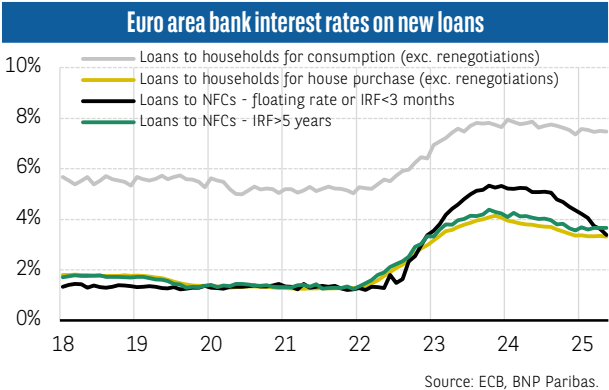
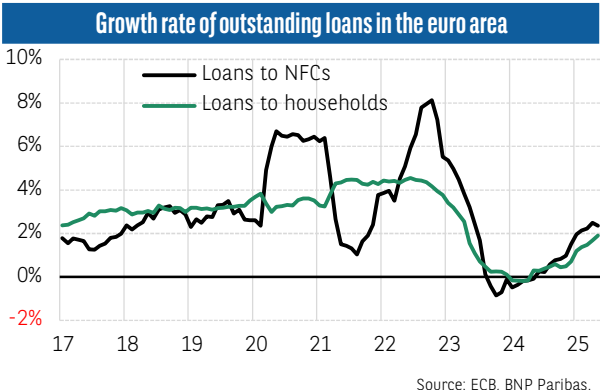


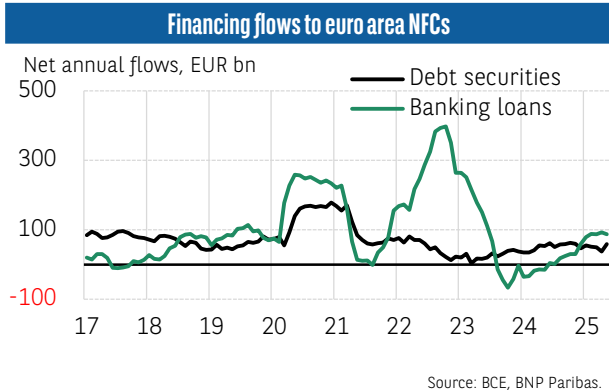
Eurozone: Slowdown in corporate lending, acceleration in household lending



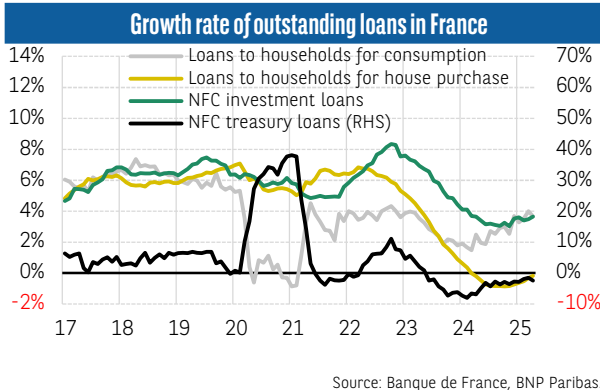
The decline in borrowing rates in the eurozone resumed, except for investment loans. New investment loan rates (IRF > 5 years) to non-financial corporations in the eurozone remained stable in May 2025, at 3.67%, for the third consecutive month. By contrast, rates on new treasury loans (variable rate and IRF < 3 months) to corporates continued to fall (-25 bps m/m) to 3.38%. Rates on new loans for house purchases and loans for consumption to households also declined, but much more modestly (-2 bps m/m). They stood at 3.32% and 7.48%, respectively.



Loans to corporates slowed down, while loans to households continued to accelerate. Year-on-year growth in outstanding bank loans to corporates in the eurozone fell in May 2025 to 2.4% (-14 bps m/m). This was the first decline since January 2024. The decline was solely due to weaker growth in short-term loans (maturity < 1 year), which fell from 5.6% in April to 4.5% in May. Investment loans continued their modest acceleration (+8 bps m/m). Growth stood at 1.4% in May, a historically low level (3.3% on average over the past ten years). Loans to households continued to accelerate in May (1.9%, +21 bp m/m) but remain historically sluggish. Loans for consumption were stable from one month to the next (4%).



Bank financing flows to eurozone companies slowed, while market flows increased. Net bank lending to eurozone corporates, measured on a year-on-year basis, declined in May 2025 (-6% m/m) to EUR 87 billion. Excluding the crisis period, however, this level remains relatively high. By contrast, net debt securities issuance, measured on a year-on-year basis, picked up significantly in May (+57% month-on-month), albeit from low levels. Over the coming months, the stabilisation of interest rates at a higher level than during the low-interest rate era should be more favourable to bank financing.



Bank financing flows to eurozone companies slowed, while market flows increased. Net bank lending to eurozone corporates, measured on a year-on-year basis, declined in May 2025 (-6% m/m) to EUR 87 billion. Excluding the crisis period, however, this level remains relatively high. By contrast, net debt securities issuance, measured on a year-on-year basis, picked up significantly in May (+57% month-on-month), albeit from low levels. Over the coming months, the stabilisation of interest rates at a higher level than during the low-interest rate era should be more favourable to bank financing.

