OeBFA
Austrian Treasury

REPUBLIC OF AUSTRIA DEBT MANAGEMENT

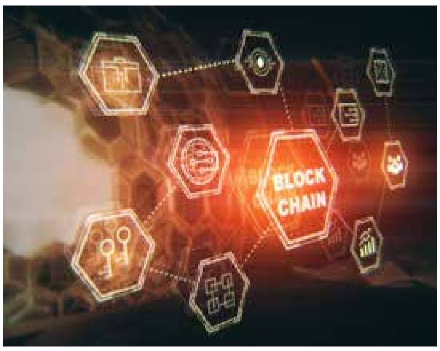
ANNUAL REVIEW 2018

Austrian Treasury
May 2019







OeBFA Austrian Treasury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Foreword by the Minister of Finance

The goal of the Austrian Federal Government is to maintain a sustainable, stability- and growth-oriented budgetary policy. 2018 was a very successful year with overall government debt falling substantially from 78.2% to 73.8% of GDP compared to the previous year. A debt to GDP ratio of 69.6% is planned for this year, and until 2023 the general government debt ratio is to decrease to below 60% of GDP. By ending the debt-financed policy, we are securing economic prosperity for future generations.

Although, with 2.7%, 2018 real economic growth came in below the projection of 3.2%, considered during budgetary planning, the best budgetary result since 1974 was achieved. Instead of the originally planned general government deficit of 0.4%, a surplus of 0.1% of GDP was recorded and is set to further expand in the coming years. This is the first budgetary surplus in 44 years.

A high quality business location is the foundation of a well-functioning country. In order to maintain the high pace of economic development, the current favourable conditions must be used to press ahead with further structural reforms. The tax reform that is planned to start in 2020 will make the country even more attractive as a business location without interfering with the objective of a balanced budget.

Austria's competitive strength is determined to a large extent by the quality in fields like research and development, technological development and innovation. The Austrian Federal Government is therefore placing greater emphasis on spending for research and development, which reached a new record high in 2018. At the same time, focus groups of experts working on key topics such as FinTech, Green Finance as well as initiatives such as Digital Austria are providing key innovation impulses. This will ensure that the success story of the Republic of Austria, that began in 1918, will continue for the next 100 years.

Hartwig Löger
Federal Minister of Finance


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Foreword by the Managing Board

The Republic of Austria celebrated its centenary in 2018. In the same year, the Austrian Treasury celebrated its greatest success in Austrian debt management over the past 100 years.

Sustained uncertainty in financial markets and the associated higher demand for safe-haven investments caused yields on Austrian government bonds to fall further. In 2018 the federal government was able to obtain its annual funding at an average interest rate of 0.23% and an average maturity of 8.4 years. A new ten-year government bond was issued, and the 100-year bond – still the longest-running government bond in the world – was tapped multiple times. This cut the effective interest rate of the total debt portfolio to 2.23% with an average remaining term to maturity of just under ten years at the end of 2018 – a 100-year record.

Another milestone was the first-time use of blockchain technology in the Austrian government bond auction in October 2018. Since then, this new technology has been used for data notarization in every auction. This additional layer of security helps to underpin confidence and trust in the auction process and further strengthens the good standing of Austria on the capital market. This has again put Austria in a pioneering position in Europe.

In 2019 the overall funding programme of Austria will be between EUR 30 and 33 billion, with EUR 18 to 21 billion being raised through government bonds. This represents an increase of 30% compared with the previous year, but is purely driven by higher redemptions. For the first time, this volume includes funding for Bundesimmobiliengesellschaft, the company managing publicly owned real-estate, which will be arranged through the Austrian Treasury. This will help to achieve overall cost advantages for Austria and will increase the liquidity of Austrian government bonds.

A diversified investor base and an internationally competitive economy with high employment indicate that Austrian debt instruments will continue to be an attractive investment in the future.

Markus Stix	Walter Jöstl
Risk Origination	Risk Management/Operations

Managing Board of the Austrian Treasury
Republic of Austria Debt Management Office


Hohenwerfen Castle and Hochkönig
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Economic Data for Austria

In 2018 Austria recorded the **highest rate of economic growth since 2011**. The **real GDP growth** of **2.7%** was well above the Euro Area average of 1.9%. Growth was to a large extent driven by strong domestic demand, which was supported by positive labour market developments, increasing wages and employment as well as growing investments. The positive trend in net exports in 2018 was an additional source of support. Real GDP growth of 1.7% and 1.8% is projected for 2019 and 2020, respectively[1]. This means that **Austria's economy once again is set to grow stronger than the Eurozone average** (1.2% and 1.5%)[2] in the coming years.

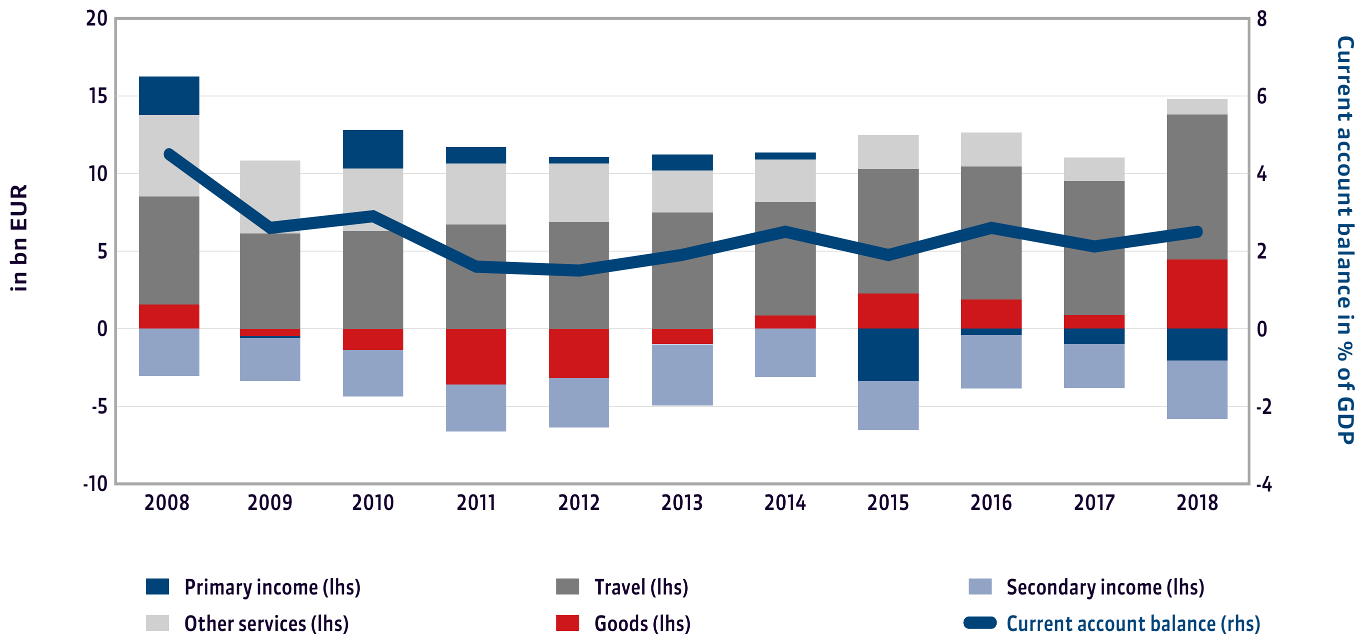
Per capita GDP amounted to EUR 43,700 in 2018, 31% higher than the EU average (EUR 30,200) and is the **fourth highest among all Euro Area countries** (EUR 33,900)[3]. Austria is a **very prosperous country**. At the end of the third quarter of 2018, private wealth in the country came to EUR 655 billion (or 177% of GDP). At the same time **private debt**, which has been falling since 2010, is relatively low at around 51% of GDP and **well below the Euro Area average** of 65% of GDP[4].

Austria as a Business Location

Austria is a **business location with a high level of stability**, an excellent infrastructure, a qualified workforce, and a **market with high purchasing power in the heart of Europe**. These attractive conditions make Austria one of the most globalised countries in the world. This is reflected in the KOF **Globalisation Index** for 2018, in which Austria is ranked **fifth of 209 countries**[5]. In the category "Trading Across Borders" of the World Bank's **Ease of Doing Business Index**, Austria even comes **first among 190 countries**[6].

Austria invests considerable resources in boosting the **innovative capabilities** of its economy. This enabled Austria to surpass the average **innovation performance**[7] of the remaining EU countries. Some EUR 12.3 billion, almost 3.2% of GDP[8], were invested in **research and development** in 2018 – a noticeable increase compared to 2.57% of GDP spent in 2008. Half of this was financed by Austrian businesses. The national target is 3.76% of GDP. According to UNESCO, Austria is among the **world's leaders** when it comes to scientists per capita and spending on research and development[9].

Current Account Balances 2008–2018



Source: European Commission, May 2019, WIFO, March 2019

1 WIFO, March 2019
2 European Commission, May 2019
3 Eurostat, current prices, Euro per capita, March 2019
4 OeNB, January 2019
5 ETH Zürich, KOF Globalisation Index, December 2018
6 World Bank, Ease of Doing Business Index, May 2018
7 Eurostat, Innovation Union Scoreboard 2018
8 Statistics Austria, December 2018
9 UNESCO Institute for Statistics, How much does your country invest in R&D?, last accessed: April 2019

Vienna University of Economics and Business

Foreign Trade

Austria's economy is export-oriented and expanded its **total exports** by 5.7%[10], reaching a **new all-time high**. Austria managed to maintain a **positive current account surplus consecutively since 2002**. The current account surplus was 2.5% of GDP in 2018. This stable trend is expected to continue in the years to come due to Austria's high competitiveness, with a current account surplus of 2.4% of GDP projected for 2019[11].

A key driver of this trend is the booming **tourism industry**, which reached **new record numbers in 2018**. Some 150 million overnight stays were recorded in 2018, 3.7% more than in the previous year. This figure has increased by over 21% over the past ten years. At the same time, the number of arrivals has grown by 39%[12]. Vienna outpaced all other cities in Europe with an room occupancy rate of 85% in December 2018[13]. What is more, **Vienna** was voted the **most liveable city in the world for the tenth time in a row**[14]. Accordingly, Austria remains one of the most popular destinations for tourists from all over the world.

Thanks to continuous current account surpluses, which cumulatively amount to around EUR 123 billion since 2002, Austria has been able to steadily improve its net international investment position over time[15]. Therefore, the **net international investment position** became positive for the first time in 2013, reaching 3.8% of GDP at the end of 2018.[16]

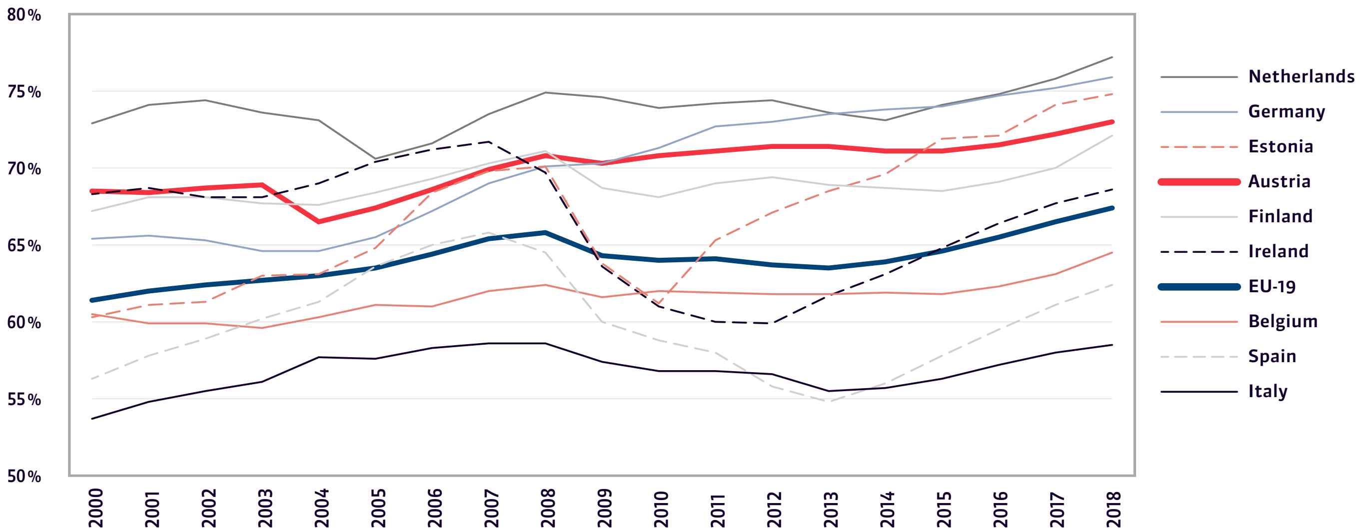
Inflation (HICP) averaged 2.1% in 2018 (Euro Area: 1.8%)[17]. A somewhat lower inflation rate of 1.8% and 1.9% is projected for 2019 and 2020, but this should still be above the Euro Area rate of 1.4% in both years.[18]

Key Economic and Budget Figures

Real GDP growth	2016	2017	2018	2019e
Austria	2.0%	2.6%	2.7%	1.7%
Eurozone	2.0%	2.4%	1.9%	1.2%
Unemployment rate				
Austria	6.0%	5.5%	4.9%	4.6%
Eurozone	10.0%	9.1%	8.2%	7.7%
Inflation (HICP)				
Austria	1.0%	2.2%	2.1%	1.8%
Eurozone	0.2%	1.5%	1.8%	1.4%
Current account balance				
Austria	2.6%	2.1%	2.5%	2.4%
Eurozone	3.1%	3.2%	2.9%	2.6%
Budget Balance				
Austria (% of GDP)	-1.6%	-0.8%	0.1%	0.3%
Eurozone (% of GDP)	-1.6%	-1.0%	-0.5%	-0.9%
Debt				
Austria (% of GDP)	83.0%	78.2%	73.8%	69.6%
Eurozone (% of GDP)	91.4%	89.1%	87.1%	85.8%
GDP and debt (Austria)				
Total nominal debt (bn EUR)	295.6	289.3	284.8	278.9
Nominal GDP (bn EUR)	356.3	369.9	386.1	400.7

Sources: Statistics Austria, WIFO, Ministry of Finance, European Commission, Eurostat as of May 2019

Share of Employed Persons Aged 15 to 64 years



Source: Eurostat, April 2019

Kitzsteinhorn free-riding
© Kitzsteinhorn/Salzburgerland/Zell am See

10 Statistics Austria, March 2019
11 European Commission, May 2019
12 Statistics Austria, February 2019
13 STR Hotel Review Report, December 2018
14 Mercer Quality of Living, March 2019
15 OeNB, March 2019
16 OeNB, March 2019
17 Eurostat, May 2019
18 European Commission, May 2019

Stable Employment

The flourishing economy is also having a positive impact on the Austrian **labour market**, as reflected in the **high level of employment**. The share of employed persons in the age group of 15 to 64 years increased further in 2018, and was among the **fourth-highest in the Euro Area** since 2007[19].

Even though Austria's population grew at 0.5% in 2018, well above the Euro Area rate of 0.2%, the trend in unemployment was positive. The **unemployment rate retreated from 5.5% in 2017 to 4.9% in 2018**, making Austria fourth best of all Euro Area countries. A further reduction to 4.6% is expected in 2019[20].

Deficit and Public Debt

The public debt ratio substantially declined from 78.2% of GDP in 2017 to 73.8% of GDP in 2018. Public debt also shrank in absolute terms for the second time since 1997 – from EUR 295.6 billion in 2016 to EUR 289.3 billion in 2017 and further to EUR 284.8 billion in 2018. A **further decrease** in the debt to GDP ratio to 69.6% is planned for 2019. In addition to a positive development in the government budget, the continued portfolio reduction of wind-down banks is also playing a vital role in the debt decline. The debt ratio is to be reduced to below 60% of GDP by 2023[21].

For the first time in 44 years, Austria was able to post a **budget surplus** of 0.1% of GDP, marking its **best budget result since 1974**.

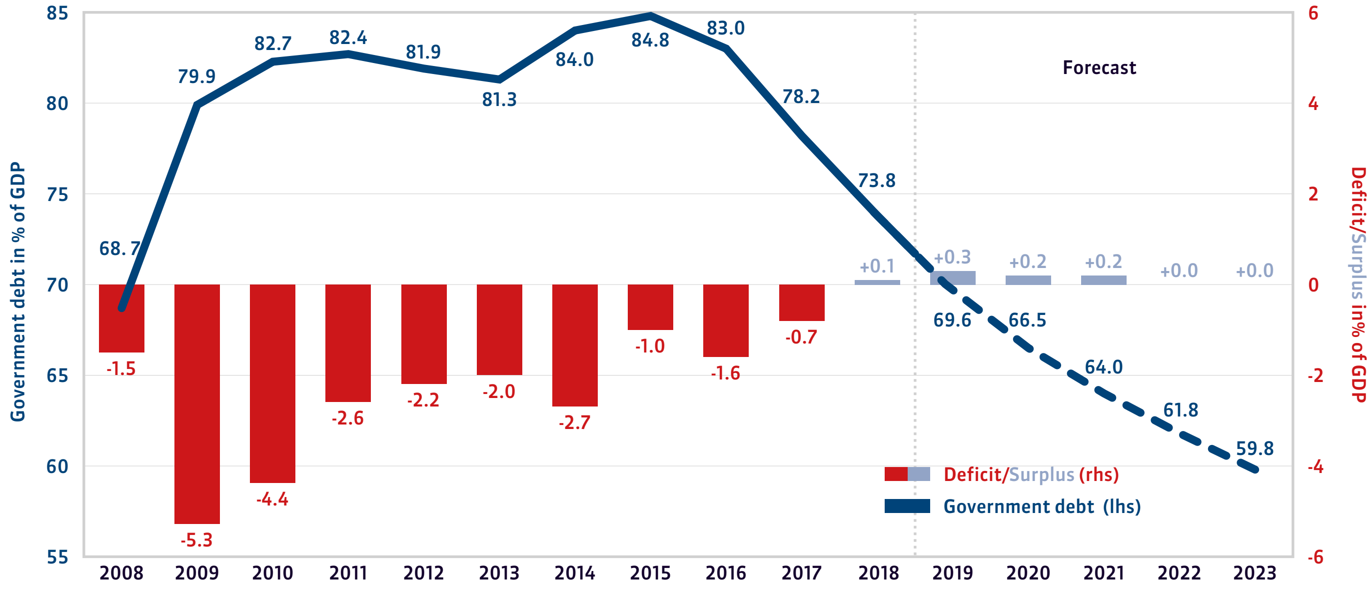
Austria: Modern and Peaceful

Austria is a very **peaceful and stable** country with strong, reliable institutions. The **Global Peace Index**[22] puts the Alpine Republic at **number three of 163 countries**. Also, it is among the **20 most successful countries** in five of six categories of the **World Bank Governance Indicators** – above all in rule of law. In terms of **income distribution**, Austria ranks among the **top ten OECD countries**. The Gini coefficient was 0.28 in 2017[23] and hardly changed over the past ten years.

The **digital transformation** of economy, society and public administration is playing a key role in the development of Austria as a business location. Some 88% of the population use features of the Internet, which is the **sixth-highest rate within the EU**[24]. Austria offers **low-cost access** to communication technologies such as **broadband Internet and mobile communications**, as substantiated by several rankings of the ITU, a sub-organisation of the UN. Hence, Austria is ranked fourth of 181 countries due to its low price of the mobile-cellular basket[25]. Austria takes on a pioneering role in digital public administration and ranks sixth of 34 countries assessed in the European Commission's eGovernment Benchmark ranking[26].

Austria is on a **growth path** in the field of **financial technology**. In a ranking by the Institute of Financial Services in Switzerland, which evaluates the attractiveness of world cities as **FinTech locations**, Vienna was included for the first time in 2018 and named the **best newcomer** at rank 15 among the 30 most innovative

Budget Balance and Public Debt 2008–2023



Source: Statistics Austria & Ministry of Finance, April 2019

19 Eurostat, April 2019
20 WIFO, March 2019
21 BMF, Stability Programme 2018–2023, April 2019
22 Global Peace Index, June 2018
23 OECD Gini Coefficient, last accessed: February 2019
24 Worldbank, World Development Indicators 2017, last accessed: March 2019
25 International Telecommunication Union (UN), December 2018
26 European Commission, November 2018

Autograph of the song "Stille Nacht"

cities[27]. The federal government established the FinTech Advisory Board in 2018[28] to gather specific proposals for growth-promoting regulation.

Sustainability: How green is Austria?

Austria is also a very sustainable country, as evidenced by various key figures. The share of **electricity from renewable sources** amounted to 72.6% in 2018, twice the EU average (29.6%) and the highest rate of any EU member state[29].

With 57.7%, Austria has the **third-highest recycling rate in the EU**. The **share of organic area** of total utilised agricultural area is 23.4% – by far the **highest level within the EU**.

Vienna has the **third-highest share of green space** of 50 OECD cities at 42.7%. According to the University of Notre Dame (number 8 of 181 countries in the ND-GAIN Country Index), Austria is very well-prepared for climate change[30].

	Sustainability country rating
Sustainalytics	6th of 172 countries in the world
EPI (Yale University)	8th of 180 countries in the world
ISS-oekom	10th of 60 countries in the world

Ratings (Aa1/AA+/AA+/AAA)

	Long-term	Short-term	Outlook
Moody's	Aa1	P-1	stable
Standard & Poor's	AA+	A-1+	stable
Fitch	AA+	F1+	positive
DBRS	AAA	R-1 (high)	stable

The **creditworthiness** of the Republic of Austria's long-term liabilities is **rated as very high** by the leading agencies. In addition to the AAA/stable rating from DBRS, Austria has been placed in the second best of 22 rating categories (AA+/stable) by the remaining agencies. In July 2018, Austria's **Fitch** rating was put on **positive outlook**. Short-term obligations from Austria have the best possible rating from all four agencies.

Current rating reports can be found online at www.oebfa.at[31]

Summary

"The credit profile of Austria reflects the country's diversified and competitive economy, its main credit strength. A very high GDP per capita positions Austria in the top 10% of countries globally in terms of wealth, while the economy has a sizeable, high-value-added industrial base, dominated by small and medium-sized corporations that are integrated into German and European supply chains. Austria's tourism industry is also competitive and expanding."

Moody's, March 2019

Rating Calendar (Timeline) Republic of Austria

2019

Fitch	DBRS	S&P/Moody's	Fitch
31.05.2019	16.08.2019	13.09.2019	22.11.2019

Source: EU-Rating calendar (from respective rating agencies)

Note: According to EU regulation, Credit Rating Agencies are required since 2013 to set out publication dates for sovereign ratings in December for the forthcoming 12 months.

Seebensee Zugspitze
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27 IFZ FinTech Study 2018, February 2019
28 BMF, April 2018
29 Eurostat, February 2019
30 ND-GAIN Country Index, last accessed: March 2019
31 Rating reports can be found at www.oebfa.at (Investor Relations / Ratings).

Debt Management and Markets

The Austrian Treasury is entrusted by law with managing the debt portfolio and liquidity of the Federal Republic of Austria in the name and for the account of the sovereign. The primary objective is to secure the government's funding under a specified risk tolerance and at the lowest possible medium- to long-term costs. The responsibilities of the Austrian Treasury are listed in the Austrian Federal Financing Act[32].

The majority of the required funding is raised through **government bond auctions** that are usually held once per month[33]. The auction process is run on the electronic ADAS platform[34]. In addition, syndicated government bonds have been issued with the help of a bank consortium under the **Debt Issuance Programme** since 1999. In June 2017, the possibility to increase own quota of existing government bonds outside of auctions has been introduced. The legal maximum term for **federal debt issues is 100 years**.

Other financing instruments used include a Euro Medium Term Note Programme (EMTN), an Australian dollar MTN programme, transactions with debt certificates and an Austrian treasury bill (ATB) programme.

The switch to **bilateral collateral contracts** for derivatives (**two-way CSAs**) that started in March 2018 will enable the Republic of Austria to increase its foreign-currency issuance in the future. This will improve the financial flexibility of the sovereign treasury and further broaden Austria's investor base.

The financing activities of the Austrian government are supported by its **primary dealers**: A group of **21 institutions** with a strong placement track record for Austrian government bonds and **nine ATB dealers** is responsible for active and dedicated participation on the primary and secondary market and for providing access to a broadly diversified spectrum of investors.

Primary Dealers for Austrian Government Bonds

Barclays Bank plc
BAWAG P.S.K. AG
BNP Paribas
BofA Securities Europe SA
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
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

Austrian treasury bills (**ATBs**) are issued in different currencies on a daily basis. There are no auctions for Austrian treasury bills. The issues and the finalisation of the terms are tailored to the prevailing conditions.

Primary Dealers for Austrian Treasury Bills

Banc of America Merrill Lynch International DAC
Barclays Bank
BAWAG P.S.K.
Citibank Europe
Credit Suisse
Goldman Sachs
Raiffeisen Bank International
UBS Europe SE
UniCredit Bank

All documentation can be downloaded at www.oebfa.at (under "Financing Instruments").

32 §2 Federal Financing Act
33 The issuance calendar can be found at www.oebfa.at ("Funding Republic of Austria"/"Government Bonds Issuance Calendar"). Details about the auction procedure: www.oekb.at/en/capital-market-services/government-bond-auctions-for-the-republic-of-austria/auction-procedure-for-government-bonds-of-the-republic-of-austria.html
34 For details on ADAS (Austrian Direct Auction System) visit: adas.oekb.at

Schönbrunn Palace and Gloriette
© Österreich Werbung/Julius Silver

Highlights in 2018

"Highest auction demand in over ten years"

Outstanding government bond issues were tapped via auction at a total of nine dates in 2018. This generated the **highest level of demand seen in eleven years**[35]. Furthermore, one new Austrian government bond was issued under syndication.

"Record order book for ten-year government bond"

The ten-year benchmark bond (0.75% RAGB 2018–2028) that was newly issued on 18 January 2018 had a volume of EUR 4.0 billion. The order book totalled EUR 15.7 billion, the highest demand ever for a government bond in the history of the Republic of Austria.

"Blockchain – Austria assumes pioneering role in Europe"

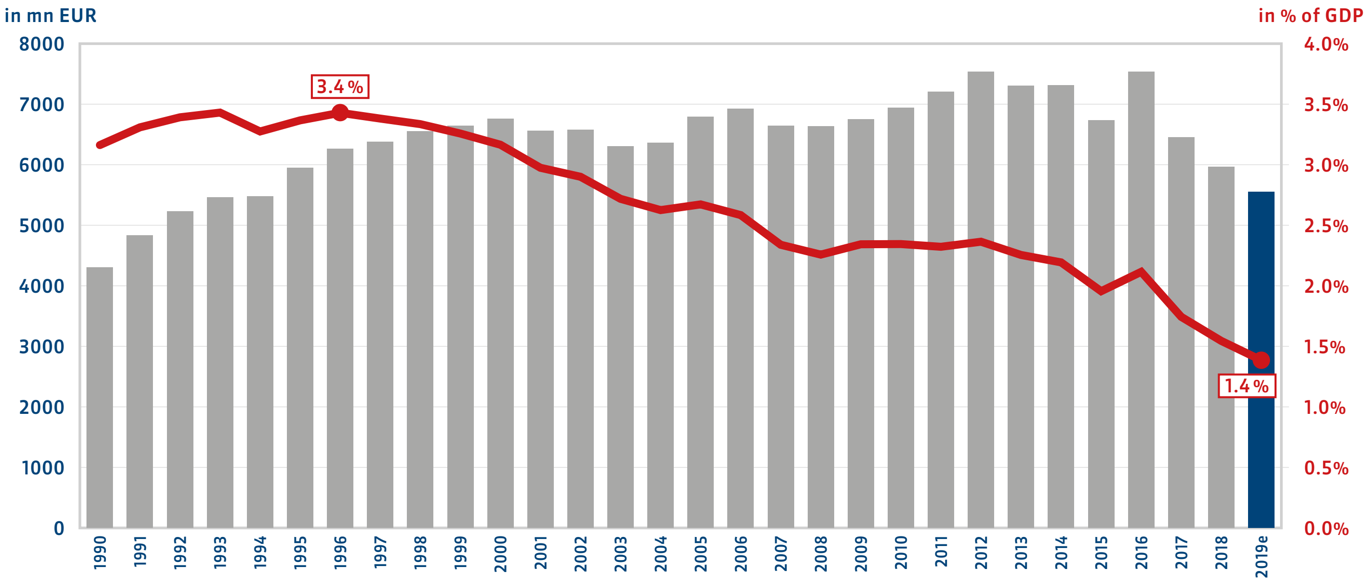
Another milestone was the first-time **use of blockchain technology** in the government bond auction on 2 October 2018. Since this introduction, the new technology is being used in every auction for data notarisation. **This has again put Austria in a pioneering position in Europe.**

"Financing raised at the most attractive rates in the history of the Republic"

In 2018, new debt was issued at an average interest rate of 0.23% p.a. and an average term to maturity of just below 8.35 years. As of 31 December 2018, this equated to an **effective interest rate** on the federal government's financial debt portfolio of 2.23% (2017: 2.47%) at an **average remaining term to maturity of just below ten years**. Hence, the impact of potential interest rate increases on Austria is limited.

Federal government interest expenditures declined to 1.5% of GDP in 2018 and will decrease further to around 1.4% of GDP in 2019.

Federal Government – Interest Payments 1990-2019



Blockchain

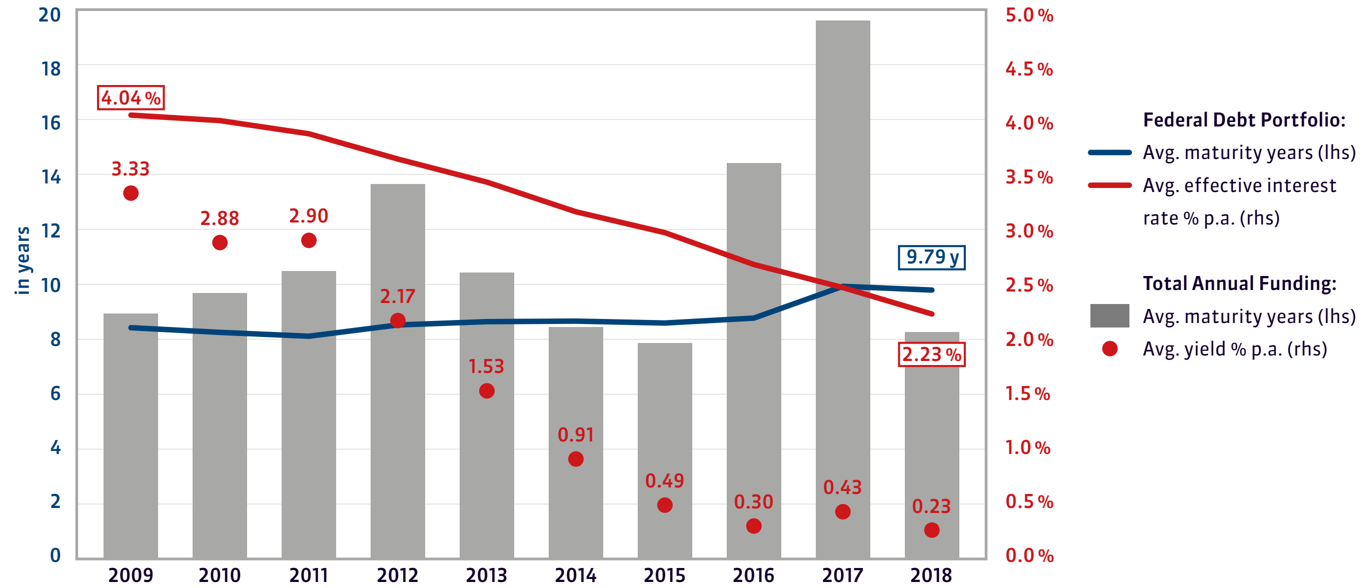
35 Measured by the bid/cover ratio, which averaged 2.6x in 2018.

Issuance of Austrian Government Bonds in 2018

Bond	Issue date	Issue volume in mn EUR	Accepted average yield	Form of issue
0.50% RAGB 2017-2027/1	11.01.2018	862.5	0.554% p.a.	Auction
1.50% RAGB 2016-2047/2	11.01.2018	517.5	1.477% p.a.	Auction
0.75% RAGB 2018-2028/1	**25.01.2018**	**4,000.0**	**0.788% p.a.**	**DIP**
3.50% RAGB 2006-2021/1	26.01.2018	400.0	-0.256% p.a.	Own Quota
4.85% RAGB 2009-2026/2	26.01.2018	500.0	0.373% p.a.	Own Quota
6.25% RAGB 1997-2027/6	26.01.2018	500.0	0.539% p.a.	Own Quota
2.40% RAGB 2013-2034/1	26.01.2018	400.0	1.132% p.a.	Own Quota
0.00% RAGB 2016-2023/3	08.02.2018	830.0	0.189% p.a.	Auction
0.75% RAGB 2018-2028/1	08.02.2018	575.0	0.861% p.a.	Auction
0.00% RAGB 2017-2022/2	08.03.2018	690.0	-0.039% p.a.	Auction
0.75% RAGB 2018-2028/1	08.03.2018	460.0	0.834% p.a.	Auction
0.75% RAGB 2018-2028/1	12.04.2018	747.5	0.666% p.a.	Auction
4.15% RAGB 2007-2037/1	12.04.2018	402.5	1.093% p.a.	Auction

Bond	Issue date	Issue volume in mn EUR	Accepted average yield	Form of issue
0.75% RAGB 2018-2028/1	11.05.2018	747.5	0.707% p.a.	Auction
1.50% RAGB 2016-2047/2	11.05.2018	402.5	1.459% p.a.	Auction
0.00% RAGB 2016-2023/3	07.06.2018	575.0	-0.076% p.a.	Auction
0.75% RAGB 2018-2028/1	07.06.2018	575.0	0.648% p.a.	Auction
2.10% RAGB 2017-2117/3	**28.06.2018**	**500.0**	**1.948% p.a.**	**DIP**
0.75% RAGB 2018-2028/1	05.07.2018	633.4	0.554% p.a.	Auction
4.15% RAGB 2007-2037/1	05.07.2018	597.9	1.047% p.a.	Auction
2.10% RAGB 2017-2117/3	**12.07.2018**	**250.0**	**1.763% p.a.**	**DIP**
0.00% RAGB 2017-2022/2	06.09.2018	690.0	-0.294% p.a.	Auction
0.75% RAGB 2018-2028/1	06.09.2018	575.0	0.534% p.a.	Auction
0.00% RAGB 2016-2023/3	04.10.2018	632.5	-0.079% p.a.	Auction
0.75% RAGB 2018-2028/1	04.10.2018	517.5	0.609% p.a.	Auction
2.10% RAGB 2017-2117/3	**22.11.2018**	**300.0**	**1.900% p.a.**	**DIP**

Key Federal Government Debt Metrics 2009–2018



Source: Austrian Treasury, January 2019

Apple rings from Thermenland Steiermark
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Financing Strategy of the Republic of Austria in 2019

The total **financing needs for 2019** totals between **EUR 30 and EUR 33 billion** (all financing instruments). This is an increase of around 30% compared to the previous year, but is solely driven by higher redemptions in 2019. The range for the portfolio interest refixing period is envisaged to be between 10.3 and 10.9 years, whereas the portfolio tenor will be between 9.6 and 10.2 years as of the end of 2019.

The majority of this funding – between EUR 18 and EUR 21 billion – will be raised through Austrian government bonds (RAGB). Starting from this year, long-term funding for Bundesimmobiliengesellschaft (BIG), the company managing publicly owned real-estate, will be raised by the federal government through OeBFA.

Outstanding Bonds of the Republic of Austria[36]

Republic of Austria Government Bond	ISIN	Maturity	Outstanding Volume (in EUR bn)	Term to Maturity in Years
1.95% RAGB 2012–2019/3	AT0000A0VRF9	18.06.2019	7.3	0.1
0.25% RAGB 2014–2019/2	AT0000A19XC3	18.10.2019	7.2	0.5
3.90% RAGB 2005–2020/1	AT0000386115	15.07.2020	14.8	1.2
3.50% RAGB 2006–2021/1	AT0000A001X2	15.09.2021	15.9	2.4
3.65% RAGB 2011–2022/1	AT0000A0N9A0	20.04.2022	8.5	3.0
0.00% RAGB 2017–2022/2	AT0000A1XM92	20.09.2022	6.2	3.4
3.40% RAGB 2012–2022/2	AT0000A0U3T4	22.11.2022	10.5	3.6
0.00% RAGB 2016–2023/3	AT0000A1PE50	15.07.2023	8.6	4.2
1.75% RAGB 2013–2023/2	AT0000A105W3	20.10.2023	11.7	4.5
1.65% RAGB 2014–2024/1	AT0000A185T1	21.10.2024	10.3	5.5
1.20% RAGB 2015–2025/1	AT0000A1FAP5	20.10.2025	10.4	6.5
4.85% RAGB 2009–2026/2	AT0000A0DXC2	15.03.2026	9.0	6.9
0.75% RAGB 2016–2026/1	AT0000A1K9C8	20.10.2026	11.6	7.5
0.50% RAGB 2017–2027/1	AT0000A1VGK0	20.04.2027	8.9	8.0
6.25% RAGB 1997–2027/6	AT0000383864	15.07.2027	9.2	8.2
0.75% RAGB 2018–2028/1	AT0000A1ZGE4	20.02.2028	9.5	8.8
0.50% RAGB 2019–2029/1	AT0000A269M8	20.02.2029	7.2	9.8
2.40% RAGB 2013–2034/1	AT0000A10683	23.05.2034	7.3	15.1
4.15% RAGB 2007–2037/1	AT0000A04967	15.03.2037	13.8	17.9
3.15% RAGB 2012–2044/4	AT0000A0VRQ6	20.06.2044	6.8	25.1
1.50% RAGB 2016–2047/2	AT0000A1K9F1	20.02.2047	6.4	27.8
3.80% RAGB 2012–2062/1	AT0000A0U299	26.01.2062	3.8	42.7
1.50% RAGB 2016–2086/4	AT0000A1PEF7	02.11.2086	2.5	67.5
2.10% RAGB 2017–2117/3	AT0000A1XML2	20.09.2117	4.6	98.4
TOTAL			**211.9**	**10.8**

As of 8 May 2019

In 2019 tap auctions are planned on a monthly basis in order to increase the liquidity of existing bonds. Furthermore, as in previous years, one to two new RAGB issues are planned through syndicates. One syndicated issue has been conducted in January 2019 (EUR 5 billion 0.5% 2019–2029 RAGB). **Around 45%** of the total funding volume has been **raised as of May 9, 2019**.

The Republic strongly focuses on **diversity and flexibility** in its funding strategy. The **investor base** is broadly diversified and stable in terms of regions and sectors. Investors seeking the best possible creditworthiness and security make up the majority of holders of Austrian debt instruments.

Austria has earned a reputation as a sought-after issuer around the world, and government bonds will be among the **most liquid instruments on the domestic market** again in 2019. Aside from the group of primary dealers, issues are traded through a large number of market makers by telephone and all standard international trading platforms.

Issuance Calendar 2019[37]

Issue date	
Jan 8	EUR 0.69 bn increase of 0.75% RAGB 2018–2028 EUR 0.58 bn increase of 1.50% RAGB 2016–2047
Jan 29	EUR 5.0 bn syndication of 0.50% RAGB 2019–2029
Mar 5	EUR 0.86 bn increase of 0.50% RAGB 2019–2029 EUR 0.40 bn increase of 1.50% RAGB 2016–2047
Apr 9	EUR 0.58 bn increase of 0.50% RAGB 2019–2029 EUR 0.58 bn increase of 0.00% RAGB 2016–2023
May 7	EUR 0.81 bn increase of 0.50% RAGB 2019–2029 EUR 0.58 bn increase of 0.00% RAGB 2016–2023
Jun 4	Volumes and terms will be announced one week before the issue date. Value date is T+2.
Jul 9	
Aug 6*	
Sept 3	
Oct 8	
Nov 5	
Dec 10	

*Reserve date

The **debt portfolio** of the Republic of Austria currently consists of around **95% fixed-rate instruments** and has a conservative orientation. The average **remaining term to maturity** is **roughly ten years**[38], and the **rollover ratio** averages 6% of GDP, one of the **lowest in the world**[39].

Children performing the Schuhblattln dance
© SalzburgerLand Tourismus

36 Current data can be found at www.oebfa.at (under "Financing Instruments"/ "Government Bonds")
37 The issuance calendar can be found at www.oebfa.at ("Funding Republic of Austria"/"Government Bonds Issuance Calendar")
38 As of the end of April 2019
39 S&P Global Borrowing Survey, February 2019 (Average of the years 2017–2019e)

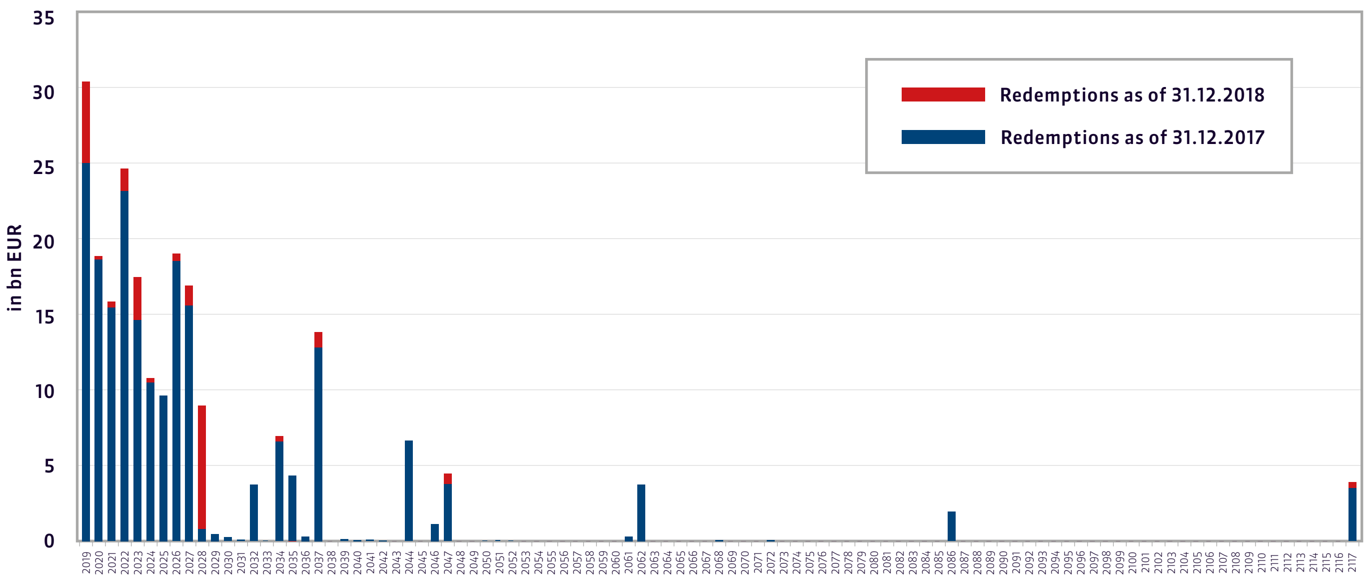
Risk Management

The Austrian Treasury is legally obligated to conduct its business in a **risk-averse manner**. The risk policy is laid down in the form of risk management guidelines and the debt management strategy. The risk management guidelines are to be approved by the Supervisory Board and the debt management strategy by the Federal Minister of Finance.

The key focus is the **management of market and liquidity risks**. In the course of this management, further risks are encountered such as credit risks and operational risks, all of which are closely monitored and minimised to the greatest possible extent. In terms of liquidity risk, a balance must be struck between high liquidity on the one hand and the avoidance of credit risks from the investment of excess liquidity on the other hand. Foreign currency risk as an element of market risk is excluded by the utilisation of cross currency swaps. The risk of interest rate increases is continuously monitored and managed as effectively as possible by way of the debt management strategy and market risk management. **Core metrics** are the **portfolio interest refixing period** and the **portfolio tenor**. The portfolio interest refixing is defined as the weighted remaining term to maturity of the portfolio's fixed cash flows. The debt management strategy includes ranges for both metrics, which are also published at www.oebfa.at.

The sophisticated risk measurement methods and instruments are refined on an ongoing basis. In this, the Austrian Treasury orients itself towards **international best practice standards** for sovereign debt management offices. The Austrian Treasury's risk management serves as a model for the entire Austrian public sector.

Redemption Profile of the Republic of Austria



Source: Austrian Treasury, January 2019

Staatsoper Vienna
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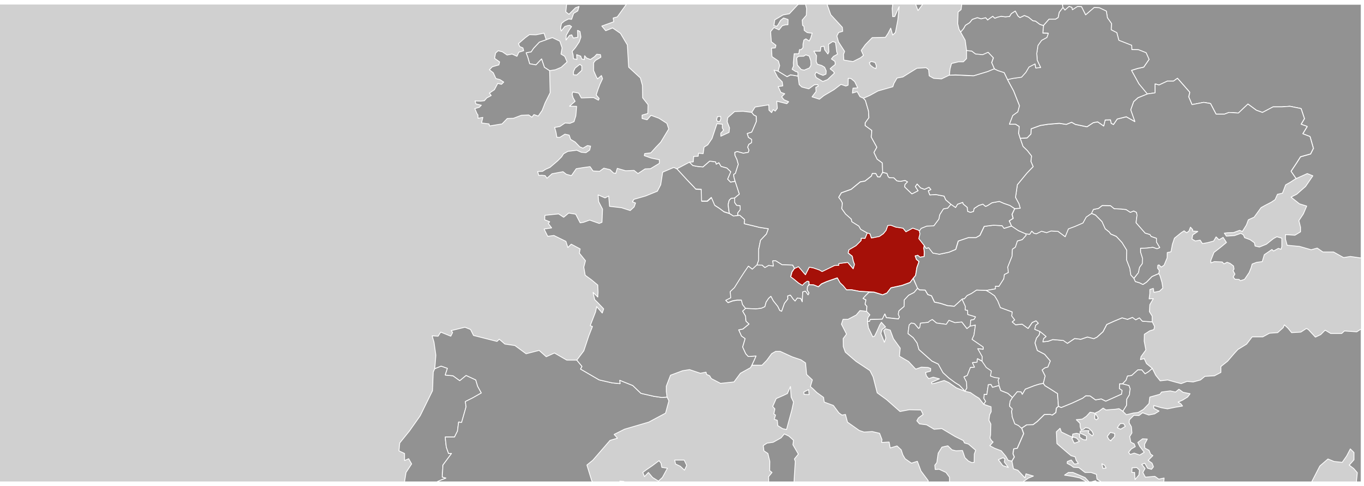
Links

- www.oebfa.at | Austrian Treasury: Auction calendar, monthly federal government debt, rating reports, investor relations
- www.bundesschatz.at | Online savings product of the Republic of Austria
- www.bmf.gv.at | Federal Ministry of Finance, BMF: Detailed information about the Austrian budget
- www.statistik.at | Statistics Austria
- www.rechnungshof.gv.at | Auditor General's Office: Federal Financial Statements
- www.oenb.at | Oesterreichische Nationalbank, OeNB
- www.fiskalrat.at | Fiscal Committee
- europa.eu/efc/about-sub-committee_en | EFC Sub-Committee on EU Sovereign Debt Markets
- ec.europa.eu/eurostat | Eurostat
- www.oekb.at/kapitalmarkt-services/unser-datenangebot/daten-zu-bundesanleihen-der-republik-oesterreich.html | Oesterreichische Kontrollbank, OeKB
- www.wifo.ac.at | Austrian Institute of Economic Research, WIFO
- www.ihs.ac.at | Institute for Advanced Studies, IHS



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