Chapter 6

Macroprudential policy

1 Macroprudential tools and stress tests

The Banco de España is responsible for helping to safeguard the overall stability of Spain's financial system against risks and vulnerabilities. To this end, macroprudential policy seeks to bolster banks' resilience so that they can continue to supply credit to households and businesses, even in adverse conditions, thereby contributing to broader economic stability. This objective can be pursued through a range of macroprudential tools, such as capital buffers.

In 2025 the Banco de España focused its macroprudential policy on strengthening banks' capital positions to ensure resilience against potential cyclical risks affecting the financial system as a whole.

— The countercyclical capital buffer (CCyB) and the buffers for Spanish global systemically important institutions (G-SIIs) and domestic (other) systemically important institutions (O-SIIs) are the Banco de España's primary tools for addressing the cyclical and structural risks, respectively, that may affect the financial system as a whole.

  The CCyB represents the level of capital that banks are required to hold based on cyclical systemic risk developments, and serves as a complement to structural buffers. Cyclical risks are a critical component of systemic risk, changing in tandem with the economic cycle. They increase during economic downturns or recessions and decrease in expansionary phases.

  Systemically important institutions are those which, in the event of solvency problems, may have adverse effects on the financial system and the economy, globally or domestically.

— The Banco de España also has other tools at its disposal, but so far has not needed to activate them. These include the sectoral CCyB for credit exposures to specific economic sectors, the systemic risk buffer (SyRB), limits on the sectoral concentration of credit exposures and the possibility of introducing borrower-based measures.

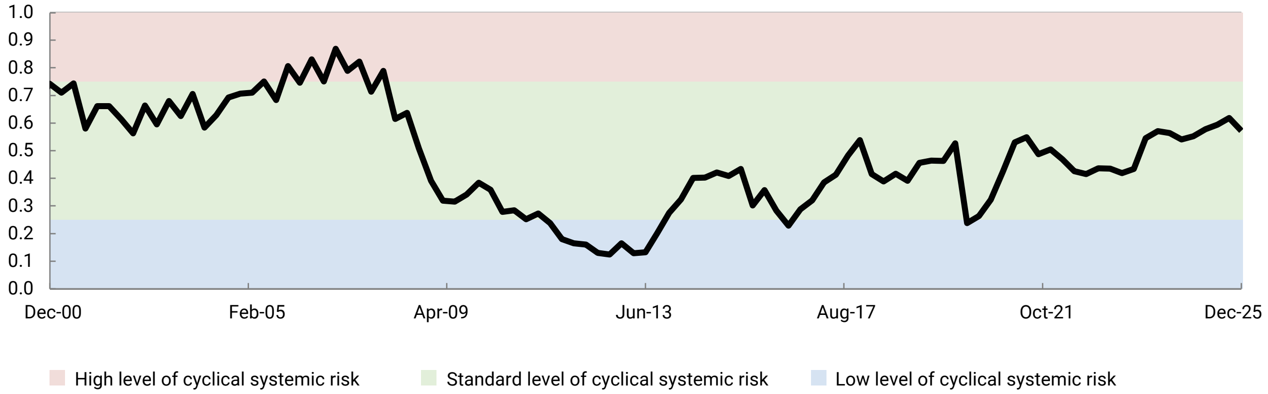
— Decisions on macroprudential measures are underpinned by ongoing monitoring of systemic vulnerabilities using statistical models and indicators, and by stress tests that simulate the effect of hypothetical adverse scenarios on banks' solvency.

1.1 Countercyclical capital buffer

In October 2025 the Banco de España approved an increase in the CCyB (from 0.5% to 1%), having assessed that the cyclical systemic risks across the financial system in Spain stood at an intermediate level.[1] This buffer requirement will apply from 1 October 2026.

1 Banco de España. (2024). *Revision of the framework for setting the countercyclical capital buffer in Spain*. Briefing note.

Chart 6.1
Overall composite indicator for cyclical systemic risks in Spain (a)



SOURCES: Banco de España, INE and Datastream. Latest observation: September 2025 (December 2025 data are provisional).

a The systemic indicator aggregates information from a set of 16 key indicators used to monitor cyclical systemic risk.

— The standard level of cyclical systemic risk is determined using a composite indicator which aggregates macro-financial, macroeconomic, Spanish financial market and banking system indicators. The blue, green and red shaded areas signal a low, standard or high level of cyclical or oscillating systemic risk, respectively (Chart 6.1).

— Other quantitative and qualitative information is also taken into account, such as banks' capacity to build up capital and the gap between existing and required capital levels, which confirms a standard risk level and the limited cost of raising the CCyB.

1.2 Systemically important institutions

In 2025 the Banco de España conducted the annual exercise of identifying and setting the capital buffers for G-SIIs and O-SIIs. The only change from 2024 was a reduction of 25 basis points in Banco Bilbao Vizcaya Argentaria's (BBVA) buffer.

— The systemic importance of each institution is determined by measuring a set of characteristics (e.g. interconnectedness with other institutions, substitutability of the services provided, complexity and cross-border activity) at a given date, using quantitative indicators that yield a score for each institution.

— These institutions are subject to additional capital requirements to bolster their resilience, encourage prudent risk-taking and offset any potential competitive advantage stemming from expectations of being bailed out in the event of difficulties, given their systemic nature.

Table 6.1
Spanish G-SIIs and O-SIIs and their capital buffers

Legal Entity Identifier	Institution	Designation (b)	2025 capital buffer requirement (%)	2026 capital buffer requirement (%)
5493006QMFDDMYWIAM13	Banco Santander, S.A.	G-SII and O-SII	1.25	1.25 (a)
K8MS7FD7N5Z2WQ51AZ71	Banco Bilbao Vizcaya Argentaria, S.A.	O-SII	1.00	0.75
7CUNS533WID6K7DGFI87	CaixaBank, S.A.	O-SII	0.50	0.50
SI5RG2MOWQQLZCXKRM20	Banco de Sabadell, S.A.	O-SII	0.25	0.25

SOURCE: Banco de España.

a When the same institution is designated as both a G-SII and an O-SII, the larger of the two buffers is applied.
b G-SIIs refers to global systemically important institutions and O-SIIs to other systemically important institutions.

- In July 2025 the Banco de España announced that in 2026 the same four institutions would be designated as O-SIIs as in 2025, setting the associated capital buffer rates for 2026 (Table 6.1).

- The sole change with respect to 2025 was the reduction in BBVA’s buffer from 1% to 0.75%, due to its lower systemic importance score,[2] which was largely attributable to a more pronounced decrease in the complexity and interconnectedness indicators, two of the four categories used to calculate O-SII scores.

- Subsequently, in December 2025, the Banco de España confirmed that it would continue to designate Banco Santander as a G-SII, setting its buffer requirement for 2027 at 1%, the same as for 2026.[3]

- Over the course of 2026, the Banco de España will update the list of O-SIIs and their capital buffer requirements for 2027, with Banco Santander likely to be included once more. Under current regulations, the effective capital buffer requirement for 2027 will be the higher of the G-SII and O-SII buffers.

1.3 Macroprudential stress tests

The stress tests conducted by the Banco de España in 2025 show that the Spanish banking sector maintains sufficient aggregate solvency to withstand the range of adverse scenarios and assumptions considered.

2 Banco de España. (2025). *The Banco de España updates the list of other systemically important institutions and sets their macroprudential capital buffer rates for 2026.*

3 Banco de España. (2025). *The Banco de España designates a Global Systemically Important Institution and sets its macroprudential capital buffer rate for 2027.*

— The Banco de España has an in-house stress testing framework, known as the Forward Looking Exercise on Spanish Banks,[4] which combines its own assumptions and models with highly granular regulatory information (see Section 2.6 of Chapter 3).

For macroprudential purposes, a dynamic assumption is used regarding changes in balance-sheet size, whereby each institution's loan portfolio evolves in line with aggregate growth in credit under the macroeconomic scenario. By contrast, in supervisory calculations, the balance-sheet size is assumed to remain unchanged.

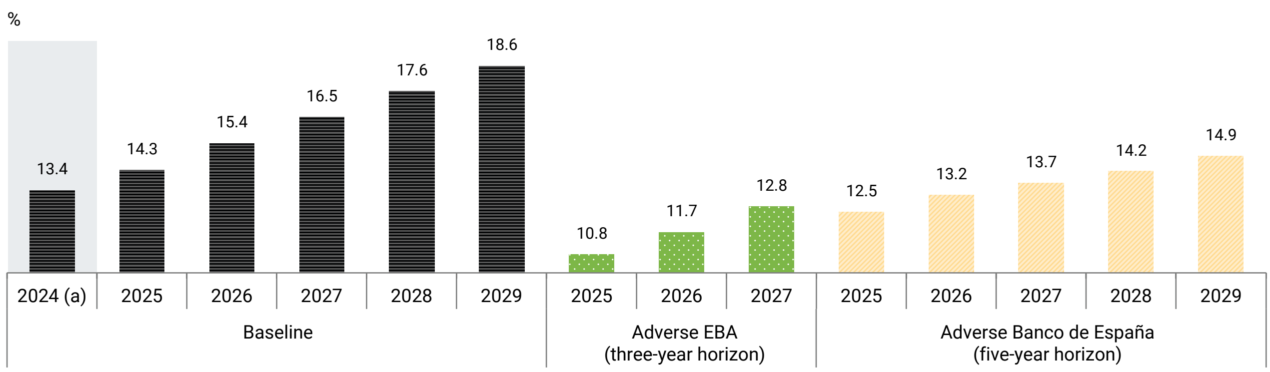
— In 2025 this framework was applied to a baseline scenario capturing the economic expectations at the time the assumptions were established, and to two hypothetical adverse scenarios.

The first of these adverse scenarios assumes a severe crisis with a significant impact on global supply and limited duration. It is the same as that used in the European Banking Authority's EU-wide stress-testing exercise, also conducted in 2025. The second, designed by the Banco de España, assumes a deflationary environment in Europe and a prolonged and persistent recession.[5]

— The combined use of the two scenarios provides a more comprehensive and robust assessment of the banking system's resilience, in an environment marked by heightened global uncertainty.

In all the scenarios, the Spanish banking sector shows sufficient resilience, with adequate levels of Common Equity Tier 1 (CET1) capital (Chart 6.2). Even under very severe macroeconomic conditions, similar to those observed during the global financial crisis, the results indicate that bank solvency would not fall to the levels then recorded, reflecting the banking sector's stronger loss-absorbing capacity.

Chart 6.2.
CET1 ratio under different scenarios



SOURCE: Banco de España.

a 2024 is taken as the starting point for projecting changes in CET1 capital under different scenarios.

4 Banco de España. (2013). *Financial Stability Report. November 2013.*

5 For further details about these scenarios, see Box 3.2 of the *Financial Stability Report. Autum 2025* and EBA.(2025).*The EBA launches its 2025 EU-wide stress test: press release.*

This is, among other factors, because banks are currently less exposed to real estate development activity, mortgage lending standards are more prudent and initial capital levels have practically doubled since 2007.

— The aggregate results of the stress tests should be viewed with caution, given the inherent uncertainty of these exercises (based on hypothetical scenarios) and the current high level of macro-financial uncertainty, which warrant ongoing monitoring for any signs of significant risk scenarios emerging.

1.4 Reciprocation of macroprudential measures

Following a request by Norway, the Banco de España reciprocated an SyRB macroprudential requirement in May 2025. Consequently, the Santander Group was required to apply a 4.5% systemic risk buffer rate to all exposures in Norway as of 1 September 2025.

1.5 Other macroprudential tools

No systemic imbalances were identified that would justify the activation of the other macroprudential tools available to the Banco de España.

— Throughout 2025 no signs of systemic risk were observed in credit exposures to non-financial corporations across economic sectors or to households that would warrant the activation of other macroprudential capital tools such as a sectoral CCyB, a sectoral or general SyRB and limits on the sectoral concentration of credit exposures.

— Moreover, there were no signs of credit standards easing for firms and households, nor of the associated systemic risks that would require the activation of borrower-based measures.[6]

— The loan-to-income ratio and the loan-to-value ratio are two examples of credit standards on which limits could be applied.

As part of the work on the possible activation of borrower-based measures, which consider borrowers' ability to pay, in 2025 other countries' experience of the impact of such measures was analysed and progress was made on developing theoretical and empirical analyses to better assess the implications of their activation in Spain.[7] This work was based on the recommendations received from different international organisations

6 See Chapter 4 of the Financial Stability Report. Autumn 2025 for more information about recent developments in these credit standards.

7 See the recommendations of the European Systemic Risk Board (*Follow-up report on vulnerabilities in the residential real estate sectors of the EEA countries*, 2024) and the International Monetary Fund (Spain: 2025 Article IV Consultation-Press Release; and Staff Report).

2 Macroprudential coordination with other authorities in Spain and within the Single Supervisory Mechanism

The Spanish macroprudential authority (AMCESFI) is composed of the Banco de España, the Ministry of the Economy, Trade and Business, the National Securities Market Commission (CNMV) and the Directorate General of Insurance and Pension Funds (DGSFP). It is tasked with the regular analysis of risk factors affecting the Spanish financial system and coordination of macroprudential policies.

— The Banco de España participates in AMCESFI's decision-making and advisory bodies (the Council and Financial Stability Technical Committee (FSTC), respectively). The Governor is Vice-Chair of the Council and the Deputy Governor is Chair of the FSTC.

— AMCESFI is empowered to issue and publish warnings and recommendations on matters with potential financial stability implications in Spain, and to deliver non-binding opinions on macroprudential policy proposals previously submitted by the Banco de España, the CNMV or the DGSFP.

— In 2025 it issued three favourable opinions on macroprudential measures proposed by the Banco de España:

  I. To set the CCyB at 1% on the relevant exposures located in Spain, with effect from 1 October 2026

  II. To set buffers for O-SIIs in Spain, to be applied in 2026.

  III. To reciprocate Norway's SyRB requirement, as recommended by the European Systemic Risk Board (ESRB).

— AMCESFI's key work streams include the analysis of the interconnectedness of the banking and non-banking financial sectors, the systemic implications of the growing use of artificial intelligence in the financial system and the risks stemming from climate change.

  With respect to climate-related risks, the Banco de España contributed to the drafting and publication of the *Second Biennial Report on Climate Change Risks to the Financial System*, which analyses the economic fallout of the autumn 2024 flash floods and highlights the adverse impact of desertification on the economy.

Within the framework of the Single Supervisory Mechanism, the Banco de España collaborates with the European Central Bank (ECB) and other national macroprudential authorities, notably through the Financial Stability Committee (FSC).

- The Banco de España takes part in technical discussions on recent developments in the identification and assessment of systemic risks, regulatory initiatives and issues relating to the implementation of measures and other related actions in banking union countries.

- In 2025 proposals on cyclical and macroprudential capital requirements for systemically important institutions were submitted, all endorsed by the ECB.

- The work of the FSC, geared mainly towards the banking sector in the banking union countries, is coordinated with that of the Advisory Technical Committee of the ESRB, whose macroprudential mandate and scope encompass the European Union financial system as a whole.

- The FSC presents its main analyses at the ECB’s Macroprudential Forum, which regularly brings together the members of the ECB’s Governing Council and Supervisory Board.