

## New Loans in Strong Growth



Despite the recent geopolitical conflict, tighter financial conditions, and significant inflationary pressures, banks continue recording increases in their new loan portfolio, according to the statistics contained in the Banking Activity Report (IAB, for its acronym in Spanish) as of March 2022.

Proof of this is that, as of March 2022, new loans recorded a 52.2% increase, totaling USD 5.08 billion, versus March 2021, when they totaled USD 3.34 billion, that is USD 1.74 billion more.

It should be noted that all sectors showed positive performances, which were leveraged by deposits and other sources of stable funding that grew during the surveyed period, among others, which would be a reflection of the sectoral reactivation and greater demand for credit.

The domestic loan portfolio recorded a total of USD 55.77 billion, which means a USD 1.74 billion or a 3.2% increase versus 2021. It is noteworthy to mention that, although the country showed an economic recovery, it has been asymmetrical, as some sectors are still under an improvement process to recover the demand for credit they had in 2019.

Another positive indicator was the volume of deposits placed in the market, which recorded a total of USD 98.48 billion, a USD 3.20 billion increase versus the same period a year earlier, which means that it continues to record a rearrangement of bank deposits.

The assets of the International Banking Center (IBC) totaled USD 135.69 billion, a USD 6.69 billion increase versus March 2021, i.e. a year-on-year growth of 5.2%. The foregoing was the result of increases in the net loan portfolio (7.6%) and securities portfolio (18.1%).

The net profits of the International Banking Center recorded a total of USD 507.1 million, i.e. USD 193.2 million more than that of March 2021 or a year-on-year increase of 61.6%.

These results show that, despite the uncertainty of the current international context, the banking system continues to record improvements in its results, with adequate liquidity and solvency margins, within a framework of financial intermediation increases.

A particular example are the capitalization metrics that remained at high and sound levels. The latest global capital ratio showed 15.9%, almost double the regulatory minimum of 8%, while liquidity ratio stood at 58.3%, twice the legally required, due to the continuous growth of deposits in recent months, thus preserving the entities' ability to meet their short- and long-term obligations.

For further information on the results of this report, visit our website [www.superbancos.gob.pa](http://www.superbancos.gob.pa) / Financial & Statistical node.