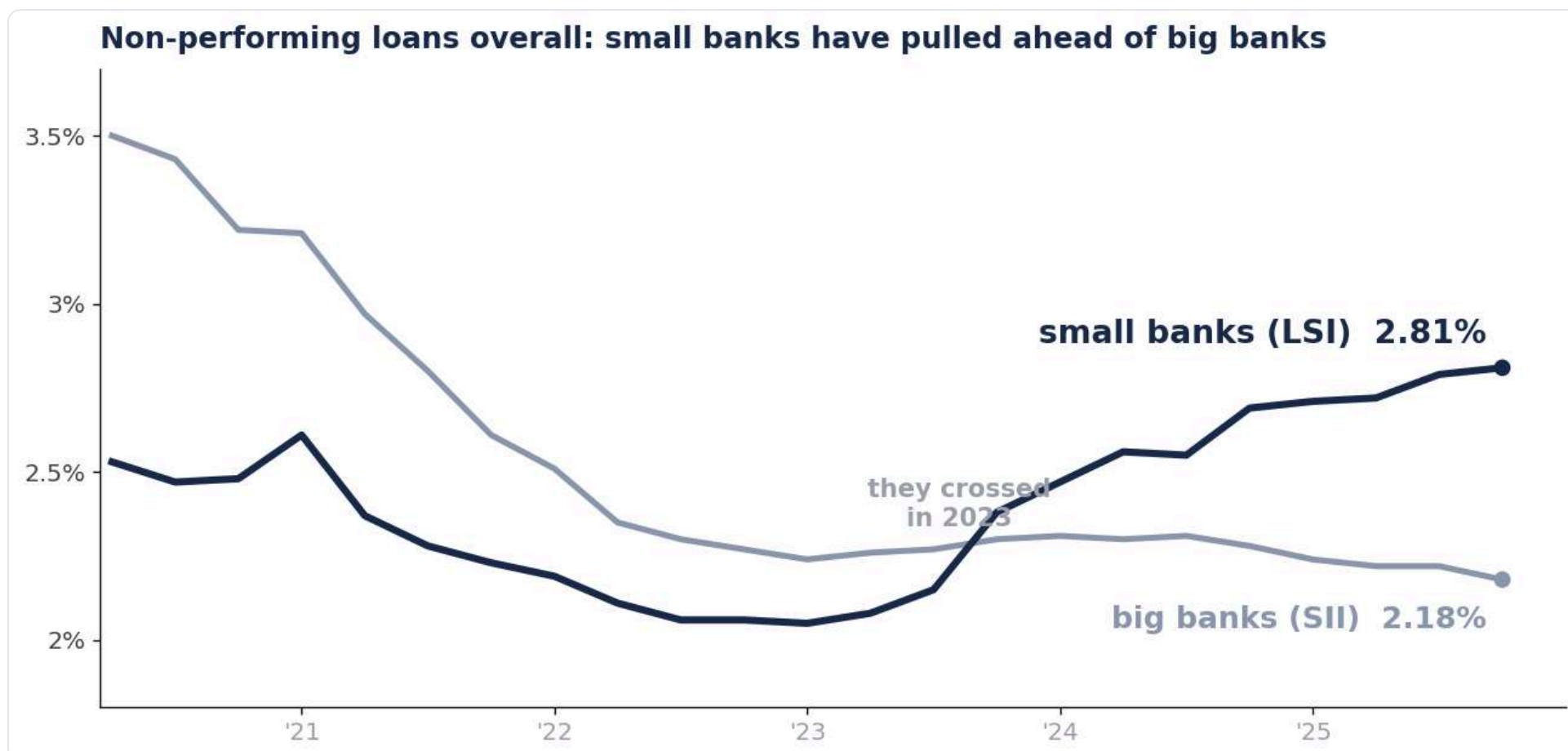


# A calm number, hiding where the stress is

Euro-area non-performing loans are near a decade low. But split the big banks from the small, and the small banks have pulled ahead.



Non-performing loans as a share of all loans, big banks (SII) versus small banks (LSI). Same quarter, Q4 2025. See methodology.

Read the all-bank number, and asset quality looks repaired: about **2%** of loans are non-performing, the lowest on record.

Split by bank size, though, and it flips. In 2020 the small banks were the cleaner ones. They crossed above the big banks in 2023, and at **2.81%** their non-performing-loan ratio now sits above the big banks' **2.18%**, and is still rising.

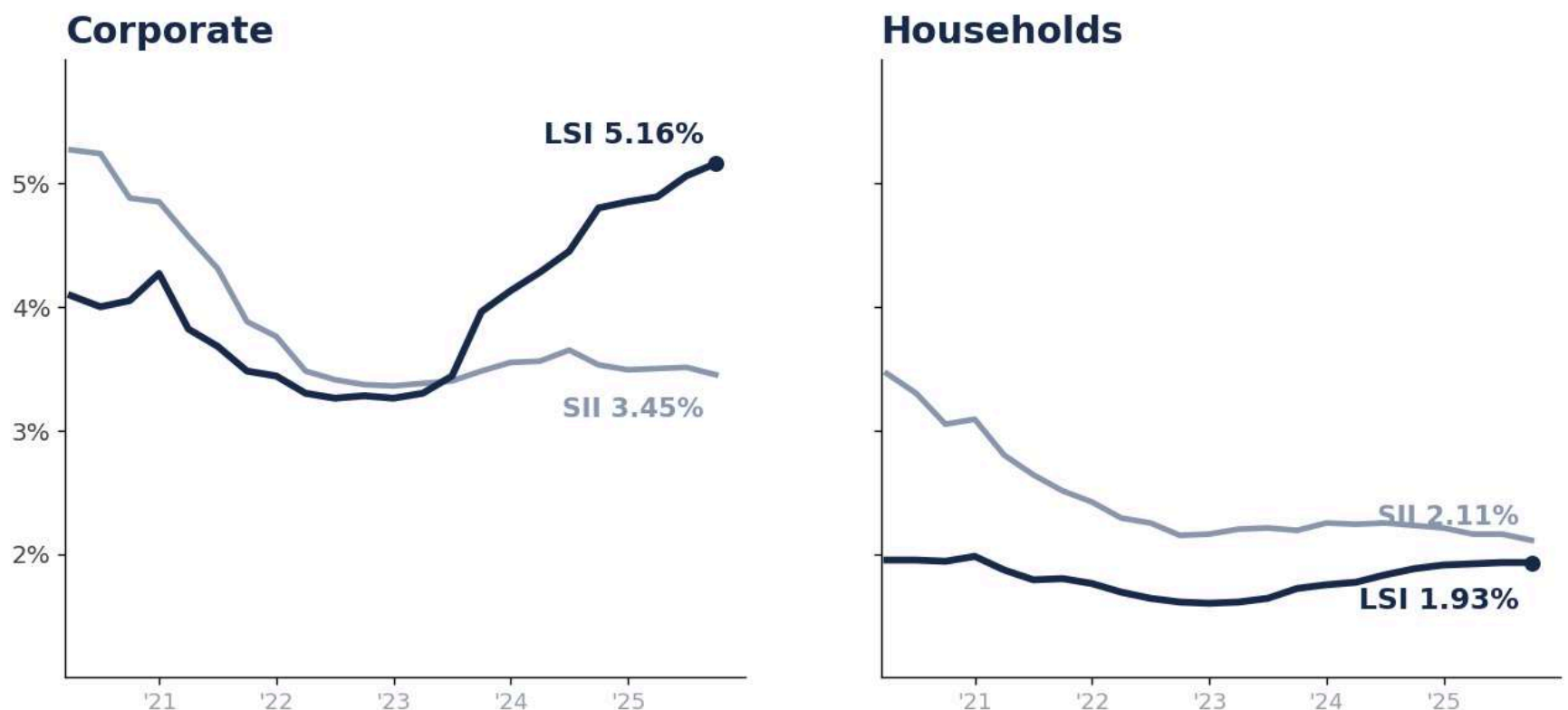
**The small banks have gone from cleaner than the big banks to worse, and the gap is widening.**

Source: ECB Supervisory Banking Statistics, via the ECB SDMX API. See methodology.

# The stress is on the corporate side

Split the small banks' book and only one half is moving.

Within the small banks, only the corporate book is turning



Small-bank (LSI) and big-bank (SII) non-performing loans, the corporate and household books shown on the same scale. Q4 2025.

Their corporate non-performing loans have run from **3.9%** at the end of 2023 to **5.16%**, up by about a third, while the big banks held near **3.45%**.

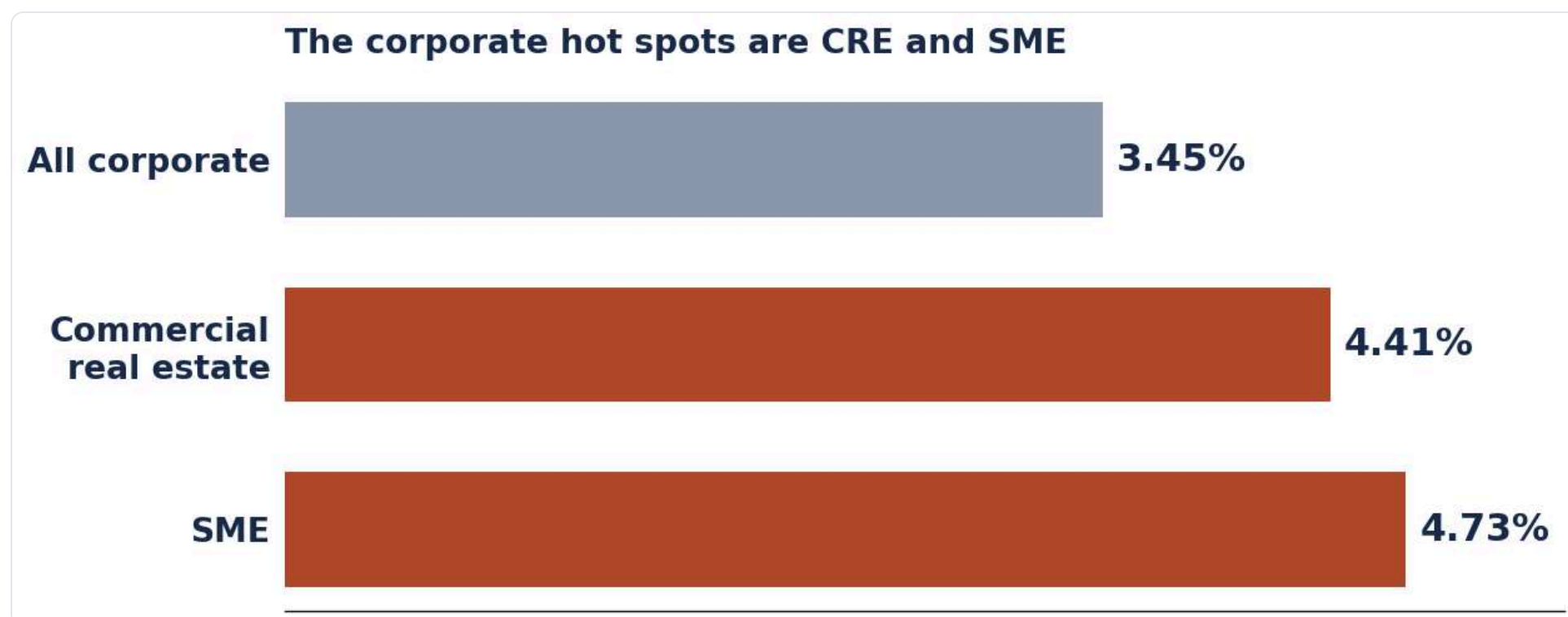
Their household book, by contrast, has not moved, **1.93%**, slightly lower than five years ago. The whole divergence is corporate.

The consumer book is steady. The corporate book is the engine.

Source: ECB supervisory banking data, via the ECB SDMX API, Q4 2025. See methodology.

# What is under stress: property and small firms

Two corporate corners carry the stress: commercial real estate and small-business loans.



*Non-performing loan ratios at the big banks (SII), where the ECB publishes the sub-sector split, Q4 2025. The small banks' own CRE and SME split is not published euro-area-wide; the Austrian read below is the concrete small-bank example.*

Even at the big banks, those two run above the corporate average. The ECB's 2025 review flags rising commercial-property stress "particularly in Germany, Austria, Estonia and Luxembourg", and SME exposures as "a source of concern".

At the small banks it is sharper. In Austria, their commercial-property NPL ratio reached **8.3%** and SME **6.3%** in 2025.

**Commercial real estate and small-business lending: the two corners under the most pressure.**

Rates: ECB supervisory data (SDMX API), Q4 2025. Context: [ECB SREP 2025](#); [OeNB FSR 51](#) (Apr 2026). See methodology.

# In the supervisors' own words

The qualitative read from the supervisors matches the numbers.

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**Commercial-property issues "continued to weigh on asset quality, particularly in jurisdictions with historically low NPLs such as Germany, Austria, Estonia and Luxembourg."**

ECB, Supervisory Review (SREP) 2025

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**"SME exposures remained a source of concern, as corporate insolvencies... remained elevated... particularly for highly leveraged firms and export-oriented sectors (automotive, chemical, pharmaceutical)."**

ECB, Supervisory Review (SREP) 2025

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**"The loan quality of small and medium-sized enterprises and commercial real estate companies remains strained."**

OeNB (Austria's central bank), Financial Stability Report 51, April 2026

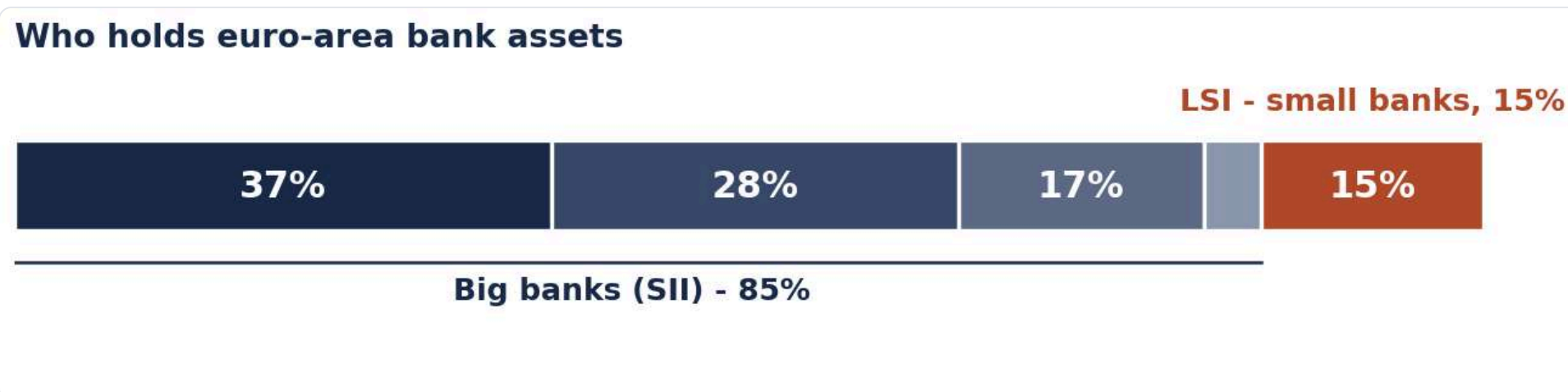
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**Supervisors have acted: tailored letters went to banks, with most measures due by end-2026.**

Sources: [ECB SREP 2025](#); [OeNB FSR 51 \(Apr 2026\)](#).

# But keep it in proportion

The small banks are only 15% of euro-area bank assets, so the average hides them.



*Euro-area supervised bank assets by type, Q4 2025.*

A sharp move in a 15% slice barely shifts the all-bank average, which is why the headline stays calm.

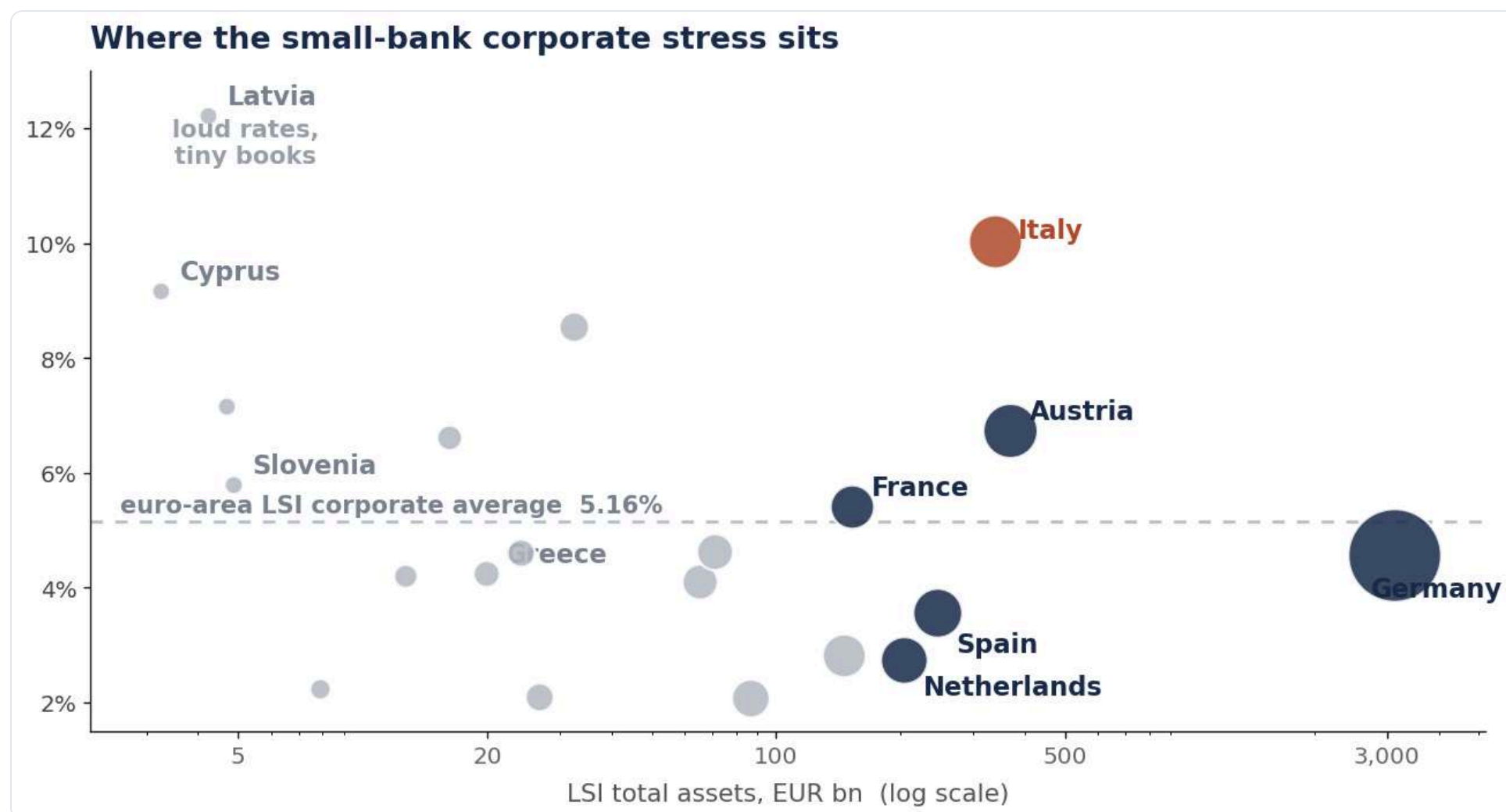
One linkage to watch: if the big banks fund these smaller lenders, that 15% understates the connection. A separate check, and not one we have run yet.

**15% of the system, but this is where the corporate stress is concentrated.**

Source: ECB supervisory banking data, via the ECB SDMX API, Q4 2025. See methodology.

# Where it lives

A few specific systems, not simply the big countries.



Each dot is a country's small-bank (LSI) sector. Horizontal = published LSI total assets (log scale), dot size scales with it; vertical = published corporate NPL rate. Euro NPL volumes are not estimated. Q4 2025.

The loudest rates, Cyprus, Latvia, Slovenia, sit on books too small to matter. The real pockets are three: **Germany**, much the largest book at 63% of small-bank assets but a moderate **4.6%**; **Italy**, the highest rate at **10.0%**; and **Austria** at **6.7%**. Spain and the Netherlands are large systems that stayed clean. Italy stands out by rate, yet Banca d'Italia's 2025 stress tests still judged its small banks "overall resilient".

Households stay calm in the big systems (Germany 1.6%, Netherlands 0.7%); only small markets like Greece run hot. The euro-area signal is corporate.

Sources: ECB supervisory banking data (SDMX API), Q4 2025; Banca d'Italia FSR No.2 2025. See methodology.

# The backdrop: more firms failing

Corporate failures have turned up across exactly the three systems showing the bank stress.

**+57%**

Germany: May 2026 corporate insolvencies vs the 2016-19 pre-pandemic May average (IWH early indicator)

**6,810**

Austria: full-year 2025, +3.4% on 2024 and a fresh high; property-sector failures +35%

**+38%**

Italy: 2025 versus 2024, among the steepest rises in Europe (Allianz Trade)

Germany matters most: it holds 63% of the small banks' book, and its corporate insolvencies lead their loan losses. The IWH monthly tracker, an early indicator, had them **57%** above the pre-pandemic norm in May 2026; the full-year 2025 count, **23,900**, was the most since 2014. Property is the common thread, in Austria most large insolvencies were real-estate-linked.

The ECB's May 2026 Financial Stability Review notes insolvencies "have risen sharply", while still finding "no evidence of a broad-based underestimation of corporate credit risk".

**Failures are rising across all three stress pockets, with property the common thread. A cycle to watch, rather than a system in trouble.**

Sources: [IWH Insolvenztrend](#) (May 2026); [Reuters/Destatis](#) (Dec 2025); [KSV1870](#) (Jan 2026); [Allianz Trade](#) (Oct 2025); [ECB FSR](#) (May 2026).

# Data and coverage

Where the numbers come from, and the one timing rule that governs the comparisons.

## Data source

Extracted via the ECB SDMX REST API ([data-api.ecb.europa.eu/service/data/SUP/](https://data-api.ecb.europa.eu/service/data/SUP/)) on 20 June 2026, and cross-checked against the ECB Supervisory Banking Statistics quarterly publications. The publication links on the Sources page are the human-readable equivalent of the same SDMX records.

## Frequency and timing

These supervisory series are quarterly, the highest frequency available. Big-bank (SII) data runs to Q1 2026, released 19 June 2026. Small-bank (LSI) data is published one quarter later by design, so the latest is Q4 2025 (LSI Q1 2026 is due 16 July 2026). Every SII-versus-LSI comparison therefore uses the same quarter, Q4 2025.

## Coverage

SII and LSI together are the whole euro-area supervised banking system, about 1,920 banks and EUR 33.8 trillion of assets under the Single Supervisory Mechanism (109 significant banks at about 85% of assets, roughly 1,811 less-significant ones at about 15%). This is the complete sector, not a sample. A few bank-like activities sit outside it, branches of non-EU banks, standalone investment firms and money-market funds, but they are minor for a loan-book and NPL view.

## Segments, country view, and OeNB

CRE and SME NPL ratios are published at the big-bank level; the small-bank split is not published euro-area-wide, so Austria (OeNB, the Oesterreichische Nationalbank) is used as a concrete small-bank example. Country book size uses published LSI total assets; euro NPL volumes are not estimated.

### **Not just an API call, the full dataset is published.**

Every figure here is downloaded, cleaned and organised into eight tables (seven from the ECB API, plus the IWH insolvency series), each copyable as markdown in one click:

[tigzig.com/ecb-npl-data-tables](https://tigzig.com/ecb-npl-data-tables)

# Definitions

What the numbers mean, in the ECB's own terms.

## **Non-performing loan (NPL)**

A loan is non-performing when the borrower is "unlikely to repay", or when "more than 90 days have passed" without payment. It is a stock measure, the outstanding balance of non-performing loans as a share of gross loans (excluding central-bank cash), not a charge-off or loss rate. Comparable to a gross non-performing-asset ratio. (ECB and EBA definition.)

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## **Big banks (significant institutions, SII)**

The largest banking groups, supervised directly by the ECB, about 85% of euro-area bank assets. In the composition we combine the published categories: global systemically important banks (G-SIBs), universal and diversified lenders, retail and consumer lenders, and other significant institutions.

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## **Small banks (less significant institutions, LSI)**

Smaller banks supervised by national authorities under ECB oversight, about 15% of euro-area bank assets. In several countries these are savings and cooperative banks.

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# Sources

ECB and national primary data; every figure cross-checked to the published source.

## ECB Supervisory Banking Statistics

The bank-size and sector NPL data, the spine of this note. Pulled via the ECB SDMX API; Q1 2026 release for the big banks (19 June 2026), Q4 2025 for the small banks.

[bankingsupervision.europa.eu](https://bankingsupervision.europa.eu) · [data.ecb.europa.eu](https://data.ecb.europa.eu)

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## ECB SREP 2025 · OeNB Financial Stability Report 51 · ECB FSR May 2026

CRE stress "particularly in Germany, Austria, Estonia, Luxembourg"; SME "a source of concern" (ECB SREP, Nov 2025). Austria small-bank CRE 8.3% / SME 6.3% and "strained" (OeNB, Apr 2026). Insolvencies "risen sharply" (ECB FSR, May 2026).

[SREP 2025](#) · [OeNB FSR 51](#) · [ECB FSR](#)

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## Corporate insolvencies

Germany: IWH monthly early indicator 57% above the pre-pandemic norm, May 2026 (1,518 cases); full-year 2025 ~23,900 (+8.3%), highest since 2014. Austria 6,810 (+3.4%), property failures +35% (Jan 2026). Italy ~+38%, among Europe's steepest (Oct 2025).

[IWH Insolvenztrend](#) · [Reuters/Destatis](#) · [KSV1870](#) · [Allianz Trade](#)

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## Banca d'Italia Financial Stability Report No.2 2025

Italian small banks showed "overall resilience" in stress tests (Nov 2025).

[bancaditalia.it](https://bancaditalia.it)

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