

# **Non-Financial Credit Providers Report**

June 2023



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

## Executive Summary

**Number of PNFC** | The number of registered non-financial credit providers (PNFC) reached 456 in March 2023, up 5 from August 2022. Other non-financial credit providers (*Otros Proveedores no Financieros de Crédito*, OPNFC) comprised 385 companies, whereas non-bank credit card issuers (*Emisoras de Tarjetas de Crédito no Bancarias*, ETCNB) slightly decreased to 114 companies.<sup>1</sup>

**Table 1 | Number of PNFC**

Subgroups	PNFC (aug-22)	Groups			PNFC (mar-23)
		OPNFC (exclusively)	OPNFC y ETCNB	ETCNB (exclusively)	
Cooperatives and mutuals	110	79	7	25	111
Sale of household appliances	25	25			25
Fintech	54	45	7		52
Leasing & Factoring	18	18			18
Other chain stores	5	1	2	2	5
Other providers	239	174	27	44	245
<b>TOTAL</b>	<b>451</b>	<b>342</b>	<b>43</b>	<b>71</b>	<b>456</b>

Owned by Financial Institutions	6	4		1	5
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**Debtors, number of credit lines and average debt** | The total number of PNFC debtors kept on rising throughout the second half of 2022— reaching 10.1 million, up 4% against June 2022. Only *Fintech* companies and those involved in the *Sale of household appliances* saw their client portfolio increase.

The number of credit lines provided by PNFC exhibited a similar performance, hitting a record high of 14.7 million. This performance was driven by personal loans (up 7% from June 2022). The average debt per credit line fell 7% in real terms in the period.

**Total stock of loans** | The total stock of loans provided by PNFC was over ARS1 trillion at constant prices of January 2023, down 4% in real terms compared to June 2022 and down 6% against December 2021. The reduction in stock was due to a decrease in the amounts of personal loans and credit cards.

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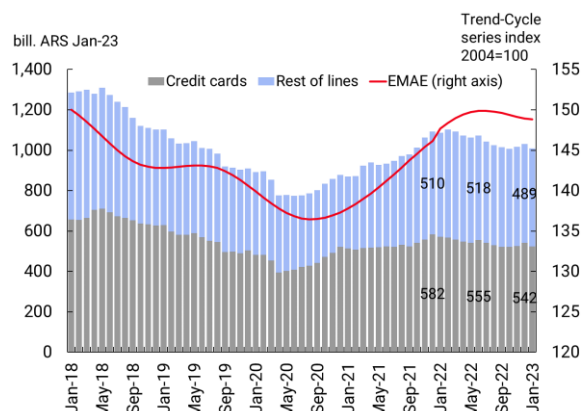
<sup>1</sup> Companies may be included in one or both registries at the same time depending on the types of credit lines they may offer.

**Table 2 | Credit: amounts, number of lines and average balance**

Amounts and number	Dec-18	Dec-19	Dec-20	Dec-21	Jun-22	Dec-22	Jan-23	% Var. Dec-22 / Jun-22
PNFC Amounts (million \$ Jan-23)	<b>1.102.631</b>	<b>908.819</b>	<b>878.201</b>	<b>1.092.052</b>	<b>1.073.653</b>	<b>1.030.811</b>	<b>1.008.544</b>	<b>-4</b>
Cooperatives and mutuals	55.438	74.284	69.912	80.380	71.755	63.918	62.044	-11
Other chain stores	140.421	135.561	107.177	93.534	90.288	87.165	80.823	-3
Fintechs	60.747	45.929	43.305	134.093	163.972	166.351	167.702	1
Sale of household appliances	198.883	152.577	107.103	118.192	103.872	100.580	101.464	-3
Leasing & Factoring	2.679	26.210	27.181	24.377	21.345	18.870	18.324	-12
Other providers	644.464	474.258	523.522	641.475	622.422	593.927	578.187	-5
Credit card	627.267	502.913	521.137	582.480	555.263	541.501	523.208	-2
Rest of credit lines	475.365	405.906	357.064	509.572	518.390	489.310	485.336	-6
Number of PNFC credit lines (millions)	11,6	10,7	9,6	12,4	14,0	14,6	14,7	4
Credit cards	6,7	6,2	5,8	5,6	5,6	5,6	5,6	-1
Rest of lines	5,0	4,4	3,9	6,8	8,4	9,0	9,1	7
Average balance per line (\$ Jan-23)	94.820	85.247	91.053	88.344	76.505	70.816	68.736	-7

Credit cards continued to exhibit the largest share in total credit—53% (ARS 542 billion) in December 2022.

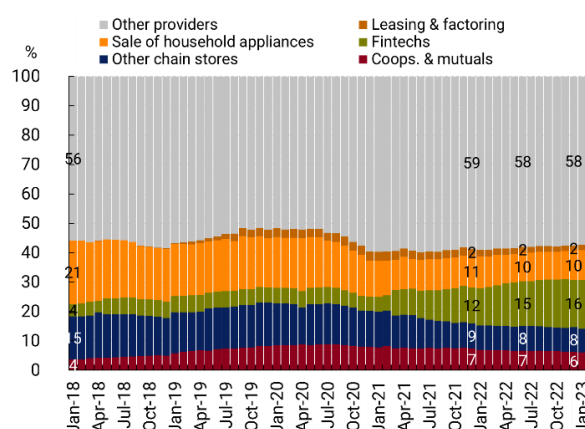
**Chart 1 | Total stock of granted credit**



Note: "Rest of lines" includes personal, pledge and mortgage loans, promissory notes, overdrafts, export financing, and others.  
Source | BCRA and National Institute of Statistics and Censuses of Argentina (INDEC).

**Amount of loans segregated by group of providers** | All PNFC groups reported reductions in their stock of financing in real terms in the second half of 2022, except for *Fintech* companies, which showed a slight increase (+2%). *Leasing & factoring*, *Cooperatives and mutuals*, *Other providers*, *Other chain stores* and *Sale of household appliances* shrank 12%, 11%, 5%, 4% and 3%, respectively.

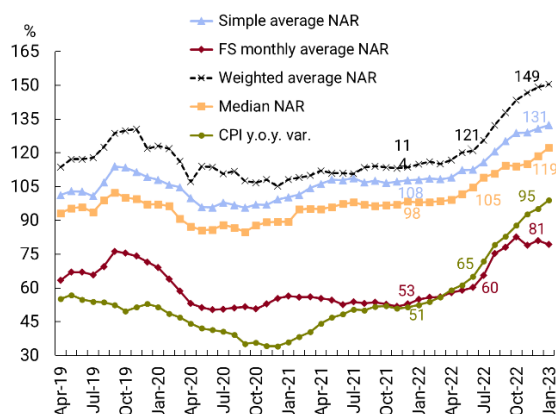
**Chart 2 | Stock of credit by type of provider**



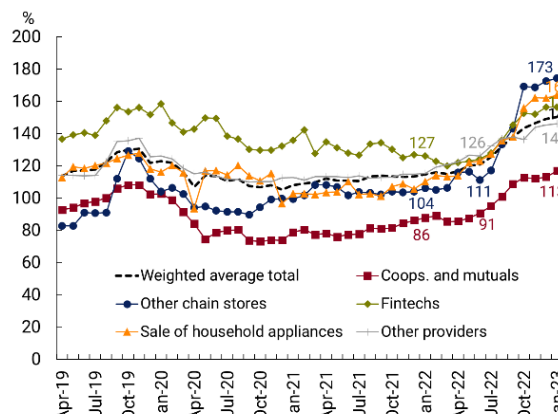
**Interest rate on personal loans and credit cards** | The weighted average nominal annual interest rate (NAR) on personal loans granted by OPNFC increased in the second half, reaching 149% in December 2022. All groups rose the interest rate on personal loans, with the companies involved in the *Sale of household appliances* and *Other chain stores* being the ones that increased it the most.

**Chart 3 | Interest rate of personal loans granted by OPNFC**

Total



By type of provider

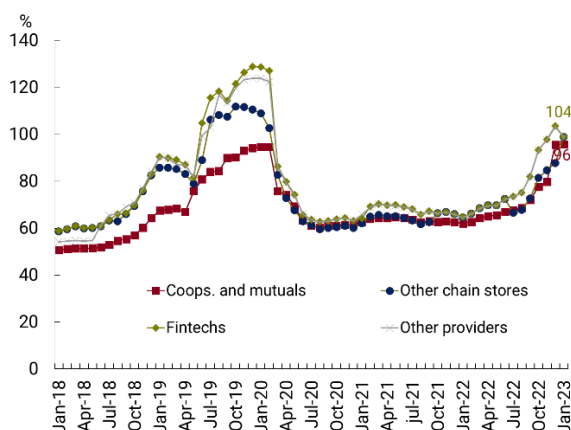


Source | BCRA and INDEC.

As for the rate charged by ETCNB,<sup>2</sup> the weighted average NAR by stock of credit card financing showed an upward performance in the second half, rising to 97% in December 2022. Analyzing rates by group, *Fintech* companies once again accounted for the growth in rates in the period, as it happened with OPNFC. A simple average rate of 104% was reported in December 2022, up 31 percentage points (p.p.) against June 2022 and up 38 p.p. *vis-à-vis* December 2021. In turn, *Other chain stores* recorded the lowest figure—89%—in the series in December 2022.

<sup>2</sup> Compensatory interest rate charged on the outstanding balance of credit card accounts. [Monthly Accounting Reporting Regime – Credit Card Financing](#), paragraph 4.1.2.

**Chart 4 | Interest rate of credit card lines granted by ETCNB**  
By type of provider



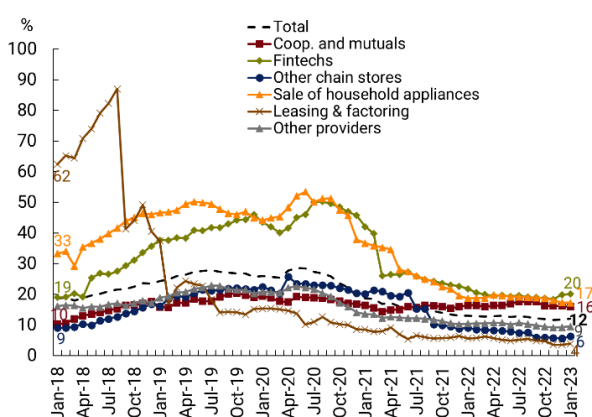
Source | BCRA.

**Non-performing loans** | The non-performance ratio of PNFC loans slightly fell compared to June 2022, reaching 12% in December 2022. However, a marginal increase was observed in non-performance between December 2022 and January 2023.

*Fintech* companies reported the highest non-performance ratio—20%—in December 2022, slightly above June 2022 and mainly explained by personal loans.

The *Sale of household appliances* group decreased the most in the second half—down 2 p.p. vis-à-vis June 2022—with a non-performance ratio of 19% as of December 2022.

**Chart 5 | Non-performing ratio of PNFC credit portfolio**  
By type of provider



Note: "Rest of lines" includes personal, pledge and mortgage loans, promissory notes, overdrafts, export financing, and others.  
Source | BCRA and INDEC.

## Analysis of PNFC's debtors

**Number of debtors by type of person, gender, and age group** | The number of PNFC's debtors grew in the second half above 10.1 million in December 2022 (see Table 4), almost 4% more than June 2022 and up 16% against December 2021. The positive performance in the number of debtors was also observed in the first month of 2023.

Unlike previous periods, the rise in the number of debtors (360,000 between June and December 2022) was mainly driven by natural persons (NPs) who also borrowed from financial institutions (FIs).<sup>3</sup> They posted the highest increase in the six-month period (adding about 260,000 debtors and reaching 4.8 million at the end of December 2022).

The total number of women and men with a credit line in the second half of the year grew by around 216,000 women and 148,000 men. Women kept on having the largest share, with 5.3 million debtors compared to 4.8 million men in December 2022.

The absolute number of debtors in the three age segments (up to 29 years, 30-64 years, and +65 years) recorded a rise. However, the 30-64 age group grew the most, with about 207,000 new debtors (3% in the second half), followed by the group of up to 29 years, with nearly 144,000 debtors (7% in the second half).

**Table 3 | Number of debtors of PNFC**

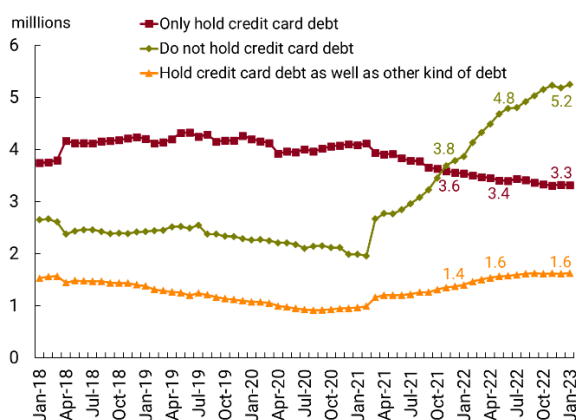
Debtors (in thousands)	dec-18	dec-19	dec-20	dec-21	jun-22	dec-22	jan-23	% Var. dec-22 / jun-22
<b>Debtors</b>	<b>8.064</b>	<b>7.650</b>	<b>7.048</b>	<b>8.718</b>	<b>9.765</b>	<b>10.125</b>	<b>10.198</b>	<b>3,7</b>
Legal persons	11	22	21	25	26	27	27	2,4
Natural persons	8.052	7.628	7.026	8.693	9.739	10.098	10.171	3,7
men	3.950	3.752	3.464	4.179	4.628	4.776	4.814	3,2
women	4.078	3.853	3.538	4.488	5.064	5.280	5.318	4,3
unidentified	25	23	24	26	47	42	40	-11,2
0-29 years	1.187	978	778	1.567	2.032	2.176	2.202	7,1
30-64 years	5.660	5.414	5.042	5.867	6.409	6.616	6.662	3,2
+65 years	1.205	1.236	1.206	1.259	1.297	1.306	1.308	0,7
Cooperatives and mutuals	357	425	386	412	408	401	400	-1,7
Other chain stores	1.399	1.391	1.183	852	875	837	831	-4,3
Fintech	567	570	583	2.806	3.908	4.428	4.538	13,3
Sale of household appliances	2.282	1.934	1.361	1.384	1.442	1.482	1.501	2,8
Leasing & factoring	11	7	5	5	5	5	5	0,6
Other providers	5.246	4.941	4.857	5.141	5.372	5.339	5.331	-0,6

Source | BCRA and INDEC.

The number of PNFC's debtors who only borrowed on credit cards continued to be on the decline, down 2% in the period and reaching over 3.3 million debtors in December 2022 (Chart 5). A stylized fact of the past two years is that the share of those who borrowed on credit cards, whether exclusively or not, in the total number of debtors stayed unchanged. This occurred against a backdrop of increase in personal loans granted by PNFC in general and in the *Fintech* group in particular, which might mean that financing through personal loans and credit card financing are not substitutes, even when digitalization streamlines personal loans.

<sup>3</sup> Referred to as "shared customers" or "shared debtors" in this report.

**Chart 6 | Debtors by type of credit line**



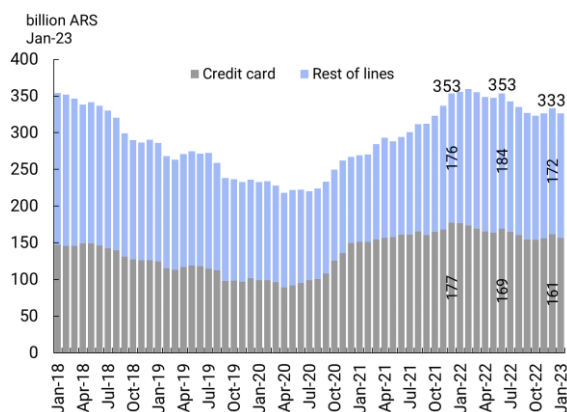
Note: "Other kind of debt" includes personal, pledge and mortgage loans, promissory notes, overdrafts, export financing and others.  
Source | BCRA.

**Stock of debt by type of person and gender** | NPs who borrowed from FIs continued to hold the largest share in the total stock (58%), i.e., ARS 601.5 billion in December 2022.

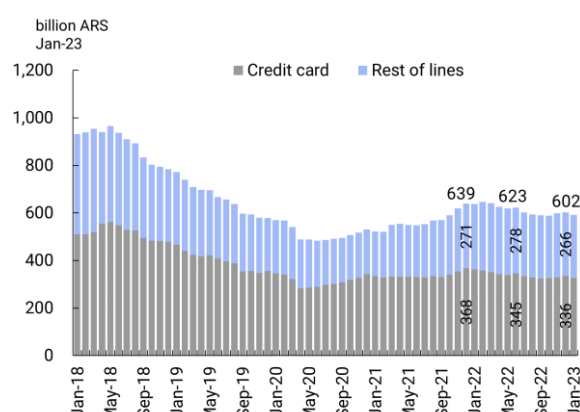
Regarding gender, male and female shared debtors had the greatest share in the PNFC portfolio, accounting for ARS 300 billion and ARS 289 billion,<sup>4</sup> respectively, in December 2022.

**Chart 7 | Stock of credit granted by PNFC to NPs by whether they own debt with FIs and by type of credit line**

NPs without debt with FIs (exclusive debtors)



NPs with debt with FIs (shared debtors)



Note: "Rest of lines" includes personal, pledge and mortgage loans, promissory notes, overdrafts, export financing, and others.  
Source | BCRA.

Additionally, credit card financing holds the largest share in the total stock granted to both shared and exclusive NP debtors. Exclusive NP debtors continued accounting for 48% in the period, while shared NP debtors slightly rose in the second half—56% in December 2022.

<sup>4</sup> The addition of both stocks segregated by gender does not agree with the total stock of financing granted to NPs because it was impossible to determine the gender of some debtors as from the taxpayer identification number (CUIT). There is a 2% difference.

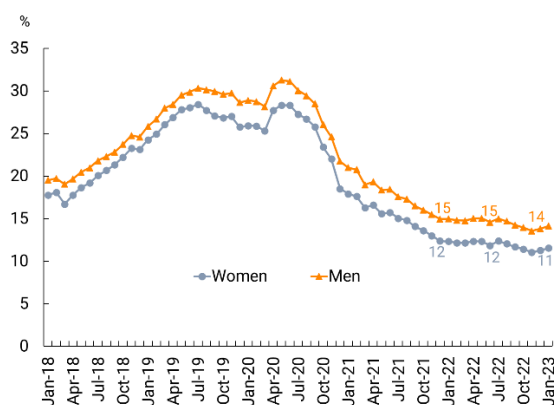
As for the rest of credit lines, personal loans recorded the highest drop in the second half of the year. In shared NP debtors, they accounted for 38% of the total stock in December 2022, down 5% against June 2022. Exclusive NP debtors saw a 7% decrease compared to June 2022, accounting for 43% in the total stock of financing in the last month of 2022.

In turn, legal persons (LPs) considered as shared debtors were the only group that had a positive performance in the period, up 2% against June 2022, but down 2% in year-over-year (y.o.y.) terms.

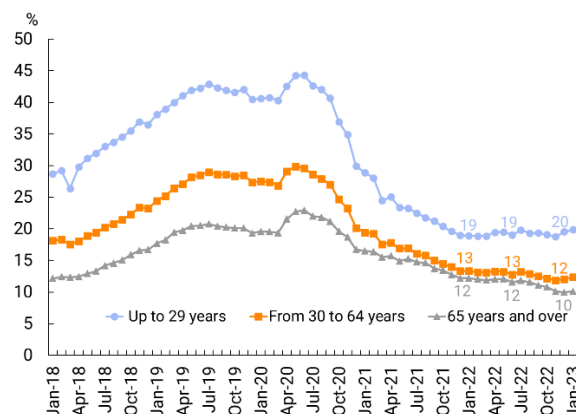
**Differences in non-performing ratios according to debtors' attributes** | Non-performance of women and men declined in the period, reaching 11% and 14%, respectively, in December 2022. The non-performance of the age group up to 29 years was the only one that recorded an increase in the six-month period, reaching 20% in December 2022.

**Chart 8 | Non-performing ratio of PNFC credit portfolio by gender and age group**

By gender



By age group

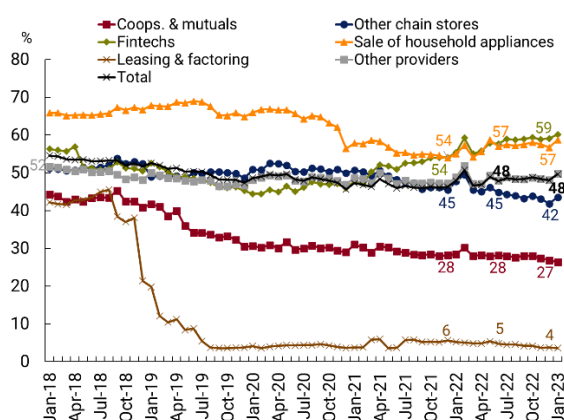


Source | BCRA.

**Loans to people without a salary account** | The stock of financing to NPs without a salary account stood at 48% of the PNFC portfolio in the second half of 2022. The *Fintech* group was the only one to increase their share in this type of debtors, reaching 59% of the stock they had provided.



**Chart 9 | Ratio of PNFC credit portfolio granted to NPs without a salary account**



Source | BCRA.

### Debt of PNFC's Customers with Financial Institutions

**Stock of financing** | Credit lines dropped 9% in real terms in the second half of 2022, with NPs falling 6% and LPs decreasing 11%. It should be noted that a significant share of the debt to FIs belongs to large companies which are considered as shared debtors because they operate with ETCNB. The share of NPs who borrowed from both PNFC and FIs was 99.6%, as opposed to 0.4% in the case of LPs. However, these proportions are inverted when it comes to the stock of financing, with NPs accounting for 42% of the total stock of credit from FIs to PNFC's customers and LPs recording 58%.

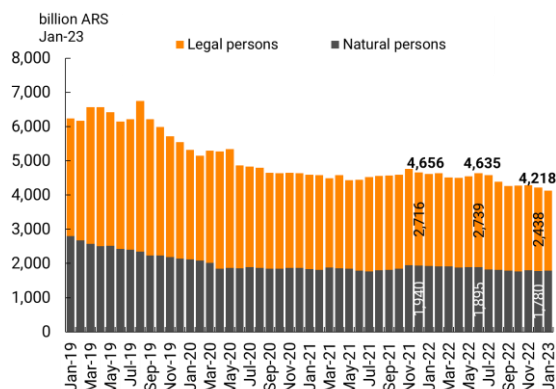
**Table 4 | Loans from FIs to PNFC's customers**

Amount and number	dec-18	dec-19	dec-20	dec-21	jun-22	dec-22	jan-23	% Var. dec-22 / jun-22
<b>Debtors</b> (thousands)	<b>4.924</b>	<b>4.618</b>	<b>3.840</b>	<b>4.188</b>	<b>4.520</b>	<b>4.782</b>	<b>4.835</b>	<b>5,8</b>
Natural persons	4.915	4.601	3.823	4.168	4.500	4.761	4.815	5,8
Legal persons	9	17	17	20	20	21	21	3,2
<b>Number of credit lines</b> (thousands)	<b>10.643</b>	<b>9.659</b>	<b>7.722</b>	<b>8.261</b>	<b>8.824</b>	<b>9.232</b>	<b>9.388</b>	<b>4,6</b>
<b>Amount</b> (million ARS jan-22)	<b>5.686.678</b>	<b>5.546.998</b>	<b>4.640.205</b>	<b>4.656.263</b>	<b>4.634.841</b>	<b>4.217.976</b>	<b>4.122.607</b>	<b>-9,0</b>
Natural persons	2.834.162	2.144.834	1.872.421	1.940.182	1.895.466	1.780.165	1.784.476	-6,1
with salary account	2.047.553	1.568.319	1.350.522	1.426.960	1.403.149	1.312.462	1.322.593	-6,5
without salary account	804.963	576.515	521.899	513.222	492.317	467.703	461.883	-5,0
Legal persons	2.852.516	3.402.164	2.767.784	2.716.082	2.739.375	2.437.810	2.338.131	-11,0
<b>Average balance per client</b> (ARS jan-23)	<b>1.154.945</b>	<b>1.201.163</b>	<b>1.208.473</b>	<b>1.111.908</b>	<b>1.025.339</b>	<b>882.081</b>	<b>852.586</b>	<b>-14,0</b>
Natural persons	576.652	466.191	489.827	465.484	421.210	373.909	370.640	-11,2
Legal persons	320.219.544	197.158.315	161.764.093	139.008.221	135.291.145	116.708.651	112.253.650	-13,7

Source | BCRA and INDEC.

As for the number of credit lines, the upward trend continued, reaching 9.2 million as of December 2022, up 5% against June 2022.

**Chart 10 | Stock of credit from FIs to PNFC's customers**  
By type of person



Source | BCRA and INDEC.

**Dynamic of credit lines** | There was an increase in the number of credit card lines (200,000 additional lines in the second half of 2022) and personal loans (up 100,000 in the same period), whereas the stock of financing of both types of credit lines declined (-3% and -13%, respectively).

**Non-performance of shared debtors** | The non-performance ratio for loans granted by the financial system to PNFC's customers remained unchanged compared to the previous period, 3.3% as of December 2022, standing at a similar level compared to the ratio of the financial system (3.1%).

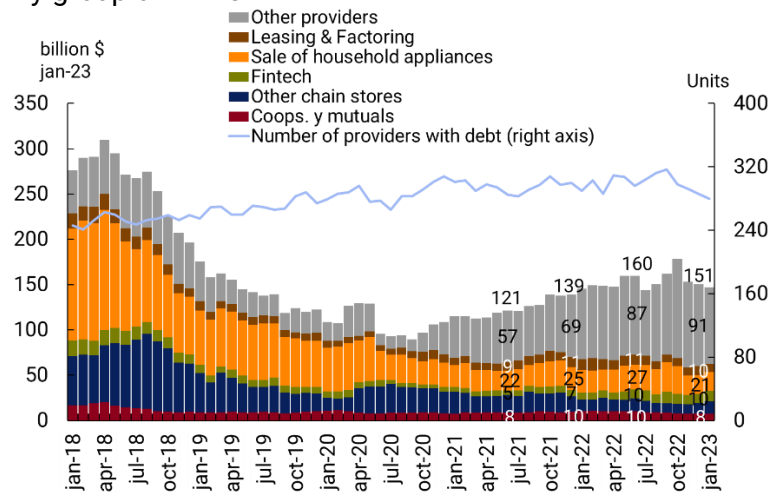
### PNFC's Debt with Financial Institutions

**PNFC's debt with financial institutions** | The debt of PNFC to FIs reached ARS150 billion in December 2022, down 6% in real terms compared to June 2022. *Other providers* and *Fintech* groups were the only ones that grew in the year in terms of debt and their share in total debt.

The debt of PNFC owed to FIs as a portion of their credit portfolio exhibits relatively low ratios. In December 2022, the debt of PNFC owed to FIs accounted for 15% of the stock granted by PNFC to their customers.

**Chart 11 | PNFC's debt with FIs**

By group of PNFC



Source | BCRA and INDEC.

**Non-performance of PNFC with financial institutions** | No changes were observed in the aggregate non-performance of loans granted by FIs to PNFC in the second half of 2022, standing at 2% in December 2022.