

# Non-Financial Credit Providers Report

June 2024



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

# Executive Summary

**Number of PNFCs** | In March 2024, there were 469 non-financial credit providers (*proveedores no financieros de crédito*, PNFCs), 12 more than in August 2023. A total of 401 companies were registered as other non-financial credit providers (*otros proveedores no financieros de crédito*, OPNFCs) and 113 as non-financial credit and/or purchase card issuers (*empresas no financieras emisoras de tarjeta de crédito y/o compra*, ETCNBs).

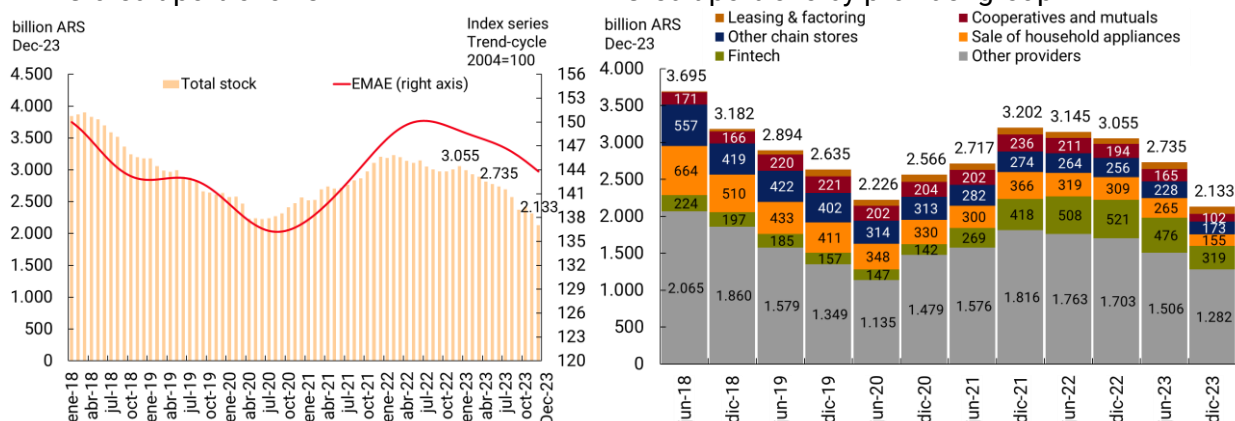
**Table 1 | Number of PNFCs by group and registry**

Groups	PNFC (Aug-23)	OPNFC (exclusively)	OPNFC and ETCNB	ETCNB (exclusively)	PNFC (Mar-24)
Cooperatives and mutuals	111	81	7	27	115
Fintech	53	57	8		65
Leasing & factoring	19	32	1		33
Sale of household appliances	25	26	1		27
Other chain stores	5	1	2	2	5
Other providers	244	159	26	39	224
<b>TOTAL</b>	<b>457</b>	<b>356</b>	<b>45</b>	<b>68</b>	<b>469</b>

Source | BCRA.

**Stock of financing** | The stock of financing reached ARS2.1 trillion in December 2023, contracting 22% at constant values against June 2023. With the exception of the *Leasing & Factoring* group, which rose 7%, all remaining groups reduced their stocks in real terms in the second half of 2023. *Other providers* accounted for the largest portion of the reduction (8 p.p. of the decline), followed by *Fintech* (6 p.p.), *Sale of household appliances* (4 p.p.), and *Other chain stores* and *Cooperatives and mutuals* (2 p.p. each).

**Chart 1 | Total stock reported PNFC credit portfolio vs. EMAE**



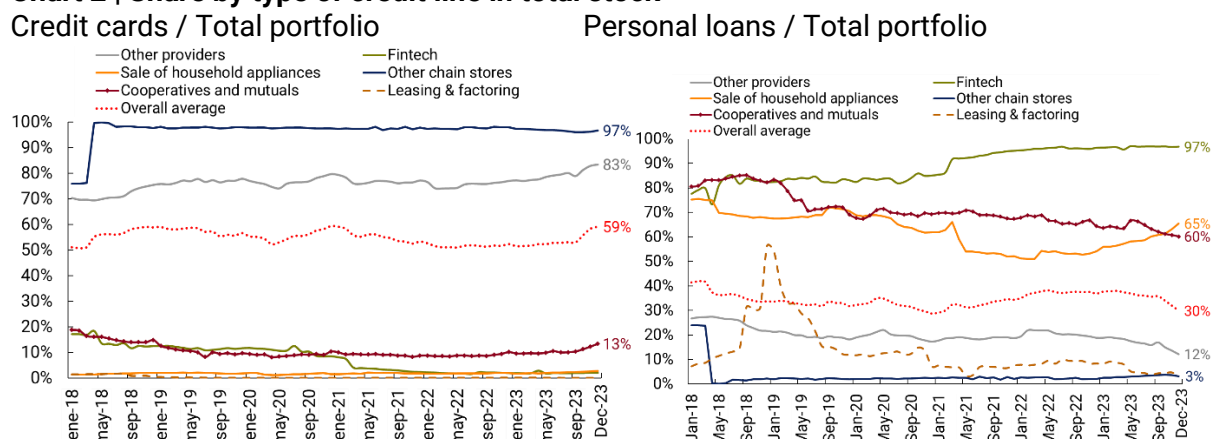
Source | BCRA and National Institute of Statistics and Censuses of Argentina (INDEC).

The stock of personal loans' financing showed a more pronounced decline compared to credit cards in the second half of 2023 (-36% and -13% at constant prices, respectively).

The credit portfolios of PNFC groups are clearly distinguished by type of credit line. While the portfolios of *Other providers* and *Other chain stores* are significantly composed of credit card

lines, those of other groups (*Cooperatives and mutuals, Fintech, Sale of household appliances*) are mostly composed of personal loans. On the other hand, *Leasing & Factoring* represents a separate case, as it focuses on more specific loans: pledge loans (63% as of December 2023), financial leasing (15%), and promissory notes(15%), among others.

**Chart 2 | Share by type of credit line in total stock**



Source | BCRA.

**Number of credit lines** | The total number of credit lines granted decreased by 2% in the half-year period under analysis, reaching 15 million by the end of 2023. This evolution contrasts with the sustained growth trend observed from the fourth quarter of 2021 to August 2023.

The number of personal loan lines did not show significant changes during this half-year period, while that on credit cards fell by 3%. The performance of personal loans was explained by those granted by the *Fintech* group.

**Table 2 | Credit lines segregated into amount and number by type of credit line**

Amounts and number	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23	Dec-23	% Var. Dec-23/Jun-23
<b>Amount</b> (billion ARS Dec-23)	<b>3.182</b>	<b>2.635</b>	<b>2.566</b>	<b>3.202</b>	<b>3.055</b>	<b>2.735</b>	<b>2.133</b>	<b>-22</b>
Credit cards	1.873	1.492	1.523	1.708	1.599	1.446	1.261	-13
Personal loans	1.072	837	737	1.099	1.126	990	637	-36
Rest of credit lines	236	306	307	395	330	299	235	-21
<b>Number of credit lines</b> (millions)	<b>11,2</b>	<b>10,4</b>	<b>9,6</b>	<b>12,4</b>	<b>14,7</b>	<b>15,2</b>	<b>15,0</b>	<b>-2</b>
Credit cards	6,7	6,2	5,8	5,6	5,6	5,7	5,5	-3
Personal loans	3,8	3,5	3,2	5,9	8,1	8,6	8,7	0
Rest of credit lines	0,7	0,7	0,7	0,9	0,9	0,9	0,8	-15

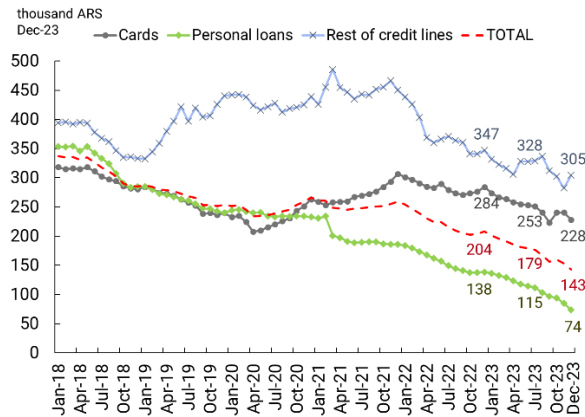
Note: "Rest of credit lines" includes pledge and mortgage loans, promissory notes, overdrafts, export financing, and others.

Source | BCRA and INDEC.

The year-end stock per credit line averaged ARS74,000 for personal loans and ARS228,000 for credit cards, down 36% and 10% in real terms compared to June 2023, respectively.

### Chart 3 | Average stock

Average stock by type of credit line

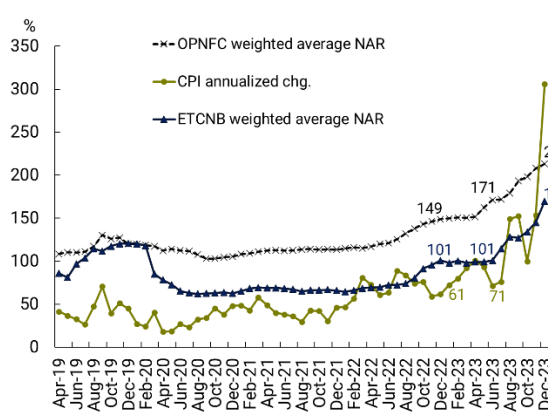


Source | BCRA and INDEC.

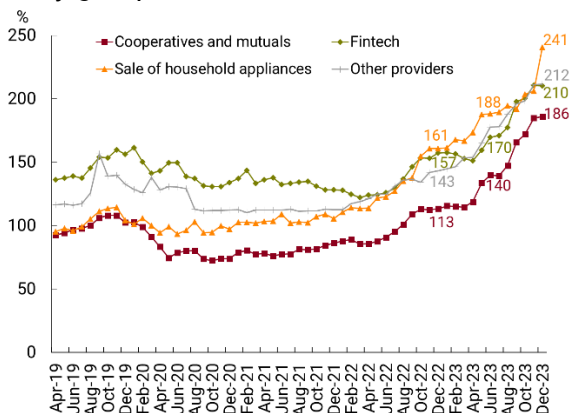
**Interest rate on personal loans and credit cards** | The weighted average nominal annual interest rate (NAR) on personal loans reached 213% at the end of 2023, up 42 p.p. against the value observed in June 2023. Meanwhile, the weighted average NAR on credit card lines recorded 170% in December 2023, up 69 p.p. over the period.

### Chart 4 | NAR on personal loans (OPNFCs) and credit cards (ETCNBs)

Total



By group of OPNFC



Note: NARs for OPNFCs are weighted by the stocks of personal loans, while those for ETCNBs are weighted by the stocks of credit card lines. The annualized change of the consumer price index (CPI) is calculated by multiplying the monthly change of CPI by 12.  
Source | BCRA and INDEC.

At group level, there was a general increase in interest rates on personal loans in the period under analysis. *Sale of household appliances* recorded the highest weighted average NAR of 241% in December 2023, up 53 p.p. against June 2023.

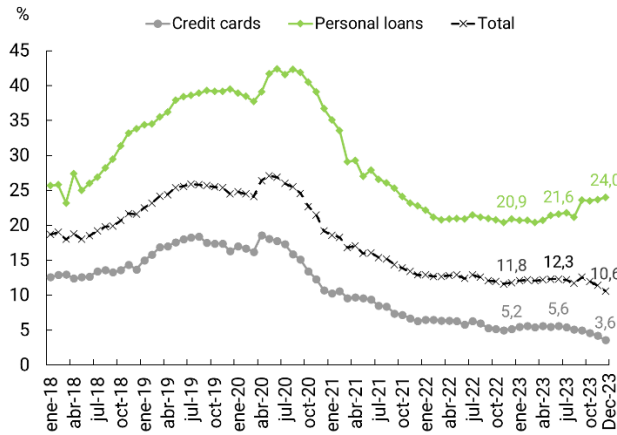
**Non-performing loans** | The non-performance ratio of PNFC loans fell 1.7 p.p. in the second half of 2023, reaching a historic low of 10.6%. The non-performance ratio of credit card lines decreased by 2 p.p., standing at 3.6% in December 2023. In contrast, the non-performance ratio of personal loans increased by 2.4 p.p., reaching 24% at the end of 2023.

The *Sale of household appliances* group witnessed a 2.3 p.p. increase in its non-performance ratio on a half-year basis, reaching 21% in December 2023, whereas all other groups showed

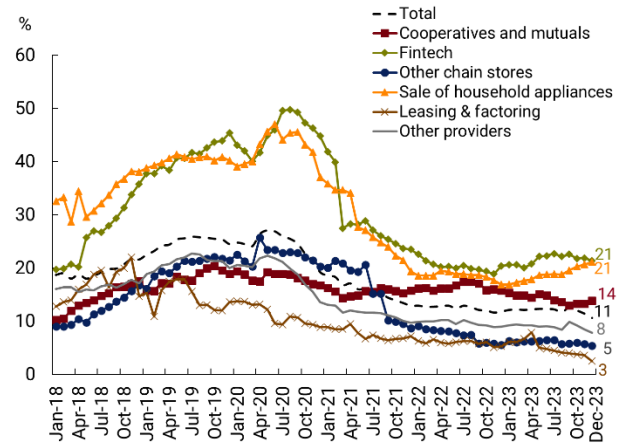
decreases. The *Leasing & Factoring* group marked the largest reduction in non-performance (-2.3 p.p.), reaching the lowest value at group level (3%) in December 2023.

**Chart 5 | Non-performance ratio of credit portfolios**

By type of credit line



By provider group

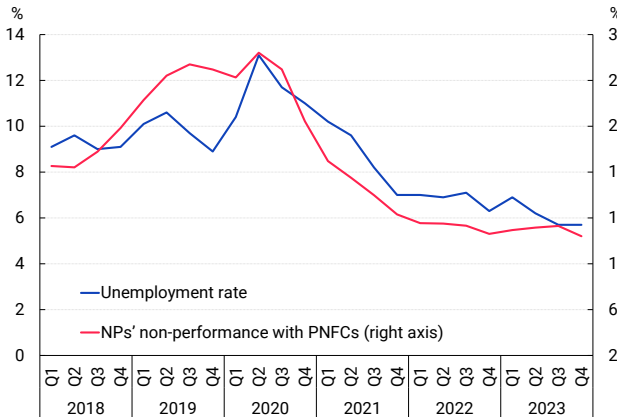


Source | BCRA.

A lower non-performing loan rate may be explained, among other factors, by the record low unemployment rate, given their long-term correlation. In turn, the non-performance ratio of financing from the financial system (FS) to households also fell, going down from 3.3% in June 2023 to 2.8% in December 2023. This suggests that, even in a context of reduced real incomes, the level of unemployment would be a relevant factor in determining the repayment of loans.

**Chart 6 | Non-performing loans and labor market**

Non-performance ratio of PNFCs vs. unemployment



Source | BCRA and INDEC.

**Number of borrowers** | The total number of individuals with financing from PNFCs was 10.7 million in December 2023, increasing 0.6% vis-à-vis June 2023, and 4.8 y.o.y. *Fintech* was the only group that increased its number of borrowers in the period, with nearly 5.4 million customers at year-end, a 6% increase compared to June 2023 and 19% higher than December 2022.

Hence, the *Fintech*'s performance proved to be positive compared to the other groups. The growth was also shown in the number of individuals with personal loans and individuals in the working age groups. In this way, they recorded nearly 5.4 million customers in December 2023, 6% more than in June 2023 and 19% more compared to December 2022.

**Table 3 | Number of borrowers**

Number of borrowers (thousands)	Dec-18	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23	Dec-23	% Var. Dec-23/Jun-23
<b>Total</b>	<b>7.676</b>	<b>7.439</b>	<b>7.048</b>	<b>8.717</b>	<b>10.175</b>	<b>10.607</b>	<b>10.667</b>	<b>0,6</b>
Legal persons	11	22	21	25	27	27	28	1,7
Natural persons	7.665	7.418	7.026	8.692	10.148	10.580	10.639	0,6
men	3.808	3.677	3.464	4.178	4.800	5.006	5.034	0,6
women	3.837	3.722	3.538	4.488	5.307	5.539	5.574	0,6
unidentified	20	19	24	26	41	35	30	-12,3
18-29 years	1.040	893	778	1.567	2.184	2.325	2.372	2,0
30-64 years	5.430	5.296	5.042	5.867	6.653	6.933	6.965	0,5
+65 years	1.195	1.229	1.206	1.259	1.311	1.322	1.301	-1,7
Cooperatives and mutuals	358	426	387	412	414	409	395	-3,6
Other chain stores	1.399	1.391	1.183	852	837	858	806	-6,1
Fintech	619	645	650	2.895	4.512	5.066	5.361	5,8
Sale of household appliances	1.920	1.768	1.455	1.479	1.566	1.571	1.430	-9,0
Leasing & factoring	25	23	18	15	15	14	13	-9,7
Other providers	5.171	4.848	4.764	5.022	5.281	5.311	5.218	-1,8
PNFC exclusively	2.805	2.848	3.208	4.530	5.378	5.581	5.425	-2,8
With credit card lending	5.647	5.361	5.060	4.931	4.991	5.074	4.944	-2,6
With personal loans	2.964	2.714	2.475	4.642	6.341	6.768	6.894	1,9

Source | BCRA and INDEC.

### Debt of PNFCs' Customers with Financial Institutions

**Number of natural person (NP) borrowers and stock of financing** | During the second half of 2023 there was a 4% growth in the number of shared NP borrowers (with credit lines from FIs), and a 22% reduction in the stocks owed to the FS in real terms.

**Table 4 | Loans from FIs to PNFCs' customers**

Amounts and number	Dec-19	Dec-20	Dec-21	Dec-22	Jun-23	Dec-23	% Var. Dec-23/Jun-23
<b>Number of borrowers (NP)</b> (millions)	<b>4,6</b>	<b>3,8</b>	<b>4,2</b>	<b>4,8</b>	<b>5,0</b>	<b>5,2</b>	<b>4</b>
<b>Number of credit lines</b> (millions)	<b>9,6</b>	<b>7,7</b>	<b>8,3</b>	<b>9,3</b>	<b>9,8</b>	<b>10,2</b>	<b>5</b>
Personal loans	2,8	2,3	2,5	2,8	3,1	3,5	13
Credit cards	5,7	4,5	4,4	4,9	5,0	4,9	0
<b>Amount</b> (billion ARS Dec-23)	<b>16.443</b>	<b>13.561</b>	<b>13.651</b>	<b>12.338</b>	<b>12.653</b>	<b>10.570</b>	<b>-16</b>
Natural persons (NPs)	6.348	5.472	5.688	5.237	4.904	3.823	-22
Personal loans (NPs)	2.559	2.005	2.185	1.838	1.637	1.106	-32
Credit cards (NPs)	2.314	2.222	2.170	2.123	2.033	1.686	-17
<b>Average debt per NP client</b> (thousand ARS Dec-23)	<b>1.388</b>	<b>1.432</b>	<b>1.365</b>	<b>1.097</b>	<b>980</b>	<b>732</b>	<b>-25</b>
Average debt on personal loans (thousand ARS Dec-23)	912	882	877	663	535	320	-40
Average debt on cards (thousand ARS Dec-23)	427	530	529	466	442	367	-17

Source | BCRA and INDEC.

**Financing by type of line** | The total stock of personal loan financing to NPs showed a 32% decrease in real terms, while total financing on credit cards fell by 17% in the period under analysis. The number of personal loans expanded nearly 13% in this half-year period, whereas that of credit cards remained unchanged.

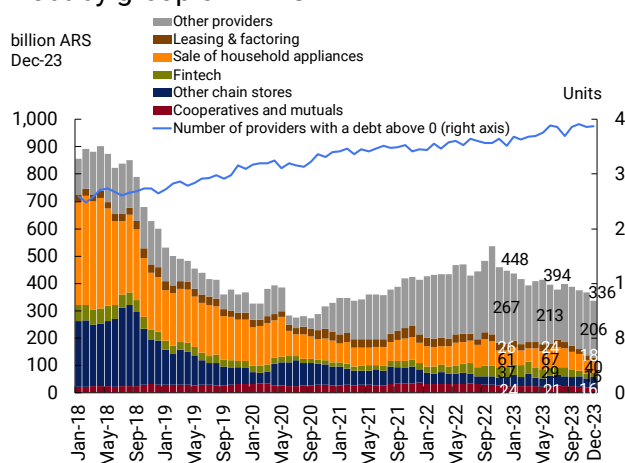
**Non-performance of borrowers shared with FIs** | The non-performance ratio of shared NP borrowers with the FS declined from 5.7% to 4.9% in the second half of 2023, which reverts the rise observed in the previous period.

### PNFC Funding at FIs and the Capital Market

**PNFC funding from the FS** | The financing provided by FIs to PNFCs amounted to ARS336,000 million in December 2023, which meant a fall of 15% over the half-year period and 25% over the year in real terms. Only the *Other chain stores* group enlarged its debt both in a year and half-year comparison.

**Chart 7 | PNFCs' debt with FIs**

Debt by group of PNFC

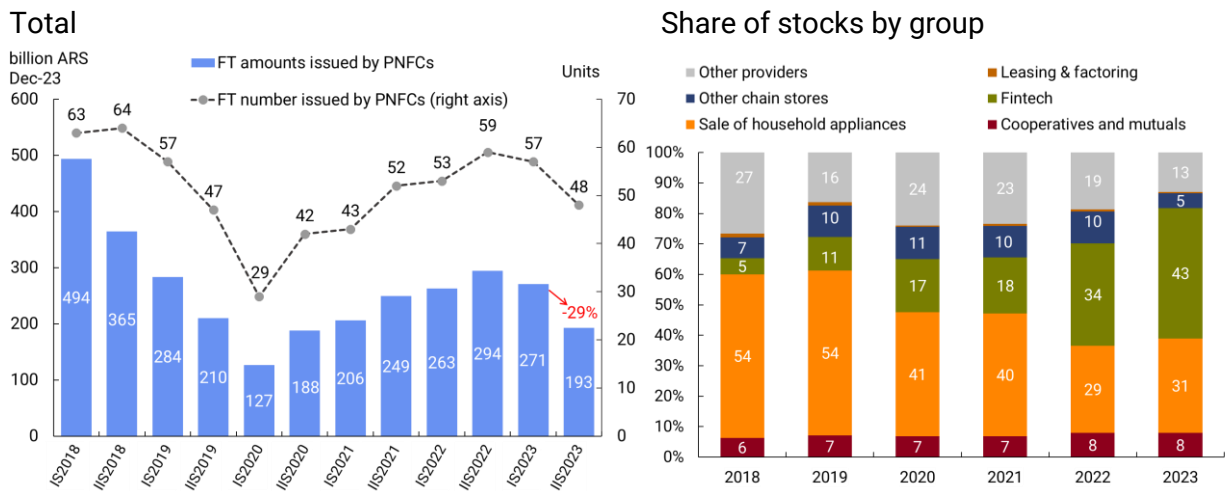


Source | BCRA and INDEC.

**Non-performance of PNFCs with FIs** | Non-performance of loans granted by FIs to PNFCs underwent no significant changes during the second half of 2023, which stood at 1% in December 2023.

**PNFC funding in the capital market** | In the second half of 2023, PNFCs issued financial trusts (FTs) for ARS193 billion (at constant prices of December 2023), exhibiting a real fall of 29% in the six-month period under analysis. *Fintech* and, to a lesser extent, the *Sale of household appliances* groups rose their share in 2023 compared to 2022.

**Chart 8 | Number and amounts of FT issued**



Source | BCRA, INDEC and CNV.