Bank Lending Survey

April 2026 Survey Results

Results Summary [1]

The latest results of the Bank Lending Survey (2026 Q1) 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 (2026 Q2), Irish banks expect to tighten credit standards on loans to firms and concurrently expect firms' demand for loans to increase.

In 2026 Q1, banks tightened credit standards on mortgages and consumer credit in line with expectations. Over the same period, banks eased terms and conditions on mortgages, and reduced lending rates for consumer credit. Banks reported no change in demand for mortgages in 2026 Q1, while demand for consumer credit increased. Next quarter (2026 Q2), banks expect to make no further changes to credit standards on loans to households but expect demand for both mortgages and consumer credit to increase.

[1] The October Bank Lending Survey (BLS) was conducted between 19th March and 2nd April and examined changes in credit market conditions during Q1 2026 as well as expected changes in credit standards and loan demand during Q2 2026.
Please note that all BLS series will now be available via the Central Bank of Ireland Open Data Portal.

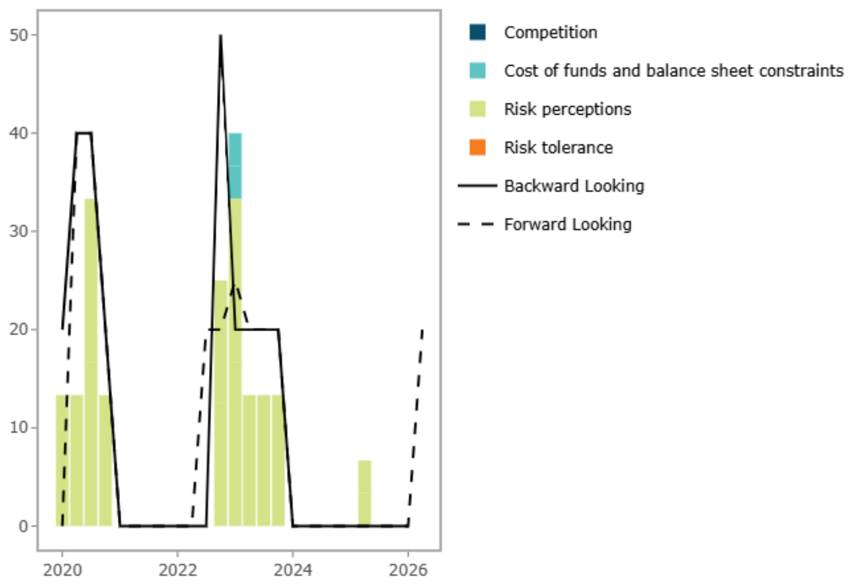
Firms

In 2026 Q1, Irish banks made no change to credit standards for the ninth consecutive quarter. In line with this, the share of firms' loan applications that were rejected was unchanged. In 2026 Q2, banks expect to tighten credit standards for loans to firms for the first time since late 2023.

Banks reported no overall change in their terms and conditions in 2026 Q1. However, for the last eight quarters, they have reported that margins on average loans have narrowed due to competitive pressure from banks and non-banks. This was partially offset by banks' higher perceptions of risks, and lower risk tolerance.

Irish banks reported no change in firms' demand for loans, despite expecting that demand would increase during this quarter. This is the seventh consecutive quarter during which banks have expected demand to increase, but this has not been realised. In 2026 Q2, banks once again expect firms' demand for credit to increase.

Figure 1: Credit standards, 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 2026 Q1, Irish banks tightened credit standards, in line with expectations, for the second consecutive quarter. This was driven by concerns around the macro-economic outlook, borrower creditworthiness and housing market prospects, as well as banks' lower risk tolerance. However, banks reported no change in the share of mortgage applications that were rejected. Over the same period, banks reduced lending rates and narrowed margins on mortgages, due to better capital positions.

Irish banks reported that mortgage demand was unchanged in 2026 Q1, despite expectations of an increased in the previous quarter. In 2026 Q2, banks, again, expect demand for mortgages to increase.

Figure 2: Demand, 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 2026 Q1, banks tightened credit standards on consumer credit, in line with expectations, due to concerns about the macro-economic outlook, consumer creditworthiness and collateral risks. Banks also reported that their own risk tolerance declined over the period. Over the same period, banks reported that they reduced loan rates for consumer credit.

Banks reported that demand for consumer credit increased in 2026 Q1, in line with expectations in the previous quarter. Next quarter, they expect to observe a further increase in demand.

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 the ECB’s interest rate policy on bank profitability.
- The importance of securitisation and its effect on lending policies

Irish banks reported that their access to debt securities deteriorated in 2026 Q1, with access expected to deteriorate further in 2026 Q2. However, banks reported no change in their access to other types of wholesale funding. Retail funding conditions improved slightly for Irish banks in 2026 Q1, with no further change expected in 2026 Q2.

Irish banks reported that changes in credit quality had no effect on credit standards across all products in 2026 Q1. No effect is expected in 2026 Q2.

Irish banks reported a slight decline in profitability over the past 6 months driven by lower margins. Over the next six months, they expect this trend to reverse with higher profitability driven by higher margins.

Irish banks reported that both traditional securitisation and synthetic significant risk transfers are important in their ability to access funding, manage credit risk and free up capital for new lending. However, securitisation had no effect on banks lending conditions over the past year and is not expected to over the next 12 months. The typical purchasers of Irish banks’ securitised loans are investment funds, and insurance and pension funds.