Credit Risk - Special Financial Stability Reports - First Half 2022

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The Financial Stability Special Reports accompany the publication of the Financial Stability Report and provide a more detailed analysis of some aspects and risks relevant to the stability of the Colombian financial system: market liquidity risk, market risk, credit risk, financial burden, loan portfolio, and housing market in Colombia, international indicators, concentration, and competition in the deposit and credit markets, corporate sector surveys, and financial inclusion.

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This report analyzes the credit risk exposure and performance of credit institutions as of March 2022. With the recovery of economic activity, portfolio quality indicators continued to improve. The loan portfolio also grew at an accelerated rate. The Financial Stability Report for the first half of 2022 points out that this acceleration is mainly explained by the dynamics of the consumer portfolio in a context in which the household debt-to-income ratio is around its historical maximum. Therefore, it is crucial to continue with the detailed monitoring of the evolution of delinquency, risk perception, and credit conditions for each type of loan with the latest available information. The indicators presented in this report confirm that credit risk vulnerability is declining. In line with the observed economic recovery, credit conditions show a generalized behavior characterized by high disbursement volumes, high growth rates, and rising interest rates among all the types of loans. The rapid pace of expansion of the consumer loan portfolio has occurred in a context in which a greater deterioration of loans originated in recent months has been observed. However, risk indicators show no signs of vulnerability for the system, and the level of coverage is at historically high levels.

Fuente: https://d1b4gd4m8561gs.cloudfront.net/en/publications-research/special-financial-stability-reports/credit-risk-first-half-2022