



OESTERREICHISCHE NATIONALBANK
INTEGRAL PART OF THE EUROPEAN
SYSTEM OF CENTRAL BANKS

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REPORT ON THE FINANCIAL YEAR 1998
WITH ANNUAL STATEMENT OF ACCOUNTS 1998

Submitted to the General Meeting on May 27, 1999



In 1998 European economic policy was entirely focused on the changeover to European Monetary Union (EMU), which overshadowed the fact that this past year was the most successful year in the entire 1990s for Europe's economic development.

With Austria recording more than 3% economic expansion, the lowest rate of inflation in over thirty years and 1% employment growth, Austrian economic policy, too, looks back on a degree of success in attaining its policy mix goals that has been unparalleled in the past decades.

This outcome is particularly notable for two reasons. For one thing, Austria's success confirms that the country's hallmark brand of economic policy-making based on securing a consensus between all economic agents remains justified as the best method to obtain favorable results for the economy as a whole. On the other hand, this result reflects Europe's exemplary stability and economic policy continuity in the runup to Monetary Union even though the international environment was marked by economic crises in Asia, Russia and Latin America.

Even before its advent, the euro stood its first test in the past year – the turbulence on the world's financial markets – more impressively than expected. In the final analysis, the thorough preparation and the common objective of deeper European integration made the start of Monetary Union an out-and-out success.

I would like to especially congratulate the Austrian people on its approach toward the changeover to Monetary Union. As during the period in which Austria joined the European Union, Austria's citizens again demonstrated impressive farsightedness and an astute grasp of economic issues in confidently supporting this crucial step toward European integration. Participating in the increasingly intense cooperation within Europe is a key prerequisite to securing affluence and well-being, especially in a small, open country

located at the heart of the continent for whom external trade and tourism represent major economic factors.

Of course, considering the Austrian schilling's record of success, it is quite understandable that it was not easy for Austrians to accept the move toward a new currency. What convinced Austrians in the end was the high degree of trust they have always placed in Austria's monetary policy. The Oesterreichische Nationalbank never would have accepted a type of monetary union that would not have guaranteed the continuation of Austria's monetary stability on a European level. With EMU, this precept of stability and trust has become more broadly and more firmly established in Europe than ever before, confirming Austria's position that monetary union should start with the largest possible number of countries rather than be implemented in a two-speed Europe.

While the successful introduction of the euro reflects the compelling implementation of many long-term goals, the establishment of this new framework of European economic policy above all poses the challenge of taking advantage of these opportunities to the benefit of Europe. Economic and Monetary Union is a project for Europe's future that can show its true colors only when operating on a daily basis.

In the interest of Austria and its people, the Oesterreichische Nationalbank is cooperating with the other central banks in Monetary Union to reap the long-term benefits of the single European currency and will continue to do so. As in the past, this work is squarely founded on stability and trust in monetary policy. In Europe, we are now faced with the challenge of securing and promoting our achievements in a more and more rapidly changing world as a basis for future, long-term success across Europe. Let us meet this challenge together and confidently.

President
Adolf Wala

The year 1998 represents a milestone in Austrian monetary history. The end of the schilling era leading up to the changeover to the single European currency spotlighted the transition from Austria's successful monetary policy and the completion of the process of intensive and meticulous planning for the introduction of the euro, while decades of economic integration efforts at the European level culminated in 1998. Although the process of European integration has by no means been concluded, the steps taken in 1998 have a historical impact.

During the year under review, the decisive markers on the integration path were the decisions at the beginning of May determining the participants of Monetary Union and preannouncing the bilateral exchange rates. The ensuing further convergence of interest rates and the calm conditions on the financial markets in Europe after these announcements reflected the high degree of credibility of the exchange rates and of the new and independent European System of Central Banks (ESCB) with its primary objective of maintaining price stability. At the beginning of 1999 the Eurosystem, comprising the European Central Bank (ECB) and the national central banks of the 11 EU Member States participating in Economic and Monetary Union, assumed the task of conducting the single monetary policy for the euro area. In this decentrally operating system, the national central banks have numerous operative tasks to fulfill. Their governors are represented with a seat and a vote in the ECB's Governing Council, which decides the monetary policy of the Eurosystem. For the Oesterreichische Nationalbank, this entails a great degree of responsibility for the credibility of the single monetary policy and hence for a stable euro.

The cyclical conditions for Austria in the review year were unusually favorable, based above all on the ongoing trend toward price stability, buoyant economic growth powered by

export rises throughout most of the year and falling interest rates.

In the near future, coordinating euro area economic policy will mean tackling the challenge of striking the delicate balance between regional economic policy aims and the repercussions of national economic policy measures, which of course have repercussions at the EU level. In order to consistently safeguard the highest possible degree of credibility of the Stability and Growth Pact, it will be particularly crucial for governments to exercise budgetary discipline. Increasing the room for maneuver of budget policy and enhancing its efficiency as an economic policy instrument will inevitably require additional structural reform.

Moreover, we must be aware of the fact that European Economic and Monetary Union and the challenge of growing international economic interdependence will put to the test the ability of our social and economic system to implement reforms. Here, Austria will be able to benefit from its experience above all in connection with the adjustments needed to maintain the exchange rate strategy the OeNB had pursued for many years prior to joining EMU, namely linking the Austrian schilling to the Deutsche Mark. This tradition to a large extent explains the high degree of approval the euro enjoys in Austria.

In terms of key criteria such as welfare and stability, the Austrian schilling was a highly successful currency. The smooth and wholly unproblematic transition to the new era of monetary policy in Europe is a solid prerequisite for keeping monetary framework conditions stable. With the move to the euro, the OeNB, now a member of the Eurosystem, has continued a tradition that in the past decades has proved to be the cornerstone for economic stability, prosperity, growth and employment in Austria.

Governor
Klaus Liebscher



Abbreviations

| | | | |
|----------|---|------------|--|
| AktG | Aktiengesetz – Stock Corporation Act | HICP | Harmonized Index of Consumer Prices |
| ARGE SZS | Arbeitsgemeinschaft “Sicherheit in Zahlungssystemen” (working group on security in payment systems) | IDA | International Development Association |
| ARTIS | Austrian Real-Time Interbank Settlement system | IHS | Institut für Höhere Studien – Institute for Advanced Studies |
| ASFINAG | Autobahn- und Schnellstraßenfinanzierungsgesellschaft (formerly state-owned highway construction financing corporation) | ILO | International Labor Organization |
| ATX | Austrian Traded Index | IMF | International Monetary Fund |
| BIS | Bank for International Settlements | ISO | International Organization for Standardization |
| CCBM | Correspondent Central Banking Model | JVI | Joint Vienna Institute |
| CECE | Central European Clearing House & Exchanges | MAI | Multilateral Agreement on Investment |
| CEECs | Central and Eastern European Countries | MFI | Monetary Financial Institution |
| CFSP | Common Foreign and Security Policy | MONSTAT | Monetary Statistics |
| CIS | Commonwealth of Independent States | NAB | New Arrangements to Borrow (IMF) |
| CPI | Consumer Price Index | NCB | National Central Bank |
| DAX | Deutscher Aktienindex (German share price index) | OECD | Organization for Economic Cooperation and Development |
| DP | Data Processing | OeKB | Oesterreichische Kontrollbank (specialized bank for export financing, central depository for securities a.o.) |
| EBA | Euro Banking Association | OeNB | Oesterreichische Nationalbank |
| EBK | Elektronische Bankenkommunikation (electronic banking communications) | ÖIAG | Österreichische Industrie Aktiengesellschaft (Austrian industrial holding company) |
| EBRD | European Bank for Reconstruction and Development | ÖSTAT | Österreichisches Statistisches Zentralamt – Austrian Central Statistical Office |
| EC | European Community | ÖTOB | Österreichische Termin- und Optionenbörse – Austrian Options and Futures Exchange |
| ECB | European Central Bank | PHARE | Pologne-Hongrie: Actions pour la Reconversion Economique – Poland and Hungary Aid to Economic Recovery |
| ECOFIN | Economic and Finance Ministers Council | P.S.K. | Österreichische Postsparkasse – Austrian Postal Savings Bank |
| ECSDA | European Central Securities Depository Association | REGOM | Reverse repo facility (contractionary short-term open market transactions) |
| ECU | European Currency Unit | RTGS | Real-Time Gross Settlement System |
| EDIFACT | Electronic Data Interchange for Administration, Commerce and Trade | SAF | Structural Adjustment Facility |
| EEA | European Economic Area | SDR | Special Drawing Right |
| EEC | European Economic Community | SEC | Securities and Exchange Commission |
| EFF | Extended Fund Facility | SNA | System of National Accounts |
| EMAS | Environmental Management and Audit Scheme | SOMALI | Special Open Market Line for Tenders |
| EMI | European Monetary Institute | SSS | Securities Settlement System |
| EMS | European Monetary System | STF | Systemic Transformation Facility |
| EMU | Economic and Monetary Union | STUZZA | Studiengesellschaft für Zusammenarbeit im Zahlungsverkehr – Austrian Research Association for Payment Cooperation |
| EQOS | Electronic Quote and Order Driven System | S.W.I.F.T. | Society for Worldwide Interbank Financial Telecommunication |
| ERM | Exchange Rate Mechanism | TACIS | Technical Assistance to the Commonwealth of Independent States |
| ERP | European Recovery Program | TARGET | Trans-European Automated Real-time Gross settlement Express Transfer system |
| ESA | European System of Accounts | TEU | Treaty on European Union |
| ESAF | Enhanced Structural Adjustment Facility | TFOS | Task Force on Securities Settlement Systems |
| ESCB | European System of Central Banks | VaR | Value at Risk |
| EU | European Union | VIBOR | Vienna Interbank Offered Rate |
| EUROSTAT | Statistical Office of the European Communities | WBI | Wiener Börseindex – Vienna Stock Exchange Share Index |
| FISIM | Financial Intermediation Services Indirectly Measured | WIFO | Österreichisches Institut für Wirtschaftsforschung – Austrian Institute of Economic Research |
| FX | Foreign Exchange | WIIW | Wiener Institut für internationale Wirtschaftsvergleiche – The Vienna Institute for International Economic Studies |
| GAB | General Arrangements to Borrow (IMF) | WTO | World Trade Organization |
| GATS | General Agreement on Trade in Services | | |
| GDP | Gross Domestic Product | | |
| GOMEX | Zinssatz für kurzfristige Geldmarkt-Offenmarktgeschäfte (interest rate for short-term open market operations) | | |

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| GENERAL COUNCIL (GENERALRAT), STATE COMMISSIONER, GOVERNING BOARD (DIREKTORIUM), PERSONNEL CHANGES, ORGANIZATIONAL STRUCTURE OF THE BANK | |
| General Council (Generalrat), State Commissioner | 10 |
| Governing Board (Direktorium), Personnel Changes | 11 |
| Organization Chart | 12 |
| REPORT OF THE GOVERNING BOARD (DIREKTORIUM) FOR THE FINANCIAL YEAR 1998 | |
| From the Schilling to the Euro | 16 |
| <i>Austria's Path toward an Integrated Monetary Policy in Europe</i> | 16 |
| <i>Preparations for Monetary Union at the European Level</i> | 22 |
| <i>EMU Preparations in Austria</i> | 27 |
| <i>The Introduction of the Euro and Public Relations</i> | 29 |
| Monetary Policy within the ESCB | 32 |
| <i>Monetary Policy Strategy</i> | 32 |
| <i>Monetary Policy Instruments</i> | 34 |
| The OeNB within the ESCB – Institutional and Functional Changes | 36 |
| <i>Distribution of Tasks Between the ECB and the National Central Banks</i> | 36 |
| <i>Amendment of the Nationalbank Act</i> | 39 |
| <i>Functional Changes and Their Impact on Various Business Areas</i> | 41 |
| Monetary Policy in Austria in Transition to EMU | 46 |
| <i>General Setting for Austrian Monetary Policy</i> | 46 |
| <i>Austria's Stable Schilling Policy on the Eve of the Introduction of the Euro</i> | 63 |
| <i>Interest Rate and Liquidity Policy</i> | 64 |
| <i>Development of the Monetary Aggregates</i> | 65 |
| Payment Systems Policy, Payment Systems, Means of Payment | 67 |
| Financial Markets and Financial Intermediaries | 72 |
| <i>Changes to Legal and Economic Conditions</i> | 72 |
| <i>Credit Institutions</i> | 76 |
| <i>Insurance Companies, Pension Funds, Investment Funds, Home Loans and Savings Institutions</i> | 79 |
| <i>Equity Market, Bond Market</i> | 82 |
| <i>Derivatives</i> | 85 |
| International Activities | 86 |
| <i>Developments in the European Union</i> | 86 |
| <i>Developments in International Financial and Economic Organizations</i> | 86 |
| Developments in Central and Eastern Europe and in the Russian Federation | 89 |
| <i>Selected Central and Eastern European Countries</i> | 89 |
| <i>Russian Federation</i> | 94 |
| <i>OeNB Cooperation with Central and Eastern European Countries</i> | 96 |
| Organizational and Corporate Policy Developments at the OeNB | 97 |
| 1998 ANNUAL ACCOUNTS OF THE OESTERREICHISCHE NATIONALBANK | |
| Balance Sheet as at December 31, 1998 | 102 |
| Profit and Loss Account for the Year 1998 | 105 |
| Annex to the 1998 Annual Accounts | 109 |
| <i>General Comments</i> | 109 |
| <i>Notes to the Balance Sheet</i> | 110 |
| <i>Notes to the Profit and Loss Account</i> | 129 |
| <i>Governing Board (Direktorium), General Council (Generalrat)</i> | 133 |
| <i>Auditors' Opinion</i> | 134 |
| <i>Retained Earnings and Proposal for Appropriation</i> | 135 |
| REPORT OF THE GENERAL COUNCIL (GENERALRAT) ON THE 1998 ANNUAL REPORT AND THE ANNUAL STATEMENT OF ACCOUNTS | |
| | 137 |
| TABLES | |
| Contents | 3* |

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EURO EURO EURO
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EURO EURO EURO
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General Council (Generalrat),
State Commissioner,
Governing Board (Direktorium)
and Personnel Changes,
Organizational Structure of the Bank

General Council (Generalrat), State Commissioner

as at December 31, 1998

Adolf Wala

President

Herbert Schimetschek

Chief Executive Director of Bundesländerversicherung
and Austria-Collegialität Versicherungen

Karl Werner Rüsche

Former Member
of the Government of Vorarlberg

August Astl

Secretary General of the Board of Presidents
of the Austrian Chambers of Agriculture

Lorenz R. Fritz

Secretary General
of the Federation of Austrian Industry

Werner Muhm

Deputy Chief
of the Chamber of Labor of Vienna

Norbert Beinkofer

Former Deputy President
of the Chamber of Commerce of Upper Austria

Rene Alfons Haiden

Retired Chief Executive Director
of Bank Austria AG

Walter Rothensteiner

Chief Executive Director
of Raiffeisen Zentralbank Österreich AG

Helmut Elsner

Chief Executive Director
of Bank für Arbeit und Wirtschaft AG

Robert Launsky-Tieffenthal

President of Austropapier –
the Austrian Paper Industry Association

Siegfried Sellitsch

Chief Executive Director
of Wiener Städtische Allgemeine Versicherung AG

Helmut Frisch

Chairman of the Supervisory Board
of the Austrian Postal Savings Bank (P.S.K.)

Richard Leutner

Secretary
of the Austrian Trade Union Federation

Representatives delegated by the Staff Council to attend proceedings
that deal with personnel matters:

Gerhard Valenta

Thomas Reindl

State Commissioner

Anton Stanzel

Director General
in the Ministry of Finance

Deputy State Commissioner

Walter Ruess

Director
in the Ministry of Finance

Governing Board (Direktorium)

as at December 31, 1998

Klaus Liebscher
Governor

Gertrude Tumpel-Gugerell
Vice Governor

Wolfgang Duchatzek
Executive Director

Peter Zöllner
Executive Director

Personnel Changes

between March 26, 1998 and April 15, 1999

The ordinary General Meeting of April 28, 1998, marked the end of General Council member Walter *Flöttl's* term of office. Helmut *Elsner*, Chief Executive Director of Bank für Arbeit und Wirtschaft AG, was elected as his successor at that same General Meeting. Moreover, General Council member Helmut *Frisch*, whose term of office expired with the 1998 General Meeting, was reappointed.

In its meeting of July 9, 1998, the Federal Government decided to appoint Herbert *Schimetschek*, Chief Executive Director of Bundesländerversicherung and Austria-Collegialität Versicherungen, as the new First Vice President of the OeNB with effect from September 8, 1998. In this function, he succeeded Erich *Göttlicher*, whose term of office expired on September 7, 1998, and who was permanently retired from his function by common consent from September 8, 1998.

Moreover, in its meeting of July 9, 1998, the Federal Government appointed August *Astl*, Secretary General of the Board of Presidents of the Austrian Chambers of Agriculture, as a new member of the General Council of the OeNB with effect from September 8, 1998.

By virtue of the decree of July 14, 1998, the Federal President appointed Klaus *Liebscher* as Governor and Gertrude *Tumpel-Gugerell* as Vice Governor – both with effect from September 1, 1998 – and Peter *Zöllner* as a member of the Governing Board of the OeNB with effect from July 15, 1998. Each appointment was made for a term of five years.

Klaus *Liebscher* – previously President of the OeNB – is now in charge of the Central Bank Policy Department, Gertrude *Tumpel-Gugerell* continues to head the Economic and Financial Markets Department, and Peter *Zöllner* was put in charge of the Investment Policy and Internal Services Department.

The term of office of Erwin *Tischler*, who headed the Money, Payment Systems and Information Technology Department on retirement, ended on July 14, 1998.

With effect from July 15, 1998, Wolfgang *Duchatzek*, who previously headed the Liquidity and Portfolio Management and Internal Services Department with the function of deputizing the Chief Executive Director, was put in charge of the Money, Payment Systems and Information Technology Department for the rest of his term of office.

By virtue of the decree of August 3, 1998, the Federal President appointed Adolf *Wala* – previously Chief Executive Director in charge of the Central Bank Policy Department – as President of the OeNB with effect from September 1, 1998. The appointment was made for a period of five years.

In accordance with Article 22 paragraph 1 Nationalbank Act, the OeNB's "Präsidium" (Presiding Board) consists of the President and one Vice President with effect from January 1, 1999. With effect from the same date, Karl Werner *Rüsch* resigned as Second Vice President, but continues to hold a seat in the General Council.

With effect from January 1, 1999, the Federal Minister of Finance appointed Heinz *Handler* as Deputy State Commissioner in lieu of Walter *Ruess*.

Anton *Stanzel* was recalled from his post as State Commissioner for the OeNB with effect from March 31, 1999.

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| <p>President Adolf Wala</p> <hr/> <p>Office of the President Richard Mader, Head</p> | <p>Vice President Herbert Schimetschek</p> <hr/> |
| <p>Governing Board (Direktorium)</p> | |
| <p>Central Bank Policy Department Klaus Liebscher, Governor</p> <hr/> <p>Office of the Governor Wolfgang Ippisch, Head</p> <hr/> <p>Internal Audit Division Wolfgang Winter, Head</p> | <p>Economics and Financial Markets Department Gertrude Tumpel-Gugerell, Vice Governor</p> <hr/> <p>Section</p> <p>Economic Analysis and Research Peter Mooslechner, Director</p> <hr/> <p>Economic Analysis Division Ernest Gnan, Head</p> <hr/> <p>Economic Studies Division Eduard Hochreiter, Head</p> <hr/> <p>European Affairs and International Financial Organizations Division Alexander Dörfel, Head</p> <hr/> <p>Foreign Research Division Olga Radzyner, Head</p> <hr/> <p>Brussels Representative Office Daniela Bankier, Representative</p> <hr/> <p>Paris Representative Office Norbert Schuh, Representative</p> |
| <p>Section</p> <p>General Secretariat Peter Achleitner, Director</p> <hr/> <p>Secretariat of the Governing Board and Public Relations Wolfdietrich Grau, Head</p> <hr/> <p>Planning and Controlling Division Gerhard Hohäuser, Head</p> <hr/> <p>Anniversary Fund Wolfgang Höritsch, Head</p> <hr/> <p>Visitors' Office Elisabeth Minichsdorfer, Head</p> <hr/> <p>Numismatic Museum</p> | <p>Section</p> <p>Financial Institutions and Markets Andreas Ittner, Director</p> <hr/> <p>Financial Markets Analysis and Oversight Division Helga Mramor, Head</p> <hr/> <p>Banking Analysis and Inspections Division Peter Mayerhofer, Head</p> <hr/> <p>Credit Division Franz Richter, Head</p> |
| <p>Section</p> <p>Accounting Michael Wolf, Director</p> <hr/> <p>Financial Statements Division Friedrich Karrer, Head</p> <hr/> <p>Accounts Division Otto Panholzer, Head</p> | |
| <p>Section</p> <p>Legal Matters and Management of Equity Interests Bruno Gruber, Director</p> <hr/> <p>Legal Division Hubert Mölzer, Head</p> <hr/> <p>Management of Equity Interests</p> | |

Money, Payment Systems and Information Technology Department
Wolfgang Duchatzek, Executive Director

Printing Office
Gerhard Habitzi, Technical Manager

Section

Payment Systems and Information Technology
Wolfgang Pernkopf, Director

Systems Development Division
Reinhard Auer, Head

Technical Support Division
Rudolf Kulda, Head

Payment Systems Division
Rudolf Terlecki, Head

Section

Cashier's Division and Branch Offices
Alfred Scherz, Director

Cashier's Division
Erich Vogel, Head

Coordination of Branches
Peter Weihs, Head

Bregenz
Johann Jäger, Branch Manager

Eisenstadt
Friedrich Fasching, Branch Manager

Graz
Gerhard Lakner, Branch Manager

Innsbruck
Günther Federer, Branch Manager

Klagenfurt
Günter Willegger, Branch Manager

Linz
Rudolf Gröger, Branch Manager

Salzburg
Elisabeth Kollarz, Branch Manager

St. Pölten
Horst Walka, Branch Manager

Investment Policy and Internal Services Department
Peter Zöllner, Executive Director

Personnel Division
Maria Zojer, Head

Section

Treasury
Rudolf Trink, Director

Treasury – Strategy Division
Rudolf Kreuz, Head

Treasury – Front Office
Walter Sevcik, Head

Treasury – Back Office
Gerhard Bertagnoli, Head

New York Representative Office
Robert Reinwald, Representative

Section

Organization and Internal Services
Albert Slavik, Director

Organization Division
Norbert Weiß¹⁾, Head

Administration Division
Roland Kontrus, Head

Security Division
Bruno Hollborn, Head

Mail Distribution, Files and Documentation Services
Alfred Tomek, Head

Section

Statistics
Aurel Schubert, Director

Banking Statistics and Minimum Reserve Division
Alfred Rosteck, Head

Balance of Payments Division
Josef Slama, Head

¹ Environmental Officer.

as at April 15, 1999



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Report of the
Governing Board (Direktorium)
for the Financial Year 1998



From the Schilling to the Euro

Austria's Path toward an Integrated Monetary Policy in Europe

On January 1, 1999, the euro became the currency of 11 of the European Union's Member States, among them Austria. The introduction of the euro marks the beginning of a new chapter of monetary history – and is the first step in closing the final chapter in the history of the Austrian schilling. Therefore, this is the perfect opportunity to review the milestones of the schilling's history, especially the developments since 1945.

The schilling was introduced as Austria's currency on January 1, 1925, by the Schilling Act of December 20, 1924. The schilling replaced the crown, which had finally completely replaced the gulden, introduced in 1892, on January 1, 1900. The rate of conversion was 10,000 crowns to the schilling. Prior to the introduction of the new currency, the Oesterreichische Nationalbank¹⁾ (OeNB) was established in 1922 and took up operation on January 1, 1923. When Austria was annexed in 1938, the schilling was replaced by the Reichsmark (conversion rate: 1.50 schillings to the Reichsmark) and the liquidation of the OeNB was begun.

On July 3, 1945, the OeNB was reinstated by the Central Bank Transition Act and soon afterwards, the schilling was reintroduced as Austria's sole legal tender (Schilling Act). Reichsmark and Allied Military schillings were exchanged for schillings at a rate of 1:1, a conversion which was subject to a variety of restrictions and conditions. The state of Austria's devastated post-War monetary sector

was characterized by a huge monetary overhang. The introduction of the schilling had to be accompanied by a complete overhaul of the monetary system: Excess liquidity had to be mopped up, and a new, functioning money system had to be put in place. From the outset, the central bank's policy goal was to secure a solid monetary foundation and to keep monetary conditions stable over time. Monetary reform was implemented step by step, using a wide range of monetary and economic policy measures including the passage of several laws. To skim off excess liquidity, the old banknotes were withdrawn in November 1947 and exchanged for new schilling notes at a ratio of 3:1. Frozen funds were seized and credited to the federal government. However, it took until the mid-1950s to fully stabilize the schilling.

The principal stabilization instruments were interest rate increases, credit control agreements and a restrictive budget policy, as well as wage and price agreements, which deserve special emphasis not just for historical reasons. These activities were a key institutional achievement and laid the foundation for the consensus policymaking between the social partners that became a hallmark of Austrian economic policy in the following decades. Austria's macroeconomic stabilization went hand in hand with the reorganization of the laws governing its financial and monetary system.

The Nationalbank Act, which was passed in 1955, reorganized the legal foundation of the OeNB and endowed it with a set of modern

¹ While the history of the schilling began in 1925 and the OeNB's history started in 1923, Austrian monetary policy and the experience with the two-tier banking system consisting of the central bank and the commercial banks go back over a century longer to the foundation of the "Privilegierte oesterreichische National-Bank" in 1816.

central banking instruments. In addition to discount and foreign exchange policy, open market operations and minimum reserve requirements were introduced. This equipped the OeNB with instruments suited to properly fulfilling its legal mandate of “ensuring with all the means at its disposal that the value of the Austrian currency is maintained with regard to both its domestic purchasing power and to its relationship with stable foreign currencies.”

Chronological Development of the Schilling

and of Austrian Monetary Policy since 1925

- 1925 Introduction of the schilling currency
(10,000 crowns = 1 schilling); 100 groschen to the schilling
- 1938 Annexation of Austria by the German Reich; introduction of the Reichsmark currency (1 Reichsmark = 1.50 schillings)
- 1945 Passage of the Central Bank Transition Act: Reinstatement of the OeNB; Schilling Act (1 schilling = 1 Reichsmark)
- 1946 The Foreign Exchange Act of 1946 puts the OeNB in charge of exchange control: 1 U.S. dollar = 10 schillings
- 1947 Passage of the Currency Protection Act (final elimination of excess liquidity by exchange at a ratio of 3:1)
- 1953 1 U.S. dollar = 26 schillings
- 1955 Passage of the Nationalbank Act
- 1959 The schilling is made freely convertible (for nonresidents)
- 1962 Austria assumes the IMF's convertibility obligations
- 1971 Bretton Woods System begins to disintegrate; schilling revaluation
- 1973 End of the Bretton Woods System; the schilling is aligned with a currency basket (“exchange rate indicator”)
- 1976 The Deutsche mark becomes the main anchor for the schilling's exchange rate
- 1980 Austria pursues a stability-oriented exchange rate policy with the schilling pegged to the Deutsche mark
- 1991 Final step in the liberalization of capital transactions
- 1992 Speculative attacks on the pound sterling and the Italian lira split Europe's currencies into a hard and a soft currency bloc; the schilling remains in the hard currency bloc
- 1993 The schilling weathers a speculative attack in August unaffected
- 1995 Austria becomes a member of the European Union (EU), joins the European Monetary System (EMS) and participates in the Exchange Rate Mechanism of the EMS
- 1998 Passage of an amendment to the Nationalbank Act to provide the legal prerequisites for Austria's participation in Stage Three of EMU (April 1998); determination of the Member States of the European Union who will introduce the single currency, the euro, on January 1, 1999 (May 1998); foundation of the European Central Bank (ECB) and the European System of Central Banks (ESCB, June 1998); fixing of the currency conversion rates on December 31, 1998 (1 EUR = 13.7603 ATS);
- 1999 Beginning of Stage Three of EMU with the introduction of the euro as the single European currency in 11 EU Member States including Austria (January 1, 1999).

The favorable development of foreign trade at the beginning of the 1960s raised foreign exchange reserves considerably. In 1962 – by this time, Austria had joined EFTA, the European Free Trade Association – Austria was in a position to fully assume the convertibility obligations set out in the IMF’s Articles of Agreement (Austria has been a member of the IMF since 1948). The schilling was declared convertible for current international transactions by residents and nonresidents, marking a first and significant step toward international monetary integration.

In 1971, the fundamental weakness of the U.S. dollar, the world’s key currency, sent a shock wave through the Bretton Woods System. The dollar was devalued, and in 1973, the Bretton Woods System, which had guaranteed a fairly high degree of international exchange rate stability since 1945, but which had become increasingly fragile toward the end of the 1960s, finally broke down. The OeNB did not follow international organizations’ behest of orienting its monetary policy on monetary targeting and flexible exchange rates. The OeNB opted for a different approach, namely to stabilize the schilling’s exchange rate against a basket of the major trade partners’ currencies, which ultimately developed into the strategy of pegging the schilling to the Deutsche mark. In economics, this monetary policy concept, which originally evolved on the pragmatic level, is founded on the theories of the Optimal Currency Area and of economic policymaking in small, open economies. Under these theories, given the growing mobility of production factors and real wage flexibility, fixed exchange

rates to the main trade partner countries are an advantage for a country with high capital mobility and strong external trade links to a few important trade partner countries. Such a strategy becomes even more useful if the exchange rate is linked to an anchor currency based on a stability-oriented economic and monetary policy. The advantages of such an approach quickly became apparent: Austria “imported” stability on the basis of the exchange rate effect and of dampened import prices. Austria’s social partnership served as the institutional prerequisite for price stability: Under this specifically Austrian consensus-based policy-making system, income policy decisions were made with an eye to the objective of keeping price rises in check, and of increasing productivity, markedly enhancing Austria’s international competitiveness. At the same time, Austria’s industrial structure improved, above all after Austria’s accession to the European Union in 1995.

Toward the end of the 1970s and in the first half of the 1980s, exchange rate stability became even more important when deregulation and liberalization changed the face of financial markets worldwide. Investors became more sensitive to interest rate changes and developed a familiarity with new financial products. The stabilization of positive expectations and above all monetary policy credibility became the features by which a currency is gauged on international financial markets. Credibility, in turn, depends on the ability to convince economic agents that a country is capable of solving problems and that its economy is based on sound fundamentals in an inter-

national comparison. Real economic growth, price and income developments, the current account and the public sector's budget policy have become the most important macroeconomic determinants. In this period, the OeNB integrated its monetary policy concept with the new economic framework conditions and made the stabilization of the schilling's exchange rate against the Deutsche mark its top priority. Austria's economic policymakers gradually grew convinced that this monetary policy strategy was the best option for Austria. Not only did it reduce exchange rate uncertainty and keep interest rates low, but it also paved the way for step-by-step liberalization of capital transactions, a process completed in November 1991. At the same time, the legal framework and technical infrastructure for Austria's financial market, from banking to the securities bourse, were improved to reach international standards.

The OeNB's monetary policy instruments were consistently adjusted in line with changing market conditions. Interest rate policy measures were generally coordinated within the European stability zone and took their bearings above all from the monetary policy of Germany, the anchor currency country. Although Austria's choice of exchange rate strategy limited the scope for an autonomous interest rate policy, Austria's relatively favorable economic fundamentals provided the OeNB with fairly much room for maneuver for interest rate policy.

Austria's international monetary integration has been at a high level since the beginning of the 1990s. The explosion of trading on

the financial markets across the world put new demands on exchange rate policy, but the stability of the schilling's exchange rate against the Deutsche mark remained unaffected, even when currency turbulences beset the EMS in 1992 and 1993.

Austria's accession to the EU on January 1, 1995, and its decision to participate in the Exchange Rate Mechanism of the European Monetary System soon thereafter, gave Austria's monetary policy a solid institutional framework and represented an important part of the preparations for the introduction of the single European currency. These steps must be seen as logical consequences of a monetary policy targeted at stability, systemic security and integration, which at the same time secures the best possible framework for a smooth functioning of the capital, goods, services and labor markets.

Austria's membership in Economic and Monetary Union represents a new dimension in monetary policy integration. While Monetary Union has changed the operational framework for the OeNB, the principles on which the Austrian central bank bases its monetary policy strategy have remained the same: credibility, the stabilization of expectations, a medium-term orientation, a focus on price stability, independence and a steady dialogue with the other economic policymakers in Austria.

By the late 1960s, the European Economic Community had made Economic and Monetary Union a central issue. After the ultimate complete breakdown of the Bretton Woods System, closer monetary policy cooperation on an European scale was considered imperative.

However, it proved impossible to actually establish an institutional setting, because Europe's economies did not exhibit sufficient convergence and because the political will was lacking. Even those institutional agreements which were put in place, such as the currency snake, could not obscure the fact that Europe was not yet able to muster a consensus on stability.

Not until 1979 was a framework for monetary cooperation found when the EMS, a system of fixed but flexible exchange rates, was introduced. This system, which in fact endured for nearly two decades, contributed to dampening price inflation. On the basis of the experience with the EMS and powered by the aspiration to complete the Single Market, a new drive for Monetary Union was launched in 1993. In a first stage, the Delors Report was produced (Jacques Delors, then the president of the EU Commission, was the chairman of the expert group which drew up the report). The recommendations of the report formed a significant portion of the Treaty on European Union, popularly known as the Maastricht Treaty. The EU then set about following the three-stage process to implement Monetary Union, accomplishing each goal on schedule (see box "Milestones on the Way to Economic and Monetary Union").

The convergence criteria had a decisive, long-term impact on economic policy in what later became the euro area, rapidly leading to the convergence of the economic policies of the EU. These criteria became the standard by which the stability orientation of a country's economic and monetary

policy were gauged on international financial markets. Even after achievement of Monetary Union, these criteria continue to influence countries' economic policies through the Stability and Growth Pact.

Austria's stability policy is being carried on in Monetary Union – there is continuity on the way from the schilling to the euro. The new currency is based on a stability culture which was consistently developed in Europe over the past years, and to which the OeNB and other Austrian economic policy-makers have contributed. As a stable currency, the euro provides an opportunity to contribute to growth and employment in the more extensive framework that is Europe.

Milestones on the Way to Economic and Monetary Union

| | |
|----------------------|--|
| 1969: December 1/2 | At a summit in The Hague, a high-level group chaired by Pierre Werner, Prime Minister of Luxembourg, is commissioned to draw up a report on the achievement of full economic and monetary union by 1980. The report submitted in 1971 envisages achievement of economic and monetary union within ten years according to a three-stage plan known as the Werner Plan. |
| 1971: August 15 | The U.S.A. suspends the gold convertibility of the U.S. dollar, triggering a wave of instability on foreign exchanges. The oil price shock of 1973 ends all hope of achieving more stability between the exchange rates of the European Community's currencies. |
| 1979: March 13 | The EMS enters into force. While all EC Member States join the EMS, the pound sterling does not participate in the Exchange Rate Mechanism, which is designed to stabilize exchange rates. Between 1979 and 1985, exchange rates fluctuate only half as much as in the years 1975 to 1979, and between 1986 and 1989, they fluctuate only half as much as between 1979 and 1985. |
| 1985: June 28/29 | The EC Commission's White Book on the Completion of the Single Market is published. |
| 1988: June 27/28 | The Hannover European Council appoints a committee to study ways and means of completing economic and monetary union under the chairmanship of the then President of the European Commission, Jacques Delors. The Delors Report, submitted in April 1989, proposes the introduction of economic and monetary union in three stages. Specifically, the report envisages greater coordination of economic and monetary policies and the foundation of a European central bank. |
| 1992: February 7 | The Treaty on European Union, formally providing for the establishment of Economic and Monetary Union (EMU), is signed in Maastricht. The Treaty embodies large portions of the recommendations of the Delors Report. EMU is to be established in three stages: Stage One: elimination of all restrictions on capital movements, greater economic convergence; entry into force retroactive to July 1, 1990. |
| 1994: January 1 | Stage Two: establishment of the European Monetary Institute (EMI), whose purpose is to carry out the necessary preparations for EMU. |
| 1995: December 15/16 | The final schedule for the changeover to the single currency, and its name – euro – are formally adopted at the Madrid European Council. |
| 1997: June 16/17 | The Amsterdam European Council gives its agreement to the regulations on the Stability and Growth Pact. |
| 1998: May 1 to 3 | The Council of the European Union, meeting in the composition of the Heads of State or Government, decides that 11 Member States (Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland) fulfill the necessary conditions for the adoption of the single currency. The members of the Executive Board of the ECB are appointed, and, with a view to guiding the markets in the runup to Stage Three, the EMI and the European Commission announce that the irrevocable conversion rates for the euro will be based on the bilateral central rates of the ERM participants. |
| June 1 | The EMI ceases to exist, the ECB is established and the Executive Board of the ECB with Willem F. Duisenberg as its president is officially appointed. |
| December 31 | The irrevocable euro conversion rates of the currencies of the countries participating in EMU are established. |
| 1999: January 1 | Stage Three: The euro comes into existence as a currency in its own right; the ESCB assumes responsibility for the monetary policy of the Eurosystem. |

Preparations for Monetary Union at the European Level

The Historical Weekend in May

From May 1 through 3, 1998, the EU Ministers of Finance and the Heads of State or Government met in Brussels to take the definitive decisions on the transition to the euro: The Member States qualified to join EMU from the outset are determined, agreement on the appointments to the Executive Board of the ECB is reached, and the bilateral conversion rates of the participating currencies are preannounced.

On recommendation of the ECOFIN Council (the economics and finance ministers of the EU) and after the European Parliament forwarded a positive opinion, the European Council in the composition of the Heads of State or Government unanimously decided that 11 Member States, namely Belgium, Germany, Spain, France, Ireland, Italy, Luxembourg, the Netherlands, Austria, Portugal and Finland, fulfill the necessary conditions for the adoption of the single currency on January 1, 1999.¹⁾ The above countries were deemed qualified because they met the following legal and economic criteria:

- The national laws, including the central bank statute, are compatible with the Treaty on European Union (TEU) and the ESCB/ECB Statute, or steps were initiated to ensure that this is the case at the latest at the date of the establishment of the ESCB.
- In the twelve-month period up to and including January 1998, the average inflation rate is

below the reference value of 2.7%.

- There is no decision by the EU Council that the countries have an excessive deficit.
- The currencies of these 11 countries have been participating in the Exchange Rate Mechanism (ERM) of the EMS for at least two years before the examination²⁾ and were not subject to strong fluctuations.
- In the twelve months up to and including January 1998, the average long-term interest rate in these countries fell short of the reference value of 7.8%.

While Greece fulfilled the legal prerequisites, it met none of the economic criteria. Sweden did not display sufficient legal convergence and had not participated in the ERM of the EMS. The Council did not examine the convergence of the United Kingdom or of Denmark, as these countries gave notification under the terms of the respective Protocols to the Treaty (countries with a derogation) that they would not participate in Stage Three of Economic and Monetary Union.

The decision procedure at the beginning of May 1998 was preceded by a lengthy and detailed discussion of the economic and legal convergence as assessed in the Commission's and the EMI's Convergence Reports of March 25, 1998. The EMI emphasized particularly strongly that further substantial consolidation of the government budgetary position was warranted in most Member States to reduce the high debt ratios and to meet the objectives of the Stability and Growth Pact. In an additional

1 Moreover, the EU Council adopted a declaration on Greece pointing out Greece's progress toward convergence and its intention to join the euro area on January 1, 2001.

2 The Italian lira and the Finnish markka did not join the ERM until October and November 1996 respectively and did not experience any severe tensions after that point in time.

declaration to the recommendation of the choice of the euro area participants, the Ministers of Finance committed themselves to reinforcing budget consolidation measures if cyclical conditions should prove more favorable than forecast.

After designating the Member States qualified to adopt the euro from the start of Stage Three, the EU Council, meeting in the composition of the Heads of State or Government, agreed on appointments to the ECB Executive Board. A procedure was established to safeguard that as each board member was replaced, representatives from each participating Member State would have an opportunity in turn to sit on the ECB's Executive Board.

Economic agents were given a reference value for the bilateral conversion rates between the participating currencies in the Joint Communiqué issued by the ministers and central bank governors of those EU Member States which would participate in the euro area, the European Commission and the EMI. This Communiqué stated that the bilateral central rates in the Exchange Rate Mechanism of the EMS would be used to determine

the irrevocable conversion rates for the euro.¹⁾ Based on this pre-announcement, and taking into account the stipulations of the Treaty on European Union on the continuity of the external value of the ECU and the euro during the changeover, the ECOFIN Council determined the irrevocable euro conversion rates for the participating currencies on December 31, 1998.

Adoption of Legislation and Secondary Legislation for the Introduction of the Euro

On January 1, 1999, the Council Regulation on the introduction of the euro as laid down in Article 109 l (4) went into force. It contains most of the legal framework for the euro, first and foremost the establishment of the euro as the single European currency and the definition of the participating countries' currencies as national currency units, and as subdivisions of the euro during the transitional period from January 1, 1999, to December 31, 2001.²⁾ The ECOFIN Council passed this more extensive regulation on the euro on May 3, 1998; it follows a first Council Regulation on the introduction of the euro passed on June 17, 1997, which had been required for reasons of legal security.³⁾ Moreover, the Council Regulation on denominations and technical specifications of euro coins intended for circulation was adopted, as was a Resolution on euro collector's coins that is to go into effect on January 1, 2002.⁴⁾

Inter alia, the ECOFIN Council also settled the following issues:

- It determined a basis for minimum reserves, the permissible ratios between the reserves and

- ¹ As some of the ECU component currencies (the pound sterling, the Danish krone and the Greek drachma) would not participate in the euro area from the outset, and as the ECU's value was also subject to influences outside of the future euro area, only the bilateral rates (the ERM central rates) rather than the irrevocable euro conversion rates could be announced at the time.
- ² After this time, Austria's schilling banknotes and coins will be exchanged for euro notes and coins. Schilling notes and coins will retain their legal tender status for six months after completion of the transition period at most. After that deadline, they can be exchanged for euros at the OeNB at the fixed conversion rate for an unlimited period.
- ³ The legal security refers to the principle of continuity of contracts, the 1 : 1 replacement of the ECU by the euro and rounding and conversion rules.
- ⁴ These collector's coins are legal tender only in the Member State in which they are issued. They may not be issued before January 1, 2002, and their design is up to the Member State which issues them.

Irrevocable Conversion Rates of the Euro

| | | 1 EUR = |
|----------------|------------|----------------|
| Belgium | BEF | 40.3399 |
| Germany | DEM | 1.95583 |
| Spain | ESP | 166.386 |
| France | FRF | 6.55957 |
| Ireland | IEP | 0.787564 |
| Italy | ITL | 1,936.27 |
| Luxembourg | LUF | 40.3399 |
| Netherlands | NLG | 2.20371 |
| Austria | ATS | 13.7603 |
| Portugal | PTE | 200.482 |
| Finland | FIM | 5.94573 |

Source: ECB.

their basis and the definitions of maximum levels of sanctions in cases of noncompliance with the minimum reserve requirements. The pertinent Council Regulation concerning the application of minimum reserves represents the legal basis on which the ECB designed its minimum reserve system (see also the chapter on “Monetary Policy in the ESCB”);

- it regulated the collection of statistical data by the ECB;
- it established the subscription key for the ECB’s capital;
- it laid down that the authorities of the Member States shall consult the ECB on any draft legislation within its field of competence.

As in the preceding years, the Monetary Committee prepared the ECOFIN Council meetings. As specified by the TEU, the Monetary Committee was replaced by the Economic and Financial Committee on January 1, 1999. The Monetary and Financial Committee consists of two members and two alternates from each of the 15 Member States, the Commission and the ECB.¹⁾ Like the Monetary Committee, the Economic and Financial Committee contributes to the fulfillment of the ECOFIN Council’s main economic policy tasks.

The Establishment of the ESCB and the ECB and Major Resolutions

The most conspicuous step of the preparations for EMU was the foundation of the ECB on June 1, 1998, in Frankfurt. The ESCB was established simultaneously with the ECB. The ESCB comprises the ECB and the 15 central banks – referred to as national central banks, or

¹ The two members appointed by the Member States are senior ministry or central bank officials.

The Eurosystem and the ESCB:

What is the Difference?

The Treaty establishing the European Community and the Statute of the European System of Central Banks and of the European Central Bank confer several tasks on the European System of Central Banks that have to be carried out by the ECB and by the ESCB (see also chapter “The OeNB in the ESCB – Institutional and Operational Changes”).

To enhance transparency and to make it easier for the public to grasp the very complex structure of European central banking, the Governing Council of the ECB decided to adopt the term “Eurosystem” as a user-friendly expression. The Eurosystem comprises the ECB and the NCBs of the Member States which adopted the euro at the beginning of Stage Three of EMU. There are currently 11 NCBs in the Eurosystem. If and when all 15 Member States participate in the euro area, the term “Eurosystem” will become synonymous with “ESCB.”

As the ESCB is composed of the ECB and the NCBs of all 15 EU Member States, the ESCB includes, in addition to the members of the Eurosystem, the NCBs of those Member States which did not adopt the euro from the start of Stage Three of EMU.¹⁾

¹ Thus references to the Eurosystem in this annual report signify the ECB plus the 11 NCBs of the euro area, and references to the ESCB extend to the ECB plus all 15 Member States’ NCBs.

NCBs – of the EU Member States. On January 1, 1999, the ESCB assumed full responsibility for the tasks entrusted to it.

The ECB was able to base its preparation for the transition to the euro on the work done by the EMI, which was liquidated on December 31, 1998. The working groups made up of central bank experts, which had already provided their expertise to the EMI, remained operational in an altered form in the ESCB.

Once it had been established, the key task of the ECB was to implement binding resolutions based on the preparatory work of the EMI and to conduct the tests needed for a smooth operation and implementation of the single monetary policy from January 1, 1999, in a central banking system constructed on federal principles.

A keystone for the success of this policy is the monetary policy

The work of the European Central Bank is supported by the following ESCB committees:

Source: ECB.

strategy of the ECB for Stage Three of EMU adopted by the Governing Council of the ECB in October and December 1998 and then presented to the general public (see also the chapter on “Monetary Policy in the ESCB”) and the Agreement of September 1, 1998, between the ECB and the national central banks of the Member States outside the euro area laying down the operating procedures for an exchange rate mechanism in Stage Three of Economic and Monetary Union (referred to as the ERM II Agreement). The ERM II will have a standard fluctuation band of $\pm 15\%$ ¹⁾ around the central rates to the euro and contains provisions designed to prevent the stability-oriented monetary policy of the ECB from being affected by the obligation to intervene to protect a pre-in Member State’s currency (a pre-in is a non-euro area Member State, an EU Member State which does not participate in EMU yet). Accordingly, the ECB has the right to initiate a procedure aimed at reconsidering central rates and to

suspend intervention if it conflicts with the primary objective of price stability.²⁾

Moreover, the ECB presented the report “Assessment of EU Securities Settlement Systems against the Standards for their use in ESCB Credit Operations” at the end of September 1998, concluding that there is no reason to abstain from using any of the 29 systems reviewed from the start of Stage Three (see also chapter on “Payment Systems Policy, Payment Systems, Means of Payment”).

At the beginning of November, the ECB Governing Council also adopted a Guideline for NCB’s operations in foreign reserve assets; this guideline establishes a limit for such operations and subjects any transactions with foreign exchange working balances and gold above this limit to approval by the ECB.

¹ The fluctuation band for Denmark was set at $\pm 2.25\%$.

² The ERM II is described in more detail in the Oesterreichische Nationalbank’s Annual Report 1997, page 18.

Economic Policy Coordination

With the transition to Stage Three of EMU, a single monetary policy for the euro area was established. The other areas of economic policy, however, remain the responsibility of each Member State. As there is coordination in this specific area of the economy, and as the EU economies are growing increasingly interdependent, it has become necessary to coordinate national economic policies within the euro area. The prime instruments of this continuous process of economic policy coordination are the definitions of strategies of economic policy and their multilateral coordination within the Council, as stipulated by Article 103 TEU as well as the Stability and Growth Pact,¹⁾ whose foremost purpose is to secure financial discipline. These instruments are further strengthened by the National Action Plans for employment, which were drawn up for the first time in the review year, and by a newly introduced procedure under which the Member States and the Commission will produce short reports at the end of the year, each within their areas of competence, on product and capital markets. This procedure will help exchange best practice and complement the information already available in national employment action plans and stability/convergence programs.

At its meeting in Vienna on December 11 and 12, the European Council noted that the ECOFIN Council now had a fully-fledged annual coordination process, but also emphasized that it would be necessary to both deepen and strengthen economic policy coordination within the agreed

framework to secure the success of EMU and to support sustainable, job-creating growth.

Economic policy coordination applies to fiscal and to structural policy. It takes account of monetary policy and wage developments and is based on the analysis of cyclical developments in the Member States. Moreover, the exchange rate developments of the euro and other EU currencies should be closely monitored “in the recognition that, in general, these should be seen as the outcome of all other economic policies.”²⁾ This means that exchange rate policy measures should be used to influence the euro’s exchange rate only under exceptional circumstances.

Nearly all elements of economic policy coordination were put in place already in 1997, and 1998 was the year in which they were implemented: Stability and convergence programs were submitted in line with economic policy principles and the requirements of the Stability and Growth Pact and were reviewed by the ECOFIN Council, the compatibility of national employment action programs with employment policy guidelines was examined and the dialogue between the ECOFIN Council (and the Euro-11 group) and the ECB was initiated.

The informal Euro-11 group, which was established at the Luxembourg European Council at the end of 1997 and which brings together the Economics and Finance Ministers of the 11 euro area countries, began meeting in June 1998 with an Austrian chair. Unlike the ECOFIN Council, it cannot adopt any legal instruments, but concentrates on the special coordination needs of the euro area

¹ For more details on the Stability and Growth Pact, see the Oesterreichische Nationalbank’s Annual Report 1997, page 17.

² ECOFIN Council Report to the European Council on economic policy co-ordination.

Member States; in this fashion, it can contribute to efficiently monitoring fiscal discipline in the euro area.

External Representation of Economic and Monetary Union

The European Council in Vienna agreed on pragmatic proposals for the external representation of the Eurosystem. Regarding the ECB's participation in the G7 Finance Ministers' and Governors' Group, non-European G7 partners have already accepted that the President of the ECB attends meetings of the group for discussions which relate

to EMU. No agreement has been reached yet on the representation at the ministerial level.

The ECB was granted observer status on the IMF's Executive Board from January 1, 1999. The ECB representative has a standing invitation to attend all meetings of the IMF Executive Board regarding Fund surveillance of the policies of individual euro area Member States and the role of the euro in the international monetary system.¹⁾ EMU opinions will be presented by the representative of the Euro-11 group Member State in the IMF which chairs the Euro-11 group at the respective time.

EMU Preparations in Austria

In Austria, the preparatory work for the introduction of the euro entered its final phase in 1998. At the beginning of May 1998, when the participants of EMU were designated and the bilateral exchange rates were preannounced to stabilize the financial markets' expectations, the last remaining uncertainties surrounding the startup of EMU were eliminated.

The steering committee of the EMU working groups chaired jointly by the OeNB and the Austrian Ministry of Finance, which comprises representatives from the federal ministries, the Austrian state and local governments, the Austrian Central Statistical Office, the social security institutions and representatives of the two sides of industry, continued its work in the review year. Its work focused on the organization of the changeover weekend, informing the general public, coordinating the introduction of

changeover pricing (that is, showing the most relevant currency amounts stated in any kind of official written notification or communication in euros as well as schillings) and the implementation of the "euro option" in public administration, which in effect means that revenue services are obliged to accept tax statements in euros, financial accounting may be in euros, and balance sheets may be drawn up in euros. The Austrian Central Statistical Office also accepts figures reported in euros since January 1, 1999. These steps ensure that anyone who wishes to use the euro in cashless transactions already during the three-year transition period may do so (according to the principle of "no obligation, no prohibition").

A total of five working groups dealt with the topics "communications," "legal affairs," "public administration," "economic policy" and "banks and financial markets."

¹ *The ECB representative's participation in meetings concerning other issues will be decided on a case-by-case basis between the IMF and the ECB.*

The workload was especially high for this last group, because the capital market was put on an entirely new footing on January 1, 1999. Also, Austria's banks reached an understanding that they would offer all banking services in euros nationwide during the three-year transition phase. Banks now show all balances on statements in schillings as well as in euros to help familiarize their customers with the new currency.

As the introduction of the euro requires a number of changes in laws, Austria took numerous steps to establish the necessary framework conditions (see also chapter "Financial Markets and Financial Intermediaries"). The Nationalbank Act was amended in line with Community law by the amendments announced in Bundesgesetzblatt I (Federal Law Gazette I) no. 60 on April 24, 1998 (see also chapter "The OeNB in the ESCB – Institutional and Operational Changes"). On June 17, 1998, Austrian Parliament adopted the *1. Euro-Finanzbegleitgesetz*, an act amending federal laws to take account of the introduction of the euro. Among other things, this Act provides for the adaptations the introduction of the euro requires for federal government and private issuers' bonds and a number of technical changes in taxation law. The *1. Euro-Justiz-Begleitgesetz*, a law detailing the changes to trade and company law, the dual currency statements in long-term contracts and the replacement of reference interest rates valid up to the start of Stage Three, was passed by the *Nationalrat* (the lower house of Parliament) on July 9, 1998.

The Dual Display Bill, which contains provisions about the

display of prices and values expressed in schillings and in euros, was adopted by the Austrian Council of Ministers mid-February 1999. The Bill provides for the mandatory dual pricing in schillings and euros from October 1, 2001, up to June 2002 at the latest. Small companies may either be exempted from this stipulation wholly or in part, or they enjoy special terms.

The Austrian states drew up a nationwide "action plan" based on the federal government's plan presented in November 1997 (as stated on page 25 of the Oesterreichische Nationalbank's Annual Report 1997).

Some Austrian state and local governments took additional steps and devised state transition plans. The state and local governments assumed most features of the federal government's "euro option" strategy.

At the OeNB, preparations for the start of monetary union were the top priority in all sectors. The introduction of the euro initially as book money and the modification of the capital market required major adaptations of the departments within the OeNB dealing with treasury, payment systems, accounting issues and information technology. Much of the effort focused on the development of conversion programs for the software systems required in these departments, such as RTGS (Real-Time Gross Settlement System) as Austria's TARGET (Trans-European Automated Real-time Gross settlement Express Transfer system) interface, and a system operated by the OeNB internally mainly to settle securities, foreign exchange and money market transactions (also used for accounting purposes).

Sharply stepped-up economic analysis, statistics and reporting activities, too, required a number of modifications.

Toward the end of 1998, Austria's banking and finance activities focused on the changeover weekend, the time immediately following the announcement of the irrevocable conversion rates on December 31, 1998, and preceding the first business day in 1999 for Austria's banks with the new currency. In this period, payment systems and financial markets converted to the euro. With minor exceptions, all officially quoted securities on the Vienna Stock Exchange were redenominated in euros.

In the runup to the changeover weekend, the ECB established a

working group, the Changeover Weekend Committee. This working group defined milestones for the changeover weekend, analyzed potential sources of technical failure and prepared contingency measures. During the changeover weekend, a communications exchange was set up at the OeNB to monitor changeover activities in the OeNB and in the Austrian financial markets. This exchange also kept in touch with the other ESCB participants 24 hours a day. During this historical weekend, some 150 staff members of the OeNB were on duty at the bank, and 50 more were on call.

The switch to the new currency proceeded smoothly and with only minor mishaps in Austria and throughout the euro area.

The Introduction of the Euro and Public Relations

The Austrian population's gradual acceptance of the euro, which had begun in 1997, continued to grow throughout 1998. In the course of the review year, the respondents in favor of the introduction of the single European currency for the first time reached a stable majority. Surveys indicated, however, that the public wishes to receive continuous information about the single currency. The OeNB is the first among the institutions the public expects to provide such information. The already very high public confidence in the Austrian central bank augmented further in the reporting year.

The OeNB considers Austrians' positive attitude a sign of the success of its euro public relations campaign, which it had launched in

1995 as the first of the EU central banks and which it had based on a plan of action it entitled "A New Currency for Europe." Because the single monetary policy can be successful only if it is accepted by the general public, such communications activity represents one of the core functions of the national central banks in the euro system. Moreover, the public and business needs practical support for the transition, in particular in the context of the introduction of the euro notes and coins.

With a view to the growing demands on central banks' communications facilities in the upcoming years, the OeNB developed a strategic communications blueprint "The OeNB as a National Central Bank in the ESCB –

A Public Institution at Your Service.” The OeNB also began to implement the activities envisaged by this blueprint immediately. It covers three areas:

1. Informing the Public

To meet public requests for information, the OeNB carried out a comprehensive campaign in spring and in fall 1998 to highlight the main issues entailed by the changeover: “Stability Policy and EMU Participants,” “The New Role of the OeNB in the ESCB,” “The Schedule for EMU,” “Conversion Rates” and “The Euro as Book Money.” This campaign will be continued in the next few years and will focus on highly topical issues. The OeNB will also continue to produce large runs of information leaflets provided to the general public at bank counters free of charge.

In 1998, OeNB staff members directly informed about 60,000 people at 50 events organized by the OeNB and at roughly 700 additional lectures held outside the OeNB about topical issues and the “Future of Money.” The participation of the OeNB’s branch offices made it possible to conduct this direct information activity across Austria.

Media presentations were stepped up in advance of the introduction of the euro. In this context, the OeNB’s management fulfilled its charge of explaining the operation of the ESCB to the public at press conferences and by lectures and of clarifying the monetary policy decisions taken in Frankfurt within the ESCB. In the fall of 1998, the OeNB cooperated with the editorial team of the Austrian Broadcasting Service’s TV program “Schilling” to produce the three-

part TV miniseries “The New Money.”

Another focus of the public information campaign is education. At the beginning of 1998, the new OeNB school kit was provided to schools free of charge. The school kit contains diverse teaching material – brochures, a CD-ROM entitled “Money and Currency” and a special version of the TV series “The Money of the Future” for schools. The OeNB plans to add new teaching material in the years to come to keep the school kit up to date.

As the date of the euro introduction approached, more people phoned the OeNB information hotline, and a record 3.5 million internet users accessed the OeNB homepage in the review year.

2. Informing Experts about the Single Monetary Policy

The OeNB provides information about the fulfillment of its functions to interested specialists, above all people in banking and finance. With the start of Stage Three scheduled for the beginning of 1999, many of the OeNB’s activities in 1998 were concentrated on what the implementation of the ESCB’s single monetary policy involved for the OeNB in particular. The publications of the OeNB targeted at experts dealt in depth with such topics as monetary policy instruments in Monetary Union, economic studies and progress with the harmonization of statistics. Moreover, an information leaflet for persons or companies subject to foreign exchange reporting requirements in Monetary Union was produced. At the end of 1998, specific information material on the ARTIS/TARGET payment system

and a leaflet on the new weekly financial statement of the ESCB were prepared.

The OeNB's annual economics conference *Volkswirtschaftliche Tagung* was held in May 1998 on the topic "Economic Policy 2000 – the Role of Economic Policy and the National Central Banks in EMU."¹) Furthermore, the OeNB conducted a workshop on the topic "Challenges for Economic Policy Coordination within EMU" in January 1999.

In the course of the information exchange with Austrian Parliament, members of the *Nationalrat's* Finance and Budget Committees visited the OeNB on September 15, 1998. The Members of Parliament were informed extensively about Austrian monetary policy at the threshold to transition to the single European currency.

Within the framework of Austria's EU Presidency, the OeNB hosted an event for representatives at the informal ECOFIN Council in Vienna on September 26, 1998.

3. Coordination with Other Institutions Involved in the Introduction of the Euro

A working group was founded within the ESCB to coordinate the ECB's and the NCBs' public relations efforts and to ensure the consistency of the measures taken by the individual countries.

Within Austria, information was exchanged with the federal government's euro initiative, with other official agencies and with the social partners in the steering committee of the EMU working groups. The OeNB coordinates euro activities with Austrian banks through the Money and Credit Department at the Austrian Federal Economic Chamber. Finally, the OeNB participates regularly in the coordination meetings of the EU Commission representation in Austria and, as in previous years, lends its support to a wide variety of activities.

¹ For more information, see the conference proceedings, which are available free of charge at the OeNB.

Monetary Policy Strategy

Definition of price stability, assessment of the inflation outlook based on a range of indicators, prominent role for monetary aggregates (reference value for M3). Main refinancing through weekly reverse transactions with a maturity of two weeks, standing facilities. Minimum reserve system.

The mandate given to the European System of Central Banks (ESCB) by the Maastricht Treaty defined the objectives of the ESCB's monetary policy while leaving open the choice of the monetary policy strategy with which to achieve those objectives.

As laid down in Article 105 (1) of the Treaty – and also in the ESCB's Statute – the primary objective of the ESCB is “to maintain price stability.” Subject to that, the ESCB is to contribute to the stabilization of the economy: “Without prejudice to the objective of price stability, it shall support the general economic policies in the Community with a view to contributing to the achievement of the objectives of the Community as laid down in Article 2 of this Treaty” (ESCB Statute).

At its meeting on October 13, 1998, the Governing Council of the ECB agreed on the key elements of the monetary policy strategy of the ESCB. These elements concern:

- The quantitative definition of price stability – defined as a year-on-year increase of the Harmonized Index of Consumer Prices (HICP) for the euro area of below 2%. Price stability according to this definition is to be maintained over the medium term.
- A prominent role for money – signaled by the announcement of a quantitative reference value for the growth of a broad monetary aggregate. This concept is to serve the achievement of price stability but does not extend to a commitment to correct deviations of monetary

growth from the reference value “mechanically.”

- A broadly based assessment of the outlook for future price developments – encompassing a wide range of economic and financial indicators, so as to provide a solid foundation for the ESCB's strategy.

The first reference value for monetary growth (M3) was set at +4¹/₂% (see box “Derivation of the Reference Value for Monetary Growth”). Monetary developments

Derivation of the Reference Value for Monetary Growth

The derivation of the reference value for the growth of broad money is based on the contributions to monetary growth of the three macroeconomic factors output growth, price developments and money in circulation. This relationship is expressed in the form of the quantity equation below (in percentage changes, Δ):

$$\Delta m = \Delta p + \Delta y - \Delta v.$$

According to this equation, the reference value for the growth of broad money (Δm) is derived from assumptions or forecasts made for prices Δp , real GDP growth Δy and changes in the velocity of circulation of M3 Δv . The calculation of the rate of monetary growth which is consistent with, and serves to maintain, price stability is based on medium-term assumptions for the trend of real GDP growth (2 to 2¹/₂% p.a.) and of prices, embodying the definition of price stability (year-on-year increases in the HICP of less than 2%), as well as the trend decline in the velocity of circulation of M3 (in the approximate range of 0.5 to 1% a year).

The monetary aggregate M3 is defined as the sum of

- currency in circulation,
- plus certain liabilities of Monetary Financial Institutions (MFIs) resident in the euro area and the liabilities of some entities belonging to the central government sector (such as Post Offices and Treasuries).

These liabilities included in M3 are:

- overnight deposits,
- deposits with an agreed maturity of up to two years,
- deposits redeemable at notice up to three months,
- repurchase agreements,
- debt securities with a maturity of up to two years,
- units/shares of money market funds and money market paper.

against this reference value will be monitored on the basis of three-month moving averages of the monthly growth rates for M3 over the corresponding year-earlier period. In December 1999 the Governing Council will review the initial reference value for monetary growth.

The concept of the reference value does not entail a commitment on the part of the Eurosystem to correct deviations of monetary growth from the reference value over the short term. Interest rates will not be changed “mechanically” in response to such deviations in an attempt to return monetary growth to the reference value. Therefore the euro area monetary aggregate for which the reference rate is announced need not be controllable in the short run, using a short-term nominal interest rate influenced closely by the Eurosystem. This is one of the major differences between the conditions for setting a reference value and for announcing an intermediate monetary target.¹⁾

The second pillar of the monetary policy strategy, next to the reference value for monetary growth, is a broadly based assessment of the outlook for price developments. To this effect, a wide range of economic indicators are assessed, including many variables that have leading indicator properties. These variables include wages, the exchange rate, bond prices and the yield curve, various measures of real activity, fiscal policy indicators, price and cost indices, and business and consumer surveys.

Given the changes to the monetary policy regime in the wake of the transition to Stage Three of EMU and taking into account the uncertainties that are attached to economic data and forecasts, the ESCB has thus chosen a pragmatic strategy well suited to the special framework conditions. Based on this strategy, the Governing Council of the ECB informs the public about its assessment of the monetary, economic and financial situation in the euro area and the reasoning behind its specific policy decisions.

¹ For more detail see the ECB's Monthly Bulletin January 1999, pages 47 ff.

Monetary Policy Instruments

The monetary policy decisions taken by the Governing Council of the ECB are largely executed in a decentralized manner by the NCBs of the Eurosystem. Since the NCBs have a more in-depth knowledge of, and are closer to, their respective markets, they are the counterparties of choice for the banks operating in those markets.

In the past, the refinancing regime of the OeNB was based in principle on discount and lombard business as well as open market operations in the form of securities repurchase transactions. With the ESCB's set of monetary policy instruments in place, the discounting of bills of exchange no longer qualifies as a refinancing instrument, but trade bills continue to be eligible as collateral for refinancing

credit. The ESCB conducts open market transactions and offers standing facilities.

Open Market Transactions

The ESCB's most important liquidity instrument is the main refinancing operation, an open market operation which is conducted as a weekly tender (fixed rate or variable rate) with a two-week maturity. These transactions correspond to the tender operations conducted previously by the OeNB. The main refinancing operations carried out by the ESCB in 1999 prior to the cut-off date for this report were all executed in the form of a fixed rate tender, with the rate set at 3%.

The ESCB also carries out longer-term refinancing operations,

ESCB Monetary Policy Operations

| Monetary policy operations | Types of transactions | | Maturity | Frequency | Procedure |
|------------------------------------|--------------------------|---|-------------------------------------|------------------------------|--|
| | Provision of liquidity | Absorption of liquidity | | | |
| Open market operations | | | | | |
| Main refinancing operations | – Reverse transactions | | – Two weeks | – Weekly | – Standard tenders |
| Longer-term refinancing operations | – Reverse transactions | | – Three months | – Monthly | – Standard tenders |
| Fine-tuning operations | – Reverse transactions | – Reverse transactions | – Non-standardized | – Non-regular | – Quick tenders |
| | – Foreign exchange swaps | – Foreign exchange swaps – Collection of fixed-term deposits | | | – Bilateral procedures |
| | – Outright purchases | – Outright sales | | | – Bilateral procedures |
| Structural operations | – Reverse transactions | – Issuance of debt certificates | – Standardized/ non-standardized | – Regular and non-regular | – Standard tenders |
| | – Outright purchases | – Outright sales | | – Non-regular | – Bilateral procedures |
| Standing facilities | | | | | |
| The marginal lending facility | – Reverse transactions | | – Overnight | | – Access at the discretion of counterparties |
| The deposit facility | | – Deposits | – Overnight | | – Access at the discretion of counterparties |

Source: ECB.

which are executed regularly every month and which have a three-month maturity. On account of their longer maturity they contribute to smoothing the conditions in the money market, as discount credits did under the OeNB's regime.

Standing Facilities

The interest rate for the marginal lending facility¹⁾ was set at a level of 4.5% and the interest rate for the deposit facility²⁾ at 2% for the start of Stage Three. With effect from April 9, 1999, the rates were cut to 3.5 and 1.5%, respectively. As a temporary measure, between January 4 and January 21, 1999, the interest rate for the marginal lending facility was set at a level of 3.25% and the interest rate for the deposit facility at 2.75%. This measure aimed at smoothing the adaptation of market participants to the integrated euro money market during the initial days of Monetary Union.

Minimum Reserves

The ESCB requires credit institutions in the euro area to hold minimum reserves on their accounts with the NCB of the Member State in which they are established. Since Austria has long-standing experience with a minimum reserve system, the OeNB was in a position to build upon existing technical facilities, contrary to a number of other European NCBs which had not applied this instrument before.

The basic elements of the minimum reserve system were laid down by the Governing Council of the ECB; these refer to:

- the reserve base³⁾,
- the reserve ratio⁴⁾,

- a lump-sum allowance⁵⁾, and
- the remuneration of reserve holdings⁶⁾.

Prior to January 1, 1999, minimum reserve assets were not remunerated in Austria, and different minimum reserve ratios applied to the various categories of deposits.

All institutions eligible for central bank refinancing are under obligation to hold minimum reserves. The counterparties must be subject to at least one form of supervision harmonized at the EU or euro area level, through a national authority, and must fulfill the technical eligibility criteria for central bank refinancing.

Eligible Assets

ESCB credit operations have to be based on adequate collateral for which certain eligibility criteria apply. Principally, a distinction is made between tier one assets and tier two assets. Tier one consists of collateral fulfilling uniform euro area-wide eligibility criteria specified by the ECB. Tier two consists of additional assets which the NCBs consider of particular importance for their national markets and banking systems and which they may define as eligible (see also the chapter below "The OeNB Within the ESCB – Institutional and Functional Changes").

- 1 *Standing facility offered by the ESCB which banks may use to obtain overnight credit at a prespecified interest rate.*
- 2 *Standing facility offered by the ESCB which banks may use to make overnight deposits at a prespecified interest rate.*
- 3 *Deposits, own issues of debt securities and money market paper with a maturity of up to 2 years. Interbank liabilities vis-à-vis other institutions subject to the ESCB's minimum reserve system and liabilities vis-à-vis the Eurosystem are exempt from reserve requirements.*
- 4 *A flat reserve ratio of 2% applies to the liability base. Certain liability categories, namely repos, deposits with an agreed maturity of more than 2 years and debt securities issued with an agreed maturity of more than 2 years, are subject to a reserve ratio of 0%.*
- 5 *Each institution may deduct EUR 100.000 from its reserve requirement, which means that small institutions are in fact exempt from minimum reserve requirements.*
- 6 *Minimum reserve holdings are remunerated at the average of the interest rates that the Eurosystem applied to the main refinancing operations which it conducted during the maintenance period.*

The OeNB within the ESCB – Institutional and Functional Changes

Distribution of Tasks Between the ECB and the National Central Banks

Distribution of tasks within the ESCB.
New legal framework.
Institutional effects.
Impact on various business areas of the OeNB.

On Austria's entry into Stage Three of EMU, the OeNB became an integral part of the European System of Central Banks (ESCB), which consists of the European Central Bank (ECB) and the national central banks (NCBs) and is governed by the decision-making bodies of the ECB. The ECB has a paid-up capital of approximately EUR 4 billion, with the subscribed capital coming to EUR 5 billion. The NCBs are the sole subscribers to and holders of the capital of the ECB. Their capital shares are calculated according to a key that is based equally on the respective Member State's shares in the population and in the GDP of the Community. The OeNB has a share of 2.3594% in the capital, which is equivalent to EUR 118 million.

monetary decision-making process at the EU level and in the decentralized implementation of the relevant measures in the participating Member States. The institutional changes took place against the backdrop of the continuity of EU central banks' key policy objective, namely price stability. Accordingly, the ESCB's primary objective is to maintain price stability. Thus the basic tasks to be carried out by the ESCB pursuant to Article 105 (2) of the Treaty are:

- to define and implement the monetary policy of the Community;
- to conduct foreign exchange operations;
- to hold and manage the official foreign reserves of the Member States;
- to promote the smooth operation of payment systems.

These tasks are fulfilled in close cooperation between the decision-making bodies of the ECB – the Governing Council and the Executive Board – and the national central banks. The responsibilities of the decision-making bodies are laid down in Article 12 of the ESCB/ECB Statute, which states that the ECB Governing Council formulates the Community's monetary policy and establishes the guidelines for its implementation. The Governing Council also has the exclusive right to authorize the issue of banknotes and determine the volume of coins to be minted. Furthermore, the Governing Council has to be consulted on any proposed Community act in its field of competence and, assisted by the

NCB Percentage Shares in ECB Capital

| | % |
|--------------------------------------|---------------|
| Banque Nationale de Belgique | 2.8658 |
| Deutsche Bundesbank | 24.4935 |
| Banco de España | 8.8935 |
| Banque de France | 16.8337 |
| Central Bank of Ireland | 0.8496 |
| Banca d'Italia | 14.8950 |
| Banque Centrale du Luxembourg | 0.1492 |
| De Nederlandsche Bank | 4.2780 |
| Oesterreichische Nationalbank | 2.3594 |
| Banco de Portugal | 1.9232 |
| Suomen Pankki | 1.3970 |
| Bank of Greece | 2.0564 |
| Danmarks Nationalbank | 1.6709 |
| Sveriges Riksbank | 2.6537 |
| Bank of England | 14.6811 |

Source: ECB.

By abandoning their formal sovereignty over monetary policy and establishing the ECB, the Member States redefined the role their NCBs will play with a view to participating both in the joint

NCBs, collects the necessary statistical information.

The ECB Governing Council comprises the members of the Executive Board and the Governors of the central banks of the euro area. In addition, the General Council has been constituted as the ECB's third decision-making body. Its principal task consists in contributing, in an advisory function, to the preparations of the pre-ins for their future participation in the single currency. The General Council consists of the President and Vice-President of the ECB and the Governors of the national central banks of the EU Member States.

The Executive Board of the ECB is responsible for the current business of the ECB and for conducting monetary policy in accordance with the Governing Council's guidelines and decisions. This implies giving the necessary instructions to national central banks. In addition, the Executive Board may have certain powers delegated to it by the Governing Council. The Executive Board comprises the President, the Vice-President and two to four other members (currently four).

The NCBs' Governors have an important part to play in the joint operations of the ECB and the national central banks. As members of the Governing Council they determine the euro area's monetary policy in cooperation with the members of the Executive Board; each NCB Governor has one vote in the Governing Council. In this body, the Governors do not act as representatives of their national central banks, they receive no instructions and are fully independent.

The Governors' participation in the Governing Council of the ECB gives the national central banks an important role in the monetary policy decisions taken by the Governing Council. Especially central banks' analysis and statistics divisions have to gear up for this new challenge, as Governors now take decisions for a currency area that exceeds established national dimensions.

Besides contributing to joint decision-making processes, the OeNB – like all other NCBs – is responsible for the implementation of the decisions taken by the Governing Council. In implementing monetary policy, the Executive Board has recourse to the ECB and, "... to the extent deemed possible and appropriate ..." (Article 12.1, last sentence of the ESCB/ECB Statute), to national central banks. The following tasks are carried out by the national central banks within the framework of the ESCB, in compliance with the guidelines and decisions laid down by the ECB:

- conducting business with credit institutions; the set of instruments available in the ESCB implies that the main focus is on open market operations;
- intervention on foreign exchange markets;
- managing foreign reserve assets, including a share of the ECB's foreign reserve assets;
- issuing banknotes;
- ensuring the adequate supply of banknotes and coins to the public;
- managing the minimum reserve accounts of credit institutions subject to minimum reserve requirements;
- supervising payment systems (including new electronic card

- and Internet systems) and operating large-value payment systems (RTGS/ARTIS);
- collecting and recording statistical data;
- taking part in international monetary cooperation and participating in international financial institutions.

In addition to contributing to centralized decision-making processes and decentralized implementation, NCBs are free to perform

other tasks “unless the Governing Council finds, by a majority of two thirds of the votes cast, that these interfere with the objectives and tasks of the ESCB. Such functions shall be performed on the responsibility and liability of national central banks and shall not be regarded as being part of the functions of the ESCB.” Such other tasks might include, e.g., the management of equity holdings.

Amendment of the Nationalbank Act

Pursuant to Article 108 of the Treaty, each Member State was obliged to attain legal convergence, i.e. to ensure that its national legislation including the statutes of its national central bank is compatible with this Treaty and the Statute of the ESCB (ESCB/ECB Statute), at the latest at the date of the establishment of the ESCB (June 1, 1998).

A number of provisions of the Nationalbank Act 1984 (Nationalbankgesetz – NBG), BGBl. (Federal Law Gazette) no. 50/1984 as amended by BGBl. no. 532/1993, did not meet the requirements of the Treaty and the ESCB/ECB Statute with regard to the OeNB's integration into the ESCB. Hence, legislation had to be passed to ensure the unrestricted applicability of the rules set out in Article 107 of the Treaty. This concerned, inter alia, the amendment of the provisions on state supervision (more specifically, the State Commissioners) and the independence of the OeNB's Governor and Vice Governor in performing the monetary policy tasks of the ESCB. The transfer of monetary powers to the ECB Governing Council also made it necessary to adapt the responsibilities of the OeNB decision-making bodies and the OeNB's tasks. Moreover, several other laws associated with central bank and currency legislation had to be amended with a view to reaching legal convergence for Stage Three of EMU (Fractional Coin Act – Scheidemünzengesetz, Schilling Act – Schillinggesetz, Foreign Exchange Act – Devisengesetz, Capital Market Act – Kapitalmarktgesetz).

In compliance with the obligation to attain legal convergence, the Nationalrat (the lower House of Parliament) passed a collective amendment on March 25, 1998, comprising the Nationalbank Act, the Foreign Exchange Act, the Fractional Coin Act, the Schilling Act and the Capital Market Act. The Bundesrat (the upper House) gave its formal approval on April 17, 1998. The Act was promulgated in the Federal Law Gazette, Part I, no. 60, on April 24, 1998.

It should be pointed out that, in line with EU law requirements, the Amendment to the Nationalbank Act contains different dates for the entry into force of various provisions and that, furthermore, the Amendment takes account of national legislative needs. The provisions setting out the independence of the OeNB took effect the day the Council meeting in the composition of the Heads of State or Government in accordance with Article 109j (4) of the Treaty confirmed which Member States fulfilled the necessary conditions for the adoption of a single currency (May 3, 1998). While the day Austria joined Stage Three of EMU was laid down as the date on which the provisions on the OeNB's tasks and powers within the ESCB were to take effect, several amendments made independently of EU legislative needs entered into force retroactively, on January 1, 1998.

For a detailed analysis of the Amendment to the Nationalbank Act compare the Annual Report 1997, pages 56 to 59. The key provisions of the Amendment are summarized in the following box, classified by date of entry into force.

Major Changes in the 1998 Amendment to the Nationalbank Act**With effect from January 1, 1998:**

- Increase of the Federal Republic's share of profit to 90% (first period covered: fiscal year 1997).
- Adaptation of the accounting rules of the Nationalbank Act to the provisions of the Austrian Commercial Code (Handelsgesetzbuch – HGB), except for provisions on group accounts.
- Obligation to set up and release the Reserve Fund for Exchange Risks on the basis of the risk assessment of nondomestic assets. The exchange gains not required for allocation to the Reserve Fund are entered into the Profit and Loss Account.

With effect from May 3, 1998:

- Number of members of the Governing Board fixed at four (Governor, Vice Governor, two additional members); elimination of the "Deputy" positions.
- Adaptation to Article 14.2 of the ESCB/ECB Statute of the provisions governing the removal or dismissal of members of the General Council and of the Governing Board.
- Minimum five-year period of office for members of the Governing Board.
- All members of the Governing Board are appointed by the Federal President on recommendation from the Federal Government, based on a nonbinding proposal of three nominees made by the General Council. The General Council is also responsible for inviting applications for these positions (transitional provision included).
- Substitution of the terms "Gouverneur" (Governor) and "Vize Gouverneur" (Vice Governor) for the terms "Generaldirektor" (Chief Executive Director) and "Generaldirektor-Stellvertreter" (Deputy Chief Executive Director) (transitional provision included).
- The Governor has the statutory right to represent the Bank on the Governing Council and the General Council of the ECB (transitional provision included). In performing their functions, neither the Governor nor the Vice Governor may seek or take instructions.
- Obligation of the General Council, in the performance of its monetary functions until December 31, 1998, to take account of the ECB's preparations made with a view to becoming fully operational. The Governing Board is empowered to carry out preparatory measures on behalf of the ECB.
- Establishment of the exclusive right of the OeNB and ECB to produce banknotes in Austria themselves or to entrust third parties with the production; moreover authorization of the OeNB to produce securities, other stores of value and printed forms that need to satisfy specific security standards.

With effect from January 1, 1999:

- Redefinition of the OeNB's objectives.
- Full adaptation of the monetary policy instruments to the requirements of the ESCB/ECB Statute.
- Increase of the OeNB's equity capital to EUR 12 million, involving a corresponding supplementary contribution by shareholders.
- Redefinition of the General Council's duties in view of the transfer of monetary policy powers to the Governing Council of the ECB, without modification of the structure (representatives of all institutions relevant to economic policy-making) and the number of members (however, abolition of the function of Second Vice President). Redefinition of tasks subject to a decision by the General Council; at the same time new rights of approval for the General Council in specified business areas.
- Right of the General Council's President and Vice President to participate in an advisory capacity in meetings of the Governing Board.
- Obligation of the General Council to advise the Governing Board on current business and monetary policy matters (joint meetings of the General Council and the Governing Board at least once every three months).
- Obligation of the Governor and the Vice Governor to present, at least twice a year, ex-post reports on monetary developments to the Parliamentary Finance Committee (subject to the professional secrecy provisions of Article 38 of the ESCB/ECB Statute).
- Obligation to take the ECB's accounting requirements laid down for the ESCB into consideration.
- Reduction in the number of auditors from four to two.
- Redefinition of the confidentiality obligation applying to shareholders, decision-making bodies and staff of the OeNB as well as to the State Commissioner vis-à-vis third parties.

Transitional provisions:

- Authorization for the OeNB to continue issuing schilling banknotes in the transitional period.
- Abrogation of recall provisions and hence unlimited possibility of exchange for all schilling banknotes recalled by the OeNB as of January 1, 1999.

Functional Changes and Their Impact on Various Business Areas

Monetary Policy Changes – Strategies and Instruments

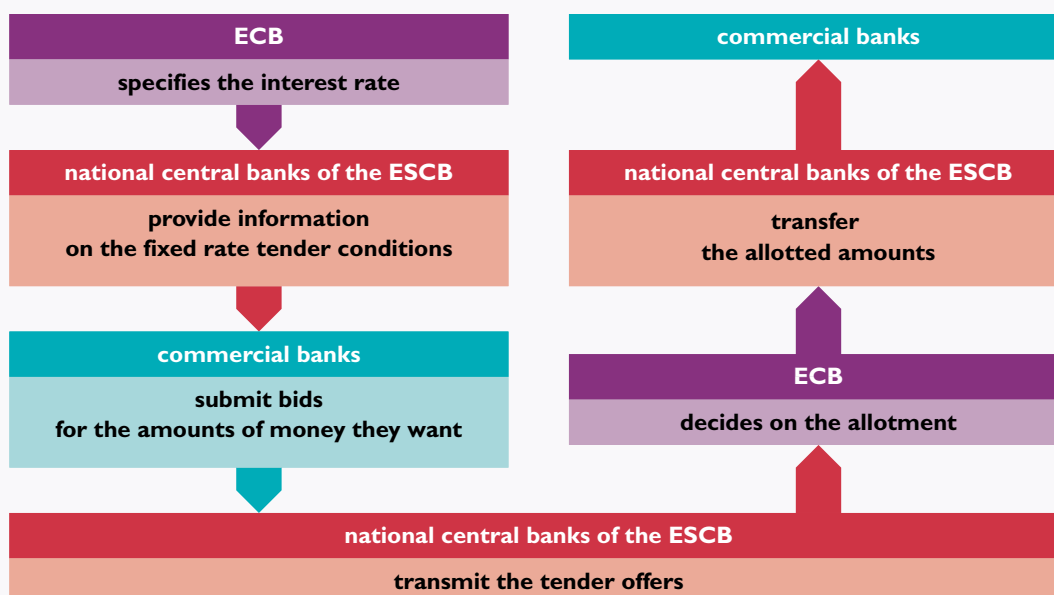
To the OeNB, participation in EMU is tantamount to a continuation of its stability-oriented strategy, even though the framework has changed fundamentally. Monetary policy decisions for the euro area will be taken by the ECB Governing Council, in which each Governor of a Eurosystem central bank has a seat and a vote. Since these decisions are carried out and implemented, where possible and appropriate, by the national central banks, the OeNB was compelled to adapt its monetary policy instruments.

Of the standing facilities used in Austria in the past, the GOMEX and the discounting of bills of exchange were discontinued as of December 31, 1998. However, the OeNB continues to accept bills of exchange, in addition to bank loans

and debt instruments issued by Austrian enterprises, as tier two assets in the refinancing system. These assets must come to at least EUR 50,000 or the equivalent thereof, have a maturity of at least one month and at most two years, be denominated in euro or the national currency unit of a participating country, be payable in Austria (or be subject to jurisdiction in Austria), and they must meet high credit standards of the ECB. Like tier one assets, they serve as underlying assets for monetary policy operations and are supposed to ensure an appropriate mix between government securities and private sector issues.

On December 31, 1998, refinancing by means of export bills of exchange was transferred to the Oesterreichische Kontrollbank (OeKB) and the Exportfonds. As of

The Fixed Rate Tender System in the ESCB



Source: OeNB.

Replacement of Discount and Lombard Rates

The First Euro-Related Amendment to Civil Legislation (BGBl. Part I no.125/1998) promulgated in August 1998 provides for the substitution of the base rate for the OeNB's discount rate and of the reference rate for the OeNB's lombard rate in cases where these OeNB key rates are used as reference values in federal laws, regulations (at the federal level) or contracts.

The Amendment provides that initially, i.e. as of January 1, 1999, the level of the base rate corresponds to the last applicable discount rate of 1998, while the level of the reference rate corresponds to the last applicable lombard rate of 1998. Subsequently, the levels of the two rates are modified in relation to the changes in the rates of specified monetary policy instruments of the ECB as of the beginning of 1999, with fluctuations of less than 0.5 percentage points being disregarded.

In accordance with the First Euro-Related Amendment to Civil Legislation, the relevant monetary policy instruments of the ECB must be identified by means of a regulation of the Federal Government. The instruments selected must feature interest rates which – in terms of function or potential development – are as similar as possible to the discount and lombard rates.

The Regulation of the Federal Government (BGBl. Part II no. 27/1999), promulgated on January 21, 1999, provides that

- the level of the ESCB's interest rate for the deposit facility will serve as the basis for changes in the base rate, and that
- the level of the ESCB's interest rate for the marginal lending facility will serve as the basis for changes in the reference rate.

Moreover, the Regulation stipulates that transitional measures of the ECB such as those taken for technical reasons at the start of Stage Three, which for a certain period caused the rates of the relevant ECB instruments to be at a level different from that initially set, are to be disregarded (the corridor between the interest rates on the two standing facilities was narrowed between January 4 and 21, 1999).

On December 22, 1998, the Governing Council of the ECB decides to set the interest rate for the deposit facility at 2% and the interest rate for the marginal lending facility at 4.5%. As long as these rates remain unchanged or are subject to changes of less than 0.5 percentage points, the levels of the base and reference rates do not change, either. If, however, the ECB's interest rates are raised or lowered by 0.5 percentage points, the base and reference rates will also rise or fall by 0.5 percentage points.

Between January 1 and April 8, 1999, the base rate stood at 2.5%, while the reference rate came to 4.75%, in line with the levels of the discount and lombard rates as of year-end 1998. On April 8, the Governing Council of the ECB decided to reduce the interest rate on the deposit facility to 1.5% and the interest rate on the marginal lending facility to 3.5%. Accordingly, the base rate was lowered to 2.0% and the reference rate to 3.75% with effect from April 9, 1999.

July 1, 1998, ERP loans were granted without bills of exchange being involved. Repurchase transactions with the OeKB and the Exportfonds were discontinued as of October 1998 and December 1998, respectively. Moreover, all individual refinancing limits applicable to discount and GOMEX operations were phased out as of end-1998.

As regards the ESCB's most important monetary policy instrument, i.e. open market trans-

actions, the OeNB's main tasks will consist in collecting the tender offers and transmitting them to the ECB, informing the credit institutions of the results and settling the transactions. The OeNB also acts as credit institutions' counterparty for the two standing facilities.

Management of Foreign Reserve Assets

The official foreign reserve assets are managed within the framework of the ESCB. Pursuant to Article 30 of the ESCB/ECB Statute, the ECB is provided by the national central banks with foreign reserve assets up to an amount equivalent to EUR 50 billion. Currently, the ECB is equipped with foreign reserve assets totaling EUR 39.471 billion or ATS 543.1 billion. Only third country currencies (in particular USD or JPY) or gold are eligible to serve as reserve assets. The contribution of each NCB is fixed in proportion to its share in the subscribed capital of the ECB. The OeNB holds 2.3594% of the ECB's capital, consequently its share in the ECB's foreign reserve assets comes to about ATS 16 billion or EUR 1.1797 billion. Thus, the lion's share of Austrian official foreign reserves remains with the OeNB, which manages them in accordance with the ECB rules. The national central banks also manage the foreign reserve assets transferred to the ECB in a fiduciary capacity on behalf of the ECB. The OeNB is credited by the ECB with a remunerated euro claim equivalent to its contribution. Furthermore, each NCB receives its due share of the income generated by the ECB's foreign reserve assets.

Cash Supply

Providing Austria's economy and population with banknotes and coins remains one of the central tasks of the OeNB. Subject to the authorization of the ECB, the OeNB is empowered to issue euro banknotes.

In the transition period, euro banknotes and coins will be pro-

duced in parallel with schillings. The initial supply of euros for Austria will come to approximately 350 million banknotes (weight of paper used: around 400 t) and 1.5 billion euro and cent coins (metal weight: 7,500 t). In 1998, the former Securities Printing Works of the OeNB became a legally independent subsidiary, the Oesterreichische Banknoten- und Sicherheitsdruck GmbH (OeBS).

Schilling banknotes will be put into circulation until the end of 2001. After that date, the OeNB will exchange any type of schilling banknote currently considered legal tender for euro at the fixed rate of conversion, for an indefinite period and free of charge.

TARGET, RTGS and ARTIS

Settling money market operations in the euro area requires a reliable payments system capable of providing rapid settlement throughout the euro area. The TARGET system comprises a network interlinking the central banks and an attached RTGS in each country. The Austrian component, ARTIS, is a state-of-the-art settlement tool, which was integrated into TARGET as of January 1, 1999 (see also chapter "Payment Systems Policy, Payment Systems, Means of Payment").

Banking Supervision in the ESCB

Banking supervision remains within the purview of national authorities in Stage Three of EMU. Consequently, the OeNB's responsibilities in this field are unaffected by the establishment of the ESCB. Article 105 (5) of the Treaty states, however, that the ESCB contributes to the smooth conduct of policies pursued by the compe-

tent authorities relating to the prudential supervision of credit institutions and the stability of the financial system. The main objective is to promote efficient cooperation between the ESCB and the national supervisory authorities. By intensifying the mutual exchange of information, the ESCB will also help forge closer links with EU supervisory authorities.

The OeNB is thus faced with the need to carry out analyses of the market infrastructure, the banking sector, financial products, trends and competitive conditions in order to be able to better assess systemic risk.

Analysis and Statistics

Participation in EMU calls for NCBs to step up economic analysis, which is to provide their Governor with information in the performance of his duties on the ECB Governing Council. Against this background, the OeNB's analysis divisions have intensified their cooperation with universities and various other research institutions. Activities in the review year focused on a wide range of monetary and fiscal policy issues, studies dealing with the stability of money demand in the EMU, the implications of different types of e-money, monetary transmission mechanisms, disinflation as well as econometric and model theory issues. Moreover, a number of working papers containing research results were published.

The ESCB needs a broad range of economic forecasts on which to base its monetary decision-making and the effective implementation of its monetary strategy. Already two years ago, the EMI had started to set up a forecasting system that covered all Member States. These preparations were brought to a tentative

close in the summer of 1998, when the Member States presented functioning econometric forecasting models, which, however, were still in need of fine-tuning. Fall 1998 marked the launch of the ESCB's own fully-fledged forecasting system, in which the OeNB also participates.

The ESCB's forecasting activities fall into two categories, namely broad economic forecasting (i.e. general forecasts on the basis of quarterly data with a time horizon of two to three years) and narrow inflation forecasting (more specifically, predictions on the HICP and its components on the basis of monthly data with a time horizon of 12 months). Broad economic forecasting is a biannual exercise, while narrow inflation forecasting is carried out four times a year and involves additional monthly reviews.

In view of the ever closer international trade links and the highly integrated financial markets worldwide, the statistical requirements in terms of accuracy, detail and timeliness have been tightened so as to ensure standardized statistical information within the EMU and EU. Moreover, increased harmonization efforts were made at the Community and the international level alike. Some of the OeNB's statistical activities are highlighted below.

As of the reporting date of June 30, 1998, the OeNB – like all other Eurosystem central banks – has furnished the ECB with monetary data (MONSTAT) on a monthly basis, as foreseen in the ECB's "Implementation package." These data serve as the backbone for the ECB's "Consolidated balance sheet of the MFIs in the euro area" and for

the calculation of monetary aggregates in the euro area.

In the course of 1998, the OeNB developed a blueprint for the Austrian financial accounts in accordance with ESA95 and made calculations for the period 1995 to 1997. The financial accounts show the stocks of financial assets and liabilities of the individual sectors of the Austrian economy and are instrumental for the analysis of the transmission mechanism of interest policy measures at the euro area level, which varies from one Member State to the other.

Starting in 1998, the Austrian balance-of-payments statistics also underwent a revision, the focus being on the compilation and publication of new quarterly statistics. Under the new system, external transactions are recorded on a full accruals basis, i.e. distortions as a result of anticipations or deferrals are avoided and subsequent reports are recognized when they occur. Back-calculation of old data under the new concept ensures that the results of the analysis are not impaired by statistical effects such as breaks.

Moreover, the Eurosystem needs current monthly balance-of-payments statistics calculated on the basis of individual Member States'

data. To this end, Austria draws up an additional monthly balance of payments, which constitutes a so-called cash balance based largely on payment flows and featuring lower detailing. This means that the sum total of the three months does not add up to the total of the quarterly balance of payments (see also chapter "Monetary Policy in Austria in Transition to EMU" for information about the need for balance-of-payments statistics even in EMU).

Information Tools

With the start of Stage Three of the EMU, the weekly returns of the national central banks were replaced by the weekly financial statements of the Eurosystem. The consolidated weekly financial statement of the Eurosystem is published every week in the Internet (access via OeNB or ECB homepage) and each Thursday in the Austrian daily and Official Gazette "Wiener Zeitung."

The OeNB responded to the introduction of the euro by adapting its publications accordingly: The "Statistische Monatshefte" of the OeNB offer a host of statistical data, which are now complemented by indicators for the euro area.

Monetary Policy in Austria in Transition to EMU

General Setting for Austrian Monetary Policy

Euro area economy firms in the first half and weakens somewhat in the second half of 1998. Domestic demand is the main pillar of growth. Unemployment rate drops. Exchange rates of EMU participant currencies remain stable during the Russian crisis and appreciate against the U.S. dollar and the yen. Budgets improve nearly across the board. Prices are highly stable, money and capital market rates converge. Euro introduction proceeds smoothly.

Euro Area

Two trends characterized economic developments in the review year: The upswing in the euro area gained strength, fueled chiefly by robust domestic demand; and world economic growth flagged, dropping from 4.2% in 1997 to 2.5% in 1998 as a result of the recession in Japan (-2.8% growth) and the crises in Asia, Russia and Latin America. Eventually, uncertainty about the economic future of these regions and the fear of contagion also affected the economic climate in the euro area, but this was reflected by deteriorating confidence indicators and downward revisions of growth forecasts rather than actual macroeconomic indicators of stability, growth and employment.

While the recovery lost some steam in the second half of 1998, the annual rate of 3.0% exceeded the 1997 result of 2.5%. As of the second quarter, animated domestic demand, above all private demand, was the mainstay of growth, whereas foreign trade acted as a damper on the economy. Within the euro area, Ireland, Finland, the Netherlands, Portugal and Spain recorded above-average growth; business activity was weakest in Italy.

On the labor market, total employment expanded by 1.2% in 1998 and the unemployment rate eased further to 10.9% (from 11.9% in 1997). In September, the jobless rate in the EU 15 fell below the double-digit mark, to 9.9%, for the first time in six years and stayed there for the remainder of the year. The general employment rise may be pinpointed above all to the increase in part-time jobs.

Consumer price inflation, as measured by the HICP, declined further to an average of 0.9% in 1998 from the already low level of 1.6% in 1997. The annual low was recorded at 0.8% in December. Euro area rates of price increase fluctuated within a range of 1.6 percentage points in the review year, with Germany and France posting the lowest rates (0.6 and 0.7% respectively) and Ireland and Portugal experiencing the highest inflation (2.1 and 2.2% respectively). The generally favorable inflation trend is the outcome of stability-oriented economic policies, a moderate rise in unit labor costs as well as favorable external factors, such as diminishing energy prices and the strengthened external value of the euro area currencies. The year-on-year rates of inflation recorded monthly during the review period are in line with the ECB Governing Council's definition of price stability of less than 2% inflation.

At the beginning of December 1998, the 12-month growth rate of the broad monetary aggregate M3 was close to the reference value of 4¹/₂% set by the Governing Council of the ECB. The three-month moving average of 12-month growth rates of M3 covering the period from September to November amounted to 4.6%.

During the year under review, the NCBs geared their monetary policy efforts toward a convergence of key interest rates. Spreads narrowed throughout the year as the central banks of the countries with relatively high short-term interest rates rolled back interest rates step

| | Real GDP | | | Unemployment Rates | | | Inflation Rates (CPI) ¹⁾ | | |
|----------------|--------------------|-------|-------|---------------------|------|------|-------------------------------------|------|------|
| | Annual change % | | | Annual average % | | | Annual change % | | |
| | 1996 | 1997 | 1998 | 1996 | 1997 | 1998 | 1996 | 1997 | 1998 |
| Belgium | +1.3 | + 3.0 | + 2.9 | 9.7 | 9.2 | 8.8 | +1.8 | +1.6 | +0.9 |
| Germany | +1.3 | + 2.2 | + 2.8 | 8.9 | 10.0 | 9.4 | +1.2 | +1.5 | +0.6 |
| Spain | +2.4 | + 3.5 | + 3.8 | 22.2 | 20.8 | 18.8 | +3.6 | +1.9 | +1.8 |
| France | +1.6 | + 2.3 | + 3.2 | 12.4 | 12.4 | 11.9 | +2.1 | +1.3 | +0.7 |
| Ireland | +8.3 | +10.7 | +11.9 | 11.6 | 10.1 | 7.8 | +2.2 | +1.2 | +2.1 |
| Italy | +0.7 | + 1.5 | + 1.4 | 12.0 | 12.1 | 12.2 | +4.0 | +1.9 | +2.0 |
| Luxembourg | +3.5 | + 4.8 | + 5.7 | 3.0 | 2.6 | 2.8 | +1.2 | +1.4 | +1.0 |
| Netherlands | +3.1 | + 3.6 | + 3.7 | 6.3 | 5.2 | 4.0 | +1.4 | +1.9 | +1.8 |
| Austria | +2.0 | + 2.5 | + 3.3 | 4.3 | 4.4 | 4.4 | +1.8 | +1.2 | +0.8 |
| Portugal | +3.2 | + 3.5 | + 4.0 | 7.3 | 6.8 | 4.9 | +2.9 | +1.9 | +2.2 |
| Finland | +3.6 | + 6.0 | + 5.3 | 15.3 | 13.1 | 11.4 | +1.1 | +1.2 | +1.4 |
| EU 11 | +1.6 | + 2.5 | + 3.0 | 11.8 | 11.9 | 10.9 | +2.2 | +1.6 | +1.1 |
| Denmark | +3.3 | + 3.1 | + 2.8 | 6.8 | 5.5 | 5.1 | +2.1 | +1.9 | +1.3 |
| Greece | +2.7 | + 3.5 | + 3.7 | 7.5 | 7.9 | 9.9 | +7.9 | +5.4 | +4.5 |
| Sweden | +1.3 | + 1.8 | + 2.9 | 9.6 | 9.9 | 8.2 | +0.8 | +1.8 | +1.0 |
| United Kingdom | +2.6 | + 3.5 | + 2.3 | 8.2 | 7.0 | 6.3 | +2.5 | +1.8 | +1.5 |
| EU 15 | +1.8 | + 2.7 | + 2.9 | 10.9 | 10.6 | 10.0 | +2.4 | +1.7 | +1.3 |
| U.S.A. | +3.5 | + 3.9 | + 3.9 | 5.4 | 4.9 | 4.5 | +2.9 | +2.3 | +1.6 |
| Japan | +5.2 | + 1.4 | - 2.8 | 3.4 | 3.4 | 4.1 | -0.1 | +1.7 | +0.7 |

Source: ECB, EUROSTAT, IMF, OECD, national Sources.

¹⁾ EU 15: European Consumer Price Index (ECPI); U.S.A., Japan: CPI.

by step. This resulted in a process of convergence towards the levels prevailing in the euro area countries with the lowest interest rates. On December 3, all central banks of the Eurosystem except the Banca d'Italia reduced their key interest rates to 3.0% in a coordinated move. Belgium, Germany, France and the Netherlands trimmed their repo rates from an initial 3.30%, Finland from 3.40%, Spain from 3.50%, Ireland from 3.69%, Portugal from 3.75% and Austria from 3.20%. The Banca d'Italia clipped its key rate, the discount rate, from 4.0 to 3.50% and lowered it further to 3.0% on December 23.

Against the background of ample liquidity on the money market and calm price developments, the average three-month interest rate for the euro area sank from just under 4.3% initially to 3.2% by the end of the year. While

the decline proceeded fairly smoothly throughout the year, it accelerated after the coordinated rate cut by the NCBs, falling by 35 basis points just in December. While interest rates decreased in all Member States, the adjustment was most pronounced in Spain, Ireland, Italy and Portugal.

The convergence of interest rates had been concentrated at the long end in 1997, but in 1998 the imminent euro introduction and the convergence of monetary policy led to a narrowing of spreads between short-term interest rates as well.

The development of yields on the capital market reflected both the most momentous political decision on EMU during the review year, that is the selection of the first-wave euro area participants at the beginning of May, and the turmoil in the international economy exacerbated by the

outbreak of the Russian crisis. In the first quarter, euro area 10-year government bond yields dipped only marginally and in fact even edged up slightly in April. Following the decision on the participating Member States, yields fell continuously, a trend which accelerated from August to the beginning of October in the wake of the Russian crisis and the “flight to safety” into bonds. During that period, long-term government bond yields in the euro area dropped by 0.7 percentage points to roughly 4%. At the same time, high demand for German government bonds entailed a widening of the differential to German yields to 0.3 percentage points in the core countries and to up to 0.5 percentage points in other euro area states.

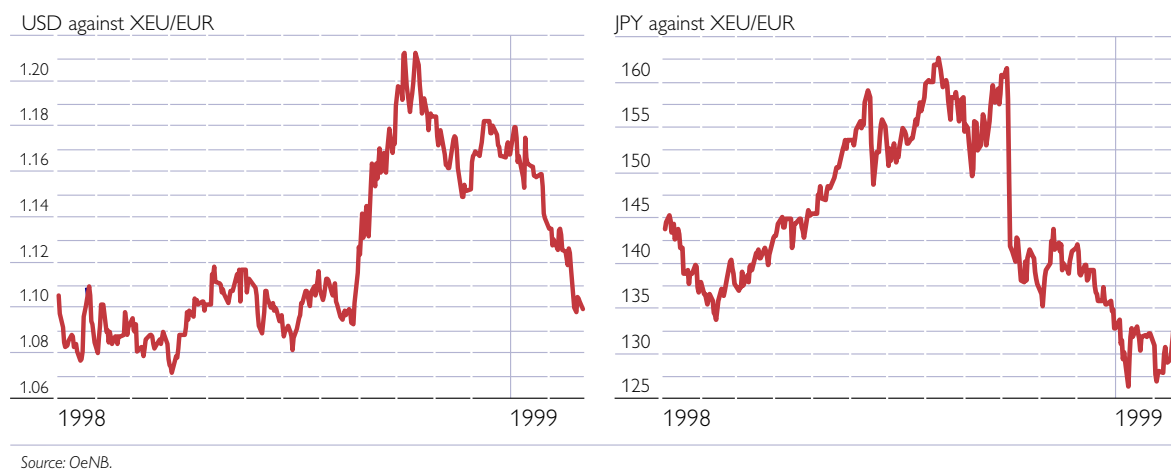
On the stock markets, investors’ temporary pronounced risk-aversion induced them to shift out of stocks, which caused stock price indexes to tumble. The EURO STOXX 325¹⁾ plunged by nearly 30% between the end of July and the beginning of August and October 8; the DAX plummeted by about 32%. The other major stock price indices dropped precipitously as well,

with the Nikkei losing 20% and the Dow Jones taking a blow of 14%.

From the beginning of October, investors began to return to more risky types of investment, pushing up the long-term yield relatively quickly by 0.4 percentage points to around 4.4% on October 12. The bond yield then began to decline again, sinking fairly sharply to 3.9%. In parallel, the differentials against Germany narrowed, above all in Spain, Finland, Italy and Portugal. The collapse of stock prices on the international bourses from August to the beginning of October was succeeded by a distinct uptrend, among other things as a consequence of the positive effects on international share prices of the series of three interest rate cuts in the U.S.A. The EURO STOXX 325 index climbed noticeably until the end of the year to close nearly 30% above the level at the beginning of the year (Dow Jones: +16%, DAX: +19%). The Nikkei and the ATX finished the review year 9 and 13%, respectively, below the level at the beginning of 1998.

Bustling economic activity and low interest rates eased the budget situation in all countries in the euro

Development of the ECU/EUR Exchange Rate against the JPY and the USD



¹ Contains 325 stocks of major companies quoted on European stock exchanges.

Indicators for the Euro Area

| | | Euro Area | U.S.A. | Japan |
|--|------------------------|-----------|----------|----------|
| Population 1998 | million | 292 | 270 | 127 |
| Economic performance | | | | |
| Nominal GDP in 1998 | XEU billion | 5,774.00 | 7,592.00 | 3,327.00 |
| Real GDP growth in 1998 | in % | + 3.00 | + 3.90 | - 2.80 |
| GDP in 1997 | in % of global GDP | 15.0 | 20.2 | 7.7 |
| Unemployment rate (Nov. 1998) | in % of labor force | 10.80 | 4.40 | 4.40 |
| Inflation rate (CPI) in 1998 | in % | + 1.10 | + 1.60 | + 0.70 |
| Economic sectors in 1993 | | | | |
| Agriculture, forestry, fishery | in % of GDP | 2.40 | 1.70 | 2.10 |
| Industry (incl. construction sector) | in % of GDP | 30.90 | 26.00 | 39.20 |
| Services | in % of GDP | 66.70 | 72.30 | 58.70 |
| External sector in 1997 | | | | |
| Exports of goods | in % of GDP | 13.60 | 8.50 | 10.00 |
| Imports of goods | in % of GDP | 12.00 | 11.10 | 8.10 |
| Exports | in % of global exports | 15.70 | 12.60 | 7.70 |
| Current account balance | in % of GDP | + 1.10 | - 1.70 | + 2.30 |
| General government finances in 1998 | | | | |
| Total expenditures | in % of GDP | 49.10 | 34.50 | 38.60 |
| Total receipts | in % of GDP | 46.90 | 35.90 | 33.00 |
| Fiscal balance | in % of GDP | - 2.10 | + 1.40 | - 5.50 |
| Gross debt | in % of GDP | 73.40 | 59.30 | 115.60 |
| Financial markets in 1998 | | | | |
| Short-term interest rates (three month, end-1998) | in % | 3.25 | 5 | 0.18 |
| Long-term interest rates (end-1998) | in % | 3.94 | 4.7 | 2.02 |
| Broad monetary aggregate growth (3 rd quarter 1998) | in % | + 4.40 | + 7.40 | + 3.30 |
| Bonds (end-1997) | XEU billion | 5,002 | 11,364 | 4,015 |
| | in % of GDP | 90.2 | 164.7 | 108.5 |
| Stock exchange capitalization (October 1998) | XEU billion | 3,191 | 9,680 | 3,301 |
| Bank deposits (end-1997) | XEU billion | 4,658 | 3,953 | 3,663 |
| | in % of GDP | 83.9 | 55.3 | 98.8 |

Source: ECB.

area in 1998. The EU 11's deficit ratio, which had still come to 2.5% of GDP in 1997, diminished to 2.1% in 1998. Finland, Ireland and Luxembourg posted budget surpluses. As consolidation efforts were less intensive in the review year, fiscal policy no longer had a restrictive impact. According to the EU Commission's figures, its effect was largely neutral in 1998. Most countries need further consolidation progress if they are to meet the targets of the Stability and Growth Pact. The euro area's debt ratio declined from 74.6% of GDP in 1997 to 73.8% of GDP in 1998.

The development of exchange rates reflected the cyclical disparity between Europe, the U.S.A. and Japan, the spillover effects of the financial crises in some regions of the world and the imminent introduction of the euro.

During the changeover countdown, the exchange rates of the participating currencies converged more and more, a development which was not thrown off track by the Russian crisis and its international repercussions. As much as several months prior to the euro introduction, the exchange rates of most currencies (Deutsche mark, French franc, Belgian franc,

Austrian schilling, Finnish markka, Dutch guilder, Spanish peseta, Portuguese escudo) were practically identical with the preannounced conversion rates (corresponding to the bilateral EMS central rates); the other currencies became smoothly aligned to those rates, reaching them late October at the latest (Italian lira, Irish pound). In March 1998, the Irish pound's central rate in the ERM had been revalued by 3% to reduce the gap between the central rate and the market rate.

As the participating currencies' exchange rates were stable against each other, euro area exchange rates fluctuated jointly against third currencies. With the U.S. current account shortfall burgeoning and expectations pointing to a slowdown of the U.S. economy, the U.S. dollar closed the year $5\frac{1}{2}\%$ below its year-earlier ECU equivalent. Against the background of the recession in Asia and uncertainty about its outlook, the Japanese yen was highly volatile in the first three quarters of 1998 and contracted by nearly $12\frac{1}{2}\%$ against the ECU up to the beginning of October. The yen began a meteoric recovery after the Japanese government adopted a package of measures designed to stimulate the economy and to restructure the banking sector. At the end of 1998, the yen closed some $5\frac{1}{2}\%$ higher against the ECU than at the beginning of the review year.

Non-Euro Area EU Member States

The non-euro area economies developed along divergent lines in the review year. While the expansion in the United Kingdom and, to a lesser extent, Denmark, lost momentum, GDP growth in Sweden and Greece remained fairly strong, even against the background of deteriorating international conditions in the second half of the year. The base rate in the U.K. was hiked gradually to 7.5% in October and was then eased successively to 6.25% at the end of the year. Between the beginning of October and the end of the year, Danmarks Nationalbank cut its key interest rate to 3.95%, the Sveriges Riksbank lowered its key rate to 3.40% and the Bank of Greece reduced its official interest rate to 12.25%. Interest rate policy in the United Kingdom and Sweden was conducted with a direct inflation target as the monetary policy priority; Denmark and Greece pursued an exchange rate target within the framework of the exchange rate mechanism of the EMS. The Greek drachma joined the ERM in March with a central parity that represented a devaluation by roughly 12% against the ECU, and tended upward after that date (by +6% against the ECU). As from January 1, 1999, the Greek drachma and the Danish krone have been participating in the ERM II, the successor to the ERM I, observing a fluctuation band of ± 15 and $\pm 2.25\%$, respectively, around the euro central rate. The Danish krone remained stable during the review period whereas the Swedish krona and the pound sterling were comparatively volatile. The revalua-

Divergent growth rates.
Interest rate cuts.
Greek drachma enters
the EMS's Exchange Rate
Mechanism and joins
the ERM II along with
the Danish krone
on January 1, 1999.

tion trend of the pound sterling from mid-1996 reversed in the second quarter of 1998; by the end of the review year, the pound had depreciated by approximately 5% against the ECU compared with a year earlier.

Greece made progress in attaining price stability in the course of the reporting year (1998: 4.5% inflation). Prices as measured by the HICP index were as stable in the other pre-in countries as in the euro area. The downtrend of long-term interest rates continued in all non-euro area countries, though interest rate differentials of Sweden, Denmark and Greece to Germany widened noticeably during the crisis in Russia. When the crisis abated, they contracted again. The interest rate gaps between the non-euro area and euro area money market rates also shrank toward the end of the year, but were still substantially higher – money market interest in the United Kingdom was still well over 2 percentage points higher than in the euro area.

U.S.A. and Canada; Asia; Latin America U.S.A. and Canada

With real GDP expanding by 3.9% in 1998, U.S. economic growth was lively and fast-paced. Domestic demand, powered by a healthy labor market and substantial wage increases, was the engine propelling the U.S. economy in the review period. Investment, however, was clearly observed to flag. Even if demand was on the whole vigorous, and wage increases dynamic, there were no signs of inflationary pressure. At 1.6%, the annual rate of inflation for 1998 was the lowest recorded since 1986, above all

because of the decrease in energy prices (1998: –8.8%).

The labor market, too, showed quite healthy developments; the unemployment rate averaged just 4.5% in 1998, the lowest value in 29 years, and employment expanded.

The U.S. budget posted a higher-than-expected surplus of USD 70 billion at the end of September 1998. This is the fruit of prudent expenditure policy during the upswing. However, the foreign trade deficit widened to over USD 200 billion in the wake of the crisis in the economic hot spots of the world.

The U.S. continued to pursue a cautious monetary policy stance until mid-year. Concerned that the spillovers of the global crises to the U.S. economy might intensify, the U.S. Federal Reserve reduced the federal funds rate by a total of 75 basis points to 4.75% in the fall of 1998 even though the U.S. economy was humming ahead. The U.S. Fed judged the blow monetary and financial turmoil dealt investor confidence to be so severe that it was imperative to give the market a positive signal.

When the Brazilian real depreciated mid-1998, the Dow Jones Index, unlike other world stock exchange indices, fell only marginally. This may have been partly due to the ongoing optimism about the resilience of the U.S. financial system and the stability of the U.S. economy.

In Canada, the upturn continued into its seventh year with 3.3% GDP growth in 1998. The OECD anticipates a slight slowdown to 3.1% in 1999. The reduction of the terms of trade on account of the sharp drop in

Upturn in the U.S.A. and Canada unbroken. Recession in Japan deepens, GDP continues to contract in crisis countries in Asia. Contagion spreads to some Latin American countries.

commodity prices detract from Canadian growth. Like the U.S. Federal Reserve, the Bank of Canada cut key interest rates, trimming the discount rate by a total of 75 basis points to 5.25% in 1998.

Japan and Asia

Japan slipped even deeper into recession in the summer of 1998. The IMF estimates Japan's real GDP to have fallen by 2.8% in the review year despite the package of measures adopted to stimulate the Japanese economy. In fall, the Japanese government introduced major banking recapitalization plans and passed a set of fiscal measures to support banks, which were saddled with nonperforming loans that severely eroded their capital base and which found it difficult to raise funds. A supplementary budget doubled the funds made available to stabilize and restructure the banking sector to approximately 12% of GDP. The financial markets assessed this move as credible, unlike many other steps taken by the Japanese government, and in the two days following the adoption of the package by the Japanese Diet, the Japanese yen gained nearly 12% against the European currencies (October 7 and 8). Mid-November, the government presented an economic stimulus package¹) equivalent to some 4¹/₂% of GDP designed to prevent the Japanese economy from shrinking for the third successive year. Because the recession was so entrenched and because the measures taken before had shown so little success, the government resorted to unusual measures, such as the issue of shopping vouchers to stimulate consumer spending by persons not

set to benefit from the tax reform. Stating the budgetary strain of the fiscal stabilization package as its reason, Moody's downgraded Japan's country rating from Aaa to Aa1 on November 17.

The Bank of Japan, which had been accorded a more independent status by the new Bank of Japan Law in April 1998, substantially eased monetary policy mid-November and expanded its lending to banks. In September, the Monetary Policy Council had decided to relax money market conditions. The central bank supported a decline in the rate banks charge each other for overnight loans without collateral to around 0.25%. On February 12, the Bank again lowered the target for the overnight rate to 0.1%. This discount rate was left unchanged at 0.5%, at which it had stood for more than three years.

In the review year, the Japanese currency was subject to unusually high volatility. With the economy in the doldrums, the yen's value against the ECU plummeted by around 11¹/₂% from the beginning of 1998 until the beginning of October. The yen subsequently recovered to close the year down 5¹/₂% against the ECU from the start of 1998.

Since the end of 1997, Japan has been fighting against a credit crunch. According to figures of the Bank of Japan, at the end of the year the volume of lending by Japanese commercial banks totaled 4.7% below the year-earlier value. The main culprit was the yen's weakness in the first three quarters of 1998, which caused banks' dollar items expressed in yen to surge, in turn raising the amount of capital required to back these items. The ensuing credit contraction was

¹ The emergency economic package was devised as a two-pronged approach to kickstart the economy: by alleviating the credit crunch through stabilization of the financial system, and by stimulating demand through public infrastructure projects and tax cuts.

roughly as hard on Japan as on the other Asian countries. Thus the shortage of finance added to the recession in Japan itself, but also across Asia. The situation was worsened further by the pressure on stock prices, which forced banks to write down bad loans. At the end of 1998, Standard & Poor's downgraded the rating of seven Japanese banks on the grounds that the expected losses would weaken these banks' capital base.

In 1998 real GDP growth in the Asian crisis countries – Thailand, Indonesia, Malaysia and South Korea – fell some 10¹/₂% short of 1997 results. In view of their strong trade links with Japan, these countries suffered severely as domestic demand slumped in Japan and the flow of Japanese tourists slowed to a trickle. Moreover, Japanese foreign direct investment in the region and lending by Japanese banks, one of the crucial sources of finance, contracted. With domestic demand drying up, real GDP shrank in almost all of the countries in the region, dropping by around 15% in Indonesia. In the Philippines, despite extensive crop damage in the wake of El Niño, GDP diminished by just 0.5%.

The economies of the international aid recipients (Thailand, Indonesia and South Korea) started on a slight uptrend from the third quarter of 1998. Nonperforming loans and a fragile banking sector still represent an obstacle to the sustained improvement of these countries' economies, however.

At the beginning of September, Malaysia introduced capital controls to prevent the reflux of foreign capital abroad. These controls do represent a certain risk, because investors' uncertainty raises risk

premiums and makes the regional markets even more prone to shocks.

Despite some positive signals, international banks generally remained leery of Southeast Asia. Private lenders withdrew USD 25 billion from these countries in 1998. High financing costs as a result of the risen risk premiums and difficulties in refinancing domestic debt continue to represent a source of instability.

Latin America

Last year, the Latin American countries that had embarked successfully on economic policy reform and that had been considered comparatively well protected from contagion by the Asian crisis found themselves increasingly embroiled by the turmoil on the international financial markets. The spillover had a different impact on each country; the shocks were caused e.g. by the sharp decline in commodity (above all oil) prices, dwindling demand in Asian crisis countries, a deterioration of competitiveness against the Asian devaluation countries, the contraction of capital flows and falling stock and bond prices. Natural catastrophes (such as El Niño and tropical storm Mitch) aggravated the Latin American countries' plight.

In spite of the worsening of international framework conditions, most Latin American countries posted positive economic growth because they pursued a stability-oriented macroeconomic policy, kept capital markets open, and continued to implement structural reforms. Although the Latin American governments are concentrating efforts on minimizing the repercussions of the crises

in Russia and Latin America, most countries in the region will post higher current account shortfalls and budget deficits than planned.

The largest economy in the region, Brazil, was also hardest-hit by the predicament. Because Brazil has high budget and trade deficits, a low savings rate and is therefore dependent on foreign capital, its currency, the real, was repeatedly subject to devaluation pressure (during the Mexican crisis in 1994/95, the Asian crisis in 1997, and finally the Russian crisis in 1998), even though the government had consistently pursued a hard currency policy since the Plano Real monetary reform of 1994. The package of measures put together to counteract the Asian crisis, consisting primarily of expenditure cuts, tax increases and hikes of the key official rate, at first succeeded in preventing the crisis from spreading to the real, but Brazil failed to contain the budget deficit. As soon as the crisis pressure mitigated, the authorities loosened the fiscal reins; the primary balance improved only marginally in the review year. The easing of fiscal policy also helped keep the current account deficit high; the country was running a current account shortfall of over 4% of GDP in 1998 even though private domestic demand had diminished. With its persistent, relatively high twin deficits in an environment of volatile international capital markets, Brazil was very vulnerable to the effects of the Russian crisis. After the ruble devaluation of August 1998, international investors withdrew huge volumes of capital from Brazil, and the country's currency reserves sank

from their peak of over USD 73 billion in April to almost USD 42 billion at the end of November 1998 (which nevertheless represented an import cover ratio of nearly seven months). To stop capital outflows, Brazil's central bank jacked up its intervention rate by 20 percentage points to nearly 50%, marking the highest level since the Plano Real went into force four and a half years ago, and even outpacing the apex of 43.4% attained during the Asian crisis in October 1997.

In order to prevent the crisis from getting out of hand in Brazil, the international financial community assembled an emergency package of USD 41.5 billion conditional on credible budget consolidation. However, hesitation in pushing through budget reform induced investors, who had become more risk-averse and skittish, to pull enormous amounts of funds out of the country when the Brazilian state Minas Gerais declared a moratorium on payments to the central government on January 6, 1999. The central bank reacted by widening the fluctuation band against the U.S. dollar, which was tantamount to an 8.6% devaluation. When capital outflows continued and foreign exchange market intervention proved futile, the central bank floated the real on January 15, 1999. This measure was supposed to be temporary. But the capital and stock markets reacted favorably, so Banco central do Brazil decided to extend the float on January 18, 1999.

Brazil's immediate neighbor and Mercosur partner Argentina would have been the first country in the region to be affected by Brazil's difficulties, above all because over 30% of its exports are destined for

Brazil. After the real slumped, the Argentine stock price index Merval and Brady bonds suffered considerable losses. However, Argentina's fundamentals are likely to be strong enough for the currency board arrangement to be continued. The country's currency reserves climbed to a record USD 27.2 billion mid-January 1999.

The banks which report to the BIS extended more credit to Brazil than to other emerging economies, e.g. South Korea or Russia. If international lenders suffer losses in Brazil, this might make investors, who are already wary after the latest crises, even more risk averse, further reducing flows of funds to the emerging economies. If lending dries up, countries with high debts would be worst off, because they need capital inflows to engineer a lasting improvement of their growth potential.

Central and Eastern Europe, Russian Federation

The growing integration of the Central and Eastern European countries into the world economy and the pace at which these economies are catching up – the process of their economic transformation – is becoming more and more important among the framework conditions for the development of the Austrian economy. Austria has benefited substantially from the opening up of the East. According to estimates of the Austrian Institute of Economic Research, WIFO, Austria's increased exposure to these markets – be it through stepped-up exports or increased direct investment – has lifted the economy to a higher growth path, driving up the growth

rate of real GDP by 3.3 percentage points since 1989. However, temporary setbacks will inevitably occur, as they did in the case of the Russian crisis, and will have direct or at least indirect spillover effects on all other countries in the region (see also the section on “Developments in Central and Eastern European Countries and the Russian Federation”).

Austria Economic Developments

With the Austrian economy expanding despite deteriorating external macroeconomic conditions, Austria stood out among the EU and the euro area as a whole. The Austrian economy benefited, above all, from a marked improvement of its international competitiveness, which translated into a surge in jobs that, in turn, put money into people's pockets. The pursuit of a moderate wage policy and high productivity gains reinforced this process. Inflation dipped to historic lows last seen in the 1950s, and the current account balance improved somewhat on the previous years.

Real GDP growth totaled 3.3% in 1998, posting the best result since 1991. The aggregate figure obscures divergent developments during the course of the year, though. Following an expansionary phase in the first half of 1998, growth weakened throughout the rest of the year owing to lagged spillover effects from the various hot spots of the global financial crisis. Growth was restrained by the slowdown of external demand, with demand plummeting in Asian countries in particular, but also in Eastern Europe. With each successive quarter, growth in goods

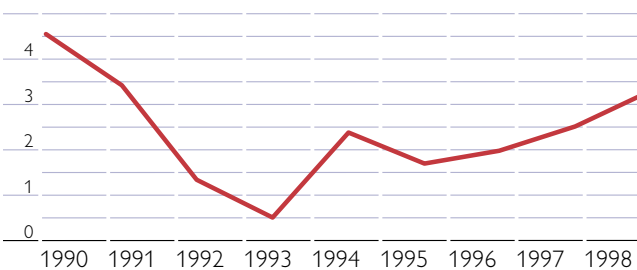
Improved export performance on the back of increased competitiveness. Robust economic growth fueled by exports and manufacturing. High price stability, but mixed labor market development. Budget consolidation stalled. Current account gap narrows thanks to a recovery of tourism.

exports dwindled further. Despite the export setback, net exports were one of the mainstays of growth, thanks to the buoyancy of trade in the first half of the year. What is more, domestic demand strengthened as employment rose and real incomes augmented. A low-interest-rate environment spurred capital spending, and thus growth, leading to a further renewal and modernization of the stock of capital investment.

Turning to individual sectors, it was above all the manufacturing industry which benefited from the robust export growth. Real manufacturing output grew 5% in 1998. While the consumer goods industry and the automobile industry proved insensitive to cyclical developments, the basic goods industry and several branches of the manufacturing industry suffered output and earnings setbacks as a result of the pressure on prices unleashed by the crisis in Southeast Asia. The construction industry fared well because of the boom in restoration; real turnover was up roughly 3% on 1997. In the tourist industry, business picked up anew, following several recessionary years in a row. 1998 saw a rise in overnight stays on the previous year's level, which made a dent on the current account deficit. The surplus on travel receipts, which had been dwindling in the past few years, widened again in 1998. With private consumption expanding some 2% in real terms, the positive developments in the Austrian tourist industry, better chances of finding a job and the gains in real disposable incomes of Austrian households also filtered down to retail and wholesale trade. The dampening effects of scaled-back public demand in 1996 and

Development of Real GDP

Annual change in %



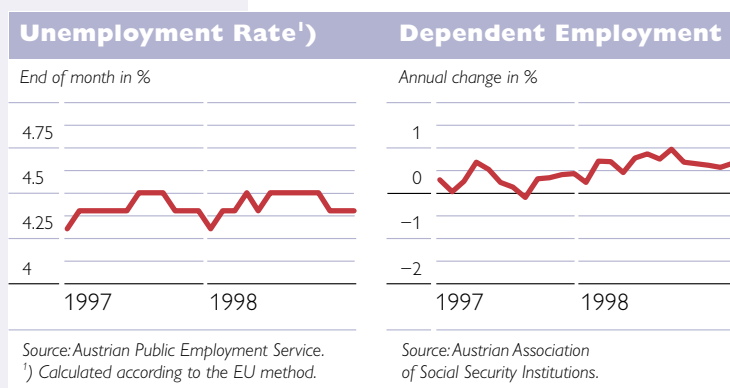
Source: ÖSTAT, WIFO.

1997 reversed in 1998, even though the impulses to growth continued to be weak.

Labor Market

In 1998, economic growth translated into employment growth in Austria, which confirms the comparatively high responsiveness of the job market to cyclical fluctuations that has been increasing of late. The labor supply also demonstrated a high degree of elasticity. In 1998 this was true above all of women in the labor force, whose number grew far above average, mostly on account of women in the hidden labor reserve taking on part-time jobs. More evidence of the recent increase in labor market flexibility is the surge in marginal employment. The various initiatives taken under the National Action Plan for Employment should boost the flexibility of the labor market and thus contribute to further easing labor market rigidities over the next few years.

In more detail, the pattern of developments in the labor market in 1998 was somewhat unusual. Employment growth was comparatively high, but at the same time the ranks of the unemployed swelled further. Institutional factors



apart (e.g. the trimming of parental leave entitlements from 2 to 1¹/₂ years), this resulted from the bulk of open positions being filled with new applicants rather than from the pool of the registered unemployed, who are often less flexible with regard to working time and mobility. The surge in service sector jobs is a case in point. The jobless rates (7.2% by the national, 4.5% by the EU definition) remained practically unchanged from the high levels of the year before, which were still quite favorable in an international comparison, though. 1998 saw a turnaround in the trend in job offers – for the first time since 1990 the number of vacancies was up again.

Competitiveness and Inflation

The substantial competitiveness gains of Austrian companies were the mainstay of export growth and of economic expansion in general over the past few years. Initially the pressures for structural adaptation triggered by EU integration forced the exposed sectors of the economy to streamline production and become more cost-efficient, but gradually this development also filtered through to the previously

protected sectors and the service sector. In the industrial sector unit labor cost, the most important indicator of price competitiveness, fell almost 10% between 1995 and 1998, which was far more than in Austria's main trading partner countries. This made market share gains possible. Unit labor cost also retreated for the economy as a whole over this period. The competitiveness gains can, above all, be ascribed to a real effective depreciation of the Austrian schilling and the pursuit of a moderate and productivity-oriented wage policy. This ties in with the results of the 1998 round of wage settlements, in which the more productivity-oriented sectors fared best. Wage increases were, across the board, somewhat higher in 1998 given the favorable economic situation and the moderate income gains of both 1996 and 1997. An optional clause which the two sides of industry negotiated for

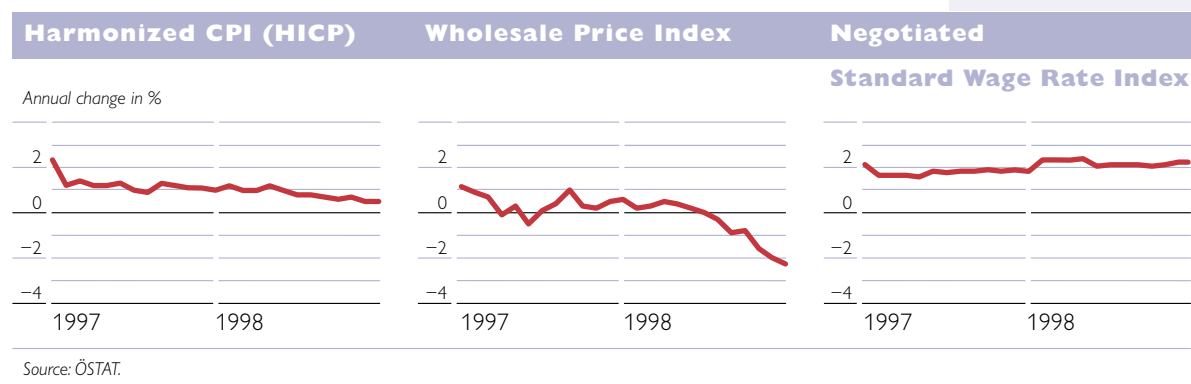
Competitiveness Indicators for Austria

| | Annual change % | | | |
|--|--------------------|------|------|--------------------|
| | 1995 | 1996 | 1997 | 1998 ¹⁾ |
| Productivity (GDP per employee) | +2.0 | +2.6 | +2.4 | +2.3 |
| Gross compensation per employee | +3.7 | +1.9 | +0.7 | +2.6 |
| Unit labor costs | | | | |
| Overall economy | +1.8 | -0.7 | -1.3 | +0.2 |
| Manufacturing | -0.6 | -1.0 | -5.0 | -3.5 |
| Effective exchange rate (industrial goods) | | | | |
| Nominal | +3.0 | -1.2 | -1.8 | +0.6 |
| Real | +2.6 | -1.5 | -2.6 | - |
| Relative unit labor costs ²⁾ of industry | | | | |
| against trading partners | +2.2 | -2.2 | -4.9 | -1.4 |
| against Germany | -0.2 | -0.6 | -0.6 | +0.1 |

Source: OeNB, WIFO.

¹⁾ WIFO-forecast of March 1999.

²⁾ In the manufacturing sector, measured in a single currency; a minus sign denotes an improvement of competitiveness.



The Significance of Effective Exchange Rates Before and After Monetary Union

While exchange rate fluctuations have a significant impact on the price competitiveness of an economy over its foreign competitors, bilateral exchange rates reflect but a very limited part of the overall effect. The combined effect of all relevant bilateral exchange rate fluctuations on an economy, which is what macroeconomic analysis looks at, is evident from effective exchange rate indices. In such an analysis, the bilateral exchange rates are incorporated into an index, each currency being allocated a share (index weight) corresponding to its respective significance in a particular country's foreign trade.

The real effective exchange rate reflects the factors that have an influence on a country's short-term price-based competitiveness. It shows the degree by which the nominal exchange rates, adjusted for price and cost differentials between a given country and its trading partners, have changed over a certain period (from a base year). With such an index it is thus possible to put into perspective price and production cost changes for domestic goods by juxtaposing them with the prices or costs of competitors' products. The meaningfulness of the index is, however, significantly influenced by the choice of deflator (CPI, unit labor cost, GDP deflator).

Since the beginning of EMU, the nominal and real effective exchange rate of the euro, which is currently calculated by the BIS uniformly for all EMU Member States, has been used to evaluate the price competitiveness of the euro area. The impact of bilateral exchange rate fluctuations against the euro on the various euro area economies depends on their economic ties with the respective non-euro area countries. Thus parity changes between the euro and the U.S. dollar have a much bigger impact on the German economy than on Austria, since Germany has comparatively closer ties to the U.S.A. By contrast, Austria's competitiveness hinges more on parity changes of the euro against the currencies of Central and Eastern European countries than that of other EMU countries.

In other words, from the perspective of the countries participating in EMU it continues to make sense to analyze the development of their national competitiveness. Hence the publication of indicators of the Austrian economy will not be discontinued. The price and cost developments in Austria, expressed in the single currency and measured against the CPI or unit labor cost, are compared with the developments in Austria's major trading partners within and outside the euro area.

a number of sectors is evidence of the flexibility of the wage negotiations.

The fall in oil and commodity prices, stagnating unit labor cost and competitive pressures reinforced price stability in 1998. The inflation rate measured according to the HICP reached 0.8%, while the CPI equaled 0.9%, the lowest rate since 1955. Even at the whole-

sale level – where services are excluded – the level of prices dipped $1/2\%$ below the previous year's level. Apart from the dampening effects of low energy prices, the sharp slowdown in the uptick of prices in the service sector supported the low-inflation environment. Austria was among the three countries in the euro area with the lowest inflation rates.

Public Finances

Consolidation of government finances, which was put in gear with the joint agreement on the budgets for 1996 and 1997, was also considered in the joint negotiation of the budgets for 1998 and 1999. The 1998 budget plan was aimed at stabilizing budget consolidation without taking any sweeping measures. Overall, the budget year 1998 benefited from the comparatively robust economic situation. Moreover, streamlining effects of previous years' initiatives also filtered through to 1998.

As in 1997 the projected net federal deficit was undershot slightly. Instead of a projected deficit of ATS 67.3 billion (EUR 4.9 billion; 2.6% of GDP), the red ink total came to some ATS 66.0 billion (EUR 4.8 billion; 2.5% of GDP). Revenues were roughly ATS 24.8 billion (EUR 1.8 billion) higher than projected, and expenditures some ATS 23.5 billion (EUR 1.7 billion) higher. Incidental extra expenditure arose above all with regard to staff costs, social and health benefits, Federal Labor

Office outlays, within the framework of revenue sharing between the federal, state and local governments (fiscal sharing) and with regard to equity participations. The surplus registered in the equalization-of-burdens fund for families was roughly ATS 2 billion (EUR 145 million) higher than projected.

Gross revenues (tax revenue total prior to deduction of transfers to various funds and to the states and municipalities, and of the EU membership fees) came to ATS 2.6 billion (EUR 186 million) more than mapped out (ATS 667.7 billion or EUR 48.5 billion). Income tax, corporation tax, mineral oil tax and fee revenues were higher than projected. Lower-than-projected revenues were posted for VAT and withholding tax on interest. Thanks to lower transfers under the fiscal sharing system and lower EU contribution payments (–ATS 4.0 billion or –EUR 289 million), net revenues, which are relevant for the budget outturn, were actually roughly ATS 7.6 billion (EUR 551 million) higher than planned. 1998 transfers to the EU deferred to

Federal Budget

| | Final budget accounts 1997 | Budget estimate 1998 | Provisional outturn 1998 | Provisional outturn 1998 compared with | | | |
|-----------------------------|----------------------------|----------------------|--------------------------|--|--------|----------------------|-------|
| | | | | Final budget accounts 1997 | | Budget estimate 1998 | |
| | ATS million | | | % | | ATS million % | |
| General budget | | | | | | | |
| Expenditure ¹⁾ | 749,937 ²⁾ | 754,110 | 777,594 | + 27,657 | + 3.7 | + 23,484 | + 3.1 |
| Revenue ¹⁾ | 682,718 ²⁾ | 686,800 | 711,567 | + 28,849 | + 4.2 | + 24,767 | + 3.6 |
| Deficit | 67,219 | 67,310 | 66,027 | – 1,192 | – 1.8 | – 1,283 | – 1.9 |
| Compensatory budget | | | | | | | |
| Expenditure ¹⁾³⁾ | 167,334 | 232,021 | 342,448 ⁴⁾ | +175,114 | +104.6 | +110,427 | +47.6 |
| Revenue ¹⁾³⁾ | 234,553 | 299,331 | 408,475 ⁴⁾ | +173,922 | + 74.2 | +109,144 | +36.5 |
| Surplus | 67,219 | 67,310 | 66,027 | – 1,192 | – 1.8 | – 1,283 | – 1.9 |

Source: Federal Ministry of Finance.

¹⁾ Gross figures are given for swaps.

²⁾ The reclassification of ASFINAG to the private sector required the income and expenditure sides of the general budget to be increased by ATS 82,998 million each, an accounting operation which had no effect on the federal deficit. For the sake of clarity, the 1997 budget was adjusted for this amount.

³⁾ Thereof for short-term cash-raising operations: expenditures of ATS 52,886 million and revenues of ATS 52,888 million according to the 1997 final budget accounts, ATS 75,000 million each according to the 1998 budget estimate, and expenditures of ATS 51,095 million and revenues of ATS 51,281 million according to the 1998 provisional outturn.

⁴⁾ Including ATS 95,686 million raised for public bodies (e.g. the railroad development company Schieneninfrastrukturgesellschaft – SchlG), which had no effect on the federal deficit.

1999 constitute an extra burden for the 1999 budget, but the respective outlays have been envisaged.

Central government debt (net of own purchases of government bonds) stood at ATS 1,535.7 billion or EUR 111.6 billion (+ATS 59.8 billion or +EUR 4.3 billion on year-end 1997). As a ratio of GDP, the stock of central government debt slightly declined from 58.7% in 1997 to 58.6% in 1998. As in the previous year, the low-interest environment let the government opt for fixed-rate bonds for funding. The redenomination of debt securities in euros as of 1999 required a redefinition of the share of debt denominated in foreign currency. Taking into account claims and liabilities arising from currency swap agreements, reclassified foreign currency debt (with debt denominated in the 11 legacy currencies factored out) ran to approximately ATS 188.0 billion (EUR 13.7 billion) or 12.2% of central government debt (1997: 12.4%).

The “baseline scenario”¹⁾ of the Austrian Stability Program submitted to the Economic and Financial Committee anticipates a decline in general government deficit from 2.2% of GDP in 1998 (budget notification of September 1998) to 1.4% of GDP in 2002. At the same time further consolidation measures are projected to lead to a reduction of general government debt from 64.5% of GDP (1998) to almost 60.0% of GDP in 2002. Budget implementation in the fiscal year 1998, according to preliminary results, put the general government deficit at 2.1% of GDP, and the debt ratio at 63.1%. In other words, the budget target in the Stability Program for 1998 was actually undershot.

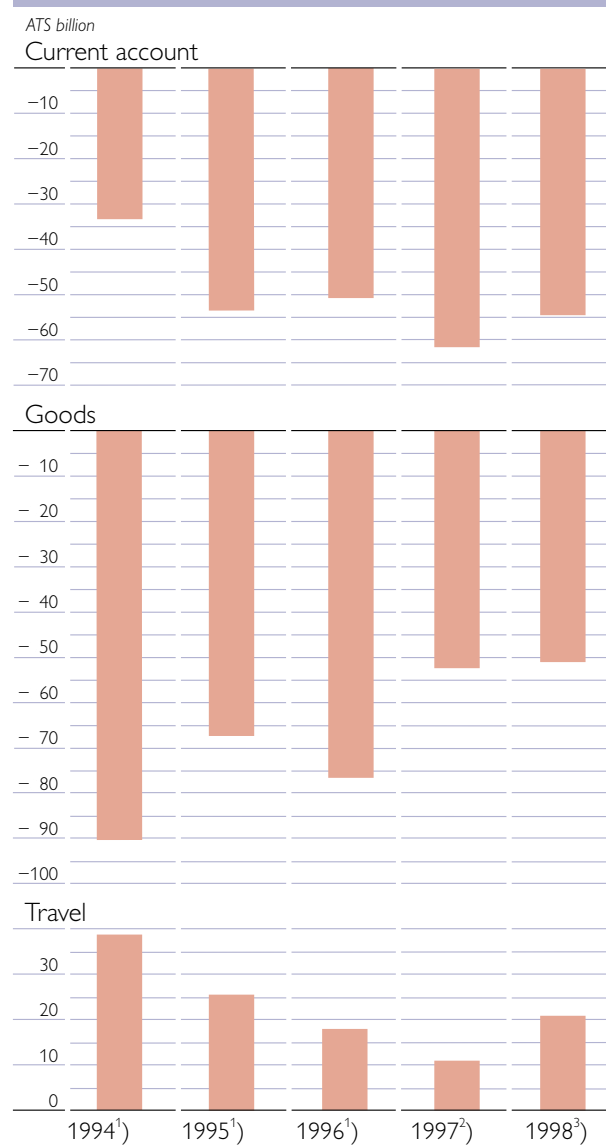
¹⁾ The Stability Program presented three scenarios, namely a baseline scenario, an optimistic, and a pessimistic scenario, based on divergent growth path expectations. The baseline scenario expects average annual growth of real GDP of 2.4%.

Balance of Payments

1998 closed with a current account deficit of ATS 54^{1/2} billion (EUR 4 billion), the shortfall having shrunk by almost ATS 7 billion (EUR 0.5 billion) from 1997.

By subaccounts, the merchandise balance improved by somewhat more than ATS 1 billion to ATS 51 billion (EUR 3.7 billion) from 1997. Initially exports and imports,

Impact on Current Account Development



Source: OeNB, ÖSTAT.
¹⁾ Final revised figures.
²⁾ Preliminary figures.
³⁾ Provisional figures.

which have been on a robust growth path since 1996, expanded mainly on account of above-average merchandise trade with third countries. In 1998 growth was spurred above all by intra-EU merchandise trade.

The surplus on the services subaccount surged by almost ATS 21 billion (EUR 1.5 billion) to ATS 33¹/₂ billion (EUR 2.4 billion), with travel contributing about 50% to this gain. Foreign exchange receipts from foreign vacationers were significantly higher than in previous years (+4%), while Austrian tourists' foreign exchange outlays decreased (-4%). The gratifying tourism results reflect the continued efforts to enhance the quality and the range of services offered and price stability in Austria. Beside tourism, a number of other service items – unclassified transactions, transport and other business-related services in particular – contributed to the improvement in the current account.

The income balance subaccount posted a deficit of somewhat more than ATS 13 billion or EUR 1.0 billion (after having been almost in balance in 1997). By subitems, net compensations of employees at roughly ATS 7 billion (EUR 0.5 billion) were more than canceled out by the deficit in investment income, which widened to ATS 20 billion (EUR 1.5 billion).

The red ink total of current transfers expanded to ATS 24 billion (EUR 1.7 billion) in 1998 from ATS 21 billion (EUR 1.5 billion) in 1997. The deterioration can be traced to private transfers in particular, notably tax payments. This subaccount also comprises the bulk of transactions with the

EU, namely Austria's contribution payments to the EU totaling some ATS 29 billion (EUR 2.1 billion) and ATS 15 billion (EUR 1.1 billion) channeled back by the EU.

EU subsidies to infrastructure projects, by contrast, are recorded under capital transfers; they came to about ATS 2 billion (EUR 145 million) in 1998. Mainly on account of public and private debt forgiveness, the capital account deficit widened by roughly ATS 2 billion (EUR 145 million) to almost ATS 2¹/₂ billion (EUR 166 million) in 1998.

The financial account, which also comprises transactions with official reserve assets, closed the year with net capital imports of approximately ATS 55 billion (EUR 4.0 billion), unchanged from the previous year.

The stock of foreign direct investment (FDI) of Austrians abroad grew ATS 13¹/₂ billion (EUR 1.0 billion) to reach almost ATS 37¹/₂ billion (EUR 2.7 billion) in 1998. Nonresidents, meanwhile, augmented their FDI stocks in Austria by ATS 44 billion (EUR 3.2 billion) to some ATS 73 billion (EUR 5.3 billion). Outward FDI targeted a wide spectrum of sectors across the economy, whereas inward FDI was heavily concentrated on the telecommunications, fuel and automobile sectors.

The Significance of the Austrian Balance of Payments Within the Euro Area

Austria's participation in EMU has not rendered obsolete the compilation of an Austrian balance of payments. While it is true that, from a monetary policy point of view, current account imbalances of individual Member States play a lesser role within the much bigger monetary zone, the compilation of national balance of payments (b.o.p.) statistics continues to be vital, for a number of reasons:

- Austria, like all other Member States, has to report its national contribution to the euro area balance of payments. As a precondition for drawing up a joint balance of payments, the b.o.p. statistics had to be harmonized across Europe, which required changes in the conceptual framework and the presentation of the Austrian b.o.p. (see section “The OeNB Within the ESCB – Institutional and Functional Changes”).*
- The balance of payments continues to be the key source for compiling the external account of the national accounts, which in turn is an indispensable source of economic fundamentals. After all, the GDP total is decisive for those parts of the national contributions to the EU budget which are payable as a percentage of GDP.*
- Agreements binding under international law, such as membership in the IMF, put Austria under an obligation to draw up b.o.p. statistics. Austria has, among others, agreed to submit timely b.o.p. data to the IMF compiled according to the Special Data Dissemination Standards (SDDS). What is more, the balance of payments is a crucial instrument for making detailed economic analyses of national competitiveness, structural comparisons, market share calculations and the degree of economic integration.*

Austria's Stable Schilling Policy on the Eve of the Introduction of the Euro

Austria's tried and true stability policy concept retained even in the ESCB. Stability secures smooth transition to EMU and the euro.

Monetary policy in the report year was shaped by the upcoming participation in EMU, which triggered sweeping changes at the OeNB and put the Bank up against major challenges. One of the milestones in this process was the establishment of the ECB and of the ESCB. In the runup to the introduction of the euro, the OeNB guaranteed monetary stability in Austria by abiding by the time-honored concept of pegging the schilling to the Deutsche mark, thus paving the way for a smooth and successful transition to a single monetary policy.

Amid the emerging international financial turmoil, the Austrian economy grew at a healthy pace, especially in the first part of 1998. Thanks to the pursuit of a moderate wage policy and flat unit labor cost, Austrian exporters gained in competitiveness. This benefited the development of external trade, boosted economic growth and helped keep prices stable. The only areas which marred the overall picture were the labor market, on which conditions continued to be unfavorable due to special factors, and the further consolidation of public finances, where little progress was made compared with the strength of output growth. The good economic fundamentals and the high degree of convergence between the Austrian economy and the other EU countries as well as the prospective participation in EMU warranted financial market confidence in the Austrian schilling. The time-honored stability concept based on anchoring the schilling to the

Deutsche mark proved successful also in 1998. December 1998 marked an orchestrated cut in the official rates of the euro area NCBs, with the OeNB moving in lockstep with the other NCBs. This was one of the final moves ensuring a smooth transition to the euro and to a single monetary policy in the ESCB.

For the OeNB, the transition to the ESCB is actually a continuation of the stability course steered in the past. Of course the OeNB's role had to be redefined, taking into account the new framework conditions (see also the sections on "From the Schilling to the Euro" and "The OeNB Within the ESCB – Institutional and Functional Changes"). The OeNB is now positioned at the interface between the common European monetary policy on the one hand and Austria's economic policy and people on the other hand. Having kept the value of the Austrian schilling stable for years and years helped qualify Austria for participation in EMU. This very stability policy is at the core of EMU and is guaranteed through the statutory principles enshrined in the ECB/ESCB Statute.

Interest Rate and Liquidity Policy

Ample liquidity on the money market. Interest rates low within a narrow range. Key official rates cut in December.

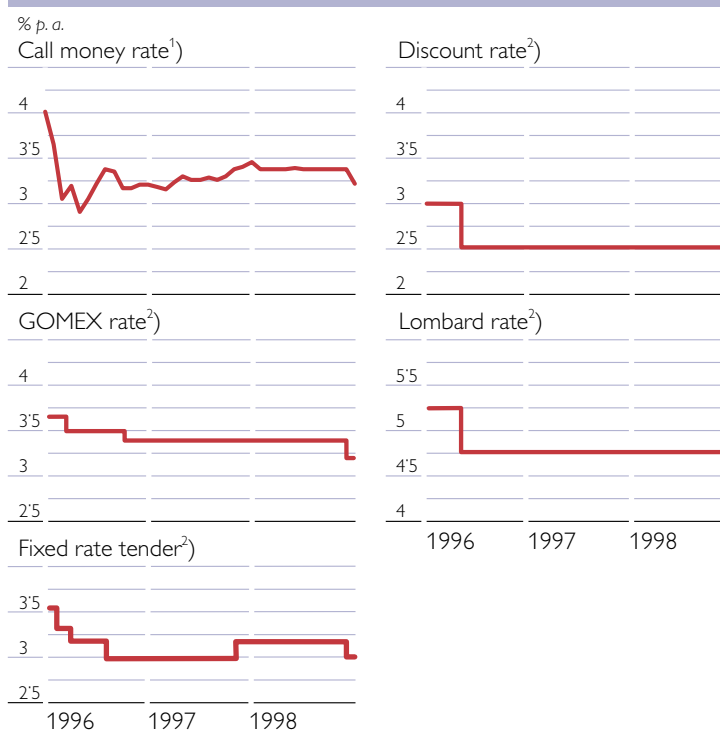
The Austrian money market was highly liquid throughout 1998. Measured in terms of the refinancing limits set by the central bank, somewhat more liquidity was injected into the banking sector than in 1997. The bulk of central bank funds was made available in the weekly tender operations through which liquidity was controlled. In the first quarter of 1998, more than 90% of the funds earmarked for tender operations were allocated.

Until year-end the allocation rate dropped from quarter to quarter because inflows of foreign exchange to meet the federal government's funding needs reduced the demand for central bank money.

Schilling money market interest rates remained very stable throughout 1998, with the exception of a brief nosedive of the call money rate below the level of the tender rate to an exceptional 2.95% at the end of January/beginning of February. For the remainder of the year the call money rate moved within a very narrow range of 3.35 and 3.40% until the cut in the OeNB's key rate in December triggered a drop to 3.10%. Apart from the temporary fall of the call money rate at the end of January and repeated end-month surges of the euro-Deutsche mark rates, schilling short-term interest rates stood slightly above the comparable euro-Deutsche mark rates throughout 1998. The interest rate differential vis-à-vis the Deutsche mark remained positive even after the preannouncement of the bilateral conversion rates of the euro area currencies.

In a coordinated round of interest rate cuts by all ESCB central banks, the OeNB reduced its tender rate from 3.20 to 3.00% on December 3, 1998. It subsequently moved to lower its interest rate for short-term open market operations (GOMEX rate) by 20 basis points to 3.20% with effect from December 11, 1998. The discount rate (2.5%) and the lombard rate (4.75%) were left untouched in the period under review.

Interest Rates with an Impact on the Money Market



Source: OeNB, Reuters.

¹⁾ Monthly average.

²⁾ End of month.

Development of the Monetary Aggregates

Components determining monetary aggregates developed along divergent lines.

The monetary aggregate M3¹) grew 6.4% in 1998 (1997: +1.2%). A major reason for the robust growth of broad money is that domestic nonbanks frequently opted to deposit financial assets with banks for short terms. By contrast, domestic nonbanks were a lot more cautious about tying up assets with banks for longer terms, probably on account of the low rates payable at the long end. This puts monetary growth in a somewhat different perspective, because growth was not driven by an acceleration of borrowing but by the scaling back of monetary capital formation at banks.

Demand for cash contracted ATS 0.7 billion (EUR 48 million) or 0.5% (1997: –ATS 0.5 billion or –EUR 33 million; –0.3%). Meanwhile domestic nonbanks expanded their sight deposits sharply. Low capital market rates and stable prices, which reduced the opportunity cost of holding sight deposits, plus the high volatility in financial markets, which made going for meager asset remuneration seem like a rational choice in times of interest rate uncertainties, may have favored the holding of liquid assets. Sight deposits grew ATS 44.2 billion (EUR 3.2 billion) or 14.4% in 1998, which is double the growth rate of 1997 (1997: +ATS 21.6 billion or +EUR 1.6 billion; +7.6%). The monetary aggregate M1, composed of currency in circulation and sight deposits, consequently expanded 9.6% in the report year (1997: +4.9%).

Time deposits augmented ATS 47.9 billion (EUR 3.5 billion)

or 47.5% in 1998 (1997: –ATS 15.9 billion or –EUR 1.2 billion; –13.6%). Much of this hefty rise was, however, caused by special effects which had an impact on the expansion of monetary growth in the report year only. M2, which comprises M1 plus time deposits, expanded by 16.5% in 1998 (1997: 1.0%).

Savings deposits grew ATS 33.6 billion (EUR 2.4 billion) or 2.4% year on year in 1998 (1997: +ATS 17.2 billion or +EUR 1.2 billion; +1.2%), solely thanks to the year-end capitalization of interest accrued. Banks' claims arising from their lending business grew ATS 115.4 billion (EUR 8.4 billion) or 3.5% in the report year (1997: +ATS 128.4 billion or +EUR 9.3 billion; +4.1%). Whereas the public sector trimmed its bank liabilities (1997: –ATS 40.7 billion or –EUR 3.0 billion; –4.9%, 1998: –ATS 38.1 billion or –EUR 2.8 billion; –4.9%), private sector demand for credit was soft because of the good liquidity situation of enterprises. The net external claims of the banking sector grew ATS 11.6 billion (EUR 846 million) or 19.1% in 1998, up from a plunge by ATS 80.6 billion (EUR 5.9 billion) or –56.9% in 1997.

Against the background of low capital market rates and a flat yield curve, capital formation at banks edged up a mere 0.5% in 1998 (1997: 2.3%). On balance, domestic nonbanks newly tied up a mere ATS 6.8 billion or EUR 494 million (1997: ATS 29.0 billion or EUR 2.1 billion) for long terms. This development can be explained as follows: Foreign cur-

¹ Data source: credit institutions' monthly reports and the OeNB's weekly financial statement.

rency deposits dipped ATS 11.7 billion (EUR 849 million) or 7.3% (1997: –ATS 0.5 billion or –EUR 36 million; –0.3%). Deposits under home loans and savings schemes contracted ATS 3.7 billion (EUR 268 million) or 1.8% (1997: +ATS 16.5 billion or +EUR 1.2 billion; +8.9%). The sale of bank bonds fell ATS 1.7 billion (EUR 122 million) or 0.3% short of the 1997 result, albeit at by a narrower mark than in 1997 (–ATS 24.6 billion or –EUR 1.8 billion; –4.3%). These reductions were only partly canceled out by the rise in banks' capital and reserves by ATS 23.9 billion (EUR 1.7 billion) or 6.2% (1997: +ATS 37.5 billion or +EUR 2.7 billion; +10.9%).

Payment Systems Policy, Payment Systems, Means of Payment

Integration of Austria's RTGS system, ARTIS, into TARGET. Transition from ECU Clearing to Euro Clearing. Numerous retail payment projects tackled by STUZZA research association. Trends in currency circulation and cash substitution.

Payment Systems Policy and Surveillance

In line with the payment systems policy it pursued during the year under review, the OeNB zeroed in on wrapping up the preparations necessary to participate in TARGET at the start of the Stage Three of EMU. This concerned, in particular, the integration of the Austrian RTGS system into TARGET. The OeNB cooperated intensively with the working groups of the ESCB and the EU Commission. At the same time, it focused on implementing all the required technical and organizational harmonization measures to pave the way for a smooth changeover to payment systems operating in euros. What is more, progress was made on numerous additional strategic initiatives.

The most noteworthy ECB efforts in this area were:

- “Third progress report on the TARGET project:” This report addresses organizational and technical issues of TARGET (more than 5,000 participants may use the system between 7 a.m. and 6 p.m. C.E.T. on a daily basis), its legal framework, access criteria as well as pricing policies. In addition, a TARGET brochure was published in all eleven official EU languages, and the ECB also issued the “TARGET service level” document addressing the banking community.
- “Assessment of EU Securities Settlement Systems against the Standards for their use in ESCB credit operations:” This report comprises the assessment of the qualification of national SSSs for Eurosystem use in

monetary policy and intraday credit operations in TARGET.

- “Report on Electronic Money:” This report contains an in-depth analysis of the issue of electronic money and states the minimum requirements electronic money issuers are to meet: The issuers of electronic money must be subject to prudential supervision; the issuance must be subject to solid and transparent legal arrangements, optimal technical security, protection against criminal abuse, and the obligation to report for monetary statistics; the issuers of electronic money must be legally obliged to redeem electronic money against central bank money at par, and the possibility must exist for the ECB to impose reserve requirements on all issuers of electronic money.

Furthermore, the ECB published the EU payment systems statistics as a supplement to the Blue Book in 1998.

The European Commission also dealt with the matter of electronic money in 1998, and in cooperation with the national supervision bodies, national central banks and the ECB drafted a proposal for a directive on regulating the issuers of electronic money. The proposal, which was submitted to the Council during Austria's EU presidency, aims at ensuring a level playing field for electronic money issuers with regard to prudential supervision to allow for the mutual recognition of EU-wide systems.

Also, during 1998 the preparatory work for implementing the Council directives which are already in force and have an impact on

payment systems progressed. The directive of January 27, 1997, on crossborder credit transfers¹⁾ is to enable above all small and medium-sized enterprises (SMEs) to make credit transfers rapidly, reliably and cheaply.

Likewise, the directive of May 19, 1998, on settlement finality in payment and securities settlement systems²⁾ needs to be put into practice. This directive aims at contributing to the efficient and cost-effective operation of crossborder payment and securities settlement arrangements in the Community. The key provisions of this directive concern in particular the law to be applied to insolvency proceedings, the enforceability of payment or transfer orders and their netting, which in case of insolvency should be binding on third parties, the prohibition of insolvency proceedings having a retroactive effect on the participants in a system, and the treatment of collateral security provided in a payment system. The directive is scheduled to be implemented and to enter into force in Austria at the end of 1999 at the latest.

Further Development of ARTIS - Participation in TARGET

By providing the Austrian Real-Time Interbank Settlement System, ARTIS for short, the OeNB enabled all Austrian banks to participate in TARGET. TARGET is a real-time system in which payments are credited to the account of the receiving beneficiary within minutes of the debiting of the account of the sending participant. Payment orders within EMU are effected in euros. As of January 4,

1999, it has been possible for Austrian banks to process Europe-wide payments via an account held at the OeNB.

In the first quarter of 1998, part of the ARTIS system went live, allowing the banks to flexibly adjust the amount of the intraday liquidity required by them and thus to streamline their liquidity management as well as to effect payment orders via ARTIS in favor of free schilling/euro accounts.

The requirements for participation in Stage Three of EMU were fulfilled when another part of ARTIS became operational. Austria ranks among the countries that joined the EU-wide TARGET system on January 1, 1999.

To enable various financial institutions to link up to ARTIS, technical access criteria were simplified. As of January 1, 1999, it has also been possible to route payment orders to ARTIS via S.W.I.F.T. (Society for Worldwide Interbank Financial Telecommunication).

The OeNB in cooperation with the Oesterreichische Kontrollbank (OeKB) established an interface between ARTIS and the OeKB's Direct Settlement System with effect from January 1, 1999. This allows for final settlement of securities transactions via accounts held at the OeNB and for performing securities transactions according to the "payment against delivery" principle.

For the Austrian message format to be compatible with the message types used throughout the European Union, the ARTIS message types were adapted and extended in cooperation with Austrian Payments System Services (APSS).

¹ 97/5/EC, Official journal No. L 43, 14/02/1997, page 25.

² 98/26/EC, Official journal No. L 166, 11/06/1998, page 45.

To participate in ARTIS, banks may access the system via the EBK (Electronic Banking Communications) system with a network linkup to APSS. Also, they may access ARTIS via S.W.I.F.T. by means of a live connection to the S.W.I.F.T. network and a direct link to the OeKB with a data line to the OeNB. Since early January 1999, a total of 69 banks have been participating in ARTIS, with 53 exclusively using the APSS option, 4 opting for the S.W.I.F.T. connection and 12 using these options alternately.

From ECU Clearing to Euro Clearing

Much effort has also gone into ensuring the smooth functioning of net settlement systems impacting financial markets, such as ECU Clearing (Euro Clearing as of January 1, 1999), where one participant's default in netting could affect other participants and the system as a whole (risk of contagion). As in the years before, the OeNB lent support to the ECB in supervising the private ECU Clearing and Settlement system.

Having completed large-scale preparations, the EBA (Euro Banking Association) switched the ECU 3 system to the new Euro 1 system with effect from January 1, 1999. The crossborder multilateral netting system, Euro 1, operates in euros and involves 62 banks from all EU countries, Australia, Japan, Norway, Switzerland and the U.S.A. To date, Bank Austria is the only participant from Austria.

Euro 1 is designed as a retail payment system. Its legal concept is based on what is referred to as the "single obligation structure." In other words, at any given time each participating bank has only one

single payment obligation or one single claim on all other participants in the system. At the close of the day the respective positions are settled in central bank money, and the payments are effected via TARGET. The system furthermore supports a limit system, i.e. each participating bank sets individual credit lines vis-à-vis other participants. Also, Euro 1 comprises a cash collateral pool for securing same-day settlement in the event that one or more participants fails to settle.

In addition to the preparatory work, the ECB reviewed the Euro 1 system to assess its compliance with the supervisory minimum standards (Lamfalussy criteria). The outcome was promptly forwarded to EBA to enable the association to take any measures necessary to make the system fully compliant.

Securities Settlement Systems (SSSs)

The ECB working group on SSSs extensively dealt with the crossborder use of collateral for central bank refinancing. As of the beginning of 1999 securities and other eligible collateral held in a central depository of another EU country may be tapped for refinancing with the national central bank. The Correspondent Central Banking Model (CCBM) was implemented to ensure reliable and swift crossborder settlement. To this end, mutual securities accounts were established at all NCBs. Following the OeNB's in-house preparations and comprehensive EU-wide testing, the CCBM was successfully put into operation on January 4, 1999.

The criteria laid down in the "Standards for the Use of EU Securities Settlement Systems in

ESCB Credit Operations” study formed the basis for assessing all the securities settlement systems used in monetary operations. The “Assessment of EU Securities Settlement Systems against the Standards for their use in ESCB credit operations” report of November 1998 presents the results of the evaluation of 29 national SSSs in the EU carried out by the NCBs and the ECB. The Austrian SSS of the OeKB qualified easily.

The European Central Securities Depositories Association (ECSDA), in which the central securities depositories of 13 EU Member States are represented, serves as a suitable forum for a comprehensive exchange of information within the ESCB. At present, the ECSDA members are actively seeking to interface and integrate their systems. With regard to the crossborder use of collateral it is intended – at least in the medium term – for these interfaces interlinking the national SSSs to replace the CCBM, once the interfaces have been assessed against the minimum requirements.

Retail Payments

STUZZA Projects

In the period under review, the Austrian Research Association for Payment Cooperation (STUZZA), with OeNB participation, once again proved to be an effective platform for addressing issues related to payment systems.

In the context of the “Transition to the euro” project several specific workpackages were completed: The new check handling arrangement allows banks to collect checks without having to forward the original checks, the agreement on crossborder collection was adapted

to EMU conditions, and foreign exchange statistics were simplified. Preparations for the changeover of the EDIFACT message types progressed and studies on banknote and coin logistics were conducted with a view to the changeover to the euro scheduled to take place in 2002.

Working Group on Security in Payment Systems (ARGE SZS)

In 1998, the Working Group on Security in Payment Systems (ARGE SZS) dealt with individual components of the Quick electronic purse (virtual terminal card, security module, use of Quick in the Internet, chip attack scenarios, crisis management) as well as security aspects of the electronic signature. Furthermore, a study on security-related issues of the electronic cash system run by Bank Austria was compiled.

Banknote and Coin Circulation in Austria and Cash Substitution

In line with the traditional function of money, banknotes and coins may serve as a medium of exchange (means of payment) as well as a store of value. As is the case in other countries, the banknote and coin circulation in Austria exceeds the money actually needed to effect transactions. In other words, some Austrian notes and coins are hoarded both at home and abroad. Demand for cash for transactions has grown at a slower pace due to recent developments in the electronic and retail payment sectors, with payment cards exerting a particular influence. To put this into perspective, however, about 95% of all retail payment transactions are still effected in cash.

Banknote and Coin Aggregates in Austria

| | 1996 | 1997 | 1998 |
|---|---------|---------|---------|
| Banknotes in circulation¹⁾ | | | |
| ATS million | 158,117 | 163,071 | 163,087 |
| Annual change in % | +5.8 | +3.1 | - |
| Divisional coins in circulation¹⁾ | | | |
| ATS million | 7,371 | 7,614 | 7,800 |
| Annual change in % | +4.2 | +3.3 | +2.4 |
| Currency in circulation¹⁾²⁾ | | | |
| ATS million | 142,709 | 145,390 | 141,180 |
| Annual change in % | +5.7 | +1.9 | -2.9 |

Source: OeNB.

¹⁾ Annual averages of the respective end-of-month positions.²⁾ Banknote and coin circulation less cash holdings at credit institutions.

Currency circulation comprises the notes and coins in circulation less the cash holdings at credit institutions. The “Banknote and Coin Aggregates in Austria” table tracks the developments from 1996 to 1998. The rates of annual change bear testimony to the rising trend of all circulation aggregates; increases have been slowing over the past few years though.

Cash continues to play an essential role in retail payments, but various forms of cash substitution have been gaining ground as well. The number of credit card holders and users has jumped in recent years, as has the use of ATM cards in POS transactions.

Cash Substitution in Austria

| | 1996 | 1997 | 1998 |
|--|--------|--------|--------|
| Credit card turnover¹⁾ | | | |
| ATS million | 40,419 | 45,121 | .. |
| Annual change in % | +17.5 | +11.8 | .. |
| Average transaction value in ATS | 1,810 | 1,709 | .. |
| POS payments with ATM cards¹⁾ | | | |
| ATS million | 11,100 | 17,829 | 27,641 |
| Annual change in % | +54.3 | +60.6 | +55.0 |
| Average transaction value in ATS | 730 | 743 | 710 |
| Payments with Quick electronic purse¹⁾ | | | |
| ATS million | x | 78 | 127 |
| Average transaction value in ATS | x | 186 | 114 |

Source: OeNB.

¹⁾ Annual averages of the respective end-of-month positions.

Financial Markets and Financial Intermediaries

Changes to Legal and Economic Conditions

Amendments to various laws of relevance to the financial markets necessary prior to the introduction of the euro. OeNB analysis of the implications of EMU for the Austrian banking sector. Y2K activities.

To pave the way for the launch of the euro, Austrian legislation had to be adapted: The following chapter deals with the most important changes to legislation relating to financial markets.

Stock Exchange Fund Amendment Act

The Stock Exchange Fund Amendment Act (Börsenfondsüberleitungsgesetz) consists of six sections:

Article I contains an amendment to the Stock Exchange Act, the main thrust of which is to regulate the transfer of the management and operation of the Wiener Börse from the Council of the Vienna Stock Exchange, a public law entity, to a newly established private law corporation. Article II refers to the transfer of the assets of the Vienna Stock Exchange Fund and the Council of the Vienna Stock Exchange to a limited liability company. The remaining articles cover further amendments, including those to the following acts:

- Securities Supervision Act: This act was adapted to take account of the fact that in future both Austrian companies and recognized securities firms headquartered in third countries are entitled to become members of the Wiener Börse as laid down in the new stock exchange regulations.
- Banking Act (BWG): The exemption clause of this act was extended so as to facilitate access to the Wiener Börse for nonresidents, i.e. recognized securities firms headquartered in a third country, as well as for Austrian companies engaged in

specific business activities¹). Moreover, the regulations on money laundering and the reporting requirements on large loans were extended or amended.

Amendment to the Investment Fund Act

In addition to facilitating the pooling of funds, the amendment provides the legal framework for setting up funds with a reinvestment option, funds of funds, special funds for institutional investors as well as private pension funds.

The amendment also allows for the transfer of the administration of a fund to a third party, establishes supplementary registration fees for umbrella funds, and makes it possible for money held in trust to be invested in mutual funds shares. Finally, income taxation rules currently applicable to foreign funds with reinvestment privileges are, with certain modifications, transferred to the new domestic funds with reinvestment options.

Amendment to the Savings Banks Act

This amendment contains the following essential changes: it

- provides for the legal conversion of savings bank holding companies (Anteilsverwaltungsparkassen), which serve exclusively as asset management holding companies, into private law foundations;
- limits the liability of municipalities (Gewährsträgerhaftung): When a savings bank holding company is converted into a private law foundation,

¹ Pursuant to Article II No. 20 of the Directive 93/6/EEC.

- the municipality's guarantee is limited to the liabilities incurred by the operational savings bank up until the next end-month balance-sheet reporting date following the recording of the conversion in the company register;
- strengthens cohesion within the sector by permitting contracts on the right of preemption (Aufgriffsrecht) within the savings bank sector and due to the fact that banks converted into private law foundations remain part of the savings bank sector.
- euro; certain expenses for the changeover to the euro may be capitalized;
- sets the preconditions for the establishment of joint stock corporations and limited liability companies on a euro basis, including the conversion of the capital of existing companies into euros. For joint stock corporations, an alternative to the issue of nominal shares is introduced, namely the issue of no-par stocks.

First Euro-Related Amendment to Civil Legislation

Basically this amendment:

- replaces the discontinued discount and lombard rates with a base rate and a reference rate (see also box on “Rates Substituting the Discount and Lombard Rates in Contracts”) and provides substitution reference interest rates for value clauses in contracts (e.g. EURIBOR replaces VIBOR);
- makes dual pricing compulsory: In contracts concluded between businesses and consumers that are applicable beyond December 31, 2001, the sums payable and any prices relevant for consumers shall be quoted in both schillings and euros. At the very least, consumers shall be informed separately in writing about the relevant schilling and euro amounts;
- specifies the conversion and accounting procedure for foreign currency assets and liabilities denominated in one of the legacy currencies of the

First Euro-Related Amendment to Financial and Fiscal Legislation

The First Euro-Related Amendment to Financial and Fiscal Legislation provides, among other things, the legal basis for the redenomination of bonds in euros. Article 1 regulates the redenomination of government bonds into euros and commissions the Federal Financing Agency with such redenomination. Article 2 empowers all issuers of nongovernment bonds to convert the nominal amount of their outstanding bonds from schillings into euros.

Both government and non-government bonds are to be redenominated to the nearest euro cent (EUR 0.01). To this effect, the smallest schilling unit of a bond is converted into its euro equivalent and rounded up to two decimals. The total nominal value of the bonds redenominated into euros is the sum total of the converted and rounded schilling lots. In line with other European countries, the calculation of interest days in relation to converted government bonds is to be changed from the day-count convention of 30/360 to actual/actual.

The First Euro-Related Amendment to Financial and Fiscal Legislation also amended a number of other pieces of legislation (such as the VAT Act, Income Taxation Act, Insurance Companies Supervision Act, Banking Act, Home Loans and Savings Institutions Act, Securities Supervision Act) and provided for accompanying measures for the introduction of the euro into tax law.

Repercussions of the Developments in Asia, Russia and Brazil on the Austrian Financial Markets

The financial turmoil in Southeast Asia led to a “flight to quality” of investors and intensified after the announcement of a debt moratorium by Russia. Domestic and foreign investors withdrew increasing amounts of capital from the crisis regions and other emerging markets (Eastern Europe, Latin America, South Africa, etc.) and invested the money for the time being primarily in government bonds issued by industrialized countries. These capital movements caused bond yields in the “safe haven” countries, including Austria, to fall temporarily. In Europe, there was demand particularly for German government bonds. Consequently German bond yields dipped more strongly than yields in Austria or other EU countries.

Like the stock exchanges in most industrialized countries, the Wiener Börse reacted with a prolonged downturn to Russia’s debt default, the protracted financial turmoil in Asia, the feared global economic downturn and the troubles of the American hedge fund Long-Term Capital Manage-

ment (LTCM). However, in contrast to the major international exchanges, stock prices at the Wiener Börse had rebounded only a little by the end of the year after having bottomed out at the beginning of October 1998. One explanation for this might be the comparatively large exposure of major Austrian banks and industrial groups to Russia.

Studies on Financial Market Stability

The OeNB published two studies¹⁾ that examined the implications of EMU for the banking sector and highlighted potential areas of risk. Since some financial market participants and business areas will be impacted more strongly than others by the introduction of the euro, the studies singled out the areas with the highest exposure to the euro and the biggest significance for the systemic stability of the Austrian financial markets. Furthermore, the OeNB, in cooperation with the Oesterreichische Kontrollbank, again published an updated edition of the booklet “The Austrian Financial Markets – A Survey of Austria’s Capital Markets” in 1998.

Year 2000 Compliance

The OeNB, in cooperation with the Federal Ministry of Finance, oversees the Year 2000 changes Austrian credit institutions need to implement in order ensure millenium compliance. In June 1998, a recommendation paper listing the fundamental requirements that must be met was sent to Austrian banks.

Furthermore, two questionnaires were distributed, one in January and one in November 1998, to a representative sample of

¹ *The English titles of the studies written in German are “Analysis of Financial Market Stability with a View to the Implications of the Euro for Austria” and “The Impact of Monetary Union on the Austrian Banking System from a Macroeconomic Perspective.”*

Austrian banks. The aim was to gain an overview of banks' strategic Y2K action plans, projected test runs and contingency planning. The results show that the Austrian banking industry is well prepared to meet the challenge of Year 2000 conversion.

Given the crucial nature of the Y2K issue, the OeNB, following preparatory work begun in 1996, initiated two projects in 1997 designed to ensure a smooth entry into the new millennium, covering both IT systems and the conventional infrastructure. Work on the Y2K compliance of the OeNB's systems is due to be completed by mid-1999. Moreover, the OeNB is in close contact with national and international partners and keeps a close eye on global progress toward Y2K compliance. In particular, the Bank's Y2K activities have been harmonized with the relevant ESCB-wide preparations.

The OeNB's Role in Banking Supervision

As of January 1, 1998, Austrian credit institutions have been required to cover the market risks they incur with own funds. The own funds requirement can be calculated according to the standard methodology defined in the Banking Act (BWG) or with an internal Value-at-Risk (VaR) model¹. The OeNB is responsible for checking the completeness and effectiveness of the method used from both a quantitative and qualitative point of view. To this effect, the OeNB produces and submits inspection reports to the Federal Ministry of Finance or, if a bank has opted for an internal VaR model, an expert opinion on the model. A positive expert opinion from the OeNB is a

precondition for the use of a model for the calculation of the own funds requirement.

In 1998 the OeNB submitted expert opinions on the models of three Austrian credit institutions to the Federal Ministry of Finance. Moreover, implementation of and compliance with the capital adequacy regulations incorporated into Austrian law was evaluated on the basis of examinations under § 70 of the Banking Act (BWG).

The relevant Banking Act clauses are without doubt milestones in the history of Austrian banking supervision legislation, and their appropriate implementation has challenged the know-how of both commercial banks and the OeNB. In the interest of clear information, a policy guideline was produced, which covers the general market risk in debt securities (§ 22 h BWG) and the decomposition of interest rate instruments (§ 22 e BWG).

In 1998, as in previous years, the OeNB's banking supervision division conducted routine and ad-hoc on-site examinations at Austrian banks, at the recommendation of the Expert Commission.

¹ An internal model – referred to as Value-at-Risk (VaR) model – is a statistical model that is used to calculate the risk exposure of a securities portfolio. Value at risk is defined as the maximum loss of a securities portfolio for a given holding period at a certain level of confidence.

Credit Institutions

Structure

1998 saw an acceleration of the trend of the past few years toward a higher degree of concentration, with smaller credit institutions being taken over by larger entities, especially within the multi-tier groups of the Austrian banking sector. Accounting for more than 70% of all mergers, the network of industrial credit cooperatives, the Raiffeisen bank sector, benefited particularly from the synergy effects that regional alliances offer. In terms of head offices, the number of credit institutions established in Austria shrank by 25 to 970 in 1998.

The network of branch offices was trimmed by 115 outlets over the same period, with the number of branches established abroad falling from 24 to 20. Eight of the branches were established in EU Member States (1997: 13). By comparison, foreign credit institutions operated 16 subsidiary banks (1997: 19), 12 branch offices (1997: 7) and 31 representative offices (1997: 33) in Austria. This decline provides evidence of a trend toward the reorganization of foreign banks' legally independent subsidiaries to dependent branch offices. Eight of the foreign credit

institutions and ten of the foreign branch offices have parent institutions established in an EU Member State.

Business Activity

Banks' balance sheets expanded by 10.3% in 1998, at a considerably faster pace than in 1997 (+6.2%). More than half of this expansion is, however, due to more active domestic interbank business.

In 1998, schilling and foreign currency deposits of Austrian nonbanks increased by ATS 110.1 billion (+EUR 8 billion; +5.0%), which is a considerable gain over 1997, when deposits advanced by ATS 38.9 billion (EUR 2.8 billion). The increase is primarily attributable to schilling deposits: Both sight deposits (+ATS 44.0 billion, +EUR 3.2 billion) and time deposits (+ATS 47.9 billion, +EUR 3.5 billion) grew more strongly than in 1997. By contrast, the 1998 expansion in schilling savings deposits (+ATS 29.9 billion, +EUR 2.2 billion) slightly trailed the gains registered in 1997. Foreign currency deposits, which accounted for roughly 6% of total deposits, shrank in 1998 (–ATS 11.7 billion, –EUR 850 million), more than in 1997 (–ATS 0.5 billion, –EUR 26 million). Finally, the outstanding total of banks' own domestic issues held by nonbanks, which still rose marginally in 1997, sank by ATS 27.3 billion (EUR 2 billion).

Direct lending to domestic nonbanks (schilling and foreign currency loans) expanded somewhat more vigorously in 1998 (+3.9%) than in 1997. By contrast,

Number of Credit Institutions and Banking Density

| | Head offices | Branch offices | Banks, total | Banking density ¹⁾ |
|------|--------------|----------------|--------------|-------------------------------|
| 1985 | 1,241 | 4,090 | 5,331 | 1,419 |
| 1990 | 1,210 | 4,497 | 5,707 | 1,360 |
| 1995 | 1,041 | 4,686 | 5,727 | 1,406 |
| 1996 | 1,019 | 4,694 | 5,713 | 1,412 |
| 1997 | 995 | 4,691 | 5,686 | 1,422 |
| 1998 | 971 | 4,576 | 5,547 | 1,458 ²⁾ |

Source: OeNB.

¹⁾ Inhabitants per bank.

²⁾ Preliminary value.

Credit Institutions' Business Activity

| | 1997 | | 1998 | |
|--|-------------|--------------------|-------------|--------------------|
| | ATS billion | Annual change in % | ATS billion | Annual change in % |
| Balance sheet total | 5,999.8 | + 6.2 | 6,616.8 | +10.3 |
| Assets | | | | |
| Direct credits to domestic nonbanks | 2,651.5 | + 3.6 | 2,756.0 | + 3.9 |
| <i>Thereof: Schilling direct credits</i> | 2,429.8 | + 1.6 | 2,420.5 | - 0.4 |
| <i>Foreign currency direct credits</i> | 221.7 | +32.2 | 335.5 | +51.4 |
| Foreign assets | 1,450.1 | +15.6 | 1,523.8 | + 5.1 |
| Liabilities | | | | |
| Deposits by domestic nonbanks | 2,183.9 | + 1.8 | 2,294.0 | + 5.0 |
| <i>Thereof: Savings deposits</i> | 1,617.8 | + 2.1 | 1,647.7 | + 1.8 |
| <i>Foreign currency deposits</i> | 159.1 | - 0.3 | 147.4 | - 7.3 |
| Foreign liabilities | 1,649.3 | +19.5 | 1,746.7 | + 5.9 |

Source: OeNB.

securitized lending to domestic nonbanks slipped significantly from a year ago (-6.1%), mainly on account of slackening demand for federal treasury certificates.

The pace of growth of foreign transactions slowed down on both the assets and the liabilities side. With claims rising by 5.1% and liabilities by 5.9%, foreign transactions clearly could not keep up with the development of the balance sheet total. Above all, interbank transactions with foreign credit institutions increased by a smaller margin. On balance, foreign transactions accounted for 24.7% of the balance sheet total in 1998 (1997: 25.8 %).

With regard to special off-balance-sheet operations, 1998 saw a slump in August and a slight overall decline year on year by ATS 224.4 billion (-EUR 16.3 billion, -3.6%), most of which can be traced to a reduction in interest rate contracts. The year-end position was ATS 6,587 billion (EUR 478 billion).

Earnings Situation

The 1998 operating result of domestic credit institutions lay 8.8% above the comparable 1997 figure.

Net interest income followed the trend of the past few years, falling by 2.4% against 1997: The gains in interest income and interest-related income (+3.9%) were wiped out by the expansion of interest and interest-related expenses (+6.5%). In their retail lending business, banks reduced interest charged on loans from 6.0% on average to 5.7% year on year. Over the same period, they trimmed the interest offered in their retail deposit business from 3.3% on average to 3.2%, thus causing the net interest income margin to narrow from 2.7 to 2.5%. Overall, banks continued to earn less of their profit from their lending and deposit business in 1998. Profits earned on securities portfolios and return on shareholdings totaled ATS 19.1 billion (EUR 1.4 billion), ATS 6.1 billion (EUR 443 million) above the respective 1997 earnings.

The surplus from net commissions was up 11.4% on 1997, totaling ATS 33 billion (EUR 2.4 billion). Commission income accounted for roughly 20% of overall operating income. Net income from financial transactions – attributable to banks' own-account trading in securities, foreign exchange, derivatives and precious metals – climbed by 6.9% to ATS 9.1 billion (EUR 661 million). Other operating income equaled ATS 17.3 billion (EUR 1.3 billion), which is slightly above the 1997 result. On balance, banks reported an operating income of ATS 165.7 billion (EUR 12.0 billion), 5.5% more than in 1997.

Turning to the expenses side, general administrative expenses edged up 4.4% to ATS 93.9 billion (EUR 6.8 billion). Personnel expenditure grew 2.4%, and material expenditure 7.7%. Depreciation on tangible and intangible fixed assets increased by 7.7%. Other operating expenses, by contrast, contracted by 0.9% to ATS 10.8 billion (EUR 785 million). Total operating expenses rose 4.1%.

The operating result for 1998 thus stood at ATS 52.9 billion (EUR 3.8 billion). Provisions for loan losses were expanded from

Interest Income and Expenditure

Arising from Transactions with Nonbanks

| | 1997 | 1998 |
|---------------------------------|---------|---------|
| Claims on customers | | |
| Income ATS billion | 184,5 | 184,0 |
| Average claims ATS billion | 3,081,6 | 3,209,7 |
| Average interest % p.a. | 5,99 | 5,73 |
| Liabilities to customers | | |
| Expenditure ATS billion | 80,9 | 82,1 |
| Average liabilities ATS billion | 2,473,2 | 2,550,7 |
| Average interest % p.a. | 3,27 | 3,22 |

Source: OeNB.

ATS 23.5 billion (EUR 1.7 billion) in 1997 to ATS 30.1 billion (EUR 2.2 billion). By contrast, the cancelation of provisions for securities holdings and shareholdings is expected to have boosted income by ATS 6.6 billion (EUR 480 million). After taking provisions into account, the result from ordinary activities is thus anticipated to have reached ATS 29.4 billion (EUR 2.1 billion) in 1998, up from ATS 27 billion (EUR 2.1 billion) in 1997. Factoring in expected extraordinary income and lower tax payments than in the previous year, credit institutions expect to have closed 1998 with an annual surplus of ATS 22.4 billion (EUR 1.6 billion), which is a 15.5% gain on the comparable surplus for 1997.

Insurance Companies, Pension Funds, Investment Funds, Home Loans and Savings Institutions

Insurance Companies

As a result of the establishment of two insurers and the merger of two companies, the number of insurance companies established in Austria rose to 72 in 1998. Of these, 52 were domestic stock corporations, 5 domestic mutual insurance companies and 15 branch offices of foreign insurance companies.

Assets under management expanded at a significantly slower pace than in 1997 (4.3% as opposed to 6.9%), mainly on account of the stagnation of business in the third quarter of 1998.

The biggest areas of growth were external assets, domestic equity securities and loans to domestic credit institutions (between +22 and +26%). Domestic

debt securities, by contrast, shrank markedly.

Pension Funds

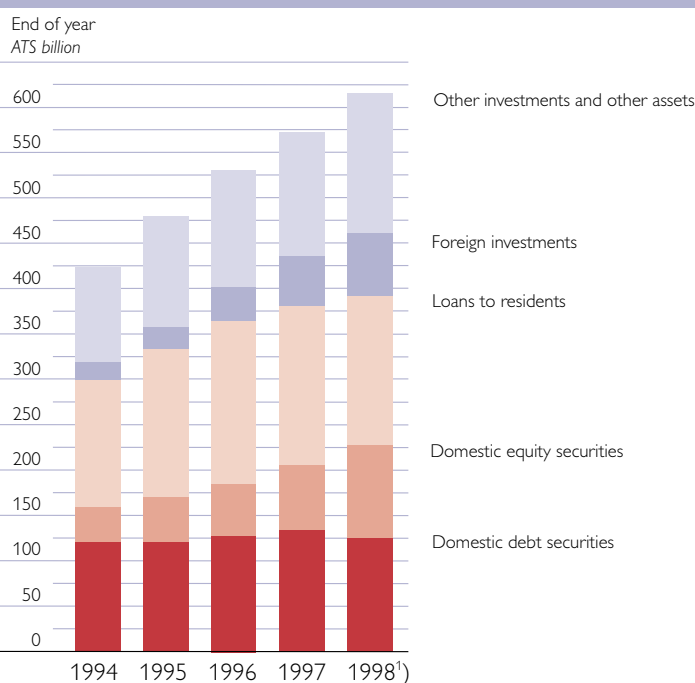
With two in-house pension funds newly established in 1998, the number of Austrian pension funds edged up to 17 in 1998. By year-end, assets under pension fund management had expanded to ATS 64.4 billion (EUR 4.7 billion). ATS 18.5 billion (EUR 1.3 billion) thereof were managed by the ten in-house funds, and ATS 45.9 billion (EUR 3.3 billion) by the seven industry-wide funds.

As in previous years, the portfolios of the pension funds expanded at a dazzling rate (+48%). The two new funds contributed 8.4 percentage points to the annual gain.

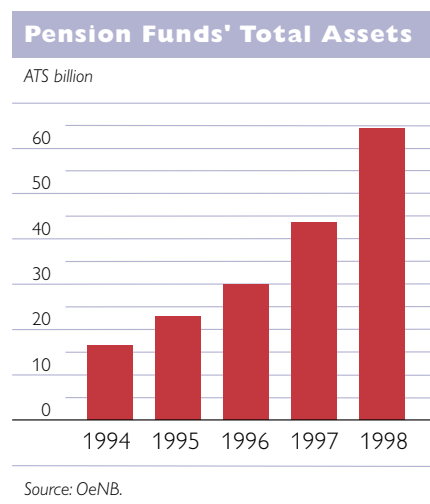
Investment is controlled to an ever larger extent by the portfolio managers of domestic investment companies. In 1998 as much as 81% of the asset total of the pension funds was invested in domestic investment funds and thus controlled by their portfolio managers (1997: 77%). The remainder was invested mostly in foreign mutual funds shares (5% of assets) and domestic bonds (4%).

The industry-wide pension funds managed a good 70% of the money placed with pension funds. On a 12-month basis, they have thus lost some ground vis-à-vis the in-house funds. However, a market share comparison over a larger time period shows that there has been a big shift in favor of the industry-wide pension funds.

Insurance Companies' Total Assets



Source: OeNB.
¹⁾ Estimates.



Investment Funds

The Austrian Investment Fund Act was amended in 1998 in order to put the domestic investment companies on a better footing vis-à-vis their competitors. The amendment, which entered into force on March 1, 1998, not only improved the administration of investment funds in line with current market practice but also introduced several new investment fund products, namely special funds for institutional investors, funds of funds, funds with a reinvestment option, and private pension funds.

The dynamic growth of fund-based investment in Austria continued in 1998, with the acceleration of flows into funds reaching a nine-year record high (+35%) even though global bond markets were temporarily dragged down by financial turbulences.

At the end of December 1998, a total of ATS 766 billion (EUR 55.7 billion; GDP ratio of 29%) was invested in the 858 investment funds which the 24 Austrian investment companies operate.

Assets increased by ATS 199 billion (EUR 14.5 billion) or 35%

year on year. The top performing asset classes were domestic bonds (+35%), followed by foreign bonds (+24%) and foreign equities (+22%).

Reflecting a diversifying taste of investors, the share of equities grew while bonds retreated, as in 1997. Exposure to equities, by relation to the total portfolio, grew from 13.9% in 1997 to 16.9% in 1998. The share of debt securities, meanwhile, fell from 75.3 to 71.0%. As of March 1998, the formation of funds of funds – mutual funds which invest in other funds, purchasing shares in mutual funds – has been permissible in Austria. This boosted the issuance of mutual funds shares by roughly ATS 19 billion (EUR 1.4 billion) and propelled the rise of their share in the portfolios of investment companies from 0.2% in 1997 to 2.6% in 1998.

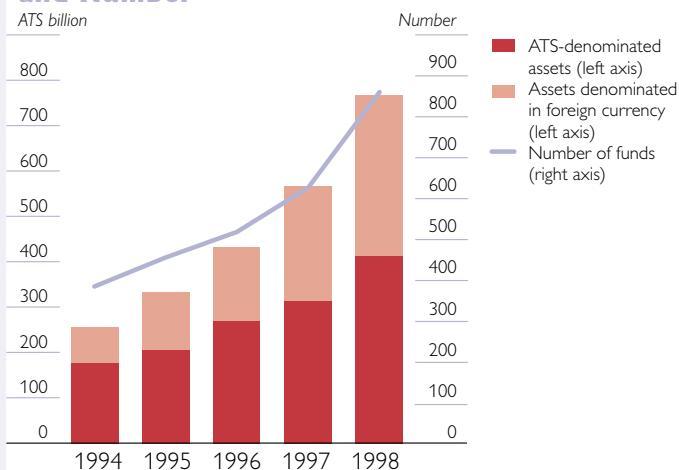
In addition, there has been a shift from investment in foreign assets to investment in domestic assets. While foreign bonds accounted for some 60% of 1997 portfolio growth, domestic bonds were slightly more popular in 1998. In terms of annual percentage changes, though, the growth of investment in nondomestic assets continues to be one and a half the size of that in domestic assets.

The pull of foreign equities was clearly stronger than the allure of domestic equities, same as in 1997. In 1998, roughly six times as many equities were purchased in foreign capital markets as in the domestic market.

The appetite of domestic non-banks for investment funds continued to grow fast in 1998, as before. Some 40% of fund-based investment growth (ATS 78 billion

Investment Funds' Total Assets

and Number



Source: OeNB.

or EUR 5.7 billion) is attributable to purchases by nonfinancial corporations and households. Domestic banks acquired ATS 30 billion (EUR 2.2 billion), and domestic insurance corporations ATS 34 billion (EUR 2.5 billion). Pouring in ATS 14 billion (EUR 1 billion), nonresident investors also showed

relatively big interest. The share of the public sector rose by ATS 6.4 billion (EUR 465 million).

Home Loans and Savings Institutions

The Austrian home loans and savings companies managed to hold their own in 1998 in the face of strong competition in the market.

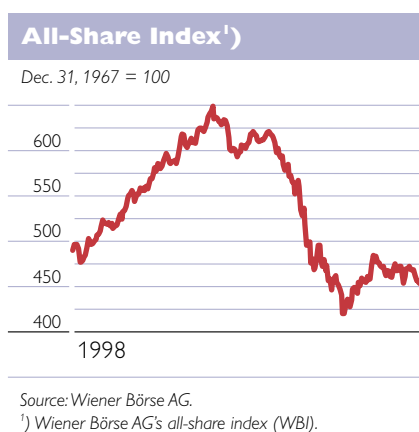
Key performance indicators, such as the number of savings and loan investment contracts and the volume of agreed loans, revealed moderate growth in 1998. The number of new contracts taken out rose but did not reach the peak of 1996. By contrast, actual deposits under savings and loan schemes, outstanding loans and the lending capacity decreased slightly. As in the previous year, the number of loans actually granted dropped markedly. But since the average size of loans increased from ATS 700,000 to nearly ATS 850,000 in 1998, the total volume of agreed loans remained more or less the same.

Equity Market, Bond Market

Short rally at the beginning of the year followed by a slump. Moderate year-end rebound. Long-term yields decline further. New issues dominated by the public sector. Outstanding bonds total ATS 1,720 billion (EUR 125 billion).

With the currency crisis in Asia taking its toll, business at the global stock exchanges was sluggish at the beginning of the year but picked up strongly in spring. The Vienna stock market also rebounded during the first five months, posting significant price gains, with the Austrian Traded Index (ATX) reaching an annual high on May 26, 1998, at 1,628.6 points. After a consolidation phase, the Russian crisis dealt the global exchanges a severe blow. As in the past, small cash markets – such as the Wiener Börse – were hit particularly hard. Within a matter of weeks, prices collapsed to the level of the fall of 1997. The vast majority of blue chips suffered drastic losses. The annual low was reached on October 1, 1998, with the ATX bottoming out at 982.1. Part but not all of the heavy losses could be recouped until the end of the year. The ATX eventually ended the year at a level of 1,120.8 points, a loss of 174 points or 13.5% over year-end 1997. Measured in terms of the continuous trading index, the loss was almost 500 points or 30%. Only seven of the companies forming part of the continuous trading index closed the year with price gains; 13 recorded losses. The all-share index of the Wiener Börse (WBI) told the same story.

In 1998, the capital market was tapped less than in 1997. 1998 saw just two IPOs, raising a total of ATS 1.7 billion (EUR 123 million), which is dwarfed by the corresponding 1997 figure (ATS 37.6 billion or EUR 2.7 billion). The number of listings at the Wiener Börse even dropped from 118 to 112 because several shares were



delisted during the year. Total market capitalization plunged from ATS 452 billion (EUR 32.9 billion) to ATS 340 billion (EUR 24.7 billion or 12.9 % of GDP).

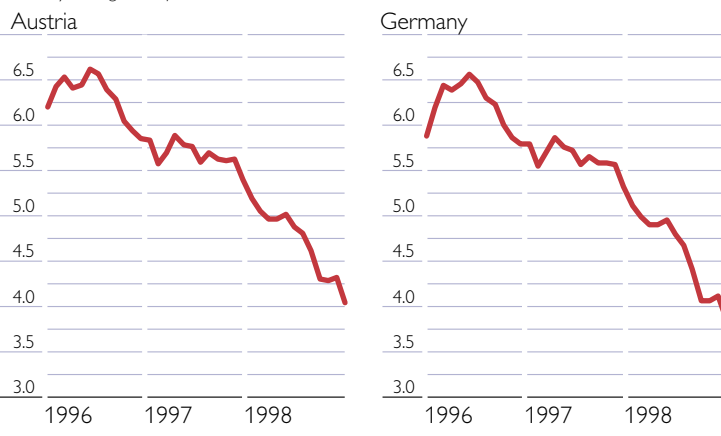
Austrian capital market yields continued to drop in 1998. The benchmark yield for 10-year government bonds – measured in terms of monthly averages – shed 1.35 basis points to reach a historic low of 4.05%.

Even after the preannouncement of the bilateral conversion rates of the euro area currencies,

Benchmark Yields Austria – Germany

Ten-year federal government bonds

Monthly average in % p. a.



Source: OeKB, Deutsche Bundesbank.

the yield differential vis-à-vis comparable Deutsche mark securities remained positive. In the face of the increasing volatility in international financial markets, investors rebalanced their portfolios in favor of liquid benchmark bonds and the major euro capital markets. As a consequence, the yield differentials between Germany and the small euro area countries, such as Austria, widened further: The yield on Austrian 10-year government bonds lay 8 basis points above the comparable German yield on average in the first half of 1998. In the second half, the differential

widened to 21 basis points. In terms of annual averages, it equaled 14 basis points in 1998, as opposed to 4 in 1997.

The yield curve (by residual time to maturity) shifted markedly lower across the spectrum of maturities, shedding between 106 and 136 basis points year on year. With shorter maturities in particular, the drop was larger in the first half than in the second half. By comparison with the German yield curve, the decline was more pronounced at the short end, and less pronounced for medium-term maturities and at the long end.

Foreign demand for Austrian fixed-income securities was again more vigorous than in the year before (see balance-of-payments developments discussed in the section “Monetary Policy in Austria in Transition to EMU”). Above all government bonds were more in demand, which is attributable to the continued efforts to make the Austrian market more liquid and transparent. The volume of government issues and thus the liquidity of the market in government issues was kept high through the increase of bonds.

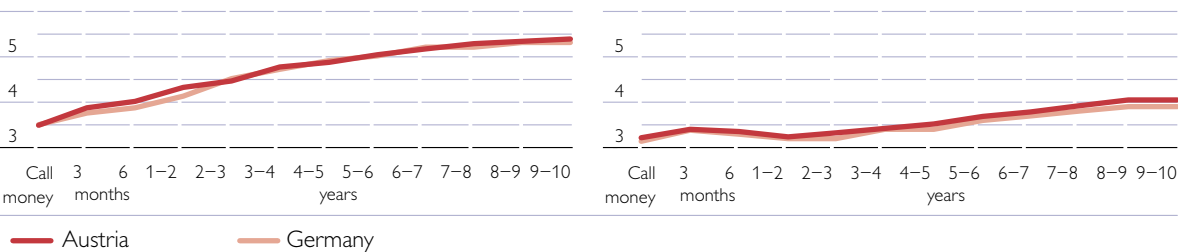
The volume of bonds outstanding rose by ATS 97 billion (EUR 7.0 billion) to ATS 1,720 bil-

Yield Curves Austria – Germany

Federal government bonds by residual time to maturity

Residual lives December 1997
in % p. a.

Residual lives December 1998



Source: OeKB, Deutsche Bundesbank.

lion (EUR 125.0 billion). The bulk of the increase can be traced to issues made by the federal government. On balance banks in fact tapped the bond market less than in 1997, because redemptions were markedly higher than in the years before. The gross volume of issues ran to ATS 334 billion (EUR 24.3 billion) in 1998, with the federal government accounting for slightly less than half, banks' issues for 43% and foreign issuers for roughly 1%.

Changes at the Wiener Börse

Following the establishment of the Austrian Securities Authority and the merger of the futures and options market (ÖTOB) with the cash market of the Vienna stock exchange in 1997, further changes were implemented in the business year of 1998. The management and operation of the Wiener Börse was transferred from the Council of the Vienna Stock Exchange (Börsekammer), a public law entity, to a newly set-up joint-stock corporation operating under private law, Wiener Börse AG.

Furthermore, a cooperation agreement was signed with the German stock exchange under which Frankfurt's trading system – Xetra – is to be introduced at the Wiener Börse by end-1999. Linking the Vienna cash market to Xetra will attract more than 200 additional market participants and will help significantly to cut transaction costs. Agreements were also signed on the establishment of a joint exchange for Central and Eastern European securities in Vienna, to which all CEE securities currently listed in Frankfurt will be transferred.

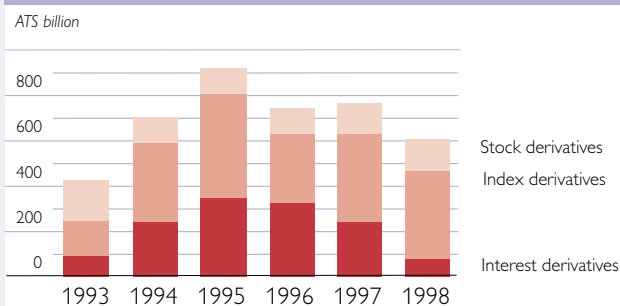
January 1, 1999, marked the entry into force of the Takeover Act, which protects minority shareholders by granting them specific privileges in takeovers of stakes of more than 50% and by improving their position when between 25 and 50% of the shares change hands. To this effect, a Takeover Commission has been set up, which is to investigate to what extent acquirers of a controlling stake have in fact taken control.

Derivatives

The Austrian Derivatives Market – ÖTOB

The single most important development of the year on the Austrian derivatives market was the merger of the cash market and the futures and options market into the Wiener Börse AG. Following the delisting of Austrian Government Bond (AGB) options at the end of 1997, AGB futures were delisted in December 1998. The volume of trading in Central and Eastern European securities fell short of the 1997 result. While in 1997, contracts with a volume of ATS 87 billion (EUR 6.3 billion) had been traded, the trading volume shrank to ATS 64 billion (EUR 4.7 billion) in 1998.

Volume of Contracts Traded on ÖTOB



Source: Austrian Futures and Options Exchange (ÖTOB).

Special Off-Balance Sheet Transactions Pursuant to § 22 Austrian Banking Act

The special off-balance sheet financial transactions (interest rate, exchange rate, precious metal and commodities contracts, securities-related and other transactions) reported in credit institutions' monthly returns provide clues on the structure of the derivatives market. In 1998, the average end-

of-month volume of special off-balance-sheet transactions stood at ATS 6,409 billion (EUR 465.8 billion), up 4.6% on the corresponding 1997 value. By category, interest rate transactions contracts accounted for ATS 4,503 billion (EUR 327 billion; end-month average), and exchange rate contracts for ATS 1,848 billion (EUR 134 billion).

BIS Survey 1998

At intervals of three years, the BIS conducts a survey of foreign exchange and derivatives market activity.¹⁾ The 1998 survey shows the turnover on the Austrian foreign exchange market, i.e. the cash, futures and foreign exchange swap market, to have reached ATS 209.8 billion in April 1998. This corresponds to an average daily turnover of USD 10.5 billion for the 20 trading days of April 1998. On the derivatives market, i.e. forex swaps, OTC forex options and interest rate instruments (interest rate futures, interest rate swaps, interest rate options), turnover came to USD 91.9 billion, which corresponds to an average daily turnover of USD 4.6 billion, double the daily turnover registered in 1995 (USD 2.3 billion).

In the three years to 1998, total foreign exchange and derivatives market turnover rose by 7%, with traditional foreign exchange business tending to lose, and more complex derivative transactions tending to gain ground.

As in 1995, the most-traded currency pairs were USD/DEM (market share 44%), followed by ATS/USD (18%) and ATS/DEM (7%).

¹ The Austrian turnover results were published by the OeNB in April 1998 in the form of a press release. The global turnover data, compiled on the basis of the participating countries' reports, can be accessed from the website of the BIS: <http://www.bis.org>.

Developments in the European Union

Apart from the preparations for the changeover to the euro (see section “From the Schilling to the Euro”) and the kickoff of accession negotiations with six candidate countries for membership (see box “The Enlargement of the European Union”), two issues dominated the work of the EU: on the one hand negotiations about the Union’s future mission and financial framework – the Agenda 2000 package – and on the other hand employment issues, which were accorded top priority above all in the second half of the year, by the Austrian EU presidency.

Regarding the Agenda 2000 debate, the key elements for a final settlement of how to finance and redistribute the Community budget were identified, and in a number of areas a measure of common ground emerged. The Austrian presidency concluded the legislative and technical texts for the Agenda 2000, thus fulfilling the mandate it had been assigned at the Cardiff summit. Long discussions at a special summit meeting hosted by the German EU presidency in Berlin on March 24 and 25, 1999, eventually brought broad agree-

ment on the Agenda 2000 package. The most important points concern agricultural spending (substitution of a system of direct support for the current system of subsidized prices), EU finances (maintaining the own resources ceiling at 1.27% of Community GNP) and the structural and cohesion fund. At their Vienna meeting, the EU Heads of State or Government had agreed that the reform of the EU must be tackled “in a spirit of solidarity” displaying strong “budgetary rigour.”

As part of the so-called “Vienna Strategy for Europe,” the European Council reiterated its firm commitment to promote employment in Europe. Accordingly, the process set in motion at the Luxembourg summit at the end of 1997 is to be intensified and crowned with a European Employment Pact. This calls for the setting of additional verifiable objectives and deadlines both at the Community and national level, using common performance and policy indicators as well as a consistent statistical basis. The German EU presidency was commissioned with drafting an Employment Pact until June 1999.

Developments in International Financial and Economic Organizations

International Monetary Fund (IMF)

On January 31, 1998, the Board of Governors of the IMF approved a 45% increase in the total IMF quotas to approximately SDR 211 billion. The Eleventh General Review of Quotas took effect on January 25, 1999, after members

accounting for more than 85% of the quota total had formally consented to the increases in their quotas. For Austria, this meant a topping up of the national quota to SDR 1.87 billion. The respective federal law entered into force on December 30, 1998, of which the IMF was notified on the same day.

Turning to member countries' use of IMF facilities, drawings from the General Resources Account (excluding reserve position transactions) quadrupled by comparison with a year ago to SDR 19 billion. In addition, member countries borrowed SDR 1.7 billion under the Enhanced Structural Adjustment Facility (ESAF). Redemption payments totaled SDR 3.8 billion. Consequently, total debt outstanding came to SDR 56 billion. Among the recipients of the funds provided by the IMF in the financial year 1997/98, Asian countries were again prominent (SDR 11.2 billion to Korea, SDR 2.2 billion to Indonesia, SDR 2.0 billion to Thailand and SDR 1.5 billion to Russia).

Following approval by the U.S. Congress, the New Arrangements to Borrow (NAB) took effect in November 1998. A total of SDR 34 billion (plus SDR 1.5 billion provided by the associate member Saudi Arabia) are now committed under the General Arrangements to Borrow (GAB) and the NAB. In 1998, SDR 6.3 billion thereof were made available to Russia, and SDR 3.3 billion as a first tranche to Brazil. The GAB and NAB facilities form a special supplementary credit line that the G 10, other industrial countries (including Austria) and a number of developed emerging countries have opened for the IMF and which the latter may tap when liquidity is tight to combat crises that threaten to harm the global financial system. In meeting its NAB obligations, Austria put up some SDR 120 million during the Brazil crisis, which have since been repaid. Overall, Austria has committed itself to make available SDR 412 million under the NAB system.

1998 saw the reaching of an understanding about the future financing structure of the IMF. While in the past, member countries' contributions were based on the national reserve holdings, contributions have been rebased on the respective national quotas. For Austria, this means a considerable reduction in the financing share.

With a view to the changeover to the euro, the IMF incorporated the euro into the SDR valuation as of January 1, 1999. The fixed currency amounts of Deutsche mark and French franc in the SDR valuation basket were replaced with equivalent amounts of euro. The currencies of Japan, U.S.A. and the U.K. remained in the basket.

In view of the new framework conditions for the implementation of monetary policy in the euro area, IMF surveillance under Article IV of the policies of individual euro area members was moreover expanded to also include consultations with Community institutions (the ECB in particular).

The financial turmoil in Asia, Russia and Brazil triggered intense discussions about the "international financial architecture" also at the IMF. The significance of an orderly liberalization of capital movements for the stability of the international financial system was pointed out, as was the importance of greater transparency and additional regulatory measures as well as internationally agreed principles, such as a code of conduct on fiscal transparency and the code of monetary and financial policies. Moreover, the IMF debated how to make crisis management more efficient, recognizing the critical importance of greater involvement of the private sector. Influencing

exchange rates between the major currencies, e.g. with a target zone model, was deemed inadequate.

Rescue Package for Brazil with Austrian Backing in the Form of a BIS Guarantee

In November 1998 the government of Brazil and the IMF agreed upon a stabilization program in support of which the IMF offered a SDR 13 billion standby credit. In addition to the IMF funding, the World Bank and the Inter-American Development Bank pledged a loan of USD 4.5 billion each. The IMF is financing SDR 9.1 billion (approximately USD 6.8 billion) of its standby credit by borrowing the equivalent amount under the NAB.

Brazil's program also received bilateral support on the order of USD 15 billion through a credit facility coordinated by the BIS. The BIS arrangement is backed, among others, by Austria (with USD 50 million). The bilateral credits are provided by the BIS, which may, in turn, hold the NCBs backing the project liable for the contributions to which they consented. The OeNB's contribution was underpinned by a federal government guarantee.

OECD

The Multilateral Agreement on Investment (MAI), negotiated with a view to removing existing barriers to the mobility of capital and enhancing the protection of foreign investor rights, was supposed to be finalized in May 1998. However, it did not materialize because the states involved failed to reach an agreement and because more and more resistance was put up against

the agreement by parts of the public. Following a six-month pause in negotiations for national consultations, France announced that it did not wish to resume the talks. There is a possibility for the negotiations to be taken up again within the framework of the WTO.

In its annual review of Austria's economic policy performance, the OECD again lauded Austria's monetary policy while criticizing that budget consolidation had not been far-reaching enough. Austria received credit for its tax system (by comparison with international standards), with the qualification that the factor labor is heavily taxed in Austria.

At its April 27/28, 1998, meeting, the OECD Council of Ministers welcomed the progress achieved in OECD projects on the economic consequences of the aging of the population, employment strategies and corporate governance. The OECD announced that, regarding cooperation with non-OECD members, it intended to seek closer ties with Russia.

World Bank

In the business year 1998 (July 1997 to June 1998) the financing commitment of the World Bank reached USD 21.9 billion. This is the biggest credit pledge in its history, made against the background of the crisis in Asia. Gross credit outstanding grew to USD 19.2 billion.

The International Development Association (IDA), which as a World Bank subsidiary grants loans at more favorable conditions, increased its credit pledges to USD 7.5 billion and its gross payments to USD 5.6 billion.

Developments in Central and Eastern Europe and in the Russian Federation

Selected Central and Eastern European Countries

Economic Development

In 1998, the economies of the five countries under review (Czech Republic, Hungary, Poland, Slovakia and Slovenia) developed along diverging paths. While real GDP growth accelerated over 1997 in Hungary and Slovenia, growth in Poland and Slovakia lagged behind the previous year's rate. The Czech Republic, by contrast, suffered a recession for the first time since 1992. None of the five countries was severely affected by the direct effects of the Russian crisis, as trade with the Russian Federation plays a minor role in their economies. With growth losing momentum in the EU, however, the economies in transition could feel the impact of detrimental indirect effects on their real economy, as their cyclical development strongly depends on the EU's external demand.

Despite healthy growth rates in four of the five countries, unemployment remained high throughout and even shot up in the Czech Republic and Slovakia. This is due to restructuring efforts in the enterprise sector on the one hand and labor productivity gains on the other.

After inflation had been successfully reduced in almost all the countries under review (with the sole exception of Slovakia) in 1997, the results in 1998 varied. Whereas inflation ebbed in Hungary, Poland and Slovenia, the Czech Republic and Slovakia reported rising inflation. At closer glance, however, one finds that in the second half of 1998 inflation began to slow again in both countries, after monthly inflation

rates had soared in the first half of the year.

Budgets were in deficit in all five countries under review, whereas some governments were more successful than others in their consolidation efforts. Hungary, Poland and Slovenia slightly reduced general government deficits compared to 1997, while in the Czech Republic the budget deteriorated. Slovakia's fiscal policy remained expansive; following changes in the method of calculation, however, the 1998 budget balance cannot be measured against that of the previous year.

The five countries' external sectors again showed starkly contrasting results. While the current account improved in the Czech Republic, the current account gap in Hungary and Poland widened, and in Slovakia the deficit deteriorated further in 1998. As in previous years, Slovenia closed on a more or less balanced current account. All the countries under review successfully raised their levels of official reserves in 1998. Net inflows of foreign direct investment into the Czech Republic, Hungary and Poland exceeded the previous year's level, whereas in Slovenia inflows dropped markedly.

The foreign exchange and securities markets displayed short-term contagion effects of the Russian crisis throughout the group of countries under review. Above all, volatility in foreign exchange and equity markets rose and some transition country's currencies came under short-term downward pressure. The leading stock indices

Contrasting growth dynamics and nonsynchronized pace of structural reforms. Limited impact of the Russian crisis. Trend towards easing monetary policy. Financial and economic crisis in Russia.

of all five countries under review recorded large losses in the weeks after the Russian set in; towards the end of the year, however, they recovered and almost all reached their precrisis level. The effects on the transition countries' banking systems are also likely to be limited, as the banks, overall, hold only minor volumes of debt in the Russian Federation.

The five countries' successful disinflation efforts facilitated a general relaxation of monetary policies in 1998. The fact that this trend continued in the second half of 1998, i.e. after the outbreak of the Russian crisis, appears particularly remarkable. In the Czech Republic, the discount and lombard rates were cut gradually from 13 and 23% at the beginning of the year to 7.5 and 12.5%, respectively. Poland also lowered its interest rates several times in the course of the year, bringing the discount and lombard rates from 24.5 and 27% at the outset of 1998 to 20 and 18.25% at year-end. Hungary continued its policy of cautious gradual interest rate reductions in 1998, setting its repo rate for active operations (maturities 1 day and 1 week) at 18.5% as of January 1, 1999, (previously 25%) and at 16% for passive operations (maturity 1 month; previously 19.5%). Hungary's central bank temporarily raised repo interest rates by 1 percentage point in September 1998 to support the forint, which had come under pressure in the aftermath of the Russian crisis. The Bank of Slovenia decided to lower its discount rate, which had stood without change at 10% since March 1995, to 8% as of January 1, 1999.

In the course of 1998, Hungary and Poland gradually pared back the automatic monthly devaluation rates of their crawling pegs to 0.6 and 0.5%, respectively, in January 1999, from 0.9 and 1% at the beginning of 1998. The Czech Republic upheld the koruna's floating regime introduced in May 1997. Leaving its exchange rate policy unchanged, Slovenia adhered to its managed float regime. On October 1, 1998, Slovakia's central bank abandoned the fixed exchange rate regime in which the Slovak koruna had been pegged to a basket comprising the Deutsche mark (60%) and the U.S. dollar (40%) since the koruna's launch in February 1993. The National Bank of Slovakia explained that this policy change was a reaction to the very high current account deficit, the general government deficit and the difficulties financing this gap, the decline of official reserves, the downgrading for Slovak debt and political developments. The National Bank of Poland introduced a direct inflation target as of January 1, 1999. This inflation target is based on the Consumer Price Index, which is anticipated to rise by 8 to 8.5% in 1999.

Hungary and Poland took the introduction of euro as a cue to change the composition of the currency baskets to which the forint and the zloty are pegged. As of January 1, 1999, Poland reduced the number of basket currencies from five (U.S. dollar – 45%; Deutsche mark – 35%; pound sterling – 10%; French franc – 5%; Swiss franc – 5%) to two, namely the euro (55%) and the U.S. dollar (45%). The National Bank of Poland has announced plans to gradually increase the euro's share in the

| | Real GDP | | | Unemployment Rates | | |
|------------|---------------|------|--------------------|--------------------|------|------|
| | Annual change | | | End of year | | |
| | % | | | % | | |
| | 1996 | 1997 | 1998 ¹⁾ | 1996 | 1997 | 1998 |
| Poland | +6.0 | +6.8 | +4.8 | 13.2 | 10.3 | 10.4 |
| Slovakia | +6.6 | +6.5 | +4.4 | 12.8 | 12.5 | 15.6 |
| Slovenia | +3.3 | +4.6 | +3.9 | 14.4 | 14.8 | 14.6 |
| Czech Rep. | +3.9 | +1.0 | -2.7 | 3.5 | 5.2 | 7.5 |
| Hungary | +1.3 | +4.4 | +5.1 | 10.7 | 10.4 | 9.6 |

Source: National statistics.

¹⁾ Provisional figures.

| | Inflation Rates (CPI) | | | Net Budget Results ¹⁾ | | |
|------------------------|--------------------------|-------|-------|----------------------------------|------|--------------------|
| | Change in annual average | | | End of year | | |
| | % | | | % of GDP | | |
| | 1996 | 1997 | 1998 | 1996 | 1997 | 1998 ²⁾ |
| Poland ³⁾ | +19.9 | +14.9 | +11.8 | -3.6 | -2.8 | -2.4 |
| Slovakia ⁴⁾ | + 5.8 | + 6.1 | + 6.7 | -4.4 | -5.7 | -2.7 |
| Slovenia | + 9.9 | + 8.4 | + 7.9 | +0.3 | -1.1 | -1.0 |
| Czech Rep. | + 8.8 | + 8.5 | +10.7 | -0.1 | -1.0 | -1.6 |
| Hungary ⁵⁾ | +23.6 | +18.3 | +14.3 | -1.9 | -4.0 | -5.4 |

Source: WIIW, national statistics.

¹⁾ The budget balances are not fully comparable, as the methods of calculation vary significantly between countries.

²⁾ Preliminary figures.

³⁾ Budget balance excluding privatization receipts.

⁴⁾ Budget data up until 1997 including, as of 1998 excluding debt redemption. Consequently, 1998 figures are not comparable with the previous years.

⁵⁾ Central government budget on the basis of GFS standards.

basket to 100%. In Hungary, the euro replaced the Deutsche mark at its previous weight in the currency basket, which had so far consisted of 70% Deutsche mark and 30% U.S. dollar, as of January 1, 1999. Hungary's central bank has indicated that the forint will be pegged exclusively to the euro as of January 2000.

Structural Reforms

The pace of structural reforms in the five countries under review also varied considerably in 1998. With EU membership as their declared strategic aim, the transition economies share the need to adapt their legislation to EU requirements. Whereas Hungary and Poland successfully implemented a number of crucial reforms, the Czech Republic, Slovakia and Slovenia did not keep up the momentum of reforms in their economies. Overall, privatization in the enterprise sectors has made good progress. The private sector's share of GDP was raised further in some of the countries: In mid-1998 it reached or exceeded 75% in the Czech Republic, Hungary and Slovakia, followed by Poland with a share of 65% and Slovenia with 55%.¹⁾ Further progress must be made above all in financial sector reform.

In 1998, the privatization of banks in the five countries developed along very dissimilar lines. Poland sold 15% of Pekao SA Bank, the country's second largest in terms of assets, to foreign investors. A further 55% stake is to be sold to a strategic investor in 1999. In Hungary, the country's fourth largest credit institution, Postabank, which had incurred severe losses since 1996, was recapitalized in May 1998. Efforts to find a strategic foreign investor have not been successful so far. In the Czech Republic, the Investicni banka (IPB) became the first major bank to be fully privatized, with Nomura acquiring a 36% stake in March 1998. In June 1998, Agrobanka, which had been under the central bank's management since 1996, was sold

¹⁾ Source: EBRD Transition Report 1998.

to GE Capital. In the period under review, Slovakia and Slovenia made no further progress in privatizing their banking sectors.

By and large, legislation on the cited countries' central banks meets the requirements of the EU Treaty. The main weakness remaining, in four of the five countries, appears to be the lacking stringency of regulations on central banks' role in financing the budget. In the Czech Republic, Hungary, Slovakia and Slovenia, the potential ways and means of eliciting fiscal finances from the central bank are severely restricted, but not barred altogether. Poland is the exception to this rule, since the National Bank Act was amended as of January 1, 1998, to conform to EU legislation.

In the period under review, no further amendments of central bank acts were enacted in the five countries.

In the Czech Republic, the Banking Act was amended twice in the first half of 1998 and was thus made more compatible with the relevant EU regulations. In April 1998, the Securities Commission, set up to supervise the capital market, commenced its activities. In Slovakia, a new foreign exchange law was enacted as of April 1, 1998; among other things, it lifts the existing restrictions on foreign exchange for tourists and enterprises. In Slovenia, the adoption of the new Banking Act based on EU legislation planned for 1998 was yet again postponed. In

EU Enlargement

In the course of 1998, Central and Eastern Europe's economies in transition moved several steps closer to EU accession.

On the basis of the decisions endorsed by the Council of Heads of State and Government at the Luxembourg summit in December 1997, the EU officially launched the process of enlargement on March 30, 1998, focusing on ten candidate countries from Central and Eastern Europe as well as Cyprus.

*On March 31, 1998, substantive negotiations were begun with the six countries of the "first wave," namely Estonia, Poland, Slovenia, the Czech Republic, Hungary and Cyprus. Following the *acquis* screening, in which the applicant countries' legislation was examined as to its compatibility with EU law (the *acquis communautaire*), the first ministerial conference with Estonia, Poland, Slovenia, the Czech Republic, Hungary and Cyprus was held on November 10, 1998. This conference, which ranked among the key highlights of Austria's EU presidency, became a milestone at the entrance of the next phase of accession negotiations.*

*On November 4, 1998, the European Commission for the first time published progress reports on the ten Central and Eastern European candidate countries as well as on Cyprus and Turkey. These progress reports contain updates on the Commission's assessments (*avis*) published in July 1997, based on a further analysis of political and economic criteria as to each country's ability to join the EU and adopt the common EU legislation. The Commission concluded that the negotiations on accession should not be extended to the countries outside the first wave of advanced candidate countries.*

At its meeting in Vienna on December 11 and 12, 1998, the European Council went along with the Commission's recommendations in principle.

December 1998, Parliament voted to introduce a VAT as of July 1, 1999.

The pension systems are further key areas of reform in all five countries under review. Poland adopted a comprehensive set of reforms in December 1998, which entered into force as of January 1, 1999, basing its pension system on a three pillar model. In Hungary, comprehensive reforms had been enacted as of January 1, 1998. Slovenia had announced plans to reform its pension system in 1998, but postponed the project.

**OeNB Report
on Prudential Supervision
in Eastern Europe¹⁾**

Against the backdrop of the EU negotiations on CEECs' accession as well as Austrian banks' exposure in Poland, Hungary, the Czech Republic and Slovenia, the OeNB compiled a status report on these countries' supervisory systems. Above all, the report analyzes the candidate countries' progress in the implementation of the EU banking directives and the Basle Core Principles for Effective Banking Supervision.

¹ *Bankaufsichtsanalyse Mittel- und Osteuropa – Polen, Slowenien, Tschechien und Ungarn, October 1998* ("Prudential supervision in Central and Eastern Europe: A Status Report on the Czech Republic, Hungary, Poland and Slovenia," a condensed version of this study was published in English in the OeNB's *Focus on Transition 2/1998*).

Russian Federation

Structural Developments and the Financial Crisis

In 1998, the Russian economy was characterized by increasing instability, with the negative trend culminating in the outbreak of a severe financial and economic crisis in August, which persisted through early 1999. The Russian government persistently failed in its attempts to reform the tax system so that government expenditure could be financed by the necessary fiscal revenue; inveterately high budget deficits ensued, forcing the government to turn above all to the short-term capital markets for borrowing. These debt instruments, which by necessity carried high and rising interest, increasingly also attracted foreign investors via the intermediation of Russian commercial banks. As long as investors and banks could rely on a stable ruble exchange rate, these operations were handsomely profitable. However, skyrocketing government debt, Russia's political instability and the overall volatility of global financial markets in the aftermath of the Asian crisis kindled investors' apprehensions. Crumbling commodity and energy prices slashed Russia's foreign currency receipts and drove the country's current account into the red for the first time in years, which added to investors' anxiety.

At the end of July, the government was no longer able to refinance matured Treasury bills (GKOs) by launching new issues. Even international financial support coordinated by the IMF, in the form of a commitment on July 20 to

make a total of USD 22.6 billion available, USD 4.6 billion of which were supplied immediately, fell short of its purpose to defuse the situation. Rampant speculation against the ruble consumed more and more of the central bank's foreign reserves, so that in the end the authorities imposed drastic measures on August 17: The ruble was in effect permitted to float freely, short-term government securities trading was suspended and a 90-day moratorium on Russian banks' and businesses' foreign debt was announced. The IMF withdrew all further financial support.

As a result, the ruble plunged from RUB 6.2 to the USD in the first half of August to more than RUB 20 per USD in September; the exchange rate recovered to between 15 and 16 RUB per USD in October and November, only to fall back to 21 RUB per USD in December. In September, the heads of government and of the central bank were replaced. By the end of the reporting period, the government had still not issued a binding program on measures to resolve the serious crisis.

Selected Economic Indicators

for the Russian Federation

| | 1996 | 1997 | 1998 ¹⁾ |
|---|-------|-------|--------------------|
| Real GDP (change from previous year, in %) | - 3.5 | + 0.7 | - 4.6 |
| Unemployment (at year-end, in %) | 9.3 | 8.9 | 11.8 |
| Inflation (CPI; change of annual average in %) | +47.8 | +14.7 | +27.6 |
| Budget balance (at year-end, in % of GDP) | - 9.3 | - 7.0 | - 8.0 |
| Current account balance (USD billion) | + 2.5 | - 0.4 | - |

Source: National statistics, IWF, WIIW.

¹⁾ Figures include preliminary data and estimates.

As Russia's banks hold the largest proportion both of Treasury bills and of foreign loans, they are severely affected and in the past few months were kept afloat only by liquidity injections by the central bank. According to IMF estimates, the general government deficit (including payments for Treasury bills) came to some 8% of GDP in 1998.

Macroeconomic Trends

Macroeconomic indicators clearly show how the tide turned with the August crisis. Whereas twelve-month CPI inflation contracted to 5.5%, its lowest level since reforms began in 1992, in July, it exploded to 84.4% in December, a level it had not reached since early 1996. After GDP and industrial output growth had lingered at the previous year's level at least up to the end of the first half of 1998, in the last months of the year it slumped heavily, so that annual GDP contracted by 4.6%. The unemployment rate (ILO definition) climbed from 8.9% at the end of 1997 to 11.8% in November 1998. Payments outstanding are currently estimated at approximately one third of GDP, and the volume of barter trade is believed to be more than half of industrial turnover.

On the foreign trade front, Russian exports suffered severely as oil and energy prices dropped again, reaching a long-time low on global markets in December 1998. On the other hand, the ruble's slide is likely to quell imports. Although different sources report vastly disparate figures, the current account can be assumed to have gone well below balance in the first half of 1998, whereas over the full twelve months, the balance was

more or less even. Drained by the (futile) interventions to support the ruble in the currency market and by the erosion of export prices, currency reserves (excluding gold) slipped from USD 10.5 billion at the beginning of 1998 to USD 8.2 billion in August, a level at which they have more or less stagnated since. The Russian Federation's gross foreign debt was estimated at some USD 150 billion at the end of 1998. After missing payments to the Paris Club in September, Russia failed to disburse interest payments to the value of USD 362 million to the London Club at the end of December.

OeNB Cooperation with Central and Eastern European Countries

In 1998, the OeNB maintained its close cooperation with Central and Eastern European central banks on both the bilateral and the multilateral level.

On the bilateral level, the series of four one-week specialized seminars for central bankers from transition economies, which was introduced in 1997 and extended in 1998 on account of general acclaim and demand, has become a key element of the OeNB's cooperation activities. In 1998, the seminars dealt with selected aspects of EU integration, balance of payments and financial statistics as well as macroeconomic issues seen from a central bank perspective. As in the past, the OeNB also attended to a variety of technical requests from transition countries' central banks and organized several short study tours and information visits, which mainly focused on central banking topics in the context of EU accession and the introduction of the euro. In addition, the OeNB entered into a cooperation project with the National Bank of Georgia, to help it establish an economic analysis division.

On a multilateral level, the OeNB enhanced its participation in PHARE and TACIS, the EU-

financed technical assistance programs for Central Europe and the CIS, respectively. Within the framework of PHARE, for example, the OeNB was able to offer a series of internships to experts from Polish and Czech central banks. Moreover, the OeNB maintained its active role in the projects with Russia's and Ukraine's central banks, coordinated by the IMF and financed by the EU. Furthermore, the OeNB participated in the technical support to Albania coordinated by the IMF and sent an expert for payments systems to Albania on two IMF missions.

As in the past, the OeNB supported the Joint Vienna Institute both financially and in kind, by seconding lecturers and by inviting JVI participants to the OeNB on several occasions in 1998. In addition, the OeNB again organized and cofinanced, jointly with the Ministry of Finance, two one-week study tours of Austria for the participants of the JVI comprehensive course. In 1998, the JVI's mandate was extended by five years to 2004. Furthermore, the WTO joined the BIS, the EBRD, the IMF, the OECD, and the World Bank to become the JVI's sixth sponsoring organization.

Organizational and Corporate Policy Developments at the OeNB

Corporate Strategy and Operative Goals

Throughout 1998, all efforts within the OeNB remained concentrated on the preparatory and final implementation measures for Austria's entry into Stage Three of EMU and the establishment of the ESCB (including the founding of the ECB on June 1). The OeNB's tasks and internal processes were adapted to the requirements of the ESCB.

Moreover, the reform process the central bank has pursued with determination for many years was continued. In the period under review, among others, the OeNB complied with a parliamentary resolution, which was also elaborated in the explanatory notes on the amendment to the Federal Law on the Oesterreichische Nationalbank, by laying down that OeNB staff employed after the first of May, 1998, will be insured within the system defined for wage and salary earners by the Social Security Act (Allgemeines Sozialversicherungsgesetz – ASVG), which will be complemented by a separate retirement fund.

OeNB Master Plan

All changeover activities relevant to the introduction of the euro and the establishment of the ESCB were incorporated into a comprehensive OeNB Master Plan. The implementation of this Master Plan involved 55 subprojects in which the central banking instruments, along with the relevant internal and external processes, and above all the central IT systems, were adapted to use within the network of the ESCB. The OeNB Master Plan was supervised and coordinated in its entirety within the framework of a multi-project management scheme.

In the second half of 1998, the comprehensive Overall Testing Program conducted by the prospective ESCB central banks was implemented in cooperation with Austrian commercial banks. The program comprised gradually intensifying tests of all procedures and systems to be employed as of January 1, 1999, and was conducted on the basis of a detailed schedule.

After the several months of preparations, the actual changeover of all IT systems to the ESCB network and the euro as the base unit on the changeover weekend between December 31, 1998, and January 4, 1999, was implemented successfully and on time.

Overall, the preparatory phase of the OeNB Master Plan lasted several years, and a capacity of some 250 staff years was invested in the projects and in the 15 national and international coordinating bodies.

In the first half of 1999, consolidation measures and some follow-up work will be required; thereafter, fewer tasks will be linked directly to the euro changeover. As a consequence of the new tasks to be fulfilled within the ESCB and the extension of working hours in the Payment Systems Division, however, the staff requirement will not decrease significantly, but will stabilize slightly below its present level.

Controlling

In the period under review, the OeNB increasingly transferred operational management responsibility to the section and division levels. This applies especially to budgeting, where divisions and project teams have been granted autonomy within the framework of the OeNB's internal guidelines.

Successful changeover to the euro.
Inauguration of the OeNB's new Money Center.
Printing Works spun off.

As of the introduction of the new accounting system at the end of 1998, a new computerized budget administration system was also implemented. By granting the administrators access to their budgets on line, this new system contributes to more efficient operational management in the OeNB.

Domestic Direct Participation

The OeNB's wholly-owned subsidiaries "Oesterreichische Banknoten- und Sicherheitsdruck GmbH" (OeBS – Austrian Banknote and Security Printing Company, see below) and "Münze Österreich AG" (Austrian Mint, see page 121) are responsible for supplying coins and banknotes in Austria. The OeNB also fully owns "Austria Card," one of Austria's market leaders, especially in the production of highly specialized cards for payment systems, and holds a majority in "CARD SOLUTIONS," a company that offers smart card systems as well as development and consulting services.

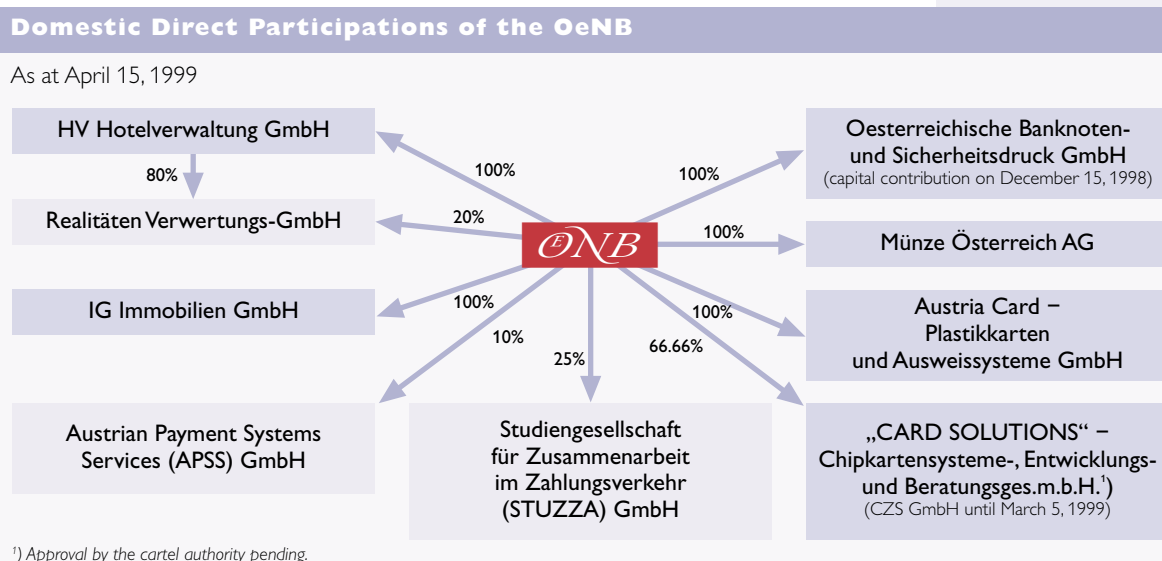
In addition, the OeNB and major domestic banks jointly own

the "Studiengesellschaft für Zusammenarbeit im Zahlungsverkehr (STUZZA) GmbH" (Austrian Research Association for Payment Cooperation). The OeNB also holds a stake in "Austrian Payment Systems Services (APSS) GmbH," the operational arm of Europay's payment systems.

The OeNB's remaining assets in domestic direct participation are with the "HV Hotelverwaltung GmbH" (hotel administration), the "IG Immobilien GmbH" (real estate), and the "Realitäten Verwertungs-GmbH" (property management). All participations with an OeNB stake of more than 50% are displayed with a darker shading in the chart.

Printing Works are Spun Off

As of December 15, 1998, the OeNB incorporated its printing works into the OeBS – Austrian Banknote and Security Printing Company, the former Printing Works thus became an independent, wholly-owned subsidiary of the OeNB. The main motive for this step was to grant the OeBS more flexibility to adapt to the future



requirements of the market. By transferring the new OeNB Money Center, which houses the most advanced facilities for banknote and securities printing, to the OeBS, the OeNB has successfully created the appropriate legal, technical and economic setting for a highly competitive banknote production venture. By founding the OeBS, the OeNB has significantly enhanced and complemented its participations in the area dealing with means of payment.

Certification to ISO 9001

Following the introduction, in 1997, of a quality management system based on the European ISO 9001 standard in the OeBS, a similar project was begun in the Cashier's Division and in the Branch Offices in 1998. By continuously optimizing procedures and processes, the OeNB strives to corroborate its products' and services' high quality standards in the management of coins and banknotes.

Foreign Currency Exchange

In compliance with Article 52 of the ESCB/ECB Statute, the OeNB opened an exchange desk at the Head Office's Money Center and in each Branch Office in the state capitals (excluding St. Poelten) as of January 4, 1999, to allow customers to exchange household amounts (up to a value of EUR 3,000) of banknotes from EU Member States belonging to the euro area to schillings, at the fixed conversion rate, with no surcharge.

Money Center

In 1998, offices and production moved to the new Money Center, which had been completed in 1997.

The official inauguration took place on June 19, 1998.

Environmental Protection

The OeNB was awarded the 1998 Austrian Solar Prize for the photovoltaic collector system integrated in the Money Center's façade. The efforts launched in April 1998, to attain EMAS (Environmental Management and Audit Scheme) certification on the basis of EU regulations, represent a particularly important step in the OeNB's environmental protection activities. The purpose of this environmental management and auditing system is to allow companies to voluntarily assume their responsibilities vis-à-vis the environment, by continuously improving their impact on the environment and by inviting independent environmental auditors to monitor this impact on a systematic and objective level and at regular intervals, and publishing the results.

Grants

The OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching provided some ATS 117 million (EUR 8.5 million) to 436 projects, most of which focused on fundamental research. Moreover, the Austrian Industrial Research Promotion Fund (Forschungsförderungsfonds für die gewerbliche Wirtschaft – FFF) and the Austrian Science Fund (Fonds zur Förderung der wissenschaftlichen Forschung – FWF) granted ATS 207 million (EUR 15.0 million) to business-related projects. This means that a total of ATS 4.4 billion (EUR 320 million) has been made available since the Fund was established in 1966.

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1998

Annual Accounts
of the Oesterreichische Nationalbank



Balance Sheet as at December 31, 1998

Assets

| | December 31, 1998 | | December 31, 1997 | |
|--|-------------------------|--------------------------|-------------------|--------------------|
| | ATS | | ATS 1,000 | |
| I. Reserve assets | | | | |
| 1. Gold | 32,691,972,111.81 | | 14,693,357 | |
| 2. Foreign exchange and currency | 245,745,855,037.39 | | 195,268,060 | |
| 3. Claim arising from participation in the European Central Bank (ECB) | 1,623,302,591.— | | — | |
| 4. Other claims on the ECB | — | | 39,107,377 | |
| 5. Special Drawing Rights within the International Monetary Fund | 1,754,713,152.77 | | 2,126,661 | |
| 6. Claim arising from participation in the International Monetary Fund | S 19,694,456,412.— | | | |
| less: Schilling balance at the disposal of the International Monetary Fund | S 4,260,907,333.91 | 15,433,549,078.09 | 12,165,589 | |
| 7. Other claims on the International Monetary Fund | 1,458,182,690.57 | | 1,056,796 | |
| 8. Claims arising from loans to foreign central banks | 47,174,568.— | | 75,798 | |
| 9. Austrian coin | 1,538,181,794.68 | | 1,160,568 | |
| 10. Discounted bills of exchange | — | | 17,124,952 | |
| 11. Claims resulting from ERP credits extended by the Oesterreichische Nationalbank | 8,791,647,503.— | | 8,144,143 | |
| 12. Open market transaction securities | 18,120,000,000.— | | 48,940,000 | |
| 13. Claim on the Austrian Federal Treasury | <u>2,676,499,051.41</u> | 329,881,077,578.72 | <u>2,729,659</u> | 342,592,960 |
| II. Other assets | | | | |
| 1. Premises | 175,959,078.69 | | 104,121 | |
| 2. Equipment | 398,682,474.47 | | 708,176 | |
| 3. Securities | 20,391,242,335.— | | 23,042,326 | |
| 4. Sundry assets | 15,981,602,522.11 | | 8,013,638 | |
| 5. Transitory items | <u>90,839,509.01</u> | 37,038,325,919.28 | <u>82,436</u> | 31,950,697 |
| | | <u>366,919,403,498.—</u> | | <u>374,543,657</u> |

Liabilities

| | December 31, 1998 | | December 31, 1997 | |
|--|-------------------------|--------------------------|-------------------|--------------------|
| | ATS | | ATS 1,000 | |
| I. Capital | | 150,000,000.— | | 150,000 |
| II. Reserves | | | | |
| 1. General reserve fund | 22,180,947,260.63 | | 20,914,484 | |
| 2. Freely disposable reserve fund | 28,606,583,003.88 | | 29,303,115 | |
| 3. Reserve fund for exchange risks | 44,972,193,829.18 | | 55,338,830 | |
| 4. Other reserves | 6,642,717,438.45 | | 6,755,858 | |
| 5. Pension reserve | <u>23,814,000,000.—</u> | 126,216,441,532.14 | <u>23,386,407</u> | 135,698,694 |
| III. Banknotes in circulation | 168,822,605,900.— | | 171,125,361 | |
| IV. Deposits on giro accounts and other sight liabilities | | | | |
| 1. Domestic credit institutions | 54,693,305,159.17 | | 46,288,973 | |
| 2. Foreign credit institutions and monetary authorities | 209,354,806.85 | | 1,348,194 | |
| 3. Austrian public authorities and residents | <u>283,745,421.92</u> | 224,009,011,287.94 | <u>245,521</u> | 219,008,049 |
| V. IMF Special Drawing Rights allocated zugeteilten Sonderziehungsrechten | 2,967,427,373.80 | | 3,051,840 | |
| VI. Other liabilities | | | | |
| 1. Provisions for severance payments | 555,058,676.— | | 818,999 | |
| 2. Other provisions | 714,512,279.45 | | 2,619,300 | |
| 3. Sundry liabilities | 11,167,135,197.77 | | 11,860,395 | |
| 4. Transitory items | <u>—</u> | 12,436,706,153.22 | <u>77,724</u> | 15,376,418 |
| VII. Retained earnings | | <u>1,139,817,150.90</u> | | <u>1,258,656</u> |
| | | <u>366,919,403,498.—</u> | | <u>374,543,657</u> |

Profit and Loss Account for the Year 1998

| | Financial year 1998 | | Financial year 1997 | |
|---|--------------------------|---------------------------|---------------------|-------------------|
| | ATS | | ATS 1,000 | |
| 1. Income from nondomestic reserve assets | | 21,256,757,875.33 | | 22,622,100 |
| 2. Interest income from discounts, loans and open market transactions | | 1,534,338,145.— | | 1,561,366 |
| 3. Miscellaneous income | | 2,023,904,997.61 | | 1,462,132 |
| 4. Personnel expenditure | | | | |
| a) Salaries | 1,036,088,153.41 | | 1,000,302 | |
| less: Pension contributions by staff members | <u>17,268,951.04</u> | | <u>17,111</u> | |
| | 1,018,819,202.37 | | 983,191 | |
| b) Pension benefits | 984,284,180.62 | | 940,182 | |
| c) Severance payments | 97,260,634.— | | 87,525 | |
| d) Statutory social expenditure as well as remuneration-related charges | 160,303,277.14 | | 153,665 | |
| e) Other social expenditure | <u>77,715,267.22</u> | | <u>73,254</u> | |
| Personnel expenditure total | 2,338,382,561.35 | | 2,237,816 | |
| less: Salary refunds | <u>46,585,920.04</u> | 2,291,796,641.31 | <u>17,461</u> | 2,220,356 |
| 5. Material expenditure | | | | |
| a) Consumption | 951,752,656.13 | | 703,746 | |
| b) Depreciation of equipment | 222,948,201.89 | | 45,109 | |
| c) Depreciation of premises | <u>570,290,578.28</u> | 1,744,991,436.30 | <u>1,370,289</u> | 2,119,144 |
| 6. Interest and miscellaneous expenditure | | <u>2,078,488,722.57</u> | | <u>1,757,563</u> |
| 7. Subtotal items 1 to 6 | | 18,699,724,217.76 | | 19,548,535 |
| 8. Income from participating interests | | 68,577,600.— | | 130,243 |
| 9. Writedowns of participating interests | | <u>1,640,187,949.06</u> | | <u>83,160</u> |
| 10. Subtotal items 8 and 9 | | <u>- 1,571,610,349.06</u> | | <u>47,083</u> |
| 11. Profit on ordinary activities (total items 7 and 10) | | 17,128,113,868.70 | | 19,595,618 |
| 12. Release of reserves | | | | |
| a) Freely disposable reserve fund | 1,640,187,940.06 | | 83,160 | |
| b) Reserve fund for the construction of an additional headquarters building in Vienna | <u>420,539,141.28</u> | | <u>1,368,300</u> | |
| c) Pension reserve | — | 2,060,727,081.34 | 142,411 | 1,593,871 |
| 13. Subtotal items 11 and 12 | | 19,188,840,950.04 | | 21,189,489 |
| 14. Corporation tax | | <u>6,524,205,940.—</u> | | <u>7,204,426</u> |
| 15. Net income for the year | | 12,664,635,010.04 | | 13,985,063 |
| 16. Statutory allocations | | | | |
| a) Under Article 69 paragraph 2 Nationalbank Act 1984 to the general reserve fund | 1,266,463,501.— | | 1,398,506 | |
| b) Federal Republic's share of profit under Article 69 paragraph 3 Nationalbank Act 1984 | <u>10,258,354,358.14</u> | 11,524,817,859.14 | <u>11,327,901</u> | <u>12,726,407</u> |
| 17. Retained earnings | | <u>1,139,817,150.90</u> | | <u>1,258,656</u> |

Below please find the balance sheet and the profit and loss account in the breakdown valid at December 31, 1998, translated into euros at the irrevocable conversion rate of EUR 1 = ATS 13.7603:

| Assets | | December 31, 1998 | |
|---|--|--------------------------|-------------------|
| | | EUR | |
| I. Reserve assets | | | |
| 1. Gold | | 2,375,818,267.90 | |
| 2. Foreign exchange and currency | | 17,859,047,770.57 | |
| 3. Claim arising from participation in the European Central Bank (ECB) | | 117,970,000,— | |
| 4. Other claims on the ECB | | — | |
| 5. Special Drawing Rights within the International Monetary Fund | | 127,519,977.96 | |
| 6. Claim arising from participation in the International Monetary Fund | | 1,121,599,752.77 | |
| 7. Other claims on the International Monetary Fund | | 105,970,268.86 | |
| 8. Claims arising from loans to foreign central banks | | 3,428,309.56 | |
| 9. Austrian coin | | 111,784,030.49 | |
| 10. Discounted bills of exchange | | — | |
| 11. Claims resulting from ERP credits extended by the Oesterreichische Nationalbank | | 638,913,941.05 | |
| 12. Open market transaction securities | | 1,316,831,755.12 | |
| 13. Claim on the Austrian Federal Treasury | | <u>194,508,771.71</u> | 23,973,392,845.99 |
| II. Other assets | | | |
| 1. Premises | | 12,787,444.95 | |
| 2. Equipment | | 28,973,385.35 | |
| 3. Securities | | 1,481,889,372.69 | |
| 4. Sundry assets | | 1,161,428,349.83 | |
| 5. Transitory items | | <u>6,601,564.57</u> | 2,691,680,117.39 |
| | | <u>26,665,072,963.38</u> | |

Liabilities

| | December 31, 1998 | |
|--|-------------------------|--------------------------|
| | EUR | |
| I. Capital | | 10,900,925.13 |
| II. Reserves | | |
| 1. General reserve fund | 1,611,952,301.96 | |
| 2. Freely disposable reserve fund | 2,078,921,462.75 | |
| 3. Reserve fund for exchange risks | 3,268,256,784.31 | |
| 4. Other reserves | 482,745,102.83 | |
| 5. Pension reserve | <u>1,730,630,872.87</u> | 9,172,506,524.72 |
| III. Banknotes in circulation | 12,268,817,242.36 | |
| IV. Deposits on giro accounts and other sight liabilities | | |
| 1. Domestic credit institutions | 3,974,717,495.92 | |
| 2. Foreign credit institutions and monetary authorities | 15,214,407.16 | |
| 3. Austrian public authorities and residents | <u>20,620,583.99</u> | 16,279,369,729.43 |
| V. IMF Special Drawing Rights allocated | | 215,651,357.44 |
| VI. Other liabilities | | |
| 1. Provisions for severance payments | 40,337,687.11 | |
| 2. Other provisions | 51,925,632.40 | |
| 3. Sundry liabilities | 811,547,364.36 | |
| 4. Transitory items | <u>—</u> | 903,810,683.87 |
| VII. Retained earnings | | <u>82,833,742.79</u> |
| | | <u>26,665,072,963.38</u> |

PROFIT AND LOSS ACCOUNT

| | Financial year 1998 | |
|--|-----------------------|-------------------------|
| | EUR | |
| 1. Income from nondomestic reserve assets | | 1,544,788,840.02 |
| 2. Interest income from discounts, loans and open market transactions | | 111,504,701.57 |
| 3. Miscellaneous income | | 147,082,912.26 |
| 4. Personnel expenditure | | |
| a) Salaries | 75,295,462.56 | |
| less: Pension contributions by staff members | <u>1,254,983.62</u> | |
| | 74,040,478.94 | |
| b) Pension benefits | 71,530,721.03 | |
| c) Severance payments | 7,068,205.93 | |
| d) Statutory social expenditure as well as remuneration-related charges | 11,649,693.48 | |
| e) Other social expenditure | <u>5,647,788.73</u> | |
| Personnel expenditure total | 169,936,888.10 | |
| less: Salary refunds | <u>3,385,530.84</u> | 166,551,357.26 |
| 5. Material expenditure | | |
| a) Consumption | 69,166,562.95 | |
| b) Depreciation of equipment | 16,202,277.70 | |
| c) Depreciation of premises | <u>41,444,632.62</u> | 126,813,473.27 |
| 6. Interest and miscellaneous expenditure | | <u>151,049,666.26</u> |
| 7. Subtotal items 1 to 6 | | 1,358,961,957.06 |
| 8. Income from participating interests | | 4,983,728.55 |
| 9. Writedowns of participating interests | | <u>119,197,106.83</u> |
| 10. Subtotal items 8 and 9 | | <u>- 114,213,378.27</u> |
| 11. Profit on ordinary activities (total items 7 and 10) | | 1,244,748,578.79 |
| 12. Release of reserves | | |
| a) Freely disposable reserve fund | 119,197,106.17 | |
| b) Reserve fund for the construction of an additional headquarters building in Vienna | 30,561,771.28 | |
| c) Pension reserve | <u>—</u> | 149,758,877.45 |
| 13. Subtotal items 11 and 12 | | 1,394,507,456.24 |
| 14. Corporation tax | | <u>474,132,536.35</u> |
| 15. Net income for the year | | 920,374,919.88 |
| 16. Statutory allocations | | |
| a) Under Article 69 paragraph 2 Nationalbank Act 1984 to the general reserve fund | 92,037,491.99 | |
| b) Federal Republic's share of profit under Article 69 paragraph 3 Nationalbank Act 1984 | <u>745,503,685.10</u> | 837,541,177.09 |
| 17. Retained earnings | | 82,833,742.79 |

Annex to the 1998 Annual Accounts

General Comments

The main provisions relevant to the Annual Accounts in the Nationalbank Act 1984 (Articles 67 through 69 and Article 72 paragraph 1, as amended and as promulgated in Federal Law Gazette I No. 60/1998) and in the Commercial Code as amended, remained unchanged from the previous year. In accordance with Article 67 paragraph 3 Nationalbank Act 1984, the Oesterreichische Nationalbank continues to be exempt from drawing up group accounts as required under Articles 244 ff of the Commercial Code.

In compliance with the requirement to value assets and liabilities at the current market rates/prices of the relevant balance sheet date from the start of Stage Three of EMU, the OeNB's gold holdings, which had been consistently valued at ATS 60,000 per kg of fine gold since December 31, 1979, were posted at an initial value of ATS 108,993.67 per kg of fine gold on the eve of the OeNB's entry into the Euro-system. This value is derived from a gold quotation of ATS 3,390.082443 per ounce (which corresponds to 31.1034807 g) of gold. The revaluation gains on the OeNB's total gold holdings totaled ATS 21,059 million and were posted to the "Reserve fund for exchange risks."

According to the accounting rules of the ESCB, which the OeNB

is obligated to apply from January 1, 1999, expenditure on single items costing less than EUR 10,000 is written off within the year of acquisition. This clause was invoked in the 1998 Annual Accounts for items up to a value of ATS 140,000.

Following the establishment of the European Central Bank (ECB) on June 1, 1998, the OeNB paid up its subscription of the ECB's capital of EUR 5 billion, which corresponds to a capital share of 2.3594%. This amount was entered into the new asset item I/3 "Claim arising from participation in the European Central Bank (ECB)." The "Claim on the European Monetary Institute" (asset item I/3 in the balance sheet as at December 31, 1997) became a claim on the ECB from June 1, 1998, and was posted under asset item I/4 "Other claims on the European Central Bank."

As a result of the change in the handling of ERP credits, the claims posted under assets I/10 "Discounted ERP bills of exchange" were reclassified under asset item I/11 "Claims resulting from ERP credits extended by the Oesterreichische Nationalbank."

The structure of the Profit and Loss Account remained unchanged in 1998; item 4 b has been renamed and is now "Pension benefits."

Notes to the Balance Sheet

Assets

Gold

(assets I/1)

| | |
|-------------------|---------------------|
| as at | |
| December 31, 1998 | ATS 32,692 million |
| December 31, 1997 | ATS 14,693 million |
| change | +ATS 17,999 million |

The balance shown at the end of 1998 is the equivalent of 299,944 kg of fine gold (December 31, 1998: 244,889 kg of fine gold). As explained in the General Comments, gold holdings were posted at an initial value of ATS 108,993.67 per kg of fine gold.

The annual increase in gold holdings by ATS 17,999 million or 55,055 kg of fine gold resulted from the following transactions:

The complete return at the balance sheet date 1998 of the gold transferred to the ECB (formerly the EMI) resulted in an addition to the OeNB's gold holdings of 71 tons of gold at a value of ATS 8,125 million. The central banks which participate in the EMS had been obligated to transfer 20% of their respective gold holdings, among other assets, to the EMI (from June 1, 1998, the ECB) up until December 31, 1998, in the form of three-month revolving swaps at par against an equivalent amount of official ECUs.

20 tons of gold were sold to Münze Österreich (the Austrian Mint) for ATS 2,266 million. These gold sales were made mainly to enable the production of "Vienna Philharmonic Orchestra" gold bullion coins and kinebarsTM.

The remaining additions to gold holdings amounted to 4 tons on bal-

ance, with unsettled gold/currency swaps having shrunk by 18 tons. Such gold/currency swaps were effected to mobilize gold assets. The forward premium (the difference between the spot and the forward price) is posted as an expense, but interest income is received on the U.S. dollars purchased against the gold, which temporarily increases the OeNB's exchange and currency position.

The OeNB revalued its gold holdings at year-end as a step toward harmonizing its accounting principles with the accounting standards of the ESCB; the price of gold was raised from ATS 60,000 per kgf to ATS 108,993.67 per kgf, which corresponded to the market price at year-end and to the initial value applied by the ESCB. This market value is derived from the London fixing on December 31, 1998, when gold was quoted at USD 287.45 ozf. The euro equivalent of the U.S. dollar amount was then taken, using the euro exchange rate of 11:30 a.m., December 31, 1998, Brussels time, to calculate the schilling amount at the irrevocably fixed exchange rate to the euro. The revaluation gain of ATS 14,695 million was not recognized as income but posted to the "Reserve fund for exchange risks" pursuant to Article 69 paragraph 1 item 1 of the Nationalbank Act.

Foreign exchange and currency

(assets I/2)

| | |
|-------------------|---------------------|
| as at | |
| December 31, 1998 | ATS 245,746 million |
| December 31, 1997 | ATS 195,286 million |
| change | +ATS 50,478 million |

To put the disclosed year-end holdings in perspective, they have to be adjusted for currency swaps made against schilling positions.¹⁾ After adjustment, foreign exchange holdings closed at ATS 231.1 billion at the end of 1998 (1997: ATS 203.4 billion).

Measured in terms of calendar-day averages, 1998 holdings of foreign exchange and currency came to ATS 204,403 million, which is ATS 1,307 million or 0.6% below the year-earlier value of ATS 205,710 million. On December 31, 1998, "Foreign exchange and currency" reached an all-time high of ATS 245,746 million, while the annual low of ATS 187,257 million was recorded on September 30, 1998.

The foreign exchange holdings of ATS 245,746 million represent working balances consisting of sight deposits and investments abroad which can be liquidated at short notice. All transactions are made with counterparties with an impeccable financial standing.

Foreign exchange and currency were valued at the year-end current market rates on the basis of the irrevocably fixed exchange rates at the start of Stage Three of EMU. Net revaluation losses as shown in the books came to ATS 10,544 million in the past business year.

Claim arising from participation in the European Central Bank (ECB)

(assets I/3)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 1,623 million |
| December 31, 1997 | ATS — million |
| change | +ATS 1,623 million |

Assets item I/3 "Claim arising from participation in the European Central Bank (ECB)" is shown for the first time in the 1998 Annual Accounts; it amounted to ATS 1,623,302,591.— on December 31, 1998. With the establishment of the ECB in Frankfurt on June 1, 1998, the OeNB subscribed to the capital amount stipulated by Article 29 of the ESCB Statute. At the time, Austria's share came to 2.3663% of the ECB's capital according to the key; it is calculated on the basis of the weight of Austria's population and GDP in the European Union (EU 15). Of the total capital to be subscribed under Article 28 of the ECB Statute, namely ECU 5 billion, only 78.9153% or ECU 3,946 million have actually been subscribed for the time being, since the United Kingdom, Denmark, Sweden and Greece did not join Stage Three of EMU. Adjusted for the EU 11 zone, the OeNB's share thus came to ECU 118,3 million. This amount was offset against the ECU 14.2 million initially contributed by the OeNB to the deposits that generated the income necessary to cover the EMI's expenses, which was due to be repaid.

In October 1998 the European Commission revised the capital key of the ECB, under the provisions of Articles 29 and 42 of the ESCB Statute, taking into account changes

¹ The swap transactions were made against assets not classified under the foreign exchange position (gold).

in economic fundamentals. This adjustment was made retroactive to June 1, 1998, by decision of the Governing Council of the ECB of December 1, 1998. **The OeNB's share of the ECB's capital thus equals 2.3594%**, i.e. ECU 118.0 million, and is shown at ATS 1,623 million in the OeNB's 1998 Annual Accounts based on the exchange rate determined for the beginning of Stage Three of EMU on December 31, 1998. In 1998 net revaluation losses of ATS 21 million were recorded on this item.

Other Claims on the ECB
(assets I/4)

| | |
|-------------------|---------------------|
| as at | |
| December 31, 1998 | ATS – million |
| December 31, 1997 | ATS 39,107 million |
| change | –ATS 39,107 million |

The amount shown under the item "Claim on the European Monetary Institute" on December 31, 1997, consisted of three-month revolving swaps at par against an equivalent amount of official ECUs (ECU 2,798.8 million or ATS 38,909 million) and of the contribution to the deposits that generated the income necessary to cover the EMI's expenses (ECU 14.2 million or ATS 198 million). When the ECB was established on June 1, 1998, the EMI was liquidated, so that the resources contributed by the OeNB were due to be repaid.

As a member of the Exchange Rate Mechanism of the EMS, the OeNB was required to transfer 20% of its gold holdings and U.S. dollar reserves to the EMI until May 31, 1998, and after that to the ECB in the form of three-month revolving swaps at par against an equivalent amount of official ECUs,

as laid down in Article 17 of the EMS Agreement of March 13, 1979, concluded by the EEC central banks.

These revolving swaps at par to the amount of ATS 38,909 million were extended three more times and finally repaid in full when the ERM I was phased out on December 31, 1998.

All interest earned on asset transfers to the EMI and the ECB accrued fully to the OeNB and was posted to profit and loss account item 1 ("Income from nondomestic reserve assets"). Net losses from "Other claims on the ECB" ran to ATS 2,564 million.

Special Drawing Rights within the International Monetary Fund (IMF)
(assets I/5)

| | |
|-------------------|-------------------|
| as at | |
| December 31, 1998 | ATS 1,755 million |
| December 31, 1997 | ATS 2,127 million |
| change | –ATS 372 million |

Pursuant to federal law as promulgated in Federal Law Gazette No. 440/1969, the OeNB is entitled to participate in the SDR system on its own account on behalf of the Republic of Austria and to enter the SDRs purchased or allocated gratuitously on the assets side of the balance sheet as cover for the total circulation (defined as liabilities III and IV).

The holdings shown at the end of 1998 are the equivalent of SDR 105.9 million. All in all, the OeNB was gratuitously allotted a total of SDR 179.0 million (corresponding to ATS 2,967 million) by the IMF between 1970 and 1972 and from 1979 to 1981, for which the entry "IMF Special Drawing Rights allo-

cated" (liabilities V) is listed as an offsetting item on the liabilities side of the balance sheet.

Purchases and sales of SDRs for foreign exchange made at the OeNB's request and the crediting in account of earnings resulted in a net decrease of the SDR credit balance by SDR 18.9 million or ATS 372 million. These purchases and sales were made at the OeNB's request. In 1998 no purchases arising from designations were effected, which, according to the Fund's statutes, may be required of members and may reach as much as three times the total amount of SDRs allocated.

The SDRs were valued at ATS 16.57364, the rate valid on December 31, 1998 (December 31, 1997: SDR 1 = ATS 17.0451). This rate results from the IMF's calculation of the SDR's value on the basis of a currency basket made up of the five major currencies and denominated in U.S. dollars and the U.S. dollar rate determined for the beginning of Stage Three of EMU. The valuation loss of ATS 84 million, which can be pinpointed mainly to the SDR's decline during the past business year, was canceled out by a revaluation gain of ATS 84 million arising from the concurrent revaluation of the offsetting item.

Claim arising from participation in the IMF
(assets I/6)

| | Dec. 31, 1997 | Dec. 31, 1998 | Change |
|---|---------------|---------------|--------|
| | ATS million | | |
| Claim (= Austrian quota) totaling SDR 1,188.3 million | 20,255 | 19,695 | - 560 |
| less | | | |
| Balance at the disposal of the IMF | 8,089 | 4,261 | -3,828 |
| Payments actually made to the IMF | 12,166 | 15,434 | +3,268 |

The Austrian quota at the IMF, which is assumed in its entirety by the OeNB on its own account on behalf of the Republic of Austria pursuant to federal law as promulgated in Federal Law Gazette No. 309/1971, remained unchanged at SDR 1,188.3 million in the review period (it was last increased in December 1992 by SDR 412.7 million). Therefore, the ATS 560 million decrease in the schilling value of the gross amount of the quota is only due to valuation losses triggered by the drop of the SDR's rate from ATS 17.0451 on December 31, 1997, to ATS 16.57364 on December 31, 1998.

While the gross total of the Austrian quota is disclosed in the balance sheet, only the net claim against the Fund is carried as an asset, i.e. the total claim as diminished by the balance remaining at the disposal of the IMF. This balance stood at ATS 4,261 million on December 31, 1998, down ATS 3,828 million from the year-earlier figure. The IMF's schilling holdings contracted mainly on account of drawings by member countries, which totaled ATS 4,570 million. Conversely, schilling payments made by various member countries caused the IMF's schilling balance to rise by ATS 230 million. The balance also rose on account of

ATS 622 million worth of schilling payments in connection with the participation in the New Arrangements to Borrow (NAB).

By contrast, exchange gains of ATS 110 million resulted from the IMF's revaluation of its schilling holdings, which the OeNB was obligated to post to the schilling account. When the exchange rate gain of ATS 110 million resulting from the revaluation of the IMF's schilling holdings is offset against the valuation loss of ATS 560 million arising for the gross total of the claim, this asset item posted a revaluation loss as shown in the books of ATS 450 million in 1998.

The reserve asset recognized in the balance sheet, which comes to ATS 15,434 million after deduction of the schilling balance remaining at the disposal of the IMF from the gross quota, represents the claim arising from quota payments actually made.

Other claims on the IMF

(assets I/7)

| | |
|-------------------|-------------------|
| as at | |
| December 31, 1998 | ATS 1,458 million |
| December 31, 1997 | ATS 1,057 million |
| change | +ATS 401 million |

This item shows the total of SDR 88 million paid into the trust fund for the extension of the Enhanced Structural Adjustment Facility (ESAF extension) administered by the IMF as well as Austria's contribution to the New Arrangements to Borrow (NAB). The figure is a claim against the Fund, a foreign currency asset which is disposable at any time if required.

In December 1988, the last two repayments of SDR 6 million each were made on the capital that had

been provided to the IMF under the ESAF. Thus this loan, on which repayments have been made in semi-annual installments since June 1994, has been repaid in full.

The purpose of the ESAF extension is to support the aims of the IMF, which consist in extending very soft loans to the least developed countries to finance programs that provide substantial and lasting balance-of-payments and growth support. The necessary funds were raised by IMF members. The IMF also requires interest subsidies to guarantee the very low interest of 0.5% p.a. on the loans to be extended.

The OeNB's contributions made in 1988 and 1995 serve to raise resources for an investment fund whose revenue is used to finance the interest subsidies. The OeNB was authorized to make a contribution of SDR 50 million at 0.5% interest p.a. with a duration of up to ten years by federal law as promulgated in Federal Law Gazette No. 385/1995. This law also entitles the OeNB to use the claim resulting from this contribution as cover for the total circulation. Repayment on the SDR 50 million ESAF extension will begin in February 2001.

The NAB are designed to counteract problems which may arise when the growing liberalization of capital markets and the increasing interdependence of worldwide capital flows have a destabilizing effect. In 1998, for instance, a rescue package was provided to Brazil under this facility. The OeNB and the Federal Ministry of Finance agreed that Austria would participate with a loan totaling SDR 412 million at most. The OeNB was authorized to grant the IMF funds under the

NAB by federal law as promulgated in Federal Law Gazette No. 64/1998. The loan carries a market rate, and interest payments are due on January 31, April 30, July 31 and October 31; full repayment of the principal is after five years.

A revaluation loss of ATS 20 million occurred above all as a result of the decrease in the SDR's rate against the schilling (from ATS 17.0451 to ATS 16.57364) from end-1997 to end-1998. For an explanation of the calculation of the daily rate of the SDR see the notes on the item "Special Drawing Rights within the International Monetary Fund."

Claims arising from loans to foreign central banks
(assets I/8)

| | |
|-------------------|-----------------|
| as at | |
| December 31, 1998 | ATS 47 million |
| December 31, 1997 | ATS 76 million |
| change | -ATS 29 million |

This item represents the schilling equivalent of the outstanding claim totaling USD 4 million arising from two standby credits of USD 15 million each extended to the Turkish central bank in 1980 and 1981 (federal laws as promulgated in Federal Law Gazette Nos. 99/1980 and 556/1980). These laws also entitle the OeNB to enter on the assets side of its balance sheet the claim resulting from these loans as cover for the total circulation. The loan extended in 1980 will be fully redeemed by April 2000 in semiannual installments; the loan granted in 1981 will be repaid by February 2001.

In 1998 redemption payments made on schedule decreased the

outstanding claim by ATS 25 million, which is the equivalent of USD 2 million. The exchange rate loss of ATS 4 million is mainly attributable to the U.S. dollar's rise from ATS 12.633 on December 31, 1997, to ATS 11.793642 on December 31, 1998.

In the aggregate, **nondomestic reserve assets** expanded by ATS 34,261 million or 13% to ATS 298,755 million from ATS 264,494 million in the previous year. Their share in the sum total of reserve assets (assets I), which stood at ATS 329,881 million on December 31, 1998, came to 91% (December 31, 1997: 77%).

Austrian coin
(assets I/9)

| | |
|-------------------|-------------------|
| as at | |
| December 31, 1998 | ATS 1,538 million |
| December 31, 1997 | ATS 1,160 million |
| change | +ATS 378 million |

This item represents the stock of Austrian coin fit for circulation at face value.

The decrease can be traced to the reimbursement the OeNB claimed from the Federal Treasury for silver commemorative coins returned to the state via the Austrian Mint under the 1988 Divisional Coinage Act, as amended by federal law as promulgated in Federal Law Gazette No. 425/1996. The federal liability arising from the coins returned increased the "Claim on the Austrian Federal Treasury" (assets I/13) accordingly.

The following divisional coins were struck and issued with new motifs in 1998:

| Alloy/ face value | Motif | Date of issue | Announcement of the Austrian Mint in the Official Gazette dated | Mintage (number issued) |
|----------------------|--|----------------|--|-------------------------------|
| Gold | | | | |
| ATS 1,000 | Empress Elisabeth | Sep. 10, 1998 | Aug. 4, 1998 | 50,000 |
| ATS 500 | 500 th anniversary of the Vienna Choir Boys | Jan. 21, 1998 | Dec. 16, 1997 | 50,000 |
| Silver | | | | |
| ATS 500 | Printer | April 16, 1998 | March 10, 1998 | 200,000 |
| ATS 500 | Goldsmith | Nov. 11, 1998 | Oct. 6, 1998 | 200,000 |
| ATS 100 | Crown Prince Rudolf | June 4, 1998 | April 28, 1998 | 65,000 |
| Base metal | | | | |
| ATS 50 ¹⁾ | Austrian EU presidency | May 5, 1998 | March 24, 1998 | 1,300,000 |
| ATS 50 ¹⁾ | Konrad Lorenz | Oct. 14, 1998 | Aug. 25, 1998 | 1,300,000 |
| ATS 20 | 500 th anniversary of Michael Pacher's death | March 4, 1998 | Feb. 3, 1998 | x |

¹⁾ Bimetallic divisional coin.

The issue of two more ATS 500 coins in 1998 marked the continuation of the Austrian Mint's series of silver commemorative coins dedicated to Austrian landscapes and regional traditions begun in 1993. 75,000 coins each of the two mintages, "Buchdrucker" (depicting a printer) and "Goldschmied" (featuring a goldsmith), were struck in two different special qualities, i.e. uncirculated and proof, and issued directly by the Austrian Mint.

The Austrian Mint also struck a gold coin at a value of ATS 500 to commemorate the 500th anniversary of the Vienna Choir Boys as part of the series of coins based on Viennese musical legends.

The ATS 1,000 coin Empress Elisabeth and the ATS 100 silver coin Crown Prince Rudolf are dedicated to a series depicting the fates of the members of the Habsburg family.

The special commemorative coins in the "musical legends" and the "fates of the members of the Habsburg family" series were produced only as proof quality coins issued directly by the Austrian Mint.

The gold coins of the series struck in 1998 ("Vienna Choir Boys" and "Empress Elisabeth" were again produced with a fine gold content of 995 per thousand (good London delivery gold).

Furthermore, 1998 marked the issue of two additional bimetallic divisional coin at a denomination of ATS 50.

For details about coin in circulation as well as more specific information about coin diameter, total weight and alloys, see the itemization in the section Tables in this Annual Report.

Coin in circulation is a statistical figure not apparent from the central

bank's balance sheet. It is calculated, as laid down in the 1988 Divisional Coinage Act, on the basis of the face value of the total of divisional coins struck by the Austrian Mint and put in circulation by the OeNB plus the special quality divisional coins and gold bullion coins issued directly by the Austrian Mint minus the coins withdrawn directly by the latter.

Discounted bills of exchange
(assets I/10)

| | | |
|-------------------|-----|---------------------|
| as at | | |
| December 31, 1998 | ATS | — million |
| December 31, 1997 | ATS | 17,125 million |
| change | | –ATS 17,125 million |

The discounting of bills as an avenue of central bank refinancing was discontinued at the beginning of Stage Three of Economic and Monetary Union on January 1, 1999. In preparation for this step, the OeNB transferred export bills totaling ATS 9,416 million to the Oesterreichische Kontrollbank and settled all rediscount deals still outstanding on December 31, 1998, with the counterparties.

The calendar-day annual average of this item also reflects the reduced recourse to this central bank facility. It declined by ATS 3,857 million or 20% to ATS 15,108 million. In 1998, the item "Discounted bills of exchange" peaked at ATS 17,902 million on January 31.

The bills with a maximum residual maturity of three months accepted for discount pursuant to Article 48 paragraph 1 of the Nationalbank Act are booked at their face value (with the exception of specific bills entered at a 10% discount from the face value).

The development of the official discount rate in 1998 is shown in detail in the section Tables.

Claims resulting from ERP credits extended by the Oesterreichische Nationalbank¹⁾
(assets I/11)

| | | |
|-------------------|-----|------------------|
| as at | | |
| December 31, 1998 | ATS | 8,792 million |
| December 31, 1997 | ATS | 8,144 million |
| change | | +ATS 648 million |

The ERP Fund Act (Federal Law Gazette No. 207/1962) and Article 83 of the Nationalbank Act represent the legal basis for ERP investment loan transactions. Since June 1, 1998, ERP loans have no longer been financed in the form of financial bill discounts, but by book credits.

In the course of 1998, the OeNB extended new ERP loans totaling ATS 2,674 million (1997: ATS 1,609 million). During the same period, repayments on ERP loans amounted to ATS 2,026 million (1997: ATS 1,945 million).

Open market transaction securities
(assets I/12)

| | | |
|-------------------|-----|---------------------|
| as at | | |
| December 31, 1998 | ATS | 18,120 million |
| December 31, 1997 | ATS | 48,940 million |
| change | | –ATS 30,820 million |

As tender operations were to be the instrument of choice to supply liquidity within the ESCB from the start of Stage Three, the OeNB settled all short-term open market transactions for steering the money market (known as GOMEX trans-

¹ This item corresponds to "Discounted ERP bills of exchange" in the balance sheet of December 31, 1997.

actions) still open on December 31, 1998, on that date. Thus the open market transactions shown in the balance sheet on December 31, 1998, exclusively comprise tender operations. Tender operations were offered with a maturity of two weeks in 1998. The GOMEX transactions were on a due-at-call basis; the remaining open market operations were repurchase deals that ran for up to six months.

The OeNB's open market portfolio calculated on the basis of calendar-day averages grew by ATS 1,288 million or 4% to ATS 35,452 million compared with the previous year.

The item reached a high of ATS 65,381 million on January 8, 1998; the annual low was recorded on November 27, 1998, at ATS 9,365 million.

Details regarding the tender rate as well as the GOMEX rate applicable in 1998 to regular short-term open market funding operations are shown in the section Tables.

Pursuant to Article 67 paragraph 2 of the Nationalbank Act, the securities held in the Bank's open market portfolio are principally valued at year-end market prices, except for those securities whose market price has fallen below the purchase price, which are valued at cost. As a rule, open market transactions are entered in the balance sheet at the prices applied at the time of purchase, i.e. 100 in all cases. These prices correspond to the stock exchange quotations at the balance sheet date or the repurchase prices guaranteed by the borrowers.

The OeNB meets the liquidity demands of the domestic credit institutions above through a tender facility under which open

market operations are executed at the initiative of the central bank. These regular open market transactions used to be supplemented by refinancing transactions that were carried out at the banks' initiative (standing facilities, i.e. via the rediscounting of bills of exchange and short-term open market transactions, or GOMEX, on a due-at-call basis). In addition, lombard loans may be extended by the OeNB in particular in its function as a lender of last resort. The OeNB can also resort to contractionary open market transactions (REGOM) to drain liquidity from the money market; to this end, it may issue cash certificates.

Liquidity provided by the central bank came to ATS 18,120 million on December 31, 1998, which represents a decrease by ATS 47,945 million or 73% from the year before. In terms of calendar-day averages, the provision of liquidity also fell, declining by ATS 2,555 million or 5% to ATS 50,519 million.

A breakdown by components shows the following development over the past five years:

| Liquidity provision (annual average) | | | | | | Total | Annual change | |
|--|--|--|---|---|-------------|--------|---------------|-------|
| Tender facilities (at the central bank's initiative) | | Standing facilities (at the banks' initiative) | | Less contrac- tionary open market transactions (REGOM) | ATS million | | % | |
| Regular tender facility | Special open market line for tenders (SOMALI) | Bills of exchange | Short-term open market transactions (GOMEX) ¹⁾ | | | | | |
| 1994 | – | – | 17,833 | 24,693 | – | 42,526 | –25,187 | –37.2 |
| 1995 | 115 | – | 16,542 | 24,313 | 820 | 40,150 | – 2,376 | – 5.6 |
| 1996 | 7,045 | 233 | 17,968 | 8,845 | 808 | 33,283 | – 6,867 | –17.1 |
| 1997 | 23,963 | 460 | 18,965 | 9,741 | 55 | 53,074 | +19,791 | +59.5 |
| 1998 | 25,389 | 23 | 15,108 | 10,040 | 41 | 50,519 | – 2,555 | – 4.8 |

¹⁾ Including selective open market operations.

Apart from the above instruments impacting on liquidity, on a 1998 average, liquidity provided by the OeNB was enlarged by some ATS 10.9 billion deriving from the distribution of the OeNB's profit and prepayments of corporation tax. The increase in nondomestic reserve assets (exclusive of profit components and exchange rate changes) with an effect on liquidity amounted to roughly ATS 7.5 billion in the review year.

Claim on the Austrian Federal Treasury
(assets I/13)

| | |
|-------------------|-------------------|
| as at | |
| December 31, 1998 | ATS 2,676 million |
| December 31, 1997 | ATS 2,729 million |
| change | -ATS 53 million |

This claim is actually the "Claim on the Austrian Federal Treasury from silver commemorative coins issued before 1989." Under the 1988 Divisional Coinage Act, as amended by federal law as promulgated in Federal Law Gazette No. 425/1996, the Austrian Federal Treasury is liable to reimburse the OeNB for said silver coins. The federal liability is entered on the assets side in the OeNB's books.

In theory, the maximum federal liability is the sum total of all silver commemorative coins issued before 1989 minus any coins returned to and paid for by the Federal Republic minus any coins no longer fit for circulation and hence directly withdrawn by the Austrian Mint. The repayment of the resulting total maximum liability of ATS 18,340 million is effected by annual installments of ATS 80 million out of the Federal Republic's share of the OeNB's profit. The proceeds from

metal recovery, including any interest accruing to the Austrian Mint on the investment of such proceeds by the contractual transfer date (December 15 of each year), are also designated for repayment. Any amount outstanding on December 31, 2040, will have to be repaid in the five following years (2041 to 2045) in five equal installments.

Meanwhile, the OeNB's balance sheet only shows a federal book liability of ATS 2,676 million resulting from the coins actually returned to date. In other words, it does not consider the items total circulation (ATS 15,016 million) and holdings (ATS 648 million), both of which are not yet redeemable. This procedure is deemed to be in conformity with the Maastricht Treaty, as is evident in the EMI's (ECB's) Report on the Monitoring of Central Banks' Compliance with the Prohibitions of Articles 104 and 104a of the Treaty.

In 1998, the claim developed as follows:

| Claim on the Austrian Federal Treasury from silver commemorative coins issued before 1989 | | ATS million |
|---|--------|-------------|
| Coins put to account as at December 31, 1988 | | 19,435 |
| less: | | |
| Coins directly called in | 19 | |
| Metal recovery proceeds 1992 to 1998 | 516 | |
| Repayments from the Federal Republic's profit share 1991 to 1997 | 560 | 1,095 |
| Theoretical maximum federal liability as at December 31, 1998 | | 18,340 |
| less: | | |
| Total circulation of coins | 15,016 | |
| Holdings of coins | 648 | 15,664 |
| Book liability of the Federal Republic as at December 31, 1998 | | 2,676 |

Other assets

(assets II)

Premises (assets II/1) stated at ATS 176 million in the balance sheet as at December 31, 1998, developed as follows:

| Cost of acquisition or production until January 1, 1998 | Additions in 1998 | Disposals in 1998 | Accumulated depreciation | Book value as at Dec. 31, 1998 | Book value as at Dec. 31, 1997 | Annual depreciation 1998 |
|---|-------------------|---------------------|--------------------------|--------------------------------|--------------------------------|--------------------------|
| 3,486 ¹⁾ | 661 | 3,733 ²⁾ | 238 | 176 | 104 | 570 |

¹⁾ For premises acquired before December 31, 1956, the cost of acquisition is based on the schilling opening balance sheet (Federal Law Gazette No. 190/1954).

²⁾ The balance between the book value of the disposals and the underlying historical cost is ATS 3,714 million.

The balance sheet as at December 31, 1998, states a value of ATS 399 million for **Equipment** (assets II/2), which represents a decrease by ATS 309 million year on year. The 1998 additions to the amount of ATS 391 million (including minor assets) were capitalized and marked down for depreciation by ATS 223 million.

Equipment developed as follows:

| Cost of acquisition until January 1, 1998 | Additions in 1998 | Disposals in 1998 | Accumulated depreciation | Book value as at Dec. 31, 1998 | Book value as at Dec. 31, 1997 | Annual depreciation 1998 |
|---|-------------------|-------------------|--------------------------|--------------------------------|--------------------------------|--------------------------|
| 1,676 | 391 | 481 ¹⁾ | 1,187 | 399 | 708 | 223 |

¹⁾ The difference between the book value of the disposals and their historical cost is ATS 4 million.

Securities (assets II/3) developed as follows in 1998:

| | |
|------------------------------------|---------------------|
| Book value as at January 1, 1998 | ATS 23,042 million |
| Additions | +ATS 44,521 million |
| | ATS 67,563 million |
| Disposals | -ATS 47,169 million |
| | ATS 20,394 million |
| Capitalized discounts | +ATS 118 million |
| Price losses | -ATS 78 million |
| Exchange rate losses | -ATS 43 million |
| Book value as at December 31, 1998 | ATS 20,391 million |

Compared with December 31, 1997, the OeNB's securities portfolio contracted by ATS 2,651 million. Among other things, the securities were used to invest pension reserve funds (ATS 19,990 million book value) and funds earmarked for the Promotion of Scientific Research and Teaching (ATS 213 million book value). Pursuant to Article 67 paragraph 2 of the Nationalbank Act, the securities are valued according to the lower-of-cost-or-market principle. The market value principle determines the exchange rate applicable to foreign currency securities.

Sundry assets (assets II/4) increased by ATS 7,968 million to a total of ATS 15,982 million in the balance sheet of December 31, 1998.

This aggregate item comprises the following subitems:

| | | |
|---|-----|--------------------|
| a) Participating interests | ATS | 3,926 million |
| b) Advances on salaries | ATS | 98 million |
| c) Accounts with the OeKB | ATS | 6,421 million |
| d) Prefinancing of the production of euro coins | ATS | 2,000 million |
| e) Accruals | ATS | 2,670 million |
| f) Other claims and other assets | ATS | 867 million |
| | | ATS 15,982 million |

ad a) Participating interests developed as follows:

| Cost of acquisition until January 1, 1998 | Additions in 1998 | Disposals in 1998 | Accumulated depreciation | Book value as at Dec. 31, 1998 | Book value as at Dec. 31, 1997 | Annual depreciation |
|---|-------------------|-------------------|--------------------------|--------------------------------|--------------------------------|---------------------|
| 12,827 | 2,228 | – | 11,129 | 3,926 | 3,338 | 1,640 |

ATS million

The production of banknotes will be put on an entirely new footing in the ESCB. The OeNB's Printing Works, which had been managed as a unit of the OeNB, had to be adapted to meet the strategic challenge of the European market and international competition. For this reason, the spinoff of the Printing Works into an independent enterprise was prepared in the course of the review year and then implemented. The "Oesterreichische Banknoten- und Sicherheitsdruck GmbH" has a capital stock of ATS 100 million and is wholly owned by the OeNB. The stockholders' equity came to ATS 770 million on December 31, 1998.

Moreover, this item shows the OeNB's 100% stake in the Austrian Mint (Münze Österreich AG), Vienna, which – in line with its principal task of producing means of payment – serves monetary policy purposes. In 1998 the Mint

yielded dividend earnings of the 1997 business year of ATS 45 million (1997 for the 1996 business year: ATS 100 million), which were put to account under the heading "Income from participating interests" (item 8 of the profit and loss account). The OeNB again injected funds from its freely disposable reserve fund (item 12a of the profit and loss account, ATS 770 million in 1998) into the Mint to boost the company's liquidity. To prefinance the production of euro coins, the Austrian Mint received a prepayment of ATS 2,000 million, which will be deducted from the nominal amount of the coins to be delivered from January 1, 2002. This capital contribution was fully written down in line with the Bank's accounting policies, so that the OeNB's participating interest continues to be shown at a pro memoria value of one schilling. The Mint's capital stock amounts to ATS 75 million. As at December 31, 1997, the stockholders' equity ran to ATS 2,093 million, and the profit for the year came to ATS 176 million. As regards the Bank's other participating interests, see Article 241 of the Commercial Code.

ad b) Advances on salaries shrank by ATS 11 million compared with the year-earlier balance sheet item. The residual terms generally exceed one year. Security on all advance payments is in the form of whole life insurance.

ad c) The funds held on the accounts at the OeKB serve especially to invest the pension reserve, to disburse ERP loans and to pay the share of profit due to the federal government from the annual profit.

ad d) Accruals, which are stated at ATS 2,670 million in the balance sheet, refer mainly to interest

already earned in the 1998 accounting period but not receivable until 1999.

ad e) This item contains the OeNB's historical string instrument collection¹⁾ valued at ATS 338 million. The collection was expanded in 1998 with the purchase of three violins, a viola and a violoncello. The violins bear the designations "Antonius Stradivarius, Cremona 1714, ex Smith," Joseph Guarnerius del Gesu, Cremona 1731, ex Sorkin" and Carlo Bergonzi, Cremona 1723"; the viola "Giovanni Paolo Maggini, Brescia" and the violoncello "Giovanni Tononi, Bologna 1681, ex Voss."

Thus on December 31, 1998, the OeNB's string instrument collection encompasses 21 violins, four violoncelli and two violas. The instruments are on loan to musicians deemed worthy of special support.

Prepayments of corporate tax resulted in a claim of ATS 76 million on December 31, 1998.

Liabilities

Capital

(liabilities I)

The Bank's capital stock, which remained unchanged at ATS 150 million, is divided into 150,000 registered shares of ATS 1,000 each.

General reserve fund

(liabilities II/1)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 22,181 million |
| December 31, 1997 | ATS 20,915 million |
| change | +ATS 1,266 million |

The increase is due to the allocation, under Article 69 paragraph 2 of the Nationalbank Act, of 10% of the net income (after corporation tax) ascertained for 1998. Due to the amendment of the Nationalbank Act, 1998, was the last year in which allocations of this kind were made.

Freely disposable reserve fund

(liabilities II/2)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 28,607 million |
| December 31, 1997 | ATS 29,304 million |
| change | -ATS 697 million |

The decrease constitutes the net result of the transfer of ATS 943 million from 1997 retained earnings as agreed by the general meeting on April 24, 1998, and the release of ATS 1,640 million in connection with the depreciation of participating interests.

The freely disposable reserve fund also contains ATS 1,640 million earned on investment of the pension reserve's assets. Such earnings have been recognized as profit

¹ The OeNB began acquiring historical string instruments in 1989.

since 1986 and raised the pension reserve investment limit accordingly.

**Reserve fund
for exchange risks**
(liabilities II/3)

| | |
|-------------------|---------------------|
| as at | |
| December 31, 1998 | ATS 44,972 million |
| December 31, 1997 | ATS 55,339 million |
| change | –ATS 10,367 million |

ATS 3,867 million of exchange losses on balance occurred in 1998; these were covered by the Reserve fund for exchange risks. The stipulation of Article 69 paragraph 4 in the amendment to the Nationalbank Act states that “Reserve funds for exchange risks be set up or released on the basis of the risk assessment of the non-domestic assets.” The value-at-risk approach was used to calculate the currency risk. Value at risk is defined as the maximum loss of a foreign currency portfolio with a given currency diversification at a certain level of confidence and for a given holding period. Under this approach, ATS 6,500 million were posted to the profit and loss account.

Other reserves
(liabilities II/4)

| | |
|-------------------|-------------------|
| as at | |
| December 31, 1998 | ATS 6,643 million |
| December 31, 1997 | ATS 6,756 million |
| change | –ATS 113 million |

This balance sheet item comprises:

| | |
|---|-------------------|
| a) Reserve fund for net interest revenues from ERP loans | ATS 6,543 million |
| b) Fund for the Promotion of Scientific Research and Teaching | ATS 100 million |
| c) Reserve fund for the construction of an additional headquarters building in Vienna | ATS — million |
| | ATS 6,643 million |

ad a) On December 31, 1998, net interest to the amount of ATS 308 million was credited to the “Reserve fund for net interest revenues from ERP loans” pursuant to Article 69 paragraph 1 item 3 of the Nationalbank Act. This reserve fund is counted toward the ERP loan portfolio, as laid down in Article 3 paragraph 2 of the ERP Fund Act, Federal Law Gazette No. 207/1962, but the reserve funds are not actually made available, since they are held on an account with the OeKB.

ad b) On the occasion of the 150th anniversary of the Austrian central bank, ATS 100 million out of the 1965 retained earnings were appropriated in 1966 to the newly established “Fund for the Promotion of Scientific Research and Teaching” for the purposes of profitable investment. This amount – together with ATS 139 million available at the 1998 balance sheet date for the time being as part of the subsidies designed for disbursement – has

been invested in fixed-interest domestic securities. In addition to ATS 19 million of investment revenues transferred under Article 69 paragraph 1 item 4 of the Nationalbank Act, further subsidies amounting to ATS 300 million – ATS 200 million of which were earmarked for the promotion of economic research projects were made available from the retained earnings in accordance with the decision of the general meeting taken on April 24, 1998.

In 1998 the OeNB's General Council pledged financial assistance amounting to ATS 326 million for 508 projects deemed worthy of support. This means that a total of ATS 4,443 million has been made available to 5,885 scientific projects since the Fund was first established. By the end of 1998, ATS 4,146 million of the abovementioned total had been paid out, ATS 318 million thereof in the course of 1998. The lion's share of the subsidies granted – i.e. financing to the amount of ATS 2,543 million – went into economic research projects, with fundamental research in areas such as social science, economics, medicine and natural science in particular on the receiving end of substantial grants.

ad c) The "Reserve fund for the construction of an additional headquarters building in Vienna" was endowed from 1986 through 1990 and in 1992 with ATS 500 million a year and in 1998 with ATS 600 million out of the retained earnings of those years, bringing total allocations to ATS 3.6 billion. The ATS 421 million still remaining in this reserve were used up completely to cover part of the expenditures for the new construction in 1998.

Pension reserve (liabilities II/5)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 23,814 million |
| December 31, 1997 | ATS 23,386 million |
| change | +ATS 428 million |

In conformity with the Nationalbank Act, the OeNB basically assumes full liability to provide retirement benefits to most of its employees under a company pension plan in lieu of a state pension for which, consequently, no contributions are due under the national social security system. To secure this liability – in particular in case the central bank's duties should be transferred to another legal entity – the OeNB is obligated by law to set up a reserve corresponding to the actuarial present value of its pension obligation.

However, staff members who join the Bank after May 1, 1998, are enrolled into the national social security system, i.e. they will receive a state pension topped up by payments from a pension fund with which the OeNB concluded a contract retroactively from May 1, 1999. Thus the OeNB's company pension plan does not cover staff members who joined the Oesterreichische Nationalbank after May 1, 1998.

As the Nationalbank Act provides for the pension reserve to be funded with the revenues earned on the special portfolio of assets in which the reserve has been invested plus a maximum of 10% from the Bank's annual net profit, it took a long time, namely from 1955 to 1985, until the reserve was eventually built up. However, since reaching the required capital sum in 1986, part of the investment earn-

ings from the pension reserve has sufficed to periodically top up the fund in compensation for increases in the benefit obligation due to pay rises or the addition of new staff members (until April 30, 1998). Since then recourse to shares of the Bank's earnings became necessary only once, when additional allocations were needed after recalculations in 1991.

According to the actuarial calculation of the OeNB's actuary, Karl Kreiter, Vienna, the present value of the pension reserve stood at ATS 23,814 million on December 31, 1998. This calculation is based on the same actuarial discount rate as in 1997, namely 3.40% per annum. The discount rate is calculated on the basis of moving averages; in the future, the rate will no longer be automatically adjusted if the changes are minimal.

ATS 428 million of the total revenue from the investment of the pension reserve, ATS 1,734 million, were allocated to the pension reserve under Article 69 paragraph 1 of the Nationalbank Act. The remaining ATS 1,306 million were posted to the profit and loss account.

Banknotes in circulation (liabilities III)

| | |
|-------------------|-------------------------------|
| as at | |
| December 31, 1998 | ATS 168,823 million |
| December 31, 1997 | ATS 171,126 million |
| change | -ATS 2,303 million (-1.4%) |

This result compares with an expansion by ATS 1,901 million or 1.1% for the period between December 31, 1996, and December 31, 1997.

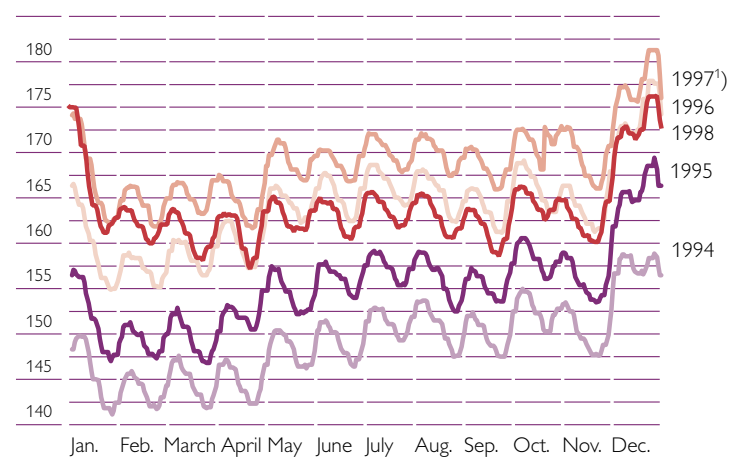
In terms of calendar day averages, which even out incidental highs or lows at the cutoff date, the growth rates differ from the balance of the end-of-year figures:

| Banknotes in circulation | annual average ATS million | annual change | % |
|--------------------------|----------------------------------|---------------|------|
| 1994 | 144,002 | +8,395 | +6.2 |
| 1995 | 150,189 | +6,187 | +4.3 |
| 1996 | 158,836 | +8,647 | +5.8 |
| 1997 | 163,928 | +5,092 | +3.2 |
| 1998 | 160,827 | -3,101 | -1.9 |

Banknotes in circulation touched a high of ATS 172,089 million on December 28, 1998, while the annual low was recorded on April 22, 1998 (ATS 154,849 million).

Banknotes in Circulation

Calendar-day volumes
ATS billion



Source: OeNB.

¹⁾ 1997: Historic high on December 23: ATS 176.4 billion.

In figures, the OeNB's banknote management during the last business year can be described as follows:

| | million notes | ATS billion |
|---|---------------|-------------|
| Banknotes in circulation on December 31, 1997 | 431.2 | 171.1 |
| Notes issued | 646.1 | 299.2 |
| Notes returned | 647.5 | 301.5 |
| Banknotes in circulation on December 31, 1998 | 429.8 | 168.8 |

In 1998, 139 million banknotes were printed (1997: 201 million), while 155 million banknotes no longer fit for circulation were destroyed (1997: 189 million).

A list of the OeNB's banknotes currently in circulation appears in the section Tables.

Sight liabilities to domestic credit institutions
(liabilities IV/1)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 54,693 million |
| December 31, 1997 | ATS 46,289 million |
| change | -ATS 8,404 million |

This figure compares with a drop by ATS 3,779 million for the period between December 31, 1996, and December 31, 1997.

Measured in terms of calendar-day averages – a method which eliminates random fluctuations that may affect results if balance sheet dates are used – the credit institutions' deposits with the central bank increased by ATS 1,660 million or 3% to ATS 59,079 million.

In 1998, the average minimum reserve requirement came to ATS 59.1 billion (1997: ATS 57.5 billion) and, as in 1997, was met in its entirety through the balances which the credit institutions held with the OeNB. In both the 1996

and 1997 accounting periods, the average level of giro balances corresponded to the calculated average fulfillment of the minimum reserve obligation by means of balances with the OeNB.

At ATS 72,759 million, the liabilities to domestic credit institutions reached an annual high on May 27 and posted an annual low on December 30 at ATS 43,584 million.

Sight liabilities to foreign credit institutions and monetary institutions
(liabilities IV/2)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 209 million |
| December 31, 1997 | ATS 1,348 million |
| change | -ATS 1,139 million |

This figure decreased sharply in the review period because all short-term foreign-currency-denominated liabilities (reverse repos) of ATS 1,274 million were unwound in 1998.

Sight liabilities to Austrian public authorities and residents
(liabilities IV/3)

| | |
|-------------------|-----------------|
| as at | |
| December 31, 1998 | ATS 284 million |
| December 31, 1997 | ATS 246 million |
| change | +ATS 38 million |

Apart from the current account liabilities and foreign currency liabilities to public authorities and enterprises, the item contains the accounts of the ERP Fund and various domestic liabilities from day-to-day banking business.

The **total circulation**, calculated by summing up liabilities items III and IV, came to ATS 224,009 million in the balance sheet of December 31, 1998, which represents an increase by ATS 5,001 million or 2% from the year before (1997: –ATS 707 million or –0.3%).

By contrast, the total circulation went up by ATS 1,607 million or 1% to ATS 227,316 million from 1997 to 1998 in a comparison of annual averages.

The liabilities summed up under the total circulation are all sight liabilities.

At the end of 1998, the total circulation was covered by 147% of statutory reserve assets (December 31, 1997: 156%), with nondomestic reserve assets accounting for 133% thereof (December 31, 1997: 121%).

| Coverage of the total circulation | Dec. 31, 1997 | Dec. 31, 1998 |
|---|---------------|---------------|
| Reserve assets | % | |
| Gold | 6.7 | 14.6 |
| Foreign exchange and currency | 89.2 | 109.7 |
| Claim on the European Monetary Institute | 17.9 | – |
| Claim resulting from the participation in the ECB | – | 0.7 |
| Other nondomestic claims | 7.1 | 8.4 |
| Sum total of nondomestic reserve assets | 120.9 | 133.4 |
| Discounted bills of exchange | 7.8 | 0.0 |
| Open market transaction securities | 22.3 | 8.1 |
| Claim on the Austrian Federal Treasury | 1.2 | 1.2 |
| Other | 4.2 | 4.6 |
| Sum total of reserve assets | 156.4 | 147.3 |

Provision for severance payments (liabilities VI/1)

| | |
|-------------------|------------------|
| as at | |
| December 31, 1998 | ATS 555 million |
| December 31, 1997 | ATS 819 million |
| change | –ATS 264 million |

This provision was for the first time calculated according to actuarial principles using a discount rate of 3.40% per annum. Taking into account retirements and deaths, the mandatory provision amounted to ATS 555 million. The balance of ATS 264 million not required for the provision was entered into to the profit and loss account under item 3 (“Miscellaneous income”).

Other provisions (liabilities VI/2)

| | |
|-------------------|--------------------|
| as at | |
| December 31, 1998 | ATS 715 million |
| December 31, 1997 | ATS 2,620 million |
| change | –ATS 1,905 million |

This item contains provisions for anniversary bonuses (ATS 137 million) and for unused vacation (ATS 102 million). The provision for anniversary bonuses was calculated on actuarial principles.

The provision resulting from deliveries and other unsettled services ran to ATS 326 million at the balance sheet date, with transactions with the OeBS accounting for ATS 167 million thereof.

In the balance sheet of December 31, 1998, the aggregate item **Sundry liabilities** (liabilities VI/3) is stated at ATS 11,167 million (December 31, 1997: ATS 11,860 million). At ATS 10,258 million, the most important component of this item

is the Federal Republic's share of the OeNB's 1998 net income (without dividend) as laid down in Article 69 paragraph 3 of the Nationalbank Act (see also item 16b of the profit and loss account).

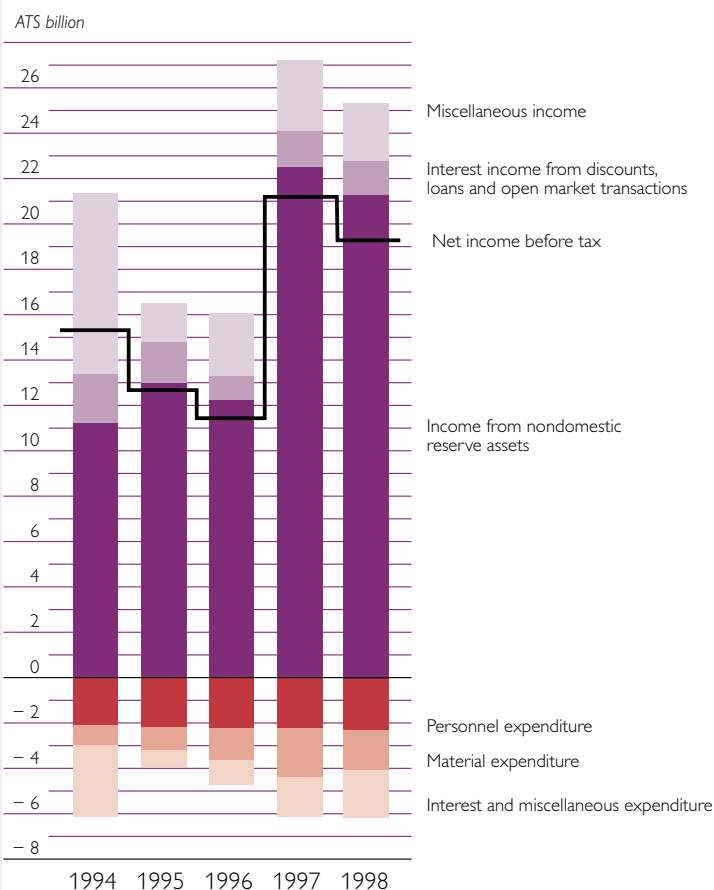
Contingent liabilities

In addition to items covered by the balance sheet, the following contingent liabilities are stated off the balance sheet:

- Liabilities resulting from designations under "Special Drawing Rights within the IMF" of ATS 7,148 million.
- Contingent liabilities to the IMF under the New Arrangements to Borrow and the Highly Indebted Poor Country Initiative totaling ATS 6,300 million.
- The obligation to make a supplementary contribution of ATS 343 million (equivalent to 15 million gold francs) to the stake in the capital of the Bank for International Settlements (BIS) at Basle, consisting of 8,000 shares of 2,500 gold francs each.
- Liabilities of ATS 285 million from foreign-currency investments effected in the OeNB's name for third account.
- Repayment obligations to the amount of ATS 80 million arising from pension contributions paid by OeNB staff members payable on termination of employment contracts.

Notes to the Profit and Loss Account

Expenditure and Income, Net Income for the Year



Source: OeNB.

Income from nondomestic reserve assets

(item 1)

| | |
|--------|--------------------|
| 1998 | ATS 21,257 million |
| 1997 | ATS 22,622 million |
| change | -ATS 1,365 million |

Income under this heading slipped by ATS 1,365 million or 6%, primarily because the provisions released from the Reserve fund for exchange risks on the basis of an assessment of risks and posted to the profit and loss account – ATS 6,500 million – trailed the corresponding 1997 figure by a margin of ATS 1,700 million. By contrast, the contribution of income from foreign exchange investment rose to ATS 14,072 million (with ATS 1,256 million traceable to price gains). This subitem was partly offset by “Interest and miscellaneous expenditure” (ATS 1,741 million; mainly realized and unrealized price losses to the amount of ATS 666 million), which is stated in item 6 of the profit and loss account. On balance, net investment income came to ATS 12,331 million.

Interest income from discounts, loans and open market transactions

(item 2)

| | |
|--------|-------------------|
| 1998 | ATS 1,534 million |
| 1997 | ATS 1,561 million |
| change | -ATS 27 million |

Interest income deriving from open market transactions amounted to ATS 1,110 million of the overall 1998 income, and interest income from discount deals (including

ERP bills of exchange) accounted for ATS 424 million. The reason why, on the bottom line, there was a shortfall on the 1997 result is primarily because of the development of interest income from trade bills and ERP bills of exchange, which plunged ATS 116 million below the 1997 level. Interest income derived from open market transactions – above all tender operations, through which the bulk of liquidity was injected into the market in 1998, – posted an increase of ATS 89 million.

Miscellaneous income (item 3)

| | |
|--------|-------------------|
| 1998 | ATS 2,024 million |
| 1997 | ATS 1,462 million |
| change | +ATS 562 million |

This item comprises such income from the investment of the pension reserve assets as remained in excess of what was needed to top up the Pension reserve, namely ATS 1,306 million. Moreover, it contains income earned on services of the OeNB for the Printing Works (ATS 84 billion). Last but not least, it covers all other receipts of the OeNB (excluding those from “Participating interests”; see item 8 of the profit and loss account).

Personnel expenditure (item 4)

Compared with the year before, total personnel expenditure changed as follows:

| | |
|--------|-------------------|
| 1998 | ATS 2,292 million |
| 1997 | ATS 2,221 million |
| change | +ATS 71 million |

An analysis of the individual components shows the following development in 1998:

| | 1997 ATS million | 1998 | Change |
|--|---------------------|---------|--------|
| a) Salaries | 1,003.3 | 1,036.1 | + 35.8 |
| less: | | | |
| Pension contributions by staff members | 17.1 | 17.3 | + 0.2 |
| | 983.2 | 1,018.8 | + 35.6 |
| b) Pensions and similar benefits | 940.2 | 984.3 | + 44.1 |
| c) Severance payments | 87.5 | 97.3 | + 9.8 |
| d) Statutory social expenditure as well as remuneration-related charges | 153.7 | 160.3 | + 6.6 |
| e) Other social expenditure | 73.3 | 77.7 | + 4.4 |
| | 2,237.9 | 2,338.4 | +100.5 |
| less: Salary refunds from the Printing Works | – | 30.2 | |
| from other subsidiaries and external posts | 17.5 | 16.4 | – 1.1 |
| | 2,220.4 | 2,291.8 | + 71.4 |

Salaries net of pension contributions collected from staff members on active duty (item 4a) increased by ATS 35.6 million or 3.6% from 1997, an expansion which must be seen against the background of preparations for Stage Three of EMU. These outlays were reduced by ATS 30.2 million refunded to the OeNB under the staff transfer contract concluded with the Printing Works, which were spun off from the OeNB in the report year.

The discount rate (3.4%) that is applied to the present value of the OeNB’s liabilities has been extended to also apply to the provisions made against anniversary bonuses. The actuarial calculations revealed that ATS 21.9 million of the provisions could be written back. The canceled provisions were posted to the profit and loss account (see also item 3 of the profit and loss account “Miscellaneous income”). If this sum is considered as an offset to the salary hike, the OeNB’s salary outlays rose by just ATS 13.7 million or 1.4% year on year.

As of January 1, 1997, the pension contributions of employees who joined the OeNB after March 31, 1993, and who qualify for a Bank pension, were raised to 10.25% of that part of their salaries which would be subject to contributions under the national social security system. The contribution to be paid on any amounts exceeding the contribution base is 2%.

With effect from May 1, 1998, new entrants are enrolled into the national social security system plus a pension fund. The OeNB opted for this approach in order to bring its pension system in line with the retirement provision systems prevailing in Austria, where the statutory state pension is the first pillar and pension funds the second pillar.

ad a) The average number of staff employed by the OeNB in 1998 (excluding the President and the Vice President of the General Council, and the members of the Governing Board) was 1,148, which is two persons or 0.2% less than in 1997. Adjusted for employees on leave (e.g. maternity leave, parental leave), 1,050 persons were employed on average. The number of manual workers dropped from 23 to 21 persons.

The remuneration (including remuneration in kind, i.e. private use of company cars, subsidies to health and accident insurance) of the members of the Governing Board pursuant to Article 33 paragraph 1 of the Nationalbank Act totaled ATS 17.4 million (1997: ATS 24.3 million), that of the President and the Vice President of the General Council amounted to ATS 4.8 million (1997: ATS 6.5 million). The emoluments of the members of the Governing Board shrank by ATS 6.9 million because the

Board had been reduced to a body of four with effect from July 15, 1997, and because the emoluments of its members had been trimmed under the Salary Ceilings Act (Federal Law Gazette I No. 64/1997).

In accordance with Article 26 paragraph 2 of the Nationalbank Act, members of the General Council were reimbursed for travel expenses, which totaled ATS 77,400.

ad b) Item 4b "Pension benefits" includes the remuneration of retired Board members or, on their decease, their spouses, which ran to ATS 45.2 million (1997: ATS 37.7 million). Consequently, the remuneration of the other persons entitled to pension benefits of the Bank amounted to ATS 939.1 million (1997: ATS 902.5 million).

ad d) The item "Statutory social expenditure as well as remuneration-related charges" contains municipal tax payments of ATS 31 million, social security contributions and contributions to the equalization-of-burdens fund for families (note: this government fund uses earmarked taxes and employers' payroll-based contributions to finance family benefits) to the amount of ATS 108 million.

Material expenditure

(item 5)

| | |
|--------|-------------------|
| 1998 | ATS 1,745 million |
| 1997 | ATS 2,119 million |
| change | -ATS 374 million |

Material expenditure decreased because the expenses related to the construction of the additional headquarters building in Vienna tapered off and the property was subsequently transferred to the Printing Works. Such expenses came to

ATS 568 million in 1998 (1997: ATS 1,368 million) and were written off in the report year. Those outlays did not affect the operating result, though, because the money was released from the “Reserve fund for the construction of an additional headquarters building in Vienna.”

Income from participating interests (item 8), which totals ATS 69 million, includes ATS 45 million from the Austrian Mint’s dividend payments and ATS 20 million earned on the OeNB’s stake in the BIS in Basle.

Writedowns of participating interests (item 9), amounting to ATS 1,640 million, consist of an injection of liquidity by the OeNB into the Austrian Mint (ATS 770 million) and into AUSTRIA CARD (ATS 100 million) as well as noncash and cash contributions made to the spun-off Printing Works (ATS 770 million).

Corporation tax

(item 14)

The income forming the basis of taxation under Article 72 paragraph 1 of the Nationalbank Act amounts to ATS 19,189 million, so that, after application of the 34% tax rate, corporation tax comes to ATS 6,524 million. Prepayments on corporation tax totaled ATS 6,600 million in 1998.

Governing Board (Direktorium)

Governor Klaus Liebscher (from September 1, 1998)
 Vice Governor Gertrude Tumpel-Gugerell
 (from September 1, 1998; Executive Director until August 31, 1998)
 Chief Executive Director Adolf Wala (until August 31, 1998)
 Executive Director Wolfgang Duchatzek
 Executive Director Erwin Tischler (until July 14, 1998)
 Executive Director Peter Zöllner (from July 15, 1998)

General Council (Generalrat)

President Adolf Wala (from September 1, 1998)
 President Klaus Liebscher (until August 31, 1998)
 Vice President Herbert Schimetschek (from September 8, 1998;
 Member of the General Council until September 7, 1998)
 First Vice President Erich Göttlicher (until September 7, 1998)
 Vice President Karl Werner Rüscher (until December 31, 1998;
 Member of the General Council from January 1, 1999)
 August Astl (from September 8, 1998)
 Norbert Beinkofer
 Helmut Elsner (from April 28, 1998)
 Walter Flöttl (until April 28, 1998)
 Helmut Frisch
 Lorenz R. Fritz
 Rene Alfons Haiden
 Robert Launsky-Tieffenthal
 Richard Leutner
 Werner Muhm
 Walter Rothensteiner
 Siegfried Sellitsch

In accordance with Article 22 paragraph 5 of the Nationalbank Act 1984, the following representatives of the Works Council participated in discussions on personnel, social and welfare matters: Gerhard Valenta and Thomas Reindl.

Vienna, February 25, 1999

The image shows three handwritten signatures in black ink. The top signature is Gertrude Tumpel-Gugerell, the middle one is Wolfgang Duchatzek, and the bottom one is Peter Zöllner. The signatures are written in a cursive style.

Auditors' Opinion

As the result of our due audit, we certify that the accounting records and the financial statements as at December 31, 1998, of the Oesterreichische Nationalbank comply with the legal provisions of the Nationalbank Act 1984 as amended and as promulgated in Federal Law Gazette I No. 60/1998. With due regard to the specific requirements of a central bank, the financial statements give a true and fair view of the OeNB's assets and liabilities, financial position and profit situation in conformity with generally accepted accounting principles. The annual report complies with the regulations of Article 68 paragraph 1 of the Nationalbank Act 1984 as amended and as promulgated in Federal Law Gazette I No. 60/1998 and corresponds with the financial statements.

Vienna, February 25, 1999

Christian Hofer
Certified Public Accountant

Kurt Neuner
Certified Public Accountant

Peter Wolf
Certified Public Accountant

Pipin Henzl
Certified Public Accountant

Retained Earnings and Proposal for Appropriation

The statutory allocations laid down in Article 69 paragraphs 2 and 3 of the Nationalbank Act (items 16a and 16b of the profit and loss account) – of which the Federal Republic's share of profit comes to ATS 10,258 million (1997: ATS 11,328 million) – having been made, the balance sheet and the profit and loss account show

| | |
|----------------------------|----------------------|
| Retained earnings for 1998 | ATS 1,139,817,150.90 |
|----------------------------|----------------------|

In its meeting of March 25, 1999, the Governing Board moved to make the following proposal to the General Council for the appropriation of this sum:

| | | |
|--|-----|----------------------|
| 10% dividend on the OeNB's capital of ATS 150,000,000 | ATS | 15,000,000.— |
| Allocation to the Fund for the Promotion of Scientific Research and Teaching | ATS | 820,000,000.— |
| Allocation to the freely disposable reserve fund | ATS | 304,817,150.90 |
| | | <hr/> |
| | | ATS 1,139,817,150.90 |

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Report of the General Council (Generalrat) on the 1998 Annual Report and the Annual Statement of Accounts

The General Council (Generalrat) fulfilled the duties incumbent on it pursuant to the Nationalbank Act 1984 by holding its regular meetings, by convening its subcommittees and by obtaining the information required.

The Governing Board (Direktorium) periodically reported to the General Council on the Bank's operations and their current state, on the conditions on the money, capital and foreign exchange markets, on important matters which arose in the course of business, on all developments of importance for an appraisal of the monetary situation, on the arrangements made for supervising the OeNB's financial conduct and on any other significant dispositions and events affecting its operations.

The 1998 Annual Accounts were given an unqualified auditors' opinion after examination by the auditors elected by the General Meeting of April 28, 1998, the certified

public accountants Christian Hofer, Kurt Neuner, Peter Wolf and Pipin Henzl, on the basis of the books and records of the Oesterreichische Nationalbank as well as the information and evidence provided by the Governing Board.

In its meeting of April 15, 1999, the General Council approved the Annual Report of the Governing Board and the Annual Accounts for the business year 1998. The General Council submits the Annual Report and moves that the General Meeting approve the Annual Accounts of the Oesterreichische Nationalbank for the business year 1998 and release the General Council and the Governing Board from responsibility for management during the preceding business year. Moreover, the General Council requests that the General Meeting approve the allocation of the retained earnings in accordance with the proposal made in the notes to the 1998 Annual Accounts (page 135).

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Tables

TABLES

| | |
|---|-----|
| Oesterreichische Nationalbank and Selected Monetary Aggregates | |
| <i>Weekly Returns of the Oesterreichische Nationalbank in 1998</i> | 4* |
| <i>Weekly Returns of the Oesterreichische Nationalbank from 1957 to 1998</i> | 6* |
| <i>Banknotes Issued by the Oesterreichische Nationalbank</i> | 8* |
| <i>Austrian Divisional Coins</i> | 9* |
| <i>Official Reserves</i> | 10* |
| <i>Credit Institutions' Minimum Reserves</i> | 11* |
| <i>Recourse of Austrian Credit Institutions to Central Bank Money</i> | 12* |
| <i>Monetary Aggregates</i> | 13* |
| Austrian Financial Institutions | |
| <i>Monthly Returns of Domestic Credit Institutions</i> | 14* |
| <i>Earnings Position of Domestic Credit Institutions</i> | 18* |
| <i>Own Funds Pursuant to § 23 Austrian Banking Act 1993</i> | 20* |
| <i>Assets Held by Domestic Investment Funds</i> | 21* |
| <i>Assets Held by Domestic Pension Funds</i> | 22* |
| Austrian Interest Rates | |
| <i>Discount and Lombard Rates of the Oesterreichische Nationalbank</i> | 23* |
| <i>Interest Rates for Short-Term Open Market Transactions of the OeNB (GOMEX and REGOM Rates, Rate for Tender Operations)</i> | 24* |
| <i>Austrian Money Market Rates</i> | 25* |
| <i>Domestic Credit Institutions' Interest Rates</i> | 26* |
| <i>Yields in the Domestic Bond Market</i> | 28* |
| Austrian Capital Market | |
| <i>Securities Turnover</i> | 29* |
| <i>Austrian Stock Market</i> | 30* |
| Austrian Public Finance Data | |
| <i>Federal Budget</i> | 31* |
| Austrian Real Economic Data | |
| <i>Data on the Development of Austria's Real Economy</i> | 32* |
| <i>Selected National Accounts Figures</i> | 33* |
| External Sector Data | |
| <i>Austria's Annual and Quarterly Balance of Payments, Summary</i> | 34* |
| <i>Mean Rates of Exchange</i> | 42* |
| <i>Bilateral Central Rates, Upper and Lower Intervention Points within the European Monetary System (EMS)</i> | 44* |

Weekly Returns of the Oesterreichische Nationalbank in 1998*)

| | | Assets | | | | | | | | | | | | | |
|-----------|----|-------------|--|---|--|--|---|-------|--------|----------------------------------|--|--------------------------------|------------------------------------|--|---|
| | | Gold | Foreign exchange and currency | Claim arising from participation in the European Central Bank (ECB) ¹⁾ | Other claims on the ECB ²⁾ | Special Drawing Rights within the Inter- national Monetary Fund (IMF) | Claim arising from participation in the IMF | | | Other claims on the IMF | Claims arising from loans to foreign central banks | Austrian coin ³⁾ | Discounted bills of exchange | Claims arising from loans extended by the central bank ⁴⁾ | Open market transaction securities |
| | | ATS million | | | | | | | | | | | | | |
| Level | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 |
| 1997 | | | | | | | | | | | | | | | |
| December | 31 | 14,693 | 195,268 | x | 39,107 | 2,127 | 20,255 | 8,089 | 12,166 | 1,057 | 76 | 1,161 | 17,125 | 8,144 | 48,940 |
| 1998 | | | | | | | | | | | | | | | |
| January | 7 | 14,676 | 197,894 | x | 39,120 | 2,141 | 20,391 | 8,143 | 12,247 | 1,064 | 77 | 1,142 | 17,232 | 7,339 | 65,266 |
| | 15 | 15,000 | 203,290 | x | 35,414 | 2,143 | 20,413 | 5,133 | 15,279 | 1,065 | 77 | 1,178 | 17,630 | 7,369 | 58,191 |
| | 23 | 14,950 | 206,423 | x | 35,407 | 2,135 | 20,335 | 5,113 | 15,222 | 1,061 | 76 | 1,199 | 17,776 | 7,351 | 42,931 |
| | 31 | 14,628 | 204,727 | x | 35,392 | 1,967 | 20,522 | 5,087 | 15,436 | 1,071 | 77 | 1,224 | 17,902 | 7,361 | 39,865 |
| February | 7 | 14,620 | 199,869 | x | 35,381 | 1,953 | 20,385 | 4,962 | 15,423 | 1,064 | 76 | 1,247 | 17,803 | 7,361 | 56,816 |
| | 15 | 14,896 | 202,465 | x | 35,392 | 2,067 | 20,553 | 5,011 | 15,542 | 1,072 | 70 | 1,255 | 17,495 | 7,426 | 48,616 |
| | 23 | 14,575 | 199,629 | x | 35,398 | 2,054 | 20,423 | 5,091 | 15,332 | 1,066 | 70 | 1,267 | 17,104 | 7,475 | 53,081 |
| | 28 | 14,556 | 201,441 | x | 35,409 | 2,054 | 20,423 | 5,090 | 15,333 | 1,066 | 70 | 1,288 | 17,380 | 7,475 | 44,551 |
| March | 7 | 14,545 | 201,632 | x | 35,409 | 2,067 | 20,555 | 5,123 | 15,432 | 1,072 | 71 | 1,289 | 17,543 | 7,483 | 41,191 |
| | 15 | 14,532 | 206,282 | x | 35,483 | 2,066 | 20,544 | 5,120 | 15,424 | 1,072 | 71 | 1,301 | 17,270 | 7,483 | 42,911 |
| | 23 | 14,512 | 209,812 | x | 35,509 | 2,067 | 20,546 | 5,119 | 15,427 | 1,072 | 71 | 1,304 | 17,115 | 7,489 | 46,416 |
| | 31 | 14,209 | 208,875 | x | 35,565 | 2,076 | 20,638 | 5,142 | 15,496 | 1,077 | 72 | 1,326 | 15,987 | 7,485 | 42,286 |
| April | 7 | 14,500 | 216,031 | x | 35,511 | 2,409 | 20,520 | 5,112 | 15,408 | 1,071 | 71 | 1,344 | 16,704 | 7,597 | 42,236 |
| | 15 | 14,257 | 218,152 | x | 36,894 | 2,390 | 20,360 | 5,072 | 15,287 | 1,062 | 70 | 1,342 | 16,765 | 7,679 | 42,156 |
| | 23 | 14,255 | 216,562 | x | 36,820 | 2,195 | 20,213 | 5,035 | 15,178 | 1,055 | 69 | 1,371 | 16,846 | 7,711 | 39,686 |
| | 30 | 14,239 | 206,007 | x | 36,830 | 2,024 | 20,206 | 5,033 | 15,173 | 1,054 | 63 | 1,368 | 17,310 | 7,736 | 41,076 |
| May | 7 | 15,278 | 199,071 | x | 36,723 | 1,995 | 19,921 | 4,880 | 15,040 | 1,039 | 62 | 1,376 | 17,275 | 7,737 | 44,221 |
| | 15 | 15,171 | 199,725 | x | 36,634 | 2,129 | 19,977 | 4,975 | 15,002 | 1,042 | 63 | 1,397 | 17,172 | 7,778 | 39,536 |
| | 23 | 15,169 | 195,704 | x | 36,650 | 2,111 | 19,809 | 4,933 | 14,876 | 1,034 | 62 | 1,397 | 17,502 | 7,793 | 51,031 |
| | 31 | 15,146 | 198,073 | x | 36,665 | 2,123 | 19,918 | 4,959 | 14,958 | 1,039 | 63 | 1,404 | 17,441 | 7,823 | 51,606 |
| June | 7 | 15,133 | 195,087 | x | 36,692 | 2,111 | 19,807 | 4,931 | 14,877 | 1,033 | 62 | 1,412 | 17,142 | 7,903 | 40,371 |
| | 15 | 15,110 | 203,510 | x | 36,756 | 1,797 | 20,024 | 4,984 | 15,040 | 1,045 | 64 | 1,406 | 17,328 | 7,903 | 43,776 |
| | 23 | 15,077 | 211,067 | x | 36,823 | 1,802 | 20,077 | 4,996 | 15,081 | 1,048 | 63 | 1,410 | 17,396 | 7,996 | 38,143 |
| | 30 | 15,109 | 197,961 | x | 36,859 | 2,401 | 20,145 | 4,806 | 15,339 | 949 | 64 | 1,422 | 12,998 | 8,028 | 34,911 |
| July | 7 | 15,106 | 200,391 | 1,644 | 36,596 | 2,402 | 20,154 | 4,810 | 15,344 | 950 | 64 | 1,426 | 13,215 | 7,253 | 37,401 |
| | 15 | 15,109 | 202,137 | 1,642 | 35,400 | 2,386 | 20,017 | 4,777 | 15,240 | 943 | 63 | 1,428 | 13,596 | 7,281 | 36,816 |
| | 23 | 15,096 | 208,784 | 1,641 | 35,384 | 2,299 | 19,921 | 4,754 | 15,168 | 939 | 63 | 1,406 | 13,755 | 7,378 | 33,891 |
| | 31 | 15,021 | 206,365 | 1,639 | 35,326 | 2,285 | 19,797 | 4,747 | 15,050 | 933 | 63 | 1,420 | 13,892 | 7,530 | 30,181 |
| August | 7 | 14,937 | 201,558 | 1,638 | 35,303 | 2,138 | 19,688 | 4,720 | 14,969 | 928 | 56 | 1,377 | 13,970 | 7,600 | 34,211 |
| | 15 | 14,907 | 203,368 | 1,639 | 35,328 | 2,127 | 19,836 | 4,755 | 15,081 | 935 | 57 | 1,374 | 14,005 | 7,692 | 30,381 |
| | 23 | 14,891 | 206,355 | 1,640 | 35,358 | 2,134 | 19,897 | 4,769 | 15,127 | 938 | 57 | 1,227 | 14,027 | 7,694 | 27,771 |
| | 31 | 14,835 | 203,113 | 1,642 | 35,394 | 2,003 | 19,732 | 4,730 | 15,002 | 930 | 56 | 1,229 | 13,782 | 7,771 | 29,111 |
| September | 7 | 14,746 | 192,928 | 1,638 | 35,313 | 2,206 | 19,680 | 4,551 | 15,128 | 927 | 55 | 1,244 | 13,712 | 7,828 | 30,821 |
| | 15 | 14,650 | 189,917 | 1,634 | 35,237 | 2,327 | 19,352 | 4,474 | 14,878 | 912 | 53 | 1,234 | 13,737 | 7,839 | 28,165 |
| | 23 | 14,612 | 191,727 | 1,633 | 35,210 | 2,319 | 19,283 | 4,458 | 14,825 | 909 | 54 | 1,248 | 13,516 | 7,918 | 28,075 |
| | 30 | 14,590 | 187,257 | 1,635 | 35,246 | 2,313 | 19,233 | 4,446 | 14,788 | 906 | 53 | 1,268 | 13,330 | 7,918 | 33,855 |
| October | 7 | 14,549 | 192,097 | 1,628 | 35,088 | 2,101 | 18,927 | 4,374 | 14,553 | 892 | 51 | 1,281 | 13,403 | 8,198 | 32,575 |
| | 15 | 14,588 | 197,838 | 1,629 | 33,003 | 2,142 | 19,301 | 4,460 | 14,841 | 910 | 52 | 1,330 | 13,193 | 8,289 | 26,825 |
| | 23 | 14,545 | 197,166 | 1,629 | 33,009 | 2,147 | 19,343 | 4,469 | 14,875 | 912 | 52 | 1,506 | 13,097 | 8,300 | 16,735 |
| | 31 | 14,521 | 199,276 | 1,628 | 32,968 | 2,097 | 19,440 | 4,491 | 14,949 | 916 | 46 | 1,538 | 13,259 | 8,300 | 16,715 |
| November | 7 | 14,494 | 203,520 | 1,626 | 32,944 | 1,935 | 19,458 | 4,556 | 14,903 | 917 | 47 | 1,583 | 13,275 | 8,385 | 10,755 |
| | 15 | 14,465 | 209,582 | 1,630 | 33,018 | 2,074 | 19,579 | 4,584 | 14,995 | 923 | 47 | 1,649 | 13,178 | 8,435 | 10,915 |
| | 23 | 14,411 | 206,838 | 1,630 | 33,024 | 2,088 | 19,707 | 4,639 | 15,069 | 929 | 48 | 1,679 | 12,715 | 8,471 | 10,845 |
| | 30 | 14,403 | 214,431 | 1,632 | 33,057 | 2,084 | 19,672 | 4,630 | 15,042 | 927 | 48 | 1,523 | 12,516 | 8,424 | 9,365 |
| December | 7 | 14,369 | 209,785 | 1,629 | 33,003 | 2,070 | 19,539 | 4,582 | 14,957 | 921 | 47 | 1,520 | 11,898 | 8,442 | 10,695 |
| | 15 | 14,323 | 215,043 | 1,629 | 32,993 | 1,735 | 19,472 | 4,205 | 15,267 | 1,540 | 47 | 1,518 | 11,350 | 8,461 | 15,955 |
| | 23 | 14,323 | 221,211 | 1,631 | 33,040 | 1,749 | 19,633 | 4,239 | 15,393 | 1,553 | 47 | 1,528 | 9,437 | 8,837 | 17,565 |
| | 31 | 32,692 | 245,746 | 1,623 | - | 1,755 | 19,694 | 4,261 | 15,434 | 1,458 | 47 | 1,538 | - | 8,792 | 18,120 |

Source: OeNB.

*) In accordance with article 70 paragraph 2 Oesterreichische Nationalbank Act 1984, Federal Law Gazette No. 50/1984 as amended in Federal Law Gazette I No. 60/1998.

1) As of July 1, 1998.

2) Until May 31, 1998 "Claim on the European Monetary Institute (EMI)."

3) Holdings at the OeNB.

4) Until June 30, 1998 "Discounted ERP bills of exchange."

5) Thereof ATS 150 million capital.

| Balance | | Liabilities | | | | | | | | | | | |
|--|--------------|-------------|------------------------------------|--------------------------|---------------------------------|--|--|--------------------------|----------------------------------|--------------------------------------|-------------------|--------|-------------------------------------|
| Claim on the Austrian Federal Treasury | Other assets | | Capital and reserves ⁵⁾ | Banknotes in circulation | Sight liabilities | | | Cash certificates issued | Total circulation (19 + 23 + 24) | IMF Special Drawing Rights allocated | Other liabilities | | |
| | | | | | to domestic credit institutions | to foreign credit institutions and monetary institutions | to Austrian public authorities and residents | | | | | | |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | |
| 2,730 | 31,951 | 374,544 | 134,450 | 171,125 | 46,289 | 1,348 | 246 | 47,883 | — | 219,008 | 3,052 | 18,034 | Level 1997 December 31 |
| 2,730 | 32,400 | 393,328 | 134,450 | 169,834 | 61,614 | 4,025 | 271 | 65,910 | — | 235,744 | 3,072 | 20,062 | 1998 January 7 |
| 2,730 | 32,124 | 391,491 | 134,450 | 162,128 | 65,577 | 6,395 | 175 | 72,147 | — | 234,275 | 3,076 | 19,690 | 15 |
| 2,768 | 32,015 | 379,313 | 134,450 | 158,429 | 59,183 | 6,037 | 169 | 65,389 | — | 223,819 | 3,064 | 17,980 | 23 |
| 2,768 | 32,428 | 374,846 | 134,450 | 159,932 | 46,730 | 7,899 | 203 | 54,833 | 2,000 | 216,765 | 3,092 | 20,539 | 31 |
| 2,768 | 33,386 | 387,767 | 134,450 | 160,661 | 62,558 | 7,470 | 1,464 | 71,491 | — | 232,152 | 3,071 | 18,093 | February 7 |
| 2,794 | 33,319 | 382,410 | 134,450 | 159,092 | 57,364 | 7,800 | 176 | 65,340 | — | 224,432 | 3,097 | 20,430 | 15 |
| 2,794 | 33,401 | 383,248 | 134,450 | 157,915 | 62,123 | 5,398 | 161 | 67,681 | — | 225,596 | 3,077 | 20,124 | 23 |
| 2,794 | 33,571 | 376,989 | 134,450 | 159,248 | 57,346 | 2,981 | 170 | 60,497 | — | 219,745 | 3,077 | 19,717 | 28 |
| 2,794 | 33,196 | 373,725 | 134,450 | 160,476 | 52,054 | 1,829 | 172 | 54,056 | — | 214,532 | 3,097 | 21,646 | March 7 |
| 2,794 | 33,352 | 380,041 | 134,450 | 158,368 | 56,782 | 4,719 | 154 | 61,655 | — | 220,023 | 3,096 | 22,473 | 15 |
| 2,818 | 33,460 | 387,071 | 134,450 | 155,904 | 66,879 | 3,135 | 192 | 70,206 | — | 226,110 | 3,096 | 23,415 | 23 |
| 2,818 | 34,047 | 381,317 | 134,450 | 158,042 | 55,798 | 3,995 | 174 | 59,967 | — | 218,009 | 3,110 | 25,748 | 31 |
| 2,818 | 33,812 | 389,513 | 134,450 | 160,129 | 53,551 | 13,371 | 240 | 67,162 | — | 227,292 | 3,092 | 24,679 | April 7 |
| 2,818 | 34,314 | 393,186 | 134,450 | 158,865 | 60,205 | 13,987 | 171 | 74,363 | — | 233,227 | 3,068 | 22,441 | 15 |
| 2,818 | 34,318 | 388,882 | 134,450 | 155,336 | 58,971 | 16,008 | 135 | 75,114 | — | 230,450 | 3,046 | 20,936 | 23 |
| 2,767 | 35,456 | 381,102 | 136,792 | 160,560 | 56,767 | 15,742 | 149 | 72,658 | — | 233,218 | 3,045 | 8,047 | 30 |
| 2,767 | 34,846 | 377,431 | 136,792 | 161,986 | 56,245 | 14,470 | 210 | 70,925 | — | 232,911 | 3,002 | 4,726 | May 7 |
| 2,767 | 34,663 | 373,079 | 136,792 | 159,066 | 55,499 | 12,872 | 174 | 68,545 | — | 227,611 | 3,010 | 5,666 | 15 |
| 2,767 | 34,547 | 380,642 | 136,792 | 158,848 | 64,516 | 12,872 | 151 | 77,538 | — | 236,387 | 2,985 | 4,479 | 23 |
| 2,767 | 34,930 | 384,037 | 136,792 | 160,639 | 63,564 | 13,173 | 217 | 76,954 | — | 237,592 | 3,001 | 6,651 | 31 |
| 2,767 | 34,837 | 369,426 | 136,792 | 161,485 | 50,656 | 11,612 | 234 | 62,502 | — | 223,987 | 2,984 | 5,663 | June 7 |
| 2,767 | 34,914 | 381,414 | 136,792 | 160,473 | 59,499 | 13,513 | 163 | 73,175 | — | 233,648 | 3,017 | 7,957 | 15 |
| 2,767 | 35,139 | 383,811 | 136,792 | 157,758 | 62,160 | 16,552 | 140 | 78,853 | — | 236,611 | 3,025 | 7,383 | 23 |
| 2,767 | 38,153 | 366,960 | 136,792 | 160,342 | 56,518 | 1,140 | 245 | 57,904 | — | 218,246 | 3,035 | 8,886 | 30 |
| 2,767 | 38,960 | 373,518 | 136,792 | 162,374 | 56,975 | 5,530 | 281 | 62,786 | — | 225,160 | 3,037 | 8,528 | July 7 |
| 2,767 | 38,891 | 373,699 | 136,792 | 160,698 | 57,199 | 8,652 | 208 | 66,060 | — | 226,757 | 3,016 | 7,134 | 15 |
| 2,801 | 38,903 | 377,508 | 136,792 | 159,036 | 63,677 | 7,950 | 272 | 71,899 | — | 230,935 | 3,002 | 6,778 | 23 |
| 2,801 | 38,625 | 371,128 | 136,792 | 161,404 | 54,790 | 9,192 | 232 | 64,214 | — | 225,618 | 2,983 | 5,735 | 31 |
| 2,846 | 44,675 | 376,205 | 136,792 | 162,086 | 56,581 | 9,337 | 3,448 | 69,366 | — | 231,452 | 2,967 | 4,994 | August 7 |
| 2,846 | 44,747 | 374,485 | 136,792 | 160,038 | 58,426 | 9,068 | 203 | 67,696 | — | 227,734 | 2,989 | 6,970 | 15 |
| 2,846 | 44,930 | 374,994 | 136,792 | 158,015 | 58,820 | 10,380 | 203 | 69,403 | — | 227,418 | 2,998 | 7,786 | 23 |
| 2,858 | 44,709 | 372,434 | 136,792 | 159,632 | 58,637 | 7,254 | 180 | 66,071 | — | 225,703 | 2,973 | 6,966 | 31 |
| 2,858 | 44,683 | 364,088 | 136,792 | 160,700 | 56,354 | 4,539 | 229 | 61,123 | — | 221,823 | 2,965 | 2,508 | September 7 |
| 2,870 | 67,602 | 381,056 | 136,792 | 158,180 | 57,566 | 3,017 | 145 | 60,728 | — | 218,909 | 2,916 | 22,439 | 15 |
| 2,870 | 67,782 | 382,697 | 136,792 | 156,582 | 57,255 | 5,963 | 167 | 63,384 | — | 219,966 | 2,905 | 23,033 | 23 |
| 2,870 | 68,745 | 384,773 | 136,792 | 160,893 | 57,923 | 2,642 | 163 | 60,729 | — | 221,622 | 2,898 | 23,460 | 30 |
| 2,870 | 74,519 | 393,804 | 136,792 | 163,006 | 62,620 | 4,635 | 222 | 67,478 | — | 230,483 | 2,852 | 23,676 | October 7 |
| 2,870 | 72,232 | 389,741 | 136,792 | 161,140 | 62,081 | 5,935 | 187 | 68,203 | — | 229,343 | 2,908 | 20,698 | 15 |
| 2,870 | 72,482 | 379,323 | 136,792 | 160,695 | 54,476 | 2,399 | 1,014 | 57,889 | — | 218,584 | 2,915 | 21,032 | 23 |
| 2,870 | 72,236 | 381,318 | 136,792 | 161,677 | 58,507 | 109 | 185 | 58,801 | — | 220,478 | 2,929 | 21,118 | 31 |
| 2,870 | 71,191 | 378,445 | 136,792 | 159,829 | 57,431 | 112 | 226 | 57,770 | — | 217,599 | 2,932 | 21,122 | November 7 |
| 2,870 | 69,194 | 382,975 | 136,792 | 158,120 | 63,188 | 109 | 147 | 63,444 | — | 221,565 | 2,950 | 21,668 | 15 |
| 2,870 | 67,748 | 378,364 | 136,792 | 158,095 | 58,222 | 91 | 142 | 58,455 | — | 216,550 | 2,969 | 22,052 | 23 |
| 2,870 | 67,524 | 383,846 | 136,792 | 162,946 | 58,626 | 67 | 187 | 58,880 | — | 221,826 | 2,964 | 22,263 | 30 |
| 2,870 | 69,251 | 381,458 | 136,792 | 168,847 | 50,253 | 69 | 196 | 50,518 | — | 219,366 | 2,944 | 22,355 | December 7 |
| 2,676 | 71,891 | 394,426 | 136,792 | 167,719 | 63,445 | 72 | 118 | 63,635 | — | 231,354 | 2,934 | 23,346 | 15 |
| 2,676 | 70,035 | 399,025 | 136,792 | 172,020 | 63,093 | 100 | 572 | 63,765 | — | 235,785 | 2,958 | 23,490 | 23 |
| 2,676 | 37,038 | 366,919 | 125,100 | 168,823 | 54,693 | 209 | 284 | 55,186 | — | 224,009 | 2,967 | 14,843 | 31 |

Weekly Returns of the Oesterreichische Nationalbank from 1957 to 1998*)

| Assets | | | | | | | | | | | | | | | | | |
|------------------------------|--------------------|--|---|---------------------------------------|---|---|--------|--------|---------------------------------------|--|-----------------------------|------------------------------|--|---------------|--|--|--|
| | Gold ¹⁾ | Foreign exchange and currency | Claim arising from participation in the European Central Bank (ECB) ²⁾ | Other claims on the ECB ³⁾ | Special Drawing Rights within the International Monetary Fund (IMF) | Claim arising from participation in the IMF | | | Other claims on the IMF ⁴⁾ | Claims arising from loans to foreign central banks | Austrian coin ⁵⁾ | Discounted bills of exchange | Claims arising from loans extended by the central bank ⁶⁾ | Lombard loans | | | |
| | total claim | less: schilling balance at the disposal of the IMF | effected payments (6-7) | | | | | | | | | | | | | | |
| ATS million | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | | | |
| Level | | | | | | | | | | | | | | | | | |
| December 31 | | | | | | | | | | | | | | | | | |
| 1957 | 2,647 | 10,592 | x | x | x | x | x | x | x | x | 48 | 1,265 | 5,093 | 0 | | | |
| 1958 | 5,007 | 12,258 | x | x | x | x | x | x | x | x | 40 | 712 | 4,864 | 0 | | | |
| 1959 | 7,530 | 10,045 | x | x | x | x | x | x | x | x | 80 | 662 | 4,353 | 0 | | | |
| 1960 | 7,553 | 10,515 | x | x | x | x | x | x | x | x | 92 | 1,016 | 4,144 | 469 | | | |
| 1961 | 7,804 | 13,612 | x | x | x | x | x | x | x | x | 72 | 1,450 | 3,820 | 129 | | | |
| 1962 | 11,689 | 15,630 | x | x | x | x | x | x | x | x | 55 | 643 | 3,837 | 0 | | | |
| 1963 | 13,818 | 17,038 | x | x | x | x | x | x | x | x | 94 | 436 | 3,838 | 0 | | | |
| 1964 | 15,459 | 16,762 | x | x | x | x | x | x | x | x | 72 | 563 | 3,950 | 0 | | | |
| 1965 | 18,044 | 14,009 | x | x | x | x | x | x | x | x | 70 | 1,202 | 4,047 | 557 | | | |
| 1966 | 18,052 | 13,785 | x | x | x | 2,600 | 1,850 | 750 | x | x | 133 | 1,717 | 4,516 | 424 | | | |
| 1967 | 18,061 | 17,338 | x | x | x | 2,600 | 1,479 | 1,121 | x | x | 198 | 1,122 | 4,697 | 595 | | | |
| 1968 | 18,406 | 16,544 | x | x | x | 2,600 | 354 | 2,246 | x | x | 113 | 1,138 | 4,833 | 297 | | | |
| 1969 | 18,415 | 17,050 | x | x | x | 2,600 | 182 | 2,418 | x | x | 99 | 1,386 | 5,150 | 1,290 | | | |
| 1970 | 18,388 | 22,068 | x | x | 992 | 2,600 | 432 | 2,168 | x | x | 75 | 1,618 | 5,278 | 182 | | | |
| 1971 | 17,876 | 30,981 | x | x | 1,411 | 6,682 | 3,091 | 3,591 | x | x | 52 | 706 | 5,483 | 40 | | | |
| 1972 | 17,901 | 39,375 | x | x | 2,123 | 6,682 | 3,387 | 3,295 | x | x | 137 | 1,351 | 5,598 | 1,403 | | | |
| 1973 | 17,923 | 34,400 | x | x | 2,028 | 6,374 | 3,377 | 2,997 | x | x | 133 | 1,425 | 5,428 | 2,884 | | | |
| 1974 | 17,923 | 38,735 | x | x | 1,825 | 5,663 | 2,928 | 2,735 | x | x | 179 | 2,044 | 5,386 | 5,609 | | | |
| 1975 | 17,923 | 60,413 | x | x | 1,895 | 5,851 | 2,513 | 3,338 | 516 | x | 193 | 679 | 5,452 | 142 | | | |
| 1976 | 17,924 | 50,995 | x | x | 1,867 | 5,260 | 515 | 4,745 | 1,948 | x | 338 | 2,034 | 5,819 | 7,285 | | | |
| 1977 | 18,023 | 42,823 | x | x | 1,776 | 4,964 | 808 | 4,156 | 1,810 | x | 332 | 5,438 | 5,964 | 14,559 | | | |
| 1978 | 29,466 | 60,981 | x | x | 1,822 | 5,747 | 2,692 | 3,055 | 1,374 | 133 | 332 | 7,383 | 6,287 | 9,956 | | | |
| 1979 | 39,396 | 44,133 | x | x | 2,551 | 5,404 | 2,696 | 2,708 | 1,084 | 124 | 188 | 12,034 | 6,497 | 20,406 | | | |
| 1980 | 39,397 | 65,601 | x | x | 3,053 | 8,718 | 5,682 | 3,036 | 987 | 344 | 275 | 9,823 | 6,763 | 9,650 | | | |
| 1981 | 39,397 | 76,130 | x | x | 3,434 | 9,152 | 5,811 | 3,341 | 801 | 633 | 531 | 9,522 | 6,965 | 14,696 | | | |
| 1982 | 39,411 | 79,274 | x | x | 4,169 | 9,112 | 5,114 | 3,998 | 765 | 665 | 527 | 12,373 | 6,720 | 12,822 | | | |
| 1983 | 39,428 | 74,752 | x | x | 3,119 | 15,705 | 7,664 | 8,041 | 1,012 | 752 | 459 | 21,055 | 6,913 | 22,019 | | | |
| 1984 | 39,441 | 79,165 | x | x | 4,851 | 16,763 | 8,116 | 8,647 | 1,017 | 814 | 600 | 22,958 | 6,917 | 23,184 | | | |
| 1985 | 39,444 | 71,039 | x | x | 3,639 | 14,764 | 7,827 | 6,937 | 776 | 596 | 849 | 23,084 | 7,127 | 11,529 | | | |
| 1986 | 39,456 | 75,513 | x | x | 2,546 | 13,007 | 7,482 | 5,525 | 537 | 423 | 972 | 23,444 | 7,547 | 5,503 | | | |
| 1987 | 39,463 | 75,428 | x | x | 3,284 | 12,379 | 7,423 | 4,956 | 311 | 302 | 985 | 26,529 | 7,870 | 2,005 | | | |
| 1988 | 39,463 | 83,905 | x | x | 3,373 | 13,114 | 8,398 | 4,716 | 1,182 | 300 | 1,055 | 30,029 | 7,958 | 2,550 | | | |
| 1989 | 38,552 | 94,296 | x | x | 3,526 | 12,043 | 7,840 | 4,203 | 989 | 259 | 1,278 | 27,348 | 8,768 | 440 | | | |
| 1990 | 38,058 | 92,231 | x | x | 2,973 | 11,781 | 8,109 | 3,672 | 911 | 212 | 1,743 | 26,515 | 8,910 | 419 | | | |
| 1991 | 37,375 | 102,701 | x | x | 3,019 | 11,859 | 7,642 | 4,217 | 917 | 192 | 2,056 | 27,824 | 8,849 | 484 | | | |
| 1992 | 37,200 | 130,174 | x | x | 3,866 | 18,552 | 12,465 | 6,087 | 937 | 181 | 795 | 20,875 | 8,817 | 192 | | | |
| 1993 | 34,718 | 167,667 | x | x | 2,677 | 19,820 | 13,457 | 6,363 | 1,001 | 169 | 746 | 20,711 | 8,531 | - | | | |
| 1994 | 34,231 | 174,101 | x | x | 3,103 | 19,028 | 13,202 | 5,827 | 769 | 131 | 651 | 16,633 | 8,741 | - | | | |
| 1995 | 22,319 | 179,304 | x | 26,567 | 1,825 | 17,819 | 10,938 | 6,882 | 1,290 | 100 | 1,000 | 17,532 | 9,096 | - | | | |
| 1996 | 19,682 | 199,303 | x | 38,246 | 2,137 | 18,717 | 9,859 | 8,859 | 1,166 | 87 | 1,238 | 18,167 | 8,485 | - | | | |
| 1997 | 14,693 | 195,268 | x | 39,107 | 2,127 | 20,255 | 8,089 | 12,166 | 1,057 | 76 | 1,161 | 17,125 | 8,144 | - | | | |
| 1998 | 32,692 | 245,746 | 1,623 | - | 1,755 | 19,694 | 4,261 | 15,434 | 1,458 | 47 | 1,538 | - | 8,792 | - | | | |
| Average¹¹⁾ | | | | | | | | | | | | | | | | | |
| 1994 | 34,435 | 184,884 | x | x | 2,337 | 19,406 | 13,250 | 6,156 | 930 | 148 | 726 | 17,833 | 8,188 | - | | | |
| 1995 | 24,584 | 179,381 | x | 25,460 | 2,283 | 18,165 | 11,721 | 6,443 | 985 | 110 | 804 | 16,542 | 8,580 | - | | | |
| 1996 | 21,254 | 192,937 | x | 32,432 | 1,883 | 18,261 | 9,892 | 8,368 | 1,275 | 94 | 981 | 17,968 | 8,418 | - | | | |
| 1997 | 17,271 | 205,710 | x | 39,856 | 2,143 | 19,944 | 10,722 | 9,223 | 1,190 | 84 | 1,277 | 18,965 | 7,786 | - | | | |
| 1998 | 14,737 | 204,403 | 824 | 35,248 | 2,114 | 19,948 | 4,899 | 15,048 | 1,019 | 61 | 1,365 | 15,108 | 7,811 | 1 | | | |
| 1998 | | | | | | | | | | | | | | | | | |
| January | 14,771 | 201,752 | x | 36,724 | 2,110 | 20,366 | 6,186 | 14,179 | 1,063 | 77 | 1,174 | 17,528 | 7,373 | - | | | |
| February | 14,587 | 200,873 | x | 35,391 | 2,022 | 20,478 | 5,042 | 15,435 | 1,068 | 72 | 1,257 | 17,524 | 7,419 | - | | | |
| March | 14,360 | 206,141 | x | 35,464 | 2,065 | 20,531 | 5,116 | 15,414 | 1,071 | 71 | 1,302 | 17,278 | 7,485 | - | | | |
| April | 14,096 | 216,512 | x | 36,621 | 2,295 | 20,419 | 5,087 | 15,332 | 1,065 | 70 | 1,357 | 16,828 | 7,663 | - | | | |
| May | 15,152 | 200,254 | x | 36,701 | 2,083 | 19,963 | 4,943 | 15,020 | 1,042 | 62 | 1,388 | 17,244 | 7,770 | - | | | |
| June | 15,080 | 203,623 | x | 36,742 | 1,964 | 19,954 | 4,953 | 15,001 | 1,034 | 63 | 1,410 | 17,292 | 7,936 | - | | | |
| July | 15,162 | 204,503 | 1,644 | 35,741 | 2,367 | 20,045 | 4,789 | 15,257 | 945 | 63 | 1,420 | 13,598 | 7,324 | - | | | |
| August | 14,880 | 204,142 | 1,639 | 35,334 | 2,111 | 19,811 | 4,749 | 15,062 | 934 | 58 | 1,328 | 13,897 | 7,659 | - | | | |
| September | 14,620 | 193,624 | 1,637 | 35,282 | 2,270 | 19,495 | 4,513 | 14,983 | 919 | 54 | 1,244 | 13,750 | 7,867 | - | | | |
| October | 14,683 | 196,704 | 1,630 | 34,056 | 2,151 | 19,210 | 4,439 | 14,771 | 905 | 51 | 1,365 | 13,227 | 8,219 | - | | | |
| November | 14,419 | 207,156 | 1,629 | 32,995 | 2,033 | 19,561 | 4,581 | 14,979 | 922 | 47 | 1,607 | 13,017 | 8,417 | - | | | |
| December | 14,991 | 217,312 | 1,630 | 31,956 | 1,893 | 19,577 | 4,390 | 15,187 | 1,256 | 47 | 1,526 | 10,360 | 8,579 | 12 | | | |

Source: OeNB.

*) In accordance with article 70 paragraph 2 Oesterreichische Nationalbank Act 1984, Federal Law Gazette No. 50/1984 as amended in Federal Law Gazette I No. 60/1998.

1) Until February 28, 1981 "Gold, coin and bullion."

2) As of July 1, 1998.

3) Until May 31, 1998 "Claim on the European Monetary Institute (EMI)."

4) Until July 31, 1980 "Claim on the IMF arising from participation in the oil facility"; from August 1, 1980, to December 29, 1988

"Claims on the IMF arising from participation in special facilities."

5) Holdings at the OeNB.

| Discounted Federal Treasury certificates | Open market transaction securities | Claim on the Austrian Federal Treasury ⁷⁾ | Other assets | Balance | | Liabilities | | | | | | Cash certificates issued | Total circulation (21 + 25 + 26) | IMF Special Drawing Rights allocated | Other liabilities ¹⁰⁾ |
|---|---|--|-----------------|---------|--|--------------------------------|--|---|--|----------------------------|--------|--------------------------------|--|--|-------------------------------------|
| | | | | | Capital and reserves ⁸⁾ | Banknotes in circulation | Sight liabilities | | | subtotal (22 + 23 + 24) | | | | | |
| | | | | | | | to domestic credit institutions | to foreign credit institutions and monetary institutions | to Austrian public authorities and residents ⁹⁾ | | | | | | |
| 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | | |
| 190 | x | 1,694 | 421 | 21,950 | 898 | 15,402 | 2,392 | 258 | 1,992 | 4,642 | - | 20,044 | x | 1,008 | |
| - | x | 1,516 | 447 | 24,844 | 1,048 | 16,598 | 3,701 | 98 | 2,351 | 6,150 | - | 22,748 | x | 1,048 | |
| - | x | 1,690 | 1,239 | 25,599 | 1,171 | 17,693 | 3,651 | 64 | 1,834 | 5,549 | - | 23,242 | x | 1,186 | |
| - | x | 1,690 | 1,158 | 26,637 | 1,299 | 18,727 | 3,115 | 253 | 1,932 | 5,300 | - | 24,027 | x | 1,311 | |
| 240 | x | 1,688 | 1,142 | 29,957 | 1,464 | 20,878 | 4,383 | 103 | 1,863 | 6,349 | - | 27,227 | x | 1,266 | |
| 195 | x | 1,045 | 1,224 | 34,318 | 2,530 | 22,419 | 6,343 | 101 | 2,533 | 8,977 | - | 31,396 | x | 392 | |
| - | x | 1,504 | 833 | 37,561 | 2,809 | 23,971 | 7,671 | 146 | 2,486 | 10,303 | - | 34,274 | x | 478 | |
| - | x | 4,364 | 945 | 42,115 | 3,126 | 25,740 | 10,323 | 320 | 2,024 | 12,667 | - | 38,407 | x | 582 | |
| - | x | 3,993 | 1,164 | 43,086 | 3,451 | 27,547 | 9,314 | 410 | 1,768 | 11,492 | - | 39,039 | x | 596 | |
| - | 220 | 5,084 | 1,311 | 45,992 | 3,835 | 29,606 | 9,961 | 304 | 1,523 | 11,788 | - | 41,394 | x | 763 | |
| - | 405 | 4,790 | 1,547 | 49,874 | 4,305 | 31,240 | 11,740 | 276 | 1,497 | 13,513 | - | 44,753 | x | 816 | |
| - | 100 | 5,136 | 1,854 | 50,667 | 4,775 | 32,450 | 11,018 | 262 | 1,256 | 12,536 | - | 44,986 | x | 906 | |
| - | 210 | 5,149 | 2,243 | 53,410 | 5,343 | 34,121 | 11,153 | 187 | 1,435 | 12,775 | - | 46,896 | x | 1,171 | |
| - | 5,073 | 2,200 | 58,042 | 5,974 | 35,666 | 12,476 | 205 | 1,494 | 14,175 | - | 49,841 | 764 | 1,463 | | |
| - | 3,086 | 2,640 | 65,866 | 6,978 | 38,998 | 14,894 | 492 | 2,567 | 17,953 | - | 56,951 | 1,191 | 746 | | |
| - | 3,183 | 3,168 | 77,534 | 7,439 | 44,730 | 17,199 | 609 | 4,109 | 21,917 | 295 | 66,942 | 1,899 | 1,254 | | |
| - | 350 | 3,532 | 6,365 | 77,465 | 8,065 | 48,857 | 14,105 | 419 | 1,999 | 16,523 | - | 65,380 | 1,812 | 2,208 | |
| - | 2,405 | 4,097 | 8,163 | 89,101 | 8,548 | 52,365 | 17,645 | 320 | 2,538 | 20,503 | 1,430 | 74,298 | 1,610 | 4,645 | |
| - | 892 | 4,020 | 6,815 | 102,278 | 9,605 | 56,036 | 25,535 | 453 | 2,944 | 28,932 | - | 84,968 | 1,663 | 6,042 | |
| - | 640 | 3,846 | 10,117 | 107,558 | 11,116 | 58,863 | 26,277 | 614 | 2,780 | 29,671 | - | 88,534 | 1,495 | 6,413 | |
| - | 3,791 | 3,672 | 12,209 | 114,553 | 12,513 | 62,194 | 26,630 | 889 | 3,776 | 31,295 | - | 93,489 | 1,411 | 7,140 | |
| - | 4,778 | 3,507 | 5,483 | 134,557 | 16,222 | 67,400 | 35,304 | 2,694 | 3,941 | 41,939 | - | 109,339 | 1,337 | 7,659 | |
| - | 9,600 | 3,131 | 6,457 | 148,309 | 25,281 | 71,985 | 32,463 | 4,938 | 3,345 | 40,746 | - | 112,731 | 1,819 | 8,478 | |
| - | 10,912 | 2,700 | 7,564 | 160,105 | 30,661 | 76,796 | 35,004 | 1,271 | 2,762 | 39,037 | - | 115,833 | 2,560 | 11,051 | |
| - | 11,125 | 2,044 | 9,616 | 178,235 | 37,385 | 77,731 | 41,196 | 486 | 3,779 | 45,461 | - | 123,192 | 3,311 | 14,347 | |
| - | 12,264 | 2,231 | 12,013 | 187,232 | 43,499 | 80,536 | 42,815 | 486 | 2,774 | 46,075 | - | 126,611 | 3,296 | 13,826 | |
| - | 12,624 | 2,573 | 13,890 | 206,637 | 55,593 | 88,676 | 42,710 | 634 | 3,546 | 46,890 | - | 135,566 | 3,626 | 11,852 | |
| - | 13,075 | 2,820 | 15,490 | 218,979 | 63,777 | 89,890 | 44,295 | 1,147 | 3,399 | 48,841 | - | 138,731 | 3,870 | 12,601 | |
| - | 30,374 | 2,093 | 16,122 | 213,609 | 60,274 | 90,485 | 45,413 | 429 | 775 | 46,617 | - | 137,102 | 3,408 | 12,825 | |
| - | 40,409 | 1,200 | 17,163 | 220,238 | 57,984 | 93,900 | 51,855 | 507 | 643 | 53,005 | - | 146,905 | 3,003 | 12,346 | |
| - | 35,395 | 580 | 17,463 | 214,571 | 57,888 | 98,387 | 43,047 | 343 | 217 | 43,607 | - | 141,994 | 2,858 | 11,831 | |
| - | 29,702 | 410 | 18,551 | 223,194 | 64,955 | 103,725 | 39,215 | 186 | 158 | 39,559 | - | 143,284 | 3,027 | 11,928 | |
| - | 38,883 | 371 | 19,458 | 238,371 | 57,791 | 112,761 | 50,601 | 242 | 271 | 51,114 | - | 163,875 | 2,780 | 13,925 | |
| - | 43,407 | 443 | 21,901 | 241,395 | 59,611 | 119,264 | 43,900 | 198 | 185 | 44,283 | - | 163,547 | 2,720 | 15,517 | |
| - | 40,244 | 458 | 24,429 | 252,765 | 65,332 | 127,535 | 38,529 | 103 | 198 | 38,830 | - | 166,365 | 2,738 | 18,330 | |
| - | 40,892 | 1,843 | 25,684 | 277,541 | 73,952 | 135,004 | 48,505 | 169 | 195 | 48,869 | - | 183,873 | 2,795 | 16,921 | |
| - | 34,780 | 1,914 | 26,843 | 306,120 | 87,450 | 143,216 | 55,224 | 115 | 262 | 55,601 | - | 198,817 | 2,986 | 16,867 | |
| - | 36,662 | 2,099 | 27,166 | 310,115 | 85,329 | 151,450 | 55,866 | 192 | 266 | 56,324 | - | 207,773 | 2,867 | 14,145 | |
| - | 20,964 | 1,414 | 26,585 | 314,877 | 95,839 | 161,413 | 43,518 | 187 | 243 | 43,948 | - | 205,361 | 2,685 | 10,993 | |
| - | 20,518 | 1,895 | 27,386 | 347,169 | 113,986 | 169,224 | 50,068 | 91 | 332 | 50,491 | - | 219,715 | 2,820 | 10,647 | |
| - | 48,940 | 2,730 | 32,785 | 375,377 | 142,650 | 171,125 | 46,289 | 1,348 | 246 | 47,883 | - | 219,008 | 3,052 | 10,667 | |
| - | 18,120 | 2,676 | 37,038 | 366,919 | 125,100 | 168,823 | 54,693 | 209 | 284 | 55,186 | - | 224,009 | 2,967 | 14,843 | |
| - | 24,693 | 1,863 | 27,403 | 309,597 | 89,962 | 144,002 | 60,395 | 145 | 224 | 60,763 | - | 204,765 | 2,924 | 11,944 | |
| - | 24,428 | 1,634 | 26,727 | 317,961 | 87,949 | 150,189 | 60,775 | 85 | 173 | 61,034 | 820 | 212,044 | 2,737 | 15,232 | |
| - | 16,123 | 1,575 | 31,460 | 334,770 | 98,044 | 158,836 | 56,162 | 317 | 194 | 56,673 | 808 | 216,317 | 2,751 | 17,658 | |
| - | 34,164 | 2,316 | 34,766 | 374,750 | 115,921 | 163,928 | 57,419 | 4,053 | 254 | 61,726 | 55 | 225,709 | 3,005 | 30,115 | |
| - | 35,452 | 2,806 | 46,216 | 382,212 | 136,003 | 160,827 | 59,079 | 7,094 | 275 | 66,448 | 41 | 227,316 | 3,006 | 15,888 | |
| - | 53,798 | 2,750 | 32,110 | 385,409 | 134,450 | 163,736 | 59,115 | 5,621 | 237 | 64,973 | 129 | 228,838 | 3,069 | 19,052 | |
| - | 50,058 | 2,783 | 33,179 | 381,669 | 134,450 | 159,254 | 58,375 | 6,351 | 316 | 65,043 | 71 | 224,368 | 3,085 | 19,765 | |
| - | 44,175 | 2,803 | 33,427 | 381,055 | 134,450 | 158,224 | 58,985 | 3,907 | 179 | 63,071 | - | 221,295 | 3,093 | 22,217 | |
| - | 42,980 | 2,813 | 34,360 | 391,994 | 134,606 | 158,411 | 58,581 | 14,518 | 260 | 73,359 | - | 231,770 | 3,077 | 22,541 | |
| - | 44,708 | 2,767 | 34,752 | 378,943 | 136,792 | 160,065 | 58,963 | 14,182 | 186 | 73,331 | - | 233,395 | 3,008 | 5,748 | |
| - | 41,337 | 2,767 | 35,007 | 379,255 | 136,792 | 159,998 | 59,532 | 13,106 | 266 | 72,904 | - | 232,902 | 3,007 | 6,555 | |
| - | 35,276 | 2,784 | 38,923 | 375,007 | 136,792 | 160,799 | 58,597 | 7,777 | 254 | 66,628 | - | 227,427 | 3,020 | 7,767 | |
| - | 31,993 | 2,842 | 43,953 | 375,830 | 136,792 | 160,083 | 59,014 | 9,717 | 615 | 69,346 | - | 229,429 | 2,985 | 6,623 | |
| - | 30,604 | 2,867 | 57,113 | 376,833 | 136,792 | 158,785 | 58,481 | 5,351 | 187 | 64,019 | - | 222,804 | 2,937 | 14,299 | |
| - | 24,906 | 2,870 | 72,306 | 387,845 | 136,792 | 161,586 | 59,573 | 4,478 | 341 | 64,392 | - | 225,978 | 2,894 | 22,180 | |
| - | 11,007 | 2,870 | 69,719 | 380,816 | 136,792 | 159,477 | 59,711 | 97 | 175 | 59,983 | - | 219,460 | 2,947 | 21,616 | |
| - | 15,485 | 2,764 | 68,844 | 391,841 | 136,415 | 169,142 | 59,948 | 103 | 282 | 60,332 | 290 | 229,765 | 2,950 | 22,710 | |

⁶⁾ Until June 30, 1998 "Discounted ERP bills of exchange."

⁷⁾ After subtraction of Federal Treasury certificates sold (1962 to 1964: ATS 780 million) or of money market treasury certificates sold (1965: ATS 1,111 million; 1966: ATS 41 million; 1967: ATS 290 million; 1968 and 1969: ATS 50 million).

⁸⁾ Thereof ATS 150 million capital.

⁹⁾ Incl. temporarily blocked liabilities and liabilities on counterpart accounts, which until 1961 were shown under a separate heading.

¹⁰⁾ Until 1961, incl. net interest accrued from (ERP) recovery loans, which was shown under a separate heading (1955: ATS 441 million; 1956: ATS 543 million; 1957: ATS 649 million; 1958: ATS 752 million; 1959: ATS 841 million; 1960: ATS 843 million; 1961: ATS 846 million; since 1962 under the heading "Reserves").

¹¹⁾ Calendar-day averages.

Banknotes Issued by the Oesterreichische Nationalbank

Circulation

| Denomination | December 31, 1997 | | March 31, 1998 | | June 30, 1998 | | September 30, 1998 | | December 31, 1998 | |
|---|-------------------|-------|----------------|-------|---------------|-------|--------------------|-------|-------------------|-------|
| | ATS million | % | | | | | | | | |
| Legal tender banknotes | | | | | | | | | | |
| ATS 5000 type I | 54,658 | 31'9 | 52,388 | 33'2 | 54,077 | 33'7 | 53,697 | 33'4 | 56,805 | 33'7 |
| ATS 1000 type IV | 86,434 | 51.1 | 81,478 | 50.3 | 82,566 | 49.9 | 82,807 | 50.1 | 30,492 | 17.8 |
| ATS 1000 type V | 52,883 | 30'9 | 57,544 | 36'4 | 65,685 | 41'0 | 68,862 | 42'8 | 73,775 | 43'7 |
| ATS 500 type III | 5,123 | 3'0 | 3,052 | 1'9 | x | x | x | x | x | x |
| ATS 500 type IV | 8,335 | 4'9 | 9,277 | 5'9 | 10,027 | 6'3 | 10,156 | 6'3 | 11,048 | 6'5 |
| ATS 100 type VI | 13,638 | 8'0 | 13,061 | 8'3 | 13,342 | 8'3 | 13,274 | 8'3 | 13,667 | 8'1 |
| ATS 50 type IV | 2,298 | 1'3 | 2,238 | 1'4 | 2,305 | 1'4 | 2,307 | 1'4 | 2,321 | 1'4 |
| ATS 20 type V | 2,169 | 1'3 | 2,128 | 1'4 | 2,183 | 1'4 | 2,230 | 1'4 | 2,234 | 1'3 |
| Subtotal | 169,596 | 99'1 | 156,526 | 99'0 | 147,619 | 92'1 | 150,527 | 93'6 | 159,849 | 94'7 |
| Called-in denominations¹⁾ | | | | | | | | | | |
| ATS 1000 type III | 567 | 0'3 | 560 | 0'4 | 553 | 0'3 | 548 | 0'3 | 543 | 0'3 |
| ATS 1000 type IV | x | x | x | x | 9,030 | 5'6 | 7,092 | 4'4 | 5,932 | 3'5 |
| ATS 500 type II | 234 | 0'1 | 231 | 0'2 | 228 | 0'1 | 225 | 0'1 | 223 | 0'1 |
| ATS 500 type III | x | x | x | x | 2,191 | 1'4 | 1,786 | 1'1 | 1,565 | 0'9 |
| ATS 100 type V ²⁾ | 342 | 0'2 | 340 | 0'2 | 337 | 0'2 | 334 | 0'2 | 332 | 0'2 |
| ATS 50 type III ²⁾ | 154 | 0'1 | 153 | 0'1 | 153 | 0'1 | 152 | 0'1 | 151 | 0'1 |
| ATS 20 type IV | 233 | 0'1 | 232 | 0'2 | 230 | 0'1 | 229 | 0'1 | 228 | 0'1 |
| Subtotal | 1,581 | 0'9 | 1,570 | 1'0 | 1,555 | 0'9 | 1,543 | 0'9 | 1,529 | 0'9 |
| Total | 171,125 | 100'0 | 158,042 | 100'0 | 160,341 | 100'0 | 160,893 | 100'0 | 168,823 | 100'0 |

Banknote characteristics

| Denomination | Portrait featured on the front | Date | First day of issue | Date of withdrawal (last day of acceptance as legal tender) | Date of preclusion (last day on which called-in banknotes may be exchanged) |
|---|--------------------------------|-----------------|--------------------|---|---|
| ATS 5000 type I | Wolfgang A. Mozart | January 4, 1988 | October 17, 1989 | | |
| ATS 1000 type V | Karl Landsteiner | January 1, 1997 | October 20, 1997 | | |
| ATS 500 type IV | Rosa Mayreder | January 1, 1997 | October 20, 1997 | | |
| ATS 100 type VI | Eugen Böhm v. Bawerk | January 2, 1984 | October 14, 1985 | | |
| ATS 50 type IV | Sigmund Freud | January 2, 1986 | October 19, 1987 | | |
| ATS 20 type V | Moritz M. Daffinger | October 1, 1986 | October 19, 1988 | | |
| ATS 1000 type III | Bertha v. Suttner | July 1, 1966 | September 21, 1970 | August 30, 1985 | August 30, 2005 |
| ATS 1000 type IV | Erwin Schrödinger | January 3, 1983 | November 14, 1983 | April 20, 1998 | April 20, 2018 |
| ATS 500 type II | Josef Ressel | July 1, 1965 | October 24, 1966 | August 31, 1987 | August 31, 2007 |
| ATS 500 type III | Otto Wagner | July 1, 1985 | October 20, 1986 | April 20, 1998 | April 20, 2018 |
| ATS 100 type V | Angelika Kauffmann | January 2, 1969 | October 19, 1970 | November 28, 1986 | November 28, 2006 |
| ATS 100 type V (2 nd issue) | Angelika Kauffmann | January 2, 1969 | June 1, 1981 | November 28, 1986 | November 28, 2006 |
| ATS 50 type III | Ferdinand Raimund | January 2, 1970 | February 15, 1972 | August 31, 1988 | August 31, 2008 |
| ATS 50 type III (2 nd issue) | Ferdinand Raimund | January 2, 1970 | September 19, 1983 | August 31, 1988 | August 31, 2008 |
| ATS 20 type IV | Carl Ritter v. Ghega | July 2, 1967 | November 4, 1968 | September 30, 1989 | September 30, 2009 |

Source: OeNB.

¹⁾ These banknotes cease to be legal tender from the date of withdrawal. They may, however, be exchanged for legal tender at the counters of the OeNB until the date of preclusion.

²⁾ Incl. banknotes of the second issue.

Austrian Divisional Coins*)

Circulation

| Denomination | December 31, 1997 | March 31, 1998 | June 30, 1998 | September 30, 1998 | December 31, 1998 |
|--------------------------------|-------------------|----------------|---------------|--------------------|-------------------|
| <i>Face values ATS million</i> | | | | | |
| Base metal coins | | | | | |
| ATS 50 ¹⁾ | 115 | 109 | 146 | 137 | 156 |
| ATS 20 | 513 | 511 | 506 | 508 | 506 |
| ATS 10 | 3,005 | 2,979 | 3,022 | 3,050 | 3,036 |
| ATS 5 | 1,963 | 1,962 | 1,992 | 2,018 | 2,015 |
| ATS 1 | 1,541 | 1,546 | 1,571 | 1,593 | 1,584 |
| g 50 | 271 | 272 | 275 | 277 | 275 |
| g 10 | 295 | 296 | 298 | 300 | 298 |
| g 5 | 13 | 13 | 13 | 13 | 13 |
| g 2 | 4 | 4 | 4 | 4 | 4 |
| Total ²⁾ | 7,721 | 7,692 | 7,828 | 7,901 | 7,886 |
| Gold coins | 10,370 | 10,542 | 10,657 | 10,893 | 11,206 |
| Bimetallic coins | | | | | |
| ATS 1000 ³⁾ | 42 | 42 | 42 | 42 | 42 |
| ATS 500 ⁴⁾ | 16 | 16 | 16 | 16 | 16 |
| Silver coins | | | | | |
| ATS 500 | 9,376 | 9,248 | 9,230 | 9,139 | 9,107 |
| ATS 200 | 26 | 26 | 26 | 26 | 26 |
| ATS 100 | 4,793 | 4,748 | 4,713 | 4,683 | 4,651 |
| ATS 50 | 2,234 | 2,219 | 2,206 | 2,194 | 2,180 |
| ATS 25 | 1,039 | 1,036 | 1,033 | 1,030 | 1,026 |
| Total | 17,467 | 17,277 | 17,208 | 17,072 | 16,989 |

Characteristics of the divisional coins

| Denomination | Diameter mm | Weight gram | Alloy | | | | | | | First day of issue |
|--|----------------|----------------|---------|--------|--------|--------|----------|-----------|-------|-----------------------|
| | | | Gold | Silver | Copper | Nickel | Aluminum | Magnesium | Zinc | |
| | | | per mil | | | | | | | |
| Base metal coins | | | | | | | | | | |
| ATS 50 ¹⁾ | 26.5 | 8.2 | — | — | 920 | 20 | 60 | — | — | October 23, 1996 |
| ATS 20 | 27.7 | 8.0 | — | — | 920 | 20 | 60 | — | — | December 10, 1980 |
| ATS 10 | 26 | 6.2 | — | — | 750 | 250 | — | — | — | April 17, 1974 |
| ATS 5 | 23.5 | 4.8 | — | — | 750 | 250 | — | — | — | January 15, 1969 |
| ATS 1 | 22.5 | 4.2 | — | — | 915 | — | 85 | — | — | September 1, 1959 |
| g 50 | 19.5 | 3.0 | — | — | 915 | — | 85 | — | — | October 1, 1959 |
| g 10 | 20 | 1.1 | — | — | — | — | 985 | 15 | — | November 27, 1951 |
| g 5 | 19 | 2.5 | — | — | — | — | — | — | 1,000 | June 17, 1948 |
| g 2 | 18 | 0.9 | — | — | — | — | 985 | 15 | — | July 15, 1950 |
| g 1 | 17 | 1.8 | — | — | — | — | — | — | 1,000 | April 5, 1948 |
| Gold coins | | | | | | | | | | |
| ATS 2000 (1 ozf ⁵⁾) | 37 | 31.1 | 999.9 | — | — | — | — | — | — | October 10, 1989 |
| ATS 1000 type I | 27 | 13.5 | 900 | — | 100 | — | — | — | — | October 22, 1976 |
| ATS 1000 type II | 30 | 16.2 | 986 | — | 14 | — | — | — | — | May 15, 1991 |
| ATS 1000 type III (1/2 ozf ⁵⁾) | 28 | 15.6 | 999.9 | — | — | — | — | — | — | October 5, 1994 |
| ATS 1000 type IV | 28 | 17.0 | 916.7 | 40.3 | 43 | — | — | — | — | January 12, 1995 |
| ATS 500 (1/4 ozf ⁵⁾) | 22 | 7.8 | 999.9 | — | — | — | — | — | — | October 10, 1989 |
| ATS 500 type II | 22 | 8.1 | 986 | — | 14 | — | — | — | — | January 24, 1991 |
| ATS 200 (1/10 ozf ⁵⁾) | 16 | 3.1 | 999.9 | — | — | — | — | — | — | September 12, 1991 |
| Bimetallic coins | | | | | | | | | | |
| ATS 1000 ³⁾ | 40 | 40.0 | 986 | 900 | 114 | — | — | — | — | May 31, 1994 |
| ATS 500 ⁴⁾ | 30 | 19.0 | 986 | 900 | 114 | — | — | — | — | March 24, 1995 |
| Silver coins | | | | | | | | | | |
| ATS 500 type I | 38 | 24.0 | — | 640 | 360 | — | — | — | — | April 10, 1980 |
| ATS 500 type II | 37 | 24.0 | — | 925 | 75 | — | — | — | — | April 15, 1983 |
| ATS 500 type III | 37 | 24.0 | — | 925 | 75 | — | — | — | — | May 23, 1989 |
| ATS 200 type I | 40 | 33.6 | — | 925 | 75 | — | — | — | — | January 12, 1995 |
| ATS 100 type I | 36 | 24.0 | — | 640 | 360 | — | — | — | — | December 23, 1974 |
| ATS 100 type II | 34 | 20.0 | — | 900 | 100 | — | — | — | — | January 24, 1991 |
| ATS 50 type I | 34 | 20.0 | — | 900 | 100 | — | — | — | — | February 20, 1959 |
| ATS 50 type II | 34 | 20.0 | — | 640 | 360 | — | — | — | — | April 18, 1974 |
| ATS 25 | 30 | 13.0 | — | 800 | 200 | — | — | — | — | October 1, 1955 |

Source: OeNB.

*) Legal tender coins.

¹⁾ Bimetallic coin.

²⁾ Includes 1-groschen coins in circulation, which came to some ATS 0.24 million on average in 1998.

³⁾ The gold center contains 13 g fine gold and the silver ring 24 g fine silver.

⁴⁾ The gold ring contains 8 g fine gold and the silver center 4.8 g fine silver.

⁵⁾ Bullion coins.

Official Reserves¹⁾

| End of period | Gold ²⁾ | Foreign exchange and currency | Participation in and other claims on the ECB ³⁾ | Claims on the International Monetary Fund | | | Claims arising from loans to foreign central banks | Subtotal (1 to 7) | Liabilities to foreign credit institutions and monetary institutions | Official reserves | | | |
|---------------|--------------------|-------------------------------|--|---|----------------------------|--------------|--|---------------------------|--|-------------------|----------------------------|--------------------------|--------|
| | | | | arising from SDRs | arising from participation | other claims | | | | level (8 - 9) | change from previous month | level from previous year | |
| | ATS million | | | | | | | USD million ⁴⁾ | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| 1989 | 38,552 | 94,296 | x | 3,526 | 4,203 | 989 | 259 | 141,825 | 242 | 141,583 | x | + 8,830 | 11,983 |
| 1990 | 38,058 | 92,231 | x | 2,973 | 3,672 | 911 | 212 | 138,057 | 198 | 137,859 | x | - 3,724 | 12,912 |
| 1991 | 37,375 | 102,701 | x | 3,019 | 4,217 | 917 | 192 | 148,421 | 103 | 148,318 | x | +10,459 | 13,876 |
| 1992 | 37,200 | 130,174 | x | 3,866 | 6,086 | 937 | 181 | 178,444 | 169 | 178,275 | x | +29,957 | 15,702 |
| 1993 | 34,718 | 167,667 | x | 2,677 | 6,363 | 1,001 | 169 | 212,595 | 115 | 212,480 | x | +34,205 | 17,498 |
| 1994 | 34,231 | 174,101 | x | 3,103 | 5,827 | 769 | 131 | 218,162 | 192 | 217,970 | x | + 5,490 | 19,871 |
| 1995 | 22,384 | 179,304 | 26,567 | 1,825 | 6,882 | 1,290 | 100 | 238,352 | 187 | 238,165 | x | +20,196 | 23,609 |
| 1996 | 20,058 | 199,303 | 38,246 | 2,137 | 8,859 | 1,166 | 87 | 269,856 | 91 | 269,765 | x | +31,601 | 24,627 |
| 1997 | 15,068 | 195,268 | 39,107 | 2,127 | 12,166 | 1,057 | 76 | 264,868 | 1,348 | 263,520 | x | - 6,245 | 20,860 |
| 1998 | 32,692 | 245,746 | 1,623 | 1,755 | 15,434 | 1,458 | 47 | 298,755 | 209 | 298,545 | x | +35,025 | 25,315 |
| 1998 | | | | | | | | | | | | | |
| January | 15,182 | 204,727 | 35,392 | 1,967 | 15,436 | 1,071 | 77 | 273,851 | 7,899 | 265,952 | + 2,432 | - 5,493 | 20,718 |
| February | 15,364 | 201,441 | 35,409 | 2,054 | 15,333 | 1,066 | 70 | 270,737 | 2,981 | 267,756 | + 1,804 | - 4,685 | 21,035 |
| March | 15,077 | 208,875 | 35,565 | 2,076 | 15,496 | 1,077 | 72 | 278,237 | 3,995 | 274,242 | + 6,486 | +12,744 | 21,094 |
| April | 15,108 | 206,007 | 36,830 | 2,024 | 15,173 | 1,054 | 63 | 276,259 | 15,742 | 260,517 | -13,725 | -12,397 | 20,632 |
| May | 15,146 | 198,073 | 36,665 | 2,123 | 14,958 | 1,039 | 63 | 268,066 | 13,173 | 254,893 | - 5,624 | -11,402 | 20,307 |
| June | 15,109 | 197,961 | 36,859 | 2,401 | 15,339 | 949 | 64 | 268,683 | 1,140 | 267,543 | +12,650 | - 5,770 | 21,013 |
| July | 15,021 | 206,365 | 36,964 | 2,285 | 15,050 | 933 | 63 | 276,680 | 9,192 | 267,488 | - 54 | -21,908 | 21,346 |
| August | 14,835 | 203,113 | 37,035 | 2,003 | 15,002 | 930 | 56 | 272,975 | 7,254 | 265,722 | - 1,767 | -10,605 | 21,278 |
| September | 14,590 | 187,257 | 36,880 | 2,313 | 14,788 | 906 | 53 | 256,787 | 2,642 | 254,145 | -11,577 | -21,025 | 21,532 |
| October | 14,521 | 199,276 | 34,596 | 2,097 | 14,949 | 916 | 46 | 266,401 | 109 | 266,293 | +12,148 | + 6,018 | 22,925 |
| November | 14,403 | 214,431 | 34,689 | 2,084 | 15,042 | 927 | 48 | 281,623 | 67 | 281,557 | +15,264 | +23,435 | 23,473 |
| December | 32,692 | 245,746 | 1,623 | 1,755 | 15,434 | 1,458 | 47 | 298,755 | 209 | 298,545 | +16,989 | +35,025 | 25,315 |

Source: OeNB.

¹⁾ Based on the weekly return of the OeNB.

²⁾ From 1995 including the gold claims under the position "other assets" in the weekly return.

³⁾ Until May 31, 1998 "Claims on the EMI;" as of July 1, 1998, including participation in the ECB.

⁴⁾ Converted at the end-of-period mean rate of exchange.

Credit Institutions' Minimum Reserves¹⁾

Minimum reserve ratios²⁾

| no. | dated | Applicable from | for credit institutions with liabilities over ATS 40 million ⁴⁾ 5) | | | | for credit institutions with liabilities under ATS 40 million ⁴⁾ 5) | | | |
|---------|----------------|-----------------|---|---------------------------|-------------------------|----------------------|--|---------------------------|-------------------------|----------------------|
| | | | sight deposits | time and savings deposits | | issues ⁷⁾ | sight deposits | time and savings deposits | | issues ⁷⁾ |
| | | | | short-term ⁶⁾ | long-term ⁶⁾ | | | short-term ⁶⁾ | long-term ⁶⁾ | |
| % p. a. | | | | | | | | | | |
| MR1/72 | Jan. 31, 1972 | 1972 February | 10.5 | 8.5 | 7.5 | — | 6.5 | 6.0 | 6.0 | — |
| MR 2/72 | Sept. 21, 1972 | November | 11.0 | 9.0 | 8.0 | — | 7.0 | 6.5 | 6.5 | — |
| MR 3/72 | Nov. 27, 1972 | 1973 January | 12.0 | 10.0 | 9.0 | — | 8.0 | 7.5 | 7.5 | — |
| MR 1/73 | Mar. 21, 1973 | April | 11.0 | 9.0 | 8.0 | — | 7.0 | 6.5 | 6.5 | — |
| MR 2/73 | Oct. 23, 1973 | November | 9.5 | 7.5 | 6.5 | — | 5.5 | 5.0 | 5.0 | — |
| | | 1974 January | 10.0 | 8.0 | 7.0 | — | 6.0 | 5.5 | 5.5 | — |
| MR 2/74 | Feb. 27, 1974 | March | 9.0 | 7.0 | 6.0 | — | 5.0 | 4.5 | 4.5 | — |
| MR 1/80 | Jan. 23, 1980 | 1980 February | 9.0 | 7.0 | 6.0 | 7.0 | 5.0 | 4.5 | 4.5 | 4.5 |
| MR 3/81 | Feb. 25, 1981 | 1981 March | 9.0 | 7.0 | 6.0 | 6.0 | 5.0 | 4.5 | 4.5 | 4.5 |
| MR 2/82 | Sept. 29, 1982 | 1982 October | 8.5 | 6.5 | 5.5 | 5.5 | 4.5 | 4.0 | 4.0 | 4.0 |
| MR 2/89 | Nov. 29, 1989 | 1990 February | 9.0 | 7.0 | 6.0 | 6.0 | 5.0 | 4.5 | 4.5 | 4.5 |
| MR 2/92 | Nov. 28, 1991 | 1992 February | 9.0 | 7.0 | 6.0 | 6.0 ⁸⁾ | 9.0 | 7.0 | 6.0 | 6.0 ⁸⁾ |
| MR 2/95 | March 23, 1995 | 1995 July | 7.0 | 5.5 | 4.0 | 4.0 ⁸⁾ | 7.0 | 5.5 | 4.0 | 4.0 ⁸⁾ |
| MR 5/95 | July 27, 1995 | September | 5.0 | 3.0 | 3.0 | 3.0 ⁸⁾ | 5.0 | 3.0 | 3.0 | 3.0 ⁸⁾ |

Minimum reserve performance

| Reporting month | Liabilities subject to minimum reserve requirements | Gross minimum reserve requirement ⁹⁾ | Cash holdings counted towards minimum reserves ¹⁰⁾ | Net minimum reserve requirement ¹¹⁾ | Average weighted minimum reserve ratio | Coverage of the net minimum reserve requirement ¹¹⁾ | Shortfall | |
|-----------------|---|---|---|--|--|--|-----------|----|
| | ATS million | | | | % p.a. | ATS million | | |
| 1993 December | 1,608,447 | 103,267 | 19,466 | 83,801 | 5.2 | 58,436 | 25,364 | 1 |
| 1994 December | 1,727,605 | 108,243 | 21,322 | 86,921 | 5.0 | 61,471 | 25,450 | — |
| 1995 December | 1,844,880 | x | x | 55,131 | 3.0 | 55,104 | x | 27 |
| 1996 December | 1,884,450 | x | x | 56,505 | 3.0 | 56,502 | x | 3 |
| 1997 December | 1,897,753 | x | x | 57,702 | 3.0 | 57,702 | x | 0 |
| 1998 December | 1,946,438 | x | x | 60,128 | 3.1 | 60,127 | x | 1 |
| 1998 January | 1,927,716 | x | x | 59,053 | 3.1 | 59,052 | x | 1 |
| February | 1,931,808 | x | x | 59,036 | 3.1 | 59,030 | x | 6 |
| March | 1,928,204 | x | x | 58,888 | 3.1 | 58,887 | x | 1 |
| April | 1,926,032 | x | x | 58,877 | 3.1 | 58,876 | x | 1 |
| May | 1,923,462 | x | x | 58,895 | 3.1 | 58,895 | x | 0 |
| June | 1,927,857 | x | x | 59,117 | 3.1 | 59,116 | x | 1 |
| July | 1,921,506 | x | x | 58,974 | 3.1 | 58,972 | x | 2 |
| August | 1,917,094 | x | x | 58,707 | 3.1 | 58,706 | x | 1 |
| September | 1,919,354 | x | x | 58,686 | 3.1 | 58,686 | x | 0 |
| October | 1,929,702 | x | x | 59,262 | 3.1 | 59,262 | x | 0 |
| November | 1,933,526 | x | x | 59,516 | 3.1 | 59,502 | x | 14 |
| December | 1,946,438 | x | x | 60,128 | 3.1 | 60,127 | x | 1 |

Source: OeNB.

¹⁾ Credit Institutions within the meaning of the Austrian Banking Act.

²⁾ Minimum reserve ratios pursuant to Official Announcement MR 6/95, dated July 27, 1995, are applicable to credit institutions in customs exclaves.

³⁾ Official Announcements MR 1/74, 3/74, 4/74, 5/74, 2/78, 3/86 and 2/94 did not provide for changes in minimum reserve ratios.

⁴⁾ The reporting date is December 31 of the previous year.

⁵⁾ Uniform minimum reserve ratios starting from the review month February 1992.

⁶⁾ Short-term: with a term or withdrawal notice of less than 12 months; long-term: with a term or withdrawal notice of at least 12 months.

⁷⁾ Pursuant to the Official Announcement on minimum reserve requirements in force, until February 1981: nonsecuritized deposits.

⁸⁾ A minimum reserve ratio of 0% applies to issues with an agreed minimum life of 24 to 60 months.

⁹⁾ Calculated on the basis of the minimum reserve requirement.

¹⁰⁾ Cash holdings have no longer been eligible for the fulfillment of the minimum reserve requirement since September 1995.

¹¹⁾ Gross required minimum reserve requirement less cash holdings. The net minimum reserve requirement has been equivalent to the gross minimum reserve requirement since the reporting month of September 1995, thus it has been referred to as the minimum reserve requirement since that time.

¹²⁾ No longer eligible from July 1995.

Recourse of Austrian Credit Institutions to Central Bank Money¹⁾

| Period average | Bill discounts ²⁾ | Short-term open market operations (GOMEX) ³⁾ | Open market tender transactions | Lombard loans | Contractionary short-term open market operations (REGOM) | Currency swaps at the Euro-mark market rate plus a premium | Claims arising from loans extended by the central bank ⁴⁾ | Total (1 to 4-5 + 6 to 8) | |
|----------------|------------------------------|---|---------------------------------|---------------|--|--|--|---------------------------|--------|
| | ATS million | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 |
| 1996 | 17,987 | 7,773 | 7,630 | – | 788 | – | – | 8,422 | 41,024 |
| 1997 | 18,965 | 9,740 | 24,423 | – | 55 | – | – | 7,787 | 60,861 |
| 1998 | 15,129 | 10,043 | 25,484 | 1 | 41 | – | – | 7,810 | 58,425 |
| 1998 | | | | | | | | | |
| January | 17,528 | 16,047 | 37,751 | – | 129 | – | – | 7,373 | 78,570 |
| February | 17,524 | 12,043 | 38,015 | – | 71 | – | – | 7,419 | 74,929 |
| March | 17,278 | 11,300 | 32,875 | – | – | – | – | 7,489 | 68,942 |
| April | 16,828 | 11,578 | 31,402 | – | – | – | – | 7,664 | 67,471 |
| May | 17,244 | 14,451 | 30,256 | – | – | – | – | 7,771 | 69,722 |
| June | 17,292 | 12,661 | 28,676 | – | – | – | – | 7,936 | 66,565 |
| July | 13,598 | 10,117 | 25,159 | – | – | – | – | 7,324 | 56,198 |
| August | 13,898 | 9,435 | 22,558 | – | – | – | – | 7,658 | 53,549 |
| September | 13,750 | 9,042 | 21,562 | – | – | – | – | 7,867 | 52,221 |
| October | 13,227 | 8,284 | 16,623 | – | – | – | – | 8,219 | 46,352 |
| November | 13,017 | 1,820 | 9,186 | – | – | – | – | 8,417 | 32,441 |
| December | 10,360 | 3,736 | 11,749 | 12 | 290 | – | – | 8,579 | 34,145 |

Source: OeNB.

¹⁾ Credit institutions within the meaning of the Austrian Banking Act. Calendar-day averages.

²⁾ Until September 1996, including export refinancing bills.

³⁾ Including facilities formerly accessible only to particular credit institutions.

⁴⁾ Until June 30, 1998 "ERP bill discount transactions."

Monetary Aggregates

| | Central bank money stock ¹⁾ | | | Enlarged monetary base ²⁾ | | | Money stock M ₁ ³⁾ | | | Money stock M ₃ ³⁾ | | |
|-------------|--|---------------------|--------------------|--------------------------------------|---------------------|--------------------|--|---------------------|--------------------|--|---------------------|--------------------|
| | end of period | change | | period average | change | | end of period | change | | end of period | change | |
| | | from previous month | from previous year | | from previous month | from previous year | | from previous month | from previous year | | from previous month | from previous year |
| ATS million | % | | ATS million | % | | ATS million | % | | ATS million | % | | |
| 1989 | 168,689 | x | +14.1 | 173,989 | x | +5.5 | 249,199 | x | + 3.4 | 1,384,254 | x | +6.9 |
| 1990 | 168,801 | x | + 0.1 | 184,237 | x | +5.9 | 262,587 | x | + 5.4 | 1,485,342 | x | +7.3 |
| 1991 | 172,094 | x | + 2.0 | 195,471 | x | +6.1 | 284,186 | x | + 8.2 | 1,600,044 | x | +7.7 |
| 1992 | 189,879 | x | +10.3 | 204,458 | x | +4.6 | 301,812 | x | + 6.2 | 1,664,534 | x | +4.0 |
| 1993 | 205,240 | x | + 8.1 | 214,356 | x | +4.8 | 334,643 | x | +10.9 | 1,729,640 | x | +3.9 |
| 1994 | 214,472 | x | + 4.5 | 225,351 | x | +5.1 | 355,575 | x | + 6.3 | 1,822,295 | x | +5.4 |
| 1995 | 212,369 | x | - 1.0 | 237,578 | x | +5.4 | 409,186 | x | +15.1 | 1,910,451 | x | +4.8 |
| 1996 | 227,128 | x | + 7.0 | 250,135 | x | +5.3 | 431,148 | x | + 5.4 | 1,944,798 | x | +1.8 |
| 1997 | 225,380 | x | - 0.8 | 265,805 | x | +2.1 | 452,292 | x | + 4.9 | 1,967,193 | x | +1.2 |
| 1998 | 231,686 | x | + 2.8 | 263,633 | x | -0.8 | 495,813 | x | + 9.6 | 2,092,187 | x | +6.4 |
| 1998 | | | | | | | | | | | | |
| January | 214,560 | -4.8 | - 0.1 | 257,739 | -3.0 | +1.0 | 431,718 | -4.5 | + 4.7 | 1,948,117 | -1.0 | +1.1 |
| February | 224,433 | +4.6 | + 1.5 | 252,631 | -2.0 | +0.5 | 427,182 | -1.1 | + 4.1 | 1,941,755 | -0.3 | +0.3 |
| March | 221,706 | -1.2 | - 1.2 | 252,287 | -0.1 | -0.2 | 434,970 | +1.8 | + 6.1 | 1,943,876 | +0.1 | +1.8 |
| April | 225,172 | +1.6 | + 2.5 | 251,997 | -0.1 | -0.3 | 446,053 | +2.5 | + 5.5 | 1,948,181 | +0.2 | +1.8 |
| May | 232,203 | +3.1 | + 2.0 | 253,972 | +0.8 | -0.8 | 449,058 | +0.7 | + 5.8 | 1,951,961 | +0.2 | +1.9 |
| June | 224,933 | -3.1 | - 1.5 | 254,391 | +0.2 | -0.9 | 454,281 | +1.2 | + 2.2 | 1,952,763 | +0.0 | +1.1 |
| July | 224,281 | -0.3 | - 4.2 | 254,266 | +0.0 | -1.2 | 454,935 | +0.1 | + 7.4 | 1,945,285 | -0.4 | +2.0 |
| August | 226,340 | +0.9 | + 0.9 | 254,012 | -0.1 | -1.2 | 448,146 | -1.5 | + 6.9 | 1,943,923 | -0.1 | +2.1 |
| September | 226,880 | +0.2 | + 2.3 | 252,247 | -0.7 | -1.4 | 460,016 | +2.6 | + 4.9 | 1,953,705 | +0.5 | +1.7 |
| October | 228,271 | +0.6 | + 1.2 | 255,963 | +1.5 | -1.3 | 465,455 | +1.2 | + 7.9 | 1,963,346 | +0.5 | +2.5 |
| November | 229,574 | +0.6 | + 1.1 | 253,848 | -0.8 | -1.1 | 472,316 | +1.5 | + 7.5 | 1,969,233 | +0.3 | +2.6 |
| December | 231,686 | +0.9 | + 2.8 | 263,633 | +3.9 | -0.8 | 495,813 | +5.0 | + 9.6 | 2,092,187 | +6.2 | +6.4 |

Source: OeNB.

¹⁾ Excl. gold and silver (collectors') coins.

²⁾ Calendar-day averages.

³⁾ Based on Austrian credit institutions' new monthly returns from the December 1995 reporting period.

Monthly Returns of Domestic Credit Institutions¹⁾

| End of period | Domestic assets | | | | | | | | | | | | |
|---|-------------------------|------------------------|---------------------------|---|---|-------------------|----------------|-------------------------------|--|--|---|---------------------------------|-------------------------------|
| | Cash liquidity | | Domestic interbank claims | Domestic securities and supplementary capital | | | | | Direct lending to domestic nonbanks | | | | |
| | schilling cash holdings | balances with the OeNB | | Federal Treasury certificates; OeNB cash certificates | other securities, supplementary capital | equity securities | total (4 to 6) | thereof supplementary capital | bills of exchange (incl. OeNB rediscounts) ²⁾ | mortgage and local authority loans; other direct schilling lending | direct schilling lending ²⁾ (9 + 10) | direct foreign currency lending | total ²⁾ (11 + 12) |
| | | | 1 | | | | | | | | | | |
| ATS million | | | | | | | | | | | | | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Joint stock banks and bankers³⁾ | | | | | | | | | | | | | |
| 1994 | 3,970 | 10,865 | 246,893 | 18,077 | 91,588 | 12,210 | 121,875 | 390 | 32,183 | 431,168 | 463,351 | 38,928 | 502,278 |
| 1995 | 4,216 | 6,174 | 239,744 | 16,366 | 106,044 | 11,618 | 134,028 | 1,545 | 35,000 | 469,658 | 504,658 | 43,079 | 547,737 |
| 1996 | 4,480 | 7,112 | 248,984 | 11,882 | 113,951 | 13,544 | 139,377 | 638 | 38,007 | 481,674 | 519,681 | 49,405 | 569,085 |
| 1997 | 10,269 | 18,949 | 143,895 | 14,968 | 147,295 | 14,575 | 176,839 | 1,338 | 13,524 | 570,509 | 584,033 | 85,258 | 669,291 |
| 1998 | 10,002 | 24,210 | 180,817 | 11,122 | 128,053 | 16,206 | 155,380 | 1,257 | 6,972 | 584,047 | 591,018 | 122,077 | 713,096 |
| Savings banks | | | | | | | | | | | | | |
| 1994 | 9,063 | 17,046 | 186,071 | 23,866 | 119,322 | 24,874 | 168,061 | 294 | 13,426 | 685,962 | 699,387 | 34,991 | 734,378 |
| 1995 | 8,954 | 11,167 | 192,622 | 19,194 | 127,880 | 27,894 | 174,968 | 307 | 17,082 | 715,654 | 732,737 | 37,436 | 770,173 |
| 1996 | 9,890 | 6,814 | 190,749 | 18,467 | 142,338 | 30,412 | 191,217 | 487 | 15,504 | 722,918 | 738,422 | 48,355 | 786,777 |
| 1997 | 10,807 | 10,134 | 189,097 | 15,084 | 141,792 | 33,197 | 190,073 | 714 | 14,754 | 718,077 | 732,831 | 66,698 | 799,529 |
| 1998 | 10,281 | 3,884 | 445,924 | 10,577 | 152,808 | 37,473 | 200,858 | 1,379 | 6,191 | 717,058 | 723,249 | 99,361 | 822,610 |
| State mortgage banks | | | | | | | | | | | | | |
| 1994 | 755 | 595 | 10,470 | 1,589 | 26,693 | 2,399 | 30,682 | 52 | 1,023 | 192,959 | 193,982 | 4,069 | 198,051 |
| 1995 | 873 | 521 | 8,166 | 884 | 28,440 | 2,449 | 31,773 | 33 | 929 | 207,748 | 208,677 | 6,003 | 214,679 |
| 1996 | 926 | 525 | 8,353 | 392 | 29,063 | 2,813 | 32,267 | 42 | 1,102 | 216,128 | 217,230 | 9,522 | 226,752 |
| 1997 | 1,048 | 616 | 10,496 | 514 | 32,355 | 2,595 | 35,465 | 128 | 980 | 217,947 | 218,927 | 17,533 | 236,460 |
| 1998 | 939 | 3,160 | 9,556 | 264 | 37,597 | 3,379 | 41,240 | 229 | 725 | 218,139 | 218,864 | 28,883 | 247,747 |
| Raiffeisen banks | | | | | | | | | | | | | |
| 1994 | 6,376 | 11,690 | 278,859 | 12,169 | 72,782 | 15,760 | 100,711 | 1,104 | 7,181 | 444,776 | 451,957 | 16,037 | 467,994 |
| 1995 | 6,808 | 14,722 | 307,346 | 6,371 | 85,809 | 22,646 | 114,826 | 1,141 | 6,974 | 464,376 | 471,350 | 17,440 | 488,791 |
| 1996 | 7,573 | 12,908 | 310,456 | 5,281 | 99,624 | 26,716 | 131,620 | 1,185 | 7,066 | 484,253 | 491,320 | 24,670 | 515,989 |
| 1997 | 8,278 | 14,447 | 298,943 | 11,774 | 98,858 | 35,607 | 146,238 | 1,254 | 6,039 | 502,854 | 508,893 | 37,063 | 545,956 |
| 1998 | 8,080 | 16,130 | 310,739 | 7,211 | 106,899 | 42,762 | 156,872 | 1,563 | 3,348 | 507,478 | 510,826 | 60,653 | 571,479 |
| Volksbanken | | | | | | | | | | | | | |
| 1994 | 1,521 | 1,005 | 37,240 | 3,231 | 23,021 | 4,269 | 30,522 | 27 | 2,002 | 116,210 | 118,213 | 3,792 | 122,004 |
| 1995 | 1,667 | 1,397 | 40,856 | 1,469 | 25,816 | 4,899 | 32,184 | 32 | 1,841 | 125,699 | 127,540 | 5,160 | 132,700 |
| 1996 | 1,876 | 1,267 | 40,802 | 1,632 | 25,873 | 5,790 | 33,295 | 83 | 1,525 | 131,392 | 132,917 | 8,603 | 141,520 |
| 1997 | 1,995 | 548 | 42,742 | 2,522 | 24,989 | 5,917 | 33,427 | 96 | 1,646 | 132,232 | 133,878 | 12,791 | 146,669 |
| 1998 | 1,833 | 2,012 | 52,617 | 1,164 | 26,390 | 8,586 | 36,139 | 151 | 1,147 | 130,518 | 131,665 | 21,796 | 153,461 |
| Housing construction savings and loan associations | | | | | | | | | | | | | |
| 1994 | 16 | 2 | 11,120 | 22 | 3,307 | 2,938 | 6,268 | 3 | – | 158,680 | 158,680 | 89 | 158,769 |
| 1995 | 18 | 4 | 15,075 | 5 | 6,072 | 2,748 | 8,824 | 8 | – | 166,681 | 166,681 | 87 | 166,768 |
| 1996 | 15 | 5 | 18,925 | – | 9,504 | 4,735 | 14,239 | 8 | – | 168,484 | 168,484 | 86 | 168,570 |
| 1997 | 16 | 8 | 20,622 | – | 15,943 | 7,341 | 23,284 | 13 | – | 172,311 | 172,311 | 82 | 172,393 |
| 1998 | 18 | 10 | 18,953 | – | 20,827 | 13,527 | 34,354 | 13 | – | 167,591 | 167,591 | 65 | 167,656 |
| Special purpose banks³⁾ | | | | | | | | | | | | | |
| 1994 | 3,066 | 14,521 | 79,084 | 13,685 | 44,430 | 2,069 | 60,185 | 45 | 8,741 | 103,084 | 111,825 | 21,561 | 133,386 |
| 1995 | 3,333 | 14,103 | 97,229 | 4,909 | 43,789 | 2,824 | 51,521 | 357 | 7,230 | 122,136 | 129,366 | 27,277 | 156,643 |
| 1996 | 5,299 | 21,417 | 69,661 | 3,224 | 49,219 | 3,548 | 55,990 | 365 | 7,607 | 122,714 | 130,321 | 27,007 | 157,328 |
| 1997 | 220 | 120 | 185,435 | 696 | 12,815 | 3,764 | 17,274 | 27 | 19,283 | 66,376 | 85,659 | 2,228 | 87,887 |
| 1998 | 10 | 250 | 212,371 | 2,497 | 21,928 | 4,093 | 28,518 | 186 | 43 | 77,278 | 77,321 | 2,698 | 80,019 |
| All sectors | | | | | | | | | | | | | |
| 1994 | 24,767 | 55,724 | 849,737 | 72,639 | 381,144 | 64,519 | 518,303 | 1,915 | 64,556 | 2,132,839 | 2,197,395 | 119,465 | 2,316,860 |
| 1995 | 25,869 | 48,088 | 901,039 | 49,197 | 423,850 | 75,077 | 548,124 | 3,423 | 69,056 | 2,271,953 | 2,341,009 | 136,482 | 2,477,491 |
| 1996 | 30,059 | 50,047 | 887,930 | 40,877 | 469,572 | 87,557 | 598,007 | 2,808 | 70,812 | 2,327,563 | 2,398,375 | 167,646 | 2,566,021 |
| 1997 | 32,632 | 44,822 | 891,230 | 45,557 | 474,047 | 102,995 | 622,599 | 3,570 | 56,226 | 2,380,305 | 2,436,531 | 221,653 | 2,658,184 |
| 1998 | 31,163 | 49,658 | 1,230,975 | 32,834 | 494,503 | 126,025 | 653,362 | 4,778 | 18,426 | 2,402,108 | 2,420,534 | 335,532 | 2,756,067 |

Source: OeNB.

¹⁾ Credit institutions within the meaning of the Austrian Banking Act. From the December 1995 reporting period based on Austrian credit institutions' new monthly return.

²⁾ Retroactive changeover from weekly return to monthly return data due to the change in the Oesterreichische Nationalbank's handling of commodity bill discounts.

³⁾ From the May 1997 reporting period a credit institution in the sector special purpose banks was reclassified under the sector joint stock banks and bankers and another from the sector joint stock banks and bankers to the sector special purpose banks.

| Participations and syndicate participations | | Other domestic assets | Total domestic assets ²⁾ (1 to 3, 7, 13, 14, 16) | Foreign assets | | | | | | Total assets (excl. rediscounts) | End of period |
|---|-------------------------------|-----------------------|--|---------------------------|--------------------------|---|-----------------------------|----------------------|------------------------------------|-------------------------------------|---|
| total | thereof participation capital | | | Foreign currency holdings | Foreign interbank claims | Foreign securities, participations and syndicate participations | Lending to foreign nonbanks | Other foreign assets | Total foreign assets (18 to 22) | | |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | |
| 28,187 | 15 | 49,219 | 963,289 | 783 | 308,726 | 47,399 | 127,510 | 7,010 | 491,428 | 1,447,906 | Joint stock banks and bankers³⁾ 1994 |
| 29,829 | 233 | 44,252 | 1,005,980 | 796 | 331,514 | 58,493 | 137,012 | 5,393 | 533,208 | 1,528,180 | 1995 |
| 29,172 | 230 | 42,691 | 1,040,903 | 938 | 336,784 | 82,759 | 148,646 | 1,563 | 570,691 | 1,600,258 | 1996 |
| 33,961 | 402 | 38,513 | 1,091,716 | 1,174 | 336,063 | 115,226 | 171,001 | 4,336 | 627,800 | 1,709,392 | 1997 |
| 33,368 | 806 | 46,858 | 1,163,730 | 1,045 | 159,652 | 117,705 | 178,722 | 1,942 | 459,067 | 1,622,710 | 1998 |
| 45,340 | 212 | 45,271 | 1,205,230 | 1,493 | 223,458 | 59,262 | 93,140 | 2,337 | 379,689 | 1,577,122 | Savings banks 1994 |
| 44,001 | 23 | 41,233 | 1,243,118 | 1,439 | 261,464 | 64,103 | 90,681 | 3,423 | 421,110 | 1,653,802 | 1995 |
| 43,207 | 54 | 49,372 | 1,278,027 | 1,883 | 282,818 | 94,350 | 96,955 | 1,971 | 477,977 | 1,744,883 | 1996 |
| 69,175 | 417 | 47,256 | 1,316,071 | 2,011 | 290,120 | 123,122 | 123,033 | 4,256 | 542,541 | 1,848,456 | 1997 |
| 81,765 | 453 | 64,725 | 1,630,047 | 2,762 | 400,886 | 200,913 | 138,461 | 7,789 | 750,811 | 2,380,858 | 1998 |
| 2,036 | 0 | 6,049 | 248,638 | 185 | 6,108 | 2,129 | 9,165 | 198 | 17,785 | 265,971 | State mortgage banks 1994 |
| 2,251 | 1 | 5,224 | 263,488 | 199 | 5,545 | 2,829 | 11,689 | 27 | 20,289 | 283,357 | 1995 |
| 2,401 | 1 | 5,772 | 276,996 | 268 | 4,158 | 3,414 | 15,240 | 67 | 23,149 | 299,579 | 1996 |
| 2,697 | 0 | 5,537 | 292,318 | 261 | 5,543 | 4,298 | 19,299 | 241 | 29,641 | 321,563 | 1997 |
| 3,377 | 32 | 5,904 | 311,923 | 252 | 10,158 | 8,682 | 21,149 | 83 | 40,324 | 352,247 | 1998 |
| 23,221 | 15 | 36,231 | 925,082 | 967 | 38,214 | 11,240 | 22,567 | 711 | 73,699 | 997,934 | Raiffeisen banks 1994 |
| 25,184 | 14 | 34,295 | 991,971 | 1,108 | 54,401 | 11,328 | 23,918 | 544 | 91,298 | 1,081,955 | 1995 |
| 28,089 | 8 | 33,301 | 1,039,937 | 1,174 | 51,708 | 16,772 | 32,083 | 408 | 102,145 | 1,139,877 | 1996 |
| 32,441 | 4 | 39,923 | 1,086,227 | 1,227 | 58,393 | 26,183 | 47,187 | 417 | 133,407 | 1,216,953 | 1997 |
| 38,567 | 2 | 43,845 | 1,145,712 | 1,241 | 59,633 | 24,356 | 57,723 | 789 | 143,742 | 1,289,453 | 1998 |
| 2,652 | 2 | 11,072 | 206,016 | 214 | 3,410 | 6,350 | 4,036 | 444 | 14,454 | 219,955 | Volksbanken 1994 |
| 2,624 | 0 | 11,453 | 222,882 | 263 | 3,346 | 6,985 | 3,859 | 208 | 14,661 | 237,069 | 1995 |
| 3,736 | 6 | 11,937 | 234,432 | 303 | 4,121 | 7,467 | 5,266 | 179 | 17,335 | 251,367 | 1996 |
| 4,251 | 0 | 11,949 | 241,581 | 319 | 4,415 | 9,324 | 5,887 | 105 | 20,050 | 261,113 | 1997 |
| 4,592 | 0 | 11,986 | 262,640 | 346 | 5,393 | 9,632 | 7,088 | 60 | 22,518 | 285,158 | 1998 |
| 778 | 111 | 3,618 | 180,571 | – | 39 | 330 | 301 | – | 669 | 181,240 | Housing construction savings and loan associations 1994 |
| 778 | 37 | 3,122 | 194,589 | – | – | 553 | 303 | – | 856 | 195,445 | 1995 |
| 911 | 36 | 3,217 | 205,880 | – | – | 910 | 274 | – | 1,184 | 207,065 | 1996 |
| 780 | 12 | 4,391 | 221,493 | – | – | 2,216 | 253 | – | 2,470 | 223,962 | 1997 |
| 2,404 | 0 | 4,726 | 228,121 | – | 100 | 2,907 | 239 | – | 3,246 | 231,367 | 1998 |
| 9,444 | 25 | 27,656 | 327,341 | 55 | 50,751 | 4,694 | 5,619 | 617 | 61,737 | 388,600 | Special purpose banks³⁾ 1994 |
| 7,868 | 0 | 15,513 | 346,210 | 51 | 44,970 | 6,268 | 5,187 | 560 | 57,036 | 403,190 | 1995 |
| 7,900 | 217 | 28,210 | 345,806 | 80 | 46,139 | 8,094 | 6,918 | 909 | 62,141 | 407,947 | 1996 |
| 5,227 | 10 | 28,082 | 324,243 | 1 | 58,304 | 7,860 | 26,732 | 1,252 | 94,149 | 418,392 | 1997 |
| 4,370 | 9 | 25,351 | 350,889 | 1 | 55,308 | 14,484 | 28,841 | 5,452 | 104,086 | 454,975 | 1998 |
| 111,658 | 381 | 179,117 | 4,056,167 | 3,698 | 630,706 | 131,403 | 262,338 | 11,318 | 1,039,462 | 5,078,727 | All sectors 1994 |
| 112,535 | 308 | 155,092 | 4,268,238 | 3,855 | 701,239 | 150,560 | 272,650 | 10,155 | 1,138,458 | 5,382,997 | 1995 |
| 115,417 | 552 | 174,501 | 4,421,981 | 4,646 | 725,729 | 213,768 | 305,383 | 5,097 | 1,254,622 | 5,650,976 | 1996 |
| 148,531 | 845 | 175,651 | 4,573,650 | 4,993 | 752,838 | 288,228 | 393,391 | 10,607 | 1,450,058 | 5,999,832 | 1997 |
| 168,443 | 1,302 | 203,395 | 5,093,063 | 5,647 | 691,130 | 378,678 | 432,222 | 16,116 | 1,523,792 | 6,616,768 | 1998 |

Monthly Returns of Domestic Credit Institutions¹⁾ – contd.

| End of period | Domestic liabilities | | | | | | | | | | | | |
|---|--------------------------------|---------------------------|--------------------------------|-----------------------------|---------------------------|---------------|---------------------|--------------------------|----------|-------------------|--------------------------------|--------------------------------|-------|
| | Domestic interbank liabilities | Domestic nonbank deposits | | | | | Own domestic issues | Domestic nominal capital | Reserves | Liability reserve | Domestic participation capital | Domestic supplementary capital | |
| | sight deposits | time deposits | savings deposits ²⁾ | schilling deposits (2 to 4) | foreign currency deposits | total (5 + 6) | | | | | | | |
| ATS million | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 |
| Joint stock banks and bankers³⁾ | | | | | | | | | | | | | |
| 1994 | 229,234 | 56,809 | 29,695 | 230,943 | 317,447 | 76,238 | 393,685 | 156,945 | 9,976 | 26,115 | 16,560 | 496 | 435 |
| 1995 | 260,478 | 66,143 | 30,877 | 230,848 | 327,868 | 71,563 | 399,431 | 166,424 | 9,544 | 28,277 | 16,463 | 1,356 | 390 |
| 1996 | 244,729 | 70,594 | 30,152 | 241,564 | 342,310 | 72,424 | 414,735 | 159,970 | 9,212 | 29,491 | 17,417 | 1,308 | 355 |
| 1997 | 219,290 | 91,886 | 35,822 | 331,580 | 459,289 | 72,571 | 531,859 | 175,443 | 11,395 | 34,291 | 19,779 | 1,464 | 505 |
| 1998 | 418,191 | 110,503 | 40,274 | 338,735 | 489,511 | 76,196 | 565,707 | 164,388 | 9,647 | 44,775 | 20,762 | 1,235 | 512 |
| Savings banks | | | | | | | | | | | | | |
| 1994 | 246,563 | 80,246 | 35,579 | 494,721 | 610,546 | 43,428 | 653,974 | 180,522 | 14,970 | 34,491 | 20,753 | 998 | 440 |
| 1995 | 250,843 | 99,383 | 30,034 | 507,294 | 636,711 | 48,545 | 685,256 | 196,738 | 15,271 | 38,149 | 22,156 | 753 | 632 |
| 1996 | 250,839 | 102,317 | 29,690 | 500,871 | 632,878 | 47,887 | 680,765 | 199,104 | 15,333 | 45,061 | 22,569 | 610 | 421 |
| 1997 | 244,238 | 109,428 | 26,704 | 498,109 | 634,240 | 47,591 | 681,831 | 199,051 | 15,981 | 54,869 | 24,045 | 1,033 | 456 |
| 1998 | 349,826 | 120,778 | 55,604 | 497,960 | 674,343 | 47,042 | 721,385 | 205,802 | 18,140 | 62,880 | 26,745 | 236 | 454 |
| State mortgage banks | | | | | | | | | | | | | |
| 1994 | 20,412 | 9,825 | 5,965 | 42,120 | 57,909 | 4,440 | 62,350 | 149,051 | 918 | 4,799 | 2,684 | 154 | 912 |
| 1995 | 18,867 | 10,975 | 6,018 | 47,732 | 64,725 | 5,239 | 69,964 | 155,188 | 1,153 | 5,168 | 2,675 | 118 | 500 |
| 1996 | 20,718 | 14,639 | 5,075 | 51,686 | 71,401 | 4,881 | 76,281 | 155,116 | 1,917 | 5,314 | 3,036 | 32 | 513 |
| 1997 | 22,027 | 15,778 | 4,957 | 54,455 | 75,189 | 2,506 | 77,695 | 162,621 | 1,798 | 6,009 | 3,375 | 32 | 485 |
| 1998 | 34,054 | 17,988 | 7,406 | 56,948 | 82,342 | 1,623 | 83,965 | 163,641 | 2,190 | 7,438 | 3,655 | 32 | 343 |
| Raiffeisen banks | | | | | | | | | | | | | |
| 1994 | 273,118 | 47,525 | 20,940 | 394,531 | 462,997 | 16,134 | 479,131 | 78,026 | 9,247 | 29,847 | 14,370 | 518 | 849 |
| 1995 | 304,138 | 57,544 | 17,964 | 415,033 | 490,541 | 17,721 | 508,263 | 87,946 | 9,365 | 33,931 | 13,275 | 518 | 910 |
| 1996 | 317,334 | 60,629 | 13,913 | 422,415 | 496,957 | 27,879 | 524,836 | 97,571 | 10,747 | 36,159 | 13,925 | 2 | 903 |
| 1997 | 317,856 | 67,234 | 20,744 | 425,952 | 513,929 | 29,374 | 543,303 | 114,323 | 10,531 | 37,824 | 15,369 | 2 | 825 |
| 1998 | 334,872 | 77,663 | 31,653 | 436,553 | 545,869 | 16,974 | 562,842 | 120,652 | 10,898 | 40,103 | 16,963 | 152 | 1,147 |
| Volksbanken | | | | | | | | | | | | | |
| 1994 | 41,829 | 12,419 | 2,339 | 96,382 | 111,141 | 2,656 | 113,797 | 23,755 | 2,555 | 4,936 | 3,203 | 301 | 252 |
| 1995 | 44,849 | 14,583 | 2,363 | 100,081 | 117,027 | 3,492 | 120,519 | 25,686 | 2,608 | 5,674 | 3,303 | 319 | 321 |
| 1996 | 50,785 | 16,867 | 2,391 | 102,968 | 122,227 | 3,569 | 125,796 | 23,906 | 2,932 | 7,252 | 3,626 | 323 | 410 |
| 1997 | 52,500 | 17,670 | 1,798 | 103,480 | 122,948 | 4,939 | 127,887 | 23,689 | 3,036 | 7,742 | 3,986 | 322 | 421 |
| 1998 | 56,187 | 19,908 | 3,582 | 106,073 | 129,563 | 4,195 | 133,758 | 28,770 | 3,062 | 8,057 | 4,263 | 339 | 146 |
| Housing construction savings and loan associations | | | | | | | | | | | | | |
| 1994 | 713 | 91 | 5,215 | 162,457 | 167,764 | 83 | 167,846 | 800 | 1,355 | 1,548 | 949 | – | 625 |
| 1995 | 2,346 | 487 | 3,665 | 174,466 | 178,617 | 86 | 178,703 | 1,510 | 1,365 | 1,446 | 1,941 | – | 497 |
| 1996 | 1,440 | 274 | 2,719 | 187,866 | 190,859 | 92 | 190,951 | 2,932 | 1,403 | 1,504 | 2,016 | – | – |
| 1997 | 1,105 | 540 | 1,703 | 204,263 | 206,506 | 90 | 206,595 | 3,937 | 1,956 | 1,496 | 2,121 | – | – |
| 1998 | 781 | 350 | 974 | 211,445 | 212,769 | 84 | 212,853 | 3,846 | 2,598 | 3,394 | 2,305 | – | – |
| Special purpose banks³⁾ | | | | | | | | | | | | | |
| 1994 | 79,118 | 15,075 | 31,688 | 76,214 | 122,976 | 2,374 | 125,350 | 49,707 | 5,866 | 11,618 | 3,384 | 137 | 328 |
| 1995 | 84,706 | 17,328 | 32,659 | 76,145 | 126,133 | 4,024 | 130,157 | 63,481 | 6,340 | 10,964 | 2,613 | 137 | 308 |
| 1996 | 74,807 | 19,150 | 32,844 | 76,788 | 128,782 | 2,881 | 131,662 | 69,441 | 6,453 | 11,042 | 2,958 | 137 | 298 |
| 1997 | 69,590 | 3,537 | 9,128 | – | 12,665 | 2,051 | 14,716 | 50,954 | 5,879 | 6,450 | 2,309 | 3 | 227 |
| 1998 | 79,258 | 2,879 | 9,270 | – | 12,149 | 1,322 | 13,471 | 41,222 | 6,428 | 17,863 | 2,411 | 3 | 227 |
| All sectors | | | | | | | | | | | | | |
| 1994 | 890,987 | 221,989 | 131,421 | 1,497,370 | 1,850,780 | 145,352 | 1,996,132 | 638,806 | 44,887 | 113,354 | 61,903 | 2,604 | 3,840 |
| 1995 | 966,226 | 266,442 | 123,581 | 1,551,599 | 1,941,622 | 150,671 | 2,092,293 | 696,972 | 45,647 | 123,610 | 62,426 | 3,200 | 3,558 |
| 1996 | 960,653 | 284,470 | 116,786 | 1,584,157 | 1,985,414 | 159,612 | 2,145,025 | 708,040 | 47,997 | 135,824 | 65,547 | 2,412 | 2,901 |
| 1997 | 926,606 | 306,071 | 100,855 | 1,617,839 | 2,024,765 | 159,121 | 2,183,886 | 730,018 | 50,576 | 148,681 | 70,984 | 2,856 | 2,919 |
| 1998 | 1,273,168 | 350,070 | 148,763 | 1,647,714 | 2,146,547 | 147,434 | 2,293,981 | 728,321 | 52,962 | 184,508 | 77,104 | 1,997 | 2,829 |

Source: OeNB.

¹⁾ Credit institutions within the meaning of the Austrian Banking Act. From the December 1995 reporting period based on Austrian credit institutions' new monthly return.

²⁾ Thereof capitalized interest (all sectors): 1994: ATS 57,738 million, 1995: ATS 58,556 million, 1996: ATS 49,966 million, 1997: ATS 47,230 million, 1998: ATS 47,148 million.

³⁾ From the May 1997 reporting period a credit institution in the sector special purpose banks was reclassified under the sector joint stock banks and bankers and another from the sector joint stock banks was reclassified under the sector special purpose banks.

| | | Foreign liabilities | | | | | | | | Total liabilities (15 + 23) | End of period |
|----------------------------|---|-------------------------------|--------------------------|--------------------|-------------------------|-------------------------------|-------------------------------|---------------------------|--------------------------------------|-----------------------------|---|
| Other domestic liabilities | Total domestic liabilities (1, 7 to 14) | Foreign interbank liabilities | Foreign nonbank deposits | Own foreign issues | Foreign nominal capital | Foreign participation capital | Foreign supplementary capital | Other foreign liabilities | Total foreign liabilities (16 to 22) | | |
| 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | |
| | | | | | | | | | | | Joint stock banks and bankers³⁾ |
| 57,592 | 891,038 | 278,970 | 98,456 | 169,535 | 3,838 | 77 | 666 | 5,325 | 556,867 | 1,447,906 | 1994 |
| 45,525 | 927,889 | 310,110 | 84,235 | 195,192 | 4,194 | 77 | 586 | 5,896 | 600,291 | 1,528,180 | 1995 |
| 45,374 | 922,592 | 360,571 | 105,859 | 202,728 | 4,904 | 125 | 708 | 2,772 | 677,666 | 1,600,258 | 1996 |
| 60,240 | 1,054,267 | 406,555 | 118,167 | 121,409 | 4,473 | 125 | 579 | 3,819 | 655,126 | 1,709,392 | 1997 |
| 74,773 | 1,299,988 | 148,179 | 98,978 | 68,889 | 3,797 | 10 | 496 | 2,373 | 322,722 | 1,622,710 | 1998 |
| | | | | | | | | | | | Savings banks |
| 61,767 | 1,214,478 | 229,857 | 88,830 | 40,280 | 649 | 156 | 69 | 2,802 | 362,644 | 1,577,122 | 1994 |
| 67,282 | 1,277,080 | 241,777 | 82,903 | 47,580 | 499 | 156 | 45 | 3,761 | 376,722 | 1,653,802 | 1995 |
| 72,764 | 1,287,467 | 295,270 | 81,931 | 76,956 | 1,252 | 156 | 7 | 1,844 | 457,416 | 1,744,883 | 1996 |
| 75,788 | 1,297,292 | 355,850 | 93,288 | 97,458 | 1,858 | 114 | 8 | 2,587 | 551,164 | 1,848,456 | 1997 |
| 80,979 | 1,466,447 | 575,660 | 145,572 | 185,712 | 1,326 | 114 | 9 | 6,017 | 914,411 | 2,380,858 | 1998 |
| | | | | | | | | | | | State mortgage banks |
| 9,155 | 250,433 | 1,684 | 13,166 | 687 | — | — | — | 0 | 15,538 | 265,971 | 1994 |
| 9,594 | 263,229 | 2,843 | 10,292 | 6,959 | — | — | 21 | 13 | 20,128 | 283,357 | 1995 |
| 10,974 | 273,902 | 4,848 | 12,414 | 8,353 | — | — | 21 | 42 | 25,678 | 299,579 | 1996 |
| 10,266 | 284,309 | 13,312 | 13,577 | 10,164 | — | — | 21 | 179 | 37,254 | 321,563 | 1997 |
| 10,101 | 305,418 | 18,981 | 14,452 | 13,190 | 86 | — | 21 | 99 | 46,829 | 352,247 | 1998 |
| | | | | | | | | | | | Raiffeisen banks |
| 28,936 | 914,041 | 24,905 | 53,617 | 4,193 | 6 | — | 137 | 1,034 | 83,892 | 997,934 | 1994 |
| 26,907 | 985,252 | 36,446 | 54,775 | 4,516 | 6 | — | 143 | 816 | 96,703 | 1,081,955 | 1995 |
| 28,312 | 1,029,790 | 45,446 | 57,714 | 5,908 | 3 | — | 144 | 872 | 110,087 | 1,139,877 | 1996 |
| 34,104 | 1,074,137 | 74,091 | 58,660 | 8,708 | 3 | — | 25 | 1,330 | 142,816 | 1,216,953 | 1997 |
| 34,652 | 1,122,282 | 92,946 | 57,015 | 16,190 | 3 | — | 26 | 991 | 167,171 | 1,289,453 | 1998 |
| | | | | | | | | | | | Volksbanken |
| 11,507 | 202,135 | 2,200 | 14,535 | 409 | 197 | — | 111 | 369 | 17,821 | 219,955 | 1994 |
| 13,807 | 217,085 | 4,568 | 14,168 | 979 | 198 | — | — | 70 | 19,984 | 237,069 | 1995 |
| 13,481 | 228,511 | 6,477 | 14,677 | 871 | 649 | 1 | 96 | 84 | 22,856 | 251,367 | 1996 |
| 14,122 | 233,704 | 10,290 | 15,272 | 837 | 715 | 5 | 282 | 8 | 27,410 | 261,113 | 1997 |
| 13,077 | 247,660 | 19,166 | 15,674 | 1,926 | 717 | 5 | — | 10 | 37,498 | 285,158 | 1998 |
| | | | | | | | | | | | Housing construction savings and loan associations |
| 7,240 | 181,077 | — | 93 | — | 18 | — | 53 | — | 163 | 181,240 | 1994 |
| 7,534 | 195,342 | — | 82 | 3 | 18 | — | — | — | 103 | 195,445 | 1995 |
| 6,673 | 206,919 | — | 111 | 9 | 25 | — | — | — | 146 | 207,065 | 1996 |
| 6,612 | 223,822 | — | 106 | 9 | 25 | — | — | — | 141 | 223,962 | 1997 |
| 5,420 | 231,195 | — | 129 | 5 | 38 | — | — | — | 171 | 231,367 | 1998 |
| | | | | | | | | | | | Special purpose banks³⁾ |
| 35,954 | 311,462 | 45,154 | 7,220 | 23,245 | 978 | — | — | 542 | 77,138 | 388,600 | 1994 |
| 28,943 | 327,648 | 34,576 | 7,640 | 32,447 | 495 | — | — | 384 | 75,542 | 403,190 | 1995 |
| 25,386 | 322,184 | 35,663 | 8,466 | 40,679 | 510 | — | — | 445 | 85,763 | 407,947 | 1996 |
| 32,855 | 182,983 | 38,524 | 1,454 | 193,325 | 512 | — | — | 1,594 | 235,409 | 418,392 | 1997 |
| 36,181 | 197,063 | 39,172 | 1,346 | 214,461 | 690 | — | — | 2,243 | 257,912 | 454,975 | 1998 |
| | | | | | | | | | | | All sectors |
| 212,150 | 3,964,664 | 582,770 | 275,916 | 238,349 | 5,687 | 233 | 1,037 | 10,072 | 1,114,063 | 5,078,727 | 1994 |
| 199,592 | 4,193,524 | 630,320 | 254,096 | 287,678 | 5,410 | 233 | 796 | 10,941 | 1,189,473 | 5,382,997 | 1995 |
| 202,964 | 4,271,364 | 748,275 | 281,172 | 335,504 | 7,343 | 282 | 976 | 6,059 | 1,379,612 | 5,650,976 | 1996 |
| 233,987 | 4,350,514 | 898,621 | 300,525 | 431,909 | 7,586 | 244 | 915 | 9,518 | 1,649,318 | 5,999,832 | 1997 |
| 255,184 | 4,870,055 | 894,103 | 333,166 | 500,374 | 6,657 | 130 | 552 | 11,733 | 1,746,714 | 6,616,768 | 1998 |

Earnings Position of Domestic Credit Institutions¹⁾

| | Joint stock banks and bankers ²⁾ | Savings banks | State mortgage banks | Raiffeisen banks | Volks- banken | Housing construction savings and loan associations | Special purpose banks ²⁾ | Total |
|--|---|------------------|----------------------------|---------------------|------------------|--|---|---------|
| <i>ATS million</i> | | | | | | | | |
| Interest and interest-related income | | | | | | | | |
| 1994 | 82,665 | 98,560 | 18,646 | 60,927 | 14,879 | 10,516 | 20,952 | 307,144 |
| 1995 | 87,076 | 102,910 | 20,131 | 62,607 | 15,188 | 11,439 | 22,115 | 321,466 |
| 1996 | 82,252 | 94,338 | 19,796 | 59,648 | 14,731 | 11,959 | 19,276 | 302,000 |
| 1997 | 85,255 | 95,954 | 19,747 | 59,118 | 14,007 | 12,356 | 17,926 | 304,362 |
| 1998 | 74,159 | 115,182 | 20,358 | 60,219 | 14,139 | 12,644 | 19,390 | 316,090 |
| Interest and interest-related expenditure | | | | | | | | |
| 1994 | 63,520 | 69,157 | 14,945 | 40,632 | 9,404 | 7,148 | 16,853 | 221,659 |
| 1995 | 67,757 | 71,929 | 15,905 | 41,023 | 9,251 | 7,667 | 17,575 | 231,108 |
| 1996 | 61,720 | 63,503 | 15,202 | 37,566 | 8,746 | 8,079 | 15,099 | 209,915 |
| 1997 | 62,252 | 66,969 | 15,064 | 37,546 | 8,223 | 9,052 | 15,795 | 214,900 |
| 1998 | 52,433 | 86,892 | 15,673 | 38,785 | 8,488 | 9,557 | 16,963 | 228,790 |
| Net interest income | | | | | | | | |
| 1994 | 19,146 | 29,403 | 3,701 | 20,294 | 5,476 | 3,367 | 4,099 | 85,486 |
| 1995 | 19,318 | 30,981 | 4,226 | 21,584 | 5,937 | 3,772 | 4,540 | 90,358 |
| 1996 | 20,532 | 30,835 | 4,594 | 22,082 | 5,985 | 3,880 | 4,177 | 92,085 |
| 1997 | 23,003 | 28,985 | 4,683 | 21,572 | 5,784 | 3,304 | 2,131 | 89,462 |
| 1998 | 21,725 | 28,290 | 4,685 | 21,434 | 5,651 | 3,087 | 2,427 | 87,300 |
| Income from securities and participations | | | | | | | | |
| 1994 | 2,200 | 3,068 | 223 | 1,828 | 430 | 251 | 734 | 8,734 |
| 1995 | 2,330 | 3,383 | 270 | 1,859 | 525 | 246 | 314 | 8,927 |
| 1996 | 2,489 | 3,647 | 343 | 2,527 | 616 | 310 | 363 | 10,296 |
| 1997 | 2,674 | 4,332 | 407 | 3,410 | 706 | 467 | 974 | 12,970 |
| 1998 | 3,760 | 9,670 | 390 | 3,383 | 701 | 699 | 456 | 19,059 |
| Commissions income | | | | | | | | |
| 1994 | 9,300 | 8,667 | 709 | 5,570 | 1,467 | 1,125 | 4,858 | 31,697 |
| 1995 | 8,893 | 8,496 | 765 | 5,645 | 1,568 | 699 | 5,201 | 31,266 |
| 1996 | 9,539 | 9,315 | 861 | 6,413 | 1,816 | 755 | 6,488 | 35,188 |
| 1997 | 10,934 | 10,080 | 905 | 7,091 | 1,973 | 464 | 6,316 | 37,762 |
| 1998 | 11,907 | 11,696 | 1,047 | 8,208 | 2,253 | 722 | 7,323 | 43,155 |
| Commissions expenditure | | | | | | | | |
| 1994 | 2,523 | 1,234 | 108 | 764 | 131 | 349 | 1,214 | 6,324 |
| 1995 | 2,217 | 1,297 | 107 | 854 | 159 | 458 | 1,256 | 6,350 |
| 1996 | 2,251 | 1,384 | 121 | 1,020 | 176 | 506 | 1,970 | 7,428 |
| 1997 | 1,922 | 1,750 | 126 | 1,241 | 198 | 437 | 2,511 | 8,185 |
| 1998 | 1,999 | 2,201 | 182 | 1,557 | 271 | 440 | 3,542 | 10,193 |
| Net commissionst | | | | | | | | |
| 1994 | 6,777 | 7,433 | 601 | 4,806 | 1,336 | 776 | 3,644 | 25,373 |
| 1995 | 6,675 | 7,199 | 657 | 4,791 | 1,408 | 241 | 3,945 | 24,916 |
| 1996 | 7,288 | 7,931 | 740 | 5,393 | 1,640 | 250 | 4,519 | 27,760 |
| 1997 | 9,012 | 8,330 | 779 | 5,849 | 1,775 | 28 | 3,805 | 29,577 |
| 1998 | 9,907 | 9,495 | 864 | 6,650 | 1,982 | 282 | 3,781 | 32,962 |
| Net income from/expenditure on financial transactions | | | | | | | | |
| 1994 | 2,452 | 2,064 | 437 | 859 | 95 | 4 | 576 | 6,488 |
| 1995 | 2,766 | 2,320 | 357 | 1,138 | 78 | - 9 | 774 | 7,425 |
| 1996 | 2,510 | 2,956 | 348 | 1,247 | 109 | x | 787 | 7,957 |
| 1997 | 3,051 | 3,111 | 476 | 1,434 | 87 | 0 | 349 | 8,508 |
| 1998 | 2,664 | 3,973 | 514 | 1,117 | 163 | 23 | 641 | 9,094 |
| Other operating income | | | | | | | | |
| 1994 | 5,514 | 1,010 | 123 | 2,190 | 798 | 44 | 5,505 | 15,185 |
| 1995 | 5,114 | 1,059 | 100 | 2,137 | 839 | 748 | 5,985 | 15,982 |
| 1996 | 5,240 | 1,181 | 93 | 2,480 | 818 | 820 | 6,801 | 17,433 |
| 1997 | 5,992 | 1,274 | 136 | 2,470 | 780 | 1,193 | 4,692 | 16,537 |
| 1998 | 6,734 | 1,125 | 106 | 2,782 | 722 | 981 | 4,873 | 17,323 |
| Operating income | | | | | | | | |
| 1994 | 36,087 | 42,978 | 5,085 | 29,978 | 8,135 | 4,443 | 14,559 | 141,265 |
| 1995 | 36,204 | 44,942 | 5,610 | 31,508 | 8,787 | 4,997 | 15,559 | 147,608 |
| 1996 | 38,060 | 46,550 | 6,118 | 33,729 | 9,168 | 5,260 | 16,648 | 155,531 |
| 1997 | 43,732 | 46,032 | 6,481 | 34,736 | 9,132 | 4,991 | 11,950 | 157,054 |
| 1998 | 44,791 | 52,553 | 6,560 | 35,365 | 9,219 | 5,072 | 12,179 | 165,738 |
| General administrative expenditure | | | | | | | | |
| 1994 | 18,682 | 27,199 | 2,777 | 16,576 | 4,389 | 3,566 | 5,175 | 78,363 |
| 1995 | 20,057 | 28,636 | 3,037 | 18,331 | 4,614 | 2,995 | 6,523 | 84,193 |
| 1996 | 21,373 | 29,114 | 3,090 | 19,171 | 4,838 | 3,114 | 7,281 | 87,981 |
| 1997 | 24,644 | 28,842 | 3,325 | 20,183 | 5,004 | 3,172 | 4,830 | 90,001 |
| 1998 | 25,887 | 30,374 | 3,473 | 21,211 | 4,984 | 3,181 | 4,811 | 93,920 |
| Personnel expenditure | | | | | | | | |
| 1994 | 12,387 | 18,591 | 2,000 | 10,966 | 2,990 | 1,263 | 2,470 | 50,668 |
| 1995 | 13,036 | 19,292 | 2,129 | 12,092 | 3,145 | 1,360 | 3,037 | 54,092 |
| 1996 | 13,711 | 19,528 | 2,144 | 12,640 | 3,330 | 1,394 | 3,127 | 55,874 |
| 1997 | 14,758 | 19,597 | 2,287 | 13,073 | 3,447 | 1,461 | 2,434 | 57,056 |
| 1998 | 14,582 | 20,761 | 2,298 | 13,616 | 3,351 | 1,516 | 2,324 | 58,447 |

Source: OeNB.

¹⁾ Credit institutions within the meaning of the Austrian Banking Act. Based on quarterly reports. The reorganization of the quarterly reports in 1995 limits the comparability with preceding review years. To this end, the old quarterly report items were calculated as best possible using the new definitions.

²⁾ From the May 1997 reporting period a credit institution in the sector special purpose banks was reclassified under the sector joint stock banks and bankers and another from the sector joint stock banks and bankers to the sector special purpose banks.

| | Joint stock banks and bankers ²⁾ | Savings banks | State mortgage banks | Raiffeisen banks | Volks- banken | Housing construction savings and loan associations | Special purpose banks ²⁾ | Total |
|---|---|------------------|----------------------------|---------------------|------------------|--|---|---------|
| <i>ATS million</i> | | | | | | | | |
| Material expenditure | | | | | | | | |
| 1994 | 6,295 | 8,608 | 777 | 5,610 | 1,399 | 2,302 | 2,705 | 27,695 |
| 1995 | 7,020 | 9,344 | 907 | 6,239 | 1,469 | 1,635 | 3,486 | 30,101 |
| 1996 | 7,662 | 9,586 | 946 | 6,531 | 1,508 | 1,720 | 4,154 | 32,107 |
| 1997 | 9,887 | 9,245 | 1,038 | 7,111 | 1,557 | 1,711 | 2,396 | 32,945 |
| 1998 | 11,305 | 9,613 | 1,175 | 7,595 | 1,633 | 1,665 | 2,487 | 35,473 |
| Ordinary depreciation on tangible and intangible fixed assets | | | | | | | | |
| 1994 | 1,252 | 1,819 | 250 | 1,379 | 452 | 139 | 1,873 | 7,164 |
| 1995 | 1,367 | 2,627 | 259 | 1,554 | 540 | 150 | 467 | 6,965 |
| 1996 | 1,483 | 2,653 | 258 | 1,697 | 501 | 153 | 480 | 7,225 |
| 1997 | 1,795 | 2,632 | 263 | 1,818 | 490 | 161 | 328 | 7,488 |
| 1998 | 1,955 | 2,779 | 292 | 2,036 | 508 | 167 | 331 | 8,069 |
| Other operating expenditure | | | | | | | | |
| 1994 | 4,723 | 738 | 58 | 1,611 | 576 | 16 | 3,247 | 10,968 |
| 1995 | 3,921 | 493 | 16 | 592 | 493 | 925 | 4,418 | 11,057 |
| 1996 | 3,585 | 544 | 26 | 948 | 682 | 1,056 | 4,782 | 11,622 |
| 1997 | 3,867 | 630 | 24 | 1,061 | 688 | 842 | 3,832 | 10,944 |
| 1998 | 4,012 | 665 | 28 | 1,074 | 648 | 822 | 3,600 | 10,848 |
| Operating expenditure | | | | | | | | |
| 1994 | 24,657 | 29,755 | 3,085 | 19,567 | 5,417 | 3,720 | 10,295 | 96,495 |
| 1995 | 25,345 | 31,757 | 3,312 | 20,476 | 5,848 | 4,070 | 11,408 | 102,216 |
| 1996 | 26,441 | 32,312 | 3,374 | 21,816 | 6,020 | 4,323 | 12,542 | 106,828 |
| 1997 | 30,306 | 32,104 | 3,612 | 23,063 | 6,182 | 4,175 | 8,990 | 108,433 |
| 1998 | 31,855 | 33,818 | 3,793 | 24,320 | 6,141 | 4,170 | 8,741 | 112,837 |
| Operating result | | | | | | | | |
| 1994 | 11,431 | 13,223 | 2,000 | 10,412 | 2,719 | 722 | 4,264 | 44,770 |
| 1995 | 10,859 | 13,185 | 2,298 | 11,031 | 2,939 | 927 | 4,150 | 45,391 |
| 1996 | 11,618 | 14,238 | 2,744 | 11,914 | 3,147 | 936 | 4,106 | 48,703 |
| 1997 | 13,426 | 13,928 | 2,869 | 11,674 | 2,949 | 816 | 2,960 | 48,622 |
| 1998 | 12,936 | 18,735 | 2,767 | 11,046 | 3,078 | 902 | 3,437 | 52,901 |
| Expected annual operating result | | | | | | | | |
| 1994 | 11,762 | 15,190 | 1,913 | 9,726 | 2,557 | 707 | 3,701 | 45,557 |
| 1995 | 10,758 | 13,180 | 2,289 | 10,802 | 2,859 | 914 | 4,168 | 44,970 |
| 1996 | 11,654 | 14,228 | 2,710 | 11,612 | 3,082 | 889 | 4,072 | 48,247 |
| 1997 | 13,285 | 13,923 | 2,834 | 11,380 | 2,925 | 751 | 2,752 | 47,850 |
| 1998 ³⁾ | 13,140 | 18,735 | 2,762 | 10,885 | 3,048 | 789 | 3,556 | 52,915 |
| Expected net provision against bad debts ⁴⁾ | | | | | | | | |
| 1994 ⁵⁾ | 7,152 | 9,533 | 1,145 | 5,014 | 1,225 | 304 | 887 | 25,260 |
| 1995 ⁵⁾ | 6,238 | 6,919 | 1,007 | 4,428 | 1,243 | 30 | 1,071 | 20,936 |
| 1996 ⁵⁾ | 6,309 | 8,209 | 1,217 | 4,923 | 1,392 | 130 | 315 | 22,495 |
| 1997 ⁵⁾ | 4,396 | 8,394 | 1,282 | 5,326 | 1,024 | 27 | 392 | 20,842 |
| 1998 ³⁾ | 5,899 | 8,478 | 1,332 | 5,000 | 1,426 | 94 | 1,236 | 23,465 |
| Expected profit/loss on ordinary activities | | | | | | | | |
| 1994 | 4,610 | 5,657 | 768 | 4,712 | 1,332 | 403 | 2,814 | 20,297 |
| 1995 | 4,519 | 6,262 | 1,282 | 6,374 | 1,616 | 884 | 3,097 | 24,034 |
| 1996 | 5,346 | 6,019 | 1,493 | 6,689 | 1,690 | 759 | 3,756 | 25,753 |
| 1997 | 8,889 | 5,529 | 1,551 | 6,054 | 1,901 | 724 | 2,360 | 27,009 |
| 1998 ³⁾ | 7,241 | 10,257 | 1,429 | 5,885 | 1,622 | 695 | 2,320 | 29,449 |
| Expected net extraordinary income/expenditure | | | | | | | | |
| 1994 | - 66 | - 90 | - 8 | - 69 | - 9 | - 15 | - 40 | - 298 |
| 1995 | - 613 | - 270 | - 55 | - 26 | - 8 | - 9 | - 1,096 | - 2,025 |
| 1996 | - 1,339 | - 635 | - 1 | - 226 | - 143 | - 23 | - 33 | - 2,331 |
| 1997 | - 917 | - 593 | - 243 | - 11 | - 236 | - 13 | - 6 | - 2,019 |
| 1998 ³⁾ | - 755 | - 2,181 | - 78 | - 162 | - 15 | - 16 | - 9 | - 2,892 |
| Expected taxes on income/earnings and other taxes | | | | | | | | |
| 1994 | 586 | 431 | 139 | 823 | 203 | 81 | 496 | 2,758 |
| 1995 | 482 | 478 | 260 | 1,757 | 217 | 182 | 820 | 4,195 |
| 1996 | 1,102 | 867 | 419 | 1,737 | 356 | 165 | 1,126 | 5,771 |
| 1997 | 1,365 | 914 | 366 | 1,663 | 320 | 159 | 841 | 5,629 |
| 1998 ³⁾ | 956 | 789 | 296 | 1,380 | 275 | 152 | 329 | 4,176 |
| Expected profit after tax/loss for the year | | | | | | | | |
| 1994 | 4,090 | 5,316 | 638 | 3,959 | 1,139 | 337 | 2,358 | 17,836 |
| 1995 | 3,424 | 5,514 | 968 | 4,643 | 1,391 | 694 | 1,182 | 17,814 |
| 1996 | 2,905 | 4,518 | 1,075 | 4,727 | 1,191 | 572 | 2,663 | 17,650 |
| 1997 | 6,607 | 4,022 | 942 | 4,380 | 1,345 | 552 | 1,513 | 19,361 |
| 1998 ³⁾ | 5,531 | 7,286 | 1,055 | 4,668 | 1,332 | 526 | 1,982 | 22,381 |

³⁾ Forecast.

⁴⁾ Includes write-offs already made.

⁵⁾ Credit business accounted for ATS 18.9 billion thereof in 1994, ATS 24.8 billion in 1995, ATS 25.3 billion in 1996, ATS 23.5 billion in 1997; forecast for 1998: ATS 18.7 billion.

Own Funds Pursuant to § 23 Austrian Banking Act 1993

| End of period | Own funds | | | | | Basis of assessment | Own funds (5 in 6) |
|---|-------------------------------|---|----------------|------------------|-----------------------|---------------------|--------------------|
| | tier I capital (core capital) | tier II capital (supplementary capital) | deduction item | tier III capital | total (1 + 2 - 3 + 4) | | |
| | ATS million | | | | | % | |
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
| Joint stock banks and bankers | | | | | | | |
| 1997 | 72,390 | 33,844 | 5,660 | – | 100,574 | 853,429 | 11.78 |
| 1998 | 76,147 | 36,664 | 9,237 | 162 | 103,737 | 848,441 | 12.23 |
| Savings banks | | | | | | | |
| 1997 | 93,166 | 59,729 | 2,881 | – | 150,014 | 1,009,045 | 14.87 |
| 1998 | 105,855 | 56,651 | 2,943 | – | 159,563 | 1,076,846 | 14.82 |
| State mortgage banks | | | | | | | |
| 1997 | 11,327 | 6,025 | 238 | – | 17,115 | 144,757 | 11.82 |
| 1998 | 13,266 | 6,557 | 380 | – | 19,443 | 160,857 | 12.09 |
| Raiffeisen banks | | | | | | | |
| 1997 | 62,640 | 22,842 | 2,888 | – | 82,594 | 698,986 | 11.82 |
| 1998 | 67,110 | 25,046 | 2,649 | – | 89,507 | 751,932 | 11.90 |
| Volksbanken | | | | | | | |
| 1997 | 15,766 | 4,570 | 9 | – | 20,328 | 171,595 | 11.85 |
| 1998 | 16,420 | 4,934 | 9 | 3 | 21,349 | 183,357 | 11.64 |
| Housing construction savings and loan associations | | | | | | | |
| 1997 | 5,567 | 2,681 | 453 | – | 7,795 | 95,440 | 8.17 |
| 1998 | 8,317 | 2,820 | 1,515 | – | 9,622 | 97,273 | 9.89 |
| Special purpose banks | | | | | | | |
| 1997 | 15,350 | 2,873 | 431 | – | 17,792 | 89,032 | 19.98 |
| 1998 | 27,407 | 3,038 | 502 | – | 29,943 | 90,223 | 33.19 |
| All sectors | | | | | | | |
| 1997 | 276,207 | 132,564 | 12,558 | – | 396,213 | 3,062,285 | 12.94 |
| 1998 | 314,522 | 135,711 | 17,235 | 165 | 433,163 | 3,208,930 | 13.50 |

Source: OeNB.

Assets Held by Domestic Investment Funds

| End of period | Domestic securities | | | | | | | Foreign securities | | | | | |
|-------------------------|-------------------------------|-----------------|------------------|---|------------------|-------------------------|------------------|--------------------|------------------|---|------------------|-------------------------|------------------|
| | Federal Treasury certificates | Debt securities | | Equity securities | | | | Debt securities | | Equity securities | | | |
| | | schilling | foreign currency | shares and other equities ¹⁾ | | investment certificates | | schilling | foreign currency | shares and other equities ¹⁾ | | investment certificates | |
| | | | | schilling | foreign currency | schilling | foreign currency | | | schilling | foreign currency | schilling | foreign currency |
| ATS million | | | | | | | | | | | | | |
| 1989 | 5,653 | 80,217 | 17,827 | 2,738 | 1 | x | x | 778 | 17,215 | 64 | 4,475 | x | x |
| 1990 | 6,923 | 77,408 | 16,636 | 4,373 | 2 | x | x | 483 | 18,825 | 171 | 4,796 | x | x |
| 1991 | 5,932 | 80,056 | 16,950 | 3,739 | 5 | x | x | 537 | 24,620 | 124 | 5,448 | x | x |
| 1992 | 6,071 | 87,047 | 16,890 | 3,903 | 2 | x | x | 507 | 27,904 | 278 | 4,895 | x | x |
| 1993 | 4,546 | 120,188 | 16,343 | 5,452 | 0 | x | x | 964 | 36,993 | 220 | 10,917 | x | x |
| 1994 | 7,337 | 130,240 | 13,750 | 7,052 | 12 | x | x | 1,126 | 49,204 | 593 | 15,755 | x | x |
| 1995 | 13,537 | 157,433 | 16,609 | 6,440 | 24 | 40 | 76 | 1,236 | 70,605 | 116 | 29,517 | - | 79 |
| 1996 | 16,552 | 208,539 | 15,632 | 7,801 | 12 | 61 | 25 | 1,343 | 97,948 | 68 | 41,547 | 28 | 168 |
| 1997 | 15,462 | 253,639 | 20,454 | 10,388 | 25 | 247 | 74 | 2,100 | 150,819 | 51 | 68,227 | 36 | 544 |
| 1998 | 18,942 | 320,167 | 23,073 | 16,689 | 60 | 14,647 | 1,978 | 2,323 | 198,283 | 89 | 112,682 | 33 | 3,046 |
| 1998 | | | | | | | | | | | | | |
| 1 st quarter | 16,482 | 269,981 | 21,043 | 12,864 | 16 | 222 | 69 | 2,105 | 161,144 | 56 | 88,424 | 49 | 907 |
| 2 nd quarter | 15,758 | 285,741 | 22,860 | 14,841 | 32 | 956 | 163 | 2,133 | 176,593 | 389 | 97,818 | 103 | 2,236 |
| 3 rd quarter | 12,202 | 301,353 | 24,349 | 12,323 | 93 | 8,235 | 1,026 | 2,375 | 185,089 | 60 | 85,101 | 37 | 2,820 |
| 4 th quarter | 18,942 | 320,167 | 23,073 | 16,689 | 60 | 14,647 | 1,978 | 2,323 | 198,283 | 89 | 112,682 | 33 | 3,046 |

| End of period | Other assets ²⁾ | | Total assets ²⁾ | | |
|-------------------------|----------------------------|------------------|----------------------------|------------------|---------|
| | schilling | foreign currency | schilling | foreign currency | total |
| ATS million | | | | | |
| 1989 | 21,354 | 326 | 110,804 | 39,844 | 150,648 |
| 1990 | 22,295 | 917 | 111,653 | 41,176 | 152,829 |
| 1991 | 23,045 | 924 | 113,434 | 47,946 | 161,380 |
| 1992 | 22,093 | 1,749 | 119,900 | 51,441 | 171,341 |
| 1993 | 24,800 | 1,690 | 156,169 | 65,943 | 222,112 |
| 1994 | 28,472 | 2,190 | 174,820 | 80,912 | 255,732 |
| 1995 | 27,800 | 9,315 | 206,603 | 126,224 | 332,827 |
| 1996 | 33,942 | 7,934 | 268,334 | 163,267 | 431,600 |
| 1997 | 32,852 | 12,523 | 314,776 | 252,665 | 567,441 |
| 1998 | 40,898 | 13,129 | 413,719 | 352,320 | 766,040 |
| 1998 | | | | | |
| 1 st quarter | 30,858 | 16,047 | 332,617 | 287,649 | 620,266 |
| 2 nd quarter | 31,445 | 13,454 | 351,365 | 313,157 | 664,522 |
| 3 rd quarter | 33,048 | 16,587 | 369,493 | 315,204 | 684,698 |
| 4 th quarter | 40,898 | 13,129 | 413,719 | 352,320 | 766,040 |

Source: OeNB.

¹⁾ Until the third quarter of 1995 a breakdown of equity securities into shares and other equities plus investment certificates was not feasible; the figures, thus, denote total equity securities in schilling and foreign currency, respectively.

²⁾ Correction required because of misclassification under "schilling" and "foreign currency."

Assets Held by Domestic Pension Funds

| End of period | Domestic securities | | | | | Foreign securities | | | | Deposits | Lending | Other assets | Total assets | | | | |
|-------------------------|-------------------------------|-----------------|------------------|-------------------------|------------------|--------------------|------------------|-------------------------|------------------|----------|---------|--------------|--------------|------------------|-----------|------------------|-------|
| | Federal Treasury certificates | Debt securities | | Investment certificates | Other securities | Debt securities | | Investment certificates | Other securities | | | | schilling | foreign currency | schilling | foreign currency | total |
| | | schilling | foreign currency | | | schilling | foreign currency | | | | | | | | | | |
| <i>ATS million</i> | | | | | | | | | | | | | | | | | |
| 1991 | x | x | x | x | x | x | x | x | x | x | x | x | x | x | 8,985 | | |
| 1992 | x | x | x | x | x | x | x | x | x | x | x | x | x | x | 11,025 | | |
| 1993 | 4 | 5,310 | 28 | 1,625 | 445 | 344 | 781 | 626 | 146 | 627 | 360 | 3,526 | 12,122 | 1,699 | 13,821 | | |
| 1994 | 48 | 2,773 | 6 | 5,683 | 456 | 169 | 486 | 1,142 | 51 | 942 | 989 | 3,568 | 14,896 | 1,417 | 16,313 | | |
| 1995 | 90 | 2,084 | 9 | 13,375 | 489 | 165 | 378 | 810 | 91 | 1,367 | 1,136 | 2,675 | 21,208 | 1,462 | 22,670 | | |
| 1996 | 93 | 1,477 | 61 | 23,023 | 534 | 270 | 262 | 1,180 | 81 | 540 | 1,315 | 996 | 28,146 | 1,686 | 29,832 | | |
| 1997 | 129 | 2,091 | 135 | 33,489 | 495 | 217 | 312 | 2,390 | 64 | 591 | 1,275 | 2,468 | 40,923 | 2,732 | 43,655 | | |
| 1998 | 451 | 2,281 | 50 | 52,248 | 44 | 218 | 341 | 3,127 | 61 | 835 | 1,282 | 3,475 | 60,802 | 3,610 | 64,411 | | |
| 1998 | | | | | | | | | | | | | | | | | |
| 1 st quarter | 25 | 2,090 | 73 | 37,055 | 597 | 309 | 390 | 2,952 | 95 | 312 | 1,281 | 1,595 | 43,770 | 3,003 | 46,773 | | |
| 2 nd quarter | 15 | 2,044 | 53 | 40,965 | 533 | 217 | 294 | 2,918 | 83 | 683 | 1,283 | 1,586 | 47,862 | 2,813 | 50,675 | | |
| 3 rd quarter | 17 | 2,285 | 40 | 43,399 | 385 | 221 | 338 | 2,498 | 68 | 396 | 1,296 | 2,555 | 50,594 | 2,904 | 53,498 | | |
| 4 th quarter | 451 | 2,281 | 50 | 52,248 | 44 | 218 | 341 | 3,127 | 61 | 835 | 1,282 | 3,475 | 60,802 | 3,610 | 64,411 | | |

Source: OeNB.

Discount and Lombard Rates of the Oesterreichische Nationalbank

| Applicable from | Discount rate (bank rate) | Lombard rates ¹⁾ | |
|-----------------------------------|------------------------------------|------------------------------------|---|
| | | for advances on government bonds | for advances on other securities or bills of exchange |
| % p. a. | | | |
| 1923 | | | |
| January 1 | 9 | 9 ¹ / ₂ | 10 |
| 1924 | | | |
| June 5 | 12 | 12 ¹ / ₂ | 13 |
| August 13 | 15 | 15 ¹ / ₂ | 16 |
| November 6 | 13 | 13 ¹ / ₂ | 14 |
| 1925 | | | |
| April 25 | 11 | 11 ¹ / ₂ | 12 |
| July 24 | 10 | 10 ¹ / ₂ | 11 |
| September 3 | 9 | 9 ¹ / ₂ | 10 |
| 1926 | | | |
| January 28 | 8 | 8 ¹ / ₂ | 9 |
| March 31 | 7 ¹ / ₂ | 8 | 8 ¹ / ₂ |
| August 7 | 7 | 7 ¹ / ₂ | 8 |
| 1927 | | | |
| January 18 | 6 ¹ / ₂ | 7 | 7 ¹ / ₂ |
| February 5 | 6 | 6 ¹ / ₂ | 7 |
| July 21 | 7 | 7 ¹ / ₂ | 8 |
| August 25 | 6 ¹ / ₂ | 7 | 7 ¹ / ₂ |
| 1928 | | | |
| January 28 | 6 | 6 ¹ / ₂ | 7 |
| July 17 | 6 ¹ / ₂ | 7 | 7 ¹ / ₂ |
| 1929 | | | |
| April 24 | 7 ¹ / ₂ | 8 | 8 ¹ / ₂ |
| September 28 | 8 ¹ / ₂ | 9 | 9 ¹ / ₂ |
| November 23 | 8 | 8 ¹ / ₂ | 9 |
| December 9 | 7 ¹ / ₂ | 8 | 8 ¹ / ₂ |
| 1930 | | | |
| January 25 | 7 | 7 ¹ / ₂ | 8 |
| February 11 | 6 ¹ / ₂ | 7 | 7 ¹ / ₂ |
| March 22 | 6 | 6 ¹ / ₂ | 7 |
| May 24 | 5 ¹ / ₂ | 6 | 6 ¹ / ₂ |
| September 10 | 5 | 5 ¹ / ₂ | 6 |
| 1931 | | | |
| June 8 | 6 | 6 ¹ / ₂ | 7 |
| June 16 | 7 ¹ / ₂ | 8 | 8 ¹ / ₂ |
| July 23 | 10 | 10 ¹ / ₂ | 11 |
| November 13 | 8 | 8 ¹ / ₂ | 9 |
| 1932 | | | |
| March 18 | 7 | 7 ¹ / ₂ | 8 |
| August 24 | 6 | 6 ¹ / ₂ | 7 |
| 1933 | | | |
| March 24 | 5 | 5 ¹ / ₂ | 6 |
| 1934 | | | |
| June 28 | 4 ¹ / ₂ | 5 | 5 ¹ / ₂ |
| 1935 | | | |
| February 23 | 4 | 4 ¹ / ₂ | 5 |
| July 10 (until March 17, 1938) | 3 ¹ / ₂ | 4 | 4 ¹ / ₂ |
| 1945 | | | |
| April | 3 ¹ / ₂ | 4 | 4 ¹ / ₂ |
| 1951 | | | |
| December 6 | 5 | 5 ¹ / ₂ | 6 |
| 1952 | | | |
| July 3 | 6 | 6 ¹ / ₂ | 7 |
| 1953 | | | |
| January 22 | 5 ¹ / ₂ | 6 | 6 ¹ / ₂ |
| March 26 | 5 | 5 ¹ / ₂ | 6 |
| September 24 | 4 | 4 ¹ / ₂ | 5 |
| 1954 | | | |
| June 3 | 3 ¹ / ₂ | 4 | 4 ¹ / ₂ |
| 1955 | | | |
| May 20 | 4 ¹ / ₂ | 5 | 5 ¹ / ₂ |
| November 17 | 5 | 5 ¹ / ₂ | 6 |
| 1959 | | | |
| April 23 | 4 ¹ / ₂ | 5 | 5 ¹ / ₂ |
| 1960 | | | |
| March 17 | 5 | 5 ¹ / ₂ | 6 |
| 1963 | | | |
| July 27 | 4 ¹ / ₂ | 5 | 5 ¹ / ₂ |
| 1966 | | | |
| June 30 | 4 ¹ / ₂ | 5 ¹ / ₂ | 6 |
| 1967 | | | |
| April 18 | 4 ¹ / ₄ | 4 ³ / ₄ | 5 ¹ / ₄ |
| October 27 | 3 ³ / ₄ | 4 ¹ / ₄ | 4 ³ / ₄ |
| 1969 | | | |
| September 11 | 4 ³ / ₄ | 5 ¹ / ₄ | |
| 1970 | | | |
| January 22 | 5 | 5 ¹ / ₂ | |
| 1972 | | | |
| November 28 | 5 ¹ / ₂ | 6 | |
| 1974 | | | |
| May 15 | 6 ¹ / ₂ | 7 | |
| 1975 | | | |
| April 24 | 6 | 6 ¹ / ₂ | |
| 1976 | | | |
| January 23 | 5 | 5 ¹ / ₂ | |
| June 10 | 4 | 4 ¹ / ₂ | |
| 1977 | | | |
| June 10 | 5 ¹ / ₂ | 6 | |
| 1978 | | | |
| June 29 | 4 ¹ / ₂ | 5 | |
| 1979 | | | |
| January 25 | 3 ³ / ₄ | 4 ¹ / ₄ | |
| September 18 | 3 ³ / ₄ (2a) | 4 ¹ / ₄ (2a) | |
| 1980 | | | |
| January 24 | 5 ¹ / ₄ (2b) | 5 ³ / ₄ (2b) | |
| March 21 | 6 ³ / ₄ (2b) | 7 ¹ / ₄ (2b) | |
| 1982 | | | |
| August 31 | 6 ¹ / ₄ (2b) | 6 ³ / ₄ (2b) | |
| October 22 | 5 ³ / ₄ (2b) | 6 ¹ / ₄ (2b) | |
| December 3 | 4 ³ / ₄ (2b) | 5 ¹ / ₄ (2b) | |
| 1983 | | | |
| March 18 | 3 ³ / ₄ (2b) | 4 ¹ / ₄ (2b) | |
| September 9 | 3 ³ / ₄ (2b) | 4 ³ / ₄ (2b) | |
| 1984 | | | |
| March 14 | 4 ¹ / ₄ (2b) | 5 ¹ / ₂ (2b) | |
| June 29 | 4 ¹ / ₂ (2b) | 5 ¹ / ₂ (2b) | |
| 1985 | | | |
| August 19 | 4(2b) | 5 ¹ / ₂ (2b) | |
| 1987 | | | |
| January 23 | 3 ¹ / ₂ (2b) | 5(2b) | |
| December 4 | 3 | 4 ¹ / ₂ | |
| 1988 | | | |
| July 1 | 3 ¹ / ₂ | 4 ¹ / ₂ | |
| July 29 | 3 ¹ / ₂ | 5 | |
| August 26 | 4 | 5 | |
| December 16 | 4 | 5 ¹ / ₂ | |
| 1989 | | | |
| January 20 | 4 ¹ / ₂ | 6 | |
| April 21 | 5 | 6 ¹ / ₂ | |
| June 30 | 5 ¹ / ₂ | 7 ¹ / ₂ | |
| October 6 | 6 ¹ / ₂ | 8 ¹ / ₂ | |
| 1991 | | | |
| February 1 | 7 | 9 | |
| August 16 | 7 ¹ / ₂ | 9 ¹ / ₄ | |
| December 20 | 8 | 9 ³ / ₄ | |
| 1992 | | | |
| June 17 | 8 ¹ / ₂ | 9 ³ / ₄ | |
| September 15 | 8 ¹ / ₄ | 9 ¹ / ₂ | |
| October 22 | 8 | 9 ¹ / ₄ | |
| 1993 | | | |
| January 8 | 7 ⁷ / ₈ | 9 ¹ / ₄ | |
| February 5 | 7 ¹ / ₂ | 8 ³ / ₄ | |
| March 19 | 7 | 8 ¹ / ₂ | |
| April 23 | 7 | 8 ¹ / ₄ | |
| April 30 | 6 ³ / ₄ | 8 | |
| May 13 | 6 ¹ / ₂ | 7 ³ / ₄ | |
| May 28 | 6 ¹ / ₄ | 7 ¹ / ₂ | |
| July 2 | 6 | 7 ¹ / ₄ | |
| September 10 | 5 ³ / ₄ | 6 ³ / ₄ | |
| October 22 | 5 ¹ / ₄ | 6 ¹ / ₄ | |
| 1994 | | | |
| February 18 | 5 | 6 | |
| April 15 | 4 ³ / ₄ | 5 ³ / ₄ | |
| Mai 13 | 4 ¹ / ₂ | 5 ¹ / ₂ | |
| 1995 | | | |
| March 31 | 4 | 5 ¹ / ₄ | |
| August 25 | 3 ¹ / ₂ | 5 ¹ / ₄ | |
| December 15 | 3 | 5 ¹ / ₄ | |
| 1996 | | | |
| April 19 | 2 ¹ / ₂ | 4 ³ / ₄ | |

Source: OeNB.

¹⁾ From July 3, 1952, to November 16, 1955, this denotes the interest rate on the security used as collateral unless lower than the interest rate indicated.

From November 17, 1955, to October 21, 1965: 1% p. a. above the interest rate on the security used as collateral unless lower than the interest rate indicated.

²⁾ For refinancing in excess of 70% of credit institutions' refinancing limits at the central bank, a surcharge of a) 2 percentage points, b) 1 percentage point is charged on the interest rate indicated.

Interest Rates for Short-Term Open Market Transactions of the OeNB (GOMEX and REGOM Rates, Rate for Tender Operations)

| Applicable from | GOMEX rate | REGOM rate | Tender rate | | | | | | | | | |
|-----------------|---------------|---------------|-------------|--------------|------|---|---|--------------|------|------|------|--|
| | % p. a. | | | | | | | | | | | |
| 1985 | | | | 1992 | | | | 1995 | | | | |
| May 6 | 6 | x | x | July 17 | 9.5 | x | x | March 31 | 4.45 | x | x | |
| July 5 | 5.75 | x | x | September 15 | 9 | x | x | August 25 | 4.35 | x | x | |
| July 22 | 5.5 | x | x | September 24 | 8.75 | x | x | September 1 | 4.25 | x | x | |
| August 6 | 5.25 | x | x | October 22 | 8.5 | x | x | September 8 | 4.15 | x | x | |
| August 22 | 5 | x | x | | | | | September 22 | 4.05 | x | x | |
| September 19 | 4.75 | x | x | 1993 | | | | December 1 | 3.95 | x | x | |
| | | | | January 8 | 8.4 | x | x | December 20 | 3.75 | x | x | |
| 1987 | | | | January 22 | 8.3 | x | x | December 27 | x | x | 3.90 | |
| January 23 | 4.5 | x | x | February 5 | 8 | x | x | | | | | |
| February 25 | 4.25 | x | x | April 2 | 7.85 | x | x | 1996 | | | | |
| March 12 | 4.125 | x | x | April 23 | 7.7 | x | x | January 22 | x | x | 3.65 | |
| May 14 | 3.875 | x | x | April 30 | 7.4 | x | x | January 26 | 3.65 | x | x | |
| November 25 | 3.625 | x | x | May 13 | 7.3 | x | x | January 29 | x | x | 3.55 | |
| | | | | May 28 | 7.1 | x | x | February 2 | 3.50 | 3.00 | x | |
| 1988 | | | | June 22 | 7.0 | x | x | February 5 | x | x | 3.30 | |
| June 22 | 3.875 | x | x | July 2 | 6.75 | x | x | April 19 | x | 2.50 | x | |
| July 4 | 4.125 | x | x | August 4 | 6.6 | x | x | April 22 | x | x | 3.20 | |
| July 20 | 4.375 | x | x | September 10 | 6.5 | x | x | September 2 | 3.40 | x | 3.00 | |
| August 3 | 4.625 | x | x | October 22 | 6.2 | x | x | | | | | |
| December 19 | 4.75 | x | x | November 12 | 6.1 | x | x | 1997 | | | | |
| | | | | November 19 | 5.9 | x | x | October 17 | x | x | 3.20 | |
| 1989 | | | | November 30 | 5.8 | x | x | | | | | |
| February 2 | 5.25 | x | x | December 17 | 5.7 | x | x | | | | | |
| March 2 | 5.75 | x | x | December 27 | 5.6 | x | x | | | | | |
| April 24 | 6.25 | x | x | | | | | 1998 | | | | |
| June 30 | 6.5 | x | x | 1994 | | | | December 4 | x | x | 3'00 | |
| October 6 | 7.25 | x | x | January 7 | 5.5 | x | x | December 11 | 3'20 | x | x | |
| | | | | April 15 | 5.4 | x | x | | | | | |
| 1990 | | | | April 29 | 5.3 | x | x | | | | | |
| March 9 | 7.75 | x | x | May 6 | 5.2 | x | x | | | | | |
| March 23 | 8 | x | x | May 13 | 5.1 | x | x | | | | | |
| | | | | May 20 | 5.0 | x | x | | | | | |
| 1991 | | | | June 13 | 4.9 | x | x | | | | | |
| January 4 | 8.5 | x | x | July 4 | 4.8 | x | x | | | | | |
| August 16 | 8.875 | x | x | July 22 | 4.7 | x | x | | | | | |
| December 20 | 9.25 | x | x | | | | | | | | | |

Source: OeNB.

Austrian Money Market Rates¹⁾

| | Call money | | | Time deposits ²⁾ | | | | VIBOR ³⁾ | | | |
|-----------|------------------------------|------|-------|-----------------------------|---------------------|-------------------|----------------------|---------------------|---------|---------|----------|
| | period average ⁴⁾ | low | high | one month bid/ask | three month bid/ask | six month bid/ask | twelve month bid/ask | 1 month | 3 month | 6 month | 12 month |
| | % p. a. | | | | | | | | | | |
| 1989 | 7.46 | 6.25 | 9.38 | 7.30/7.65 | 7.29/7.66 | 7.27/7.64 | 7.26/7.65 | 8.27 | 8.25 | 8.18 | 8.16 |
| 1990 | 8.53 | 7.56 | 10.35 | 8.44/8.78 | 8.62/8.95 | 8.70/9.06 | 8.77/9.17 | 8.80 | 8.96 | 9.08 | 9.17 |
| 1991 | 9.10 | 8.68 | 9.46 | 9.10/9.36 | 9.19/9.46 | 9.19/9.49 | 9.19/9.49 | 9.37 | 9.46 | 9.50 | 9.50 |
| 1992 | 9.32 | 8.60 | 9.71 | 9.22/9.46 | 9.21/9.46 | 9.11/9.37 | 8.95/9.23 | 9.47 | 9.46 | 9.38 | 9.23 |
| 1993 | 7.22 | 6.97 | 8.03 | 6.93/7.18 | 6.77/7.04 | 6.58/6.86 | 6.28/6.56 | 7.18 | 7.02 | 6.85 | 6.56 |
| 1994 | 5.03 | 4.70 | 5.65 | 4.85/5.10 | 4.87/5.13 | 4.90/5.15 | 5.00/5.25 | 5.11 | 5.12 | 5.15 | 5.25 |
| 1995 | 4.36 | 3.78 | 4.82 | 4.25/4.50 | 4.33/4.58 | 4.47/4.72 | 4.64/4.89 | 4.50 | 4.57 | 4.71 | 4.89 |
| 1996 | 3.19 | 2.36 | 4.03 | 3.10/3.36 | 3.12/3.37 | 3.17/3.42 | 3.27/3.52 | 3.36 | 3.38 | 3.42 | 3.52 |
| 1997 | 3.27 | 2.88 | 3.52 | 3.22/3.44 | 3.27/3.49 | 3.34/3.56 | 3.48/3.70 | 3.45 | 3.50 | 3.57 | 3.72 |
| 1998 | 3.36 | 2.95 | 3.46 | 3.38/3.52 | 3.47/3.60 | 3.54/3.67 | 3.68/3.81 | 3.51 | 3.60 | 3.66 | 3.80 |
| 1998 | | | | | | | | | | | |
| January | 3.37 | 2.95 | 3.46 | 3.47/3.60 | 3.58/3.71 | 3.69/3.83 | 3.90/4.04 | 3.60 | 3.70 | 3.81 | 4.01 |
| February | 3.37 | 3.35 | 3.40 | 3.40/3.53 | 3.50/3.63 | 3.59/3.73 | 3.79/3.93 | 3.52 | 3.62 | 3.72 | 3.92 |
| March | 3.36 | 3.35 | 3.37 | 3.36/3.50 | 3.46/3.60 | 3.55/3.69 | 3.75/3.89 | 3.50 | 3.60 | 3.67 | 3.87 |
| April | 3.37 | 3.37 | 3.38 | 3.39/3.52 | 3.51/3.63 | 3.61/3.73 | 3.81/3.94 | 3.51 | 3.64 | 3.74 | 3.95 |
| May | 3.38 | 3.37 | 3.39 | 3.42/3.55 | 3.56/3.68 | 3.66/3.78 | 3.86/3.98 | 3.55 | 3.69 | 3.80 | 4.00 |
| June | 3.37 | 3.37 | 3.38 | 3.40/3.53 | 3.51/3.63 | 3.62/3.74 | 3.82/3.94 | 3.53 | 3.64 | 3.74 | 3.95 |
| July | 3.37 | 3.36 | 3.37 | 3.39/3.53 | 3.49/3.62 | 3.59/3.73 | 3.79/3.92 | 3.52 | 3.61 | 3.72 | 3.92 |
| August | 3.37 | 3.37 | 3.38 | 3.37/3.51 | 3.46/3.60 | 3.55/3.69 | 3.74/3.88 | 3.50 | 3.59 | 3.68 | 3.86 |
| September | 3.37 | 3.36 | 3.38 | 3.35/3.48 | 3.43/3.55 | 3.47/3.60 | 3.57/3.71 | 3.48 | 3.55 | 3.60 | 3.68 |
| October | 3.37 | 3.36 | 3.38 | 3.35/3.48 | 3.43/3.56 | 3.43/3.57 | 3.48/3.62 | 3.48 | 3.57 | 3.56 | 3.56 |
| November | 3.37 | 3.36 | 3.37 | 3.37/3.49 | 3.45/3.58 | 3.45/3.58 | 3.48/3.61 | 3.50 | 3.60 | 3.58 | 3.55 |
| December | 3.22 | 3.10 | 3.39 | 3.36/3.49 | 3.29/3.42 | 3.23/3.36 | 3.19/3.33 | 3.48 | 3.40 | 3.35 | 3.29 |

Source: OeNB, Reuters.

¹⁾ Since July 1, 1993, monthly averages have been calculated on a business day rather than calendar-day basis. As a rule, differences are noticeable only in the second digit after the decimal point.

²⁾ Unweighted average of the interest rates quoted daily by credit institutions in Vienna.

³⁾ VIBOR; quoted since June 1, 1989. Monthly mean of the unweighted averages of the offered (asked) price quoted by eight credit institutions in Vienna at 11:00 a. m. and released daily by Reuters. The highest and lowest rates are eliminated and the result is rounded up to the nearest five basis points. Average for 1989: June to December.

⁴⁾ Unweighted average of the rates compiled daily by the OeNB at credit institutions in Vienna.

Domestic Credit Institutions' Interest Rates¹⁾

Lending rates

| | Commercial loans | | | Discount credit | | | Personal loans | | | Housing finance loans | | |
|-----------|------------------|-------|------|-----------------|-------|------|----------------|-------|-------|-----------------------|-------|------|
| | average | range | | average | range | | average | range | | average | range | |
| | | from | to | | from | to | | from | to | | from | to |
| | % p. a. | | | | | | | | | | | |
| 1995 | 7.82 | 6.75 | 9.50 | 5.23 | 3.75 | 7.00 | 9.34 | 8.00 | 10.88 | 7.43 | 6.88 | 8.63 |
| 1996 | 6.96 | 5.88 | 8.50 | 4.40 | 3.00 | 7.50 | 8.15 | 7.00 | 9.50 | 6.63 | 5.75 | 7.25 |
| 1997 | 6.50 | 5.38 | 8.25 | 4.30 | 3.00 | 6.50 | 7.78 | 6.50 | 9.20 | 6.14 | 5.25 | 7.25 |
| 1998 | 6.12 | 4.75 | 8.13 | 4.54 | 3.00 | 6.50 | 7.16 | 6.00 | 8.50 | 5.79 | 5.00 | 7.00 |
| 1998 | | | | | | | | | | | | |
| January | 6.54 | 5.25 | 8.50 | 4.20 | 3.00 | 6.50 | 7.81 | 6.50 | 9.20 | 6.25 | 5.30 | 7.25 |
| February | 6.56 | 5.38 | 8.50 | 4.19 | 3.00 | 6.50 | 7.81 | 6.75 | 9.20 | 6.24 | 5.50 | 7.20 |
| March | 6.60 | 5.38 | 8.50 | 4.22 | 3.00 | 6.00 | 7.82 | 6.50 | 9.20 | 6.22 | 5.25 | 7.20 |
| April | 6.52 | 5.00 | 8.25 | 4.17 | 3.00 | 6.50 | 7.77 | 6.50 | 9.20 | 6.10 | 5.00 | 7.06 |
| May | 6.45 | 5.00 | 8.00 | 4.18 | 3.00 | 6.50 | 7.86 | 6.50 | 9.20 | 6.23 | 5.38 | 7.15 |
| June | 6.39 | 5.00 | 7.75 | 4.20 | 3.00 | 7.00 | 7.76 | 6.50 | 9.20 | 6.12 | 5.25 | 7.15 |
| July | 6.41 | 4.88 | 8.50 | 4.14 | 3.00 | 6.50 | 7.76 | 6.50 | 9.20 | 6.16 | 5.25 | 7.15 |
| August | 6.35 | 5.13 | 8.13 | 4.28 | 3.00 | 6.00 | 7.69 | 6.50 | 9.20 | 6.09 | 5.25 | 7.09 |
| September | 6.44 | 5.25 | 8.25 | 4.28 | 3.00 | 6.50 | 7.61 | 6.50 | 9.20 | 6.03 | 5.25 | 7.05 |
| October | 6.24 | 5.00 | 8.25 | 4.34 | 3.00 | 6.50 | 7.42 | 6.25 | 9.00 | 5.92 | 5.13 | 7.00 |
| November | 6.25 | 4.75 | 8.25 | 4.38 | 3.00 | 6.50 | 7.11 | 6.00 | 8.50 | 5.78 | 5.00 | 6.97 |
| December | 6.12 | 4.75 | 8.13 | 4.54 | 3.00 | 6.50 | 7.16 | 6.00 | 8.50 | 5.79 | 5.00 | 7.00 |

Deposit rates

| | Salary and pension accounts | | | Savings deposits due on demand | | | Savings deposits with terms of up to 12 months | | | Savings deposits with terms of over 12 months | | |
|-----------|-----------------------------|-------|------|--------------------------------|-------|------|--|-------|------|---|-------|------|
| | average | range | | average | range | | average | range | | average | range | |
| | | from | to | | from | to | | from | to | | from | to |
| | % p. a. | | | | | | | | | | | |
| 1995 | 0.56 | 0.25 | 2.00 | 2.09 | 2.00 | 2.25 | 3.57 | 2.25 | 4.34 | 4.09 | 3.00 | 4.75 |
| 1996 | 0.46 | 0.13 | 1.50 | 1.57 | 1.50 | 1.75 | 2.93 | 1.75 | 3.50 | 3.36 | 2.50 | 3.92 |
| 1997 | 0.42 | 0.25 | 1.25 | 1.50 | 1.50 | 1.50 | 2.69 | 1.75 | 3.25 | 3.15 | 2.00 | 3.75 |
| 1998 | 0.43 | 0.25 | 1.25 | 1.28 | 1.00 | 1.50 | 2.60 | 1.75 | 3.08 | 2.91 | 2.25 | 3.50 |
| 1998 | | | | | | | | | | | | |
| January | 0.43 | 0.25 | 1.25 | 1.50 | 1.50 | 1.50 | 2.67 | 1.63 | 3.25 | 3.14 | 2.50 | 3.75 |
| February | 0.43 | 0.25 | 1.25 | 1.49 | 1.25 | 1.50 | 2.67 | 1.63 | 3.25 | 3.13 | 2.50 | 3.75 |
| March | 0.43 | 0.25 | 1.28 | 1.49 | 1.25 | 1.50 | 2.72 | 1.63 | 3.41 | 3.09 | 2.25 | 3.75 |
| April | 0.42 | 0.25 | 1.25 | 1.47 | 1.25 | 1.50 | 2.70 | 1.63 | 3.25 | 3.07 | 2.25 | 3.75 |
| May | 0.42 | 0.25 | 1.25 | 1.46 | 1.25 | 1.50 | 2.68 | 1.63 | 3.25 | 3.06 | 2.25 | 3.75 |
| June | 0.42 | 0.25 | 1.25 | 1.46 | 1.25 | 1.50 | 2.65 | 1.63 | 3.25 | 3.07 | 2.50 | 3.75 |
| Jul< | 0.43 | 0.25 | 1.25 | 1.43 | 1.25 | 1.50 | 2.65 | 1.63 | 3.25 | 3.08 | 2.50 | 3.75 |
| August | 0.44 | 0.25 | 1.25 | 1.42 | 1.25 | 1.50 | 2.69 | 1.75 | 3.28 | 3.14 | 2.50 | 3.75 |
| September | 0.42 | 0.25 | 1.25 | 1.42 | 1.25 | 1.50 | 2.67 | 1.75 | 3.25 | 3.12 | 2.50 | 3.75 |
| October | 0.43 | 0.25 | 1.25 | 1.38 | 1.25 | 1.50 | 2.63 | 1.63 | 3.25 | 3.01 | 2.25 | 3.75 |
| November | 0.42 | 0.25 | 1.25 | 1.31 | 1.13 | 1.50 | 2.61 | 1.50 | 3.13 | 2.96 | 2.25 | 3.50 |
| December | 0.43 | 0.25 | 1.25 | 1.28 | 1.00 | 1.50 | 2.60 | 1.75 | 3.08 | 2.91 | 2.25 | 3.50 |

Source: OeNB.

¹⁾ Credit institutions within the meaning of the Austrian Banking Act.

Overdrafts on salary and pension accounts

| average | range | | average | range | | average | range | |
|---------|-------|-------|---------|-------|------|---------|-------|------|
| | from | to | | from | to | | from | to |
| | x | x | | x | 7.20 | | 6.75 | 7.75 |
| x | x | x | 6.41 | 5.75 | 7.00 | 5.62 | 5.00 | 7.00 |
| 11.70 | 9.00 | 13.75 | 5.94 | 5.33 | 6.75 | 5.16 | 4.05 | 6.75 |
| 11.32 | 8.75 | 13.75 | 5.55 | 5.00 | 6.75 | 4.47 | 3.50 | 5.25 |
| 11.58 | 8.50 | 13.75 | 6.00 | 5.38 | 6.75 | 5.15 | 4.13 | 6.75 |
| 11.62 | 9.00 | 13.75 | 6.10 | 5.38 | 6.75 | 5.02 | 4.03 | 6.50 |
| 11.58 | 9.00 | 13.75 | 6.04 | 5.25 | 7.00 | 5.04 | 4.13 | 6.50 |
| 11.51 | 8.75 | 13.75 | 6.00 | 5.25 | 6.75 | 5.04 | 4.50 | 6.00 |
| 11.55 | 8.50 | 13.75 | 5.92 | 5.25 | 6.75 | 5.01 | 4.13 | 6.00 |
| 11.74 | 9.50 | 13.75 | 5.85 | 5.25 | 6.88 | 5.03 | 4.13 | 6.00 |
| 11.70 | 9.25 | 13.75 | 5.93 | 5.25 | 6.88 | 4.91 | 4.13 | 6.00 |
| 11.64 | 9.25 | 13.75 | 5.90 | 5.25 | 6.88 | 4.89 | 3.95 | 6.00 |
| 11.66 | 9.25 | 13.75 | 5.81 | 5.25 | 6.88 | 4.71 | 3.95 | 5.25 |
| 11.62 | 9.25 | 13.75 | 5.70 | 5.13 | 6.75 | 4.69 | 3.95 | 6.00 |
| 11.35 | 8.75 | 13.75 | 5.63 | 5.13 | 6.75 | 4.53 | 3.90 | 5.25 |
| 11.32 | 8.75 | 13.75 | 5.55 | 5.00 | 6.75 | 4.47 | 3.50 | 5.25 |

Mortgage loans

Public-sector loans

Savings deposits with a volume of ATS 0.5 million to ATS 1 million

| average | range | | average | range | | average | range | |
|---------|-------|------|---------|-------|------|---------|-------|------|
| | from | to | | from | to | | from | to |
| | 4.19 | 3.75 | | 4.63 | 4.38 | | 4.00 | 4.75 |
| 3.40 | 3.13 | 3.75 | 3.58 | 3.25 | 3.88 | 3.43 | 3.25 | 3.88 |
| 3.19 | 2.75 | 3.50 | 3.42 | 3.00 | 3.75 | 3.28 | 3.00 | 4.00 |
| 2.98 | 2.25 | 3.50 | 3.19 | 2.75 | 3.50 | 3.10 | 2.75 | 3.50 |
| 3.16 | 2.75 | 3.50 | 3.36 | 3.00 | 3.75 | 3.32 | 3.00 | 4.00 |
| 3.12 | 2.63 | 3.50 | 3.33 | 3.00 | 3.62 | 3.32 | 3.00 | 4.00 |
| 3.15 | 2.63 | 3.50 | 3.32 | 3.00 | 3.50 | 3.35 | 3.00 | 4.00 |
| 3.15 | 2.63 | 3.50 | 3.32 | 3.00 | 3.61 | 3.35 | 3.00 | 4.00 |
| 3.13 | 2.63 | 3.50 | 3.33 | 3.00 | 3.57 | 3.35 | 3.00 | 4.00 |
| 3.12 | 2.63 | 3.50 | 3.30 | 3.00 | 3.50 | 3.36 | 3.00 | 4.00 |
| 3.14 | 2.63 | 3.58 | 3.33 | 3.00 | 3.75 | 3.36 | 3.00 | 4.00 |
| 3.13 | 2.63 | 3.50 | 3.29 | 3.00 | 3.50 | 3.38 | 3.00 | 4.00 |
| 3.11 | 2.63 | 3.50 | 3.28 | 3.00 | 3.50 | 3.31 | 3.00 | 3.75 |
| 3.06 | 2.25 | 3.50 | 3.26 | 2.75 | 3.50 | 3.26 | 3.00 | 3.75 |
| 3.01 | 2.25 | 3.50 | 3.22 | 2.75 | 3.50 | 3.22 | 3.00 | 3.50 |
| 2.98 | 2.25 | 3.50 | 3.19 | 2.75 | 3.50 | 3.10 | 2.75 | 3.50 |

Savings deposits with a volume of ATS 1 million to ATS 5 million

Savings bonds (24 months)

Yields in the Domestic Bond Market¹⁾

| Period average | Issuing yields | | | Secondary market yields | | | | | | | |
|-------------------------|--------------------|-----------------------|----------------|-------------------------|-------------------------|-------------------------|----------------------------|----------------|--------------------------|-----------------|-------------------------------------|
| | federal government | domestic issues total | foreign issues | federal government | remaining public sector | other domestic nonbanks | domestic nonbanks (1 to 3) | domestic banks | domestic issuers (4 + 5) | foreign issuers | total issuers ²⁾ (6 + 7) |
| % p. a. | | | | | | | | | | | |
| | | | | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| 1989 | 7.07 | 7.09 | 7.84 | 7.13 | x | x | x | 6.95 | x | 6.89 | 7.06 |
| 1990 | 8.59 | 8.58 | 9.26 | 8.74 | x | x | x | 8.66 | x | 9.39 | 8.72 |
| 1991 | 8.41 | 8.42 | 8.29 | 8.62 | x | x | x | 8.69 | x | 10.21 | 8.69 |
| 1992 | 7.91 | 7.94 | 7.98 | 8.27 | x | x | x | 8.42 | x | 9.90 | 8.39 |
| 1993 | 6.21 | 6.26 | 7.51 | 6.63 | 6.93 | 6.91 | 6.66 | 6.73 | 6.68 | 8.18 | 6.74 |
| 1994 | 6.67 | 6.68 | 8.06 | 6.70 | 6.89 | 6.77 | 6.71 | 6.51 | 6.66 | 7.59 | 6.69 |
| 1995 | 6.65 | 6.64 | 8.30 | 6.48 | 6.68 | 6.59 | 6.49 | 6.43 | 6.48 | 7.40 | 6.51 |
| 1996 | 5.76 | 5.75 | 8.24 | 5.30 | 5.63 | 5.67 | 5.32 | 5.25 | 5.31 | 6.32 | 5.33 |
| 1997 | 5.27 | 5.30 | 6.66 | 4.79 | 5.08 | 5.74 | 4.82 | 4.83 | 4.82 | 5.80 | 4.84 |
| 1998 | 4.55 | 4.56 | 6.06 | 4.29 | 4.32 | 6.06 | 4.35 | 4.54 | 4.38 | 5.89 | 4.40 |
| 1998 | | | | | | | | | | | |
| 1 st quarter | 4.69 | 4.70 | – | 4.58 | 4.69 | 5.99 | 4.63 | 4.79 | 4.65 | 5.64 | 4.67 |
| 2 nd quarter | 4.68 | 4.69 | 6.06 | 4.59 | 4.57 | 6.11 | 4.64 | 4.78 | 4.66 | 5.63 | 4.68 |
| 3 rd quarter | 4.42 | 4.45 | – | 4.21 | 4.23 | 6.04 | 4.27 | 4.48 | 4.30 | 6.16 | 4.33 |
| 4 th quarter | 3.87 | 3.87 | – | 3.79 | 3.80 | 6.11 | 3.86 | 4.12 | 3.89 | 6.09 | 3.93 |
| January | 4.99 | 4.99 | – | 4.67 | 4.87 | 6.15 | 4.72 | 4.89 | 4.75 | 5.84 | 4.77 |
| February | 4.34 | 4.34 | – | 4.56 | 4.64 | 5.93 | 4.60 | 4.77 | 4.63 | 5.63 | 4.65 |
| March | – | 4.85 | – | 4.52 | 4.56 | 5.91 | 4.57 | 4.72 | 4.59 | 5.48 | 4.61 |
| April | 4.81 | 4.81 | 6.03 | 4.61 | 4.63 | 6.05 | 4.66 | 4.77 | 4.68 | 5.55 | 4.69 |
| May | 4.86 | 4.87 | 6.22 | 4.64 | 4.62 | 6.15 | 4.69 | 4.83 | 4.71 | 5.67 | 4.73 |
| June | 4.22 | 4.26 | – | 4.52 | 4.47 | 6.13 | 4.57 | 4.74 | 4.60 | 5.67 | 4.62 |
| July | 5.26 | 5.29 | – | 4.43 | 4.40 | 6.15 | 4.48 | 4.65 | 4.51 | 5.59 | 4.53 |
| August | – | – | – | 4.24 | 4.28 | 6.07 | 4.30 | 4.53 | 4.33 | 5.65 | 4.35 |
| September | 3.59 | 3.59 | – | 3.96 | 4.01 | 5.88 | 4.03 | 4.27 | 4.06 | 7.24 | 4.11 |
| October | 3.87 | 3.87 | – | 3.87 | 3.89 | 6.29 | 3.94 | 4.16 | 3.97 | 6.79 | 4.02 |
| November | – | – | – | 3.88 | 3.85 | 6.64 | 3.96 | 4.18 | 3.99 | 5.78 | 4.02 |
| December | – | – | – | 3.61 | 3.65 | 5.32 | 3.65 | 4.01 | 3.70 | 5.65 | 3.73 |

Source: OeNB, OeKB.

¹⁾ For debt securities.

²⁾ "Total issuers" corresponds to former category "bonds excluding federal obligations."

Securities Turnover¹⁾

| | Equity securities | | | | | Investment certificates | Debt securities |
|---|-------------------|-------------------------------------|----------|----------------|----------|-------------------------|-----------------|
| | Domestic stocks | Domestic participation certificates | Subtotal | Foreign stocks | Warrants | | |
| <i>Market value ATS million</i> | | | | | | | |
| Stock exchange turnover²⁾ | | | | | | | |
| 1989 | 50,690 | 3,502 | 54,192 | 6,286 | 14,790 | 75,268 | 193 |
| 1990 | 151,760 | 16,834 | 168,594 | 8,566 | 43,425 | 220,584 | 166 |
| 1991 | 150,666 | 13,714 | 164,379 | 6,980 | 18,163 | 189,522 | 152 |
| 1992 | 102,686 | 5,688 | 108,374 | 4,845 | 6,029 | 119,247 | 170 |
| 1993 | 152,630 | 7,746 | 160,376 | 10,912 | 4,154 | 175,442 | 222 |
| 1994 | 187,093 | 4,129 | 191,222 | 6,738 | 1,947 | 199,907 | 160 |
| 1995 | 259,673 | 2,081 | 261,755 | 4,863 | 121 | 266,738 | 98 |
| 1996 | 217,264 | 1,787 | 219,052 | 7,400 | 153 | 226,604 | 99 |
| 1997 | 300,533 | 2,300 | 302,832 | 7,595 | 40 | 310,468 | 61 |
| 1998 | 410,010 | 13,055 | 423,065 | 6,606 | 72 | 429,743 | 27 |
| 1998 | | | | | | | |
| January | 33,706 | 804 | 34,510 | 504 | 20 | 35,033 | 2 |
| February | 34,250 | 1,851 | 36,102 | 532 | 4 | 36,638 | 1 |
| March | 40,684 | 2,145 | 42,829 | 749 | 6 | 43,583 | 6 |
| April | 42,936 | 2,287 | 45,223 | 784 | 6 | 46,013 | 2 |
| May | 32,935 | 1,774 | 34,709 | 544 | 2 | 35,256 | 2 |
| June | 33,767 | 816 | 34,583 | 535 | 2 | 35,121 | 7 |
| July | 36,229 | 846 | 37,076 | 686 | 4 | 37,765 | 1 |
| August | 38,494 | 762 | 39,257 | 529 | 3 | 39,788 | 0 |
| September | 39,631 | 466 | 40,097 | 567 | 5 | 40,669 | 1 |
| October | 32,454 | 419 | 32,874 | 407 | 8 | 33,289 | 2 |
| November | 24,247 | 541 | 24,788 | 395 | 8 | 25,191 | 1 |
| December | 20,676 | 343 | 21,018 | 374 | 4 | 21,396 | 2 |

Source: Wiener Börse AG (Vienna Stock Exchange).

¹⁾ Purchases and sales.

²⁾ Official market.

Austrian Stock Market¹⁾

| | Wiener Börse AG's all-share index (WBI) ²⁾ | Total market value | | Total turnover ³⁾ ⁴⁾ | | Average dividend yield | | Capital increases in return for cash contributions | | New issues | | Quoted issues | | | | Listed corpo- rations |
|-----------|---|--------------------|---|--|---|---------------------------|---|---|---|------------|---|---------------|---|---|----------|-----------------------------|
| | | Stocks | Partici- pation certifi- cates | Stocks | Partici- pation certifi- cates | Stocks | Partici- pation certifi- cates | Stocks | Partici- pation certifi- cates | Stocks | Partici- pation certifi- cates | Stocks | Partici- pation certifi- cates | Profit partici- pation certifi- cates | Warrants | |
| | Dec. 31, 1967 = 100 | ATS million | | | | % p. a. | | Market value ATS million | | | | Number | | | | |
| 1989 | 511.51 | 263,017 | 14,234 | x | x | 1.27 | 2.30 | 7,197 | 1611 | 9,344 | 119 | 89 | 15 | 12 | 55 | 81 |
| 1990 | 502.26 | 281,016 | 15,098 | x | x | 1.51 | 2.65 | 10,165 | 682 | 21,044 | – | 111 | 15 | 19 | 91 | 97 |
| 1991 | 418.98 | 259,126 | 14,242 | 222,789 | 24,495 | 1.99 | 2.83 | 9,586 | – | 15,052 | – | 117 | 15 | 20 | 106 | 103 |
| 1992 | 348.46 | 230,105 | 12,216 | 154,015 | 19,169 | 2.24 | 3.43 | 2,214 | – | 12,590 | – | 128 | 15 | 20 | 98 | 112 |
| 1993 | 483.67 | 330,003 | 10,575 | 206,400 | 12,032 | 1.35 | 2.44 | 5,573 | 37 | 10,830 | – | 129 | 15 | 20 | 154 | 111 |
| 1994 | 429.64 | 321,341 | 9,792 | 381,277 | 10,609 | 1.46 | 2.55 | 4,969 | 40 | 29,684 | – | 130 | 14 | 20 | 14 | 111 |
| 1995 | 387.36 | 314,389 | 8,415 | 461,029 | 5,745 | 1.90 | 3.00 | 1,812 | 48 | 24,520 | – | 128 | 13 | 20 | 11 | 109 |
| 1996 | 429.20 | 357,491 | 4,977 | 433,869 | 10,914 | 2.00 | 3.08 | 5,762 | – | 1,367 | – | 123 | 8 | 18 | 3 | 106 |
| 1997 | 486.96 | 451,948 | 6,993 | 603,924 | 10,865 | 1.90 | 2.93 | 6,770 | – | 37,591 | – | 118 | 8 | 20 | 3 | 101 |
| 1998 | 464.32 | 399,672 | 7,727 | „ | „ | „ | „ | 7,039 | – | 1,723 | – | 112 | 7 | 20 | 3 | 96 |
| 1998 | | | | | | | | | | | | | | | | |
| January | 511.68 | 474,779 | 8,921 | „ | „ | x | x | – | – | – | – | 118 | 8 | 19 | 3 | 101 |
| February | 550.66 | 510,277 | 12,861 | „ | „ | x | x | 5 | – | – | – | 118 | 8 | 19 | 3 | 101 |
| March | 580.73 | 537,557 | 12,795 | „ | „ | x | x | – | – | – | – | 117 | 8 | 19 | 3 | 100 |
| April | 608.88 | 563,829 | 13,964 | „ | „ | x | x | – | – | – | – | 117 | 8 | 19 | 3 | 100 |
| May | 635.66 | 588,537 | 15,898 | „ | „ | x | x | 497 | – | – | – | 117 | 8 | 19 | 3 | 100 |
| June | 602.65 | 560,264 | 15,593 | „ | „ | x | x | – | 1,723 | – | – | 119 | 8 | 19 | 3 | 102 |
| July | 595.86 | 553,577 | 15,752 | „ | „ | x | x | 5,100 | – | – | – | 117 | 8 | 19 | 3 | 102 |
| August | 499.31 | 465,853 | 11,774 | „ | „ | x | x | – | – | – | – | 117 | 8 | 19 | 3 | 102 |
| September | 440.77 | 387,689 | 6,912 | „ | „ | x | x | 860 | – | – | – | 115 | 7 | 19 | 3 | 100 |
| October | 473.90 | 416,099 | 8,096 | „ | „ | x | x | 577 | – | – | – | 116 | 7 | 20 | 3 | 100 |
| November | 466.55 | 404,472 | 8,212 | „ | „ | x | x | – | – | – | – | 113 | 7 | 20 | 3 | 97 |
| December | 464.32 | 399,672 | 7,727 | „ | „ | x | x | – | – | – | – | 112 | 7 | 20 | 3 | 96 |

Source: Wiener Börse AG (Vienna Stock Exchange).

¹⁾ Issues launched by domestic issuers.

²⁾ End of period.

³⁾ Purchases and sales.

⁴⁾ Total turnover figures for 1998 are not available.

Federal Budget¹⁾

| Level | Annual change | | | 1995 | | | 1996 | | | 1997 | | | 1998 | | |
|--|-------------------------------|----------|--------|-------------------------|---------|-------|-------------------------|---------|-------|-------------------------|---------|-------|------|--|--|
| | ATS million | | % | | | | | | | | | | | | |
| General account | | | | | | | | | | | | | | | |
| Expenditure ²⁾ | 764,593 | + 33,146 | + 4.5 | 754,788 | - 9,805 | - 1.3 | 749,937 ³⁾ | - 4,851 | - 0.6 | 777,594 | +27,657 | + 3.7 | | | |
| Revenue ²⁾ | 646,690 | + 20,061 | + 3.2 | 665,422 | +18,732 | + 2.9 | 682,718 ³⁾ | +17,296 | + 2.6 | 711,567 | +28,849 | + 4.2 | | | |
| <i>thereof taxes (net)</i> | 345,773 | - 12,629 | - 3.5 | 383,470 | +37,697 | +10.9 | 413,189 | +29,719 | + 7.8 | 460,220 | +47,031 | +11.4 | | | |
| General account deficit ⁴⁾ | 117,903 | + 13,085 | + 12.5 | 89,366 | -28,537 | -24.2 | 67,219 | -22,147 | -24.8 | 66,027 | - 1,192 | - 1.8 | | | |
| Primary balance ⁵⁾ | - 36,089 | - 6,619 | - 22.5 | - 3,244 | +32,845 | -91.0 | 20,592 | +23,836 | x | 24,090 | + 3,498 | +17.0 | | | |
| Gross borrowing⁶⁾ | 240,814 | + 67,752 | + 39.1 | 198,876 | -41,938 | -17.4 | 163,288 | -35,588 | -17.9 | 217,327 | +54,039 | +33.1 | | | |
| Federal debt servicing costs⁷⁾ | | | | | | | | | | | | | | | |
| Interest payments | 81,814 | + 6,466 | + 8.6 | 86,122 | + 4,308 | + 5.3 | 87,811 | + 1,689 | + 2.0 | 90,117 | + 2,306 | + 2.6 | | | |
| Redemptions | 118,570 | + 51,483 | + 76.7 | 107,600 | -10,970 | - 9.3 | 96,069 | -11,531 | -10.7 | 151,300 | +55,231 | +57.5 | | | |
| Other | 2,253 | + 143 | + 6.8 | 2,413 | + 160 | + 7.1 | 920 | - 1,493 | -61.9 | - 4,059 | - 4,979 | x | | | |
| Total servicing costs | 202,637 | + 58,093 | + 40.2 | 196,134 | - 6,503 | - 3.2 | 184,800 | -11,334 | - 5.8 | 237,358 | +52,558 | +28.4 | | | |
| Federal debt⁸⁾ | | | | | | | | | | | | | | | |
| ATS debt | 1,051,281 ⁹⁾ | + 86,625 | + 9.0 | 1,100,840 ⁹⁾ | +49,559 | + 4.7 | 1,171,000 ⁹⁾ | +70,160 | + 6.4 | 1,152,202 ⁹⁾ | -18,798 | - 1.6 | | | |
| Bonds ¹⁰⁾ | 549,939 | + 75,543 | + 15.9 | 624,589 | +74,650 | +13.6 | 715,868 | +91,279 | +14.6 | 797,011 | +81,143 | +11.3 | | | |
| Federal obligations | 67,221 | - 7,467 | - 10.0 | 57,546 | - 9,675 | -14.4 | 34,098 | -23,448 | -40.7 | 22,039 | -12,059 | -35.4 | | | |
| Federal Treasury certificates | 108,292 | - 13,074 | - 10.8 | 109,170 | + 878 | + 0.8 | 125,570 | +16,400 | +15.0 | 81,781 | -43,789 | -34.9 | | | |
| Loans | 328,222 | + 33,037 | + 11.2 | 329,302 | + 1,086 | + 0.3 | 315,181 | -14,121 | - 4.3 | 278,050 | -37,131 | -11.8 | | | |
| Central bank debt | - | - 597 | -100.0 | - | - | - | - | - | - | - | - | - | | | |
| Other credits | 53 | - 1,149 | - 95.6 | 48 | - 5 | - 9.4 | 43 | - 5 | -10.4 | 649 | + 606 | | | | |
| Foreign currency debt ¹¹⁾ | 291,114 ¹²⁾ | + 30,173 | + 11.6 | 296,017 ¹²⁾ | + 4,903 | + 1.7 | 304,926 ¹²⁾ | + 8,909 | + 3.0 | 383,484 ¹²⁾ | +79,085 | +25.9 | | | |
| Total debt | 1,342,395 | +116,798 | + 9.5 | 1,396,857 | +54,462 | + 4.1 | 1,475,926 | +79,069 | + 5.7 | 1,535,687 | +59,761 | + 4.0 | | | |
| | % | | | | | | | | | | | | | | |
| | of nominal GDP ¹³⁾ | | | | | | | | | | | | | | |
| | 1995 | | | 1996 | | | 1997 | | | 1998 | | | | | |
| Budget indicators | | | | | | | | | | | | | | | |
| Expenditure ²⁾ | | | 32.8 | | | 31.2 | | | 29.8 | | | 29.7 | | | |
| Revenue ²⁾ | | | 27.7 | | | 27.5 | | | 27.1 | | | 27.1 | | | |
| Public charges (net) | | | 14.8 | | | 15.8 | | | 16.4 | | | 17.5 | | | |
| General budget deficit ⁴⁾ | | | 5.1 | | | 3.7 | | | 2.7 | | | 2.5 | | | |
| Primary balance ⁵⁾ | | | - 1.5 | | | - 0.1 | | | 0.8 | | | 0.9 | | | |
| Federal debt servicing costs ⁷⁾ | | | 8.7 | | | 8.1 | | | 7.3 | | | 9.1 | | | |
| Federal debt ⁸⁾ | | | 57.5 | | | 57.7 | | | 58.7 | | | 58.6 | | | |

Source: BMF, ÖBFA, WIFO.

¹⁾ Final budget accounts until 1997; provisional outcome for 1998.

²⁾ Swaps are given in gross figures (official figures shown in final budget accounts and in the provisional outcome).

³⁾ ATS 82,998 million were added to the income and to the expenditure side of the budget, an accounting operation which had no effect in the federal deficit, when ASFINAG was reclassified to the private sector.

⁴⁾ Corresponds to the term "net deficit" of previous federal budgets.

⁵⁾ General budget deficit ("net deficit") minus interest payments on the federal debt.

⁶⁾ Borrowing for the purpose of covering the general budget deficit, federal debt redemptions and financing Austrian contributions to international financial institutions (until 1994) as well as servicing the Austrian Industrial Holding Company's debt, for the first time entered into the compensatory budget in 1993. In 1997 and 1998 the federal government made no payments in redemption of ÖIAG (Austrian industrial holding company) debt.

⁷⁾ Actual expenditure for interest payments and redemptions including swaps in net figures.

⁸⁾ Obligations arising from federal debt including swap revenue and expenditure.

⁹⁾ Own holdings of federal government securities were subtracted from total schilling debt (1995: ATS 2,446 million, 1996: ATS 19,815 million, 1997: ATS 19,760 million, 1998: ATS 27,328 million).

¹⁰⁾ Federal bonds and schilling-swap bonds.

¹¹⁾ Valuation at end-of-year mean rates of exchange.

¹²⁾ Own holdings of federal government securities were subtracted from total foreign currency debt (1995: ATS 5,516 million, 1996: ATS 457 million, 1998: ATS 9,880 million).

¹³⁾ 1995 to 1997: according to ÖSTAT; 1998: according to WIFO (provisional figure).

Data on the Development of Austria's Real Economy

| | 1995 | 1996 | 1997 | 1998 | 1995 | 1996 | 1997 | 1998 |
|---|-------------|---------|---------|---------|--------------------|--------|--------|-------|
| | ATS billion | | | | Annual change in % | | | |
| National Accounts¹⁾ | | | | | | | | |
| Gross domestic product, in nominal terms at market prices | 2,328.7 | 2,414.6 | 2,514.4 | 2,622.6 | + 4.1 | + 3.7 | + 4.1 | + 4.3 |
| Gross domestic product, in real terms at 1983 prices | 1,628.7 | 1,661.0 | 1,702.8 | 1,758.2 | + 1.7 | + 2.0 | + 2.5 | + 3.3 |
| Use: | | | | | | | | |
| Collective consumption of households and nonprofit institutions | 941.0 | 959.8 | 966.9 | 982.9 | + 2.9 | + 2.0 | + 0.7 | + 1.7 |
| Collective consumption of general government | 279.7 | 281.4 | 270.5 | 273.9 | - 0.0 | + 0.6 | - 3.9 | + 1.3 |
| Gross fixed capital formation | 416.0 | 426.5 | 438.3 | 460.0 | + 1.2 | + 2.5 | + 2.8 | + 4.9 |
| Changes in business inventory, including errors and omissions | 6.2 | 3.9 | 26.8 | 29.4 | x | x | x | x |
| National final uses | 1,643.0 | 1,671.6 | 1,702.4 | 1,746.2 | + 1.8 | + 1.7 | + 1.8 | + 2.6 |
| Exports of goods and services | 806.0 | 861.5 | 948.4 | 1,025.8 | + 6.5 | + 6.9 | +10.1 | + 8.2 |
| Imports of goods and services | 820.2 | 872.1 | 948.0 | 1,013.8 | + 7.0 | + 6.3 | + 8.7 | + 6.9 |
| Origin: | | | | | | | | |
| Agriculture, hunting and forestry | 44.1 | 44.2 | 44.6 | 46.7 | - 3.5 | + 0.4 | + 0.7 | + 4.9 |
| Mining and quarrying | 9.5 | 9.3 | 8.5 | 8.6 | + 4.1 | - 2.5 | - 8.5 | + 1.4 |
| Manufacturing | 375.0 | 380.0 | 400.1 | 420.5 | + 0.9 | + 1.3 | + 5.3 | + 5.1 |
| Electricity, gas and water supply | 53.6 | 54.8 | 57.3 | 58.3 | + 4.8 | + 2.2 | + 4.6 | + 1.7 |
| Construction | 111.0 | 114.2 | 116.5 | 120.0 | + 0.0 | + 2.9 | + 2.0 | + 3.0 |
| trade and repair | 253.7 | 258.5 | 263.4 | 269.4 | + 6.2 | + 1.9 | + 1.9 | + 2.3 |
| hotels and restaurants | 58.6 | 57.1 | 57.2 | 59.1 | + 0.3 | - 2.5 | + 0.1 | + 3.4 |
| transport, storage and communications | 112.7 | 120.2 | 125.8 | 132.4 | - 1.2 | + 6.7 | + 4.7 | + 5.3 |
| financial intermediation | 116.9 | 119.6 | 132.1 | 136.4 | + 5.6 | + 2.3 | +10.5 | + 3.2 |
| real estate | 164.1 | 169.0 | 175.3 | 179.2 | + 3.4 | + 3.0 | + 3.7 | + 2.2 |
| other services | 61.3 | 63.0 | 78.4 | 80.5 | + 2.9 | + 2.8 | +24.3 | + 2.7 |
| Market producers, total | 1,360.5 | 1,390.0 | 1,459.2 | 1,511.0 | + 2.4 | + 2.2 | + 5.0 | + 5.3 |
| Nonmarket producers, total | 221.9 | 224.0 | 202.2 | 205.0 | + 0.7 | + 0.9 | - 9.7 | + 1.4 |
| less: financial intermediation services indirectly measured (FISIM) | 87.6 | 88.2 | 97.6 | 100.2 | + 6.9 | + 0.6 | +10.7 | + 2.7 |
| Levies on imports | 10.6 | 12.0 | 12.8 | 13.4 | - 7.1 | +13.6 | + 6.4 | + 4.7 |
| VAT | 123.4 | 123.2 | 126.3 | 128.9 | + 0.2 | - 0.1 | + 2.5 | + 2.1 |
| National income (distribution), in nominal terms at market prices | 1,716.3 | 1,763.5 | 1,828.6 | 1,897.4 | + 4.6 | + 2.7 | + 3.7 | + 3.8 |
| Gross compensation of employees (residents concept) | 1,237.1 | 1,253.0 | 1,267.5 | 1,311.2 | + 3.5 | + 1.3 | + 1.2 | + 3.4 |
| Corporations' undistributed profits | 133.8 | 137.3 | 159.2 | 175.1 | + 2.4 | + 2.6 | +15.9 | +10.0 |
| General government | 50.9 | 42.6 | 35.5 | 27.8 | +10.5 | -16.3 | -16.7 | -21.6 |
| Other | 441.0 | 479.8 | 511.9 | 535.4 | + 9.0 | + 8.8 | + 6.7 | + 4.6 |
| Property and entrepreneurial income | 625.7 | 659.6 | 706.5 | 738.4 | + 7.7 | + 5.4 | + 7.1 | + 4.5 |
| less: interest on public debt | 102.4 | 105.9 | 100.8 | 105.5 | +12.4 | + 3.4 | - 4.8 | + 4.7 |
| interest on consumer debt | 44.1 | 43.2 | 44.6 | 46.6 | + 0.5 | - 1.9 | + 3.2 | + 4.4 |
| Disposable income = household income | | | | | | | | |
| Gross | 2,219.5 | 2,306.4 | 2,343.2 | 2,428.9 | + 4.5 | + 3.9 | + 1.6 | + 3.7 |
| Net | 1,453.2 | 1,491.8 | 1,525.8 | 1,580.8 | + 4.2 | + 2.7 | + 2.3 | + 3.6 |
| Private households' aggregate savings ²⁾ | 142.0 | 116.6 | 112.4 | 130.9 | + 1.9 | - 17.9 | - 3.6 | +16.5 |
| | 1,000 | | | | % | | | |
| Labor Market | | | | | | | | |
| Total number of employees | 3,068.2 | 3,047.3 | 3,055.6 | 3,076.7 | - 0.1 | - 0.7 | + 0.3 | + 0.7 |
| thereof foreigners | 300.3 | 300.4 | 298.8 | 298.6 | + 3.2 | + 0.0 | - 0.5 | - 0.1 |
| Registered unemployed, total | 215.7 | 230.5 | 233.3 | 237.8 | + 0.4 | + 6.9 | + 1.2 | + 1.9 |
| Unemployment rate (national method) | 6.6 | 7.0 | 7.1 | 7.2 | x | x | x | x |
| Unemployment rate (EU method) | 3.9 | 4.3 | 4.4 | 4.5 | x | x | x | x |
| Registered vacancies | 25.0 | 19.4 | 19.0 | 23.1 | -17.3 | -22.2 | - 2.1 | +21.4 |
| Unemployed per vacancy ³⁾ | 863 | 1,186 | 1,227 | 1,030 | +21.3 | +37.4 | + 3.4 | -16.1 |
| | 1996 = 100 | | | | % | | | |
| Prices and wages | | | | | | | | |
| National consumer price index | 128.4 | 130.8 | 101.3 | 102.2 | + 2.2 | + 1.9 | + 1.3 | + 0.9 |
| Harmonized index of consumer prices | 98.3 | 100.0 | 101.2 | 102.0 | + 1.6 | + 1.8 | + 1.2 | + 0.8 |
| Wholesale price index | 100.0 | 100.0 | 100.4 | 99.9 | + 0.4 | + 0.0 | + 0.4 | - 0.5 |
| Negotiated standard wage rate index (1986 = 100) | 147.1 | 150.6 | 153.3 | 156.7 | + 3.4 | + 2.4 | + 1.8 | + 2.2 |
| | ATS 1,000 | | | | % | | | |
| Productivity (GDP per employee) | | | | | | | | |
| | 484.1 | 496.4 | 508.4 | 520.2 | + 2.0 | + 2.6 | + 2.4 | + 2.3 |
| | ATS billion | | | | % | | | |
| External sector | | | | | | | | |
| Imports | 668.0 | 712.8 | 790.3 | 843.7 | + 6.2 | + 6.7 | + 10.9 | + 6.8 |
| Exports | 580.0 | 612.2 | 715.0 | 770.5 | +13.2 | + 5.5 | +16.8 | + 7.8 |
| Trade balance | - 88.0 | -100.6 | - 75.2 | - 73.2 | -24.4 | +14.3 | -25.2 | - 2.7 |
| Balance on current account | - 54.0 | - 50.8 | - 61.4 | - 54.5 | x | x | x | x |
| | 1,000 | | | | % | | | |
| Tourism | | | | | | | | |
| Total bednights | 117,115 | 112,936 | 109,065 | 111,131 | - 4.3 | - 3.6 | - 3.4 | + 1.9 |
| thereof foreign tourist bednights | 86,991 | 84,217 | 80,562 | 81,853 | - 5.7 | - 3.2 | - 4.3 | + 1.6 |

Source: OeNB, ÖSTAT, WIFO, Austrian Public Employment Service.

¹⁾ For 1998: Preliminary figures.

²⁾ Disposable income less final national consumption of residents' households and collective consumption of private nonprofit institutions.

³⁾ Unemployed per 100 registered vacancies, cut off at decimal point.

Selected National Accounts Figures

| | 1989 | 1990 | 1991 | 1992 | 1993 | 1994 | 1995 | 1996 | 1997 | 1998 ¹⁾ |
|---|---------|---------|---------|---------|---------|---------|---------|---------|---------|--------------------|
| ATS 1,000 | | | | | | | | | | |
| GDP per capita | 218,916 | 234,633 | 249,049 | 259,953 | 265,967 | 278,697 | 289,392 | 299,620 | 311,492 | 324,700 |
| GDP per labor force participant | 514,320 | 545,940 | 576,411 | 606,852 | 630,221 | 663,121 | 692,119 | 721,686 | 750,676 | 775,900 |
| share in % | | | | | | | | | | |
| Labor force participation rate ²⁾ | 42.9 | 43.3 | 43.6 | 43.7 | 43.1 | 43.0 | 42.7 | 42.4 | 42.4 | 42.7 |
| Wage ratio ³⁾ | 71.5 | 70.7 | 71.4 | 72.1 | 73.2 | 72.8 | 72.1 | 71.1 | 69.3 | 69.1 |
| Adjusted wage ratio ⁴⁾ | 70.1 | 69.1 | 69.4 | 69.8 | 70.6 | 70.0 | 69.1 | 68.1 | 66.5 | 66.2 |
| Savings ratio ⁵⁾ | 11.1 | 12.2 | 13.2 | 10.2 | 9.1 | 10.0 | 9.8 | 7.8 | 7.4 | 8.3 |
| Consumption ratio ⁶⁾ | 56.3 | 55.9 | 55.1 | 55.8 | 56.2 | 56.1 | 56.3 | 57.0 | 56.2 | 55.3 |
| Investment ratio ⁷⁾ | 23.0 | 23.3 | 24.0 | 23.5 | 22.8 | 23.8 | 23.8 | 23.7 | 23.7 | 23.9 |
| Tax ratio ⁸⁾ | 41.2 | 41.2 | 41.7 | 43.0 | 43.9 | 42.7 | 43.4 | 44.7 | 45.2 | .. |
| Goods imports ratio ⁹⁾ | 30.4 | 30.4 | 30.1 | 28.6 | 26.5 | 27.9 | 27.8 | 28.3 | 29.8 | 30.5 |
| Goods and services imports ratio ¹⁰⁾ | 39.0 | 38.9 | 39.0 | 37.5 | 36.4 | 37.7 | 39.1 | 40.7 | 42.9 | 43.7 |
| Goods exports ratio ¹¹⁾ | 25.5 | 25.8 | 24.6 | 23.6 | 22.0 | 22.9 | 24.4 | 24.8 | 27.8 | 28.5 |
| Goods and services exports ratio ¹²⁾ | 39.9 | 40.2 | 39.8 | 38.5 | 37.0 | 37.5 | 38.7 | 40.1 | 42.3 | 43.9 |
| Current account ratio ¹³⁾ | 0.4 | 0.6 | - 0.4 | - 0.4 | - 0.5 | - 1.5 | - 2.3 | - 2.2 | - 2.4 | - 2.1 |
| R & D ratio ¹⁴⁾ | 1.4 | 1.4 | 1.5 | 1.5 | 1.5 | 1.6 | 1.6 | 1.6 | 1.6 | 1.6 |
| annual change in % | | | | | | | | | | |
| Unit labor costs | | | | | | | | | | |
| Overall economy | + 2.1 | + 3.2 | + 4.9 | + 5.2 | + 3.6 | + 1.4 | + 1.8 | - 0.7 | - 1.3 | + 0.2 |
| Manufacturing | - 0.6 | - 0.9 | + 2.2 | + 3.8 | + 0.9 | - 3.6 | - 0.6 | - 1.0 | - 5.0 | - 3.1 |
| change in percentage points | | | | | | | | | | |
| Relative unit labor costs ¹⁵⁾ | | | | | | | | | | |
| vis-à-vis Germany | - 0.9 | - 3.4 | - 1.8 | - 0.9 | - 2.7 | + 2.9 | - 0.2 | - 0.6 | - 0.6 | + 0.1 |
| vis-à-vis main trading partners | - 2.5 | - 2.2 | - 2.7 | + 1.9 | + 0.7 | + 0.8 | + 2.2 | - 2.2 | - 4.9 | - 1.4 |
| quotient | | | | | | | | | | |
| Velocity of circulation of M1 ¹⁶⁾ | 6.73 | 6.91 | 6.85 | 6.82 | 6.35 | 6.29 | 5.69 | 5.60 | 5.56 | 5.29 |
| Velocity of circulation of M3 ¹⁷⁾ | 1.21 | 1.22 | 1.22 | 1.24 | 1.23 | 1.23 | 1.22 | 1.24 | 1.28 | 1.25 |

Source: OeNB, ÖSTAT, WIFO, IHS.

¹⁾ Provisional figures.

²⁾ Share of gainfully employed persons in the total population.

³⁾ Share of gross compensation of employees in national income.

⁴⁾ Adjusted for fluctuations in the number of self-employed persons.

⁵⁾ Share of households' savings in personal net income.

⁶⁾ GDP share of private consumption.

⁷⁾ GDP share of gross fixed capital formation.

⁸⁾ GDP share of direct taxes, social security contributions and indirect taxes.

⁹⁾ GDP share of goods imports.

¹⁰⁾ GDP share of goods and services imports.

¹¹⁾ GDP share of goods exports.

¹²⁾ GDP share of goods and services exports.

¹³⁾ GDP share of the current account.

¹⁴⁾ GDP share of expenditure on research and experimental development (R & D).

¹⁵⁾ + = deterioration, - = improvement.

¹⁶⁾ Nominal GDP divided by M1.

¹⁷⁾ Nominal GDP divided by M3.

Austria's Annual and Quarterly Balance of Payments, Summary/I

| Current account | | | | | | | | | | | | | | |
|----------------------------|-----------|-----------|---------|-----------|-----------|---------|-----------|-----------|---------|---------|---------|---------|---------|---------|
| total | | | | | | | | | | | | | | |
| Goods, services and income | | | | | | | | | | | | | | |
| total | | | | | | | | | | | | | | |
| Goods and services | | | | | | | | | | | | | | |
| total | | | | | | | | | | | | | | |
| Goods | | | | | | | | | | | | | | |
| Services | | | | | | | | | | | | | | |
| total | | | | | | | | | | | | | | |
| ATS million | | | | | | | | | | | | | | |
| | 9930 | | | 9920 | | | 9910 | | | 1000 | | | 2000 | |
| | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit |
| 1992 ¹⁾ | 879,416 | 887,378 | - 7,962 | 865,066 | 861,951 | + 3,115 | 788,257 | 769,541 | +18,715 | 488,790 | 572,896 | -84,106 | 299,467 | 196,646 |
| 1993 ¹⁾ | 878,405 | 890,080 | -11,675 | 863,702 | 863,674 | + 29 | 779,574 | 767,095 | +12,478 | 468,430 | 543,728 | -75,298 | 311,144 | 223,368 |
| 1994 ¹⁾ | 930,057 | 963,159 | -33,102 | 914,460 | 935,233 | -20,773 | 833,615 | 839,792 | - 6,177 | 513,812 | 604,035 | -90,223 | 319,803 | 235,758 |
| 1995 ¹⁾ | 1,026,354 | 1,080,375 | -54,021 | 996,431 | 1,033,194 | -36,763 | 906,665 | 927,237 | -20,572 | 581,420 | 648,484 | -67,064 | 325,246 | 278,753 |
| 1996 ¹⁾ | 1,111,183 | 1,161,942 | -50,759 | 1,077,850 | 1,109,792 | -31,942 | 972,853 | 1,001,715 | -28,862 | 613,909 | 690,943 | -77,035 | 358,944 | 310,772 |
| 1997 ²⁾ | 1,238,549 | 1,299,949 | -61,400 | 1,203,121 | 1,243,790 | -40,669 | 1,077,450 | 1,116,681 | -39,232 | 716,062 | 768,039 | -51,977 | 361,387 | 348,642 |
| 1998 ³⁾ | 1,346,251 | 1,400,703 | -54,452 | 1,310,382 | 1,340,831 | -30,449 | 1,178,414 | 1,195,729 | -17,315 | 772,000 | 822,806 | -50,806 | 406,414 | 372,923 |
| 1998 ³⁾ | | | | | | | | | | | | | | |
| 1 st quarter | 340,231 | 339,765 | + 466 | 329,229 | 320,880 | + 8,348 | 297,649 | 287,685 | + 9,964 | 188,256 | 208,582 | -20,327 | 109,393 | 79,103 |
| 2 nd quarter | 324,493 | 349,608 | -25,116 | 317,514 | 336,430 | -18,916 | 283,516 | 298,885 | -15,369 | 197,474 | 204,050 | - 6,576 | 86,041 | 94,835 |
| 3 rd quarter | 331,890 | 347,574 | -15,684 | 325,469 | 334,431 | - 8,962 | 292,643 | 299,037 | - 6,394 | 190,129 | 206,819 | -16,689 | 102,513 | 92,218 |
| 4 th quarter | 349,638 | 363,756 | -14,118 | 338,170 | 349,090 | -10,920 | 304,606 | 310,122 | - 5,515 | 196,140 | 203,355 | - 7,215 | 108,466 | 106,767 |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

Austria's Annual and Quarterly Balance of Payments, Summary/II

| Current account | | | | | | | | | | | | | | |
|----------------------------|--------|--------|--------|---------|---------|---------|--------|-------|------|--------|-------|--------|--------|-------|
| Goods, services and income | | | | | | | | | | | | | | |
| Goods and services | | | | | | | | | | | | | | |
| Services | | | | | | | | | | | | | | |
| Transportation | | | | | | | | | | | | | | |
| Travel | | | | | | | | | | | | | | |
| Communications services | | | | | | | | | | | | | | |
| Construction services | | | | | | | | | | | | | | |
| other transport | | | | | | | | | | | | | | |
| total | | | | | | | | | | | | | | |
| abroad | | | | | | | | | | | | | | |
| | 2140 | | | 2360 | | | 2450 | | | 2490 | | | 2500 | |
| | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit |
| 1992 ¹⁾ | 21,548 | 19,993 | +1,555 | 151,024 | 86,724 | +64,300 | 991 | 1,137 | -146 | 7,762 | 4,510 | +3,252 | x | x |
| 1993 ¹⁾ | 21,932 | 20,285 | +1,647 | 148,516 | 90,430 | +58,086 | 1,142 | 1,976 | -834 | 6,833 | 4,704 | +2,129 | x | x |
| 1994 ¹⁾ | 24,904 | 22,307 | +2,597 | 139,895 | 100,360 | +39,535 | 1,396 | 1,609 | -213 | 9,435 | 5,710 | +3,725 | x | x |
| 1995 ¹⁾ | 20,287 | 19,373 | + 913 | 135,994 | 109,510 | +26,483 | 3,015 | 3,061 | - 46 | 7,726 | 6,004 | +1,722 | x | x |
| 1996 ¹⁾ | 22,047 | 19,589 | +2,459 | 135,334 | 116,703 | +18,631 | 3,584 | 3,823 | -239 | 7,839 | 6,544 | +1,295 | x | x |
| 1997 ²⁾ | 25,296 | 19,056 | +6,240 | 134,086 | 123,239 | +10,847 | 3,886 | 4,585 | -699 | 9,348 | 6,020 | +3,328 | 8,659 | 4,770 |
| 1998 ³⁾ | 29,741 | 22,631 | +7,110 | 139,167 | 118,473 | +20,693 | 5,212 | 6,050 | -838 | 8,716 | 5,717 | +2,999 | 8,233 | 4,104 |
| 1998 ³⁾ | | | | | | | | | | | | | | |
| 1 st quarter | 6,959 | 5,563 | +1,397 | 44,030 | 23,441 | +20,589 | 1,561 | 1,616 | - 55 | 2,361 | 1,325 | +1,037 | 2,290 | 1,007 |
| 2 nd quarter | 7,462 | 5,703 | +1,759 | 28,269 | 31,939 | - 3,671 | 1,257 | 1,315 | - 58 | 1,872 | 1,516 | + 356 | 1,763 | 1,194 |
| 3 rd quarter | 7,804 | 5,886 | +1,917 | 39,243 | 38,213 | + 1,029 | 971 | 1,261 | -290 | 2,170 | 1,451 | + 718 | 2,001 | 956 |
| 4 th quarter | 7,516 | 5,480 | +2,037 | 27,626 | 24,880 | + 2,746 | 1,423 | 1,859 | -436 | 2,312 | 1,424 | + 888 | 2,179 | 946 |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

| net | Transportation | | | | | | | | | | | |
|----------|----------------|--------|---------|---|--------|--------|----------------|-------|--------|----------------|--------|---------|
| | total | | | thereof international passenger transport | | | Sea transport | | | Air transport | | |
| | 2050 credit | debit | net | 2055 credit | debit | net | 2060 credit | debit | net | 2100 credit | debit | net |
| +102,821 | 34,492 | 30,307 | + 4,185 | 8,623 | 5,522 | +3,101 | 2,062 | 2,653 | - 591 | 10,875 | 7,657 | + 3,219 |
| + 87,776 | 36,277 | 31,293 | + 4,984 | 9,007 | 5,666 | +3,341 | 2,173 | 2,714 | - 540 | 12,168 | 8,289 | + 3,879 |
| + 84,045 | 39,957 | 34,674 | + 5,283 | 10,291 | 7,003 | +3,288 | 2,364 | 2,958 | - 594 | 12,683 | 9,403 | + 3,280 |
| + 46,492 | 37,641 | 33,000 | + 4,641 | 11,065 | 8,043 | +3,021 | 765 | 1,575 | - 810 | 16,589 | 12,052 | + 4,538 |
| + 48,172 | 42,388 | 34,178 | + 8,210 | 12,139 | 8,085 | +4,054 | 1,797 | 3,007 | -1,210 | 18,544 | 11,582 | + 6,961 |
| + 12,745 | 49,518 | 35,663 | +13,855 | 15,396 | 7,479 | +7,917 | 1,406 | 2,997 | -1,591 | 22,816 | 13,610 | + 9,206 |
| + 33,491 | 55,849 | 38,785 | +17,064 | 17,874 | 10,182 | +7,693 | 1,101 | 1,738 | - 637 | 25,006 | 14,415 | +10,591 |
| + 30,291 | 13,461 | 9,484 | + 3,977 | 4,661 | 2,445 | +2,216 | 255 | 428 | - 172 | 6,246 | 3,494 | + 2,752 |
| - 8,794 | 13,968 | 9,796 | + 4,172 | 4,431 | 2,592 | +1,839 | 277 | 438 | - 161 | 6,230 | 3,655 | + 2,575 |
| + 10,295 | 15,030 | 10,437 | + 4,593 | 5,149 | 3,060 | +2,089 | 287 | 451 | - 164 | 6,940 | 4,101 | + 2,840 |
| + 1,700 | 13,389 | 9,068 | + 4,321 | 3,633 | 2,085 | +1,548 | 283 | 422 | - 139 | 5,590 | 3,166 | + 2,424 |

| net | Insurance services | | | Financial services | | | Computer and information services | | | | | |
|--------|--------------------|-------|--------|--------------------|--------|--------|-----------------------------------|-------|--------|----------------|-------|--------|
| | in Austria | | | 2530 credit | debit | net | 2600 credit | debit | net | 2620 credit | debit | net |
| x | x | x | x | 5,737 | 7,020 | -1,283 | 4,408 | 4,987 | - 579 | 457 | 933 | - 475 |
| x | x | x | x | 6,096 | 7,252 | -1,156 | 5,322 | 5,305 | + 17 | 539 | 1,069 | - 531 |
| x | x | x | x | 6,167 | 7,253 | -1,086 | 5,081 | 5,880 | - 800 | 649 | 1,208 | - 559 |
| x | x | x | x | 6,406 | 8,278 | -1,872 | 6,200 | 7,233 | -1,033 | 830 | 1,515 | - 685 |
| x | x | x | x | 8,018 | 8,820 | - 801 | 9,331 | 9,249 | + 82 | 883 | 1,814 | - 930 |
| +3,889 | 689 | 1,250 | - 561 | 7,946 | 9,619 | -1,673 | 7,207 | 7,076 | + 131 | 967 | 1,901 | - 934 |
| +4,130 | 482 | 1,613 | -1,131 | 9,874 | 11,554 | -1,680 | 9,455 | 8,816 | + 638 | 1,044 | 2,830 | -1,786 |
| +1,283 | 71 | 317 | - 246 | 2,538 | 2,483 | + 54 | 2,189 | 2,453 | - 264 | 241 | 750 | - 509 |
| + 569 | 109 | 322 | - 213 | 2,818 | 3,291 | - 473 | 2,280 | 1,873 | + 406 | 241 | 580 | - 339 |
| +1,045 | 169 | 495 | - 326 | 1,921 | 2,668 | - 747 | 2,608 | 2,237 | + 372 | 268 | 622 | - 354 |
| +1,233 | 133 | 478 | - 345 | 2,597 | 3,111 | - 514 | 2,378 | 2,253 | + 124 | 293 | 877 | - 584 |

Austria's Annual and Quarterly Balance of Payments, Summary/III

| Current account | | | | | | | | | | | | | |
|----------------------------|-------|-------|--------|-------------------------|--------|---------|--------------------|------------------------------|--------|--------|------------------------------|-------|--------|
| Goods, services and income | | | | | | | | | | | | | |
| Goods and services | | | | | | | | | | | | | |
| Services | | | | | | | | | | | | | |
| Royalties and license fees | | | | Other business services | | | | | | | | | |
| | | | | total | | | Merchancing income | Other trade-related services | | | Operational leasing services | | |
| 2660 | | | | 2680 | | | 2700 | 2710 | | | 2720 | | |
| credit | debit | net | credit | debit | net | net | credit | debit | net | credit | debit | net | |
| ATS million | | | | | | | | | | | | | |
| 1992 ¹⁾ | 1,344 | 4,603 | -3,259 | 35,084 | 33,957 | + 1,128 | +9,483 | 4,516 | 11,687 | -7,171 | 4,095 | 1,523 | +2,572 |
| 1993 ¹⁾ | 1,373 | 4,859 | -3,486 | 39,262 | 31,876 | + 7,387 | +10,955 | 5,349 | 10,431 | -5,082 | 4,843 | 1,469 | +3,374 |
| 1994 ¹⁾ | 1,478 | 5,188 | -3,710 | 42,169 | 33,247 | + 8,922 | +10,502 | 5,484 | 10,064 | -4,580 | 4,717 | 1,286 | +3,431 |
| 1995 ¹⁾ | 1,345 | 5,369 | -4,024 | 46,131 | 36,555 | + 9,576 | +10,974 | 5,692 | 9,731 | -4,040 | 4,207 | 1,180 | +3,027 |
| 1996 ¹⁾ | 1,920 | 7,350 | -5,430 | 50,723 | 42,139 | + 8,584 | +11,239 | 5,914 | 9,880 | -3,966 | 4,222 | 1,616 | +2,606 |
| 1997 ²⁾ | 2,289 | 8,413 | -6,124 | 58,821 | 44,958 | +13,863 | +18,675 | 6,319 | 10,705 | -4,386 | 3,772 | 2,323 | +1,449 |
| 1998 ³⁾ | 1,213 | 9,873 | -8,661 | 62,581 | 46,443 | +16,138 | +13,904 | 6,299 | 10,898 | -4,598 | 4,757 | 2,296 | +2,461 |
| 1998 ³⁾ | | | | | | | | | | | | | |
| 1 st quarter | 315 | 3,031 | -2,716 | 16,967 | 12,193 | + 4,774 | +5,034 | 1,589 | 2,976 | -1,387 | 915 | 717 | + 198 |
| 2 nd quarter | 250 | 2,106 | -1,856 | 14,576 | 11,322 | + 3,254 | +2,516 | 1,562 | 2,543 | - 981 | 1,518 | 537 | + 981 |
| 3 rd quarter | 313 | 2,041 | -1,728 | 14,104 | 10,640 | + 3,464 | +2,331 | 1,616 | 2,627 | -1,011 | 758 | 443 | + 315 |
| 4 th quarter | 334 | 2,696 | -2,361 | 16,933 | 12,288 | + 4,645 | +4,023 | 1,533 | 2,753 | -1,220 | 1,565 | 599 | + 966 |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

Austria's Annual and Quarterly Balance of Payments, Summary/IV

| Current account | | | | | | | | | | | | | | | | |
|----------------------------|--------|-------|--------|---------|---------|-------------------|---------|--------|------------------------|--------|--------|---------------------------|--------|--------|--------|-------|
| Goods, services and income | | | | | | | | | | | | | | | | |
| Income | | | | | | | | | | | | | | | | |
| Compensation of employees | | | | | | Investment income | | | | | | | | | | |
| | | | | | | total | | | from direct investment | | | from portfolio investment | | | other | |
| 3100 | | | | | | 3200 | | | 3300 | | | 3390 | | | 3700 | |
| credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit |
| ATS million | | | | | | | | | | | | | | | | |
| 1992 ¹⁾ | 8,938 | 2,256 | +6,682 | 67,871 | 90,153 | -22,283 | - 3,156 | 8,352 | -11,508 | 8,990 | 28,277 | -19,287 | 62,037 | 53,524 | | |
| 1993 ¹⁾ | 8,949 | 3,359 | +5,590 | 75,180 | 93,219 | -18,039 | - 924 | 8,568 | - 9,492 | 16,023 | 38,515 | -22,492 | 60,081 | 46,136 | | |
| 1994 ¹⁾ | 9,610 | 3,324 | +6,286 | 71,235 | 92,117 | -20,882 | 2,688 | 15,768 | -13,080 | 16,488 | 38,498 | -22,010 | 52,059 | 37,851 | | |
| 1995 ¹⁾ | 10,198 | 3,488 | +6,710 | 79,568 | 102,469 | -22,902 | 120 | 21,288 | -21,168 | 22,190 | 37,904 | -15,714 | 57,258 | 43,278 | | |
| 1996 ¹⁾ | 10,425 | 3,675 | +6,751 | 94,572 | 104,402 | - 9,830 | 7,296 | 19,248 | -11,952 | 22,792 | 42,894 | -20,102 | 64,484 | 42,260 | | |
| 1997 ²⁾ | 11,166 | 4,181 | +6,985 | 114,506 | 122,928 | - 8,422 | 9,568 | 20,665 | -11,097 | 37,417 | 49,886 | -12,469 | 67,521 | 52,377 | | |
| 1998 ³⁾ | 11,563 | 4,605 | +6,958 | 120,405 | 140,498 | -20,092 | 10,951 | 25,489 | -14,537 | 41,720 | 60,890 | -19,170 | 67,734 | 54,119 | | |
| 1998 ³⁾ | | | | | | | | | | | | | | | | |
| 1 st quarter | 2,777 | 1,057 | +1,720 | 28,803 | 32,138 | - 3,335 | 2,667 | 6,383 | - 3,716 | 9,229 | 12,141 | - 2,911 | 16,906 | 13,615 | | |
| 2 nd quarter | 2,925 | 1,190 | +1,735 | 31,073 | 36,355 | - 5,281 | 2,671 | 6,373 | - 3,702 | 11,201 | 16,885 | - 5,684 | 17,202 | 13,097 | | |
| 3 rd quarter | 2,756 | 1,081 | +1,675 | 30,070 | 34,313 | - 4,242 | 2,820 | 6,364 | - 3,544 | 11,072 | 15,436 | - 4,364 | 16,178 | 12,513 | | |
| 4 th quarter | 3,105 | 1,276 | +1,829 | 30,459 | 37,692 | - 7,233 | 2,793 | 6,369 | - 3,576 | 10,217 | 16,428 | - 6,211 | 17,448 | 14,895 | | |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

| | | | | | | | | | | | | | Income | | |
|---|--------|--------|--|-------|------|-----------------------------|-------|--------|---------------------------|---------|---------|---------|---------|---------|--|
| | | | | | | | | | | | | | total | | |
| Miscellaneous business, professional and technical services | | | Personal, cultural and recreational services | | | Government services, n.i.e. | | | Unclassified transactions | | | | | | |
| 2730 | | | 2870 | | | 2910 | | | 9820 | | | 3000 | | | |
| credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | credit | debit | net | |
| 16,990 | 20,746 | -3,756 | 1,239 | 1,580 | -341 | 4,542 | 1,228 | +3,314 | 52,387 | 19,661 | +32,726 | 76,809 | 92,409 | -15,601 | |
| 18,115 | 19,975 | -1,860 | 1,496 | 1,545 | - 49 | 4,621 | 1,217 | +3,404 | 59,667 | 41,842 | +17,825 | 84,129 | 96,578 | -12,449 | |
| 21,466 | 21,897 | - 431 | 1,860 | 1,679 | +181 | 5,980 | 1,705 | +4,275 | 65,736 | 37,245 | +28,491 | 80,845 | 95,441 | -14,596 | |
| 25,258 | 25,644 | - 386 | 1,622 | 1,957 | -335 | 5,240 | 1,530 | +3,710 | 73,096 | 64,740 | + 8,355 | 89,766 | 105,957 | -16,191 | |
| 29,348 | 30,644 | -1,295 | 2,137 | 2,410 | -273 | 5,839 | 1,441 | +4,398 | 90,947 | 76,302 | +14,646 | 104,997 | 108,076 | - 3,079 | |
| 30,055 | 31,930 | -1,875 | 2,562 | 3,017 | -455 | 4,707 | 1,686 | +3,021 | 80,051 | 102,466 | -22,415 | 125,672 | 127,109 | - 1,437 | |
| 37,621 | 33,250 | +4,371 | 2,578 | 2,857 | -279 | 6,471 | 1,558 | +4,913 | 104,256 | 119,967 | -15,711 | 131,968 | 145,102 | -13,134 | |
| 9,430 | 8,500 | + 929 | 631 | 1,020 | -389 | 1,942 | 483 | +1,459 | 23,158 | 20,825 | + 2,334 | 31,580 | 33,195 | - 1,616 | |
| 8,981 | 8,243 | + 738 | 725 | 629 | + 96 | 1,460 | 366 | +1,094 | 18,324 | 30,100 | -11,776 | 33,999 | 37,545 | - 3,546 | |
| 9,399 | 7,570 | +1,829 | 562 | 603 | - 41 | 1,202 | 292 | + 910 | 24,120 | 21,753 | + 2,367 | 32,827 | 35,394 | - 2,568 | |
| 9,812 | 8,936 | + 876 | 659 | 604 | + 55 | 1,867 | 417 | +1,450 | 38,654 | 47,290 | - 8,636 | 33,564 | 38,968 | - 5,404 | |

| | | | | | | | | | | Capital and financial account | | | | | |
|-------------------|--------|--------|--------------------|--------|--------|----------------|--------|--------|--------|-------------------------------|-----------------|-------|--------|--|--|
| | | | | | | | | | | total | Capital account | | | | |
| | | | | | | | | | | total | total | | | | |
| Current transfers | | | | | | | | | | | | | | | |
| total | | | General government | | | Private sector | | | | | | | | | |
| net | 3790 | | net | 3800 | | net | 3900 | | net | 9960 | 9940 | | | | |
| | credit | debit | | credit | debit | | credit | debit | | balance | credit | debit | net | | |
| + 8,512 | 14,350 | 25,427 | -11,077 | 2,160 | 8,885 | - 6,725 | 12,190 | 16,542 | -4,351 | - 2,635 | 2,707 | 3,250 | - 543 | | |
| +13,945 | 14,703 | 26,406 | -11,704 | 2,087 | 9,882 | - 7,795 | 12,616 | 16,525 | -3,909 | +15,088 | 2,861 | 8,103 | -5,242 | | |
| +14,208 | 15,597 | 27,926 | -12,329 | 2,329 | 10,612 | - 8,283 | 13,269 | 17,314 | -4,045 | +35,813 | 7,528 | 8,530 | -1,002 | | |
| +13,980 | 29,923 | 47,181 | -17,258 | 18,922 | 33,229 | -14,308 | 11,001 | 13,951 | -2,950 | +58,891 | 5,434 | 6,069 | - 635 | | |
| +22,224 | 33,333 | 52,150 | -18,817 | 20,684 | 36,204 | -15,520 | 12,649 | 15,946 | -3,297 | +44,658 | 6,247 | 5,431 | + 816 | | |
| +15,144 | 35,428 | 56,159 | -20,731 | 20,907 | 39,754 | -18,847 | 14,521 | 16,405 | -1,884 | +55,156 | 7,163 | 6,870 | + 293 | | |
| +13,615 | 35,869 | 59,872 | -24,003 | 20,364 | 38,922 | -18,558 | 15,505 | 20,950 | -5,445 | +53,144 | 5,886 | 7,880 | -1,994 | | |
| + 3,292 | 11,002 | 18,885 | - 7,883 | 7,256 | 12,980 | - 5,724 | 3,747 | 5,905 | -2,159 | + 8,365 | 1,427 | 1,510 | - 83 | | |
| + 4,105 | 6,978 | 13,178 | - 6,200 | 3,121 | 7,839 | - 4,719 | 3,858 | 5,339 | -1,481 | +50,700 | 979 | 1,875 | - 896 | | |
| + 3,666 | 6,421 | 13,143 | - 6,722 | 2,861 | 8,417 | - 5,556 | 3,560 | 4,726 | -1,166 | + 5,768 | 2,041 | 2,427 | - 387 | | |
| + 2,553 | 11,468 | 14,666 | - 3,198 | 7,127 | 9,687 | - 2,559 | 4,341 | 4,979 | - 638 | -11,689 | 1,440 | 2,068 | - 628 | | |

Austria's Annual and Quarterly Balance of Payments, Summary/V

| Capital and financial account | | | | | | | | | | | | | | | |
|-------------------------------|-------|-----|----------------|-------|-------|--|-------|-----|---------|-------------------|-------------------|---------|---------|---------|--|
| Capital account | | | | | | | | | | Financial account | | | | | |
| Capital transfers in kind | | | | | | Acquisition/disposal of nonproduced, nonfinancial assets | | | | total | Direct investment | | | | |
| General government | | | Private sector | | | | | | | | total | | abroad | | |
| 4010 | | | 4300 | | | 4800 | | | | 9950 | 5000 | 5050 | | | |
| credit | debit | net | credit | debit | net | credit | debit | net | balance | balance | credit | debit | net | | |
| ATS million | | | | | | | | | | | | | | | |
| 1992 ¹⁾ | x | x | x | 2,707 | 3,250 | - 543 | x | x | x | - 2,092 | - 2,910 | 3,783 | 22,440 | -18,657 | |
| 1993 ¹⁾ | x | x | x | 2,861 | 8,103 | -5,242 | x | x | x | +20,330 | - 628 | 6,265 | 20,114 | -13,849 | |
| 1994 ¹⁾ | x | x | x | 7,528 | 8,530 | -1,002 | x | x | x | +36,815 | + 9,657 | 5,298 | 19,654 | -14,356 | |
| 1995 ¹⁾ | 423 | - | + 423 | 4,887 | 6,041 | -1,154 | 124 | 28 | + 96 | +59,526 | + 7,801 | 8,202 | 19,601 | -11,399 | |
| 1996 ¹⁾ | 2,308 | - | +2,308 | 3,878 | 5,396 | -1,518 | 61 | 35 | + 26 | +43,842 | +26,382 | 7,291 | 27,763 | -20,472 | |
| 1997 ²⁾ | 2,558 | 48 | +2,510 | 4,006 | 6,424 | -2,418 | 599 | 398 | +201 | +54,863 | + 5,334 | 147,689 | 171,447 | -23,758 | |
| 1998 ³⁾ | 2,285 | 789 | +1,496 | 3,323 | 6,657 | -3,334 | 278 | 434 | -156 | +55,138 | +35,920 | 17,758 | 55,059 | -37,300 | |
| 1998 ³⁾ | | | | | | | | | | | | | | | |
| 1 st quarter | 240 | - | + 240 | 1,109 | 1,432 | - 323 | 77 | 78 | - 1 | + 8,448 | + 3,504 | 9,573 | 17,842 | - 8,269 | |
| 2 nd quarter | 266 | 8 | + 258 | 644 | 1,718 | -1,074 | 69 | 148 | -79 | +51,596 | + 8,658 | 2,373 | 10,154 | - 7,781 | |
| 3 rd quarter | 1,200 | 779 | + 421 | 773 | 1,514 | - 741 | 68 | 134 | -67 | + 6,155 | - 1,901 | 3,327 | 13,442 | -10,115 | |
| 4 th quarter | 579 | 2 | + 577 | 797 | 1,992 | -1,196 | 64 | 73 | - 9 | -11,061 | +25,659 | 2,485 | 13,621 | -11,135 | |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

Austria's Annual and Quarterly Balance of Payments, Summary/VI

| Capital and financial account | | | | | | | | | | | | | | |
|-------------------------------|---------|---------------|---------|---------|---------|--------|-------------------|---------|---------|---------|-------------------------|---------|---------|---------|
| Financial account | | | | | | | | | | | | | | |
| Other investment | | | | | | | | | | | | | | |
| total | Assets | | | | | | | | | | | | | |
| | total | Trade credits | | | Loans | | | | | | Sight and time deposits | | | |
| | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | |
| 7000 | 7030 | 7060 | 7140 | 7150 | 7190 | Banks | Other sectors | | 7300 | 7310 | 7320 | 7330 | 7340 | |
| balance | balance | balance | balance | balance | balance | total | thereof long-term | balance | balance | balance | balance | balance | balance | |
| ATS million | | | | | | | | | | | | | | |
| 1992 ¹⁾ | -41,845 | - 80,331 | + 1,000 | -36,876 | x | - 484 | -28,187 | - 8,819 | - 8,205 | -46,727 | x | +1,480 | -38,012 | -10,195 |
| 1993 ¹⁾ | -22,866 | - 59,072 | + 2,000 | - 8,265 | x | +1,851 | - 4,494 | + 1,201 | - 5,622 | -49,873 | x | - 104 | -54,481 | + 4,712 |
| 1994 ¹⁾ | +40,580 | - 31,801 | - 4,000 | -10,095 | x | -1,505 | + 3,009 | + 6,529 | -11,599 | -17,089 | - 183 | + 346 | -20,079 | + 2,827 |
| 1995 ¹⁾ | -28,592 | -102,016 | + 3,600 | -22,006 | x | +1,922 | -24,006 | -22,170 | + 78 | -80,869 | -1,312 | -1,379 | -84,929 | + 6,751 |
| 1996 ¹⁾ | +55,311 | + 8,956 | +10,800 | -37,614 | x | + 110 | -24,223 | -17,167 | -13,501 | +28,926 | +1,478 | +6,245 | +35,166 | -13,963 |
| 1997 ²⁾ | - 252 | - 63,312 | + 2,904 | -52,133 | x | + 122 | -41,715 | -25,470 | -10,540 | +12,667 | - 5 | -5,296 | +14,389 | + 3,579 |
| 1998 ³⁾ | + 8,236 | - 22,127 | + 6,467 | -69,470 | x | + 757 | -45,452 | -41,580 | -24,775 | +41,881 | - 221 | -5,908 | +45,792 | + 2,218 |
| 1998 ³⁾ | | | | | | | | | | | | | | |
| 1 st quarter | - 3,611 | - 69,468 | + 1,101 | -27,743 | x | - 8 | -22,273 | - 5,172 | - 5,461 | -43,504 | + 1 | + 990 | -43,235 | - 1,260 |
| 2 nd quarter | +30,062 | + 23,491 | + 2,890 | - 1,793 | x | + 48 | + 4,209 | - 7,746 | - 6,050 | +24,305 | + 0 | -6,933 | +32,425 | - 1,187 |
| 3 rd quarter | + 3,438 | - 1,343 | + 3,440 | -13,691 | x | + 742 | -11,711 | - 8,101 | - 2,722 | + 9,397 | -8,669 | -6,677 | +28,324 | - 3,581 |
| 4 th quarter | -21,653 | + 25,194 | - 963 | -26,243 | x | - 25 | -15,677 | -20,562 | -10,541 | +51,683 | +8,446 | +6,712 | +28,279 | + 8,246 |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

| | | | Portfolio investment | | | | | | | | | |
|------------|--------|---------|----------------------|-------------------|---------------------------|--------------------------|---------|---------------------|---------------------------|--------------------------|---------|---------|
| in Austria | | | total | | | | | | | | | |
| | | | Foreign securities | | | | | Domestic securities | | | | |
| | | | total | Equity securities | Long-term debt securities | Money market instruments | total | Equity securities | Long-term debt securities | Money market instruments | | |
| 5550 | | | 6000 | 6020 | 6100 | 6200 | 6300 | 6520 | 6600 | 6700 | 6800 | |
| credit | debit | net | balance | balance | balance | balance | balance | balance | balance | balance | balance | balance |
| 18,872 | 3,125 | +15,747 | +70,268 | - 29,892 | - 1,975 | -27,700 | - 217 | +100,160 | + 1,716 | + 65,354 | +33,090 | |
| 17,210 | 3,989 | +13,221 | +70,596 | - 21,959 | - 7,065 | -14,015 | - 879 | + 92,555 | +13,848 | +106,016 | -27,309 | |
| 27,901 | 3,888 | +24,013 | - 1,874 | - 51,525 | - 9,999 | -39,000 | - 2,526 | + 49,651 | +15,036 | + 35,153 | - 538 | |
| 33,932 | 14,732 | +19,200 | +95,410 | - 28,520 | - 5,508 | -24,498 | + 1,486 | +123,930 | +12,521 | +119,179 | - 7,770 | |
| 52,546 | 5,692 | +46,854 | -28,900 | - 88,006 | -12,199 | -69,136 | - 6,671 | + 59,106 | +28,225 | + 43,215 | -12,334 | |
| 44,911 | 15,819 | +29,092 | +13,431 | -121,198 | -30,070 | -95,106 | + 3,978 | +134,629 | +32,027 | + 87,112 | +15,490 | |
| 83,395 | 10,174 | +73,221 | +57,848 | -146,749 | -66,566 | -82,955 | + 2,771 | +204,597 | +12,489 | +189,285 | + 2,823 | |
| 13,311 | 1,538 | +11,773 | +13,261 | - 53,885 | -14,018 | -36,593 | - 3,274 | + 67,146 | +11,958 | + 65,746 | -10,558 | |
| 18,718 | 2,278 | +16,440 | + 4,511 | - 49,437 | -12,310 | -30,267 | - 6,860 | + 53,948 | - 2,035 | + 41,823 | +14,160 | |
| 11,568 | 3,354 | + 8,214 | + 7,514 | - 27,375 | -15,423 | -22,406 | +10,454 | + 34,889 | + 240 | + 37,675 | - 3,025 | |
| 39,798 | 3,004 | +36,794 | +32,562 | - 16,052 | -24,814 | +6,311 | + 2,451 | + 48,614 | + 2,327 | + 44,041 | + 2,247 | |

| Other assets | | | | | Liabilities | | | | | | | |
|--------------|----------------------|--------------------|---------|---------------|-------------|---------------|---------|---------|----------------------|--------------------|---------|---------------|
| | | | | | total | Trade credits | | Loans | | | | |
| total | Monetary authorities | General government | Banks | Other sectors | | | | total | Monetary authorities | General government | Banks | Other sectors |
| 7360 | 7370 | 7400 | 7430 | 7460 | 7530 | 7560 | 7640 | 7650 | 7690 | 7720 | 7750 | |
| balance | balance | balance | balance | balance | balance | balance | balance | balance | balance | balance | balance | balance |
| + 2,272 | x | +1,987 | + 625 | - 340 | +38,486 | -2,500 | +17,596 | x | + 4,112 | -2,309 | +15,793 | |
| - 2,934 | x | - 800 | - 938 | -1,196 | +36,206 | - 400 | - 1,387 | x | - 4,452 | -3,425 | + 6,490 | |
| - 617 | x | -1,008 | - 936 | +1,327 | +72,381 | +7,000 | +13,946 | x | +18,646 | +1,922 | - 6,622 | |
| - 2,741 | x | -2,876 | - 2,339 | +2,474 | +73,424 | -3,000 | +16,367 | x | + 6,679 | +1,398 | + 8,290 | |
| + 6,844 | x | -2,930 | +14,528 | -4,754 | +46,355 | -1,000 | + 1,601 | x | - 2,105 | +2,870 | + 836 | |
| -26,750 | x | -2,971 | -19,426 | -4,353 | +63,060 | +4,887 | - 5,104 | x | - 1,834 | +1,069 | - 4,339 | |
| - 1,005 | -1,645 | -1,522 | + 2,045 | + 117 | +30,363 | -2,339 | + 5,613 | - 1 | + 4,576 | +2,387 | - 1,350 | |
| + 678 | - | - 275 | + 208 | + 745 | +65,857 | - 1,238 | + 1,876 | - | +2,959 | + 36 | - 1,119 | |
| - 1,911 | -1,645 | - 405 | + 584 | - 446 | + 6,571 | - 2,339 | + 6,965 | +1,645 | + 268 | +5,556 | - 504 | |
| - 489 | - | - 261 | + 903 | -1,131 | + 4,782 | - 344 | - 295 | - 1,645 | +1,613 | + 28 | - 290 | |
| + 717 | - | - 582 | + 350 | + 949 | -46,847 | + 1,582 | - 2,934 | - | - 264 | -3,233 | + 563 | |

Austria's Annual and Quarterly Balance of Payments, Summary/VII

Capital and financial account

Financial account

Other investment

Financial derivatives

Official reserves

Liabilities

total

Claims

Liabilities

total

Gold

Sight and time deposits

Other liabilities

| total | Monetary authorities | | Banks | | total | Other liabilities | | | | 9100 balance | 6400 balance | 6900 balance | 8000 net | 8100 net |
|-------|----------------------|-----------------|-----------------|--|-------|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-------------|-------------|
| | 7800 balance | 7810 balance | 7830 balance | 7835 thereof short-term balance | | 7860 balance | 7870 balance | 7900 balance | 7930 balance | | | | | |

ATS million

| | | | | | | | | | | | | | | |
|-------------------------|---------|---|---------|---------|--------|---|--------|--------|--------|--------|--------|--------|---------|--------|
| 1992 ¹⁾ | +22,203 | x | +22,203 | +17,865 | +1,187 | x | -1,617 | +1,786 | +1,018 | + 148 | + 148 | x | -27,753 | x |
| 1993 ¹⁾ | +37,058 | x | +37,058 | +48,746 | + 935 | x | -1,606 | +2,080 | + 461 | - 233 | - 233 | x | -26,539 | x |
| 1994 ¹⁾ | +47,007 | x | +47,007 | +42,805 | +4,428 | x | - 755 | +3,826 | +1,357 | - 983 | - 983 | x | -10,565 | x |
| 1995 ¹⁾ | +56,221 | x | +56,221 | +44,736 | +3,836 | x | -1,615 | +4,172 | +1,279 | -1,325 | -1,325 | x | -13,768 | x |
| 1996 ¹⁾ | +53,233 | x | +53,233 | +58,142 | -7,479 | x | -5,302 | -2,493 | + 316 | +2,180 | +2,180 | x | -11,131 | x |
| 1997 ²⁾ | +66,165 | x | +66,165 | +49,688 | -2,888 | x | -2,061 | - 977 | + 150 | +465 | -2,344 | +2,809 | +35,885 | x |
| 1998 ³⁾ | +23,106 | x | +23,106 | +27,975 | +3,983 | x | +1,895 | +2,520 | - 433 | -6,764 | -5,628 | -1,136 | -40,102 | -9,041 |
| 1998 ³⁾ | | | | | | | | | | | | | | |
| 1 st quarter | +64,409 | x | +64,410 | +66,844 | + 810 | x | - 420 | +1,277 | - 47 | +1,574 | +1,067 | + 507 | - 6,280 | -1,428 |
| 2 nd quarter | + 382 | x | + 382 | - 414 | +1,563 | x | + 344 | +1,354 | - 135 | - 744 | - 909 | + 165 | + 9,109 | + 726 |
| 3 rd quarter | + 5,057 | x | + 5,057 | + 8,768 | + 364 | x | + 159 | + 586 | - 381 | -3,311 | -2,988 | - 322 | + 414 | +1,187 |
| 4 th quarter | -46,743 | x | -46,743 | -47,223 | +1,247 | x | +1,812 | - 696 | + 131 | -4,283 | -2,797 | -1,486 | -43,346 | -9,526 |

Source: OeNB, ÖSTAT.

¹⁾ Final figures.

²⁾ Preliminary figures.

³⁾ Provisional figures.

Errors
and omissions

| Special drawing rights | Reserve position in the Fund | Claim on the ECB | Currency and deposits | Securities | Financial derivatives | Other claims | |
|------------------------|------------------------------|------------------|-----------------------|------------|-----------------------|--------------|----------|
| 8200 net | 8300 net | 8455 net | 8456 net | 8600 net | 8770 net | 8800 net | 9980 net |
| x | x | x | x | x | x | x | +10,597 |
| x | x | x | x | x | x | x | - 3,413 |
| x | x | x | x | x | x | x | - 2,711 |
| x | x | x | x | x | x | x | - 4,870 |
| x | x | x | x | x | x | x | + 6,101 |
| x | x | x | x | x | x | x | + 6,244 |
| + 3 | -3,313 | +39,304 | - 2,812 | -64,243 | x | x | + 1,307 |
| +188 | -3,038 | + 3,542 | -12,014 | + 6,470 | x | x | - 8,830 |
| -141 | - 201 | - 1,294 | +12,797 | - 2,778 | x | x | -25,584 |
| +130 | - 136 | + 1,799 | +14,648 | -17,214 | x | x | + 9,916 |
| -175 | + 62 | +35,257 | -18,243 | -50,721 | x | x | +25,806 |

Mean Rates of Exchange¹⁾

| | New York USD | Montreal CAD | Sydney AUD | London GBP | Dublin IEP | Zurich CHF | Brussels ²⁾ BEF | Paris FRF | Amsterdam NLG | Frankfurt/Main DEM | Rome ITL | Copenhagen DKK |
|--|-------------------------|----------------------|---------------|---------------|---------------|----------------------------|-------------------------------|--------------|------------------|-----------------------|-------------|-------------------|
| | ATS for 1 currency unit | | | | | ATS for 100 currency units | | | | | | |
| Period average | | | | | | | | | | | | |
| 1989 | 13.23 | 11.18 | x | 21.68 | 18.76 | 809.33 | 33.60 | 207.39 | 623.97 | 703.77 | 0.96 | 181.04 |
| 1990 | 11.37 | 9.74 | x | 20.23 | 18.81 | 819.62 | 34.06 | 208.83 | 624.62 | 703.66 | 0.95 | 183.87 |
| 1991 | 11.68 | 10.19 | x | 20.59 | 18.80 | 814.33 | 34.19 | 206.92 | 624.53 | 703.71 | 0.94 | 182.57 |
| 1992 | 10.99 | 9.10 | x | 19.37 | 18.69 | 782.23 | 34.19 | 207.61 | 625.02 | 703.71 | 0.90 | 182.10 |
| 1993 | 11.63 | 9.01 | x | 17.47 | 17.06 | 787.41 | 33.70 | 205.49 | 626.35 | 703.57 | 0.74 | 179.63 |
| 1994 | 11.42 | 8.37 | x | 17.47 | 17.07 | 835.17 | 34.16 | 205.73 | 627.52 | 703.52 | 0.71 | 179.57 |
| 1995 | 10.08 | 7.34 | x | 15.91 | 16.17 | 853.03 | 34.21 | 202.04 | 628.12 | 703.53 | 0.62 | 179.96 |
| 1996 | 10.59 | 7.76 | x | 16.54 | 16.95 | 856.84 | 34.20 | 206.91 | 627.95 | 703.55 | 0.69 | 182.60 |
| 1997 | 12.20 | 8.81 | 9.10 | 19.99 | 18.51 | 840.68 | 34.12 | 209.07 | 625.41 | 703.74 | 0.72 | 184.76 |
| 1998 | 12.38 | 8.36 | 7.80 | 20.51 | 17.63 | 853.67 | 34.12 | 209.91 | 624.34 | 703.59 | 0.71 | 184.76 |
| 1998 | | | | | | | | | | | | |
| January | 12.776 | 8.866 | 8.399 | 20.904 | 17.663 | 865.620 | 34.107 | 210.158 | 624.423 | 703.540 | 0.715 | 184.705 |
| February | 12.763 | 8.893 | 8.601 | 20.931 | 17.566 | 871.308 | 34.101 | 209.943 | 624.338 | 703.615 | 0.713 | 184.648 |
| March | 12.852 | 9.068 | 8.603 | 21.350 | 17.577 | 862.948 | 34.115 | 209.916 | 624.318 | 703.543 | 0.715 | 184.561 |
| April | 12.768 | 8.926 | 8.326 | 21.351 | 17.733 | 846.935 | 34.114 | 209.920 | 625.008 | 703.570 | 0.712 | 184.483 |
| May | 12.488 | 8.637 | 7.863 | 20.452 | 17.724 | 844.437 | 34.128 | 209.850 | 624.466 | 703.661 | 0.714 | 184.671 |
| June | 12.606 | 8.595 | 7.610 | 20.823 | 17.737 | 843.188 | 34.115 | 209.878 | 624.320 | 703.603 | 0.714 | 184.728 |
| July | 12.647 | 8.515 | 7.815 | 20.790 | 17.702 | 835.315 | 34.127 | 209.902 | 624.335 | 703.572 | 0.714 | 184.641 |
| August | 12.583 | 8.206 | 7.427 | 20.550 | 17.674 | 841.195 | 34.123 | 209.905 | 624.198 | 703.614 | 0.713 | 184.764 |
| September | 11.984 | 7.870 | 7.050 | 20.127 | 17.619 | 853.577 | 34.111 | 209.920 | 624.093 | 703.634 | 0.712 | 184.752 |
| October | 11.517 | 7.472 | 7.128 | 19.533 | 17.562 | 861.426 | 34.119 | 209.840 | 624.021 | 703.576 | 0.711 | 185.181 |
| November | 11.829 | 7.678 | 7.505 | 19.663 | 17.502 | 854.214 | 34.116 | 209.848 | 624.126 | 703.560 | 0.711 | 185.036 |
| December | 11.735 | 7.606 | 7.275 | 19.621 | 17.479 | 863.845 | 34.117 | 209.811 | 624.387 | 703.546 | 0.711 | 184.971 |
| Highest and lowest quotation³⁾ | | | | | | | | | | | | |
| High | 13.045 | 9.17 | 8.81 | 21.85 | 18.04 | 876.50 | 34.17 | 210.45 | 626.30 | 703.70 | 0.7165 | 185.90 |
| Low | 11.242 | 7.35 | 6.75 | 19.25 | 17.41 | 831.50 | 34.03 | 209.60 | 623.00 | 703.50 | 0.7110 | 184.30 |
| Difference in % | 14.85 | 22.03 | 26.48 | 12.65 | 3.55 | 5.27 | 0.41 | 0.40 | 0.53 | 0.03 | 0.77 | 0.86 |
| Buy - / Sell +⁴⁾ | 0.05 ^{5a)} | 0.035 ^{5b)} | 0.04 | 0.08 | 0.07 | 3.50 | 0.14 | 0.90 | 2.50 | 2.80 | 0.003 | 0.70 |

Source: OeNB, Wiener Börse AG (Vienna Stock Exchange), IMF.

¹⁾ The abbreviations used are in line with the ISO Code.

²⁾ Until March 2, 1990, "Compte convertible."

³⁾ In 1998 (incl. date).

⁴⁾ In 1998.

⁵⁾ Checks 1998: a) buy -0.10, sell +0.05, b) buy -0.07, sell +0.035.

| Oslo NOK | Stockholm SEK | Helsinki FIM | Lisbon PTE | Madrid ESP | Athens GRD | Tokyo JPY | ECU XEU | SDR XDR | |
|--------------------------------|------------------|-----------------|---------------|---------------|---------------|--------------|------------|------------|--|
| <i>ATS for 1 currency unit</i> | | | | | | | | | |
| 191.59 | 205.24 | 308.41 | 8.41 | 11.18 | × | 9.61 | 1.456.56 | × | Period average |
| 181.64 | 192.13 | 297.11 | 7.98 | 11.16 | × | 7.87 | 1.446.83 | 15.4111 | 1989 |
| 179.95 | 193.03 | 288.81 | 8.08 | 11.24 | × | 8.68 | 1.444.72 | 15.9489 | 1990 |
| 176.88 | 189.37 | 246.06 | 8.15 | 10.76 | × | 8.68 | 1.420.33 | 15.4615 | 1991 |
| 164.00 | 149.77 | 203.53 | 7.27 | 9.18 | × | 10.50 | 1.360.06 | 16.2446 | 1992 |
| 161.72 | 148.00 | 219.01 | 6.88 | 8.52 | × | 11.17 | 1.350.75 | 16.3376 | 1993 |
| 159.06 | 141.55 | 230.98 | 6.73 | 8.09 | × | 10.77 | 1.303.28 | 15.2865 | 1994 |
| 163.96 | 157.93 | 230.58 | 6.87 | 8.36 | 4.40 | 9.74 | 1.325.88 | 15.3677 | 1995 |
| 172.51 | 159.84 | 235.15 | 6.97 | 8.34 | 4.47 | 10.11 | 1.378.40 | 16.7879 | 1996 |
| 163.95 | 155.81 | 231.67 | 6.87 | 8.29 | 4.20 | 9.49 | 1.388.28 | 16.6602 | 1997 |
| | | | | | | | | | 1998 |
| 170.353 | 159.558 | 232.458 | 6.881 | 8.303 | 4.455 | 9.897 | 1.389.375 | 17.1653 | 1998 |
| 168.838 | 158.138 | 232.025 | 6.871 | 8.300 | 4.454 | 10.154 | 1.389.850 | 17.2286 | January |
| 169.439 | 161.316 | 231.911 | 6.875 | 8.297 | 4.217 | 9.963 | 1.395.795 | 17.2759 | February |
| 169.498 | 163.213 | 231.853 | 6.869 | 8.288 | 4.042 | 9.667 | 1.394.925 | 17.1454 | March |
| 167.621 | 162.397 | 231.713 | 6.874 | 8.284 | 4.072 | 9.256 | 1.386.526 | 16.7794 | April |
| 166.530 | 159.540 | 231.615 | 6.875 | 8.290 | 4.154 | 8.990 | 1.390.250 | 16.8128 | May |
| 165.889 | 158.378 | 231.517 | 6.874 | 8.296 | 4.231 | 8.989 | 1.390.674 | 16.8320 | June |
| 162.869 | 154.743 | 231.369 | 6.874 | 8.291 | 4.188 | 8.701 | 1.387.905 | 16.6867 | July |
| 158.164 | 151.693 | 231.268 | 6.866 | 8.285 | 4.095 | 8.902 | 1.383.977 | 16.3551 | August |
| 154.976 | 146.940 | 231.317 | 6.861 | 8.286 | 4.087 | 9.555 | 1.386.595 | 16.1957 | September |
| 158.740 | 148.033 | 231.488 | 6.866 | 8.276 | 4.188 | 9.832 | 1.382.500 | 16.4656 | October |
| 154.487 | 145.797 | 231.492 | 6.865 | 8.271 | 4.193 | 10.000 | 1.381.026 | 16.4603 | November |
| | | | | | | | | | December |
| 172.60 | 164.70 | 233.00 | 6.89 | 8.32 | 4.47 | 10.406 | 1.400.00 | 17.3545 | Highest and lowest quotation³⁾ |
| 148.55 | 143.75 | 230.90 | 6.84 | 8.26 | 3.98 | 8.520 | 1.378.50 | 15.9279 | High |
| 14.98 | 13.58 | 0.91 | 0.73 | 0.72 | 11.60 | 19.93 | 1.55 | 8.57 | Low |
| | | | | | | | | | Difference in % |
| 0.65 | 0.60 | 0.90 | 0.03 | 0.035 | 0.02 | 0.045 | 5.50 | × | Buy - / Sell +⁴⁾ |

Bilateral Central Rates, Upper and Lower Intervention Points within the European Monetary System (EMS)¹⁾

| Country/currency | Belg./luxemb. francs 100 BEF = | Danish kroner 100 DKK = | Deutsche mark 100 DEM = | Greek drachma 100 GRD = | Spanish pesetas 100 ESP = | French francs 100 FRF = | Irish punt 1 IEP = | Italian lire 1.000 ITL = | Dutch guilders 100 NLG = | Austrian schillings 100 ATS = | Portuguese escudos 100 PTE = | Finish markka 100 FIM = |
|--------------------------|--------------------------------------|-------------------------------|-------------------------------|-------------------------------|---------------------------------|-------------------------------|-----------------------|--------------------------------|--------------------------------|-------------------------------------|------------------------------------|-------------------------------|
| | in ATS | | | | | | | | | | | |
| ECU-Leitkurs | 40.7844 | 7.54257 | 1.97738 | 357.000 | 168.220 | 6.63186 | 0.796244 | 1957.61 | 2.22799 | 13.9119 | 202.692 | 6.01125 |
| Belgium (BEF) | | | | | | | | | | | | |
| upper intervention point | x | 627.880 | 2395.20 | 13.2655 | 28.1525 | 714.030 | 59.4775 | 24.1920 | 2125.60 | 340.420 | 23.3645 | 787.830 |
| central rate | x | 540.723 | 2062.55 | 11.4242 | 24.2447 | 614.977 | 51.2210 | 20.8338 | 1830.55 | 293.162 | 20.1214 | 678.468 |
| lower intervention point | x | 465.665 | 1776.20 | 9.83835 | 20.8795 | 529.660 | 44.1100 | 17.9417 | 1576.45 | 252.470 | 17.3285 | 584.290 |
| Denmark (DKK) | | | | | | | | | | | | |
| upper intervention point | 21.4747 | x | 442.968 | 2.45331 | 5.20640 | 132.066 | 10.9995 | 4.47400 | 393.105 | 62.9561 | 4.32100 | 145.699 |
| central rate | 18.4938 | x | 381.443 | 2.11276 | 4.48375 | 113.732 | 9.47269 | 3.85295 | 338.537 | 54.2167 | 3.72120 | 125.474 |
| lower intervention point | 15.9266 | x | 328.461 | 1.81948 | 3.86140 | 97.9430 | 8.15774 | 3.31810 | 291.544 | 46.6910 | 3.20460 | 108.057 |
| Germany (DEM) | | | | | | | | | | | | |
| upper intervention point | 5.63000 | 30.4450 | x | 0.643200 | 1.36500 | 34.6250 | 2.88370 | 1.72900 | 103.058 | 16.5050 | 1.13280 | 38.1970 |
| central rate | 4.84837 | 26.2163 | x | 0.553888 | 1.17547 | 29.8164 | 2.48338 | 1.01010 | 88.7517 | 14.2136 | 0.975559 | 32.8947 |
| lower intervention point | 4.17500 | 22.5750 | x | 0.477000 | 1.01230 | 25.6750 | 2.13860 | 0.869900 | 76.4326 | 12.2410 | 0.840100 | 28.3280 |
| Greece (GRD) | | | | | | | | | | | | |
| upper intervention point | 1.016.43 | 5.496.05 | 20.964.3 | x | 246.429 | 6.250.80 | 520.624 | 211.770 | 18.606.2 | 2.979.78 | 204.520 | 6.896.13 |
| central rate | 875.335 | 4.733.13 | 18.054.2 | x | 212.222 | 5.383.11 | 448.355 | 182.365 | 16.023.4 | 2.566.15 | 176.129 | 5.938.86 |
| lower intervention point | 753.827 | 4.076.11 | 15.547.2 | x | 182.763 | 4.635.86 | 386.117 | 157.060 | 13.799.1 | 2.209.94 | 151.681 | 5.114.47 |
| Spain (ESP) | | | | | | | | | | | | |
| upper intervention point | 478.944 | 2.589.80 | 9.878.50 | 54.7156 | x | 2.945.40 | 245.320 | 99.7800 | 8.767.30 | 1.404.10 | 96.3670 | 3.249.50 |
| central rate | 412.462 | 2.230.27 | 8.507.22 | 47.1204 | x | 2.536.54 | 211.267 | 85.9313 | 7.550.30 | 1.209.18 | 82.9929 | 2.798.42 |
| lower intervention point | 355.206 | 1.920.70 | 7.326.00 | 40.5795 | x | 2.184.40 | 181.940 | 74.0000 | 6.502.20 | 1.041.30 | 71.4690 | 2.410.00 |
| France (FRF) | | | | | | | | | | | | |
| upper intervention point | 18.8800 | 102.1000 | 389.480 | 2.15709 | 4.57780 | x | 9.67145 | 3.93379 | 345.650 | 55.3545 | 3.79920 | 128.107 |
| central rate | 16.2608 | 87.9257 | 335.386 | 1.85766 | 3.94237 | x | 8.32893 | 3.38773 | 297.661 | 47.6704 | 3.27189 | 110.324 |
| lower intervention point | 14.0050 | 75.7200 | 288.810 | 1.59979 | 3.39510 | x | 7.17277 | 2.91750 | 256.350 | 41.0533 | 2.81770 | 95.0096 |
| Ireland (IEP) | | | | | | | | | | | | |
| upper intervention point | 2.26706 | 12.2583 | 46.7595 | 0.258989 | 0.549632 | 13.9416 | x | 0.472304 | 41.4989 | 6.64602 | 0.456154 | 15.3810 |
| central rate | 1.95232 | 10.5567 | 40.2676 | 0.223038 | 0.473335 | 12.0063 | x | 0.406743 | 35.7382 | 5.72347 | 0.392834 | 13.2459 |
| lower intervention point | 1.68131 | 9.09132 | 34.6776 | 0.192077 | 0.407631 | 10.3397 | x | 0.350281 | 30.7778 | 4.92900 | 0.338304 | 11.4072 |
| Italy (ITL) | | | | | | | | | | | | |
| upper intervention point | 5.573.60 | 30.138.0 | 114.956.0 | 636.700 | 1.351.30 | 34.276.0 | 2.854.85 | x | 102.027.0 | 16.339.0 | 1.121.50 | 37.816.0 |
| central rate | 4.799.90 | 25.954.2 | 99.000.2 | 548.350 | 1.163.72 | 29.518.3 | 2.458.56 | x | 87.864.4 | 14.071.5 | 965.805 | 32.565.8 |
| lower intervention point | 4.133.60 | 22.351.0 | 85.259.0 | 472.200 | 1.002.20 | 25.421.0 | 2.117.28 | x | 75.668.0 | 12.118.0 | 831.700 | 28.045.0 |
| Netherlands (NLG) | | | | | | | | | | | | |
| upper intervention point | 6.34340 | 34.3002 | 130.834 | 0.724682 | 1.53793 | 39.0091 | 3.24910 | 1.32156 | x | 18.5963 | 1.27637 | 43.0378 |
| central rate | 5.46285 | 29.5389 | 112.674 | 0.624087 | 1.32445 | 33.5953 | 2.79812 | 1.13812 | x | 16.0150 | 1.09920 | 37.0637 |
| lower intervention point | 4.70454 | 25.4385 | 97.0325 | 0.537456 | 1.14060 | 28.9381 | 2.40970 | 0.980132 | x | 13.7918 | 0.946611 | 31.9187 |
| Austria (ATS) | | | | | | | | | | | | |
| upper intervention point | 39.6089 | 214.174 | 816.927 | 4.52500 | 9.60338 | 243.586 | 20.2881 | 8.25219 | 725.065 | x | 7.97000 | 268.735 |
| central rate | 34.1108 | 184.445 | 703.552 | 3.89689 | 8.27006 | 209.774 | 17.4719 | 7.10657 | 624.415 | x | 6.86357 | 231.431 |
| lower intervention point | 29.3757 | 158.841 | 605.877 | 3.35595 | 7.12200 | 180.654 | 15.0466 | 6.12032 | 537.740 | x | 5.91086 | 199.305 |
| Portugal (PTE) | | | | | | | | | | | | |
| upper intervention point | 577.090 | 3.120.50 | 11.903.30 | 65.9280 | 139.920 | 3.549.00 | 295.592 | 120.240 | 10.564.0 | 1.691.80 | x | 3.915.40 |
| central rate | 496.984 | 2.687.31 | 10.250.50 | 56.7765 | 120.492 | 3.056.34 | 254.560 | 103.541 | 9.097.53 | 1.456.97 | x | 3.371.88 |
| lower intervention point | 428.000 | 2.314.30 | 8.827.70 | 48.8950 | 103.770 | 2.632.10 | 219.224 | 89.1700 | 7.834.70 | 1.254.70 | x | 2.903.80 |
| Finland (FIM) | | | | | | | | | | | | |
| upper intervention point | 17.1148 | 92.5438 | 353.008 | 1.95523 | 4.14938 | 105.253 | 8.76639 | 3.56570 | 313.295 | 50.1744 | 3.44376 | x |
| central rate | 14.7391 | 79.6976 | 304.001 | 1.68382 | 3.57345 | 90.6420 | 7.54951 | 3.07071 | 269.806 | 43.2094 | 2.96571 | x |
| lower intervention point | 12.6931 | 68.6347 | 261.801 | 1.45008 | 3.07740 | 78.0597 | 6.50154 | 2.64438 | 232.353 | 37.2114 | 2.55402 | x |

Source: OeNB, EMI.

¹⁾ As at March 16, 1998. To calculate the upper and lower intervention point, the bilateral central rate is multiplied by the following factors:

upper intervention point = central rate x 1.161187; lower intervention point = central rate x 0.861187. 1 ECU = 0.653644 GBP (theoretical exchange rate).

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Legend

- = The numerical value is zero
- .. = Data not available at the reporting date
- × = For technical reasons no data can be indicated
- 0 = A quantity which is smaller than half of the unit indicated
- Ø = Average
- = New series

Apparent arithmetical discrepancies in the tables are due to rounding.

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