Bank Lending Survey

January 2026 Survey Results

Results Summary [1]

The latest results of the Bank Lending Survey (2025 Q4) indicate that Irish banks continue to pass through the monetary policy easing to firms via a narrowing of margins. However, banks made no change to firms' credit standards and demand was unchanged. Next quarter, Irish banks expect firms' demand for loans to increase.

In 2025 Q4, banks tightened credit standards on mortgages, in line with expectations, and expect to do so again next quarter (2026 Q1). In 2025 Q4, banks also eased terms and conditions on mortgages, driven by a reduction in lending rates. Demand for mortgages was unchanged in 2025 Q4, but is expected to increase in 2026 Q1.

[1] The October Bank Lending Survey (BLS) was conducted between 11th December and 9th January and examined changes in credit market conditions during Q4 2025 as well as expected changes in credit standards and loan demand during Q1 2026.
Please note that all BLS series will now be available via the Central Bank of Ireland Open Data Portal.

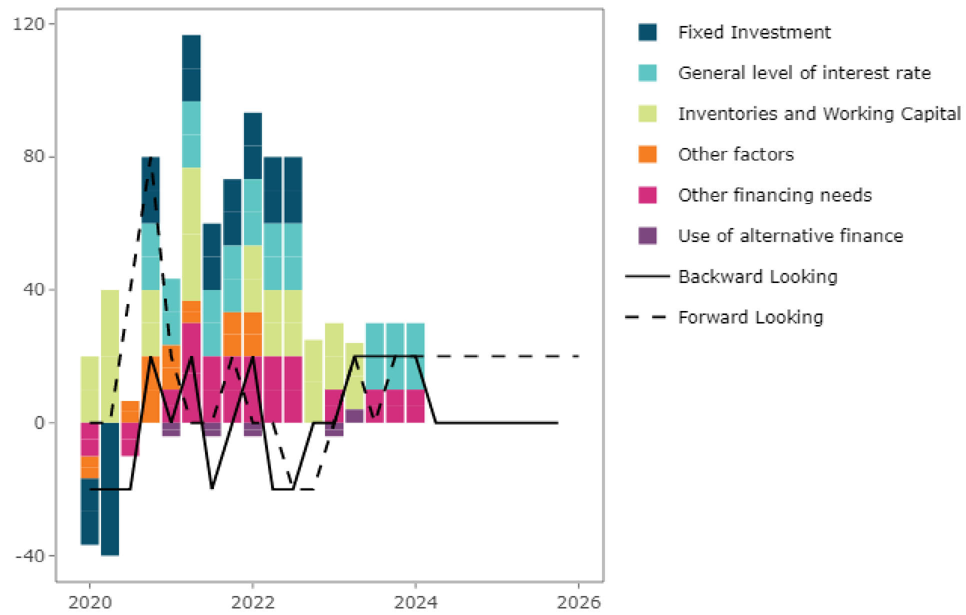
Firms

In 2025 Q4, Irish banks made no change to credit standards for the eight consecutive quarter. In line with this, the share of firms' loan applications that were rejected was unchanged. Banks expect to make no changes to credit standards in 2026 Q1.

Banks reported no overall change in their terms and conditions in 2025 Q4. However, for the last seven quarters, they have reported that margins on average loans have narrowed due to competitive pressure from banks and non-banks.

Irish banks reported no change in firms' demand for loans, despite expecting that demand would increase during this quarter. This is the sixth consecutive quarter during which banks have expected demand to increase, but this has not been realised. In 2026 Q1, banks once again expect firms' demand for credit to increase.

Figure 1: Demand, loans to firms, net percentage



Net percentages are defined as the difference between the sum of the percentages of banks responding "tightened considerably" and "tightened somewhat" and the sum of the percentages of banks responding "eased somewhat" and "eased considerably.

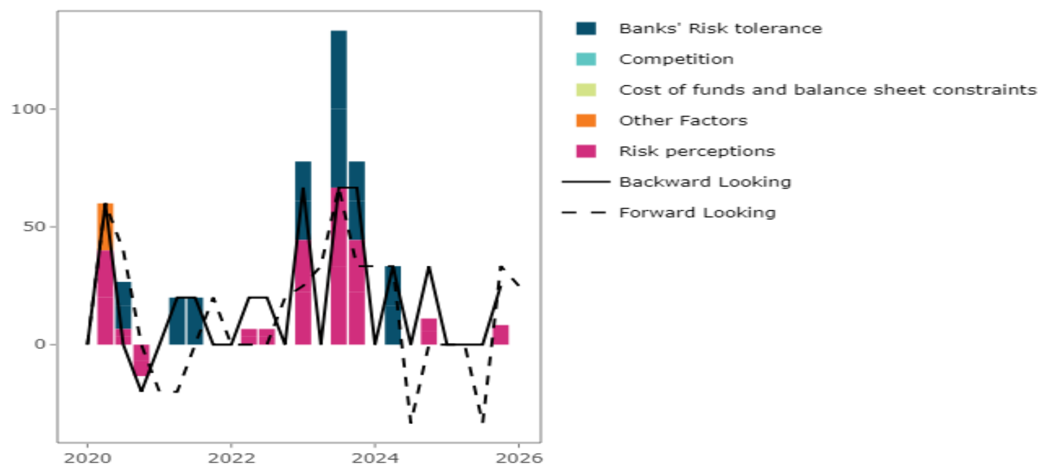
Households

Mortgages

In 2025 Q4, Irish banks tightened credit standards, in line with expectations. This was driven by concerns around the macro-economic outlook. Over the same period, banks eased their terms and conditions on mortgages, specifically by reducing lending rates. This dynamic was driven by competitive pressure from other banks. Next quarter, banks expect to tighten credit standards on mortgages once again.

Irish banks reported that mortgage demand was unchanged in 2025 Q4, but they expect an increase in 2026 Q1.

Figure 2: Credit standards, mortgages



Net percentages are defined as the difference between the sum of the percentages of banks responding “tightened considerably” and “tightened somewhat” and the sum of the percentages of banks responding “eased somewhat” and “eased considerably.

Consumer Credit

In 2025 Q4, banks reported no change to credit standards for consumer credit, in line with expectations. In line with this, banks reported that the share of applications that were rejected was unchanged over the period. In 2025 Q4, banks also reported no change to their overall terms and conditions on consumer credit, however, they reduced lending rates somewhat over the period. Banks reported an increase in demand for consumer credit in 2025 Q4, in line with expectations. They expect demand to increase further in 2026 Q1, but also expect to tighten credit standards.

Ad-hoc questions

The ad-hoc questions in this round related to:

- Access to retail and wholesale funding
- The effect of credit quality on lending policies
- The effect of regulation and supervisory activity on banks' balance sheets and lending policies
- Lending policies across economic sectors
- The effect of trade policy on banks' situation and lending policies

Irish banks reported that access to funding became easier in 2025 Q4, driven by improved access to deposit funding. In 2026 Q1, they expect no change in their access to retail or wholesale funding. Irish banks reported that changes in credit quality had no effect on their lending policies in 2025 Q4, with no changes expected in 2026 Q1.

In 2025, Irish banks reduced their risk weighted assets and retained earnings in response to regulatory changes. In 2026, banks expect to expand their balance sheets overall, including their risk weighted assets. In addition, they expect to hold more capital (driven by greater issuance and retained earnings). However, banks reported that this would have no effect on their credit standards.

Irish banks reported no change in credit standards or demand across the vast majority of sectors during the second half of 2025. The exception was the real estate sector where demand increased slightly. This is expected to persist in the first half of 2026.

Irish banks reported that trade policy had no change on their balance sheet or lending conditions in 2025, with no expectations of change in 2026.