



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

- *Loans from the banking system grew 7.21 percent in 12 months and below the previous month. They were influenced by a deceleration in the commercial portfolio as a result of a lower exchange rate.*
- *The dynamism of the FOGAPE Covid-19 guaranteed loans is sustained. Without considering these operations, loans would have increased by only 3.18 percent in 12 months.*

**August 28, 2020** – In July, loans from the banking system grew 7.21 percent in 12 months. This figure is lower than both the variation registered in the previous month (10.05 percent) and the same month last year (8.08 percent).

Commercial loans boosted activity with an expansion of 11.99 percent, lower than the 15.76 percent recorded in June due to a fall in the exchange rate. The housing portfolio showed an increase of 6.84 percent, lower than the previous month (7.80 percent), while the consumer portfolio fell for the fifth consecutive month, decreasing by 8.85 percent over 12 months.

Variations in total loans and commercial loans are positively influenced by the granting of FOGAPE Covid-19 guaranteed loans during July, just like the two previous months. Without considering these operations, loans from the banking system would have grown by only 3.18 percent and commercial loans by 4.83 percent over 12 months.

In terms of credit risk, provisioning and impairment indices increased again during July. The loan-loss provisions index rose from 2.63 to 2.67 percent, and the impaired portfolio increased from 5.34 to 5.55 percent. Meanwhile, the arrears ratio of 90 days or more improved from 2.02 to 1.99 percent.

Monthly profits for July reached 103,616 million Chilean pesos (USD 137 million), with a lower net provision expense and an increase in the interest margin. The accumulated result reached CLP 428,130 million (USD 567 million), a 74.76 percent drop compared to a year ago. Accordingly, the return on average equity fell to 6.90 percent while the return on average assets reached 0.51 percent.

### Supervised Cooperatives

Loans from savings and credit cooperatives supervised by the Financial Market Commission (CMF) grew by 1.76 percent in 12 months, down from 1.97 percent in June. A lower growth of the consumer portfolio (1.60 percent compared to 1.93 percent the previous month) explains this variation.

During July, the FOGAPE Covid-19 guaranteed loans granted had a positive impact on the activity, just as in the previous month. Excluding these operations, the 12-month variation in loans would have decreased from 1.76 percent to 1.68 percent.

Regarding credit risk, the arrears ratio of 90 days or more and the impaired portfolio index increased compared to the previous month, with 3.21 percent for the former and 7.83 percent for the latter. In contrast, the provisions index fell from 4.06 to 4.02 percent.

Monthly profits reached USD 7.2 million, an increase of 112.31 percent over the previous month. This was due to lower expenses for net credit risk provisions and a higher interest margin. Profits over a 12-month span decreased by 27.87 percent.

## Performance Report

Alongside this month's financial information, the Performance Report includes a review of credit products in the financial system disaggregated by gender, identifying the existence and closure of gaps over the past ten years.

## Links to Relevant Documents

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

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