Banc Ceannais na hÉireann
Central Bank of Ireland
Eurosystem

Bank Lending Survey

July 2026 Survey Results

Results Summary [1]

In 2026 Q2, Irish banks made no change to firms' credit standards and demand was unchanged. Next quarter (2026 Q3), Irish banks expect to make no change to credit standards on loans to firms and concurrently expect firms' demand for loans to increase.

In 2026 Q2, banks tightened credit standards on mortgages for the third consecutive quarter but made no change to standards for consumer credit. Banks reported that demand for mortgages increased in 2026 Q2, while it was unchanged for consumer credit. Next quarter (2026 Q3), banks expect to make no further changes to credit standards on loans to households but expect demand for mortgages and consumer credit to increase.

[1] The July Bank Lending Survey (BLS) was conducted between 11th June and 25th June and examined changes in credit market conditions during Q2 2026 as well as expected changes in credit standards and loan demand during Q3 2026.
Please note that all BLS series is available via the Central Bank of Ireland Open Data Portal.

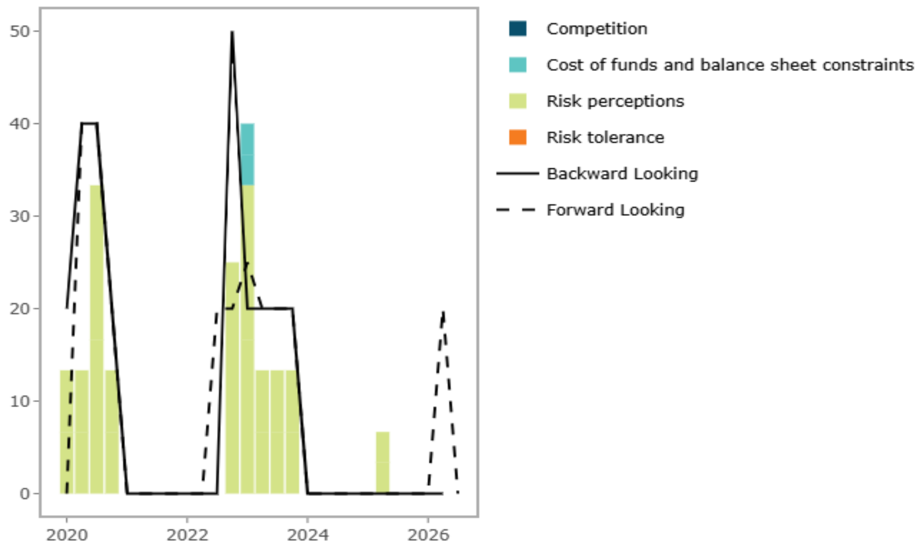
Firms

Despite expectations that they would tighten credit standards in 2026 Q2; Irish banks made no change to credit standards over the period. This was the tenth consecutive quarter of no change to credit standards for loans to firms. In line with this, the share of firms' loan applications that were rejected was also unchanged. In 2026 Q3, banks also expect to make no change to credit standards.

Banks reported no overall change in their terms and conditions in 2026 Q2. 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 eighth consecutive quarter during which banks have expected demand to increase, but this has not been realised. In 2026 Q3, 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.

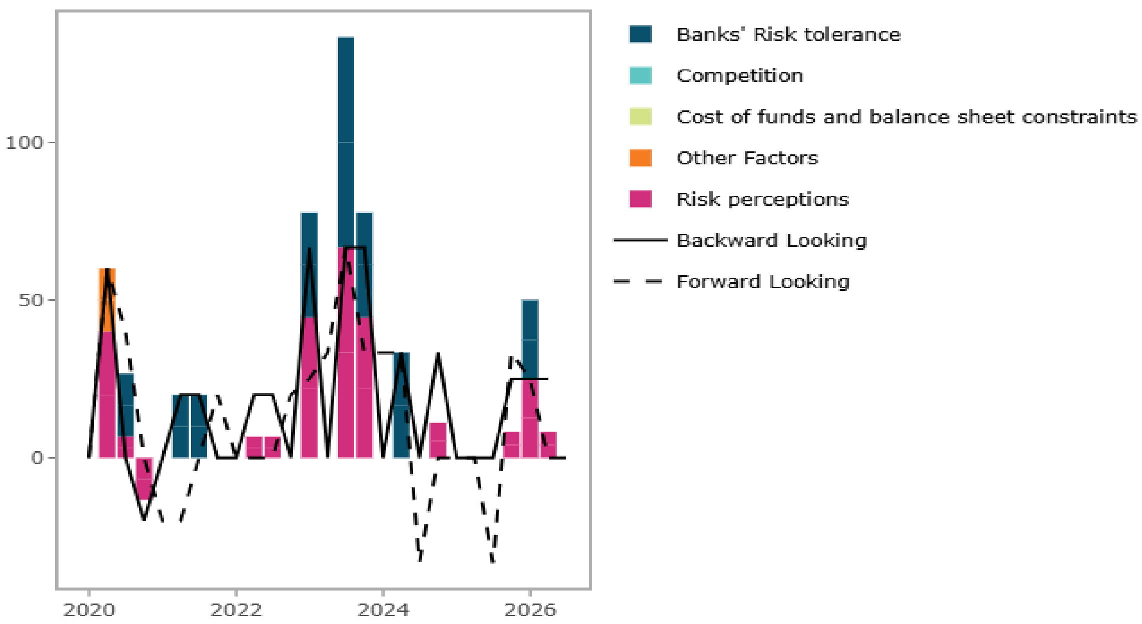
Households

Mortgages

In 2026 Q2, Irish banks tightened credit standards unexpectedly. This is third consecutive quarter during which Irish banks have tightened their mortgage standards, driven by heightened risk perceptions. Nevertheless, banks reported no change in the share of mortgage applications that were rejected and no change in mortgage terms and conditions.

Irish banks reported that mortgage demand increased in in 2026 Q2, in line with their expectations. Next quarter, they expect demand to continue to rise.

Figure 2: Credit standards, mortgages, 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.

Consumer Credit

In 2026 Q2, banks made no change to credit standards on consumer credit, in line with expectations. They also left the related terms and conditions unchanged. In line with this, the share of consumer credit applications that were rejected was unchanged.

Banks reported that demand for consumer credit was unchanged in 2026 Q2, after increasing for two consecutive quarters. This was despite expectations that demand for credit would continue to increase. Next quarter, they expect an increase in demand once again.

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
- Changes in credit standards and demand across economic sectors.
- The effect of climate change on lending policies and demand for credit by firms and households

In 2026 Q2, Irish banks reported that their ability to issue debt had become more challenging, albeit to a lesser extent than in 2026 Q1. This was partially offset by better retail funding conditions. Next quarter, banks expect a further improvement in access to retail funding, and no change in their access to wholesale funding.

Irish banks reported that changes in credit quality had no effect on credit standards across all products in 2026 Q2. No effect is expected in 2026 Q3.

Irish banks reported limited changes to demand or credit standards across economic sectors in 2026 H1. The exception was the residential real estate sector where demand increased. This pattern is expected to persist in the second half of the year.

Irish banks reported that credit standards were unchanged across green, transition and brown firms over the past 12 months. However, they reported that capital costs, firm/industry specific risks and physical risks all placed some upward pressure on credit standards over the period. By contrast, they reported that loan demand increased for green and transition firms, driven by lower lending rates for green projects. Over the next 12 months, they expect to ease credit standards for green and transition firms, with no change for brown firms. However, they expect demand to remain unchanged across all firm types.

Turning to mortgages, banks made no change to credit standards for mortgages on highly energy efficient properties (A-C) or less efficient (D-G) properties. By contrast, they reported that demand for mortgages increased for energy efficient properties and fell for low efficiency properties. They expect this pattern to persist over the next 12 months.