17 February 2026

The Central Bank ("the Bank") is maintaining the countercyclical capital buffer (CCyB) rate on Irish exposures at 1.5 per cent. Today's announcement reflects no change to the Bank's policy stance for the CCyB. The Bank's strategy considers a CCyB rate of 1.5 per cent to be appropriate when cyclical risk conditions are neither elevated nor subdued.[1]

Maintaining the CCyB rate at 1.5 per cent is appropriate in the context of the current macro-financial environment. The domestic outlook points to steady but more moderate growth and continued low unemployment. The outlook for the global economy continues to be influenced by geopolitical developments as trade tensions, market volatility and related uncertainty pose substantial downside risks to the domestic economy. In the context of this uncertain macro-financial environment and heightened risks facing the domestic financial system, the CCyB provides an important layer of resilience.

Credit dynamics have remained robust in recent months. Aggregate bank credit has generally been strengthening but current growth rates do not exceed the pace of nominal modified domestic demand growth. Underlying these dynamics, lending for house purchase (driven by first-time buyers), consumer credit and NFC credit have all seen strong rates of credit growth in recent months. In contrast, SME credit growth remains negative. Household borrowers and businesses are in a relatively strong financial position and appear resilient. While pockets of vulnerability exist within borrowers, overall the domestic banking sector has maintained a robust capital position with limited signs of stress in terms of asset quality.

The Bank will continue to monitor developments closely. The CCyB could be increased above 1.5 per cent were the Bank to deem that cyclical risks reflect emerging imbalances or were elevated. On the other hand, having the CCyB in place provides scope for its release, should it be required in response to a materialisation of risks. Future CCyB rate decisions will be based on macro-financial conditions in a manner consistent with the Bank's strategy for the CCyB.

[1] For further information see the Central Bank's framework for macroprudential capital and CCyB addendum.