30 July 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 macro-financial environment. The domestic economy has displayed resilience in the face of more adverse external economic conditions and overall MDD forecasts are for continued growth for the coming years.[2] There are, however, signs of slowing momentum in certain areas with labour market data consistent with a slower pace of economic growth. The Central Bank's Business Cycle Indicator weakened somewhat during Q2, with negative contributions from traditional sector output, PMIs and weaker labour market data. More broadly, geopolitical tensions continue to shape the global economic outlook and the related uncertainty poses downside risks to the domestic economy.

Credit dynamics remain robust. Aggregate bank credit growth rates have remained strong but continue to be in line with the pace of domestic economic growth. Credit growth to households has been stable in recent months with new lending data pointing to ongoing strength in the mortgage market. While overall NFC credit growth remains positive, lending to SMEs remains muted. Banking sector conditions remain favourable, with indicators across capital, liquidity and asset quality pointing to ongoing strength and resilience.

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.
[2] Central Bank of Ireland, Quarterly Bulletin No.2 2026.