

Ratings On Two Spanish Banks Raised Following Sovereign Upgrade

September 16, 2025

- On Sept. 12, 2025, we raised our unsolicited long-term sovereign credit rating on [Spain](#) to 'A+' from 'A', reflecting the country's strengthened external position. The outlook is stable.
- The sovereign rating no longer constrains the ratings on Banco Bilbao Vizcaya Argentaria S.A. (BBVA) and CaixaBank S.A.
- In addition, BBVA continues to deliver robust risk-adjusted returns and we now see its financial strength in line with those of higher-rated peers
- As a result, we raised our issuer credit ratings on both banks. The outlook on both is stable.

MILAN (S&P Global Ratings) Sept. 16, 2025--S&P Global Ratings today said it took the following rating actions on two Spanish banks:

- CaixaBank: We raised our long-term issuer credit rating (ICR) to 'A+' from 'A' and our long- and short-term resolution counterparty ratings (RCRs) to 'AA-/A-1+' from 'A+/A-1'. The outlook is stable. We affirmed our short-term ICR at 'A-1'. We also raised our issue ratings on CaixaBank's long-term senior unsecured instrument to 'A+' from 'A' and affirmed our ratings on all other debt instruments.
- BBVA and its branch, BBVA NY: We raised our long-term ICR to 'A+' from 'A' and our long- and short-term RCRs to 'AA-/A-1+' from 'A+/A-1'. The outlook is stable. We affirmed our short-term ICR at 'A-1'. We also raised our issue ratings on BBVA's senior unsecured debt to 'A+' from 'A', its senior subordinated debt to 'A-' from 'BBB+', and its subordinated debt to 'BBB+' from 'BBB'.

Rationale

The upgrade follows the upgrade to Spain. We now see the Spanish economy as less sensitive to sudden changes in external financing conditions and more resilient to economic shocks. In addition, we anticipate solid economic growth prospects, supported by the resilient strong external sector, and a buoyant labor market. A higher rating on Spain removes the constraint on the ratings on CaixaBank and BBVA. Both banks' sizable exposure to Spain means that we consider them unlikely to withstand the stress scenario that we associate with a hypothetical default of the Spanish sovereign without defaulting on their senior obligations.

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CaixaBank S.A.

Primary credit analyst: Marta Heras

The upgrade to Spain removed the constraint on the ratings on CaixaBank. We now fully incorporate in the bank's rating the benefit of its large additional loss-absorbing capacity (ALAC) buffer, which will protect senior debt holders in a resolution scenario. We expect the bank's ALAC will amount to 7.7%-8.2% over the next couple of years, sustainably exceeding the 600 basis point (bp) threshold that we require for the ratings to benefit from two notches of uplift.

In addition, the ratings reflect CaixaBank's leading retail banking (with market shares in loans and deposits of about 25%), and insurance franchises in Spain (through 100%-owned VidaCaixa S.A., Spain's largest provider of life insurance policies and pension plans; and 49.9%-owned SegurCaixa Adeslas, a leading provider of health and home insurance) and its solid financials, support its stand-alone credit profile (SACP) of 'a-', which is unchanged. CaixaBank benefits from sound earnings capacity, with projected return on equity (ROE) of about 13.5% over 2025-2027, down from a peak of 15.8% in 2024 but above the 9% of 2022. This is because we expect that operating revenue will remain sound despite falling interest rates, and that CaixaBank's insurance operations will continue contributing strongly. We expect the bank's capitalization will remain solid, supported by sound internal capital generation and contained credit growth. We expect risk-adjusted capital (RAC) ratio will reach 9.3%-9.8% over the next 24 months, despite high shareholder remuneration. Our forecast assumes a 60% payout ratio over the next 18-24 month. Additionally, we anticipate that CaixaBank will continue demonstrating better asset quality metrics than the average for the Spanish sector over the next two years.

We also raised our RCR on CaixaBank to 'AA-/A-1+', one notch above the sovereign rating on Spain. This reflects our assumption that, in a sovereign default stress scenario, the bank would most likely be resolved and that its large available bail-in capacity would enable it to absorb the effects of this scenario without triggering a default on its RCR liabilities (that is, liabilities that could be protected from default in an effective resolution process).

Outlook

The stable outlook on CaixaBank reflects that we expect the bank to preserve its credit strengths over the next 18-24 months. We forecast that its ROE will decline somewhat as lower interest rates feed through to earnings, but it should hover near a solid 13.5% over 2025-2027. CaixaBank's capitalization should remain adequate despite high shareholder remuneration, with its RAC ratio standing at 9.3%-9.8%. Its asset quality should remain resilient.

Upside scenario: An upgrade is unlikely because even if the bank's SACP were to improve (which could be possible if it were to operate with a sustainably stronger risk-adjusted capital and its financial strength look aligned with that of stronger peers), at that level, we would only be able to give one notch of ratings uplift for ALAC, rather than the current two. An improved SACP, however, would offer upside to the ratings of its hybrid instruments.

Downside scenario: The ratings could come under pressure if:

- We were to downgrade Spain, because we think the bank is likely to default in the context of a hypothetical sovereign default due its high exposure to its home country; or
- CaixaBank's business model and financial strength unexpectedly weaken.

CaixaBank S.A.

	To	From
Issuer Credit Rating	A+/Stable/A-1	A/Stable/A-1
SACP	a-	a-
Anchor	bbb+	bbb+
Business position	Strong +1	Strong +1
Capital and earnings	Adequate 0	Adequate 0
Risk position	Adequate 0	Adequate 0
Funding	Adequate 0	Adequate 0
Liquidity	Adequate 0	Adequate 0
Comparable ratings analysis	0	0
Support	2	2
ALAC support	2	2
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	-1

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

BBVA S.A.

Primary credit analyst: Regina Argenio

The upgrade to BBVA follows that to Spain and our view that BBVA's financial strength is now in line with that of larger and diversified European and global peers, despite its presence in riskier economies. Sound volume growth, a competitive advantage from its leading position in the markets where it operates, growing noninterest revenue, and strong digital capability have enabled the group to post sustainably strong performance. We therefore revised the bank's SACP up to 'a' by incorporating a positive comparable rating adjustment notch.

The group's ROE and the return on S&P Global Ratings' risk-weighted assets improved to 19.4% and about 1.6%, respectively at June 2025, compared with about 14.3% and 1.6% of its European peers. This is despite the slowdown in the Mexican economy and still-lackluster performance of its Turkish operations. We think BBVA's strategic focus and consistent execution will enable it to continue posting robust profitability over the next couple of years, albeit moderately lower amid lower interest rates. We expect the group's performance to benefit from sustained business growth, strong pricing power, and an advanced digital proposition. We expect a strong digital focus to contribute to the bank's better-than-peers efficiency, with cost to income below 45% over the forecast horizon. In addition, its diversified presence in developed and developing economies will also contribute, helping the bank navigating different economic cycles, because those are often uncorrelated.

BBVA's asset quality has proved remarkably resilient, despite various challenges. The proportion of nonperforming loans (NPLs) to total loans, as per S&P Global Ratings' calculation, stood at 3.2% in June 2025, the lowest in the past decade. We expect asset quality to remain resilient due to the bank's overall prudent credit risk culture. In this context, we anticipate BBVA capitalization to remain robust.

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We also raised our RCR on BBVA to 'AA-/A-1+', one notch above the sovereign rating on Spain. This reflects our assumption that, in a sovereign default stress scenario, the bank would most likely be resolved and that its available bail-in capacity (including, in an extreme case, the senior preferred debt, which can legally be bailed in) would enable the bank to absorb the effects of this scenario without triggering a default on its RCR liabilities.

BBVA is at the final stage of its tender offer on Banco Sabadell. If successful, the acquisition would offer BBVA the opportunity to increase its scale in its home market, strengthen its franchise within the small and midsize enterprise segment, and moderately rebalance the group's footprint toward more stable economies. Due to conditions imposed by the Spanish government, BBVA would have to maintain independence in some crucial strategic decisions and not be allowed to merge Sabadell before at least three years, but we think the transaction still offer the opportunity to boost efficiency and returns, although with some delay versus the original plan. In addition, integration challenges remain. We also anticipate that the transaction's potential impact on BBVA's capitalization will remain contained overall regardless of acceptance rate. According to the terms of the current offer, the cash component would be limited; more importantly, management has publicly stated it does not intend to reduce its common equity Tier 1 ratio below 11.5%-12.0% from current 13.34% owing to any deal.

Outlook

The stable outlook reflects our belief that over the next 18-24 months, BBVA will remain resilient and continue to benefit from robust, albeit lower, profitability and the competitive advantage from its strong digital capability. We forecast that the BBVA's ROE will remain above 16.0% over 2025-2027, compared with 19.4% in first-half 2025.

Despite asset expansion and high distributions to shareholders, we expect BBVA's capitalization to moderately strengthen, so that its RAC ratio will rise to 8.0%-8.5% in 2027 from 8.0% at end-2024. Finally, we do not expect the cushion of subordinated bail-inable instruments, which at December 2024 equaled 4.3% bps, to materially change.

Upside scenario: We see limited ratings upside because the current rating balances BBVA's strong and resilient financial profile with the challenging environment in some of the regions in which it operates.

Downside scenario: The ratings could come under pressure if we lowered our sovereign rating on Spain, as we consider that BBVA is likely to default in the context of a hypothetical sovereign default due its high exposure to its home country.

BBVA S.A.

	To	From
Issuer Credit Rating	A+/Stable/A-1	A/Stable/A-1
SACP	a	a-
Anchor	bbb	bbb
Business position	Strong +1	Strong +1
Capital and earnings	Adequate 0	Adequate 0
Risk position	Strong +1	Strong +1
Funding	Adequate 0	Adequate 0
Liquidity	Adequate 0	Adequate 0
Comparable ratings analysis	1	0

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BBVA S.A.

	To	From
Support	1	1
ALAC support	1	1
GRE support	0	0
Group support	0	0
Sovereign support	0	0
Additional factors	0	0

ALAC--Additional loss-absorbing capacity. GRE--Government-related entity. SACP--Stand-alone credit profile.

Related Criteria

- [General Criteria: Hybrid Capital: Methodology And Assumptions](#), Feb. 10, 2025
- [Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology](#), April 30, 2024
- [Criteria | Financial Institutions | Banks: Banking Industry Country Risk Assessment Methodology And Assumptions](#), Dec. 9, 2021
- [Criteria | Financial Institutions | General: Financial Institutions Rating Methodology](#), Dec. 9, 2021
- [General Criteria: Environmental, Social, And Governance Principles In Credit Ratings](#), Oct. 10, 2021
- [General Criteria: Group Rating Methodology](#), July 1, 2019
- [General Criteria: Methodology For Linking Long-Term And Short-Term Ratings](#), April 7, 2017
- [General Criteria: Guarantee Criteria](#), Oct. 21, 2016
- [General Criteria: Ratings Above The Sovereign--Corporate And Government Ratings: Methodology And Assumptions](#), Nov. 19, 2013
- [General Criteria: Principles Of Credit Ratings](#), Feb. 16, 2011

Ratings List

***** Banco Bilbao Vizcaya Argentaria S.A. *****

Upgraded; Ratings Affirmed

	To	From
Banco Bilbao Vizcaya Argentaria S.A.		
BBVA S.A. (New York Branch)		
BBVA Global Markets B.V.		
Issuer Credit Rating	A+/Stable/A-1	A/Stable/A-1
Banco Bilbao Vizcaya Argentaria S.A.		
Resolution Counterparty Rating	AA--/A-1+	A+/-/A-1
Senior Unsecured	A+	A
Senior Subordinated	A-	BBB+

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***** Banco Bilbao Vizcaya Argentaria S.A. *****

Upgraded; Ratings Affirmed

	To	From
Subordinated	BBB+	BBB

BBVA Global Finance Ltd.

Subordinated	BBB+	BBB
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BBVA Global Markets B.V.

Senior Unsecured	A+	A
Senior Unsecured	A+p	Ap
Short-Term Debt	A-1	A-1

BBVA Global Securities B.V.

Senior Unsecured	A+	A
Senior Unsecured	A+p	Ap

***** CaixaBank, S.A. *****

Upgraded; Ratings Affirmed

	To	From
CaixaBank, S.A.		
Issuer Credit Rating	A+/Stable/A-1	A/Stable/A-1
Resolution Counterparty Rating	AA-/-/A-1+	A+/-/A-1
Senior Unsecured	A+	A
Senior Subordinated	BBB+	BBB+
Subordinated	BBB	BBB
Junior Subordinated	BB+	BB+
Commercial Paper	A-1	A-1

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