

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

Export Services-Annual Review 2014

EXPORT
SERVICES

Export Services - Highlights

€ million	2011	2012	2013	2014
Guarantees of the Republic of Austria under the Export Guarantees Act				
<i>Number of holders of outstanding guarantees (rounded)</i>	1,300	1,200	1,100	1,100
<i>Number of new guarantee contracts issued</i>	1,000	972	811	676
<i>Number of guarantees in place</i>	3,786	3,637	3,657	3,502
New guarantee contracts issued	4,658	5,135	3,512	3,842
New conditional commitments (new guarantee offers for prosp. underlying transactions)	2,029	2,098	1,861	2,399
Aggregate guarantee exposure limit, at 31 December	50,000	50,000	50,000	50,000
Utilisation of the guarantee exposure limit at 31 December	37,058	34,836	31,501	28,272
Unused limit	12,942	15,164	18,499	21,728
Premium and interest income *	219	229	207	191
Gross claims paid by the Guarantor	147	154	122	102
Recoveries on claims paid	55	65	72	73
Amounts written off as unrecoverable (with Maastricht relevance)	34	99	21	5
Guarantor's recoverable claims, at 31 December **	910	898	927	952
Net interest rate relief granted	-	4	2	1
OeKB Export Financing Scheme				
<i>Number of banks/exporters involved</i>	69/1.300	69/1.141	67/1.000	68/934
<i>Number of export financing contracts outstanding (rounded)</i>	3,400	3,200	3,000	2,800
New commitments issued	5,948	7,085	5,124	3,173
New conditional lending commitments issued	281	638	177	158
Total lending commitments outstanding at 31 December	32,244	28,054	24,632	22,087
Financing contracts outstanding at 31 December	31,868	27,703	24,377	21,848
<i>Of which disbursements outstanding</i>	28,362	24,827	22,031	19,587
Loan funds disbursed	5,026	6,846	4,724	2,771
Repayments received	6,093	10,381	7,520	5,216
Increase/(decrease) in net loans outstanding	(1,067)	(3,535)	(2,796)	(2,445)
Total funds used under the Export Financing Scheme	54,507	65,825	31,585	34,882
Limit on aggregate guarantee exposure under Export Financing Guarantees Act	45,000	45,000	45,000	45,000
Utilisation of the guarantee exposure limit at 31 December	33,695	30,015	28,779	26,055
Unused limit	11,305	14,985	16,221	18,945
Total new guarantees issued	12,504	10,567	8,482	10,585

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

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

Contents

Letter from the Executive Board	6
Development of the Export Services	7
Guarantees of the Republic of Austria under the Export Guarantees Act	8
Aggregate exposure limit under the Export Guarantees Act	9
Guarantee business by type of guarantee	10
Guarantee business by credit period of transactions guaranteed	12
Guarantee business by region and country	13
Debt-rescheduling	15
Guarantee system income and expenses, and claims paid by region and country	16
Oesterreichische Kontrollbank AG	
Export Financing Scheme	21
Credit commitments and disbursements under the Export Financing Scheme	22
Business activity under the Export Financing Scheme	23
Export financing business by region and country	24
Tied financial credits, purchases of accounts receivable and other types of financing	27
Interest rates in the Export Financing Scheme	28
Sources and uses of funds (flow-of-funds statement)	29
Guarantees of the Republic of Austria under the Export Financing Guarantees Act (AFFG)	30
Laws and Regulations	33
Export Guarantees Act	33
1981 Export Guarantees Decree	37
Export Financing Guarantees Act	45
Glossary	48
Publication information	51

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Oesterreichische Kontrollbank AG

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

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

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Letter from the Executive Board

Dear reader,

in spite of difficult conditions for the export business in 2014, Austrian exports increased modestly and reached a historically high level. The country's exporting industry, therefore, remains the foundation of Austrian prosperity in an economically challenging period. Once again the export guarantees and financing offered via OeKB made a significant contribution to this success.

This was achieved by introducing a set of measures agreed upon with the Federal Ministry of Finance aimed at facilitating expansion abroad, thereby stimulating growth by value and job creation; it took the form of a more offensive coverage policy for about 30 future markets, more flexible criteria for value-added for smaller businesses, lower retention for political risks in more difficult markets and more favourable premiums for the cover of foreign investment. As in previous years, the Austrian export guarantee system has once again resulted in a substantial surplus for the Republic of Austria.

To make it even easier for exporters to access the coverage and financing needed to expand in foreign markets, we have recently set up a new export service consultancy team ("Exportservice-Beratung"). Starting in January 2015, this team will be visiting companies throughout Austria, developing and presenting suitable solutions for the companies' export activities, in close cooperation with the financing teams of the commercial banks.

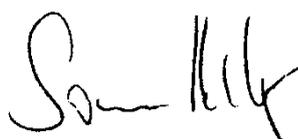
In mid 2014 OeKB Group and the German "Euler Hermes AG" restructured their joint Austrian credit insurance business in "Acredia Versicherung AG", forming Austria's biggest credit insurance company, with a market share of roughly 55%, being represented in the market by the well-known brands "PRISMA Die Kreditversicherung" and "OeKB Versicherung".

We were very pleased with the development of our two other financing institutions within OeKB Group: "Österreichischer Exportfonds GmbH", our SME specialist, once again provided a financing volume of more than 1 billion Euros to Austrian SMEs. The Development Bank of Austria ("Oesterreichische Entwicklungsbank AG") continued to expand as planned.

Demand for scientifically-based information to assist with economic decisions also increased. OeKB Research Services provide support for the decision-making process by means of, for example, the CEE Business Climate Index as well as market-potential and business-segment analyses.



RUDOLF SCHOLTEN



ANGELIKA SOMMER-HEMETSBERGE

Development of the Export Services

Since **1950** OeKB, as the agent of the Republic of Austria, has been managing the country's export guarantee system. As a service provider for the Austrian Federal Ministry of Finance (BMF), OeKB operates the system of export guarantees and direct investments abroad; the export guarantees are limited to non-marketable risks of foreign sales. Cover for marketable risks is provided by private export credit insurers. Applications for guarantees are screened by OeKB and then reviewed by an advisory committee within the BMF. The guarantor is the Federal Minister of Finance.

Guarantees and financing for exports

Since **1954**, OeKB has been 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.

Berne Union

Since **1960** OeKB has been operating a programme to finance exports of goods and services, largely on a medium- and long-term basis. Special emphasis is placed on exports of Austrian capital goods. Known as the Export Financing Scheme, this programme serves to refinance export credits given by credit institutions and to cover direct financing conducted by OeKB. OeKB provides financing in Euros and foreign currencies at floating and fixed interest rates.

Export Financing Scheme

Since **1988** debt relief ranging from 33% to 80% has been progressively agreed to for the poorest borrower nations. Since 1999 debt reduction of 90% or more has been possible within the framework of the so-called HIPC (Heavily Indebted Poor Countries)-Initiative.

Concessional rescheduling

The **1995** Amendment to the Export Guarantees Act allows guarantees to be issued for untied credits.

Guarantees for untied credits

Since **1997** OeKB's Export Academy has been offering employees of banks, exporters and other interested parties a detailed insight into the export services of OeKB Group. To date, more than 1,000 participants have attended the 69 events put on by the Export Academy.

Since **2000** OeKB has made it an absolute priority to sign agreements with other export credit insurers and financial institutions, thereby facilitating the overall insuring and financing of complex 'multisourcing projects'.

Internationale cooperation

Since **2001** environmental and social impacts have been considered in the evaluation of projects applying for support, based on the resolutions of the OECD.

OECD

Since **2008**, OeKB has been encouraging all guarantee holders and beneficiaries of aval endorsements for foreign investment projects to familiarize themselves with the OECD Guidelines for Multinational Enterprises and to observe them wherever possible in their international activities.



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

Guarantees of the Republic of Austria under the Export Guarantees Act

Acting as the agent of and for the account of the Republic of Austria (represented by the Federal Ministry of Finance), OeKB performs the following tasks:

- Underwriting-related evaluation (including credit assessment) of applications for guarantees in the form of guarantees for the due performance of contracts by foreign contracting parties, or through endorsements (guarantees by aval) of bills of exchange used to finance export transactions or outbound foreign direct investment,
- issuing and administrative processing of the guarantees on behalf of the Republic of Austria,
- exercising the rights of the Republic of Austria under the guarantee contracts.

Federal Organic Budget Act 2013

On 1 January 2013 the second part of Austria's budget law reform took effect, based on the 2013 Federal Organic Budget Act (BHG 2013).

Important resulting new accounting requirements include, among others,

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

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

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

Aggregate exposure limit under the Export Guarantees Act

All data in the following tables include guarantees for debt-rescheduling agreements and exclude recoverable claims (see the table “Income and expenses from guarantees”).

Aggregate exposure limit under the Export Guarantees Act and its utilisation

Outstanding	12/31/2011		12/31/2012		12/31/2013		12/31/2014	
	€ million	%						
Aggregate guarantee exposure limit ¹	50,000	100.0 %	50,000	100.0 %	50,000	100.0 %	50,000	100.0 %
Utilisation of the guarantee exposure limit	37,058	74.1 %	34,836	69.7 %	31,501	63.0 %	28,272	56.5 %
<i>Change from prior year</i>	-1,450	-3.8 %	-2,222	-6.0 %	-3,335	-9.6 %	-3,229	-10.3 %
Unused limit	12,942	25.9 %	15,164	30.3 %	18,499	37.0 %	21,728	43.5 %
Aggregate guarantee exposure (after currency translation)	-	0.0 %	34,852	69.7 %	31,364	62.7 %	28,467	56.9 %

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

New guarantee contracts issued

€ million	2011	2012	2013	2014	1950 - 2014
New guarantee contracts issued ¹	4,658	5,135	3,512	3,842	203,446
Change from prior year	+789	+477	-1,623	+330	
<i>Per cent</i>	+20.4%	+10.2%	-31.6%	+9.4%	

¹ Including conditional commitments converted into guarantee contracts; excluding new conditional commitments

Guarantee business by type of guarantee

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

Conditional guarantee commitments are contingent in nature and intended to facilitate the contract negotiations of exporters or of the credit institutions providing funding. More information is provided in the section '*Laws and regulation*'.

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

Revolving guarantees

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

Aval endorsements

Endorsements (guarantees by aval) of bills of exchange, issued to the exporter's bank (itself approved by OeKB), are another type of cover provided under the Export Guarantees Act. Aval endorsements (also known simply as avals) are commitments to assume liability for the payment of the obligation of the issuer or acceptor of a bill of exchange that is issued by a credit institution to finance export transactions or Austrian companies' investments abroad.

Avals thus facilitate funding for exporters and outward direct investors. The exporter's bank has to file the applications for aval endorsements and arrange the financing.

The guarantees issued by the Republic of Austria for the OeEB in accordance with section 9 of AusfFG, inter alia for the more long-term financing of sustainable investment in developing countries, count among the types of guarantees provided for by AusfFG. These guarantees are, unless otherwise indicated, shown as 'guarantees issued for the OeEB' in the new guarantees issued and the guarantees outstanding in the following tables. In 2014, for the first time, the republic of Austria also made use of the possibility defined in section 7 (3) AusfFG to use a part of the funds of the Republic earmarked for the Export Guarantees Act for the development-related financing of selected OeEB projects (Funding status as of 31 December 2014: € 4 million).

Guarantees OeEB

New guarantee contracts issued and aggregate guarantee exposure, by type of guarantee

	New guarantees issued in 2013			Guarantees outstanding (after currency translation) at 31 December 2013			New guarantees issued in 2014			Guarantees outstanding (after currency translation) at 31 December 2014		
	Count	€ m	%	Count	€ m	%	Count	€ m	%	Count	€ m	%
G 1	411	975	27.8%	724	2,272	7.2%	349	674	17.5%	648	2,001	7.0%
G 2	5	2	0.1%	7	3	0.0%	7	293	7.6%	12	283	1.0%
G 3	68	711	20.2%	671	5,677	18.1%	49	676	17.6%	678	5,756	20.2%
G 4	33	199	5.7%	181	4,347	13.9%	19	69	1.8%	161	3,318	11.7%
G 5	1	0	0.0%	3	0	0.0%	-	-	-	3	0	0.0%
G 6	-	-	-	4	7	0.0%	-	-	-	1	0	0.0%
G 7	15	49	1.4%	49	145	0.5%	7	29	0.8%	37	144	0.5%
G 8	2	12	0.3%	40	1,807	5.8%	4	52	1.4%	38	1,849	6.5%
G 9	27	17	0.5%	200	185	0.6%	31	44	1.1%	196	180	0.6%
Total G 1 to G 9	562	1,965	56.0%	1,879	14,443	46.1%	466	1,837	47.9%	1,774	13,531	47.5%
Aval endorsements (AE)	233	1,366	38.9%	1,724	16,287	51.9%	194	1,859	48.4%	1,667	14,214	49.9%
Guarantees issued for OeEB	16	181	5.1%	54	634	2.0%	16	147	3.7%	61	722	2.5%
Total	811	3,512	100.0%	3,657	31,364	100.0%	676	3,842	100.0%	3,502	28,467	100.0%
Increases to individual credit limits within comprehensive policies	-	-	-	1	0	-	-	-	-	1	0	-
Conditional commitments (CC)	190	1,861	-	143	1,698	-	195	2,399	-	149	2,061	-

Guarantee business by credit period of transactions guaranteed

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

Credit periods of transactions guaranteed

Credit period in years	Single-contract policies		Revolving policies		Single-contract policies		Revolving policies	
	Count	€ m	Count	€ m	Count	€ m	Count	€ m
	Guarantee contracts issued in 2013				Guarantee contracts issued in 2014			
Up to 1	272	900	131	390	224	1,227	104	362
More than 1 and up to 5	254	467	-	-	212	289	-	-
More than 5 and up to 10	102	1,288	-	-	94	1,502	-	-
More than 10	52	467	-	-	42	458	-	-
Total	680	3,122	131	390	572	3,477	104	362
	Guarantees outstanding (after currency translation) at 31 Dec 2013				Guarantees outstanding (after currency translation) at 31 Dec 2014			
Up to 1	506	3,810	826	5,342	327	2,148	813	5,318
More than 1 and up to 5	1,233	8,790	17	1,604	963	4,867	16	1,604
More than 5 and up to 10	505	7,393	-	-	761	9,713	-	-
More than 10	570	4,425	-	-	622	4,817	-	-
Total	2,814	24,418	843	6,946	2,673	21,545	829	6,922

Guarantee business by region and country

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

The G 6 and G 8 revolving guarantees are included under comprehensive policies.

New guarantee contracts issued and aggregate guarantee exposure, by region

	New guarantee contracts issued in 2013			Guarantees outstanding (after currency translation) at 31 December 2013			New guarantee contracts issued in 2014			Guarantees outstanding (after currency translation) at 31 December 2014		
	Count	€ m	%	Count	€ m	%	Count	€ m	%	Count	€ m	%
Europe (incl. Turkey, CIS)	265	695	19.8%	753	6,627	21.2%	228	727	18.9%	702	5,853	20.6%
EU	61	178	5.1%	196	1,043	3.3%	71	86	2.2%	172	802	2.8%
North America	2	14	0.4%	7	20	0.1%	4	19	0.5%	5	20	0.1%
Latin America	90	230	6.6%	228	694	2.2%	69	139	3.6%	223	782	2.7%
Asia	163	812	23.1%	757	4,548	14.5%	117	818	21.3%	703	4,337	15.2%
Australia and Oceania	-	-	-	2	3	0.0%	-	-	-	1	2	0.0%
Africa	42	214	6.1%	114	947	3.0%	48	134	3.5%	123	935	3.3%
Comprehensive policies (CP)	-	-	-	18	1,604	5.1%	-	-	-	17	1,604	5.6%
Total guarantees	562	1,965	56.0%	1,879	14,443	46.1%	466	1,837	47.8%	1,774	13,531	47.5%
Aval endorsements (AE)	233	1,366	38.9%	1,724	16,287	51.9%	194	1,859	48.4%	1,667	14,214	49.9%
Guarantees issued for OeEB	16	181	5.1%	54	634	2.0%	16	147	3.8%	61	722	2.5%
Total	811	3,512	100.0%	3,657	31,364	100.0%	676	3,842	100.0%	3,502	28,467	100.0%
<i>Of which (excl. CP, AE, OeEB):</i>												
OECD	99	426	12.1%	259	1,242	4.0%	100	169	4.4%	252	1,119	3.9%
Non-European developing countries	279	1,216	34.6%	1,063	6,021	19.2%	220	980	25.5%	1,009	5,839	20.5%
OPEC	41	59	1.7%	165	1,246	4.0%	42	389	10.1%	150	1,242	4.4%

The country data excludes comprehensive policies, aval endorsements, and guarantees issued for OeEB. All data excludes conditional commitments.

New guarantee contracts issued and aggregate guarantee exposure, by region and country

€ thousand Countries with guarantees outstanding over 25 € million	Guarantee contracts issued in 2014		Guarantees outstanding (after currency translation) at 31 Dec 2014	
	Total	Of which rescheduling guarantees	Total	Of which rescheduling guarantees
Total	3,842,108	-	28,467,221	391,018
Europe	727,126	-	5,852,548	119,071
Albania	23,495	-	170,007	-
Belarus	4,866	-	231,701	-
Bosnia and Herzegovina	20,154	-	191,446	80,919
Bulgaria	2,292	-	89,657	-
Croatia	2,121	-	174,255	-
Czech Republic	97	-	86,862	-
Germany	29,323	-	33,719	-
Moldova	27	-	25,023	-
Romania	10,142	-	267,270	-
Russia	442,094	-	3,076,101	-
Serbia	57,919	-	149,951	36,991
Spain	8,669	-	68,315	-
Turkey	76,138	-	524,233	-
Ukraine	10,978	-	656,512	-
Latin America	138,630	-	781,780	6,583
Brazil	37,753	-	273,277	-
Chile	-	-	178,241	-
Costa Rica	50,140	-	50,140	-
Honduras	13,078	-	54,482	-
Trinidad and Tobago	-	-	32,078	-
Uruguay	-	-	97,850	-
Asia	817,710	-	4,336,868	156,374
Bhutan	-	-	61,042	-
China (incl. Hong Kong)	171,944	-	1,644,883	-
Georgia	381	-	26,566	-
India	74,136	-	322,656	-
Indonesia	29,644	-	679,519	126,259
Iran	-	-	53,464	-
Kazakhstan	89,493	-	122,073	-
Laos	9,673	-	26,094	-
Malaysia	2,081	-	73,383	-
Pakistan	8,335	-	52,976	25,477
Philippines	-	-	168,037	-
Saudi Arabia	308,106	-	369,863	-
Sri Lanka	10,500	-	130,396	-
South Korea	849	-	103,311	-
United Arab Emirates	1,230	-	33,379	-
Vietnam	34,192	-	306,879	4,638
Africa	134,282	-	934,833	108,990
Egypt	17,638	-	218,497	103,028
Ethiopia	50,885	-	48,798	-
Gabon	-	-	228,540	-
Ghana	-	-	162,301	-
Kenya	5,739	-	43,256	5,004
Libya	12,288	-	47,704	-
Aval endorsements (AE)	1,858,787	-	14,213,735	-

Debt-rescheduling

Sovereign debt is rescheduled through agreements on that portion of a debtor country's external debt relating to sales of goods and services. They are insured by the creditor countries through their respective export guarantee system or they are categorised as governmental development aid.

In the so-called Paris Club (an informal group of 20 creditors), federally guaranteed credits and foreign aid debt are renegotiated and rescheduled. OeKB advises the Austrian government in this matter.

Paris Club

A multilateral framework is implemented bilaterally with each creditor country.

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

Conventional rescheduling

Since 1988 debt-relief ranging from 33% to 80% has been progressively agreed to for the poorest borrower nations. In June 1999 the so-called Enhanced HIPC (Heavily Indebted Poor Countries) Initiative was adopted, which allows debt reduction of 90% or more for highly indebted poor countries, primarily in Africa. As part of an EU-wide initiative, Austria bilaterally grants 100% debt relief to these countries.

Debt reduction – concessional rescheduling

Business in 2014

An agreement was reached between Argentina and its Paris Club Creditors for its unregulated overdue payments since 2001. The agreement foresees the complete repayment within 5 years. Austria's outstanding receivables amount to about € 52 million. A first repayment has been made.

By 31 December 2014, cumulative receipts under rescheduling amounted to principal payments of € 8,576 million and interest payments of € 3,398 million.

At 31 December 2014, recoverable claims of the Republic of Austria for defaulted-on rescheduled debt-repayments amounted to € 397 million, of which € 248 million represented overdue principal and € 149 million constituted overdue interest.



The movement in claims relating to rescheduling guarantees is shown in the table "Claims paid" in the next section.

Rescheduling guarantees by region and by type of guarantee

	Guarantees outstanding (after currency translation) at 31 December 2013			Guarantees outstanding (after currency translation) at 31 December 2014		
	Number of countries	€ m	%	Number of countries	€ m	%
Europe (incl. Turkey, CIS)	3	123	27.6 %	3	119	30.4 %
Latin America	2	7	1.6 %	2	7	1.8 %
Asia	5	183	41.1 %	5	156	39.9 %
Africa	3	132	29.7 %	3	109	27.9 %
Total	13	445	100.0 %	13	391	100.0 %
<i>Of which</i>						
<i>Non-European developing countries</i>						
	10	322	72.4 %	10	272	69.6 %
<i>OPEC</i>	2	150	33.7 %	2	126	32.2 %
<i>G 3</i>		438			384	
<i>G 9</i>		7			7	

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

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

The income should cover losses and administrative costs long-term in accordance with the international rules covering premiums, thus enabling the process to be self-financing.

The amount of claims paid by the Republic of Austria under guarantees pursuant to the Export Guarantees Act must be viewed in the context of the total cumulative volume of guarantee contracts issued. From the inception of the guarantee programme in 1950 to the end of 2014, the value of guarantees issued was € 203.4 billion. In this cumulative total, revolving guarantees are included at their nominal amounts. € 3.607 million of loans and advances have been written off due to uncollectibility since 1950. Debt waived as part of international initiatives writing off debt is included in this figure. In addition there was debt-relief in the amount of € 1.938 million in the form of interest reductions as part of international agreements. In total, since 1950, the above have accounted for 2,7% of guarantee contracts issued.

At 31 December 2014, besides the Austrian government's recoverable claims of € 952 million, there were interest receivables on arrears in connection with debt-rescheduling for Iraq, Argentina and Myanmar in the amount of € 189.8 million.

In 2014 the guarantee programme income exceeded net costs by € 161 million.

Income and expenses from guarantees under the Export Guarantees Act

€ million	2012	1950-2012	2013	1950-2013	2014	1950-2014
Premium income ¹	175	4,976	167	5,143	157	5,300
Interest income less other expenses	54	1,194	40	1,234	34	1,268
Subtotal	229	6,170	207	6,377	191	6,568
Recoveries on claims paid	65	3,421	72	3,493	73	3,566
Total (+)	294	9,591	279	9,870	264	10,134
Claims paid, incl. HIPC (-)	154	7,902	122	8,024	102	8,126
Guarantee programme result before interest rate relief granted (+/-)	+140	+1,689	+157	+1,846	+162	+2,008
Net interest rate relief granted (-)	4	1,935	2	1,937	1	1,938
Net guarantee programme result after interest rate relief incl. HIPC (+/-)	+136	-246	+155	-91	+161	+70
<i>In per cent of cumulative guarantee contracts issued</i>		0.13%		0.05%		0.03%
<i>In per cent of guarantees outstanding</i>		0.71%		0.29%		0.24%
Net guarantee programme result after interest rate relief excl. HIPC (+/-) ²	+199	+614	+160	+774	+161	+935
Recoverable claims (including HIPC) at 31 December ³	898	898	927	927	952	952
Impairment losses on recoverable claims	185		172		115	
<i>Guarantee system rate of return (%) ⁴</i>	40.60%	104.00%	25.10%	101.40%	15.70%	98.90%
Interest rate relief granted (-)	4	2,509	2	2,511	1	2,512
Support from federal budget (+)	-	574	-	574	-	574
Net interest rate relief granted (-)	4	1,935	2	1,937	1	1,938
Amounts written off as unrecoverable, incl. HIPC (-)	99	3,581	21	3,602	5	3,607
Total (-)	103	5,516	23	5,539	6	5,545
<i>In per cent of cumulative guarantee contracts issued</i>		2.81%		2.77%		2.73%
Guarantee contracts issued	5,135	196,092	3,512	199,604	3,842	203,446
Guarantees outstanding at 31 December ³	34,852	34,852	31,364	31,364	28,467	28,467
Provisions for guarantees	503		537		497	

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

² coverage surplus (+); notional disposal (-).

³ Restructurings of claims paid under the HIPC Initiative in previous reporting periods affect the comparability of amounts over time.

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

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

Claims paid, by region

€ million	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2014	1950-2014	2014	1950-2014	2014	1950-2014	12/31/2014	12/31/2014
Europe (incl. Turkey, CIS)	6	2,328	2	1,431	2	786	112	1
<i>EU</i>	1	1,503	0	937	1	546	20	1
North America	-	40	-	8	-	32	-	-
Latin America	7	457	4	172	0	144	139	2
Asia	34	2,403	19	841	0	1,029	534	27
Australia and Oceania	-	2	-	-	-	2	-	-
Africa	47	2,468	44	977	-	1,383	108	-
Comprehensive policies	0	54	0	10	0	20	24	-
Total G 1 to G 9	95	7,753	69	3,438	3	3,397	917	30
<i>Commercial risks</i>	14	1,385	1	393	3	812	178	4
<i>Political risks</i> ¹	81	6,368	68	3,045	0	2,585	739	26
Exchange risk guarantees (G 10)	-	130	-	1	-	129	-	-
Total G 1 to G 10	95	7,883	69	3,439	3	3,526	917	30
Aval endorsements (AE)	7	243	3	126	2	81	35	-
Guarantees issued for OeEB	-	-	-	-	-	-	0	-
Total	102	8,126	73	3,566	5	3,607	952	30
<i>Of which</i> ²								
<i>OECD</i>	1	1,559	0	924	1	592	41	-
<i>Non-European developing countries</i>	88	5,208	67	1,918	0	2,508	780	29
<i>OPEC</i>	56	2,162	19	718	0	1,039	405	27
<i>HIPC Initiative, total</i>	-	865	-	-	-	865	-	-
Comparative total 2012	122	8,024	72	3,493	21	3,602	927	64
Comparative total 2011	154	7,902	65	3,421	99	3,581	898	112
Comparative total 2010	147	7,748	55	3,356	34	3,482	910	43
Of which for debt rescheduling guarantees								
Europe	1	1,377	1	1,155	-	222	-	-
Latin America	-	269	3	104	-	64	102	-
Asia	-	1,117	11	407	-	421	289	-
Africa	7	1,915	12	668	-	1,240	7	-
Total	8	4,678	28	2,335	-	1,947	397	-
Comparative total 2012	18	4,670	26	2,307	5	1,947	417	-
Comparative total 2011	69	4,652	27	2,281	77	1,942	429	-
Comparative total 2010	23	4,583	15	2,254	22	1,865	464	-

¹ Including claims paid for political risks under debt rescheduling guarantees.

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

The amounts in the following table include claims from debt-rescheduling guarantees. Country and regional data exclude claims not directly attributable to countries relating to reinsurance guarantees, exchange risk guarantees and aval endorsements.

Claims paid, by region and country

€ thousand	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2014	1950-2014	2014	1950-2014	2014	1950-2014	12/31/2014	12/31/2014
Countries with total claims paid over 25 € million								
Total	102,068	8,125,947	72,536	3,565,620	5,456	3,606,949	952,048	29,536
Europe	6,403	2,327,663	1,582	1,430,381	2,450	785,685	111,846	448
Bulgaria	36	112,788	0	74,231	-	38,522	35	-
France	-	36,538	-	6,468	-	30,066	4	-
Germany	-	113,009	1	13,125	-1	98,837	1,047	-
Italy	-	97,494	21	24,024	103	72,348	1,122	-
Poland	-	963,594	-	769,391	31	192,860	1,342	2
Russia	-	438,960	-	310,625	-	127,195	1,140	-
Switzerland	-	25,834	-	5,624	-	20,205	5	-
Serbia	1,180	163,067	1,338	93,047	1,268	70,021	-	-
Turkey	35	55,724	-	42,209	62	10,396	3,118	-
United Kingdom	319	28,318	-	6,291	-	21,708	319	-
Ukraine	3,688	114,509	-	27,486	59	401	86,621	-
North America	-	40,420	-	7,951	-	32,469	-	-
USA	-	27,912	-	5,964	-	21,948	-	-
Latin America	7,299	457,176	4,128	172,282	338	143,873	139,380	2,070
Argentina	-	112,775	2,482	48,685	343	29,564	34,526	-
Bolivia	-	68,595	-	4,766	-	63,829	-	-
Brazil	6,937	45,001	608	33,615	-6	4,193	7,192	2,070
Cuba	-	99,708	866	7,931	-	38	91,739	-
Venezuela	-	50,620	-	28,378	-	22,242	-	-

€ thousand	Claims paid		Recoveries on claims paid		Amounts written off as unrecoverable		Recoverable claims after currency translation	Claims authorised but not yet paid
	2014	1950 -2014	2014	1950 -2014	2014	1950 -2014	31.12.2014	31.12.2014
Countries with total claims paid over 25 € million								
Asia	33,840	2,403,380	19,470	841,048	13	1,028,616	533,974	27,018
China (incl. Hong Kong)	-	103,154	-	57,337	-	45,817	-	-
Georgia	-	94,170	-	49,337	-	44,833	-	-
India	179	47,554	-	14,388	-	9,517	23,649	-
Indonesia	-78	136,403	-	80,811	-	55,517	75	-
Iraq	-	959,477	16,842	149,944	-	590,463	219,157	-
Iran	32,683	265,270	2,601	89,975	0	70,455	105,010	26,040
Lebanon	-	74,935	-	60,111	-	14,824	-	-
Myanmar	-	52,298	-	17,434	-	40	34,824	-
North Korea (DPR)	-	231,795	-	80,579	-	6,627	144,589	-
Philippines	-	78,220	-	74,394	-	3,826	-	-
Saudi Arabia	-	59,481	-	6,182	-	53,299	-	-
Syria	-	25,887	-	18,761	-	6,774	352	-
Thailand	-	42,116	-	294	-	41,822	-	-
United Arab Emirates	827	139,989	27	84,248	13	50,784	4,957	845
Vietnam	-	26,005	-	15,947	-	10,058	-	-
Africa	47,067	2,467,599	43,952	976,501	-	1,383,261	107,859	-
Algeria	-	90,258	-	88,061	-	2,197	-	-
Angola	-	51,319	-	49,657	-	1,662	-	-
Cameroon	-	472,446	-	13,926	-	458,520	-	-
Congo DR (former Zaire)	-	82,556	-	15,982	-	66,574	-	-
Cote d'Ivoire	-	96,662	-	5,359	-	91,303	-	-
Egypt	22,536	407,208	42,776	341,283	-	42,598	23,351	-
Kenya	1,048	71,439	1,005	69,384	-	1,537	518	-
Libya	23,000	87,461	-	6,052	-	5,664	75,745	-
Madagascar	-	60,951	-	9,345	-	51,606	-	-
Morocco	-	120,559	-	117,105	-	3,454	-	-
Nigeria	-	367,099	-	183,152	-	183,947	-	-
Sudan	-	296,446	-	7,997	-	288,449	-	-
Tanzania	43	45,986	66	5,517	-	40,469	-	-
Togo	-	45,149	-	14,979	-	30,170	-	-
Zambia	-	29,530	-	13,235	-	16,295	-	-
Aval endorsements (AE)	7,370	242,602	3,106	126,164	2,375	81,145	35,293	-

Oesterreichische Kontrollbank AG Export Financing Scheme

The OeKB Export Financing Scheme offers Austrian exporters financing solutions for a broad spectrum of export business and cross-border investment activities.

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

Requirements

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

OeKB's Export Financing Scheme is available to domestic and foreign credit institutions as a refinancing source. They must meet the creditworthiness criteria of OeKB, fulfil the legal requirements regarding the transactions to be financed and satisfy OeKB's 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.

Sustainability aspects are considered mainly in connection with the issuing of the guarantees listed above.

International environment

Credit commitments and disbursements under the Export Financing Scheme

Outstandings and net changes under the Export Financing Scheme - lending operations

€ million	Outstanding at 31 Dec 2011	Net change	Outstanding at 31 Dec 2012	Net change	Outstanding at 31 Dec 2013	Net change	Outstanding at 31 Dec 2014
Financing contracts	31,868	-4,165	27,703	-3,326	24,377	-2,529	21,848
Conditional commitments	376	-25	351	-96	255	-16	239
Total commitments	32,244	-4,190	28,054	-3,422	24,632	-2,545	22,087
Disbursements	28,362	-3,535	24,827	-2,796	22,031	-2,445	19,587

The outstanding loan agreement with the longest repayment period expires in 2039.

Schedule of disbursements payable

€ million	Financing contracts	Conditional commitments	Total
By end of 2015	503	104	607
By end of 2016	1,680	82	1,762
By end of 2017	74	45	119
By end of 2018	2	8	10
By end of 2019	2	-	2
After 2019	-	-	-
Disbursements	2,261	239	2,500

Schedule of repayments receivable

€ million	Financing contracts	Conditional commitments	Total
By end of 2015	3,860	-	3,860
By end of 2016	3,366	-	3,366
By end of 2017	1,880	-	1,880
By end of 2018	2,476	-	2,476
By end of 2019	1,131	-	1,131
By end of 2020	752	1	753
By end of 2021	649	8	657
By end of 2022	412	14	426
By end of 2023	278	16	294
After 2023 (up to 2039)	7,044	200	7,244
Repayments	21,848	239	22,087

Business activity under the Export Financing Scheme

The following table presents an analysis of the underlying movements during the year.

In the year under review, the loan repayments received more than covered loan disbursements (€ 5,216 million versus € 2,771 million).

Business activity under the Export Financing Scheme - lending operations

€ million	2011	2012	2013	2014
Financing contracts:				
New contracts issued ¹	5,948	7,085	5,124	3,173
Contracts withdrawn	1,115	1,803	939	486
Repayments received	6,093	10,381	7,520	5,216
<i>Of which on revolving credits</i>	186	935	8	-
Loan funds disbursed	5,026	6,846	4,724	2,771
Conditional commitments (CC):				
New conditional commitments issued	281	638	177	158
CC converted into contracts	169	396	185	115
CC withdrawn	39	267	87	59

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

Export financing business by region and country

Commitments and disbursements outstanding under the Export Financing Scheme, by region

	Outstanding at 31 December 2013				Outstanding at 31 December 2014			
	Commitments		Disbursements		Commitments		Disbursements	
	€ million	%	€ million	%	€ million	%	€ million	%
Europe (incl. Turkey, CIS)	3,685	15.1%	3,391	15.4%	3,202	14.7%	2,955	15.1%
<i>Incl. conditional commitments</i>	<i>3,748</i>	<i>15.2%</i>			<i>3,215</i>	<i>14.6%</i>		
<i>EU</i>	<i>777</i>	<i>3.2%</i>	<i>636</i>	<i>2.9%</i>	<i>590</i>	<i>2.7%</i>	<i>541</i>	<i>2.8%</i>
North America	102	0.4%	102	0.4%	107	0.5%	104	0.5%
<i>Incl. conditional commitments</i>	<i>102</i>	<i>0.4%</i>			<i>107</i>	<i>0.5%</i>		
Latin America	349	1.4%	216	1.0%	410	1.9%	265	1.4%
<i>Incl. conditional commitments</i>	<i>374</i>	<i>1.5%</i>			<i>441</i>	<i>2.0%</i>		
Asia	3,056	12.4%	2,785	12.6%	2,757	12.6%	2,563	13.1%
<i>Incl. conditional commitments</i>	<i>3,178</i>	<i>12.9%</i>			<i>2,903</i>	<i>13.1%</i>		
Australia and Oceania	2	0.0%	2	0.0%	1	0.0%	1	0.0%
<i>Incl. conditional commitments</i>	<i>2</i>	<i>0.0%</i>			<i>1</i>	<i>0.0%</i>		
Africa	738	3.0%	552	2.5%	658	3.0%	588	3.0%
<i>Incl. conditional commitments</i>	<i>782</i>	<i>3.2%</i>			<i>707</i>	<i>3.2%</i>		
Comprehensive policies (CP) ¹	11	0.1%	11	0.1%	10	0.0%	10	0.1%
<i>Incl. conditional commitments</i>	<i>11</i>	<i>0.1%</i>			<i>10</i>	<i>0.0%</i>		
Subtotal	7,942	32.6%	7,059	32.0%	7,145	32.7%	6,485	33.1%
<i>Incl. conditional commitments</i>	<i>8,197</i>	<i>33.3%</i>			<i>7,383</i>	<i>33.4%</i>		
Aval endorsements (AE) ²	16,435	67.4%	14,972	68.0%	14,704	67.3%	13,102	66.9%
<i>Incl. conditional commitments</i>	<i>16,435</i>	<i>66.7%</i>			<i>14,704</i>	<i>66.6%</i>		
Total	24,377	100.0%	22,031	100.0%	21,848	100.0%	19,587	100.0%
<i>Incl. conditional commitments</i>	<i>24,632</i>	<i>100.0%</i>			<i>22,087</i>	<i>100.0%</i>		
<i>Of which (excl. CP and AE):</i>								
<i>OECD</i>	<i>1,025</i>	<i>4.2%</i>	<i>869</i>	<i>3.9%</i>	<i>892</i>	<i>4.1%</i>	<i>844</i>	<i>4.3%</i>
<i>Non-European developing countries</i>	<i>4,002</i>	<i>16.4%</i>	<i>3,428</i>	<i>15.6%</i>	<i>3,664</i>	<i>16.8%</i>	<i>3,274</i>	<i>16.7%</i>
<i>OPEC</i>	<i>863</i>	<i>3.5%</i>	<i>778</i>	<i>3.5%</i>	<i>706</i>	<i>3.2%</i>	<i>631</i>	<i>3.2%</i>

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

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

New commitments and disbursements under the Export Financing Scheme, by Region

	Movements in 2013				Movements in 2014			
	New commitments issued		Loan funds disbursed		New commitments issued		Loan funds disbursed	
	€ million	%	€ million	%	€ million	%	€ million	%
Europe (incl. Turkey, CIS)	884	17.3%	837	17.7%	779	24.6%	778	28.1%
<i>Incl. conditional commitments</i>	<i>909</i>	<i>17.2%</i>			<i>789</i>	<i>23.7%</i>		
<i>EU</i>	<i>218</i>	<i>4.3%</i>	<i>172</i>	<i>3.6%</i>	<i>112</i>	<i>3.5%</i>	<i>156</i>	<i>5.6%</i>
North America	-	-	8	0.2%	19	0.6%	16	0.6%
<i>Incl. conditional commitments</i>	<i>-</i>	<i>-</i>			<i>19</i>	<i>0.6%</i>		
Latin America	104	2.0%	119	2.5%	96	3.0%	83	3.0%
<i>Incl. conditional commitments</i>	<i>129</i>	<i>2.4%</i>			<i>127</i>	<i>3.8%</i>		
Asia	845	15.9%	977	20.7%	222	7.0%	236	8.5%
<i>Incl. conditional commitments</i>	<i>931</i>	<i>17.6%</i>			<i>312</i>	<i>9.4%</i>		
Australia and Oceania	0	0.0%	0	0.0%	-	-	-	-
<i>Incl. conditional commitments</i>	<i>0</i>	<i>0.0%</i>			<i>-</i>	<i>-</i>		
Africa	138	2.7%	135	2.9%	23	0.7%	133	4.8%
<i>Incl. conditional commitments</i>	<i>180</i>	<i>3.4%</i>			<i>48</i>	<i>1.4%</i>		
Comprehensive policies (CP)	1	0.0%	1	0.0%	2	0.0%	2	0.1%
<i>Incl. conditional commitments</i>	<i>1</i>	<i>0.0%</i>			<i>2</i>	<i>0.0%</i>		
Subtotal	1,973	38.5%	2,077	44.0%	1,140	35.9%	1,248	45.0%
<i>Incl. conditional commitments</i>	<i>2,150</i>	<i>40.6%</i>			<i>1,298</i>	<i>39.0%</i>		
Aval endorsements (AE)	3,151	61.5%	2,647	56.0%	2,033	64.1%	1,524	55.0%
<i>Incl. conditional commitments</i>	<i>3,151</i>	<i>59.4%</i>			<i>2,033</i>	<i>61.0%</i>		
Total	5,124	100.0%	4,724	100.0%	3,173	100.0%	2,771	100.0%
<i>Incl. conditional commitments</i>	<i>5,301</i>	<i>100.0%</i>			<i>3,331</i>	<i>100.0%</i>		
<i>Of which (excl. CP and AE):</i>								
<i>OECD</i>	<i>90</i>	<i>1.8%</i>	<i>100</i>	<i>2.1%</i>	<i>82</i>	<i>2.6%</i>	<i>141</i>	<i>5.1%</i>
<i>Non-European</i>	<i>498</i>	<i>9.7%</i>	<i>652</i>	<i>13.8%</i>	<i>275</i>	<i>8.7%</i>	<i>404</i>	<i>14.6%</i>
<i>OPEC</i>	<i>23</i>	<i>0.4%</i>	<i>56</i>	<i>1.2%</i>	<i>35</i>	<i>1.1%</i>	<i>32</i>	<i>1.2%</i>

Movements and outstandings under the Export Financing Scheme, by region and country

€ thousand	Movements in 2014		Outstanding at 31 December 2014	
	New commitments issued	Loan funds disbursed	Commitments	Disbursements
Total	3,173,206	2,771,431	21,848,098	19,586,894
Europe	779,410	778,098	3,201,779	2,954,794
Albania	23,495	14,454	67,418	47,705
Belarus	15,129	30,457	60,656	58,073
Belgium	403	6,109	49,988	24,428
Bosnia and Herzegovina	18,056	11,303	180,193	169,305
Bulgaria	488	9,755	81,213	81,213
Croatia	45,480	45,511	152,997	152,966
Greece	-	30,000	30,000	30,000
Luxembourg	33,945	28,693	84,812	77,082
Romania	9,784	10,637	121,667	117,065
Russia	433,672	378,173	1,442,101	1,280,492
Switzerland	-	-	69,730	69,730
Serbia	3,771	9,771	58,663	58,663
Turkey	4,410	8,217	177,922	177,403
Ukraine	164,059	164,059	515,575	515,575
North America	19,040	16,237	106,560	104,425
USA	1,520	855	89,233	89,233
Latin America	95,975	82,752	410,164	264,518
Brazil	5,487	9,030	30,045	29,890
Cuba	-	-	80,441	6,583
Honduras	15,690	23,474	102,168	102,160
Panama	34,423	20,068	39,535	25,509
Trinidad and Tobago	-	10,026	32,078	32,078
Venezuela	9,713	6,070	72,676	31,983
Asia	221,565	235,644	2,757,356	2,562,620
Armenia	11,840	7,026	39,635	31,305
Azerbaijan	29,530	17,175	30,381	18,026
Bahrain	7,503	7,221	44,697	22,523
Bhutan	-	5,099	60,000	60,000
China (inkl. Hong Kong)	6,191	47,939	899,563	875,644
India	35,876	876	74,559	39,559
Indonesien	-	-	596,366	562,016
Kazakhstan	7,190	7,190	29,040	29,040
Laos	9,480	8,818	25,138	17,708
Pakistan	838	838	34,163	34,163
Philippines	-	189	151,398	151,398
Sri Lanka	22,855	18,207	109,448	96,840
South Korea	-	25,170	293,149	293,149
Vietnam	34,740	25,544	291,074	254,230
Africa	22,815	133,188	657,674	587,943
Egypt	-22,334	-22,334	141,531	128,165
Gabon	6,868	80,979	204,449	164,760
Ghana	-	23,575	135,403	128,593
South Africa	-	-	35,000	35,000
Aval endorsements (AE)	2,032,762	1,523,874	14,703,502	13,101,530

Tied financial credits, purchases of accounts receivable and other types of financing

The following tables show the individual share which tied financial credits and purchases of accounts receivable have in the total volume of export-credit refinancing administered by OeKB.

Export sales made on credit terms can be financed by having the exporter allow deferred payment or as a loan extended to a foreign buyer. The exporter granting a supplier credit to a foreign buyer can obtain funding for this from a credit institution. When a bank extends a tied financial credit or purchases accounts receivable, this leads to a reduction in the exporter's balance sheet.

Commitments and disbursements outstanding under the Export Financing Scheme, by type of financing

	Outstanding at 31 December 2013				Outstanding at 31 December 2014			
	Commitments		Disbursements		Commitments		Disbursements	
	€ million	%	€ million	%	€ million	%	€ million	%
Tied financial credits	4,069	16.7%	3,574	16.2%	3,885	17.8%	3,581	18.3%
<i>Incl. conditional commitments</i>	<i>4,324</i>	<i>17.6%</i>			<i>4,123</i>	<i>18.7%</i>		
Foreign investments	2,192	9.0%	2,185	9.9%	1,759	8.1%	1,659	8.5%
<i>Incl. conditional commitments</i>	<i>2,192</i>	<i>8.9%</i>			<i>1,759</i>	<i>8.0%</i>		
Purchases of accounts receivable	175	0.7%	92	0.4%	172	0.8%	90	0.5%
<i>Incl. conditional commitments</i>	<i>175</i>	<i>0.7%</i>			<i>172</i>	<i>0.8%</i>		
Other financing contracts	1,506	6.2%	1,208	5.5%	1,328	6.1%	1,155	5.9%
<i>Incl. conditional commitments</i>	<i>1,506</i>	<i>6.1%</i>			<i>1,328</i>	<i>6.0%</i>		
Subtotal	7,942	32.6%	7,059	32.0%	7,145	32.7%	6,485	33.1%
<i>Incl. conditional commitments</i>	<i>8,197</i>	<i>33.3%</i>			<i>7,383</i>	<i>33.4%</i>		
Aval endorsements	16,435	67.4%	14,972	68.0%	14,704	67.3%	13,102	66.9%
<i>Incl. conditional commitments</i>	<i>16,435</i>	<i>66.7%</i>			<i>14,704</i>	<i>66.6%</i>		
Total	24,377	100.0%	22,031	100.0%	21,848	100.0%	19,587	100.0%
<i>Incl. conditional commitments</i>	<i>24,632</i>	<i>100.0%</i>			<i>22,087</i>	<i>100.0%</i>		

New contracts issued and amounts disbursed under the Export Financing Scheme, by type of financing

	Movements in 2013				Movements in 2014			
	New commitments		Loan funds disbursed		New commitments issued		Loan funds disbursed	
	€ million	%	€ million	%	€ million	%	€ million	%
Tied financial credits	393	7.7%	491	10.4%	184	5.8%	361	13.0%
<i>Incl. conditional commitments</i>	<i>570</i>	<i>10.8%</i>			<i>341</i>	<i>10.2%</i>		
Foreign investments	1,158	22.6%	1,188	25.2%	653	20.6%	559	20.2%
<i>Incl. conditional commitments</i>	<i>1,158</i>	<i>21.9%</i>			<i>653</i>	<i>19.6%</i>		
Purchases of accounts receivable	35	0.7%	36	0.8%	40	1.3%	40	1.4%
<i>Incl. conditional commitments</i>	<i>35</i>	<i>0.7%</i>			<i>40</i>	<i>1.2%</i>		
Other financing contracts	387	7.6%	362	7.7%	264	8.3%	287	10.4%
<i>Incl. conditional commitments</i>	<i>387</i>	<i>7.3%</i>			<i>264</i>	<i>7.9%</i>		
Subtotal	1,973	38.5%	2,077	44.0%	1,140	35.9%	1,248	45.0%
<i>Incl. conditional commitments</i>	<i>2,150</i>	<i>40.6%</i>			<i>1,298</i>	<i>39.0%</i>		
Aval endorsements	3,151	61.5%	2,647	56.0%	2,033	64.1%	1,524	55.0%
<i>Incl. conditional commitments</i>	<i>3,151</i>	<i>59.4%</i>			<i>2,033</i>	<i>61.0%</i>		
Total	5,124	100.0%	4,724	100.0%	3,173	100.0%	2,771	100.0%
<i>Incl. conditional commitments</i>	<i>5,301</i>	<i>100.0%</i>			<i>3,331</i>	<i>100.0%</i>		

Interest rates in the Export Financing Scheme

Financing on commercial terms

Financing based on combined floating and fixed interest rates

The financing for supplier and buyer credits and investment loans is extended at variable and fixed interest rates. The floating rate is determined by OeKB for the following quarter. It is based on the average cost for OeKB of funding itself in the market. The floating-rate portion of the credit is repaid first; the financing of the longer-term part is at a fixed interest rate.

Financing based on EURIBOR

OeKB also offers financing of supplier and buyer credits and investments purely at a floating-rate. The financing is based on the 3 or 6-month EURIBOR plus a margin dependent on the duration.

Kontrollbank Credit Line for short-term export contracts

The Kontrollbank Credit Line (KRR) is available for large enterprises to finance short-term, revolving export business. The financing is based on avals guaranteed by the Republic. OeKB publishes its interest rate for this type of financing quarterly.

Small and medium-sized enterprises are serviced by "Österreichischer Exportfonds" GmbH.

Financing in foreign currencies

Financing of export business and investments in foreign currencies is also offered at floating or fixed interest rates which are quoted separately for each contract.

Fixed rate financing based on CIRR can be offered on demand.

The current interest rates of the Export Financing Scheme can be viewed on the Internet at www.oekb.at/en/export-services/financing/interest-rates.



For further details see
Glossary



Soft Loans

In addition to export finance facilities on commercial terms, the Austrian export industry can benefit from financing on concessional terms. Soft loans adhere to the soft-loan policy pursued by the Federal Ministry of Finance (BMF) within the framework of the OECD agreement; they support Austrian exporters in the face of international competition and aim to contribute to the sustainable development of receiver countries.

Conditions for soft-loan financing depend on the receiver country and are, as a rule, set annually.

Austria's Export Financing Scheme is also described in the so-called Yellow Book published by the OECD.



[www.oekb.at/en/
export-services/
Financing/
interest-rates/Pages/
soft-loans.aspx](http://www.oekb.at/en/export-services/Financing/interest-rates/Pages/soft-loans.aspx)

Sources and uses of funds (flow-of-funds statement)

The total of all positions used under the Export Financing Scheme in the financial year was € 34,882 billion. Of this amount, € 2,771 billion represented loan disbursements. € 32,111 billion was used largely for the repayment of loan liabilities. In the reporting period, € 5,216 billion (15 %) of the funds used came from debt service payments received on export credits. New borrowing amounted to € 29,666 billion. Of this sum € 3,220 billion in Euros and various foreign currencies was raised in Austria and € 26,446 billion was sourced abroad.

The financing volume under the Export Financing Scheme decreased by 13 % compared to 2013.

Guarantees of the Republic of Austria under the Export Financing Guarantees Act (AFFG)

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

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

In 2014, long-term transactions totalling € 2.5 billion were placed in Austria and abroad. Notable issues were two US dollar global bonds totalling \$ 2.25 billion and one GB pound-euroshelf placement totalling £ 350 million including an increase of capital stock. In addition GB pound and swiss franc bonds as well as a US dollar private placement were issued.

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



For further details see
**Laws and
Regulations - AFFG**

The AFFG regulates the granting of guarantees by the Federal Minister of Finance in favour of the creditors of OeKB in all export-financing related matters. The Federal Minister of Finance is also authorised to guarantee repayment to OeKB of possible foreign exchange losses incurred by credit operations.

The aggregate exposure limit is € 45 billion. OeKB pays a guarantee premium to the Federal Ministry of Finance for this coverage.

Further provisions of the AFFG are:

- the maximum repayment period
- the percentage of aggregate exposure arising from the guaranteed borrowings
- the amount of the limit for any single credit transaction

the calculation method for adding individual guarantees to the aggregate guarantee exposure limit

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

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

Amendment to the AFFG

The Amendment of §5 Paragraph 1 of the AFFG, in the Federal Law BGBl I No. 40/2014, issued on 12 June 2014 provides for the expansion of the earmarking of guarantee-fee income, similar to the well-established earmarking for guarantee fees in accordance with §7 of the AFFG.

Guarantees under the Export Financing Guarantees Act

Guarantees in € million for	Principal amounts	Interest ²	Exchange risk	Total
Additions in 2012	8,236	-	246	8,482
Reductions in 2012	9,469	-	249	9,718
Net change in 2012	-1,233	-	-3	-1,236
Outstanding at 31 December 2012	25,505	-	3,274	28,779
<i>Of which transactions in euro</i>	4,410	-	1,433	5,843
<i>in foreign currencies</i>	21,095	-	1,841	22,936
Unused limit (total limit of € 45,000 million) ¹				16,221
Additions in 2013	10,313	-	272	10,585
Reductions in 2013	13,002	-	307	13,309
Net change in 2013	-2,689	-	-35	-2,724
Additions from 1967 to 2013	182,347	2,776	12,517	197,640
Reductions from 1967 to 2013	159,531	2,776	9,278	171,585
Net change from 1967 to 2013 = [i.e., Outstanding at 31 Dec 2013]	22,816	-	3,239	26,055
<i>Of which transactions in euro</i>	2,700	-	1,423	4,123
<i>in foreign currencies</i>	20,116	-	1,816	21,932
Unused limit (total limit of € 45,000 million) ¹				18,945

¹ Federal Law Gazette I no. 144/2008 and no. 40/2014

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

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

Guarantees as reflected in the Austrian government financial statements

€ million	2011	2012	2013
Additions	22,484	16,684	17,876
Reductions	19,864	21,408	20,051
Foreign currency translation differences	129	29	-244
Ending balance outstanding (after translation effects) at 31 December	32,634	27,567	25,149
Of which transactions in euro	8,270	5,850	4,210
in foreign currencies	24,365	21,717	20,939

The data for 2014 is not yet available.

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

Laws and Regulations

Export Guarantees Act

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

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

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

§ 1.

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

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

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

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

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

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

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

§ 3.

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

§ 4.

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

§ 5.

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

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

§ 7.

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

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

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

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

§ 8.

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

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

Section 8a.

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

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

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

Austrian development bank

§ 9.

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

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

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

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

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

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

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

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

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

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

§ 10.

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

(2) The Export Guarantees Act – ExpGA, Federal Law Gazette no. 215/1981, as amended by Federal Law Gazette I no. 121/2012, will expire on 31 December 2017. All guarantees granted prior to this date will not be affected thereby.

(3) The Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended by Federal Law Gazette I no. 58/2007, will expire on 31 December 2012. All guarantees granted prior to this date will not be affected thereby.

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

1981 Export Guarantees Decree

Decree of the Federal Minister of Finance dated 30 April 1981, relating to the regulations for the granting of guarantees by the Federal Republic (Federation) in implementation of the Export Guarantees Act (1981 Export Guarantees Decree), published in Federal Law Gazette no. 257/1981,

as amended by the Decrees published in Federal Law Gazettes no. 203/1988, 349/1991, 130/1994, 816/1995, II no. 88/1998, 212/1998 and 90/1999.

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

Form and object of the liabilities

§ 1.

(1) The liabilities are assumed in writing:

- a) as guarantees for the due performance of contracts by the foreign contracting partners as well as guarantees for the integrity of the rights of export enterprises pursuant to section 1 of the Export Guarantees Act with regard to economic and/or political risks as well as the exchange rate risk;
- b) as commitments to guarantee bills of exchange by “aval”, which are to facilitate the financing of contracts and rights pursuant to section 1 of the Export Guarantees Act.

(2) A promise to grant a guarantee may be given (promise). If a promise is given, the Federation is committed to convert it into a guarantee in accordance with paragraph 1 if the terms of the contract specified in the application to give a promise are not less favourable in the definitive contract and during the lifetime of the promise no material changes in the circumstances relevant for the issuance of the guarantee have occurred or become apparent (section 936 ABGB – General Code of Civil Law).

(3) Guarantees issued pursuant to section 2, paragraph 1, no.s 1 to 7 and 9 shall be based on general business conditions which together with the terms of the respective guarantees constitute the terms of the guarantee agreements.

Types of liabilities

§ 2.

(1)

1. Guarantees to cover risks resulting from
 - a) contracts on the supply and the production of goods and the performance of services by exporters to foreign contracting parties (guarantees for direct deliveries and services);
 - b) license agreements and agreements on the exploitation of patents, license agreements on know-how, agreements on copyright (comprehensive or specific copyright) of exporters, as well as agreements relating to the performance of other services with foreign contracting parties;
 - c) lease or lease-purchase contracts on exporter's goods located abroad in the hands of foreign contracting parties and serving the production of other goods;
 - d) contracts on the supply and the production of goods and the performance of services by enterprises domiciled abroad, if the proceeds are applied directly or indirectly for the payment of contracts of exporters.

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

Assumption of liabilities

§ 3.

- (1) Applications for the issuance of a guarantee or a guarantee by “aval” on a bill of exchange are to be filed in writing or by electronic means at the Oesterreichische Kontrollbank Aktiengesellschaft.
- (2) The contracts underlying the guarantee or the guarantee by “aval” on a bill of exchange may be made out in Austrian Schillings, in a currency freely convertible, in a currency not freely convertible or in a clearing currency.
- (3) Guarantees or guarantees by “aval” on bills of exchange may be assumed in Austrian Schillings, in a currency freely convertible at the date the contract is concluded or in a clearing currency.

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

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

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

Self-participation

§ 4.

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

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

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

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

§ 5.

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

1. the beneficiary of the guarantee shall, if so requested at any time, inform the Republic on details and the state of the contract or right underlying the guarantee and disclose his books and documents to the extent necessary for the examination of the transaction involved;
2. prior to any material amendment of the contractual basis of the contract or right underlying the guarantee the beneficiary of the guarantee shall obtain the consent of the Republic; as a material amendment are inter alia to be considered the extension of the payment/total payment date or the altering of securities;
3. the beneficiary of the guarantee is bound to instruct upon expiry of a certain delay a debt collection agency or a lawyer resident in the country of the foreign contracting partner to collect an unpaid claim, unless the Republic agrees to a different procedure.

Furthermore, the beneficiary of the guarantee may be obligated to inform the Republic within a certain delay in writing of the non-performance or contravention of the contract or right underlying the guarantee, of the occurrence of a fact justifying a claim pursuant to section 6 and of the instructing of a debt collecting agency or a lawyer;

4. the Republic may at any time, if the foreign contracting partner has not performed his contractual obligations or if facts justifying a claim pursuant to section 6 have occurred, direct the beneficiary of the guarantee, whether and in which way the beneficiary of the guarantee has to perform his contractual obligations resulting from the contract or right under guarantee. For guarantees under section 2, paragraph 1, no. 2 the right to give directives is only applicable with regard to the beneficiary of the guarantee.

With regard to guarantees under section 2, paragraph 1, no.s 5 and 6 it shall be stipulated furthermore that the Republic is entitled to restrain the beneficiary of the guarantee from the conclusion of further contracts under the guarantee agreement with the defaulting contracting partner;

5. with regard to guarantees pursuant to section 2, paragraph 1, no. 6 the beneficiary of the guarantee shall as a rule ascertain the financial standing of all foreign contracting partners for which neither a specific authorisation nor a free limit was granted, by obtaining a written report (inquiry) or the checking of the past orderly performance of the contracts by the foreign contracting partner;
6. the beneficiary of the guarantee shall take all steps necessary to enforce his contractual rights against the foreign contracting partner. If goods to be delivered according to the obligations of the beneficiary of the guarantee have already been manufactured and are still at his disposal, they shall be turned to account in the most profitable way;
7. the beneficiary of the guarantee is committed to take over the terms agreed by the Republic in a rescheduling for the self-participation, unless the Republic agrees to a different procedure;
8. costs and losses incurred in connection with measures pursuant to no.s 4, 5 and 7 shall be refunded to the beneficiary proportionately.

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

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

Admission of claims

§ 6.

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

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

(2) Economic facts are:

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

(3) Political facts are:

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

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

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

(5)

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

§ 7.

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

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

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

Refusal of liability

§ 9.

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

1. if losses have occurred for which the beneficiary of the guarantee or his agents are responsible;
2. if the beneficiary of the guarantee, deliberately or by gross negligence, violates a stipulation of the guarantee contract;
3. if the beneficiary of the guarantee contravenes domestic or foreign legal regulations, except in case he can prove that the non-performance of the contractual obligations by the foreign contracting partner is not caused by the contravention referred to above;
4. if the beneficiary of the guarantee was already at the time he applied for the guarantee aware that
 - a) performance of the contract by the foreign contracting partner is impossible,

- b) with regard to another contractual agreement of the beneficiary of the guarantee with the foreign contracting partner the latter has within the last two years before the application was submitted, committed a breach of contract,
 - c) the foreign contracting partner is insolvent, in particular the assets of the foreign contracting partner have been subjected to insolvency proceedings, or
 - d) judicial execution proceedings have been commenced into the assets of the foreign contracting partner;
5. if the beneficiary of the guarantee has deliberately or by gross negligence made false statements in the application for the issuance of the guarantee;
 6. if losses have occurred, for which following commercial usage insurance – except credit insurance – is available for the beneficiary of the guarantee with insurance companies domiciled in this country;
 7. if with regard to guarantees under section 2, paragraph 1, no. 6 the provisions of section 5, paragraph 1, no. 6 have not been complied with, when an economic fact has occurred.

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

Maturity of the compensation due under the liability

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

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

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

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

§ 13.

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

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

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

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

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

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

§ 14.

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

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

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

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

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

(6)

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

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

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

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

Enforcement of the claims resulting from liabilities by legal action

§ 15.

(1) The assignment of claims resulting from guarantees can be prohibited or limited.

(2) With regard to the enforcement of claims arising under guarantees by legal action certain time limits may be imposed.

Final regulation

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

Decree II no. 90/1999:

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

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

Export Financing Guarantees Act

as amended with effect of 1 January 2015 (binding is the wording published in the Federal Law Gazette)

This translation is provided for convenience only. Although it was prepared with great care, neither we nor the translator guarantee its accuracy or completeness. In the case of dispute, the German source text is binding.

Federal Law, relating to the financing of contracts and rights (Export Financing Guarantees Act - EFGA), published in Federal Law Gazette no. 216/1981, as amended by Federal Law Gazettes no. 221/1982, 250/1984, 561/1986, 343/1991, 962/1993, 212/1995, 704/1995, I 81/1998, I 64/2000, I 71/2003 (Act accompanying the Budget Act 2003/Part 3, Article 34), I 94/2005, I 59/2007, I 144/2008, I 122/2012 and I 140/2014/Act 24.

It has been enacted by Parliament:

§ 1.

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

- a) the full or partial financing of contracts or rights for which the Federation has issued a guarantee under the Export Guarantees Act, Federal Law Gazette no. 215/1981, or under the Export Guarantees Act 1964, Federal Law Gazette no. 200, as applicable from time to time, or
- b) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended, and for which a credit insurer examined by the agent of the Federation has assumed liability, or
- c) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215, as amended and for which Austria Wirtschaftsservice G.m.b.H. has granted a guarantee, or
- d) the full or partial financing of contracts or rights which satisfy the statutory requirements of the Export Guarantees Act, Federal Law Gazette no. 215/1981, as amended and for which an international organisation whose creditworthiness is beyond doubt has assumed liability, or
- e) a temporary investment by the agent of the Federation in the context of the export financing scheme, or
- f) the payment of obligations of the agent of the Federation, for which guarantees have been granted under this Federal Law.

(2) Guarantees are granted

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

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

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

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

§ 2.

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

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

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

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

§ 3. Claims will arise under guarantees in case,

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

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

§ 5.

(1) Amounts, which have to be paid for the issue of guarantees pursuant to section 7 as well as amounts which are to be refunded by the agent of the Federation pursuant to section 4, shall be credited to a non interest bearing current account of the Federation with the agent of the Federation.

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

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

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

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

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

§ 7.

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

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

§ 8. Section 5 (1) as amended by the budget accompanying act 2014, Federal Law Gazette no. I 40/2014, will become effective on 1 January 2014

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

Glossary

Country data

Countries are shown individually if the guarantee exposure/cumulative gross claims paid or financing commitments amount to € 25 million or more.

OECD

Organisation for Economic Cooperation and Development

OECD agreement

The OECD agreement on officially supported export credits is an interational treaty which is legally binding for EU member states.

OECD/EU/non-European developing countries/OPEC

The classification of countries into these groupings follows the definitions of the Austrian statistics agency (Statistik Austria).

OPEC

Organisation of Petroleum Exporting Countries

Paris Club

The Paris Club is formed, when necessary, from the group of official creditors to which 20 regularly participating countries belong. In addition, representatives of the international financial institutions take part in the sessions which are chaired by the French. Austria is represented by the Federal Ministry of Finance and OeKB as consultant. The aim of the Paris Club is to restore the credit-worthiness of highly-indebted countries in the long-term by extending the repayment obligations to this public-creditor community.

The legend for data presented in this report

- indicates zero. 0 means the amount is smaller than half of the stated unit. Rounding can lead to differences in totals.

Guarantees of the Republic of Austria under the Export Guarantees Act

AusfFG (Ausfuhrförderungsgesetz)

Export Guarantees Act, published in Federal Law Gazettes no. 215/1981, as amended

AFVO (Ausfuhrförderungsverordnung)

1981 Export Guarantees Decree published in Federal Law Gazettes no. 215/1981, as amended

Financing requirement

is the actual cover requirement that may be reported on a quarterly basis by the holder of an aval endorsement.

Guarantor

The Austrian Federal Minister of Finance acting on behalf of the Republic of Austria

Guarantees of the Republic of Austria

Guarantees, avals and guarantees issued for OeEB in accordance with the AusfFG and AFVO

Aggregate guarantee exposure

Actual aggregate exposure for the (i) base amounts of guarantees of type G 1 to G 9 and G 11, (ii) guarantees issued for OeEB and (iii) the notified financing requirement from aval endorsements; excluding conditional commitments. From 2012, the measurement of aggregate guarantee exposure reflects currency conversion differences; in other words, the value of guarantees denominated in foreign currency is converted into Euros at the relevant ECB reference exchange rates.

Guarantees issued

Newly issued guarantees, aval endorsements and guarantees issued for OeEB, calculated based on their maximum amounts

Maximum amount

The amount stated in the guarantee contracts or in aval endorsements that represents the maximum liability of the Guarantor

Marketable risks

Commercial and political risks arising from export transactions with a total risk period for manufacturing and loan repayment of less than two years and counterparties in an EU or OECD country, excluding Chile, Greece, Israel, Mexico, South Korea and Turkey.

Conditional commitment

Conditional commitment to issue a guarantee or financing facility for prospective transactions that are still under negotiation

Excess

is the percentage of a loss to be borne by the guarantee holder.

Recoverable claims

Outstanding balance of claims paid less recoveries and write-downs, at the balance sheet date. From 2012, the foreign-currency-denominated portion of this exposure is presented so as to include currency conversation differences, which means that the foreign-currency receivables are translated into Euros at the relevant ECB reference rates.

Oesterreichische Kontrollbank AG Exportfinancing Scheme

CIRR (Commercial Interest Reference Rate)

The minimum fixed interest rate defined in the OECD agreement for which official support can be granted on export credits provided that the CIRR does not cover the lender's funding costs.

EFV

Oesterreichische Kontrollbank AG Exportfinancing Scheme

Soft Loan

Concessional financing. Loans made on concessional (i.e., preferential) terms in the form of low (below market rate) interest rates, long repayment periods and grace periods.

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

AFFG (Ausfuhrfinanzierungsförderungsgesetz)

Export Financing Guarantees Act, published in Federal Law Gazette no. 216/1981, as amended

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

This report has been formulated so that the gender-equality in OeKB (Group) is reflected in the text. In places gender-neutral language had to be dispensed with in the interest of readability. In such cases all terms relating to people, positions and functions should still be taken as gender-neutral.

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