



CMF reports on performance of supervised banks and cooperatives as of January 2023

- *Loans in the banking system contracted by 3.02 percent in 12 months due to a decline in commercial loans and a steeper fall in the consumer portfolio. The housing portfolio reversed its deceleration.*

February 28, 2023 — Loans in the banking system fell 3.02 percent in 12 months, a figure worse than both the 2.86-percent decline posted last month and the 3.11-percent growth in January 2022. This was due to a decline in commercial loans and a steeper fall in the consumer portfolio. Meanwhile, housing loans grew marginally and stabilized the downward trend observed during the past year.

Commercial loans fell by 5.54 percent in 12 months, compared to a decline of 5.62 percent in December. Consumer loans trended downward for the second consecutive month, from 0.76 percent in December to 1.28 percent in January. Meanwhile, loans increased slightly from 1.34 to 1.36 percent.

Regarding credit risk, the loan-loss provisions index, arrears ratio of 90 days or more and impaired portfolio ratio increased versus last month. Only the housing loans-provisions ratio remained unchanged. The loan-loss provisions index increased from 2.46 to 2.50 percent in January after an increase in the commercial and consumer portfolio indicators. The impaired portfolio ratio increased from 4.74 to 4.88 percent, while the arrears ratio of 90 days or more increased from 1.68 to 1.78 percent — both figures were higher in all three portfolios.

All three credit risk indices expanded versus last year. The loan-loss provisions index grew due to an increase in the respective ratios of the consumer and housing portfolios. The arrears ratio of 90 days or more grew across all three portfolios, and the higher impaired portfolio ratio was because of increases in the ratios of consumer and housing loans.

Monthly profits for January reached 357,849 million Chilean pesos (USD 442 million), a decrease of 25.01 percent in 12 months. Accordingly, the return on average equity was 20.59 percent and the return on average assets 1.42 percent, both higher than the ones posted in January 2022.

Supervised Cooperatives

Loans in savings and credit cooperatives supervised by the CMF expanded by 6.73 percent in 12 months, above the 6-percent increase in December 2022 and the 1.96-percent decline in January 2022. Excluding the inorganic growth of the consumer portfolio after portfolio purchases by a cooperative in July and December 2022, overall loans would have grown by only 2.11 percent.

The consumer portfolio, which comprises 72.68 percent of these loans, increased 7.79 percent in that span versus 7.52 percent in December 2022 and minus-3.87 percent in January 2022. By excluding the portfolio purchases mentioned earlier, consumer loans would have grown by only 1.37 percent. The commercial portfolio increased 1.56 percent in that span, above the 0.31-percent increase recorded last month but also below the 9.01-percent expansion recorded a year ago. The housing portfolio expanded by 4.56 percent, above the rate recorded the previous month (2.54 percent) and that of a year ago (2.09 percent).

In terms of credit risk, the provisions index, the impaired portfolio ratio, and the arrears ratio of 90 days or more increased during January. The provisions index moved from 3.29 to 3.37 percent after a higher indicator in the commercial and consumer portfolios, while the housing portfolio ratio decreased slightly. The impaired portfolio indicator rose from 6.40 to 6.63 percent, due to an increase in the commercial and consumer portfolios, although the housing ratio declined. The arrears ratio of 90 days or more advanced from 2.12 to 2.26 percent due to a higher ratio in all three portfolios.

Compared to 12 months ago, the impaired portfolio and arrears ratio of 90 days or more expanded. The former was the result of an increase in the corresponding consumer and housing indicators, and the latter by a higher ratio in the commercial and housing portfolios. On the other hand, the provisions index was below its level of a year ago after downward trends in the commercial and housing portfolio coefficients.

Monthly profits for January amounted to CLP 4,677 million (USD 6 million), a decline of 48.31 percent over 12 months. Accordingly, the return on average equity was 17.25 percent and the return on average assets 4.18 percent, both better than last year's figures.

Links to Relevant Documents

- [Report on Performance of the Banking System and Cooperatives — January 2023](#)
- [Monthly Report on Financial Information of the Banking System — January 2023](#)
- [Report on Derivative and Non-Derivative Instruments of the Banking System — January 2023](#)
- [Arrears Ratio of 90 Days or More in the Banking System — January 2023](#)
- [Report on the Impaired Portfolio of the Banking System — January 2023](#)

- [Assets and Liabilities of the Chilean Banking System Abroad — January 2023](#)
- [Balance Sheet and Statements of Banks \(in plain text format\) — January 2023](#)
- [Financial Report of Savings and Credit Cooperatives — January 2023](#)

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