



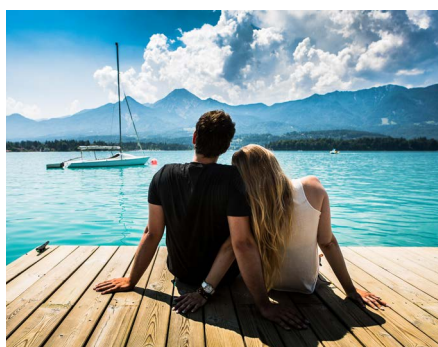
OeBFA
Austrian Treasury



REPUBLIC OF AUSTRIA DEBT MANAGEMENT

ANNUAL REVIEW 2019

Austrian Treasury
February 2020





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Foreword by the Minister of Finance

In 2019 Austria succeeded in initiating a turnaround for the first time in over 60 years by bringing the previous debt policy to an end. The administrative budget surplus of EUR 1.5 billion, about 0.3% of GDP, means more room for necessary future investments and forms a sound foundation for further relief of the population.

In 2019, compared to the previous year, we were able to reduce the general government debt from 74% of GDP to 70%. We have shown that it is both possible to reduce Austria's debt while also reducing the tax burden for its citizens. This is a path we will continue. The clear objective is to consistently push the debt ratio towards the Maastricht target of 60% of GDP. At the same time, we will reduce the tax ratio to 40% and make the business location attractive for investments. In doing so, we are assuming responsibility, above all, for future generations as debt is unsocial and burdens our children and grandchildren. Through the end of the debt policy, we are committed to the European Stability Pact and to improve Austria's credit rating.

A high-quality business location is the basis of a functioning nation. Therefore, we are working hard to further expand the international competitiveness and innovative strength of our country while also becoming a pioneer in the field of climate protection and sustainability. We aim to achieve this by setting ecological and social strategies. In addition, we will take measures to reduce the scepticism of Austrians towards securities. Especially in times of low interest rates on savings accounts, incentives are needed to encourage private wealth accumulation.

The budget and consolidation course adopted under the former ÖVP-FPÖ government is the basis for Austria's prosperous development in the future. This is a foundation we want to build on. Through strict budget execution and targeted priorities, we will enable a stable budget, relief for citizens and more room for companies.

Gernot Blümel
Federal Minister of Finance



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Foreword by the Managing Board

2019 was a very successful year for Austrian debt management: For the first time ever, total annual funding was raised with a negative average yield of -0.12 % p.a. The average term to maturity of this issuance, with a total volume of EUR 31.5 billion, averaged 7.7 years. As a result, the effective interest rate of the total debt portfolio, 1.99% at the end of 2019, fell below 2% for the first time.

Highlights of the funding activity were the issuance of a new 10-year Austrian government bond with a volume of EUR 5 billion in January, which had the largest order book in the history of the Republic with EUR 28 billion, as well as a new 5-year government bond in June. The latter was issued with a negative yield of -0.44% p.a., making Austria the first sovereign in the euro area to carry out a syndicated bond issue below the ECB deposit rate. In addition, the 100-year government bond, still the world's longest-dated government bond, was increased by a total volume of EUR 1.25 billion and a yield of 1.17% p.a., via this syndication. Despite these low yields, in 2019 demand for Austrian government bonds was very high, with an average oversubscription of 2.2 times in auctions and 6.2 times in syndications. This confirms Austria's standing on the capital market as a safe haven in volatile times.

In 2020, the total funding volume will be between EUR 31 and 34 billion, with EUR 18 to 21 billion raised through Austrian government bonds. Approximately one-fifth of this volume is issued for federal states and affiliates. This will increase the liquidity of Austrian government bonds and benefit Austria as a whole.

Since the approval of a Panda Bond Programme by the Chinese authorities in October 2019, Austria is the country with the highest credit rating worldwide that is able to issue government bonds under Chinese law. The resulting broadening of the investor base and an internationally competitive economy make Austria a good investment also in 2020.

Markus Stix
Markets

Walter Jöstl
Risk Management/Operations

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



Imperial Treasury Vienna © KHM-Museumsverband



Economic Data for Austria

Despite a persistently gloomy international growth environment, Austria recorded **above-average economic growth** in 2019 in comparison to the rest of Europe. Real GDP growth is projected to come in at **1.7%, above the euro area average of 1.1%**. In the past year, a cyclical weakness in world trade, as well as risks regarding geopolitical uncertainties, led to dampened economic momentum. Besides **favourable financing conditions** and **fiscal stimuli**, this international trend was counteracted in Austria particularly by the relatively **strong domestic demand** – supported by the consumption demand of private households, construction activity and the demand for services. Real GDP growth rates of 1.2% and 1.4% are forecast for 2020 and 2021, respectively¹. This means that Austria's economy should again grow faster than the euro area average in the coming years (1.2% each)².

The **per capita GDP** of EUR 39,450 in 2018 was 27% above the EU-28 average (EUR 30,150) and **ranked fourth highest among the countries in the euro area** (EUR 30,960)³. Austria is a **very prosperous country**. The financial assets of private households amounted to EUR 700 billion (or 178% of GDP) in the second half of 2019⁴. At the same time, **private debt**, which has been falling since 2010, is com-

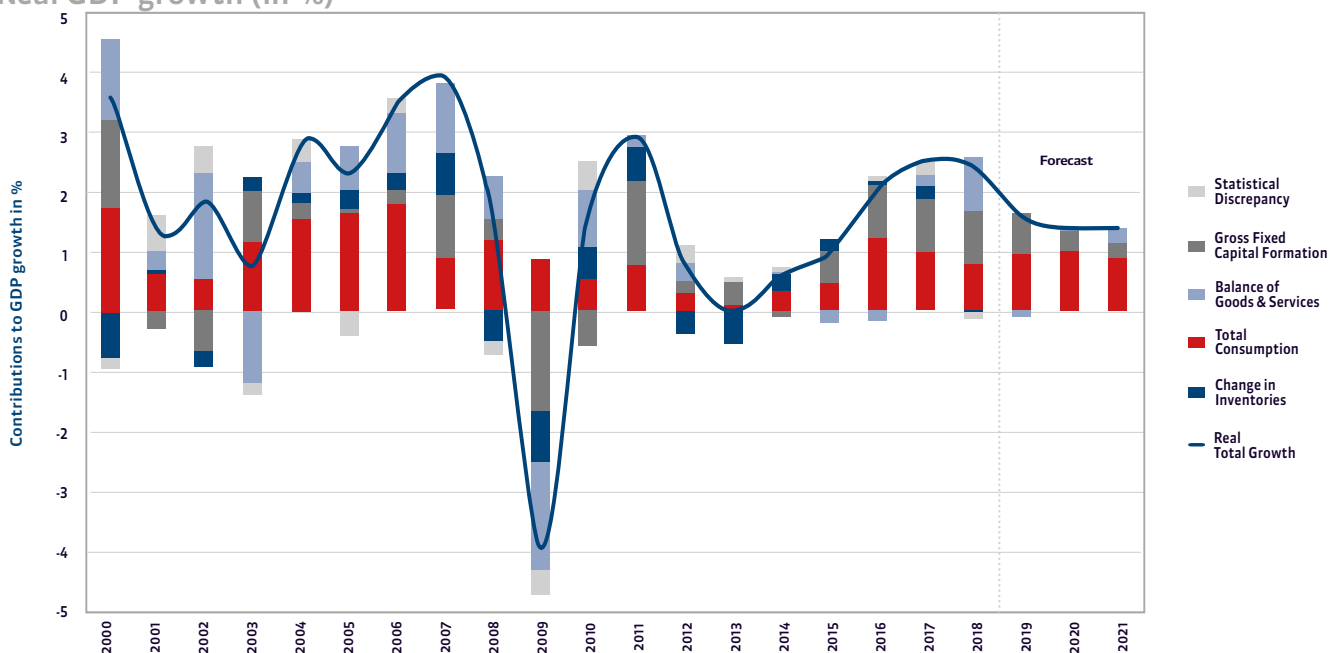
paratively low at around 50% of GDP and **well below the euro area average** (65% of GDP)⁵.

According to preliminary figures, **inflation (HICP)** in 2019 averaged 1.5% (euro area: 1.2%)⁶. Inflation is predicted to remain fairly stable, at 1.6% in 2020 and 2021⁷, while also exceeding that of the euro area in both years (2020 and 2021: 1.2%)⁸.

Attractive Business Location

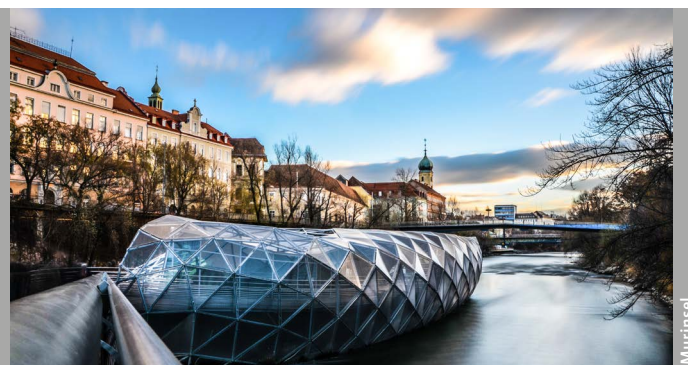
As a **business location**, Austria is characterised by a **high level of stability, reliable infrastructure, a qualified workforce** and a market with a **high purchasing power** in the heart of Europe. Due to these attractive conditions, Austria's economy has developed into one of the most globalised in the world. This is reflected in the **KOF Globalisation Index** for 2019, in which Austria ranked **seventh out of 209 countries**⁹. In the category "Trading Across Borders" of the World Bank's **Ease of Doing Business Index**, Austria comes **first among 212 economies**¹⁰.

Real GDP growth (in %)



Source: European Commission, November 2019

- 1 WIFO, December 2019
- 2 European Commission, November 2019
- 3 Eurostat, current prices, Euro per capita, January 2020
- 4 OeNB, December 2019
- 5 OeNB, December 2019
- 6 WIFO, December 2019, Eurostat, May 2019
- 7 European Commission, November 2019
- 8 European Commission, November 2019
- 9 ETH Zurich, KOF Globalisation Index, October 2019
- 10 World Bank, Doing Business 2020, October 2019



© Graz Tourismus/Markus Spenger



More than 200 international companies – the majority of which focus on Central, Eastern and South-Eastern Europe – have their headquarters situated in Vienna. Advantages such as Vienna’s geographical proximity to core markets, the Vienna International Airport as an international logistic hub, and Austria’s historically close ties to core regions contribute to the choice of location in Vienna. The capital city is also home to numerous international and European headquarters of international organisations such as the United Nations, OPEC and the World Bank, presenting itself as a link between East and West.

Austria invests heavily in the **innovation strength** of its domestic economy. Its **innovation performance** significantly exceeded the average of other EU countries¹¹. Around EUR 12.8 billion or 3.2% of GDP was spent on **research and development** in 2019 alone – a substantial increase from 2.6% of GDP in 2009¹². Austrian companies financed nearly half of this amount.

High Employment Rate

The flourishing economy also benefited the **labour market**, as reflected in a high **employment rate**. Although population growth in Austria was 0.4% in 2019, higher than the euro area average of 0.2%, the unemployment rate declined visibly. The **unemployment rate fell from 4.9% to 4.6%** from 2018 to 2019, putting Austria in fourth place in the euro area.¹³

Key Economic and Budget Figures

Real GDP growth	2017	2018	2019e	2020e
Austria	2.5%	2.4%	1.7%	1.2%
Eurozone	2.5%	1.9%	1.1%	1.2%
Unemployment rate				
Austria	5.5%	4.9%	4.6%	4.7%
Eurozone	9.1%	8.2%	7.6%	7.4%
Inflation (HICP)				
Austria	2.2%	2.1%	1.5%	1.6%
Eurozone	1.5%	1.8%	1.2%	1.2%
Current account balance				
Austria	1.7%	2.4%	2.2%	2.1%
Eurozone	3.1%	3.1%	2.7%	2.6%
Budget Balance				
Austria (% of GDP)	-0.7%	0.2%	0.3%	-0.1%
Eurozone (% of GDP)	-1.0%	-0.5%	-0.8%	-0.9%
Debt				
Austria (% of GDP)	78.3%	74.0%	70.0%	67.5%
Eurozone (% of GDP)	89.8%	87.9%	86.4%	85.1%
GDP and debt (Austria)				
Total nominal debt (bn EUR)	289.8	285.3	279.7	278.5
Nominal GDP (bn EUR)	370.3	385.7	399.3	411.3

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

Peaceful & Stable

Austria is considered as a **peaceful and politically stable** country with strong and reliable institutions. The **Global Peace Index**¹⁴ ranked the Alpine Republic in **fourth among 163 countries**. In the **World Bank Governance Indicators**, Austria was **among the 20 most successful countries** in five out of six categories – particularly with regard to the rule of law. In terms of **income distribution**, Austria was ranked seventh among all euro area countries. In the category “**income inequality**”, Austria achieved a **Gini coefficient of 27%**¹⁵ in 2018, the **lowest value since 2007**.

Strong Banking Sector

Last year, **Austrian banks** benefited particularly from the favourable economic environment in Austria, as well as Central, Eastern and Southern Europe. This was reflected in the **high profitability of domestic banks**, which, compared to 2018 figures, also remained robust in the first half of 2019. **Credit growth** in Austria also stayed at a relatively high level throughout 2019. In the months leading up to and including October, **loans to non-financial corporations** increased by **7.3%** year-on-year, while **loans to households** grew by **4.1%**, with **housing loans** showing the strongest growth rate of around **5%**¹⁶.

Credit quality improved, with a **decline** in the ratio of **non-performing loans (NPL)**. Both the **NPL ratios** on a consolidated basis and those for Austrian business declined, reaching values of **2.3%** and **1.9%** respectively mid-year. At the same time, the **NPL ratio** for Austrian subsidiaries in **Central, Eastern and Southern Europe** fell year-on-year from **3.9%** to **2.8%** by mid-2019¹⁷.

The consolidated **core capital ratio** (CET1 ratio) of the Austrian banks amounted to **15.5%** in **mid-2019**, slightly above the **15.4%** at the end of 2018.

Leader in Sustainability

Austria acts very sustainable, as various statistics confirm: In 2018, the share of **energy derived from renewable sources** for electricity reached **72.6%** (twice the EU average of 29.6%) and places the country at the forefront of the EU countries¹⁸.

At **57.7%**, Austria has the **third-highest rate of recycling within the EU**. Furthermore, **24.1%** of overall agricultural area is utilised under **organic farming** – by far the **highest value among all EU countries**. Vienna has the **third-highest share of green space** among 50 OECD cities, amounting to **42.7%**. Moreover, according to the University of Notre Dame (rank 8/181 in the ND-GAIN Country Index) Austria is very well prepared for climate change¹⁹.



11 Eurostat, Innovation Union Scoreboard 2019
 12 Statistics Austria, December 2019
 13 WIFO, December 2019
 14 Global Peace Index, June 2019
 15 OECD, February 2019
 16 OeNB, January 2020
 17 OeNB, October 2019
 18 Eurostat, February 2019
 19 ND-GAIN Country Index, last accessed: January 2020



Agency	Sustainability Country Rating
Sustainalytics	4th of 172 countries in the world
EPI (Yale University)	8th of 180 countries in the world
ISS ESG	12th of 60 countries in the world
SDG Index	5th of 162 countries in the world

A key driver is the booming **tourism sector**, which recently published **record figures**, once again. In 2019, 127 million overnight stays were recorded from January through September – 1.3% above the comparable period of the previous year. Over the past ten years, these figures have risen by more than 20%. In the first nine months of 2019 the number of arrivals increased by almost 3% in comparison with the previous year²².

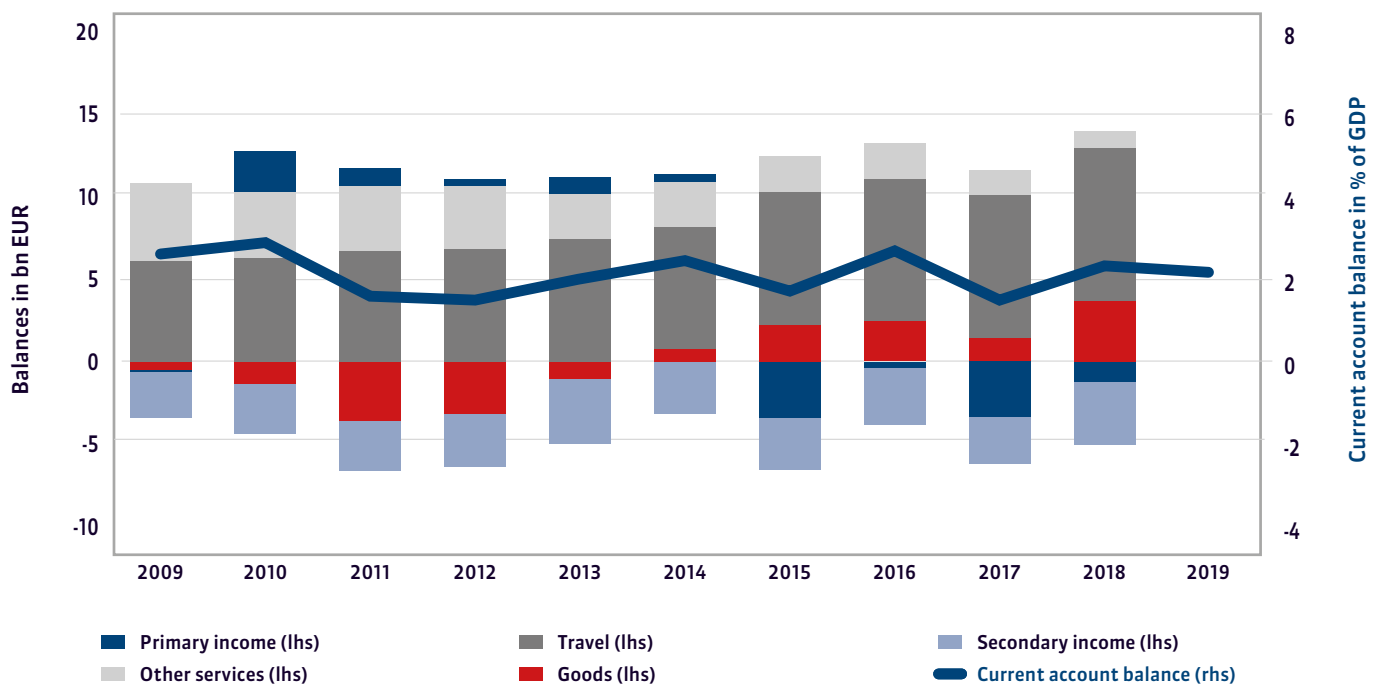
In 2019, **Vienna** was voted the **world’s most liveable city for the tenth time** in a row²³. This supports Austria’s standing as one of the most attractive tourist destinations in the world.

Strong Foreign Trade

Austria’s economy is **heavily export-oriented**: in 2019, **exports** reached a **new high** with 2.8% growth shown in the first three quarters (compared to the same period in 2018)²⁰. Austria managed to maintain a **positive current account surplus** in every single year **since 2002**. Last year, the current account surplus amounted to 2.2% of GDP. Due to its high level of competitiveness, this stable trend is expected to continue into the future. In 2020 the surplus is forecasted to amount to 2.1% of GDP²¹.

Due to continuous current account surpluses, which cumulatively amount to over EUR 130 billion since 2002, Austria has been able to improve its net investment position over time. As a result, the **net international investment position** was positive for the first time in 2013. At the end of the third quarter of 2019, this figure amounted to 7.8% of GDP.²⁴

Current Account Balances 2009-2019



Source: OeNB, December 2019, European Commission, November 2019

20 Statistics Austria, December 2019
 21 European Commission, November 2019
 22 Statistics Austria, December 2019
 23 Mercer Quality of Living, March 2019
 24 OeNB, December 2019



Viennese wine culture, Wieninger am Nußberg
 © Österreich Werbung/ Nina Baumgartner



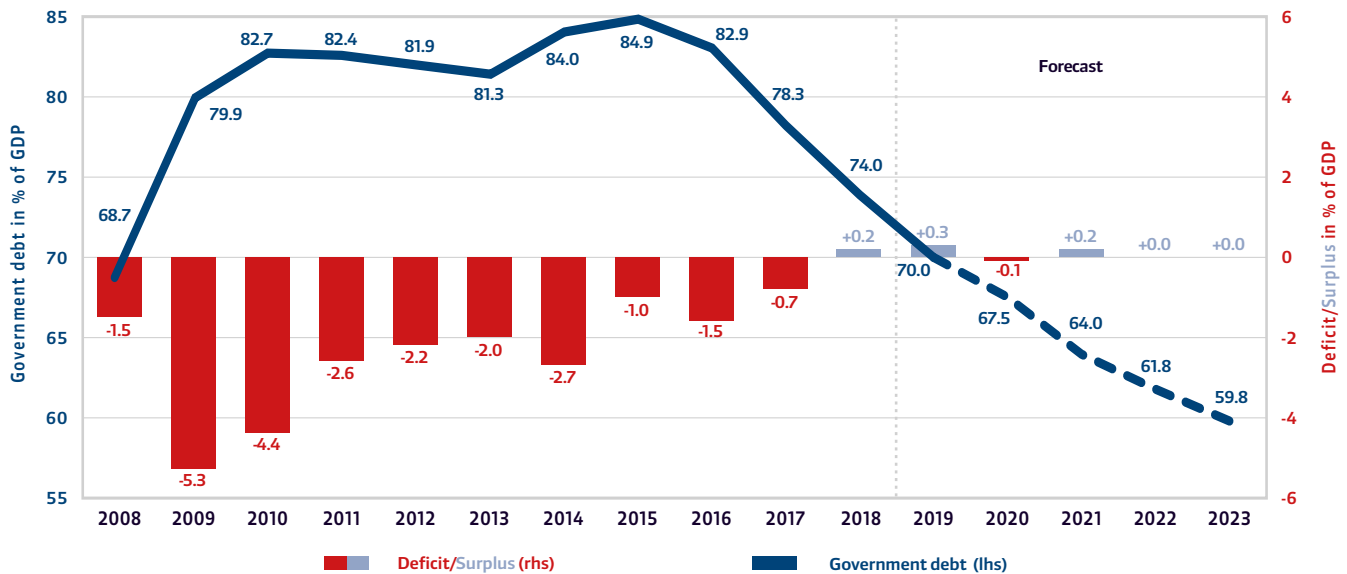
Rapidly Declining Public Debt

The public debt ratio substantially declined from 74% of GDP in 2018 to 70% of GDP in 2019. For the third year in a row, the debt level was reduced, falling to slightly below EUR 280 billion in 2019. A further reduction to 67.5% of GDP is planned for 2020. This means that from its peak of 84.9% in 2015, the debt ratio has fallen by nearly 15% within only four years. In addition to a positive deve-

lopment in public budget, the ongoing portfolio reduction of the Austrian wind-down banks takes a vital role in the debt reduction. The debt ratio is to be reduced to below 60% of GDP by 2023²⁵.

After Austria achieved a budget surplus of +0.2% of GDP in 2018 for the first time in 44 years, a surplus of +0.3% was again achieved in 2019. This represents the best budgetary result since 1954.

Budget Balance and Government Debt 2008-2023



Source BMF, January 2020

High credit quality

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

The creditworthiness of the Republic of Austria's long-term liabilities is rated very high by the leading rating agencies. In addition to the AAA/stable rating from DBRS Morningstar, Austria has been

placed in the second best of 22 rating categories (AA+) by the remaining agencies. In July 2018, Austria's rating by Fitch was put on positive outlook. Short-term obligations from Austria have the best possible rating from all four agencies.²⁶

Summary

"Austria's credit profile reflects its wealthy and diversified economy, very strong institutions and very high debt affordability compared to peers. Those credit features mitigate Austria's key credit challenge related to the elevated debt burden coupled with a relatively weak trend growth."

Moody's, September 2019

²⁵ BMF, Stability Programme 2018–2023, April 2019
²⁶ Rating reports are released online at www.oebfa.at ("Investor Relations" / "Ratings").





Debt Management

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 Act²⁷.

The majority of the required funding is raised through **government bond auctions** that are usually held once per month²⁸. The auction process is run on the electronic ADAS platform²⁹. 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 maximum legal term for **federal debt issues** is **100 years**.

Austria's financing activities are supported by primary dealers: A group of 21 institutions with a strong placement track record. This ensures active and committed participation in the primary and secondary market and access to a broadly diversified spectrum of investors.

The **Austrian ATB-Programme (Austrian Treasury Bills)** has been in existence since March 1999 and has an unlimited maximum amount. Issues in various currencies are possible, but all issues under foreign currency of the Austrian government are hedged into EUR. The maximum term is 364 days, no ATB auctions are carried out at present. Issuance is flexible depending on the financing requirements of the Federal Government and on investor demand. Moody's and Standard & Poor's rate the programme P-1/A-1+.

Other financing instruments include a Euro Medium Term Note (EMTN) programme, an Australian Dollar MTN programme and transactions in loan or Schuldschein format.

In October 2019, Austria has received approval from the Chinese authorities for a **Panda Bond programme**. Austria is now the country with the highest credit rating worldwide that is able to issue bonds under Chinese law. Potential issuance would be hedged against foreign currency risks and is subject to market conditions. This increases the financial flexibility of the government's debt management and helps to further diversify Austria's investor base.

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 S.A.
UniCredit Bank AG
Volksbank Wien AG

Dealers for Austrian Treasury Bills

ABN AMRO Bank N.V.
AFS Interest BV
Bank of America Merrill Lynch International DAC
Barclays Bank plc
BAWAG P.S.K. AG
BRED Banque Populaire
Citigroup Global Markets Limited
Credit Suisse Securities (Europe) Limited
Erste Group Bank AG
Goldman Sachs International
HSBC Bank plc
ING Bank N.V.
Rabobank International
Raiffeisen Bank International AG
Société Générale S.A.
UBS Europe SE
UniCredit Bank AG

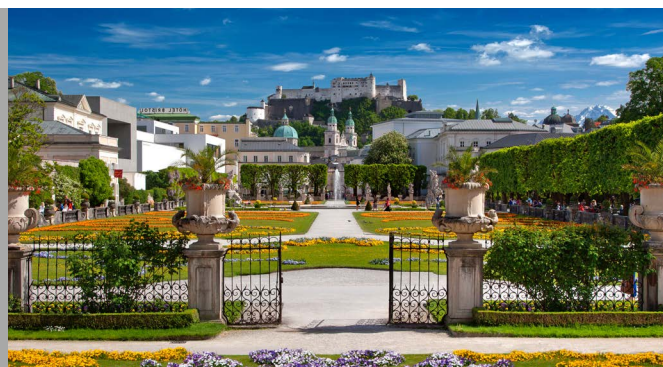
All documentation can be downloaded at www.oebfa.at³⁰

²⁷ §2 Federal Financing Act

²⁸ The issuance calendar can be viewed at www.oebfa.at ("Funding Republic of Austria" / "Government Bonds Issuance Calendar"). Details about the auction procedure: www.oebfa.at/en/capital-market-services/government-bond-auctions-for-the-republic-of-austria/auction-procedure-for-government-bonds-of-the-republic-of-austria.html

²⁹ For details on ADAS (Austrian Direct Auction System) visit: adas.oebfa.at

³⁰ All documentation is available for download at www.oebfa.at (under "Financing Instruments").





The Year 2019

In 2019, outstanding government bond issues with a total volume of EUR 10.1 billion were **tapped via auction** at a total of **nine calendar dates**. In addition, **two new government bonds** were issued **under syndication**, and one existing Austrian government bond was increased, likewise under syndication. **In total**, the Republic issued **EUR 20.1 billion** via government bonds.

The federal government issued a total of EUR 31.5 billion at an average of **-0.12% p.a.** and thus, for the **first time in the history** of the Republic, at an **average negative interest rate**. The average remaining term to maturity was 7.7 years, which was relatively stable compared to the previous year (2018: 8.4 years). This resulted in a **historically low effective interest rate** of **1.99% p.a.** as of December 31st, 2019 for the federal government's debt portfolio (previous year: 2.23%) with an average residual maturity of almost 9.9 years (as at the end of December 2019). The **federal government's debt portfolio** was reduced by **EUR 2.89 billion** to EUR 208.768 billion in 2019. This represents the **first decline** in absolute terms since 1971.

Despite the low yields, demand in 2019 for Austrian government bonds was very high, with an average oversubscription of 2.2-times in auctions and 6.2-times in syndications. This underlines **Austria's good standing on the capital market** as a safe haven in volatile periods.

Highlights

Largest order book in history

On January 29th, 2019, the 0.50% Austrian government bond 2019-2029, with a volume of EUR 5.00 billion and a yield of 0.545% p.a., was newly issued. This marked the **largest funding in terms of liquidity raised** and – at over EUR 28 billion – the **largest order book in the history of the Republic**.

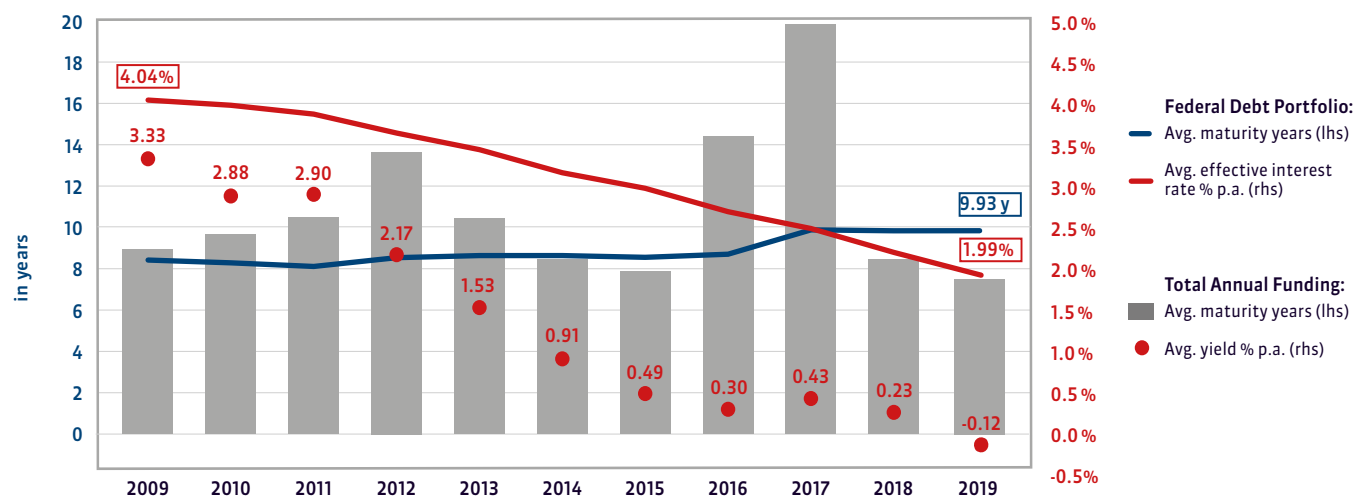
First syndicated euro area government bond with a yield below the ECB deposit rate

On June 26th, 2019, one of two new issuances took place through syndication: The new 0.00% Austrian government bond 2019-2024 was issued with a volume of EUR 3.25 billion and a negative yield of -0.44% p.a. Austria is thus the **first country in the euro area** capable of **conducting a syndicated bond issue below the ECB deposit rate** (from -0.40% at that time).

Increase of century government bond at 1.17% p.a.

Furthermore, the **100-year Austrian government bond** (first issued in 1917) with a total volume of EUR 1.25 billion was increased as part of this syndication. The **issue yield** was only **1.17% p.a.** This bond is still the **world's longest-running government benchmark bond**.

Federal Government Debt Portfolio 2009-2019



Source: Austrian Treasury, February 2020



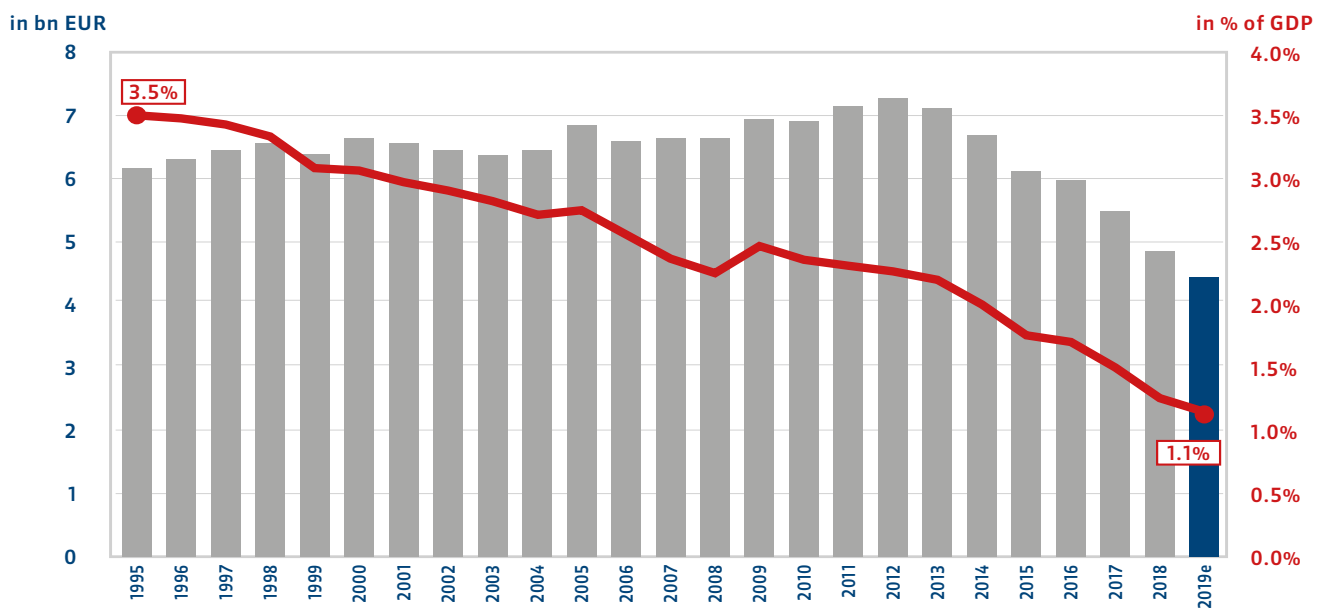
Almabtrieb at the Zillertal © Erste Ferienregion im ZILLERTAL / Bernd Ritschel



Issuance of Austrian Government Bonds (RAGB) in 2019

Bond	Payment date	Issue volume in mn EUR	Accepted average yield	Form of issue	Bond	Payment date	Issue volume in mn EUR	Accepted average yield	Form of issue
0.75% RAGB 2018-2028/1	10.01.2019	690.00	0.472% p.a.	Auction	0.00% RAGB 2019-2024/2	02.07.2019	3 250.00	-0.435% p.a.	DIP
1.50% RAGB 2016-2047/2	10.01.2019	575.00	1.355% p.a.	Auction	2.10% RAGB 2017-2117/3	02.07.2019	1 250.00	1.171% p.a.	DIP
0.50% RAGB 2019-2029/1	05.02.2019	5 000.00	0.545% p.a.	DIP	0.00% RAGB 2019-2024/2	05.09.2019	575.00	-0.798% p.a.	Auction
0.50% RAGB 2019-2029/1	07.03.2019	855.59	0.491% p.a.	Auction	0.50% RAGB 2019-2029/1	05.09.2019	575.00	-0.494% p.a.	Auction
1.50% RAGB 2016-2047/2	07.03.2019	397.23	1.262% p.a.	Auction	0.50% RAGB 2019-2029/1	10.10.2019	632.50	-0.348% p.a.	Auction
0.00% RAGB 2016-2023/3	11.04.2019	575.00	-0.390% p.a.	Auction	1.50% RAGB 2016-2047/2	10.10.2019	402.50	0.271% p.a.	Auction
0.50% RAGB 2019-2029/1	11.04.2019	575.98	0.275% p.a.	Auction	0.00% RAGB 2019-2024/2	07.11.2019	517.50	-0.494% p.a.	Auction
0.00% RAGB 2016-2023/3	09.05.2019	575.00	-0.428% p.a.	Auction	0.50% RAGB 2019-2029/1	07.11.2019	517.50	-0.116% p.a.	Auction
0.50% RAGB 2019-2029/1	09.05.2019	805.00	0.237% p.a.	Auction	0.75% RAGB 2018-2028/1	21.11.2019	250.00	-0.104% p.a.	DIP
0.50% RAGB 2019-2029/1	06.06.2019	747.50	0.073% p.a.	Auction	0.00% RAGB 2017-2022/2	28.11.2019	250.00	-0.580% p.a.	DIP
2.40% RAGB 2013-2034/1	06.06.2019	632.50	0.441% p.a.	Auction	0.50% RAGB 2019-2029/1	12.12.2019	460.00	-0.104% p.a.	Auction

Federal Government Interest Payments 1995-2019



Source: Austrian Treasury, February 2020



Relax at Faaker See, recharge your batteries at Faaker See in Carinthia © Region Villach Tourismus/Reinhard Nadrchal



Financing Strategy of the Republic of Austria in 2020

The total financing needs for 2020 amount to between **EUR 31 and 34 billion** (all financing instruments). This volume includes more than 20% for federal states and affiliates. Through this financing, the liquidity of Austrian government bonds is significantly increased and, at the same time, advantages are achieved for Austria as a whole.

A large share of the total borrowings – between **EUR 18 and 21 billion** – is carried out via **Austrian government bonds (RAGB)**.

The range for the interest refixing period as of the end of 2020 is between 10.3 and 10.9 years. The range for the portfolio tenor is between 9.2 and 9.8 years. The strategy of maintaining a relatively long term portfolio helps to limit Austria's interest rate and refinancing risk.

Outstanding Bonds³¹

Republic of Austria Government Bond	ISIN	Maturity	Outstanding Volume (in bn EUR)	Term to Maturity in Years
3.90% RAGB 2005-2020/1	AT0000386115	15.07.2020	14.8	0.5
3.50% RAGB 2006-2021/1	AT0000A001X2	15.09.2021	15.9	1.6
3.65% RAGB 2011-2022/1	AT0000A0N9A0	20.04.2022	8.5	2.2
0.00% RAGB 2017-2022/2	AT0000A1XM92	20.09.2022	6.7	2.6
3.40% RAGB 2012-2022/2	AT0000A0U3T4	22.11.2022	10.5	2.8
0.00% RAGB 2016-2023/3	AT0000A1PE50	15.07.2023	9.3	3.5
1.75% RAGB 2013-2023/2	AT0000A105W3	20.10.2023	11.9	3.7
0.00% RAGB 2019-2024/2	AT0000A28KX7	15.07.2024	4.9	4.5
1.65% RAGB 2014-2024/1	AT0000A185T1	21.10.2024	10.3	4.7
1.20% RAGB 2015-2025/1	AT0000A1FAP5	20.10.2025	10.4	5.7
4.85% RAGB 2009-2026/2	AT0000A0DXC2	15.03.2026	9.2	6.1
0.75% RAGB 2016-2026/1	AT0000A1K9C8	20.10.2026	11.8	6.7
0.50% RAGB 2017-2027/1	AT0000A1VGK0	20.04.2027	8.9	7.2
6.25% RAGB 1997-2027/6	AT0000383864	15.07.2027	9.2	7.5
0.75% RAGB 2018-2028/1	AT0000A1ZGE4	20.02.2028	9.8	8.1
0.50% RAGB 2019-2029/1	AT0000A269M8	20.02.2029	10.6	9.1
0.00% RAGB 2020-2030/1	AT0000A2CQD2	20.02.2030	3.3	10.1
2.40% RAGB 2013-2034/1	AT0000A10683	23.05.2034	7.9	14.3
4.15% RAGB 2007-2037/1	AT0000A04967	15.03.2037	13.8	17.1
3.15% RAGB 2012-2044/4	AT0000A0VRQ6	20.06.2044	6.8	24.4
1.50% RAGB 2016-2047/2	AT0000A1K9F1	20.02.2047	6.8	27.1
3.80% RAGB 2012-2062/1	AT0000A0U299	26.01.2062	3.8	42.0
1.50% RAGB 2016-2086/4	AT0000A1PEF7	02.11.2086	2.5	66.8
2.10% RAGB 2017-2117/3	AT0000A1XML2	20.09.2117	6.0	97.6
TOTAL			213.7	11.2

As of 11 February 2020

Monthly auction dates are planned for 2020 in order to increase the liquidity of existing bonds via taps. In addition, one or two new RAGB issuances by means of syndication are planned, as was the case in the past.

In its financing strategy, the Republic of Austria is relying heavily on **diversity and flexibility**. The **investor base** is diverse and stable, taking geographical and sectoral conditions into account. Investors seeking the best possible creditworthiness and security represent the largest investor group in Austrian debt instruments.

Over the years, Austria has been able to gain an excellent international reputation as a **reliable and professional issuer**. Trading is carried out – beyond the circle of existing primary dealers – by a large number of market makers via telephone and all major international trading platforms.

Over **90%** of Austria's debt portfolio consists of **fixed-interest securities** and has a conservative approach. The average **portfolio tenor is about ten years³²**. The **rollover ratio is one of the lowest in the world at around 6% of GDP³³**.

Issuance Calendar for 2020³⁴

Issue Date	Issuance Details
Jan 7	EUR 0.57 bn increase of 0.00% RAGB 2019-2024 EUR 0.46 bn increase of 0.50% RAGB 2019-2029
Jan 29	EUR 3.25 bn syndication of 0.00% RAGB 2020-2030
Mar 3	
Apr 7	
May 5	
Jun 2	
Jul 7	Volumes and terms will be announced one week before the issue date. Value date is T+2.
Aug 4*	
Sept 8	
Oct 6	
Nov 3	
Dec 9	

*Reserve date



³¹ Current data are released at www.oebfa.at (under "Financing Instruments"/ "Government Bonds")

³² As of the end of December 2019

³³ S&P Global Borrowing Survey, February 2020 (Average of the years 2018–2020e)

³⁴ The issuance calendar is released at www.oebfa.at ("Funding Republic of Austria"/"Government Bonds Issuance Calendar")



Risk Management

The Austrian Treasury is legally obligated to conduct business in a **risk-averse manner**.

The Austrian Treasury's risk management focuses on **managing market and liquidity risks**. The treasury's integrated and holistic risk management system represents the spectrum of a balanced combination of the following: consideration of risk-bearing capacity and risk culture, a suitable risk management organisation, corresponding best practice standards and an adequate governance structure. The treasury's methodical risk management systems are continuously evaluated and refined. If necessary, the treasury supports other public sector entities in establishing and strengthening their risk management.

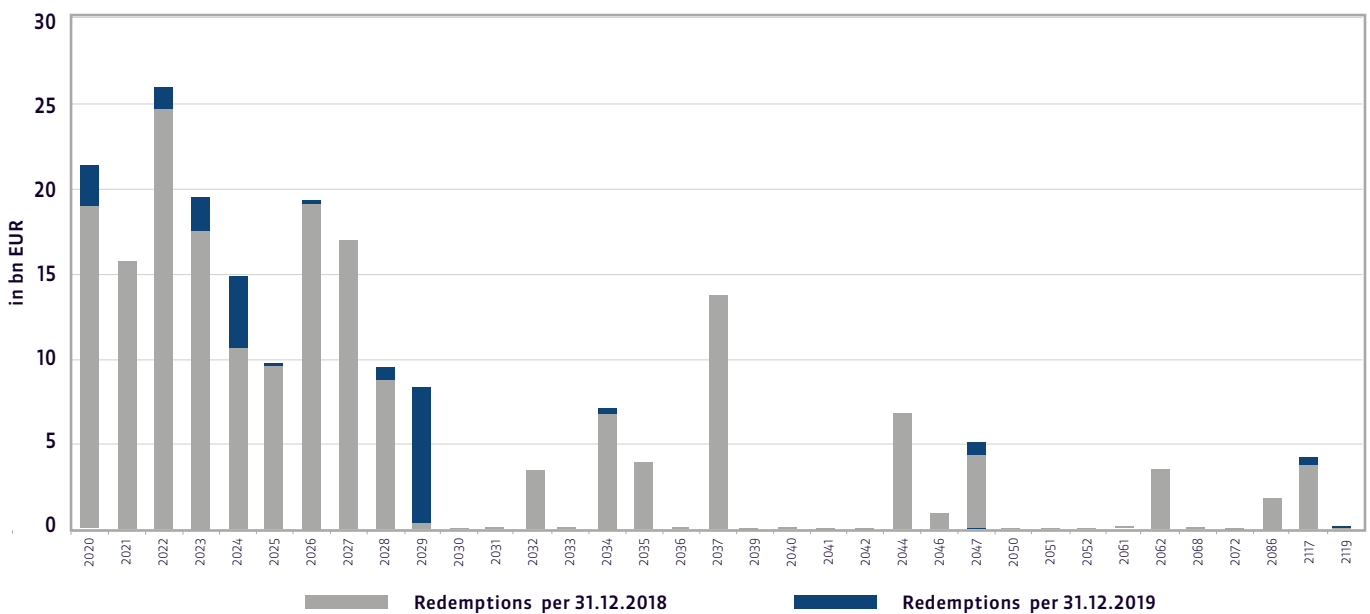
The risk policy is laid down in the form of **risk management guidelines** and the debt management strategy. The risk management guidelines are to be approved by the Supervisory Board and the debt management strategy by the Federal Minister of Finance.

In addition to market and liquidity risks, the risk management system of the OeBFA controls partial risks such as operational risks, credit risks, refinancing risks and reputation risks.

Core metrics are the **portfolio interest refixing period** and the **portfolio tenor**. The portfolio interest refixing period 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.

Debt Portfolio – Redemption Profile of the Republic of Austria



Source: Austrian Treasury, January 2020



Mountainbiking in Tyrol
© Österreich Werbung/Romny Kiaulehn

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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
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- 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



Impressum

Österreichische Bundesfinanzierungsagentur (OeBFA), Austrian Treasury. The Austrian Treasury acts in the name of and for the account of the Republic of Austria. Cut-off date: 11 February 2020.

Concept, graphics and layout: accelent communications, 1040 Vienna. Printing: Federal Ministry of Finance