

# BANK LENDING SURVEY – AUSTRIAN RESULTS

## Executive Summary

### Demand for investment loans continues to decline

#### Austrian results of the euro area bank lending survey of July 2023

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*Enterprises' demand for investment financing has been declining since the third quarter of 2022 and is expected to remain on a downward path in the third quarter of 2023. The reasons behind this trend are weakening economic activity in the wake of worldwide economic and political disruptions as well as higher levels of interest rates.*

*Banks have substantially tightened their lending policy for loans to enterprises since the second quarter of 2022, mostly owing to more unfavorable risk assessments. Further restrictions are expected in the third quarter of 2023.*

*Demand for housing loans remained more or less unchanged in the second quarter of 2023, having declined strongly in the previous three quarters. The banks participating in the bank lending survey expect a sustained stagnation for the third quarter of 2023. Rising interest rates and the uncertain economic situation are cited as the main reasons for the drop in demand. Loans have become less affordable.*

*On the supply side, banks' credit standards for and their margins on housing loans remained mostly unchanged in the second quarter of 2023. The credit standards were last tightened in the third quarter of 2022, the margins have barely been changed since 2021.*

*Banks are increasingly factoring in the impact of companies' activities on the climate into their lending policies. This leads to tighter lending standards for "brown" enterprises. On the demand side, banks see an increase in companies' need for financing for investments and restructuring made necessary by climate change (e.g., transitioning to "greener" production or protection against physical risks of climate change).*

**Note:** The full report in German can be found at [OeNB Reports - Oesterreichische Nationalbank \(OeNB\)](#) or [Umfrage über das Kreditgeschäft - Oesterreichische Nationalbank \(OeNB\)](#).

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