



CMF reports on the performance of supervised banks and cooperatives as of October 2022

- *Loans in the banking system increased 0.07 percent in 12 months, slowing down versus last month due to a larger drop in commercial loans and less dynamism in consumer and housing loans.*

November 29, 2022 — Loans in the banking system grew 0.07 percent in 12 months, lower than the 1.24-percent increase recorded in September and the 1.42-percent variation in the same month last year. A larger drop in commercial loans and less dynamism in consumer and housing loans explain this result.

The commercial portfolio fell by 1.33 percent over the past year compared to a 0.17-percent decline in September, while the consumer portfolio slowed down their growth from 0.93 to 0.33 percent and the housing portfolio from 2.93 to 2.29 percent, respectively.

Regarding credit risk, the loan-loss provisions index, the arrears ratio of 90 days or more, and the impaired portfolio ratio increased versus September, with a dissimilar trajectory at the portfolio level. The loan-loss provisions index increased from 2.38 to 2.40 percent during the month as a result of an increase in the indicator for the consumer portfolio, while the ratios for the commercial and housing portfolios remained unchanged. The impaired portfolio coefficient increased from 4.44 to 4.52 percent, with a higher ratio in all three portfolios. Meanwhile, the arrears ratio of 90 days or more increased from 1.52% to 1.59 percent, due to a higher indicator in the commercial and consumer portfolios, while the ratio in the housing portfolio stood pat.

Compared to 12 months ago, the ratios of provisions to loans and arrears of 90 days or more grew. The former was driven by the increase in the consumer portfolio ratio, while the latter was a result of higher ratios in all three portfolios. On the other hand, the impaired portfolio ratio decreased in the same span because of identical trends in the indicators for commercial and housing portfolios.

Monthly profits for October reached 435,954 million Chilean pesos (USD 461MM), while the cumulative result for this year amounts to CLP 4,784,876 million (USD 5,062MM) for an increase of 37.85 percent in 12 months. Accordingly, the return on

average equity was 21.86 percent and the return on average assets was 1.48 percent, both higher than in the same period of 2021.

Supervised Cooperatives

Loans in savings and credit cooperatives supervised by the CMF expanded by 2.83 percent over the past 12 months, better than the 2.46-percent increase reported in September but also above the 3.02-percent decline seen in October 2021. Excluding the inorganic growth of the consumer portfolio caused by the purchase of a portfolio by a cooperative last July, overall loans would have contracted by 0.46 percent in 12 months.

The consumer portfolio, which comprises 72.74 percent of these loans, increased 4.14 percent in that span (3.55 percent in September 2022). Excluding the portfolio purchase mentioned earlier, said loans would have decreased by 0.43 percent. Meanwhile, the commercial portfolio fell 1.42 percent, a larger decline than the one posted last month and contrasting to the increase recorded a year earlier. The housing portfolio contracted by 0.32 percent, well below the 3.26-percent increase recorded in September 2021 and a moderate variation versus September.

Regarding credit risk, the provisions index and impaired portfolio ratio rose in October. The former shifted from 3.38 to 3.39 percent due to higher ratios in the consumer and housing portfolios, and a lower ratio in the commercial portfolio. The latter grew from 6.19 to 6.29 percent after coefficient increases in all portfolios.

Meanwhile, the arrears ratio of 90 days or more dropped from 2.09 to 2.00 percent as a lower coefficient in the consumer portfolio countered rises in the housing and commercial portfolios.

All three indices increased versus last year. The provisions index and impaired portfolio ratio were influenced by coefficients of the consumer portfolio, and the arrears ratio of 90 days or more by the commercial and housing portfolios.

Monthly profits for September reached CLP 10,339 million (USD 11MM), and the cumulative result for 2022 is CLP 106,796 million (USD 113) for a 12-month increase of 9.69 percent. Accordingly, the return on average equity was 17.55 percent and the return on average assets was 4.22 percent, both better than last year's figures.

Links to Relevant Documents

- [Report on Performance of the Banking System and Cooperatives — October 2022](#)
- [Monthly Report on Financial Information of the Banking System — October 2022](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System — October 2022](#)
- [Arrears ratio of 90 days or more in the Banking System — October 2022](#)
- [Report on the Impaired Portfolio of the Banking System — October 2022](#)

- [Assets and Liabilities of the Chilean Banking System Abroad — October 2022](#)
- [Balance Sheet and Statements of Banks \(in plain text format\) — October 2022](#)
- [Financial Report of Savings and Credit Cooperatives — October 2022](#)

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