

The Euro Area Bank Lending Survey**MAIN RESULTS FOR ITALIAN BANKS¹**

Q3 2026 and outlook for Q4 2026

Credit standards for loans to firms eased slightly in the third quarter of 2026, as a result of greater competition among banks. **Credit standards for loans to households remained unchanged in the mortgage loan sector, while they were tightened further for consumer credit** owing to banks' lower risk tolerance. For the current quarter, banks expect a slight tightening of credit standards for loans to firms and for mortgages, and a further tightening for consumer credit.

Firms' demand for loans contracted mildly, mainly owing to lower borrowing needs for fixed investment and greater recourse to internal financing. Financing needs relating to inventories and working capital, together with debt refinancing and restructuring, made a positive, albeit limited, contribution to loan demand. **Households' demand for loans remained stable** for mortgages and consumer credit. In the current quarter, banks expect broadly unchanged demand from both firms and households.

Banks reported a deterioration in access to funding through deposits and debt securities, mainly owing to the rise in interest rates. In the current quarter, access conditions are expected to improve slightly for deposits and to deteriorate further for medium- to long-term debt securities.

Over the last year, the change in the ECB's portfolio of assets held for monetary policy purposes had no impact on banks' financial position or on their lending policies; over the next year, the impact should be marginal overall.

The share of non-performing loans (NPLs) and other credit quality indicators did not affect credit supply policies in the third quarter of 2026. No further tightening is expected for the current quarter.

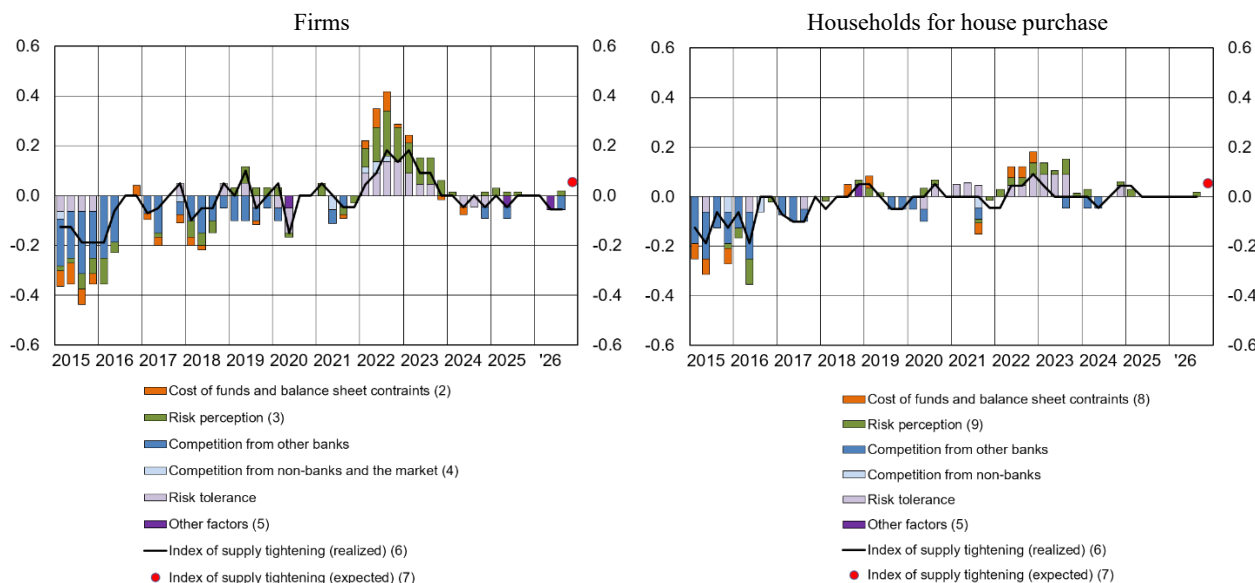
In response to a new question on the impact of digital assets (unbacked crypto assets, 'tokenized' assets and stablecoins) **on banks' financial position, business strategies and lending standards, most banks reported having no exposure to these instruments**. The remaining banks reported a positive impact of these assets on their business strategies, in terms of the extent and pace of digitalization. No impact on lending standards was reported.

¹ Eleven of the main Italian banking groups took part in the survey, which ended on 6 October. 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)

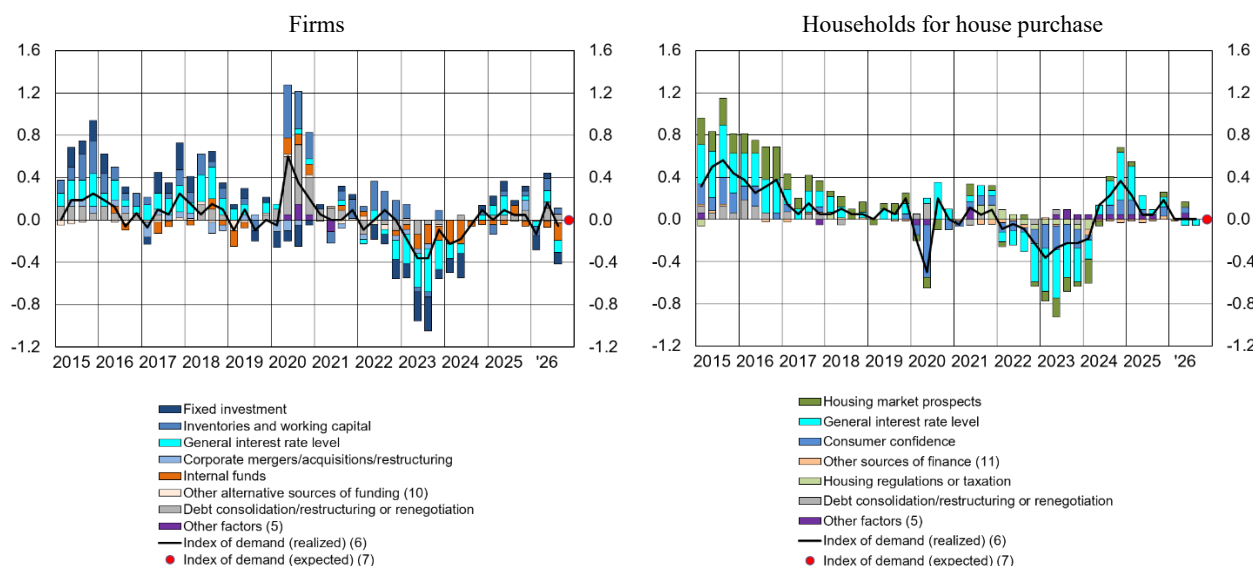
(a) Credit supply

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.