

Tuesday, 11 November 2025

Financial Policy Meeting – second half 2025

At today's Financial Policy Meeting, the Board of the Central Bank of Chile decided to maintain the Countercyclical Capital Buffer (CCyB) at a level of 0.5% of risk-weighted assets. The decision was adopted by the unanimous vote of its members.

The main risk for domestic financial stability stems from an abrupt change in global financial conditions due to the materialization of risk events or any signal opposing the markets' favorable expectations.

Since the previous financial policy meeting, the valuation of advanced economies' financial assets has increased further and remain elevated, while the outlook for their sovereign debt has deteriorated. This reflects a level of risk appetite that contrasts with the scenario of high uncertainty associated with trade, geopolitical and institutional tensions. This has resulted in deepened international financial vulnerabilities which could exacerbate the effects of various risk events on global financing conditions and their transmission to emerging economies.

Locally, financial conditions have improved slightly compared to the previous semester. Long-term interest rates recorded a moderate decline. Long-term interest rates' spreads of sovereign and corporate bonds have also dropped. Similar to other emerging economies, stock prices have risen and capital inflows to Chile have increased in recent months.

The resolution of macroeconomic imbalances of previous years, the reduced inflation, and the economy operating at near-capacity have contributed to improving the financial position of local agents. Household vulnerabilities remain stable at low levels, while firms have reduced their debt, financial burden, and delinquency indicators.

In the last few months, bank lending activity showed some signs of recovery. The stock of loans grew 1.4% annually in real terms in the third quarter, and the commercial, consumer and housing portfolios posted positive—but modest—growth rates. This moderate growth occurs in a context where interest rates have tended slightly downward, in line with their benchmark rates, which suggests that demand for credit is still weak, but with some signs of dynamism, consistent with information from the Bank's Bank Lending Survey and Business Perceptions Survey.

The banking system has continued to adjust to advances in the implementation of Basel III standards. Additional capital, coming from perpetual bonds and regulatory buffers, has strengthened its shock-absorbing capacity. Banking profitability is somewhat above their historic averages, while delinquency rates show some degrees of stabilization, remaining hedged by provisions and guarantees. Thus, the local banking industry's levels of capital and liquidity are prepared to remain solvent in a severe stress scenario.

The Board decided to keep the CCyB level at its current level of 0.5% of risk-weighted assets (RWA), consistent with the macro-financial and risk conditions faced by the financial system, which were assessed at this Meeting and are analyzed in detail in the Financial Stability Report for the second half of 2025. This risk situation highlights the importance of having in place a capital buffer previously created by the banks, which will boost their capacity to withstand shocks, and which can be released when faced with a financial stress episode, which would help to mitigate its effects on the provision of credit to households and firms. As was announced in November 2024, the first Financial Policy Meeting of 2026 will evaluate the starting point of convergence toward the neutral level of 1% for APRs, insofar as macro-financial conditions allow, and considering a period of no less than one year for its build-up.

The minutes of this financial policy meeting will be published at 8:30 hours of Wednesday 26 November. The next meeting will take place on 15 and 18 May 2026 and the statement thereof will be released at 18:00 hours on the second day. For more details of the Countercyclical Capital Buffer, go to [Link](#).

*The Spanish original prevails.