



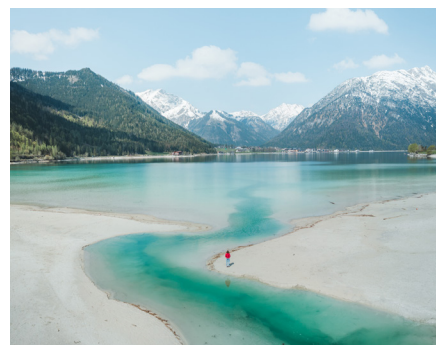
**OeBFA**  
Austrian Treasury



# REPUBLIC OF AUSTRIA DEBT MANAGEMENT

## ANNUAL REVIEW 2023

Austrian Treasury  
February 2024





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### Foreword of the Federal Minister of Finance

2023 was once again characterised by challenges: Governments worldwide faced up to the consequences of record-breaking inflation. The global economic situation was dominated by major uncertainties, which also had an impact on our economy. After a notable growth of 4.8% in 2022, Austria recorded a slight decline in real GDP by 0.8% in 2023. However, a robust labour market, falling inflation rates and stronger purchasing power will support demand in 2024 and help Austria return to a stable growth trajectory. This also has a positive impact on the Republic of Austria's ratings.

The Austrian government consistently pursued a stable budget policy in 2023. Despite a weakening global economy, rising interest rates and the abolition of the tax bracket creep, the general government deficit was reduced to -2.7% of GDP, better than originally forecast and below the 3% Maastricht limit for the first time since the beginning of the crises. The debt ratio was also reduced further in 2023 and stands at 76.4 %. Despite major future-oriented investments in science, education and infrastructure, Austria will remain committed to its path of budgetary consolidation in the years to come.

As Federal Minister of Finance, strengthening Austria as a business location is particularly important to me. In this context, the provision of funds for a sustainable energy transition and the green transformation of the economy plays a central role. The Climate Hub set up in the Ministry of Finance in 2023 will continue to drive forward green budgeting – a transparent, targeted and data-driven greening of the budget in which Austria is an international leader. In combination with the widely deployed green financing instruments by the Austrian Treasury, this will make a crucial contribution to the ecological transformation.

As announced last year, the Austrian Treasury is planning to introduce a safe and attractive investment option in 2024, the "Bundeschatz NEU", which will give private investors simple and direct access to federal securities.

**Magnus Brunner**  
Federal Minister of Finance



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### Foreword of the Managing Board

2023 was characterised on the one hand by ongoing geopolitical uncertainties and conflicts, and on the other hand by the ECB's monetary policy tightening in response to the continued rise in inflation rates. This not only resulted in a series of key interest rate hikes, but also signalled the start of the gradual reduction of the Eurosystem's bond holdings, which had a significant impact on the secondary market.

Despite these headwinds, the Austrian Treasury continued to push forward with innovations. The green pillar of our financing strategy was further strengthened by issuing Green Commercial Paper and Green EMTN for the first time in 2023. For 2024, we have communicated to the market an increase in the green financing volume of around 10% to at least EUR 6 bn, reflecting the ongoing rise in green budget expenditures. Another key component of our strategy is the financing of federal states and legal entities, which we undertake as the only sovereign issuer in the euro area.

Despite a challenging year with rising interest rates and high volatility, demand for RAGBs and ATBs remained high in 2023. Although the effective interest rate of the financial debt portfolio rose to 1.79% p.a. in 2023 (end of 2022: 1.20% p.a.), the federal government's interest expenditure only increased by 0.14 percentage points to 0.85% of GDP. The average remaining term to maturity of the portfolio increased slightly from 10.9 to 11.1 years, despite a further reduction in the average term of new issuances from 8.6 to 7.3 years.

We expect slightly lower financing volumes in 2024, with between EUR 45 bn and EUR 50 bn to be raised via government bonds (2023: EUR 50.3 bn). In addition, a slight increase in the portfolio of short-term financing instruments of EUR 2 to 4 bn is planned. In the case of bonds, the share of issuance volume via auctions will be increased while bilateral increases will be reduced. Coupled with the Austrian Treasury's participation in the RAGB and RATB repo markets, this should promote secondary market liquidity and the attractiveness of Austrian government securities.

**Markus Stix**  
Markets  
Managing Board of the Austrian Treasury

**Walter Jöstl**  
Risk Management/Operations  
Managing Board of the Austrian Treasury

Railjet in winter landscape  
 ÖBB Personenverkehr AG,  
 Photographer: Harald Eisenberger (ÖBB)





# Economic Data for Austria

In 2023, as in the previous year, the global economy continued to be characterised by persistently elevated inflation, which throughout the year contributed to an accelerating economic slowdown. Austria was unable to escape this dynamic. After strong growth in 2022, developments in the industrial and construction sectors in particular led to an economic downturn from the second quarter of last year. The real economic growth for the entire year 2023, according to the current forecast by the Austrian Institute of Economic Research, was -0.8%.<sup>1</sup> However, the economy should bottom out by the end of 2023. Supported by an upturn in private consumption and an expected recovery of the industrial sector in the second half of the year, moderate growth of 0.9% is expected again in 2024 (euro area: 0.8%), followed by increasing economic momentum and a return to a stable growth path in the following year (2.0% GDP growth; euro area: +1.5%).<sup>2</sup>

The inflationary pressure that arose in 2022 as a result of distortions on the energy market continued in the first half of 2023. After Austria recorded the highest increase in the general price level in 50 years with 8.6% in 2022, inflation slightly decreased in 2023 to an average of 7.7%.<sup>3</sup> The persistent inflationary pressures in the euro area led the European Central Bank (ECB) to continue its monetary policy tightening cycle. Thus, in 2023, the ECB raised its key interest rates in a total of six steps from 2.5% to 4.5% (main refinancing rate; as of 31 December 2023).

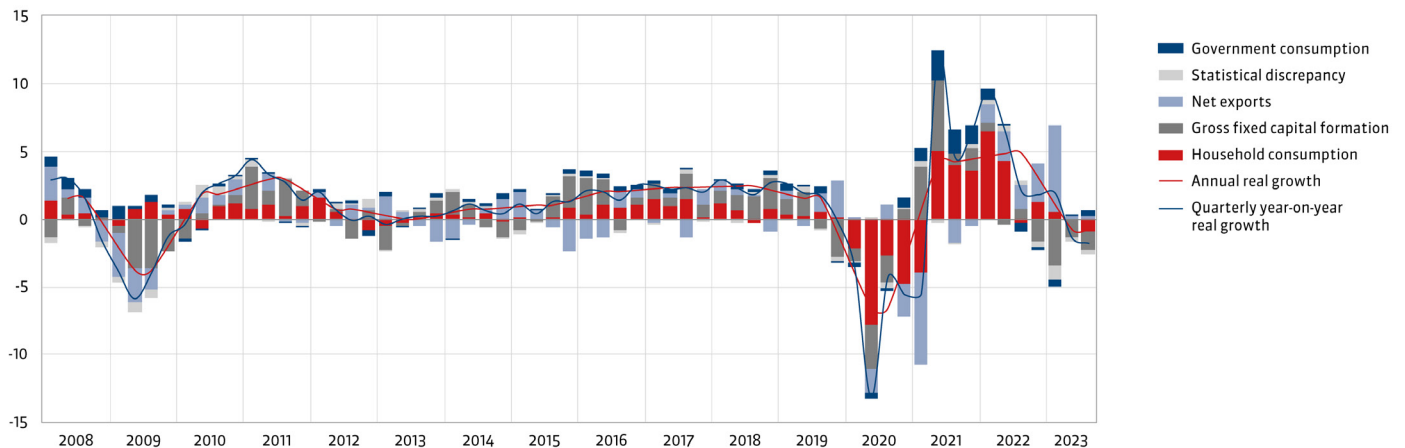
It is expected that the trend of falling inflation will continue in 2024 and that this development will be followed by corresponding monetary policy measures by the ECB. Nevertheless, the inflation rate in Austria is expected to remain elevated at 3.8%<sup>4</sup>, while a slowdown to 3.0% is anticipated for the following year.

High inflation reduced the purchasing power of private households and thus dampened their demand. In 2024 and 2025, real disposable incomes of private households are expected to noticeably increase due to agreed wage increases and the elimination of tax bracket creep, while experiencing a simultaneous reduction in inflationary pressures. Private consumer spending is expected to increase significantly in both years.

Despite challenging conditions, the **labour market developed well in 2023**. Due to the mild recession, the unemployment rate increased only slightly from 4.8% in 2022 to 5.2% in 2023, which corresponds to the level before the outbreak of the COVID-19 pandemic.<sup>5</sup> Unemployment is therefore significantly lower than in the **euro area**, where the **unemployment rate was 6.5% in 2023**.<sup>6</sup> The employment rate in Austria rose from 72.8% to 73.2% in the reporting year.<sup>7</sup> In 2024, a further increase in the employment rate to 73.6% is expected, driven in part by economic recovery.<sup>8</sup>

Despite a substantial real economic growth (of 3.8% in the period from 2021 to 2023), the implementation of measures for the green transformation of the Austrian economy resulted in a **sharp reduction of greenhouse gas emissions** by -12.8%, decreasing from 77.5 million tons of CO<sub>2</sub> equivalent in 2021 to 67.6 million tons in 2023.<sup>9</sup>

## Contributions to Annual Real GDP Growth year-on-year (in % from 2008 to Q3 2023)



Source: OeNB, WIFO, December 2023

1 WIFO forecast, December 2023  
 2 European Commission, February 2024  
 3 HICP annual average, Statistics Austria, January 2024  
 4 HICP, WIFO forecast from December 2023  
 5 WIFO, December 2023  
 6 European Commission, November 2023  
 7 Note: Active labour force, in % of the working-age population (15 to 64 years), WIFO, December 2023  
 8 WIFO, December 2023  
 9 Nowcasting 2023, Wegener Center for Climate and Global Change (WEGC), December 2023



Mirabell Gardens, Salzburg  
 © Österreich Werbung,  
 Photographer: Julius Silver



Despite the multiple challenges of recent years, Austria remains **one of the richest countries** in the euro area. At EUR 46,372, **GDP per capita** in 2023 was **23% higher than the EU-27 average** (EUR 37,601). This puts Austria in **fourth place in the euro area** (EUR 39,156).<sup>10</sup> The financial assets of private households amounted to EUR 816 bn or 169% of GDP at the end of the third quarter of 2023. The debt of private households remained comparatively low at around 44% of GDP in the third quarter of 2023, significantly lower than the euro area average (54% of GDP).<sup>11</sup>

## Attractive Business Location

Austria is an **attractive business location in the heart of Europe**, characterised by a **high degree of political and economic stability, solid infrastructure, a qualified workforce and high purchasing power**. Due to these favourable conditions, Austria's **economy** has evolved into **one of the most globalised** in the world. This is shown, among other things, by the **KOF Globalisation Index**, which measures the economic, social and political dimensions of globalisation: **Austria ranks sixth out of 196 countries**.<sup>12</sup> This proves that **Austria's competitiveness** remains exceptionally **high** despite a challenging economic environment.

Around 400 international companies – mostly with a focus on Central, Eastern and South-Eastern Europe – have their headquarters in Vienna. Advantages such as Vienna's geographical proximity to core markets, the Vienna Airport as an international hub and Austria's historically close ties to core regions contribute to favourable location decisions. In addition, Vienna is home to numerous headquarters and European offices of international organisations such as the UN, the OPEC and the World Bank, positioning itself as a bridge between East and West.

Austria provides strong impetus for the **innovative strength** of the domestic economy. Its innovation performance significantly exceeds the average of the other EU countries.<sup>13</sup> In 2023, approximately 3.3% of the GDP was allocated for **research and development**, consistently surpassing the EU's targeted goal of 3% since 2014 and representing the second-highest value within the EU.<sup>14</sup>

## Powerful External Trade

Austria's economy is **strongly export-oriented**. Austria's foreign trade in goods continued to expand last year: In the first half of 2023, exports increased by nearly 6% compared to the previous year, while imports experienced a slight reduction. Exports of the four most important product groups in Austrian foreign trade – machinery and vehicles, processed goods, chemical products and other finished goods – saw a combined increase of 4%. The largest absolute increase within this group was achieved with exports of machinery and vehicles (+13.4%).<sup>15</sup>

Especially in times of great uncertainty, Austria benefits from its **broadly diversified trade structure**. According to UNCTAD, the country **ranks third** out of more than 200 countries in the **diversification of its export structure** and eleventh in the same indicator for imports.<sup>16</sup>

In Harvard University's **Economic Complexity Index** – a ranking based on the diversity and complexity of export baskets of different countries – Austria also takes a very good **seventh place out of 133 countries**.<sup>17</sup>

From 2002 to 2021, Austria generated **positive current account balances**, which cumulatively amounted to more than EUR 139 bn. After a slightly negative current account balance of -0.3 % in 2022, attributed to significant price increases in energy imports, it is expected that despite a weaker economy in 2023, a **clearly positive current account balance** of 2.6 % of GDP will be achieved **once again**. A similar level is expected for the current year as well (2.6%).<sup>18</sup> Austria holds a **positive net international asset position** since 2013, which amounted to 17.5% of GDP at the end of the third quarter of 2023.<sup>19</sup>

## Key data Economy & Budget

Real GDP growth	2021	2022	2023e	2024e
Austria	4.2 %	4.8 %	-0.8 %	0.9 %
Euro area	5.9 %	3.4 %	0.5 %	0.8 %
Unemployment rate				
Austria	6.2 %	4.8 %	5.2 %	5.2 %
Euro area	7.7 %	6.8 %	6.6 %	6.6 %
Inflation (HICP)				
Austria	2.8 %	8.6 %	7.7 %	3.8 %
Euro area	2.6 %	8.4 %	5.4 %	2.7 %
Performance record				
Austria (% of GDP)	1.6 %	-0.3 %	2.6 %	2.6 %
Euro area (% of GDP)	3.6 %	1.0 %	2.5 %	2.6 %
Maastricht deficit				
Austria (% of GDP)	-5.8 %	-3.5 %	-2.7 %	-2.7 %
Euro area (% of GDP)	-5.2 %	-3.6 %	-3.2 %	-2.8 %
Debt ratio				
Austria (% of GDP)	82.5 %	78.4 %	76.4 %	76.4 %
Euro area (% of GDP)	96.5 %	92.5 %	90.4 %	89.7 %
GDP & Debt Austria				
Nominal debt (EUR bn)	334.3	350.7	366.2	386.1
GDP nominal (EUR bn)	405.2	447.2	482.3	508.5

Sources: Statistics Austria, WIFO, Eurostat (December 2023) / Federal Ministry of Finance (October 2023) / European Commission (February 2024)



10 European Commission, per capita in purchasing power standards, forecast November 2023

11 OeNB, ECB, January 2024

12 ETH Zurich, KOF Globalisation Index, December 2023

13 European Commission, European Innovation Scoreboard 2023

14 R&D Global Estimate 2023, Statistics Austria, April 2023

15 Statistics Austria, September 2023

16 United Nations Conference on Trade and Development (UNCTAD), January 2024

17 Harvard University, September 2023

18 WIFO, December 2023

19 OeNB, January 2024

20 Eurostat, December 2023 (latest available data for 2022)



## Leader in Sustainability

Sustainability and environmental protection have long been integral components of national policy. For example, Austria already covers 75% of its electricity supply with renewable energy sources<sup>20</sup>, ranking first in the euro area. The ambitious goal is to increase this share to 100% by 2030. Austria supports the European Green Deal, which aims to **achieve the net zero target** for greenhouse gas emissions **by 2040**.<sup>21</sup>

In order to implement the targeted climate goals, Austria has developed numerous strategies and action plans. An essential cornerstone in this context is the Republic's bio-economy strategy.<sup>22</sup> It encompasses all industrial and economic sectors that produce, process, handle or use biological resources and aims to replace fossil resources with renewable raw materials in as many areas and applications as possible. The **Mobility Masterplan 2030**<sup>23</sup> identifies ways to avoid, shift and improve traffic and transport and significantly increases the share of eco-mobility in total transport. It includes targeted promotion of public transport as well as walking, cycling and shared mobility. Significant investments are required for this transformation process in order to achieve the **goal of a carbon-neutral transport system by 2040**. An outstanding example is the **Climate Ticket** introduced in 2021 – a flat-rate ticket valid for all means of public transport within Austria, which was already being used by more than 270,000 people at the end of 2023. Further green lighthouse projects, which represent important steps in the realisation of climate neutrality by 2040, will be presented in more detail in the **second Green Investor Report** of the Republic of Austria. This report will be published before the summer of 2024.

Austria's pioneering role in various sustainability areas is also confirmed by excellent ESG ratings, placing Austria among the top performers globally.

Agency	Sustainability country rankings <sup>24</sup>
Sustainalytics	10 of 172 countries worldwide
ISS ESG	9 of 178 countries worldwide
EPI (Yale University)	8 out of 180 countries worldwide
SDG Index	5 of 166 countries worldwide

## Peaceful & Stable

Austria is considered a **peaceful** country with strong and reliable institutions. The Alpine republic **ranks fifth** out of a total of **163 countries** in the **Global Peace Index**<sup>25</sup>. In the **World Bank Governance Indicators**, Austria was **among the 35 most successful countries** in five out of six categories – first and foremost in the rule of law. Austria is also a country with **relatively low-income inequality**. The **Gini coefficient** of equalised disposable income for 2022 is **27.8%**<sup>26</sup>, which is the **sixth lowest value in the euro area**.

## Austrian Banks Prove Robust

Austria's banks score well in terms of stability: The Austrian banking sector has been able to further increase its resilience and profitability in a challenging environment characterised by rising interest rates. The strong **capitalisation** of Austrian banks, which has more than **doubled since the start of the global financial crisis in 2008**, provides a reliable buffer in times of crisis. At the end of June 2023, domestic banks reported a consolidated Common Equity Tier 1 ratio (CET1 ratio) of 16.6%. The consolidated **non-performing loan ratio** (NPL ratio) of Austrian banks remained at a low level of 2.0%.<sup>27</sup>

The profit of the Austrian banking sector more than doubled compared to the previous year and totalled EUR 7.3 bn in the first half of 2023 (H1 2022: EUR 3.8 bn). The Austrian subsidiary banks in **Central, Eastern and South Eastern Europe (CESEE)** made a **significant contribution to the sector's consolidated profitability**. Their aggregated profit for the period (after tax) totalled EUR 2.7 bn in the first half of 2023, more than a third higher than in the previous year. The Austrian subsidiary banks hold more than **80%** of their **CESEE receivables in EU countries**.

## High Debt Sustainability and Fiscal Leeway

After an increase in the debt ratio to 83.0% at the end of 2020, the debt ratio was reduced significantly to 76.4% at the end of 2023 despite economic upheaval in the past three years, according to the latest forecasts by the Federal Ministry of Finance. In absolute figures, this corresponds to a debt level of around EUR 366 bn.

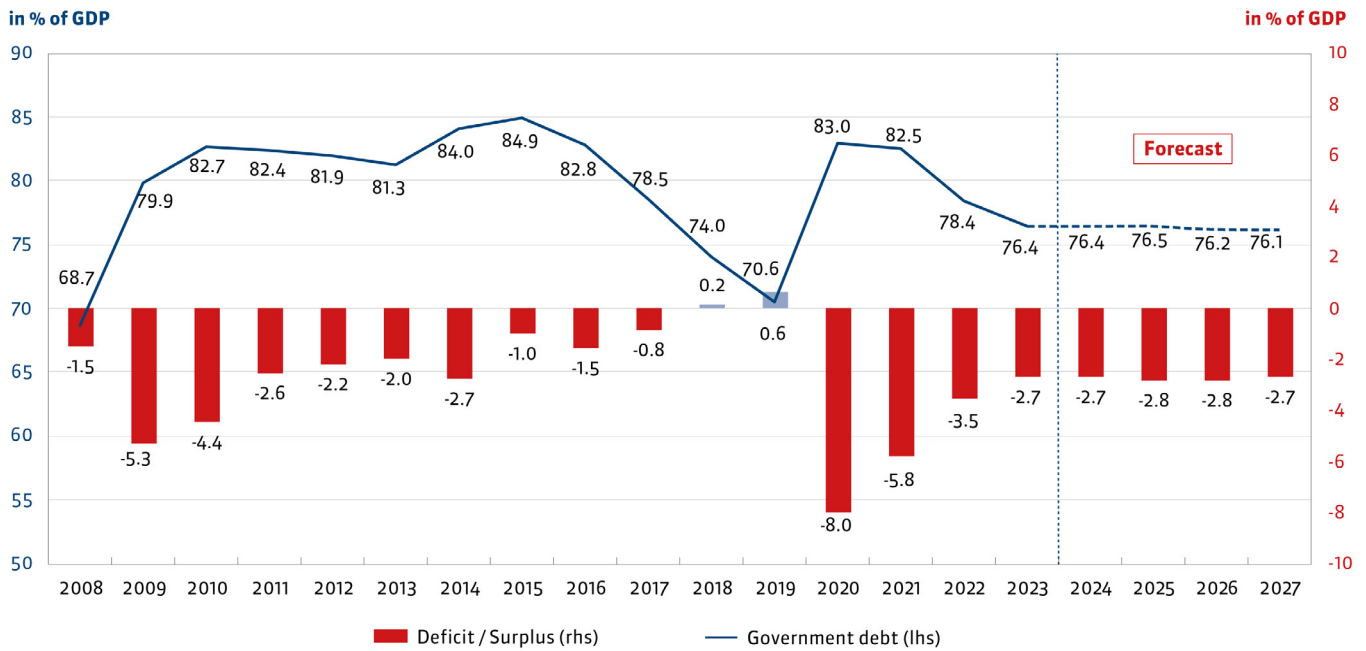
21 Government Programme Austria 2020–2024; <https://www.bundeskanzleramt.gv.at/en/federal-chancellery/the-austrian-federal-government/government-documents.html>  
 22 See: Austrian Bioeconomy Strategy <https://www.bmk.gv.at/en/topics/climate-environment/climate-protection/bioeconomy/strategy.html>  
 23 See: Mobility Master Plan for Austria 2030 <https://www.bmk.gv.at/en/topics/mobility/mobilitymasterplan2030.html>  
 24 Current ratings and further information can be found at <https://www.oebfa.at/investor-relations/ratings.html>  
 25 Global Peace Index, June 2023  
 26 Eurostat, December 2023  
 27 OeNB, October 2023



Art House Vienna  
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Photographer: Paul



## Budget Balance and Government Debt 2008 to 2027e



Source: Federal Ministry of Finance, October 2023

Despite significant investments and strategic preparations for the future, as well as a challenging global economic environment and the resulting budgetary pressures, the overall **Maastricht deficit** is projected to remain below 3% of GDP **from 2024 to 2027**, thereby adhering to the **Maastricht deficit limits**. The debt ratio is expected to be stable to declining at around 76% of GDP by the end of 2027.

Overall, the Republic of Austria has a **strong debt sustainability** due to the long remaining average maturity of the financial debt portfolio (11.1 years) in combination with a very high share of fixed interest rate instruments (over 90%), which is regularly highlighted positively by rating agencies in their reports.

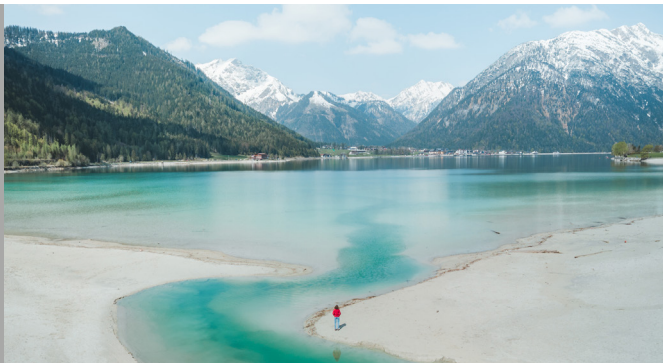
All leading rating agencies attest to the Republic of Austria a **very high creditworthiness**. In addition to an AAA/Stable rating from DBRS and a AAA/Negative rating from Scope, Austria is rated in the second-best of 22 rating categories (AA+) by S&P, Moody's and Fitch. After Fitch lowered the rating outlook of the Republic of Austria from „Stable“ to „Negative“ in October 2022, the **outlook was raised again to „Stable“ on 25 August 2023**. For short-term liabilities (up to 12 months), Austria has received the best possible rating from all five agencies.<sup>28</sup>

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

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

*“The rating is supported by a diversified and wealthy economy, the reserve currency status of the euro, strong political and social institutions, and sound external finances. This is balanced against Austria's high public debt relative to peers; although refinancing risks are mitigated by long maturities and low financing costs.”*  
(Fitch, outlook revision to „stable“, August 2023)

<sup>28</sup> Current rating reports available at <https://www.oebfa.at/en/investor-relations/ratings.html>





## Debt management: Stable and Innovative

The Austrian Treasury is entrusted by law with managing the debt portfolio and liquidity management of the federal government in the name and for the account of the Republic of Austria. Its central task is the timely provision of the federal government's required funding while maintaining the defined risk tolerance at the lowest possible medium- to long-term cost.

The Austrian Treasury is also mandated by the Federal Minister of Finance to offer certain financing and advisory services to other units in the government sector if this can create a general government benefit. The tasks are regulated in the Federal Financing Act.<sup>29</sup>

A large part of the financing takes place through **auctions of government bonds** and **Austrian Treasury Bills (ATBs)**, which usually take place on a monthly basis.<sup>30</sup> In addition, syndicated government bonds have been issued since 1999 with the help of a consortium of banks as part of the **Debt Issuance Programme**. 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**.

Short-term funding needs are covered by issuing **ATBs**, which are issued via monthly auctions, and **ACPs**. While ATBs are issued in euros, ACPs allow for issuance in various currencies, whereby all foreign currency issues of the Federal Government are hedged into euros. The issuance is flexible, depending on the financing needs of the Federal Government and the respective investor demand.

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

Since 2022, the Republic of Austria uses a globally unique wide range of **Green financing instruments** as a strategic second pillar. The main difference to conventional government securities lies in the use of proceeds described in the Framework for the Issuance of Green Government Securities<sup>31</sup> of the Republic of Austria (April 2022) and is anchored in the individual financing programmes. The possible formats of Green Government Securities include both medium to long-term instruments (government bonds, loans, EMTN) and **short-term forms of green financing** (ATBs, ACPs, short-term loans, short-term EMTN).

Austria's funding activities are effectively supported by a strong placement group of **20 primary dealers for government bonds** and **19 for ATBs**. This ensures active and committed participation in the primary and secondary markets as well as access to a broadly diversified range of investors.

	20 Primary Dealers for RAGBs	19 Primary Dealers for ATBs	19 Dealers for ACPs
ABN AMRO Bank N.V.			x
AFS Interest B.V.			x
Bank of America Europe DAC			x
Barclays Bank Ireland PLC	x	x	x
BAWAG P.S.K.	x		
BNP Paribas	x	x	
BofA Securities Europe SA	x	x	
BRED Banque Populaire		x	x
Citigroup Global Markets Europe AG	x	x	x
Commerzbank AG	x	x	x
Coöperative Rabobank U.A.			x
DenizBank AG			x
Deutsche Bank Aktiengesellschaft	x	x	
Erste Group Bank AG	x	x	x
Goldman Sachs Bank Europe SE	x	x	x
HSBC Continental Europe	x	x	x
ING Bank N.V.			x
J.P. Morgan SE	x	x	x
Landesbank Baden-Württemberg	x	x	
Morgan Stanley Europe SE	x	x	
Natixis	x	x	
Nomura Financial Products Europe	x	x	x
Oberbank AG	x	x	
Raiffeisen Bank International AG	x	x	x
Société Générale	x	x	x
UBS Europe SE			x
UniCredit Bank AG	x	x	x
Volksbank Wien AG	x		

All documentation is available for download at [www.oebfa.at](http://www.oebfa.at) („Financing instruments“ section).

<sup>29</sup> §2 Federal Financing Act

<sup>30</sup> The current issue calendar is available at [www.oebfa.at](http://www.oebfa.at) (under “Funding Republic of Austria”).

Details on the auction procedure:

<https://www.oebfa.at/en/capital-market-services/government-bond-and-atb-auctions.html>

<sup>31</sup> Framework Green Government Securities

<https://www.oebfa.at/en/financing-instruments/green-securities/green-framework.html>





# The Year 2023 in Review

In the calendar year 2023, a total of **23 increases of ten existing government bonds** with a total volume of EUR 17.4 bn took place on twelve dates by way of the **auction procedure**. Maturities between 2026 and 2053 were increased. In addition, **four new Austrian government bonds** with a total volume of EUR 14.5 bn were **issued via syndications** on three dates.

Despite a challenging market environment in 2023, the volume-weighted **bid-to-cover ratio at auctions increased slightly** year-on-year to 2.4 (2022: 2.3). There was also an **increase in demand in syndications** compared to the previous year (6.0), with an average oversubscription of 6.9 times. This solid development in times of major economic challenges and high volatility underlines **Austria's excellent standing on the money and capital markets as a safe haven in uncertain times**.

The Republic of Austria's first new issue in 2023 took place on 4 January 2023. The new **2.90% government bond 2023-2033/1** was issued with a volume of EUR 5.0 bn and a yield of 2.993% p.a.. The order book (7.1 times oversubscribed) totalling EUR 32.1 bn was the **largest order book for a 10-year bond** in the history of the Republic.

The second syndication for 2023 took place on 18 April 2023. The **Republic's second green bond** – the **2.90% government bond 2023-2029/2 (G)** – was issued with a volume of EUR 3.0 bn and a yield of 2.952% p.a. with a 2.5-fold oversubscription. **Green investors** accounted for **two thirds** of the total volume. In addition, the **3.15% government bond 2023-2053/3** with a volume of EUR 2.0 bn and a yield of 3.207% p.a. was issued by way of a syndicate with a 1.5-fold oversubscription. This syndication was the first joint issuance of a new green and conventional benchmark bond by a sovereign issuer worldwide.

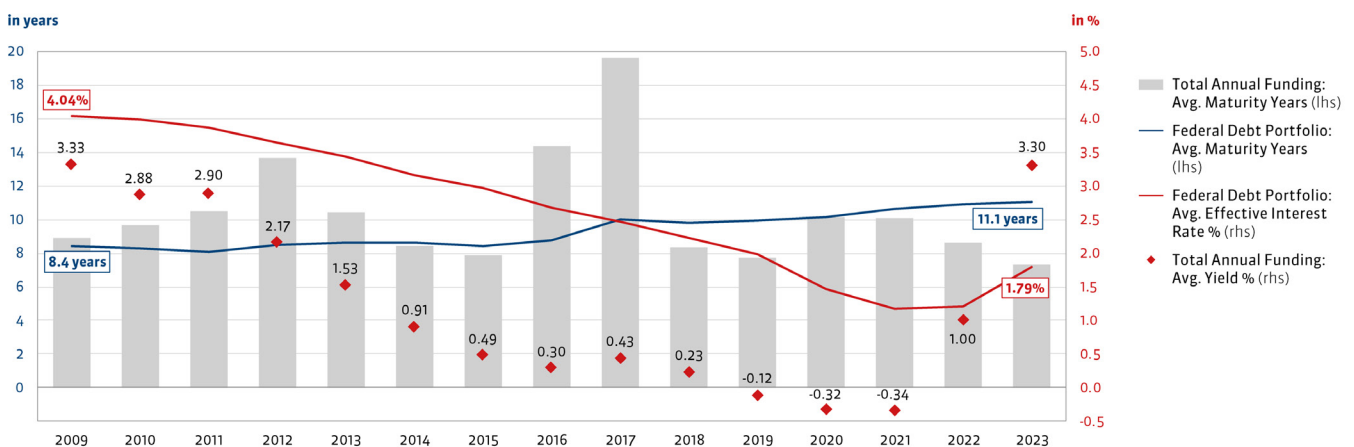
On 19 October 2023, Austria issued three bonds by way of a triple-tranche syndication for the second time in history. The new **3.45% government bond 2023-2030/4** totalling EUR 4.5 bn was issued with a yield of 3.490% p.a. Two existing bonds were tapped at the same time: the **0.25% government bond 2021-2036/4** (volume: EUR 1.25 bn / yield 3.822% p.a.) and the green **1.85% government bond 2022-2049/3 (G)** (volume: EUR 1.25 bn / yield 3.798% p.a.). The transaction was very well received by the market and had the **largest order book in the history of the Republic of Austria** with demand totalling EUR 61.1 bn (average oversubscription 10.2x).

Overall, the Republic of Austria issued **EUR 50.3 bn** in government bonds in the past year. The **outstanding volume of short-term financing** was **EUR 24.7 bn** at the end of 2023 and therefore EUR 0.3 bn higher than in the previous year (EUR 24.4 bn as of 31 December 2022).

As part of the **ATB programme**, a total of nine different ATBs were issued or tapped via auction on eleven dates in 2023. The **total issuance volume** including bilateral increases amounted to **EUR 25.7 bn**. These money market issues were met with lively interest from investors and recorded an average **bid-to-cover ratio of 2.4** (2022: 2.2). The **green Treasury Bill** issued for the first time in 2022 was **rolled over or tapped** on a total of **four dates in 2023**. The green ATBs were in very high demand and already have a loyal investor base (around 50% of investors have rolled over their positions in the green ATB auctions).

## Federal Government Debt Portfolio 2009 to 2023

Source: Austrian Treasury, January 2024



Grey cattle in the Neusiedlersee-Seewinkel National Park © Österreich Werbung, Photographer: Elena Turac







In the 2023 calendar year, the federal government issued a total of **EUR 79.4 bn** at an average interest rate of 3.30% p.a., which is significantly higher than the previous year (1.00%). At 7.3 years, the average term of new issuances was lower than at any time since the Austrian Treasury was established. Overall, the effective interest rate of the federal government's entire financial debt portfolio increased only moderately to 1.79% p.a. (previous year: 1.20% p.a.) despite the significant increase in market interest rates.

The average remaining term at the end of 2023 was 11.1 years (previous year: 10.9 years).

The strategy of recent years of maintaining a relatively long residual maturity and thus limiting Austria's interest rate and refinancing risk has paid off in an environment of sharply rising yields. In combination with a continued low interest rate on the financial debt portfolio, this has a positive effect on Austria's debt sustainability.

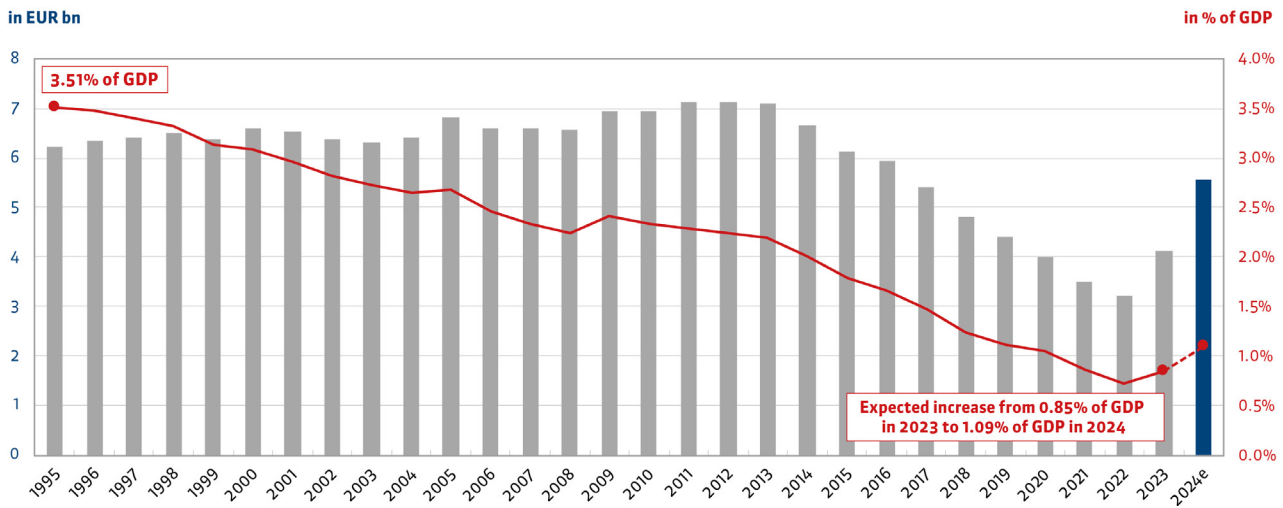
### Issuance of Austrian Government Bonds (RAGB) in 2023 by year of maturity (in EUR mn)

	2023	2024	2025 <sup>1</sup>	2026 <sup>2</sup>	2027	2028 <sup>3</sup>	2029 <sup>4</sup>	2030 <sup>5</sup>	2031	2032	2033	2034	2036	2037	2040	2044	2047	2049	2051	2053	2062	2071	2120	Volume	
January	150		200	460			600		300	300	5,300	250					775		250					8,585	
February				300	300	500	250	300	300		863		200		863				300		600				4,775
March					300	1,400		250			1,638						200		774						4,562
April		250	250	925			3,250	250		250	661									2,000					8,086
May				300		300		300	700	300	924					947			300			200			4,271
June						200		200		200	805	300	690	200											2,595
July						200					910	150								633					1,893
August			300		250	805	250				690														2,295
September											748									633					1,380
October							150	4,500		600	920		1,250					1,250		345					9,015
November						733			250		733												200		1,917
December									200		728														928
Volume	150	250	750	1,985	850	4,388	4,500	5,800	1,750	1,650	14,919	700	2,140	200	863	947	975	1,250	1,624	3,610	600	200	200	50,301	

(1) includes 2015-2025/1 and 2021-2025/3  
 (2) includes 2009-2026/2 and 2022-2026/4  
 (3) includes 2022-2028/1 and 2018-2028/1

(4) comprises 2019-2029/1 and 2023-2029/2 (G)  
 (5) includes 2023-2030/4 and 2020-2030/1

### Federal Government Interest Expenditures 1995 to 2024e



Source: Austrian Treasury, January 2024



View of the Graben, Vienna  
 Austrian National Tourist Office,  
 Photographer: Julius Silver



# Financing Strategy of the Republic of Austria in 2024

The **planned issuance volume of Austrian government bonds for 2024** amounts to **EUR 45 to 50 bn** (2023: EUR 50.3 bn). For short-term financing instruments (outstanding as of 31 December 2023: EUR 24.7 bn), an increase of EUR 2 to 4 bn is forecasted for 2024 (2023: EUR +0.3 bn).

The interest rate fixing period should lie between 11.0 and 12.5 years at the end of 2024, while the remaining term to maturity of the overall portfolio should lie **between 10.25 and 11.75 years**. The range for the interest rate fixing period was adjusted slightly downwards compared to the previous year (minus 0.5 years), while the range for the remaining term to maturity of the overall portfolio remained unchanged. As in the previous year, **monthly auctions** of government bonds and ATBs are planned for 2024 in order to increase the liquidity of existing lines by tapping them. **Three to four new RAGB issues by means of syndication** are also planned.

## Outstanding Austrian Government Bonds<sup>32</sup>

Government Bond	ISIN	Maturity	Outstanding Volume (in EUR bn)	Term to Maturity in Years
0.00 % Bundesanleihe 2019-2024/2	AT0000A28KX7	15.07.2024	11.8	0.6
1.65 % Bundesanleihe 2014-2024/1	AT0000A185T1	21.10.2024	11.7	0.8
0.00 % Bundesanleihe 2021-2025/3	AT0000A2QRW0	20.04.2025	9.1	1.3
1.20 % Bundesanleihe 2015-2025/1	AT0000A1FAP5	20.10.2025	13.1	1.8
4.85 % Bundesanleihe 2009-2026/2	AT0000A0DXC2	15.03.2026	10.4	2.2
2.00 % Bundesanleihe 2022-2026/4	AT0000A308C5	15.07.2026	4.9	2.6
0.75 % Bundesanleihe 2016-2026/1	AT0000A1K9C8	20.10.2026	15.3	2.8
0.50 % Bundesanleihe 2017-2027/1	AT0000A1VGK0	20.04.2027	14.3	3.3
6.25 % Bundesanleihe 1997-2027/6	AT0000383864	15.07.2027	9.4	3.6
0.75 % Bundesanleihe 2018-2028/1	AT0000A1ZGE4	20.02.2028	12.6	4.2
0.00 % Bundesanleihe 2022-2028/1	AT0000A2VB47	20.10.2028	9.6	4.8
0.50 % Bundesanleihe 2019-2029/1	AT0000A269M8	20.02.2029	13.8	5.2
<b>2.90 % Bundesanleihe 2023-2029/2 (G)</b>	<b>AT0000A335H3</b>	<b>23.05.2029</b>	<b>3.0</b>	<b>5.4</b>
0.00 % Bundesanleihe 2020-2030/1	AT0000A2CQD2	20.02.2030	13.6	6.2
3.45 % Bundesanleihe 2023-2030/4	AT0000A38239	20.10.2030	4.5	6.8
0.00 % Bundesanleihe 2021-2031/1	AT0000A2NWB3	20.02.2031	15.2	7.2
0.90 % Bundesanleihe 2022-2032/2	AT0000A2WSC8	20.02.2032	12.8	8.2
2.90 % Bundesanleihe 2023-2033/1	AT0000A324S8	20.02.2033	14.9	9.2
2.40 % Bundesanleihe 2013-2034/1	AT0000A10683	23.05.2034	9.3	10.4
0.25 % Bundesanleihe 2021-2036/4	AT0000A2T198	20.10.2036	8.2	12.8
4.15 % Bundesanleihe 2007-2037/1	AT0000A04967	15.03.2037	15.2	13.2
0.00 % Bundesanleihe 2020-2040/5	AT0000A2KQ43	20.10.2040	6.2	16.8
3.15 % Bundesanleihe 2012-2044/4	AT0000A0VRQ6	20.06.2044	8.5	20.5
1.50 % Bundesanleihe 2016-2047/2	AT0000A1K9F1	20.02.2047	10.2	23.2
<b>1.85 % Bundesanleihe 2022-2049/3 (G)</b>	<b>AT0000A2Y8G4</b>	<b>23.05.2049</b>	<b>5.3</b>	<b>25.4</b>
0.75 % Bundesanleihe 2020-2051/3	AT0000A2EJ08	20.03.2051	9.6	27.3
3.15 % Bundesanleihe 2023-2053/3	AT0000A33SK7	20.10.2053	3.6	29.8
3.80 % Bundesanleihe 2012-2062/1	AT0000A0U299	26.01.2062	4.4	38.1
0.70 % Bundesanleihe 2021-2071/2	AT0000A2QQB7	20.04.2071	3.7	47.3
1.50 % Bundesanleihe 2016-2086/4	AT0000A1PEF7	02.11.2086	2.7	62.9
2.10 % Bundesanleihe 2017-2117/3	AT0000A1XML2	20.09.2117	6.0	93.8
0.85 % Bundesanleihe 2020-2120/4	AT0000A2HLC4	30.06.2120	4.8	96.5
<b>GESAMT</b>			<b>297.5</b>	<b>12.8</b>

The split of the **RAGB financing volume** was adapted for 2024. In order to act in an even more transparent and predictable manner for the capital market and subsequently promote liquidity, the proportion of the RAGB financing volume issued in **auctions** was **increased by around 10%** this year, while the share of **bilateral increases** and **own-quota issues** was **reduced** by the same amount. As part of this adjustment, the average (monthly) **RAGB auction volume** was also **increased from EUR 1.0 to 1.5 bn to EUR 1.5 to 2.0 bn**. In addition, the target figure for outstanding RAGB volumes was increased from EUR 10-15 bn to EUR 15-20 bn for conventional lines (up to 10 years) in order to further increase liquidity (the target volume for green RAGBs remains at EUR 6-8 bn regardless of maturity).

The **green financing volume** is expected to be **more than EUR 6.0 bn in 2024** (2023: EUR 5.5 bn). As in previous years, the aim is to achieve a roughly 80/20 split between medium/long-term and short-term green financing instruments.

In 2023, the **second green pillar** of the financing strategy established in the previous year was further expanded. The **utilisation of all green financing instruments available** under the green framework published in 2022 enabled further diversification of the stable and already geographically and sectorally broadly diversified investor base. The Republic of Austria will continue to act as a regular issuer of green securities on the capital and money markets in the future.

Over the years, Austria has built up an excellent international reputation as a reliable and professional issuer. Government bonds will continue to be among the **most liquid instruments on the domestic market** in 2024. In addition to the panel of existing primary dealers, trading will take place via a large number of market makers on all common trading platforms.

## Issuance Calendar for 2024<sup>33</sup>

January							February							March							April						
MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN
1	2	3	4	5	6	7	5	6	7	8	9	10	11	4	5	6	7	8	9	10	1	2	3	4	5	6	7
8	9	10	11	12	13	14	12	13	14	15	16	17	18	11	12	13	14	15	16	17	8	9	10	11	12	13	14
15	16	17	18	19	20	21	19	20	21	22	23	24	25	18	19	20	21	22	23	24	15	16	17	18	19	20	21
22	23	24	25	26	27	28	26	27	28	29	25	26	27	28	29	30	31	22	23	24	25	26	27	28			
29	30	31																			29	30					

May							June							July							August						
MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN
6	7	8	9	10	11	12	3	4	5	6	7	8	9	8	9	10	11	12	13	14	5	6	7	8	9	10	11
13	14	15	16	17	18	19	10	11	12	13	14	15	16	15	16	17	18	19	20	21	12	13	14	15	16	17	18
20	21	22	23	24	25	26	17	18	19	20	21	22	23	22	23	24	25	26	27	28	19	20	21	22	23	24	25
27	28	29	30	31	24	25	26	27	28	29	30	29	30	31	26	27	28	29	30	31							

September							October							November							December						
MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN	MON	TUE	WED	THU	FRI	SAT	SUN
2	3	4	5	6	7	8	1	2	3	4	5	6	4	5	6	7	8	9	10	2	3	4	5	6	7	8	
9	10	11	12	13	14	15	7	8	9	10	11	12	13	11	12	13	14	15	16	17	9	10	11	12	13	14	15
16	17	18	19	20	21	22	14	15	16	17	18	19	20	18	19	20	21	22	23	24	16	17	18	19	20	21	22
23	24	25	26	27	28	29	21	22	23	24	25	26	27	25	26	27	28	29	30	31	23	24	25	26	27	28	29
30							28	29	30	31	25	26	27	28	29	30	31	30	31								

■ RAGB Auction   ■ ATB Auction   ■ Holidays (Austria)

<sup>32</sup> Current data at <https://www.oebfa.at/en/financing-instruments/bundesanleihen.html>  
<sup>33</sup> The detailed issue calendar for RAGB and ATB auctions is available at [www.oebfa.at](https://www.oebfa.at) ("Funding Republic of Austria").





# Risk Management

The Austrian Treasury is legally obliged to conduct its **financial management in a risk-averse manner**.

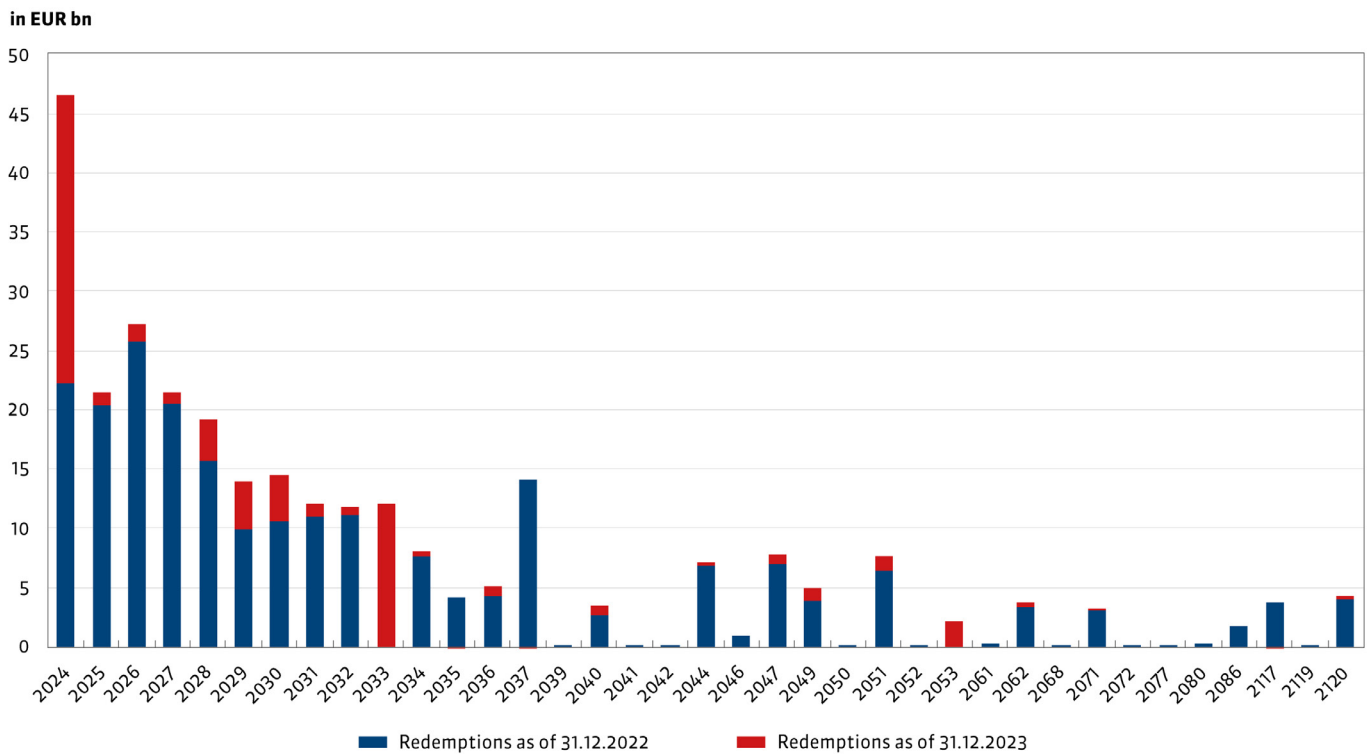
Austrian Treasury's integrated and holistic risk management system represents a balanced combination of risk culture, an appropriate risk management organisation, corresponding best practice standards and an adequate governance structure. Austrian Treasury's risk management systems and methods are continuously evaluated and further developed.

The risk policy is specified by adequate **risk management guidelines** and a debt management strategy. The risk management guidelines must be approved by the company's Supervisory Board and the debt management strategy by the Federal Minister of Finance.

In addition to credit, market and liquidity risks, Austrian Treasury's risk management system manages other types of risk such as operational risks, legal risks and reputational risks.

The interest rate fixing **period** and the **residual term of the portfolio** are used as key performance indicators for managing the federal government's debt management strategy. The interest rate fixing period is defined as the weighted residual term of the already fixed cash flows of the portfolio. The debt management strategy contains permissible ranges for the two key figures, which are also published on the website [www.oebfa.at](http://www.oebfa.at).

## Redemption Profile of Federal Government Debt



Source: Austrian Treasury, January 2024



Southern Styria Autumn  
Southern Styrian Wine Route  
Austrian National Tourist Office,  
Photographer: Harald Eisenberger

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## Links

- [www.oebfa.at](http://www.oebfa.at) | Austrian Treasury: Auction calendar, monthly debt status, rating reports, investor relations, information on green federal securities (including green framework, green investor presentation, reporting): <https://www.oebfa.at/en/financing-instruments/green-securities.html>
- [www.bmf.gv.at](http://www.bmf.gv.at) or [www.budget.gv.at](http://www.budget.gv.at) | Federal Ministry of Finance, BMF: Detailed information on the Austrian budget
- [www.statistik.at](http://www.statistik.at) | Statistics Austria
- [Federal financial statements 2022](#) | Court of Audit
- [www.oenb.at](http://www.oenb.at) | Oesterreichische Nationalbank, OeNB
- [www.fiskalrat.at](http://www.fiskalrat.at) | Fiscal Council
- [economic-financial-committee.europa.eu/efc-sub-committee-eu-sovereign-debt-markets\\_en](http://economic-financial-committee.europa.eu/efc-sub-committee-eu-sovereign-debt-markets_en) | EFC Sub-Committee on EU Sovereign Debt Markets
- [ec.europa.eu/eurostat](http://ec.europa.eu/eurostat) | Eurostat
- [Data on government bonds and Austrian Treasury Bill auctions of the Republic of Austria Debt](#) | Oesterreichische Kontrollbank, OeKB
- [www.wifo.ac.at](http://www.wifo.ac.at) | Austrian Institute of Economic Research, WIFO
- [www.ihs.ac.at](http://www.ihs.ac.at) | Institute for Advanced Studies, IHS



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