

ANNUAL REPORT 2023

including the Environmental Statement



Security through stability.

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Editorial close: February 15, 2024

Foreword by the President

Dear readers,

We are living in demanding times, up against numerous economic and socio-political challenges, including globalization, digital transformation, climate change and demographic change. Finding solutions that reflect our values and support our goals will require the input of many. It is up to us to intensify the dialogue among policymakers, businesses, scientists and civil society.

The ECB, for its part, has been fostering price stability and supporting the euro area economy for the past 25 years, even as we went through multiple crises in and after 2008: a substantial financial crisis, a sovereign debt crisis and, most recently, the COVID-19 pandemic. Depending on the development of the crises, the ECB used a range of monetary policy tools. Ultimately, the global economic fallout from the pandemic and Russia's invasion of Ukraine led to a broad increase in prices. While the ECB did manage to dampen inflation by raising key interest rates, inflation rates continue to exceed the agreed inflation target of 2%.

In Austria, the euro continues to have high acceptance rates. During the 25 years since its introduction, the euro has been asserting itself as a global currency given the strength of the euro area economies. Above all, export-oriented countries like Austria have been benefiting from the advantages that come with having a common European currency.

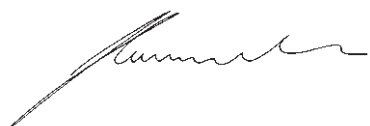
With a view to strengthening financial literacy in Austria and supporting informed investment decisions, the OeNB developed a transparency platform for savings account interest rates in 2023. This new tool enables savers to compare the interest rate conditions for different types of savings and to evaluate the market performance of saving instruments and conditions offered by individual banks.

Microprudential and macroprudential supervisors continued to focus on loans to finance real estate transactions. The commercial real estate market has been suffering from rising interest rates, increasing building costs, shrinking real estate prices and the generally weak economic conditions. The OeNB continues to monitor these developments closely to be able to estimate the underlying risks to price stability and the financial system and to take adequate action if required.

The OeNB also continued to support independent and high-quality empirical economic research. After all, such research generates crucial input for public policymaking and serves to keep the public informed about economic policy measures. This is why we stand ready to use OeNB Anniversary Fund assets to support independent economic research in Austria. The OeNB seeks to ensure a level playing field for basic research projects on topics that are relevant for monetary policymaking. The OeNB's motivation is to strengthen the competitiveness of research made in Austria and also contribute to raising the attractiveness of economic research in Austria.

In closing, let me express my gratitude to all General Council and Governing Board members, and to the entire staff working at the OeNB and at the OeNB's subsidiaries for their excellent cooperation in 2023.

Vienna, March 2024



Harald Mahrer, President

Foreword by the Governor

Dear reader,

2023 was another year marked by geopolitical conflicts and wars that created major political and economic challenges. And geopolitics will be a concern also in 2024, given relentless armed conflicts and elections coming up in several major economies.

In terms of economic growth, 2023 was a weak year: annual GDP in the euro area increased by just 0.6% from 2022. The outlook for 2024 is also within this range (+0.8% growth), given continued tight financing conditions and lackluster export growth. The outlook for 2025 and 2026 is brighter, though. Annual inflation dropped to 5.4% in 2023, given easing cost pressures and the impact of monetary policy measures. In 2024, inflation is expected to drop further, to 2.7%. Thereafter, inflation is projected to converge to the Eurosystem's target value for inflation of 2%.

Owing to weak momentum from consumption and investment, Austria's economic output shrank considerably in the second and third quarters of 2023. In 2023 as a whole, economic output dropped by 0.7%. On the back of strengthening consumer demand, we expect to see a turnaround starting in early 2024, i.e. a return to positive growth rates. Hence, we project 0.6% growth for 2024. Domestic HICP inflation reached 7.7% in 2023, thus exceeding euro area inflation. However, for 2024, we project the HICP rate to drop to 4.0%, and to even lower rates in the following years.

Thus, combating inflation continued to be the key challenge for monetary policymakers in the euro area and in Austria in 2023. All in all, the Governing Council of the ECB raised the key interest rates for the euro area six times in 2023 from 2% to 4%. Furthermore, the Eurosystem started to decrease at a measured pace the monetary policy portfolios acquired under asset purchase programs and banks started to repay longer-term refinancing operations, both of which will cause central bank balance sheets to shrink over time.

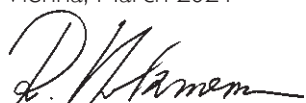
For the Eurosystem, rising interest rates for the deposit facility imply a higher interest expense for commercial banks' deposits with the central bank. Besides, this expense far exceeds the small stream of income from the large amount of securities with low or even negative yields that the Eurosystem central banks had acquired when implementing nonstandard monetary policy measures. Hence, like many other Eurosystem central banks, the OeNB reports a loss from monetary policy operations for 2023.

Ultimately, these losses do not detract from the effectiveness of the euro area monetary policy, however. Any profit or loss recorded by Eurosystem central banks, including the OeNB and the ECB, is a corollary to the joint mandate of safeguarding price stability in the euro area in the medium run.

Yet, rather than zooming in on temporary losses arising from monetary policy, let us zoom out to the bigger picture, including the economic benefits we have been able to reap from the many years of accommodative monetary policy – above all the stabilization of the euro area economy and the impact on the general government budget. The interest expense saved by the Austrian government due to the Eurosystem's nonstandard monetary policy totals some EUR 34.7 billion since 2012.

To conclude, let me express my heartfelt gratitude to the President and Vice President, the General Council, my fellow Governing Board members as well as all our staff members for their excellent cooperation and outstanding commitment in what has been a challenging year.

Vienna, March 2024

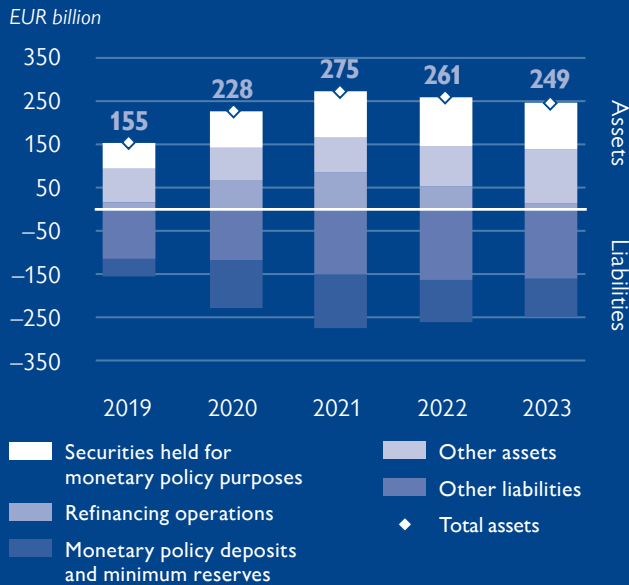


Robert Holzmann, Governor

The OeNB at a glance

Assets and liabilities

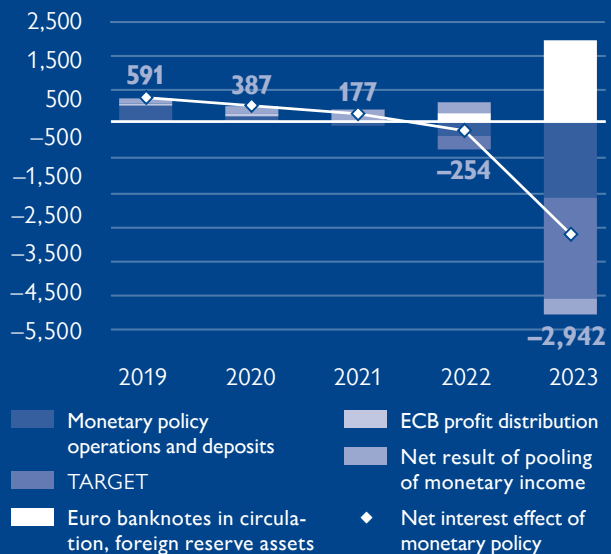
Related to monetary policy operations



Source: OeNB.

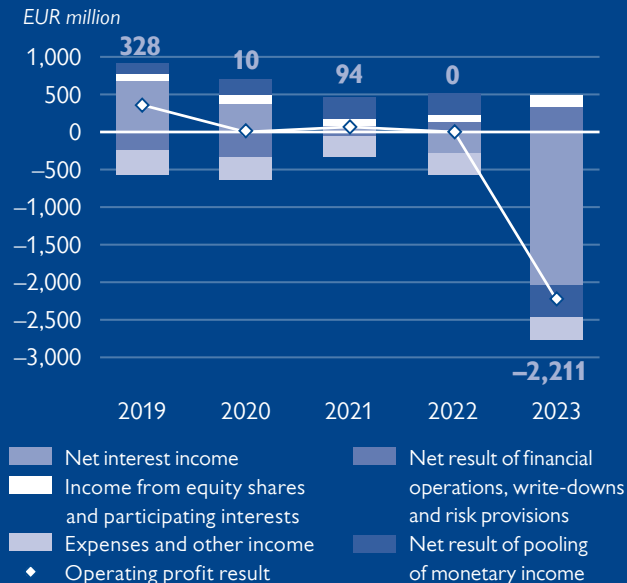
Net interest effect of monetary policy operations

Net interest income related to monetary policy operations, net monetary income, ECB profit distribution



Operating result for the past five years

Negative net interest income due to asset liability mismatch



Source: OeNB.

Staff profile in 2023

Number of staff (full-time equivalents)
1,132.2

Average training days (per employee)
5.4

Share of female staff
40.4 %

Days worked from home (per employee)
63.2

Share of female managers
28.5 %

Share of academic staff
73.3 %

Share of women in expert career track positions
35.5 %

Academic internships (number)
87

Indicators for Austrian banks

477 Credit institutions in Austria

11.5 EUR billion Period result

0.7 % Annual growth of loans to nonbanks

1,228 EUR billion Total assets

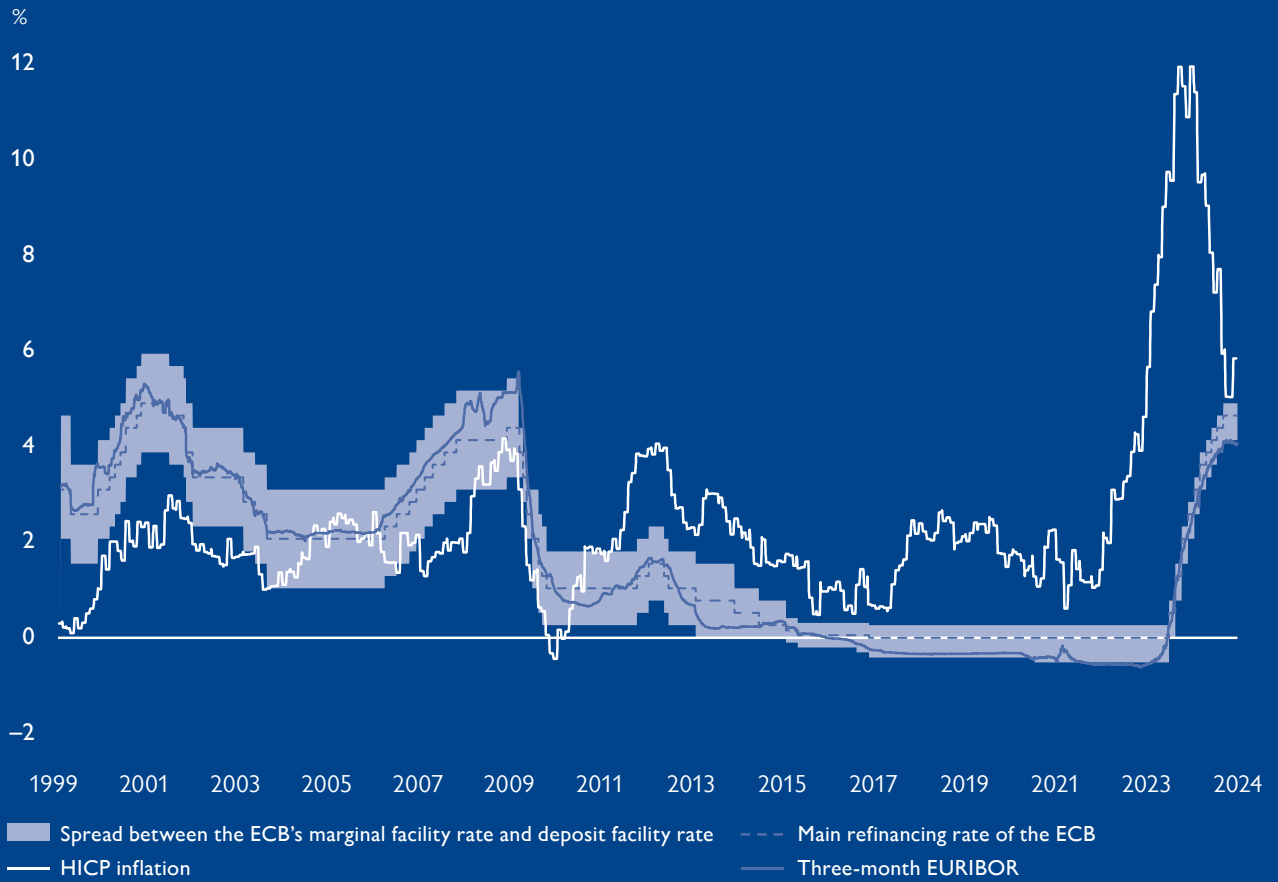
16.4 % Common equity tier 1 (CET1) ratio

2.1 % Nonperforming loan (NPL) ratio

Economic indicators for Austria

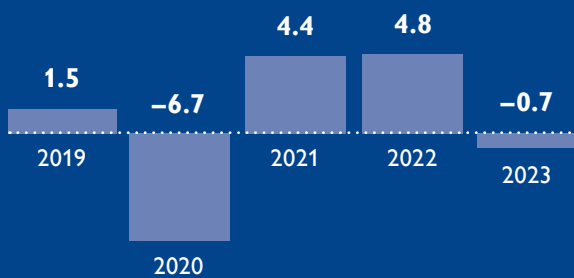
HICP inflation in Austria brought down by higher key interest rates for the euro area

Average inflation in Austria 1999 to 2023: 2.3%



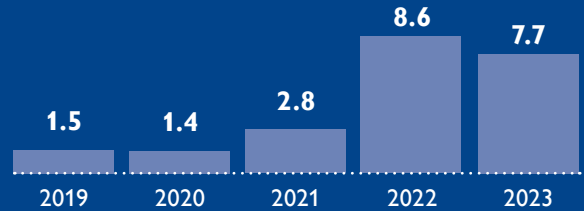
Source: ECB, Macrobond, Statistics Austria.

Real GDP



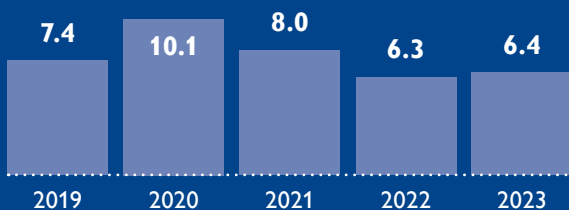
Annual change in %
Source: Statistics Austria; 2023: Austrian Institute of Economic Research (WIFO).

HICP inflation



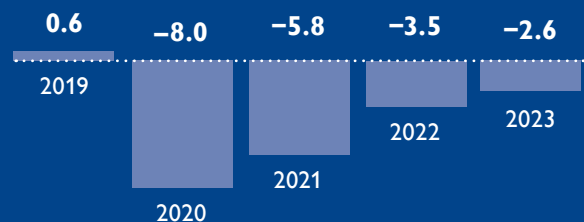
Annual change in %
Source: Statistics Austria.

Unemployment rate (national definition)



%
Source: Public Employment Service Austria (AMS).

General government budget balance



% of GDP
Source: Statistics Austria, 2023: OeNB December 2023 outlook.

What we do

“Security through stability. The euro – our currency.” This is the OeNB’s vision, as outlined in our [mission statement](#). As Austria’s independent central bank, we are part of the Eurosystem and part of the international network of policy organizations. This is what our core tasks are related to, which we seek to communicate extensively to the general public:

With a view to fulfilling our tasks and delivering on our mandate, we have defined the following six strategic priorities for the period until 2025:



OeNB & Eurosystem/IMF; monetary policy and the economy

- The OeNB strives for thematic leadership in select areas within the Eurosystem.
- The OeNB handles IMF-related matters concerning Austria.
- The OeNB is Austria’s knowledge and resource hub for monetary policy and theory, and our staff research supports the OeNB’s stance in the decision-making process of the Governing Council of the ECB.
- The OeNB serves as a knowledge and resource hub for analyzing economic and financial policy challenges.
- The OeNB is the think tank on economic growth in Austria, monitoring in particular the alignment between microeconomic and macroeconomic patterns.
- The OeNB keeps serving Austria with cash in the digital age.

Financial stability and strategy

- The OeNB contributes to enhancing transparency through high-quality financial statistics, thus building trust.
- The OeNB helps safeguard the stability of the Austrian banking and financial system.
- The OeNB seeks to ensure effective rules and technology-neutral approaches to banking regulation in the EU’s banking union, advocating a narrower set of simplified rules for smaller banks.
- The OeNB contributes to reinforcing the stability of the Austrian capital market.
- The OeNB fulfills its monetary policy mandate and helps maintain the stability of the banking and financial system, implementing environmental, social and governance (ESG) criteria.

Financial innovation

- The OeNB plays a key role in developing and regulating financial innovations.
- The OeNB is crucial for making Austria's financial system more resilient to cyberattacks.
- The OeNB works intensively with external partners to enhance financial innovation.

Financial education

- The OeNB contributes to financial education and hence to the financial health of the general public in Austria.
- The OeNB seeks to set international standards by promoting financial literacy in Austria.
- The OeNB is committed to leading the way in monitoring financial literacy and the effectiveness of related measures.
- The OeNB offers independent expertise with its financial education outreach programs for Austria.

Business organization, recruiting and digital tech

- The OeNB strives to be a forward-looking organization.
- The OeNB promotes ESG, i.e. sustainable as well as ethical behavior and good corporate governance.
- The OeNB seeks to be an innovative employer.
- The OeNB embraces digital tech and automation.

Communications

- The OeNB is a household name for the majority of Austrians.
- The OeNB is perceived as an independent and modern organization.
- The OeNB is associated with thematic leadership regarding a broad range of issues, including price stability, financial stability, economic policy, financial statistics, financial education, money and payments.
- The OeNB has earned the trust of the general public, financial market participants and other stakeholders, and is also considered to be a trusted employer.
- Our employees are proud to work for the central bank.
- Our communication across business areas is effective and efficient.

Inflation remained a major challenge for monetary policy

How much do key interest rates need to increase for inflation to be under control?

As in the previous year, the sharp rise in consumer prices was the key monetary policy concern in 2023. In 2022, the average inflation rate for the euro area had peaked at 8.4%.¹ In 2023, inflation was going down: Monthly inflation rates as measured by the Harmonised Index of Consumer Prices (HICP) fell from 8.6% in January to 2.9% in December.

Overall, inflation averaged 5.4% in 2023, just as forecast in the [Eurosystem staff macroeconomic projections](#) released in December 2023. In other words, inflation remained well above the 2% price stability target.

Box 1

Inflation in Austria well above euro area inflation in 2023

In Austria, HICP inflation peaked at 11.6% in January 2023. Thereafter, it gradually declined to 5.7% in December.

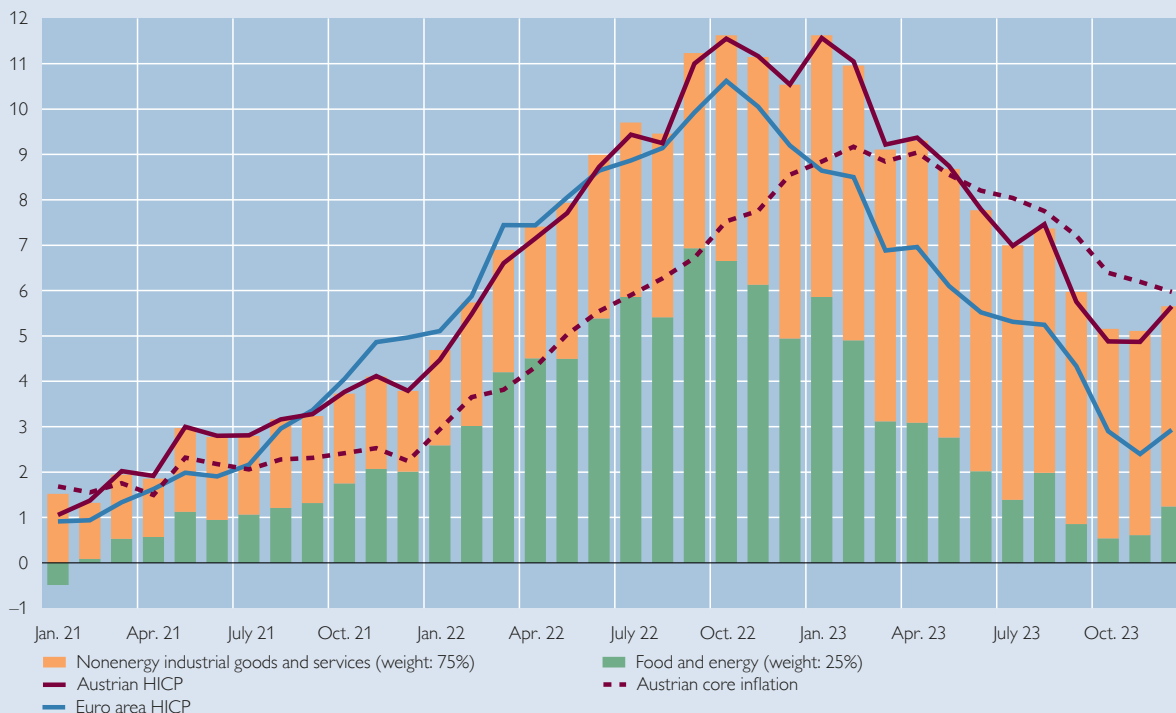
In 2022, inflation had been mainly driven by energy and other import prices. By the end of 2022, corporate profits were starting to fuel inflation as well. In due course, wages and salaries emerged as additional price drivers. Since the second quarter of 2023, about half of the uptick in prices in Austria has been attributable to wage and salary costs (see the OeNB's [December 2023 economic outlook for Austria](#); available in German only).

Furthermore, nonenergy services and industrial goods have been increasingly affecting inflation; in contrast, energy and food prices were on the decline in 2023 (chart 1). This trend is expected to continue in 2024. In our 2024 December forecast, we expect inflation to drop from an annual average of 7.7% in 2023 to 4.0% in 2024.

Chart 1

HICP inflation in Austria declines markedly in 2023

Annual change in % (HICP and core inflation) and percentage points (contributions to inflation)



Source: Eurostat, Statistics Austria.

¹ The highest monthly increase was measured in October 2022 (10.6%).

Core inflation, i.e. headline inflation excluding energy and food, has exceeded headline HICP inflation since June 2023, for the following reasons: Energy prices have been falling, whereas the contribution of services prices to inflation has increased. This trend is also likely to continue in 2024, when we expect core inflation to average 4.5%.

Austria's HICP inflation was below that of the euro area up to mid-2022; afterwards, the trend reversed. There are three reasons for this:

1. Energy price cuts were passed through to Austrian households with a time lag.
2. As a result of higher wage growth, services prices in Austria have been rising more strongly – and they come with comparatively higher weights in the Austrian basket of goods.
3. The fiscal measures adopted by the Austrian government tended to be based on transfer payments rather than direct price interventions.

Looking ahead, we expect the inflation differential between Austria and the euro area to narrow to just over 1 percentage point in 2024, and to narrow further to less than 1 percentage point in 2025.

The challenge for monetary policymakers in 2023 was to gauge how much key interest rates would need to be raised for inflation to be brought under control. Higher key interest rates affect inflation via the real economy and thus with a time lag. In other words, the mechanism inherent in the process of monetary policy transmission implies the following: To curb high inflation rates, monetary policymakers have to dampen the real economy, and they do so by raising key policy rates. Higher interest rates, among other things, make loans for consumers and businesses more expensive, reducing their propensity to spend and thus dampening consumption and investment. This, in turn, weakens economic activity, as a result of which companies tend to refrain from increasing prices – causing inflation to fall.



Governor Robert Holzmann at the Conference on European Economic Integration (CEEI)

In other words, monetary policymakers need to reduce economic growth sufficiently to bring inflation down to the desired 2%. At the same time, inflation should not fall below 2%. This is why monetary policy seeks to decelerate the economy at a measured pace.

The Governing Council of the ECB – in which the OeNB is currently represented by Governor Holzmann – has a number of tools that support landing at the target of 2%, including above all inflation forecasting. Inflation forecasting helps the Governing Council to assess whether and when the 2% target is within reach with the adopted or intended measures.

As an added difficulty, monetary policy decisions are subject to uncertainty: The impact of policy rate changes may vary. It may be stronger or weaker than assumed in the forecast models. In addition, new shocks may trigger disruptions that cause economic output and/or inflation to deviate from the projected paths. This is why the Governing Council regularly reviews whether inflation is indeed moving toward 2% or whether further action may be required for inflation to converge to the target.

Box 2

Austria's economy dipped in recession in 2023

Economic output in Austria declined slightly in the second half of 2022, on account of three factors: (1) pent-up demand effects after the COVID-19 pandemic were running out, (2) energy prices were going up and (3) the international environment was weak.

In the second and third quarters of 2023, economic output contracted surprisingly strongly and Austria slipped deeper into recession. The main drivers were sharp drops in private consumption and investment. Exports grew modestly, while imports declined.

In late 2023, the dampening factors weakened and household incomes were increasingly supported by higher wage agreements. The decline in economic output therefore slowed in the fourth quarter of 2023.

Looking ahead, we expect quarterly GDP growth rates to be positive in early 2024 (see the OeNB's [December 2023 economic outlook for Austria](#); available in German only). The recovery is mainly driven by strengthening consumer demand, while investment is likely to contract further in 2024. Ultimately, the Austrian economy is expected to grow moderately by around ½% in 2024, despite a weak start.



Governor Robert Holzmann, Birgit Niessner (Director of Economic Analysis and Research) and Gerhard Fenz (Head of Business Cycle Analysis) at a press conference presenting the OeNB's economic outlook for Austria for the period from 2023 to 2025

Developments in Austria broadly mirrored developments in the euro area in 2022 and early 2023. However, unlike domestic output, euro area-wide output was not declining from the second quarter of 2023 onward. On the supply side, the services sector supported economic activity in the euro area, while both industry and services activity contracted in Austria. The areas hit hardest in the services sector include restaurants, commerce and other market services. Growth rates in Austria and the euro area are expected to converge to similar levels in the coming years.

Key interest rates in the euro area raised to 4% in 2023

On the basis of the above-mentioned considerations and analyses, the key policy rates were raised in six steps in 2023, from 2% to 4%. Specifically, the interest rate on the main refinancing operations in the euro area stood at 4.50% at the end of 2023, the interest rate on the marginal lending facility stood at 4.75% and the interest rate on the deposit facility stood at 4.00%.

In 2023, as in previous years, the Eurosystem was working with large amounts of excess liquidity. Money market rates therefore hovered at the lower end of the corridor formed by the three key interest rates listed above. The three-month EURIBOR, for instance, which is considered to be a particularly important reference rate for the European economy, was just under 4% in the last few weeks of 2023.

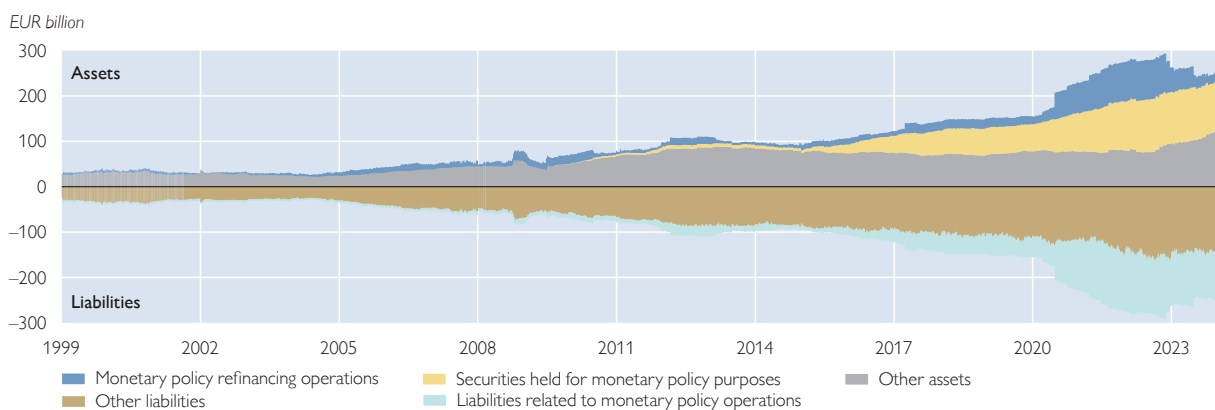
In the course of 2023, the Governing Council of the ECB adjusted the key interest rates six times, between February and September 2023. Based on the status quo, the [Eurosystem staff macroeconomic projections](#) released in December 2023 point to inflation rates of 2.1% in 2025 and 1.9% in 2026. This would imply that the HICP inflation rate is moving toward the 2% target if the ECB maintains the 4% interest rate level for a sufficiently long period of time. By the end of 2023, financial markets, at any rate, were not pricing in any further rates hikes.

Need to reduce central bank balance sheets

As is well known, the euro area has experienced various crises in recent years, including the great financial crisis (2008–2009), a sovereign debt crisis (2011–2013) and, most recently, the COVID-19 pandemic. During this period, key policy rates were at risk of reaching their effective lower bound, beyond which further interest rate cuts would no longer be possible. In order to nonetheless mitigate the crisis situation, monetary policymakers in the euro area therefore adopted

Chart 2

The OeNB's total assets and liabilities over time



Source: OeNB.

Note: For more details on other assets and liabilities, see the breakdown provided in the OeNB's financial statements.

nonstandard tools alongside cuts in key interest rates: These included extensive monetary policy asset purchase programs as well as the provision of longer-term liquidity to commercial banks at favorable conditions.

On the OeNB's balance sheet, nonstandard measures have in fact accounted for the bulk of balances outstanding from monetary policy operations since 2008 (chart 2). We see a gradual expansion of total assets, the pace of which intensified after 2014. Total assets peaked at close to EUR 290 billion in fall 2022.

Thus, to get the high inflation rates under control in 2023, it took more than policy rate hikes alone; the size of the Eurosystem's balance sheet, and thus the size of the OeNB's assets, needed to be reduced as well. This is because large central bank holdings of securities work to dampen the level of medium- to long-term interest rates. The interest rate level will indeed move upward as key interest rates rise and as financial markets expect further interest rate hikes to come. However, the increase is being held in check as the supply of securities is being artificially reduced by the large holdings of central banks. This leads to higher prices for these securities – and thus to lower yields.

Hence, a relatively rapid reduction in central bank balance sheets would be called for. At the same time, reducing the amount of securities held for monetary policy purposes too quickly also harbors risks. If a central bank were to sell large amounts of securities in a short period of time, it would “flood” the market with investment opportunities that may not meet enough demand from the part of investors. This could lead to a fall in the prices of these securities, leading to a disorderly increase in yields at medium- to long-term interest rates.

Other central banks, such as the Bank of England or the US Federal Reserve, have therefore also been cautious in reducing their securities portfolios. The euro area is faced with the additional risk that disorderly interest rate increases could affect only individual countries, leading to a stronger



Claudia Kwapil (Senior Principal in the OeNB's Monetary Policy Section) at the 50th OeNB Economics Conference and 60th SUERF Anniversary Conference

reduction in economic activity and inflation in these countries than in others. This would jeopardize the singleness of monetary policy. As with the optimal choice of policy rates, it is therefore important to strike the right balance in reducing central bank balance sheets.

Like in the Eurosystem as a whole, the OeNB's monetary policy securities portfolios are dominated by the two most prominent programs for purchasing assets, the [Asset Purchase Programme](#) (APP) and the [Pandemic Emergency Purchase Programme](#) (PEPP).

The measured reduction in the Eurosystem's APP portfolio begun in 2023 and will continue in 2024. In 2023, the OeNB's portfolio of assets decreased by EUR 3.8 billion, to EUR 71.6 billion. Over time, net asset purchases had caused the APP portfolio to expand until June 2022. Until February 2023, maturing securities were fully reinvested, so that the APP portfolio remained constant until then. Between March and June 2023, maturing securities were no longer replaced in full, causing the portfolio to shrink somewhat. As of July 2023, maturing securities under the APP have no longer been replaced – the portfolio has been declining since then.

Meanwhile, the OeNB's PEPP portfolio continues to be worth EUR 37.3 billion. Fully in line with Eurosystem policies, we continued to invest in full maturing amounts outstanding from securities also in 2023. We will continue to do so in the first half of 2024. Thereafter, the PEPP portfolio should start to shrink at a measured pace in the second half of the year. Most probably, we will stop reinvesting maturing PEPP securities by the end of 2024, as agreed by the Governing Council of the ECB on December 14, 2023.

The decline in the OeNB's balance sheet in 2023 was mainly driven by the reduction in monetary policy refinancing operations (chart 2): The volume of targeted longer-term refinancing operations III (TLTROs III) shrank by a total of EUR 34.6 billion, for the following reason: Some TLTROs III matured after three years and had to be repaid by the borrowing banks. In addition, banks voluntarily repaid some TLTRO III balances early. At the end of 2023, the outstanding amount of TLTROs III in the OeNB's balance sheet totaled EUR 15.1 billion. These will be due in 2024.

A safety net in the event of rising key interest rates

Key interest rates increased rapidly and strongly in 2022 and 2023 – by 4.5 percentage points within 15 months. This entails certain risks, especially after a long period of negative interest rates: In particular, there is a risk that medium- to long-term interest rates may react differently across euro area countries, which could cause funding conditions to tighten more in some countries than in others. Put differently: The impact of the single monetary policy on economic activity and thus on inflation would vary across countries. To prevent this from happening, the Eurosystem has put in place a two-tier safety net:

First, PEPP reinvestments can be handled flexibly by the Governing Council of the ECB. If, for instance, risk premia were to increase in one country for reasons still attributable to the pandemic, some of the principal payments from maturing PEPP securities can be reallocated within the euro area and channeled to that country. For example, funds related to securities maturing in Austria might be reinvested in another euro area country, and vice versa. This flexibility is expected to be maintained until the end of 2024 to address pandemic-related distortions in financial markets.

Second, the effectiveness of monetary transmission may also be secured with a dedicated tool, namely the [Transmission Protection Instrument](#) (TPI). This instrument serves to buy securities issued by individual countries whose financing conditions are found to deteriorate unjustifiably and in a disorderly manner. There are no ex ante limits on the purchase volumes. However, if risk premia have been driven up by country-specific fundamentals, such purchases are not an option. Risk premia increases are therefore assessed against criteria that show whether the country in question is pursuing sound and sustainable fiscal and economic policies.



Julia Wörz (Head of the OeNB's Central, Eastern and Southeastern Europe Section) at the Conference on European Economic Integration (CEEI)

The volume of TPI purchases depends on the severity of the market turmoil. The TPI tool has been available to the Governing Council since July 2022. It can be activated by the Governing Council at any time, but so far this has not been the case in either 2022 or 2023.

The aim of the two-tier safety net is to ensure a smooth transmission of the monetary policy stance across all euro area countries and to support an effective interest rate pass-through. This is a prerequisite for the Eurosystem to fulfill its price stability mandate.

Economic growth in CESEE very subdued in 2023, inflation slowed significantly

What happened beyond the euro area in 2023, especially in Central, Eastern and Southeastern Europe (CESEE), a region of great importance to Austria? And what happened at the IMF, one of the most important policy organizations worldwide?

Real economic growth in the CESEE EU member states declined significantly in 2023, averaging only 0.7% – compared with 4.2% in 2022.

Growth was hampered in particular by weak private consumption, as high inflation led to significant real wage losses, especially in the first half of 2023.

At the same time, CESEE growth was being supported by broadly stable labor markets. Unemployment rose only slightly, preventing an even sharper decline in consumption. Growth was also supported by robust investment spending, which benefited from payments from EU funds. The external sector also contributed positively to growth.

The inflation wave observed since mid-2021 reached its peak in CESEE countries in early 2023, as it did in Austria. Since then, average inflation in the region has fallen from above 16% to 6.0% in December 2023. Initially, this was mainly due to falling energy prices. In the course of the year, lower inflation rates were reported from almost all areas of the consumption basket. This allowed central banks to put an end to their interest rate hikes or, in some cases, to start decreasing key interest rates again.

The CESEE banking sectors were very profitable in 2023, essentially on account of the high interest margins. This meant that banks charged significantly higher interest rates on loans than

they paid on overnight or fixed-term deposits taken in by them. Credit growth was dampened by the tight monetary policy stance, including higher policy rates, and the slowdown in economic activity. However, this has not gone hand in hand with a rising share of nonperforming loans.

IMF: Article IV consultations, annual meetings and conclusion of the 16th quota reform

The main objective of the IMF's work is to safeguard the stability of the international financial and monetary system. Austria's IMF quota – the share of resources provided by member countries – is held by the OeNB, which also represents Austria on the Board of Governors of the IMF. Within the IMF, Austria is part of the Central European constituency.

The IMF conducted a staff visit to Austria from August 30 to September 5, 2023. This visit focused on how to reduce inflation, ensure stability and build resilience in uncertain times. The regular IMF Article IV consultations with Austria will take place from February 16 to March 1, 2024.

The annual meetings of the IMF and the World Bank Group took place in Marrakesh from October 9 to 15, 2023. Austria represented its IMF constituency in the International Monetary and Financial Committee (IMFC) and issued a statement on behalf of the constituency.

The Board of Governors of the IMF adopted the proposal for the 16th general review of quotas on December 15, 2023. Accordingly, quotas for IMF members are to be increased proportionally by 50%. However, the quota increase does not follow mechanistically from this decision. For this decision to enter into force, at least 85% of IMF members will have to agree to their respective quota increase. In Austria, consent to the decision requires a new federal law to be adopted, as was the case in 2012.

With the entry into force of the quota increase, the composition of the IMF's financial resources will therefore change, while the IMF's current lending capacity will be maintained. Following implementation, quota resources will account for a higher share of the IMF's resources. In turn, borrowed resources comprising the New Arrangements to Borrow (NAB) will be reduced and the Bilateral Borrowing Agreements will be phased out. The aim is to replace short- and medium-term IMF borrowing by the IMF from member countries with permanent resources.

Monetary policy greatly affects profit and loss account

Monetary policy geared toward price stability leads to high interest expense

In the past 15 years, since 2008, the euro area was faced, first, with the great financial crisis, then with a sovereign debt crisis and finally with the COVID-19 pandemic. While each crisis had different causes, they all sparked a recession and put downward pressure on consumer prices. This is why, between 2008 and 2021, euro area monetary policymakers sought to support the economy and help bring inflation back to 2%, by cutting key interest rates and launching asset purchase programs and longer-term refinancing operations (see also the section entitled “Monetary policy and the economy”).

Inflation started to rise in 2021 and gained additional momentum in 2022 due to the consequences of Russia’s war against Ukraine. Ultimately, inflation surged well beyond the ECB’s 2% target, prompting the ECB to raise key interest rates in rapid and unprecedented fashion.

Key interest rates are a highly responsive instrument. Other crisis instruments, such as asset purchase programs and longer-term refinancing operations (see (1) and (2) in figure 1), are much more sluggish. After all, the securities that the Eurosystem started to buy, for example, in 2015 for monetary policy purposes come with a maturity of up to 30 years. The volume-weighted maturity of the monetary policy securities portfolio is therefore currently around 7 years. By the end of 2023, the OeNB’s securities portfolios amounted to EUR 108.9 billion, and these securities will take their time maturing. On top of that, longer-term refinancing operations added another EUR 15.1 billion to the balance sheet.

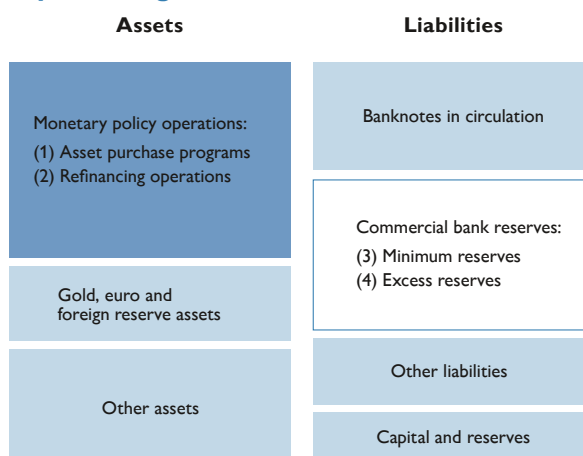
The OeNB’s income situation is being driven by two factors at present: first, low income from securities held for monetary policy purposes (see (1) in figure 1); second, exceptionally high interest expenses on excess reserves (see (4) in figure 1). To a degree, these two aspects explain the loss the OeNB ran up in 2023.

Let us first take a closer look at the low income from securities: In response to the succession of crises, the Eurosystem launched asset purchase programs, creating excess liquidity. The demand for securities purchased under these programs drove up the prices of these securities, thereby lowering market interest rates. The rather high-yielding securities that the OeNB started out buying have made a significant positive contribution to the OeNB’s result in the past. And medium- to long-term interest rates declined over time, as intended, due to the securities purchases. However, most of the securities currently held by the OeNB were purchased during the long period of low or negative interest rates. What this means is that the return on securities purchased for monetary policy reasons is currently only around 0.5% on average.

This brings us to the OeNB’s interest expense on excess reserves taken in from credit institutions: The crisis tools used by Eurosystem central banks have created excess

Figure 1

Stylized diagram of the OeNB’s balance sheet



Source: OeNB.

Note: For more details on other assets and liabilities, see the breakdown provided in the OeNB’s financial statements.

liquidity in the banking sector from 2015 onward. As reflected in central bank balance sheets, banks have been holding this excess liquidity with their central bank, using mainly the deposit facility. By the end of 2023, the deposit facility accounted for EUR 84.5 billion of the OeNB's total liabilities. Interest payable on these deposits is calculated at the prevailing interest rate for the deposit facility – which currently stands at 4%, following the string of key interest rate increases. This translates into an annual interest expense of around EUR 3.4 billion for the OeNB, assuming that excess reserves remain unchanged.

Interest income from securities held for monetary policy purposes averaging 0.5% versus interest expense of 4% on funds deposited with the OeNB constitutes an asset liability mismatch that inevitably leads to losses. However, the primary objective of the Eurosystem, and thus of the OeNB, is not to make profits but to maintain price stability through monetary policymaking, such as the recent decisions to raise key interest rates.

Effective performance despite losses in 2023 and beyond

The negative net interest income from monetary policy is somewhat mitigated by income from the investment of reserve assets. Still, the remaining loss for the year 2023 is EUR 2.1 billion. This is recorded in the profit and loss account and will be carried forward. As a result, the OeNB will not be able to pay a dividend to the Austrian government from its annual result, same as last year.

Will it be any different next year? Owing to the long maturities of the securities in the monetary policy portfolio, the portfolio is slow to mature. Accordingly, the amount of excess reserves will decline at a slow pace. As a result, we expect the income from monetary policy operations to remain negative in 2024. It will take until 2025 and beyond for monetary policy-related expenses to fall and for the OeNB to have a chance to return to profit.

Against this backdrop, we expect the OeNB to report negative equity by the end of 2024. This means that by then the OeNB's loss for the year (including the loss carried forward from 2023) will exceed the OeNB's reserves and capital. It is only in the medium to long term that the losses carried forward and the resulting negative equity will be offset by future profits.

All this is without prejudice to the effectiveness of monetary policy; and the independence of central banks in the euro area, as enshrined in the EU Treaties, will not be affected by negative equity either.

Lower interest expense on minimum reserves

Minimum reserves are balances that commercial banks are required to hold with the OeNB on dedicated accounts. On average, the total balances amounted to around EUR 4.8 billion in 2023. Until 2022, the OeNB had remunerated these reserves at the rate on its main refinancing operations (MROs). During the period of the zero interest rate policy, i.e. from 2016 to 2022, the MRO rate was 0%, so that the OeNB's respective interest payments were zero as well.

In July 2022, the ECB moved its key interest rates back into positive territory, causing central banks' interest expense on minimum reserves to rise as well. The Governing Council of the ECB then cut minimum reserve remuneration in two steps: First, it adopted a new remuneration benchmark for minimum reserves on December 21, 2022, namely the deposit facility rate. At the time, the deposit facility rate was 2%, i.e. 0.5 percentage points lower than the MRO rate (then 2.5%). Second, as of September 20, 2023, the remuneration of minimum reserves was reduced to 0%.

Overall, monetary policy remains effective, while having become more efficient: Under the new regime, the Eurosystem can achieve its monetary policy objectives at a lower interest expense.

US dollar safety net established through coordinated action by major central banks

Due to insolvency, three US banks (Silvertgate Bank, Signature Bank and Silicon Valley Bank) had to close within five days in March 2023. These events sparked fears of potential contagion and led



Executive Director Thomas Steiner talking to Bernhard Grossmann (Head of the Office of the Fiscal Advisory Council and Productivity Board)

to a global fall in bank stocks. To contain the spread of this crisis, the ECB and other major central banks (Bank of Canada, Bank of England, Bank of Japan, Federal Reserve System, Swiss National Bank) agreed on a coordinated action to strengthen US dollar liquidity provision: As of March 20, 2023, US dollar liquidity-providing operations were offered as daily (rather than weekly) refinancing operations. Austrian banks were thus able to borrow daily US dollar liquidity for seven days against collateral that they normally use in euro tender operations. These US dollar lending operations were offered at a fixed rate; banks paid around 5% in March and April 2023. As US dollar funding conditions quickly improved, this support was removed after six weeks on May 1, 2023. Since then, US dollar tender operations have been offered again on a weekly basis.

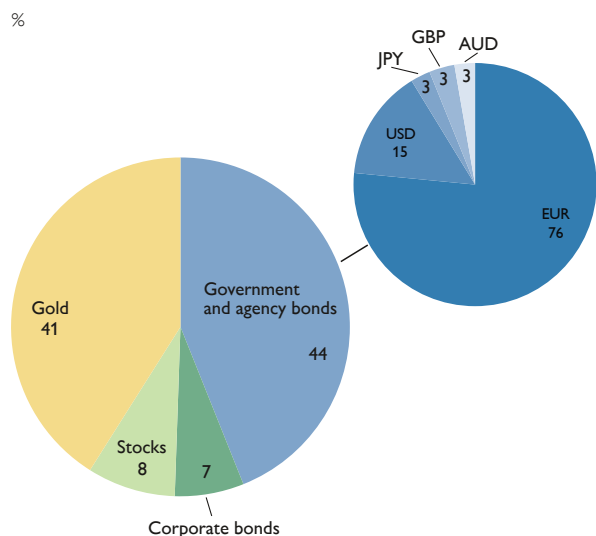
Increased focus on euro investments in reserve management

As a result of developments in the financial markets, the OeNB has refocused its investment strategy by reducing the share of foreign currencies. As the euro appreciated against a basket of currencies on a trade-weighted basis, this had a positive impact on our business result.

The investment of OeNB assets is subject to comprehensive risk management procedures and controls. Our primary investment goal is to maintain a high degree of liquidity and security to ensure the ready availability of funds for coordinated intervention in financial markets. Another key criterion guiding investment decisions

Chart 3

OeNB reserve portfolio in 2023 balanced and well diversified

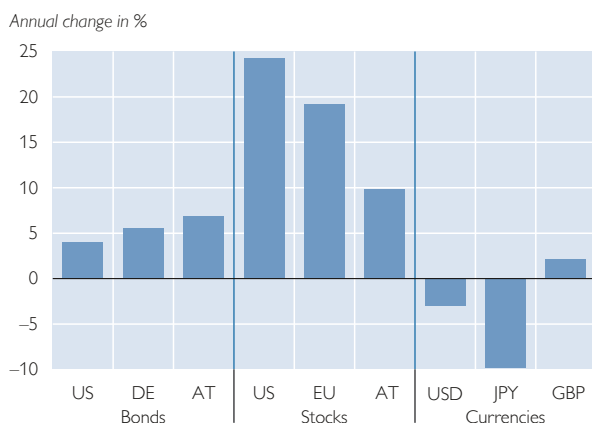


Source: OeNB.

Note: At the end of 2023, the reserve assets added up to about EUR 41 billion.

Chart 4

Bonds, stocks and the euro strongly gained in value in 2023



Source: Bloomberg.

Note: Change in value in local currencies (bonds and stocks) or against the euro (currencies).

is diversification (chart 3). In the mix of assets, gold accounts for around 41% of the OeNB's reserves. We invest above all in different currencies and regions – mainly debt securities (around 51%), but also equities (around 8%). Diversification into corporate bonds and equities serves to improve the risk-return ratio. The predominant currencies are convertible currencies of countries with excellent credit ratings. The predominant bonds are bonds issued by governments, agencies and supranational institutions, as well as covered bonds. This strategy has been a cornerstone of the OeNB's stability and continues to underpin our activities within the European System of Central Banks (ESCB).

Investment performance benefits from financial market developments

Both bond and equity prices rose significantly in 2023, following a rather unusual slump in 2022. This was due, in particular, to the combination of higher interest rates, relatively robust economic activity and good corporate results.

The increase in stock prices was particularly strong. At +24.2%, the US stock exchange index S&P 500 rose somewhat further than the euro area EURO STOXX 50 index at +19.2% (chart 4). US stocks benefited, among other things, from the strong performance of the technology sector. In the case of government bonds, the situation was reversed: European government bonds outperformed US government bonds (e.g. German bonds: +5.6%; Austrian bonds: +6.9%; US bonds: +4.1%).

In 2023, the euro appreciated against many currencies, benefiting from the ECB's cumulative interest rate increases (+2 percentage points). For example, the US dollar depreciated by 3.0% against the euro; the Japanese yen by as much as 9.8%. The weakness of the yen is due, in particular, to the Bank of Japan's continued accommodative monetary policy with low policy rates. The pound sterling benefited from sharp interest rate hikes by the Bank of England (+3.5 percentage points in sum) and appreciated by 2.1% against the euro.

Our reserve investments (excluding gold) achieved a performance gain of +6.0% in 2023. The market value of our gold reserves increased by 9.5%.

Beyond profit: in pursuit of sustainability in investing

At the OeNB, we have been taking sustainability criteria into account in our reserve management for many years now. Since 2011, external asset managers working for us have had to be signatories of the Principles for Responsible Investment supported by the United Nations. In addition to the environmental, social and governance (ESG) aspects, these principles include responsible disclosure requirements and the promotion of active ownership policies. Furthermore, we are setting requirements for greenhouse gas emissions and ESG factors in selected asset classes.

Securities meeting the above-mentioned criteria have also come to account for a larger share of our own purchases. As in the previous year, the OeNB will publish climate-related aspects of its nonmonetary policy portfolios (see "[Climate-related financial disclosures by the Oesterreichische Nationalbank 2023](#)").

The OeNB actively contributes to financial stability

Banking sector benefits from changed interest rate environment in 2023

The profitability of the Austrian banking sector rose sharply in 2023 (chart 5). One major reason for this was the rise in interest margins as a result of higher key interest rates. In the first three quarters of 2023, banks' period result doubled on the year to EUR 11.5 billion. Other reasons included:

- profits from operations in Central, Eastern and Southeastern Europe (CESEE);¹
- special factors with a strong impact in 2023, such as higher interest rates on deposits with the central bank in an environment of abundant liquidity; and
- (expiring) targeted longer-term refinancing operations undertaken by the central bank with favorable conditions for banks.

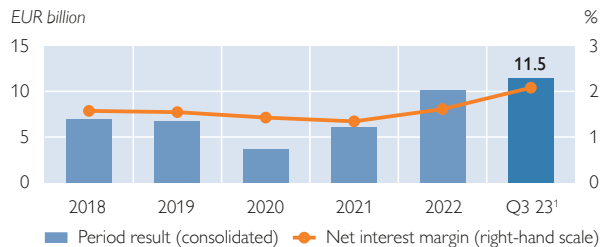
Credit quality was at historically high levels as of September 2023; the ratio of nonperforming loans in the entire sector, including CESEE business, was only 2%. This would imply that the weaker economic conditions have not yet fed through to credit quality. As the share of variable rate loans in Austria is high, increases in key interest rates drive up costs for borrowers and thus also the risk of credit losses for banks in the medium term. Credit growth slowed down significantly already in 2023, throughout Europe.

Higher credit and funding risks for banks

In 2024, the OeNB expects weaker credit growth, rising funding costs given higher deposit rates and deteriorating credit quality, to weigh on profitability in the banking sector. In addition, banks are feeling the cost pressure of inflation.

Chart 5

Profitability of Austria's banking sector

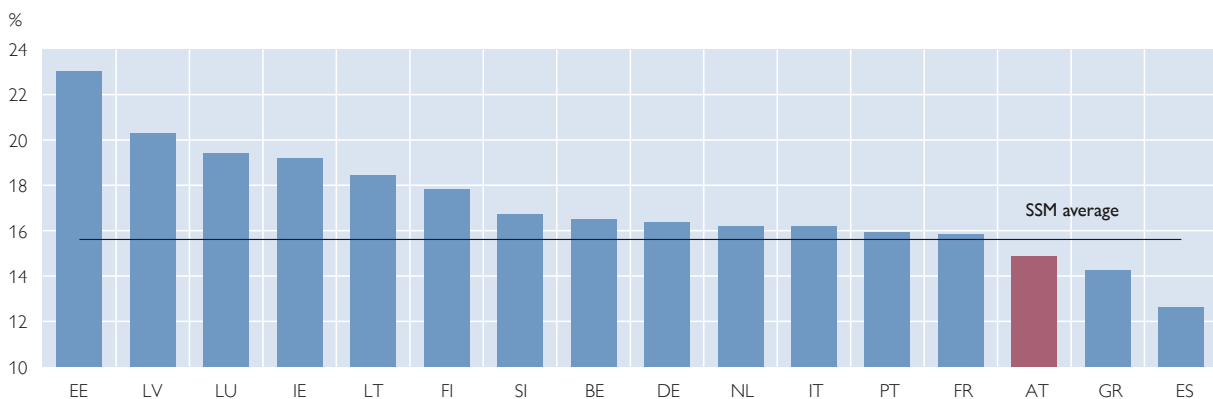


Source: OeNB.

¹ The comparability of interim and year-end data is limited.

Chart 6

Common equity tier 1 (CET1) ratio of significant European banks



Source: Single Supervisory Mechanism (SSM).

Note: The data refer to September 2023.

¹ The Russian business is being reduced; work on the deconsolidation continued in 2023.

In our Financial Stability Reports, for instance, we therefore advised Austrian banks in 2023 to put currently high profits to good use to strengthen their risk resilience. This includes showing restraint when it comes to the distribution of profits, with a view to further strengthening capitalization. Retained earnings did contribute to the Austrian banking sector achieving a CET1 ratio of 16.4% in the third quarter of 2023. Simply put, CET1, or the common equity tier 1 ratio, is a measure of banks' loss-absorbing capital. While the Austrian banking sector as a whole is as well capitalized as banks in Europe on average, most of the significant Austrian banks are not as well capitalized as their European peers on average (chart 6).

Box 3

OeNB banking stress test confirms resilience

Stress tests use different scenarios to generate a range of “what if” assessments, thus serving as an alert mechanism that helps identify potential adverse developments in the banking sector in good time. As in previous years, the OeNB conducted a national banking stress test also in 2023. A second stress test was conducted by the European Banking Authority (EBA) and the European Central Bank (ECB) which published the results of their stress test for large European banks in July 2023.

The national stress test produces a big-picture view of the Austrian banking system as a whole, combining different aspects: risks relating to capital, liquidity and contagion. It is based on an ECB scenario that assumes a global recession, rising inflation and interest rates, as well as persistent geopolitical risks. The stress test yielded a system-wide decline in the CET1 ratio of 4.2 percentage points over three years to 12.2% from late 2022. In other words, the Austrian banking sector was found to be sound and resilient. However, the stress test also revealed that the initially positive impact of rising interest rates for banks diminished over time. Therefore, banks would be well advised to exercise moderation in distributing their profits, with a view to strengthening their capital base.

Proactive supervision addresses risks

In view of interest rate increases and declining liquidity, banking supervisors refocused on credit risk (including nonperforming loans and credit risk provisions), interest rate risk in the banking book and banks' liquidity situation. The OeNB thoroughly analyzed the impact of interest rate increases on banks' portfolios, taking supervisory action as required. The analyses found Austrian banks to have solid liquidity conditions, even following the repayment of outstanding targeted longer-term refinancing operations. The same topics were also central to on-site inspections.

Austrian banks remained unaffected by the banking turmoil in the United States and Switzerland. First, this is attributable to proactive microprudential and macroprudential supervisory action. Microprudential supervision refers to the ongoing supervision of individual banks, essentially with a view to monitoring banks' compliance with qualitative and quantitative criteria. Macroprudential supervision, i.e. the supervision of the financial system as a whole, aims to ensure a stable financial system and sustainable economic growth. After all, one of the lessons learned from the financial crisis of 2008–2009 is that supervision geared to the stability of individual banks alone does not provide sufficient guarantees for a stable financial system.

Second, Austrian banks' resilience is due to their business model, which is primarily aimed at the largely standardized retail business, such as lending and deposit-taking. In addition, a sound level of liquidity and stricter liquidity regulation than in the United States has helped domestic banks build resilience to crises. This has allowed banks to reliably fulfill their intermediation role, i.e. the provision of credit and other financial services to the economy.

The Austrian banking sector remains one of the most stable in the world. This is also reflected in the latest Banking Industry Country Risk Assessment carried out by S&P Global Ratings. International institutions such as the IMF also consider the sector to be stable.

Capital buffers ensure a resilient banking system

2023 saw a gradual increase in capital buffer requirements, as announced last year, following the reassessment of the systemic risk buffer in 2022. As implied by its name, the systemic risk buffer serves to cover the systemic risks that may affect individual banks. Banks are required to hold higher capital buffers if they are systemically important for the Austrian banking market or are particularly exposed to systemic risk. In 2023, the OeNB reviewed the capital buffer for systemically important institutions. The seven banks identified so far as systemically important were confirmed, while another bank was added at the solo level. The associated buffers remained unchanged. The next evaluation of both the capital and the systemic risk buffers is planned for 2024.

The countercyclical capital buffer (CCyB) was retained at 0% in 2023. This buffer is intended, in particular, to counteract risks stemming from excessive credit growth. The relevant indicator, the credit-to-GDP gap, was negative up to the second quarter of 2023 and thus below the critical threshold of 2 percentage points.

Sustainable real estate lending is essential

Since borrower-based measures were introduced with a new regulation in August 2022, with a view to making residential real estate financing more sustainable, lending standards have indeed improved. In the absence of the new regulation, systemic risks would have increased further.

The new regulation was found to be necessary, appropriate and proportionate at the time of its adoption and beyond in a decision issued by Austria's constitutional court on December 13, 2023. In arguing its case, the court specifically referred to the "sound and robust" evidence submitted, including (1) the OeNB's opinion of March 2022, (2) the OeNB's opinion of October 2023 on the court procedures and (3) the recommendations made by the Austrian Financial Market Stability



Vice Governor Gottfried Haber at the press conference marking the publication of the 46th edition of the Financial Stability Report

Board (FMSB) and the European Systemic Risk Board (ESRB). The OeNB had argued with the changed framework conditions given higher interest rates and lower real estate prices, and moreover with the lower level of new lending and lower real disposable income growth.

Creating more unsustainable debt to address declining housing affordability given high prices in Austria is neither in the interests of financial stability nor of borrowers. In this context, the new regulation aims at ensuring sustainable lending and contributes to retaining high credit quality in the long run. The regulation is therefore an important structural factor in resilience assessments of the banking sector conducted, e.g., by credit rating agencies. As such, it guarantees favorable funding conditions for banks and thus for the economy.

At the same time, the regulation ensures sufficient flexibility for new lending by providing a comparatively large exemption quota of 20% of loans granted. In the first half of 2023, a large part of this quota remained unused at more than 300 banks (i.e., some EUR 770 million).

Variable rate loans constitute a challenge in Austria

Variable rate loans play an important role in financing in Austria. Even with very low long-term interest rates, like from mid-2015 to mid-2022, variable rate loans accounted for 45% on average of newly originated housing loans. By end-2023, the share of variable rate loans had grown to more than 50%.

Variable rate loans come with interest rate risk for borrowers. In a recessionary environment with falling real incomes, this creates additional burdens, as was the case in 2023. In 2023, the OeNB therefore stepped up its public communication on the riskiness of such funding operations and increased its monitoring activities. Recalling guideline recommendations made in 2022, the FMSB, too, underlined the particular riskiness of variable rate loans in 2023.

Supervisory focus on rising risks in commercial real estate lending

Microprudential and macroprudential supervisors continued to keep a close tab on loans taken out to finance commercial real estate. The commercial real estate market has been suffering from rising interest rates, increasing building costs, shrinking real estate prices and the generally weak economic conditions. For example, there has been an increase in associated write-downs and credit



Markus Schwaiger (Director of the Department for Financial Stability and the Supervision of Less Significant Institutions) at a workshop with experts from the Austrian banking community, FMA and OeNB

losses in the banking sector. We have been analyzing these developments, also at the level of individual banks.

It is our responsibility to monitor developments in a timely and close manner in order to assess risks to banks and financial stability and to take supervisory measures as required. If the risks from commercial real estate loans increase, the “automatic stabilizers” that have been put in place will provide additional risk buffers in the form of higher risk weights. Automatic stabilizers require banks to set aside more capital for credit risk in times of higher credit defaults.

Given the rising pressure on the commercial real estate sector, the OeNB has advised the affected banks to keep improving their capitalization while the profit situation is good. In addition, banks have been advised to make forward-looking provisions for commercial real estate loans in combination with conservative collateral valuations.

Focus on cyber risk and environmental, social and governance risks

In addition to “classic” banking risks such as credit, market and liquidity risk, we also need to address newly emerging risks. After all, business models are subject to change, as are regulatory, technological and geopolitical framework conditions. In recent years, we have been paying increased attention to environmental, social and governance risks, i.e. ESG risks. In addition, monitoring IT and cyber risks has also been rising in importance. During on-site inspections in 2023, the OeNB therefore stepped up its assessment of the resilience of major Austrian credit institutions to IT and cyber risks.

Furthermore, the increased supervisory focus on IT and cyber risks is also due to the EU’s Digital Operational Resilience Act (DORA), which took effect in 2023 and is binding from January 17, 2025. The outsourcing of IT systems and banks’ resilience to cyberattacks was made a supervisory priority for the Single Supervisory Mechanism (SSM) by the ECB already in 2022. In addition to targeted reviews, SSM-supervised significant institutions will be stress-tested for cyber resilience for the first time in 2024.

With TIBER-AT, OeNB and FMA step up resilience building against cyberattacks in the financial sector

TIBER stands for “Threat Intelligence-based Ethical Red Teaming” and basically means that ethical, i.e. “good,” hackers (red team) take on the job of simulating real-life cyberattacks against a given financial entity – upon the latter’s request and at the latter’s responsibility. The purpose of such tests is to increase the cyber resilience of the tested financial entities, so that they may be adequately prepared for any real attacks.

TIBER-AT is the Austrian implementation of the TIBER-EU framework, a cybersecurity testing framework developed by the European System of Central Banks (ESCB). In this context, the OeNB and the FMA are paving the way for the application of the EU Digital Operational Resilience Act (DORA). Under this regulation, carrying out threat-led penetration testing, i.e. structured attack simulations based on the TIBER-EU framework, will be mandatory for certain financial entities from 2025 onward.

OeNB and FMA set supervisory priorities for 2024

The identified risks are also reflected in the supervisory priorities set by the OeNB and the FMA for 2024:

- safeguarding banking sector resilience and financial stability;
- mitigating real estate risks;
- monitoring digital tech use and risks from information and communication technologies, i.e. assessing opportunities and risks of technological progress;

- addressing climate-related and environmental risks and the associated transformation of the economy;
- updating regulations; and
- addressing governance issues.

These six topics are in line with the SSM supervisory priorities and the European Banking Authority (EBA) work program for 2024.

Globally agreed Basel III reforms applicable in the EU from January 2025

After long negotiations, the working-level arrangements for the “2021 Banking Package” were completed in late 2023. This was the final step in implementing the globally agreed Basel III reforms in the EU. The adjustments made to the EU’s Capital Requirements Regulation (CRR III) and the Capital Requirements Directive (CRD VI) are scheduled to apply from January 2025.

The centerpiece of the reform is the introduction of an output floor, which is intended to limit the possible reduction to 72.5% of the risk weights calculated using internal models compared with the standardized approach for credit risk. The “2021 Banking Package” also explicitly integrated ESG concepts into various areas of the regulatory and supervisory framework, such as reporting, disclosure, stress testing and the supervisory review and evaluation process.

Agreement on reforming the EU framework for crisis management and deposit insurance pending

Negotiations on the European Commission’s proposal to revise the crisis management and deposit insurance (CMDI) framework could not be concluded by the end of 2023 as planned. In the process of negotiations, two major faultlines had emerged among the EU member states: One controversy arose from the intention to rank all deposits equal in the creditor hierarchy. This means that deposit guarantee institutions would lose the prerogative of receiving priority compensation in the event of bankruptcy proceedings for indemnifying depositors up to the level of deposit protection (EUR 100,000). The other controversy was about facilitating access to deposit guarantee funds for the purpose of stabilizing crisis banks. The idea is to make it easier to use deposit guarantee funds for recovery purposes before a deposit guarantee event even occurs.

Given the disputes about this proposal, the negotiations are unlikely to be concluded before the EU elections in June 2024.

The OeNB defines systemic security requirements for payment system oversight

Under Article 44a Nationalbank Act, the OeNB is responsible for the oversight of payment systems. In this capacity, the OeNB, for the first time in 2023, adopted a regulation on the systemic security of payment systems, which defines the supervisory practice of payment systems oversight. The regulation, which entered into force on August 1, 2023, is addressed to payment system operators and participants.

New transparency platform for savings deposit rates

In Austria, savings deposits have typically been the single most popular form of investment, virtually across all ages. To meet the public's need for reliable information on saving matters, the OeNB now offers a digital [transparency tool for savings rates](#) (available in German only).

The tool provides an overview of interest rates for overnight deposits as well as for deposits with lock-in periods of 6, 12, 24 and 36 months. In other words, we make offers comparable, with a “one stop shop” for individual banks' interest rate terms for savings deposits (without ancillary conditions or special conditions, as granted to new clients).

The OeNB launched this project in September 2023 in close cooperation with bank officials and the Austrian Economic Chambers. The OeNB's statistics business areas were responsible for coordinating the exercise, developing the tool and ensuring data quality. Our statistical IT systems make it possible to update the data daily in an automated fashion. Moreover, the key results are visualized with an aggregation application developed in-house.

The transparency tool, launched on December 6, 2023, met with lively interest from the outset. In the first few weeks we registered 40,000 clicks.

Building better data

The OeNB has been collecting vast amounts of data and seeks to keep improving data accessibility, as laid down in a data strategy adopted by the Governing Board to this effect in 2022. The idea is to develop the OeNB from a data-aware institution to a data-driven institution.

In practical terms, we started out in 2023 by optimizing cooperation among data producers, data users and IT service providers, above all with regard to the exchange and use of data. As we seek to harness the full potential of our existing data assets in an efficient manner, we also made sure to start with a comprehensive stock-taking exercise across all business areas.

In 2024, we will launch a data catalog tool that reflects the full range of the OeNB's data products and assets. The data catalog will provide a harmonized view of data available within the OeNB and contain key meta data, including brief descriptions, contacts and data sources. With a view to building better data, we are moreover going to implement policies for data handling as well as roles and responsibilities.

Efficient data collection and processing within the ESCB

Among other things, the European System of Central Banks (ESCB) seeks to enhance the process of collecting and handling statistical banking data. Ultimately, the ESCB collects data above all for safeguarding monetary and financial stability. In order to achieve this objective, the Governing Council of the ECB decided in 2023 to develop a single ESCB-wide system for collecting, processing and analyzing data in the euro area, called IReF (Integrated Reporting Framework). With IReF, the ESCB seeks to ease the burden on commercial banks and increase data quality and analytical flexibility. The project is currently in the analysis phase, and implementation is expected to start in the second half of 2025. IReF-based reporting should start in late 2027.

This ESCB initiative serves the aim of the European Parliament and the Council of the EU to overhaul financial reporting in general – including reporting for banking supervision and bank resolution purposes.

At the OeNB, an integrated reporting system has been in place for years. We set it up in cooperation with banks and continue to develop it further. Given the expertise we have been building, we were invited by the ECB to contribute actively to the IReF rollout in several key positions.

Alert system for potential issues in the banking system

We also seek to use artificial intelligence (AI) to harness the full potential of the OeNB's supervisory statistics, with a view to better identifying patterns that point to gross irregularities at individual banks. The aim is to further improve monitoring of banks, enhance data quality and make more efficient and comprehensive use of data.

With academic support, experts from the involved business areas – statistics, supervision and IT – conducted proof-of-concept tests in the summer of 2023 to assess the feasibility of using AI/machine learning for the intended purpose. The project team showed that AI tools would indeed significantly improve the monitoring and early detection of potential irregularities at individual banks. We assessed both supervised and unsupervised machine learning techniques. Supervised learning tools apply computer algorithms developed and monitored by data scientists. Unsupervised learning tools apply algorithms that have been coded to discern patterns and connect the dots without external intervention.

In addition, we have been testing language models by feeding them texts from public and supervisory sources. Again, the idea was to use language technology to identify potential banking irregularities.

One of our findings was that there is room for enhancing the consistency of individual reporting data and that it would be important to close relevant data gaps. These will be our to-dos for the coming years.

Cash remains most popular for payments in Austria

New OeNB study on the payment behavior of households

Austrians prefer to pay in cash at the point of sale, for example in supermarkets or shops. According to a recent [OeNB study](#) (available in German only), 93% of respondents believe that cash is best suited for point-of-sale payments. In actual fact, 63% of all point-of-sale purchases continue to be made with banknotes and coins.

Austrians have a strong affinity for cash: 95% of respondents cannot imagine a world without it. 64% consider it important for cash to maintain its current role. In other words, the approval ratings for cash have returned to pre-pandemic levels. The importance of cash is also reflected in the fact that only a very small minority (below 5%) stands ready to do entirely without banknotes and coins. We have been monitoring these developments since 2018, when we started to regularly survey the attitude of the general public in Austria toward cash.

Safeguarding supply and acceptance of cash in Austria

[Access to cash](#) remains good in Austria. Banks ensure a high density of ATMs, from which cash can be withdrawn free of charge in Austria. To maintain this good infrastructure and to make it sustainable will require additional efforts, given the changing affinity for cash among the general public and the increasing adoption of digital tech in all walks of life. The OeNB is playing an active role in this regard.

We provide all banks with cash in a cost-efficient manner – in line with the [Eurosystem's cash strategy](#). In doing so, we manage the cash cycle and make a significant contribution to the free choice of payment instruments.

We also regularly liaise with key cash partners and support Austrian interests vis-à-vis the European Commission and the ECB.



Executive Director Eduard Schock delivering a lecture at the OeNB

New EU regulation on cash access and acceptance

On June 28, 2023, the European Commission adopted a legislative proposal codifying the legal tender status of euro banknotes and coins. The aim was to ensure that euro cash is accepted throughout the euro area and remains accessible to citizens and businesses. The European Commission's proposal also contains rules on the digital euro that could be issued as a complement to cash.

With a view to consumers' choice of payments, we are committed to strengthening the role of cash and ensuring that credit institutions provide cash to the general public. This was also the case we made during the consultation process on the new EU Cash Regulation. We are also in favor of making it compulsory for businesses to accept cash and the digital euro alike. Meaningful exceptions should be clearly defined.

The new EU rules should continue to be minimum standards, so that stricter national rules are possible and permissible in Austria. Such rules may be called for because national preferences for cash and digital payments differ across the euro area.

Design of future euro banknotes

On November 29, 2023, the Governing Council of the ECB selected "European culture" and "rivers and birds" as possible themes for future euro banknotes. The decision was based on the results of two surveys conducted in summer 2023. Euro area citizens had been asked to choose their favorites from a list of seven proposals. The final design of the next banknote series is expected to be revealed in 2026.

Sustainable cash supply as a strategic objective of OeNB affiliates

In its day-to-day operations, the OeNB is supported by a network of [subsidiaries](#). These companies contribute substantially to the OeNB's economic and environmental sustainability.

Our affiliates in the cash sector essentially ensure a robust supply of cash for Austrian businesses and consumers. Our common goal is to remain an innovative and reliable partner in the cash supply chain in Austria and beyond.

The overarching goal of becoming carbon neutral by 2040 also applies to the OeNB's affiliates. It is up to the individual affiliates to chart out the path to achieving this goal and to document advances in progress reports.

Box 4

The digital euro – cash for the digital space

More than 90% of central banks worldwide are looking into the possibility of issuing digital central bank money. According to a study conducted by the Bank for International Settlements (BIS), two-thirds of these central banks consider it likely or possible to be issuing digital money for daily payments in the short or medium term. The OeNB, together with the ECB and other central banks in the Eurosystem, has been working on a digital euro. The Eurosystem aims to be ready to take a decision on the issuance of a digital euro once the legal framework has been agreed. Hence the intensive preparatory work we have undertaken so far.

What would be a digital euro? The digital euro would be digital cash for the euro area. Just like cash, it would be issued by the central bank and would be available to all citizens in a safe and reliable manner. It is the job of central banks to ensure price stability to preserve the value of the currency. A euro is a euro, whether in cash or in digital form. People would be able to obtain it from banks and other supervised payment service providers, but also from ATMs against cash. Payment service providers would provide their customers with a digital wallet in the form of an app or card, thus retaining their intermediary role also with regard to a digital euro. The digital euro would complement cash and make that part of the digital space accessible for consumers where they cannot pay by cash – such as online shops, car sharing platforms, or mobile services. The digital euro would be accepted for digital payments to be made to public authorities, or it could be used among family members that cannot



Petia Niederländer (Director of the Payments, Risk Monitoring and Financial Literacy Department) at an event on the digital euro and payments

meet live. Use of the digital euro would be optional rather than mandatory, and without restrictions. Like cash, the digital euro would not be remunerated.

Paying anywhere anytime, for free, across the euro area

It is an achievement that we can pay anywhere at any time. Customer solutions may have become more customer-friendly and smarter, but there is no single digital payment solution that would be invariably accepted by any merchant in the euro area. The digital euro would give all citizens in the euro area, for the first time, a digital payment option that would allow them to pay throughout the euro area at points of sale and for e-commerce and government services, without having to pay an extra fee.

The digital euro must be inclusive: Making digital payments must be safe and easy for people with disabilities. This underlines that the digital euro is a public good. As legal tender, the digital euro would be available to all and would be accepted throughout the currency area.

Privacy protection has been written large during the design phase for the development of a digital euro. In other words, central bank control does not go so far as to violate the anonymity of payments, and data access for payment service providers is limited to the data they need to process payments, address claims and combat fraud. In other words, the payers' data are protected. Taking the digital euro concept of privacy one step further, offline payments would enable users to conduct transactions between their devices, without a third party being involved.

Strengthening competition and autonomy, and safeguarding the independence of monetary policy

The decline in the use of cash means an increasing shift from public to private forms of payment. This shift cannot necessarily be explained with the increasing smartness and the decreasing complexity of payment solutions. In many digital purchasing processes, for example in e-commerce, the use of cash is not an option to begin with. Some payment solutions are used only at regional or national levels – examples include Girocard (Germany) or Carte Bancaire (France) and mobile payment solutions such as TWINT (Switzerland) or Bizum (Spain). This has caused the payments market in Europe to become highly fragmented.

Two-thirds of all card payments in Europe are dominated by a handful of non-European providers. This weakens competition and undermines European autonomy. The digital euro should provide a European standard

and a European system to foster innovation and growth; it should also ensure the stability and security of payments in Europe.

Moreover, the digital euro would be a means to preserving public money and an independent monetary policy in the euro area.

Focus on financial stability

In the euro area, a digital euro could bring benefits for financial stability by providing the safest alternative to private digital payment solutions. In recent years, non-European big tech companies active in European payments have substantially increased their market share. The use of crypto assets and stablecoins has also become increasingly widespread.

However, unless properly designed, digital central bank money could also create risks to financial stability and might cause bank services and functions to become crowded out by other providers. Digital central bank money might also affect demand for bank deposits, which are usually a stable and often cost-efficient form of bank financing. The extent to which bank deposits would be crowded out by the digital euro depends on which product consumers might consider to be more attractive. Depending on the size of the crowding-out effect, this could adversely impact banks' liquidity, profitability and overall resilience. This, in turn, could affect a wide range of intermediation and financial services typically provided by banks.

Therefore, the digital euro addresses financial stability concerns through an appropriate cap on digital euro holdings per person. Such a limit protects banks from incurring large deposit outflows. Studies show that an upper digital euro holding limit of EUR 3,000 per person would effectively mitigate the impact on banks' liquidity risks and funding structures.

Benefits for merchants and payment service providers

The digital euro is also meant to boost domestic trade. Merchants would be given an additional payment option that is cost-effective and accessible to all customers. Moreover, merchant fees should be going down as the Euro-system will not charge any handling or settlement fees for digital euro payments.

With the digital euro, payment service providers would have a European platform for providing innovative additional services that would be available across the euro area, and for which they might charge a given fee. This will allow them to attract new customers and to successfully retain existing customers. Technically, digital euro transactions are based on the four-party system we know from the payment cards business: The merchant's bank receives a merchant fee which it shares with the payer's bank, so that the payer's bank stands ready to enable its customers to recycle their digital euro assets for other payments.

Innovations in noncash payments

2023 marked the biggest technical change in payments since the introduction of the euro: T2, the new market infrastructure for large-value and individual payments in central bank money, became operational. Around 42,000 institutions across Europe had to be migrated. The new system has been put in place for large-value payments, i.e. mainly payments from banks and central banks. With T2, these payments will be processed in accordance with the latest ISO standards. Moreover, the system has been readied for the integration of add-ons for digital euro operations and the like. In addition, the settlement of payments has been separated from the settlement of central bank operations.

The OeNB contributed significantly to rolling out the innovation in the Austrian market, namely to around 700 banks (directly or indirectly). It was our task to coordinate the migration efforts and provide information and training.

Furthermore, the infrastructure for settling retail payments in Austria and the euro area was modernized as well. This included migrating the clearing business between banks to a new technical platform in mid-2023.

Sustainability: promoted across all business areas

Sustainability is an intrinsic part of what we do at the OeNB, and of how we seek to deliver on our mandate. Our definition of sustainability is based on the concept of ESG – environmental, social and governance factors. Environmental sustainability, for example, is a cornerstone of our environmental policy. And social and governance factors are among our mission statement principles: “Our endeavors are founded on technical expertise and social competence, transparency, ethical values and responsible corporate governance.”

Below, the OeNB’s environmental statement for the past year provides an overview of our environmental achievements in 2023. In the first half of 2024, the OeNB’s asset managers will issue an investment sustainability report for 2023, in tandem with other Eurosystem central banks. The first such review for 2022 was published in early 2023.

OeNB banking supervisors contribute to committee work on developing international provisions for how to deal with ESG risks, such as sustainable financial products and climate-related stress tests, as well as climate-related and environmental risks. Supervisory inspections serve to establish whether credit institutions take sustainability risks into account. At the European level, this is done through the Single Supervisory Mechanism (SSM). At the national level, we integrate ESG issues into the supervisory review and evaluation process. To quantify climate-related risks, the OeNB’s banking supervision function contributes to the work started at the European level in late 2023 on climate risk scenario analysis, which covers all significant banks in Austria.

In the statistics area, the focus was on tapping into new data sources and helping to shape the scope of future reporting requirements for credit institutions at the European level.

Turning to risks, we continued to advance the integration of ESG risks into the OeNB’s risk management framework in 2023. Internal reporting now includes selected transition and physical risk indicators. We also conducted a climate stress test for our nonmonetary policy portfolio for



Intern Pia Spitzauer with one of our “OeNBikes” for eco-friendly short business-related errands

the first time, focusing on direct holdings of government bonds. Using two adverse scenarios, we simulated an unfavorable performance of key risk parameters and loss potentials, estimating the direct financial consequences for the OeNB over the next three years.

HR management: excelling in staff retention and recruitment through employer branding

In addition to the typical range of human resources activities, we paid particular attention in 2023 to step up employer branding measures to increase our appeal as an employer.

With such measures, we seek to position the OeNB as an attractive employer and give prospective candidates for OeNB jobs insights into our corporate culture. This makes it easier to attract new talent and to retain existing staff. The need for professional employer branding has been growing with the growing shortage of skilled labor.

Among other things, we have been stepping up our presence in social media. In particular, we are actively using the LinkedIn network not only to provide insights into our daily work, but also to share our unique business culture. Because we are proud of our staff, who make the OeNB what it is.

Another building block of our employer branding activities are recruitment events, which facilitate direct exchanges with interested candidates and enable us to present the OeNB as an appealing employer. In 2023, we focused on the areas of STEM (science, technology, engineering and math) and IT, for instance by hosting a dedicated event for female STEM students. Thanks to such recruiting events and other activities, we were able to welcome a total of 87 student interns in 2023.

Employer branding goes beyond attracting new talent; it also extends to engaging, developing and retaining existing employees. After all, it is the diversity, skills and passion of our staff that makes us unique as the central bank of the Republic of Austria. In 2023, our in-house health and corporate wellness program included cancer prevention and information events (focusing on breast and prostate cancer), healing nutrition talks and “stop smoking” support programs.



Open doors at the OeNB at the National Daughters Day

Furthermore, we intensively addressed psychosocial stress factors. Based on the findings from a staff survey, which we shared in a transparent manner, we invited a broad range of focus groups to identify action points, some of which have already been addressed.

Compliance: whistleblower system protects us, our employees and disclosure

Under the national Whistleblower Protection Act, the OeNB was obliged, as of August 25, 2023, to make arrangements which allow employees to disclose breaches of law without fear of victimization. At the OeNB, a digital whistleblower platform has in fact been in place since 2016, enabling employees to disclose information online and anonymously.

Until 2023, our whistleblower program essentially covered economic and property offenses. In 2023, the program was expanded to cover all areas listed in the Whistleblower Protection Act, including public procurement. As the material scope of the whistleblower system goes beyond what is required by law, a staff agreement needed to be concluded to implement the changes. The staff agreement also includes the measures provided for by law to protect whistleblowers.

Strengthening IT governance and security

In 2023, the OeNB responded to the rise in cyber threats by specifically enhancing its IT policies and strengthening cyber security. Here is what we consider essential.

1. Raising awareness of current information security risks:

The cyber threat landscape is volatile and ever-evolving, with phishing attacks being the predominant type of threat. The OeNB addresses this risk with targeted training courses, eLearning modules, simulated phishing campaigns and cyber security exercises.

2. Technical innovations in IT security:

The OeNB invests in a modern security infrastructure with new technologies to build a strong line of defense against cyber threats. To identify vulnerabilities, classify and automate response, we use artificial intelligence and other advanced solutions.

3. Modernization of IT systems:

The OeNB continuously upgrades its IT systems. This means that the technologies we use are always state-of-the-art, and that they ensure secure and efficient operation.

4. New function: Enterprise Chief Information Security Officer (E-CISO):

In 2023, we created a new function that serves to centralize and further strengthen our information security strategy and especially that of our subsidiaries. This enables us to manage information security in a uniform manner and to exploit synergies across business areas.

5. Implementing the Eurosystem's cyber resilience requirements:

The OeNB is well on track to meet the basic cyber resilience requirements defined by the Eurosystem for financial market infrastructures by 2025. A large part of the requirements has already been addressed.

Multiple channels for financial education

Financial education works through public schooling

The OeNB actively promotes financial literacy by offering a wide range of financial education solutions for kindergartens, schools and universities.

Our regular program includes workshops, teaching materials and training events. Our latest effort, launched in September 2023 as a pilot project in Lower Austria, is to support kindergartens in delivering financial and consumer education.

We would also like to highlight our active role in the Austrian Foundation for Economic Education. As a founding member, we help to ensure that schools selected for participation receive four years of support for establishing a dedicated economic education program.

Moreover, we launched online parenting lectures in 2023. Topics covered include evidence about children's financial literacy abilities, pocket money, children's legal capacity, precautionary savings for children and basic money-handling rules.

In addition to the new initiatives, we took pride in hosting our 15th Euro-Kids-Tour in 2023: Since 2008, the Euro-Bus has been touring Austria to entertain and inform primary school children about the functions of money and the security features of the euro banknotes. During those 15 years, we have reached 121,000 children with the tour.

Financial education works through the National Financial Literacy Strategy

We contribute actively to the National Financial Literacy Strategy, with a view to ensuring that financial education reaches the public at large, beyond public schooling. At present, we are working with the Federal Ministry of Finance to set up a financial education platform as a single point



On the way to financial literacy with the Euro-Kids-Tour

of reference in order to enhance community coordination and advertise financial education initiatives. The OeNB's role also extends to monitoring the strategy. In 2023, data on a wide range of financial education activities were collected for the first time from different providers. The idea is to get the big picture about Austria's financial education landscape, and to document achievements and highlight potential for further development.

Financial education works through research and evaluation

Through research and reviews, we help ensure that financial education measures actually achieve the desired effects. Hence our monitoring role with regard to the National Financial Literacy Strategy and our commitment to evaluate our kindergarten pilot project. In addition, we would like to highlight two projects on which we worked in 2023:

Together with the Institute for Advanced Studies and the University of Duisburg-Essen, we have been evaluating the economic education pilot project of the Foundation for Economic Education. The initial findings will allow continuous improvement of the program from lessons learned.

Furthermore, rising borrowing rates and the high share of variable rate mortgages have raised a question: How can financial education support individuals in avoiding financial hardships and support financial stability? In a study, we developed approaches for effectively cultivating financial awareness among prospective mortgage borrowers and submitted a discussion paper on such initiatives to financial sector officials and the members of parliament.

The OeNB monitors compliance with the Sanctions Act

In 2023, the OeNB expanded and intensified its supervisory role in relation to sanctions. All in all, we carried out 24 on-site inspections. We were able to confirm that Austrian credit institutions have adjusted their processes accordingly to adequately address sanctions. In addition, the extensive sanctions program prompted supervised institutions to strengthen and intensify their sanctioning-related compliance measures.

On-site inspections are the most comprehensive supervisory tool available to the OeNB. They usually take place at the premises of the inspected institution and serve to evaluate all sanctions-related processes, measures and IT systems. Beyond that, on-site inspections made in 2023 served to look into specific areas at two Austrian credit institutions. In addition, the management and compliance officers of eight Austrian credit institutions were invited to the OeNB to present their sanctions-related compliance systems and answer related questions.

The legal basis for these measures is the Sanctions Act 2010. These provisions are our yardstick for checking whether credit institutions, financial institutions and payment institutions comply with sanctions measures. In response to Russia's war of aggression against Ukraine, the European Union adopted an unprecedented range of sanctions measures. They target Russian decision-makers and influential economic and political figures from Russia. Furthermore, bans on imports and exports, as well as restrictions on access to the European capital market, are intended to increase the pressure on the Russian government to end military aggression.

Risk management refocused

Approach to enterprise risk management

One of the OeNB's strategic objectives is to implement an enterprise risk management system by 2025. The aim is to define and regulate the following areas and harmonize their design, structure and processes: compliance risk management, financial risk management, information security risk management, operational risk management, project risk management and affiliate risk management.

In this respect, we pursued a wide range of activities in 2023. For one, we managed to generate a fully harmonized report for 2022. In addition, we implement an integrated IT tool for handling and controlling our risks. Ultimately, we aim at achieving greater automation and standardization. Moreover, we keep refining and evolving our enterprise risk management methodology.

Reorganization 2023: risk management division established

Our middle office division was dissolved as of March 1, 2023, subject to the integration of its tasks into the risk management division (formerly risk monitoring division). This reorganization strengthens risk management, pools resources and exploits synergies. As a stability-oriented institution, the OeNB has always attached great importance to risk management; this focus has been significantly improved through the reorganization.

Rulebook for new investment and risk management approach

The management of nonmonetary policy portfolios has changed conceptually and organizationally in recent years. Accordingly, the regulatory framework was updated in 2023: The regulatory framework documentation follows a hierarchical structure, going from fundamental principles to detailed rules. It defines responsibilities, decision-making competencies and reconciliation processes across business areas for every single document.

Risk appetite statement

The risk appetite statement is revised annually, including in 2023. Essentially, this statement defines the amount of risk the OeNB is willing to accept in pursuit of value when investing its own funds. The risk appetite is a key starting point for defining the strategic asset allocation (SAA) as well as the limit system for investing own funds.

Blackout and other threat scenarios

The OeNB, too, is operating in an environment characterized by volatility and uncertainty. Hence the importance of comprehensively considering and analyzing external global threat scenarios with potentially negative implications for the OeNB. Since early 2022, we have been intensively investigating the threat of a prolonged, large-scale power blackout and response measures, not least in light of Russia's war of aggression against Ukraine. In addition to an extensive contingency plan with concrete operational instructions, we developed a blackout test concept with external support, and carried out numerous tests in 2023.

Furthermore, the range of analyzed threats was expanded to include additional scenarios, namely extreme weather events as well as radiation and cybercrime incidents. In 2024, we will adjust the processes for identifying emerging threats. The idea is to integrate more perspectives and involve the top management more closely.

Public outreach: new approach to communication and publication

The OeNB's "secure payments" information campaign

"Whether you decide to pay by cash, card or mobile phone, be it online or abroad: security matters" – With this motto, the OeNB's 2023 communications were geared to the security of the different types of payment we use. For maximum impact, we specifically targeted the summer holiday season with our campaign. To accompany the campaign, we created a dedicated information hub on our website. The information hub homepage turned out to be the third most frequently accessed individual page on the OeNB's website. We were able to achieve 3.7 million impressions via digital advertising campaigns on info screens in the public space and on two of the OeNB's social media channels, Instagram and Facebook.

The community on the OeNB's social media channels (Instagram, Facebook, LinkedIn, Twitter/X and YouTube) grew by around 14,400 followers in 2023, to around 41,000 followers. We measured more than 80,000 user interactions, such as comments posted, contributions shared or likes given. To support the campaign, we posted 86 self-produced reels – an average of 7 reels per month.

The social media campaign was accompanied by podcasts, conferences and interviews. The same mix of activities was used to familiarize the general public with the **digital euro**, given plans to roll out a digital version of our currency in the coming years, as a complement to cash.

In 2023, we continued the series of euro-related townhall meetings (“Red ma übern euro” – “Let’s talk about the euro”) launched in 2022. All in all, there were four events in four different provinces, which continued to draw large audiences.

The OeNB seeks to be perceived as offering independent expertise. In our external communication, we have started to publish individual analyses or reports in a more timely manner, following a publication management review: As of 2024, reports or blogs are published on the OeNB's information channels (see “Periodical publications”) as new articles are released, rather than only in one go when the given series of publications is complete.



Governor Robert Holzmann at the “Let’s talk about the euro” townhall meeting in Linz

The OeNB shares expertise through central bank technical cooperation

2023 showed once again: Even a relatively small central bank like ours can be highly active in technical cooperation among central banks. Our experts continued to share their know-how and expertise with other central bank officials, among other things under an EU-funded program launched in 2022 to support the central banks of EU candidate countries in the Western Balkans. In this context, the OeNB cooperated bilaterally with four central banks from the Western Balkans and brought together experts in cash management in the fall of 2023.

In addition to these bilateral cooperations, the OeNB has been offering a broad range of courses through the [Joint Vienna Institute \(JVI\)](#) for decades, focusing on economic, fiscal, monetary and financial market policy. Most course participants come from the CESEE and Caucasus regions and from Central Asia. The JVI is funded and steered by the Federal Ministry of Finance, the IMF and the OeNB. In 2023, the JVI returned to full capacity after the pandemic years. All in all, the JVI offered a total of 84 courses, 8 of which were hosted by OeNB staff experts, on topical issues such as green finance or diversity and inclusion.

The OeNB promotes science, business development, the arts and culture in Austria

Economic research funding

The OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching was set up to help ensure a level playing field for basic research projects on central bank topics. Through our funding, we help make economic research in Austria more competitive and more attractive.

Guided by these strategic considerations, the Governing Board of the OeNB in 2023 approved funding totaling around EUR 6 million for 29 projects. With five awarded projects, the Austrian Institute of Economic Research (WIFO; EUR 962,000) was the primary beneficiary of institutional funding, followed by the Vienna University of Economics and Business with four projects (EUR 845,000).

Supporting independent economic research

In the fall of 2021, we thoroughly redesigned the OeNB's core funding program for Austrian economic research institutions. We believe that independent, high-quality empirical economic research generates valuable input for policymaking and keeps the public informed about the impact of economic policy measures. In fact, the wide range of economic challenges we face today underscores the relevance of economic research as a major public good. At the OeNB, we acknowledge this notion and, by providing financial support, make an essential contribution to keeping economic research independent of politics and industry.

In 2023, the OeNB's new support program provided the following subsidies to domestic economic research institutions:

- | | |
|--|---------------|
| • Austrian Institute of Economic Research (WIFO) | EUR 1,975,000 |
| • Institute for Advanced Studies (IHS) | EUR 1,250,000 |
| • The Vienna Institute for International Economic Studies (wiiw) | EUR 665,000 |
| • Complexity Science Hub Vienna (CSH) | EUR 265,000 |

Promoting the arts and culture

In our initiative to regularly acquire works from local artists, we placed the emphasis in 2023 on contemporary works of art, by Gerwald Rockenschaub, Erwin Bohatsch and Esther Stocker. We also managed to acquire a significant painting by Werner Berg from the 1930s, as a contribution to protecting Austria's cultural landscape.



President Harald Mahrer, the mastermind behind the OeNB's Presidential Innovation Fellowship, with the first prizewinner, Georg Grüner (Senior Finance Manager at Verbund AG) and Executive Director Thomas Steiner

In 2023, important works from our collection were on loan to a number of Austrian museums, including the Albertina, the Leopold Museum, the Nordico Stadtmuseum Linz, Schloss Schönbrunn and Schloss Bruck in Lienz. The first major exhibition by Maria Lassnig in China was also supported by artwork from the OeNB's collection. An exhibition at the Schütz Art Museum in Upper Austria featured a selection of the works from the inter-war period that the OeNB has been collecting.

Furthermore, with our collection of historical string instruments, we aim at contributing to Austria's reputation as a land of music. The OeNB's collection currently numbers 45 instruments, all of which were crafted by the most renowned violinmakers of the Italian and French schools. We traditionally loan the instruments to selected musicians free of charge. This partnership makes it possible to preserve this unique cultural heritage and the precious instruments' distinct sound for future generations. As part of our long-standing cooperation with the Austrian radio station Ö1, instruments from the OeNB's collection again featured in concerts held in Vienna, Linz, Innsbruck and Ossiach in 2023. During the concert in Vienna, the winner of a composition contest jointly organized by Ö1 and the OeNB, Soyeon Park, premiered her work entitled "Arcade."

For those who would like to learn more about where the individual instruments come from and what makes them special: We have published a host of detailed information and scientific evidence on the [OeNB's website](#).

The OeNB's Updated Environmental Statement 2023³

Calculation of CO₂ emission values enhanced further

The OeNB has practiced certified environmental management in accordance with the EU EMAS Regulation for 25 years. Since then, we have reduced greenhouse gas emissions by around 60% as a result of numerous improvements in buildings and energy management and the use of certified green electricity. This environmental statement shows the effectiveness of our ongoing efforts to develop our environmental management system further, for instance with new and enhanced measures to improve facility and energy management. One of our sustainability achievements is the enhanced data collection process for calculating the OeNB's CO₂ metrics.

Under the EU's Eco-Management and Audit Scheme (EMAS), we have made the voluntary commitment to continually improve environmental protection within our organization, including the encouragement of employee support. Organizations audited under EMAS effectively contribute to environmental protection, save costs and show social responsibility.

Under the ECB climate agenda 2022, the Governing Council of the ECB supports green transition within its mandate, with a view to mitigating risks to price and financial stability and risks to the Eurosystem balance sheet. In accordance with its mandate, the Eurosystem is taking additional steps to better integrate climate-related aspects into monetary policy operations. It is doing so in particular with regard to corporate bond purchases and the collateral framework for Eurosystem credit operations, and by introducing climate-related financial disclosures and enhancing risk management. All these activities are also aligned with the European Green Deal, which aims to make Europe climate neutral by 2050. The European Climate Law 2021 also defined the target of reducing greenhouse gas emissions by at least 55% by 2030 compared to the levels of 1990.

Consistent efforts in business ecology

Our most recent basic initiatives to make office work greener include the following measures: Working from home has been very well accepted by our staff, and many OeNB or ECB working meetings have been changed to a virtual format for good. This reduces the need for travel. Moreover, those who do need to travel are encouraged to take the train rather than the plane.

With experts in climate change, architecture and urban greening we have developed a project aimed at enhancing the OeNB's climate fitness. With the help of climate change models, we identified urban temperature hot spots in the OeNB's neighborhood and on the OeNB's premises. In 2023, we developed specific measures in accordance with these findings (table 5).

First, we are modernizing and revitalizing our buildings to keep them fit for use, more than one century after which the OeNB's head office was first constructed. This also helps us save resources. Second, given the increasing number of extreme heat days with daytime temperatures above 30°C, we are implementing better insulation, greening and shading measures as an envi-



³ Updated Environmental Statement in line with EMAS Regulation (EC) No 1221/2009, complementing the comprehensive environmental statement published in 2021; cutoff date for data: December 31, 2023; locations: Head office (Vienna), OeNB – Western Austria (Innsbruck).

ronmentally friendly alternative to air conditioning. In addition, we undertook the following greening measures in 2023:

- We lowered office room temperatures in winter, shortened the operating times of ventilation facilities outside office hours, reduced lighting hours in corridors and on the façade of the main building and saved energy by reducing office cooling in summer.
- We continued to encourage environmental, climate and research projects by offering increased support.
- We installed a new IT dashboard for measuring storage capacity requirements across business areas in order to save energy.
- We managed to get our printing office recertified under the EU Ecolabel and the Austrian Ecolabel 24 for printing products. This confirms that our printing processes continue to live up to economic and ecological standards.
- We expanded environmental content on our websites to keep raising awareness.
- We launched a “climate challenge” to create extra impetus for our staff suggestion scheme, eliciting 36 suggestions from staff members.
- Our managerial fleet consists mostly of plug-in hybrid vehicles and we provide our staff with electric bicycles (OeNBikes) for official errands.

See table 5 for further measures, including plans to install new photovoltaic facilities.

Certified energy management under ISO 50001 ensures energy savings

Our energy management has been certified under ISO 50001 since 2014 – and since then we have adopted many more measures to save energy:

In 2023, improvements in building technology and yet another winter with mild outside temperatures made it possible to keep district heating consumption at very low levels.

Annual electricity consumption per employee totaled 5.1 MWh. For many years, the OeNB has been purchasing electricity from certified renewable sources only. We also rely on heat recovery, façade-integrated photovoltaics, sustainable building use as well as optimized lighting concepts with motion detectors and LED lamps. Measures to improve technical facilities range from precision controls for pumps, ventilators, elevators and sunshades to the installation of a free-cooling system for cooling our head office by directing cooler outside air into the building’s interior at night. This system does not require much operating energy in itself.

On June 5, 2023, the “World Environment Day,” we organized a special awareness-raising event for staff members. With the OeNB’s Anniversary Fund, we provide funding for renaturation and climate change research programs.

Our staff members are welcome to use the OeNB’s charging stations also for private electric bicycles and scooters. We thus seek to encourage the use of such climate-friendly alternatives, in addition to encouraging the use of public transport. All OeNB charging stations are supplied with certified green electricity.

Green finance activities

At the OeNB, we have put in place a green finance platform to share across business areas information about economic effects of climate change and the measurement of such effects. In 2023, this platform served to discuss current EU regulatory initiatives, climate-related aspects of monetary policy and the collection and processing of climate-relevant information in the Eurosystem. The platform moreover served to coordinate the OeNB’s participation in the plenary session and the working groups of the Network of Central Banks and Supervisors for Greening the Financial System (NGFS). Other bodies working on environmental sustainability to which we contribute

include the ECB Climate Forum and the Advisory Board of the Green Finance Alliance, a voluntary initiative of Austrian financial institutions with ambitious climate targets.

Lectures on green topics

To promote awareness around resource conservation, climate protection and biodiversity and to highlight possible solutions, we organized a number of events in 2023 on topics such as:

- Climate change, pandemics, diseases – our eating habits and their consequences
- Technological and economic challenges of the energy transition
- The international dimension of the energy transition
- “Environment Day at the OeNB” with Executive Director Thomas Steiner, Matthias Schroth and Martin Much (OeNB Environmental Officer): information on facility and energy management, IT storage space enhancement, green finance and staff commuting survey, including a presentation of the OeNB’s kindergarten
- Alternatives to gas – climate-friendly, cost-effective, realistic?
- E-fuel opportunities and limits
- The future of diet: endless crisis or revolutionary transformation?
- Would a ban on combustion engines work? Impact on competitiveness and global climate

Table 1

The OeNB’s ecological indicators (2021–2023)

	Unit ¹	2021	2022	2023
Energy				
Electricity consumption per FTE ²	MWh	5.1	5.2	5.1
Heat consumption ²	kWh per m ²	46	48	47
District cooling ²	kWh per m ²	53	45	42
Total energy consumption (buildings) ³	MWh	12,813	12,518	12,145
of which: renewable energy ⁴	MWh	8,959	8,842	8,647
Total energy consumption including business travel and transport, vehicles, emergency generators ⁵	MWh	13,171	13,275	14,236
Water				
Drinking water consumption per FTE ³	liters per day	16	23	31
Industrial water consumption per FTE ³	liters per day	15	30	32
Total water consumption per FTE ^{3,6}	liters per day	31	53	63
Consumption of materials and products				
Total paper consumption per FTE ⁷	kg	15	24	14
Consumption of printing/copying paper per FTE	Sheets	2,307	4,266	3,242
Share of recycled copying paper	%	46	49	53
Consumption of cleaning agents ⁸	g per m ²	5	8	13
Total CO ₂ emissions per FTE ⁹	tons	1.9	2.2	2.4

Quelle: OeNB.

¹ Number of employees (full-time equivalents – FTEs): 2021 = 1,133; 2022 = 1,129.3; 2023 = 1,132.2. The OeNB’s environmental management system according to EMAS covers the following locations: Vienna (main building, Otto-Wagner-Platz 3; northern office building, Rotenhausgasse 4; and the areas in the Money Center that are assigned to the OeNB, Garnisongasse 15; all 1090 Vienna) and OeNB – Western Austria (Adamgasse 2, 6020 Innsbruck).

² All energy data on buildings include the Money Center but exclude the location OeNB – Western Austria and the Brussels Representative Office (around 20 FTEs). The heating and cooling indicators have been aligned with the energy management framework.

³ Partly lower energy and above all water consumption in 2021 and 2022 due to the COVID-19 pandemic.

⁴ Since 2010, the OeNB has procured green electricity from certified providers.

⁵ From 2023, total consumption includes vehicle charging power and the power consumed by emergency generators.

⁶ Excluding the location OeNB – Western Austria and the Brussels Representative Office. Broken down by industrial water and drinking water.

⁷ Based on paper purchased, i.e. including stocks. Total consumption: 16,354 kg.

⁸ Total consumption in 2023: 972 liters.

⁹ Operation of facilities and business travel and transport; total in 2023: 2,674 tons. See table 2 for conversion factors (including indirect greenhouse gas emissions). Includes energy consumption for buildings, business travel and transport, transportation, emergency generators, waste, office paper and employee commuting (data for 2022 have been recalculated based on the Greenhouse Gas Protocol, without prejudice to fully accounting for scope 3 emissions).

Note: Land used: 20,758 m², sealed surface: 17,860 m², green area 4,520 m² (including green roof areas). The following indicators required by EMAS are not provided because of negligible results: emissions of greenhouse gases and air pollutants such as CH₄, N₂O, HFC, PFC, SF₆ or SO₂, NO_x and fine dust.

Table 2

Sources of greenhouse gas emissions at the OeNB (2021–2023)

	2021	2022	2023
	Tons of CO ₂ equivalents ¹		
Scope 1 emissions			
Vehicle fleet	60.7	71.8	58.3
Cooling agents	5.0	6.7	1.4
Emergency generator tests	12.0	13.1	25.3
Subtotal	77.7	91.6	85.0
Scope 2 emissions			
District heating	699.3	638.3	627.3
District cooling	666.4	664.4	1,005.8
Subtotal	1,365.7	1,302.7	1,633.1
Scope 3 emissions			
Energy provision (electricity, district heating and cooling, diesel) ²	79.3	79.8	90.5
Business travel by airplane ³	61.0	441.3	480.2
Business travel by car ³	9.1	20.9	37.0
Business travel by train ⁴	0.3	3.9	2.5
External data center	4.8	4.8	4.8
Vehicle fleet	–	–	16.4
Emergency generator tests	–	–	7.1
Waste ⁵	17.3	45.3	56.3
Commuting ⁵	99.2	164.9	246.6
Office paper ⁵	13.8	24.0	15.1
Subtotal	284.9	785.0	956.5
Total	1,728.3	2,179.3	2,674.6

Source: OeNB.

¹ Greenhouse gas emissions including indirect effects; updated conversion factors (sources):

– Other energy sources: Environment Agency Austria (Vienna): <https://secure.umweltbundesamt.at/co2mon/co2mon.html> (as in December 2023) and https://www.umweltbundesamt.at/fileadmin/site/themen/mobilitaet/daten/ekz_pkm_tkm_verkehrsmittel.pdf (as in July 2023)

– Waste: Ecoinvent: <https://ecoinvent.org/> (version 3.7.1) and climate data tool for Styria: <https://klima.unileoben.ac.at/>

– Paper: Environment Agency Germany: https://www.umweltbundesamt.de/sites/default/files/medien/479/publikationen/texte_123-2022_aktualisierte_oekobilanz_von_grafik_und_hygienepapier.pdf

– Cooling agents: Environment Agency Germany: https://www.umweltbundesamt.de/sites/default/files/medien/10594/dokumente/2022-03_treibhauspotentiale_gwp_ar4_ar5_homepage_deutsch_pdf.pdf (as in March 2022)

² The OeNB's greenhouse gas balance was aligned with the Greenhouse Gas Protocol in 2023, without prejudice to fully accounting for scope 3 emission. The OeNB procures green electricity from certified providers.

³ Some travel-related fluctuations are due to the COVID-19 pandemic. By the end of 2022, figures had more or less returned to pre-pandemic levels.

⁴ The OeNB encourages rail travel as an environmentally friendly business travel alternative, which has caused the share of rail travel to increase.

⁵ Emissions related to waste, employee commuting and office paper are recorded under scope 3 emissions from 2023 onward. The data for 2022 and 2021 were adjusted accordingly.

Table 3

OeNB transport mileage (2021–2023)

	2021	2022	2023
Business travel by airplane ¹	154,907	642,631	1,146,046
Business travel by car	39,933	96,145	148,379
Business travel by train ²	20,400	201,000	310,200
Fuels for transport	19,768	23,604	24,676

Source: OeNB.

¹ Lower mileages in 2021 and 2022 are to some extent due to the COVID-19 pandemic.

² The OeNB encouraged rail travel as an environmentally friendly business travel alternative in 2022 and 2023, which caused the share of rail travel to increase.

Table 4

Waste generation by the OeNB (2021–2023)

	2021	2022	2023
	kg		
Nonhazardous materials¹	39,190	35,979	49,248
Nonhazardous materials per FTE	35	32	44
Hazardous materials¹	10,639	10,855	16,869
Hazardous materials per FTE ²	9	10	15
Recyclables^{1,2}	87,965	105,590	121,690
Recyclables per FTE	78	94	107
Total waste and recyclables	137,794	152,424	187,080

Source: OeNB.

¹ Two decades of rigorous waste separation and recycling have helped reduce these indicators. The figures for 2021 and 2022 reflect pandemic-related reductions and waste collection dates right before or after the turn of the year.

² Fluctuations in waste paper due to office moves and archive clearances.

Table 5

The OeNB's environmental performance up to 2023 and environmental program for 2024

	Year	Status	Action
Further greening of procurement			
Procuring printers according to ecological criteria to reduce energy consumption and waste	2024	planned	business areas
Hiring a cleaning contractor with a green cleaning certificate	2024	to be continued	business areas
Procuring office material according to ecological criteria (e-procurement)	2024	to be continued	business areas
Responsible resource use, further reduction of greenhouse gas emissions and electricity consumption			
Installing a rooftop solar photovoltaic system (main building)	2024	planned	energy specialists
Improving the energy efficiency of windows (main building)	2024	planned	energy specialists
Installing a rooftop solar photovoltaic system (Money Center)	2024	planned	energy specialists
Improving the energy efficiency of the windows and facade, installing automatic sun shading (northern office building)	2024	planned	energy specialists
Installing a rooftop solar photovoltaic system (northern office building)	2024	planned	energy specialists
Planting trees in the entrance area to reduce hot spot temperatures (main building)	2024	planned	business areas
Renewing the ventilation station (main building, eastern top floor)	2024	planned	energy specialists
Installing district heating (OeNB – Western Austria)	2024/ 2025	planned	IG Immobilien- gesellschaft
Installing LED lighting in ancillary rooms (northern office building)	2024	planned	energy specialists
Implementing a sustainable office program to reduce greenhouse gas emissions by involving all business areas	2024	continued	business areas
Defining action points to enhance the OeNB's climate fitness (urban heating program)	2023	implemented	business areas
Switching to LED lighting on service floors (main building, northern office building)	2023	implemented	energy specialists
Modernizing plumbing, cooling and heating installations	2023	implemented	energy specialists
Continuing project on exchanging ceiling panels and installing new LED lighting	2023	implemented	energy specialists
Renewing convector fans in the cash counter area	2023	implemented	energy specialists
Installing more efficient heat recovery units in the ventilation system (northern office building)	2023	implemented	energy specialists
Promoting environmental awareness, training			
Training new staff	2024	planned	EPT
Promoting green mobility (offering training for OeNBikes)	2024	continued	business areas
OeNB environment day	2023	implemented	EPT
Networking and communication			
Joining more international working groups on climate change	2024	planned	business areas
Membership in the Central Banks and Supervisors Network for Greening the Financial System (NGFS)	2024	continued	EPT
Lecturing on green finance	2024	continued	EPT
Cooperating with partners such as the Club of Rome, the WWF (World Wide Fund for Nature), OEGUT (Austrian Society for Environment and Technology)	2024	continued	EPT
Auditing OeNB – Western Austria (on site)	2023	implemented	environmental officer

Source: OeNB.

EMAS validation

This updated Environmental Statement published by the Oesterreichische Nationalbank, Otto-Wagner-Platz 3, 1090 Vienna, Austria, has been validated in accordance with the EMAS Regulation by TÜV SÜD, Franz-Grill-Straße 1, Arsenal Objekt 207, 1030 Vienna, Austria, AT-V-0003.

The Lead Verifier of TÜV SÜD herewith confirms that the OeNB's environmental policy, its environmental program and environmental management system, its environmental review and its environmental audit procedures conform to Regulation (EC) No 1221/2009 of the European Parliament and of the Council of 25 November 2009 (EMAS Regulation), as amended by Commission Regulation (EU) 2018/2026 of 19 December 2018, and validates the relevant information for the Environmental Statement in accordance with Annex IV section B points (a) to (h).



*Vienna, January 2024
Johann Schröpfer, Lead Environmental Verifier*

The OeNB's next comprehensive environmental statement will be published in spring 2025.

Direct and indirect equity interests

Table 6

Direct and indirect equity interests of the OeNB as on December 31, 2023

Share in %	Company	Capital
2.3084	European Central Bank, Frankfurt	EUR 10,825,007,069.61
100	Münze Österreich Aktiengesellschaft, Vienna (Austria)	EUR 6,000,000.00
100	Schoeller Münzhandel GmbH, Vienna (Austria)	EUR 1,017,420.00
(100)	Schoeller Münzhandel Deutschland GmbH, Hamburg (Germany)	EUR 6,000,000.00
50	PRINT and MINT SERVICES GmbH, Vienna (Austria)	EUR 35,000.00
22.25	proionic GmbH, Raaba-Grambach (Austria)	EUR 52,877.00
(1.13)	5.09 Naturbeads Ltd, Malmesbury (UK)	GBP 10,649.45
16.67	World Money Fair Holding GmbH, Berlin (Germany)	EUR 30,000.00
(16.67)	100 World Money Fair Berlin GmbH, Berlin (Germany)	EUR 25,000.00
(16.67)	100 World Money Fair AG, Basel (Switzerland)	CHF 300,000.00
12.28	Stirtec GmbH, Premstätten (Austria)	EUR 95,050.00
100	Oesterreichische Banknoten- und Sicherheitsdruck GmbH, Vienna (Austria)	EUR 10,000,000.00
50	PRINT and MINT SERVICES GmbH, Vienna (Austria)	EUR 35,000.00
0.25	Europafi S.A.S., Vic-le-Comte (France)	EUR 133,000,000.00
100	GELDSERVICE AUSTRIA Logistik für Wertgestionierung und Transportkoordination G.m.b.H., Vienna (Austria)	EUR 3,336,336.14
100	OeNPAY Financial Innovation HUB GmbH, Vienna (Austria)	EUR 35,000.00
100	IG Immobilien Invest GmbH, Vienna (Austria)	EUR 40,000.00
100	Austrian House S.A., Brüssel (Belgium)	EUR 5,841,610.91
100	City Center Amstetten GmbH, Vienna (Austria)	EUR 72,000.00
100	Cortenbergh 71 S.A., Brüssel (Belgium)	EUR 6,672,000.00
100	EKZ Tulln Errichtungs GmbH, Vienna (Austria)	EUR 36,000.00
100	HW Hohe Warte Projektentwicklungs- und ErrichtungsgmbH, Vienna (Austria)	EUR 35,000.00
100	IG Belgium S.A., Brüssel (Belgium)	EUR 19,360,309.87
100	IG Hungary Irodaközpont Kft., Budapest (Hungary)	EUR 11,852.00
100	IG Immobilien Beteiligungs GmbH, Vienna (Austria)	EUR 40,000.00
100	IG Immobilien M97 GmbH, Vienna (Austria)	EUR 120,000.00
100	IG Immobilien Management GmbH, Vienna (Austria)	EUR 40,000.00
100	IG Immobilien Mariahilfer Straße 99 GmbH, Vienna (Austria)	EUR 72,000.00
100	IG Immobilien O20-H22 GmbH, Vienna (Austria)	EUR 110,000.00
100	IG Netherlands N1 and N2 B.V., Hoofddorp (Netherlands)	EUR 91,000.00
100	OWP5 Betriebs-Liegenschafts-Management GmbH, Vienna (Austria)	EUR 35,000.00
100	BLM Betriebs-Liegenschafts-Management GmbH, Vienna (Austria)	EUR 40,000.00
100	BLM-IG Bauräger GmbH, Vienna (Austria)	EUR 35,000.00
100	BLM New York 43 West 61 st Street LLC, New York (USA)	USD 10.00

Source: OeNB, subsidiaries.

Note: The OeNB also holds 8,000 shares (at SDR 5,000 each) and 564 nonvoting shares in the Bank for International Settlements (BIS), Basel (Switzerland), as well as 56 shares (at EUR 125.00 each) in Swift (Society for Worldwide Interbank Financial Telecommunication), La Hulpe (Belgium).

Table 6 shows the OeNB's direct and indirect equity interests in line with Article 68 paragraph 4 Nationalbank Act.

Ownership structure and decision-making bodies

The OeNB is organized as a stock corporation that operates subject to a number of special rules. These are derived from the OeNB's special status as a central bank and are laid down in the Federal Act on the Oesterreichische Nationalbank 1984 (Nationalbank Act). The OeNB's nominal capital totals EUR 12 million. Since July 2010 we have had only one shareholder: the Austrian central government.

The OeNB's General Council

Tasks

The General Council is the supervisory board of the OeNB. It advises the Governing Board on matters relating to management and monetary policy and oversees those operations which do not fall within the remit of the European System of Central Banks (ESCB). The General Council usually meets on a monthly basis. The General Council and the Governing Board hold a joint meeting at least once a quarter.

The powers of the General Council are governed in particular by Articles 20 to 31 Nationalbank Act. General Council approval is required for a number of management decisions, e.g. for starting and discontinuing lines of business, establishing and closing down branch offices, and acquiring and selling equity interests and real property. Also, the General Council must approve appointments of members of supervisory boards and executive bodies of companies in which the OeNB is a shareholder. Appointments of the second executive tier of the OeNB itself must likewise be approved by the General Council.

Moreover, the General Council has the exclusive right of decision on e.g. submitting to the Austrian federal government a short list of three candidates for appointments to the OeNB's Governing Board by the Federal President, defining general operational principles in matters outside the remit of the ESCB, approving the annual accounts (financial statements) for submission to the General Meeting, and approving the cost account and investment plan for the next financial year.

Composition

The General Council consists of the President, the Vice President and eight other members. Only Austrian citizens may be members of the General Council. General Council members are appointed by the federal government for a term of five years and may be reappointed.

Personnel changes

The terms of office of two members, Bettina Glatz-Kremsner and Peter Sidlo, expired on February 28, 2023. By government appointment, they were replaced by Sigrid Stagl and Christian Helmenstein with effect from March 1, 2023.

Moreover, Franz Maurer completed his term of office on May 22, 2023. Another three members, Harald Mahrer, Barbara Kolm and Christoph Traunig, reached the end of their term of office on August 31, 2023. Finally, Stephan Koren's term of office ended on September 7, 2023, and Brigitte Unger left the General Council on October 11, 2023. The replacements were put into office by decision of the federal government on October 11, 2023: Harald Mahrer was re-appointed President of the General Council; Ingrid Reischl was appointed Vice President; and Silvia Angelo, Leonhard Dobusch and Stefan Pichler were appointed as General Council members. Stephan Koren's term of office was extended. The terms of office started on October 11, 2023, and are for five years.

Members of the OeNB's General Council

December 31, 2023



Harald Mahrer
President

*First nominated: 2018
Term of office:
October 11, 2023, to
October 10, 2028*



Ingrid Reischl
Vice President

*Term of office:
October 11, 2023, to
October 10, 2028*



Silvia Angelo
*Board Member of
ÖBB-Infrastruktur AG*

*Term of office:
October 11, 2023, to
October 10, 2028*



Leonhard Dobusch
*Professor for Business
Administration, University
Innsbruck*

*Term of office:
October 11, 2023, to
October 10, 2028*



Erwin Hameseder
*President, Raiffeisen-Holding
Niederösterreich-Wien
Gen.m.b.H.*

*Term of office:
March 6, 2020, to
March 5, 2025*



Christian Helmenstein
*Chief economist,
Industriellenvereinigung*

*Term of office:
March 1, 2023, to
February 29, 2028*



Stephan Koren
*CEO, Wüstenrot Wohnungs-
wirtschaft reg. Gen.m.b.H.*

*First nominated: 2018
Term of office:
October 11, 2023, to
October 10, 2028*



Stefan Pichler
*Department head, Institute for
Finance, Banking and Insurance,
Vienna University of Economics
and Business*

*Term of office:
October 11, 2023, to
October 10, 2028*



Susanne Riess-Hahn
*Director General, Bausparkasse
Wüstenrot AG*

*Term of office:
March 6, 2020, to
March 5, 2025*



Sigrid Stagl
*Economist, Department of
Socioeconomics, Vienna
University of Economics and
Business*

*Term of office:
March 1, 2023, to
February 29, 2028*



**State Commissioner
Harald Waiglein**
*Director General,
Directorate General Economic
Policy and Financial Markets,
Federal Ministry of Finance*

*First nominated: 2012
Term of office:
July 1, 2022, to
June 30, 2027*



**Deputy State Commissioner
Alfred Lejsek**
*Head,
Directorate Financial Markets,
Federal Ministry of Finance*

*First nominated: 2006
Term of office:
April 1, 2022, to
March 31, 2027*

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



Birgit Sauerzopf
*Chair,
Central Staff Council*



Christian Schrödinger
*Deputy Chair,
Central Staff Council*

The OeNB's Governing Board

The Governing Board is responsible for the overall running of the OeNB and for conducting the business of the OeNB. In pursuing the objectives and tasks of the ESCB, the Governing Board acts in accordance with the guidelines and instructions of the ECB.

The Governing Board consists of the OeNB's Governor and Vice Governor and two other members, all of whom are appointed by the Federal President acting on a proposal from the federal government. The Governor of the OeNB is a member of the Governing Council of the ECB and of the General Council of the ECB. In performing these functions, the Governor and his deputy are not bound either by the decisions of the OeNB's Governing Board or by those of the OeNB's General Council, nor are they subject to any other instructions. See www.oenb.at for additional information about the OeNB's Governing Board.



From left to right: Executive Director Thomas Steiner, Vice Governor Gottfried Haber, Governor Robert Holzmann, Executive Director Eduard Schock

The OeNB's organization

President
Harald Mahrer

Vice President
Ingrid Reischl

Governing Board

Central Bank Policy

Robert Holzmann, Governor

Office of the Governor
Markus Arpa, Head

International Affairs, Protocol and Media Relations Department

Markus Arpa, Director

Agenda Office – Governing Board, General Council and General Meeting
Gabriele Stöffler, Head

Communication Division
Maria-Elisabeth Faulmann, Head

EU and International Affairs Division
Thomas Gruber, Head

Brussels Representative Office
Doris Rijnbeek, Chief Representative

Economic Analysis and Research Department

Birgit Niessner, Director

Monetary Policy Section
Maria Teresa Valderrama, Head

Business Cycle Analysis Section
Gerhard Fenz, Head

Central, Eastern and Southeastern Europe Section
Julia Wörz, Head

International Economics Section
Fabio Rumler, Head

Research Section
Martin Summer, Head

Office of the Fiscal Advisory Council and Productivity Board
Bernhard Grossmann, Head

Financial Stability, Banking Supervision and Statistics

Gottfried Haber, Vice Governor

Compliance Office¹
Eva Graf, Head

Internal Audit Division
Christian Schmidtke, Head

Department for the Supervision of Significant Institutions

Karin Turner-Hrdlicka, Director

Off-Site Supervision Division – Significant Institutions
Gabriela de Raaij, Head

On-Site Supervision Division – Significant Institutions
Martin Hammer, Head

Supervision Policy, Regulation and Strategy Division
Josef Meichenitsch, Head

Department for Financial Stability and the Supervision of Less Significant Institutions

Markus Schwaiger, Director

Off-Site Supervision Division – Less Significant Institutions
Matthias Hahold, Head

On-Site Supervision Division – Less Significant Institutions
Roman Buchelt, Head

Financial Stability and Macroprudential Supervision Division
Clemens Bonner, Head

Statistics Department

Johannes Turner, Director

Statistics – Master Data, Data Governance and Analysis Systems
Ralf Peter Dobringer, Head

Statistics – Integrated Reporting Development and Data Management
Günther Sedlacek, Head

External Statistics, Financial Accounts and Monetary and Financial Statistics Division
Gunther Swoboda, Head

Supervisory Statistics, Models and Credit Quality Assessment Division
Gerhard Winkler, Head

Payment Systems, Financial Literacy, IT and Infrastructure

Eduard Schock, Executive Director

Payments, Risk Monitoring and Financial Literacy Department

Petia Niederländer, Director

Payment Systems Division²
Katharina Selzer-Haas, Head

Payment Systems Strategy Office
Wolfgang Haunold, Head

Risk Management Division
Günther Hobl, Head

Financial Literacy and Culture Division
Maximilian Hiermann, Head

OeNB – Western Austria
Armin Schneider, Head

Cash Management, Equity Interests and Internal Services Department

Matthias Schroth, Director

Cashier's Division
Stefan Varga, Head

Equity Interest Management and Cash Strategy Division
Thomas Grafl, Head

Facilities and Security Management Division³
Florian Friedrich, Head

Procurement and Sales Section
Melanie Kronig, Head

IT and Customer Services Department

Martin Karanitsch, Director

IT Strategy and Information Security⁴
Martin Durst, Head

IT Operations
Daniela Karanitsch, Head

IT Development
Ernst Hengsberger, Head

Information Management and Services Division
Bernhard Urban, Head

Treasury, Human Resources and Accounting

Thomas Steiner, Executive Director

Human Resources Division
Susanna Konrad-El Ghazi, Head

Legal Division
N. N.

Treasury Department

Franz Partsch, Director

Treasury – Markets, Investment Strategy and Monetary Policy Operations
Daniel Nageler, Head

Treasury – Back Office
Reinhard Beck, Head

Accounting and Financial Steering Department

Rudolf Butta, Director

Cash and Gold Inventory Office
Susanne König, Head

Financial Statements and Tax Matters Division
Lenka Krsnakova, Head

Controlling and Organization Division
Anna Cordt, Head

Accounting Division
Markus Kaltenbrunner, Head

¹ Data Protection Officer Bernhard Horn

² OeNB Chief Equalities Officer Katja Stöckl

³ Environmental Officer Martin Much

⁴ Chief Information Security Officer Martin Durst

As on January 1, 2024

Financial statements
of the Oesterreichische Nationalbank
for 2023

Balance sheet as at December 31, 2023

Assets

	December 31, 2023 EUR	December 31, 2022 EUR
1 Gold and gold receivables	16,814,388,574.52	15,358,270,669.08
2 Claims on non-euro area residents denominated in foreign currency	11,453,691,296.68	16,061,086,478.14
2.1 Receivables from the IMF	8,304,217,150.31	8,321,518,961.45
2.2 Balances with banks and security investments, external loans and other external assets	3,149,474,146.37	7,739,567,516.69
3 Claims on euro area residents denominated in foreign currency	1,004,094,336.64	789,470,944.24
4 Claims on non-euro area residents denominated in euro	1,099,667,606.55	260,298,498.16
4.1 Balances with banks, security investments and loans	1,099,667,606.55	260,298,498.16
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	15,401,230,000.00	53,952,790,000.00
5.1 Main refinancing operations	215,000,000.00	–
5.2 Longer-term refinancing operations	15,186,230,000.00	53,952,790,000.00
5.3 Fine-tuning reverse operations	–	–
5.4 Structural reverse operations	–	–
5.5 Marginal lending facility	–	–
5.6 Credits related to margin calls	–	–
6 Other claims on euro area credit institutions denominated in euro	58,417.02	29,079.78
7 Securities of euro area residents denominated in euro	121,541,586,276.08	120,412,179,802.72
7.1 Securities held for monetary policy purposes	108,868,258,476.78	113,426,311,838.91
7.2 Other securities	12,673,327,799.30	6,985,867,963.81
8 General government debt denominated in euro	377,970,013.44	381,945,527.35
9 Intra-Eurosystem claims	66,798,513,974.45	42,966,640,294.45
9.1 Participating interest in the ECB	312,223,881.73	312,223,881.73
9.2 Claims equivalent to the transfer of foreign reserves	1,180,823,432.72	1,180,823,432.72
9.3 Claims related to the issuance of ECB debt certificates ¹	×	×
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	65,305,466,660.00	41,473,592,980.00
9.5 Other claims within the Eurosystem (net)	–	–
10 Items in course of settlement	1,096,589.41	2,150.61
11 Other assets	12,016,369,757.43	10,942,584,992.67
11.1 Coins of euro area	106,749,571.59	87,100,263.02
11.2 Tangible and intangible fixed assets	166,875,867.61	170,741,663.21
11.3 Other financial assets	8,504,310,111.78	8,506,308,013.31
11.4 Off balance sheet instruments' revaluation differences	–	–
11.5 Accruals and prepaid expenses	2,222,231,567.93	1,143,393,002.97
11.6 Sundry	1,016,202,638.52	1,035,042,050.16
12 Loss for the year	2,062,417,525.86	–
Total assets	248,571,084,368.08	261,125,298,437.20

¹ Only an ECB balance sheet item.

Liabilities

	December 31, 2023 EUR	December 31, 2022 EUR
1 Banknotes in circulation	41,860,633,170.00	42,326,988,525.00
2 Liabilities to euro area credit institutions related to monetary policy operations denominated in euro	88,127,012,993.39	97,900,211,925.25
2.1 Current accounts (covering the minimum reserve system)	3,670,087,302.45	5,477,599,316.08
2.2 Deposit facility	84,456,925,690.94	92,422,612,609.17
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	222,715,141.95	569,436,341.68
4 Debt certificates issued¹	x	x
5 Liabilities to other euro area residents denominated in euro	1,400,107,727.28	6,356,448,721.79
5.1 General government	766,252,799.10	3,210,541,518.58
5.2 Other liabilities	633,854,928.18	3,145,907,203.21
6 Liabilities to non-euro area residents denominated in euro	25,396,523.42	277,358,550.43
7 Liabilities to euro area residents denominated in foreign currency	131,155.08	81,915.84
8 Liabilities to non-euro area residents denominated in foreign currency	–	–
8.1 Deposits, balances and other liabilities	–	–
8.2 Liabilities arising from the credit facility under ERM II	–	–
9 Counterpart of Special Drawing Rights allocated by the IMF	6,692,378,675.75	6,890,557,200.33
10 Intra-Eurosystem liabilities	84,255,985,146.19	81,744,888,915.33
10.1 Liabilities equivalent to the transfer of foreign reserves ¹	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)	84,255,985,146.19	81,744,888,915.33
11 Items in course of settlement	–	–
12 Other liabilities	377,480,791.12	1,081,997,165.89
12.1 Off balance sheet instruments' revaluation differences	2,729,315.97	6,911,611.66
12.2 Accruals and income collected in advance	344,267,526.38	1,039,214,044.45
12.3 Sundry	30,483,948.77	35,871,509.78
13 Provisions	4,575,983,688.75	4,702,453,468.43
14 Revaluation accounts	16,895,634,035.77	14,998,685,062.13
15 Capital and reserves	4,137,625,319.38	4,276,190,645.10
15.1 Capital	12,000,000.00	12,000,000.00
15.2 Reserves	4,125,625,319.38	4,264,190,645.10
16 Profit for the year	–	–
Total liabilities	248,571,084,368.08	261,125,298,437.20

¹ Only an ECB balance sheet item.

Profit and loss account for the year 2023

	Year ending December 31, 2023 EUR	Year ending December 31, 2022 EUR
1.1 Interest income	5,630,187,710.32	2,450,361,230.95
1.2 Interest expense	-7,673,521,135.18	-2,739,372,154.39
1 Net interest income	-2,043,333,424.86	-289,010,923.44
2.1 Realized gains/losses arising from financial operations	340,374,409.69	-458,161,183.07
2.2 Expenses related to financial assets and positions	-96,266,277.23	-1,349,169,422.70
2.3 Transfer to/from provisions for financial risks	104,262,624.14	1,933,606,888.91
2 Net result of financial operations, write-downs and risk provisions	348,370,756.60	126,276,283.14
3.1 Fees and commissions income	8,781,798.46	10,518,375.53
3.2 Fees and commissions expense	-7,320,001.95	-9,145,936.24
3 Net income from fees and commissions	1,461,796.51	1,372,439.29
4 Income from equity shares and participating interests	151,861,467.74	100,740,145.57
5 Net result of pooling of monetary income	-417,555,168.65	280,604,982.68
6 Other income	63,744,899.84	74,866,527.26
Total net income	-1,895,449,672.82	294,849,454.50
7 Staff costs	-181,892,378.42	-170,031,471.14
8 Expenses for retirement	-7,498,306.83	-13,623,218.09
9 Administrative expenses	-99,133,343.01	-85,795,522.90
10 Depreciation of tangible and intangible fixed assets	-12,516,490.65	-13,086,612.66
11 Banknote production services	-6,699,942.12	-4,574,520.00
12 Other expenses	-8,070,705.09	-7,738,109.71
Total expenses	-315,811,166.12	-294,849,454.50
Operating result	-2,211,260,838.94	-
13 Corporate income tax	-5,452.00	-5,452.00
Annual net profit/loss	-2,211,266,290.94	-5,452.00
14 Transfer from/to reserves	148,848,765.08	5,452.00
15 Profit/loss carried forward from the previous year	-	-
16 Transfer to the pension reserve and central government's share of profit	-	-
17 Loss for the year	-2,062,417,525.86	-

Notes on the financial statements for 2023

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 1984¹ (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 rules² and applied them to these financial statements in their entirety. Activities not covered by these rules are 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 applied in addition. The OeNB is exempt, inter alia, from Article 199 Commercial Code (contingent liabilities arising from guarantees) and from Articles 244 to 267b 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, no differences can arise between the carrying values reported by the OeNB in the balance sheet for commercial and for tax purposes.

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

The balance sheet and the profit and loss account were prepared in the format laid down by the

Governing Council of the ECB. 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 (see section *Notes on transactions not disclosed in the balance sheet*). Balance sheet and profit and loss items that have a zero balance or are negligible are not explained separately (e.g. asset item 10 *Items in course of settlement*).

In line with the ESCB's accounting rules, asset item 12 *Loss for the year* was added to the balance sheet as at December 31, 2023. It is at the discretion of the Governing Board whether to use loss-absorbing capital or whether to record a loss for the year (and carry forward a loss to the subsequent year or years). For details, see liability item 15.2 *Reserves*.

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 foreign

¹ The Nationalbank Act was last amended with effect from August 14, 2018 (Federal Law Gazette I No. 61/2018).

² Guideline of the ECB 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 11, 2021 (ECB/2021/51).

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.

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*, and so 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 currently held for monetary policy purposes and those classified as held-to-maturity³) 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.

The valuation on December 29, 2023, was based on the latest market prices available; at the time of valuation, market prices must not be older than two working days.

Marketable securities classified as held-to-maturity and non-marketable securities are 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 can only result from transactions that lower the stock of 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 recorded 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 recognized as income in the profit and loss account but must be transferred to a revaluation account on the liabilities side of the balance sheet. All revaluation accounts add up to liability item 14 *Revaluation accounts*. Unrealized losses are set off against unrealized gains from previous periods in the corresponding revaluation account, and additional losses are transferred to the profit and loss 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.

³ *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. Acquisitions of string instruments and art objects as well as additions to the collection of the OeNB's Money Museum are excluded from this provision. They are capitalized at acquisition cost and are not depreciated according to the straight-line method as these assets do not lose their value gradually over time. 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)	Depreciation in the year of acquisition

Key ECB interest rates

Table 2 shows the gradual increase of key interest rates in 2022 and 2023, which are used to remunerate a number of balance sheet items.

Banknotes in circulation and intra-Eurosystem balances

Banknotes in circulation

The ECB and the euro area national central banks (NCBs), which together comprise the Eurosystem, issue euro banknotes. The banknotes in circulation presented in the balance sheets 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.⁴

The ECB has been allocated an 8% share of the total value of euro banknotes in circulation, whereas the remaining 92% have 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 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

Table 2

Applicable until/from	Interest rate on the main refinancing operations	Interest rate on the marginal lending facility	Interest rate on the deposit facility
	%	%	%
Until July 26, 2022	0.00	0.25	-0.50
From July 27, 2022	0.50	0.75	0.00
From Sep. 14, 2022	1.25	1.50	0.75
From Nov. 2, 2022	2.00	2.25	1.50
From Dec. 21, 2022	2.50	2.75	2.00
From Feb. 8, 2023	3.00	3.25	2.50
From March 22, 2023	3.50	3.75	3.00
From May 10, 2023	3.75	4.00	3.25
From June 21, 2023	4.00	4.25	3.50
From Aug. 2, 2023	4.25	4.50	3.75
From Sep. 20, 2023	4.50	4.75	4.00

⁴ 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.

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 adjustment resulted from Croatia's cash changeover to the euro with effect from January 1, 2023. Further adjustments will be made until year-end 2028.

The interest income and expense on these balances is cleared through the accounts of the ECB and is disclosed under profit and loss item 1 *Net interest income*.

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 TARGET – the Trans-European Automated Real-time Gross settlement Express Transfer system – and give rise to bilateral balances in the TARGET accounts of EU central banks. Payments conducted by the ECB and the NCBs also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position of each NCB vis-à-vis the ECB. The movements in

TARGET accounts are reflected in the accounting records of the ECB and the NCBs on a daily basis. The OeNB's intra-Eurosystem balances vis-à-vis the ECB arising from TARGET, as well as other intra-Eurosystem balances denominated in euro (e.g. 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 TARGET 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*.

The interest income and expense on these balances is cleared through the accounts of the ECB and is disclosed under profit and loss item 1 *Net interest income*.

Net equity including revaluation accounts

The OeNB's net equity (table 3) comprises its capital, reserves not tied down to any specific purpose and the loss for the year, as well as unrealized gains credited to revaluation accounts

Table 3

	December 31, 2022	Increase	Decrease	December 31, 2023
	EUR million	EUR million	EUR million	EUR million
L 13 Risk provision (equivalent to reserves)	2,464.563	–	–104.263	2,360.300
L 14 Revaluation accounts	14,998.685	+1,896.949	–	16,895.634
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	148.849	–	–148.849	–
OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching				
OeNB Anniversary Fund National Foundation ¹ endowment	1,435.256	–	–	1,435.256
OeNB Anniversary Fund (initial funding)	40.000	–	–	40.000
A 12 Loss for the year	–	–	–2,062.418	–2,062.418
Net equity	21,072.616	+1,896.949	–2,315.529	20,654.036

Note: L = liability, A = asset.

¹ National Foundation for Research, Technology and Development.

and the OeNB's risk provision (equivalent to reserves). Valuation gains may only be used to set off future valuation losses in the corresponding valuation units (prohibition of netting) or may be realized through corresponding transactions.

Provisions for financial risks and loss-absorbing capital

The OeNB's risk provisions consist of provisions for financial risks and loss-absorbing capital, which are counterparts of the loss for the year. The OeNB's risk provisions, alongside the loss for the year, are part of the OeNB's net equity, which is shown in table 3. The risk provision is established in line with the ESCB's accounting rules and serves to cover financial risks (market, liquidity and credit risks). It constitutes a central bank-specific provision equivalent to reserves. Details on the use of the risk provision are provided under liability item 13 *Provisions*.

The baseline measures reflect the current risk profile, while the stress measures account for exceptional stress phases during the investment horizon. The previous calculation method would have yielded a decrease in financial risks in the stress scenario to EUR 6,131.976 million on December 31, 2023 (December 31, 2022: EUR 6,892.456 million). In December 2023 it was decided to adapt the method for calculating

market and credit risks and to adjust the assumptions about the stress phases. As a result, financial risk under the stress scenario increased to EUR 8,125.377 million as at year-end 2023. All risk measures represent an expected shortfall with a confidence level of 99% over a one-year horizon. The risk range is compared with the OeNB's risk coverage capital, comprising the risk provisions shown in table 4, and foreign currency and securities revaluation accounts. In line with the prohibition of netting, the existing revaluation accounts are only recognized as coverage for corresponding risks. This is to ensure that a given risk coverage capital is not used to cover several risks at the same time. Revenue risks represent risks which must not be offset with risk provisions for financial risks. These risks are beyond the risk range and thus captured separately. They include in particular the asset liability mismatch related to monetary policy and the OeNB's share in ECB risks.

In line with the principle of universality, the OeNB maps all of its financial risks to the respective financial provisions. On December 31, 2023, the stress measures captured financial risks in the amount of EUR 8,125.377 million. The main risk drivers were interest rate risk, risk arising from Eurosystem monetary policy operations and credit risk. The risk coverage capital, in turn, ran to EUR 4,856.409 million.

Table 4

	December 31, 2022	Increase	Decrease	December 31, 2023
	EUR million	EUR million	EUR million	EUR million
I. Provisions for financial risks				
L 15.2 Reserve for nondomestic and price risks	1,973.263	–	–	1,973.263
L 13 Risk provision (equivalent to reserves)	2,464.563	–	–104.263	2,360.300
	4,437.826	–	–104.263	4,333.563
II. Loss-absorbing capital				
L 15.2 Profit-smoothing reserve	148.849	–	–148.849	–
L 15.2 OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching				
OeNB Anniversary Fund National Foundation endowment	1,435.256	–	–	1,435.256
OeNB Anniversary Fund (initial funding)	40.000	–	–	40.000
	1,624.105	–	–148.849	1,475.256
III. Loss for the year	–	–	–2,062.418	–2,062.418
Total	6,061.931	–	–2,315.529	3,746.402

Note: L = liability.

This means that on December 31, 2023, there was a shortfall related to overall financial risks.

The profit-smoothing reserve was used in full in 2023. Details are provided under liability item 15.2 *Reserves* and profit and loss account item 14 *Transfer from/to reserves*.

Table 4 shows the OeNB's risk provisions alongside the loss for the year.

Related-party transactions

Article 238 paragraph 1 item 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 2023 was at normal market conditions.

In the financial year 2023, the OeNB provided funding to several economic research institutions (Austrian Institute of Economic Research (WIFO), Institute for Advanced Studies (IHS), The Vienna Institute for International Economic

Studies (wiiw), Complexity Science Hub Vienna (CSH)) as well as to economic education providers (Joint Vienna Institute (JVI), Austrian Society for European Politics (ÖGfE), the foundation for economic literacy called Stiftung für Wirtschaftsbildung and the umbrella organization of debt advice services in Austria called ASB Schuldnerberatungen GmbH), with total funding running to EUR 6.318 million (2022: EUR 6.370 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 item 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 annual net profit⁵. Of the then remaining profit for the year, the central government

⁵ After corporate income tax, the transfer from/to reserves, the profit or loss carried forward from the previous year and the transfer to the pension reserve.

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 profit and loss item 7 *Staff costs*.

In 2023, the OeNB did not transact any business 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 apart from the former's activities as members of the General Council.

The OeNB's net currency position

Table 5 shows the net currency position of the OeNB.

Notes on the balance sheet

Assets

1 Gold and gold receivables

Closing balance	EUR million	
December 31, 2023	16,814.389	
December 31, 2022	15,358.271	
Change	+1,456.118	(+9.5%)

The OeNB's gold holdings amounted to 9,002,107.568 fine ounces or 279,996.84 kg of fine gold on December 31, 2023, same as a year earlier. Given a valuation price of EUR 1,867.828 per fine ounce (i.e. EUR 60,052.06 per kg of fine gold) on December 31, 2023, the value of asset item *gold and gold receivables* increased to EUR 16,814.389 million on the balance sheet date.

Table 5

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Gold and gold receivables	16,814.389	15,358.271	+1,456.118	+9.5
Claims on non-euro area residents denominated in foreign currency	11,453.691	16,061.086	-4,607.395	-28.7
Claims on euro area residents denominated in foreign currency	1,004.094	789.471	+214.623	+27.2
Other assets ¹	83.261	84.171	-0.910	-1.1
less:				
Liabilities to euro area residents denominated in foreign currency	0.131	0.082	+0.049	+60.1
Counterpart of SDRs allocated by the IMF	6,692.379	6,890.557	-198.179	-2.9
Other liabilities ¹	46.568	32.543	+14.025	+43.1
Revaluation accounts ²	99.183	12.073	+87.109	n.a.
	22,517.175	25,357.744	-2,840.569	-11.2
Transactions not disclosed in the balance sheet (net)	-256.938	-244.993	+11.946	+4.9
Total	22,260.237	25,112.751	-2,852.514	-11.4

¹ Included in asset item 11.5 and in liability item 12.2.

² 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.

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

Closing balance	EUR million	
December 31, 2023	11,453.691	
December 31, 2022	16,061.086	
Change	-4,607.395	(-28.7%)

This balance sheet item comprises claims on the International Monetary Fund (IMF) and balances with banks, security investments, external loans and other external assets.

Table 6 shows asset item 2.1 *Receivables from the IMF. Receivables from the IMF*, which are given in SDRs, were valued at the SDR rate as reported by the ECB on December 29, 2023, i.e. SDR 1 = EUR 1.2157 (2022: SDR 1 = EUR 1.2517).

Total claims on the IMF amounted to EUR 8,304.217 million or SDR 6,830.811 million at end-2023 (2022: EUR 8,321.519 million or SDR 6,648.174 million). They comprise the claim on the participation in the IMF, SDR holdings and other claims on the IMF.

The claim on the participation in the IMF, the so-called reserve tranche (net), is the difference between Austria's quota totaling EUR 4,780.132 million or SDR 3,932.000 million (2022: EUR 4,921.684 million or SDR 3,932.000 million) and the balances at the disposal of the

IMF amounting to EUR 3,456.117 million or SDR 2,842.903 million (2022: EUR 3,572.979 million or SDR 2,854.501 million).

SDRs are reserve assets that were created by the IMF and have been allocated to IMF member states according to their respective quotas. To meet financing needs, SDRs may be used to buy other currencies. SDR holdings⁶ were recognized in the balance sheet at EUR 6,972.208 million (SDR 5,735.139 million) as at December 31, 2023. 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 other claims on the IMF arise from Austria's funding commitments to the IMF under the New Arrangements to Borrow (NAB) and bilateral borrowing agreements with the IMF.

Related to SDRs, the NAB and the bilateral contract, the OeNB's balance sheet contains contingent liabilities to the IMF which would result in claims of the same size in the event of draw-downs against remuneration by the IMF (see section *Notes on transactions not disclosed in the balance sheet*).

Table 6

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Austria's quota equivalent to SDR 3,932.0 million ¹	4,780.132	4,921.684	-141.552	-2.9
less:				
Balances at the disposal of the IMF	3,456.117	3,572.979	-116.862	-3.3
Claim on the participation in the IMF	1,324.016	1,348.705	-24.690	-1.8
SDR holdings	6,972.208	6,951.066	+21.142	+0.3
Other claims on the IMF	7.993	21.747	-13.754	-63.2
Total	8,304.217	8,321.519	-17.302	-0.2

¹ 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.

⁶ 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.

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

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

Asset item 4.1 *Balances with banks, security investments and loans* mostly represents investments in euro, which are broken down as shown in table 9.

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.

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 operations is allocated to the NCBs (see profit and loss item 5 *Net result of pooling of monetary income*).

Table 7

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Securities	3,056.243	7,316.651	-4,260.408	-58.2
Balances with banks	93.231	422.917	-329.686	-78.0
Total	3,149.474	7,739.568	-4,590.093	-59.3

Table 8

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Securities	1,001.197	789.439	+211.758	+26.8
Balances with banks	2.898	0.032	+2.865	n.a.
Total	1,004.094	789.471	+214.623	+27.2

Table 9

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Securities	1,049.509	160.079	+889.430	n.a.
Held-to-maturity securities	50.158	100.220	-50.061	-50.0
Total	1,099.667	260.298	+839.369	n.a.

Table 10

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
5.1 Main refinancing operations	215.000	–	+215.000	x
5.2 Longer-term refinancing operations	15,186.230	53,952.790	-38,766.560	-71.9
Total	15,401.230	53,952.790	-38,551.560	-71.5

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 (by decision of the Governing Council of the ECB) 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.

As at December 31, 2023, the collateral provided totaled EUR 69 billion (2022: EUR 97 billion). Mainly due to TLTRO III repayments, the use of collateral declined in 2023, running to 23% (2022: 55%) of the entire pool of collateral as at December 31, 2023.

5.1 Main refinancing operations

The *main refinancing operations* provide credit institutions in the euro area with liquidity on a weekly basis. They are executed with a maturity of normally one week, on the basis of standard tenders.⁷ Since October 2008, these operations have been conducted as fixed rate tender procedures with full allotment.

The applicable interest rates on the main refinancing operations are shown in table 2.

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 2023, these operations were conducted as fixed

rate tender procedures with full allotment with a maturity of three months. Of these operations, EUR 130 million were outstanding on the balance sheet date.

As a rule, the interest rate on *longer-term refinancing operations* is equivalent to the interest rate on the main refinancing operations. Exceptions apply to the refinancing operations described in more detail below.

Pandemic emergency longer-term refinancing operations (PELTROs)

In light of the COVID-19 pandemic, in 2020, the Governing Council of the ECB decided to conduct a total of eleven additional longer-term refinancing operations, called pandemic emergency longer-term refinancing operations (PELTROs). The PELTROs were conducted as fixed rate tender procedures with full allotment. Over the life of the respective PELTROs, the interest rate was 25 basis points below the average rate applied in the Eurosystem's main refinancing operations.

The eleven PELTROs conducted by the OeNB with Austrian credit institutions amounted to EUR 0.5 billion in total (Eurosystem: EUR 29.9 billion). The last PELTRO matured in 2023. As a result, no such operations were outstanding on the balance sheet date.

Targeted longer-term refinancing operations (TLTROs III)

From 2019 onward, the Governing Council of the ECB launched ten targeted longer-term refinancing operations (TLTROs III) with a three-year maturity. For all TLTROs III, starting 12 months after the settlement of each operation, participants have the option on a

⁷ Guideline of the ECB of 19 December 2014 on the implementation of the Eurosystem monetary policy framework (ECB/2014/60), as amended on December 16, 2022 (ECB/2022/48).

quarterly basis of terminating or reducing the amount of the TLTRO III concerned before maturity.⁸ In response to the COVID-19 pandemic, the Governing Council of the ECB decided that borrowing rates can be as low as 50 basis points below the average interest rate on the deposit facility over the period from June 24, 2020, to June 23, 2022, but in any case may not become less negative than –1%. Additionally, on October 27, 2022, the Governing Council decided that, from November 23, 2022, until the maturity date or early repayment date of each respective outstanding TLTRO III operation, the interest rate on TLTROs III will be indexed to the average applicable key ECB interest rates over this period.

The actual interest rates can only be known at the maturity or early repayment of each operation and before that a reliable estimate is used for calculating the TLTRO III interest accruals. This means that for the 2023 financial statements the interest rate for the accruals was indexed to the average applicable key ECB interest rate since the beginning of the last interest

period of these operations, which began on November 23, 2022.

The applicable interest rates on the deposit facility are shown in table 2.

All in all, the OeNB conducted 124 TLTRO III operations with Austrian credit institutions in the amount of EUR 87.4 billion (Eurosystem: EUR 2,339.3 billion). By December 31, 2023, EUR 72.3 billion had been repaid by Austrian credit institutions.

As a result, EUR 15.1 billion (Eurosystem: EUR 392.3 billion) of these operations were outstanding on the balance sheet date.

7 Securities of euro area residents denominated in euro

Table 11 shows the composition of this balance sheet item.

7.1 Securities held for monetary policy purposes

On December 31, 2023, this balance sheet item consists of the securities acquired by the OeNB within the scope of the CBPP3, the SMP, the PSPP and the PEPP. These securities are accounted

Table 11

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
7.1 Securities held for monetary policy purposes	108,868.258	113,426.312	–4,558.053	–4.0
7.2 Other securities	12,673.328	6,985.868	+5,687.460	+81.4
of which:				
Securities	12,642.762	6,835.290	+5,807.471	+85.0
Held-to-maturity securities	30.566	150.578	–120.012	–79.7
Total	121,541.586	120,412.180	+1,129.406	+0.9

⁸ Decision of the ECB of 22 July 2019 on a third series of targeted longer-term refinancing operations (ECB/2019/21), as amended on October 27, 2022 (ECB/2022/37).

for at amortized cost subject to impairment (see section *Valuation rules and accounting policies*).

Table 12 provides an overview of the programs under which the Eurosystem has been purchasing assets.

Until the end of February 2023, the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased under the asset purchase programme (APP).⁹ Until the end of June 2023, the decline amounted to EUR 15 billion per month on average as the Eurosystem did not reinvest all of the principal payments from maturing securities. In June 2023, the Governing Council of the ECB decided to discontinue the reinvestments

under the APP as of July 2023.¹⁰ Thereafter, the APP portfolio was declining due to maturities.

As concerns the pandemic emergency purchase programme (PEPP), the Eurosystem continued reinvesting, in full, the principal payments from maturing securities purchased throughout the year. The Governing Council intends to continue the reinvestments in the first half of 2024.¹¹ Over the second half of the year, it intends to reduce the PEPP portfolio by EUR 7.5 billion per month on average and to discontinue reinvestments under the PEPP at the end of 2024. The Governing Council will continue applying flexibility in reinvesting redemptions coming due in the PEPP portfolio, with a

Table 12

	Start date	End date	Decision	Universe of eligible securities ¹
Completed/terminated programs				
CBPP1	July 2009	June 2010	ECB/2009/16	Covered bonds of euro area residents
CBPP2	November 2011	October 2012	ECB/2011/17	Covered bonds of euro area residents
SMP	May 2010	September 2012	ECB/2010/5	Public and private debt securities issued in the euro area ²
Asset purchase programme (APP)³				
CBPP3	October 2014	active	ECB/2020/8, as amended	Covered bonds of euro area residents
ABSPP	November 2014	active	ECB/2014/45, as amended	Selected tranches of asset-backed securities of euro area residents
PSPP	March 2015	active	ECB/2020/9	Bonds issued by euro area central, regional or local governments or recognized agencies as well as issued by international organizations and multilateral development banks located in the euro area
CSPP	June 2016	active	ECB/2016/16, as amended	Bonds and commercial paper issued by non-bank corporations established in the euro area
Pandemic emergency purchase programme (PEPP)				
PEPP	March 2020	active	ECB/2020/17, as amended	All asset categories eligible under APP

¹ Further eligibility criteria for the specific programs can be found in the decisions of the Governing Council of the ECB.

² Only public debt securities issued by five euro area treasuries were purchased under the SMP.

³ The reinvestments under the APP were discontinued as of July 1, 2023.

⁹ Decision of the Governing Council of the ECB of December 15, 2022.

¹⁰ Decision of the Governing Council of the ECB of June 15, 2023.

¹¹ Decision of the Governing Council of the ECB of December 14, 2023.

view to countering risks to the monetary policy transmission mechanism related to the pandemic.

Tables 13, 14 and 15 show the amortized cost (= book value), the market prices and the nominal value of the securities held by the OeNB.

Profits or losses on securities held for monetary policy purposes are pooled and redistributed under the framework of the allocation of monetary income within the Eurosystem (see profit and loss item 5 *Net result of pooling of monetary income*). For government/agency bonds purchased under the PSPP and the PEPP, remuneration at the interest rate on the main refinancing operations is assumed (see section *Key ECB interest rates*). Any losses incurred under these programs are not shared by the Eurosystem NCBs. For securities purchased under other programs¹², 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 these securities holdings, 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. In this context, 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 cases where potential impairment indicators are observed, further analysis is performed to confirm that the cash flows of the underlying securities have not been affected by an impairment event. As a result of an impairment test conducted on PEPP securities, the Governing Council deemed it appropriate to establish a provision against losses in monetary policy operations during 2023 (2022: no provision requirement). The OeNB's share in this provision

Table 13

Book value	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
CBPP3	14,432.589	13,357.917	+1,074.672	+8.0
SMP	61.211	70.224	-9.014	-12.8
PSPP gov ¹	57,055.393	62,056.283	-5,000.890	-8.1
PEPP gov ¹	36,988.067	37,617.303	-629.235	-1.7
PEPP CBs ²	330.999	324.585	+6.414	+2.0
Total	108,868.258	113,426.312	-4,558.053	-4.0

¹ Government/agency bonds.

² Covered bonds.

Table 14

Market price	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
CBPP3	12,892.685	11,245.015	+1,647.670	+14.7
SMP	70.586	81.489	-10.903	-13.4
PSPP gov	50,847.350	53,357.456	-2,510.106	-4.7
PEPP gov	31,546.622	30,439.359	+1,107.262	+3.6
PEPP CBs	265.242	243.369	+21.873	+9.0
Total	95,622.485	95,366.688	+255.796	+0.3

Table 15

Nominal value	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
CBPP3	14,470.000	13,368.300	+1,101.700	+8.2
SMP	64.050	74.050	-10.000	-13.5
PSPP gov	53,591.685	57,760.361	-4,168.676	-7.2
PEPP gov	33,848.352	33,767.550	+80.802	+0.2
PEPP CBs	328.300	320.800	+7.500	+2.3
Total	102,302.387	105,291.061	-2,988.674	-2.8

amounts to EUR 1.246 million or 2.9% (see liability item 13 *Provisions*).

As a result of an impairment test conducted on securities purchased under the other asset purchase programs, the Governing Council of the ECB concluded that all future cash flows on these securities are expected to be received. As in the previous year, no impairment losses were therefore recorded for the securities held in these programs as at December 31, 2023.

¹² SMP, CBPP3, ABSPP, PSPP (supranational bonds), CSPP and PEPP (covered bonds, asset-backed securities, supranational bonds, corporate sector securities).

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	
December 31, 2023	377.970	
December 31, 2022	381.946	
Change	-3.976	(-1.0%)

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 (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 commemorative coins. Table 16 shows the changes in 2023.

Table 16

Changes in 2023	EUR million
Government remuneration for silver commemorative coins returned to Münze Österreich AG	+2.968
Proceeds from metal recovery	-1.130
Annual redemption by the central government	-5.814
Total	-3.976

Pursuant to Article 21 paragraph 2 Coinage Act, the central government has, since 1992, been repaying the resulting debt in annual installments of EUR 5.814 million.

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 as outstanding at the end of 2040 (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

Closing balance	EUR million	
December 31, 2023	66,798.514	
December 31, 2022	42,966.640	
Change	+23,831.874	(+55.5%)

Table 17 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 unremunerated 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 ECB capital key adjustments.

Subscriptions depend on shares which are fixed in accordance with Article 29 of the Statute

Table 17

	December 31, 2023 EUR million	December 31, 2022 EUR million	Change EUR million	%
9.1 Participating interest in the ECB	312.224	312.224	-	-
9.2 Claims equivalent to the transfer of foreign reserves	1,180.823	1,180.823	-	-
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	65,305.467	41,473.593	+23,831.874	+57.5
Total	66,798.514	42,966.640	+23,831.874	+55.5

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 NCBs. Pursuant to a Council decision¹³ and in accordance with Article 140 (2) of the Treaty on the Functioning of the European Union, Croatia adopted the euro on January 1, 2023. In accordance with Article 48.1 of the Statute of the ESCB and of the ECB and the legal acts¹⁴ adopted by the Governing Council of the ECB, Hrvatska narodna banka (HNB) paid up the remainder of its capital subscription to the ECB. The OeNB's share in the ECB's paid-up capital (Eurosystem key) therefore declined from 2.9269% to 2.9033%, whereas its share in the ECB's subscribed capital remains unchanged at 2.3804%.

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 to the ECB. The claims are presented at the euro value the corresponding assets had at the time they were transferred to the ECB. Pursuant to Article 30.2 of the Statute of the ESCB and of the ECB, these 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 remuneration of these claims is calculated

daily at the latest available interest rate on the main refinancing operations, adjusted to reflect a zero return on the gold component. The claims on the ECB do not constitute claims for a re-transfer of foreign reserve assets. The ECB may, when needed, make further calls on NCBs for additional foreign reserve assets up to a maximum transfer of EUR 50 billion (see also section *Notes on transactions not disclosed in the balance sheet*).

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 and intra-Eurosystem balances* as well as liability item 1 *Banknotes in circulation*).

This claim on the Eurosystem is remunerated at the interest rate on the main refinancing operations (see section *Key ECB interest rates*).

11 Other assets

Table 18 shows *other assets*.

11.1 Coins of euro area

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

Table 18

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
11.1 Coins of euro area	106.750	87.100	+19.649	+22.6
11.2 Tangible and intangible fixed assets	166.876	170.742	-3.866	-2.3
11.3 Other financial assets	8,504.310	8,506.308	-1.998	-0.0
11.5 Accruals and prepaid expenses	2,222.232	1,143.393	+1,078.839	+94.4
11.6 Sundry	1,016.203	1,035.042	-18.839	-1.8
Total	12,016.370	10,942.585	+1,073.785	+9.8

¹³ Council Decision (EU) 2022/1211 of 12 July 2022 on the adoption by Croatia of the euro on 1 January 2023, Official Journal of the European Union (OJ) L 187/31 of July 14, 2022.

¹⁴ Decision (EU) 2023/135 of the European Central Bank of 30 December 2022 on the paying-up of capital, transfer of foreign reserve assets, and contributions by Hrvatska narodna banka to the European Central Bank's reserves and provisions (ECB/2022/51) as well as the agreement between HNB and the ECB under Article 30.3 of the Statute of the ESCB and of the ECB.

11.2 Tangible and intangible fixed assets

Table 19 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 capitalized assets relating to the OeNB's Money Museum collection (coins, historical banknotes and securities, historical money-related stamps and objects) and the OeNB's collection of historical string instruments. On December 31, 2023, unchanged against the previous year, the latter 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 20 shows *other financial assets*.

EUR 1,608.140 million (2022: EUR 1,592.121 million) of the OeNB's securities portfolio represent investments of pension reserve assets. Another EUR 1,545.933 million (2022: EUR 1,472.097 million) reflect investments of the OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching (of which EUR 1,500.478 million (2022: EUR 1,434.481 million) were earmarked as an endowment for the National Foundation). Under its own funds management, the OeNB had invested EUR 4,455.205 million (2022: EUR 4,711.321 million).¹⁵

Of the participating interests, EUR 404.810 million formed part of the own funds portfolio and EUR 331.139 million part of the investment

Table 19

	Acquisition and production costs				Accumulated depreciation					Book value		
	As at Jan. 1, 2023	Additions	Disposals	Transfer	As at Dec. 31, 2023	As at Jan. 1, 2023	Annual depreciation	Depreciation disposals	Transfer	As at Dec. 31, 2023	As at Jan. 1, 2023	As at Dec. 31, 2023
	<i>EUR million</i>											
Land and buildings ¹	120.607	0.563	-0.003	-	121.166	-92.833	-4.704	0	-	-97.537	27.773	23.630
Equipment	102.859	8.428	-7.971	-	103.315	-73.436	-7.796	7.616	-	-73.617	29.422	29.698
Tangible real assets	116.609	0.019	-0	-	116.628	-3.130	-	0	-	-3.130	113.480	113.498
Intangible fixed assets	0.173	-	-	-	0.173	-0.107	-0.017	-	-	-0.123	0.066	0.050
Total	340.248	9.009	-7.975	-	341.282	-169.506	-12.516	7.616	-	-174.406	170.742	166.876

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

Table 20

	December 31, 2023	December 31, 2022	Change	
	<i>EUR million</i>	<i>EUR million</i>	<i>EUR million</i>	<i>%</i>
Securities	7,609.278	7,775.539	-166.260	-2.1
Participating interests	735.949	730.314	+5.635	+0.8
Other investment and claims	159.082	0.455	+158.628	n.a.
Total	8,504.310	8,506.308	-1.998	-0.0

¹⁵ The OeNB's own funds shown under liabilities include its capital, the reserve for nondomestic and price risks, the profit-smoothing reserve (if available), earmarked capital funded with net interest income from ERP loans and the risk provision.

portfolio relating to investments of the pension reserve.

Table 21 shows the changes in participating interests.

EUR 9.875 million of the annual depreciation of participating interests are due to a company dedicated to the own funds management. This amount was recorded as an expense in the profit and loss item 2.2 *Expenses related to financial assets and positions*. In addition, EUR 9.887 million were recognized in the investment result of the pension reserve because the depreciation was due to a company dedicated to the investment of the pension reserve (see profit and loss item 8 *Expenses for retirement*).

Table 21

	EUR million
Net asset value on December 31, 2022	730.314
Additions in 2023	+55.708
Disposals in 2023 (at book value)	–
Annual depreciation in 2023	–19.762
Revaluation in 2023	–30.311
Net asset value on December 31, 2023	735.949

11.5 Accruals and prepaid expenses

Table 22 shows the composition of this balance sheet item.

11.6 Sundry

Table 23 shows the composition of this balance sheet item.

The residual terms of advances on salaries mostly exceed one year. All advance payments and employer loans are secured by life insurance or credit default insurance contracts.

12 Loss for the year

	EUR million	
Closing balance		
December 31, 2023	2,062.418	
December 31, 2022	–	
Change	+2,062.418	(x)

The financial year 2023 closed with a loss for the year of EUR 2,062.418 million, which is carried forward to the year 2024. In the 2024 financial statements, this amount will be recorded

Table 22

	December 31, 2023 EUR million	December 31, 2022 EUR million	Change EUR million	%
Prepaid expenses (especially accrued interest)	2,205.591	1,127.403	+1,078.189	+95.6
Accrued income	16.640	15.990	+0.650	+4.1
Total	2,222.232	1,143.393	+1,078.839	+94.4

Table 23

	December 31, 2023 EUR million	December 31, 2022 EUR million	Change EUR million	%
Claims arising from ERP loans to companies	865.501	853.233	+12.268	+1.4
Claims on Münze Österreich AG in respect of dividends for 2023 and 2022, respectively	92.681	94.766	–2.085	–2.2
Employer loans	11.905	14.676	–2.771	–18.9
Accounts receivable	11.862	11.913	–0.050	–0.4
Claims on the tax authorities	9.158	33.947	–24.789	–73.0
Advances	8.925	9.081	–0.156	–1.7
Advances on salaries	6.662	6.587	+0.075	+1.1
Balancing item relating to forward sales or purchases	5.108	6.919	–1.811	–26.2
Schilling coins	3.504	2.651	+0.853	+32.2
Other accounts receivable	0.897	1.270	–0.373	–29.4
Total	1,016.203	1,035.042	–18.839	–1.8

as loss carried forward from the previous year. The loss for the year affects the OeNB's own funds, its risk provisions and the OeNB's net equity (see liability item 15 *Capital and reserves* as well as the sections *Provisions for financial risks and loss-absorbing capital* and *Net equity including revaluation accounts*).

Liabilities

Closing balance	EUR million	
December 31, 2023	41,860.633	
December 31, 2022	42,326.989	
Change	-466.355	(-1.1%)

1 Banknotes in circulation

This item consists of the OeNB's share of total euro banknotes in circulation (table 24).

For further explanations on euro banknotes in circulation, see section *Banknotes in circulation and intra-Eurosystem balances*.

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

Table 25 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 reserves¹⁶, excluding funds of credit institutions that are not freely disposable, and excluding accounts of credit institutions that are exempt from minimum reserve requirements, which are disclosed separately under liability item 3 *Other liabilities to euro area credit institutions denominated in euro*.

Banks' minimum reserve balances were remunerated at the latest available interest rate used by the Eurosystem in its tenders for main

Table 24

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Total value of euro banknotes put into circulation	-23,444.833	853.396	-24,298.229	n.a.
Adjusted for net claims related to the allocation of euro banknotes within the Eurosystem (asset item 9.4)	65,305.467	41,473.593	+23,831.874	+57.5
of which:				
Claims related to the allocation of euro banknotes within the Eurosystem	68,945.631	45,154.529	+23,791.102	+52.7
less:				
Liabilities resulting from the ECB's share in euro banknotes in circulation ¹	3,640.165	3,680.936	-40.772	-1.1
Total²	41,860.633	42,326.989	-466.355	-1.1

¹ 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.

² This corresponds to 2.6710% of the total amount of euro banknotes in circulation as at December 31, 2023, and to 2.6925% of the total amount of euro banknotes in circulation as at December 31, 2022.

Table 25

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
2.1 Current accounts (covering the minimum reserve system)	3,670.087	5,477.599	-1,807.512	-33.0
2.2 Deposit facility	84,456.926	92,422.613	-7,965.687	-8.6
Total	88,127.013	97,900.212	-9,773.199	-10.0

¹⁶ Regulation of the ECB of 22 January 2021 on the application of minimum reserve requirements (ECB/2021/1), as amended on December 6, 2022 (ECB/2022/43).

refinancing operations until December 20, 2022, and at the Eurosystem's deposit facility rate between December 21, 2022, and September 19, 2023. On July 27, 2023, the Governing Council of the ECB decided that, starting from September 20, 2023, these balances will be remunerated at 0%.

For the development of the interest rate on the main refinancing operations and of the deposit facility rate, see table 2.

2.2 Deposit facility

The item *deposit facility* refers to overnight deposits placed with the OeNB by credit institutions that access the liquidity-absorbing standing facility at a prespecified rate.

For the development of the deposit facility rate, see table 2.

5 Liabilities to other euro area residents denominated in euro

Closing balance	EUR million	
December 31, 2023	1,400.108	
December 31, 2022	6,356.449	
Change	-4,956.341	(-78.0%)

This balance sheet item comprises general government deposits of EUR 766.253 million (2022: EUR 3,210.542 million) and current account deposits of EUR 633.855 million (2022: EUR 3,145.907 million) held by financial institutions not required to hold minimum reserves and enterprises.

9 Counterpart of Special Drawing Rights allocated by the IMF

Closing balance	EUR million	
December 31, 2023	6,692.379	
December 31, 2022	6,890.557	
Change	-198.179	(-2.9%)

This balance sheet item represents the euro equivalent of the SDR 5,504.959 million allocated gratuitously to the OeNB by the IMF up to August 2021, 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, and most recently on August 23, 2021 (see asset item 2.1 *Receivables from the IMF*).

10 Intra-Eurosystem liabilities

Closing balance	EUR million	
December 31, 2023	84,255.985	
December 31, 2022	81,744.889	
Change	+2,511.096	(+3.1%)

This balance sheet item shows the OeNB's net liabilities arising from transactions with the NCBs participating in TARGET and with the ECB. Moreover, this item covers the Eurosystem balance arising at year-end from the monetary income reallocation and, if applicable, the balances arising from any interim ECB profit distribution.

Intra-Eurosystem liabilities with the ECB are remunerated on a daily basis at the prevailing interest rate on the main refinancing operations (see table 2).

12 Other liabilities

Table 26 shows the composition of *other liabilities*.

Table 26

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
12.1 Off balance sheet instruments' revaluation differences	2.729	6.912	-4.182	-60.5
12.2 Accruals and income collected in advance	344.268	1,039.214	-694.947	-66.9
12.3 Sundry	30.484	35.872	-5.388	-15.0
Total	377.481	1,081.997	-704.516	-65.1

12.3 Sundry

Table 27 shows the composition of sundry liabilities.

Given a negative annual result, no share of profit under Article 69 paragraph 3 Nationalbank Act is recorded for the financial year 2023.

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

13 Provisions

Table 28 shows *provisions*.

Table 27

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Central government's share of profit of 90% under Article 69 paragraph 3 Nationalbank Act	–	–	–	x
Earmarked funds of the OeNB Anniversary Fund				
OeNB Anniversary Fund (initial funding)	26.684	31.184	–4.500	–14.4
OeNB Anniversary Fund National Foundation endowment	0.767	–	+0.767	x
Sundry	3.033	4.687	–1.655	–35.3
Total	30.484	35.872	–5.388	–15.0

Table 28

	December 31, 2022	Use/release	Allocation	December 31, 2023
	EUR million	EUR million	EUR million	EUR million
Risk provision	2,464.563	–104.263	–	2,360.300
Pension reserve	1,895.631	–131.104	+132.960	1,897.487
Personnel provisions				
Supplementary contributions to pension plans	76.912	–16.545	–	60.367
Severance payments	60.168	–6.663	+5.100	58.604
Residual leave entitlements	18.282	–0.350	+1.175	19.107
Anniversary bonuses	18.485	–1.456	+1.739	18.767
Other emoluments	8.542	–8.542	+9.102	9.102
Overtime entitlements	1.095	–	+0.079	1.174
Additional contributions to the pension fund (one-off contributions)	0.736	–0.154	+0.388	0.970
Death gratuity payments	5.225	–4.567	–	0.658
Partial retirement (early-exit scheme)	0.196	–	+0.179	0.375
Prepaid salaries in 2022 or 2023	0.390	–0.390	+0.360	0.360
Sabbaticals	0.097	–	+0.059	0.156
Compulsory social security contributions	0.088	–0.088	+0.075	0.075
Other provisions				
Schilling banknotes without an exchange deadline	106.038	–0.953	–	105.085
Estimated unredeemable amount outstanding from the Austrian Federal Treasury for silver commemorative coins issued before 1989	29.513	–1.867	–	27.646
Accounts payable	6.006	–2.889	+4.382	7.500
Loss compensation oenpay	5.391	–1.921	+0.024	3.494
Accounts payable to subsidiaries	3.326	–3.326	+1.437	1.437
Provision against losses in monetary policy operations	–	–	+1.246	1.246
Sundry	1.772	–1.255	+1.558	2.075
Total	4,702.453	–286.332	+159.862	4,575.984

In 2023, EUR 104.263 million (2022: EUR 1,933.607 million) were used from the risk provision to fully offset the write-downs on securities and foreign currency of EUR 86.367 million (2022: EUR 1,349.131 million) as well as realized losses arising from differences in security prices in foreign currency of EUR 17.895 million (2022: EUR 584.476 million arising from differences in security prices in euro and foreign currency). For more details, see profit and loss item 2.1 *Realized gains/losses arising from financial operations* and profit and loss item 2.2 *Expenses related to financial assets and positions*. Apart from that, the amount of the risk provision was not further adjusted. Given the equivalence of the risk provision to reserves, transfers to the risk provision can only be made from an operating profit. For more details, see section *Provisions for financial risks and loss-absorbing capital*.

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). For these employees, a contract between the OeNB and a pension fund was concluded with effect from May 1, 1999. 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.

Pursuant to Article 69 paragraph 2 Nationalbank Act, the OeNB has to transfer up to 10% of its annual net profit, after changes in reserves and adjusted for any profit/loss carried forward, to the pension reserve until the pension reserve meets the actuarial present value of projected pension benefits securing the pension claims of OeNB staff.

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 (Sonderpensionenbegrenzungs-gesetz – 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 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.

In 2023, EUR 131.104 million were transferred from the pension reserve to pay pensions, as the OeNB's operating profit did not suffice to cover the pension payouts. For more details, see profit and loss item 8 *Expenses for retirement*.

The actuarial present value of projected pension benefits, amounting to EUR 3,480.188 million on December 31, 2023 (2022: EUR 3,466.684 million), was not fully covered by the pension reserve and hidden reserves in the real estate portfolio. The EUR 1,099.317 million funding gap as at December 31, 2023 (2022: EUR 1,133.381 million), was recorded as a contingent liability (see section *Notes on transactions not disclosed in the balance sheet*, table 33).

In line with the average cost method as set forth in opinion no. 27 "Personnel provisions (Commercial Code – UGB)" by the Austrian Financial Reporting Advisory Committee (AFRAC), 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, 2023. The discount rate and the assumptions adopted for the annual assessment base growth rates are shown in table 29.

The actuarial present value of projected pension benefits was calculated by applying the

pension calculation rules published by the Austrian Actuarial Association (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 qualify for benefits. The adjusted discount rate caused the projected pension benefits to decrease by EUR 159.833 million, while the change in the assumed assessment base growth rate caused the projected pension benefits to rise by EUR 259.056 million in 2023.

Beyond pension benefits, provisions for severance payments, anniversary bonuses, residual leave entitlements, death gratuity payments and supplementary contributions to pension plans are calculated according to actuarial principles. Except for the pension entitlement age, the calculations are based on the same legal provisions, methods and assessment bases as those used to calculate the actuarial present value of projected pension benefits to be covered by the pension reserve. Starting with the 2023 financial statements, fluctuation is considered in calculating the provision for anniversary bonuses. The pension entitlement age to be used for these calculations has been aligned with the age at which employees whose employment contracts are subject to compulsory pension insurance initially joined the OeNB. For employees who joined the OeNB aged 25 or older, the statutory retirement age is used. For employees who joined the OeNB under the age of 25, the lower of their initial recruitment age plus 40 years or the earliest possible corridor pension age or the statutory retirement age is used. In both cases, the OeNB accounts for the transitional provisions that apply to women as well as for the

birth date timetables for raising the statutory retirement age that were legally stipulated in 2023.

The discount rate for calculating the provisions for severance payments, partial retirement (early-exit scheme) and 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, 2023. The calculation of the provision for anniversary bonuses was based on an assumed average residual maturity of ten years. The discount rates and the assumptions adopted for the annual assessment base growth rates are shown in table 29.

As regards the provisions for severance payments, the change in the discount rate led to a decrease of EUR 0.673 million, while the change in the assumed assessment base growth rates raised the provision by EUR 2.027 million. The provisions for anniversary bonuses decreased in line with the change in the discount rate (–EUR 0.288 million) and the first-time consideration of fluctuation (–EUR 0.659 million), but increased owing to the change in the assumed assessment base growth rates (+EUR 0.655 million).

The provisions for death gratuity payments and for supplementary contributions to pension plans are calculated in the same way as the pension reserve. In addition, with regard to the provisions for supplementary contributions to pension plans, the pension fund is assumed to yield an average future investment income of 3.5% per annum (based on the observation of long-term performance trends).

Following the decision of the Austrian parliament of November 21, 2023, on changing the retirement pension plans of the OeNB, a new legal provision was added to the Act to Limit Specific Pension Benefits (Federal Law Gazette I No. 155/2023). Article 1a relates to the pension fund for employees under the third generation of the OeNB's Conditions of Service. Essentially, from July 1, 2024, employees will

be required to pay 3% for any part of their monthly salaries and special benefits above the earnings cap as defined in the General Social Security Act as pension contributions to the OeNB (as from January 1, 2025: 4%; as from January 1, 2026: 5%). Furthermore, as from January 1, 2025, the pension assessment base will be reduced gradually and the final-salary principle will be replaced by a phased-in earnings averaging period. For calculating the supplementary contributions to pension plans, the reference pensions must account for a minimum percentage of the hypothetical reference pensions and will be lowered gradually from 2025 onward. Furthermore, as from January 1, 2028, no death gratuity will be payable to the spouses of retired beneficiaries. In the 2023 financial statements, the change in the provisions for employees under the third generation of the OeNB's Conditions of Service reduced the provision requirement for supplementary contributions to pension plans and for death gratuity payments.

The provisions for supplementary contributions to the pension plans declined by EUR 1.405 million as a result of the change in the discount rate but increased by EUR 3.607 million due to the change in the assumed assessment base growth rates. At the same time, the change of the pension fund regime for employees under the third generation of the OeNB's Conditions of Service resulted in a significant decrease of EUR 35.113 million. The provisions for

death gratuity payments declined by EUR 0.473 million due to the change in the discount rate, while increasing by EUR 0.162 million due to the adjustment of the assumed assessment base growth rates. The changes in law for employees of the third generation of the OeNB's Conditions of Service lowered the provisioning requirement by an additional EUR 4.708 million.

Table 29 provides an overview of the discount rates and assumed growth rates underlying actuarial calculations.

The changes in the provisions for anniversary bonuses and other long-term personnel provisions are recorded in profit and loss 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 profit and loss 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 in line with AFRAC under profit and loss item 6 *Other income*.

The level of the provision for schilling banknotes without an exchange deadline, which was established on December 31, 2002, without affecting income, relates to the amount holders of schilling banknotes are expected to redeem, judging from the amount of annual redemptions made in the past. As these expectations remained broadly stable, the provision

Table 29

Parameter	December 31, 2023	December 31, 2022
	% per annum	% per annum
Discount rate		
Pension reserve, supplementary contributions to the pension plans and death gratuity payments	1.72	1.43
Severance payments, partial retirement (early-exit scheme) and sabbaticals	1.35	0.98
Anniversary bonuses	1.49	1.15
Assumed growth rates (long-term trend)		
Qualifying period ¹	2.8	2.8
Current pension payments ²	2.2	2.2

¹ In the near term, the growth rates for salary payments are assumed to be above the long-term trend for payroll development and valuation as real salaries are expected to be higher. We expect the growth rates to be as high as 7.2% in 2024, 4.8% in 2025 and 3.2% in 2026.

² In the coming years, the growth rates for pension payments are assumed to exceed the long-term trend for payroll development and valuation in anticipation of higher adjustments under the General Social Security Act. For 2024, we expect pension payments to rise by 9.7% up to the earnings cap as defined in the General Social Security Act and by 6.3% for pension payments above the cap. For the two following years, we expect growth rates of 6.0% (2025) and 3.0% (2026).

was only reduced for the exchange made in 2022 in the amount of EUR 953 million.

Under a loss compensation agreement, the OeNB covers annual losses of its subsidiary oenpay up to a total amount of EUR 8 million for a period of five years, starting from the financial year 2021. Accordingly, the OeNB established a long-term provision on December 31, 2021. In 2023, EUR 1.921 million were transferred from the provision to cover the oenpay's loss in 2023, and the remaining provision was discounted to the net present value. As a consequence, EUR 0.024 million had to be transferred to the provision (see also profit and loss item 2 *Net result of financial operations, write-downs and risk provisions*).

As a result of the annual impairment test conducted on securities in the PEPP portfolio, the Governing Council of the ECB deemed it appropriate to establish a provision against losses in monetary policy operations in 2023 totaling EUR 42.918 million. In accordance with Article 32.4 of the Statute of the ESCB and of the ECB, this provision is funded by all the NCBs of participating Member States in proportion to their subscribed capital key shares in the ECB prevailing in 2023. Thus, a provision of EUR 1.246 million was set up in the OeNB's financial statements, which equals

2.9% of the total Eurosystem-wide provision (see profit and loss item 5 *Net result of pooling of monetary income*).

14 Revaluation accounts

This balance sheet item contains unrealized valuation gains as well as revaluation effects from the revaluation of participating interests recorded in the opening balance sheet of January 1, 1999 (initial valuation), which have not been released yet. Table 30 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, 2023. 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 30

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Revaluation accounts				
Gold	14,596.558	13,140.441	+1,456.118	+11.1
Foreign currency	209.658	766.527	-556.868	-72.6
Securities	1,656.484	628.478	+1,028.006	+163.6
Participating interests	105.820	136.131	-30.311	-22.3
Collection of the OeNB's Money Museum	64.373	64.368	+0.005	+0.0
	16,632.893	14,735.944	+1,896.949	+12.9
Valuation gains from January 1, 1999				
Participating interests	262.741	262.741	–	–
Total	16,895.634	14,998.685	+1,896.949	+12.6

Table 31

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Reserve for nondomestic and price risks	1,973.263	1,973.263	–	–
OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching	1,475.256	1,475.256	–	–
Earmarked capital funded with net interest income from ERP loans	677.106	666.823	+10.283	+1.5
Profit-smoothing reserve	–	148.849	–148.849	–100.0
Total	4,125.625	4,264.191	–138.565	–3.2

Table 31 shows *reserves*. The profit-smoothing reserve may be used to level out the annual result. When the financial statements for 2023 were prepared, the Governing Board of the OeNB decided to use the entire profit-smoothing reserve to reduce the loss for the year (2022: use of EUR 0.005 million to obtain a balanced result). For details, see also profit and loss item 14 *Transfer from/to reserves*.

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 40 million) and an endowment to support the National Foundation (EUR 1.435 million).

Funds earmarked for appropriation by the Anniversary Fund to the National Foundation may be used to obtain a balanced result, funds from the initial funding of the Anniversary Fund may be used to cover any loss for the year.

When the financial statements for 2023 were prepared, the Governing Board of the OeNB decided not to use this option.

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, with this capital earmarked exclusively for ERP loans. Therefore, ERP capital must not be used to cover any loss for the year.

Analogous to Article 225 paragraph 1 Commercial Code in conjunction with Article 229 Commercial Code, the OeNB's own funds are the sum total of its capital, free and earmarked reserves and the profit/loss for the year (including any profit/loss carried forward from the previous year). Table 32 shows the development of the OeNB's own funds.

Table 32

	December 31, 2023	December 31, 2022	Change	
	EUR million	EUR million	EUR million	%
Loss for the year	–2,062.418	–	+2,062.418	×
Reserve for nondomestic and price risks	1,973.263	1,973.263	–	–
OeNB Anniversary Fund for the Promotion of Scientific Research and Teaching	1,475.256	1,475.256	–	–
Capital	12.000	12.000	–	–
Profit-smoothing reserve	–	148.849	–148.849	–100.0
Total	1,398.102	3,609.368	–2,211.266	–61.3

Notes on transactions not disclosed in the balance sheet

Table 33 shows transactions not disclosed in the balance sheet.

Notes on the profit and loss account

Table 34 shows the profit and loss account.

In 2023, the OeNB for the first time records a result that is significantly negative, weighed

Table 33

	December 31, 2023	December 31, 2022
	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 ¹	13,104.928	13,720.605
Contingent liability to the IMF under the NAB ¹	4,413.483	4,530.661
Contingent liability to the IMF under the bilateral borrowing agreement ¹	2,641.000	2,641.000
Obligation to make supplementary contributions to the stake in the capital of the BIS (8,564 shares of SDR 5,000 each)	39.042	40.198
Forward purchases (euro- and foreign currency-denominated forward transactions and swaps)	892.801	2,215.669
Forward sales (euro- and foreign currency-denominated forward transactions and swaps)	892.801	2,215.669
Liabilities from foreign currency investments effected in the OeNB's name for third account	55.209	55.364
Repayment obligation upon termination of employment equivalent to the interest accrued on pension contributions paid by OeNB staff	18.056	18.432
Contingent liability relating to the funding gap in the pension reserve	1,099.317	1,133.381
Contingent liability 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	1,190.200	1,190.200
Contingent asset arising from bank guarantees received	6.637	8.017
Contingent asset from OeKB guarantees for payment transactions	1,000.000	1,000.000
Financial assistance granted under the ERP Fund	7.298	7.338

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

Table 34

	2023	2022	Change	
	EUR million	EUR million	EUR million	%
1 Net interest income	-2,043.333	-289.011	+1,754.323	n.a.
2 Net result of financial operations, write-downs and risk provisions	348.371	126.276	+222.094	+175.9
3 Net income from fees and commissions	1.462	1.372	+0.089	+6.5
4 Income from equity shares and participating interests	151.861	100.740	+51.121	+50.7
5 Net result of pooling of monetary income	-417.555	280.605	+698.160	n.a.
6 Other income	63.745	74.867	-11.122	-14.9
Total net income	-1,895.450	294.849	+2,190.299	n.a.
7 Staff costs	-181.892	-170.031	+11.861	+7.0
8 Expenses for retirement	-7.498	-13.623	-6.125	-45.0
9 Administrative expenses	-99.133	-85.796	+13.338	+15.5
10 Depreciation of tangible and intangible fixed assets	-12.516	-13.087	-0.570	-4.4
11 Banknote production services	-6.700	-4.575	+2.125	+46.5
12 Other expenses	-8.071	-7.738	+0.333	+4.3
Total expenses	-315.811	-294.849	+20.962	+7.1
Operating result	-2,211.261	-	+2,211.261	x
13 Corporate income tax	-0.005	-0.005	-	-
Annual net loss	-2,211.266	-0.005	+2,211.261	n.a.
14 Transfer from/to reserves	148.849	0.005	+148.843	n.a.
15 Profit/loss carried forward from the previous year	-	-	-	-
16 Transfer to the pension reserve and central government's share of profit	-	-	-	-
17 Loss for the year	-2,062.418	-	+2,062.418	x

down by *net interest income* dominated by monetary policy operations. The result reflects mainly the effect arising from the monetary policy asset liability mismatch, which occurred because of the interest rate turnaround in 2022. On the one hand, the portfolio of securities held for monetary policy purposes with long maturities generates low interest income (see asset item 7.1 *Securities held for monetary policy purposes*). On the other hand, the interest expense on credit institutions' deposits is very high, with the latter being remunerated at the applicable interest rate on the deposit facility. The OeNB's other

income failed to balance out the negative net interest income.

1 Net interest income

Net interest income represents the balance of interest income and interest expense (table 35). This item visibly reflects the impact of the key interest rate increases. For the development of the key interest rates, see table 2.

2 Net result of financial operations, write-downs and risk provisions

Table 36 shows the *net result of financial operations, write-downs and risk provisions*.

Table 35

	2023	2022	Change	%
	EUR million	EUR million	EUR million	
TARGET	-2,633.195	-355.845	+2,277.350	n.a.
Monetary policy operations and deposits	-2,489.822	-595.906	+1,893.916	n.a.
of which:				
Deposit facility	-3,476.125	-429.038	+3,047.087	n.a.
(Longer-term) refinancing operations	1,092.335	-426.208	+1,518.544	n.a.
Minimum reserves	-106.033	259.340	+365.373	+140.9
Intra-Eurosystem balances arising from the allocation of euro banknotes within the Eurosystem	2,066.426	200.557	+1,865.869	n.a.
Securities held for monetary policy purposes	493.840	209.334	+284.506	+135.9
Net interest income from euro investments	254.003	43.254	+210.748	n.a.
Net interest income from foreign currency investments	210.246	144.919	+65.327	+45.1
Participation in the IMF and other IMF assets	57.299	15.786	+41.513	n.a.
Interest on general government deposits and current account holdings of credit institutions and enterprises not required to hold minimum reserves	-42.261	43.099	+85.359	+198.1
Transfer of foreign reserve assets to the ECB	38.747	5.890	+32.857	n.a.
Sundry	1.384	-0.098	+1.482	n.a.
Total	-2,043.333	-289.011	+1,754.323	n.a.

Table 36

	2023	2022	Change	%
	EUR million	EUR million	EUR million	
2.1 Realized gains/losses arising from financial operations	340.374	-458.161	+798.536	+174.3
of which:				
Currencies (gold and foreign currency)	330.006	126.315	+203.691	+161.3
Securities denominated in euro	28.264	-300.818	+329.082	+109.4
Securities denominated in foreign currency	-17.895	-283.658	-265.762	-93.7
2.2 Expenses related to financial assets and positions	-96.266	-1,349.169	-1,252.903	-92.9
of which:				
Write-downs on foreign currency	-71.750	-126.590	-54.841	-43.3
Write-downs on securities	-14.618	-1,222.541	-1,207.923	-98.8
Write-downs on participating interests	-9.875	-	+9.875	x
Expenses related to participating interests	-0.024	-0.039	-0.015	-38.7
2.3 Transfer to/from provisions for financial risks	104.263	1,933.607	-1,829.344	-94.6
Total	348.371	126.276	+222.094	+175.9

In 2023, EUR 104.263 million of the risk provision were used to balance out the write-downs on foreign currency and securities of EUR 86.367 million and the realized losses (net) from differences in security prices (in foreign currency) of EUR 17.895 million.

As in the year before, no transfer was made to the risk provision when the financial statements for 2023 were prepared.

For details on the risk provision, see liability item 13 *Provisions*.

4 Income from equity shares and participating interests

Table 37 shows *income from equity shares and participating interests*.

Given the loss the ECB recorded for 2023, the Governing Council of the ECB decided against a profit distribution to the Eurosystem NCBs.

In 2023, BLM made a noncash distribution to the OeNB of EUR 55.708 million as part of a real estate transaction between BLM and IG Immobilien.

5 Net result of pooling of monetary income

Table 38 shows the OeNB's *net result of pooling of monetary income* in the Eurosystem.

This profit and loss 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

Table 37

	2023	2022	Change	
	EUR million	EUR million	EUR million	%
Dividends				
Münze Österreich	92.681	94.766	-2.085	-2.2
BIS	2.978	2.980	-0.002	-0.1
Noncash distribution BLM	55.708	-	55.708	x
Distribution of GSA profit	0.494	1.274	-0.780	-61.2
Distribution of ECB profit from the previous year	-	1.221	-1.221	-100.0
Distribution of OeBS profit	-	0.500	-0.500	-100.0
Total	151.861	100.740	+51.121	+50.7

Table 38

	2023	2022	Change	
	EUR million	EUR million	EUR million	%
Monetary income	7,815.736	453.143	+7,362.593	n.a.
Deductible items	-6,216.282	-525.543	+5,690.739	n.a.
Monetary income to be pooled (net)	1,599.454	-72.400	+1,671.854	n.a.
Redistribution of monetary income	1,183.392	208.865	+974.528	n.a.
Net result for monetary income reallocation for the reporting year	-416.062	281.265	+697.326	n.a.
Net income/loss from the revision of monetary income of the previous years	-0.242	-0.660	-0.418	-63.3
Loss sharing	-0.006	-	+0.006	x
Creation of a provision against losses in monetary policy operations	-1.246	-	+1.246	x
Total	-417.555	280.605	+698.160	n.a.

provision against losses in monetary policy operations of EUR 1.246 million (see liability item 13 *Provisions*), which was established in relation to a security held by an NCB of the Eurosystem in its PEPP portfolio. 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 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, the OeNB's net intra-Eurosystem liabilities resulting from TARGET transactions as well as deposit liabilities to defaulted Eurosystem counterparties, which have been reclassified from liability item 2.1 *Current accounts (covering the minimum reserve system)*. 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 total 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).

The calculation of the monetary income from securities held for monetary policy purposes exempt from loss sharing rules, i.e. government/agency bonds acquired by the OeNB under the PSPP and under the PEPP, is based on the assumption that these securities generate income at the applicable interest rate on the

main refinancing operations. For this reason, the amount pooled differs from the one included in the net interest income. 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 interest rate on the main refinancing operations. For the development of the rate on the main refinancing operations, see table 2.

The monetary income pooled by the Eurosystem is allocated among NCBs according to their share in the fully paid-up capital.¹⁷ The pooling and reallocation of monetary income leads to certain net reallocation effects. The difference between the monetary income pooled by the OeNB (EUR 1,599.454 million) and the income reallocated to the OeNB (EUR 1,183.392 million) results from the calculation of monetary income.

6 Other income

In 2023, the legal change of the pension plans of employees under the third generation of the OeNB's Conditions of Service led to income from the partial release of the provisions for supplementary contributions to pension plans (EUR 16.262 million; 2022: EUR 0.803 million) and the partial release of the provisions for death gratuity payments (EUR 4.567 million). In 2022, income in the amount of EUR 18.823 million resulted from the release of the provision established in 2021 for compensation payments to employees subject to the third generation of the Conditions of Service pending agreement of a pension fund settlement. For details on the releases, see also profit and loss item 8 *Expenses for retirement* and liability item 13 *Provisions*. This item also comprises income of EUR 1.867 million (2022: EUR 13.776 million) resulting from the partial release of the estimated unredeemable amount outstanding from the Austrian Federal Treasury. In addition, this item reflects rental income and income from transactions with OeNB subsidiaries and the ECB amounting to EUR 17.563 million. The FMA's reimbursement

¹⁷ Under Article 33.2 of the Statute of the ESCB and of the ECB, income will not be reallocated if the Governing Council of the ECB decides to fully or partly retain the pooled amount to cover an annual loss incurred by the ECB.

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. This item also comprises income in the amount of EUR 4.172 million from passing on the expenses for banknote deliveries to another NCB.

7 Staff costs

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

Salaries increased by EUR 11.825 million to EUR 147.727 million compared to the previous year (2022: EUR 135.903 million). The increase is mainly attributable to the increase in basic salaries and allowances. The OeNB's outlays were reduced by recoveries of salaries totaling EUR 4.436 million (2022: EUR 4.222 million) for staff members on secondment to affiliates and other institutions.

The members of the OeNB's Governing Board received emoluments (table 39) totaling EUR 1.294 million in 2023 (2022: EUR 1.229 million).

Table 39

Emoluments in line with the Act on the Limitation of Remunerations for Public Officials	
	EUR million
Governor Robert Holzmann	0.346
Vice Governor Gottfried Haber	0.326
Executive Director Eduard Schock	0.311
Executive Director Thomas Steiner	0.311

The remuneration of Governing Board members is regulated by the Federal Constitutional Act on the Limitation of Remunerations for Public Officials (*Bezügebegrenzungsgesetz – BezBegrBVG*); pursuant to Article 3 paragraph 1 of this Act, the emoluments were increased with a factor of 1.053 with effect from January 1, 2023. Remuneration in kind (tax value of the private use of company cars, insurance subsidies) and other benefits totaled EUR 0.040 million (2022: EUR 0.040 million).

The emoluments (payments in cash and kind) 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. These emoluments are not subject to indexation. The terms in office of the outgoing President (Harald Mahrer) and Vice President of the General Council (Barbara Kolm) ended on August 31, 2023. On October 11, 2023, Harald Mahrer was reappointed President of the General Council and Ingrid Reischl was appointed Vice President of the General Council. From March 2021 to the end of his term in office in August 2023, the President forewent any remuneration, dedicating it instead to the "Presidential Innovation Fellowships (OeNB)." From his reappointment in October 2023 to the end of the year 2023, the President is entitled to EUR 0.020 million in terms of remuneration. Up to the end of her term in office in August 2023, Vice President Barbara Kolm received remuneration totaling EUR 0.029 million in 2023 (2022: EUR 0.044 million). The new Vice President, Ingrid Reischl, forewent any remuneration. The other members of the General Council perform their duties of office without remuneration. Since 2023, they may donate to charities of their choice the attendance fee of EUR 350 for every day they participate in a meeting of the General Council or one of its subcommittees (until 2022: EUR 250 per meeting). Travel expenses associated with the exercise of General Council members' functions are reimbursed (2023: EUR 13,060.97; 2022: EUR 78.00).

Contributions to severance funds were made in the amount of EUR 1.401 million in 2023 (2022: EUR 1.234 million), of which, as in the previous year, EUR 0.020 million (2022: EUR 0.019 million) were made for management officials (Governing Board members). Expenses for severance payments amounted to EUR 5.710 million in 2023 (2022: EUR 7.564 million), having mostly decreased on account of the smaller transfers to the provision.

Expenses for compulsory social security contributions as well as compulsory contributions and charges related to wages and salaries totaled EUR 27.456 million in 2023 (2022: EUR 26.228 million). Of this amount EUR 17.975 million (2022: EUR 17.179 million)

Table 40

	Reporting date December 31 ¹			Annual average ¹		
	2023	2022	Change	2023	2022	Change
FTEs ²	1,132.2	1,129.3	+2.9	1,140.2	1,138.1	+2.1
Total	1,218.5	1,226.2	-7.7	1,237.5	1,237.7	-0.2

¹ Figures include part-time employees on a pro rata basis.

² Excluding interns and employees on secondment or leave (such as maternity and parental leave).

were social security contributions, EUR 5.048 million (2022: EUR 4.884 million) were contributions to the Family Burden Equalization Fund, and EUR 4.268 million (2022: EUR 4.002 million) were municipal tax payments.

Table 40 shows staff in full-time equivalents (FTEs).

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 amounted to EUR 132.116 million in 2023 (2022: EUR 127.201 million). In 2023, investment income on the pension reserve of EUR 1.012 million was available for covering these expenses. To cover the remaining pension expenses, EUR 131.104 million were offset against the pension reserve. In 2022, EUR 7.230 million were recognized in the profit and loss account (which enabled the OeNB to achieve an operating result of zero), and EUR 119.971 million were offset against the pension reserve. For details, see also liability item 13 *Provisions*. Pension expenses include the remuneration of retired Governing Board members or their dependents (totaling EUR 4.469 million in 2023; 2022: EUR 4.400 million).

The OeNB's other legal and contractual obligations of EUR 7.498 million (2022: EUR 6.393 million) were fully attributable to pension plan contributions and supplementary contributions to pension plans.

The provision requirement for supplementary contributions to pension plans decreased markedly following the change in legal provisions (Federal Law Gazette I No. 155/2023) for employees under the third generation of the OeNB's Conditions of Service. For details, see

liability item 13 *Provisions*. Netting all transfers from and to the provision and considering additional contributions to be made to cover provisioning shortfalls arising from the OeNB's obligation to make supplementary contributions upon employees' retirement resulted in income in 2023 of EUR 16.262 million (2022: EUR 0.803 million). This income is shown in profit and loss item 6 *Other income*.

9 Administrative expenses

Administrative expenses include, inter alia, rent, maintenance, operating expenses and repair costs of EUR 41.527 million (2022: EUR 35.910 million), banknote processing expenses of EUR 13.489 million (2022: EUR 11.650 million) as well as expenses for services rendered to the OeNB of EUR 11.104 million (2022: EUR 6.190 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 to be borne proportionally by the subsidiaries) in the amount of EUR 6.340 million (2022: EUR 4.758 million). In 2023, the OeNB moreover again charged one other NCB expenses for banknote deliveries amounting to EUR 4.172 million (2022: EUR 7.113 million). Administrative expenses for auditing the OeNB's financial statements amounted to EUR 0.498 million (2022: EUR 0.110 million); those for other certification services to EUR 0.036 million (2022: EUR 0.050 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 14.434 million in the subsequent financial year (2022: EUR 12.246 million). In the subsequent five

financial years, these obligations total EUR 71.895 million (2022: EUR 62.986 million). Based on incoming information, last year's values were revised by a total of EUR 1.330 million, of which EUR 0.236 million relate to obligations in the subsequent financial year and EUR 1.094 million to obligations in the subsequent five financial years.

11 Banknote production services

Such 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 result 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. As the operating result was negative in 2023, the OeNB only had to pay the minimum amount of corporate income tax (EUR 0.005 million) for the financial year 2023. In 2022, the OeNB's corporate income tax likewise amounted to EUR 0.005 million as its operating result was zero.

14 Transfer from/to reserves

The profit-smoothing reserve was fully used (EUR 148.849 million; 2022: EUR 0.005 million) to reduce the loss for the year 2023. For details, see liability item 15 *Capital and reserves*.

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

The OeNB's result for 2023 was negative following the use of the profit-smoothing reserve (see profit and loss item 14 *Transfer from/to reserves*), which is why the statutory rules on profit distribution laid down in Article 69

paragraphs 2 and 3 Nationalbank Act remain unapplicable.

17 Loss for the year

In 2023, the OeNB records a net loss for the year of EUR 2,062.418 million (2022: a balanced result of zero). For details, see also asset item 12 *Loss for the year*.

Post-balance sheet events

Five-yearly adjustment of the ECB's capital key

Pursuant to Article 29 paragraph 3 of the Statute of the ESCB and of the ECB, the weightings assigned to the NCBs in the key for subscription to the ECB's capital are adjusted every five years. The most recent five-yearly adjustment was made on January 1, 2019. The most recent extraordinary adjustment was made on January 1, 2023, because of Croatia's adoption of the euro.

On January 1, 2024, the OeNB's share in the ECB's capital fully paid up by the Eurosystem NCBs (relative capital key) increased from 2.9033% to 2.9565% following the five-yearly adjustment of the ECB's capital key. The OeNB's share in the ECB's paid-up capital therefore increased by EUR 4.016 million to EUR 261.695 million. The OeNB's share in the ECB's subscribed capital increased from 2.3804% to 2.4175%. As a result, the OeNB's claim equivalent to the foreign reserve assets transferred to the ECB rose by EUR 18.404 million to EUR 1,199.227 million.

In line with the Council Decision 2003/517/EC of 15 July 2003 on the statistical data to be used for the adjustment of the key for subscription to the capital of the European Central Bank, the capital keys were adjusted with effect from January 1, 2024, as shown in table 41.

Table 41

Key for subscription of the ECB's capital from January 1, 2024	Subscribed capital		Paid-up capital	
	EUR	%	EUR	%
Nationale Bank van België/ Banque Nationale de Belgique	324,804,337.12	3.0005	324,804,337.12	3.6695
Deutsche Bundesbank	2,357,134,464.40	21.7749	2,357,134,464.40	26.6301
Eesti Pank	26,380,542.23	0.2437	26,380,542.23	0.2980
Banc Ceannais na hÉireann/ Central Bank of Ireland	192,804,200.92	1.7811	192,804,200.92	2.1782
Bank of Greece	199,981,180.60	1.8474	199,981,180.60	2.2593
Banco de España	1,046,669,933.56	9.6690	1,046,669,933.56	11.8249
Banque de France	1,770,700,531.41	16.3575	1,770,700,531.41	20.0047
Hrvatska narodna banka	68,511,469.74	0.6329	68,511,469.74	0.7740
Banca d'Italia	1,418,000,151.07	13.0993	1,418,000,151.07	16.0201
Central Bank of Cyprus	19,506,662.74	0.1802	19,506,662.74	0.2204
Latvijas Banka	34,304,447.40	0.3169	34,304,447.40	0.3876
Lietuvos bankas	52,241,484.12	0.4826	52,241,484.12	0.5902
Banque centrale du Luxembourg	32,215,221.04	0.2976	32,215,221.04	0.3640
Bank Ċentrali ta' Malta/ Central Bank of Malta	11,398,732.44	0.1053	11,398,732.44	0.1288
De Nederlandsche Bank	522,912,791.50	4.8306	522,912,791.50	5.9077
Oesterreichische Nationalbank	261,694,545.91	2.4175	261,694,545.91	2.9565
Banco de Portugal	205,826,684.42	1.9014	205,826,684.42	2.3254
Banka Slovenije	43,743,853.57	0.4041	43,743,853.57	0.4942
Národná banka Slovenska	101,787,541.48	0.9403	101,787,541.48	1.1500
Suomen Pankki – Finlands Bank	160,783,830.00	1.4853	160,783,830.00	1.8165
Subtotal for euro area NCBs	8,851,402,605.67	81.7681	8,851,402,605.67	100.0000
Bulgarian National Bank	105,901,044.16	0.9783	3,971,289.16 ¹	
Česká národní banka	212,419,113.73	1.9623	7,965,716.76 ¹	
Danmarks Nationalbank	192,652,650.82	1.7797	7,224,474.41 ¹	
Magyar Nemzeti Bank	171,240,786.83	1.5819	6,421,529.51 ¹	
Narodowy Bank Polski	659,979,031.02	6.0968	24,749,213.66 ¹	
Banca Națională a României	312,712,804.23	2.8888	11,726,730.16 ¹	
Sveriges Riksbank	318,699,033.14	2.9441	11,951,213.74 ¹	
	1,973,604,463.93	18.2319	74,010,167.40	
Total²	10,825,007,069.60	100.0000	8,925,412,773.07	100.0000

¹ Corresponds to 3.75% of the subscribed capital to the ECB as a contribution to the operational costs of the ECB (ECB/2023/36).

² Totals and subtotals may not add up due to rounding.

GOVERNING BOARD (DIREKTORIUM)

Governor Robert Holzmann
Vice Governor Gottfried Haber
Executive Director Eduard Schock
Executive Director Thomas Steiner

GENERAL COUNCIL (GENERALRAT)

President Harald Mahrer (until August 31, 2023; from October 11, 2023)
Vice President Barbara Kolm (until August 31, 2023)
Vice President Ingrid Reischl (from October 11, 2023)

Silvia Angelo (from October 11, 2023)
Leonhard Dobusch (from October 11, 2023)
Bettina Glatz-Kremsner (until February 28, 2023)
Erwin Hameseder
Christian Helmenstein (from March 1, 2023)
Stephan Koren (until September 7, 2023; from October 11, 2023)
Franz Maurer (until May 22, 2023)
Stefan Pichler (from October 11, 2023)
Susanne Riess-Hahn
Peter Sidlo (until February 28, 2023)
Sigrid Stagl (from March 1, 2023)
Christoph Traunig (until August 31, 2023)
Brigitte Unger (until October 11, 2023)

State Commissioner Harald Waiglein
Deputy State Commissioner Alfred Lejsek

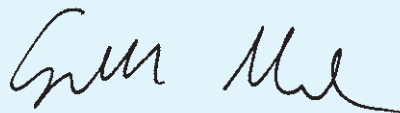
In accordance with Article 22 paragraph 5 Nationalbank Act, the following representatives of the Central Staff Council participated in discussions on personnel, social and welfare matters:

Birgit Sauerzopf
Christian Schrödinger

Vienna, March 5, 2024



Robert Holzmann



Gottfried Haber



Eduard Schock



Thomas Steiner

External auditor's opinion



Oesterreichische Nationalbank, Wien
Bericht über die Prüfung des Jahresabschlusses zum 31.12.2023

BESTÄTIGUNGSVERMERK

BERICHT ZUM JAHRESABSCHLUSS

PRÜFUNGSURTEIL

Wir haben den Jahresabschluss der Oesterreichische Nationalbank, Wien, bestehend aus der Bilanz zum 31.12.2023, 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 31.12.2023 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 am 11. November 2021 (EZB/2021/51), 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 bis zum Datum des Bestätigungsvermerkes ausreichend und geeignet sind, um als Grundlage für unser Prüfungsurteil zu diesem Datum zu dienen.

SONSTIGER SACHVERHALT

Der Jahresabschluss der Oesterreichische Nationalbank, Wien, für das am 31.12.2022 endende Geschäftsjahr wurde von einem anderen Abschlussprüfer geprüft, der am 7.3.2023 ein nicht modifiziertes Prüfungsurteil zu diesem Abschluss abgegeben hat.

VERANTWORTLICHKEITEN DER GESETZLICHEN VERTRETER FÜR DEN JAHRESABSCHLUSS

Die gesetzlichen Vertreter sind verantwortlich für die Aufstellung des Jahresabschlusses und dafür, dass dieser in Übereinstimmung mit den österreichischen unternehmensrechtlichen Vorschriften, 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 am 11. November 2021 (EZB/2021/51) 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 falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern 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 beabsichtigten, entweder die Gesellschaft zu liquidieren oder die Unternehmenstätigkeit einzustellen, oder haben keine realistische Alternative dazu.

Der Unterausschuss des Generalrats 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 falschen Darstellungen aufgrund von dolosen Handlungen oder Irrtümern 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 falscher Darstellungen aufgrund von dolosen Handlungen oder Irrtümern 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 kollusives 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 können. 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.



Oesterreichische Nationalbank, Wien
Bericht über die Prüfung des Jahresabschlusses zum 31.12.2023

- 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 Generalrats 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.

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, sowie des § 68 Abs 4 NBG 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 aufgrund 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.

Im Zusammenhang mit unserer Prüfung des Jahresabschlusses haben wir die Verantwortlichkeit, diese sonstigen Informationen zu lesen und dabei zu würdigen, ob die sonstigen Informationen wesentliche Unstimmigkeiten zum Jahresabschluss oder unseren bei der Abschlussprüfung erlangten Kenntnissen aufweisen oder anderweitig falsch dargestellt erscheinen.

Falls wir auf der Grundlage der von uns durchgeführten Arbeiten den Schluss ziehen, dass eine wesentliche falsche Darstellung dieser sonstigen Informationen vorliegt, sind wir verpflichtet, über diese Tatsache zu berichten. Wir haben in diesem Zusammenhang nichts zu berichten.

Urteil

Nach unserer Beurteilung sind die im Geschäftsbericht zu § 243 Abs 1 bis 3 UGB (Lagebericht) sowie § 68 Abs 4 NBG, 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
 Bericht über die Prüfung des Jahresabschlusses zum 31.12.2023

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 5.3.2024

BDO Assurance GmbH
 Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

	Unterzeichner	Bernd Spohn
	Datum/Zeit-UTC	2024-03-05T14:07:20+01:00
	Prüfinformation	Informationen zur Prüfung der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at
Hinweis	Dieses mit einer qualifizierten elektronischen Signatur versehene Dokument hat gemäß Art. 25 Abs. 2 der Verordnung (EU) Nr. 910/2014 vom 23. Juli 2014 ("eIDAS-V0") die gleiche Rechtswirkung wie ein handschriftlich unterschriebenes Dokument.	

Mag. Bernd Spohn
 Wirtschaftsprüfer

	Unterzeichner	Julia Newertal
	Datum/Zeit-UTC	2024-03-05T14:10:02+01:00
	Prüfinformation	Informationen zur Prüfung der elektronischen Signatur finden Sie unter: https://www.signaturpruefung.gv.at
Hinweis	Dieses mit einer qualifizierten elektronischen Signatur versehene Dokument hat gemäß Art. 25 Abs. 2 der Verordnung (EU) Nr. 910/2014 vom 23. Juli 2014 ("eIDAS-V0") die gleiche Rechtswirkung wie ein handschriftlich unterschriebenes Dokument.	

Julia Newertal, MSc (WU) MSc (WU)
 Wirtschaftsprüferin

Die Veröffentlichung oder Weitergabe des Jahresabschlusses mit unserem Bestätigungsvermerk darf nur in der von uns bestätigten Fassung erfolgen. Dieser Bestätigungsvermerk bezieht sich ausschließlich auf den deutschsprachigen und vollständigen Jahresabschluss samt den im Geschäftsbericht zu § 243 Abs 1 bis 3 UGB (Lagebericht) sowie § 68 Abs 4 NBG, 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. Für abweichende Fassungen sind die Vorschriften des § 281 Abs. 2 UGB zu beachten.



Oesterreichische Nationalbank, Vienna
Long-form Audit Report on the Financial Statements as at December 31, 2023

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 statement of financial position as at December 31, 2023, 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 at December 31, 2023 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 provisions 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 (EU) 2016/2249 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 (ECB/2016/34)", as amended on November 11, 2021 (ECB/2021/51).

BASIS FOR OPINION

We conducted our audit in accordance with Austrian Standards on Auditing. These standards require that we comply with International Standards on Auditing (ISA). Our responsibilities under these 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 Generally 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 until the date of this auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

OTHER MATTER

The annual financial statements of the Oesterreichische Nationalbank, Vienna, for the year ended December 31, 2022 were audited by a different auditor and given an unqualified audit opinion on March 7, 2023.

RESPONSIBILITIES OF 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 1984 Nationalbank Act, as amended, and the requirements of the provisions 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 (EU) 2016/2249 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 (ECB/2016/34)", as amended on November 11, 2021 (ECB/2021/51), 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, will 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 skepticism throughout the audit.

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.



Oesterreichische Nationalbank, Vienna
Long-form Audit Report on the Financial Statements as at December 31, 2023

STATEMENT ON THE ANNUAL REPORT ACCORDING TO ARTICLE 68 NATIONALBANK ACT

The Annual Report to be prepared in accordance with Article 68 paragraph 1 Nationalbank Act is subject to the requirements of Article 243 paragraphs 1 to 3 of Austrian Commercial Code (UGB) (management report) with the exception of paragraph 2 last sentence and paragraph 3 nos. 1, 2 and 5 Austrian Commercial Code (UGB), and Article 68 paragraph 4 Nationalbank Act.

Management is responsible for the preparation of the Annual Report in accordance with the statutory requirements.

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

Pursuant 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.

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 required by Article 68 Nationalbank Act and the management report, and we do not express any form of assurance conclusion thereon.

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 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 respect.

Opinion

In our opinion, the financial information contained in the Annual Report prepared in accordance with the requirements of Article 243 paragraphs 1 to 3 of the Austrian Commercial Code (UGB) (management report) with the exception of paragraph 2 last sentence and paragraph 3 nos. 1, 2 and 5 Austrian Commercial Code (UGB), and Article 68 paragraph 4 Nationalbank Act and the presentation of the direct and indirect investments have been prepared in accordance with the applicable legal requirements and are consistent with the annual financial statements.



Oesterreichische Nationalbank, Vienna
Long-form Audit Report on the Financial Statements as at December 31, 2023

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, 2024

BDO Assurance GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Mag. Bernd Spohn
Auditor

Julia Newertal, MSc (WU) MSc (WU)
Auditor

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. This audit opinion is only applicable to the German and complete financial statements with the Annual Report. Article 281 paragraph 2 Austrian Commercial Code (UGB) applies to deviating versions.

We draw attention to the fact that the English translation of this long-form audit report according to Article 273 Austrian Commercial Code (UGB) is presented for the convenience of the reader only and that the German wording is the only legally binding version.

Activities report of the General Council for 2023

The General Council (Generalrat) fulfilled the duties incumbent on it under the 1984 Nationalbank Act by holding its regular meetings, by convening subcommittees to examine specific issues and by making informed decisions. The Governing Board (Direktorium) periodically reported to the General Council on the OeNB's operations and results, on the conditions in the money, capital and foreign exchange markets, on important day-to-day management issues, on all developments of significance for an appraisal of monetary and economic developments, on the arrangements made for auditing the OeNB's finances, and on any other significant dispositions and events affecting the

OeNB's operations. The financial statements for the year 2023 were given an unqualified auditor's opinion after examination by the auditors elected at the General Meeting of March 23, 2023, BDO Austria Holding Wirtschaftsprüfung GmbH, on the basis of the OeNB's books and records as well as the information and evidence provided by the Governing Board. In its meeting of March 18, 2024, the General Council approved the Governing Board's Annual Report including the financial statements for 2023. The General Council submits the Annual Report including the financial statements to the General Meeting for adoption.

Abbreviations

APP	asset purchase programme	GDP	gross domestic product
ATM	automated teller machine	HICP	Harmonised Index of Consumer Prices
CESEE	Central, Eastern and Southeastern Europe(an)	IMF	International Monetary Fund
CET1	common equity tier 1	PELTRO	pandemic emergency longer-term refinancing operation
EMAS	Eco-Management and Audit Scheme	PEPP	pandemic emergency purchase programme
ESCB	European System of Central Banks	PSPP	public sector purchase programme
ESG	environmental, social and governance (factors)	SDR	Special Drawing Right
EURIBOR	Euro Interbank Offered Rate	SSM	Single Supervisory Mechanism
FMA	Austrian Financial Market Authority	T2	the real-time gross settlement system owned and operated by the Eurosystem, consolidating TARGET2 and T2S
FMSB	Financial Market Stability Board	TLTRO	targeted longer-term refinancing operation
FTE	full-time equivalent		

Conventions used in tables

- x = data cannot be provided for technical reasons
- .. = not available
- 0 = the numerical value is zero or less than one-half the unit indicated

Legend entries in the financial statements:

- x = data cannot be provided for technical reasons
- = the numerical value is zero
- 0 = the numerical value is less than one-half the unit indicated
- n.a. = not applicable

Discrepancies may arise from rounding.

Periodical publications

In 2023, we restructured the OeNB's publication portfolio. We defined three new categories – blogs, reports and bulletin articles – covering the range from technical comments on current issues to academic papers. The existing publication series on financial market and statistical issues were also reviewed and redesigned.

Our publications are all digital, published on the OeNB's website at <https://www.oenb.at/en/Publications.html>. To get news alerts by email, please register at <https://www.oenb.at/en/Services/Newsletter.html>.

Annual Report

German, English | annually

This publication outlines the Eurosystem's monetary policy, describes underlying economic conditions and explains the OeNB's role in maintaining price stability and financial stability. It also contains the OeNB's financial statements and annual updates on the key activities of the core business areas.

<https://www.oenb.at/en/Publications/Oesterreichische-Nationalbank/Annual-Report.html>

Blog

German | irregularly

This publication addresses topical issues in the OeNB's scope of interest. Blog posts are published two to four times a month in German.

<https://www.oenb.at/Presse/oenb-blog.html>

Reports

German, English | irregularly

This publication covers the OeNB's forecasts and data analyses: economic outlook for Austria, Bank Lending Survey, OeNB Euro Survey, Household Finance and Consumption Survey, economic and property market analyses on Central, Eastern and Southeastern Europe, special statistical reports on direct investment or household wealth. The reports are published in German or English, depending on the topic.

<https://www.oenb.at/en/Publications/Economics/reports.html>

OeNB Bulletin

English | quarterly

This publication is a quarterly compilation of articles on policy-relevant issues. Contributions aim to enrich the public debate from a scientific point of view. The Bulletin is published at quarterly intervals, but contributions are released as they become available.

<https://www.oenb.at/en/Publications/Economics/bulletin.html>

Facts on Austria and Its Banks

English | annually

This publication provides a snapshot of the Austrian economy and the banking sector, containing also an extensive set of tables.

<https://www.oenb.at/en/Publications/Financial-Market/Facts-on-Austria-and-Its-Banks.html>

Financial Stability Report

English | twice a year

This publication analyzes and assesses developments in Austria and the international environment that are relevant for financial stability. The summer edition seeks to identify and address vulnerabilities, and the winter edition contains themed articles on financial stability.

<https://www.oenb.at/en/Publications/Financial-Market/Financial-Stability-Report.html>

Statistiken – Daten & Analysen

German | twice a year

This publication contains analyses of the balance sheets of Austrian financial institutions, flow-of-funds statistics as well as external statistics (English summaries are provided). A set of 13 tables (also available on the OeNB's website) provides information about key financial and macroeconomic indicators.

<https://www.oenb.at/Publikationen/Statistik/Statistiken---Daten-und-Analysen.html>

Working Papers

English | irregularly

This series provides a platform for disseminating economic papers and research findings. All contributions are subject to international peer review and are primarily aimed at a professional audience

<https://www.oenb.at/en/Publications/Economics/Working-Papers.html>

Occasional Papers

English | irregularly

This series discusses policy-relevant issues on an ad hoc basis.

<https://www.oenb.at/en/Publications/Economics/occasional-papers.html>

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The Annual Report of the OeNB provides information about the monetary policy of the Eurosystem and reviews developments in the economy, in financial markets and payment systems. Furthermore, it details the OeNB's national and international role as well as the broad range of services the OeNB offers. The OeNB's financial statements and the notes on the financial statements are an integral part of the Annual Report.

Publisher and editor	<i>Oesterreichische Nationalbank, Otto-Wagner-Platz 3, 1090 Vienna, Austria PO Box 61, 1011 Vienna, Austria www.oenb.at oenb.info@oenb.at Phone (+43-1) 40420-6666</i>
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Pictorial design	<i>Marlies Faulmann</i>
Layout	<i>Andreas Kullerschitz, Robert Musil</i>
Printing	<i>Oesterreichische Nationalbank, 1090 Vienna</i>
Data protection information	<i>www.oenb.at/en/dataprotection</i>
ISSN 2311-0007 (online)	

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