Rome, 3 February 2026

The Euro Area Bank Lending Survey

MAIN RESULTS FOR ITALIAN BANKS[1]

Q4 2025 and outlook for Q1 2026

In the fourth quarter of 2025, credit standards for loans to firms remained unchanged. Terms and conditions were eased slightly owing to lower interest rates. **Credit standards remained unchanged for loans to households for house purchase, while they were tightened slightly for consumer credit.** For the current quarter, credit standards are expected to remain unchanged for loans to firms and for mortgage loans and to tighten further for consumer credit.

Firms' demand for loans edged up, largely owing to higher borrowing needs for debt refinancing, fixed investment and mergers and acquisitions. **Demand for loans to households increased**, driven by the reduction in interest rates. Mortgage loan and consumer credit applications also benefited from greater household confidence and higher spending on durable goods, respectively. Credit demand from both firms and households is expected to pick up further in the current quarter.

Banks reported a further overall improvement in funding conditions for their main sources of finance, particularly for medium-to-long-term debt securities. Funding conditions are expected to improve further in the current quarter.

The regulatory and supervisory measures introduced in 2025 are expected to have an impact in 2026, with an increase in risk-weighted assets, an uptick in capital issuance and a tightening of credit standards for loans to households.

In the fourth quarter of 2025, the share of non-performing loans on banks' balance sheets led to a tightening of credit standards for consumer loans, which is expected to continue in the current quarter.

In the second half of 2025, credit standards were tightened especially for energy-intensive manufacturers in the automotive industry and for non-residential real estate firms. For the first half of 2026, banks expect a further tightening for loans to energy-intensive manufacturing firms.

Exposure to trade policy changes and the resulting uncertainty did not affect credit standards in 2025 and led to a slight increase in firms' demand for loans. The effects on credit supply and demand are estimated to be nil overall in the current year.

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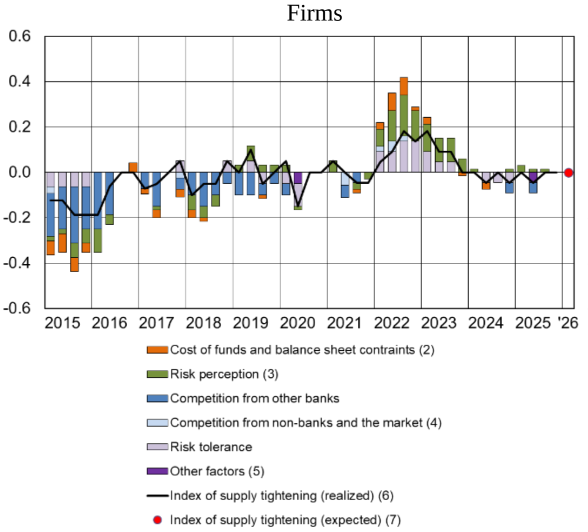
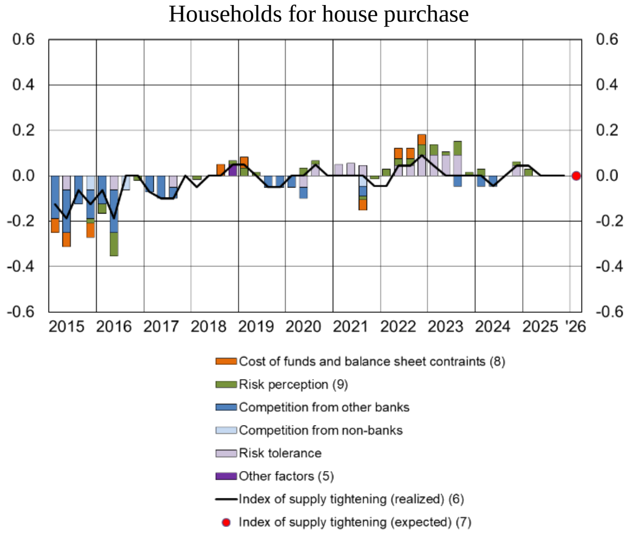
1 Thirteen of the main Italian banking groups took part in the survey, which ended on 13 January. For a detailed description of the various items, see the questionnaire administered to banks.
The results for the euro area are available on the ECB's website (www.ecb.europa.eu).

Supply conditions and trends in credit demand in Italy (1)

(a) Credit supply

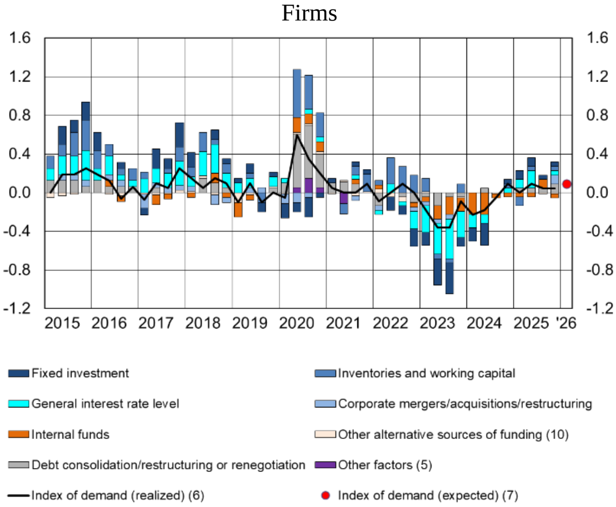
Tightening (+)/easing (-)

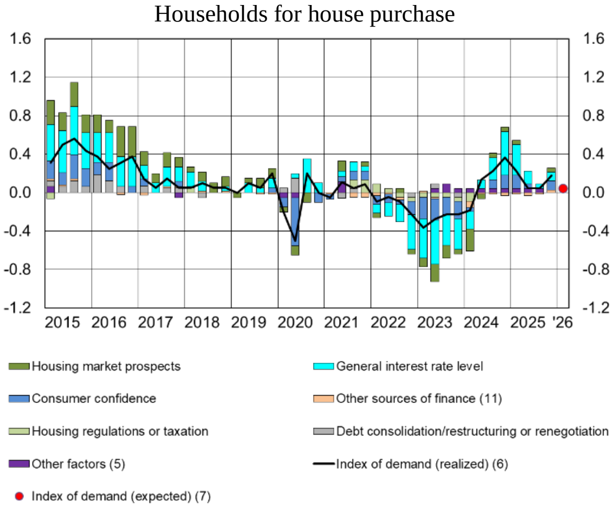




(b) Credit demand

Expansion (+)/restriction (-)





Notes (1) For the general indices, positive values indicate supply restriction/demand expansion compared with the previous quarter; for the factors, positive values indicate a contribution to supply restriction/demand expansion compared with the previous quarter. The diffusion indices are constructed on the basis of the following weighting scheme: for supply conditions, 1=tightened considerably, 0.5=tightened somewhat, 0=basically unchanged, -0.5=decreased somewhat, -1=decreased considerably; for demand, 1=increased considerably, 0.5=increased somewhat, 0=basically unchanged, -0.5=decreased somewhat, 1=decreased considerably. The range of variation of the index is from -1 to 1. – (2) Average of the following factors: bank's capital position; bank's ability to access market financing; and bank's liquidity position. – (3) Average of the following factors: general economic situation and outlook; industry- or firm-specific situation and outlook; and risks associated with collateral. – (4) Average of the following factors: competition from non-banks and competition from other financing sources. – (5) Average of additional factors contributing to changes in banks' credit standards or loan applications. – (6) Refers to the quarter ending at the time of the survey. – (7) Forecasts prepared in the previous quarter. – (8) Since April 2022, average of the following factors: bank's capital position; bank's ability to access market financing; and bank's liquidity position. – (9) Average of the following factors: general economic situation and outlook; housing market prospects; and borrowers' creditworthiness. – (10) Average of the following factors: loans granted by other banks; loans granted by non-banks; issues/redemptions of debt securities; and issues/redemptions of equity. – (11) Average of the following factors: self-financing of house purchase with savings; loans granted by other banks; and other sources of external funding.