export credit and investment insurers.

International debt rescheduling

Sometimes a debtor country can no longer meet its payment obligations to creditor countries. In the so-called Paris Club (an informal group of creditors), federally guaranteed credits and foreign aid debt are renegotiated and rescheduled. OeKB advises the Austrian government in this regard.

OeKB Group providers of services to the export industry



Oesterreichische Kontrollbank AG

OeKB is Austria's main provider of financial and information services to the export industry and the capital market. OeKB is also a highly rated issuer of bonds.

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Oesterreichische Entwicklungsbank AG

OeEB specialises in the provision of long-term finance for private sector projects in developing countries to promote sustainable development.

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"Österreichischer Exportfonds" GmbH

Exportfonds provides financing for export sales and market development projects to Austrian small and medium-sized companies.

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Die Kreditversicherung.

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Definitions and notes

Guarantor	The Austrian Federal Minister of Finance acting on behalf of the Republic of Austria.
Guarantees of the Republic of Austria	Guarantees, aval endorsements and guarantees issued for OeEB under the Export Guarantees Act and the 1981 Export Guarantees Decree, published in Federal Law Gazettes no. 215/1981 and 257/1981, as amended.
Conditional commitment	Conditional commitment to issue a guarantee or financing facility for prospective transactions that are still under negotiation.
Marketable risks	Commercial and political risks arising from export transactions with a total risk period for manufacturing and loan repayment of less than two years and counterparties in an EU or OECD country, excluding Chile, Greece, Israel, Mexico, South Korea and Turkey.
Maximum amount	The amount stated in the guarantee contracts or in aval endorsements that represents the maximum liability of the Guarantor.
Uninsured portion	The percentage of a loss to be borne by the guarantee holder.
Base amount	The maximum amount multiplied by the percentage of cover. The percentage of cover is the percentage of a loss borne by the Guarantor.
Financing requirement	Actual cover requirement that may be reported on a quarterly basis by the holder of an aval endorsement.
Aggregate guarantee exposure	Actual aggregate exposure in respect of the (i) base amounts of guarantees of type G 1 to G 9 and G 11, (ii) guarantees of OeEB and (iii) the notified financing requirement from aval endorsements; excluding conditional commitments. From 2012, the measurement of aggregate guarantee exposure reflects currency translation differences; in other words, the value of guarantees denominated in foreign currency is translated into euros at the ECB reference exchange rates.
Guarantees issued	Newly issued guarantees, aval endorsements and guarantees issued for OeEB, calculated based on their maximum amounts.
Recoverable claims	Outstanding balance of claims paid less recoveries and write-downs, at the balance sheet date. From 2012, the foreign-currency-denominated portion of this exposure is presented so as to include currency translation differences, which means that the foreign-currency receivables are translated into euros at the ECB reference rates.
Export Financing Guarantees Act	Export Financing Guarantees Act, published in Federal Law Gazette no. 216/1981, as amended.
CIRR	Commercial Interest Reference Rate. The minimum fixed interest rate defined in the OECD Arrangement for which official support can be granted on export credits to the extent that the CIRR does not cover the lender's funding costs.
Soft Loan	Concessional financing. Loans made on concessional (i.e., preferential) terms in the form of low (below market rate) interest, long repayment periods and amortisation grace periods.
Country data	In the tables in this report, countries are shown individually if the guarantee exposure, cumulative gross claims paid, or financing commitments (as the case may be) amount to EUR 25 million or more.
OECD	Organisation for Economic Cooperation and Development.
OECD/EU/Non-European developing countries/OPEC	The classification of countries into these groupings follows the definitions of Statistics Austria.
OPEC	Organisation of the Petroleum Exporting Countries.
Legend for data presented in this report	- Amount is nil. 0 Amount is smaller than half of the stated unit. Totals may not add due to rounding.

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Introduction

Business trend in export guarantees and export financing in Austria

Austria ranks as one of the ten richest countries in the world. Its prosperity owes much to the country's strong exports and outbound foreign investments. Especially for a small economy, the access to larger markets and cost-effective production resources – both at home and abroad – are crucial factors ensuring advanced and efficient manufacturing of high-value products. Exports strengthen companies' capacity for research and development, which in turn creates the basis for sustainable employment. At the same time, Austrian businesses face growing foreign competition. As a result, the right design and mix of export guarantees and export finance facilities for the complex needs of the market are an important factor in the competitive profile of the Austrian export industry.

Guarantees and financing for exports since 1950

OeKB, as the agent of the Republic of Austria, has been managing the country's export guarantee system since 1950. This creates valuable synergies for the export and banking industries, as OeKB also offers the associated financing of export receivables and of Austrian investment abroad. In harmony with Austrian foreign trade policy, OeKB seeks to apply and continually develop its portfolio of well-designed facilities in such a way that Austrian companies and Austrian-based subsidiaries of foreign companies will find the country an attractive location from which to conduct sophisticated export activities. In pursuing this aim, OeKB is committed to employing federal government guarantees and funds in a budget-efficient and responsible manner, and to making the adherence to this discipline transparent to the public. This transparency is achieved, among other means, through ongoing dialogue with critical stakeholders, such as various non-governmental organisations (NGOs).

International regulatory framework

Export guarantees, as well as credits under the Export Financing Scheme, are issued in compliance with the guidelines, directives and regulations of international agreements of the OECD, the EU and the Berne Union. To the extent that transactions fall under its scope, the provisions of the OECD Arrangement on Officially Supported Export Credits are applied to the underwriting of export insurance in the name and for the account of the Republic of Austria and to lending under the Export Financing Scheme.

Project, environmental and country assessments

The efficient and meaningful underwriting-related evaluation of applications for export guarantees requires comprehensive risk assessments that include project and country analyses. Growing significance is attached to criteria of sustainable development – particularly environmental and social considerations, including human rights. As well, transparency is enhanced by extensive disclosure on the part of OeKB, together with legislation on public access to environmental information.

OECD Guidelines for Multinational Enterprises

OeKB promotes the awareness and application of the OECD Guidelines for Multinational Enterprises. Since 2008, all guarantee holders and beneficiaries of aval endorsements in respect of foreign investment projects are therefore encouraged to become familiar with these guidelines and to observe them to the greatest possible extent in their international activities. The 2011 Update brought major advances in this code of conduct for multinational companies, including the recommendations for responsible business conduct



(www.en.bmwf.gv.at/ExternalTrade/InvestmentPolicy/Seiten/OECDGuidelinesforMultinationalEnterprises.aspx).

Guarantees of the Republic of Austria under the Export Guarantees Act

1. Aggregate exposure limit under the Export Guarantees Act and its utilisation; new guarantee contracts issued

The liabilities under the Export Guarantees Act are assumed in the form of guarantees for the due performance of contracts by foreign contracting parties, or through endorsements (guarantees by aval) of bills of exchange used to finance export transactions or outbound foreign direct investment.

Export guarantees and Austrian foreign investment guarantees

The guarantee system in place is based on the provisions of the Export Guarantees Act and the respective regulation issued by the Federal Minister of Finance. The contractual relations between the Republic of Austria and the guarantee holders are set out in the general terms and conditions (“General Business Conditions”) for guarantees of the Republic of Austria under the Export Guarantees Act, and in the respective guarantees or aval endorsements themselves.

Since 1950, acting as the agent of the Republic of Austria (the Austrian government as represented by the Federal Ministry of Finance), OeKB has been performing the following functions:

- Underwriting-related evaluation (including credit assessment) of applications for guarantees under the Export Guarantees Act
- Issuing and administrative processing of the guarantees on behalf of the Republic of Austria
- Exercising the rights of the Republic of Austria under the guarantee contracts

In this business segment, OeKB acts on behalf and for the account of the Republic of Austria.

Through a federal act published in Federal Law Gazette I no. 121/2012, issued on 28 December 2012, the duration of the Export Guarantees Act was extended to 31 December 2017. The threshold from which applications are reviewed by the Advisory Board was also increased by the amendment, from EUR 200,000 to EUR 500,000. This has further streamlined the approval process and allows even more transactions to be decided more rapidly.

Export Guarantees Act amended

On 1 January 2013 the second stage of Austria’s budget law reform took effect, based on the 2013 Federal Organic Budget Act (BHG 2013). The reform replaces the federal government’s old single-entry bookkeeping with a double-entry system. The new system includes corresponding financial statements (statements of financial performance, of financial position

Federal Organic Budget Act 2013

and of cash flows) in accordance with measurement and recognition principles of the International Public Sector Accounting Standards (IPSAS). Important resulting new accounting requirements include, among others,

- the measurement in foreign currency of issued Austrian federal government-backed guarantees and of federal government receivables,
- the creation of provisions for federal government guarantees issued,
- the accrual-basis recognition of up-front premium income from federal government guarantees and
- the recognition of impairment losses on existing federal government receivables.

The new accounting principles are reflected in the tables below concerning export guarantees, system income and expenses, and guarantee claims.

Information

All data in sections 1 to 4 include guarantees for debt rescheduling agreements (see section 5). All data in sections 1 to 5 exclude recoverable claims. Recoverable claims are receivables of the Republic of Austria (the Guarantor) in connection with claims paid by the Guarantor under guarantees managed by OeKB (see section 6).

1.1 AGGREGATE EXPOSURE LIMIT UNDER THE EXPORT GUARANTEES ACT AND ITS UTILISATION

Outstanding	31 Dec 2010		31 Dec 2011		31 Dec 2012		31 Dec 2013	
	EUR m	%						
Aggregate guarantee exposure limit ¹	50,000	100.0	50,000	100.0	50,000	100.0	50,000	100.0
Utilisation of the guarantee exposure limit	38,508	77.0	37,058	74.1	34,836	69.7	31,501	63.0
Change from prior year	(2,142)	(5.3)	(1,450)	(3.8)	(2,222)	(6.0)	(3,335)	(9.6)
Unused limit	11,492	23.0	12,942	25.9	15,164	30.3	18,499	37.0
Aggregate guarantee exposure (after currency translation)					34,852	69.7	31,364	62.7

¹ Federal Law Gazette I no. 145/2008 and no. 121/2012

1.2 NEW GUARANTEE CONTRACTS ISSUED

EUR million	2010	2011	2012	2013	1950 - 2013
New guarantee contracts issued ¹	3,869	4,658	5,135	3,512	199,604
Change from prior year	(1,291)	789	477	(1,623)	
Per cent	(25.0)	20.4	10.2	(31.6)	

² Including conditional commitments converted into guarantee contracts; excluding new conditional commitments

2. Guarantee business by type of guarantee

The export guarantee system comprises twelve types of guarantee. For certain kinds of guarantee, conditional commitments may be issued. As conditional commitments are contingent in nature, they are not counted against the aggregate guarantee exposure limit.

Conditional guarantee commitments are intended to facilitate the contract negotiations of exporters or of the banks providing funding. More information is provided in the section *Basis in Legislation*.

G 1	Guarantee for direct deliveries and services with special types of guarantee
G 2	Guarantee for indirect deliveries and services
G 3	Guarantee for tied financial credits, credit transactions/bond issues and debt rescheduling agreements
G 4	Investment guarantee
G 5	Turnover guarantee (one foreign customer)
G 6	Country turnover guarantee or comprehensive guarantee (all foreign customers in one, several or all coverable countries)
G 7	Guarantee for stock in commission, machinery deployment guarantee, advance guarantee
G 8	Reinsurance of contract of an export credit- or export credit insurance institution (reinsurance guarantee)
G 9	Guarantee for the acquisition of accounts receivable from export transactions by domestic or foreign credit institutions
G 11	Market development guarantee
AE	Aval endorsement (guarantee by aval) of bills of exchange
OeEB	Oesterreichische Entwicklungsbank AG
CC	Conditional commitment to issue a guarantee (not counted against OeKB's aggregate guarantee exposure limit)

Revolving guarantees – mainly G 8 reinsurance guarantees – are recognized as newly issued guarantees only in the year of their initial issue.

Revolving guarantees

Endorsements (guarantees by aval) of bills of exchange are another type of cover provided under the Export Guarantees Act. Aval endorsements (also known simply as avals) are commitments to assume liability for the payment of the obligation of the issuer or acceptor of a bill of exchange that is issued by a credit institution for the purpose of financing export transactions or Austrian companies' investments abroad. Avals thus facilitate funding for exporters and outward direct investors. Applications for aval endorsements must be filed by the exporter's bank that also arranges the financing.

Aval endorsements

**NEW GUARANTEES ISSUED AND AGGREGATE GUARANTEE EXPOSURE,
BY TYPE OF GUARANTEE**

	New guarantees issued in 2012			Guarantees outstanding (after currency translation) at 31 December 2012			New guarantees issued in 2013			Guarantees outstanding (after currency translation) at 31 December 2013		
	Count	EUR m	%	Count	EUR m	%	Count	EUR m	%	Count	EUR m	%
G 1	437	1,164	22.7	691	2,096	6.0	411	975	27.8	724	2,272	7.2
G 2	2	0	0.0	4	0	0.0	5	2	0.1	7	3	0.0
G 3	89	882	17.2	657	5,806	16.7	68	711	20.2	671	5,677	18.1
G 4	27	230	4.5	189	6,000	17.2	33	199	5.7	181	4,347	13.9
G 5	-	-	-	4	1	0.0	1	0	0.0	3	0	0.0
G 6	-	-	-	6	9	0.0	-	-	-	4	7	0.0
G 7	15	32	0.6	50	121	0.4	15	49	1.4	49	145	0.5
G 8	10	131	2.5	41	2,406	6.9	2	12	0.3	40	1,807	5.8
G 9	36	43	0.8	215	204	0.6	27	17	0.5	200	185	0.6
Total G 1 to G 9	616	2,482	48.3	1,857	16,643	47.8	562	1,965	56.0	1,879	14,443	46.1
Aval endorsements (AE)	343	2,433	47.4	1,740	17,718	50.8	233	1,366	38.9	1,724	16,287	51.9
Guarantees issued for OeEB	13	220	4.3	40	491	1.4	16	181	5.1	54	634	2.0
Total	972	5,135	100.0	3,637	34,852	100.0	811	3,512	100.0	3,657	31,364	100.0
Increases to individual credit limits within comprehensive policies				7	1					1	0	
Conditional commitments (CC)	229	2,098		155	1,583		190	1,861		143	1,698	

3. Guarantee business by credit period of transactions guaranteed

In the new guarantee contracts issued, most of the transactions underlying the guarantees have credit periods of five years or less. By contrast, most of the stock of outstanding guarantees represents long-term contracts, as it includes large guarantees for exports to developing countries, investment guarantees and guarantees for debt reschedulings. The outstanding guarantee with the longest term covers a credit period ending in 2039.

CREDIT PERIODS OF TRANSACTIONS GUARANTEED

Credit period in years	Single-contract policies		Revolving policies		Single-contract policies		Revolving policies	
	Count	EUR m	Count	EUR m	Count	EUR m	Count	EUR m
	Guarantee contracts issued in 2012				Guarantee contracts issued in 2013			
Up to 1	297	1,019	242	1,162	272	900	131	390
More than 1 and up to 5	252	671			254	467		
More than 5 and up to 10	102	1,692			102	1,288		
More than 10	79	591			52	467		
Total	730	3,973	242	1,162	680	3,122	131	390
	Guarantees outstanding (after currency translation) at 31 Dec 2012				Guarantees outstanding (after currency translation) at 31 Dec 2013			
Up to 1	366	1,943	873	5,325	506	3,810	826	5,342
More than 1 and up to 5	1,006	7,206	17	2,125	1,233	8,790	17	1,604
More than 5 and up to 10	774	12,677			505	7,393		
More than 10	601	5,576			570	4,425		
Total	2,747	27,402	890	7,450	2,814	24,418	843	6,946

4. Guarantee business by region and country

The following tables show the analysis, by region and country, of newly issued guarantee contracts and of aggregate guarantee exposure (guarantees outstanding) under the Export Guarantees Act.

In table 4.1 the G 6 and G 8 revolving guarantees, which cannot be allocated directly to specific regions, are included under comprehensive policies.

4.1 NEW GUARANTEE CONTRACTS ISSUED AND AGGREGATE GUARANTEE EXPOSURE, BY REGION

	New guarantee contracts issued in 2012			Guarantees outstanding (after currency translation) at 31 December 2012			New guarantee contracts issued in 2013			Guarantees outstanding (after currency translation) at 31 December 2013		
	Count	EUR m	%	Count	EUR m	%	Count	EUR m	%	Count	EUR m	%
Europe (incl. Turkey, CIS)	274	872	17.0	742	8,106	23.3	265	695	19.8	753	6,627	21.2
<i>EU</i>	52	104	2.0	167	675	1.9	61	178	5.1	196	1,043	3.3
North America	1	16	0.3	8	19	0.1	2	14	0.4	7	20	0.1
Latin America	99	354	6.9	213	660	1.9	90	230	6.6	228	694	2.2
Asia	205	896	17.4	761	4,820	13.8	163	812	23.1	757	4,548	14.5
Australia and Oceania	-	-	-	2	5	0.0	-	-	-	2	3	0.0
Africa	36	334	6.5	110	851	2.4	42	214	6.1	114	947	3.0
Comprehensive policies (CP)	1	10	0.2	21	2,182	6.3	-	-	-	18	1,604	5.1
Total guarantees	616	2,482	48.3	1,857	16,643	47.8	562	1,965	56.0	1,879	14,443	46.1
Aval endorsements (AE)	343	2,433	47.4	1,740	17,718	50.8	233	1,366	38.9	1,724	16,287	51.9
Guarantees issued for OeEB	13	220	4.3	40	491	1.4	16	181	5.1	54	634	2.0
Total	972	5,135	100.0	3,637	34,852	100.0	811	3,512	100.0	3,657	31,364	100.0
<i>Of which (excl. CP, AE, OeEB):</i>												
<i>OECD</i>	90	329	6.4	260	1,875	5.4	99	426	12.1	259	1,242	4.0
<i>Non-European developing countries</i>	322	1,514	29.5	1,055	5,897	16.9	279	1,216	34.6	1,063	6,021	19.2
<i>OPEC</i>	61	222	4.3	184	1,470	4.2	41	59	1.7	165	1,246	4.0

In table 4.2 country data exclude comprehensive policies, aval endorsements, and guarantees issued for OeEB. All data exclude conditional commitments.

4.2 NEW GUARANTEE CONTRACTS ISSUED AND AGGREGATE GUARANTEE EXPOSURE, BY REGION AND COUNTRY

EUR thousand	Guarantee contracts issued in 2013		Guarantees outstanding (after currency translation) at 31 Dec 2013	
	Total	Of which rescheduling guarantees	Total	Of which rescheduling guarantees
Total	3,512,723	-	31,363,410	445,149
Europe	695,314	-	6,627,401	123,108
Albania	36,851		183,293	
Belarus	42,865		279,700	
Bosnia and Herzegovina	4,706		182,536	82,624
Bulgaria	9,755		107,278	
Croatia	736		333,542	
Moldova	8,019		28,764	
Romania	67,901		342,667	
Russia	277,079		3,106,182	
Serbia	20,446		152,865	39,253
Spain	1,959		71,243	
Czech Republic	86,017		87,400	
Turkey	114,896		617,399	
Ukraine	8,740		995,832	
Latin America	230,207	-	693,596	6,583
Argentina	7,041		27,870	
Brazil	20,204		289,564	
Chile	121,317		158,753	
Honduras	18,117		41,976	
Trinidad and Tobago	33,767		33,767	
Uruguay	156		86,184	
Asia	811,763	-	4,547,809	182,915
Bhutan	-		63,125	
China (incl. Hong Kong)	333,872		1,721,600	
Georgia	1,290		26,394	
India	233,191		356,238	
Indonesia	16,371		761,711	149,997
Iran	-		99,464	
Kazakhstan	23,967		56,507	
Malaysia	6,014		151,371	
Pakistan	3,180		61,667	26,599
Philippines	-		184,567	
Saudi Arabia	7,263		176,421	
Sri Lanka	12,787		131,152	
South Korea	54,401		160,093	
Taiwan	3,948		68,122	
United Arab Emirates	12,194		88,968	
Vietnam	32,139		295,431	6,319
Africa	214,183	-	946,718	132,543
Egypt	6,655		237,301	125,564
Gabon	93,025		241,377	
Ghana	63,081		165,955	
Kenya	149		42,653	5,986
Libya	1,836		71,567	
South Africa	881		48,809	

5. Debt rescheduling

Paris Club The “Paris Club” is a group of creditor governments that convene on an ad-hoc basis; it includes 19 permanent participants. The meetings, chaired by France, are also attended by representatives of international financial institutions (especially the International Monetary Fund and the World Bank). Austria is represented by the Federal Ministry of Finance and OeKB.

Sovereign debt is rescheduled through agreements on that portion of a debtor country’s external debt relating to sales of goods and services that are insured by the creditor countries through their respective export guarantee system or that are categorised as governmental development aid. A multilateral framework is first agreed between the debtor state and its sovereign creditors, which is then implemented bilaterally with each creditor country.

Conventional rescheduling Debt rescheduling is intended to restore the creditworthiness of the debtor country in the long term. This restoration of credit quality is to be achieved by the equal participation of all creditor nations in the rescheduling. The rescheduling typically lengthens the repayment period for the debt, and market interest rates are applied (conventional rescheduling).

Debt reduction – concessional rescheduling Since 1988, debt relief in the form of concessional rescheduling has been progressively agreed for the poorest borrower nations. The degrees of debt reduction ranged from 33% to 80%. In June 1999 the so-called Enhanced HIPC (Heavily Indebted Poor Countries) Initiative was adopted, which allows debt reduction of 90% or more for highly indebted poor countries, primarily in Africa. As part of a concerted EU-wide initiative, Austria bilaterally grants 100% debt relief to these countries. This was done in 2013 for the Republic of Guinea.

Additionally, in the year under review, a debt settlement was bilaterally signed with Myanmar to cancel a total of 50% of the country's debt, in two stages.

By 31 December 2013, cumulative receipts under reschedulings amounted to principal payments of EUR 8,470 million and interest payments of EUR 3,372 million.



The movement in claims relating to rescheduling guarantees is shown in table 6.2 in the next section.

At 31 December 2013, recoverable claims (the OeKB administered receivables of the Republic of Austria in connection with claims paid) for defaulted debt reschedulings amounted to EUR 417 million, of which EUR 264 million represented past due principal and EUR 153 million constituted past due interest.

RESCHEDULING GUARANTEES BY REGION AND BY TYPE OF GUARANTEE

	Guarantee contracts issued in 2012		Guarantees outstanding (after currency translation) at 31 December 2012			Guarantee contracts issued in 2013		Guarantees outstanding (after currency translation) at 31 December 2013		
	EUR m	%	Number of countries	EUR m	%	EUR m	%	Number of countries	EUR m	%
Europe (incl. Turkey, CIS)			3	127	24.5			3	123	27.6
Latin America			2	6	1.2			2	7	1.6
Asia			5	206	39.8			5	183	41.1
Africa			4	179	34.5			3	132	29.7
Total	-	-	14	518	100.0	-	-	13	445	100.0
<i>Of which</i>										
<i>Non-European developing countries</i>	-	-	11	391	75.5	-	-	10	322	72.4
<i>OPEC</i>	-	-	2	171	33.0	-	-	2	150	33.7
G 3	-			512		-			438	
G 9	-			6		-			7	

6. Guarantee system income and expenses, and claims paid by region and country

This section gives an overview of income and expenses arising from export guarantees of the Republic of Austria under the Export Guarantees Act, both in the year under review and cumulatively since 1950.

In setting the premium levels charged to customers for the guarantees, the Guarantor does not seek to realise a profit but to cover the cost of the guarantee system in the long term. Expenses for interest reduction in connection with the concessional rescheduling of debts under international agreements have a sustained effect on the guarantee programme's net surplus.

The amount of claims paid by the Republic of Austria under guarantees pursuant to the Export Guarantees Act must be viewed in the context of the total cumulative volume of guarantee contracts issued. From the inception of the guarantee programme in 1950 to the end of 2013, the value of guarantees issued was EUR 199.6 billion. In this cumulative total, revolving guarantees are only included at their nominal amounts. During these 64 years, cumulative charge-offs by the Guarantor and (since 1989) debt relief through interest reductions that had to be granted under international agreements totaled a combined EUR 5,539 million, or 2.8% of the cumulative amount of guarantee contracts issued.

At 31 December 2013, besides the Austrian government's recoverable claims of EUR 927.1 million, there were interest receivables on arrears in connection with debt reschedulings for Iraq, Argentina and Myanmar in the amount of EUR 199.6 million. Collection activities on these outstandings are expected to generate further recoveries and interest income.

In 2013 the positive trend of the past several years continued and guarantee programme income exceeded net costs by EUR 155 million.

6.1 INCOME AND EXPENSES FROM GUARANTEES UNDER THE EXPORT GUARANTEES ACT

EUR million	2011	1950-2011	2012	1950-2012	2013	1950-2013
Premium income ¹	185	4,801	175	4,976	167	5,143
Interest income less other expenses	34	1,140	54	1,194	40	1,234
Subtotal	219	5,941	229	6,170	207	6,377
Recoveries on claims paid	55	3,356	65	3,421	72	3,493
Total (+)	274	9,297	294	9,591	279	9,870
Claims paid, incl. HIPC (-)	147	7,748	154	7,902	122	8,024
Guarantee programme result before interest rate relief granted (+/-)	127	1,549	140	1,689	157	1,846
Net interest rate relief granted (-)	-	1,931	4	1,935	2	1,937
Net guarantee programme result after interest rate relief incl. HIPC (+/-)	127	(382)	136	(246)	155	(91)
<i>In per cent of cumulative guarantee contracts issued</i>		<i>0.20</i>		<i>0.13</i>		<i>0.05</i>
<i>In per cent of guarantees outstanding</i>		<i>1.03</i>		<i>0.71</i>		<i>0.29</i>
Net guarantee programme result after interest rate relief excl. HIPC (+/-) ²	139	404	199	614	160	774
Recoverable claims (including HIPC) at 31 December ³	910	910	898	898	927	927
Impairment losses on recoverable claims				185	172	
<i>Guarantee system rate of return (%) ⁴</i>	<i>42</i>	<i>106</i>	<i>41</i>	<i>104</i>	<i>25</i>	<i>101</i>
Interest rate relief granted (-)	7	2,505	4	2,509	2	2,511
Support from federal budget (+)	7	574	-	574	-	574
Net interest rate relief granted (-)	-	1,931	4	1,935	2	1,937
Amounts written off as unrecoverable, incl. HIPC (-)	34	3,482	99	3,581	21	3,602
Total (-)	34	5,413	103	5,516	23	5,539
<i>In per cent of cumulative guarantee contracts issued</i>		<i>2.83</i>		<i>2.81</i>		<i>2.77</i>
Guarantee contracts issued	4,658	190,957	5,135	196,092	3,512	199,604
Guarantees outstanding at 31 December ³	37,058	37,058	34,852	34,852	31,364	31,364
Provisions for guarantees				503	537	

¹ From 2012, this item reflects accrual-basis accounting for up-front premiums (i.e., premiums are recognised in the period in which they are earned).

² Restructurings of claims paid under the HIPC Initiative in previous reporting periods affect the comparability of amounts over time.

³ Beginning in 2012, this item is stated after foreign currency translation effects.

⁴ Claims paid including net interest rate relief, less recoveries, in per cent of the combined balance of premium income, net interest and other expenses

In the following tables currency translation differences reflected in measurement may affect the comparability of amounts over time.

6.2 CLAIMS PAID, BY REGION

EUR million	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2013	1950-2013	2013	1950-2013	2013	1950-2013	31 Dec 2013	31 Dec 2013
Europe (incl. Turkey, CIS)	18	2,322	3	1,429	2	784	109	6
<i>EU</i>	4	1,502	0	937	2	545	20	1
North America	-	40	-	8	-	32	-	-
Latin America	0	450	1	168	-	144	136	0
Asia	47	2,369	21	821	11	1,029	520	58
Australia and Oceania	-	2	-	0	-	2	-	-
Africa	45	2,421	40	933	5	1,383	105	-
Comprehensive policies	0	54	1	10	1	20	24	0
Total G 1 to G 9	110	7,658	66	3,369	19	3,394	894	64
<i>Commercial risks</i>	19	1,371	2	392	3	809	168	9
<i>Political risks</i> ¹	91	6,287	64	2,977	16	2,585	726	55
Exchange risk guarantees (G 10)	-	130	-	1	-	129	-	-
Total G 1 to G 10	110	7,788	66	3,370	19	3,523	894	64
Aval endorsements	12	236	6	123	2	79	33	-
Total	122	8,024	72	3,493	21	3,602	927	64
<i>Of which</i> ²								
<i>OECD</i>	1	1,558	0	924	2	591	41	0
<i>Non-European developing countries</i>	92	5,120	62	1,851	16	2,508	759	57
<i>OPEC</i>	46	2,106	19	699	0	1,039	368	57
<i>HIPC Initiative, total</i> ³	5	865	0	0	5	865	-	-
Comparative total 2012	154	7,902	65	3,421	99	3,581	898	112
Comparative total 2011	147	7,748	55	3,356	34	3,482	910	43
Comparative total 2010	116	7,601	36	3,301	92	3,448	852	4
Of which for debt rescheduling guarantees								
Europe	2	1,376	2	1,154	-	222	-	-
Latin America	-	269	1	101	-	64	105	-
Asia	0	1,117	12	396	-	421	300	-
Africa	16	1,908	11	656	5	1,240	12	-
Total	18	4,670	26	2,307	5	1,947	417	-
Comparative total 2012	69	4,652	27	2,281	77	1,942	429	-
Comparative total 2011	23	4,583	15	2,254	22	1,865	464	-
Comparative total 2010	42	4,560	18	2,239	73	1,843	478	-

¹ Including claims paid for political risks under debt rescheduling guarantees

² Excluding the claims paid for exchange risks and aval endorsements, as these are not directly attributable to specific regions or country groups; The claims paid for comprehensive policies are attributed to OECD.

³ In the year under review, the amount of claims paid in prior periods that were reclassified in 2013 to the HIPC Initiative was nil.

The amounts of the following table include claims from debt rescheduling guarantees. Country and regional data exclude the claims paid under comprehensive policies, exchange risk guarantees and aval endorsements.

6.3 CLAIMS PAID, BY REGION AND COUNTRY

EUR thousand	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2013	1950-2013	2013	1950-2013	2013	1950-2013	31 Dec 2013	31 Dec 2013
Total	122,158	8,023,879	71,625	3,493,085	21,056	3,601,492	927,079	63,719
Europe	17,379	2,321,260	2,269	1,428,799	1,964	783,234	109,226	6,235
<i>Bulgaria</i>	-	112,752	-	74,230	-	38,522	-	-
<i>Germany</i>	703	113,009	49	13,124	-	98,838	1,047	-
<i>France</i>	-	36,538	-	6,468	-	30,066	4	-
<i>United Kingdom</i>	-	27,999	-	6,291	594	21,708	-	-
<i>Italy</i>	-	97,494	20	24,003	422	72,245	1,246	-
<i>Poland</i>	300	963,594	-	769,391	351	192,829	1,373	2
<i>Russia</i>	-	438,960	-	310,625	-	127,195	1,140	-
<i>Switzerland</i>	-	25,834	-	5,624	-	20,205	5	-
<i>Serbia</i>	1,749	161,887	1,590	91,708	-	68,753	1,426	242
<i>Turkey</i>	-	55,689	1	42,209	99	10,334	3,145	-
<i>Ukraine</i>	11,549	110,820	179	27,486	-	342	82,992	4,886
North America	-	40,420	-	7,951	-	32,469	-	-
<i>USA</i>	-	27,912	-	5,964	-	21,948	-	-
Latin America	272	449,878	1,257	168,154	-	143,535	135,892	4
<i>Argentina</i>	-	112,775	12	46,202	-	29,221	37,351	-
<i>Bolivia</i>	-	68,595	-	4,766	-	63,829	-	-
<i>Brazil</i>	272	38,064	163	33,007	-	4,199	857	4
<i>Cuba</i>	-	99,708	1,082	7,065	-	38	92,605	-
<i>Venezuela</i>	-	50,620	-	28,378	-	22,242	-	-

EUR thousand	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2013	1950-2013	2013	1950-2013	2013	1950-2013	31 Dec 2013	31 Dec 2013
Asia	47,056	2,369,540	20,972	821,578	10,581	1,028,603	519,402	57,480
China (incl. Hong Kong)	-	103,154	-	57,337	-	45,817	-	-
Georgia	-	94,170	-	49,337	-	44,833	-	-
India	185	47,375	-	14,388	-	9,517	23,470	184
Indonesia	(44)	136,481	0	80,811	0	55,517	153	-
Iraq	-	959,477	16,842	133,102	-	590,463	235,999	-
Iran	43,881	232,587	2,112	87,374	-	70,455	74,712	55,179
Lebanon	-	74,935	1,091	60,111	10,541	14,824	-	-
Myanmar	-	52,298	-	17,434	40	40	34,824	-
North Korea (DPR)	-	231,795	-	80,579	-	6,627	144,589	-
Philippines	-	78,220	-	74,394	-	3,826	-	-
Saudi Arabia	-	59,481	-	6,182	-	53,299	-	-
Syria	-	25,887	-	18,761	-	6,774	352	-
Thailand	-	42,116	-	294	-	41,822	-	-
United Arab Emirates	2,321	139,161	438	84,221	-	50,771	4,169	1,739
Vietnam	0	26,005	-	15,947	-	10,058	-	-
Africa	45,523	2,420,531	40,293	932,550	5,106	1,383,261	104,753	-
Egypt	39,778	384,672	39,819	298,507	-	42,598	43,600	-
Algeria	-	90,258	-	88,061	-	2,197	-	-
Angola	-	51,319	-	49,657	-	1,662	-	-
Cote d'Ivoire	-	96,662	-	5,359	-	91,303	-	-
Cameroon	-	472,446	-	13,926	-	458,520	-	-
Kenya	499	70,391	453	68,379	-	1,537	475	-
Congo DR (former Zaire)	-	82,556	-	15,982	-	66,574	-	-
Libya	-	64,461	-	6,052	-	5,664	52,745	-
Madagascar	-	60,951	-	9,345	-	51,606	-	-
Morocco	-	120,559	-	117,105	-	3,454	-	-
Nigeria	-	367,099	-	183,152	-	183,947	-	-
Zambia	-	29,530	-	13,235	-	16,295	-	-
Sudan	-	296,446	-	7,997	-	288,449	-	-
Tanzania	43	45,943	21	5,452	-	40,469	22	-
Togo	-	45,149	-	14,979	-	30,170	-	-

Oesterreichische Kontrollbank AG Export Financing Scheme

1. Credit commitments and disbursements under the Export Financing Scheme

*Export Financing
Scheme in place since
1960*

Since 1960 OeKB has operated a programme to finance exports of goods and services, largely on a medium- and long-term basis, with special emphasis on exports of Austrian capital goods. Known as the Export Financing Scheme, this programme serves to provide funding facilities to banks which in turn extend credit to Austrian exporters or investors and foreign importers (supplier and buyer credits for exports, financing for Austrian companies' investments in foreign countries, and export acceptance credits). The 1995 Amendment to the Export Guarantees Act allows guarantees to be issued for untied credits.

Requirements

The credits to banks require a guarantee for the transaction or right underlying the financing. The guarantee must conform to the provisions of the Export Financing Guarantees Act. In addition, both the rights arising from the guarantees and the underlying receivables (export or other receivables) typically must be assigned as security.

The maximum repayment term of commercial export credits that fall within the scope of the OECD Arrangement is generally 10 years. Longer maximum terms are possible for conventional power plants (maximum of 12 years), project finance (maximum of 14 years) and renewable energy and water projects (maximum of 18 years).

The extension of funding to banks through OeKB's Export Financing Scheme represents an open system available to domestic and foreign credit institutions. They must, however, meet the creditworthiness criteria of OeKB, 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.

1.1 OUTSTANDINGS AND NET CHANGES UNDER THE EXPORT FINANCING SCHEME – LENDING OPERATIONS

EUR million	Outstanding at 31 Dec 2010	Net change	Outstanding at 31 Dec 2011	Net change	Outstanding at 31 Dec 2012	Net change	Outstanding at 31 Dec 2013
Financing contracts	32,943	(1,075)	31,868	(4,165)	27,703	(3,326)	24,377
Conditional commitments	303	73	376	(25)	351	(96)	255
Total commitments	33,246	(1,002)	32,244	(4,190)	28,054	(3,422)	24,632
Disbursements	29,429	(1,067)	28,362	(3,535)	24,827	(2,796)	22,031

The export financing contracts and conditional commitments not utilised at 31 December 2013 are scheduled to be disbursed as shown in table 1.2.

The export financing contracts already utilised at 31 December 2013 and the contracts and conditional commitments not yet utilised at that date, in a total amount of EUR 24,632 million, are contractually due for repayment by the borrowers according to the schedule shown in the following table.

The outstanding loan agreement with the longest term expires in the year 2039.

1.2 SCHEDULE OF DISBURSEMENTS PAYABLE

EUR million	Financing contracts	Conditional commitments	Total
By end of 2014	539	86	625
By end of 2015	1,552	115	1,667
By end of 2016	184	42	226
By end of 2017	66	12	78
By end of 2018	2	-	2
After 2018	2	-	2
Disbursements	2,345	255	2,600

1.3 SCHEDULE OF REPAYMENTS RECEIVABLE

EUR million	Financing contracts	Conditional commitments	Total
By end of 2014	4,218	-	4,218
By end of 2015	3,283	-	3,283
By end of 2016	3,280	-	3,280
By end of 2017	1,671	1	1,672
By end of 2018	2,276	-	2,276
By end of 2019	1,015	1	1,016
By end of 2020	629	4	633
By end of 2021	517	13	530
By end of 2022	299	19	318
After 2022 (up to 2039)	7,189	217	7,406
Repayments	24,377	255	24,632

2. Business activity under the Export Financing Scheme in the year

Supplementing the foregoing overview of the amounts of credit commitments and disbursements under OeKB's Export Financing Scheme at the end of the financial year, the following table presents an analysis of the underlying movements during the year.

In the year under review, the loan repayments received (a total of EUR 7,520 million) more than covered loan disbursements.

BUSINESS ACTIVITY UNDER THE EXPORT FINANCING SCHEME – LENDING OPERATIONS

EUR million	2010	2011	2012	2013
Financing contracts:				
New contracts issued ¹	4,413	5,948	7,085	5,124
Contracts withdrawn	775	1,115	1,803	939
Repayments received	4,896	6,093	10,381	7,520
Of which on revolving credits	397	186	935	8
Loan funds disbursed	2,924	5,026	6,846	4,724
Conditional commitments (CC):				
New conditional commitments issued	257	281	638	177
CC converted into contracts	154	169	396	185
CC withdrawn	71	39	267	87

¹ Including conversions of conditional commitments into financing contracts, and including rescheduled debt

3. Export financing business by region and country

Tables 3.1 and 3.2 below show the regional distribution of loan commitments and disbursements outstanding under the Export Financing Scheme at the end of the financial year, and the year's new commitments and disbursements; the corresponding analysis by country is provided in table 3.3.

3.1 COMMITMENTS AND DISBURSEMENTS OUTSTANDING UNDER THE EXPORT FINANCING SCHEME, BY REGION

	Outstanding at 31 December 2012				Outstanding at 31 December 2013			
	Commitments		Disbursements		Commitments		Disbursements	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
Europe (incl. Turkey, CIS)	4,891	17.7	4,564	18.4	3,685	15.1	3,391	15.4
<i>Incl. conditional commitments</i>	<i>4,972</i>	<i>17.7</i>			<i>3,748</i>	<i>15.2</i>		
<i>EU</i>	<i>426</i>	<i>1.5</i>	<i>330</i>	<i>1.3</i>	<i>777</i>	<i>3.2</i>	<i>636</i>	<i>2.9</i>
North America	119	0.4	94	0.4	102	0.4	102	0.4
<i>Incl. conditional commitments</i>	<i>119</i>	<i>0.4</i>			<i>102</i>	<i>0.4</i>		
Latin America	290	1.0	141	0.6	360	1.5	216	1.0
<i>Incl. conditional commitments</i>	<i>308</i>	<i>1.1</i>			<i>391</i>	<i>1.6</i>		
Asia	3,416	12.3	3,004	12.1	3,044	12.5	2,785	12.6
<i>Incl. conditional commitments</i>	<i>3,610</i>	<i>12.9</i>			<i>3,161</i>	<i>12.8</i>		
Australia and Oceania	4	0.0	4	0.0	2	0.0	2	0.0
<i>Incl. conditional commitments</i>	<i>4</i>	<i>0.0</i>			<i>2</i>	<i>0.0</i>		
Africa	636	2.3	454	1.8	738	3.0	552	2.5
<i>Incl. conditional commitments</i>	<i>694</i>	<i>2.5</i>			<i>782</i>	<i>3.2</i>		
Comprehensive policies (CP) ¹	19	0.1	19	0.1	11	0.1	11	0.1
<i>Incl. conditional commitments</i>	<i>19</i>	<i>0.1</i>			<i>11</i>	<i>0.1</i>		
Subtotal	9,375	33.8	8,280	33.4	7,942	32.6	7,059	32.0
<i>Incl. conditional commitments</i>	<i>9,726</i>	<i>34.7</i>			<i>8,197</i>	<i>33.3</i>		
Aval endorsements (AE) ²	18,328	66.2	16,547	66.6	16,435	67.4	14,972	68.0
<i>Incl. conditional commitments</i>	<i>18,328</i>	<i>65.3</i>			<i>16,435</i>	<i>66.7</i>		
Total	27,703	100.0	24,827	100.0	24,377	100.0	22,031	100.0
Commitments								
<i>incl. conditional commitments</i>	<i>28,054</i>	<i>100.0</i>			<i>24,632</i>	<i>100.0</i>		
<i>Of which (excl. CP and AE):</i>								
OECD	1,189	4.3	964	3.9	1,025	4.2	869	3.9
Non-European developing countries	3,960	14.3	3,223	13.0	4,002	16.4	3,428	15.6
OPEC	995	3.6	857	3.5	863	3.5	778	3.5

¹ Financed export contracts covered by revolving comprehensive and reinsurance guarantees (CP)

² Financed export contracts and short-term export credit lines covered by aval endorsements (AE)

3.2 NEW COMMITMENTS AND DISBURSEMENTS UNDER THE EXPORT FINANCING SCHEME, BY REGION

	Movements in 2012				Movements in 2013			
	New commitments		Loan funds disbursed		New commitments		Loan funds disbursed	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
Europe (incl. Turkey, CIS)	884	12.5	963	14.1	886	17.3	837	17.7
<i>Incl. conditional commitments</i>	<i>964</i>	<i>12.5</i>			<i>909</i>	<i>17.2</i>		
<i>EU</i>	<i>207</i>	<i>2.9</i>	<i>136</i>	<i>2.0</i>	<i>218</i>	<i>4.3</i>	<i>172</i>	<i>3.6</i>
North America	-	-	86	1.3	0	0.0	8	0.2
<i>Incl. conditional commitments</i>	<i>-</i>	<i>-</i>			<i>0</i>	<i>0.0</i>		
Latin America	108	1.5	55	0.8	115	2.2	119	2.5
<i>Incl. conditional commitments</i>	<i>138</i>	<i>1.8</i>			<i>146</i>	<i>2.8</i>		
Asia	985	13.9	686	10.0	833	16.3	977	20.7
<i>Incl. conditional commitments</i>	<i>1,440</i>	<i>18.6</i>			<i>914</i>	<i>17.2</i>		
Australia and Oceania	-	-	-	-	0	0.0	0	0.0
<i>Incl. conditional commitments</i>	<i>-</i>	<i>-</i>			<i>0</i>	<i>0.0</i>		
Africa	277	3.9	105	1.5	138	2.7	135	2.9
<i>Incl. conditional commitments</i>	<i>350</i>	<i>4.5</i>			<i>180</i>	<i>3.4</i>		
Comprehensive policies (CP) ¹	44	0.6	117	1.7	1	0.0	1	0.0
<i>Incl. conditional commitments</i>	<i>44</i>	<i>0.6</i>			<i>1</i>	<i>0.0</i>		
Subtotal	2,298	32.4	2,012	29.4	1,973	38.5	2,077	44.0
<i>Incl. conditional commitments</i>	<i>2,936</i>	<i>38.0</i>	<i>0</i>		<i>2,150</i>	<i>40.6</i>		
Aval endorsements (AE) ²	4,787	67.6	4,834	70.6	3,151	61.5	2,647	56.0
<i>Incl. conditional commitments</i>	<i>4,787</i>	<i>62.0</i>			<i>3,151</i>	<i>59.4</i>		
Total	7,085	100.0	6,846	100.0	5,124	100.0	4,724	100.0
<i>incl. conditional commitments</i>	<i>7,723</i>	<i>100.0</i>			<i>5,301</i>	<i>100.0</i>		
<i>Of which (excl. CP and AE):</i>								
OECD	350	4.9	442	6.5	90	1.8	100	2.1
Non-European	1,046	14.8	524	7.7	498	9.7	652	13.8
OPEC	150	2.1	12	0.2	23	0.4	56	1.2

¹ Financed export contracts covered by revolving comprehensive and reinsurance guarantees (CP)

² Financed export contracts and short-term export credit lines covered by aval endorsements (AE)

3.3 MOVEMENTS AND OUTSTANDINGS UNDER THE EXPORT FINANCING SCHEME, BY REGION AND COUNTRY

EUR thousand	Movements in 2013		Outstanding at 31 December 2013	
	New commitments issued	Loan funds disbursed	Commitments	Disbursements
Total	5,124,188	4,723,935	24,376,386	22,031,493
Europe	886,398	836,847	3,685,286	3,390,745
Albania	16,312	9,383	44,363	33,692
Belarus	46,254	29,612	81,258	63,347
Belgium	-	8,289	52,847	21,581
Bosnia and Herzegovina	4,250	11,019	170,779	166,643
Bulgaria	9,267	-	94,765	85,497
Greece	-	-	30,000	-
Croatia	66,566	66,974	270,441	270,441
Luxembourg	52,058	3,389	99,517	49,301
Romania	83,690	78,235	150,686	145,231
Russia	367,207	373,295	1,425,261	1,318,218
Switzerland	-	-	74,338	74,338
Serbia	20,012	17,922	103,294	97,294
Turkey	7,599	6,874	237,291	232,966
Ukraine	198,624	206,901	723,971	723,971
North America	-	7,807	101,981	101,981
USA	-	7,807	101,981	101,981
Latin America	115,166	118,945	359,552	215,754
Brazil	16,392	12,733	43,743	39,927
Honduras	49,207	56,339	87,973	80,160
Cuba	-	-	80,441	6,583
Trinidad and Tobago	33,767	23,741	33,767	23,741
Venezuela	-	21,070	64,899	27,850
Asia	833,365	976,909	3,044,484	2,785,615
Armenia	18,748	16,749	29,809	26,184
Bahrain	39,965	18,073	39,965	18,073
Bhutan	-	6,558	62,083	56,984
China (inkl. Hong Kong)	56,489	169,144	957,266	891,599
India	21,902	21,902	74,881	39,881
Indonesia	424	14,024	700,692	652,852
Kazakhstan	541,500	541,500	31,350	31,350
Pakistan	3,727	3,727	41,757	41,757
Philippines	-	14,642	166,490	166,302
Singapore	40,028	39,608	124,236	124,236
Sri Lanka	12,787	4,827	91,014	83,053
South Korea	21,799	57,141	340,451	314,150
Vietnam	28,967	34,311	274,920	247,271
Africa	137,528	135,241	737,611	552,134
Egypt	(39,778)	(28,082)	164,977	151,611
Gabon	108,162	79,740	214,513	100,713
Ghana	38,263	37,595	139,939	109,554
Libya	-	18,525	59,872	59,872
South Africa	-	-	35,000	35,000
Togo	-	-	25,000	25,000

4. Tied financial credits, purchases of accounts receivable and other forms of financing

The following two tables show the shares which tied financial credits and purchases of accounts receivable have in the total volume of export financing contracts administered by OeKB.

Export sales made on credit terms can be financed as supplier credits (whereby the exporter allows deferred payment) or buyer credits (loans extended to foreign buyers). The exporter granting a supplier credit to a foreign buyer can obtain funding for this from a bank. When a bank extends a tied financial credit or purchases accounts receivable, this leads to a reduction in the exporter's balance sheet. The bank involved can obtain financing from OeKB for that portion of the transaction or right underlying the credit which is covered by a relevant guarantee.

4.1 COMMITMENTS AND DISBURSEMENTS OUTSTANDING UNDER THE EXPORT FINANCING SCHEME, BY TYPE OF FINANCING

	Outstanding at 31 December 2012				Outstanding at 31 December 2013			
	Commitments		Disbursements		Commitments		Disbursements	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
Tied financial credits	4,128	14.9	3,494	14.1	4,069	16.7	3,574	16.2
<i>Incl. conditional commitments</i>	<i>4,449</i>	<i>15.9</i>			<i>4,324</i>	<i>17.6</i>		
Foreign investments	3,447	12.4	3,405	13.7	2,192	9.0	2,185	9.9
<i>Incl. conditional commitments</i>	<i>3,447</i>	<i>12.3</i>			<i>2,192</i>	<i>8.9</i>		
Purchases of accounts receivable	179	0.6	95	0.4	175	0.7	92	0.4
<i>Incl. conditional commitments</i>	<i>179</i>	<i>0.6</i>			<i>175</i>	<i>0.7</i>		
Other financing contracts	1,621	5.9	1,286	5.2	1,506	6.2	1,208	5.5
<i>Incl. conditional commitments</i>	<i>1,651</i>	<i>5.9</i>			<i>1,506</i>	<i>6.1</i>		
Subtotal	9,375	33.8	8,280	33.4	7,942	32.6	7,059	32.0
<i>Incl. conditional commitments</i>	<i>9,726</i>	<i>34.7</i>			<i>8,197</i>	<i>33.3</i>		
Aval endorsements	18,328	66.2	16,547	66.6	16,435	67.4	14,972	68.0
<i>Incl. conditional commitments</i>	<i>18,328</i>	<i>65.3</i>			<i>16,435</i>	<i>66.7</i>		
Total	27,703	100.0	24,827	100.0	24,377	100.0	22,031	100.0
<i>Incl. conditional commitments</i>	<i>28,054</i>	<i>100.0</i>			<i>24,632</i>	<i>100.0</i>		

4.2 NEW CONTRACTS ISSUED AND AMOUNTS DISBURSED UNDER THE EXPORT FINANCING SCHEME, BY TYPE OF FINANCING

	Movements in 2012				Movements in 2013			
	New commitments issued		Loan funds disbursed		New commitments issued		Loan funds disbursed	
	EUR m	%	EUR m	%	EUR m	%	EUR m	%
Tied financial credits	624	8.8	480	7.0	393	7.7	491	10.4
<i>Incl. conditional commitments</i>	<i>1,101</i>	<i>14.3</i>			<i>570</i>	<i>10.8</i>		
Foreign investments	872	12.3	833	12.2	1,158	22.6	1,188	25.2
<i>Incl. conditional commitments</i>	<i>872</i>	<i>11.3</i>			<i>1,158</i>	<i>21.9</i>		
Purchases of accounts receivable	50	0.7	40	0.6	33	0.6	34	0.7
<i>Incl. conditional commitments</i>	<i>50</i>	<i>0.6</i>			<i>33</i>	<i>0.6</i>		
Other financing contracts	752	10.6	659	9.6	389	7.6	364	7.7
<i>Incl. conditional commitments</i>	<i>913</i>	<i>11.8</i>			<i>389</i>	<i>7.3</i>		
Subtotal	2,298	32.4	2,012	29.4	1,973	38.5	2,077	44.0
<i>Incl. conditional commitments</i>	<i>2,936</i>	<i>38.0</i>			<i>2,150</i>	<i>40.6</i>		
Aval endorsements	4,787	67.6	4,834	70.6	3,151	61.5	2,647	56.0
<i>Incl. conditional commitments</i>	<i>1,787</i>	<i>62.0</i>			<i>3,151</i>	<i>59.4</i>		
Total	7,085	100.0	6,846	100.0	5,124	100.0	4,724	100.0
<i>Incl. conditional commitments</i>	<i>7,723</i>	<i>100.0</i>			<i>5,301</i>	<i>100.0</i>		

5. Interest rates of the Export Financing Scheme

The financing for banks' supplier and buyer credits and investment loans is extended at variable and fixed interest rates. The floating rate is determined by OeKB for periods of three months at a time and is based on OeKB's own average cost of funding itself in the market. In the case of non-revolving loans, the floating-rate portion of the credit is repaid first; the fixed interest rate is applied to the longer-term portion of the facility (base financing).

OeKB also offers floating-rate-only financing of non-revolving supplier and buyer credits and investments, based on 3-month or 6-month EURIBOR. The financing to banks for the extension of short-term export credit lines on the basis of government endorsed avals is provided at a special floating interest rate.

The current interest rates of the Export Financing Scheme can be viewed on the Internet at www.oekb.at/en/export-services/financing/interest-rates. Austria's Export Financing Scheme is also described in the so-called Yellow Book published by the OECD.

Export financing can also be provided in foreign currency at variable or fixed rates.

In some cases fixed-interest financing for supplier credits can be offered on a CIRR basis.



For further details see
Definitions and notes

6. Sources and uses of funds (flow of funds statement)

OeKB raises funding for the export financing programme through borrowing operations in domestic and international financial markets.

The total of all funds used under the Export Financing Scheme in the financial year was EUR 29.6 billion. Of this amount, EUR 4.7 billion represented loan disbursements, while EUR 26.9 billion was used largely for the repayment of loan liabilities. In the reporting period, EUR 7.5 billion or 24% of the funds used came from debt service payments received on export credits. New borrowings amounted to EUR 24.0 billion, of which EUR 5.5 billion was raised in Austria (in euros and various foreign currencies) and EUR 18.5 billion was sourced abroad (also in euros and other currencies).

In 2011 and 2012 the amount of the item “domestic liabilities” had risen significantly as a result of an increase in recourse to short-term time deposits. In 2013 this exceptional factor did not recur and the amount of export finance lending thus fell by 52% from the 2012 level.

The sources and uses of funds under the Export Financing Scheme are presented in the table below.

FLOW OF FUNDS STATEMENT FOR THE EXPORT FINANCING SCHEME

EUR million	2010	2011	2012	2013	1960-2013
Loan funds disbursed	2,924	5,026	6,846	4,724	142,200
Decrease in domestic liabilities in					
euro ¹	8,526	22,522	27,256	3,816	116,077
foreign currencies	488	313	38	1	29,486
Investments in Austria in					
euro	3,383	3,400	52	808	33,828
foreign currencies	5	4	81	3	527
Repayment of funds raised abroad in					
euro	1,513	2,684	6,576	2,376	50,475
foreign currencies	4,696	6,816	9,153	7,896	134,866
Investments abroad in					
euro	-	675	-	2,490	8,502
foreign currencies	965	4,060	7,019	2,217	22,275
Loan made abroad in euro	-	1,387	1,280	568	3,235
Redemption of bonds issued by OeKB in					
euro	-	1,960	3,470	3,710	21,870
foreign currencies	4,264	5,607	3,953	2,948	57,032
Adjustments for inter-period allocation of income and expenses	23	53	101	28	4,759
Uses of funds	26,787	54,507	65,825	31,585	625,132
Repayments received on credit extended	4,896	6,093	10,381	7,520	120,168
Increase in domestic liabilities in					
euro ¹	8,994	21,751	28,423	2,793	117,701
foreign currencies	470	313	38	1	29,488
Investments in Austria in					
euro	2,676	1,744	1,000	1,960	28,564
foreign currencies	3	3	9	77	508
Loans raised abroad in					
euro	1,713	3,787	5,273	2,213	50,755
foreign currencies	5,298	9,388	7,317	8,519	139,568
Investments abroad in					
euro	-	675	-	2,490	8,502
foreign currencies	965	3,301	7,777	2,217	22,274
Loan made abroad in euro	-	943	1,057	577	2,577
Issue of bonds in					
euro	-	3,555	749	674	29,108
foreign currencies	1,685	2,907	3,688	2,507	71,139
Adjustments for inter-period allocation of income and expenses	87	47	113	37	4,780
Sources of funds	26,787	54,507	65,825	31,585	625,132

¹ The decreases and increases in domestic euro-denominated liabilities are netted on a monthly basis and only the resulting balance is shown.

7. Guarantees of the Republic of Austria under the Export Financing Guarantees Act



Further details are provided
in the section
Basis in Legislation

The Export Financing Guarantees Act authorises the Federal Minister of Finance to issue guarantees to creditors in borrowing transactions of OeKB under the Export Financing Scheme. The Federal Minister of Finance is also authorised to guarantee repayment to OeKB of possible foreign exchange losses resulting from borrowing transactions in foreign currencies. The aggregate exposure limit under these guarantees (i.e., the limit on the total combined liability at any given time) is EUR 45 billion. For this coverage, OeKB pays a guarantee premium to the Ministry of Finance.

The borrowings covered by guarantees under the Export Financing Guarantees Act may be used for the purposes listed in section 1(1) of the Act. The Export Financing Guarantees Act also contains provisions regarding the maximum repayment period of the guaranteed borrowings, the percentage of aggregate exposure arising from these borrowings, and the amount of the limit for any single borrowing transaction.

7.1 GUARANTEES UNDER THE EXPORT FINANCING GUARANTEES ACT

Guarantees in EUR million for	Principal amounts	Interest ²	Exchange risk	Total
Additions in 2012	10,132	-	435	10,567
Reductions in 2012	13,824	-	423	14,247
Net change in 2012	(3,692)	-	12	(3,680)
Outstanding at 31 December 2012	26,738	-	3,277	30,015
<i>Transactions in euro</i>	6,050	-	1,473	7,523
<i>Transactions in foreign currencies</i>	20,688	-	1,804	22,492
Unused limit (total limit of EUR 45,000 million) ¹				14,985
Additions in 2013	8,236	-	246	8,482
Reductions in 2013	9,469	-	249	9,718
Net change in 2013	(1,233)	-	(3)	(1,236)
Additions from 1967 to 2013	172,034	2,776	12,245	187,055
Reductions from 1967 to 2013	146,529	2,776	8,971	158,276
Net change from 1967 to 2013 = [i.e., Outstanding at 31 Dec 2013]	25,505	-	3,274	28,779
<i>Transactions in euro</i>	4,410	-	1,433	5,843
<i>Transactions in foreign currencies</i>	21,095	-	1,841	22,936
Unused limit (total limit of EUR 45,000 million) ¹				16,221

¹ Federal Law Gazette I no. 144/2008 and no. 122/2012

² In accordance with the 1980 Amendment to the Act, interest is no longer counted against the aggregate exposure limit.

In counting borrowing transactions in foreign currency against the aggregate exposure limit, 10% is added for currency risk. Foreign currencies are translated to euros at the reference rate of the European Central Bank at the day on which the guarantee takes effect (see section 2 of the Export Financing Guarantees Act). For OeKB's short-term borrowings under a revolving credit facility, the monthly net changes in disbursements outstanding are recognised as additions or reductions.

7.2 GUARANTEES AS REFLECTED IN THE AUSTRIAN GOVERNMENT FINANCIAL STATEMENTS

EUR million	2010	2011	2012
Additions	13,426	22,484	16,684
Reductions	13,894	19,864	21,408
Foreign currency translation differences	1,337	129	29
Ending balance outstanding (after translation effects) at 31 December	29,885	32,634	27,881
<i>Transactions in euro</i>	6,750	8,270	6,050
<i>Transactions in foreign currencies</i>	23,135	24,365	21,831

The data for 2013 is not yet available.

For the purposes of the Austrian federal government financial statements – unlike the calculation of guarantee exposure against the aggregate exposure limit under the Export Financing Guarantees Act – guarantees for foreign-currency borrowings are stated at the ECB's reference rates of exchange at the end of the year. For borrowings under a revolving credit facility, the gross changes in disbursements outstanding are recognised as additions or reductions.

Basis in Legislation

1. Export Guarantees Act

As amended with effect from 29 December 2012 (binding is the wording published in the Federal Law Gazette).

Federal Law relating to the granting of guarantees for contracts and rights (Export Guarantees Act - ExpGA), published in Federal Law Gazette no. 215/1981,

as amended by Federal Law Gazettes no. 249/1984, 560/1986, 651/1987, 288/1991, 961/1993, 733/1995, I no. 63/2000, 71/2003 (Act accompanying the Budget Act 2003/Part 3, Article 35), 95/2005, 58/2007, 2/2008, 32/2008, 145/2008 and 121/2012.

§1.

(1) The Federal Minister of Finance is authorised to guarantee on behalf of the Republic of Austria (the “Federation”) the due performance of contracts listed below by foreign contracting parties as well as the integrity of the rights of exporters, which serve directly or indirectly to improve the balance of current transactions in goods and services; projects abroad enjoy the same status as these contracts and rights in case their realisation by domestic or foreign enterprises is of Austrian interest; these projects are, in particular, for environmental protection, waste disposal and infrastructure;

1. relating to the delivery of goods and their production, as well as to the performance of other services;
2. relating to the financing of contracts pursuant to no. 1 by advancing credits or loans, which may or may not be evidenced by negotiable instruments, or by acquiring receivables of contracts pursuant to no. 1;
3. relating to the integrity of goods delivered in commission to stock abroad or of machines used abroad for the production of goods or the performance of services, as well as of cash deposits, bonds and other advances;
4. relating to guarantee and insurance contracts which guarantee the performance of the obligations of the foreign party pursuant to no.s 1 and 2;
5. relating to participations or contracts similar to participations in foreign enterprises.

(2) The Federal Minister of Finance is also authorised to guarantee a certain rate of exchange between the euro and the contract currency (rate of exchange risk).

(3) The Federal Minister of Finance is also authorised to guarantee receivables arising from credits or from the acquisition of receivables, provided they have already been guaranteed pursuant to paragraph 1.

§2. The Federal Minister of Finance is also authorised to facilitate the financing of contracts pursuant to section 1, paragraph 1 by guaranteeing on behalf of the Federation bills of exchange by aval either for the issuer or for the acceptor.

§ 2a. The Federal Minister of Finance is authorised to enter into contracts on behalf of the Federation to improve the risk of the overall portfolio of guarantees pursuant to sections 1 and 2.

§ 2b. The Federal Minister is also authorised to grant guarantees for contracts which have been concluded among credit institutions for the purpose of refinancing loan and credit agreements, provided that guarantees have already been granted for the underlying loan and credit agreements pursuant to section 1 paragraph 1 no. 2 (securitisation).

§3.

- (1) The total of guarantees assumed pursuant to sections 1 and 2 must not at any time exceed 50 billion euro.
- (2) Towards this aggregate guarantee limit shall be counted:
 1. the covered basic amounts (maximum amounts to the extent of the percentage of cover) under guarantees pursuant to section 1, paragraphs 1 and 3;
 2. the total of the notified request for financing and in case of non-notification, the maximum amounts under guarantees pursuant to section 2 assumed to be the required financing.
- (3) Interest and costs which may be agreed in the contracts as well as guarantees under section 1, paragraph 2 and promises to grant guarantees shall not be counted towards the ceiling of guarantees.
- (4) The guarantees may be assumed in euro, in a currency freely convertible at the date the contract is made or in a clearing currency. In case guarantees are granted in a foreign currency, the conversion into euro shall be effected at the reference rates of exchange, published by the European Central Bank.

§4.

- (1) The Federal Minister of Finance determines by decree with the consent of the Main Committee of Parliament the rules under which guarantees pursuant to sections 1 and 2 may be granted.
- (2) These rules shall duly reflect the development purpose of granting guarantees.

§5.

- (1) The Federal Minister of Finance is authorised to entrust the bank-related handling of applications for guarantees (banker's evaluation by rating and processing), the execution of guarantees, the entering into contracts pursuant to section 2a and the protection of the rights of the Federation arising under guarantees, except for litigation at court, to an agent of the Federation pursuant to sections 1002 et seq. of the General Code of Civil Law (ABGB). The agent of the Federation must have the authorisations for banking business in Austria pursuant to section 1, paragraph 1, no.s 1, 3, 4, 7, 8, 10 and 18 Banking Act or pursuant to section 9 Banking Act. Moreover, he must warrant a solid, reliable and cost-effective management of the export guarantee scheme. The position of the agent of the Federation shall be regulated in detail by an agreement between the principal and the agent of the Federation. In case of applications for guarantees for the agent of the Federation himself or for domestic export credit insurers, the bank-related handling is entrusted to Oesterreichische Nationalbank.
- (2) The examination of applications for guarantees pursuant to sections 1 and 2 in the individual case exceeding five hundred thousand euro is entrusted to an advisory council to be established at the Federal Ministry of Finance. Members of the advisory council, which performs this examination under overall economic aspects, including environmental and employment related aspects, are:
 1. one representative of the Federal Ministry of Finance as chairman and respectively one representative of the Federal Chancellor's Office, of the Federal Ministry for Economy, Family and Youth of the Federal Ministry of Agriculture and Forestry, Environment and Water Management as well as of the Federal Ministry for European and International Affairs;
 2. one representative respectively of the Austrian Federal Economic Chamber, of the Federal Chamber of Labour, of the Conference of the Presidents of the Austrian Chamber of Agriculture and of the Federation of Austrian Trade Unions;
 3. one representative of the Oesterreichische Nationalbank;
 4. one representative of the agent of the Federation without vote.
- (4) The members of the advisory council and its deputy members exercise their functions in an honorary capacity.
- (5) The Federal Ministry of Finance organises the examinations by the advisory council.

(6) All persons engaged in the handling and examination of applications for guarantees are obliged to treat confidentially any official, business or operational secrets which have come to their knowledge when so acting.

§6. The Federal Minister of Finance has to report to the Main Committee of Parliament quarterly and in writing on the extent of guarantees granted pursuant to this Federal Law, on the development of debts paid and recoveries received in connection with these guarantees and on guarantees granted for major projects with significant environmental effects. The Federal Minister of Finance has to report annually to the Main Committee of Parliament on the activities of the advisory council pursuant to section 5, paragraph 2 which report thereafter has to be published by the Federal Ministry of Finance. The Federal Minister of Finance has to submit to the Main Committee of Parliament yearly a report on guarantees granted for projects of the development bank pursuant to section 9.

§7.

(1) The agent of the Federation (section 5, paragraph 1) shall collect the fees for guarantees and all recoveries of payments made by the Federation under guarantees and shall credit such amounts to a current account of the Federation with the agent of the Federation. The agent of the Federation is authorised to debit to such account the fee due to it.

(2) In case the Federation is called upon to honour guarantees pursuant to sections 1 and 2 or in case interest and costs must be spent to avert damages or to minimize losses, the credit balance from time to time available on the account of the Federation shall be used to meet such payments. In case no credit balance is available, the Federation shall allocate other budget means for such payments.

(3) So long as the credit balance is not used for payments, the credit balance must be applied in the export financing scheme of the agent of the Federation. For purposes of federal development financing pursuant to section 9, the credit balance may be allocated to the Austrian Development Bank up to a limit of 0.2 per cent of the aggregate guarantee limit set forth in section 3 paragraph 1.

(4) In case the credit balance on 31 December of any calendar year exceeds 1 per cent of the guarantee limit set forth in section 3 paragraph 1 or any potentially higher provision requirement pursuant to the Federal Budget Accounting Act, the respective exceeding amount shall be remitted to the federal cash office by 20 January of the following year.

§8.

(1) No stamp duty shall be levied on bills of exchange guaranteed pursuant to section 2.

(2) Insurance contracts for which a reinsurance guarantee of the Federation is issued pursuant to section 1, paragraph 1, no. 4 are exempted from insurance tax.

Section 8a.

(1) Oesterreichische Kontrollbank Aktiengesellschaft remains to be the agent of the Federation until an agency agreement pursuant to section 5, paragraph 1 is made.

(2) In case a new agent of the Federation is appointed pursuant to section 5, paragraph 1, the business being handled by Oesterreichische Kontrollbank Aktiengesellschaft but not yet completed shall continue to be administered by Oesterreichische Kontrollbank Aktiengesellschaft against an adequate fee.

(3) The Federal Government has to inform Oesterreichische Kontrollbank Aktiengesellschaft at least two years prior to initiating a procurement procedure pursuant to section 5, paragraph 1.

Austrian development bank

§9.

(1) The Federal Minister of Finance is authorised to enter exclusively with a subsidiary of the agent of the Federation pursuant to section 5, paragraph 1 into an agreement on the establishment of and on the services to be provided by a development bank.

(2) The tasks of the development bank are in particular the long term financing of sustainable investments in developing countries and the handling of federal measures to support the preparation and the implementation of private-sector projects in developing countries. The Austrian development bank is committed to the goals and principles of the Austrian development policy pursuant to the Development Cooperation Act, Federal Law Gazette I no. 49/2002 as amended.

(3) In the interest of the objectives of paragraph 2, the Federal Minister of Finance is authorised within the framework of the agreement according to paragraph 1 to determine rules differing from those laid down according to section 4, paragraph 1 in respect of guarantees to be granted to the development bank, in particular in view of the extent of cover and the admission of claims.

(4) Applications for guarantees will be filed by the development bank, claims will be processed by the Federal Ministry of Finance.

(5) An economy and development board will be set up to advise on the development policy of the development bank and to evaluate applications for guarantees from the development perspective. section 5, paragraphs 4 to 6 apply to the board. Members of the board are:

1. one representative of the Federal Ministry of Finance as chairman;
2. one representative of the Office of the Federal Chancellor;
3. one representative of the Federal Ministry of European and International Affairs;
4. one representative of the Federal Ministry of Economy and Labour;
5. one representative of the Austrian Development Agency;
6. one representative of the Austrian Federal Chamber of Economy;
7. one representative of the Federal Chamber of Labour;
8. one representative of the Austrian Development Bank without vote.

The board may call in experts without the right to vote. The by-laws of the board are issued by the Federal Minister of Finance in agreement with the Federal Chancellor, the Federal Minister of European and International Affairs and the Federal Minister of Economy and Labour.

(6) As far as fees for guarantees and payments for claims under guarantees are concerned, the clearing between the Federation and the development bank will be made by way of the agent of the Federation on the account pursuant to section 7; the same is valid for the application of credit balances pursuant to section 7 paragraph 3.

(7) All receipts from fiduciary holdings of the development bank for the benefit of the Federation shall be collected by it and shall be currently credited to a separate account of the Federation with the agent of the Federation pursuant to section 5 paragraph 1. The development bank is authorised to debit to such separate account the fee agreed with the Federation as well as payments for reinvestments and alternative investments in connection with fiduciary holdings. On the basis of respective forecasts provided by the development bank the Federation shall ensure that the account contains at any time sufficient coverage for assumed liabilities.

(8) The Federal Minister of Finance may appoint a commissary and a deputy commissary at the development bank to protect his interests in connection with the granting of guarantees and the handling of measures pursuant to para 2. These persons are entitled to inspect all books, documents and other papers of the company and to attend all shareholders' and supervisory board meetings. The company may be instructed to pay for the work of the commissary and his deputy to the federal cash office an annual lump sum fee which is determined by the Federal Minister of Finance. The fee shall be in reasonable relation to the work and expenses connected with their duties.

§10.

- (1) As far as terms used in this Federal Law relate to individuals, the chosen form applies to both genders. In case these terms are applied to specific individuals, the respective gender-related form must be used.
- (2) The Export Guarantees Act – ExpGA, Federal Law Gazette no. 215/1981, as amended by Federal Law Gazette I no. 121/2012, will expire on 31 December 2017. All guarantees granted prior to this date will not be affected thereby.
- (3) The Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended by Federal Law Gazette I no. 58/2007, will expire on 31 December 2012. All guarantees granted prior to this date will not be affected thereby.

§11. The Federal Minister of Finance is entrusted with the implementation of this Federal Law.

2. 1981 Export Guarantees Decree

Decree of the Federal Minister of Finance dated 30 April 1981, relating to the regulations for the granting of guarantees by the Federal Republic (Federation) in implementation of the Export Guarantees Act (1981 Export Guarantees Decree), published in Federal Law Gazette no. 257/1981,
as amended by the Decrees published in Federal Law Gazettes no. 203/1988, 349/1991, 130/1994, 816/1995, II no. 88/1998, 212/1998 and 90/1999.

In accordance with section 4, paragraph 1 of the Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended, and with the consent of the Main Committee of Parliament the following regulations are decreed.

Form and object of the liabilities

§1.

- (1) The liabilities are assumed in writing:
 - a) as guarantees for the due performance of contracts by the foreign contracting partners as well as guarantees for the integrity of the rights of export enterprises pursuant to section 1 of the Export Guarantees Act with regard to economic and/or political risks as well as the exchange rate risk;
 - b) as commitments to guarantee bills of exchange by “aval”, which are to facilitate the financing of contracts and rights pursuant to section 1 of the Export Guarantees Act.
- (2) A promise to grant a guarantee may be given (promise). If a promise is given, the Federation is committed to convert it into a guarantee in accordance with paragraph 1 if the terms of the contract specified in the application to give a promise are not less favourable in the definitive contract and during the lifetime of the promise no material changes in the circumstances relevant for the issuance of the guarantee have occurred or become apparent (section 936 ABGB – General Code of Civil Law).
- (3) Guarantees issued pursuant to section 2, paragraph 1, no.s 1 to 7 and 9 shall be based on general business conditions which together with the terms of the respective guarantees constitute the terms of the guarantee agreements.

Types of liabilities

§2.

(1)

1. Guarantees to cover risks resulting from
 - a) contracts on the supply and the production of goods and the performance of services by exporters to foreign contracting parties (guarantees for direct deliveries and services);
 - b) license agreements and agreements on the exploitation of patents, license agreements on know-how, agreements on copyright (comprehensive or specific copyright) of exporters, as well as agreements relating to the performance of other services with foreign contracting parties;
 - c) lease or lease-purchase contracts on exporter's goods located abroad in the hands of foreign contracting parties and serving the production of other goods;
 - d) contracts on the supply and the production of goods and the performance of services by enterprises domiciled abroad, if the proceeds are applied directly or indirectly for the payment of contracts of exporters.
2. Guarantees to cover risks resulting from contracts on the supply and the production of goods and the performance of services by enterprises domiciled abroad to that extent, as exporters participate in the respective contract (guarantees for indirect deliveries and services).
3. Guarantees to cover risks resulting from the following contracts or commitments of credit institutions domiciled in Austria or abroad:
 - a) loan or credit agreements entered into with enterprises domiciled abroad and serving the payment of legal transactions (guarantees for tied financial credits);
 - b) credit transactions (bond issues, commitments arising from bills of exchange or bonds or other commitments) the proceeds of which are applied for the payment of contracts;
 - c) credit agreements which are concluded between a credit institution domiciled in Austria and a contracting party domiciled abroad, insofar as for the underlying legal transactions liabilities have already been assumed (debt rescheduling agreements).
4. Guarantees to cover risks resulting from participations or legal transactions resembling participations of exporters in enterprises domiciled abroad (investment guarantees).
5. Guarantees to cover risks under a ceiling of turnover for contracts on the supply and the production of goods and the performance of services by exporters to a specific enterprise domiciled abroad (turnover guarantees).
6. Guarantees to cover risks under ceilings of turnover for all contracts on the supply and the production of goods and the performance of services by exporters to enterprises domiciled abroad, be it either in one or in several recipient countries (country turnover guarantees or comprehensive guarantees).
7. Guarantees to cover
 - a) political risks resulting from the establishment of stocks of merchandise abroad by exporters, in view of the integrity of the goods located in these stocks of merchandise (guarantees for stock in commission);
 - b) political risks resulting from the use of machines and equipment by exporters to perform their contracts abroad, in view of the integrity of these machines and equipment (machinery deployment guarantees);
 - c) risks resulting from cash deposits, bonds or other advances made by exporters abroad in the context of contracts (advance guarantees).
8. Guarantees to cover risks resulting from guarantee or insurance contracts undertaken by export credit- or export credit insurance institutions (reinsurance guarantees).
9. Guarantees to cover risks resulting from the purchase of accounts receivable:
 - a) guarantees to cover risks resulting from contracts of credit institutions domiciled in Austria or abroad on the acquisition of accounts receivable resulting from legal transactions;
 - b) guarantees to cover risks resulting from accounts receivable acquired by Oesterreichische Kontrollbank Aktiengesellschaft insofar as liabilities have already been assumed for such accounts receivable.
10. Guarantees to cover the applicability of a certain rate of exchange between Austrian Schillings and the currency of the contract, which may be a currency freely convertible, a currency not freely convertible or a clearing currency (exchange risk guarantees).
11. Guarantees to cover risks in the context of initiating export activities pursuant to section 1 Export Guarantees Act (market developing guarantees).

(2) Guarantees by “aval” on bills of exchange: guarantees for the drawer or for the acceptor of bills of exchange which were issued by credit institutions or exporters for the purpose of financing contracts.

Assumption of liabilities

§3.

(1) Applications for the issuance of a guarantee or a guarantee by “aval” on a bill of exchange are to be filed in writing or by electronic means at the Oesterreichische Kontrollbank Aktiengesellschaft.

(2) The contracts underlying the guarantee or the guarantee by “aval” on a bill of exchange may be made out in Austrian Schillings, in a currency freely convertible, in a currency not freely convertible or in a clearing currency.

(3) Guarantees or guarantees by “aval” on bills of exchange may be assumed in Austrian Schillings, in a currency freely convertible at the date the contract is concluded or in a clearing currency.

(4) Guarantees or guarantees by “aval” on bills of exchange can be granted for the entire contract or right or only for a part thereof (partial covering).

(5) With regard to guarantees pursuant to section 2, paragraph 1, no.s 6 and 9 a specific discretionary power and/or a free limit in respect of each customer may be granted to the beneficiary of the guarantee unless a specific authorisation is granted. With regard to contracts which fall within the beneficiary's of the guarantee discretionary power, the liability of the Republic can be made dependent on the obligation of the beneficiary to have ascertained the sound financial standing of the foreign customer.

(6) Guarantees pursuant to section 2, paragraph 1, no. 8 may be issued unconditionally.

Self-participation

§4.

(1) At the issuance of guarantees under section 2, paragraph 1, no.s 1 to 9 a self-participation of the beneficiary of the guarantee may be stipulated in case of an economic and/or a political fact.

(2) When a guarantee is issued under section 2, paragraph 1, no.s 10 and 11 a self-participation of the beneficiary of the guarantee may be stipulated.

(3) If a self-participation is determined it shall amount to at least 5%, at the most 50% of the maximum amount determined in the guarantee agreement.

Special obligations of the beneficiary of the guarantee and of the guarantee by “aval” on a bill of exchange

§5.

(1) It shall be inter alia provided in the agreements on the assumption of liability, that

1. the beneficiary of the guarantee shall, if so requested at any time, inform the Republic on details and the state of the contract or right underlying the guarantee and disclose his books and documents to the extent necessary for the examination of the transaction involved;
2. prior to any material amendment of the contractual basis of the contract or right underlying the guarantee the beneficiary of the guarantee shall obtain the consent of the Republic; as a material amendment are inter alia to be considered the extension of the payment/total payment date or the altering of securities;

3. the beneficiary of the guarantee is bound to instruct upon expiry of a certain delay a debt collection agency or a lawyer resident in the country of the foreign contracting partner to collect an unpaid claim, unless the Republic agrees to a different procedure.
Furthermore, the beneficiary of the guarantee may be obligated to inform the Republic within a certain delay in writing of the non-performance or contravention of the contract or right underlying the guarantee, of the occurrence of a fact justifying a claim pursuant to section 6 and of the instructing of a debt collecting agency or a lawyer;
4. the Republic may at any time, if the foreign contracting partner has not performed his contractual obligations or if facts justifying a claim pursuant to section 6 have occurred, direct the beneficiary of the guarantee, whether and in which way the beneficiary of the guarantee has to perform his contractual obligations resulting from the contract or right under guarantee. For guarantees under section 2, paragraph 1, no. 2 the right to give directives is only applicable with regard to the beneficiary of the guarantee.
With regard to guarantees under section 2, paragraph 1, no.s 5 and 6 it shall be stipulated furthermore that the Republic is entitled to restrain the beneficiary of the guarantee from the conclusion of further contracts under the guarantee agreement with the defaulting contracting partner;
5. with regard to guarantees pursuant to section 2, paragraph 1, no. 6 the beneficiary of the guarantee shall as a rule ascertain the financial standing of all foreign contracting partners for which neither a specific authorisation nor a free limit was granted, by obtaining a written report (inquiry) or the checking of the past orderly performance of the contracts by the foreign contracting partner;
6. the beneficiary of the guarantee shall take all steps necessary to enforce his contractual rights against the foreign contracting partner. If goods to be delivered according to the obligations of the beneficiary of the guarantee have already been manufactured and are still at his disposal, they shall be turned to account in the most profitable way;
7. the beneficiary of the guarantee is committed to take over the terms agreed by the Republic in a rescheduling for the self-participation, unless the Republic agrees to a different procedure;
8. costs and losses incurred in connection with measures pursuant to no.s 4, 5 and 7 shall be refunded to the beneficiary proportionately.

(2) The beneficiary of the guarantee is to be obligated to take all steps to prevent the Republic from damage. The beneficiary of the guarantee shall report without delay, at the latest however within fourteen days from cognisance, all facts which became known to him which may jeopardise the orderly performance of the subject transaction.

(3) It shall be provided that the beneficiary of a guarantee by “aval” on a bill of exchange (drawer or acceptor) shall notify in writing to the Republic his financing requirement at the filing of the application for the issuance of the guarantee by “aval” on a bill of exchange and, in the following, at the commencement of each clearing period for that period. An increase of the notified financing requirement during the clearing period is possible. The notified financing requirement is limited with the maximum amount specified in the commitment to guarantee by “aval”. If no financing requirement is notified, the maximum amount specified in the commitment to guarantee by “aval” is deemed the financing requirement.

Admission of claims

§6.

(1) As conditions precedent for the admission of claims resulting from guarantees under section 2, paragraph 1, no.s 1 to 3, 5, 6 and 9 it shall be provided, that

1. the beneficiary of the guarantee has performed his contractual obligations or is ready to perform them,
2. the foreign contracting partner does not or cannot perform his contractual obligations,
3. an economic or political fact pursuant to paragraph 2 or 3 is proven or has occurred and
4. a period of three months after maturity or in the case of a loss during production a period of six months after the occurrence of a fact has passed (waiting period). There shall be no waiting period when a fact pursuant to paragraph 2, no. 2 has occurred and in the case of claims resulting from guarantees under section 2, paragraph 1, no. 3 alinea b and c, no.s 5, 6 and no. 9 alinea b.

(2) Economic facts are:

1. a reminder in writing by the beneficiary of the guarantee addressed to his foreign contracting partner, summoning him to perform the contract; the presentation of securities for payment shall produce the same effect;
2. insolvency of the foreign contracting partner, if it is proven by the commencement of insolvency proceedings;
3. impossibility of performance by the beneficiary of the guarantee or by his agents owing to circumstances they are not responsible for and which have occurred abroad.

(3) Political facts are:

1. war or warlike events;
2. rebellion or revolution;
3. governmental measures limiting or preventing the transfer or the free disposal by the beneficiary of the guarantee with regard to the consideration due to him; a default in payment shall be equivalent if the debtor or its guarantor represents the public authority and cannot, either judicially or administratively, be made insolvent. With respect to guarantees under section 2, paragraph 1, no.s 5 and 6 this fact has occurred when the transfer or payment delay has lasted for more than three months.
4. impossibility of performance owing to other political events.

(4) As conditions precedent for the admission of claims resulting from guarantees under section 2, paragraph 1, no. 4 it shall be provided that an economic or political fact pursuant to no. 1 or 2 is proven or has occurred:

1. An economic fact has occurred when composition or bankruptcy proceedings or proceedings equivalent thereto have been commenced against the enterprise in which the participations or rights under contracts resembling participations have been acquired.
2. A political fact has occurred when
 - a) participations or rights resulting from contracts resembling participations are directly or indirectly, totally or partially expropriated,
 - b) such an essential part of the assets is destroyed or expropriated that the enterprise can no longer be run without a loss, or
 - c) the transfer of the proceeds of the sale or the liquidation of participations, repayment of capital and payment of interest on contracts resembling participations, the transfer of a compensation or the free disposal thereover are limited or prevented.

(5)

1. As conditions precedent for the admission of claims resulting from guarantees under section 2, paragraph 1, no. 7 alinea a and b it shall be provided that goods stored on commission abroad or machines and equipment kept abroad are, for direct or indirect political reasons, destroyed or expropriated.
2. As conditions precedent for the admission of claims resulting from guarantees under section 2, paragraph 1, no. 7 alinea c it shall be provided that an economic or political fact according to alinea a or b is proven or has occurred:
 - a) An economic fact has occurred when an advance is withdrawn or not paid back due to a wrongful action or omission or insolvency of the foreign contracting partner.
 - b) A political fact has occurred when an advance is withdrawn or not paid back for direct or indirect political reasons.

§7.

(1) With regard to guarantees pursuant to section 2, paragraph 1, no. 10 it shall be provided as condition precedent for the admission of a claim that the exchange rate applied by the bank on the payment day is to the disadvantage of the beneficiary of the guarantee different from the exchange rate laid down in writing in the declaration of guarantee or the addendum thereto.

(2) With regard to guarantees pursuant to section 2, paragraph 1, no. 11 it shall be provided as condition precedent for the admission of a claim that the market goal stipulated in the declaration of guarantee has not been reached.

§8. The contracts concluded with export credit- or export credit insurance institutions shall provide that claims resulting from guarantees pursuant to section 2, paragraph 1, no. 8 shall be deemed justified, if they pay out a claim resulting from liabilities and reinsurance guarantees they have assumed.

Refusal of liability

§9.

(1) It shall be provided that the liability resulting from the guarantees under section 2, paragraph 1, no.s 1 to 7, 9 and 10 shall in particular be excluded in the following cases:

1. if losses have occurred for which the beneficiary of the guarantee or his agents are responsible;
2. if the beneficiary of the guarantee, deliberately or by gross negligence, violates a stipulation of the guarantee contract;
3. if the beneficiary of the guarantee contravenes domestic or foreign legal regulations, except in case he can prove that the non-performance of the contractual obligations by the foreign contracting partner is not caused by the contravention referred to above;
4. if the beneficiary of the guarantee was already at the time he applied for the guarantee aware that
 - a) performance of the contract by the foreign contracting partner is impossible,
 - b) with regard to another contractual agreement of the beneficiary of the guarantee with the foreign contracting partner the latter has within the last two years before the application was submitted, committed a breach of contract,
 - c) the foreign contracting partner is insolvent, in particular the assets of the foreign contracting partner have been subjected to insolvency proceedings, or
 - d) judicial execution proceedings have been commenced into the assets of the foreign contracting partner;
5. if the beneficiary of the guarantee has deliberately or by gross negligence made false statements in the application for the issuance of the guarantee;
6. if losses have occurred, for which following commercial usage insurance – except credit insurance – is available for the beneficiary of the guarantee with insurance companies domiciled in this country;
7. if with regard to guarantees under section 2, paragraph 1, no. 6 the provisions of section 5, paragraph 1, no. 6 have not been complied with, when an economic fact has occurred.

(2) (2) It shall be provided that the beneficiary of the guarantee has to refund the amounts already obtained with interest if the refusal of the liability is based on circumstances which have occurred or become apparent after the recognition of the claim. Interest starts when the beneficiary of the guarantee received the amount and shall be computed at a rate of 300 basis points above the variable interest rate of the Export Financing Scheme of Oesterreichische Kontrollbank Aktiengesellschaft as applicable at the time.

Maturity of the compensation due under the liability

§10. The maturity of the compensation due to the beneficiary of guarantees pursuant to section 2, paragraph 1, no.s 1 to 7 and 9, if a claim is deemed to be justified, shall coincide with the recognition of the claim, but not before the original maturity date of the guaranteed claim; an acceleration of maturity in case of breach of contract, which was stipulated between the beneficiary of the guarantee and the foreign contracting partner, cannot be asserted against the Republic.

§11. The maturity of the compensation due to the beneficiary of guarantees pursuant to section 2, paragraph 1, no.s 10 and 11, if a claim is deemed to be justified, shall coincide with the recognition of the claim.

§12. The contractual agreements with export credit- or export credit insurance institutions shall provide the point of time at which the guaranteed amount is due for payment.

Cession of rights after facts justifying a claim have occurred and refund of expenses

§13.

(1) The beneficiary of the guarantee shall be obliged to assign that portion of his claims against the foreign contracting partner to the Republic that corresponds with the compensation payable under the guarantee. Such assignment shall be made at the latest upon recognition of the claim and the beneficiary of the guarantee shall take all legal steps necessary to that end and, in case he has obtained sureties, he shall assign them proportionally and with equal rank to the Republic.

(2) If the Republic does not itself represent the claim, the beneficiary of the guarantee shall take all steps necessary for the enforcement of the contractual rights in his own name, but with the consent of the Republic for proportionate account of the Republic. The consent is to be granted if the result to be expected from the necessary steps is economically adequate in view of the expenses caused by such steps. If goods to be delivered according to the obligations of the beneficiary of the guarantee have already been manufactured and are still at his disposal, they shall, unless otherwise directed in the individual case, be turned to account with the consent of the Republic in the most profitable way and upon request of the Republic be pledged in favour of the Republic. Furthermore, the beneficiary of the guarantee shall be put under the obligation to comply with the directives of the Republic concerning specific measures to be taken for the enforcement of rights.

(3) The beneficiary of the guarantee shall be obligated to take over the terms agreed by the Republic in a rescheduling for the self-participation, unless the Republic agrees to a different procedure.

(4) It shall, furthermore, be provided in which manner incoming payments and other revenue are to be distributed between the beneficiary of the guarantee and the Republic.

(5) If in connection with steps pursuant to paragraph 2 costs occur they shall be refunded to the beneficiary of the guarantee proportionally.

Fees for the handling of applications, premiums payable for guarantees and guarantees by "aval" on bills of exchange

§14.

(1) A fee is payable for handling the file, which is also due when an application is turned down. A premium shall be agreed for the issuance of a guarantee in accordance with section 1, paragraph 1. For that part of a guarantee for which an irrevocable reinsurance guarantee of a foreign export credit- or export credit insurance institution has been issued, no premium is to be charged for the Republic.

(2) The fee for handling the application amounting to 0.1% of the value of the contract, but not less than 10 euro and not more than 720 euro or the respective countervalue in Austrian Schillings, is due to be paid upon receipt of the debit order.

(3) A reasonable premium, dependent on the kind and extent of the risk covered, is to be charged for guarantees.

(4) Provided that nothing else is stipulated, the premium for guarantees pursuant to section 2, paragraph 1, no.s 1, 2, 3 alinea a and b, 4, 7, 8, 9 alinea a, no.s 10 and 11 is payable upon acceptance of the guarantee. The premium for guarantees pursuant to section 2, paragraph 1, no. 3 alinea c, no.s 5, 6 and 9 alinea b is due and payable quarterly in arrears.

(5) In case the Republic has accepted a change in the contents or in the extent of the guarantee, a recalculation of the premium as well as a charging of an additional premium or a refund of premium shall be provided. In case of a refund of a balance a lump-sum for cost may be deducted.

(6)

- a) The premium for commitments to guarantee a bill of exchange by “aval” shall correspond to the risk and amount to at least 0.05% for each commenced quarter calendar year of the lifetime of such commitment.
- b) The computation is to be based on the maximum amount of the commitment to guarantee a bill of exchange by “aval” or on the notified financing requirement for the respective clearing period. Provided that nothing else is stipulated in the respective commitment, the clearing period is equal to a quarter calendar year. For long-term commitments it may amount to a year or more. At the commencement of the lifetime of the commitment to guarantee a bill of exchange by “aval” the computation of the premium is to be based on the period extending from the validity of the said commitment to the commencement of the following clearing period and the premium is to be computed proportionally. This applies also to the subsequent notification of a higher financing requirement during the clearing period. The first premium is due immediately upon receipt of the aforesaid commitment, the subsequent premiums immediately upon receipt of the debit orders.

(7) If in the course of handling a particular contract a risk covered by a guarantee is taken under cover by transformation into another guarantee, the premium already paid is to be set off or refunded upon application from the day of the transformation.

(8) If the beneficiary of the guarantee or of the guarantee by “aval” on a bill of exchange cannot satisfy a condition imposed by the Federation at the assumption of the liability, the premium already paid for the guarantee or the guarantee by “aval” is to be refunded upon application, in case of a guarantee after deduction of a lump-sum for cost.

(9) If the fee for handling a file or the premium for a guarantee or the commitment to guarantee a bill of exchange by “aval” is not paid immediately upon being charged, default interest amounting to 300 basis points above the variable interest rate of the Export Financing Scheme of Oesterreichische Kontrollbank Aktiengesellschaft as applicable at the time may be debited for the period of time commencing with the charge until the premium is received.

Enforcement of the claims resulting from liabilities by legal action

§15.

- (1) The assignment of claims resulting from guarantees can be prohibited or limited.
- (2) With regard to the enforcement of claims arising under guarantees by legal action certain time limits may be imposed.

Final regulation

§16. The 1977 Export Guarantees Decree, Federal Law Gazette no. 282, is repealed.

Decree II no. 90/1999:

§17. These Amendments of the Decree shall become effective on 1 April 1999.

§18. This Decree implements the Council Directive 98/29/EC, Official Journal L 148/22 of 19 May 1998.

3. Export Financing Guarantees Act

Federal Law, relating to the financing of contracts and rights (Export Financing Guarantees Act - EFGA), published in Federal Law Gazette no. 216/1981,
as amended by Federal Law Gazettes no. 196/1967, 193/1969, 187/1970, 416/1974, 793/1974, 393/1975,

153/1976, 158/1977, 219/1978, 668/1978, 268/1980, 216/1981, 221/1982, 250/1984, 561/1986, 343/1991, 962/1993, 212/1995, 704/1995, I no. 81/1998, 64/2000, 71/2003 (Act accompanying the Budget Act 2003/Part 3, Article 34), 94/2005, 59/2007, 144/2008 and 122/2012.

It has been enacted by Parliament:

§1.

(1) The Federal Minister of Finance, acting on behalf of the Republic of Austria (the "Federation"), is authorised until 31 December 2018, to assume liabilities in the form of guarantees for credits (bond issues, loans, credits or other liabilities) raised by the agent of the Federation pursuant to section 5, paragraph 1 Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended, in case the proceeds of such credits are used for

- a) the full or partial financing of contracts or rights for which the Federation has issued a guarantee under the Export Guarantees Act, Federal Law Gazette no. 215, or under the 1964 Export Guarantees Act, Federal Law Gazette no. 200, as applicable from time to time, or
- b) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215, as amended, and for which a credit insurer examined by the agent of the Federation has assumed liability, or
- c) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215, as amended and for which Austria Wirtschaftsservice G.m.b.H. has granted a guarantee, or
- d) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215, as amended and for which an international organisation whose creditworthiness is beyond doubt has assumed liability, or
- e) a temporary investment by the agent of the Federation in the context of the export financing scheme, or
- f) the payment of obligations of the agent of the Federation, for which guarantees have been granted under this Federal Law.

(2) Guarantees are granted

- a) in favour of creditors of the agent of the Federation for the fulfillment of its liabilities arising from the credits it raised pursuant to paragraph 1;
- b) in favour of the agent of the Federation for a certain exchange rate between the euro and another currency (exchange rate risk) when fulfilling the obligations arising under credits pursuant to paragraph 1 for the respective period during which the proceeds of the credits are applied for the financing pursuant to paragraph 1 in euro; guarantees under this alinea may be issued for the entire term of the credit or from time to time for parts of the term of the credit.

(3) In case of a change of the agent of the Federation, guarantees pursuant to paragraph 2 may also be issued in favour of the former agent of the Federation in order to use the proceeds of new credits to maintain outstanding financings at the time of the change of the agent of the Federation. After the change of the agent of the Federation the former agent of the Federation is obliged to use repayments from financings, including any proceeds from interim investments, for the redemption of credits, proceeds of which were used in the export financing.

(4) The Federal Minister of Finance is authorised to reduce by appropriations the financing costs of credits mentioned in paragraph 1 (net proceeds of the credits without interest and costs) in an amount of up to 20 billion euro.

(5) In order to allow financing of contracts or rights for which a liability pursuant to section 1, paragraph 1, alinea b or d is available the liability for economic or political risks connected with the respective contract or right must be comparable to the liability pursuant to the Export Guarantees Act, Federal Law Gazette no. 215/1981.

§2.

(1) The Federal Minister of Finance may only grant guarantees pursuant to section 1 if

1. the outstanding aggregate amount of guarantees does not exceed 45 billion euro at any one time; this ceiling relates to the principal amounts guaranteed without interest and costs; a supplemental amount is to be added for the exchange rate risk in the size of 10 per cent of the euro equivalent of the credit;
2. the individual credit does not exceed the amount (equivalent) of 3.3 billion euro; this ceiling relates to the principal amount guaranteed without interest and costs; a supplemental amount is to be added for the exchange rate risk in the size of 10 per cent of the euro equivalent of the credit;
3. the maturity of the credit pursuant to section 1 does not exceed 40 years;
4. with respect to the raising of a credit, the total costs for the Federation expressed as a percentage, defined as the annualised internal rate of return in arrears in accordance with section 2, paragraph 3, do not amount to more than 15 percentage points above the rate of return on the respective government bond in the secondary market on the day preceding the date of pricing; in this regard such government bond issued in national currency shall be used for comparison, the residual time to maturity of which is closest to the maturity of the credit at the time of issuance; if no government bonds of comparable residual time to maturity exist, government guaranteed bonds or bonds issued by provinces and municipalities, bonds of international issuers or interest rates in the credit and loan markets are used for comparison by analogy and in the sequence as listed above, in each case the “applicable reference rate prevailing in the markets”;
5. with respect to a credit for which payments of interest or of principal are determined in a floating manner depending on an applicable reference rate or price prevailing in the markets, the cost components, expressed as an annualised percentage in arrears, defined as commissions, margins and premiums, and computed on the day preceding the date of pricing do not exceed by more than 15 percentage points the reference rate or the reference price prevailing in the markets on the day preceding the date of pricing;
6. with respect to a credit for which payments of principal and of interest are or could be denominated in different currencies, the currency of the interest payments shall be used to evaluate conformity with this Act;
7. in case early termination of the credit is agreed, the total costs expressed as a percentage of such a termination are not exceeded;
8. the currency of the credit is euro or a foreign currency.

(2) Amounts in foreign currency shall be counted towards the aforementioned guarantee amounts on the basis of the reference exchange rates published by the European Central Bank on the day of the granting of the guarantee; if no reference exchange rate for the contract currency is published by the European Central Bank, the amount is to be calculated at the exchange rate ascertained in the markets.

(3) The internal rate of return is defined as such annual interest rate in arrears which is derived through financial calculus from such discount factor at which all payments stipulated by contract for the term of the credit are discounted to present value at the time of pricing to equal the net proceeds of the credit.

§3. Claims will arise under guarantees in case,

- a) the borrower does not fulfill his contractual obligations under a credit;
- b) the euro equivalent of a credit denominated in a currency other than euro is, by alteration of the exchange rate between such other currency and the euro, at the end of the relevant period, during which the euro equivalent of the credit was applied to financing pursuant to section 1, paragraph 1, higher than the euro equivalent of the credit in such other currency at the commencement of the said period.

§4. In case the euro equivalent of the currency of the credit guaranteed pursuant to section 1, paragraph 2, alinea b is, at the end of the period therein referred to, higher than at the commencement of the said period, the Federation shall refund the difference to the agent of the Federation; in case the euro equivalent of the currency of the credit transaction at the end of the period referred to therein is lower than at the commencement of the said period, the agent of the Federation shall refund the difference to the Federation.

§5.

(1) Amounts, which are to be refunded by the agent of the Federation pursuant to section 4, shall be credited to a non interest bearing current account of the Federation with the agent of the Federation.

(2) In case a claim is made against the Federation under guarantees pursuant to section 1, paragraph 2, alinea b, any credit balance on the account of the Federation pursuant to paragraph 1 shall be used for its payment. In case there is no credit balance, the Federation shall allocate other budget means for these payments.

(3) As a rule, the credit balance of the Federation pursuant to paragraph 1 shall be used in the export financing scheme of the agent of the Federation.

(4) In case the credit balance of the Federation pursuant to paragraph 1 exceeds at 31 December of a calendar year 1 per cent of the ceiling of guarantees pursuant to section 2, paragraph 1, no. 1, the respective exceeding amount shall be remitted to the Federal Treasury until January 20 of the succeeding calendar year.

(5) In case a guarantee by the Federation pursuant to section 1, paragraph 2 alinea a has been called, the Federation is entitled to claim from the agent of the Federation not only the debt paid (section 1358 of the General Code of Civil Law (ABGB)) but also all costs which accrued in connection with the payment under the guarantee.

§6. The Federal Minister of Finance may appoint a Commissioner and a Deputy Commissioner at the agent of the Federation to protect his rights in connection with the granting of guarantees. As far as this Federal Law is concerned, these persons have the right to inspect all books, documents and other records of this company and to take part in all meetings. For the activities of the Commissioner and the Deputy Commissioner the company has to pay an annual fee to be determined by the Federal Minister of Finance, payable to the Federal Treasury. The fee has to be in suitable proportion to the expenditures resulting from such activities.

§7.

(1) A fee is payable for the issue of guarantees.

(2) As far as terms used in this Federal Law relate to individuals, the chosen form applies to both genders. In case these terms are applied to specific individuals, the respective gender-related form must be used.

§8. The Federal Minister of Finance is entrusted with the implementation of this Federal Law.

Publication information

This report is a translation of the German-language original and is provided solely for readers' convenience. In the event of discrepancies or dispute, only the German version of the report shall be deemed definitive.

This report was prepared using the *OeKB-BS >PublicationManager*, a single source publishing tool from OeKB Business Services GmbH.

Owner and publisher: Oesterreichische Kontrollbank Aktiengesellschaft

Editor and layout: Robert Anderl | reporting@oekb.at

Graphic design: Gerald Schuba Corporate Communications+

Translation pages 1 - 35: Martin Focken Translating & Editing, North Bay, ON, Canada

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Companies' register no. FN 85749b

Commercial Court Vienna

UID: ATU15350402, DVR: 0052019

Information in this report is current as of 28 February 2014.



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