

# OeNB Report 2025/16: Corporate loan demand rises, ending a long downward trend

Austrian results of the euro area bank lending survey, third quarter of 2025

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Corporate loan demand in Austria increased in the third quarter of 2025. For the fourth quarter of 2025, the surveyed banks expect demand to rise further. This marks the end of a downward trend that has lasted almost three years and was mainly driven by declining financing needs for fixed investment. Lower lending rates and increased business activity, particularly from small and medium-sized enterprises (SMEs), contributed to the rise in demand in the third quarter of 2025.

Banks' lending policies toward companies have slightly eased since mid-2025. In particular, interest rates and margins on loans that are not above average risk have been reduced. The main driver of this development was intensified competition among banks. However, survey results also indicate that heightened risk levels continue to strain banks' lending policies, making borrowing more difficult for companies.

Lower lending rates gave a strong boost to housing loan demand in Austria during the first three quarters of 2025. However, the surveyed banks expect this trend to lose momentum in the fourth quarter of 2025.

In terms of financing costs for private housing, interest rates and installment payment for new loans are currently only slightly above the long-term average since 2003.

Note: The full report in German can be found at [OeNB Reports](#).

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