

# ABI MONTHLY REPORT<sup>1</sup> – May 2025

## (Main evidence)

Since October 2023, market rates have gradually declined following the ECB's cuts.

### MARKET RATES

In the first 15 days of May 2025:

1. **The 3-month Euribor rate** averaged **2.14%**, down 11 basis points from April 2025 (2.25%) and 70 basis points lower than December 2024 (**2.84%**).
2. **The gross six-month BOT rate** was on average **1.96%** decreasing by 12 basis points compared to April (2.08%) and 66 basis points lower than December 2024 (2.62%).
3. **The 10-year IRS rate** (widely used in mortgages) averaged **2.53%** stable compared to April (2.53%) and up 30 basis points from December 2024 (**2.23%**).
4. **The gross BTP rate** was on average **3.64%**, down 7 basis points from April (**3.71%**) and up 30 basis points from December 2024 (**3.34%**).

### LENDING INTEREST RATES

#### 5. In April 2025:

- **the average rate on new business loans decreased to 3.82%** from 3.92% in the previous month and 5.45% in December 2023;
- **the average rate on new loans for house purchasing was 3.29%** (3.14% in the previous month; 4.42% in December 2023) affected by the increase in the IRS rate recorded last March;

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<sup>1</sup> The ABI monthly report makes available a series of quantitative information before any other survey regarding the same data. This is possible because the banks themselves have produced this information.

- **the average rate on total loans** (i.e., those agreed upon over the years) **decreased to 4.13%** from 4.21% in the previous month (cf. Table 1).

#### INTEREST RATES ON BANKING FUNDING

6. The **interest rate on new deposits with agreed maturity** (i.e. certificates of deposit and time deposits) in April 2025 **was 2.37%**. In March this interest rate was higher than the euro area average (2.49% in Italy; 2.25% in euro area). **Compared to June 2022**, when the interest rate was 0.29% (the last month before the start of the official interest rate hikes) **the increase is 208 basis points**.
7. **The yield on new fixed-rate bond issues in April 2025 was 3.27%** with an increase of 196 basis points compared to 1.31% in June 2022.
8. In April 2025, **the interest rate on total amounts of deposits** (current accounts, savings deposits and certificates of deposit), **was 0.73%** (0.79% in the previous month; 0.32% in June 2022).
9. **The interest rate on current account deposits**, which does not have the function of investment and allows the use of a multitude of services, **was 0.35%** (0.38% in the previous month; 0.02% in June 2022) (cf. Table 2).

#### SPREAD BETWEEN LENDING RATE AND FUNDING RATE

10. The **spread on new business** (calculated as the difference between the rates on new loans and new funding) with household and non-financial corporations **in Italy**, in April 2025 was **179 basis points**.

#### STOCK OF CUSTOMER FUNDING

11. **Indirect funding**, i.e. investments in securities held by banks (both under management and held directly by customers) **increased of 131 billion between March 2024 and March 2025** (29.4 billion attributable to households, 15.3 to non-financial corporations and the remaining to other sectors, financial companies, insurance companies, public administration).
12. In April 2025 **deposits**, in their various forms, **increased by 1.9% yoy** (+1.8% in the previous month).

13. **Medium and long-term funding**, i.e. through bonds, in April 2025 remained substantially stable compared to a year earlier (0.1%; +3.1% in the previous month).
14. In April 2025, **total funding** (deposits from resident customers and bonds) **increased by 1.7%** yoy continuing the positive trend observed since the beginning of 2024 (+2.0% in the previous month; cf. *Table 3*).

#### **BANK LENDING**

15. In April 2025, **the stock of loans to households and non-financial corporations**, for the first time since March 2023, increased by 0.3% compared to a year earlier (in the previous month the change was zero; cf. *Table 4*); **in March 2025 loans to non-financial corporations were down by 1.1% yoy while those to households increased by 1.1%**.

#### **CREDIT QUALITY**

16. **In March 2025, net non-performing loans** (i.e., the total of bad loans, unlikely-to-pay exposures, and past due and/or overdrawn exposures, calculated net of write-downs and provisions already made by the banks) decreased to **31.0 billion euros** from 31.3 billion in December 2024 (30.5 billion in December 2023). Compared to their peak level of 196.3 billion reached in 2015, they have decreased by over 165 billion.
17. **In March 2025, net non-performing loans represented 1.51% of total loans.** This ratio remained unchanged compared to December 2024 (1.41% in December 2023; 9.8% in 2015; cf. *Table 5*).

**Table 1**

<b>Italy: bank interest rates on lending and benchmark yields (Monthly average - % figures)</b>										
	Bank interest rates on loans in euro to households and non-financial corporations in Italy			ECB interest rates <sup>2</sup>		Interbank rates for the Eurozone		3-Month interbank rates		
	Total <sup>1</sup> (amounts)			deposit facility rate	interest rates on the main refinancing operations	3-Month Euribor	10-year IRS	USA	Japan	UK
	Of which: to non-financial corporations (new business)	Of which: to households for the purchase of houses (new business)								
<b>Apr-20</b>	2,43	1,06	1,40	-0,50	0,00	-0,25	-0,01	1,10	0,00	0,60
<b>Apr-21</b>	2,23	1,19	1,38	-0,50	0,00	-0,54	0,07	0,19	-0,07	0,10
<b>Apr-22</b>	2,16	1,23	1,81	-0,50	0,00	-0,45	1,50	1,10	-0,05	1,16
<b>Apr-23</b>	4,00	4,52	4,17	3,00	3,50	3,17	3,00	5,25	0,00	4,60
<b>Apr-24</b>	4,81	5,30	3,67	4,00	4,50	3,89	2,76	5,44	0,11	5,23
<b>May-24</b>	4,80	5,38	3,61	4,00	4,50	3,81	2,80	5,49	0,12	5,26
<b>Jun-24</b>	4,77	5,26	3,55	3,75	4,25	3,73	2,79	5,47	0,13	5,23
<b>Jul-24</b>	4,74	5,28	3,44	3,75	4,25	3,69	2,74	5,42	0,15	5,16
<b>Aug-24</b>	4,72	5,13	3,59	3,75	4,25	3,55	2,50	5,25	0,25	5,01
<b>Sep-24</b>	4,70	4,90	3,31	3,50	3,65	3,43	2,42	4,95	0,26	4,94
<b>Oct-24</b>	4,62	4,70	3,27	3,25	3,40	3,17	2,42	4,76	0,26	4,85
<b>Nov-24</b>	4,55	4,53	3,23	3,25	3,40	3,01	2,32	4,63	0,30	4,84
<b>Dec-24</b>	4,44	4,40	3,11	3,00	3,15	2,82	2,23	4,51	0,38	4,83
<b>Jan-25</b>	4,32	4,13	3,12	3,00	3,15	2,71	2,49	4,43	0,39	4,69
<b>Feb-25</b>	4,28	3,99	3,18	2,75	2,90	2,53	2,38	4,45	0,39	4,54
<b>Mar-25</b>	4,21	3,92	3,14	2,50	2,65	2,44	2,67	4,55	0,39	4,45
<b>Apr-25</b>	4,13	4,53	3,29	2,25	2,40	2,24	2,52	4,41	0,39	4,35

Notes: for bank rates, latest month of SI-ABI estimates.

(1) Weighted average rate

(2) End of period data

Source: Data processed by the Ufficio Analisi Economiche ABI on data of the Bank of Italy and SI-ABI

**Table 2**

Italy: interest rates on funding (Monthly average - % figures)													
	Bank interest rates: households and non-financial corporations							Gross yield of Government bonds in the secondary market			Yield at issue of postal funding		
	(ESCB harmonised statistics)							BOT	CCT	BTP	Deposits in euro	Average annual yield on 1 <sup>st</sup> year	Average annual yield on 5 <sup>th</sup> year
	Deposits in euro	Deposits in CA in euro	Bonds	Funding (deposits, repos and bonds) <sup>1</sup>	Deposits with agreed maturity	Bonds	Funding <sup>2</sup>						
	(outstanding amounts)				new business								
<b>Apr-20</b>	0,36	0,03	2,13	0,56	0,83	0,50	0,43	0,25	1,15	1,86	1,25	0,05	0,31
<b>Apr-21</b>	0,32	0,03	1,82	0,47	0,72	1,87	0,61	-0,50	-0,17	0,86	0,30	0,05	0,10
<b>Apr-22</b>	0,32	0,02	1,72	0,45	0,47	1,29	0,48	-0,48	-0,06	1,96	0,30	0,05	0,20
<b>Apr-23</b>	0,64	0,29	2,39	0,81	2,93	5,05	3,61	3,23	3,73	3,83	2,50	0,50	0,85
<b>Apr-24</b>	1,04	0,57	2,86	1,26	3,59	3,72	3,59	3,64	4,70	3,59	0,00	0,50	1,00
<b>May-24</b>	1,04	0,58	2,86	1,27	3,50	3,88	3,55	3,62	4,62	3,60	0,00	0,50	1,00
<b>Jun-24</b>	1,03	0,57	2,92	1,26	3,49	3,56	3,46	3,56	4,73	3,70	0,00	0,50	1,00
<b>Jul-24</b>	1,01	0,53	2,88	1,24	3,47	2,90	3,26	3,46	4,68	3,60	0,00	0,50	1,00
<b>Aug-24</b>	1,00	0,54	2,88	1,23	3,30	3,20	3,22	3,20	4,72	3,42	0,00	0,50	1,00
<b>Sep-24</b>	0,99	0,52	2,95	1,23	3,35	2,98	3,20	3,07	4,68	3,31	0,00	0,50	0,70
<b>Oct-24</b>	0,96	0,49	2,87	1,19	3,31	3,82	3,31	2,85	4,16	3,26	0,00	0,50	0,62
<b>Nov-24</b>	0,93	0,48	2,89	1,16	3,14	2,27	2,62	2,69	3,97	3,30	0,00	0,50	0,60
<b>Dec-24</b>	0,89	0,46	2,84	1,12	2,89	2,41	2,68	2,46	3,83	3,10	0,00	0,50	0,85
<b>Jan-25</b>	0,85	0,41	2,84	1,09	2,66	3,44	2,70	2,45	3,83	3,37	0,00	0,75	1,05
<b>Feb-25</b>	0,82	0,39	2,81	1,06	2,62	2,07	2,38	2,31	3,82	3,28	0,00	0,75	1,05
<b>Mar-25</b>	0,79	0,38	2,95	1,05	2,49	3,31	2,53	2,24	3,86	3,52	0,00	0,75	1,05
<b>Apr-25</b>	0,73	0,35	2,84	0,98	2,37	3,27	2,44	<i>n.d.</i>	<i>n.d.</i>	<i>n.d.</i>	0,00	0,75	1,05

Note: for banking rates latest available month for SI-ABI estimates.

(1) Weighted average rate (2) are included: deposits in CA, Deposits with agreed maturity, Deposits redeemable at notice, Repos, bonds

Source: Data processed by the Ufficio Analisi Economiche ABI on data of the Bank of Italy and SI-ABI

**Table 3**

<b>Deposits and bonds from bank customers in Italy</b>						
	<b>Funding (deposits and bonds)</b>		<b>Resident customers' deposits<sup>1</sup></b>		<b>Bonds<sup>2</sup></b>	
	Billion €	yoy	Billion €	yoy	Billion €	yoy
<b>Apr-20</b>	1.851,3	5,2	1.620,4	6,7	231,0	-4,3
<b>Apr-21</b>	1.978,5	6,9	1.766,1	9,0	212,3	-8,1
<b>Apr-22</b>	2.062,0	4,2	1.863,9	5,5	198,1	-6,7
<b>Apr-23</b>	2.017,9	-2,1	1.801,9	-3,3	216,0	9,0
<b>Apr-24</b>	2.039,8	1,1	1.777,0	-1,4	262,9	21,7
<b>May-24</b>	2.045,2	2,1	1.780,8	0,0	264,4	18,4
<b>Jun-24</b>	2.079,8	4,4	1.814,3	3,0	265,5	14,7
<b>Jul-24</b>	2.036,8	2,7	1.774,0	1,3	262,9	13,3
<b>Aug-24</b>	2.049,6	3,3	1.788,0	2,1	261,6	12,0
<b>Sep-24</b>	2.045,9	1,6	1.785,2	0,5	260,7	9,6
<b>Oct-24</b>	2.051,6	3,4	1.790,7	2,6	260,9	8,9
<b>Nov-24</b>	2.081,8	4,8	1.817,4	4,5	264,4	7,2
<b>Dec-24</b>	2.095,6	2,7	1.830,5	2,0	265,1	7,2
<b>Jan-25</b>	2.069,2	2,7	1.803,5	2,2	265,7	6,1
<b>Feb-25</b>	2.062,2	2,1	1.795,2	1,5	267,0	6,3
<b>Mar-25</b>	2.080,3	2,0	1.814,3	1,8	266,0	3,1
<b>Apr-25</b>	2.074,2	1,7	1.811,2	1,9	263,0	0,1

Notes: latest month of SI-ABI estimates.

(1) Deposits from ordinary private resident customers, excluding MFI and Central Public Authorities. It includes current accounts, preestablished term deposits, notice refundable deposits and repurchase agreements. The data are netted against operations with central counterparties, deposits with agreed maturity connected with receivables assignment transactions.

(2) Recorded at nominal value and expressed in euro, they include subordinated liabilities and do not include bonds purchased from banks. They refer to resident and non-resident customers.

**Table 4**

<b>Lending of the banks in Italy (except interbank) *</b>						
	<b>Total lending Private sector and PA *</b>		<b>Private sector *</b>		<b>of which: to households and non-financial corporation</b>	
	Billion €	yoy <sup>(1)</sup>	Billion €	yoy <sup>(1)</sup>	Billion €	yoy <sup>(1)</sup>
<b>Apr-20</b>	1.688,0	1,2	1.422,1	1,5	1.282,4	1,5
<b>Apr-21</b>	1.713,5	3,2	1.448,1	3,7	1.312,4	4,3
<b>Apr-22</b>	1.737,6	2,1	1.475,9	2,7	1.330,3	2,7
<b>Apr-23</b>	1.696,3	-1,1	1.449,0	-0,4	1.313,3	-0,1
<b>Apr-24</b>	1.647,1	-2,5	1.411,1	-2,2	1.277,5	-2,3
<b>May-24</b>	1.643,9	-2,8	1.409,9	-2,0	1.277,1	-2,1
<b>Jun-24</b>	1.651,8	-2,1	1.417,8	-1,6	1.274,3	-2,2
<b>Jul-24</b>	1.647,0	-2,0	1.412,4	-1,6	1.271,7	-2,2
<b>Aug-24</b>	1.632,2	-1,9	1.398,2	-1,5	1.261,0	-2,0
<b>Sep-24</b>	1.638,0	-1,4	1.404,9	-0,9	1.264,1	-1,4
<b>Oct-24</b>	1.633,2	-1,3	1.399,3	-1,0	1.261,9	-1,6
<b>Nov-24</b>	1.637,4	-1,5	1.405,2	-1,1	1.265,0	-1,8
<b>Dec-24</b>	1.648,9	-1,1	1.416,6	-0,3	1.266,9	-1,0
<b>Jan-25</b>	1.638,8	-0,7	1.405,9	-0,3	1.264,4	-0,8
<b>Feb-25</b>	1.636,5	-0,4	1.404,9	0,0	1.264,4	-0,6
<b>Mar-25</b>	1.644,3	-0,1	1.415,9	0,5	1.271,5	0,0
<b>Apr-25</b>	1.645,5	0,5	1.417,0	1,1	1.272,0	0,3

Notes: latest month of SI-ABI estimates.

\* Including gross bad loans and reverse repurchase agreements. Private sector: non-financial corporations, consumer and producer households, non-profit entities, other financial institutions, insurance companies and pension funds. The data are netted against central counterparties' operations.

(1) Variations calculated to include loans not recognised in the bank balance sheets in that they were securitised and are net of variations not related to the transactions (e.g. variations resulting from exchange rate fluctuations, value adjustments or reclassifications).

Source: Data processed by the Ufficio Analisi Economiche ABI on data of the Bank of Italy and SI-ABI.

**Table 5**

<b>Net non-performing loans*</b>		
	<b>Amounts</b>	<b>As % of total loans</b>
	(Billion €)	(% figures)
<b>2020</b>	50,5	2,20
<b>2021</b>	40,1	1,67
<b>2022</b>	33,1	1,46
<b>2023</b>	30,5	1,41
<b>Mar-24</b>	30,6	1,45
<b>Jun-24</b>	31,9	1,51
<b>Sep-24</b>	32,1	1,54
<b>Dec-24</b>	31,3	1,51
<b>Mar-25</b>	31,0	1,51

*\* include bad loans, unlikely-to-pay exposures, and past due and/or overdrawn exposures*

*Source: Data processed by the Ufficio Analisi Economiche ABI on Bank of Italy quarterly data up to December 2024 and ABI estimates for March 25*



