

# FINANCIAL STATEMENTS 2019

<http://www.oenb.at/en/About-Us/Financial-Statements.html>



# 2019

Stability and Security.

# Balance sheet as at December 31, 2019

## Assets

	December 31, 2019 EUR	December 31, 2018 EUR
<b>1 Gold and gold receivables</b>	12,189,789,812.09	10,091,011,456.69
<b>2 Claims on non-euro area residents denominated in foreign currency</b>	9,846,950,448.18	10,231,052,302.67
2.1 Receivables from the IMF	2,982,368,161.77	2,836,227,479.19
2.2 Balances with banks and security investments, external loans and other external assets	6,864,582,286.41	7,394,824,823.48
<b>3 Claims on euro area residents denominated in foreign currency</b>	1,302,941,636.99	932,846,792.10
<b>4 Claims on non-euro area residents denominated in euro</b>	1,182,360,130.28	1,304,555,812.59
4.1 Balances with banks, security investments and loans	1,182,360,130.28	1,304,555,812.59
4.2 Claims arising from the credit facility under ERM II	–	–
<b>5 Lending to euro area credit institutions related to monetary policy operations denominated in euro</b>	17,369,390,000.00	21,114,390,000.00
5.1 Main refinancing operations	480,000,000.00	1,302,000,000.00
5.2 Longer-term refinancing operations	16,889,390,000.00	19,812,390,000.00
5.3 Fine-tuning reverse operations	–	–
5.4 Structural reverse operations	–	–
5.5 Marginal lending facility	–	–
5.6 Credits related to margin calls	–	–
<b>6 Other claims on euro area credit institutions denominated in euro</b>	67,034.17	100,515.38
<b>7 Securities of euro area residents denominated in euro</b>	67,706,706,682.74	67,399,284,639.51
7.1 Securities held for monetary policy purposes	59,574,372,105.63	59,516,224,456.64
7.2 Other securities	8,132,334,577.11	7,883,060,182.87
<b>8 General government debt denominated in euro</b>	394,008,310.44	396,791,618.60
<b>9 Intra-Eurosystem claims</b>	36,175,572,072.96	29,609,213,907.51
9.1 Participating interest in the ECB	271,654,974.47	221,613,272.84
9.2 Claims equivalent to the transfer of foreign reserves	1,177,854,948.49	1,137,636,924.67
9.3 Claims related to the issuance of ECB debt certificates <sup>1</sup>	x	x
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	34,726,062,150.00	28,249,963,710.00
9.5 Other claims within the Eurosystem (net)	–	–
<b>10 Items in course of settlement</b>	–	–
<b>11 Other assets</b>	8,681,581,970.93	8,871,280,062.85
11.1 Coins of euro area	101,132,383.89	111,346,286.71
11.2 Tangible and intangible fixed assets	129,558,980.99	129,055,954.97
11.3 Other financial assets	6,932,795,143.51	6,967,277,865.81
11.4 Off balance sheet instruments' revaluation differences	–	–
11.5 Accruals and prepaid expenses	706,261,135.42	739,849,254.97
11.6 Sundry	811,834,327.12	923,750,700.39
	<b>154,849,368,098.78</b>	<b>149,950,527,107.90</b>

<sup>1</sup> Only an ECB balance sheet item.

## Liabilities

	December 31, 2019 EUR	December 31, 2018 EUR
<b>1 Banknotes in circulation</b>	34,723,050,120.00	31,584,742,770.00
<b>2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro</b>	40,768,943,352.12	42,290,247,110.34
2.1 Current accounts (covering the minimum reserve system)	36,202,443,352.12	37,521,247,110.34
2.2 Deposit facility	4,566,500,000.00	4,769,000,000.00
2.3 Fixed-term deposits	–	–
2.4 Fine-tuning reverse operations	–	–
2.5 Deposits related to margin calls	–	–
<b>3 Other liabilities to euro area credit institutions denominated in euro</b>	–	–
<b>4 Debt certificates issued<sup>1</sup></b>	x	x
<b>5 Liabilities to other euro area residents denominated in euro</b>	5,749,577,861.67	6,147,018,111.83
5.1 General government	1,423,992,535.74	1,609,939,690.53
5.2 Other liabilities	4,325,585,325.93	4,537,078,421.30
<b>6 Liabilities to non-euro area residents denominated in euro</b>	1,321,082,517.43	2,065,493,242.09
<b>7 Liabilities to euro area residents denominated in foreign currency</b>	35,163.31	44,136.40
<b>8 Liabilities to non-euro area residents denominated in foreign currency</b>	–	–
8.1 Deposits, balances and other liabilities	–	–
8.2 Liabilities arising from the credit facility under ERM II	–	–
<b>9 Counterpart of Special Drawing Rights allocated by the IMF</b>	2,142,437,666.92	2,110,315,860.58
<b>10 Intra-Eurosystem liabilities</b>	46,463,731,539.72	45,428,115,491.82
10.1 Liabilities equivalent to the transfer of foreign reserves <sup>1</sup>	x	x
10.2 Liabilities related to the issuance of ECB debt certificates	–	–
10.3 Net liabilities related to the allocation of euro banknotes within the Eurosystem	–	–
10.4 Other liabilities within the Eurosystem (net)	46,463,731,539.72	45,428,115,491.82
<b>11 Items in course of settlement</b>	–	–
<b>12 Other liabilities</b>	505,683,304.85	545,322,741.28
12.1 Off balance sheet instruments' revaluation differences	44,513,560.78	153,593,341.94
12.2 Accruals and income collected in advance	169,397,995.50	168,029,089.08
12.3 Sundry	291,771,748.57	223,700,310.26
<b>13 Provisions</b>	6,737,160,283.16	6,446,216,977.70
<b>14 Revaluation accounts</b>	12,136,442,263.41	9,045,788,305.35
<b>15 Capital and reserves</b>	4,277,592,482.03	4,266,760,819.27
15.1 Capital	12,000,000.00	12,000,000.00
15.2 Reserves	4,265,592,482.03	4,254,760,819.27
<b>16 Profit for the year</b>	23,631,544.16	20,461,541.24
	<b>154,849,368,098.78</b>	<b>149,950,527,107.90</b>

<sup>1</sup> Only an ECB balance sheet item.

## Profit and loss account for 2019

	Year ending December 31, 2019 EUR	Year ending December 31, 2018 EUR
1.1 Interest income	1,751,425,377.41	1,782,588,295.39
1.2 Interest expense	-1,069,973,655.46	-1,062,963,050.18
1 Net interest income	681,451,721.95	719,625,245.21
2.1 Realized gains/losses arising from financial operations	-39,719,112.48	63,619,044.56
2.2 Writedowns on financial assets and positions	-56,549,081.95	-195,695,340.12
2.3 Transfer to/from provisions for financial risks	-150,000,000.00	-150,000,000.00
2 Net result of financial operations, writedowns and risk provisions	-246,268,194.43	-282,076,295.56
3.1 Fees and commissions income	7,307,916.90	6,784,404.43
3.2 Fees and commissions expense <sup>1</sup>	-5,246,272.41	-4,620,659.88
3 Net income from fees and commissions <sup>1</sup>	2,061,644.49	2,163,744.55
4 Income from equity shares and participating interests	88,329,245.22	98,635,205.52
5 Net result of pooling of monetary income	135,406,739.22	124,364,464.43
6 Other income	34,878,975.96	30,905,607.17
<b>Total net income</b>	<b>695,860,132.41</b>	<b>693,617,971.32</b>
7 Staff costs	-155,976,725.50	-151,767,185.41
8 Expenses for retirement	-98,569,716.92	-138,836,671.50
9 Administrative expenses <sup>1</sup>	-78,249,162.48	-80,930,315.79
10 Depreciation of tangible and intangible fixed assets	-13,911,103.90	-15,842,357.44
11 Banknote production services	-7,556,262.00	-15,226,014.00
12 Other expenses	-13,722,433.36	-7,726,224.89
<b>Total expenses</b>	<b>-367,985,404.16</b>	<b>-410,328,769.03</b>
<b>Operating profit</b>	<b>327,874,728.25</b>	<b>283,289,202.29</b>
13 Corporate income tax	-65,302,015.40	-55,938,744.06
	<b>262,572,712.85</b>	<b>227,350,458.23</b>
14 Transfer to the pension reserve and central government's share of profit	-238,941,168.69	-206,888,916.99
<b>15 Profit for the year</b>	<b>23,631,544.16</b>	<b>20,461,541.24</b>

<sup>1</sup> Following a reclassification, the 2018 values were adjusted.

## Notes on the financial statements 2019

### General notes on the financial statements

#### Legal framework

The Oesterreichische Nationalbank (OeNB) is obligated under Article 67 paragraph 2 of the Federal Act on the Oesterreichische Nationalbank 1984<sup>1</sup> (hereinafter Nationalbank Act), Federal Law Gazette No. 50/1984, as amended, to prepare its balance sheet and its profit and loss account in conformity with the rules established by the Governing Council of the ECB under Article 26.4 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank (Statute of the ESCB and of the ECB). The OeNB has adopted the ESCB's accounting rules<sup>2</sup> and applied them to these financial statements in their entirety. Activities not covered by these rules are to be treated as regulated by the generally accepted accounting principles referred to in Article 67 paragraph 2 second sentence Nationalbank Act and, according to Article 67 paragraph 3 Nationalbank Act, the provisions of the third volume of the Unternehmensgesetzbuch (Commercial Code) are to be applied in addition. The OeNB is exempt i.a. from Article 199 Commercial Code (contingent liabilities arising from guarantees) and from Articles 244 et seq. Commercial Code (consolidated financial statements). Moreover, Article 68 paragraph 3 Nationalbank Act exempts the OeNB from including specific disclosures under Article 243 Commercial Code. In light of the provisions of Article 72 Nationalbank Act, the OeNB is not required to draw up a balance sheet for taxation purposes. Thus, no differences can arise between the carrying values reported by the OeNB in the balance sheet for commercial and for tax purposes.

Pursuant to the Federal Act governing the National Foundation for Research, Technology and Development (hereinafter National Foundation Act), Federal Law Gazette I No. 81/2017, the OeNB is entitled, from 2018 to 2020, to

transfer up to EUR 66.67 million of the central government's 90% share of profit to the National Foundation for Research, Technology and Development (hereinafter National Foundation). Any annual payout of investment income by the OeNB to the National Foundation under Article 4 paragraph 5 item 2 National Foundation Act must be deducted from this amount. For the subsequent financial year, such transfer from the central government's share of profit reduces the corporate income tax base of the OeNB under Article 72 paragraph 1 Nationalbank Act.

#### Format of the balance sheet and the profit and loss account

The balance sheet and the profit and loss account in the financial statements 2019 were prepared in the format laid down by the Governing Council of the ECB.

#### Valuation rules and accounting policies

The OeNB's financial statements are prepared in conformity with valuation rules and accounting policies which are applied by the Eurosystem and which follow accounting principles harmonized by European Union (EU) law and generally accepted international accounting standards. These standards comprise the following accounting principles: economic reality and transparency, prudence, recognition of post-balance sheet events, materiality, going-concern basis, accruals principle, consistency and comparability.

#### Time of recording

Foreign exchange transactions, financial instruments denominated in foreign currency and related accruals must be recorded at trade date (economic approach) while securities transactions (including transactions with equity instruments) denominated in foreign currency may be recorded according to the cash/settlement approach. Interest accrued in relation to for-

<sup>1</sup> The Nationalbank Act was last amended with effect from June 14, 2018 (Federal Law Gazette I No. 37/2018).

<sup>2</sup> Guideline of the European Central Bank of 3 November 2016 on the legal framework for accounting and financial reporting in the European System of Central Banks (recast) (ECB/2016/34), as amended on November 28, 2019 (ECB/2019/34).

foreign currency transactions, including premiums or discounts, must be recorded on a daily basis from the spot settlement date. To record euro-denominated transactions, financial instruments and related accruals, either the economic or the cash/settlement approach may be used.

Foreign currency transactions whose exchange rate is not fixed against the accounting currency are recorded at the euro exchange rate prevailing on the day of the transaction.

### **Basis of accounting**

At year-end, valuation is based on current market prices or rates. This applies equally to transactions that are disclosed in the balance sheet and to transactions that are not.<sup>3</sup>

The valuation of foreign currency holdings comprises the entire position in a given currency (including off balance sheet instruments). Moreover, holdings of Special Drawing Rights (SDRs), including holdings of specific foreign currencies that serve to hedge the SDR currency risk, are treated as a single holding. Own funds invested in foreign exchange assets are treated as a separate currency item under *other financial assets*, as are any equity instruments (equity shares and equity funds) denominated in foreign currency.

Revaluation of securities and investment fund shares/units takes place on a security-by-security basis, i.e. securities with the same International Securities Identification Number (ISIN) are grouped together.

Securities currently held for monetary policy purposes (debt securities) are accounted for at amortized cost (subject to impairment). Marketable securities (other than securities held for monetary policy purposes and those classified as held-to-maturity<sup>4</sup>) and similar assets are valued either at market prices or on the basis of the relevant yield curve prevailing on the balance sheet date, on a security-by-security

basis. Options embedded in securities are not separated for valuation purposes. For the year ending December 31, 2019, market prices as on December 31, 2019, were used.

Marketable securities classified as held-to-maturity and non-marketable securities are all valued at amortized cost subject to impairment. Illiquid equity shares and any other equity instruments held as permanent investments are valued at cost subject to impairment.

Participating interests are valued on the basis of the net asset value of the relevant company.

### **Income recognition**

Realized gains and losses may only occur in the course of transactions entailing a reduction in securities or currency positions. They correspond to the difference between the transaction value and the acquisition value calculated according to the average cost method and must be included in the profit and loss account.

Unrealized gains and losses arise during revaluation and correspond to the difference between the market price and the acquisition value calculated according to the average cost method. Unrealized gains must not be taken to the profit and loss account but must be transferred to a revaluation account on the liabilities side of the balance sheet. Unrealized losses are recognized in the profit and loss account when they exceed previous revaluation gains registered in the corresponding revaluation account. They may not be reversed against new unrealized gains in subsequent years. Unrealized losses in any one security or currency are not netted against unrealized gains in other securities or currencies (prohibition of netting).

Premiums or discounts arising on purchased securities are calculated and presented as part of interest income and are amortized over the remaining life of the securities.

<sup>3</sup> Transactions that are not disclosed in the balance sheet are recorded and disclosed separately because the Eurosystem's accounting format does not provide for off balance sheet transactions.

<sup>4</sup> Held-to-maturity securities are securities with fixed or determinable payments and a fixed maturity that the OeNB intends to hold until maturity.

### Tangible and intangible fixed assets

*Tangible and intangible fixed assets* are valued at cost less depreciation. As a rule, depreciation is calculated on a straight-line basis from the quarter after acquisition throughout the expected economic lifetime of the assets. Tangible fixed assets below the cost of EUR 10,000 including value added tax are depreciated in the year of acquisition. Acquisitions of string instruments and art objects as well as additions to the coin collection of the OeNB's Money Museum are excluded from this provision. They are capitalized at cost, and no depreciation according to the straight-line method is carried out as these assets do not lose value on a regular basis. Extraordinary depreciation is required if permanent impairment is expected. In line with the ESCB's accounting rules, no write-ups are added to amortized cost should the reasons for impairment no longer apply. The depreciation periods applicable to the individual assets are listed in table 1.

Table 1

Asset	Depreciation period
Computers, related hardware and software, motor vehicles	4 years
Intangible assets	5 years
Equipment, furniture and plant in building	10 years
Buildings	25 years
Fixed assets costing less than EUR 10,000 including value added tax (low-value assets)	no capitalization

### Realized gains and losses and valuation differences and their treatment in the financial statements of December 31, 2019

Realized gains and losses as well as valuation differences are shown in table 2.

### Banknotes in circulation, intra-Eurosystem balances and interim ECB profit distribution

#### Banknotes in circulation

The ECB and the 19 euro area national central banks (NCBs), which together comprise the Eurosystem, issue euro banknotes. The banknotes in circulation presented in the balance sheet of the OeNB (and of the other Eurosystem central banks) are calculated as per the last working day of each month in accordance with the banknote allocation key of the Eurosystem.<sup>5</sup>

The ECB has been allocated a share of 8% of the total value of euro banknotes in circulation, whereas the remaining 92% has been allocated to the NCBs according to their weightings in the capital key of the ECB. The share of banknotes allocated to the OeNB is disclosed in the balance sheet under liability item 1 *Banknotes in circulation*.

The difference between the value of the euro banknotes allocated to the OeNB in accordance with the banknote allocation key and the value of the euro banknotes that the OeNB actually puts into circulation gives rise to remunerated intra-Eurosystem balances. If the value of the euro banknotes put into circulation

Table 2

	Realized gains profit and loss account item 2.1	Realized losses profit and loss account item 2.1	Unrealized losses profit and loss account item 2.2	Change in unrealized gains liability item 14
	EUR million	EUR million	EUR million	EUR million
Gold	–	–	–	+2,098.778
Foreign currency	3,142	–70.952	–33.632	+176.181
Securities	42,241	–14.150	–22.917	+594.115
Participating interests (investment of own funds)	–	–	–	+7,495
<b>Total</b>	<b>45,383</b>	<b>–85,102</b>	<b>–56,549</b>	<b>+2,876,569</b>

<sup>5</sup> Banknote allocation key means the percentages that result from taking into account the ECB's share (8%) in the total euro banknote issue and applying the capital key to the NCBs' share (92%) in such total.

exceeds the value of the euro banknotes allocated in accordance with the banknote allocation key, the OeNB records *net liabilities related to the allocation of euro banknotes within the Eurosystem*. Conversely, the OeNB records *net claims related to the allocation of euro banknotes within the Eurosystem*.

From the cash changeover year until five years following the cash changeover year, the intra-Eurosystem balances arising from the allocation of euro banknotes are adjusted in order to avoid significant changes in NCBs' relative income positions as compared to previous years. The adjustments are effected by taking into account the differences between the average value of banknotes in circulation of each NCB in the reference period and the average value of banknotes that would have been allocated to them during that period under the ECB's capital key. The adjustments will be reduced in annual stages until the first day of the sixth year after the cash changeover year, when income on banknotes (seigniorage) will be allocated fully in proportion to the NCBs' paid-up shares in the ECB's capital. In the year under review, the adjustments resulted from the accession of Lithuania (in 2015) and Latvia (in 2014) to the euro area and will terminate at the end of 2020 and 2019, respectively.

The interest income and expense on these balances is cleared through the accounts of the ECB and is disclosed under the profit and loss account item 1 *Net interest income*. In the year under review, no interest accrued because the interest rate on the main refinancing operations was 0% throughout the year.

#### **Intra-Eurosystem balances**

Intra-Eurosystem balances result primarily from cross-border payments in the EU that are settled in central bank money in euro. They are primarily settled in TARGET2 and give rise to bilateral balances in the TARGET2 accounts of EU central banks. These bilateral balances are netted and then assigned to the ECB on a daily basis, leaving each NCB with a single net bilateral position vis-à-vis the ECB only. The OeNB's intra-Eurosystem balances vis-à-vis the ECB

arising from TARGET2, as well as other intra-Eurosystem balances denominated in euro (e.g. interim ECB profit distributions to NCBs, monetary income results), are presented net under liability item 10.4 *Other liabilities within the Eurosystem (net)*. Intra-ESCB balances vis-à-vis non-euro area NCBs not arising from TARGET2 are disclosed either under *claims on non-euro area residents denominated in euro* or *liabilities to non-euro area residents denominated in euro*.

Intra-Eurosystem claims arising from the OeNB's participating interest in the ECB are reported under asset item 9.1 *Participating interest in the ECB*.

Intra-Eurosystem claims arising from the transfer of foreign reserves to the ECB by the OeNB at the time of joining the Eurosystem are denominated in euro and reported under asset item 9.2 *Claims equivalent to the transfer of foreign reserves*.

Intra-Eurosystem balances arising from the allocation of euro banknotes within the Eurosystem are reported net under asset item 9.4 *Net claims related to the allocation of euro banknotes within the Eurosystem*.

#### **Interim ECB profit distribution**

The Governing Council of the ECB has decided that the seigniorage income of the ECB, which arises from the 8% share of euro banknotes allocated to the ECB, as well as the income arising from the securities held under the Securities Markets Programme (SMP), the third covered bond purchase programme (CBPP3), the asset-backed securities purchase programme (ABSPP) and the public sector purchase programme (PSPP) is distributed in January of the following year by means of an interim profit distribution, unless otherwise decided by the Governing Council. It is distributed in full unless it is higher than the ECB's net profit for the year, and subject to any decisions by the Governing Council to make transfers to the provision for financial risks. The Governing Council may also decide to reduce the amount of the income on euro banknotes in circulation to be distributed in January by the amount of



the costs incurred by the ECB in connection with the issue and handling of euro banknotes.

The amount distributed by the ECB to the OeNB is disclosed in the profit and loss account item 4 *Income from equity shares and participating interests*.

### Provisions for financial risks and loss-absorbing capital

The OeNB's risk provisions are broken down into provisions for financial risks and loss-absorbing capital. They are part of the OeNB's net equity, which is shown in table 5. In line with the principle of universality, the OeNB's financial risks are covered by the designated financial provisions.

The *risk provision* is established for financial risks. As defined by the ECB, it constitutes a central bank-specific provision equivalent to reserves and is to be included in the OeNB's net equity.

To calculate the potential need to adjust the size of the *risk provision*, the OeNB uses bandwidths for all financial risks it incurs, including the risks arising from the Eurosystem's single monetary policy. These bandwidths are based on risk calculations using VaR (value at risk) and ES (expected shortfall) calculations with a

confidence level of 99% over a one-year horizon (plus a three-month horizon for market risk). Taking into account the prohibition of netting, balances on foreign currency revaluation accounts are used as risk-mitigating factors in calculating risk exposure. At the balance sheet date, the level of provisions for financial risks was adequate.

Table 3 shows the provisions for financial risks and loss-absorbing capital.

### Related-party transactions

Article 238 paragraph 1 no. 12 Commercial Code stipulates that the notes on the financial statements must include information about material transactions with related parties that were not concluded under normal market conditions. The OeNB has a special reporting system and internal control measures for such instances in place.

Any business the OeNB transacted with related parties in 2019 was at normal market conditions.

In the financial year 2019, the OeNB provided funding to economic research institutions (Austrian Institute of Economic Research (WIFO), Institute for Advanced Studies (IHS), The Vienna Institute for International Economic

Table 3

	December 31, 2018	Increase	Decrease	December 31, 2019
	EUR million	EUR million	EUR million	EUR million
<b>I. Provisions for financial risks</b>				
L 15.2 Reserve for nondomestic and price risks	1,973.263	–	–	1,973.263
L 13 Risk provision (equivalent to reserves)	4,100.000	+150.000	–	4,250.000
	<b>6,073.263</b>	<b>+150.000</b>	<b>–</b>	<b>6,223.263</b>
<b>II. Loss-absorbing capital</b>				
L 15.2 Profit-smoothing reserve	129.229	+9.262	–	138.490
L 15.2 OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching				
OeNB Anniversary Fund National Foundation <sup>1</sup> endowment	1,452.900	–	–	1,452.900
OeNB Anniversary Fund (initial funding)	37.500	–	–	37.500
	<b>1,619.629</b>	<b>+9.262</b>	<b>–</b>	<b>1,628.890</b>
<b>Total</b>	<b>7,692.892</b>	<b>+159.262</b>	<b>–</b>	<b>7,852.153</b>

<sup>1</sup> National Foundation for Research, Technology and Development.

Note: L = liability item.

Studies (wiiw)), the Austrian Society for European Politics (ÖGfE) and the Joint Vienna Institute (JVI), with total funding running to EUR 5.756 million (2018: EUR 6.049 million).

### Information under section 9.2 Corporate Governance Code of the OeNB

The relations maintained by the OeNB with its shareholder as well as with the members of the Governing Board and of the General Council comply with the legal and statutory provisions (see section *Related-party transactions* for information related to Article 238 paragraph 1 no. 12 Commercial Code).

The Republic of Austria is the sole shareholder of the OeNB. Pursuant to Article 69 paragraph 3 Nationalbank Act, the central government's share of profit corresponds to 90% of the OeNB's operating profit after corporate income tax. From the remaining share of the profit for the year, the central government additionally receives, by decision of the General

Meeting, a dividend of up to 10% of its share of the OeNB's capital.

Lending by the OeNB to its employees in the form of advances on salaries and employer loans is reported in asset item 11.6 *Sundry*.

The remuneration received by the members of the Governing Board and of the General Council is reported in the profit and loss account item 7 *Staff costs*.

In 2019, the OeNB did not enter into any transactions with Governing Board members that did not directly concern the latter's tasks as members of the Governing Board.

There are no services and work contracts between members of the General Council and the OeNB in evidence that extend beyond the former's activities as members of the General Council.

### The OeNB's net currency position

Table 4 shows the net currency position of the OeNB.

Table 4

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Gold and gold receivables	12,189.790	10,091.011	+2,098.778	+20.8
Claims on non-euro area residents denominated in foreign currency	9,846.950	10,231.052	-384.102	-3.8
Claims on euro area residents denominated in foreign currency	1,302.942	932.847	+370.095	+39.7
Other assets	56.426	63.233	-6.807	-10.8
less:				
Liabilities to euro area residents denominated in foreign currency	0.035	0.044	-0.009	-20.3
Counterpart of Special Drawing Rights allocated by the IMF	2,142.438	2,110.316	+32.122	+1.5
Other liabilities	3.003	9.537	-6.534	-68.5
Revaluation accounts <sup>1</sup>	39.435	29.769	+9.666	+32.5
	<b>21,211.197</b>	<b>19,168.477</b>	<b>+2,042.720</b>	<b>+10.7</b>
Transactions not disclosed in the balance sheet (net)	1,728.492	769.223	+959.269	+124.7
<b>Total</b>	<b>22,939.689</b>	<b>19,937.700</b>	<b>+3,001.989</b>	<b>+15.1</b>

<sup>1</sup> Resulting from the change in net unrealized exchange rate gains on foreign currency-denominated securities and off-balance sheet transactions as at the balance sheet date.

Table 5

	December 31, 2018	Increase	Decrease	December 31, 2019
	EUR million	EUR million	EUR million	EUR million
L 13 Risk provision (equivalent to reserves)	4,100.000	+150.000	–	4,250.000
L 14 Revaluation accounts <sup>1</sup>	9,045.788	+3,090.654	–	12,136.442
L 15.1 Capital	12.000	–	–	12.000
L 15.2 Reserves				
Reserve for nondomestic and price risks	1,973.263	–	–	1,973.263
Profit-smoothing reserve	129.229	+9.262	–	138.490
OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching				
OeNB Anniversary Fund National Foundation endowment	1,452.900	–	–	1,452.900
OeNB Anniversary Fund (initial funding)	37.500	–	–	37.500
<b>Net equity</b>	<b>16,750.680</b>	<b>+3,249.915</b>	<b>–</b>	<b>20,000.596</b>

<sup>1</sup> Includes unrealized valuation gains as well as revaluation effects from the revaluation of participating interests recorded in the opening balance sheet of January 1, 1999.

Note: L = liability item.

## Net equity

The presentation of net equity by the NCBs of the Eurosystem is in line with that of the ECB (table 5).

## Notes on the balance sheet

### Assets

#### 1 Gold and gold receivables

Closing balance	EUR million	
<b>December 31, 2019</b>	<b>12,189.790</b>	
December 31, 2018	10,091.011	
Change	+2,098.778	(+20.8%)

The OeNB's gold holdings amounted to 9,002,107.528 fine ounces or 279,996.84 kg of

fine gold on December 31, 2019. Given a valuation price of EUR 1,354.104 per fine ounce (i.e. EUR 43,535.45 per kg of fine gold), the value of the asset item *gold and gold receivables* increased to EUR 12,189.790 million on the balance sheet date.

#### 2 Claims on non-euro area residents denominated in foreign currency

Closing balance	EUR million	
<b>December 31, 2019</b>	<b>9,846.950</b>	
December 31, 2018	10,231.052	
Change	–384.102	(–3.8%)

Table 6 shows asset item 2.1 *Receivables from the IMF*.

Table 6

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Austria's quota equivalent to SDR 3,932.0 million <sup>1</sup>	4,851.695	4,778.953	+72.742	+1.5
less:				
Balances at the disposal of the IMF	4,077.759	4,158.482	–80.723	–1.9
Claim on the participation in the IMF	773.936	620.471	+153.465	+24.7
SDR holdings	2,077.670	2,047.941	+29.729	+1.5
Other claims on the IMF	130.761	167.815	–37.054	–22.1
<b>Total</b>	<b>2,982.368</b>	<b>2,836.227</b>	<b>+146.141</b>	<b>+5.2</b>

<sup>1</sup> Pursuant to Federal Law Gazette No. 309/1971, the OeNB manages the entire quota on its own account on behalf of the Republic of Austria.

The claim on the participation in the IMF increased by EUR 153.465 million to EUR 773.936 million, with EUR 143.896 million of this increase resulting from net credit and debit entries. Moreover, valuation changes and the net effects of exchange rate gains and book value reconciliation totaled +EUR 9.569 million.

The IMF updates its rate of remuneration on a weekly basis. In 2019, this rate hovered between 0.740% and 1.153% per annum, mirroring the prevailing SDR interest rate.

SDR holdings<sup>6</sup> were recognized in the balance sheet at EUR 2,077.670 million (SDR 1,683.824 million) as at December 31, 2019. The EUR 29.729 million net increase resulted largely from SDR valuation (+EUR 21.332 million), realized net gains (+EUR 9.814 million) as well as interest credited and remuneration received from the IMF (+EUR 7.151 million). Sales of SDRs amounted to EUR 8.567 million.

Under the IMF's Articles of Agreement, the OeNB is obligated to provide currency on demand in exchange for SDRs up to the point at which its SDR holdings are three times as high as its gratuitously allocated SDRs (see liability item 9 *Counterpart of Special Drawing Rights allocated by the IMF*). The OeNB's net cumulative allocation of SDRs totaled SDR 1,736.314 million (EUR 2,142.438 million) at the balance sheet date. See section *Notes on transactions not disclosed in the balance sheet* for information about this obligation to provide currency on demand, which would result in a claim of the same size.

The OeNB's claims arising from the New Arrangements to Borrow (NAB) in connection with IMF assistance programs are shown under

*other claims on the IMF*. The NAB entered into effect on March 11, 2011, and, in 2016, were renewed until November 2022.

Austria's credit line totaled SDR 1,818.490 million (EUR 2,243.835 million) at the balance sheet date.

So far, a total of SDR 637.400 million have been drawn from the OeNB's credit line under the NAB, while repayments have totaled SDR 531.426 million, which brings net drawings to SDR 105.974 million at the balance sheet date, which is equivalent to EUR 130.761 million.

The OeNB's balance sheet includes a contingent liability to the IMF for its undrawn commitment under the NAB as on December 31, 2019. The IMF could call on these resources for lending purposes against remuneration, which would result in a claim of the same size (see section *Notes on transactions not disclosed in the balance sheet*).

The OeNB has also provided the IMF with a temporary credit line of up to EUR 6.13 billion under a bilateral borrowing agreement with the IMF (as authorized under Federal Law Gazette I No. 101/2013). The bilateral borrowing agreement concluded in 2017 was extended in 2019 until December 31, 2020. To date, the IMF has not drawn on this line of credit.

A contingent liability to the IMF under the bilateral borrowing agreement has been included, which the IMF could call on against remuneration and which would result in a claim of the same size (see section *Notes on transactions not disclosed in the balance sheet*).

Table 7 shows asset item 2.2 *Balances with banks and security investments, external loans and other external assets*.

Table 7

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Securities	6,403.247	6,726.379	-323.133	-4.8
Balances with banks	461.336	668.446	-207.110	-31.0
<b>Total</b>	<b>6,864.582</b>	<b>7,394.825</b>	<b>-530.243</b>	<b>-7.2</b>

<sup>6</sup> Pursuant to 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 asset side of the balance sheet.

### 3 Claims on euro area residents denominated in foreign currency

Table 8 shows *claims on euro area residents denominated in foreign currency*.

### 4 Claims on non-euro area residents denominated in euro

Table 9 shows the composition of asset item 4.1 *Balances with banks, security investments and loans*.

As in the previous year, no impairment losses were recorded for held-to-maturity securities at the balance sheet date. Securities other than held-to-maturity are recognized at market prices.

### 5 Lending to euro area credit institutions related to monetary policy operations denominated in euro

Table 10 shows liquidity-providing transactions executed by the OeNB.

Income accruing to the Eurosystem NCBs in their performance of monetary policy oper-

ations is allocated to the NCBs (see profit and loss account item 5 *Net result of pooling monetary income*). In accordance with Article 32.4 of the Statute of the ESCB and of the ECB, losses from monetary policy operations, if they were to materialize, are to be shared in full by the Eurosystem NCBs, in proportion to the prevailing ECB capital key shares.

Losses can only materialize if both the counterparty fails and the recovery of funds received from the realization of the collateral provided by the counterparty is not sufficient. For specific collateral which can be accepted by NCBs at their own discretion, risk sharing has been excluded by the Governing Council of the ECB.

#### 5.1 Main refinancing operations

The Eurosystem's main refinancing operations provide credit institutions in the euro area with liquidity on a weekly basis. They are executed

Table 8

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Securities	1,018.012	655.081	+362.932	+55.4
Balances with banks	284.929	277.766	+7.163	+2.6
<b>Total</b>	<b>1,302.942</b>	<b>932.847</b>	<b>+370.095</b>	<b>+39.7</b>

Table 9

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Securities	1,036.414	1,093.001	-56.588	-5.2
Held-to-maturity securities	145.946	211.554	-65.608	-31.0
<b>Total</b>	<b>1,182.360</b>	<b>1,304.556</b>	<b>-122.196</b>	<b>-9.4</b>

Table 10

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
5.1 Main refinancing operations	480.000	1,302.000	-822.000	-63.1
5.2 Longer-term refinancing operations	16,889.390	19,812.390	-2,923.000	-14.8
<b>Total</b>	<b>17,369.390</b>	<b>21,114.390</b>	<b>-3,745.000</b>	<b>-17.7</b>

with a maturity of normally one week, on the basis of standard tenders.<sup>7</sup> Since October 2008, these operations have been conducted as fixed rate tender procedures with full allotment. These operations play a key role in achieving the aims of steering interest rates, managing market liquidity and signaling the monetary policy stance.

The interest rate on the main refinancing operations has stood at 0% per annum since March 16, 2016.<sup>8</sup>

## 5.2 Longer-term refinancing operations

Longer-term refinancing operations aim to provide counterparties with longer-term liquidity, in addition to the main refinancing operations. In 2019, these operations were conducted as fixed rate tender procedures with full allotment with a maturity of three months. The interest rate on longer-term refinancing operations (except for targeted longer-term refinancing operations II and III – TLTROs II and III) is equivalent to the interest rate on the main refinancing operations.

In 2016 and 2017, the Governing Council of the ECB decided to launch four TLTROs II. These operations have a four-year maturity, with a possibility of repayment after two years.<sup>9</sup> According to the decisions taken by the Governing Council of the ECB, the final interest rate applicable to each TLTRO II operation depended on the lending behavior of the counterparties in the period from February 1, 2016, to January 31, 2018.

All in all, the OeNB conducted 63 TLTRO II operations with Austrian credit institutions in the total amount of EUR 20.0 billion (Eurosyst-

tem: EUR 740.2 billion). The maturity periods of these operations are June 29, 2016, to June 24, 2020; September 28, 2016, to September 30, 2020; December 21, 2016, to December 16, 2020, and March 29, 2017, to March 24, 2021. Net of early repayments to the OeNB, the amount of outstanding refinancing operations under TLTRO II as at December 31, 2019, equaled EUR 13.9 billion (Eurosyst-tem: EUR 510.8 billion).

In 2019, the Governing Council of the ECB introduced a new series of seven quarterly targeted longer-term refinancing operations (TLTROs III) starting from September 2019. These operations have a three-year maturity, with a possibility of repayment after two years.<sup>10</sup> According to the decisions taken by the Governing Council of the ECB, the final interest rate applicable to each TLTRO III operation can be as low as the average interest rate on the deposit facility prevailing over the life of the operation and depends on the lending behavior of the counterparties between early April 2019 and end-March 2021. Given that the rate for accruing interest will only be known starting from 2021 and that a reliable estimate is not possible until that time, the deposit facility rate was used for calculating the TLTRO III interest for 2019, as this was deemed a prudent approach. So far, the OeNB has conducted 13 TLTRO III operations with Austrian credit institutions in the total amount of EUR 2.8 billion (Eurosyst-tem: EUR 101.1 billion). These operations will mature on September 28, 2022 (operations running from September 25, 2019) and on December 21, 2022 (operations running from December 18, 2019).

<sup>7</sup> *Guideline of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60), as amended on May 10, 2019 (ECB/2019/11).*

<sup>8</sup> *Decision of the Governing Council of the ECB of March 10, 2016.*

<sup>9</sup> *Decision of the ECB of 28 April 2016 on a second series of targeted longer-term refinancing operations (ECB/2016/10), as amended on July 22, 2019 (ECB/2019/22).*

<sup>10</sup> *Decision of the ECB of 22 July 2019 on a third series of targeted longer-term refinancing operations (ECB/2019/21), as amended on September 12, 2019 (ECB/2019/28).*

Table 11

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
7.1 Securities held for monetary policy purposes	59,574.372	59,516.224	+58.148	+0.1
7.2 Other securities	8,132.335	7,883.060	+249.274	+3.2
of which:				
Securities	7,512.952	6,771.290	+741.662	+11.0
Held-to-maturity securities	619.382	1,111.771	-492.388	-44.3
<b>Total</b>	<b>67,706.707</b>	<b>67,399.285</b>	<b>+307.422</b>	<b>+0.5</b>

Table 12

	December 31, 2019	December 31, 2018	Change		December 31, 2019	December 31, 2018	Change	
	Book value				Market price			
	EUR million	EUR million	EUR million	%	EUR million	EUR million	EUR million	%
CBPP2	167.886	276.402	-108.516	-39.3	178.935	293.014	-114.079	-38.9
CBPP3	7,478.944	6,960.862	+518.082	+7.4	7,658.034	7,027.935	+630.098	+9.0
SMP	1,197.185	1,935.447	-738.262	-38.1	1,275.763	2,068.727	-792.964	-38.3
PSPP <sup>1</sup>	50,730.357	50,343.513	+386.844	+0.8	53,064.118	50,983.708	+2,080.410	+4.1
<b>Total</b>	<b>59,574.372</b>	<b>59,516.224</b>	<b>+58.148</b>	<b>+0.1</b>	<b>62,176.850</b>	<b>60,373.385</b>	<b>+1,803.465</b>	<b>+3.0</b>

<sup>1</sup> Government/agency bonds.

## 7 Securities of euro area residents denominated in euro

Table 13

Table 11 shows the composition of this balance sheet item.

### 7.1 Securities held for monetary policy purposes

This balance sheet item consists of securities acquired by the OeNB within the scope of the CBPP<sup>11</sup>, the SMP<sup>12</sup> and the PSPP<sup>13</sup>.

Tables 12 and 13 show the amortized cost (= book value), the market prices (which are provided here for information only) and the nominal value of the securities purchased under the programs mentioned above.

Under the CBPP2, the ECB and the NCBs purchased covered bonds issued in the euro area. The program ended in October 2012.

Under the SMP, the ECB and the NCBs purchased euro area public and private debt

	December 31, 2019	December 31, 2018	Change	
	Nominal value			
	EUR million	EUR million	EUR million	%
CBPP2	168.000	276.600	-108.600	-39.3
CBPP3	7,408.604	6,876.278	+532.326	+7.7
SMP	1,210.900	1,959.767	-748.867	-38.2
PSPP <sup>1</sup>	44,922.504	44,153.424	+769.080	+1.7
<b>Total</b>	<b>53,710.008</b>	<b>53,266.069</b>	<b>+443.939</b>	<b>+0.8</b>

<sup>1</sup> Government/agency bonds.

securities. The Governing Council of the ECB decided to cease further SMP purchases on September 6, 2012.

Since October 2014, the ECB and the NCBs have been making both primary and secondary market purchases of covered bonds denominated in euro and issued in the euro area under the CBPP3.

<sup>11</sup> Decision of the ECB of 3 November 2011 on the implementation of the second covered bond purchase programme (ECB/2011/17) and Decision of the ECB of 15 October 2014 on the implementation of the third covered bond purchase programme (ECB/2014/40), as amended on November 20, 2017 (ECB/2017/37).

<sup>12</sup> Decision of the ECB of 14 May 2010 establishing a securities markets programme (ECB/2010/5).

<sup>13</sup> Decision of the ECB of 4 March 2015 on a secondary markets public sector asset purchase programme (ECB/2015/10), as amended on January 11, 2017 (ECB/2017/1).

Under the PSPP, the ECB and the NCBs have been able, since 2015, to purchase euro-denominated bonds issued by euro area governments or agencies (PSPP government/agency bonds) and by European institutions (PSPP supranational bonds) on the secondary markets.

In 2016, the corporate sector purchase programme (CSPP)<sup>14</sup> was added to the expanded asset purchase programme (APP), which already comprised the CBPP3, the ABSPP<sup>15</sup> and the PSPP. The OeNB does not buy securities under the ABSPP and the CSPP; such purchases are conducted by the ECB and some Eurosystem NCBs.

On November 1, 2019, the Eurosystem restarted its net purchases of securities under the APP at a monthly pace of EUR 20 billion on average. This followed a period of ten months during which the Eurosystem only reinvested, in full, the principal payments from maturing securities purchased under the APP.

Profits or losses on securities held for monetary policy purposes are pooled and redistributed within the framework of the allocation of monetary income within the Eurosystem. For securities purchased under the CBPP1<sup>16</sup> and CBPP2 as well as government/agency bonds purchased under the PSPP, remuneration at the interest rate on the main refinancing operations is assumed. Any losses incurred under these programs are not shared by the Eurosystem NCBs. For securities purchased under the SMP, CBPP3, ABSPP and CSPP as well as supranational bonds purchased under the PSPP, remuneration is based on the actual return. In accordance with the decision of the Governing Council of the ECB taken under Article 32.4 of the Statute of the ESCB and of the ECB, losses from securities held under the SMP, CBPP3, ABSPP and CSPP or from supranational bonds held under the PSPP, if they were to materialize, are shared in full by the Eurosystem NCBs, in proportion

to the ECB capital key shares prevailing in the financial year in which the relevant losses occur.

The Governing Council of the ECB assesses on a regular basis the financial risks associated with the securities held under all the monetary policy asset purchase programs. Impairment tests are conducted on an annual basis, using data as at the year-end and are approved by the Governing Council of the ECB. In these tests, impairment indicators are assessed separately for each program.

In 2019, as a result of an impairment test conducted on the CSPP portfolio, the Governing Council of the ECB deemed it appropriate, in accordance with the principle of prudence, to adjust the provision against losses in monetary policy operations which had been established in 2018 (see liability item 13 *Provisions*).

As a result of an impairment test conducted at the end of 2019 on securities purchased under the CBPP1, CBPP2, CBPP3, SMP, PSPP and ABSPP, the Governing Council of the ECB decided that all future cash flows on these securities are expected to be received. As in the previous year, no losses were recorded for the securities held in any of these programs as at December 31, 2019.

## 7.2 Other securities

As in the previous year, at the balance sheet date, no impairment losses were recorded for held-to-maturity securities. Securities other than held-to-maturity are recognized at market prices.

## 8 General government debt denominated in euro

Closing balance	EUR million	
<b>December 31, 2019</b>	<b>394.008</b>	
December 31, 2018	396.792	
Change	-2.783	(-0.7%)

<sup>14</sup> Decision of the ECB of 1 June 2016 on the implementation of the corporate sector purchase programme (ECB/2016/16), as amended on May 18, 2017 (ECB/2017/13).

<sup>15</sup> Decision of the ECB of 19 November 2014 on the implementation of the asset-backed securities purchase programme (ECB/2014/45), as amended on May 18, 2017 (ECB/2017/15).

<sup>16</sup> The last covered bonds the OeNB had purchased under the CBPP1 were repaid in 2017.



This balance sheet item corresponds fully to the claim on the Austrian Federal Treasury from silver commemorative coins issued by the former Austrian State Mint before 1989, based on the 1988 Coinage Act as promulgated in Federal Law Gazette No. 597/1988, as amended; Article 21 paragraph 1 item 2 of this Act authorizes the OeNB to include in its balance sheet an unremunerated claim on the central government in the amount of the face value of the accumulated silver coins. Table 14 shows the changes in 2019.

Table 14

	EUR million
Government remuneration for silver commemorative coins returned to Münze Österreich AG	+4.939
Proceeds from metal recovery	-1.909
Redemptions made from the central government's share of profit in 2018	-5.814
<b>Total</b>	<b>-2.783</b>

The central government will have to repay any redeemable amount outstanding on December 31, 2040, in equal annual installments over the five following years (2041 to 2045). The unredeemable amount outstanding (equaling 7.5% of the face value of the silver commemorative coins that are (still) in circulation) is covered by a provision (see liability item 13 *Provisions*).

## 9 Intra-Eurosystem claims

	EUR million
<b>Closing balance</b>	
<b>December 31, 2019</b>	<b>36,175.572</b>
December 31, 2018	29,609.214
<b>Change</b>	<b>+6,566.358</b> (+22.2%)

Table 15 shows the composition of this balance sheet item.

### 9.1 Participating interest in the ECB

Pursuant to Article 28 of the Statute of the ESCB and of the ECB, the NCBs of the ESCB are the sole subscribers to the capital of the ECB. For the OeNB, this balance sheet item includes the paid-up share in the ECB's subscribed capital and the net amount paid by the OeNB due to the increase in its share in the ECB's equity value resulting from all previous adjustments of the ECB's capital key.

Subscriptions depend on shares which are fixed in accordance with Article 29 of the Statute of the ESCB and of the ECB and are subject to adjustment every five years or whenever there is a change in composition of the ESCB national central banks. Following the regular adjustment effective from January 1, 2019, the OeNB's share in the ECB's capital fully paid up by the Eurosystem NCBs (relative capital key) changed from 2.7888% to 2.9195%.

### 9.2 Claims equivalent to the transfer of foreign reserves

This balance sheet item represents the OeNB's claims arising from the transfer of foreign reserve assets<sup>17</sup> to the ECB. The claims are presented at the euro value the corresponding assets had at the time they were transferred to the ECB. The remuneration of these claims is calculated daily at the latest available marginal interest rate used by the Eurosystem in its tenders for main refinancing operations, adjusted to reflect a zero return on the gold component. The adjustments to the capital key weightings of the ECB

Table 15

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
9.1 Participating interest in the ECB	271.655	221.613	+50.042	+22.6
9.2 Claims equivalent to the transfer of foreign reserves	1,177.855	1,137.637	+40.218	+3.5
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	34,726.062	28,249.964	+6,476.098	+22.9
<b>Total</b>	<b>36,175.572</b>	<b>29,609.214</b>	<b>+6,566.358</b>	<b>+22.2</b>

<sup>17</sup> According to Article 30 of the Statute of the ESCB and of the ECB.

on January 1, 2019, also resulted in the adjustment of the claim of the OeNB with respect to the foreign reserve assets transferred to the ECB. The OeNB does not have a claim on the ECB for retransfer of these foreign reserve assets as the corresponding claims are denominated in euro. See section *Notes on transactions not disclosed in the balance sheet* for information about any additional capital contributions to be transferred to the ECB.

#### 9.4 Net claims related to the allocation of euro banknotes within the Eurosystem

This balance sheet item consists of the OeNB's claims vis-à-vis the Eurosystem relating to the allocation of euro banknotes within the Eurosystem (see section *Banknotes in circulation, intra-Eurosystem balances and interim ECB profit distribution*).

#### 11 Other assets

Table 16 shows *other assets*.

Table 16

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
11.1 Coins of euro area	101.132	111.346	-10.214	-9.2
11.2 Tangible and intangible fixed assets	129.559	129.056	+0.503	+0.4
11.3 Other financial assets	6,932.795	6,967.278	-34.483	-0.5
11.5 Accruals and prepaid expenses	706.261	739.849	-33.588	-4.5
11.6 Sundry	811.834	923.751	-111.916	-12.1
<b>Total</b>	<b>8,681.582</b>	<b>8,871.280</b>	<b>-189.698</b>	<b>-2.1</b>

Table 17

	Purchase and production costs as at January 1, 2019	Purchases	Sales	Transfer	Purchase and production costs as at December 31, 2019
	Accumulated depreciation as at January 1, 2019	Annual depreciation	Depreciation sales	Depreciation transfer	Accumulated depreciation as at December 31, 2019
	Book value as at January 1, 2019				Book value as at December 31, 2019
	EUR million	EUR million	EUR million	EUR million	EUR million
Premises <sup>1</sup>	120.219	0.014	-1.128	-	119.104
	-75.519	-4.644	1.115	-	-79.047
	44.699				40.057
Assets under construction	-	0.638	-	-	0.638
	-	-	-	-	-
	-				0.638
Equipment	92.798	6.717	-3.594	-	95.920
	-59.680	-9.267	3.538	-	-65.409
	33.118				30.511
Tangible real assets	54.317	7.117	-0.002	-	61.432
	-3.078	-	-	-	-3.078
	51.239				58.353
Intangible fixed assets	0.090	-	-	-	0.090
	-0.090	-	-	-	-0.090
	-				-
<b>Total</b>	<b>267.423</b>	<b>14.485</b>	<b>-4.724</b>	<b>-</b>	<b>277.184</b>
	<b>-138.367</b>	<b>-13.911</b>	<b>4.653</b>	<b>-</b>	<b>-147.625</b>
	<b>129.056</b>				<b>129.559</b>

<sup>1</sup> The book value of developed land equals zero. Premises acquired prior to December 31, 1956, were booked at the cost recorded in the schilling opening balance sheet (Federal Law Gazette No. 190/1954).

Table 18

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Securities	6,230.784	6,276.187	-45.404	-0.7
Participating interests	701.293	690.143	+11.151	+1.6
Other investment	0.718	0.948	-0.230	-24.3
<b>Total</b>	<b>6,932.795</b>	<b>6,967.278</b>	<b>-34.483</b>	<b>-0.5</b>

### 11.1 Coins of euro area

This balance sheet item represents the OeNB's stock of fit coins issued by euro area countries.

### 11.2 Tangible and intangible fixed assets

Table 17 shows the composition of this balance sheet item.

Equipment contains, inter alia, office equipment, the art collection, IT hardware and software as well as motor vehicles.

Tangible real assets comprise the coin collection of the OeNB's Money Museum and the OeNB's collection of historical string instruments. In 2019, one violin was added to the collection of historical string instruments, which as at December 31, 2019, comprised 36 violins, six violoncellos and three violas. The string instruments are on loan to musicians under the OeNB's cultural promotion program.

### 11.3 Other financial assets

Table 18 shows *other financial assets*.

EUR 1,808.420 million of the OeNB's total securities portfolio represent investments of *pension reserve assets*, another EUR 1,597.230 million reflect investments of the *OeNB Anni-*

*versary Fund for the Promotion of Scientific Research and Teaching* (of which EUR 1,551.707 million were earmarked as an endowment for the National Foundation). Under its own funds management, the OeNB had invested EUR 2,825.134 million.<sup>18</sup>

Of the participating interests, EUR 400.438 million formed part of the own funds portfolio and EUR 300.856 million part of the investment portfolio relating to the investment of the pension reserve assets. Table 19 shows the changes in participating interests.

Table 19

	EUR million
Net asset value on December 31, 2018	690.143
Purchases in 2019	+3.627
Sales in 2019 (at book value)	-
Annual depreciation in 2019	-
Revaluation in 2019	+7.524
Net asset value on December 31, 2019	701.293

### 11.5 Accruals and prepaid expenses

Table 20 shows the composition of this balance sheet item.

Table 20

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Accrued income	11.889	11.562	+0.327	+2.8
Prepaid expenses	694.373	728.288	-33.915	-4.7
<b>Total</b>	<b>706.261</b>	<b>739.849</b>	<b>-33.588</b>	<b>-4.5</b>

<sup>18</sup> The OeNB's own funds shown under liabilities include its capital, the reserve for nondomestic and price risks, the profit-smoothing reserve, earmarked capital funded with net interest income from ERP loans and the risk provision.

## 11.6 Sundry

Table 21 shows the composition of this balance sheet item.

Pursuant to Article 3 paragraph 2 ERP Fund Act, the OeNB's maximum financing commitment corresponds to the sum by which the federal debt was written down initially (EUR 341.955 million) plus interest accrued on a reserve account (EUR 663.439 million on December 31, 2019). The ERP loan portfolio managed by the OeNB thus totaled EUR 1,005.394 million on December 31, 2019. The provisions governing the extension of loans from this portfolio are laid down in Article 83 Nationalbank Act.

The residual terms of almost all advances on salaries exceed one year. All advance pay-

ments and employer loans are secured by life insurance or credit default insurance contracts.

## Liabilities

### 1 Banknotes in circulation

Closing balance	EUR million	
<b>December 31, 2019</b>	<b>34,723.050</b>	
December 31, 2018	31,584.743	
Change	+3,138.307	(+9.9%)

This item consists of the OeNB's share of total euro banknotes in circulation (table 22).

See section *Banknotes in circulation, intra-Eurosystem balances and interim ECB profit distribution* for further explanations on this item.

Table 21

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Claims arising from ERP loans to companies	655.826	615.617	+40.209	+6.5
Balancing item relating to forward sales or purchases	60.491	181.634	-121.143	-66.7
Claims on Münze Österreich AG in respect of				
prepaid dividends for 2019 and 2018, respectively	33.079	54.752	-21.673	-39.6
unsettled schilling coin returns	–	0.015	-0.015	-100.0
Employer loans	18.743	20.869	-2.126	-10.2
Advances	15.892	4.368	+11.524	n.a.
Accounts receivable	12.983	13.367	-0.384	-2.9
Advances on salaries	8.904	9.310	-0.407	-4.4
Schilling coins	5.169	4.537	+0.632	+13.9
Other accounts receivable	0.748	2.247	-1.499	-66.7
Claims on the tax authorities arising from corporate income tax prepayment	–	17.034	-17.034	-100.0
<b>Total</b>	<b>811.834</b>	<b>923.751</b>	<b>-111.916</b>	<b>-12.1</b>

Table 22

	December 31, 2019	December 31, 2018	Change
	EUR million	EUR million	EUR million
Total value of euro banknotes put into circulation	-3.012	3,334.779	-3,337.791
Adjusted for: net claims related to the allocation of euro banknotes within the Eurosystem	34,726.062	28,249.964	+6,476.098
of which:			
Claims related to the allocation of euro banknotes within the Eurosystem	37,745.411	30,996.703	+6,748.708
less:			
Liabilities resulting from the ECB's share in euro banknotes in circulation <sup>1</sup>	-3,019.349	-2,746.740	+272.609
<b>Total<sup>2</sup></b>	<b>34,723.050</b>	<b>31,584.743</b>	<b>+3,138.307</b>

<sup>1</sup> This corresponds to the OeNB's share in the 8% of the total value of euro banknotes in circulation that is recorded in the balance sheet of the ECB.

<sup>2</sup> This corresponds to 2.6860% of the total amount of euro banknotes in circulation as at December 31, 2019, and to 2.5655% as at December 31, 2018.

## 2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro

Table 23 shows the composition of this balance sheet item.

### 2.1 Current accounts (covering the minimum reserve system)

This balance sheet item contains the credit balances on the transaction accounts of credit institutions that are required to hold minimum reserves. Banks' minimum reserve balances have been remunerated since January 1, 1999, at the latest available marginal interest rate used by the Eurosystem in its tenders for main refinancing operations. Since June 2014, the reserves held in excess of minimum requirements were remunerated at the lower rate of either 0% or the deposit facility rate. Starting on October 30, 2019, the Governing Council of the ECB introduced a two-tier system for reserve remuneration, which exempts part of credit institutions' excess liquidity holdings from negative remuneration at the rate applicable on the deposit facility. This part is remunerated at the annual rate of 0%. The volume of reserve holdings in excess of minimum reserve requirements that was exempt at year-end from the deposit facility rate – the exempt tier – was determined as a multiple of six<sup>19</sup> on an institution's minimum reserve requirement. The non-exempt tier of excess liquidity holdings continues to be remunerated at the lower of either 0% or the deposit facility rate.

### 2.2 Deposit facility

The item *deposit facility* refers to overnight deposits placed with the OeNB by credit institutions that access the liquidity-absorbing stand-

ing facility at a prespecified rate. The interest rate on the deposit facility was lowered from –0.40% per annum to –0.50% per annum, with effect from September 18, 2019.

### 5 Liabilities to other euro area residents denominated in euro

Closing balance	EUR million
December 31, 2019	5,749.578
December 31, 2018	6,147.018
Change	–397.440 (–6.5%)

This balance sheet item comprises general government deposits of EUR 1,423.993 million (2018: EUR 1,609.940 million) and current account holdings to the amount of EUR 4,325.585 million (2018: EUR 4,537.078 million) of credit institutions not required to hold minimum reserves and of enterprises.

### 6 Liabilities to non-euro area residents denominated in euro

Closing balance	EUR million
December 31, 2019	1,321.083
December 31, 2018	2,065.493
Change	–744.411 (–36.0%)

This balance sheet item consists of balances of central banks, credit institutions and supranational financial institutions resident outside the euro area.

### 9 Counterpart of Special Drawing Rights allocated by the IMF

Closing balance	EUR million
December 31, 2019	2,142.438
December 31, 2018	2,110.316
Change	+32.122 (+1.5%)

Table 23

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
2.1 Current accounts (covering the minimum reserve system)	36,202.443	37,521.247	–1,318.804	–3.5
2.2 Deposit facility	4,566.500	4,769.000	–202.500	–4.2
<b>Total</b>	<b>40,768.943</b>	<b>42,290.247</b>	<b>–1,521.304</b>	<b>–3.6</b>

<sup>19</sup> The multiplier may be adjusted by the Governing Council of the ECB over time in line with changing levels of excess liquidity holdings.

This balance sheet item represents the euro equivalent of the SDR 1,736.314 million allocated gratuitously to the OeNB by the IMF, measured at current market prices. The OeNB was allocated SDRs on each January 1, from 1970 to 1972 and from 1979 to 1981 as well as on August 28 and September 9, 2009 (see asset item 2.1 *Receivables from the IMF*). The increase in this item results from valuation effects as well as realized exchange rate differences and book value reconciliation.

## 10 Intra-Eurosystem liabilities

Closing balance	EUR million
<b>December 31, 2019</b>	<b>46,463.732</b>
December 31, 2018	45,428.115
Change	+1,035.616 (+2.3%)

This balance sheet item shows the OeNB's net liabilities arising from transactions with the NCBs participating in TARGET2 and with the ECB. It also comprises the nonremunerated liabilities to the ECB resulting from EUR/USD swap transactions between the ECB and the

OeNB. Moreover, this item covers the Eurosystem balance arising at year-end from the monetary income reallocation and the balances arising from the interim ECB profit distribution.

*Intra-Eurosystem liabilities* with the ECB (excluding the above-mentioned swap transactions) are remunerated on a daily basis at the prevailing interest rate on the Eurosystem's main refinancing operations.

## 12 Other liabilities

Table 24 shows the composition of *other liabilities*.

### 12.3 Sundry

Table 25 shows the composition of *sundry liabilities*.

Pursuant to Article 69 paragraph 3 Nationalbank Act, the *central government's share of profit* corresponds to 90% of the profit for the year after tax and after transfers to the pension reserve.

The item *earmarked funds of the OeNB Anniversary Fund* refers to the funds not yet disbursed at the balance sheet date.

Table 24

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
12.1 Off balance sheet instruments' revaluation differences	44.514	153.593	-109.080	-71.0
12.2 Accruals and income collected in advance	169.398	168.029	+1.369	+0.8
12.3 Sundry	291.772	223.700	+68.071	+30.4
<b>Total</b>	<b>505.683</b>	<b>545.323</b>	<b>-39.639</b>	<b>-7.3</b>

Table 25

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Central government's share of profit of 90% under Article 69 paragraph 3 Nationalbank Act	212.684	184.154	+28.530	+15.5
Earmarked funds of the OeNB Anniversary Fund				
OeNB Anniversary Fund (initial funding)	37.929	34.909	+3.020	+8.7
OeNB Anniversary Fund National Foundation endowment	36.363	-	+36.363	n.a.
Sundry	4.796	4.637	+0.159	+3.4
<b>Total</b>	<b>291.772</b>	<b>223.700</b>	<b>+68.071</b>	<b>+30.4</b>

### 13 Provisions

Table 26 shows *provisions*.

The Governing Board determines the adjustment of the size of the *risk provision* every year on the basis of the risk bandwidths, giving due consideration to monetary policy, macro-economic and financial stability considerations. In the financial statements for 2019, EUR 150 million were allocated to the *risk provision*.

The OeNB's retirement plan for employees recruited up to April 30, 1998, is based on internally funded pensions. The legal basis of this plan is the Nationalbank Act. It obligates the OeNB to hold a *pension reserve* to cover its liability under this retirement plan. All employees recruited from May 1, 1998, are covered by the pension system under the General Social Security Act (Allgemeines Sozialversicherungsgesetz – ASVG). With effect from May 1, 1999, a contract between the OeNB and a pension

fund was concluded for these employees. This means that the OeNB's direct liability to pay retirement benefits is limited to staff recruited before May 1, 1998, and that, as a result, the pension reserve set up to secure this liability has become a closed system.

Since January 1, 2015, staff members employed under the first and second generations of the OeNB's Conditions of Service have been obliged, pursuant to the Act to Limit Specific Pension Benefits (Sonderpensionenbegrenzungsgesetz – SpBegrG), to pay pension contributions to the OeNB (first generation: 10.25% as from 2018; second generation: 10.25% of basic salaries up to the earnings cap as defined in the General Social Security Act, and as from 2017, 5% for any part of salaries in excess of this earnings cap). Retired staff who are entitled to pension or supplementary pension payments under the first and second generations of

Table 26

	December 31, 2018	Release/use	Allocation	December 31, 2019
	EUR million	EUR million	EUR million	EUR million
<b>Risk provision</b>	4,100.000	–	+150.000	4,250.000
<b>Pension reserve</b>	2,001.714	–0.056	+81.864	2,083.522
<b>Personnel provisions</b>				
Severance payments	64.872	–6.632	+5.109	63.348
Supplementary contributions to pension plans	61.783	–0.868	+49.177	110.092
Anniversary bonuses	16.549	–0.957	+2.302	17.894
Residual leave entitlements	14.245	–0.541	+0.596	14.300
Death gratuity payments	2.664	–	+0.563	3.227
One-off contributions for employees on secondment or leave	1.267	–0.440	+0.277	1.104
Overtime entitlements	0.832	–	+0.027	0.859
Prepaid salaries in 2018 and 2019, respectively	0.455	–0.455	+0.465	0.465
Compulsory social security contributions	0.086	–0.086	+0.094	0.094
Sabbaticals	0.100	–0.032	–	0.069
<b>Other provisions</b>				
Schilling banknotes without an exchange deadline	133.798	–1.496	–	132.302
Estimated unredeemable amount outstanding from the Austrian Federal Treasury for silver commemorative coins issued before 1989	34.231	–	+6.591	40.822
Corporate income tax	–	–	+7.126	7.126
Accounts payable	3.093	–1.343	+2.890	4.641
Accounts payable to subsidiaries	4.786	–4.786	+3.405	3.405
Provision against losses in monetary policy operations	4.492	–4.492	+2.493	2.493
Sundry	1.250	–0.792	+0.941	1.398
<b>Total</b>	<b>6,446.217</b>	<b>–22.976</b>	<b>+313.920</b>	<b>6,737.160</b>

the OeNB's Conditions of Service have been obliged to make a special pension contribution (of between 3.3% and 25%) to the OeNB from their monthly pension benefits as well as from special payments they are entitled to.

The actuarial present value of projected pension benefits amounted to EUR 3,011.885 million on December 31, 2019; it was not fully covered by the pension reserve and hidden reserves in the real estate portfolio. The EUR 393.221 million funding gap as at December 31, 2019, was recorded as a contingent liability (see section *Notes on transactions not disclosed in the balance sheet*).

In line with the average cost method, the discount rate is derived from the seven-year moving average of the interest rate (discount interest rates pursuant to Article 253 paragraph 2 of the German Commercial Code based on the last 84 month-end values) applied to an average residual maturity of 15 years as published by the Deutsche Bundesbank on November 30, 2019, i.e. 2.00% (2018: 2.36%). It was assumed that the relevant assessment bases in the qualifying period increase by 2.3% per annum (2018: 2.1%) and that current pension payments, like in 2018, increase by 1.8%.

The actuarial present value of projected pension benefits was calculated by applying the actuarial basis for pension insurance published by the Actuarial Association of Austria AVÖ (AVÖ 2018-P – Rechnungsgrundlagen für die Pensionsversicherung). The reasons that entitle employees or their dependents to receive benefits from the pension reserve are death, disability or withdrawal from employment upon attainment of pension entitlement age. Fluctuations are not taken into account. The pension entitlement age is governed by the provisions in the applicable Conditions of Service and service contracts, in observance of the Act to Limit Specific Pension Benefits. The pension scheme liabilities for beneficiaries are stated pro rata. The net present value is used for prospective beneficiaries that have attained pension entitlement age and for those who have qualified for benefits. The change in the discount rate and in the assumed increase of the assessment bases

caused the projected pension benefits to rise by EUR 162.705 million and EUR 6.927 million, respectively, in 2019.

Provisions for severance payments, anniversary bonuses, residual leave entitlements, death gratuity payments and supplementary contributions to pension plans are calculated according to actuarial principles. The discount rate used for calculating the provisions for severance payments and the provisions for sabbaticals is the seven-year moving average of the interest rate (discount interest rates pursuant to Article 253 paragraph 2 of the German Commercial Code based on the last 84 month-end values) applied to an average residual maturity of eight years as published by the Deutsche Bundesbank on November 30, 2019, i.e. 1.38% (2018: 1.72%). Assuming an average residual maturity of nine years, this discount rate as applied to the calculation of the provisions for anniversary bonuses equals 1.50% (2018: 1.84%). The relevant assessment bases were all assumed to increase by 2.3% per annum in 2019 (2018: 2.1%).

The change in the discount rate and the higher assessment base growth raised the provisions for severance payments by EUR 0.770 million and EUR 0.453 million, respectively. The provisions for anniversary bonuses rose by EUR 0.246 million in line with the change in the discount rate and by EUR 0.144 million on account of the higher assessment base growth.

The provisions for death gratuity payments and for supplementary contributions to pension plans are calculated in the same way as the pension reserve. The provisions for supplementary contributions to the pension plans increased by EUR 2.489 million as a result of the change in the discount rate and by EUR 0.937 million due to the higher assessment base growth. Following the principle of prudence, the assumption underlying the future average investment income on the pension fund was lowered, triggering additional transfers in the amount of EUR 30.558 million.

The changes in the provisions for anniversary bonuses and other long-term personnel provisions are recorded in the profit and loss



account item 7 *Staff costs* under *salaries*; the change in the provisions for severance payments is recorded under *expenses for severance payments and contributions to severance funds*. The change in the provisions for supplementary contributions to pension plans is recorded in the profit and loss account item 8 *Expenses for retirement*. If the netting of transfers to and transfers from the respective provisions yields a positive balance, this amount is recorded as other income.

The level of the provision for schilling banknotes without an exchange deadline, which were not recognized in the profit and loss account in 2002, relates to the amount of schilling banknote exchanges estimated on the basis of past annual exchange amounts. The reduction in the provision in 2019 is due to exchanges of schilling banknotes.

In accordance with the decision of the Governing Council of the ECB taken under Article 32.4 of the Statute of the ESCB and of the ECB, the provision against losses in monetary policy operations is allocated between the national central banks of the Eurosystem in proportion to their subscribed capital key shares in the ECB prevailing in the year when the initial impairment occurred. As a result of the annual impairment test of the CSPP portfolio, the Governing Council of the ECB reviewed the appropriateness of the volume of the provision against losses in monetary policy operations

established in 2018 and decided to reduce this provision from a total amount of EUR 161 million as at December 31, 2018, to an amount of EUR 89 million as at December 31, 2019. The OeNB's share in this provision amounts to EUR 2.493 million. The respective adjustment is reflected in the OeNB's profit and loss account. In the case of the OeNB, the resulting income amounted to EUR 1.999 million (see also profit and loss account item 5 *Net result of pooling of monetary income*).

#### 14 Revaluation accounts

Table 27 shows the composition of this balance sheet item. The amounts on the *revaluation accounts* reflect the valuation gains established in the course of the valuation of assets (by individual valuation units) as on December 31, 2019. These gains are realizable in the context of future transactions in the respective categories or may be used to reverse revaluation losses that may arise in future years. Any other use is inadmissible.

#### 15 Capital and reserves

According to Article 8 Nationalbank Act, the *capital* of the OeNB is EUR 12 million and is divided equally into 150,000 shares. The Republic of Austria has been the sole shareholder of the OeNB since May 27, 2010, with the Ministry of Finance acting as the shareholder's representative.

Table 27

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
<b>Revaluation accounts</b>				
Gold	9,971.960	7,873.181	+2,098.778	+26.7
Foreign currency	285.992	109.811	+176.181	+160.4
Securities	1,499.181	691.010	+808.171	+117.0
Participating interests	107.277	99.754	+7.524	+7.5
Coin collection of the OeNB's Money Museum	9.269	9.269	–	–
	<b>11,873.679</b>	<b>8,783.025</b>	<b>+3,090.654</b>	<b>+35.2</b>
<b>Valuation gains from January 1, 1999</b>				
Participating interests	262.764	262.764	–	–
<b>Total</b>	<b>12,136.442</b>	<b>9,045.788</b>	<b>+3,090.654</b>	<b>+34.2</b>

Table 28

	December 31, 2019	December 31, 2018	Change	
	EUR million	EUR million	EUR million	%
Profit-smoothing reserve	138.490	129.229	+9.262	+7.2
Reserve for nondomestic and price risks	1,973.263	1,973.263	–	–
OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching	1,490.400	1,490.400	–	–
Earmarked capital funded with net interest income from ERP loans	663.439	661.869	+1.570	+0.2
<b>Total</b>	<b>4,265.592</b>	<b>4,254.761</b>	<b>+10.832</b>	<b>+0.3</b>

Table 28 shows *reserves*.

The *profit-smoothing reserve* may be used to smooth the annual result. The change resulted from allocations out of the profit for the year 2018, which were made according to the General Meeting's decision of March 28, 2019.

The *reserve for nondomestic and price risks* serves to cover the OeNB's financial risks.

The capital of the *OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching* consists of its initial funding (EUR 37.5 million) and an endowment to support the National Foundation (EUR 1,452.9 million).

Funds earmarked for appropriation by the Anniversary Fund to the National Foundation may be used to obtain a balanced annual result,

funds from the initial funding of the Anniversary Fund may be used to cover any loss for the year.

*Earmarked capital funded with net interest income from ERP loans* represents the cumulative interest income accruing to the OeNB from lending out of the ERP loan portfolio managed by the OeNB. Appropriation of this ERP capital is subject to international law; this item is earmarked exclusively for ERP loans. Therefore, ERP capital must not be used to cover any loss for the year.

### Notes on transactions not disclosed in the balance sheet

Table 29 shows *transactions not disclosed in the balance sheet*.

Table 29

	December 31, 2019	December 31, 2018
	EUR million	EUR million
Obligation under the IMF's Articles of Agreement to provide currency for SDRs up to the point at which the OeNB's SDR holdings are three times as high as its gratuitously allocated SDRs <sup>1</sup>	4,349.643	4,283.007
Contingent liabilities to the IMF under the NAB <sup>1</sup>	2,113.073	2,042.377
Contingent liabilities to the IMF under the bilateral borrowing agreement <sup>1</sup>	6,130.000	6,130.000
Obligation to make supplementary contributions to the stake in the capital of the BIS (8,564 shares of SDR 5,000 each)	39.627	39.033
Forward purchases (euro- and foreign currency-denominated forward transactions and swaps)	2,287.485	3,258.817
Forward sales (euro- and foreign currency-denominated forward transactions and swaps)	2,287.485	3,258.817
Liabilities from foreign currency investments effected in the OeNB's name for third account	64.737	40.965
Repayment obligation upon termination of employment equivalent to the interest accrued on pension contributions paid by OeNB staff	16.707	16.269
Contingent liabilities relating to the funding gap in the pension reserve	393.221	471.822
Contingent liabilities equivalent to the OeNB's share of the maximum of EUR 50 billion of reserve assets that the ECB may call up under Article 30.1 of the Statute of the ESCB and of the ECB	1,016.250	981.550
Contingent liabilities arising from bank guarantees given	–	111.000
Contingent assets arising from bank guarantees received	10.076	0.733
Contingent asset from a guarantee of the OeKB in respect of payment transactions	1,000.000	1,000.000
Financial assistance granted under the ERP Fund	7.422	7.553

<sup>1</sup> These contingent liabilities may be activated by the IMF against remuneration, giving rise to a corresponding claim of the same size.

## Notes on the profit and loss account

Table 30 shows the *profit and loss account*.

### 1 Net interest income

*Net interest income* represents the balance of interest income and interest expense (table 31).

## 2 Net result of financial operations, writedowns and risk provisions

Table 32 shows *realized gains/losses arising from financial operations*.

Table 30

	2019	2018	Change <sup>1</sup>	
	EUR million	EUR million	EUR million	%
1 Net interest income	681.452	719.625	-38.174	-5.3
2 Net result of financial operations, writedowns and risk provisions	-246.268	-282.076	-35.808	-12.7
3 Net income from fees and commissions <sup>2</sup>	2.062	2.164	-0.102	-4.7
4 Income from equity shares and participating interests	88.329	98.635	-10.306	-10.4
5 Net result of pooling of monetary income	135.407	124.364	+11.042	+8.9
6 Other income	34.879	30.906	+3.973	+12.9
<b>Total net income</b>	<b>695.860</b>	<b>693.618</b>	<b>+2.242</b>	<b>+0.3</b>
7 Staff costs	-155.977	-151.767	+4.210	+2.8
8 Expenses for retirement	-98.570	-138.837	-40.267	-29.0
9 Administrative expenses <sup>2</sup>	-78.249	-80.930	-2.681	-3.3
10 Depreciation of tangible and intangible fixed assets	-13.911	-15.842	-1.931	-12.2
11 Banknote production services	-7.556	-15.226	-7.670	-50.4
12 Other expenses	-13.722	-7.726	+5.996	+77.6
<b>Total expenses</b>	<b>-367.985</b>	<b>-410.329</b>	<b>-42.343</b>	<b>-10.3</b>
<b>Operating profit</b>	<b>327.875</b>	<b>283.289</b>	<b>+44.586</b>	<b>+15.7</b>
13 Corporate income tax	-65.302	-55.939	+9.363	+16.7
	262.573	227.350	+35.222	+15.5
14 Transfer to the pension reserve and central government's share of profit	-238.941	-206.889	+32.052	+15.5
<b>15 Profit for the year</b>	<b>23.632</b>	<b>20.462</b>	<b>+3.170</b>	<b>+15.5</b>

<sup>1</sup> Absolute increase (+) or decrease (-) in the respective item.

<sup>2</sup> Following a reclassification, the 2018 values were adjusted.

Table 31

	2019	2018	Change	
	EUR million	EUR million	EUR million	%
Monetary policy instruments	402.671	421.283	-18.612	-4.4
Net interest income from foreign currency investments	182.715	170.769	+11.946	+7.0
Net interest income from euro investments	69.128	95.004	-25.875	-27.2
Sundry	26.936	32.569	-5.632	-17.3
<b>Total</b>	<b>681.452</b>	<b>719.625</b>	<b>-38.174</b>	<b>-5.3</b>

Table 32

	2019	2018	Change	
	EUR million	EUR million	EUR million	%
Realized gains/losses arising from exchange/interest rate changes of				
currencies (gold and foreign currency)	-67.811	78.953	+146.764	+185.9
securities	28.092	-15.334	+43.426	n.a.
<b>Total</b>	<b>-39.719</b>	<b>63.619</b>	<b>+103.338</b>	<b>+162.4</b>

Table 33 shows *writedowns on financial assets and positions*.

In 2019, EUR 150 million were transferred to the *risk provision* (2018: EUR 150 million).

#### 4 Income from equity shares and participating interests

Table 34 shows *income from equity shares and participating interests*.

The Governing Council of the ECB decided to transfer EUR 1,431 million of the ECB's profit for the year 2019 as an interim profit distribution to the NCBs; the OeNB's share amounted to EUR 41.776 million.

#### 5 Net result of pooling of monetary income

Table 35 shows the OeNB's *net result of pooling of monetary income* in the Eurosystem.

Table 33

	2019	2018	Change	
	EUR million	EUR million	EUR million	%
Writedowns on				
foreign currency	-33.632	-183.787	-150.155	-81.7
securities	-22.917	-11.908	+11.009	+92.4
<b>Total</b>	<b>-56.549</b>	<b>-195.695</b>	<b>-139.146</b>	<b>-71.1</b>

Table 34

	2019	2018	Change	
	EUR million	EUR million	EUR million	%
Dividends				
BIS	2.573	2.433	+0.140	+5.8
Münze Österreich AG	33.079	54.752	-21.673	-39.6
Profit distribution by GELDSERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H. (GSA)	0.191	0.164	+0.027	+16.7
Distribution of ECB profit				
Interim profit distribution	41.776	33.225	+8.551	+25.7
Profit distribution for the previous year	10.710	8.005	+2.705	+33.8
Other income	-	0.057	-0.057	-100.0
<b>Total</b>	<b>88.329</b>	<b>98.635</b>	<b>-10.306</b>	<b>-10.4</b>

Tabella 35

	2019	2018	Change	
	EUR million	EUR million	EUR million	%
Monetary income	42.832	65.629	-22.798	-34.7
Deductible items (in particular interest on the liability base) <sup>1</sup>	153.248	155.864	-2.616	-1.7
Monetary income to be pooled (net)	196.080	221.493	-25.414	-11.5
Redistribution of monetary income	329.933	340.420	-10.487	-3.1
<b>Net result for monetary income reallocation for the reporting year</b>	<b>+133.853</b>	<b>+118.927</b>	<b>+14.926</b>	<b>+12.6</b>
Net income/loss from the revision of monetary income of the previous years	-0.446	+8.009	-8.455	-105.6
Provision against losses in monetary policy operations				
Establishment	-2.493	-4.492	-1.999	-44.5
Use/release	+4.492	+1.921	+2.571	+133.9
<b>Total</b>	<b>+135.407</b>	<b>+124.364</b>	<b>+11.042</b>	<b>+8.9</b>

<sup>1</sup> Due to negative interest rates, the OeNB recorded net income in both 2018 and 2019.

This profit and loss account item comprises the OeNB's net result from the reallocation of monetary income within the Eurosystem. This item also contains the OeNB's share in the provision against losses in monetary policy operations (see liability item 13 *Provisions*).

In 2018, the provision against losses in monetary policy operations comprised the OeNB's share in the realized loss in relation to a security held by an NCB of the Eurosystem in its CSPP portfolio. The loss arising from the sale of this security was covered by the usage of the respective provision established in 2017.

In 2018, securities in the CSPP portfolio were again deemed to be impaired. The Governing Council of the ECB therefore deemed it appropriate, in accordance with the principle of prudence, to establish a provision against losses in monetary policy operations. As a result of the 2019 impairment test, this provision was adjusted (on December 31, 2019, the provision established in 2018 was fully released and a new provision of an adequate size was established).

The ECB calculates monetary income annually in accordance with Article 32 of the Statute of the ESCB and of the ECB.

The amount of the OeNB's monetary income is determined by measuring the annual income that it derives from the earmarkable assets held against its liability base. The liability base consists of banknotes in circulation, liabilities to euro area credit institutions related to monetary policy operations denominated in euro and net intra-Eurosystem liabilities resulting from TARGET2 transactions. Any interest paid on these liabilities is deducted from the monetary income to be pooled.

The earmarkable assets consist of the following items: lending to euro area credit institutions related to monetary policy operations denominated in euro, securities held for monetary policy purposes, net intra-Eurosystem claims equivalent to the transfer of foreign reserve assets to the ECB and net intra-Eurosystem claims related to the allocation of euro banknotes within the Eurosystem as well as accrued interest recorded at quarter-end on monetary

policy assets the maturity of which is one year or longer. Moreover, a limited amount of the OeNB's gold holdings in proportion to its capital key share is included (gold is considered to generate no income).

Securities acquired by the OeNB under the CBPP2 and government/agency bonds acquired under the PSPP generate income at the latest available marginal interest rate used by the Eurosystem in its tenders for main refinancing operations. Where the value of the OeNB's earmarkable assets exceeds, or falls short of, the value of its liability base, the difference is offset by applying to the difference the latest available marginal interest rate for the Eurosystem's main refinancing operations.

The monetary income pooled by the Eurosystem is allocated among NCBs according to their share in the fully paid-up capital.<sup>20</sup> The pooling and reallocation of monetary income leads to certain net reallocation effects. One reason is that the yields earned on certain earmarkable assets and the interest expense paid on certain liability base items may differ to a varying degree among the Eurosystem NCBs. In addition, usually each Eurosystem NCB's share of earmarkable assets and in the liability base deviates from its share in the subscribed capital of the ECB. The difference between the monetary income pooled by the OeNB (EUR 196.080 million) and the income reallocated to the OeNB (EUR 329.933 million) results from the calculation of monetary income.

## 6 Other income

*Other income* comprises e.g. rental income and income from transactions with OeNB subsidiaries or the ECB amounting to EUR 16.805 million. The FMA's reimbursement to the OeNB for the direct costs resulting from banking supervision and the costs related to bank recovery and resolution amounts to the statutory maximum of EUR 8 million and EUR 2 million, respectively. Moreover, this item comprises income on property sales in the amount of EUR 3.629 million.

<sup>20</sup> Under Article 33.2 of the Statute of the ESCB and of the ECB, income will not be reallocated if the pooled amount is fully or partially retained by the ECB to cover an annual loss incurred by the ECB.

## 7 Staff costs

*Staff costs* comprise the cost of current employees. These costs are reduced by recoveries of salaries.

Salaries increased by EUR 2.749 million net to EUR 127.337 million against the previous year (2018: EUR 124.588 million). The OeNB's outlays were reduced by recoveries of salaries totaling EUR 4.768 million (2018: EUR 4.985 million) for staff members on secondment to affiliates and other institutions.

The members of the OeNB's Governing Board received emoluments (table 36) totaling EUR 1.177 million in 2019 (2018: EUR 1.148 million). As the previous Governing Board members' terms of office expired in 2019, all four positions were newly filled that year.

Table 36

	Emoluments EUR million
Governor Robert Holzmann (from September 1, 2019)	0.1042
Vice Governor Gottfried Haber (from July 11, 2019)	0.1394
Executive Director Eduard Schock (from July 11, 2019)	0.1333
Executive Director Thomas Steiner (from May 1, 2019)	0.1878
Governor Ewald Nowotny (until August 31, 2019)	0.2083
Vice Governor Andreas Ittner (until July 10, 2019)	0.1551
Executive Director Kurt Pribil (until July 10, 2019)	0.1483
Executive Director Peter Mooslechner (until April 30, 2019)	0.1006

The remuneration of Governing Board members is regulated by the Federal Constitutional Act on the Limitation of Remunerations for Public Officials; it stipulates, inter alia, that the emoluments of the central bank governor

must not exceed those of the Austrian Federal Chancellor. The emoluments of the other members of the Governing Board, in turn, must not exceed the emoluments of the Governor of the OeNB. Pursuant to Article 3 paragraph 1 Federal Constitutional Act on the Limitation of Remunerations for Public Officials, the emoluments were increased by 2% with effect from January 1, 2019. Remuneration in kind (tax value of the private use of company cars, insurance subsidies), pay for outstanding leave and other benefits totaled EUR 0.247 million (2018: EUR 0.046 million). The changes in Governing Board membership in 2019 entailed severance payments totaling EUR 1.034 million.

The emoluments due to the OeNB's current President and Vice President pursuant to Article 24 Nationalbank Act were set by the General Meeting with effect from January 1, 2019. The President has foregone any remuneration (payments in cash and in kind). The Vice President received remuneration in the amount of EUR 0.044 million in 2019. In 2018, the former President and Vice President, whose terms of office ended on August 31, 2018, received remuneration totaling EUR 0.081 million, and the current Vice President (appointed from September 1, 2018) received remuneration worth EUR 0.014 million. The other members of the General Council perform their duties of office without remuneration. They receive an attendance fee of EUR 250 for donation to charity for every day they participate in a meeting of the General Council or one of its subcommittees. Travel expenses associated with the exercise of General Council members' functions are appropriately reimbursed.

Table 37 shows staff in full-time equivalents (FTEs).

Table 37

	Reporting date December 31 <sup>1</sup>			Annual average <sup>1</sup>		
	2019	2018	Change	2019	2018	Change
FTEs <sup>2</sup>	1,069.6	1,079.3	-9.7	1,082.1	1,086.8	-4.7
Total	1,183.2	1,209.3	-26.1	1,205.7	1,227.7	-22.0

<sup>1</sup> Figures include part-time employees on a pro rata basis.

<sup>2</sup> Excluding employees on secondment or leave (such as maternity and parental leave).

Expenses for severance payments and contributions to severance funds came to EUR 5.564 million (2018: EUR 5.492 million) and EUR 0.943 million (2018: EUR 0.856 million), respectively. Expenses for severance payments for management officials (Governing Board members) totaled EUR 0.062 million in 2019 (2018: EUR 0.032 million) and contributions to severance funds for management officials came to a total of EUR 0.012 million (2018: EUR 0.005 million).

Expenses for compulsory social security contributions as well as compulsory contributions and charges related to wages and salaries totaled EUR 23.231 million in 2019 (2018: EUR 22.104 million). Of this amount, EUR 14.792 million (2018: EUR 13.884 million) were social security contributions, EUR 4.595 million (2018: EUR 4.507 million) were contributions to the Family Burden Equalization Fund, and EUR 3.673 million (2018: EUR 3.558 million) were municipal tax payments.

## 8 Expenses for retirement

All pension expenses relate to the OeNB's defined benefit retirement plan based on internally funded pensions for employees recruited up to April 30, 1998. Pension expenses came to EUR 125.103 million (2018: EUR 126.190 million), of which EUR 81.310 million were covered by investment income on the pension reserve (2018: no coverage). Pension expenses include the remuneration of retired Governing Board members or their dependents (totaling EUR 4.226 million; 2018: EUR 4.173 million).

The OeNB's other legal and contractual obligations (pension plan contributions and supplementary contribution to pension plans) totaled EUR 54.776 million in 2019 (2018: EUR 12.647 million). The increase is essentially due to the reduction in the assumed future

average investment income on the pension fund (see also liability item 13 *Provisions*).

## 9 Administrative expenses

*Administrative expenses* include, inter alia, rent, operating expenses, maintenance and repair costs of EUR 32.794 million (2018: EUR 37.033 million) as well as banknote processing expenses of EUR 10.768 million (2018: EUR 10.693 million). The headline figure also includes expenses that the OeNB charges entirely to subsidiaries or the ECB (in particular rent, operating costs and security-related service costs) in the amount of EUR 4.669 million (2018: EUR 4.746 million). Administrative expenses for auditing the OeNB's financial statements came to EUR 0.090 million (2018: EUR 0.090 million), those for other certification services to EUR 0.030 million (2018: EUR 0.071 million).

Pursuant to Article 238 paragraph 1 item 14 Commercial Code, material obligations arising from the use of tangible fixed assets not disclosed in the balance sheet must be recorded separately. These obligations amount to EUR 11.216 million in the subsequent financial year (2018: EUR 10.829 million). In the subsequent five financial years, these obligations total EUR 55.879 million (2018: EUR 55.187 million).

## 11 Banknote production services

These expenses result from the purchase of euro banknotes from the OeBS.

## 13 Corporate income tax

Pursuant to Article 72 paragraph 1 Nationalbank Act, the operating profit of the financial statements drawn up pursuant to Article 67 Nationalbank Act and in accordance with Article 69 paragraph 1 Nationalbank Act constitutes the OeNB's taxable income within the meaning

of Article 22 paragraph 1 of the Corporate Income Tax Act 1988. Table 38 shows the calculation of the *corporate income tax*.

#### 14 Transfer to the pension reserve and central government's share of profit

The *transfer to the pension reserve* and the *central government's share of profit* are shown in table 39.

#### Profit for the year and proposed profit appropriation

With the statutory allocations having been made in line with Article 69 paragraphs 2 and 3

Nationalbank Act (see profit and loss account item 14 *Transfer to the pension reserve and central government's share of profit*), the balance sheet and the profit and loss account show a profit for the year 2019 of EUR 23,631,544.16 (2018: EUR 20,461,541.24).

In its meeting of February 10, 2020, the Governing Board decided to submit the profit appropriation proposal shown in table 40 to the General Council.

The appropriation of profit is made according to the General Meeting's decision.

Table 38

	2019 EUR million	2018 EUR million	Change EUR million	%
Operating profit	327.875	283.289	+44.586	+15.7
Reduction of the corporate income tax base under Article 20 paragraph 3 National Foundation Act <sup>1</sup>	-66.667	-59.534	+7.132	+12.0
Corporate income tax base	261.208	223.755	+37.453	+16.7
<b>Corporate income tax</b>	<b>65.302</b>	<b>55.939</b>	<b>+9.363</b>	<b>+16.7</b>

<sup>1</sup> See also section *Legal framework*.

Table 39

	2019 EUR million	2018 EUR million	Change EUR million	%
Transfer to the pension reserve under Article 69 paragraph 2 Nationalbank Act	26.257	22.735	+3.522	+15.5
Central government's share of profit of 90% under Article 69 paragraph 3 Nationalbank Act	212.684	184.154	+28.530	+15.5
of which:				
Annual redemption under Article 21 paragraph 2 Coinage Act	5.814	5.814	–	–
Transfer to the National Foundation under Article 4 paragraph 5 no. 3 National Foundation Act	30.304	66.667	-36.363	-54.5
Transfer to the central government	176.566	111.673	+64.893	+58.1
<b>Total</b>	<b>238.941</b>	<b>206.889</b>	<b>+32.052</b>	<b>+15.5</b>

Table 40

	Proposal 2019 EUR	Appropriation 2018 EUR
Payout of the maximum dividend (10%) on the OeNB's capital stock of EUR 12 million under Article 69 Nationalbank Act	1,200,000.00	1,200,000.00
Allocation of funds to the <i>OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching</i>		
Funds earmarked for promotion by the OeNB	10,000,000.00	10,000,000.00
Transfers to the Anniversary Fund reserve	2,500,000.00	–
Transfers to the profit-smoothing reserve	9,931,544.16	9,261,541.24
<b>Profit for the year</b>	<b>23,631,544.16</b>	<b>20,461,541.24</b>



## Post-balance sheet events

### Brexit

#### Adjustment of the capital key

As a result of the departure of the United Kingdom from the European Union and consequent withdrawal of the Bank of England from the ESCB, the weightings assigned to the remaining NCBs in the key for subscription to the ECB's capital were adjusted with effect from February 1, 2020 (table 41).

The ECB kept its subscribed capital unchanged at EUR 10,825 million after the Bank

of England's withdrawal from the ESCB. The share of the Bank of England in the ECB's subscribed capital, which stood at 14.3%, was reallocated among the remaining NCBs. As a result, the OeNB's share in the ECB's subscribed capital increased from EUR 220.0 million to EUR 257.7 million.

The ECB's paid-up capital will also remain unchanged at EUR 7,659.4 million in the year of the United Kingdom's departure from the EU, i.e. in 2020, as the remaining NCBs will cover the Bank of England's paid-up capital of

Table 41

### Shares in the ECB's capital as from February 1, 2020

	Subscribed capital		Paid-up capital	
	EUR	%	EUR	%
Nationale Bank van België/Banque Nationale de Belgique	320,744,959.47	2.9630	276,290,916.71	3.6432
Deutsche Bundesbank	2,320,816,565.68	21.4394	1,999,160,134.91	26.3615
Eesti Pank	24,800,091.20	0.2291	21,362,892.01	0.2817
Banc Ceannais na hÉireann/Central Bank of Ireland	149,081,997.36	1.3772	128,419,794.29	1.6934
Bank of Greece	217,766,667.22	2.0117	187,585,027.73	2.4735
Banco de España	1,049,820,010.62	9.6981	904,318,913.05	11.9246
Banque de France	1,798,120,274.32	16.6108	1,548,907,579.93	20.4243
Banca d'Italia	1,495,637,101.77	13.8165	1,288,347,435.28	16.9885
Central Bank of Cyprus	18,943,762.37	0.1750	16,318,228.29	0.2152
Latvijas Banka	34,304,447.40	0.3169	29,549,980.26	0.3897
Lietuvos bankas	50,953,308.28	0.4707	43,891,371.75	0.5788
Banque centrale du Luxembourg	29,000,193.94	0.2679	24,980,876.34	0.3294
Bank Ċentrali ta' Malta/Central Bank of Malta	9,233,731.03	0.0853	7,953,970.70	0.1049
De Nederlandsche Bank	515,941,486.95	4.7662	444,433,941.02	5.8604
Oesterreichische Nationalbank	257,678,468.28	2.3804	221,965,203.55	2.9269
Banco de Portugal	206,054,009.57	1.9035	177,495,700.29	2.3405
Banka Slovenije	42,390,727.68	0.3916	36,515,532.56	0.4815
Národná banka Slovenska	100,824,115.85	0.9314	86,850,273.32	1.1452
Suomen Pankki - Finlands Bank	161,714,780.61	1.4939	139,301,721.39	1.8369
<b>Share of the NCBs of the Eurosystem</b>	<b>8,803,826,699.60</b>	<b>81.3286</b>	<b>7,583,649,493.38</b>	<b>100.0000</b>
Bulgarian National Bank	106,431,469.51	0.9832	3,991,180.11 <sup>1</sup>	
Česká národní banka	203,445,182.87	1.8794	7,629,194.36 <sup>1</sup>	
Danmarks Nationalbank	190,422,699.36	1.7591	7,140,851.23 <sup>1</sup>	
Hrvatska narodna banka	71,390,921.62	0.6595	2,677,159.56 <sup>1</sup>	
Magyar Nemzeti Bank	167,657,709.49	1.5488	6,287,164.11 <sup>1</sup>	
Narodowy Bank Polski	653,126,801.54	6.0335	24,492,255.06 <sup>1</sup>	
Banca Națională a României	306,228,624.99	2.8289	11,483,573.44 <sup>1</sup>	
Sveriges Riksbank	322,476,960.60	2.9790	12,092,886.02 <sup>1</sup>	
	<b>2,021,180,369.98</b>	<b>18.6714</b>	<b>75,794,263.89</b>	
<b>Total<sup>2</sup></b>	<b>10,825,007,069.61</b>	<b>100.0000</b>	<b>7,659,443,757.27</b>	<b>100.0000</b>

<sup>1</sup> Corresponds to 3.75% of the subscribed capital to cover the ECB's costs (ECB/2010/28).

<sup>2</sup> Discrepancies may arise from rounding.

EUR 58.201 million. The euro area NCBs will pay up in full their increased subscriptions to the ECB capital in two additional annual installments. As a result, the OeNB will transfer to the ECB an amount of EUR 1.947 million in 2020 and EUR 17.857 million each in 2021 and 2022.

#### **Foreign reserve assets transferred to the ECB**

Pursuant to Article 30.2 of the Statute of the ESCB and of the ECB, the contributions of the NCBs to the transfer of foreign reserve assets to the ECB are fixed in proportion to their share in the ECB's subscribed capital. The

claim to the foreign reserve assets transferred to the ECB was marginally adjusted following the increase in the weighting of the euro area NCBs in the ECB's subscribed capital, reflecting the Bank of England's withdrawal from the ESCB and a decision of the Governing Council of the ECB to reduce the proportion of the euro area NCBs' contributions so that the total amount of foreign reserve assets already transferred by the euro area NCBs will remain at the current level. This resulted in a minor increase in the OeNB's claim by EUR 3.0 million to EUR 1,180.8 million.

**GOVERNING BOARD (DIREKTORIUM)**

Governor Ewald Nowotny (until August 31, 2019)  
 Governor Robert Holzmann (from September 1, 2019)  
 Vice Governor Andreas Ittner (until July 10, 2019)  
 Vice Governor Gottfried Haber (from July 11, 2019)  
 Executive Director Kurt Pribil (until July 10, 2019)  
 Executive Director Eduard Schock (from July 11, 2019)  
 Executive Director Peter Mooslechner (until April 30, 2019)  
 Executive Director Thomas Steiner (from May 1, 2019)

**GENERAL COUNCIL (GENERALRAT)**

President Harald Mahrer  
 Vice President Barbara Kolm  
 Bettina Glatz-Kremsner  
 Gottfried Haber (until July 10, 2019)  
 Stephan Koren  
 Franz Maurer  
 Gabriele Payr (until February 28, 2019)  
 Walter Rothensteiner (until January 31, 2020)  
 Peter Sidlo  
 Christoph Traunig  
 State Commissioner Harald Waiglein  
 Deputy State Commissioner Alfred Lejsek

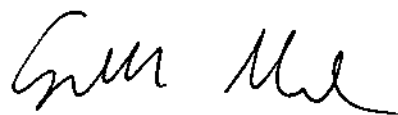
In accordance with Article 22 paragraph 5 Nationalbank Act, the following representatives of the Central Staff Council participated in discussions on personnel, social and welfare matters:

Robert Kocmich (until September 30, 2019)  
 Birgit Sauerzopf  
 Christian Schrödinger (from October 11, 2019)

Vienna, March 5, 2020



Robert Holzmann



Gottfried Haber



Eduard Schock



Thomas Steiner

# Bestätigungsvermerk der Abschlussprüfungsgesellschaft

Oesterreichische Nationalbank, Wien

31. Dezember 2019

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## BESTÄTIGUNGSVERMERK

### Bericht zum Jahresabschluss

### Prüfungsurteil

Wir haben den Jahresabschluss der

**Oesterreichische Nationalbank, Wien,**

bestehend aus der Bilanz zum 31. Dezember 2019, der Gewinn- und Verlustrechnung für das an diesem Stichtag endende Geschäftsjahr und dem Anhang, geprüft.

Nach unserer Beurteilung entspricht der beigefügte Jahresabschluss den gesetzlichen Vorschriften und vermittelt ein möglichst getreues Bild der Vermögens- und Finanzlage zum 31. Dezember 2019 sowie der Ertragslage der Gesellschaft für das an diesem Stichtag endende Geschäftsjahr in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen Bestimmungen des Nationalbankgesetzes 1984 in der geltenden Fassung sowie den Bestimmungen der vom Rat der Europäischen Zentralbank gemäß Artikel 26 Abs 4 des "Protokolls über die Satzung des Europäischen Systems der Zentralbanken und der Europäischen Zentralbank" mittels der "Leitlinie der Europäischen Zentralbank" vom 3. November 2016 über die Rechnungslegungsgrundsätze und das Berichtswesen im Europäischen System der Zentralbanken (EZB/2016/34), zuletzt geändert mittels der „Leitlinie der Europäischen Zentralbank“ vom 28. November 2019 (EZB/2019/34), erlassenen Vorschriften.

### Grundlage für das Prüfungsurteil

Wir haben unsere Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung durchgeführt. Diese Grundsätze erfordern die Anwendung der International Standards on Auditing (ISA). Unsere Verantwortlichkeiten nach diesen Vorschriften und Standards sind im Abschnitt "Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses" unseres Bestätigungsvermerks weitergehend beschrieben. Wir sind von der Gesellschaft unabhängig in Übereinstimmung mit den österreichischen unternehmensrechtlichen und berufsrechtlichen Vorschriften, und wir haben unsere sonstigen beruflichen Pflichten in Übereinstimmung mit diesen Anforderungen erfüllt. Wir sind der Auffassung, dass die von uns erlangten Prüfungsnachweise ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen.

Oesterreichische Nationalbank, Wien

31. Dezember 2019

**Verantwortlichkeiten der gesetzlichen Vertreter und des Unterausschusses des Generalrates für Rechnungslegung und interne Kontrollsysteme für den Jahresabschluss**

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften und den sondergesetzlichen Bestimmungen des Nationalbankgesetzes 1984 in der geltenden Fassung sowie den Bestimmungen der vom Rat der Europäischen Zentralbank gemäß Artikel 26 Abs 4 des "Protokolls über die Satzung des Europäischen Systems der Zentralbanken und der Europäischen Zentralbank" mittels der "Leitlinie der Europäischen Zentralbank" vom 3. November 2016 über die Rechnungslegungsgrundsätze und das Berichtswesen im Europäischen System der Zentralbanken (EZB/2016/34), zuletzt geändert mittels der „Leitlinie der Europäischen Zentralbank“ vom 28. November 2019 (EZB/2019/34), erlassenen Vorschriften ein möglichst getreues Bild der Vermögens-, Finanz- und Ertragslage der Gesellschaft vermittelt. Ferner sind die gesetzlichen Vertreter verantwortlich für die internen Kontrollen, die sie als notwendig erachten, um die Aufstellung eines Jahresabschlusses zu ermöglichen, der frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist.

Bei der Aufstellung des Jahresabschlusses sind die gesetzlichen Vertreter dafür verantwortlich, die Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit zu beurteilen, Sachverhalte im Zusammenhang mit der Fortführung der Unternehmenstätigkeit - sofern einschlägig - anzugeben, sowie dafür, den Rechnungslegungsgrundsatz der Fortführung der Unternehmenstätigkeit anzuwenden, es sei denn, die gesetzlichen Vertreter beabsichtigen, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen oder haben keine realistische Alternative dazu.

Der Unterausschuss des Generalrates für Rechnungslegung und interne Kontrollsysteme ist verantwortlich für die Überwachung des Rechnungslegungsprozesses der Gesellschaft.

**Verantwortlichkeiten des Abschlussprüfers für die Prüfung des Jahresabschlusses**

Unsere Ziele sind, hinreichende Sicherheit darüber zu erlangen, ob der Jahresabschluss als Ganzes frei von wesentlichen - beabsichtigten oder unbeabsichtigten - falschen Darstellungen ist, und einen Bestätigungsvermerk zu erteilen, der unser Prüfungsurteil beinhaltet. Hinreichende Sicherheit ist ein hohes Maß an Sicherheit, aber keine Garantie dafür, dass eine in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, durchgeführte Abschlussprüfung eine wesentliche falsche Darstellung, falls eine solche vorliegt, stets aufdeckt. Falsche Darstellungen können aus dolosen Handlungen oder Irrtümern resultieren und werden als wesentlich angesehen, wenn von ihnen einzeln oder insgesamt vernünftigerweise erwartet werden könnte, dass sie die auf der Grundlage dieses Jahresabschlusses getroffenen wirtschaftlichen Entscheidungen von Nutzern beeinflussen.

Als Teil einer Abschlussprüfung in Übereinstimmung mit den österreichischen Grundsätzen ordnungsmäßiger Abschlussprüfung, die die Anwendung der ISA erfordern, üben wir während der gesamten Abschlussprüfung pflichtgemäßes Ermessen aus und bewahren eine kritische Grundhaltung.

Darüber hinaus gilt:

- Wir identifizieren und beurteilen die Risiken wesentlicher – beabsichtigter oder unbeabsichtigter – falscher Darstellungen im Abschluss, planen Prüfungshandlungen als Reaktion auf diese Risiken, führen sie durch und erlangen Prüfungsnachweise, die ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu dienen. Das Risiko, dass aus dolosen Handlungen resultierende wesentliche falsche Darstellungen nicht aufgedeckt werden, ist höher als ein aus Irrtümern resultierendes, da dolose Handlungen betrügerisches Zusammenwirken, Fälschungen, beabsichtigte Unvollständigkeiten, irreführende Darstellungen oder das Außerkraftsetzen interner Kontrollen beinhalten können.
- Wir gewinnen ein Verständnis von dem für die Abschlussprüfung relevanten internen Kontrollsystem, um Prüfungshandlungen zu planen, die unter den gegebenen Umständen angemessen sind, jedoch nicht mit dem Ziel, ein Prüfungsurteil zur Wirksamkeit des internen Kontrollsystems der Gesellschaft abzugeben.
- Wir beurteilen die Angemessenheit der von den gesetzlichen Vertretern angewandten Rechnungslegungsmethoden sowie die Vertretbarkeit der von den gesetzlichen Vertretern dargestellten geschätzten Werte in der Rechnungslegung und damit zusammenhängende Angaben.
- Wir ziehen Schlussfolgerungen über die Angemessenheit der Anwendung des Rechnungslegungsgrundsatzes der Fortführung der Unternehmenstätigkeit durch die gesetzlichen Vertreter sowie, auf der Grundlage der erlangten Prüfungsnachweise, ob eine wesentliche Unsicherheit im Zusammenhang mit Ereignissen oder Gegebenheiten besteht, die erhebliche Zweifel an der Fähigkeit der Gesellschaft zur Fortführung der Unternehmenstätigkeit aufwerfen kann. Falls wir die Schlussfolgerung ziehen, dass eine wesentliche Unsicherheit besteht, sind wir verpflichtet, in unserem Bestätigungsvermerk auf die dazugehörigen Angaben im Jahresabschluss aufmerksam zu machen oder, falls diese Angaben unangemessen sind, unser Prüfungsurteil zu modifizieren. Wir ziehen unsere Schlussfolgerungen auf der Grundlage der bis zum Datum unseres Bestätigungsvermerks erlangten Prüfungsnachweise. Zukünftige Ereignisse oder Gegebenheiten können jedoch die Abkehr der Gesellschaft von der Fortführung der Unternehmenstätigkeit zur Folge haben.
- Wir beurteilen die Gesamtdarstellung, den Aufbau und den Inhalt des Jahresabschlusses einschließlich der Angaben sowie ob der Jahresabschluss die zugrunde liegenden Geschäftsvorfälle und Ereignisse in einer Weise wiedergibt, dass ein möglichst getreues Bild erreicht wird.

Wir tauschen uns mit dem Unterausschuss des Generalrates für Rechnungslegung und interne Kontrollsysteme unter anderem über den geplanten Umfang und die geplante zeitliche Einteilung der Abschlussprüfung sowie über bedeutsame Prüfungsfeststellungen, einschließlich etwaiger bedeutsamer Mängel im internen Kontrollsystem, die wir während unserer Abschlussprüfung erkennen, aus.

Oesterreichische Nationalbank, Wien

31. Dezember 2019

**Bericht zum Geschäftsbericht gemäß § 68 NBG**

Auf den gemäß § 68 Abs 1 NBG zu erstellenden Geschäftsbericht finden die Bestimmungen des § 243 Abs 1 bis 3 UGB (Lagebericht), mit Ausnahme von Abs 2 letzter Satz und Abs 3 Z 1, 2 und 5 UGB, Anwendung.

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Geschäftsberichts in Übereinstimmung mit den gesetzlichen Vorschriften.

Wir haben unsere Prüfung in Übereinstimmung mit den Berufsgrundsätzen zur Prüfung des Geschäftsberichts durchgeführt.

Die im Geschäftsbericht enthaltenen Jahresabschlussinformationen (Lagebericht) sind auf Grund der österreichischen unternehmensrechtlichen Vorschriften darauf zu prüfen, ob sie mit dem Jahresabschluss in Einklang stehen und ob sie nach den geltenden rechtlichen Anforderungen aufgestellt wurden.

Unser Prüfungsurteil zum Jahresabschluss deckt die im Geschäftsbericht enthaltenen anderen (sonstigen) Informationen, die nicht den Jahresabschluss und die gemäß § 68 NBG geforderte Darstellung der direkten und indirekten Beteiligungen und den Lagebericht betreffen, nicht ab und wir geben keine Art der Zusicherung darauf.

In Verbindung mit unserer Prüfung des Jahresabschlusses ist es unsere Verantwortung, diese sonstigen Informationen zu lesen und zu überlegen, ob es wesentliche Unstimmigkeiten zwischen den sonstigen Informationen und dem Jahresabschluss gibt oder mit unserem, während der Prüfung erlangten Wissen gibt oder diese sonstigen Informationen sonst wesentlich falsch dargestellt erscheinen. Falls wir, basierend auf den durchgeführten Arbeiten, zur Schlussfolgerung gelangen, dass die sonstigen Informationen wesentlich falsch dargestellt sind, müssen wir dies berichten. Wir haben diesbezüglich nichts zu berichten.

*Urteil*

Nach unserer Beurteilung sind die im Geschäftsbericht zu § 243 Abs 1 bis 3 UGB (Lagebericht), mit Ausnahme von Abs 2 letzter Satz und Abs 3 Z 1, 2 und 5 UGB enthaltenen Jahresabschlussinformationen und die Darstellung der direkten und indirekten Beteiligungen nach den geltenden rechtlichen Anforderungen aufgestellt worden und stehen in Einklang mit dem Jahresabschluss.

Oesterreichische Nationalbank, Wien

31. Dezember 2019

*Erklärung*

Angesichts der bei der Prüfung des Jahresabschlusses gewonnenen Erkenntnisse und des gewonnenen Verständnisses über die Gesellschaft und ihr Umfeld wurden wesentliche fehlerhafte Angaben im Geschäftsbericht nicht festgestellt.

Wien, am 5. März 2020

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Ernst Schönhuber  
Wirtschaftsprüfer

Mag. Andrea Stippl  
Wirtschaftsprüferin



## External auditor's opinion

Oesterreichische Nationalbank, Vienna

December 31, 2019

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### TRANSLATION

#### 4. AUDITOR'S REPORT \*)

##### Report on the Financial Statements

##### Audit Opinion

We have audited the financial statements of

**Oesterreichische Nationalbank, Vienna.**

These financial statements comprise the balance sheet as of December 31, 2019, the income statement for the fiscal year then ended and the notes.

Based on our audit the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Company as of December 31, 2019 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the statutory requirements of the 1984 Federal Act on the Oesterreichische Nationalbank (Nationalbank Act), as amended, and the requirements of the rules adopted by the Governing Council of the European Central Bank in accordance with Article 26 paragraph 4 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank by means of the Guideline of the European Central Bank of November 3, 2016 on the legal framework for accounting and reporting in the European System of Central Banks (ECB/2016/34), as amended on November 28, 2019 (ECB/2019/34).

##### Basis for Opinion

We conducted our audit in accordance with Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under those regulations and standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Company in accordance with the Austrian General Accepted Accounting Principles and professional requirements and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**TRANSLATION****Responsibilities of the Management and the Subcommittee of the General Council on Accounting and Internal Control Systems for the Financial Statements**

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and the statutory requirements of the National Bank Act, as amended, and the requirements of the rules adopted by the Governing Council of the European Central Bank in accordance with Article 26 paragraph 4 of the Protocol on the Statute of the European System of Central Banks and of the European Central Bank by means of the Guideline of the European Central Bank of November 3, 2016 on the legal framework for accounting and reporting in the European System of Central Banks (ECB/2016/34), as amended on November 28, 2019 (ECB/2019/34), for them to present a true and fair view of the assets, the financial position and the financial performance of the Company and for such internal controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Subcommittee of the General Council on Accounting and Internal Control Systems is responsible for overseeing the Company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISA, always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISA, we exercise professional judgment and maintain professional scepticism throughout the audit.

**TRANSLATION**

We also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Subcommittee of the General Council on Accounting and Internal Control Systems regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Statement on the Annual Report according to Article 68 Nationalbank Act**

The Annual Report to be prepared pursuant to Article 68 paragraph 1 Nationalbank Act is subject to the requirements of Article 243 paragraphs 1 to 3 of the Commercial Law (management report) with the exception of paragraph 2 last sentence and paragraph 3 nos. 1, 2 and 5 Commercial Law.

Management is responsible for the preparation of the annual report in accordance with statutory requirements.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the Annual Report.

According to the relevant rules under Austrian Generally Accepted Accounting Principles, financial information contained in the Annual Report (management report) is to be audited as to whether it is consistent with the financial statements and whether it has been drawn up in accordance with the applicable statutory requirements.

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**TRANSLATION**

Our audit opinion on the annual financial statements does not cover the other information contained in the Annual Report that does not relate to the annual financial statements and the presentation of direct and indirect investments and the Annual Report required by Article 68 Nationalbank Act, and therefore does not imply any assurance in this regard.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Opinion*

In our opinion, the financial information contained in the Annual Report in line with Article 243 paragraphs 1 to 3 of the Commercial Law (management report) with the exception of paragraph 2 last sentence and paragraph 3 nos. 1, 2 and 5 Commercial Law, as well as the presentation of information on direct and indirect investments are in line with the applicable statutory requirements and are consistent with the financial statements.

*Statement*

Based on the findings during the audit of the financial statements and due to the thus obtained understanding concerning the Company and its circumstances no material misstatements in the management report came to our attention.

Vienna, March 5, 2020

Ernst & Young  
Wirtschaftsprüfungsgesellschaft m.b.H.

Mag. Ernst Schönhuber mp    Mag. Andrea Stippl mp  
Wirtschaftsprüfer / Certified Public Accountant    Wirtschaftsprüferin / Certified Public Accountant

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\*) This report is a translation of the original report in German, which is solely valid. Publication or sharing with third parties of the financial statements together with our auditor's opinion is only allowed if the financial statements and the annual report are identical with the German audited version.

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