

# OeKB Group's clients are its biggest asset. Sustainably.

Integrated Report 2014



OESTERREICHISCHE  
KONTROLLBANK  
GROUP

OeKB   
GRUPPE / GROUP

## OeKB Group Highlights

€ million	2010	2011	2012	2013	2014
<b>Consolidated financial statements</b>					
Total assets at 31 December	35,802	37,978	32,768	28,964	28,002
Equity including minority interest	569	599	662	684	718
Operating profit <sup>1</sup>	79	78	82	62	60
Profit before tax <sup>1</sup>	93	65	109	71	84
Total comprehensive income for the year	72	50	83	53	54
Return on equity in % <sup>3</sup>	21.0 %	13.6 %	20.7 %	7.7 %	7.5 %
Cost/income ratio in % <sup>1</sup>	50.2 %	50.5 %	49.3 %	56.2 %	56.8 %
<b>Non-financial performance indicators</b>					
OeKB Group's average number of employees	396	397	398	403	400
Proportion of management positions held by women in percent	31.7 %	34.4 %	34.4 %	34.4 %	35.4 %
Average number of training days per employee	4.9	5.3	5.3	5.5	5.1
Carbon dioxide emissions in tonnes	603.3	556.6	109.1	102.6	88.6
<b>Guarantees of the Republic of Austria under the Export Guarantees Act</b>					
Number of guarantees in place	3,859	3,786	3,637	3,657	3,502
Number of new guarantee contracts issued	948	1,000	972	811	676
New guarantee contracts issued	3,869	4,658	5,135	3,512	3,842
Aggregate guarantee exposure limit at 31 December	50,000	50,000	50,000	50,000	50,000
Utilisation of the guarantee exposure limit at 31 December	38,508	37,058	34,836	31,501	28,272
Premium and interest income <sup>2</sup>	190	219	229	207	191
Gross claims paid by the Guarantor	116	147	154	122	102
Recoveries on claims paid	36	55	65	72	73
<b>OeKB Export Financing Scheme</b>					
New commitments issued	4,413	5,948	7,085	5,124	3,173
Total lending commitments outstanding at 31 December	33,246	32,244	28,054	24,632	22,087
<i>Of which disbursements outstanding</i>	29,429	28,362	24,827	22,031	19,587
Loan funds disbursed	2,924	5,026	6,846	4,724	2,771
Repayments received	4,896	6,093	10,381	7,520	5,216
(Decrease) in net loans outstanding	(1,972)	(1,067)	(3,535)	(2,796)	(2,445)
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	31,658	33,695	30,015	28,779	26,055
Total new guarantees issued	6,294	12,504	10,567	8,482	10,585
<b>Capital Market Services</b>					
Bond market – Federal bonds administered by OeKB	17,007	13,205	11,252	13,994	12,581
CSD.Austria – EUR/ATS bonds at 31 December (nominal)	288,347	304,490	311,701	309,113	300,802
DS.A volume of transactions (nominal, internal, double counting)	852,502	919,543	803,527	851,000	1,064,035
Number of depositors/classes of securities	167/22.398	162/22.322	157/22.382	152/23.100	138/20.397

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

<sup>2</sup> Beginning in 2012, this item reflects accrual-basis accounting for up-front premiums (i.e., premiums are recognised in the period in which they are earned).

<sup>3</sup> RoE = (Total comprehensive income, attributable to the owners of the parent company/equity, attributable to the owners of the parent company)

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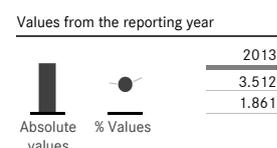
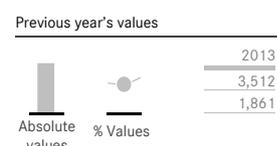
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Totals may not add due to rounding.

# Letter from the Executive Board

Dear Reader



G4-1

This is OeKB Group's second Integrated Annual Report. Besides offering facts and figures about our business activities, we also document the mindset and specific methods with which we operate our business and fulfil our responsibility towards society and the environment.

The 2014 financial year was defined by difficult conditions for the financing business. The interest rate trend and the unusually inexpensive financing available from international institutions also affected the total assets and net interest income of Oesterreichische Kontrollbank AG. Aside from these values the financial results of OeKB and its Group companies were very stable.

Adjusting to the more challenging world economic situation and the persistent low interest rates, OeKB took strategic steps in 2014, which included some changes in organisational structure. The aim of the strategic measures is to support the profitability of OeKB in the long term and to further focus its positioning in the market. One example is the new Export Services Consulting team that has been visiting exporters throughout Austria since the beginning of 2015. Right on companies' premises, it presents information on suitable solutions for risk protection and financing of their international business.

In mid 2014 OeKB Group and Germany's Euler Hermes AG restructured their existing credit insurance joint ventures in Austria by establishing Acredia Versicherung AG. With a market share of about 55%, Acredia is by far the largest Austrian credit insurance company. It continues to use the same well-known brands: 'PRISMA - Die Kreditversicherung' and 'OeKB Versicherung'.

In 2014, the European Union issued a regulation introducing new rules for the supervision and responsibilities of central securities depositories (CSDs) and establishing common standards for securities settlement. Based on this CSD Regulation, OeKB will launch a subsidiary in 2015 that will take over the role of the Austrian CSD.

In parallel with this Integrated Annual Report, we also publish the Export Services Annual Review with facts and figures about our services for the export industry.

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Supervisory Board report



FS 11

In 2014 the Supervisory Board monitored the executive management and approved its actions. The Executive Board briefed the Supervisory Board regularly, promptly and comprehensively on all relevant business matters and developments, through meetings, written reports and personal contact. To support the efficient fulfilment of its duties, the Supervisory Board maintains five committees assembled from its members. As well, the ‚Fit & Proper‘ policy was approved, which includes the minimum requirements for personal and professional qualifications of the Supervisory Board.

The consolidated financial statements for 2014 and the Group management report presented herein, as well as the 2014 company financial statements and management report, of Oesterreichische Kontrollbank AG were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Vienna. The audit did not give rise to reservations and the legal requirements were fully met. An unqualified audit opinion was therefore issued.

The Supervisory Board and its Audit Committee have reviewed the reports presented by the Executive Board on the result of the audit for the 2014 financial year, and the proposal for the appropriation of profit. The final result of this review did not give rise to objections.

The Supervisory Board in its meeting on 18 March 2015 approved the company financial statements for 2014, which were thereby adopted, and declared its agreement with the Executive Board’s proposal for the appropriation of profit. The Supervisory Board has approved the consolidated financial statements and Group management report.

OeKB provides many services of macroeconomic significance. Conscious of the associated responsibility, it consistently strives to act with openness and transparency and to treat its stakeholders with respect. OeKB’s membership in the UN Global Compact and its active work on the steering committee of the Austrian Global Compact Network are expressions of a continuous dialogue that goes beyond the pursuit of business interests.

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

Vienna, March 2015

For the Supervisory Board of Oesterreichische Kontrollbank AG

[ERICH HAMPEL](#)

Chairman

# OeKB Group

## About this report

Since 2013, OeKB has been publishing integrated reports providing a comprehensive and integrated view of the Group's performance on the basis of financial and non-financial information.



EN6, EN19

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



See section  
*Materiality analysis*

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



Oesterreichische Kontrollbank AG prepared the consolidated financial statements for the year ended 31 December 2013 in accordance exclusively with International Financial Reporting Standards (IFRS) as adopted by the European Union, thus also satisfying the requirements of section 59a Austrian Banking Act and section 245a Austrian Commercial Code. The consolidated financial statements and the management report were audited by KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and the results are presented in the auditor's report.



G4-15, 28, 29, 30

The present Report concerning the business year 2014 complies with requirements set forth by the Global Reporting Initiative (GRI), version 4, comprehensive. Auditors, Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H., audited the Report pursuant to ISAE 3000 (International Standard on Assurance Engagements, limited assurance). The OeKB Group Sustainability Report 2013 was published on 17 April 2014 and is available on the website as well.



WE SUPPORT

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



# “We have to push ourselves all the time”

*Nadja Gutmann and Ferdinand Schipfer from the Export Guarantees Department on their biggest clients, a feeling for risk, one-stop shopping and OeKB as a bridge-builder.*

*Mr Schipfer, OeKB Export Services have one very special client who many also believe to be your owner...*

**Ferdinand Schipfer:** Yes, the Austrian Federal Ministry of Finance. We do not – as many people think – belong to the Federal Republic, rather we work on its behalf to deliver Austrian government guarantees. The government would be entitled to hand this responsibility to someone else, were it unhappy. So we have to push ourselves all the time.

*So your other clients – exporters, investors and banks – play second fiddle?*

**Nadja Gutmann:** No, not at all. We act as an intermediary, and our aim is to make sure that all those involved are satisfied customers.

*How do you manage this balancing act?*

**Schipfer:** In collaboration with the Ministry, we specify the parameters within which we are allowed to “indulge” our business clients, and at the same time OeKB has developed a feeling for how much latitude is acceptable to the government. Within these parameters we can support exporters very flexibly while

also minimising the risks. In practice, we are able to balance things very well.

*In your opinion, is there an ideal client for OeKB Export Services?*

**Gutmann:** No, because we strive to help every business with international aspirations – sometimes just by offering good advice. Often it’s the case that our own department isn’t able to help directly, for instance in markets covered by private credit insurers. But we are nearly always able to find a solution within OeKB Group.

**Schipfer:** Often by working with the foreign trade promotion organization of the WKO (Austrian Federal Economic Chamber) as well – it’s no coincidence they were named the best trade promotion organization in the world.

*Who should exporters contact if they need support?*

**Gutmann:** They just need to call OeKB and the relevant client representative will provide comprehensive support. We used to be organised according to target market, today it’s by client – so each representative is responsible for a specific region in Austria



**“THE EARLIER  
WE’RE INVOLVED  
IN A PROJECT,  
THE BETTER”**

**NADJA GUTMANN**  
*Export Guarantees*



**“WE JUST WANT  
COMPANIES  
TO DO MORE  
BUSINESS”**

**FERDINAND SCHIPFER**  
*Export Guarantees*

or for specific clients – which means we get to know each client better and better.

**Schipfer:** In the background there is an entire team working for exporters or their banks – they see us as a one-stop-shop – as regards both insuring export transactions as well as export financing. Our aim is simply for companies to do more business and to cross borders more easily.

**Gutmann:** And the earlier we’re involved in a project, the better.

*What would happen if you didn’t exist?*

**Schipfer:** Austria would simply do less business in higher-risk countries – we are often at the front line when it comes to conquering highly dynamic markets.

**Gutmann:** Or we provide support in already established markets which have become more turbulent – as in the case of Russia just recently.

**Schipfer:** Egypt is another example: one Austrian company recently had a buyer there for which there were practically no figures. After some extensive research, we covered a larger amount based “only” on soft facts. One of our biggest rewards is when our clients tell us, “The business wouldn’t have happened without you.”

## Social licence to operate

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

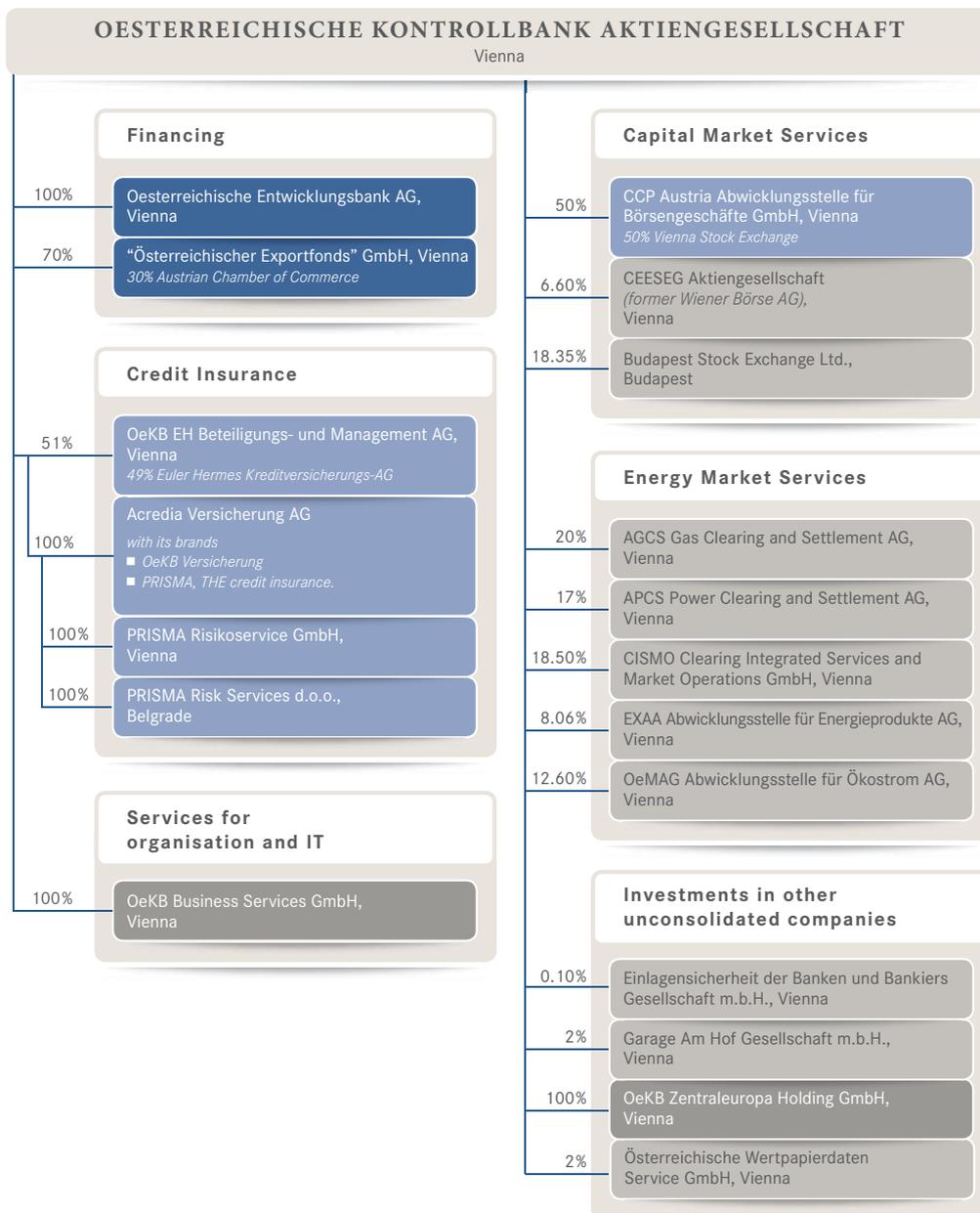
- For the export industry, through guarantees and financing for export transactions and outward foreign investment which even strengthen the ability of comparatively small/medium-sized companies to compete globally. This, in turn, helps generate prosperity both in Austria and in the countries receiving the exports and investment.
- For financial markets, because a smoothly running capital market is indispensable for the best, most efficient possible allocation of capital in an economy. The OeKB Group makes an important contribution to establishing a perfectly tuned financial market in Austria. The Group does this in multiple roles: as an infrastructure provider (notably as a Central Securities Depository and in the Central Counterparty formed together with the Vienna Stock Exchange). Furthermore, as a provider of IT services and information broker, and as the agency responsible for Austrian government bond issues (using an electronic auction process).
- As a knowledge broker OeKB provides clients with high-quality research services in the form of studies and by conducting analyses on the development of new business areas, the choice of business location and evaluation of the feasibility of international projects.

## Structure of OeKB Group

Oesterreichische Kontrollbank AG is a financial services provider in the Austrian banking industry. OeKB was founded on 22 January 1946 to provide specialised banking services. It has its registered office in Vienna (Company Register Number FN 85749 b, Vienna Commercial Court).



G4-3, 4, 7, 17



■ Fully consolidated companies ■ Equity-accounted investees (joint ventures) ■ Unconsolidated subsidiaries ■ Investments in other unconsolidated companies as of 31 December 2014

## Shareholders and ownership structure of OeKB



G4-13, 7

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



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

### Ownership structure of Oesterreichische Kontrollbank AG at 31 December 2014

Shareholders	Number of shares held	Shareholding in %
CABET-Holding-GmbH, Vienna (UniCredit Bank Austria Group)	217,800	24.750 %
UniCredit Bank Austria AG, Vienna	142,032	16.140 %
Erste Bank der oesterreichischen Sparkassen AG, Vienna	113,432	12.890 %
Schoellerbank Aktiengesellschaft, Vienna	72,688	8.260 %
AVZ Finanz-Holding GmbH, Vienna	72,600	8.250 %
Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna	71,456	8.120 %
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, Vienna	44,792	5.090 %
Raiffeisen OeKB Beteiligungsgesellschaft mbH, Vienna	44,000	5.000 %
Oberbank AG, Linz	34,224	3.889 %
Bank für Tirol und Vorarlberg Aktiengesellschaft, Innsbruck	26,888	3.055 %
BKS Bank AG, Klagenfurt	26,888	3.055 %
Österreichische Volksbanken-Aktiengesellschaft, Vienna	13,200	1.500 %
<b>Total shares</b>	<b>880,000</b>	<b>100.000 %</b>

## Sustainability management in OeKB Group

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

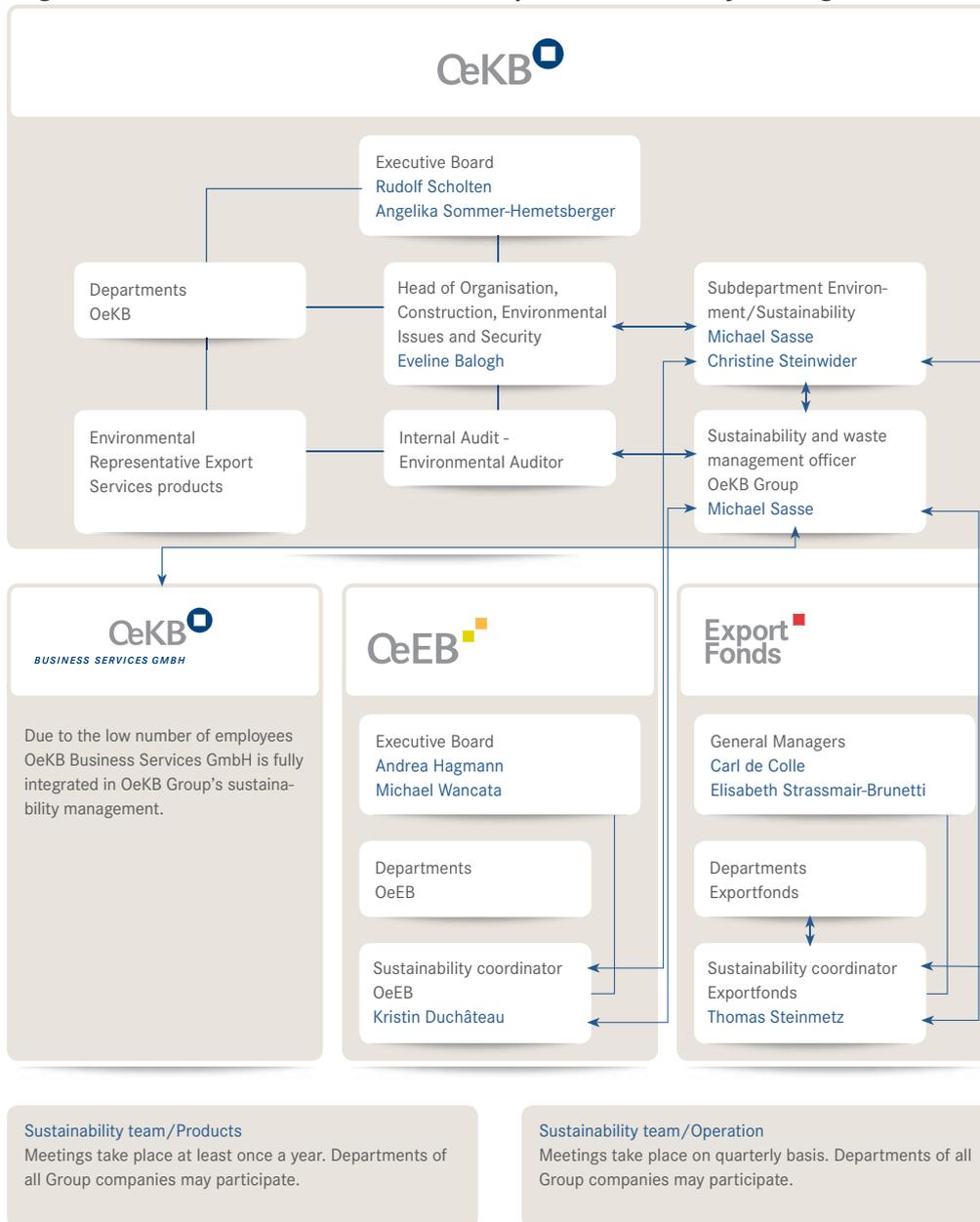


G4-42, 43, DMA



G4-35, 36, 48

### Organisational structure of OeKB Group's sustainability management



### ***Oesterreichische Kontrollbank AG (OeKB)***



The OeKB sustainability management system, launched in 2003, not only complies with the EMAS environmental management standards and with ISO 14001 but also expanded the original environmental management system by adding social and economic components. Furthermore, the Global Reporting Initiative (GRI) Guidelines were incorporated. Acredia Versicherung AG and the trademarks “PRISMA die Kreditversicherung” and “OeKB Versicherung” are not covered by the above. The Central Counterparty Austria (CCP.A) is not EMAS-certified, but is included in the environmental statistics provided.

With the introduction of the “Work and Family Audit”, all related project goals resulting from on-going developments were integrated in the sustainability programme.

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

### ***Oesterreichische Entwicklungsbank AG (OeEB)***

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

### ***OeKB Business Services GmbH (OeKB-BS)***

OeKB-BS provide tailor-made IT and content solutions addressing, amongst other issues, sustainability. The focus here, to date, has been on cooperation with research institutes. The projects implemented so far include a tool for calculating and illustrating the carbon dioxide emissions of the transport industry.

### ***“Österreichischer Exportfonds” GmbH (Exportfonds)***

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

## OeKB Versicherung AG

On 1 August 2014 OeKB Versicherung AG merged with PRISMA Kreditversicherungs-AG to become Acredia Versicherung AG. The merger was preceded by OeKB Versicherung's move from the Strauchgasse location to the new location, Weihburggasse, in February 2014. The move triggered OeKB Versicherung's departure from EMAS. The subsequently reduced number of employees at the Strauchgasse location also had an effect on some ecological indicators.



G4-13, 22, 23

## Materiality analysis

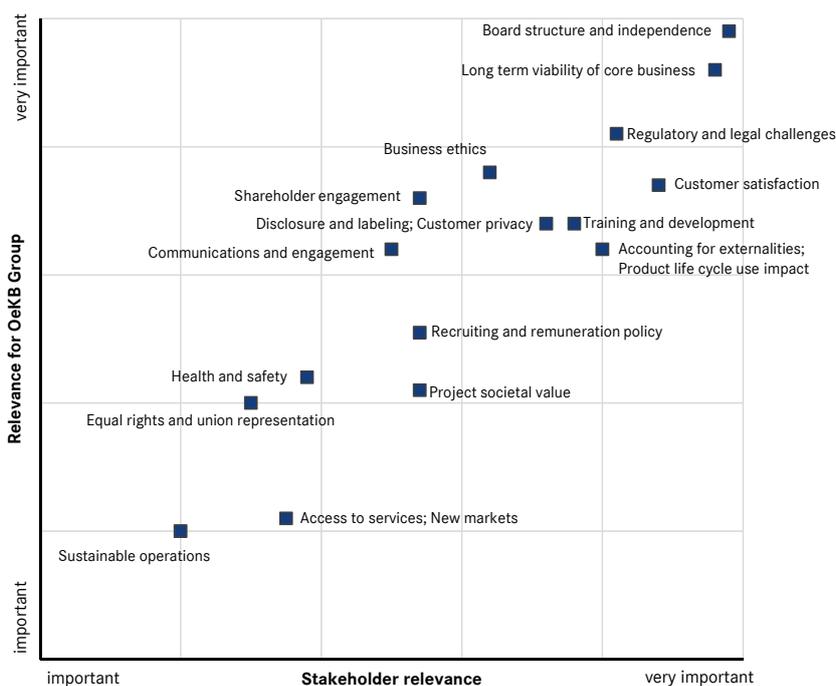
With the introduction of the fourth version (G4) of the Global Reporting Initiative's (GRI) Sustainability Reporting Guidelines, the assessment of report-content changed. What makes a report comply with GRI is no longer the inclusion of the greatest possible number of indicators, but coverage and analysis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



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

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

Materiality Matrix - important to very important



## Procedure followed



For OeKB Group's Integrated Report 2014, the types of "capital" in the <IR> Framework of the International Integrated Reporting Council (IIRC; [www.theiirc.org](http://www.theiirc.org)) were combined with the issues determined by the Sustainable Accounting Standards Board ([www.sasb.org](http://www.sasb.org)) and with GRI G4.

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

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

The next step was to discuss megatrends influencing society to further awareness concerning a range of environmental and societal issues.

Then, the significance of the aspects was reviewed according to IIRC and GRI G4, taking into consideration the probability and size of their impact as well as the associated risks and opportunities for the long-term ability of the organization to perform. The results were then represented graphically as a materiality matrix.

This materiality matrix was used as the starting-point for the current report. Some of the aspects were re-grouped and refined in individual interviews with heads of department. In addition to the internal perspective, 23 external stakeholders were asked about the frequency of their contact with OeKB and their knowledge about the company, its image and its CSR/sustainability record.

The stakeholders were made up of five parliamentarians, five people from interest groups, three people from banks and ministries respectively, three journalists, two NGO representatives and two from the scientific community.

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

<b>Topics and aspects</b>	<b>GRI KPIs (G4)</b>	<b>OeKB implementation</b>
<b>1.) OeKB's Market Neutrality</b>		Letter from the Executive Board, Social licence to operate
<b>2.) Sustainable Profitability of OeKB's Core Business</b>	G4-9, G4-13, FS7, FS8, SO1, SO2, HR9	Services that benefit environment and society
<b>3.) Regulatory Challenges</b>	Not directly covered by GRI KPIs, comprises z.B. BASEL III etc.	BASEL III
<b>4.) Business Ethics</b>	G4-56, G4-57, G4-58, SO3, SO4, SO5, SO7, SO8, EC4	Provisions regarding corruption prevention and violations of competitive law, Code of Conduct
<b>5.) Initial and Further Training</b>	LA9, LA10, LA11, HR2, SO4, FS4	Employee training, Programmes for skills management and career development. Training on anti-corruption policies, improvement of employee competence
<b>6.) Owners' Commitment</b>	FS11	Assets subject to environmental and social screening
<b>7.) Corporate Communications</b>	G4-24, SO1, SO11, LA16, HR12, FS5	Complaints mechanism, interaction with customers, investors, business partners
<b>8.) Customer Satisfaction</b>	PR5	Customer satisfaction and customer care
<b>9.) Data Protection</b>	PR8	Violations of the Austrian Data Protection Act
<b>10.) Pricing policy</b>	FS15	Policies to promote fairness in designing and selling financial products and services
<b>11.) Indirect Impact on Society and the Environment - Environmental Assessments</b>	EC8, EN27, FS1, FS2, FS3	Significant indirect economic impacts, impact mitigation of environmental impacts and services, OECD Guidelines MNE, impacts on society and environment in the course of environmental assessments
<b>12.) Recruiting and Remuneration Policy</b>	G4-10, LA1, LA2, LA3, EC3,	Provisions regarding corruption prevention and violations of competitive law, Code of Conduct
<b>13.) Health and Safety</b>	LA5, LA6,	Health and safety committees, occupational diseases and accidents
<b>14.) Social Value-Creation</b>	EC1, EC7	Business model of OeKB Group
<b>15.) Equal Rights and Union Representation</b>	G4-11, , LA12, LA13, HR3, HR4	Composition of governance bodies, ratio of basic salary of women to men, actions taken against incidents of discrimination
<b>16.) Product Range for Developing and Emerging Markets</b>	G4-8, FS6, FS7, FS8, FS13, FS14	Services that benefit environment and society
<b>17.) Operational Ecology</b>	EN3, EN4, EN5, EN6, EN8, EN15, EN16, EN17, EN19, EN23, EN30, FS9	

# “Find out what makes our clients tick”

*Gabriele Dietrich-Oppolzer from the Guarantees for Export Acceptance Credits department and Manfred Stöger from “Österreichischer Exportfonds” GmbH on the value of personal contact, a palpable pride in the workplace and helping companies to keep their heads above water.*

*Ms Dietrich-Oppolzer, why would an Austrian company need guarantees by aval?*

**Gabriele Dietrich-Oppolzer:** These guarantees provide financing for export transactions at attractive interest rates. The client’s bank grants the loan, and the Austrian Federal Ministry of Finance takes over a guarantee by aval on bills of exchange.

*It sounds simple, but in fact it keeps your team of 18 busy.*

**Dietrich-Oppolzer:** The principle is always the same, but we have several products, for example the Kontrollbank Credit Line (KCL), equity financing abroad or risk management for aval transactions.

*Is one person responsible for each product?*

**Dietrich-Oppolzer:** Until recently our team was indeed organised by product area. But since March 2015 we have made it easier for banks and exporters by having one partner for all of our products and services.

*Mr Stöger, your team also provides attractive financing for export transactions.*

**Manfred Stöger:** Yes, but we specialise in small and medium-size enterprises.

*How do you deliver your products to companies?*

**Stöger:** For the most part via the clients’ banks, who are our sales partners.

**Dietrich-Oppolzer:** We also have a close working relationship with them. We often visit exporters together with bank staff.

*Is it really necessary these days to travel all the way across Austria to meet a company?*

**Dietrich-Oppolzer:** Yes, because it makes all the difference when you know who you’re dealing with personally rather than just sitting at your desk and basing your decisions on balance sheets.

**Stöger:** Visits are essential, especially if the customer applies for the first time and the amount is high. It’s only when you meet people in person that you find out what makes them tick. And you tend to find strong entrepreneurial personalities at SMEs.

**Dietrich-Oppolzer:** A while ago, for instance,



**“IT’S INSPIRING  
TO WITNESS  
THE CREATION OF  
NEW JOBS”**

**MANFRED STÖGER**  
*“Österreichischer Exportfonds” GmbH*

we visited a recycling company – and it wasn’t only us who learnt a lot. Our interest also made quite an impression on the owner, who was initially quite reserved. I could see how proud he was of his company, and how pleased he was by our commitment. In the meantime he has financed a number of foreign investments with our help.

**Stöger:** One of the best things about our job is when you realise that the chemistry is right. It’s also nice to see companies blossom beyond all our expectations. For instance, we had a specialist in hair extensions who was successfully able to expand abroad. It’s extremely motivating to see our financing lead to successful export transactions.

*And what are the downsides?*

**Dietrich-Oppolzer:** Whenever a company hits a rough patch – and we need to pay them a visit. Sometimes we need to step in more decisively. But we always do our best to help a company survive a crisis rather than just narrowing the parameters. After all, we want to be long-term partners to our exporters.

**“WE ALSO HELP  
COMPANIES TO  
SURVIVE A CRISIS”**

**GABRIELE DIETRICH-OPPOLZER**  
*Guarantees for Export Acceptance Credits*

Most of the interviews stated, that customer satisfaction should be ranked higher. Therefore, the re-evaluated matrix for 2014 ranks customer satisfaction higher. Further objectives planned and actions taken were the establishment of a marketing department and an Export Guarantees advisory group. In the course of this restructure, Corporate Communications will gain in importance.

*Analysis* Data protection was also ranked higher than in last year's analysis, resulting in an extremely careful balancing of all the interfaces within OeKB Group.

The Owners' Commitment was another aspect to gain in importance. Environmental assessment and, for this reason, the indirect impact on the environment and society were re-rated in interviews with different departments, most notably in connection with external stakeholders.

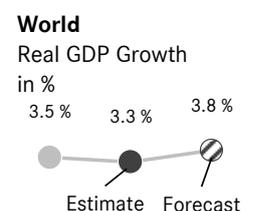
Finally, the most important readjustment of the materiality analysis was the replacing of "board structure and independence" with "OeKB's market neutrality", thereby putting it above all others topics and aspects. This was done primarily because independence is material to OeKB's core business.

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

# Group management report 2014

## Economic environment in 2014

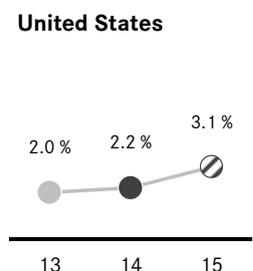
Against all expectations, the world economy did not improve significantly in 2014 compared to the year before. As in 2013, the International Monetary Fund (IMF) currently expects the global economy to have grown by 3.3%. The subdued economic trend also affects global trading activity: In the course of the year, the World Trade Organization (WTO) lowered its forecast for growth in world trade from 4.7% to 3.1%. The main reason lay in lower export and import trajectories in Europe and South America. On the other hand, a net positive impetus for global trade came from the USA and Asia's emerging markets. The market for trade finance underwent a pronounced contraction in 2014: The data vendor Dealogic reports that, in the first half of the year alone, the worldwide volume of trade financings fell by almost 30% from the year-earlier period.



Sources: WIFO, EU  
Commission, IMF

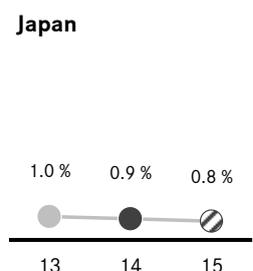
## Positive economic trend in the USA

The US economy continued to recover in 2014, unlike other leading industrial nations. The IMF is currently projecting growth of 2.2% in US gross domestic product (GDP) for the year under review. One of the stabilising factors was the decision of the House of Representatives to suspend the legislated debt ceiling until the middle of March 2015. As well, encouraging data about the American labour market strengthened consumer confidence, which in turn boosted domestic consumption. The Federal Reserve announced that, in view of the improved outlook, it would end its economic stimulus programme of asset purchases in October 2014. The Fed also hinted that 2015 would see the first increase in its benchmark interest rate in years.



## Renewed recession in Japan

To the surprise of many economists, in 2014 the Japanese economy slid back into recession. Unlike the USA, Japan suffered from disappointing household spending, which contributes about 60% of the country's economic output. 'Abenomics', the economic policies of Prime Minister Abe, came under mounting criticism, as the very loose monetary policy lifted the capital market but not the real economy. In reaction to the unexpectedly poor economic trend, a further increase in the consumption tax originally planned for 2015 was postponed and an early election was called. Accordingly, Japan, with a public debt more than twice its annual GDP, is facing somewhat uncertain times.

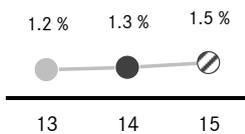


## Growth slows in emerging and developing economies

In emerging markets and developing countries, economic growth in 2014 eased to 4.4%. The impetus from these regions, on which hopes had long been pinned as a driver of global economic recovery, thus continued to fade. This was particularly apparent in the BRIC countries – Brazil, Russia, India and China – of which only India achieved GDP growth in 2014. Brazil’s economic output was hurt by a significant slump in commodity prices, while Russian GDP was badly set back by the repercussions of the Ukraine conflict. For both countries, the latest economic forecasts are effectively for stagnation in 2014. In China, although the national economy continued to expand relatively strongly at a rate of 7.4%, the pace of growth still marks a slowdown compared with the longer-term pattern. The current growth rate is the lowest since the beginning of the China boom in the 1990s.

## Restrained economic growth in Europe

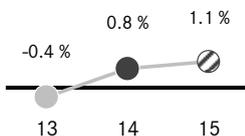
### EU-28



In Europe the economic optimism that had prevailed as recently as in early 2014 was dampened sharply in the second half of the year. With aggregate economic growth of 1.3%, the EU-28 as a group lagged behind expectations. Sentiment suffered primarily under the escalation of the Russia-Ukraine conflict and the associated sanctions. Other factors weighing on the European economy were poor industrial production and the threat of deflation in parts of the region. However, there also were some positive developments: The economic output of the United Kingdom, for example, grew by more than 3%, and even the permanently crisis-ridden countries of the European periphery showed obvious signs of recovery. Notably, Greek GDP expanded in 2014 for the first time after a deep, six-year recession. Spain and Portugal, in light of healthier economic signals, were able to formally end their reliance on the EU bailout programme.

## Sluggish recovery in the Euro area

### Euro area



In the Eurozone (the EU excluding the UK, Sweden, Denmark, Poland, and others) the recovery continued to progress more slowly than in the EU as a whole. Economic output only rose by 0.8% from the prior year, owing partly to the lacklustre growth in the major economies of the currency union. Thus, Italy and France are confronted with persistent structural problems, and in the latter half of the year the German economy slowed as well. Against this backdrop the European Central Bank (ECB) decided in September 2014 both to ease its headline interest rate to a record low of 0.05% and to launch a sweeping programme of purchases of covered bonds and asset-backed securities. These measures are intended to help kick-start economic activity in the Euro area by stimulating credit flows to the real economy and actively countering potential deflation.

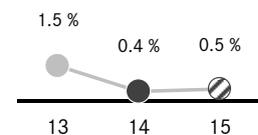
## Heterogeneous picture in Central and Southeastern Europe

Macroeconomic conditions in the Central and Southeastern European region were mixed last year. Casting a shadow over the economic trend were the hostilities between Ukraine and Russia, a crisis which threw the Ukraine into a severe recession. As for Russia, the Vienna Institute for International Economic Studies (WIIW) estimates that the conflict and the related sanctions are costing the Russian economy about 1% of GDP. Comparatively favourable economic growth in 2014 was recorded in Poland (3.3%), the Czech Republic (2.5%) and Slovakia (2.4%). On balance, however, foreign direct investors in Central and Eastern Europe are slightly less optimistic about the future, as demonstrated by recent values of the OeKB CEE Business Climate Index. In the fourth quarter of 2014 this indicator of business expectations fell precipitously, pointing to a declining business performance of companies in the region. Nonetheless, most foreign direct investors plan to maintain their presence there.

## Deteriorating economic outlook for Austria

Austria is closely tied to the European economic trend. The country's economic outlook therefore turned progressively gloomier in the course of 2014. The economic outlook for Austria turned progressively gloomier in the course of 2014. Especially the unexpectedly weak autumn prompted a downward revision in the forecast for Austrian economic growth to 0.4%. Both consumer confidence and companies' willingness to invest were shaken by the lack of an upswing, with buying decisions increasingly put on hold or delayed. Although the export industry was a mostly positive driver in 2014, real growth in Austrian merchandise exports, at 1.2%, was less than expected. Economists are not very optimistic in their forecasts for 2015, projecting that GDP growth will increase to a rate of only 0.5%.

### Austria



## Volatility in international capital markets eased

In comparison to the previous years, international capital markets were less volatile overall in 2014. Particularly government bonds of countries with strong credit ratings benefited from the uncertainty generated by the poorer global economic environment and the geopolitical tensions. Thus, the yield for AAA-rated Eurozone bonds fell below the 100 basis point mark (year-end level: 0.65%). Besides the stability of these countries, a contributing factor was the ECB's monetary policy designed to deliver economic stimulus. For comparison, in the USA, where a turning point in the accommodative monetary policy was already emerging towards the end of 2014, the yield on 10-year treasuries at the end of the year was 2.17%.

### Government bonds

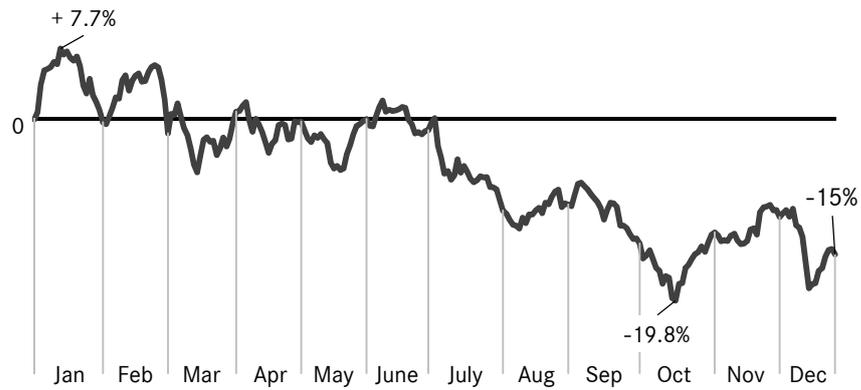
World equity markets were rocked (though usually only briefly) by crises such as the Russia-Ukraine conflict, the Ebola epidemic and IS extremism, as was especially evident in the share price plunges in October 2014. Yet, this was typically soon followed by rallies, particularly in the US stock market. Thus, the key S&P 500 index gained 11.4% last year. Not quite as strong, but still positive, was the performance of the Euro Stoxx 50 (up 1.2%) and the Nikkei (up 7.1%). Greater calm also returned to emerging financial markets in 2014, contrasting with the 2013 trend towards withdrawal by international investors. Although the slower economic growth continues to detract from investor sentiment, portfolio flows into emerging markets strengthened again on balance.

### Equity markets

## Difficult market setting for Vienna Stock Exchange

The Vienna stock market reflected an adverse environment in the year under review, with the ATX declining by 15% to close the year at 2,160.08. The market capitalisation also eased slightly in 2014. The volume of equity corporate actions remained below average by international standards. The talks to merge the Vienna Stock Exchange with the Warsaw exchange were discontinued. In the year, aircraft component supplier FACC became the first company to go public in Vienna since 2011.

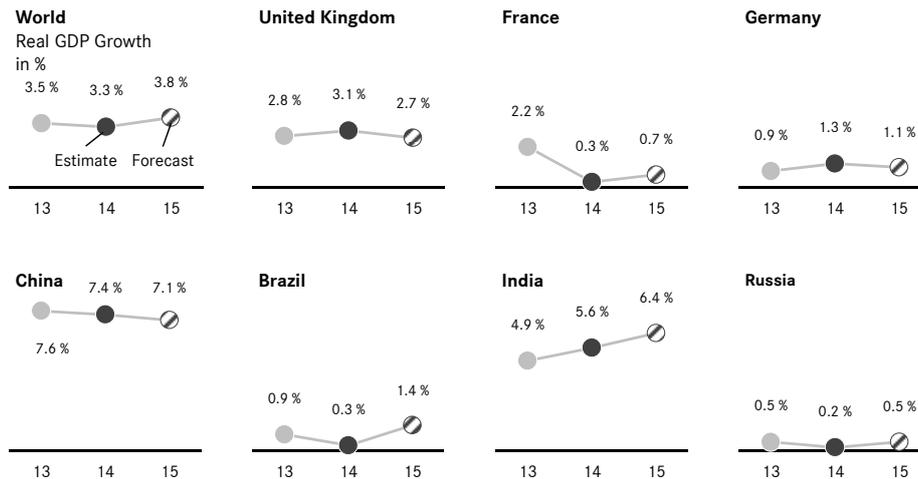
### ATX performance 2014



## Positive trends for corporate bonds

The Austrian market for corporate bonds had another strong year: In 2014 a total of 39 corporate bonds worth € 7.2 billion were placed. The positive trend which has been building for this form of financing in the past several years thus continued.

## Real GDP growth 2014/2015 in % in selected countries and regions



Sources: WIFO, EU Commission, IMF

## Financial results in 2014

In the year under review, Austria's low rate of export growth continued to detract from the volume of funding provided by OeKB Group. Lending exposure under the Export Financing Scheme of OeKB saw a decline of € 2,445 million as a result of early repayments and lower financing of direct investments. Meanwhile, the balance of loans outstanding from OeKB's subsidiary Exportfonds to small and medium-sized businesses was held nearly steady, at about € 1,029 million as of 31 December 2014. OeEB, the official Austrian development bank that is a subsidiary of OeKB, expanded its total project portfolio from approximately € 625 million to € 807 million.

### Consolidated statement of comprehensive income

In the important measure of operating profit, the Group's result for 2014 exceeded expectations. The net gain on financial instruments was far above budget.

Thanks to higher distributions from investment funds, income from securities investments rose to € 14.1 million from the 2013 level of € 13.3 million (the securities investments consist of the Group's own investment portfolio, the liquid assets portfolio that supports the Export Financing Scheme, and investments of the development bank). Income from unconsolidated investees increased to € 1.5 million (2013: € 1.2 million).

#### *Net interest income*

Incorporating these results as well as one-off effects from early loan repayments, the Group's net interest income was € 79.9 million (2013: € 81.0 million).

The share of results of equity-accounted investees (joint ventures) increased from € 5.2 million in 2013 to € 5.5 million. This was made possible primarily by an improved technical result and better net financial items at the credit insurance subsidiary.

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

#### *Net fee and commission income*

Reflecting higher income from custody fees, net fee and commission income in the securities business rose by € 0.9 million year-on-year to € 26.8 million. Net fee and commission income in the energy clearing activities was almost constant at € 2.6 million.

In the lending business, net fee and commission expense was up by € 2.0 million to € 2.7 million. The reason lay in higher guarantee premiums for the increased volume of funding for OeEB, the development bank.

A decline occurred in income from fees for the processing of export guarantees on behalf of the Austrian government and for the administration of guarantees under the Corporate Liquidity Support Act (ULSG). Net fee and commission income from the guarantee business of the development bank grew slightly on the higher project volume, from € 16.6 million in the prior year to € 18.0 million.

In total, OeKB Group posted net fee and commission income of € 45.7 million (2013: € 47.9 million).

Administrative expenses, at € 78.8 million, were somewhat lower than in the prior year (2013: € 80.2 million). The reasons were reductions in staff costs (down € 0.4 million), other administrative expenses (down € 0.6 million) and depreciation and amortisation (down € 0.2 million).

Net other operating income, at € 7.6 million, was off from the prior year's figure of € 8.6 million. This was accounted for largely by lower revenue from service agreements and a higher stability tax expense.

Operating profit, at € 59.9 million, was down by approximately € 2.5 million from the year-earlier amount of € 62.4 million.

*Operating profit*

The net gain of € 24.0 million on financial instruments reflected the volatility in financial markets (2013: net gain of € 8.2 million). The net gain on disposal and valuation of securities (€ 23.9 million; 2013: € 8.2 million) was driven by realised gains on bond redemptions and positive valuation effects for equities and bonds, which, because of the measurement of securities at fair value through profit or loss, are recognised directly in the income statement. As in the prior year, no impairment was recognised on investments in unconsolidated companies.

Profit before tax in 2014 amounted to € 83.8 million (2013: € 70.6 million). Profit for the year was € 65.3 million, of which € 65.0 million (2013: € 54.8 million) was attributable to the owners of the parent company. With other comprehensive expense taken into account, total comprehensive income for the year attributable to owners of the parent was € 53.9 million (2013: € 52.4 m.).

*Total comprehensive income*

## Balance sheet

At 31 December 2014, liquid assets in the form of balances at central banks stood at € 271.8 million (2013: € 520.6 million).

Loans and advances to banks decreased with the lower lending under the Export Financing Scheme, to € 19,311.8 million (2013: € 21,364.3 million). Loans and advances to customers increased from € 1,489.2 million to € 1,510.3 million. A result of the lower volume of lending to banks was a reduction in debt securities in issue (2014: € 23,541.1 million; 2013: € 24,590.0 million).

In 2014, holdings of other financial instruments changed from € 1,612.0 million to € 1,789.3 million.

The share of profits of the private credit insurance group, at € 5.5 million in 2014, was near-constant compared to the prior year's result of € 5.2 million. In total, the value of interests in equity-accounted investees (joint ventures) expanded to € 67.7 million in 2014 (2013: € 67.8 million).

Total assets at 31 December 2014 amounted to € 28,001.6 million (2013: € 28,964.3 million).

## Financial performance indicators

The cost/income ratio of 56.8% in 2014 was steady at the year-ago level (2013: 56.2%).

In 2014 the Group's equity was boosted from € 684.5 million to € 718.4 million.

At the balance sheet date, OeKB Group had € 651.0 million of consolidated regulatory capital under Regulation (EU) No 575/2013. One year previously, the corresponding amount under section 24 Austrian Banking Act was € 551.7 million.

As a result of changes introduced by Basel III, a new basis is used for calculating the Tier 1 capital ratio. The Tier 1 capital ratio at the balance sheet date was 67.4%. The prior-year comparative value was 64.6% (see note 36; formula: Tier 1 capital, divided by regulatory capital requirement, divided by 8%).

Return on equity (total comprehensive income attributable to owners of the parent, divided by Tier 1 capital attributable to owners of the parent) eased in 2014 from 7.7% to 7.5%.

## Research and development

In view of the nature of OeKB Group's business activities (banking and insurance), no research and development is conducted.

## Claims for damages

Ancillary to the capital calculations, it should be noted that a test-case lawsuit (served 25 November 2011) alleges that OeKB, as issuer of the MEL certificates, breached the requirements of the Stock Exchange Act on ad-hoc notices, causing the two plaintiff investors damages of about € 48,500. The likelihood of success of this suit has been assessed by the permanent legal counsel of OeKB as virtually nil. The action was dismissed by the Vienna Commercial Court in a decision on 28 January 2014. The Vienna Higher Regional Court as the court of appeal dismissed the plaintiffs' appeal in a decision on 23 December 2014. A further appeal to the Austrian Supreme Court has been filed by the plaintiffs. The assessment of the action's chance of success has not changed.

## Events after the balance sheet date

There were no reportable events after the balance sheet date.

## System of internal control and of risk management

OeKB's system of internal control (the 'internal control system', or ICS) is predicated on the COSO framework, which has five components: the control environment, risk assessment, control activities, information and communication, and monitoring ('COSO' stands for the Committee of Sponsoring Organizations of the Treadway Commission). The ICS is intended to ensure compliance with policies and regulations and to create the necessary conditions for control activities in the key processes within accounting and financial reporting. Another purpose is to assure the efficiency of business processes. The key objectives include safeguarding the presentation of a fair and transparent view of the financial position, results of operations and cash flows.



G4-14, 45, 46

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

### *Control environment*

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

### *Risk assessment*

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

### *Control activities*

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

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

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

### *Information and communication*

### Monitoring

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

## Risk management



G4-2, 14, 45, 46



Details on the risk management of OeKB Group are provided in **notes 47 to 51 to the consolidated financial statements**.

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

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

The great majority of assets on the balance sheet represent the Export Financing Scheme, which is treated as a separate accounting entity. In this respect, OeKB is exempt from certain relevant legislation, such as the Capital Requirements Regulation or CRR (Regulation (EU) No 575/2013). Further major exemptions for OeKB apply in connection with the European and national provisions for banking union (such as the Bank Recovery and Resolution Directive, or BRRD). Similarly, these exemptions apply to the core businesses of the two banking subsidiaries, “Österreichischer Exportfonds“ GmbH and Oesterreichische Entwicklungsbank AG. In OeKB Group’s process for assessing risk coverage, the Export Financing Scheme is treated as investee risk for which risk coverage is calculated separately.

Complementing the regular risk reporting by the Executive Board to the Supervisory Board, the Supervisory Board maintains a Risk Committee in accordance with section 39d Austrian Banking Act.

### ICAAP and ILAAP

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

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

*Key variables used in risk management*

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

*Risk appetite*

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

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

In 2014 the dominant theme was the assurance of compliance with the new European and national regulations and reporting requirements. Part of this effort, in keeping with the 'Fit & Proper' set of requirements for appropriate personal and professional qualifications of leadership staff, was a focus on the training of people in key positions, including managing directors and Supervisory Board members. In 2015 as well, the focus will remain on safeguarding conformity with the evolving supervisory rules, since various details of the regulatory framework are still to be elaborated.

*New developments*

## Non-financial performance indicators

Well-qualified and motivated employees are of key importance to OeKB and its subsidiaries. Critical success factors in view of the institution's central role in the capital market and Austria's export industry are service quality and expertise combined with far-sighted awareness of revenues, costs and risks.

In 2014 the Group began to establish an expert career path as an alternative to the traditional management career model, in order to remain an attractive employer for specialists and technical experts. The Group has a flat management hierarchy with few layers, which makes specialist and technical staff particularly important to the success of the enterprise. This significance of expert staff is to be given greater visibility in the future.

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

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



*For details on the compensation policy, see note 54 to the consolidated financial statements*

The Group's staff count at the end of 2014 was 400 full-time equivalents (prior year: 406). The average count during the year was 400 FTE (prior year: 403).

Despite the difficult market situation, the Group generated an operating profit of € 149,699 per full-time equivalent (2013: € 154,903).

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

As at	31 Dec 2012	31 Dec 2013	31 Dec 2014
<b>Total number of employees</b>	<b>434</b>	<b>437</b>	<b>435</b>
<i>Of whom part-time employees</i>	93	99	99
<i>Of whom part-time employees (in per cent)</i>	21.4%	22.7%	22.8%
Total employees in full-time equivalents	406	406	404
Average number of employees	398	403	400
Average age in years	43.9	44.2	44.6
Average length of service in years	15.5	15.6	16.2
Sick days per year and employee	8.2	8.6	7.8
Proportion of total positions held by women	57.4%	58.1%	58.4%
Proportion of management positions held by women	34.4%	34.4%	35.4%
Turnover rate <sup>2</sup>	1.6%	2.5%	1.9%

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

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

## Outlook for 2015

Macroeconomically, 2015 will be another difficult year. The environment of uncertainty (with some regional variation) will persist. This poses a big challenge for the Austrian export industry. As in the past, in these demanding times OeKB continues to assist exporters both through export credits and with guarantees for the financing of business acquisitions and start-ups. In addition, OeKB recently created the Export Services Consulting team. Since January 2015, it visits companies throughout Austria to present smart solutions for their international business. In this the team works closely with the financing teams of the commercial banks. Nonetheless, depending on the business trend, credit disbursements can be expected to decrease by approximately € 500 million in 2015. The reason is the expiry profile of the portfolio of export financing contracts, especially as a result of the reduction in financing of direct investments

For 2015 we expect our investments in securities to generate a reduced return as a result of lasting low interest rates, despite the recent improvement in economic forecasts for the USA. The risk premiums on Austrian treasury instruments continue to be stable and the terms of OeKB's access to the market should thus remain unchanged.

Effective 1 January 2015 the employees of the subsidiary OeKB Business Services GmbH were integrated into OeKB AG. The company itself continues to operate. It provides IT solutions to the market as before, with support from the IT Services department. By the end of the third quarter of 2015, in order to comply with the EU's Central Securities Depositories Regulation, the CSD.Austria division is to be spun off as a separate company; the preparations for this are underway. Neither of these two changes will have a material impact on the financial position, results of operations and cash flows of OeKB Group. Overall, the Group's companies are well prepared to meet the challenges ahead and are expecting a sustained stable trend in operating income.

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

Vienna, 25 February 2015

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# “Continually establish new relationships”

*Christian Pinetz and Jelena Ilic from CentralSecuritiesDepository.Austria on Austrian negotiating skills, scrupulous customer service and the first direct equity link with Russia.*

*CentralSecuritiesDepository.Austria holds in custody and manages securities for over 150 banks, and international competition is becoming increasingly fierce. Why do customers come to you?*

**Christian Pinetz:** In many cases because of our links to the Austrian securities market – nobody knows the intricacies like we do. But obviously price plays a part as well – we are highly automated and very efficient, which allows us to offer our services at very attractive rates.

*Your clients include not just banks, but also Central Securities Depositories (CSDs) from other countries.*

**Pinetz:** Yes. In these cases, the relationship is usually two-way, that is to say we are client and supplier at the same time.

*You're more of a small player on the international scene. In the long term, do you have any real chance of success?*

**Pinetz:** Absolutely. It's because we are small that we're perhaps more flexible than the much bigger players. Which means we try

to understand the culture of our counterpart before we start negotiating a collaboration, for instance. In some countries you can't just fly out there in the morning and come back in the evening with a signed contract – it's more of an iterative process. Sometimes how we as Austrians are perceived is an advantage.

**Jelena Ilic:** And we place a premium on scrupulous, personal customer service. Wherever possible, our customers always deal with the same person. This is very much appreciated, and is the basis for mutual trust.

**Pinetz:** Our partners change frequently, so new relationships have to be established continually. And existing ones nurtured – we're always interested to listen to our customers and to hear what's keeping them busy.

*And – what is keeping them busy?*

**Pinetz:** One example, regulations at European level – there are lots of legal issues raining down on us. We engage in intensive dialogue with our customers



“WE TRY TO  
UNDERSTAND THE  
CULTURE OF OUR  
COUNTERPART”

**CHRISTIAN PINETZ**  
*CentralSecuritiesDepository.Austria*

“WE’RE ALWAYS  
THINKING ABOUT  
HOW WE CAN ADAPT  
BETTER TO OUR  
CUSTOMERS’ NEEDS”

**JELENA ILIC**  
*CentralSecuritiesDepository.Austria*

even before new rules come into play, because they like to have a say as early as possible.

**Ilic:** Process optimisation is another issue that always keeps our customers occupied. We always talk to our customers about how we can adapt our products better to our business partners’ needs.

*What kind of adjustments are you talking about?*

**Ilic:** Well, we recently acquired a broker for the Russian market as a new client. Because of the time difference, later cut-off times were needed, and we were able to implement that quickly.

**Pinetz:** And we always go out of our way to be flexible in our relationships with other CSDs. For example, we were the first to establish a direct equity link with Russia in 2013. We have had very positive feedback from the Russian National Settlement Depository. They were surprised that such a small team was able to manage things so quickly. Maybe it also helped that I can speak Russian.

# Business model of OeKB Group



G4-2, G4-4, EC1, EC8, FS5

OeKB AG is a financial services provider in the Austrian banking industry. It is a special-purpose bank for the export industry and the capital market and provides its services impartially and across business sectors. In major business segments, OeKB acts on behalf of the Republic of Austria. Significant subsidiary businesses that complement the export services of OeKB are the SME-lending institution “Österreichischer Exportfonds” GmbH, the development bank Oesterreichische Entwicklungsbank AG and private credit insurance provider Acredia Versicherung AG.

	Effect on the consolidated statement of comprehensive income	How the OeKB Group creates long-term value
<b>Core business</b>		
Financing	Interest and similar income	Working through the Export Financing Scheme, OeKB provides exporters with financing (via their own bank) for exports and direct investments abroad.  Exportfonds makes revolving credit facilities available to small and medium exporters. OeEB offers long-term loans, equity investments and non-financial support for private enterprises in developing and emerging economies.
Funding operations	Interest and similar expense	To fund its operations, OeKB taps international and domestic financial markets by issuing bonds, tailor-made private placements, structured medium-term notes (MTNs) and short-term money market products, and also obtains loans.
Credit insurance	Share of profit of joint ventures	Acredia Versicherung AG with its brands ‘PRISMA’ and ‘OeKB Versicherung’ serves customers by performing credit analysis of their business partners and insuring receivables against the risk of buyer insolvency. Credit insurance for sales of goods and services is provided not only in western industrialised countries and domestically in Austria, but especially also in emerging economies.
	Net fee and commission income	Export guarantees of the Austrian federal government (guarantees and avals) reduce risks for exporters and outbound foreign direct investors. OeKB has the mandate from the federal government to offer and manage the export guarantees.
Capital Market Services	Net fee and commission income	OeKB’s offering of Capital Market Services includes: - Custody and administration of securities - Clearing and Order Routing to foreign stock exchanges - Provision of financial data and analytical metrics - Process and IT solutions for the investment fund industry - Auction agent for Austrian government bonds - Consulting and processing services for issuers
Energy Market Services	Net fee and commission income	Services provided to the power and gas balancing energy market, to Energy Exchange Austria, to the clearing and settlement agent for green electricity, to the spot energy market and for carbon emission trading
Research services	Other operating income	Economic & Business Research, OeKB CEE Business Climate Index, Online Press Review
Organisation and IT services	Other operating income	Day-to-day operation of cash market clearing for CCP.A; SWIFT Access Service; Balance Sheet Data Transfer system for electronic sharing of accounting data; IT services
	<b>Operating income</b>	
	Staff costs	Employees as the most crucial asset in the provision of services
	Other administrative expenses, and amortisation, depreciation and impairment	Cost-conscious investment in IT systems and infrastructure to give customers the very best service
	<b>Administrative expenses</b>	
	Income tax	Tax expenses consist of current and deferred tax
	Dividend	Dividend payments to the owners of OeKB
	<b>Retained earnings</b>	To strengthen the capital base for the further development of the business

The relevant indicators can be found in the appendix of the Consolidated Financial Statement in note 13 as well as in note 21.

## Financing

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

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



*Detailed statistics and the legal requirements regarding OeKB's Export Financing Scheme are provided in the **OeKB Export Services Annual Review**.*

### OeKB Export Financing Scheme (EFS)

The Export Financing Scheme for the Austrian export industry spans financing solutions to support a wide range of export transactions and outward foreign direct investment.

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

#### *Requirements*

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

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

#### *International environment*

### *Financing on commercial terms*

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

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



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

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

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



EC8, FS7, FS8

### ***Concessional financing for certain projects (soft loans)***

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

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



The eligibility criteria for soft loans and the financing terms can be found online at [www.oekb.at](http://www.oekb.at)

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

### ***Developments in products and services in 2014/2015***

Since January 2014, in addition to the existing Euro-denominated financing of supplier and buyer credits and of equity investments based on 3-month EURIBOR, standardised financing is now also offered on a 6-month EURIBOR basis.

In 2014, to promote and expand financial cooperation, framework agreements were renewed with Egypt and Mongolia.

The soft loan project preparation programme in its current form ran until the end of 2014. In 2014 three new expressions of interest were received and one study is in progress.

## Business in 2014

At the end of 2014, the programme was in use by 68 banks and served 934 exporters through about 2,800 export credits.

In the Export Financing Scheme at the end of the year, there were outstanding total lending commitments (including conditional commitments) of € 22,087 million (2013: € 24,632 million). Of this total, € 19,587 million or 88.7% was drawn (2013: € 22,031 million or 89.4%).

Total outstanding lending commitments, including conditional commitments, thus decreased by € 2,545 million or 10.3% from 2013. Disbursements fell by € 2,445 million or 11.1%. The outstanding loan agreement with the longest term expires in the year 2044.

For 2015, credit disbursements in the Export Financing Scheme are expected to decline by about € 500 million, with the exact figure depending on the business trend.

Since the OeKB-operated Export Financing Scheme came into existence 55 years ago, a total of € 145.0 billion of credit has been disbursed to the Austrian export industry and banking sector, and credit repayments of € 125.4 billion have been received.

### OeKB Export Financing Scheme

As at	2012	2013	2014
Number of banks/exporters involved	69/1.141	67/1.000	68/934
Number of export financing contracts outstanding (rounded)	3,200	3,000	2,800
<b>€ million</b>			
Total lending commitments (i.e., financing contracts and conditional commitments) outstanding at 31 December	28,054	24,632	22,087
Financing contracts outstanding at 31 December	27,703	24,377	21,848
<i>Of which disbursements outstanding</i>	<i>24,827</i>	<i>22,031</i>	<i>19,587</i>
New commitments issued	7,085	5,124	3,173
New conditional lending commitments issued	638	177	158
Loan funds disbursed	6,846	4,724	2,771
Repayments received	10,381	7,520	5,216
(Decrease) in net loans outstanding	(3,535)	(2,796)	(2,445)
Total funds used under the Export Financing Scheme	65,825	30,914	34,882
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	30,015	28,779	26,055
Total new guarantees issued	10,567	8,482	10,585

## Financing from Exportfonds



EC7

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

Currently, Exportfonds finances about 2,000 exporters, many of which have built their market position on innovation and are successful niche players worldwide. In 2014, Exportfonds won 138 new customers, including a number of newcomers to the export industry. At the other end of the spectrum, Exportfonds has been supporting many customers in their export growth for generations. Disbursed loans outstanding at 31 December 2014 amounted to € 1,028.8 million.



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

Oesterreichische Kontrollbank AG holds 70% of the subsidiary’s share capital. The other 30% is held by Wirtschaftskammer Österreich, the Austrian chamber of commerce.

The company is managed by Carl de Colle and Elisabeth Strassmair-Brunetti. Excluding the management, Exportfonds had 13 employees as of 31 December 2014.

## Financing from OeEB, development bank of Austria



EC8, EC7, SO1, FS14, FS15

OeEB finances investment by private sector companies in developing countries and transition economies. The development bank grants loans on commercial terms, provides equity capital and enhances the development effectiveness of projects through technical assistance. On behalf of the Republic of Austria, OeEB works to improve living conditions for people in developing and transition countries.

The bank’s projects are in developing countries and transition economies, where companies often lack access to needed capital. Demand is high both for credit and equity financing. The projects involved create jobs, contribute to higher tax revenues and bring foreign currency inflows to the target countries.



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

2014 was marked by dynamic growth and, as a result also of intensified project acquisition activities, the year brought many requests for financing, with a number of deals signed by OeEB. This prompted the hiring of additional staff.

At the end of December 2014, OeEB had 33 employees (excluding the Executive Board). The total transaction volume (based on contracts signed) was approximately € 200 million. Profit for the year was € 4,283,014.28. After transfers to reserves, unallocated profit for the year amounted to € 194 thousand.

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

## Renewable energy and energy efficiency

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



An example is the financing of a wind farm in India: More than 400 million people in India – about one-third of the population – have no access to electric power. In light of the country's expected economic growth and its further industrialisation, energy supply is one of the keys to India's continuing development.

At present, India's energy supply is based mainly on fossil fuels. To reduce the dependence on commodity imports and support the supply of clean energy in the future, the share of renewable energy in the energy mix is to be further expanded.

A wind farm built in the state of Karnataka by an Indian company, Bhoruka Power, will make a significant contribution towards this goal. As one of the windiest states in India, Karnataka holds high potential for harnessing wind energy. Through a risk participation, OeEB is providing € 9.24 million for the project.

Besides the need for power generation, many countries in transition to industrialisation also have a high potential for conserving energy. Providing funds to finance energy efficiency measures helps utilise this potential. OeEB together with Germany's Kreditanstalt für Wiederaufbau (KfW) granted a line of credit to Şekerbank for the purpose of improving the efficiency of energy use in projects of the Turkish bank's customers. Also, with support from OeEB, the relevant employees of Şekerbank received additional training to ensure the financing facilities are used effectively.



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

## Microfinance

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



FS7, FS13

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

OeEB both provides funding to microfinance institutions directly, and to funds that in turn serve microfinance institutions. For instance, in 2014 OeEB contributed USD 4.8 million to World Woman Banking (WWB) Capital Partners, a fund focusing on making microfinance products available to women.

Although women represent the majority of the world's poor, it is usually more difficult for them to gain access to financing than it is for men. Yet studies show that women typically invest more of their financial resources in their family and local community, which creates positive long-term development benefits, such as better nutrition and education for children and higher savings.

WVB Capital Partners has recognised this trend and places a clear focus on women. The fund's aim is to provide equity capital to microfinance institutions (MFI) that offer financial products targeted to women. In addition, the fund supports the local management with technical assistance in marketing, research, product diversification, and networking.

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

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

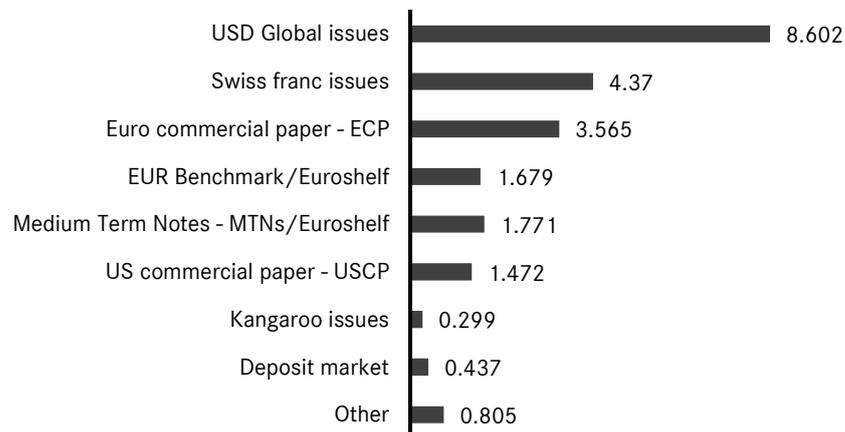
OeKB funds itself on international and domestic financial markets through the issues of

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

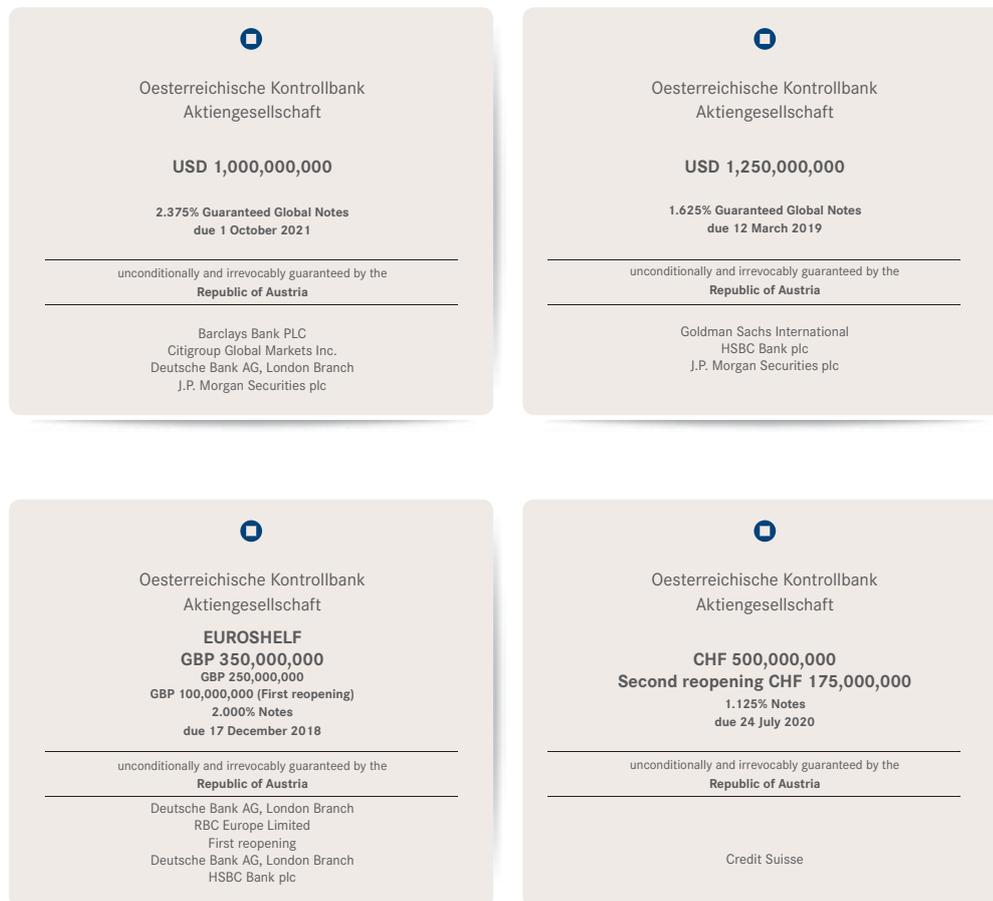
In 2014, long-term transactions totaling € 2.50 billion were placed in Austria and abroad. Notable issues were two US dollar global bonds totalling USD 2.25 billion and a sterling Euroshelf offering (including increase) totalling GBP 350 million. Other offerings were GBP and CHF bonds and a USD private placement.

### Issuance programmes

in € billion at 31 December 2014



## Selected transactions of Oesterreichische Kontrollbank AG in 2014



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

### **Aggregate exposure limit of € 45 billion and utilisation of € 26.1 billion**

In 2014 the Republic of Austria issued guarantees under the Export Financing Guarantees Act for a total principal amount of € 10.3 billion of funds borrowed by OeKB. At the reporting date of 31 December 2014, € 26.1 billion of the € 45.0 billion aggregate exposure limit was utilised by guarantees covering principal amounts and exchange rate risks, compared with utilisation of € 28.8 billion at the end of the previous year.

## Credit insurance

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

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

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

### Management of Austrian federal government guarantees by OeKB



*Detailed statistics and the legal requirements concerning the types of guarantees under the Export Guarantees Act are provided in the **OeKB Export Services Annual Review**.*

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

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



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

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

Since 1997, detailed insight into the services of OeKB Group has been offered through the OeKB 'Exportakademie', an annual series of export seminars for bankers, exporters and other institutions. To date, more than a thousand participants have attended the 69 events held thus far.

## International cooperation

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

Since February 2014, OeKB also works with Türk Eximbank, the Turkish export credit agency. The aim is to forge closer economic ties between the two nations and promote the implementation of Austrian-Turkish projects in other countries.

This collaboration is deepened in regular meetings with other export credit agencies. The trilateral consultations with OeKB AG's Swiss and German partner institutions - an event that has become a tradition - were held in early September in Lübeck, Germany.

Since 1954, OeKB AG is a member of the Berne Union (International Union of Credit and Investment Insurers). This organisation currently comprises 49 export guarantee and investment guarantee institutions from 40 countries. The aims of the Berne Union are the coordination of international trade terms and the extensive sharing of information between members. At its annual meeting in October in London, the Berne Union celebrated its 80th anniversary.

## OECD Guidelines for Multinational Enterprises

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

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

## Environmental and social responsibility

Since 2001 environmental and social impacts, including impacts on human rights, have been considered in the evaluation of projects seeking support.

The June 2012 revision of the relevant OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and Environmental and Social Due Diligence has led to further improvement. As of 2012 all Export Credit Agencies (ECAs) have to evaluate social impacts of the candidate projects more rigorously. Equal conditions for all OECD export credit agencies (ECAs) create a level playing field for exporters from the different OECD countries. This is further facilitated by the obligation to report in detail on individual projects to the OECD, the discussion of the projects by the practitioners as well as the publicly accessible reports on transactions covered by the OECD ECAs.



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



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



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



Details on the resulting changes were provided on OeKB Group's 2012 Sustainability Report under [www.oekb.at/pageflip/OeKB-Group-Sustainability-Report-2012](http://www.oekb.at/pageflip/OeKB-Group-Sustainability-Report-2012)



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

The assessment procedure divides projects into three main categories, depending on the severity of the project’s potential impact.

### Environmental impact assessments

	2012	2013	2014
Category A	20	12	14
Category B	27	16	12
Category C	9	10	12
Category E 1	-	1	3
<b>Total</b>	<b>56</b>	<b>39</b>	<b>41</b>
<b>Sectors</b>			
Power station, thermal	2	3	3
Power station, hydro-electric	16	9	13
Other forms of renewable energy	5	1	2
Refinery (oil, gas)	2	1	-
Chemicals (synthetics)	-	1	-
Paper & pulp	13	-	3
Engineering	-	1	-
Iron & steel	5	9	6
Drinking water, waste water	1	2	1
Traffic	-	-	1
Construction materials	1	-	-
Agriculture, timber	1	3	2
Transport infrastructure	1	3	2
Miscellaneous <sup>2</sup>	9	6	8
<b>Total</b>	<b>56</b>	<b>39</b>	<b>41</b>

<sup>1</sup> New category under Common Approaches (2012) III/8 („existing operations“)

<sup>2</sup> Miscellaneous: construction machinery, training, telecommunications, medical-technical equipment and hospitals

### Project example: Romania - engineering firm Urbas to deliver biomass cogeneration plant

<b>Project Category</b>	B
<b>Type of goods/project</b>	Biomass cogeneration plant
<b>Beneficiary</b>	Raiffeisen Bank International AG
<b>Project country</b>	Romania
<b>Loan periode</b>	10 years
<b>Order volume</b>	EUR 64 million
<b>Date</b>	10 July 2013 (UW660)

Springer Maschinenfabrik AG has been awarded the contract to provide a saw-mill by the Russian company JSC Dallesprom. JSC Dallesprom in Amursk, a subsidiary of Russia Forest Products Group (RFP), is one of the biggest timber companies in East Russia, farming approx. 6.4 million hectares of wood there.

The new saw-mill consists of a round log sorting-line, a saw-feeding system, a sawing line and a lumber-sorting facility. Up to 500,000 m<sup>3</sup> of round logs can be processed per year. 100 % of the round logs originate from forests rented by JSC Dallesprom.

The Amursk location in the region of Chabarowsk benefits logistically from its proximity to the Japanese market. Around 1,600 m<sup>2</sup> on an existing industrial estate serve as premises.

Technologically, the saw-mill is state-of-the-art. When operating normally, there should be only negligible air emissions. Moreover, the process water is repeatedly reused. The raw material (i.e. round logs) comes from woods certified by the Forest Stewardship Council (FSC). Furthermore, the saw mills provides 610 new jobs in the Chabarowsk region.



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

## **Business in 2014**

Growth in Austrian exports accelerated somewhat in 2014 from the previous year. In total, Austrian exports rose by about 1.2% from 2013. At the same time, outward foreign direct investment by Austrian companies showed a rather subdued trend.

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

In 2014, OeKB together with the Federal Ministry of Finance assembled a package of measures to support companies even better in their international sales and foreign investments. A more aggressive cover policy for about 30 promising markets (the so-called Next Eleven and other frontier markets), a more liberal treatment of value-added criteria in smaller transactions, a reduced deductible for political risk in difficult markets, and lower premiums for direct investment abroad – these are some of the measures designed to stimulate more international business, more value creation and more jobs for the Austrian economy.

OeKB is always in contact with potential exporters and outward foreign direct investors: Increasingly, end-buyers do not decide on their suppliers until after they have found attractive financing options for their projects.

## **Economic situation**

# “We want to be even more accessible”

*Erwin Marchhart and Markus Hoskovec from OeKB's Export Services consultancy team on clearing up apparent complexities, SMEs as a key target group and pride in Austrian companies.*

*Since the beginning of 2015 you have been part of a new team responsible for acquiring new clients for OeKB Export Services. Has new customer acquisition not been on the agenda until now?*

**Erwin Marchhart:** Yes, of course it has, but there wasn't anyone who was specifically responsible for it. Now we want to reach out to customers much more, to be more accessible – in the truest sense of the word.

*How do you intend to do that?*

**Markus Hoskovec:** Quite simply, we are systematically looking at which of those companies who are not yet clients could benefit from our services. And then we pay them a visit – either on our own or together with a representative of the housebank.

*Are you targeting predominantly big clients?*

**Hoskovec:** No, OeKB is available to companies of all sizes. We are happy to meet with SMEs as well, we want to understand their business and see what we can do together.

**Marchhart:** One very important target

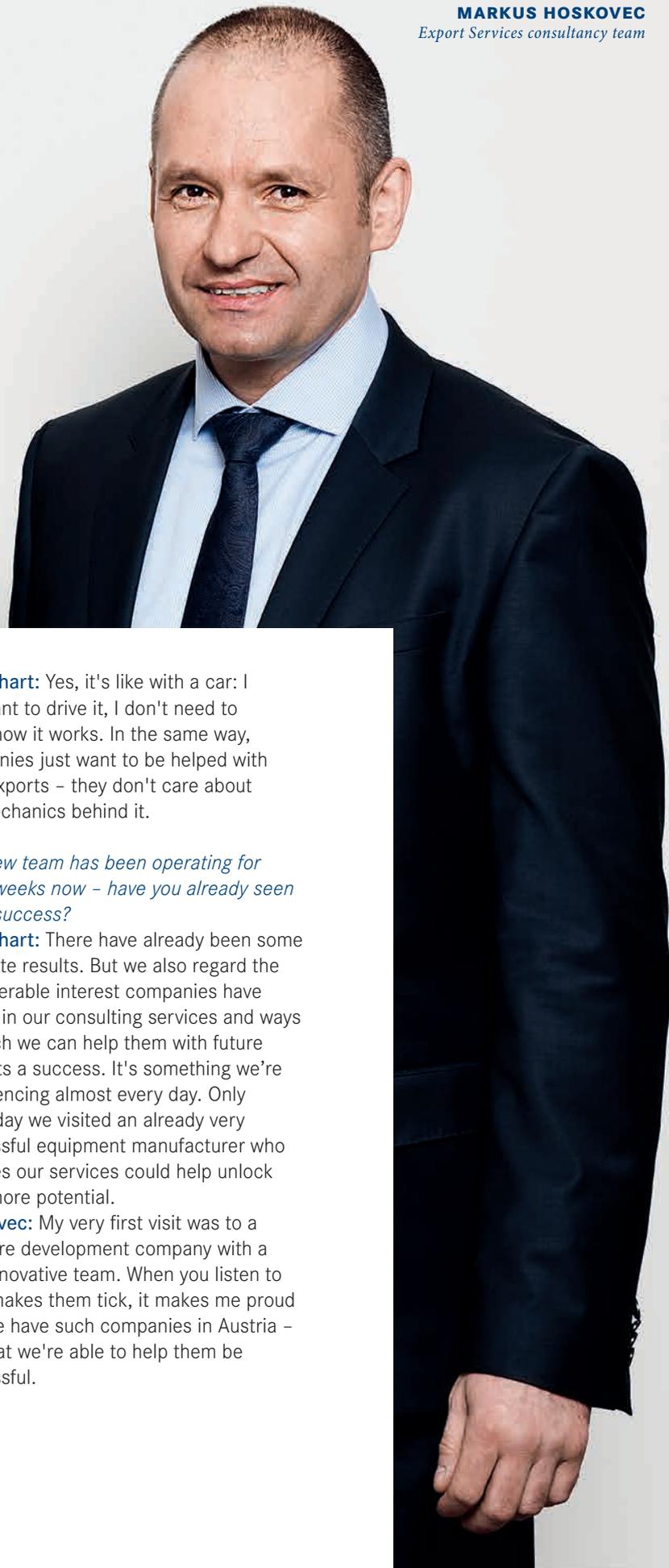
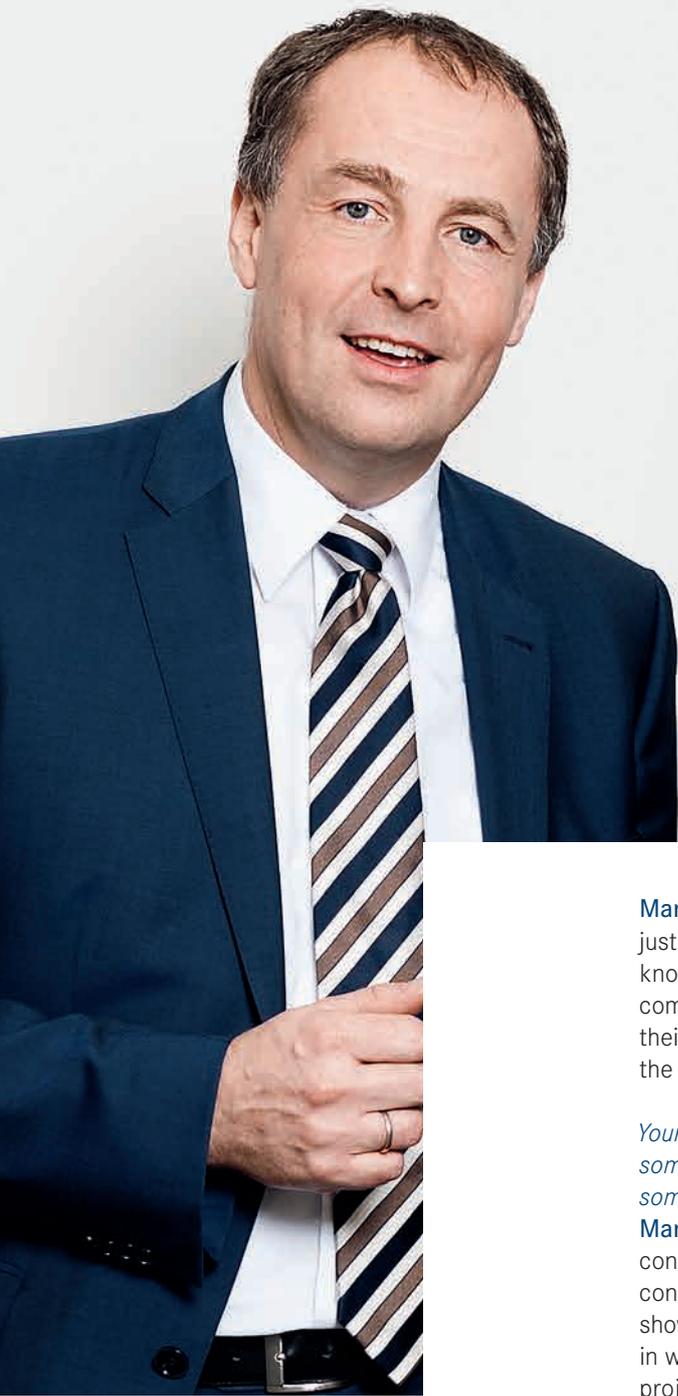
group are the banks. We organise joint workshops with account managers so that they can then target our services towards their clients even more specifically.

*Why do you even have to actively seek new clients – why don't exporting companies come to you themselves?*

**Hoskovec:** Some companies aren't even aware of what we have to offer. SMEs perhaps also have too much awe for OeKB. Or they assume that collaborating with us would be too complicated. We want to show that it's easy to find the right kind of instrument for facilitating export transactions.

**Marchhart:** At first glance it might seem that we have a bewildering number of instruments with which we can support exporting companies. But essentially there are only two areas which we handle for exporters: managing risks and financing of export transactions and investments. That's why we always listen first and then offer only those products that are absolutely appropriate.

*So you turn the tables by talking more about the benefits and less about the instruments?*



“OeKB IS NOT  
JUST THERE FOR  
THE BIG CLIENTS”

**MARKUS HOSKOVEC**  
*Export Services consultancy team*

**Marchhart:** Yes, it's like with a car: I just want to drive it, I don't need to know how it works. In the same way, companies just want to be helped with their exports – they don't care about the mechanics behind it.

*Your new team has been operating for some weeks now – have you already seen some success?*

**Marchhart:** There have already been some concrete results. But we also regard the considerable interest companies have shown in our consulting services and ways in which we can help them with future projects a success. It's something we're experiencing almost every day. Only yesterday we visited an already very successful equipment manufacturer who believes our services could help unlock even more potential.

**Hoskovec:** My very first visit was to a software development company with a very innovative team. When you listen to what makes them tick, it makes me proud that we have such companies in Austria – and that we're able to help them be successful.

“EXPORTERS WANT  
TO BE SUPPORTED.  
THEY DON'T CARE  
ABOUT THE  
MECHANICS BEHIND IT”

**ERWIN MARCHHART**  
*Export Services consultancy team*

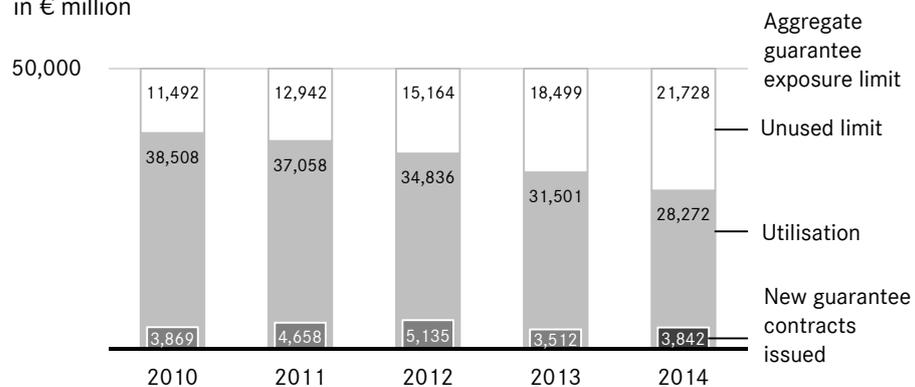
### Aggregate exposure limit of € 50.0 billion, with utilisation of € 28.3 billion

With an exposure limit of € 50.0 billion (the limit on the aggregate liability) under the Export Guarantees Act, actual exposure at 31 December 2014 from outstanding guarantees amounted to € 28.3 billion, representing 56.5% utilisation. This compared with actual exposure of € 31.5 billion or 63.0% one year earlier. Utilisation thus eased by € 3.2 billion or 10.3%. The outstanding guarantee with the longest term covers a credit period ending in the year 2039.

The amounts include debt rescheduling guarantees for 13 countries totalling € 391 million at 31 December 2014 (2013: € 445 million).

### Utilisation of the guarantee exposure limit

at 31 December 2014  
in € million



### € 3.8 billion of new guarantees issued

In the year under review, 676 new guarantees (guarantees, aval endorsements, and guarantees issued for OeEB) with a total value of € 3.8 billion were issued by the Republic of Austria under the Export Guarantees Act (2013: 811 new guarantees with a total value of € 3.5 billion). The credit management and administrative processing of the guarantees were provided by OeKB, as the agent of the Austrian government.

### Claim payments and premium income

Premium and interest income in 2014 totalled € 191 million. The Republic of Austria made gross claim payments (including those under guarantees for debt rescheduling agreements) in the amount of € 102 million. Recoveries amounted to € 73 million. A total of € 5 million was charged off by the Republic of Austria in 2014 as unrecoverable.

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

In 2014 OeKB achieved a surplus of € 161 million of guarantee programme income over net costs.

## Guarantees under the export guarantees act

€ million	2012	2013	2014
Number of holders of outstanding guarantees (rounded)	1,200	1,100	1,100
Number of guarantees in place	3,637	3,657	3,502
Number of new guarantee contracts issued	972	811	676
€ million			
Aggregate guarantee exposure limit, at 31 December	50,000	50,000	50,000
Utilisation of the guarantee exposure limit, at 31 December	34,836	31,501	28,272
New guarantee contracts issued	5,135	3,512	3,842
New conditional commitments (new guarantee offers for prosp. underlying transactions)	2,098	1,861	2,399
Premium and interest income <sup>1</sup>	229	207	191
Gross claims paid by the Guarantor	154	122	102
Recoveries on claims paid	65	72	73
Amounts written off as unrecoverable (with Maastricht relevance)	99	21	5
Guarantor's recoverable claims, at 31 December	898	927	952
Net interest rate relief granted	4	2	1

<sup>1</sup> 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).

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

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

### Acredia Versicherung AG

In the year under review, OeKB and Euler Hermes restructured their credit insurance activities in Austria. Since 1 August 2014, OeKB EH Beteiligungs- und Management AG is the sole owner of Acredia Versicherung AG ('Acredia'), which was created by merging OeKB Versicherung AG into PRISMA Kreditversicherungs-AG. With a market share of about 55%, Acredia is by far the largest Austrian credit insurance company. Its markets its products under the same well-established brands as before, 'PRISMA - Die Kreditversicherung' and 'OeKB Versicherung'. The company thus continues to offer a wide range of credit insurance choices for Austrian industry. The merger has simplified administration, thus facilitating new insurance combinations that pool the strengths of the two brands as needed.



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

With revenue of € 92 million in 2014, Acredia had an insurance exposure of € 26 billion and employed 180 people as of 31 December of the year. In addition to its headquarters in Vienna, PRISMA has offices in Linz, Graz, Innsbruck, and Belgrade (PRISMA Risk Services Serbia). PRISMA Kreditversicherungs-AG also holds the majority of the shares in PRISMA Risikoservice GmbH. This subsidiary provides most of the insurance company's credit analysis, for which it draws on the information resources of the globe-spanning Euler Hermes network. This network gives Austrian clients access to information on 40 million companies in more than 50 countries.

The merged company is managed by Helmut Altenburger, Ludwig Mertes and Karolina Offterdinger: The brand-specific areas are headed by Ludwig Mertes (PRISMA) and Karolina Offterdinger (OeKB Versicherung). Helmut Altenburger is in charge of internal services.

In 2014 the preparations for implementing Solvency II, the new European regulatory regime for insurance companies, remained a central priority in the risk management activities of PRISMA Kreditversicherungs-AG and OeKB Versicherung AG. The new regulatory framework for Europe, structured in three pillars like its banking equivalents Basel III, is expected to come into force on 1 January 2016. Its phased implementation began in 2014.

As a result of the merger, areas of particular focus for Acredia in 2014 were greater internal communication and the development of a shared corporate identity. The risk control process was expanded. Processes for the qualitative component of Solvency II (governance and risk management) – especially the internal analysis of the risk situation using the Own Risk and Solvency Assessment (ORSA) approach – were refined further and documentation and reporting requirements were tightened.

### **PRISMA Die Kreditversicherung. (PRISMA)**

Last year the PRISMA brand marked its 25th year in existence.

PRISMA primarily insures short-term trade receivables in OECD countries against the risk of customer insolvency. PRISMA supports companies in their receivables management with its specialised market knowledge of industries and countries. The customers of insurance clients are assessed for credit quality on an ongoing basis and tracked using a monitoring system. This allows most payment defaults to be avoided.

#### **Product portfolio**

Credit insurance from PRISMA provides a made-to-measure solution for every insurance client: Large companies find that the ‚Prisma Global‘ policy gives them ideal protection, while smaller businesses are often best served by a ‚Prisma Plus‘ policy. Capital goods transactions can be insured through ‚Prisma Invest‘.



More on PRISMA and its services:

[www.prisma-kredit.com](http://www.prisma-kredit.com)

PRISMA's motto is 'Closer to the client'. To serve its customers, PRISMA gets closer to the markets, companies and creditworthiness information in all important export markets. This motto represents a promise of the excellence that PRISMA wants clients to experience consistently in working with the company.

## OeKB Versicherung

In 2014 the OeKB Versicherung brand celebrated its tenth anniversary. A milestone for the credit insurer was its physical relocation in February 2014 to the Weihburggasse address. By bringing the two companies together at the same premises, this move anticipated the merger with PRISMA later in the year.

In western industrialised countries and domestically in Austria, but especially also in emerging economies, OeKB Versicherung AG provides credit insurance for sales of goods and services. Attractive features include a personal account representative and complete insurance solutions.

The bestselling product remains the 'Global Policy', known as P6. It protects all transactions of the client with all customers worldwide, thus embodying the spirit of the company's slogan, 'Safe and Sound'. Alternatively, Single-Buyer cover (P5) insures all sales to a single customer. For individual transactions, such as the first sale to a new customer, a Single-Transaction policy is the right choice.

For each customer's individual requirements, OeKB Versicherung tailors a complete package of receivables insurance. Without extra charge, clients are covered not just for commercial risks such as payment delay or insolvency, but also for political risks. Political risks include, for instance, receivables with public sector institutions, transfer risk, and defaults as a result of political unrest. With its special expertise in high-risk countries, OeKB Versicherung will continue to back its clients' sales into new export markets in 2015.

### Product portfolio



More on OeKB Versicherung,  
its products and services:  
[www.oekbversicherung.at](http://www.oekbversicherung.at)

## Capital Market Services

With its broad offering of services for the capital market, OeKB is a hub for numerous processes required in the financial markets before and after the purchase or sale of securities. For decades now, these services have benefited financial services providers, issuers, investors and the Republic of Austria. OeKB continually updates and upgrades its capital market 'logistics' services.

From its very beginnings, OeKB has contributed in many ways to the growth and increasing sophistication of the Austrian securities marketplace, playing a crucial role in the establishment and progressive development of the domestic capital market, especially for bonds.

This has always been done in the service of the capital market participants, while acting in agreement with the Vienna Stock Exchange and in coordination with the Federal Ministry of Finance, the Austrian Financial Market Authority and Oesterreichische Nationalbank (the Austrian central bank).

### Issuer Services

Issuers rely on the expert staff and service offering of Oesterreichische Kontrollbank AG.

Experience, independence and expertise are the basis for the confidence which Austrian issuers have in OeKB. Next to providing guarantees and financing for their international business, OeKB also supports Austrian companies by performing important functions in the capital market.

### Issuer Information Center



<http://issuerinfo.oekb.at>

The Issuer Information Center, developed by OeKB is a centralised online platform for required and voluntary disclosures by issuers to investors in Austria and other countries. It is accessible free of charge to the public and to market participants. In 2014, a total of 135 issuers used the Portal and sent about 3,000 notifications.

## AGM Services

OeKB offers issuers a comprehensive portfolio of services for organising and conducting annual general meetings. From the sensitive checking of registrations and custody receipts all the way to holding the physical meeting, clients can select just the individual modules they need, or outsource their complete AGM organisation.

On the day of the general meeting, after guest registration, OeKB works with Computer-share, the worldwide leader in AGM services, to offer

- straight-through processing of the data from the registration process, with attendance check,
- advanced vote counting technology,
- state-of-the-art voting methods and stage communications, and
- a back-office online chat facility with database management.



[www.oekb.at/en/  
capital-market/  
services-a-z/pages/  
agm-services.aspx](http://www.oekb.at/en/capital-market/services-a-z/pages/agm-services.aspx)

## Principal paying agent

As a principal paying agent, OeKB was responsible for 173 classes of securities of Austrian issuers in 2014. OeKB acts in this capacity for the payment of principal and interest on domestic bond issues of the Republic of Austria. It also handled the redemptions of 22 other bond issues that had already matured.

## MERCUR

OeKB has the mandate from the Federal Ministry of Justice for managing and publishing MERCUR, a gazette for information under the Act on the Cancellation of Lost or Stolen Securities ('Kraftloserklärungsgesetz'). In 2014 this involved the management of 309 securities classes.

## Organisation and administration of Austrian government bond issues

OeKB is the agent for the issuance of bonds of the Republic of Austria at auction. The bond auctions are conducted through ADAS (Austrian Direct Auction System), the automated electronic auction system developed by OeKB.

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



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

**Austrian Federal Government bonds issued in 2014**  
**Nominal value in € thousand**

1.650 %	<b>Bundesanleihe 2014-2024/1</b>	4,000,000
	First reopening	613,058
	Second reopening	495,000
	Third reopening	660,000
	Fourth reopening	1,100,000
	Fifth reopening	440,000
	Sixth reopening	882,292
0.250 %	<b>Bundesanleihe 2014-2019/2</b>	4,000,000
	First reopening	660,000
2.400 %	<b>Bundesanleihe 2013-2034/1</b>	
	Third reopening	471,319
	Fourth reopening	550,000
1.750 %	<b>Bundesanleihe 2013-2023/2</b>	
	Fifth reopening	660,000
	Sixth reopening	550,000
	Seventh reopening	770,000
1.150 %	<b>Bundesanleihe 2013-2018/3</b>	
	Second reopening	770,000
	Third reopening	660,000
	Fourth reopening	660,000
3.800 %	<b>Bundesanleihe 2012-2062/1</b>	
	Third reopening	483,666
1.950 %	<b>Bundesanleihe 2012-2019/3</b>	
	Seventh reopening	605,000
3.150 %	<b>Bundesanleihe 2012-2044/4</b>	
	Fourth reopening	550,000
	Fifth reopening	460,972
	Sixth reopening	540,000

**Notification office under the Capital Markets Act**



In 1992, under the Capital Markets Act, OeKB became Austria's official notification office. It maintains the new-issue calendar, manages the filing and storage of prospectuses and answers inquiries regarding compliance with formal disclosure requirements.

### *Prospectus Repository and new-issue calendar*

The notification office acts as the filing destination and repository for prospectuses prepared in compliance with the

- Capital Markets Act,
- Investment Fund Act,
- Real Estate Investment Fund Act and the
- Alternative Investment Fund Managers Act.

The prospectuses are stored for 15 years, to ensure preservation of evidence in case of future compensation claims.

The notification office maintains a calendar (required by the Capital Markets Act) of planned new Austrian issues of securities and investments, based on the related reports received.

#### *New issue calendar*

The new-issue calendar and fund documents are publicly available at <http://meldestelle-online.oekb.at>.



Quick facts for 2014:

- 1.5 million reports were processed for the new-issue calendar in the year
- About 7,000 prospectuses (including supplements/amendments) under the Capital Markets Act and fund documents under the Investment Fund Act, Real Estate Investment Fund Act and Alternative Investment Fund Managers Act were filed in the year.

### *Legal information system*

The notification office also answers inquiries regarding compliance with the formal disclosure requirements under the Capital Markets Act. It supplies copies of the documents filed and informs the Federal Ministry of Finance, the Financial Market Authority and the Austrian central bank of trends observed in the capital market.

### *Tax data for investment funds*

In accordance with the Investment Fund Act, OeKB as the notification office under the Capital Markets Act has responsibility for the centralised collection and publication of the data on capital yield tax amounts (the tax is known in Austria as 'Kapitalertragsteuer', or 'KESt') and EU withholding tax amounts for funds. Since the coming into effect of the Fund Reporting Regulation on 1 April 2012, both domestic and foreign fund companies whose funds are classified as 'capital yield tax reporting funds' report their tax data to OeKB. They file ad-hoc reports on distributions and, once per year, report full-year data on income deemed equivalent to distributions.

To this end, OeKB provides fund companies with an infrastructure, including the necessary electronic interfaces for collection of the data. OeKB publishes these tax amounts for currently 30,000 ISINs on [www.profitweb.at](http://www.profitweb.at) (in German only). The information is also available in the form of electronic files.



# “We often have a laugh too”

*Katja Titulski and Gero Sodja from OeKB Capital Market Services on zero error rates, flexible solutions and the power of a pleasant working environment.*

*The majority of capital market processes are now handled online. So to what extent is a personal relationship with the customer still important?*

**Gero Sodja:** Obviously a lot takes place automatically – which is a sign that the systems are working. But personal contact is still extremely important – for instance in terms of getting customer feedback. People used to make suggestions for improvements during the course of a phone call, today we have to be more proactive in asking our clients.

**Katja Titulski:** For us in Fund Data Services, personal contact is especially important in terms of developing new solutions. This happens mostly in work teams, where all of the stakeholders are represented. For instance, in collaboration with the Federal Ministry of Finance, representatives of the Federal Economic Chamber and the Institute of Austrian Certified Public Accountants, we worked out the best solution for calculating the capital gains tax on funds. OeKB has added this to its remit. As it is so often the case, we play kind of a mediatory role. This is our major strength and it's a role I also like.

*So in this context, what are your clients most happy about?*

**Titulski:** Cases where we are able to solve their problems. If, for example, an error occurs during data transmission, we have to identify what has gone wrong – even if it's not our fault. Which can be very time-consuming.

**Sodja:** My clients are happy when we go beyond our duty. We never tell anyone to just go and read the manual, nor do we bill every extra little service we provide. We also make clients happy by helping them to configure interfaces or lending their IT a hand. And a lot of people are surprised at just how unbureaucratic OeKB is.

*Why surprised?*

**Sodja:** Perhaps because we also perform legally defined tasks; a lot of people associate that with bureaucracy. But the fact is, our staff are extremely service-driven and highly motivated – and we have a good corporate culture. We often have a laugh too, and the pleasant atmosphere is reflected in how we deal with clients.



“WE ARE ABLE  
TO OFFER QUICK  
AND FLEXIBLE  
SOLUTIONS”

**KATJA TITULSKI**  
*Capital Market Services*

*What are you particularly proud of in your job?*

**Sodia:** The low rate of error. Most services, especially the management and execution of government bond auctions, have to be absolutely free of error – how they’re handled, the software and the hardware.

**Titulski:** Because our team works so well together, we can provide quick and flexible solutions.

*For example?*

**Sodia:** For depositing investment fund documents, we could offer clients a single option which they must then use. But we have offered several alternatives in order to meet a wide variety of customer needs.

**Titulski:** We have many interfaces. For tax reporting for funds alone we are linked to around 800 capital investment companies. So we need to offer services in such a way that enquiries are kept to a minimum and the parameters are clearly defined.

“A LOT OF PEOPLE  
ARE SURPRISED AT  
HOW UNBUREAUCRATIC  
WE ARE”

**GERO SODIA**  
*Capital Market Services*

## Financial Data Services



OeKB offers comprehensive financial data services for the Austrian capital market. In addition to master and transaction data on domestic and foreign securities, OeKB calculates and publishes data for domestic and foreign funds, fixed income securities and investment performance results of pension funds.

### *ISIN Services*

As the National Numbering Agency (NNA), OeKB on request assigns an International Securities Identification Number (ISIN) to a financial instrument. The ISIN uniquely identifies each financial instrument. The ISIN consists of the country prefix 'AT', a nine-character core of digits and letters that can be chosen by the issuer, and a check digit.



The ISINs are distributed by OeKB in accordance with ISO standard 6166 and are available in the ISIN directory at [www.profitweb.at](http://www.profitweb.at) (in German only). At year-end the ISIN Services were being used by 1,772 issuers. In 2014 OeKB issued 9,708 ISIN, of which 1,151 were for derivatives traded on the Vienna Stock Exchange. A total of 21,777 active ISIN were searchable in the ISIN directory at the end of 2014.

The 'ISIN Services' internet application allows applicants to request an ISIN online. Automated requests can be transmitted through an XML interface.

### *Legal Entity Identifier (LEI)*

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

The LEI is a 20-digit code assigned by so-called Local Operation Units (LOU). Since November 2014, OeKB verifies LEI applications of Austrian registrants, as the service partner to the LEI allocation agency WM Datenservice Deutschland. OeKB thus handles the role of providing customer service in Austria. In 2014, OeKB was responsible for the administration of about 5,000 LEI records.

### *Securities master data and transaction data*

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

In November 2014 OeKB completed the implementation of the Financial Instrument Short Name (FISN), a global standard for the naming of financial instruments. This makes Austria one of the first countries to have successfully put this ISO standard into practice, along with markets such as Germany, Spain and the USA.

### **Price and rate data**

For valuation purposes, OeKB provides the following content through data feeds:

- Prices of securities traded on the Vienna Stock Exchange (CEESEG AG)
- Prices of unlisted Austrian securities
- Prices of international securities
- Reference exchange rates of the ECB.

### **Profitweb**

Profitweb is an online platform for securities data, offering the following benefits:

- Master and transaction data on 1,859,951 active domestic and foreign financial instruments
- Price and transaction data, classification data, performance and risk indicators, volumes and portfolios of all Austrian funds and all foreign funds registered for sale in Austria
- Search functions
- Customisable analysis/reports, at data field level
- Charting tool
- Download options for all analyses and historical data
- Publication of capital yield tax data under the Fund Reporting Regulation.

### **Portfolio data**

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

### **Fund Processing Passport (FPP)**

Through the Fund Processing Standardisation Group, the European Fund and Asset Management Association (EFAMA) carefully analysed the efficiency of back office processes. Based on the insights gained, the Fund Processing Passport was developed. This document is harmonised across Europe and contains all essential operational information about a given fund.

Under contract to the Association of Austrian Investment Companies (VÖIG), OeKB collects and distributes the FPP data for the Austrian fund companies. This service for investment companies is available via [www.profitweb.at](http://www.profitweb.at) (in German only). It is also accessible through EFAMA's central FPP Portal, in which OeKB acts as one of the five European Primary Providers.



At its website [www.efama.org](http://www.efama.org), EFAMA offers centralised access to all existing European FPPs. With this FPP Portal, EFAMA intends to move a step closer to its goal of creating an efficient, single European market for investment funds.



## Notification of fund actions



Information on notification of fund actions is available at [www.oekb.at/en/capital-market/notifications/fund-notifications/funds-measures](http://www.oekb.at/en/capital-market/notifications/fund-notifications/funds-measures)

Under section 133 of the Investment Fund Act, fund companies must inform investors of certain fund actions or events. To enable companies to comply rapidly with their notification obligations, OeKB developed a solution for the Austrian fund industry that makes the following functions available:

- Transfer of information and documents on fund actions: The data is transferred via the Fund Upload Client, which is also used for filing tax information.
- Display in Issuer Information Center: The information is made available through the website, <http://issuerinfo.oekb.at>, which anyone can access free of charge. As well, investors and others can opt to be notified automatically by e-mail alert when relevant new information is posted on the site.
- Forwarding by SWIFT/e-mail: The notifications of fund actions are distributed via SWIFT (MT564) or e-mail specifically to custodians and CSD.Austria account holders.



## OeKB Sustainability Fund Index (OeSFX)



Details on the OeSFX and current prices are available at [www.oesfx.at](http://www.oesfx.at)

Investors are increasingly putting their money into companies that consciously meet certain standards of environmental or social responsibility. To achieve broad risk diversification, a promising strategy for these investors is to buy environmentally or socially responsible funds. This is often referred to collectively as socially responsible investing (SRI), ethical investing or sustainable investing. With the OeKB Sustainability Fund Index developed by OeKB, investors can compare the performance of such funds to that of the entire universe of sustainable equity funds registered for sale in Austria. Through this index, OeKB is supporting wider commitment to sustainable business.

## Central Securities Depository Austria (CSD.Austria) and processing of off-exchange securities transactions

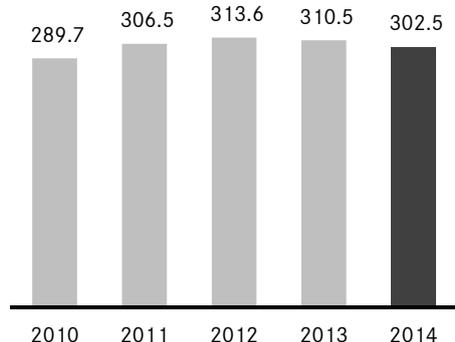
OeKB established CSD.Austria as a system and has operated it since 2003 on the basis of a ruling by Austria's central bank.

A book entry transfer of securities at CSD.Austria eliminates the need to move physical securities. Instructions for securities transfers are generally placed electronically through OeKB's Direct Settlement Advanced (DS.A) system.

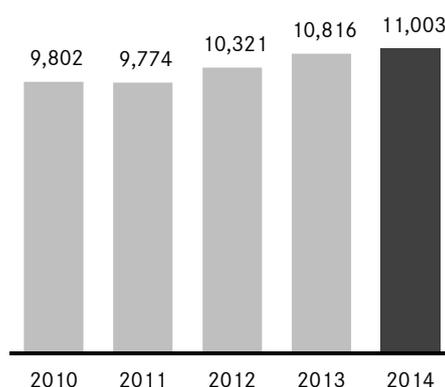
Through collective custody, banks that maintain accounts at CSD.Austria gain the benefits of greater efficiency and security in the safekeeping and administration of securities. What is more, they save time and costs in their own in-house custody activities.

At 31 December 2014, CSD.Austria held 20,397 classes of securities for 138 depositors<sup>1</sup> (prior year: 23,100 and 152, respectively).

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



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



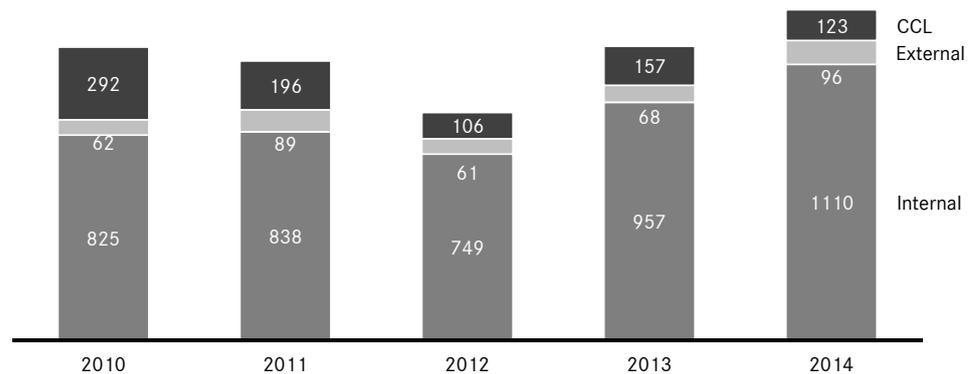
<sup>1</sup> Subject to approval by CSD.Austria, the following types of institutions may hold custody accounts: credit institutions, registered securities firms, members of a domestic securities exchange, official brokers of the Vienna Stock Exchange, foreign central securities depositories, and securities clearing houses. CSD.Austria may also admit other persons or legal entities as depositors.

The transactions settled within the DS.A system are classified into three types as follows:

- Internal** ■ Transactions between two CSD.Austria account holders ('Internal' transactions)
- External** ■ Transactions between a CSD.Austria account holder and a counterparty having an account at another custodian of CSD.Austria ('External' transactions)
- CCL** ■ Transactions from the Custody Clearing Link ('CCL' transactions).

#### CSD.Austria

Number of transactions settled in thousand



The custody account balances shown in these charts underline the important role which CSD.Austria, and hence the non-physical transfer of securities, have come to play in Austria. Approximately 90% of the nominal value of Austrian debt securities, more than 90% of the nominal amount of all listed Austrian equity securities and over 70% of Austrian 'certificates' (the popular structured products known as 'Zertifikate') are under custody with and serviced by CSD.Austria.

#### Settlement finality act

A decision of Oesterreichische Nationalbank on 9 December 2003 recognised CSD.Austria as a system for the purposes of the Settlement Finality Act. Through the Settlement Finality Act, Directive 98/26/EC of the European Parliament and Council of 19 May 1998 (the Settlement Finality Directive) was transposed into national law in Austria. The purpose of the Settlement Finality Act is to improve the protection of participants in systems defined under the Act in the event of insolvency of another participant. When this occurs, the status of CSD.Austria as a system under the Settlement Finality Act places the customers of CSD.Austria in the best possible legal position.

#### European developments

In 2012 the European Commission drew up a proposed Regulation called the CSDR on improving securities settlement in the European Union and on central securities depositories. After a demanding discussion process in which CSD.Austria took an active part, the CSDR entered into force in September 2014. The regulation makes it necessary to spin off the business of CSD.Austria into a subsidiary. The new subsidiary can be expected to be authorised in 2016 as a central securities depository under the CSDR.

### ***Custody Clearing Link (CCL)***

The Custody Clearing Link (CCL) service and the related service of order routing enables the customers of CSD.Austria to trade and settle securities on the Frankfurt Stock Exchange and all seven German regional exchanges.

Under the CSDR, such services can no longer be offered by a central securities depository. These services will therefore be discontinued in the course of 2015.

### **CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH**

CCP Austria acts as the clearing agent for the Vienna Stock Exchange and is the central counterparty for all trades concluded on the exchange. CCP Austria makes a major contribution to the stability of the financial market.



The net securities balances are posted in the CSD.Austria accounts of the Vienna Stock Exchange members. The clearing of stock market transactions in the cash market employs the new clearing solution developed by the London Stock Exchange Group. This multi-market and multi-currency capable system provides the basis for a cross-border clearing infrastructure for Central and Eastern Europe.

Since March 2014, derivative financial instruments are no longer traded on the Vienna Stock Exchange. As a result, CCP Austria no longer clears derivatives transactions.

CCP Austria serves about 60 clearing members from Austria and eight other countries and manages a collateral pool worth more than € 220 million. Approximately 10,000 different securities are cleared through the cash market clearing system, such as equities, bonds, structured products and warrants.

On 14 August 2014 the Austrian Financial Market Authority (FMA) authorised CCP Austria as a clearing house under the European Market Infrastructure Regulation (EMIR). The purpose of EMIR is to improve financial market stability by unifying the legal framework for clearing agents in the EU. This reduces risks for market participants.

The authorisation for CCP Austria received the green light from an international so-called 'college of regulators' as required by EMIR. The approval followed a major programme of technological, organisational and functional preparations. These requirements include, among others:

- The more stringent capital requirement for the clearing agent
- Changes to account management (account segregation) and to the calculation method for the clearing fund
- The procedure in the event of default of a clearing member.

Becoming an EMIR-certified central counterparty marked the biggest milestone since CCP Austria's founding ten years earlier. CCP Austria is the eleventh European clearing house to have received EMIR certification.



The authorisation under EMIR reinforces CCP Austria's position as a committed, capable and essential hub of Austria's capital market infrastructure.

## Energy Market Services

The liberalised energy market has been a beneficiary of the expertise accumulated by OeKB for more than a decade. As a result of the liberalisation of the Austrian energy markets (since 2001 for electricity and since 2002 for natural gas), OeKB operates clearing agencies:

- Independent clearing houses that deal with ascertaining balancing energy and provide clearing services
  - APCS Power Clearing and Settlement AG
  - AGCS Gas Clearing and Settlement AG
  - A&B – Ausgleichsenergie & Bilanzgruppen-Management AG
- EXAA Energy Exchange Austria - Abwicklungsstelle für Energieprodukte AG
- OeMAG - Abwicklungsstelle für Ökostrom AG.

Under these mandates, OeKB is responsible for financial clearing, risk management and credit rating services.

Moreover, OeKB Group provides Austrian companies with an efficient outsourcing solution for trading in carbon dioxide certificates (EUA, CER).

### Services to the balancing energy market for electricity and gas



More on APCS, AGCS, their products and services [www.apcs.at](http://www.apcs.at), and [www.agcs.at](http://www.agcs.at) (in German only).

APCS Power Clearing and Settlement AG (APCS) was licenced in 2001 as the balancing energy clearing agent for electricity, and AGCS Gas Clearing and Settlement AG (AGCS) was licenced in 2002 as the corresponding agent for gas, by the Federal Ministry of Science, Research and the Economy. They thus play an important part in the liberalised Austrian energy market.

The main responsibility of APCS and AGCS is to provide a competitive balancing energy market for electricity and gas.

### Energy Exchange Austria



More on EXAA, its products and services: [www.exaa.at](http://www.exaa.at)

In 2002, Energy Exchange Austria (EXAA - Abwicklungsstelle für Energieprodukte AG) used the full liberalisation of the Austrian electricity market to open for trading in the electricity spot market. In 2014 the product range was expanded by quarter-hour products. In addition to the usual responsibilities of an exchange, EXAA acts as the central counterparty for all trades.

### Clearing and settlement agent for green electricity



Mehr über die OeMAG, ihre Produkte und Services unter [www.oem-ag.at](http://www.oem-ag.at)

OeMAG Abwicklungsstelle für Ökostrom AG was set up in July 2006 under the amendment of Austria's Green Electricity Act, which introduced a uniform Austria-wide approach to the subsidisation of electricity from environmentally friendly sources. OeMAG handles the clearing and settlement of the green electricity subsidies and is the appointed sole clearing and settlement agency for subsidised green power in Austria.

## Services as a clearing bank to European Commodity Clearing AG (ECC)

Since 2012, OeKB provides the services of a clearing bank as a general clearing member for the spot energy market. The clearing bank function consists of providing accounts, payment processing and collateral management for exchange members.



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

## Carbon emission trading services

The OeKB Group provides an easy solution for the cost-efficient and convenient buying and selling of spot carbon dioxide allowances over-the-counter.

## Research Services

2014 was a turbulent year globally. Economically it was marked by disappointed expectations and uncertainty. In such an environment, reliable information is of the essence. Companies with international operations thus made intensive use of OeKB's Research Services offering in 2014.



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

The core competency of OeKB Research Services is the systematic collection, analysis, structuring and modelling of data and the production of studies. Focused consulting rounds out the portfolio of services. The customers include both medium-sized and large companies, often with a global presence, as well as public and private institutions. What they particularly value about OeKB Research Services is its many years of experience and its combination of deep macroeconomic and business expertise.

## Economic & Business Research

The services of the Economic & Business Research segment are targeted primarily to international companies, commercial and development banks as well as Austrian federal government institutions. Demand grew substantially in 2014. Austrian businesses are beginning again to look increasingly into expansion projects. In addition, many companies seek to identify trends, and especially trend reversals, as early as possible.

In 2014, OeKB Research Services prepared analyses and informative studies concerning, for example, sector or market specifics, technology trends or issues of structure. Moreover, client agenda also included proof of concept for Greenfield projects and expansion projects as well as joint ventures. The Economic & Business Research activities provide five main types of services:

### ***Analyses of Market Potential and Business Segments***

Essentially, clients seek to gain a better understanding of the future growth opportunities of economies, markets, industries or technological trends. Customers commissioned the research team to formulate specific approaches to regional strategy and conceive options for the development of individual target markets or for entering new business segments.

### ***Country Analysis & Scoring***

To support regional market development strategies, OeKB Research Services has created a scoring model for global companies that allows countries to be rated by their specific market potential. This permits the structured evaluation of planned expansion strategies in terms of their likelihood of success. The scoring model is supplemented with country-specific investigations, including more detailed analyses of the potential of the main target markets.

### ***Opportunity & Feasibility Studies***



The focus in Opportunity & Feasibility Studies is on the evaluation of Greenfield or expansion projects in accordance with internationally recognised standards. The studies are prepared using COMFAR, a software program from UNIDO, the United Nations Industrial Development Organization. To produce reliable results relevant to practical decision-making, OeKB develops scenarios and, in the case of large projects, also analyses the macroeconomic impacts. In preparation for project-specific feasibility studies, OeKB Research Services additionally performs opportunity studies to gauge the general potential rewards of doing international project business in countries of interest.

### ***Location Research and Evaluation***

Some clients retained OeKB Research Services to survey qualified target groups of companies for their opinion and rating of potential business locations and to perform a structured analysis of the responses collected. The assessment of a given country's policies for attracting businesses was also a crucial aspect in this. The research group provided the respective principals with a nuanced picture of the attractiveness of potential business locations, which the clients then used to make recommendations to political decision-makers.

## Strategic Consulting

Consulting services were in growing demand in 2014. What OeKB offers clients is the development of concrete approaches for growing their business operations and improving their strategic positioning. To this end, OeKB Research Services, using the respective study results, developed possible future courses of action and strategic concepts for its clients.



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

## OeKB Business Climate Index for Central and Eastern Europe

OeKB Research Services developed this product in 2007. The goal is always to support international companies, as well as analysts and market watchers, in their Central and Eastern Europe activities. Leading indicators for a total of 21 countries in Central, Eastern and Southeastern Europe help identify regional opportunities early on while at the same time facilitating reliable risk monitoring.

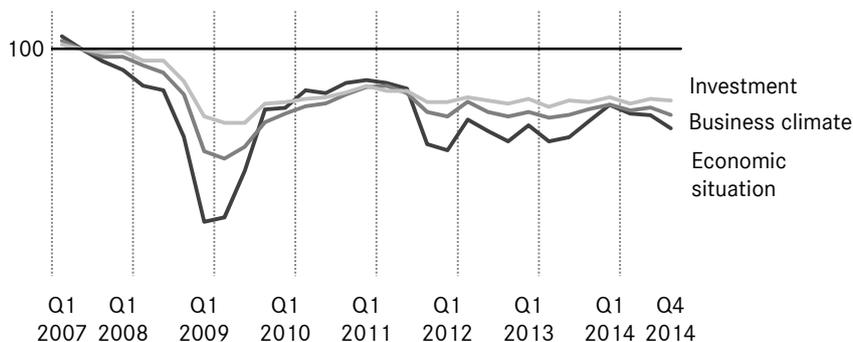
With regard to the difficult economic situation prevailing in the region, which varies substantially from country to country, the Index again proved an effective bellwether in 2014. It provides a highly nuanced, real-world picture of how global companies in different sectors view the situation and outlook for Central and Eastern Europe as a whole and for the individual sectors and countries within the region.

The CEE Business Climate Index has been marketed worldwide for several years through Thomson Reuters. Additionally, the quarterly leading indicators regularly enable companies in the region to review and update their strategies.



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

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



Source: OeKB Research Services  
OeKB CEE Business Climate Index

## Online Press Review

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

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

## Organisation and IT services

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

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

## SWIFT Access Service

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

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

## Balance sheet data transfer system

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

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

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

In 2014, the number of participating certified public accountants rose up to 876.

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

OeKB-BS, a wholly-owned subsidiary of OeKB, is a specialised IT service provider. At OeKB-BS, 'IT' also stands for 'integrated thinking'. What this means is that OeKB-BS always strives to keep the big picture in mind, combining technical implementation with proven methods and processes and appropriate accompanying organisational measures. This consistently ensures successful solutions.

OeKB-BS specialises in implementing social intranet systems and collaboration portals using Microsoft standard software and in providing solutions for online data management and business process management. In doing so, OeKB-BS relies upon proven technologies, such as Microsoft SharePoint, Office, .NET, Java, smartGWT and HTML5.



*More on OeKB Business  
Services GmbH, its products  
and services:*

[www.oekb-bs.at](http://www.oekb-bs.at)

*(in German only)*

# “Convincing with fair conditions”

*Monika Seitelberger, International Finance, and Hans-Rainer Miehl from the OeKB Credit Department, on their respective clients, central banks as “regular clients”, operating in financial markets and developing personal business relationships.*

*Mrs Seitelberger, OeKB refinances itself by issuing bonds and the task is to find suitable investors?*

**Monika Seitelberger:** Our clients are located worldwide, for instance central banks in Asia, North and Latin America, Europe and the Middle East. The investor base also includes fund and asset managers, bank treasuries, corporates as well as insurance and pension companies.

*Mr Miehl, you offer banks a funding scheme for export credits.*

**Hans-Rainer Miehl:** Yes, whereby we are focused more on Europe, but we also have customers/banks outside the EU, for example in Japan and Australia.

*How do Austrian exporters benefit from banks outside the EU?*

**Miehl:** Quality-conscious importers are increasingly seeking goods and services from Austria and from Austrian commercial partners, for instance in Germany and Switzerland. For this purpose they mandate banks, which can also be outside the EU. As long as some Austrian content is involved, typically in

the form of subcontracted supplies, eligible banks have access to our funding scheme, irrespective where they are based. In many cases we refinance the entire transaction, not just the Austrian supply side.

*So you are approached by foreign banks not just because of the conditions?*

**Miehl:** Our interest rates are competitive both in Austria and internationally. Combined with top quality, "Made in Austria", we are attractive to customers all over the world.

*Back to the investors: why do they buy OeKB bonds?*

**Seitelberger:** The explicit guarantee of the Republic of Austria with its high quality credit rating is what this category of investors is looking for. A further incentive to buy is OeKB's excellent track record since the 1970s, fair pricing in the primary market as well as a solid performance in secondary market trading.

*Do you have anything like regular investors?*

**Seitelberger:** We do very often see the same names buying our credit. But there have

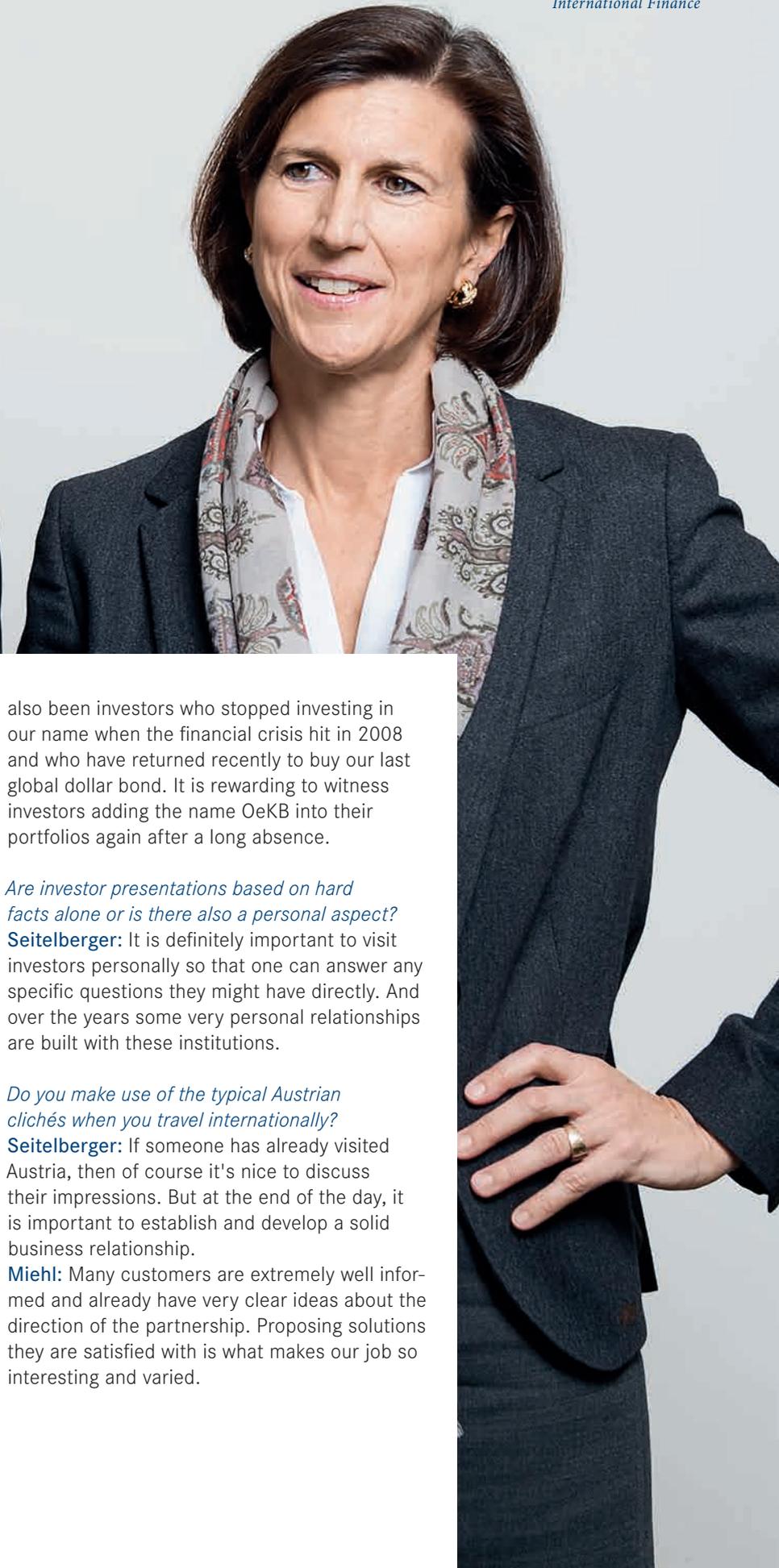


**“MANY CUSTOMERS  
ALREADY HAVE  
CLEAR IDEAS –  
WE FIND THE  
RIGHT SOLUTION”**

**HANS-RAINER MIEHL**  
*Credit Department*

**“THE DIRECT CONTACT  
WITH INVESTORS  
IS IMPORTANT”**

**MONIKA SEITELBERGER**  
*International Finance*



also been investors who stopped investing in our name when the financial crisis hit in 2008 and who have returned recently to buy our last global dollar bond. It is rewarding to witness investors adding the name OeKB into their portfolios again after a long absence.

*Are investor presentations based on hard facts alone or is there also a personal aspect?*

**Seitelberger:** It is definitely important to visit investors personally so that one can answer any specific questions they might have directly. And over the years some very personal relationships are built with these institutions.

*Do you make use of the typical Austrian clichés when you travel internationally?*

**Seitelberger:** If someone has already visited Austria, then of course it's nice to discuss their impressions. But at the end of the day, it is important to establish and develop a solid business relationship.

**Miehl:** Many customers are extremely well informed and already have very clear ideas about the direction of the partnership. Proposing solutions they are satisfied with is what makes our job so interesting and varied.

# Stakeholder relations and dialogue



G4-15, 16, 26, 27, 41, S01,  
FS1, FS5  
PR5

## Customer satisfaction and customer care

OeKB Group's services aim to support and strengthen the export industry and capital markets. To achieve this, the Group frequently involves customers in its product development and improvement processes. Customer wishes and needs are identified, for instance, through personal conversations, structured interviews, electronic surveys and special customer forums. The results are integrated into the conception, structuring and design of software applications.

OeKB Group companies organise customer information events where customer feedback is also collected and participants are able to exchange knowledge. Moreover, representatives of all OeKB Group business segments participate in external events which are relevant to customers, both by contributing content and using networking activities.

### *Examples of ways in which customer relationships are cultivated by the Export Services segment are*

- the Export Services newsletter delivered several times per year to customers and other interested parties;
- the OeKB seminar on Export Services (known as "Exportakademie") intended for exporters and banks;
- an annual information and dialogue breakfast with banking colleagues;
- site visits to existing and prospective customers and
- customer events held jointly with commercial banks all over Austria.

### *Examples of ways in which customer relationships are cultivated by the Capital Market Services segment are*

- activities include holding information and networking events for capital market players,
- helping customers stay abreast of current developments through newsletters.
- OeKB also regularly provides capital market customers with information on the latest developments in the harmonisation of international securities; a website has been set up for this purpose at [www.oekb.at/harmonisierung](http://www.oekb.at/harmonisierung) (in German only).



### **RELEVANT**

Customers and other interested stakeholders are additionally kept up to date through RELEVANT, the magazine of OeKB Group published four times a year. Moreover, each issue of this publication features projects and OeKB customers' success stories.



The current version of RELEVANT for download at <http://relevant.oekb.at> (in German only)

## OeKB Investor Relations

Regular road shows are a cornerstone of OeKB's efforts to diversify and expand its investor base. Last year meetings were organised with investors in Asia and the USA, who later participated in OeKB's bond issues. In addition, OeKB attends issuer and investor conferences arranged by various banks to meet with central banks, official organisations, insurers, asset managers, bank treasuries and investment funds. These investors buy OeKB's debt securities due to their very high credit quality, the explicit guarantee of the Republic of Austria, their rarity value and excellent performance in the primary and secondary markets. To measure its success as an issuer in the capital markets, OeKB compares its performance with that of its peer group, which include sovereign issuers, multilateral organisations as well as other export credit agencies.

### **Rating agencies**

Due diligence meetings with the rating agencies Standard & Poor's and Moody's are scheduled annually. Rating reports are published on a yearly basis and can be found on the OeKB website.



[www.oekb.at/en/investor-relations/rating](http://www.oekb.at/en/investor-relations/rating)

### **Roundtable**

In December 2014, OeKB organised its twenty-fourth Roundtable. This is a forum attended by experts from Austria and abroad to discuss current topics relating to economic developments and finance. Special subjects analysed and debated include for example environmental or demographic issues. The Roundtable is the result of OeKB's broad network and close relationship with international banks and public sector institutions.

## Dialogue with civil society



G4-37, 58

Members of civil society (committed citizens or groups) address OeKB almost exclusively in its role of national export credit agency that is acting on behalf and for the account of the Federal Ministry of Finance. In concreto, this refers to large projects with potentially high impact on the environment, on social issues and on human rights, which OeKB assesses or for which the Austrian Government has either provided or held out the prospect of a guarantee.

Relevant NGOs are organised in the ECA Watch Austria platform. OeKB has been keeping up the dialogue with this platform over the years. In doing so, OeKB always actively informs these NGOs as soon as project information is published on the OeKB website in compliance with OECD standards.

In return, ECA Watch Austria contacts OeKB if it deems feasible applications on the part of OeKB customers and provides to OeKB information concerning projects, respectively sensitive locations or sectors. Such information is useful to OeKB as it may be relevant for its audit activities or for potential applicants in terms of ensuring a holistic view on a particular project and its periphery.

Moreover, OeKB invites representatives of civil society and other stakeholders to participate in its annual sustainability event and in other meetings.



See **Membership/  
networking**

Also, OeKB, itself, holds memberships in civil society initiatives, for instance being corporate member of Transparency International - Austrian Chapter and of respACT Austrian business council for sustainable development.

Similarly, in its capacity of development bank of Austria, OeEB is maintaining a dialogue with civil society (e.g. "Netzwerk Globale Verantwortung", a Central European network for global responsibility and exchanges views with these, for example during events and in personal conversations. OeEB deems its services supplementary to and supportive of the work of Austrian politics, investors, banks and civil society towards development in the poorer countries of this world.

## Membership/networking

Various memberships of OeKB Group companies focus on organisations and initiatives that are essential for achieving business objectives. Moreover, OeKB Group thus emphasises its commitment to issues concerning the national economy and civil society.



An excerpt of our memberships is available at [www.oekb.at/de/unternehmen/ueberblick/netzwerke](http://www.oekb.at/de/unternehmen/ueberblick/netzwerke) (in German only)

## Federal Ministry of Finance

OeKB is regularly coordinating its activities with the Federal Ministry of Finance in terms of guarantees and financing, particularly in the soft loan sector.

Following a proposal from OeKB, the basic parameters for coverage of export business with specific countries are determined and published in the form of country policies on the OeKB website at [www.oekb.at/en/export-services/managing-risks/export-guarantees/country-policy/pages/list-of-countries.aspx](http://www.oekb.at/en/export-services/managing-risks/export-guarantees/country-policy/pages/list-of-countries.aspx).



Moreover, OeKB advises the Federal Ministry of Finance on financing issues and submits proposals for recipient countries and specific soft loan terms.

OeKB performs the banking assessment of applications for business transactions, including summary reports to the Federal Ministry of Finance and, from there, to the members of the advisory and export financing committees. In addition, OeKB and the Federal Ministry of Finance exchange information on a regular basis, such exchange being intensified with regard to specific, major cases and in case of critical, current developments (e.g., substantially increased political risk in the target country).

OeKB prepares reports on a quarterly basis, which serve the Federal Ministry of Finance as the basis for information submitted to parliament. Moreover, OeKB provides basic data to the Federal Ministry of Finance for the annual report to the Main Committee of the National Council, i.e. "Activity Report of the Advisory Committee Pursuant to Article 6, Austrian Export Guarantees Act". OeKB also supplies the Federal Ministry of Finance with necessary information for enquiries.

With regard to granting loans and processing guarantee applications under the Austrian Export Guarantees Act, OeKB is subject to compliance with international regulations (OECD Arrangement on Officially Supported Export Credits). Such regulations are negotiated and discussed in Brussels, on EU level, and in Paris, on OECD level. In this context, OeKB acts as advisor to the Federal Ministry of Finance, which heads the Austrian delegation on the international level.

## Events and awards



FS5

### CSR Dialogue / Polit-Talks



More about the  
CSR Dialogue at  
[www.csrdialog.at/  
csrtalks/](http://www.csrdialog.at/csrtalks/)

On 18 June members of different political parties discussed how politics could lay a role in enabling companies to behave in a socially responsible way. Tax incentives and new forms of public procurement were debated, as were comprehensive reporting and greater transparency in order to make Corporate Social Responsibility more attractive to companies. The possible solutions offered consisted of a more active role for Austria's social partners in combination with strengthened and clear communication.

### CEE Impact Day

*"The meaning of wealth is to make a positive contribution to humanity and the planet"*  
(Charlie Kleissner)



<http://ceeimpactday.org/>

The CEE Impact Day forms the climax and, at the same time, the final event of the Investment Ready Program. During this event, a selection of handpicked, young "socially-minded entrepreneurs" are given the opportunity to meet potential investors from the investment sector to facilitate the implementation of their projects. The precondition is that these young entrepreneurs have first completed the Investment Ready Program. Impact investment, itself, is deemed a new form of investment, since it focuses on having a positive impact on the environment and society, rather than on maximising financial returns.



[http://investment-  
ready.org/](http://investment-ready.org/)

In 2014 OeKB once again hosted the Impact Day in its Reitersaal hall, which was nicely filled with more than 100 participants. However, this year OeKB was not only hosting the day, but also a session presenting a new idea in the field of crowd-investing, which was discussed excitedly on the fringes of the event.

### Austrian Sustainability Reporting Award (ASRA)



More information about  
ASRA at  
[www.kwt.or.at/de/  
desktopdefault.aspx/  
tabid-144/](http://www.kwt.or.at/de/desktopdefault.aspx/tabid-144/)  
(in German only)

Since the year 2000, the Chamber of Certified Public Accountants, the Institute of Austrian Auditors and other cooperation partners have been jointly presenting the Austrian Sustainability Reporting Award (ASRA) for the best sustainability reports by Austrian companies

ASRA 2014 ranked the first Integrated Report by OeKB Group third in the category integrated reporting. Once again Palfinger AG was awarded the prize for the best report followed by EVN, OeKB and VBV. This was the twelfth time that OeKB Group had received an ASRA award, including three first and three second places.

## Green Publishing Award

RELEVANT, OeKB group's client magazine, came second in the category Green Publishing at the Best of Corporate Publishing Award (BCP) 2014. The BCP is Europe's largest CP competition, with more than 700 publications submitted annually. The jury consists of around 160 notable journalism, art-direction, marketing, corporate and in-house communications, and print and direct-marketing experts. The "Green Publishing Award" is given to especially sustainably produced media printed on recycled paper.

Why is RELEVANT "green"? For OeKB sustainability is a key corporate value, which can also be seen in the realisation of RELEVANT: on the one hand, in the selection of the content, on the other hand in the production. The magazine is printed on wood-free recycled paper that has itself been awarded several eco-labels. Although the paper is uncoated, its high-quality makes exceptionally brilliant colour-reproduction possible. The large volume of the paper (1.3 fold) gives the magazine body despite its relatively low number of pages. The colours used are exclusively vegetable-oil based. The entire printing process is powered by renewable energy and is carbon neutral.

## Austrian Public Reporting Award

A jury judged more than 150 reports by Austrian companies on completeness, significance, transparency and clarity. The jury consisted of (amongst others) analysts, fund managers and experts from the Vienna University of Economics and Business, and was presided over by Otto Janeschek, from the Institute for Strategic Management and Management Control.

OeKB Group's integrated report was ranked second in the category unlisted companies with 75.6 out of 100 points, followed by Novomatic AG (71 points). Raiffeisen-Holding/Raiffeisenlandesbank NÖ Wien came first (79.8 points).

To see the complete ranking, go to [www.industriemagazin.at/ranking/apra](http://www.industriemagazin.at/ranking/apra) (German only).



# Certificate and validation

## European Market Infrastructure Regulation (EMIR)

CCP Austria (CCP.A), Austria's clearing house for Stock Exchange transactions, received the authorisation to act as a clearing house pursuant to the European Market Infrastructure Regulation (EMIR) from the Austrian Financial Market Authority (FMA) in August 2014.

EMIR came into force in August 2012 and aims to increase financial market stability by standardising the legal framework for clearing houses in the European Union

## Eco Management and Audit Scheme (EMAS) und ISO 14001

EMAS was launched by the European Commission in 1993 to demonstrate that the enhancement of environmental performance also leads to improvement in competitiveness.

In 2003, sustainability management was introduced at OeKB at first just for OeKB AG. In the following years it was extended to include almost the whole group. It is in accordance with both EMAS, ISO 14001 and the guidelines of the Global Reporting Initiative (GRI)

The EMAS-certified companies in OeKB Group are directly integrated in terms of their internal processes, e.g. procurement, energy and facility management, as well as internal auditing. The internal audit of the sustainability management system is conducted annually by the Internal Audit department in accordance with OeKB's audit plan.

The sustainability team meetings can be attended by the Group companies, and the sustainability system thus forms an interlinking, joint management system.

# Personnel and responsibilities

Appreciation and recognition create a positive work environment, which promotes identification with the company and thus stimulates productivity. Interesting work and flat hierarchies make for attractive, responsible jobs. Mutual trust between employer and employees makes it possible to use innovative work schedules that reflect a focus on performance over attendance. A comparatively stable work setting, relative job security and low employee turnover are other features that make the Group an attractive employer. The convenient office location in Vienna's city centre is easily accessible by public transit.



G4-10, LA1

Four broad skill sets specifically sought in employees – entrepreneurial spirit (thinking and acting like entrepreneurs), leadership, joining forces (working together), and generating positive energy – are considered critical success factors for the future of OeKB Group. Within these general skill sets, 15 individual abilities are distinguished by which management and technical staff are measured.



# “Everyone here is passionate about their projects”

*Sabine Gaber and Leila Khoshideh-Handler of Oesterreichische Entwicklungsbank AG (OeEB) on economic and personal added value, challenging markets and bank customers who become companions.*

*Mrs Gaber, OeEB has a clearly defined USP..*

**Sabine Gaber:** Yes, in line with our mandate we are the only bank in Austria to finance private investments in challenging developing countries and emerging markets in the long term. We accompany our clients for the duration of an entire project, not just for the economic implementation of projects, but we also pay particular attention to the implications of development policy and adherence to environmental and social standards. We don't shy away as soon as things get tough, we help to get the project back on track and we provide expertise.

**Leila Khoshideh-Handler:** Since 2012 we've also been able to invest equity in companies – on trust for the Republic of Austria – often together with an Austrian company.

*So you facilitate transactions in countries which other banks wouldn't touch?*

**Gaber:** Correct. We essentially deal with difficult, less regulated markets where there is little access to capital and entrepreneurship is very restricted. But with a comprehensive, careful risk analysis, it is absolutely possible to gain a foothold in these markets and to do business in line with our development policy remit.

*So your client is, indirectly, every Austrian citizen. What do the tax payers get out of it?*

**Gaber:** The growth of the private sectors in these countries has created new value-added chains locally, as well as new export markets for Austrian companies. Plus OeEB is able to help Austrian companies with tailor-made financing solutions in these difficult markets, where commercial banks are unwilling to provide finance. This creates added value for both the target country and Austria.

*And what is the added value for you personally?*

**Khoshideh-Handler:** We both come from commercial banks, and our job has always been to generate profit. We hope to continue doing that, because our projects should sustain themselves in the long term. But we also want to achieve something sustainable – and have successful customers.

*For example?*

**Khoshideh-Handler:** We invested in the first commercially operating fund, focusing on renewable energy, in Nepal. This project



“EVEN IN CHALLENGING  
MARKETS IT’S POSSIBLE  
TO GAIN A FOOHOLD”

**SABINE GABER**

*Oesterreichische Entwicklungsbank AG*

would never have gotten off the ground without our contribution. As a result, we achieved something concrete in a country: the fund founder is happy with the fund, I’m happy – and it’s also good for the people: after all, there can be no economic growth without electricity.

**Gaber:** We receive a great deal of thanks and our clients are interested in a reliable partnership.

**Khoshideh-Handler:** Yes, a partnership that needs to be nurtured. We are always on the phone with our clients and see each other at least once a year.

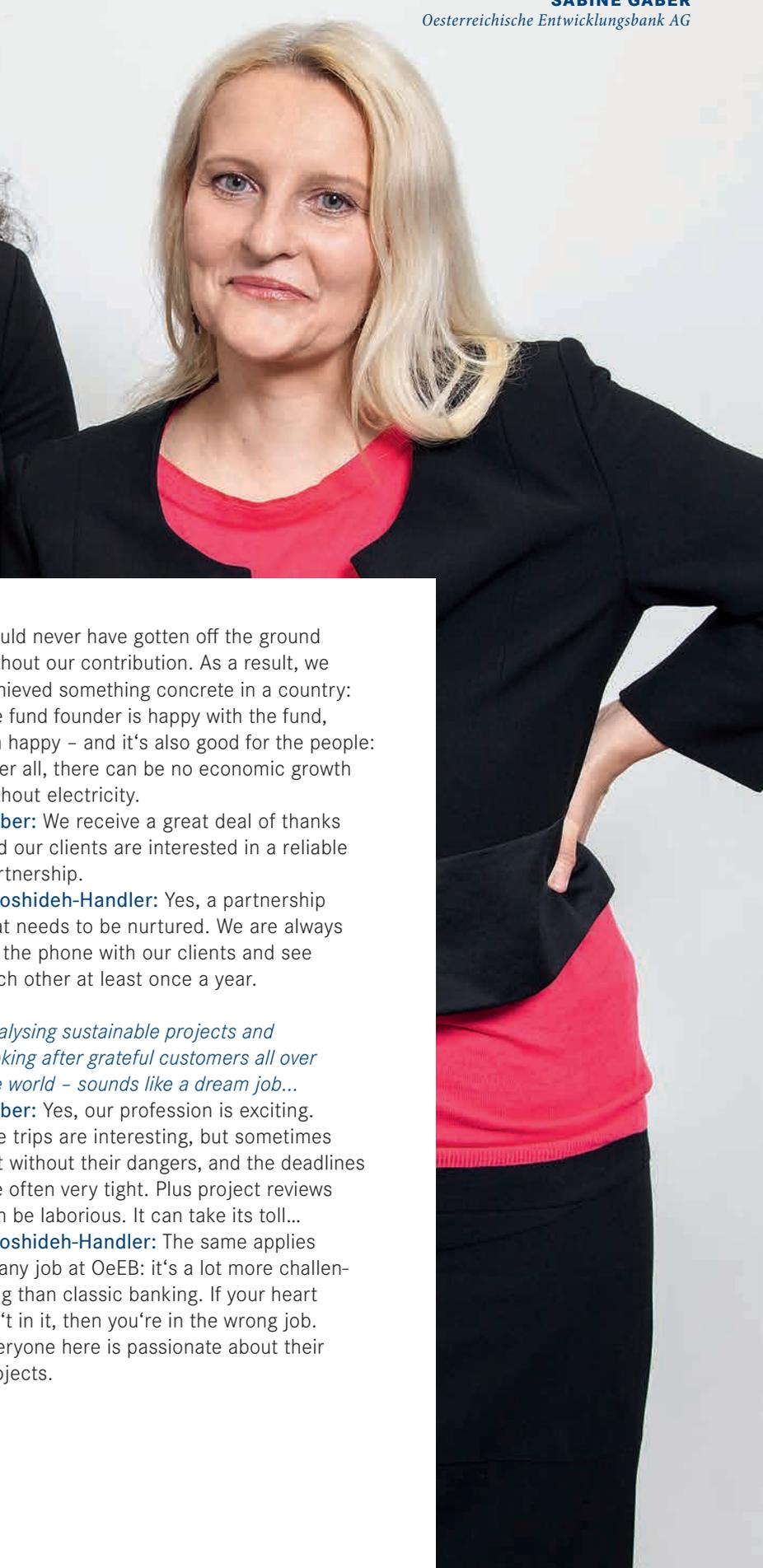
*Analysing sustainable projects and looking after grateful customers all over the world – sounds like a dream job...*

**Gaber:** Yes, our profession is exciting. The trips are interesting, but sometimes not without their dangers, and the deadlines are often very tight. Plus project reviews can be laborious. It can take its toll...

**Khoshideh-Handler:** The same applies to any job at OeEB: it’s a lot more challenging than classic banking. If your heart isn’t in it, then you’re in the wrong job. Everyone here is passionate about their projects.

“WE WANT TO  
ACHIEVE SOMETHING  
SUSTAINABLE AND  
HAVE SUCCESSFUL  
CUSTOMERS”

**LEILA KHOSHIDEH-HANDLER**  
*Oesterreichische Entwicklungsbank AG*



## OeKB AG staff numbers <sup>1</sup>

	31 Dec 2012	31 Dec 2013	31 Dec 2014
Total number of employees	395	393	388
<i>Of whom part-time employees</i>	<i>91</i>	<i>97</i>	<i>96</i>
Total employees in full-time equivalents	368	363	358
Average age in years	43.5	44.2	45.3
Average length of service in years	16.0	16.5	17.2
Sick days per year and employee	8.5	8.6	8.0
Proportion of total positions held by women	56.0%	56.7%	57.0%
Proportion of management positions held by women	32.1%	32.1%	32.1%
Turnover rate excluding retirements <sup>2</sup>	1.8%	2.3%	1.8%
Turnover rate including retirements <sup>2</sup>	2.3%	3.3%	2.6%

<sup>1</sup> Including employees posted to OeEB, Acredia Versicherung and Exportfonds.

<sup>2</sup> The turnover rate is calculated as follows: the number of separations during the year, multiplied by 100, divided by the average number of employees in the year. As a result of the low turnover, presenting an analysis by gender and age group would not be meaningful.

## Subsidiary staff numbers as of 31 December 2014 <sup>1</sup>

	OeKB Business Services GmbH	"Österreichischer Exportfonds" GmbH	Acredia Versicherung AG	Oesterreichische Entwicklungsbank AG
Total number of employees	8	14	176	33
Of whom part-time employees	1	-	44	3
Total employees in full-time equivalents	7.8	14.0	160.3	31.8
Average age in years	39.6	43.1	41.0	37.8
Average length of service in years	5.3	17.0	11.5	5.0
Sick days per year and employee	9.2	8.5	7.2	4.9
Proportion of total positions held by women	12.5%	80.0%	63.6%	65.7%
Proportion of management positions held by women	0.0%	50.0%	61.1%	57.1%

## Training and human resource development

The 'OeKB Academy' provides a wide range of in-house seminars for all salaried staff. Areas of emphasis include training future and existing managers in the skills they need for leadership, and helping employees enhance their interdisciplinary competencies.



LA10, LA11

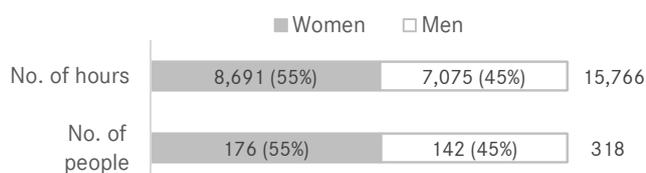
In employee performance interviews, the individual and group targets, training needs and risk objectives are identified, as are the goals for ensuring work/family compatibility, employee health and sustainability.

Two trainees were hired after completing a 12- or 18-month training programme.

Good governance and compliance are key priorities for the Group. Every year, four mandatory online trainings are held on subjects such as the activities of the business segments and new regulatory developments. The 'Fit & Proper' policy for OeKB Group (a set of requirements for appropriate personal and professional qualifications of key employees) was revised and updated in 2014. Managing directors, members of supervisory boards and other people in key positions received intensive training on supervisory law, corporate law, Basel III and finance subjects.

### Specific trainings

#### Employees in training



#### Training and Development



LA9, FS4

As per	31 Dec 2012	31 Dec 2013	31 Dec 2014
<b>Total number of employees of OeKB</b>	<b>395</b>	<b>393</b>	<b>388</b>
Total cost of training (EUR)	469,367	512,119	454,034
Total hours of training	16,658	17,205	15,856
Per employee (EUR)	1,188	1,303	1,170
Hours per employee	42	44	41
Per employee (days)	5.3	5.5	5.1
<b>Senior officers</b>	<b>56</b>	<b>56</b>	<b>56</b>
Cost of training (senior managers)	102,058	117,240	114,479
Training hours, senior managers	2,053	2,519	2,560
Per employee (EUR)	1,822	2,094	2,044
Hours per employee	37	45	46
Per employee (days)	4.6	5.6	5.7

Only training hours with external trainers were reckoned.

## OeKB Group is regarded as a highly attractive employer

Its human resources policy is marked by a focus on sustainability, high quality standards in training and development, and socially advanced working conditions. Since 2006, OeKB holds the 'Work and Family' audit certificate.

Ongoing, comprehensive training and development in Austria and abroad supports employees in their work. Family-friendly measures such as flexible working hours, teleworking and a company day-care centre appeal to every employee who values a balance between work and family life.

OeKB Group publicises itself as a potential employer through channels such as Internet recruiting, exhibiting at job fairs, and presentations at schools and universities. For classes from business high schools (in German: Handelsakademien) and technical colleges (Höhere Technische Lehranstalten), OeKB Group offers dedicated events about its business segments.

Exploratory 'short-term intern' days for high school students, job placements for technical college students and general work placements for the summer are part of the standard OeKB offering. Under partnership agreements, Group employees are also active as teachers or lecturers at technical colleges and Vienna University of Economics and Business.

The in-house job portal is a good place to find out about new job vacancies in the Group. This has allowed many positions (both for specialists and managers) to be filled internally, thus motivating and retaining highly trained employees who seek a change. The reduced need for time-consuming and costly external talent search is a welcome additional benefit. The job satisfaction of OeKB Group's employees is evident not just in a low turnover rate but also in the positive reviews on [www.kununu.com/](http://www.kununu.com/) (in German only).



## Remuneration and gender policy



LA2, LA13

Remuneration is in conformity with the market, with variable remuneration throughout the Group, on average, taking up less than 10% of overall remuneration. Social benefits (supplementary health insurance, employee restaurant offering health food, day-care center, holiday camp for school children etc.) focus on health and sustainability.

Our payroll policy strictly adheres to the principle of gender equality. Initial salaries of holders of academic degrees correspond to the market level. These are published on the intranet, hence transparent for all employees. Individual career moves are independent of gender. Equal pay for equal work is a matter of course. Assessment of employees is based exclusively on personal skills and professional qualification.

Internal benchmarking of salaries at OeKB is according to eight salary bands. This ensures similar pay for similar jobs in a fair and transparent manner, according to required qualifications, vested responsibility and actual performance. In addition, compensation is regularly benchmarked against the market.

Hiring, promotions and salary increases are based exclusively on professional qualification. At OeKB Group, the traditionally high ratio of female employees was 58.4% on 31 December 2014. In particular, the high ratio of female executives (35.4%) deserves to be highlighted.



See Group management  
report **Non-financial  
performance indicators**

Looking ahead, OeKB Group is aiming for a combined female representation of 30% in the composition of top management and of supervisory boards. This proportion is to be reached by the year 2020. Making this a reality will require further purposeful investment in the compatibility of work and family life, development measures to support women on the path to middle management, transparent job postings (including for management positions) and enhancement of the objectiveness of hiring decisions.

At the managing director level, the target gender ratio is already achieved. Thus, at Acredia Versicherung AG one of three management board positions is held by a woman. At each of “Österreichischer Exportfonds” GmbH, Oesterreichische Entwicklungsbank AG and Oesterreichische Kontrollbank AG, one of the two respective managing directors or management board members is a woman.

## Occupational health and safety

Comprehensive occupational health and safety as well as various promotions in the health sector are a great concern to OeKB AG. In addition to several vaccination drives, such as ESME, influenza, diphtheria, tetanus, polio and hepatitis, extended health check-ups were conducted once again in cooperation with Health Consult Gesellschaft für Vorsorgemedizin GmbH.

At the end of the day, sharing leisure activities enables and encourages employees to pursue common objectives in corporate life. That is why OeKB Group organises sports and cultural events on a regular basis for employees to participate in during their spare time. Sports offered include table tennis, football, squash, tennis and softball, among others. We also organise regular pilates, spinal gymnastics and yoga classes, which not only enhance physical fitness and general health, but also help to increase stamina, motivation and fun at work.

In 2014, as in previous years, a building evacuation drill took place for employees at the Strauchgasse and Am Hof locations. On that day, employees moreover had the opportunity to actively participate in a fire drill.

## Private volunteering

More information about the participating organisations at <https://weihnachtsmarkt.oekb.at> (in German only)



The Christmas market for charity organised by the 'OeKB karitativ' association is actively supported by OeKB employees who volunteer their own time. Throughout the Advent season before Christmas, in two-hour shifts for ten hours a day, seven days a week, the stand selling punch and mulled drinks is staffed by committed people. Some of the sales receipts go towards the costs of the charity Christmas market itself. Four additional stands are made available free for social organisations. The net earnings are donated to specially selected non-profit projects.

Once a year, old OeKB BlackBerry devices are donated to the 'Wundertüte' radio campaign of radio station Ö3, which benefits families with children in difficult situations. This initiative is additionally supported by employees dropping off private mobile phones.

Homeless people in Vienna can find a place to sleep, food and sanitary facilities at the 'Grufft' shelter operated by Caritas. On certain days, OeKB employees volunteer in small groups to cook and serve meals on-site. OeKB provides the food ingredients.

Employees who are volunteer members of fire brigades or other emergency services receive a period of special leave in the event of disasters.

Events such as annual blood donations organised by the staff council and the collection for victims of the flooding in Southeastern Europe round out employees' social engagement.

# Governance & Business Ethics

## Management and supervisory bodies



G4-34, 38, LA12

**Executive Board**  
(effective 1 January 2014)

Angelika Sommer-Hemetsberger

Rudolf Scholten



*The employment contract of Rudolf Scholten runs until 30 April 2017.  
The employment contract of Angelika Sommer-Hemetsberger runs until 31 December 2018.*

Member of the Executive Board [since 1.1.2014]

Accounting & Financial Control

Capital Market Services

CSD (Central Securities Depository)

IT Services

Human Resources

International Finance

Member of the Executive Board [since 1.5.1997]

Credit Department

Claims Management

Export Guarantees

Guarantees for Export Acceptance Credits

Organisation, Construction, Environmental Issues and Security

Research, Analyses & International Relations

**The Executive Board is collectively responsible for**

Internal Audit/Group Internal Audit

Legal Affairs

Marketing & Corporate Communications

Risk Controlling

Secretariat of the Executive Board

## Supervisory bodies

### Supervisory Board

**Erich Hampel** (born 1951)

Term of office: 1 January 2010 to AGM 2016  
Chairman  
UniCredit Bank Austria AG, Vienna

**Walter Rothensteiner** (born 1953)

Term of office: 2 August 1995 to AGM 2016  
First Vice-Chairman  
General Manager and Chairman of the Board of the Executive Directors,  
Raiffeisen Zentralbank Österreich  
Aktiengesellschaft, Vienna

**Franz Hochstrasser** (born 1963)

Term of office: 19 May 2009 to AGM 2016  
Second vice Chairman  
Deputy General Manager and Vice-Chairman of the Board of the Executive Directors,  
Erste Group Bank AG, Vienna

**Helmut Bernkopf** (born 1967)

Term of office: 19 May 2009 to AGM 2019  
Director and member of the Board of the Executive Directors,  
UniCredit Bank Austria AG, Vienna

**Peter Bosek** (born 1968)

Term of office: 25 May 2011 to AGM 2016  
Director and member of the Board of the Executive Directors,  
Erste Bank der oesterreichischen Sparkassen AG, Vienna

**Gregor Deix** (born 1972)

Term of office: 29 May 2013 to 21 May 2014  
Erste Bank der oesterreichischen Sparkassen AG, Vienna

**Michael Glaser** (born 1967)

Term of office: 22 May 2012 to AGM 2017  
UniCredit Bank Austria AG, Vienna

**Matthias Heinrich** (born 1963)

Term of office: 21 May 2014 to AGM 2015  
Director and member of the Board of the Executive Directors,  
Raiffeisen-Landesbank Steiermark AG, Graz

**Dieter Hengl** (born 1964)

Term of office: 25 May 2011 to AGM 2016  
Director and member of the Board of the Executive Directors,  
UniCredit Bank Austria AG, Vienna

**Herbert Messinger** (born 1961)

Term of office:  
18 December 2012 to AGM 2016  
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse  
Aktiengesellschaft, Vienna

**Heimo Penker** (born 1947)

Term of office: 20 May 2005 to 21 May 2014  
General Manager and Chairman of the Board of the Executive Directors,  
BKS Bank AG, Klagenfurt

**Christoph Raninger** (born 1972)

Term of office: 21 May 2014 to AGM 2015  
Director and member of the Board of the Executive Directors,  
Österreichische Volksbanken-  
Aktiengesellschaft, Vienna

**Karl Sevelda** (born 1950)

Term of office:  
24 September 2013 to AGM 2018  
General Manager and Chairman of the Board of the Executive Directors,  
Raiffeisen Bank International AG, Vienna

**Herta Stockbauer** (born 1960)

Term of office: 21 May 2014 to AGM 2019  
Director and Chairman of the Board of the Executive Directors,  
BKS Bank AG, Klagenfurt

**Herbert Tempsch** (born 1961)

Term of office: 29 May 2013 to AGM 2018  
UniCredit Bank Austria AG, Vienna

**Susanne Wendler** (born 1967)

Term of office: 29 May 2013 to 21 May 2014  
UniCredit Bank Austria AG, Vienna

**Robert Zadrazil** (born 1970)

Term of office: 19 May 2009 to AGM 2016  
Director and member of the Board of the Executive Directors,  
UniCredit Bank Austria AG, Vienna

**Franz Zwickl** (born 1953)

Term of office: 20 May 1999 to AGM 2016

AGM = Annual General Meeting

## Employee representatives

**Martin Krull** (born 1976)

Term of office:

14 March 2002 to 13 March 2018

Chairman of the Staff Council

**Erna Scheriau** (born 1959)

Term of office: 1 April 2001 to 13 March 2018

Vice- Chairman

**Alexandra Griebel** (born 1977)

Term of office:

14 March 2010 to 13 March 2018

**Anish Gupta** (born 1966)

Term of office:

14 March 2006 to 13 March 2014

**Elisabeth Halys** (born 1976)

Term of office: 1 July 2013 to 13 March 2018

**Christian Leicher** (born 1968)

Term of office: 7 July 2009 to 13 March 2018

**Claudia Richter** (born 1964)

Term of office: 11 July 2002 to 13 March 2014

**Ulrike Ritthaler** (born 1962)

Term of office:

14 March 2014 to 13 March 2018

**Christoph Seper** (born 1983)

Term of office:

14 March 2014 to 13 March 2018

**Markus Tichy** (born 1971)

Term of office:

1 February 2011 to 13 March 2018

## Government commissioners

under section 76 Austrian Banking Act

**Harald Waiglein** (born 1967)

Commissioner (since 1 July 2012)

Austrian Ministry of Finance

**Johann Kinast** (born 1963)

Deputy Commissioner (since 1 March 2006)

Austrian Ministry of Finance

The above government commissioners under section 76 Austrian Banking Act are also representatives of the Austrian Minister of Finance under section 6 Export Financing Guarantees Act.

## Government commissioners

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

**Beate Schaffer** (born 1959)

Commissioner (since 1 November 2013)

Head of Department, Austrian Ministry of Finance

**Edith Wanger** (born 1955)

Deputy Commissioner (since 1 June 1997)

Public Office Director, Austrian Ministry of Finance

## Independent Auditor

(for the 2014 financial year)

KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, Wien

The auditor within the meaning of the Austrian Stock Corporation Act (Aktengesetz) also acts as the bank auditor for the purposes of the Austrian Banking Act (Bankwesengesetz).

## Legal Advisers

**Pöch Krassnigg**

Rechtsanwälte GmbH, Wien

**Peter Pöch** (born 1940),

Lawyer, Legal Adviser

# Corporate Governance



The Code in its full wording  
is available at  
[www.corporate-governance.at](http://www.corporate-governance.at)  
(in German only)

The Austrian Code of Corporate Governance was first presented to the public on 1 October 2002. It is reviewed and revised annually in the context of national and international developments. The most recent revisions to the Code took effect in January 2015. They focused mainly on the structure of the corporate governance report, the composition, compensation and operation of the executive board and supervisory board, and measures to promote equity for women.

OeKB is not a listed company, but is nevertheless guided by the Austrian Code of Corporate Governance to the extent that the Code's principles are applicable. For non-listed stock corporations, 'L-rules' (rules based on legal requirements) are to be interpreted as 'C-rules' ('comply-or-explain' rules).

## Cooperation between the Supervisory Board and Executive Board

The Executive Board provides the Supervisory Board with regular, prompt and comprehensive reports on all relevant business developments, including the risk situation and risk management at OeKB and significant Group companies. The aim of good corporate governance in managing the Group's business is pursued through open discussion and communication between and within the Executive Board and Supervisory Board.

The Executive Board sets the Group's strategic direction together with, and subject to the approval of, the Supervisory Board and regularly discusses the status of strategy implementation with the latter Board. The Supervisory Board meets at least four times per financial year.

## Executive Board

The two-member Executive Board of OeKB is responsible for managing the company. Its decisions comply with all relevant laws, the Articles of Association and the Executive Board's internal rules of procedure. The division of responsibilities and the internal cooperation of the Executive Board are set out in its internal rules of procedure.



G4-51

The Executive Board's compensation includes both fixed and performance-based variable components. The variable portion can represent up to 40% of total compensation. The design of the variable compensation policy ensures that the incentive structure is aligned with the long-term interests of OeKB (see note 53 to the consolidated financial statements). OeKB maintains directors and officers liability insurance (D&O) for members of the Executive and Supervisory Boards. The disclosure under L-rule 29 of the Austrian Code of Corporate Governance concerning the aggregate compensation of the Executive Board is omitted in reliance on section 266(7)b Austrian Commercial Code.

## Supervisory Board

The Supervisory Board supervises the Executive Board and supports it in managing the Group, particularly in reaching decisions of fundamental importance. At the end of the year under review, the Supervisory Board was composed of 15 shareholder representatives and eight employee representatives. As a result of an agreement among the OeKB's shareholders, the number of board members deviates from C-rule 52, which stipulates that supervisory boards should have a maximum of ten members, excluding the employee representatives.



G4-41, G4-44

The Supervisory Board's remuneration is determined at the Annual General Meeting and is shown in note 53 to the consolidated financial statements. The employee representatives perform their responsibilities on the Supervisory Board in the course of their ordinary employment.



The membership of the Supervisory Board is presented in section **Supervisory bodies**

## Committees

A Compensation Committee was formed to approve compensation policy and supervise its implementation in practice. The members of this committee are Erich Hampel (Chairman and Compensation Specialist), Walter Rothensteiner, Franz Hochstrasser, Martin Krull and Erna Scheriau. In matters of compensation policy and the specific compensation of the Executive Board, the employee representatives do not attend or vote at the meetings of the committee. The Compensation Committee met once in 2014.

**Compensation Committee**

The Supervisory Board also has an Audit Committee, Working Committee, Nomination Committee and Risk Committee, which are described below. Erich Hampel (Chairman and Financial Specialist), Walter Rothensteiner and Martin Krull are members of these committees.

The Audit Committee is responsible primarily for

**Audit Committee**

- the auditing, and preparation of the adoption, of the company financial statements, proposal for the appropriation of profit, and company management report;
- the auditing of the consolidated financial statements and Group management report; and
- recommending to the Supervisory Board the choice of independent auditors.

The Audit Committee is also required to monitor the effectiveness of the enterprise-wide internal audit system and the risk management system. The Audit Committee met twice in 2014.

The Working Committee oversees borrowing operations to fund the Export Financing Scheme; lending under the Export Financing Scheme; lending under section 3 of the internal rules of procedure (related debt rescheduling facilities and purchase of accounts receivable); and the use of the amounts in the interest stabilisation account.

**Working Committee**

The Nomination Committee (pursuant to Article 29, Austrian Banking Act) regularly evaluates balance and variety in terms of knowhow, skills and experience of executives and supervisory board members, alike. Issuing recommendations, it monitors and supports the policy of the Executive Board with regard to appointing senior management. The Nomination Committee met once in 2014.

**Nomination Committee**

The Risk Committee (pursuant to Article 39(d), Austrian Banking Act) monitors implementation of the OeKB risk strategy. The Risk Committee met once in 2014.

**Risk Committee**

## Transparency and auditing

Openness and transparency in communications with its shareholders and stakeholders is particularly important to OeKB. This priority was upheld in 2014 by the Executive Board and the Investor Relations and Corporate Communications departments. In addition to other communication channels, up-to-date information on the company and its business segments is always available on the OeKB website at [www.oekb.at](http://www.oekb.at).



For details on this, see the section '**Compensation and gender policy**'.

OeKB promotes the development of women in all management positions (L-rule 60). Details can be found in the section 'Pay and gender policy'.

The publication of motions under L-rules 4 to 6 of the Code is not considered appropriate, as this information is reserved for shareholders. This applies to motions submitted to the General Meetings of shareholders and all related official documents, including shareholder motions and countermotions, as well as the list of candidates nominated for election to the Supervisory Board and the resolutions passed at the General Meetings.



The independent auditor's report is found in the section **Auditor's Report**.

The company financial statements, company management report, consolidated financial statements and Group management report were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft, the auditor appointed by the Annual General Meeting.



G4-56

## Policies

### OeKB Group sustainability policy



G4-1, FS1

Having evolved from the OeKB environmental policy during the first EMAS certification process, the OeKB Group sustainability policy was broadened to include social aspects in 2004. It is subject to revision at regular intervals.

### Human rights policy



G4-HR1, FS1

The human rights focus of the Sustainability Report 2009 gave rise to the idea of formulating the articles of the Universal Declaration of Human Rights at company level. Accordingly, how to implement each article practically, in terms of sustainability activities on the part of OeKB Group, was identified under the motto "human rights in corporate culture".

## Climate policy

Included in the environmental management system, the OeKB climate policy prescribes that all business processes consider the issue of climate change and that adequate measures be taken, depending on the business process, aiming at a sustainable climate policy, and hence a reduction in carbon dioxide emissions. The policy applies to all OeKB Group companies that are certified under EMAS.



EC2, FS1

Over the years, EMAS has triggered various improvements that have, in turn, led to a clear reduction in carbon dioxide emissions.



For more details, including itemisation according to Scopes 1, 2 and 3, see the chapter on **Ecology in ongoing operations**.

## OeKB communication policy

OeKB communicates internally as well as with the media and other stakeholders, in a responsive, efficient, timely and concerted fashion. OeKB's written and verbal communication are presented in an informative and objective manner. The aim of all corporate communication is to win and/or reinforce stakeholder confidence in OeKB and to further understanding for the responsibilities and positions of OeKB Group.



Policies at [www.oekb.at](http://www.oekb.at)  
(in German only)

## OeKB Code of Conduct

A company's success is based, among other things, on the reputation it has among its stakeholders and their trust in it. Thus, it is important to OeKB that customers, employees, proprietors, policy makers and other stakeholders, such as critical public opinion, always perceive OeKB as acting in a reliable, lawful and diligent manner.



G4-56, 57, 58

The OeKB Code of Conduct (CoC) represents a compilation of the basic facts which our corporate culture is based on. Documenting the manner in which the company interacts with employees, customers, suppliers and all other stakeholders, the CoC provides orientation for conduct in daily business.

The CoC contains ethical rules and legal requirements which support autonomous action and promote an open working atmosphere characterised by respect and responsibility.

In addition to the whistle-blowing system that deals with the company's inner structure, a complaints-mechanism was introduced in 2014, enabling OeKB stakeholders to forward their feedback, suggestions and representations as well as their criticism to OeKB online.

This whistle-blowing system provides data-confidentiality. The contact persons are mainly direct supervisors, the works council, those responsible for various issues and OeKB's Legal Counsel. In 2014 there were neither any reports of internal misconduct nor external complaints. The number of inquiries to the works council did not exceed the normal amount, none of those made triggered an internal audit on the matter concerned.



[www.oekb.at/en/osn/Pages/feedback.aspx](http://www.oekb.at/en/osn/Pages/feedback.aspx)

Further communication regarding the mechanism has been set as a target for the coming year.

# “Experience really counts for a lot here.”

*Hubertus Hecht and Harald Seisenbacher, responsible for Issuer Services at CentralSecuritiesDepository.Austria, on shared roles in sales, patience over the pressure to sell and the advantage of being over 50.*

*Mr Hecht, throughout your career you have always alternated between customer strategy, business processes and IT implementation.*

**Hubertus Hecht:** Yes, and now that I'm in product management I need all of that experience. It's not just about understanding what the customer wants, you also have to know what's realistic.

**Harald Seisenbacher:** That's why we make such a good team. Unlike Hubertus, I'm not very technical. I'm more of a people person.

*The perfect team, then...*

**Seisenbacher (laughs):** Yes, a bit like the Austrian-German comedians Stermann & Grisseemann – and as you might hear Hubertus still speaks with a slight German accent.

**Hecht:** And depending on the topic we sometimes switch roles as well.

*As a team, what is it that you sell?*

**Hecht:** It might be consulting and the bringing together of stakeholders, for instance in the context of how European

capital market directives affect our customers or are implemented nationally. One current example is the information issuers ask for regarding their shareholders: we sit down with our customers and together we think about what's needed to put a solid infrastructure in place.

**Seisenbacher:** We also offer packaged products, for example our AGM Services.

**Hecht:** This product is also based on a long-term strategy influenced by legal requirements: we have seen which new stipulations will affect stock corporations so that annual general meetings are organised perfectly and in line with legal requirements.

**Seisenbacher:** Over the years we have taken care to inform prospective clients of trends regarding shareholders' meetings, and that's increasingly bearing fruit now.

*So you sometimes need to be patient.*

**Hecht:** Absolutely, but that's one of the advantages at OeKB – we are not obliged to sell products every quarter come hell or high water.

“WE USED TO BE  
SKI JUMPERS, NOW  
WE’RE LONG-DISTANCE  
RUNNERS”

**HARALD SEISENBACHER**  
*CentralSecuritiesDepository.Austria*



“WE SIT DOWN WITH  
OUR CUSTOMERS AND  
THINK ABOUT WHAT’S  
NEEDED TO PUT A  
SOLID INFRASTRUCTURE  
IN PLACE”

**HUBERTUS HECHT**  
*CentralSecuritiesDepository.Austria*

*What are the advantages for you of working at OeKB?*

**Seisenbacher:** For me – after stints with several international banks – it represents a return to an organisation which has obligations to the Republic of Austria. Here I can give back what I’ve picked up over the years.

**Hecht:** For me it’s exciting to be part of product development from start to finish. And here it’s an advantage to be over 50, because experience really counts for a lot.

**Seisenbacher:** Yes, experience and stamina. We used to be ski jumpers, now we’re long-distance runners. Because even if our approach is long-term, things here are never leisurely.

*But does it actually still make sense to offer all of these services and this infrastructure for the small Austrian market?*

**Hecht:** Yes – it’s important from time to time to show what small but outstanding companies we have here in Austria and how well they perform on the international market. For these issuers, it is definitely well worth having a capital market whose infrastructure is top-quality.

## Preventing corruption



G4-56, SO4

The CoC reflects not only the provisions set forth in the Austrian Act amending the Criminal Law on Corruption, but additional restrictions as well, given that not every manner of conduct that is harmless in terms of criminal law meets with the standards of behaviour that OeKB deems appropriate for its employees.



SO3

Even though OeKB employees are not office-holders, as meant by Article 74 of the Austrian Penal Code, OeKB deems it appropriate, based on its central position on the Austrian capital market and its role as Austrian export credit agency (ECA), that its employees comply with the more stringent criminal law provisions applicable to office-holders.



See chapter **objectives**

In March 2014 the chapter on “Preventing Corruption” in the Code of Conduct was revised to make it more readable, and the online questionnaire was expanded.

In the first half of 2014 all employees completed online-training on the prevention of corruption. Lectures and training courses on this issue were continued Group-wide. Since Q4/2014 corruption prevention is also part of the so-called start-up workshops, compulsory for all new employees.

Moreover, a “present database” was introduced on the intranet in October 2014, where all gifts given to the Anti-Corruption Officer by employees are documented in a transparent manner.

### OECD Recommendation on Bribery and Officially Supported Export Credits



SO3

The Austrian government undertook internationally to adhere to all anti-corruption measures adopted on the OECD level. In its capacity as national export credit insurer acting on behalf of the Austrian government, OeKB fully complies with the regulations set forth in the OECD Recommendation on Bribery and Officially Supported Export Credits.

In terms of export guarantees, this implies that applications under the Austrian Export Guarantees Act include the request for information concerning pending litigation, final judgments for bribing foreign office-holders and verification as to whether the applicant is indicated on one of the exclusion lists of certain international financial institutions. If this is the case, OeKB initiates an intensified assessment procedure to examine, in terms of avoiding and preventing corruption, the structure of the transaction at hand and the applicant’s internal set of regulations. Only after all concerns have been dealt with, will the application be processed.

Besides this, customers are routinely screened anyway. If necessary, the assessment procedure can be intensified here, too.

OeKB also supports its customers in their efforts to counteract corruption preventatively, particularly by organising and promoting events and workshops.

- *Information on preventing corruption that is available on the OeKB website [www.oekb.at/en/export-services/transparency-compliance/combating-corruption/](http://www.oekb.at/en/export-services/transparency-compliance/combating-corruption/)*
- *Recommendation of the ICC with regard to preventing corruption is available on [www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/corporate-responsibility-and-anti-corruption/ICC-Rules-on-Combating-Corruption/](http://www.iccwbo.org/advocacy-codes-and-rules/areas-of-work/corporate-responsibility-and-anti-corruption/ICC-Rules-on-Combating-Corruption/)*



## Sponsoring, public funds, grants

### Sponsoring

OeKB sponsoring essentially refers to social projects and sustainability as well as to education and science, with the intention of achieving the company's communication objectives and enhancing employee motivation and identification. Specific return services are set forth in writing and compliance is verified for each sponsoring activity.

Donations may be granted only if the identity of the recipient and intended purpose are known. These may not be used to avoid external or internal regulations and must be fully documented for the sake of transparency.

Reimbursement for expenses or similar reimbursements for services not actually provided are not permitted. The same applies to incommensurate reimbursements for services actually provided.

In 2014, for example, OeKB sponsored the following projects:

- Ludwig Boltzmann Institut für Menschenrechte  
Stipendium-sponsoring for the Master's Programme for Human Rights
- ICEP – Institut zur Cooperation bei Entwicklungsprojekten  
Cooperation on CorporAid-Initiative
- Respekt.net  
Support for projects on a platform for socio-political involvement
- Verein Lernen aus der Zeitgeschichte (The Association for Learning from Contemporary History)  
Subsidising of sessions (including speeches) with historical witnesses and exhibitions on "Die Gerechten" in four Austrian cities
- This human world  
Sponsoring The International Human Rights Film Festival
- Verein Down Syndrom Österreich  
Sponsoring charity events

## Public funds



EC4

Valid subsidy agreements exist with regard to building renovation (i.e. thermal insulation) and procurement of an electric vehicle. On the basis of these agreements €144,132 and € 5,000 were granted for the above purposes.

In 2014, a total amount of Euro 19,979 in subsidies was paid for the promotion of employee training with funds from the European Social Fund (ESF) and from the Public Employment Service (PES) for training and further training of employees.

# Ecology in ongoing operations

The ecological impact of office operations is not particularly relevant for OeKB Group. Nevertheless, as our power consumption is equivalent to that of nearly 600 homes, it represents an absolute value that requires careful consideration. In 2014, as in previous years, there were no breaches of environmental law that resulted in legal action.



G4-6, EN1, EN33

## Locations

As regards operational ecology, key indicators for energy, heating energy, water and paper relate to the main locations at Am Hof 4 and Strauchgasse 1-3. The key indicator for waste relates exclusively to the Strauchgasse location, since OeKB Group companies at other locations are merely tenants, hence unable to determine exact values for such indicators.

### Locations

	2000	2012	2013	2014
<b>Floor space in m<sup>2</sup></b>				
Strauchgasse	13,612	15,535	15,210	15,210
Am Hof	3,075	4,297	4,297	4,297
<b>Floor space, main locations</b>	<b>16,687</b>	<b>19,832</b>	<b>19,507</b>	<b>19,507</b>
<b>Number of employees</b>				
Strauchgasse	267	368	368	337
Am Hof	75	91	88	87
<b>Employees, main locations</b>	<b>342</b>	<b>459</b>	<b>456</b>	<b>424</b>
Other locations	20	15	16	24
<b>Total number of employees</b>	<b>362</b>	<b>474</b>	<b>472</b>	<b>448</b>

## Energy management

Energy management refers to all OeKB Group locations, however, particularly to the building in Strauchgasse, where OeKB, as proprietor, is able to exert the highest degree of influence. Experts operate every single facility by central building control systems. In expert meetings measured values for approximately 20 data segments are discussed at six-monthly intervals and appropriate measures taken. In 2014 pumps for the air conditioning system were, in part, replaced by more energy-efficient models. Furthermore, cooling units, which cover the better part of the necessary cooling at Strauchgasse location, were upgraded as well and integrated in the heat-recovery process. Thus, the amount of heat required should drop by 60 MWh/a from 2016 on.

The marked reduction, of over 20%, in the use of heating energy at the Strauchgasse location is particularly striking. This can be accounted for by three factors:

- The optimisation of operating hours and heating controls
- The relocation of OeKB Versicherung AG resulting in 800 m<sup>2</sup> of vacant space in the building and
- Climate change – the average outdoor temperature during the heating period was 2.2 degrees higher than in the two preceding years.

Energy-saving IT hardware and the reduced amount of cooling required, as a consequence thereof, also led to electricity savings.

### Energy Consumption

kWh	2000	2012	2013	2014	Changes compared to previous year
<b>Electric power</b>					
Strauchgasse	2,970,060	2,460,749	2,434,265	2,248,554	(185,711)
Am Hof	821,900	482,840	386,940	367,570	(19,370)
Wallnerstr., Wipplingerstr.	-	48,837	47,279	48,108	829
Linz	-	9,115	11,063	-	(11,063)
Data processing centre Vienna 21	-	303,978	289,211	261,293	(27,918)
<b>Total, electric power</b>	<b>3,791,960</b>	<b>3,305,519</b>	<b>3,168,758</b>	<b>2,925,525</b>	<b>(243,233)</b>
<b>District heat</b>					
Strauchgasse	1,496,750	636,984	534,311	414,760	(119,551)
Am Hof	359,453	294,595	236,869	225,295	- 11,574
<b>Total, district heat</b>	<b>1,856,203</b>	<b>931,579</b>	<b>771,180</b>	<b>640,055</b>	<b>(131,125)</b>
Natural gas Strauchgasse	64,914	-	-	-	-
<b>Optimisation of energy consumption (Strauchgasse)</b>					
Cooling energy produced	-	1,684,704	1,667,832	1,544,136	(123,696)
Utilised waste heat	-	215,080	282,500	285,224	2,724
Own photovoltaic system	-	17,132	30,110	29,510	(600)

## Business Travel (all locations)

km	2000	2012	2013	2014	Changes compared to previous year
Aircraft	984,663	1,319,009	1,594,812	1,430,974	(163,838)
<i>Of which carbon-dioxide compensated</i>	-	391,293	620,959	571,483	(49,476)
Railway	14,117	38,020	37,503	42,628	5,125
Passenger car	39,237	34,484	23,354	19,506	(3,848)
<i>Of which emission-free (e-mobility)</i>	-	4,020	5,932	6,714	782
<b>Total, business travel</b>	<b>1,038,017</b>	<b>1,391,513</b>	<b>1,655,669</b>	<b>1,493,108</b>	<b>(162,561)</b>



G4-EN 30

## Carbon Dioxide Emissions

Tonnes	2000	2012	2013	2014	Changes compared to previous year
<b>Scope 2</b>					
Electric power	672.31	62.00	59.46	51.73	(7.73)
District heat	243.16	18.63	15.42	12.80	(2.62)
Natural gas	16.03	-	-	-	-
<b>Total purchased energy</b>	<b>931.50</b>	<b>80.63</b>	<b>74.88</b>	<b>64.53</b>	<b>(10.35)</b>
<b>Scope 1</b>					
Passenger car	7.41	4.75	2.71	1.99	(0.72)
<b>Scope 3</b>					
Aircraft	192.01	23.43	24.64	21.66	(2.98)
Railway	0.04	0.33	0.33	0.37	0.04
<b>Total business travel</b>	<b>199.46</b>	<b>28.51</b>	<b>27.68</b>	<b>24.02</b>	<b>(3.66)</b>
<b>Total carbon dioxide emissions</b>	<b>1,130.96</b>	<b>109.14</b>	<b>102.56</b>	<b>88.55</b>	<b>(14.01)</b>



G4-EN4, 15, 16, 17, 19

At the locations in the first district of Vienna (Am Hof and Strauchgasse) OeKB uses electricity obtained exclusively from hydro-electric power plants. The default data-processing centre uses the standard power mix, which is reflected in significantly higher emissions to air.

Classification by separate scopes (i.e. defined segments) is done according to the Greenhouse gas protocol, whereby Scope 1 includes all direct emissions from combustion in in-house plants, in the case of OeKB Group, combustion engines of the company cars. Scope 2 includes indirect emissions from consumption of purchased energy, and Scope 3 includes other indirect emissions from upstream processes.



source:  
[www.ghgprotocol.org/calculation-tools/faq](http://www.ghgprotocol.org/calculation-tools/faq)

Conversion factors were updated in 2012, but values for previous years were not.

Annual energy costs were clearly reduced as a result of consistent energy management over the years. At today's energy prices, consumption per m<sup>2</sup> equal to that of the year 2000 would incur additional costs in excess of € 290,000 per year.

With a capacity of 31 kWp, the photovoltaic system is making a small contribution towards energy production in the building, which amounted to 29,510 kWh in 2014. Waste-heat recovery from the cooling units, for example, generated about one third of the necessary heating energy, the remaining supply is covered by district heating. In addition to necessary built-in safety features, the well backed-up green IT data-processing centre provides optimised use of electricity.

### Conversion table for calculating carbon dioxide emissions

	kg CO2	Sources
1 km railway (electro)/person	0.0087	Federal Environmental Agency 2012
1 km aircraft/person, domestic	0.0406	Federal Environmental Agency 2012
1 km aircraft/person, international	0.0252	Federal Environmental Agency 2012
1 km passenger car, per vehicle	0.1558	Federal Environmental Agency 2012
1 kWh electric power	0.1999	Linz Strombetrieb GmbH & Co KG
1 kWh electric power - data processing centre	0.1980	Wien Energie Vertrieb GmbH & Co KG
1 kWh hydro-electric power	0.0000	Wien Energie Vertrieb GmbH & Co KG
1 kWh district heat	0.0200	2012 Act Amending the Viennese Construction Ordinance (technical amendment); energy pass, Vienna Municipal Department MA 37



### Climate-neutral Reitersaal hall

Carbon dioxide emissions generated by events held at the Reitersaal hall can be calculated precisely. Thus, OeKB offers organisers the opportunity to rent Vienna's only climate-neutral hall at the Strauchgasse location to hold events for audiences of approximately 180 people. All the carbon dioxide emissions generated by an event, even including specified access routes, are compensated for by gold-standard projects via ClimatePartner Austria and the processing is included in the hire fee.



More information at  
[www.oekb.at/en/about-oekb/reitersaal](http://www.oekb.at/en/about-oekb/reitersaal)

## Water and paper

In 2014 water consumption at the Strauchgasse location dropped by more than 10 percent due to two facts:



G4-EN 1

- Relatively low temperatures during the summer and therefore a reduction in re-cooling input
- The move of OeKB Versicherung AG to a new location

At the Am Hof location water consumption remained basically unchanged (with a reduction of less than 1%) as a defective magnetic valve cancelled out reductions resulting from an unusually long spell of cold weather.

For reasons not yet established copy-paper consumption increased by about 20%.

### Water and Paper consumption



EN2, EN8, EN 22EN2, EN8, EN22

	2000	2012	2013	2014	Changes compared to previous year
Water consumption (m3)	9,956	7,147	6,577	5,986	(591)
Copy paper consumption (A4 sheets)	3,540,157	3,359,000	2,683,500	3,148,500	465,000

# “Better than a gut feeling”

*Jutta Leitner, Marketing & Corporate Communications, and Wolfgang Schwarzbauer from OeKB Research Services, on useful figures, passionate research, floating ideas and tangible indicators.*

*OeKB Research Services scouts out potential new markets for companies. What makes you better at this than anyone else?*

**Wolfgang Schwarzbauer:** We don't carry out general studies, our research is individual to each company and we also answer very specific questions, such as “How do I go about selling my concrete additives in Poland?”

**Jutta Leitner:** Or the bottom might drop out of one market, prompting the client to ask, “Where else can I expand instead?” or “Can I develop new business areas with my existing products?”

*Why do your clients need someone like you – don't they know their own segment better than anyone?*

**Schwarzbauer:** SMEs in particular, as well as some large companies, often lack the manpower to carry out the research themselves.

**Leitner:** And the danger of relying too heavily on gut feeling is big. It's far better to look at the figures, the data and facts and to have an objective opinion from outside. Quite often we are able to substantiate the customer's feeling, but sometimes there are surprises.

*But in the age of the internet, isn't research now much easier?*

**Leitner:** Certainly. But unless you leave no stone unturned, or if you rely on Google alone, for sure you'll learn something, but you'll never know what else you're missing.

**Schwarzbauer:** We have sources, for instance, that do not appear in the Google search results – and our experience means we're better placed to evaluate the quality of the information.

*How important is contact with the customer in your work?*

**Schwarzbauer:** Every order starts with a very intensive briefing. We organise a meeting in person to examine all the issues, to find out what the client really wants – this direct contact instils trust and is incredibly important.

**Leitner:** Whenever clients come to us, their heads are often full of ideas; theoretically, there are an unlimited number of options available to them for expansion. Our team systematically breaks these options down until we're left with tangible indicators, so the client can then see where the biggest potential lies.





**“IF YOU RELY ON  
GOOGLE ALONE, YOU’LL  
HAVE NO IDEA WHAT  
YOU’RE MISSING”**

**JUTTA LEITNER**

*Marketing & Corporate Communications*



*Mr Schwarzbauer, you used to work in applied economic research. What’s different about OeKB Research Services?*

**Schwarzbauer:** Our results have a direct impact on the decisions companies make – and that’s what makes our work so interesting. That’s why we’re so passionate about our research. So when clients – as just recently – really start to come out of their shell during the presentation of our results and the discussion becomes animated, that’s when we know: it’s all been worth it.

*And do you then get to know how the options you presented are subsequently applied in practice?*

**Leitner:** Yes, that’s the best thing about it! To return to the earlier example of concrete additives: thanks to our research, the client found a partner in Poland and together they have managed to tap into new markets. A lot of clients come back with new ideas and ask us, “Could you do exactly the same again, please?!”

**“WE’RE INCREDIBLY  
PASSIONATE ABOUT  
OUR RESEARCH”**

**WOLFGANG SCHWARZBAUER**  
*OeKB Research Services*

## Waste management

  
GRI EN23, EN31

The waste key indicators shown below relate exclusively to the Strauchgasse location. As a mere tenant at other locations, OeKB group is unable to quantify waste amounts generated there precisely.

In 2001, in the course of a waste-contracting process, weights were attributed to particular containers when full to facilitate allocation of generated waste amounts to specific fractions. Now full containers are determined by visual inspection and recorded at the end of each day (using 25% increments). Amounts of paper disposed of in a confidential manner are added to these values. Waste generated by the company canteen is excluded from these records, as such waste is disposed of independently. All hazardous waste is disposed of in compliance with statutory requirements. Every batch of waste handed over for processing is documented using a stamped and signed certificate. All of this data is gathered in an online waste-management tool.

The total cost of waste disposal amounted to Euro 29,101 in 2014. Renovation work generated 28,890 kg of construction waste in 2014 (2013: 217,550 kg).

### Waste in KG

	2000	2012	2013	2014	Changes compared to previous year
Waste paper	26,288	56,122	55,579	53,461	(2,118)
Glass	1,824	3,648	3,808	4,130	322
Plastic waste	1,248	4,545	4,869	4,464	(405)
Scrap metal and metal scrap	480	590	480	350	(130)
Grease trap contents	20,410	13,940	13,960	13,220	(740)
Electronic scrap	715	1,647	1,566	194	(1,372)
Bulky items	-	2,167	170	686	516
<b>Reusable materials</b>	<b>50,965</b>	<b>82,659</b>	<b>80,432</b>	<b>76,505</b>	<b>(3,927)</b>
Accumulators, batteries	774	1,000	895	2,206	1,311
Fluorescent lamps	129	25	27	163	136
Colour residues	800	145	-	-	-
Developer, fixer	540	-	-	-	-
(Waste) oil	-	-	-	17	17
Monitors/TVs	-	-	159	8	(151)
Cooling/air-conditioning appliances	-	35	194	-	(194)
Synthetic packaging	-	164	91	-	(91)
Coolants	-	-	-	54	54
<b>Hazardous waste</b>	<b>2,243</b>	<b>1,369</b>	<b>1,366</b>	<b>2,448</b>	<b>1,082</b>
Domestic type commercial waste	90,000	31,890	33,900	32,940	(960)
<b>Total waste</b>	<b>143,208</b>	<b>115,918</b>	<b>115,698</b>	<b>111,893</b>	<b>(3,805)</b>

## Ecological key indicators



EN3, EN5, EN18

	2000	2012	2013	2014	Unit	ÖGUT 2008 average*
<b>Energy (Strauchgasse, Am Hof)</b>						
Electric power consumption	11,088	6,413	6,187	6,170	kWh/empl.	5,940
District heat	111	47	40	33	kWh/m2	95
<b>Business travel (all EMAS locations)</b>						
Railway, aircraft, passenger car	2,867	2,936	3,508	3,333	km/empl.	4,390
<b>Carbon dioxide emissions</b>						
Energy and business travel	3,124	230	217	206	kg/empl.	2,559
<b>Water (Strauchgasse, Am Hof)</b>						
Water consumption	116	62	58	56	l/empl./day	60
<b>Paper (Strauchgasse, Am Hof)</b>						
Paper consumption	41	29	23	30	Sheet/empl./day	37
Proportion of recycling paper	4.4%	99.5%	99.4%	99.9%	%	40.0%
<b>Waste (Strauchgasse including tenants)</b>						
Waste paper	98	153	151	159	kg/empl.	141
Residual waste	337	87	92	98	kg/empl.	70
Separation quota	73.3%	32.0%	33.6%	33.0%	%	

\* Source: "Benchmarking für Finanzdienstleister" (benchmarking for financial service providers), ÖGUT Österreichische Gesellschaft für Umwelt und Technik, 2008

## Supplier management

As a rule, replacement and newly purchased office furniture and equipment as well as work materials are pre-selected by the relevant purchasing officers and subsequently checked by the sustainability officer for their adherence to the sustainability criteria in the criteria catalogue.



G4-12

The criteria catalogue "Sustainable procurement at OeKB", includes sustainability principles to be observed in the procurement procedure. Superimposed upon these basic rules are more elaborate, detailed rules concerning the office supplies, IT hardware, employee catering, construction, merchandising and energy-procurement sectors.

In addition to the OeKB sustainable procurement guidelines, procurement of office supplies also relies upon the [www.bueroeinkauf.at](http://www.bueroeinkauf.at) platform (German only) maintained by the Federal Ministry of Agriculture, Forestry, The Environment and Water Management. Provided that a product is registered in the website's database, it is deemed sustainable. If the desired product is not indicated on the website, the internal procurement criteria for office supplies will apply.



In addition to measurable criteria (such as electricity consumption, proportion of recyclable components, etc.) procurement takes into consideration certificates and (product) quality seals for all product groups. Based on his own evaluation and on the expertise of the sustainability manager, the procurement officer may then select one of the eligible products at his own discretion.

OeKB does not procure any products containing PVC, preferring renewable, recyclable, repairable and regional products as well as suppliers that address social issues as defined in the UN Global Compact.

## Outsourcing guidelines

For its operational risk management, OeKB has put in place a procedure that subjects significant as well as less significant outsourcing projects, as defined by the Austrian National Bank (OeNB) and the Financial Market Authority (FMA), to specific checks and ensures they comply with certain rules.

OeKB does not presently outsource any significant banking business, financial services or other OeKB-specific services. It does, however, use outsourcing for less significant projects in accordance with the aforementioned definitions.

Irrespective of materiality, processes and services are identified annually, which,

- have a great impact on operational procedures and daily business operation,
- come with a contract volume of considerable size and/or
- are of vital importance for the core business.

The above are subject to more rigorous due diligence and are to be evaluated annually within the scope of the risk management strategy.

In addition to a simple evaluation of their economic standing and adherence to defined service-level agreements, relevant assessment issues include: questions concerning personnel powers, training and work-related accidents as well as certifications, also in the area of Corporate Social Responsibility (CSR).

Non-compliance on the part of a particular service provider triggers a procedure that may result in their replacement. In 2014, no such action needed to be taken.

# Consolidated financial statements 2014

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Totals may not add due to rounding.

# OeKB Group 2014 consolidated financial statements

## Consolidated statement of comprehensive income

€ thousand	Notes	2014	2013	Change in %
Interest and similar income		344,436	461,084	-25.3%
Interest and similar expense		(264,512)	(380,053)	-30.4%
<b>Net interest income</b>	14	<b>79,924</b>	<b>81,031</b>	<b>-1.4%</b>
Share of results of equity-accounted investees	14, 28	5,503	5,156	6.7%
Impairment losses on loans and advances and other credit risk provisions	15	(91)	(145)	-37.2%
Fee and commission income		56,044	56,403	-0.6%
Fee and commission expense		(10,302)	(8,495)	21.3%
Net fee and commission income	16	45,742	47,908	-4.5%
Administrative expenses	17	(78,808)	(80,175)	-1.7%
Net other operating income	18	7,609	8,651	-12.0%
<b>Operating profit</b>		<b>59,879</b>	<b>62,426</b>	<b>-4.1%</b>
Net gain or loss on financial instruments	19	23,979	8,200	192.4%
<b>Profit before tax</b>		<b>83,858</b>	<b>70,626</b>	<b>18.7%</b>
Income tax and other taxes	20	(18,596)	(15,577)	19.4%
<b>Profit for the year</b>		<b>65,262</b>	<b>55,049</b>	<b>18.6%</b>
<b>Items that will not be reclassified to the income statement</b>				
Actuarial (losses) on defined benefit plans	33	(14,894)	(3,167)	370.3%
Tax effects	20	3,723	792	370.1%
<b>Other comprehensive (expense) after tax</b>		<b>(11,171)</b>	<b>(2,375)</b>	<b>370.4%</b>
<b>Total comprehensive income for the year</b>		<b>54,091</b>	<b>52,674</b>	<b>2.7%</b>
<b>Profit for the year attributable to:</b>				
Owners of the parent		65,017	54,800	18.6%
Non-controlling interests		245	249	-1.6%
		<b>65,262</b>	<b>55,049</b>	<b>18.6%</b>
<b>Total comprehensive income for the year attributable to:</b>				
Owners of the parent		53,875	52,440	2.7%
Non-controlling interests		216	234	-7.7%
		<b>54,091</b>	<b>52,674</b>	<b>2.7%</b>

### Earnings per share

	2014	2013
Total comprehensive income for the year attributable to owners of the parent, in € thousand	53,875	52,440
Average number of shares outstanding	880,000	880,000
<b>Earnings per share, in €</b>	<b>61.22</b>	<b>59.59</b>

At 31 December 2014, as one year earlier, there were no exercisable conversion or option rights. The stated earnings per share therefore represent basic earnings per share and are not subject to dilution.

# Consolidated balance sheet of OeKB Group

## Assets

€ thousand	Notes	31 Dec 2014	31 Dec 2013	Change in %
Cash and balances at central banks	22	271,838	520,631	-47.8%
Loans and advances to banks	23	19,311,835	21,364,329	-9.6%
Loans and advances to customers	24	1,510,321	1,489,161	1.4%
Allowance for impairment losses on loans and advances	7, 25	(562)	(471)	19.3%
Other financial instruments	26	1,789,342	1,611,969	11.0%
Derivatives designated as hedging instruments	45	4,872,878	3,748,107	30.0%
Interests in equity-accounted investees	28	67,670	67,766	-0.1%
Property and equipment and intangible assets	27	26,173	29,936	-12.6%
Current tax assets		409	409	0.0%
Deferred tax assets	34	83,209	72,465	14.8%
Other assets	29	68,456	59,959	14.2%
<b>Total assets</b>		<b>28,001,569</b>	<b>28,964,261</b>	<b>-3.3%</b>

## Liabilities and equity

€ thousand	Notes	31 Dec 2014	31 Dec 2013	Change in %
Deposits from banks	30	513,146	381,077	34.7%
Deposits from customers	31	814,380	674,745	20.7%
Debt securities in issue	32	23,541,088	24,589,960	-4.3%
Derivatives designated as hedging instruments	45	1,026,694	1,546,460	-33.6%
Provisions	33	1,237,201	964,316	28.3%
Current tax liabilities		4,359	1,197	264.2%
Deferred tax liabilities	34	26,478	20,876	26.8%
Other liabilities	35	119,799	101,140	18.4%
Equity	36	718,424	684,490	5.0%
<i>Attributable to non-controlling interests</i>		<i>4,352</i>	<i>4,273</i>	<i>1.8%</i>
<b>Total liabilities and equity</b>		<b>28,001,569</b>	<b>28,964,261</b>	<b>-3.3%</b>

## Consolidated statement of changes in equity of OeKB Group

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

More information on equity is provided in note 36.

### Consolidated statement of changes in equity 2014

€ thousand	Called-up share capital	Capital reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	Total equity
At 1 January 2014	130,000	3,347	546,870	680,217	4,273	684,490
Profit for the year	-	-	65,017	65,017	245	65,262
Other comprehensive (expense)	-	-	(11,142)	(11,142)	(29)	(11,171)
<b>Total comprehensive income for the year</b>	-	-	<b>53,875</b>	<b>53,875</b>	<b>216</b>	<b>54,091</b>
Transactions with owners (dividends)	-	-	(20,020)	(20,020)	(137)	(20,157)
<b>At 31 Dec 2014</b>	<b>130,000</b>	<b>3,347</b>	<b>580,725</b>	<b>714,072</b>	<b>4,352</b>	<b>718,424</b>

### Consolidated statement of changes in equity 2013

€ thousand	Called-up share capital	Capital reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	Total equity
At 1 January 2013	130,000	3,347	524,438	657,785	4,180	661,965
Profit for the year	-	-	54,800	54,800	249	55,049
Other comprehensive (expense)	-	-	(2,360)	(2,360)	(15)	(2,375)
<b>Total comprehensive income for the year</b>	-	-	<b>52,440</b>	<b>52,440</b>	<b>234</b>	<b>52,674</b>
Transactions with owners (dividends)	-	-	(30,008)	(30,008)	(140)	(30,148)
<b>At 31 Dec 2013</b>	<b>130,000</b>	<b>3,347</b>	<b>546,870</b>	<b>680,217</b>	<b>4,273</b>	<b>684,490</b>

## Consolidated statement of cash flows of OeKB Group

From 2014, changes in loans and advances to banks and customers are assigned to cash flows from investing activities. At the same time, changes in deposits from banks and customers and debt securities in issue are assigned to cash flows from financing activities.

Further detail on cash and cash equivalents is given in note 22. Additional information on the cash flow statement is provided in note 37.

### Consolidated statement of cash flows of OeKB Group

€ thousand	2014	2013 Restated	2013 as reported
<b>Cash and cash equivalents at beginning of period</b>	<b>520,631</b>	<b>124,266</b>	<b>124,266</b>
Net cash from/(used in) operating activities	154,076	92,177	580,780
Net cash from/(used in) investing activities	1,922,881	3,035,266	(154,407)
Net cash (used in) financing activities	(2,325,750)	(2,731,078)	(30,008)
<b>Cash and cash equivalents at end of period</b>	<b>271,838</b>	<b>520,631</b>	<b>520,631</b>

€ thousand	2014	2013
<b>Profit before tax</b>	<b>83,858</b>	<b>70,626</b>
Non-cash items included in profit before tax, and adjustments to reconcile profit before tax to cash flows from operating activities:		
Depreciation, amortisation and impairment of property and equipment and intangible assets	4,798	5,034
Changes in provisions	5,150	4,233
(Gains) from disposal and/or valuation of property and equipment	-	1
Unrealised (gains) from valuation of investments	(22,658)	(4,682)
Unrealised foreign exchange differences	(1,162,736)	255,230
Unrealised (gains)/losses from valuation of exchange rates	1,162,676	(255,059)
Foreign exchange differences	(277)	(719)
Other non-cash items	(2,276)	4,955
Changes in operating assets and liabilities, after adjustment for non-cash components:		
Other operating assets	5,971	(12,273)
Other operating liabilities	35,433	(5,584)
Interest and dividends received	346,347	461,726
Interest paid	(285,286)	(408,580)
Income tax paid	(16,924)	(22,731)
<b>Net cash from operating activities</b>	<b>154,076</b>	<b>92,177</b>
Proceeds from disposal of:		
Securities at fair value through profit or loss	99,868	225,462
Property and equipment and intangible assets	-	48
Purchase of:		
Securities at fair value through profit or loss	(205,465)	(378,164)
Property and equipment and intangible assets	(1,059)	(1,753)
Changes in:		
Loans and advances to banks	2,050,921	3,152,257
Loans and advances to customers	(21,384)	37,416
<b>Net cash from investing activities</b>	<b>1,922,881</b>	<b>3,035,266</b>
Changes in:		
Deposits from banks	132,288	(1,318,401)
Deposits from customers	139,635	488
Debt securities in issue	(2,577,653)	(1,383,157)
Issue of shares	-	-
Dividends paid	(20,020)	(30,008)
<b>Net cash (used in) financing activities</b>	<b>(2,325,750)</b>	<b>(2,731,078)</b>

# Notes to the consolidated financial statements of OeKB Group

## Accounting policies

### (1) General information

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

The export guarantee system is based on the provisions of the Export Guarantees Act and the respective regulation issued by the Federal Minister of Finance. OeKB, as the agent of and at the risk of the Republic of Austria, offers cover for non-marketable risks, focusing on exports of capital goods and Austrian direct investment abroad.

The Export Financing Scheme also operated by OeKB serves to fund export credits extended by banks (with OeKB providing finance to the bank that lends to the customer) and to fund direct lending by OeKB for the same purposes. Thanks to the Austrian government guarantees on the great majority of the lending under the Export Guarantees Act, OeKB does not incur significant credit risk. The Export Financing Scheme is managed as a separate accounting entity within OeKB Group. The accounting entity encompasses most of the loans, interim investments and money market transactions on the one hand, and the required funding items (including derivatives used for hedging) on the other hand. Exchange rate risks essentially exist only in connection with raising long- and short-term funds for the Export Financing Scheme. These risks are largely secured by the exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act. OeKB Group thus does not bear any exchange rate risk from the Export Financing Scheme. All surpluses from the Export Financing Scheme are recognised in an interest rate stabilisation provision and are available for future market support measures.

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

OeKB AG prepared the consolidated financial statements for the year ended 31 December 2014 in accordance exclusively with International Financial Reporting Standards (IFRS) as adopted by the European Union, thus also satisfying the requirements of section 59a Austrian Banking Act and section 245a Austrian Commercial Code.

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

The consolidated financial statements were prepared on a historical cost basis, except for the following items:

- Derivative financial instruments (measured at fair value)
- Financial instruments at fair value through profit or loss.

### *Changes in accounting methods*

With the exception of the new and amended accounting standards described below, the same accounting methods were applied in preparing these consolidated financial statements as in the preparation of the consolidated financial statements for the prior (2013) financial year.

#### *IFRS 10 – Consolidated Financial Statements*

This standard introduces a new and comprehensive definition of control. Where one company has control of another company, the parent must consolidate the subsidiary. Under the new concept, control exists when the potential parent company (the investor) has decision-making power over the relevant activities of the potential subsidiary (the investee) through voting rights or other rights, has exposure to positive or negative variable returns from the investee, and can use its decision-making power to affect these variable returns.

In accordance with the transition rules of IFRS 10, the Group reassessed the control of its investees at 1 January 2014. The control relationships in OeKB Group are clear-cut and the application of IFRS 10 will not have an impact.

#### *IFRS 11 – Joint Arrangements*

IFRS 11 changes how joint arrangements are accounted for. The new concept requires distinguishing between joint operations and joint ventures. A joint operation exists when the parties with joint control have direct rights to the assets, and have obligations for the liabilities, of the arrangement. Each party with joint control reports its share of the assets, liabilities, revenue and expenses of the joint operation in its consolidated financial statements. By contrast, in a joint venture, the parties with joint control have rights to the net assets of the arrangement. These rights are reflected in the – required – use of the equity method of accounting in the consolidated financial statements; the option of using proportionate consolidation is eliminated.

As joint ventures are already accounted for using the equity method in OeKB Group's consolidated financial statements, the adoption of IFRS 11 in conjunction with the amended IAS 28 does not result in a change for the Group.

### IFRS 12 – Disclosure of Interests in Other Entities

This standard specifies the required disclosures regarding investments in other companies (such as subsidiaries, joint arrangements and associates). The requirements are significantly expanded from the disclosures currently required under IAS 27, IAS 28 and IAS 31.

We have provided the expanded disclosures as required.

### Amendments to IFRS 10, IFRS 12 and IAS 27 - Investment Entities

The amendments contain a definition of the term ‘investment entities’ and exclude such companies from the scope of IFRS 10.

Under the amendments, investment entities do not consolidate their subsidiaries in their IFRS consolidated financial statements. The application of this exemption from the general consolidation principles is not optional but mandatory. Instead of being consolidated, the investees held for investment purposes are measured at fair value, with changes in value from period to period recognised in profit or loss.

The changes have no impact on consolidated financial statements that include investment entities, unless the group parent itself is an investment entity. Accordingly, the amendments have no effect on the consolidated financial statements of OeKB AG.

### Amendments to IAS 27 – Separate Financial Statements

With the issuing of IFRS 10, the provisions regarding the principle of control and the requirements for the preparation of consolidated financial statements were removed from IAS 27 and covered conclusively in IFRS 10 (see discussion of IFRS 10). As a result, IAS 27 now governs only the accounting for subsidiaries, jointly controlled entities and associates in IFRS separate financial statements.

The amendments have no impact on the consolidated financial statements of OeKB AG.

### Amendments to IAS 28 – Investments in Associates and Joint Ventures

In connection with the publication of IFRS 11 – Joint Arrangements, amendments were also made to IAS 28. The IAS standard continues to cover the application of the equity method of accounting. However, the scope of IAS 28 is significantly expanded by the introduction of IFRS 11, as equity accounting will now be required not just for investments in associates but also for investments in joint ventures (see IFRS 11). The use of proportionate consolidation for joint ventures is thus no longer an option.

Another change relates to situations where only part of an investment in an associate or joint venture is held for sale: that portion is accounted for in accordance with IFRS 5, while the remaining portion (to be retained) continues to be accounted for using the equity method until the time of disposal of the portion held for sale.

The amendments have no impact on the consolidated financial statements of OeKB AG.

### Amendments to IAS 32 - Offsetting Financial Assets and Financial Liabilities

This clarification of IAS 32 provides additional guidance on when financial instruments may be offset. It explains the meaning of a 'current legal right of set-off' and clarifies which gross settlement systems would meet the criteria for net settlement as the term is understood in the standard.

The amendments have no material impact on the consolidated financial statements of OeKB AG.

### Amendments to IAS 39 - Novation of Derivatives and Continuation of Hedge Accounting

Under certain conditions, the amendments to IAS 39 allow derivatives to remain designated as hedging instruments in an existing hedge relationship despite their novation to a central counterparty, where that novation is required by legislation or regulation.

The amendments have no material impact on the consolidated financial statements of OeKB AG.

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

The following major new or changed standards and interpretations (some of which have already been adopted into European Union law) will become effective in the future and have not yet been applied:

			Effective date
<b>IFRS 9</b>	Financial Instruments	New	1 January 2018
<b>IFRS 15</b>	Revenue from Contracts with Customers	New	1 January 2017
<b>IFRS 14</b>	Regulatory Deferral Accounts	New	1 January 2016
<b>IAS 16/IAS 41</b>	Agriculture: Bearer Plants	Amendments	1 January 2016
<b>IAS 16/IAS 38</b>	Clarification of Acceptable Methods of Depreciation and Amortisation	Amendments	1 January 2016
<b>IFRS 11</b>	Accounting for Acquisitions of Interests in Joint Operations	Amendments	1 January 2016

### IFRS 9 - Financial Instruments

The version of IFRS 9 issued in July 2014 replaces the existing guidelines of IAS 39 - Financial Instruments: Recognition and Measurement. IFRS 9 includes revised requirements, including a new model of expected credit losses for measuring impairment of financial assets, and the new general hedge accounting model. It also carries over from IAS 39 the requirements for recognition and derecognition of financial instruments. Application of IFRS 9 is mandatory for periods beginning on or after 1 January 2018, with early adoption permitted.

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

## IFRS 15 - Revenue from Contracts with Customers

IFRS 15 provides a comprehensive framework for determining whether, in what amount and when to recognise revenue. It replaces existing standards and interpretations on revenue recognition, including IAS 18 – Revenue, IAS 11 – Construction Contracts, and IFRIC 13 – Customer Loyalty Programmes. The application of IFRS 15 is mandatory for periods beginning on or after 1 January 2017, with early adoption permitted.

We are currently analysing the potential impacts of the adoption of IFRS 15 on our consolidated financial statements. However, at present we do not expect an impact on revenue recognition.

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

- IFRS 14 - Regulatory Deferral Accounts
- Amendments to IAS 16 and IAS 41: Agriculture: Bearer Plants
- Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
- Amendments to IAS 11: Accounting for Acquisitions of Interests in Joint Operations
- Amendments to IAS 19: Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRS 2010-2012
- Annual Improvements to IFRS 2011-2013

## *Critical assumptions, judgements and estimates*

The preparation of the consolidated financial statements in accordance with IFRS requires the Executive Board to make judgements and to proceed on assumptions about future developments. These judgements and assumptions can have a material effect on the recognition and measurement of the assets and liabilities, the disclosure of other obligations at the balance sheet date, and the amounts of income and expenses reported for the financial year.

The following assumptions involve a not insignificant risk that they may lead to a material change in the carrying amounts of assets and liabilities in the subsequent financial year.

- The inputs used for the determination of fair value are based in part on assumptions about future developments, which can fluctuate significantly in times of volatility (notes 6, 45 and 46).
- The measurement of existing retirement and termination benefit obligations involves assumptions regarding interest rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits (notes 10 and 33).
- The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be realised in the future to utilise them (notes 12 and 20).
- The off-balance sheet obligations from guarantees and from other contingent liabilities are regularly reviewed as to whether they require recognition in the balance sheet.

The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the respective standards. The estimates are based on experience and other factors, such as budgets and currently reasonable expectations for or forecasts of future results. The actual amounts and results may differ from the assumptions and estimates made if the factors and circumstances cited above do not match the trends expected at the balance sheet date. Changes are recognised in profit or loss as they become known, and the assumptions are adjusted accordingly.

## (2) Scope of consolidation

A list of all entities that are represented in the consolidated financial statements of OeKB Group is provided in note 28, Companies wholly or partly owned by OeKB AG. Three companies are fully consolidated: Oesterreichische Kontrollbank AG ('OeKB', the Group parent) and the Vienna-based Oesterreichische Entwicklungsbank AG ('OeEB') and "Österreichischer Exportfonds" GmbH ('Exportfonds'). There was no change during the financial year in the scope of consolidation, i.e., in the lists of entities that are fully consolidated, included by the equity method, or unconsolidated and held at cost.

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

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

	31 Dec 2013	31 Dec 2014
Fully consolidated companies	2	2
Equity-accounted investees (joint ventures)	2	2
Unconsolidated subsidiaries held at cost	2	2
Other investments in companies held at cost	9	9
<b>Total</b>	<b>15</b>	<b>15</b>

## (3) Methods of consolidation

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

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

Companies classified as joint ventures are accounted for under the equity method and are reported as interests in equity-accounted investees. Measurement by the equity method is based on local financial statements, adjusted to adhere to the Group's uniform accounting methods. The annual results are obtained from the latest available annual separate financial statements and sub-groups' consolidated financial statements, and the changes in equity are thus recognised in the year in which they occur. Dividends paid by joint ventures to the Group parent company are eliminated by reversing entries. Profits or losses for the year generated by joint ventures are shown in the consolidated income statement within share of results of equity-accounted investees.

#### (4) Foreign currency translation

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

Assets and liabilities denominated in foreign currencies are translated at the reference exchange rates of the European Central Bank at the balance sheet date of 31 December 2014.

##### Foreign exchange reference rates at 31 December 2014

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

##### Foreign exchange reference rates at 31 December 2013

Mid rate	Currency						
1.5423	AUD	7.4593	DKK	144.72	JPY	8.8591	SEK
1.4671	CAD	0.8337	GBP	8.363	NOK	1.3791	USD
1.2276	CHF	7.6265	HRK	4.1543	PLN		
27.427	CZK	297.04	HUF	4.471	RON		

## (5) Financial instruments

### *Loans and advances to banks and customers*

Loans and advances to banks and customers, to the extent that they are originated by the Group, are carried at their nominal amount or at amortised cost, before deduction of impairment losses and including accrued interest. Individual allowances for impairment losses are recognised for identifiable individual credit risks and for country risks. Impairment losses are not deducted from the corresponding loans and advances but are reported as a separate line item on the face of the balance sheet. As a result of OeKB's business model, most of its assets are in loans and advances to banks. Most of the loans and advances to banks made under OeKB's Export Financing Scheme are guaranteed by the Republic of Austria, and therefore no provision for credit losses was required (see note 1, General information).

### *Other financial instruments*

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

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

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

### *Financial liabilities*

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

## ***Derivative financial instruments***

To manage market risks, the Group uses derivative financial instruments (derivatives), especially to hedge future variable cash flows against changes in market interest rates and thus to mitigate the revenue risk on the lending side. The derivatives involved are largely interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and used as hedging instruments, primarily for debt securities issued by OeKB Group. Credit exposures arising from fluctuations in value are secured with collateral. Derivatives are not used for speculative purposes.

The fair value of derivative contracts is calculated by generally accepted methods. Derivatives are recognised at the trade date. Derivative contracts are reported at their market value (the clean price) as a separate item in assets or liabilities. To avoid accounting mismatches (based on FVTPL measurement), the change in market values of the hedged balance sheet items, like that of the derivatives, is recognised in profit or loss within net gain or loss on financial instruments.

The exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act (in German: Ausfuhrfinanzierungsförderungsgesetz, published in Federal Law Gazette No 216/1981, as amended), which is used to hedge exchange rate risks under the Export Financing Scheme, is treated as a derivative contract and measured at fair value.

## **(6) Determination of fair value**

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

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

Significant measurement results are reported to the Audit Committee.

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

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

Unlisted instruments are measured using the present value method or suitable option pricing models. To the extent possible, the input parameters used for these models are the relevant market prices and interest rates observed at the balance sheet date that are obtained from widely accepted external sources. The present value method is based on the present value of discounted future cash flows. The option pricing models are concerned with the value determined by applying option pricing formulas under the Black-Scholes model, multifactor HJM model or Hull-White model.

Financial instruments whose market value is determined using the present value method are assigned to level 2 of the fair value hierarchy under IFRS 13.

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

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

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

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

The market values of deposits from banks and customers and of debt securities in issue are determined by discounting the contractual cash flows by reference to OeKB's credit spreads as at the measurement date.

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

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

Reclassifications between levels of the fair value hierarchy are recognised at the end of the reporting period in which the change occurred. No reclassifications were made in the financial year or the prior year.

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

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

## (8) Property and equipment and intangible assets

Property and equipment comprises land and buildings used by the Group, and fixtures, fittings and equipment. Land and buildings used by the Group are those which are used primarily for the Group's own business operations. Intangible assets comprise only purchased software.

Property and equipment and intangible assets are recorded at cost less accumulated depreciation and amortisation. The following useful lives are assumed:

### Useful life

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

Asset values are periodically reviewed.

## (9) Sundry liabilities

Sundry liabilities are recorded at amortised cost.

## (10) Employee benefit provisions

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

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

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

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

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

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

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

The biometric basis for the calculations consists of the version of the current computation tables by Pagler & Pagler specific to salaried employees. The key parameters are:

- A discount rate of 2.40% (prior year: 3.25%),
- An overall rate of salary and pension increases of up to 3.0% (prior year: 3.0%) – which represents the collective-agreement trend and regular multi-employee increases and unscheduled individual-employee increases
- An assumed age at retirement of 59 years 3 months for women (prior year: 59 years) and 64 years 3 months for men (prior year: 64 years) based on the transitional provisions of the Austrian public pension scheme (ASVG) under the Budget Implementation Act 2003.

## (11) Other provisions

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

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

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

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

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

## (12) Current and deferred taxes

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

## (13) Consolidated statement of comprehensive income

### *Composition of net gains and losses on financial instruments*

Net gains and losses on financial instruments are affected by fair value changes recognised through profit or loss, by impairment losses, reversal of impairment through profit or loss, exchange rate movements and derecognition. For financial assets designated on initial recognition as at fair value through profit or loss, and thus measured as such, interest and dividend income is recorded within net interest income.

### *Revenue recognition*

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

## Segmental information

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

The Export Services segment encompasses the management of guarantees provided by the Republic of Austria through OeKB as the government's official agent under the Export Guarantees Act (in German: Ausfuhrförderungsgesetz); OeKB's Export Financing Scheme; and the shareholding in "Österreichischer Exportfonds" GmbH.

The Capital Market Services segment comprises all services provided by Oesterreichische Kontrollbank AG relating to the capital market, clearing and settlement of on-exchange and off-exchange securities transactions, the Central Securities Depository Austria (CSD Austria), and clearing services for the energy market.

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

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

## Segment performance in 2014

### Results by business segment in 2014

€ thousand	Export Services	Capital Market Services	Other Services	Total
Interest and similar income	319,707	-	24,729	<b>344,436</b>
Interest and similar expense	(264,293)	-	(219)	<b>(264,512)</b>
<b>Net interest income</b>	<b>55,413</b>	-	<b>24,510</b>	<b>79,923</b>
Share of results of equity-accounted investees	-	(73)	5,576	<b>5,503</b>
Impairment losses on loans and advances and other credit risk provisions	-	-	(91)	<b>(91)</b>
Fee and commission income	18,778	31,159	6,107	<b>56,044</b>
Fee and commission expense	(2,189)	(1,577)	(6,536)	<b>(10,302)</b>
Net fee and commission income	16,589	29,582	(429)	<b>45,742</b>
Administrative expense	(42,813)	(28,736)	(22,153)	<b>(93,702)</b>
Net other operating (expense)/income	(812)	2,854	5,567	<b>7,609</b>
<b>Operating profit</b>	<b>28,377</b>	<b>3,627</b>	<b>12,980</b>	<b>44,984</b>
Net gain or loss on financial instruments	114	-	23,865	<b>23,979</b>
<b>Profit before tax</b>	<b>28,491</b>	<b>3,627</b>	<b>36,845</b>	<b>68,963</b>
Income tax and other taxes	(6,882)	(783)	(7,207)	<b>(14,872)</b>
<b>Profit for the year</b>	<b>21,609</b>	<b>2,844</b>	<b>29,638</b>	<b>54,091</b>
<i>Attributable to non-controlling interests</i>	<i>(216)</i>	-	-	<b>(216)</b>
<i>Attributable to owners of the parent</i>	<i>21,393</i>	<i>2,844</i>	<i>29,638</i>	<b>53,875</b>
Segment assets	26,446,078	13,751	1,541,740	<b>28,001,569</b>
Segment liabilities	26,883,819	41,868	357,458	<b>27,283,145</b>

The following factors are worth noting:

- Net interest income in the Export Services segment fell as a result of the reduction in the financing of exporters by their own banks, and increased in the Other Services segment amid the growth in lending by Oesterreichische Entwicklungsbank AG (OeEB), the development bank.
- Net fee and commission income fell in Export Services due to low processing fees, rose in the Capital Market Services segment thanks to higher income from custody fees, and decreased in Other Services as a result of higher guarantee premium payments by OeEB.
- The share of results of equity-accounted investees (joint ventures) in Capital Market Services reflected a year-on-year improvement in the result of CCP.A.
- The visible increase in administrative expense in all segments was caused mainly by the actuarial losses from the change of parameters under IAS 19.
- The significant rise in net gain on financial instruments in Other Services was attributable both to realised gains in connection with bond redemptions and to the higher measured fair value of the investment portfolio.

## Results by business segment in 2013

€ thousand	Export Services	Capital Market Services	Other Services	<b>Total</b>
Interest and similar income	441,772	-	19,311	<b>461,084</b>
Interest and similar expense	(379,911)	-	(142)	<b>(380,053)</b>
<b>Net interest income</b>	<b>61,861</b>	-	<b>19,169</b>	<b>81,031</b>
Share of results of equity-accounted investees	-	(140)	5,297	<b>5,156</b>
Impairment losses on loans and advances and other credit risk provisions	-	-	(145)	<b>(145)</b>
Fee and commission income	<b>20,843</b>	<b>30,133</b>	<b>5,426</b>	<b>56,403</b>
Fee and commission expense	(2,430)	(1,598)	(4,467)	<b>(8,495)</b>
Net fee and commission income	18,414	28,536	958	<b>47,908</b>
Administrative expense	(37,838)	(25,352)	(20,151)	<b>(83,342)</b>
Net other operating (expense)/income	(862)	2,310	7,203	<b>8,651</b>
<b>Operating profit</b>	<b>41,574</b>	<b>5,353</b>	<b>12,330</b>	<b>59,259</b>
Net gain or loss on financial instruments	72	-	8,129	<b>8,201</b>
<b>Profit before tax</b>	<b>41,646</b>	<b>5,353</b>	<b>20,459</b>	<b>67,459</b>
Income tax and other taxes	(9,452)	(1,156)	(4,178)	<b>(14,786)</b>
<b>Profit for the year</b>	<b>32,195</b>	<b>4,197</b>	<b>16,281</b>	<b>52,674</b>
<i>Attributable to non-controlling interests</i>	<i>(233)</i>	-	-	<i>(234)</i>
<i>Attributable to owners of the parent</i>	<i>31,962</i>	<i>4,197</i>	<i>16,281</i>	<i>52,440</i>
Segment assets	27,530,788	13,254	1,420,219	<b>28,964,261</b>
Segment liabilities	27,829,522	37,603	412,646	<b>28,279,771</b>

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

The segment information is based on the same presentation and accounting policies as the consolidated financial statements, with the exception of actuarial gains and losses under IAS 19, which are reported in the segmental analysis within administrative expenses.

The regional focus of OeKB Group's activities lies with the Austria-based banks of end-customers. A geographic segmentation is provided in note 50.

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

## (14) Net interest income and share of results of equity-accounted investees

€ thousand	Amortised cost 2013	Fair value option 2013	Total 2013	Amortised cost 2014	Fair value option 2014	Total 2014
Loans and advances and money market instruments	446,574	-	446,574	328,874	-	<b>328,874</b>
Fixed income securities	-	8,295	8,295	-	8,212	<b>8,212</b>
Equity shares and other variable income securities	-	4,970	4,970	-	5,896	<b>5,896</b>
Investments in unconsolidated subsidiaries and other companies	1,243	-	1,243	1,453	-	<b>1,453</b>
<b>Interest income</b>	<b>447,817</b>	<b>13,265</b>	<b>461,082</b>	<b>330,327</b>	<b>14,108</b>	<b>344,436</b>
Money market instruments and current accounts	(11,031)	-	(11,031)	(8,988)	-	<b>(8,988)</b>
Debt securities in issue	(204,741)	(164,280)	(369,021)	(132,758)	(122,766)	<b>(255,524)</b>
<b>Interest expense</b>	<b>(215,772)</b>	<b>(164,280)</b>	<b>(380,052)</b>	<b>(141,746)</b>	<b>(122,766)</b>	<b>(264,512)</b>
<b>Net interest income</b>	<b>232,045</b>	<b>(151,015)</b>	<b>81,031</b>	<b>188,581</b>	<b>(108,658)</b>	<b>79,925</b>
Share of results of equity-accounted investees	5,156	-	5,156	5,503	-	<b>5,503</b>

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

In the 2014 financial year an impairment loss of € 91 thousand (2013: € 145 thousand) was recognised in respect of microcredits extended by OeKB.

## (16) Net fee and commission income

### Net fee and commission income

€ thousand	2013	2014
Credit operations	(729)	(2,703)
Securities services	25,866	26,800
Export guarantees	18,033	16,641
Energy clearing	2,580	2,615
Other services	2,157	2,389
<b>Net fee and commission income</b>	<b>47,908</b>	<b>45,742</b>

The export guarantee activities represent services provided by OeKB on behalf of the Austrian government; additional detail is provided in the Segmental information section of this report.

## (17) Administrative expenses

The costs for the audit of the annual financial statements were € 401 thousand (2013: € 311 thousand) and are included in other administrative expenses.

### Administrative expenses

€ thousand	2013	2014
Salaries	37,011	36,606
Social security costs	8,294	8,423
Pension and other employee benefit costs	7,288	7,123
Staff costs	52,593	52,152
Other administrative expenses	22,548	21,856
Depreciation, amortisation and impairment of property and equipment and intangible assets	5,034	4,800
<b>Administrative expenses</b>	<b>80,175</b>	<b>78,808</b>

## (18) Net other operating income

### Net other operating income

€ thousand	2013	2014
Other operating income	9,995	9,239
Other operating expenses	(1,344)	(1,630)
<b>Net other operating income</b>	<b>8,651</b>	<b>7,609</b>

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

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

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

## Net gain or loss on financial instruments

€ thousand	2013	2014
Net gain or loss from measurement at fair value through profit or loss		
Foreign exchange differences	255,059	(1,162,676)
Debt securities in issue and derivatives	(255,230)	1,162,736
<b>Subtotal</b>	<b>(171)</b>	<b>60</b>
Securities	8,325	23,919
<b>Subtotal</b>	<b>8,154</b>	<b>23,979</b>
Net gain or loss on disposal of investments in unconsolidated companies	46	-
<b>Net gain or loss on financial instruments</b>	<b>8,200</b>	<b>23,979</b>
<i>Of which at fair value through profit or loss</i>	<i>8,030</i>	<i>23,843</i>
<i>Of which at amortised cost</i>	<i>170</i>	<i>136</i>

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

The gains of € 23.9 million on other financial instruments (2013: € 8.3 million) can be analysed as follows:

- Gains of € 1.3 million realised on disposal (2013: gains of € 3.7 million)
- Valuation losses of € 0.5 million (2013: losses of € 6.3 million)
- Valuation gains of € 23.2 million (2013: gains of € 10.9 million)

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

## (20) Income tax and other taxes

### Tax recognised in profit or loss

€ thousand	2013	2014
Current year	18,689	20,128
Adjustment for prior years	(94)	(121)
<b>Total current tax expense</b>	<b>18,595</b>	<b>20,007</b>
Origination and reversal of temporary differences	(90)	(9)
Change in recognised deductible temporary differences	(2,928)	(1,402)
<b>Net deferred taxes</b>	<b>(3,018)</b>	<b>(1,411)</b>
<b>Income tax and other taxes</b>	<b>15,577</b>	<b>18,596</b>

## Tax recognised in other comprehensive income

€ thousand	2013	2014
Actuarial (losses) on defined benefit plans	(792)	(3,723)

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

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

## Effective tax rate reconciliation

€ thousand	2013		2014	
<b>Profit before tax</b>	<b>70,626</b>	<b>100.0%</b>	<b>83,858</b>	<b>100.0%</b>
Tax expense at Austrian standard corporate income tax rate of 25%	17,657	25.0%	20,965	25.0%
Non-deductible expenses	(50)	-0.1%	131	0.2%
Tax-exempt income	(1,894)	-2.7%	(2,578)	-3.1%
Change in recognised deductible temporary differences	(230)	-0.3%	(43)	-0.1%
Change in estimates related to prior years	94	0.5%	121	0.1%
<b>Total</b>	<b>15,577</b>	<b>22.1%</b>	<b>18,596</b>	<b>22.2%</b>

## (21) Appropriation of profit

The Executive Board will propose to the 69th Annual General Meeting on 12 May 2015 that the profit available for distribution recorded in the parent company financial statements for the year 2014 in the amount of € 20.3 million be used to pay a dividend of € 22.75 per share.

The amount of the resulting total proposed dividend is € 20.0 million. This represents approximately 15% of the participating ordinary share capital for 2014 of € 130.0 million. After payment of the Supervisory Board performance-based compensation, the balance is to be carried forward.

The dividend payment for the 2013 financial year, which was made in May 2014, amounted to € 22.75 per share or a total of € 30.0 million.

# Notes to the consolidated balance sheet of OeKB Group

## (22) Cash and balances at central banks

This item consists solely of cash and balances with central banks and corresponds to cash and cash equivalents reported in the cash flow statement.

## (23) Loans and advances to banks

### Loans and advances to banks

€ thousand	Repayable on demand		Other maturities		Total	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Domestic	515	25,925	18,958,528	16,629,551	18,959,043	16,655,476
Foreign banks	21,135	8,609	2,384,151	2,647,750	2,405,286	2,656,359
<b>Total</b>	<b>21,650</b>	<b>34,534</b>	<b>21,342,679</b>	<b>19,277,301</b>	<b>21,364,329</b>	<b>19,311,835</b>

The analysis by rating category is presented in note 50.

## (24) Loans and advances to customers

### Loans and advances to customers

€ thousand	Domestic customers		Foreign customers		Total	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Public sector	1,113	3,590	400,432	359,468	401,545	363,058
Other	982,480	1,014,970	105,136	132,293	1,087,616	1,147,263
<b>Total</b>	<b>983,593</b>	<b>1,018,560</b>	<b>505,568</b>	<b>491,761</b>	<b>1,489,161</b>	<b>1,510,321</b>

The analysis by rating category is presented in note 50.

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

The allowance for impairment losses on loans and advances relates only to loans and advances to customers, and concerns only credit risks. The item also includes interest arrears at the balance sheet date. The amount of non-performing loans and advances before impairment allowances was € 599 thousand (2013: € 584 thousand).

At the balance sheet date there were no arrears and thus no financial assets 'past due but not impaired'.

## (26) Other financial instruments

### Other financial instruments

€ thousand	31 Dec 2013	31 Dec 2014
Treasury bills	740,222	775,672
Bonds	518,689	607,068
<b>Bonds and other fixed income securities</b>	<b>1,258,911</b>	<b>1,382,740</b>
<i>Of which listed bonds</i>	<i>1,258,811</i>	<i>1,382,740</i>
Equity shares	-	-
Investment fund units	333,477	387,020
<b>Equity shares and other variable income securities</b>	<b>333,477</b>	<b>387,020</b>
<i>Of which listed equity shares and other variable income securities</i>	<i>2,011</i>	<i>1,995</i>
Investments in unconsolidated subsidiaries	1,536	1,536
Investments in other unconsolidated companies	18,045	18,045
<b>Unconsolidated companies</b>	<b>19,581</b>	<b>19,581</b>
<b>Total other financial instruments</b>	<b>1,611,969</b>	<b>1,789,341</b>
<i>Of which at fair value through profit or loss</i>	<i>1,592,388</i>	<i>1,769,761</i>
<i>Of which at amortised cost</i>	<i>19,581</i>	<i>19,581</i>
Due in the subsequent year		
Bonds and other fixed income securities	99,460	166,161
Investment fund units (with fixed maturity)	-	10,000
Accrued interest	4,287	3,582
<b>Total</b>	<b>103,747</b>	<b>179,743</b>

Beginning in 2010, as part of liquidity management for the Export Financing Scheme, a liquid assets portfolio has been established that had a market value of € 1,121.1 million (2013: € 1,032.2 million) at 31 December 2014.

## (27) Property and equipment and intangible assets

### Property and equipment and intangible assets 2014

€ thousand	Cost at 1 Jan 2014	Additions in 2014	Disposals in 2014	Cost at 31 Dec 2014	Accumulated depreciation and amortisation	Net book value at 31 Dec 2014	Net book value at 31 Dec 2013	Current-year depreciation and amortisation
Land and buildings	82,378	-	-	82,378	(61,759)	20,619	23,975	(3,356)
Fixtures, fittings and equipment	22,366	574	(3,008)	19,932	(15,731)	4,201	4,858	(1,203)
Assets under construction	-	120	-	120	-	120	-	-
<b>Property and equipment</b>	<b>104,744</b>	<b>694</b>	<b>(3,008)</b>	<b>102,430</b>	<b>(77,490)</b>	<b>24,940</b>	<b>28,833</b>	<b>(4,559)</b>
Software	3,739	305	(482)	3,562	(3,087)	475	405	(240)
Assets under construction	697	60	-	757	-	757	698	-
<b>Intangible assets</b>	<b>4,436</b>	<b>365</b>	<b>(482)</b>	<b>4,319</b>	<b>(3,087)</b>	<b>1,232</b>	<b>1,103</b>	<b>(240)</b>
<b>Total</b>	<b>109,180</b>	<b>1,059</b>	<b>(3,490)</b>	<b>106,749</b>	<b>(80,577)</b>	<b>26,172</b>	<b>29,936</b>	<b>(4,800)</b>

Within the carrying amount of land and buildings used by the Group, the value of the land itself was € 4.4 million (2013: € 4.4 million).

### Property and equipment and intangible assets 2013

€ thousand	Cost at 1 Jan 2013	Additions in 2013	Disposals in 2013	Cost at 31 Dec 2013	Accumulated depreciation and amortisation	Net book value at 31 Dec 2013	Net book value at 31 Dec 2012	Current-year depreciation and amortisation
Land and buildings	82,302	76	-	82,378	(58,403)	23,975	27,255	(3,355)
Fixtures, fittings and equipment	23,670	1,303	(2,607)	22,366	(17,509)	4,857	4,949	(1,349)
Assets under construction	-	-	-	-	-	-	-	-
<b>Property and equipment</b>	<b>105,972</b>	<b>1,379</b>	<b>(2,607)</b>	<b>104,744</b>	<b>(75,912)</b>	<b>28,833</b>	<b>32,204</b>	<b>(4,704)</b>
Software	3,564	176	(1)	3,739	(3,334)	405	559	(330)
Assets under construction	499	198	-	697	-	697	499	-
<b>Intangible assets</b>	<b>4,063</b>	<b>374</b>	<b>(1)</b>	<b>4,436</b>	<b>(3,334)</b>	<b>1,103</b>	<b>1,058</b>	<b>(330)</b>
<b>Total</b>	<b>110,035</b>	<b>1,753</b>	<b>(2,608)</b>	<b>109,180</b>	<b>(79,246)</b>	<b>29,936</b>	<b>33,262</b>	<b>(5,034)</b>

## (28) Companies wholly or partly owned by OeKB AG



G4-13

### Companies wholly or partly owned by OeKB AG

Company name and registered office	Banking Act	Type of investment		Share-	Financial information		
	Category	Directly held	Indirectly held	holding	Reporting date of latest annual accounts	Equity as defined in sec. 224(3) UGB, in € '000	Profit for the year, in € '000
	Credit Institution/ Other Company			in %			
<b>Fully consolidated companies</b>							
Oesterreichische Entwicklungsbank AG, Vienna	Cl	x		100.00%	31 Dec 2014	13,281	4,283
"Österreichischer Exportfonds" GmbH, Vienna	Cl	x		70.00%	31 Dec 2014	11,734	1,324
<b>Equity-accounted investees (joint ventures)</b>							
OeKB EH Beteiligungs- und Management AG, Vienna	OC	x		51.00%	31 Dec 2014	93,079	9,708
Acredia Versicherung AG, Vienna	OC		x	51.00%	31 Dec 2014	89,748	11,250
PRISMA Risikoservice GmbH, Vienna	OC		x	51.00%	31 Dec 2014	12,738	2,873
PRISMA Risk Services D.O.O., Belgrade	OC		x	51.00%	31 Dec 2014	483	9
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00%	31 Dec 2014	11,420	(157)
<b>Unconsolidated subsidiaries, held at amortised cost</b>							
OeKB Business Services GmbH, Vienna	OC	x		100.00%	31 Dec 2014	1,741	(330)
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00%	31 Dec 2014	4,540	6
<b>Investments in other unconsolidated companies, held at amortised cost</b>							
AGCS Gas Clearing and Settlement AG, Vienna	OC	x		20.00%	31 Dec 2013	2,778	(212)
APCS Power Clearing and Settlement AG, Vienna	OC	x		17.00%	31 Dec 2013	2,814	458
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	x		18.50%	31 Dec 2013	3,293	2,493
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	OC	x		0.10%	31 Dec 2013	77	-
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	x		8.06%	31 Dec 2013	2,857	439
"Garage Am Hof" Gesellschaft m.b.H., Vienna	OC	x		2.00%	31 Dec 2013	4,296	1,109
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	x		12.60%	31 Dec 2013	5,514	468
CEESEG Aktiengesellschaft (former Wiener Börse AG), Vienna	OC	x		6.60%	31 Dec 2013	333,324	18,835
Budapest Stock Exchange Ltd., Budapest	OC	x		18.35%	31 Dec 2013	18,405	1,902

The tables below provide material information on a non-wholly owned subsidiary and on joint ventures.

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

€ thousand	2013	2014
	Minority shareholding 30%	Minority shareholding 30%
Export Services segment		
Net interest income	3,151	3,101
Operating profit	1,149	1,099
Profit for the year	828	818
Profit – attributable to non-controlling interests	249	245
Other comprehensive (expense)	(52)	(98)
Total comprehensive income for the year	776	720
Total comprehensive income for the year - attributable to non-controlling interests	234	216
Current assets	1,027,123	1,029,494
Non-current assets	1,918	1,919
Current liabilities	1,001,212	1,003,077
Non-current liabilities	13,583	13,834
Equity	14,246	14,502
Attributable to owners of the parent	9,973	10,150
Equity – attributable to non-controlling interests	4,273	4,352
Net cash from operating activities	1,280	779
Net cash from/(used in) investing activities	12,186	(2,313)
Net cash (used in)/from financing activities	(13,464)	1,536
Net cash	2	2
Dividend payments to non-controlling interests	140	137

The carrying amount of the equity-accounted joint ventures at the balance sheet date was € 67.7 million. Of this total, € 62.0 million represented OeKB EH Beteiligungs- und Management AG and € 5.7 million represented CCP Austria Absicherungsstelle für Börsengeschäfte GmbH.

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

There are no contingent liabilities for the equity-accounted joint ventures.

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

Other Services segment	2013	2014
Shareholding	51%	51%
Share of voting rights	51%	51%

OeKB EH Beteiligungs- und Management AG is a holding company not listed on the stock exchange. It is the sole owner of Acredia Versicherung AG. Acredia was created by the merger of OeKB Versicherung AG into PRISMA Kreditversicherungs-AG in 2014. Acredia markets its products under the same familiar brands: 'PRISMA – Die Kreditversicherung' and 'OeKB Versicherung'. It offers a wide range of credit insurance choices for Austrian industry.

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

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

## OeKB EH Beteiligungs- und Management AG

€ thousand	2013	2014
Earned premiums	26,509	26,057
Technical result	9,897	9,001
Profit before tax	13,201	14,335
<i>Of which depreciation</i>	1,132	279
<i>Of which interest income</i>	1,414	1,404
<i>Of which interest expense</i>	-	-
Profit for the year	10,909	11,687
Other comprehensive (expense)	(523)	(753)
<b>Total comprehensive income for the year</b>	<b>10,386</b>	<b>10,934</b>
Current assets	50,050	44,946
<i>Of which cash and cash equivalents</i>	25,755	19,412
Non-current assets	141,038	152,313
Current liabilities	17,837	20,412
Non-current liabilities	51,716	55,354
<b>Equity</b>	<b>121,535</b>	<b>121,493</b>
OeKB Group's share of equity at beginning of period	63,909	61,983
OeKB Group's share of total comprehensive income for the period	5,297	5,576
Dividend payments received	(7,223)	(5,599)
<b>OeKB Group's share of equity at end of period</b>	<b>61,983</b>	<b>61,960</b>

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

Other services segment	2013	2014
Shareholding	50%	50%
Share of voting rights	50%	50%

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

CCP.A is not a publicly traded company. It acts as the clearing agent for the Vienna Stock Exchange and as the central counterparty for all trades concluded on the exchange.

### CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH

€ thousand	2013	2014
Revenue	2,477	2,553
Operating loss	(299)	(176)
Loss before tax	(271)	(157)
<i>Of which depreciation</i>	-	-
<i>Of which interest income</i>	27	18
<i>Of which interest expense</i>	-	-
Loss for the year	(280)	(146)
Other comprehensive (expense)	-	-
<b>Total comprehensive (expense) for the year</b>	<b>(280)</b>	<b>(146)</b>
Current assets	11,462	30,313
<i>Of which cash and cash equivalents</i>	<i>11,322</i>	<i>30,147</i>
Non-current assets	413	-
Current liabilities	247	18,758
Non-current liabilities	62	135
<b>Equity</b>	<b>11,566</b>	<b>11,420</b>
OeKB Group's share of equity at beginning of period	73	5,783
Capital increase	5,850	-
OeKB Group's share of total comprehensive (expense) for the period	(140)	(73)
Dividend payments received	-	-
<b>OeKB Group's share of equity at end of period</b>	<b>5,783</b>	<b>5,710</b>

## (29) Other assets

€ thousand	Dec 31 2013	Dec 31 2014
Sundry assets	34,756	48,768
Prepayments and accrued income	25,202	19,688
<b>Other assets</b>	<b>59,958</b>	<b>68,456</b>

## (30) Deposits from banks

€ thousand	Repayable on demand		Other deposits		Total	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Domestic banks	85,715	50,950	-	-	85,715	50,950
Foreign banks	92,579	46,226	202,783	415,970	295,362	462,196
<b>Total</b>	<b>178,294</b>	<b>97,176</b>	<b>202,783</b>	<b>415,970</b>	<b>381,077</b>	<b>513,146</b>

## (31) Deposits from customers

€ thousand	Domestic customers		Foreign customers		Total	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Public sector	544,602	696,826	1,432	1,423	546,034	698,249
Other	76,967	65,956	51,744	50,175	128,711	1,161,311
<b>Total</b>	<b>621,569</b>	<b>762,782</b>	<b>53,176</b>	<b>51,598</b>	<b>674,745</b>	<b>814,380</b>

## (32) Debt securities in issue

€ thousand	Debt securities in issue		Of which listed	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Bonds issued	18,371,773	18,165,493	18,371,773	18,165,493
Other debt securities in issue	6,218,188	5,375,595	-	-
<b>Total</b>	<b>24,589,960</b>	<b>23,541,088</b>	<b>18,371,773</b>	<b>18,165,493</b>
<i>Of which at fair value through profit or loss</i>	<i>17,288,446</i>	<i>17,118,531</i>	-	-
<i>Of which amortised cost</i>	<i>7,301,514</i>	<i>6,422,557</i>	-	-

The amount repayable on maturity for debt securities in issue that are measured using the fair value option was € 14,112.3 million (2013: € 15,727.0 million).

## Maturities in 2015

€ thousand	Maturities in 2014	Maturities in 2015
Debt securities in issue	9,511,117	8,523,015
Accrued interest	132,545	110,531
Redemption and coupon payments in the course of transmission to security holders	128	128
Fair value measurement	19,660	19,419
<b>Total</b>	<b>9,663,449</b>	<b>8,653,094</b>

## (33) Provisions

### Movement in provisions

€ thousand	1 Jan 2014	Amounts used or released	Additions	31 Dec 2014
Non-current provisions for employee benefits	115,650	(4,108)	227,192	131,100
Current provisions for employee benefits	4,900	(6,697)	4,900	10,645
Other current provisions	843,766	(14,161)	1,671,574	1,095,457
<i>Of which interest rate stabilisation provisions</i>	-	<i>(7,204)</i>	<i>827,686</i>	<i>1,090,983</i>
<b>Provisions</b>	<b>964,316</b>	<b>(24,966)</b>	<b>1,903,666</b>	<b>1,237,201</b>

Included in current employee benefit provisions are provisions for vacation pay and similar obligations, as well as bonus payments.

The item 'other provisions' at 31 December 2014 included an interest rate stabilisation provision of € 1,090.0 million (2013: € 834.9 million) created in order to stabilise the interest rates for the Export Financing Scheme. For an explanation on measurement of the provision, see note 11. In the fiscal year, an addition of € 117.9 million to the interest rate stabilisation provision was made from the net interest income of the Export Financing Scheme and an addition of € 145.4 million was made from the Scheme's valuation results (also see note 1).

Movement in provisions for non-current employee benefits was as follows:

### Movement in non-current employee benefit provisions

€ thousand	Pension	Termination benefits	Total 2014	Total 2013
Present value of defined benefit obligation (DBO), representing the total non-current employee benefit provisions at 1 January	91,781	23,869	115,650	112,554
Service cost	548	742	1,290	1,532
Interest cost	2,638	758	3,396	3,583
Benefits paid	(3,483)	(648)	(4,131)	(5,184)
Actuarial gain/(loss)	12,676	2,218	14,894	3,167
<i>Of which actuarial gain/(loss) arising from change in parameters</i>	<i>15,942</i>	<i>1,949</i>	<i>17,891</i>	<i>3,273</i>
<i>Of which actuarial gain/(loss) arising from experience adjustments</i>	<i>(3,266)</i>	<i>269</i>	<i>(2,997)</i>	<i>(106)</i>
DBO at 31 December	104,160	26,939	131,099	115,650
<b>Non-current employee benefit provisions at 31 December</b>	<b>104,160</b>	<b>26,939</b>	<b>131,099</b>	<b>115,650</b>

### Historical information on defined benefit obligation

€ thousand	2009	2010	2011	2012	2013
Pension provision	79,027	81,368	84,016	88,051	91,781
Termination benefit provision	21,604	23,027	23,500	24,503	23,869
Non-current employee benefit provisions	100,631	104,395	107,516	112,554	115,650

The pension obligations for most of the staff have been transferred to a pension fund under a defined contribution plan. In connection with this plan, contributions of € 0.9 million were paid to the pension fund in 2014 (2013: € 0.8 million).

Staff costs also included the contributions of € 0.2 million to the termination benefit fund (2013: € 0.2 million).

The following table presents the sensitivity of the obligations to key actuarial assumptions. It shows the respective absolute amount of the provision recognised at 31 December 2014 when a single assumption is varied at a time with the other assumptions held constant.

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

€ thousand	Pension expenses	Termination benefit expenses
Increase in discount rate by 1.00%-point	12,786	2,271
Decrease in discount rate by 1.00%-point	(15,951)	(2,613)
Increase in expected salary growth by rate by 0.50%-point	(909)	(1,246)
Decrease in expected salary growth by rate by 0.50%-point	876	1,173
Increase in pension trend by 0.50%-point	(6,362)	-
Decrease in pension trend by 0.50%-point	5,820	-

**Principal assumptions**

	2013	2014
Discount rate	3.25%	2.40%
Salary trend	1.75%	1.25%
Pension trend	1.25%	1.75%
<b>Total trends</b>	<b>3.00%</b>	<b>3.00%</b>

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

**Maturity profile of the pension provisions**

€ thousand	DBO at 31 Dec 2013	DBO at 31 Dec 2014
Not more than 1 year	3,757	4,390
Over 1 year but not more than 3 years	8,753	9,667
Over 3 years but not more than 5 years	9,469	10,199
<b>Total not more than 5 years</b>	<b>21,979</b>	<b>24,256</b>
Duration	12.8 years	14.2 years

**(34) Tax assets and tax liabilities**

Tax assets and liabilities respectively include deferred tax assets and deferred tax liabilities arising from temporary differences between the IFRS carrying amounts and the corresponding tax base in Group companies. No deferred taxes were recognised for any interests in companies nor for measurement effects under the Export Financing Scheme.

Deferred taxes arose on the following items:

€ thousand	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Financial investments at fair value through profit or loss	-	-	19,724	25,411
Securities	7,680	9,133	1,152	1,067
Employee benefit provisions	11,956	15,744	-	-
Other provisions	52,828	58,332	-	-
<b>Total</b>	<b>72,465</b>	<b>83,209</b>	<b>20,876</b>	<b>26,478</b>
Net deferred taxes	51,589	56,731		

### (35) Other liabilities

€ thousand	31 Dec 2013	31 Dec 2014
Accruals and deferred income	31,243	31,833
Sundry liabilities	69,897	87,966
<b>Other liabilities</b>	<b>101,140</b>	<b>119,799</b>

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

### **(36) Capital and capital management**

The share capital of € 130 million is divided into 880,000 no-par-value shares. These registered ordinary shares with restricted transferability are represented by global certificates made out in the name of each individual shareholder. In 2014 the return on assets under section 64(1)19 Austrian Banking Act attributable to the owners of the parent was 7.5% (2013: 7.7%).

Section 3(1)7 Austrian Banking Act provides that Regulation (EU) No 575/2013 and section 39(3) and (4) Austrian Banking Act do not apply to transactions of Oesterreichische Kontrollbank Aktiengesellschaft related to export promotion under the Export Guarantees Act and the Export Financing Guarantees Act. As well, under section 3(2)1 Austrian Banking Act, the following legal provisions are not applicable: Part 6 of Regulation (EU) No 575/2013, and the Austrian Banking Act's sections 25 and 27a, section 39(2b)7 in conjunction with 39(4), section 39(3), and section 74(6)3a in conjunction with 74(1).

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

The regulatory capital requirement for credit risk is determined in accordance with the provisions of Regulation (EU) No 575/2013. The capital required to be held for operational risk is determined by the Basic Indicator approach. The banking group does not hold a trading book.

At Group level, the risks are aggregated in accordance with the concept of economic capital. Through the analysis of risk-bearing capacity, the economic capital required is compared with the economic capital available, and both measures are monitored.

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

## Regulatory capital

	2013	2014
	€ thousand	€
<b>Regulatory capital requirement pursuant to article 92 CRR (EU) No 575/2013 (Capital Requirements Regulation) (2013: section 22 Austrian Banking Act)</b>		
Risk-weighted assets (Standardised approach to credit risk)	269,612	596,171,309.88
Trading book	-	0.00
<b>Total risk-weighted assets</b>	<b>269,612</b>	<b>596,171,309.88</b>
Regulatory capital requirement for:		
Credit risk	21,569	47,693,704.79
Foreign exchange risk	8,293	7,508,697.46
Operational risk (Basic Indicator approach)	23,105	22,098,417.07
<b>Total regulatory capital requirement</b>	<b>52,967</b>	<b>77,300,819.32</b>
<b>Consolidated regulatory capital under Part 2 CRR (2013: under section 24 Austrian Banking Act)</b>		
Paid-up share capital	130,000	130,000,000.00
Reserves (2013: incl. Goodwill or gains on acquisition) <sup>1</sup>	303,996	519,055,517.21
Non-controlling interests	3,123	3,148,931.19
Less deductions		
Intangible assets	( 1,103)	(1,228,165.91)
50% of investments under section 73b Insurance Act in insurance companies and insurance holding companies under section 23(14)8 in conj. with section 23(13)4a Banking Act	( 8,049)	0.00
<b>Common Equity Tier 1</b>	<b>427,967</b>	<b>650,976,282.49</b>
Non-controlling interests	-	5,324.89
<b>Additional Tier 1 capital</b>	<b>-</b>	<b>5,324.89</b>
Less deductions under article 472(4) CRR		
Intangible assets	-	(5,324.89)
<b>Tier 1 capital</b>	<b>427,967</b>	<b>650,976,282.49</b>
Non-controlling interests	-	7,099.86
Reserve for general banking risks under section 57 Banking Act	131,815	-
Less deductions		
50% of investments under section 73b Insurance Act in insurance companies and insurance holding companies under section 23(14)8 in conj. with section 23(13)4a Banking Act	( 8,050)	-
<b>Tier 2 capital</b>	<b>123,765</b>	<b>7,099.86</b>
<b>Available regulatory capital under Part 2 CRR</b>	<b>551,732</b>	<b>650,983,382.35</b>
<b>Surplus regulatory capital</b>	<b>498,765</b>	<b>573,682,563.03</b>

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

The resulting consolidated capital adequacy ratio (regulatory capital resources as a percentage of total risk-weighted assets) at the end of the financial year was 67.4%. The consolidated Tier 1 capital ratio is 67.4%. The high excess cover was reflected in a cover ratio (capital resources as a percentage of the capital requirement) of 842.1%.

## Other information and risk report

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

The statement of cash flows presents the cash position and cash flows of OeKB Group. The cash position recorded, in the narrow sense, consists of cash and balances with central banks.

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

Cash flows from investing activities represent changes in the investment portfolio, in non-current assets and in loan assets.

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

### (38) Analysis of remaining maturities

#### Residual maturities at 31 December 2014

€ thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	<b>Total</b>
Loans and advances to banks	34,534	1,723,063	6,633,816	8,291,634	2,628,788	<b>19,311,835</b>
Loans and advances to customers	110	372,680	682,654	191,310	263,567	<b>1,510,321</b>
Securities at fair value through profit or loss	375,852	16,984	162,759	562,959	651,206	<b>1,769,760</b>
<b>Total</b>	<b>410,496</b>	<b>2,112,727</b>	<b>7,479,229</b>	<b>9,045,903</b>	<b>3,543,561</b>	<b>22,591,916</b>
Deposits from banks	97,175	378,616	-	5,000	32,355	<b>513,146</b>
Deposits from customers	783,595	-	-	1,285	29,500	<b>814,380</b>
Debt securities in issue	-	4,939,035	3,714,059	10,507,467	4,380,527	<b>23,541,088</b>
<b>Total</b>	<b>880,770</b>	<b>5,317,651</b>	<b>3,714,059</b>	<b>10,513,752</b>	<b>4,442,382</b>	<b>24,868,614</b>

### Residual maturities at 31 December 2013

€ thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	<b>Total</b>
Loans and advances to banks	21,650	1,460,841	7,051,794	9,735,730	3,094,314	<b>21,364,329</b>
Loans and advances to customers	155	365,084	633,275	218,683	271,964	<b>1,489,161</b>
Securities at fair value through profit or loss	332,268	73,913	29,834	415,130	741,243	<b>1,592,388</b>
<b>Total</b>	<b>354,073</b>	<b>1,899,838</b>	<b>7,714,903</b>	<b>10,369,543</b>	<b>4,107,521</b>	<b>24,445,878</b>
Deposits from banks	178,294	172,266	640	5,000	24,877	<b>381,077</b>
Deposits from customers	649,265	-	-	-	25,480	<b>674,745</b>
Debt securities in issue	-	5,090,687	4,572,762	11,401,636	3,524,875	<b>24,589,960</b>
<b>Total</b>	<b>827,559</b>	<b>5,262,953</b>	<b>4,573,402</b>	<b>11,406,636</b>	<b>3,575,232</b>	<b>25,645,782</b>

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

### (39) Subordinated assets

The balance sheet contains no subordinated assets.

### (40) Assets pledged as collateral

€ million	2013	2014
<b>Securities pledged as collateral (market value)</b>		
With OeNB for tender	4,387	3,993
For trading on futures exchanges (EUREX)	26	20
For energy trading (ECC)	7	6
For stock exchange trading in Vienna (CCP.A)	1	-
For Eurex Repo platform	659	687
<b>Collateral for credit risks of derivatives transactions</b>		
Collateral pledged	658	485
Collateral received	172	379

#### (41) Contingent liabilities and commitments

The off-balance sheet contingent liabilities of € 102.7 million (2013: € 82.0 million) were related to guarantees given by Oesterreichische Entwicklungsbank AG, which in turn are backed by a guarantee of the Republic of Austria. At the balance sheet date OeKB Group had total undrawn credit commitments of € 2,463.9 million (2013: € 2,353.5 million).

#### (42) Sundry off-balance sheet obligations

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

Obligations arising under rental agreements for 2015 amounted to € 1.2 million (at the end of the prior year the obligations for 2014 were € 1.5 million). The corresponding obligations for the five-year period from 2015 to 2019 were € 9.0 million (at the end of the prior year the obligations for the five-year period from 2014 to 2018 were € 9.3 million). Rent paid for 2014 was € 0.5 million (2013: € 0.5 million).

#### (43) Fiduciary assets and liabilities

##### Fiduciary positions recognised in the balance sheet

€ thousand	31 Dec 2013	31 Dec 2014
Loans and advances to banks	11,835	10,407
Other assets	51,212	73,304
<b>Fiduciary assets</b>	<b>63,047</b>	<b>83,711</b>
Deposits from customers	11,835	83,711
Other liabilities	51,212	73,304
<b>Fiduciary liabilities</b>	<b>63,047</b>	<b>83,711</b>

Off-balance sheet fiduciary transactions amounted to € 17.9 million (2013: € 18.5 million). This item consists largely of development-aid credits processed on behalf of the Republic of Austria.

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

Supplementary disclosures under sections 43 and 64 Austrian Banking Act.

€ thousand	31 Dec 2013		31 Dec 2014	
	Assets	Liabilities	Assets	Liabilities
Denominated in foreign currency	1,652,693	19,096,938	1,720,885	18,190,928
Issued or originated outside Austria	3,114,279	23,552,755	3,451,566	21,120,571

## (45) Derivative financial instruments

Derivative financial instruments are used for hedging (see note 5 for details).

### Derivative financial instruments 2014

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

### Derivative financial instruments 2013

€ thousand	Notional amount at 31 Dec 2013 - by remaining maturity			Fair values		
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total 2013	Positive	Negative
<b>Interest rate derivatives</b>						
Interest rate swaps (OTC)	3,878,695	12,079,888	1,118,759	<b>17,077,342</b>	327,067	305,161
<b>Currency derivatives</b>						
Currency swaps (OTC)	6,250,086	8,158,490	119,574	<b>14,528,150</b>	3,421,040	1,145,796
Foreign exchange transactions	1,136,592	59,204	-	<b>1,195,796</b>	-	95,503
<b>Total</b>	<b>11,265,373</b>	<b>20,297,582</b>	<b>1,238,333</b>	<b>32,801,288</b>	<b>3,748,107</b>	<b>1,546,460</b>

## (46) Fair value of financial instruments

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

Fair values are determined as described in note 6. The market values of loans and advances to banks and customers and of deposits from banks and customers are based on inputs that in the case of assets and of liabilities are directly or indirectly observable. The same is true of the market values of derivatives reported in other assets and other liabilities (level 2).

The determination of the market values of other financial instruments is based on prices quoted on an active market (level 1). No reclassifications occurred in the financial year or prior year. OeKB Group does not have level-3 holdings.

## Fair value at 31 December 2014

€ thousand	Notes	Carrying amount			Fair value			
		Loans and receivables	Other financial instruments, at amortised cost	Financial instruments at fair value	Total	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>								
Other financial instruments	26	-	-	1,769,760	<b>1,769,760</b>	1,769,760	-	<b>1,769,760</b>
Derivatives held for hedging	45	-	-	4,872,878	<b>4,872,878</b>	-	4,872,878	<b>4,872,878</b>
<b>Total</b>		-	-	<b>6,642,638</b>	<b>6,642,638</b>			
<b>Financial assets not measured at fair value</b>								
Cash and balances at central banks	22	-	271,838	-	<b>271,838</b>	-	271,838	<b>271,838</b>
Loans and advances to banks	23	19,311,835	-	-	<b>19,311,835</b>	-	19,940,811	<b>19,940,811</b>
Loans and advances to customers	24	1,510,321	-	-	<b>1,510,321</b>	-	1,563,757	<b>1,563,757</b>
Allowance for impairment losses on loans and advances	7, 25	(562)	-	-	<b>(562)</b>	-	(562)	<b>(562)</b>
Other financial instruments	26	-	19,581	-	<b>19,581</b>	30,712	-	<b>30,712</b>
<b>Total</b>		<b>20,821,593</b>	<b>291,419</b>	-	<b>21,113,012</b>			
<b>Financial liabilities measured at fair value</b>								
Debt securities in issue	32	-	-	17,118,531	<b>17,118,531</b>	-	17,118,531	<b>17,118,531</b>
Derivatives held for hedging	45	-	-	1,026,694	<b>1,026,694</b>	-	1,026,694	<b>1,026,694</b>
<b>Total</b>		-	-	<b>18,145,225</b>	<b>18,145,225</b>			
<b>Financial liabilities not measured at fair value</b>								
Deposits from banks	30	-	513,146	-	<b>513,146</b>	-	515,869	<b>515,869</b>
Deposits from customers	31	-	814,380	-	<b>814,380</b>	-	814,468	<b>814,468</b>
Debt securities in issue	32	-	6,422,557	-	<b>6,422,557</b>	-	7,167,273	<b>7,167,273</b>
<b>Total</b>		-	<b>7,750,083</b>	-	<b>7,750,083</b>			

## Fair value at 31 December 2013

€ thousand	Notes	Carrying amount			Fair value			
		Loans and receivables	Other financial instruments, at amortised cost	Financial instruments at fair value	Total	Level 1	Level 2	Total
<b>Financial assets measured at fair value</b>								
Other financial instruments	26	-	-	1,592,388	<b>1,592,388</b>	1,592,388	-	<b>1,592,388</b>
Derivatives held for hedging	45	-	-	3,748,107	<b>3,748,107</b>	-	3,748,107	<b>3,748,107</b>
<b>Total</b>		-	-	<b>5,340,495</b>	<b>5,340,495</b>			
<b>Financial assets not measured at fair value</b>								
Cash and balances at central banks	22	-	520,631	-	<b>520,631</b>	-	520,631	<b>520,631</b>
Loans and advances to banks	23	21,364,329	-	-	<b>21,364,329</b>	-	21,783,754	<b>21,783,754</b>
Loans and advances to customers	24	1,489,161	-	-	<b>1,489,161</b>	-	1,494,365	<b>1,494,365</b>
Allowance for impairment losses on loans and advances	7, 25	(471)	-	-	<b>(471)</b>	-	(471)	<b>(471)</b>
Other financial instruments	26	-	19,581	-	<b>19,581</b>	30,712	-	<b>30,712</b>
<b>Total</b>		<b>22,853,019</b>	<b>540,212</b>	-	<b>23,393,231</b>			
<b>Financial liabilities measured at fair value</b>								
Debt securities in issue	32	-	-	17,288,446	<b>17,288,446</b>	-	17,288,446	<b>17,288,446</b>
Derivatives held for hedging	45	-	-	1,546,460	<b>1,546,460</b>	-	1,546,460	<b>1,546,460</b>
<b>Total</b>		-	-	<b>18,834,906</b>	<b>18,834,906</b>			
<b>Financial liabilities not measured at fair value</b>								
Deposits from banks	30	-	381,077	-	<b>381,077</b>	-	382,446	<b>382,446</b>
Deposits from customers	31	-	674,745	-	<b>674,745</b>	-	680,413	<b>680,413</b>
Debt securities in issue	32	-	7,301,514	-	<b>7,301,514</b>	-	7,743,188	<b>7,743,188</b>
<b>Total</b>		-	<b>8,357,336</b>	-	<b>8,357,336</b>			

## (47) Risk management

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

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

Every risk assumed by OeKB Group must be consistent with the Executive Board's risk policy and strategy for the Group, which is subject to annual review and aims to assure a sustained stable return on equity through a conservative approach to all risks, including financial risks and risks arising from business operations in general. The risk policy and strategy sets out the risk management principles, the risk appetite and the principles for the measurement and control of the risk categories used.

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

Most of OeKB's total assets by far are made up by the Export Financing Scheme, which is treated as a separate accounting entity distinct from the rest of the business (see note 1). In this respect, OeKB is exempt from certain relevant legislation, such as the European Union's CRR, or Capital Requirements Regulation (Regulation (EU) No 575/2013), which took effect on 1 January 2014. Further major exemptions for OeKB apply in connection with the European and national provisions for banking union (such as the Bank Recovery and Resolution Directive, or BRRD). Similarly, these exemptions apply to the two banking subsidiaries, "Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG, which together with OeKB form a banking group for the purposes of section 30 Austrian Banking Act.

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

In accordance with OeKB's control principles and the segregation of the Export Financing Scheme (EFS) as a separate accounting entity, OeKB performs a separate calculation of risk coverage for the EFS. This is done by valuing the EFS's residual risks not covered by security and comparing them to the interest rate stabilisation provision, which forms the dedicated capital available to cover the risks of the EFS.

In the Internal Capital Adequacy Assessment Process (ICAAP) used by OeKB Group, the Export Financing Scheme is treated as investee risk, a component of credit risk. Any risk exceeding the Export Financing Scheme's dedicated pool of economic capital thus becomes part of the Group's credit risk and enters into the calculation of risk coverage for OeKB Group.

The Supervisory Board receives comprehensive quarterly reports from the Executive Board on the risk situation; in addition, there is an annual consultation and approval process in the context of the Supervisory Board's Risk Committee under section 39d Austrian Banking Act.

### *Risk management organisation*

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

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

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

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

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

**Operational risk management:** The directions on the management of operational risk are implemented in the Group's business operations by the Organisation, Construction, Environmental Issues and Security department (known as OBUS), with the exception of information security matters, which are the responsibility of the Chief Information Security Officer. The activities falling into the areas of operational risk management, of information security and of the internal control system officer are subject to ongoing coordination.

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

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

**Supervisory Board:** The Supervisory Board has oversight of all risk management arrangements in OeKB Group and receives quarterly reports on the Group's risk situation. These risk reports present a detailed view of the risk situation of OeKB Group. The Supervisory Board also maintains a Risk Committee under section 39d Austrian Banking Act, which convened for one meeting in 2014. The Audit Committee of the Supervisory Board also monitors the effectiveness of the system of internal control.

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

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

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

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

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

The key variable in the measurement and management of risk is economic capital. It is calculated using the concept of Value at Risk (VaR) over a one-year time horizon. The calculation of risk coverage particularly takes into account credit risk, market risk and operational risk, with risk defined here as the danger that the actual outcome will be less favourable than the expected outcome (unexpected loss). The Internal Capital Adequacy Assessment Process is used only at the level of the whole OeKB Group. No ICAAP is performed at the level of individual institutions (OeKB AG, Exportfonds and OeEB).

Liquidity risk is measured and managed primarily by using the survival period. The survival period is determined on the basis of cash-flow and funding projections (using idiosyncratic and systemic stress assumptions) that are compared critically with the liquidity buffer. The survival period is the period for which OeKB Group's liquidity buffer is sufficient to allow it to meet all payment obligations without having to restrict its business activities.

In the calculation of risk coverage, the economic capital required is compared with the economic capital available. This is done for different risk coverage objectives and approaches ('going concern' and 'gone concern'). Compliance with these limits is monitored by the Risk Controlling department and reported to the Risk Management Committee and the Executive Board. Concentrations of risk are also monitored through these processes. In the calculation of risk coverage, concentrations of risk between risk types are taken into consideration by determining the aggregate risk as the sum of the type-specific risk capitals and thus assuming a perfect positive correlation.

Risk assessment is performed at least quarterly by the Risk Controlling department – which as a risk oversight function is independent from risk origination – and is reported both to the Risk Management Committee and the Supervisory Board. The results of liquidity and market risk analysis are also dealt with by the ALCO. Credit risks that are individually material are measured using Credit Value at Risk (CVaR); individually material market risks are measured using VaR. Credit and market risks that are not individually material are measured analogously to the material risks, or are assessed by allowing a lump sum for them.

Other risks, such as reputation and business risk, are recognised through flat percentage-based amounts. The assessment of operational risk employs the Basic Indicator approach, expanded by a distribution assumption for estimation at a high confidence level.

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

The systems used for this purpose are SAP, QRM, Bloomberg and proprietary systems.

Risk management is supported by the system of internal control, which serves to assure compliance with rules, standards and risk mitigation procedures. Extensive automated IT general controls, as well as reviews performed particularly by the Internal Audit department, contribute to the effectiveness of this internal control system. To mitigate legal risks, OeKB has a Legal Compliance Officer. The LCO reports to the Executive Board and has the role of ensuring that OeKB has a cohesive and comprehensive view of the impact of the various legal matters on the Group.

In 2014 the dominant theme was ensuring compliance with the new European and national regulations and reporting requirements. Part of this effort, in keeping with the 'Fit & Proper' set of requirements for appropriate personal and professional qualifications of leadership staff, was a focus on the training of key personnel, including managing directors and Executive Board and Supervisory Board members. In 2015 as well, the focus will remain on safeguarding compliance with the evolving supervisory rules, since various details of the regulatory framework are still pending.

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

€ thousand	Value at Risk under ICAAP (99.98% confidence)		Regulatory capital requirement under EU Regulation 575/2013 (2013: section 22 Banking Act)	
	31 Dec 2013	31 Dec 2014	31 Dec 2013	31 Dec 2014
Credit risk	25,636	20,754	21,569	47,694
Commodity and foreign exchange risk	24,138	22,342	8,293	7,509
Other market risk in the banking book	41,280	30,382	-	-
Other risks	15,637	13,611	-	-
Operational risk	29,399	28,119	23,105	22,098

The increase in regulatory capital requirement for credit risk resulted primarily from the new measurement rules under the CRR. These differ from the old measurement methods in two key ways. One is that from 2014, the carrying amount of the insurance sub-group is based on the IFRS value (previously: carrying amount based on Austrian Banking Act), which must be weighted at 250%. The other main change is that deferred taxes are now given a weighting of 100% (previously: 0% weighting).

## (48) Risk types in detail

### *Market risk*

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

Risks are assessed by using the Value at Risk concept to estimate maximum potential losses at given confidence levels. The economic capital determined in this manner is then taken into account in the calculation of risk coverage.

In addition, the effects of extreme market movements are calculated through stress tests. These tests comprise both the determination of Value at Risk under stress conditions (e.g., credit migration and correlations) and multivariate stress tests based on specific historical scenarios (e.g., Black Monday, September 11, and the 2007/08 financial crisis).

The largest amount of economic capital arises in connection with the Group's investment portfolio (see note 26, Other financial instruments), which had a composition of 16.2% investment funds and 83.8% bonds owned by the Group. Of these bonds, € 1,121.1 million served as a liquidity buffer in the Export Financing Scheme; the buffer's interest rate risk is hedged by interest rate swaps. The Value at Risk of the rest of the investment portfolio is determined monthly. At 31 December 2014 the VaR amounted to € 35.0 million for a holding period of one year at a 99% confidence level. The interest rate risk is also monitored by using stress scenarios. Thus, it was calculated that a positive interest rate shock of 200 basis points would have led to a reduction of € 26.9 million in market value. In the risk management of the investment portfolio, the in-house portfolio management is supported by an external overlay manager.

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

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

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

€ thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	271,838	-	-	-	-	271,838
Loans and advances to banks	10,828,364	484,145	763,708	5,036,114	2,199,504	19,311,835
Loans and advances to customers	1,299,081	197,105	1,599	8,647	3,889	1,510,321
Bonds and other fixed income securities	243,990	15,000	137,000	436,000	550,750	1,382,740
<b>Subtotal</b>	<b>12,643,273</b>	<b>696,249</b>	<b>902,306</b>	<b>5,480,761</b>	<b>2,754,143</b>	<b>22,476,733</b>
Deposits from banks	(483,194)	(29,952)	-	-	-	(513,146)
Deposits from customers	(786,041)	(45)	(355)	(4,918)	(23,020)	(814,380)
Debt securities in issue	(6,086,486)	(712,428)	(2,987,689)	(9,492,259)	(4,262,226)	(23,541,087)
<b>Subtotal</b>	<b>(7,355,721)</b>	<b>(742,425)</b>	<b>(2,988,045)</b>	<b>(9,497,176)</b>	<b>(4,285,246)</b>	<b>(24,868,613)</b>
Effect of derivative contracts	(4,831,837)	71,961	1,107,575	2,866,620	785,682	0
<b>Total</b>	<b>455,715</b>	<b>25,785</b>	<b>(978,163)</b>	<b>(1,149,796)</b>	<b>(745,421)</b>	<b>(2,391,880)</b>

## Interest rate sensitivity gap analysis at 31 December 2013

€ thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	520,631	-	-	-	-	520,631
Loans and advances to banks	11,192,633	545,642	1,072,867	5,921,202	2,631,985	21,364,329
Loans and advances to customers	1,253,821	222,140	210	8,928	4,063	1,489,162
Bonds and other fixed income securities	224,911	9,100	12,000	343,900	669,000	1,258,911
<b>Subtotal</b>	<b>13,191,996</b>	<b>776,882</b>	<b>1,085,077</b>	<b>6,274,030</b>	<b>3,305,048</b>	<b>24,633,033</b>
Deposits from banks	(363,414)	(17,663)	-	-	-	(381,077)
Deposits from customers	(647,348)	(200)	(543)	(6,614)	(20,040)	(674,745)
Debt securities in issue	(6,386,704)	(4,018,549)	(122,190)	(10,590,165)	(3,472,353)	(24,589,960)
<b>Subtotal</b>	<b>(7,397,466)</b>	<b>(4,036,412)</b>	<b>(122,732)</b>	<b>(10,596,779)</b>	<b>(3,492,392)</b>	<b>(25,645,782)</b>
Effect of derivative contracts	(3,001,686)	217,747	2,104	3,422,110	(640,275)	(0)
<b>Total</b>	<b>2,792,844</b>	<b>(3,041,783)</b>	<b>964,448</b>	<b>(900,639)</b>	<b>(827,620)</b>	<b>(1,012,749)</b>

### Hedging

To assist in controlling market risks, the Group employs derivative financial instruments. The derivatives involved are interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and used largely as hedging instruments for debt securities issued by OeKB Group. Instead of applying hedge accounting under IAS 39, these hedged financial liabilities are designated at fair value through profit or loss in order to avoid accounting mismatches. The changes in value of the derivative and of the respective hedged liability are thus recorded directly in profit or loss. Credit exposures arising from fluctuations in value are secured with collateral. From 2016, in conformity with EMIR (Regulation (EU) No 648/2012, the European Market Infrastructure Regulation), OeKB plans to clear interest rate swaps via a central counterparty.

### (49) Liquidity risk

Liquidity risk is the risk of not being able to meet present or future payment obligations fully as they fall due. In the wider sense, liquidity risk also includes funding liquidity risk (the risk that funding can be obtained only on unfavourable market terms), and market liquidity risk (the risk that assets can be sold only at a discount).

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

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

The central tool for the measurement of liquidity risk in its narrow sense is a monthly liquidity gap analysis. This is done using one-day time buckets for the next twelve-month period and is based on cash-flow and funding projections – under both idiosyncratic and systemic stress assumptions – that are set against the liquidity buffer (consisting primarily of securities eligible for rediscounting by the ECB). Market liquidity risk is taken into account through corresponding haircuts for liquid assets. The average survival period in 2014 determined by this methodology was about three and a half months. OeKB defines the survival period as that period for which the current liquidity buffer is sufficient, under an assumed combination of simultaneous idiosyncratic and systemic stresses, to meet all payment obligations without having to raise additional capital in the financial markets (although the full faith and credit of the Republic of Austria supports such borrowing by OeKB). In a stress period the survival period is thus the time available to take any strategic corrective action necessary. For crisis situations, a liquidity contingency plan is in place.

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

### Liquidity gaps based on long-term asset/liability maturity analysis at 31 December

€ thousand	Not more than 2 years		Over 2 but not more than 5 years		Over 5 but not more than 10 years		More than 10 years	
	2013	2014	2013	2014	2013	2014	2013	2014
Liquidity gap	(1,023,304)	(1,774,834)	(1,397,720)	466,841	1,931,428	136,578	(909,789)	(460,311)

### Maturity analysis of liabilities

The tables below show the schedule of future cash outflows and inflows based on the nominal amounts of the gross transaction. There were no netting agreements.

The mapping into time buckets is based on the contractual maturity structure; liabilities payable on demand are assigned to ‘Not more than 1 month’.

### Liabilities at 31 December 2014

€ thousand	Net book value	Total	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years
Deposits from banks	513,146	513,031	475,676	-	-	5,000	32,355
Deposits from customers	814,380	812,156	781,683	355	1,421	4,531	24,165
Debt securities in issue	23,541,087	23,040,978	1,470,315	3,350,062	3,700,117	10,258,258	4,262,226
Undrawn credit commitments and offers	-	2,463,894	371,306	991,823	690,587	410,178	-
<b>Total</b>	<b>24,868,613</b>	<b>26,830,058</b>	<b>3,098,980</b>	<b>4,342,240</b>	<b>4,392,126</b>	<b>10,677,967</b>	<b>4,318,746</b>
Derivatives	1,026,694						
Outflows	-	4,336,897	-	1,081,615	423,766	2,698,945	132,571
Inflows	-	3,583,455	-	879,397	389,163	2,204,300	110,595

## Liabilities at 31 December 2013

€ thousand	Net book value	Total	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years
Deposits from banks	381,077	381,011	343,994	6,500	640	5,000	24,877
Deposits from customers	674,745	672,379	647,274	168	543	4,354	20,040
Debt securities in issue	24,589,960	24,030,454	2,000,943	2,955,673	4,554,501	11,046,985	3,472,353
Undrawn credit commitments and offers	-	2,353,526	185,832	846,508	764,348	554,713	2,125
<b>Total</b>	<b>25,645,782</b>	<b>27,437,370</b>	<b>3,178,042</b>	<b>3,808,849</b>	<b>5,320,033</b>	<b>11,611,052</b>	<b>3,519,394</b>
Derivatives	1,546,460						
Outflows	-	13,826,904	1,156,399	2,180,899	2,838,553	7,521,203	129,849
Inflows	-	12,522,909	1,126,130	2,109,860	2,729,265	6,438,079	119,574

### (50) Credit risk

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

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

The credit exposure of OeKB Group consists largely of export credits. In keeping with the Group's exacting lending standards, the approval of these loans and commitments is subject to high loan security requirements (such as, notably, guarantees of the Republic of Austria). To secure credit risks in connection with derivative transactions, collateral agreements are concluded with all counterparties, and downgrade trigger provisions are in place with all counterparties. These trigger clauses permit contracts to be assigned to third parties, or to be cancelled, upon a pre-defined deterioration in rating. Credit derivatives are not used.

In OeKB Group ICAAP, the Export Financing Scheme (EFS) is treated as investee risk. It forms its own accounting entity and is managed through a separate calculation of risk coverage. This means that the residual risks in the EFS not covered by security (which consists primarily of Austrian government guarantees) are valued like market and credit risks (including credit valuation adjustment risk and funding liquidity risk) and are compared to the interest rate stabilisation provision (which represents the dedicated capital available to cover the risks of the EFS). In accordance with the main underlying management principle, market risks are measured using Earnings at Risk. Any risk exceeding the dedicated economic capital of the EFS thus becomes part of the Group's credit risk and enters into the calculation of risk coverage for OeKB Group. Thanks to the risk-averse management of the EFS, this contingency has not arisen since the inception of the calculation of risk coverage in 2007.

The extensive security and guarantees provided by the Austrian government, inherent in the business model, involve a high concentration of risk with the Republic of Austria.

The distribution of assets in the banking book (including the investment portfolio) across rating categories was as shown in the table below. Guaranteed assets are, to the extent of the guarantee, assigned to the rating category of the guarantor; assets guaranteed by the Republic of Austria are assigned to rating category 1.

### Credit portfolio by rating category 2014

€ thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	271,838	-	-	-	-	-	271,838
Loans and advances to banks	18,648,469	466,009	197,235	32	6	83	19,311,835
Loans and advances to customers	1,460,528	43,772	-	-	47	5,974	1,510,321
Allowance for impairment losses on loans and advances	-	-	-	-	-	(562)	(562)
Other financial instruments	1,452,048	61,033	273,426	2,173	630	31	1,789,342
Derivatives	3,859,006	1,013,872	-	-	-	-	4,872,878

### Credit portfolio by rating category 2013

€ thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	520,631	-	-	-	-	-	520,631
Loans and advances to banks	20,453,421	910,511	337	25	-	35	21,364,329
Loans and advances to customers	1,445,388	24,199	13,350	-	4	6,220	1,489,161
Allowance for impairment losses on loans and advances	-	-	-	-	-	(472)	(472)
Other financial instruments	1,303,352	57,368	248,109	2,102	655	383	1,611,969
Derivatives	3,223,112	524,996	-	-	-	-	3,748,108

The table below analyses the banking book assets by country category; export credits backed by a guarantee under the Export Financing Act are included under 'Austria'.

### Banking book assets by country category

€ thousand	31 Dec 2013	31 Dec 2014
Austria	26,162,330	24,445,331
EU (excluding Austria)	2,323,054	3,179,666
Other countries	248,341	130,654

As at 31 December 2014 the highest exposures within the region 'EU (excluding Austria)' were with the United Kingdom (€ 993.2 million), France (€ 561.7 million) and Denmark (€ 420.0 million). The highest exposure under 'Other countries' was with the United States, at € 81.8 million.

The Group's business operations are subject not only to the regulatory requirements but also to the volume limits set by the Executive Board at the transaction type, portfolio and counterparty level.

## (51) Operational risk

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

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

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

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

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

### **Concentration risks**

OeKB Group is subject to various concentrations of risk. The most material instances of this are business segment concentration as a special-purpose bank, and the guarantees by the Republic of Austria under the Export Financing Scheme. These concentrations are inherent in the business and integral to the business model; the scope for diversification in this regard is limited.

Other than this, significant risk concentration within risk types is given only in the Export Financing Scheme (EFS), where it relates primarily to credit risk concentrations with banks and with guarantors, for which economic capital is calculated in the EFS ICAAP. Through a limit system implemented in SAP, compliance with defined customer-specific credit limits and with the large-loan limits set by the Supervisory Board is verified daily.

Concentration risks across risk types – i.e., concentration risks created only by combinations of the different risk types – are accounted for in the ICAAP through the assumption of perfect correlation between risk types (credit risk, market risk, etc.). Additional risk estimation is performed using multivariate stress tests.

### **Other risks**

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

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

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

## **(52) Staff count**

During the financial year, the Group had an average of 400 employees (2013: 403), based on full-time equivalents.

## (53) Boards' compensation and loans

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

### Boards' compensation and loans

€ thousand	2013	2014
<b>Aggregate compensation</b>		
Current members of the Executive Board	Not disclosed	Not disclosed
Former members of the Executive Board	138	459
Members of the Supervisory Board	275	275
<b>Pension and termination benefit expenses for</b>		
Executive Board (and former members)	2,741	2,755
Key management	2,001	1,178
Other employees	2,546	3,190

As permitted under section 266(7)b Austrian Commercial Code, the aggregate remuneration of current Executive Board members is not stated. At 31 December 2014 there were no outstanding loans to members of the Executive Board or Supervisory Board. There were also no guarantees by OeKB for these individuals. There are no management share option plans for the Executive Board or for key managers.



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Based on the corporate business strategy, and in harmony with the Group's risk policy, the Executive Board of OeKB sets the compensation policy for OeKB. The compensation policy is reviewed annually. The Supervisory Board of OeKB maintains a Compensation Committee, to which the compensation policy is submitted for approval and which supervises the policy's implementation.

In implementing the compensation policy, the principle of proportionality was followed by taking into account the size of OeKB AG (about 400 employees), the complexity of the business model and the need for a relatively conservative compensation structure.

The human resources (HR) strategy seeks to foster sustainability and quality assurance. A key pillar of the HR strategy is to offer appropriate compensation, both for employees and management. Compensation is benchmarked annually against the market. OeKB also takes care to achieve a sound relationship between fixed and variable pay.

The design of the variable compensation policy ensures that the incentive structure is aligned with the long-term interests of OeKB Group. The variable pay represents an appropriate share of total compensation. It is based both on individual performance and on the performance of the company or Group against one-year and multi-year targets.

The quantitative measurement of performance focuses on a mix of corporate performance metrics. One-third of the amount of the total bonus pool to be paid out is dependent on corporate earnings, one-third is tied to sustained growth in enterprise value and one-third is determined by risk parameters. At OeEB and Exportfonds, slightly modified performance indicators are used.

For OeKB Group (including the fully consolidated institutions OeEB and Exportfonds) for all staff, including the Executive Board, the aggregate variable compensation for 2014 amounted to approximately 9% (2013: approximately 9%) of aggregate gross total salaries (including the variable component). For the Executive Board, the individual variable component payable is capped at an upper limit of 40% of the individual's total compensation. From the second tier of management (department heads) on down, the upper limit for the variable component is 20% of individual total compensation. At the balance sheet date, the Group's provision for unearned performance-related compensation was € 5,778 thousand (2013: € 5,438 thousand).

If the variable compensation accrued exceeds 20% of individual total compensation (or exceeds the materiality threshold of € 30 thousand set by the Financial Market Authority), a deferred-payment process is applied to honour the regulatory requirements of sustainability and risk awareness: In this case, 40% (or for particularly large amounts, 60%) of the variable compensation is deferred by paying it out over a period of five years. Until the actual disbursement of deferred compensation, the beneficiary has only a non-vested future interest in the deferred amount. The annual instalment payable from the deferred amount is reassessed every year. The size of the individual tranches follows the relative movement in Tier 1 capital as defined in the written compensation policy.

In the event of an unfavourable financial position and low or negative profitability, the Executive Board and/or Supervisory Board (Compensation Committee and Nomination Committee) reserve the right to reduce the current variable compensation and deferred bonus payments. To the extent consistent with the law, this may include the complete cancellation of the current and deferred variable compensation.

In the table below, the item 'fixed compensation' includes not just current salaries but also miscellaneous compensation in kind as well as contributions to pension and termination benefit funds. The 'variable compensation' represents the amounts paid in the financial year under review, including also deferred bonuses from prior periods that were paid in the year under review.

### Analysis of annual compensation of senior management

€ thousand	2013	2014
<b>General managers of the banking group and OeKB department heads and compliance officer</b>		
Fixed compensation	5,475	5,087
Variable compensation	787	828
<b>Total compensation</b>	<b>6,262</b>	<b>5,915</b>
<i>Variable compensation as a share of total compensation</i>	<i>12.57%</i>	<i>14.00%</i>
<i>Number of persons included</i>	<i>25</i>	<i>24</i>

All variable compensation is paid in cash, as OeKB does not have suitable non-cash instruments.

As permitted under the Data Protection Act, the compensation of the Executive Board, the amount of deferred compensation and any reductions of deferred compensation are not disclosed separately.

For senior management and for OeKB Group's employees in general, the fixed salary represents the major share of total compensation. This leaves scope for a high degree of flexibility regarding the policy for variable compensation, including the possibility of not paying a variable component at all.

In keeping with sound and effective risk management, the low ratio of variable to total compensation helps to ensure that no staff member has a bonus-related incentive to take risks that exceed the intended corporate risk appetite or risk tolerance.

At OeKB Group, guaranteed variable pay is not considered compatible with the principle of performance-based compensation and is therefore not used.

## (54) Other related party transactions

As a specialised institution for export services and capital market services, OeKB engages in many transactions with its shareholders, such as in their role as banks of the export financing customers of OeKB and as issuers of securities. All these transactions are conducted at arm's length.

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

There were no transactions with Executive Board or Supervisory Board members.

### Related party transactions

€ thousand	31 Dec 2013	31 Dec 2014
<b>Related party transactions with shareholders of OeKB Group that have significant influence</b>		
Loans and advances to banks	16,043,896	14,253,189
Other financial instruments	72,816	22,004
Deposits from banks	40,720	36,330
<b>Related party transactions with unconsolidated subsidiaries</b>		
Deposits from banks	6,694	6,176
<b>Related party transactions with equity-accounted investees</b>		
Deposits from customers	30,029	22,211
<b>Related party transactions with other investees</b>		
Deposits from customers	10,406	6,641

## (55) Board members and officials

### Members of the Executive Board

Rudolf Scholten  
Angelika Sommer-Hemetsberger

### Members of the Supervisory Board

Erich Hampel, Chairman  
Walter Rothensteiner, 1st Vice-Chairman  
Franz Hochstrasser, 2nd Vice-Chairman  
Helmut Bernkopf  
Peter Bosek  
Gregor Deix (until 21 May 2014)  
Michael Glaser  
Matthias Heinrich (since 21 May 2014)  
Dieter Hengl  
Herbert Messinger  
Heimo Penker (until 21 May 2014)  
Christoph Raninger (since 21 May 2014)  
Karl Sevelda  
Herta Stockbauer (since 21 May 2014)  
Herbert Tempsch  
Susanne Wendler (until 21 May 2014)  
Robert Zadrazil  
Franz Zwickl

### Staff representatives

Martin Krull  
Erna Scheriau  
Alexandra Griebel  
Anish Gupta (until 13 March 2014)  
Elisabeth Halys  
Christian Leicher  
Claudia Richter (until 13 March 2014)  
Ulrike Ritthaler (since 14 March 2014)  
Christoph Seper (since 14 March 2014)  
Markus Tichy

### Government commissioners

under section 76 Austrian Banking Act

Harald Waiglein, Commissioner  
Johann Kinast, Deputy Commissioner

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

**Government commissioners**

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

Beate Schaffer, Commissioner  
Edith Wanger, Deputy Commissioner

**(56) Date of approval for publication**

The date of submission of these financial statements to the Supervisory Board for approval is 18 March 2015. Expanded disclosures in accordance with Part 8 of Regulation (EU) No 575/2013 are provided on the OeKB website ([www.oekb.at](http://www.oekb.at)).



Vienna, 25 February 2015

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

RUDOLF SCHOLTEN

ANGELIKA SOMMER-HEMETSBERGER

# Auditor's Report

## Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of

**Oesterreichische Kontrollbank AG,**

**Vienna,**

for the year from 1 January 2014 to 31 December 2014. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2014, the consolidated statement of profit or loss and other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2014 and a summary of significant accounting policies and other explanatory notes.

### ***Management's Responsibility for the Consolidated Financial Statements and for the Accounting System***

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the additional requirements pursuant to §§ 245a UGB (Austrian Commercial Code) and 59a BWG (Austrian Banking Act). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### ***Auditors' Responsibility and Description of Type and Scope of the Statutory Audit***

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

### ***Opinion***

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2014 and of its financial performance and its cash flows for the year from 1 January to 31 December 2014 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

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

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

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

Vienna, 25 February 2015

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by

MARTIN WAGNER

Austrian Chartered Accountant

ppa. RENATE VALA

Austrian Chartered Accountant

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

# Implementing the programme of measures and EMAS objectives

## Programme of sustainability



G4-27, HR2, EN19, EN27,  
FS16, DMA

### Long-term profitability of OeKB's core business

Objective	Measure(s)	Responsibility	Deadline
<b>Support of crowdfunding settlement with banking standards</b>	Coordination with stakeholders and legal assessment of the project possibilities	Organisation, Construction, Environmental Issues and Security; Capital Market Services	December 2015
	Evaluation of the ‚Crowdfunding‘ product using the existing software systems	IT Services	December 2016
<b>Ecologising OeKB's portfolio</b>	Assesment of green bonds emissions	International Finance	December 2015
<b>Harmonisation of the premium scheme for guarantees in OECD countries with category “0”; this applies to “High-income” OECD countries, countries in the Euro zone and countries classified under category “0”.</b>	The OECD will adopt laws, enabling a fair competition as well as ensuring a premium level not under market level. The implementation of the rules is OeKB's responsibility.	OECD committees; Export Guarantees; Analyses, Research and International Affairs	June 2016
<b>Indirect promotion of young, sustainable companies</b>	To cooperate with the Investment Ready Program, with OeKB acting as host of the CEE Impact Day 2015	Organisation, Construction, Environmental Issues and Security	June 2015

<b>Improve stakeholder-management</b>	To compare and openly discuss findings of the internal “longest-serving employees” survey with the findings of the “Generation Y” survey. To integrate the results into the further development of OeKB’s work-life-balance strategy.	Human Resources; Organisation, Construction, Environmental Issues and Security; Staff Council	June 2016
	To create a broader basis for the next materiality analysis by integrating other stakeholder groups.	Organisation, Construction, Environmental Issues and Security	December 2015

## Regulatory Challenges

Objective	Measure(s)	Responsibility	Deadline
<b>To implement the guidelines as required by the Energy Efficiency Law</b>	Integration of additional KPIs and audit (as part of the EMAS audit)	Organisation, Construction, Environmental Issues and Security	December 2015
<b>To implement the fourth Money Laundering Guideline</b>	To adapt the internal guidelines	Oesterreichische Entwicklungsbank AG	December 2015
<b>To implement the regulatory framework and guidelines subject to Basel III, Capital Requirements Regulation (CRR) and Capital Requirements Directive (CRD)</b>	To adapt all handbooks and the reporting system	“Österreichischer Exportfonds” GmbH	June 2017
<b>To implement the directives of the law on the protection of workers regarding psychological stress in the workplace</b>	To rollout of the evaluation regarding psychological stress in the workplace	Organisation, Construction, Environmental Issues and Security	December 2015

## Training and Development

Objective	Measure(s)	Responsibility	Deadline
<b>To develop a “feedback culture”</b>	To establish a transparent information policy with the opportunity to discuss different positions top-down/bottom-up	Human Resources	December 2015
<b>To further the development of senior management</b>	To convey leadership and feedback competence by means of interactive and compact training	Human Resources	December 2015
<b>To support the key aspects of generation management</b>	Training and lectures to raise mutual understanding of the different generation-specific concerns and needs	Human Resources	December 2015
<b>Cross-generational knowledge management</b>	To review opportunities for knowledge transfer and to analyse and implement them	Exportfonds; Organisation, Construction, Environmental Issues and Security	December 2016
<b>To improve staff retention</b>	To broaden the number of indicators through the development of a significant permanent indicator displaying the number of employees returning from maternity leave	Human Resources	December 2015

## Business Ethics

Objective	Measure(s)	Responsibility	Deadline
<b>Creating awareness of fairly-traded products</b>	Cooperation with Fair Trade in the course of the “Fair Trade@work” programme	OeKB	December 2015
<b>Fair working conditions in OeKB’s supply chain</b>	To evaluate the possibilities of cooperating with the NGO “Südwind” within the EU project “Electronic Watch”	OeKB	December 2015
<b>To roll-out a groupwide social acceptance policy at OeKB</b>	To include OeKB’s subsidiaries in the Code of Conduct framework	Organisation, Construction, Environmental Issues and Security	December 2015
<b>Implementing the UN Women Empowerment Principles</b>	To organise a conference on work-life-balance in connexion with the Women Empowerment Principles so that signatories can exchange experiences and develop guidelines with examples of best practice.	Organisation, Construction, Environmental Issues and Security	June 2015
<b>Discuss “gender-sensitive language” at OeKB</b>	To organise workshops for the reporting team	Organisation, Construction, Environmental Issues and Security; Marketing & Communication; Accounting	December 2015
<b>Generation management</b>	Project 55+: to promote interaction between the generations in daily business	Organisation, Construction, Environmental Issues and Security; Human Resources; Staff Council	December 2016
<b>To further biodiversity in urban areas</b>	To set up 3 bee hives (+ 1 colony of young bees) on the terrace of the 6th floor of the Strauchgasse building	Organisation, Construction, Environmental Issues and Security	December 2015

## Sustainable Operations (environmental footprint)

Objective	Measure(s)	Responsibility	Deadline
<b>Stronger positioning of CSR in the supply chain</b>	To organise six events, together with partners, which are open to the public. The topics will be based on the six pillars of OeKB's Guideline for Sustainable Procurement, i.e. office supplies, employee refreshments, IT hardware, construction, merchandising and energy supply.	Organisation, Construction, Environmental Issues and Security	December 2016
<b>Further reduction of pumping energy by 2 MWh to approx. 29 MWh</b>	Further replacement of heating and air conditioning pumps with more energy-efficient models	Organisation, Construction, Environmental Issues and Security	December 2015
<b>Energy-efficiency and reduction of ecologically harmful operating materials</b>	Further changeover to ecologically friendly refrigerant by replacing (in part) the refrigerating machines	Organisation, Construction, Environmental Issues and Security	December 2015
<b>Reduction of district heating by 60 MWh to 340 MWh as of 2016</b>	Integrating the new refrigerating machine in the waste-heat utilisation	Organisation, Construction, Environmental Issues and Security	December 2016

## Implementing the programme of measures

### Long term profitability of OeKB's core business

Objective	Measure	Progress to date
<b>Evaluation of niche products</b>	To assess the potential role of OeKB in the context of crowd-funding	It has been established that a central administrative body is needed for investors' shares on crowd-investing platforms. The next steps include the analysis of the tasks to be conducted by the centre and the inclusion thereof in existing capital market activities.
	To assess potential of green funds	Under the export financing scheme, a project portfolio was set up matching the green bond criteria.
<b>Indirect promotion of sustainable start-ups</b>	To cooperate with the Investment Ready Program, by acting as host of the CEE Impact Day 2014	On 4 July the CEE Impact Day took place in OeKB's Reutersaal hall with attendees from around the world.
<b>To improve stakeholder-management</b>	To discuss findings of the internal "Generation Y" survey and incorporate these in the further development of the work-life balance	The findings were openly discussed. A follow-up survey of the company's longest-serving employees was carried out.
	To create a broader basis for the next materiality-analysis by involving further stakeholders	A customer survey, due to be conducted by corporate communication, has been rescheduled.
	To develop a concept for qualified stakeholder management	A draft stakeholder manual was completed.
	To determine customer satisfaction annually using the "Net Promoter Score (NPS)" referral factor	A customer-satisfaction survey to calculate the Net Promoter Score for the brands PRISMA Die Kreditversicherung und OeKB Versicherung was done in November/December.
<b>Cultural integration of the employees of the companies being fused</b>	To initiate a process to determine values with professional assistance and implement it	A value-finding process was successfully completed. All Acredia Versicherung AG employees are motivated by the values intelligence, individuality and initiative.

## Regulatory challenges

Objective	Measure	Progress to date
<b>To implement regulatory provisions within the scope of Basel III</b>	To adapt FINREP/COREP and integrate new key indicators (e.g. leverage ratio) in the risk- management process	The provisions were implemented in accordance with the regulatory decrees.
<b>Implementation of EMIR-regulations regarding central clearing and reporting of derivative contracts to a trade repository system</b>	To conclude new master agreements in order to mitigate credit risk arising from derivative transactions and to ensure recoverability; to implement systems and work flows to secure the provision as well as the timely transfer of liquidity	The electronic reporting of all derivative transactions and their evaluation was implemented via link-up to the DTCC  On-going amendments of collateral agreements to map market standards; optimising the process of posting collateral
<b>To extend the use of sustainability management within OeKB Group</b>	To evaluate extending EMAS certification and sustainability management to PRISMA	The executive board of ACREDIA decided not to participate in EMAS with its brands OeKB Versicherung and PRISMA Die Kreditversicherung.

## Initial and further training

Objective	Measure	Progress to date
<b>To impart knowledge on financial market and financial products to students and young employees</b>	To utilise new media for knowledge transfer (e.g. an export-promotion video)	For resource-related reasons this has not been made yet.
	To hold a lecture series twice a year on OeKB-related economic issues	Five lectures were held at the Vienna University of Business and Economics, the University of Applied Sciences in Krams and Joanneum University of Applied Sciences in Graz
<b>To employ constructive criticism as a motor for sustainable development</b>	To call for critical questions and statements by way of an alternative, in addition to targets agreed individually in employee appraisals.	For the first time all employees could put questions or provide statements on sustainability.
<b>To build up an internal knowledge - management system</b>	To count up in-house and external training sessions held by OeKB experts and structure them by topic and lecturer	The data was collected by those responsible for the respective training area.
<b>External communication</b>	To revise the sustainability-related OeKB web presentation	A draft had been worked out by March the implementation of which has been postponed until further notice.
	Pro-active networking on the OeKB topic of the year, "Generation Management", by looking at suggestions and providing feedback concerning results	Passing on knowledge to young trainees is seen as an on-going process. In the last years four trainees have benefited from this programme.

## Business ethics

Objective	Measure	Progress to date
<b>To simplify feedback for external stakeholders</b>	To set up an external complaints mechanism	An external complaints mechanism was set up which can be accessed on our website
<b>To identify further opportunities for OeEB to do more regarding sustainability issues</b>	To look for opportunities to cooperate with an Austrian environmental organisation	Different cooperation options were investigated, but there were no real opportunities. Nevertheless, OeEB contacted an Austrian company to cooperate on a water-provision project in 2015
<b>To implement the UN Global Compact Anti-corruption Principle</b>	Online training for all employees on corruption prevention	Online training on corruption prevention was held in Q1/2014
<b>Generation - management</b>	Project 55+: To promote the exchange between the generations in daily business	Two internal surveys were conducted and a presentation was given in 2014. OeKB is working closely together with The Institute for Gender and Diversity in Organizations at the Vienna University of Economics and Business

## Sustainable operations

Objective	Measure	Progress to date
<b>To address the issue of climate change</b>	In cooperation with the University of Natural Resources and Life Sciences, Vienna, to determine the cost of compensating kilometres of air travel done by the International Finance Department	The Vienna University of Natural Resources and Life Sciences (BOKU) introduced their compensation model at a meeting at OeKB in December 2013. During 2014 OeEB data regarding compensation was obtained. As the OeKB and BOKU calculation methods differed widely, further discussions were held with BOKU, the Austrian Environmental Agency and the auditors Ernst & Young. To fall within the scope of EMAS the compensation method was finalized during the 2014 audit and is to be presented to the executive board at the beginning of 2015.
	Examine a project by the Joanneum University Graz concerning local compensation of emissions	The authorities responsible were contacted and all necessary issues were discussed. The outcomes were integrated in the presentation mentioned above.
<b>Energy efficiency and reduction of environmentally-unfriendly consumables</b>	To replace pumps in the air-conditioning system with more energy-efficient models	The replacement of inefficient pumps is under way and will be continued in 2015
	To change over to a more environmentally friendly refrigerant by replacing the inefficient refrigerating machines	The replacement of inefficient appliances is under way and will be continued in 2015
<b>Sustainable mobility</b>	To assess the procurement of company bicycles	This objective was shelved, as bicycles are of negligible importance for other financial service providers and neither the relevant NPO nor Vienna's mobility officer was able to provide a list of companies that use company bikes.

# Certificate and validation

## Independent Assurance Report



GRI 33

### Limited assurance over disclosures and data in the Integrated Report 2013 of Oesterreichische Kontrollbank AG

#### *Engagement*

We were requested to perform a limited assurance engagement related to disclosures and data in the “Integrated Annual Report 2014” (hereafter “Report”) of Oesterreichische Kontrollbank AG.

Our assurance engagement is based on the GRI G4 COMPREHENSIVE Option.

We reviewed the disclosures and data as referenced in the GRI Index 2014.

Our procedures have been designed to obtain a limited level of assurance on which to base our conclusions. The extent of evidence gathering procedures performed is less than for that of a reasonable assurance engagement (such as a financial audit) and therefore a lower level of assurance is provided.

The “General Conditions of Contract for the Public Accounting Professions”<sup>2</sup>, are binding for this engagement. According to that, our liability is limited and an accountant is only liable for violating intentionally or by gross negligence the contractual duties and obligations entered into. In cases of gross negligence the maximum liability towards Oesterreichische Kontrollbank AG and any third party together is EUR 726,730 in the aggregate.

#### *Limitations to our Review*

- Our limited assurance engagement did not include the chapter „Consolidated financial statements 2014“ of the report.

<sup>2</sup> version of February 21th 2011 (AAB 2011) issued by the Chamber of Public Accountants and Tax Advisors, section 8  
[http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB\\_2011\\_englische\\_Fassung.pdf](http://www.kwt.or.at/de/PortalData/2/Resources/downloads/downloadcenter/AAB_2011_englische_Fassung.pdf)

- We did not test data derived from external surveys, we only verified that relevant disclosures and data are correctly quoted in the Report.
- We did not perform any assurance procedures on data, which were subject of the annual financial audit. We merely checked that data was presented in accordance with the GRI Guidelines.
- Limited assurance over prospective information was not subject to our engagement.

### **Criteria**

The information included in the Report was based on the criteria applicable in the year 2014 (“The Criteria”), consisting of:

- GRI G4 Sustainability Reporting Guidelines<sup>3</sup>

We believe that these criteria are suitable for our assurance engagement.

### **Management responsibilities**

Oesterreichische Kontrollbank AG’s management is responsible for the preparation of the Report information therein in accordance with the criteria mentioned above. This responsibility includes designing, implementing and maintaining internal control. Those are relevant to the preparation of the Report to eliminate material misstatements.

### **Our responsibilities**

It is our responsibility to express a conclusion on the information included in the Report on the basis of the limited assurance engagement.

Our assurance engagement has been planned and performed in accordance with the International Federation of Accountants’ ISAE3000<sup>4</sup> and the Code of Ethics for Professional Accountants, issued by the International Federation of Accountants (IFAC), which includes requirements in relation to our independence.

<sup>3</sup> <https://www.globalreporting.org/reporting/g4/Pages/default.aspx>

<sup>4</sup> International Federation of Accountants’ International Standard for Assurance Engagements Other than Audits or reviews of Historical Financial Information (ISAE3000), effective for assurance statements dated after January 1, 2005.

### *What we did to form our conclusion*

We have performed all the procedures deemed necessary to obtain the evidence that is sufficient and appropriate to provide a basis for our conclusions. The assurance engagement was conducted at the Clients head quarter in Vienna. Our main procedures were:

- Obtained an overview over the industry as well as the characteristics and governance of the organisation;
- Interviewed a selection of Group and functional senior managers and executives to understand key expectations and identify systems, process and internal controls processes to support them;
- Reviewed Group level, Board and Executive documents to assess awareness and priority and to understand how progress is tracked;
- Examined risk management and governance processes related to sustainability and critical evaluation of the representation in the report;
- Performed analytical procedures at Group level;
- Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;
- Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of Oesterreichische Kontrollbank AG's peers;
- Reviewed whether the GRI G4 Guidelines were consistently applied for the COMPREHENSIVE Option;
- Assessed completeness of UNGC reporting against the links with the „10 principles“ of the UNGC as outlined in the GRI G4 guidelines. Performing analytical procedures at Group level;
- Reviewed data and processes on a sample basis to test whether they had been collected, consolidated and reported appropriately at Group level. This included reviewing data samples to test whether the data had been reported in an accurate, reliable and complete manner;
- Reviewed the coverage of material issues against the key issues raised in the stakeholder dialogues, areas of performance covered in external media reports and the environmental and social reports of Oesterreichische Kontrollbank AG's peers;
- Evaluated the materiality assessment, including sector specific megatrends and aspects of SASB<sup>5</sup>, IIRC<sup>6</sup> und GRI;
- Challenged a sample of statements and claims in the Report against our worksteps and the GRI principles;

<sup>5</sup> <http://www.sasb.org/wp-content/uploads/2013/10/SASB-Conceptual-Framework-Final-Formatted-10-22-13.pdf>

<sup>6</sup> <http://www.theiirc.org/international-ir-framework/>

- Reviewed whether the GRI G4 Guidelines were consistent with the COMPREHENSIVE Option;
- Assessed completeness of UNGC reporting against the links with the “10 principles” of the UNGC as outlined in the GRI G4 guidelines.<sup>7</sup>

### *Our Conclusion*

Based on the scope of our review nothing has come to our attention that causes us to believe that the disclosures and data in the Report were not prepared, in accordance with the criteria identified above.

Vienna, 30 January 2015

ERNST & YOUNG Wirtschaftsprüfungsgesellschaft m.b.H

BRIGITTE FREY

ppa CHRISTINE JASCH

<sup>7</sup> <https://www.globalreporting.org/resourcelibrary/UNGC-G4-linkage-publication.pdf> p. 24.

## Environmental verifier's declaration in verification and validation activities

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H. declares to have verified whether the organization of the OeKB Group including

OeKB – Oesterreichische Kontrollbank AG (Reg. No. AT-000406), “Österreichischer Exportfonds” GmbH, OeKB Business Services GmbH, OeEB – Oesterreichische Entwicklungsbank AG

as stated in the Integrated Report 2014 meets all requirements of Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 on the voluntary participation by organizations in a Community eco-management and audit scheme (EMAS).

By signing this declaration, we declare that:

- the verification and validation has been carried out in full compliance with the requirements of Regulation (EC) No 1221/2009,
- the outcome of the verification and validation confirms that there is no evidence of non-compliance with applicable legal requirements relating to the environment,
- the data and information of the environmental statement (as integrated part of the Sustainability Report) reflect a reliable, credible and correct image of all the activities, within the scope mentioned in the environmental statement.

An updated environmental statement is published every year. The next comprehensive Integrated Report including the environmental statement is due in 2016, based on the data of 2015.

Vienna, 30 January 2015

BRIGITTE FREY

CHRISTINE JASCH

Ernst & Young Wirtschaftsprüfungsgesellschaft m.b.H.  
1220 Wien, Wagramer Strasse 19, IZD Tower

EY registration number: AT-V-0025  
Certificate Registration number: 01/2015  
Date of validation: January 30<sup>th</sup> 2015  
This certificate is valid till: January 30<sup>th</sup> 2016

# GRI G4 Contents Index

	reported
	not applicable

## General Standard Disclosures

Strategy and Analysis		Section	Page
G4-1	Statement from the most senior decision-maker	Letter from the Executive Board, Sustainability policy	5, 94
G4-2	Key impacts, risks and opportunities	Risk management, Business model of OeKB Group	30f, 36
<b>Organisational Profile</b>			
G4-3	Name of the organisation	Structure of OeKB Group	11
G4-4	Primary brands, products and services	Structure of OeKB Group, Business model of OeKB Group	11, 36
G4-5	Location of the organisation's headquarters	Publication information	201
G4-6	Number of countries where the organisation operates	Ecology in ongoing operations, Publication information	101, 201
G4-7	Nature of ownership and legal form	Structure of OeKB Group, Shareholders and ownership	11, 12
G4-8	Markets served by geographic breakdown	A detailed illustration is included in the Export Services Annual Review 2014.	
G4-9	Scale of the organisation	OeKB Group Highlights	2
G4-10	Total number of employees by employment contract and gender	Personnel and responsibilities	81
G4-11	Employees covered by collective bargaining agreements	All employees are covered either by the collective bargaining agreement for banks or by the collective bargaining agreement for IT.	
G4-12	Organisation's supply chain	Supplier management	109
G4-13	Significant changes	Shareholders and ownership structure of OeKB, Companies wholly or partly owned by OeKB AG, Publication information, OeKB Versicherung AG	12, 141, 201, 15
G4-14	Precautionary Approach	System of internal control and of risk management, Risk management, Environmental impact assessment	29, 30, 46
G4-15	External charters and principles subscribed or endorsed	About this report, Stakeholder relations and dialogue	7, 74
G4-16	Memberships of associations	Stakeholder relations and dialogue	74
<b>Identified Material Aspects and Boundaries</b>			
G4-17	Organisational structure	Structure of OeKB Group	11
G4-18	Process for defining the report content and aspect boundaries	Materiality analysis	15
G4-19	List of all material aspects identified	See GRI long version under <a href="http://www.oekb.at">www.oekb.at</a>	
G4-20	Boundary of material aspects and specific limitations within the organisation	Materiality analysis	15
G4-21	Boundary of material aspects and specific limitations outside the organisation	Materiality analysis	15
G4-22	Restatements of information provided in previous reports	The merger of OeKB Versicherung AG with PRISMA Versicherung AG to form the new company Acredia Versicherung AG took effect as of 1 August 2014. As a result OeKB Versicherung moved from Strauchgasse to Weihburggasse. The relocation was the reason for leaving EMAS.	
G4-23	Specific changes regarding scope and aspect boundaries	The merger of OeKB Versicherung AG with PRISMA Versicherung AG to form the new company Acredia Versicherung AG took effect as of 1 August 2014. As a result OeKB Versicherung moved from Strauchgasse to Weihburggasse. The relocation was the reason for leaving EMAS.	
<b>Stakeholder Engagement</b>			
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G4-26	Frequency of stakeholder engagement	Stakeholder relations and dialogue	74
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G4-29	Date of most recent previous report	About this report	7
G4-30	Reporting cycle	About this report	7
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<b>Governance</b>			
G4-34	Governance structure of the organisation	Management and supervisory bodies	89
G4-35	Process for delegating authority for sustainable topics from the highest governance body to other employees	Organisational structure of Group's sustainability management	13
G4-36	Position with responsibility for sustainable topics	Organisational structure of Group's sustainability management	13
G4-37	Process for consultation between stakeholders and the highest governance body	Dialogue with civil society	76
G4-38	Composition of the highest governance body	Management and supervisory bodies	89
G4-39	Independence of the highest governance body	Under the Austrian Stock Corporation Act, the chairperson of the Supervisory Board shall be independent of the company's operations. Supervisory Board Members are independent of the operational level, except for those designated by the Works Council.	
G4-40	Nomination and selection processes of the highest governance body	Shareholders appoint Supervisory Board members at the shareholder meeting, according to their shareholdings. Supervisory Board members are subject to fit&proper criteria.	
G4-41	Process for avoiding and managing conflicts of interest	Corporate Governance, Supervisory Board	92f
G4-42	Role of the highest governance body regarding sustainable impacts	Sustainability management in OeKB Group	13
G4-43	Measures taken to enhance the highest governance body's knowledge of sustainable topics	Sustainability management in OeKB Group	13
G4-44	Processes for evaluating the highest governance body's performance with respect to sustainability	Corporate Governance, Supervisory Board	92f,
G4-45	Role of the highest governance body in the identification and management of sustainable risks and opportunities	System of internal control and of risk management, Risk management	29, 30
G4-46	Effectiveness of risk management processes for sustainable topics	System of internal control and of risk management, Risk management	29, 30
G4-47	Frequency of the highest governance body's review of that risks and opportunities	Subject to revision on annual basis	
G4-48	Review and approval of the organisation's sustainability report and the completeness of the material aspects.	Organisational structure of OeKB Group's sustainability management, Management review: performed on annual basis by the Executive Board pursuant to the EMAS Directive	13
G4-49	Process for communicating critical concerns to the highest governance body	Responsibility of representatives of the Works Council in the Supervisory Board	
G4-50	Nature and number of critical concerns	Confidential	
G4-51	Remuneration policies of the highest governance body and senior executives	Corporate Governance, Executive Board	92f
G4-52	Process for determining remuneration	Note 53 Boards' compensation and loans	170
G4-53	Stakeholders' views regarding remuneration policy	Salary bands for the Board of Managing Directors are set by the Supervisory Board	
G4-54	Ratio of the annual total compensation for the highest paid individual to the median of all employees	Ratio of highest salary: median of all employees – confidential	
G4-55	Ratio of percentage increase in annual total compensation for the highest paid individual to the median of all employees	Ratio of percentage increase to highest salary: median of all employees – confidential	

<b>Ethics and Integrity</b>		Section	Page
G4-56	Values, principles and codes of conduct	Policies, OeKB Code of Conduct, Preventing corruption	94, 95,
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behaviour	OeKB Code of Conduct	95
G4-58	Internal and external mechanisms for reporting concerns on unethical and unlawful behaviour	Internal: OeKB Code of Conduct, External: Dialogue with civil society	95, 76

## Specific Standard Disclosures

### Disclosures on Management Approach

G4-DMA	Analyses of materiality and its impacts	Sustainability management in OeKB Group, Materiality analysis, Programme of sustainability	13, 15, 177
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#### Category: Economic

##### *Economic Performance*

G4-EC1	Direct economic value generated and distributed	Business model of OeKB Group, OeKB Group 2014 consolidated financial statements	36, 112
G4-EC2	Risks and opportunities for the organisation's activities due to climate change	<a href="http://www.oekb.at/en/about-oekb/sustainability/Pages/climate.aspx">http://www.oekb.at/en/about-oekb/sustainability/Pages/climate.aspx</a>	89, 94
G4-EC3		Governance and Business Ethics - Policies	94
G4-EC4	Financial assistance received from government	Sponsoring, public funds, grants	99

##### *Market Presence*

G4-EC5	Ratios of standard entry level compared to local minimum wage	Starting salaries at OeKB clearly exceed those set forth in the Collective Bargaining Agreement for bank employees, which all OeKB Group employees are subject to, except for employees of OeKB Versicherung AG and OeKB Business Services GmbH. Personnel and responsibilities	81
G4-EC6	Proportion of senior management hired from the local community	Not applicable	

##### *Indirect Economic Impacts*

G4-EC7	Development and impact of infrastructure investments	Financing from Exportfonds, Financing from OeEB	40
G4-EC8	Significant indirect economic impacts	Business model of OeKB Group, Concessional financing for certain projects (soft loans), Financing from OeEB, Environmental and social responsibility	36, 38, 40, 45

##### *Procurement Practices*

G4-EC9	Proportion of spending on local suppliers	A relevant assessment procedure is currently being set up; Data collection in progress	
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#### Category: Environmental

##### *Materials*

G4-EN1	Materials used by weight or volume	Ecology in ongoing operations	101
G4-EN2	Percentage of recycled materials	Water and paper	105

##### *Energy*

G4-EN3	Energy consumption within the organisation	Ecological key indicators	109
G4-EN4	Energy consumption outside of the organisation	Carbon Dioxide Emissions (Scope 2)	103
G4-EN5	Energy intensity	Ecological key indicators	109
G4-EN6	Reduction of energy consumption	About this report, Business Travel	7, 103
G4-EN7	Reductions in energy requirements of products and services	Irrelevant to the financial services sector	

##### *Water*

G4-EN8	Total water withdrawal by source	Water and paper	105
G4-EN9	Water sources significantly affected by withdrawal of water	Not applicable	
G4-EN10	Percentage of water recycled and reused	Not applicable	

<i>Biodiversity</i>		Section	Page
G4-EN11	Operational sites of high biodiversity	There are no estates with high biodiversity quota	
G4-EN12	Significant impacts of products and services on biodiversity	Irrelevant; assessed, indirectly, in the environmental audit (Project and Environmental Analyses), Environmental and social responsibility	45
G4-EN13	Habitats protected or restored	Not applicable	
G4-EN14	Operations and endangered species	Not applicable	
<i>Emissions</i>			
G4-EN15	Direct greenhouse gas emissions (scope 1)	Carbon Dioxide Emissions (Scope 1)	103
G4-EN16	Energy indirect greenhouse gas emissions (scope 2)	Carbon Dioxide Emissions (Scope 2)	103
G4-EN17	Other indirect greenhouse gas emissions (scope 3)	Carbon Dioxide Emissions (Scope 3), Business Travel	103
G4-EN18	Greenhouse gas emissions intensity	Ecological key indicators	109
G4-EN19	Reduction of greenhouse gas emissions	About this report, Business travel, Climate-neutral Reutersaal hall, Implementing the programme of measures, Programme of sustainability	7, 103, 104, 177
G4-EN20	Emissions of ozone-depleting substances	There are no emissions of ozone-depleting substances due to the service-providing nature of the business.	
G4-EN21	Other significant air emissions (SO <sub>x</sub> , NO <sub>x</sub> )	There are no relevant emissions due to the service-providing nature of the business	
<i>Effluents and Waste</i>			
G4-EN22	Total water discharge	Water and paper	105
G4-EN23	Total weight of waste	Waste management	108
G4-EN24	Number and volume of significant spills	There are no spillages or leaks due to the service-providing nature of the business	
G4-EN25	Weight of transported hazardous waste	We do not transport any hazardous waste	
G4-EN26	Impacts of the organisation's discharges of water	Waste water is equivalent to that generally produced by service providers; it is disposed of via the public sewage system	
<i>Products and Services</i>			
G4-EN27	Extent of impact mitigation of environmental impacts of services	Programme of sustainability	177
G4-EN28	Percentage of packaging materials reclaimed	There is no product packaging due to the service-providing nature of the business.	
<i>Compliance</i>			
G4-EN29	Monetary value of fines due to non-compliance with environmental laws and regulations	No monetary fines were imposed.	
<i>Transport</i>			
G4-EN30	Environmental impacts of transporting goods and workforce members	Business Travel	103
<i>Overall</i>			
G4-EN31	Total environmental protection expenditures	Waste management	108
<i>Supplier Environmental Assessment</i>			
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	A procedure to evaluate key indicators of new suppliers is being established. At present, all existing major suppliers are screened according to environmental criteria.	
G4-EN33	Negative environmental impacts in the supply chain and actions taken	Ecology in ongoing operations	101
<i>Environmental Grievance Mechanisms</i>			
G4-EN34	Number of grievances about environmental impacts	Not applicable	
<b>Category: Social</b>			
<b><i>labour Practices and Decent Work</i></b>			
<i>Employment</i>			
G4-LA1	Fluctuation rate	Personnel and responsibilities	81
G4-LA2	Benefits provided to employees	OeKB part-time employees also have full access to all social benefits. Employees of subsidiaries are eligible only to some of the voluntary social benefits.	86
G4-LA3	Return to work and retention rates after parental leave	A significant KPI will be identified for 2015. The related objective and measures can be found in the sustainability programme.	

<i>Labour/Management Relations</i>		Section	Page
G4-LA4	Minimum notice periods regarding operational changes	The fact that the Works Council is represented in the Supervisory Board ensures that the Works Council has access to comprehensive information on the current business development at any time.	
<i>Occupational Health and Safety</i>			
G4-LA5	Percentage of total workforce represented in health and safety committees	The health and safety committee consists of thirteen people, including an external occupational health specialist and an external security expert.	
G4-LA6	Type and rate of injury, occupational diseases, lost days and absenteeism	There was one accident on the premises and three on the way to OeKB and a further two on the way to The Exportfonds in 2014.	
G4-LA7	Workers with high risk of occupational diseases	Statutory provisions effective in Austria as of 1 January 2013 set forth the obligation to evaluate emotional stress at the work place and develop measures based on the results	
G4-LA8	Health and safety topics in formal agreements with trade unions	There were no such measures	
<i>Training and Education</i>			
G4-LA9	Average hours of training per year by gender and employee category	Training and human resource development	85
G4-LA10	Programs for skills management and lifelong learning	Personnel and responsibilities	81
G4-LA11	Percentage of employees receiving regular performance and career development reviews	Personnel and responsibilities	81
<i>Diversity and Equal Opportunity</i>			
G4-LA12	Composition of governance bodies	Management and supervisory bodies	89
<i>Equal Remuneration for Women and Men</i>			
G4-LA13	Ratio of basic salary and remuneration of women to men	Remuneration and gender policy	86
<i>Supplier Assessment for Labour Practices</i>			
G4-LA14	Percentage of new suppliers that were screened using labour practices criteria	See G4-EN32	
G4-LA15	Negative impacts for labour practices in the supply chain and actions taken	not applicable	
<i>Labour Practices Grievance Mechanisms</i>			
G4-LA16	Number of grievances about labour practices	According to information provided by Works Council and company lawyer, no complaints were made in 2014 with regard to mobbing and no respective litigation was pending	
<b>Human Rights</b>			
<i>Investments</i>			
G4-HR1	Number of investments that include human rights clauses	Human rights policy , OECD Common Approaches 2012 (Common Approaches for officially supported export credits and environmental and social due diligence)	94
G4-HR2	Total hours of employee training on human rights policies	Implementing the programme of measures (Cooperation with Ludwig Boltzmann Institute, training on Common Approaches)	177
<i>Non-discrimination</i>			
G4-HR3	Total number of incidents of discrimination and actions taken	Written statements of company lawyer and Works Council exist to the effect that no such incidences became evident in the period under review.	
<i>Freedom of Association and Collective Bargaining</i>			
G4-HR4	Violations of the right to excess freedom of association and collective bargaining and measures taken	In Austria, the right to collective bargaining is governed by law. A Works Council is in place.	

		Section	Page
<i>Child Labour</i>			
G4-HR5	Significant risks of child labour	See G4-HR 1 and G4-HR 10	
<i>Forced or Compulsory Labour</i>			
G4-HR6	Significant risks of forced labour	See G4-HR1 and G4-HR 10	
<i>Security Practices</i>			
G4-HR7	Training of security personnel regarding human rights	Security personnel receive clear service instructions and participate in trainings on a regular basis.	
<i>Indigenous Rights</i>			
G4-HR8	Total number of incidents violating rights of indigenous people	See G4-HR 1 and G4-HR 10	
<i>Assessment</i>			
G4-HR9	Total number and percentage of operations that have been subject to impact assessments	Environmental and social responsibility	45
<i>Supplier Human Rights Assessment</i>			
G4-HR10	Percentage of new suppliers screened using human rights criteria	not applicable	
G4-HR11	Negative human rights impacts in the supply chain and actions taken	not applicable	
<i>Human Rights Grievance Mechanisms</i>			
G4-HR12	Number of grievances about human rights impacts	An external complaint mechanism came into force as of Q2 2014. A statistical evaluation of complaints takes place at the end of every year. There were no complaints during the period under review.	
<b>Society</b>			
<i>Local Communities</i>			
G4-SO1	Operations with implemented local community engagement	Materiality analysis, Financing from OeEB, Environmental and social responsibility, Stakeholder relations and dialogue	15, 40, 45, 74
G4-SO2	Operations with negative impacts on local communities	Environmental and social responsibility	
<i>Anti-corruption</i>			
G4-SO3	Operations assessed for risks related to corruption	In the Export Services departments, the corruption risk is assessed in compliance with the implemented OECD Recommendation on Bribery and with statutory provisions under the Austrian Criminal Code. Employees receive written information with regard to the Criminal Code on a regular basis; employees of the Export Services - Project Underwriting Division receive additional information with regard to OECD Recommendations. The project application form includes a relevant notice. See Preventing corruption	45 98
G4-SO4	Training on anti-corruption policies	Preventing corruption, see SO3, www.oekb.at	98
G4-SO5	Confirmed incidents of corruption and actions taken	Relevant violations on the part of OeKB are not evident	
<i>Public Policy</i>			
G4-SO6	Total value of political contributions	No financial contributions were made to any political party	
<i>Anti-competitive Behaviour</i>			
G4-SO7	Total number of legal actions for anti-competitive behaviour	There were no violations of competition law in the period under review 2014.	
<i>Compliance</i>			
G4-SO8	Monetary value of fines for non-compliance with laws	See G4-SO7	
<i>Supplier Assessment for Impacts on Society</i>			
G4-SO9	Percentage of new suppliers screened using criteria for impacts on society	Irrelevant to assessment of suppliers. With regard to customers, screening pursuant to the OECD Recommendation on Bribery applies.	
G4-SO10	Negative impacts on society and actions taken	Irrelevant to assessment of suppliers. With regard to customers, screening pursuant to the OECD Recommendation on Bribery applies.	
<i>Grievance Mechanisms for Impacts on Society</i>			
G4-SO11	Number of grievances about impacts on society	Written statements of company lawyer and Works Council exist to the effect that no such incidences became evident in the period under review.	

<b>Product Responsibility</b>			
<i>Customer Health and Safety</i>		Section	Page
G4-PR1	Percentage of products and services assessed for health and safety impacts	not applicable	
G4-PR2	Number of incidents of non-compliance with regulations concerning health and safety impacts	not applicable	
<i>Product and Service Labeling</i>			
G4-PR3	Information requirements of products and services	Not applicable; GTC include detailed service specifications	
G4-PR4	Number of incidents of non-compliance with regulations concerning product and service information	not applicable	
G4-PR5	Results of surveys measuring customer satisfaction	Customer satisfaction and customer care	74
<i>Marketing</i>			
G4-PR6	Sale of banned or disputed products	not applicable	
G4-PR7	Number of incidents of non-compliance with regulations concerning marketing communications	No charges were filed for non-compliance with marketing regulations	
<i>Customer Privacy</i>			
G4-PR8	Number of complaints regarding customer privacy and customer data	No charges were filed for violations of the Austrian Data Protection Act	
<i>Compliance</i>			
G4-PR9	Monetary value of fines for non-compliance with laws concerning the provision and use of products and services	No legal action was initiated for non-compliance with laws concerning the provision and use of products and services	
<b>Financial Services Sector Supplement</b>			
<i>Management Approach</i>			
FS1	Company policy concerning environmental and social aspects in the various business segments	Stakeholder relations and dialogue, OeKB Group sustainability policy, Climate policy, Human rights policy	74, 94f.
FS2	Procedures to analyse environmental and social risks in the business segments	Environmental and social responsibility, OECD Common Approaches 2012	45
FS3	Procedures to ascertain compliance of customers' projects with environmental and social requirements	Environmental and social responsibility, OECD Common Approaches 2012	45
FS4	Procedures to improve employee competence in terms of implementing environmental and social policies	See G4-LA9	
FS5	Interacting with customers/investors/business partners with regard to opportunities and risks in an environmental or social context	Business model of OeKB Group, Stakeholder relations and dialogue, Events and awards	36, 74, 78
<i>Product Portfolio</i>			
FS6	Percentage of portfolio allocation to the business segments by region, size (e.g. micro/SME/large) and industry	Export Services Annual Review 2014	
FS7	Specifically developed services that benefit social communities	Concessional financing for certain projects (soft loans), Microfinance	38, 41
FS8	Specifically developed services that benefit the environment	Concessional financing for certain projects (soft loans), Renewable energy and energy efficiency	38, 41
<i>Audit</i>			
FS9	Extent and frequency of audits that review implementation of environmental and social policies and risk management procedures	The Internal Audit department relies on the services of a trained environmental auditor who reviews the agreed objectives according to the standards as applied to audits that are prescribed by law. Audits are conducted twice a year.	

<i>Active Ownership</i>		Section	Page
FS10	Percentage and number of companies represented in the organisation's portfolio with which the reporting organisation has directly interacted concerning environmental and social issues	Exclusion criteria for the Bank's own portfolio were drafted and implemented in 2011.	
FS11	Percentage of assets subject to environmental and social screening	Supervisory Board report	6
FS12	Voting policies with regard to environmental or social issues	Reporting includes fully consolidated and at-equity shareholdings. At the energy clearing companies and shareholdings in listed companies, these issues are appropriately considered according to OeKB standards.	
FS13	Access to financial services in sparsely populated or economically disadvantaged regions	Microfinance	41
FS14	Initiatives to improve access to financial services for people with special needs	see G4-FS13, Financing from OeEB	
FS15	Policies to promote fairness in designing and selling financial products and services	see G4-FS13, Financing from OeEB	
FS16	Initiatives to enhance financial literacy, by target groups	Programme of sustainability	177

# 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.

Owner and publisher: Oesterreichische Kontrollbank Aktiengesellschaft  
Registered office: 1010 Vienna, Am Hof 4  
Company register no. FN 85749b, Commercial Court Vienna  
DVR: 0052019, UID Number: ATU 15350402  
Tel. +43 1 531 27-0  
[www.oekb.at](http://www.oekb.at)

Editing and layout: Michael Meier,  
in cooperation with the reporting team from the departments Organisation, Construction,  
Environment and Security, Accounting & Financial Control and Corporate Communications.  
[reporting@oekb.at](mailto:reporting@oekb.at)

Photography: © maxsim (Cover), OeKB/PAGE SEVEN (page 89)  
Illustrated pages: Egger & Lerch GmbH., 1030 Vienna, Vordere Zollamtsstraße 13

Translation: Consolidated financial statements and notes, and most financial and business  
review sections of management report: Martin Focken, North Bay, ON, Canada  
Other chapters: James Childs, Vienna, Austria

In addition to OeKB, the following companies are integrated into the sustainability  
management system of OeKB Group:

## **Oesterreichische Entwicklungsbank AG**

Strauchgasse 1-3, 1011 Vienna  
Tel. +43 1 533 12 00-0, [www.oe-eb.at](http://www.oe-eb.at)



## **„Österreichischer Exportfonds“ GmbH**

Strauchgasse 1-3, 1014 Vienna  
Tel. +43 1 712 61 51-2948, [www.exportfonds.at](http://www.exportfonds.at)



## **OeKB Business Services GmbH**

Strauchgasse 3, 1011 Vienna  
Tel. +43 1 531 27-2800, [www.oekb-bs.at](http://www.oekb-bs.at)



The OeKB Group Integrated Report, the Annual Financial Report and the Export Services -  
Annual Review are published in German and English, in printed version and on the internet at:  
<http://berichte.oekb.at> and <http://reports.oekb.at>.



The production of the report is based on the recommendations contained in  
aspektum gmbh's EEE-model. The prime aim is the simple, consistent and unambiguous  
conveying of information. This applies not only to the formulation of the text but also to the  
presentation of diagrams and tables.



Information in this report is current as of 28 February 2015.





