

Loan Portfolio Continues with Favorable Evolution as of July 2022



With a 13% growth, the net loan portfolio of the International Banking Center (IBC) continues to evolve favorably, totaling USD 80.63 billion, i.e., USD 9.26 billion more than that a year earlier, and the expectations of new placements are in an expansion area, because of the normalization of the global monetary policy and the lower growth perspective for the second half of 2022.

Deposits recorded a total of USD 97.31 billion, USD 2.96 billion more (+3.1%) versus July 2021. While domestic deposits recorded a decrease during the surveyed period of USD 410 million or a 0.7% decline compared to the same period of 2021, according to the data included in the July 2022 Banking Activity Report.

Domestic customer deposits continue to grow (0.8%) but at a slower pace. Notably, although domestic customer deposits are currently underperforming, they are still higher than pre-pandemic results.

The flow of deposits accumulated during 2020 and 2021, because of mobility restrictions and precautionary measures, is still positive (in the case of customer), which could reflect that households have used part of these savings to finance greater consumption in response to inflation hikes, without necessarily getting more financial commitments.

This still positive balance in deposits, in addition to strengthening the balance of customers who were able to increase their savings at the face of new shocks, could continue to benefit consumption in the remainder of 2022 and in 2023.

On the other hand, external deposits recorded an increase of USD 3.37 billion totaling USD 35.46 billion.

The assets of the International Banking Center totaled USD 136.54 billion, i.e., USD 8.59 billion more than that of July 2021 or a year-on-year increase of 6.7%, which was the result of growth in the net loan portfolio (13%) and the securities account (13.5%). As we have mentioned in previous reports, on the liquid assets side, although they fell short (-18.5%), this is a reflection in counterpart of loan increases.

As for results, the International Banking Center recorded net profits for USD 1.096 billion, which is equivalent to USD 399.9 million more than that of July 2021 or a year-on-year increase of 57.5%, which was boosted by the positive evolution of financial margins and commissions, derived from the continuous growth of the loan portfolio; the extraordinary income by a banking group; the robust assets quality and expenditure management; and the lower provisioning expenses. It is noteworthy that margin increase is because consumer loans, which are more onerous, increasingly have greater weighting in the balance sheets of entities.

For further information on the variables that explain the results of these report, please visit our website www.superbancos.gob.pa / Statistical and Financial section.