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INTERNATIONAL SAVINGS BANKS

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# The Savings Banks Organisation in Austria

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The first savings bank was established in 1819 with the founding of the First Austrian Savings Bank (Erste Österreichische Spar-Casse) in Vienna. The savings banks were founded by associations and were intended to counterbalance the banking houses that existed at the time. The savings banks were created as a preventive measure against the impoverishment of the population and also to enable the working population to accumulate assets.

Traditionally, the Austrian banking system is divided into seven sectors according to the legal form and the (historical) customer orientation of the respective institutions, although the boundaries between the sectors are becoming increasingly blurred. A distinction is made between joint-stock banks, savings banks, building societies, cooperative banks, regional mortgage banks, Raiffeisen banks, special banks and branches of credit institutions from EU member states .

The majority of Austrian savings banks are joint-stock companies. Shareholders include foundations and share management savings banks (AVS), which use the income from their savings bank holdings for activities that are oriented towards the common good. The remaining institutions still exist in the traditional form of three municipal and 11 association savings banks.

# The Austrian banking market

In macroeconomic terms, the banking sector in Austria is of above-average importance compared to other European countires. In 2025, the balance sheet total of all banks was 2.6 times the country's overall economic output. By comparison, the European average was 2.1 times the GDP. The bank branch network in Austria is well developed with 3,019 inhabitants per branch. By comparison, the European average is 3,667 inhabitants per branch (see charts 1 and 2).

In 2025, the portfolio of non-performing loans at Austrian banks was above the level of the European average with a value of 1.8%. The cost-income ratio of Austrian banks in 2025 stod at 52.0%, which was slightly below the level of other European countries. Profitability, measured by return on equity, stood at 11.5% in 2025, slightly above the level of other banks in Europe (see charts 3 and 4).

The profitability of Austrian banks remained at a historically high level in 2025. Consolidated net profit rose by around 9 per cent year-on-year to EUR 11.8 billion, once again achieving one of the best ever results, following the record level of EUR 14 billion in 2023. This was driven in particular by significantly lower loan loss provisions, higher returns from equity investments and the absence of negative one-off effects. Whilst results from domestic business increased, profits at subsidiary banks in Central, Eastern and South-Eastern Europe (CESEE) declined. However, the CESEE subsidiary banks remained a key source of earnings and generated a profit of EUR 4.8 billion in 2025 (2024: EUR 5.4 billion).

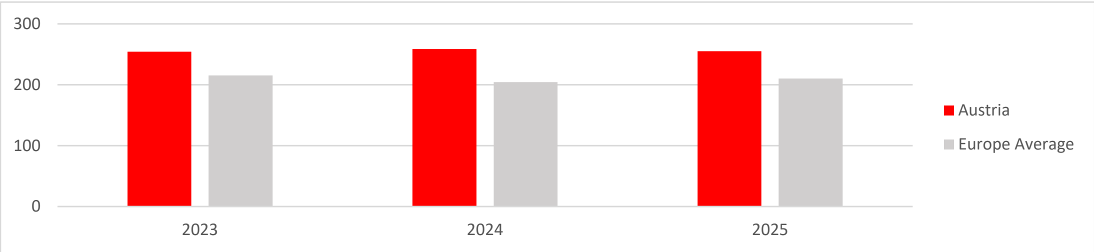
Following a two-year recession, the Austrian economy returned to a path of recovery in 2025 with moderate growth of 0.7 per cent. At the same time, the outlook for 2026 remains subdued due to geopolitical uncertainties and higher energy prices. The household savings rate remained high at 11.1% in 2025 and is expected to fall gradually to 9.4% by 2028, although it will still remain above the pre-crisis average. Despite the challenging environment, the Austrian banking sector remained robust. Lending recovered slightly in 2025, particularly in the residential property sector, whilst credit quality remained stable overall. Risks persist in relation to SME and commercial property loans.

**Table 1: The largest Austrian banks/banking groups**

| Group | 2025 | 2024 | 2023 | 2022 | 2021 |
|---|---|---|---|---|---|
| Erste Group Bank | 369 | 354 | 337 | 324 | 307 |
| Raiffeisen Bank International (RBI) | 210 | 200 | 198 | 207 | 192 |
| UniCredit Bank Austria AG | 110 | 105 | 103 | 107 | 118 |
| BAWAG Group AG | 72 | 71 | 55 | 57 | 56 |
| Raiffeisenlandesbank Oberösterreich | 49 | 49 | 48 | 49 | 51 |

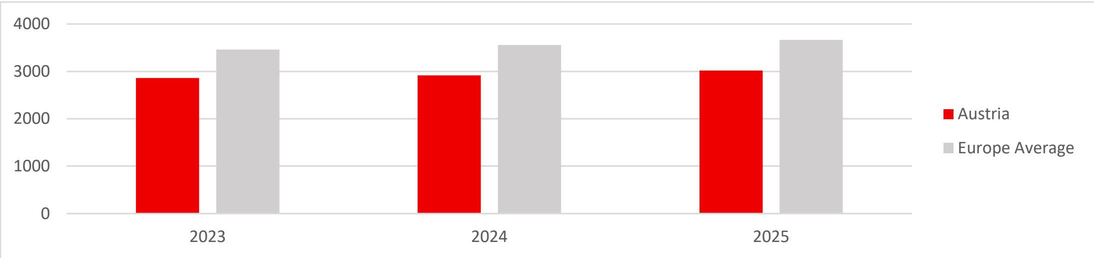
Source: Financial Report 2025 of the respective group, balance sheet total in EUR billion

**Chart 1: Banks' balance sheet total to GDP in %**



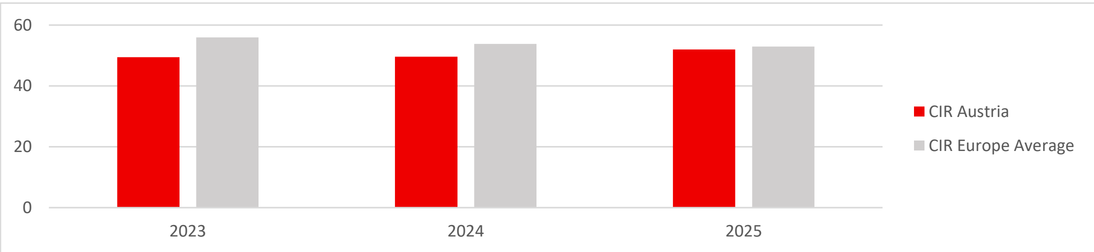

Source: European Central Bank 2025, own calculations

**Chart 2: Population per branch**



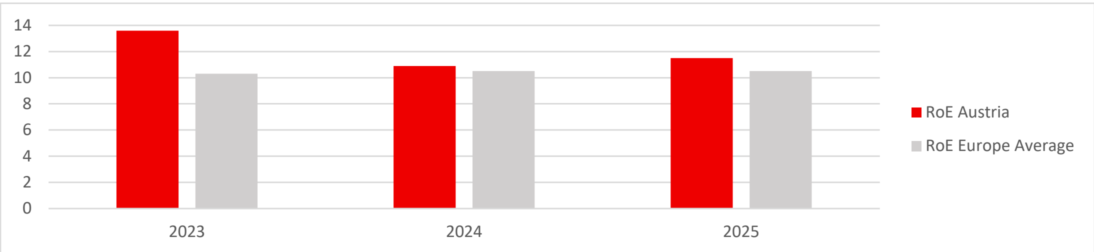

Source: European Central Bank, Eurostat 2025, own calculations

**Chart 3: Cost-income ratio (CIR) in %**




Source: EBA Dashboard, 2026

**Chart 4: Return on equity (RoE) in %**




Source: EBA Dashboard, 2026

# The Austrian savings banks

The Austrian savings bank group comprises 47 institutions: 45[1] savings banks in the federal states, as well as "Erste Bank der oesterreichischen Sparkassen AG" (Erste Bank Oesterreich, as the lead institution) and "Die Zweite Wiener Vereins-Sparcasse" (Zweite Sparkasse). In some statements, Erste Group Bank AG, which acts as a holding company and central institution, is also added as the 48th institution. Erste Bank and the savings banks are represented in all nine federal states of Austria. A de facto regional principle applies, with the savings banks' areas of operation defined by the joint liability agreement.

As the holding company, Erste Group Bank AG is responsible for the strategic orientation of its subsidiary banks in Austria, the Czech Republic, Slovakia, Romania, Hungary, Serbia and Croatia, and operationally for the central functions of treasury, large corporates and international business . Erste Bank Oesterreich is responsible for the entire Austrian business including the joint liability scheme.

In 2025, 263,673 new customers were acquired. Loans to customers of the savings banks group increased from EUR 102.1 billion to EUR 105.6 billion, representing a rise of 3.4%.

**Table 2: Structural characteristics of the Austrian savings banks**

| | |
|---|---|
| ***Legal form*** | In the 1979 Savings Bank Act, which remains in force, the Austrian savings banks are defined in Section 1 (1) as "*legal entities under private law* established by municipalities or savings bank associations". **Municipal savings banks (Gemeinsesparkassen)** are institutions supported by one or more municipalities, whereby the municipalities were fully liable for the liabilities of the savings bank until the beginning of 2003. In terms of their structure, the **association savings banks (Vereins-sparkassen)** are structurally similar to the German independent savings banks. |

[1] Following the merger of Salzburger Sparkasse Bank AG with Erste Bank of oesterreichischen Sparkassen AG in August 2025.

Since 1987, the Austrian savings banks have had the option of transferring their banking business to a public limited company. The original savings bank remains **a share management savings bank (Anteils-verwaltungssparkasse (AVS)**, i.e. its function now solely comprises the management of the shares it holds in the savings bank public limited company (SparkassenAktiengesellschaft) as well as carrying out charitable activities.

34 savings banks (including Erste Bank Oesterreich and Erste Group) have outsourced their business operations to a public limited company. The remaining 14 institutions still exist in the traditional form of three municipal and 11 association savings banks.

***Ownership structure***

The shareholders of the total of 34 savings bank public limited companies include 35 foundations and the remaining share management savings banks. This means that the shares of some the savings bank public limited companies are held by several foundations or share management savings banks.

***Savings Banks Foundations***

Since 1 January 1999, share management savings banks can be converted into private foundations. In the case of municipal savings banks, the municipality is only liable for the liabilities existing at the time of conversion into the foundation, but not for newly incurred liabilities; consequently liability is reduced to almost zero over time and the state aid element recognised by the EU loses its significance. So far, 35 share management savings banks have been converted into a savings banks foundation in accordance with Section 27a of the Savings Banks Act.

| | |
|---|---|
| ***Business activities*** | As universal banks, the Savings Banks have been on an equal footing with all other credit institutions since 1979. The focus has traditionally been on retail customers, small and medium-sized enterprises and asset management. |
| ***Regional principle/-branch rationalisation*** | The regional principle was abolished in 1979. In practice, however, it has been reintroduced as the umbrella organisation, Erste Bank Oesterreich, has largely transferred its branches to the provincial savings banks as part of the branch rationalisation process in exchange for stakes in the savings bank. In total, about 100 Erste Bank branches have been transferred to the savings banks since 1998. The savings banks' areas of operation are defined by the joint liability agreement. In Burgenland, the savings bank group is represented by branches of Erste Bank and Sparkasse Hainburg-Bruck-Neusiedl, which is a member of the the Association of Savings Banks in Lower Austria. |
| ***Public welfare orientation/ corporate social responsibility*** | The savings banks also carry out charitable work within their catchment areas, particularly in social and cultural spheres. Their social and community engagement is voluntary. In 2025, Erste Bank and the savings banks provided a total of EUR 35.4 million in support of a wide range of public welfare activities such as regional, social, cultural, youth and educational projects throughout Austria. |
| ***Joint liability scheme*** | Since 2002, Erste Bank and the savings banks have been liable under joint liability agreements for the repayment of customer deposits far in excess of the amounts guranteed by law.<br><br>The joint liablity scheme acts as an additional safety net complementing the statutory deposit guarantee and investor compensation schemes. It is a subsidiary instrument that comes into effect after the statutory deposit guarantee in the event of default (the commencement of insolvency proceedings against a member of the joint liability scheme). |

The joint liability scheme is operated by s-Haftungs GmbH, in which Erste Bank Oesterreich holds the majority stake. In 2007, it was expanded through an "economic merger" of its members (effective since January 2008). The objectives of the expanded liability scheme are the development of an effective production network, the standardisation of the market presence and advertising strategy, establishing a uniform risk policy, implementing coordinated liquidity management and setting common standards in controlling, all of which are intended to strengthen the market position.

The framework agreement governing the joint liability scheme, to which all[2] Austrian savings banks belong, also incorporates an early-warning system to enable a prompt response to any economic difficulties encountered by a savings bank. In 2014, joint liability scheme 3 came into force, which establishes a contractual group structure.

***Second Savings Bank***

In 2006, the Zweite Wiener Vereins-Sparcasse (Second Savings Bank) was founded on the initiative of the Erste Bank Foundation. It provides a current account for people who no longer have access to banking services. The Second Savings Bank, which works closely with welfare organisations and debt counselling services, now operates throughout Austria (except Vorarlberg). The Second Savings Bank is predominantly represented in the branches of local savings banks. It has its own branches in Vienna, Graz, Innsbruck, Klagenfurt, Linz, Salzburg and Villach.

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[2] One exception is Allgemeine Sparkasse Oberösterreich Bankaktiengesellschaft, Which concluded a trilateral liability agreement with Erste Group Bank AG and Erste Bank Oesterreich in 2009.

**Table 3: Key structural indicators of the Austrian savings banks**

| | 2025 | 2024 |
|---|---|---|
| Employees | 16,840 | 16,700 |
| Customers | 4.3 M | 4.3 M |
| Branches | 732 | 743 |

Source: Factsheet Erste Bank und Sparkassen 2026

**Table 4: Key balance sheet and income statement ratios of the Austrian savings banks**

| | 2025 | 2024 |
|---|---|---|
| Net interest income | 2,791 | 2,940 |
| Operating result | 2,129 | 2,291 |
| Pre-tax result | 1,685 | 1,811 |
| Loans to customers | 105,578 | 102,080 |
| Deposits from customers | 119,095 | 113,984 |
| Loans/Deposits ratio | 89% | 90% |

Source: Factsheet Erste Bank und Sparkassen 2026, in EUR million

# The central institution: Erste Group Bank AG (group holding company)

Founded in 1819 as the "Erste österreichische Spar-Casse", Erste Group went public in 1997 with the strategy of expanding its retail business into the growth markets of Central and Eastern Europe (CEE). Through numerous acquisitions and organic growth, Erste Group has become one of the largest financial services providers in the eastern part of the EU, measured by customer numbers and total assets. In Q1 2026, Erste Bank Polska was included in Erste Group's consolidated financial statements. As a result, total assets rose to EUR 450.0 billion; loan and deposit volumes increased significantly following this consolidation, and the rebranding to Erste Bank Polska was successfully implemented.

On 22 June 2026, Erste Bank Oesterreich joined the European Payments Initiative (EPI) as a new shareholder. In doing so, it is supporting the roll-out of the European payment solution Wero in Austria and contributing to its further development.

**Table 5: Key figures of Erste Group Bank AG**

| | 2025 | 2024 |
|---|---|---|
| Employees | 45,700 | 45,717 |
| Customers | 16.7 M | 16.6 M |
| Branches | 1,804 | 1,871 |
| Total assets | 369 | 354 |
| Total equity | 34.7 | 30.8 |
| Operating result | 6.08 | 5.90 |
| Net result | 3.51 | 3.13 |
| CET1capital ratio | 19% | 15% |
| Cost-income-ratio | 48% | 47% |
| Cash return on equity | 16% | 15% |

Source: Annual Report Erste Group 2025, in EUR billion

# The umbrella organisation: Austrian Savings Banks Association

SPARKASSE
Verband Österreich

**Table 6: Structural characteristics of the Austrian Savings Banks Association**

| | |
|---|---|
| ***Members*** | The seven regional associations of the Austrian savings banks and the 48 Austrian savings banks (including Erste Group Bank), cooperation partners as defined in the articles of association are the share management savings banks, the savings banks foundations, the savings banks audit association and the association partners of the savings banks group. |
| ***Legal form*** | Registered association |
| ***Tasks*** | • Representation of interests (national and EU)<br>• Strategic discussion platform of the savings banks group<br>• Collective agreement responsibility<br>• Advisory and support services relevant to savings banks in the areas of law, economic policy, data management and press and public relations<br>• Balancing of interests within the savings banks group |

The Austrian Savings Banks Association is a member of the World Savings and Retail Banking Institute (WSBI) and the European Savings and Retail Banking Group (ESBG) as well as an associate member of the German Savings Banks Association e.V., and a member of the German Sparkassenstiftung for International Cooperation (Bonn).

# Imprint

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