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EUROSYSTEM

FACTS ON AUSTRIA AND ITS BANKS

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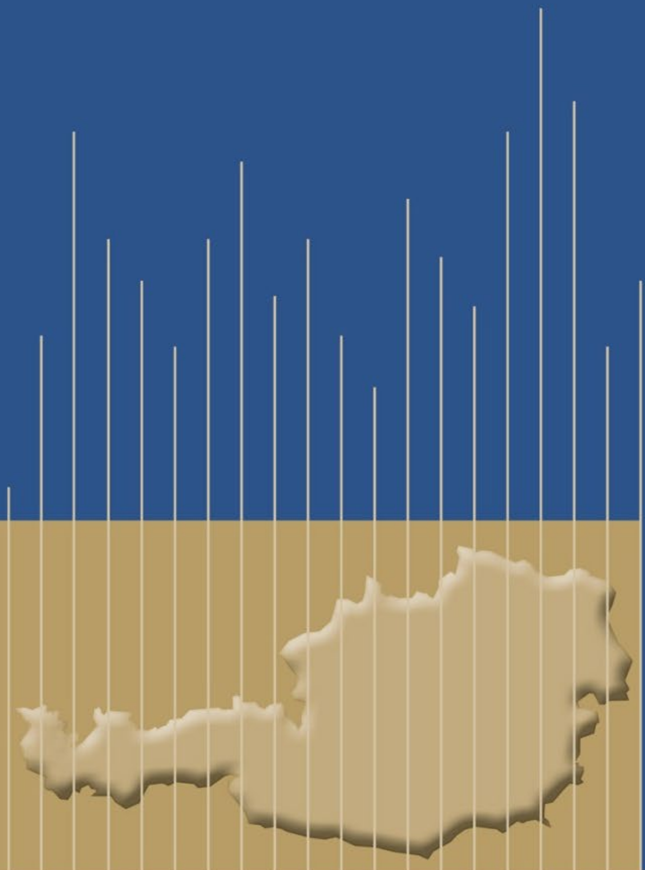


Security through stability.

2024

Cutoff date: June 20, 2024.

1 Overview

- *In 2023, the combination of real wage losses and rising financing costs led once more to a recession in Austria – the second in the last four years (2020 and 2023). National and international forecasting institutions expect the Austrian economy to recover slightly in 2024 and to return to strong growth in 2025.*
- *Despite the challenging macroeconomic environment of the last few years, the Austrian labor market is very robust. Employment has grown by 4% despite crises in the last four years, and the unemployment rate is at a pre-pandemic level.*
- *Driven by increased energy prices, Austria's inflation rate as measured by the HICP rose from 1.4% in 2020 to 8.6% in 2022. In 2023 inflation came to 7.7% on average and will more than half in 2024.*
- *According to ECB data, house prices in Austria have increased over the last ten years (nominal: 73%; real: 33%), making Austria one of the countries in Europe with above-average price increases. The reasons for this were (1) a lack of housing supply coupled with dynamic population growth, (2) structural change in the demand for housing (single residences) and (3) comparatively low real estate prices in cities in a European comparison, at the beginning of the period.*
- *Restrictions on private consumption, especially consumption of services, led to a significant increase in the saving ratio during the COVID-19 pandemic. Despite having fallen over the past few years, at 9%, it was still above its pre-crisis level in 2023 (2019: 7.8%).*
- *In terms of price competitiveness, the Austrian economy has been moving in tandem with the German economy, while stronger wage dynamics have led to slight losses vis-à-vis the euro area in recent years.*
- *In 2023, more than half of Austria's goods exports went to the euro area, which meant that they were not exposed to any direct foreign exchange risk. A current account surplus of EUR 12.7 billion or 2.7% of GDP was achieved in 2023.*
- *In 2023, the Austrian budget balance stood at –2.7% of GDP. Government debt declined to 77.8% of GDP in 2023, where it will roughly remain under the no-policy-change assumption in subsequent years.*
- *Banks accounted for slightly more than half of the Austrian financial system as a whole as at Q4 2023 measured by total assets. The Austrian banking sector is characterized by a large number of banks and its size relative to GDP is above the EU average.*
- *Central, Eastern and Southeastern Europe (CESEE) is a very important market for Austrian banks in terms of size and profits, with 37 subsidiaries operating in 15 CESEE countries and total assets amounting to EUR 288 billion at the end of 2023.*
- *Over the past few years, and especially since 2021, the net profit of Austrian banks has been rising constantly, mainly driven by strong operating profit and historically low credit risk costs. In 2023, net profits reached a new all-time high at EUR 14 billion.*
- *This development was accompanied by a continuously declining cost-to-income ratio, which, for the first-time ever, was slightly below 50% at the end of 2023.*
- *In 2023, CESEE subsidiaries reported a record aggregate net profit (after tax) of EUR 5.5 billion, supported by a rising net interest margin and benign credit quality.*
- *In Austria, over the past decade, credit growth had been mainly driven by mortgage loans for residential real estate (RRE) as well as loans to corporates. More recently, rising interest rates and high inflation have led to a significant reduction in growth rates in all segments. This decline started in mid-2022, with mortgage loans even in negative territory since mid-2023.*
- *Compared with levels recorded before 2008, the Austrian banking sector has more than doubled its capital ratio in line with tighter prudential requirements, reaching a consolidated common equity tier 1 (CET1) ratio of 17.5% at end-2023. Hence, the CET1 ratio of the Austrian banking sector stood above the EU average of 16.4% as of December 2023.*
- *The liquidity coverage ratio (LCR) of the consolidated Austrian banking sector remained broadly stable at 161% in 2023 as a whole. This reflects the overall solid short-term liquidity position of the Austrian banking system.*

2 Austria's economy is highly resilient to exogenous shocks

2.1 Aftermath of the pandemic and wars still determine macroeconomic developments

2.1.1 Loss of purchasing power due to high inflation led to 2nd recession in the past four years

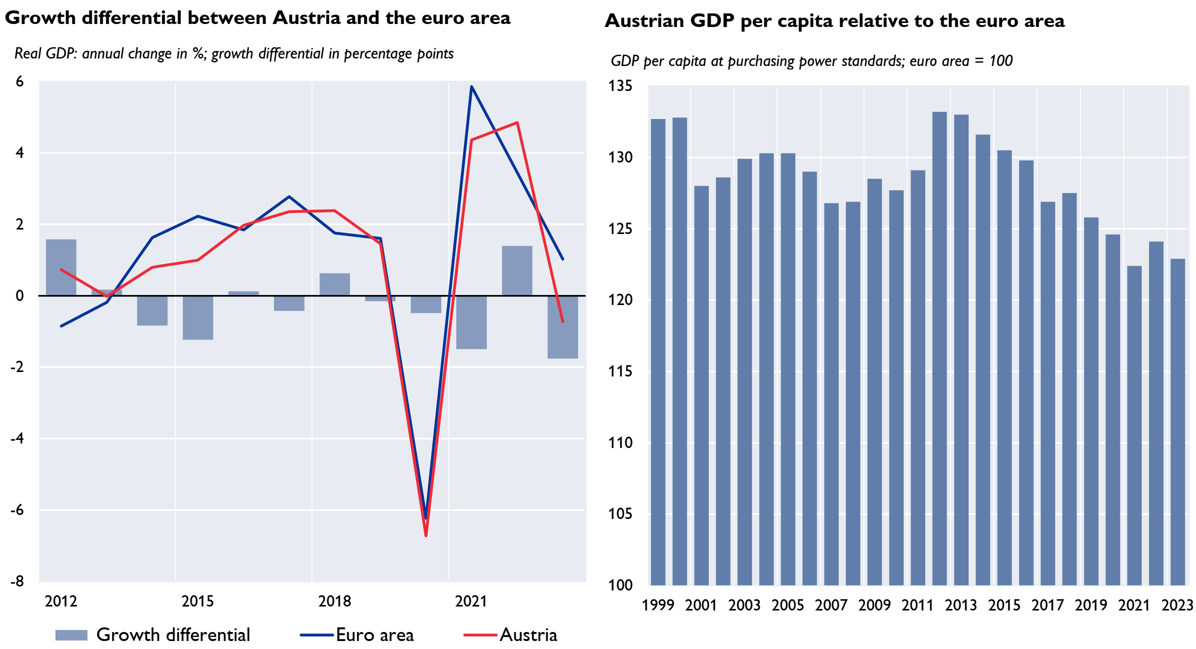
The past few years have been characterized by extensive exogenous shocks. Following Brexit and the US trade disputes with China and Europe, the world was hit by the COVID-19 pandemic. Extensive supply restrictions and a sharp drop in demand led to the deepest recession in recent decades. After the end of the pandemic, catch-up effects led to a rapid increase in demand, exceeding supply, which was still to some extent constrained. As a result, not only economic growth but also inflation increased significantly. In 2022, the war in Ukraine pushed up energy and commodity prices, leading to the largest price shock in the euro area since its inception. Meanwhile, in 2023, the war in Gaza following the terrorist attack on Israel has intensified political uncertainty in the Middle East.

Monetary policymakers reacted swiftly and raised key interest rates mid-2022, which previously had been very low for a very long time. As inflation came down to around 2,5% in early 2024 and is projected to return to the ECB's price stability goal in the medium term, the ECB's Governing Council decided to lower the key ECB interest rates in mid-June 2024.

Nevertheless, in 2023, the combination of real wage losses and rising financing costs led once more to a recession in Austria – the second in the last four years (2020 and 2023). National and international forecasting institutions expect the Austrian economy to recover slightly in 2024 and to return to strong growth in 2025.

Chart 1

Austria and the euro area: growth differential and GDP per capita



Source: Eurostat.

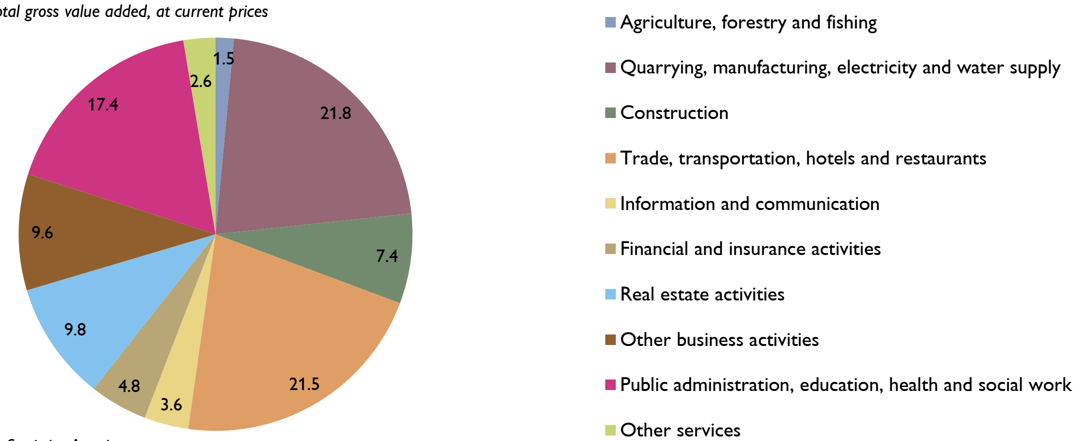
2.1.2 Sectoral structure of the Austrian economy is well balanced

Like in many other highly developed countries, the tertiary sector is crucial for the Austrian economy. Private sector services (information and communication, financial and insurance activities, real estate activities, other business activities and other services) contribute the largest share – slightly above 30% – to gross value added, followed by activities classified under "quarrying, manufacturing, electricity and water supply" as well as "trade, transportation, hotels and restaurants," which account for slightly more than 20% each. Furthermore, manufacturing in Austria is characterized by a large variety of industries.

Chart 2

Gross value added in Austria in 2023

% of total gross value added, at current prices



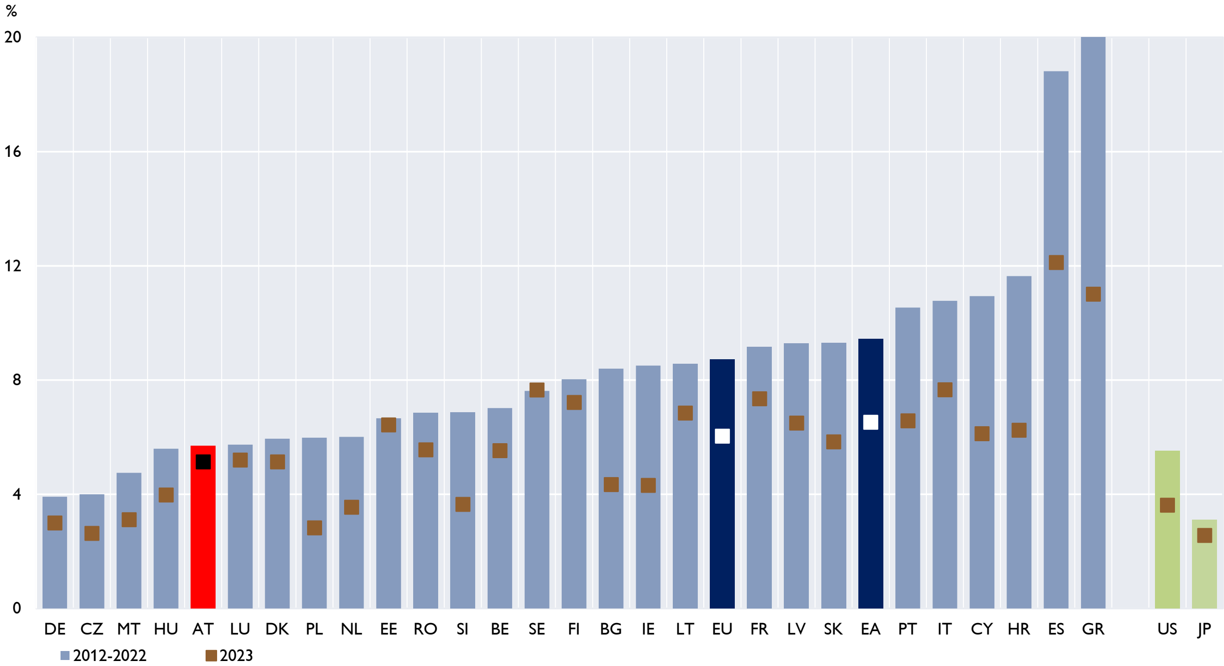
Source: Statistics Austria.

2.1.3 Austrian labor market remains robust

Despite the challenging macroeconomic environment of the last few years, the Austrian labor market is very robust. Employment has grown by 4% despite crises in the last four years, and the unemployment rate is at a pre-pandemic level. This is mainly due to labor market measures such as the short-time work scheme. Labor market developments have been shaped by increasing labor shortages in different sectors due to demographic change. Rising participation rates have been counteracting this trend, but its positive impact on labor supply has been dampened by a sharp increase in part-time work. The number of vacancies, which had risen sharply after the pandemic, has been on a downward trend since the beginning of 2023 but remains well above pre-crisis levels. In the spring of 2024, weak economic growth led to a relatively small rise in the unemployment rate and to stagnation in employment. By international standards, Austria's unemployment rate is still low.

Chart 3

Unemployment rates – international comparison



Source: Eurostat.

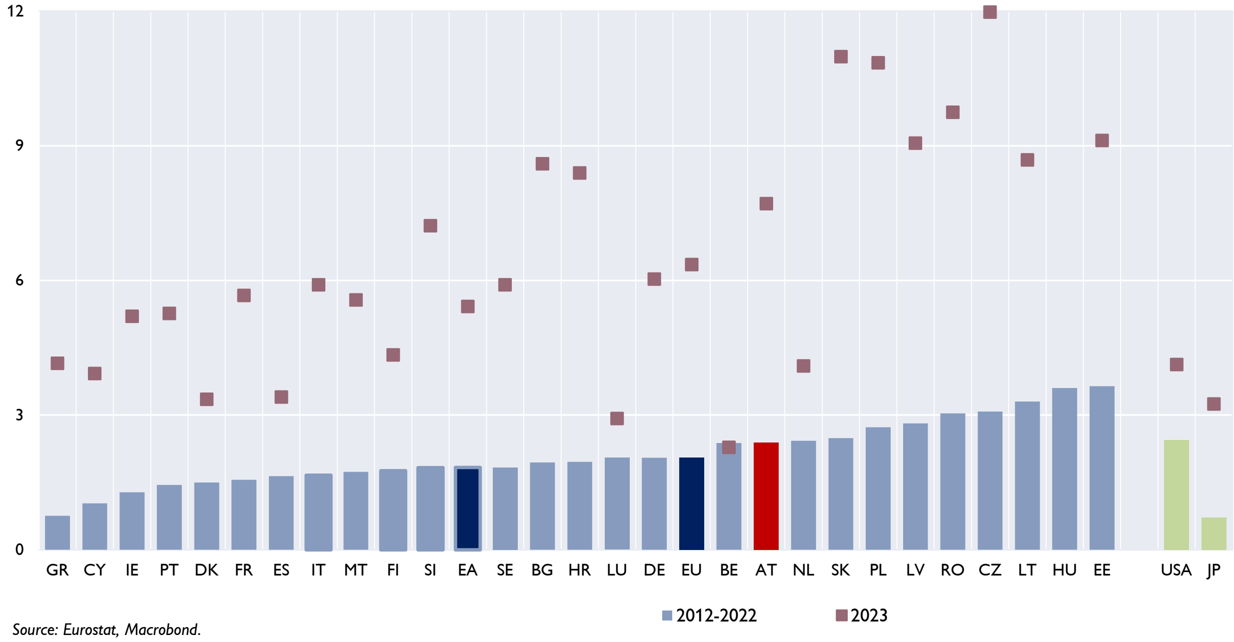
2.1.4 COVID-19 pandemic and war in Ukraine led to inflation shock

Driven by increased energy prices, Austria's inflation rate as measured by the Harmonised Index of Consumer Prices (HICP) rose from 1.4% in 2020 to 8.6% in 2022. Initially, this was attributable to supply bottlenecks and strong catch-up effects in the aftermath of the COVID-19 pandemic; subsequently, the war in Ukraine led to a sharp increase in many energy and commodity prices. In Austria, inflation became entrenched due to multiple indexations of wages and prices also in the service sector and the decision not to exert comprehensive influence on (energy) pricing right away. Strong wage increases avoided higher real wage losses; as a consequence, inflation in Austria went down more slowly and came to 7.7% on average in 2023 and will more than half in 2024. Therefore, inflation was significantly higher in Austria than in the euro area (5.4%).

Chart 4

HICP inflation rate – international comparison

Annual change in %



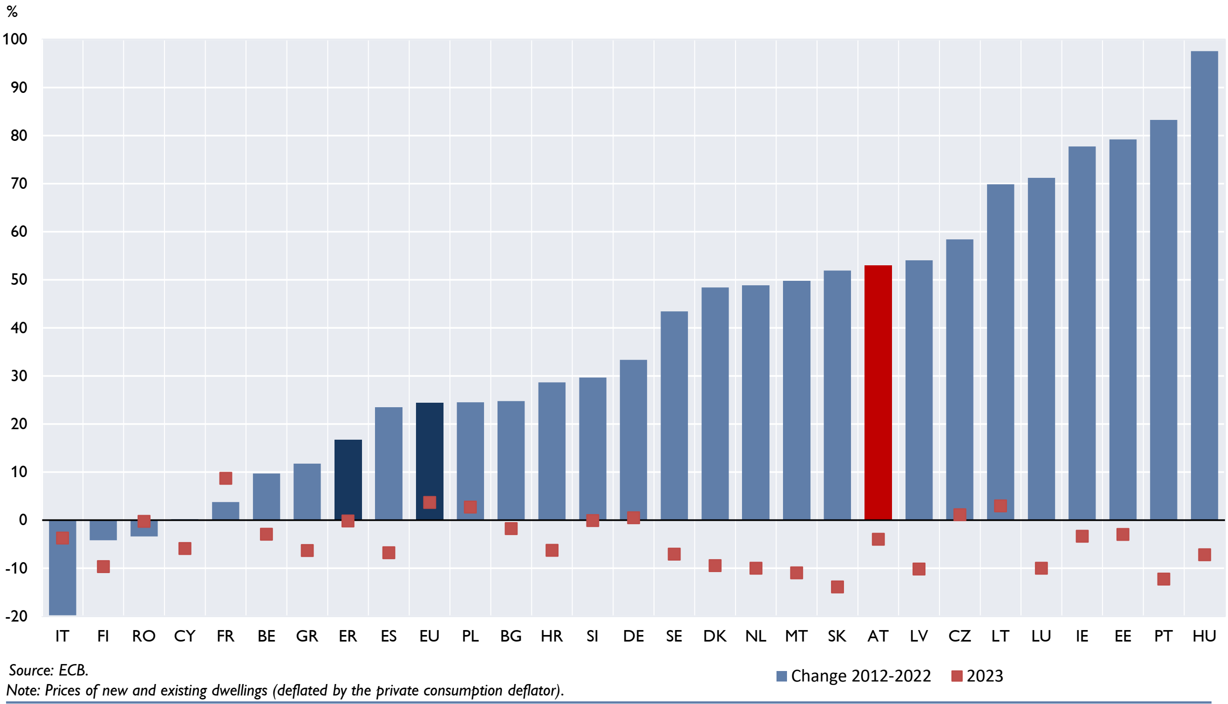
Source: Eurostat, Macrobond.

2.1.5 End of residential construction cycle due to waning affordability and rising funding costs

According to ECB data, house prices in Austria have increased over the last ten years (nominal: 73%; real: 33%), making Austria one of the countries in Europe with above-average price increases. The reasons for this were (1) a lack of housing supply coupled with dynamic population growth, (2) structural change in the demand for housing (single residences) and (3) comparatively low real estate prices in cities in a European comparison. In 2023, the tide turned and prices fell (in nominal and real terms). This was not only the result of higher refinancing costs after the tightening of monetary policy but also a consequence of strong housing activity in recent years. However, a decline in building permits indicates a decline in residential construction investment over the next years.

Chart 5

Change in real house prices between 2012 and 2022 as well as 2023

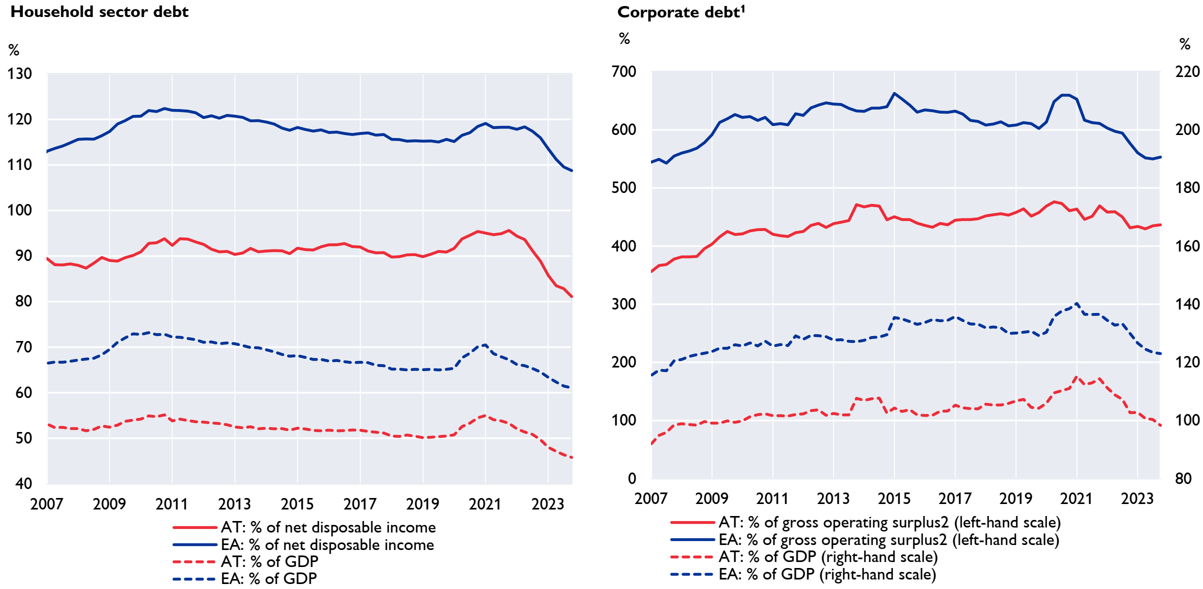


Source: ECB.
Note: Prices of new and existing dwellings (deflated by the private consumption deflator).

2.1.6 Saving ratio remains above pre-pandemic levels

Restrictions on private consumption, especially consumption of services, led to a significant increase in the saving ratio during the COVID-19 pandemic. Despite having fallen over the past few years, at 9%, it was still above its pre-crisis level in 2023 (2019: 7.8%). The household sector held total financial assets of around EUR 830 billion (175% of GDP) at the end of 2023, which makes it an important source of capital for other sectors in Austria. Austrian household debt increased during the early stages of the pandemic but has declined significantly since 2022 and is currently standing at levels last seen before the outbreak of the global financial crisis in 2008. Corporate sector debt has also declined of late, and both household and corporate debt levels in Austria are below the euro area average.

Household and corporate debt levels in Austria and the euro area



Source: ECB.
Note: Data up to and including Q4 23.

[1] *Short- and long-term loans, money and capital market instruments.*
[2] *Including mixed income of the self-employed.*

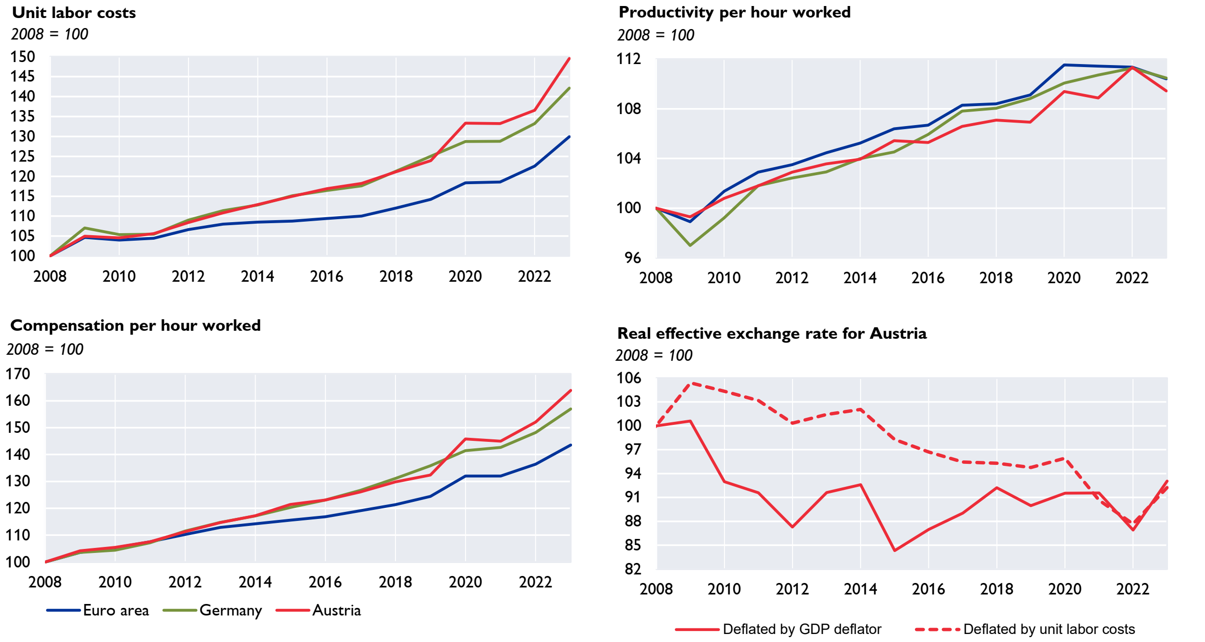
2.2 The impact of the inflation shock on competitiveness

2.2.1 Unit labor costs rising faster than those of major trading partners

In terms of price competitiveness, the Austrian economy has been moving in tandem with the German economy, while stronger wage dynamics have led to slight losses vis-à-vis the euro area in recent years. However, for the time of the pandemic, the interpretability of many competitiveness indicators is limited. Due to higher inflation and de facto wage indexation, Austria's wage increases are currently significantly higher than in the euro area, with corresponding implications for price competitiveness. The lagged inflation compensation will partly feed through in the coming years; stronger hourly wage growth in 2023 is the first visible effect. In the past, the Austrian economy successfully compensated for the sharper rise in unit labor costs compared to major trading partners, as reflected in the positive development of the current account. In the coming years, the Austrian economy will have to face this challenge as well.

Chart 7

International competitiveness



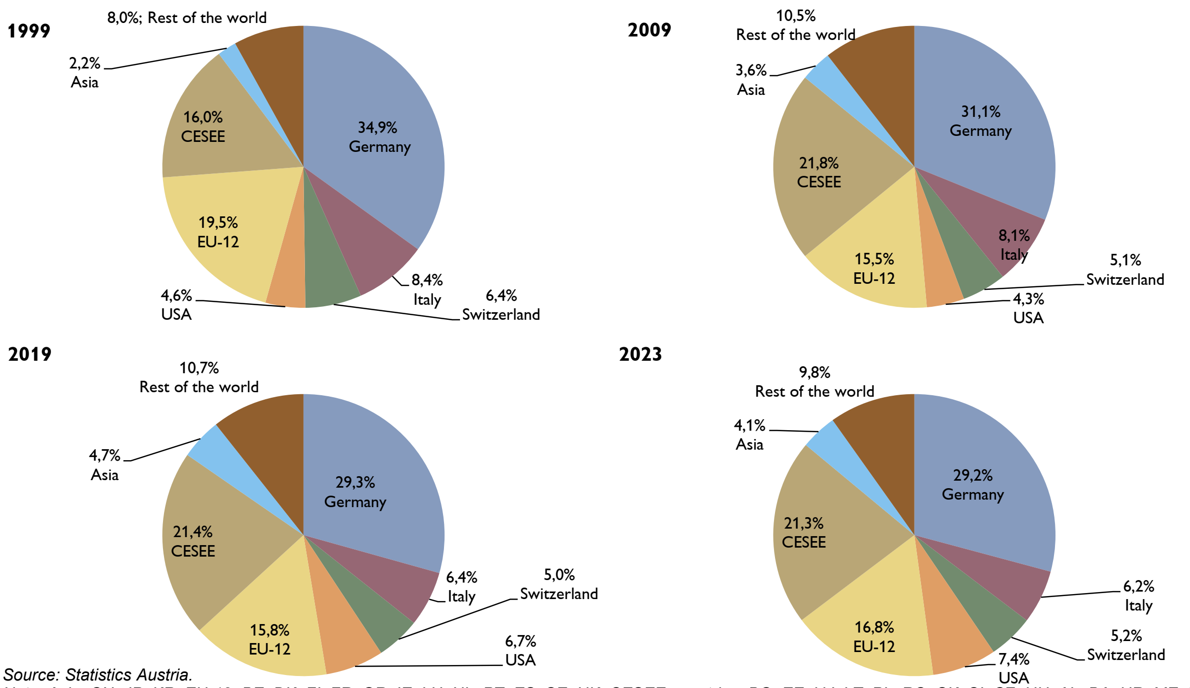
Source: Eurostat; real effective exchange rate: ECB.

2.2.2 External trade is regionally diversified, exposure to foreign exchange risk is low

In 2023, more than half of Austria's goods exports went to the euro area, which meant that they were not exposed to any direct foreign exchange risk. Among Austria's trading partners, Germany is still the most important one by far, accounting for a share of close to 30% in Austria's total goods exports, followed by the USA, Italy and Switzerland. Central, Eastern and Southeastern Europe (CESEE) remains a very important export market for Austria with a share of more than 20%.
Roughly 30% of all Austrian exports are services, of which travel and tourism account for 30%. The sectoral structure of Austria's external goods trade follows the pattern typically observed in highly industrialized nations. Machinery and transport equipment make up the biggest share – 35% to 40% – of Austria's goods exports. Other important pillars of Austrian export activity include manufactured goods (around 20%) and chemicals (around 15%).

Chart 8

Regional pattern of Austrian goods exports



Source: Statistics Austria.
Note: Asia: CN, JP, KR; EU-12: BE, DK, FI, FR, GR, IE, LU, NL, PT, ES, SE, UK; CESEE countries: BG, EE, LV, LT, PL, RO, SK, SI, CZ, HU, AL, BA, HR, ME, RS, BY, MD, RU, UA.

2.2.3 Current account balance positive again in 2023

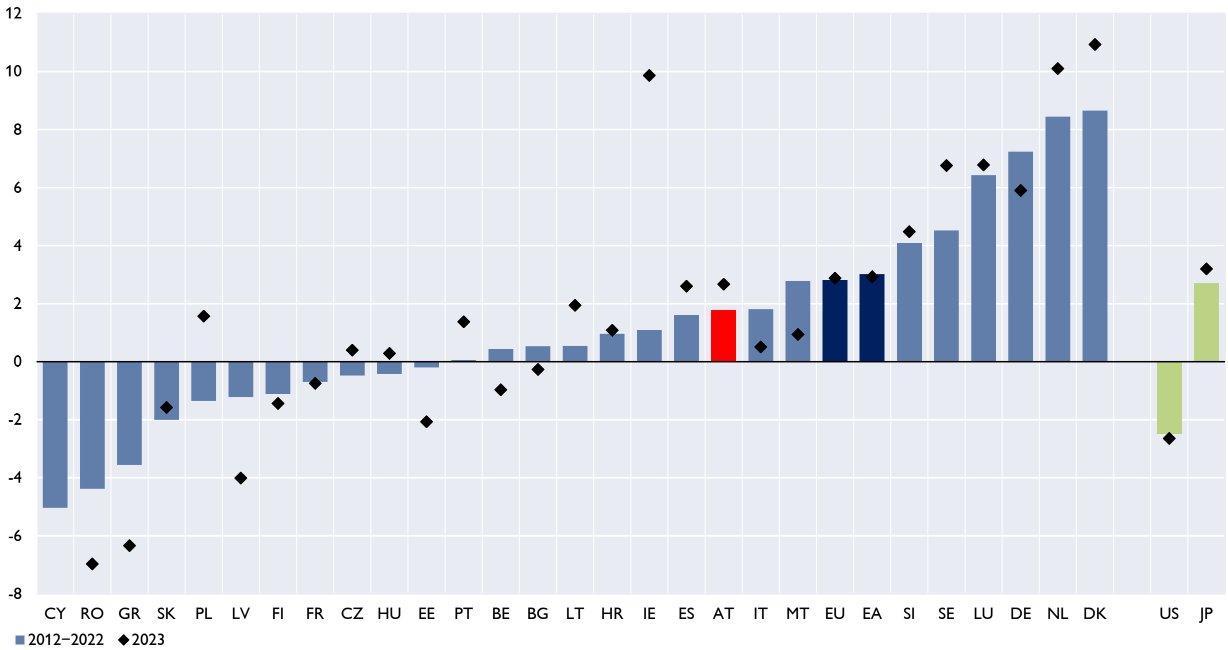
Following the COVID-19 pandemic and the energy import price shock, Austria recorded a small current account deficit in 2022. As the influence of both factors lessened, a surplus of EUR 12.7 billion or 2.7% of GDP was achieved in 2023. On average, Austria's current account surplus stood at 1.8% between 2012 and 2022; thus, it was only slightly below the euro area/EU average.

2.2.4 Austria's net international investment position since 2013

Due to its sustained current account surplus, Austria has steadily improved its net international investment position (IIP), which first became positive in 2013 and amounted to EUR 79.3 billion (16.6% of GDP) in 2023. Overall, Austria's net IIP is fairly balanced, compared to countries with high deficits, such as Greece, Ireland and Cyprus, and countries with high surpluses, like the Netherlands, Germany and Denmark.

Chart 9

Current account balances of EU member states, the USA and Japan

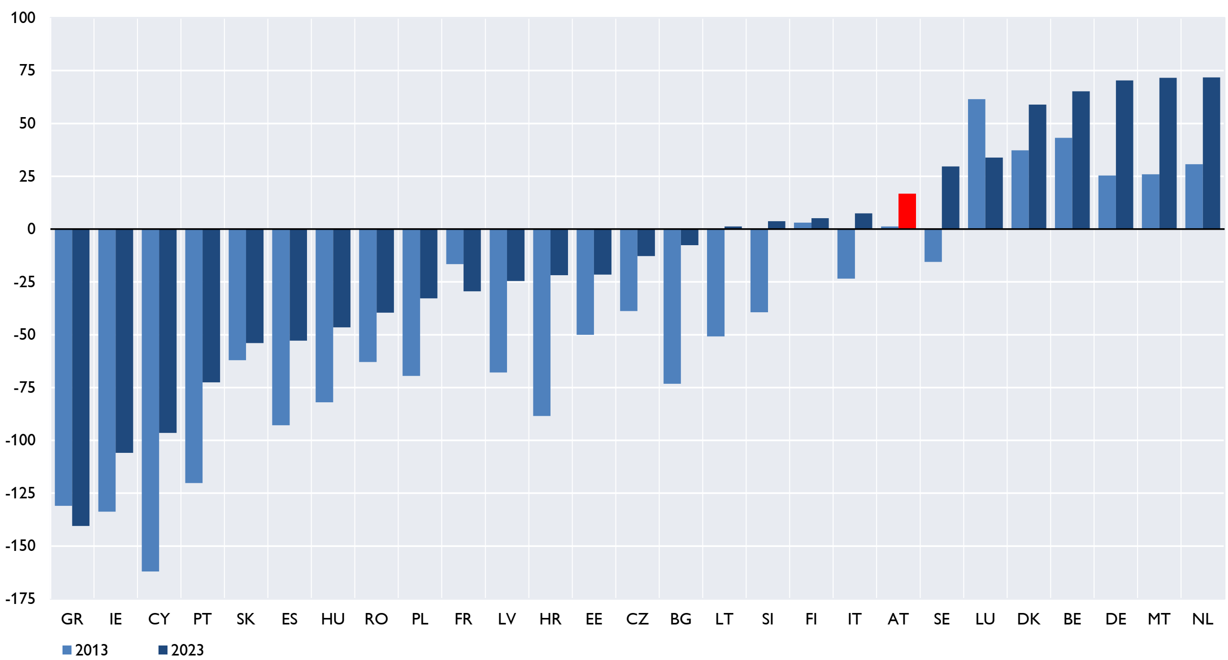


Source: Eurostat, OeNB.

Note: USA and Japan: averages derived from European Commission and IMF data.

Chart 10

Net international investment position



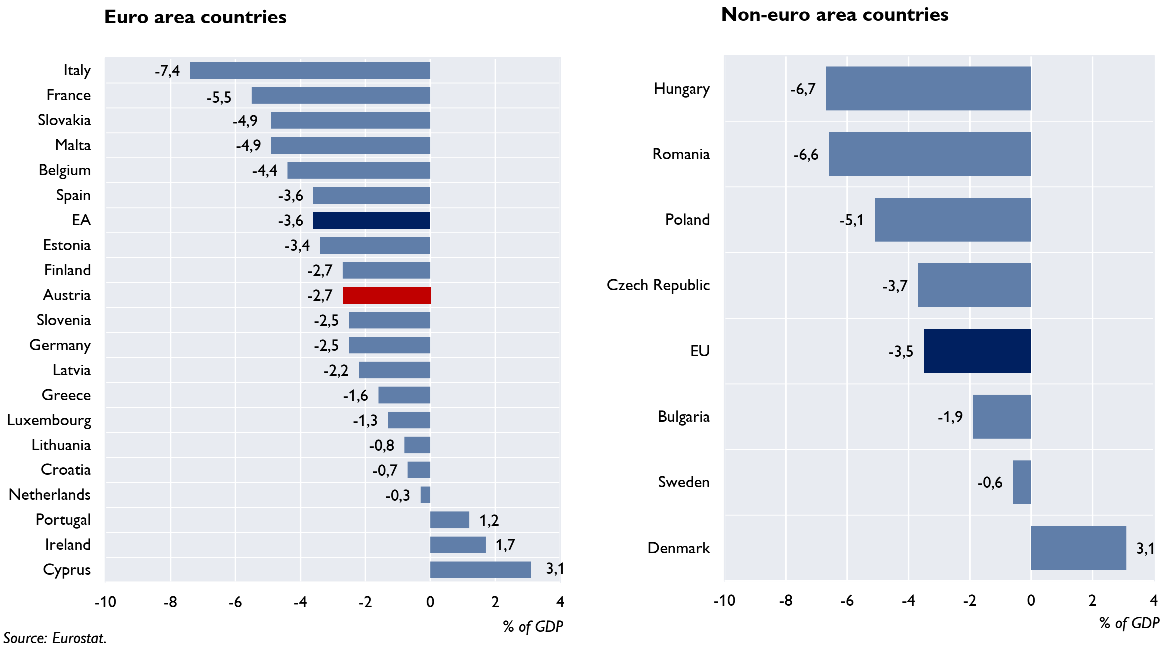
Source: Eurostat, ECB (Statistical Data Warehouse), OeNB, Statistics Austria.

2.3 Government finances: improvement in 2023 to be followed by increasing pressure

In 2023, the Austrian budget balance stood at –2.7% of GDP (2022: –3.3%). The improvement compared to 2022 is mainly due to the absence of the one-off effect of the acquisition of the strategic gas reserve (expenditure of around 0.8% of GDP in 2022). The scope of other discretionary measures remained broadly unchanged. Owing to robust labor market developments, the cyclical impact on the budget balance in 2023 remained at a similar level to that of the previous year. In 2024 and 2025, however, the negative effects of the inflation shock on public finances will be felt, in particular, through rising interest expenditure and the lagged adjustment of government expenditure on social welfare and personnel to the elevated price level. These negative effects are also expected to compensate for the phasing out of several temporary fiscal inflation measures. Without additional fiscal measures, budget deficits could therefore be at or just above 3% of GDP in 2024 and/or 2025. Government debt declined to 77.8% of GDP in 2023, where it will roughly remain under the no-policy-change assumption in subsequent years.

Chart 11

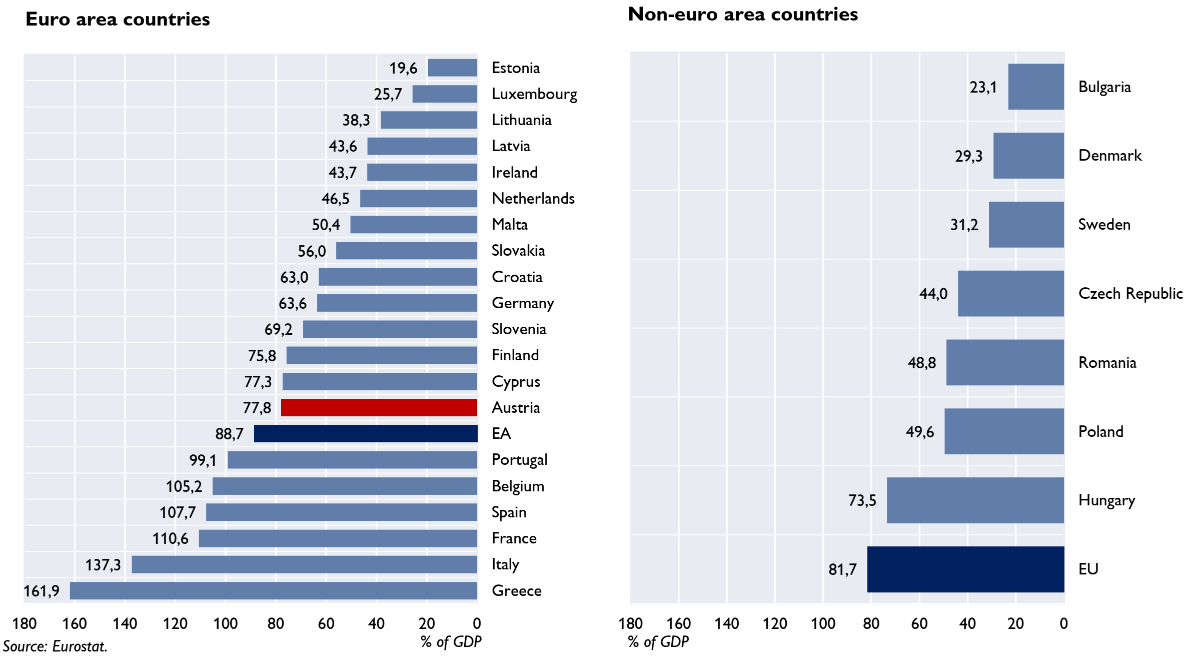
Budget balances of EU member states in 2023



Source: Eurostat.

Chart 12

Public debt of EU member states in 2023



Source: Eurostat.

3 Austrian banking system resilient amid challenging environment – prudential measures prove their value[1]

3.1 Structural overview

3.1.1 Structural specificities of the Austrian banking sector

Banks accounted for slightly more than half of the Austrian financial system as a whole as at Q4 2023.[2] The Austrian banking sector is characterized by a large number of banks[3], whose total assets equal about EUR 1.2 trillion. The top three Austrian banking groups[4] hold more than 50% of the total banking sector assets, which shows that the sector is quite concentrated. The banks are grouped into seven sectors;[5] the majority belongs to the cooperative sectors. In 2023, a total of 68,192 employees worked in the Austrian banking sector, accounting for just below 1.6% of the total working population. In the last decade the size of the Austrian banking sector relative to GDP was continuously above the EU average (255% vs. 225% as of Dec. 2023). The consolidated balance sheet of Austrian credit institutions is dominated by loans and deposits, which make up more than two-thirds of the sector's assets and liabilities. This balance sheet structure is a reflection of Austrian banks' retail business model, in which trading activities play a minor role, and market risk is not very important in banks' total capital requirements, amounting to only 3%, while credit risk accounts for the lion's share of 86%.

In the past decades, but especially after the financial crisis of 2008–09, the Austrian banking sector went through a consolidation process, which resulted in the overall number of credit institutions declining by more than 45%[6] to 472 at end-2023. Although Austrian banks' consolidation efforts have been well in line with European developments, the sector remains large in terms of its balance sheet, the number of banks, the dense branch network (3,195 at the end of 2023)[7] and its European subsidiaries (40 at end-2023, 24 thereof in EU countries).

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[1] For more detailed analyses of the Austrian banking sector, please refer to the OeNB's Financial Stability Reports. https://www.oenb.at/en/Publications/Financial-Market/Financial-Stability-Report.html.

[2] Measured by total assets (i.e. EUR 2,336 billion as of Q4 2023); the nonbank sector comprises investment funds, pension funds, insurance companies and bonds.

[3] End-2023: 472.

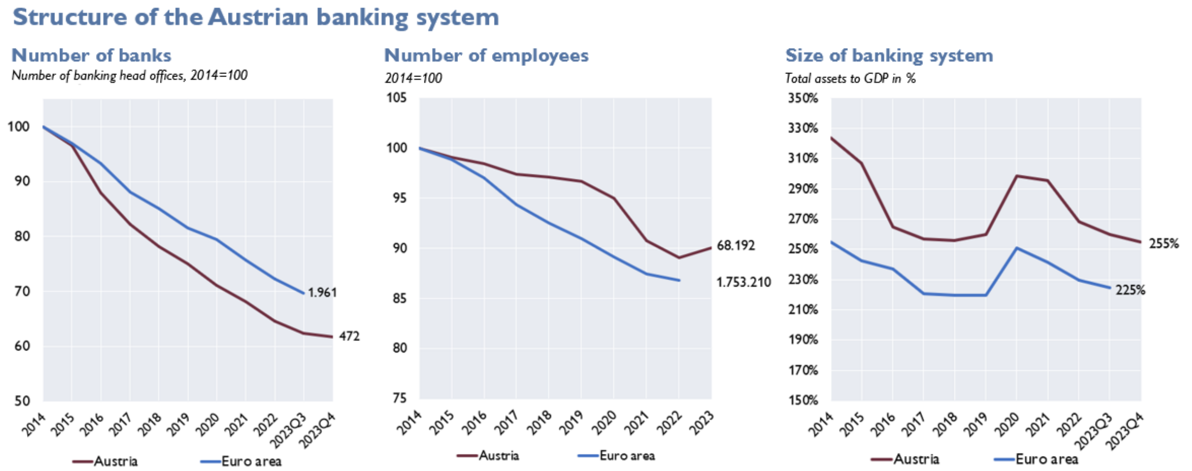
[4] The top 3 banking groups by size, starting from the largest: Erste Group, Raiffeisen Bank International, UniCredit Bank Austria.

[5] Joint stock banks and private banks, savings bank, state mortgage banks, Raiffeisen credit cooperatives, Volksbank credit cooperatives, building loan associations and special purpose banks.

[6] End-2008: 867.

[7] The number Austrian bank branches decreased by 24.8% from end-2008 to end-2023.

Chart 13



Source: OeNB, ECB.

3.1.2 The importance of CESEE for the Austrian banking system

Central, Eastern and Southeastern Europe (CESEE) is a very important market for Austrian banks in terms of size and profits, with 37 subsidiaries operating in 15 CESEE countries and total assets amounting to EUR 288 billion at the end of 2023 (24% of total sector assets). Around 83% of Austrian banks' CESEE exposure is within the EU: The most relevant subsidiaries are located in Czechia and Slovakia and account for almost 64% of Austrian banks' aggregate EU assets in CESEE. Other CESEE EU subsidiaries operate in Romania, Hungary, Croatia and Slovenia (countries ranked in the order of subsidiaries' total assets). Subsidiaries operating in CESEE EU countries contributed 62% to the Austrian banking sector's profits earned in CESEE.

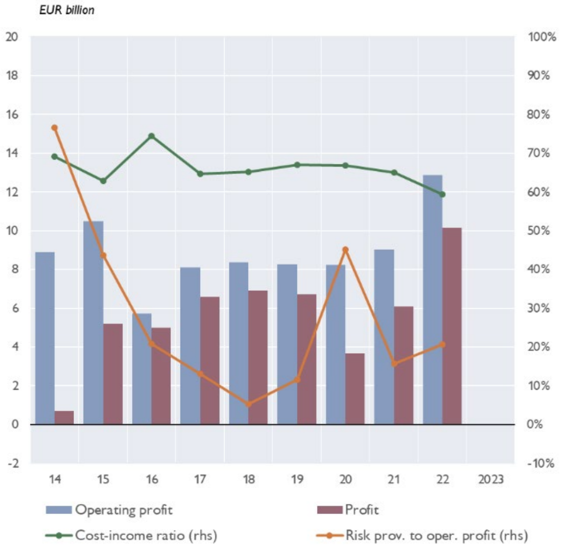
Importantly, Austrian banking subsidiaries' risk-bearing capacity has remained sound and their business locally funded. This is especially attributable to the proactive implementation of micro- and macroprudential measures (i.a. the Systemic Risk Buffer and the "Austrian Sustainability Package").

3.2 Developments and indicators at a glance

3.2.1 High profitability in a rising interest rate environment

Chart 14

Profitability indicators of the Austrian banking system



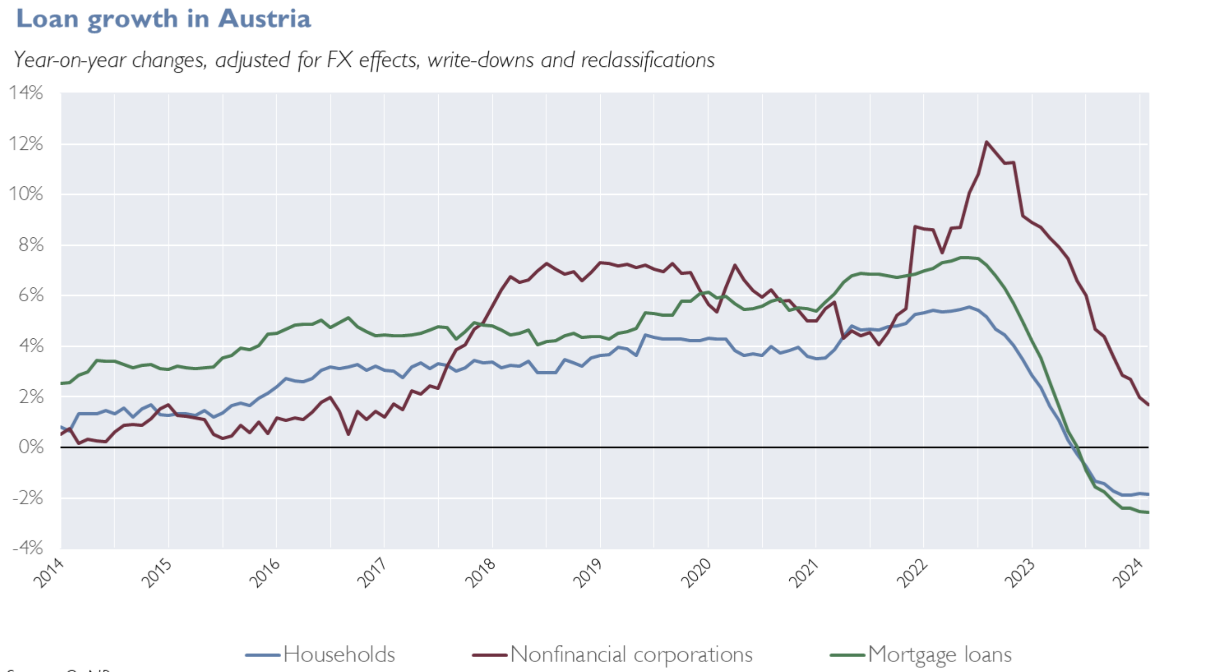
Source: OeNB.

Over the past few years, and especially since 2021, the net profit of Austrian banks has been rising constantly, mainly driven by strong operating profit and historically low credit risk costs. In 2023, net profits reached a new all-time high at EUR 14 billion (+37% year on year). After a prolonged time of low interest rates, banks benefited from rising interest rates by passing them on to both new borrowers and borrowers with variable rate loans, while deposit repricing went more slowly. This development was accompanied by a continuously declining cost-to-income ratio, which, for the first-time ever, was slightly below 50% at the end of 2023.

Operations in CESEE have made a significant contribution to this development over the past decades. In 2023, CESEE subsidiaries reported a record aggregate net profit (after tax) of EUR 5.5 billion, supported by a rising net interest margin and benign credit quality. High profitability has been mainly driven by interest income, while credit risk has not yet materialized, despite muted economic growth, elevated inflation and high geopolitical risks.

The consolidated NPL ratio of the Austrian banks, however, which had been at around 2% since 2021, reached 2.6% at the end of 2023. The deterioration in credit quality was mainly driven by domestic business, especially by defaults of small and medium-sized enterprises (SMEs) and defaults in the commercial real estate sector, while the NPL ratio for loans to households remained stable. Austrian banks are more exposed to commercial real estate (CRE) loans than banks in other EU banking markets, reflecting the comparatively lower share of private home ownership and the large rental market in Austria.

Chart 15



Source: OeNB.

Over the past decade, credit growth had been mainly driven by mortgage loans for residential real estate (RRE) as well as loans to corporates. More recently, rising interest rates and high inflation have led to a significant reduction in growth rates in all segments. This decline started in mid-2022, with mortgage loans even in negative territory since mid-2023.

To address systemic risks from RRE and on the initiative of the Financial Market Stability Board (FMSB), Austria's Financial Market Authority (FMA) issued borrower-based measures in 2022, which have led to a significant improvement in lending standards for new RRE loans[8].

3.2.2 Higher resilience thanks to steadily improving capitalization over the past decade

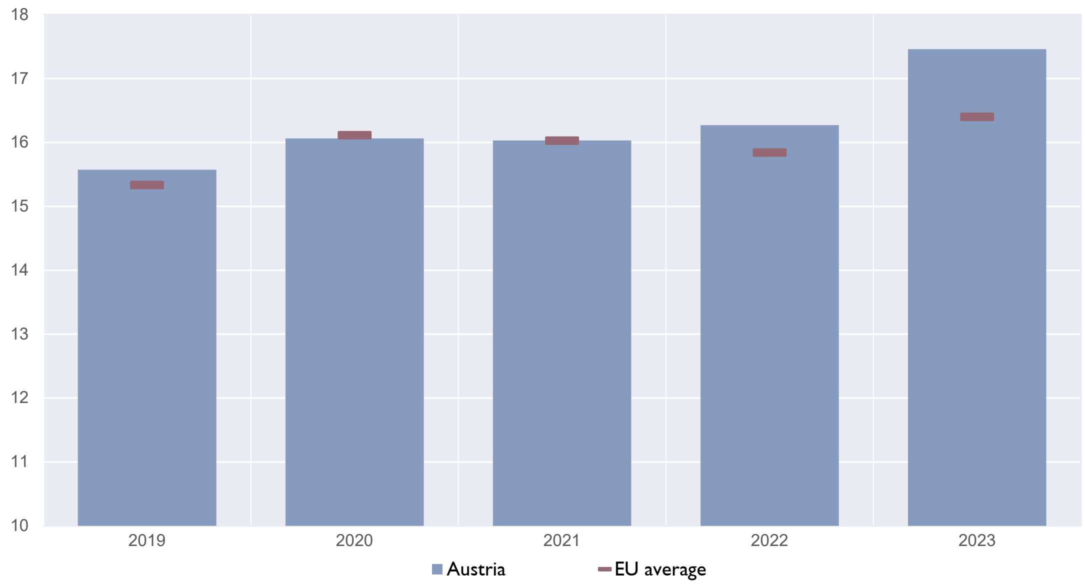
The capitalization of the Austrian banking sector has improved significantly since the financial crisis of 2008–09. Compared with levels recorded before 2008, the Austrian banking sector has more than doubled its capital ratio in line with tighter prudential requirements, reaching a consolidated common equity tier 1 (CET1) ratio of 17.5% at end-2023. Hence, the CET1 ratio of the Austrian banking sector stood above the EU average of 16.4% as of December 2023.

[8] For further details see FMSB – Recommendations FMSB/2/2022, FMSB/1/2023, FMSB/2/2024.

Chart 16

Common equity tier 1 ratio of Austrian and EU banks

%, end of period



Source. OeNB, ECB.

Capital-based macroprudential measures have continuously contributed to this highly positive development[9]: The buffer for systemically important institutions (O-SII) aims to increase the risk-bearing capacity of large institutions, and the systemic risk buffer (SyRB) addresses structural systemic risks. Maintaining sound capital levels and sustainable lending standards is important for positive external assessments, e.g. in order to keep the S&P Banking Industry Country Risk Assessment (BICRA) rating at 2, which places Austria among the globally highest rated banking systems.

3.2.3 Austrian banks have sound funding and liquidity profiles

Austrian banks benefit from a relatively high and stable share of retail and corporate deposits, which is also a reflection of their business model. They have a strong deposit base both in Austria and abroad. The consolidated loan-to-deposit ratio (including foreign business) amounted to about 99% as of December 2023.

The liquidity coverage ratio (LCR) of the consolidated Austrian banking sector remained broadly stable at 161% in 2023 as a whole[10]. This reflects the overall solid short-term liquidity position of the Austrian banking system. The consolidated net stable funding ratio (NSFR), which measures the ability of the banking sector to resist funding, shocks in the medium term and increased slightly in 2023. At the end of the year, it stood at 134%. Hence, LCR and NSFR levels are above the respective regulatory minima.

[9] For further details see FMSG – Recommendation FMSB/4/2023.

[10] End-2023:173%.

4 Key indicators[11]

Macroeconomic indicators for Austria

Table A1

Economic indicators

	2017	2018	2019	2020	2021	2022	2023
Real GDP growth (annual change in %)	2.4	2.4	1.5	-6.7	4.4	4.8	-0.7
Current account balance (% of nominal GDP)	1.4	0.9	2.4	3.4	1.6	-0.3	2.7
HICP inflaton (annual change in %)	2.2	2.1	1.5	1.4	2.8	8.6	7.7
Saving ratio (% of nominal disposable household income)	7.5	7.7	7.8	13.2	11.4	9.0	9.0
Unemployment rate, Eurostat (% of labor supply)	5.9	5.2	4.8	6.0	6.2	4.8	5.1
Budget balance (% of nominal GDP)	-0.8	0.2	0.6	-8.0	-5.8	-3.3	-2.7
Government debt (% of nominal GDP)	78.5	74.1	70.6	82.9	82.5	78.4	77.8

Source: OeNB.

OeNB economic outlook for Austria
Economic indicators
Selected economic measures
Interest rates and exchange rates
Consumer prices
Economic sector breakdown of households
Economic sector breakdown of nonfinancial corporations
Property market dashboard
CESEE Property Market Review

Table A2

Bank lending

	2017	2018	2019	2020	2021	2022	2023
	%						
Loan growth (year on year): households	3.4	3.5	4.2	3.6	5.3	3.5	-1.9
Loan growth (year on year): residential real estate	4.8	4.4	6.1	5.5	6.9	5.0	-2.4
Loan growth (year on year): corporations	4.9	6.9	6.2	5.0	8.7	9.2	2.7
	% of total loans						
Share of variable rate loans (outstanding): households	91	69	65	60	57	51	45
Share of variable rate loans (outstanding): corporations	83	72	70	69	67	67	66
Share of variable rate loans (new lending): households	56	55	51	46	47	59	58
Share of variable rate loans (new lending): corporations	83	81	82	77	86	85	80

Source: OeNB.

[11] For more detailed analyses, please refer to:
OeNB Reports (https://www.oenb.at/en/Publications/Economics/reports.html)
OeNB's Financial Stability Reports (https://www.oenb.at/en/Publications/Financial-Market/Financial-Stability-Report.html)

Table A3

Debt ratios

	2017	2018	2019	2020	2021	2022	2023
	%						
Household debt (relative to net disposable income)	90.7	90.3	90.1	94.7	94.4	89.9	81.1
Corporate debt[1] (relative to gross operating surplus[2])	447.1	453.4	457.8	460.8	469.2	431.5	436.6

Source: OeNB.

[1] *Short- and long-term loans, money and capital market instruments.*

[2] *Including mixed income of the self-employed.*

Indicators for the Austrian banking sector

[Number of banks and bank's employees]
[Business structure]

Table A4

Consolidated banking data

	2017	2018	2019	2020	2021	2022	2023
	EUR billion						
Total assets	949	986	1,032	1,136	1,197	1,200	1,216
Loans	668	704	744	752	787	814	820
Shares and debt instruments	139	138	137	143	147	155	173
Cash balance and deposits at central banks	71	75	75	164	186	161	152
Deposits by nonbanks	559	584	615	656	686	709	717
Deposits by credit institutions	101	103	101	102	106	106	113
Debt instruments issued	120	141	150	153	152	163	195
Profit	6.6	6.9	6.7	3.7	6.1	10.2	14.0
Operating income	22.8	24.0	25.0	24.8	25.8	31.6	36.9
Operating costs	14.8	15.7	16.7	16.5	16.8	18.7	18.0
Operating profit	8.1	8.4	8.3	8.2	9.0	12.9	18.9
Risk costs	1.0	0.4	1.0	3.7	1.4	2.7	2.7
Key ratios	%						
Common equity tier 1 (CET1) ratio	15.6	15.4	15.6	16.1	16.0	16.3	17.5
Leverage ratio	7.3	7.5	7.6	7.4	7.7	7.9	8.4
Return on assets (annualized)	0.8	0.8	0.7	0.4	0.6	0.9	1.3
Cost-to-income ratio	65	65	67	67	65	59	49
Nonperforming loan (NPL) ratio[1]	3.4	2.6	2.2	2.4	2.1	2.1	2.6
Coverage ratio	52	51	49	49	48	46	40
Liquidity coverage ratio (LCR)[2]	153	148	146	181	176	163	173
Net stable funding ratio (NSFR)[2]	n.a.	n.a.	n.a.	n.a.	135	131	134

Source: OeNB.

[1] *As of 2020, the NPL ratio excludes cash balances at central banks and other demand deposits.*

[2] *Historical data calculated using the March 2024 banking sample at the highest consolidation level.*

Table A5

CESEE subsidiaries

	2017	2018	2019	2020	2021	2022	2023
	EUR billion						
Total assets	206	207	223	234	271	279	288
Loans	137	147	161	165	186	184	188
Shares and debt instruments	38	37	38	42	48	49	55
Cash balance and deposits at central banks	26	18	18	22	30	39	39
Deposits by nonbanks	150	154	167	178	205	211	214
Deposits by credit institutions	25	23	22	16	18	18	17
Debt instruments issued	4	4	5	11	15	12	19
Profit	2.6	2.9	2.8	1.9	3.0	5.2	5.4
Operating income	7.9	7.9	8.4	8.2	8.9	12.8	12.7
Operating costs	4.2	4.1	4.4	4.4	4.6	5.1	5.5
Operating profit	3.7	3.8	4.1	3.8	4.3	7.7	7.2
Risk costs	0.3	0.2	0.5	1.3	0.5	1.0	0.3
Key ratios	%						
Return on assets (annualized)	1.3	1.4	1.3	0.8	1.2	1.9	1.9
Cost-to-income ratio	53	51	52	54	52	40	43
Nonperforming loan (NPL) ratio[1]	4.5	3.2	2.4	2.6	2.2	2.1	2.0
Coverage ratio	61	64	67	67	64	64	64

Source: OeNB.

[1] *As of 2020, the NPL ratio excludes cash balances at central banks and other demand deposits.*

Table A6

Financial stress indicators

	2017	2018	2019	2020	2021	2022	2023
	Indicator value						
Austrian financial stress indicator (AFSI)	-0.71	-0.24	-0.72	-0.57	-0.66	0.67	-0.29
Composite indicator of systemic stress (CISS)	0.03	0.07	0.02	0.10	0.05	0.33	0.06

Source: OeNB, ECB.

Indicators for other financial intermediaries in Austria

Mutual funds
Pension funds
Insurance corporations

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Coordination	*Matthias Fuchs (Statistics Department)*
Contributions	*Klaus Vondra (economic analysis, Economic Analysis and Research Department)* *Michael Nawaiseh, Tina Wittenberger (financial analysis, Department for Financial Stability and the Supervision of Less Significant Institutions)*
Editing and translations	*Dagmar Dichtl*

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