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Stability and Security.

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# Contents

Preface	4
I. Changes in Reporting for Banking Statistics in 2007	5
1 The New Risk-Oriented Reporting System ROM	5
1.1 Reporting of Intragroup Transactions of Financial Conglomerates	7
1.2 New Reporting Requirements to the ECB on Euro Banknote Recycling	8
II. Reporting Obligation to International Organizations	9
1 Consolidated Banking Data	9
2 ECB Blue Book Data	9
3 Financial Soundness Indicators	10
III. Structural Developments in Austrian Banking in 2007	11
1 Banking Office Development	11
2 Development of Employment in Banking	12
IV. Economic Developments in Austrian Banking	14
1 Business Activities of Banks Reporting to the OeNB – Unconsolidated Results	14
1.1 External Business Remains the Driving Force behind Asset Growth	15
1.2 Time Deposits Push Total Deposit Growth	16
1.3 Slowdown in Foreign Currency Lending Intensifies	17
2 Profitability of Banks Operating in Austria – Unconsolidated Results	18
2.1 Operating Profits 2007	18
3 Profitability of Banking Groups that Prepare Consolidated Financial Statements in Accordance with Articles 59 and 59a of the Austrian Banking Act	20
4 Interest Rate Developments	22
4.1 Lending Rates – New Business	22
4.2 Lending Rates – Outstanding Amounts	22
4.3 Deposit Rates – New Business	23
4.4 Deposit Rates – Outstanding Amounts	23
5 Developments in the Building and Loan Associations Sector	24
6 Development of Mutual Funds	24
7 Development of Money Market Funds	25
8 Development of Severance Funds	26
9 Development of Pension Funds	26

V. Tables and Charts	28
1 Changes in the Banking Structure in 2007	28
2 Internationalization Indicators	35
3 Tables and Charts for Each Survey	41
VI. Publications of the OeNB's Supervisory and Monetary Statistics Division in 2007	62
1 Information Folders	62
2 Press Releases	62
3 Reports Published in the OeNB's "Statistiken – Daten & Analysen" Series	63
3.1 Analyses	63
3.2 Brief Papers	64
4 Other Publications	64
4.1 Bank Archiv – Zeitschrift für das gesamte Bank- und Börsenwesen	64
4.2 Magazine „Industrie aktuell“ (published by the Austrian Institute for Industrial Research – IWI)	64
4.3 Magazine „Steuer und Wirtschaftskartei“ (SWK) (published by Lindeverlag)	65
4.4 Brochure of the Landesbank Baden-Württemberg	65
VII. Overview of the OeNB's "Statistiken – Daten & Analysen" Series	66

## Preface

The OeNB's statistical publications include the quarterly series "Statistiken – Daten & Analysen" (in German, with an English executive summary) and special issues on selected statistical topics.

This yearbook provides information about developments in banking statistics, including changes in prudential reporting, in 2007 and sheds light on the current state of the Austrian banking sector. It not only highlights

business developments and profitability performance as well as retail interest rate developments, but also focuses on structural changes, e.g. in the number of banking offices and in sector employment. The OeNB has been publishing such a comprehensive overview about statistical developments in the Austrian banking sector yearly in German since 2003 and with this issue for the first time provides a translation into English.

# I. Changes in Reporting for Banking Statistics in 2007

Patrick Thienel<sup>1</sup>

*A new supervisory reporting system featuring extended coverage and greater risk sensitivity went into effect in Austria on January 1, 2007. The introduction of this system – the risk-oriented reporting system ROM – represents the most far-reaching overhaul of banks' reporting to the Oesterreichische Nationalbank (OeNB). Moreover, starting from June 30, 2007, limits on risk concentration within a financial conglomerate have had to be reported to the OeNB. In compliance with provisions of the European Central Bank (ECB), the OeNB introduced a report on cash transaction data: It obligates professional cash handlers involved in cash recycling activities to report data on cash handling equipment and transactions using such equipment to the OeNB semiannually from mid-2007.*

## 1 The New Risk-Oriented Reporting System ROM

Austria's high banking density is a major reason why off-site analysis hand in hand with a relatively comprehensive prudential reporting system play an important role in Austria. This contrasts with the supervisory practice in many other countries where a few large banking groups are frequently subject to permanent on-site inspection. An essential input into banking supervisory activities, prudential reporting is required to provide Financial Market Authority (FMA) and OeNB officials responsible for banking supervision with high-quality data about developments and changes in the banking structure.

When the new international capital requirements known as Basel II and effective from 2007 were still at the discussion stage, the OeNB cooperated with the FMA on a project entitled "Risiko-orientiertes Meldewesen (ROM)." This project, which was launched in mid-2002, was aimed at adapting the supervisory reporting system for banks. ROM was to meet the data requirements for Basel II (Common Solvency Reporting – COREP), which were at least partly harmonized throughout the EU, as well as for bank-

ing groups that prepare financial statements under the International Financial Reporting Standards (IFRS) (Financial Reporting – FINREP). Moreover, the system was to cover the reporting requirements for the newly developed quantitative risk assessment models for off-site analysis in Austria. Last but not least, the redesign of the reporting system was to account for the new framework conditions in the domestic banking industry. In future there will thus be a stronger focus on the compilation of data from banking groups and foreign subsidiaries as well as of detailed risk information. Following intense negotiations with industry representatives and representatives of Austrian banks, agreement on the main features of the new ROM reporting system was finally reached at the beginning of 2006.

While the frequency of banks' reporting unconsolidated financial statement and participating interest data was reduced from monthly to quarterly reports, the additional reporting requirements increased the data volume considerably.

From 2007 onward, the old monthly balance sheet reports (monthly reports) and quarterly profit and loss reports (quarterly reports) were phased out and replaced by the asset, income and risk

<sup>1</sup> The author thanks the staff of the Supervisory and Monetary Statistics Division for valuable input.

## Structure of the New ROM Supervisory Reporting System

Frequency	Unconsolidated	Consolidated	Banks' foreign subsidiaries	Bank's foreign branches
Ad hoc	Master data			
Monthly	Central Credit Register (GKE), report on compliance with regulatory standards (ONA) – overview	Report on compliance with regulatory standards (ONA) – overview		
Quarterly	Asset, income and risk statement (VERA), report on compliance with regulatory standards (ONA) – details	Asset, income and risk statement (VERA) under Article 59 and 59a Banking Act, report on compliance with regulatory standards (ONA) – details	Asset, income and risk statement (VERA) under Article 59 and 59a Banking Act	Asset statement
Annual	Annual financial statements, external auditors' prudential report + report on hidden reserves	Loss data according to the annual financial statements (at the highest consolidation level)		

statement (Vermögens-, Erfolgs-, und Risikoausweis – VERA) and the report on compliance with regulatory standards (Ordnungsnormenausweis – ONA).

A detailed overview of the new ROM reporting structure is presented below:

### Master Data Report

Master data are the basis of every statistical report. Banks must immediately notify the OeNB of any change in their master data – their address, bodies, approaches to calculating the solvency ratio and the like.

### Asset, Income and Risk Statement

This report collects data from individual banks, partly from foreign branches, and banking groups as well as fully consolidated foreign subsidiaries. Banks may choose their accounting method and may draw up consolidated financial statements either according to international accounting standards (e.g. IFRS) or according to the Banking Act (Bankwesengesetz, BWG) and the Austrian Commercial Code (Unternehmensgesetzbuch – UGB).

Depending on the scope of consolidation, this report on banks' condition and income comprises the following parts:

### Asset Statement

This report details banks' assets and liabilities as well as their off-balance sheet activities (broken down by domestic/foreign and euro/foreign currency activities and by economic sectors). It corresponds to a quarterly preliminary balance sheet based on a bank's accounting records. Supervisors use these data to analyze corporate structure and business activity.

### Income Statement

This report provides a detailed preliminary overview of a bank's earnings and expenses. It is filed quarterly based on a bank's accounting records. Supervisors use these data to monitor intrayear profit and loss developments.

### Participations and Equity Interests

This report collects data on banks' participating interests (assets) and equity interests (liabilities) and thus provides supervisors with insights into the participation and ownership structures of Austrian banks.

### Credit Risk

This report collects data about the quality of banks' credit portfolios.

**Equity Risk**

This report collects data about banks' stock portfolios broken down by markets.

**Residual Maturity and Country Risk**

This report provides a more precise assessment of banks' liquidity risk based on residual maturities as well as a breakdown of claims on foreign debtors including a presentation of ultimate risk. It thus serves to capture international interlinkages and banks' country risk. Moreover, since 2007, this report has included information about foreign currency loans broken down by currencies and about repayment vehicles.

**Interest Risk**

This report, which collects data on banks' interest rate risk profile, serves as a basis for supervisory control of interest rate risk.

**Report on Compliance with Regulatory Standards**

This report serves to monitor compliance with the regulatory standards laid down in Articles 22 to 22q, 23 to 25, 27 and 29 Banking Act, provisions which are intended to limit risk. It collects data on solvency (i.e. compliance with Basel II minimum capital requirements), own funds, liquidity, large exposures and participating interests in nonfinancial institutions. Data are collected both at the individual bank level and at the consolidated level for groups of credit institutions according to Article 30 Banking Act.

**Annual Financial Statements**

This report corresponds to an Austrian bank's consolidated and unconsolidated annual accounts audited by a bank auditor.

**External Auditors' Prudential Report**

This report contains bank auditors' comments on audited banks' compli-

ance with specific legal provisions and risk assessment methods. It serves to control the factual accuracy of the statements and valuation methods as well as compliance with the relevant legal provisions.

**Report on Hidden Reserves**

This report documents the existence of hidden reserves and losses, their structure and the consequent audit result of the bank auditors.

**Report on Loss Data**

This yearly report documents losses resulting from operational risk.

**1.1 Reporting of Intragroup Transactions of Financial Conglomerates**

On April 1, 2007, the FMA's Regulation on Reporting and Limiting of Risk Concentration and Reporting of Intragroup Transactions of Financial Conglomerates went into effect. Reporting under this regulation began on June 30, 2007. The legal basis for reports is the Financial Conglomerates Act (Finanzkonglomeratengesetz – FKG), which stipulates reporting to the FMA and the OeNB at quarterly intervals under Article 14 paragraph 3.

The reporting regulation covers proof of capital adequacy at the financial conglomerate level, compliance with risk concentration limits under Article 9 Financial Conglomerates Act (by analogy to the reporting of large exposures by banks) and reporting of intragroup transactions under Article 10 Financial Conglomerates Act.

On December 31, 2007, four financial conglomerates were subject to the reporting requirement:

- Bausparkasse Wüstenrot AG
- Erste Bank der Oesterreichischen Sparkassen AG
- Grazer Wechselseitige Versicherung AG

• Raiffeisen Zentralbank Österreich AG<sup>2</sup> Pursuant to Article 14 paragraph 3 Financial Conglomerates Act, the OeNB must provide the FMA with expert opinions on the reports submitted to the FMA. By analogy to the monitoring of banks' compliance with the Banking Act, the OeNB provides a table indicating financial conglomerates' noncompliance with the Financial Conglomerates Act. On December 31, 2007, all financial conglomerates fulfilled the capital adequacy provision under Article 6 Financial Conglomerates Act.

### **1.2 New Reporting Requirements to the ECB on Euro Banknote Recycling**

In January 2006, the ECB introduced new reporting requirements for national central banks (NCBs) under the Banknote Recycling Framework. The NCBs must for instance collect information about recycling and cash centers, statistics on the volume of cash operations and information about the cash handling machinery used for checking euro banknotes for authenticity and fitness for circulation.

The overarching goal of capturing such data is to enable the Eurosystem, which is responsible for issuing euro banknotes, to continuously monitor banks' and other professional cash handlers' banknote recycling activities in order to assess the quality of

banknotes in circulation and to take appropriate action.

By collecting data, the ECB and the NCBs are able in particular to

- determine who is involved in banknote recycling,
- compare the unfit rates of individual professional cash handlers in order to analyze the functioning of their fitness sorting activities and
- identify issues that may require clarification by NCBs, e.g. in the form of on-site visits.

To this end, the OeNB developed a system to collect data from professional cash handlers, such as banks, cash in transit companies and bureaux de change. Since banks represent the bulk of the reporting entities, the OeNB's Supervisory and Monetary Statistics Division in April 2007 took charge of capturing and processing the data, given that it fulfills the appropriate organizational and technical requirements. The responsibility for the content of the related statistics, however, remains with the OeNB's Cashier's Division.

The reporting entities must provide operational data on banknote recycling semiannually to the OeNB. Also, they must notify the OeNB of any changes in reporting entities' master data within three months. Banks and other professional cash handlers may report data to the OeNB using an online portal ([www.myoenb.at](http://www.myoenb.at)).

<sup>2</sup> Raiffeisen Zentralbank Österreich AG was subject only to the capital adequacy reporting requirement on December 2007.



## II. Reporting Obligation to International Organizations

*In 2007, the OeNB provided the ECB with monetary statistics, the Bank for International Settlements (BIS) with data about the regional breakdown of claims and liabilities, and the OECD with information about the structure of the financial system. In addition, the OeNB submitted consolidated data about banks' profitability, balance sheets and solvency as well as supplementary prudential data to the ECB within the consolidated banking data (CBD) framework. Also, the OeNB sent comparative economic data, data on payment systems and data on securities trading, clearing and settlement systems to the ECB as input for the publication "Payment Systems in the European Union" (the "Blue Book"). Finally, the OeNB transmitted data on financial soundness indicators (FSI), which serve to present countries' financial stability, to the IMF.*

### 1 Consolidated Banking Data

Consolidated data on banks' profitability, balance sheets and solvency as well as supplementary prudential data are reported annually by the OeNB for Austria on request of the Working Group on Macro-Prudential Analysis (WGMA) of the European System of Central Banks (ESCB). The OeNB submitted all consolidated banking data as at December 31, 2006, in time in the summer 2007.

The introduction of Basel II and the implementation of the new ROM risk-oriented reporting system in Austria entailed substantial adjustments in data content and of technical aspects to meet future consolidated banking data reporting requirements.

### 2 ECB Blue Book Data

#### Smooth Handling of Data Transmission

Within the framework of the Blue Book data project, the OeNB successfully transmitted all data for central counterparty clearing statistics and for securities settlement systems statistics to the ECB in April 2007.

Basic economic reference data (e.g. GDP and HICP data), data about payment systems (e.g. on the value and volume of transactions), and data about securities trading, clearing and settle-

ment systems (e.g. on volumes and turnover) are published in the Blue Book. Additionally, the data are broken down by euro area and non-euro area countries. The data for these statistics are compiled in close cooperation with EU central banks.

#### ECB Guideline

The EU-27 central banks used to deliver data for the ECB's Blue Book to the ECB by on a voluntary basis. To underpin the collection of data from central banks with a legal basis, the ECB adopted the recast Guideline on monetary, financial institutions and market statistics (ECB/2007/9) on August 1, 2007. This guideline is the basis for the delivery of data to the ECB.

Article 17 of this guideline details the provisions applicable to the reporting of payment statistics data, stating that data on payment transactions and structure and related information on monetary financial institutions' balance sheet items and structural information on credit institutions must be submitted in accordance with electronic reporting standards set out by the ECB. Moreover, the guideline details the scope of reporting, the reporting frequency and deadline, the revision policy, back data reporting and the requirements for electronic transmission.

### 3 Financial Soundness Indicators

At the beginning of August 2007, the OeNB transmitted data on financial soundness indicators (FSIs), which serve to present countries' financial stability, to the IMF. These indicators may be retrieved from the Internet by interested users across the world. The FSIs contain credit institution data about profitability, balance sheets and solvency, data of other financial institutions, nonfinancial corporations and households as well as data on market liquidity and the real estate market. These data are compiled in conformity with Basel I, Basel II and IFRS provisions.

In May 2007, the IMF held a meeting for coordinators of the countries participating in the Coordinated Com-

pilation Exercise (CCE) at its headquarters in Washington D.C. The meeting was aimed at drawing conclusions from the CCE and provided a forum to exchange views and discuss the way forward among IMF representatives and coordinators.

At this meeting, the OeNB had called for closer cooperation on data transmission between the IMF, the ECB and the OECD to contain the administrative burden. To ensure continuity and comparability, the OeNB also suggested leaving the valid framework unchanged. The IMF is considering introducing a quarterly reporting frequency rather than the current annual frequency of transmission of FSI indicators.

# III. Structural Developments in Austrian Banking in 2007

*After personnel figures had been on the rise in recent years at Austrian banks, the number of banking offices also rose marginally (by 6) in 2007. At the end of 2007, there were 870 head offices and 4,286 branch offices in Austria. The number of employees in the Austrian banking sector increased by 1,519 to 79,180.*

## 1 Banking Office Development

The figures below are based on the date of licensing of head offices and of notification of the establishment in Austria of branch offices of foreign banks. The actual beginning of operations may well differ from this date.

In the course of 2007, the degree of concentration of Austrian banking offices augmented, as in the preceding years. The number of head offices declined by 1 to 870 from the end of 2006, a change that resulted from 11 mergers (among Raiffeisen credit cooperatives), one license relinquishment (among Volksbank credit cooperatives), 1 closure (of a main office established under Article 9 Banking Act) and 12 new establishments (of 3 joint stock banks, 3 special purpose banks, 3 main offices established under Article 9 Banking Act, 1 spinoff among mortgage banks, 1 Internet bank and 1 factoring bank in the Raiffeisen sector). In the same period, the branch office network expanded by 7 branch offices in Austria.

### Trend Change in Banking Office Numbers

The number of banking offices expanded in 2007 for the first time since 1992, thus marking a trend reversal. From end-December 2006 to end-December 2007, the number of banking offices grew by 6 to 5,156. This change is the

outcome of the establishment of 53 new banking offices and the closure of 47 banking offices.

In a regional breakdown, Vienna had 22 new establishments, Tyrol 8, Lower Austria 6, Styria 5, Upper Austria and Carinthia 4 each, and Salzburg and Vorarlberg 2 new banking offices each. In Vienna 21 banking offices were closed, in Upper Austria, Tyrol and Lower Austria 5 each, in Salzburg 4, in Styria and Carinthia 3 each and in Burgenland 1.

### Number of Inhabitants per Banking Office Declines Marginally

Assuming a constant number of inhabitants, the number of inhabitants per banking office diminished from 1,611 to about 1,610.

The comparable values for Germany (some 2,250) and Switzerland (some 2,135) are higher.

### Number of Branch Offices Abroad Rises

The total number of banking offices of Austrian banks abroad increased by 29 to 159. In a breakdown, on December 31, 2007, Austrian banks operated 105 branch offices (+27) and 54 representative offices (+2) abroad. The number of banking offices abroad with Austrian majority ownership augmented by 12 to 92.

## 2 Development of Employment in Banking

### Rise in Employee Numbers

The number of employees<sup>3</sup> in Austrian banks augmented by 1,519 persons from 77,661 (+1.9%) to 79,180 (of which 980 were employees on low earnings) from December 31, 2006, to December 31, 2007. The rise occurred in nearly all sectors, joint stock banks, private banks and special purpose banks being the exception.

Broken down by the type of employment contract, the total increase of 1,519 was distributed as follows: full-time employees (+888 or +1.4%), part-time employees (+623 or +4.3%) and employees on low earnings (+8 or +0.8%).

1.2% of all Austrian banking jobs were filled with employees on low earnings at year-end 2007. The total number of such jobs came to 980, 40.0% of which were at joint stock banks and private banks. 746 or more than three-quarters of the employees filling these positions were women.

52.9% of the new full-time positions were filled by men, whereas 90.9% of the new part-time jobs were held by women; moreover, women filled all new low-earnings positions.

In full-time equivalents,<sup>4</sup> banks employed 68,221 persons at end-2007. This represents a rise by 1,714 persons (+2.6%) from end-2006.

### Employee Figures Expand in the Raiffeisen Sector

In a sectoral breakdown, joint stock banks and private banks (−0.7%) and special purpose banks (−5.9%) showed a decline in employee figures. The other sectors displayed rises of various

magnitudes. The decline in the case of special purpose banks resulted from the shift of Investkredit Bank AG to the Volksbank credit cooperative sector and was a key reason that this sector posted a 9.4% increase. In absolute figures, the Raiffeisen sector recorded the biggest enlargement (+660 or +2.8%) of employee figures. Banking offices established under Article 9 Banking Act displayed the largest percentage increase in employee figures (+10.0%). Other sectors with noteworthy increases were the savings banks sector (+2.6%), the state mortgage bank sector (+2.4%) and the building and loan association sector (+4.8%).

There were no important changes in the breakdown of employees by provinces in 2007. The share of employees working for branch and representative offices of Austrian banks abroad widened by 376 (+0.4 percentage points) to 2.2% (1,770). As in previous years, Vienna accounted for just over a third (33.9%) of all bank employees.

#### See also:

**Table 1** New Head Office Establishments in 2007

**Table 2** Head Office Closures in 2007

**Table 3** Head Office Mergers in 2007

**Table 4** Name Changes of Head Offices in 2007

**Table 5** Changes in Foreign Branches of Austrian Banks in 2007

**Table 6** Changes in Fully Consolidated Foreign Subsidiaries in 2007

**Table 7** Changes in Foreign Representative Offices of Austrian Banks in 2007

**Table 8** Changes in Austrian Representative Offices of Foreign Banks in 2007

<sup>3</sup> Austrian banks subject to reporting requirements are requested to file year-end employment statistics (total number of employees – including part-time staff, persons on paid leave and on sabbaticals, persons doing compulsory military service, excluding blue-collar workers). As of 2005, these figures include employees on low earnings.

<sup>4</sup> Banks' income statements reported to the OeNB include blue-collar workers.

**Table 9** Representative Offices of Austrian Banks Abroad

**Table 10** Branch Offices of Austrian Banks Abroad

**Table 11** 100% Foreign-Owned Banks in Austria

**Table 12** 50% to under 100% Foreign-Owned Banks in Austria

**Table 13** 25% to under 50% Foreign-Owned Banks in Austria

**Table 14** Branch Offices of Foreign Banks in Austria

**Table 15** Number of Banks in Austria as at December 31, 2007

**Chart 1** Number of Banking Offices Rises Again

**Table 16** Share of Men and Women Working Full-Time and Part-Time at Austrian Banks

**Chart 2** Trend toward a Rise in Employees (in Headcount Figures and in Full-Time Equivalents) Continues

## IV. Economic Developments in Austrian Banking

Norbert Schuh<sup>5</sup>

*Despite international financial turbulence, total asset growth of banks reporting to the OeNB reached a record high, as did operating profits. Still, a minor impact of the turbulence can be discerned in certain segments.*

*Total asset growth hit a ten-year peak. On the asset side, external business was the main driver of growth as in recent years. On the liabilities side, time deposits posted the highest increase, which may be partly a result of the international financial crisis: It seems that banks have increasingly turned to this source of funding because of unfavorable money market conditions. Consequently, deposit growth reached its highest rate by far over the past ten years. Austrian banks' domestic issues also continued to gain importance.*

*Foreign currency lending decelerated even more than in the past, so that total lending growth continued to decline even though lending in euro increased markedly in 2007. The OeNB's new foreign currency loans statistics offers fresh insights into the risk potential faced by households and nonfinancial corporations.*

*Unconsolidated operating profits reached a record high. On the earnings side, this development was ascribable to a strong rise in dividend payments by affiliates and a steady increase in fee-based income. Even though growth in net interest income accelerated, its contribution to operating profits continued to decline. Since 2001, external business has been the only segment to post increases in net interest income, which is partly attributable to the fact that Austrian banks' net external assets have been rising since end-2004; this means that domestic deposits are used to fund loans to nonresidents. As in recent years, foreign subsidiaries continued to further boost group profitability of large credit institutions operating in Austria.*

*As a consequence of the international financial crisis and the upturn in money market rates, retail interest rates for new and existing loans rose faster than the two increases in key ECB interest rates would have suggested. The high share of variable rate loans implied that Austrian customers' interest rate advantage narrowed in several loan segments.*

*The financial market turmoil also affected the mutual fund business, which was characterized by strong net capital outflows in the second half of 2007. Assets invested in money market funds went up in the full-year 2007, but declined in the second half of the year.*

*While pension funds were also affected by financial market uncertainty, severance funds continued to develop dynamically.*

### 1 Business Activities of Banks Reporting to the OeNB – Unconsolidated Results

At end-2007, unconsolidated total assets of banks reporting to the OeNB came to EUR 899.54 billion, thus almost reaching the EUR 900 billion mark. At EUR 101.78 billion, total asset growth exceeded the EUR 100 billion mark for the first time; this corresponds to an annual growth rate of 12.8% in 2007 – the highest rate observed over the past ten years. Dou-

ble-digit rates were recorded only in 1998 (10.3%) and 2005 (11.2%).

As in recent years, external business made the largest contribution to total asset growth, with external assets rising by EUR 57.48 billion (+19.6%), and claims on nonresidents increasing the most (+28.4%).

On the liabilities side, the fastest-growing instruments were time deposits (+51% or EUR 13.73 billion) and Austrian banks' domestic issues to nonbanks (+24.2% or EUR 18.61 billion).

<sup>5</sup> The author would like to thank the staff of the OeNB's Supervisory and Monetary Statistics Division for valuable input.

In recent years, securities have steadily gained in importance as a source of funding. Their share in total liabilities climbed by 2.3 percentage points to 10.6% over the past three years. The surge in time deposits seems to be linked with the financial turmoil. Given the higher cost of refinancing in the money market, banks chose to raise (partly significantly) their interest rates on such deposits, and so many market participants decided to invest part of their capital in time deposits as an interim solution in view of the financial market uncertainty. The sharp acceleration in time deposit growth in the second half of the year (+EUR 9.0 billion), which is almost twice as fast as in the first half-year (+EUR 4.7 billion), confirms this assumption.

Total assets of all banking sectors increased in 2007. Raiffeisen credit cooperatives registered the strongest growth in total assets (+12.5% or EUR 24.58 billion), followed by joint stock banks (+16.9% or EUR 20.96 billion). Total asset growth was lowest for building and loan associations (+1.8% or EUR 0.37 billion).

At end-2007, joint stock banks held the largest market share (27.9%) in terms of total assets, followed by Raiffeisen credit cooperatives (24.7%) and savings banks (16.7%). State mortgage banks registered a market share of 9.8%, special purpose banks 9.7%, Volksbank credit cooperatives 7.7%, building and loan associations 2.3% and branch offices established under Article 9 Austrian Banking Act 1.2%.

At end-2007, the market share of Austria's ten largest banks came to 56.4% in terms of total assets and was thus only marginally lower (–0.1 percentage points) than at end-2006. The ranking of the top ten banks remained the same as in 2006. The share of the five largest banks (which is used in

international comparisons) dropped by more than 1 percentage point to 43.3%.

Austria's ten largest banks ranked in terms of their total assets as at December 31, 2007, are listed below:

1. Bank Austria Creditanstalt AG
2. Erste Bank der oesterreichischen Sparkassen AG
3. Raiffeisen Zentralbank Österreich Aktiengesellschaft
4. BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft
5. Oesterreichische Kontrollbank Aktiengesellschaft
6. Österreichische Volksbanken-Aktiengesellschaft
7. Kommunalkredit Austria AG
8. Hypo Alpe-Adria-Bank International AG
9. Raiffeisenlandesbank Oberösterreich Aktiengesellschaft
10. Raiffeisenlandesbank Niederösterreich-Wien AG

### **1.1 External Business Remains the Driving Force behind Asset Growth**

While the growth rate of external assets remained at almost the same level as in the previous year (19.4% in 2006 against 19.6% in 2007), that of external liabilities halved from 10.5% in 2006 to 5.4% in 2007.

As a result of this divergent development, Austrian banks' net external assets surged by EUR 43.38 billion to EUR 77.65 billion. At end-2007, external assets came to EUR 351.01 billion and accounted for 39.0% of total assets, while external liabilities stood at EUR 273.35 billion and accounted for 30.4% of total liabilities. Some three years ago, Austrian banks' net external assets still matched net external liabilities: At the end of September 2004, external business accounted for some

31% of the totals on both sides of the balance sheet.

In the second half of 2007, however, external business growth slowed down, so that the share of external transactions declined by 0.6 percentage points on the asset side and by 1.7 percentage points on the liability side.

Claims on foreign nonbanks, at around EUR 104 billion, represented just under 30% of external assets, but accounted for some 50% of external asset growth in 2007. While German nonbanks accounted for the largest share (17.7%), borrowers from Austria's six most important business partners in Eastern and Southeastern Europe (Croatia, Czech Republic, Romania, Poland, Slovenia, Hungary) taken together accounted for more than one-third (34.3%) in claims on foreign nonbanks.

## 1.2 Time Deposits Push Total Deposit Growth

Total deposits with banks reporting to the OeNB came to EUR 258.21 billion at end-2007, which is a sharp increase by 11.7% or EUR 27.06 billion against end-2006. This was by far the highest annual growth rate ever recorded; the second-highest rate (7.8%) was observed in 2001. In 2006, total deposits grew by 4.7% or EUR 10.40 billion. Despite their strong growth, deposits continued to lose significance as refinancing vehicles in 2007. Their share in total assets shrank to 28.7%, down by almost 5 percentage points over the past five years and by even more than 10 percentage points since 1995.

All deposit categories registered positive growth in 2007, particularly time deposits, which posted the highest annual growth rate (51.0%) and reached EUR 40.7 billion. Sight deposits also increased quite markedly (by 10.9% to EUR 71.41 billion), even though a shift

from sight deposits to time deposits was observed at direct banks. Savings deposits grew at a considerably slower pace, rising by 4.5% to EUR 146.12 billion. Still, growth was twice as fast as in 2006 or on average in the five-year period from 2002 to 2006. 2001 has been the only year since 1996 in which savings deposits grew at a comparable pace (4.8%) as in 2007. While savings deposits remained the most popular deposit category, their share dropped below 60% (56.6%) for the first time. Time deposits climbed by 4.1 percentage points, reaching a share of 15.8%, whereas sight deposits stagnated at around 28%.

Time deposit growth was strong in almost all banking sectors, with joint stock banks posting the highest increase (+EUR 6.55 billion), followed by Raiffeisen credit cooperatives (+EUR 2.79 billion) and savings banks (+EUR 1.40 billion).

This spectacular growth may well be associated with the international financial turmoil. In light of the higher cost of refinancing in money markets, banks raised their interest rates on time deposits partly significantly, and thus many market participants decided to temporarily invest part of their capital in such deposits, given the uncertainty on financial markets. This assumption is also confirmed by the sharp acceleration of time deposit growth in the second half of the year (+EUR 9.0 billion), which was almost twice as fast as in the first half of 2007 (+EUR 4.7 billion). Nonfinancial corporations accounted for around one-half of this growth, while households and nonbank financial intermediaries accounted for one-quarter each.

In view of competition from direct banks, Austrian banks also launched new products that allow households to manage deposits with agreed matu-



rity via the Internet. This type of investment had previously been available to large customers only. As a result, direct banks' deposit business grew at a slower pace (+11.1%) than that of all banks (+11.7%) for the first time in years; their share in the total deposit business came to 1.9% at end-2007. Moreover, a shift from sight deposits to time deposits was observed at direct banks: Their time deposit volume tripled to around EUR 1 billion in 2007, partly at the expense of sight deposit growth.

### 1.3 Slowdown in Foreign Currency Lending Intensifies

Growth of euro-denominated loans more than doubled from 3.1% in 2005 to 6.8% in 2007. Still, growth of loans to domestic nonbanks continued to decelerate from 5.0% in 2004 to 4.7% in 2005, to 4.5% in 2006 and to 3.6% (EUR 9.9 billion) in 2007. The share of loans in total assets (31.7% at end-2007) thus declined by almost 7 percentage points since end-2004.

The moderate development of bank lending was attributable to a sharp decline in foreign currency lending in 2007.<sup>6</sup> After an increase by 11.1% in 2005, the volume of these loans decreased by 2.4% (EUR 1.3 billion) in 2006 and by 10.3% (EUR 5.4 billion) in 2007.

As a result, the share of foreign currency loans in total loans fell markedly by 2.6 percentage points against end-2006, reaching 16.3% at end-2007. Such a low share was last recorded in 1999 (15.7%). Of the total loan volume of EUR 285.1 billion, foreign currency loans accounted for EUR 46.6 billion,

euro-denominated loans for the remaining EUR 238.5 billion.

The share of foreign currency lending dropped in all Austrian provinces,<sup>7</sup> with the decline being most pronounced in those provinces with the largest shares: Vorarlberg saw a decrease by 6.3 percentage points to 34.5%, still the largest share at end-2007, followed by the Tyrol (−5.5 percentage points to 23.8%), Carinthia (−3.1 percentage points to 18.0%), and Styria (−3.5 percentage points to 17.3%). Lower Austria (−2.9 percentage points to 16.8%) and Vienna (−1.1 percentage points to 15.1%) recorded levels around the Austrian average.

Loans denominated in Swiss franc (CHF) declined by EUR 5.9 billion, and thus by EUR 0.5 billion more than all other foreign currency-denominated loans combined (EUR 5.4 billion). Still, with a share of 88.5%, the CHF remained by far the most important foreign currency. At end-2007, the outstanding loan volume denominated in CHF came to EUR 41.6 billion. The volume of loans denominated in U.S. dollar (USD) – the second-most important currency – fell by EUR 0.5 billion to EUR 2.4 billion. By contrast, the volume of loans denominated in Japanese yen (JPY) increased by EUR 0.2 billion to EUR 1.7 billion, while that of other foreign currencies rose by EUR 0.8 billion to EUR 1.4 billion. The development of loans denominated in Czech koruna (CZK) was especially noteworthy: CZK-denominated loans expanded from a negligible level to EUR 0.9 billion, so that the CZK has become the fourth-most important

<sup>6</sup> This figure was not adjusted for exchange rate effects; the decline was around ½ percentage point smaller when adjusted for exchange rate effects.

<sup>7</sup> The conclusiveness of comparisons between provinces is limited, because supraregionally operating banks are always allocated to the head office location (BA-CA is, for instance, allocated to Vienna).

foreign currency for loans in Austria. This rise seems to have come to an end, however, as lending in CZK has stagnated since October 2007.

In the course of 2007, outstanding foreign currency loans to households came down by EUR 1.7 billion in absolute terms, but their share rose by 3.7 percentage points to 68.3%, as the decline in foreign currency loans to the other sectors was even more pronounced: The share of nonfinancial corporations decreased by 3.2 percentage points to 21.2% and that of other monetary financial institutions (state and nonbank financial intermediaries) by 0.4 percentage points to 10.0%. This means that 28.2% of new household loans were denominated in foreign currencies, but only 8% of new corporate loans.

Almost 70% of foreign currency loans to households are housing loans. This share went up by 1.6 percentage points in 2007, and by more than 10 percentage points over the past ten years.

Since 2007, the OeNB's new foreign currency loans statistics can be used to analyze the risk associated with foreign currency loans for bullet loans and repayment vehicles. While bullet loans linked to repayment vehicles account for almost 75% of all foreign currency loans to households, they make up only around 20% of loans to enterprises. This means that households are particularly affected by high exchange rate risk and investment risk, as for bullet loans, the exchange rate at maturity determines the amount due in euro. The CHF appreciation by 3% in January 2008 alone implies that, at this exchange rate, repayments would be

about EUR 1 billion higher than they would have been otherwise. Another factor is the investment risk associated with repayment vehicles. Consequently, the effective cost of a loan (principal plus interest rate payments) is only determined at maturity.

**See also:**

**Table 17** Business Activity of Banks in Austria

**Chart 3** External Business Accounts for Almost 35% of Unconsolidated Total Assets

**Chart 4** Share of Savings Deposits in Total Deposits Reaches a Historical Low

**Chart 5** Growth of Loans to Nonbanks: Euro Area Has Outpaced Austria

**Chart 6** Euro-Denominated Lending Rises amid Slumping Demand for Foreign Currency Loans

**Chart 7** The CHF Remains by Far the Dominant Loan Currency despite Declining Importance

**Chart 8** Most Foreign Currency Loans Go to Households

**Chart 9** Bullet Loans Linked to Repayment Vehicles Account for 75% of All Foreign Currency Loans to Households

**Chart 10** Bullet Loans Linked to Repayment Vehicles Extended to Households Will Reach Significant Levels in 5 to 7 Years

**Chart 11** External Assets by Country Groups (Ultimate Risk)

## 2 Profitability of Banks Operating in Austria – Unconsolidated Results

### 2.1 Operating Profits 2007<sup>8</sup>

In 2007, unconsolidated operating profits of banks reporting to the OeNB reached a new record high of EUR 6.66 billion, thus exceeding the 2006 results by 14.5% or EUR 0.85 billion. Operating profit growth was mainly ascribable to a rise in operating income by 5.5%

<sup>8</sup> The unconsolidated profits of banks reporting to the OeNB are based on data from the quarterly report of December 31, 2007. The following report draws on provisional and, in some cases, expected income data provided by the credit institutions, as final income data (based on audited financial statement data) were not available at the editorial close of this special issue.

and a remarkably modest increase in operating expenses by 0.6%. This development is also reflected in an improvement of the cost-to-income ratio (CIR) by 3 percentage points to the best result recorded so far (62%), after a somewhat worse result in 2006 (65%) and the previous best result in 2005 (64.1%). In 2006, the trend of a continuously improving CIR had been interrupted due to a one-off allocation to pension provisions. Owing to the release of these provisions, the extent of the 2007 improvement is overstated. Between 2003 and 2007, the CIR dropped from 68.2% to 62.0%, by around 1 percentage point each year. This result is, however, in no way exceptional by international standards.

The rise in operating income by EUR 0.91 billion to EUR 17.51 billion was mainly driven by income gains from securities-related activities, but also by growing interest income and fee-based income.

Income from securities and participating interests surged by 22.3% or EUR 0.64 billion to EUR 3.52 billion in 2007, mainly backed by rising income from shares in affiliated undertakings (+EUR 0.45 billion). The rise in income from shares, other equity as well as variable-yield securities by EUR 0.16 billion was primarily the result of high dividend and profit participation payments. The share of income from securities-related activities in operating profits climbed by 2.8 percentage points to 20.1 percentage points in 2007, compared with a rise by 7.2 percentage points over the last five years.

Even though interest payable and similar charges jumped to EUR 30.26 billion (+36.3% or EUR 8.06 billion compared with 2006), net interest income growth tripled (+3.2%) in 2007, as interest receivable and similar income rose even more strongly (+EUR 8.29

billion). Nevertheless, their share in operating profits decreased by almost 1 percentage point in 2007, compared with a decline by 9.3 percentage points to 42.3% over the last five years.

The origin of net interest income (EUR 7.40 billion) is especially noteworthy as more than 70% were generated abroad in 2007, compared with less than 50% in 2006. Since 2001, external business has been the only source of net interest income growth. While in 2000, only 15.9% of net interest income had been earned abroad, its share already amounted to 70.7% in 2007. This development can be attributed to the fact that interest margins abroad are higher than in Austria and that Austrian banks' net external assets have surged since 2004.

In Austria, the interest margin on new business came to 0.77 percentage points – down from 1.74 percentage points in January 2003 – which is about one-half of the euro area average of 1.38 percentage points. Interest margins are even higher in the catching-up economies of Eastern and Southeastern Europe. This is why in 2004 (when Austrian banks' net external position was almost balanced), external business had a share of around 30% in total assets but generated 40% of net interest income.

The significance of net external assets for net interest income becomes evident from the fact that, in 2007, net external assets climbed by EUR 43.4 billion to EUR 77.7 billion at year-end. This means that domestic deposits finance close to EUR 80 million of claims on nonresidents. As a result, net interest income generated abroad grew particularly fast by almost 50% in 2007.

The net result of financial transactions – a component that has in fact little impact on operating profits –

clearly reflects the effects of international financial market turbulence: The net surplus on financial transactions shrank by 57.9% to EUR 0.29 billion.

On the positive side, net fee-based income rose again markedly in 2007, reaching EUR 4.71 billion (+9.8% against 2006). The share of fee-based income in operating profits thus increased by 1 percentage point to 26.8% in 2007, compared with a rise by 4.9 percentage points over the last five years.

Operating expenses climbed by just EUR 0.06 billion to EUR 10.85 billion, owing to a sharp decline in other operating expenses and the release of pension provisions.

Administrative expenses grew by 2.4% to EUR 9.17 billion in 2007 against 2006, mainly on the back of a rise in expenditure on goods and services by 5.4% to EUR 3.70 billion.

While staff expenses increased by just 0.4% to EUR 5.47 billion in 2007 because of the release of pension provisions, wages and salaries rose more markedly, reaching EUR 3.79 billion in 2007 (+5.6% compared with 2006).

In the reporting year, depreciation of tangible and intangible fixed assets dropped by 5.2% to EUR 0.61 billion, continuing the trend of recent years, and other operating expenses fell by EUR 0.12 billion (–9.9%) to EUR 1.06 billion.

**See also:**

**Chart 12** Banks Operating in Austria Post Best Result Ever for Cost-to-Income Ratio

**Table 18** Austrian Banks' Profitability

**Chart 13** Two-Thirds of Net Interest Income Generated Abroad in 2007

**Chart 14** Declining Importance of Net Interest Income

**Chart 15** Income from Participating Interests Boosts Operating Profits

### 3 Profitability of Banking Groups that Prepare Consolidated Financial Statements in Accordance with Articles 59 and 59a of the Austrian Banking Act

In 2007, interest income including risk provisions of the 21 banking groups that prepare their consolidated financial statements in line with the International Financial Reporting Standards (IFRS; Article 59a of the Austrian Banking Act) or the Austrian Commercial Code (Unternehmensgesetzbuch – UGB; Article 59 of the Austrian Banking Act) climbed to EUR 15.26 billion, which is an increase of EUR 3.13 billion or 25.8% against 2006. In the same period, interest income including risk provisions collected by the respective parent banks rose by EUR 0.50 billion (+9.1%) to EUR 6.12 billion. This implies that the higher net interest income in 2007 could only be achieved at the group level: In 2007, banking groups' interest income amounted to EUR 11.72 billion and was thus some 2.5 times higher than that of parent banks (1.9 and 2.2 times higher in 2005 and 2006, respectively).

Operating income including risk provisions of banking groups reporting to the OeNB was EUR 21.06 billion, that is EUR 3.54 billion or 20.2% higher than in 2006. Parent banks posted a rise by 4.9% or EUR 0.39 billion to EUR 8.44 billion. The increase at group level was primarily sustained by high interest and fee-based income. The decrease in the "other operating result" UGB item by 24.7% as at December 31, 2007, was attributable to capital and valuation losses on securities. Trading income declined by 82%, which was the main reason for the low growth in parent banks' operating income.

In 2007, banking groups' credit risk provisions grew by 26.3% or EUR 0.57

billion to –EUR 2.74 billion, against –EUR 2.17 billion in the previous year. This growth can be ascribed to a higher allocation to loan loss provisions at joint stock banks. Credit risk provisions rose also at parent banks, namely by 10.4% to –EUR 1.25 billion. The lower need for allocating credit risk provisions at parent banks can be partly explained by the fact that UGB requirements allow transferring unused loan loss provisions to the profits and loss account, while this is not permitted in the consolidated statements prepared in line with IFRS.

Banking groups' fee-based income amounted to EUR 7.16 billion (+24.4%), that of parent banks to EUR 2.49 billion (+12.6% compared with 2006). Fee-based income thus continued to grow steadily in 2007.

By contrast, trading income dropped sharply both at the banking group level (–22.5% to EUR 0.80 billion) and, even more so, at the parent bank level (–82% to EUR 0.07 billion). This downward trend in trading income can be explained by the climate of uncertainty and downturns on international capital markets in 2007.

While administrative expenses rose by 19.6% or EUR 2.30 billion to EUR 14.05 billion at group level, they declined slightly by 1.4% to EUR 5.76 billion at parent bank level, so that they were around 2.4 times higher at group level than at the parent bank level. Higher staff costs and expenditure on goods and services were the main growth drivers at group level. Expenditure on goods and services increased by 26.1% or EUR 0.99 billion to EUR 4.77 billion; in absolute terms, staff costs grew even more strongly by 20.3% or EUR 1.27 billion to EUR 7.53 billion.

Parent banks' administrative expenses declined somewhat, with staff costs going down slightly (–2.3% or EUR

0.07 billion) to EUR 2.76 billion. Depreciation of tangible fixed assets and other expenses came down by 10.8% to EUR 0.99 billion year on year.

Operating profits of banking groups reporting to the OeNB in compliance with IFRS or UGB requirements augmented by 21.6% or EUR 1.24 billion to EUR 7.01 billion in 2007 against the previous year. Parent banks' operating profits went up by 21.7% to EUR 2.68 billion.

In 2005 and 2006, operating income of banking groups reporting to the OeNB surged in relation to operating expenses. Over that period, the CIR improved as well, for the first time dropping below 60% in 2006. As of December 31, 2007, the groups' consolidated CIR was 59.1%, thus improving by 0.7 percentage points against 2006.

After taxes and minority interests, the groups' period profit came to EUR 5.88 billion in 2007, down by 12.8% or EUR 0.86 billion on 2006. This decline in consolidated annual profits was the result of higher credit risk provisions and the drop in trading income on the one hand, and of valuation losses on securities and other valuation results on the other hand. Parent banks' period profit amounted to EUR 2.87 billion in 2007, up by 11.2% or EUR 0.29 billion from 2006.

Total assets climbed continuously until the end of the fourth quarter of 2007. Consolidated total assets stood at EUR 912.56 billion at end-2007, up by 18.2% or EUR 140.20 billion from 2006. Parent banks' total assets rose by 13.4% or EUR 68.34 billion, reaching EUR 578.00 billion at end-2007. Consolidated total assets were therefore some 1.6 times higher than total assets of parent banks. The rise in consolidated total assets points to a further expansion of Austrian banking groups' international business.

**See also:**

**Table 19** Comparison of Austrian Banking Groups and the Respective Individual Banks as at December 31, 2007

**Chart 16** Fully Consolidated Foreign Subsidiaries Account for Some 28% of Banking Groups' Total Assets

**Chart 17** Share of Foreign Subsidiaries in Banking Groups' Operating Profits Rises to Around 51%

#### 4 Interest Rate Developments

As a result of financial turmoil, retail interest rates rose much more markedly in 2007 than the ECB's two upward key rate adjustments (by 0.25 percentage points, respectively) to 4.0% would have suggested. In light of the unstable financial market situation, money market rates increased in particular.

Given the higher share of variable rate lending in Austria, the country's interest rate advantage vis-à-vis the euro area was offset in some segments. Interest rates for outstanding amounts of housing loans with a maturity of more than five years – the most important loan category for Austrian households – were significantly above the euro area average. Thus, Austrian customers' interest rate advantage of 0.06 percentage points as at December 31, 2006, turned into a disadvantage of 0.5 percentage points as at December 31, 2007.

Deposit rates for new business rose even more markedly, as high-interest time deposits gained strongly in importance, generating 50% of deposit growth in 2007.

In turn, Austrian banks' interest margin on new business narrowed further to 0.77 percentage points, which was the lowest rate in the euro area (euro area average: 1.38 percentage points).

##### 4.1 Lending Rates – New Business

Retail interest rates for new loans to nonfinancial corporations and households rose more strongly than key interest rates. Between December 2006

and December 2007, the aggregated retail lending rate for new euro loans climbed by 0.84 percentage points from 4.38% to 5.22%.

Interest rates for loans to households went up more strongly (0.92 percentage points) than for loans to non-financial corporations (0.85 percentage points). This development was attributable to housing loans – the most important category of loans to households – which increased by 0.99 percentage points to 5.27%. Consequently, the Austrian interest rates for new housing loans were 9 basis points above the euro area average in December 2007. In 2007, Austria's average interest rate advantage was still 14 basis points, whereas in 2006, Austrian banks' average interest rate for new housing loans had ranged at the lower end of the euro area spectrum.

##### 4.2 Lending Rates – Outstanding Amounts

In 2007, interest rates for housing loans with a maturity of more than five years increased in Austria more than they did on average in the euro area. At the end of December 2007, interest rates in this segment reached 5.5%, which was 50 basis points above the euro area average and thus at the upper end of the euro area spectrum.

A comparison with Germany in this category reveals that the fast interest rate increase in Austria turned the country's interest rate advantage of 0.55 percentage points into a disadvantage of 0.40 percentage points.

Interest rates on loans to non-financial corporations with a maturity of more than five years amounted to 5.13% in Austria and were thus still below the euro area reference value (5.28%), but the interest rate advantage halved from 0.32 percentage points at end-2006 to 0.15 percentage points at

end-2007. Compared with Germany, Austrian nonfinancial corporations' interest rate advantage shrank from 0.58 percentage points at end-2006 to 0.04 percentage points at end-2007.

### 4.3 Deposit Rates – New Business

The strong increase in new deposit rates in Austria (+0.99 percentage points) can mainly be attributed to short-term interest rates on deposits with a maturity of up to one year. The rates for short-term deposits of households climbed by 1.01 percentage points to 4.28%, thus reaching exactly the level of long-term deposit rates with a maturity of more than two years. While short-term interest rates had still been 23 basis points below the ECB's key interest rate in December 2006, they were already 28 basis points above this rate in December 2007. This deposit category reflected the robust growth of high-yield time deposits (+51%), which made up about 50% of deposit growth in 2007.

As regards nonfinancial corporations, rates for new business rose by 1 percentage point to 4.60%. So the expansion of time deposits also had a positive impact on the interest rate development.

### 4.4 Deposit Rates – Outstanding Amounts

As regards deposits held by households, interest rates for existing deposits with a maturity of up to two years saw the strongest growth in Austria (+1.13 percentage points). Given that interest rates with a maturity of more than two years reacted at a significantly slower pace (+0.28 percentage points), the average interest rate for deposits with a maturity of up to two years (3.69%) was well above the rate for those of more than two years (3.25%). The sluggish adjustment of rates on long-

term deposits can be attributed mainly to the high number of long-term fixed-rate savings deposits and building loan contracts.

Interest rates for nonfinancial corporations have developed similarly to those for households: Interest rates for deposits held by households with a maturity of up to two years augmented significantly faster (+1.05 percentage points) than those with a maturity of more than two years (0.15 percentage points) in 2007. The same development was observed for deposits of nonfinancial corporations. At end-December 2007, the rate for deposits of up to two years reached 4.37%, while the rate for deposits of more than two years was 4.04%.

#### See also:

**Table 20** ECB Interest Rate Statistics for Austria as at December 2007 – Interest Rate on New Business – Deposits

**Table 21** ECB Interest Rate Statistics for Austria as at December 2007 – Interest Rate on New Business – Loans

**Table 22** ECB Interest Rate Statistics for Austria as at December 2007 – Interest Rates on New Business – Loans and Deposits, Total

**Table 23** Share of Variable-Rate and Short-Term Fixed-Rate Loans in Total New Business – Comparison between Austria and the Euro Area

**Chart 18** In 2007, Lending and Deposit Rates – in Line with Money Market Rates – Rise More Strongly than the Key ECB Interest Rate

**Chart 19** Austria Has the Lowest Interest Margin on New Business in the Euro Area

**Chart 20** In 2007, Rates for New Loans to Households Increase Slightly Stronger than for New Loans to Nonfinancial Corporations

**Chart 21** Interest Rates for New Short-Term Deposits of Households Rise Markedly

**Chart 22** Outstanding Amounts – Interest Rates on Housing Loans (with More than Five Years Maturity) in Austria Are Markedly Above Euro Area Average

## 5 Developments in the Building and Loan Associations Sector

At end-2007, the number of building loan contracts totaled 5.5 million, down by about 130,000 contracts from the end of 2006. Of these, some 390,000 loans were at the lending stage – thus almost 120,000 fewer than at end-2003.

In 2007, the number of new contracts with building and loan associations was 8.1% higher than in 2006. The total contract volume was EUR 111.4 billion at end-2007 – that is a decline by 0.8% against end-2006.

The number of building loans allocated in 2007 (24,433) decreased by 16.8% compared with 2006. The volume of building loans allocated also came down in the same period, namely by 4.5% to just under EUR 2.9 billion.

The surplus of building and loan deposits vis-à-vis loans outstanding halved to EUR 1.7 billion from end-2006 to end-2007.

### See also:

**Table 24** Statistics on Building and Loan Associations as at December 2007 – Number of Building Loan Contracts

**Table 25** Statistics on Building and Loan Associations as at December 2007 – Deposits and Loans

**Chart 23** Building Loan Contracts Decline

## 6 Development of Mutual Funds

With stock markets enduring a very difficult year in 2007, investors were highly reluctant to make new investments. Stock price gains were relatively moderate at EUR 3.19 billion, which was insufficient to offset net capital outflows of EUR 6.92 billion, so the net volume of capital invested in mutual funds (excluding fund-of-fund investments) shrank by EUR 3.74 billion or 2.7%, and stood at EUR 137.09 billion at the end of December 2007. In the second half of the year, net capital

outflows increased to EUR 6.6 billion against merely EUR 0.3 billion in the first half of the year.

Since 2007, Austria has an additional provider of mutual funds, namely Innovest KAG. The range of funds was also extended that year by another 139 retail funds and 13 specialty funds, the latter being exclusively designed for institutional investors. Hence, 28 Austrian capital management companies operated 2,329 mutual funds worth EUR 165.6 billion (including fund-of-fund investments) at the end of December 2007 (end-2006: EUR 168.9 billion).

In recent years, Austrian nonbanks' investment in mutual funds has grown more dynamically than their investment in deposits; yet this trend did not persist in 2007. In 2007, retail deposits with Austrian banks advanced by 11.7% (EUR +27.06 billion) – notably as a result of stronger sight and time deposit growth – while investment by Austrian nonbanks in mutual funds decreased by 1.9% (EUR 2.03 billion). One year earlier, growth in mutual fund investment had still outpaced retail deposit growth despite the funds' weak performance.

The poor development of fixed-income funds had a negative impact on the overall performance of mutual funds in 2007. Hence, the capital-weighted average performance of all Austrian mutual funds (retail funds and specialty funds) amounted to 1.9% for the period between the beginning of January and the end of December 2007 (i.e. the reporting year) against 4.4% in 2006. Equity funds increased by 4.2%, balanced funds gained 2.0% and fixed-income funds grew by 0.95%. Real-estate funds showed the most favorable development of all investment categories (+4.6%), followed by equity funds (+4.2%) and alternative funds (+2.3%).



Money market funds (as defined in Regulation ECB/2001/13) posted gains of 1.6%; the two U.S. dollar-based funds influenced these results only marginally due to their small volume.

218 out of the 470 equity funds performed negatively in the reporting year 2007. More than one-third (36%) of the 1,063 mixed funds suffered losses. Fixed-income funds did not perform well either: Close to 30% of such funds (187 out of 657) had a negative performance owing to increasing interest rates (six-year swap rate: +0.47 percentage points) and the fallen U.S. dollar. Real estate funds performed entirely positively and the number of alternative funds posting negative results shrank to 54 out of 114.

As regards international funds, losses resulting from the depreciation of the U.S. dollar (−11.6% against the euro) had negative effects on their performance in the reporting year 2007.

With a share of 59.4% (EUR 81.41 billion) fixed-income funds are still the dominant investment category, followed by stocks and equity securities (20.1% or EUR 27.54 billion), foreign mutual fund shares (11.0% or EUR 15.04 billion) and other assets (8.3% or EUR 11.44 billion).

At the end of December 2007, the investment volume of real estate funds amounted to EUR 1.83 billion. EUR 1.67 billion or 92% (December 2006: 80%) of the total investment volume was invested in real estate and fixed tangible assets. The share of real estate funds in the total volume of all funds amounted to 1.2%.

In 2007, the decline in the total investment volume was merely caused by foreign investment (EMU −3.68%, rest of the world −3.03%), while domestic investment grew slightly by 0.22%, thus interrupting the trend that mutual funds increasingly engaged in

foreign investment. In 2007, the share of domestic investment climbed by 0.7 percentage points to 22.2%; in 2005, it had still amounted to 24.1%.

As at December 31, 2007, the investment volumes came to EUR 67.60 billion (49.3%) in the euro area excluding Austria, EUR 39.12 billion (28.5%) in the rest of the world and EUR 30.37 billion (22.2%) in Austria.

**See also:**

**Table 26** Mutual Fund Developments in 2007

**Table 27** Total Assets of Austrian Mutual Funds as at December 2007

**Chart 24** Booming Deposits but Declining Assets under Mutual Fund Management

## 7 Development of Money Market Funds

In 2007, the number of money market funds increased from 12 to 19 (+7). This sharp increase results, on the one hand, from the reclassification of four funds as money market funds at the beginning of the year, and, on the other hand, from the launch of three new money market funds in the course of the year. Moreover, the number of capital management companies setting up money market funds augmented from seven at the end of 2006 to nine at the end of 2007. No money market funds were closed in the reporting year.

Although the amount of capital invested in Austrian money market funds decreased by EUR 0.8 billion or 14.8% in the fourth quarter of 2007, it increased robustly for the full year, namely by EUR 1.2 billion or 37.7% from 2006. Roughly one-half of this growth is, however, attributable to the reclassifications mentioned above. In June 2007, money market funds reached a record volume of EUR 5.3 billion, which came down slowly in the second half of the year to a year-

end level of EUR 4.3 billion. This development might have been triggered by the international financial crisis, which boosted interest rates for time deposits in the second half of 2007. Given the fact that time deposits are substitution products of money market funds (which are primarily used by institutional and wholesale investors), capital seems to have been transferred mainly from money market funds to time deposits.

## 8 Development of Severance Funds

Despite international financial turmoil, severance funds continued to perform well in 2007. With an increase of EUR 491 million, the reporting year saw the highest volume growth in accrued severance benefits, even though termination benefits can be paid out since 2006. All in all, EUR 66 million were paid out in 2007. Owing to the low starting level, growth rates were rather impressive in 2004 (152%) and in 2005 (92%), but the absolute increase (EUR 212.1 million in 2004 and EUR 334 million in 2005) was markedly below the 2007 growth rate.

In 2007 alone, the number of contracts augmented to about 319,000 and the number of prospective beneficiaries came to 2.44 million.

The investment structure has undergone changes: Severance funds still favor indirect investments (63.1%), although their share in investment groups' total assets has gradually declined over the years,

## 9 Development of Pension Funds

International financial turmoil has also affected the performance of Austrian pension funds. Their assets grew by EUR 420 million or 3.4% to EUR 12.9 billion. This increase, which was entirely realized in the first half of

2007, was not even half as high as in 2006 (+EUR 947 million). Yet, compared with the repercussions of other turbulent periods, the impact was still relatively moderate in 2007; much more negative effects were recorded in 2001 (+2.6%) and 2002 (−2.1%).

At end-2007, bank deposits reached a historical peak at EUR 282 billion. Hence, they were pension funds' second most favored type of investment at the end of 2007, which also reflects financial market turbulence, as pension funds apparently shifted large amounts from security investments to bank deposits.

Yet, mutual fund shares with a value of EUR 11.9 billion were by far the most significant type of investment for pension funds. At the end of December 2006, the share of mutual funds in pension funds' total assets amounted to 92.3%, with domestic issues accounting for 82.1% and foreign issues for 10.2%. This is 3.4 percentage points below the all-time high of 95.7% in 2000. What has also changed – albeit only since 2002/03 – is the ratio of foreign mutual fund shares: Over the last four years, their share in pension funds' total assets nearly tripled from 3.5% to the above-mentioned 10.2%, thus reaching a historical peak at end-2007, both in terms of their share in total assets and absolute figures (EUR 1.3 billion).

The share of foreign currency investments in total assets augmented to 4.8%, which was more than twice as much as at the end of 2003 (2.3%). At the same time, foreign currency investments reached their highest level since the introduction of the euro as a non-cash currency in 1999.

Debt security investments came to EUR 277 billion or 2.1% of pension funds' total assets at the end of December 2007; one-half of these being do-

mestic issues, the other half foreign issues, both, however, were exclusively denominated in euro. A long-term analysis shows that this type of investment has gained in importance: In 2000, debt securities accounted for just 1 percent-

age point of pension funds' total assets. Bonds issued by nonresidents, which were almost exclusively issued in foreign currencies at the time, made up slightly more than one-half of this value.

## V. Tables and Charts

### 1 Changes in the Banking Structure in 2007

Table 1

#### New Head Office Establishments in 2007

Month	Details	Company name	Sector
January	Opening	CREDIT SUISSE (LUXEMBOURG) SA Zweigniederlassung Österreich	Establishment under Article 9 Banking Act
	Opening	BNP PARIBAS Asset Management Zweigniederlassung Wien	Establishment under Article 9 Banking Act
	Opening	JPMorgan Asset Management (Europe) S.a.r.l., Austrian branch	Establishment under Article 9 Banking Act
	Reactivation	Coinstar Money Transfer (Austria) GmbH (formerly Bellword GmbH)	Special purpose banks
	Opening	LGT Bank (Österreich) AG	Joint stock banks
March	Opening	Commerzbank (Schweiz) AG Private Banking	Joint stock banks
April	Opening	Coface Austria Bank AG	Joint stock banks
June	Opening	bankdirekt.at AG	Raiffeisen credit cooperatives
July	Opening	HYPO Investmentbank AG	State mortgage banks
	Opening	IREMIT EUROPE Remittance Consulting AG	Special purpose banks
August	Opening	ERSTE Immobilien Kapitalanlagegesellschaft m.b.H.	Special purpose banks
October	Opening	Banque PSA Finance Niederlassung Österreich	Banks established under Article 9 Banking Act
December	Opening	Raiffeisen Factor Bank AG	Raiffeisen credit cooperatives

Source: OeNB.

Table 2

#### Head Office Closures in 2007

Month	Details	Company name	Sector
October	Closure / reopening under Article 9 Banking Act	PSA Finance Austria Bank AG	Special purpose banks
December	Closure	Evangelische Kreditgenossenschaft eG Filiale Wien	Banks established under Article 9 Banking Act
	Relinquishment of banking license	Spar- und Vorschuss-Verein der Angestellten der Firma Schenker & Co. Aktien-Ges. reg. Gen.m.b.H.	Volksbank credit cooperatives

Source: OeNB.

Table 3

### Head Office Mergers in 2007

Month	Company name <sup>1</sup>	Sector
May	Raiffeisenbank Oberes Feistritztal and Raiffeisenbank Birkfeld (old) <b>Raiffeisenbank Birkfeld – Oberes Feistritztal (new)</b>	Raiffeisen credit cooperatives
July	Raiffeisenbank Haus im Ennstal reg.Gen.m.b.H. Raiffeisenbank Ramsau am Dachstein reg.Gen.m.b.H. and Raiffeisenbank Schladming reg.Gen.m.b.H. (old) <b>Raiffeisenbank Schladming-Ramsau-Haus eGen (new)</b>	Raiffeisen credit cooperatives
September	Raiffeisenbank Hausruck Süd reg.Gen.m.b.H. and Raiffeisenbank Vöcklabruck und Umgebung reg.Gen.m.b.H. (old) <b>Raiffeisenbank Region Vöcklabruck reg.Gen.m.b.H. (new)</b>	Raiffeisen credit cooperatives
	Raiffeisenbank Haibach reg.Gen.m.b.H. Raiffeisenbank Hartkirchen reg.Gen.m.b.H. Raiffeisenbank St.Marienkirchen a.d.Polsenz reg.Gen.m.b.H. Raiffeisenbank Stroheim reg.Gen.m.b.H. and Raiffeisenbank Eferding-Alkoven-Wilhering reg.Gen.m.b.H. (old) <b>Raiffeisenbank Region Eferding reg.Gen.m.b.H. (new)</b>	Raiffeisen credit cooperatives
	Raiffeisenbank Esternberg reg.Gen.m.b.H. <b>and Raiffeisenbank Region Pramtal reg.Gen.m.b.H.</b>	Raiffeisen credit cooperatives
	Raiffeisenbank Gilgenberg reg.Gen.m.b.H. <b>and Raiffeisenbank Oberes Innviertel reg.Gen.m.b.H.</b>	Raiffeisen credit cooperatives
	Raiffeisenbank Böhmerwald reg.Gen.m.b.H. <b>and Raiffeisenbank Region Rohrbach reg.Gen.m.b.H.</b>	Raiffeisen credit cooperatives

Source: OeNB.

<sup>1</sup> Bold print indicates the takeover institution.

Table 4

### Name Changes of Head Offices in 2007

Month	Details	Company name	Sector
April	Old	Dritte Wiener Vereins-Sparcasse	Savings banks
	New	Dritte Wiener Vereins-Sparcasse AG	
	Old	IK Investmentbank AG	Volksbank credit cooperatives
New	Investkredit Investmentbank AG		
	Old	SANPAOLO IMI S.P.A. Zweigniederlassung Wien	Banks established under Article 9 Banking Act
	New	Intesa Sanpaolo S.p.A. Zweigniederlassung Österreich	
May	Old	VORARLBERGER VOLKSBANK registrierte Genossenschaft mit beschränkter Haftung	Volksbank credit cooperatives
	New	VOLKSBANK VORARLBERG e. Gen.	
	Old	Vereinigte Volksbanken Baden-Mödling-Liesing registrierte Genossenschaft mit beschränkter Haftung	Volksbank credit cooperatives
	New	VOLKSBANK BADEN e.Gen.	
June	Old	Volksbank Kötschach-Mauthen registrierte Genossenschaft mit beschränkter Haftung	Volksbank credit cooperatives
	New	Volksbank Gaital eG	
	Old	Salzburg-München Wertpapierfonds Kapitalanlage GmbH	Special purpose banks
	New	Raiffeisen Salzburg Invest Kapitalanlage GmbH	
August	Old	HAGEBANK-VOLKSBANK VÖCKLABRUCK-TRAUNSEE reg.Gen.m.b.H.	Volksbank credit cooperatives
	New	VOLKSBANK VÖCKLABRUCK-GMUNDEN e.Gen.	
	Old	Sparkasse Reutte	Savings banks
	New	Sparkasse Reutte AG	
	Old	Volksbank für Bad Hall, Pfarrkirchen und Umgebung reg.Gen.m.b.H.	Volksbank credit cooperatives
	New	Volksbank Bad Hall e.Gen.	
September	Old	Europay Austria Zahlungsverkehrssysteme GmbH	Special purpose banks
	New	PayLife Bank GmbH	
	Old	Sparkasse Kirchschatz	Savings banks
	New	Sparkasse Kirchschatz AG	
	Old	VISA-SERVICE Kreditkarten AG	Special purpose banks
	New	card complete Service Bank AG	
	Old	Raiffeisenbank Oberperfuss-Kematen und Umgebung reg.Gen.m.b.H.	Raiffeisen credit cooperatives
	New	Raiffeisenbank Kematen eGen	
November	Old	CA IB International Markets AG	Joint stock banks
	New	UniCredit CAIB AG	

Source: OeNB.

Table 5

### Changes in Foreign Branches of Austrian Banks in 2007

Month	Change	Company name	Sector
November 2005	Opening	Vakifbank International AG, Filiale Köln (reported for 2005)	Joint stock banks
September 2006	Opening	Western Union International Bank GmbH, Zweigstelle Essen (reported for 2006)	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Duisburg (reported for 2006)	Joint stock banks
November 2006	Opening	Western Union International Bank GmbH, Zweigstelle Düsseldorf (reported for 2006)	Joint stock banks
December 2006	Opening	Bank für Tirol und Vorarlberg, Zweigniederlassung Deutschland/Rosenheim (reported for 2006)	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Bonn (reported for 2006)	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Aachen (reported for 2006)	Joint stock banks
January	Opening	Western Union International Bank GmbH, Zweigstelle Drammen	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Wuppertal	Joint stock banks
	Closure	Oberbank AG, Zweigstelle Vyssi Brod	Joint stock banks
February	Opening	Bank für Tirol und Vorarlberg, Zweigniederlassung Deutschland/Ravensburg	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Berlin I	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Hannover	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Berlin II	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Berlin III	Joint stock banks
	Opening	Western Union International Bank GmbH, Zweigstelle Bremen	Joint stock banks
March	Opening	Oberbank AG, Zweigstelle Pardubice	Joint stock banks
	Closure	BANK MEDICI AG Filiale Gibraltar	Special purpose banks
	Opening	Western Union International Bank GmbH, Zweigstelle Berlin IV	Joint stock banks
April	Opening	Oberbank AG, Zweigstelle Ungarn	Joint stock banks
	Opening	Kärntner Sparkasse AG, Filiale Conegliano	Savings banks
May	Opening	Oberbank AG, Zweigstelle Bamberg	Joint stock banks
June	Opening	Kärntner Sparkasse AG, Filiale Udine II	Savings banks
July	Opening	Kärntner Sparkasse AG, Filiale Treviso	Savings banks
	Opening	Western Union International Bank GmbH, Zweigstelle Wiesbaden	Joint stock banks
August	Opening	Western Union International Bank GmbH, Zweigstelle Stuttgart	Joint stock banks
September	Opening	Western Union International Bank GmbH, Zweigstelle Mannheim	Joint stock banks
November	Opening	Kärntner Sparkasse Aktiengesellschaft, Filiale Vicenza	Savings banks
December	Opening	Oberbank AG, Zweigstelle Kladno	Joint stock banks
	Opening	Oberbank AG, Zweigstelle Opava	Joint stock banks
	Opening	Oberbank AG, Zweigstelle Praha 7	Joint stock banks

Source: OeNB.

Table 6

### Changes in Fully Consolidated Foreign Subsidiaries in 2007

Month	Change	Details	Company name	Domiciled in	Parent bank	
November 2006	Company name change	Old	AVAL Bank (Aval Joint-Stock Postal Pension Bank)	Kiev, Ukraine	Raiffeisen Zentralbank Österreich AG	
		New	VAT Raiffeisen Bank Aval (reported for 2006)			
January	Acquisition		CJSC International Moscow Bank	Moscow, Russia	Bank Austria Creditanstalt AG	
	Acquisition		HVB Bank Latvia	Riga, Latvia	Bank Austria Creditanstalt AG	
	Acquisition		Joint Stock Bank Prestige	Kiev, Ukraine	Erste Bank der oesterreichischen Sparkassen AG	
	Company name change	Old New	HVB Jelzalogbank Zrt. UniCredit Jelzalogbank Zrt.	Budapest, Hungary	Bank Austria Creditanstalt AG	
March	Acquisition		Zagrebacka banka d.d.	Zagreb, Croatia	Bank Austria Creditanstalt AG	
January	Company name change	Old New	HVB Bank Hungary Zrt. UniCredit Bank Hungary Zrt.	Budapest, Hungary	Bank Austria Creditanstalt AG	
February	Acquisition		Unicredit Romania SA	Bucharest, Romania	Bank Austria Creditanstalt AG	
	Company name change	Old New	HVB Bank Latvia AS "UniCredit Bank"	Riga, Latvia	Bank Austria Creditanstalt AG	
	Acquisition		Kvarner banka d.d.	Rijeka, Croatia	BKS Bank AG	
March	Company name change	Old New	HVB Bank Serbia and Montenegro Joint Stock Bank UniCredit Bank Serbia JSC	Belgrade, Serbia	Bank Austria Creditanstalt AG	
	Acquisition		Bulbank AD	Sofia, Bulgaria	Bank Austria Creditanstalt AG	
	Acquisition		Unibanka AS	Bratislava, Slovakia	Bank Austria Creditanstalt AG	
	Acquisition		Zivnostenska Banka AS	Prague, Czech Republic	Bank Austria Creditanstalt AG	
April	Sale		HVB Bank Slovakia	Bratislava, Slovakia	Bank Austria Creditanstalt AG	
	Company name change	Old New	Unibanka AS UniCredit Bank Slovakia a.s.	Bratislava, Slovakia	Bank Austria Creditanstalt AG	
	Acquisition		OJSC Electron Bank	Lvov, Ukraine	Österreichische Volksbanken-AG	
	Closure		HVB Bank Biochim AD	Sofia, Bulgaria	Bank Austria Creditanstalt AG	
	Closure		Hebros Bank AD	Plovdiv, Bulgaria	Bank Austria Creditanstalt AG	
	Company name change	Old New	Bulbank AD Unicredit Bulbank AD	Sofia, Bulgaria	Bank Austria Creditanstalt AG	
	Acquisition		ABS Banka DD	Sarajevo, Bosnia and Herzegovina	Erste Bank der oesterreichischen Sparkassen AG	
	May	Closure		Unicredit Romania SA	Bucharest, Romania	Bank Austria Creditanstalt AG
	June	Company name change	Old New	Banca Comerciala HVB Tiriac SA UniCredit Tiriac Bank SA	Bucharest, Romania	Bank Austria Creditanstalt AG
July	Acquisition		"ZEPTER KOMERC BANKA" AD Banja Luka	Banja Luka, Bosnia and Herzegovina	Österreichische Volksbanken-AG	

Source: OeNB.



Table 6 Continued

### Changes in Fully Consolidated Foreign Subsidiaries in 2007

Month	Change	Details	Company name	Domiciled in	Parent bank
September	Acquisition		Dexia Kommunalkredit Bank Polska SA	Warsaw, Poland	Dexia Kommunalkredit Bank AG
	Closure		Stavebni sporitelna Ceska sporitelny a.s.	Prague, Czech Republic	Erste Bank der oesterreichischen Sparkassen AG
November	Company name change	Old	LUDOVA BANKA a.s.	Bratislava, Slovakia	Österreichische Volksbanken-AG
		New	Volksbank Slovensko a.s.		
	Closure		Zivnostenska Banka AS	Prague, Czech Republic	Bank Austria Creditanstalt AG
	Company name change	Old	HVB Bank Czech Republic a.s.	Prague, Czech Republic	Bank Austria Creditanstalt AG
		New	UniCredit Bank Czech Republic a.s.		
	Closure		IMPEXBANK	Moscow, Russia	Raiffeisen Zentralbank Österreich AG
	Company name change	Old	ZAO Raiffeisenbank Austria	Moscow, Russia	Raiffeisen Zentralbank Österreich AG
		New	ZAO Raiffeisenbank		
	Acquisition		JSC ATF Bank	Almaty, Kazakhstan	Bank Austria Creditanstalt AG
	Acquisition		ATF Bank Kyrgyzstan OJSC	Bishkek, Kyrgyzstan	Bank Austria Creditanstalt AG
Acquisition		CJSC Bank Sibir	Omsk, Russia	Bank Austria Creditanstalt AG	
Acquisition		Sohibkorbank OJSC	Khujand, Tajikistan	Bank Austria Creditanstalt AG	
December	Acquisition		VTB Bank (Deutschland) AG	Frankfurt am Main, Germany	VTB Bank (Austria) AG
	Acquisition		VTB Bank (France) AG	Paris, France	VTB Bank (Austria) AG
	Closure		HYPO ALPE-ADRIA-BANK (Liechtenstein) AG	Schaan, Liechtenstein	HYPO ALPE-ADRIA-BANK INTERN. AG
	Company name change	Old	B.A. Cayman Islands Ltd.	Georgetown, Cayman Islands	Bank Austria Creditanstalt AG
		New	UniCredit Bank Cayman Islands Ltd.		
Company name change	Old New	CJSC International Moscow Bank ZAO UniCredit Bank	Moscow, Russia	Bank Austria Creditanstalt AG	

Source: OeNB.

Table 7

### Changes in Foreign Representative Offices of Austrian Banks in 2007

Month	Change	Company name	Country
January	Opening	Bank für Tirol und Vorarlberg AG, Repräsentanz Bozen	Italy
March	Opening	BANK MEDICI AG Repräsentanz Gibraltar	Gibraltar
June	Opening	Bank Sal.Oppenheim jr.& Cie. (Österreich) AG Repräsentanz Warszawa	Poland
July	Closure	NÖ Landesbank-Hypothekenbank AG Repräsentanz Bratislava	Slovakia
	Closure	NÖ Landesbank-Hypothekenbank AG Repräsentanz Budapest	Hungary
	Closure	NÖ Landesbank-Hypothekenbank AG Repräsentanz Prag	Czech Republic
	Opening	HYPO Investmentbank AG Repräsentanz Bratislava	Slovakia
	Opening	HYPO Investmentbank AG Repräsentanz Budapest	Hungary
	Opening	HYPO Investmentbank AG Repräsentanz Prag	Czech Republic
October	Closure	Tiroler Sparkasse Bankaktiengesellschaft Repräsentanz München	Germany
December	Opening	Investkredit Bank AG Repräsentanz Ukraine	Ukraine

Source: OeNB.

Table 8

### Changes in Austrian Representative Offices of Foreign Banks in 2007

Month	Change	Company name	Country
December 2001	Closure	Bulbank AD Repräsentanz Wien (reported for 2001)	Bulgaria

Source: OeNB.

## 2 Internationalization Indicators

The listed institutions operated 105 branch offices and 54 representative offices abroad as at December 31, 2007.

Table 9

### Representative Offices of Austrian Banks Abroad

As at December 31, 2007

Name	Country	City
Bank Austria Creditanstalt AG Repräsentanz Beijing	CN	Beijing
Bank Austria Creditanstalt AG Repräsentanz Skopje	MK	Skopje
Bank für Tirol und Vorarlberg Aktiengesellschaft Repräsentanz Bozen	IT	Bolzano-Bozen
Bank für Tirol und Vorarlberg Aktiengesellschaft Repräsentanz Padua	IT	Padova
Bank für Tirol und Vorarlberg Aktiengesellschaft Repräsentanz Verona	IT	Verona
BANK MEDICI AG Repräsentanz Gibraltar	GI	Gibraltar
Bank Sal. Oppenheim jr. & Cie (Österreich) AG, Repräsentanz Tschechische Republik	CZ	Prague
Bank Sal. Oppenheim jr.& Cie (Österreich) AG spolka akcyjna przedstawicielstwo w Polsce	PL	Warsaw
BAWAG P.S.K. Representative Office Tripolis	LY	Tripoli
BKS Bank AG Repräsentanz Padua	IT	Padova
BKS Bank AG Repräsentanz Bratislava	SK	Bratislava
BKS Bank AG Repräsentanz Sopron	HU	Sopron
BKS Bank AG Repräsentanz Zagreb	HR	Zagreb
CAPITAL BANK - GRAWE GRUPPE AG Repräsentanz Prag	CZ	Prague
DenizBank AG Repräsentanz Istanbul	TR	Istanbul
HYPO ALPE-ADRIA-BANK INTERNATIONAL AG Repräsentanz London	GB	London
HYPO Investmentbank AG Repräsentanz Bratislava	SK	Bratislava
HYPO Investmentbank AG Repräsentanz Budapest	HU	Budapest
HYPO Investmentbank AG Repräsentanz Prag	CZ	Prague
Investkredit Bank AG Repräsentanz Bratislava	SK	Bratislava
Investkredit Bank AG Repräsentanz Budapest	HU	Budapest
Investkredit Bank AG Repräsentanz Bukarest	RO	Bucharest
Investkredit Bank AG Repräsentanz Polen	PL	Warsaw
Investkredit Bank AG Repräsentanz Prag	CZ	Prague
Investkredit Bank AG Repräsentanz Ukraine	UA	Kiev
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Laibach	SI	Ljubljana
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Padova	IT	Padova
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Pordenone	IT	Pordenone
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Treviso	IT	Treviso
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Triest	IT	Trieste
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Udine	IT	Udine
Kärntner Sparkasse Aktiengesellschaft Repräsentanz Vicenza	IT	Vicenza
PARTNER BANK AKTIENGESELLSCHAFT Repräsentanz Schweiz	CH	Schaffhausen
RZB Repräsentanz Brüssel	BE	Brussels
RZB Repräsentanz Deutschland	DE	Frankfurt/Main
RZB Repräsentanz Ho Chi Minh City	VN	Ho Chi Minh City
RZB Repräsentanz Hongkong	HK	Hong Kong
RZB Repräsentanz Korea	KR	Seoul
RZB Repräsentanz Moscow	RU	Moscow
RZB Repräsentanz Mumbai (Bombay)	IN	Mumbai
RZB Repräsentanz New York	US	New York
RZB Repräsentanz Paris	FR	Paris
RZB Tehran Representative Office	IR	Tehran
RZB Repräsentanz Zhuhai	CN	Zhuhai
RZB Representative Office Nordic Countries	SE	Stockholm
RZB Ufficio di Repräsentanz Consociato RZB, RLB OÖ, RVB Sbg., RLB Stmk., RLB NÖ-Wien, RLB Kärnten	IT	Milano
RLB Kärnten - Rechenzentrum und Revisionsverband reg. Gen.b.H. Repräsentanz Carinzia/Stiria	IT	Milano
RLB Kärnten - Rechenzentrum und Revisionsverband reg. Genossenschaft mbH Repräsentanz Carinzia/Stiria	IT	Udine
Raiffeisenverband Salzburg registrierte Genossenschaft mit beschränkter Haftung Repräsentanz Padua	IT	Padova
Steiermärkische Bank und Sparkassen Aktiengesellschaft Repräsentanz Sarajevo	BA	Sarajevo
Steiermärkische Bank und Sparkassen Aktiengesellschaft Repräsentanz Udine	IT	Udine
Tiroler Sparkasse Bankaktiengesellschaft Innsbruck Repräsentanz Bozen	IT	Bolzano-Bozen
Tiroler Sparkasse Bankaktiengesellschaft Innsbruck Repräsentanz Meran	IT	Merano-Meran
Tiroler Sparkasse Bankaktiengesellschaft Innsbruck Repräsentanz Trient	IT	Lavis
Waldviertler Sparkasse von 1842 AG Repräsentanz Slowakei	SK	Bratislava

Source: OeNB.

**Branch Offices of Austrian Banks Abroad**

As at December 31, 2007

Name	Country	City
Alpenbank AG Filiale Bozen	IT	Bolzano-Bozen
Bank für Tirol und Vorarlberg AG Zweigniederlassung Deutschland	DE	Memmingen
Bank für Tirol und Vorarlberg AG Zweigniederlassung Deutschland/Augsburg	DE	Augsburg
Bank für Tirol und Vorarlberg AG Zweigniederlassung Deutschland/Ravensburg	DE	Weingarten-Ravensburg
Bank für Tirol und Vorarlberg AG Zweigniederlassung Deutschland/Rosenheim	DE	Rosenheim
Bank für Tirol und Vorarlberg AG Zweigniederlassung Staad	CH	Staad
Bank Vontobel Österreich AG Niederlassung München	DE	Munich
BKS Bank AG Filiale Laibach	SI	Ljubljana
BKS Bank AG Filiale Marburg	SI	Maribor
BMW Austria Bank GmbH - Athens Branch	GR	Glyfada - Athens
DenizBank AG Zweigstelle Dortmund	DE	Dortmund
DenizBank AG Zweigstelle Frankfurt/Main	DE	Frankfurt/Main
Erste Bank der oesterreichischen Sparkassen AG Filiale Hongkong	HK	Hong Kong
Erste Bank der oesterreichischen Sparkassen AG Filiale London	GB	London
Erste Bank der oesterreichischen Sparkassen AG Filiale New York	US	New York
Fidis Bank Gesellschaft m.b.H. Filiale Athen	GR	Athens
HYPO ALPE-ADRIA-BANK AG (Austria) Niederlassung München	DE	Munich
HYPO TIROL BANK AG Beratungszentrum Brixen	IT	Bressanone-Brixen
HYPO TIROL BANK AG Beratungszentrum Bruneck	IT	Brunico-Bruneck
HYPO TIROL BANK AG Beratungszentrum Meran	IT	Merano-Meran
HYPO TIROL BANK AG Gest.Bozen	IT	Bolzano-Bozen
HYPO TIROL BANK AG Gest.München	DE	Munich
HYPO TIROL BANK AG Gest.Trient	IT	Trento
Investkredit Bank AG Niederlassung Frankfurt/Main	DE	Frankfurt/Main
Kärntner Sparkasse AG Filiale Conegliano	IT	Conegliano
Kärntner Sparkasse AG Filiale Treviso	IT	Treviso
Kärntner Sparkasse AG Filiale Udine	IT	Udine
Kärntner Sparkasse AG Filiale Udine II	IT	Udine
Kärntner Sparkasse AG Filiale Vicenza	IT	Vicenza
Oberbank AG Zweigniederlassung Bayern	DE	Munich
Oberbank AG Zweigniederlassung Prag	CZ	Prague
Oberbank AG Zweigniederlassung Ungarn	HU	Budapest
Oberbank AG Zweigstelle Augsburg	DE	Augsburg
Oberbank AG Zweigstelle Bamberg	DE	Bamberg
Oberbank AG Zweigstelle Bayreuth	DE	Bayreuth
Oberbank AG Zweigstelle Brünn	CZ	Brno
Oberbank AG Zweigstelle Brünn	CZ	Brno
Oberbank AG Zweigstelle Budweis	CZ	České Budejovice
Oberbank AG Zweigstelle Hradec Kralova	CZ	Hradec Králové
Oberbank AG Zweigstelle Ingolstadt	DE	Ingolstadt
Oberbank AG Zweigstelle Kladno	CZ	Kladno
Oberbank AG Zweigstelle Krumau	CZ	Český Krumlov
Oberbank AG Zweigstelle Landshut	DE	Landshut
Oberbank AG Zweigstelle Mlada Boleslav	CZ	Mladá Boleslav
Oberbank AG Zweigstelle München-Sonnenstraße	DE	Munich
Oberbank AG Zweigstelle Nürnberg	DE	Nuremberg
Oberbank AG Zweigstelle Opava	CZ	Opava
Oberbank AG Zweigstelle Ostrava	CZ	Ostrava
Oberbank AG Zweigstelle Pardubice	CZ	Pardubice
Oberbank AG Zweigstelle Passau	DE	Passau
Oberbank AG Zweigstelle Pilsen	CZ	Plzeň
Oberbank AG Zweigstelle Pisek	CZ	Písek
Oberbank AG Zweigstelle Plzen	CZ	Plzeň
Oberbank AG Zweigstelle Prag Dejvice	CZ	Prague
Oberbank AG Zweigstelle Praha 7	CZ	Prague

Source: OeNB.

Table 10 Continued

## Branch Offices of Austrian Banks Abroad

As at December 31, 2007

Name	Country	City
Oberbank AG Zweigstelle Regensburg	DE	Regensburg
Oberbank AG Zweigstelle Rosenheim	DE	Rosenheim
Oberbank AG Zweigstelle Tabor	CZ	Tábor
Oberbank AG Zweigstelle Würzburg	DE	Würzburg
PARTNER BANK AG Zweigniederlassung Feldkirchen bei München	DE	Feldkirchen
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Passau	DE	Passau
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Regensburg	DE	Regensburg
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Süddeutschland	DE	Munich
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Tschechien	CZ	Prague
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Ulm	DE	Ulm
PRIVAT BANK AG der RLB Oberösterreich Zweigniederlassung Würzburg	DE	Würzburg
Raiffeisen Zentralbank Österreich AG Filiale Beijing	CN	Beijing
Raiffeisen Zentralbank Österreich AG Filiale London	GB	London
Raiffeisen Zentralbank Österreich AG Filiale Singapur	SG	Singapore
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Landshut	DE	Landshut
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL München	DE	Munich
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Nürnberg	DE	Nuremberg
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Passau	DE	Passau
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Regensburg	DE	Regensburg
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Ulm	DE	Ulm
RLB Oberösterreich AG Zweigniederlassung Süddeutschland, NL Würzburg	DE	Würzburg
Vakifbank International AG Filiale Köln	DE	Cologne
VakifBank International AG Zweigstelle Frankfurt/Main	DE	Frankfurt/Main
Vorarlberger Landes- und Hypothekbank AG Filiale St.Gallen	CH	St.Gallen
Waldviertler Sparkasse von 1842 AG Filiale Neuhaus	CZ	Jindřichův Hradec
Western Union International Bank GmbH, Zweigstelle Aachen	DE	Aachen
Western Union International Bank GmbH, Zweigstelle Bergen	NO	Bergen
Western Union International Bank GmbH, Zweigstelle Berlin I	DE	Berlin
Western Union International Bank GmbH, Zweigstelle Berlin II	DE	Berlin-Kreuzberg
Western Union International Bank GmbH, Zweigstelle Berlin III	DE	Berlin
Western Union International Bank GmbH, Zweigstelle Berlin IV	DE	Berlin
Western Union International Bank GmbH, Zweigstelle Bonn	DE	Bonn
Western Union International Bank GmbH, Zweigstelle Bremen	DE	Bremen
Western Union International Bank GmbH, Zweigstelle Dortmund	DE	Dortmund
Western Union International Bank GmbH, Zweigstelle Drammen	NO	Drammen
Western Union International Bank GmbH, Zweigstelle Duisburg	DE	Duisburg
Western Union International Bank GmbH, Zweigstelle Düsseldorf	DE	Düsseldorf
Western Union International Bank GmbH, Zweigstelle Essen	DE	Essen
Western Union International Bank GmbH, Zweigstelle Hannover	DE	Hanover
Western Union International Bank GmbH, Zweigstelle Köln I	DE	Cologne
Western Union International Bank GmbH, Zweigstelle Köln II	DE	Cologne
Western Union International Bank GmbH, Zweigstelle Mannheim	DE	Mannheim
Western Union International Bank GmbH, Zweigstelle Oslo	NO	Oslo
Western Union International Bank GmbH, Zweigstelle Oslo II	NO	Oslo
Western Union International Bank GmbH, Zweigstelle Oslo III	NO	Oslo
Western Union International Bank GmbH, Zweigstelle Stavanger	NO	Stavanger
Western Union International Bank GmbH, Zweigstelle Stuttgart	DE	Stuttgart
Western Union International Bank GmbH, Zweigstelle Trondheim	NO	Trondheim
Western Union International Bank GmbH, Zweigstelle Wiesbaden	DE	Wiesbaden
Western Union International Bank GmbH, Zweigstelle Wuppertal	DE	Wuppertal
ZVEZA BANK, Bank und Revisionsverband, reg. Genossenschaft mbH Filiale Laibach	SI	Ljubljana

Source: OeNB.

### 100% Foreign-Owned Banks in Austria

As at December 31, 2007

Company name	Zip code/City	Domiciled in	Country of origin
<b>Joint stock banks</b>			
direktanlage.at AG	5020 Salzburg	Munich	Germany
LGT Bank (Österreich) AG	1010 Vienna	Vaduz	Liechtenstein
Bank Vontobel Österreich AG	5020 Salzburg	Zurich <sup>1</sup>	Switzerland
		Schaffhausen <sup>1</sup>	
DenizBank AG	1010 Vienna	Istanbul	Turkey
VakifBank International AG	1010 Vienna	Ankara	Turkey
Western Union International Bank AG	1010 Vienna	Dublin	Ireland
VTB Bank (Austria) AG	1010 Vienna	St.Petersburg	Russia
Banco do Brasil AG	1010 Vienna	Brasilia	Brazil
Commerzbank (Schweiz) AG Private Banking	1010 Vienna	Zurich	Switzerland
		Ljubljana <sup>1</sup>	Slovenia
Adria Bank AG	1010 Vienna	Maribor <sup>1</sup>	Slovenia
		Belgrade <sup>1</sup>	Serbia
<b>Special purpose banks</b>			
PARTNER BANK AG	4020 Linz	Vaduz	Liechtenstein
Autobank AG	1030 Vienna	Ottobrunn/Munich <sup>1</sup> Oberhaching/Munich <sup>1</sup>	Germany
RCI Bank AG	1100 Vienna	Noisy-le-Grand	France
Fidis Bank Ges.m.b.H.	1100 Vienna	Torino <sup>1</sup>	Italy
		Paris <sup>1</sup>	France
Fiat Auto Kreditbank GmbH	1100 Vienna	Torino <sup>1</sup>	Italy
		Paris <sup>1</sup>	France
DWS (Austria) Investmentges.m.b.H.	1010 Vienna	Frankfurt/Main	Germany

Source: OeNB.

<sup>1</sup> Several stockholders or partners.

Table 12

### 50% to under 100% Foreign-Owned Banks in Austria

As at December 31, 2007

Company name	Zip code / City	Domiciled in	Country of origin
<b>Joint stock banks</b>			
Bank Austria Creditanstalt AG	1030 Vienna	Milano	Italy
BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse AG	1010 Vienna	New York	U.S.A.
Dexia Kommunalkredit Bank AG	1090 Vienna	Paris	France
Bank Gutmann AG	1010 Vienna	Chur	Switzerland
MEINL BANK AG	1010 Vienna	Eindhoven	Netherlands
PRIVATINVEST BANK AG	5020 Salzburg	Munich	Germany
Bank Sal. Oppenheim jr. & Cie. (Österreich) AG	1010 Vienna	Cologne	Germany
Intermarket Bank AG	1030 Vienna	Warsaw	Poland
CONSTANTIA PRIVATBANK AG	1010 Vienna	Et Vaassen Baar	Netherlands Switzerland
<b>State mortgage banks</b>			
HYPO ALPE-ADRIA-BANK INTERNATIONAL AG	9020 Klagenfurt	Munich Luxembourg	Germany Luxembourg
<b>Special purpose banks</b>			
BANK MEDICI AG	1010 Vienna	Monsey, N.Y.	U.S.A.

Source: OeNB.

<sup>1</sup> Several stockholders or partners.

Table 13

### 25% to under 50% Foreign-Owned Banks in Austria

As at December 31, 2007

Company name	Zip code / City	Domiciled in	Country of origin
<b>Joint stock banks</b>			
Alpenbank AG	6020 Innsbruck	Bolzano-Bozen	Italy
<b>State mortgage banks</b>			
Vorarlberger Landes- und Hypothekenbank AG	6900 Bregenz	Stuttgart	Germany
<b>Volksbank credit cooperatives</b>			
Österreichische Volksbanken-AG	1090 Vienna	Frankfurt/Main <sup>1</sup> Düsseldorf <sup>1</sup>	Germany
<b>Special purpose banks</b>			
Kommunalkredit Austria AG	1090 Vienna	Paris	France
Air Plus Air Travel Card Vertriebsges.m.b.H.	1040 Vienna	Neu-Isenburg	Germany
Volksbank International AG	1090 Vienna	Paris <sup>1</sup> Frankfurt/Main <sup>1</sup> Düsseldorf <sup>1</sup>	France Germany Germany

Source: OeNB.

<sup>1</sup> Several stockholders or partners.

Table 14

**Branch Offices of Foreign Banks in Austria<sup>1</sup>**

As at December 31, 2007

Company name	Zip code / City	Domiciled in	Country of origin
Fortis Bank SA/NV Niederlassung Österreich	1120 Vienna	Brussels	Belgium
CITIBANK INTERNATIONAL plc - Austria Branch	1010 Vienna	London	United Kingdom
SOCIETE GENERALE Zweigniederlassung Wien	1040 Vienna	Paris	France
Deutsche Bank Aktiengesellschaft Filiale Wien	1010 Vienna	Frankfurt/Main	Germany
Anglo Irish Bank Corp. plc Zweigstelle Wien	1010 Vienna	Dublin	Ireland
ING DiBa Direktbank Austria, Niederlassung der ING-DiBa AG	1020 Vienna	Frankfurt/Main	Germany
Bank für Trient und Bozen AG, Niederlassung Innsbruck	6020 Innsbruck	Trento	Italy
Svenska Handelsbanken AB (publ) Niederlassung Wien	1010 Vienna	Stockholm	Sweden
ING BANK N.V. Zweigniederlassung Wien ING BANK N.V. Vienna Branch	1030 Vienna	Amsterdam	Netherlands
Bank of Tokyo-Mitsubishi UFJ (Holland) N.V. Zweigniederlassung Wien	1040 Vienna	Amsterdam	Netherlands
UBS (Luxembourg) SA Niederlassung Österreich	1010 Vienna	Luxembourg	Luxembourg
CREDIT SUISSE (LUXEMBOURG) SA Zweigniederlassung Österreich	1010 Vienna	Luxembourg	Luxembourg
Intesa Sanpaolo S.p.A. Zweigniederlassung Österreich	1090 Vienna	Torino	Italy
Salzburg München Bank AG Zweigniederlassung Salzburg	5020 Salzburg	Munich	Germany
Dresdner Bank Aktiengesellschaft Niederlassung Wien	1130 Vienna	Frankfurt/Main	Germany
Santander Consumer Bank AG Zweigniederlassung Österreich	1030 Vienna	Mönchengladbach	Germany
Steyler Bank GmbH	2340 Mödling	St. Augustin	Germany
Europe Arab Bank plc	1010 Vienna	London	United Kingdom
Ford Bank Austria, Zweigniederlassung der FCE BANK PLC	5020 Salzburg	London	United Kingdom
AMERICAN EXPRESS BANK LTD. <sup>2</sup>	1010 Vienna	New York	U.S.A.
ABN AMRO Bank N.V. Filiale Wien	1010 Vienna	Amsterdam	Netherlands
Sparkasse Allgäu Hauptzweigstelle Riezlern	6991 Riezlern	Kempten	Germany
Volksbank Raiffeisenbank Oberbayern Südost eG Zweigniederlassung VR-Bank Salzburg	5020 Salzburg	Bad Reichenhall	Germany
VR-Bank Braunau Zweigniederlassung der VR-Bank Rottal-Inn eG	5280 Braunau	Pfarrkirchen	Germany
State Street Bank GmbH Filiale Wien	1010 Vienna	Munich	Germany
Banque PSA Finance Niederlassung Österreich	1100 Vienna	Paris	France
RBS (RD Europe) GmbH Zweigniederlassung Österreich	1100 Vienna	Ratingen	Germany

Source: OeNB.

<sup>1</sup> Institutions operating under the freedom of establishment principle according to Article 19 Second Banking Co-ordination Directive.<sup>2</sup> The parent bank is domiciled outside the EU.



### 3 Tables and Charts for Each Survey

Table 15

#### Number of Banks in Austria as at December 31, 2007

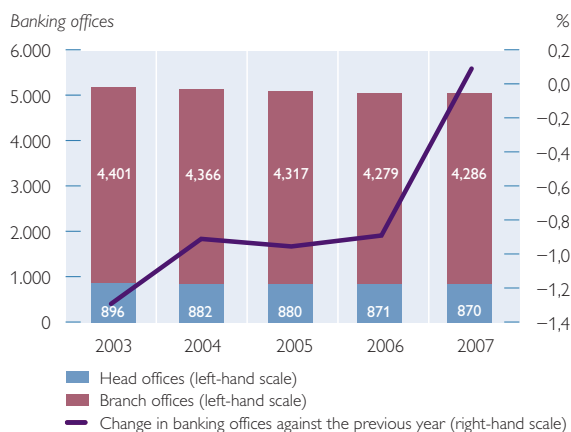
	Joint stock banks and private banks		Savings banks		State mortgage banks		Raiffeisen credit cooperatives		Volksbank credit cooperatives		Building and loan associations		Special purpose banks		Banks established under Article 9 Banking Act		Total	
	H	B	H	B	H	B	H	B	H	B	H	B	H	B	MB	B	H	B
Vienna	38	268	3	83	1	12	6	61	13	40	3	9	75	11	21	0	160	484
Styria	3	87	6	167	1	19	91	246	8	55	0	5	2	1	0	1	111	581
Upper Austria	2	146	10	212	1	18	105	341	15	83	0	7	7	1	1	1	141	809
Salzburg	4	58	2	63	1	24	68	79	3	39	1	1	6	2	3	1	88	267
Tyrol	2	62	8	123	1	21	84	168	4	45	0	4	2	2	1	0	102	425
Carinthia	1	66	2	48	2	19	56	121	7	34	0	4	0	1	0	0	68	293
Vorarlberg	0	33	5	49	1	22	25	76	1	23	0	4	0	0	1	0	33	207
Burgenland	1	32	0	21	1	12	41	116	1	11	0	4	0	0	0	0	44	196
Lower Austria	0	100	20	245	2	21	82	494	17	152	0	8	1	4	1	0	123	1,024
Austria 2007	51	852	56	1,011	11	168	558	1,702	69	482	4	46	93	22	28	3	870	4,286
Total 2007	903		1,067		179		2,262		551		50		115		31		5,156	
Austria 2006	48	864	56	1,005	10	166	567	1,695	70	479	4	46	91	23	25	1	871	4,279
Total 2006	912		1,061		176		2,262		549		50		114		26		5,150	
Change Dec. 2006 to Dec. 2007	-9		6		3		-2		2		0		1		5		6	

Source: OeNB.

Note: H = head office, B = branch office, MB = main branch.

Chart 1

#### Number of Banking Offices Rises Again



Source: OeNB.

Table 16

### Share of Men and Women Working Full-Time and Part-Time at Austrian Banks

As at December 31, 2007

	FTM <sup>1</sup>	%	PTM <sup>2</sup>	%	LEEM <sup>3</sup>	%	FTW <sup>4</sup>	%	PTW <sup>5</sup>	%	LEEW <sup>6</sup>	%	Total
Joint stock banks and private banks	9,544	41.4	257	1.1	162	0.7	9,018	39.1	3,832	16.6	230	1.0	23,043
Savings banks	6,782	43.3	336	2.1	8	0.1	5,494	35.0	3,005	19.2	54	0.3	15,679
State mortgage banks	2,020	46.6	39	0.9	3	0.1	1,698	39.2	571	13.2	6	0.1	4,337
Raiffeisen credit cooperatives	11,039	47.1	389	1.7	34	0.1	7,755	33.1	3,938	16.8	301	1.3	23,456
Volksbank credit cooperatives	2,763	41.8	76	1.1	14	0.2	2,616	39.5	1,056	16.0	91	1.4	6,616
Building and loan associations	930	46.9	44	2.2	7	0.4	651	32.8	310	15.6	41	2.1	1,983
Special purpose banks	1,533	44.7	81	2.4	6	0.2	1,320	38.5	470	13.7	20	0.6	3,430
Banks established under Article 9 BA	324	50.9	6	0.9	0	0.0	254	39.9	49	7.7	3	0.5	636
Total 2007	34,935	44.1	1,228	1.6	234	0.3	28,806	36.4	13,231	16.7	746	0.9	79,180
Total 2006	34,465	44.4	1,171	1.5	236	0.3	28,388	36.6	12,665	16.3	736	0.9	77,661
Change Dec. 2006 to Dec. 2007	+470	x	+57	x	-2	x	+418	x	+566	x	+10	x	+1,519

Source: OeNB.

<sup>1</sup> Full-time employees, men.

<sup>2</sup> Part-time employees, men.

<sup>3</sup> Low-earnings employees, men.

<sup>4</sup> Full-time employees, women.

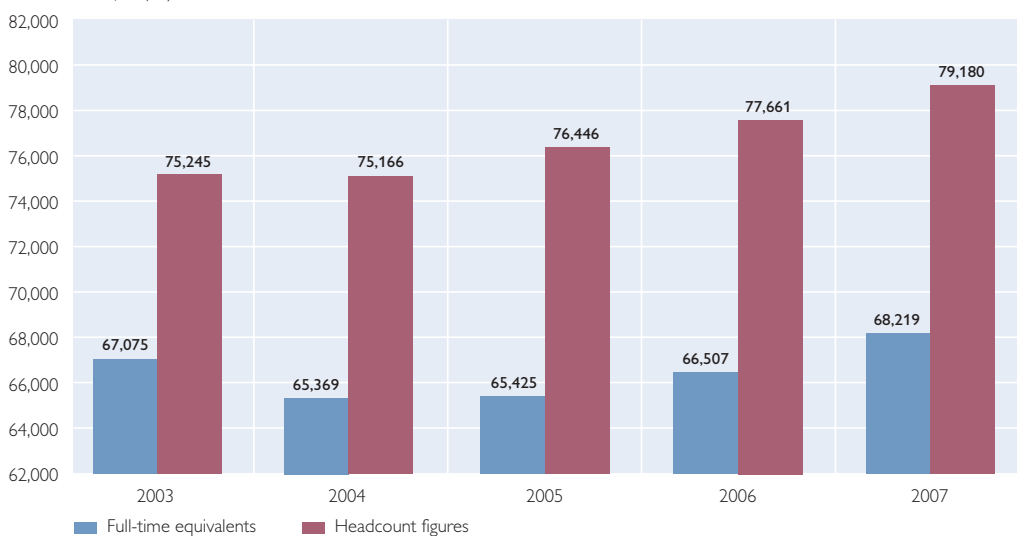
<sup>5</sup> Part-time employees, women.

<sup>6</sup> Low-earnings employees, women.

Chart 2

### Trend toward a Rise in Employees (in Headcount Figures and in Full-Time Equivalents) Continues

Total number of employees



Source: OeNB.

Table 17

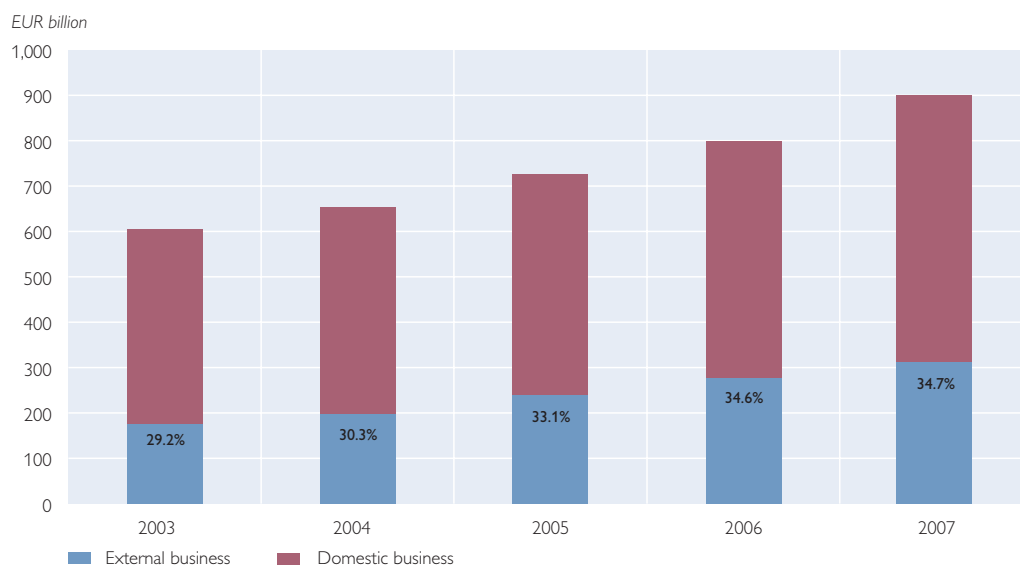
### Business Activity of Banks in Austria

	Change				As at end- December 2007
	2006		2007		
	EUR billion	%	EUR billion	%	EUR billion
Domestic nonbank deposits	10.40	4.7	27.06	11.7	258.21
Euro deposits	10.06	4.6	25.75	11.3	252.85
Savings deposits	2.92	2.1	6.31	4.5	146.12
Domestic own issues to nonbanks (denominated in euro and in foreign currency)	10.34	15.5	18.61	24.2	95.61
Loans to domestic nonbanks	11.96	4.5	9.89	3.6	285.10
denominated in euro	13.21	6.3	15.25	6.8	238.53
denominated in foreign currency	-1.25	-2.4	-5.36	-10.3	46.57
Securitized loans to domestic nonbanks (denominated in euro and in foreign currency)	0.18	0.9	-1.54	-7.8	18.27
External assets	47.61	19.4	57.48	19.6	351.01
External liabilities	24.56	10.5	14.10	5.4	273.35
Total assets	72.07	9.9	101.78	12.8	899.54
Specific off-balance sheet transactions	153.78	10.2	395.58	23.8	2,055.98
Total capital	7.83	14.9	19.51	32.3	79.94
<i>thereof core capital</i>	6.80	19.9	16.53	39.5	58.33
	Change in percentage points				%
Capital ratio		0.5		2.8	17.80

Source: OeNB.

Chart 3

### External Business Accounts for Almost 35% of Unconsolidated Total Assets



Source: OeNB.

Chart 4

### Share of Savings Deposits in Total Deposits Reaches a Historical Low

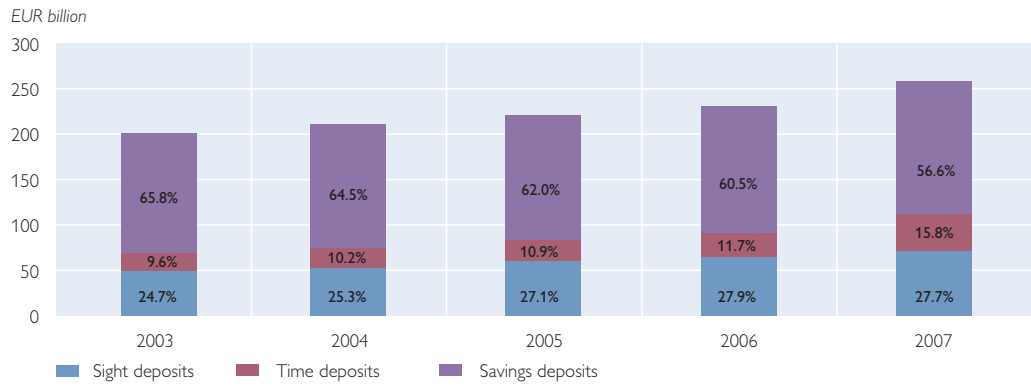


Chart 5

### Growth of Loans to Nonbanks: Euro Area Has Outpaced Austria

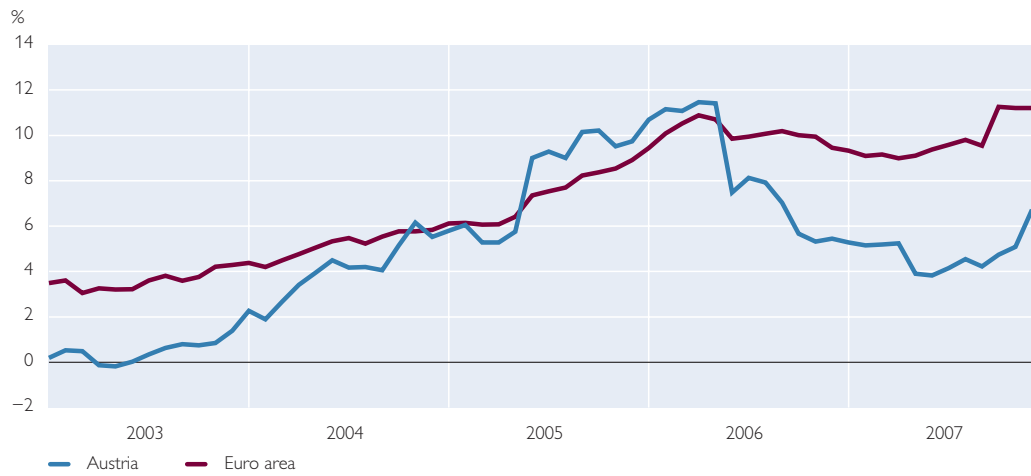


Chart 6

### Euro-Denominated Lending Rises amid Slumping Demand for Foreign Currency Loans

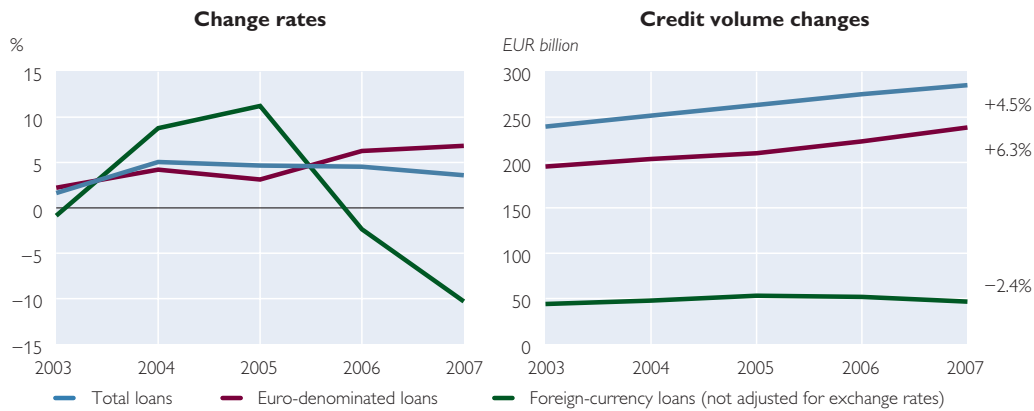


Chart 7

### The CHF Remains by Far the Dominant Loan Currency despite Declining Importance

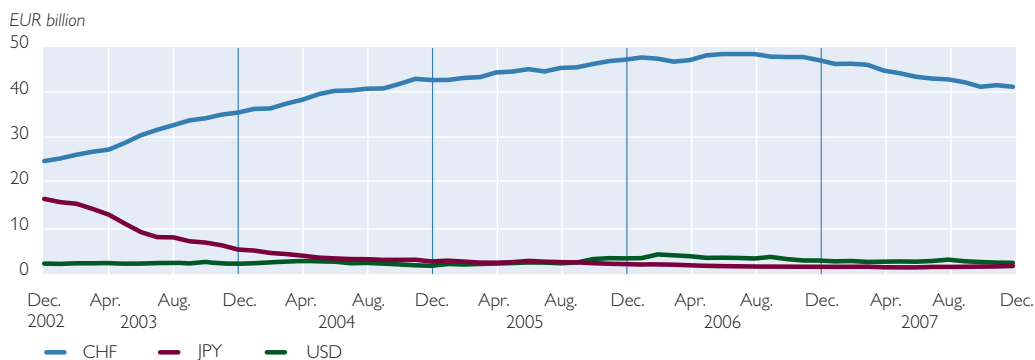
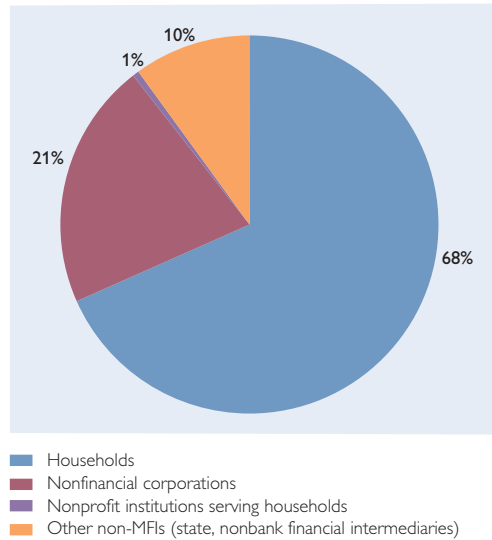


Chart 8

### Most Foreign Currency Loans Go to Households

As of December 2007

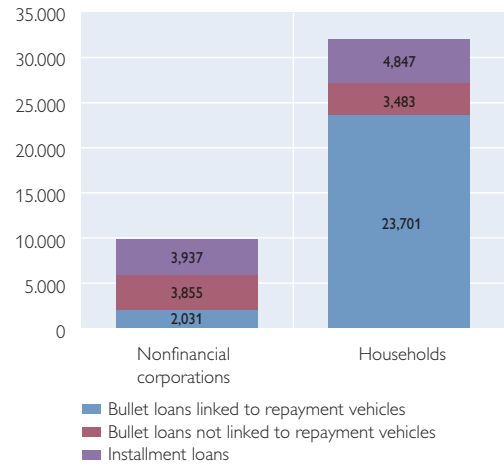


Source: OeNB.

Chart 9

### Bullet Loans Linked to Repayment Vehicles Account for 75% of All Foreign Currency Loans to Households

EUR million; as of December 2007

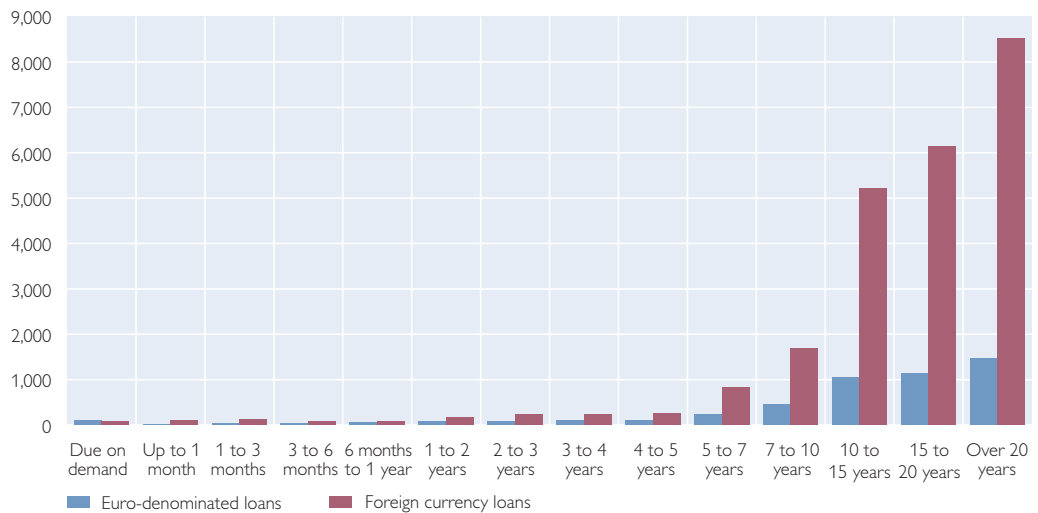


Source: OeNB.

Chart 10

### Bullet Loans Linked to Repayment Vehicles Extended to Households Will Reach Significant Levels in 5 to 7 Years

EUR million; as at December 2007

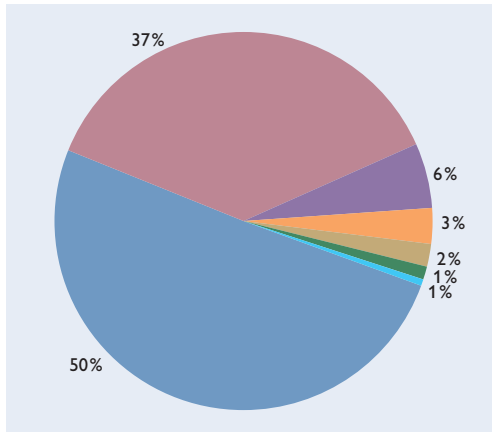


Source: OeNB.

Chart 11

### External Assets by Country Groups (Ultimate Risk)

As at December 2007

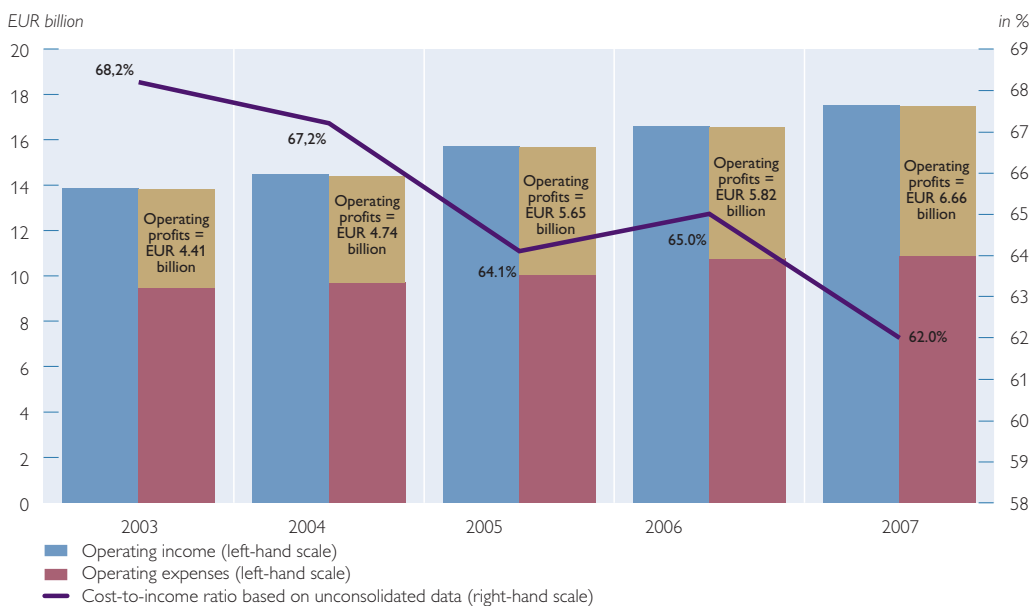


- European emerging market economies
- European industrialized countries
- Other industrialized countries
- Offshore financial centers
- Asia and the Pacific region
- Africa and the Middle East
- Latin American and the Caribbean

Source: OeNB.

Chart 12

### Banks Operating in Austria Post Best Result Ever for Cost-to-Income Ratio (Based on Unconsolidated Data)



Source: OeNB.

## Austrian Banks' Profitability

Q1 to Q4

	2007		2006		2005	
	EUR billion	Annual change in % <sup>1</sup>	EUR billion	Annual change in % <sup>1</sup>	EUR billion	Annual change in % <sup>1</sup>
1. Interest receivable and similar income	37.7	28.2	29.4	22.7	23.9	12.5
2. Interest payable and similar charges	30.3	36.3	22.2	31.9	16.8	19.1
<b>I. Net interest income (1. – 2.)</b>	7.4	3.2	7.2	1.1	7.1	–0.5
3. Income from securities and participating interests	3.5	22.3	2.9	6.6	2.7	30.1
4. Net income from commissions	4.7	9.8	4.3	8.8	3.9	16.4
5. Net profit or loss on financial transactions	0.3	–57.9	0.7	7.2	0.6	5.7
6. Other operating income	1.6	0.8	1.6	18.5	1.3	6.2
<b>II. Operating income (I. + 3. + 4. + 5. + 6.)</b>	17.5	5.5	16.6	5.7	15.7	8.7
7. General administrative expenses	9.2	2.4	9.0	7.1	8.4	5.0
of which personnel expenses	5.5	0.4	5.4	8.2	5.0	3.6
of which other administrative expenses	3.7	5.4	3.5	5.4	3.3	7.2
8. Depreciation of tangible and intangible fixed assets	0.6	–5.2	0.6	–8.2	0.7	–3.9
9. Other operating charges	1.1	–9.9	1.2	19.4	1.0	–2.5
<b>III. Operating expenses (7. + 8. + 9.)</b>	10.8	0.6	10.8	7.2	10.1	3.6
<b>IV. Operating profit (II. – III.)</b>	6.7	14.5	5.8	3.0	5.6	19.1
<b>Quarterly updated outlook for the current financial year</b>						
<b>IV. Expected annual operating profit</b>	6.7	17.3	5.7	2.6	5.6	19.1
10. Balance on value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments and the respective value readjustments (excl. securities)	2.0	9.0	1.8	–5.8	2.0	15.1
11. Balance on value adjustments in respect of securities and participating interests and the respective readjustments	–0.4	85.0	–2.9	–496.1	–0.5	14.4
<b>V. Expected profit or loss on ordinary activities (IV. – 10. – 11.)</b>	5.2	–23.9	6.8	64.2	4.1	15.7
12. Expected extraordinary profit or loss (profit + / loss –)	0.0	100.6	–2.3	–1.036.6	0.2	279.9
13. Expected taxes on income, profit and other taxes	0.4	–19.8	0.5	–4.1	0.5	9.8
<b>VI. Expected annual profit or loss after tax (V. + 12. – 13.)</b>	4.8	21.0	4.0	2.0	3.9	30.1

Source: OeNB.

<sup>1</sup> These figures were calculated from EUR million amounts and subsequently rounded.



Chart 13

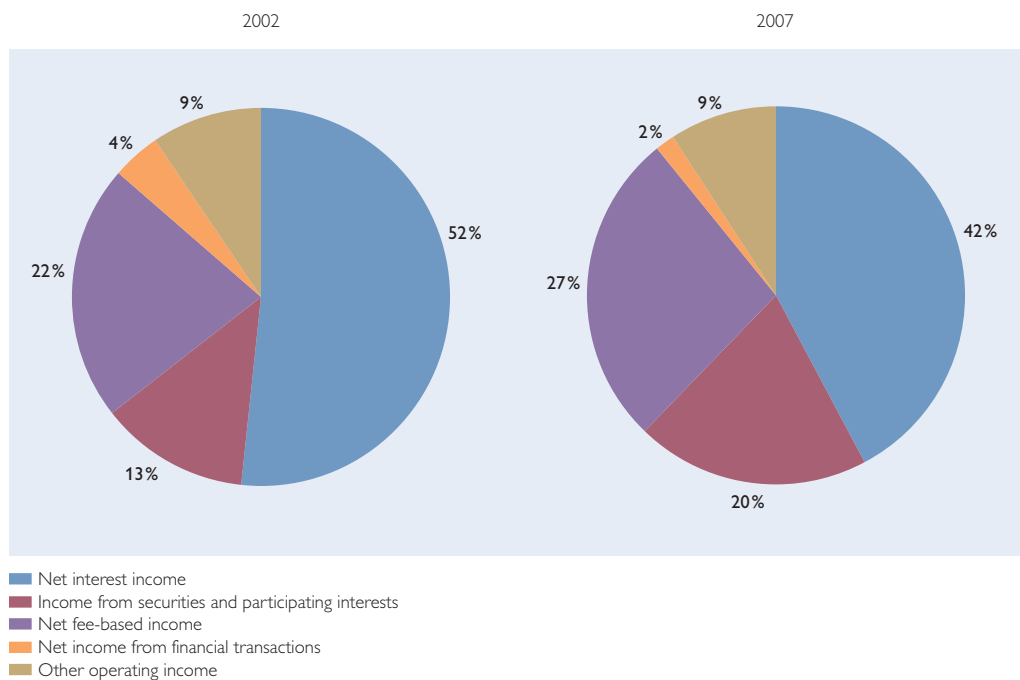
### Two-Thirds of Net Interest Income Generated Abroad in 2007



Source: OeNB.

Chart 14

### Declining Importance of Net Interest Income



Source: OeNB.

### Comparison of Austrian Banking Groups and the Respective Individual Banks as at December 31, 2007

	Banking group <sup>1</sup>			Individual bank <sup>2</sup>			Banking group in % of the individual bank
	EUR million	Annual change		EUR million	Annual change		
		EUR million	%		EUR million	%	
1. Interest receivable and similar income	48,765.78	12,170.52	33.26	25,901.20	5,885.41	29.40	x
2. Interest payable and similar charges	33,506.13	9,043.55	36.97	19,776.83	5,373.67	37.31	x
<b>I. Interest payable and similar charges</b>	15,259.65	3,126.97	25.77	6,124.37	511.74	9.12	249.16
3. Credit risk provisions	-2,736.06	-569.84	26.31	-1,246.87	-117.74	10.43	x
3.a Allocation to risk provisions	-5,502.90	-2,410.78	77.97	-2,506.58	-554.73	28.42	x
3.b Release of risk provisions	3,221.45	1,072.38	49.90	1,259.71	436.98	53.11	x
4. Fee-based income	7,160.69	1,404.25	24.39	2,492.84	279.81	12.64	x
5. Trading income	802.77	-233.52	-22.53	74.77	-339.58	-81.95	x
5.a Other operating result UGB <sup>3</sup>	570.40	-187.53	-24.74	993.36	60.61	6.50	x
<b>II. Operating income including risk provisions</b>	21,057.46	3,540.34	20.21	8,438.47	394.83	4.91	249.54
<b>II.a Operating income excluding risk provisions</b>	23,793.52	4,110.18	20.88	9,685.33	512.57	5.59	245.67
6. Personnel expenses	7,528.27	1,272.42	20.34	2,764.19	-66.25	-2.34	x
7. Other administrative expenses	4,767.54	986.72	26.01	2,005.32	103.47	5.44	x
8. Depreciation of tangible fixed assets and other expenses	1,754.98	38.25	2.23	990.93	-119.67	-10.78	x
<b>III. Administrative expenses</b>	14,050.78	2,297.38	19.55	5,760.44	-82.44	-1.41	243.92
<b>IV. Operating result including risk provisions</b>	7,006.67	1,242.95	21.57	2,678.02	477.26	21.69	261.64
<b>IV.a Operating result excluding risk provisions</b>	9,742.73	1,812.80	22.86	3,924.89	595.01	17.87	248.23
10. Other operating result IFRS including risk provisions <sup>3</sup>	1,162.79	-1,833.03	-61.19	561.16	-2,329.55	-80.59	x
11. Extraordinary profit/loss	54.96	14.90	37.19	-296.17	2,019.18	-87.21	x
<b>V. Period result before tax</b>	8,224.42	-575.18	-6.54	2,943.02	166.91	6.01	279.46
12. Taxes	1,216.27	399.15	48.85	69.57	-122.45	-63.77	x
13. Minority interests	1,129.44	-110.01	-8.88	x	x	x	x
<b>VI. Period result</b>	5,878.70	-864.32	-12.82	2,873.46	289.37	11.20	204.59
<b>VII. Total assets</b>	912,550.07	140,201.28	18.15	578,002.27	68,338.56	13.41	157.88

Quelle: Source.

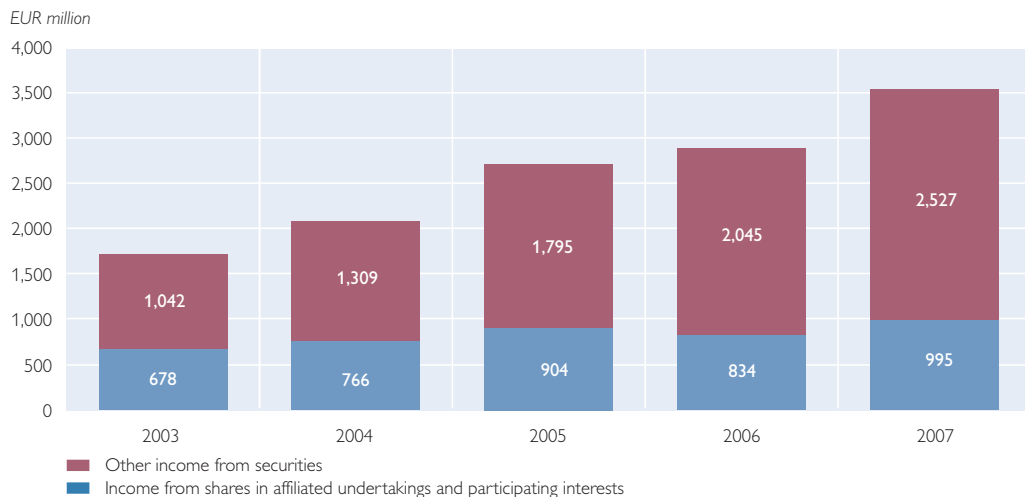
<sup>1</sup> IFRS and UGB figures were merged in this table. Since some UGB data had to be extrapolated, the data are not exact but are indicative of trends.

<sup>2</sup> The figures for banks are generated from the OeNB's quarterly report.

<sup>3</sup> In the merging of UGB and IFRS data, other operating income is shown separately according to IFRS and UGB. In the case of IAS groups, the „other operating result“ IFRS item covers all sales and valuation results as well as amortization of goodwill. With UGB groups and banks, the valuation of securities and participating interests are captured. The „other operating result“ UGB item covers other operating income (income from the sale of tangible fixed assets and other operating income).

Chart 15

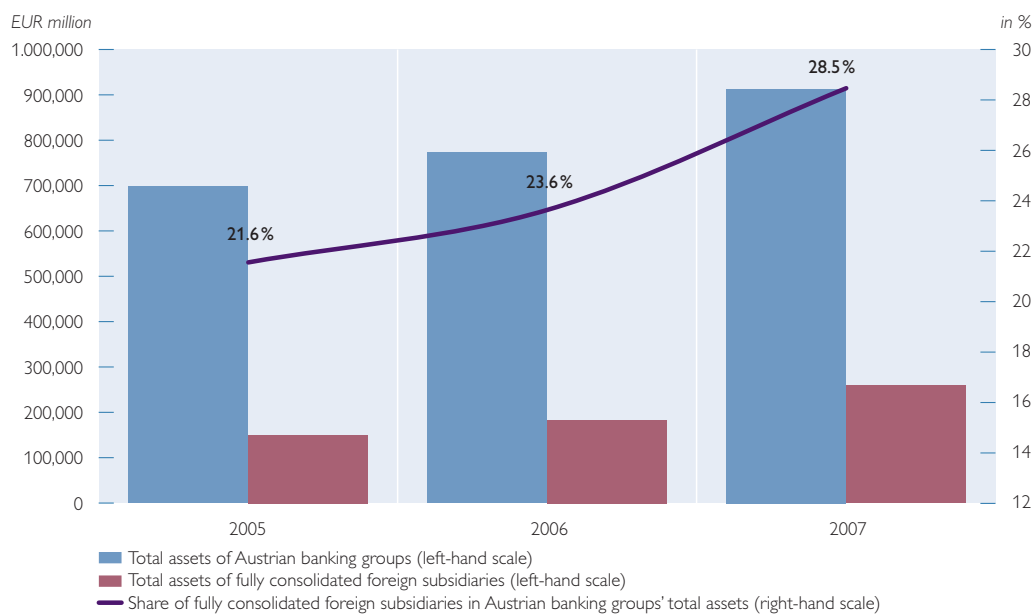
### Income from Participating Interests Boosts Operating Profits



Source: OeNB.

Chart 16

### Fully Consolidated Foreign Subsidiaries Account for Some 28% of Banking Groups' Total Assets

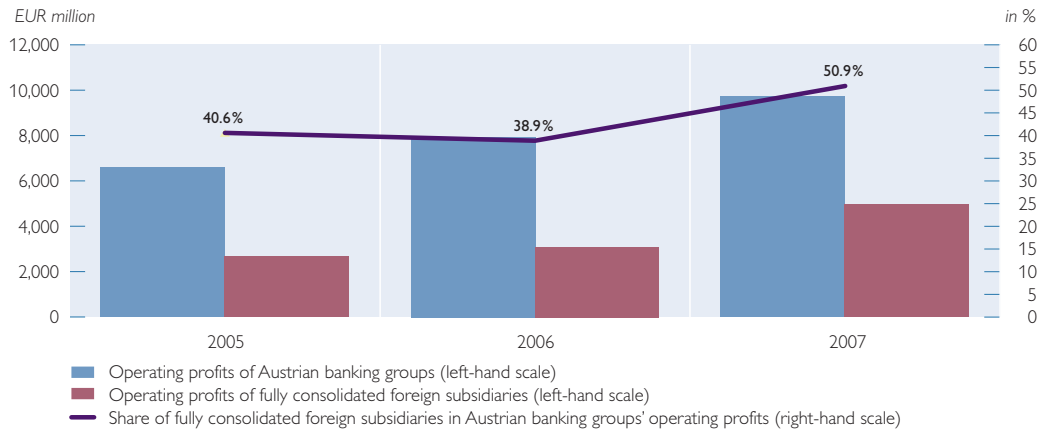


Source: OeNB.

Note: Fully consolidated foreign subsidiaries include only those subsidiaries in which the parent bank holds more than 50% or a de facto majority interest.

Chart 17

### Share of Foreign Subsidiaries in Banking Groups' Operating Profits Rises to Around 51%



Source: OeNB.

Note: Fully consolidated foreign subsidiaries include only those subsidiaries in which the parent bank holds more than 50% or a de facto majority interest.

Table 20

**ECB Interest Rate Statistics for Austria as at December 2007****Interest Rate on New Business – Deposits**

Deposits										
Households						Nonfinancial corporations			Households and non-financial corporations	
with agreed maturity						with agreed maturity			repurchase agreements	
up to 1 year	of which savings deposits	1 to 2 years	of which savings deposits	over 2 years	of which savings deposits	up to 1 year	1 to 2 years	over 2 years		
% per annum										
2005	1.96	2.03	2.13	2.12	2.71	2.70	2.05	2.19	2.96	1.82
2006	2.73	2.74	2.99	2.98	3.23	3.24	2.85	3.01	3.84	3.04
2007	3.93	3.93	3.89	3.86	4.08	4.06	4.08	4.24	4.40	4.25
Jan. 07	3.31	3.26	3.50	3.47	3.64	3.65	3.57	3.78	3.61	3.94
Feb. 07	3.37	3.32	3.46	3.46	3.67	3.68	3.56	3.87	4.08	3.79
Mar. 07	3.51	3.45	3.44	3.43	3.69	3.70	3.74	3.81	4.19	3.96
Apr. 07	3.61	3.60	3.52	3.49	3.85	3.87	3.76	3.78	4.47	3.92
May 07	3.75	3.79	3.54	3.51	3.90	3.91	3.83	4.05	4.86	3.97
June 07	3.90	3.90	3.89	3.86	4.04	4.05	4.02	4.20	4.32	4.11
July 07	3.94	3.99	4.02	4.01	4.21	4.15	4.02	4.04	4.06	4.18
Aug. 07	4.03	4.01	3.98	3.95	4.13	4.15	4.22	4.26	4.41	4.04
Sept. 07	4.16	4.07	4.05	4.02	4.33	4.24	4.33	4.65	4.35	4.64
Oct. 07	4.26	4.30	4.20	4.19	4.30	4.28	4.28	4.37	4.64	4.59
Nov. 07	4.20	4.31	4.18	4.13	4.33	4.28	4.31	4.58	4.47	4.54
Dec. 07	4.28	4.18	4.27	4.12	4.28	4.24	4.60	4.72	4.46	4.84

Source: OeNB.

Note: Interest rates are defined as the annualized agreed rates in percent per annum.

Free-lance professionals and self-employed persons were reclassified from the sector nonfinancial corporations to the sector households (applicable from June 2004).

**ECB Interest Rate Statistics for Austria as at December 2007****Interest Rate on New Business – Loans**

Loans												
to households							to households and nonfinancial corporations			to households – effective interest rate <sup>1</sup>		
for consumption			for house purchases				USD	JPY	CHF	for consumption	for house purchases	
up to 1 year <sup>2</sup>	1 to 5 years	over 5 years	up to 1 year <sup>2</sup>	1 to 5 years	5 to 10 years	over 10 years						
% per annum												
2005	4.99	4.18	4.60	3.94	2.98	4.60	5.09	4.41	1.11	1.92	5.77	3.92
2006	5.51	4.93	4.92	4.25	3.15	4.85	4.76	6.10	1.29	2.60	6.31	4.16
2007	6.36	6.28	5.68	5.34	4.01	5.12	5.37	5.99	1.87	3.65	7.21	5.18
Jan. 07	5.94	5.73	5.45	4.86	3.80	5.07	5.02	6.36	1.51	3.20	6.75	4.74
Feb. 07	6.15	5.78	5.49	4.98	3.75	5.02	5.05	6.23	1.70	3.24	6.96	4.89
Mar. 07	6.14	5.92	5.43	4.97	3.72	5.08	5.17	6.10	1.79	3.37	6.99	4.86
Apr. 07	6.13	5.95	5.39	5.04	3.64	5.16	5.04	6.12	1.75	3.38	7.00	4.84
May 07	6.15	6.14	5.68	5.12	3.97	5.11	5.39	6.20	1.63	3.50	7.02	5.01
June 07	6.20	6.16	5.62	5.19	3.92	5.21	5.31	6.45	1.72	3.60	7.03	5.08
July 07	6.28	6.47	5.52	5.24	3.98	5.09	5.51	6.26	1.91	3.87	7.15	5.04
Aug. 07	6.42	6.53	6.01	5.41	3.80	5.15	5.41	6.47	1.97	3.83	7.30	5.10
Sep. 07	6.53	6.59	6.28	5.48	4.10	5.12	5.33	6.14	2.04	3.82	7.39	5.37
Oct. 07	6.55	6.55	6.07	5.68	4.15	5.27	5.67	5.86	2.10	3.82	7.36	5.47
Nov. 07	6.58	6.44	5.65	5.58	4.26	5.09	5.61	5.78	1.89	3.72	7.48	5.44
Dec. 07	6.57	6.50	5.66	5.73	4.26	5.06	5.33	5.80	2.00	3.84	7.39	5.51

Source: OeNB.

<sup>1</sup> Excluding nonprofit institutions serving households (NPISH).<sup>2</sup> Including variable interest rates.

Note: The interest rates in the effective interest rate category refer to the effective annual interest rate according to Article 33 Banking Act. All other interest rates refer to the annualized agreed rates in percent per annum.

Free-lance professionals and self-employed persons were reclassified from the sector nonfinancial corporations to the sector households (applicable from June 2004).

Table 22

## ECB Interest Rate Statistics for Austria as at December 2007

### Interest Rates on New Business – Loans and Deposits, Total

	Loans					Deposits			
	to households			to nonfinancial corporations		euro-denominated loans, total	by households	by non-financial corporations	euro deposits, total
	consumer loans	housing loans	other loans	loans up to EUR 1 million	loans over EUR 1 million		savings deposits		
	% per annum								
2005	4.89	3.58	3.74	3.52	2.92	3.24	2.22	2.05	2.08
2006	5.40	3.80	4.36	4.11	3.64	3.86	2.85	2.87	2.84
2007	6.34	4.86	5.40	5.16	4.74	4.90	3.93	4.08	4.01
Jan. 07	5.91	4.43	4.99	4.72	4.29	4.48	3.32	3.58	3.45
Feb. 07	6.08	4.57	5.02	4.76	4.40	4.57	3.37	3.57	3.48
Mar. 07	6.10	4.53	5.06	4.85	4.44	4.62	3.47	3.74	3.63
Apr. 07	6.09	4.51	5.17	4.87	4.47	4.65	3.61	3.76	3.69
May 07	6.14	4.71	5.12	4.95	4.52	4.71	3.78	3.85	3.79
June 07	6.19	4.71	5.25	5.08	4.65	4.79	3.90	4.03	3.97
July 07	6.30	4.71	5.40	5.15	4.68	4.84	4.00	4.02	3.99
Aug. 07	6.43	4.78	5.48	5.28	4.91	5.03	4.01	4.22	4.13
Sep. 07	6.53	5.04	5.58	5.41	4.95	5.09	4.08	4.34	4.25
Oct. 07	6.55	5.14	5.69	5.43	4.94	5.14	4.28	4.29	4.27
Nov. 07	6.56	5.08	5.71	5.34	4.92	5.11	4.28	4.32	4.26
Dec. 07	6.56	5.27	5.70	5.50	5.10	5.22	4.18	4.60	4.45

Source: OeNB.

Note: Interest rates are defined as the annualized agreed rates in percent per annum.

Free-lance professionals and self-employed persons were reclassified from the sector nonfinancial corporations to the sector households (applicable from June 2004).

Table 23

### Share of Variable-Rate and Short-Term<sup>1</sup> Fixed-Rate Loans in Total New Business – Comparison between Austria and the Euro Area

As at December 31, 2007

	Austria	Euro area	Minimum <sup>2</sup>	Maximum <sup>3</sup>
<b>Loans to households</b>				
for consumption	88.7	32.3	8.2	100.0
for house purchases	66.5	40.5	11.6	98.6
for other purposes	96.0	80.0	12.6	100.0
<b>Loans to nonfinancial corporations</b>				
up to EUR 1 million	93.9	84.6	33.2	98.0
over EUR 1 million	96.6	87.1	79.8	100.0
<b>Total</b>	<b>94.1</b>	<b>78.6</b>	<b>48.5</b>	<b>98.7</b>

Source: ECB, OeNB (ECB interest rate statistics).

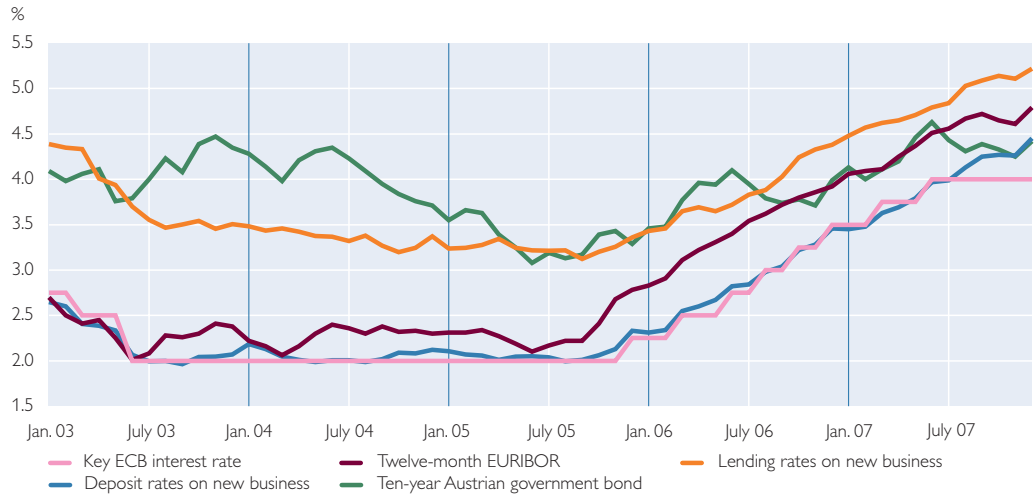
<sup>1</sup> Up to 1 year, classification according to initial rate fixation.

<sup>2</sup> Country value representing the lowest share in the euro area.

<sup>3</sup> Country value representing the highest share in the euro area.

Chart 18

**In 2007, Lending and Deposit Rates – in Line with Money Market Rates – Rise More Strongly than the Key ECB Interest Rate**



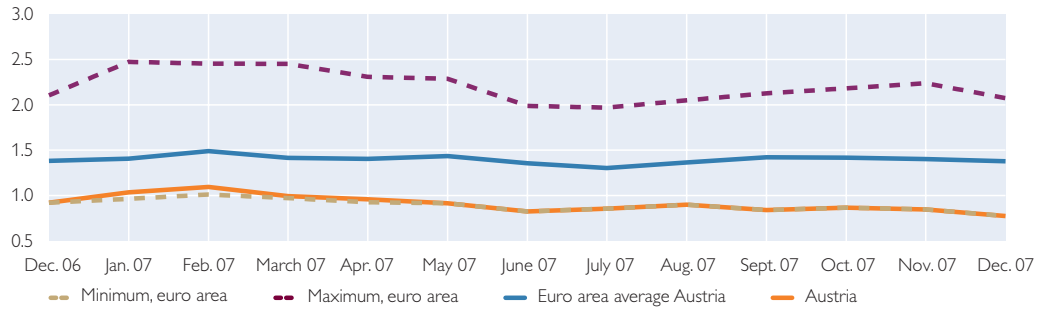
Source: OeNB.

Chart 19

**Austria Has the Lowest Interest Margin on New Business in the Euro Area**

As at December 2007

Percentage points

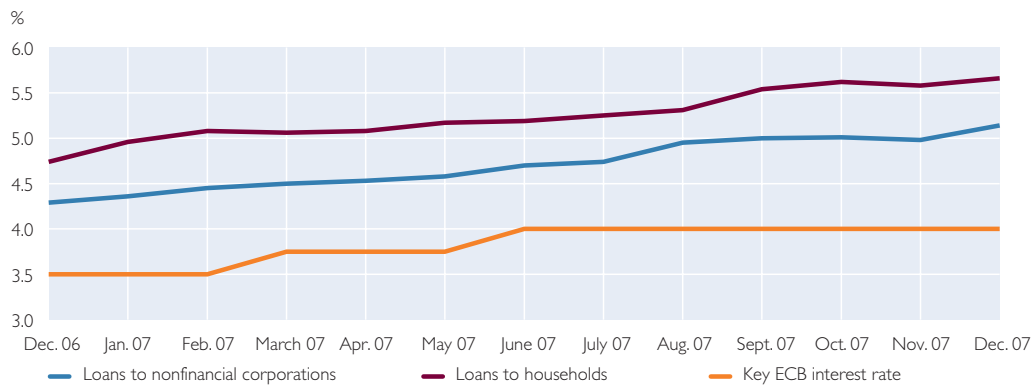


Source: OeNB.



Chart 20

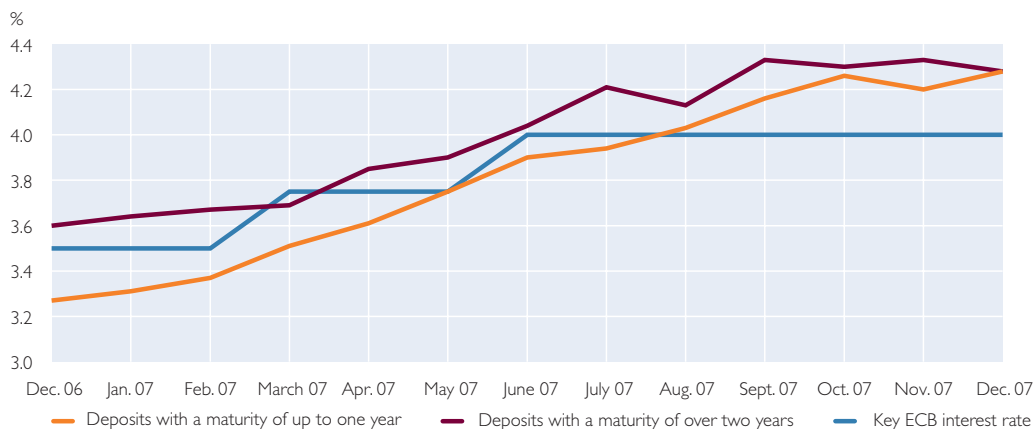
### In 2007, Rates for New Loans to Households Increase Slightly Stronger than for New Loans to Nonfinancial Corporations



Source: OeNB.

Chart 21

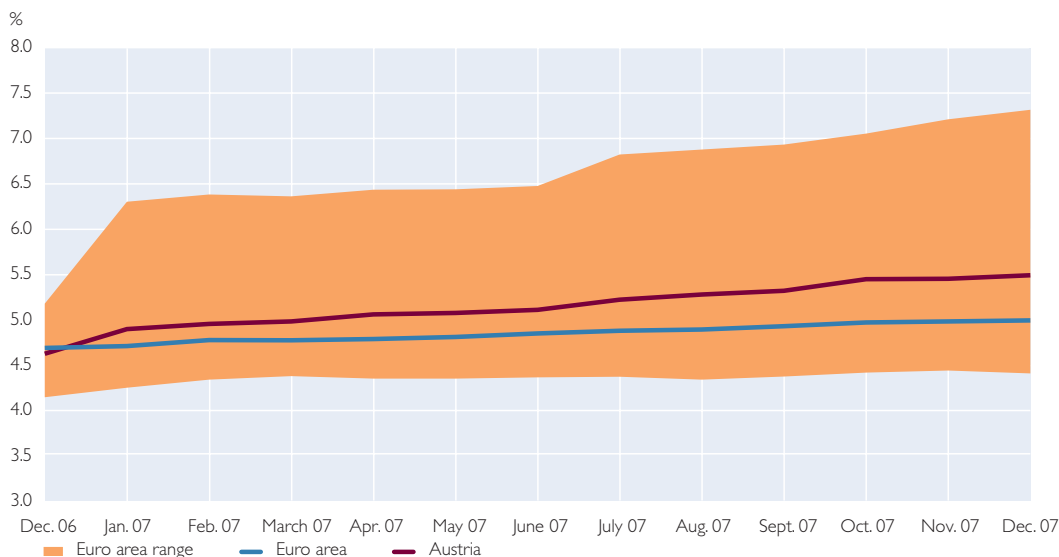
### Interest Rates for New Short-Term Deposits of Households Rise Markedly



Source: OeNB.

Chart 22

**Outstanding Amounts – Interest Rates on Housing Loans (with More than Five Years Maturity) in Austria Are Markedly Above Euro Area Average**



Source: OeNB.

Table 24

**Statistics on Building and Loan Associations as at December 2007**

**Number of Building Loan Contracts**

	Number of building loan contracts			New contracts	Building loans allocated
	Total	of which			
		at the savings stage	at the lending stage		
<i>Number</i>					
2005	5,672,343	5,240,827	431,516	946,594	21,937
2006	5,592,506	5,182,528	409,978	873,823	29,355
2007	5,464,547	5,076,896	387,651	944,375	24,433
Mar. 05	5,636,979	5,186,949	450,030	262,082	4,144
June 05	5,631,928	5,189,492	442,436	198,930	4,331
Sep. 05	5,635,003	5,197,658	437,345	174,673	5,866
Dec. 05	5,672,343	5,240,827	431,516	310,909	7,596
Mar. 06	5,604,044	5,183,560	420,484	229,664	7,278
June 06	5,585,118	5,168,689	416,429	171,242	7,037
Sep. 06	5,572,216	5,159,310	412,906	161,299	6,981
Dec. 06	5,592,506	5,182,528	409,978	311,618	8,059
Mar. 07	5,523,387	5,122,782	400,605	262,922	6,645
June 07	5,497,976	5,101,743	396,233	175,289	5,999
Sep. 07	5,480,018	5,087,690	392,328	179,241	5,888
Dec. 07	5,464,547	5,076,896	387,651	326,923	5,901

Source: OeNB.

Table 25

## Statistics on Building and Loan Associations as at December 2007

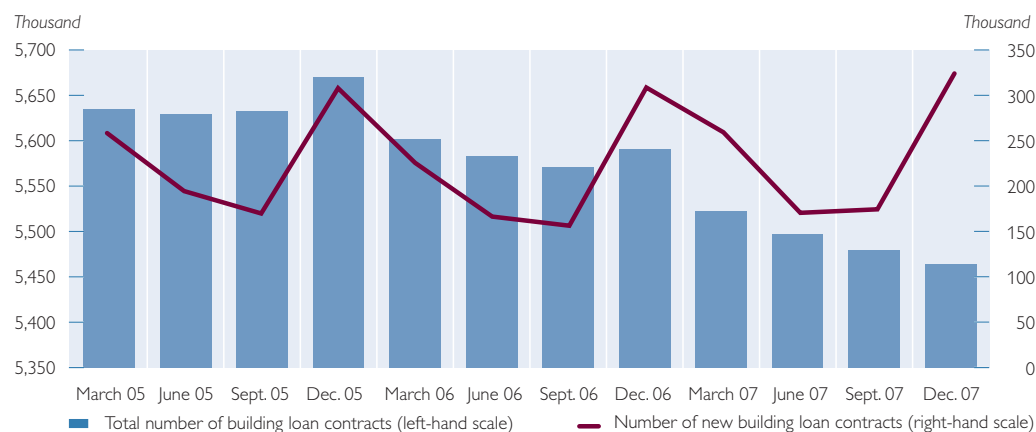
### Deposits and Loans

	Deposits made under building loan contracts	Loans outstanding				New lending	Building loans allocated
		Total	of which building loans	of which bridging loans	of which other loans		
<i>EUR million</i>							
2005	17,945	14,039	9,622	3,932	485	2.653	2.406
2006	17,876	14,519	10,043	3,769	708	2.859	3.019
2007	17,330	15,609	10,399	4,237	973	3.286	2.884
Mar. 05	17,659	13,646	9,611	3,700	335	521	448
June 05	17,683	13,774	9,540	3,869	365	667	498
Sep. 05	17,864	13,987	9,548	3,993	447	765	573
Dec. 05	17,945	14,039	9,622	3,932	485	700	887
Mar. 06	17,852	14,010	9,670	3,778	563	615	757
June 06	17,805	14,049	9,777	3,666	606	640	757
Sep. 06	17,906	14,250	9,895	3,706	648	789	739
Dec. 06	17,876	14,519	10,043	3,769	708	815	766
Mar. 07	17,525	14,523	10,104	3,667	752	678	777
June 07	17,466	14,727	10,182	3,735	811	762	695
Sep. 07	17,524	15,100	10,227	4,014	859	977	766
Dec. 07	17,330	15,609	10,399	4,237	973	869	646

Source: OeNB.

Chart 23

### Building Loan Contracts Decline



Source: OeNB.

Table 26

**Mutual Fund Developments in 2007**

	Dec. 05	Mar. 06	June 06	Sep. 06	Dec. 06	Mar. 07	June 07	Sep. 07	Dec. 07
Number of mutual funds	2,087	2,126	2,168	2,193	2,177	2,200	2,244	2,273	2,329
	<i>EUR million</i>								
Volume of funds	156.7	164.6	159.5	164.8	168.9	170.0	174.3	171.3	165.6
of which:									
institutional investors	44.0	46.7	46.5	48.1	48.5	48.2	49.7	49.0	47.8
	%								
Share of domestic investment	24.1	23.1	22.9	22.3	21.5	21.5	21.1	21.5	22.2
Share of foreign investment	75.9	76.9	77.1	77.7	78.5	78.5	78.9	78.5	77.8

Source: OeNB.

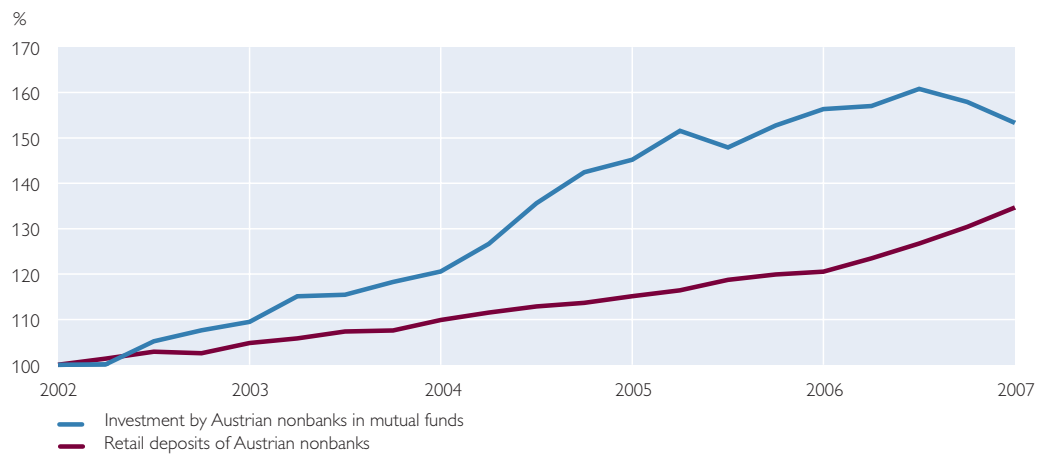
Table 27

**Total Assets of Austrian Mutual Funds as at December 2007**

	Dec. 07	
	<i>Year-end stocks in EUR million</i>	<i>Share in %</i>
Domestic debt securities	14,938	9.02
Domestic stocks and other equity interests	3,812	2.30
Domestic mutual fund shares	28,554	17.24
Domestic real estate and tangible assets	831	0.50
Foreign debt securities	66,473	40.13
Foreign stocks and other equity interests	23,723	14.32
Foreign mutual fund shares	15,036	9.08
Foreign real estate and tangible assets	843	0.51
Other assets	11,435	6.90
Total assets	165,646	100.00

Source: OeNB.

Chart 24

**Booming Deposits but Declining Assets under Mutual Fund Management**

Source: OeNB.

# VI. Publications of the OeNB's Supervisory and Monetary Statistics Division in 2007

## 1 Information Folders

In 2007, the following information folders were published (most of them in German only):

*February 2007:*

Key Data on the Austrian Financial System – December 2006  
Die Aufsichtsstatistik – Datenquelle für die Bankenaufsicht

*March 2007:*

Die Mitarbeitervorsorgekasse – Aufgaben und statistische Meldepflichten

*May 2007:*

Key Data on the Austrian Financial System – March 2007

*July 2007:*

Key Data on the Austrian Financial System – June 2007

*December 2007:*

Key Data on the Austrian Financial System – September 2007

## 2 Press Releases

In 2007, the following press releases on banking statistics were published (in German only):

*January 2007:*

Kräftiges Wachstum bei den Mitarbeitervorsorgekassen

*March 2007:*

Die Geschäftsentwicklung der Banken im Umfeld steigender Zinssätze  
Mitarbeitervorsorgekassen übersteigen die 1-Mrd-Euro-Grenze

*April 2007:*

Investmentfonds: Zurückhaltung bei Neuinvestitionen und schwache Performance der Rentenfonds

*May 2007:*

Kreditzinssätze steigen stärker als Einlagenzinssätze

*June 2007:*

Bedeutung des Provisionsgeschäftes stark gestiegen – Anteil an den Betriebserträgen erreicht 30%-Marke

Bilanzsumme übersteigt 800-Mrd-EUR-Grenze

Investmentfonds: Kursgewinne kompensierten Nettoverkäufe

*August 2007:*

Deutlicher Rückgang bei Fremdwährungs-Ausleihungen in Österreich  
Zinssätze für Einlagen privater Haushalte steigen deutlich  
Stetiges Wachstum am Kreditkartenmarkt

*September 2007:*

Gutes Halbjahresergebnis infolge gedämpfter Betriebsaufwendungen  
Schwache Kreditnachfrage – Einleger setzen vermehrt auf kurzfristige Sparformen  
Gute Performance der österreichischen Immobilienfonds trotz Immobilienmarkturbulenzen

*November 2007:*

Kredite deutlich teurer

*December 2007:*

Einlagen bei österreichischen Banken steigen kräftig  
Deutlicher Rückgang bei Ausleihungen in CHF, weiterhin Anstiege bei Ausleihungen in CZK  
Weiterhin stabile Ertragslage der Banken trotz Turbulenzen auf den internationalen Finanzmärkten  
Investmentfonds: Kursverluste und Kapitalabflüsse im dritten Quartal

### 3 Reports Published in the OeNB's “Statistiken – Daten & Analysen” Series

#### 3.1 Analyses

In 2007, the following analyses on banking statistics were published (in German; only executive summaries are available in English):

**Issue Q1/07:**

Growth of Foreign Currency Loans on the Decline – Important Developments within the Austrian Financial System in the Third Quarter of 2006 (Schuh, Thienel)

**Issue Q2/07:**

Income from Participating Interests and Banking Services Increasingly Bolster Banks' Revenues – Key Developments within the Austrian Financial System in 2006 (Schuh, Thienel)

Publication of New Business Volumes from the ECB Interest Rate Statistics on the OeNB Website – Concept and Analytical Advantages (Swoboda)

Little New Investment, Weak Performance of Fixed-Income Funds – Development of Austrian Mutual Funds in 2006 (Probst)

Severance Funds in Austria: General Information and Statistical Data – Development in 2006 (Jaksic)

**Issue Q3/07:**

Cost/Income Ratio Improves Substantially – Key Developments within the Austrian Financial System in the First Quarter of 2007 (Schuh)

**Issue Q4/07:**

Austrian Banks' Net External Assets Surge – Key Developments within the Austrian Financial System in the First Half of 2007 (Thienel)

New Investment Subdued, but Austrian Real Estate Funds Perform Well Despite Real Estate Market Turbulence – Development of Austrian Real Estate Funds in the First Half of 2007 (Probst)

New Foreign Currency Loan Statistics – Description and Analysis (Lamatsch)

**3.2 Brief Reports**

In 2007, the following brief reports on banking statistics were published (in German only):

**Issue Q1/07:**

Deutliche Anstiege bei Zinssätzen für Wohnbaukredite (Swoboda)

Nichtfinanzielle Unternehmen nehmen verstärkt Euro-Kredite auf – Kredit- und Einlagenentwicklung der volkswirtschaftlichen Sektoren in den ersten drei Quartalen 2006 (Böck)

**Issue Q2/07:**

Weniger Bankstellen – Mehr Mitarbeiter – Strukturdaten zum 31. Dezember 2006 (Thienel)

**Issue Q3/07:**

Weitergabe der EZB-Leitzinserhöhungen an die Kunden bisher nur teilweise erfolgt (Swoboda)

Ertragslage der österreichischen Bankkonzerne im Jahr 2006 (Hucker)

**Issue Q4/07:**

Deutliche Anstiege bei Einlagenzinssätzen (Swoboda)

**4 Other Publications**

**4.1 Bank Archiv – Zeitschrift für das gesamte Bank- und Börsenwesen**

(in German only)

Die Entwicklung der in Österreich tätigen Kreditinstitute im Jahr 2007 (Dobringer) – Issue 1 2007

Die Entwicklung der in Österreich tätigen Kreditinstitute im ersten Quartal 2007 (Böck, Lamatsch, Thienel), Issue 3 2007

Die Entwicklung der in Österreich meldepflichtigen Kreditinstitute im ersten Halbjahr Jahr 2007 (Böck, Lamatsch, Thienel), Issue 6 2007

Die Entwicklung der in Österreich meldepflichtigen Kreditinstitute in den ersten 3 Quartalen 2007 (Böck, Lamatsch, Thienel), Issue 9 2007

**4.2 Magazine “Industrie aktuell”**

(published by the Austrian Institute for Industrial Research – IWI; in German only)

Die Bedeutung des Anleihemarktes für die Unternehmensfinanzierung (Schuh) – Issue January 2007

Kredite an nichtfinanzielle Unternehmen – Schwerpunkt Fremdwährungskredite (Lamatsch) – Issue September 2007



#### **4.3 Magazine “Steuer und Wirtschaftskartei” (SWK)**

(published by Lindeverlag; in German only)

Ansatzsysteme für finanzielle Vermögenswerte – Vergleich zwischen Unternehmensrecht und IFRS (Hucker) – Issue January 2007

Ansatzsysteme für finanzielle Vermögenswerte – Vergleich zwischen Unternehmensrecht und IFRS (Hucker) – Issue June 2007

#### **4.4 Brochure of the Landesbank Baden-Württemberg**

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