Basel III standards implementation keeps moving forward

CMF applies Pillar 2 capital requirements for the third time

January 16, 2026 — The Board of the Financial Market Commission (CMF) agreed to apply additional capital requirements to banks pursuant to Pillar 2 of Basel III standards after concluding the supervisory process of assessing each entity's business model.

This decision was agreed upon consideration of Article 66 Quinquies of the General Banking Act (LGB) and the provisions of Chapter 21-13 of the Updated Compilation of Banking Regulations (RAN), as stated in **Exempt Resolution No. 862** of January 16, 2026.

The CMF thus continues to make progress in implementing Basel III standards as set forth in Law No. 21,130. Along these lines, aside from Chapter 1-13 of the RAN on management and solvency assessment, and Chapter 21-13 of the RAN, the capital self-assessment process is covered in the Effective Equity Self-Assessment Report (IAPE). This report allows banks themselves to determine their internal target for effective capital needed to cover their material risks over a horizon spanning at least three years. The provisions of Chapter 21-13 consider, in addition to Pillar 1 risks (credit, market, and operational), those for which there is no measurement standard — such as the banking book market risk and credit concentration risk.

Equity Requirements

Given the circumstances, and based on the process carried out during 2025, the Board of the CMF resolved to apply capital requirements under Pillar 2 to the following institutions: Banco Bice, Banco BTG Pactual Chile, Banco Consorcio, Banco del Estado de Chile, Banco Internacional, HSBC Bank (Chile), and Banco Santander.

Of note: The Board's decision led to a decrease in capital requirements under Pillar 2 for three banks; three other institutions maintained their requirements, and one saw an increase. These decisions are consistent with each institution's business model.

In terms of their current internal capital targets, banks already factor in buffers above minimum regulatory requirements to meet these additional requirements. Therefore, no new capital injection is needed for these purposes since the reallocation of effective equity components is sufficient.

Implementation

This is the third year of application of Pillar 2 capital requirements. As part of a gradual implementation process, 50 percent of the requirement must be constituted by June 30, 2026 — which is part of minimum regulatory requirements. The remaining percentage shall be built up as determined by the Commission in accordance with next year's Capital Adequacy Assessment.

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