



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

- *Loans in the banking system fell by 1.30 percent over the last 12 months, mainly due to a 5.38-percent drop in the consumer portfolio and a 4.37-percent decline in the commercial portfolio. Housing loans, meanwhile, grew by 6.51 percent.*
- *Loans by savings and credit cooperatives also declined in the same span, contracting by 3.50 percent overall. The consumer portfolio fell by 6.25 percent.*

**September 29, 2021** – Loans in the banking system fell by 1.30 percent over the last 12 months, a slightly better figure than the 1.83-percent decline recorded last month but well behind the 5.76-percent increase observed in August 2020.

Commercial loans fell by 4.37 percent, totaling eight consecutive months in decline and being the main reason behind the banking system's activity. Consumer loans decreased by 5.38 percent, though they have shown signs of gradual recovery – for instance, said portfolio plummeted by 17.97 percent (over 12 months) in February 2021. Meanwhile, the housing portfolio keeps expanding, with an increase of 6.51 percent that is slightly higher than July's 6.01 percent.

State-guaranteed loan programs continue playing their countercyclical role, though with lesser impact than a year ago. Excluding these operations, loans in the banking system would have declined by 6.35 percent and overall loans by 2.30 percent.

Regarding credit risk, all three indices – loan-loss, arrears ratio of 90 days or more, and impaired portfolio – declined both monthly and over a 12-month span. The only exception was the commercial loan provisions index. The loan-loss provisions index stood at 2.40 percent and the housing index at 0.63 percent, while the corporate portfolio index rose to 2.71 percent and the consumer portfolio index dropped to 5.77 percent.

The arrears ratio of 90 days or more declined to 1.43 percent, also shrinking the consumer portfolio coefficient to 1.17 percent and the housing portfolio coefficient to 1.19 percent. Meanwhile, the corporate portfolio index remained at 1.63 percent.

Monthly profits for August amounted to 327,109 million Chilean pesos (USD 419MM), growing by 24.98 percent versus July 2021. The cumulative result is up to CLP 2,394,527 million (USD 3.070MM), increasing by 273.61 percent over the last 12 months. Back then Itaú-Corpbanca had acknowledged an impairment of part of its goodwill and other intangible assets. Excluding this effect, the cumulative result would have expanded only by 66.47 percent – 66.95 percent for June 2021 – during the last year.

Accordingly, the return on average equity rose to 13.46 percent and the return on average assets to 0.93 percent.

## **Supervised Cooperatives**

Loans by savings and credit cooperatives supervised by the CMF fell once more this month, declining by 3.50 percent overall during the last 12 months. A 6.25-percent fall of the consumer portfolio – which comprises 72 percent of these loans – explains this result.

The commercial portfolio grew by 11.39 percent over the past year, partly influenced by State-guaranteed loan programs. Excluding these operations, commercial loans would have increased only 10.38 percent, and overall loans would have decreased by 3.56 percent.

As for credit risk, the arrears ratio of 90 days or more stood pat at 1.88 percent. The provisions and impaired portfolio indices fell to 3.44 and 6.33 percent, respectively.

Monthly profits for August reached 8,246 million Chilean pesos (USD 11MM), growing by 26.15 percent. The cumulative result totaled CLP 70,288 million (USD 90MM), increasing by 55.37 percent compared to 12 months ago. Accordingly, the return on average equity rose to 14.99 percent and the return on average assets to 3.56 percent.

## **Performance Report**

Alongside this month's financial information, the Performance Report includes information on the evolution of arrears of 90 days or more in the banking system. As well as a general characterization of the data, the arrears ratio of 90 days or more is presented at the individual, consolidated, portfolio, and financial institution levels.

## **Links to Relevant Documents**

- [Report on the Performance of Banking System and Cooperatives - August 2021](#)
- [Monthly Report on the Financial Information of the Banking System - August 2021](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System - August 2021](#)

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

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