Rome, 21 July 2026

The Euro Area Bank Lending Survey

MAIN RESULTS FOR ITALIAN BANKS[1]

Q2 2026 and outlook for Q3 2026

Credit standards for loans to firms eased somewhat in the second quarter of 2026. **Credit standards for loans to households remained unchanged in the mortgage loan sector, while they were tightened further for consumer credit.** For the current quarter, banks expect unchanged credit standards for loans to firms and a moderate tightening for loans to households. In their responses to an open question, banks reported that the recent geopolitical and energy-related developments continued to be reflected in a more cautious attitude towards credit risk assessment.

Firms' demand for loans increased, mainly driven by the increased need to finance inventories and working capital, as well as by debt restructuring and renegotiation. Other contributory factors were the frontloading of credit requests because of expectations of a further increase in the cost of financing. **Households' demand for mortgage loans remained broadly stable, while consumer credit demand edged up**, largely driven by higher spending on durable goods and by greater consumer confidence. In the current quarter, banks expect a further slight increase in firms' demand for loans and unchanged demand from households.

Banks reported an improvement in access conditions for funding via deposits and bonds, while there was a slight deterioration in funding via securitization. In the current quarter, access conditions are expected to improve for almost all the main sources of financing.

The share of non-performing loans (NPLs) and other credit quality indicators had a slightly restrictive impact on consumer credit supply policies in the first quarter of 2026; for the current quarter, banks expect this effect to continue on this type of loan.

In the first half of 2026, credit standards only tightened for energy-intensive manufacturing firms; there was also a more marked increase in the demand for credit of these firms and service firms. In the current half of the year, banks expect supply standards to remain virtually unchanged and demand to strengthen further, especially in the manufacturing sector.

In the twelve months ending in June, climate-related risks and climate change measures helped to ease credit standards and to support the demand for loans from green and transition firms and for more energy-efficient housing loans. By contrast, for emission-intensive firms, banks reported a negative effect on their credit standards and they expect similar effects over the next twelve months.

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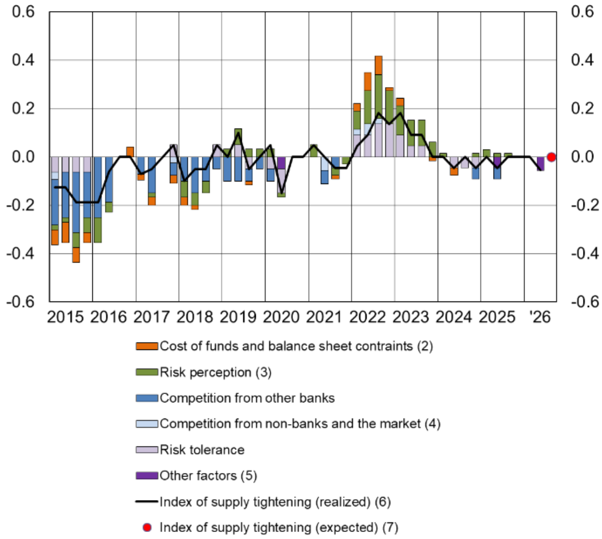
1 Eleven of the main Italian banking groups took part in the survey, which ended on 30 June. For a detailed description of the various items, see the questionnaire administered to banks.
The results for the euro area are available on the ECB's website (www.ecb.europa.eu).

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

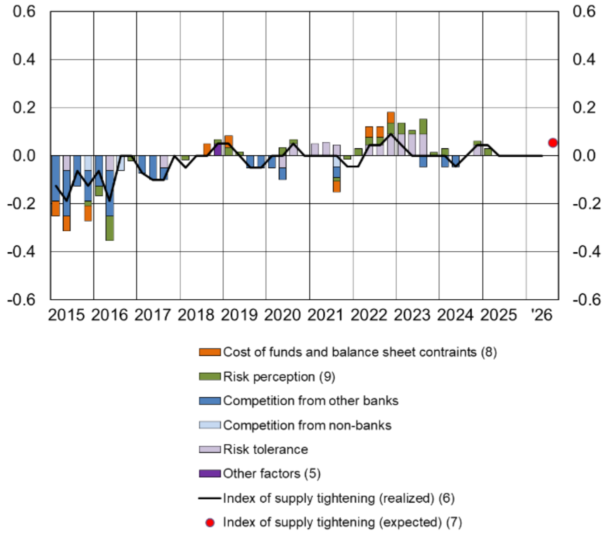
(a) Credit supply

Tightening (+)/easing (-)

Firms



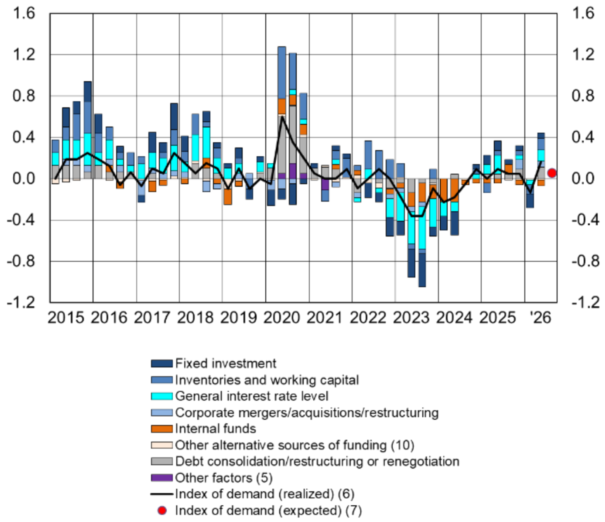
Households for house purchase



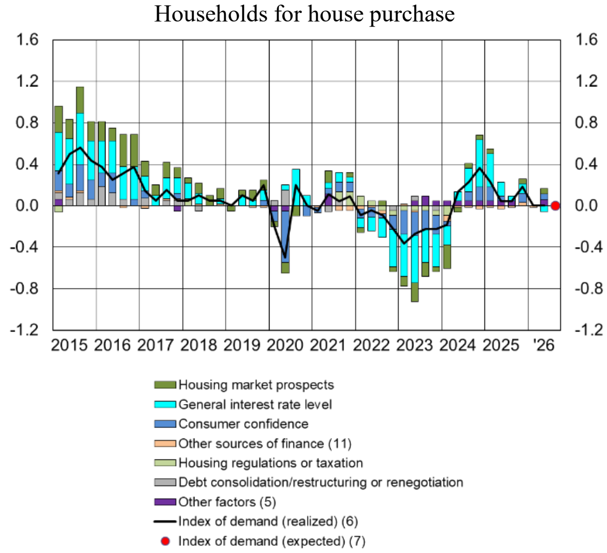
(b) Credit demand

Expansion (+)/restriction (-)

Firms



Households for house purchase



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.