Monday, May 18, 2026

Financial Policy Meeting – first half 2026

At its Financial Policy Meeting (FPM), the Board of the Central Bank of Chile decided to continue to pursue the convergence of the Countercyclical Capital Buffer (CCyB) to its neutral level, setting it at 1% of risk-weighted assets (RWAs) from its current 0.5% over a period of 24 months. The decision was adopted by the unanimous vote of the Board members.

The FPM for the first half of 2026 is set against a backdrop of still significant global financial stability risks. In particular, there is concern about a possible escalation of the war in the Middle East or the effects it could have on global growth and inflation. This is compounded by other geopolitical and institutional tensions that remain present. In addition, important financial vulnerabilities persist, associated with high fiscal debt, elevated valuations of risky financial assets, and concerns regarding the growing importance of non-bank financial intermediaries (NBFIs).

The main risk for global financial stability relates to a sharp deterioration of financial conditions, which can originate in various combinations of adverse developments in the world economy.

Locally, financial markets have moved in line with global trends and no anomalies have been observed in pricing mechanisms. For their part, the financial vulnerabilities of households and firms remain contained. This would allow the financial system to operate with no major disruptions in the face of an external shock.

Over the past few months, bank credit has continued to show signs of recovery, with positive growth rates across commercial, consumer, and mortgage loan portfolios, discounting exchange rate effects. Various sources, such as our Bank Lending Survey (BLS), Business Perception Report, and internal estimates, indicate that the recent credit cycle has been driven by demand-side factors, in line with economic fundamentals, and with no evidence that banks’ capital would be restricting credit.

The banking system's profitability is above its historical average, which has enabled organic capital generation and increased dividend payouts. Delinquency indicators remain stable, while spending on provisions for new loans has declined, signaling that banks perceive lower risks going forward. Their funding costs are behaving normally, with stable sources of financing and interest rates similar to those of the previous half-year.

The banking industry has capital buffers that would allow it not only to withstand a stress scenario but also to accommodate the convergence of the CCyB while maintaining a flow of credit consistent with the evolution of the economy. As of February of this year, CET1 buffers amounted to 3.2% of RWAs. Thus, the banking system has sufficient capital buffers to accommodate the increase in the CCyB over the projected horizon and continues to provide a flow of credit consistent with the economy’s performance.

After evaluating the information just described, together with background contained in our Financial Stability Report (FSR) for the first half of 2026 —to be released tomorrow morning—, the Board has decided to carry on with the convergence of the CCyB to its neutral level, by setting it at 1% of RWAs, which will become mandatory over a period of 24 months beginning when this resolution is adopted. This decision has been approved by prior favorable report by the Financial Market Commission (CMF).

In accordance with the policy framework released in November 2024, the Board will continue to regularly assess macro-financial conditions, the risk environment, and their potential implications for the CCyB.

The minutes of this financial policy meeting will be published at 8:30 hours of Wednesday 3 June. The next meeting will take place on 13 and 16 November 2026 and the statement thereof will be released at 18:00 hours the second day. For details on the Countercyclical Capital Buffer, click on this Link.

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*The Spanish original prevails.