Financial Stability Report - Second Half of 2024

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The main purpose of these documents is to provide semiannual information on the vulnerabilities and risks of the financial system. The views presented and potential errors are the sole responsibility of the authors and their contents do not compromise the Board of Directors of *Banco de la República*

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The analysis presented in this edition of the Report concludes that the Colombian financial system continues to maintain adequate capital and liquidity levels that are not only above the regulatory minimums, but, in the aggregate, would even be sufficient to face the materialization of extreme low-probability risks.

See the report

Publication Date: Monday, 14 of July 2025 I. Performance of Credit Institutions (CIs)

- CIs in Colombia have adequate capital and liquidity levels to face risk materialization, both at the individual and consolidated levels.
- As of the third quarter of 2024, total assets and the gross loan portfolio of CIs continued to contract, although at a slower pace. The contraction in the loan portfolio is explained by the recovery in disbursements, in an environment of declining interest rates and a recovery in credit demand.
- Compared to the first quarter of 2024, the loan portfolio reported a decline in non-performing loans, although default levels remain high compared to their recent history.
- The profitability of CIs slightly increased during the second and third quarters of 2024, mainly due to rom investment valuation.



II. Exposure of the Financial System to Households

- The share of household debt to disposable income continued to decrease during the third quarter of 2024, in line with the real contraction of the household loan portfolio (consumer and housing) and income growth.
- Over the last six months, the non-performing loan indicator of the household loan portfolio decreased due to a lower deterioration in the consumer loan portfolio.
- Banks remain restrictive in granting new consumer and housing loans, although the proportion of institutions that reduced their requirements slightly increased in the third quarter of 2024.



III. Exposure of the Financial System to the Corporate Sector

- During the first half of 2024, corporate sector debt increased slightly as a share of GDP.
- Non-performing loans to the private corporate sector increased throughout 2024 in most sectors, notably in commerce, construction, and manufacturing, and especially in the credit operations of small and medium-
s.



IV. Non-Bank Financial Institutions (NBFIs)

- The growth in total assets of the financial system recorded in August 2024 was driven by the performance of the portfolio managed by NBFIs, especially by pension and severance fund managers.
- The profitability of NBFIs in the proprietary position recovered after reporting a negative trend during the first four months of 2024.
- The assets managed by open-end collective investment funds (FICASPP in Spanish) grew significantly
4.



V. Exposure of the Financial System to Market Risk

- Financial institutions made significant purchases of public debt instruments during 2024, which increases
ity to adverse movements in sovereign risk premiums and local financial markets.



VI. Stress Tests

- The results of the stress tests suggest that, at the aggregate level, credit institutions have sufficient equity capacity to absorb potential losses resulting from a hypothetical, adverse, and unlikely scenario. Similarly,

tive investment funds are resilient to extreme hypothetical shocks of capital withdrawals.



Presentation of the Financial Stability Report Download the contents of the presentation (only in Spanish)Boxes Included in the Report

Box 1: Decomposition of the Performance of Credit Vintages.
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Box 2: Countercyclical Provisioning Scheme: Credit Cycle Adjustment Considerations.
Juan Sebastián Mariño
Juan Carlos Mendoza
Carlos Quicazán
Juliana Uribe

Box 3: A Characterization of the Exchange Rate Risk of Real Sector Firms in Colombia in 2023.
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Jorge Niño-Cuervo
Mateo Hernández-Peñaloza
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Fuente: https://www.banrep.gov.co/en/publications-research/financial-stability-report/second-half-2024