



OeBFA
Austrian Treasury



Republic of Austria

Republic of Austria

Investor Information – March 2018

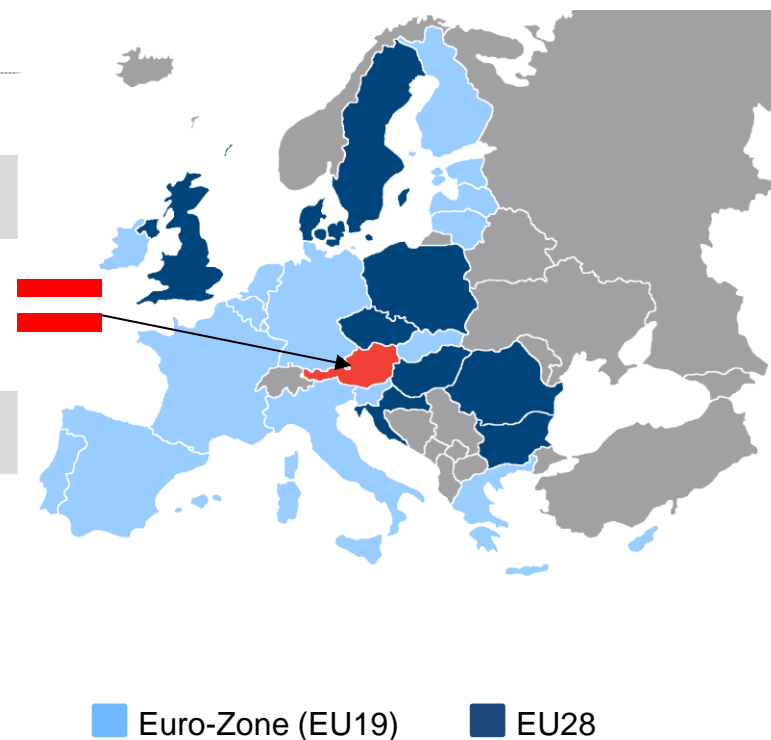
Austrian Treasury

Agenda

1. General Overview – Austria's favourable fundamentals 3
2. Funding Strategy Republic of Austria 26

Austria – Key Data and Facts

	Austria	Euro-Zone
Area (sq. km '000)	84	2.758
Population 2017 (Mio.)	8.8	341.0
Population growth (2013 – 2017e, average yearly change)	+0.9%	+0.3%
GDP per capita 2016 (EUR)	40.420	31.600
Net financial assets per private household as of Q4 2016 (EUR)	114.829	104.411 ¹



Source: Statistics Austria, Eurostat, OECD
 1) EA19 without Ireland

Austria – Key Data and Facts

in %	Austria			Euro-Zone		
	2017	2018	2019	2017	2018	2019
Real GDP growth	2.9	3.2	2.2	2.4	2.3	2.0
Inflation (HICP)	2.2	2.0	1.9	1.5	1.5	1.6
Unemployment	5.5	5.2	5.0	9.1	8.5	7.9
Current Account Balance	2.2	2.9	3.7	3.0	3.0	3.0
Budget Balance (Maastricht)	-0.7	-0.4	0.0	-1.1	-0.9	-0.8
Structural Budget Balance	-0.1	-0.5	-0.5	-1.0	-1.1	-1.1
Debt to GDP	78.1	74.5	70.9	89.3	87.2	85.2
Year	2017	2018	2019	2017	2018	2019

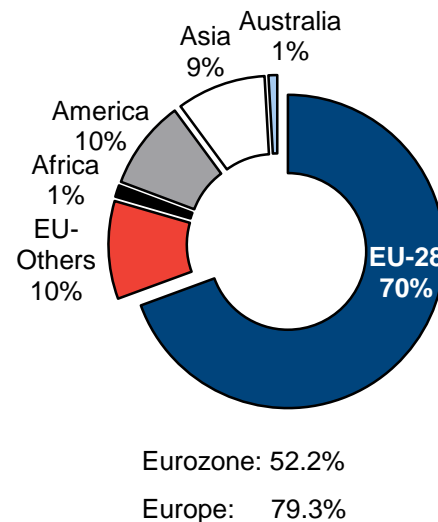
Source: Data on Austria: EC – Autumn Economic Forecast, November 2017 / Statistics Austria, February 2018 / WIFO, March 2018 / Federal Ministry of Finance, March 2018
 Data on Euro-Zone: EC – Autumn Economic Forecast, November 2017 & Interim Winter Forecast, February 2018
 Note: Structural budget balance Austria excludes additional expenditures on refugees and asylum seekers

Austria – GDP and external trade

Composition of Austrian GDP

2017	EUR 369.2 bn
Consumption	72%
Investments	25%
Net exports	3%
Exports	54%
Imports	51%

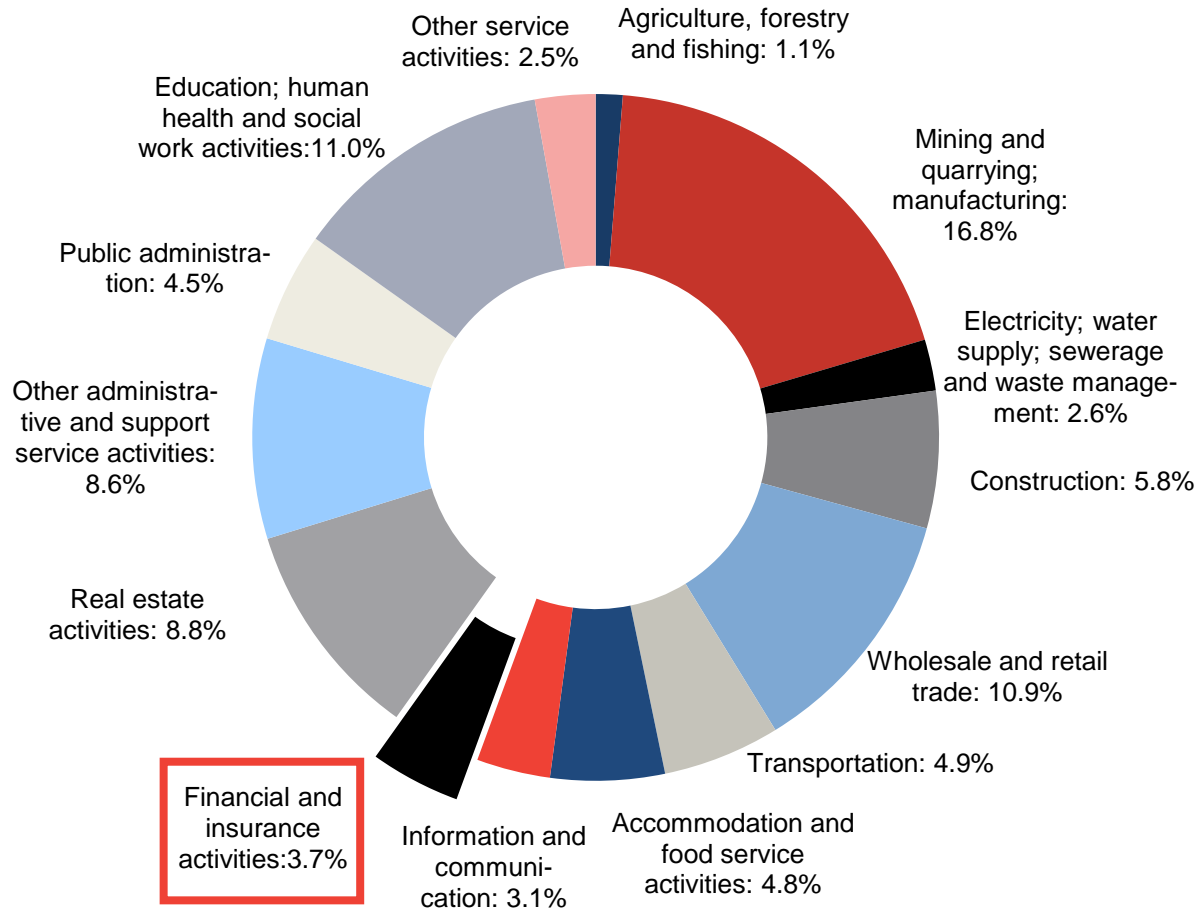
Distribution of Austrian Exports



Top-10 Export Partners 2017

Country	Share in %
Germany	30.1
USA	6.8
Italy	6.4
France	5.0
Switzerland	4.9
Czech Republic	3.7
Hungary	3.4
Poland	3.1
United Kingdom	2.8
China	2.6

Composition of the Austrian GDP - Low exposure to financial sector (3.7% of GDP)



Source: Statistics Austria as of February 2018

Credit Ratings Overview

	Long Term	Short Term	Outlook
Moody's	Aa1	P-1	Stable
Standard & Poors	AA+	A-1+	Stable
Fitch	AA+	F1+	Stable
DBRS	AAA	R-1 (high)	Stable

- All rating reports available online at www.oebfa.at

Austria: Leader in Sustainability

Sustainability Country Ranking¹

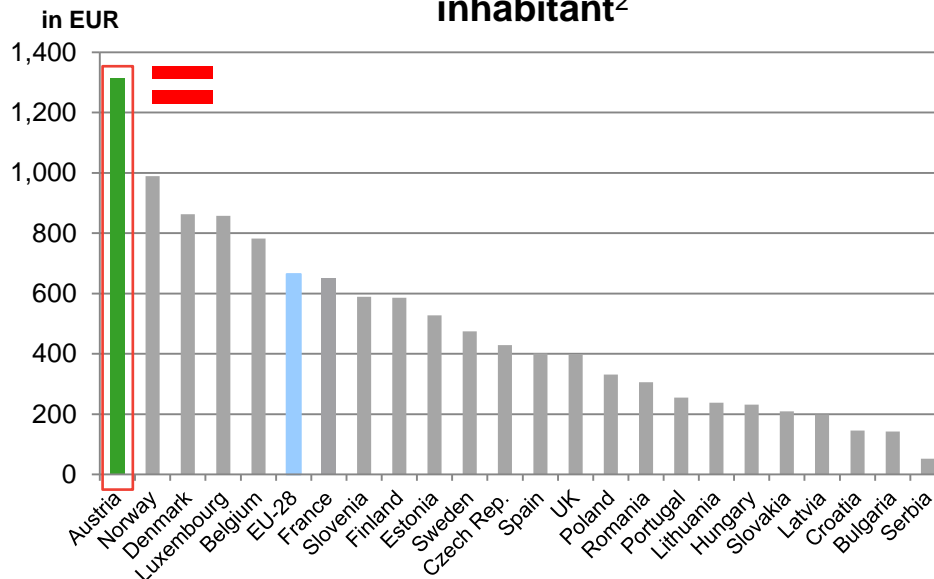
Sustainalytics

Ranked 5th out of 172 countries worldwide

oekom research

Ranked 9th out of 57 countries worldwide

Environmental protection expenditure per inhabitant²



- **Highest environmental protection expenditure per capita² and highest share of green jobs in the EU³**
- Share of **renewable energy sources** (in total gross final energy consumption) is over 32%. That is **twice the EU average (16%)** and puts Austria in 4th place in Europe⁴
- Austria has the **2nd highest recycling rate of waste** in the EU⁴
- With over 20% of its agricultural area utilised under **organic farming**, Austria ranks **1st among all EU member states⁴**

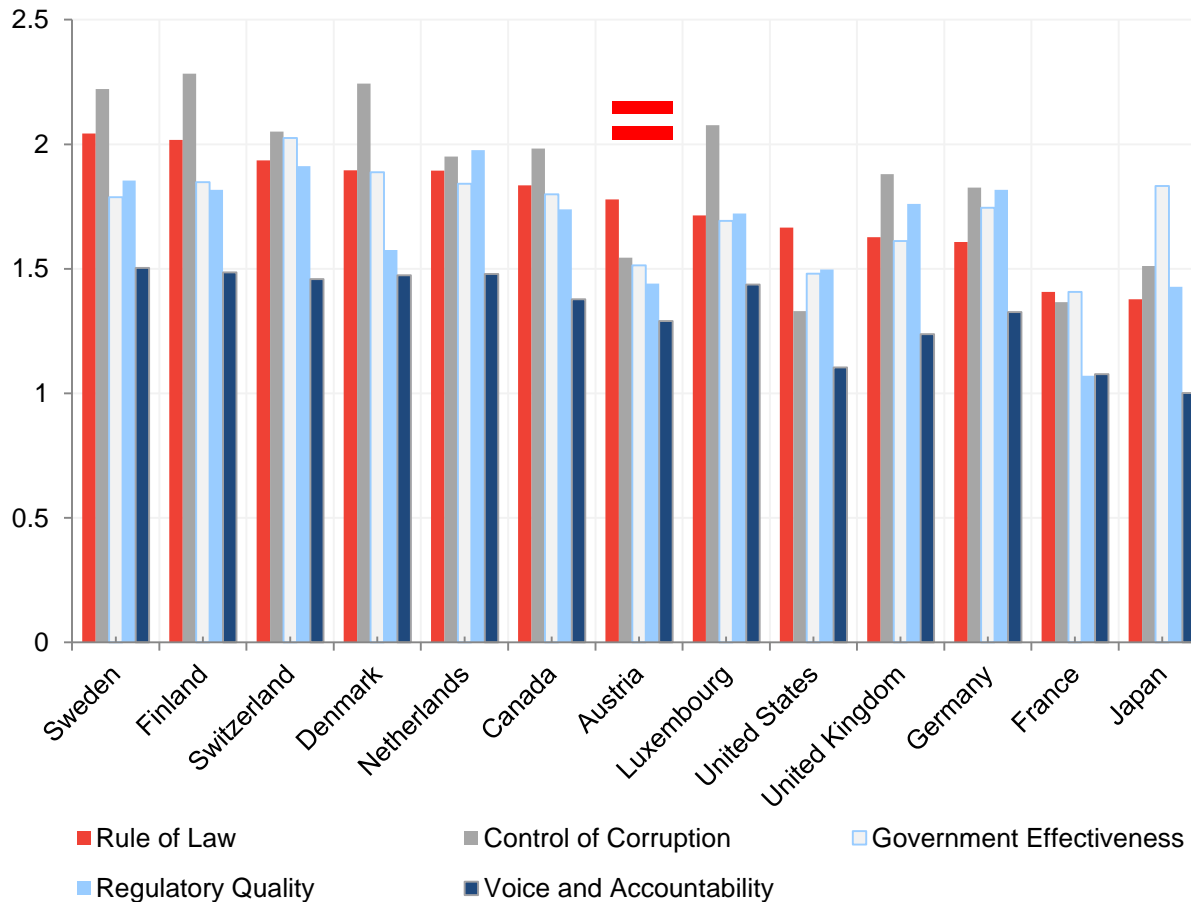
1) Reports available online at www.oebfa.at

2) Eurostat, February 2017 (no data available for Germany, Netherlands, Italy, Ireland, Greece)

3) Eurostat, Employment in the environmental goods and services sector; May 2017

4) Eurostat, Sustainable Development in the European Union 2016

Austria's High Institutional Strength Worldbank Governance Indicators

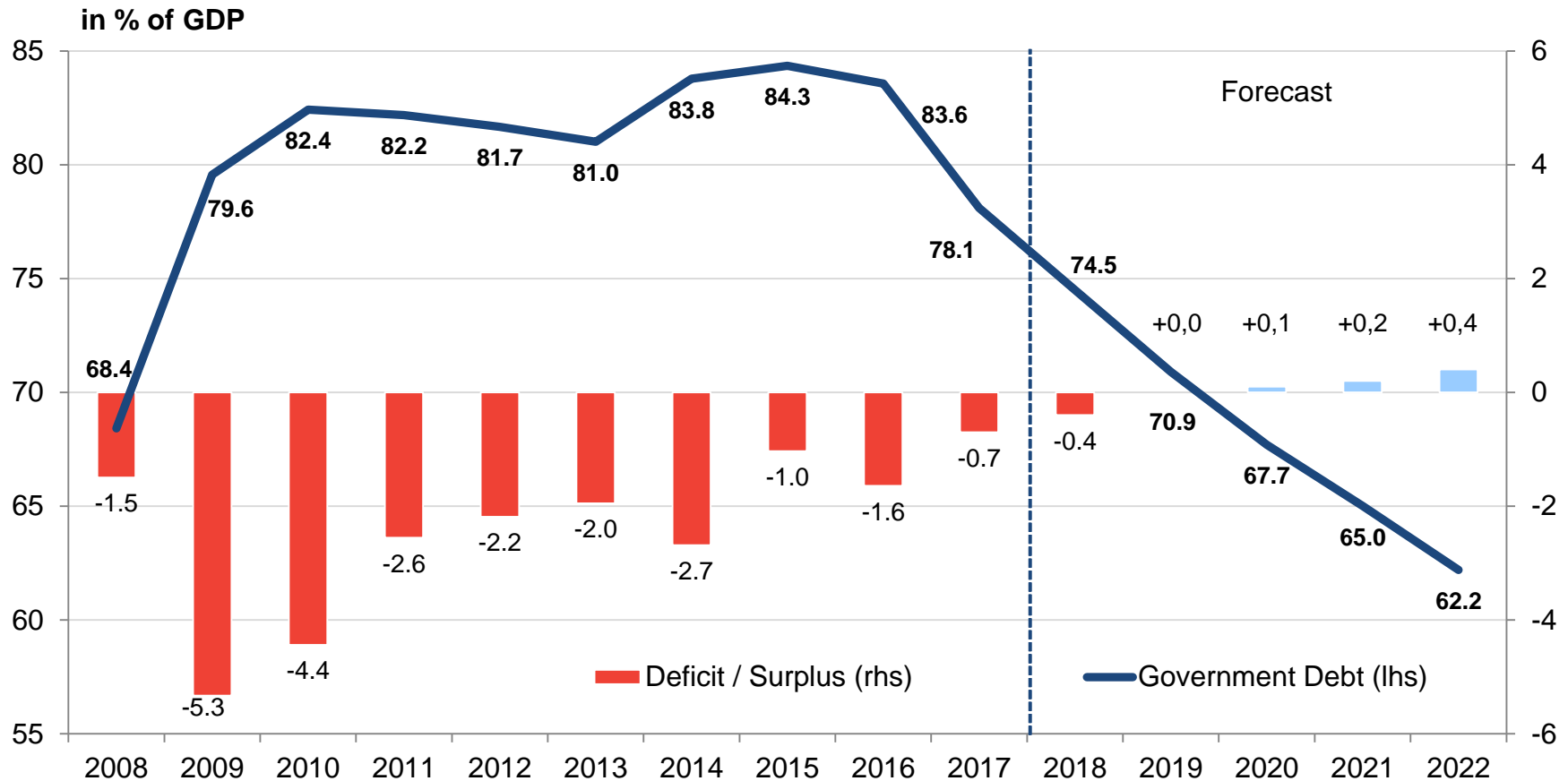


- **Rule of Law:**
ranked 10 out of 214 countries worldwide
- **Voice and Accountability:**
ranked 15 out of 214 countries worldwide
- **Government Effectiveness:**
ranked 18 out of 214 countries worldwide
- **Control of Corruption**
ranked 19 out of 214 countries worldwide
- **Regulatory Quality**
ranked 19 out of 214 countries worldwide

Note: Values range from -2.5 (weak) to +2.5 (strong) / data as of October 2017

Austria's Favourable Fiscal Position

Government Debt Ratio and Budget Deficit on a clearly declining path



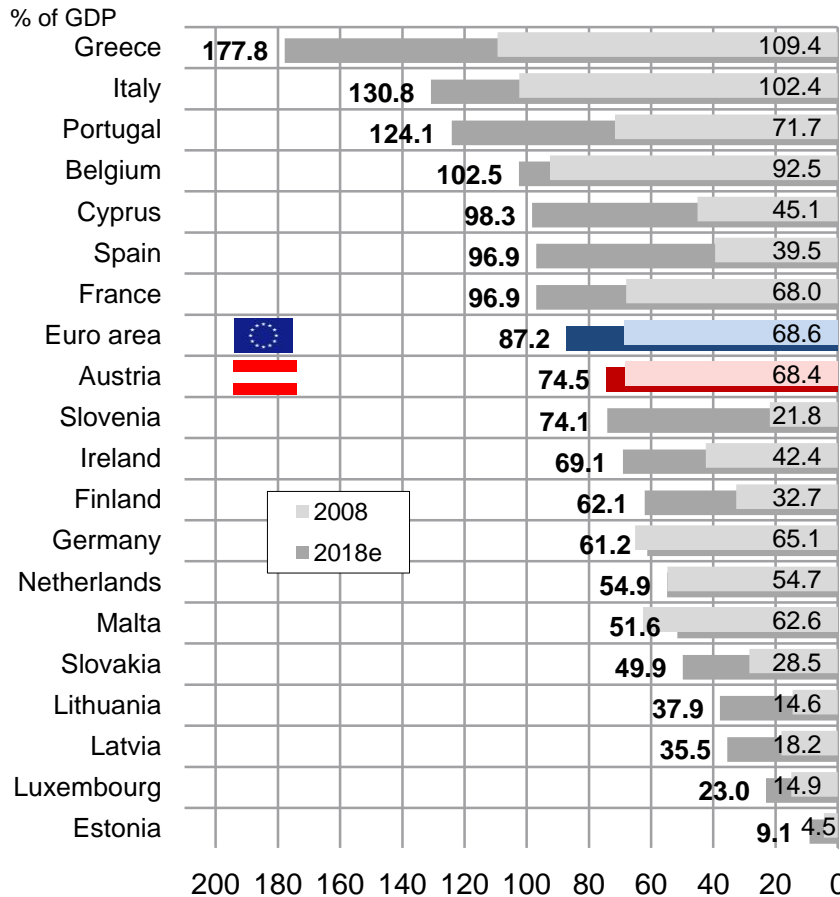
- Excluding liabilities of government-owned wind-down units, Austria's general government debt was 76.5% as of GDP (Q3-2017)

Source: Statistics Austria, March 2018 / Federal Ministry of Finance, March 2018

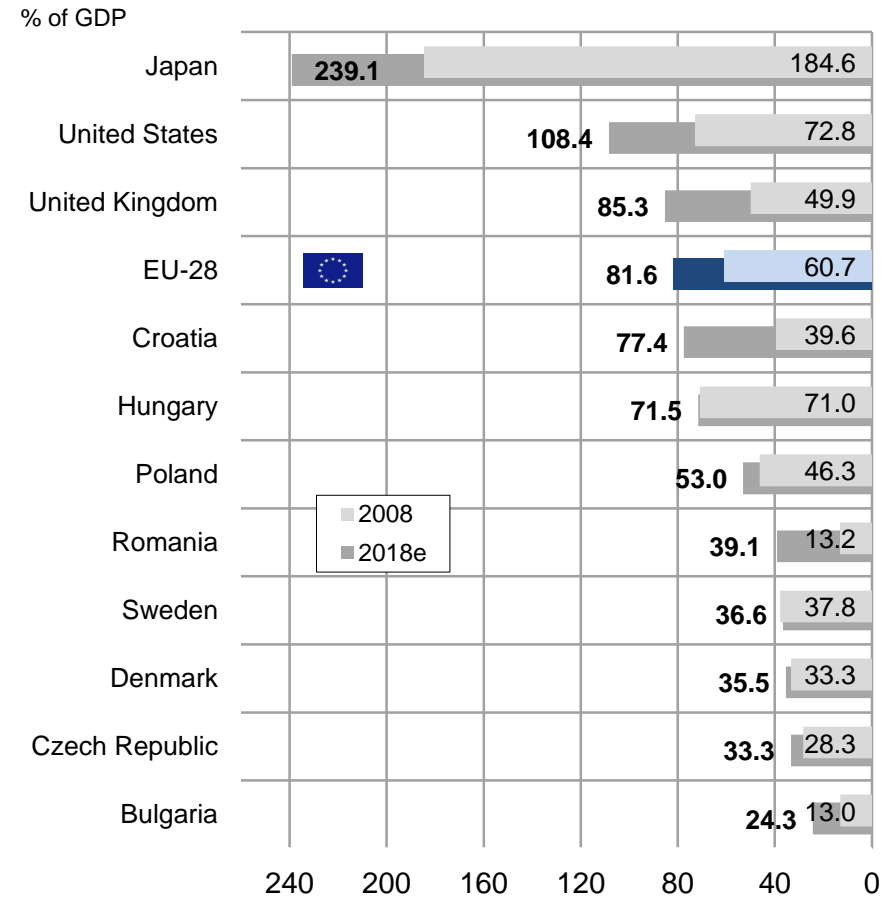
Public Debt/GDP in Austria

Increase since 2008 substantially below Eurozone-average

Euro area



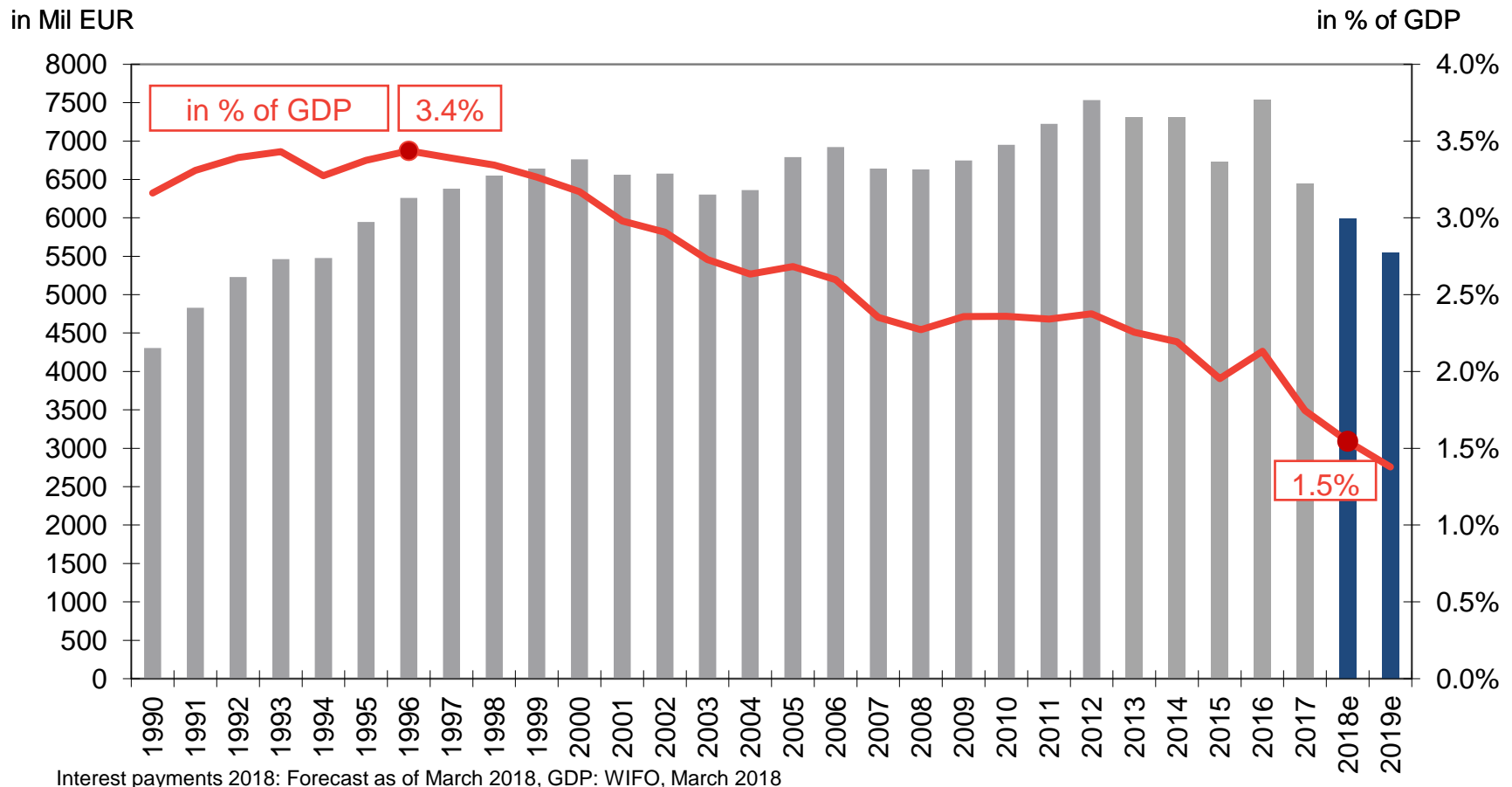
Non-euro area and others



Source: EC – Autumn Economic Forecast, November 2017 / Statistics Austria, February 2018 / Federal Ministry of Finance, March 2018

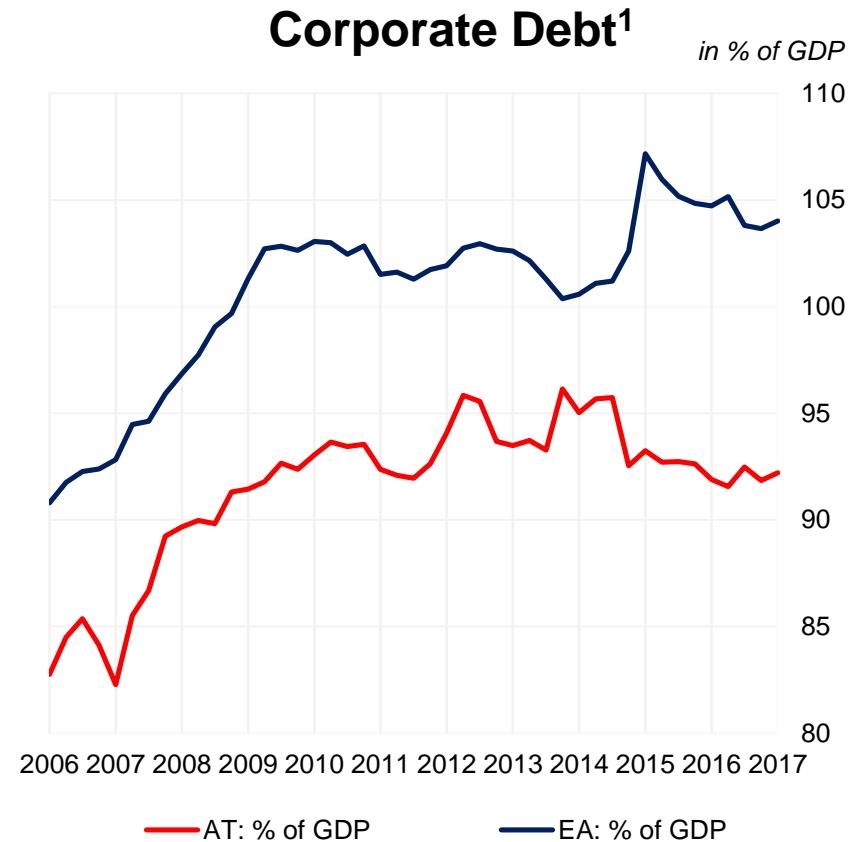
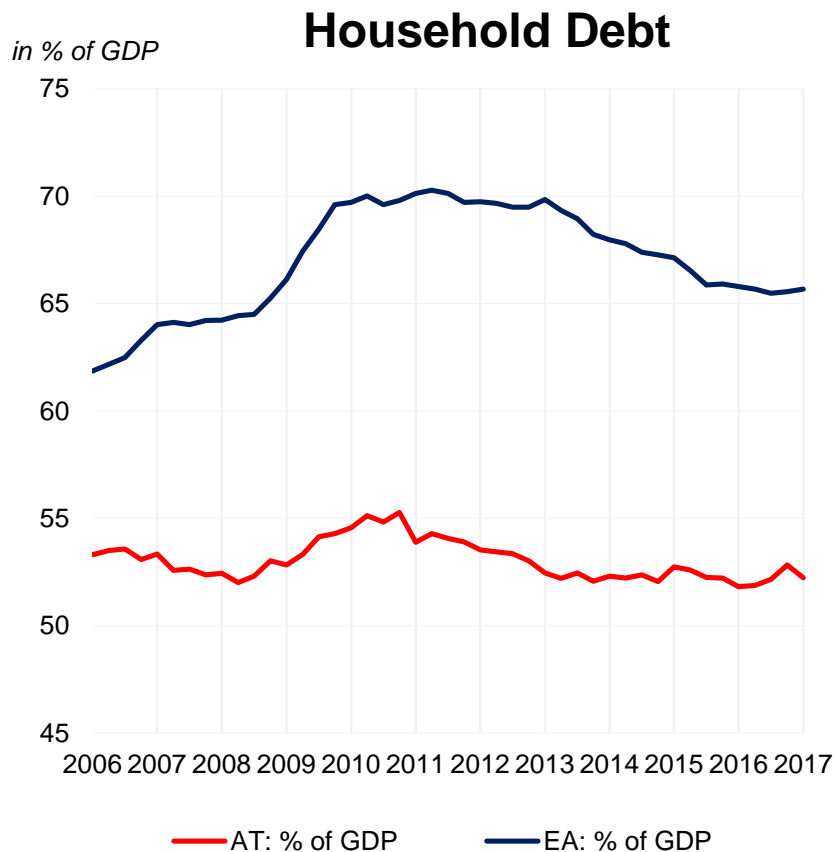
Federal government - Interest payments 1990-2019

- Absolute level of interest payments relatively stable
- Relative to GDP interest payments are below 2% and well beneath peak levels in 1996



Indebtedness of households and corporates

Level of corporate and household indebtedness substantially below Euro-Zone average

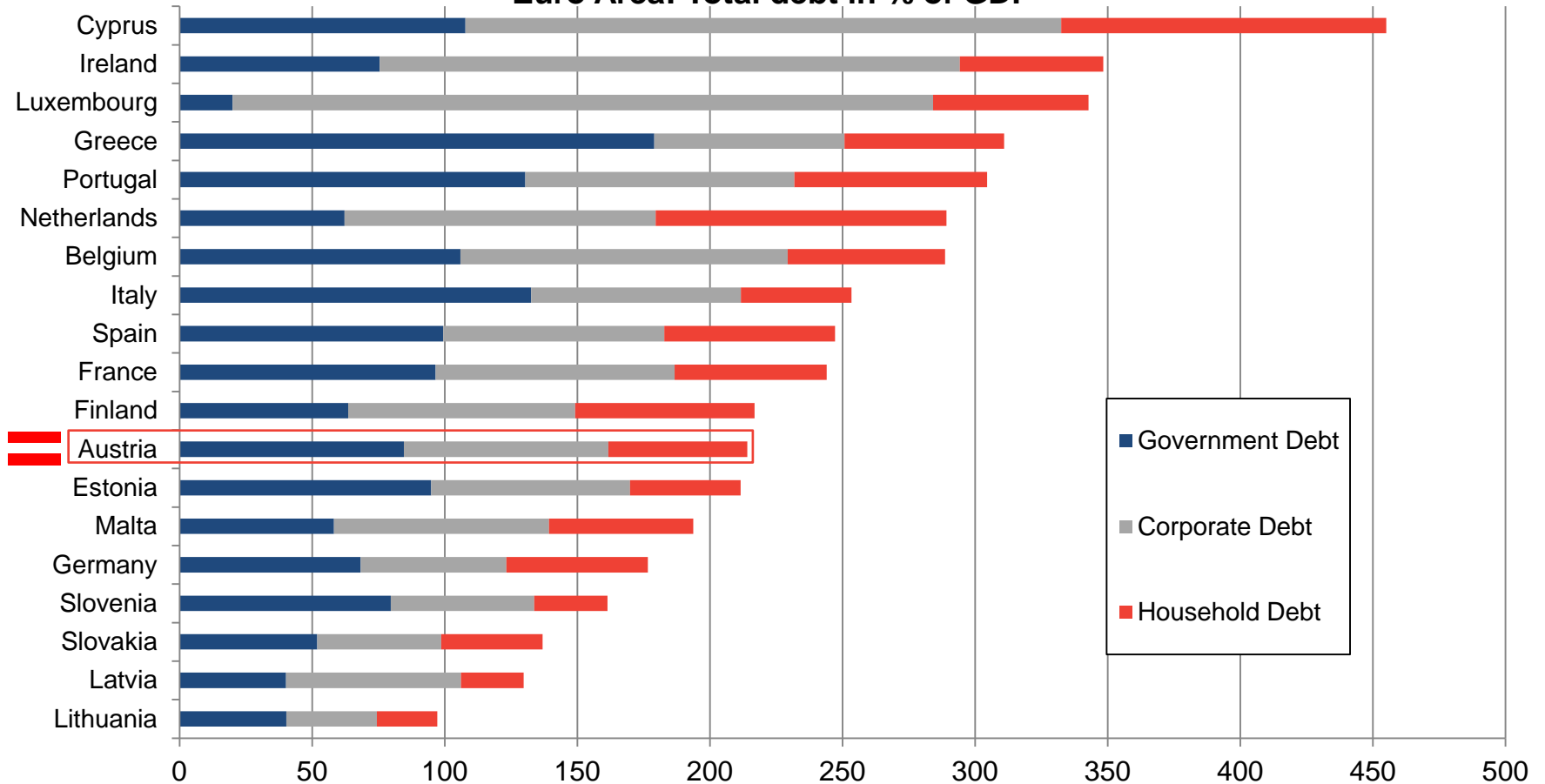


¹ Short- and long-term loans, money and capital market instruments.

Total indebtedness of the real economy

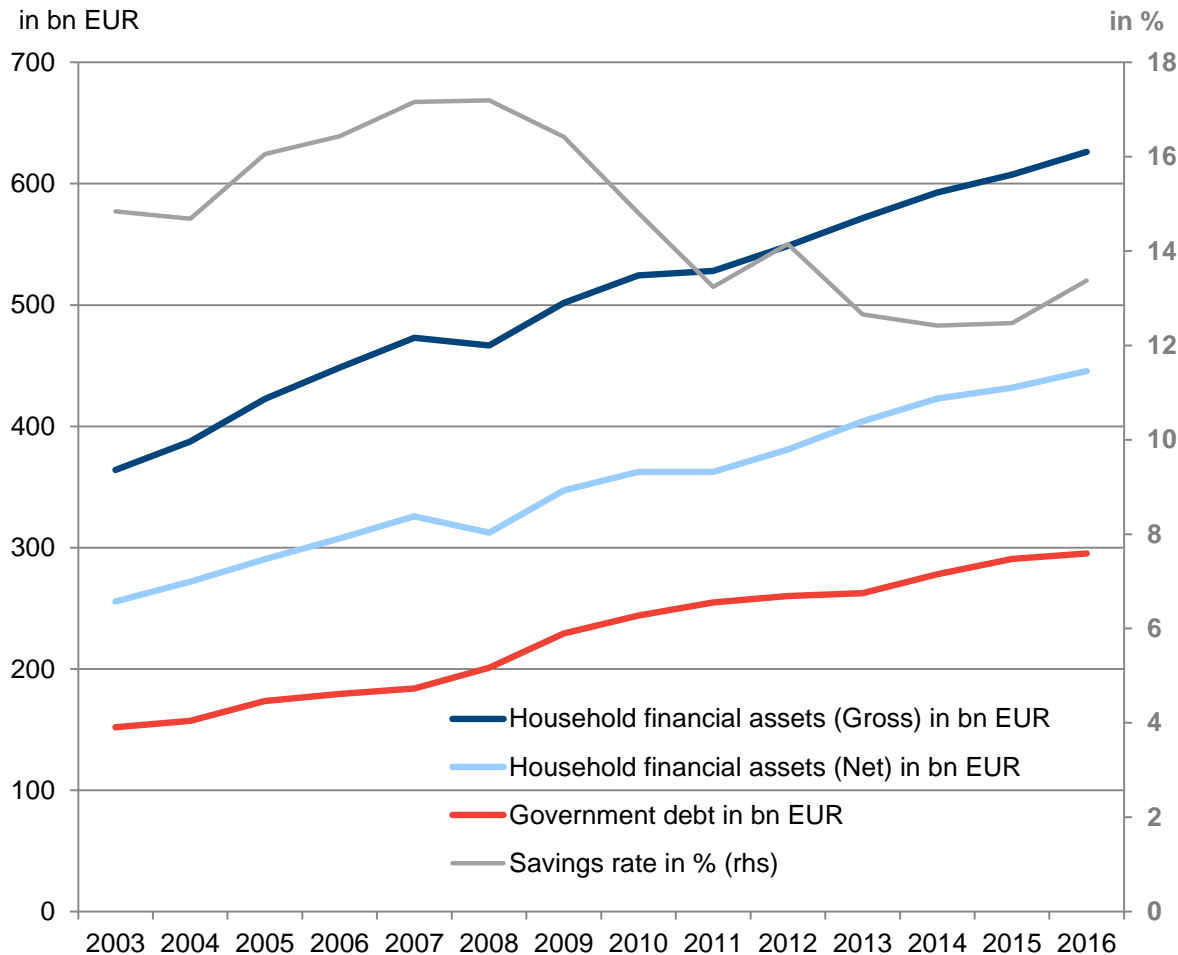
Level of total indebtedness in Austria relatively low

Euro Area: Total debt in % of GDP



Source: ECB / ESRB, May 2017 (data as of Q4 2016)

Government debt and household assets



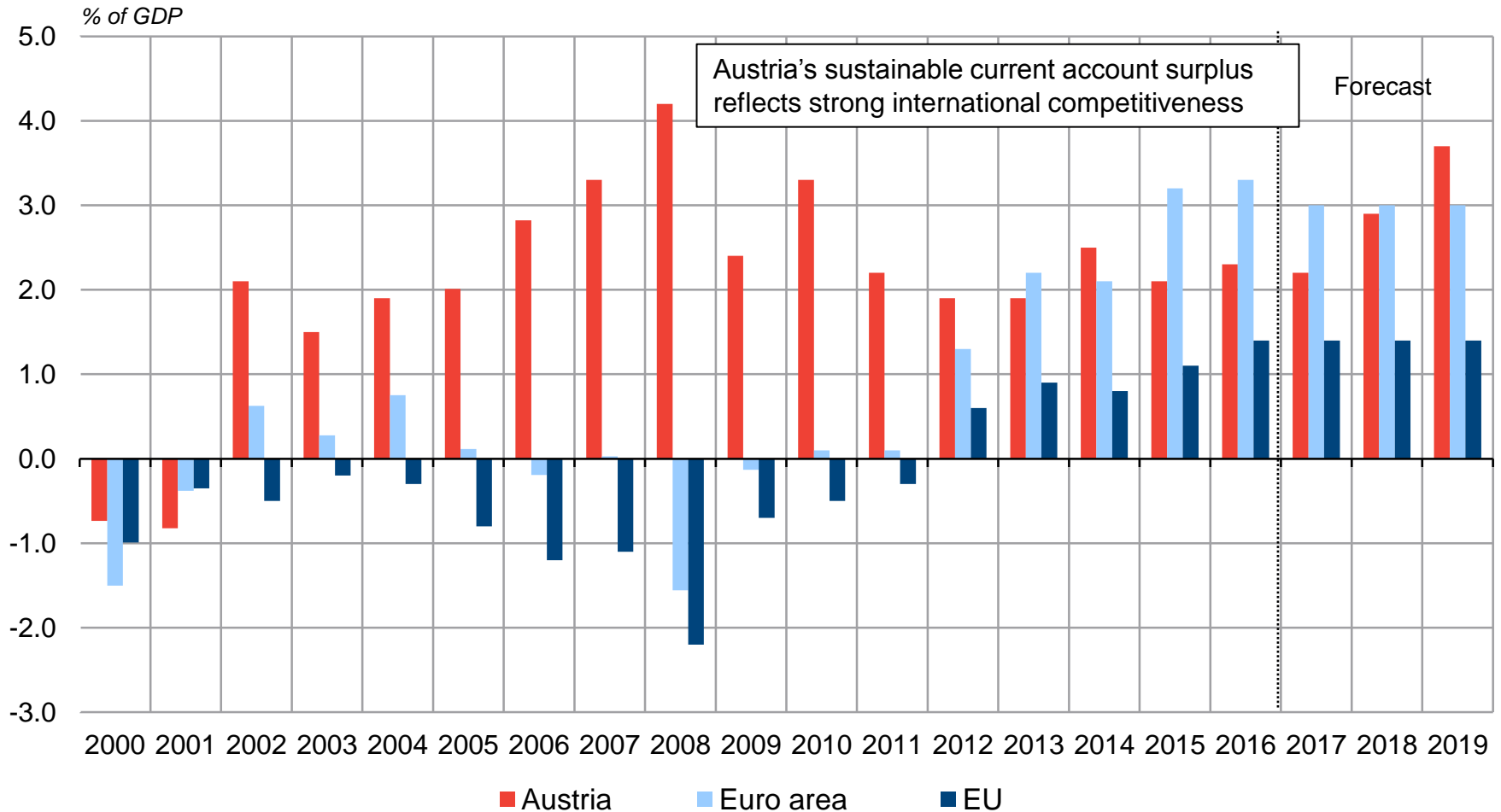
High domestic wealth

- Growth in net financial assets of households exceeds increase in government debt
- GDP per capita is 38% higher than EU-average
- Sustainable current account surplus

Source: Statistics Austria, March 2018 / Austrian National Bank, March 2018

Austria's strong competitive position

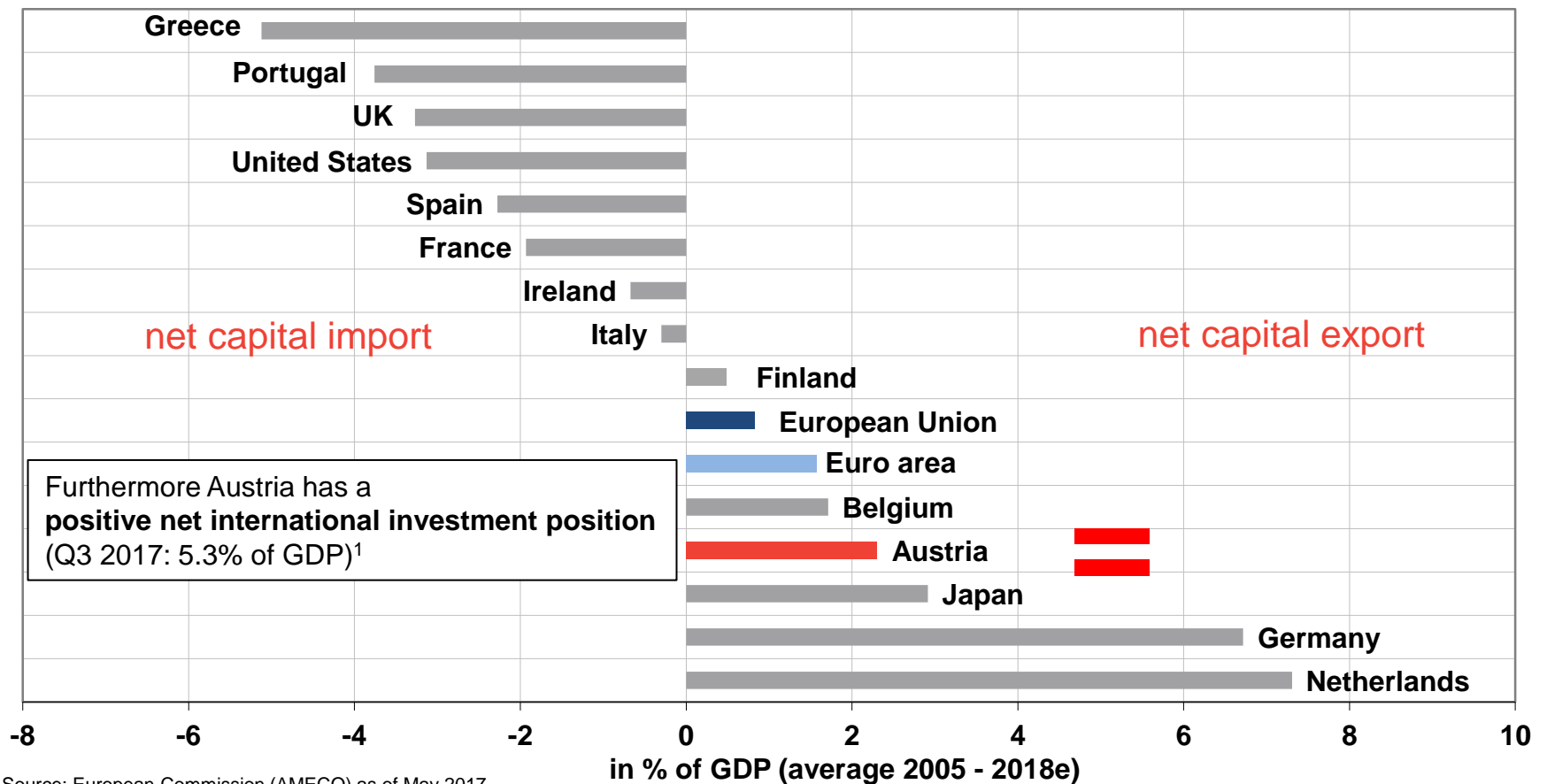
Current Account Balance



Source: EC – Autumn Economic Forecast, November 2017

Austria is an International Net Lender

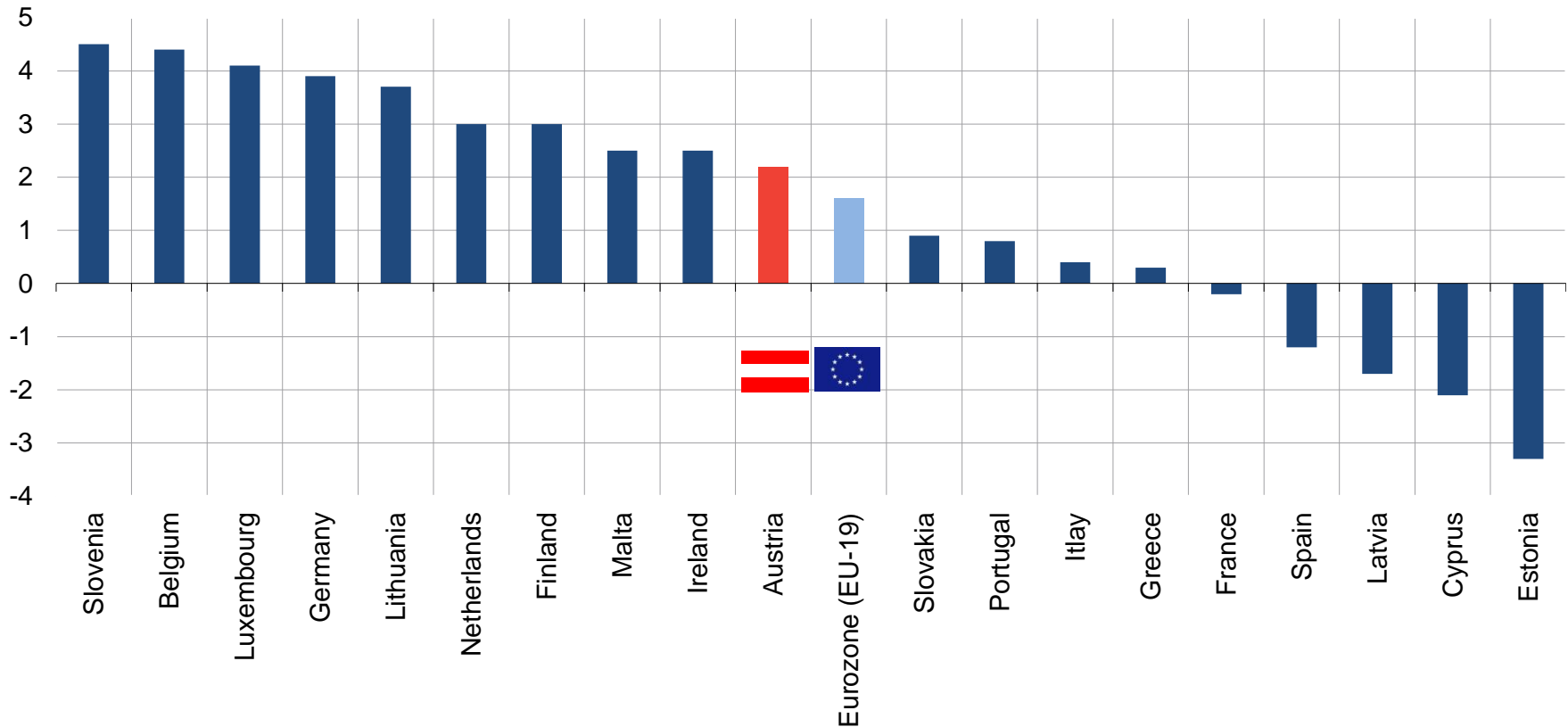
Net lending (+) / net borrowing (-) of the nation in % of GDP



Source: European Commission (AMECO) as of May 2017
1) OeNB, December 2017

Age-related expenditure under control

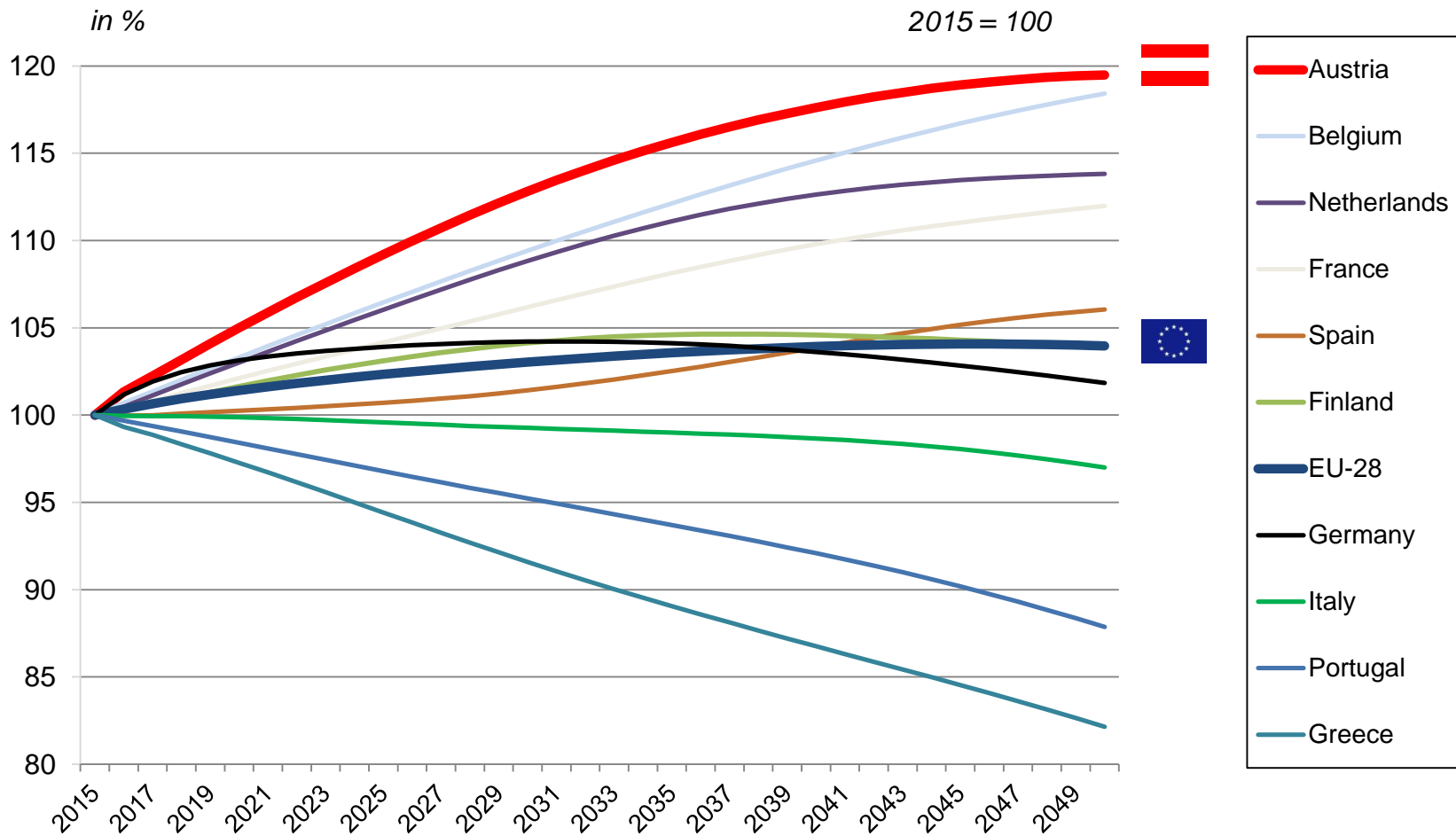
Total Age-related expenditure in the euro area (projected change in pp of GDP, 2013-2020)



Pursuing further structural pension reforms is one of the key goals of the federal government.

Source: European Commission Ageing Report, May 2015 (baseline scenario)

Austria's population growth outperforms European average

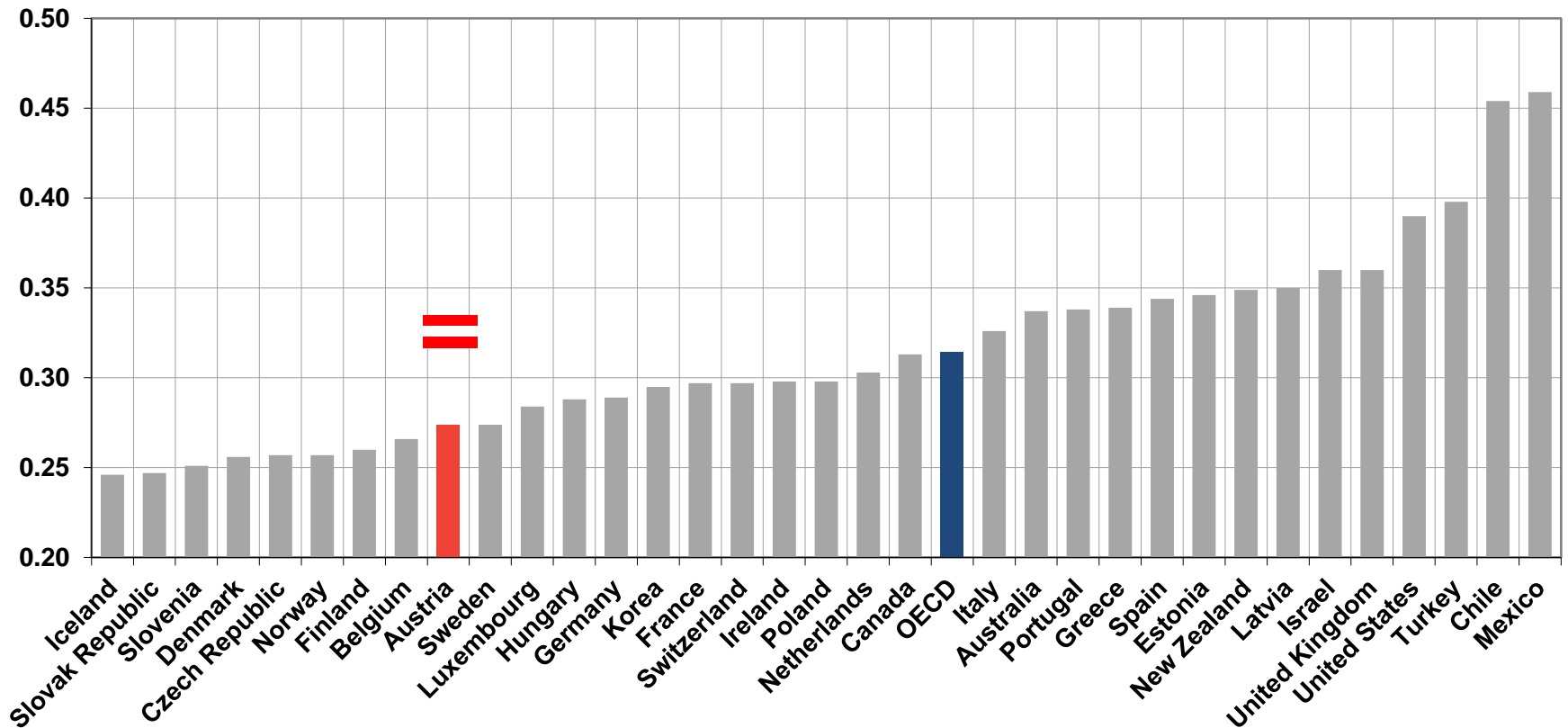


Source: Eurostat, data extracted in April 2017

Population Projections (main scenario): Assumptions related to fertility, mortality, net international migration as well as the approximated values of life expectancy at birth

High Social Stability

Gini Coefficient



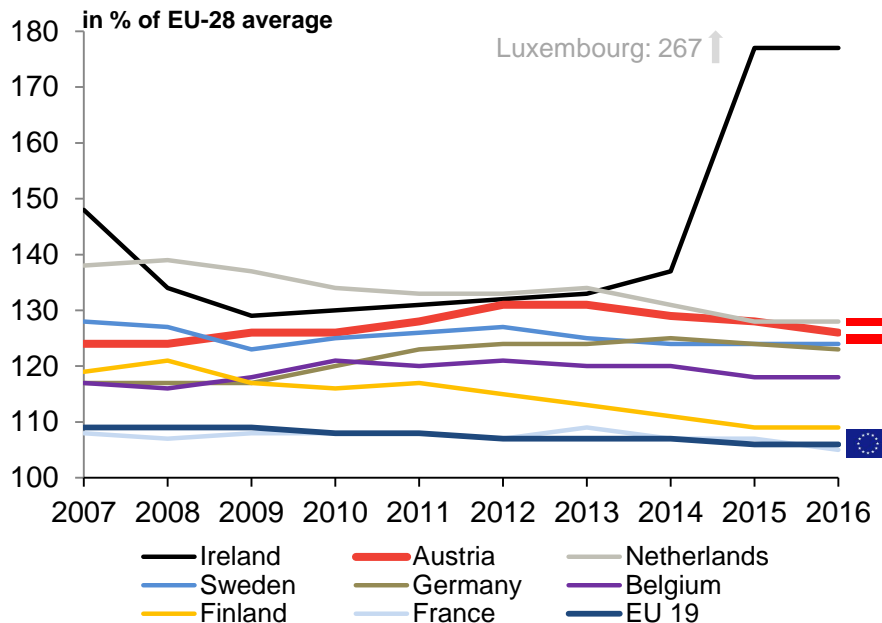
Austria's low Gini coefficient indicates a relatively equal income distribution

Source: OECD Income Distribution Database, no data for Japan and Russia available / Gini coefficient 2015 or latest available, November 2017

Austria's favourable fundamentals

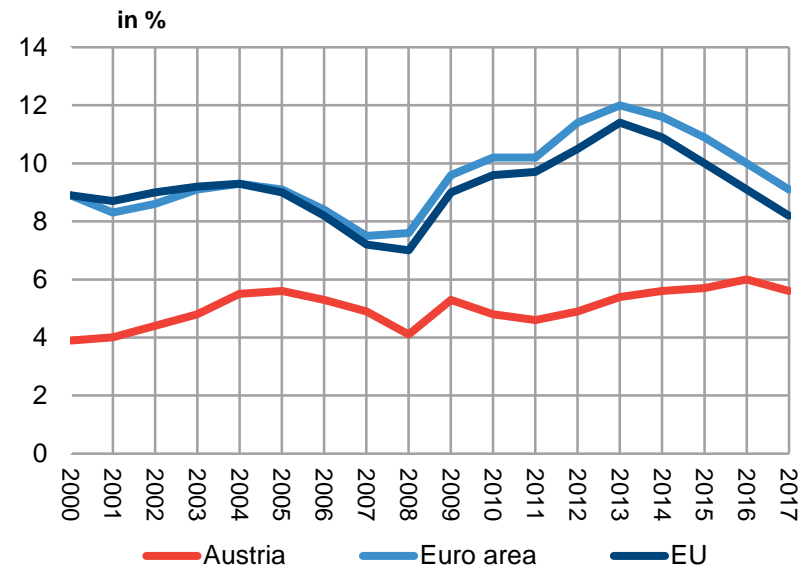
High GDP per capita and low unemployment

Austria's GDP per capita¹:
4th highest in the EU



- GDP per capita since 2007 up from 5th to 4th rank in the EU

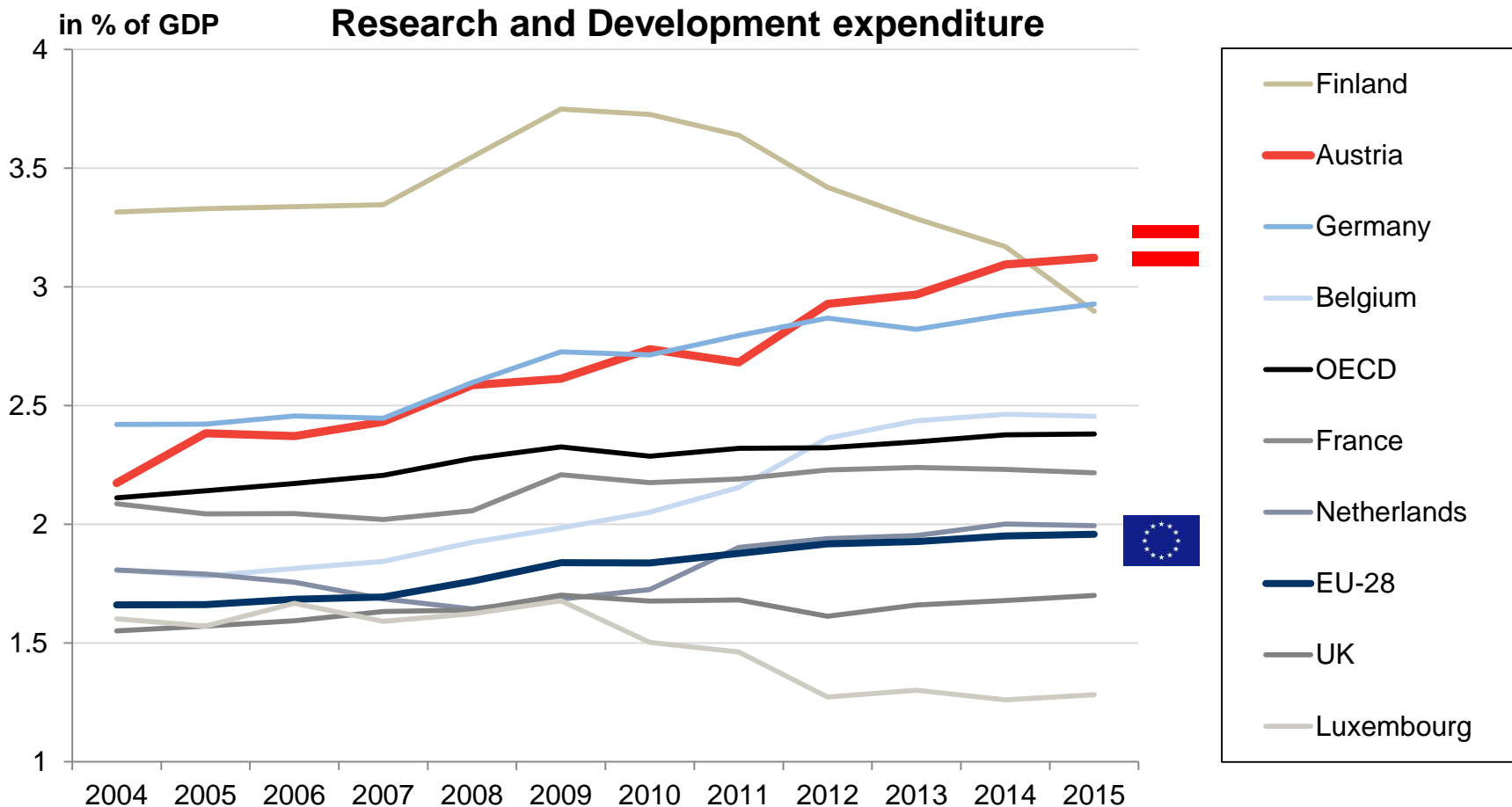
Austria's unemployment rate:
4th lowest in the Eurozone



- Unemployment rate nearly half of the Eurozone-average
- 3rd lowest long-term unemployment and 4th lowest youth unemployment rate in the Eurozone

Source: European Commission, Eurostat as of November 2017
1) in purchasing power standards

Strong Innovation Performance Austria's R&D expenditure above peers



Source: OECD (2017), Gross domestic spending on R&D (indicator). doi: 10.1787/d8b068b4-en (Accessed on 24 November 2017)

EU Macroeconomic Imbalance Procedure

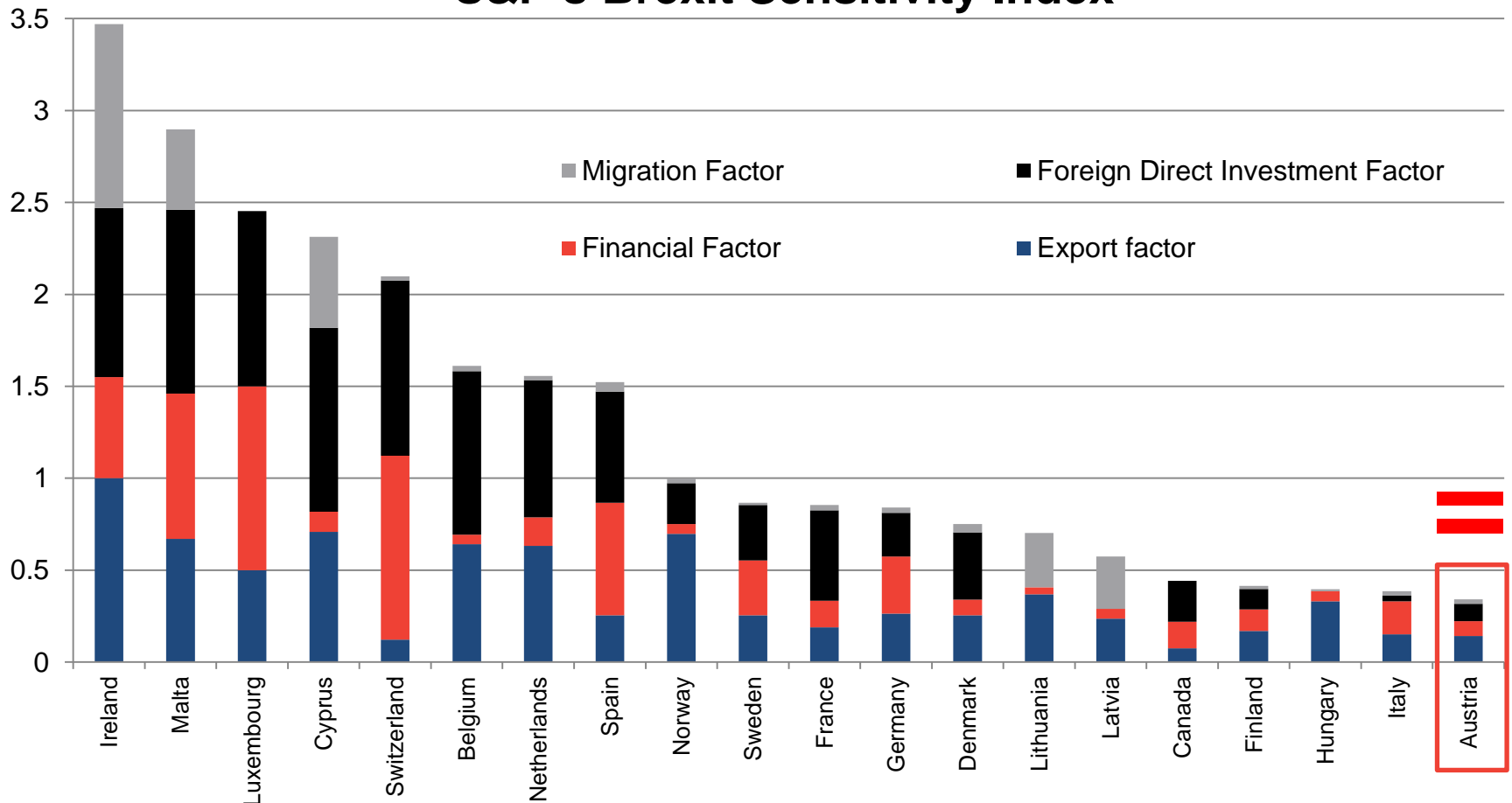
Austria with no major imbalances

	External Imbalances						Internal Imbalances					New employment indicators			# of indicators beyond threshold
	Current Account Balance as % of GDP, 3 year average	Net International Investment Position as % of GDP	Real Effective Exchange Rate (42 trading partners, based on HICP/CPI), % change (3 years)	Export Market Shares, % change (5 years)	Nominal ULC, % change (3 years)	Deflated House Price Index (1-year % change)	Private Sector Credit Flow as % of GDP, consolidated	Private Sector Debt as % of GDP, consolidated	General Government Sector Debt as % of GDP	Unemployment Rate, 3 year average	Total Financial Sector Liabilities (1-year % change)	Activity rate in % of total population aged 15 - 64 (3 years change)	Long-term unemployment rate in % of active population aged 15-74 (3 years change)	Youth unemployment rate in % of active population aged 15-24 (3 years change)	
Threshold	-4/+6%	-35%	+/- 5% (EA) +/- 11% (Non-EA)	-6%	9% (EA) 12% (Non-EA)	6%	14%	133%	60%	10%	16.5%	-0.2	0.5	2.0	
Belgium	-0.3	51.2	-0.4	-2.3	-0.6	1.0	13.3	190.1	105.7	8.3	1.2	0.1	0.1	-3.6	2
Germany	8.1	54.4	-2.6	2.9	5.2	5.4	3.8	99.3	68.1	4.6	5.2	0.3	-0.6	-0.7	2
Luxembourg	5.0	34.7	-1.5	26.2	2.5	5.9	1.5	343.6	20.8	6.3	7.5	0.1	0.4	2.2	2
Denmark	8.4	54.8	-1.5	-4.2	3.4	4.2	-10.4	210.7	37.7	6.3	3.3	1.9	-0.4	-1.0	2
Austria	2.2	5.6	1.0	-4.0	5.8	7.2	3.2	124.0	83.6	5.8	-2.4	0.7	0.6	1.5	3
France	-0.7	-15.7	-3.1	-2.4	1.4	1.0	6.2	146.9	96.5	10.3	4.3	0.7	0.2	-0.3	3
Netherlands	8.8	69.1	-2.3	0.1	-1.1	4.4	1.5	221.5	61.8	6.8	5.3	0.3	0.0	-2.4	3
Sweden	4.6	11.2	-9.2	-7.9	2.0	7.6	7.6	188.5	42.2	7.4	9.0	1.0	-0.1	-4.7	3
UK	-5.5	-1.1	0.2	-0.1	3.1	5.5	5.8	168.1	88.3	5.4	9.8	0.9	-1.4	-7.7	3
Finland	-1.2	-2.3	0.5	-14.1	2.1	-0.3	2.2	149.3	63.1	9.0	4.5	0.7	0.6	0.2	4
Ireland	5.5	-176.2	-6.6	59.8	-20.5	6.6	-19.0	278.1	72.8	9.5	*9,5	0.7	-3.6	-9.6	5

Source: MIP Scoreboard, European Commission as of November 2017

Austria: Least exposed to Brexit scenario

S&P's Brexit Sensitivity Index



Source: S&P, "Who has the most to lose from Brexit?" Brexit Sensitivity Index (June 9, 2016)

Austria

A Safe Haven Core-Eurozone Economy

- Diversified and competitive economy
- No major macroeconomic imbalances, low private sector indebtedness
- High level of innovation
 - R&D expenditure 2017e: above 3% of GDP / among Top-10 worldwide¹
- Strong exports and tourism
 - 2nd most diversified export structure in the world (out of 217 countries)²
- 4th lowest unemployment in Eurozone
- Sustainable current account surplus
- Net capital exporting country and positive net international investment position
- High savings ratio / Top-10 savers worldwide³
- 4th richest country in the EU⁴
- 4th most peaceful country in the world (out of 163)⁵
- Very low vulnerability to climate change / ranked 3 out of 116 countries worldwide⁶

1) Statistics Austria, March 2018 / Research and Development Expenditures in % of GDP, February 2018 (UNESCO)

2) UNCTAD Statistics, Concentration and diversification indices of merchandise exports, February 2018

3) World Bank Global Financial Inclusion Database, (% aged 15+) saved any money in the past year

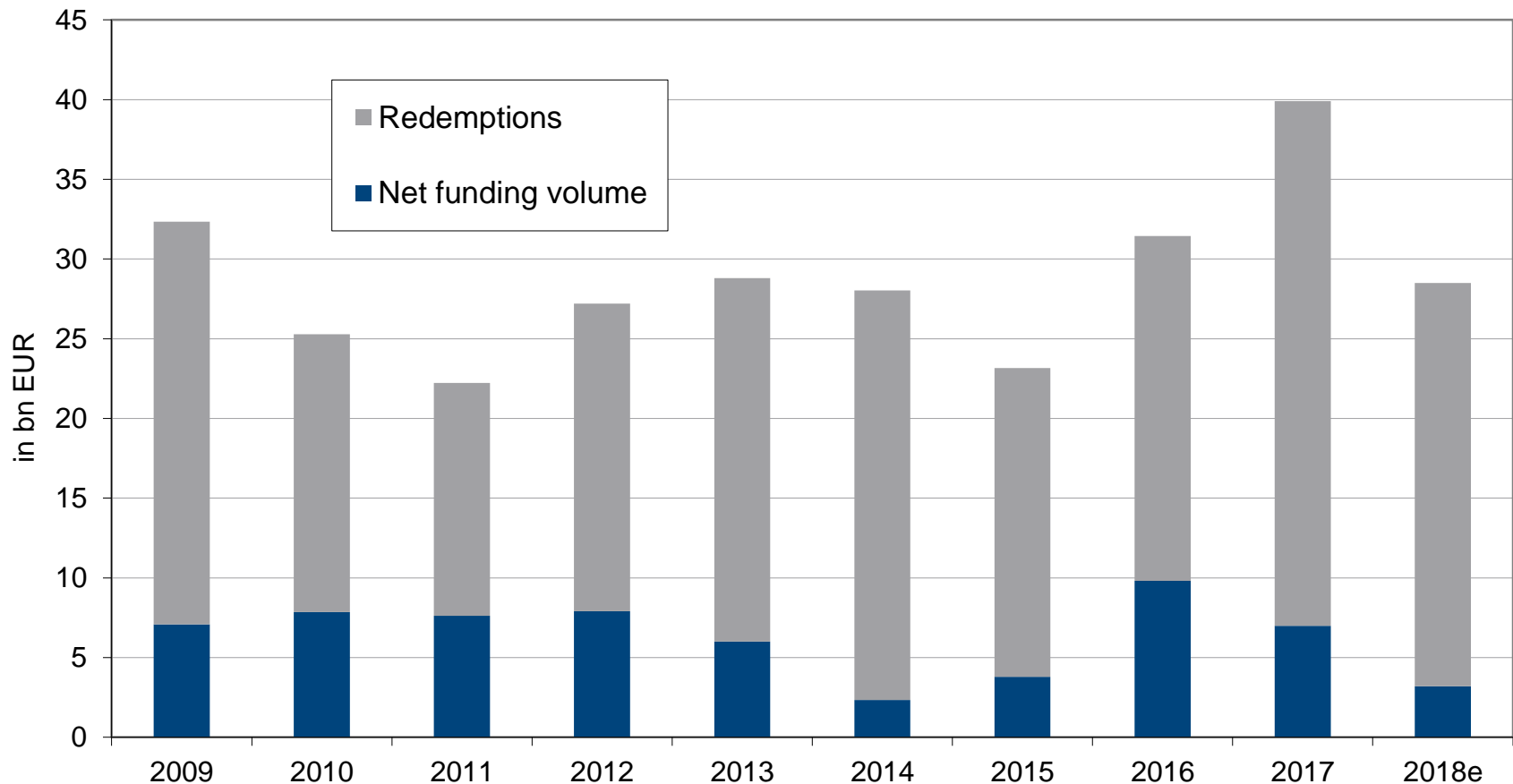
4) 2016 GDP per capita on purchasing power parities, Eurostat, August 2017

5) Institute for Economics and Peace, Global Peace Index 2017

6) S&P, May 2014

Funding 2018 – around 2% of Eurozone

Total gross funding volume 2009 – 2018e



Note: All funding instruments including own quota of the Republic of Austria

Funding Outlook 2018

Total issuance including all instruments (RAGB, T-bills, EMTN, loans):

2018: 27-30 bn EUR

2017: 39.9 bn EUR (updated forecast from Sept 7, 2017: 38–41bn EUR)

RAGB issuance 2018: 20–23 bn EUR

RAGB issuance 2017: 24-26bn EUR (updated forecast from Sept 7, 2017)
outcome: 26.1 bn EUR

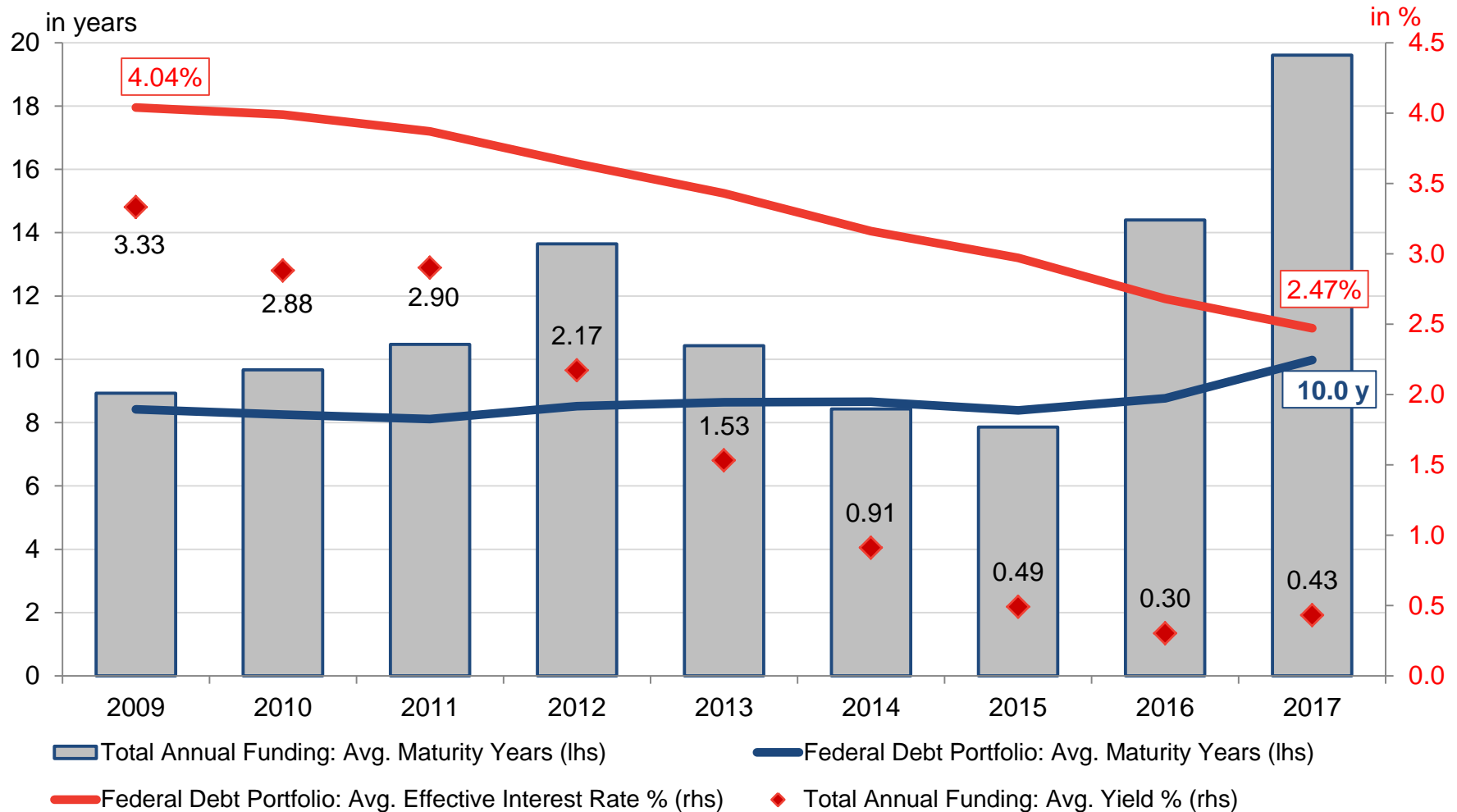
2018: one or two syndicated EUR issues

Total portfolio tenor (end-2018): 9.6-10.2 years (end-2017: 10.0 years)

Total portfolio interest fixing period (end-2018): 10.2-10.8 years (end-2017: 10.8 years)

As of March 8, 2018: **around 40%** of total funding programme **completed**

Key metrics of Federal Debt Portfolio 2009-2017



Auction Calendar & Issuance 2018

Announcement	Issue date	Value date	
Jan 2	Jan 9	Jan 11	EUR 0.52 bn increase of 1.50% RAGB 2016-2047 EUR 0.86 bn increase of 0.50% RAGB 2017-2027
Jan 17	Jan 18	Jan 25	EUR 4.0 bn syndication of 0.75% RAGB 2018-2028
Jan 30	Feb 6	Feb 8	EUR 0.58 bn increase of 0.75% RAGB 2018-2028 EUR 0.83 bn increase of 0.00% RAGB 2016-2023
Feb 27	Mar 6	Mar 8	EUR 0.46 bn increase of 0.75% RAGB 2018-2028 EUR 0.69 bn increase of 0.00% RAGB 2017-2022
Apr 3	Apr 10	Apr 12	
Apr 30	May 8	May 11	
May 29	Jun 5	Jun 7	
Jun 26	Jul 3	Jul 5	
Jul 31	Aug 7 (reserve date)	Aug 9	
Aug 28	Sep 4	Sep 6	
Sept 25	Oct 2	Oct 4	
Oct 30	Nov 6	Nov 8	
Dec 4	Dec 11	Dec 13	

- Volume and tenors are announced one week prior to the issue date at www.oebfa.at
- A re-opening of existing issues is regularly done in order to enhance liquidity.
- The average tenor of the outstanding debt is 10.5 years (as of January 31, 2018).

Cornerstones of Funding Strategy

- Diversity of funding sources (geographically and by instruments)
- Financial flexibility (e.g. to address specific investor demand)
- Capitalizing on scarcity value and strong fundamentals
- Secondary market liquidity
- Monthly auctions
- 21 RAGB primary dealers, 9 ATB dealers
- One of the lowest debt rollover ratios
- Conservative debt management strategy
 - over 95% fixed rate
 - less than 10% short term debt
- No foreign currency risk
- Well-balanced maturity profile
- Reliability, Transparency, stability-oriented approach
- Rigorous Investor Relations Programme

Financing Instruments Republic of Austria

- Government bonds RAGB
- Debt issuance programme (DIP 144A)
- EMTN-Programme (Euro Medium Term Notes)
- Australian Dollar MTN-Programme – „Kangaroo Programme“
- Online retail savings product (bundesschatz.at)
- Loans and Schuldschein-Format
- Austrian Treasury Bills (ATB-Programme)

Primary Dealer Panel Republic of Austria

21 Primary Dealers for Austrian Government Bonds

- Barclays Bank PLC
- BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG
- BNP Paribas
- Citigroup Global Markets Limited
- Commerzbank AG
- Deutsche Bank Aktiengesellschaft
- Erste Group Bank AG
- Goldman Sachs International Bank
- HSBC France
- J.P. Morgan Securities plc
- Landesbank Baden-Württemberg
- Merrill Lynch International
- Morgan Stanley & Co. International plc
- Natixis
- NatWest Markets
- Nomura International plc
- Oberbank AG
- Raiffeisen Bank International AG
- Société Générale
- UniCredit Bank AG
- Volksbank Wien AG

9 Dealers for Austrian Treasury Bills

- Bank of America Merrill Lynch International Limited
- Barclays Bank PLC
- BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG
- Citigroup Global Markets Limited
- Credit Suisse Securities (Europe) Limited
- Goldman Sachs International
- Raiffeisen Bank International AG
- UBS Limited
- UniCredit Bank AG

Debt Rollover Ratio among lowest worldwide

EU 19	2015	2016	2017	2018e
Italy	20,2	18,0	19,0	16,5
Belgium	16,3	15,9	16,2	14,6
Portugal	15,8	20,1	16,4	14,3
Spain	15,7	14,9	14,7	13,2
Greece	17,4	18,3	13,7	10,6
France	13,5	17,1	11,0	10,3
Netherlands	9,3	6,0	8,7	7,5
Finland	5,6	6,9	8,0	6,6
Ireland	6,9	4,9	5,1	6,0
Slovenia	6,1	9,0	6,7	5,4
Germany	6,2	6,1	5,2	5,3
Cyprus	11,4	13,2	3,9	5,3
Malta	6,1	7,9	6,5	5,2
Austria	5,4	6,2	6,1	5,2
Lithuania	4,5	4,3	3,0	5,1
Latvia	7,6	2,6	5,5	4,5
Slovakia	3,3	4,9	5,9	3,7
Luxembourg	0,0	0,0	0,4	1,2
Estonia	0,1	0,1	0,1	0,1
Average	9,0	9,3	8,2	7,4

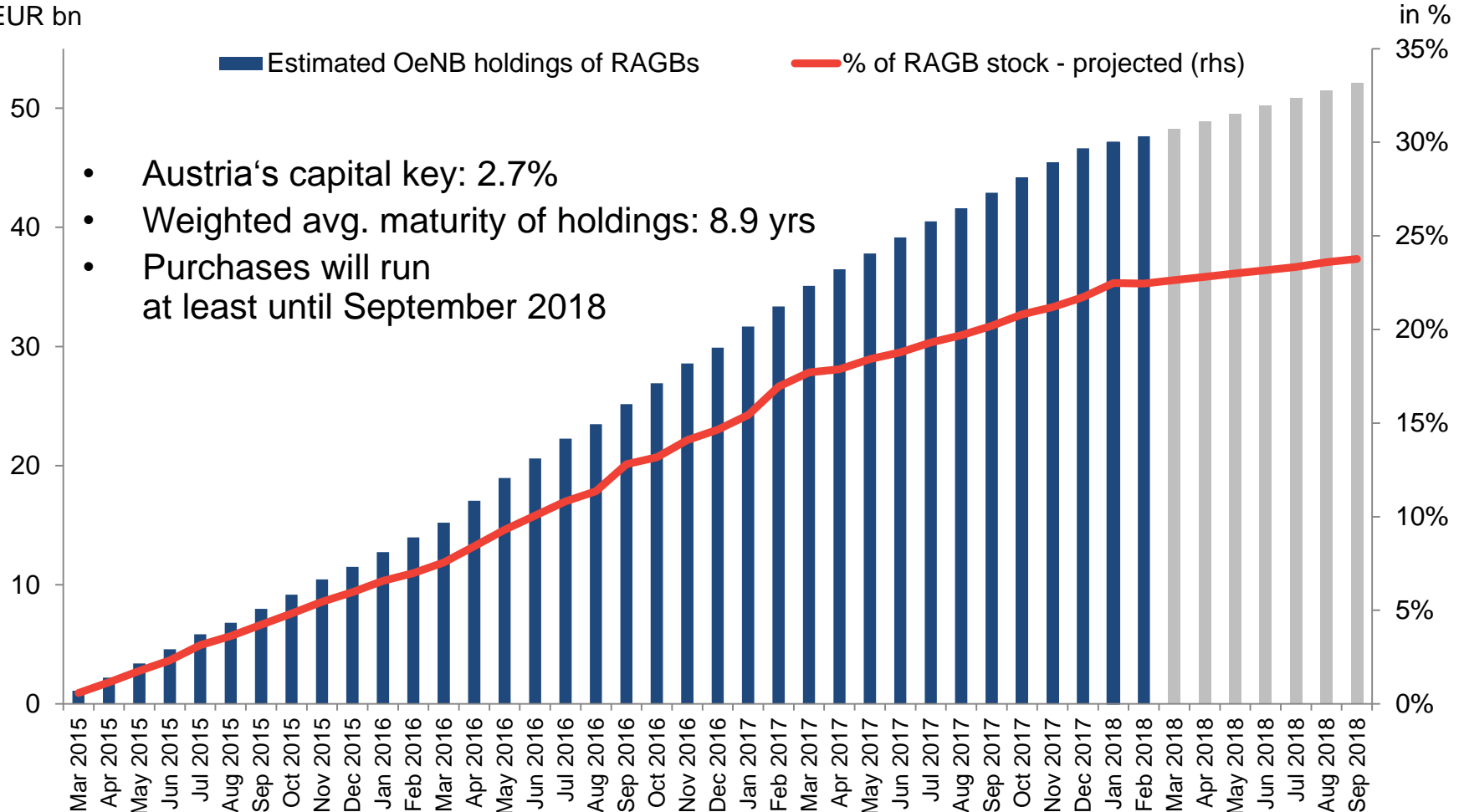
- defined as short-term debt stock of the previous year plus maturing medium- and long-term debt in % of GDP - **indicator for refinancing-risk**
- Austria: very low refinancing-risk
- Conservative strategy

Others	2015	2016	2017	2018e
Japan	75	70,2	65,6	58,1
USA	16,1	18,1	19,0	19,0
UK	6,9	14,8	7,6	6
Sweden	11,6	7,6	7,3	6,8
Norway	4,3	2,6	3,9	2,8
Turkey	4,1	3,4	3,0	3,0
Switzerland	2,3	2,5	1,9	2,1

Source: S&P Global Sovereign Debt Report 2018, February 2018

PSPP* holdings of RAGBs as % of outstanding stock

EUR bn



* Public Sector Purchase Programme of the Eurosystem (more details: [PSPP Q&A on ECB website](#))

Source: ECB, Austrian Treasury / data as of 28 February 2018

Overview: Investors in Austrian Government Bonds

- Over 90% of debt held by investors domiciled in Europe
- Over 80% within the Eurozone¹

	Domestic	Non-domestic
Prior to introduction of EUR	around 70% (=ATS)	30%
After introduction of EUR	around 80% (=EUR)	20%

Distribution by region ²		Distribution by category ²	
Europe (incl. Austria)	87%	Banks	38%
Americas	7%	Asset managers	30%
Asia	3%	Insurance & pension funds	16%
Middle East	2%	Central banks & int. org.	12%
Africa	1%	Retail	3%
		Others	1%



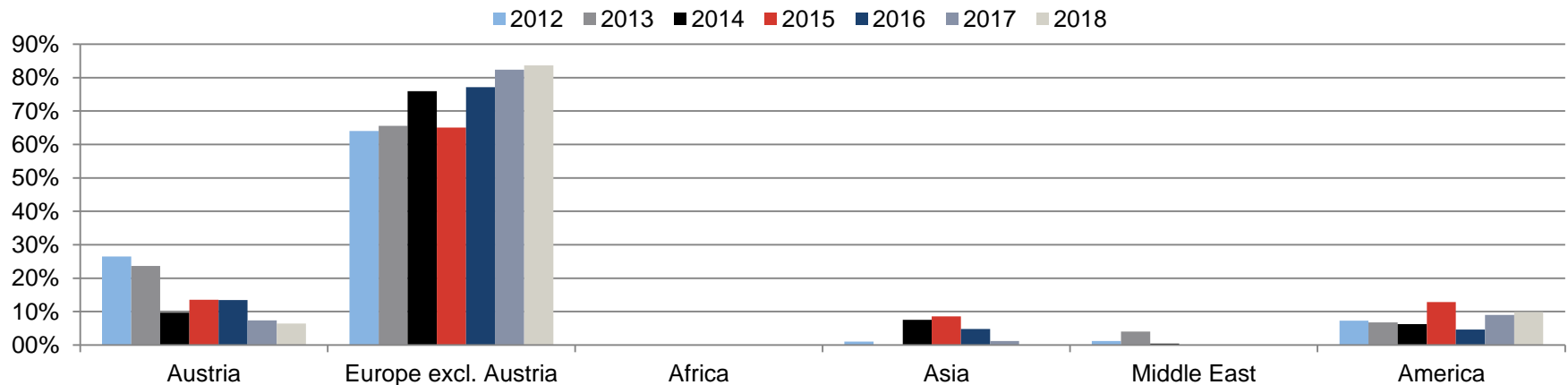
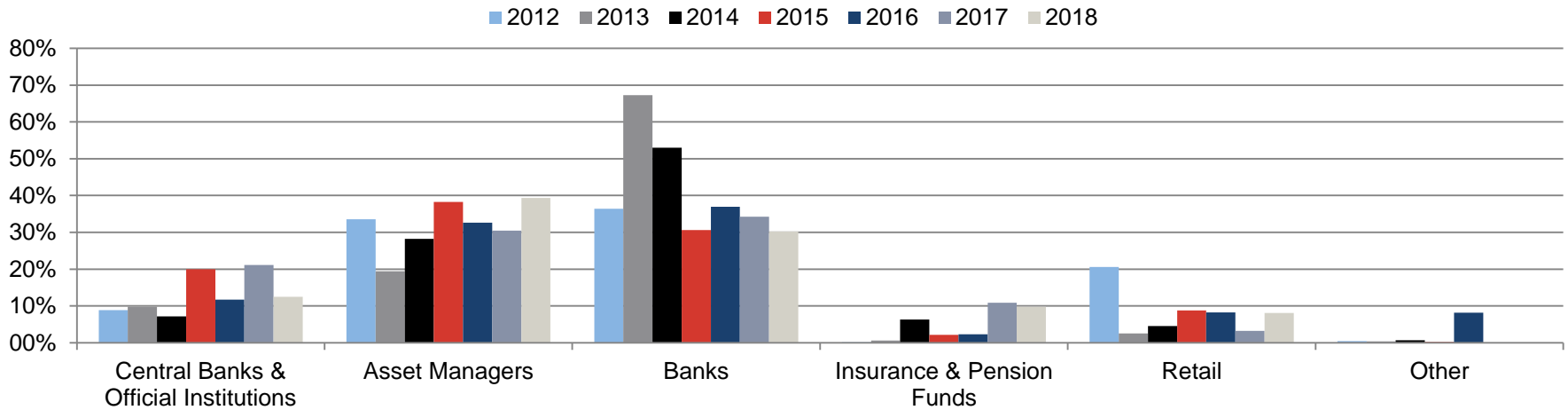
Diversified investor base with Eurozone as home market (and strong overweight by Austrian investors)

Source: 1) IMF (CPIS) / Austrian National Bank

2) Austrian Treasury estimates: syndicated RAGB issues 2012-2018

Austria's stable Investor Base

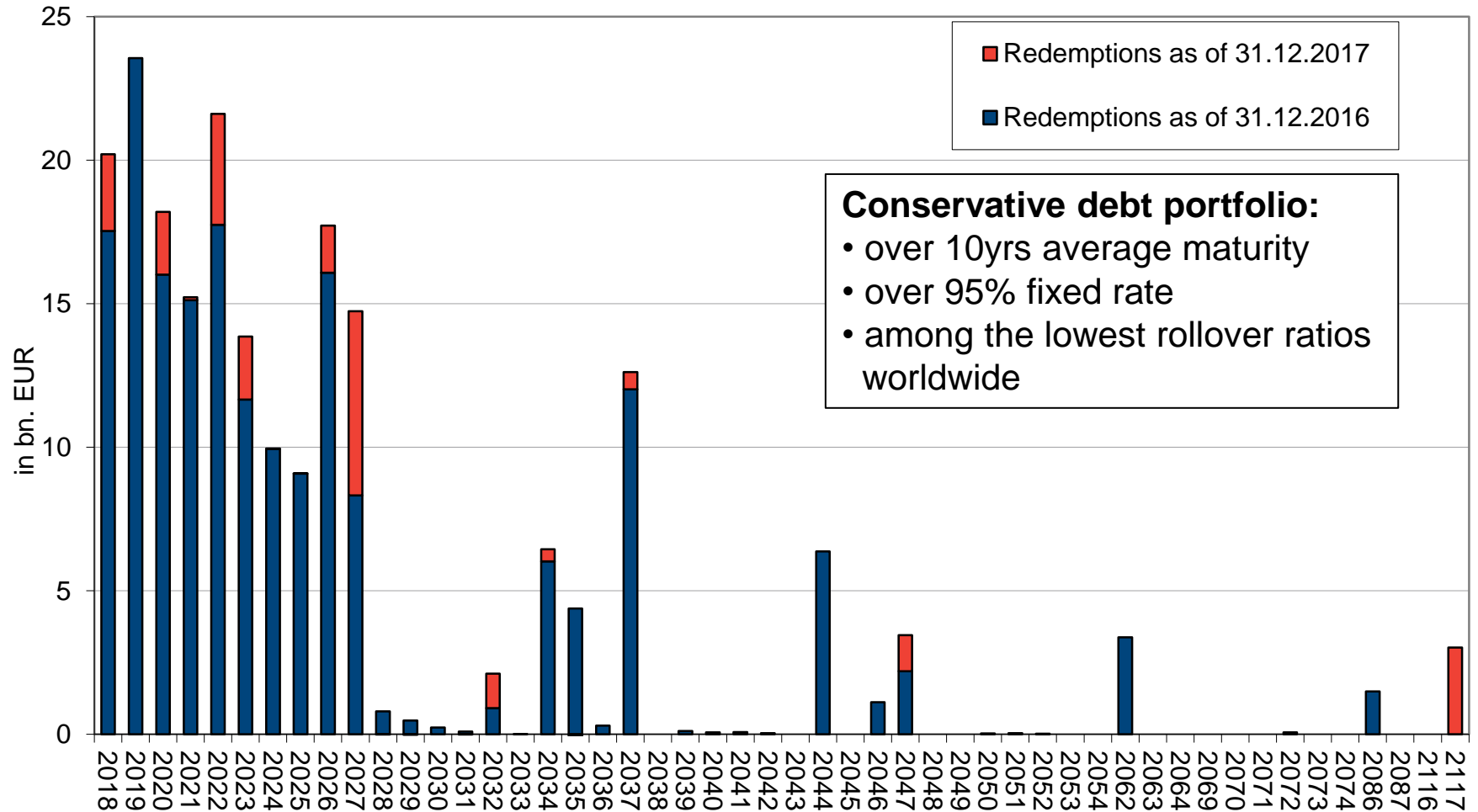
Investors by type and region (syndicated RAGB issues)*



Source: Austrian Treasury

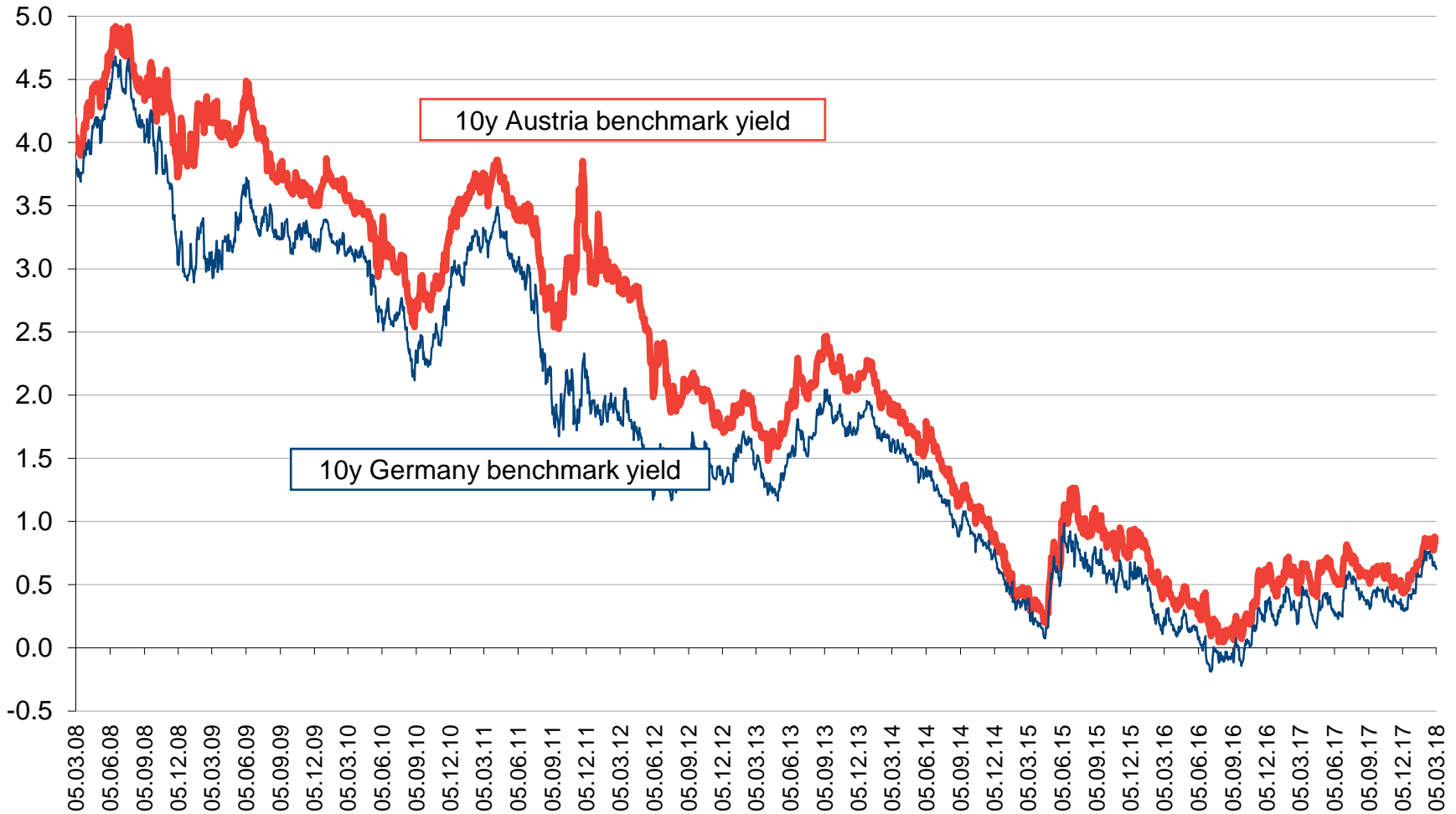
* Primary market: 10-year maturities only (excluding PSPP purchases)

Debt Portfolio – Redemption Profile Well Diversified



10y Yields - Austria vs. Germany

Yield in %



Source: Bloomberg

Summary

- Strong credit fundamentals, diversified and competitive economy
- No major macroeconomic imbalances
- Sound financial policies (e.g. falling debt/GDP ratio)
- High institutional strength
- Low unemployment rate
- Strong exports and tourism
- Sustainable current account surplus
- Conservative funding strategy
- Net capital exporting country and positive net international investment position

Further Information

- www.oebfa.at (**Austrian Treasury**): auction calendar, debt portfolio, rating reports, etc.
- www.bundesschatz.at (**Online retail savings product Republic of Austria**)
- www.bmf.gv.at (**Federal Ministry of Finance**): details on the Austrian budget and Financial Stability Measures
- www.statistik.at (**Statistics Austria**)
- www.rechnungshof.gv.at/berichte/bundesrechnungsabschluss.html (**Austrian Court of Audit**): Reports on the Federal Financial Statements (in German only)
- www.oenb.at (**Austrian National Bank**)
- www.fiskalrat.at (**Austrian Fiscal Advisory Council**)
- <http://ec.europa.eu/eurostat> (**Eurostat**)
- http://europa.eu/efc/about-sub-committee_en (**EFC Sub-Committee on EU Sovereign Debt Markets**)
- www.oekb.at/en/capital-market/government-bonds/pages/default.aspx (**OeKB / Austrian Government Bonds page**)

Contact

Austrian Treasury

Austria – 1010 Vienna, Seilerstaette 24

Phone: (+43 1) 512 25 11- 0

Web: www.oebfa.at

Reuters: AFFA01...07 Bloomberg: RAGB, AUST

Managing Director

Markus Stix, markus.stix@oebfa.at

Capital Markets Contact:

Christian Schreckeis, CFA (Head), christian.schreckeis@oebfa.at, ext. 48

Martin Dymkowski, martin.dymkowski@oebfa.at, ext. 46

Christoph Frömel, CFA, christoph.froemel@oebfa.at, ext. 44

Anja Tritremmel, CFA, anja.tritremmel@oebfa.at, ext. 37

Money Markets Contact:

Günther Wahl (Head), guenther.wahl@oebfa.at, ext. 16

Sabine Denk, CFA, sabine.denk@oebfa.at, ext. 14

Stefan Girsch, MA, FRM, stefan.girsch@oebfa.at, ext. 33

Pia Zivanovic-Amann, MBA, pia.zivanovic-amann@oebfa.at, ext. 47