



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

- *Loans in the banking system decreased 4.85 percent in 12 months due to a decline of 8.35 percent in the commercial portfolio and 10.90 percent in the consumer portfolio. The housing portfolio, on the other hand, expanded 5.29 percent.*
- *Loans granted by supervised cooperatives fell 3.58 percent over 12 months, influenced by a 6.07 percent contraction in the consumer portfolio.*
- *Credit risk indexes at the bank and cooperative levels decreased compared to the previous month and to 12 months ago.*

**July 29, 2021** – Loans in the banking system fell for the seventh month in a row, contracting by 4.85 percent over 12 months. It is a worse decline than the figures recorded in May (minus-4.55 percent) and in June 2020 (an increase of 10.05 percent). Lower activity in the banking system was due to a decline in commercial loans (minus-8.35 percent) for the sixth consecutive month. Commercial loans also fell by 10.90 percent over the last year, though at a lesser rate than last month's 12.73-percent drop. Meanwhile, the housing portfolio grew 5.29 percent, a slight improvement over the 4.83 percent registered in May 2021.

State-guaranteed loan programs keep attenuating the overall downturn in activity. Excluding these operations, loans in the banking system would have fallen by 6.79 percent overall over 12 months, while commercial loans would have declined by 11.89 percent.

Regarding credit risk, all three indices declined compared to the previous month and June 2020. The loan-loss provisions index fell to 2.45 percent, the arrears ratio of 90 days or more was 1.53 percent, and the impaired portfolio index closed at 4.96 percent.

Monthly profits for June amounted to 303,059 million Chilean pesos (USD 412MM), an annual decrease of 2.53 percent. The cumulative result totaled CLP 1,814,128 million (USD 2,467MM), growing by 439.96 percent compared to 12 months ago due to a lower basis of comparison in June 2020. Back then Itaú-Corpbanca had acknowledged an impairment of part of its goodwill and other intangible assets.

Accordingly, the return on average equity rose to 12.24 percent and the return on average assets to 0.85 percent.

## **Supervised Cooperatives**

Loans by savings and credit cooperatives supervised by the CMF declined for the ninth consecutive month: minus-3.58 percent over the past year. Consumer loans, which comprise 72 percent of the portfolio, fell by 6.07 percent and are the main reason behind this overall drop.

The commercial portfolio increased by 9.40 percent over 12 months, marginally influenced by the granting of State-guaranteed loans. Excluding these operations, this portfolio would have grown by 7.69 percent and overall loans would have contracted by 3.66. The housing portfolio, with a total loan share of 23 percent, expanded by 2.43 since June 2020.

In terms of credit risk, all three indices declined as well compared to the previous month and June 2020. The provisions index fell to 3.48 percent, the arrears ratio of 90 days or more to 1.77 percent, and the impaired portfolio ratio to 6.43 percent.

Monthly profits for June summed 6,799 million Chilean pesos (USD 9MM), decreasing by 27.18 percent compared to May 2021. Meanwhile, the cumulative result totaled CLP 55,746 million (USD 76MM), growing 69.90 percent versus 12 months ago.

## **Performance Report**

Alongside this month's financial information, the Performance Report provides a review of banking claims in the banking system, their evolution from 2011 to the present, and openings at product level and by financial institution, among other factors.

## **Links to Relevant Documents**

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

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