



CMF reports on the performance of supervised banks and cooperatives as of April 2023

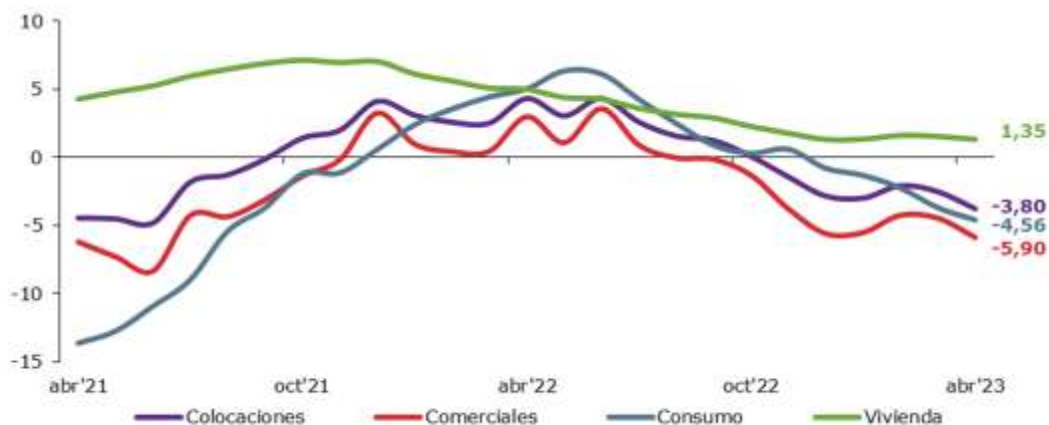
- Loans in the banking system fell 3.80 percent over 12 months due to larger contractions in the consumer and commercial portfolios.

May 31, 2023 — Loans in the banking system fell 3.80 percent in 12 months, higher than the 2.55-percent drop recorded March of this year, and down from the 4.35-percent increase observed in April 2022. This decrease was due to a steeper decline in the commercial and consumer portfolios, coupled with a slowdown in the housing portfolio.

Commercial loans fell for the ninth consecutive month, dropping 5.90 percent over the last 12 months and accentuating the 4.48-percent decline observed in March. Consumer loans fell for the fifth month in a row, from a minus-3.66 percent variation in March to minus-4.56 percent in April. Meanwhile, housing loans grew only by 1.35 percent, slightly less than the 1.56-percent increase seen in March, as Graph 1 shows.

Graph 1: Total loans and loans by portfolio in the banking system

(Real annual variation expressed in percentage)



Purple: Total loans. Red: Commercial loans. Blue: Consumer loans. Green: Housing loans.

Regarding credit risk, the banking system's arrears ratio of 90 days or more and impaired portfolio increased in April, while the loan-loss provisions index remained unchanged. The ratios by portfolio showed an upward trend except for the loan-provisioning and commercial impaired portfolio indices.

The loan-loss provisions index was 2.52 percent during the month, with a decrease in the commercial portfolio ratio versus increases in the consumer and housing ratios. Likewise, the impaired portfolio ratio increased 0.04 percent to 5.08 percent in April, with positive variations in the consumer and housing portfolios. The arrears ratio of 90 days or more rose from 1.84 to 1.90 percent after higher ratios across all portfolios.

Most of the provisioning, delinquency rates of 90 days or more, and impaired portfolio ratios over loans and by portfolio expanded versus 12 months ago. The lone exception was the provisions index of the commercial portfolio, which declined compared to April 2022.

Monthly profits for April reached CLP 502,587 million (USD 627 million), a decrease of 26.75 percent in 12 months. Accordingly, the return on average equity reached 18.98 percent and the return on average assets was 1.31 percent, both higher than the ones posted in April 2022.

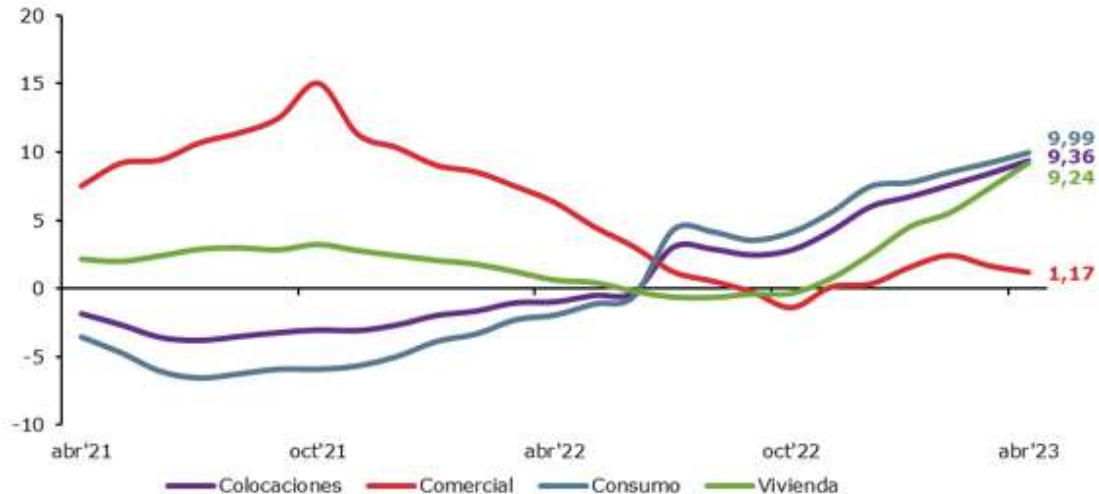
Supervised Cooperatives

Loans in savings and credit cooperatives supervised by the CMF grew by 9.36 percent in 12 months, better than the 8.41-percent increase recorded in March 2023, and above the 0.97-percent drop reported in April 2022. This figure considers the inorganic growth of the consumer portfolio resulting from a portfolio purchase made by a cooperative in 2022, which impacted the industry's activity from the second half of that year onwards. Excluding said effect, loans would have grown by only 4.73 percent during the month, above the 3.80 percent that would have been recorded in March 2023 (measured in the same way).

The consumer portfolio, which accounts for 72.49 percent of these loans, grew by 9.99 percent in 12 months and is the main reason behind this result. Excluding the portfolio purchase mentioned earlier, consumer loans would have grown by just 3.56 percent over the past year, also above the figure recorded in March 2023. The commercial portfolio rose by 1.17 percent in that span, moderating the 1.64-percent increase recorded the previous month. The housing portfolio grew 9.24 percent, above the 7.37-percent jump recorded last month and the 0.65-percent increase seen last year.

Graph 2: Total loans and loans by portfolio granted by savings and credit cooperatives

(Real annual variation expressed in percentage)



Purple: Total loans. Red: Commercial loans. Blue: Consumer loans. Green: Housing loans.

As for credit risk, the provisions index, the arrears ratio of 90 days or more, and the impaired portfolio increased during the month, as did the ratios for most portfolios. The lone exception was the ratio of provisions to housing loans, with no variation from March 2023.

The provisions index increased from 3.45 to 3.50 percent, driven by the commercial and consumer portfolio ratios. The impaired portfolio ratio rose from 6.91 to 7.02 percent, and the arrears ratio of 90 days or more also increased from 2.45 to 2.63 percent, both due to increases across all portfolios.

All indices grew versus 12 months ago. The provisions index increased due to higher levels in the commercial and consumer portfolios, while the arrears of 90 days or more and the impaired portfolio ratios trended upward across all portfolios.

Monthly profits for April reached CLP 7,771 million (USD 10 million), decreasing 45.30 percent in 12 months. Accordingly, the return on average equity was 15.20 percent and the return on average assets was 3.68 percent, the former lower and the latter higher than the same month last year.

Links to Relevant Documents

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

- [Balance Sheet and Statements of Banks \(in plain text format\) - April 2023](#)
- [Financial Report of Savings and Credit Cooperatives - April 2023](#)

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