

ANNUAL REPORT 2023



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one-stop shop for exporters

# Table of contents

CHAPTER I	<b>The Office du Ducroire</b>	7
	Message from the Chairman	9
	Corporate governance	10
	Mission: one-stop shop for exporters	12
CHAPTER II	<b>Activities 2023</b>	15
	1. Insurance	16
	Key figures of 2023	16
	Insurance of medium- and long-term business	19
	Insurance of short-term business	21
	Insurance of prefinancing contracts	23
	Insurance of bank loans and guarantees	24
	2. Financial support for exports	26
	Key figures of 2023	26
CHAPTER III	<b>Annual Accounts</b>	31
	1. Auditor's report	32
	2. Balance sheets and profit and loss accounts	36
	Insurance	36
	Financial support	46
	3. Notes to the annual accounts	48
CHAPTER IV	<b>Corporate and Social responsibility</b>	65



CHAPTER I

# THE OFFICE DU DUCROIRE

1. MESSAGE FROM THE CHAIRMAN
2. CORPORATE GOVERNANCE
3. MISSION: ONE-STOP SHOP FOR EXPORTERS

“ Through our dedicated actions, we continue to uphold our mission of enhancing the competitiveness and sustainability of Luxembourg’s export sector. ”

## Message from the Chairman

ARSÈNE JACOBY



Dear Customers, Dear Exporters,  
Dear interested Readers,

In 2023, ODL achieved significant growth and milestones in its operations. New insured business saw an impressive increase of 30%, while written premiums rose by 28% compared to 2022. This growth underscores our strengthened support for Luxembourg exporters and our role in facilitating international trade.

Breaking down our new business, 45% pertains to bank credit and bank guarantee insurance, another 45% to export insurance, and the remaining 10% to pre-financing contracts. These figures highlight our diversified approach to meeting the various needs of our clients. ODL’s total commitments increased by 257 million euros over the previous year, reflecting our enhanced capacity to support businesses.

These achievements reflect our continuous effort to adapt and expand our services, ensuring robust support for Luxembourg’s export community and contributing to the country’s economic resilience and growth. ODL has effectively fulfilled its role as Luxembourg’s official Export Credit Agency, dedicated to serving the nation’s exporters. Our achievements this year are a testament to our commitment to innovation, ecological and energy transitions, and comprehensive entrepreneurial support. We have significantly increased our resources to foster innovation, boosting our support for businesses as they navigate the complexities of ecological and energy transitions. Our efforts have been aimed at facilitating the diversification of our economy to further enhance economic resilience and support the transition to net-zero carbon economies.

ODL has been proactive in driving the transformation of Luxembourg’s economy. Our initiatives have positioned us as a catalyst for change, contributing to the broader economic landscape of the country. Through our dedicated actions, we continue to uphold our mission of enhancing the competitiveness and sustainability of Luxembourg’s export sector.

Beyond mercantilism, macroeconomics, and geopolitics, increased international trade plays a crucial role in fostering cultural exchange and mutual understanding among diverse societies. It serves as a conduit for sharing traditions, values, and creative expressions, thereby promoting global cultural enrichment and interconnectedness. This cultural dimension of trade underscores its significance not only in economic terms but also in nurturing a more harmonious and cooperative global community.

Let me conclude by expressing my heartfelt gratitude to our staff for their dedication and hard work. On behalf of the Board of Directors of ODL, we thank you for your unwavering support and commitment to our export community.

# Corporate governance

## MANAGEMENT

- Ms Simone JOACHIM  
CEO
- Ms Danielle WIRTZ  
Deputy CEO
- Ms Anne-Cécile ACHTEN  
Legal Counsel
- Ms Elaina BRUCCOLERI (since May 2023)  
Account Manager
- Mr Charles-Emmanuel DE RIBAUCOURT  
Credit Analyst
- Mr Cristiano LEAL  
Accountant
- Ms Nadine MARQUES  
Account Manager
- Ms Ann SAHLIN (since January 2023)  
Credit Analyst
- Mr Nelson TEIXEIRA  
Account Manager

## AUDITOR

- Deloitte Audit

## BOARD OF DIRECTORS

- Mr Arsène JACOBY, Chairman  
Ministry of Finance
- Mr Pierre FRISCH  
Ministry of Finance
- Mr Jean-Louis THILL (until August 2023)  
Ministry of Foreign and European Affairs
- Ms Angèle DA CRUZ (since September 2023)  
Ministry of Foreign and European Affairs
- Mr André HANSEN (until October 2023)  
Ministry of the Economy
- Mr Max FISCHBACH (since November 2023)  
Ministry of the Economy
- Mr Yves BAUSTERT  
Commissariat aux Assurances
- Ms Cindy TEREBA  
Private sector
- Mr René WINKIN  
Private sector
- Mr David ARENDT  
Private sector

## LEGAL COMMITTEE

- Mr David ARENDT, Chairman
- Mr Michel LEESCH (until August 2023)
- Mr Eric MÜLLER (since September 2023)
- Mr Tom LOESCH

## AUDIT AND BUDGET COMMITTEE

- Mr Claude WIRION, Chairman
- Mr Arsène JACOBY
- Mr Pierre KRIER

## CREDIT COMMITTEE

- Mr Arsène JACOBY, Chairman
- Mr Pierre FRISCH
- Mr Hugo WOESTMANN

## COPEL

(Comité pour la promotion des exportations luxembourgeoises)

- Mr André HANSEN, Chairman  
Ministry of the Economy (until October 2023)
- Mr Max FISCHBACH, Chairman  
Ministry of the Economy
- Mr Benjamin BOSCH (since November 2023)  
Ministry of the Economy
- Mr Arsène JACOBY  
Ministry of Finance
- Mr Michel LEESCH (until August 2023)  
Ministry of Foreign and European Affairs
- Mr Eric MÜLLER (since September 2023)  
Ministry of Foreign and European Affairs
- Mr Gilles SCHOLTUS  
Ministry of the Economy



# Mission

## ONE-STOP SHOP FOR EXPORTERS

ODL, a public institution created in 1961, supports Luxembourg exporters in their international development through:

- financial support for exports
- insurance facilities for exports, imports, investments
- insurance facilities for banks that finance Luxembourg companies.

Through COPEL, ODL promotes Luxembourg exports of goods and services by granting financial support either as partial reimbursement of the costs related to the promotion of exports and the participation in trade fairs, or as advances repayable under certain conditions.

As an insurer, ODL covers Luxembourg exporting companies against the risk of non-payment of their customers / suppliers due to insolvency, payment default or due to political events such as the risk of currency transfer, war, revolutions, expropriation, government action or natural disasters.

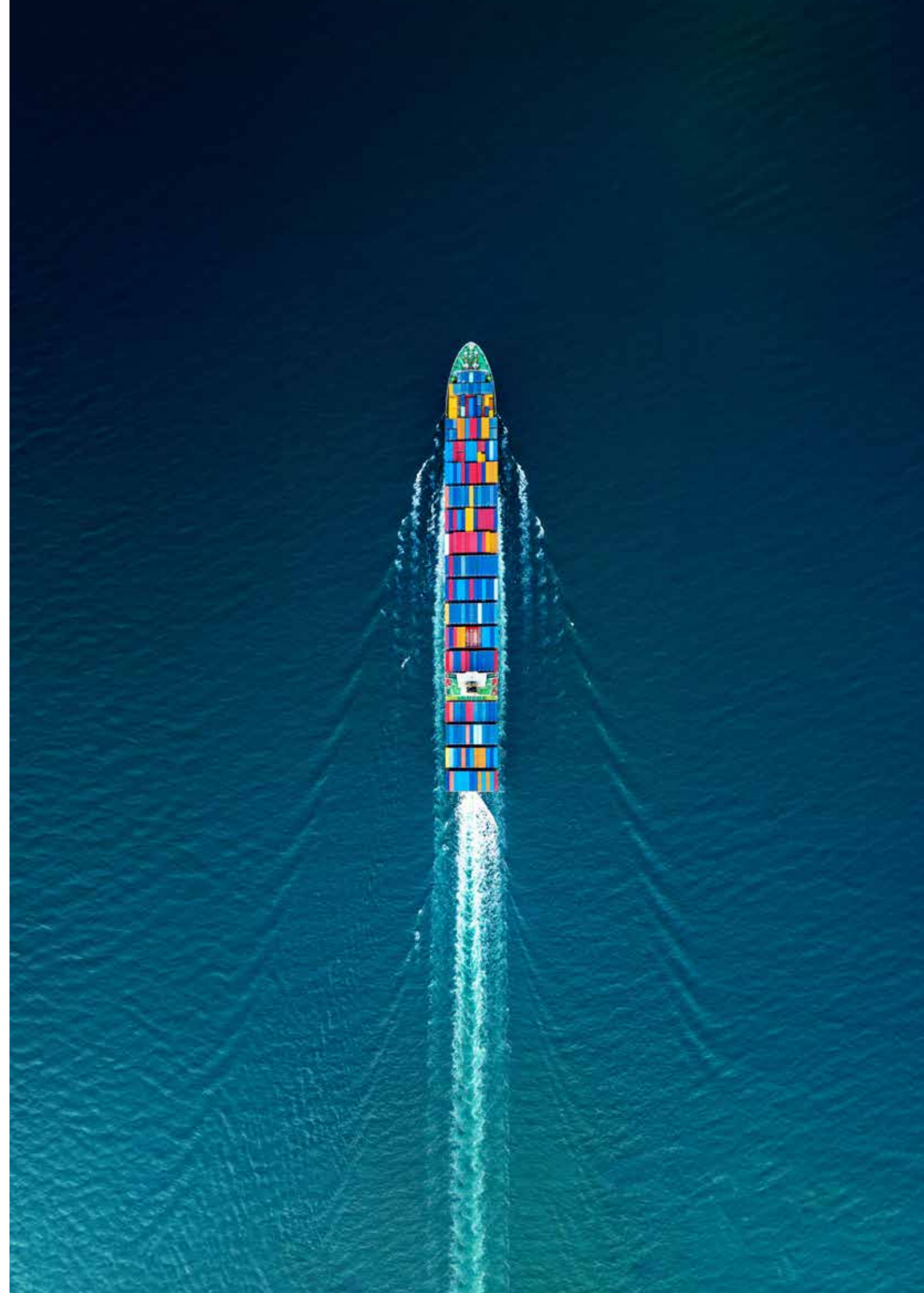
ODL also offers insurance facilities for banks that grant credit lines to Luxembourg exporters and / or that issue bank guarantees in favor of the customers of Luxembourg companies. ODL covers the banks against the risk of default of the Luxembourg company, which creates leverage by allowing the bank to increase the credit lines without taking any additional risk.

ODL offers innovative products enabling it to respond to the needs of Luxembourg exporters in general but also the specific needs of SMEs and start-ups or whenever the private insurance market fails.

All financial support and insurance facilities granted by ODL comply with national and international rules, regulations and laws.

ODL books its transactions in 4 separate accounts for each of which financial statements are prepared:

- insurance activity with State guarantee
- insurance activity without State guarantee
- insurance activity for the account of the State
- financial support (COPEL).





CHAPTER II

# ACTIVITIES 2023

1. INSURANCE
2. FINANCIAL SUPPORT FOR EXPORTS



# Insurance

## KEY FIGURES OF 2023

	2023	2022
New business insured	1.576.356.601,06 €	1.207.403.182,90 €
Written premium	8.506.447,24 €	6.634.585,88 €
Earned premium, net of reinsurance	6.590.706,93 €	6.346.766,79 €
Outstanding commitments as of 31 December	1.060.113.456,47 €	802.463.036,44 €
Indemnities paid	17.330.174,03 €	1.968.347,81 €
Recoveries	1.346.646,58 €	1.464.123,63 €

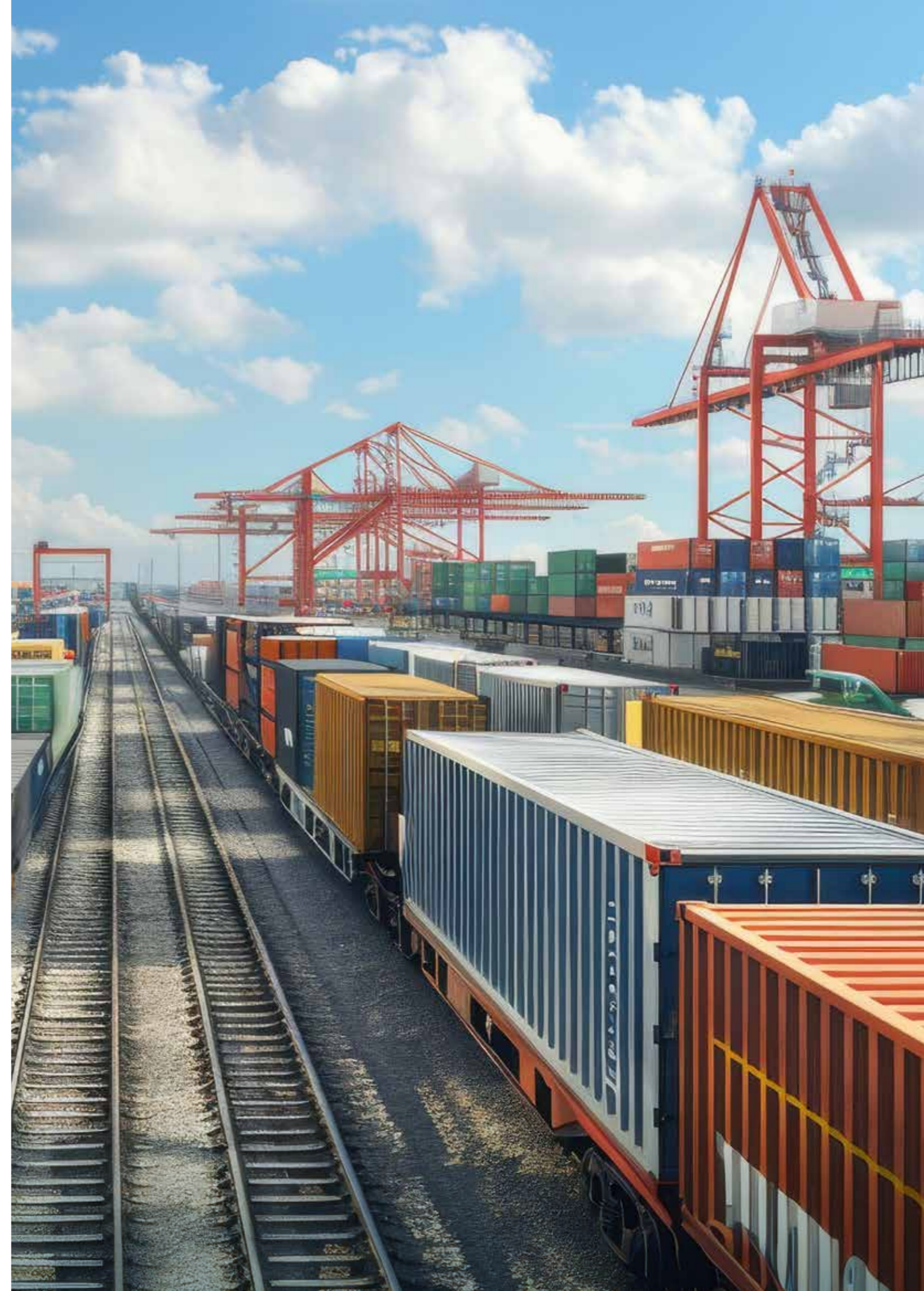
In 2023, new business insured increased by 30 % and the written premium by 28 % compared to 2022.

Overall, 45 % of the new business was related to insurances of bank loans and bank guarantees, 45 % to export insurances and 10 % to insurances of prefinancing contracts.

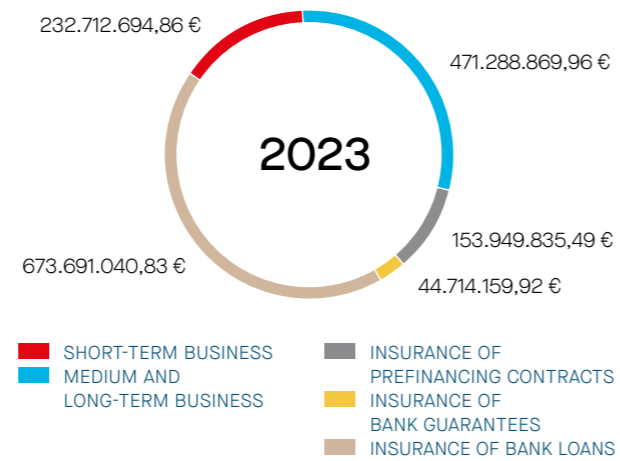
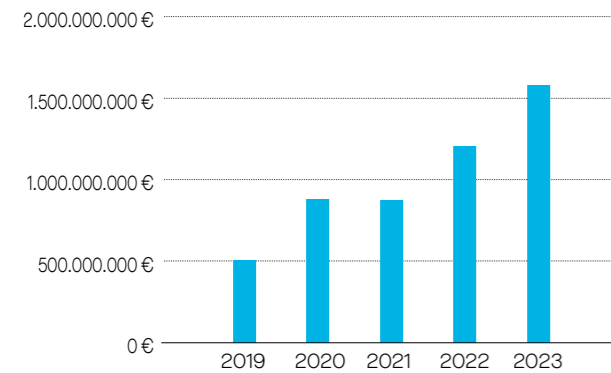
The outstanding commitments on 31 December 2023 increased by 257,65 million euros compared to 2022. The highest exposure by country was Abu Dhabi representing 23 % of the outstanding commitments, followed by Luxembourg (16 %) and then Turkey (11 %).

The indemnities paid amounted to 17,33 million euros. There was one big loss of 10,25 million euros related to an insurance of bank loans.

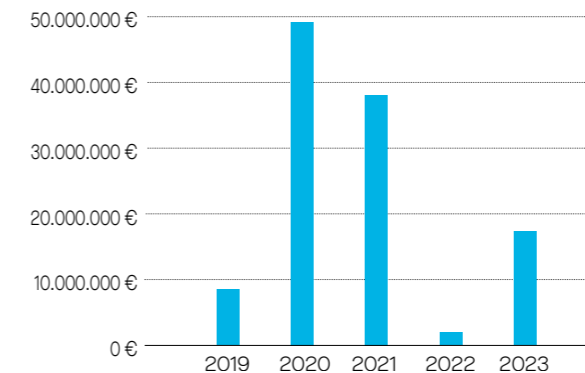
Recovery is often a challenging and long-lasting process. In 2023, several small-sized recoveries for claims paid previously were made totalling 1,35 million euros.



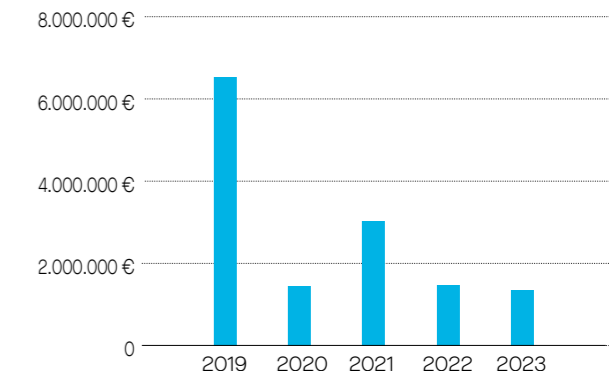
### New business insured



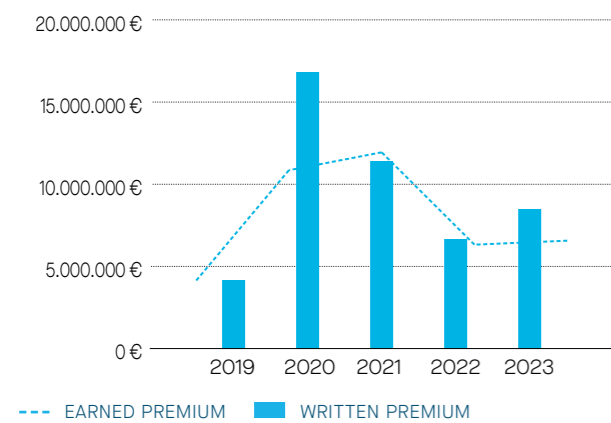
### Indemnities paid



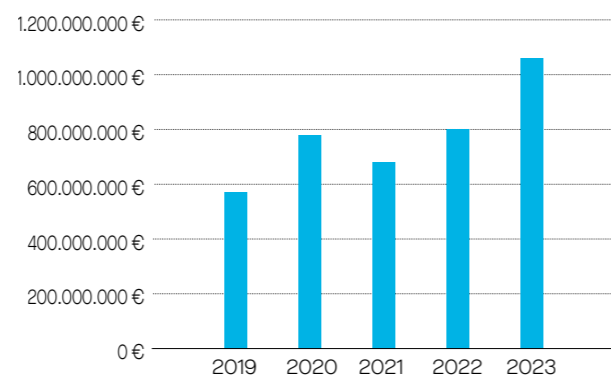
### Recoveries for claims paid



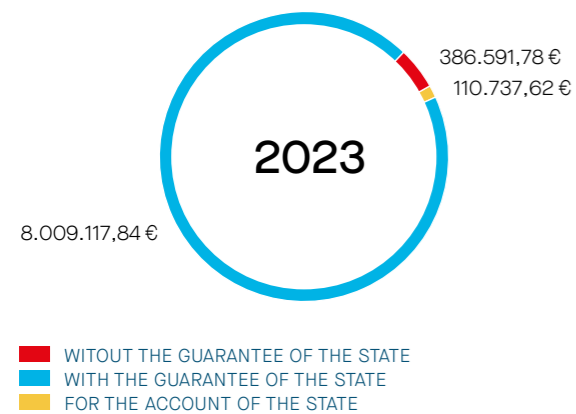
### Earned premium



### Outstanding commitments as of 31 December



### Written premium



### INSURANCE OF MEDIUM- AND LONG-TERM BUSINESS: EXPORT CONTRACT

(IN THOUSANDS OF EUR)	WITH STATE GUARANTEE		WITHOUT STATE GUARANTEE		FOR THE ACCOUNT OF THE STATE		TOTAL	
	2023	2022	2023	2022	2023	2022	2023	2022
<b>New business insured</b>	442.575	196.613	28.714	39.601	0	0	<b>471.289</b>	<b>236.214</b>
<b>Number of transactions insured</b>	104	117	10	17	0	0	<b>114</b>	<b>134</b>
<b>Written premium</b>	3.836	2.515	309	353	0	0	<b>4.145</b>	<b>2.868</b>
<b>Reinsurers' share</b>								
New transactions insured	0	0	0	0	0	0	<b>0</b>	<b>0</b>
Written premium	0	0	0	0	0	0	<b>0</b>	<b>0</b>
<b>Outstanding commitments as of 31 December</b>	568.134	350.022	20.244	24.657	0	0	<b>588.378</b>	<b>374.679</b>
<b>Offers of cover outstanding as of 31 December</b>	22.182	211.074	0	314	0	147.495	<b>22.182</b>	<b>358.883</b>
<b>Indemnities paid *</b>	4.785	1.424	131	0	0	0	<b>4.916</b>	<b>1.424</b>
<b>Recoveries</b>	759	964	0	0	0	0	<b>759</b>	<b>964</b>

\* gross amount, before reinsurance

ODL insures **Luxembourg exporters and their banks** against the risk of non-payment of their export contracts due to payment default of their customers or due to political events.

ODL covers exports of capital goods, industrial projects, general construction works and engineering services, with a completion period exceeding 12 months, that are either payable on a prorata basis according to deliveries made or the progress of work (**cash transactions**) or financed through credit over several years (**buyer credit / supplier credit**). For all repayment periods exceeding two years, the regulations of the OECD Arrangement on officially supported export credits (which sets rules regarding credit terms, interest rates, required down payment percentages and insurance premiums) applies.

In a supplier credit, the Luxembourg exporter grants extended payment terms to its foreign buyer. Usually, the credit is documented by bills of exchange / promissory notes drawn by the exporter

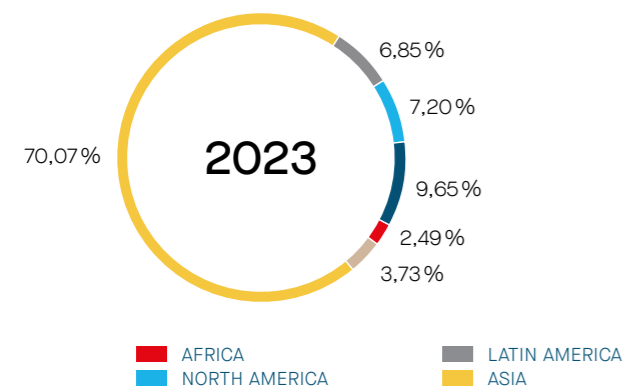
and accepted by the buyer. The bill of exchange can be discounted by a bank, with or without recourse against the exporter.

In a buyer credit, the lending bank grants an export credit to the foreign buyer and the Luxembourg exporter can draw on the credit and receives cash payment for the execution of the commercial contract.

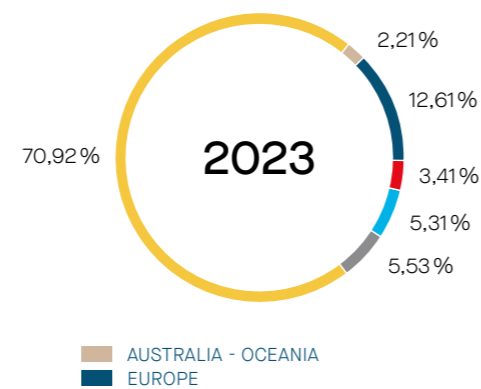
At request of the lending bank and in addition to the buyer credit cover, ODL may grant an on demand guarantee, callable on first demand, to the refinancing bank. In the internal relationship between ODL and the lending bank, the terms and conditions of buyer credit policy remain applicable.

In addition to the coverage of non-payment risk, ODL can cover the **cancellation (pre-shipment)** risk as well as the **unfair calling of bank guarantees** (bid bond, advance payment guarantee, performance guarantee) that are often requested by the buyer in an export contract.

Breakdown of new medium- and long-term business insured in 2023



Breakdown of medium- and long-term commitments on 31 December



### Breakdown of medium- and long-term outstanding commitments

IN MILLIONS OF EUR

Total	Payment delays	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
588,38	49,05	182,95	261,25	35,94	16,75	11,01	9,42	9,09	8,68	4,25	0,00	0,00	0,00

The commitments are calculated on the outstanding amount (principal plus estimated interests) multiplied by the percentage of cover.

### INSURANCE OF SHORT-TERM BUSINESS (CREDIT TERMS UP TO 12 MONTHS)

#### Business for the account of ODL (with and without State guarantee)

ODL and Allianz Trade act as co-insurers for trade credit insurance i.e., the insurance of the short-term business of Luxembourg companies against losses due to the non-payment of their buyers.

In case of failure of the private insurance market, ODL may directly insure the Luxembourg companies. If the buyer is in a marketable risk country, the risks are covered without the guarantee of the Luxembourg State, if the buyer is in a non-marketable risk country<sup>1</sup> the risks are covered with the guarantee of the State.

	WITH STATE GUARANTEE		WITHOUT STATE GUARANTEE		TOTAL	
	2023	2022	2023	2022	2023	2022
<b>New business insured</b>	114.706	99.620	44.512	40.739	<b>159.218</b>	<b>140.359</b>
<b>Written premium</b>	649	502	78	84	<b>727</b>	<b>586</b>
<b>Reinsurers' share</b>						
Insured transactions	0	0	0	0	<b>0</b>	<b>0</b>
Written premium	0	0	0	0	<b>0</b>	<b>0</b>
<b>Outstanding commitments as of 31 December</b>	27.483	25.747	13.957	8.939	<b>41.440</b>	<b>34.686</b>
<b>Indemnities paid</b>	283	51	0	0	<b>283</b>	<b>51</b>
<b>Recoveries</b>	244	118	0	0	<b>244</b>	<b>118</b>

<sup>1</sup> Communication of the Commission applying to short-term export credit insurance (OJ C392)

## Business for the account of the State

### Individual Top-Up

In 2023, ODL continued to manage the Individual Top-Up policy for the account of the State. The programme was launched by the Government during the financial crisis in 2008. It provides

additional cover where partial or no cover is available under the exporter's private trade credit insurance due to the risk profile of the buyer or the country risk.

	2023	2022
Number of companies having used the Top Up coverage	4	7
New business insured	73.494.573,28 €	121.834.148,95 €
Outstanding commitments as of 31 December	8.831.854,39 €	27.301.947,99 €
Written premium	113.423,42 €	216.977,51 €
Indemnities paid	0,00 €	0,00 €
Recoveries	0,00 €	0,00 €

### COVID 19: Reinsurance of short-term credit and surety risks

Following the amendment to the short-term export-credit communication of the 28 March 2020, the European Commission considered all countries as non-marketable or as temporarily non-marketable risk countries. In this respect, the Luxembourg authorities have introduced a reinsurance programme destined to complement a broader package of measures that aims at avoiding a systemic crisis in the Luxembourg economy. Under the reinsurance programme managed by ODL, the credit insurers committed to keep the credit limits that were used in the 12 months preceding 1 March 2020, as intact as possible until the end of June 2021.

Thus, commercial relations and trade flows could be maintained. In return for this commitment, ODL, acting on behalf of the State, reinsured the risks underwritten by the credit insurers.

The maximum loss coverage of the State was fixed at 145,17 million euros representing 0,58% of the total outstanding credit limits of 25 billion euros.

At request of the private insurers, the reinsurance programme was terminated on the 30 June 2021.

	2023	2022
Written premium	-2.685,81 €	169.273,23 €
Outstanding commitments as of 31 December	83.321.130,40 €	83.321.130,40 €
Indemnities paid	4.548,47 €	203.479,00 €
Recoveries	344.012,76 €	382.543,53 €

The written premium 2023 relates to premium adjustments for the business insured previously.

## INSURANCE OF PREFINANCING CONTRACTS

ODL insures Luxembourg importers and traders against the risk of non-reimbursement of their advance payment in case of non-delivery of

the ordered goods or services by the supplier located in a non-marketable risk country. These risks are covered with the guarantee of the State.

WITH STATE GUARANTEE	2023	2022
New business insured	153.949.835,49 €	74.981.515,79 €
Outstanding commitments as of 31 December	173.297.553,09 €	72.075.712,29 €
Written premium	2.598.872,48 €	1.471.057,32 €
Indemnities paid	0,00 €	0,00 €
Recoveries	0,00 €	0,00 €

## INSURANCE OF BANK LOANS AND GUARANTEES

This insurance protects the banks that are granting credit or guarantee lines to Luxembourg companies against the risk of default of repayment. By sharing the risk with the bank ODL enables the bank to provide higher credit or guarantee lines to the Luxembourg exporters.

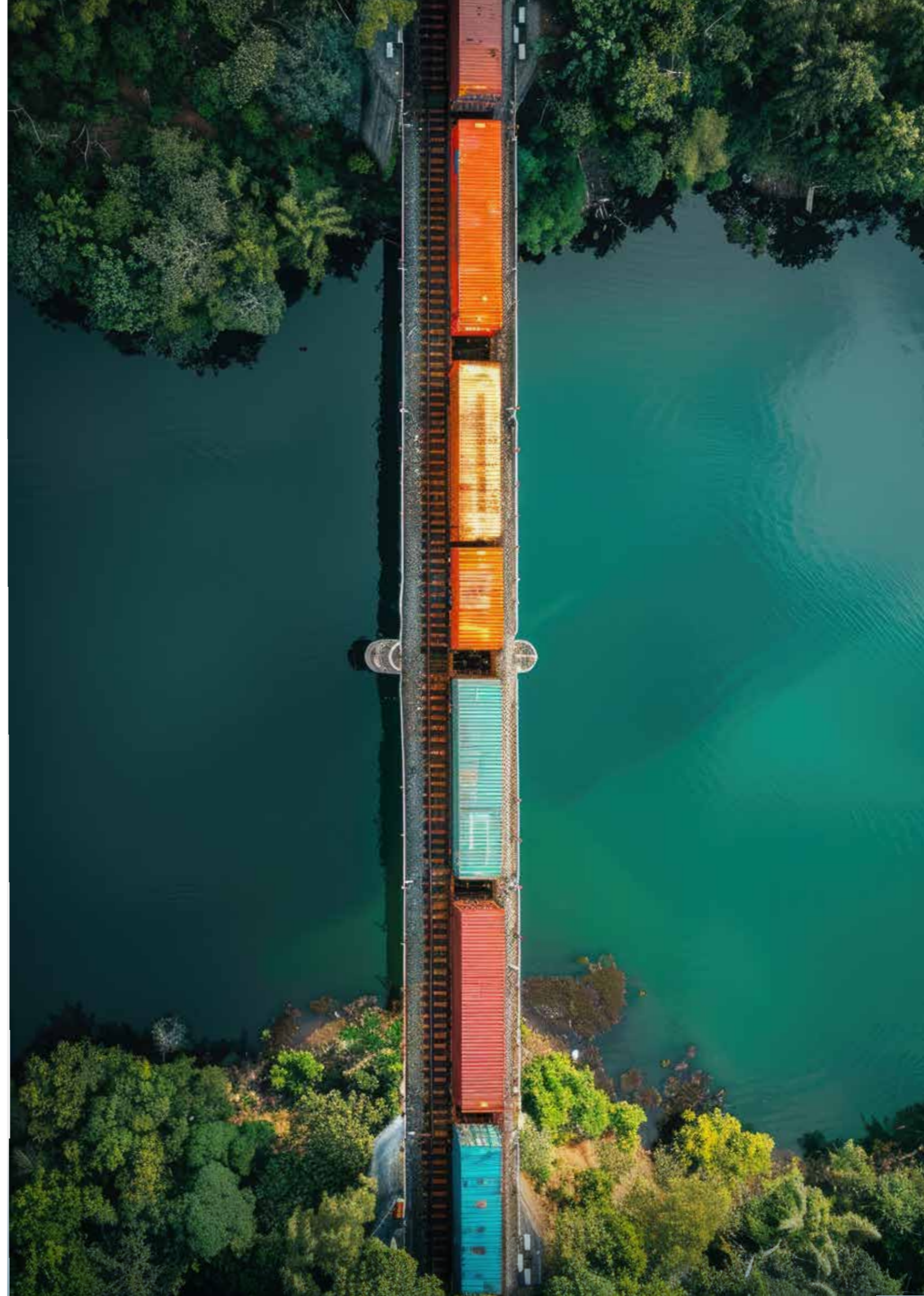
ODL generally covers up to 50 % of the amount of the credit or guarantee lines.

### Bank guarantees

	2023	2022
<b>WITH STATE GUARANTEE</b>		
New business insured	<b>44.714.159,92 €</b>	<b>46.938.934,93 €</b>
Outstanding Commitments as of 31 December	<b>31.319.460,08 €</b>	<b>23.797.556,91 €</b>
Written premium	<b>106.602,33 €</b>	<b>60.198,96 €</b>
Indemnities paid	<b>0,00 €</b>	<b>289.949,74 €</b>
Recoveries	<b>0,00 €</b>	<b>0,00 €</b>

### Credit lines/loans

	2023	2022
<b>WITH STATE GUARANTEE</b>		
New business insured	<b>673.691.040,83 €</b>	<b>587.074.701,60 €</b>
Outstanding Commitments as of 31 December	<b>133.526.570,35 €</b>	<b>186.602.104,10 €</b>
Written premium	<b>818.713,67 €</b>	<b>1.262.183,75 €</b>
Indemnities paid	<b>12.126.400,83 €</b>	<b>0,00 €</b>
Recoveries	<b>0,00 €</b>	<b>0,00 €</b>



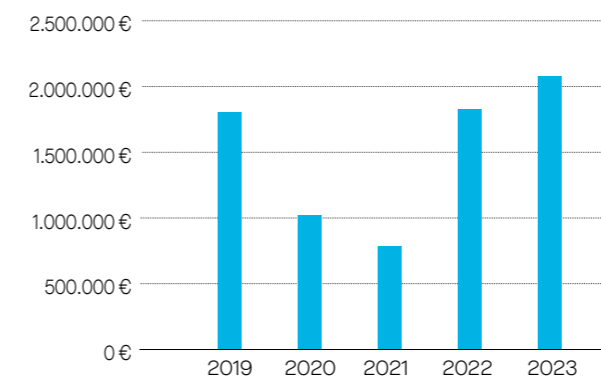
# Financial support for exports

COPEL (Comité pour la promotion des exportations luxembourgeoises), a decision-making body of ODL, grants financial aids to Luxembourg companies for the marketing and the promotion of their export business.

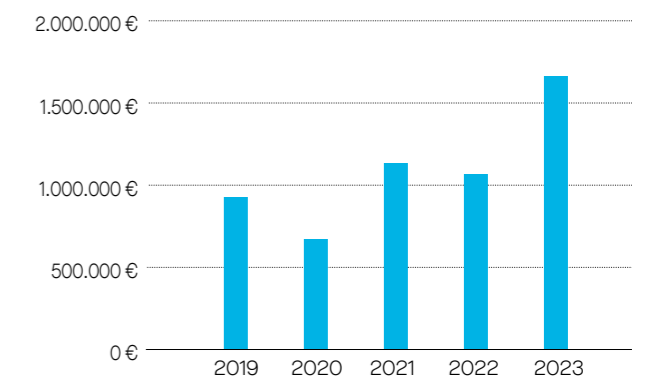
## KEY FIGURES OF 2023

<b>Amount paid</b>		2.082.291,51 €
<b>Total commitments as of 31 December</b>		1.663.375,94 €
<b>Number of applications</b>	received	651
	declined	36
<b>Number of companies</b>	requesting a financial support	180
	supported	150
<b>Number of companies</b>	requesting a financial support for the 1 <sup>st</sup> time	43
	supported for the 1 <sup>st</sup> time	28
<b>Number of young and microcompanies</b>	requesting a financial support	57
	supported	40

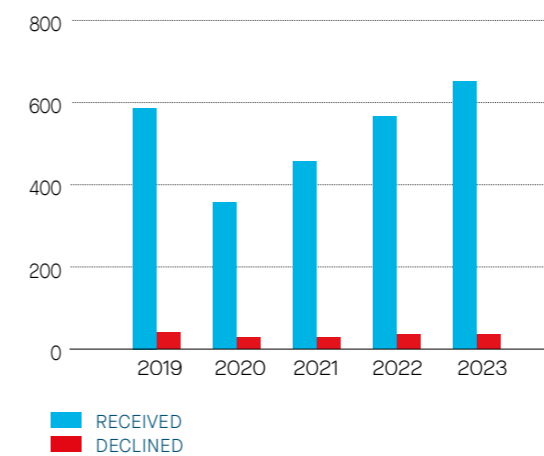
Amount paid



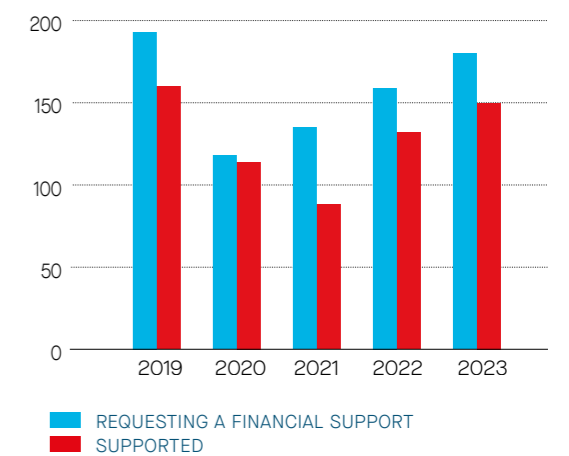
Total commitments as of 31 December



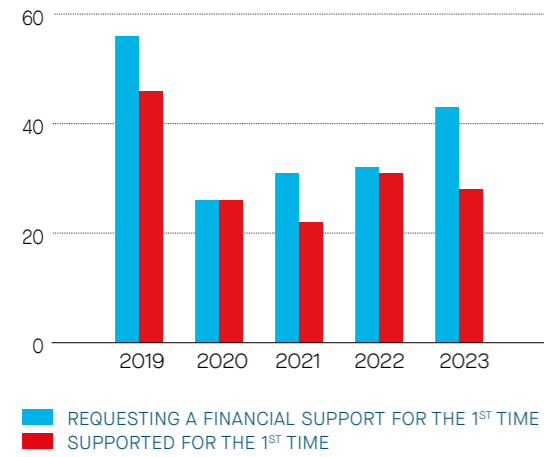
Number of applications



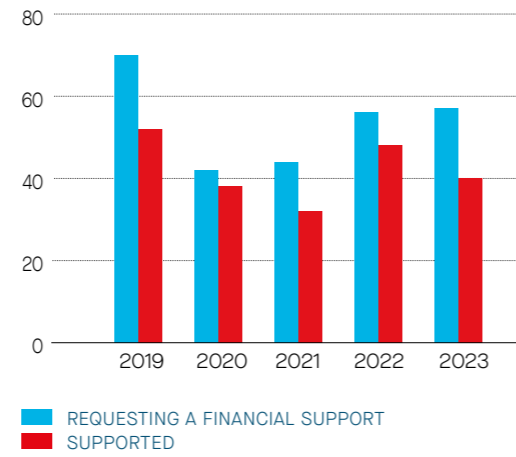
Number of companies



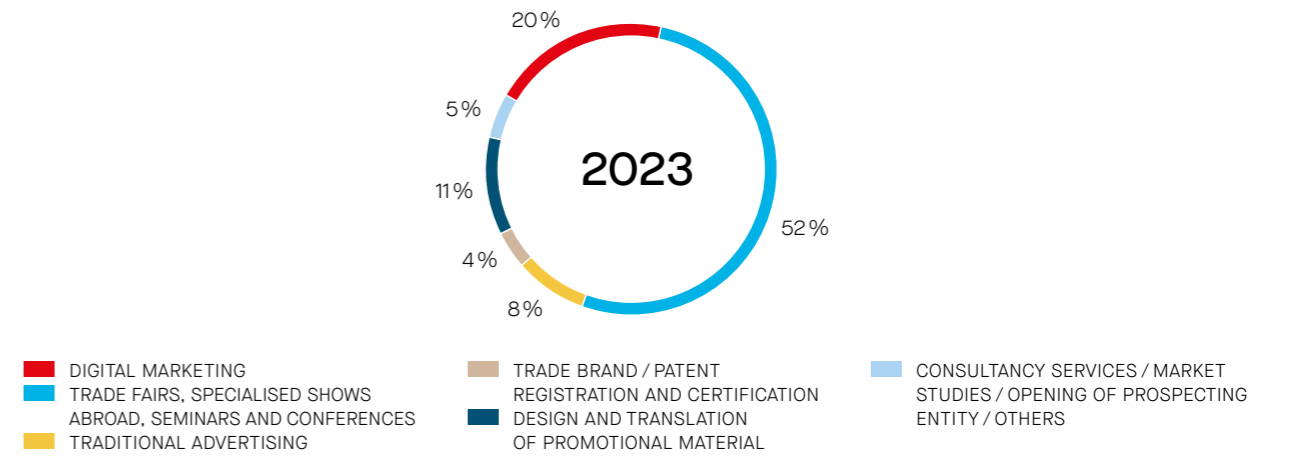
Number of companies



Number of young and microcompanies



Applications by type of support



ODL partially reimburses the costs related to the design and the translation of promotional material, consultancy services and market studies, registration of trade brands and patents, advertising costs as well as the costs related to the participation to trade fairs.

The aid granted is regulated by the law of 4 December 2019, on the Office du Ducroire Luxembourg and complies with European State aid regulations, in particular with the Commission Regulation called de minimis (with the actual ceiling of 300.000 EUR per company over a 3-year period).





CHAPTER III

# ANNUAL ACCOUNTS

1. AUDITOR'S REPORT
2. BALANCE SHEETS AND PROFIT AND LOSS ACCOUNTS  
INSURANCE  
FINANCIAL SUPPORT
3. NOTES TO THE ANNUAL ACCOUNTS



# Auditor's report

**Deloitte.**

Deloitte Audit  
Société à responsabilité limitée  
20 Boulevard de Kockelscheuer  
L-1821 Luxembourg

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www.deloitte.lu

To the Finance Minister,  
To the Board of Directors of  
Office du Ducroire  
65, rue d'Eich  
L-1461 Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

### Report on the Audit of the Annual Accounts

#### Opinion

We have audited the annual accounts of the Office du Ducroire (the "Public Institution"), which comprise, for the year ended December 31, 2023:

- A separate balance sheet and profit and loss account for each competitive and non-competitive activity described in Articles 9 and 11 of the modified law of December 4, 2019, namely:
  - With State guarantee,
  - Without State guarantee,
  - For the account of the State.
- A balance sheet and profit and loss account for the "Comité pour la Promotion des Exportations Luxembourgeoises" (the "COPEL" or "Financial Aid Activity").
- Separate notes to the annual accounts, including a summary of significant accounting policies, for each activity described in Articles 9 and 11 of the modified law of December 4, 2019 and above.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Public Institution as at December 31, 2023, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Société à responsabilité limitée au capital de 360.000 €  
RCS Luxembourg B 67.895  
Autorisation d'établissement 10022179

© Deloitte Audit, SARL

**Deloitte.**

#### Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the annual accounts" section of our report. We are also independent of the Public institution in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report but does not include the annual accounts and our report of the "*réviseur d'entreprises agréé*" thereon. The annual report is expected to be made available to us after the date of the auditor's report.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Directors and Those Charged with Governance.

***Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Accounts***

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Public Institution's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Public Institution or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Public Institution's financial reporting process.

***Responsibilities of the réviseur d'entreprises agréé for the Audit of the Annual accounts***

Our objectives are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the réviseur d'entreprises agréé that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Public Institution's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Public Institution's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Public Institution to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de révision agréé*



Ludovic Bardon, Réviseur d'entreprises agréé  
Partner

Luxembourg, June 28, 2024

# Balance sheets and profit and loss accounts

## INSURANCE

### BALANCE SHEET FOR THE ACCOUNT WITH STATE GUARANTEE AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>C. Investments</b>			
I. Land and buildings	3.1.1	4.599.700,00	4.728.400,00
III. Other financial investments	3.1.3		
1. Shares and other variable yield transferable securities and units in unit trusts	3.1.3.1	32.016.645,46	32.781.994,51
2. Debt securities and other fixed income transferable securities	3.1.3.2	73.375.508,57	74.841.660,62
6. Deposits with credit institutions	3.1.3.3	31.052.174,42	27.394.477,15
		<b>141.044.028,45</b>	<b>139.746.532,28</b>
<b>D.bis Subrogation and salvage</b>	3.2	<b>16.708.301,75</b>	<b>17.407.741,95</b>
<b>E. Reinsurers' share of technical provisions</b>	2.2		
I. Provision for unearned premiums		2.612.533,84	2.935.020,25
III. Provision for claims outstanding		26.353.806,44	26.348.740,33
		<b>28.966.340,28</b>	<b>29.283.760,58</b>
<b>F. Debtors</b>	2.3		
I. Debtors arising out of direct insurance operations		1.164.965,00	2.499.311,07
II. Debtors arising out of reinsurance operations		1.012,55	1.012,55
		<b>1.165.977,55</b>	<b>2.500.323,62</b>
<b>G. Other assets</b>	2.4		
I. Tangible assets and stocks	3.3.1	119.359,10	167.218,06
II. Cash at bank and in hand	3.3.2	1.873.713,76	10.232.332,95
		<b>1.993.072,86</b>	<b>10.399.551,01</b>
<b>H. Prepayments and accrued income</b>	2.5		
I. Accrued interest and rent		614.012,25	527.834,44
III. Other prepayments and accrued income		635.518,16	533.641,90
		<b>1.249.530,41</b>	<b>1.061.476,34</b>
<b>TOTAL ASSETS</b>		<b>191.127.251,30</b>	<b>200.399.385,78</b>

The accompanying notes form an integral part of these annual accounts.

### BALANCE SHEET FOR THE ACCOUNT WITH STATE GUARANTEE AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>LIABILITIES</b>			
<b>A. Capital and reserves</b>	3.4		
I. Subscribed capital		70.000.000,00	70.000.000,00
IV. Reserves		26.156.561,84	27.123.970,20
VI. Profit or (loss) for the financial year		(580.418,70)	(967.408,36)
		<b>95.576.143,14</b>	<b>96.156.561,84</b>
<b>C. Technical provisions</b>			
I. Provision for unearned premiums	2.6.1	10.093.007,42	8.506.327,48
III. Claims outstanding	2.6.2	49.093.696,67	53.398.318,90
V. Equalisation provision	2.6.3	23.381.620,55	27.298.451,21
		<b>82.568.324,64</b>	<b>89.203.097,59</b>
<b>D.bis Reinsurers' share of subrogation and salvage</b>		<b>12.139.975,84</b>	<b>12.648.177,53</b>
<b>E. Provisions for other risks and charges</b>	2.7		
3. Other provisions		<b>191.835,43</b>	<b>6.771,26</b>
<b>G. Creditors</b>	2.8		
I. Creditors arising out of direct insurance operations		188.194,91	1.268.995,29
II. Creditors arising out of reinsurance operations		0,00	0,00
V. Other creditors, including tax and social security		110.438,20	91.844,60
		<b>298.633,11</b>	<b>1.360.839,89</b>
<b>H. Accruals and deferred income</b>	2.9	<b>352.339,14</b>	<b>1.023.937,67</b>
		<b>352.339,14</b>	<b>1.023.937,67</b>
<b>TOTAL LIABILITIES</b>		<b>191.127.251,30</b>	<b>200.399.385,78</b>

The accompanying notes form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT FOR THE ACCOUNT WITH STATE GUARANTEE  
AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	2023	2022
<b>I. TECHNICAL ACCOUNT OF NON-LIFE INSURANCE BUSINESS</b>			
<b>1. Earned premiums (net of reinsurance)</b>	3.6		
a) Gross written premiums		8.009.117,84	5.813.780,79
b) Outward reinsurance premium		0,00	(25.821,87)
c) Change in the gross provision for unearned premiums		(1.586.679,94)	215.118,19
d) Change in the provision for unearned premiums, reinsurers' share		(322.486,41)	(402.210,39)
		<b>6.099.951,49</b>	<b>5.600.866,72</b>
<b>2. Allocated investment return transferred from the non-technical account</b>		<b>2.175.574,58</b>	<b>(391.860,32)</b>
<b>3. Other technical income, net of reinsurance</b>	2.11	<b>337.496,92</b>	<b>374.626,55</b>
<b>4. Claims incurred, net of reinsurance</b>	3.6		
a) Claims paid		<b>(17.194.272,92)</b>	<b>(1.880.805,54)</b>
aa) Gross amount		(17.194.272,92)	(2.489.459,39)
ab) Reinsurers' share		0,00	608.653,85
b) Change in the provision for claims		<b>4.309.688,34</b>	<b>(5.765.732,55)</b>
ba) Gross amount		4.304.622,23	(5.703.642,06)
bb) Reinsurers' share		5.066,11	(62.090,49)
		<b>(12.884.584,58)</b>	<b>(7.646.538,09)</b>
<b>6. Bonuses and rebates, net of reinsurance</b>	2.13	<b>409.522,84</b>	<b>(186.858,98)</b>
<b>7. Net operating expenses</b>			
a) Acquisition costs	2.14	(353.382,01)	(122.881,11)
c) Administrative expenses	3.6	(1.253.292,62)	(853.673,98)
d) Reinsurance commissions and profit participation		10.554,35	9.786,31
		<b>(1.596.120,28)</b>	<b>(966.768,78)</b>
<b>8. Other technical charges (net of reinsurance)</b>		<b>(489.473,37)</b>	<b>0,00</b>
<b>9. Change in equalisation provision</b>		<b>3.916.830,66</b>	<b>2.510.364,76</b>
<b>10. Balance on the technical account for non-life insurance Business</b>		<b>(2.030.801,74)</b>	<b>(706.168,14)</b>

The accompanying notes form an integral part of these annual accounts.

	Note	2023	2022
<b>III. NON-TECHNICAL ACCOUNT</b>			
<b>1. Balance on the technical account - non-life insurance Business</b>		(2.030.801,74)	(706.168,14)
<b>3. Investment income</b>	3.8	5.511.250,33	1.806.434,18
<b>5. Investment charges</b>	3.9	(1.885.292,71)	(2.459.534,72)
<b>6. Allocated investment return transferred to the non-life technical account</b>		(2.175.574,58)	391.860,32
<b>7. Other income</b>		0,00	0,00
<b>8. Other charges, including value adjustments</b>		0,00	0,00
<b>10. Profit or (loss) on ordinary activities after tax</b>		<b>(580.418,70)</b>	<b>(967.408,36)</b>
<b>17. Profit or (loss) for the financial year</b>		<b>(580.418,70)</b>	<b>(967.408,36)</b>

The accompanying notes form an integral part of these annual accounts.

BALANCE SHEET FOR THE ACCOUNT WITHOUT STATE GUARANTEE  
AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>C. Investments</b>			
III. Other financial investments	3.1.3		
1. Shares and other variable yield transferable securities and units in unit trusts	3.1.3.1	3.069.916,64	2.907.993,06
2. Debt securities and other fixed income transferable securities	3.1.3.2	7.035.612,00	6.638.980,73
6. Deposits with credit institutions	3.1.3.3	2.977.438,32	2.430.082,45
		<b>13.082.966,96</b>	<b>11.977.056,25</b>
<b>G. Other assets</b>			
II. Cash at bank and in hand	3.3.2	179.661,08	907.679,77
		<b>179.661,08</b>	<b>907.679,77</b>
<b>H. Prepayments and accrued income</b>			
III. Other prepayments and accrued income	2.5	142.521,20	16.362,88
		<b>142.521,20</b>	<b>16.362,88</b>
<b>TOTAL ASSETS</b>		<b>13.405.149,24</b>	<b>12.901.098,90</b>

The accompanying notes form an integral part of these annual accounts.

BALANCE SHEET FOR THE ACCOUNT WITHOUT STATE GUARANTEE  
AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>LIABILITIES</b>			
<b>A. Capital and reserves</b>			
I. Subscribed capital	3.4	3.000.000,00	3.000.000,00
IV. Reserves		9.566.906,41	9.542.837,99
VI. Profit or (loss) for the financial year		125.937,34	24.068,42
		<b>12.692.843,75</b>	<b>12.566.906,41</b>
<b>C. Technical provisions</b>			
I. Provision for unearned premiums	2.6.1	81.553,25	74.979,29
III. Claims outstanding	2.6.2	0,00	0,00
V. Equalisation provision	2.6.3	503.692,44	159.939,33
		<b>585.245,69</b>	<b>234.918,62</b>
<b>E. Provisions for other risks and charges</b>			
2. Provisions for taxation	3.5	67.909,28	14.932,67
		<b>67.909,28</b>	<b>14.932,67</b>
<b>H. Accruals and deferred income</b>			
	2.9	59.150,52	84.341,20
<b>TOTAL LIABILITIES</b>		<b>13.405.149,24</b>	<b>12.901.098,90</b>

The accompanying notes form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT FOR THE ACCOUNT WITHOUT STATE  
GUARANTEE AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	2023	2022
<b>I. TECHNICAL ACCOUNT OF NON-LIFE INSURANCE BUSINESS</b>			
<b>1. Earned premiums (net of reinsurance)</b>	3.6		
a) Gross written premiums		386.591,78	434.554,19
b) Outward reinsurance premium		0,00	0,00
c) Change in the gross provision for unearned premiums		(6.573,96)	(74.904,84)
d) Change in the provision for unearned premiums, reinsurers' share		0,00	0,00
		<b>380.017,82</b>	<b>359.649,35</b>
<b>2. Allocated investment return transferred from the non-technical account</b>		<b>192.988,74</b>	<b>(38.359,29)</b>
<b>3. Other technical income, net of reinsurance</b>	2.11	<b>0,00</b>	<b>0,00</b>
<b>4. Claims incurred, net of reinsurance</b>	3.6		
a) Claims paid		(131.352,64)	0,00
aa) Gross amount		(131.352,64)	0,00
bb) Reinsurers' share		0,00	0,00
b) Change in the provision for claims			
aa) Gross amount		0,00	0,00
bb) Reinsurers' share		0,00	0,00
		<b>(131.352,64)</b>	<b>0,00</b>
<b>6. Bonuses and rebates, net of reinsurance</b>	2.13	<b>21.808,11</b>	<b>(33.816,35)</b>
<b>7. Net operating expenses</b>			
a) Acquisition costs	2.14	0,00	0,00
c) Administrative expenses	3.6	(70.389,24)	(170.251,52)
d) Reinsurance commissions and profit participation		935,11	0,00
		<b>(69.454,13)</b>	<b>(170.251,52)</b>
<b>9. Change in equalisation provision</b>		<b>(343.753,11)</b>	<b>(78.326,82)</b>
<b>10. Balance of the technical account for non-life insurance Business</b>		<b>50.254,79</b>	<b>38.895,37</b>
<b>III. NON-TECHNICAL ACCOUNT</b>			
<b>1. Balance on the technical account - non-life insurance Business</b>		50.254,79	38.895,37
<b>3. Investment income</b>	3.8	488.886,60	176.832,24
<b>5. Investment charges</b>	3.9	(167.238,70)	(240.764,40)
<b>6. Allocated investment return transferred to the non-life technical account</b>		(192.988,74)	38.359,29
<b>9. Tax on profit or (loss) on ordinary activities</b>		(52.976,61)	10.745,92
<b>10. Profit or (loss) on ordinary activities after tax</b>		<b>125.937,34</b>	<b>24.068,42</b>
<b>17. Profit or (loss) for the financial year</b>		<b>125.937,34</b>	<b>24.068,42</b>

The accompanying notes form an integral part of these annual accounts.



BALANCE SHEET FOR THE ACCOUNT OF THE STATE  
AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>C. Investments</b>			
III. Other financial investments	3.1.3		
1. Shares and other variable yield transferable securities and units in unit trusts	3.1.3.1	4.127.071,26	3.841.818,29
2. Debt securities and other fixed income transferable securities	3.1.3.2	9.458.391,03	8.770.914,18
6. Deposits with credit institutions	3.1.3.3	4.002.747,15	3.210.439,30
		<b>17.588.209,44</b>	<b>15.823.171,77</b>
<b>G. Other assets</b>			
II. Cash at bank and in hand	3.3.2	241.529,06	1.199.157,17
		<b>241.529,06</b>	<b>1.199.157,17</b>
<b>TOTAL ASSETS</b>		<b>17.829.738,50</b>	<b>17.022.328,94</b>
<b>LIABILITIES</b>			
<b>A. Capital and reserves</b>			
I. Subscribed capital	3.4	6.777.396,57	6.777.396,57
IV. Reserves		10.244.932,37	10.578.416,41
VI. Profit or (loss) for the financial year		807.409,56	(333.484,04)
		<b>17.829.738,50</b>	<b>17.022.328,94</b>
<b>C. Technical provisions</b>			
I. Provision for unearned premiums	2.6.1	0,00	0,00
III. Claims outstanding	2.6.2	0,00	0,00
		<b>0,00</b>	<b>0,00</b>
<b>TOTAL LIABILITIES</b>		<b>17.829.738,50</b>	<b>17.022.328,94</b>

The accompanying notes form an integral part of these annual accounts.

PROFIT AND LOSS ACCOUNT FOR THE ACCOUNT OF THE STATE  
AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	2023	2022
<b>I. TECHNICAL ACCOUNT OF NON-LIFE INSURANCE BUSINESS</b>			
<b>1. Earned premiums (net of reinsurance)</b>	3.6		
a) Gross written premiums		110.737,62	386.250,72
c) Change in the gross provision for unearned premiums		0,00	0,00
		<b>110.737,62</b>	<b>386.250,72</b>
<b>2. Allocated investment return transferred from the non-technical account</b>		<b>254.961,98</b>	<b>(51.951,60)</b>
<b>3. Other technical income, net of reinsurance</b>	2.11	<b>344.012,76</b>	<b>1.222.823,53</b>
<b>4. Claims incurred, net of reinsurance</b>	3.6		
a) Claims paid			
aa) Gross amount		(4.548,47)	(203.479,00)
b) Change in the provision for claims			
aa) Gross amount		0,00	0,00
		<b>(4.548,47)</b>	<b>(203.479,00)</b>
<b>6. Bonuses and rebates, net of reinsurance</b>	2.13	<b>0,00</b>	<b>(632.180,00)</b>
<b>7. Net operating expenses</b>			
a) Acquisition costs	2.14	940,03	(763.638,18)
c) Administrative expenses	3.6	(68.669,02)	(256.675,12)
		<b>(67.728,99)</b>	<b>(1.020.313,30)</b>
<b>10. Balance on the technical account for non-life insurance Business</b>		<b>637.434,90</b>	<b>(298.849,65)</b>
<b>III. NON-TECHNICAL ACCOUNT</b>			
<b>1. Balance on the technical account - non-life insurance Business</b>		637.434,90	(298.849,65)
<b>3. Investment income</b>	3.8	645.879,63	239.491,31
<b>5. Investment charges</b>	3.9	(220.942,99)	(326.077,30)
<b>6. Allocated investment return transferred to the non-life technical account</b>		(254.961,98)	51.951,60
<b>10. Profit or (loss) on ordinary activities after tax</b>		<b>807.409,56</b>	<b>(333.484,04)</b>
<b>17. Profit or (loss) for the financial year</b>		<b>807.409,56</b>	<b>(333.484,04)</b>

The accompanying notes form an integral part of these annual accounts.

# Balance sheets and profit and loss accounts

## FINANCIAL SUPPORT

### BALANCE SHEET FOR FINANCIAL AID ACTIVITY AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	31.12.2023	31.12.2022
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
<b>Assets held at a bank</b>			
<b>Current bank accounts</b>			
Current accounts		475.578,57	4.767.646,88
<b>Deposits with credit institutions</b>			
Deposits account		4.000.000,00	0,00
<b>Internal transfers</b>			
		97,99	0,00
<b>TOTAL ASSETS</b>		<b>4.475.676,56</b>	<b>4.767.646,88</b>
<b>EQUITY AND LIABILITIES</b>			
<b>CAPITAL AND RESERVES</b>			
<b>Government allocations</b>			
Government allocations	4.2	5.544.941,93	5.528.080,99
<b>PROVISION FOR COMMITMENTS</b>			
<b>Other provisions</b>			
Provision for financial support granted		1.663.375,94	1.066.781,58
<b>CREDITORS</b>			
Costs payable		392.688,65	341.279,37
<b>FINAL RESULT OF THE YEAR</b>		<b>(3.125.329,96)</b>	<b>(2.168.495,06)</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>4.475.676,56</b>	<b>4.767.646,88</b>

The accompanying notes form an integral part of these annual accounts.

### PROFIT AND LOSS ACCOUNT FOR FINANCIAL AID ACTIVITY AT 31.12.2023 AND 31.12.2022 IN EUR

	Note	2023	2022
<b>EXPENSES</b>			
		<b>(3.125.329,96)</b>	<b>(2.168.495,06)</b>
<b>Financial support provided</b>			
Financial support for trade fairs		(1.398.665,51)	(1.101.812,66)
Costs of research or advisory costs		(38.427,86)	(44.743,62)
Design costs		(114.221,05)	(106.399,32)
Promotion costs (advertising)		(56.097,37)	(78.881,14)
Registration / Certification		(65.643,80)	(69.574,65)
Opening of representation offices		(4.218,75)	(37.944,61)
Digital Marketing		(405.017,07)	(392.179,69)
Call for tenders		0,00	0,00
		<b>(2.082.291,41)</b>	<b>(1.831.535,69)</b>
<b>Other external charges</b>			
Property leases		(49.941,51)	(48.680,30)
Administrative expenses		(63.816,92)	(67.040,83)
Travel expenses		(4.916,00)	(7.264,64)
Bank fees and commissions		(297,82)	(9.236,67)
		<b>(118.972,25)</b>	<b>(132.222,44)</b>
<b>Personnel costs</b>			
Gross salaries		(274.002,52)	(220.401,75)
Directors' fees		(53.469,42)	(50.570,36)
		<b>(327.471,94)</b>	<b>(270.972,11)</b>
<b>Other operating costs</b>			
Change in the other provisions (Provision for financial support granted)		(596.594,36)	66.235,18
		<b>(596.594,36)</b>	<b>66.235,18</b>
<b>INCOME</b>		<b>0,00</b>	<b>0,00</b>
<b>Other income and interest</b>			
Interest on financial accounts		0,00	0,00
<b>FINAL RESULT OF THE YEAR</b>		<b>(3.125.329,96)</b>	<b>(2.168.495,06)</b>

The accompanying notes form an integral part of these annual accounts.



# Notes to the annual accounts

AT 31 DECEMBER 2023 (EXPRESSED IN EUR)

## Note 1 - General Information related to all accounts

Office du Ducroire (hereinafter "ODL"), established in 1961, is the Luxembourg Export Credit Agency. It is a public institution governed by the modified Law of 4 December 2019.

ODL supports Luxembourg companies in their international development by providing:

- insurance against the risk of non-payment related to their export, import business and investments abroad.
- insurance for their banks against the risk of non-reimbursement of credit and guarantee lines granted to them.
- financial aid for the marketing and promotion of their export business.

In accordance to article 29 of the modified Law of 4 December 2019, ODL prepares four separate balance sheets at closing date and profit and loss accounts for the year then ended, for each type of activity:

- Insurance activity for the account of the State and with the approval of the Council of Government if the risks exceed ODL's technical possibility in terms of tenor or intensity.
- Insurance activity for its own account and without a State guarantee if the risks are considered marketable by the Communication on short-term business of the European Commission.
- Insurance activity for its own account, and with a State guarantee under all other circumstances.
- The "financial aid business" is carried out for the account of the State by COPEL.

ODL does not prepare consolidated annual accounts.

## Note 2 - Summary of the accounting principles for the insurance business

The accounting and valuation principles for ODL are defined by the Board of Directors. They follow the statutory models applicable to insurance companies under the modified Law of 8 December 1994 relating to the annual and consolidated financial statements of insurance and reinsurance companies subject to Luxembourg law.

The financial year of ODL begins on the 1 January and ends on the 31 December.

The annual accounts are presented in euros (EUR). Assets and liabilities expressed in currencies other than euros are converted into euros at the exchange rate in force at the balance sheet closing date ("the closing date"). Foreign currency transactions executed during the financial year are converted to euros at the exchange rate prevailing at the date of the transactions.

Operating income and expenses are allocated to the financial year following the principle of the accruals.

## 2.1 Investments

### 2.1.1 Land and buildings

Land is valued at acquisition cost. The building is carried at acquisition cost less any accumulated amortisation. Amortisation is calculated using the straight-line method to allocate an item's cost to its residual values over its estimated useful life which is fixed at 30 years.

### 2.1.2 Investments in affiliated undertakings and participating interests

Investments in affiliated undertakings and participating interests held as investments are valued at acquisition cost including the expenses incidental thereto. In case of a permanent depreciation in value, value adjustments are made at the closing date. These value adjustments are cancelled if the reason for which the value adjustments were made has ceased to exist.

### 2.1.3 Other financial instruments

Other financial instruments include Shares and other variable yield transferable securities and units in unit trusts, Debt securities and other fixed income transferable securities and deposits with credit institutions.

### 2.1.3.1 Shares and other variable yield transferable securities and units in unit trusts

Shares and other variable yield transferable securities and units in unit trusts are valued at acquisition cost including the expenses incidental thereto. In the case of depreciation in value, value adjustments are made at the closing date. These value adjustments are cancelled if the reason for which the value adjustments were made has ceased to exist. Market value corresponds to the last available quote on the valuation day for shares listed on a stock exchange or quoted on another regulated market.

### 2.1.3.2 Debt securities and other fixed income transferable securities

Debt securities and other fixed income transferable securities are valued at amortised cost. Premiums (Agio), the positive difference between the acquisition and redemption values and discounts (Disagio), the negative difference between the acquisition and redemption values are apportioned to the profit and loss account over the period to maturity. In case of permanent depreciation in value, the Board of Directors might decide to make value adjustments at the closing date. These value adjustments are cancelled if the reason for which the value adjustments were made has ceased to exist.

Market value corresponds to the last available quote on the valuation day for securities listed on a stock exchange or quoted on another regulated market.

Securities for which the principal is guaranteed by a bank are valued at the acquisition cost, increased by the interest accrued. A value adjustment is made in case of permanent loss at the closing date. These value adjustments are not maintained if the reason for which these value adjustments were made has ceased to exist.

## 2.2 Reinsurers' share of technical provisions

Reinsurers' share of technical provisions represents the actual or estimated amounts, which under applicable reinsurance agreements, are reinsured.

## 2.3 Debtors

Amounts payable by debtors are recorded at nominal value. The Board of Directors might decide to make value adjustments in case of probable loss.

## 2.4 Other assets

Tangible assets and stocks are valued at acquisition cost and are amortised on a straight-line basis over their useful life which varies over a period of three to five years depending on the nature of the tangible asset. Cash at bank and in hand are presented at nominal value.

## 2.5 Prepayments and accrued income

Accrued interest and financial income entitlement are interests and financial incomes already earned during the financial year but have not yet become receivable at the closing date.

The other prepayment and accrued income include charges paid during the year but relating to a subsequent financial year together with incomes relating to the financial year but only payable after the end of the latter.

## 2.6 Technical provisions

### 2.6.1 Provision for unearned premiums

The provision for unearned premiums is the sum of the prorata temporis shares of the gross written premium allocated to each maturity after the closing date.

### 2.6.2 Claims outstanding

The claims outstanding is an estimate of ODL's liability for indemnities to be paid to the policyholders.

For each outstanding claim notified to ODL at the closing date, the provision is calculated on the basis of 1) the risk category of the country of the debtor in default in force at the closing date and 2) the default period beginning at the maturity date of the defaulted payment and ending at the closing date. The provision also includes all future instalments of loans for which at least one instalment remains unpaid at the closing date.

### 2.6.3 Equalisation provision

ODL establishes, in addition to the provision for claims outstanding, an equalisation provision to cover exceptional and significant fluctuations in claims.

The equalisation provision is calculated by applying a coefficient, defined by ODL's Board of Directors, to the outstanding commitments of each risk category at the closing date.

There is nevertheless a general ceiling for the yearly allocation to the equalisation provision which cannot exceed the investment return transferred from the non-technical account to the technical account (60 % of the result of the non-technical account) plus 75 % of the technical account before allocation to the equalisation provision and transfer of investment return.

## 2.7 Provision for other risks and charges

The provision for other risks and charges is a provision established to cover recovery fees related to outstanding claims.

For the activity without the guarantee of the State, it also includes the income taxes for the financial year.

## 2.8 Creditors

Amounts due to creditors are recorded at the nominal value and are due during the next financial year.

## 2.9 Accruals and deferred income

Accruals and deferred income correspond to income received during the financial year but relating to a subsequent financial year, as well as the charges incurred during the financial year but only payable in a subsequent financial year.

## 2.10 Earned premiums

Gross premiums are the total amount of premiums invoiced during the financial year. The earned premiums are the prorata temporis share of the premiums that are allocated to the current financial year. At the closing date, a provision for unearned premiums is recorded.

## 2.11 Other technical income, net of reinsurance

This item includes recoveries on claims paid, net of reinsurance, in direct insurance and reinsurance recorded at nominal value and subrogation and salvage recorded at liquidation value.

## 2.12 Claims incurred, net of reinsurance

Claims incurred, net of reinsurance include claims paid during the financial year and the change in the provision for outstanding claims.

## 2.13 Bonuses and rebates, net of reinsurance

Bonuses and rebates, net of reinsurance are discounts granted to the policyholders in accordance with the terms and conditions of their insurance contract.

## 2.14 Acquisition costs

Acquisition costs are the fees paid for brokerage and fronting relating to the insurance / reinsurance activity.

Notes 3 - Insurance business  
BALANCE SHEET ACCOUNT

### 3.1 Investments

#### 3.1.1 Land and Buildings

Land and building are carried in the account with State guarantee.

On 19 August 2021, ODL purchased offices in a building (co-ownership) located 65, rue d'Eich in Luxembourg for EUR 4.900.000. The share of land has been valued at EUR 1.000.000 by the Board of Directors.

Account with State guarantee	31.12.2022	Additions / Allocations	Disposals / Reversals	31.12.2023
<b>Acquisition value</b>	<b>4.900.000,00</b>	0,00	0,00	<b>4.900.000,00</b>
Land	1.000.000,00	0,00	0,00	1.000.000,00
Building	3.900.000,00	0,00	0,00	3.900.000,00
<b>Accumulated depreciation</b>	<b>(171.600,00)</b>	<b>(128.700,00)</b>	0,00	<b>(300.300,00)</b>
Land	0,00	0,00	0,00	0,00
Building	(171.600,00)	(128.700,00)	0,00	(300.300,00)
<b>Book value</b>	<b>4.728.400,00</b>	<b>(128.700,00)</b>	0,00	<b>4.599.700,00</b>
Land	1.000.000,00	0,00	0,00	1.000.000,00
Building	3.728.400,00	(128.700,00)	0,00	3.599.700,00

For the depreciation policy, see note 2.1.1. above.

#### 3.1.2 Investments in affiliated undertakings and participating interests

Investments in affiliated undertakings and participating interests are carried in the account with State guarantee. Since 2009, ODL holds a participation in NORTHSTAR EUROPE S.A. (hereafter NEUR).

Further to the decision of NEUR to wind down the company, the Board of Directors decided to adjust the value of the participation to 0 EUR.

Account with State guarantee	31.12.2022	Additions / Allocations	Disposals / Reversals	31.12.2023
Acquisition value	<b>595.000,00</b>	0,00	0,00	<b>595.000,00</b>
Value adjustments	<b>(595.000,00)</b>	0,00	0,00	<b>(595.000,00)</b>
Book value	<b>0,00</b>	0,00	0,00	<b>0,00</b>

### 3.1.3 Other financial instruments

The tables below show the split of the Shares and other variable yield transferable securities and units in unit trusts, Debt securities and other fixed income transferable securities and Deposits with credits institutions between the three insurance accounts.

#### 3.1.3.1 Shares and other variable-yield transferable securities and units in unit trusts

Equity Portfolio	31.12.2022	Additions / Allocations	Disposals / Reversals	31.12.2023
<b>Acquisition value</b>	<b>41.309.713,29</b>	13.626.262,47	(15.556.440,76)	<b>39.379.535,00</b>
<b>Value adjustments</b>	<b>(1.777.907,43)</b>	0,00	1.612.005,79	<b>(165.901,64)</b>
<b>Book value</b>	<b>39.531.805,86</b>	13.626.262,47	(13.944.434,97)	<b>39.213.633,36</b>

Book value of the Equity Portfolio is allocated as follows:

Account:		
With State guarantee	32.781.994,51	32.016.645,46
Without State guarantee	2.907.993,06	3.069.916,64
Account of the State	3.841.818,29	4.127.071,26

As at the closing date, the market value of the Equity Portfolio is estimated at 43.075.602,38 EUR (2022: 41.215.875,40 EUR)

### 3.1.3.2 Debt securities and other fixed income transferable securities

Debt Portfolio	31.12.2022	Additions / Allocations	Disposals / Reversals	31.12.2023
<b>Acquisition value</b>	<b>90.253.512,66</b>	29.811.107,43	(30.591.634,97)	<b>89.472.985,12</b>
<b>Reversal Discounts / Premiums 2022</b>	<b>(159.915,42)</b>	(278.183,68)	280.140,81	<b>(157.958,29)</b>
<b>Discounts / Premiums 2023</b>	<b>157.958,29</b>	580.904,26	(184.377,78)	<b>554.484,77</b>
<b>Book value</b>	<b>90.251.555,53</b>	30.113.828,01	(30.495.871,94)	<b>89.869.511,60</b>
Book value of the Debt Portfolio is allocated as follows:				
Account:				
With State guarantee	74.841.660,62			73.375.508,57
Without State guarantee	6.638.980,73			7.035.612,00
Account of the State	8.770.914,18			9.458.391,03

As at the closing date, the market value of the Debt Portfolio is estimated at 88.524.422,66 EUR (2022: 85.095.136,97 EUR)

The amortisation of discounts and premiums on debt securities and other fixed income transferable securities amounts as follows:

	2023	2022
Amortisation of discounts	302.720,58	159.969,56
Amortisation of premiums	(95.763,03)	(111.475,56)

### 3.1.3.3 Deposits with credit Institutions

	31.12.2023	31.12.2022
<b>Deposits with credit Institutions</b>	<b>38.032.359,89</b>	<b>33.034.998,90</b>
Deposits are allocated as follows:		
Account:		
With State guarantee	31.052.174,42	27.394.477,15
Without State guarantee	2.977.438,32	2.430.082,45
Account of the State	4.002.747,15	3.210.439,30

### 3.2 Subrogation and salvage

Subrogation and salvage are carried in the account with State guarantee. The outstanding amount to be recovered at the closing date is broken down as follows:

With state guarantee	31.12.2023	31.12.2022
Gross amount	16.708.301,75	17.407.741,95
Reinsurers' share	(12.139.975,84)	(12.648.177,53)
Net amount	4.568.325,91	4.759.564,42

### 3.3 Other assets

#### 3.3.1 Tangible assets and stocks

Tangible assets and stocks are carried in the account with State guarantee.

Account with State guarantee	31.12.2022	Additions / Allocations	Disposals / Reversals	31.12.2023
Acquisition value	237.542,96	3.207,04	0,00	240.750,00
Value adjustments	(70.324,90)	(51.066)	0,00	(121.390,90)
Book value	167.218,06	(47.858,96)	0,00	119.359,10

#### 3.3.2 Cash at bank and in hand

The table below shows the allocation of the cash at bank and in hand between the three insurance accounts.

	31.12.2023	31.12.2022
<b>Cash at bank</b>	<b>2.294.903,90</b>	<b>12.339.169,89</b>
Account:		
With State guarantee	1.873.713,76	10.232.332,95
Without State guarantee	179.661,08	907.679,77
Account of the State	241.529,06	1.199.157,17

### 3.4 Capital and reserves

The capital belongs to the State. The capital can be increased through the incorporation of reserves or allocations by the Government.

Account with State guarantee	Subscribed capital	Reserves	Profit or (Loss) of the financial year
<b>Balance at 31.12.2022</b>	<b>70.000.000,00</b>	<b>27.123.970,20</b>	<b>(967.408,36)</b>
Allocation of results	0,00	(967.408,36)	967.408,36
Net result	0,00	0,00	(580.418,70)
<b>Balance at 31.12.2023</b>	<b>70.000.000,00</b>	<b>26.156.561,84</b>	<b>(580.418,70)</b>

Account without State guarantee	Subscribed capital	Reserves	Profit or (Loss) of the financial year
<b>Balance at 31.12.2022</b>	<b>3.000.000,00</b>	<b>9.542.837,99</b>	<b>24.068,42</b>
Allocation of results	0,00	24.068,42	(24.068,42)
Net result	0,00	0,00	125.937,34
<b>Balance at 31.12.2023</b>	<b>3.000.000,00</b>	<b>9.566.906,41</b>	<b>125.937,34</b>

Account of the State	Subscribed capital	Reserves	Profit or (Loss) of the financial year
<b>Balance at 31.12.2022</b>	<b>6.777.396,57</b>	<b>10.578.416,41</b>	<b>(333.484,04)</b>
Allocation of results	0,00	(333.484,04)	333.484,04
Net result	0,00	0,00	807.409,56
<b>Balance at 31.12.2023</b>	<b>6.777.396,57</b>	<b>10.244.932,37</b>	<b>807.409,56</b>

### 3.5 Provision for other risks and charges

This provision includes the income taxes to be paid for the activity without State guarantee.

Account without State guarantee	Accrual	Advances	Balance
<i>Municipal Business Tax:</i> 2023	13.870,00	0,00	13.870,00
<i>Corporate Income Tax:</i> 2023	54.039,28	(142.521,20)	(88.481,92)
<b>Total</b>	<b>67.909,28</b>	<b>(142.521,20)</b>	<b>(74.611,92)</b>

Advances on future tax liabilities are reported under the caption "Other prepayments and accrued income".

### PROFIT AND LOSS ACCOUNTS

#### 3.6 Information related to premiums, claims, operating expenses and reinsurance

Account with State guarantee	2023	2022
Gross written premiums:	8.009.117,84	5.813.780,79
<i>of which in direct insurance</i>	<i>5.102.574,25</i>	<i>4.680.864,14</i>
<i>of which in co-insurance</i>	<i>2.906.543,59</i>	<i>1.132.916,65</i>
Gross earned premiums, net of reinsurance	6.099.951,49	5.600.866,72
Claims incurred, net of reinsurance	(12.884.584,58)	(7.646.538,09)
Administrative expenses	(1.253.292,62)	(853.673,98)
Reinsurance balance	(173.019,55)	226.635,56

Account without State guarantee	2023	2022
Gross written premiums:	386.591,78	434.554,19
<i>of which in direct insurance</i>	<i>376.918,02</i>	<i>425.136,58</i>
<i>of which in co-insurance</i>	<i>9.673,76</i>	<i>9.417,61</i>
Gross earned premiums, net of reinsurance	380.017,82	359.649,35
Claims incurred, net of reinsurance	(131.352,64)	0,00
Administrative expenses	(70.389,24)	(170.251,52)
Reinsurance balance	935,11	0,00

Account for the State	2023	2022
Gross written premiums:	110.737,62	386.250,72
<i>of which in direct insurance</i>	<i>110.737,62</i>	<i>386.250,72</i>
<i>of which in co-insurance</i>	<i>0,00</i>	<i>0,00</i>
Gross earned premiums, net of reinsurance	110.737,62	386.250,72
Administrative expenses	(68.669,02)	(256.675,12)

### 3.7 Administrative expenses

#### 3.7.1 Employee expenses

The total amount of employee expenses is 1.096.010,09 EUR (2022: 881.606,94 EUR). 25 % of this amount (274.002,52 EUR) is invoiced to the Financial aid activity.

The table below shows the allocation of 75 % of the employee benefit expenses between the accounts of the insurance activity.

2023	With State guarantee	Without State guarantee	Account of the State	Total
Wages, salaries and other benefits	(564.360,14)	(31.353,34)	(31.353,34)	<b>(627.066,82)</b>
Social security charges	(142.754,56)	(7.930,81)	(7.930,81)	<b>(158.616,18)</b>
Pension costs	(32.692,11)	(1.816,23)	(1.816,23)	<b>(36.324,57)</b>
<b>Total</b>	<b>(739.806,81)</b>	<b>(41.100,38)</b>	<b>(41.100,38)</b>	<b>(822.007,57)</b>

#### 3.7.2 Remuneration to members of the administrative, managerial and supervisory bodies

Emoluments granted to the members of the administrative, managerial and supervisory bodies with respect to the financial year 2023 amounted to EUR 129.274,59 (2022: EUR 124.285,22) for the insurance activity and EUR 53.469,42 (2022: EUR 50.570,36) for the financial aid activity. These amounts are included in administrative expenses in the Profit and Loss Account.

#### 3.7.3 Auditing fees

The total amount of auditing fees is 33.650,1 EUR (2022: 28.591,68 EUR). 25 % of this amount (8.412,53 EUR) is invoiced to the financial aid activity.

The table below shows the split of 75% of auditing fees between the accounts of the insurance activity.

	With State guarantee	Without State guarantee	Account of the State	Total
Auditing fees	22.713,81	1.261,88	1.261,88	<b>25.237,57</b>

### 3.8 Investment income

	2023	2022
Income deriving from other investments	2.161.917,52	871.292,16
Profits deriving from the realisation of investments	2.224.908,27	899.507,71
Readjustments on investments	1.612.005,79	0,00
Reversal Discounts (Disagios)	(278.183,68)	(118.214,12)
Discounts (Disagios)	580.904,26	278.183,68
Discounts (Disagios) on investments sales	138.956,33	0,00
Foreign currency exchange gains	51.082,92	291.988,30
Earned rebate	154.425,15	0,00
<b>Total</b>	<b>6.646.016,56</b>	<b>2.222.757,73</b>
Allocation of investment income:		
Account:		
With State guarantee	5.511.250,33	1.806.434,18
Without State guarantee	488.886,60	176.832,24
Account of the State	645.879,63	239.491,31

### 3.9 Investment charges

	2023	2022
Investment management charges	(221.560,88)	(209.050,57)
Value adjustments on investments	0,00	(1.694.918,43)
Losses arising on realisation of investments	(1.347.719,52)	(1.010.931,86)
Reversal premiums (Agios)	280.140,81	168.665,25
Premiums (Agios)	(184.377,78)	(280.140,81)
Premiums (Agios) on investments sales	(427.514,50)	0,00
Foreign currency exchange losses	(372.442,53)	0,00
<b>Total</b>	<b>(2.273.474,40)</b>	<b>(3.026.376,42)</b>
Allocation of investment charges		
Account:		
With State guarantee	(1.885.292,71)	(2.459.534,72)
Without State guarantee	(167.238,70)	(240.764,40)
Account of the State	(220.942,99)	(326.077,30)

### 3.10 Off balance sheet commitments

In the shareholder agreement signed in May 2009 between Northstar Trade Finance, the Société Nationale de Crédit et d'Investissement (SNCI), ODL and NEUR, ODL, as a non-funding shareholder, has issued to the funding shareholder Northstar Trade Finance a guarantee covering the transactions funded by NEUR (hereafter "NEUR commitments"). In the event NEUR is not able to assume itself the NEUR commitments without encountering financial difficulties having a serious effect on its net assets, the guarantee can be called in total or part by the Board of Directors of NEUR. The participation of ODL in NEUR commitments is limited to EUR 850.000. At the closing date, no request of payment under the guarantee has been addressed to ODL.

At the closing date, there are no other off-balance sheet commitments.

### 3.11 Post-closing events

There are no post-closing events that could affect ODL's financial position as at the closing date.

### Notes 4 - Financial aid business

#### 4.1 Assets held at banks

The assets held at banks are recorded at nominal value.

#### 4.2 Government allocations

Government allocations are granted in accordance to article 37 of the modified Law of 4 December 2019.

	Government allocations	Final result of the year	Total
<b>Balance at 31.12.2022</b>	<b>5.528.080,99</b>	<b>(2.168.495,06)</b>	<b>3.359.585,93</b>
Movements during the year	2.185.356,00	0,00	2.185.356,00
Allocation of the balance	(2.168.495,06)	2.168.495,06	0,00
<b>Balance for the year</b>	<b>0,00</b>	<b>(3.125.329,96)</b>	<b>(3.125.329,96)</b>
<b>Balance at 31.12.2023</b>	<b>5.544.941,93</b>	<b>(3.125.329,96)</b>	<b>2.419.611,97</b>

#### 4.3 Provision for financial aids granted

Provision for financial aids granted are recorded at nominal value.

#### 4.4 Creditors

Amounts due to creditors are recorded at the nominal value and are due during the next financial year.





CHAPTER IV

# CORPORATE AND SOCIAL RESPONSIBILITY

# Corporate and Social responsibility

To support responsible and sustainable business practices that respect the environment and human rights, and contribute to the fight against corruption, money laundering and the financing of terrorism (collectively “Financial crime”), ODL has implemented in addition to following the OECD Recommendation of the Council on Common Approaches for Officially Supported Export Credits and environmental and social due diligence, the Revised Recommendation of the Council on Bribery and Officially Supported Export Credits and the Recommendation on

Sustainable Lending Practices and Officially Supported Export Credits, a more wider **ESG procedure**, applicable to all insurance and financial support applicants, as well as insurance requests taking into consideration governance, environmental and social criteria, and sustainable financing.

Furthermore, ODL adheres to **an ethical charter** setting out rules and responsibilities that guide their employees, directors and committee members.

## ODL's ESG Policy and procedures are guided by:

- the United Nations sustainability goals and in particular goals 9, 14 and 15
- the multilateral environmental standards and agreements, including the Paris climate agreement, as well as the European Green Deal
- the OECD Guidelines for Multinational Enterprises
- the ESG guidelines of the World Bank and of the IFC
- the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (SFDR)
- the Directive 2013/34/EU of the European Parliament and of the Council of 26 June 2013 on the annual financial statements, consolidated financial statements and related reports of certain types of undertakings (NFRD)
- the Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (Taxonomy)
- the Corporate Sustainability Reporting Directive (CSRD)
- the environmental and social objectives and commitments of the Luxembourg government.

## ODL's Ethical Charter

ODL's employees apply the values of the ethical charter in their professional relationship with the management, the committees, partners and ODL's customers. The ethical charter is focusing on core commitments such as compliance with social responsibility, neutrality, fairness and transparency, confidentiality, protection of personal data, health and safety in the workplace, employee well-being, professionalism, a whistleblower policy, the internal environmental policy and the combat of financial crime and application of sanctions.

The ethical charter also covers adherence to ODL's internal rules, procedures, and the charters of good conduct.

Fairness and transparency mean ODL's commitment that its employees process insurance and financial aid applications with integrity and transparency. ODL staff are required to participate in ESG training which raise awareness of ODL's ESG goals. An integral part of ODL's ethical charter is its internal environmental policy where the carbon footprint is to be reduced by several actions such as limiting energy consumption, paper use and waste production.

In addition, ODL ensures that its employees have access to the most recent information enabling best performance through an annual training plan covering ODL's activities and its regulatory framework, ESG, GDPR, financial crime, sanctions, cybersecurity, as well as any further demands of the employees. Employees must take part in the training courses listed in the annual training plan set up by ODL. Training courses include but are not limited to external webinars from authorised organisations, the OCDE and Berne Union workshops.

## ODL's ESG procedure

The internal procedure regarding ESG includes an analysis at two levels:

- Pre evaluation of each insurance / financial support applicant and of all parties involved with the help of an ESG form, which is to be completed by the company
- Pre evaluation of each insurance request for which the amount of the contract exceeds 5 million euros and which does not fall within the scope of the OECD Common Approaches. The procedure based on the Common Approaches applies to any insurance request for single-risk export insurance for an amount equal to or above 10 million SDR and with a repayment period of more than 2 years.

By ESG, ODL designates environmental, social and good governance criteria used to analyse and assess the degree to which sustainable development issues are taken into account. In order to complement the assessment, ODL has decided to include the fight against corruption, money laundering and financing of terrorism as well as application of sanctions in its definition of governance.

Classification of parties and transactions concerning governance matters:

- Green: no negative information on governance issues
- Yellow: PEP located in an OECD country or limited / insignificant information on governance issues older than 5 years
- Orange: PEP located in a non-OECD country or recent limited/insignificant negative information on governance issues
- Red: Serious negative information on governance issues such as suspicions that the transaction could be tainted by corruption, money or capital laundering, or financing of terrorism, or that a party involved is on a debarment list (financial sanctions) or has been convicted of breaching bribery laws.

Classification of parties and transaction concerning social and environmental matters:

- Green: projects that contribute positively to the environment or that do not cause any harm to the environment (including existing projects that do not increase plant capacities or do not weaken the environmental and social footprint of the plant; that are not located in or near sensitive areas or sensitive sectors) and that do not have a negative social impact
- Yellow: projects that risk having a limited negative environmental and/or social impact
- Orange: projects that have a limited negative environmental and/or social impact
- Red: projects with a negative environmental and / or social impact

Projects classified as red are required to undergo an in-depth evaluation whereafter the final decision of acceptance or refusal is taken by the Board of Directors based on the thorough analysis. Projects classified as orange are presented to the Credit Committee who then decide whether an in-depth evaluation is needed.

If after the approval of cover, any breaches by the insured of commitments made in any mitigation or remediation plan are detected, ODL will take appropriate measures ranging from the nullity of the insurance policy, in particular by refusing payment or indemnification or by requesting a reimbursement of the sums already paid, to future exclusion of any form of public support.

#### **OECD Recommendation on Common Approaches**

ODL complies with the OECD guidelines on environmental and social due diligence for export credits. The agreement sets common approaches for undertaking environmental and social due diligence to identify, consider and address potential environmental and social impacts and risks.

All projects for which ODL receives an application and for which the contractual amount exceeds 10 million SDR (approximately 12,3 million euros today), or which are located in an environmentally sensitive area, are classified according to their potential environmental and social impact. If the project has the potential to have significant adverse environmental and/or social impacts, which are diverse, irreversible, or unprecedented it is classified in category A.

If its potential impacts are less adverse, the project is classified as category B and in category C if it has a minimal or no potentially adverse environmental and / or social impact.

ODL requires an Environmental and Social Impact Assessment (ESIA) to be carried out for all projects classified in category A. ODL verifies whether the ESIA is complete and impartial and, if necessary, calls on external environmental experts when assessing the quality of the ESIA.

The category B projects for which there is no ESIA are compared to general standards of the International Finance Corporation (IFC) and the sectoral IFC health and safety standards. If the project does not fit into the IFC standards, any other internationally recognised standards, such as European Union standards, may be used. Based on the IFC standards or the European directive, mitigating measures will be agreed upon with the exporter.

All A and B projects and their ESIA's are published on ODL's website.

#### **OECD Recommendation on Bribery**

In accordance with the terms of the OECD Convention on Combating Bribery, signed on 21 November 1997, Luxembourg has taken measures to criminalise acts involving bribery of foreign public officials, transposing the provisions of the Convention to Luxembourg law in the form of the Law of 15 December 2001.

The insurance application form therefore informs the policyholder of current legislation and requires an anti-bribery declaration, as defined under the OECD Convention.

To strengthen measures in the fight against bribery in international business transactions, OECD members adopted a revised recommendation (OECD Recommendation on Bribery and Officially Supported Export Credits) on 13 March 2019.

The procedure is two-fold:

- Anti-bribery declaration:  
With each application of cover, the exporters and banks, must submit an anti-bribery declaration in which they declare that the commercial and / or financial contract was not or will not be concluded in relation to or following criminal acts on the part of any of its employees or anyone acting on its behalf. In addition they declare that neither the policyholder nor any person acting on his behalf is included on debarment lists accessible to the public and have not been prosecuted before a national court or, in the course of the five years preceding the application, been convicted by a national court or subject to equivalent national administrative measures for breach of the laws designed to combat bribery of foreign public officials in any country whatsoever.

- Due diligence:  
If there should be any indication from the declaration or from other sources that bribery may have been involved, further investigation will be made by ODL. This focuses on the one hand on the internal measures, processes and structures put in place by the policyholder to prevent and combat bribery. On the other hand, sales agents involved in the deal as well as commission and remuneration payments will be examined. If there are indications of bribery, the Board of Directors will decide what measures need to be taken.

#### **OECD Recommendation on Sustainable Lending Practices**

ODL undertakes to promote only lending to Low Income Countries that supports a borrowing country's economic and social progress without endangering its financial future and long-term development prospects. In consequence, such lending should, inter alia, generate net positive economic returns, foster sustainable development by avoiding unproductive expenditures, preserve debt sustainability and support good governance and transparency.

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