



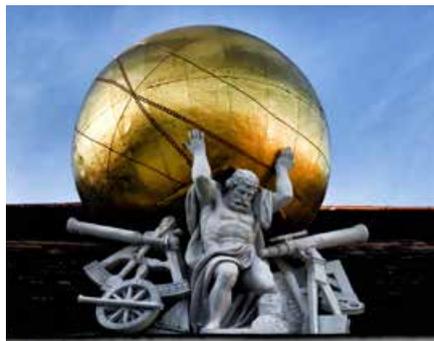
**OeBFA**  
Austrian Treasury



# REPUBLIC OF AUSTRIA DEBT MANAGEMENT

## ANNUAL REVIEW 2017

Austrian Treasury  
April 2018





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### Foreword by the Federal Minister of Finance

The goal of the Austrian federal government is to maintain a sustainable budgetary policy based on stability and growth. This approach was followed consistently again in 2017: general government debt was reduced substantially from 83.6% of GDP in 2016 to 78.4% in 2017. The double budget that was just adopted for 2018/2019 contains a further significant decrease to 70.9% by the end of 2019. In addition to the positive development of public households, this is due to the continued active portfolio reductions at government-owned wind-down units.

The budgetary goal is to continue bringing down the public debt ratio to 62.2% of GDP by 2022. The new government is following a policy that limits debt as much as possible so as not to finance today's needs on the back of future generations. The general government deficit also fell in 2017, coming in better than projected at 0.7% of GDP. The deficit is to be reduced further to 0.4% of GDP in 2018. The goal is to generate a surplus at the administrative level starting in 2019, and to generate a Maastricht surplus from 2020 onwards. This means that the federal budget will include no new debt – for the first time since 1954.

A high-quality business location is a cornerstone of a well functioning country. Even though the pace of economic growth increased again last year, allowing real GDP to expand by 2.9% in 2017 – twice as fast as in 2016 – we are working hard to further enhance Austria's international competitiveness. The current economic momentum is used to implement structural reforms in areas including taxes, administration and labour market.

Thanks to its prosperity, high innovative strength, low unemployment, low private sector debt in international comparison and its long-term oriented public debt management, Austria is in an excellent position for the future. This is a solid foundation that we want to strengthen further.

Hartwig Löger  
Federal Minister of Finance



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### Foreword by the Managing Board

2017 was the most successful year ever for Austrian sovereign debt management. The federal government was able to obtain its annual funding at an average interest rate of 0.43% p.a. and an average maturity of 19.6 years. This decreased the average effective interest rate of the total federal debt portfolio to 2.47% p.a. as of the end of 2017 – falling below 2.5% for the first time ever.

Issuance highlight was the new 100-year 2.10% RAGB 2017–2117 that was launched in September. This is currently the longest outstanding government bond worldwide, the first 100-year benchmark bond in Europe and the largest 100-year bond in the world. At the same syndication, a new five-year government bond was issued with a negative yield of minus 0.165% p.a. The order book generated for these issues of around EUR 22 billion (EUR 11 billion per bond) represented the highest demand ever recorded for any Austrian government debt instrument.

The average term to maturity of the federal debt portfolio was increased further in 2017 and is currently over ten years. This – in international comparison relatively long maturity – means that Austria is well protected against potential interest rate increases. In addition, the new option to increase the own quota of existing government bonds outside of auctions, that was introduced in June 2017, boosted secondary market activity in Austrian government bonds.

In 2018 the overall funding programme of Austria will be between EUR 27–30 billion, with EUR 20–23 billion being raised through government bonds. The substantial decrease compared to the year before will further increase the scarcity value of Austrian government bonds. The Republic of Austria is currently in the process of switching to two-way CSA collateral contracts. This will allow for an increase in foreign-currency issuance going forward. This will broaden the investor base which – together with an internationally competitive economy – will make Austrian government bonds an attractive investment also in 2018.

Markus Stix  
Markets  
Managing Board of the Austrian Treasury  
Republic of Austria Debt Management Office

Thomas Steiner  
Risk Management/Operations



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# Economic Data for Austria

Austria's economy is experiencing the **strongest growth in ten years**. A lively international economy and the rapid expansion of foreign trade combined with a high level of domestic consumption are driving the economy. **Real GDP growth** came to **2.9%** in 2017, twice the speed reported in 2016. Consistently positive sentiment indicators are pointing to a continuation of this trend in 2018. The latest projections for real GDP growth of **3.2%**<sup>1</sup> are again putting the Austrian economy well ahead of the Eurozone average growth of 2.3%.

With an average **GDP per capita** of EUR 42,000 in 2017, Austria surpassed the EU average (EUR 32,700) by 28% and is the fourth wealthiest country in the Eurozone<sup>2</sup>. Austria also remains a **very prosperous country**. **Assets of private households** are enormous at a total of EUR 640 billion<sup>3</sup> (or 173% of GDP). At the same time, the (continuously decreasing) **private sector debt** of around 52.2% of GDP is relatively low and **well below the Eurozone average** (65.7% of GDP).

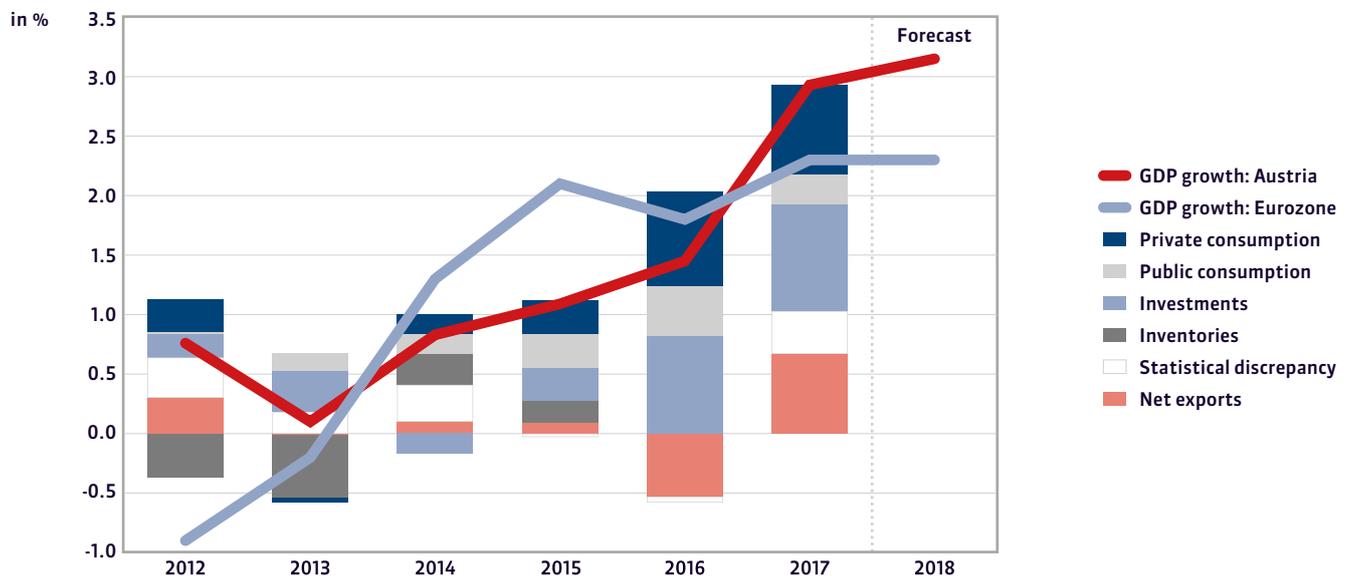
In 2017, Austria's highly **export oriented economy** saw the strongest export growth since 2011<sup>4</sup>. A key factor in the high **internati-**

**onal competitiveness** and **ability to weather crises** was again the broad range of exports. The **structure of foreign trade** has the **second highest degree of diversity** in the world (of 217 countries)<sup>5</sup>. The quality of Austria's domestic workforce is also outstanding, putting the country in fourth place in the **Talent Ranking** of the IMD<sup>6</sup>, and even **first place in the world** in terms of **training and further education for employees**<sup>7</sup>.

Austria is also one of the few countries in the world to have consistently generated **current account surpluses in every year since 2002**, and is projected to continuously do so in the coming years<sup>8</sup>. The surplus came to 2.2% of GDP in 2017.

A key driver of this was **tourism**, which **surpassed all previous records** in 2017. More than 144 million overnight stays (plus 2.5% in annual comparison) and in excess of 43 million arrivals (plus 3.8%) were the **highest levels ever recorded**<sup>9</sup>. Austria remains one of the most popular tourist destinations in the world<sup>10</sup>. Vienna was also voted the city with the highest quality of living in the world for the ninth time in a row<sup>11</sup>.

## Real Growth and Composition of GDP in Austria vs. Eurozone



Source: WIFO, March 2018/EC Winter Forecast 2018/Eurostat, April 2018

- 1 WIFO, March 2018
- 2 Eurostat, respective prices, euros per capita, March 2018
- 3 OeNB, as of Q3 2017
- 4 Statistics Austria, March 2018
- 5 UNCTAD Statistics, Concentration and diversification indices of merchandise exports, February 2018
- 6 International Institute for Management Development (IMD), World Talent Ranking 2017
- 7 IMD, World Digital Competitiveness Ranking 2017
- 8 Eurostat, Winter Economic Forecast, February 2018
- 9 Statistics Austria, January 2018
- 10 World Economic Forum, Travel & Tourism Competitiveness Index 2017
- 11 Mercer Quality of Living, March 2018



Alpine hut on the Dachstein © pixabay/ElsnerCladu

Austria has a **positive net international investment position** of 5.3 % of GDP<sup>12</sup> and has been a **net exporter of capital** in every year since 2002. At an annual average of 2.3 % of GDP, Austria is also above the Eurozone average of 1.3 %<sup>13</sup>.

**Inflation (HICP)** averaged 2.2 % in 2017, while the average for the Eurozone was 1.5 %. A slight decline to 2.0 % is projected for 2018<sup>14</sup>.

Austria invests considerable resources in boosting the innovative capabilities of its economy. This enabled Austria to surpass the average of the rest of the EU in terms of **innovation**<sup>15</sup>. Spending for **research and development** came to around EUR 11.3 billion in 2017, more than 3.1 % of GDP. This puts Austria **among the top ranked countries in the world**<sup>16</sup>. The Austrian federal government is aiming to increase research spending further to 3.76 % of GDP.

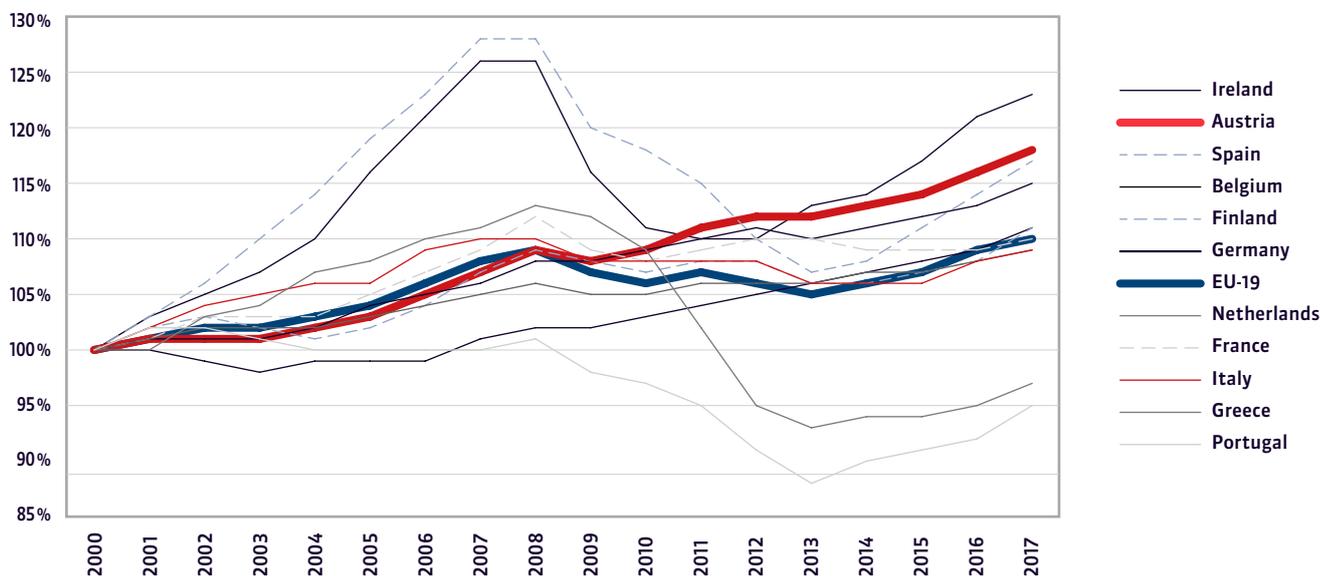
The flourishing economy is also having a positive impact on the Austrian **labour market**. **Employment** rose further and is at **one of the highest levels in the Eurozone** with growth of plus 18 % since 2000.

## Key Economic and Budget Figures

	2015	2016	2017	2018e
<b>Real GDP growth</b>				
Austria	1.1%	1.5%	2.9%	3.2%
Eurozone	2.1%	1.8%	2.3%	2.3%
<b>Unemployment rate</b>				
Austria	5.7%	6.0%	5.5%	5.2%
Eurozone	10.9%	10.0%	9.1%	8.5%
<b>Inflation (HICP)</b>				
Austria	0.8%	1.0%	2.2%	2.0%
Eurozone	0.0%	0.2%	1.5%	1.5%
<b>Current account balance</b>				
Austria	2.1%	2.3%	2.2%	2.9%
Eurozone	3.2%	3.3%	3.0%	3.0%
<b>Maastricht deficit</b>				
Austria	-1.0%	-1.6%	-0.7%	-0.4%
Eurozone	-2.1%	-1.5%	-1.1%	-0.9%
<b>Debt (% of GDP)</b>				
Austria	84.3%	83.6%	78.4%	74.5%
Eurozone	92.1%	91.1%	89.3%	87.2%
<b>GDP and debt (Austria)</b>				
Total nominal debt (bn EUR)	291.4	295.2	289.5	288.5
Nominal GDP (bn EUR)	344.5	353.3	369.2	387.3

Sources: Statistics Austria, WIFO, Ministry of Finance, European Commission, Eurostat as of April 2018

## Employment Growth 2000–2017



Source: Eurostat, March 2018



<sup>12</sup> OeNB as of Q3 2017, February 2018

<sup>13</sup> Eurostat (net lending or net borrowing of the nation in % of GDP, average 2002–2017), February 2018

<sup>14</sup> WIFO, March 2018

<sup>15</sup> Eurostat, Innovation Union Scoreboard 2018

<sup>16</sup> UNESCO, data as of January 2018



Despite posting **population growth of twice the EU average**<sup>17</sup>, Austria's **unemployment rate** fell from 6 % in 2016 to 5.5 % in 2017. This is the **fourth lowest rate in the Eurozone**<sup>18</sup>. A further decline to 5.2% is expected in 2018. Austria also has the **third lowest long-term unemployment rate** and the **third lowest youth unemployment rate** in the Eurozone.

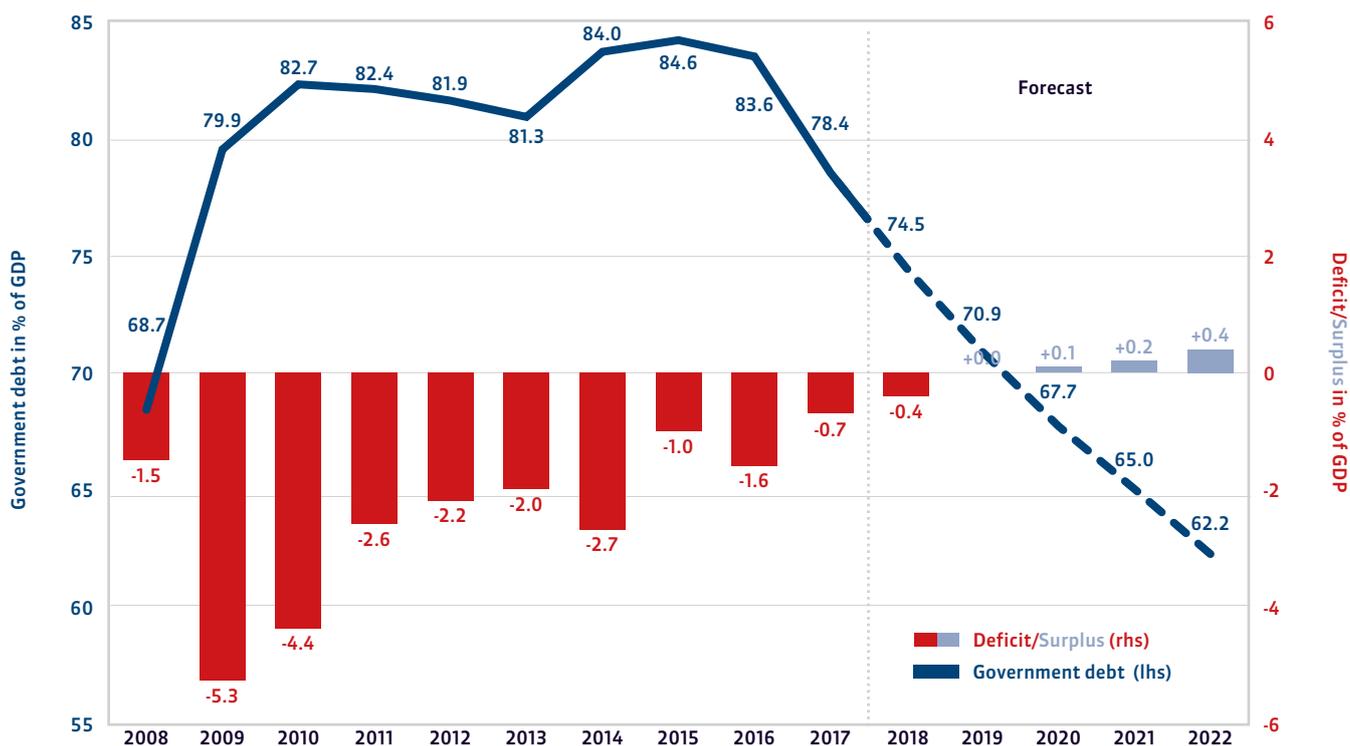
Alongside the traditional macroeconomic indicators, Austria also holds a top position in the world in terms of **peace**. The Global Peace Index names Austria the **fourth most peaceful country in the world** of 163 assessed countries<sup>19</sup>.

Austria's **relative income distribution (Gini coefficient)** puts it among the top 10 OECD countries<sup>20</sup>. According to the World Bank Governance Indicators, the **quality of public administration** in the country is also high and among the top 20 countries in the world in five of six categories<sup>21</sup>.

The **public debt ratio** fell from 83.6 % of GDP in 2016 to 78.4 % of GDP in 2017. A **further decrease** to 74.5 % of GDP is projected for 2018. In addition to the improvements in the government budget, the active reduction of the portfolios of government-owned wind-down units is also playing a key role in the declining debt. The debt ratio is to be reduced to 62.2 % of GDP by 2022<sup>22</sup>.

The **budget balance according to Maastricht** was minus 0.7 % of GDP in 2017. The deficit is to be reduced further to 0.4 % of GDP in 2018. The goal is to generate a surplus at the administrative level starting in 2019. This means that the federal budget will include **no new debt for the first time since 1954**.

### Maastricht Deficit and Public Debt 2008–2022



Source: Ministry of Finance, March 2018 & Statistics Austria, April 2018

17 Eurostat, Population growth – main scenario, March 2018  
 18 Eurostat, March 2018  
 19 Institute for Economics and Peace, Global Peace Index 2017  
 20 OECD, last available data retrieved in November 2017  
 21 Worldbank Governance Indicators, March 2018  
 22 BMF, Strategy report 2018–2022, March 2018



Alpine skiing  
© Österreich Werbung/J. Mallauin

## 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+	stable
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 three agencies. Short-term obligations from Austria have the best possible rating from all four agencies.

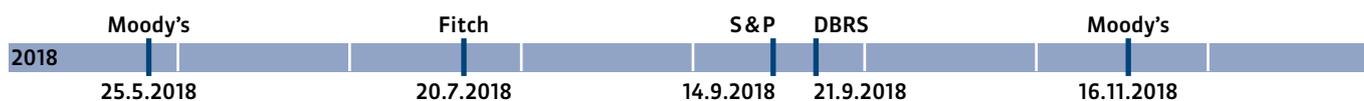
Current rating reports can be found online at [www.oebfa.at](http://www.oebfa.at)<sup>23</sup>

### Summary

"Austria's credit profile reflects its very wealthy and diversified economy, very strong institutions and very high debt affordability compared to peers."

Moody's credit opinion on the Republic of Austria, 24 October 2017

## Rating Calendar (Timeline) Republic of Austria



Source: EU-Rating calendar, Data 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.

## Sustainability: How green is Austria?

	Sustainability country rating
Sustainalytics	5 <sup>th</sup> of 172 countries in the world
oekom research	9 <sup>th</sup> of 57 countries in the world

Austria is also a leader in terms of **sustainability**, as confirmed by the assessments of Sustainalytics and oekom research. The country has the **highest per capita spending for environmental protection** in the EU by far. The **share of renewable energy is twice the EU average** at 33%, and the **recycling rate is the second highest in the EU**. Over 20% of the farms in Austria are organic, which makes Austria **number one in the entire European Union**.



Grapes © pixabay/Couleur

<sup>23</sup> Rating reports can be found at [www.oebfa.at](http://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. Primary objective is securing the government’s funding under a specified risk tolerance and at the lowest possible medium to long-term costs. The responsibilities of the agency are listed in the Austrian Federal Financing Act<sup>24</sup>.

The majority of the funding is raised through **government bond auctions** that are usually held once per month<sup>25</sup>. The auction process is run on the electronic ADAS platform<sup>26</sup>. In addition, syndicated government bonds have been issued through 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. Since 2017, the legal limit for the maximum maturity of federal government is 100 years.

**Other financing instruments** include a euro medium term note programme (EMTN), an Australian dollar MTN programme, transactions in loans- and Schuldschein-format, and an Austrian treasury bill (ATB) programme.

The switch to **bilateral collateral contracts** for derivatives (“**Two-way CSA**”) that was started in March 2018 will enable the Republic of Austria to increase its foreign-currency issuance going forward. 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** are 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.
- 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 S.A.
- UniCredit Bank AG
- Volksbank Wien AG

Austrian treasury bills (**ATBs**) are available in different currencies and are issued 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
- Barclays Bank
- BAWAG P.S.K.
- Citibank Europe
- Credit Suisse
- Goldman Sachs
- Raiffeisen Bank International
- UBS
- UniCredit Bank

All documentation can be downloaded at [www.oebfa.at](http://www.oebfa.at) (under “Financing Instruments”).

24 §2 Federal Financing Act  
 25 The issuance calendar can be found at [www.oebfa.at](http://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](http://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)  
 26 For details on ADAS (Austrian Direct Auction System), visit [adas.oekb.at](http://adas.oekb.at)



Traunsee in autumn © pixabay/8moments

## 2017: The year of historic moments

A total of **20 auctions** were held on **ten dates** in 2017 to tap previously issued Austrian government bonds. **Demand** at these auctions reached a **three-year high**<sup>27</sup>. In addition, three Austrian government bonds were newly issued through syndications on two dates in 2017.

### “Lowest coupon ever for a ten-year government bond”

The **ten-year government bond 2017–2027** was newly issued with a **coupon of 0.5%** and a volume of **EUR 4.5 billion** on 11 April, marking the lowest coupon ever achieved by the Republic for a ten-year issue.

### “100 years – the longest sovereign bond in the world”

The absolute **highlight of the year** happened on 12 September: The historically attractive conditions and Austria’s good standing on the market allowed the new issue of a **0.00% government bond 2017–2022** with a **negative yield** (minus 0.165% p.a.) and a volume of EUR 4 billion.

At the same time, the Republic issued its first ever **100-year government bond**: The **2.10% RAGB 2017–2117 EUR 3.5 billion** is not only the **first 100-year benchmark bond in Europe**, but is also the **longest-running and largest outstanding ultra-long government bond in the world**. This dual-syndication generated an order volume of over EUR 22 billion, marking the **greatest demand ever for an Austrian government bond**.

### “New issue form boosting secondary market”

Since 2017, the Republic of Austria has the **possibility to increase the own quota of its outstanding government bonds (RAGBs)** outside the auction procedure at any time. Execution is done on a bi-lateral basis by Oesterreichische Kontrollbank AG (OeKB). Sales from existing own quota inventories are made on the secondary market, but exclusively through the institutions entitled to participate directly in the auctions (primary dealers). This increased turnover on the secondary market in 2017.

### “2017 – highest issuance volume in Austria’s history”

The total volume of government bonds issued by Austria in 2017 came to EUR 26.1 billion. The **total issuance of all debt instruments of the federal government** reached EUR 39.9 billion, the highest level in the history of the Republic.

### “...but Austria has never been able to finance itself at such a low cost as in 2017”

In 2017, new debt was issued at an average yield of 0.43% p.a. and an average maturity of just under 20 years. As of 31 December 2017, this equated to an **effective interest rate** of the total federal government debt portfolio of 2.47% p.a. (2016: 2.68%) – **less than 2.5% for the first time ever** – at an **average remaining term to maturity of ten years**. This puts Austria in the best possible position to handle potential interest rate increases for a long time to come.

<sup>27</sup> As measured by the bid/cover ratio, which averaged 2.4 in 2017.



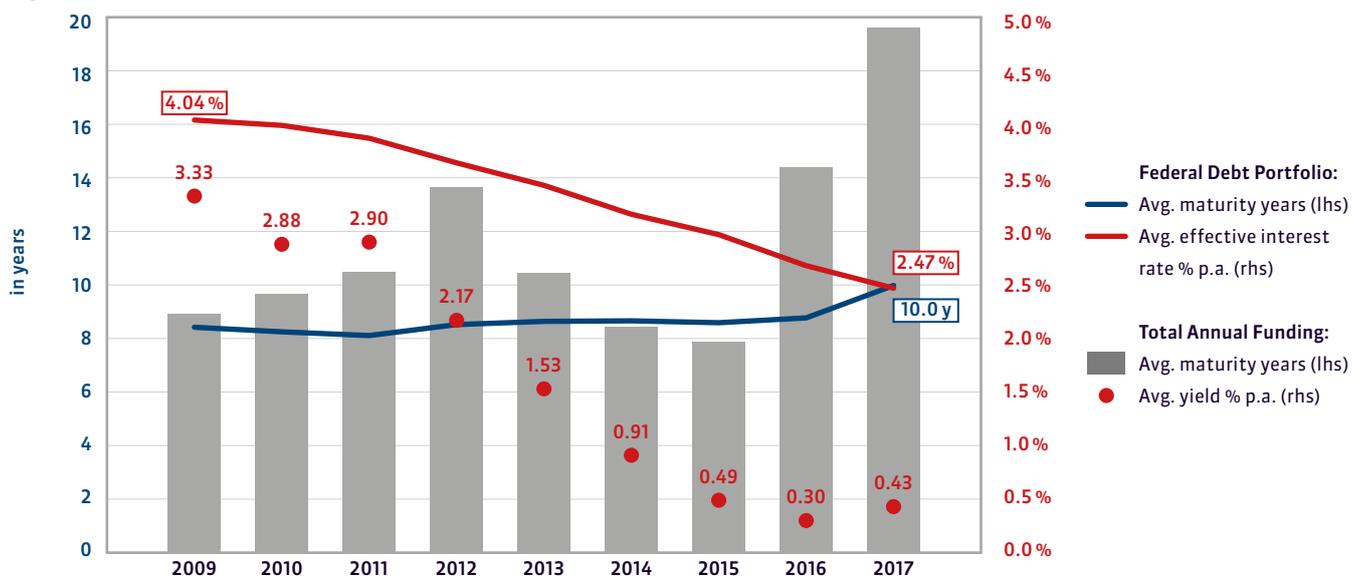


## Issuance of Austrian Government Bonds (RAGB) in 2017

Bond	Issue date	Issue volume in mn EUR	Accepted average yield	Form of issue
0.75 % RAGB 2016–2026/1	10.01.2017	715.0	0.514 % p.a.	Auction
1.50 % RAGB 2016–2047/2	10.01.2017	411.9	1.478 % p.a.	Auction
1.75 % RAGB 2013–2023/2	07.02.2017	660.0	0.022 % p.a.	Auction
0.75 % RAGB 2016–2026/1	07.02.2017	770.0	0.601 % p.a.	Auction
0.75 % RAGB 2016–2026/1	07.03.2017	660.0	0.498 % p.a.	Auction
2.40 % RAGB 2013–2034/1	07.03.2017	687.6	1.078 % p.a.	Auction
0.00 % RAGB 2016–2023/3	04.04.2017	715.0	-0.095 % p.a.	Auction
6.25 % RAGB 1997–2027/6	04.04.2017	650.1	0.398 % p.a.	Auction
<b>0.50 % RAGB 2017–2027/1</b>	<b>11.04.2017</b>	<b>4,500.0</b>	<b>0.539 % p.a.</b>	<b>DIP</b>
0.50 % RAGB 2017–2027/1	09.05.2017	698.0	0.660 % p.a.	Auction
1.50 % RAGB 2016–2047/2	09.05.2017	515.9	1.549 % p.a.	Auction
0.00 % RAGB 2016–2023/3	06.06.2017	661.3	-0.101 % p.a.	Auction
0.50 % RAGB 2017–2027/1	06.06.2017	776.9	0.524 % p.a.	Auction
3.90 % RAGB 2005–2020/1	14.06.2017	300.0	-0.532 % p.a.	Own Quota
6.25 % RAGB 1997–2027/6	14.06.2017	300.0	0.364 % p.a.	Own Quota

Bond	Issue date	Issue volume in mn EUR	Accepted average yield	Form of issue
0.50 % RAGB 2017–2027/1	04.07.2017	690.0	0.681 % p.a.	Auction
1.50 % RAGB 2016–2047/2	04.07.2017	575.0	1.600 % p.a.	Auction
1.75 % RAGB 2013–2023/2	08.08.2017	842.9	-0.012 % p.a.	Auction
1.50 % RAGB 2016–2047/2	08.08.2017	393.1	1.495 % p.a.	Auction
0.00 % RAGB 2016–2023/3	10.08.2017	500.0	-0.023 % p.a.	Own Quota
1.50 % RAGB 2016–2086/4	10.08.2017	500.0	1.754 % p.a.	Own Quota
0.50 % RAGB 2017–2027/1	05.09.2017	928.7	0.543 % p.a.	Auction
4.15 % RAGB 2007–2037/1	05.09.2017	663.3	1.144 % p.a.	Auction
<b>0.00 % RAGB 2017–2022/2</b>	<b>12.09.2017</b>	<b>4,000.0</b>	<b>-0.165 % p.a.</b>	<b>DIP</b>
<b>2.10 % RAGB 2017–2117/3</b>	<b>12.09.2017</b>	<b>3,500.0</b>	<b>2.112 % p.a.</b>	<b>DIP</b>
3.90 % RAGB 2005–2020/1	06.11.2017	350.0	-0.581 % p.a.	Own Quota
3.80 % RAGB 2012–2062/1	06.11.2017	300.0	1.638 % p.a.	Own Quota
0.00 % RAGB 2017–2022/2	07.11.2017	847.9	-0.287 % p.a.	Auction
0.50 % RAGB 2017–2027/1	07.11.2017	452.9	0.476 % p.a.	Auction

## Key Federal Government Debt Metrics 2009 –2017



Source: Austrian Treasury, January 2018



# Financing Strategy of the Republic of Austria in 2018

Total **funding needs for 2018** will be between EUR 27 and EUR 30 billion (including all financing instruments). Despite the additional financing for public enterprises such as Austrian railways infrastructure (ÖBB Infrastruktur) since 2017, **this year's funding needs are nearly one third less than last year**. The majority of this – between EUR 20 and EUR 23 billion – will be raised through Austrian government bonds (RAGB).

Tap auctions are planned on a monthly basis in order to increase the liquidity of existing bonds. And, as in the previous year, one to two new issues are planned through syndicates. Over 45% of the total funding volume has been raised as of the end of April 2017.

## Issuance Calendar for 2018<sup>28</sup>

Issue date	
Jan 9	EUR 0.52 bn increase of 1.50% RAGB 2016–2047 EUR 0.86 bn increase of 0.50% RAGB 2017–2027
Jan 18	EUR 4.0 bn syndication of 0.75% RAGB 2018–2028
Feb 6	EUR 0.58 bn increase of 0.75% RAGB 2018–2028 EUR 0.83 bn increase of 0.00% RAGB 2016–2023
Mar 6	EUR 0.46 bn increase of 0.75% RAGB 2018–2028 EUR 0.69 bn increase of 0.00% RAGB 2017–2022
Apr 10	EUR 0.40 bn increase of 4.15% RAGB 2007–2037 EUR 0.75 bn increase of 0.75% RAGB 2018–2028
May 8	EUR 1.15 bn increase of 1.50% RAGB 2016–2047 increase of 0.75% RAGB 2018–2028
Jun 5	
Jul 3	
Aug 7*	Volumes and terms will be announced one week before the issue date.
Sept 4	
Oct 2	Value date is T+2.
Nov 6	
Dec 11	

\*Reserve date

The Republic focuses strongly 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 2018. Aside from the group of primary dealers, bonds are traded through a large

number of market makers by telephone and through numerous international trading platforms (Bloomberg, Tradeweb, MTS, Bondvision, EUREX, BrokerTec, BGC). In this way, Austrian government bonds can be traded at virtually any time and anywhere.

## Outstanding Government Bonds<sup>29</sup>

Republic of Austria Government Bond	ISIN	Maturity	Outstanding volume (in EUR bn)	Term to maturity in years
1.15% RAGB 2013–2018/3	AT0000A12B06	19.10.2018	7.1	0.5
4.35% RAGB 2008–2019/1	AT0000A08968	15.03.2019	11.3	0.9
1.95% RAGB 2012–2019/3	AT0000A0VRF9	18.06.2019	7.3	1.2
0.25% RAGB 2014–2019/2	AT0000A19XC3	18.10.2019	7.2	1.5
3.90% RAGB 2005–2020/1	AT0000386115	15.07.2020	14.8	2.3
3.50% RAGB 2006–2021/1	AT0000A001X2	15.09.2021	15.9	3.4
3.65% RAGB 2011–2022/1	AT0000A0N9A0	20.04.2022	8.5	4.0
0.00% RAGB 2017–2022/2	AT0000A1XM92	20.09.2022	5.5	4.4
3.40% RAGB 2012–2022/2	AT0000A0U3T4	22.11.2022	10.5	4.6
0.00% RAGB 2016–2023/3	AT0000A1PE50	15.07.2023	6.2	5.3
1.75% RAGB 2013–2023/2	AT0000A105W3	20.10.2023	11.7	5.5
1.65% RAGB 2014–2024/1	AT0000A185T1	21.10.2024	10.3	6.5
1.20% RAGB 2015–2025/1	AT0000A1FAP5	20.10.2025	10.4	7.5
4.85% RAGB 2009–2026/2	AT0000A0DXC2	15.03.2026	9.0	7.9
0.75% RAGB 2016–2026/1	AT0000A1K9C8	20.10.2026	11.6	8.5
0.50% RAGB 2017–2027/1	AT0000A1VVK0	20.04.2027	8.9	9.0
6.25% RAGB 1997–2027/6	AT0000383864	15.07.2027	9.2	9.3
0.75% RAGB 2018–2028/1	AT0000A1ZGE4	20.02.2028	5.8	9.9
2.40% RAGB 2013–2034/1	AT0000A10683	23.05.2034	7.3	16.1
4.15% RAGB 2007–2037/1	AT0000A04967	15.03.2037	13.2	18.9
3.15% RAGB 2012–2044/4	AT0000A0VRQ6	20.06.2044	6.8	26.2
1.50% RAGB 2016–2047/2	AT0000A1K9F1	20.02.2047	5.0	28.9
3.80% RAGB 2012–2062/1	AT0000A0U299	26.01.2062	3.8	43.8
1.50% RAGB 2016–2086/4	AT0000A1PEF7	02.11.2086	2.5	68.6
2.10% RAGB 2017–2117/3	AT0000A1XML2	20.09.2117	3.5	99.4
<b>TOTAL</b>			<b>213.3</b>	<b>10.5</b>

As of 11 April 2018

The **debt portfolio** of the Republic of Austria currently consists of **95% fixed-rate instruments**, and has a conservative orientation. The average **remaining term to maturity is over ten years<sup>30</sup>**. The range for the total portfolio tenor as of end-2018 is 9.6–10.2 years (interest fixing period 10.2–10.8 years). At 5.2% of GDP, Austria has one of the **lowest rollover ratios** in the world<sup>31</sup>.



<sup>28</sup> The issuance calendar can be found at [www.oebfa.at](http://www.oebfa.at) (“Funding Republic of Austria”/ “Government Bonds Issuance Calendar”)

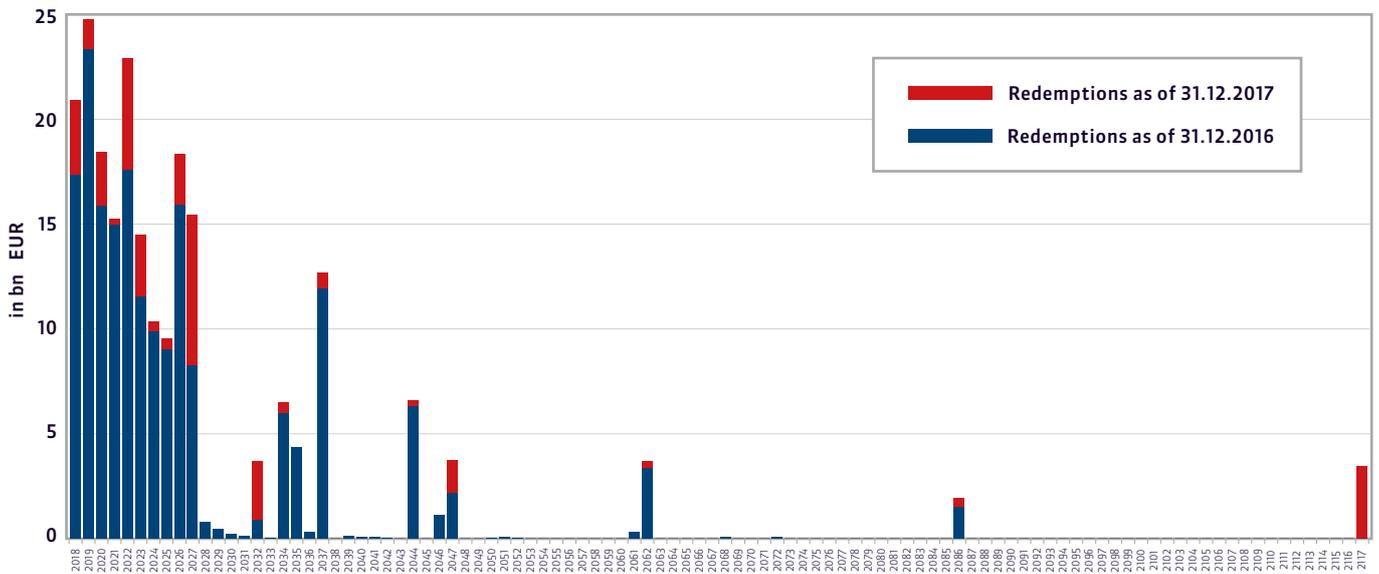
<sup>29</sup> Current data can be found at [www.oebfa.at](http://www.oebfa.at) (under “Financing Instruments”/ “Government Bonds”)

<sup>30</sup> As of the end of March 2018

<sup>31</sup> S&P Global Borrowing Survey, February 2018



## Redemption Profile of the Republic of Austria



Source: Austrian Treasury, January 2018

## 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 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. The **key management metrics** are the **average term to refixing** and the **remaining term to maturity**. The refixing period is defined as the

weighted remaining term to maturity of the portfolio's fixed cash flows. The debt management strategy includes permissible ranges for both metrics, which are also published at [www.oebfa.at](http://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.



Sunset Vienna © pixabay/Usinglight

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## Links

- [www.oebfa.at](http://www.oebfa.at) | Austrian Treasury: Auction calendar, monthly federal government debt, rating reports, investor relations
- [www.bundesschatz.at](http://www.bundesschatz.at) | Online savings product of the Republic of Austria
- [www.bmf.gv.at](http://www.bmf.gv.at) | Federal Ministry of Finance, BMF: Detailed information about the Austrian budget
- [www.statistik.at](http://www.statistik.at) | Statistics Austria
- [www.rechnungshof.gv.at/berichte/bundesrechnungsabschluss.html](http://www.rechnungshof.gv.at/berichte/bundesrechnungsabschluss.html) | Auditor General's Office: Federal Financial Statements
- [www.oenb.at](http://www.oenb.at) | Oesterreichische Nationalbank, OeNB
- [www.fiskalrat.at](http://www.fiskalrat.at) | Fiscal Committee
- [europa.eu/efc/about-sub-committee\\_en](http://europa.eu/efc/about-sub-committee_en) | EFC Sub-Committee on EU Sovereign Debt Markets
- [ec.europa.eu/eurostat](http://ec.europa.eu/eurostat) | Eurostat
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