



## CMF reports on the performance of supervised banks and cooperatives as of March 2023

- *Loans in the banking system declined by 2.55 percent over 12 months due to larger contractions in the consumer and commercial portfolios.*

**April 28, 2023** — Loans in the banking system declined by 2.55 percent over 12 months, a larger fall than the minus-2.10 percent variation recorded in February and lower than the 2.55-percent growth posted in March 2022. Larger contractions in the consumer and commercial portfolios, as well as a deceleration in the growth of the housing portfolio, explain this result.

Commercial loans contracted 4.48 percent during the last 12 months, totaling eight consecutive months of declines and accentuating the 4.27-percent decline observed in February. Consumer loans also extended their downward streak to four months from a 2.22-percent fall in February to 3.66 percent in March. Meanwhile, housing loans showed less dynamism, falling from 1.64 to 1.56 percent.

Regarding credit risk, the banking system's arrears ratio of 90 days or more and impaired portfolio increased during March, while the loan-loss provisions index declined marginally. All ratios registered a dissimilar trajectory by portfolio. The loan-loss provisions index fell from 2.53 to 2.52 percent in the month after a drop in the commercial and consumer portfolios indices. The impaired portfolio ratio increased from 4.96% to 5.04 percent due to increases across all three portfolios, while the arrears ratio of 90 days or more grew from 1.79 to 1.84, explained by the higher rate in the commercial portfolio.

Compared to 12 months ago, most of the provisions, arrears and impaired portfolio ratios expanded. The lone exception was the provisions index for the commercial portfolio, which declined versus March 2022.

Monthly profits for March amounted to CLP 318,688 million (USD 404 million), a decrease of 29.05 percent in 12 months. Accordingly, the return on average equity reached 19.48 percent and the return on average assets was 1.34 percent, both higher than the ones posted in March 2022.

### Supervised Cooperatives

Loans in savings and credit cooperatives supervised by the CMF expanded 8.41 percent in 12 months, above the 7.57-percent growth recorded in February and well over the 1.03-percent decline posted in the same month last year. This figure considers the inorganic growth of the consumer portfolio resulting from a portfolio purchase made by a cooperative in 2022, which impacted the sector's activity as of the second half of that year. Excluding said effect, loans would have grown by 3.80 percent in the month, still above the 2.93 percent that would have been recorded in February 2023 (measured the same way).

The consumer portfolio, which accounts for 72.66 percent of these loans, grew by 9.23 percent in 12 months and is the main reason behind this result. Excluding the portfolio purchase mentioned earlier, consumer loans would have grown by just 2.83 percent in 12 months, also above the figure recorded in February 2023. The commercial portfolio expanded by 1.64percent in that span, moderating the 2.40-percent increase recorded the previous month but also below the 7.45-percent expansion of a year ago. The housing portfolio rose by 7.37 percent, above the 5.58-percent jump recorded last month and the 1.25-percent increase seen last year.

As for credit risk, the provisions index, the arrears ratio of 90 days or more, and the impaired portfolio ratio rose versus last month. All ratios in the consumer and commercial portfolio followed the same trend, but all declined in the housing portfolio during March. The provisions index grew from 3.44 to 3.45 percent because of the commercial portfolio index; the impaired portfolio ratio rose from 6.80 to 6.91 percent; and the arrears ratio of 90 days or more moved from 2.43 to 2.45 percent, the latter two sustained by increases in the commercial and consumer portfolios.

All indices trended upward versus 12 months ago. The provisions index did so after growths in the commercial and consumer portfolios, and the arrears ratio of 90 days or more due to higher ratios in the commercial and housing portfolios. Finally, the impaired portfolio ratio showed increases across all portfolios.

Monthly profits for March reached CLP 4,889 million (USD 6 million), decreasing 48.44 percent in 12 months. Accordingly, the return on average equity was 15.82 percent and the return on average assets was 3.83 percent, both figures better than last year.

## **Links to Relevant Documents**

- [Report on Performance of the Banking System and Cooperatives - March 2023](#)
- [Monthly Report on Financial Information of the Banking System - March 2023](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System - March 2023](#)
- [Arrears Ratio of 90 Days or More in the Banking System - March 2023](#)

- [Report on the Impaired Portfolio of the Banking System - March 2023](#)
- [Assets and Liabilities of the Chilean Banking System Abroad - March 2023](#)
- [Balance Sheet and Statements of Banks \(in plain text format\) - March 2023](#)
- [Financial Report of Savings and Credit Cooperatives - March 2023](#)

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