Sustained and sustainable results for Austria's exporters, financial markets and government.

Annual Financial Report 2013

OESTERREICHISCHE KONTROLLBANK GROUP

OeKB GRUPPE / GROUP

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Group management report 2013

Economic and capital markets situation and financial results

Economic environment in 2013

Contrary to economists' predictions, the world economy grew only moderately in the year under review: The International Monetary Fund (IMF) currently expects the global economy to have expanded by 3.0% in 2013, compared to a forecast of up to 3.6% made a year ago. This slower expansion of global economic activity was also reflected in world trade. The World Trade Organization (the WTO) now estimates growth in global trade last year at 2.5%, a downward revision of its earlier forecast of 3.3%. Impetus for world trade came primarily from developing countries and the CIS nations (the Commonwealth of Independent States): Exports from these economic regions rose by 3.6% and their imports even increased by 5.8%. In contrast, the eurozone's extremely sluggish economic recovery translated into stagnating imports in the advanced economies, while exports grew by 1.5% thanks to demand from emerging markets. The low trajectory of international trade also meant declining activity in the market for trade finance: Thus, according to data vendor Dealogic, the worldwide volume of trade financings fell by about 30% year-on-year in the first nine months of 2013, to its lowest level since 2006.

United States

Overall in 2013, the world economy thus recovered at a merely modest pace, and with wide regional variation. The economy in the United States expanded less in 2013 than in 2012. Its gross domestic product (GDP) as estimated by the IMF was up 1.9%, compared with growth of 2.8% in 2012. This economic growth was fuelled primarily by the expansionary monetary policy in the form of the Federal Reserve's bond buying program of USD 85 billion per month and an overnight interest rate between 0% and 0.25%. On the other hand, a strong drag on the US economy was exerted by the persistent budget fight and a deterioration in business and consumer sentiment. Particularly the federal government shutdown in October 2013, which was triggered by the budget emergency, noticeably dampened the spirits of the American public and exacerbated the loss of confidence in the political system. The raising of the debt ceiling by Congress in October to avert a sovereign debt default bought time for the USA, but only until the beginning of 2014. The key requirements for lasting US economic growth in the next several years will thus be the restoration of sustainable public finances and the rebuilding of trust in the country's economic policy-making bodies.

Japan

The Japanese economy grew by 1.7% within the reporting year. A big positive driver was the implementation of „Abenomics“ – the economic policies of prime minister Abe, intended to double the money supply within two years and also involving expansionary fiscal policy measures. The yen responded by depreciating sharply against the euro and US dollar, thus boosting Japanese exports, especially to the USA. For the Japanese economy as well, the future direction will depend critically on how the budget situation unfolds: In 2013 the public

debt mounted to about 230% of the country's total economic output, and the budget deficit was 10% of GDP.

Emerging markets and developing economies

In 2013, compared to 2012, the emerging markets and developing economies region saw a mild decrease in economic growth to 4.7%. But relative to the economic performance of 2011 (when the region's economies grew by 6.2%), the slowdown was distinct. This region's contribution to global economic growth has thus moderated in the past two years. Within the BRIC group of four countries (Brazil, Russia, India and China), the picture in the year under review was uneven: Brazil's economic output, after a weak increase of 1.0% in 2012, grew by 2.3% in 2013. For an emerging market economy, this remained a low rate. The Russian economy slowed significantly in 2013 as oil prices moved sideways, with its GDP adding only 1.5%, compared to 3.4% in 2012. China meanwhile grew relatively strongly, at 7.7%, and India's economy expanded by 4.4% according to the IMF, somewhat more than in the previous year.

Europe

In Europe the recessionary phase experienced since the end of 2011 was overcome in 2013. While the economy still contracted slightly in the first quarter, it returned to growth in the subsequent months, albeit growth a very gentle rate. Positive signals came not only from exports of goods and services to countries outside the EU but also from some of the recently crisis-battered countries of the European periphery. In Ireland, Spain and Portugal, for instance, there were growing signs that the structural reforms undertaken are gaining traction. Accordingly, the three governments announced that, from 2014, they plan to do without further loans from the international bail-out programmes. At the same time, however, the stubbornly high unemployment (10.9% in the EU-28) and the reticent investment by the corporate sector weighed on the European economy. One of the biggest obstacles to growth was the lethargic lending by banks to small and medium enterprises.

Euro area

In the euro area in 2013 the recovery moved more slowly than in the EU as a whole, despite the improved sentiment in Europe. The foremost reason was the lack of vigour in the currency union's second and third largest economies, France and Italy. Germany, on the other hand, lived up at least partially to its reputation as a growth engine and managed a modest rise in GDP in the year under review. Remarkably, unlike previous upswings, the German economy this time was stimulated not by exports but by relatively strong domestic demand. In November 2013, in hopes of spurring growth in the eurozone as a whole, the European Central Bank (ECB) cut the benchmark interest rate to a record low of 0.25%. Economics researchers believe the easy access to money will help accelerate investment and consumer spending and thus revitalise the economy at large. Specifically, economic growth of 1.1% is forecast for the euro area in 2014.

Central and Eastern Europe

The Central and Eastern Europe region overall again grew slightly more strongly than did Western Europe, but growth rates varied widely from country to country. For example, the newest EU member, Croatia, struggled with a recession in 2013, as did the politically tumultuous Czech Republic. Even in previously relatively fast-growing Poland and Russia, growth fell off recently, while the Baltics reported a continuing solid expansion in GDP. For 2014, forecasters are expecting a gradual economic recovery in Central and Southeastern Europe, with the exception of Slovenia, which remains dominated by a severe banking crisis. Likewise, foreign direct investors in Central and Eastern Europe are palpably more optimistic about the future again, as demonstrated by the recent readings of the OeKB CEE Business Climate Index. In the fourth quarter of 2013 this indicator of business expectations rose for the second consecutive, implying a positive performance trend in the next six months. As

well, most direct investors say they plan to maintain their local presence in the foreseeable future.

Austria

In Austria, economic growth flagged in the year under review, slowing to 0.3%. With the strained environment in Europe and the lack of vigour in world trade, the first half of the year in particular proved difficult for Austrian companies. It was not until the middle of the year that a gradual economic recovery process set in, which is forecast to continue next year at a somewhat quicker pace (predicted GDP growth in 2014: 1.7%). An analogous pattern is seen for merchandise exports, projected to develop from modest growth in 2013 into a once again more important macroeconomic driver in the future. With regard to domestic demand, it is noteworthy that private consumption was effectively flat in 2013 although overall inflation eased (to a new average of 2% for the year). In contrast, the Austrian unemployment rate is on the rise: By the Eurostat definition, the jobless rate reached the 5% mark (2012: 4.3%) and, according to current forecasts, will remain at about this level for the time being. Compared to other countries, the situation in the domestic labour market can nonetheless be regarded as positive.

International financial markets

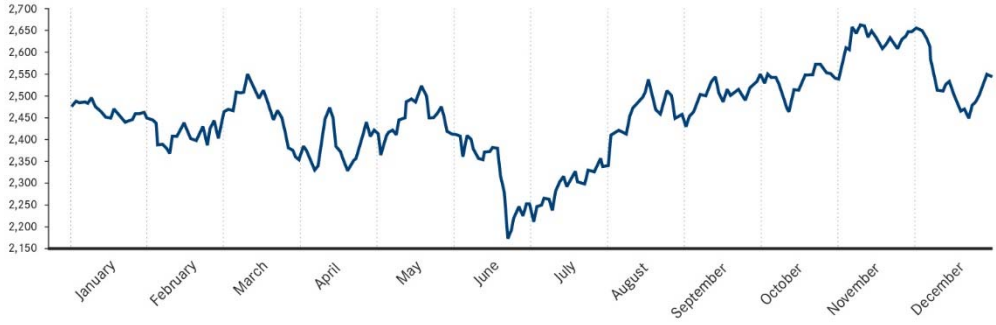
In 2013, global financial markets faced a number of challenges: Volatility was created by factors such as the prolonged budget dispute in the USA, the slowdown in emerging markets growth, and especially the US Federal Reserve's hints in May at the possibility of tapering off its programme of bond purchases. This revelation sent shock waves through financial markets around the world. Yields of long-term government bonds, particularly those of the United States and the AAA-rated eurozone members, jumped higher from the end of May to early July, rising 40 basis points to 2.5% in the USA and increasing by 20 basis points to 2% in the euro area. As the year went on, yields especially in the USA showed an overall rising trend, despite the assurances from the Federal Reserve, the ECB and the Bank of England that they would continue to shape monetary policy to promote economic growth. At the end of the year, 10-year US treasuries yielded 3.03% and eurozone AAA bonds had a yield of 2.24%.

The equity markets in the USA, the eurozone and Japan nonetheless performed well overall in the year under review. Among major stock indices, the S&P 500 gained 29.6% over the year, the Euro Stoxx 50 advanced by about 18% and the Nikkei 225 soared 56%. The situation was different in emerging financial markets, which saw an exodus of international investors and thus a sometimes drastic outflow of portfolio capital. The main reasons for this, aside from the uncertainty in global financial markets around future monetary policy, were the slowing economic growth in emerging markets themselves and the associated greater obviousness of structural problems in these countries.

Austrian financial market

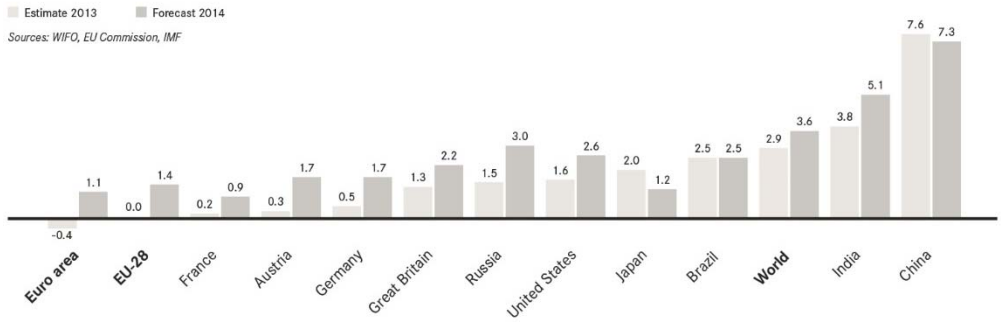
In 2013 the Austrian stock market was considerably less volatile than in the year before, as a look at the performance of the ATX will show. A subdued start to the year was followed by a dip during the traditionally weaker summer months, before the Austrian headline index entered a steady upward trend from the middle of the year. At the end of 2013 the ATX stood at 2,546.54 points, with a gain of 6% for the year. The liquidity of the Vienna stock exchange seems to be steadying: After the average monthly trading volume had fallen continually since the start of the 2008-2009 financial and economic crisis, the figure for 2013 of EUR 3.25 billion was up again somewhat year-on-year for the first time (2012: EUR 3 billion). On a less positive note, the tangible scarcity of equity corporate actions continued: In the year under review, while ten capital increases were carried out, initial public offerings remained notable by their absence.

ATX PERFORMANCE 2013



As to the Austrian bond market, observers found that it did quite well in 2013, particularly the corporate bond sector. In total last year, 29 corporate bonds and three reopenings were placed, with a total volume of EUR 5.2 billion. Although this result was marginally below the strong year-earlier value of EUR 5.5 billion, it does confirm the basic readiness of Austrian companies to replace at least some traditional bank loans with financing raised directly in the capital market. On the government bond front, Austria continued to benefit from its reputation as a safe haven for investors and the accompanying ability to issue debt on inexpensive terms. Thus, the yield for the country's 10-year federal bonds at the end of 2013 was 2.28%. The yield spread relative to the German benchmark bond even narrowed from 43 to 34 basis points.

REAL GDP GROWTH 2013/2014 IN % IN SELECTED COUNTRIES AND REGIONS



Financial results in 2013

The low rate of Austrian export growth in 2013 was reflected in the volume of funding provided by OeKB Group. While lending exposure under the Export Financing Scheme decreased markedly as a result of early loan repayments and of lower financing of outward foreign direct investment, the balance of loans outstanding from OeKB subsidiary Exportfonds to small and medium-sized businesses at 31 December 2013 was held almost steady year-on-year at about EUR 1,151 million.

OeEB, the development bank, expanded its total project portfolio, from approximately EUR 498 million to EUR 625 million.

With interest rates having fallen again in the course of the year, the income from securities investments (both the Group's own investment portfolio, and the liquid assets portfolio that supports the Export Financing Scheme) declined to EUR 13.3 million (2012: EUR 20.0 million). Income from unconsolidated investees fell to EUR 1.2 million (2012: EUR 1.6 million).

The Group's net interest income, which included these negative effects and the positive one-time impact of early loan repayments, was EUR 81.0 million (2012: EUR 96.2 million). The share of results of equity-accounted investees (joint ventures) deteriorated by EUR 4.1 million to EUR 5.2 million (2012: EUR 9.3 million). This resulted mainly from higher insolvencies among customers of the credit insurance subsidiaries.

The item „impairment losses on loans and advances and other credit risk provisions" represents the year's change in individual impairment charges recognised in respect of microcredits extended by OeKB.

Despite persistent uncertainty in capital markets and the resulting lower trading volumes, the Capital Market services segment achieved an improvement of EUR 0.9 million in net fee and commission income to EUR 28.5 million.

A decline occurred in income from fees for the processing of export guarantees on behalf of the Austrian government and for the administration of guarantees under the Corporate Liquidity Support Act (ULSG). The net fee and commission income of Oesterreichische Entwicklungsbank (OeEB), the development bank, rose slightly thanks to a larger volume of projects. In total, OeKB Group recorded net fee and commission income of EUR 47.9 million in 2013 (2012: EUR 49.6 million).

Administrative expenses slightly increased to EUR 80.2 million from the prior-year level of EUR 79.5 million related especially to increased depreciation and amortisation resulting from the top-floor office expansion.

Net other operating income, at EUR 8.6 million, improved from the prior year's figure of EUR 6.2 million, thanks primarily to more revenue from service agreements.

Operating profit, at EUR 62.4 million, was down by approximately EUR 19.3 million from the year-earlier amount of EUR 81.7 million.

The net gain of EUR 8.2 million on financial instruments reflected the volatility in financial markets (2012: net gain of EUR 27.8 million). The net gain of EUR 8.2 million (2012: EUR

29.1 million) on disposal and valuation of securities was strongly driven by realised gains on bond redemptions and by positive valuation effects for equities and bonds, which, because of the measurement of securities at fair value through profit or loss, were recognised directly in the income statement. In 2013 no impairment was recognised on investments in unconsolidated companies (2012: EUR 1.2 million).

Profit before tax in 2013 amounted to EUR 70.6 million (2012: EUR 109.5 million) and profit for the year was EUR 55.0 million, of which EUR 54.8 million (2012: EUR 84.6 million) was attributable to the owners of the parent company. With other comprehensive expense taken into account, total comprehensive income for the year attributable to owners of the parent was EUR 52.4 million (2012: EUR 82.4 million). In 2013 not only did operating profit exceed expectations but the net gain on financial instruments was slightly above budget.

At 31 December 2013, liquid assets in the form of balances at central banks stood at EUR 520.6 million (2012: EUR 124.3 million).

Loans and advances to banks decreased with the lower lending under the Export Financing Scheme, to EUR 21,364.3 million (2012: EUR 24,549.0 million). Loans and advances to customers also eased, from EUR 1,526.6 million to EUR 1,489.2 million. A result of the lower volume of lending to banks was a reduction in debt securities in issue (2013: EUR 24,590.0 million; 2012: EUR 27,281.6 million).

The increase in holdings of other financial instruments from EUR 1,490.2 million to EUR 1,612.0 million in 2013 is explained largely by growth in the liquid assets portfolio and gains in security prices during the financial year.

The EUR 5.2 million share of profits of the private credit insurance group in 2013, although down from the prior-year level of EUR 9.3 million, was still very respectable in view of the increase in insolvencies. In 2013, CCP.A received a capital increase of EUR 11.7 million in order to satisfy regulatory requirements under EMIR (OeKB's share of this increase was EUR 5.9 million). In total, the value of interests in equity-accounted investees (joint ventures) expanded to EUR 67.8 million in 2013 (2012: EUR 64.0 million).

Total assets at 31 December 2013 amounted to EUR 28,964.3 million (2012: EUR 32,767.9 million).

FINANCIAL PERFORMANCE INDICATORS

The cost/income ratio rose to 56.2% (2012: 49.3%) as a result of the decrease in net interest income.

In 2012 the Group’s equity was boosted from EUR 662.0 million to EUR 684.5 million.

Available consolidated regulatory capital under section 24 Austrian Banking Act increased in 2013 by EUR 30.5 million to EUR 551.7 million.

The capital adequacy ratio (regulatory capital resources as a percentage of risk-weighted assets) increased from 149.3% in 2012 to 204.6% as a result of decreased risk-weighted assets.

Return on equity (defined as total comprehensive income attributable to owners of the parent as a percentage of Tier 1 capital) reflected the lower operating income in 2013 by decreasing to 12.3% from 20.7%.

RESEARCH AND DEVELOPMENT

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

CLAIMS FOR DAMAGES

There are two law suits of investors pending, who bought certificates issued by OeKB for registered shares of Meinl European Land Ltd. („MEL"). In the context of MEL-certificates OeKB waived in respect of many investors to object prescription. These waivers have been extended until 31 December 2014 since in principle OeKB's lack of liability is not entirely clear, in particular since a relevant decision by the Supreme Court of Austria has not yet been issued. Settlements which have been made by investors with third parties, thereby reducing the number and amount of claims raised against OeKB, have been accounted for in the respective extension of the waiver. The second law suit for damages is a model law suit claiming for payment of around EUR 46,500. This law suit is based on an alleged infringement by OeKB of an obligation to publish an ad-hoc-notice pursuant to section 48d Stock Exchange Act in connection with buy-backs of MEL-certificates by MEL/Atrium. The last hearing was on 10 December 2013 and served legal arguments. The proceedings have been closed and according to the views of our legal advisers one should recon with a dismissal of the claim.

EVENTS AFTER THE BALANCE SHEET DATE

There were no reportable events after the balance sheet date.

OUTLOOK FOR 2014

For the macroeconomy, 2014 will be another difficult year and the uncertainties will continue, albeit with regional differences. This poses a very real challenge for the Austrian export industry. As in the past, in these demanding times OeKB will continue to offer exporters support both through export credits and through guarantees for the financing of business acquisitions and company start-ups. However, because of the expiry profile of the portfolio of export financing contracts – especially as a result of the reduction in financing of direct investments – it appears likely that, depending on the actual course of business, credit disbursements will decrease in 2014 by approximately EUR 750 million from the prior year.

The two credit insurers, OeKB Versicherung AG and PRISMA Kreditversicherungs-AG, also expect a difficult environment for 2014, in spite of easing insolvency forecasts.

For 2014 OeKB expects its investments in securities to deliver steady income as interest rates remain low despite the recently improved economic forecasts for the USA and the eurozone. The risk premiums on Austrian treasury instruments continued to fall, which should further improve the terms of OeKB's access to the market.

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

System of internal control and of risk management

OeKB Group's system of internal control (the „internal control system", or ICS) consists of five components: the control environment, risk assessment, control activities, information and communication, and monitoring. The ICS is intended to ensure compliance with policies and regulations and to create the necessary conditions for specific control activities in the key processes within accounting and financial reporting. The key objectives include safeguarding the presentation of a fair and transparent view of the financial position, results of operations and cash flows.

Control environment

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

Risk assessment

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

Control activities

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

Control activities regarding information technology security represent a cornerstone of the internal control system. Thus, the separation of sensitive responsibilities is supported by restrictiveness in the assignment of IT privileges. For accounting and financial reporting, the software SAP ECC 6.0 is used. The functioning and effectiveness of this accounting system is assured, among other ways, by automated IT controls installed in the system.

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

Information and communication

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

Monitoring

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

Risk management

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

The bank's special position by virtue of its public mandate from the Austrian government and of its role as a central provider of essential services to the capital market, along with the associated responsibility for the Austrian economy, are key determinants of OeKB Group's business strategy and risk policy.

Most of OeKB's total assets by far represent the Export Financing Scheme, which is treated as a separate accounting entity. In this respect, OeKB is exempt from certain relevant legislation, such as the Capital Requirements Regulation or CRR (Regulation (EU) No. 575/2013), which took effect on 1 January 2014. Similarly, these exemptions apply to the core businesses of the two banking subsidiaries, „Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG. In OeKB Group's process for assessing risk coverage, the Export Financing Scheme is treated as investee risk for which risk coverage is calculated separately.

The Internal Capital Adequacy Assessment Process (ICAAP) used by OeKB Group serves to assure the maintenance of the defined bank-specific level of capital adequacy and forms an integral part of the management process as a measurement and control tool. In its ICAAP, the Group applies both the „going concern" approach (designed to ensure sufficient regulatory capital to continue in business even amid severe loss events) and the „gone concern" approach (focusing on protecting creditors and the ability to repay deposits and other senior debt in the event of liquidation).

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

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

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

Details on the risk management of OeKB Group are provided in ***notes 48 to 52 to the consolidated financial statements.***

In 2013 the dominant themes were the preparations for the new regulatory frameworks, such as the Capital Requirements Directive IV (CRD IV), the Capital Requirements Regulation (CRR), the amendments to the Austrian Banking Act, and new and expanded reporting requirements. These issues are expected to remain central in 2014, particularly as many areas are under transition rules while detailed regulations are still being developed. In organisational changes in 2013, the position of Legal Compliance Officer was created. The LCO reports directly to the Executive Board and is responsible for ensuring that OeKB has a complete overview of the impact of the various legal matters on the Group. Also, a separate Risk Committee was created at the Supervisory Board level.

Non-financial performance indicators

Given the Group's central significance for Austria's capital market and export industry, OeKB and its subsidiaries are very aware of the importance of highly qualified and motivated staff. Service quality and expertise, combined with sustained earnings-, cost and risk-consciousness, are the critical success factors.

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

In the year under review a „competency framework" was developed for OeKB that defines the qualifications and skills which management must have so that OeKB can confidently meet the challenges of the years ahead. On a pilot basis, the first departments completed the 360° feedback. In the recruiting of new management talent, great importance is attached not just to technical qualifications but also to interdisciplinary and personal abilities and qualities.

Details for the compensation policy see the ***notes to the consolidated financial statements***

A variable pay component is based on personal performance and corporate results. The compensation policy was reviewed for its conformity with new legal requirements. Comparable remuneration models are in place at Oesterreichische Entwicklungsbank and at Exportfonds.

The Group's staff count at the end of 2013 was 406 full-time equivalents (prior year: 406); the average count during the year was 403 FTE (prior year: 398).

The concerted efforts of the entire staff enabled the Group, even in the difficult market situation, to generate an operating profit of EUR154,903 per full-time equivalent.

OEKB GROUP'S STAFF

As at	31 Dec 2011	31 Dec 2012	31 Dec 2013
Total number of employees[1]	**428**	**434**	**437**
Of whom part-time employees	*87*	*93*	*99*
Of whom part-time employees (in per cent)	*20.3%*	*21.4%*	*22.7%*
Total employees in full-time equivalents	401	406	406
Average number of employees	397	398	403
Average age in years	43.6	43.9	44.2
Average length of service in years	15.1	15.5	15.6
Sick days per year and employee	8.6	8.2	8.6
Proportion of total positions held by women	58.2%	57.4%	58.1%
Proportion of management positions held by women	34.4%	34.4%	34.4%
Turnover rate[2]	4.2%	1.6%	2.5%

[1]Including employees posted to OeEB, OeKB Versicherung and Exportfonds; incl. employees who have been seconded to OeKB Versicherung AG.

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

The Executive Board would like to express its gratitude and appreciation to all employees for their commitment and contribution to the good business performance achieved. This sincere „thank you" also goes to the Staff Council, whose members, true to tradition, represented the interests of both the employees and the bank.

Vienna, 19 February 2014

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Rudolf Scholten Angelika Sommer-Hemetsberge

OeKB Group 2013 consolidated financial statements

Consolidated statement of comprehensive income

EUR thousand	Notes	2013	2012*	Change in %
Interest and similar income		461,084	623,825	-26.1%
Interest and similar expense		(380,053)	(527,651)	-28.0%
Net interest income	14	**81,031**	**96,174**	**-15.7%**
Share of results of equity-accounted investees	14	5,156	9,330	-44.7%
Impairment losses on loans and advances and other credit risk provisions	15	(145)	(141)	2.8%
Net fee and commission income	16	47,908	49,611	-3.4%
Fee and commission income		*56,403*	*57,130*	*-1.3%*
Fee and commission expense		*(8,495)*	*(7,519)*	*13.0%*
Administrative expenses	1, 17	(80,175)	(79,522)	0.8%
Net other operating income	18	8,651	6,228	38.9%
Operating profit		**62,426**	**81,680**	**-23.6%**
Net gain or loss on financial instruments	19	8,200	27,801	-70.5%
Profit before tax		**70,626**	**109,481**	**-35.5%**
Income tax and other taxes	1, 20	(15,577)	(24,599)	-36.7%
Profit for the year		**55,049**	**84,882**	**-35.1%**
Other comprehensive income				
Items that will not be reclassified to the income statement				
Actuarial (losses) on defined benefit plans	1, 33	(3,167)	(2,882)	9.9%
Tax effects	1, 20	792	720	10.0%
Other comprehensive income after tax		**(2,375)**	**(2,162)**	**9.9%**
Total comprehensive income for the year		**52,674**	**82,720**	**-36.3%**
Profit for the year attributable to:				
Owners of the parent		54,800	84,631	-35.2%
Non-controlling interests		249	251	-0.8%
		55,049	**84,882**	**-35.1%**
Total comprehensive income for the year attributable to:				
Owners of the parent		52,440	82,433	-36.4%
Non-controlling interests		234	287	-18.5%
		52,674	**82,720**	**-36.3%**

** 2012 restatement (see note 1)*

EARNINGS PER SHARE

	2013	2012
Total comprehensive income for the year attributable to owners of the parent, in EUR thousand	52,440	82,433
Average number of shares outstanding	880,000	880,000
Earnings per share in EUR	**59.59**	**93.67**

At 31 December 2013, as one year earlier, there were no exercisable conversion or option rights. The stated earnings per share therefore represent basic earnings per share and are not subject to dilution.

Consolidated balance sheet of OeKB Group

ASSETS

EUR thousand	Notes	**31 Dec 2013**	31 Dec 2012*	Change in %
Cash and balances at central banks	22	520,631	124,266	319.0%
Loans and advances to banks	23	21,364,329	24,549,025	-13.0%
Loans and advances to customers	24	1,489,161	1,526,590	-2.5%
Allowance for impairment losses on loans and advances	7, 25	(471)	(401)	17.5%
Other financial instruments	26	1,611,969	1,490,178	8.2%
Derivatives designated as hedging instruments	1, 46	3,748,107	4,865,489	-23.0%
Interests in equity-accounted investees	28	67,766	63,983	5.9%
Property and equipment and intangible assets	27	29,936	33,262	-10.0%
Current tax assets	34	409	409	0.0%
Deferred tax assets	34	72,465	67,450	7.4%
Other assets	1, 29	59,959	47,683	25.7%
Total assets		**28,964,261**	**32,767,934**	**-11.6%**

** For details of restatement of 2012, see note 1.*

LIABILITIES AND EQUITY

EUR thousand	Notes	**31 Dec 2013**	31 Dec 2012*	Change in %
Deposits from banks	30	381,077	1,692,681	-77.5%
Deposits from customers	31	674,745	674,257	0.1%
Debt securities in issue	32	24,589,960	27,281,609	-9.9%
Derivatives designated as hedging instruments	1, 46	1,546,460	1,465,756	5.5%
Provisions	33	964,316	859,917	12.1%
Current tax liabilities	34	1,197	5,355	-77.6%
Deferred tax liabilities	34	20,876	19,671	6.1%
Other liabilities	1, 35	101,140	106,723	-5.2%
Equity	36	684,490	661,965	3.4%
Attributable to non-controlling interests		*4,273*	*4,180*	*2.2%*
Total liabilities and equity		**28,964,261**	**32,767,934**	**-11.6%**

* For details of restatement of 2012, see note 1.

Consolidated statement of changes in equity of OeKB Group

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2013

EUR thousand	Called-up share capital	Capital reserves	Retained earnings	Attributable to shareholders of the parent	Non-controlling interests	**Total equity**
At 31 December 2012, restated	130,000	3,347	524,438	657,785	4,180	**661,965**
Profit for the year			*54,800*	*54,800*	*249*	***55,049***
Other comprehensive income			*(2,360)*	*(2,360)*	*(15)*	***(2,376)***
Total comprehensive income for the year	**0**	**0**	**52,440**	**52,440**	**234**	**52,674**
Transactions with owners (dividends)			(30,008)	(30,008)	(140)	**(30,148)**
At 31 December 2013	**130,000**	**3,347**	**546,870**	**680,217**	**4,273**	**684,490**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY 2012

EUR thousand	Called-up share capital	Capital reserves	Retained earnings[1]	Attributable to shareholders of the parent	Non-controlling interests	**Total equity**
At 1 January 2012, previously reported	130,000	3,347	462,025	595,372	4,033	**599,405**
Profit for the year			*84,631*	*84,631*	*251*	***84,882***
Other comprehensive income			*(2,198)*	*(2,198)*	*36*	***(2,162)***
Total comprehensive income for the year, restated[2]	**0**	**0**	**82,433**	**82,433**	**287**	**82,720**
Transactions with owners (dividends)			(20,020)	(20,020)	(140)	**(20,160)**
At 31 December 2012, restated	**130,000**	**3,347**	**524,438**	**657,785**	**4,180**	**661,965**

[1] „Retained earnings" combines two columns that were shown separately in the 2012 consolidated financial statements as „retained earnings" and „profit for the year".

[2] The restated total comprehensive income, as the total of the items „profit for the year" and „other comprehensive income" equals the item „profit for the year" presented in the 2012 consolidated financial statements.

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

More information on equity is provided in note 36.

Consolidated statement of cash flow of OeKB Group

EUR thousand	2013	2012*
Profit before tax	**70,626**	**106,599**
Non-cash items included in profit before tax, and adjustments to reconcile profit before tax to cash flows from operating activities:		
Depreciation, amortisation and impairment of property and equipment and intangible assets	5,034	4,535
Changes in provisions	4,233	5,403
Gains/losses from disposal and/or valuation of investments and property and equipment	250,549	169,946
Unrealised (gains)/losses from movements in exchange rates	(255,778)	(189,445)
Other non-cash items	4,955	(11,991)
Changes in operating assets and liabilities, after adjustment for non-cash components		
Loans and advances to banks	3,082,982	3,905,056
Loans and advances to customers	37,416	(117,312)
Other operating assets	(12,273)	14,239
Deposits from banks	(1,318,401)	741,278
Deposits from customers	488	73,274
Debt securities in issue	(1,383,157)	(5,548,610)
Other operating liabilities	(5,584)	34,270
Interest and dividends received	531,001	965,561
Interest paid	(408,580)	(616,564)
Income tax paid	(22,731)	(24,654)
Net cash from/(used in) operating activities	**580,780**	**(488,415)**
Proceeds from disposal of:		
Securities at fair value through profit or loss	225,462	124,074
Property and equipment and intangible assets	48	6
Purchase of:		
Securities at fair value through profit or loss	(378,164)	(71,045)
Property and equipment and intangible assets	(1,753)	(6,486)
Net cash (used in)/from investing activities	**(154,407)**	**46,549**
Issue of shares	-	-
Dividends paid	(30,008)	(20,020)
Net cash (used in) financing activities	**(30,008)**	**(20,020)**
Cash and cash equivalents at beginning of period	**124,266**	**586,152**
Net cash from/(used in) operating activities	580,780	(488,415)
Net cash (used in)/from investing activities	(154,407)	46,549
Net cash (used in) financing activities	(30,008)	(20,020)
Cash and cash equivalents at end of period	**520,631**	**124,266**

** For details of restatement of 2012, see note 1.*

In the prior year, for proceeds from the disposal of and outflows from the purchase of other financial instruments at fair value through profit or loss, a net positive amount of EUR 53,029 thousand was reported within net cash used in operating activities.

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

Notes to the consolidated financial statements of OeKB Group

Accounting policies

(1) General information

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

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

The Export Financing Scheme also operated by OeKB serves to fund export credits extended by banks (with OeKB providing finance to the bank that lends to the customer) and to fund direct lending by OeKB for the same purposes. Thanks to the Austrian government guarantees under the Export Guarantees Act, OeKB does not incur significant credit risk. The Export Financing Scheme is managed as a separate accounting entity within OeKB Group. The accounting entity encompasses most of the loans, interim investments and money market transactions on the one hand, and the required funding items (including derivatives used for hedging) on the other hand. All surpluses from the Export Financing Scheme are recognised in an interest rate stabilisation provision and are available for future market support measures.

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

OeKB AG prepared the consolidated financial statements for the year ended 31 December 2013 in accordance exclusively with International Financial Reporting Standards (IFRS) as adopted by the European Union, thus also satisfying the requirements of section 59a Austrian Banking Act and section 245a Austrian Commercial Code.

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

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

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

CHANGES IN ACCOUNTING METHODS

With the exception of the new and amended accounting standards described below, the same accounting methods were applied in preparing these consolidated financial statements as in the preparation of the consolidated financial statements for the prior (2012) financial year.

In the 2013 accounts the positive and negative fair values of derivatives held for hedging purposes are presented on the face of the balance sheet. In the prior years, these items were reported within other assets and other liabilities.

IFRS 13 – Fair Value Measurement

In May 2011 the IASB issued IFRS 13, which combines the fair value measurement rules previously fragmented between individual IFRSs and replaces these rules with a single, cohesive standard. IFRS 13 is wide in scope and covers both financial and non-financial items. IFRS 13 is applied (with certain exceptions) whenever another IFRS requires or allows measurement at fair value, or when disclosures about the measurement of fair value are required. IFRS 13 is effective prospectively for financial years beginning on or after 1 January 2013. Its initial application does not have a material impact on the measurement of OeKB Group's assets and liabilities; changes result mainly in the notes. Thus, the standard requires disclosures on the market values (fair values) and categorisation of financial instruments.

Amendments to IAS 1: Presentation of Items of Other Comprehensive Income

The change to IAS 1 requires items of other comprehensive income to be grouped according to whether they can be reclassified to profit or loss or not. If the items of other comprehensive income are presented on a pre-tax basis, the associated tax amount must also be presented separately by these categories. The adoption of this change has an effect on the presentation of the statement of comprehensive income. Beginning with the 2013 consolidated financial statements, items that will not be reclassified to profit or loss are shown separately from those which may be so reclassified. At 31 December 2013 there were no items in OeKB Group that may subsequently be reclassified to profit or loss.

Amendments to IFRS 7: Offsetting Financial Assets and Financial Liabilities

The amendments to IFRS 7 require the disclosure, for financial instruments, of information about rights of offset and related arrangements under an enforceable master netting agreement or similar arrangement. The amendments are effective prospectively for financial years beginning on or after 1 January 2013. This does not result in changes for OeKB Group.

Amendments to IAS 19 – Employee Benefits (revised 2011)

In the financial year under review, the Group retrospectively applied the revised IAS 19 for the first time. The most significant change to IAS 19 relates to the reporting of movements in defined benefit obligations and in the fair value of plan assets. Under the revised standard, movements in defined benefit obligations and in the fair value of plan assets must be recognised immediately as they occur. All actuarial gains and losses from the remeasurement of the obligations and plan assets must now be recognised directly in other comprehensive income. As OeKB Group's practice in the prior periods was to recognise the remeasurement of obligations directly in profit or loss, the new rules for the recognition of actuarial gains and losses lead to adjustments in other comprehensive income. The impact of the retroactive application of IAS 19 is reflected both in the opening balance of the statement of changes in equity at 1 January 2012, and in the reconciliation with comprehensive income. The comparative data have been restated accordingly.

EFFECTS OF CHANGES IN ACCOUNTING METHODS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

EUR thousand	2012 as previously reported	2012 effect from defined benefit plans	2012 restated*	2013 effect from defined benefit plans
Net interest income	**96,174**	**-**	**96,174**	**-**
Share of results of equity-accounted investees	9,330	-	9,330	-
Impairment losses on loans and advances and other credit risk provisions	(141)	-	(141)	-
Net fee and commission income	49,611	-	49,611	-
Administrative expense	(82,404)	2,882	(79,522)	3,167
Net other operating (expense)/income	6,228	-	6,228	-
Operating profit	**78,798**	**2,882**	**81,680**	**3,167**
Net gain or loss on financial instruments	27,801	-	27,801	-
Profit before tax	**106,599**	**2,882**	**109,481**	**3,167**
Income tax and other taxes	(23,879)	(720)	(24,599)	(792)
Profit for the year	**82,720**	**2,162**	**84,882**	**2,375**
Remeasurement of defined benefit plans / actuarial gains and losses on defined benefit plans	-	(2,882)	(2,882)	(3,167)
Tax effects	-	720	720	792
Other comprehensive income after tax	**-**	**(2,162)**	**(2,162)**	**(2,375)**
Total comprehensive income for the year	**82,720**	**-**	**82,720**	**-**

**2012 and 2013 restatement*

Further amendments to IFRS 1 (Government Loans), and to IFRIC 20 (Stripping Costs in the Production Phase of a Surface Mine), as well as the 2009-2011 Cycle of Annual Improvements to IFRSs, were effective for the first time for the financial year under review. These changes have no impact on the consolidated financial statements of OeKB Group.

The following new and amended standards and interpretations which become effective in subsequent financial years are not applied early by OeKB Group.

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

The following major new and revised accounting standards and interpretations have been adopted into European Union law and will become effective in the future, but have no impact on OeKB Group, as there are no transactions to which they apply.

			Effective date
IFRS 10	Consolidated Financial Statements	New	1 January 2014
IFRS 11	Joint Arrangements	New	1 January 2014
IFRS 12	Disclosure of Interests in Other Entities	New	1 January 2014
IAS 27	Separate Financial Statements	Amendments	1 January 2014
IAS 28	Investments in Associates and Joint Ventures	Amendments	1 January 2014
IAS 32	Financial Instruments: Presentation	Amendments	1 January 2014
IAS 39	Financial Instruments: Novation of hedging instruments	Amendments	1 January 2014

IFRS 10 – Consolidated Financial Statements

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

The new standard is effective for financial years beginning on or after 1 January 2014. IFRS 10 is to be applied retrospectively, with certain exceptions.

OeKB Group has determined the impact of the new standard. The control relationships in OeKB Group are clear-cut and the application of IFRS 10 will therefore not have an impact.

IFRS 11 – Joint Arrangements

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

The new standard is effective for financial years beginning on or after 1 January 2014. Specific transition guidance is provided for the change-over from proportionate consolidation to equity accounting.

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

IFRS 12 – Disclosure of Interests in Other Entities

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

The new standard is effective for financial years beginning on or after 1 January 2014.

Amendments to IFRS 10, IFRS 11 and IFRS 12: Transition Guidance

The amendments include a clarification and further relief for the transition to IFRS 10, IFRS 11 and IFRS 12. Thus, restatement of comparative information is required only for the immediately prior period. Moreover, for disclosures in the notes related to unconsolidated structured entities, comparatives are not required for periods before the initial application of IFRS 12.

The changes to IFRS 10, IFRS 11 and IFRS 12 are effective for financial years beginning on or after 1 January 2014.

Amendments to IAS 28 – Investments in Associates and Joint Ventures

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

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

The amendments are effective for financial years beginning on or after 1 January 2014.

Amendments to IAS 32: Offsetting Financial Assets and Financial Liabilities

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

The amendments to IAS 32 are effective for financial years beginning on or after 1 January 2014.

Amendments to IAS 39: Novation of Derivatives and Continuation of Hedge Accounting

Under certain conditions, the amendments to IAS 39 allow derivatives to remain designated as hedging instruments in an existing hedge relationship despite their novation to a central counterparty, where that novation is required by legislation or regulation.

The amendments to IAS 39 are effective for financial years beginning on or after 1 January 2014.

CRITICAL ASSUMPTIONS, JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements in accordance with IFRS requires the Executive Board to make judgements and to proceed on assumptions about future developments. These judgements and assumptions can have a material effect on the recognition and measurement of the assets and debt, the disclosure of other liabilities at the balance sheet date, and the amounts of income and expenses reported for the financial year.

The following assumptions involve a not insignificant risk that they may lead to a material change in the carrying amounts of assets and liabilities in the subsequent financial year:

- The inputs used for the determination of fair value are based in part on assumptions about future developments, which can fluctuate significantly in times of volatility.
- The measurement of existing retirement and termination benefit obligations involves assumptions regarding interest rate, age at retirement, life expectancy, employee turnover and future increases in pay and benefits.
- The recognition of deferred tax assets is based on the assumption that sufficient taxable income will be realised in the future to utilise them.
- The off-balance sheet obligations from guarantees and from other contingent liabilities are regularly reviewed as to whether they require recognition in the balance sheet.

The estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the respective standards. The estimates are based on experience and other factors, such as budgets and currently reasonable expectations for or forecasts of future results. The actual amounts and results may differ from the assumptions and estimates made if the factors and circumstances cited above do not match the trends expected at the balance sheet date. Changes are recognised in profit or loss as they become known, and the assumptions are adjusted accordingly.

(2) Scope of consolidation

A list of all entities that are represented in the consolidated financial statements of OeKB Group is provided in note 28, Companies wholly or partly owned by OeKB AG. Three companies are fully consolidated: Oesterreichische Kontrollbank AG („OeKB", the Group parent) and the Vienna-based Oesterreichische Entwicklungsbank AG („OeEB") and „Österreichischer Exportfonds" GmbH („Exportfonds"). There was no change during the financial year in the scope of

consolidation, i.e., in the lists of entities that are fully consolidated, included by the equity method, or unconsolidated and held at cost.

Representing the unconsolidated entities held at cost, two subsidiaries were not consolidated (prior year: two); they are of minor overall significance to the Group's financial position and results of operations. The combined total assets of these two entities represent less than 0.01% of the Group's consolidated total assets, and their combined profit for the year represents less than 0.09% of the Group's consolidated profit for the year. In OeKB Group's consolidated financial statements, two companies (prior year: two), which are joint ventures, were accounted for by the equity method.

NUMBER OF COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS OR HELD AT COST, BY ACCOUNTING METHOD

	31 Dec 2013	31 Dec 2012
Fully consolidated companies	2	2
Equity-accounted investees (joint ventures)	2	2
Unconsolidated subsidiaries held at cost	2	2
Other investments in companies held at cost	9	11
Total	**15**	**17**

(3) Methods of consolidation

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

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

Companies classified as joint ventures are accounted for under the equity method and are reported as interests in equity-accounted investees. Measurement by the equity method is based on local financial statements, adjusted to adhere to the Group's uniform accounting methods. The annual results are obtained from the latest available annual separate financial statements and sub-groups' consolidated financial statements, and the changes in equity are thus recognised in the year in which they occur. Dividends paid by joint ventures to the Group parent company are eliminated by reversing entries. Profits or losses for the year generated by joint ventures are shown in the consolidated income statement within share of results of equity-accounted investees.

(4) Foreign currency translation

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

Assets and liabilities denominated in foreign currencies are translated at the reference exchange rates of the European Central Bank at the balance sheet date of 31 December 2013.

FOREIGN EXCHANGE REFERENCE RATES AT 31 DECEMBER 2013

Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate
AUD	1.5423	DKK	7.4593	JPY	144.72	SEK	8.8591
CAD	1.4671	GBP	0.8337	NOK	8.363	USD	1.3791
CHF	1.2276	HRK	7.6265	PLN	4.1543		
CZK	27.427	HUF	297.04	RON	4.471		

FOREIGN EXCHANGE REFERENCE RATES AT 31 DECEMBER 2012

Currency	Mid rate	Currency	Mid rate	Currency	Mid rate	Currency	Mid rate
AUD	1.2712	DKK	7.461	JPY	113.61	SEK	8.582
CAD	1.3137	GBP	0.8161	NOK	7.3483	USD	1.3194
CHF	1.2072	HRK	7.5575	PLN	4.074		
CZK	25.151	HUF	292.3	RON	4.4445		

(5) Financial instruments

LOANS AND ADVANCES TO BANKS AND CUSTOMERS

Loans and advances to banks and customers, to the extent that they are originated by the Group, are carried at their nominal amount or at amortised cost, before deduction of impairment losses and including accrued interest. Individual allowances for impairment losses are recognised for identifiable individual credit risks and for country risks. Impairment losses are not deducted from the corresponding loans and advances but are reported as a separate line item on the face of the balance sheet. As a result of OeKB's business model, most of its assets are in loans and advances to banks. Most of the loans and advances to banks made under OeKB's Export Financing Scheme are guaranteed by the Republic of Austria, and therefore no provision for credit losses was required (see note 1, General information).

OTHER FINANCIAL INSTRUMENTS

The item „other financial instruments" consists of all fixed income and variable income securities (including equities) and investments in unconsolidated subsidiaries and smaller shareholdings in other companies. In other words, investments consist of all securities and all unconsolidated investees. Effects on profit or loss are shown in the statement of comprehensive income within net gain or loss on financial instruments. The date of initial recognition or derecognition of other financial instruments is the settlement date.

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

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

FINANCIAL LIABILITIES

Financial liabilities are initially measured at their actual proceeds. As a rule, financial liabilities are held at amortised cost, in keeping with the business model. Where derivatives are used to hedge the interest rate risk or currency risk associated with liabilities, the hedged debt instruments are recorded at fair value in order to avoid accounting mismatches. Premiums, discounts or other differences between the proceeds and the repayment amount are realised

over the term of the instrument by the effective interest method and recognised in net interest income (at amortised cost). Zero coupon bonds are recognised at present value.

DERIVATIVE FINANCIAL INSTRUMENTS

To manage market risks, the Group uses derivative financial instruments (derivatives), especially to hedge future variable cash flows against changes in market interest rates and thus to prevent to mitigate the revenue risk on the lending side. The derivatives involved are largely interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and used as hedging instruments, primarily for debt securities issued by OeKB Group. Credit exposures arising from fluctuations in value are secured with collateral. Derivatives are not used for speculative purposes.

The fair value of derivative contracts is calculated by generally accepted methods. Derivatives are recognised at the trade date. Derivative contracts are reported at their market value (the clean price) as a separate item in assets or liabilities. To avoid accounting mismatches (based on FVTPL measurement), the change in market values of the hedged balance sheet items, like that of the derivatives, is recognised in profit or loss within net gain or loss on financial instruments.

The exchange rate guarantee of the Republic of Austria under the Export Financing Guarantees Act (in German: Ausfuhrfinanzierungsförderungsgesetz, published in Federal Law Gazette No. 216/1981, as amended), which is used to hedge exchange rate risks under the Export Financing Scheme, is treated as a derivative contract and measured at fair value.

(6) Determination of fair value

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

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

Significant measurement results are reported to the Audit Committee.

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

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

Unlisted instruments are measured using the present value method (present value of discounted future cash flows) or suitable option pricing models (Black-Scholes models, the multifactor HJM model or the Hull-White model approach). To the extent possible, the input parameters used for these models are the relevant market prices and interest rates observed at the balance sheet date that are obtained from widely accepted external sources.

Financial instruments whose market value is determined using the present value method are assigned to level 2 of the fair value hierarchy under IFRS 13.

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

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

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

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

The market values of deposits from banks and customers and of debt securities in issue are determined by discounting the contractual cash flows by reference to OeKB's credit spreads as at the measurement date.

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

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

Reclassifications between levels of the fair value hierarchy are recognised at the end of the reporting period in which the change occurred. No reclassifications were made in the financial year or the prior year.

(7) Allowance for impairment losses on loans and advances and other credit risk provisions

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

(8) Property and equipment and intangible assets

Property and equipment comprises land and buildings used by the Group, and fixtures, fittings and equipment. Land and buildings used by the Group are those which are used primarily for the Group's own business operations. Intangible assets comprise only purchased software.

Property and equipment and intangible assets are recorded at cost less accumulated depreciation and amortisation. The following useful lives are assumed:

USEFUL LIFE

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

Asset values are periodically reviewed.

(9) Sundry liabilities

Sundry liabilities are recorded at amortised cost.

(10) Employee benefit provisions

The revised IAS 19, Employee Benefits, was applied from the 2013 financial year, as described in note 1, General information.

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

The obligations under defined benefit plans are measured by the projected unit credit method. Under this method, dynamic parameters are taken into account in calculating the expected benefit payments after the payable event occurs; these payments are spread over the entire average remaining periods of service of the participating employees. The method differentiates between interest cost (which is the amount by which the obligation increases over a given year because benefits have moved closer to payment) and service cost (the benefits newly accrued by employees in the year through their employment). The entire cost is recognised in staff costs, i.e., within operating profit.

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

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

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

For a small number of key employees the Group still maintains defined benefit plans, which are generally based on length of service and on salary level. These defined benefit retirement pension plans are funded entirely through provisions. The provisions for termination benefits relate to statutory and contractual obligations to pay the employee a specified amount on termination if certain conditions are met.

The biometric basis for the calculations consists of the version of the current computation tables by Pagler & Pagler specific to salaried employees. The key parameters are a discount rate of 3.25% (prior year: 3.5%), an overall rate of salary and pension increases of up to 3.0% (prior year: 3.25%) – which represents the collective-agreement trend and regular multi-employee increases and unscheduled individual-employee increases – and an assumed age at retirement of 59 years for women (prior year: 58 years 9 months) and 64 years for men (prior year: 63 years 9 months) based on the transitional provisions of the Austrian public pension scheme (ASVG) under the Budget Implementation Act 2003.

(11) Other provisions

Other provisions are recognised where all of the following conditions are met: OeKB Group has a legal or constructive obligation to a third party as a result of a past event, the obligation is likely to lead to an outflow of resources, and the amount of the obligation can be reliably estimated.

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

In support of the Export Financing Scheme, an interest rate stabilisation provision is maintained to stabilise the interest rates on export credits. The provision is based on the constructive obligation regarding the use of surpluses from the Export Financing Scheme. This de facto obligation has a dual basis: it arises from the rules for the setting of interest rates in the Export Financing Scheme, which specify fixed margins for OeKB; and from a directive from the Austrian Ministry of Finance on the use of surpluses from fixed interest facilities. The additions to and utilization of the provision are determined by the net interest income from the Export Financing Scheme, less OeKB's fixed margin for the operation of the scheme and less the costs directly related to the scheme's funding.

The net effects from the measurement of the derivatives and financial liabilities in the Export Financing Scheme are also reflected in this item. In accordance with these rules, the provision is used to stabilise the terms of export credits.

(12) Current and deferred taxes

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

(13) Consolidated statement of comprehensive income

COMPOSITION OF NET GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

Net gains and losses on financial instruments are affected by fair value changes recognised through profit or loss, by impairment losses, reversal of impairment through profit or loss, exchange rate movements and derecognition. For financial assets designated on initial recognition as at fair value through profit or loss, and thus measured as such, interest and dividend income is recorded within net interest income.

REVENUE RECOGNITION

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

Segmental information

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

The Export Services segment encompasses the management of guarantees provided by the Republic of Austria through OeKB as the government's official agent under the Export Guarantees Act (in German: Ausfuhrförderungsgesetz); OeKB's Export Financing Scheme; and the shareholding in „Österreichischer Exportfonds" GmbH.

The Capital Market Services segment comprises all services provided by Oesterreichische Kontrollbank AG relating to the capital market, clearing and settlement of on-exchange and off-exchange securities transactions, the CentralSecuritiesDepository.Austria (CSD.Austria), and clearing services for the energy market.

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

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

Segment performance in 2013

RESULTS BY BUSINESS SEGMENT IN 2013

EUR thousand	Export Services	Capital Market Services	Other Services	**Total**
Interest and similar income	441,772	-	19,311	**461,084**
Interest and similar expense	(379,911)	-	(142)	**(380,053)**
Net interest income	**61,861**	**-**	**19,169**	**81,031**
Share of results of equity-accounted investees	-	(140)	5,297	**5,156**
Impairment losses on loans and advances and other credit risk provisions	-	-	(145)	**(145)**
Net fee and commission income	18,414	28,536	958	**47,908**
Fee and commission income	*20,843*	*30,133*	*5,426*	***56,403***
Fee and commission expense	*(2,430)*	*(1,598)*	*(4,467)*	***(8,495)***
Administrative expense	(37,838)	(25,352)	(20,151)	**(83,342)**
Net other operating (expense)/income	(862)	2,310	7,203	**8,651**
Operating profit	**41,574**	**5,353**	**12,330**	**59,259**
Net gain or loss on financial instruments	72	-	8,129	**8,201**
Profit before tax	**41,646**	**5,353**	**20,459**	**67,459**
Income tax and other taxes	(9,452)	(1,156)	(4,178)	**(14,786)**
Profit for the year	**32,195**	**4,197**	**16,281**	**52,673**
Attributable to non-controlling interests	*(233)*	-	-	***(233)***
Attributable to owners of the parent	*31,962*	*4,197*	*16,281*	***52,440***
Segment assets	27,530,788	13,254	1,420,219	**28,964,261**
Segment liabilities	27,829,522	37,603	412,646	**28,279,771**

The following factors should be noted:

- The pronounced decrease in net interest income (in the Export Services segment) as a result of the decline in exporters' financing by their own banks; and an increase in net fee and commission income in the Capital Market Services segment.
- The share of results of equity-accounted investees (joint ventures) reflected a small reduction in the valuation of CCP.A (in the Capital Market Services segment) and a year-on-year decrease in the result in private credit insurance (Other Services segment).
- The significant reduction in net gain on financial instruments in Other Services was attributable both to lower realised gains in connection with bond redemptions and the lower measured fair value of the investment portfolio.
- The income tax expenses for the individual segments are based on profit before tax, adjusted for tax base reconciliation items, such as tax-exempt income from investees. Details of the reconciliation items are given in note 20.

RESULTS BY BUSINESS SEGMENT IN 2012

EUR thousand	Export Services	Capital Market Services	Other Services	**Total**
Interest and similar income	603,465	-	20,360	**623,825**
Interest and similar expense	(526,972)	-	(679)	**(527,651)**
Net interest income	**76,493**	**-**	**19,681**	**96,174**
Share of results of equity-accounted investees	-	2	9,328	**9,330**
Impairment losses on loans and advances and other credit risk provisions	-	-	(141)	**(141)**
Net fee and commission income	20,775	27,594	1,242	**49,611**
Fee and commission income	*23,552*	*29,166*	*4,412*	***57,130***
Fee and commission expense	*(2,777)*	*(1,572)*	*(3,170)*	***(7,519)***
Administrative expense	(37,040)	(25,447)	(19,917)	**(82,404)**
Net other operating (expense)/income	(869)	1,518	5,579	**6,228**
Operating profit	**59,359**	**3,667**	**15,772**	**78,798**
Net gain or loss on financial instruments	(20)	-	27,821	**27,801**
Profit before tax	**59,339**	**3,667**	**43,593**	**106,599**
Income tax and other taxes	(14,827)	(867)	(8,185)	**(23,879)**
Profit for the year	**44,512**	**2,800**	**35,408**	**82,720**
Attributable to non-controlling interests	*(287)*	-	-	***(287)***
Attributable to owners of the parent	*44,225*	*2,800*	*35,408*	***82,433***
Segment assets	31,444,622	13,783	1,309,529	**32,767,934**
Segment liabilities	31,663,545	35,595	406,829	**32,105,969**

Transactions offset between segments represent services rendered. Services by Oesterreichische Kontrollbank AG to joint ventures are provided at cost. No reconciliation of the amounts for the reportable segments to the amounts recorded in the consolidated balance sheet and consolidated statement of comprehensive income is necessary, as the consolidation items are assigned directly to the segments.

The segment information is based on the same presentation and accounting policies as the consolidated financial statements, with the exception of actuarial gains and losses under IAS 19, which are reported in the segmental analysis within administrative expenses.

As the regional focus of OeKB Group's activities lies with the Austria-based banks of end-customers, a geographic segmentation is omitted.

Notes to the consolidated statement of comprehensive income of OeKB Group

(14) Net interest income and share of results of equity-accounted investees

EUR thousand	Amortised cost 2013	Fair value option 2013	Total 2013	Amortised cost 2012	Fair value option 2012	Total 2012
Interest income	**447,817**	**13,265**	**461,084**	**603,872**	**19,953**	**623,825**
Loans and advances and money market instruments	*446,574*	-	***446,574***	*602,284*	-	***602,284***
Fixed income securities	-	*8,295*	***8,295***	-	*14,501*	***14,501***
Equity shares and other variable income securities	-	*4,970*	***4,970***	-	*5,452*	***5,452***
Investments in unconsolidated subsidiaries and other companies	*1,243*	-	***1,243***	*1,588*	-	***1,588***
Interest expense	**(215,772)**	**(164,280)**	**(380,053)**	**(292,840)**	**(234,811)**	**(527,651)**
Money market instruments and current accounts	*(11,031)*	-	***(11,031)***	*(26,537)*	-	***(26,537)***
Debt securities in issue	*(204,741)*	*(164,280)*	***(369,021)***	*(266,303)*	*(234,811)*	***(501,114)***
Net interest income	**232,045**	**(151,015)**	**81,031**	**311,032**	**(214,858)**	**96,174**
Share of results of equity-accounted investees	5,156	-	**5,156**	9,330	-	**9,330**

In 2013 OeKB EH Beteiligungs- und Management AG, a sub-group of companies which is accounted for under the equity method as a result of a joint venture agreement, had equity of EUR 121.5 million (2012: EUR 125.3 million) and profit for the year of EUR 10.9 million (2012: EUR 18.3 million). In the financial year, OeKB received a dividend of EUR 7.2 million (2012: EUR 3.2 million) from OeKB EH Beteiligungs- und Management AG.

The sub-group operates primarily in the credit insurance sector. In 2013, with 2,478 insurance policies in force, the sub-group generated total premium income of EUR 80.3 million (2012: EUR 78.9 million). The claims ratio (claims expenses as a percentage of premium income) was 48.2% in the financial year (2012: 38.2%).

Overall, the credit insurance group prepares its consolidated financial statements in accordance with IFRS, also applying IFRS 4 – Insurance Contracts. The standard requires the largely unchanged use of the pre-IFRS 4 recognition and measurement methods for the insurance items. In accordance with IFRS 4, these consolidated financial statements are therefore based on the provisions of the Insurance Supervision Act. In accordance with IFRS 4, the claims equalisation reserve under the Act (after deduction of deferred taxes) is reported in IFRS equity.

CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH (CCP.A), which is operated as a joint venture with the Vienna Stock Exchange, after a capital increase of EUR 11.7 million in 2013 had equity of EUR 11.6 million (2012: EUR 147 thousand) and registered a loss for the year of EUR 0.3 million (2012: profit of EUR 4 thousand).

CCP.A acts as the central counterparty for the clearing and risk management of all CCP-eligible securities and derivatives transactions on the Vienna Stock Exchange and assumes or manages the settlement risk and default risk.

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

In the 2013 financial year an impairment loss of EUR 145 thousand (2012: EUR 141 thousand) was recognised in respect of microcredits extended by OeKB.

(16) Net fee and commission income

EUR thousand	**2013**	2012
Credit operations	(729)	292
Securities services	25,866	25,164
Export guarantees	18,033	19,499
Energy clearing	2,580	2,326
Other services	2,157	2,330
Total	**47,908**	**49,611**

The export guarantee activities represent services provided by OeKB on behalf of the Austrian government; additional detail is provided in the Segmental information section of this report.

(17) Administrative expenses

EUR thousand	**2013**	2012*
Staff costs	52,593	52,408
Salaries	*37,011*	*36,745*
Social security costs	*8,294*	*7,778*
Pension and other employee benefit costs	*7,288*	*7,885*
Other administrative expenses	22,548	22,579
Depreciation, amortisation and impairment of property and equipment and intangible assets	5,034	4,535
Total	**80,175**	**79,522**

** 2012 as restated. For details of restatement, see note 1.*

The auditor's remuneration is included in other administrative expenses and consisted of fees of EUR 311 thousand (2012: EUR 353 thousand) for the audit of the Group's annual accounts for 2013.

(18) Net other operating income

EUR thousand	**2013**	2012
Other operating income	9,995	7,691
Other operating expenses	(1,344)	(1,463)
Total	**8,651**	**6,228**

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

(19) Net gain or loss on financial instruments

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

The gains from securities of EUR 8.3 million (2012: EUR 31.4 million) included realised gains of EUR 3.7 million on disposal of securities (2012: EUR 8.7 million). The losses from securities were EUR 6.3 million (2012: EUR 2.3 million). Unrealised remeasurement gains amounted to EUR 10.9 million (2012: EUR 25.0 million).

Foreign exchange differences and the fair-valued debt securities in issue and derivatives relate to the Export Financing Scheme and are to be regarded as a single unit from an economic point of view. The strong fluctuations in both items were driven by exchange rate movements, particularly in the US dollar and Swiss franc, but largely offset each other as a result of the hedging function of the derivatives.

NET GAIN OR LOSS ON FINANCIAL INSTRUMENTS

EUR thousand	**2013**	2012
Net gain or loss from measurement at fair value through profit or loss		
Foreign exchange differences	255,059	189,155
Debt securities in issue and derivatives	(255,230)	(189,217)
Subtotal	**(171)**	**(62)**
Securities	8,325	29,094
Subtotal	**8,154**	**29,032**
Net gain or loss on disposal of investments in uncosolidated companies (2012: value of holdings)	46	(1,231)
Total	**8,200**	**27,801**

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

(20) Income tax and other taxes

TAX RECOGNISED IN PROFIT OR LOSS

EUR thousand	**2013**	2012*
Current tax expense		
Current year	18,689	27,390
Adjustment for prior years	(94)	10
Total current tax expense	**18,595**	**27,400**
Deferred taxes		
Origination and reversal of temporary differences	(90)	0
Change in recognised deductible temporary differences	(2,928)	(2,801)
Net deferred taxes	**(3,018)**	**(2,801)**
Income tax and other taxes	**15,577**	**24,599**

** 2012 as restated. For details of restatement, see note 1.*

TAX RECOGNISED IN OTHER COMPREHENSIVE INCOME

EUR thousand	2013	2012*
Actuarial gains/(losses) on defined benefit plans	(792)	(720)
Total	**(792)**	**(720)**

** 2012 as restated. For details of restatement, see note 1.*

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

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

EFFECTIVE TAX RATE RECONCILIATION

EUR thousand	2013		2012*	
Profit before tax	**70,626**	**100.0%**	**109,481**	**100.0%**
Tax expense at Austrian standard corporate income tax rate of 25%	17,657	25.0%	27,370	25.0%
Non-deductible expenses	(50)	-0.1%	290	0.3%
Tax-exempt income	(1,894)	-2.7%	(3,004)	-2.7%
Change in recognised deductible temporary differences	(230)	-0.3%	(47)	0.0%
Change in estimates related to prior years	94	0.5%	(10)	0.0%
Total	**15,577**	**22.1%**	**24,599**	**22.5%**

** 2012 as restated. For details of restatement, see note 1.*

(21) Appropriation of profit

The Executive Board will propose to the 68th Annual General Meeting on 21 May 2014 that the profit available for distribution recorded in the parent company financial statements for the year 2013 in the amount of EUR 20.3 million be used to pay a dividend of EUR 22.75 per share. The amount of the resulting total proposed dividend is EUR 20.0 million. This represents approximately15% of the participating ordinary share capital for 2013 of EUR 130.0 million. After payment of the Supervisory Board emoluments, the balance is to be carried forward.

The dividend payment for the 2012 financial year, which was made in May 2013, amounted to EUR 22.75 per share plus a special dividend of EUR 11.35 per share, or a total of EUR 30.0 million.

Notes to the consolidated balance sheet of OeKB Group

(22) Cash and balances at central banks

This item consists solely of cash and balances with central banks and corresponds to cash and cash equivalents reported in the cash flow statement.

(23) Loans and advances to banks

EUR thousand	Repayable on demand		Other maturities		**Total**	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Domestic banks	515	2,481	18,958,528	22,115,263	18,959,043	22,117,744
Foreign banks	21,135	7,216	2,384,151	2,424,065	2,405,286	2,431,281
Total	**21,650**	**9,697**	**21,342,679**	**24,539,328**	**21,364,329**	**24,549,025**

The analysis by rating category is presented in note 51.

(24) Loans and advances to customers

EUR thousand	Domestic customers		Foreign customers		**Total**	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Public sector	1,113	7,060	400,432	461,983	401,545	469,043
Other	982,480	995,155	105,136	62,392	1,087,616	1,057,547
Total	**983,593**	**1,002,215**	**505,568**	**524,375**	**1,489,161**	**1,526,590**

The analysis by rating category is presented in note 51.

(25) Allowance for impairment losses on loans and advances and other credit risk provisions

The allowance for impairment losses on loans and advances relates only to loans and advances to customers, and concerns only credit risks. The item also includes interest arrears at the balance sheet date. The amount of non-performing loans and advances before impairment allowances was EUR 584 thousand (2012: EUR 572 thousand).

At the balance sheet date there were no arrears and thus no not-impaired financial assets.

(26) Other financial instruments

EUR thousand	**31 Dec 2013**	31 Dec 2012
Bonds and other fixed income securities	1,258,911	1,158,849
Treasury bills	740,222	579,183
Bonds	518,689	579,666
Of which listed bonds	*1,258,811*	*1,158,549*
Equity shares and other variable income securities	333,477	311,717
Equity shares	-	-
Investment fund units	333,477	311,717
Of which listed equity shares and other variable income securities	*2,011*	*2,091*
Unconsolidated companies	19,581	19,612
Investments in unconsolidated subsidiaries	1,536	1,536
Investments in other unconsolidated companies	18,045	18,076
Total other financial instruments	**1,611,969**	**1,490,178**
Of which at fair value through profit or loss	*1,592,388*	*1,470,566*
Of which at amortised cost	*19,581*	*19,613*

Bonds and other fixed income in the amount of EUR 99.5 million are maturing in the subsequent year.

Beginning in 2010, as part of liquidity management for the Export Financing Scheme, a liquid assets portfolio has been established that had a market value of EUR 1,031.5 million at 31 December 2013 (2012: EUR 929.3 million).

(27) Property and equipment and intangible assets

PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS 2013

EUR thousand	Cost at 1 Jan 2013	Additions in 2013	Disposals in 2013	Cost at 31 Dec 2013	Accumulated depreciation and amortisation	Net book value at 31 Dec 2013	Net book value at 31 Dec 2012	Current-year depreciation and amortisation
Property and equipment	105,972	1,379	(2,607)	104,744	(75,912)	28,833	32,204	(4,704)
Land and buildings	*82,302*	*76*	*-*	*82,378*	*(58,403)*	*23,975*	*27,255*	*(3,355)*
Fixtures, fittings and equipment	*23,670*	*1,303*	*(2,607)*	*22,366*	*(17,509)*	*4,858*	*4,949*	*(1,349)*
Assets under construction	*-*	*-*	*-*	*-*	*-*	*-*	*-*	*-*
Intangible assets	4,063	374	(1)	4,436	(3,334)	1,103	1,058	(330)
Software	*3,564*	*176*	*(1)*	*3,739*	*(3,334)*	*405*	*559*	*(330)*
Assets under construction	*499*	*198*	*-*	*697*	*-*	*698*	*499*	*-*
Total	**110,035**	**1,753**	**(2,608)**	**109,180**	**(79,246)**	**29,936**	**33,262**	**(5,034)**

Within the carrying amount of land and buildings used by the Group, the value of the land itself was EUR 4.4 million (2012: EUR 4.4 million).

PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS 2012

EUR thousand	Cost at 1 Jan 2012	Additions in 2012	Disposals in 2012	Cost at 31 Dec 2012	Accumulated depreciation and amortisation	Net book value at 31 Dec 2012	Net book value at 31 Dec 2011	Current-year depreciation and amortisation
Property and equipment	100,630	11,865	(6,523)	105,972	(73,768)	32,204	30,517	(4,133)
Land and buildings	*72,566*	*9,742*	*(6)*	*82,302*	*(55,047)*	*27,255*	*20,267*	*(2,748)*
Fixtures, fittings and equipment	*22,030*	*2,123*	*(483)*	*23,670*	*(18,721)*	*4,949*	*4,216*	*(1,385)*
Assets under construction	*6,034*	*-*	*(6,034)*	*-*	*-*	*-*	*6,034*	*-*
Intangible assets	3,408	655	-	4,063	(3,005)	1,058	805	(402)
Software	*3,408*	*156*	*-*	*3,564*	*(3,005)*	*559*	*805*	*(402)*
Assets under construction	*-*	*499*	*-*	*499*	*-*	*499*	*-*	*-*
Total	**104,038**	**12,520**	**(6,523)**	**110,035**	**(76,773)**	**33,262**	**31,322**	**(4,535)**

Additions include reclassifications of assets under construction.

(28) Companies wholly or partly owned by OeKB AG

Company name and registered office	Banking Act Category	Type of investment		Shareholding	Financial information		
	Credit Institution/Other Company	Directly held	Indirectly held	in %	Reporting date of latest annual accounts	Equity as defined in sec. 224(3) UGB, in EUR thousand	Profit for the year, EUR thousand
Fully consolidated companies							
Oesterreichische Entwicklungsbank AG, Vienna	CI	x		100.00	31 Dec 2013	9,203	2,024
"Österreichischer Exportfonds" GmbH, Vienna	CI	x		70.00	31 Dec 2013	10,875	787
Equity-accouned investees (joint ventures)							
OeKB EH Beteiligungs- und Management AG, Vienna	OC	x		51.00	31 Dec 2013	94,349	10,979
OeKB Versicherung Aktiengesellschaft, Vienna	OC		x	51.00	31 Dec 2013	37,276	1,644
PRISMA Kreditversicherungs-Aktiengesellschaft, Vienna	OC		x	51.00	31 Dec 2013	52,106	11,245
PRISMA Risikoservice GmbH, Vienna	OC		x	51.00	31 Dec 2013	12,993	3,129
PRISMA Risk Services D.O.O., Belgrad	OC		x	51.00	31 Dec 2013	502	35
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00	31 Dec 2013	11,566	(281)
Unconsolidated subsidiaries, held at amortised cost							
OeKB Business Services GmbH, Vienna	OC	x		100.00	31 Dec 2013	2,271	23
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00	31 Dec 2013	4,534	18
Investments in other unconsolidated companies, held at amortised cost							
AGCS Gas Clearing and Settlement AG, Vienna	OC	x		20.00	31 Dec 2012	2,991	(53)
APCS Power Clearing and Settlement AG, Vienna	OC	x		17.00	31 Dec 2012	2,571	167
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	OC	x		18.50	31 Dec 2012	3,047	2,239
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	OC	x		0.10	31 Dec 2012	77	-
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	OC	x		8.06	31 Dec 2012	3,127	703
"Garage Am Hof" Gesellschaft m.b.H., Vienna	OC	x		2.00	31 Dec 2012	4,314	1,128
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	OC	x		12.60	31 Dec 2012	5,467	422
CEESEG Aktiengesellschaft (vormals Wiener Börse AG), Vienna	OC	x		6.60	31 Dec 2012	319,144	13,775
Budapest Stock Exchange Ltd., Budapest	OC	x		18.35	31 Dec 2012	18,696	1,972

The carrying amount of the equity-accounted joint ventures at the balance sheet date was EUR 67.8 million. Of this total, EUR 62.0 million represented OeKB EH Beteiligungs- und Management AG and EUR 5.8 million represented CCP Austria Absicherungsstelle für Börsengeschäfte GmbH.

(29) Other assets

EUR thousand	31 Dec 2013	31 Dec 2012*
Sundry assets	34,756	16,510
Prepayments and accrued income	25,202	31,173
Total	**59,958**	**47,683**

** 2012 as restated. For details of restatement, see note 1.*

(30) Deposits from banks

EUR thousand	Repayable on demand		Other deposits		Total	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Domestic banks	85,715	65,150	-	1,062,276	85,715	1,127,426
Foreign banks	92,579	99,565	202,783	465,690	295,362	565,255
Total	**178,294**	**164,715**	**202,783**	**1,527,966**	**381,077**	**1,692,681**

(31) Deposits from customers

EUR thousand	Domestic customers		Foreign customers		Total	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Public sector	544,602	531,600	1,432	1,528	546,034	533,128
Other	76,967	93,142	51,744	47,987	128,711	141,129
Total	**621,569**	**624,742**	**53,176**	**49,515**	**674,745**	**674,257**

(32) Debt securities in issue

EUR thousand	Debt securities in issue		Of which listed	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Bonds issued	18,371,773	20,988,119	18,371,773	20,988,119
Other debt securities in issue	6,218,188	6,293,490	-	-
Total	**24,589,960**	**27,281,609**	**18,371,773**	**20,988,119**
Of which at fair value through profit or loss	*17,288,446*	*17,760,870*		
Of which amortised cost	*7,301,514*	*9,520,739*		

The amount repayable on maturity for debt securities in issue that are measured using the fair value option was EUR 15,727.0 million (2012: EUR 15,197.8 million). The redemption amount of debt securities in issue maturing in 2014 is EUR 9,816.2 million (2013: EUR 10,204.0 million).

(33) Provisions

MOVEMENT IN PROVISIONS

EUR thousand	1 Jan 2013	Amounts used and released	Additions	31 Dec 2013
Non-current provisions for employee benefits	112,554	(5,184)	8,280	115,650
Current provisions for employee benefits	4,900	(4,900)	4,900	4,900
Other current provisions	742,463	(6,644)	107,947	843,766
Total	**859,917**	**(16,728)**	**121,127**	**964,316**

Included in employee benefit provisions are provisions for vacation pay and similar obligations in the amount of EUR 4.4 million (2012: EUR 4.5 million). Movement in provisions for non-current employee benefits was as follows:

MOVEMENT IN NON-CURRENT EMPLOYEE BENEFIT PROVISIONS

EUR thousand	Pension	Termination benefits	**Total 2013**	Total 2012
Present value of defined benefit obligation (DBO), representing the total non-current employee benefit provisions at 1 January	88,051	24,503	**112,554**	107,516
Service cost	810	722	**1,532**	1,529
Interest cost	2,774	809	**3,583**	4,639
Benefits paid	(3,483)	(1,701)	**(5,184)**	(4,012)
Actuarial gain/(loss)	3,630	(463)	**3,167**	2,882
Of which actuarial gain/(loss) arising from change in parameters	*2,729*	*544*	***3,273***	*2,882*
Of which actuarial gain/(loss) arising from experience adjustments	*901*	*(1,007)*	***(106)***	-
DBO at 31 December	91,781	23,869	**115,650**	112,554
Non-current employee benefit provisions at 31 December	**91,781**	**23,869**	**115,650**	**112,554**

HISTORICAL INFORMATION ON DEFINED BENEFIT OBLIGATION

EUR thousand	2008	2009	2010	2011	2012
Pension provision	75,648	79,027	81,368	84,016	88,051
Termination benefit provision	20,999	21,604	23,027	23,500	24,503
Non-current employee benefit provisions	96,647	100,631	104,395	107,516	112,554

The pension obligations for most of the staff have been transferred to a pension fund under a defined contribution plan. In connection with this plan, contributions of EUR 0.8 million were paid to the pension fund in 2013 (2012: EUR 0.8 million).

Staff costs also included the contributions of EUR 0.2 million to the termination benefit fund (2012: EUR 0.1 million).

The following table presents the sensitivity of the obligations to key actuarial assumptions. It shows the respective absolute amount of the provision recognised at 31 December 2013 when a single assumption is varied at a time with the other assumptions held constant.

EUR thousand	Pension	Termination benefits
Increase in discount rate by 1.00%-point	80,618	21,805
Decrease in discount rate by 1.00%-point	103,190	26,245
Increase in expected salary growth by rate by 0.50%-point	91,977	25,012
Decrease in expected salary growth by rate by 0.50%-point	89,665	22,794
Increase in pension trend by 0.50%-point	96,128	-
Decrease in pension trend by 0.50%-point	85,896	-

PRINCIPAL ASSUMPTIONS

in per cent	**2013**	2012
Discount rate	3.25	3.50
Salary trend	3.00	3.25
Pension trend	1.25	1.25

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

MATURITY PROFILE OF THE PENSION PROVISIONS

EUR thousand	Not more than 1 year	Over 1 year but not more than 3 years	Over 3 years but not more than 5 years	**Total not more than 5 years**	Duration
DBO at 31 December 2013	3,757	8,753	9,469	**21,979**	12,8 years

The item „other provisions" at 31 December 2013 included an interest rate stabilisation provision of EUR 833.1 million (2012: EUR 733.0 million) for stabilising the interest rates for the Export Financing Scheme. Information on the measurement of this provision is provided in note 11.

In the year under review, an addition of EUR 66.0 million to the interest rate stabilisation provision was made from interest income and an amount of EUR 34.1 million was used from valuation results. „Other provisions" relate to liabilities due within less than one year. As there is no statistically reliable utilisation schedule for the interest rate equalisation provision, this provision is not discounted.

(34) Tax assets and tax liabilities

Tax assets and liabilities respectively include deferred tax assets and deferred tax liabilities arising from temporary differences between the IFRS carrying amounts and the corresponding tax base in Group companies. No deferred taxes were recognised for any interests in companies nor for measurement effects under the Export Financing Scheme.

Deferred taxes arose on the following items:

EUR thousand	Deferred tax assets		Deferred tax liabilities	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Financial investments at fair value through profit or loss	-	-	19,724	18,420
Securities	7,680	6,604	1,152	1,251
Employee benefit provisions	11,956	11,590		
Other provisions	52,828	49,256		
Total	**72,465**	**67,450**	**20,876**	**19,671**
Net deferred taxes	51,589	47,779		

(35) Other liabilities

EUR thousand	**31 Dec 2013**	31 Dec 2012*
Accruals and deferred income	31,243	32,972
Sundry liabilities	69,897	73,751
Total	**101,140**	**106,723**

** 2012 as restated. For details of restatement, see note 1.*

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

(36) Capital and capital management

The share capital of EUR130 million is divided into 880,000 no-par-value shares. These registered ordinary shares with restricted transferability are represented by global certificates made out in the name of each individual shareholder.

OeKB AG is the parent institution of the OeKB „banking group" for the purposes of section 30 Austrian Banking Act. The regulatory capital resources of OeKB Group as determined under the Banking Act showed the following composition at 31 December:

EUR thousand	2013	2012
Regulatory capital requirement under section 22 Austrian Banking Act		
Risk-weighted assets (based on Standardised approach to credit risk)	269,612	349,187
Trading book	-	-
Total risk-weighted assets	**269,612**	**349,187**
Regulatory capital requirement		
Banking book	21,569	27,935
Foreign exchange risk	8,293	7,859
Operational risk (Basic Indicator approach)	23,105	24,011
Total regulatory capital requirement	**52,967**	**59,805**
Consolidated regulatory capital requirement under section 24 Austrian Banking Act		
Paid-up share capital	130,000	130,000
Reserves (including goodwill or gains on acquisition)	303,996	273,528
Non-controlling interests	3,123	3,026
Intangible assets	(1,103)	(1,058)
50% deductions under section 23(13)4a Banking Act (investments in insurance companies)	(8,049)	(8,049)
Tier 1 capital	**427,967**	**397,447**
Tier 2 capital (reserve for general banking risks under section 57 Banking Act)	131,815	131,815
50% deductions under section 23(13)4a Banking Act (investments in insurance companies)	(8,050)	(8,050)
Total regulatory capital resources	**551,732**	**521,212**
Surplus regulatory capital	498,765	461,407

The resulting consolidated capital adequacy ratio (regulatory capital resources as a percentage of total risk-weighted assets) at the end of the financial year was 204.6%, compared to 149.3% at the end of 2012. The consolidated Tier 1 capital ratio was 158.7%, compared to113.8% one year earlier. The high excess cover was reflected in a cover ratio (capital resources as a percentage of the capital requirement) of 1,041.7% (2012: 871.5%).

Section 3 Austrian Banking Act exempts OeKB AG – in respect of transactions related to export promotion activities under the Export Guarantees Act and the Export Financing Guarantees Act – from the requirements on solvency (under sections 22 to 22q Austrian Banking Act), on liquidity, on open foreign currency positions and on large-scale investments (under sections 25 to 27 Austrian Banking Act).

The banking group as defined under section 30 Austrian Banking Act, unlike the IFRS basis of consolidation, does not include the investments in insurance companies. The strategic aim of capital management in OeKB Group is to ensure a sustained stable capital base. There were no material changes in capital management. At all times during the reporting period, the Group satisfied the capital requirements of the national supervisor.

The regulatory capital requirement for credit risk is determined in accordance with the provisions of section 22a Austrian Banking Act (Standardised approach to credit risk). The capital required to be held for operational risk is determined by the Basic Indicator approach under section 22j of the Act. The banking group does not hold a trading book. At Group level, the risks are aggregated in accordance with the concept of economic capital. Through the analysis of risk-bearing capacity, the economic capital required is compared with the economic capital available, and both measures are monitored.

Other information and risk report

(37) Information regarding the cash flow statement

The cash flow statement shows the cash position and cash flows of OeKB Group. The cash position recorded, in the narrow sense, consists of cash and balances with central banks.

Cash flows from operating activities represent all core banking activities (lending and borrowing, particularly in connection with the Export Financing Scheme); cash flows from investing activities comprise changes in the investment portfolio and in non-current assets; and cash flows from financing activities represent the payments related to the equity of the parent company.

(38) Analysis of remaining maturities

RESIDUAL MATURITIES AT 31 DECEMBER 2013

EUR thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total**
Loans and advances to banks	21,650	1,460,841	7,051,794	9,735,730	3,094,314	**21,364,329**
Loans and advances to customers	155	365,084	633,275	218,683	271,964	**1,489,161**
Securities at fair value through profit or loss	332,268	73,913	29,834	415,130	741,243	**1,592,388**
Total	**354,073**	**1,899,838**	**7,714,903**	**10,369,543**	**4,107,521**	**24,445,878**
Deposits from banks	178,294	172,266	640	5,000	24,877	**381,077**
Deposits from customers	649,265	-	-	-	25,480	**674,745**
Debt securities in issue	-	5,090,687	4,572,762	11,401,636	3,524,875	**24,589,960**
Total	**827,559**	**5,262,953**	**4,573,402**	**11,406,636**	**3,575,232**	**25,645,782**

RESIDUAL MATURITIES AT 31 DECEMBER 2012

EUR thousand	Repayable on demand	Not more than 3 months	Over 3 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total**
Loans and advances to banks	9,697	3,875,754	6,623,115	10,212,593	3,827,866	**24,549,025**
Loans and advances to customers	1,525	382,647	627,878	241,961	272,579	**1,526,590**
Securities at fair value through profit or loss	311,717	24,992	201,012	496,916	435,929	**1,470,566**
Total	**322,939**	**4,283,393**	**7,452,005**	**10,951,470**	**4,536,374**	**27,546,181**
Deposits from banks	164,715	672,835	12,000	824,131	19,000	**1,692,681**
Deposits from customers	649,991	-	-	-	24,266	**674,257**
Debt securities in issue	-	3,924,549	5,419,880	14,628,690	3,308,490	**27,281,609**
Total	**814,706**	**4,597,384**	**5,431,880**	**15,452,821**	**3,351,756**	**29,648,547**

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

(39) Loans and advances to and deposits from joint ventures, unconsolidated subsidiaries and other unconsolidated investees

DEPOSITS

EUR thousand	**31 Dec 2013**	31 Dec 2012
Deposits from customers		
Joint ventures and uncosolidated subsidiaries	36,723	53,370
Unconsolidated other investees	10,406	12,469

(40) Subordinated assets

The balance sheet contains no subordinated assets.

(41) Assets pledged as collateral

EUR million	**2013**	2012
Securities pledged as collateral (market value)		
With OeNB for tender	4,387	5,662
For trading on future exchanges (EUREX)	26	26
For energy trading (ECC)	7	7
For stock exchange trading in Vienna (CCP.A)	1	-
For Eurex Repo platform	659	510
Collateral for credit risks of derivatives transactions		
Collateral pledged	658	667
Collateral received	172	445

(42) Contingent liabilities and commitments

The off-balance sheet contingent liabilities of EUR 82.0 million (2012: EUR 87.7 million) were related to guarantees given by Oesterreichische Entwicklungsbank AG, which in turn are backed by a guarantee of the Republic of Austria. At the balance sheet date OeKB Group had total undrawn credit commitments of EUR 2,650.4 million (2012: EUR 3,224.6 million).

(43) Sundry off-balance sheet obligations

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

Obligations arising under rental agreements for 2014 amounted to EUR 1.5 million (at the end of the prior year the obligations for 2013 were EUR 1.6 million). The corresponding obligations for the five-year period from 2014 to 2018 were EUR 9.3 million (at the end of the prior year the obligations for the five-year period from 2013 to 2017 were EUR 9.2 million). Rent paid for 2013 was EUR 1.5 million (2012: EUR 1.5 million).

(44) Fiduciary assets and liabilities

FIDUCIARY POSITIONS RECOGNISED IN THE BALANCE SHEET

EUR thousand	**31 Dec 2013**	31 Dec 2012
Loans and advances to banks	11,835	13,266
Loans and advances to customers	-	990
Other assets	51,212	50,857
Fiduciary assets	**63,047**	**65,113**
Deposits from banks	-	990
Deposits from customers	63,047	64,123
Fiduciary liabilities	**63,047**	**65,113**

Off-balance sheet fiduciary transactions amounted to EUR 18.5 million (2012: EUR 16.3 million). This item consists largely of development-aid credits processed on behalf of the Republic of Austria.

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

EUR thousand	**31 December 2013**		31 December 2012	
	Assets	Liabilities	Assets	Liabilities
Denominated in foreign currency	1,652,693	19,096,938	1,654,239	18,887,301
Issued or originated outside Austria	3,114,279	23,552,755	3,156,724	25,287,765

(46) Derivative financial instruments

EUR thousand	**Notional amount at 31 Dec 2013 - by remaining maturity**					
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total 2013**	Positive fair values	Negative fair values
Interest rate derivatives						
Interest rate swaps (OTC)	3,878,695	12,079,888	1,118,759	**17,077,342**	327,067	305,161
Currency derivatives						
Currency swaps (OTC)	6,250,086	8,158,490	119,574	**14,528,150**	3,421,040	1,145,796
Foreign exchange transactions	1,136,592	59,204	-	**1,195,796**	-	95,503
Total	**11,265,373**	**20,297,582**	**1,238,333**	**32,801,288**	**3,748,107**	**1,546,460**

EUR thousand	Notional amount at 31 Dec 2012 - by remaining maturity					
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total 2012**	Positive fair values	Negative fair values
Interest rate derivatives						
Interest rate swaps (OTC)	3,941,404	13,621,631	1,073,330	**18,636,365**	533,590	405,035
Currency derivatives						
Currency swaps (OTC)	6,173,130	7,606,242	529,415	**14,308,787**	4,331,636	1,060,721
Foreign exchange transactions	145,369	-	-	**145,369**	263	-
Total	**10,259,903**	**21,227,874**	**1,602,745**	**33,090,522**	**4,865,489**	**1,465,756**

Derivative financial instruments are used for hedging (see note 5 for details).

(47) Fair value of financial instruments

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

Fair values are determined as described in note 6. The market values of loans and advances to banks and customers and of deposits from banks and customers are based on inputs that in the case of assets and of liabilities are directly or indirectly observable. The same is true of the market values of derivatives reported in other assets and other liabilities (level 2).

The determination of the market values of other financial instruments is based on prices quoted on an active market (level 1). No reclassifications occurred in the financial year or prior year.

FAIR VALUE AT 31 DECEMBER 2013

EUR thousand	Notes	Carrying amount				Fair value		
		Loans and receivables	Other financial instruments, at amortised cost	Financial instruments at fair value	**Total**	Level 1	Level 2	**Total**
Financial assets measured at fair value								
Other financial instruments	26	-	-	1,592,388	**1,592,388**	1,592,388	-	**1,592,388**
Derivatives held for hedging	46	-	-	3,748,107	**3,748,107**	-	3,748,107	**3,748,107**
Total		-	-	**5,340,495**	**5,340,495**			
Financial assets not measured at fair value								
Cash and balances at central banks	22	-	520,631	-	**520,631**	-	520,631	**520,631**
Loans and advances to banks	23	21,364,329	-	-	**21,364,329**	-	21,783,754	**21,783,754**
Loans and advances to customers	24	1,489,161	-	-	**1,489,161**	-	1,494,365	**1,494,365**
Allowance for impairment losses on loans and advances	7, 25	(471)	-	-	**(471)**	-	(471)	**(471)**
Other financial instruments	26	-	19,581	-	**19,581**	30,712	-	**30,712**
Total		**22,853,019**	**540,212**	-	**23,393,231**			
Financial liabilities measured at fair value								
Debt securities in issue	32	-	-	17,288,446	**17,288,446**	-	17,288,446	**17,288,446**
Derivatives held for hedging	46	-	-	1,546,460	**1,546,460**	-	1,546,460	**1,546,460**
Total		-	-	**18,834,906**	**18,834,906**			
Financial liabilities not measured at fair value								
Deposits from banks	30	-	381,077	-	**381,077**	-	382,446	**382,446**
Deposits from customers	31	-	674,745	-	**674,745**	-	680,413	**680,413**
Debt securities in issue	32	-	7,301,514	-	**7,301,514**	-	7,743,188	**7,743,188**
Total		-	**8,357,336**	-	**8,357,336**			

OeKB Group does not have level-3 holdings.

FAIR VALUE AT 31 DECEMBER 2012

EUR thousand	Notes	Carrying amount				Fair value		
		Loans and receivables	Other financial instruments, at amortised cost	Financial instruments at fair value	**Total**	Level 1	Level 2	**Total**
Financial assets measured at fair value								
Other financial instruments	26	-	-	1,470,566	**1,470,566**	1,470,566	-	**1,470,566**
Derivatives held for hedging	46	-	-	4,865,489	**4,865,489**	-	4,865,489	**4,865,489**
Total		-	-	**6,336,055**	**6,336,055**	-	-	
Financial assets not measured at fair value								
Cash and balances at central banks	22	-	124,266	-	**124,266**	-	124,266	**124,266**
Loans and advances to banks	23	24,549,025	-	-	**24,549,025**	-	25,439,208	**25,439,208**
Loans and advances to customers	24	1,526,590	-	-	**1,526,590**	-	1,553,261	**1,553,261**
Allowance for impairment losses on loans and advances	7, 25	(401)	-	-	**(401)**	-	(401)	**(401)**
Other financial instruments	26	-	19,613	-	**19,613**	30,743	-	**30,743**
Total		**26,075,214**	**143,879**	-	**26,219,093**			
Financial liabilities measured at fair value								
Debt securities in issue	32	-	-	17,760,870	**17,760,870**	-	17,760,870	**17,760,870**
Derivatives held for hedging	46	-	-	1,465,756	**1,465,756**	-	1,465,756	**1,465,756**
Total		-	-	**19,226,626**	**19,226,626**			
Financial liabilities not measured at fair value								
Deposits from banks	30	-	1,692,681	-	**1,692,681**	-	1,709,884	**1,709,884**
Deposits from customers	31	-	674,257	-	**674,257**	-	674,257	**674,257**
Debt securities in issue	32	-	9,520,739	-	**9,520,739**	-	10,367,779	**10,367,779**
Total		-	**11,887,677**	-	**11,887,677**			

OeKB Group does not have level-3 holdings.

(48) Risk management

Risk management – essentially, the identification, monitoring, assessment, reporting, planning and treatment of risks – consists of important processes designed to ensure the security and profitability of the enterprise in the interest of all stakeholders (customers, owners, Republic of Austria). Every risk assumed by OeKB Group must be consistent with the Executive Board's risk policy and strategy for the Group, which aims to assure a sustained stable return on equity through a conservative approach to all risks, including financial risks and risks arising from business operations in general. The risk policy and strategy sets out the risk management principles, the risk appetite and the principles for the measurement and control of the risk categories used.

OeKB is a special-purpose bank providing services to capital market participants and the export industry; it does not engage in deposit-taking business. In significant business segments, OeKB acts as a contractor to the Republic of Austria. This also applies to its roles in the promotion of exports through guarantees and financing.

The Export Financing Scheme represents the bulk of OeKB's total assets and is managed as a separate accounting entity from the rest of the business (see note 1). In this respect, OeKB is exempt from certain relevant legislation, such as the European Union's CRR, or Capital Requirements Regulations (Regulation (EU) No. 575/2013), which took effect on 1 January 2014. Similarly, these exemptions apply to the core businesses of the two banking subsidiaries, „Österreichischer Exportfonds" GmbH and Oesterreichische Entwicklungsbank AG, which together with OeKB form a banking group for the purposes of section 30 of the Austrian Banking Act.

The risks of the Export Financing Scheme are mitigated by extensive loan security and guarantees especially of the Republic of Austria. The Export Financing Guarantees Act sets out the requirements for guarantees for export lending - the guarantees are a condition for access to the loans - as well as setting out the rules for the Austrian government guarantees protecting creditors in OeKB's borrowing operations (creditor guarantees) and the government guarantees protecting OeKB from exchange rate risk (exchange rate guarantees).

In accordance with OeKB's control principles and the segregation of the Export Financing Scheme (EFS) as a separate accounting entity, OeKB performs a separate calculation of risk coverage for the EFS. This is done by valuing the EFS's residual risks not covered by security and comparing them to the interest rate stabilisation provision, which forms the dedicated capital available to cover the risks of the EFS. In the Internal Capital Adequacy Assessment Process (ICAAP) used by OeKB Group, the Export Financing Scheme is treated as investee risk.

RISK APPETITE AND APPROACHES TO RISK CONTROL

The ICAAP serves to assure the maintenance of the defined bank-specific level of capital adequacy and, as a measurement and control tool, forms an integral part of the management process.

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

PRINCIPLES OF RISK MEASUREMENTS AND OF RISK COVERAGE CALCULATION

The key variable in the measurement and management of risk is economic capital; it is calculated using the concept of Value at Risk (VaR) over a one-year time horizon. The calculation of risk coverage particularly takes into account credit risk, market risk and operational risk, with risk defined here as the danger that the actual outcome will be less favourable than the expected outcome (unexpected loss). The ICAAP also covers liquidity risk, which is measured and managed primarily by means of the survival period. The survival period is the period for which OeKB Group's liquidity buffer is sufficient to allow the Group to operate without restricting its business. The survival period is determined on the basis of cash-flow and funding projections (using idiosyncratic and systemic stress assumptions) that are compared against the counterbalancing capacity.

For each risk type, the table below shows the minimum capital required under the Austrian Banking Act and the corresponding Values at Risk based on the ICAAP:

RISK EXPOSURE AND CAPITAL REQUIREMENT

EUR thousand	Value at Risk under ICAAP (99.98% confidence)		Regulatory capital requirement under section 22 Banking Act	
	31 Dec 2013	31 Dec 2012	**31 Dec 2013**	31 Dec 2012
Credit risk	25,636	29,173	21,569	27,935
Commodity and foreign exchange risk	24,138	26,941	8,293	7,859
Other market risk in the banking book	41,280	37,326		
Other risks	15,637	16,095		
Operational risk	29,399	30,552	23,105	24,011

In the calculation of risk coverage, the economic capital required is compared with the economic capital available. This is done in a multi-tier system addressing different risk coverage objectives and approaches („oing concern"and „one concer"). The available capital is allocated to market risk and credit risk in proportion to the respective economic capital required. In key areas, additional limits are in place at the operations level. Concentrations of risk are also monitored through these processes. In the calculation of risk coverage, concentrations of risk between risk categories (inter-category concentration) are taken into consideration by determining the aggregate risk as the sum of the categories' risk capitals and thus assuming a perfect positive correlation.

Risk assessment is performed at least quarterly by the Risk Controlling department – which as a risk oversight function is independent from risk origination – and is reported both to the Risk Management Committee and the Supervisory Board. The results of liquidity and market risk analysis are also dealt with by the ALCO. Credit risks that are individually material are measured using Credit Value at Risk (CVaR); individually material market risks are measured using VaR. Credit and market risks that are not individually material are measured analogously to the material risks, or are assessed by allowing a lump sum for them. Liquidity risk in the sense of potentially higher borrowing costs, and other risks (including business risk), are recognised through flat percentage-based amounts. The assessment of operational risk employs the Basic Indicator approach, expanded by a distribution assumption for estimation at a high confidence level.

The systems used for this purpose are SAP, QRM, Bloomberg and proprietary systems.

Risk management is supported by the system of internal control, which serves to assure compliance with rules, standards and risk mitigation procedures. Extensive automated IT general controls, as well as reviews performed particularly by the Internal Audit department, contribute to the effectiveness of this internal control system.

In 2013 the dominant themes were the preparations for the new regulatory frameworks, such as the Capital Requirements Directive IV (CRD IV), the Capital Requirements Regulation (CRR), the amendments to the Austrian Banking Act and changes in reporting, including expanded disclosures. These topics are expected to remain central in 2014, particularly as many areas are under transition rules and detailed regulations are still undefined. In organisational terms in 2013, to minimise legal risks, the position of Legal Compliance Officer was created. The LCO reports to the Executive Board and has the role of ensuring that OeKB has a cohesive and comprehensive view of the impact of the various legal matters on the Group. Within the Supervisory Board, a Risk Committee was formed in accordance with the Banking Act.

RISK MANAGEMENT ORGANISATION

Against the backdrop of OeKB Group's major business activities and its specific business and risk structure, the bank has adopted a clear functional organisation of the risk management process; well-defined roles are assigned to the following organisational units:

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

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

Chief Risk Officer: The implementation of the measures decided by the Risk Management Committee is overseen by the Chief Risk Officer, supported by the Financial Risk Manager, the Operational Risk Manager and the Chief Information Security Officer (CISO).

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

Operational risk management: The directions on the management of operational risk are implemented in the Group's business operations by the Organisation, Construction, Environmental Issues and Security department (known as OBUS), with the exception of information security matters, which are the responsibility of the Chief Information Security Officer. The activities falling into the areas of operational risk management, of information security and of the internal control system officer are subject to ongoing coordination.

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

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

Supervisory Board: The Supervisory Board has oversight of all risk management arrangements in OeKB Group and receives quarterly reports on the Group's risk situation. These risk reports present in detail the financial risk situation and the economic capital for operational risk. In 2013, in preparation for the Banking Act amendment that took effect on 1 January 2014, the Supervisory Board formed a Risk Committee under section 39d Austrian Banking Act. The Audit Committee of the Supervisory Board also monitors the effectiveness of the system of internal control.

(49) Market risk

Market risks arise from a potential change in risk factors that may lead to a reduction in the market value of the financial items. The types of market risk distinguished are specific and general interest rate risk; foreign exchange risk; and equity price risk. The Group's market risks relate only to banking book positions, as no trading book is maintained.

Risks are assessed by using the Value at Risk concept to estimate maximum potential losses at given confidence levels. In addition, interest rate and exchange rate sensitivity ratios are determined, and the effects of extreme market movements are calculated through stress tests using two methods. First, the economic capital determined through the ICAAP is tested under various scenarios (expected shortfall, credit migration, and correlations). Additionally, for market risks, the impact of several specific scenarios is calculated (for example, historical contingencies such as Black Monday, September 11, 2001 and the financial crisis of 2007–08).

The largest amount of economic capital arises in connection with the Group's investment portfolio (see note 26, Other financial instruments), which had a composition of 16.5% investment funds and 83.5% bonds owned by the Group. Of these bonds, EUR 1,031.5 million served as a liquidity buffer in the Export Financing Scheme; the buffer's interest rate risk is hedged by interest rate swaps. The Value at Risk of the rest of the investment portfolio is determined monthly. At 31 December 2013 the VaR amounted to EUR 40.2 million for a holding period of one year at a 99% confidence level. The interest rate risk is also monitored by using stress scenarios. Thus, it was calculated that a positive interest rate shock of 200 basis points would have led to a reduction of EUR 23.0 million in market value. In the risk management of the investment portfolio, the in-house portfolio management is supported by an external overlay manager.

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

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

INTEREST RATE SENSITIVITY GAP ANALYSIS AT 31 DECEMBER 2013

EUR thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	520,631	-	-	-	-	520,631
Loans and advances to banks	11,192,633	545,642	1,072,867	5,921,202	2,631,985	21,364,329
Loans and advances to customers	1,253,821	222,140	210	8,928	4,063	1,489,161
Bonds and other fixed income securities	224,911	9,100	12,000	343,900	669,000	1,258,911
Subtotal	**13,191,996**	**776,882**	**1,085,077**	**6,274,030**	**3,305,048**	**24,633,033**
Deposits from banks	(363,414)	(17,663)	-	-	-	(381,077)
Deposits from customers	(647,348)	(200)	(543)	(6,614)	(20,040)	(674,745)
Debt securities in issue	(6,386,704)	(4,018,549)	(122,190)	(10,590,165)	(3,472,353)	(24,589,960)
Subtotal	**(7,397,466)**	**(4,036,412)**	**(122,732)**	**(10,596,779)**	**(3,492,392)**	**(25,645,782)**
Effect of derivative contracts	(3,001,686)	217,747	2,104	3,422,110	(640,275)	0
Total	**2,792,844**	**(3,041,783)**	**964,448**	**(900,639)**	**(827,620)**	**(1,012,749)**

INTEREST RATE SENSITIVITY GAP ANALYSIS AT 31 DECEMBER 2012

EUR thousand	Not more than 3 months	Over 3 but not more than 6 months	Over 6 months but not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	Total carrying amount
Cash and balances at central banks	124,266	-	-	-	-	124,266
Loans and advances to banks	12,962,931	608,198	1,225,183	5,927,230	3,825,483	24,549,025
Loans and advances to customers	1,269,805	248,786	454	3,166	4,379	1,526,590
Bonds and other fixed income securities	199,121	181,350	9,750	286,379	482,249	1,158,849
Subtotal	**14,556,123**	**1,038,334**	**1,235,388**	**6,216,775**	**4,312,110**	**27,358,730**
Deposits from banks	(1,685,700)	(5,350)	-	(1,632)	-	(1,692,681)
Deposits from customers	(647,630)	(202)	(517)	(6,766)	(19,141)	(674,257)
Debt securities in issue	(7,470,131)	(1,450,480)	(3,211,088)	(11,065,256)	(4,084,654)	(27,281,609)
Subtotal	**(9,803,461)**	**(1,456,032)**	**(3,211,605)**	**(11,073,654)**	**(4,103,795)**	**(29,648,547)**
Effect of derivative contracts	(903,298)	(710,902)	423,469	1,866,690	(675,959)	-
Total	**3,849,364**	**(1,128,601)**	**(1,552,748)**	**(2,990,189)**	**(467,644)**	**(2,289,817)**

HEDGING

To assist in controlling market risks, the Group employs derivative financial instruments. The derivatives involved are interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and used largely as hedging instruments for debt securities issued by OeKB Group. Instead of applying hedge accounting under IAS 39, these hedged financial liabilities are designated at fair value through profit or loss in order to avoid accounting mismatches. The changes in value of the derivative and of the respective hedged liability are thus recorded directly in profit or loss. Credit exposures arising from fluctuations in value are secured with collateral. From 2014, in conformity with EMIR (Regulation (EU) No. 648/2012, the European Market Infrastructure Regulation), OeKB plans to clear interest rate swaps via a central counterparty.

(50) Liquidity risk

Liquidity risk is the risk of not being able to meet present or future payment obligations fully as they fall due. In the wider sense, liquidity risk also includes funding liquidity risk (the risk that funding can be obtained only on unfavourable market terms), and market liquidity risk (the risk that assets can be sold only at a discount). While in the case of potential increases in borrowing costs, the corresponding economic capital is determined and they are thus directly taken into account in the calculation of risk coverage, available liquidity is controlled differently, using a survival period analysis.

The goal of the liquidity strategy is to secure sufficient access to required liquidity even in difficult market situations. OeKB's decades-long excellent standing in international financial markets coupled with the high diversification of its funding instruments, markets and maturities and especially the Austrian government guarantee protecting the lenders, combine to facilitate market access for the Group even when markets are under special stress.

The approach to measurement and management of liquidity risk is documented in the liquidity risk management manual. At the core of risk measurement are cash-flow and funding projections – based both on idiosyncratic and systemic stress assumptions – that are set against the counterbalancing capacity, which is represented primarily by securities eligible for rediscounting by the ECB. Market liquidity risk is taken into account through corresponding haircuts. The average survival period in 2013 determined by this methodology was about five months. OeKB defines the survival period as that period for which the current liquidity buffer is sufficient, under an assumed combination of simultaneous idiosyncratic and systemic stresses, to meet all payment obligations without having to raise additional capital in the financial markets (although the full faith and credit of the Republic of Austria supports such borrowing by

OeKB). In a stress period the survival period is thus the time available to take any strategic corrective action necessary. For crisis situations, a liquidity contingency plan is in place. In accordance with legal requirements, from 2014 the institution will also calculate the liquidity coverage ratio.

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

LIQUIDITY GAPS BASED ON LONG-TERM ASSET/LIABILITY MATURITY ANALYSIS AT 31 DECEMBER

EUR thousand	Not more than 2 years		Over 2 but not more than 5 years		Over 5 but not more than 10 years		More than10 years	
	2013	2012	**2013**	2012	**2013**	2012	**2013**	2012
Liquidity gap	(1,023,304)	(45,405)	(1,397,720)	(3,116,171)	1,931,428	2,524,007	(909,789)	(1,032,894)

MATURITY ANALYSIS OF LIABILITIES

The tables below show the schedule of future cash outflows and inflows based on the nominal amounts of the gross transaction, i.e. without taking netting agreements into account.

The mapping into time buckets is based on the contractual maturity structure; liabilities payable on demand are assigned to „Not more than 1 month".

LIABILITIES AT 31 DECEMBER 2013

EUR thousand	Net book value	Total	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years
Deposits from banks	381,077	381,011	343,994	6,500	640	5,000	24,877
Deposits from customers	674,745	672,379	647,274	168	543	4,354	20,040
Debt securities in issue	24,589,960	24,030,454	2,000,943	2,955,673	4,554,501	11,046,985	3,472,353
Undrawn credit commitments and offers	-	2,353,526	185,832	846,508	764,348	554,713	2,125
Total	**25,645,782**	**27,437,370**	**3,178,042**	**3,808,849**	**5,320,033**	**11,611,052**	**3,519,394**
Derivatives	1,546,460	-	-	-	-	-	-
Outflows	-	13,826,904	1,156,399	2,180,899	2,838,553	7,521,203	129,849
Inflows	-	12,522,909	1,126,130	2,109,860	2,729,265	6,438,079	119,574

LIABILITIES AT 31 DECEMBER 2012

EUR thousand	Net book value	Total	Not more than 1 month	Over 1 but not more than 3 months	Over 3 months but not more than 1 year	Over 1 but not more than 5 years	Over 5 years
Deposits from banks	1,692,681	1,684,847	841,715	22,500	-	820,632	-
Deposits from customers	674,257	644,733	644,733	-	-	-	-
Debt securities in issue	27,281,609	26,395,146	1,358,117	2,406,198	5,410,081	13,136,095	4,084,654
Undrawn credit commitments and offers	-	3,081,962	342,958	889,014	999,499	816,302	34,190
Total	**29,648,547**	**31,806,688**	**3,187,524**	**3,317,712**	**6,409,580**	**14,773,028**	**4,118,844**
Derivatives	1,465,756	-	-	-	-	-	-
Outflows	-	9,574,870	1,098,663	1,861,915	2,046,486	4,567,807	-
Inflows	-	8,488,339	1,071,377	1,764,034	1,960,806	3,692,123	-

(51) Credit risk

Credit risk is the risk of unexpected losses as a result of the default or deterioration in credit quality of counterparties. In view of its business structure, OeKB Group distinguishes the following types of credit risk: counterparty risk/default risk, investee risk and concentration risk. The critical measure used for credit risk is Credit Value at Risk, representing the difference between absolute VAR at a given confidence level (99.98% in the gone concern approach) and the expected loss associated with the respective default.

Counterparties are classified into internal credit rating categories on the basis of external ratings from internationally recognised rating agencies and internal credit ratings. A detailed 22-point internal master scale and clearly defined rating and mapping rules are used.

The credit exposure of OeKB Group consists largely of export credits. In keeping with the Group's exacting lending standards, the approval of these loans and commitments is subject to high loan security requirements (such as, notably, guarantees of the Republic of Austria). To secure credit risks in connection with derivative transactions, collateral agreements are concluded with all counterparties, and downgrade trigger provisions are in place with all

counterparties. These trigger clauses permit contracts to be assigned to third parties, or to be cancelled, upon a pre-defined deterioration in rating. Credit derivatives are not used. In OeKB Group ICAAP, the Export Financing Scheme is treated as investee risk for which risk coverage is calculated separately. In this way, any risk exceeding the Export Financing Scheme's available pool of economic capital (the interest rate stabilisation provision) becomes part of the Group's credit risk.

The extensive security and guarantees provided by the Austrian government, inherent in the business model, involve a high concentration of risk with the Republic of Austria.

The distribution of assets in the banking book (including the investment portfolio) across rating categories was as shown in the table below. Guaranteed assets are, to the extent of the guarantee, assigned to the rating category of the guarantor; assets guaranteed by the Republic of Austria are assigned to rating category 1; no credit derivatives are employed.

CREDIT PORTFOLIO BY RATING CATEGORY 2013

EUR thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	520,631	-	-	-	-	-	520,631
Loans and advances to banks	20,453,421	910,511	337	25	-	35	21,364,329
Loans and advances to customers	1,445,388	24,199	13,350	-	4	6,220	1,489,161
Allowance for impairment losses on loans and advances	-	-	-	-	-	(472)	(472)
Other financial instruments	1,303,352	57,368	248,109	2,102	655	383	1,611,969
Derivatives	3,223,112	524,996	-	-	-	-	3,748,107

CREDIT PORTFOLIO BY RATING CATEGORY 2012

EUR thousand	Rating category 1 (AAA/AA)	Rating category 2 (A)	Rating category 3 (BBB)	Rating category 4 (BB)	Rating category 5 (B)	Rating category 6 (CCC and below)	Total carrying amount
Cash and balances at central banks	124,266	-	-	-	-	-	124,266
Loans and advances to banks	22,947,179	1,579,665	20,335	5	-	1,842	24,549,025
Loans and advances to customers	1,466,204	38,665	15,854	-	-	5,867	1,526,590
Allowance for impairment losses on loans and advances	-	-	-	-	-	(401)	(401)
Other financial instruments	1,173,118	58,060	254,462	2,075	677	1,787	1,490,179
Derivatives	3,955,159	838,671	71,659	-	-	-	4,865,489

The table below analyses the banking book assets by country category; export credits backed by a guarantee under the Export Financing Act are included under „Austria".

EUR thousand	**31 Dec 2013**	31 Dec 2012
Austria	26,162,330	29,434,021
EU (excluding Austria)	2,323,054	2,684,864
Other countries	248,341	436,261

As at 31 December 2013 the highest exposures within the region „EU (excluding Austria)" were with the United Kingdom (EUR 889.7 million), France (EUR 381.1 million) and Germany (EUR 363.5 million). The highest exposure under "Other countries" was with the United States, at EUR 193.4 million.

The Group's business operations are subject not only to the regulatory requirements but also to the volume limits set by the Executive Board at the transaction type, portfolio and counterparty level.

(52) Operational risk

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

Standards, rules and processes are derived from the risk policy and documented in the operational risk manual. This also includes emergency management manuals and emergency plans, as well as crisis scenarios, all of which are annually reviewed. The maintenance and evaluation of the loss database on an ongoing basis helps to assure a permanent process of optimisation of operational risks.

In view of the high importance of information security, the Group has a dedicated information security officer. Against the backdrop of new developments in technology, a public cloud policy was adopted in 2013.

Legal risks are mitigated through ongoing monitoring by the business segments, through the activities of the bank's legal officer, through the coordination of legal compliance – strengthened in 2013 by the creation of a dedicated legal compliance position – and through the checks conducted by Internal Audit.

Risk mitigation is also promoted by an effective system of internal control.

(53) Staff count

During the financial year, the Group had an average of 403 employees (2012: 398), based on full-time equivalents.

(54) Boards' remuneration and loans

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

EUR thousand	2013	2012*
Aggregate remuneration		
Current members of the Executive Board	Not disclosed	Not disclosed
Former members of the Executive Board	138	138
Members of the Supervisory Board	275	270
Pension and termination benefit expenses for		
Executive Board	2,741	2,248
Key management	2,001	1,175
Other employees	2,546	4,462

** 2012 as restated. For details of restatement, see note 1.*

As permitted under section 266(7)b Austrian Commercial Code, the aggregate remuneration of current Executive Board members is not stated. At 31 December 2013 there were no outstanding loans to members of the Executive Board or Supervisory Board. There were also no guarantees by OeKB for these individuals. There are no management share option plans for the Executive Board or for key managers. Based on the corporate business strategy, and in harmony with the Group's risk policy, the Executive Board of OeKB sets the compensation policy for OeKB. The compensation policy is reviewed annually.

The Supervisory Board of OeKB formed a Compensation Committee. This Board committee will review the compensation policy.

In implementing the compensation policy, the principle of proportionality was followed by taking into account the size of OeKB AG (about 400 employees), the complexity of the business model and the need for a relatively conservative compensation structure.

The human resources (HR) strategy seeks to foster sustainability and quality assurance. A key pillar of the HR strategy is to offer appropriate compensation, both for employees and management. Compensation is benchmarked annually against the market. OeKB also takes care to achieve a sound relationship between fixed and variable pay.

The design of the variable compensation policy ensures that the incentive structure is aligned with the long-term interests of OeKB Group. The variable pay achievable represents an appropriate share of total compensation and is based both on individual performance and on the performance of the company or Group against one-year and multi-year targets.

The targets are quantitative and measurable and are based on a mix of corporate performance indicators. The performance targets are weighted such that one-third of the bonus pool is determined by corporate earnings, one-third by sustained growth in enterprise value and one-third by risk parameters. At OeEB and Exportfonds, slightly modified performance indicators are used.

For OeKB Group (including the fully consolidated institutions OeEB and Exportfonds) for all staff, including the Executive Board, the aggregate variable compensation for 2013 amounted to approximately 9% (2012: 9%) of aggregate gross total salaries (including the variable component). For the Executive Board, the individual variable component payable is capped at an upper limit of 40% of the individual's total compensation. From the second tier of management (department heads) on down, the upper limit for the variable component is 20% of individual total compensation.

If the variable compensation accrued exceeds 20% of individual total compensation (or exceeds the materiality threshold of EUR 30 thousand set by the Financial Market Authority), a deferred-payment process is applied to promote the regulatory values of sustainability and risk awareness. In this case, 40% of the variable compensation is paid out conditionally over a period of five years („deferred"). Until the actual disbursement of deferred compensation, the beneficiary has only a non-vested future interest in the deferred amount. The annual instalment payable from the deferred amount is reassessed every year. The size of the individual tranches follows the relative movement in Tier 1 capital.

In the event of an unfavourable financial position and low or negative profitability, the Executive Board and/or Supervisory Board (Compensation Committee and Nomination Committee) reserve the right to reduce the current variable compensation and deferred bonus payments. To the extent consistent with the law, this may include the complete cancellation of the current and deferred variable compensation.

ANALYSIS OF ANNUAL COMPENSATION OF SENIOR MANAGEMENT

EUR thousand	**2013**	2012*	2012
General managers of the banking group and OeKB department heads and compliance officer			
Fixed compensation	5,475	5,312	4,692
Variable compensation	787	1,057	903
Total compensation	**6,262**	**6,369**	**5,595**
Variable compensation as a share of total compensation	*13%*	*17%*	*16%*
Number of persons included	*25*	*25*	*21*

** As a result of an increase in the number of employees included, the data for the prior year was also recalculated.*

Note: The fixed compensation includes not just current salaries but also miscellaneous compensation in kind as well as contributions to pension and termination benefit funds. The variable compensation represents the amounts paid in the financial year under review, including also deferred bonuses from prior periods that were paid in the year under review. All variable compensation is paid in cash, as OeKB does not have suitable non-cash instruments. As permitted under the Data Protection Act, the compensation of the Executive Board, the amount of deferred compensation and any reductions of deferred compensation are not disclosed separately.

For senior management and for OeKB Group's employees in general, the fixed salary represents the major share of total compensation. This leaves scope for a high degree of flexibility regarding the policy for variable compensation, including the possibility of not paying a variable component at all.

In keeping with sound and effective risk management, the low ratio of variable to total compensation helps to ensure that no staff member has a bonus-related incentive to take risks that exceed the intended corporate risk appetite or risk tolerance.

At OeKB Group, guaranteed variable pay is not considered compatible with the principle of performance-based compensation and is therefore not used.

(55) Board members and officials

Members of the Executive Board
Johannes Attems (until 31 December 2013)
Rudolf Scholten
Angelika Sommer-Hemetsberger (since 1 January 2014)

Members of the Supervisory Board
Erich Hampel, Chairman
Walter Rothensteiner, 1st Vice-Chairman
Franz Hochstrasser, 2nd Vice-Chairman
Helmut Bernkopf
Peter Bosek
Gregor Deix (since 29 May 2013)
Michael Glaser
Dieter Hengl
Reinhard Karl (until 29 May 2013)
Michael Mendel (until 29 May 2013)
Herbert Messinger
Heimo Penker
Angelo Rizzuti (until 29 May 2013)
Karl Sevelda (since 24 September 2013)
Herbert Stepic (until 24 September 2013)
Herbert Tempsch (since 29 May 2013)
Susanne Wendler (since 29 May 2013)
Robert Zadrazil
Franz Zwickl

Staff representatives:
Martin Krull
Erna Scheriau
Alexandra Griebl
Anish Gupta
Elisabeth Halys (since 1 July 2013)
Christian Leicher
Claudia Richter
Otto Schrodt (until 30 June 2013)
Markus Tichy

Government commissioners
under section 76 Austrian Banking Act
Harald Waiglein, Commissioner
Johann Kinast, Deputy Commissioner

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

Government commissioners
under section 27 of the Articles of Association (supervision of bond cover pool)
Beate Schaffer, Commissioner (since 1 November 2013)
Johannes Ranftl, Commissioner (until 31 October 2013)
Edith Wanger, Deputy Commissioner

(56) Other related party transactions

As a specialised institution for export services and capital market services, OeKB engages in many transactions with its shareholders, such as in their role as banks to the export financing customers of OeKB and as issuers of securities. All these transactions are conducted at arm's length.

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

RELATED PARTY TRANSACTIONS

EUR thousand	**31 Dec 2013**	31 Dec 2012
Related party transactions with shareholders of OeKB Group that have significant influence		
Loans and advances to banks	16,043,896	19,494,938
Other financial instruments	72,816	73,423
Deposits from banks	40,720	17,782
Related party transactions with unconsolidated subsidiaries		
Deposits from customers	6,694	6,360
Related party transactions with equity-accounted investees		
Deposits from customers	30,029	47,010
Related party transactions with other investees		
Deposits from customers	10,406	12,469

There were no transactions with Executive Board or Supervisory Board members.

(57) Date of approval for publication

The date of submission of these financial statements to the Supervisory Board for approval is 19 March 2014.

Vienna, 19 February 2014

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Rudolf Scholten Angelika Sommer-Hemetsberger

Auditor's Report

REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

We have audited the accompanying **consolidated financial statements** of

Oesterreichische Kontrollbank AG,
Vienna,

for the **year from 1 January 2013 to 31 December 2013**. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2013, the consolidated statement of profit or loss and other comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2013 and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU, and the requirements pursuant to §§ 245a UGB (Austrian Commercial Code) and 59a BWG (Austrian Banking Act). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility and Description of Type and Scope of the Statutory Audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2013 and of its financial performance and its cash flows for the year from 1 January to 31 December 2013 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

REPORT ON THE MANAGEMENT REPORT FOR THE GROUP

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

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

Vienna, 19 February 2014

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

signed by:

Martin Wagner ppa Renate Vala

Austrian Chartered Accountants

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

The consolidated financial statements together with our auditor's opinion may only be published if the consolidated financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Statement by the Board of Executive Directors

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

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

Vienna, 19 February 2014

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Board of Executive Directors

Rudolf Scholten

Angelika Sommer-Hemetsberger

OeKB AG company financial report 2013

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Management report 2013

Economic and capital markets situation and financial results

Economic environment in 2013

Contrary to economists' predictions, the world economy grew only moderately in the year under review: The International Monetary Fund (IMF) currently expects the global economy to have expanded by 3.0% in 2013, compared to a forecast of up to 3.6% made a year ago. This slower expansion of global economic activity was also reflected in world trade. The World Trade Organization (the WTO) now estimates growth in global trade last year at 2.5%, a downward revision of its earlier forecast of 3.3%. Impetus for world trade came primarily from developing countries and the CIS nations (the Commonwealth of Independent States): Exports from these economic regions rose by 3.6% and their imports even increased by 5.8%. In contrast, the eurozone's extremely sluggish economic recovery translated into stagnating imports in the advanced economies, while exports grew by 1.5% thanks to demand from emerging markets. The low trajectory of international trade also meant declining activity in the market for trade finance: Thus, according to data vendor Dealogic, the worldwide volume of trade financings fell by about 30% year-on-year in the first nine months of 2013, to its lowest level since 2006.

United States

Overall in 2013, the world economy thus recovered at a merely modest pace, and with wide regional variation. The economy in the United States expanded less in 2013 than in 2012. Its gross domestic product (GDP) as estimated by the IMF was up 1.9%, compared with growth of 2.8% in 2012. This economic growth was fuelled primarily by the expansionary monetary policy in the form of the Federal Reserve's bond buying program of USD 85 billion per month and an overnight interest rate between 0% and 0.25%. On the other hand, a strong drag on the US economy was exerted by the persistent budget fight and a deterioration in business and consumer sentiment. Particularly the federal government shutdown in October 2013, which was triggered by the budget emergency, noticeably dampened the spirits of the American public and exacerbated the loss of confidence in the political system. The raising of the debt ceiling by Congress in October to avert a sovereign debt default bought time for the USA, but only until the beginning of 2014. The key requirements for lasting US economic growth in the next several years will thus be the restoration of sustainable public finances and the rebuilding of trust in the country''s economic policy-making bodies.

Japan

The Japanese economy grew by 1.7% within the reporting year. A big positive driver was the implementation of "Abenomics" – the economic policies of prime minister Abe, intended to double the money supply within two years and also involving expansionary fiscal policy measures. The yen responded by depreciating sharply against the euro and US dollar, thus boosting Japanese exports, especially to the USA. For the Japanese economy as well, the future direction will depend critically on how the budget situation unfolds: In 2013 the public debt mounted to about 230% of the country's total economic output, and the budget deficit was 10% of GDP.

Emerging market and developing economies

In 2013, compared to 2012, the emerging market and developing economies region saw a mild decrease in economic growth to 4.7%. But relative to the economic performance of 2011 (when the region's economies grew by 6.2%), the slowdown was distinct. This region's contribution to global economic growth has thus moderated in the past two years. Within the BRIC group of four countries (Brazil, Russia, India and China), the picture in the year under review was uneven: Brazil's economic output, after a weak increase of 1.0% in 2012, grew by 2.3% in 2013. For an emerging market economy, this remained a low rate. The Russian economy slowed significantly in 2013 as oil prices moved sideways, with its GDP adding only 1.5%, compared to 3.4% in 2012. China meanwhile grew relatively strongly, at 7.7%, and India's economy expanded by 4.4% according to the IMF, somewhat more than in the previous year.

Europe

In Europe the recessionary phase experienced since the end of 2011 was overcome in 2013. While the economy still contracted slightly in the first quarter, it returned to growth in the subsequent months, albeit growth a very gentle rate. Positive signals came not only from exports of goods and services to countries outside the EU but also from some of the recently crisis-battered countries of the European periphery. In Ireland, Spain and Portugal, for instance, there were growing signs that the structural reforms undertaken are gaining traction. Accordingly, the three governments announced that, from 2014, they plan to do without further loans from the international bail-out programmes. At the same time, however, the stubbornly high unemployment (10.9% in the EU-28) and the reticent investment by the corporate sector weighed on the European economy. One of the biggest obstacles to growth was the lethargic lending by banks to small and medium enterprises.

Euro area

In the euro area in 2013 the recovery moved more slowly than in the EU as a whole, despite the improved sentiment in Europe. The foremost reason was the lack of vigour in the currency union's second and third largest economies, France and Italy. Germany, on the other hand, lived up at least partially to its reputation as a growth engine and managed a modest rise in GDP in the year under review. Remarkably, unlike previous upswings, the German economy this time was stimulated not by exports but by relatively strong domestic demand. In November 2013, in hopes of spurring growth in the eurozone as a whole, the European Central Bank (ECB) cut the benchmark interest rate to a record low of 0.25%. Economics researchers believe the easy access to money will help accelerate investment and consumer spending and thus revitalise the economy at large. Specifically, economic growth of 1.1% is forecast for the euro area in 2014.

Central and Eastern Europe

The Central and Eastern Europe region overall again grew slightly more strongly than did Western Europe, but growth rates varied widely from country to country. For example, the newest EU member, Croatia, struggled with a recession in 2013, as did the politically tumultuous Czech Republic. Even in previously relatively fast-growing Poland and Russia, growth fell off recently, while the Baltics reported a continuing solid expansion in GDP. For 2014, forecasters are expecting a gradual economic recovery in Central and Southeastern Europe, with the exception of Slovenia, which remains dominated by a severe banking crisis. Likewise, foreign direct investors in Central and Eastern Europe are palpably more optimistic about the future again, as demonstrated by the recent readings of the OeKB CEE Business Climate Index. In the fourth quarter of 2013 this indicator of business expectations rose for the second consecutive, implying a positive performance trend in the next six months. As well, most direct investors say they plan to maintain their local presence in the foreseeable future.

Austria

In Austria, economic growth flagged in the year under review, slowing to 0.3%. With the strained environment in Europe and the lack of vigour in world trade, the first half of the year in particular proved difficult for Austrian companies. It was not until the middle of the year that a gradual economic recovery process set in, which is forecast to continue next year at a somewhat quicker pace (predicted GDP growth in 2014: 1.7%). An analogous pattern is seen for merchandise exports, projected to develop from modest growth in 2013 into a once again more important macroeconomic driver in the future. With regard to domestic demand, it is noteworthy that private consumption was effectively flat in 2013 although overall inflation eased (to a new average of 2% for the year). In contrast, the Austrian unemployment rate is on the rise: By the Eurostat definition, the jobless rate reached the 5% mark (2012: 4.3%) and, according to current forecasts, will remain at about this level for the time being. Compared to other countries, the situation in the domestic labour market can nonetheless be regarded as positive.

International financial markets

In 2013, global financial markets faced a number of challenges: Volatility was created by factors such as the prolonged budget dispute in the USA, the slowdown in emerging markets growth, and especially the US Federal Reserve's hints in May at the possibility of tapering off its programme of bond purchases. This revelation sent shock waves through financial markets around the world. Yields of long-term government bonds, particularly those of the United States and the AAA-rated eurozone members, jumped higher from the end of May to early July, rising 40 basis points to 2.5% in the USA and increasing by 20 basis points to 2% in the euro area. As the year went on, yields especially in the USA showed an overall rising trend, despite the assurances from the Federal Reserve, the ECB and the Bank of England that they would continue to shape monetary policy to promote economic growth. At the end of the year, 10-year US treasuries yielded 3.03% and eurozone AAA bonds had a yield of 2.24%.

The equity markets in the USA, the eurozone and Japan nonetheless performed well overall in the year under review. Among major stock indices, the S&P 500 gained 29.6% over the year, the Euro Stoxx 50 advanced by about 18% and the Nikkei 225 soared 56%. The situation was different in emerging financial markets, which saw an exodus of international investors and thus a sometimes drastic outflow of portfolio capital. The main reasons for this, aside from the uncertainty in global financial markets around future monetary policy, were the slowing economic growth in emerging markets themselves and the associated greater obviousness of structural problems in these countries.

Austrian financial market

In 2013 the Austrian stock market was considerably less volatile than in the year before, as a look at the performance of the ATX will show. A subdued start to the year was followed by a dip during the traditionally weaker summer months, before the Austrian headline index entered a steady upward trend from the middle of the year. At the end of 2013 the ATX stood at 2,546.54 points, with a gain of 6% for the year. The liquidity of the Vienna stock exchange seems to be steadying: After the average monthly trading volume had fallen continually since the start of the 2008-2009 financial and economic crisis, the figure for 2013 of EUR 3.25 billion was up again somewhat year-on-year for the first time (2012: EUR 3 billion). On a less positive note, the tangible scarcity of equity corporate actions continued: In the year under review, while ten capital increases were carried out, initial public offerings remained notable by their absence.

As to the Austrian bond market, observers found that it did quite well in 2013, particularly the corporate bond sector. In total last year, 29 corporate bonds and three reopenings were placed, with a total volume of EUR 5.2 billion. Although this result was marginally below the strong year-earlier value of EUR 5.5 billion, it does confirm the basic readiness of Austrian companies to replace at least some traditional bank loans with financing raised directly in the capital market. On the government bond front, Austria continued to benefit from its reputation as a safe haven for investors and the accompanying ability to issue debt on inexpensive terms. Thus, the yield for the country's 10-year federal bonds at the end of 2013 was 2.28%. The yield spread relative to the German benchmark bond even narrowed from 43 to 34 basis points.

FINANCIAL RESULTS IN 2013

The only slight Austrian export growth in 2013 showed in the amount of funding provided under OeKB's Export Financing Scheme. Thus, the EUR 4.7 billion of loans disbursed were exceeded by repayments of EUR 7.5 billion received. The resulting decrease in net export loans outstanding, despite positive one-off effects from early loan repayments, was reflected in net interest income, which amounted to EUR 69.9 million in the year under review (2012: EUR 87.5 million).

Income from securities and investees, at EUR 11.5 million, was EUR 3.6 million more than the year-earlier result of EUR 7.9 million, owing largely to an increase in dividends from the investments in private credit insurance companies.

The uncertainty in capital markets and the resulting lower trading volumes led to a slight dip in account and transaction fees, while the financial data service and notification office benefited from an increase in demand. A small increase was also seen in the income from fees for the processing of export guarantees on behalf of the Austrian government and for administering the guarantees under the Corporate Liquidity Support Act (ULSG). In total, OeKB recorded net fee and commission income of EUR 44.3 million in 2013 (2012: EUR 44.8 million).

Net expense from financial operations was higher than in the previous year, but remained modest in absolute terms at EUR 159 thousand (2012: net expense of EUR 39 thousand).

Other operating income, at EUR 12.1 million (2012: EUR 9.5 million), represented mainly service fees and staff costs (for seconded staff) charged to subsidiaries.

Total operating income was thus EUR 137.7 million (2012: EUR 149.7 million). Within administrative expenses of EUR 73.0 million (2012: EUR 73.4 million), there were decreases both in staff costs and other administrative expenses. A reduction in staff costs was driven primarily by lower additions to pension and termination benefit provisions. Other administrative expenses were cut by 0.2%.

Operating expenses overall, at EUR 79.4 million, were steady at the year-earlier level (EUR 79.4 million).

The operating profit of EUR 58.3 million in 2013 represented a reduction of 17.0% from the prior year.

The significant net gain of EUR 3.0 million on disposal and valuation of loans, advances and securities was strongly driven by the price appreciation of bonds, which was realised on redemption because of the conservative measurement of non-current assets at the lower of cost or market value.

The sale of the investment in Link-up Capital Markets S.L. (Spain) and the liquidation of ECRA Emission Certificate Registry Austria GmbH generated gains of EUR 46 thousand in the 2013 financial year. In 2013 CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH received an increase of EUR 11.7 million in capital (OeKB's share: EUR 5.9 million) to satisfy regulatory requirements under EMIR.

Profit before tax amounted to EUR 61.4 million (2012: EUR 77.4 million). After income tax, profit for the year of EUR 48.7 million was substantially lower than the prior year's EUR 59.5 million.

In view of the more stringent regulatory capital requirements under Basel III, OeKB transferred EUR 28.4 million to reserves in 2013 (2012: EUR 29.2 million) to strengthen the capital base. The reported profit available for distribution was EUR 20.3 million, up from EUR 30.3 million.

To conclude the review of the income statement, as a result of positive one-time effects from early loan repayments, the decrease in income from the Export Financing Scheme was less pronounced than had been expected at the beginning of the year.

At 31 December 2013, liquid assets in the form of balances at central banks amounted to EUR 520.4 million (2012: EUR 124.2 million). In liabilities, deposits from banks rose from EUR 441.4 million in 2012 to EUR 495.6 million at the end of 2013.

Loans and advances to banks decreased (as a result largely of less time deposits) from EUR 441.4 million in the prior year to EUR 88.6 million at the end of December 2013.

The size of OeKB's investment portfolio increased slightly in 2013. The portfolio's carrying amount at 31 December 2013, determined by conservative measurement at the lower of cost or market value, was EUR 386.2 million (2012: EUR 384.6 million), while the market value was EUR 465.1 million (2012: EUR 458.3 million).

The liquid assets portfolio, used to support the Export Financing Scheme and consisting of bonds, grew by EUR 125 million in terms of nominal value, to a nominal value of EUR 955 million.

The balance sheet amount related to export financing decreased in 2013 by EUR 2,602.4 million or 9.8%, to EUR 23,825.3 million. A major reason for this was the decrease in loans and advances to banks. Accordingly, the volume of debt securities in issue was reduced.

Total assets at 31 December 2013 amounted to EUR 25,019.1 million (2012: EUR 27,566.5 million).

Financial performance indicators

The cost/income ratio increased to 57.6% from the prior year's 53.0%, helped mainly by the drop in operating expenses.

Available regulatory capital under section 23 Austrian Banking Act increased in 2013 by EUR 28.3 million to a new total of EUR 538.5 million.

The Tier 1 capital ratio (Tier 1 capital under the Banking Act as a percentage of risk-weighted assets) was 149.7% at the end of 2013 (2012: 108.7%) as a consequence of the decreased regulatory capital requirement for credit risk.

Return on equity (profit for the year as a percentage of Tier 1 capital) decreased in 2013 from 14.9% to 11.4% as a result of the lower profit for the year

Research and development

In view of OeKB's business purpose, no research and development is conducted.

Claims for Damages

There are two law suits of investors pending, who bought certificates issued by OeKB for registered shares of Meinl European Land Ltd. ("MEL"). In the context of MEL-certificates OeKB waived in respect of many investors to object prescription. These waivers have been extended until 31 December 2014 since in principle OeKB's lack of liability is not entirely clear, in particular since a relevant decision by the Supreme Court of Austria has not yet been issued. Settlements which have been made by investors with third parties, thereby reducing the number and amount of claims raised against OeKB, have been accounted for in the respective extension of the waiver. The second law suit for damages is a model law suit claiming for payment of around EUR 46,500. This law suit is based on an alleged infringement by OeKB of an obligation to publish an ad-hoc-notice pursuant to section 48d Stock Exchange Act in connection with buy-backs of MEL-certificates by MEL/Atrium. The last hearing was on 10 December 2013 and served legal arguments. The proceedings have been closed and according to the views of our legal advisers one should recon with a dismissal of the claim.

Events after the balance sheet date

There were no reportable events after the balance sheet date.

Risk management

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

Most of OeKB's total assets by far represent the Export Financing Scheme (EFS), which is managed as a separate accounting entity and is treated as investee risk in the calculation of risk coverage. In this respect, OeKB is exempt from certain relevant legislation, such as the Capital Requirements Regulation or CRR (Regulation (EU) No. 575/2013), which took effect on 1 January 2014.

The Internal Capital Adequacy Assessment Process (ICAAP) implemented as a measurement and control device forms an integral part of the management process. Risk measurement is based on the concept of economic capital: In the calculation of risk coverage, the economic capital required is compared to the economic capital available. This risk coverage calculation is multi-tiered, using both a "going concern" approach (designed to ensure sufficient regulatory capital to continue in business even amid severe loss events) and a "gone concern" approach (focusing on protecting creditors and the ability to repay deposits and other senior debt in the event of liquidation). Consistent with the risk appetite defined, the gone concern scenario uses a confidence level of 99.98%.

In 2013, preparations for Basel III took centre stage. As well, to avoid legal risks, a dedicated legal compliance function was created and the Supervisory Board formed a Risk Committee. In 2014 the issues related to the new regulatory environment (Banking Act amendments, the Capital Requirements Directive, Capital Requirements Regulation, etc.) will probably continue to dominate activity, especially as many areas still lack detailed regulations and various transition rules are in place.

RISK MANAGEMENT ORGANISATION

Against the backdrop of OeKB's major business activities and its specific business and risk structure, the bank has adopted a clear functional organisation of the risk management process; well-defined roles are assigned to the following organisational units:

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

Risk Management Committee: The function of the Risk Management Committee is derived from the risk policy and consists of strategic risk control and risk monitoring. The Risk Management Committee is the primary recipient of the risk reports, monitors and manages the risk profiles for the individual risk types, and, as needed, decides actions based on the risk reports. The committee consists of the Executive Board, the Chief Risk Officer (CRO) and the Deputy CRO, the Operational Risk Manager (ORM), the Financial Risk Manager (FRM), the

Internal Control System Officer, the Legal Compliance Officer, and representatives from the Accounting department and business segments.

Chief Risk Officer: The implementation of the measures decided by the Risk Management Committee is overseen by the Chief Risk Officer, supported by the Financial Risk Manager, the Operational Risk Manager and the Chief Information Security Officer (CISO).

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

Operational risk management: The directions on the management of operational risk are implemented in OeKB's business operations by the Organisation, Construction, Environmental Issues and Security department (known as OBUS), with the exception of information security matters, which are the responsibility of the Chief Information Security Officer. The activities falling into the areas of operational risk management, of information security and of the internal control system officer are subject to ongoing coordination.

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

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

Supervisory Board: The Supervisory Board has oversight of all risk management arrangements at OeKB and receives quarterly reports on OeKB's risk situation. These risk reports present in detail the financial risk situation and the economic capital for operational risk. In 2013, in preparation for the Banking Act amendment that took effect on 1 January 2014, the Supervisory Board formed a Risk Committee under section 39d Austrian Banking Act. The Audit Committee of the Supervisory Board also monitors the effectiveness of the system of internal control.

MARKET RISK

Market risks arise from a potential change in risk factors that may lead to a reduction in the market value of the financial items. The specific types of market risk distinguished are interest rate risk, foreign exchange risk and equity price risk. OeKB's market risks relate only to banking book positions, as no trading book is maintained.

Risks are assessed by using the Value-at-Risk concept for estimating maximum potential losses. In addition, interest rate and exchange rate sensitivity ratios are determined, and the effects of extreme market movements are calculated through stress tests.

The largest amount of economic capital arises from OeKB's own investment portfolio, which had a composition of 53.0% investment funds and 47.0% bonds in the banking book. The Value at Risk is determined monthly. At 31 December 2013 the VaR for general and specific interest rate risk amounted to EUR 40.2 million for a holding period of one year at a 99% confidence level. In the risk management of the investment portfolio, the in-house portfolio management is supported by an external overlay manager.

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

Derivative financial instruments

Derivative financial instruments are used to assist in controlling market risks. The derivatives involved are largely interest rate swaps and cross currency interest rate swaps, which are traded over the counter (OTC) and are used largely as hedging instruments for debt securities issued. Credit exposures arising from fluctuations in value are secured with collateral. In 2013 the preparations were made for the implementation of the EMIR regulations on the clearing of derivative contracts through a central counterparty.

Total derivatives positions at 31 December 2013 were as follows (fair values shown represent clean prices):

EUR million	**Notional amount at 31 Dec 2013 - by remaining maturity**				Positive fair values	Negative fair values
	Not more than 1 year	Over 1 year but not more than 5 years	Over 5 years	**Total 2013**		
Interest rate derivatives						
Interest rate swaps (OTC)	3,879	12,080	1,119	**17,077**	324	304
Currency derivatives						
Currency swaps (OTC)	6,250	8,158	120	**14,528**	326	1,142
Foreign exchance transactions	1,137	59	0	**1,196**	0	95
Total	**11,265**	**20,298**	**1,238**	**32,801**	**650**	**1,542**

LIQUIDITY RISK

Liquidity risk is defined as the risk of not being able to meet present or future payment obligations fully as they fall due or of not being able to obtain required liquidity on the terms expected. While in the case of potential increases in borrowing costs, the corresponding economic capital is determined and they are thus directly taken into account in the calculation of risk coverage, adequacy of liquidity is ensured differently, using a survival period analysis.

At the core of risk measurement are cash-flow and funding projections – based both on idiosyncratic and systemic stress assumptions – that are set against the counterbalancing capacity, which is represented primarily by securities eligible for rediscounting by the ECB. For crisis situations, a liquidity contingency plan is in place. Long-term liquidity is assessed based on the gap analysis of the maturity profile of assets and liabilities.

In day-to-day operational liquidity management, due regard is had to the diversification of financial instruments, markets and maturities, thus mitigating funding liquidity risk.

OeKB's access to liquidity is greatly enhanced by its longstanding strong credit ratings in international financial markets and also, and especially, by the federal guarantee on debt raised under the Export Financing Scheme.

CREDIT RISK

Credit risk is the risk that customers will not meet their payment obligations. It comprises the default risk of individual borrowers and instruments, country risk, settlement risk, investee risk and concentration risk.

The credit exposure of OeKB consists largely of export credits. In keeping with OeKB's exacting lending standards, the approval of these loans and commitments is subject to high loan security requirements (such as, notably, guarantees of the Republic of Austria). To secure credit risks in connection with derivative transactions, collateral agreements are concluded with all counterparties, and down-grade trigger provisions permit contracts to be assigned to third parties, or to be cancelled, upon a pre-defined deterioration in rating. The entire export financing scheme is treated as investee risk with its own dedicated supply of available economic capital (the interest rate equalisation provision) and its own separate calculation of risk coverage.

Counterparties are classified into internal credit rating categories on the basis of external ratings from internationally recognised rating agencies and internal credit ratings. A detailed 22-point internal master scale and clearly defined rating and mapping rules are used.

Operational risk

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

Enterprise-wide standards, rules and processes are derived from the risk policy and documented in the operational risk manual. This also includes emergency management manuals and emergency plans, as well as crisis scenarios, all of which are annually reviewed.

The maintenance and evaluation of the loss database on an ongoing basis helps to assure a permanent process of optimisation of operational risks. In view of the high importance of information security, OeKB has a dedicated information security officer. Against the backdrop of new developments in technology, a public cloud policy was adopted in 2013 to enhance data security. To mitigate legal risks, in 2013 a dedicated legal compliance position was created to coordinate the various legal matters.

System of internal control and risk management

OeKB's system of internal control (the "internal control system", or ICS) consists of five components: the control environment, risk assessment, control activities, information and communication, and monitoring. The ICS is intended to ensure compliance with policies and regulations and to create the necessary conditions for specific control activities in the key processes within accounting and financial reporting. The major objectives include safeguarding the presentation of a fair and transparent view of the financial position, results of operations and cash flows.

Control environment

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

Risk assessment

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

Control activities

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

Control activities regarding information technology security represent a cornerstone of the internal control system. Thus, the separation of sensitive responsibilities is supported by the restrictiveness assignment of IT privileges. For accounting and financial reporting, the software SAP ECC 6.0 is used. The functioning and effectiveness of this accounting system is assured, among other ways, by automated IT controls installed in the system.

Information and communication

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

Monitoring

Financial statements intended for publication undergo a final review by accounting management staff and the Executive Board before being forwarded to the Audit Committee of the Supervisory Board. By monitoring compliance with all rules and regulations, OeKB aims to achieve maximum assurance of all business processes and Group-wide conformity with policies and procedures. When risks and shortcomings in controls are identified, mitigative measures are promptly developed and their implementation is monitored. Internal Audit verifies compliance in accordance with its annual audit plan.

Non-financial performance indicators

In light of its key significance as a hub of Austria's capital market and export industry, OeKB is very aware of the importance of having highly qualified and motivated employees. Service quality and expertise, combined with sustained earnings-, cost- and risk-consciousness, are essential to maintaining and strengthening the competitiveness of the bank and strengthening the competitiveness of the bank and the entire Group.

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

In 2013 a "competency framework" was developed for OeKB that defines the qualifications and skills which management must have so that OeKB can confidently meet the challenges of the years ahead. Using specific feedback loops, managers' self-perception and others' perception of them are compared and development plans agreed.

In 2013, at a total cost of EUR 512 thousand (2012: EUR 469 thousand), OeKB spent EUR 1,303 per employee for training and development (2012: EUR 1,188). The average amount of time spent in training and development activities increased to 5.5 days per employee, from 5.3 days in 2012.

OEKB'S STAFF

	2011	2012	**2013**
Total number of employees as of 31 December	393	395	393
Of whom part-time employees	*86*	*91*	*97*
Total employees in full-time equivalents	366	368	363
Average number of employees	365	362	363
Indicators			
Turnover rate	4.1%	1.8%	2.3%
Sick days per year and employee	8.6	8.5	8.6
Training days per year and employee	5.3	5.3	5.5
Proportion of total positions held by women	57.0%	56.0%	56.7%
Proportion of management positions held by women	32.1%	32.1%	32.1%
Proportion of positions that are part-time	21.9%	23.0%	24.7%

The staff count eased from 368 full-time equivalents in the prior year to 363 at the end of 2013. Profit for the year per full-time equivalent was EUR 134 thousand.

The Executive Board would like to express its gratitude and appreciation to all employees for their commitment and contribution to the good business performance achieved. This sincere "thank you" also goes to the Staff Council, whose members, true to tradition, represented the interests of both the employees and the bank.

Proposal for the appropriation of profit

Unallocated profit for the year 2013	20,296,965.88	EUR
Profit brough forward from the prior year	5,068.25	EUR
Profit available for distribution 2013	20,302,034.13	EUR
be used as follows:		
Payment of a dividend of EUR 22.75 per share on 880,000 no-par value shares	20,020,000.00	EUR
Payment of profit-based emoluments to the Supervisory Board	275,000.00	EUR
Profit to be carried forward	7,034.13	EUR

Outlook for 2014

For the macroeconomy, 2014 will be another difficult year and the uncertainties will continue, albeit with regional differences. This poses a major challenge for the Austrian export industry. As in the past, in these demanding times OeKB will continue to offer exporters support both through export credits and through guarantees for the financing of business acquisitions and company start-ups. However, because of the expiry profile of the portfolio of export financing contracts – especially as a result of the reduction in financing of direct investments – it appears likely that, depending on the actual course of business, credit disbursements will decrease in 2014 by approximately EUR 750 million from the prior year.

The two credit insurers, OeKB Versicherung AG and PRISMA Kreditversicherungs-AG, also expect a difficult environment in 2014, in spite of easing insolvency forecasts.

For 2014 OeKB expects its investments in securities to deliver steady income in light of the lasting low interest rates prevailing despite the recently improved economic forecasts for the USA and the eurozone. The risk premiums on Austrian treasury instruments continued to fall, which should further improve the terms for OeKB's access to the market.

On balance, OeKB is well prepared to meet the challenges ahead and expects a sustained stable trend in operating income.

Vienna, 14 February 2014

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Rudolf Scholten Angelika Sommer-Hemetsberger

OeKB AG company financial statements 2013

ASSETS

	Balance sheet of OeKB AG at	31 Dec 2013	31 Dec 2012
	Assets	EUR	EUR thousand
01	**Cash and balances at central banks**	520,361,412.65	124,162
02	**Treasury bills and similar securities eligible for rediscount at the central bank**	73,936,499.19	61,888
03	**Loans and advances to banks**	88,642,059.63	441,392
a)	Repayable on demand	21,442,059.63	9,186
b)	Other loans and advances	67,200,000.00	432,206
	Of which to subsidiaries	*67,200,000.00*	*70,000*
04	**Loans and advances to customers**	5,752,715.76	5,666
	Of which to:		
	Subsidiaries	*0.00*	*0*
	Investees other than subsidiaries	*0.00*	*0*
05	**Bonds and other fixed income securities**	131,063,551.77	141,756
a)	Of public sector issuers	0.00	1,324
b)	Of other issuers	131,063,551.77	140,432
	Of which:		
	Own bonds	*0.00*	*0*
	Debt issued by investees	*0.00*	*0*
06	**Equity shares and other variable income securities**	175,120,913.01	175,202
07	**Interests in investees other than subsidiaries**	18,013,832.40	18,045
	Of which in banks	*0.00*	*0*
08	**Interests in subsidiaries**	34,490,658.35	28,641
	Of which in banks	*10,987,514.80*	*10,988*
09	**Non-current intangible assets**	1,103,006.00	1,057
10	**Property and equipment**	28,793,700.43	32,157
	Of which land and buildings occupied for own business use	*23,476,277.90*	*26,689*
11	**Other assets**	6,751,678.73	3,955
12	**Prepayments and accrued income**	109,799,270.29	104,925
13	**Assets related to export financing**	23,825,260,347.58	26,427,643
13.1	Treasury bills and similar securities eligible for rediscount at the central bank	642,114,749.68	470,973
13.2	Loans and advances to banks:		
	Others (with agreed maturity or notice period)	22,383,049,869.57	24,976,905
	Of which to subsidiaries	*1,259,820,064.63*	*1,182,828*
13.3	Loans and advances to customers	398,843,811.42	466,377
13.4	Bonds and other fixed income securities	374,404,942.42	485,520
	Of which own bonds	*18,902,508.78*	*92,951*
13.5	Other assets	203,784.48	46
13.6	Prepayments and accrued income	26,643,190.01	27,822
	Of which for issue of own debt securities	*26,643,190.01*	*27,822*
	Total assets	25,019,089,645.79	27,566,488
	Memo items		
1	Foreign assets	2,720,385,043.13	2,868,917

LIABILITIES AND EQUITY

Balance sheet of OeKB AG at	31 December 2013	31 December 2012
Liabilities and equity	EUR	EUR thousand
01 Deposits from banks	495,626,305.35	441,405
a) Repayable on demand	223,269,957.75	225,869
b) With agreed maturity or notice period	272,356,347.60	215,537
Of which from subsidiaries	*44,976,386.49*	*61,153*
02 Deposits from customers (sub-item: Non-savings deposits)	82,256,979.18	96,473
Of which:		
aa) Repayable on demand	82,256,979.18	96,473
bb) With agreed maturity or notice period	0.00	0
From subsidiaries	*36,725,853.73*	*53,369*
From investees other than subsidiaries	*10,405,941.10*	*12,469*
03 Sundry liabilities	4,627,526.12	7,488
04 Accruals and deferred income	7,023,066.37	7,269
05 Provisions	155,250,274.81	155,610
a) Termination benefit provisions	23,150,586.00	23,852
b) Pension provisions	91,072,868.00	87,360
c) Tax provisions	960,723.55	5,135
d) Other provisions	40,066,097.26	39,264
06 Called-up share capital	130,000,000.00	130,000
07 Allocated capital reserves	3,347,629.63	3,348
08 Retained earnings	266,798,977.35	237,979
a) Statutory reserve	10,601,796.47	10,602
b) Other reserves	256,197,180.88	227,377
09 Liability reserve under section 23(6) Austrian Banking Act	23,850,000.00	23,850
10 Profit available for distribution	20,302,034.13	30,283
11 Untaxed reserves	4,746,505.27	5,140
a) Valuation reserve from special depreciation	4,746,505.27	5,140
b) Other untaxed reserves	0.00	0
12 Liabilities related to export financing	23,825,260,347.58	26,427,643
12.1 Deposits from banks	66,819,016.62	1,281,403
a) Repayable on demand	*0.00*	*0*
b) With agreed maturity or notice period	*66,819,016.62*	*1,281,403*
12.2 Deposits from customers	568,890,295.31	545,137
a) Repayable on demand	*541,151,123.76*	*518,240*
b) With agreed maturity or notice period	*27,739,171.55*	*26,898*
12.3 Debt securities in issue	22,028,198,989.57	23,506,908
a) Bonds issued	*16,016,080,982.44*	*18,091,467*
b) Other debt securities in issue	*6,012,118,007.13*	*5,415,441*
12.4 Sundry liabilities	24,262,699.47	34,169
12.5 Accruals and deferred income	97,648,660.30	86,391
12.6 Provisions (sub-item: Other provisions)	1,039,440,686.31	973,634
Total liabilites and equity	25,019,089,645.79	27,566,488
Memo items		
1 Off-balance sheet credit risks	2,610,224,326.64	3,226,516
2 Available regulartory capital under section 23(14) Austrian Banking Act	538,540,799.12	510,161
3 Minimum regulatory capital requirement under section 22(1) Austrian Banking Act	52,497,750.66	58,848
4 Foreign liabilities	23,522,830,675.91	25,268,732

INCOME STATEMENT OF OeKB AG FOR THE YEAR ENDED 2013

				2013	2012
			EUR	EUR	EUR thousand
01.		Interest and similar income		514,299,151.18	772,155
		Of which from fixed-income securities		*8,251,435.33*	*14,032*
02.	-	Interest and similar expense		444,388,281.88	684,634
I.		**Net interest income**		**69,910,869.30**	**87,521**
03.	+	Income from securities and investees		11,524,096.22	7,926
		a)Income from equity shares, other ownership interests and variable income securities	*2,503,011.26*		*2,503*
		b)Share of results of investees other than subsidiaries	*1,243,510.66*		*1,588*
		c)Dividends from subsidiaries	*7,777,574.30*		*3,835*
04.	+	Fee and commission income		51,702,003.44	53,531
05.	-	Fee and commission expense		7,389,924.53	8,731
06.	+/-	Income/(expense) from financial operations		(159,422.59)	(39)
07.	+	Other operating income		12,127,892.76	9,477
II.		**Operating income**		**137,715,514.60**	**149,686**
08.	-	Administrative expenses		73,040,979.52	73,416
		*a)*Staff costs		51,550,873.34	*51,891*
		Of which:			
		aa)*Salaries*	*33,872,154.70*		*33,457*
		bb)*Statutory social security costs, pay-based levies, and pay-based other compulsory contributions*	*7,382,632.69*		*7,035*
		cc)*Other social expenses*	*1,345,250.47*		*1,309*
		dd)*Expenses for retirement and other post-employment benefits*	*4,192,686.78*		*4,154*
		ee)*Additions to pension provision*	*3,711,005.75*		*4,257*
		ff)*Expenses for termination benefits and contributions to termination benefit funds*	*1,047,142.95*		*1,679*
		*b)*Other administrative expenses		21,490,106.18	*21,525*
09.	-	Impairment losses on asset items 9 and 10		5,020,675.17	4,516
10.	-	Other operating expenses		1,327,536.59	1,458
III.		**Operating expenses**		**(79,389,191.28)**	**(79,390)**
IV.		**Operating profit**		**58,326,323.32**	**70,296**
11.	+/-	Net loss on disposal and valuation of loans and advances and securities		2,993,792.29	8,358
12.	+/-	Net loss on disposal and valuation of securities measured as non-current financial assets and of interests in subsidiaries and other investees		46,473.65	(1,231)
V.		**Profit before tax**		**61,366,589.26**	**77,422**
13.	-	Income tax		12,643,481.38	17,962
14.	-	Other taxes (unless shown under item 13)		0.00	0
VI.		**Profit for the year**		**48,723,107.88**	**59,460**
15.	-	Transfer to reserves		28,426,142.00	29,181
		Of which transfer to liability reserve		*0.00*	*0*
VII.		**Unallocated profit for the year**		**20,296,965.88**	**30,279**
16.	+	Profit brought forward from the prior year		5,068.25	4
VIII.		**Profit available for distribution**		**20,302,034.13**	**30,283**

Items in the financial statements are shown only if a non-zero amount is associated with them.

Notes to the company financial statements

1. General information on accounting policies

The separate financial statements of Oesterreichische Kontrollbank Aktiengesellschaft ("OeKB AG", "OeKB" or "the Bank") were prepared in accordance with the provisions of the Austrian Commercial Code (UGB, or "Commercial Code") and the bank-specific portions of the Austrian Banking Act (BWG, or "Banking Act").

Consistent with its existing accounting practice, OeKB elected to make use of the capitalisation option under section 198(7) Commercial Code.

Format of the balance sheet and income statement

For greater clarity, the format of the balance sheet provides more detail than the format set out in annex 2 to section 43 Banking Act, in that items related to the OeKB-operated Export Financing Scheme are shown separately. The use of this expanded format is permitted by section 43(2) Banking Act.

Measurement principles

Assets and liabilities are measured in accordance with the provisions of sections 201 to 211 Commercial Code, subject to the departures arising from sections 55 to 58 Banking Act.

Measurement of certain balance sheet items

- Securities are measured at cost (using the weighted average cost formula), applying conservative valuation at the lower of cost or market value (section 207 Commercial Code, subject to section 57 Banking Act).

  In respect of the securities investments serving as a liquid assets portfolio for the Export Financing Scheme, interest rate swaps (in the form of asset swaps) were used to hedge the interest rate risk. The hedging periods and amounts of the hedged items and corresponding derivatives are identical, which means that hedge effectiveness is given. The respective hedged items and hedging instruments thus qualify for hedge accounting. Any valuation effects from changes in credit spreads are accounted for by conservative measurement at the lower of cost or market.

- Interests in investee companies are measured at cost less any impairment.

- Property and equipment and intangible assets (buildings, fixtures, fittings and equipment, leasehold improvements, software and other non-current assets) are measured at cost less depreciation and amortisation. The valuation reserve from accelerated tax depreciation effected in prior years is presented as a separate item under reserves, in accordance with the standard format set out in the Austrian Banking Act.

- Foreign currency items are ordinarily measured at middle rates of exchange in effect at the balance sheet date. However, where the Republic of Austria has furnished an exchange rate guarantee under the Export Financing Guarantees Act (AFFG, published in Federal Law Gazette No. 216/1981, as amended), measurement is made at the guaranteed exchange rate.

- Provisions for current and future pension obligations and for termination benefits are determined on the basis of generally accepted actuarial principles, using the projected unit credit method in accordance with International Accounting Standard 19. The calculations assume a discount rate of 3.25% (2012: 3.5%) and an age at retirement of 64 years for men (2012: 63 years 9 months) and 59 years for women (2012: 58 years 9 months), and are based on the computation tables by Pagler & Pagler.

- Deferred taxes are recognised in accordance with section 198(9) and (10) Commercial Code.

- The provision for interest rate stabilisation relates to the future support of interest rates on export credits for which OeKB carries the interest rate risk, and also to the interest rate risk from the funding of the Export Financing Scheme. Any surplus of (i) interest income (after deduction of OeKB's required interest margin) on financing facilities not subject to interest support over (ii) the respective funding costs is added to the interest rate stabilisation provision; in the event of a deficit, this provision is used to cover the shortfall, which is the purpose of the provision.

- In the case of swap contracts – which relate almost exclusively to funding operations for export financing – the interest payable both on the hedged transaction and on the swap is recognised in the time periods in which it accrues. To the extent of any timing differences between the interest payment obligations of OeKB and of the swap counterparty, the amounts payable are recognised within other loans and advances to banks. Where covered by an exchange rate guarantee under the Export Financing Guarantees Act, foreign currencies are translated at the guaranteed rates of exchange.

2. Notes to the balance sheet

2.1 Financial position

To highlight the overall trends in the balance sheet of OeKB AG in the 2013 financial year, a condensed balance sheet, divided into two sections, is presented in the accompanying table for the last three years.

The decrease visible in the table of about EUR 2.5 billion (9.2%) in total assets compared with the prior year, to a new balance of EUR 25.0 billion, was attributable largely to a reduction in lending under the Export Financing Scheme, with loans and advances to banks easing by approximately EUR 2.6 billion to a new total of EUR 22.4 billion.

FINANCIAL POSITION

EUR thousand **Assets**	31 Dec 2011	31 Dec 2012	+/-	Change	in %	**31 Dec 2013**
I. Own account	**1,305,684**	**1,138,845**	**+**	**54,985**	**4.8**	**1,193,830**
Cash and balances at central banks	586,150	124,162	+	396,199	319.1	520,361
Treasury bills and similar securities	54,674	61,887	+	12,049	19.5	73,936
Loans and advances to:						
Banks	101,704	441,392	-	352,750	79.9	88,642
Customers	7,097	5,666	+	87	1.5	5,753
Securities	376,816	316,958	-	10,773	3.4	306,185
Interests in subsidiaries and other investees	47,917	46,686	+	5,818	12.5	52,504
Property and equipment and intangibles	31,271	33,214	-	3,317	10.0	29,897
Other assets	100,055	108,880	+	7,671	7.0	116,551
II. Export financing account	**30,832,863**	**26,427,643**	**-**	**2,602,383**	**9.8**	**23,825,260**
Treasury bills and similar securities	456,479	470,973	+	171,141	36.3	642,114
Loans and advances to:						
Banks	29,377,196	24,976,905	-	2,593,855	10.4	22,383,050
Customers	543,003	466,377	-	67,533	14.5	398,844
Bonds and other fixed income securities	405,852	485,520	-	111,115	22.9	374,405
Other assets	8,424	46	+	158	343.5	204
Prepayments and accrued income	41,909	27,822	-	1,179	4.2	26,643
Total assets	**32,138,547**	**27,566,488**	**-**	**2,547,398**	**9.2**	**25,019,090**
Liabilities and equity						
I. Own account	**1,305,684**	**1,138,845**	**+**	**54,985**	**4.8**	**1,193,830**
Deposits from:						
Banks	670,487	441,405	+	54,221	12.3	495,626
Customers	83,685	96,472	-	14,215	14.7	82,257
Equity	371,136	400,317	+	28,426	7.1	428,743
Employee benefit provisions	105,992	111,212	+	3,012	2.7	114,224
Profit available for distribution	20,292	30,283	-	9,981	33.0	20,302
Other liabilities	54,092	59,156	-	6,478	11.0	52,678
II. Export financing account	**30,832,863**	**26,427,643**	**-**	**2,602,383**	**9.8**	**23,825,260**
Deposits from:						
Banks	302,816	1,281,403	-	1,214,584	94.8	66,819
Customers	513,754	545,138	+	23,752	4.4	568,890
Debt securities in issue	29,073,805	23,506,908	-	1,478,709	6.3	22,028,199
Sundry liabilities	5,675	34,169	-	9,906	29.0	24,263
Accruals and deferred items	90,210	86,391	+	11,257	13.0	97,648
Provisions	846,603	973,634	+	65,807	6.8	1,039,441
Total liabilities and equity	**32,138,547**	**27,566,488**	**-**	**2,547,398**	**9.2**	**25,019,090**

2.2 I. Own-account section of the balance sheet

The increase of EUR 55 million in overall assets in the own-account portion of the balance sheet reflected mainly a higher credit balance with Oesterreichische Nationalbank (the Austrian central bank) and a contraction in loans and advances to banks.

The item land and buildings included land valued at EUR 4,398,853.90. Of the securities held, securities in the amount of EUR 45,830,576.07 are maturing in 2014.

For the purposes of section 64(1)10 and 11 Banking Act, the analysis of securities holdings is as follows:

EUR	Admitted to trading on exchange and listed	*Of which securities held as non-current assets*
Treasury bills and similar securities eligible for rediscount at the central bank	73,936,499.19	*0.00*
Bonds and other fixed income securities	131,063,551.77	*0.00*
Equity shares and other variable income securities	2,010,524.28	*0.00*

As a disclosure under section 56(4) Banking Act, the difference between the market value and carrying amount of securities held as current assets was EUR 9,429,896.81.

For the entire investment portfolio, the difference between market value and carrying amount was a total of EUR 78,879,158.78.

While interests in subsidiaries and other investees by their nature represent non-current assets, the Executive Board has adopted rules for the other securities categories to the effect that the classification of securities to non-current assets is made on the basis of, among other factors, maturity and the relationship between cost and face amount. As at 31 December 2013, like one year earlier, all securities holdings were classified as current assets; OeKB does not hold a trading portfolio and therefore has no trading book. The asset items contained no subordinated assets.

The item “other assets” in the condensed balance sheet consists mainly of prepayments and accrued income and other receivables, including accounts receivable from subsidiaries. The increase of 7.0% compared to the prior year was attributable to a rise in deferred tax assets. The decrease in the item “other liabilities” (which consists primarily of sundry liabilities, accruals and deferred items, and provisions) stemmed from lower tax provisions.

Prepayments and accrued income included deferred tax assets under section 198(10) Commercial Code in the amount of EUR 107,654,229.82 (2012: EUR 102,681,007.41).

In accordance with section 3(2)1 Banking Act, OeKB is exempt from the special liquidity requirements set out in the Banking Act.

COMPANIES WHOLLY OR PARTLY OWNED BY OEKB AG

Company name and registered office	Banking Act Category[1]	Type of investment		Share-holding	Financial information		
	Credit Institution /Other Company	Directly held	Indirectly held	in %	Reporting date of latest annual accounts	Equity as defined in sec. 224(3) UGB[2], in EUR thousand	Profit for the year, EUR thousand
Subsidiaries							
Oesterreichische Entwicklungsbank AG, Vienna	CI	x		100.00	31 Dec 2013	9,203	2,024
"Österreichischer Exportfonds" GmbH, Vienna	CI	x		70.00	31 Dec 2013	10,875	787
OeKB EH Beteiligungs- und Management AG, Vienna	OC	x		51.00	31 Dec 2013	94,349	10,979
OeKB Versicherung Aktiengesellschaft, Vienna	OC		x	51.00	31 Dec 2013	37,276	1,644
PRISMA Kreditversicherungs-Aktiengesellschaft, Vienna	OC		x	51.00	31 Dec 2013	52,106	11,245
PRISMA Risikoservice GmbH, Vienna	OC		x	51.00	31 Dec 2013	12,993	3,129
PRISMA Risk Services D.O.O., Belgrad	OC		x	51.00	31 Dec 2013	502	35
CCP Austria Abwicklungsstelle für Börsengeschäfte GmbH, Vienna	OC	x		50.00	31 Dec 2013	11,566	(281)
OeKB Business Services GmbH, Vienna	OC	x		100.00	31 Dec 2013	2,271	23
OeKB Zentraleuropa Holding GmbH, Vienna	OC	x		100.00	31 Dec 2013	4,534	18
Other investees							
AGCS Gas Clearing and Settlement AG, Vienna	CO	x		20.00	31 Dec 2012	2,991	(53)
APCS Power Clearing and Settlement AG, Vienna	CO	x		17.00	31 Dec 2012	2,571	167
CISMO Clearing Integrated Services and Market Operations GmbH, Vienna	CO	x		18.50	31 Dec 2012	3,047	2,239
Einlagensicherung der Banken und Bankiers Gesellschaft m.b.H., Vienna	CO	x		0.10	31 Dec 2012	77	0
EXAA Abwicklungsstelle für Energieprodukte AG, Vienna	CO	x		8.06	31 Dec 2012	3,127	703
"Garage Am Hof" Gesellschaft m.b.H., Vienna	CO	x		2.00	31 Dec 2012	4,314	1,128
OeMAG Abwicklungsstelle für Ökostrom AG, Vienna	CO	x		12.60	31 Dec 2012	5,467	422
CEESEG Aktiengesellschaft (vormals Wiener Börse AG), Vienna	CO	x		6.60	31 Dec 2012	319,144	13,775
Budapest Stock Exchange Ltd., Budapest	CO	x		18.35	31 Dec 2012	18,696	1,972

[1] "Other Company" (OC) refers to companies that are neither Credit Institutions nor Financial Institutions by the definitions of the Austrian Banking Act.

[2] "UGB" refers to the Austrian Commercial Code.

2.3 II. Export finance section of the balance sheet

In 2013 the total assets associated with export financing decreased by about EUR 2.6 billion from one year earlier, a decrease of 9.8%.

In the year under review, EUR 4.7 billion was used for the disbursement of export loans. EUR 7.5 billion was received under loan repayments. At the end of the year, export finance loans and advances outstanding had thus decreased by EUR 2.8 billion. The export financing loan book comprised a total of about 3,000 credits at the year end.

New borrowings in 2013 amounted to EUR 24.0 billion, and OeKB repaid EUR 26.9 billion on debts (both new borrowings and the serviced existing debt instruments were denominated in euros and foreign currencies). At 31 December 2013, OeKB had access to EUR 3.8 billion of overnight funds under the ECB's marginal lending facility.

In the reporting period, as in the prior year, most of the debt securities were issued abroad. In 2011 and 2012 the amount of the item "domestic liabilities" had risen significantly as a result of an increase in recourse to short-term time deposits. In 2013 this exceptional factor did not recur and the amount of export finance lending thus fell by 52% from the 2012 level.

The securities holdings totalling EUR 1,016,519,692.10 are all classified as current assets. All are admitted to trading on a stock exchange and are listed. The aggregate carrying amount of these securities exceeded their market value by EUR 627,138.11. Of the securities held, securities in the amount of EUR 52,557,500.00 are maturing in 2014.

2.4 Fiduciary assets and liabilities

The transactions overseen by OeKB as trustee represent neither financial nor legal exposure for the Bank. They are recognised in the balance sheet within the following items:

In the prior years, loans and advances to customers (fiduciary assets) and deposits from banks (fiduciary liabilities) included a syndicated financing for Histraduth. In 2013, in agreement with all members of the syndicate, this item was written off as unrecoverable.

Export financing account:

Fiduciary assets: EUR 11,834,711.76 within loans and advances to banks

Fiduciary liabilities: EUR 11,834,711.76 within deposits from customers with agreed maturity or notice period

2.5 Supplementary information regarding the balance sheet — Liabilities in connection with the Export Financing Scheme

DEBT SECURITIES IN ISSUE AND OTHER LIABILITIES IN CONNECTION WITH THE EXPORT FINANCING SCHEME

		Amounts issued (nominal value) in currency units thousand	Amount outstanding at 31 Dec 2012 (incl. premium) in EUR thousand	Maturity		**Amounts issued (nominal value) in currency units thousand**	**Amount outstanding at 31 Dec 2013 (incl. premium) in EUR thousand**	**Maturity**
I. Debt securities in issue[1]			**23,506,908**				**22,028,199**	
Issued in euros								
Euros	EUR	10,274,000	10,274,000	2017	EUR	7,238,100	7,238,100	2017
Of which held by OeKB			*(5,524,000)*				*(4,238,100)*	
Total issued in euros			**4,750,000**				**3,000,000**	
Issued in foreign currency								
US dollars	USD	12,600,000	8,597,753	2017	USD	12,580,000	8,312,803	2018
Japanese yen	JPY	80,000,000	619,893	2014	JPY	80,000,000	619,893	2014
Swiss francs	CHF	6,920,000	4,454,668	2036	CHF	6,670,000	4,298,840	2036
Pounds sterling	GBP	150,000	177,278	2028	GBP	150,000	177,278	2028
Australian dollars	AUD	850,000	552,120	2018	AUD	850,000	552,120	2018
Norwegian kroner	NOK	1,500,000	146,823	2021	NOK	1,500,000	146,823	2021
Total issued in foreign currency			**14,548,535**				**14,107,757**	
Total issued			**19,298,535**				**17,107,757**	
Interest expense accrual, and redemption payments in the course of transmission to security holders			132,891				110,794	
Of which held by OeKB			*(1,400)*				*(964)*	
Total interest expense accrual, and redemption			**131,491**				**109,830**	
Commercial Papers			**4,076,883**				**4,810,612**	
II. Other liabilities in connection with export financing			**1,860,710**				**659,972**	
Deposits from banks			**1,281,403**				**66,819**	
Austrian lenders in euros			1,042,500				-	
Austrian lenders in foreign currencies			-				-	
Foreign lenders in euros			445,000				172,200	
Foreign lenders in foreign currencies			1,632	2014			640	2014
Interest expense accrual and netting accounting entity			(207,728)				(106,021)	
Deposits from customers			**545,138**				**568,890**	
Domestic customers in euros			518,240				541,151	
Domestic customers in euros (long-term)			26,898	2024			27,739	2024
Domestic customers in foreign currency			-				-	
Foreign customers in euros			-				-	
Foreign customers in foreign currency			-				-	
Sundry liabilities			**34,169**				**24,263**	
Sundry liabilities in euros			32,647				23,597	
Sundry liabilities in foreign currency			1,523				665	
Total issued + long-term liabilities			**19,327,065**				**17,136,136**	
Of which contractual maturities in the subsequent year			*6,127,894*				*5,006,607*	
Of which bonds			*6,127,088*				*5,005,598*	

[1] For a portion of these borrowings, related positions existed in swaps.

[2] Open market operation of the ECB at the end of 2012: EUR 800 million

The table above does not include own bonds in the amount of EUR 18.9 million (2012: EUR 92.8 million).

PROVISIONS

The provision recognised in connection with export financing (EUR 1,039.4 million) consisted entirely of an interest rate stabilisation provision to stabilise interest rates on export lending facilities.

Under the provisions unrelated to export finance, "other provisions" pertained primarily to risks in relation to various software projects and general business risks (EUR 28.5 million).

NON-CURRENT ASSETS IN 2013

EUR	Cost at 1 Jan 2013	Additions in 2013	Disposals in 2013	Accumulated depreciation and amortisation	Net book value at 31 Dec 2013	Net book value at 31 Dec 2012	Depreciation and amortisation 2013
Non-current intangible assets	3,909,397.31	374,241.33	615.00	3,180,017.64	1,103,006.00	1,056,864.00	328,099.33
Property and equipment	105,817,755.83	1,375,061.73	2,606,532.13	75,792,585.00	28,793,700.43	32,156,857.43	4,692,575.84
Subtotal	**109,727,153.14**	**1,749,303.06**	**2,607,147.13**	**78,972,602.64**	**29,896,706.43**	**33,213,721.43**	**5,020,675.17**
Interests in investees other than subsidiaries	27,055,684.95	0.00	731,530.00	8,310,322.55	18,013,832.40	18,045,082.39	0.00
Interests in subsidiaries	28,640,658.35	5,850,000.00	0.00	0.00	34,490,658.35	28,640,658.36	0.00
Total	**165,423,496.44**	**7,599,303.06**	**3,338,677.13**	**87,282,925.19**	**82,401,197.18**	**79,899,462.18**	**5,020,675.17**

VALUATION RESERVES

EUR	At 1 January 2013	Additions in 2013	Releases in 2013	At 31 December 2013
Land and buildings	1,872,853.00	0.00	299,257.00	1,573,596.00
Fixtures, fittings and equipment	254,728.00	0.00	94,565.00	160,163.00
Securities	3,012,746.27	0.00	0.00	3,012,746.27
Total	**5,140,327.27**	**0.00**	**393,822.00**	**4,746,505.27**

3. Regulatory capital under the Austrian Banking Act

OeKB's regulatory capital as defined in the Banking Act is shown in the table below.

Pursuant to section 3(1)7 Banking Act, transactions in connection with the Export Financing Scheme are exempted from the administrative regulations of sections 22 to 22q and 25 to 27 Banking Act.

In the year under review, no transfer to the liability reserve was required. The valuation reserves under section 12 Austrian Income Tax Act (EStG, "Income Tax Act") resulting from special depreciation under sections 8 and 122 Income Tax Act 1972 were drawn down through use for their intended purpose. EUR 28.8 million was transferred to the uncommitted reserve.

EUR thousand	**2013**	2012
Regulatory capital requirement under section 22 Austrian Banking Act		
Risk-weighted assets (based on Standardised approach to credit risk)	280,259	359,843
Trading book	-	-
Total risk-weighted assets	**280,259**	**359,843**
Regulatory capital requirement		
Banking book [1]	22,421	28,787
Foreign exchange risk	8,292	7,709
Operational risk (Basic Indicator approach)	21,785	22,352
Total regulatory capital requirement	**52,498**	**58,848**
Regulatory capital requirement under section 23 Austrian Banking Act		
Paid-up share capital	130,000	130,000
Reserves	298,743	270,317
Intangible assets	(1,103)	(1,057)
50% deductions under section 23(13)4a Banking Act (investments in insurance companies)	(8,050)	(8,050)
Tier 1 capital	**419,590**	**391,210**
Tier 2 capital (reserve for general banking risks under section 57 Banking Act)	127,000	127,000
50% deductions under section 23(13)4a Banking Act (investments in insurance companies)	(8,049)	(8,049)
Total regulatory capital resources	**538,541**	**510,161**
Surplus regulatory capital	486,043	451,313

[1] *8% of total risk-weighted assets.*

Oesterreichische Kontrollbank AG has a share capital of EUR 130 million, divided into 880,000 shares of no par value. These registered ordinary shares with restricted transferability are represented by provisional share certificates made out in the name of each individual shareholder. The ownership structure of OeKB AG as at 31 December 2013 is presented in the Integrated group annual report.

4. Notes to the income statement

The following table summarises the main items of the company income statement of OeKB AG for the last three years.

CONDENSED INCOME STATEMENT

EUR thousand	2011	2012	+/-	Change	in %	**2013**
Net interest income and income from securities and investees	96,754	95,447	-	14,012	14.7	81,435
Net fee and commission fee	42,317	44,800	-	488	1.1	44,312
Income and expense from financial operations and other operating income	9,231	9,439	+	2,530	26.8	11,969
Operating income	**148,302**	**149,686**	**-**	**11,970**	**8.0**	**137,716**
Staff costs, including social security and pension costs	49,992	51,891	-	340	0.7	51,551
Other administrative expenses	21,189	21,525	-	35	0.2	21,490
Depreciation, amortisation and impairment losses on property and equipment and intangible assets	4,021	4,516	+	505	11.2	5,021
Other operating expenses	1,304	1,458	-	131	9.0	1,327
Operating expenses	**76,506**	**79,390**	**-**	**1**	0.0	**79,389**
Operating profit	**71,796**	**70,296**	**-**	**11,969**	17.0	**58,327**
Net loss on disposal and valuation of loans and advances, securities and interests in subsidiaries and other investees	(12,661)	7,126	-	4,086	57.3	3,040
Profit before tax	**59,135**	**77,422**	**-**	**16,055**	20.7	**61,367**
Taxes	14,276	17,962	-	5,318	29.6	12,644
Profit for the year	**44,859**	**59,460**	**-**	**10,737**	18.1	**48,723**
Net movement in reserves	(24,577)	(29,181)	+	755	2.6	(28,426)
Unallocated profit for the year	**20,282**	**30,279**	**-**	**9,982**	33.0	**20,297**
Profit brought forward from the prior year	10	4	+	1	25.0	5
Profit available for distribution	**20,292**	**30,283**	**-**	**9,981**	**33.0**	**20,302**

As the table shows, operating profit in 2013 decreased by 17.0% from the prior year. This was driven mostly by the decrease in net interest income.

As a result of lower redemption gains, there was a reduction of about 57% to EUR 3.0 million in the item “net gain on disposal and valuation of loans and advances, securities and interests in subsidiaries and other investees”.

After taxes, profit for the year was EUR 48.7 million in 2013, representing a decrease of 18.1% compared to the prior year.

The auditor’s remuneration is included within other administrative expenses and consists of an expense of EUR 216,000.00 for the audit of the 2013 company financial statements (2012: EUR 325,000.00).

As the regional focus of the activities lies in Austria, a geographic segmentation is omitted.

5. Supplementary disclosures

- Obligations from the use of off-balance sheet property and equipment:
  a) In the subsequent financial year: EUR 1.2 million
  b) In the subsequent five financial years (total): EUR 7.2 million.
- Derivative financial instruments at the balance sheet date:

EUR million	Notional amount	Fair values positive	Fair values negative
Interest rate swaps	17,077	324	304
Of which to subsidiaries	*0*	*0*	*0*
Currency swaps	14,528	326	1,142
Of which to subsidiaries	*0*	*0*	*0*
Foreign Exchange Forwards	1,196	0	95
Total	**32,801**	**650**	**1,541**

The fair values shown represent the clean prices of the derivatives. These transactions to hedge the interest rate risk and exchange rate risk are managed entirely in conjunction with export finance funding operations (debt capital raising) and thus form an economic unit with these debt instruments. In view of the exchange rate guarantee under the Export Financing Guarantees Act, no provision was made for negative market values of these derivatives. The fair values of derivatives are calculated by generally accepted methods.

- Other off-balance sheet transactions:
  The off-balance sheet credit risks of EUR 2,610,224,326.64 shown as memorandum items relate to undrawn credit facilities and commitments to lend, all of which are in connection with the Export Financing Scheme.

- Assets pledged as collateral:

EUR million	**2013**	2012
Securities pledged as collateral (market value)		
With OeNB for tender	4,387.3	5,662.1
For trading on future exchanges (EUREX)	25.7	26.2
For energy trading (ECC)	6.5	6.8
For stock exchange trading in Vienna (CCP.A)	0.5	-
For EUREX Repo platform	659.3	510.1
Collateral for credit risks of derivative transactions		
Collateral pledged	658.0	667.0
Collateral received	172.2	445.0

- Assets and liabilities denominated in foreign currency:
  The balance sheet contained foreign-currency-denominated items in the following translated amounts, largely related to export financing:
  Assets: EUR 1,523,862,400.38 Liabilities: EUR 18,969,186,271.40

- Maturity analysis of loans and advances and financial liabilities not repayable on demand (remaining maturities, in EUR thousand):

REMAINING MATURITIES

EUR thousand	Credit balances at banks and loans and advances to banks and customers		Deposits from banks and customers and debt securities in issue	
	2013	2012	**2013**	2012
Not more than 3 months	1,424,596	2,094,654	4,737,343	4,305,443
Over 3 months but not more than 1 year	8,011,976	8,723,872	4,563,380	5,194,752
Over 1 year but not more than 5 years	10,497,579	11,211,251	10,308,872	12,752,990
Over 5 years	3,998,115	4,621,836	2,773,743	3,204,353

- The disclosures required under section 26 and 26a Austrian Banking Act are provided in the consolidated financial statements of the OeKB Group.

- Related-party transactions: As a specialised institution for export services and capital market services, OeKB engages in many transactions with its shareholders. All these transactions are conducted at arm's length. The following balance sheet items include transactions with related parties of OeKB:

RELATED PARTY TRANSACTIONS

EUR thousand	**31 Dec 2013**	31 Dec 2012
Related party transactions with shareholders of OeKB		
Loans and advances to banks	16,043,896	19,494,938
Bonds and other fixed income securities	72,816	73,423
Deposits from banks	40,720	17,782
Related party transactions with unconsolidated subsidiaries		
Loans and advances from banks	1,329,820	1,252,830
Deposits from banks	44,976	61,152
Deposits from customers	36,723	53,370
Related party transactions with other investees		
Deposits from customers	10,406	12,469

There were no transactions with Executive Board or Supervisory Board members.

- Average number of employees (all were salaried): 2013: 363 (2012: 362)

- Expenses for pensions and termination benefits (including net additions to provisions):
  a) Executive Board members (including former members or their surviving dependants): EUR 3,446,677.18 (2012: EUR 2,247,540.62)
  b) Key managers EUR 2,514,361.03 (2012: EUR 1,113,391.67)
  c) Other employees: EUR 2,989,797.27 (2012: EUR 6,729,483.52)
  d) The item "expenses for termination benefits and contributions to termination benefit funds" included EUR 122,004.65 (2012: EUR 110,438.38) of contributions to termination benefit funds.

- Total remuneration of the Boards:
  a) Executive Board: Not disclosed, as permitted by section 241(4) Austrian Commercial Code
  b) Supervisory Board: EUR 275,000 (2012: EUR 270,246)
  c) Former members of the Executive Board or their surviving dependants: EUR 138,224.33 (2012: EUR 137,708.62).

- Members of the Executive Board
  Johannes Attems (until 31 December 2013)
  Rudolf Scholten
  Angelika Sommer-Hemetsberger (since 1 January 2014)

- Members of the Supervisory Board
  Erich Hampel, Chairman
  Walter Rothensteiner, 1st Vice-Chairman
  Franz Hochstrasser, 2nd Vice-Chairman
  Helmut Bernkopf
  Peter Bosek
  Gregor Deix (since 29 May 2013)
  Michael Glaser
  Dieter Hengl
  Reinhard Karl (until 29 May 2013)
  Michael Mendel (until 29 May 2013)
  Herbert Messinger
  Heimo Penker
  Angelo Rizzuti (until 29 May 2013)
  Karl Sevelda (since 24 September 2013)
  Herbert Stepic (until 24 September 2013)
  Herbert Tempsch (since 29 May 2013)
  Susanne Wendler (since 29 May 2013)
  Robert Zadrazil
  Franz Zwickl

  Staff Delegates:
  Martin Krull
  Erna Scheriau
  Alexandra Griebl
  Anish Gupta
  Elisabeth Halys (since 1 July 2013)
  Christian Leicher
  Claudia Richter
  Otto Schrodt (until 30 June 2013)
  Markus Tichy

- Government commissioners
  under section 76 Austrian Banking Act
  Harald Waiglein, Commissioner
  Johann Kinast, Deputy Commissioner

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

- Government commissioners
  under section 27 of the Articles of Association (supervision of bond cover pool)
  Beate Schaffer, Commissioner (since 1 November 2013)
  Johannes Ranftl, Commissioner (until 31 October 2013)
  Edith Wanger, Deputy Commissioner

Vienna, at 14 February 2014

Oesterreichische Kontrollbank Aktiengesellschaft

Signed by the Executive Board

Rudolf Scholten Angelika Sommer-Hemetsberger

Auditor's Report

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements, including the accounting system, of

Oesterreichische
Kontrollbank Aktiengesellschaft,
Vienna,

for the fiscal year from 1 January 2013 to 31 December 2013. These financial statements comprise the balance sheet as of 31 December 2013, the income statement for the fiscal year ended 31 December 2013, and the notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS AND FOR THE ACCOUNTING SYSTEM

The Company's management is responsible for the accounting system and for the preparation and fair presentation of these financial statements in accordance with Austrian Generally Accepted Accounting Principles and Austrian Banking Act. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITORS' RESPONSIBILITY AND DESCRIPTION OF TYPE AND SCOPE OF THE STATUTORY AUDIT

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and Austrian Standards on Auditing. Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

OPINION

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the financial statements comply with legal requirements and give a true and fair view of the financial position of the Company as of 31 December 2013 and of its financial performance for the year from 1 January 2013 to 31 December 2013 in accordance with Austrian Generally Accepted Accounting Principles.

REPORT ON OTHER LEGAL REQUIREMENTS (MANAGEMENT REPORT)

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

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

Vienna, 14 February 2014

KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Signed by

Martin Wagner ppa Renate Vala

Austrian Chartered Accountants

This report is a translation of the original report in German, which is solely valid. The financial statements together with our auditor's opinion may only be published if the financial statements and the management report are identical with the audited version attached to this report. Section 281 paragraph 2 UGB (Austrian Commercial Code) applies.

Publication information

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

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