



2024

ANNUAL REPORT
OF THE FINANCIAL
MARKET AUTHORITY

Key figures of the Austrian financial sector 2020–2024

	2020	2021	2022	2023	2024 (prov.)
BANKING SECTOR¹					
Capital base:					
Common Equity Tier 1 (in € billions)	77.5	82.5	88.5	95.5	98.2
Tier 1 capital (in € billions)	82.9	88.0	94.0	101.1	104.3
Common Equity Tier 1 capital ratio (CET 1, in %)	16.1	16.0	16.5	17.6	17.5
Tier 1 capital ratio (in %)	17.2	17.1	17.5	18.7	18.6
Solvency ratio (in %)	19.5	19.3	19.5	20.6	20.8
Leverage ratio (in %)	7.6	8.0	8.3	8.8	8.6
Liquidity coverage ratio (LCR, in %)	180.6	176.0	162.9	172.4	176.3
Development of assets and liabilities (non-consolidated, in € millions):					
Total assets	934 496	983 930	996 603	997 431	1 020 508
Loans and credit	665 169	703 712	735 868	734 477	706 460
Debt securities and other fixed-income securities	45 798	42 854	52 823	57 743	134 457
Shares and other variable-yield securities	10 094	9 976	9 264	9 417	9 358
Liabilities to credit institutions	210 971	231 165	209 805	176 128	155 856
Liabilities to non-banks	463 095	490 050	499 585	500 329	529 102
Foreign currency loans (as % of loans to households)	6.8	5.5	4.7	4.2	3.5
Earnings situation (non-consolidated, in € millions):					
Net interest income	8 373	8 565	10 426	15 434	15 248
Operating income	18 259	19 926	23 065	28 165	27 478
Operating expenses	12 819	13 323	13 520	15 308	13 650
Operating result	5 439	6 603	9 545	12 856	13 829
Cost-income ratio (in %)	70.21	66.86	58.42	54.35	49.67
Market shares of banks (as % of total assets):					
Joint stock banks	27.1	26.6	25.5	25.1	25.3
Savings banks	20.7	21.8	23.0	23.5	23.1
Mortgage banks	6.3	5.6	5.3	5.4	5.3
Raiffeisen cooperatives	34.5	35.5	36.3	35.8	35.6
Volksbank cooperatives	3.7	3.7	3.4	3.5	3.6
Building societies	2.3	2.1	2.3	2.3	2.4
Special-purpose banks	5.3	4.8	4.2	4.4	4.8

¹ Excluding branches from EEA countries in Austria (Article 9 BWG), credit guarantee banks, corporate provision companies, and exchange offices/remittance services.

Key figures of the Austrian financial sector 2020–2024

	2020	2021	2022	2023	2024 (prov.)
INSURANCE SECTOR					
Premiums written in Austria (direct gross amount, in € millions)	19 109	19 764	20 816	21 948	23 150
– Life insurance	5 360	5 390	5 338	5 079	5 143
– Health insurance	2 433	2 541	2 628	2 861	3 168
– Non-life and accident insurance	11 316	11 833	12 850	14 008	14 838
Technical account balance	554	766	584	547	380
Financial result	1 771	3 082	2 180	3 055	2 923
Result from ordinary activities	744	1 942	967	1 753	1 635
PENSIONS KASSEN					
Assets under management (in € millions)	24 969	26 969	24 351	26 380	28 719
Investment performance (in %)	2.49	7.63	–9.68	6.41	7.77
CORPORATE PROVISION COMPANIES					
Assets under management (in € millions)	14 489	16 524	16 561	18 846	21 284
Performance (in %)	1.41	4.05	–7.66	4.62	4.93
INVESTMENT FUNDS					
Assets under management (in € millions)	191 894	218 816	187 769	202 131	220 937
– Money market funds	–	–	–	–	–
– Short-term bond funds	5 777	6 069	5 010	4 294	5 003
– Bond funds	62 282	62 440	52 705	58 762	62 991
– Equity funds	33 721	44 086	36 505	40 817	47 029
– Mixed funds	89 865	105 881	93 202	97 980	105 636
– Hedge funds of funds	82	134	151	104	92
– Derivative funds	167	207	196	173	186
Annual net growth/net outflows	5 973	14 219	–582	620	3 094
Real estate funds	9 634	10 743	11 006	9 335	7 754
Alternative investment funds by AIFMs licensed or registered pursuant to the AIFMG only	974	1 100	1 471	1 698	1 980
CAPITAL MARKET					
ATX at year-end	2 780	3 861	3 126	3 435	3 663
ATX total return performance (in %)	–12.8	43.6	–15.95	15.44	12.09
Market capitalisation (in € millions)	106 607	142 177	114 873	125 561	125 889
Market capitalisation equity segment (as % of GDP)	28.1	35.3	25.7	26.3	26.2
Sales equity segment (in € millions, double counting)	68 783	73 320	71 973	54 452	64 091
Sales bond segment (in € millions)	665	522	390	444	489
Sales structured products segment (in € millions)	863	808	923	782	912
Average government bond yields weighted by outstanding amounts (in %, year-end)	–0.46	–0.20 ²	2.50 ²	2.69 ²	2.46 ²
Number of issuers (regulated market)	112	111	107	110	106

² As at 31 December 2024.

Key figures FMA 2020–2024

	2020	2021	2022	2023	2024
INCOME (in € thousands):					
Federal Government contribution	4 167	4 500	5 100	5 100	5 100
Income from entities liable to pay costs	62 773	60 803	65 768	76 209	85 750
Income from fees, other income	5 729	9 278	7 467	7 922	7 858
Total	72 669	74 582	78 335	89 231	98 709
EXPENSES (in € thousands):					
Personnel expenses	47 214	48 112	51 088	58 545	64 805
Material expenses	23 876	24 409	25 493	28 442	30 732
Depreciation and amortisation, other expenses	1 578	2 061	1 754	2 244	3 172
Total	72 669	74 582	78 335	89 231	98 709
EMPLOYEES					
Employees at year-end in FTEs	384.89	389.99	407.59	424.23	426.69

Supervised companies 2020–2024

	2020	2021	2022	2023	2024
CREDIT INSTITUTIONS					
Joint stock banks	37	35	35	35	36 ³
Special-purpose banks ⁴	58	57	55	55	53
Savings banks	49	49	49	49	49
Raiffeisen cooperatives	354	338	315	296	284
Volksbank cooperatives	9	9	9	9	9
Mortgage banks	8	6	6	6	6
Building societies	4	4	4	4	4
EU branches	24	23	21	19	17
Total	543	521	494	473	458
Payment institutions	6	7	6	6	6
INSURANCE UNDERTAKINGS					
Mutual associations (excluding small mutuals)	6	6	6	6	6
Joint stock companies	28	27	27	26	26
Small mutual associations	45	44	44	41	41
Total	79	78⁵	78⁵	74⁵	74⁵
EEA insurers in Austria (operating through branches)	28	28	27	25	24
Mutual associations dealing in asset management/private foundations	6	6	6	6	6
Business areas:					
Life	22	22	22	22	22
Non-life and accident	30	28	28	27	27
Health	9	10	10	11	11
Reinsurance only	1	1	1	1	1
PENSIONS KASSEN	8	8	8	8	8
CORPORATE PROVISION COMPANIES	8	8	8	8	8
ASSET MANAGERS					
Investment fund management companies pursuant to InvFG	14	14	14	14	14
Licensed AIFMs	23	22	22	22	22
– Real estate investment fund management companies purs. to ImmoInvFG	5	5	5	5	5
Registered AIFMs	31	34	38	38	40
– EuVECA managers	10	12	14	15	17
INVESTMENT SERVICE PROVIDERS					
Investment firms	64	64	65	62	62
Investment service providers	48	47	45	45	45
Total	112	111	110	107	107

³ Includes one sector change from special-purpose bank to joint stock bank.
⁴ Including special-purpose banks, investment fund management companies, corporate provision companies, and exchange offices/remittance services.

⁵ Including Austrian branch of Helvetia Schweizerische Versicherungsgesellschaft AG.

FINANCIAL MARKET AUTHORITY ANNUAL REPORT 2024

PURSUANT TO ARTICLE 16 PARA. 3 FMABG

MISSION STATEMENT

THE FMA

is Austria's independent, autonomous and integrated supervisory and resolution authority. As an integrated authority our overall perspective of the Austrian financial market enables us to conduct consistent and efficient supervision. We are part of the European System of Financial Supervisors (ESFS) and actively contribute with expertise and practical experience.

With competence, control and consistency, we pursue the aims of contributing towards the stability of Austria as a financial market and reinforcing confidence in the ability of the Austrian financial market to function, while acting in a preventive manner with respect to compliance with supervisory standards, and also protecting investors, creditors and consumers alike.

COMPETENCE

We use a risk-based and solution-oriented approach to address complex issues and apply our knowledge in a target-oriented manner in the interest of integrated supervision. Furthermore, we create a positive and constructive working environment and constantly invest in training and further education. We base our actions on the principles of objectivity and independence, and excel as a result of our commitment to act both quickly and appropriately in a constantly changing environment.

CONTROL

We monitor the Austrian financial market and ensure compliance with regulatory requirements. We fulfil our mandate responsibly, safe in the knowledge of the significance of our work for financial market stability. At the same time we act in a preventive manner and conduct constructive dialogue with market participants.

CONSISTENCY

We demand that all market participants conduct their business in a law-abiding manner, and work towards necessary and sustainable behavioural change. In the event that breaches of legal provisions nevertheless occur, we deploy the supervisory tools and resolution actions that are at our disposal. Violations are punished consistently.

PUBLISHER INFORMATION

Published by: Austrian Financial Market Authority (FMA)

A-1090 Vienna, Otto-Wagner-Platz 5

Phone: +43-1-249 59-0, Fax: +43-1-249 59-5499

www.fma.gv.at

Sources (unless otherwise stipulated): FMA

Errors and omissions excepted.

*Printed according to the Guideline "Printed products" of the Austrian Ecolabel,
Print Alliance HAV Produktions GmbH, Ecolabel No. 715*



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FINANCE MINISTER'S FOREWORD



LADIES AND GENTLEMEN

Another year full of challenges is behind us. The same macroeconomic and geopolitical uncertainties that dominated events in 2023 continued to feature in 2024. Inflation began to fall significantly from the middle of the year onwards, enabling the European Central Bank to cut interest rates in an attempt to get the economy moving again. Despite these cuts, economic activity failed to pick up any obvious speed by the end of the year in Austria or in Germany, by far our most important trading partner. Economic output declined for the second year in a row.

While lenders profited from another above-average result, buoyed by the considerably higher interest rates than in earlier years, they also faced a deterioration in credit quality. The proportion of ailing loans grew to 2.7% in response to the persistently weak phase in the economic cycle, with sharp increases in the case of commercial real estate loans and SME lending in particular.

FINANCING OF RESIDENTIAL AND COMMERCIAL REAL ESTATE

The situation remained challenging in the real estate sector and in the construction and ancillary construction sectors in 2024. The number of insolvencies and recovery measures grew markedly. Higher interest rates compared with the period up until 2022 made things much more difficult for home buyers.

In light of the changes to the basic economic environment, the Financial Market Stability Board (FMSB) established that the lending standards being applied by banks had greatly improved since the entry into force of the Regulation on Real Estate Financing Measures in Credit Institutions (KIM-V). The proportion of residential property loans hit by defaults developed comparatively positively. Together with the increased capitalisation of the banking system, these factors have combined to create a situation in which no systemic risk with a serious negative impact on financial market stability can currently be identified as resulting from residential property financing. Consequently, the KIM-V will come to an end on 30 June 2025.

In the commercial property financing segment, growing risks prompted the FMSB to recommend that the FMA apply a sectoral systemic risk buffer. This recommendation takes account of the fact that both default rates and risk provisions for commercial property loans have been on the rise for several quarters. At the same time, the growth in risk provisions has lagged behind that of defaults, although the FMSB has repeatedly recommended that the lending industry make use of the scope created by increased profits for higher risk provisions and more cautious property valuations.

SUSTAINABLE FINANCE

The year 2024 brought numerous regulatory developments in the area of sustainable finance, including the EU Green Bond Regulation and ESG Ratings Regulation, both of which will apply as of June 2026. All of these initiatives aim to increase transparency around sustainable capital allocation and investment decisions, thereby promoting the transition to an environmentally sustainable economy. The introduction of regulations at EU level requires accompanying national legislation, which has already been initiated in this case.

The updated version of the FMA's Guide for Managing Sustainability Risks actively helps financial companies to prepare for and implement regulatory demands. Thanks to its comprehensive reference to the EU taxonomy, the Guide is an essential tool in relation to questions about sustainability.

REGULATION OF THE MARKETS FOR CRYPTO ASSETS

The European Markets in Crypto-Assets Regulation (MiCAR) has been fully applicable since 30 December 2024. As the responsible authority, the FMA has intensively prepared to supervise the Austrian crypto market. The comprehensive European regulation marks a major milestone towards greater integrity, transparency and reliability in a section of the financial market that has been growing strongly to date, but is also often opaque, and in which investment fraud is an increasingly serious problem.

MiCAR aims to bring crypto assets and their issuers, as well as service providers, into a fully regulated environment. Professional market participants and consumers will benefit from a higher level of protection as a result.

MiCAR therefore not only raises the requirements for reputable market participants, for example with regard to capitalisation, redemption rights and strict information obligations (white paper), but also improves the sanctioning of unauthorised providers and creates greater transparency for investors. Individuals or companies that provide crypto-asset services without a licence will have to expect strict supervisory measures, sanctions and high penalties in future.

PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Preparations for the fifth country evaluation of Austria by the Financial Action Task Force (FATF) began back in 2023 and are likely to last until 2026. This evaluation of the systems in place to prevent money laundering, terrorist financing and proliferation financing of weapons of mass destruction has had a major impact on the FMA's work over the past few years. In addition to legal compliance with the FATF standards, the evaluation will review whether the rules on preventing money laundering and terrorist financing are being applied effectively.

The FATF evaluation also encompasses enforcement activity carried out by other federal ministries as well as adherence to standards on the part of the commercial sector and a range of different liberal professions. Achieving a positive result is crucial to Austria's reputation as a financial centre and base for business.

Against this background, the Sanctions Act (SanktG) was amended at the end of 2024. One of the key changes is that over the course of 2025 the FMA will assume tasks previously carried out by Oesterreichische Nationalbank. This means that, as of 1 January 2026, the FMA will bear sole responsibility for monitoring and enforcing sanctions in the financial sector, making things easier for the supervised entities, which will be able to utilise synergies with existing supervisory tasks.

FOREWORD

Through these measures the FMA is consistently pursuing stability, transparency and forward-looking regulation, all of which are key to maintaining a robust and resilient financial market.

This Annual Report can once again be viewed as a success story, recounting the valuable work done in the interests of a secure, stable and attractive financial market in Austria. I would like to thank all of the employees at the FMA for the professionalism and dedication to which we have become accustomed and which were once again on display in 2024, and I look forward to continuing our successful working relationship.

MARKUS MARTERBAUER

EXECUTIVE DIRECTORS' FOREWORD

The events of 2024 will have a long tail. Although the markets profited from a monetary policy volte-face and many financial service providers once again posted high profits and earnings, the economic outlook clouded unexpectedly. Risks are materialising; barely conceivable new hazards are accumulating.

The markets have been dominated by the transition to a cycle of monetary easing. Credit markets relaxed and the equity and bond markets have risen on the back of falling interest rates. Nevertheless, uncertainty in all quarters created volatility. Geopolitical tensions remained high. Since Donald Trump's return to the White House in the United States, aspects of global trade, the financial system and the security architecture that were once regarded as unshakeable have been called into question. Of course, there is still some hope that these developments could also mitigate global economic inequalities and open up new prospects.

The Austrian economy did not fare well in 2024. Inflation might have fallen, but it is still higher than in the eurozone and has been creeping up again since the start of the year. The economy shrank for the second year in a row, with a further decline expected for the current year. Unemployment is rising. The failure of numerous property developers demonstrates that some business models only appeared to be sustainable in a low-interest phase. There were also insolvencies in retail and, at the end of the year, in industry. The public deficit hit its highest level since the pandemic-affected year in 2021. We must hope, here too, that the shock will be sufficient impetus to seek new answers.

And despite all of this, Austrian banks registered another record year in 2024, making profits at a similarly high level to the previous year. Their CET1 capital ratio (around 17.5% in Q3) was above the European average. However, provisions for risk and non-performing loans are leaving ever deeper tracks in bank balance sheets. Austria's insurance undertakings posted 5.5% growth in premiums, up to € 23.2 billion. However, natural disasters in central Europe left their mark and reduced profits. Solvency remains solid: 80% of insurance undertakings have an SCR of over 200%, meaning they have more than twice the level of mandatory regulatory capital reserves. *Pensionskassen* and corporate provision companies are also well capitalised and liquid; their assets grew thanks to inflows of funds and investment gains. The capital market has performed well: the most important indices on the Vienna Stock Exchange ended 2024 in positive territory, in some cases registering record values during the year. Austrian-managed investment funds also recorded their highest ever total assets under management, in the region of € 231 billion.



FINANCIAL MARKET PROVES ITS STABILITY AND RESILIENCE

The Austrian financial market's resilience and resistance to crisis was demonstrated in 2024 by the containment of three exceptional negative events that had no impact on financial stability. One was the insolvency of several companies belonging to the retail and real estate conglomerate Signa. The reported balance sheet total was some € 24 billion, so the relatively limited extent of write-downs by Austrian lenders is also evidence of diligent supervision with regard to potential cluster risks and the granting of unsecured holding loans. The risk provisions and loan losses that actually had to be posted were digestible and will contribute to a future awareness of risk. The need for the FMA to intervene with a prohibition order on an Austrian bank, for reasons that included serious deficiencies in the area of AML, also had no contagion effects beyond the direct consequences for the institution itself and its customers. This proves that the loss of a credit institution from the market no longer has to be prevented at any price (potentially using taxpayers' money) – an important indicator of the market hygiene that was not apparent during and immediately after the banking crisis. Finally, the insolvency of the foreign owner of an Austrian insurance undertaking was managed, thanks in part to close attention of the insurance supervisor, without service interruption or losses for policyholders.

Our bottom-line summary is that:

- Austria's financial system is stable, liquid and profitable. We have fulfilled our statutory mandate, our core task, of maintaining and strengthening financial market stability.
- Furthermore, and more importantly, it is also evident that we must not neglect our consistent risk monitoring and risk management. Some of the hazards that the FMA has long been warning of are starting to materialise.
- The resilience of the financial sector is largely based on the measures that were implemented after the European and global financial crisis. Especially during this period of global uncertainty, it would be grossly negligent to cast these aside in the pursuit of the 'deregulation' that is happening on the other side of the Atlantic.

As regulators and supervisors we will continue to devote all our resources to doing everything in our power to support the financial market participants in such efforts: for the benefit of the stability of Austria's financial market and economy. The FMA will take a constructive approach to guiding the new Austrian government's plans, in particular the planned opening of the second pillar for pensions and plans to mobilise savings for future investments in the context of the Capital Markets Union.

As a supervisory authority, the FMA must act with foresight and anticipation. We therefore carry out a medium-term risk analysis every year, on the basis of which we then derive our supervisory and inspection priorities. For 2025 these are:

- Resilience and stability: Through our forward-looking, cross-sector and integrated supervision we ensure the resilience of the financial market and strengthen the supervised institutions' resistance to crisis.
- Digitalisation and new business models: We carry out a supervisory role that is appropriate for the business models, that provides the regulatory context for the risks and opportunities of digitalisation and that ensures the digital resilience of the financial market.
- Sustainability: We demand that attention is paid to sustainability risks, encouraging market transparency and fighting greenwashing.
- Collective consumer protection: We work to uphold collective consumer protection

and market transparency through effective complaints management at financial institutions, the targeted provision of information and supervisory actions.

- A clean financial centre: We make a significant contribution to a clean financial centre by ensuring the integrity of the market.
- Data-driven supervision: We are meeting the challenges of digital change with a powerful IT system, integrated, data-driven supervision methods and an agile organisational structure.

We would like to focus here on just four of our priorities with a few words that connect last year with the current year: risks from real estate finance, AML and financial sanctions, the European regulations on crypto assets and digital resilience, and sustainability in the financial sector.

The FMA will continue to pay attention to sustainable lending with regard to private residential property (*see also “Real estate risks” on page 63*) following the end of the KIM-V. Excessively high prices for residential property must not lead to households becoming heavily indebted, with the resulting negative impact on the financial market. In addition to close monitoring of lenders’ risk management, the introduction of the sectoral systemic risk buffer will take centre stage in commercial real estate financing this year, since Austria – in contrast to other countries – still finds itself mid-cycle with regard to problem loans in this area.

The Austrian financial sector has made significant progress in preventing money laundering and terrorism financing in recent years, and market participants’ efforts have paid off. It is now clear that a lackadaisical approach to this topic could even result in an exit from the market. In 2026 the FMA’s zero tolerance strategy will be extended to financial sanctions, with preparations starting this year. A strong European AML authority will also be established, in which the FMA will play an active role.

Following the FMA’s extensive preparatory work last year – widely regarded as exemplary by our stakeholders – the practical implementation of two ground-breaking European legislative frameworks is slated for 2025: the Markets in Crypto-Assets Regulation (MiCAR) and the Digital Operational Resilience Act (DORA). The FMA’s approach to crypto assets is that only strong and diligent supervision is capable of securing the best conditions for a sustainably healthy and reliable market. The FMA will not participate in a race to the bottom that risks consumer rights and confidence and the clean financial centre in the short-sighted and short-term pursuit of market share.

We continue to believe in relation to sustainability that the risks of climate change for participants in the financial market will not disappear simply due to the vagaries and vicissitudes of political and regulatory debate. This point was made recently in our updated Sustainability Guide, which we have now published following concerted debate and consultation with stakeholders in the past year.

FIT FOR FUTURE – FMA 2025

We not only ask our stakeholders to look ahead, to pinpoint the challenges and to address the risks. We practise what we preach. The change programme “Fit for Future – FMA 2025” was completed in 2024. It analysed the organisational structure, processes and corporate culture of the FMA to ensure that we are future-proof. Through the actions and initiatives arising from this programme (*see also “Fit for Future” on page 13*) the FMA has created a sound foundation for its future activity as a modern, efficient and technologically advanced supervisory authority.

GRATITUDE AND APPRECIATION

It is also very important to us that we express our thanks and appreciation to all of our employees for their professional and personal commitment. Without their tireless and unreserved dedication, and their creative and innovative thinking, it would not have been possible to establish the FMA as the independent and integrated supervisory authority for practically the entire Austrian financial market. We would also like to thank our partners in the supervision of the Austrian financial market for the trusting and consistently high-quality working relationship that we enjoy with them. This applies both domestically, with the Federal Ministry of Finance and Oesterreichische Nationalbank, and internationally, with the Single Supervisory Mechanism of the euro countries under the lead of the ECB, and the European Supervisory Authorities for banks, insurance undertakings, occupational pension providers, and market and securities supervision.

Thank you.

EDUARD MÜLLER and HELMUT Ettl

FIT FOR FUTURE

The FMA launched its transformation programme “Fit for Future – FMA 2025” in 2023, laying the foundations for an agile, forward-looking and technologically advanced supervisory activity. With an objective to thoroughly modernise the FMA’s operations, the programme also sought to deliver specific results across its six project areas: People, Culture, Organisation, Technology & Infrastructure, Market Communication and Data Strategy. The transformation process, which ran until the end of 2024, brought about a range of key advances in many different areas.

Consistent **application of digital technologies** and the optimisation of the authority’s processes were at the core of the reorganisation. Supervisory activity has become more efficient as a result. One of the central measures was to optimise the ways in which the FMA works with data. New SupTech (supervisory technology) tools are achieving huge improvements in data analysis, simplifying the process of making informed decisions. At the same time, the entire data management operation has been reorganised to ensure that information can be used and connected more efficiently.

Another important milestone was the modernisation of our employees’ working environment as a whole. Alongside upgrades to bring the technical infrastructure completely up to date, the development of education and training has played a central role. A new continuing **education programme** was developed in collaboration with a university to respond to the increasing requirements facing a modern supervisory authority (*see page 131*). This has reinforced employees’ specialist expertise and technology skills.

The FMA’s efforts to engage with data-driven supervision and a holistic supervisory approach are worthy of special mention. A newly developed IT strategy addresses the IT and data architecture, new collaborative solutions and optimisation of the application landscape, thus forming the basis for the use of more advanced technologies. In the context of the FMA’s digital development, the “**360° Supervision**” IT project is a major breakthrough that will enable a holistic and integrated perspective of the entire financial market (*see page 85*). This will mean that potential risks can be detected at an earlier stage, with more targeted interventions in response.

Another achievement in terms of digital innovation was the creation of the **Innovation Lab**. This platform now allows new technologies to be trialled and integrated into specific areas of the supervisory role. Artificial Intelligence (AI) is set to play a major role here. AI-supported analysis using technologies such as Natural Language Processing (NLP) and Large Language Models (LLMs) has come through successful trials in specific supervisory tasks and makes it much easier to process and analyse large volumes of data.

New channels for communicating with supervised entities have also been established as a further aspect of the transformation. For example, “**Let’s talk about supervision**” is an innovative conversational format that allows for short and snappy presentation of the supervisory expectations and more in-depth dialogue with market participants. The aim in developing this channel was to further improve transparency of the supervisory process and strengthen mutual understanding between the Authority and supervised entities.

These initiatives are merely a brief snapshot of the outputs from the transformation programme. In their entirety, these actions and optimisations have achieved the successful realisation of the “FMA 2025” strategy, firmly cementing the FMA’s position as a forward-looking institution. It was a core ambition not only to make changes in the short term and medium term, but to make sustainable and continuing progress.

The end of the transformation programme does not signify the end of transformation. The FMA sees transformation as an ongoing process that will keep the supervisory authority on course for sustainable success. The next step is now to embed this transformational impetus permanently into the FMA’s organisational culture. To remain flexible, innovative and up to date in the future, findings from the transformation programme have also flowed into new and more agile channels for bilateral communication and integrated collaboration. In addition, the continual development process will be encouraged through regular examination of ongoing change and the FMA’s own capacity for change.

These far reaching measures have allowed the FMA to establish a firm foundation to act as a modern, efficient and technologically advanced supervisory authority in the future.

2024 AT A GLANCE

FINANCIAL MARKET AUSTRIA

877 supervised companies **€ 1 408.7 billion** assets under management

441 BANKS¹

- **€ 1 021bn** total assets
- **284** Raiffeisen cooperatives, **53** special-purpose banks, **49** savings banks, **36** joint stock banks, **9** Volksbank cooperatives, **6** mortgage banks, **4** building societies
- **17** EEA branches
- **6** payment institutions
- **83** notified EEA credit institutions

8 CORP. PROV. COMPANIES

- **€ 21.3bn** assets under management
- **+4.9%** investment performance 2024
- **€ 968m** disposal options 2024

74 INSURANCE UNDERTAKINGS

- (41 of which small mutuals)
- **€ 107bn** assets under management
 - **24** EWR insurers, **1** third-country insurer
 - **€ 23bn** premiums written

76 ASSET MANAGERS

- **14** KAG, **5** Immo-KAG, **4** licensed-only AIFMs, **40** registered AIFMs
- **2 099** domestic investment funds (887 UCITS, 1 212 AIFs)
- **11 590** authorised foreign investment funds (8 140 UCITS, 3 450 AIFs)

¹ Excluding EEA branches and payment institutions.

8 PENSIONS KASSEN

- **€ 28.7bn** assets under management
- **> 1m** beneficiaries
- **14%** drawing a PK pension
- **+7.8%** investment performance 2024 (+3.2% ten-year average)

122 INVESTMENT SERVICE PROVIDERS

- **62** investment firms, **45** investment service providers, **3** AIFMs, **8** investment fund management companies, **4** insurers
- **15%** investment advice, **67%** portfolio management, **18%** transmission of orders
- **3** market infrastructures, **13** VASPs, **1** benchmark administrator, **2** crowdfunding providers

CAPITAL MARKET AUSTRIA

€ 125.9 billion market capitalisation **+6.6%** performance 2023 (ATX)

VIENNA STOCK EXCHANGE

- **21 605** traded financial instruments
- **106** issuers
- **€ 65.5 billion** trading volume (€ 64.1 billion shares, € 489 million bonds, € 911.6 million structured products)
- **62 million** transaction reports (22 million Austrian, 40 million TREM)

SUPERVISORY ACTIVITY

- **103** investigations into market abuse
- **374** ad hoc reports
- **907** directors' dealing reports
- **191** periodic disclosure reports
- **86** approved prospectuses

THE FMA IN 2024

JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE
<p>19/1 Bilateral exchange BaFin-FMA</p>	<p>6-7/2 FMA meets Claudia Buch, Chair of ECB banking supervision</p>	<p>22/2 FMA dialogue on DORA</p> <p>1/3 IMF recommendations on distribution policy and sustainable lending standards</p>	<p>23/4 FMA recognised with 2024 OekoBusiness Vienna award</p>	<p>25/4 Michael Hysek reappointed as Co-Chair of SUPRISC Standing Committee</p> <p>23/5 FMA creates legal framework for electronic prospectus submission and approval</p> <p>14/5 FMA publishes Annual Report 2023</p>	<p>7/6 Oliver Schütz elected Chair of EBA Resolution Committee</p> <p>13/6 FMA amends KIM-V</p> <p>17/6 FMA publishes 2023 AML Report</p>

THE FMA

2002: **17** laws → 2024: **40** laws

STAFF

Actual staffing levels:

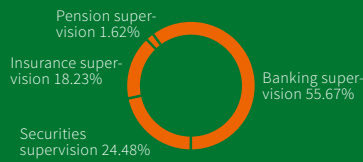


- **461** employees
- **86%** with degree
- **52%** women
- **37%** women in management positions
- **50%** with additional qualifications
- **40** languages

BUDGET

Federal contribution	€ 5.1m
Fees	€ 7.4m
Entities liable to pay costs	€ 85.8m
Total	€ 98.3m
Of which → OeNB	€ 10.8m

Division among entities liable to pay costs:



THE FMA IN DIALOGUE

- **72** press releases
- **5** press conferences
- **8** newsletters
- **12** “Let’s talk about money” articles
- **650** participants in Supervisory Conference (4 300 online)
- **3 100** enquiries/complaints made to the FMA
- **241** posts on X and LinkedIn
- **17 000** followers on LinkedIn
- **269** new articles on FMA website

OPERATIONAL SUPERVISION AND PROCEDURES

201 on-site measures **332** management talks **63** administrative penalties

ANALYSIS AND PROCEDURES

- **201** on-site measures
- **332** management talks
- **58** MoUs with 45 states
- **11** new licences, **11** expired/withdrawn
- **705** fit and proper tests
- **517** outsourcing procedures

FINANCIAL REPORTING ENFORCEMENT

- **23** Inspections
- **17%** error rate

SANCTIONS AND LAW

- **63** administrative penalties
- **€ 6.3m** total penalties
- **€ 2.1m** maximum penalty
- **97** reports to public prosecutors

MONEY LAUNDERING PREVENTION

- **78** investigations, **44** administrative penal proceedings

FIGHTING UNAUTHORISED BUSINESS OPERATIONS

- **350** investigations
- **147** warning notices
- **52** reported offences

WHISTLEBLOWER REPORTS

- **824** whistleblower reports, 206 of which relevant to supervision
- **114** in-depth investigations
- **19** reported offences

BANK RESOLUTION

- Responsible for resolution planning at **345** banks
- **No contributions** in 2024 due to legal target of 1% of covered deposits in euro area being met

4/7 Eduard Müller re-elected to ESMA Management Board

1/7 FMA publishes 2023 study on state-sponsored retirement provision

7/8 FMA launches “Let’s talk about supervision” format

30/7 FMA presents 2024 fund fee comparison

9/9 6th Compliance, and Prevention of Money Laundering practice workshop

19/9 Loans following flood damage outside scope of KIM-V

2/10 FMA implements ESMA guidelines on ESG terms in fund names

16/10 FMA prohibits Euram Bank from continuing operations

8/10 15th FMA Supervisory Conference

27/11 FMA exposes insider dealing

20/11 FMA assigned monitoring tasks for financial sanctions from 2026

26–27/11 Four-country meeting FINMA (SUI), BaFin (GER), FMA LIE, FMA AUT

9/12 FMA publishes priorities for supervision and inspections in 2025

30/12 FMA assumes supervision of crypto market in Austria (MiCAR)

JULY AUGUST SEPTEMBER OCTOBER NOVEMBER DECEMBER

PRIORITIES FOR SUPERVISION AND INSPECTIONS IN 2024

Every year the Financial Market Authority (FMA) reviews, evaluates and revises its medium-term risk analysis for the financial markets over the next five-year period and adjusts its medium-term supervisory strategy accordingly. In accordance with its unequivocal commitment to maximum transparency in its supervisory activities, it communicates both its risk analysis and the supervisory and inspection priorities derived from it for the coming year to the supervised entities and the entire market in advance (see Facts and figures, trends and strategies 2024 publication).

In 2023 the FMA derived and determined the following supervisory and inspection priorities for 2024 from its risk analysis 2024–2028 and the adapted medium-term supervisory strategy based on it:

- **RESILIENCE AND STABILITY:** To strengthen the resilience of supervised financial service providers and preserve the stability of the Austrian financial market as a whole.
- **DIGITAL TRANSFORMATION:** To exploit the opportunities of digitalisation while also consistently addressing the associated risks.
- **NEW BUSINESS MODELS:** To provide regulatory and supervisory support for innovative business models as early as possible in order to promote the innovative strength of the Austrian financial market, to ensure fair competitive conditions and to guarantee appropriate consumer protection.
- **COLLECTIVE CONSUMER PROTECTION:** To further develop consumer protection in a rapidly changing environment focusing on digital transformation, changing consumer behaviour, demographic development and the interest rate turnaround.
- **SUSTAINABILITY:** To provide regulatory and supervisory support and assistance to the financial market and all its participants during the transition to a sustainable economic model.
- **A CLEAN FINANCIAL CENTRE:** To secure the clean character and reputation of the Austrian financial centre at all levels.

In setting these supervisory and inspection priorities for 2024, the FMA has addressed current developments and trends that harbour particular risk potential for supervised companies or markets while also presenting opportunities and potential. Proactive communication has made the supervised entities aware of risk areas in their business area and also gave them the opportunity to prepare specifically for the risk-oriented supervisory priorities in 2024. This created transparency around supervisory activities and heightened risk awareness.

The FMA therefore undertook the following projects in the reporting year to implement the priorities for supervision and inspections.

RESILIENCE AND STABILITY

Strengthening the forward-looking supervisory approach – Addressing vulnerabilities – Developing recovery and resolution concepts

■ Identifying and closely monitoring risks, and targeted action to address vulnerabilities: The geopolitical, real and financial developments were a burden on financial market players, as expected. Forward-looking supervisory work, including the identification and addressing of vulnerabilities at micro and macro level, was therefore crucially important. In addition to the effects of inflation, the focus was on the following risks and their impact on companies:

- Interest rate risk
- Credit risk
- Liquidity risk.

The focus on excessive developments in the property sector – both commercial and residential real estate – was continued and taken further. The Austrian Financial Market Stability Board recommended a sectoral systemic risk buffer for commercial real estate finance. However, the FMSB did not see any need to extend the term of the Regulation on Real Estate Financing Measures in Credit Institutions (KIM-V; *Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung*). Related stress testing had been carried out in this context.

■ Strengthening corporate governance: Strong and solid governance is the ideal foundation from which to cope with challenging times. Governance as a whole, and the key functions and their interaction with each other, can be further improved and strengthened by means of:

- Fit & proper tests
- Deep dives
- Theme-based analysis of priorities

Figure 1: FMA's supervision priorities for 2024



- The continuation of a structured dialogue with businesses.
- **Integrating new investment firms into the supervisory and resolution regime:** The entry into force and national applicability of the new supervisory regime for investment firms (IFD¹/IFR²) has meant the introduction of a new class of investment firms. In order to ensure their smooth integration into ongoing supervision and the resolution regime (including the establishment of a separate national resolution fund managed by the FMA), this area was made a key priority.
- **Intensifying the review of credit institutions' resolvability:** Banks' resolution strategies and plans were subject to more stringent reality checks. This means that, in addition to ongoing off-site analysis, they were subjected to realistic tests and actual/target comparisons. One focus was on the testing of management information systems (MIS) in the event of resolution.

DIGITAL TRANSFORMATION

Status of digitalisation in Austria – Strengthening operational resilience – Preparing for DORA

- **Survey on the status of digitalisation on the Austrian financial market:** The FMA has already conducted comprehensive digitalisation studies on the Austrian financial market, doing so in 2019 and 2021. A further cross-sector survey was conducted in 2024, which was used to derive an Austrian Digital Finance Landscape. The aim of this digitalisation map was:
 - To determine the current level of digitalisation in companies in the various financial sectors
 - To provide an overview of the IT landscape at the supervised companies
 - To recognise interdependencies with other market participants in information and communication technology
 - To show how the supervised companies have developed since 2019.
- **Strengthening the digital operational resilience of companies and the financial market:** Once again in 2024 the FMA continued to focus on the digital operational resilience of market participants and analysed their development. This involved:
 - Assessing and updating the maturity levels of supervised institutions in their management of cyber risks (Cyber Maturity Level Assessments)
 - Progressing the roll-out of the FMA's cyber exercises designed to review companies' cyber resilience
 - Carrying out a cloud assessment for all sectors
 - Evaluating the impact of artificial intelligence applications on business models and business processes and incorporating this into the risk assessment
 - Focusing supervisory activities on the impact of artificial intelligence on market stability (e.g. through herding or threshold effects)
 - Focusing on IT security during on-site inspections.
- **Digital Operational Resilience Act – DORA³:** The Regulation on digital operational resilience for the financial sector, including the associated Level 2 and Level 3

¹ Directive (EU) 2019/2034 of the European Parliament and of the Council of 27 November 2019 on the prudential supervision of investment firms and amending Directives 2002/87/EC, 2009/65/EC, 2011/61/EU, 2013/36/EU, 2014/59/EU and 2014/65/EU.

² Regulation (EU) 2019/2033 of the European Parliament and of the Council of 27 November 2019 on the prudential requirements of investment firms.

³ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

measures, has been applicable in Austria since 17 January 2025. DORA comprehensively addresses and harmonises the risks associated with the information and communication technologies (ICT) used by financial companies with the aim of ensuring their operational resilience and stability. It also covers third-party ICT providers that are categorised as critical in its scope and in supervisory activity. Relevant financial service providers and third-party ICT providers are required to comply with numerous digital security and reporting obligations in order to make financial service providers more resilient to cyberattacks and mitigate other risks from the use of ICT. In order to successfully fulfil these tasks, the FMA will increasingly be using new technologies, the selection and implementation of which will be supported and promoted by the FMA's internal Innovation Lab. To prepare for DORA, the FMA:

- Set up an internal competence centre for the consistent application of the new European regulations across all sectors (a DORA Hub)
- Systematically recorded third-party ICT providers and categorised them according to criticality
- Evaluated new SupTech applications for the FMA and implemented them in the interest of efficient digitalised supervisory activities (e.g. for consumer complaints and enquiries, analysis relating to the fund sector and for capital market prospectuses)
- Created the organisational and technical requirements for incident reporting
- Continued to develop the audit programmes.

NEW BUSINESS MODELS

Implementation of MiCAR – Connecting factors with existing and new business models

■ Implementation of MiCAR – Conceptual design and internal organisational structure: The expected powers and tasks of the FMA within the framework of the Markets in Crypto-Assets Regulation (MiCAR)⁴ are diverse and range from authorisation procedures, answering legal questions, and representing Austrian interests in international working groups to numerous activities as part of ongoing supervision. A core aspect of the FMA-wide preparations for MiCAR was the establishment of a supervisory structure for the authorisation and ongoing supervision of crypto-asset service providers (CASPs), issuers of asset-referenced tokens (ARTs) and electronic money tokens (EMTs), the monitoring of white papers, and preparing for market monitoring and market abuse prosecution. To this end, the FMA focused on the following areas in 2024:

- Definition and integration of the structural and procedural organisation for MiCAR
- Preparation of authorisation and ongoing supervision of CASPs, issuers of ARTs and EMTs
- Evaluation of the use of artificial intelligence to review and analyse white papers for crypto assets that are not ARTs or EMTs
- Design and preparation of internal processes for market monitoring and market abuse detection, taking into account the scope of the institutions to be supervised.

⁴ Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

- **Connecting factors to MiCAR for existing and new business models:** In accordance with its integrated supervisory approach, the FMA identified, analysed and recorded potential connecting factors to MiCAR in relation to banks, FinTech enquiries, the operation of the regulatory sandbox, and the prevention of money laundering and terrorist financing from the perspective of supervision. In particular, the FMA examined whether supervised institutions or newly interested licence applicants offer MiCAR business models. In this context, the FMA carried out the following measures:
 - Dialogue with credit institutions planning to sell services and products relating to crypto assets to retail clients
 - Analysis and consideration of conduct and governance issues in MiCAR implementation
 - Monitoring of market developments in crypto assets, as well as integrated assessment of new business models and development of structures to consistently combat unauthorised providers with regard to MiCAR implementation
 - MiCAR-related consumer information and communication
 - Identification of potential, innovative business models for the further development of the regulatory sandbox, taking particular account of the new opportunities presented by MiCAR, and monitoring of market developments
 - FinTech Navigator update to take account of MiCAR
 - Monitoring and analysis, as well as networking and targeted coordination with European partner authorities with regard to applications from cross-border VASPs⁵/CASPs in order to prevent regulatory arbitrage and to consistently develop the FMA's zero tolerance policy in the crypto sector
 - Analysis of money laundering and terrorist financing risks in cooperation models between the traditional financial sector and the crypto sector.

COLLECTIVE CONSUMER PROTECTION

Insurance distribution – Fraud prevention – Digital distribution – Payment services

- **Insurance distribution:** Compliance with the legal requirements for internal product development and product approval procedures for insurance investment products was a supervisory priority in 2024. By applying the requirements of the European Insurance and Occupational Pensions Authority (EIOPA)⁶, the FMA ensured that the insurance investment products developed meet the needs of the target market, namely that they take into account the objectives, interests and characteristics of customers and avoid negative effects for them. On-site audits are also carried out on topics relating to insurance distribution and to product oversight and governance (POG), and the supervisors' expectations regarding the internal organisation of POG requirements for insurance investment products are communicated.
- **Prevention of investment fraud:** Given the persistent and huge increase in investment fraud, the FMA strengthened its target group-oriented consumer information and moved into new media channels. This included cooperation arrangements with the Oesterreichische Nationalbank (OeNB) and the evaluation of a joint approach with various different stakeholders.
- **Market monitoring with a focus on digital distribution:** Market monitoring was

⁵ Virtual Assets Providers.

⁶ EIOPA Methodology to assess value for money in the unit-linked market, EIOPA-BOS-22/482.

expanded with a focus on the younger nature of the capital market and the associated risks. A special focus was placed on digital sales and online platforms. A deep-dive analysis compared the age groups and their investment behaviour in terms of risk-taking, such as a lack of diversification or increased trading activities.

- **Conduct focus on rights and obligations when using payment services:** Consumer protection authorities, the European Banking Authority (EBA) and the FMA are increasingly becoming aware of phishing and social engineering fraud. As part of its remit under the Payment Services Act (ZaDiG 2018; *Zahlungsdienstegesetz*), the FMA therefore focused on compliance with the obligations placed on credit institutions in relation to transaction monitoring/transaction risk analysis. As a first step, it worked on obtaining a market overview of the transaction monitoring mechanisms⁷ and customer information of selected credit institutions. Anomalies and supervisory expectations as well as best practices were then discussed with the market in order to raise market standards in fraud prevention.

SUSTAINABILITY

Integration of climate and environmental risks – In-depth greenwashing analysis

- **Integration of climate and environmental risks into risk management, governance and strategy:** As part of the European Green Deal, the FMA and OeNB were actively involved in the 2024 scenario analysis with a focus on the Austrian market. In addition, climate stress tests were carried out at national level across several sectors and industries. The climate scenarios used in these were based on those specified by the European Commission. Meanwhile, the review of the integration of sustainability risks into risk management, strategy and governance as part of the supervisory review and evaluation process (SREP) was one of the FMA's supervisory and inspection priorities. The results of the implementation check of the FMA Guide for Managing Sustainability Risks were taken into account, and the supervised entities were provided with a broad knowledge base of supervisory expectations with an updated Guide.
- **More in-depth greenwashing analysis of sustainability transparency and disclosures:** Compliance with the regulatory requirements on sustainable finance and the associated transparency regulations were increasingly integrated into ongoing supervisory activities. This applied in particular to the implementation of the new requirements arising from the obligation to provide information on sustainability aspects in accordance with the Corporate Sustainability Reporting Directive (CSRD)⁸. An analysis and review process for the existing reporting and disclosure requirements on sustainability in connection with the Taxonomy Regulation⁹, in particular Article 8, was also established. The disclosures in accordance with the Disclosure Regulation (SFDR)¹⁰, the Taxonomy Regulation and the Non-Financial Reporting Directive (NFRD)¹¹ are designed to reduce the risk of greenwashing. In

⁷ Article 2 of Commission Delegated Regulation (EU) 2018/389.

⁸ Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

⁹ Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088.

¹⁰ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

¹¹ Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive 2013/34/EU as regards disclosure of non-financial and diversity information by certain large undertakings and groups.

order to further reduce this risk, the fight against greenwashing in funds and sales was prioritised. Convergent supervisory approaches and effective measures to prevent greenwashing were also prioritised in insurance and pension supervision. The inspection focus on sustainability in the sale of ESG financial products by banks was retained and further developed.

CLEAN FINANCIAL CENTRE

Transparency – AML prevention

- **Social Media Monitoring:** In the fight against market abuse, processes and systems for the ongoing relevant monitoring of social media were evaluated and an implementation draft was prepared.
- **Transparency rules:** As part of ongoing market monitoring, particular attention was paid to Austrian bond issuers' compliance with the regulatory requirements in terms of transparency (ad hoc disclosure and directors' dealings) and compliance with the Market Abuse Regulation (MAR¹²; insider lists and trading bans). To this end, investigations were conducted on an ad hoc basis and compliance checks carried out randomly with regard to blocking periods and insider lists.
- **Whistleblowing:** In order to manage the increase in whistleblower reports efficiently and effectively, IT solutions for recording whistleblower reports and monitoring the processes, measures and results were evaluated and put in place. The results of the Court of Audit's report were implemented and the processes under the Whistleblower Protection Act (HSchG; *HinweisgeberInnenschutzgesetz*) further developed in accordance with how the ministries concerned interpret the Act.
- **Combating money laundering and terrorist financing:** The FMA's consistent policy of zero tolerance was taken further across all sectors, and the strict standard in the registration of VASPs was transferred to the new regime under MiCAR. Awareness of the strict AML/CFT requirements was also expanded in all regions and sectors. The inspection focus on particularly risk-prone transactions and the know-your-customer principle was continued. Close cooperation with the Financial Intelligence Unit (FIU) at the Criminal Intelligence Service Austria and the public prosecutors was intensified to ensure that complex supervisory cases can be pursued efficiently and effectively (on site and off site). A further focus was placed on new approaches to group supervision. During the MiCAR transition period, monitoring, analysis, networking and targeted coordination with European partner authorities were strengthened in relation to applications from cross-border VASPs/CASPs to prevent regulatory arbitrage and consistently uphold the policy of zero tolerance in the crypto sector. The structured dialogue with supervised entities and stakeholders was expanded, enabling the FMA to actively communicate, with specific detail, its expectations regarding the prevention of money laundering and terrorist financing.
- **Preparations for the EU's new AML/CFT regulatory framework:** The aim is to position the FMA as the national anti-money laundering supervisory authority for the financial market in the future structure of the newly created EU Anti-Money Laundering Authority (AMLA), which relies on the network of national supervisors to function.

¹² Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (Market Abuse Regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC.

- Assumption of supervisory powers in sanctions law: Preparation for the gradual assumption of supervisory powers in relation to sanctions law, powers currently still held by the OeNB.
- Further development of FMA policies:
 - Evaluation of the ESMA's heat map for the prioritisation of administrative penalty proceedings and the opportunity policy
 - Evaluation of the setting of penalties when conducting ML/TF proceedings in light of the recommendations of the EBA
 - The FMA's policy on the conduct of proceedings relating to individual offences in the fight against money laundering and terrorist financing must be evaluated and, if necessary, further developed in accordance with the current decisions of the Supreme Administrative Court (VwGH).

In addition to the supervisory and inspection priorities for the supervised markets and undertakings, the FMA also set internal goals to leverage synergies in integrated supervision, increase the efficiency and effectiveness of supervisory activities, and improve sustainability in ongoing business operations. The focus during the year under review was a whole series of projects designed to move the FMA forward on its path to fully digitalised supervision. The reporting year also saw the FMA conclude its transformation programme "Fit for Future – FMA 2025" (*see page 13*).

FINANCIAL MARKET DEVELOPMENT

THE GENERAL ECONOMIC ENVIRONMENT

Several key factors shaped events in 2024. First, the gradual normalisation of inflation played a central role. After the strong inflationary pressure of earlier years, inflation rates began to stabilise again, giving the central banks the scope they needed to start relaxing their monetary policies. Second, geopolitics remained a very important influencing factor. Geopolitical conflicts and protectionist tendencies continued to hamper international trade as the global economy fragmented further and supply chains were realigned. And third, the digital revolution and the advance of AI gathered real pace in 2024 and had a sustained impact on the global economy.

GLOBAL ECONOMIC PERFORMANCE

There were clear regional differences in how the world economy developed in 2024. Overall, the International Monetary Fund (IMF)¹ estimates that the industrialised nations recorded growth in real gross domestic product (GDP) of +1.7%, thereby maintaining 2023 levels. The USA emerged as the biggest driver of growth, with an economy that proved resilient. Robust consumer demand, the stable labour market and a positive business climate contributed to growth of +2.8% in annual real GDP, according to IMF estimates. By contrast, economic performance was considerably more modest in most of the major European economies and in Japan. These countries continued to struggle with structural challenges such as higher energy and labour costs, to the detriment of their general competitiveness. The economic environment also varied greatly in the developing countries and emerging markets in 2024, with differing levels of momentum and overall growth, according to the IMF, of +4.2%. While India (+6.5%) and parts of South-East Asia posted robust rates of growth, China (+4.8%) continued to face problems in its real estate sector and demographic challenges, forcing its growth rate well below previous levels.

EUROPE

The European economy was sending out mixed signals in 2024. GDP growth for the eurozone as a whole reached +0.8% according to Eurostat², albeit with marked differences from one Member State to the next. In Spain, real growth reached +3.2% according to Eurostat, while Austria and Germany recorded negative growth for the second

¹ International Monetary Fund (2025). *World Economic Outlook, January Update*.

² European Commission (2024). *Autumn 2024 Economic Forecast*.

FINANCIAL MARKET DEVELOPMENT

THE GENERAL ECONOMIC ENVIRONMENT

Chart 1: Development of oil prices 2020–2024 (in €, source: Refinitiv)

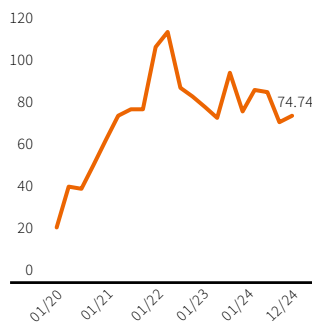


Chart 2: Development of CO₂ prices 2020–2024 (in €, source: Refinitiv)

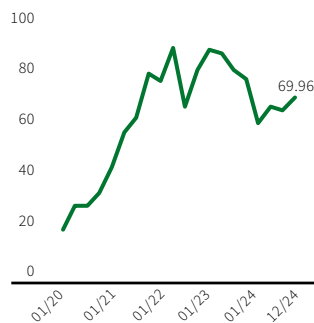


Chart 3: Development of electricity and gas prices 2020–2024 (in €, source: Refinitiv)

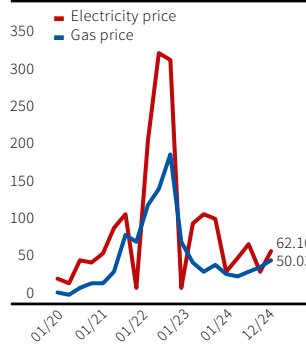


Chart 4: Development of the Baltic Dry Index 2020–2024 (source: Refinitiv)

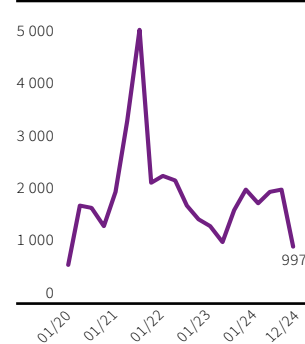


Chart 5: Development of gross domestic product 2020–2024 (in %, source: Eurostat)

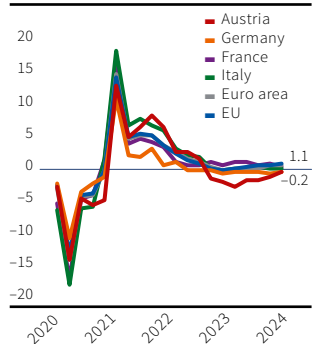


Chart 6: Development of the unemployment rate 2020–2024 (in %, source: Eurostat)

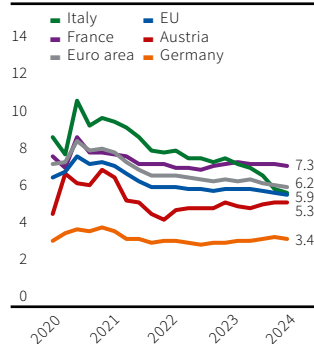


Chart 7: Development of government debt 2020–2024 (as % of GDP; source: Eurostat, BIS)

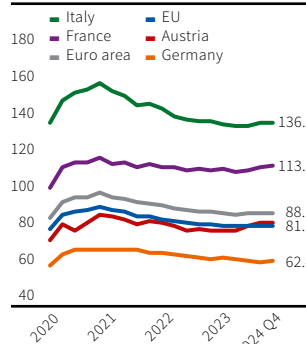


Chart 8: Development of inflation 2020–2024 (in %, source: Eurostat)

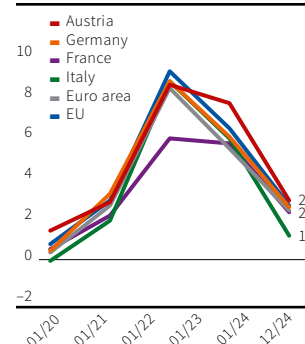
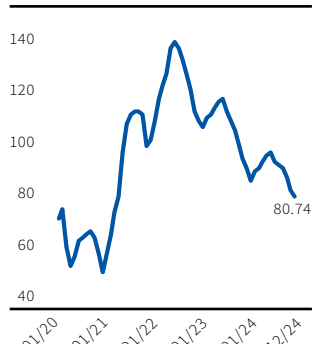


Chart 9: Development of job vacancies in Austria 2020–2024 (in thousands; source: HSV, AMS, Eurostat, BMASK)



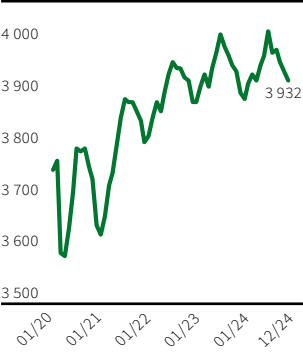
year in a row (−0.6% and −0.2% respectively) (> Chart 5). After the crises of earlier years, the energy market stabilised again (> Charts 1, 3, 4), helping to cut inflation rates and improve planning security for businesses and private individuals (> Chart 8). Energy prices were, however, significantly higher than in other regions of the world, which had a negative impact on competitiveness. Unemployment rates remained relatively stable in most European countries, as the shortage of skilled labour became an increasing problem in many sectors (> Chart 6). Despite moderate increases in the jobless figures, many European states faced a significant shortage of skilled workers in key sectors. This triggered production bottlenecks and stifled innovation. Europe's dependence on global supply chains and export markets had a major influence on the economy. The subdued performance of important trading partners and ongoing geopolitical tensions kept demand for exports in check, while efforts to achieve strategic autonomy and the reorganisation of supply chains led to adjustment costs.

AUSTRIA

The Austrian economy contracted in 2024 for the second year in succession. According to Eurostat estimates, economic growth was only slightly better than in the previous year, at −0.6%. Inflation dipped over the course of 2024 in response to falling energy prices and state aid, moving closer to the ECB target of 2%. With regard to the labour market, the jobless figures rose at a time when some sectors found themselves with a shortage of skilled workers (> Charts 9 and 10). The weak state of the global economy, the aftermath of the interest rate turnaround, the high cost pressure by international comparison and the mood of general uncertainty impacted particularly strongly on

the construction sector, industry and the retail sector. Dependence on exports remained a key factor for Austrian industry. Reliance on Germany acted as a brake on growth, as Austria's most important trading partner recorded a subdued year. The tourism sector continued to recover, returning to pre-pandemic levels of performance. According to Eurostat estimates, the government debt ratio remained at an elevated 80% of GDP, which limited the fiscal room for manoeuvre and hampered pro-investment measures.

Chart 10: Development of employment rates in Austria 2020-2024 (in thousands; source: AMS, Eurostat, BMASK)



THE INTERNATIONAL FINANCIAL AND CAPITAL MARKETS

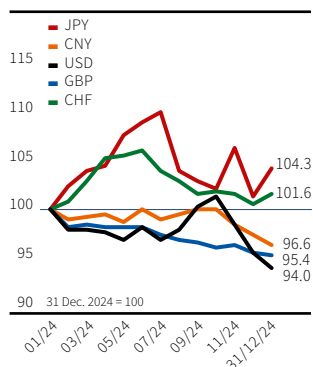
The year 2024 heralded a turning point on the international financial and capital markets, with global monetary policy transitioning into a cycle of economic easing. The major central banks initiated interest rate cuts on varying scales after inflation began to fall in a sustained way. This realignment of monetary policy approaches created a more relaxed mood on the credit markets. Technology stocks continued to lead the equity markets, with market breadth improving over the course of the year. The bond markets were supported by falling interest rates. At the same time, mixed economic indicators and the uncertainty sparked by geopolitical events and proclamations caused the markets to fluctuate. On the currency markets, factors including the US Federal Reserve’s wait-and-see approach helped the dollar appreciate against the euro towards the end of the year.

MONETARY POLICY AND CURRENCIES

Global monetary policy was turned on its head in 2024 as the world’s central banks relaxed their restrictive policies. The European Central Bank (ECB) initiated the cycle of interest rate cuts in June after the trend of falling inflation took hold in Europe. By the end of the year it had cut rates four times, by 25 basis points on each occasion. In addition, as part of its new approach to monetary policy, the ECB decided in March to reduce the gap between the interest rate for main refinancing operations and the interest rate on the deposit facility from 0.50% to 0.15% with effect from 18 September 2024. This reduced the main refinancing rate by a further 35 basis points. For its part, the US Federal Reserve began cutting interest rates in September. The first reduction, of 50 basis points, was followed by two further cuts. Given the robust state of the labour market and the Fed’s broader mandate, expectations of further interest rate cuts were more reserved than in Europe towards the end of the year. The Bank of Japan raised interest rates for the first time since 2007, bringing to an end its policy of negative interest rates.

On the currency market, the US dollar showed relative strength over the year, gaining over 6% against the euro but temporarily losing ground again when the Fed cut interest rates for the first time in September (> Chart 11). The pound sterling benefited from an improved economic outlook and also put on more than 4% against the euro over the course of 2024. The Swiss franc largely made up for its losses from the first half of the year, shedding just under 1% against the euro overall. In the CESEE region, the Hungarian forint depreciated particularly noticeably in the reporting year, while the Polish zloty appreciated on the back of the stable economic situation. The curren-

Chart 11: Development of EUR-USD/JPY/CHF/GBP/CNY in 2024 (source: ECB)



cies of the emerging markets moved in different directions. Crypto assets, particularly Bitcoin, recorded significant price gains, supported by the authorisation of Bitcoin ETFs and growing interest from institutional investors.

CREDIT MARKETS

The credit markets recovered in 2024 as lower interest rates meant improved financing conditions for businesses and households. However, the challenging international economic situation and general uncertainty slowed the upturn. In Europe, corporate credit growth, which had been declining overall since September 2023, moved back into the black from June 2024 onwards. The picture differed from country to country, however: while corporate lending growth in Greece was +12.3% at the year-end, the equivalent figure for Luxembourg was -13.6%. In Germany, the figure at the end of the year was +1.2%, compared with +1.7% in France and +0.8% in Spain. Growth in Austria was +1.9% as at the year-end.

A similar trend can be observed in the segment of loans to households, where credit growth in Europe as a whole declined at the beginning of the year before picking up again. The countries with the highest growth in loans to households at the end of 2024 include Bulgaria (+21.6%), Croatia (+12.1%) and Romania (+11.0%). Greece (-3.1%), France (-1.7%) and Austria (-0.6%) recorded negative credit growth over this period. The main drivers of loans to households are primarily financing for housing and, to a somewhat smaller extent, consumer loans.

Growth in residential property financing was also negative at the start of the year but recovered again, reaching 0.5% by the year-end. Here too, mixed developments can be observed, with the lowest loan growth over the year as a whole in Greece, France and Austria. With a year-end figure of -1.5%, Austria also recorded low housing loan growth compared with elsewhere in Europe.

EQUITY MARKETS

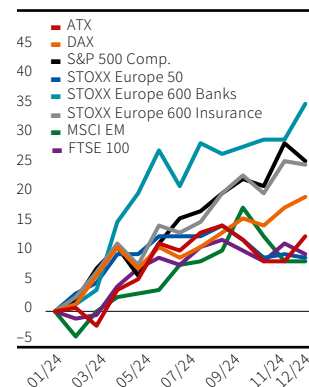
Many international stock market indices recorded further gains in the past year, in some cases soaring to new all-time highs. The US markets continued their strong performance, with technology stocks, and the Magnificent 7 in particular, continuing to act as important drivers of growth. Following in their slipstream, the wider market also picked up momentum. Both the S&P 500 and the Nasdaq 100 gained more than 25% over the year. The European stock market recorded more moderate gains, as the performance of the STOXX 600 (+9.5%) illustrates. The DAX recorded the best performance of the European indices with growth of 18.9% (> Chart 12).

At sector level, financial stocks in Europe posted stronger gains, while stocks from the industrial sector put in a below-average performance. Results in the emerging markets were highly varied: China struggled with structural challenges in its real estate sector, while the Indian market performed strongly on the back of robust economic growth and reforms. Overall, the MSCI Emerging Markets Index rose by around 8% for the year as a whole. Despite a positive performance in the main, there were also short-term setbacks. In August, for example, a key interest rate hike by the Japanese central bank triggered turbulence worldwide. These short-term losses were however soon reversed again.

BOND MARKETS

The bond markets were influenced by the interaction of various different factors in 2024.

Chart 12: International equity indices in 2024 (percentage change compared with start of year, source: Refinitiv)



**FINANCIAL MARKET
DEVELOPMENT**

THE INTERNATIONAL FINANCIAL AND CAPITAL MARKETS

Chart 13: Yield spreads 2020–2024
(in bp; source: Refinitiv)

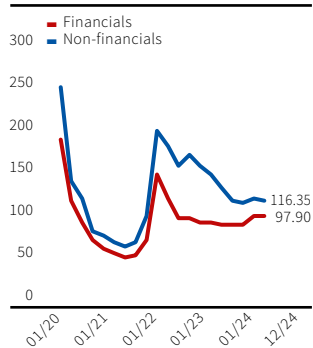
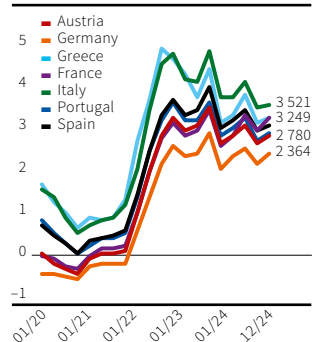


Chart 14: Yield spreads 2020–2024
(in bp; source: Refinitiv)



In terms of government bonds, the key factors included strategic interest rate adjustments by leading central banks as inflation began to fall, geopolitical tensions and persistently high government deficits. In the USA, the yield on 10-year Treasuries temporarily dipped well below 4% in September, but political developments and the associated uncertainties had them back at 4.6% by the end of the year (> Chart 13).

The budget row in France caused a stir on the European government bond market in the second six months of the year. The yield on 10-year government bonds climbed from around 2.6% at the beginning of the year to 3.2% by the end of 2024 (> Chart 14). The risk premium on 10-year bonds in France rose significantly over the course of the year compared against the German benchmark for the same maturity, while generally falling elsewhere in Europe. The corporate bond segment benefited from investors' expectations of a soft landing for the economy. Risk premiums tended downwards over the course of the year, with this movement at its most pronounced in the high-risk high-yield segment.

THE AUSTRIAN FINANCIAL MARKET

A complex mix of different factors dominated the Austrian financial market last year. Global challenges left an indelible mark – from geopolitical tensions and armed conflicts, to protectionism and the fragmentation of global trade, not to mention weak economic performance. In contrast, reduced inflationary pressure and the associated reversal of interest rate policy helped to support economic activity.

Yet this turnaround in monetary policy, which generally creates more favourable financing conditions, is being held back by the predominant mood of uncertainty that continues to stifle investment and consumption. All in all, the Austrian financial market remained stable in the midst of these testing factors.

THE MARKETS

THE CREDIT MARKET

Momentum in the corporate lending sector continued to falter in 2024. While year-on-year credit growth in August was just +0.7%, it was as high as +1.9% at the year-end. On the demand side, this change can be attributed to the muted economic outlook, a decline in demand for financing for fixed asset investments, and waning demand for lending to fund inventories and operating materials. On the supply side, banks have also grown more cautious as lenders, faced with an increasingly tense risk situation.¹ In terms of the risk assessment, the general economic situation has not improved and some key sectors have been particularly challenged. As in the previous year, the total volume of corporate loans grew more strongly in Austria than in the eurozone as a whole.

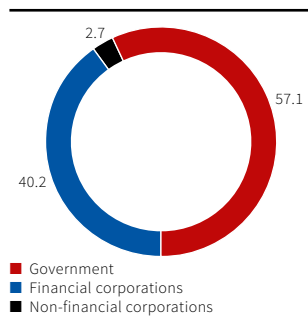
Demand for household lending hit a new all-time low before showing the first signs of recovery as interest rates fell. In terms of the type of loans to households, there was a nominal decline of –1.5% in housing loans as at the year-end, although this was still an improvement on early 2024 (–2.5%). In terms of new lending, things turned around towards the middle of the year. The granting of new housing loans in Austria climbed from € 10.4 billion in 2023 to € 11.3 billion in 2024, with annual growth in consumer credit reaching +4.7% by the year-end.

¹ OeNB (2025). *Bank Lending Survey January 2025*.

THE AUSTRIAN CAPITAL MARKET

ISSUING ACTIVITY AND HOLDINGS OF INTEREST-BEARING SECURITIES

Chart 15: Share of gross issue volume of interest-bearing securities in Austria (in %; source: OeNB, last updated 8 April 2025)



The total gross volume of interest-bearing securities issued by entities resident in Austria amounted to € 233 billion (nominal value) in 2024, across all sectors. This equates to a decline of € 87.9 billion, or 27%, on the previous year, and is due to a slump in issuing activity on the part of financial corporations. The most important issuer groups were the government, accounting for € 133 billion, and financial corporations at € 93.7 billion. In terms of total volume, the government issued around 57% and financial corporations around 40% (> Chart 15).

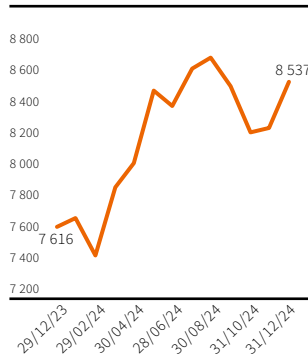
Holdings of interest-bearing securities in Austria grew once again in 2024. The volume rose from € 553.5 billion in 2023 to € 597.4 billion in 2024, an increase of just under 8% (> Table 1). As in the previous year, the majority of issues, at € 394.4 billion, were held abroad. This represents a year-on-year increase of around 10.6%. Domestic portfolios totalled € 203 billion, predominantly invested in financial corporations (€ 152.6 billion). Financial corporations include monetary financial institutions (banks essentially), investment funds, insurance undertakings, *Pensionskassen* and other non-monetary financial institutions. It is noteworthy that the portfolio of interest-bearing securities held by households rose by just under € 22 billion to around the € 27.6 billion mark, an increase of 25.5%.

Table 1: Issuing activity in Austria 2020–2024 by issuer category (in € millions; source: OeNB, last updated 8 April 2025)

	2020	2021	2022	2023	2024
Austria	202 252	212 135	185 677	196 927	202 999
– Non-financial companies	3 729	2 932	2 535	2 943	3 257
– Private households	18 578	16 515	16 071	21 998	27 609
– Private non-profit organisations	926	689	634	698	822
– Financial corporations	153 042	169 228	148 683	153 759	152 565
– Government	25 977	22 771	17 54	17 529	18 746
Abroad	357 462	345 747	307 320	356 576	394 421
Total	559 714	557 882	492 997	553 503	597 420

THE VIENNA STOCK EXCHANGE

Chart 16: Changes in ATX Total Return 2024 (source: Refinitiv)



The Austrian stock market proved resilient in 2024 and performed well despite global challenges. The Austrian Traded Index Total Return (ATX TR), which takes account of dividend payments, ended 2024 up +12% on 8 537 points (> Chart 16), having soared to several new record highs in the course of the year, most recently on 2 September when it hit the 8 707 mark. The Austrian Traded Index (ATX), which reflects share prices, gained +6.6% over the year, ending 2024 on 3 663 points. The Austrian Traded Index Prime (ATX Prime) grew by +5.9%, reaching 1 826 points by the year-end.

In terms of individual companies in the ATX, financial stocks developed strongly over the course of the year, particularly the banking sector. Cyclical stocks from the industrial sector faced a considerably tougher year, posting sharp losses in some cases. This contrast is also reflected in the performance of the different sector indices. The ATX Financials posted an increase of +34% for the year, while the ATX Industrial Goods & Services and ATX Basic Industries shed –14% and –13% respectively.

The market capitalisation of the companies listed in Vienna was around € 125.9 billion at the end of 2024, more or less on a par with the previous year (> Table 2). Trading turnover rose markedly year-on-year. In the equity market (across all market

	2020	2021	2022	2023	2024
Capitalisation of domestic shares as at last trading day (in € billions)	106.61	142.18	114.87	125.56	125.89
Market capitalisation equity segment (as % of nominal GDP)	28.10	35.25	25.66	26.31	26.12
Annual trading volume equity market (in € billions)	68.78	73.32	71.97	54.45	64.09
Annual trading volume bond market (in € millions)	664.81	521.53	389.81	444.37	489.01
Annual trading volume structured products (in € millions)	862.64	807.74	922.54	782.24	911.58

Table 2: Development of the Vienna Stock Exchange 2020–2024 (source: Vienna Stock Exchange, Statistics Austria)

segments) it totalled € 64.1 billion during the reporting year, up +18% on the previous year's figure of € 54.5 billion. The annual turnover of structured products also grew, reaching € 911.6 million (+17%). Annual turnover in the bond market increased from € 444.4 million to € 489.0 million (+10%).

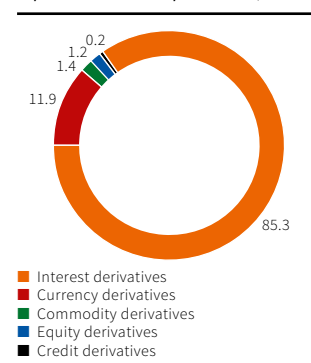
As well as on the equities market, there was also positive news to report in other areas of the Vienna Stock Exchange. In terms of bond listings, the previous record of 8311 set in 2023 was well beaten with more than 13400 new debt securities listed. Other new features during the year under review included the introduction of mid-point trading and the all-day tradability of federal bonds.

THE AUSTRIAN DERIVATIVE MARKET

The volume of outstanding derivatives, measured in terms of gross nominal value, with at least one Austrian counterparty amounted to around € 1555 billion at the 2024 year-end.² The largest chunk of this total was composed of interest derivatives (85%), with interest swaps refinanced on Euribor predominating (> Chart 17). At around 12% of aggregate gross nominal value, currency derivatives accounted for the second-largest asset class in the Austrian derivative market. Off-exchange forward contracts and swaps with EUR/USD exchange rates as underlying dominated in this group. Commodity derivatives accounted for around 1.4%, relating first and foremost to energy market contracts (primarily oil, gas and electricity). Equity derivatives and credit derivatives made up around 1.2% and 0.2% respectively. With regard to the underlyings of credit and equity derivatives, the relatively small market of credit derivatives continued to be mainly focused on European credit default indices and international financials. Equity derivatives were most frequently based on indices such as the EURO STOXX 50, the S&P 500, the ATX and the DAX.

The share of off-exchange traded derivatives³ amounted to around 67% by the 2024 year-end. In addition, some 27% of the aggregate gross nominal volume was due to intragroup transactions, primarily interest and currency derivatives. Approximately 44% of all outstanding derivative contracts were cleared at the end of 2024. The residual maturities reported for the derivatives varied according to asset class and contract type. They averaged about three-and-a-half years for credit default swaps and around six years for interest rate swaps. In relation to currency derivatives, the residual maturity averaged six months for forwards and around three months for swaps.

Chart 17: Outstanding derivatives by asset class based on nominal value (in %, rounded; source: EMIR reports to trade repositories)



² Information based on available trade state data collected under the European Market Infrastructure Regulation. EMIR raw data is subject to continuous quality improvement, and the methods used to clean the data are also subject to continuous development. Caution should therefore be exercised when making comparisons with the data in previous FMA Annual Reports.

³ "Off-exchange" in this context is to be understood as any traded contract outside a trading venue within the meaning of Article 4(1)(24) MiFID II, contrary to the definition according to Article 2(7) EMIR.

THE COMPANIES ON THE AUSTRIAN FINANCIAL MARKET

BANKS AND PAYMENT SERVICE PROVIDERS

STRUCTURAL DEVELOPMENTS

As at the 2024 year-end, 441 credit institutions were licensed in Austria, as well as 17 branches of banks that pursue activities in Austria under the EU's freedom of establishment (> Table 3). Compared with the end of 2023, the total number of banks has fallen by 13, marking the continuation of a trend in evidence for the past few years. In 2020 there were still as many as 519 credit institutions and 24 branches, 85 more institutions than today. The process of consolidation continued particularly strongly in the Raiffeisen sector, with the number of individual institutions falling from 296 to 284.

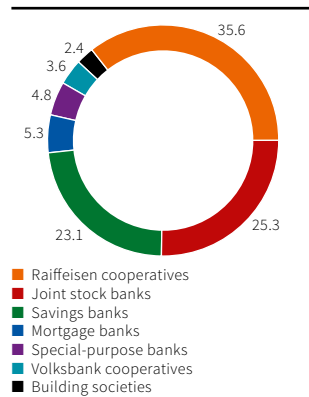
BUSINESS DEVELOPMENT

The business volume of Austrian credit institutions accounted for total assets of € 1 021 billion by the end of 2024, which equates to an increase of 2.3% compared with the previous year (> Table 4). All sectors showed positive rates of growth. The highest increase in percentage terms was recorded by special-purpose banks (+11.9%), followed by Volksbank cooperatives (+4.5%) and building societies (+3.8%).

Raiffeisen cooperatives continued to hold the largest market share in terms of business volume, at 35.6%, followed by joint stock banks at 25.3% and savings banks

Table 3 (right): Number of credit institutions 2020–2024

Chart 18: Market shares of sectors in 2024 (in %)*



* Excluding branches from EEA countries (Article 9 BWG), credit guarantee banks, corporate provision companies, and exchange offices/remittance services.

	2020	2021	2022	2023	2024
Joint stock banks	37	35	35	35	36 ¹
Special-purpose banks ²	58	57	55	55	53
Savings banks	49	49	49	49	49
Raiffeisen cooperatives	354	338	315	296	284
Volksbank cooperatives	9	9	9	9	9
Mortgage banks	8	6	6	6	6
Building societies	4	4	4	4	4
Total	519	498	473	454	441
EEA branches	24	23	21	19	17
Payment institutions	6	7	6	6	6
Licensing processes pending as at 31 Dec.	0	0	0	0	1
Passive notifications ³	57	82	82	202	83

¹ Includes one sector change from special-purpose bank to joint stock bank.

² Including special-purpose banks, investment fund management companies, corporate provision companies, and exchange offices/remittance services.

³ Only relates to passive notifications of credit institutions.

	2020	2021	2022	2023	2024 (prov.)
Development of assets and liabilities (non-consolidated, in € millions):					
Total assets non-consolidated (sum total)	934 496	983 930	996 603	997 431	1 020 508
– Joint stock banks	253 680	261 363	253 886	250 189	258 214
– Savings banks	193 897	214 449	228 777	234 431	235 244
– Mortgage banks	58 708	54 868	53 142	53 686	53 926
– Raiffeisen cooperatives	322 459	349 077	361 898	357 352	363 711
– Volksbank cooperatives	34 471	36 372	34 375	35 061	36 622
– Building societies	21 480	20 724	23 083	23 187	24 080
– Special-purpose banks	49 800	47 077	41 442	43 524	48 712
Loans and credit	665 169	703 712	735 868	734 477	706 460
Debt securities and other fixed-income securities	45 798	42 854	52 823	57 743	134 457
Shares and other variable-yield securities	10 094	9 976	9 264	9 417	9 358
Liabilities to credit institutions	210 971	231 165	209 805	176 128	155 856
Liabilities to non-banks	463 095	490 050	499 585	500 329	529 102
Foreign currency loans (as % of loans to households)	6.8	5.5	4.7	4.2	3.5
Net income in terms of sectors (non-consolidated, in € millions):					
Net income non-consolidated (sum total)	2 250	6 674	4 840	9 846	10 533
– Joint stock banks	458	1 234	1 632	2 425	2 569
– Savings banks	245	2 546	2 397	3 258	4 245
– Mortgage banks	149	187	241	252	185
– Raiffeisen cooperatives	1 070	2 142	166	3 325	3 164
– Volksbank cooperatives	32	52	138	307	165
– Building societies	54	151	150	144	81
– Special-purpose banks	242	361	116	136	124
Earnings situation (non-consolidated, in € millions):					
Net interest income	8 373	8 565	10 426	15 434	15 248
Operating income	18 259	19 926	23 065	28 165	27 478
Operating expenses	12 819	13 323	13 520	15 308	13 650
Operating result	5 439	6 603	9 545	12 856	13 829
Cost-income ratio (in %)	70.21	66.86	58.42	54.35	49.67

¹ Excluding branches from EEA countries in Austria (Article 9 BWG), credit guarantee banks, corporate provision companies, and exchange offices/remittance services. Data basis for 2020-2023: JKAB-V, for 2024: FINREP/VERA-V. There have been several corrective reports for 2022 and 2023; unaudited initial reports were corrected by annual financial statements certified by the auditor and additional corrections were made in the course of the annual audit. The figures therefore do not correspond exactly to those given in the Annual Report for 2023.

Table 4: Market development of the Austrian banking sector 2020–2024 (as at 25 April 2025; source: OeNB, financial statement figures 2020–2023, asset, trading and risk statements 2024)¹

at 23.1% (> Chart 18). At 69.2% and with a volume of € 706 billion, the “Loans and credit” balance sheet item continued to account for the largest share of Austrian banks’ assets in 2024, although this item fell slightly in both percentage and absolute terms compared with the previous year. At 51.8% and a volume of € 529 billion, the “Liabilities to non-banks” balance sheet item continued to account for the largest share of the liabilities side in 2024, a slight increase compared with 2023 in both percentage and absolute terms.

EARNINGS SITUATION

A non-consolidated operating result of € 13.8 billion is expected (at the time of this report being prepared) for Austrian banks in the reporting year of 2024, representing a 7.6% increase on the previous year. Underlying this development is a clear decline in operating expenses (–10.8%). Operating income dropped marginally, down by 2.4%. At 55.5%, interest income continues to account for a high share of operating income. Austrian credit institutions forecast non-consolidated net income of € 10.5 billion for 2024 (the final figures were not yet available at the time of this report being prepared). This represents growth of 7.0% compared with the 2023 financial year. The

FINANCIAL MARKET DEVELOPMENT

THE COMPANIES ON THE AUSTRIAN FINANCIAL MARKET

Chart 19: Non-performing and irrecoverable loans^{*} (as % of total loans)

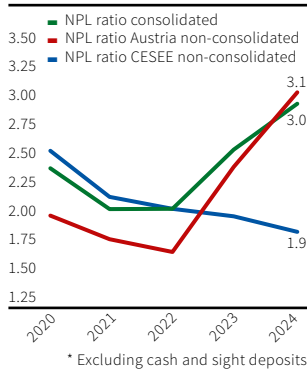


Chart 20: Capital base 2020–2024 (as % of RWA)

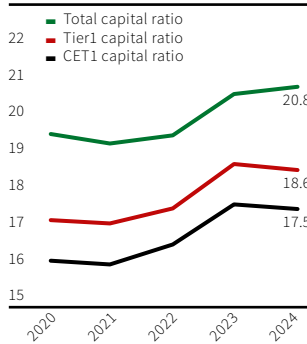
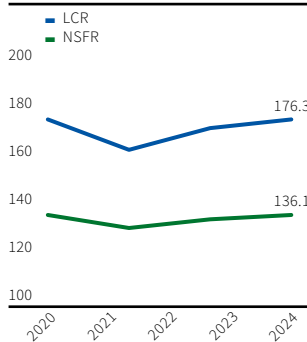


Chart 21: Liquidity coverage ratio 2020–2024, weighted average at year-end (in %)



individual sectors paint a mixed picture: by far the largest increase was recorded by the savings bank sector (+30.3%), which also generated the largest share of income with an expected net profit of € 4.2 billion. Growth rates were also recorded by joint stock banks (+6.0%). By contrast, Volksbank cooperatives and building societies recorded sharp falls in year-on-year net income at –46.4% and –43.7% respectively, while Raiffeisen cooperatives and special-purpose banks fell slightly, at –4.8% and –8.5% respectively (> Table 4).

These differences are due, among other factors, to institutions profiting to varying degrees from a still very favourable interest result. Likewise, the need for risk provisioning and depreciation of commercial real estate also differed, not least because of the high number of insolvencies in 2024. In addition, significant effects also arose from changed valuations and from business activity in the CESEE region. The aggregate NPL ratio (number of non-performing loans in relation to total credit extended) has increased continuously since the fourth quarter of 2023. This is primarily due to rising credit default rates in the Austrian market following persistent recession, as the NPL ratio in the CESEE market is even falling slightly (> Chart 19).

CAPITAL AND LIQUIDITY

At the 2024 year-end, the Austrian banking sector held a CET1 capital ratio of 17.5% at an aggregated level (> Chart 20), a marginal decline compared with 2023. In contrast, the total capital ratio rose slightly, reaching 20.8% at the end of 2024.

Compared with 2023, the liquidity ratio improved: both the liquidity coverage ratio (LCR) and the net stable funding ratio (NSFR) recorded small increases. With ratios well above the minimum requirement, the Austrian banking sector’s liquidity situation can therefore be considered solid (> Chart 21).

INSURANCE UNDERTAKINGS

STRUCTURAL DEVELOPMENTS

As at the 2024 year-end, 74¹ insurance undertakings and mutual associations held a licence granted by the FMA and were operating in the Austrian market, an unchanged number on the previous year. Five years ago, this number was six higher. Additionally, 24 insurance undertakings from within the European Economic Area (EEA) were offering their financial services in Austria under the freedom of establishment or through a branch, and more than 900 companies were registered to provide services here.

The companies supervised by the FMA comprised 33 major insurance undertakings, six of which operate as mutual associations, 26 as joint stock companies and one as a foreign insurance undertaking licensed in Austria (> Table 5). Furthermore, 41 small mutual associations, which are among Austria’s oldest insurers and specialise in fire insurance (around two thirds) and livestock insurance, also fell under the FMA’s remit. Austria is traditionally dominated by composite insurers which, besides life insurance, also pursue activities in at least one other balance sheet group, i.e. health insurance or non-life and accident insurance.

BUSINESS DEVELOPMENT

At the end of 2024, Austrian insurance undertakings were managing assets totalling

¹ Including Helvetia Schweizerische Versicherungsgesellschaft AG, Directorate for Austria.

	2020	2021	2022	2023	2024
Legal forms:					
Mutual associations (excluding small mutuals)	6	6	6	6	6
Joint stock companies	28	27	27	26	26
Small mutual associations	45	44	44	41	41
Total	79	77	77	73	73
Mutual associations dealing in asset management/private foundations	6	6	6	6	6
Business areas:					
Life insurance	22	22	22	22	22
Non-life and accident insurance	30	28	28	27	27
Health insurance	9	10	10	11	11
Reinsurance only	1	1	1	1	1
Business areas small mutual associations:					
Fire insurance associations	29	29	29	28	28
Animal insurance associations	15	14	14	12	12
Death benefit funds	0	0	0	0	0
Reinsurance associations for small mutuals	1	1	1	1	1
Total assets at market values (excluding investments for unit-linked and index-linked life insurance, in € billions)					
	114.41	116.68	102.66	106.12	106.96
EEA insurers in Austria					
Operating through branches	28	28	27	25	24
Premiums written in Austria (direct gross amount, in € millions):					
Life insurance	5 360	5 390	5 338	5 079	5 143
– Unit-linked and index-linked life insurance	1 364	1 445	1 496	1 394	1 385
Health insurance	2 433	2 541	2 628	2 861	3 168
Non-life and accident insurance	11 316	11 833	12 850	14 008	14 838
Total	19 109	19 764	20 816	21 948	23 150
Claims paid (in € millions):					
Life insurance	7 903	7 170	7 199	7 271	6 775
Health insurance	1 461	1 482	1 655	1 829	2 079
Non-life and accident insurance	6 573	7 893	8 089	8 678	9 975
Total	15 937	16 545	16 943	17 777	18 829
Earnings and profitability (in € millions):					
Technical account balance	554	766	584	547	380
Financial result	1 771	3 082	2 180	3 055	2 923
Result from ordinary activities	744	1 942	967	1 753	1 635
Return on sales (in %):					
Non-life/health	6.53	14.30	6.42	10.29	8.42
Life	-0.88	2.02	1.65	4.81	4.81
Health	2.29	6.13	2.38	2.89	4.57
Total	3.90	9.87	4.67	8.04	7.09

Table 5: Key figures and market development of Austrian insurance undertakings 2020–2024

€ 106.96 billion, a rise of € 0.85 billion or 0.8% compared with the previous year-end. Investments in unit-linked and index-linked life insurance products are not included in these figures. The volume of domestic premiums written (gross amount) was up by 5.5% year-on-year, totalling € 23.15 billion (> Table 5).

With regard to life insurance, premium revenues grew by 1.3% year-on-year to € 5.14 billion. The proportion of premiums from unit-linked and index-linked life insurance fell marginally, amounting to 26.9% of all premiums written in life insurance (2023: 27.4%). Life insurance claims incurred were down 6.8% during the reporting year, totalling € 6.78 billion (2023: € 7.27 billion). Non-life and accident insurance showed an increase of € 14.84 billion, or 5.9%. Totalling € 9.98 billion, claims incurred grew by

Chart 22: Breakdown of investments in 2024 at market values (excluding unit-linked and index-linked life insurance; in %, rounded)

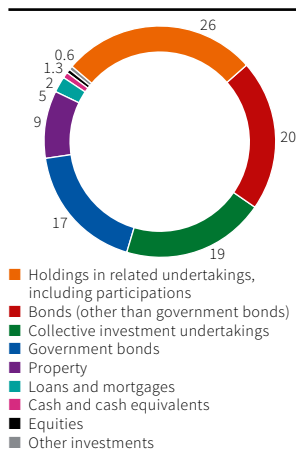


Chart 23: SCR ratio 2020–2024 (median, in %)

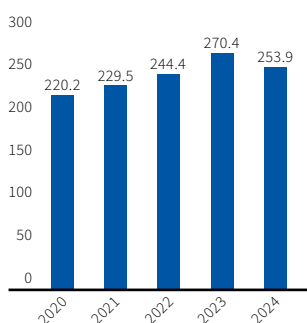


Table 6: Overview of pension company market 2020–2024

	2020	2021	2022	2023	2024
Number of <i>Pensionskassen</i>	8	8	8	8	8
Number of investment and risk sharing groups	100	99	97	97	98
Number of security-oriented IRGs	4	4	4	4	4
Number of sub-IGs	34	35	38	38	38
Assets managed by <i>Pensionskassen</i> (total, in € millions)	24 969	26 969	24 351	26 380	28 719
– Single-employer	2 167	2 272	2 105	2 263	2 416
– Multi-employer	22 801	24 697	22 246	24 118	26 304
Number of beneficiaries (total)	994 752	1 015 452	1 041 454	1 066 582	1 099 263
– Single-employer	263 259	262 985	267 024	268 387	274 012
– Multi-employer	731 493	752 467	774 430	798 195	825 251
– Beneficiaries (entitled)	875 728	887 953	904 583	921 780	947 486
– Beneficiaries (recipients)	119 024	127 499	136 871	144 802	151 777
Beneficiaries (entitled) (as % of people in employment in Austria)	22.70	23.22	23.41	23.39	23.79
Beneficiaries (recipients) (as % of total)	11.97	12.56	13.14	13.58	13.81

15%. With premiums written of € 3.17 billion, health insurance recorded an increase of 11% on the previous year. Totalling € 2.08 billion, claims incurred were up by 14% in this area of insurance. At 7.1%, the return on sales declined in the reporting year; the equivalent figure for 2023 was 8.0%. The result from ordinary activities was also lower in 2024, falling by 6.7% to € 1.64 billion. As far as investments are concerned, these continued to be clearly focused on interest-bearing securities (> Chart 22). Equity holdings account for around 25% of investments, with equity investments without holdings remaining low.

CAPITAL BASE

The SCR (solvency capital requirement) ratio, depicting insurers' capital base, remained good and stable in 2024, amounting to 253.9% (median) of minimum requirements on a sector-wide basis at the end of the reporting year (2023: 270.4%) (> Chart 23).

PENSIONS KASSEN

STRUCTURAL DEVELOPMENTS

There are five multi-employer and three single-employer *Pensionskassen* in the Austrian pension company market. While the number of *Pensionskassen* dropped from 13 to eight between 2015 and 2019, it has remained unchanged since 2019 (> Table 6).

Single-employer *Pensionskassen* are entitled to carry out pension company activities for the beneficiaries of only one employer or company group, and were primarily founded as subsidiaries of international groups. Multi-employer *Pensionskassen* may carry out pension company activities for the beneficiaries of more than one employer. The decline in their number between 2015 and 2019 can be attributed to single-employer *Pensionskassen* discontinuing activities and subsequently transferring their investment and risk sharing groups (IRGs) to existing multi-employer *Pensionskassen*. All Austrian *Pensionskassen* together managed the assets entrusted to them in 98 IRGs, four security-oriented IRGs and 38 sub-IGs, each of which pursued different investment and risk strategies.

The number of beneficiaries, i.e. those for whom contributions are being made into

	2020	2021	2022	2023	2024
Investment performance (total)	2.49	7.63	-9.68	6.41	7.77
- Single-employer	4.24	4.41	-8.64	5.29	3.69
- Multi-employer	2.33	7.94	-9.78	6.52	8.15

Table 7: Investment performance of Pensionskassen 2020–2024 (in %)

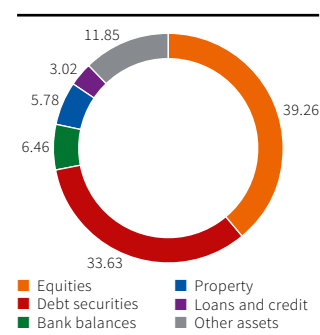
the pension company system for future benefits and those who are already receiving benefits under the system, totalled roughly 1 099 000, which is 3.0% more than in the previous year. This means that about one in every four employed persons in Austria is entitled to a supplementary pension from this form of voluntary occupational pension provision, and approximately 14% of these beneficiaries are already drawing a supplementary occupational pension.

BUSINESS DEVELOPMENT

As at 31 December 2024, Austrian *Pensionskassen* were together managing a total volume of € 28.72 billion, representing an increase of around 8.9% on the previous year. This change in assets under management was for the most part due to investment performance, which averaged +7.77% in 2024, compared with +6.41% in 2023 (> Table 7). Over the past three and five-year periods, *Pensionskassen* recorded annual performances of +1.18% and +2.7% respectively.

The proportion of pension company assets held indirectly via investment funds is 95.28%. Broken down by investment category, equities represented the largest portion at 39%, followed by debt securities at 34%, bank balances at 6.5% and property at 5.8%. The remaining categories are loans and credit (3.0%) and other assets (12%). After taking currency hedging into account, around 35% of the assets was invested in foreign currency (> Chart 24).

Chart 24: Types of investment by Pensionskassen in 2024 (in %)



CORPORATE PROVISION COMPANIES

STRUCTURAL DEVELOPMENTS

Corporate provision companies are engaged in the business of corporate provision for employees and the self-employed in Austria. For employee provision, each employer must pay a regular contribution of 1.53% of the employee's monthly salary and any special payments to the relevant health insurance institution, which then forwards that contribution to the corporate provision company in order to fund the employee's individual severance pay entitlement. Some self-employed people are required to conclude their own contract with a corporate provision company, while participation in the scheme is voluntary for other self-employed professions and occupations such as lawyers, notaries public, chartered engineering consultants, farmers and foresters. The number of corporate provision companies has remained unchanged in the reporting year: as in previous years eight such companies were active in Austria. Two of these companies each manage two collective investment undertakings. The remaining companies each manage one collective investment undertaking, giving a total of ten such undertakings (> Table 8).

As at the reporting date, the number of membership contracts – measured on the basis of employer account numbers – had increased by 5.8% from 1 710 749 to 1 809 572. Provision for employees rose by 7.2% (from 779 160 to 835 125 contracts), and provision for the self-employed grew by 4.6% (from 931 589 to 974 447 contracts).

	2020	2021	2022	2023	2024
Number of corporate provision companies	8	8	8	8	8
Number of collective investment undertakings	10	10	10	10	10
Number of membership contracts	1 514 670	1 595 373	1 662 702	1 710 749	1 809 572
– Provision for employees pursuant to Part 1 BMSVG	715 092	742 674	770 106	779 160	835 125
– Provision for the self-employed pursuant to Part 4 BMSVG	786 609	838 892	878 602	917 443	960 104
– Provision for the self-employed pursuant to Part 5 BMSVG	12 969	13 807	13 994	14 146	14 343
Assets of corporate provision companies (in € millions)	14 489	16 524	16 561	18 846	21 284
Current contributions (in € millions)	1 777	1 853	2 095	2 305	2 552
Performance of corporate provision companies (in %)	1.41	4.05	-7.66	4.62	4.93
Disposal options (in € millions):					
Payout as capital sum	719.03	668.71	772.85	892.06	904.03
Transfer to another corporate provision company	50.86	53.36	53.06	62.21	60.23
Remittance to supplementary pension or occupational group insurance scheme	0.05	0.01	0.04	–	0.02
Remittance to a <i>Pensionskasse</i>	2.15	2.79	3.60	3.47	3.34
Total	772.09	724.87	829.55	957.74	967.62

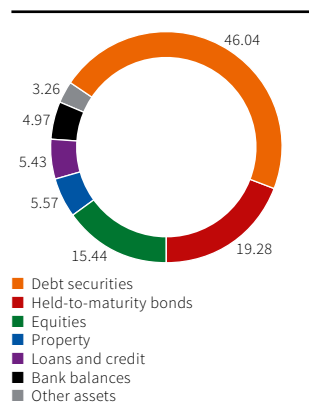
Table 8: Key figures and market development of corporate provision companies 2020–2024 (source: Association of Austrian Occupational Pension and Provision Funds)

BUSINESS DEVELOPMENT

Corporate provision companies received current contributions totalling € 2.55 billion (+11% on the previous year) in 2024, of which € 2.40 billion (+11%) was paid into the provision for employees and € 151.5 million (+3.0%) into self-employed provision. The total assets managed therefore grew by € 2.44 billion or 13% to € 21.28 billion, which was primarily attributable to higher contribution payments and a positive investment performance (> Table 8).

A total of 904.03 million was paid out as a capital sum to 542 145 beneficiaries (entitled) in 2024. Over the same period, 50 150 beneficiaries (entitled) transferred their pension entitlements to another corporate provision company, moving € 60.23 million in total. Additionally, 614 individuals paid in a total of € 3.36 million to a *Pensionskasse* or supplementary pension insurance scheme, or to an occupational group insurance scheme. Amounts drawn on the basis of an entitlement to severance pay generally took the form of capital sums, as has been the case for the past five years. Corporate provision companies are required to guarantee their beneficiaries (entitled) a minimum claim. This encompasses the nominally accrued severance pay contributions and any transferred existing severance pay entitlement, as well as any severance pay entitlements transferred from another corporate provision company, and is also referred to as the capital guarantee. Every corporate provision company is free to offer a higher interest guarantee over and above this capital guarantee. One company offered such an interest guarantee in 2024. The capital guarantee, coupled with fluctuating payment requirements owing to labour market developments, as well as the statutory requirement to take account specifically of security, profitability and liquidity, mean that asset allocation is focused on bonds (> Chart 25). Corporate provision companies' performance for their investments was up +4.93% in the reporting year (2023: +4.62%).

Chart 25: Types of investment by corporate provision company in 2024 (in %)



ASSET MANAGERS

STRUCTURAL DEVELOPMENTS

As at the end of the year, a total of 14 investment fund management companies (KAG)

	2020	2021	2022	2023	2024
KAG pursuant to InvFG 2011	14	14	14	14	14
Licensed AIFMs	23	22	22	22	22
– Immo-KAG pursuant to ImmoInvFG	5	5	5	5	5
Registered AIFMs	31	34	38	38	40
– EuVECA managers	10	12	14	15	17

Table 9: Number of Austrian asset managers 2020–2024



Figure 2: Authorisations of Austrian KAG and AIFMs by law in 2024

were operating in the Austrian market based on a licence pursuant to the Investment Fund Act 2011 (InvFG 2011; *Investmentfondsgesetz*); this number is unchanged on previous years (> Table 9). Of these 14 investment fund management companies, 13 also held a licence as an alternative investment fund manager (AIFM).

In total, there were 62 AIFMs approved by the FMA at the 2024 year-end (2023 year-end: 60), 22 of which are licensed and 40 of which are subject to obligatory registration. The number of licensed AIFMs was unchanged compared with the previous year, with one AIFM being newly licensed and one AIFM having relinquished its licence. The number of registered AIFMs rose during the period under review from 38 to 40 AIFMs, with four new AIFMs being registered and two companies cancelling their registration (> Figure 2). Two registered AIFMs acquired an additional licence to manage European Venture Capital Funds, increasing the number of EuVECA managers from 15 to 17. As at the reporting date of 31 December 2024, there were 2 099 funds being managed by Austrian investment fund management companies and/or AIFMs (2023: 2 074), as well as three further EEA management companies operating in Austria based on the EU passport regime. This figure includes 79 AIFs (of which 32 EuVECA) that are managed by registered AIFMs in Austria. Five Austrian real estate investment fund management companies (Immo-KAG) were managing a total of seven real estate funds and five special real estate funds, all of which were AIFs.

The number of domestic UCITS has again grown slightly, up from 883 to 887 by the 2024 year-end. These undertakings for collective investment in transferable securities

	2020	2021	2022	2023	2024
Domestic UCITS of KAG:					
Article 2 paras. 1 and 2 InvFG	905	903	873	883	887
Article 75 InvFG	–	–	–	–	–
Total	905	903	873	883	887
Domestic AIFs of (Immo-)KAG as well as of licensed and registered AIFMs:					
Article 166 InvFG	116	113	113	114	113
Article 168 et seq. InvFG	4	4	4	4	4
Real estate funds and special real estate funds	13	14	13	12	12
Special funds pursuant to the InvFG	932	965	1 000	991	1 003
AIFs of registered AIFMs	35	36	40	41	47
EuVECA	13	19	26	28	32
Other managed AIFs	–	1	1	1	1
Total	1 113	1 152	1 197	1 191	1 212

Table 10: Key figures of the Austrian investment fund market 2020–2024

Chart 26: Fund assets of investment funds 2020–2024 (in € billions)

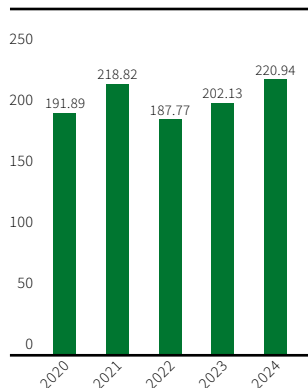


Chart 27: Net inflows/outflows by investment category in 2024 (in € millions)

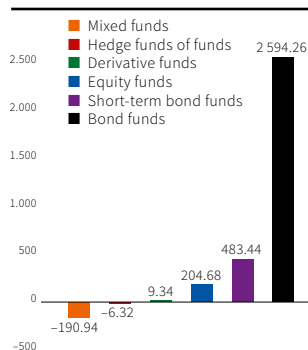


Chart 28: Fund volumes by investment category (as at 31 Dec. 2024, in %)

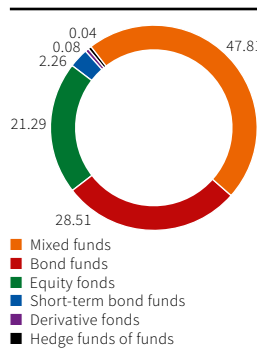
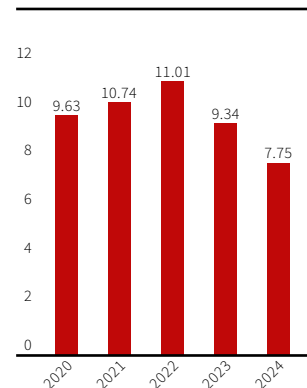


Chart 29: Fund assets of real estate funds 2020–2024 (in € billions)



are investment funds that comply with the relevant EU directive². The number of AIFs increased marginally over the same period, up from 1 191 to 1 212 (> Table 10). Investment funds are required, pursuant to the provisions of the InvFG 2011 and the Alternative Investment Fund Managers Act (AIFMG; *Alternatives Investmentfonds Manager-Gesetz*), to keep the assets they hold and manage for clients at custodian banks and depositaries. In 2024, 17 credit institutions were operating in this field of business, the same number as in the previous year (2023: 14).

BUSINESS DEVELOPMENT

The 14 investment fund management companies licensed by the FMA pursuant to the InvFG 2011 and the three EEA management companies acting under the EU passport regime managed fund assets totalling € 220.94 billion in Austria as at 31 December 2024, excluding the fund assets managed by real estate investment fund management companies. This equates to a year-on-year increase of € 18.81 billion, or +9.3% (> Chart 26).

There were considerable net inflows of funds during 2024, totalling € 3.09 billion, compared with € 619.71 million in 2023. Broken down by fund category, bond funds recorded a clear plus of € 2.59 billion, followed by short-term bond funds with an increase of € 483.44 million, equity funds (€ 204.68 million) and derivative funds (€ 9.34 million). As in previous years, outflows were recorded by mixed funds (–€ 190.94 million) and hedge funds of funds (–€ 6.32 million) (> Chart 27).

The dominant position of mixed funds is reflected, as in the previous five years, in the overall distribution of total fund assets. As at the end of 2024, € 105.64 billion or 48% of total assets was invested in this category, with bond funds occupying second place with € 62.99 billion or 29%. Equity funds were in third place, at € 47.03 billion or 21%, followed by short-term bond funds (2.3%), derivative funds (0.08%) and hedge funds of funds (0.04%) (> Chart 28).

Broken down by target group, 51.36% of shareholders were invested in retail funds and 48.64% in special funds at the 2024 year-end. These figures also include AIFs as defined in the InvFG 2011, such as special funds and other special assets. In addition, AIFMs that are only licensed or registered according to the AIFMG managed fund

² Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS).

assets of Austrian AIFs amounting to approximately € 1.98 billion as at 31 December 2024 (these are provisional figures at the time of this report being prepared).

As at the reporting date of 31 December 2024, the five Austrian real estate investment fund management companies were managing fund assets of € 7.75 billion, representing a year-on-year decline of 16.94% (> *Chart 29*).

INVESTMENT SERVICE PROVIDERS

STRUCTURAL DEVELOPMENTS

As at the end of 2024, there were 122 companies licensed by the FMA, 62 of which as investment firms and 45 as investment service providers. Three AIFMs and eight investment fund management companies held an additional licence pursuant to the Securities Supervision Act 2018 (WAG 2018; *Wertpapieraufsichtsgesetz*). Four insurance undertakings were authorised to receive and transmit fund units in accordance with the applicable law. The number of providers has therefore remained stable (> *Table 11*). Of all the licensed companies, 115 were entitled to provide investment advice relating to financial instruments, and 58 companies were authorised to manage client portfolios. In all, 110 companies were authorised to receive and transmit orders to the extent that such activity involves one or more financial instruments. As at 31 December 2024, several investment service providers were entitled to provide new WAG services. Two companies were authorised to execute orders, two companies to deal on own account, one company to place financial instruments without a firm commitment basis, and three further companies were authorised to hold client funds.

As at the end of the reporting year, 39 Austrian investment firms held a European passport for the provision of investment services within the European Economic Area, with nine of these firms maintaining branches in the EEA. In 2024 there were 1 062 investment firms with their head offices situated in another EEA Member State that were authorised to provide investment services in Austria under the freedom to provide services by way of a branch or notification through the passport regime. Of those firms that had provided notification of their operations in Austria, 279 (26.27%) came from Germany, followed by 222 (20.90%) from Cyprus and 93 (8.76%) from the Netherlands.

A total of 1 494 individuals were registered with the FMA as tied agents working for 28 different Austrian investment firms and investment service providers; 11 tied agents were registered at six investment firms from the EEA based in Austria, 351 natural and legal persons were registered as tied agents at three Austrian banks and at one bank originating from the EEA, and a further 28 natural and legal persons were registered as tied agents at an Austrian insurance company. With regard to companies, there were 256 registered with the FMA as tied agents and operating in the form of a legal entity in 2024. A total of 50 Austrian investment firms and investment service providers were entitled to provide services through securities brokers. Of these, only 18 actually exercised the right granted to them. As at 31 December 2024, 281 individuals acting as securities brokers for investment firms or investment service providers were registered with the FMA.

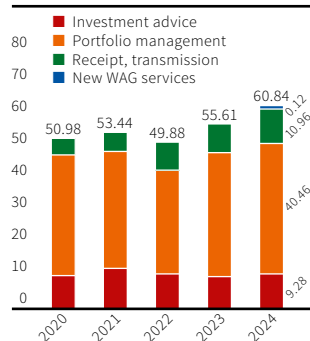
BUSINESS DEVELOPMENT

Overall, Austrian investment service providers managed client assets totalling

Table 11: Key figures of Austrian investment service providers 2020–2024

	2020	2021	2022	2023	2024
All companies	126	126	125	122	122
LICENCES:					
Investment firms	64	64	65	62	62
Investment service providers	48	47	45	45	45
AIFMs with additional licence	3	3	3	3	3
Investment fund management companies with additional licence	7	8	8	8	8
Insurance undertakings (statutory fund management)	4	4	4	4	4
Investment advice	120	120	119	114	115
Portfolio management	54	54	56	57	58
Receipt and transmission of orders	114	114	113	109	110
Execution of orders	–	–	–	1	2
Dealing on own account	–	–	–	0	2
Placing of financial instruments without a firm commitment basis	–	–	–	0	1
Safekeeping and administration of financial instruments	–	–	–	1	3
Foreign exchange services	–	–	–	0	1
Issuances for third parties	–	–	–	0	1
Multilateral trading facility	0	0	0	0	0
Holding of client funds	–	–	–	1	3
European passport for services	45	44	43	44	39
European passport for branches	7	7	8	9	9
Cooperation with financial services assistants/securities brokers	57	56	55	52	50
Legal form:					
Joint stock companies (AG)	12	12	12	12	12
Limited liability companies (GmbH)	96	97	96	93	92
Partnerships	2	2	2	2	3
Sole traders	16	15	15	15	15
Business activity:					
Investment advice	61	62	62	57	64
Portfolio management	41	37	38	38	38
Receipt and transmission of orders	61	56	53	47	48
Investment funds advisory:					
UCITS advisory	25	21	25	26	26
AIF advisory	12	9	12	13	13
External management of investment funds:					
UCITS management	26	21	23	24	28
AIF management	19	17	23	23	22
Execution of orders	–	–	–	0	1
Dealing on own account	–	–	–	0	1
Placing of financial instruments without a firm commitment basis	–	–	–	0	0
Safekeeping and administration of financial instruments	–	–	–	0	2
Foreign exchange services	–	–	–	0	0
Issuances for third parties	–	–	–	0	0
Holding of client funds	–	–	–	1	2
Appointment of tied agents	39	39	37	36	34
Cooperation with securities brokers	21	20	21	19	18
Sale of own products	44	47	43	46	45
Key account customer services	35	37	34	35	34
Tied agents:					
Tied agents registered in Austria	1760	1876	1902	1825	1885
– Of which legal entities	240	257	264	253	265

Chart 30: Client assets under management by type of service 2020–2024 (in € billions, rounded)



€ 60.84 billion in 2024. The number of clients was 862 242, with assets managed per client of € 70 559.60. Approximately 15.3% of the total client assets under management related to investment advice, 66.5% to portfolio management, 18.0% to receipt and transmission of orders, and 0.2% to new WAG services (> Chart 30).

CROWDFUNDING SERVICE PROVIDERS

STRUCTURAL DEVELOPMENTS

At the end of 2024, two companies based in Austria were authorised in accordance with Regulation (EU) 2020/1503 on European Crowdfunding Service Providers (ECSPR) to provide crowdfunding services in Austria as their home country and within the EEA under the freedom to provide services.

The scope of authorisation of the two companies covers the securities sector in general and the placement of transferable securities without a firm commitment basis, as well as the acceptance and transmission of orders relating to transferable securities in particular. One company is also authorised to broker loans, without authorisation for the individual management of loan portfolios. In addition to arranging loans, the companies offer equity instruments (such as shares), hybrid financial instruments (such as convertible bonds) and debt instruments (such as bonds), depending on the financing requirements of the project owners. The target markets (on the owner and investor side) of all platforms are Austria and most EEA Member States. The potential sectors in receipt of financial resources are diverse. With the exception of one platform that intends to establish itself as a dedicated platform for the real estate sector, the sectors covered include energy, hospitality, mobility and sustainability.

A total of 35 crowdfunding service providers with their head offices situated in another EEA Member State were authorised to provide crowdfunding services in Austria under the freedom to provide services through the passport regime. This means that Austria is currently importing more crowdfunding services than it is exporting under the harmonised regulatory framework. Of those firms that had provided notification of their operations in Austria, seven (20%) were from Spain, followed by five (14%) from France and four (11%) from the Netherlands.

REPORTING AND PUBLICATIONS

The ECSPR subjects the Austrian entities to detailed reporting obligations on their crowdfunding services. The annual reports must be submitted to the FMA retrospectively for the previous financial year by the end of the following February. Within one month of receipt, the FMA must forward these reports in an anonymised format to the European Securities and Markets Authority (ESMA). Using the data submitted by all national authorities, ESMA compiles an annual aggregated market report on the European crowdfunding market and publishes it on its website.

In early 2025, ESMA published its first market report on crowdfunding in the EU, based on data and information from the 2023 business year. The results of this report cover a sample of 98 crowdfunding service providers in 17 EU Member States and are based on data provided to ESMA by the national competent authorities, indicating that € 1 billion of crowdfunding was raised during the reporting period. The share of Austrian platforms in the European crowdfunding market amounted to roughly € 14 million (1%) in 2023.

FINANCIAL CONGLOMERATES

Directive 2002/87/EC, the Financial Conglomerates Directive, imposes supplementary supervision on any group comprised of full or partial holdings in companies from different financial sectors (insurance undertakings, banks, investment service pro-

viders) and that has some relevance to the stability of the financial market. The financial statements for 2023 identified a total of 63 financial conglomerates in Europe as defined in the Directive, two of which had their registered office in Austria and were therefore subject to direct supervision by the FMA:

- Wüstenrot Group with its three significant institutions Bausparkasse Wüstenrot AG, Wüstenrot Versicherungs-AG and Wüstenrot Bank
- Grazer Wechselseitige Versicherung AG with the Hypo-Bank Burgenland AG banking group (whose member companies include Hypo-Bank Burgenland AG, Schelhammer Capital Bank AG and Security KAG).

The FMA assesses the risk situation and performance of these conglomerates on an ongoing basis using the data and key figures regularly reported by the groups. In addition, the FMA also carries out specific on-site inspections, which focus on group structure, group strategy and financial position, as well as organisation, risk management and internal control systems at the conglomerate level.

INTERNATIONAL COOPERATION

The FMA carries out a whole range of tasks on a bilateral, European and international basis. It cooperates with a number of European and international institutions and associations dedicated to the regulation and supervision of financial markets. At European level, the FMA is involved in the regulation of the European financial markets as a participant in the European System of Financial Supervision (ESFS) and is involved in European supervision and resolution of credit institutions within the framework of the Single Supervisory Mechanism (SSM) and the Single Resolution Mechanism (SRM) in the wider context of the Banking Union. FMA staff play an active role within many relevant working groups, supervisory teams and resolution teams. The FMA has also signed bilateral and multilateral Memoranda of Understanding (MoU) on cooperation with foreign and international supervisory authorities and organisations.

EUROPEAN COOPERATION

COOPERATION IN OPERATIONAL SUPERVISORY ACTIVITIES

THE FMA WITHIN THE BANKING UNION

The European Banking Union is a key component of the EU's Economic and Monetary Union. It was created in response to the 2008 financial crisis and the resulting sovereign debt crisis in the euro area. The Banking Union aims to ensure that the banking sector in the euro area and the wider EU is stable, safe and reliable, thus contributing to financial stability, while also ensuring that:

- Banks are robust and able to withstand any future financial crises
- Non-viable banks are resolved without recourse to taxpayers' money and with minimal impact on the real economy
- Market fragmentation is reduced by harmonised financial sector rules.

The Banking Union is made up of all Member States that share the euro as their common currency. Member States that do not belong to the euro area may join the Banking Union by entering into close cooperation with the European Central Bank (ECB). This type of arrangement exists with Bulgaria. The Banking Union is based on a single rulebook for the EU's financial sector consisting of a set of legislative texts that apply to all financial institutions across the EU, ensuring a level playing field for all. Based on this foundation, the Banking Union has three pillars:

- The Single Supervisory Mechanism (SSM), which is the joint banking supervision system overseen by the ECB in Frankfurt and consists of the ECB together with the responsible national banking supervision authorities
- The Single Resolution Mechanism (SRM), which is made up of the Single Resolution Board (SRB) in Brussels and the national resolution authorities
- The European Deposit Insurance Scheme (EDIS).

While the SSM and SRM are already fully operational, the EDIS is still in the development stage. At present, deposit guarantees are harmonised in Europe through national deposit guarantee schemes being required to meet and implement common European minimum standards and requirements. As a country that uses the euro, Austria is a member of the Banking Union. In its capacity as national competent authority (NCA) and national resolution authority (NRA), the FMA represents the Austrian financial market as a voting member and is actively involved at all relevant levels within the SSM and the SRM.

THE FMA WITHIN THE SSM

In 2024, seven Austrian banking groups were classed as significant institutions (SIs) in Europe and thus subject to direct supervision by the ECB within the SSM: Addiko Bank AG, Bawag Group AG, Erste Group Bank AG, Raiffeisen Bank International AG, Raiffeisenbankengruppe OÖ Verbund eGen and Volksbank Wien AG. Raiffeisen-Holding Niederösterreich-Wien has been supervised by the ECB since 1 January 2025. Joint Supervisory Teams (JSTs) are set up for the SIs, with FMA and Oesterreichische Nationalbank (OeNB) employees also included among its members. All other Austrian banks are only supervised indirectly by the ECB. Classed as less significant institutions (LSIs), they are directly supervised by the FMA and the OeNB. However, key decisions (such as the award or removal of a licence, major holdings) are made by the ECB for all credit institutions.

THE FMA WITHIN THE SRM

Within the SRM, a total of seven Austrian banking groups were subject to the direct supervision of the SRB as resolution authority in 2024 – the above-mentioned significant institutions, Bausparkasse Wüstenrot AG (another group with cross-border operations) and three Austrian subsidiary banks: Addiko Bank AG, Bausparkasse Wüstenrot AG, Bawag Group AG, Erste Group Bank AG, Raiffeisen Bank International AG, Raiffeisenlandesbank Oberösterreich AG, Raiffeisen-Holding Niederösterreich-Wien, Volksbank Wien AG, CA Auto Bank GmbH, Santander Consumer Bank GmbH and UniCredit Bank Austria AG. In the same vein as the JSTs, Internal Resolution Teams (IRTs) are set up for the above banking groups, and the FMA plays a significant role within them. As in the case of the SSM, the FMA is also directly responsible for all other credit institutions within the SRM, this time in the capacity of national resolution authority.

COOPERATION IN THE ADVANCEMENT OF THE REGULATORY FRAMEWORK

THE FMA WITHIN THE ESFS

The European System of Financial Supervision (ESFS) is primarily concerned with harmonising and advancing the regulatory framework of the financial market across

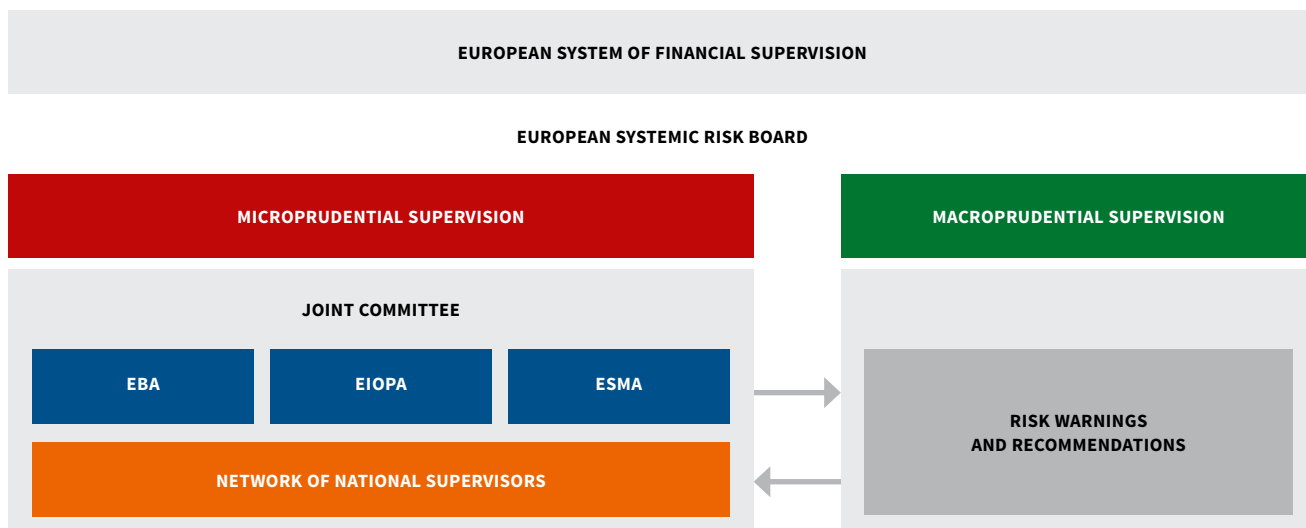


Figure 3: European System of Financial Supervision

the entire European Economic Area (EEA). At the core of the ESFS are the three European Supervisory Authorities (ESAs): the European Banking Authority (EBA), the European Insurance and Occupational Pensions Authority (EIOPA) and the European Securities and Markets Authority (ESMA). The FMA is a member of all three European authorities, actively contributing to their work in its capacity as Austria’s national competent authority (NCA).

The role of the ESAs is to prepare detailed regulations in the form of technical standards, guidelines and recommendations on the basis of EU regulations and directives and to ensure the convergent application of these rules by the national supervisors. To date, ESMA has only had a direct supervisory role vis-à-vis companies in a few specific areas, such as credit rating agencies. A Joint Committee is in place to deal with issues that straddle all three areas of those authorities’ supervisory activities. The three ESAs, with their microprudential focus, are supported by the European Systemic Risk Board (ESBR), based at the ECB in Frankfurt. Its remit is to identify systemic risks to the European financial system and take early action, where necessary.

JOINT COMMITTEE AND ESA COOPERATION ACROSS SECTORS

The three ESAs cooperate closely across markets and sectors, particularly in the form of the Joint Committee, working to ensure a level playing field, i.e. fair competition beyond market and product boundaries, and also striving to exploit synergy potential and make regulation efficient and effective. Significant cross-sector work has been carried out on the following three topics:

- **Fit-for-55 climate risk scenario analysis**

The European supervisory authorities (EBA, EIOPA and ESMA), together with the ECB, published the findings from the one-off Fit-for-55 climate risk scenario analysis on 24 November 2024. Based on the scenarios considered, it is unlikely that transition risks in isolation would jeopardise financial stability. If, however, these risks were to be combined with macroeconomic shocks, they have the potential to increase losses for financial institutions and trigger disruption. According to the analysis findings, this means that a coordinated political approach is needed to finance the green transition and that financial institutions must integrate climate risks into their risk management on a comprehensive and timely basis.

■ **Digital Operational Resilience Act**

The Digital Operational Resilience Act, commonly known as DORA, entered into force on 17 January 2025. In order to put this regulation into practical effect, numerous implementing acts and transitional measures have been adopted and there has been initial recruitment to set up a joint DORA supervisory team, which will supervise critical ICT third-party providers (CTPPs) within the framework of DORA. The DORA regulatory framework covers ICT risk management, ICT third party risk management (monitoring of external risk providers), digital operational resilience testing, handling ICT-related incidents, sharing information and intelligence on cyber threats, and a supervisory framework for monitoring CTPPs.

■ **MiCAR**

As part of the work on the Markets in Crypto-Assets Regulation (MiCAR), two guidelines in particular should be highlighted, both of which were published in December 2024. The EBA and ESMA have developed joint Guidelines on the suitability assessment of the members of the management body of issuers of asset-referenced tokens (ARTs) and crypto-asset service providers (CASPs). The Joint Committee has developed guidelines on templates for explanations and legal opinions as well as the standardised test for the classification of crypto assets.

EUROPEAN BANKING AUTHORITY – EBA

In the 2024 reporting year, the EBA published guidelines for the management of environmental, social and governance risks, a number of mandates as part of the implementation of the banking package and a report on payment fraud. It also carried out fundamental preparatory work for the 2025 stress test.

The term of office of the EBA Chair was extended by the Council until May 2029. Michael Hysek, FMA Managing Director of Banking Supervision, was reappointed as Co-Chair of the Supervision, Risks and Innovation Standing Committee (SUPRISC) for a further term of office from 23 April 2024, and Oliver Schütz, FMA Managing Director of Banking Resolution, was elected Chair of the Resolution Committee (ResCo) with effect from 6 June 2024. The Banking Stakeholder Group was reappointed as of 1 July 2024.

EUROPEAN SECURITIES AND MARKETS AUTHORITY – ESMA

Out of the broad range of activities carried out by ESMA, the following examples from 2024 should be highlighted:

In May, ESMA published 20 recommendations on strengthening capital markets in the European Union. These focused on three dimensions: EU citizens, EU companies and EU regulation and supervision. With regard to sustainability, ESMA prepared a greenwashing report and a statement on the regulatory framework for sustainable finance. One of the central topics was the work on MiCAR, which has been fully applicable since 30 December 2024. ESMA published guidelines for crypto-asset service providers (CASPs) providing advice on crypto assets regarding criteria for the assessment of a client's knowledge and competence, and also produced regulatory technical standards for the prevention and detection of market abuse.

FMA Executive Director Eduard Müller was elected to ESMA's Management Board for a second term on 3 July 2024. His two-and-a-half-year mandate began on 1 October 2024.

EUROPEAN INSURANCE AND OCCUPATIONAL PENSIONS AUTHORITY – EIOPA

EIOPA's work during the reporting year centred on the amended Solvency II Directive, which was published at the beginning of 2025 after years of negotiations. As well as developing numerous new legal instruments, all existing instruments must also be reviewed to ensure that they are still up to date, and be adapted where necessary. Intensive preparations were made during the year for the implementation of the Directive on the recovery and resolution of insurance and reinsurance undertakings, which was published at the beginning of January 2025 and will enter into force in 2027. The FMA was and continues to be involved in both areas through intensive collaboration in numerous working groups.

In the insurance sector, a new stress test was carried out in 2024, in which EIOPA assessed the ability of European insurers to cope with the economic and financial repercussions of recurring geopolitical tensions. Other key topics included sustainability, conduct supervision, cooperation between supervisory authorities and reinsurance aspects. In the pensions sector, the IORP risk dashboard introduced in 2024 summarises the main risks and vulnerabilities in the IORP sector for pension schemes in the EEA.

Peter Braumüller's second term of office as Vice Chair of EIOPA came to an end in January 2025. The FMA continues to be represented by Braumüller, Managing Director of Insurance and Pension Supervision, in a senior role on the Supervisory Steering Committee and as a member of two more of the four EIOPA Steering Committees, including the newly established Digital Finance Steering Committee dedicated to digitalisation.

EUROPEAN SYSTEMIC RISK BOARD – ESRB

In its report "Building on a decade of success", the ESRB took stock of its ten years of work and gave its recommendations on how to further strengthen financial stability in Europe. In a further report on macroprudential policy for non-bank financial intermediation, it responded to a consultation by the European Commission in this regard and analysed the related risks in greater detail. The ESRB also looked intensively at the resilience of banks to potential financial crises, focussing on developments in the area of cyber resilience and macroprudential tools to combat liquidity risks. It also made progress in adapting instruments to promote the resilience of investment funds.

Another key topic was the use of the countercyclical capital buffer to strengthen financial stability early in the cycle. The ESRB also dealt with the implementation of recommendations to promote the exchange of data between EU institutions and responded to the European Commission's consultation on the availability of macroprudential data. It published recommendations for several EU countries – including Italy, Denmark and Belgium – on the assessment of the cross-border effects of macroprudential policy measures, aiming to improve the harmonisation of political measures at national level and take cross-border effects into account.

SINGLE SUPERVISORY MECHANISM – SSM

The SSM conducted a stress test on cyber resilience in early 2024 to gauge how banks would respond to a cyberattack and recover from this type of cybersecurity incident. In all, 109 banks were tested, of which 28 underwent more extensive testing. The

results were fed into the ECB's 2024 Supervisory Review and Evaluation Process (SREP). The Governing Council of the ECB also appointed Sharon Donnery, Pedro Machado and Patrick Montagner as new ECB representatives on the Supervisory Board of ECB Banking Supervision, each for a five-year non-renewable term. They will succeed current ECB representatives Edouard Fernandez-Bollo, Kerstin af Jochnick and Elizabeth McCaul. Upon the conclusion of Andrea Enria's five-year term as Chair of the Supervisory Board, Claudia Buch was appointed as his successor with effect from 1 January 2024.

SINGLE RESOLUTION MECHANISM – SRM

In May 2024, Karen Braun-Munzinger replaced Sebastiano Laviola as an SRB board member. A further process to appoint new members was also launched with three mandates due to expire at the end of February 2025. The SRM's strategic review in the form of "SRM: Vision 2028", which was drawn up in 2023, was unveiled in early 2024. It defines the SRM's long-term goals, improves the working relationship with the NRAs and strengthens the SRM. Implementation began immediately following the vision launch and covers a five-year period. The multi-year work programme 2024–2028 was published with a focus on crisis management, the operationalisation of all resolution tools and tests to ensure the banks' resolvability. The MREL Policy 2024, which includes changes to the calibration and monitoring of MREL requirements, and a revised bail-in template were also presented. The second report on resolution planning and crisis management for LSIs was also published.

BILATERAL AND MULTILATERAL COOPERATION

As well as working in multilateral bodies, the FMA also cooperates directly with foreign supervisory authorities. For this purpose it enters into bilateral and multilateral Memoranda of Understanding (MoU), which provide for the exchange of information and thus simplify and speed up practical supervisory action in cross-border cases. MoU also help to build trust, particularly in the case of non-EEA Member States, and support the FMA in its efforts to consistently strengthen its operational working relationship with partner authorities.

MEMORANDA OF UNDERSTANDING

In 2024, the FMA signed a multilateral MoU with the ECB and several EU banking supervisory authorities (including the German BaFin, the French ACPR and the Italian Banca d'Italia) in the area of banking supervision to coordinate the SSM authorities in the supervision of third-country groups and third-country branches.

MULTILATERAL COOPERATION

INTERNATIONAL ORGANIZATION OF SECURITIES COMMISSIONS – IOSCO

With regard to investor protection, IOSCO, the global standards body for securities regulators, published a Roadmap to Retail Investor Online Safety and a Report on Investor Education on Crypto-Assets.

FSB REGIONAL CONSULTATIVE GROUP FOR EUROPE – RCG EUROPE

In 2024, the Financial Stability Board (FSB) focused on strengthening global financial

stability, particularly in the areas of non-bank financial intermediation (NBFII), cyber risks and artificial intelligence in the financial sector. In the last quarter of 2024, the Basel-based FSB published several reports on the resilience of the financial system to macroeconomic shocks, including analysis of financial market turbulence and liquidity risks. One key area was the regulation of digital assets, particularly with regard to stablecoins and crypto assets. The FSB also continued its work on implementing the G20 Sustainable Finance Roadmap.

INTERNATIONAL ASSOCIATION OF INSURANCE SUPERVISORS – IAIS

In 2024, the IAIS focused on implementing the Insurance Capital Standard (ICS), strengthening global insurance supervision and addressing systemic risks. In relation to climate risks, the organisation published analysis covering the insurance industry and its resilience to extreme weather events. The IAIS's Global Insurance Market Report (GIMAR) 2024 focused on systemic risks in the insurance sector, in particular the impact of inflation, geopolitical uncertainties and climate risks. One key area was the resilience of insurers to financial market volatility and their capital requirements under the ICS. Another important aspect was the increasing significance of cyber risks and their potential effect on financial stability.

INTERNATIONAL ORGANISATION OF PENSION SUPERVISORS – IOPS

In addition to a revision of the IOPS Principles of Private Pension Supervision, the key topics in 2024 were the supervision of selected investment activities of pension funds, the crisis management plans of the supervisory authorities, and work to support implementation of the ESG Guidelines. The IOPS also began the work of revising its Articles of Association.

BASEL CONSULTATIVE GROUP (BCG)

The BCG, a forum of the Basel Committee on Banking Supervision, offers a platform for dialogue between supervisors, central banks and international institutions from a large group of countries, now numbering 47, and also works to strengthen dialogue with non-member countries. The main topics covered in 2024 were the finalised revision of the Core Principles, the disclosure of climate-related risks, digitalisation in the financial sector, an exchange of experience on proportionality in the supervisory

	Banking	Insurance	Securities	AIFMD MoU
Abu Dhabi				2018
Albania		2009		2023
Australia				2013
Bahamas				2015
Bermuda				2013
Bosnia and Herzegovina	2015			
Brazil	2017			
British Virgin Islands				2013
Bulgaria	2005			
Canada				2013
Cayman Islands				2013
China			2008	
Croatia	2005	2008	2000	
Cyprus	2007		2002	
Czechia	2001	2004	1999	
Dubai				2013
France	1995			
Germany	2000			
Guernsey				2013
Hong Kong				2013
Hungary	2001	2002	1998	
Isle of Man				2013
Italy	1998			
Japan				2013
Jersey				2013
Kazakhstan				2021
Kosovo		2016		
Liechtenstein	2009			
Macedonia		2010		
Malaysia				2013
Malta	2007			
Montenegro		2009/2022		
Netherlands	1997			
Poland			1999	
Qatar				2018
Romania	2006	2005		
Russian Federation	2010			
Serbia		2009		
Singapore				2013
Slovakia	2003	2002		
Slovenia	2001		2001	
Switzerland	2012	2006		2013
Thailand				2014
United Kingdom	1994/1998/2019			
USA				2013

Table 12: Bilateral Memoranda of Understanding concluded (incl. year of conclusion)

regime and targeted adjustments to the treatment of crypto assets and interest rate risk in the banking book. The BCG organised an industry workshop on banking-as-a-service (BaaS) in mid-May.

NETWORK FOR GREENING THE FINANCIAL SYSTEM – NGFS

The FMA has been a member of the NGFS since 2020. It provides supervisory authorities and central banks with a platform for exchanging knowledge and experience and developing environmental and climate risk management methods for the financial sector. In December 2024, the NGFS had 144 members and 21 observers worldwide. It currently has four workstreams and three task forces. The FMA is particularly heavily involved in the workstreams entitled Supervision and Experts' Network on Legal Issues, and in the Task Force on Biodiversity Loss and Nature-related Risks.

In 2024, the NGFS published the fifth edition of its long-term climate macrofinancial scenarios for forward-looking climate risk assessments, which includes the updated assessment of physical risk and a new climate damage function that leads to more significant physical impacts of climate change. The NGFS also published two complementary reports on nature-related risks as well as three reports and an accompanying note on the topic of transition plans, which examine the role of transition plans for mobilising capital in the financial system, the management of climate-related financial risks and the significance of transition plans for microprudential supervision. The NGFS also published several technical documents, including on short-time climate scenarios.

AML/CFT COOPERATION ON THE FINANCIAL MARKET AND FINANCIAL ACTION TASK FORCE – FATF

In the summer of 2024, the EU AML legislative package and the establishment of the EU Anti-Money Laundering Authority (AMLA) based in Frankfurt laid the foundation for new anti-money laundering and countering the financing of terrorism (AML/CFT) supervision in the EU. The FMA played a constructive role in the preparations for Level 2/3 mandates and has already begun preparing for the AMLA, including by establishing a national interface to the AMLA.

At an international level, the fifth country evaluation of Austria by the Financial Action Task Force (FATF), which was launched in October 2024 and runs until February 2026, is a key topic for the FMA. The evaluation will examine how effectively the FATF's 40 recommendations on the prevention of money laundering, terrorist financing and proliferation financing (ML/TF/PF) have been implemented. It focuses in particular on the measures taken by the financial sector to combat ML/TF/PF and on the supervision of these measures. As part of the evaluation conducted by the International Monetary Fund (IMF) on behalf of the FATF, the FMA has already completed some important milestones in 2024, including the submission of initial information on the technical implementation of the recommendations. The evaluation itself and the optimum presentation of the measures taken are a top priority for the FMA. To this end, the FMA has been engaging in close dialogue with national and international stakeholders since spring 2024.

OPERATIONAL SUPERVISION

SUPERVISION OF COMPANIES' STABILITY

ANALYSIS WORK

ONGOING ANALYSES

Companies licensed by the FMA are required to submit current data and figures on their ongoing business and risk development (reporting) to the supervisory authority at prescribed intervals, as well as further regulatory reports by certain deadlines; these include audited annual financial statements, management reports, consolidated financial statements, as well as other regulatory reports (banks, for example, are required to present the annex to the audit report, in which the auditor responds to specific banking supervision issues). Certain facts and developments, which are clearly defined by law, must be reported by the supervised entities of their own accord. External supervisory institutions are also subject to reporting and notification obligations. This applies to statutory auditors or, in the case of banks, state commissioners, who are appointed by the Federal Minister of Finance and must be invited by credit institutions to their general meetings, and to the meetings of the supervisory board and the audit committees.

Furthermore, the supervisory authority will request additional information on specific topics, both from individual institutions and from the sector as a whole (such as details of their exposure to specific regional markets or products) as and when required.

The supervisor thoroughly analyses this broad and deep pool of information, identifying trends and risks at both sector and individual institution level. The depth and frequency of the reporting system and special analysis work are based on the principle of proportionality, with supervisory activities having to be risk-based. Based on this regular analysis work, the FMA then delves deeper into the relevant topics during management talks or on-site measures in a risk-oriented manner, investigating the risk situation and risk potential using special surveys and types of analysis such as stress tests.

Data collection and analysis, as well as on-site inspections, are carried out by the Oesterreichische Nationalbank (OeNB) and the European Central Bank (ECB) in the area of banking supervision. In the case of less significant institutions (LSIs), the FMA is generally responsible for conducting official proceedings, up until legal enforcement, with the ECB simply overseeing such proceedings. Significant institutions (SIs) are supervised by the ECB directly.

SELECTED ANALYSES BY SUPERVISORY AREA

BANKS

The supervisory review and evaluation process (SREP) is a central tool within banking supervision. As part of the SREP, an institution's business model, internal governance and risk management, as well as its capital and liquidity risks, are all individually analysed. Over the past few years, the FMA and OeNB have developed the SREP in Austria into an integrated supervisory tool by also incorporating findings from efforts to prevent money laundering and terrorist financing and from conduct and sales supervision.

The SREP is a tool for the in-depth analysis of a bank's overall risk situation. For optimal results, the FMA and OeNB regularly update and adapt the SREP in line with the latest regulatory developments.

The full SREP procedure is carried out at banks every year, every two years or every three years based on the principle of proportionality, i.e. depending on the size, structure, nature, scope and complexity of the respective bank's business model. During the years without a full procedure, the SREP is only updated. While it is the OeNB that carries out the quantitative analysis required for the SREP, the FMA focuses on the internal governance and risk management aspect, which involves an in-depth review and assessment of an institution's internal governance, organisational structure, risk management structure, and risk culture and infrastructure. The FMA is also in charge of issuing the SREP administrative decision, adding a legally binding aspect to the analysis results. In addition, the previously established practice of conducting governance deep dives with selected institutions was continued in 2024.

Within the SSM, it is the ECB that is responsible for the SREP of banking groups under its direct supervision, the significant institutions, but the national supervisory authorities are also closely involved in the process.

INSURANCE UNDERTAKINGS

The analysis work in relation to insurance undertakings and insurance groups as part of the SREP covered ongoing financial and risk analysis (primarily using quantitative reporting data), as well as dedicated specific analysis and numerous management talks on companies' strategies in order to be able to make risk-sensitive classifications based on this background information. Specific analyses were dedicated to profitability and provisioning security in the area of non-life insurance and investment, with a particular focus on the effects of inflation on the creation of provisions. Against the backdrop of the severe weather disasters that hit Central Europe in the second half of 2024, additional in-depth analysis was carried out on the effectiveness of reinsurance schemes and on the impact of insurance claims on insurers' general profitability. Further analysis was carried out on the extent to which results impact inflation. This sensitivity analysis was expanded to consolidated group results, which was the subject of special analysis work. As part of efforts to advance the implemented Solvency II review process, work was undertaken to develop a new data layer for significant key figures and indicators. At one life insurance undertaking, supervisory and analysis activities were intensified after the (foreign) parent company declared insolvency. These activities ranged from ongoing assessment of the economic situation of the company to supporting operational separation of the essential IT systems from the parent's system landscape.

PENSIONS-KASSEN

Financial and risk analysis work within the scope of the SREP focused on quantitative reporting data, as well as on extensive reports on activities and reports by the auditing actuary on each investment and risk-sharing group, as well as reports by the state commissioners, who attend the meetings of pension company bodies. The own risk assessments (ORAs), which *Pensionskassen* are required to prepare every three years, were also analysed in depth and discussed with the companies. Lastly, the transition to a more sustainable financial sector was another big issue for *Pensionskassen*, with an abundance of EU regulations having to be considered, and progress being regularly checked.

ASSET MANAGERS AND CORPORATE PROVISION COMPANIES

In 2024 the FMA analysed 31 annual financial statements prepared by licensed asset managers and corporate provision companies, along with ten audit reports from branches of foreign asset management companies as part of its ongoing analysis work. Additionally, it processed 1 539 annual and half-yearly reports prepared by funds, also carrying out random checks of these reports.

In the course of a Common Supervisory Action on sustainability-related disclosures and the integration of sustainability risks, which ESMA launched back in 2023 and completed at the end of 2024, the FMA conducted targeted off-site and on-site audits at six asset managers on the basis of findings from greenwashing risk analysis of the entire retail fund market.

The FMA also implemented preparatory measures for the Digital Operational Resilience Act. DORA aims to strengthen the resilience of the European financial market against cyberattacks, thereby boosting protection for investors and consumers within the European Union. In preparation, information about IT service providers was collected (by way of a dry run) and a DORA self-assessment carried out, the latter also being taken into account for the Austrian Digital Finance Landscape 2024. These preparatory efforts were accompanied by information events in the form of webinars and individual management talks. Finally, in addition to ongoing analysis of reporting data, the evaluation of the annual analysis questionnaire, which all licensed asset managers and corporate provision companies are required to complete, was also considered.

INVESTMENT SERVICE PROVIDERS

The rules of the Investment Firms Act (WPFG; *Wertpapierfirmengesetz*) and of Regulation (EU) 2019/2033 on the prudential requirements of investment firms (IFR) created a new prudential supervisory regime for MiFID¹ investment firms in Austria. This is a new, independent reporting system based on the CRR² system for banks. With the new reporting regime in place, the FMA assessed and analysed significant key figures, data and facts from 62 investment firms and 14 groups of investment firms in 2024.

¹ *Markets in Financial Instruments Directive: Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU.*

² *Capital Requirements Regulation: Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012.*

BENCHMARKS

In 2024, ESMA carried out a Europe-wide Common Supervisory Action on ESG disclosures under the Benchmarks Regulation (BMR), in which the FMA also participated. The goal of the CSA was to assess compliance of the supervised benchmark administrators with the sustainability-related disclosure requirements in the BMR across the European Union. For the CSA, the FMA analysed compliance with the sustainability-related disclosure requirements for the benchmarks provided by Wiener Börse AG as benchmark administrator, and was involved in the analysis and processing of the CSA results at European level.

STRESS TESTING

BANKS

The ECB subjected 109 large banks, which are under its direct supervision within the Single Supervisory Mechanism (SSM), to a cyber resilience stress test; among them were six Austrian banks. The stress test exercise simulated a cybersecurity incident during which all preventive measures fail and a cyberattack severely affects the databases of the respective bank's core systems. It focused on how banks respond to and recover from a cyberattack, rather than on how to prevent it.

To test banks' response to the scenario and their recovery from it, their business continuity, communication and recovery plans were evaluated. Banks had to demonstrate the extent of their ability to activate and implement planned mitigation measures. A sample group of banks also had to perform an actual IT recovery test. By covering different business models and geographical locations, the sample was chosen to reflect the banking system as a whole within the SSM.

The stress test results showed that banks have response and recovery frameworks for cybersecurity incidents in place, but areas for improvement remain. Individual feedback has helped increase the participating banks' awareness of the strengths and weaknesses of their cyber resilience frameworks, encouraging them to keep working on meeting supervisory expectations. The advancing digitalisation of the banking sector means that cyber resilience frameworks need to be consistently strengthened.

INSURANCE UNDERTAKINGS AND PENSIONSKASSEN

The European Insurance and Occupational Pensions Authority (EIOPA) carried out a stress test for insurance groups. The scenario tested a sudden increase in interest rates and inflation, alongside a mass lapse shock. Vienna Insurance Group was the only Austrian participant to take part in the stress test. Based on the EIOPA stress test scenario, the FMA additionally calculated a top-down capital stress test for the balance sheets of Austrian insurance undertakings. Using a simplified approach without considering non-linear effects, this stress test examined the effects on own funds. The results show that Austrian insurers are well capitalised, albeit with a higher interest rate sensitivity on the assets side than on the liabilities side, and a loss of capital with interest rate hikes.

As in previous years, the FMA also computed a transition risk climate stress test for the assets side of insurance undertakings and *Pensionskassen*, with all three scenarios of the European Fit-For-55 scenario analysis exercise³ being considered. While the

³ *Climate-related scenarios for the one-off Fit-for-55 scenario analysis exercise.*

REAL ESTATE RISKS

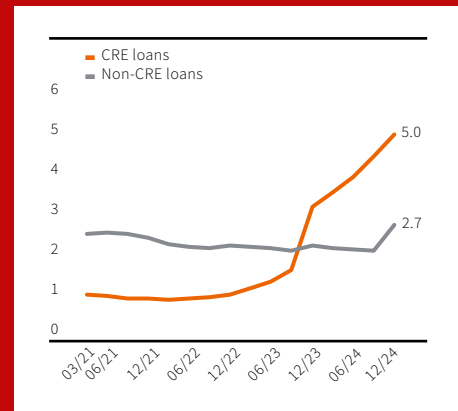
For several years now, the FMA has paid close attention to the area of real estate finance and the associated risks for both supervised entities and all other participants in the financial market, including consumers and investors. The reason for this watching brief has been the experiences of other countries during the 2008/09 financial crisis, which revealed that when property bubbles burst this can have very damaging impacts on the financial market and real economy.

The financing of construction and real estate transactions represents a major area of business for Austrian credit institutions. As at 31 December 2024, commercial and private real estate financing combined amounted to € 263 billion, which represents 33% of the loans awarded by all Austrian credit institutions (to domestic and foreign borrowers across all sectors), and 69% of all loans granted by Austrian credit institutions to Austrian households or non-financial companies. Real estate finance in Austria therefore presents a potential system risk just on the basis of its size. While the real estate sector accounts for the largest share of corporate financing in the banking sector across the eurozone as a whole, this situation is particularly pronounced in Austria.

Austria stands out against other countries in terms of the large volume of commercial real estate finance. Corporate finance secured against real estate accounts for 13.8% of the consolidated total assets of Austrian credit institutions, which is significantly above the EU average of 6.9% and places Austria fifth in a ranking of Member States. The major significance of commercial real estate finance in Austria must, however, be considered in the context of the proportion of the population who live in rented accommodation, which is high compared with the rest of Europe. While the EU average is 30.8%, in Austria 45.7% of the population rent their homes.¹ Therefore, a large portion of finance for residential properties flows to the corporate sector rather than to households.

The levels of real estate lending to private individuals and companies in 2024 were largely equal. However, the associated risk developed very differently. The non-performing loan rate for private residential property finance rose only slightly from 1.2% in Q3 of 2023 to 1.4% in Q3 of 2024. In contrast, the NPL (Non-performing loans) rate for commercial property lending increased from 1.5% to 5% over the same period. This placed Austria well above the EU average of 4.3% (> Chart 31).

Chart 31: NPL ratio commercial real estate (CRE) in 2021–2024 (source: OeNB, GKE)



Charts 32–33: Development of affordability of residential real estate in Austria and the euro area in 2010–2024 (in %; 31 March 2010 = 100%; source: ECB, internal calculations)

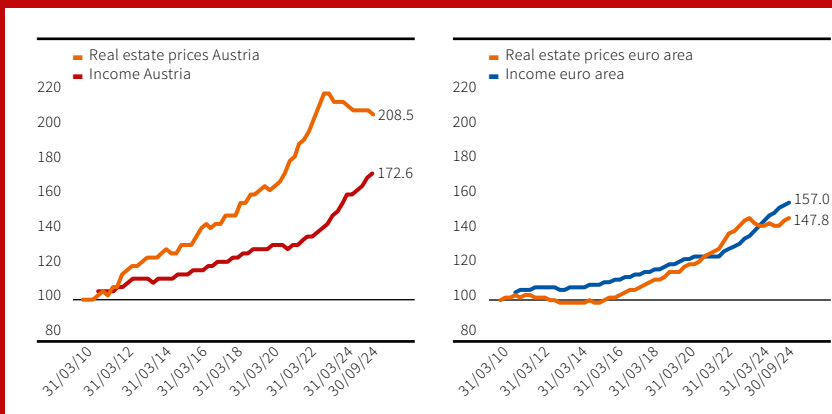
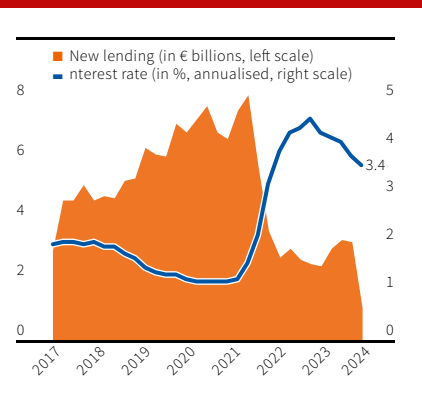
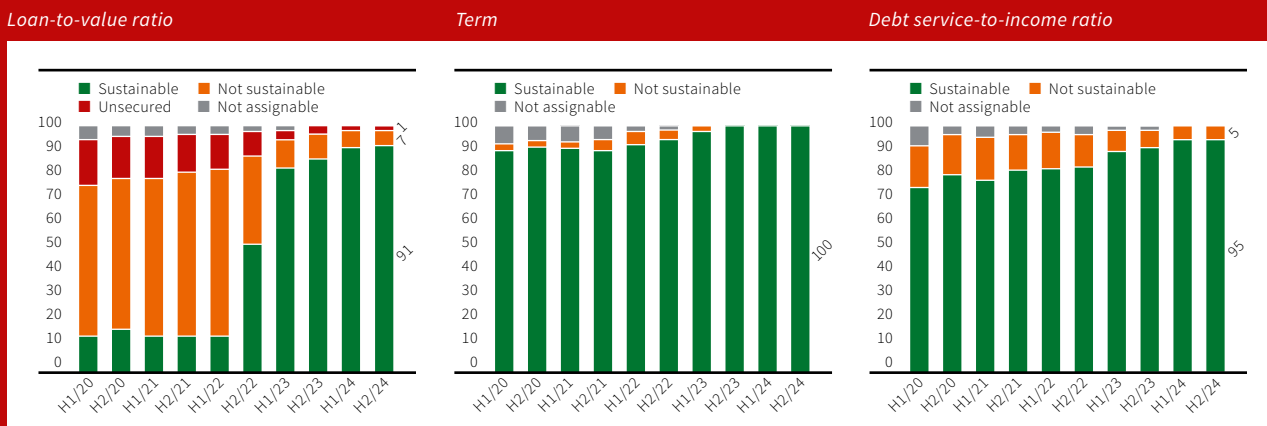


Chart 34: Loans to households, volumes and interest rates in 2017–2024 (source: ECB, MIR)



¹ Source: Eurostat; figures from 2023.

Charts 35–37: Sustainability standards in private residential property lending (share of new lending over time, in %) (Source: Vera-H, internal calculation 30/10/24. Minor loans are excluded from Q4 2022 and interim financing from Q2 2023.)



MANAGING REAL ESTATE RISK

The Regulation on Real Estate Financing Measures in Credit Institutions (KIM-V), entered into force in August 2022 as a recommendation of the Financial Market Stability Board (FMSB). It has significantly improved lending standards in relation to new loans and the existing stock of private residential real estate loans (> Charts 35–37). At the same time, there has been a noticeable decline in overvaluation and a closing of the affordability gap of residential real estate. This means that the objectives of the KIM-V, especially in reducing the system risk associated with real estate lending to private customers, were achieved. Accordingly, the FMSB did not recommend to the FMA that the KIM-V be extended beyond 30 June 2025. The FMSB underlined however that, even in the current absence of any detectable systemic risk, risks for the financial system remain, particularly in the event of lending standards deteriorating, income becoming decoupled from prices and capital ratios falling. The FMA will therefore utilise its resources for microprudential supervision to ensure that Austrian credit institutions that are subject to its direct supervision continue to adhere to sound lending standards even after the end of the KIM-V, so as to avoid new risks to financial market stability. Furthermore, monitoring of lending standards at individual institutional level and as a whole will be reinforced in order to identify any worsening of lending standards and the underlying causes in a timely manner. This will require an increase in reporting frequency to quarterly, to be implemented in Q3 of 2025. In the area of commercial real estate finance, system risks that could endanger the stability of the financial market have already been identified. The FMSB therefore recommended that the FMA set a sectoral systemic risk buffer for these receivables. The FMA intends to implement the FMSB’s recommendation by requiring that all credit institutions hold the recommended 1% sSyRB from 1 July 2025. This means that the available buffer capital will increase by approximately € 600 million, improving the resilience of the Austrian banking sector. Changes in these risks will continue to be closely observed and re-evaluated as they develop in order to make any stricter interventions in a timely manner where necessary.

baseline scenario anticipates a reduction in net greenhouse gas emissions of at least 55% by 2030 compared with 1990 levels, the first adverse scenario incorporates a negative reassessment of transition risks triggered by a sell-off of climate-sensitive assets, and the second adverse scenario intensifies the impact of the first adverse scenario by adding geopolitical risks and macroeconomic shocks. Like most ESRB market risk scenarios, the shock parameters include yield shocks for bonds and value adjustments for shares and real estate, with those for bonds primarily being modelled on exact cash flows and cash values to calculate value adjustments as precisely as possible. The results were communicated in full detail to each individual insurance undertaking at the beginning of 2025, at which time comparisons with the market were also explained and the relevant conclusions discussed (*see page 67*).

INVESTMENT FUNDS

To analyse the resilience of the supervised companies, the FMA conducted risk-based stress tests in the Austrian fund market in 2024. The aim was to obtain additional information for the risk analysis of investment fund management companies so that supervisors are better placed to recognise sensitivities and vulnerabilities and can do so at an early stage. Based on the interest rate situation in 2024, the impact of an interest rate shock was assessed. Stress tests were also carried out at funds managed by Austrian investment fund management companies to assess the liquidity situation of Austrian investment funds. Considering their current liquidity situation, both asset and liability-side stress test scenarios were simulated. Other random stress tests focused on climate scenarios. The institution-specific results of these stress tests will be addressed as part of continued supervision in 2025 and the related risk potential discussed.

The Austrian fund market was also subjected to a scenario analysis under the European Fit-for-55 climate stress test to gauge risk factors of individual asset managers in relation to climate and transition risks.

CORPORATE PROVISION COMPANIES

To monitor corporate provision companies' risk situation, the FMA carried out risk-based stress testing. It used future developments under stress scenarios to calculate sensitivities, particularly in relation to the provision for the capital guarantee, but also in relation to own funds and liquid funds. The aim of these stress tests is to better recognise sensitivities and vulnerabilities, and to identify potential problem areas at individual corporate provision companies or in the sector as a whole early on. This included both asset-side (performance losses) and liability-side (worsening of the labour market situation) stress scenarios for the next five years.

FINANCIAL MARKET INFRASTRUCTURES

In July 2024, the European Securities and Markets Authority (ESMA) published the results of its fifth EU-wide stress tests exercise for central counterparties (CCPs), which had been carried out in the previous year. The Austrian Central Counterparty Austria (CCP.A) participated in the exercise. As in previous years, it was confirmed that EU-CCPs are generally resilient against credit, concentration and liquidity risks under the tested scenarios and within the implemented framework.

ON-SITE MEASURES

On-site measures are an important tool for supervision, and used both to glean information and to check whether supervisory measures imposed by the FMA have been implemented by the companies concerned and whether the relevant legal requirements are being met. They include both more comprehensive on-site inspections and less extensive, more flexible examinations, complementing the FMA's ongoing analysis work, which mainly draws on reporting data, annual reports and other regularly available data or information requested on an ad hoc basis.

The FMA approaches on-site measures in a risk-oriented manner: larger, more complex and therefore riskier companies are inspected more often than smaller companies that only pose a limited risk to financial market stability. To this end, the FMA (together with the OeNB in the area of banking supervision) prepares an inspection plan for the coming year. In addition to these annual inspection plans, on-site measures are also carried out as required during the year to follow up on incidents or information relevant to supervision without delay and quickly gain a clear picture of any company that finds itself in a difficult situation.

On-site measures are performed across all areas of supervision. In the area of banking supervision and with regard to two market infrastructure companies, the FMA commissions its long-established supervision partner, the OeNB, to carry out the inspections. With regard to significant institutions for which the European Central Bank bears direct supervisory responsibility in the context of the SSM, inspections are carried out directly by the ECB with the involvement of national supervisors.

In line with the priorities for supervision and inspections for 2024, the FMA focused in particular on resilience and stability, sustainability, the digital transformation and new business models in the reporting year. Further priorities were preserving Austria's position as a clean financial centre and advancing collective consumer protection.

As in previous years, one particular priority in on-site inspection activities was information and communication technology security. The ICT checks carried out at banks and non-CRR institutions focused on ICT security risks and ICT outsourcing risks.

Table 13: On-site measures 2020–2024

	2020	2021	2022	2023	2024
Banks:					
Small and regional banks	14	15	12	18	21
Significant institutions	10	10	10	16	14
Conduct and sales	24	31	31	31	31
Insurance undertakings	22	27	28	25	28
Asset managers:					
(Real-estate) investment fund management companies and AIFMs	6	10	7	12	11
Custodian banks, depositaries	0	2	3	2	6
Portfolio management at investment firms and banks	11	8	6	8	8
Investment service providers	35	34	36	35	30
<i>Pensionskassen</i>	2	2	2	3	2
Corporate provision companies	2	2	5	3	2
Market infrastructures	2	3	4	3	6
Prevention of money laundering and terrorist financing	48	48	49	42	40
Benchmark administrators	1	2	1	0	2

FMA GUIDE FOR MANAGING SUSTAINABILITY RISKS UPDATED

Sustainability risks must be appropriately addressed by the financial sector, just like any other type of risk. In 2020, when this was a new risk area to many market participants, the FMA produced a Guide for Managing Sustainability Risks to help them navigate the subject.

Given the rapidly developing regulatory context and emergence of new expertise, the FMA launched a process to update the Guide in 2024, with the further aim of deepening a shared understanding of the supervisory role. As part of this revision process, the FMA focused particularly heavily on involving different stakeholders. It arranged a workshop with representatives from government ministries, public authorities, industry, science, research and civil society, who were invited to provide their own input into the review. The updated FMA Guide was then put out for public consultation between November 2024 and January 2025.

In addition to bringing the content up to date, especially with regard to the latest legal developments and new methods, the FMA also expanded the scope of the Guide to include important new risk aspects, such as biodiversity or risks to the natural world, transition planning and the risks of greenwashing. It is anticipated that the updated guide will be published in the first half of 2025.

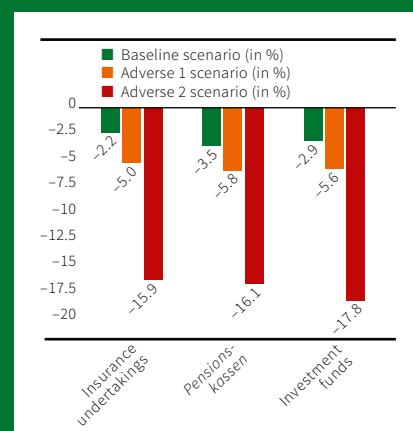
CLIMATE STRESS TESTING

In 2024 Austria and its neighbours experienced extreme weather events (extreme heat, torrential rain and flooding), which once again dramatically demonstrated that climate change is not some remote crisis but is increasingly affecting our own countries in a huge way.

The European supervisory authorities conducted a climate scenario analysis on this in 2024. The objective was to evaluate the resilience of the EU financial system during and after the implementation of the Fit-for-55 regulatory package¹. It was hoped that the exercise would deliver findings about the capacity of the financial system to support the transition to a low-carbon economy, including under stress conditions. Europe's climate ambition according to "Fit for 55" is to reduce greenhouse gas emissions in the European Union by at least 55% by 2030 compared with 1990 levels, and to achieve net zero by 2050.

In this context, the FMA carried out cross-sector climate stress testing of the Austrian market for insurance undertakings, *Pensionskassen* and funds. Its investigations covered a baseline scenario (an orderly transition in the "Fit for 55" implementation) and two adverse scenarios (a disorderly transition and one with additional macroeconomic stress factors) (> Chart 38). The results both for Austria and Europe as a whole show that the expected impact of implementing the "Fit-for-55" climate measures do not intrinsically represent a risk to the stability of the financial system. With the addition of macroeconomic stress factors, there may, however, be a significant negative impact on the capacities that the financial institutions can provide for transition funding. Given the material magnitude of the expected losses, it is therefore essential that individual financial institutions pay appropriate heed to integrating climate risks into their risk management frameworks.

Chart 38: Asset losses by scenario and sector (in %; source: FMA)



SUSTAINABILITY ON THE FUND MARKET

An area of focus for the FMA in 2024 was assessing and preventing greenwashing in the context of a growing market

¹ "Fit for 55" is a package of new and reformed directives and regulations from the European Commission on the EU's climate policy. The package was presented on 14 July 2021. Its purpose is to implement the European Green Deal concepts.

for sustainable investment funds. It undertook targeted supervision activities to verify disclosures and compliance with disclosed investment strategies, in particular as part of the pan-European ESMA Common Supervisory Action on greenwashing risks. For this purpose, the FMA further developed the greenwashing analysis framework for retail funds that it had used for the first time in 2023, which drew on automated text analysis methods and artificial intelligence. Derived from the definition of greenwashing, the FMA analyses whether the references in the name and fund documents to how sustainability-related aspects are included in the investment strategy are consistent (text analysis) and whether the extent suggested by the name and documents corresponds to the actual pursuit of the investment strategy in practice (portfolio analysis).

New European guidelines on fund names came into effect on 21 November 2024 for new funds, setting out the specific requirements for funds that use terminology related to ESG and sustainability in their names; existing funds will be impacted from 21 May 2025. The guidelines stipulate that where such terms are used, a minimum of 80% of the investment must fulfil environmental or social characteristics or pursue sustainable objectives. Various exclusion criteria defined in the guidelines also apply to terms that are not permitted to be used in fund names. The FMA has incorporated the ESMA guidelines in its administrative practice.

As part of the ICT security priority, the FMA assessed institutions' ICT governance through dedicated deep dives.

BANKS

The inspection mandates that the FMA gave to the OeNB in 2024 prioritised the issues of credit risk management, liquidity and refinancing risk and follow-up. The FMA itself carried out on-site inspections to check compliance with the statutory conduct rules in relation to the provision of banking and investment services, the distribution of financial instruments and the arrangement of insurance. A total of 31 on-site inspections were carried out during the year under review.

INSURANCE UNDERTAKINGS

In the insurance sector, 28 on-site activities were carried out in 2024, with four main priorities: the two priorities from the previous year were continued (IT security and compliance with the Insurance Distribution Directive) and the two priorities of internal audit and compliance with rules surrounding the life insurance pool reserve (Deckungsstock) were added. Regarding internal models, one group of companies filed an application for an extensive model change, resulting in two on-site visits and two audits of internal models, intensifying the ongoing supervision of these models.

PENSIONS KASSEN

Two *Pensionskassen* were inspected on site to verify compliance with the investment rules set out in Article 25 of the *Pensionskassen Act* (PKG; *Pensionskassengesetz*). Additionally, one of the internal audit priorities from the insurance sector was extended to include the pension company sector too.

ASSET MANAGERS

With regard to the supervision of asset managers (investment fund management companies, alternative investment fund managers, custodian banks, portfolio management at investment firms and banks), the supervision priorities of digitalisation and sustainability continued to dominate on-site inspections, specifically IT security and cybersecurity. Naturally, most of the processes involved in asset management are IT-based. The main focus during inspections of the systems and processes used therefore was increasing the operational security of all processes within the organisation through a higher degree of automation while at the same time reducing the need for manual tasks. With the increasing number of different IT systems and programs, the demands being made of authorisation management systems are also rising. Given the importance of such systems in preventing the misuse and unauthorised manipulation of data and IT systems, on-site inspections focused particularly strongly on their suitability.

Sustainable finance was another aspect prioritised during on-site inspections. The FMA focused in its on-site inspections on potential greenwashing cases, also within the ESMA CSA on sustainability-related disclosures and the integration of sustainability risks, which was carried out from 2023 until 2024.

INVESTMENT SERVICE PROVIDERS

The priority areas during on-site inspections at investment service providers were IT and cyber risks, and the evaluation of service provision (customer acquisition, cus-

tomers service, PRIIPs-KID⁴). Further priorities were newly licensed companies and an ESMA CSA on MiFID II sustainability requirements. Additionally, the FMA also directly inspected tied agents and securities brokers, doing so on eight occasions.

FINANCIAL MARKET INFRASTRUCTURES

In accordance with its statutory remit as defined in the European Market Infrastructure Regulation (EMIR)⁵, the FMA conducted the annual inspection at CCP.A, checking full compliance with all CCP-relevant EMIR rules.

One examination was carried out at Wiener Börse AG. OEKB CSD GmbH was subjected to three on-site measures, and two DORA workshops were hosted for financial market infrastructures.

MANAGEMENT TALKS

Regular structured talks with the management of supervised companies are another important source of information for continued supervision. Management talks are usually conducted annually. Their aims include maintaining contact with the management and examining in greater detail the business model, strategy and risk assessment of the companies concerned. Management talks are also held to discuss current topics and supervisory priorities (> Table 14).

Table 14: Management talks
2020–2024

	2020	2021	2022	2023	2024
Banks	150	116	108	157	116
– Conduct and sales supervision	17	23	12	17	17
Insurance undertakings	150	108	104	92	113
Asset managers (AIFMs and [real-estate] investment fund management companies)	37	17	17	29	14
Investment service providers (incl. firms)	41	51	41	44	41
Pensionskassen	24	11	12	11	11
Corporate provision companies	12	3	4	5	4
Market infrastructures	2	3	1	2	3
Prevention of money laundering and terrorist financing	8	10	8	6	11
Crowdfunding service providers	1	1	0	1	1
Benchmark administrators	1	1	0	1	1

OFFICIAL PROCESSES

LICENCES AND REGISTRATIONS

The number of licensed and registered companies supervised by the FMA fell in 2024, dropping from 884 to 877. This development is also reflected in the number of licensing processes: eleven new licences were granted in the reporting year (2023: 9), alongside ten (2023: 9) relinquished, expired or withdrawn licences (> Table 15). Four licences were extended. However, these global figures are not always a good reflection of the varying developments in individual market sectors.

⁴ Key information documents for packaged retail and insurance-based investment products.

⁵ Regulation (EU) No 648/2012 of the European Parliament and of the Council of 4 July 2012 on OTC derivatives, central counterparties and trade repositories.

	New	Change	Extension	Revocation/ Expiry	Withdrawal
Banks	0	0	0	0	0
Payment service providers	0	0	0	0	0
Insurance undertakings	0	0	1	0	0
Asset managers:					
Investment fund management companies	0	0	0	0	0
Licensed AIFMs (incl. real estate investment fund management companies)	1	0	0	1	0
Registered AIFMs	4	0	0	2	0
Investment service providers (incl. firms)	6	0	3	6	0
Crowdfunding service providers	0	0	0	1	0
<i>Pensionskassen</i>	0	0	0	0	0
Corporate provision companies	0	0	0	0	0
Market infrastructures	0	0	0	0	0
Benchmark administrators	0	0	0	0	0
Financial holding companies	0	0	0	0	0
Total	11	0	4	10	0

Table 15: Authorisation and registration procedures concluded in 2024

BANKS

The FMA granted no new licences, and also did not extend the scope of any existing licences in the reporting year. One licence expired as a result of being relinquished⁶ (see Box „European American Investment Bank AG“ on page 73).

PAYMENT SERVICE PROVIDERS

There were no changes regarding the licences granted to payment service providers.

INSURANCE UNDERTAKINGS AND PENSIONS KASSEN

One licence held by an insurance undertaking was extended in the reporting year. There were no changes to the licences granted in the pension company market.

ASSET MANAGERS

The number of investment fund management companies has remained stable. The number of licensed alternative investment fund managers was unchanged compared with the previous year, with one AIFM being newly licensed and one AIFM having relinquished its licence. The number of registered AIFMs rose during the period under review from 38 to 40 AIFMs, with four new AIFMs being registered and two companies cancelling their registration.

INVESTMENT FIRMS

Changes in the regulatory environment and the opportunities offered by digitalisation for the development of new and differentiated business models resulted in a number of licensing processes during 2024. The FMA granted six licences to investment firms, while six expired or were relinquished.

CROWDFUNDING SERVICE PROVIDERS

In the 2024 financial year, initial consolidation endeavours among market parti-

⁶ Insolvency proceedings for European American Investment Bank AG were instituted on 10 December 2024. The FMA submitted a proposal to the ECB to withdraw the licence of Euram Bank AG on 16 January 2025. The ECB withdrew the bank's licence with effect from 14 March 2025.

Participants have resulted in slight changes in the Austrian crowdfunding market. The licence of one crowdfunding service provider lapsed as a result of a cross-border merger. The harmonised crowdfunding market in Austria has therefore shrunk to two providers with an Austrian authorisation pursuant to the European Crowdfunding Service Provider Regulation (ECSPR)⁷. This contrasts with the development within the European Union, where 159 providers were listed in the ESMA register of crowdfunding service providers at the end of 2023.

Crowdfunding service providers wishing to be active outside this harmonised regime may do so in Austria on the basis of the Alternative Financing Act (AltFG; *Alternativfinanzierungsgesetz*). In this case it is not the FMA but the district administration authorities that are responsible for enforcement.

VIRTUAL ASSET SERVICE PROVIDERS

Virtual asset service providers have been subject to the Financial Markets Anti-Money Laundering Act (FM-GwG; *Finanzmarkt-Geldwäschegesetz*) and required to register with the FMA since 10 January 2020. VASPs issue and sell virtual currencies, and transfer them, they provide exchange and trading platforms (irrespective of whether virtual currencies are exchanged between each other or with fiat currencies or vice versa) and act as custodian wallet providers.

In 2024, four VASPs submitted registration applications to the FMA, all of which subsequently withdrew their applications again. Six applicants cancelled registrations that had already been granted.

BENCHMARK ADMINISTRATORS

In accordance with the provisions of the Benchmarks Regulation (BMR)⁸, all index providers within the EU that provide indices used to determine the value of financial instruments, investment funds and consumer loans must register as administrators. Administrators based in Austria must register with the FMA. In the year under review, the FMA supervised one administrator, Wiener Börse AG. The number of benchmarks provided by the Vienna Stock Exchange remained unchanged on the previous year.

As at 31 December 2024, it provided 135 benchmarks, grouped into 23 families of benchmarks.

FINANCIAL HOLDING COMPANIES

There were no changes to the licences granted to financial holding companies in the year under review.

FIT AND PROPER ASSESSMENTS

The FMA conducted a total of 705 fit and proper assessments in 2024 (2023: 624) in order to evaluate the professional and personal suitability of members of the management and supervisory boards, and of specific function holders in the supervised

⁷ Regulation (EU) 2020/1503 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.

⁸ Regulation (EU) 2016/1011 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014.

EUROPEAN AMERICAN INVESTMENT BANK AG

In October 2024, the FMA prohibited the European American Investment Bank AG (Euram Bank) from continuing its business operations. This action triggered a deposit guarantee pay-out event, followed by the insolvency of Euram Bank in December and subsequent withdrawal of its banking licence in March 2025. These developments followed the FMA's discovery of serious shortcomings, primarily with regard to anti-money laundering measures.

Numerous failings had been found across all areas of money laundering and terrorist financing prevention during the FMA's on-site inspection in 2022, at which time Euram Bank was instructed to restore compliance with the statutory provisions. One governance measure was also imposed. In 2023 the Bank was subject to an administrative penalty (as part of accelerated proceedings) due to its lack of strategy, checks and procedures to prevent money laundering and the financing of terrorism. A further sanction was imposed in 2023 due to the Bank's infringement of the rules regarding the appropriateness and suitability of investment services and in relation to cost transparency, with this penalty later being confirmed in full by the Federal Administrative Court in the second instance. Despite these measures, Euram Bank failed to make sufficient progress in remedying the shortcomings in 2023. Consequently, the FMA believed that there was an acute risk of the Bank engaging in transactions that were being used for money laundering purposes. By means of an administrative decision on 16 January 2024, Euram Bank was therefore ordered to restore the lawful situation and, until such compliance was achieved, was banned from engaging in new business and subject to transaction controls on otherwise generally permitted transactions. The aim of these measures was to reduce the existing risk of money laundering as far as possible during the period in which the Bank was required to remedy its failings.¹

The FMA's ongoing checks in 2024 consistently revealed that the shortcomings on the part of Euram Bank were not being appropriately remedied – not just with regard to money laundering prevention but also in other supervisory areas – and that the transaction controls implemented by means of the administrative decision were not being properly applied. A further sanction was imposed, following accelerated proceedings, in 2024 due to a breach of the organisational rules relating to personal transactions.

In view of the economic developments at Euram Bank, the FMA identified a need for early intervention in accordance with the Bank Recovery and Resolution Act (BaSAG) and appointed a provisional administrator on 16 August 2024, also because the Bank was late in submitting the documents for its 2023 annual financial statements.

Having identified a need for early intervention, the FMA stepped up its supervisory activity. The Bank was ordered by administrative decision to convene an extraordinary general meeting at which it was required to pass a resolution either in favour of a capital increase of at least € 25 million or in favour of voluntary self-liquidation. At this meeting, the Bank's owners passed a liquidation resolution.

Given the persistently poor economic development of Euram Bank, the FMA issued an administration decision appointing a government commissioner on 16 October 2024 and prohibited the continuation of business operations, thereby triggering a deposit guarantee pay-out event. Based on the shortcomings identified by the FMA, the Financial Intelligence Unit was also involved in the case alongside the deposit insurance scheme. The latter, Einlagensicherung Austria (ESA), was forced to suspend the reimbursement of the covered deposits, as the Financial Intelligence Unit first had to analyse the deposits due to suspected ML/TF. As relevant information came to light during the Unit's analysis, it forwarded its findings to the responsible public prosecutor.

Euram Bank subsequently notified the FMA of its over-indebtedness due to the need for enormous write-downs in its loan portfolio. Euram Bank did not fulfil the conditions for resolution pursuant to BaSAG, particularly due to the absence of any public interest in such an outcome. On 6 December 2024, the FMA therefore filed an application with the Commercial Court of Vienna to open insolvency proceedings, which were instituted with effect from 11 December 2024. At the request of the FMA, the ECB, as the competent authority, finally withdrew Euram Bank's licence on 13 March 2025 due to its insolvency and its long-standing and serious shortcomings with regard to anti-money laundering and terrorist financing measures.

¹ In light of Euram Bank's appeal against this decision, the case is currently still pending before the Federal Administrative Court.

Table 16: Fit and proper tests concluded in 2024

	Management	Supervisory board	Function holders
Small and regional banks (LSIs)	71	303	8
Significant banks (SIs)	21	73	10
Payment service providers	1	–	–
Insurance undertakings	37	52	38
Asset managers:			
Investment fund management companies	3	13	2
AIFMs (incl. real estate investment fund management companies)	13	2	3
Registered AIFMs	3	–	–
Custodian banks	4	–	–
Investment service providers (incl. firms)	13	1	3
<i>Pensionskassen</i>	3	0	10
Corporate provision companies	3	4	9
Financial holding companies	1	0	0
Market infrastructures	0	0	1
Total	173	448	84

companies (> Table 16). The vast majority of these assessments related to members of executive bodies, i.e. managing directors or supervisory board members. As an integrated supervisory authority, the FMA endeavours to apply all fit and proper requirements, assessments and procedures in an equivalent manner across all sectors, inasmuch as regulatory provisions allow. In relation to the supervision of significant institutions, the ECB is responsible for formal decision-making based on fit and proper assessments.

Following the implementation of European provisions, the FMA has been entitled since 2021 to directly remove members of the management or supervisory board of banks who fail to comply with fit and proper requirements. Such removal is only possible after a thorough fit and proper assessment. Particular focus in the assessments continues to be placed on supervisory board members' independence.

OUTSOURCING

Supervised companies notified the FMA of 517 instances of material operational tasks being outsourced in the reporting year (> Table 17). Outsourcing may be advantageous for companies in many different ways across all areas of the financial market. It can improve cost efficiency and allow for greater flexibility. In the case of decentralised sectors, outsourcing to sector-wide institutions can help pool knowledge and

Table 17: Outsourcing approved and/or notified in 2024

	2024
Banks	229
Payment service providers	4
Insurance undertakings	17
Asset managers:	
Investment fund management companies	90
AIFMs (incl. real estate investment fund management companies)	162
Custodian banks	0
<i>Pensionskassen</i>	8
Corporate provision companies	6
Market infrastructures	1
Total	517

implement uniform standards. Asset managers and corporate provision companies may delegate tasks to third parties. Most outsourcing by asset managers involves them delegating specific tasks for individual funds, such as all asset management, to third parties.

And with the advance of digitalisation, the importance of outsourcing is continuing to grow. Specific corporate processes are more and more often being taken over by specialised IT service providers, for example online and video identification services in connection with Know Your Customer, or providers in the field of data science that process and analyse customer data. Nowadays, entire IT systems are also increasingly being outsourced to the cloud.

FURTHER SELECTED SUPERVISION CASES

SREP MEASURES

The capital resources of Austrian credit institutions are monitored by the FMA and ECB on an ongoing basis. Credit institutions are required to comply with minimum capital requirements (Pillar 1) in order to guarantee uniform and standardised coverage of credit, market, operational and settlement risk. Additionally, they are also required to have sufficient capital to secure all of the essential risks associated with their banking business and operations (Pillar 2). This additional capital requirement is determined in the supervisory review and evaluation process (SREP). The FMA sets the additional capital requirements for the banks that are under its direct supervision, the less significant institutions (LSIs), while the ECB performs this task for the significant institutions (SIs) that it supervises directly. Smaller credit institutions in decentralised sectors are analysed by the FMA using a proportional, simplified approach that takes account of their business model.

The FMA made 309 SREP decisions in relation to LSIs in the reporting year (2023: 323), with the ECB making six decisions in relation to SIs (2023: 6) (> Table 18).

INTERNAL MODELS IN INSURANCE

In the area of insurance supervision, the FMA contributed to two model changes in the capacity of responsible supervisory authority in 2024 (>Table 19). The FMA was the responsible supervisory authority as it forms part of its remit to supervise subsidiaries of groups that are authorised in another Member State and that also use the group model for calculating their individual own funds requirements. Internal group models are approved by way of common decisions adopted by all responsible supervisory authorities in the form of supervisory colleges.

	2020	2021	2022	2023	2024
SREP decisions LSIs	349	331	346	323	309
SREP decisions SIs	7	7	6	6	6

Table 18: SREP decisions 2020–2024

	2020	2021	2022	2023	2024
Approval of (partial) internal models of individual companies	5	2	0	0	0
Approval of (partial) internal models of insurance groups	2	1	2	4	2

Table 19: Approval of internal models in the insurance sector 2020–2024

Chart 39: Number of foreign funds notified for sale in Austria 2020–2024

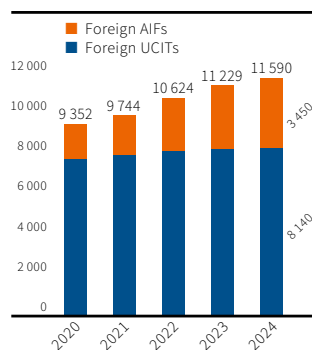


Table 20: Continued supervision of foreign investment funds 2020–2024

	2020	2021	2022	2023	2024
Transactions with foreign UCITs	17 860	19 301	19 018	19 434	12 543
– Notifications	742	807	759	627	724
Transactions with foreign AIFs	5 125	6 825	7 271	7 757	6 755
– Notifications	607	791	938	853	739
Total	22 985	26 126	26 289	27 191	19 298

SUPERVISION OF FOREIGN INVESTMENT FUNDS

The number of foreign funds notified for sale in Austria continued to grow in the reporting year, namely by 3.2% to 11 590. Specifically, the number of foreign alternative investment funds (AIFs) has risen, by +10.2% to 3 450, while the number of foreign undertakings for collective investment in transferable securities (UCITs) has grown only marginally, by 0.5% to 8 140 (> Chart 39). The funds still originate mostly from Germany, France, Ireland, Luxembourg and the Netherlands.

Continued supervision of foreign investment funds deals in particular with procedures for notification of the sale of UCITs and AIFs from the European Economic Area in Austria; the competent authority of the home country submits the requisite documents to the FMA. The number of notification procedures dropped by 17, or 1%, to 1 463 in the reporting year. There is also a wealth of ongoing fund-specific notification procedures relating, for example, to the submission of reports on activities and half-yearly reports, key information documents and prospectuses. The FMA must also be notified of mergers, any change of name, and the dissolution of funds. At 19 298, the number of transactions relating to the continued supervision of foreign investment funds has dropped considerably year-on-year, with process optimisation playing a role here (> Table 20).

COLLEGES: A TOOL FOR CROSS-BORDER COOPERATION ON SUPERVISION

The companies supervised by the FMA not only operate on the Austrian market. Some of them also offer their services internationally, either through branches under the freedom to provide services in the EEA, or through subsidiaries elsewhere in the EU and in other foreign countries. What this means for the FMA is that a close working relationship with the host authorities responsible for such subsidiaries is essential. In its capacity as the home authority of the parent company in the case of Austrian groups with international operations, the FMA is responsible for coordinating overall group supervision through supervisory colleges. These colleges, at which key group-wide supervisory issues are discussed and decisions on group supervision made, meet at least once per year and are chaired by the FMA.

BANKING SUPERVISION

At the end of 2024, there were only four banking groups left in Austria that required a supervisory college. In accordance with the European rules, these colleges decide annually on group-wide capital and liquidity adequacy and on group-wide recovery plans. Three of the banking groups (Addiko Bank AG, Erste Group Bank AG and Raiffeisen Bank International AG) are classed as significant institutions (SIs) within the SSM and are therefore supervised directly by the European Central Bank. The ECB is also responsible for group supervision and for chairing the respective colleges. The FMA

and OeNB play a key role in the work of the colleges through the joint supervisory teams, however. In the case of the fourth banking group (Bausparkasse Wüstenrot AG, a less significant institution – LSI) the FMA continues to be the competent supervisor and is responsible for the supervisory college. The supervisory college for another LSI, Porsche Bank AG, was dissolved in 2024 since the conditions for setting up a college were no longer met.

INSURANCE SUPERVISION

The FMA is the responsible group supervisor for five insurance groups with international operations due to their ultimate parent company being based in Austria. These groups are Vienna Insurance Group, Uniqa Insurance Group, Grawe Group, Wüstenrot Group and Merkur Group.

As part of this responsibility, the FMA has cooperated with numerous regional European supervisory authorities of these groups' subsidiaries for 20 years now, regularly sharing information in the supervisory colleges about their risk situation. In 2024, the FMA hosted a general college in Vienna, bringing together all involved supervisory authorities to discuss the advancement and expansion of international cooperation and information sharing. Key topics were collaboration, and the exchange of information and supervisory tools.

The supervisory colleges are also a regular forum for exchanging experience in relation to current supervisory topics, such as the introduction of the International Financial Reporting Standard for insurance contracts, IFRS 17. In the course of ongoing financial and risk analysis of insurance groups, the results from collaborating on each individual group are used directly and have a direct impact on the risk-based design of supervision for the respective group.

FINANCIAL MARKET INFRASTRUCTURES

Central Counterparty Austria (CCP.A) is responsible for the clearing of all CCP-eligible securities on Wiener Börse AG pursuant to the European Market Infrastructure Regulation (EMIR). Since 2021, CCP.A has also been responsible for clearing energy spot contracts that are traded on Energy Exchange Austria (EXAA). In accordance with EMIR, a supervisory college must be held for CCPs at least once per year, chaired by the authority responsible for that central counterparty, which is the FMA in the case of Austria. Other participants in the CCP.A college are ESMA, ECB (SSM), BaFin and Deutsche Bundesbank (Germany), AMF and ACPR (France), as well as OeNB and E-Control (Austria).

In addition, the FMA has continued to participate as a voting member in the supervisory college and also, since 2023, in the resolution college for Cboe Clear Europe, a central counterparty based in the Netherlands and associated with the Austrian entity OeKB CSD GmbH. The FMA has also been a voting member of the supervisory and resolution college of LCH SA since 2023, a central counterparty based in France and also associated with OeKB CSD GmbH. Moreover, the FMA is represented in the resolution colleges of the three CCPs, and it chairs the CCP.A resolution college as national resolution authority.

BENCHMARKS

The Benchmarks Regulation (BMR) provides for the establishment of supervisory colleges for significant European benchmarks (critical benchmarks). The national

authorities responsible for the administrator and for contributors (banks that provide input data for benchmarks), as well as ESMA, are represented in these colleges. Also represented are those authorities in which the critical benchmark in question plays a key role in terms of financial stability, market integrity and the financing of households and businesses. The supervisory colleges ensure that information is shared between the competent authorities and that their activities and supervision measures are conducted in a coordinated manner, in the interests of the harmonised application of the BMR and convergence in supervisory practice.

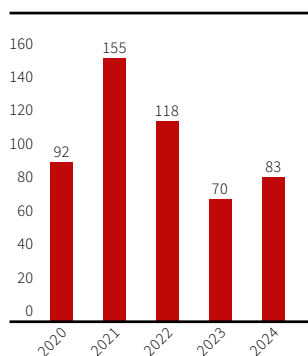
In 2024 there was one such college of supervisors, namely the EURIBOR college, which is chaired by ESMA. The FMA is a voting member of the EURIBOR college in its capacity as competent authority for Raiffeisen Bank International AG, which has been a EURIBOR contributor since 2022.

PROMOTING INNOVATION IN THE FINANCIAL SECTOR

The digital revolution is transforming our economy and our society on a huge scale, and as well as bringing risks is creating huge opportunities. The structural change that comes with it will significantly shape the future of Austria and its status as a base for business. Digitalisation is advancing particularly rapidly in the financial world. As a supervisor and regulator, and as the guardian of stability in the financial system, the FMA naturally focuses on the risks associated with new developments, but it is always prepared to view such changes as an opportunity too. New products, new services and new markets are being developed, and existing ones are being made more efficient and more effective. At times, however, our tried-and-tested regulatory framework is also being exploited or even circumvented.

Against this background, the FMA offers advice and support to innovative businesses, start-ups and FinTechs, but also to established market participants that want to move into new business areas, be it innovative payment technologies, trading robots, initial coin offerings, security tokens or other blockchain-based business models, and answers any questions about the regulatory framework and supervisory requirements. This is done through the FinTech Point of Contact and also through the Regulatory Sandbox.

Chart 40: Number of FinTech enquiries 2020–2024



FINTECH POINT OF CONTACT – ONE OF EUROPE'S FIRST REGULATORY INNOVATION HUBS

The FinTech Point of Contact was established at the FMA in 2016 as an integrated single point of contact for all regulatory issues relating to innovative digital business models. Since then, it has clarified 861 of these diverse regulatory enquiries with its integrated approach, providing the FinTech initiators with the information they need in a service-oriented manner. In 2024 the number of enquiries totalled 83 (2023:70) (> Chart 40).

REGULATORY SANDBOX – THE FMA'S SUPERVISORY INCUBATOR FOR FINTECHS

As soon as the Austrian legislator had created the legal basis, the FMA immediately established its regulatory sandbox with effect from 1 September 2020. The sandbox can be used to test any kind of financial innovation for which a licence or other authorisation is required from the FMA, preparing for compliance with the regulatory

requirements and putting the concept to the test in a supervisory context. The goal is to take these business models as far as regulatory maturity so that they can enrich the financial market.

EUROPEAN CROWDFUNDING SERVICE PROVIDERS IN THE SANDBOX

After the creation of the new regulatory and supervisory regime for pan-European crowdfunding service providers, in the form of the ECSPR⁹, five companies wishing to operate as European crowdfunding platform operators in Austria applied to be admitted to the FMA's regulatory sandbox in 2022. As they met the statutory authorisation criteria set out in Article 23a of the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*), they were admitted to the sandbox by administrative decision. They were subsequently closely monitored by the respective FinTech supervisory teams at the FMA. These teams set test parameters, milestones and a timetable, and helped resolve numerous legal issues around the supervisory requirements of the ECSPR.

All five procedures were completed by the end of 2024:

- Three crowdfunding platform operators were granted licences under the ECSPR in 2023.
 - One of these platform operators relinquished its licence following its merger into a group of companies that already held an EEA licence.
 - Two licensed operators continue to operate in the market.
- Two applicants withdrew their application for a licence in order to continue their activities as part of the national authorisation regime under the Alternative Financing Act (AltFG; *Alternativfinanzierungsgesetz*).

The Markets in Crypto-Assets Regulation (MiCAR)¹⁰ became fully applicable at the end of 2024. Last year, activities in the sandbox were therefore focused on related developments. Several applications for trading platforms, which – depending on the design of the products – require a licence pursuant to the Securities Supervision Act 2018 (WAG 2018; *Wertpapieraufsichtsgesetz*) or the Financial Markets Anti-Money Laundering Act (FM-GwG; *Finanzmarkt-Geldwäschegesetz*) or, in future, authorisation pursuant to MiCAR, were submitted and are currently being tested in the sandbox. Consumer protection is also a particular priority during the first two phases of the procedure.

The sandbox procedure proved to be extremely positive for both the supervisory authority and the participants. The FMA was able to gain an insight into the business models and risk profiles of the FinTechs. At the same time, the sandbox offered participants the opportunity to have their business model closely scrutinised by the supervisor and to take them as far as regulatory market maturity. The procedure has proven to be an effective and cooperative approach to the introduction and implementation of new supervisory rules and the regulatory development of innovative business models. It thus makes an important contribution to promoting the innovative strength of the capital market and the growth of the financial sector in Austria.

⁹ Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers for business, and amending Regulation (EU) 2017/1129 and Directive (EU) 2019/1937.

¹⁰ Regulation (EU) 2023/1114, which was implemented in Austria by way of the MiCAR Enforcement Act (MiCA-VVG; *MiCA-Verordnung-Vollzugsgesetz*).

EUROPEAN COOPERATION

The FinTech Contact Point and Regulatory Sandbox teams also represent the FMA in the European Forum for Innovation Facilitators (EFIF), which offers national supervisory authorities a European platform for exchanging experiences on technological and legal issues and the regulatory treatment of innovative products.

CONSUMER INFORMATION AND INVESTMENT FRAUD

The FMA has faced the unpleasant issue of investment and financial fraud for many years. Financial fraudsters pretend to be offering investment opportunities, but the financial services in question do not actually exist. The money obtained through scams and different kinds of fraud is then used to finance the fraudsters' lifestyle and keep their schemes going. Today's financial scammers are highly professional in their approach, working in international, group-like structures and receiving special training in how to extract as much money as possible from their victims.

In 2024, 853 people contacted the FMA in relation to investment fraud, 70% of whom were male. Out of these 853 individuals, more than half – 438 people – were able to be warned off in good time and avoided losing any money. For the other 415 it was too late as they had already fallen victim to a scam. The total losses reported to the FMA in 2024 exceeded € 15.5 million, the average loss was in the region of € 33 500, the median loss was approximately € 10 000, and the highest loss reported by a single private individual was € 996 109.

The most frequent reason for contacting the FMA involved internet adverts and pop-ups, which fraud victims had clicked on, lured by the promise of a tempting return on their investment. They had entered their personal details online, as requested, and duly been contacted by the fraudsters. Financial scammers contact their potential victims by telephone, or often via Telegram groups, and offer what might appear to be very lucrative deals. A frequently used tactic is to claim that the offer is a one-off opportunity with high returns and low risk, and that investors need to make a decision quickly. Most fraudulent investments are presented as trading platforms, typically requiring an initial investment of € 250.

Overall, half of the cases involved fraudulent offers connected to crypto assets. There were also frequent cases of follow-up fraud. This is where investors who have already been scammed are contacted again with the promise that they can recoup their lost money by investing again. The reasons given to justify re-investing are varied, ranging from the costs and processing fees involved in replacing and transferring back the lost investment, to claims of a new denomination of securities or a sale in blocks of securities, and so on. In 15% of all the cases reported, the fraudsters had claimed to be FMA employees and offered the victims the chance to recoup their losses in exchange for a fee.

THE FMA INFORMS

The FMA's prevention work involves educating potential investors, and thus potential fraud victims. Information is available on the FMA Website in the "A-Z of Finance" feature, as well as in the "Let's talk about money" information format and the FMA investor warnings. In its "A-Z of Finance", the FMA explains the latest tricks being used by scammers and the concept of crypto fraud, warning readers about hackers, false promises and unrealistic rates of return. Once again in 2024, the FMA dedicated an

THE FMA AND THE NEW CRYPTO FRAMEWORK (MiCAR)

Getting to grips with Europe's framework for crypto assets, the Markets in Crypto-Assets Regulation (MiCAR)¹, was a major focus in 2024. The digital revolution and rampant adoption of crypto assets and distributed ledger technologies in the capital market require a clear regulatory framework, both to encourage innovation and to address the risks for investors and markets. The Regulation came into full effect on 30 December 2024, although some rules – in particular those on asset-referenced tokens (ARTs) and electronic money tokens (EMTs) – were already applicable from mid-2024.

TRANSPARENT COMMUNICATION AND PUBLICATION OF INFORMATION

A central component of the FMA's preparations for this supervisory role was the early and continuing publication of relevant information, along with clear communication of the Authority's expectations with regard to entities subject to supervision within the MiCAR framework. This information comprised relevant details of all the sections covered by MiCAR, including notification of white papers on other crypto assets, authorisation requirements for crypto-asset service providers (CASPs), and information about ART and EMT issues and their issuers.

DIGITAL INFRASTRUCTURE FOR SUBMISSION OF WHITE PAPERS

The Secure Electronic Prospectus Portal (SEPP) and Prospectus Approval Support System (PASS), which are already established for capital market prospectuses, were adapted to meet the MiCAR requirements in order to ensure a smooth and efficient process for submitting white papers for other crypto assets from 30 December 2024.

AUTHORISATION PROCESS SIGNPOSTING

The MiCAR is Europe's first comprehensive legal framework for crypto assets. CASPs and ART and EMT issuers are now subject to an enhanced supervisory regime with numerous new obligations, in addition to the AML regulations. This presents companies and supervisors with significant challenges, especially with regard to complex legal issues and definitions of scope.

In summer 2024, the FMA published a wide-ranging information letter for CASPs and a web-based roadmap for ART and EMT issuers, to give clear guidance to those seeking authorisation. The information letter laid out the requirements for authorisation requests in detail, increasing legal certainty, shedding light on the FMA's expectations and ensuring the quality of consistently structured applications. The process is also intended to make the Authority's processing of applications more efficient. The roadmap is the first port of call for potential ART and EMT issuers, as it provides a good overview of the applicable requirements for any issue.

The FMA believes that these clear instructions will facilitate a smooth transition to the new supervisory regime and improve the quality of the applications that are submitted. In addition, it establishes a system for preliminary discussions in order to establish transparency at an early stage, communicating expectations and obtaining valuable insights into applicants' business models and corporate structures.

INITIAL SUPERVISORY MEASURES IN THE CONTEXT OF MiCAR

In 2024 the FMA implemented initial measures for supervision subject to the MiCAR. Its activities focused on investigation procedures into unauthorised issue of ARTs and EMTs. Some of these investigations have already resulted in prohibition orders. In this way, the FMA has underlined its central role in protecting an orderly financial market, making an active contribution to collective consumer protection in the crypto-asset space.

¹ Regulation (EU) 2023/1114 of the European Parliament and of the Council of 31 May 2023 on markets in crypto-assets, and amending Regulations (EU) No 1093/2010 and (EU) No 1095/2010 and Directives 2013/36/EU and (EU) 2019/1937.

THE FMA'S MiCAR HUB

The MiCAR affects several areas of the FMA's supervisory work. The MiCAR Hub has been established as an integrated organisational unit to ensure efficient and coordinated action.

The Hub pools expertise from various specialist departments, guaranteeing a consistent, coordinated and integrated approach to supervision within the FMA. It brings together experts from central supervisory areas (banking and securities supervision, AML/CFT, combating unauthorised business operations).

This interdisciplinary approach will ensure that relevant regulatory issues are always handled consistently and in a coordinated manner. In this way, the FMA is prioritising coherent and practical regulation of crypto assets.

WORKING AT A EUROPEAN LEVEL

The FMA brings regulatory expertise into its dialogue with European partners to make an active contribution to developing and implementing the MiCAR. Through its participation in discussions at EU level, it is ensuring that Austria's national perspectives and challenges are incorporated into European regulatory practice. Regular exchange with other supervisory authorities and collaboration on European technical groups also help to foster a common understanding and consistent application of the new regulations within the European Union.

edition of its “Let’s talk about money” series to investment fraud prevention, which was broadly covered in the media. Consumer information services are also available to anyone who has already been the victim of fraud, and there is an information sheet designed to help financial fraud victims. Prepared by the FMA in cooperation with Vienna State Police Force, this information sheet recommends a course of action for anyone who has fallen victim to a scam, and explains what they should look out for. First and foremost, fraud victims are advised to contact their bank immediately and to report the scam to the police.

WHISTLEBLOWING

Whistleblower reports are an important source of information for the FMA. They can help to tackle poor practice in supervised companies and to limit any damage, if not prevent it in the first place. Whistleblowers are people who have encountered misconduct or irregularities during their current or past professional activities. Rather than simply putting up with it or keeping silent, they opt instead for action and “blow the whistle”.

Often whistleblowers are not taken seriously in their own company or are worried about suffering serious personal disadvantages if they were to inform their managers. To ensure that this valuable information gets heard, the FMA offers a dedicated information channel through which whistleblowers can securely submit their reports and information to the supervisory authority. The web-based system guarantees whistleblowers absolute technological anonymity, thereby affording them as much protection as possible from any retaliatory action. Communication via the whistleblowing system can also be completely anonymous. Whistleblowers can set up their own protected mailbox, through which they can then talk to the FMA directly. Whistleblowers who are brave enough to speak out should not have to risk damage to their own reputation or the risk of losing their job in order to share their information about illegal activity.

REPORTS AND OUTCOMES

In 2024 the FMA received 824 reports from whistleblowers (> Chart 41), 206 of which actually fell within the FMA’s supervisory remit. 29 reports were treated as complaints. Out of the relevant reports, 51 related to banks, 47 to investment fraud and 36 to securities supervision (13 of which concerned markets and exchanges supervision). A further 21 reports centred on anti-money laundering and countering the financing of terrorism, 11 reports related to insurance and pension supervision, and a further 11 were concerned with other supervisory issues (> Chart 42).

Information that does not fall within the supervisory competence of the FMA, but that relates to a suspected offence that falls within the remit of another authority (particularly the criminal investigation and prosecution authorities) is duly forwarded to the relevant entity. The FMA also uses these reports to warn investors as early as possible of fraudulent or other potentially criminal offers on the financial markets. In total, 47 reports of suspected investment or financial fraud were submitted during the reporting year. The FMA forwarded these to the public prosecutor’s office as well as carrying out its own supervisory investigations. In 114 cases relating to its own area of supervision, the FMA took further supervisory measures, such as on-site inspections, management talks, fit and proper tests and reviews of key functions, and

Chart 41: Number of whistleblower reports 2020–2024

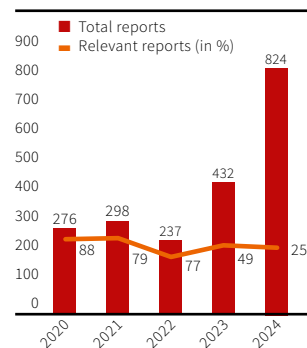
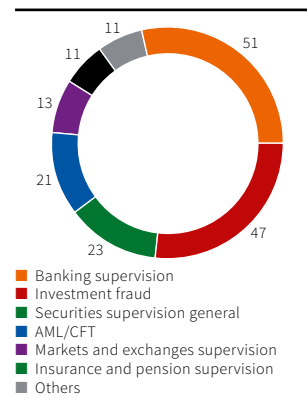


Chart 42: Whistleblower reports by area of supervision



issued penal decisions. Following its investigations, the FMA submitted a further 19 relevant reports to the criminal prosecution authorities.

THE FMA'S 360° PROJECT – SUPERVISION WITH A 360 APPROACH

To remain effective in the face of structural, regulatory and technological developments on the financial markets, the FMA must continue to develop its range of supervisory tools. Embracing the latest technologies is an essential aspect of guaranteeing stronger connectivity and full data integration within the supervisory framework.

This aim is being achieved through an IT and data project known as the “360° Project” and spanning several years. As suggested by the name, we are striving to achieve a 360-degree view of supervision in which all of the essential information on the supervised entities is available at all times in an up-to-date, complete and clear form. This will make it easier for data to be exchanged within the supervisory structure, while also boosting connectivity and facilitating fast decision-making. Using state-of-the-art technologies and artificial intelligence will help optimise the FMA's workflows and thus also have a tangible impact on the supervised entities. Huge time savings will mean that resources can be deployed in a more targeted and efficient way on the entities' side too, contributing to long-term improvements in the quality of supervision.

In 2024 we carried out a proof of concept at the FMA in order to review the added value and feasibility of this project. Following the positive assessment, the FMA's core processes (on-site inspections, process management and analysis) will now be rethought from start to finish and technically implemented over the next three years.

These structural changes will also be visible externally. The way in which the FMA presents itself to the outside world will be improved and made more transparent thanks to the harmonised and re-imagined processes. Dialogue with external stakeholders will be clearer and more efficient in future. Technological modernisation is thus the central component of the FMA's identity as an integrated, future-oriented and modern authority.

Such technical innovations are in line with the progress happening at European level too. In this way, we can guarantee future-proof, efficient and linked-up financial market supervision in an international context and ensure that the FMA continues to operate at the highest international level for a long time to come.

The development of customised applications for the FMA extends much further than just the 360° Project. In relation to banking resolution, there are currently two innovative solutions being developed. The first is to be used for efficient monitoring of all data relevant to the planning and implementation of resolution strategies, while the second is designed for the quantitative analysis and preparation of data for resolution strategies and the automated preparation of administrative decisions and expert reports. Both systems combine a range of sources of information, including key financial figures, institutional structures and regulatory requirements, and present them in a clearly structured and intuitive user interface.

With regard to markets and exchanges supervision, the technological tools available were also overhauled in 2024. The Market Abuse Detector (MADe 2.0) is used for permanent monitoring of issuers' transparency obligations and efficient processing of suspicious transaction reports. These are then linked to current market abuse investigations by means of structured workflows. Any investigations launched by the FMA into breaches of the transparency rules or the rules on abuse of a market position are documented in MADe 2.0 and supplemented with relevant background information derived from the market monitoring. This creates a comprehensive view of any potential irregularities on the Austrian financial market.

Such developments are increasing transparency and optimising decision-making processes in these areas of supervision.

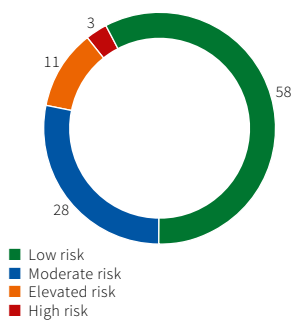
SUPERVISION OF CONDUCT, SALES AND FINANCIAL PRODUCTS

CONDUCT AND SALES SUPERVISION

Rules of conduct that must be observed by supervised companies when selling financial products and services are key to guaranteeing an appropriate level of consumer protection. Through its regulation and supervisory activity, the FMA ensures that customers are properly advised and informed.

BANKS

Chart 43: Conduct risk at banks in 2024 (in %)



The FMA pursues a risk-oriented approach to its supervision of conduct and sales activity. To this end, the Authority carries out a risk evaluation of banks. The evaluation is based on four risk categories (low, moderate, elevated, high) according to data and key figures on the distribution of insurance products and investment services, as well as banks' sales figures with regard to their lending business. Based on the risk evaluation carried out for 2024, 3% of banks have a high, 11% an elevated and 28% a moderate risk profile, leaving 58% of banks in the lowest risk category (> Chart 43).

During the year under review the FMA set the following priorities in this area of supervision: avoidance of greenwashing in the distribution of investment products, a market analysis on fraud prevention in payment transactions (see opposite page), adherence to the rules of conduct in relation to the cross-border provision of investment services and the publication of marketing communications, as well as compliance with disclosure requirements in the field of sustainability pursuant to the Sustainable Finance Disclosure Regulation (SFDR¹).

COMMON SUPERVISORY ACTION: A CONCERTED EUROPEAN REVIEW OF SUSTAINABILITY-RELATED DISCLOSURES IN DISTRIBUTION

The FMA participated in a Common Supervisory Action (CSA) with the European Securities and Markets Authority (ESMA) in the area of investor protection dedicated to the consideration of customers' sustainability preferences in the sale of securities. The common focus in 2024/2025 aimed to help ensure that sustainability-related

¹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector.

PRECAUTIONARY MEASURES TO PREVENT PAYMENT TRANSACTION FRAUD

Phishing is one of the biggest threats to the security and integrity of the Austrian payment transaction system. More than 330 000 payment transaction scams were registered in 2024, with total losses exceeding 93 million euros. The methods used by the fraudsters and scammers are becoming increasingly sophisticated, throwing up new challenges for both the financial institutions and their customers. In response to this situation, a joint “Fraud prevention in payment transactions” analysis of the market was carried out last year in the area of conduct supervision and prudential banking supervision. The aim was to gain a full overview of the Austrian market and the protective measures used by selected banks in the context of the Payment Services Act 2018 (ZaDiG 2018), Commission Delegated Regulation (EU) 2018/389 and the EBA Guidelines on ICT and security risk management (EBA/GL/2019/04) so that the findings could be systematically collated and analysed, and best practices identified. Comprehensive data on complaints and reported scams was gathered in order to determine the typical patterns of fraud cases and to gauge the effectiveness of existing measures.

DATA BASIS AND IDENTIFICATION OF FRAUD PATTERNS

The analysis was prompted by the (most recent) EBA Consumer Trends Report 2022/23, which identified payment fraud as one of the main problem areas for consumers in the EU, and by the large number of complaints submitted to the FMA as part of an inter-institutional exchange.

Analysing the complaints data revealed the following fraud patterns:

- **Identity fraud:** Scammers pose as employees of banks or official bodies in order to gain unauthorised access to sensitive customer data.
- **Fake online shops and banking websites:** Platforms that imitate familiar online shops such as Vinted are used as bait to trick customers.
- **Fraudulently acquired eSIMs:** Security mechanisms are undermined and transactions manipulated through the unlawful acquisition of electronic SIM cards from mobile phone providers.

The analysis of fraud reports in accordance with Article 86 para. 3 ZaDiG 2018 paints the following picture for 2024:

Charts 44–45: Payment types as proportion of total fraud in 2024 (entire Austrian banking market; left by number of transactions, right by transaction volume; in %)

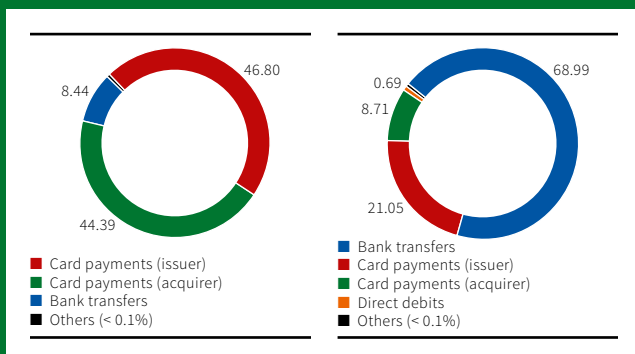


Table 21: Top 10 frauds by total losses 2022–2023 (collected during analysis of seven institutions; in € millions)

	2022	2023
Phishing	3.569	6.457
Financial fraud	4.551	5.942
Forged invoices	1.463	5.469
Crypto investment scam	3.596	3.407
Hi Mum / Hi Dad scam	1.492	3.068
CEO-Fraud	0.163	2.256
Identity theft – credit institution	0.610	1.948
Identity theft – authority / public body	2.360	1.774
Fake shop / non-receipt of goods	0.857	1.641
Forged bank transfer slip	1.093	0.725

Based on this data, a representative group of credit institutions was selected in order to accurately reflect the Austrian market as a whole. On-site inspections provided an insight into the functioning and effectiveness of the fraud prevention systems implemented by the selected institutions.

EVALUATION OF PRECAUTIONARY MEASURES AND STRATEGIC RECOMMENDATIONS FOR ACTION

The analysis shows that institutions that rely on the latest technologies and systematic processes have a clear

advantage. Above all, using transaction monitoring systems that immediately flag up irregularities and automatically initiate countermeasures has proven to be extremely effective. Many institutions now rely on solutions that harness artificial intelligence and machine learning algorithms to derive fraud patterns from historical data at an early stage and minimise the potential risks.

However, the analysis also revealed a need for more action:

- **Transaction monitoring:** Standardised minimum requirements for IT security architecture are needed in order to pinpoint and address weaknesses in data integrity and customer identification.
- **Continuing professional development/awareness training:** Regular training and awareness-raising measures for employees and customers can help to increase security awareness and reduce the human factor as a potential weak point to a minimum.
- **Promotion of inter-institutional cooperation:** The regular and transparent sharing of information between banks and the supervisory authority is essential in order to quickly detect new fraud patterns and develop effective countermeasures through joint action.

OUTLOOK AND CONCLUSION

The results of the market analysis clearly show that a data-based, cooperative approach and the consistent implementation of best practices make a sustainable contribution to reducing the risk of fraud. At the same time, the dynamic change in digital payment transactions illustrates the extent to which security measures must continuously evolve. The current inspection priority “Fraud prevention in payment transactions” will therefore be maintained for the time being.

requirements are applied uniformly across the whole of the EU when securities are being sold, to improve investor protection and to help prevent greenwashing. ESMA prepared standardised questions, and the FMA carried out the actual evaluation by means of on-site measures and management talks at six credit institutions, taking care to cover the full range of sectors and regions. The review focused in particular on precautions being taken by credit institutions to ensure the consideration of sustainability-related aspects in investment advice, individual portfolio management and product governance. ESMA will compile the results of the EU-wide CSA in a report, which will be made available on its website.

INSURANCE UNDERTAKINGS

In insurance supervision, the FMA has set a number of priorities as a means of strengthening collective consumer protection and containing the operational risks of the supervised undertakings.

In relation to the prevention of greenwashing, one priority in 2024 was insurers' sustainability statements in advertising and pre-contractual information documents. Advertising statements referring to a company's or a specific product's sustainability profile were checked for plausibility, and compliance with pre-contractual information requirements in accordance with the SFDR was verified.

The FMA also endeavoured to make companies aware of compliance requirements in insurance distribution, giving particular attention to fit and proper requirements for people working in sales, as well as internal systems to ensure compliance with insurance distribution rules, the legal admissibility of insurance terms and pre-contractual information documents, specifically by appropriately involving governance functions (most importantly the compliance function) on a timely basis.

ASSET MANAGEMENT

Only properly informed investors can make sound investment decisions based on their yield, risk and also sustainability preferences. This is why compliance with transparency rules is crucial. During the reporting year the FMA's analysis work in the field of collective consumer protection included the annual FMA Market Study on Fees charged by Austrian Retail Funds and an analysis of greenwashing at these funds.

The findings of this annual FMA Market Study have been communicated to consumers in an easy-to-understand form. This study helps investors to better assess and compare fund fees within a single investment strategy and also across different strategies. Additionally, the FMA included a statistical annex presenting the results of regression analysis to estimate the relevant factors influencing the fees charged by retail funds.

The FMA also carried out a comprehensive quantitative screening of retail funds for potential greenwashing in 2024. This is described in greater detail in the special topic "FMA Guide for Managing Sustainability Risks updated" on page 87.

INVESTMENT FIRMS

The requirements relating to the sustainability of financial products continued to be a priority area for the supervision of investment firms in 2024. During on-site measures, six investment firms were subjected to ESG checks, and two investment firms were

inspected within the scope of the ESMA CSA on MiFID II sustainability requirements (CSA 2024).

The FMA also organised events and talks during which it communicated its expectations in relation to sustainable finance from a customer and product perspective. Issues around interpretation were discussed with market participants and representatives from different interest groups, thereby bringing clarity to questions of practical relevance. These issues were then further discussed with the companies during management talks and on-site inspections, contributing to uniform market standards.

MARKET MONITORING ON THE MARKET FOR FINANCIAL INSTRUMENTS

The European Markets in Financial Instruments Regulation (MiFIR)² established the legal framework for supervisors to monitor market developments within the European Union. In a bid to create greater transparency and further strengthen consumer protection in the financial markets, the FMA monitors the markets for financial instruments, structured deposits and insurance-based investment products that are marketed, distributed or sold in Austria, and also conducts structured market monitoring. To this end, it consults and analyses various different sources of information and data. Enquiries, complaints and whistleblower reports are evaluated in order to identify potentially harmful products and abusive practices.

Reporting data from institutions as well as publicly available market data are also constantly being analysed to detect trends at an early stage. Additionally, the FMA regularly exchanges information with interest groups, associations and consumer protection organisations, as well as other national supervisory authorities, to obtain as comprehensive a picture of the financial market as possible, to uncover bad practice through targeted analysis and, if necessary, to remedy it together. During the reporting year the FMA focused on analysing investor behaviour and new business models and financial products in order to both detect any breaches of product intervention measures in good time and identify new trends on the financial markets. This also involved extensive communication with European supervisory institutions and the FMA's counterparts in other EU Member States.

CHANGED INVESTOR BEHAVIOUR

Compared with the previous year, there was a stronger influx of new investors into the capital market in 2024. Trading activity in the retail sector was also clearly higher than in 2023, with noticeably more activity in shares and ETFs but also in other securities such as derivatives for example. The favoured distribution channels continued to be online brokers, trading apps and neo-brokers.

In 2024 the FMA launched a focus analysis on young investors, and found that young people account for a particularly high proportion of business conducted purely online and through neo-brokers. This is likely to be due to digital availability as well as the lower fees.

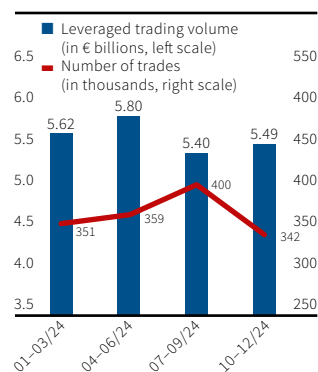
Young investors are increasingly shifting from traditional banks to neo-brokers and

² *Markets in Financial Instruments Regulation*,
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=legissum:4370934>.

trading apps. Generally speaking, these digital financial services are exclusively or predominantly provided on an execution-only basis, which means that young investors have to assume a much higher degree of personal responsibility when making their investment decisions. The study has shown that young investors are mostly interested in low-risk products such as ETFs but fractional trading is becoming more popular too.

Trading in contracts for difference (CFDs), the distribution of which is restricted throughout Europe by a product intervention, fell sharply in Austria on a year-on-year basis. The leveraged volume traded at the two Austrian branches offering CFDs dropped from € 36 billion to € 22 billion (> Chart 46). At the same time, these products are becoming increasingly accessible thanks to trading apps and platforms dedicated to retail investors. Especially in the case of execution-only transactions, it was noticeable that retail customers often lacked any detailed knowledge of leverage products such as CFDs and mistakenly believed that they were investing in the underlying. However, many of the providers of these services do not have a branch in Austria and are therefore not included in this survey.

Chart 46: CFD trading by retail investors in Austria in 2024



FIGHTING UNAUTHORISED BUSINESS OPERATIONS

One of the tasks included in the FMA’s remit is the granting of licences for business activities within its area of supervision, thereby guaranteeing that companies entering the financial market meet all the necessary legal and economic conditions. The FMA is also responsible for monitoring ongoing compliance from a risk-based perspective.

However, there are also providers on the Austrian market that avoid licensing and continued supervision by the FMA, and that offer services that require a licence without being authorised to do so. Such providers pose a serious threat to the integrity of the Austrian financial market. By making improper or dubious offers they can damage investor confidence, causing consumers to doubt that the Austrian financial market is functioning as it should, and they can also undermine fair competition given that licensed and registered providers have to comply with strict (and sometimes cost-intensive) regulations. The performance of services that require a licence without having the necessary authorisation for those services is referred to as unauthorised business.

PROCEDURES

In 2024 the FMA initiated a total of 350 investigations on suspicion of unauthorised business operations, and 369 could be brought to a close. The FMA also issued procedural orders calling upon 135 individuals to restore compliance with the statutory provisions and three administrative decisions requesting that compliance be restored. Lastly, there were eleven cases of administrative penal proceedings being

	2020	2021	2022	2023	2024
Investigations initiated	238	358	290	278	350
Investigations completed	243	343	277	280	369
Warning notices	84	112	84	106	147
Reported offences	72	73	52	24	52
Administrative penal proceedings concluded	0	4	7	4	10

Table 22: Procedures against unauthorised business operations 2020–2024

initiated, as well as ten penal decisions issued in connection with unauthorised business operations (> *Table 22*).

PUBLICATION OF WARNING NOTICES

The FMA published 147 warning notices, considerably more than in the previous year. Many of these related to dubious providers in the area of crypto assets, with frequent cases of such providers aggressively targeting retail investors with questionable and even fraudulent business models. Experience has shown that quickly publishing this type of warning about such providers is a very efficient and effective way of combating unauthorised activity. Their actions are thus countered with high-impact and broad publicity, which is particularly effective where unauthorised offers appear online.

ENFORCEMENT

In accordance with Article 22 para. 1 of the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*), the FMA is responsible for enforcing its own administrative decisions, with the exception of administrative penal decisions. For this purpose, and particularly in the case of coercive penalties, an application is made with the relevant court to initiate enforcement proceedings. The penal decisions are then enforced by the district administration authority responsible.

REPORTED OFFENCES AND REPORTS FORWARDED TO OTHER ADMINISTRATIVE AUTHORITIES

In 2024 the FMA submitted a total of 52 statements of the facts to public prosecutors relating to suspected breaches of penal provisions, having encountered these in the course of its market monitoring activities and work to combat unauthorised business operations.

CONSUMER PROTECTION, INFORMATION AND COMPLAINTS

CONSUMER INFORMATION

The FMA offers a broad range of information aimed directly at the general public in order to raise awareness of particular risks or to explain specific financial services and products to the public clearly and in a way that is easy to understand.

The FMA's website (www.fma.gv.at) has also become an important source of consumer information. The "A-Z of Finance" section on the website is a dedicated area for consumers, providing clear and straightforward information on the most relevant topics and most frequently asked questions. These include Accounts, Enquiries and complaints, Insurance, Investments, Loans, Old-age provision, and Spotting financial fraudsters.

Additionally, back in 2021, the FMA launched its "Let's talk about money" consumer information series. The monthly issues are dedicated to everyday consumer finance questions, presenting findings from the FMA's reports, studies and analysis in a targeted, user-friendly format.

This information format has also become very popular with the media, where it enjoys regular coverage. The first issue in 2024 was entitled "Just the shares, please!" and dealt with investment decision-making in execution-only transactions. These transactions

take place without the financial service providers giving any investment advice or recommendations and without any review of investment decisions; the providers simply execute orders. In February, in time for Valentine's Day, the "Romance Scams" edition warned love-struck consumers about falling victim to scams in the online dating world. March's issue was entitled "Ouch! Where is my money?" and advised consumers on what to do if they discover that money has gone missing from their bank account without them having arranged a transfer or approved a payment.

The April issue, "Being in the right can be costly", dealt with legal expenses insurance, and in May – just before the summer holiday season – an issue on "Paying while on holiday" was published, explaining what readers should watch out for to avoid costly charges when using cash, credit cards and debit cards on holiday. Entitled "Farewell, old account!", the June issue tackled what bank customers need to do if they want to move their account to another bank, detailing their rights and banks' obligations during the process of switching accounts.

The July issue declared: "Cash is king" and explained why customers who want to make large cash deposits are asked for proof of identity, which is also photocopied. In August the series dealt with crowdfunding. In "Who looks out for the crowd?" it explained the concept of crowdfunding, namely when a large number of people jointly make money available for projects. It also explained which aspects are closely monitored, and which are not subject to supervision, in other words those things that consumers need to think about themselves. The September issue "Comparing Investment Funds" gave information on how to compare investment funds more easily by using the standardised key information documents.

In October the autumn issue, entitled "A helmet and safety belt for your money", looked into the deposit guarantee scheme to coincide with World Savings Day. In November, with Christmas approaching fast, the FMA took on a topic close to its heart, namely the risks, costs and charges associated with consumer loans. "Debt is just a click away" was the chosen title, although it might well have been "It doesn't get more expensive than this". Nowadays, consumer loans are often the subject of aggressive marketing designed to draw consumers in. In reality, however, the tempting offers are based around the type of loan and APR available to customers with a very good credit rating. This is of course paradoxical since the consumers who want or need to take out a consumer loan will typically not have a high credit rating, which is why they need the consumer loan in the first place. The last issue of 2024, "The cream on the cake as you head towards retirement...", dealt with corporate provision companies.

Important new developments in 2024 were based on the "Let's talk about money" series. The FMA launched a financial literacy cooperation project with the Vienna University of Economics and Business (see "FMA schools outreach" on page 94), and undertook preparatory work to create a "Let's talk about money" Instagram account and a podcast. The aim of these two new channels is to incentivise a broader – and younger – target group to familiarise themselves with the "Let's talk about money" topics. The Instagram account and podcast were both launched in early 2025.

CENTRAL COMPLAINTS SYSTEM

The FMA has its own complaints unit that consumers and customers of supervised companies can use to highlight problems that they themselves have experienced with a company in relation to the provision of a financial service.

As a general rule, nearly all licensed companies are required by law to have their own

complaints unit, to offer and adhere to a defined complaints process, and to find appropriate solutions to any complaints received from their customers. The FMA monitors whether the supervised companies have an appropriate complaints management system in place and whether it functions properly. In the event that a solution offered is not satisfactory, the customer concerned may turn to the FMA.

In 2024 the FMA received approximately 3 300 enquiries and complaints from consumers, which it duly processed and settled – where legally possible – in the customer’s interest.

The majority of enquiries and complaints related to banks, followed by investment firms. They covered a wide variety of issues:

- Most enquiries related to **accounts and payment transfers**, specifically the time taken for transfers to be carried out, the actual execution and processing of transfers, as well as the cancellation and reversal of online payments.
- In terms of **anti-money laundering rules**, consumers were primarily concerned about the obligation to identify themselves and prove the origin of funds. The FMA also received many questions about the AML due diligence requirements applicable to virtual asset service providers (VASPs).
- In terms of **financing**, a lot of enquiries related to the pre-contractual information obligations of banks towards borrowers, with questions about real estate loans dominating, followed by problematic consumer loans.
- Many general questions were also received in relation to the **deposit guarantee scheme** in Austria. Consumers were particularly keen to know how their savings were protected and up to which amount, as well as the circumstances under which the system would apply and how the scheme would pay out.
- With regard to **insurance companies**, enquires mostly related to the actual amount of the capital guarantee under certain life insurance products, doubts as to the accuracy of calculations and the lack of clarity in policy summary reports, termination of the contract, and the waiver or reduction of premiums.
- In the area of **securities supervision**, complaints mainly related to non-compliance with the rules of conduct governing the sale of securities: lack of proper advice, failure to protect investors’ interests, investment of funds with an inappropriate level of risk, information that was difficult to understand, and costs and fees. Additionally, consumers showed an increased level of interest in “green” or sustainable products.
- In terms of **payment transactions**, all companies are obliged under European law to accept, facilitate and implement transfers and direct debits from accounts throughout the European Economic Area. However, some companies only permit Austrian accounts. This is a breach of the freedom to choose a bank account, with the FMA having the power to impose sanctions under administrative criminal law.
- The number of enquiries and complaints received in relation to a wide range of **crypto-asset issues** continued to climb during the year under review. In particular, there were many reported cases of investment fraud. As well as publishing frequent investor warnings, the FMA also regularly provides up-to-date information on the most common scams on its website to help warn consumers.

PREVENTION OF MONEY LAUNDERING AND TERRORIST FINANCING

Since taking over responsibility for the supervision of the prevention of money laundering and terrorist financing, the FMA has pursued a zero tolerance policy. In line with its statutory remit, the FMA monitors compliance with due diligence and reporting obligations using a risk-based approach. This approach is based on a risk classification of the supervised institutions. The FMA's resources are focused on supervising those companies that are exposed to a higher risk on account of their business model and that therefore require particularly rigorous prevention efforts.

The Financial Markets Anti-Money Laundering Act (FM-GwG; *Finanzmarkt-Geldwäsche-gesetz*) is the key national legislation in this context and applies to the FMA and its anti-money laundering (AML) and countering the financing of terrorism (CFT) efforts, as well as to the institutions that it supervises. The FMA published four circulars on the interpretation, practical application and further clarification of the FM-GwG, specifically on due diligence obligations, risk assessment, reporting obligations and internal organisation. These circulars take account of recent legal developments, particularly also the inclusion of VASPs in the FM-GwG.

ON-SITE MEASURES

In 2024 the FMA carried out a total of 20 on-site inspections in order to monitor compliance with due diligence procedures for the prevention of money laundering and terrorist financing. Of these, 13 were conducted at banks, four at VASPs, two at insurance undertakings and one at an investment service provider. The FMA also carried out 20 examinations, of which 12 at banks, four at investment service providers, and one each at a payment institution, an insurance undertaking, a VASP and an electronic money institution. In total, the FMA therefore carried out 40 on-site measures. Eleven management talks were also held in the reporting year.

OFFICIAL PROCESSES

The FMA initiated 134 cases of supervisory AML/CFT procedures in 2024: 78 investigations, 12 procedural orders requesting that compliance with statutory provisions be restored and 44 administrative penal proceedings (> Table 23).

REGULATORY DEVELOPMENTS

With the entry into force of the Transfer of Funds Regulation (TFR)³, transfers of crypto assets such as Bitcoin are now also included; information on the originators and beneficiaries of those transfers have had to be provided since 30 December 2024. Peer-to-peer transfers and transfers to unhosted wallets are however not covered by the Regulation. The first part of the EU's anti-money laundering package also entered

	2020	2021	2022	2023	2024
Investigations	194	197	165	39	78
Procedures to restore compliance with statutory provisions	25	13	4	10	12
Administrative penal proceedings	31	50	117	48	44

Table 23: Processes aimed at AML/CFT prevention in 2020–2024

³ Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 on information accompanying transfers of funds and repealing Regulation (EC) No 1781/2006.

into force along with the TFR. In addition, in summer 2024, publication of the Anti-Money Laundering Regulation, the Regulation establishing the Anti-Money Laundering Authority (AMLA), and the Sixth Anti-Money Laundering Directive created the basis for a new European supervisory system to combat money laundering and the financing of terrorism, harmonising AML/CFT efforts throughout the EU and setting AML supervision in a European framework.

DIGITAL CYBER RESILIENCE

Recent years have seen an explosion in the use of digital technologies in the financial sector. This is particularly evident from the now almost universal use of cloud services across all sectors of the Austrian financial market.¹

Chart 47: Cloud usage in individual sectors since 2018 (in %; source: FMA, Austrian Digital Finance Landscape, January 2025, 25)

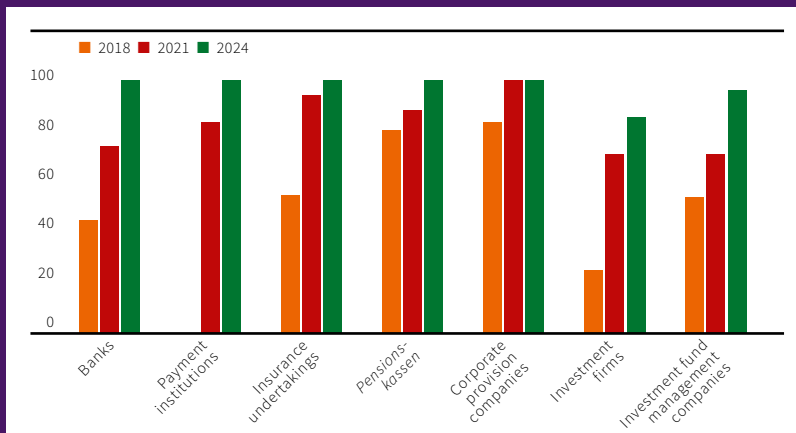
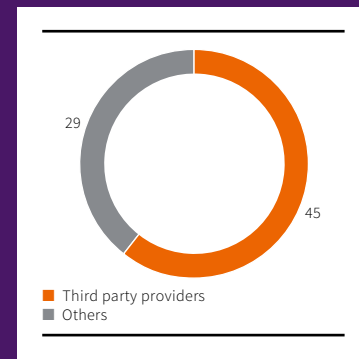


Chart 48: Likely origin of incidents 2024



At the same time, cyberattacks have risen in number in recent years; the number of attacks on the financial and insurance sector has more than doubled in the space of ten years.² What this means is that resilience against IT outages and cyber threats is increasingly important.

The European Union has adopted the Digital Operational Resilience Act³ with the aim of harmonising the relevant rules. DORA has applied to financial entities in the EU since 17 January 2025. Among its rules are requirements for ICT third-party risk management and an oversight framework for critical third-party providers. This responds to the greater interconnectedness of the financial sector with its service providers, since ICT risk for regulated entities is increasingly shifting to the interfaces with third parties. Currently, almost two thirds of major ICT incidents originate with third-party providers.⁴

Against this backdrop, strengthening the digital resilience of the financial sector remains a key aim for the FMA, which has already implemented measures that include:

Policy and legislative development:

- **Drafting legislation:** The FMA contributed to the creation of the legal specifications of DORA, the regulatory and implementing technical standards, and the joint guidelines of the European supervisory authorities.
- **Supervisory convergence:** The FMA's positions have also been incorporated into agreements on supervisory harmonisation topics. These include Q&As addressed to the European supervisory authorities, for example.

DORA implementation:

- **ICT risk management:** The national audit programmes have been adapted, taking special account of the new rules on ICT risk management.
- **Threat-led penetration testing:** From 2025, threat-led penetration testing will become part of the Austrian arsenal to combat cyber risks. TLPT is a risk management tool that involves IT security testing by white-hat hackers who attempt to gain access to systems. Working jointly with the OeNB, the FMA has made the relevant preparations to launch the testing in 2025.

¹ FMA, Austrian Digital Finance Landscape, January 2025, 25.

² International Monetary Fund, Global Financial Stability Report: Steadying the Course: Uncertainty, Artificial Intelligence, and Financial Stability, October 2024, 99.

³ Regulation (EU) 2022/2554 of the European Parliament and of the Council of 14 December 2022 on digital operational resilience for the financial sector and amending Regulations (EC) No 1060/2009, (EU) No 648/2012, (EU) No 600/2014, (EU) No 909/2014 and (EU) 2016/1011.

⁴ FMA, Austrian Digital Finance Landscape, January 2025, 8.

- **Major ICT-related incidents:** Organisational and technical arrangements to receive, analyse and forward intelligence on notifiable major ICT-related incidents have been completed. The FMA has created its own software application called Digital Operational Resilience Information System (DORIS) for this purpose.
- **ICT third-party risk management:** A dry run for the annual reporting of the information register on ICT third-party providers was conducted in addition to the organisational and comprehensive technical arrangements in preparation for the first reporting session in April 2025. Options for notification of planned contracts with ICT third-party providers on support for critical or key functions have also been created.
- **Oversight framework for critical third-party providers:** Preparatory activities involving the collaboration of the FMA have been going on for this entirely new supervisory activity, with a provisional operational launch date in the fourth quarter of 2025.

Austrian Digital Finance Landscape:

- The analysis of the extent of digitalisation of the Austrian financial market also includes a DORA gap analysis, which evaluates the preparedness of businesses for DORA activities across various sub-topics.⁵

⁵ FMA, *Austrian Digital Finance Landscape, January 2025*, 56.

SUPERVISION OF THE CAPITAL MARKET

PROSPECTUS SUPERVISION

PROSPECTUS APPROVALS

The number of prospectuses approved by the FMA in 2024 was slightly up on the previous year, with 86 approved prospectuses/prospectus components (2023: 83). One application for approval of a prospectus was withdrawn at the issuer's request. Broken down by prospectus type, there were three prospectuses for dividend-bearing shares, a number markedly down on the previous year (2023: six), while the number of base prospectuses declined only marginally, falling by one to 62. The number of prospectuses for corporate bonds doubled year-on-year, up from seven in the previous year to 14 in 2024. The number of multi-part prospectuses remained the same, with seven approved registration forms. The number of approved supplements dropped by about one quarter to 73, returning to previous years' levels after an extreme high of 95 in 2023. The number of final terms filed increased from 7 906 in 2023 to 8 866 in 2024.

There was also a surge in the number of prospectuses notified to other EEA Member States, from 48 in 2023 to 81 in 2024, while the number of notified supplements decreased from 73 to 52 respectively. The number of prospectuses notified in Austria by other EEA Member States again rose, from 380 in 2023 to 398 in 2024, and the number of notified supplements was up from 700 in the previous year to 732 in the reporting year (> Table 24).

	2020	2021	2022	2023	2024
Approved prospectuses/prospectus components	63	63	71	83	86
– Dividend-bearing shares	6	5	6	6	3
– Non-dividend-bearing shares (one-off issue)	11	10	7	7	14
– Non-dividend-bearing shares (base prospectus)	40	41	50	63	62
– Registration forms (as part of a prospectus)	6	7	8	7	7
Approved supplements	77	70	70	95	73
Final terms	10 918	8 329	7 860	7 906	8 866
Outgoing notifications:					
Prospectuses	29	38	47	48	81
Supplements	52	57	59	73	52
Incoming notifications:					
Prospectuses	304	308	312	380	398
Supplements	571	682	689	700	732

Table 24: Approved prospectuses 2020–2024

Table 25: Administrative penalties KMG 2020–2024

	2020	2021	2022	2023	2024
Administrative penalties KMG	4	2	0	2	0
Publication of sanctions	1	1	0	2	0
Publication of investor warnings pursuant to KMG 2019	3	1	4	0	2

BREACHES OF ADVERTISING AND PROSPECTUS RULES

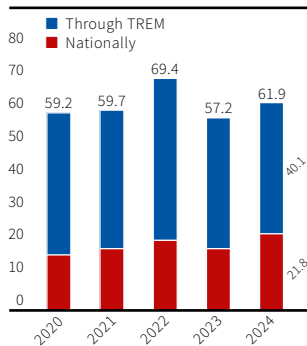
The FMA is responsible, in accordance with the Capital Market Act (KMG; *Kapitalmarktgesetz*) and Prospectus Regulation, for sanctioning any breaches in relation to the issuing and advertising of securities and investments on the Austrian financial market. During the year under review the Authority conducted 80 cases (2023: 22). This enormous increase is only partly due to a higher number of special inspections. The FMA initiated no administrative penal proceedings in 2024 (2023: two), and published two investor warnings (2023: none) pursuant to the KMG (> *Table 25*).

SUPERVISION OF THE STOCK EXCHANGE AND SECURITIES TRADING

As at 31 December 2024, the Vienna Stock Exchange had 19 691 securities listed on both of its markets, i.e. on its official, regulated market and on the Vienna MTF (multi-lateral trading facility). In accordance with the Markets in Financial Instruments Regulation (MiFIR), 415 companies were obliged to report their securities transactions to the FMA as at the same date, irrespective of whether these were executed at a trading venue or over the counter.

In total, these institutions subject to reporting obligations submitted some 21.8 million securities transaction reports to the FMA during the year under review. Of this total number, around 19.6 million reports were forwarded to the competent EU partner authority via the Transaction Reporting Exchange Mechanism (TREM). In its capacity as competent authority for Austria, the FMA in turn received around 40.1 million transaction reports from other European supervisory authorities. All in all, the FMA therefore received approximately 61.9 million transaction reports, which equates to an increase of 8.4% compared with the previous year (> *Chart 49*).

Chart 49: Transaction reports submitted to the FMA 2020–2024 (in millions)



MARKET SUPERVISION

On the basis of alerts received via its Market Manipulation Insider Tracer (MMIT) and incoming suspicious transaction reports, the FMA initiated a total of 103 investigations after conducting in-depth analysis that found indications of potential market abuse. Compared with the 77 initiated investigations last year, this represented a

Table 26: Market supervision 2020–2024

	2020	2021	2022	2023	2024
Investigations into misuse of inside information, market manipulation and violation of trading rules:					
Investigations initiated	123	147	84	77	103
Investigations forwarded for internal legal processing	12	24	5	8	4
Investigations dropped/completed	98	142	117	103	88
Reports forwarded to Central Public Prosecutor for Economic Crime and Corruption	0	4	0	0	1

	2020	2021	2022	2023	2024
Enquiries addressed to foreign supervisory authorities:					
BaFin	8	13	5	7	3
Other	14	22	10	10	10

	2020	2021	2022	2023	2024
Enquiries received from foreign supervisory authorities:					
BaFin	3	6	2	3	2
Other	5	6	7	6	9

Table 27: Official assistance market supervision 2020–2024

clear increase (> Table 26). There were 30 cases of inside information investigations being opened (2023: 13), and in a further 73 cases an investigation was opened due to suspected market manipulation or breach of trading rules (2023: 64).

The FMA's close cooperation for the purpose of exchanging information with European and international partner authorities is a crucial aspect of its work in relation to the supervision of the stock exchange and securities trading. In the reporting period, a total of 13 requests for official assistance were submitted to foreign authorities (2023: 17), with only three of these being directed to the German Federal Financial Supervisory Authority (BaFin); the UK Financial Conduct Authority (FCA) and the U.S. Securities and Exchange Commission (SEC) were each contacted in four cases (> Table 27). Eleven requests were received from foreign authorities in 2024, only a slight increase on the previous year (2023: nine). First and foremost, the FMA provided official assistance to European authorities, but it also dealt with one request for supervisory support from Hong Kong.

SUPERVISION OF ISSUERS

AD HOC DISCLOSURE

The disclosure of inside information should ensure that the investing public is made aware of crucial information relevant to prices, while also promoting efficient pricing due to any significant information being considered as quickly as possible. The shorter the interval between the creation of information that constitutes inside information and the disclosure of that information, the lower the risk of it being misused. In this context, the FMA received 374 ad hoc reports in 2024 (2023: 418) (> Tables 28 und 29).

PERIODIC DISCLOSURE

The obligation to publish financial reports (periodic disclosure) is intended to satisfy the ongoing information needs of the capital market, and thus promotes both investor protection and the proper functioning of that market. The periodic disclosure requirements under the Stock Exchange Act (BörseG; *Börsegesetz*) include annual

	2020	2021	2022	2023	2024
Ad hoc reports received	447	421	360	418	374
Annual, half-yearly and quarterly reports received*	328	314	208	196	191
Directors' dealings	1465	910	1202	971	907
Reports of voting rights received	488	546	698	500	790
Investigations:					
Initiated	33	22	23	28	32
Forwarded	25	17	11	22	18
Dropped/completed	33	21	27	42	25

Table 28: Supervision of issuers 2020–2024

* According to the prime market rules of Wiener Börse AG, quarterly reporting is no longer mandatory; it has been voluntary since February 2019

Table 29: Ad hoc reports
by subject matter 2020–2024

	2020	2021	2022	2023	2024
Share buyback/resale	18	10	6	17	23
Peculiarities/other items of ongoing business operations	153	202	116	139	105
Participations (acquisition, sale), partnerships	35	41	34	21	31
Financial reports/business figures	107	42	83	78	72
Large-scale order	1	1	5	3	1
Capital measures	54	47	30	65	45
Staff details	35	43	39	49	35
Forecasts, profit warning	23	6	11	6	6
Restructuring, recovery, insolvency	3	12	5	3	15
Strategic corporate decisions, investments	12	7	21	20	26
Management board meetings, resolutions	6	10	10	17	15
Total	447	421	360	418	374

financial reports and half-yearly financial reports. In addition, the exchange operating company may impose quarterly reporting obligations on issuers in the market segment subject to the strictest requirements. In 2019 the Vienna Stock Exchange granted companies in the prime market the freedom to decide for themselves on whether to prepare quarterly reports for the first and third quarters and what format to use.

In the period under review the FMA received 191 annual, half-yearly and quarterly reports (> Table 28), compared with a very similar figure of 196 in 2023.

DISCLOSURE OF MAJOR HOLDINGS

Requiring issuers to disclose changes in major holdings allows the investing public to buy or sell shares in full awareness of the modified voting rights, enhancing overall transparency within the market. In 2024 the FMA received 790 reports of major holdings (> Table 28), a number that has risen significantly on 2023, when 500 reports of major holdings were made.

DIRECTORS' DEALINGS

Whether decision-makers of an issuer own financial instruments and whether they choose to buy or sell at a specific point in time is information that can influence investors' own decisions. The management and supervisory boards of listed companies and individuals closely associated with them must therefore report any buying or selling on their part to the supervisory authority and also publish details of any such activity via a regulatory procedure. In 2024 a total of 907 such directors' dealings were reported to the FMA (2023: 971).

Issuer supervision initiated 32 investigations in 2024, four more than in 2023. In addition, 18 investigations were forwarded to the Enforcement and Law Division in 2024, and a further 25 dropped or completed (> Table 28).

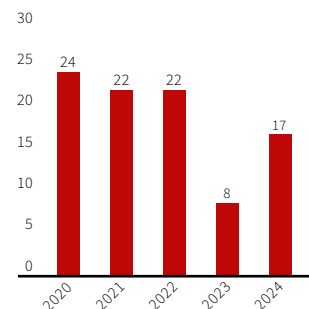
FINANCIAL REPORTING ENFORCEMENT

As the authority responsible for carrying out financial reporting enforcement, the FMA enforces proper financial reporting by listed companies. Related reviews in accordance with the Financial Reporting Enforcement Act (RL-KG; *Rechnungslegungs-Kontrollgesetz*) are usually carried out by the Austrian Financial Reporting Enforcement Panel (AFREP).

	2020	2021	2022	2023	2024
Reviews finding no errors	19	21	21	22	19
Reviews finding errors	6	6	6	2	4
Publication ordered	6	6	6	2	4

Table 30: Enforcement reviews 2020–2024

Chart 50: Error rate with enforcement reviews 2020–2024 (in %)



REVIEWS AND PUBLICATION OF ERRORS IN ENFORCEMENT

In total, 23 such reviews were carried out during the reporting year, 21 of which were implemented at companies selected at random (> Table 30). One of the random reviews was carried out by the FMA itself owing to the company’s rejection of the AFREP’s findings. There were two cases in which the review was carried out in response to particular circumstances. The error rate, i.e. the number of reviews finding errors, was up on the previous year but, at 17%, is still below the long-term average since the introduction of enforcement in Austria (> Chart 50).

PREVENTION

As the authority responsible for financial reporting enforcement, the FMA’s strategy is geared towards the prevention of reporting errors. To avoid errors from the outset, the FMA not only takes measures in accordance with the RL-KG but also carries out special analysis in relation to particularly relevant topics (thematic reviews), post-implementation reviews and analysis, generally based on the Authority’s close working relationship with the European Securities and Markets Authority (ESMA).

In 2024 the FMA was actively involved in the following analysis work and activities:

- ESMA Report – From ‘black box’ to ‘open book’? Evidence from the first application of IFRS 17 Insurance Contracts
- ESMA Final Report – Guidelines on Enforcement of Sustainability Information (GLES I)
- ESMA Public Statement – Clearing the smog: Accounting for Carbon Allowances in Financial Statements
- ESMA Public Statement – Off to a good start: first application of European Sustainability Reporting Standards (ESRS) by large issuers
- ESMA Consultation Paper on ESEF RTS – marking up rules for sustainability reports and financial notes and EEAP RTS amendments
- ESMA ESEF Reporting Manual updates
- ESMA comment letters and replies to enquiries from transnational institutions on IFRS and sustainability reporting.

As in the previous year, the FMA analysed issuers’ disclosures pursuant to the Taxonomy Regulation, and subsequently informed five Austrian issuers of anomalies.

In 2024 the FMA and the AFREP jointly organised a symposium, during which issuers and stakeholders were informed about national and international developments in accounting and enforcement, as well as about planned audit focuses. Participants exchanged views about the challenges in current accounting practices, also using case studies as a basis for discussion.

Furthermore, the FMA engaged in intensive dialogue with issuers and stakeholders on the publication of annual financial reports in the European Single Electronic Format (ESEF)¹. The FMA technically validated the annual financial reports published in the

¹ The ESEF is the electronic reporting format in which companies listed in the EU must prepare their IFRS consolidated financial statements so that these financial reports contain structured data and are therefore machine-readable.

ESEF format, notified the companies of any anomalies and supported them with any necessary corrections. Any issues that the companies were unable to resolve were submitted to the competent ESMA bodies in anonymous form.

INTERNATIONAL COOPERATION

The FMA supports the goal of uniform interpretation of accounting rules in Europe and is involved in the technical work carried out by the ESMA bodies. In this context, it responded to about 150 technical enquiries and data requests on international accounting and non-financial reporting in 2024. European enforcement cases were discussed on an anonymous basis, with the FMA itself referring four accounting cases to the relevant ESMA working group.

The FMA supported the technical accounting-related work of the EMSA, EBA and ESRB working groups. In addition to financial reporting topics, this work increasingly also covered non-financial reporting.

THE FMA IN DIALOGUE

Transparency strengthens democratic legitimacy and improves understanding and acceptance of the work done by official bodies. The FMA has therefore always endeavoured to engage in transparent and open communication. It is committed to the principles of preventive information, and views itself as an information hub for all participants in the Austrian financial market.

In its active communication, the FMA focused on the six topics set out in its supervisory and inspection priorities for 2024 during the reporting year:

- To strengthen the resilience of supervised financial service providers and preserve the stability of the Austrian financial market as a whole
- To exploit the opportunities of the digital transformation, while at the same time consistently addressing the associated risks
- To provide supervisory support for innovative business models as early as possible in order to promote the innovative strength of the Austrian financial market and to ensure fair competitive conditions
- To ensure and further develop an appropriate level of consumer protection in a rapidly changing environment, focusing on digital transformation, changing consumer behaviour, demographic development, and the interest rate turnaround
- To provide regulatory and supervisory support to the financial market and all its participants during the transition to a sustainable economic model
- To secure the clean character and reputation of the Austrian financial centre at all levels.

In addition, the FMA openly and transparently communicated current developments in regulation and supervision, as well as on the national and international markets.

PUBLIC RELATIONS CHANNELS

The FMA's key media channels are its Annual Report, which reviews developments on the financial markets, the FMA's supervisory activity and regulatory developments during the past year, and its Facts and figures, trends and strategies publication, which is also produced annually and looks ahead to the expected medium-term development of risk, sets out future challenges, and provides transparent information on the FMA's priorities for supervision and inspections for the coming year.

The FMA's most important information and communication channel, however, is its website: www.fma.gv.at. It contains up-to-date information and reports on all matters relevant to regulation and supervision, as well as any breaking news, and its user-friendly databases give general access to relevant statistical data and to the texts of national and international regulations, as well as providing targeted information for all stakeholders.

Social media is growing increasingly important, and this applies to the FMA too. LinkedIn is a particularly useful tool for recruitment purposes and for dialogue with the supervised entities and their legal advisors. Following preparatory work in 2024, the FMA has also recently launched its own Instagram channel and a podcast aimed specifically at consumers. Another increasingly important aspect of the FMA's consumer communication work is its outreach campaign working with schools (*see page 94*).

CLASSIC PRESS RELATIONS

The FMA published 72 press releases (2023: 53) and 148 investor warnings (2023: 107) during 2024. The latter warn of dubious providers in the Austrian financial market and are also published on the Federal Government's Electronic Announcements and Information Platform (EVI), via X, LinkedIn and the FMA app.

In addition to dealing with current issues, the FMA's press releases covered the quarterly reports on the Austrian insurance sector, *Pensionskassen*, corporate provision companies, asset managers and foreign currency loans, as well as dealing with fund fees, state-sponsored retirement provision, anti-money laundering activities, whistleblowing and consumer complaints.

The FMA Executive Directors used five press conferences to talk about current issues and take questions from financial journalists. At its Financial Statement Press Conference on 14 May 2024, the FMA presented its Annual Report 2023, which had been duly submitted to the Austrian National Council on time. At a press meeting on 17 June 2024, the Executive Directors presented the FMA's 2023 AML Report and detailed its strategy for the prevention of money laundering on the Austrian financial market. On 4 October 2024, after the 42nd meeting of the Financial Market Stability Board (FMSB), experts from the FMA and OeNB took the opportunity to talk about commercial real estate finance and the impact on bank loans of the sector-based systemic risk buffer. EBA Chair José Manuel Campa visited Austria on 30 and 31 October 2024, and took part in a press briefing with the FMA Executive Directors to discuss issues including current market regulations and future challenges awaiting the financial sector. On 2 December 2024, following the 43rd FMSB meeting, experts from the FMA and OeNB spoke about the Regulation on Real Estate Financing Measures in Credit Institutions (KIM-V) as the legislation came to an end. At the end of the year, the Executive Directors attended a press talk on 9 December 2024 in which they outlined their supervisory and inspection priorities for the year ahead and presented the 2025 edition of the annual publication Facts and figures, trends and strategies.

DIGITAL COMMUNICATION

- **Website and newsletter:** The FMA website provides both the supervised entities and consumers with a wealth of valuable information. Over the course of the year, 269 new articles were added to “The FMA informs” section alone. In preparation for the introduction of the Digital Operational Resilience Act (DORA), a dedicated subpage with comprehensive information and resources was also created. Additionally, the FMA's consumer information newsletter “Let's talk about money” regularly delved into interesting aspects of basic financial literacy topics in 2024. The topics covered in simple, easy-to-understand language in the concise two-page format included “Paying while on holiday”, “Romance Scams”, “Just the shares, please!”, “Cash is king” and “Debt is just a click away”. All of these issues are available in printed form and online at <https://redenwiruebergeld.fma.gv.at/en/>. Subscribers to the FMA's digital newsletter are regularly informed about current regulatory and supervisory developments, receiving eight such issues in 2024.
- **LinkedIn and X:** The FMA also made use of two social media channels in the reporting year, namely X (formerly Twitter) and LinkedIn. It tweeted 241 times in 2024 and had more than 2 000 followers on X. On LinkedIn, where it published 243 posts, the FMA had in excess of 17 000 followers by the end of the reporting year, an increase of 27% on 2023.

DIALOGUE WITH STAKEHOLDERS

The FMA acts as a central information hub on the Austrian financial market by engaging with the supervised entities and stakeholders in a range of established formats and forums, informing them about the latest regulatory and supervisory developments and discussing the key issues. This encompasses not just large-scale events such as the annual FMA Supervisory Conference, but also specific formats such as the Compliance and Prevention of Money Laundering practice workshop and a range of different dialogues on practice aimed at *Pensionskassen* and investment service providers. The FMA was also involved in events dedicated to specific developments such as the introduction of DORA, with management bodies from insurance undertakings and *Pensionskassen* being invited to a special event. Overall, the FMA staged around 15 of this type of event in 2024. FMA employees also contributed to debate in the capacity of speakers and panellists at conferences, symposia, webinars and seminars, and published articles in the financial media to keep the wider public up to date on relevant issues.

15TH FMA SUPERVISORY CONFERENCE

The 15th FMA Supervisory Conference took place on 8 October 2024, based around the general theme of “Identifying Opportunities – Understanding Risks”. Around 650 delegates attended the conference in person with a further 4 300 taking part online. The talks highlighted key themes such as the 20-year success story of the CESEE region and future prospects, the introduction of DORA, as well as the need to strengthen resilience in the digital age. The

Conference also considered the connection between commercial real estate and banks, in order to get to grips with the impact of market changes and regulatory challenges.

INTERNAL COMMUNICATION

Internal communication played a key role once again in 2024, helping to keep employees up to date and actively involved. All relevant information is published on the FMA's intranet, an essential medium. As part of the Fit for Future programme, the FMA also organised numerous information events and town hall meetings to tie in with the ongoing sub-projects and ensure transparency. One particular highlight was the showcase Fit4Future event "Taking value forwards – Our values of togetherness" focusing on corporate culture. The planned measures from the programme for the coming years were presented at the closing event at the end of 2024 (see "Fit for Future" box on page 13).

Meanwhile, Cappuccino Talks provided an opportunity for the Executive Directors to engage directly with FMA staff, and interns were able to attend specially organised networking sessions to help them get to know each other across the whole organisation. The tried-and-tested communication format for managers, the Executive Dialogue event, was also successfully continued, further strengthening mutual dialogue.

In the interests of employee well-being, the FMA arranged information events on health-related topics, including how to prevent burnout and psychological insights for appraisal interviews.

ENFORCEMENT, SANCTIONS AND LAW

ADMINISTRATIVE PENAL PROCEEDINGS

In 2024 the FMA once again continued its strategic approach of taking action against the legal person (i.e. the company that is responsible for the breach) in its administrative penal proceedings where possible. Since the entry into force of the supervisory reform in 2018, the FMA may refrain from also punishing responsible individuals – such as managing directors or other responsible representatives pursuant to Article 9 of the Administrative Penal Act (VStG; *Verwaltungsstrafgesetz*) – if an administrative penalty is already being imposed on the legal person for the very same breach and no particular circumstances preclude the option of refraining from also punishing the natural persons. However, based on the current case law of the Supreme Administrative Court (VwGH), it is de facto only possible to refrain from imposing a penalty once the legal person has been punished with final effect. The number of pending and discontinued proceedings in the reporting year must be viewed against this background. These proceedings also include those cases that were initiated against persons held liable for the breach during the prosecution of legal persons and that were then predominantly discontinued once the legal person had been punished.

At the beginning of 2024, 187 administrative penal proceedings were pending at the FMA. A further 207 proceedings were initiated later in the year, and 100 cases were discontinued. At the end of 2024, 225 administrative penal proceedings were still pending. The FMA refrained from initiating proceedings after preliminary investigations in 253 cases. In 159 of those cases, the FMA made use of its discretionary power to refrain from prosecuting altogether, including action against the legal person, since the breach had not been significant (principle of opportunity). These extended discretionary powers allow the FMA to concentrate its resources on significant and complex cases that will involve a more intensive procedural workload. The FMA issued 61 penal decisions (2023: 54) and two penal orders (2023: 2) in 2024 (> *Chart 51*).

In addition, it sent out 57 information letters to supervised companies and private individuals. The penal decisions and penal orders related to 59 facts or cases in total (> *Chart 52*).

There is not always an exact correlation between the number of penal decisions and the number of cases. Firstly, in individual cases the FMA may impose more than one sanction, for instance when cases relate to several individuals or when both legal and

Chart 51: Administrative penalties and admonitions 2020–2024

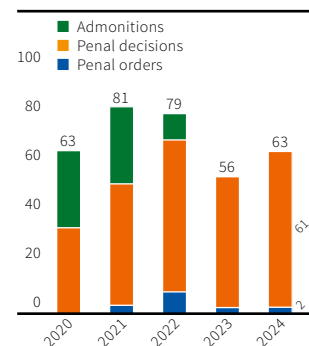
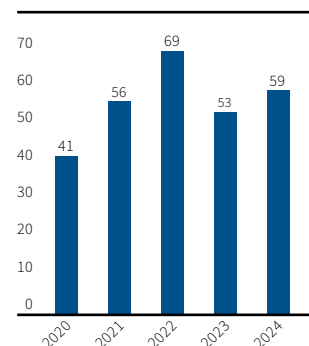


Chart 52: Sanctioned cases 2020–2024

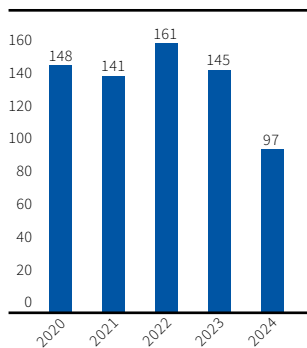


natural persons are being punished. Secondly, for reasons of efficiency, several cases are often dealt with by one penal decision, resulting in only one overall penalty. With the 61 penal decisions and two penal orders it issued in 2024, the FMA imposed fines totalling € 6 337 935. The highest fine imposed was € 2 070 000. In the interests of transparency and prevention, the FMA publishes notices of sanctions on its website. These sanctions are increasingly being publicised alongside additional information on the individuals concerned in line with European requirements.

STATEMENTS OF FACTS AND REPORTS TO LAW ENFORCEMENT AUTHORITIES

Some of the laws included in the FMA's supervisory remit also cover criminal offences. Where the FMA has reasonable grounds to suspect that one of these laws has been breached, it must file a report with the public prosecutor's office or the criminal investigation department, which is required to investigate the facts of the case. The courts of law are then responsible for imposing sanctions. Examples of such offences include insider dealing and market manipulation as prohibited by the Stock Exchange Act (BörseG; *Börsegesetz*) where amounts exceeding defined limits are involved, or infringements of banking secrecy rules. As part of its supervisory activity, the FMA also repeatedly becomes aware of other circumstances that cause it to suspect that a criminal offence has been committed in an area of the law monitored by another authority. The FMA is obliged to report such cases. Most frequently, this concerns suspected fraud or embezzlement. In 2024 the FMA forwarded 97 statements of facts to the public prosecutor's office (2023: 145) (> Chart 53).

Chart 53: Facts reported to public prosecutors 2020–2024



SELECTED PROCEEDINGS

ADMINISTRATIVE CASES WITH RELEVANCE TO UNION LAW

FMA SANCTIONS AGAINST RETAIL INVESTORS FOR BREACHES OF INSIDER RULES

The FMA imposed a fine of € 704 375 on a retail investor who had breached regulations on insider dealing. The proceedings were concluded with an expedited decision in accordance with Article 22 para. 2b of the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*). The fine is the highest amount that the FMA has ever imposed on an individual. The retail investor held insider information on a listed security and proceeded to sell and buy equities and warrants on the basis of this information. In addition to the fine, the unlawfully obtained profit/avoided loss of € 104 394.39 was declared forfeited.

INCLUSION OF NON-PROFIT HOUSING ASSOCIATIONS IN THE SCOPE OF PRUDENTIAL CONSOLIDATION

In 2014, one credit institution applied to the FMA to have non-profit housing associations excluded from the scope of prudential consolidation in accordance with Article 19(2)(b) of Regulation (EU) 575/2013, the Capital Requirements Regulation. The FMA issued an administrative decision rejecting the application. The Federal Administrative Court (BVwG) upheld the credit institution's complaint against the

FMA's decision in 2021, arguing that the provisions on prudential consolidation in Part One, Title II, Chapter 2 of the CRR did not apply to the non-profit housing associations in question, and that consequently the application should have been dismissed by the FMA.

Subsequently, in its ruling of 14 December 2023, the Supreme Administrative Court (VwGH) confirmed the legal opinion of the FMA, stating that, according to the clear wording of the law, the non-profit housing associations in question must indeed be included in the scope of consolidation and that the FMA could grant an exception subject to the conditions under Article 19(2) CRR being met. The credit institution subsequently decided, in consultation with the FMA and the European Central Bank (ECB), to restructure the shareholdings in the two non-profit housing associations, both in terms of corporate structure and contractually, in order to avoid their inclusion in the scope of consolidation. As a result of these structural measures, the obligation to include the two subsidiaries in the credit institution's group of consolidated companies ceased to apply. The proceedings in the second instance were still pending before the BVwG at the end of the reporting period.

STATUS OF WIENER BÖRSE AG IN THE OFFICIAL CLEARING ACCESS PROCESS

In relation to decision-making on granting market participants clearing access to the Vienna Stock Exchange, the FMA faced the issue of whether Wiener Börse AG should be granted party status in the process of granting such access. The FMA's opinion is that Wiener Börse AG does not have party status in this process. For its part, Wiener Börse AG holds the opposite view, and asserted its party status in the form of a complaint lodged against the access decision issued by the FMA in accordance with Regulation (EU) No 600/2014, the Markets in Financial Instruments Regulation. It essentially argued that having the FMA decide whether or not the access requirements (Article 36 MiFIR) set out in EU law are fulfilled encroached on the subjective public rights of the Vienna Stock Exchange and that, for this reason, the latter should be granted party status. The FMA highlighted the fact that the market participant's right of access arises directly from EU law, with the access requirements assigned to the supervisory authority by EU law to be reviewed exclusively by the FMA. Neither EU nor national law provides for any rights of participation or legal remedies for the Vienna Stock Exchange in this regard. The fact that the access requirements relevant to the legal sphere of the Vienna Stock Exchange, which differ in content from those to be reviewed by the authorities, are to be reviewed separately by the Vienna Stock Exchange should also be considered in this regard. To this extent, the FMA's decision on whether or not a market participant can access clearing has no impact on the subjective public rights of the Vienna Stock Exchange.

The BVwG confirmed this legal opinion, as presented by the FMA, and rejected the Vienna Stock Exchange's complaint. The latter's appeal to the Constitutional Court (VfGH) against this decision was rejected in the absence of any constitutional concerns around the Vienna Stock Exchange's lack of party status in the clearing access process. After the reporting period, the case was still pending before the VwGH, which will issue a final decision on the (lack of) party status of the Vienna Stock Exchange.

THE CAPITAL BUFFER REGULATION: AN ADMINISTRATION DECISION IN DISGUISE?

At the end of 2022, the FMA's Capital Buffer Regulation 2021 (KP-V 2021; *Kapitalpuffer-Verordnung*) was amended, following which one credit institution had a new systemic risk buffer imposed on it. The background to these (and other) changes included a recommendation by the Financial Market Stability Board (FMSB), which had found that there was an increased structural systemic risk in Austria, and an expert opinion prepared by Oesterreichische Nationalbank (OeNB). The credit institution lodged a complaint against this regulation to the extent that it was affected by it, arguing that the regulation was an "administrative decision in disguise" and that the buffer was not justified. It claimed that the regulation was unlawful and should be repealed given that it addressed an institution directly and that the FMA was only authorised to issue administrative decisions in such circumstances.

The Federal Administrative Court (BVwG) upheld the FMA's arguments: the KP-V 2021 forms part of an overall plan, albeit one that also refers to specific companies and the systemic risk associated with them. The Constitutional Court (VfGH) found that using a regulation for this purpose was appropriate and deemed it permissible in arrangements such as this in which individual effects combine with general effects, and the specific coincides with the abstract. The BVwG therefore dismissed the appeal as inadmissible with final effect.

EUROPEAN COURT OF JUSTICE CONSIDERS LEVYING OF ABSORPTION INTEREST BY THE ECB

In August 2021, the ECB levied absorption interest on two Austrian banks, in the amounts of € 2.1 million and € 19.3 million respectively. Both credit institutions applied to the General Court of the EU to have the ECB's decisions set aside; one of the institutions also applied for a review to be conducted by the Administrative Board of Review, a body of the ECB. Consequently, the ECB issued a new (second) decision against this credit institution in December 2021, again levying absorption interest of € 2.1 million; this was also challenged before the General Court. This meant that the Court was required to rule on absorption interest in three cases.

In its judgments of 28 February 2024, the General Court declared the contested ECB decisions on the imposition of absorption interest to be null and void or closed. It argued that the ECB – and not the FMA, as had been claimed in the objection – was competent to directly impose absorption interest. However, the ECB would have been obliged to interpret Article 97 para. 1 no. 2 of the Austrian Banking Act (BWG; *Bankwesengesetz*) in accordance with EU law, in particular with regard to Article 70 of Directive 2013/36/EU, the Capital Requirements Directive. On this basis, the ECB should not have prescribed the absorption interest "automatically", but ought to have examined whether the measure was proportionate or not. In this context, the General Court stated that an interpretation in line with EU law would require even established national case law to be amended – in this case, the automatic imposition of absorption interest as set out in Austrian case law should give way to a case-by-case assessment. The Court also found that absorption interest would be categorised as a supervisory measure of a non-punitive nature, which is why the imposition of absorption interest has no effect on the prohibition of double penalties.

As the FMA is responsible for levying absorption interest on less significant credit institutions and groups of credit institutions, the General Court's rulings are relevant

– not only for the ECB, but also for national enforcement practice – not least because the latter, in line with Austrian supreme court case law, has so far not provided for a proportionality test when the interest is imposed.

ADMINISTRATIVE PENAL PROCEEDINGS

PROCEEDINGS BEFORE THE FEDERAL ADMINISTRATIVE COURT AND SUPREME ADMINISTRATIVE COURT

In the cases decided by the Federal Administrative Court (BVwG) in the first instance and in the one case referred to the Supreme Administrative Court (VwGH), the courts found in favour of the FMA. In each case the ordinary appeal was declared inadmissible by the BVwG. The following cases in particular should be noted:

In October 2021, the FMA fined a joint stock company, as legal entity, € 35 000 for a breach of Regulation (EU) 2017/1129. The case concerned misleading advertising in an Austrian print and online medium in relation to a qualified subordinated bond. The BVwG confirmed the FMA's penal decision.

The FMA imposed a fine of € 90 160 on a credit institution, as legal entity, for violating the Securities Supervision Act 2018 (WAG 2018; *Wertpapieraufsichtsgesetz*) and Commission Delegated Regulation (EU) 2017/565. The credit institution had broken organisational rules in connection with cost transparency in the context of costs and charges disclosures for customers. In its ruling, the BVwG did not uphold the appeal with regard to the question of guilt. The fine was subsequently reduced from € 90 160 to € 70 160.

The BVwG confirmed the penalties imposed by the FMA in fining managers at an investment firm € 2 380 each for having breached the provisions of WAG 2018 in connection with information obligations towards customers.

The FMA also imposed an additional fine of € 52 500 by means of a penal decision on a legal entity for violations of WAG 2018 and Commission Delegated Regulation (EU) 2017/565. The entity had breached organisational rules governing the collection of client information with regard to the suitability and appropriateness of investment services and ex-ante cost transparency. The BVwG confirmed the FMA's penal decision.

In one case, the VwGH issued a decision dismissing an extraordinary petition for review. This related to a ruling by the BVwG in which the majority of the court confirmed the FMA's penal decision regarding a breach of the obligation to disclose trust relationships.

CASE LAW ON PUBLICATIONS IN RELATION TO ADMINISTRATIVE PENAL CASES

The BVwG had confirmed a penal decision issued by the FMA against a manager of an AIFM for failure to comply with rules set out in the Alternative Investment Fund Managers Act (AIFMG; *Alternative Investmentfonds Manager-Gesetz*) and Commission Delegated Regulation (EU) No 231/2013 in connection with organisational requirements. The FMA imposed a fine of € 2 380. The ordinary appeal was declared inadmissible. This was published by the FMA on a person-specific basis with regard to the AIFM. The responsible natural person was not named.

Both the AIFM and the responsible individual subsequently requested a review of the legality of the publication by the FMA. The BVwG found that the FMA's announcement pursuant to Article 60 para. 6 of the AIFMG, including updates on its website, was legally permissible. The ordinary appeal was declared inadmissible.

The BVwG stressed the fact that a serious threat to the stability of the financial markets, which could have been triggered by the publication if it had meant that the complaining party's services could no longer be offered on the market, was not to be expected at the time of publication.

With reference to the argument that potential market participants could possibly be deterred from making investments as a result of the publication, the BVwG referred to the normative purpose of the authorisation to publish pursuant to Article 60 para. 6 of the AIFMG and stressed that this fear on the part of the parties clearly shows that investor awareness is raised by the publication and that investors make their investment decisions with knowledge of sanctions imposed by the authorities.

With regard to the question of proportionality, the BVwG stated that, in this case, the interests of the public in receiving timely and meaningful information about misconduct on the part of the company concerned took clear precedence. It is also not clear how the publication would have caused "disproportionately high damage" to the second applicant, as their name is not actually mentioned in the publication.

Finally, the BVwG also stated that a merely abstract reference to the person concerned would be contrary to the actual purpose of the regulatory provision. If a publication were actually limited to stating that an alternative investment fund or another capital market participant not mentioned by name was responsible for a certain violation of statutory provisions, there would be no public benefit. Referring to the company by name therefore seems appropriate and in line with the legal requirement of Article 60 para. 6 AIFMG.

PRELIMINARY RULING PROCEEDINGS BEFORE THE CJEU

The BVwG submitted a request for a preliminary ruling to the Court of Justice of the European Union in three cases in which it is required to decide on an appeal by a credit institution against a penal decision by the FMA on breach of due diligence obligations for the prevention of money laundering and terrorist financing. In all three cases, the BVwG essentially wants to know from the CJEU whether the provisions of the Financial Markets Anti-Money Laundering Act (FM-GwG; *Finanzmarkt-Geldwäschegesetz*) on the criminal liability of legal persons and the statute of limitations, as well as their interpretation by Austrian case law, are compatible with EU law and the general legal principles of the EU (in particular the *effet utile*). Of particular interest to the BVwG is whether the Austrian requirements for establishing the culpable behaviour of an identified natural person as a prerequisite for punishing a legal person are compatible with EU law.

The proceedings before the BVwG are suspended until such time as the CJEU has ruled on the BVwG's questions. The CJEU has in turn suspended the preliminary ruling proceedings in the two most recent cases until after the ruling in the first case has been handed down.

BANK RESOLUTION

RESOLUTION PLANNING

The FMA was responsible for the resolution planning of 326 banks (as at 1 January 2024) during the year under review. A further ten banks/banking groups fell under the remit of the Single Resolution Board (SRB), which worked in cooperation with the FMA.

According to the FMA's assessment in its 2023 planning cycle, 18 banks for which it holds responsibility are so significant for the Austrian market and its stability that they might need to be resolved in accordance with the Bank Recovery and Resolution Act (BaSAG; *Bankensanierungs- und Abwicklungsgesetz*) in at least one of the tested scenarios. During the second quarter of 2024, the FMA provided these banks with the results of their resolvability assessments as well as the key points of the resolution plans drawn up in 2023, doing so in the form of bilateral talks and in writing. It also set a minimum requirement for own funds and eligible liabilities (MREL) over and above the capital requirements that otherwise apply for these banks. The MREL serves to ensure that, in the event of resolution, sufficient equity and debt resources are available for loss absorption through write-down and for the recapitalisation of the bank by means of conversion into Common Equity Tier 1 capital. As part of the current 2024 planning cycle, the FMA focused particularly strongly on the continued implementation of the resolvability requirements in proportionate application of the relevant EBA guidelines and SRB policies. To this end, workshops were arranged in April 2024 and the banks were tasked with implementing the resolvability requirements relevant to the 2024 planning cycle. The 2024 resolution plans incorporated an appraisal of the reports submitted by the banks and implementation of the FMA's further tests (particularly desktop exercises on bail-in and transfer playbooks and on liquidity products) and the subsequent resolvability assessment. Resolution planning for 2024, including the setting of an MREL, will be concluded during the first half of 2025 after consultation with the SRB and the banking supervisor.

At the request of 15 banks, the existing general prior permissions for the reduction of MREL-eligible liabilities have been renewed for one year with effect from 1 January 2025. A new application was submitted for one bank, which was approved. Work in the reporting year also focused on a review of the selected resolution strategies and on the preparation and creation of the multi-year test programmes to be submitted to the banks by the end of 2025 to check their resolvability.

For those banks under the responsibility of the FMA that in the event of a default

would be likely to be liquidated in insolvency proceedings, updated but significantly simplified resolution plans were prepared in 2024. One bank that previously fell under the FMA's remit in relation to resolution planning became subject to the SRB with effect from the 2024 year-end. For two cross-border banks with resolution colleges, joint decisions on the resolution plans were prepared by the competent resolution authorities. During the reporting year the FMA was actively involved in the Internal Resolution Teams (IRTs), working in cooperation with the banks under the SRB's remit. MREL implementation decisions were also prepared for these institutions.

As part of resolution planning for a central counterparty, the FMA stepped up its resolution planning activity, arranged the responsible resolution college and prepared a first draft of a resolution plan. In addition, it held a workshop on operational questions relating to different aspects of the resolution process. The FMA also drew up a list of investment firms in order to classify those relevant to resolution with regard to the first-time application of simplified requirements for future recovery and resolution planning.

RESOLUTION FINANCING ARRANGEMENT

CONTRIBUTIONS TO THE SINGLE RESOLUTION FUND

With the defined target amount of 1% of covered deposits in the euro area being reached as at 31 December 2023, the Single Resolution Board (SRB) decided not to levy any regular ex-ante contributions to the Single Resolution Fund (SRF) in the 2024 contribution period. The SRF had financial means in the region of € 80 billion at its disposal at the 2024 year-end.

However, in order to stand ready for any requirement to pay contributions as a result of the funds being used, or diminishing below the 1% target, the institutions subject to contributions were still asked to submit the data necessary for the 2024 calculation. Information on the 2025 contribution cycle and the SRF's uniform data template were published on the FMA website in October 2024.

NATIONAL RESOLUTION FINANCING ARRANGEMENT

The FMA, in the capacity of resolution authority, is required to set up a national resolution financing arrangement in order to guarantee the effective application of the resolution tools and powers in relation to certain investment firms and EU branches. It is also the FMA that calculates the contributions due based on the data submitted in the data template by the companies liable to pay. The preliminary work for the first setting of contributions towards the national resolution financing arrangement in 2025 was carried out in Q3 2024. The companies concerned were able to access information on the arrangement and the data template for the reporting date of 31 December 2023 on the FMA website.

RESOLUTION PROCESSES

Strengthening resolution preparedness was a key focus during the 2024 reporting year, with the FMA launching targeted measures including in-depth dialogue with other national resolution authorities (NRAs), cooperation with external experts in the form of specialist workshops and the development of supportive measures.

The FMA and BaFin met for bilateral discussions at the FMA's premises in Vienna in January and June 2024. The issues covered included the tax-related aspects of the

bail-in, dealing with economic losses in valuation 2 and the impact on financial statements, and the putting into operational practice of resolution strategies as part of BaFin's new LSI resolution planning structure. In addition, intensive dialogue on various resolution topics took place during the visit of the Danish resolution authority (Finansiel Stabilitet) in October 2024, during which the Nordic-Baltic Stability Group's (NBSG) crisis simulation exercise was also presented.

Further bilateral consultations were held with the Federal Ministry of Finance in June 2024 regarding the shelf companies established for the bridge institution and wind-down unit resolution instruments.

Stress testing took place on 6 May and 24 May in line with the EBA's requirements and with the involvement of the department responsible for resolution processes, together with Einlagensicherung AUSTRIA (ESA) and Österreichische Raiffeisen-Einlagensicherung (ÖRS). The tests simulated what would happen in the event of resolution if the deposit insurance scheme were to be used pursuant to Article 132 BaSAG. These stress tests also included the repayment of the difference from the resolution financing arrangement if the valuation pursuant to Article 107 BaSAG determines that the contribution of the deposit guarantee scheme to the resolution pursuant to Article 132 BaSAG is higher than the theoretical net losses that it would have suffered in the event of insolvency proceedings.

At the start of September, resolution authority representatives from the FMA travelled to BaFin in Frankfurt to take part in a bail-in dry run at a technical level. The visit also included an exchange of experiences on the topic of crisis simulations.

As part of the Crisis Reality Check initiative, the concept of a 'coarse filter' was finalised. The plan is for this filter to support the review of the respective preferred resolution strategy for the individual banks under the responsibility of the FMA with fully-fledged resolution planning.

As already discussed in relation to digitalisation (*see page 85*), the development of innovative technologies is also progressing at pace in the area of resolution, with ResTech occupying a central role. Resolution technology not only supports decision-making in resolution strategies, but also supports the evaluation and preparation of emergency administrative decisions and expert opinions. In this way, it makes a significant contribution to organising potential resolution cases as efficiently and purposefully as possible. FMA Minimum Standards on the provision of data in the event of resolution provide an essential starting point for these technological advances. These standards create the necessary basis for successfully implementing digital solutions and ensuring precise, data-supported resolution.

Given that a resolution process might be necessary at short notice, the legal measures that the FMA is required to order as the resolution authority must also be implemented quickly. Against this backdrop, it is crucial to plan key steps in advance in the best possible way. Several workshops aimed at improving resolvability were therefore organised during the second half of 2024, some focusing on the concept of valuation within resolution and some dedicated to executive searches.

INTERNAL MATTERS

BODIES

The executive bodies of the FMA are the Executive Board and the Supervisory Board. The Executive Board is responsible for managing the entire operation as well as the FMA's business transactions in accordance with the law and the Rules of Procedure. The Supervisory Board is responsible for monitoring the management and business operations of the FMA.

EXECUTIVE BOARD

In accordance with the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*), the Executive Board consists of two members with equal rights, one of whom is nominated by the Federal Minister of Finance and the other by the Oesterreichische Nationalbank. Both are appointed by the Federal President upon the proposal of the Federal Government for a five-year term of office, and may be reappointed. During the year under review, Helmut Ettl and Eduard Müller made up the Executive Board of the FMA. Helmut Ettl was reappointed for another term of office with effect from 14 February 2023. Eduard Müller was appointed to serve as an interim member of the Executive Board on 1 February 2020 and for his first term of office as a regular member on 6 July 2020.

SUPERVISORY BOARD

The Supervisory Board of the FMA is composed of ten members (> *Figure 4*): The Federal Minister of Finance (BMF) and the Oesterreichische Nationalbank (OeNB) each appoint four members, who are eligible to vote, while the Austrian Federal Economic

Figure 4: Supervisory Board of the FMA (as at 31 Dec. 2024)

CHAIR:		DEPUTY CHAIR:	
Alfred Lejsek (BMF, until 30 June 2024) Harald Waiglein (BMF, from 1 July 2024)		Robert Holzmann (OeNB)	
MEMBERS:		CO-OPTED MEMBERS:	
Gabriela de Raaij (OeNB) Gottfried Haber (OeNB Vice Governor, until 12 September 2024) Thomas Steiner (OeNB, from 27 September 2024) Karin Turner-Hrdlicka (OeNB)	Elisabeth Gruber (BMF) Beate Schaffer (BMF, until 30 June 2024) Manuel Zahrer (BMF, from 1 July 2024) Nadine Wiedermann-Ondrej (BMF)	Louis Norman-Audenhove (WKO) Franz Rudorfer (WKO)	

Chamber (WKO) nominates two co-opted members without voting rights to represent the supervised institutions. The latter have clearly delineated rights to obtain information. The ordinary members of the Supervisory Board are appointed by the BMF, whilst the members nominated by the WKO are co-opted by the Supervisory Board itself.

Pursuant to Article 10 para. 2 FMABG, the following measures require the approval of the Supervisory Board:

- The financial plan to be drawn up by the Executive Board including the investment and staff plan
- Investments, to the extent that they are not authorised in the investment plan, and the taking out of any loan that exceeds € 75 000
- The acquisition, disposal and encumbrance of real estate
- The financial statements to be drawn up by the Executive Board
- The Rules of Procedure pursuant to Article 6 para. 2 FMABG and changes thereto
- The Compliance Code pursuant to Article 6 para. 4 FMABG and changes thereto
- The appointment of employees of the FMA to leading functions directly subordinate to the Executive Board (second management level), as well as their dismissal and termination of employment
- The Annual Report to be drawn up pursuant to Article 16 para. 3 FMABG
- The conclusion of collective bargaining and works agreements.

In accordance with Article 9 para. 1 FMABG, the Supervisory Board is required to hold meetings at least once every calendar quarter. In 2024 the Supervisory Board convened on 15 March, 26 April, 12 June, 24 September and 25 November.

At its meeting on 26 April 2024, the Supervisory Board unanimously discharged the Executive Board for the 2023 financial year pursuant to Article 18 para. 4 FMABG.

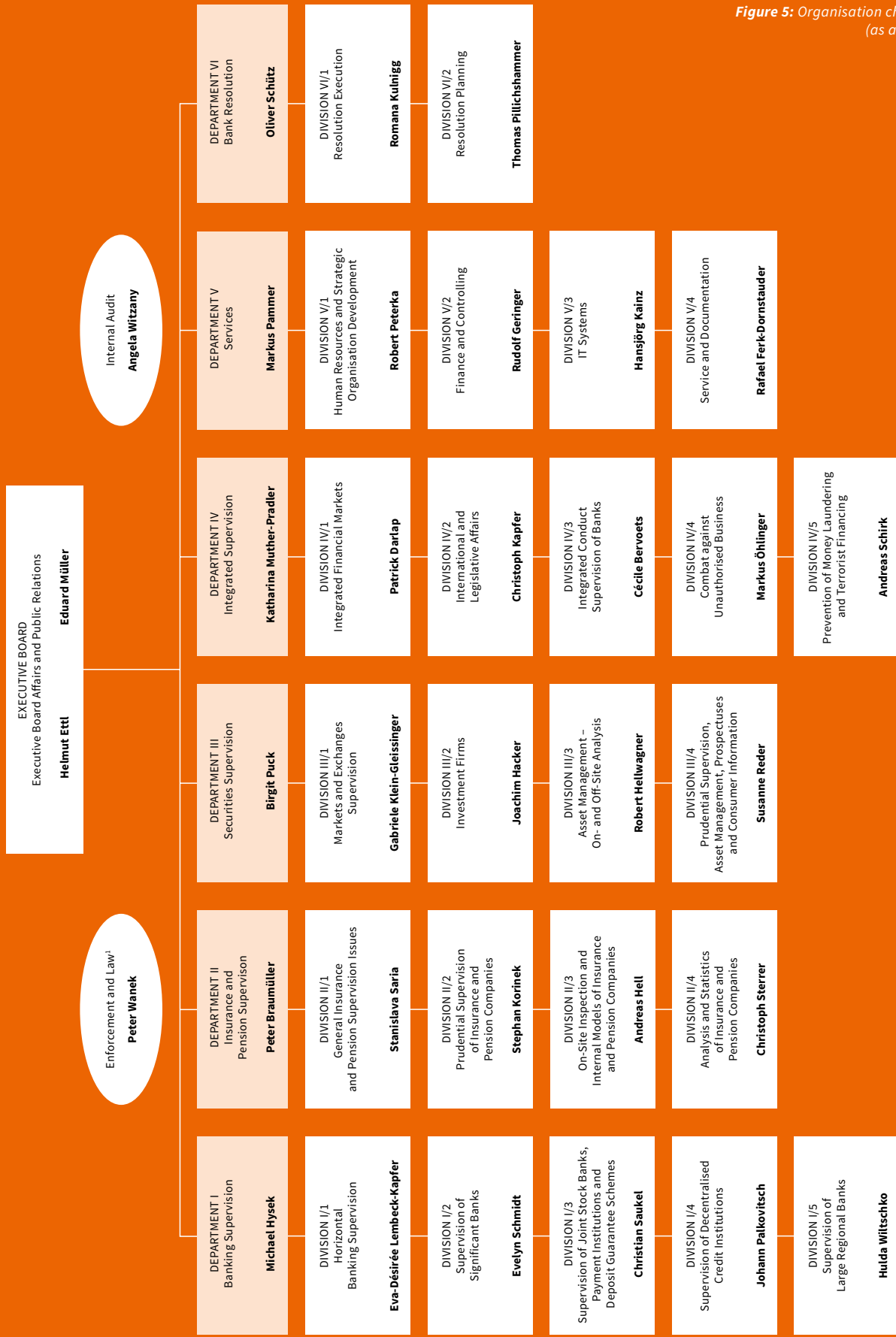
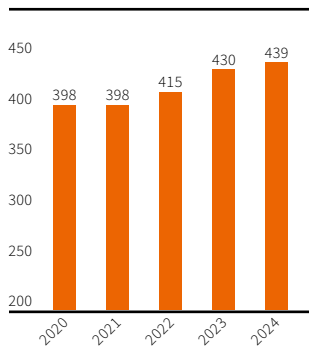


Figure 5: Organisation chart of the FMA (as at 31 Dec. 2024)

¹ Corporate Compliance Officer reports directly to Executive Board.

STAFF

Chart 54: Number of staff (FTEs) 2020–2024



STAFF 2024

The Supervisory Board had approved a staffing target of 439 full-time equivalents (FTEs) for 2024 (> Chart 54). The actual number of staff employed by the FMA as at 31 December 2024 was 426.69 FTEs, which corresponds to 461 employees (excluding those on leave). A breakdown of the planned allocation of staff to the individual departments compared with the actual figures is shown in Table 31.

The staff turnover rate dropped for the fifth year in a row, to 2.8% in 2024 (2023: 3.2%), the second-lowest level in the past ten years.

This decline can be attributed, among other things, to the FMA being an attractive employer that offers job security even in times of economic downturn. Furthermore, the FMA’s flexible working from home policy and the options for reconciling work and family life also help boost the overall satisfaction levels of FMA staff. Additional positive changes made as a result of the “Fit for Future” programme, such as alternative development paths for key personnel and temporary development roles have also had a welcome effect on employee loyalty.

The number of civil servant colleagues assigned to duty at the FMA from the Federal Ministry of Finance dropped from 9.88 FTEs to 7.88 FTEs due to retirements. In percentage terms, this equates to a fall from 2.2% to 1.7% of all employees in 2024; the equivalent figure in 2007 was still as high as 10%. The number of contractual employees also fell from 4.1 FTEs to 2.13 FTEs, accounting for approximately 0.7% of the total workforce. The age structure of FMA staff is extremely balanced, with an average

Table 31: Planned and actual staffing levels in FTEs in 2024

	Planned staffing levels as at 31 Dec.	Actual staffing levels as at 31 Dec.	Difference in %
Executive Board Affairs, Enforcement and Law, Internal Audit	29.00	31.25	7.76
Banking Supervision	89.50	87.48	-2.26
Insurance and Pension Supervision	59.00	58.40	-1.02
Securities Supervision	94.15	91.09	-3.25
Integrated Supervision	82.25	75.08	-8.72
Services	59.10	58.65	-0.76
Bank Resolution	26.00	24.75	-4.81
Total	439.00	426.69	-2.80

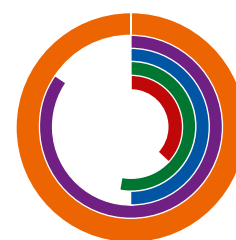
Differences arising from rounding to two decimal places are ignored.

age of 43. Nearly one in four members of staff (23%) worked part-time in 2024, with parents on part-time leave accounting for the majority of this group.

The percentage of women in relation to total staff decreased slightly, from 53% at the end of 2023 (246 out of 463 employees) to 52% at the end of 2024 (241 out of 461). In terms of management positions, the share of women remained practically unchanged at 37% (2023: 34 out of 92; 2024: 30 out of 81 managers). The FMA continues to work towards achieving gender parity in managerial functions too. For more details on the plan for the promotion of women, please refer to the chapter “The promotion of women at the FMA” on page 129.

At 86%, most of the FMA’s staff are university graduates, namely 395 out of 461. Almost half of all employees (233 out of 461) hold additional qualifications such as a second degree, postgraduate training, or a professional qualification as a lawyer or tax consultant (> Chart 55). An additional 77 active employees successfully completed the postgraduate university programme in Financial Market Supervision, graduating with a Professional Master in Financial Supervision. In autumn 2024, 35 employees started the new Certificate Programme in Financial Supervision, set up together with the University for Continuing Education Krems (UWK).

Chart 55: Expert organisation FMA



■ 86% with degree
■ 50% with additional qualifications
■ 52% women
■ 37% women in management positions

HR DEVELOPMENT

Continuing professional development is a top priority for the FMA in its capacity as an organisation of experts. Its human resources development programme encompasses a broad and varied range of measures for different target groups and requirements:

- FMA Academy
- Completion of Master in Financial Supervision programme (Professional Master), offered jointly with the OeNB at the WU Executive Academy in autumn 2024
- Start of first class in the Financial Supervision Certificate Programme at the UWK in autumn 2024
- Executive development
 - International seminars organised within the European partner network (EIOPA, ESMA, EBA etc.) or by other international organisers
 - Seminars organised by external providers based on executives’ individual requirements.

FMA ACADEMY

The FMA Academy offers seminars tailored to specific target groups at management and specialist level, as well as training designed to impart skills in various subject areas (basic, social, methodological, leadership, language, specialist and expert skills). The offering comprises internal and external seminars, national and international courses, e-learning opportunities, study visits and staff exchanges.

In 2024 the FMA Academy organised 251 different seminars, workshops and lectures, which were attended by 4 451 participants in total. Executives also had the opportunity to take part in 14 further seminars for managerial staff. In addition to these internally organised seminars, FMA staff attended 589 specialised training courses at third-party educational institutions targeted at individual career development in their specific fields. Of these training opportunities, 258 took the form of international seminars at European partner institutions, which included the European Central Bank (ECB), the European Securities and Markets Authority (ESMA), the European Insurance

and Occupational Pensions Authority (EIOPA), the European Banking Authority (EBA), the Single Resolution Board (SRB) and the European Supervisor Education Initiative (ESE), as well as partner authorities and other international organisers.

EXECUTIVE DEVELOPMENT

A new executive development programme entitled “Leading Together” was developed during the reporting year. It comprises several modules. Module 1 on decision-making leeway, which is dedicated to a holistic view of leadership at the FMA, marked the beginning of the programme in autumn 2024. The programme will continue in 2025, supporting executives through the “Shaping the Future” transformation process.

INTERNATIONAL NETWORKING

In 2024 the FMA was in regular dialogue with the ECB, including four Human Resources Conference Meetings, which were organised as virtual and in-person events. The joint working programme focused primarily on the following topics:

- **People:**

Recruitment and development of executives and employees by identifying and developing key skills for the future, preparations for the next European System of Central Banks’ (ESCB) and Single Supervisory Mechanism’s (SSM) learning and development strategy (2025–2030), and examination of a possible employee value proposition and employer brand

- **Common values /common culture:**

Promotion of learning and sharing, continued promotion of mobility to improve cooperation and cohesion, definition of ESCB and SSM values, use of common strengths to boost effectiveness, agility, resilience and cost efficiency of initiatives

- **Diversity, equity, inclusion and belonging:**

Active promotion of a working environment in which everyone is seen and heard and in which (intercultural and hybrid) teams that integrate a diverse range of people work together fairly and effectively.

- **Resilience and change:**

Focus on change mindset and change management, development of strategies and measures to boost institutions’ resilience, promote people’s wellbeing and equip executives for the future.

The FMA once again seconded employees to partner organisations to promote international collaboration during the year under review. One employee worked at the ESRB and another staff member was based at Austria’s Permanent Representation to the EU in Brussels. Additionally, eight employees were seconded to the ECB.

WORK-FAMILY BALANCE

To make it easier for employees to reconcile work and family life, the FMA opened its own kindergarten in September 2013. It is operated by the Vienna branch of the family organisation *Die Kinderfreunde*. The kindergarten is divided into two sections, one for babies and toddlers between the ages of six months and three years, and an older section catering for children from two-and-a-half to six years of age. The FMA kindergarten and the OeNB kindergarten, which is located close by, regularly organise joint events to mark important dates in the calendar such as a lantern festival or

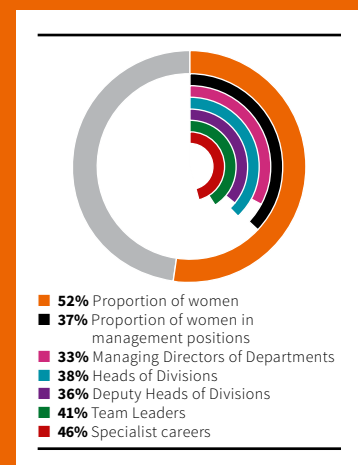
THE PROMOTION OF WOMEN AT THE FMA

Austria's Federal Equal Treatment Act obliges the FMA, as an outsourced federal authority, to treat all of its employees equally. The FMA is required to guarantee protection against discrimination on the basis of gender, ethnicity, age, religion or world views, and sexual orientation. The Act also provides for positive measures for actual gender equality, such as a special requirement to promote women in all areas in which gender parity has not yet been achieved. Accordingly, the FMA implemented an initial plan for the advancement of women in 2016, which has since been updated several times. The Women's Promotion Plan 2022–2027 is currently in force.

EQUAL TREATMENT

One of the main aims of the Federal Equal Treatment Act is to achieve gender parity across the workforce as a whole, as well as in relation to managers and those in the Specialist Career Programme. Due to the attractive and family-friendly working conditions at the FMA and the ongoing promotion of greater flexibility in the workplace, the goal of gender parity has been met for many years now. At the end of 2024, women accounted for 52% of the total staff (> Chart 56). With regard to management positions, however, there is still work to be done. The proportion of women in executive positions has hardly moved, at 37% of all management positions (Executive Directors, Managing Directors of Departments, Heads of Divisions and Team Leaders). The proportion of women in team management rose again, reaching 41%, and 37% of Managing Directors and Heads of Division are female. In order to fulfil the goal of gender parity in management positions at all levels in the foreseeable future, the FMA is intensifying its measures to promote women in management careers over the coming years. The promotion of gender parity is also a key concern of human resources development with regard to individual development pathways.

Chart 56: Percentage of management positions occupied by women at the FMA



MEASURES TO PROMOTE WOMEN

- For any hierarchical level at which gender parity has not yet been achieved, female applicants with equal qualifications are favoured during the hiring process.
- When the FMA advertises vacancies for management positions in which women are under-represented, it actively approaches suitable female candidates in-house and encourages them to apply.
- Every advertised position is evaluated to determine whether it can also be fulfilled on a part-time basis.
- After each selection process for a management position, the number of female and male applicants is disclosed to the workforce.
- Women are given preferential consideration when it comes to the allocation of leadership roles and participation in (inter)national committees and working groups, including if they work part-time.

The current working from home regulation and long-standing measures such as the FMA's own kindergarten also make a lasting contribution to reconciling work with family life. It makes it easier to take specific life circumstances into account and thus facilitates individual development opportunities. The principles of equal opportunities, diversity and inclusion are also reflected in the new FMA guiding principle developed as part of the "Fit for Future – FMA 2025" reform project under the title "Our values of togetherness". In keeping with this principle, the FMA worked on several measures and concepts to activate these values as well as to implement and further develop them as part of the FMA's work culture in 2024. The priorities include regularly applying these values to the FMA's strategy processes and annual staff appraisals, strengthening day-to-day cooperation through a range of CPD opportunities, taking further measures to promote sharing and the ability to tackle challenges, and implementing various processes around recruitment. From the perspective of equal treatment, important issues for the long-term promotion and strengthening of equal opportunities, inclusion and an appreciative culture at the FMA have thus been addressed and taken forward.

summer celebration. At least one of the two kindergartens is usually open during holiday periods.

CERTIFICATE PROGRAMME IN FINANCIAL SUPERVISION

In the context of the “Fit for Future” programme, the issue of common basic training for all new FMA employees was identified as an essential action plan for the future of the FMA. At the beginning of 2024, the FMA began work to decide on the objectives and requirements of a new training format, doing so in collaboration with managers, previous training participants and new employees. The following objectives were established on this basis:

- To enable the development of a standardised knowledge base for all new recruits in addition to their day-to-day activities
- To convey an understanding of integrated supervision and interfaces between different supervisory areas
- To demonstrate the broad interrelationships of the financial market and economic interdependencies
- To support networking between participants
- To lay a foundation for further individual training.

The learning objectives for the programme were then fleshed out by a cross-departmental group of experts from the “People” sub-project. A university cooperation partner was also found in the University for Continuing Education Krems (UWK), which specialises in further education for working professionals and the area of banking and capital market law. The Certificate Programme in Financial Supervision developed together with the UWK fulfils two fundamental requirements: a uniform academic knowledge basis in the interests of an integrated supervisory model and, via the compact format, compatibility with FMA employees’ day-to-day work.

The Programme covers the following:

- Why supervision?
- Structure of the FMA
- Legal basis
- Technology in supervision and emerging issues
- Economic basis
- Core elements of supervisory practice.

On completion of the Programme, the employees will be able to:

- Accurately describe the legal nature of the FMA and use specialist terminology to talk about supervision
- Assess the value of financial market supervision for the proper functioning of the Austrian financial market
- Identify interfaces between the supervisory areas
- Understand the interrelationships of the financial market and economic interdependencies.

The Programme is taught by experts from the FMA as well as by university professors from the UWK and other experts from the business world. This means that external as well as internal perspectives are included, creating an interdisciplinary view of financial market supervision, which is crucial to the success of new employees in their work.

The Certificate Programme involves 24 days of in-person attendance, and the ECTS points earned can be credited towards future courses.

As well as the Certificate Programme, new employees complete an individually designed training plan and a job rotation programme as part of the newly introduced development pathway to become a specialist. In this way, they acquire a comprehensive knowledge base that encompasses both an integrated and a specialist perspective and that, together with the job rotation measures, also ensures practical relevance.

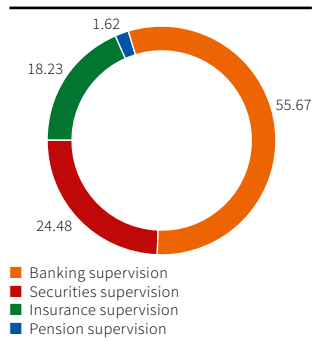
FINANCE AND CONTROLLING

FINANCING

The FMA's finances are based on three pillars, as stipulated in the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*):

First, the FMA receives an annual lump sum of € 4.6 million from the federal budget as prescribed by law. In addition, the FMA is entitled to a federal contribution for expenses incurred in connection with its regulatory sandbox, which it established in 2020, amounting to € 500 000. Second, in its capacity as an authority, the FMA may levy fees for particular services as defined by law. And third, the remaining amount is contributed by the supervised entities according to the share of costs incurred in each case. Pursuant to Article 19 FMABG, four accounting groups are to be set up for the apportionment of costs to the supervised entities according to the share incurred in each case: banking, insurance, securities and pension supervision, each of which is then further divided into subgroups (> *Chart 57*). The FMA uses the data recorded in its time and performance tracking system (ZLES) as the basis for allocating personnel expenses to the accounting groups, as stipulated in the FMABG, according to the share incurred. After deducting the federal contribution, the collected fees and other income from the overall costs, the share of remaining costs accounted for by each accounting group can be calculated. This share is then allocated and charged to each individual supervised entity in line with the statutory provisions.

Chart 57: Supervisory costs in 2024, breakdown by accounting group (in %)



PAYMENT NOTICES

In accordance with Article 19 FMABG, the supervised companies are required to reimburse the FMA for all costs not covered by other means. The financial statements and statement of costs are used as the calculation basis for these costs. The share of costs to be borne by the supervised companies is determined on the basis of the data reported by those companies themselves or, for example, data from the Vienna Stock Exchange. The FMA Cost Regulation (FMA-KVO; *FMA-Kostenverordnung*) specifies the reimbursement of costs (calculation of actual costs), the implementation of advance payments per accounting group or subgroup and the apportionment among the entities liable to pay costs, including deadlines for the payment notices and for payments.

The FMA issued the payment notices for the actual costs incurred in 2023 in November 2024, together with the notices for the advance payments for 2025. Compared with the previous year, the number of payment notices has risen, up from 2 700 in 2023 to

2 800 in 2024. Based on the actual costs incurred in 2023 minus the advance payments made for that year, the entities liable to pay costs were charged an additional € 12.7 million for 2023.

FINANCIAL STATEMENTS 2024

According to Article 18 FMABG, the Executive Board is required to submit the audited financial statements including the statement of costs to the Supervisory Board for approval within five months of the previous financial year-end. CONTAX WirtschaftstreuhandgmbH carried out the statutory audit of the FMA's financial statements and statement of costs for 2024 as well as of the balance sheet and income statement for 2024 of the entity National Contributions to the Single Resolution Fund (SRF). It issued unqualified opinions in each case, confirming compliance with the statutory provisions. In accordance with Article 10 para. 2 no. 4 FMABG, the Supervisory Board approved the 2024 financial statements of the FMA and of the entity National Contributions to the SRF on 29 April 2025. The share contributed by entities liable to pay costs rose in 2024, up by some € 9.6 million compared with 2023, to approximately € 85.8 million. This increase is mainly attributable to increases in personnel expenses (approx. +€ 6.3 million) and other operating expenses (approx. +€ 2.3 million).

The increase in personnel expenses of approximately € 6.3 million to € 64.8 million is due to a larger number of staff (workforce increased by an average of 10 FTEs) as well as to adjustments under the collective agreement and annual salary progressions.

Other operating expenses were up by € 2.3 million year-on-year to total € 30.7 million, for the following reasons:

- The expenses for third-party IT services rose by approximately € 0.7 million due to a greater requirement for external IT support, primarily in connection with further software developments for IT projects and the ECB charging the FMA for IT services provided.
- The increase in expenses for IT maintenance (approx. +€ 0.5 million) is due to increased costs for Microsoft M365 licences, the implementation of a security information and event management (SIEM) system, as well as to inflation-related index adjustments.
- The items for office rent (approx. +€ 0.4 million), membership fees (approx. +€ 0.2 million) and information and data services (approx. +€ 0.1 million) grew mainly because of index adjustments.
- Other consulting services were down year-on-year, mainly due to lower expenses in connection with the "Fit for Future – FMA 2025" project as well as reduced expenses for general office operations owing to energy cost savings.

As a consequence of interest rate cuts in the reporting year, the 2024 financial result is around € 0.4 million lower than in the previous year.

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ACPR	<i>Autorité de contrôle prudentiel et de résolution (French Prudential Supervision and Resolution Authority)</i>	EEAP	<i>European Electronic Access Point</i>
A-FIU	<i>Austrian Financial Intelligence Unit</i>	EFIF	<i>European Forum for Innovation Facilitators</i>
AFREP	<i>Austrian Financial Reporting Enforcement Panel</i>	EIOPA	<i>European Insurance and Occupational Pensions Authority</i>
AG	<i>Aktiengesellschaft (joint stock company)</i>	ELAK	<i>Elektronischer Akt (electronic file)</i>
AIF	<i>Alternative Investment Fund</i>	EMIR	<i>European Market Infrastructure Regulation</i>
AIFM	<i>Alternative Investment Fund Manager</i>	EMT	<i>Electronic Money Token</i>
AIFMG	<i>Alternatives Investmentfonds Manager-Gesetz (Alternative Investment Fund Managers Act)</i>	ESA	<i>European Supervisory Authority</i>
AMF	<i>Autorité des marchés financiers (French Financial Markets Authority)</i>	ESAEG	<i>Einlagensicherungs- und Anlegerentschädigungsgesetz (Deposit Guarantee Schemes and Investor Compensation Act)</i>
AML	<i>Anti-Money Laundering</i>	ESAP	<i>European Single Access Point</i>
AML/CTF	<i>Anti-Money Laundering and Countering the Financing of Terrorism</i>	ESE	<i>European Supervisor Education Initiative</i>
AMLA	<i>Anti-Money Laundering Authority</i>	ESEF	<i>European Single Electronic Format</i>
AMS	<i>Public Employment Service Austria</i>	ESFS	<i>European System of Financial Supervision</i>
APAB	<i>Austrian Audit Oversight Authority</i>	ESG	<i>Environmental, Social and Governance</i>
APP	<i>Asset Purchase Programme</i>	ESMA	<i>European Securities and Markets Authority</i>
ART	<i>Asset-Referenced Token</i>	ESRB	<i>European Systemic Risk Board</i>
ASVG	<i>Allgemeines Sozialversicherungsgesetz (General Social Insurance Act)</i>	EstG	<i>Einkommensteuergesetz (Income Tax Law)</i>
ATX	<i>Austrian Traded Index</i>	ETF	<i>Exchange Traded Fund</i>
BaFin	<i>Federal Financial Supervisory Authority (Germany)</i>	EU	<i>European Union</i>
BaSAG	<i>Bankensanierungs- und Abwicklungsgesetz (Bank Recovery and Resolution Act)</i>	EURIBOR	<i>Euro Interbank Offered Rate (three-month interbank rate)</i>
BBG	<i>Budgetbegleitgesetz (Budget Accompanying Act)</i>	EuVECA	<i>European Venture Capital Fund</i>
BCG	<i>Basel Consultative Group</i>	EXAA	<i>Energy Exchange Austria</i>
BIS	<i>Bank for International Settlements</i>	FATF	<i>Financial Action Task Force</i>
BMASK	<i>Federal Ministry of Social Affairs, Health, Care and Consumer Protection</i>	Fed	<i>Federal Reserve (USA)</i>
BMF	<i>Federal Ministry of Finance</i>	FINREP	<i>Financial Reporting</i>
BMR	<i>Benchmarks Regulation</i>	FinTech	<i>Financial Technology</i>
BMSVG	<i>Betriebliches Mitarbeiter- und Selbständigenvorsorgegesetz (Company Employee and Self-Employment Provisions Act, as amended)</i>	FMA	<i>Financial Market Authority (Austria)</i>
BörseG	<i>Börsegesetz (Stock Exchange Act)</i>	FMABG	<i>Finanzmarktaufsichtsbehördengesetz (Financial Market Authority Act)</i>
BVwG	<i>Federal Administrative Court</i>	FM-GwG	<i>Finanzmarkt-Geldwäschegesetz (Financial Markets Anti-Money Laundering Act)</i>
BWG	<i>Bankwesengesetz (Austrian Banking Act)</i>	FMSB	<i>Financial Market Stability Board</i>
CASP	<i>Crypto Asset Service Provider</i>	FSB	<i>Financial Stability Board</i>
CCP	<i>Central Counterparty</i>	FTE	<i>Full-Time Equivalent</i>
CCPA	<i>Central Counterparty Austria GmbH</i>	FTSE	<i>Financial Times Stock Exchange Index</i>
CESEE	<i>Central, Eastern and South-Eastern Europe</i>	GDP	<i>Gross Domestic Product</i>
CFR	<i>Charter of Fundamental Rights of the European Union</i>	GKE	<i>Granulare Kreditdatenerhebung (granular credit data)</i>
CJEU	<i>Court of Justice of the European Union</i>	GmbH	<i>Gesellschaft mit beschränkter Haftung (limited liability company)</i>
CRR	<i>Capital Requirements Regulation</i>	HSV	<i>Main Association of Austrian Social Security Institutions</i>
CSA	<i>Common Supervisory Action</i>	IAIS	<i>International Association of Insurance Supervisors</i>
CSD	<i>Central Securities Depository</i>	IAS	<i>International Accounting Standards</i>
CSRD	<i>Corporate Sustainability Reporting Directive</i>	ICS	<i>Insurance Capital Standard</i>
CTPP	<i>Critical Third-Party Providers</i>	ICT	<i>Information and Communication Technology</i>
DAX	<i>Deutscher Aktienindex (German stock index)</i>	IFR	<i>Investment Firms Regulation</i>
DG	<i>Directorate-General of the European Commission</i>	IFRS	<i>International Financial Reporting Standards</i>
DLT	<i>Distributed Ledger Technology</i>	IMF	<i>International Monetary Fund</i>
DORA	<i>Digital Operational Resilience Act</i>	ImmoInvFG	<i>Immobilien-Investmentfondsgesetz (Real Estate Investment Fund Act)</i>
DSB	<i>Austrian Data Protection Authority</i>	Immo-KAG	<i>Real estate investment fund management companies</i>
DSG	<i>Datenschutzgesetz (Data Protection Act)</i>	InvFG	<i>Investmentfondsgesetz (Investment Fund Act)</i>
EBA	<i>European Banking Authority</i>	IOPS	<i>International Organisation of Pension Supervisors</i>
ECB	<i>European Central Bank</i>	IORP	<i>Institution for Occupational Retirement Provision</i>
ECHR	<i>European Convention on Human Rights</i>	IOSCO	<i>International Organization of Securities Commissions</i>
ECSP	<i>European Crowdfunding Service Provider</i>	IRG	<i>Investment and Risk Sharing Group</i>
ECSPR	<i>European Crowdfunding Service Providers Regulation</i>	IRT	<i>Internal Resolution Team</i>
EDIS	<i>European Deposit Insurance Scheme</i>	JKAB-V	<i>Jahres- und Konzernabschluss-Verordnung (Regulation on Financial Statements and Consolidated Financial Statements)</i>
EEA	<i>European Economic Area</i>	JST	<i>Joint Supervisory Team</i>
		KAG	<i>Investment fund management company</i>

<i>KIM-V</i>	<i>Kreditinstitute-Immobilienfinanzierungsmaßnahmen-Verordnung (Regulation on Real Estate Financing Measures in Credit Institutions)</i>	<i>RTS</i>	<i>Regulatory Technical Standards</i>
<i>KMG</i>	<i>Kapitalmarktgesetz (Capital Market Act)</i>	<i>RWA</i>	<i>Risk-Weighted Assets</i>
<i>KVO</i>	<i>Kostenverordnung (Cost Regulation)</i>	<i>S&P</i>	<i>Standard & Poor's</i>
<i>LCH SA</i>	<i>London Clearing House, clearing service for international exchanges and OTC markets</i>	<i>SaaS</i>	<i>Software As A Service</i>
<i>LCR</i>	<i>Liquidity Coverage Ratio</i>	<i>SCR</i>	<i>Solvency Capital Requirement</i>
<i>LLM</i>	<i>Large Language Model</i>	<i>SEC</i>	<i>U.S. Securities and Exchange Commission</i>
<i>LSI</i>	<i>Less Significant Institution</i>	<i>Security-oriented IRG</i>	<i>Security-Oriented Investment and Risk Sharing Group</i>
<i>MADe</i>	<i>Market Abuse Detector</i>	<i>SEPP</i>	<i>Secure Electronic Prospectus Portal</i>
<i>MAR</i>	<i>Market Abuse Regulation</i>	<i>SFDR</i>	<i>Sustainable Finance Disclosure Regulation</i>
<i>MiCAR</i>	<i>Markets in Crypto-Assets Regulation</i>	<i>SI</i>	<i>Significant Institution</i>
<i>MiFID</i>	<i>Markets in Financial Instruments Directive</i>	<i>SIEM</i>	<i>Security Information and Event Management</i>
<i>MiFIR</i>	<i>Markets in Financial Instruments Regulation</i>	<i>SRB</i>	<i>Single Resolution Board</i>
<i>MIS</i>	<i>Management Information System</i>	<i>SREP</i>	<i>Supervisory Review and Evaluation Process</i>
<i>MMIT</i>	<i>Market Manipulation Insider Tracer</i>	<i>SRF</i>	<i>Single Resolution Fund</i>
<i>MoU</i>	<i>Memorandum of Understanding</i>	<i>SRM</i>	<i>Single Resolution Mechanism</i>
<i>MREL</i>	<i>Minimum Requirement for Own Funds and Eligible Liabilities</i>	<i>SSM</i>	<i>Single Supervisory Mechanism</i>
<i>MSCI</i>	<i>Emerging Markets Index</i>	<i>STOR</i>	<i>Suspicious Transaction and Order Report</i>
<i>MTF</i>	<i>Multilateral Trading Facility</i>	<i>Sub-IG</i>	<i>Sub-Investment Group</i>
<i>NASDAQ</i>	<i>National Association of Securities Dealers Automated Quotations (stock exchange in New York)</i>	<i>SUPRISC</i>	<i>Supervision, Risks and Innovation Standing Committee</i>
<i>NBFI</i>	<i>Non-Bank Financial Intermediation</i>	<i>SupTech</i>	<i>Supervisory Technology</i>
<i>NBSG</i>	<i>Nordic-Baltic Stability Group</i>	<i>TFR</i>	<i>Transfer of Funds Regulation</i>
<i>NCA</i>	<i>National Competent Authority</i>	<i>TIBER</i>	<i>Threat Intelligence-Based Ethical Red Teaming</i>
<i>NFRD</i>	<i>Non-Financial Reporting Directive</i>	<i>TLPT</i>	<i>Threat Led Penetration Test</i>
<i>NGFS</i>	<i>Network for Greening the Financial System</i>	<i>TREM</i>	<i>Transaction Reporting Exchange Mechanism</i>
<i>NLP</i>	<i>Natural Language Processing</i>	<i>UCITS</i>	<i>Undertakings for Collective Investment in Transferable Securities</i>
<i>NRA</i>	<i>National Resolution Authority</i>	<i>UGB</i>	<i>Unternehmensgesetzbuch (Corporate Code)</i>
<i>NSFR</i>	<i>Net Stable Funding Ratio</i>	<i>VAG</i>	<i>Versicherungsaufsichtsgesetz (Insurance Supervision Act)</i>
<i>OeKB</i>	<i>Oesterreichische Kontrollbank AG</i>	<i>VASP</i>	<i>Virtual Asset Service Provider</i>
<i>OeNB</i>	<i>Oesterreichische Nationalbank</i>	<i>VERA-V</i>	<i>Vermögens-, Erfolgs- und Risikoausweis-Verordnung (Regulation on Asset, Income and Risk Statements)</i>
<i>ORAs</i>	<i>Own Risk Assessments</i>	<i>VERBA</i>	<i>Consumer complaints and enquiries database</i>
<i>PEP</i>	<i>Politically Exposed Person</i>	<i>VfGH</i>	<i>Constitutional Court</i>
<i>PEPP</i>	<i>Pandemic Emergency Purchase Programme</i>	<i>VStG</i>	<i>Verwaltungsstrafgesetz (Administrative Penal Act)</i>
<i>PF</i>	<i>Proliferation Financing</i>	<i>VwGH</i>	<i>Supreme Administrative Court</i>
<i>PK</i>	<i>Pensionskasse (pension company)</i>	<i>WAG</i>	<i>Wertpapieraufsichtsgesetz (Securities Supervision Act)</i>
<i>PM</i>	<i>Professional Master</i>	<i>WKO</i>	<i>Austrian Federal Economic Chamber</i>
<i>POG</i>	<i>Product Oversight and Governance</i>	<i>WKStA</i>	<i>Central Public Prosecutor for Economic Crime and Corruption</i>
<i>RCG</i>	<i>Regional Consultative Group</i>	<i>WPFG</i>	<i>Wertpapierfirmengesetz (Investment Firms Act)</i>
<i>RegTech</i>	<i>Regulatory Technology</i>	<i>WU</i>	<i>Vienna University of Economics and Business</i>
<i>ResCO</i>	<i>Resolution Committee</i>	<i>ZLES</i>	<i>Time and performance tracking system</i>
<i>RL-KG</i>	<i>Rechnungslegungs-Kontrollgesetz (Financial Reporting Enforcement Act)</i>		

**FINANCIAL MARKET AUTHORITY
FINANCIAL STATEMENTS 2024**

FMA financial statements 2024	A 3
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FINANCIAL STATEMENTS 2024

AUDITOR'S REPORT REPORT ON THE FINANCIAL STATEMENTS

AUDIT OPINION



We have audited the financial statements of the **Financial Market Authority, Vienna**, which comprise the balance sheet as at 31 December 2024, the income statement for the financial year then ended and the notes. The statement of costs pursuant to Article 19 FMABG was also part of our audit.

In our opinion, the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the Financial Market Authority as at 31 December 2024 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the special legal provisions in Article 18 FMABG. The statement of costs pursuant to Article 19 FMABG complies with the statutory provisions.

BASIS FOR OPINION

We conducted our audit in accordance with the Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the Financial Market Authority in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and the special legal provisions in Article 18 FMABG for them to present a true and fair view of the assets, the financial position and the financial performance of the Austrian Financial Market Authority and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the Financial Market Authority’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Financial Market Authority or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board is responsible for overseeing the Financial Market Authority’s financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Financial Market Authority's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Financial Market Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Financial Market Authority to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

COMMENTS ON THE MANAGEMENT REPORT

Pursuant to Austrian Generally Accepted Accounting Principles, the management report is to be audited as to whether it is consistent with the financial statements and as to whether it was prepared in accordance with the applicable legal requirements.

Management is responsible for the preparation of the management report in accordance with Austrian Generally Accepted Accounting Principles and the special legal provisions in Article 18 FMABG.

We conducted our audit in accordance with Austrian Standards on Auditing for the audit of the management report.

OPINION

In our opinion, the management report was prepared in accordance with the applicable legal requirements and is consistent with the financial statements.

STATEMENT

Based on the findings during the audit of the financial statements and due to the thus obtained understanding of the Financial Market Authority and its circumstances no material misstatements in the management report came to our attention.

Vienna, 1 April 2025

CONTAX WIRTSCHAFTSTREUHANDGESELLSCHAFT MBH
MBH AUDITING AND CONSULTING FIRM

OTHMAR EBERHART
Auditor

WERNER PRENNER
Auditor

Publication or dissemination of the financial statements with our auditor's report is only permitted in the version that we have audited. This auditor's report refers exclusively to the complete German version of the financial statements including the management report. With regard to other versions, the provisions contained in Article 281 para. 2 UGB must be observed.

FINANCIAL STATEMENTS 2024

Balance sheet as at 31 December 2024 (amounts in €; rounding differences from previous year disregarded)

ASSETS

Prev. year in € thousands

A. Fixed assets

I. Intangible assets

1. Industrial property and similar rights and licences in such rights	136 881.37	268
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II. Tangible assets

1. Buildings on third-party land	373 068.35	1 078
2. Other equipment, operating and office equipment	1 502 891.92	2 515
	<u>1 875 960.27</u>	<u>3 593</u>

III. Financial assets

1. Shares in affiliated companies	286 204.96	153
	<u>2 299 046.60</u>	<u>4 014</u>

B. Current assets

I. Services not yet invoiced to entities liable to pay costs	85 250 170.13	75 709
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II. Receivables and other assets

1. Trade receivables	4 925 618.51	3 421
<i>Amounts becoming due and payable after more than one year</i>	0.00	0
<i>Affiliated companies</i>	4 456.55	3
2. Other receivables and assets	13 269 367.96	18 325
<i>Amounts becoming due and payable after more than one year</i>	0.00	0
	<u>18 194 986.47</u>	<u>21 747</u>

III. Cash at bank and in hand

	<u>11 059 191.39</u>	<u>13 984</u>
	<u>114 504 347.99</u>	<u>111 439</u>

C. Prepaid expenses

	1 845 857.82	1 720
--	--------------	-------

118 649 252.41 **117 173**

Statements of changes in fixed assets pursuant to Article 226 para. 1 UGB (amounts in €)

	Acquisition costs			As at 31 Dec. 2024
	As at 1 Jan. 2024	Additions	Disposals	
I. Intangible assets				
1. Industrial property and similar rights and licences in such rights	4 673 164.86	23 214.34	1 050 293.62	3 646 085.58
II. Tangible assets				
1. Buildings on third-party land	3 215 509.25	7 034.36	0.00	3 222 543.61
2. Other equipment, operating and office equipment	8 586 322.73	283 527.87	358 199.94	8 511 650.66
3. Low-value assets	0.00	124 711.31	124 711.31	0.00
	<u>11 801 831.98</u>	<u>415 273.54</u>	<u>482 911.25</u>	<u>11 734 194.27</u>
III. Financial assets				
1. Shares in affiliated companies	200 000.00	160 000.00	0.00	360 000.00
	16 674 996.84	598 487.88	1 533 204.87	15 740 279.85

EQUITY AND LIABILITIES
Prev. year in € thousands
A. Reserves pursuant to FMABG

1. Reserve pursuant to Article 20 FMABG	4 438 893.43	3 898
2. Reserve pursuant to Article 23a FMABG	1 458 306.03	1 114
	5 897 199.46	5 012

B. Provisions

1. Provisions for severance pay	2 811 065.00	2 713
2. Other provisions	10 840 984.27	10 583
	13 652 049.27	13 297

C. Liabilities

1. Advance payments received pursuant to Article 19 FMABG		71 272 874.46	70 833
<i>Amounts becoming due and payable within one year</i>		71 272 874.46	70 833
<i>Amounts becoming due and payable after more than one year</i>		0.00	0
2. Trade payables		23 299 005.07	22 642
<i>Amounts becoming due and payable within one year</i>		12 508 903.07	11 821
<i>Amounts becoming due and payable after more than one year</i>		10 790 102.00	10 821
3. Other liabilities		4 496 484.15	5 388
<i>Taxes</i>	1 047 236.23		964
<i>Social security and similar obligations</i>	1 060 280.81		996
<i>Actual cost accounting for previous years</i>	1 071 605.00		2 806
<i>Other</i>	1 317 362.11		622
<i>Amounts becoming due and payable within one year</i>	4 496 484.15		5 388
<i>Amounts becoming due and payable after more than one year</i>	0.00		0
		99 068 363.68	98 864
<i>Amounts becoming due and payable within one year</i>		88 278 261.68	88 042
<i>Amounts becoming due and payable after more than one year</i>		10 790 102.00	10 821

D. Deferred income

	31 640.00	1
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118 649 252.41	117 173
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Table 32: Balance sheet 2024

As at 1 Jan. 2024	Cumulative depreciation		As at 31 Dec. 2024	Carrying amounts	
	Additions	Disposals		As at 1 Jan. 2024	As at 31 Dec. 2024
4 405 123.24	154 374.59	1 050 293.62	3 509 204.21	268 041.62	136 881.37
2 137 832.28	711 642.98	0.00	2 849 475.26	1 077 676.97	373 068.35
6 071 048.71	1 295 673.57	357 963.54	7 008 758.74	2 515 274.02	1 502 891.92
0.00	124 711.31	124 711.31	0.00	0.00	0.00
8 208 880.99	2 132 027.86	482 674.85	9 858 234.00	3 592 950.99	1 875 960.27
47 069.92	26 725.12	0.00	73 795.04	152 930.08	286 204.96
12 661 074.15	2 313 127.57	1 532 968.47	13 441 233.25	4 013 922.69	2 299 046.60

Table 33: Fixed assets 2024

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Income statement for the financial year from 1 January to 31 December 2024 (amounts in €; rounding differences from previous year disregarded)

		Prev. year in € thousands
1. Federal Government contribution pursuant to FMABG	5 100 000.00	5 100
2. Share of entities liable to pay costs		
a) Share of entities liable to pay costs (not yet chargeable)	85 250 170.13	75 709
b) Share of entities liable to pay costs (charged)	<u>500 000.00</u>	<u>500</u>
	85 750 170.13	76 209
3. Income from fees and the allocation of costs	6 583 562,99	5 961
4. Other operating income		
a) Income from the reversal of provisions	471 799.78	588
b) Other	<u>310 956.91</u>	<u>451</u>
	782 756.69	1 040
5. Personnel expenses		
a) Salaries	-51 538 204.94	-46 365
b) Social security costs	-13 267 197.60	-12 180
Expenses for old-age provision	-2 251 896.93	-1 969
aa) Expenses for severance pay and contributions to corporate staff provision funds	-987 677.68	-936
bb) Cost of statutory social security, payroll-related taxes and mandatory contributions	-9 483 715.91	-8 746
cc) Other social security costs	<u>-543 907.08</u>	<u>-530</u>
	-64 805 402.54	-58 545
6. Amortisation and write-downs of intangible assets, depreciation and write-downs of tangible assets	-2 286 402.45	-1 816
7. Other operating expenses		
a) Costs pursuant to Article 79 para. 4b BWG – Banking Supervision	-8 000 000.00	-8 000
b) Costs pursuant to Article 182 para. 7 VAG – Insurance Supervision	-290 102.00	-321
c) Costs pursuant to Article 3 para. 5 BaSAG – Bank Recovery/Resolution	-2 000 000.00	-2 000
d) Costs pursuant to Article 6 para. 6 ESAEG – Deposit Guarantees	-500 000.00	-500
e) Other	<u>-19 941 426.43</u>	<u>-17 620</u>
	-30 731 528.43	-28 442
8. Subtotal of items 1 to 7	393 156.39	-493
9. Other interest income	518 762.22	968
10. Expenses from financial assets	-26 725.12	-47
Depreciation € 26 725.12 (previous year: € 47k)		
Expenses from affiliated companies € 26 725.12 (previous year: € 47k)		
11. Subtotal of items 9 to 10	492 037.10	921
12. Appropriation to reserves pursuant to FMABG	-885 193.49	-428
13. Profit or loss for the year	0.00	0

Table 34: Income statement 2024

NOTES PURSUANT TO ARTICLE 236 UGB (amounts in €)

A. GENERAL INFORMATION

- The FINANCIAL MARKET AUTHORITY (FMA) is an institution under public law and was established by the Financial Market Authority Act (FMABG; *Finanzmarktaufsichtsbehördengesetz*) (Federal Law Gazette I No. 97/2001) on 22 October 2001. The official competence of the FMA commenced on 1 April 2002. The FMA is in charge of banking supervision, insurance supervision, securities supervision and pension supervision.
As at 31 March 2002, the Austrian Securities Authority was incorporated into the FMA by way of universal legal succession pursuant to Article 1 of the Securities Supervision Act (WAG; *Wertpapieraufsichtsgesetz*).
- The financial statements have been prepared in conformity with the generally accepted accounting

principles and the general principle of giving a true and fair view of the net assets, financial position and results of operations. In accordance with Article 18 FMABG, the provisions of the Corporate Code (UGB; *Unternehmensgesetzbuch*) were applied accordingly to the present financial statements.

3. The accounting policies applied to the individual items of the financial statements were based on the general provisions of Articles 193 to 211 UGB, taking the special provisions for large corporations into account.
4. The financial statements were prepared in accordance with the going concern principle.
5. Where a value was determined on the basis of an estimate, those estimates were based on prudent assessment. Where empirical values were available, the assessment was based on those values.

B. INFORMATION ON THE BALANCE SHEET INCLUDING THE DESCRIPTION OF THE ACCOUNTING POLICIES

1. Fixed assets

The changes in fixed assets and the breakdown of the annual depreciation according to individual items can be seen in the Annex to the Notes (Changes in fixed assets).

Depreciation is calculated on a straight-line basis.

The useful life of the individual asset groups is as follows:

1. Industrial property and similar rights and licences in such rights 3 years
2. Buildings on third-party land 2 years
3. Other equipment, operating and office equipment 3 to 10 years

Owing to the potential relocation of the FMA, the useful life of buildings on third-party land was changed from a range of eight to 16 years in 2023 to two years in 2024.

The low-value assets pursuant to Article 13 of the Income Tax Law (EStG; *Einkommensteuergesetz*) with individual acquisition values of less than € 1 000.00 each (previous year: €1k) were reported as disposals in their year of acquisition.

Improvements to leased buildings as at 31 December 2024 include a landlord subsidy and take account of the pro rata reduction in depreciation and an impairment loss in relation to the potential relocation of the FMA for the renovation of the conference room in the amount of € 4 439.80 (previous year: € 16k), for the renewal of the ventilation system in the staff canteen in the amount of € 20 000.00 (previous year: € 80k) and for the creation of an accessible workplace for employees with limited mobility in the amount of € 15 000.00 (previous year: € 71k).

Additions to the assets were valued at cost; disposals of assets were recognised at carrying amounts.

The shelf companies Sanus AG and Resolia GmbH were established as at 24 November 2023 as subsidiaries of the FMA, and are reported accordingly as financial assets under Shares in affiliated companies.

Direct and indirect equity interests pursuant to Article 238 para. 1 no. 4 UGB:

Name and registered office	Share in capital	Equity as at 31 Dec. 2023 (€)	Shareholder contribution 2024 (€)	Annual result 2024 (€)	Equity as at 31 Dec. 2024 (€)
Sanus AG, Vienna	100%	72 272.76	100 000.00	-17 053.85	155 218.91
Resolia GmbH, Vienna	100%	80 657.32	60 000.00	-9 671.27	130 986.05

An impairment loss was recognised on financial assets due to the net loss of the subsidiaries for 2024. In addition, a shareholder contribution totalling € 160 000.00 was granted (see also Development of carrying amounts and Information under Point C.9).

The development of carrying amounts is shown on page A 10.

2. Current assets:

	31 Dec. 2024	31 Dec. 2023
I. Services not yet invoiced to entities liable to pay costs	85 250 170.13	75 709 042.74
II. Receivables and other assets	18 194 986.47	21 746 820.37
III. Cash at bank and in hand	11 059 191.39	13 983 520.78
Total	114 504 347.99	111 439 383.89

I. Services not yet invoiced to entities liable to pay costs

This item comprises the expenses still to be borne by the entities liable to pay costs pursuant to Article 19 FMABG in the amount of € 85 250 170.13 (previous year: € 75 709k); specifically overall costs minus the federal grant pursuant to Article 19 para. 4 FMABG, authorisation fees pursuant to Article 19 para. 10 FMABG, as well as other income. The statement of costs is prepared according to the procedures stipulated under Article 19 FMABG.

**FINANCIAL
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	Carrying amount as at 1 Jan. 2024	Additions	Carrying amount of asset disposals	Depreciation*	Carrying amount as at 31 Dec. 2024
Intangible assets					
Industrial property and similar rights and licences in such rights	268 041.62	23 214.34	0.00	154 374.59	136 881.37
<i>Other IT software</i>	230 103.72	10 463.74	0.00	131 478.62	109 088.84
<i>Electronic filing system</i>	35 857.90	12 750.60	0.00	21 295.97	27 312.53
<i>Website</i>	2 080.00	0.00	0.00	1 600.00	480.00
Tangible assets					
Buildings on third-party land	1 077 676.97	7 034.36	0.00	711 642.98	373 068.35
<i>Improvements to leased buildings (Otto-Wagner-Platz)</i>	1 067 681.65	7 034.36	0.00	704 788.76	369 927.25
<i>Dedicated lines</i>	9 995.32	0.00	0.00	6 854.22	3 141.10
Other equipment, operating and office equipment	2 515 274.02	283 527.87	236.40	1 295 673.57	1 502 891.92
<i>IT equipment (hardware)</i>	2 023 972.10	191 482.71	236.40	1 124 517.83	1 090 700.58
<i>Office furniture</i>	192 897.68	51 325.25	0.00	32 225.46	211 997.47
<i>Other office equipment</i>	236 780.04	37 358.30	0.00	116 606.59	157 531.75
<i>Office machines, devices and systems</i>	61 624.20	3 361.61	0.00	22 323.69	42 662.12
Financial assets					
Shares in affiliated companies	152 930.08	160 000.00	0.00	26 725.12	286 204.96
<i>Share in Resolia GmbH</i>	80 657.32	60 000.00	0.00	9 671.27	130 986.05
<i>Share in Sanus AG</i>	72 272.76	100 000.00	0.00	17 053.85	155 218.91
Low-value assets	0.00	124 711.31	0.00	124 711.31	0.00
Total	4 013 922.69	598 487.88	236.40	2 313 127.57	2 299 046.60

Development of carrying amounts

* Depreciation includes impairment loss of € 593 560.85 in relation to the potential relocation of the FMA.

In accordance with Article 19 FMABG, the FMA apportions cost shares as directly as possible to the accounting groups of Banking Supervision, Insurance Supervision, Securities Supervision and Pension Supervision. Costs that cannot be directly allocated are apportioned to the accounting groups based on the ratio of directly allocable costs (Article 19 para. 2 FMABG).

The 2024 cost shares for the four accounting groups are as follows:

	31 Dec. 2024	31 Dec. 2023
1. Banking Supervision costs	47 739 722.69	42 232 167.39
2. Insurance Supervision costs	15 630 676.74	14 022 773.73
3. Securities supervision costs	20 993 963.98	18 681 737.42
4. Pension Supervision costs	1 385 806.71	1 272 364.21
Total	85 750 170.13	76 209 042.74

(Rounding differences are ignored.)

After deduction of the costs of € 500 000.00 (previous year: € 500k), for the sub-accounting group Market Infrastructure in the Securities Supervision accounting group that were already charged in 2024, an amount of € 85 250 170.13 (previous year: € 75 709k) remains to be charged.

The allocation of costs to the individual entities liable to pay costs, and the offsetting against the advance payments made by these entities in the 2024 financial year, are based on the reference data as listed in the relevant supervisory laws and reported to the FMA; this data only becomes available once the financial statements have been prepared.

II. Receivables and other assets

This item comprises the following sub-items:

	31 Dec. 2024	31 Dec. 2023
1. Trade receivables	4 925 618.51	3 421 408.83
2. Other receivables and assets	13 269 367.96	18 325 411.54
Total	18 194 986.47	21 746 820.37

1. Trade receivables

The receivables amounting to € 4 925 618.51 (previous year: € 3 421k) are carried at nominal values and show a residual maturity of less than a year. Specific allowances were recognised for identifiable risks in the measurement of receivables.

Trade receivables in the amount of € 4 456.55 (previous year: € 3k) constitute receivables from affiliated companies.

Receivables of € 5 520 366.94 (previous year: € 3 811k) are still being carried from the actual cost accounting for previous years. Specific allowances of € 379 668.44 (previous year: € 250k) as well as a general allowance of € 219 536.54 (previous year: € 142k) were recognised for receivables from actual cost accounting. The general allowance of € 142 453.71 established in 2023 constitutes a specific allowance due to it being based on a detailed statement of the individual entities liable to pay costs as at 31 December 2024, and was adjusted accordingly to its actual value of € 212 549.85.

Valuation allowances developed as follows:

As at 1 Jan. 2024	392 096.30
Allocation	292 961.68
Use	-79 853.00
Release	-6 000.00
As at 31 Dec. 2024	599 204.98

2. Other receivables and assets

Other receivables totalling € 13 269 367.96 (previous year: € 18 325k) mainly include the receivable from the investment in the Austrian Treasury (OeBFA) in the amount of € 12 900 000.00 (previous year: € 18 000k). In addition, this item also covers receivables from orders imposing fees and administrative penalties, trustee fees, as well as credit interest and transitory items in relation to the ELAK electronic filing system.

The specific allowance for Other receivables, administrative penalties and coercive penalties amounts to € 770.00 (previous year: € 1k).

III. Cash at bank and in hand

As at 31 December 2024 the Financial Market Authority held liquid assets in the amount of € 11 059 191.39 (previous year: € 13 984k).

3. Prepaid expenses

The item Prepaid expenses amounting to € 1 845 857.82 (previous year: € 1 720k) comprises in particular prepaid expenses for rent, insurance expenses, royalties and maintenance fees, membership fees, as well as subscriptions.

4. Reserve pursuant to FMABG

1. Reserve pursuant to Article 20 FMABG

Article 20 FMABG specifies the option of establishing a reserve in the amount of 1% of the FMA's total costs based on the latest adopted financial statements as at 31 December 2023. The maximum amount of the reserve may not, however, exceed 5% of the FMA's total costs based on the latest adopted financial statements as at 31 December 2023.

The allocation to the reserve pursuant to Article 20 FMABG amounts to € 540 514.59 for 2024 (previous year: € 184k); the reserve pursuant to Article 20 FMABG therefore totalled € 4 438 893.43 as at 31 December 2024 (previous year: € 3 898k).

2. Reserve pursuant to Article 23a para. 8 FMABG (regulatory sandbox)

In accordance with Article 23a para. 8 FMABG, the Government makes a ring-fenced contribution of € 500 000.00 (previous year: € 500k), which is to be used by the FMA to cover the costs of the regulatory sandbox. Any surplus will have to be allocated to a reserve. The costs for 2024 amounted to € 155 321.10 (previous year: € 256k), which is why an amount of € 344 678.90 (previous year: € 244k) was allocated to the reserve. The total reserve amounted to € 1 458 306.03 as at 31 December 2024 (previous year: € 1 114k).

Please refer to Point 1. Federal Government contribution pursuant to FMABG/Information on the income statement for more information on the Federal Government's contribution of € 500 000.00 (previous year: 500k).

5. Provisions

Provisions are established taking the prudent person principle pursuant to Article 211 para. 1 UGB into account.

	31 Dec. 2024	31 Dec. 2023
I. Provisions for severance pay	2 811 065.00	2 713 304.00
II. Other provisions	10 840 984.27	10 583 359.19
Total	13 652 049.27	13 296 663.19

I. Provisions for severance pay

Change:

	31 Dec. 2024	31 Dec. 2023
As at 1 Jan. 2024	2 713 304.00	2 651 539.48
Use	-157 213.20	-180 419.00
Allocation/Reversal	254 974.20	242 183.52
As at 31 Dec. 2024	2 811 065.00	2 713 304.00

The provisions for severance pay were calculated as in the previous year in accordance with actuarial principles using the entry age normal method and taking account of the current actuarial assumptions for pension insurance "AVOe 2018-P" (previous year: AVOe 2018-P). These assumptions are based on an interest rate of 1.96% (previous year: 1.74%) and a salary increase of 4.00% (previous year: 4.00%). The assumed interest rate corresponds to a 7-year average rate for a residual maturity of 15 years. The retirement age was assumed to be the pension age as set forth in the General Social Insurance Act (ASVG; *Allgemeines Sozialversicherungsgesetz*), also applying the transitional provisions of the Budget Accompanying Act 2003 (BBG 2003; *Budgetbegleitgesetz*). The raised retirement age for women as of 2024 was taken into account.

The provision for severance pay relates to employees and contractual employees of the FMA. Any allocations to or reversals of the provision are posted under Personnel expenses.

As at 31 December 2024, 37 (previous year: 39) employees were entitled to severance pay claims, with a provision having to be established for those claims. Of these employees, 14 (previous year: 14) have already transferred to the new severance pay scheme. Severance pay claims have been "frozen" for those employees as per the date of their transfer.

II. Other provisions

Other provisions were determined in accordance with the prudent person principle and include all risks identifiable as at the balance sheet date and all liabilities as yet uncertain in terms of their amount or reason, all contingent losses from pending business, as well as expenses that are essential in accordance with sound business judgement. These provisions were recognised with their respective settlement amounts.

	As at 1 Jan 2024	Use	Reversal	Allocation	As at 31 Dec 2024
Anniversary bonuses	207 104.00	24 953.62	8 331.38	21 285.00	195 104.00
Provision for annual bonuses	2 699 463.84	2 699 463.84	0.00	3 087 595.30	3 087 595.30
Unused holiday entitlement	5 452 405.23	1 842 479.14	0.00	2 332 584.16	5 942 510.25
Overtime to be paid	21 737.11	21 737.11	0.00	13 666.61	13 666.61
Additional hours	314 863.55	0.00	0.00	27 032.75	341 896.30
Remaining other provisions	1 636 345.29	1 392 296.75	189 545.43	983 157.44	1 037 660.55
Provisional 2022 actual costs Banking Supervision	251 440.17	0.00	251 440.17	0.00	0.00
Provisional 2023 actual costs Banking Supervision	0.00	0.00	0.00	222 551.26	222 551.26
Total	10 583 359.19	5 980 930.46	449 316.98	6 687 872.52	10 840 984.27

Provision for anniversary bonuses:

The provision for anniversary bonuses was calculated as in the previous year in accordance with actuarial principles using the entry age normal method and taking account of the current actuarial assumptions for pension insurance "AVOe 2018-P" (previous year: AVOe 2018-P). These assumptions are based on an interest rate of 1.96% (previous year: 1.74%) and a salary increase of 4.00% (previous year: 4.00%). The assumed interest rate corresponds to a 7-year average rate for a residual maturity of 15 years. The retirement age was assumed to be the pension age as set forth in the ASVG, also applying the transitional provisions of the BBG 2003. The raised retirement age for women as of 2024 was taken into account. For contractual employees non-wage labour costs were recognised at a rate of 3.7% (previous year: 3.7%) and social security contributions on a pro rata basis.

Provision for annual bonuses:

Provisions were made for annual bonuses, based on the percentage of employees' gross monthly salary to be paid if agreed targets are reached or exceeded.

Provision for unused holiday entitlement:

This provision was set aside for obligations relating to holiday entitlement that had not been used up by the reporting date.

Provision for overtime to be paid:

This provision covers overtime hours that have been worked but will only be paid in 2025.

Provision for additional hours:

This item is for employees' additional working time that will not be paid but transferred to the following year, subject to a maximum limit of 16 hours.

The remaining other provisions comprise the following items:

Maintenance and other IT expenses	451 456.90
Consulting costs and external services	220 179.13
Personnel expenses	124 422.36
Operating expenses	79 700.00
Exemption levy for non-employment of disabled persons	72 981.00
Expenses FMA Annual Report	72 400.00
Other expenses	16 521.16
Total	1 037 660.55

As in the previous year, these remaining other provisions do not include any provisions established for the long term.

Provision for actual costs of Banking Supervision in 2022:

The provision established pursuant to Article 69a of the Austrian Banking Act (BWG; *Bankwesengesetz*) in one financial year must be reversed in the following financial statements of the FMA, i.e. the provision established in the 2023 financial statements for the actual costs incurred in 2022 was reversed/used in the 2024 financial statements of the FMA; by way of derogation to Article 19 para. 4 FMABG, the resulting income is only to be deducted from the costs of accounting group 1.

Provision for actual costs of Banking Supervision in 2023:

Pursuant to Article 69a BWG the difference between the calculated cost shares and the minimum amounts to be paid by the credit institutions for 2023 is to be allocated to a provision in the 2024 financial statements.

6. Liabilities

The liabilities are computed with the settlement amount taking the prudent person principle into account. All liabilities, with the exception of some amounts to be repaid to the OeNB (see Point 6.II.), have a residual maturity of up to one year.

	31 Dec. 2024	31 Dec. 2023
I. Advance payments received (Article 19 FMABG)	71 272 874.46	70 833 389.08
II. Trade payables	23 299 005.07	22 642 327.78
III. Other liabilities	4 496 484.15	5 387 805.60
Total	99 068 363.68	98 863 522.46

I. Advance payments received pursuant to Article 19 FMABG

	31 Dec. 2024	31 Dec. 2023
Prepayments by entities payment notices	68 817 689.00	62 977 651.00
Advance payments from entities following year	4 002 154.35	8 753 535.08
Specific/general allowance for receivables advance payments	3 400.00	500.00
Receivables/excess payments by entities advance payments	-1 550 368.89	-898 297.00
Total	71 272 874.46	70 833 389.08

Amounts becoming due and payable within one year: € 71 272 874.46 (previous year: € 70 833K).

For the 2024 financial year, the entities liable to pay costs had to make advance payments in the amount of € 68 817 689.00 (previous year: € 62 978k) as prescribed by administrative decision. Specific allowances of € 3 400.00 (previous year: € 1k) were recognised for the amounts not yet paid.

The 2024 advance payments are compared with the cost share to be borne by the entities liable to pay costs within the scope of preparing the statement of costs. The resulting difference is either charged or repaid to the entities.

As at 31 December 2024, € 4 002 154.35 (previous year: € 8 754k) had already been paid in advance for the 2025 financial year.

II. Trade payables

Trade payables comprise the following items:

	31 Dec. 2024	31 Dec. 2023
Mandatory OeNB costs pursuant to Article 79 para. 4b BWG	16 000 000.00	16 000 000.00
Mandatory OeNB costs pursuant to Article 3 para. 5 BaSAG	4 000 000.00	4 000 000.00
Mandatory OeNB costs pursuant to Article 6 para. 6 ESAEG	1 000 000.00	898 293.85
Mandatory OeNB costs pursuant to Article 182 para. 7 VAG	611 601.00	395 644.03
Summary account trade payables	943 513.21	1 194 210.29
Incoming invoices not yet received	743 890.86	154 179.61
Total	23 299 005.07	22 642 327.78

Amounts becoming due and payable within one year: € 12 508 903.07 (previous year: € 11 821K)

Amounts becoming due and payable after more than one year: € 10 790 102.00 (previous year: € 10 821K)

For 2023 (to be reimbursed by 31 March 2025)

Reimbursement amounts pursuant to Article 79 para. 4b BWG: € 8 000 000.00

Reimbursement amounts pursuant to Article 182 para. 7 VAG: € 321 499.00

Reimbursement amounts pursuant to Article 3 para. 5 BaSAG: € 2 000 000.00

Reimbursement amounts pursuant to Article 6 para. 6 ESAEG: € 500 000.00

For 2024 (to be reimbursed by 31 March 2026)

Reimbursement amounts pursuant to Article 79 para. 4b BWG: € 8 000 000.00

Reimbursement amounts pursuant to Article 182 para. 7 VAG: € 290 102.00

Reimbursement amounts pursuant to Article 3 para. 5 BaSAG: € 2 000 000.00

Reimbursement amounts pursuant to Article 6 para. 6 ESAEG: € 500 000.00

The incoming invoices not yet received are for trade payables of 2024.

III. Other liabilities

	31 Dec. 2024	31 Dec. 2023
Taxes	1 047 236.23	963 718.54
Social security and similar obligations	1 060 280.81	995 646.46
Actual cost accounting for previous years	1 071 605.00	2 806 234.60
Other	1 317 362.11	622 206.00
Total	4 496 484.15	5 387 805.60

Composition of liabilities relating to taxes:

	31 Dec. 2024	31 Dec. 2023
Offset account tax office non-wage costs	1 003 357.76	905 612.75
Amount payable to tax office	39 146.47	53 491.79
Municipality of Vienna	4 732.00	4 614.00
Total	1 047 236.23	963 718.54

The liabilities relating to social security amount to € 1 060 280.81 (previous year: € 996k) and are primarily comprised of contributions to the district health insurance funds.

Liabilities carried from the actual cost accounting for previous years and amounting to € 1 071 605.00 (previous year: € 2 806k) essentially cover balances from the allocation of costs that are due to the entities liable to pay costs. The FMA repays such balances to the entities liable to pay costs upon being requested to do so by the entities.

The remaining Other liabilities totalling € 1 317 362.11 (previous year: € 622k) are mainly composed of fees and self-balancing items that the FMA collects and then passes on to the competent authority. The year-on-year increase in Other liabilities is primarily due to the self-balancing item for fines.

Expenses in the amount of € 719 365.77 (previous year: € 669k) that will only become due after the balance sheet date are also included here.

7. Deferred income

	31 Dec. 2024	31 Dec. 2023
Deferred income	31 640.00	1 212.08
	31 640.00	1 212.08

The fees for investment funds pursuant to the Investment Fund Act 2011 (InvFG 2011; *Investmentfonds-gesetz*) and the Alternative Investment Fund Managers Act (AIFMG; *Alternatives Investmentfonds Manager-Gesetz*) are reported under Deferred income as at 31 December 2024.

8. Contingent liabilities

As at 31 December 2024 there were no contingent liabilities or guarantees.

9. The liabilities from the use of tangible assets not shown in the balance sheet amount to approximately € 5 135 900.00 (previous year: € 5 310k) for the following year and a total of approximately € 25 658 700.00 (previous year: € 26 419k) for the following five years.

C. INFORMATION ON THE INCOME STATEMENT

1. Federal Government contribution pursuant to FMABG

The Federal Government made a contribution pursuant to FMABG for the 2024 financial year amounting to € 5 100 000.00 (previous year: € 5 100k), which is used to cover part of the costs incurred during the 2024 financial year. This amount is composed of the contribution pursuant to Article 19 para. 4 FMABG of € 4 600 000.00 (previous year: € 4 600k) and the Federal Government's contribution pursuant to Article 23a para. 8 FMABG of € 500 000.00 (previous year: € 500k), which is only used to cover the costs of the regulatory sandbox.

2. Share of entities liable to pay costs

The share of entities liable to pay costs for 2024 amounting to € 85 750 170.13 (previous year: € 76 209k) is made up of the not yet chargeable share amounting to € 85 250 170.13 (previous year: € 75 709k), which will be settled with them at the 2025 year-end, as well as the share already charged in 2024 for the sub-accounting group Market Infrastructure for 2024 amounting to € 500 000.00 (previous year: € 500k).

Please refer to Point B.2. I. Services not yet invoiced to entities liable to pay costs for further information.

3. Income from fees and the allocation of costs

Income from fees and the allocation of costs amount to € 6 583 562.99 (previous year: € 5 961k) and include the following income:

	31 Dec. 2024	31 Dec. 2023
Income from fees pursuant to InvFG 2011 and AIFMG	4 541 357.99	4 602 343.11
Cost contribution VASPs	563 055.00	199 665.00
Income FMA from prospectus audits	541 750.00	570 500.00
Income FMA from authorisation fees	482 100.00	429 610.00
Other	455 300.00	158 532.13
Total	6 583 562.99	5 960 650.24

Other fees and allocations of costs essentially comprise income from contributions to coercive penalties and criminal proceedings.

4. Other operating income

Other operating income totals € 782 756.69 (previous year: € 1 040k) and comprises the following income:

	31 Dec. 2024	31 Dec. 2023
a) Income from the reversal of provisions	471 799.78	588 455.83
b) Other	310 956.91	451 225.31
Total	782 756.69	1 039 681.14

a) Income from the reversal of provisions

	31 Dec. 2024	31 Dec. 2023
Income from the reversal of provisions	471 799.78	588 455.83
	471 799.78	588 455.83

Income from the reversal of provisions concerns the provision for the actual costs of Banking Supervision in 2022, at € 251 440.17 (previous year: € 298k), with the remaining amount essentially being due to reversals of provisions for personnel and IT expenses.

b) Other income

Other income amounts to € 310 956.91 (previous year: € 451k) and includes income from transitory items concerning the ELAK electronic filing system, allowances for employees and rental income. Income from affiliated companies of € 4 456.55 (previous year: € 3k) is also included in this item.

5. Personnel expenses

	31 Dec. 2024	31 Dec. 2023
a) Salaries	51 538 204.94	46 364 669.02
b) Social security costs	13 267 197.60	12 180 328.34
Total	64 805 402.54	58 544 997.36

a) Salaries

The amount of € 51 538 204.94 (previous year: € 46 365k) posted under a) in the income statement mainly covers salaries including special payments and civil servants' salaries. The year-on-year increase in salaries is mainly due to a higher number of staff and adjustments under the collective agreement.

Expenses for severance pay and pensions, the average number of employees and the remuneration of the Executive Directors are presented in detail under Point D/Other information.

b) Social security costs

Social security costs amount to € 13 267 197.60 (previous year: € 12 180k) and essentially comprise social security contributions, employer's contribution, occupational retirement provision and contributions for staff provision.

Expenses for old-age provision amounting to € 2 251 896.93 (previous year: € 1 969k) concern expenses for occupational retirement provision for FMA employees.

aa) Expenses for severance pay and contributions to corporate staff provision companies

	31 Dec. 2024	31 Dec. 2023
Contributions to staff provision companies	704 946.68	626 756.38
Allocation to provision for severance pay	275 417.00	287 929.00
Severance pay expenses	7 314.00	21 213.07
Total	987 677.68	935 898.45

bb) Cost of statutory social security, payroll-related taxes and mandatory contributions

This item amounts to € 9 483 715.91 (previous year: € 8 746k) and includes the following taxes and contributions:

	31 Dec. 2024	31 Dec. 2023
Social security contributions	7 533 709.83	6 979 320.23
Employer's contribution	1 715 290.97	1 535 188.68
Allocation/Use of provision for non-wage labour costs	107 250.92	101 704.01
Exemption levy for non-employment of disabled persons	72 981.00	63 945.00
Underground tax	48 226.00	48 182.00
Contributions to civil servants' insurance institution	6 257.19	17 406.99
Total	9 483 715.91	8 745 746.91

cc) Other social security costs

Other social security costs of € 543 907.08 (previous year: € 530k) mainly comprise subsidised meals in the staff canteen, other voluntary social security costs, as well as costs for public transport season tickets for employees.

6. Amortisation and write-downs of intangible assets, depreciation and write-downs of tangible assets

The depreciation, amortisation and write-downs amount to € 2 286 402.45 (previous year: € 1 816k) and cover the following items:

	31 Dec. 2024	31 Dec. 2023
Regular depreciation	1 568 130.29	1 643 821.31
Impairment loss	593 560.85	0.00
Low-value assets	124 711.31	171 966.19
Total	2 286 402.45	1 815 787.50

Details about depreciation and information on the impairment loss are provided under Point B.1 Fixed assets/Information on the balance sheet.

7. Other operating expenses

	31 Dec. 2024	31 Dec. 2023
Costs pursuant to Article 79 para. 4b BWG – Banking Supervision	8 000 000.00	8 000 000.00
Costs pursuant to Article 182 para. 7 VAG – Insurance Supervision	290 102.00	321 499.00
Costs pursuant to Article 3 para. 5 BaSAG – Bank Recovery/Resolution	2 000 000.00	2 000 000.00
Costs pursuant to Article 6 para. 6 ESAEG – Deposit Guarantees	500 000.00	500 000.00
Other	19 941 426.43	17 620 429.63
Total	30 731 528.43	28 441 928.63

Other operating expenses include the following costs for services rendered by the OeNB in 2024 pursuant to:

- Article 79 para. 4b BWG: € 8 000 000.00 for Banking Supervision (previous year: € 8 000k)
- Article 182 para. 7 VAG: € 290 102.00 for Insurance Supervision (previous year: € 321k)
- Article 3 para. 5 BaSAG: € 2 000 000.00 for Bank Recovery/Resolution (previous year: € 2 000k)
- Article 6 para. 6 ESAEG: € 500 000.00 for Deposit Guarantees (previous year: € 500k).

The remaining Other operating expenses amount to € 19 941 426.43 (previous year: € 17 620k) and essentially include facility and IT expenses, membership fees for international supervision organisations, ESCB services, consulting expenses, travel expenses and expenses for continuing professional development.

Audit expenses

Other operating expenses include the following expenses related to the statutory audit carried out by the auditing firm CONTAX WirtschaftstreuhandgmbH in accordance with Article 18 para. 2 FMABG:

	€
Audit of the financial statements of the Financial Market Authority	42 840.00
Audit of the National Contributions to the Single Resolution Fund	3 528.00
Total	46 368.00

8. Other interest and similar income

Credit interest is shown with an amount of € 518 762.22 (previous year: € 968k).

9. Expenses from financial assets and investments held as current assets

The impairment loss on shares in affiliated companies in the amount of the 2024 net losses of Sanus AG and Resolia GmbH, which totalled € 26 725.12 (previous year: 47k), is reported under Expenses from financial assets.

10. Reserve pursuant to Article 20 FMABG

The reserve was not used or released in 2024. Please refer to Point B.4.1. Reserve pursuant to Article 20 FMABG/Information on the balance sheet for details about the allocation to the reserve amounting to € 540 514.59 (previous year: 184k).

11. Reserve pursuant to Article 23a para. 8 FMABG

Please refer to Point B.4.2. Reserve pursuant to Article 23a para. 8 FMABG/Information on the balance sheet for details about the allocation to the reserve in the amount of € 344 678.90 (previous year: € 244k), which is composed of the Federal Government's contribution less the expenses incurred for running the regulatory sandbox in the financial year of 2024.

D. OTHER INFORMATION

1. Significant events after the balance sheet date

No significant events took place after the balance sheet date. Any necessary reporting (quarterly reports, annual report) was carried out in good time.

2. Average number of staff pursuant to Article 239 UGB:

	2024	2023
Civil servants	9	10
Employees (incl. contractual employees)	516	501
Staff total	525	511

3. Management of the FMA pursuant to Article 6 FMABG

Eduard Müller was appointed by the Federal President on 6 July 2020 to serve as a member of the FMA's Executive Board for a term of office from 6 July 2020 to 5 July 2025.

Helmut Ettl was appointed by the Federal President on 14 February 2018 to serve as a member of the FMA's Executive Board from 14 February 2018 to 13 February 2023, and reappointed with effect from 14 February 2023 for another five-year term of office until 13 February 2028.

4. Expenses for severance pay and pensions

The expenses for severance pay and pensions, broken down by members of the Executive Board including executive employees and by other employees, are as follows for the respective financial years:

	31 Dec. 2024	31 Dec. 2023
Executive Directors and executive employees	165 452.42	144 632.53
Other employees	3 074 122.19	2 760 050.68
Total	3 239 574.61	2 904 683.21

5. Remuneration of the members of the Executive and Supervisory Boards

The remuneration of the two Executive Directors of the FMA consists solely of fixed components (no variable components) and amounted to € 345 171.40 gross in 2024 per director and year.

The costs of any contractual old-age pension provision for the Executive Directors amounted to € 28 304.08 per individual in 2024.

The remuneration paid to the eight voting members of the Supervisory Board totals € 19 700.00 per year.

This amount can be broken down as follows:

- Chairperson: € 3 600.00
- Vice-Chairperson: € 2 900.00
- Member: € 2 200.00

The remuneration of the members appointed by the Oesterreichische Nationalbank is not paid to the members themselves but to the OeNB, in accordance with the terms of their employment contracts.

The members co-opted by the Austrian Federal Economic Chamber do not receive any remuneration.

The members of the Supervisory Board did not receive any advance payments or loans.

Members of the Supervisory Board appointed by the Federal Ministry of Finance:

- Alfred LEJSEK (Chairperson until 30 June 2024), Federal Ministry of Finance
- Harald WAIGLEIN (Chairperson from 1 July 2024), Federal Ministry of Finance
- Robert HOLZMANN (Vice-Chairperson), Governor of the Oesterreichische Nationalbank
- Gottfried HABER (Member until 12 September 2024), Vice Governor of the Oesterreichische Nationalbank; Director of Financial Stability, Banking Supervision and Statistics at the OeNB
- Thomas STEINER (from 27 September 2024), Director of Financial Stability, Banking Supervision and Statistics at the OeNB
- Gabriela DE RAAIJ, Head of the Off-Site Supervision Division – Significant Institutions at the OeNB
- Nadine WIEDERMANN-ONDREJ, Federal Ministry of Finance
- Elisabeth GRUBER, Federal Ministry of Finance
- Beate SCHAFFER (until 30 June 2024), previously Federal Ministry of Finance
- Manuel ZHRER (from 1 July 2024), Federal Ministry of Finance
- Karin TURNER-HRDLICKA (until 28 February 2025), Director of the Department for the Supervision of Significant Institutions at the OeNB

The co-opted members were nominated by the Austrian Federal Economic Chamber.

- Louis NORMAN-AUDENHOVE (co-opted member), Managing Director of the Austrian Insurance Association, Federal Economic Chamber
- Franz RUDOERFER (co-opted member), Managing Director of the Bank and Insurance Division, Federal Economic Chamber

Vienna, 1 April 2025

HELMUT Ettl
signed in person

EDUARD MÜLLER
signed in person

AUDITOR'S REPORT REPORT ON THE FINANCIAL STATEMENTS IN RELATION TO THE NATIONAL CONTRIBUTIONS TO THE SINGLE RESOLUTION FUND 2024

AUDIT OPINION



We have audited the financial statements of the entity **National Contributions to the Single Resolution Fund (SRF), Financial Market Authority**, Vienna, (hereinafter referred to as “entity”), which comprise the balance sheet as at 31 December 2024 and the income statement for the financial year then ended.

In our opinion, the accompanying financial statements were prepared in accordance with the legal regulations and present fairly, in all material respects, the assets and the financial position of the entity National Contributions to the Single Resolution Fund (SRF) as at 31 December 2024 and its financial performance for the year then ended in accordance with Austrian Generally Accepted Accounting Principles and the special legal provisions in Article 123a BaSAG in conjunction with Article 18 FMABG.

BASIS FOR OPINION

We conducted our audit in accordance with the Austrian Standards on Auditing. Those standards require that we comply with International Standards on Auditing (ISAs). Our responsibilities under those regulations and standards are further described in the “Auditor’s Responsibilities for the Audit of the Financial Statements” section of our report. We are independent of the entity in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained up until the date of this auditor’s report is sufficient and appropriate to provide a basis for our opinion by this date.

RESPONSIBILITIES OF MANAGEMENT AND SUPERVISORY BOARD FOR THE FINANCIAL STATEMENTS

Management of the Financial Market Authority acting in the capacity of resolution authority is responsible for the preparation of the financial statements in accordance with Austrian Generally Accepted Accounting Principles and the special legal provisions in Article 123a BaSAG in conjunction with Article 18 FMABG for them to present a true and fair view of the assets, the financial position and the financial performance of the entity and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the entity’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the entity or to cease operations, or has no realistic alternative but to do so.

The Supervisory Board of the Financial Market Authority is responsible for overseeing the entity’s financial reporting process.

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue

an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Austrian Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Austrian Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with the Supervisory Board of the Financial Market Authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Vienna, 1 April 2025

**CONTAX WIRTSCHAFTSTREUHANDGESELLSCHAFT MBH
AUDITING AND CONSULTING FIRM**

OTHMAR EBERHART
Auditor

WERNER PRENNER
Auditor

Publication or dissemination of the financial statements with our auditor's report is only permitted in the version that we have audited. This auditor's report refers exclusively to the complete German version of the financial statements. With regard to other versions, the provisions contained in Article 281 para. 2 UGB must be observed.

Balance sheet as at 31 December 2024 (amounts in €)		Prev. year in € thousands		Prev. year in € thousands	
ASSETS			EQUITY AND LIABILITIES		
A. Current Assets			A. Liabilities		
Other receivables and assets	226.50	0	Other liabilities	226.50	0
<i>Amounts becoming due and payable after more than one year</i>	<u>0.00</u>	0	<i>Amounts becoming due and payable within one year</i>	226.50	0
	226.50		<i>Amounts becoming due and payable after more than one year</i>	<u>0.00</u>	0
				226.50	
	<u>226.50</u>	<u>0</u>		<u>226.50</u>	<u>0</u>

Table 35: Balance sheet 2024 of the National Contributions to the Single Resolution Fund

Income statement for the financial year from 1 January to 31 December 2024 (amounts in €)		Prev. year in € thousands	
1. Other operating income	3 760.95	4	
2. Other operating expenses	<u>-3 760.95</u>	<u>-631</u>	
3. Subtotal of items 1 to 2	0.00	-627	
4. Other interest income	0.00	627	
5. Subtotal of items 4 to 5	0.00	627	
Net income for the year	0.00	0	

Table 36: Income statement 2024 of the National Contributions to the Single Resolution Fund

Vienna, 1 April 2025

HELMUT Ettl
signed in person

EDUARD MÜLLER
signed in person