



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

- *Loans in the banking system fell for the second consecutive month, decreasing by 1.73 percent. Commercial loans contracted by 0.19 percent over 12 months and consumer loans dropped by 17.30 percent. Meanwhile, the housing portfolio grew by 4.18 percent.*
- *FOGAPE Covid-19 guaranteed loans continue to drive banking system activity over the last 12 months. Excluding these operations, loans would have declined by 6.07 percent annually.*

**February 25, 2021** – Loans in the banking system fell by 1.73 percent in 12 months, a bigger decrease than the 0.40 percent recorded in December 2020 and a stark contrast to the increase of 8.55 percent registered in January of last year. A decline in the commercial portfolio, which fell by 0.19 percent compared to an increase of 0.92 percent in December, explains this variation. Consumer loans deepened the fall started in March 2020, plummeting by 17.30 percent over 12 months in comparison to a drop of 16.05 percent in the previous month. Meanwhile, the housing portfolio grew by 4.18 percent, a figure still lower than December's 4.58 percent.

Lending activity continues to be positively influenced by the FOGAPE Covid-19 guaranteed loans during 2020. Excluding these operations, loans in the banking system would have fallen by 6.07 percent and commercial loans by 7.83 percent over 12 months.

Regarding credit risk, the loan-loss provisions index dropped to 2.69 percent, mainly due to the personal portfolio. The commercial portfolio indicator grew slightly to 2.98 percent. The arrears ratio of 90 days or more fell once more to 1.54 percent due to the performance of the personal portfolio, despite a marginal reduction in the ratio of the commercial loan portfolio. Likewise, the impairment index fell for the third consecutive month to 5.40 percent, explained by a lower impairment in loans to individuals.

Monthly profits for January reached 309,680 million Chilean pesos (USD 418MM), increasing by 143.03 percent compared to December 2020 and by 24.56 over the last year. Accordingly, the return on average equity was 5.86 percent and the return

on average assets reached 0.41 percent. Both figures are below the 12.44 and 1.00 percent, respectively, recorded for the same period of the previous year.

## **Supervised Cooperatives**

Loans by savings and credit cooperatives supervised by the CMF decreased for the fourth consecutive month, recording a drop of 2.24 percent over 12 months. The consumer portfolio, which comprises 73 percent of said loans, fell by 3.87 percent and is the main reason behind this variation.

The commercial portfolio grew by 5.34 percent in 12 months, positively influenced by the granting of FOGAPE Covid-19 guaranteed loans. Excluding these operations, this portfolio would have grown only by 2.21 percent and total loans would have declined by 2.38 percent.

As for credit risk, the provisioning index reached 3.70 percent; the arrears ratio of 90 days or more totaled 1.76 percent; and the impaired portfolio index was 7.05 percent.

Monthly profits for January summed CLP 9,896 million (USD 13MM). This figure represents a monthly increase of 84.66 percent and a positive variation of 117.85 percent over 12 months. Accordingly, the return on average equity was 12.02 percent and the return on average assets reached 3.00 percent. Both figures are below the 13.87 and 3.68 percent, respectively, recorded for the same period of the previous year.

## **Performance Report**

Alongside this month's financial information, the Performance Report includes a review of the additional provisions of the banking system. Focused on credit risk, it describes the evolution of said provisions, their related institutions, and their role during the evolution of the sanitary crisis.

## **Links to Relevant Documents**

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

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

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