



CMF reports on the performance of supervised banks and cooperatives as of June 2020

- *Loans in the banking system grew 10.05 percent in 12 months.*
- *The commercial portfolio rose 15.76 percent, buoyed by the granting of FOGAPE Covid-19 guaranteed loans.*
- *The consumer portfolio, meanwhile, fell 6.88 percent over a year.*

July 30, 2020 – Loans in the banking systems grew 10.05 percent over 12 months. This figure is higher than the variation of 8.63 percent recorded in May and higher than the same month last year (6.96 percent).

Commercial loans boosted activity with an expansion of 15.76 percent, up from 13.31 percent in May. The housing portfolio grew by 7.80 percent, slightly lower than the 8.11 percent of last month, and the commercial portfolio fell for the fourth consecutive month, with a 12-month decline of 6.88 percent.

Variations in total loans and commercial loans are buoyed by the granting of FOGAPE Covid-19 guaranteed loans during June, just as in the previous month. By excluding these operations, loans in the banking system would have grown only by 6.74 percent and commercial loans by 9.90 percent over 12 months.

Regarding credit risk, the provisions and impairment indices rose during the month. The loan-loss provisions index moved up from 2.61 percent to 2.63 percent, while the impaired portfolio grew from 5.22 percent to 5.34 percent. However, the arrears ratio of 90 days or more fell from 2.07 to 2.02 percent, explained by companies. Finally, the consumer portfolio recorded the greatest increases in its risk indices.

Results for June 2020 showed a loss of CLP 617,227 million (USD 756 million). Measured over 12 months, the cumulative result totaled CLP 324,514 million (USD 398 million), a decrease of 78.14 percent. This was due to Itaú Corpbanca's recognition of a deteriorated goodwill and other intangible assets in accordance with IAS 36. Accordingly, the return on average equity fell to 6.90 percent and the return on average assets reached 0.51 percent.

Supervised Cooperatives

Loans by savings and credit cooperatives supervised by the CMF increased by 1.97 percent in 12 months, over the 1.58 percent recorded in May. A greater growth of the consumer portfolio – 1.83 percent compared to 1.41 percent last month – explains this variation. During June the FOGAPE Covid-19 guaranteed loans granted in the month had a somewhat greater impact on activity compared to May. If these operations are excluded, the 12-month variation in loans would have dropped from 1.97 percent to 1.92 percent.

In terms of credit risk, both the indices of arrears of 90 days or more and impaired portfolio increased compared to last month. The arrears ratio of 90 days or more reached 3.15 percent while the impaired portfolio ratio totaled 7.74 percent. In contrast, the provisions index declined from 4.10 percent to 4.06 percent.

Monthly profits summed USD 3.1 million and decreased by 52.89 percent compared to May. A higher expense in provisions for net credit risk explains the variation. Profits fell by 29.91 percent in 12 months.

Performance Report

Alongside this month's financial information, the Performance Report includes a review of the FOGAPE Covid-19 guaranteed loans granted at the end of the first half of 2020.

Links to Relevant Documents

- [Report on the Performance of Banking System and Cooperatives - June 2020](#)
- [Monthly Report on the Financial Information of the Banking System – June 2020](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System - June 2020](#)
- [Indicator of individual default of 90 days of the Banking System – June 2020](#)
- [Report on the Non-Performing Loans of the Banking System – June 2020](#)
- [Assets and Liabilities of the Chilean Banking System Abroad – June 2020](#)
- [Balance Sheet and Statements of Banks \(in plain text format\) – June 2020](#)
- [Financial Report of Savings and Credit Cooperatives – June 2020](#)

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