



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

- *Loans in the banking system continued to decelerate steadily in December, with a decline of 0.40 percent in 12 months, below the rate reached in November. Consumer loans plummeted by 16.05 percent over the same span.*
- *FOGAPE Covid-19 guaranteed loans still influence the activity of the banking system. Excluding such operations, loans would have dropped by 4.84 percent over 12 months.*
- *Regarding credit risk, the loan-loss provisions index reached 2.71 percent and the arrears ratio of 90 days or more declined to 1.58 percent.*
- *Loans by savings and credit cooperatives fell for the third month in a row, recording 1.29 percent over 12 months. The decline was caused by a drop in the consumer portfolio, which fell 2.54 percent.*

January 28, 2021 – Loans in the banking system fell by 0.40 percent over 12 months, lower than both the figures recorded in the previous month – drop of 0.33 percent – and the same month of 2019 – 7.12 percent. A slowdown in commercial loans, which recorded a decrease of 0.92 percent compared to an increase of 2.17 percent in November, explains the reduced activity of the banking system.

The housing portfolio increased by 4.58 percent; a figure lower than November's 4.95 percent. Consumer loans, however, continue to fall steadily since March 2020 with a sharp decline of 16.05 percent over 12 months, compared to a drop of 15.07 percent last month.

The granting of FOGAPE Covid-19 guaranteed loans keeps influencing an overall increase in loans. Excluding such operations, loans in the banking system would have declined by 4.84 percent and commercial loans by 6.90 percent, both over a 12-month span.

In terms of credit risk, the loan-loss provisions index recorded 2.71 percent, and the commercial portfolio grew to 2.97 percent. Meanwhile, the arrears ratio of 90 days or more fell slightly, from 1.64 to 1.58 percent, influenced by the consumer portfolio. Said ratio also declined in the commercial portfolio.

Monthly profits for December totaled 129,612 million Chilean pesos (USD 182 MM), while the cumulative result summed CLP 1,242,602 million – a decrease of 54.15 percent compared to 12 months ago. Accordingly, the return on average equity for Fiscal Year 2020 reached 5.57 percent and the return on average assets was 0.39 percent. Both figures are lower than those recorded in Fiscal Year 2019 – 12.39 and 1.00 percent, respectively.

Supervised Cooperatives

Loans by savings and credit cooperatives supervised by the CMF declined for the third time in 2020, decreasing 1.29 percent over 12 months. The decline was caused by a drop of 2.54 percent in the consumer portfolio, which represents 74 percent of total loans.

The commercial portfolio grew by 4.50 percent over 12 months, influenced to a lesser extent by the granting of FOGAPE Covid-19 guaranteed loans. Excluding such operations, the portfolio would have increased only by 1.45 percent, and total loans would have decreased by 1.42 percent.

As for credit risk, the provisions index reached 3.77 percent, the arrears ratio of 90 days or more recorded 1.74 percent, and the impaired portfolio got 7.13 percent.

Monthly profits for December reached CLP 5,434 million (USD 7,64 MM), a drop of 31.56 percent compared to November. Overall profits fell by 17.55 percent over 12 months.

Finally, the return on average equity for Fiscal Year 2020 totaled 11.18 percent, and the return on average assets was 2.81 percent. Both figures are lower than those recorded in Fiscal Year 2019 – 14.12 and 3.76 percent, respectively.

Performance Report

Alongside this month's financial information, the Performance Report includes a review of "payment cards with provision of funds," also known as "prepaid cards." This payment method allows its holders and/or users to access money deposited in a funding provision account to acquire goods and pay for services or other obligations.

Links to Relevant Documents

- [Report on the Performance of Banking System and Cooperatives - December 2020](#)
- [Monthly Report on the Financial Information of the Banking System - December 2020](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System - December 2020](#)

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

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