



## CMF reports on the performance of supervised banks and cooperatives as of May 2021

- *Loans in the banking system fell by 4.55 percent in 12 months – the commercial portfolio declined by 7.32 percent and the consumer portfolio contracted by 12.73 percent. The housing portfolio, however, expanded by 4.83 percent.*
- *Regarding credit risk, the loan-loss provisions index decreased to 2.47 percent, while the arrears ratio of 90 days or more stood pat at 1.55 percent for the fourth consecutive month.*
- *Loans by savings and credit cooperatives decreased by 2.65 percent over 12 months, influenced by a contraction of 4.70 percent in the consumer portfolio.*

**June 29, 2021** – Loans in the banking system fell by 4.55 percent in 12 months. The commercial portfolio declined by 7.32 percent, a sharper drop than the 4.49-percent decrease recorded in April and well behind the 8.63-percent increase in May 2020. Lower activity in the banking system was mainly due to a decline in commercial loans, which fell by 7.32 percent and completed five consecutive months trending downward.

Consumer loans keep plummeting since March 2020, with a decrease of 12.73 percent. However, the fall has steadily decelerated over the past three months, having declined by 13.62 percent in April 2021. The housing portfolio, on the other hand, grew by 4.83 percent over 12 months, an improvement over the 4.31-percent increase reported last month.

State-guaranteed loan programs continue to play a countercyclical role. Excluding these operations, loans in the banking system would have declined by 7.64 percent and commercial loans by 12.71 percent over the last 12 months.

Regarding credit risk, the loan-loss provisions index fell from 2.61 to 2.47 percent. The commercial portfolio index declined from 2.90 to 2.73 percent and the consumer portfolio index from 6.42 to 6.20 percent. The arrears ratio of 90 days or more stood pat at 1.55 percent for the fourth month in a row. The commercial portfolio ratio increased slightly in May to 1.71 percent while the consumer portfolio ratio reached 1.40 percent.

Monthly profits for May reached 309,716 million Chilean pesos (USD 427MM), while the cumulative result totaled CLP 1,511,069 million (USD 2,084MM). The former increased by 12.73 percent versus April 2021 and by 55.60 percent over the last 12 months. Accordingly, the return on average equity was 8.11 percent and the return on average assets reached 0.56 percent. Both figures have increased over the course of the year but are still below the rates posted 12 months earlier.

## Supervised Cooperatives

Loans by savings and credit cooperatives supervised by the CMF decreased again this month, accumulating an overall drop of 2.65 percent over the past year. A drop of 4.70 percent in the consumer portfolio, which comprises 73 percent of these loans, explains this variation.

Meanwhile, the commercial portfolio grew by 9.16 percent in that span, positively influenced by the granting of State-guaranteed loans. Excluding said operations, this portfolio would have grown by only 6.12 percent, and total loans would have contracted by 2.78 percent.

As for credit risk, the provisioning index increased marginally to 3.55 percent, the arrears ratio of 90 days or more increased to 1.85 percent, and the impaired portfolio index decreased to 6.54 percent.

Monthly profits for May reached 9,248 million Chilean pesos (USD 13MM), while the cumulative result totaled CLP 48,947 million (USD 68MM). The former increased by 3.55 percent compared to last month and by 62.94 percent compared to 12 months ago. Accordingly, the return on average equity increased to 14.08 percent and the return on assets to 3.44 percent.

## Performance Report

Alongside this month's financial information, the Performance Report includes a description of the banking system's profitability indicators: Return on Equity (ROE) and Return on Assets (ROA). These are compared to their versions based on moving averages (ROAE and ROAA).

## Links to Relevant Documents

- [Report on the Performance of Banking System and Cooperatives - May 2021](#)
- [Monthly Report on the Financial Information of the Banking System - May 2021](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System - May 2021](#)
- [Indicator of individual default of 90 days of the Banking System - May 2021](#)
- [Report on the Non-Performing Loans of the Banking System - May 2021](#)
- [Assets and Liabilities of the Chilean Banking System Abroad - May 2021](#)
- [Balance Sheet and Statements of Banks \(in plain text format\) - May 2021](#)
- [Financial Report of Savings and Credit Cooperatives - May 2021](#)

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