



Results Summary¹

Ireland

The latest results of the Bank Lending Survey (2025 Q2) indicate that Irish banks are passing through the ECB's monetary policy easing to lending rates for households and firms, via a narrowing of margins for firms, and a decline in lending rates for mortgage holders. Banks made no change to credit standards on loans to firms, mortgages, but tightened standards on consumer credit. Banks reported no change in demand for loans to firms, mortgages or consumer credit. Next quarter, banks expect to ease credit standards on mortgages and that firms' demand for credit will increase.

¹ The January Bank Lending Survey (BLS) was conducted between 10th June and 1st July and examined changes in credit market conditions during Q2 2025 as well as expected changes in credit standards and loan demand during Q3 2025.



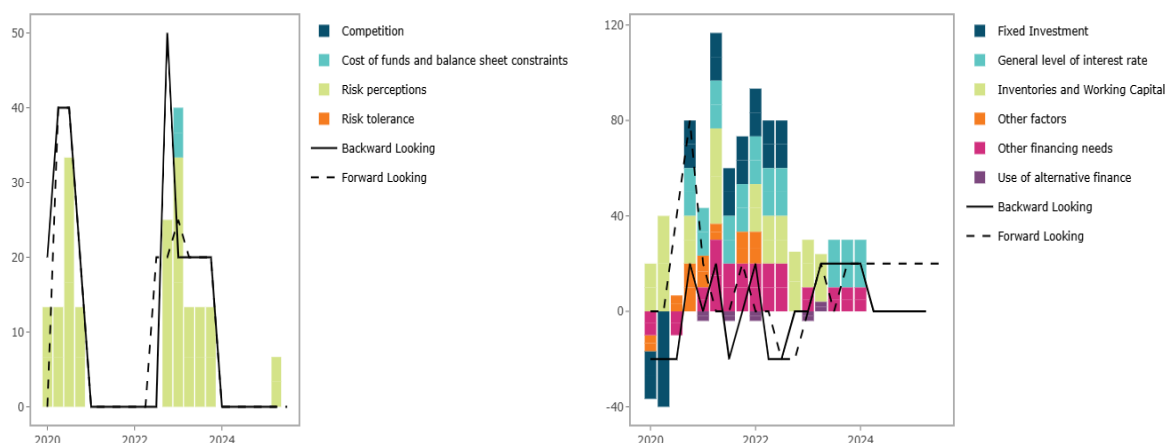
Firms

In 2025 Q2, Irish banks made no change to credit standards for the sixth consecutive quarter. In line with this, the share of firms' loan applications that were rejected was unchanged in Q2. Banks expect to make no changes to credit standards in 2025 Q3.

Banks reported no overall change in their terms and conditions in 2025 Q2 or the past six quarters. However, for the last five quarters, they have reported that margins on average loans have narrowed.

Irish banks reported no change in firms' demand for loans, despite expecting that demand would increase during this quarter. This is the fifth consecutive quarter during which banks have expected demand to increase, but this has not been realised. In 2025 Q3, banks once again expect firms' demand for credit to increase.

Figure 1: Credit standards (lhs) and demand (rhs) 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

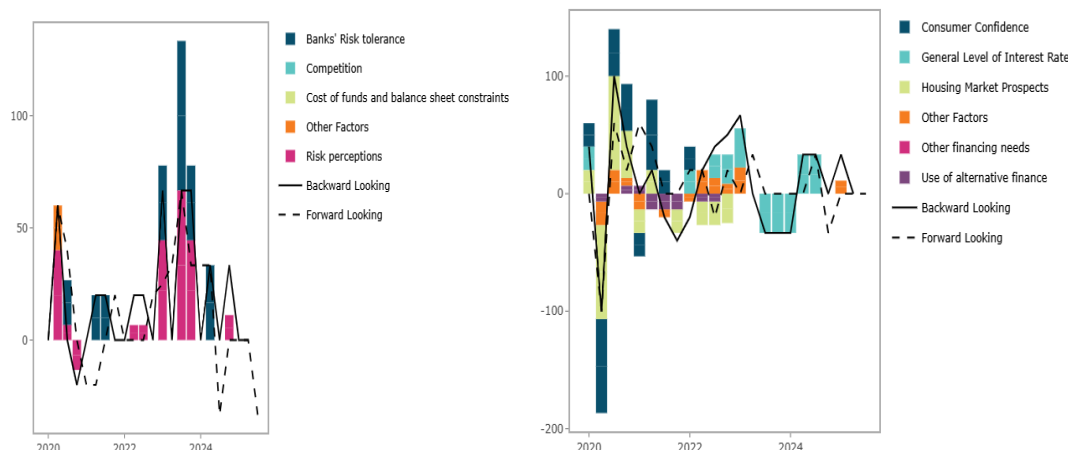
Mortgages

In 2025 Q2, Irish banks made no change to credit standards on mortgages, in line with expectations. However, next quarter banks expect to ease credit standards. Over the same period, Irish banks reported no change in their overall terms and conditions, but that they had lowered lending rates.



Irish banks reported that mortgage demand was unchanged in 2025 Q2, after an unexpected increase in Q1. Looking forward to Q3, Irish banks expect no change to demand.

Figure 2: Credit standards and 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 2025 Q2, banks reported a tightening of standards for consumer credit, in line with expectations. However, despite this, banks reported that the share of applications that were rejected was unchanged over the period. In 2025 Q2, banks also reported no change to their overall terms and conditions on consumer credit. Banks reported no change to demand for consumer credit, with no change in demand expected in 2025 Q3.

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
- Lending policies across economic sectors
- The effect of climate change on lending policies
- The effect of excess liquidity on lending policies.



Irish banks reported no change in their access to funding in 2025 Q2 and expect little change next quarter. They also reported no effects of credit quality on their lending policies. Irish banks reported no effect of excess liquidity on their credit standards, terms and conditions or lending volumes in the first half of 2025, and expect no changes in H2.

Banks reported some variation in lending conditions across economic sectors. In 2025 H1, banks tightened credit standards for commercial real estate and expect to do so again in 2025 H2. Banks reported an increase in demand among manufacturing firms and expect this to persist in H2, alongside an increase in demand by residential real estate firms.

Irish banks reported that over the last 12 months, they tightened credit standards, and terms and conditions on loans to brown firms, but eased them for green and transition firms. Demand was perceived to have declined amongst brown firms, but increase amongst green and transition firms. These patterns are expected to continue over the next 12 months.