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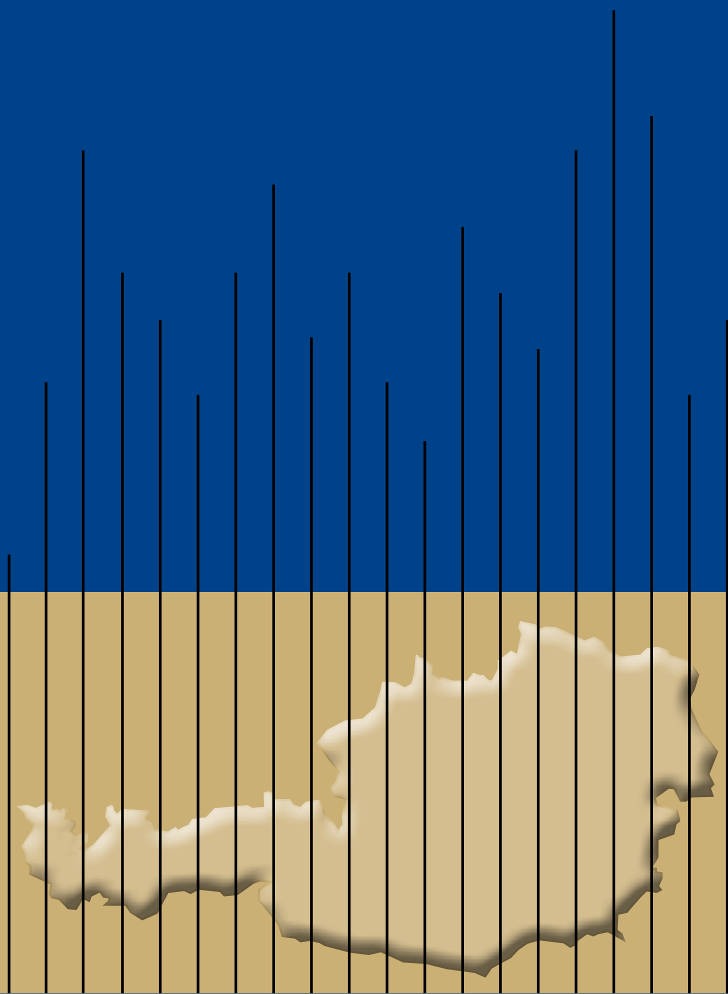


Security through stability.

April 2022

Contents

Cutoff date: April 1, 2022.

Key indicators

Cutoff date: April 1, 2022.

Table 1

Key indicators for the Austrian economy

	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	2019	2020	2021
Economic activity	*EUR billion (four-quarter moving sums)*							
Nominal GDP	378.6	376.6	388.7	395.6	403.0	397.3	378.6	403.0
	Change on previous period in % (real)							
GDP	–1.9	–0.4	4.1	3.4	–1.5	1.5	–6.8	4.6
Private consumption	–3.1	–3.0	2.6	10.4	–3.6	0.7	–8.4	3.2
Public consumption	3.6	–0.2	3.0	1.8	2.1	1.5	–0.4	6.8
Gross fixed capital formation	–0.5	4.1	–0.1	–3.0	–0.7	4.8	–4.9	4.0
Exports of goods and services	2.6	–1.3	14.0	0.8	–0.9	3.3	–11.5	13.3
Exports of goods	4.7	6.4	4.0	–4.2	–0.0	2.8	–8.6	15.0
Imports of goods and services	5.2	6.4	3.6	0.2	–1.6	1.8	–9.4	13.8
Imports of goods	3.3	6.2	4.7	–3.5	–3.3	0.0	–6.8	12.9
	% of nominal GDP							
Current account balance	×	×	×	×	×	2.1	1.9	–0.5
Prices	*Annual change in %*							
HICP inflation	1.1	1.5	2.6	3.1	3.9	1.5	1.4	2.8
Compensation per employee	2.5	1.3	5.4	3.5	2.7	2.7	1.9	3.2
Unit labor costs	7.5	3.7	–2.5	1.1	0.3	2.4	7.6	0.7
Productivity	–4.6	–2.2	8.0	2.4	2.4	0.3	–5.3	2.5
Income and savings	*Annual change in %*							
Real disposable household income	2.3	–10.6	2.4	3.6	–2.1	1.5	–2.0	–2.8
	% of nominal disposable household income							
Saving ratio	×	×	×	×	×	8.5	14.4	9.6
Labor market	*Change on previous period in %*							
Payroll employment	–0.1	–0.9	2.2	1.4	0.5	1.4	–2.0	2.0
	% of labor supply							
Unemployment rate (Eurostat)	6.3	7.1	6.7	5.6	5.3	4.8	6.0	6.2
Public finances	*% of nominal GDP*							
Budget balance	×	×	×	×	×	0.6	–8.0	–5.9
Government debt	×	×	×	×	×	70.6	83.3	82.8

Source: Statistics Austria, Eurostat.

Note: x = data not available.

Table 2

Key indicators for Austrian banks

	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	2018	2019	2020	2021
Austrian banking system – consolidated									
Structure	*EUR billion*								
Total assets	1,136.4	1,161.6	1,168.6	1,186.8	1,197.2	986.0	1,032.3	1,136.4	1,197.2
Exposure to CESEE[1]	244.5	260.0	268.6	275.7	278.9	217.1	233.3	244.5	278.9
Number of credit institutions in Austria	543.0	543.0	542.0	537.0	520.0	597.0	573.0	543.0	520.0
Number of inhabitants per bank branch in Austria	2,833.0	2,545.0	2,563.0	2,574.0	2,594.0	2,429.0	2,521.0	2,833.0	2,594.0
Solvency	*EUR billion*								
Equity capital	94.3	94.6	96.4	96.1	97.6	86.5	90.9	94.3	97.6
	% of risk-weighted assets								
Solvency ratio	19.5	19.4	19.3	18.9	18.9	18.6	18.7	19.5	18.9
Tier 1 capital ratio	17.2	17.2	17.1	16.7	16.8	16.0	16.3	17.2	16.8
Common equity tier 1 (CET1) ratio	16.1	16.1	16.1	15.8	15.7	15.4	15.6	16.1	15.7
	% of selected balance sheet items								
Leverage ratio[2]	7.4	7.1	7.7	7.6	7.6	7.5	7.6	7.4	7.6
Profitability	*EUR billion*								
Net result after tax	3.7	1.4	3.7	5.9	7.2	6.9	6.7	3.7	7.2
	%								
Return on assets (annualized)[3]	0.4	0.5	0.7	0.7	0.7	0.8	0.7	0.4	0.7
Cost-to-income ratio	66.8	65.2	61.4	60.9	62.6	65.2	66.9	66.8	62.6
Credit quality[4]	%								
Loan loss provision stock ratio	1.5	1.5	1.5	1.4	1.4	1.8	1.5	1.5	1.4
Nonperforming loan (NPL) ratio	2.0	1.9	1.9	1.8	1.8	2.6	2.2	2.0	1.8
Credit developments	%								
Annual growth of credit to nonbanks in Austria	3.9	4.2	3.7	4.2	6.6	4.6	4.3	3.9	6.6
Share of foreign currency loans in Austria	4.3	4.0	3.9	3.8	3.6	5.8	5.3	4.3	3.6
Austrian banks' subsidiaries in CESEE	*EUR billion*								
Net result after tax	1.9	0.6	1.4	2.3	3.0	2.9	2.8	1.9	3.0
	%								
Return on assets (annualized)[3]	0.9	1.0	1.2	1.2	1.1	1.4	1.3	0.9	1.1
Cost-to-income ratio	53.5	55.6	53.7	51.9	51.9	51.5	52.3	53.5	51.9
Loan loss provision stock ratio[4]	2.5	2.3	2.3	2.2	2.2	2.7	2.2	2.5	2.2
Nonperforming loan (NPL) ratio[4]	2.4	2.2	2.2	2.0	2.0	3.2	2.4	2.4	2.0
Share of foreign currency loans	24.1	×	23.2	×	21.2	25.4	23.5	24.1	21.2
Loan-to-deposit ratio	74.8	71.7	72.4	72.9	73.5	78.6	79.8	74.8	73.5

Financial assets of households and nonfinancial corporations

	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21	2018	2019	2020	2021
Households	*EUR billion*								
Financial assets	762.1	768.0	781.8	785.0	806.1	686.1	727.2	762.1	806.1
Financial liabilities (loans)	198.9	200.9	203.6	206.5	208.9	188.5	194.0	198.9	208.9
of which foreign currency loans	11.6	10.6	10.2	10.0	10.1	15.0	13.6	11.6	10.1
of which foreign currency housing loans	10.0	9.2	8.9	8.7	8.8	12.9	11.8	10.0	8.8
Nonfinancial corporations	*EUR billion*								
Financial assets	569.3	597.2	600.4	607.5	627.6	538.0	554.8	569.3	627.6
Financial liabilities	890.5	912.1	926.1	934.9	954.7	847.1	878.0	890.5	954.7
of which loans and securities (other than shares and other equity)	426.4	436.1	436.0	445.1	457.2	408.0	419.1	426.4	457.2
of which shares and other equity	429.3	440.3	451.3	454.8	462.5	405.6	425.7	429.3	462.4
	EUR billion (four-quarter moving sums)								
Gross operating surplus and mixed income	88.3	89.6	91.9	92.9	95.6	90.0	90.3	89.6	×

Source: OeNB, Statistics Austria.

Note: For more detailed data, see the OeNB's Financial Stability Reports. x = data not available.

[1] *Exposure of majority Austrian-owned banks (BIS definition).*
[2] *Defined according to Basel III (transitional).*
[3] *End-of-period profit/loss (expected for the full year) after tax and before minority interests as a percentage of average total assets.*
[4] *Based on data as reported in FINREP, including total loans and advances, since Q2 17.*

Overview

Economic activity impacted by severe external shocks

- *Since the COVID-19 pandemic took hold in Europe in spring 2020, the Austrian economy has been largely driven by the spreading of coronavirus infections and the related containment measures adopted by the government. After a steep slump in 2020 as a whole (–6.8%), the economy recovered quickly in 2021 (+4.6%); by early 2022, economic activity in Austria had already reached pre-pandemic levels. Russia's invasion of Ukraine has dampened the growth outlook, however. In March 2022, the OeNB revised downward its outlook for Austrian GDP growth to +3.5%, assuming that the war does not escalate and remains regionally limited. The possibility that energy, in particular gas, shipments from Russia may be cut off represents a major downside risk. An immediate stop to shipments would most likely cause at least a stagnation of economic activity.*
- *The structure of Austria's economy continues to be broadly diversified and sectorally balanced.*
- *The COVID-19 pandemic led to a sharp increase in unemployment and the jobless rate despite comprehensive short-time work schemes. However, as containment measures were lifted and economic recovery took hold, unemployment started to fall rapidly, with the jobless rate reaching almost pre-pandemic levels in early 2022.*
- *Recording an average inflation rate of 1.8% since the introduction of the euro in 1999, Austria has been among those countries that have successfully maintained price stability in line with the Eurosystem's definition (i.e. HICP inflation at a rate of 2% over the medium term). However, as a result of the COVID-19 pandemic and supply chain disruptions and in reaction to the war in Ukraine, energy prices have risen significantly, causing the highest HICP inflation rates since the introduction of the euro.*
- *The Austrian real estate market has been buoyant since the mid-2000s. According to the results of the OeNB fundamentals indicator for residential property prices, real estate price growth in Austria cannot be explained by economic fundamentals. For this reason, at the beginning of 2022 the responsible authorities took comprehensive measures to curb lending.*
- *The economic disruptions caused by the COVID-19 pandemic drove up household savings in Austria to unprecedented levels in 2020 on the back of restrictions in private consumption, especially in services. The OeNB expects that households' savings ratio will quickly return to pre-crisis levels but that the scope for satisfying pent-up demand out of accumulated excess savings will remain limited. Financial assets held by households totaled EUR 762 billion or 201% of GDP. The household sector's debt ratio stood at 54% of GDP in the third quarter of 2021. Corporate debt in Austria equaled 100% of GDP (Q3 21). Both indicators are below the euro area average.*
- *Austria's foreign trade in goods is well diversified both by region and product type. In 2021, more than half of foreign trade took place with other euro area countries and was therefore not exposed to any direct exchange rate risks. After Germany, which still accounted for an export share of more than 30% in 2021, CESEE is Austria's second most important export market. The share of goods exports to this region rose from 12% in 1992 to 21% in 2021.*
- *Austria's travel and tourism revenues fell significantly, given a huge drop in overnight stays by visitors from abroad as the 2021 winter season had been virtually canceled. The resulting decline in the services account surplus was so big that it could not offset the goods trade deficit recorded in 2021. As a consequence, Austria's current account balance turned negative (–0.5% of GDP) for the first time since 2001. Still, Austria's net international investment position was positive at EUR 59.4 billion (14.7 % of GDP) in 2021.*
- *In 2021, Austria's budget balance improved to –5.9% of GDP (after –8.0% of GDP in 2020). This was mainly on account of an improving contribution of automatic stabilizers amidst the partial recovery of GDP. At the same time, the budgetary impact of discretionary fiscal measures taken to counter the impact of the pandemic was similar to that in 2020. Following a sharp increase in 2020, the debt ratio decreased slightly to 82.8% of GDP in 2021.*

Austrian banking system resilient amid challenging environment – prudential measures prove their value

- *Prudent and timely micro- and macroprudential measures in Austria as well as banks' corresponding efforts have contributed to making the Austrian banking system more resilient. Measures address banks' capitalization, liquidity and credit risk: The Austrian sustainability package aims at local stable funding (reduced liquidity transfers); the implementation of micro- and macroprudential capital buffers increase banks' risk bearing capacity; and the recommendation regarding foreign currency loan exposure in Austria and Central, Eastern and Southeastern Europe (CESEE) addresses lending standards and credit quality.*
- *Main financial developments in the Austrian banking sector: In 2021, the Austrian banking sector's aggregated operating profit increased by 17% year on year, and risk provisioning decreased by 68%. These developments highlight a strong recovery; profits totaled EUR 7.2 billion (+95% year on year). While 2021 was a bounce-back year, the Austrian banking sector's profitability faces new and continuing challenges in 2022: the Russian invasion of Ukraine, monetary policy tightening due to inflation developments as well as remaining pandemic-related uncertainties and structural efficiency challenges.*
- *The CESEE business of Austrian banks' subsidiaries accounted for aggregated total assets of about EUR 271 billion and an aggregated net profit (after tax) of EUR 3.0 billion as of December 2021. The region thus remains an important market for the Austrian banking system. In a year-on-year comparison, Austrian banks' subsidiaries' net result in CESEE increased by 54%, which is mainly due to the plunge of credit risk costs by 70% in 2021. In view of still elevated credit risks and continuing uncertainty about the further progress of the pandemic and the war in Ukraine, it is vital that banks continue to maintain balance sheet transparency and to be adequately capitalized.*
- *The economic recovery in Austria led to an increase in bank lending in 2021. The demand for corporate loans was driven by financing requirements for inventories and working capital. As a result, corporate loans grew by 8.7% in December 2021 (year on year). Loans to households also expanded further by 5.3% in 2021 due to continued demand for housing loans (which expanded by 6.9%). The volume of consumer loans was only slightly above the level recorded in 2020.*
- *The Austrian banking sector has more than doubled its capitalization compared with levels recorded before the global financial crisis that started in 2008. Despite this increase, there is no room for complacency. As of end-2021, Austrian banks reported a consolidated common equity tier 1 (CET1) ratio of 15.7%, which was below the European average. Capital ratios of Austrian banks slightly fell in 2021 due to a rise in risk-weighted assets driven by brisk loan growth and the resumption of profit distributions. Therefore Austrian banks should carefully assess dividend distributions with regard to their risk-bearing capacity.*
- *Addressing risks arising from residential real estate: Systemic risks from residential real estate (RRE) require further macroprudential policy action. The situation is still characterized by high price and credit growth, low interest rates on loans, intense competition and low margins amid high debt service-to-income and loan-to-value ratios. Consequently, and upon the initiative of the OeNB, Austria's Financial Market Stability Board (FMSB) issued a recommendation to activate legally binding borrower-based measures in Austria at its meeting in March 2022. The set of measures encompasses upper limits for loan-to-value ratios (90%), debt service-to-income ratios (40%) and loan maturities (35 years) – subject to exemptions that would give credit institutions adequate operational flexibility. These new measures are envisaged to apply to new mortgage lending to households from July 1, 2022, onward. They also take into account the risk of rising interest rates. Internationally, these measures have shown to be effective in mitigating RRE-related systemic risks. They not only reduce financial stability risks but also protect borrowers from the consequences of excessive debt. A clear majority of European Economic Area economies have already taken borrower-based measures to address vulnerabilities in their RRE markets. The European Systemic Risk Board, the International Monetary Fund and the Organisation for Economic Co-operation and Development also advise that these measures become legally binding in Austria.*

Austria's economy proves resilient to external shocks

1.1 Macroeconomic development in 2020 and 2021 characterized by pandemic; war in Ukraine dampens 2022 growth and drives inflation

War in Europe after two years of pandemic

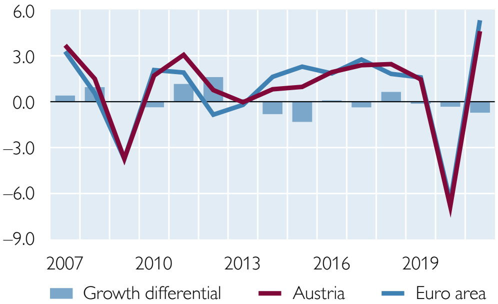
Since the COVID-19 pandemic took hold in Europe in spring 2020, the Austrian economy has been largely driven by the spreading of coronavirus infections and the related containment measures adopted by the government. The stricter the lockdown-style policies, the lower public mobility has been and the larger the negative repercussions for real economic growth. In Austria, mobility figures hit bottom during the first lockdown in spring 2020, translating into a weekly loss of GDP of close to EUR 2 billion. During the second and third lockdowns in fall and winter 2020/21, production was not shut down in the construction sector and the manufacturing industry, which has high export ratios. In addition, retailers and restaurants were able to reduce their losses by using alternative distribution channels. Compared with the first lockdown, the weekly loss of value added thus halved to close to EUR 1 billion. In late fall 2021, the Delta variant brought on a fourth general lockdown. During those three weeks, the decline in GDP was close to EUR 0.7 billion, i.e. again somewhat lower than during the previous lockdowns. Economic activity was very robust in the first quarter of 2022, with GDP exceeding pre-pandemic levels until early March. The Russian invasion of Ukraine and the ensuing war immediately led to a significant increase in energy prices, triggering strong inflationary effects and a loss in purchasing power, which in combination with motives related to uncertainty will weigh on growth. The future path of the economy is subject to high uncertainty, in particular as regards possible disruptions of energy shipments from Russia to Europe. Against this background, the OeNB updated its economic outlook for Austria, which, together with two alternative scenarios, is presented in box 1.

Chart 1

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

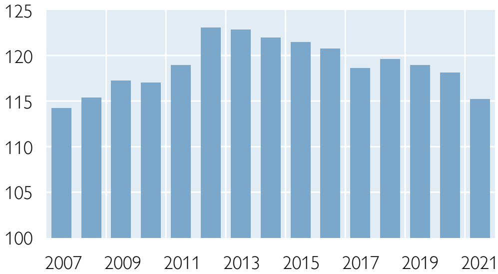
Growth differential between Austria and the euro area

Real GDP: annual change in %; growth differential in percentage points



Austrian GDP per capita relative to the euro area

GDP per capita at purchasing power standards; euro area = 100



Source: Eurostat.

Box 1

Impact of the war in Ukraine on the Austrian economy

The latest interim update of the OeNB's economic outlook indicates that the impact of the war in Ukraine will weigh on economic growth in Austria and add to inflation as measured by the Harmonised Index of Consumer Prices (HICP). On the assumption that the war will soon end, we now expect real GDP in Austria to grow by 3.5% in 2022 and inflation to reach 5.3%. Compared with the growth projections made in December 2021, this is a downward revision of 0.8 percentage points for GDP growth and an upward revision of 2.1 percentage points for inflation. About half of the downward revision of GDP and a quarter of the upward revision of inflation are attributable to the impact of the war in Ukraine. For 2023 and 2024, we forecast growth to come to 2.3% and 2.0% and inflation to ease to 2.9% and 2.3%, respectively.

Table Box 1

GDP and HICP forecast for Austria of March 2022

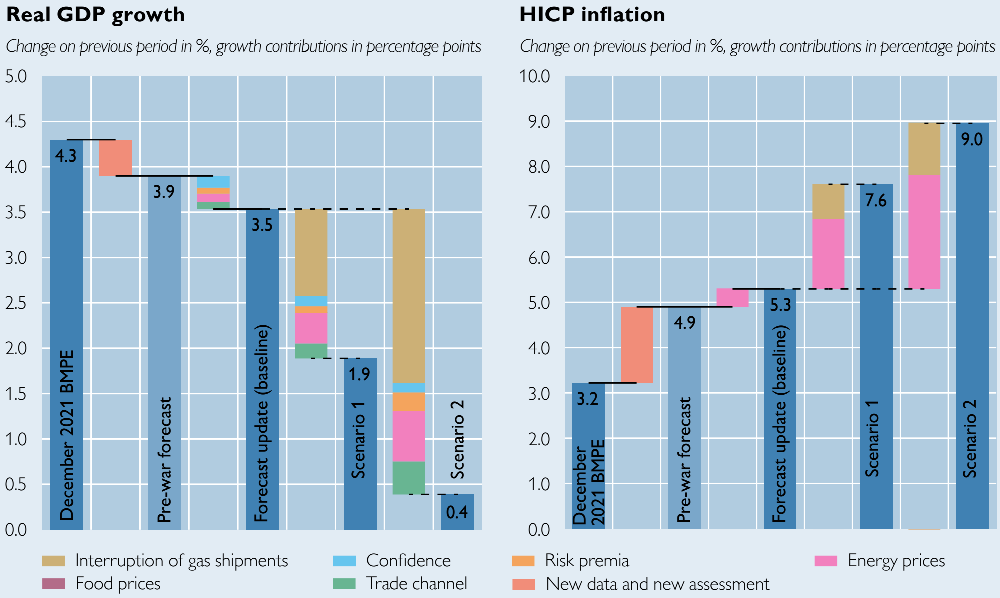
	GDP and HICP scenario results			Difference to December 2021		
	2022	2023	2024	2022	2023	2024
	Change to previous year in %			*Difference in percentage points*		
	Forecast update March 2022			Forecast update March 2022		
GDP, real	3.5	2.2	2.0	–0.8	–0.4	0.2
HICP inflation	5.3	2.9	2.3	2.1	0.6	0.2
	Scenario 1: protracted hostilities			Scenario 1: protracted hostilities		
GDP, real	1.9	2.3	2.4	–2.4	–0.3	0.6
HICP inflation	7.6	3.4	2.3	4.4	1.1	0.3
	Scenario 2: escalating hostilities			Scenario 2: escalating hostilities		
GDP, real	0.4	2.3	2.5	–3.9	–0.3	0.7
HICP inflation	9.0	4.2	2.4	5.7	1.9	0.3

Source: OeNB.

Alternative scenarios assuming protracted and escalating hostilities, intensified sanctions and also possible disruptions of gas shipments from Russia yield much stronger output and inflation effects (see table), and even the emergence of stagflation cannot be ruled out. Our results are very sensitive to the assumptions regarding disruptions in energy shipments; it is likely that the figures presented here are the minimum effects to be expected.

Chart Box 1

Austria: forecasts and scenarios for 2022



Source: OeNB.

We were looking into the following transmission channels to quantify the economic impact of the war in Ukraine: trade, energy prices, food prices, changes in risk premia, confidence and uncertainty, and disruptions in Russian gas shipments. The effects of supply chain disruptions were included through expert judgment. Our estimates do not include possible implications of the migration of war refugees, in particular related fiscal measures and labor market impacts, nor do they take into account any sets of measures intended to dampen the effects of inflation. Moreover, our simulations are based on the assumption that the sanctions imposed because of Russia's invasion of Ukraine do not lead to an international financial crisis with repercussions for the real economy.

If we compare the results of our simulations for Austria with those for the euro area, we see a stronger impact on GDP and inflation in Austria than in the euro area. This is due to the fact that, first, Austria is significantly more dependent on Russian gas shipments and, second, Austria's industry relies more heavily on gas as a source of energy.

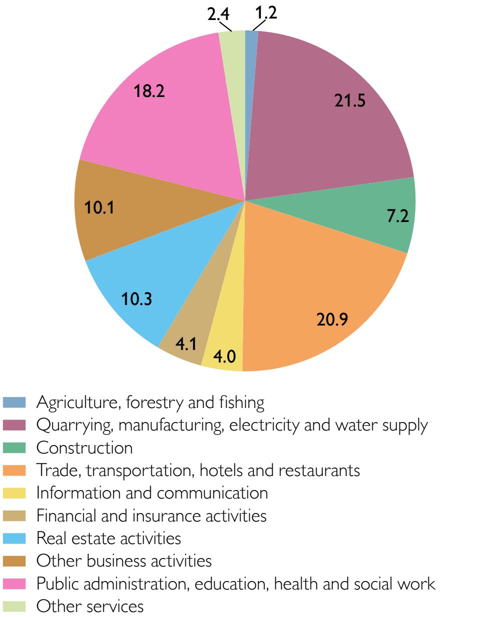
Sectoral structure of Austrian economy is well balanced

Given that Austria is a highly developed economy, the tertiary sector plays a crucial role. Private sector services (information and communication, financial and insurance activities, real estate activities, other business activities and other services) contribute the largest share – 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

Chart 2

Gross value added in Austria in 2021

% of total gross value added, at current prices



Source: Statistics Austria.

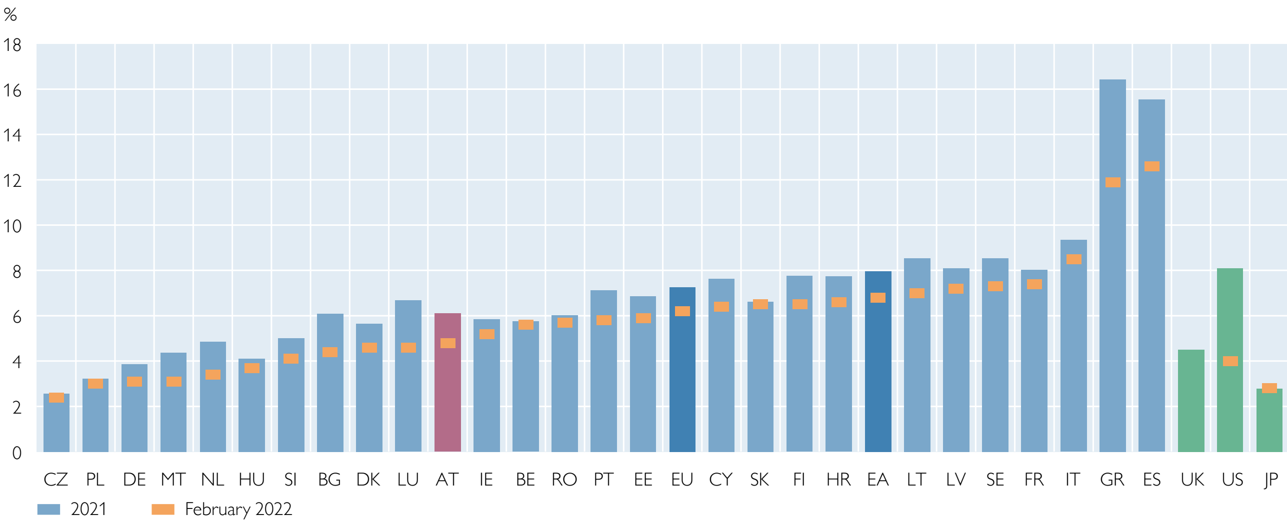
a large variety of industries. At 7%, construction's contribution to gross value added is high by European standards.

Unemployment back at pre-pandemic levels in early 2022

The COVID-19 crisis led to a massive surge in unemployment in Europe. Even in Austria, where the increase was softened by short-time work schemes, unemployment rose from around 4½% in early 2020 to up to 8%. Since summer 2021, the jobless rate has been falling steadily, reaching just below 5% at the beginning of 2022, a figure only slightly higher than that recorded before the pandemic. In many European countries, the jobless rate has already dropped below pre-crisis levels. The impact of the war in Ukraine on labor markets in

Chart 3

Unemployment rates – international comparison



Source: Eurostat, Macrobond.

Note: UK: December 2021.

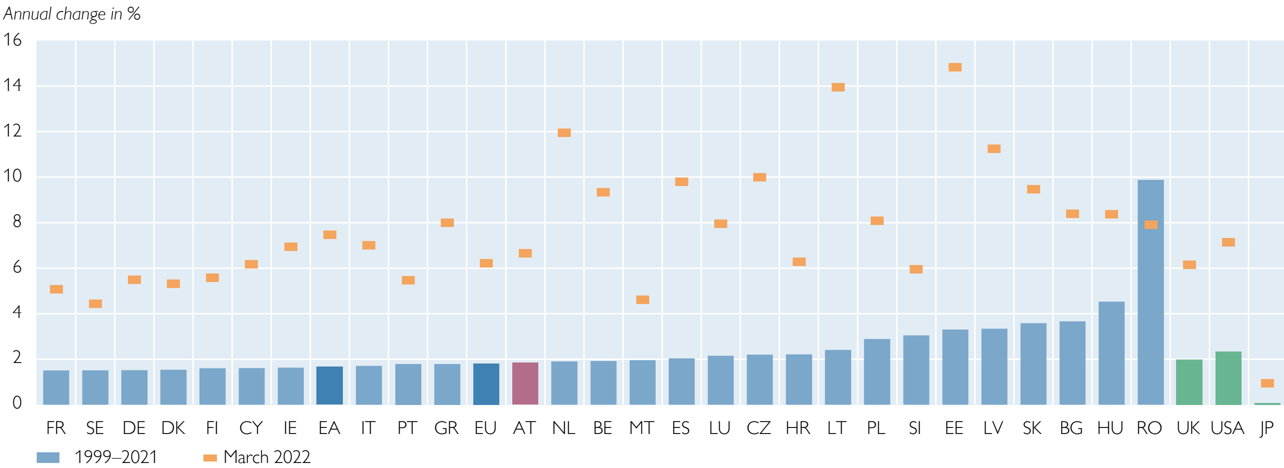
Europe is difficult to gauge at the current juncture. One of the key questions is how long the war will last. As for now, we assume that the majority of refugees will want to return to Ukraine as soon as the war is over.

End of COVID-19 pandemic, supply chain disruptions and war in Ukraine boost inflation

As a consequence of the COVID-19 pandemic, energy prices dropped visibly in 2020, causing inflation as measured by the Harmonised Index of Consumer Prices (HICP) to decline to 1.4% in Austria. Amid the rapid cyclical upswing in the first half of 2021, energy prices rebounded sharply, reaching pre-crisis levels. Strong growth of demand for durable consumer goods fueled manufacturing globally, as a result of which raw materials and intermediate goods became in short supply. Heightened consumer demand, in turn, sparked even more demand for energy, which ultimately drove energy and raw material prices beyond pre-crisis levels. In 2021 as a whole, HICP inflation ran to 2.8%. As a result of the outbreak of war in Ukraine, energy prices increased further in March 2022, causing HICP inflation to climb to 6.7% – the highest rate since the introduction of the euro. The further development of energy prices and thus HICP inflation is closely linked to the future development of the war in the Ukraine, in particular to the questions related to energy shipments from Russia to Europe, and hence is subject to high uncertainty. Recording an average inflation rate of 1.8% in the long term, Austria has been among those countries that have successfully maintained price stability in line with the Eurosystem's new definition (i.e. HICP inflation at a rate of 2% over the medium term).

Chart 4

HICP inflation rate – international comparison



Source: Eurostat, Macrobond.

Note: BG, CZ, DK, HR, HU, PL, RO and SE: February 2022.

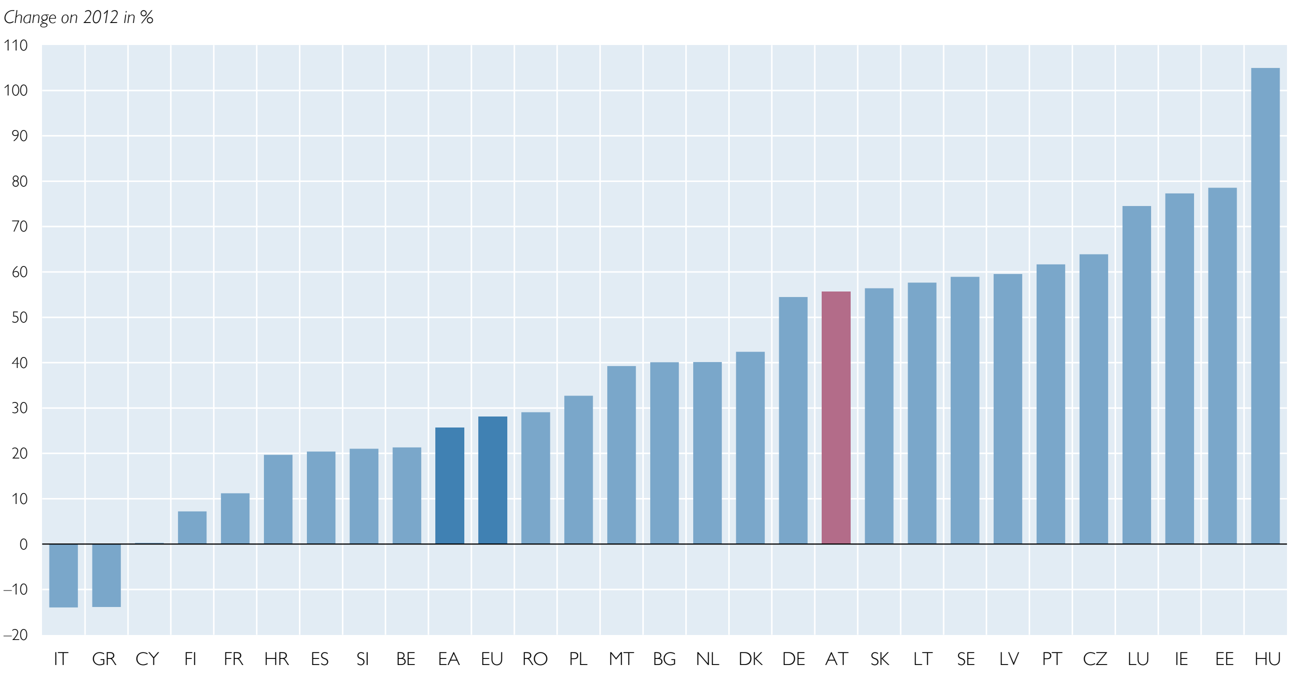
Real estate prices continue to grow rapidly

Prices in the Austrian real estate market have been growing very strongly over the past few years and accelerated further in 2021. Residential property prices rose by 3.9% in 2019, by 7% in 2020 and by 11.8% in 2021. Residential property price dynamics in Austria excluding Vienna slightly exceeded those observed in Vienna in the past two years.

Given the steep increase in prices, the OeNB's fundamentals indicator for residential property prices in Austria went up significantly in the fourth quarter of 2021. At 29.8%, the indicator was up 7.6 percentage points on the previous quarter – the sharpest increase since the start of the series in 1989. The indicator for Vienna even reached 35.6% in the fourth quarter of 2021, representing a rise of 5.1 percentage points against the third quarter. These indicator readings signal that the gap between residential property prices and the factors captured by the OeNB's fundamentals indicator has been widening substantially in recent quarters, pointing to increasing signs of overheating in Austria's residential property market. Section 2.4 describes the Financial Market Stability Board's (FMSB) recommendations to address systemic risks from residential real estate financing.

Chart 5

Change in house prices between 2012 and 2020



Source: ECB.

Note: Prices of new and used residential property (current prices).

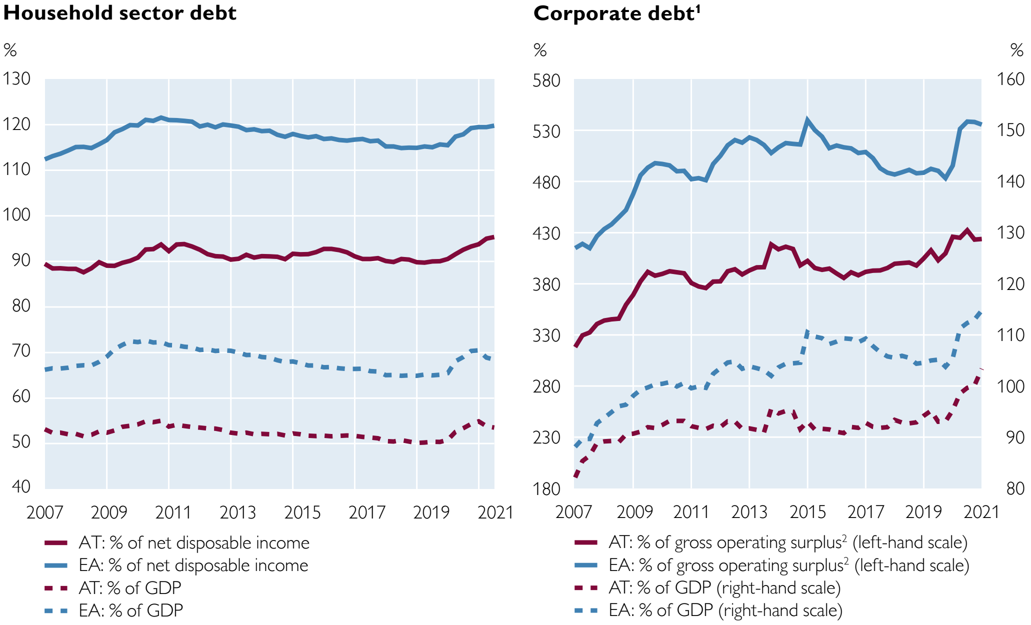
COVID-19 pandemic temporarily leads to considerable acceleration of savings

The economic disruptions caused by the COVID-19 pandemic drove up household savings in Austria to unprecedented levels in 2020. The OeNB quantifies the excess household savings accumulated from Q1 20 to Q2 21 at EUR 10.8 billion relative to a counterfactual scenario without the pandemic. A decomposition of household savings by source reveals that a drop in the consumption of services fueled savings despite a strong fall in property income. The decomposition by allocation shows that in 2020, households' excess savings were mainly used to accumulate cash and deposits. This development reversed in 2021. The OeNB expects that households' marginal propensity to save out of current income will quickly return to pre-crisis levels but that the scope for satisfying pent-up demand out of accumulated excess savings will remain limited.

In 2021, Austrian households saved 9.6% of their net disposable income (2019: 8.5%, 2020: 14.4%). With total financial assets amounting to some EUR 762.1 billion (201.3% of GDP) at the end of 2020, the household sector is a key supplier of capital to other sectors in Austria. Household and corporate sector debt have increased during the pandemic. Households' debt totaled 53.5% of GDP in the third quarter of 2021, which is clearly below the euro area average of 68.4%. Likewise, at 412.1% of gross operating surplus or 99.6% of GDP, corporate debt in Austria was lower than the euro area average (500.4% and 110.6%, respectively) in the third quarter of 2021.

Chart 6

Household and corporate debt levels in Austria and the euro area



Source: ECB.

Note: Data up to and including Q3 21.

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

1.2 COVID-19 pandemic causes current account deficit in 2021

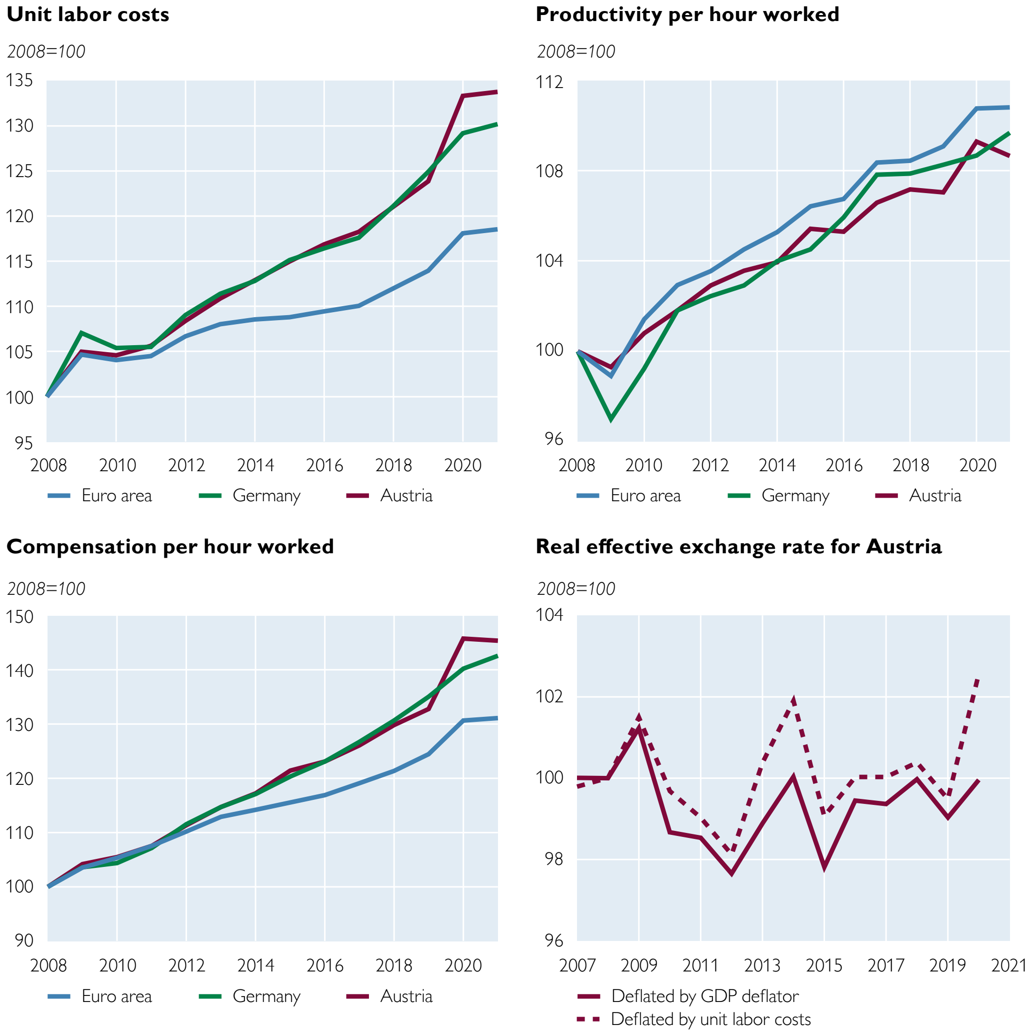
COVID-19 pandemic leads to distortion of competitiveness indicators

In the past two years, the pandemic has caused distortions in the calculation of various indicators of competitiveness. The deterioration in competitiveness in Austria in 2020 and 2021 must be interpreted with caution as it is strongly influenced by different accounting practices for short-term work schemes across countries.

Before the pandemic, the Austrian economy's price competitiveness as measured by the real effective exchange rate (REER)[1] hardly changed until 2019. The real effective depreciation by 2% observed from 2008 meant a slight improvement in

Chart 7

International competitiveness



Source: Eurostat; real effective exchange rate: ECB.

[1] *The REER is defined as the nominal exchange rate for the manufactoring industry, deflated by the GDP deflator (price competitiveness) and by unit labor costs (cost competitiveness) for the total economy, for all euro area countries and Austria's 19 most important trading partners outside the euro area. Source: ECB.*

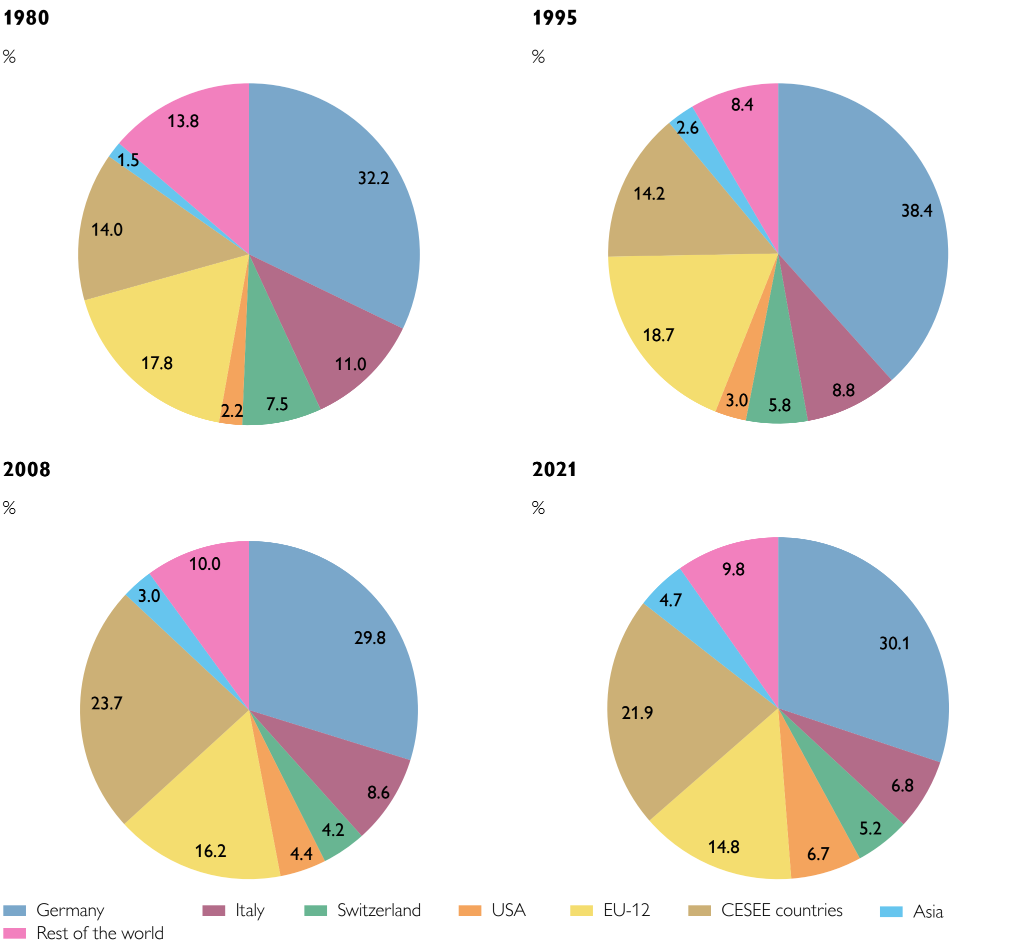
competitiveness. Again until 2019, nominal unit labor costs rose at rates comparable to those observed in Germany. In contrast, unit labor costs in the euro area grew less against the background of structural adjustments after the economic and financial crisis. While productivity per hour in Austria, Germany and the euro area expanded at almost the same pace, since 2013 hourly wage growth in the euro area has been slower than in Austria and Germany.

Austria's external trade is regionally diversified, exposure to foreign exchange risk is low

In 2021, more than half of Austria's goods exports went to the euro area, which meant that they were not exposed to any direct exchange rate risk. Among Austria's euro area trading partners, Germany is still most important by far, with a share of 30% in Austria's total goods exports, followed by Italy, which accounts for a share of 6.8%. By comparison, the USA account for a share of 6.7% in Austria's exports. Furthermore, Central, Eastern and Southeastern Europe (CESEE) is a very important

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.

export market for Austria. Exports to the CESEE region have expanded rapidly in the past years. While the share of goods exported to the euro area has declined since 1996, the share of goods exported to CESEE has increased steadily (1995: 14%, 2021: 22%). The war in Ukraine has a greater impact on economic development in CESEE than in the euro area. Therefore, the growth differential between CESEE and the euro area, which came to around 2 percentage points in recent years, is likely to decrease.

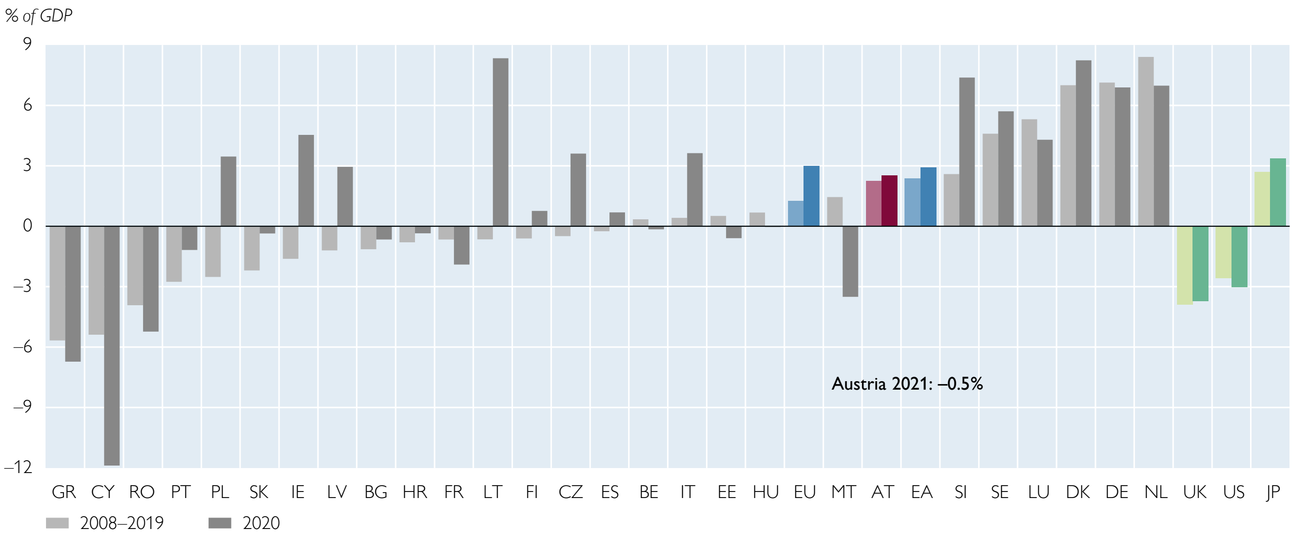
The sectoral structure of Austria's external trade follows the pattern typically observed in highly industrialized nations. At almost 40%, machinery and transport equipment make up the lion's share of Austria's goods exports. Other important pillars of Austrian export activity include manufactured goods, chemicals, and commodities and transactions not classified elsewhere, which together account for some 47% of goods exports.

Lockdown of winter tourism in 2021 causes first current account deficit since 2001

Next to goods exports, which make up around 70% of Austria's total exports, services exports also account for a major share (around 30%) of Austrian exports. Fostered by higher energy prices, Austria's balance of goods turned negative in the second half of 2021; the balance of services, albeit still positive, recorded a significant slump in 2021. This is the result of developments in Austrian tourism. Following a drop in overnight stays by one-third in 2020, Austria's tourism industry suffered further losses in 2021, namely a decline by roughly another quarter. This adds up to a loss of about 50% compared with pre-crisis levels of 2019. Since the months of January and February, which make or break the winter tourist season, were lockdown months in 2021, the tourism industry failed to generate the revenues that used to prop up the current account. On the back of weak tourism and travel

Chart 9

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

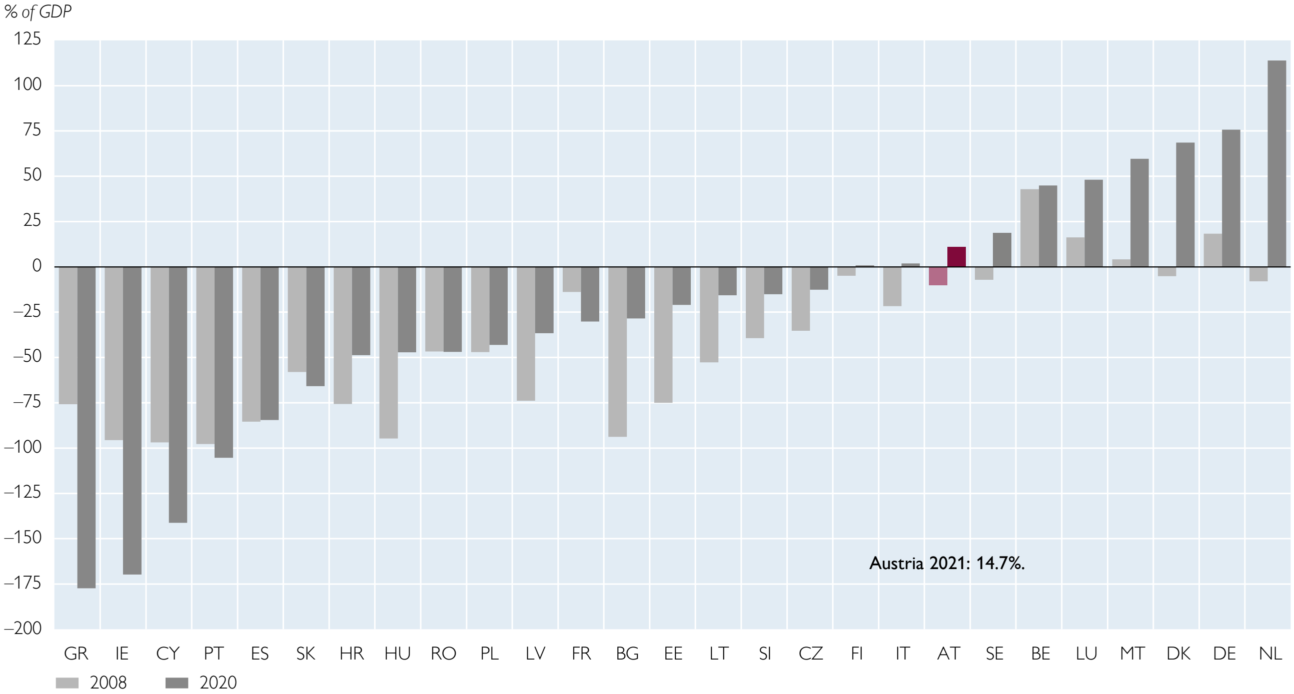


Source: Eurostat, OeNB.

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

Chart 10

Net international investment position



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

receipts, Austria's current account balance was negative in the first half of 2021 (–EUR 2.2 billion), compared with a surplus of more than EUR 4 billion in 2019 and 2020. For 2021 as a whole, the current account balance declined to EUR 2.1 billion or 0.5% of GDP.

Austria's net international investment position positive since 2013

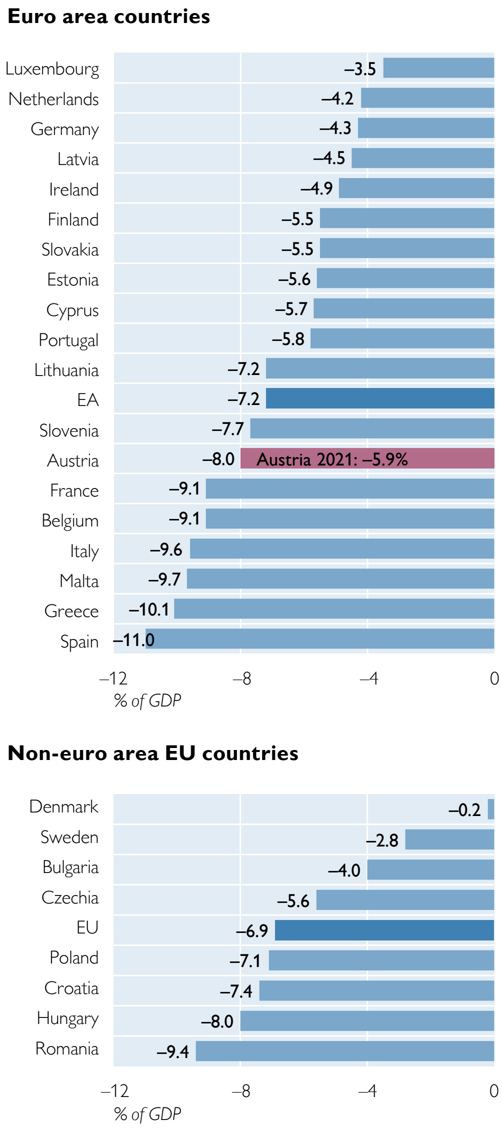
Due to its sustained current account surplus, Austria has steadily improved its net international investment position (IIP), which first became positive in 2013 and came to EUR 59.4 billion (14.7% of GDP) in 2021. Overall, Austria's net IIP is fairly balanced, compared to high deficits in Greece, Ireland and Cyprus and high surpluses in the Netherlands, Germany and Malta.

1.3 Unprecedented fiscal measures taken to ease impact of COVID-19 pandemic drive up budget deficit and government debt

The fiscal measures adopted in Austria during the COVID-19 pandemic primarily served to mitigate the damage caused by the temporary reduction in (economic) activity and led to a large budget deficit of 8% of GDP in 2020. Public finance figures for 2021 for all EU countries will be published at end-April 2022. It is expected that public deficits have decreased in individual member states amidst the strong increase in GDP. The figures for Austria have already been published: In 2021, the budget balance improved to –5.9% of GDP. This was mainly on account of an improving contribution of automatic stabilizers amidst the partial recovery of GDP. At the same time, the budgetary impact of discretionary fiscal measures taken to counter the impact of the pandemic was similar to that in 2020. Following a sharp increase in 2020, the debt ratio decreased slightly to 82.8% of GDP in 2021. The fiscal consequences of the migration of war refugees from Ukraine and the costs of measures taken to dampen the rise in energy prices will have an impact in 2022, but cannot be quantified on the basis of information available at end-March 2022.

Chart 11

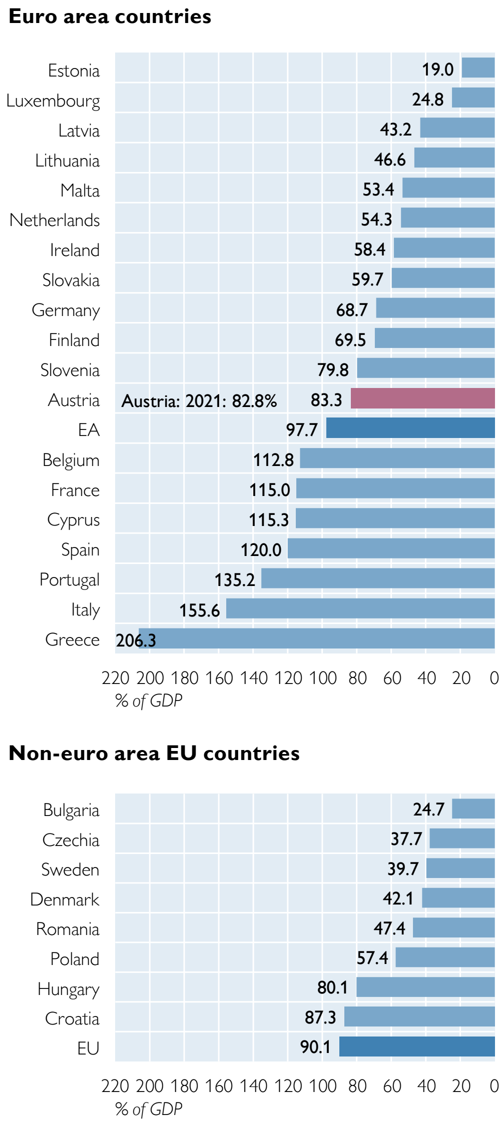
Budget balances of EU member states in 2020



Source: Eurostat; Austria: Statistics Austria.

Chart 12

Public debt of EU member states in 2020



Source: Eurostat; Austria: Statistics Austria.

Austrian banking system resilient amid challenging environment – prudential measures prove their value[2]

2.1 Micro- and macroprudential measures successfully contribute to risk mitigation

Prudent and timely supervisory measures as well as banks' corresponding efforts have contributed to making the Austrian banking system more resilient. This makes it easier now to manage, from a financial stability perspective, the current, very challenging and uncertain situation regarding the war in Ukraine. Said measures[3] are: *(1) the Austrian sustainability package*, which was launched in 2012 and aims at strengthening local stable funding of Austrian banks' foreign subsidiaries. Their loan-to-deposit ratio declined from 106% in December 2011 to 73% in December 2021, coinciding with a decline by 67% of intragroup liquidity transfers from Austrian banks to their CESEE subsidiaries; *(2) micro- and macroprudential capital buffers*, which bolster the resilience of the Austrian banking system. Austria was among the first countries to activate a systemic risk buffer for internationally active banks. These banks are also required to fulfill an O-SII buffer. Today, the Austrian banking sector is significantly better capitalized than before the outbreak of the financial crisis more than ten years ago; *(3) the reduction of foreign currency loan exposure*, which was successfully addressed in Austria (October 2008) and CESEE (OeNB and FMA Guiding Principles, 2010). Since end-2010, the stock of non-euro-denominated foreign currency loans declined, in exchange rate-adjusted terms, by almost 90% in CESEE and by 82% in Austria (both December 2021). These measures effectively address systemic risk to the Austrian banking sector, which is also reflected in recent assessments by rating agencies which maintained their ratings and/or outlooks for the Austrian banking system despite of the war in Ukraine. In February 2022, Standard and Poor's (S&P) even assigned a positive outlook to Austria's sovereign rating.

2.2 Austrian banking sector developments and indicators at a glance

Austrian banks' profitability returns to pre-pandemic levels

Austrian banking sector profits improved visibly in 2021. As the economy recovered, broad-based fiscal and monetary policy action helped cushion the impact of pandemic-related effects and lending continued to grow, banks were able to cut their provisioning by almost 70% compared to 2020. Thus, the Austrian banking sector's aggregated operating profit increased by 17% year on year and aggregated profit recovered strongly, totaling EUR 7.2 billion in 2021 (+95% year on year, see chart 13).

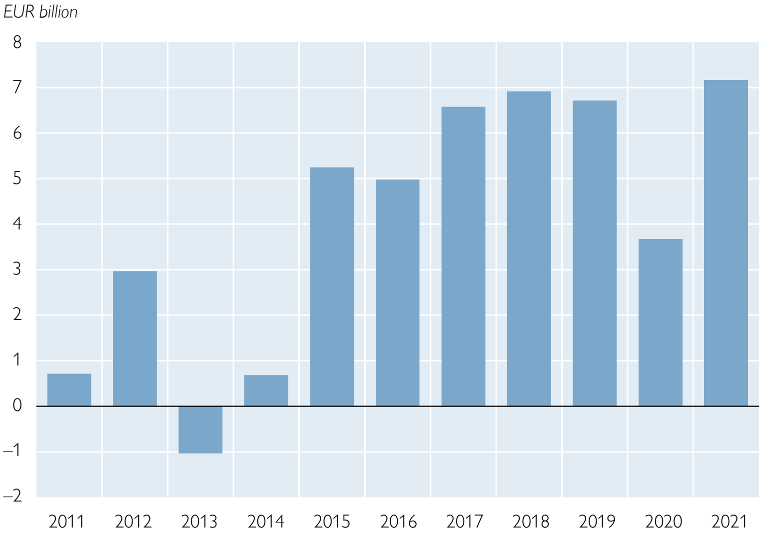
While 2021 was a bounce-back year, the Austrian banking sector's profitability faces new and continuing challenges in 2022, with the Russian invasion of Ukraine, monetary policy tightening due to inflation developments as well as remaining

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

[3] *See also section 2.4 below, Macroprudential measures strengthen financial stability.*

Chart 13

Consolidated profit of the Austrian banking sector



Source: OeNB.

pandemic-related uncertainties and structural efficiency challenges (with the cost-to-income ratio at 63%).

Economic recovery and mortgage lending drove bank lending in Austria in 2021

The economic recovery in Austria led to an increase in bank lending in 2021. The demand for corporate loans was driven by financing requirements for inventories and working capital. Besides, Austrian corporations intended to keep the still favorable financing conditions in anticipation of rising interest rates. As a result, corporate loans grew by 8.7% in December 2021 compared with end-2020 figures. This growth momentum continued in early 2022. Loans to households also expanded further, by 5.3%, in 2021 due to continued demand for housing loans (mortgage loans increased by 6.7% over the past twelve months) while the volume of consumer loans was only marginally above the level recorded in 2020. Since end-2019, mortgage loan growth in Austria has accelerated continuously.

Nonperforming loan ratios remain at low levels

The pandemic-related support measures (including loan moratoria) adopted in Austria were instrumental in preventing major loan defaults. Thus, the consolidated nonperforming loan (NPL) ratio remained at a low of 1.8% at end-2021. Payment moratoria and state guarantees have proved important instruments supporting borrowers during the pandemic. As of end-2021, payment moratoria amounted to EUR 1.6 billion, down more than 90% from their peak in June 2020. However, loans with expired moratoria experience higher defaults and require more provisioning. Loans with COVID-19-related public guarantees have been stagnating at around EUR 7.4 billion as the latter have maturities of two to five years.

Higher resilience due to improved capitalization of Austrian banks

As of December 2021, the Austrian banking sector reported a consolidated common equity tier 1 (CET1) ratio of 15.7%. Compared with levels recorded before the global financial crisis in 2008/09, the Austrian banking sector has more than doubled its capital ratio in line with tighter prudential requirements. After the expiry of restrictions on dividend payments, and given dynamic loan growth and persisting uncertainties (e.g. related to the war in Ukraine and the COVID-19 pandemic), careful handling of profit distributions is still warranted.

Benchmarking the Austrian banking system[4]

The CET1 ratio of Austrian banks hovered around the EU average over the last few years (Austria: 15.8%, EU: 16.0% at the end of Q3 21). At the same time, Austrian banks' leverage ratio – which, in contrast to their CET1 ratio, is not "biased" by the high density of risk weights in the domestic banking sector – is above the EU average (Austria: 6.8%, EU 5.5%). The improvement in banks' profits was more pronounced in Austria than in the EU (RoA for Austria: 0.7%, EU: 0.5%), as Austrian banks still benefit from higher margins in the CESEE countries (Austria: 1.3%, EU: 1.0%). In this regard Austrian banks compare favorably to EU banks (NPLs in Austria: 1.8%, EU: 2.1%).

Positive assessments for Austrian banking system by IMF and rating agencies

In its 2021 Article IV consultation of Austria,[5] the International Monetary Fund (IMF) stated that Austria's financial system had remained resilient throughout the pandemic, while highlighting that risks and pre-pandemic vulnerabilities, such as risks in the housing sector or banks' high operating costs, needed to be addressed. According to the IMF, the careful monitoring of credit quality, NPLs and corporate insolvency should continue as pandemic-related policies are being unwound.

Macroprudential measures effectively address systemic risk to the Austrian banking sector, which is also reflected in recent assessments by rating agencies which have not changed their ratings and/or outlooks for the Austrian banking system despite Russia's invasion of Ukraine.

2.3 The heterogenous CESEE region remains an important market for Austrian banks

Austrian banks have traditionally strong business ties with the heterogenous CESEE region, mainly through subsidiaries. This is important with regard to risk transmission and vulnerability. Accounting for aggregated total assets of about EUR 271 billion and an aggregated net profit (after tax) of EUR 3.0 billion as of December 2021, CESEE remains an important market for the Austrian banking system.

In a year-on-year comparison, Austrian banks' subsidiaries' net result in CESEE increased by 54% and reached levels slightly above those recorded before the pandemic. A major contribution to this increase came from credit risk costs, which plunged by 70% in 2021 after having surged in 2020 in the wake of the pandemic.

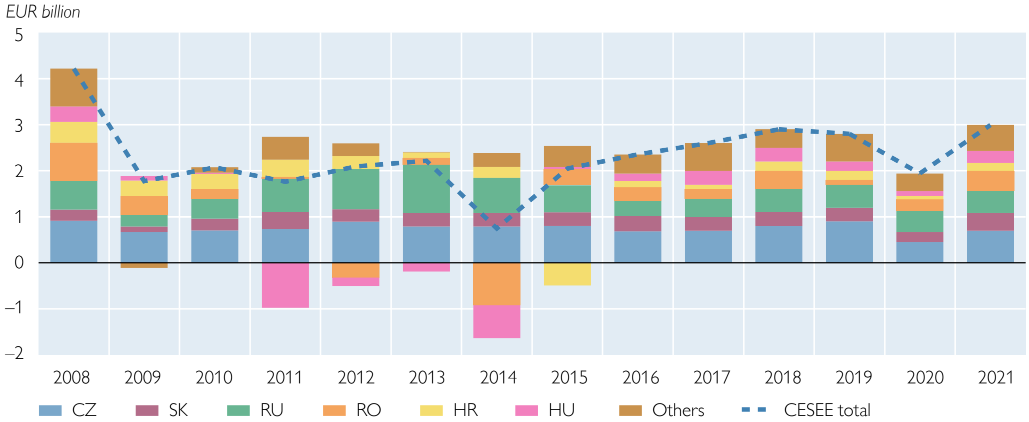
Exposures of Austrian banks to CESEE EU countries are by far the most important ones. For instance, the total assets of Austrian banks' subsidiaries in EU CESEE countries such as Czechia, Slovakia, Romania, Hungary and Croatia account for about 80% of the aggregated total assets of all Austrian banks' subsidiaries in CESEE. Slightly more than two-thirds of their aggregated CESEE net profit after tax relates to these five countries. The exposure of Austrian banks to Russia, Ukraine and Belarus has declined since 2013 and came to 9.2% of the aggregated total assets in the region in December 2021 (taking into account the transfer of UniCredit Bank Austria's CESEE business from Austria to Italy in 2016). In terms of profitability, however, 21% of Austrian banks' subsidiaries' aggregated net profit is recorded in these three countries.

[4] *The data in this paragraph refer to end-September 2021.*

[5] *See www.oenb.at/en/Media/imf-art-iv-consultations-and-fsap.html.*

Chart 14

Net result of Austrian banks' subsidiaries in CESEE



Source: OeNB.

By international comparison, Austrian banks are among the leading lenders in Russia, Ukraine and Belarus. However, in relation to banking sector size as measured by consolidated total assets, exposure in these three countries was limited: 1.7% for Austria, compared with 0.7% for Italy and 0.3% for France (September 2021). In addition, the exposure of Austrian banks in these countries is almost exclusively held by local subsidiaries. Cross-border exposures have declined significantly over time (–95% for intragroup liquidity transfers to subsidiaries in Russia, Ukraine and Belarus).

2.4 Macroprudential measures strengthen financial stability

Addressing systemic risks from residential real estate financing with borrower-based measures

Systemic risks from residential real estate (RRE) have been continuously rising in recent years. However, in 2020 and 2021, the pace picked up markedly in Austria and also stands out in euro area comparisons. Growth of RRE prices, overvaluations and lending have gone up further, market conditions continue to be driven by fierce competition, the share of loans with elevated debt service-to-income and loan-to-value ratios has remained high. While a number of mitigating factors have remained in place – such as well-developed rental markets with a high share of nonprofit providers, a minor role of buy-to-let funding, high income and wealth levels of the domestic household sector by international standards, and the adequate capitalization of the Austrian banking sector – systemic risks in the RRE segment may prove critical to Austria's financial stability in the event of an RRE-related crisis.

Consequently, and upon the initiative of the OeNB, Austria's Financial Market Stability Board (FMSB) issued a recommendation to activate legally binding borrower-based measures in Austria at its meeting in March 2022. The set of measures encompasses upper limits for loan-to-value ratios (90%), debt service-to-income ratios (40%) and loan maturities (35 years) – subject to exemptions that would give credit institutions adequate operational flexibility. These new measures are envisaged to apply to all new mortgage lending to households from July 1, 2022, onward. As regards variable rate loans – defined as loans that have interest rate fixation periods of less than half of the loans' maturities – the FMSB has issued a nonbinding guidance that their debt service-to-income ratios should not exceed 30%. Thereby the FMSB honored the fact that variable rate loans declined markedly since 2014 but at the same time hinted at further steps that would depend on the future evolution of these loans.

The introduction of legally binding borrower-based measures in Austria is also advised by the European Systemic Risk Board (ESRB),[6] the International Monetary Fund (IMF)[7] and the Organisation for Economic Co-operation and Development (OECD)[8]. Such measures have proved to be effective in reducing systemic risks from real estate financing in a number of countries. Also, a clear majority of European Economic Area economies – namely 24 of 30 – have already taken borrower-based measures to address vulnerabilities in their RRE markets. Such measures not only reduce banking sector losses from real estate exposures and the related risks to financial stability and the real economy but also protect borrowers from the consequences of excessive debt.

Credit growth continues to be highly robust

At its March 2022 meeting, the Austrian Financial Market Stability Board (FMSB) recommended that the Austrian Financial Market Authority (FMA) leave the countercyclical capital buffer (CCyB) unchanged at a rate of 0% of risk-weighted assets from July 1, 2022. The gap between the credit-to-GDP ratio and its trend, i.e. the credit-to-GDP gap, had narrowed to 1.9 percentage points and had thus fallen below the threshold of 2 percentage points for activating the CCyB. Hence, there was no case for immediate action. At the same time, other indicators – relating to risk mispricing, the soundness of bank balance sheets, credit growth and property prices – had not improved and continued to signal a buildup of clearly elevated cyclical risks in the financial system. In particular, the risk weights of mortgage-backed loans and corporate loans had been lowered to levels that were very low by historical standards. Furthermore, the fundamentals indicator for residential property prices and the price-to-rent ratio had deteriorated further and risen to peak levels. Last but not least, credit growth continued to be highly robust owing to lending for residential property funding and lending to firms. Yet, the FMSB also pointed out that credit growth was still overly high compared with GDP growth, and that the implementation period for the CCyB might need to be shortened. Moreover, the effectiveness of borrower-based measures will have a significant impact on assessing the necessity and/or required level of the CCyB.

[6] *See www.esrb.europa.eu/pub/pdf/recommendations/220207_ESRB_AT_recommendation.en.pdf?385471ba050cc4008919ce4b336048cb.*

[7] *See www.imf.org/en/Publications/CR/Issues/2021/09/07/Austria-2021-Article-IV-Consultation-Press-Release-Staff-Report-Staff-Supplementary-465350.*

[8] *See www.oecd-ilibrary.org/economics/oecd-economic-surveys-austria-2021_eaf9ec79-en.*

Austrian deposit guarantee schemes have sustained four recent pay-outs

The integrated approach to macroprudential supervision applied in Austria focuses on consistency across ex-ante crisis prevention (e.g. O-SII buffer for systemically important institutions, or resolution planning) and ex-post crisis management (e.g. a systemic risk buffer that increases the capacity of Austrian banks to absorb shocks in crisis situations like large deposit guarantee pay-out cases). Therefore, the deposit guarantee scheme (DGS) is an integrated part of macroprudential systemic risk analysis in Austria. As a result of macroprudential systemic risk analysis, the DGS was revised, which in combination with the systemic risk buffer has strengthened its resilience. Hence, the Austrian DGS has proved resilient and has enjoyed high credibility during the pandemic even though four DGS pay-out cases have occurred since 2020.

Foreign currency loans in Austria and CESEE continue to decline

Supervisory measures adopted early on by the OeNB and the FMA[9] have contributed to the fact that foreign currency loans extended in Austria have declined significantly over the past decade and no longer pose a systemic risk. As of January 2022, the volume of outstanding foreign currency loans to domestic households stood at EUR 9.9 billion (–17.2% year on year, exchange rate adjusted). This corresponds to a foreign currency loan share of 5.4% (down from 6.6% in January 2021). The volume of foreign currency loans to households extended by Austrian banks' CESEE subsidiaries fell by 3.1% (exchange rate adjusted) to EUR 9.3 billion in 2021. This translates into an 11.0% share of foreign currency loans in total retail lending. Around three-quarters of these loans are denominated in euro.

Balanced funding at Austrian banks' CESEE subsidiaries

The Sustainability Package of the OeNB and the FMA aims at strengthening the local stable funding base of Austrian banks' foreign subsidiaries and at avoiding excessive credit growth to reinforce financial stability both in banks' host countries and in Austria.[10] Ongoing monitoring confirms that Austrian banks' CESEE subsidiaries have a balanced funding base as their loan-to-deposit ratio stood at 73% in December 2021.

[9] *For further details, see www.oenb.at/en/financial-market/financial-stability/foreign-currency-loans-and-repayment-vehicle-loans.html.*

[10] *For further details, see www.oenb.at/en/financial-market/financial-stability/sustainability-of-large-austrian-banks-business-models.html.*

Annex of tables

Table A1

Real GDP

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Annual change in %									
Austria	0.7	0.0	0.7	1.0	2.0	2.3	2.5	1.5	–6.7	4.5
Euro area	–0.9	–0.2	1.4	2.0	1.9	2.6	1.8	1.6	–6.4	5.3
EU	–0.4	0.3	1.8	2.3	2.0	2.6	1.9	1.8	–5.9	4.5

Consumer price indices

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	Annual change in %									
Austria	2.6	2.1	1.5	0.8	1.0	2.2	2.1	1.5	1.4	2.8
Euro area	2.5	1.4	0.4	0.2	0.2	1.5	1.8	1.2	0.3	2.6
EU	2.6	1.5	0.6	0.1	0.2	1.7	1.9	1.5	0.7	2.9

Unemployment rates

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of labor force									
Austria	5.2	5.7	6.0	6.2	6.5	5.9	5.2	4.8	6.1	6.2
Euro area	11.5	12.1	11.7	10.9	10.1	9.1	8.2	7.6	8.0	7.7
EU	11.1	11.6	11.0	10.2	9.3	8.3	7.4	6.8	7.2	7.0

Current account balances

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of GDP									
Austria	1.5	1.9	2.5	1.7	2.7	1.4	0.9	2.1	1.9	–0.5
Euro area	0.9	2.3	2.9	3.1	3.5	3.6	3.6	3.6	3.2	2.9
EU	0.5	1.2	1.7	1.6	1.8	2.0	2.3	2.2	2.2	3.0

Budget balances

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of GDP									
Austria	–2.2	–2.0	–2.7	–1.0	–1.5	–0.8	0.2	0.6	–8.0	–5.9
Euro area	–3.7	–3.0	–2.5	–2.0	–1.5	–0.9	–0.4	–0.6	–7.2	×
EU	–3.6	–2.9	–2.4	–1.9	–1.4	–0.8	–0.4	–0.5	–6.9	×

Government debt ratios

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of GDP									
Austria	81.9	81.3	84.0	84.9	82.8	78.5	74.1	70.6	83.3	82.8
Euro area	90.8	92.7	92.9	91.0	90.2	87.7	85.8	83.8	97.6	×
EU	84.6	86.3	86.5	84.7	83.9	81.3	79.3	77.2	90.1	×

Source: Eurostat, Statistics Austria, OeNB.

Note: Figures may differ from table 1 due to different data collecting methods.

Table A2

General government interest payments

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of GDP									
Austria	2.7	2.6	2.4	2.3	2.1	1.8	1.6	1.4	1.3	1.1

Household debt

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of net disposable income									
Austria	91.1	90.8	90.5	92.1	92.0	90.7	90.4	90.0	93.3	95.4
Euro area	120.0	119.0	117.4	117.5	116.5	116.5	115.0	115.7	119.3	119.8
	% of GDP									
Austria	53.0	52.0	51.8	51.6	51.8	51.2	50.5	50.4	54.3	53.5
Euro area	70.5	69.5	67.9	67.1	66.4	65.8	65.0	65.1	70.3	68.4

Corporate debt[1]

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	% of gross operating surplus[2]									
Austria	389.2	418.5	398.0	394.8	388.2	395.4	397.8	409.7	423.3	412.1
Euro area	517.9	507.8	516.3	512.6	507.8	488.6	487.9	483.3	538.1	500.4
	% of GDP									
Austria	91.7	95.6	91.6	91.5	91.8	92.0	92.9	93.1	100.1	99.6
Euro area	103.4	102.0	104.6	108.2	108.6	105.8	104.4	103.8	113.0	110.6

Residential property price index

	2017	2018	2019	2020	2021	Q4 20	Q1 21	Q2 21	Q3 21	Q4 21
	Index 2000=100									
Austria excluding Vienna	174.9	189.8	194.8	209.4	236.2	217.2	227.3	233.3	236.9	247.4
Vienna	220.4	232.0	243.2	259.6	287.6	268.0	276.8	283.0	292.2	298.4
	Annual change in %									
Austria excluding Vienna	4.9	8.5	2.6	7.5	12.8	10.7	14.0	12.8	10.6	13.9
Vienna	1.5	5.2	4.9	6.7	10.8	9.4	10.9	10.7	10.2	11.3

Source: OeNB, Austria Immobilienbörse, Prof. Wolfgang Feilmayr, Department of Spatial Planning, Vienna University of Technology.

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

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