



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

- *Loans in the banking system fell by 1.83 percent in 12 months. The commercial and consumer portfolios contracted by 4.28 and 8.95 percent, respectively. Meanwhile, the housing portfolio expanded by 6.01 percent.*
- *Loans by savings and credit cooperatives decreased by 3.78 percent in the same span, affected by a 6.55-percent contraction in the consumer portfolio.*
- *Most credit risk indices applicable to banks and cooperatives decreased compared to last month and over the past 12 months.*

August 30, 2021 – Loans in the banking system fell by 1.83 percent over the past 12 months. Said figure is lower than the 4.85-percent decline posted in June 2021 – the worst so far this year – and below the 7.21-percent increase observed in July 2020. Commercial loans fell by 4.28 percent, a somewhat better figure than the minus-8.35 percent recorded last month. The consumer portfolio fell by 8.95 percent, though its contraction has slowed down over the past five months. In contrast, the housing portfolio grew by 6.01 percent, improving the 5.29-percent figure recorded in June.

State-guaranteed loan programs continue playing a countercyclical role. Excluding these operations, overall loans would have decreased by 3.08 percent and commercial loans by 6.64 percent over 12 months.

Regarding credit risk, all indices fell in July 2021. The loan-loss provisions index was 2.40 percent; the commercial portfolio index dropped to 2.69 percent; the consumer portfolio index reached 5.91 percent; and the housing portfolio index got 0.63 percent. The arrears ratio of 90 days or more declined to 1.47 percent, with the commercial portfolio ratio slipping to 1.63 percent; the consumer portfolio ratio to 1.29 percent; and the housing portfolio ratio to 1.25 percent.

Monthly profits for July amounted to 253,294 million Chilean pesos (USD 334MM), decreasing by 16.15 percent compared to last month. The cumulative result is up to CLP 2,067,418 million (USD 2,726MM), an increase of 364.31 percent over the past 12 months due to a lower comparison base. 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 66.95 percent – 60.07 percent for June 2021 – during the last year.

Accordingly, the return on average equity rose to 12.87 percent and the return on average assets to 0.89 percent.

Supervised Cooperatives

Loans by savings and credit cooperatives supervised by the CMF fell once more this month, posting a decrease of 3.78 percent over the past year – worse than June's minus-3.58 percent. The consumer portfolio, which comprises 72 percent of these loans, declined by 6.55 percent in July versus a 6.07-percent contraction last month. The commercial portfolio grew by 10.67 percent in 12 months due to the granting of State-guaranteed loans. Excluding these operations, this portfolio would have grown only by 9.34 percent, while overall loans would have contracted by 3.85 percent.

In terms of credit risk, the provisions index decreased to 6.41 percent; the arrears ratio of 90 days or more rose to 1.88 percent; and the impaired portfolio ratio declined to 6.41 percent.

Monthly profits for July reached 6,296 million Chilean pesos (USD 8MM), falling by 6.67 percent compared to June. The cumulative result amounted to CLP 62,042 million (USD 82MM), increasing by 60.96 percent over the last 12 months. Accordingly, the return on average equity was 14.76 percent and the return on average assets 3.54 percent.

Performance Report

Alongside this month's financial information, the Performance Report includes information on the evolution of credit risk provisions in the banking system between 2011 and 2021; their main variations and participation broken down by portfolio; and the evolution of the provisioning index by portfolio.

Links to Relevant Documents

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

- [Financial Report of Savings and Credit Cooperatives - July 2021](#)

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