

Executive Summaries

Lending and deposit rates decline further as monetary policy remains expansionary

The expansionary monetary policy measures taken in 2019 have brought down lending and deposit rates to new historical lows in Austria and the euro area. In particular, interest rates on loans with very long interest rate fixation periods dropped notably. As a result, the interest rate differential between variable rate loans and loans with longer rate fixation periods continued to narrow, and current demand for the latter increased. While corporate clients have been charged negative interest rates on deposits in almost half of all euro area countries, households have so far remained unaffected by this phenomenon. In our analysis, we use data from the ECB interest rate statistics to compare these recent developments in Austria with its euro area peers.

AnaCredit and Granular Credit data Reporting (GCR) in Austria

Since the September 30, 2018, reporting reference date, euro area credit institutions as defined in the Capital Requirements Regulation (CRR) have reported detailed information on loans and credit lines to legal entities. To avoid a duplication of efforts as well as data overlaps, the previous Austrian supervisory regulation on the Central Credit Register (CCR) has been substantially amended to ensure that data are now collected in an integrated manner under Granular Credit data Reporting (GCR), which has replaced the CCR.

Which possibilities do AnaCredit data offer for analyzing changes in monetary statistics?

In this report, we explore future possibilities for using the granular analytical credit datasets (AnaCredit) collected in the euro area since September 2018 based on Regulation (EU) 2016/867, and especially how we can use these data for analyzing monetary statistics. An expert group established at the ECB for this purpose links the reported AnaCredit data attributes with the concepts used in monetary statistics. Our report aims to provide an overview of those AnaCredit data attributes that we can draw on in future analyses of monetary statistics aggregates and which will make it possible to explain data better.

Good refinancing conditions for banks, strong competition in the credit market

Amid persistently strong competition, banks further cut their margins on average-risk loans to businesses and average-risk housing loans to households in 2019, as confirmed by recent survey results. Businesses and households with a low credit rating, however, did not benefit from increased competition among banks. Over the past few years, banks have implemented increasingly differentiated lending policies based on their clients' creditworthiness.

In 2019, banks tightened credit standards for retail business, citing the risk situation as their main reason. Following the credit boom observed from mid-2016 to end-2018, corporate loan demand stagnated on a high level in 2019. Loan demand from households remained almost unchanged from end-2017 to mid-2019. However, survey results for the third and fourth quarters of 2019 suggest a moderate increase in demand for housing loans, on the back of persistently low interest rates.

In the fourth quarter of 2019, Austrian banks faced mostly unchanged refinancing conditions on the money and capital markets and in the deposit segment. Banks had already benefited from improving financing conditions since mid-2016.

The launch of a new series of targeted longer-term refinancing operations (TLTRO III) by the Eurosystem from September 2019 is being well received. The surveyed banks confirmed positive effects on their financial situation and lending activity (use of the funds from these TLTROs for lending to businesses and households, increase in loan volume).

Occupational pension plans in Austria at end-June 2019

Next to the basic financial old-age provision afforded by the state pension system in Austria (first pillar), occupational pension plans (second pillar) and voluntary private pension plans (third pillar) are becoming more and more important. In this analysis, we look at occupational pension plans, which take many different forms in the euro area. Based on the quarterly balance sheets of pension funds, severance funds and insurance companies, we analyze the data for Austria over time and compare them with those for other euro area countries (subject to availability).