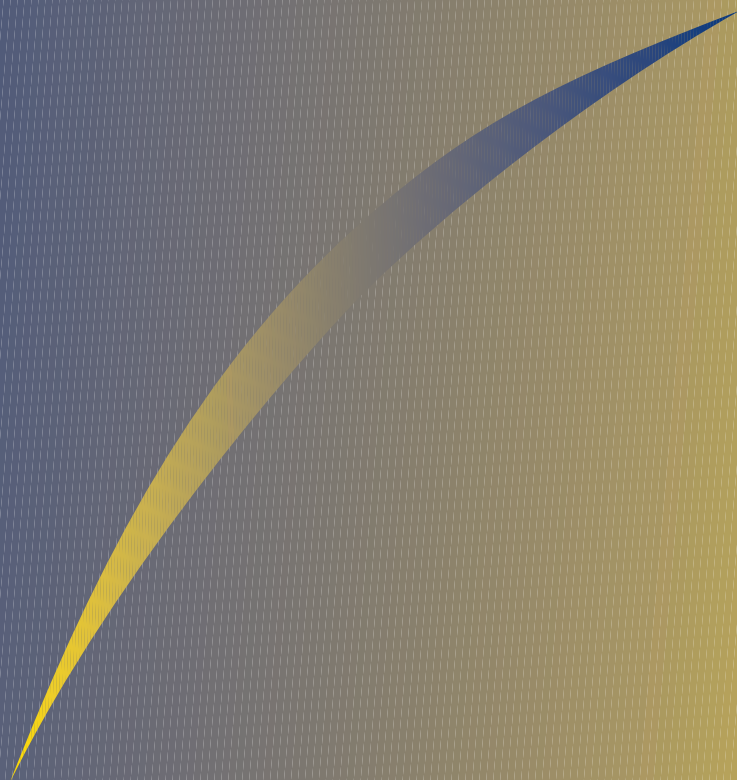




OESTERREICHISCHE NATIONALBANK

EUROSYSTEM

FINANCIAL STATEMENTS
FOR THE YEAR 2001



<http://bilanz.oenb.at/>

Balance Sheet

as at December 31, 2001

Assets

	December 31, 2001	December 31, 2000
	euro	euro
1. Gold and gold receivables	3,519,118,265.13	3,556,162,714.08
2. Claims on non-euro area residents denominated in foreign currency	13,979,832,639.04	15,062,227,984.50
2.1 Receivables from the IMF	1,262,683,249.24	888,393,041.77
2.2 Balances with banks, security investments, external loans and other external assets	12,717,149,389.80	14,173,834,942.73
3. Claims on euro area residents denominated in foreign currency	1,108,565,345.82	1,543,590,501.40
4. Claims on non-euro area residents denominated in euro	1,569,219,994.13	1,860,162,390.22
4.1 Balances with banks, security investments and loans	1,569,219,994.13	1,860,162,390.22
4.2 Claims arising from the credit facility under ERM II	—	—
5. Lending to euro area credit institutions related to monetary policy operations denominated in euro	1,290,549,780 [—]	6,970,764,744 [—]
5.1 Main refinancing operations	379,071,760 [—]	4,843,970,690 [—]
5.2 Longer-term refinancing operations	911,478,020 [—]	2,126,794,054 [—]
5.3 Fine-tuning reverse operations	—	—
5.4 Structural reverse operations	—	—
5.5 Marginal lending facility	—	—
5.6 Credits related to margin calls	—	—
6. Other claims on euro area credit institutions denominated in euro	182,269,783.31	166,356,570.34
7. Securities of euro area residents denominated in euro	1,742,630,781.57	1,381,551,936.48
8. General government debt denominated in euro	287,632,718.05	255,644,384.50
9. Intra-Eurosystem claims	3,153,430,658.76	1,297,670,000 [—]
9.1 Participating interest in the ECB	117,970,000 [—]	117,970,000 [—]
9.2 Claims equivalent to the transfer of foreign reserves	1,179,700,000 [—]	1,179,700,000 [—]
9.3 Claims related to promissory notes backing the issuance of ECB debt certificates ¹⁾	x	x
9.4 Other claims within the Eurosystem (net)	1,855,760,658.76	—
10. Items in course of settlement	83,404,749.23	—
11. Other assets	4,384,003,886.29	4,091,433,515.89
11.1 Coins of euro area	151,994,553.97	67,951,433.59
11.2 Tangible and intangible fixed assets	135,622,952.35	109,891,122.93
11.3 Other financial assets	2,548,765,865.44	2,432,098,313.47
11.4 Off-balance-sheet instruments' revaluation differences	6,571,481.94	41,598,284.98
11.5 Accruals and deferred expenditure	355,593,036.02	399,075,911.29
11.6 Sundry	1,185,455,996.57	1,040,818,449.63
	<u>31,300,658,601.33</u>	<u>36,185,564,741.41</u>

¹⁾ Only an ECB balance sheet item.

Liabilities

	December 31, 2001	December 31, 2000
	euro	euro
1. Banknotes in circulation	10,172,302,497.04	13,933,755,136.11
2. Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	5,497,601,442.69	3,402,808,903.32
2.1 Current accounts (covering the minimum reserve system)	5,497,601,442.69	3,402,808,903.32
2.2 Deposit facility	—	—
2.3 Fixed-term deposits	—	—
2.4 Fine-tuning reverse operations	—	—
2.5 Deposits related to margin calls	—	—
3. Other liabilities to euro area credit institutions denominated in euro	1,059,618,205.55	—
4. Debt certificates issued¹⁾	x	x
5. Liabilities to other euro area residents denominated in euro	42,101,899.13	18,201,500.45
5.1 General government	21,298,633.20	766,081.04
5.2 Other liabilities	20,803,265.93	17,435,419.41
6. Liabilities to non-euro area residents denominated in euro	63,530,444.37	7,176,741.20
7. Liabilities to euro area residents denominated in foreign currency	308,726,918.84	330,687,652.96
8. Liabilities to non-euro area residents denominated in foreign currency	985,659,161.39	900,889,207.44
8.1 Deposits, balances and other liabilities	985,659,161.39	900,889,207.44
8.2 Liabilities arising from the credit facility under ERM II	—	—
9. Counterpart of Special Drawing Rights allocated by the IMF	255,051,392.95	250,678,218.83
10. Intra-Eurosystem liabilities	—	5,024,023,947.10
10.1 Liabilities equivalent to the transfer of foreign reserves ¹⁾	x	x
10.2 Liabilities related to promissory notes backing the issuance of ECB debt certificates	—	—
10.3 Other liabilities within the Eurosystem (net)	—	5,024,023,947.10
11. Items in course of settlement	507,385,260.28	—
12. Other liabilities	1,516,790,955.97	1,101,311,694.59
12.1 Off-balance-sheet instruments' revaluation differences	207,999,252.71	3,975,845.—
12.2 Accruals and deferred income	109,867,776.42	79,671,367.74
12.3 Sundry	1,198,923,926.84	1,017,664,481.85
13. Provisions	1,856,057,752.80	1,937,247,894.71
14. Revaluation accounts	4,680,053,372.83	4,908,714,957.34
15. Capital and reserves	4,247,440,269.22	4,260,243,425.62
15.1 Capital	12,000,000.—	12,000,000.—
15.2 Reserves	4,235,440,269.22	4,248,243,425.62
16. Profit for the year (thereof EUR 4,656.82 profit brought forward from 2000)	108,339,028.27	109,825,461.74
	<u>31,300,658,601.33</u>	<u>36,185,564,741.41</u>

¹⁾ Only an ECB balance sheet item.

Profit and Loss Account for the Year 2001

	Business year 2001 euro	Business year 2000 euro
1.1 Interest income	1,287,006,069.51	1,584,887,939.87
1.2 Interest expense	– 413,905,931.65	– 570,441,348.81
1. Net interest income	873,100,137.86	1,014,446,591.06
2.1 Realised gains/losses arising from financial operations	995,744,801.23	700,374,710.16
2.2 Writedowns on financial assets and positions	– 88,353,343.41	– 97,846,732.39
2.3 Transfer to/from provisions for foreign exchange and price risks	87,320,307.38	293,986,735.09
2. Net result of financial operations, writedowns and risk provisions	994,711,765.20	896,514,712.86
3.1 Fees and commissions income	1,381,355.03	2,086,141.87
3.2 Fees and commissions expense	– 1,701,254.24	– 1,703,371.45
3. Net income from fees and commissions	– 319,899.21	382,770.42
4. Income from equity shares and participating interests	54,095,046.59	6,268,546.99
5. Net result of pooling of monetary income	– 606,563.30	– 652,250.40
6. Other income	<u>7,322,868.26</u>	<u>7,036,340.02</u>
Total net income	1,928,303,355.40	1,923,996,710.95
7. Staff cost	– 92,971,491.46	– 88,191,757.12
8. Administrative expenses	– 110,604,056.83	– 89,265,008.06
9. Depreciation of tangible and intangible fixed assets	– 19,945,786.71	– 12,298,656.21
10. Banknote production services	– 62,232,247.83	– 37,837,721.57
11. Other expenses	<u>– 1,119,902.18</u>	<u>– 10,355,410.30</u>
	1,641,429,870.39	1,686,048,157.69
12. Corporate income tax	<u>– 558,086,155.93</u>	<u>– 573,256,373.61</u>
	1,083,343,714.46	1,112,791,784.08
13. Central government's share of profit and transfer to the pension reserve (the latter refers only to 2000)	<u>– 975,009,343.01</u>	<u>– 1,002,966,322.34</u>
14.1 Net income	108,334,371.45	109,825,461.74
14.2 Profit brought forward	4,656.82	—
14. Profit for the year	<u>108,339,028.27</u>	<u>109,825,461.74</u>

Notes to the Financial Statements 2001

General Notes to the Financial Statements

Accounting Fundamentals and Legal Framework

The OeNB is committed (pursuant to Article 67 paragraph 2 of the Federal Act on the Oesterreichische Nationalbank of 1984 as amended – Nationalbank Act) to prepare its balance sheet and its profit and loss account in conformity with the policies established by the Governing Council of the ECB under Article 26.4 of the ESCB/ECB Statute. These policies are laid down in the Guideline of the ECB of 1 December 1998 on the legal framework for accounting and reporting in the European System of Central Banks as amended on 15 December 1999 and 14 December 2000 (ECB/2000/18).¹ The OeNB's financial statements for the year 2001 were prepared fully in line with the provisions set forth in this guideline. In cases not covered by the guideline, the generally accepted accounting principles referred to in Article 67 paragraph 2 second sentence of the Nationalbank Act were applied.

The other Nationalbank Act provisions that govern the OeNB's financial statements (Articles 67 through 69 and Article 72 paragraph 1 of the Nationalbank Act, as amended and as promulgated in Federal Law Gazette I No. 60/1998) as well as the relevant provisions of the Commercial Code as amended remained unchanged from the previous year. In accordance with Article 67 paragraph 3 of the Nationalbank Act, the OeNB continued to be exempt in 2001 from preparing consolidated financial statements as required under Article 244 et seq. of the Commercial Code.

Pursuant to Council Regulation (EC) No. 1478/2000 of 19 June 2000 amending Regulation (EC) No. 2866/98 on the conversion rates between the euro and the currencies of the Member States adopting the euro, the conversion rate between the euro and the Greek drachma was irrevocably fixed at 340,750 Greek drachma to the euro. This Regulation entered into force on January 1, 2001.

The financial statements for 2001 were prepared in the formats laid down by the Governing Council of the ECB. This format has remained unchanged from that of the financial statements for 2000.

Accounting Policies

The financial statements were prepared in conformity with the accounting policies adopted by the Governing Council of the ECB². Said accounting policies, which govern the accounting and reporting operations of the Eurosystem, follow accounting principles harmonized by Community law and generally accepted international standards. The key policy provisions are summarized below.

The following accounting principles have been applied:

- economic reality and transparency,
- prudence,
- recognition of post-balance-sheet events,
- materiality,
- a going-concern basis,
- the accruals principle,
- consistency and comparability.

Transactions in financial assets and liabilities are reflected in the accounts on the basis of the date on which they were settled.

¹ Decision of the Governing Council of the ECB of December 14, 2000.

² Decision of the Governing Council of the ECB of December 14, 2000 (ECB/2000/18).

Foreign currency transactions whose exchange rate is not fixed against the accounting currency were recorded at the respective euro exchange rate.

At year-end both financial assets and liabilities were revalued at current market prices/rates. This applies equally to on- and off-balance-sheet transactions. The revaluation took place on a currency-by-currency basis for foreign exchange positions and on a code-by-code basis for securities.

Gains and losses realized in the course of transactions were taken to the profit and loss account. For gold, foreign currency instruments and securities, the average cost method was used in accordance with the daily netting procedure for purchases and sales. As a rule, the realized gain or loss was calculated by juxtaposing the sales price of each transaction with the average acquisition cost of all purchases made during the day. In the case of net sales, the calculation of the realized gain or loss was based on the average cost of the respective holding for the preceding day.

Unrealized revaluation gains were not taken to the profit and loss account, but transferred to a revaluation account on the liabilities side of the balance sheet. Unrealized losses were recognized in the profit and loss account when they exceeded previous revaluation gains registered in the corresponding revaluation account; they may not be reversed against new unrealized gains in subsequent years. Furthermore, the OeNB's management determined that unrealized foreign currency losses that must be expensed were to be covered by the release of an offsetting amount from the "reserve fund for exchange risks" accumulated

in the runup to 1999.¹⁾ Unrealized losses in any one security, currency or in gold holdings were not netted with unrealized gains in other securities, currencies or gold, since netting is prohibited under the Accounting Guideline.

The average acquisition cost and the value of each currency position were calculated on the basis of the sum total of the holdings in any one currency or gold, including both asset and liability positions and both on-balance-sheet and off-balance-sheet positions.

In compliance with Article 69 paragraph 4 of the Nationalbank Act, which stipulates that the reserve fund for exchange risks be set up or released on the basis of the risk assessment of nondomestic assets, the value-at-risk (VaR) method was used to calculate the currency risk. VaR is defined as the maximum loss of a gold or foreign currency portfolio with a given currency diversification at a certain level of confidence (97.5%) and for a given holding period (one year). The potential loss calculated under this approach is to be offset against the "reserve fund for exchange risks" and the "revaluation accounts." Provided that such losses cannot be offset in this way, any remaining loss shall be offset against net income by allocating the necessary funds to "provisions for exchange rate risks." In case just part of the "reserve fund for exchange risks" is needed to cover the loss, the difference will be released and will increase net income.

Future market developments, especially interest and exchange rate movements, may entail considerable fluctuations of the income of the OeNB and the other NCBs participating in Stage Three of Economic and Monetary Union (EMU) as well as

¹ Decision of the Governing Board of November 10, 1999, and of the General Council of November 25, 1999.

the ECB as a result of the harmonized accounting rules with they must comply since January 1, 1999.

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

Participating interests were valued on the basis of the net asset value of the respective companies (equity method).

Tangible and intangible fixed assets were valued at cost less depreci-

ation. Depreciation was calculated on a straight-line basis, beginning with the quarter after acquisition and continuing over the expected economic lifetime of the assets, namely:

- computers, related hardware and software, and motor vehicles (4 years),
- equipment, furniture and plant in building (10 years),¹⁾
- buildings (25 years).

Fixed assets costing less than EUR 10,000 were written off in the year of purchase.

Realized Gains and Losses and Revaluation Differences and their Treatment in the Financial Statements of December 31, 2001

	Realized gains (posted to the profit and loss account)	Realized losses (posted to the profit and loss account)	Unrealized losses (posted to the profit and loss account)	Change in unrealized gains (posted to revaluation accounts)
<i>EUR million</i>				
Gold	204.888	0.000	–	+134.392
Foreign currency	519.087	6.992	60.519 ¹⁾	–205.373
Securities	221.994	7.753	26.801 ²⁾	– 9.414
Initial valuation of securities	26.750	x	x	x
IMF euro holdings	35.300	–	–	–
Participating interests	–	–	0.428	+113.356
Off-balance-sheet operations	3.311	0.840	0.605	– 1.562
Total	1,011.330	15.585	88.353	+ 31.399

¹⁾ This sum did not have an impact on profit because the loss was offset against the "reserve fund for exchange risks."

²⁾ This sum did not have an impact on profit because the loss was offset against the "reserve for nondomestic and price risks."

¹ By way of derogation from this principle, the useful life of banknote and coin processing equipment was halved to five years in 2001.

Capital Movements

Movements in Capital Accounts in 2001

	Dec. 31, 2000	Increase	Decrease	Dec. 31, 2001
	<i>EUR million</i>			
Revaluation accounts				
Reserve fund for exchange risks	2,075.237	–	232.489	1,842.748
Initial valuation reserve	309.825	–	27.572	282.253
Eurosystem revaluation accounts	2,523.653	31.399	–	2,555.052
Total	4,908.715	31.399	260.061	4,680.053
Capital	12.000	–	–	12.000
Reserves				
General reserve fund	1,611.952	–	–	1,611.952
Freely disposable reserve fund	1,036.219	–	118.500	917.719
Reserve for nondomestic and price risks	1,077.606	152.890	66.072	1,164.424
Earmarked capital funded with net interest income from ERP loans	515.199	18.879	–	534.078
Fund for the Promotion of Scientific Research and Teaching	7.267	–	–	7.267
Total	4,248.243	171.769	184.572	4,235.440
Profit for the year	109.825	–	1.486	108.339

For details of the various changes, please refer to the notes to the respective balance sheet items.

Development of the OeNB's Currency Positions in the Business Year 2001

Net Currency Position (including gold)

	Dec. 31, 2000	Dec. 31, 2001	Change	
	<i>EUR million</i>			<i>%</i>
Gold and gold receivables	3,556.162	3,519.118	– 37.044	– 1.0
Claims on non-euro area residents denominated in foreign currency ¹⁾	17,009.068	15,705.247	–1,303.821	– 7.7
Claims on euro area residents denominated in foreign currency	1,543.591	1,108.566	– 435.025	– 28.2
Other assets	37.968	23.092	– 14.876	– 39.2
less:				
Liabilities to euro area residents denominated in foreign currency	330.688	308.727	– 21.961	– 6.6
Liabilities to non-euro area residents denominated in foreign currency	900.889	985.659	+ 84.770	+ 9.4
Counterpart of Special Drawing Rights allocated by the IMF	250.678	255.051	+ 4.373	+ 1.7
Revaluation accounts	109.874	91.132	– 18.742	– 17.1
Total	20,554.660	18,715.454	–1,839.206	– 8.9
Off-balance-sheet assets/liabilities (net)	– 659.071	– 1,434.061	– 774.990	–117.6
Total	19,895.589	17,281.393	–2,614.196	– 13.1

¹⁾ Excluding the share of the IMF quota which was not drawn expressed in euro.

Monetary Income in the Eurosystem

Article 32 of the Statute of the ESCB/ECB defines monetary income as the income accruing to the NCBs in the performance of the Eurosystem's monetary policy function. Under the ESCB/ECB Statute, the amount of each NCB's monetary income shall be equal to its annual income derived from its assets held against notes in circulation and deposit liabilities to credit institutions (which together form the liability base). Such assets shall be earmarked and the income derived from these assets shall be redistributed among the euro area NCBs in accordance with guidelines to be established by the Governing Council of the ECB (Article 32.2 of the ESCB/ECB Statute; *direct method* of calculating monetary income).

The amount of income the NCBs actually pay into the pool for redistribution is influenced by the costs that they incur in connection with the liquidity-absorbing monetary policy operations, and moreover by the remuneration of reserves under the Eurosystem's minimum reserve system, because any interest that the NCBs pay on banks' minimum reserve deposits reduces the amounts they contribute to the pool of monetary income.

The rationale for this policy is to equitably redistribute the income resulting from the use of the monetary policy instruments in conducting the single monetary policy. Any such income earned in the euro area is pooled and reallocated to the participating NCBs according to a designated key. More precisely, the pooled monetary income is divided up in proportion to the participating

NCBs' paid-up shares in the capital of the ECB.

Procedure for the Business Years 1999 to 2001

Since the balance sheet structures of the participating NCBs diverged widely at the time at which they entered Stage Three of EMU, the Governing Council of the ECB agreed on November 3, 1998, that for the first three years monetary income should be measured according to an alternative, "*indirect*" method provided for under Article 32.3 of the ESCB/ECB Statute. The Governing Council determined that the indirect method was to be applied until the end of 2001. Under this method, a reference rate, namely the marginal bid rate for two-week repos, is applied to the *liability base* to calculate the amount of monetary income earned.

Since banknotes in circulation did not include euro banknotes from 1999 to 2001 and national banknotes in circulation were excluded from the liability base under the interim solution, the liability base consisted only of deposit liabilities to credit institutions during this period. As interest paid on those liabilities could be offset against the monetary income to be pooled,¹⁾ the Eurosystem's overall monetary income was in fact not very high. Under this method, the OeNB paid very small net amounts into the pool of monetary income during the first three years because the income accruing to the OeNB from the components mentioned above was roughly equal to the offsettable remuneration of minimum reserve holdings.

¹⁾ The interest rate for the remuneration of minimum reserve balances and the rate applied to calculating monetary income have been identical since the establishment of the Eurosystem.

Outlook: The Procedure Applicable from 2002 to 2007

The inclusion of euro banknotes in circulation from 2002 in the liability base called for a viable longer-term solution. As a result of the accounting regime for euro banknotes in circulation (for more information, see “The Introduction of Euro Banknotes and Coins” below), new provisions for the allocation of monetary income for the years 2002 to 2007¹⁾ were adopted on the basis of the Decision of the European Central Bank of 6 December 2001 on the allocation of monetary income of the national central banks of participating Member States from the financial year 2002.

Under the transitional regime applicable until 2007, the amount of monetary income to be pooled is adjusted on the basis of compensating factors, which will be progressively reduced to zero. This solution is designed to compensate changes in the relative income positions of the NCBs after the introduction of the euro. For 2002 the measurement of monetary income will be based on both national banknotes in circulation and euro banknotes in circulation, using the alternative method provided for under Article 32.3 of the ESCB/ECB Statute and applied since 1999. From 2003 a direct method as provided for under Article 32.2 will be applied.

The Introduction of Euro Banknotes and Coins on January 1, 2002 – Impact on the Financial Statements for 2001

The introduction of euro notes and coins on January 1, 2002, begins the second-to-last phase (3b) of the three-stage process of Economic and Monetary Union described in the Treaty. Pursuant to Article 10 of Council Regulation (EC) No. 974/98 of 3 May 1998²⁾ on the introduction of the euro banknotes and coins denominated in euro have the status of legal tender in all participating Member States (in the euro area) from January 1, 2002. While the schilling was legal tender for payments next to the euro during a dual phase lasting until February 28, 2002, the single currency became the sole legal tender from March 1, 2002. The euro banknotes are issued by the ECB (to which 8% of the total value of banknotes in circulation are allocated) and by the NCBs (among whom the remaining 92% of the

banknotes in circulation are allocated³⁾). The amount of euro banknotes in circulation allocated to each of the 12 participating NCBs is determined in accordance with their share in the paid-up capital of the ECB. On December 20, 2001, the Governing Council of the ECB authorized the issue of euro coins by the Member States pursuant to Article 106 of the Treaty.

Frontloading

In order to ensure that a sufficient quantity of euro notes and coins were distributed to businesses and the general population in time for the changeover and to facilitate a rapid exchange during the dual circulation period, the OeNB frontloaded extensively to selected banks. The total of frontloaded euro banknotes came to some EUR 9.8 billion, and EUR 0.5

¹ Decision of the European Central Bank of 6 December 2001 on the allocation of monetary income of the national central banks of participating member states from the financial year 2002 (ECB/2001/16).

² Federal Law Gazette Part I No. 2000/72, Article I, paragraphs 1 and 2 “Federal Act adopting measures in the field of currency in connection with the issuance of euro banknotes and coins are to be adopted (Euro Act) and amending the Austrian Coinage Act of 1988 and the Central Bank Act of 1984.” This law is based on Council Regulation (EC) No. 974/98 of 3 May 1998 on the introduction of the euro, Official Journal L 139, 11 May 1998.

³ Decision of the European Central Bank of 6 December 2001 on the issue of euro banknotes (ECB/2001/15).

billion of euro coins were frontloaded. In a second step, these banks subfrontloaded notes and coins to businesses and other banks. The OeNB frontloaded euro banknotes, euro and cent coins and euro starter kits for businesses and households designed to help ensure that enough small change would be available for transactions in the first days following

the changeover. From December 15, 2001 euro starter kits and euro and cent coins were sold or distributed to Austrians for the most part by banks, but also by the OeNB directly. In line with the guidelines of the ECB, the frontloaded euro banknotes and coins were not posted to the balance sheet, as they were not yet legal tender.

Notes to the Balance Sheet

Assets

1. Gold and gold receivables

	<i>EUR million</i>
Closing balance Dec. 31, 2001	3,519.118
Closing balance Dec. 31, 2000	3,556.162
Change	– 37.044 –1.0%

This item comprises the OeNB's holdings of physical and nonphysical gold, which amounted to approximately 347 tons on December 31, 2001. At a market value of EUR 314.990 per fine ounce (i.e. EUR 10,127.16 per kg of fine gold), the OeNB's gold holdings were worth EUR 3,519.118 million at the balance sheet date.

The year-on-year change results from revaluation gains on the order of EUR 200.578 million, as offset by sales (30 tons worth EUR 273.599 million). On balance realized revaluation gains and book value reconciliations increased gold and gold holdings by EUR 35.976 million.

The gold sales complied with the Central Bank Gold Agreement concluded by 14 NCBs – among them the OeNB – and the ECB in September 1999; this agreement limits total gold stock sales to 2,000 tons over a five-year period.

An additional 30 tons were sold in the form of forward transactions in 2001.

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

	<i>EUR million</i>
Closing balance Dec. 31, 2001	13,979.833
Closing balance Dec. 31, 2000	15,062.228
Change	– 1,082.395 –7.2%

These claims consist of receivables from the International Monetary Fund – including the “receivables from the IMF,” “holdings of Special Drawing Rights” (SDR) and “other claims against the IMF” – and claims denominated in foreign currency against non-euro area countries, i.e. counterparties resident outside the euro area.

The receivables from the IMF comprise the following items:

	Dec. 31, 2000	Dec. 31, 2001	Change	%
	EUR million			
Receivables from the IMF	674.539	941.696	+267.157	+39.6
Holdings of SDRs	143.850	264.007	+120.157	+83.5
Other claims against the IMF	70.004	56.981	- 13.023	-18.6
Total	888.393	1,262.684	+374.291	+42.1

Drawings on behalf of member states and the revaluation of euro holdings by the IMF as well as allocations by the IMF to its account boosted the **receivables from the IMF¹** by a total of EUR 329.817 million. Revaluation gains (+EUR 19.831 million) and realized exchange rate gains and book value reconciliation (+EUR 25.900 million) further increased these claims. Conversely, drawings by member states reduced the receivables from the IMF by a total of EUR 108.391 million.

The national IMF quota remained unchanged at SDR 1,872.3 million in 2001.

The IMF remunerates participations in the Fund at a rate of remuneration that is updated weekly. In 2001 this rate hovered between 2.2% and 4.6% p.a., mirroring the prevailing SDR rate.

The holdings of **Special Drawing Rights²** were recognized in the balance sheet at EUR 264.007 million on December 31, 2001, which is equivalent to SDR 185 million. The net rise by EUR 120.157 million in 2001 resulted from SDR purchases and interest credited (+EUR 194.054 million), above all remunerations of the participation in the IMF. SDR sales diminished holdings of Special Drawing Rights by EUR 76.546 million.

No purchases arising from designations by the IMF were effected in 2001. Principally the OeNB continues to be obliged under the IMF's statutes to provide currency on demand to participants using SDRs up to the point at which its holdings of SDRs are three times as high as its net cumulative allocation. The OeNB's current net cumulative allocation is SDR 179.045 million.

Other claims against the IMF comprise the OeNB's other contributions to loans under special borrowing arrangements. In the financial statements for 2001 this item relates mainly to claims (over SDR 40 million) arising from contributions to the Poverty Reduction and Growth Facility (PRGF). The PRGF is a special initiative designed to support the IMF's aims by granting the poorest countries credits at highly concessional terms in order to finance economic programs targeted at fostering economic growth and ensuring a strong, sustainable recovery of the balance of payments.

1 Pursuant to federal law as promulgated in Federal Law Gazette No. 309/1971, the OeNB assumed the entire Austrian quota at the IMF on its own account on behalf of the Republic of Austria.

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

Balances with banks, security investments, external loans and other external assets cover the following:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
Balances with banks	3,794.481	3,416.102	- 378.379	- 10.0
Securities	10,371.623	9,293.899	-1,077.724	- 10.4
Loans	537	-	- 537	-100.0
Other assets	7.194	7.148	- 46	- 0.6
Total	14,173.835	12,717.149	-1,456.686	- 10.3

Balances with banks outside the euro area include foreign currency deposits on correspondent accounts, deposits with agreed maturity and overnight funds. Securities relate to instruments issued by non-euro area residents. As a rule, operations are carried out only with financially sound counterparties.

Loans extended to non-euro area residents include a standby credit to the Turkish central bank, which was recorded in the financial statements of December 31, 2000, with a remaining value of EUR 537 million (USD 0.5 million). This loan, extended in February 1981 for an initial amount of USD 15 million, was fully redeemed on schedule in February 2001, with the last of 30 semiannual installments of USD 0.5 million each payable from August 1986.

The other external assets comprise only non-euro area banknotes.

3. Claims on euro area residents denominated in foreign currency

Foreign currency-denominated claims on euro area residents are as follows:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
Security investments	1,652.296	1,368.803	-283.493	-17.2
Other investments	207.866	200.417	- 7.449	- 3.6
Total	1,860.162	1,569.220	-290.942	-15.6

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

This item includes all euro-denominated investments and accounts with counterparties who are not euro area residents.

On December 31, 2000, and December 31, 2001, the subitems of this balance sheet item closed as follows:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
Balances with banks	947.617	494.146	-453.471	-47.9
Securities	595.973	614.419	+ 18.446	+ 3.1
Total	1,543.590	1,108.565	-435.025	-28.2

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

This balance sheet item represents the liquidity-providing transactions executed by the OeNB.

The principal components of this item are:

	Dec. 31, 2000 EUR million	Dec. 31, 2001	Change	%
5.1 Main refinancing operations	4,843.971	379.072	-4,464.899	-92.2
5.2 Longer-term refinancing operations	2,126.794	911.478	-1,215.316	-57.1
5.3 Fine-tuning reverse operations	-	-	-	-
5.4 Structural reverse operations	-	-	-	-
5.5 Marginal lending facility	-	-	-	-
5.6 Credits related to margin calls	-	-	-	-
Total	6,970.765	1,290.550	-5,680.215	-81.5

The **main refinancing operations** are regular liquidity-providing reverse transactions, executed by the NCBs with a weekly frequency and a maturity of two weeks in the form of standard (fixed or variable rate) tender operations. Bids may be submitted, within one day, by all counterparties who fulfill the general eligibility criteria. In 2001 all main refinancing operations were carried out in the form of variable rate tenders. The main feature of the variable rate tender procedure is that eligible counterparties may submit bids at up to ten different interest rates. In each bid they state the amount they are willing to transact with the national central banks and the respective interest rate. Bids at a rate below the minimum bid rate announced by the ECB will be discarded. The bids with

the highest interest rates are accepted first and bids with successively lower rates are then accepted until the total liquidity to be allotted is exhausted.

The main refinancing operations are the most important open market operations conducted by the Eurosystem, playing a pivotal role in signaling the stance of monetary policy. They provide the bulk of liquidity to the financial sector.

The **longer-term refinancing operations** are regular liquidity-providing reverse transactions with a monthly frequency and a maturity of three months. They are aimed at providing longer-term refinancing to the financial sector and are executed through standard tenders by the NCBs. All longer-term refinancing operations conducted in 2001 were carried out in the form of variable rate tenders.

Fine-tuning reverse operations are executed on an ad-hoc basis with a view to managing the liquidity situation in the market and steering interest rates, in particular to smooth the effects on interest rates caused by unexpected liquidity fluctuations in the market. The choice of instruments and procedures depends on the type of transaction and the underlying motives. Fine-tuning operations are normally executed by the NCBs through quick tenders or through bilateral operations. It is up to the Governing Council of the ECB to empower the ECB to conduct fine-tuning operations itself under exceptional circumstances.

The Eurosystem conducted liquidity-providing fine tuning operations totaling EUR 2.9 billion mid-September 2001. Each of these quick tenders had a one-day maturity and was settled the same day. The fine tuning operations were executed in the wake of the terrorist attacks in

the U.S.A. on September 11, 2001, which had created a technical liquidity shortage on the money markets. The transactions were conducted as quick tenders at a fixed rate of 4.25%. The money market throughout the Eurosystem received a total of EUR 110 billion through these operations, which reestablished sufficient liquidity.

The ECB may use structural reverse operations to adjust the structural position of the Eurosystem vis-à-vis the financial sector.

Structural operations in the form of reverse transactions totaling EUR 702.238 million (rate: 4.77% to 4.80% p.a.) were conducted from April 30 to May 6, 2001; operations totaling EUR 208.739 million (rate: 3.28% to 3.30% p.a.) were conducted from November 30 to December 4, 2001. Both additional one-week operations were used to address structural liquidity requirements in April and November 2001.

Counterparties may use the **marginal lending facility** to obtain overnight liquidity from NCBs at a prespecified interest rate against eligible assets. The facility is intended to satisfy counterparties' temporary liquidity needs. Under normal circumstances, the interest rate on the facility provides a ceiling for the overnight interest rate. The marginal lending facility was accessed numerous times in 2001.

Credits related to margin calls arise when the value of underlying assets regarding credit extended to credit institutions increases beyond collateral requirements, obligating the central bank to provide counterparties with additional credit to offset the value in excess of requirements. If such credit is provided not by the return of securities but rather by an entry on an account, a

claim on the counterparty is recorded in this subitem. No claims were recorded under this item in 2001.

6. Other claims on euro area credit institutions denominated in euro

	<i>EUR million</i>
Closing balance Dec. 31, 2001	182.270
Closing balance Dec. 31, 2000	166.357
Change	+ 15.913 +9.6%

This item includes EUR 179.685 million of claims on credit institutions resulting from the delivery of frontloaded euro starter kits for consumers (with a value of EUR 14.54) and companies (with a value of EUR 145.50). The claim on the credit institutions resulting from the frontloaded starter kits was debited in their respective accounts with the OeNB (on January 2, January 23 and January 30, 2002) according to the linear debiting model.

7. Securities of euro area residents denominated in euro

	<i>EUR million</i>
Closing balance Dec. 31, 2001	1,742.631
Closing balance Dec. 31, 2000	1,381.552
Change	+ 361.079 +26.1%

This item covers all marketable securities (including government securities stemming from before EMU) denominated in constituent currencies of the euro that are not used in monetary policy operations and that are not part of investment portfolios that have been earmarked for specific purposes.

The annual change is mainly due to additions resulting from net sales.

8. General government debt denominated in euro

	<i>EUR million</i>
Closing balance Dec. 31, 2001	287.633
Closing balance Dec. 31, 2000	255.645
Change	+ 31.988 +12.5%

This balance sheet item subsumes the “claim on the Austrian Federal Treasury from silver commemorative coins issued before 1989,” based on the 1988 Coinage Act as promulgated in Federal Law Gazette No. 425/1996.

In theory, the maximum federal liability of EUR 1,295.630 million is the sum total of all silver commemorative coins issued before 1989, minus any coins returned to and paid for by the central government, minus any coins no longer fit for circulation and hence directly withdrawn by the Austrian Mint. The figure actually shown in the books is lower because it has been adjusted for coins in circulation (EUR 905.800 million) and cash in hand (EUR 102.197 million), both of which are not yet redeemable. Repayment is effected by annual installments of EUR 5.814 million (equivalent to ATS 80 million) out of the central government’s share of the OeNB’s profit. The proceeds from metal recovery are also designated for repayment. Any amount outstanding on December 31, 2040, will have to be repaid in the five following years (2041 to 2045) in five equal installments.

The silver commemorative coins returned to the central government

in the course of 2001 had a total face value of EUR 42.332 million. The redemptions made out of the central government’s share in the OeNB’s profit for the year 2000 plus the proceeds from metal recovery totaled EUR 10.344 million.

9. Intra-Eurosystem claims

This balance sheet item consists of the claims arising from the OeNB’s share of the ECB’s capital and the claims equivalent to the transfer of foreign reserves to the ECB. Further, this item shows TARGET balances and other (net) claims within the Eurosystem, provided that these items closed the reporting year with net claims. Since November 30, 2000, the TARGET balances with the central banks of nonparticipating countries have also been recognized in this item.

Other claims within the Eurosystem (net) consisted of the following subitems on December 31, 2001:

	Dec. 31, 2000	Dec. 31, 2001	Change
	<i>EUR million</i>		
9.1 Participating interest in the ECB	117.970	117.970	–
9.2 Claims equivalent to the transfer of foreign reserves	1,179.700	1,179.700	–
9.4 Other claims within the Eurosystem (net)	–	1,855.761	+1,855.761
Total	1,297.670	3,153.431	+1,855.761

The share that the OeNB holds in the **capital of the ECB** – EUR 5 billion in total – corresponded to 2.3594% at the balance sheet date, unchanged from December 31, 2000.

The following table contains a breakdown of the various NCBs’ shares in the capital of the ECB:

	The 15 EU central banks' shares in the capital of the ECB			
	absolut share %	EUR	thereof paid up	relative share %
Deutsche Bundesbank	24.4935	1,224,675,000	1,224,675,000	30.2410
Banque de France	16.8337	841,685,000	841,685,000	20.7838
Banca d'Italia	14.8950	744,750,000	744,750,000	18.3902
Banco de España	8.8935	444,675,000	444,675,000	10.9804
De Nederlandsche Bank	4.2780	213,900,000	213,900,000	5.2819
Banque Nationale de Belgique	2.8658	143,290,000	143,290,000	3.5383
Oesterreichische Nationalbank	2.3594	117,970,000	117,970,000	2.9130
Bank of Greece	2.0564	102,820,000	102,820,000 ¹⁾	2.5389
Banco de Portugal	1.9232	96,160,000	96,160,000	2.3745
Suomen Pankki	1.3970	69,850,000	69,850,000	1.7248
Central Bank of Ireland	0.8496	42,480,000	42,480,000	1.0490
Banque Central de Luxembourg	0.1492	7,460,000	7,460,000	0.1842
	80.9943	4,049,715,000	4,049,715,000	100.0000
Bank of England	14.6811	734,055,000	36,702,750	
Sveriges Riksbank	2.6537	132,685,000	6,634,250	
Danmarks Nationalbank	1.6709	83,545,000	4,177,250	
	19.0057	950,285,000	47,514,250	
Total	100.0000	5,000,000,000	4,097,229,250	

¹⁾ Fully paid up from January 1, 2001, with the participation of the Bank of Greece in the Eurosystem.

The **transfer of foreign reserves** from the Eurosystem NCBs to the ECB is based on the provisions of Article 30 of the ESCB/ECB Statute. The euro-denominated claims on the ECB in respect of those transfers are shown under this item.

The reserves that the OeNB has transferred are managed on behalf and for the account of the ECB separately from the OeNB's own holdings and therefore do not show up in its balance sheet.

The ECB remunerates the non-redeemable euro-denominated claims with which it has credited the NCBs in return for the transfer at 85% of the current interest rate on the main refinancing operations on a daily basis.

The **other claims within the Eurosystem (net)** largely represent net claims arising from balances of TARGET accounts with the other 14 NCBs (i.e. including nonparticipating NCBs) and the ECB. Moreover, this

item covers net claims arising at year-end from the difference between monetary income to be pooled and distributed as well as net claims arising from the correspondent accounts¹⁾ of individual NCBs.

The individual bilateral end-of-day balances of the OeNB with the other NCBs are netted by novating them to the ECB. In 2000 this item was shown as a net liability under item 10.3 "Other liabilities within the Eurosystem (net)."

The ECB remunerates the net balance on a daily basis, settling payment at the end of the month. The ECB calculates this remuneration centrally, using the prevailing interest rate for main refinancing operations. The corresponding payments are settled ex post monthly via the TARGET system.

¹⁾ These correspondent accounts may be used for a limited amount of transactions e.g. when a temporary disruption of the TARGET system occurs.

10. Items in course of settlement

This claim results from the prefinancing of the pension costs for 2001. The transfer of the funds from the pension reserve to a designated OeNB account was effected at the beginning of January 2002.

11. Other assets

Other assets comprise the following items:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
11.1 Coins of the euro area	67.952	151.995	+ 84.043	+123.7
11.2 Tangible and intangible fixed assets	109.891	135.623	+ 25.732	+ 23.4
11.3 Other financial assets	2,432.098	2,548.766	+116.668	+ 4.8
11.4 Off-balance-sheet instruments' revaluation differences	41.598	6.571	- 35.027	- 84.2
11.5 Accruals and deferred expenditure	399.076	355.593	- 43.483	- 10.9
11.6 Sundry	1,040.819	1,185.456	+144.637	+ 13.9
Total	4,091.434	4,384.004	+292.570	+ 7.2

Coins of euro area represent the OeNB's stock of fit coins of euro area. At the balance sheet date, this item consisted of Austrian schilling coins only. The rise in coins and the simultaneous decline in coin in circulation is the result of increased returns of coins in the runup to the introduction of euro cash.

Coin in circulation is a statistical figure not apparent from the OeNB's balance sheet. By provision of the 1988 Coinage Act, the face value of all coins struck by the Austrian Mint and put into circulation by the OeNB, plus the special quality coins and gold bullion coins issued directly by the Austrian Mint, minus any coins that have been withdrawn, add up to the "coin in circulation" figure. This is in line with the harmonized procedure for recording coin circulation on which the Eurosystem central banks have agreed.

Tangible and intangible fixed assets comprise Bank premises and equipment (including machinery, computer hardware and software, motor vehicles) and intangible fixed assets.

Premises developed as follows:

Cost incurred until Dec. 31, 2000	Purchases in 2001	Sales in 2001	Re-assignment (-)	Accumulated depreciation	Book value on Dec. 31, 2001	Book value on Dec. 31, 2000	Annual depreciation in 2001
57.098 ¹⁾	25.845	-	0.065	14.572	68.306	43.098	0.572

¹⁾ Land and buildings acquired prior to December 31, 1956, were booked at the cost recorded in the schilling opening balance sheet (Federal Law Gazette No. 190/1954).

Equipment developed as follows:

Cost incurred until Dec. 31, 2000	Purchases in 2001	Sales in 2001	Re-assignment (+)	Accumulated depreciation	Book value on Dec. 31, 2001	Book value on Dec. 31, 2000	Annual depreciation in 2001
77.900	17.197	10.117 ¹⁾	0.065	51.335	33.710	36.062	19.274

EUR million

¹⁾ The balance between the book value of the sales and the underlying historical costs is EUR 9.777 million.

Movable real assets worth EUR 32.918 million represent the OeNB's collection of antique string instruments¹⁾. This collection was enlarged in 2001 with the purchase of 2 violins. On December 31, 2001, the OeNB's collection of valuable instruments encompassed 23 violins, 4 violoncellos and 2 violas. These instruments are on loan to musicians deemed worthy of special support.

Intangible fixed assets (the right to use an apartment) developed as follows:

Cost incurred until Dec. 31, 2000	Purchases in 2001	Sales in 2001	Accumulated depreciation	Book value on Dec. 31, 2001	Book value on Dec. 31, 2000	Annual depreciation in 2001
0.720	–	–	0.031	0.689	0.704	0.015

EUR million

Other financial assets comprise the following subitems:

	Dec. 31, 2000	Dec. 31, 2001	Change	%
	EUR million			
Securities	1,716.261	1,497.705	–218.556	–12.7
Participating interests	695.851	815.825	+119.974	+17.2
Sundry assets	19.986	235.236	+215.250	x
Total	2,432.098	2,548.766	+116.668	+ 4.8

Of the OeNB's **securities portfolio**, EUR 1,483.782 million repre-

sented investments of the pension reserve and another EUR 13.923

investments of the OeNB's Fund for the Promotion of Scientific Research and Teaching. Unrealized valuation gains of EUR 77.318 million compare with unrealized valuation losses of EUR 39.271 million.

Participating interests – booked at their net asset value – developed as follows:

Net asset value on Dec. 31, 2000	Purchases in 2001	Sales in 2001	Book value on Dec. 31, 2001	Book value on Dec. 31, 2000	Annual depreciation in 2001	Revaluation in 2001
695.851	7.046	0.114 ¹⁾	815.825	695.851	0.428	113.356

EUR million

¹⁾ The balance between the book value of the sales and the underlying historical costs is EUR 114 million.

The participating interests were valued at their net asset value in the annual accounts for 2001.

The OeNB's printing works, Oesterreichische Banknoten- und Sicherheitsdruck GmbH (OeBS), increased its nominal capital from its corporate resources in 2001. The capital of ATS 100 million was con-

verted into EUR 7.267 million and, after an increase by EUR 2.733

¹⁾ The OeNB began acquiring antique string instruments in 1989.

million, totals EUR 10.000 million. The OeBS is wholly owned by the OeNB. The stockholders' equity came to EUR 83.842 million on December 31, 2000, and the profit for the year amounted to EUR 6.660 million.

In 1999 the OeBS began to print the euro banknotes to be put into circulation from January 1, 2002. The OeBS invoiced the OeNB for deliveries of euro banknotes of EUR 62.232 million in 2001; these are shown under "banknote production services," item 10 of the Profit and Loss Account.

Moreover, the item participating interests shows the OeNB's 100% stake in the Austrian Mint (Münze Österreich AG).

The Austrian Mint increased its share capital from corporate resources in 2001. The capital of ATS 75 million was converted to EUR 5,450,462.56 and boosted by EUR 549,537.44 to EUR 6.000 million.

As at December 31, 2000, the stockholders' equity ran to EUR 223.858 million, and the profit for the year amounted to EUR 4.899 million. In 2001 the Austrian Mint released dividend earnings of EUR 3.634 million to the OeNB for the business year 2000, the same amount as in 2000 for the business year 1999.

In 2001 the OeNB's participating interest in the cash services company GELDSERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H. (GSA) came to 93.4% of the company's capital stock. GSA primarily offers currency processing, foreign cur-

rency exchange and quality assurance services. The company's nominal capital amounts to EUR 0.036 million. In 2001 cash centers went into operation in four provincial capitals: Bregenz, Innsbruck, Klagenfurt and Salzburg; all seven cash centers are now in operation. The Vienna and Graz centers were relocated to new premises in 2001.

Article 241 of the Commercial Code applies to the other equity interests.

Sundry assets include assets earmarked for investment for the pension reserve and the Fund for the Promotion of Scientific Research and Teaching.

Asset item 11.6, sundry, consists of the following subitems:

	Dec. 31, 2000	Dec. 31, 2001	Change
	EUR million		
Claims arising from ERP loans to companies	732.226	748.807	+ 16.581
OeKB overnight account for ERP lending	124.928	127.226	+ 2.298
ERP loan portfolio managed by the OeNB	857.154	876.033	+ 18.879
Advances to prefinance the production of euro coins	145.346	145.346	–
Advances on salaries	7.083	6.332	– 751
Stock of euro starter kits	–	8.093	+ 8.093
Other claims	31.236	149.652	+118.416
Total	1,040.819	1,185.456	+144.637

According to Article 3.2 of the ERP Fund Act, the ceiling of the OeNB's financing commitment corresponds to the sum by which the federal debt was written down initially (ATS 4,705,404,000; EUR 341.955 million) plus interest accrued (EUR 534.078 million on December 31, 2001). The ERP loan portfolio managed by the OeNB totaled EUR 876.033 million on December 31, 2001. The provisions governing the extension of loans from this portfolio are laid down in Article 83 of the Nationalbank Act.

The residual terms of advances on salaries are generally more than one year. Security on all advance payments is in the form of life insurance plans.

Euro starter kits were frontloaded to businesses and households before the launch of euro cash on January 1, 2002, so that enough euro coins would be broadly available. Starter kits delivered by the Mint to the OeNB were frontloaded to credit institutions from September 1, 2001 (6,518,768 starter kits with a value of EUR 179.685 million), with an equivalent claim entered into the balance sheet for settlement under the linear debiting model (see assets item 6. "Other claims on euro area credit institutions denominated in euro"). In addition, 177,567 starter

kits (EUR 2.924 million) were sold at the OeNB's counters, with payment effected directly in schilling cash. The amount of EUR 8.093 million shown on the balance sheet date of December 31, 2001, represents the total of undistributed euro starter kits.

Other claims contain minor items arising from day-to-day business. Moreover, this item contains the claim on Austrian Mint in respect of still unsettled schilling coin returns of EUR 104.376 million. This claim and the claim resulting from the pre-financing of the production of euro coins (EUR 145.346 million) was offset by the OeNB's liability from assuming delivery of the euro starter kits and settled between the parties on January 2, 2002.

Liabilities

I. Banknotes in circulation

	EUR million
Closing balance Dec. 31, 2001	10,172.302
Closing balance Dec. 31, 2000	13,933.755
Change	- 3,761.453 -27.0%

This figure is derived from the amount of schilling banknotes in circulation adjusted for the banknotes received and held by other NCBs participating in the Eurosystem.

The qualification regarding banknotes held by other NCBs is based on Article 9.1 of the Guideline ECB/2000/18 and follows from the implementation of Article 52 of the ESCB/ECB Statute.¹⁾ Those provisions ensure the proper representation of the aggregate “banknotes in circulation” figure of the Eurosystem in the consolidated Eurosystem balance sheet, both during the transition period and after the introduction of euro banknotes. An NCB receiving schilling banknotes will – in compliance with its commitments arising under Article 52 of the ESCB/ECB

Statute – record those banknotes as an intra-ESCB claim against the OeNB as the issuing NCB. Upon notification, the OeNB will adjust its banknotes in circulation figure accordingly. Over time, depending on the repatriation volumes agreed bilaterally, the schilling banknotes received by other NCBs will be returned to the OeNB.

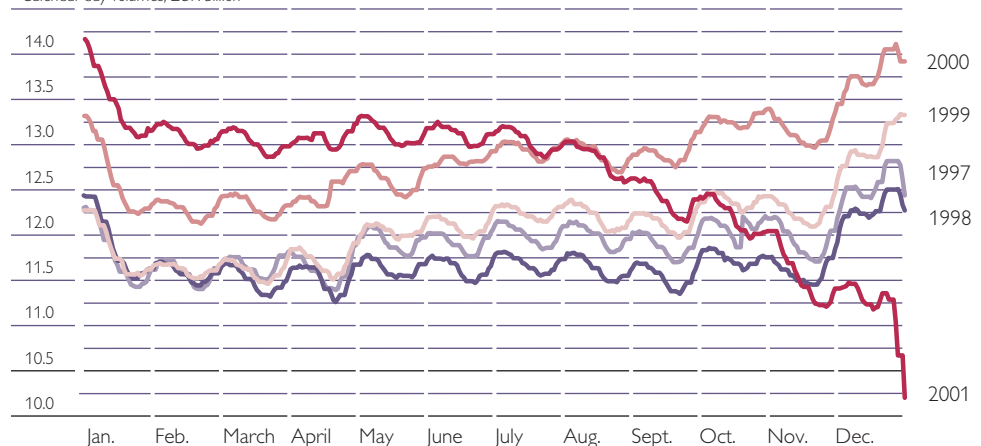
The sharp contraction of the banknotes in circulation figure by more than a quarter is the consequence of stepped-up returns of schilling banknotes by businesses and households in the runup to the introduction of euro banknotes.

The table below shows the annual average banknotes in circulation figures of the past five years:

	Banknotes in circulation, annual average EUR million	Annual change %
1997	11,913	+370 +3.2
1998	11,688	-225 -1.9
1999	12,095	+407 +3.5
2000	12,851	+756 +6.3
2001	12,519	-332 -2.6

Banknotes in Circulation

Calendar-day volumes, EUR billion



Source: OeNB.

¹ Article 52 obliges the NCBs to ensure that the exchange of – household amounts of – banknotes denominated in currencies with irrevocably fixed exchange rates is offered at the respective par values free of charge at one location per country at least. The OeNB has arranged for authorized agents to offer this service at the OeNB's branch offices (except at the St. Pölten branch office) and in the OeNB's name for the agents' account.

Banknotes in circulation posted an annual high of EUR 13,934 million on January 1, 2001, and an annual low of EUR 10,172 million on December 31, 2001.

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

On December 31, 2000, and December 31, 2001, the subitems of this balance sheet item closed as follows:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
2.1 Current accounts (covering the minimum reserve system)	3,402.808	5,497.601	+2,094.793	+ 61.6
2.2 Deposit facility	–	–	–	–
2.3 Fixed-term deposits	–	–	–	–
2.4 Fine-tuning reverse operations	–	–	–	–
2.5 Deposits related to margin calls	–	–	–	–
Total	3,402.808	5,497.601	+2,094.793	+ 61.6

The **current accounts (covering the minimum reserve system)** primarily comprise credit institutions' accounts for minimum reserves.

Banks' minimum reserve balances have been remunerated on a daily basis since January 1, 1999, at the prevailing interest rate for the ESCB's main refinancing operations.

The **deposit facility** item refers to overnight deposits placed with the OeNB by Austrian banks that access the Eurosystem's liquidity-absorbing standing facility at the prespecified rate. In 2001 the volume of such transactions averaged EUR 3.940 million.

3. Other liabilities to euro area credit institutions denominated in euro

	EUR million
Closing balance Dec. 31, 2001	1,059.618
Closing balance Dec. 31, 2000	–
Change	+ 1,059.618

This item showed the liabilities arising from deposits pledged by credit institutions as collateral for frontloaded euro banknotes from September 3, 2001. The deposits are remunerated at the rate applicable to minimum reserves. The Guideline of the European Central Bank of 10 January 2001 adopting certain provisions on the 2002 cash change-over (ECB/2001/1)

represents the legal basis for this procedure.

5. Liabilities to other euro area residents denominated in euro

	EUR million
Closing balance Dec. 31, 2001	42.102
Closing balance Dec. 31, 2000	18.202
Change	+23.900
	+131.3%

This item comprises general government deposits of EUR 21.299 million and the current accounts of other nonbanks.

Moreover, it contains the deposits of the International Fund for the Clearance of the Fairway of the Danube, an international organization

under the patronage of the European Commission. This Fund (also known as the “Danube Fund”) was established in Vienna by the Danube Commission and is entrusted with handling the funding of the project to restore free navigation on the Danube in the Novi Sad region. Under the provisions of the Federal Act on the International Fund for the Clearance of the Fairway of the Danube (Federal Law Gazette I No. 70/2000), the OeNB places the funds for the Danube Commission, 85% of which are provided by the European Commission and 15% of which are provided by neighboring countries and other donors, on an interest-bearing account.

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

	<i>EUR million</i>
Closing balance Dec. 31, 2001	63.530
Closing balance Dec. 31, 2000	7.177
Change	+56.353 +785.2%

This item contains euro-denominated liabilities to non-Eurosystem central banks and monetary institutions. In 2001 this item also captured liabilities of EUR 60.270 million resulting from euro frontloading to central banks and commercial banks outside the euro area.

7. Liabilities to euro area residents denominated in foreign currency

	<i>EUR million</i>
Closing balance Dec. 31, 2001	308.727
Closing balance Dec. 31, 2000	330.688
Change	– 21.961 –6.6%

This item mainly comprises swap transactions with the financial sector.

8. Liabilities to non-euro area residents denominated in foreign currency

	<i>EUR million</i>
Closing balance Dec. 31, 2001	985.659
Closing balance Dec. 31, 2000	900.889
Change	+ 84.770 +9.4%

Foreign currency liabilities arising from swap operations and from repurchase agreements with financial sector counterparties are shown under this heading. The increase resulted from the higher volume of repurchase agreements.

9. Counterpart of Special Drawing Rights allocated by the IMF

	<i>EUR million</i>
Closing balance Dec. 31, 2001	255.051
Closing balance Dec. 31, 2000	250.678
Change	+ 4.373 +1.7%

This item represents the counterpart of the Special Drawing Rights allocated gratuitously to the OeNB. Measured at current market values on the balance sheet date, the counterpart was worth SDR 179 million. The OeNB was allocated SDRs in six installments from 1970 to 1972 and from 1979 to 1981, always on January 1.

10. Intra-Eurosystem liabilities

	<i>EUR million</i>
Closing balance Dec. 31, 2001	–
Closing balance Dec. 31, 2000	5,024.024
Change	–5,024.024 –100.0%

This item shows TARGET balances and other (net) liabilities within the Eurosystem, provided that these items closed the reporting year with net liabilities. As the TARGET balances and other claims or liabilities within the Eurosystem showed net claims on the balance sheet date December 31, 2001, they are represented under assets item 9.4 "Other claims within the Eurosystem (net)."

11. Items in course of settlement

	EUR million
Closing balance Dec. 31, 2001	507.385
Closing balance Dec. 31, 2000	–
Change	+507.385

This item comprises EUR 443.982 million resulting from the delivery of schilling cash by credit institutions which could not be settled on the TARGET closing day December 31, 2001, and were settled at the beginning of January 2002 by credits to the banks' current accounts. Moreover, it includes EUR 24.126 million of frontloaded euro banknotes and euro coin rolls handed out at OeNB counters, as they were not legal tender on December 31, 2001. From the beginning of January 2002 the euro banknotes became banknotes in circulation and the euro coins were debited to assets item 11.1 "Coins of euro area."

12. Other liabilities

Other liabilities are broken down as follows:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
12.1 Off-balance-sheet instruments' revaluation differences	3.976	207.999	+204.023	×
12.2 Accruals and deferred income	79.671	109.868	+ 30.197	+37.9
12.3 Sundry	1,017.665	1,198.924	+181.259	+17.8
Total	1,101.312	1,516.791	+415.479	+37.7

The **off-balance-sheet instruments' revaluation differences** subsume the revaluation losses arising on off-balance-sheet positions, which are posted to the profit and loss account (EUR 0.605 million). The rise from December 31, 2000, resulted from book value reconciliations and realized losses.

Item 12.3 (sundry) is composed of the following subitems:

	Dec. 31, 2000	Dec. 31, 2001	Change	
	EUR million			%
Central government's share of profit (without dividends)	988.429	975.009	– 13.420	– 1.4
Liquid funds of the Fund for the Promotion of Scientific Research and Teaching	17.033	22.643	+ 5.610	+32.9
Liability to the Austrian Mint – euro starter kits	–	190.702	+190.702	×
Other	12.203	10.570	– 1.633	–13.4
Total	1,017.665	1,198.924	+181.259	+17.8

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

The amount of EUR 22.643 million shown as **earmarked funds of the Fund for the Promotion of Scientific Research and Teaching** consisted of pledged funds

not used up by December 31, 2001. According to the General Meeting's decision, EUR 70.250 million of the profit for the year for 2000 were appropriated to the OeNB's Fund for the Promotion of Scientific Research and Teaching to support research projects, with EUR 61.529 million apportioned to projects with a highly practical thrust. In the year 2001, the General Council decided to apportion an additional EUR 69.530 million for 398 projects and EUR 3.366 million to promote four institutes; EUR 67.767 of this amount on balance were paid out on balance. This means that a total EUR 490.966 million of the funds pledged as financial assistance since 1966 have been paid out.

The liability to the Austrian Mint reflects the assumption of a total of 6,820,520 euro starter kits and was settled between the parties on January 2, 2002.

13. Provisions

	Dec. 31, 2000	Transfer from	Transfer to	Dec. 31, 2001
	<i>EUR million</i>			
Pension reserve	1,780.867	83.405	83.405	1,780.867
Personnel provisions				
Severance payments	42.649	–	1.462	44.111
Anniversary bonuses	10.689	450	–	10.239
Residual leave entitlements	8.279	–	1.008	9.287
Other provisions				
Corporate income tax	76.216	76.216	–	–
Supplies of goods and services	5.310	4.713	5.253	5.850
Repatriation of banknotes	1.331	1.331	1.182	1.182
Administration of premises	1.289	27	374	1.636
Supplies from subsidiaries	9.337	9.337	389	389
Other	1.281	1.048	2.264	2.497
Total	1,937.248	176.527	95.337	1,856.058

Under the OeNB's initial retirement plan it is solely the liability of the Bank to provide retirement benefits to employees. The members of this scheme are "contracted out" of

the state pension system. To secure this liability the OeNB is obligated by law to establish a "pension reserve" corresponding to the actuarial present value of its pension liabilities.

Following a change in the retirement plan, staff recruited after May 1, 1998, stands to receive a state pension supplemented by an occupational pension from an externally managed pension fund. For this supplementary pension the OeNB took out a contract effective May 1, 1999, which also applies retroactively to employees taken on in the 12 months from May 1, 1998. With the OeNB's direct liability to pay retirement benefits now limited to staff recruited before May 1, 1998, the pension reserve set up to secure this liability has become a closed system. Therefore starting with the year 2000, the OeNB has used its pension reserve to pay out retirement benefits.

Pension benefits as covered by the pension reserve augmented by EUR 2.524 million to EUR 83.405 million. This includes the remuneration of 15 retired board members or their dependents (totaling EUR 3.778 million; 2000: EUR 3.969 million).

The EUR 83.405 million of income on investment relating to the pension reserve was transferred to the pension reserve when the financial statements for 2001 were prepared, so that the pension reserve remained unchanged from the level of December 31, 2000.

The pension reserve on December 31, 2001, was calculated according to actuarial principles; a discount rate of 3.50% p.a. was applied (December 31, 2000: 3.40% p.a.).

Provisions for severance payments (EUR 44.111 million) are calculated according to actuarial principles, applying a discount rate of 3.50% p.a. (December 31, 2000: 3.40% p.a.). Requirements to top up the account led to an increase.

Actuarial calculations put the need for anniversary bonuses at EUR 10.239 million as at the balance sheet date. Consequently, EUR 0.450 million were allocated to provisions for anniversary bonuses when the financial accounts for 2001 were closed.

Provisions for residual leave entitlements amounted to EUR 9.287 million (+EUR 1.008 million).

No provisions for pending lawsuits were made, as they are not expected to have a material impact.

14. Revaluation accounts

This item consists of the following accounts:

	Dec. 31, 2000	Dec. 31, 2001	Change
	EUR million		
Eurosystem revaluation accounts			
Gold	566.078	700.470	+134.392
Foreign currency	1,664.603	1,459.230	-205.373
Securities	213.323	203.909	- 9.414
Participating interests	71.515	184.872	+113.357
Off-balance-sheet operations	8.134	6.571	- 1.563
Subtotal	2,523.653	2,555.052	+ 31.399
Unrealized valuation gains from January 1, 1999 (initial valuation)			
Securities	29.892	2.320	- 27.572
Participating interests	279.933	279.933	-
Subtotal	309.825	282.253	- 27.572
Reserve fund for exchange risks (funded up to the end of 1998)			
	2,075.237	1,842.748	-232.489
Total	4,908.715	4,680.053	-228.662

The amounts recorded in the **re-valuation accounts** on a currency-by-currency and code-by-code basis are in their entirety gains that arose on the valuation of assets as at December 31, 2001. Those gains are realizable only in the context of future transactions in the respective category; otherwise they can be used to reverse revaluation losses that may arise in future years. The revaluation gains in each currency, moreover, cover the risks that the nondomestic assets carry (as established with the VaR method).

In line with requirements, the **initial valuation** gains recorded in the opening balance sheet of January 1, 1999, were partly realized during 2001 in the course of sales of underlying assets.

Article 69 paragraph 1 of the Nationalbank Act obliges the OeNB to maintain a reserve covering exchange risks which may arise on nondomestic assets. The **reserve fund for exchange risks** posted in the financial statements 2001 contains exchange gains accrued in the runup

to 1999 totaling EUR 1,842.748 million. On the one hand the annual change reflects the realization of exchange rate gains resulting from the sale of underlying assets. On the other hand the fund is used to cover unrealized exchange losses that must be expensed, as well as any exchange risks (as calculated with the VaR approach) that are not offset by the balances on the revaluation accounts. As from

January 1, 1999, no further allocations may be made to this fund.

15. Capital and reserves

A summary of the OeNB's reserves shows the following developments:

	Dec. 31, 2000	Dec. 31, 2001	Change	%
	EUR million			
General reserve fund	1,611.952	1,611.952	–	–
Freely disposable reserve fund	1,036.219	917.719	–118.500	–11.4
Reserve for nondomestic and price risks	1,077.606	1,164.424	+ 86.818	+ 8.1
Earmarked capital funded with net interest income from ERP loans	515.199	534.078	+ 18.879	+ 3.7
Fund for the Promotion of Scientific Research and Teaching	7.267	7.267	–	–
Total	4,248.243	4,235.440	– 12.803	– 0.3

The reserve for nondomestic and price risks serves to offset any ECB losses which the OeNB may have to cover according to its share in the ECB's capital as well as any unrealized losses resulting from a fall in the price of securities. The total risk to be covered is calculated by applying recognized risk assessment models. According to the General Meeting's decision, on May 17, 2001, EUR 34.390 million were allocated to the reserve for nondomestic and price risks out of the profit for the year 2000. When the financial statements for 2001 were drawn up, EUR 118.500 million from the freely disposable reserve fund were reallocated and EUR 66.072 million were used to cover a fall in the price of securities invested by the OeNB.

In April 1966, EUR 7.267 million were allocated out of the net income for the year 1965 to the **Fund for the Promotion of Scientific Research and Teaching** for the purpose of profitable investment.

Other financial liabilities (off-balance-sheet positions)

Apart from the items recognized in the balance sheet, the following financial liabilities and financial derivatives are stated off the balance sheet on December 31, 2001:

- Foreign currency forward transactions and swap transactions of a total of EUR 1,629.416 million. These forward transactions also include forward sales of 30 tons of gold.
- Contingent liabilities arising from the statutory direct charge on the OeNB of EUR 193.164 million resulting from the allocation of the ECB's loss according to the NCBs' shares in the ECB's capital.
- Contingent liabilities on the order of EUR 235.940 million to fund unrealized losses which arose on the ECB's foreign currency positions and gold; these liabilities result from the fact that the OeNB may waive a maximum of 20% of its claims arising under the transfer of foreign reserves.

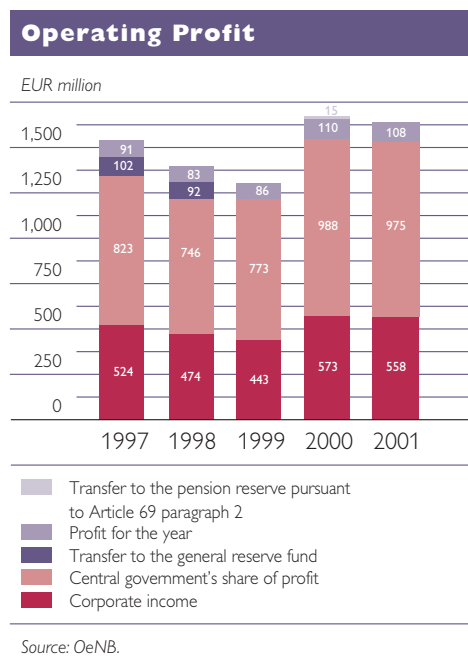
- Liabilities resulting from designations under “Special Drawing Rights within the IMF” of EUR 501.147 million.
 - Contingent liabilities to the IMF under the “New Arrangements to Borrow” totaling EUR 586.898 million.
 - The obligation to make a supplementary contribution of EUR 33.045 million (equivalent to 15 million gold francs) to the OeNB’s stake in the capital of the Bank for International Settlements (BIS) in Basel, consisting of 8,000 shares of 2,500 gold francs each.
 - Liabilities of EUR 26.154 million from foreign currency investments effected in the OeNB’s name for third account.
 - Repayment obligations to the amount of EUR 10.505 million arising from pension contributions paid by OeNB staff members payable on termination of employment contracts.
- Moreover, the OeNB reports liabilities outstanding on unmatured gold/interest rate swaps involving 27.9 tons of gold.

Notes to the Profit and Loss Account

	2000	2001	Change ¹⁾	
	EUR million			%
1. Net interest income	1,014.446	873.100	-141.346	- 13.9
2. Net result of financial operations, writedowns and risk provisions	896.515	994.712	+ 98.197	+ 11.0
3. Net income from fees and commissions	383	- 320	- 703	-183.6
4. Income from equity shares and participating interests	6.268	54.095	+ 47.827	+763.0
5. Net result of pooling of monetary income	- 653	- 607	- 46	- 7.0
6. Other income	7.036	7.322	+ 286	+ 4.1
Total net income	1,923.995	1,928.302	+ 4.307	+ 0.2
7. Staff costs	- 88.191	- 92.971	+ 4.780	+ 5.4
8. Administrative expenses	- 89.265	- 110.604	+ 21.339	+ 23.9
9. Depreciation of tangible and intangible fixed assets	- 12.299	- 19.946	+ 7.647	+ 62.2
10. Banknote production services	- 37.837	- 62.232	+ 24.395	+ 64.5
11. Other expenses	- 10.356	- 1.120	- 9.236	- 89.2
Operating profit	1,686.047	1,641.429	- 44.618	- 2.6
12. Corporate income tax	- 573.256	- 558.086	- 15.170	- 2.6
	1,112.791	1,083.343	- 29.448	- 2.6
13. Central government's share of profit and transfer to the pension reserve	-1,002.966 ²⁾	- 975.009 ²⁾	- 27.957	- 2.8
14.1 Net income	109.825	108.334	- 1.491	- 1.4
14.2 Profit brought forward	-	5	+5	x
14. Profit for the year	109.825	108.339	- 1.486	- 1.4

¹⁾ Absolute increase (+) or decrease (-) in the respective income or expense item.

²⁾ 2000: thereof: EUR 14.537 million transfer to the pension reserve. 2001: Central government's share of profit only.



1. Net interest income

With interest rates for foreign currency investment having declined sharply from 2001, interest income, net of interest expense, contracted by EUR 141.346 million (–13.9%) to EUR 873.100 million.

Net interest income from assets and liabilities denominated in foreign currency and euro totaled EUR 841.188 million. Refinancing operations yielded EUR 213.075 million, and the ECB remunerated the transfer of foreign reserves with EUR 43.970 million. Conversely, interest expenses of EUR 171.436 million resulted from TARGET liabilities, and the remuneration of minimum reserves came to EUR 171.436 million.

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

Realized gains or losses from day-to-day financial operations resulted from – receivable or payable – differences between the acquisition cost and the market value of **gold, for-**

ign currency, securities or other transactions. Among other things, these gains include price gains from the sale of 30 tons of gold.

Net gains augmented by EUR 295.370 million (+42.2%) to EUR 995.745 million. EUR 752.283 million (+EUR 87.884 million) thereof stem from gold and foreign currency operations, EUR 240.990 million (+EUR 205.015 million) from securities transactions.

The **writedowns on financial assets and positions** were triggered by the downtrend in market prices observed in 2001, amid which the market value dropped below the average acquisition cost of the respective currencies or securities on the balance sheet date.

The item **transfer to/from provisions for foreign exchange rate and price risks** resulted from transfers from the reserve fund for exchange risks that the OeNB funded up to the end of 1998 with a view to covering unrealized foreign currency losses. Thus, in compliance with Article 69 paragraph 1 of the Nationalbank Act, these losses did not have an impact on profit. Moreover, this item reflects the offsetting of unrealized losses on security price losses against the “reserve for nondomestic and price risks.”

The breakdown of this profit and loss account item is described under “Realized Gains and Losses and Revaluation Differences and their Treatment in the Financial Statements of December 31, 2001.”

4. Income from equity shares and participating interests

Income from equity shares and participating interests stems from the first distribution of profit by the ECB for 2000 and from dividend pay-

ments by the Austrian Mint, the BIS, AUSTRIA CARD-Plastikkarten und Ausweissysteme Gesellschaft m.b.H., and Austrian Payment Systems Services (APSS) GmbH.

5. Net result of pooling of monetary income

Article 32 of the ESCB/ECB Statute provides for the redistribution of the income accruing to the NCBs from their monetary policy operations at the end of each fiscal year. The net charge on the OeNB mirrors the redistribution effect within the system, which results from the difference between what the OeNB enters into the pool (which is determined by its liability base) and the proportion from the pooled income that is allocated to the OeNB according to the redistribution key laid down in the ESCB/ECB Statute.

For a detailed portrayal, see the chapter entitled "Monetary Income in the Eurosystem."

7. Staff costs

Salaries, severance payments and the employer's social security contributions and other statutory or contractual social charges fall under this heading. Staff costs were reduced by recoveries of salaries and employees' pension contributions.

As of January 1, 1997, the pension contributions of employees who joined the OeNB after March 31, 1993, and who qualify for a Bank pension, were raised from 5% of their total basic pay to 10.25% of that part of their basic salaries which is below the earnings cap on social security. A rate of 2% applies to income above the earnings cap.

With effect from May 1, 1998, new entrants are enrolled into the national social security system and in addition are covered by a defined

contribution pension plan. The OeNB opted for this approach in order to bring its retirement plan in line with the retirement provision systems prevailing in Austria, where the statutory state pension is the first pillar and occupational and private pension funds are the second and third pillars.

Salaries net of pension contributions collected from staff members expanded by EUR 5.092 million or 6.9% to EUR 79.418 million. This increase may be traced primarily to the wage increase negotiated for the banking sector and activities connected to the introduction of euro cash (such as more overtime and additional personnel). The OeNB's outlays were reduced by recoveries of salaries totaling EUR 9.028 million for staff members on secondment to the subsidiaries and foreign institutions.

In a comparison of staff levels on December 31, 2000, and December 31, 2001, the number of persons employed by the OeNB (including members of the Governing Board, adjusted for staff on secondment and in subsidiaries) declined by 12 persons from 955 to 943 persons.

The average number of staff employed by the OeNB (excluding the members of the Governing Board) widened from 1,121 employees in 2000 to 1,153 in 2001, a rise by 2.9% or 32 persons. Adjusted for employees on leave (such as maternity leave and parental leave), 921 persons were employed on average (2000: 938 persons). The number of blue-collar workers declined by one person to ten workers.

The emoluments of the four members of the Governing Board (including remuneration in kind, such as private use of company cars, subsidies to health and accident insurance)

pursuant to Article 33 paragraph 1 of the Nationalbank Act totaled EUR 0.988 million (2000: EUR 1.013 million). The emoluments of the President and Vice President of the Oesterreichische Nationalbank amounted to EUR 0.046 million (2000: EUR 0.045 million).

Outlays for severance payments decreased by EUR 0.282 million or 6.5% to EUR 4.051 million in 2000.

Statutory or contractual social charges totaling EUR 11.349 million (+EUR 1.156 million) contain municipal tax payments of EUR 2.443 million, social security contributions of EUR 5.145 million and contributions of EUR 3.669 million to the family burden equalization fund.

10. Banknote production services

Expenses for banknote production services resulted from the purchase of euro banknotes from the OeBS. In 2000 this item had shown the cost of the last batch of schilling banknotes produced by the OeBS.

12. Corporate income tax

A corporate income tax rate of 34% was applied to the taxable income according to Article 72 of the Nationalbank Act and in line with Article 22 paragraph 1 of the Corporation Tax Act 1988.

13. Central government's share of profit and transfer to the pension reserve

This item developed as follows in 2001:

	2000	2001	Change	
	EUR million			%
Transfer to the pension reserve under the provisions of the Nationalbank Act	14.537	-	-14.537	-100.0
Central government's share of profit under the provisions of the Nationalbank Act	988.429	975.009	-13.420	- 1.4
Total	1,002.966	975.009	-27.957	- 2.8

Under Article 69 paragraph 3 of the Nationalbank Act, the central government's share of profit is 90% of the net income for the year after tax, as in the previous years.

Governing Board (Direktorium)

Governor Klaus Liebscher
 Vice Governor Gertrude Tumpel-Gugerell
 Executive Director Wolfgang Duchatzek
 Executive Director Peter Zöllner

General Council (Generalrat)

President Adolf Wala
 Vice President Herbert Schimetschek
 August Astl
 Helmut Elsner
 Helmut Frisch
 Lorenz Fritz
 Rene Alfons Haiden
 Max Kothbauer (until May 17, 2001)
 Richard Leutner
 Johann Marihart
 Werner Muhm
 Walter Rothensteiner
 Karl Werner Rüschi
 Engelbert Wenckheim
 Johann Zwettler (from May 17, 2001)

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

Vienna, March 25, 2002

The image shows three handwritten signatures in black ink. The top signature is Gertrude Tumpel-Gugerell, the middle one is Wolfgang Duchatzek, and the bottom one is Peter Zöllner.

Report of the Auditors

We have audited the accounting records and the financial statements of the Oesterreichische Nationalbank for the year ending December 31, 2001, and have found that they are presented in accordance with the provisions of the Federal Act on the Oesterreichische Nationalbank of 1984 as amended and as promulgated in Federal Law Gazette I No. 60/1998. The financial statements were prepared in conformity with the accounting policies defined by the Governing Council of the European Central Bank, as set forth in the Guideline of the European Central Bank of 1 December 1998 on the legal framework for accounting and reporting in the European System of Central Banks as amended on 15 December 1999 and 14 December 2000 (ECB/2000/18), in conformity with Article 26.4 of the Protocol on the Statute of the European System of Central Banks and the European Central Bank. In our opinion the accounts provide a true and fair view of the OeNB's financial position and the results of its operations. The annual report complies with the provisions of Article 68 paragraph 1 and paragraph 3 of the Nationalbank Act as amended and as promulgated in Federal Law Gazette I No. 60/1998 and corresponds with the financial statements.

Vienna, March 25, 2002

Pipin Henzl
Certified
Public Accountant

Peter Wolf
Certified
Public Accountant

Profit for the Year and Proposed Profit Appropriation

With the statutory allocations of the OeNB's profit having been made in conformity with Article 69 paragraph 2 and paragraph 3 of the Nationalbank Act (item 13 of the profit and loss account), including the central government's share of EUR 975.009 million (2000: EUR 988.429 million), the balance sheet and the profit and loss account show a

Profit for the year 2001 of	EUR 108,339,028.27.
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On April 3, 2002, the Governing Board endorsed the following proposal to the General Council for the appropriation of profit:

to pay a 10% dividend	
on the OeNB's capital stock of EUR 12 million	EUR 1,200,000.—
to allocate to the Leopold Collection	EUR 4,194,888.91
to allocate to the reserve for nondomestic and price risks	EUR 32,575,750.79
to allocate to the Fund for the Promotion	
of Scientific Research and Teaching	EUR 70,250,000.—
to carry forward a retained profit of	EUR 118,388.57
	EUR 108,339,028.27

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