

# Press release

15 April 2025

## April 2025 euro area bank lending survey

- Credit standards for loans to firms tightened slightly further, and net loan demand moved back into slightly negative territory
- Credit standards for housing loans eased and net loan demand continued to increase strongly
- While competition in mortgage markets remains high, risk perceptions and credit quality deterioration continue to weigh on lending to firms and consumers

According to the April 2025 bank lending survey (BLS), which was conducted between 10 and 25 March 2025, euro area banks reported a small further net tightening of credit standards – banks' internal guidelines or loan approval criteria – for [loans or credit lines to enterprises](#) in the first quarter of 2025 (a net 3% of banks; Chart 1). Banks also reported a moderate easing of credit standards for [loans to households for house purchase](#) (a net -7% of banks), whereas credit standards for [consumer credit and other lending to households](#) tightened slightly further (a net 3% of banks). For loans to firms, the net tightening followed the renewed tightening of credit standards seen in the previous quarter and was lower than banks had expected. It was again driven by higher perceived risks related to the economic outlook and to the industry and firm-specific situations. For loans to households for house purchase, banks eased credit standards, after keeping them broadly unchanged in the previous quarter and despite having expected a small tightening. The easing was mostly driven by competition from other banks. Credit standards tightened slightly further for consumer credit, mainly owing to higher perceived risks. For the second quarter of 2025, banks expect a further net tightening of credit standards across all three loan segments.

[Banks' overall terms and conditions](#) – the actual terms and conditions agreed in loan contracts – eased for loans to firms and for housing loans, while they tightened for consumer credit. Lower lending rates and narrower margins on average loans eased terms and conditions across all segments. There was a small tightening impact from stricter collateral requirements for loans to firms and by loan maturity and size for consumer credit, while margins on riskier loans narrowed for housing loans.

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In the first quarter of 2025, euro area banks reported a renewed small decrease in [demand from firms for loans or the drawing of credit lines](#) (Chart 2), after two quarters of weak recovery. Loan demand decreased, mainly owing to a negative contribution from firms' inventories and working capital and despite the support from declining interest rates. [Net demand for housing loans](#) continued to increase strongly, driven primarily by declining interest rates and to a lesser extent by improving housing market prospects and higher consumer confidence, and this is consistent with the gradual recovery of lending flows observed in this segment since mid-2024. [Demand for consumer credit and other lending to households](#) increased moderately, supported principally by declining interest rates, with further small contributions from consumer confidence and spending on durable goods. In the second quarter of 2025, banks expect a small net increase in loan demand from firms and further increases for households, especially for housing loans.

Euro area banks' access to retail funding remained broadly unchanged in the first quarter of 2025, while easing for debt securities, money markets and securitisations. Over the next three months, banks expect a slight improvement in access to retail funding, with access to money markets, debt securities and securitisations expected to remain broadly unchanged.

The reduction in the ECB monetary policy asset portfolio had a small negative impact on euro area banks' market financing conditions and liquidity positions over the last six months, contributing to an increase in holdings of euro area sovereign bonds for the first time since early 2015. Banks expect these developments to continue over the next six months, while the impact on lending conditions remains muted, reflecting the measured and predictable adjustment of the ECB monetary policy portfolio.

Euro area banks reported a net tightening impact of non-performing loan ratios and other credit quality indicators on their lending conditions for loans to firms and for consumer credit in the first quarter of 2025, while the impact for housing loans was neutral. Higher perceived risks, pressures related to supervisory or regulatory requirements and lower risk tolerance were the key factors for reporting a tightening impact. For the second quarter of 2025, banks expect a further tightening impact of credit quality on their lending conditions for loans to firms and for consumer credit and a very small tightening of lending conditions for housing loans.

Banks reported a further negative net impact of the past and expected ECB key interest rate decisions on their net interest margins over the past six months, while the impact via volumes remained slightly negative. Banks expect a similar negative net impact of ECB key interest rate decisions on their margins over the next six months, which is expected to drag down overall profitability despite the slightly positive contribution from asset volumes. Interest rate decisions have contributed to containing, but not

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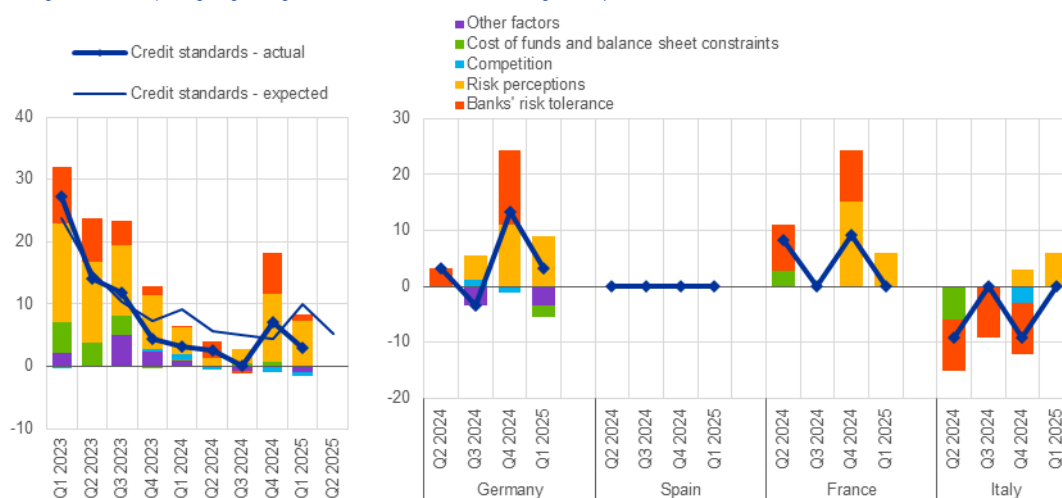
removing, the pressure on bank profitability from higher expected provisions and impairments, given that banks reported a slightly positive impact of rate decisions over the past six months and no expected impact for the next six months, after more than a year of increasing provisioning needs.

The quarterly BLS was developed by the Eurosystem to improve its understanding of bank lending behaviour in the euro area. The results reported in the April 2025 survey relate to changes observed in the first quarter of 2025 and changes expected in the second quarter of 2025, unless otherwise indicated. A total of 155 banks were surveyed in this round, with a response rate of 99%.

### Chart 1

#### Changes in credit standards for loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting a tightening of credit standards, and contributing factors)



Source: ECB (BLS).

Notes: 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". The net percentages for "Other factors" refer to an average of the further factors which were mentioned by banks as having contributed to changes in credit standards. [Data for the euro area](#) and [for the largest four euro area countries](#).

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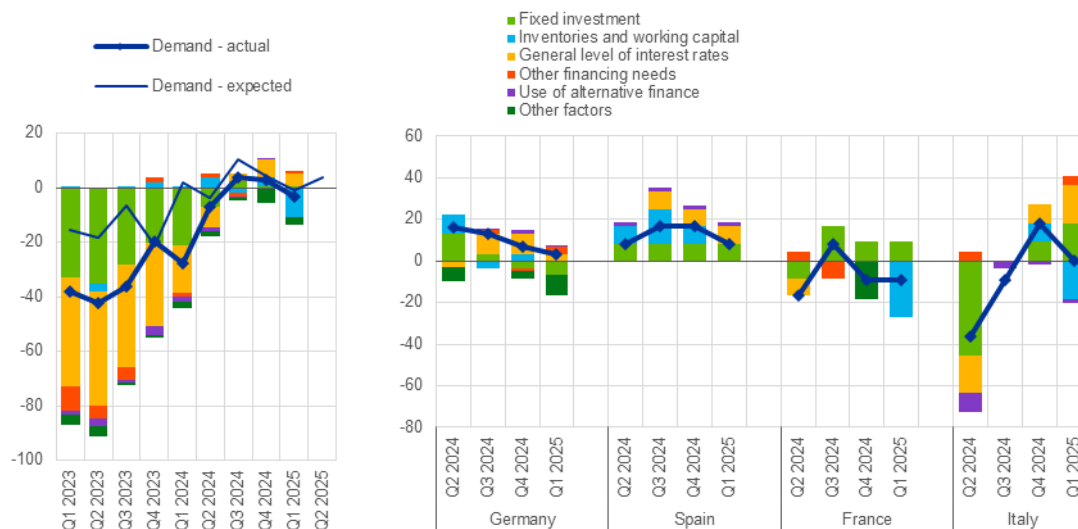
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## Chart 2

### Changes in demand for loans or credit lines to enterprises, and contributing factors

(net percentages of banks reporting an increase in demand, and contributing factors)



Source: ECB (BLS).

Notes: Net percentages for the questions on demand for loans are defined as the difference between the sum of the percentages of banks responding "increased considerably" and "increased somewhat" and the sum of the percentages of banks responding "decreased somewhat" and "decreased considerably". The net percentages for "Other factors" refer to an average of the further factors which were mentioned by banks as having contributed to changes in loan demand. [Data for the euro area and for the largest four euro area countries.](#)

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## Notes

- [A report on this survey round](#) is available on the ECB's website, along with [a copy of the questionnaire](#), [a glossary of BLS terms](#) and [a BLS user guide](#) with information on the BLS series keys.
- **The euro area and national data series** are available on the ECB's website via the [ECB Data Portal](#). [National results](#), as published by the respective national central banks, can be obtained via the ECB's website.
- **For more detailed information** on the BLS, see Köhler-Ulbrich, P., Dimou, M., Ferrante, L. and Parle, C., "[Happy anniversary, BLS – 20 years of the euro area bank lending survey](#)", *Economic Bulletin*, Issue 7, ECB, 2023, and Huennekens, F. and Köhler-Ulbrich, P., "[What information does the euro area bank lending survey provide on future loan developments?](#)", *Economic Bulletin*, Issue 8, ECB, 2022.

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