

Banking & Financial Glossary

KPIs, ratios, financial indicators,
statistical methods & concepts
used to analyze the banking sector

Published by **ABIX** — Algeria Banking Index

 algeriabankingindex.com



67 INDEXED
CONCEPTS



MÉTHODS & RATIOS
EXPLAINED



KEY INDICATORS
& BUSINESS CONCEPTS



ALGERIAN
BANKING SECTOR

Scope: 21 commercial banks operating in Algeria • Terms: 67 • Edition: 2025 / 2026



ABIX Data Explorer

TABLE OF CONTENTS

Financial & Balance Sheet Indicators (15)

Total Assets (Balance Sheet Total) (TB) · Customer Deposits (DEP) · Customer Loans (CRE) · Accounting Equity (FP) · Net Banking Income (PNB) · Gross Operating Income (RBE) · Net Profit (Net Income) (RN) · Treasury Securities & Sovereign Bonds (BT) · Headcount (Number of Employees) (code: Effectifs) · Number of Branches (code: Agences) · Off-balance sheet commitments given (code: EHB Donnés) · Off-balance sheet commitments received (code: EHB Reçus) · Net Interest Income Share in NBI (code: MNI / PNB) · Commissions share in NBI (code: Commissions / PNB) · Other Income share in NBI (code: Autres / PNB)

Ratios & Profitability (9)

Return on Equity (ROE) (ROE) · Return on Average Equity (ROAE) (ROAE) · Return on Assets (ROA) (ROA) · Return on Average Assets (ROAA) (ROAA) · Cost-to-Income Ratio (CIR) (CIR) · Net Interest Margin (NIM) (NIM) · Net Profit Margin on NBI (NPM) · GOI to Net Profit Conversion Rate (RBE_RN) · NBI per Employee (Productivity) (code: PNB/Effectif)

Risk, Solvency & Prudential (10)

Capital Adequacy Ratio (CAR) (CAR) · Tier 1 Capital Ratio (Tier1) · Non-Performing Loans Ratio (NPL Ratio) (NPL) · NPL Coverage Ratio (COV) · Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE) · Cost-of-Risk Weight in NBI (CDR_PNB) · Provision Burden on Gross Operating Income (PROV_RBE) · Equity to Total Assets (Financial Strength) (FP_TB) · Accounting Leverage (Assets / Equity) (LEV) · Cost of Risk to NBI Ratio (CdR / PNB)

Liquidity & Intermediation (7)

Loan-to-Deposit Ratio (LDR) (LDR) · Loans to Total Assets (CRE_TB) · Treasury Securities to Total Assets (code: BT / bilan) · Deposits to Total Assets (Liabilities) (DEP_TB) · Other Assets (Residual Balance) (AA) · Liquidity Coverage Ratio (LCR) (LCR) · Net Stable Funding Ratio (NSFR) (NSFR)

Statistics & Quantitative Methods (14)

Arithmetic Mean (Average) (MOY) · Median (50th Percentile / Q2) (MED) · Quartiles & Percentiles (Q1, Q2, Q3) (QUART) · Standard Deviation (σ) (SIGMA) · Coefficient of Variation (CV) (CV) · Compound Annual Growth Rate (CAGR) (CAGR) · Year-over-Year Growth (YoY / Δ) (YoY) · Rebased Index (Base 100) (B100) · Pearson Linear Correlation (r) (PEARSON) · Standardized Z-Score (Relative Positioning) (Z-SCORE) · Min-Max Normalization (0-100 Scale) (MINMAX) · Consolidated Ownership Reference (code: Réf. statut) · Not available (N/D) · Not significant (NS)

Sector & Market Analysis (4)

Market Share (PDM) · Market Share Delta (Gain / Loss) (DELTA_PDM) · Public vs Private Sector Segmentation (PUB_PRIV) · Constant Scope vs Observed Scope (SCOPE)

Concentration & Competition (3)

Herfindahl-Hirschman Index (HHI) (HHI) · Concentration Ratios (CR3 & CR5) (CR3_CR5) · Effective Number of Banks (Equivalent Competitors) (NEFF)

ABIX Methodology & Framework (5)

ABIX 4D Assessment Framework (4D_ABIX) · Deterministic Rule-Based Scanning (SCAN) · E-Banking & Digital Transformation Barometer (EBANK) · Growth Momentum (Growth Momentum) · Financial Strength (Financial Strength)

CATEGORY

Financial & Balance Sheet Indicators

15 terms in this category

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Total Assets (Balance Sheet Total) (TB)

Aliases: Total Assets, Balance Sheet Size

◆ Contextual interpretation

SUMMARY DEFINITION

Measures the overall balance sheet scale of a bank by summing all its assets as of December 31.

DETAILED EXPLANATION

Total Assets represents total closing accounting assets. In ABIX Data Explorer, it serves as the benchmark aggregate for market share calculations, bank size grouping, and sector weighting.

CALCULATION FORMULA

Total Assets = Cash & Central Bank Balances + Securities & Treasury Bonds + Customer Loans + Other Assets

HOW TO INTERPRET?

An indicator of relative size and institutional presence. It does not by itself measure profitability or solvency.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank holds 300 billion DZD in loans, 100 billion DZD in treasury bonds, and 50 billion DZD in cash reserves, its Total Assets amount to 450 billion DZD.

ABIX MODULES

Sector View, Rankings, Bank Profile, Historical Trends, Market Shares, Executive Dashboard

RELATED CONCEPTS

Customer Deposits (DEP), Customer Loans (CRE), Accounting Equity (FP), Market Share (PDM)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Customer Deposits (DEP)

Aliases: Deposits collected, Customer resources

◆ Contextual interpretation

SUMMARY DEFINITION

Total financial resources entrusted to the bank by customers in checking, term, or savings accounts.

DETAILED EXPLANATION

Customer deposits aggregate demand, term, savings, and collateral deposits from households, corporates, and institutions. They represent the primary funding base for intermediation.

CALCULATION FORMULA

Deposits = Demand Deposits + Term Deposits + Savings Accounts + Other Customer Deposits

HOW TO INTERPRET?

Measures funding capture and customer loyalty. A high share of demand deposits lowers overall cost of funding.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank collects 200 billion DZD in current accounts and 100 billion DZD in savings, its customer deposits amount to 300 billion DZD.

ABIX MODULES

Sector View, Rankings, Bank Profile, Historical Trends, Market Shares, Comparator

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Customer Loans (CRE), Loan-to-Deposit Ratio (LDR) (LDR), Deposits to Total Assets (Liabilities) (DEP_TB)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Customer Loans (CRE)

Aliases: *Customer loans, Gross loans, Credit portfolio*

◆ Contextual interpretation

SUMMARY DEFINITION

Total outstanding financings and credit facilities granted to the economy (enterprises, professionals, retail).

DETAILED EXPLANATION

Represents total gross lending facilities extended by the bank across overdrafts, corporate working capital, equipment loans, mortgages, and consumer credit.

CALCULATION FORMULA

Gross Loans = Overdrafts + Investment Loans + Real Estate Loans + Consumer Loans + Related Receivables

HOW TO INTERPRET?

Reflects the bank's active contribution to economic financing and counterparty risk exposure.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank grants 150 billion DZD to businesses and 50 billion DZD to individuals, its customer loans amount to 200 billion DZD.

ABIX MODULES

Sector View, Rankings, Bank Profile, Historical Trends, Market Shares, Comparator

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Customer Deposits (DEP), Loan-to-Deposit Ratio (LDR) (LDR), Loans to Total Assets (CRE_TB), Non-Performing Loans Ratio (NPL Ratio) (NPL)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Accounting Equity (FP)

Aliases: *Total Equity, Book Value, Shareholders Equity*

▲ Higher generally better

SUMMARY DEFINITION

Stable resources belonging to shareholders, comprising share capital, reserves, and retained earnings.

DETAILED EXPLANATION

Accounting Equity represents the net book value on the balance sheet. It acts as the financial cushion against unexpected losses.
ABIX note: book equity is distinct from regulatory capital (Tier 1/Tier 2) under Bank of Algeria Regulation 2014-01.

CALCULATION FORMULA

Equity = Share Capital + Reserves + Retained Earnings + Net Income + Regulated General Provisions

HOW TO INTERPRET?

A high equity buffer enhances financial autonomy and shock absorption capacity.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank has a capital of 50 billion DZD and 10 billion DZD in accumulated reserves, its equity amounts to 60 billion DZD.

ABIX MODULES

Sector View, Bank Profile, Rankings, ABIX Scores (Financial Strength)

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Return on Equity (ROE) (ROE), Equity to Total Assets (Financial Strength) (FP_TB), Capital Adequacy Ratio (CAR) (CAR)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Net Banking Income (PNB)

Aliases: Net Banking Income, NBI, Banking Operating Revenue

▲ Higher generally better

SUMMARY DEFINITION

Gross banking operational margin measuring revenue creation before operating expenses.

DETAILED EXPLANATION

NBI is the banking equivalent of gross revenue. It consists of net interest income, net fee and commission income, net trading and FX gains, and other operating income.

CALCULATION FORMULA

NBI = Net Interest Income + Net Fee and Commission Income + Net Trading and FX Income + Other Operating Income

HOW TO INTERPRET?

Reflects commercial dynamism and the bank's capacity to monetize intermediation and payment services.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank generates 30 billion DZD in net interest income and 10 billion DZD in commissions, its Net Banking Income is 40 billion DZD.

ABIX MODULES

Sector View, Bank Profile, Rankings, ABIX Scores (Dynamic), Historical Trends

RELATED CONCEPTS

Gross Operating Income (RBE), Net Profit (Net Income) (RN), Cost-to-Income Ratio (CIR) (CIR), Net Interest Margin (NIM) (NIM)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Gross Operating Income (RBE)

Aliases: Gross Operating Profit, GOI, Operating Profit before provisions

▲ Higher generally better

SUMMARY DEFINITION

Surplus generated by core operations after deducting general operating expenses and depreciation.

DETAILED EXPLANATION

GOI measures the pure operational profitability before credit risk provisions and non-recurring items. It equals NBI minus operating costs and depreciation.

CALCULATION FORMULA

GOI = Net Banking Income - General Expenses (Staff Costs + Other Operating Expenses) - Depreciation and Amortization

HOW TO INTERPRET?

A solid and growing GOI demonstrates disciplined cost management relative to commercial revenue.

PEDAGOGICAL EXAMPLE

Pedagogical example: If NBI is 40 billion DZD and operating expenses are 25 billion DZD, the Gross Operating Income is 15 billion DZD.

ABIX MODULES

Sector View, Bank Profile, Rankings, ABIX Scores (Efficiency)

RELATED CONCEPTS

Net Banking Income (PNB), Net Profit (Net Income) (RN), Cost-to-Income Ratio (CIR) (CIR), GOI to Net Profit Conversion Rate (RBE_RN)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Net Profit (Net Income) (RN)

Aliases: *Net Income, Net Profit, Bottom Line*

▲ Higher generally better

SUMMARY DEFINITION

Bottom-line profit or loss attributable to the bank after credit risk provisions and corporate taxes.

DETAILED EXPLANATION

Net Income represents final net earnings after cost of risk (loan provisions), corporate income tax (IBS), and non-operating gains/losses.

CALCULATION FORMULA

Net Income = GOI - Net Cost of Risk - Corporate Taxes - Other Exceptional Charges

HOW TO INTERPRET?

Ultimate measure of financial return. It directly builds equity through retained earnings or funds dividend distribution.

PEDAGOGICAL EXAMPLE

Pedagogical example: If GOI is 15 billion DZD, with 3 billion in provisions and 2 billion in taxes, the Net Income is 10 billion DZD.

ABIX MODULES

Sector View, Bank Profile, Rankings, ABIX Scores (Profitability), Historical Trends

RELATED CONCEPTS

Net Banking Income (PNB), Gross Operating Income (RBE), Return on Equity (ROE) (ROE), Return on Assets (ROA) (ROA)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD bn

Treasury Securities & Sovereign Bonds (BT)

Aliases: Treasury Bonds, Sovereign Debt, Government Securities

◆ Contextual interpretation

SUMMARY DEFINITION

Outstanding stock of sovereign debt securities issued by the Algerian Treasury held by the bank.

DETAILED EXPLANATION

Includes short-term and medium/long-term sovereign paper issued by the State Treasury. In Algeria, Treasury paper represents a core asset allocation pillar. Prudential note: Sovereign exposures may benefit from preferential prudential treatment in accordance with applicable regulatory frameworks and qualifying criteria.

CALCULATION FORMULA

Treasury Portfolio = Assimilable Treasury Bonds (BTA) + Equipment Bonds (BEA) + Other Government Securities

HOW TO INTERPRET?

A high share reflects a conservative asset allocation strategy or surplus liquidity invested in sovereign debt.

PEDAGOGICAL EXAMPLE

Pedagogical example: A bank invests 50 billion DZD of its excess liquidity in government bonds; this amount represents its treasury bond portfolio.

ABIX MODULES

Sector View, Bank Profile, Rankings, Historical Trends, Asset Allocation

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Customer Loans (CRE), Treasury Securities to Total Assets (code: BT / bilan)

FINANCIAL & BALANCE SHEET INDICATORS · Unit: employees

Headcount (Number of Employees) (code: Effectifs)

Aliases: Employees, Staff

◆ Contextual interpretation

SUMMARY DEFINITION

Total number of employees in the bank. Enriched field (not activated by default in scores) used for productivity analysis.

DETAILED EXPLANATION

The total bank headcount reported by the bank.

HOW TO INTERPRET?

Size indicator used primarily as a denominator for productivity ratios.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: branches

Number of Branches (code: Agences)

Aliases: Branch network, Points of sale

◆ Contextual interpretation

SUMMARY DEFINITION

Number of physical branches and agencies constituting the bank's network.

DETAILED EXPLANATION

The entire physical network of bank branches.

HOW TO INTERPRET?

Physical footprint and territorial coverage indicator.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD mn

Off-balance sheet commitments given (code: EHB Donnés)

Aliases: Guarantees given

◆ Contextual interpretation

SUMMARY DEFINITION

Guarantees, endorsements and sureties granted by the bank not appearing on the balance sheet.

DETAILED EXPLANATION

Total amount of commitments taken by the bank in the form of signatures.

HOW TO INTERPRET?

Measures signature credit activity.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: DZD mn

Off-balance sheet commitments received (code: EHB Reçus)

Aliases: Guarantees received

◆ Contextual interpretation

SUMMARY DEFINITION

Guarantees and collateral received by the bank from third parties.

DETAILED EXPLANATION

Total amount of guarantee commitments received by the bank.

HOW TO INTERPRET?

Portfolio security indicator.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: %

Net Interest Income Share in NBI (code: MNI / PNB)

Aliases: *NII Share, Net interest share*

◆ Contextual interpretation

SUMMARY DEFINITION

Share of net interest income in Net Banking Income.

DETAILED EXPLANATION

Ratio of net interest income to global Net Banking Income.

CALCULATION FORMULA

Net Interest Income Share = (Net Interest Income ÷ Net Banking Income) × 100

HOW TO INTERPRET?

Visualizes the weight of traditional intermediation activity.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: %

Commissions share in NBI (code: Commissions / PNB)

Aliases: *Commissions share*

◆ Contextual interpretation

SUMMARY DEFINITION

Weight of fee and service revenues in the global NBI.

DETAILED EXPLANATION

Ratio of net commissions received to global Net Banking Income.

CALCULATION FORMULA

Fee & Commission Share = (Net Fee and Commission Income ÷ Net Banking Income) × 100

HOW TO INTERPRET?

Estimates revenue diversification towards fee-based services.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

FINANCIAL & BALANCE SHEET INDICATORS · Unit: %

Other Income share in NBI (code: Autres / PNB)

Aliases: Other income share

◆ Contextual interpretation

SUMMARY DEFINITION

Weight of market operations, FX and various incomes in the NBI.

DETAILED EXPLANATION

Ratio of other incomes (financial operations, miscellaneous) to global NBI.

CALCULATION FORMULA

Other Income Share = (Other Banking Income ÷ Net Banking Income) × 100

HOW TO INTERPRET?

Indicates potential volatility and exceptional incomes.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

CATEGORY

Ratios & Profitability

9 terms in this category

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: %

Return on Equity (ROE) (ROE)

Aliases: ROE, Return on Equity, Shareholders Return

▲ Higher generally better

SUMMARY DEFINITION

Return-on-equity indicator published by the financial source and then imported into ABIX.

DETAILED EXPLANATION

ABIX Data Explorer does not recalculate ROE: it preserves the value published or imported from the annual source. The exact denominator may therefore follow the source convention (average, closing, or adjusted equity). Verify that definition in the source document; ROAE remains a separate educational concept.

CALCULATION FORMULA

$$ROE = (Net\ Income\ for\ the\ period \div Average\ or\ Year-end\ Equity) \times 100$$

HOW TO INTERPRET?

A higher ROE reflects strong financial profitability, but must be evaluated alongside leverage and underlying risk profile.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Moderate < 8% | Sector Standard 8-15% | High > 15%

PEDAGOGICAL EXAMPLE

Pedagogical example: If the net income is 10 billion DZD for an equity of 100 billion DZD, the ROE is 10%.

ABIX MODULES

Sector View, Rankings, Bank Profile, ABIX Scores (Profitability), Profitability vs Risk Matrix

RELATED CONCEPTS

Return on Average Equity (ROAE) (ROAE), Return on Assets (ROA) (ROA), Accounting Equity (FP), Net Profit (Net Income) (RN)

RATIOS & PROFITABILITY · Unit: %

Return on Average Equity (ROAE) (ROAE)

Aliases: ROAE, Return on Average Equity

▲ Higher generally better

SUMMARY DEFINITION

Ratio of net income to average equity between the beginning and end of the fiscal year.

DETAILED EXPLANATION

Educational concept: ROAE would use average opening and closing equity. ABIX does not currently calculate it or display ROAE values in bank profiles.

CALCULATION FORMULA

$$ROAE = (Net\ Income \div [(Equity\ Y + Equity\ Y-1) \div 2]) \times 100$$

HOW TO INTERPRET?

Preferred for rigorous multi-year analysis when material intra-year equity changes occur.

PEDAGOGICAL EXAMPLE

Educational example only: a calculation using average equity is not a published ABIX value.

ABIX MODULES

Educational Glossary

RELATED CONCEPTS

Return on Equity (ROE) (ROE), Return on Assets (ROA) (ROA), Accounting Equity (FP)

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: %

Return on Assets (ROA) (ROA)

Aliases: ROA, Return on Total Assets

▲ Higher generally better

SUMMARY DEFINITION

Ratio of net income to closing total assets, measuring overall asset productivity.

DETAILED EXPLANATION

In ABIX Data Explorer, ROA is computed on closing balance sheet assets as of December 31. It measures the bank's ability to generate earnings per unit of asset managed.

CALCULATION FORMULA

$ROA = (Net\ Income\ for\ the\ period \div Year\text{-}end\ Total\ Assets) \times 100$

HOW TO INTERPRET?

A key indicator of operational profitability. In banking, a ROA above 1.5% reflects strong underlying earning power.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Moderate < 0.8% | Average 0.8-1.5% | High > 1.5%

PEDAGOGICAL EXAMPLE

Pedagogical example: If the net income is 10 billion DZD for total assets of 1000 billion DZD, the ROA is 1%.

ABIX MODULES

Sector View, Rankings, Bank Profile, ABIX Scores (Profitability), 4-Quadrant Matrix

RELATED CONCEPTS

Return on Average Assets (ROAA) (ROAA), Return on Equity (ROE) (ROE), Total Assets (Balance Sheet Total) (TB), Net Profit (Net Income) (RN)

RATIOS & PROFITABILITY · Unit: %

Return on Average Assets (ROAA) (ROAA)

Aliases: ROAA, Return on Average Assets

▲ Higher generally better

SUMMARY DEFINITION

Ratio of net income to average total assets across the fiscal year.

DETAILED EXPLANATION

Educational concept: ROAA would use average opening and closing assets. ABIX does not currently calculate it or display ROAA values in bank profiles.

CALCULATION FORMULA

$$ROAA = (Net\ Income \div [(Total\ Assets\ Y + Total\ Assets\ Y-1) \div 2]) \times 100$$

HOW TO INTERPRET?

International benchmark standard to neutralize year-end balance sheet seasonality.

PEDAGOGICAL EXAMPLE

Educational example only: a calculation using average assets is not a published ABIX value.

ABIX MODULES

Educational Glossary

RELATED CONCEPTS

Return on Assets (ROA) (ROA), Return on Equity (ROE) (ROE), Total Assets (Balance Sheet Total) (TB)

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: %

Cost-to-Income Ratio (CIR) (CIR)

Aliases: Cost-to-Income Ratio, CIR, Efficiency Ratio, Operating Expense Ratio

▼ Lower generally better

SUMMARY DEFINITION

Share of Net Banking Income consumed by operating overhead and depreciation.

DETAILED EXPLANATION

The CIR measures operational efficiency. A lower ratio indicates higher operational productivity in converting revenues to gross profit. In ABIX scoring models, it operates as an inverted metric (lower is better).

CALCULATION FORMULA

$CIR = (General\ Operating\ Expenses \div Net\ Banking\ Income) \times 100$

HOW TO INTERPRET?

A lower ratio reflects lean operations. A ratio above 60-65% indicates elevated structural overhead.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Excellent Efficiency < 40% | Average 40-55% | Low Efficiency > 60%

PEDAGOGICAL EXAMPLE

Pedagogical example: If operating expenses are 25 billion DZD for an NBI of 50 billion DZD, the cost-to-income ratio is 50%.

ABIX MODULES

Sector View, Rankings, Bank Profile, ABIX Scores (Efficiency), Historical Trends

RELATED CONCEPTS

Net Banking Income (PNB), Gross Operating Income (RBE), GOI to Net Profit Conversion Rate (RBE_RN)

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: %

Net Interest Margin (NIM) (NIM)

Aliases: NIM, Net Interest Margin, Interest Spread Margin

▲ Higher generally better

SUMMARY DEFINITION

Ratio of net interest income to average interest-earning assets.

DETAILED EXPLANATION

Net Interest Margin measures the profitability of financial intermediation by relating net interest income to average interest-earning assets. ABIX Methodology Note: when homogeneous average interest-earning asset data are unavailable, ABIX may use NBI / Total Assets as a separate profitability proxy. This proxy should not be interpreted as a strict Net Interest Margin.

CALCULATION FORMULA

Theoretical NIM = (Net Interest Income ÷ Average Interest-Earning Assets) × 100 | ABIX Proxy = (NBI ÷ Total Assets) × 100

HOW TO INTERPRET?

A healthy margin reflects loan pricing discipline combined with low-cost customer funding.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Sector Standard: 2.0-3.5%

PEDAGOGICAL EXAMPLE

Pedagogical example: if a bank generates 5 billion DZD in net interest income on 100 billion DZD of average interest-earning assets, its NIM is 5%.

ABIX MODULES

Sector View, Bank Profile, Historical Trends

RELATED CONCEPTS

Net Banking Income (PNB), Total Assets (Balance Sheet Total) (TB), Loan-to-Deposit Ratio (LDR) (LDR)

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: %

Net Profit Margin on NBI (NPM)

Aliases: *Net Margin, Net Profit Margin, Net Income to NBI*

▲ Higher generally better

SUMMARY DEFINITION

Percentage of Net Banking Income successfully converted into final net profit.

DETAILED EXPLANATION

Net Profit Margin assesses the overall capacity of the bank to retain revenues after operating costs, loan impairment provisions, and corporate taxes.

CALCULATION FORMULA

Net Margin on NBI = (Net Income ÷ Net Banking Income) × 100

HOW TO INTERPRET?

A higher margin indicates a highly profitable and resilient operating model.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Sector Standard: 35-50%

PEDAGOGICAL EXAMPLE

Pedagogical example: If the net income is 10 billion DZD for an NBI of 40 billion DZD, the net margin on NBI is 25%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Profitability)

RELATED CONCEPTS

Net Banking Income (PNB), Net Profit (Net Income) (RN), GOI to Net Profit Conversion Rate (RBE_RN)

RATIOS & PROFITABILITY · Unit: %

GOI to Net Profit Conversion Rate (RBE_RN)

Aliases: *GOI Conversion Rate, Operating Profit Retention*

◆ Contextual interpretation

SUMMARY DEFINITION

Ratio of net profit to Gross Operating Income (GOI).

DETAILED EXPLANATION

This indicator compares two reported accounting aggregates. The gap between GOI and net profit may reflect cost of risk, taxation and non-operating items; the ratio alone does not establish causality.

CALCULATION FORMULA

Conversion Rate = (Net Income ÷ Gross Operating Income) × 100

HOW TO INTERPRET?

Read over time and with available components. A change describes a different accounting conversion, without an automatic causal diagnosis.

PEDAGOGICAL EXAMPLE

Pedagogical example: If the Net Income is 10 billion DZD and the GOI is 20 billion DZD, the conversion rate is 50%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Efficiency)

RELATED CONCEPTS

Gross Operating Income (RBE), Net Profit (Net Income) (RN), Provision Burden on Gross Operating Income (PROV_RBE)

RATIOS & PROFITABILITY · [Benchmark ABIX](#) · Unit: DZD mn

NBI per Employee (Productivity) (code: PNB/Effectif)

Aliases: *Productivity per headcount, Revenue per employee*

▲ Higher generally better

SUMMARY DEFINITION

An operational efficiency indicator measuring the average revenue generated by each bank employee. Given the lack of a standardized headcount convention, its interpretation requires caution.

DETAILED EXPLANATION

See short definition.

CALCULATION FORMULA

Net Banking Income ÷ Total Reported Staff

HOW TO INTERPRET?

Allows for comparison of workforce efficiency between banks with similar models (retail vs corporate).

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Comparative benchmarking via Executive V2.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES	RELATED CONCEPTS
Executive V2	Net Banking Income (PNB), Cost-to-Income Ratio (CIR) (CIR)

CATEGORY

Risk, Solvency & Prudential

10 terms in this category

RISK, SOLVENCY & PRUDENTIAL · **Regulatory Standard** · Unit: %

Capital Adequacy Ratio (CAR) (CAR)

Aliases: Capital Adequacy Ratio, CAR, Solvency Ratio, Regulatory Capital to RWA

▲ Higher generally better

SUMMARY DEFINITION

Ratio of regulatory capital to risk-weighted assets (credit, market, operational risks).

DETAILED EXPLANATION

Measures the prudential capital cushion against risk-weighted assets. Algerian regulatory framework: Pursuant to Bank of Algeria Regulation No. 2014-01 of February 16, 2014, mandatory requirements are: 1) Minimum global capital adequacy ratio: at least 9.5% of risk-weighted assets; 2) Tier 1 capital: at least 7.0% of risk-weighted assets. ABIX comfort benchmark: An indicative comfort range in the local market is generally situated between 14% and 18%.

CALCULATION FORMULA

$$CAR = (Total\ Regulatory\ Capital \div Total\ Risk-Weighted\ Assets\ (RWA)) \times 100$$

HOW TO INTERPRET?

A ratio exceeding the 9.5% legal minimum confirms regulatory compliance. A very high ratio (> 20%) ensures maximum safety but may signal under-deployed credit capacity.

CLASSIFICATION & THRESHOLDS

Mandatory Regulatory Framework : Overall Solvency ≥ 9.5% | Tier 1 ≥ 7.0% (Bank of Algeria Regulation No. 2014-01)

ABIX Comfort Benchmark : ABIX Comfort Range: 14–18%

PEDAGOGICAL EXAMPLE

Pedagogical example: If regulatory capital is 20 billion DZD against risk-weighted assets of 100 billion DZD, the solvency ratio is 20%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Solvency), Prudential Profile

RELATED CONCEPTS

Tier 1 Capital Ratio (Tier1), Accounting Equity (FP), Equity to Total Assets (Financial Strength) (FP_TB), Non-Performing Loans Ratio (NPL Ratio) (NPL)

RISK, SOLVENCY & PRUDENTIAL · **Regulatory Standard** · Unit: %

Tier 1 Capital Ratio (Tier1)

Aliases: Tier 1 Ratio, Core Capital Ratio, Going-Concern Capital

▲ Higher generally better

SUMMARY DEFINITION

Ratio of highest quality core capital (paid-up capital and retained earnings) to risk-weighted assets.

DETAILED EXPLANATION

Tier 1 ratio evaluates the bank's capacity to absorb immediate losses on a going-concern basis. Algerian regulation: BA Regulation No. 2014-01 mandates a minimum Tier 1 capital ratio of 7.0% of risk-weighted assets.

CALCULATION FORMULA

Tier 1 Ratio = (Tier 1 Core Capital ÷ Total Risk-Weighted Assets (RWA)) × 100

HOW TO INTERPRET?

A strong Tier 1 ratio ensures long-term viability without requiring emergency capital injections in stress scenarios.

CLASSIFICATION & THRESHOLDS

Mandatory Regulatory Framework : ≥ 7.0% (Bank of Algeria Regulation No. 2014-01)

ABIX Comfort Benchmark : ABIX Comfort Range: 11–14%

PEDAGOGICAL EXAMPLE

Pedagogical example: If core equity (Tier 1) is 15 billion DZD for risk-weighted assets of 100 billion DZD, the Tier 1 ratio is 15%.

ABIX MODULES

Bank Profile, Prudential Profile

RELATED CONCEPTS

Capital Adequacy Ratio (CAR) (CAR), Accounting Equity (FP), Equity to Total Assets (Financial Strength) (FP_TB)

RISK, SOLVENCY & PRUDENTIAL · Unit: %

Non-Performing Loans Ratio (NPL Ratio) (NPL)

Aliases: NPL Ratio, Bad Loan Ratio, Impaired Loans Ratio, Non-Performing Assets

◆ Contextual interpretation

SUMMARY DEFINITION

Proportion of loans with payments past due (typically > 90 days) or presenting recognized default risk.

DETAILED EXPLANATION

Educational asset-quality concept. ABIX does not currently calculate or display this ratio because homogeneous gross NPL balances are unavailable for all banks.

CALCULATION FORMULA

$$\text{NPL Ratio} = (\text{Outstanding Non-Performing Loans} \div \text{Total Gross Loans Outstanding}) \times 100$$

HOW TO INTERPRET?

The formula is educational only; ABIX produces no NPL value, performance direction or NPL alert.

PEDAGOGICAL EXAMPLE

No ABIX numerical example: the required data are not homogeneously available.

ABIX MODULES

Educational Glossary

RELATED CONCEPTS

NPL Coverage Ratio (COV), Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE), Customer Loans (CRE)

RISK, SOLVENCY & PRUDENTIAL · Unit: %

NPL Coverage Ratio (COV)

Aliases: NPL Coverage Ratio, Provisioning Coverage, Impairment Coverage

◆ Contextual interpretation

SUMMARY DEFINITION

Ratio of accumulated loan loss provisions to total non-performing loans.

DETAILED EXPLANATION

Educational concept. ABIX does not currently calculate or display this ratio because homogeneous impairment-provision stocks and NPL balances are unavailable for all banks.

CALCULATION FORMULA

Coverage Ratio = (Provisions for Non-Performing Loans ÷ Gross Outstanding Non-Performing Loans) × 100

HOW TO INTERPRET?

The formula is educational only; ABIX produces no coverage benchmark or coverage assessment.

PEDAGOGICAL EXAMPLE

Methodological example: For 50B DZD in impaired loans with 40B DZD in cumulative provisions, the coverage ratio stands at 80.0%.

ABIX MODULES

Educational Glossary

RELATED CONCEPTS

Non-Performing Loans Ratio (NPL Ratio) (NPL), Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE), Customer Loans (CRE)

RISK, SOLVENCY & PRUDENTIAL · Unit: %

Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE)

Aliases: Net Provisions to Loans, Cost of Risk to Lending, Provisioning Rate

◆ Contextual interpretation

SUMMARY DEFINITION

Annual net loan loss provisioning charges divided by total loan portfolio.

DETAILED EXPLANATION

ABIX divides the available annual net-provision flow by outstanding loans. This contextual measure is neither an NPL ratio nor a coverage ratio and does not by itself prove portfolio deterioration.

CALCULATION FORMULA

$$\text{Provisioning Effort} = (\text{Net Allocations to Credit Risk Provisions} \div \text{Average or Total Loans Outstanding}) \times 100$$

HOW TO INTERPRET?

Read together with the amount, its trend and other available aggregates. A high or low level is not automatically favorable or unfavorable.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank allocates 4 billion DZD to provisions on a loan portfolio of 400 billion DZD, the provisioning effort is 1%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Risk), Historical Trends

RELATED CONCEPTS

Non-Performing Loans Ratio (NPL Ratio) (NPL), Provision Burden on Gross Operating Income (PROV_RBE), Customer Loans (CRE)

RISK, SOLVENCY & PRUDENTIAL · Unit: %

Cost-of-Risk Weight in NBI (CDR_PNB)

Aliases: Cost of Risk to NBI, Net Provisions to NBI

◆ Contextual interpretation

SUMMARY DEFINITION

Ratio of annual net provision charges to Net Banking Income.

DETAILED EXPLANATION

ABIX's official cost-of-risk materiality indicator: it retains the provision amount, its annual change and its weight in NBI. It replaces neither the NPL ratio nor the coverage ratio and cannot establish causality on its own.

CALCULATION FORMULA

$$\text{Cost of Risk Weight} = (\text{Net Allocations to Credit Risk Provisions} \div \text{Net Banking Income}) \times 100$$

HOW TO INTERPRET?

Contextual reading by amount, trend and gap to an available reference. A raw increase in provisions does not trigger an ABIX alert by itself.

PEDAGOGICAL EXAMPLE

Methodological example: DZD 5bn of net provisions over DZD 50bn of NBI gives a 10.0% weight. Interpretation also retains the amount and benchmark.

ABIX MODULES

Sector View, Bank Profile, Executive Dashboard, Historical Trends

RELATED CONCEPTS

Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE), Provision Burden on Gross Operating Income (PROV_RBE), Net Banking Income (PNB)

RISK, SOLVENCY & PRUDENTIAL · Unit: %

Provision Burden on Gross Operating Income (PROV_RBE)

Aliases: Provisions to GOI, Operating Profit Absorption by Risk

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage of Gross Operating Income consumed by net credit loss provisioning charges.

DETAILED EXPLANATION

Divides the available annual net-provision flow by GOI. A change may reflect several accounting or economic factors; ABIX does not automatically infer borrower-risk deterioration.

CALCULATION FORMULA

$$\text{Provisioning Pressure} = (\text{Net Allocations to Credit Risk Provisions} \div \text{Gross Operating Income}) \times 100$$

HOW TO INTERPRET?

Contextual reading: compare the ratio over time and with a sufficiently large group, while retaining the provision amount and GOI level.

PEDAGOGICAL EXAMPLE

Pedagogical example: If provision allocations are 4 billion DZD against a GOI of 20 billion DZD, the provisioning pressure is 20%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Efficiency & Risk)

RELATED CONCEPTS

Gross Operating Income (RBE), GOI to Net Profit Conversion Rate (RBE_RN), Provisioning Effort to Loans (Cost of Risk Proxy) (PROV_CRE)

RISK, SOLVENCY & PRUDENTIAL · [Benchmark ABIX](#) · Unit: %

Equity to Total Assets (Financial Strength) (FP_TB)

Aliases: *Equity-to-Assets Ratio, Capitalization Ratio, Equity Cushion*

▲ Higher generally better

SUMMARY DEFINITION

Share of the balance sheet financed by book equity.

DETAILED EXPLANATION

Accounting measure of financial backing, dividing reported equity by total assets. It does not replace a regulatory solvency ratio based on risk-weighted assets (RWA).

CALCULATION FORMULA

Equity-to-Assets Ratio = (Accounting Equity ÷ Total Assets) × 100

HOW TO INTERPRET?

Within the ABIX Financial Strength dimension, a higher ratio means greater relative accounting backing; this remains distinct from prudential compliance.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Sector Standard: 10-16%

PEDAGOGICAL EXAMPLE

Pedagogical example: If equity is 50 billion DZD against total assets of 500 billion DZD, the ratio is 10%.

ABIX MODULES

Sector View, Bank Profile, ABIX Scores (Financial Strength), Rankings

RELATED CONCEPTS

Accounting Equity (FP), Total Assets (Balance Sheet Total) (TB), Accounting Leverage (Assets / Equity) (LEV), Capital Adequacy Ratio (CAR) (CAR)

RISK, SOLVENCY & PRUDENTIAL · [Benchmark ABIX](#) · Unit: x

Accounting Leverage (Assets / Equity) (LEV)

Aliases: Accounting Leverage, Equity Multiplier, Assets to Equity

◆ Contextual interpretation

SUMMARY DEFINITION

Number of times total assets exceed the bank's book equity.

DETAILED EXPLANATION

Measures balance sheet asset scale relative to equity backing. ABIX note: This is a simplified accounting leverage multiple and does not constitute the Basel III regulatory leverage ratio (which includes off-balance sheet items and prudential deductions).

CALCULATION FORMULA

Accounting Leverage = Total Assets ÷ Accounting Equity

HOW TO INTERPRET?

A moderate leverage (6x to 9x) ensures strong safety. Elevated leverage (> 15x) heightens solvency vulnerability.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Indicative Prudential Benchmark: 6x to 10x

PEDAGOGICAL EXAMPLE

Pedagogical example: If total assets are 500 billion DZD and equity is 50 billion DZD, the financial leverage is 10x.

ABIX MODULES

Sector View, Bank Profile, Comparator

RELATED CONCEPTS

Equity to Total Assets (Financial Strength) (FP_TB), Accounting Equity (FP), Total Assets (Balance Sheet Total) (TB)

RISK, SOLVENCY & PRUDENTIAL · [Benchmark ABIX](#) · Unit: %

Cost of Risk to NBI Ratio (CdR / PNB)

Aliases: *Net provisions to NBI, Risk cost weight*

◆ Contextual interpretation

SUMMARY DEFINITION

Net provisions / NBI. Contextual ABIX indicator, distinct from a regulatory exposure-based ratio.

DETAILED EXPLANATION

The ratio measures the share of Net Banking Income absorbed by net provision charges. It complements the amount and trend analysis without replacing the NPL ratio, coverage ratio, or a prudential exposure-based risk-cost measure.

CALCULATION FORMULA

$(\text{Net Allocations to Provisions} \div \text{Net Banking Income}) \times 100$

HOW TO INTERPRET?

Contextual reading by amount, trend, and gap to the available consolidated public or private reference. A raw increase in provisions does not, by itself, constitute a performance judgement.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Assessment is contextual with respect to NBI and the business model. (V2 Rule)

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

RELATED CONCEPTS

dotations-nettes-provisions, Net Banking Income (PNB)

CATEGORY

Liquidity & Intermediation

7 terms in this category

LIQUIDITY & INTERMEDIATION · [Market Reference](#) · Unit: %

Loan-to-Deposit Ratio (LDR) (LDR)

Aliases: *Loan-to-Deposit Ratio, LDR, Transformation Ratio, LTD Ratio*

◆ Contextual interpretation

SUMMARY DEFINITION

Proportion of customer deposits that is actively transformed and lent out as customer loans.

DETAILED EXPLANATION

The LDR measures the bank's financial intermediation depth. It compares net loans to customer deposits. A balanced ratio ensures that lending is funded by stable customer deposits without excessive reliance on wholesale funding.

CALCULATION FORMULA

$$\text{LDR} = (\text{Total Customer Loans} \div \text{Total Customer Deposits}) \times 100$$

HOW TO INTERPRET?

An LDR between 70% and 90% indicates balanced intermediation. Below 60%, resources are under-deployed; above 100%, the bank relies on external funding.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Low Intermediation < 60% | Balanced 70-90% | Liquidity Strain > 100%

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank has 700 billion DZD in loans and 1000 billion DZD in deposits, the loan-to-deposit ratio (LDR) is 70%.

ABIX MODULES

Sector View, Bank Profile, Comparator, Historical Trends

RELATED CONCEPTS

Customer Deposits (DEP), Customer Loans (CRE), Liquidity Coverage Ratio (LCR) (LCR)

LIQUIDITY & INTERMEDIATION · Unit: %

Loans to Total Assets (CRE_TB)

Aliases: Loans to Assets, Loan Asset Share, Credit Intensity

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage of total bank assets allocated to customer loans.

DETAILED EXPLANATION

Reflects the bank's asset allocation profile. A high loan share characterizes a commercial lending bank, whereas a lower share indicates a sovereign paper or cash management focus.

CALCULATION FORMULA

Share of Loans = (Net Outstanding Customer Loans ÷ Total Assets) × 100

HOW TO INTERPRET?

Measures core lending intensity. A higher ratio correlates with greater revenue sensitivity to private credit risk.

PEDAGOGICAL EXAMPLE

Pedagogical example: If loans amount to 400 billion DZD out of total assets of 1000 billion DZD, the share of loans in assets is 40%.

ABIX MODULES

Sector View, Bank Profile, Asset Allocation, Comparator

RELATED CONCEPTS

Customer Loans (CRE), Total Assets (Balance Sheet Total) (TB), Treasury Securities to Total Assets (code: BT / bilan), Loan-to-Deposit Ratio (LDR) (LDR)

LIQUIDITY & INTERMEDIATION · Unit: %

Treasury Securities to Total Assets (code: BT / bilan)

Aliases: Treasury to Assets, Sovereign Debt Exposure, Government Securities Share

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage of total assets invested in sovereign debt securities issued by the Algerian State Treasury.

DETAILED EXPLANATION

Measures the sovereign allocation weight within the asset base. Historically in Algeria, public banks hold material Treasury securities volumes from balance sheet restructuring and liquidity placements.

CALCULATION FORMULA

Share of Treasury Bonds = (Outstanding Treasury Bonds & Government Securities ÷ Total Assets) × 100

HOW TO INTERPRET?

A high ratio secures liquidity and sovereign coupon income, but may reflect relative crowding-out of private sector credit.

PEDAGOGICAL EXAMPLE

Pedagogical example: If the treasury bond portfolio is 200 billion DZD against total assets of 1000 billion DZD, the ratio is 20%.

ABIX MODULES

Sector View, Bank Profile, Asset Allocation

RELATED CONCEPTS

Treasury Securities & Sovereign Bonds (BT), Total Assets (Balance Sheet Total) (TB), Loans to Total Assets (CRE_TB)

LIQUIDITY & INTERMEDIATION · Unit: %

Deposits to Total Assets (Liabilities) (DEP_TB)

Aliases: Deposits to Assets, Customer Funding Ratio, Deposit Funding Share

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage of total balance sheet funded by customer deposits.

DETAILED EXPLANATION

Measures the bank's structural reliance on customer deposits compared to other funding sources (equity, interbank borrowing, bond issues).

CALCULATION FORMULA

Share of Deposits = (Outstanding Customer Deposits ÷ Total Assets) × 100

HOW TO INTERPRET?

A share above 75-80% characterizes a traditional commercial retail banking model with a granular, stable funding base.

PEDAGOGICAL EXAMPLE

Pedagogical example: If deposits account for 800 billion DZD out of total liabilities of 1000 billion DZD, their share is 80%.

ABIX MODULES

Sector View, Bank Profile, Historical Trends

RELATED CONCEPTS

Customer Deposits (DEP), Total Assets (Balance Sheet Total) (TB), Loan-to-Deposit Ratio (LDR) (LDR)

LIQUIDITY & INTERMEDIATION · Unit: DZD bn

Other Assets (Residual Balance) (AA)

Aliases: Other Assets, Residual Assets

◆ Contextual interpretation

SUMMARY DEFINITION

Portion of total assets not accounted for by customer loans and Treasury securities.

DETAILED EXPLANATION

In ABIX balance sheet allocation models, Other Assets is the residual balance (Total Assets minus Loans minus Treasury Securities), encompassing cash, central bank reserves, interbank placements, fixed assets, and sundry accounts.

CALCULATION FORMULA

Other Assets = Total Assets - (Customer Loans + Treasury Bonds + Cash & Central Bank Balances)

HOW TO INTERPRET?

Enables full 100% balance sheet decomposition (Loans + Treasury + Other = 100%). A negative value flags potential data inconsistency.

PEDAGOGICAL EXAMPLE

Pedagogical example: If total assets are 1000 billion DZD and loans and treasury bonds total 850 billion DZD, other assets represent 150 billion DZD.

ABIX MODULES

Sector View, Bank Profile, Asset Allocation

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Customer Loans (CRE), Treasury Securities & Sovereign Bonds (BT)

LIQUIDITY & INTERMEDIATION · **Regulatory Standard** · Unit: %

Liquidity Coverage Ratio (LCR) (LCR)

Aliases: Liquidity Coverage Ratio, LCR, Short-Term Liquidity Ratio

▲ Higher generally better

SUMMARY DEFINITION

Bank capacity to withstand severe 30-day acute liquidity stress.

DETAILED EXPLANATION

Compares high-quality liquid assets (HQLA) readily convertible to central bank cash against estimated 30-day net cash outflows under severe stress. Standard requirement: Minimum 100%.

CALCULATION FORMULA

$LCR = (Stock\ of\ High-Quality\ Liquid\ Assets - HQLA \div Total\ Net\ Cash\ Outflows\ over\ 30\ Days) \times 100$

HOW TO INTERPRET?

An LCR above 100% ensures the bank holds sufficient liquid buffers to withstand deposit run-offs without emergency aid.

CLASSIFICATION & THRESHOLDS

Mandatory Regulatory Framework : $\geq 100\%$ (Basel III Prudential Liquidity Standard)

ABIX Comfort Benchmark : Comfort Benchmark $\geq 120\%$

PEDAGOGICAL EXAMPLE

Normative example: For 120B DZD in HQLA and 80B DZD in 30-day modeled net outflows, LCR is 150% (exceeding 100% minimum).

ABIX MODULES

Prudential Profile, Comparator

RELATED CONCEPTS

Net Stable Funding Ratio (NSFR) (NSFR), Loan-to-Deposit Ratio (LDR) (LDR), Customer Deposits (DEP)

LIQUIDITY & INTERMEDIATION · **Regulatory Standard** · Unit: %

Net Stable Funding Ratio (NSFR) (NSFR)

Aliases: Net Stable Funding Ratio, NSFR, Structural Liquidity Ratio

▲ Higher generally better

SUMMARY DEFINITION

Measures structural alignment between stable available funding and required illiquid assets over a 1-year horizon.

DETAILED EXPLANATION

NSFR limits excessive reliance on short-term wholesale funding to finance long-term assets. It divides available stable funding (ASF) by required stable funding (RSF). Prudential standard: Minimum 100%.

CALCULATION FORMULA

$$\text{NSFR} = \frac{\text{Available Amount of Stable Funding} - \text{ASF}}{\text{Required Amount of Stable Funding} - \text{RSF}} \times 100$$

HOW TO INTERPRET?

An NSFR above 100% confirms that long-term illiquid assets are funded by durable, sticky equity and deposits.

CLASSIFICATION & THRESHOLDS

Mandatory Regulatory Framework : ≥ 100% (Basel III Prudential Stable Funding Standard)

ABIX Comfort Benchmark : Comfort Benchmark >= 110%

PEDAGOGICAL EXAMPLE

Methodological example: 200B DZD ASF covering 160B DZD RSF yields a solid 125% NSFR.

ABIX MODULES

Prudential Profile, Comparator

RELATED CONCEPTS

Liquidity Coverage Ratio (LCR) (LCR), Loan-to-Deposit Ratio (LDR) (LDR), Accounting Equity (FP)

CATEGORY

Statistics & Quantitative Methods

14 terms in this category

STATISTICS & QUANTITATIVE METHODS · Unit: depending on indicator

Arithmetic Mean (Average) (MOY)

Aliases: Arithmetic Mean, Average, Sample Mean

◆ Contextual interpretation

SUMMARY DEFINITION

Sum of all observed values divided by the total number of banks in the sample.

DETAILED EXPLANATION

The arithmetic mean measures central tendency. In ABIX Data Explorer, it is computed strictly on available numeric observations (excluding nulls). It can be sensitive to extreme outliers in highly concentrated banking systems.

CALCULATION FORMULA

Mean = $(\sum X_i) \div N$ (for $i = 1$ to N)

HOW TO INTERPRET?

Provides the overall market level, but should be compared with the median to assess distributional skewness.

PEDAGOGICAL EXAMPLE

Pedagogical example: If three banks have deposits of 10, 20, and 30 billion DZD, the arithmetic mean is 20 billion DZD.

ABIX MODULES

Sector View, Rankings, Bank Profile, Sector Distribution

RELATED CONCEPTS

Median (50th Percentile / Q2) (MED), Quartiles & Percentiles (Q1, Q2, Q3) (QUART), Standard Deviation (σ) (SIGMA)

STATISTICS & QUANTITATIVE METHODS · Unit: depending on indicator

Median (50th Percentile / Q2) (MED)

Aliases: Median, 50th Percentile, Midpoint, Q2

◆ Contextual interpretation

SUMMARY DEFINITION

Value separating the ordered sample of banks into two equal halves (50% above, 50% below).

DETAILED EXPLANATION

The median is ABIX's primary robust central tendency metric because it is fully resistant to extreme outliers and public bank scale distortions. Exact formulation: 1) For an odd number N of banks (e.g. 21 banks in 2026): Median = central value at rank (N+1)/2; 2) For an even number N of banks (e.g. 20 banks in 2025): Median = arithmetic average of the two central values at ranks N/2 and (N/2)+1.

CALCULATION FORMULA

If N is odd: $Median = X_{((N+1)/2)}$ | If N is even: $Median = (X_{(N/2)} + X_{(N/2 + 1)}) \div 2$

HOW TO INTERPRET?

Represents the performance of a typical median bank in Algeria without weighting bias towards giant public banks.

PEDAGOGICAL EXAMPLE

Pedagogical example: In a list of NBI values (10, 20, 50, 100, 200), the median is 50 billion DZD.

ABIX MODULES

Sector View, Rankings, Bank Profile, Benchmarks & Quartiles, Executive Summary

RELATED CONCEPTS

Arithmetic Mean (Average) (MOY), Quartiles & Percentiles (Q1, Q2, Q3) (QUART), Standard Deviation (σ) (SIGMA)

STATISTICS & QUANTITATIVE METHODS · Unit: depending on indicator

Quartiles & Percentiles (Q1, Q2, Q3) (QUART)

Aliases: Quartiles and Percentiles, Quartiles, Q1, Q2, Q3, Four-tier distribution, Percentile Thresholds

◆ Contextual interpretation

SUMMARY DEFINITION

Three statistical thresholds (Q1=25th, Q2=50th=Median, Q3=75th percentile) dividing the sector into four equal cohorts.

DETAILED EXPLANATION

In descriptive statistics, quartile thresholds are Q1=P25, Q2=P50 (median), and Q3=P75, using (N-1)*p interpolation. ABIX performance bands are a separate, business-direction-aware presentation: ABIX band Q1 identifies the most favorable 25%, while Q4 identifies the least favorable 25%. For Growth Momentum, the same cut-offs are explicitly labelled relative momentum bands and do not imply general performance.

CALCULATION FORMULA

Q1 = P25 (linear interpolation) | Q2 = Median (P50) | Q3 = P75 (linear interpolation)

HOW TO INTERPRET?

Positions each bank objectively within its peer distribution tier without mean-driven distortion.

PEDAGOGICAL EXAMPLE

Pedagogical example: The median (Q2) splits the market in half. Q1 is the value below which 25% of banks fall. Q3 is the value below which 75% of institutions are located.

ABIX MODULES

Sector View, Bank Profile, Distribution & Boxplots, Executive Dashboard, Heatmaps

RELATED CONCEPTS

Median (50th Percentile / Q2) (MED), Arithmetic Mean (Average) (MOY), Standardized Z-Score (Relative Positioning) (Z-SCORE)

STATISTICS & QUANTITATIVE METHODS · Unit: depending on indicator

Standard Deviation (σ) (SIGMA)

Aliases: Standard Deviation, Sigma, Sample Dispersion

◆ Contextual interpretation

SUMMARY DEFINITION

Statistical measurement of data dispersion around the arithmetic mean.

DETAILED EXPLANATION

Quantifies the homogeneity or dispersion of banking metrics across institutions. Statistical note: In an approximately normal distribution, ~68% of observations fall within $\pm 1\sigma$ and ~95% within $\pm 2\sigma$ of the mean.

CALCULATION FORMULA

Standard Deviation (σ) = $\sqrt{ \left(1 \div N \right) \times \sum \left(X_i - \bar{X} \right)^2 }$

HOW TO INTERPRET?

Evaluates mean representativeness and identifies outlier banks lying beyond 2 standard deviations.

PEDAGOGICAL EXAMPLE

Pedagogical example: A low standard deviation on interest rates means most banks offer rates very close to the average.

ABIX MODULES

Sector View, Sector Distribution, Outliers & Anomaly Detection

RELATED CONCEPTS

Arithmetic Mean (Average) (MOY), Coefficient of Variation (CV) (CV), Standardized Z-Score (Relative Positioning) (Z-SCORE)

STATISTICS & QUANTITATIVE METHODS · Unit: %

Coefficient of Variation (CV) (CV)

Aliases: Coefficient of Variation, CV, Relative Standard Deviation

◆ Contextual interpretation

SUMMARY DEFINITION

Ratio of standard deviation to arithmetic mean, expressing relative dispersion as a normalized percentage.

DETAILED EXPLANATION

The CV is a dimensionless metric enabling direct dispersion comparison across financial indicators with different units or scales (e.g. comparing deposits dispersion in billion DZD with ROE dispersion in %).

CALCULATION FORMULA

Coefficient of Variation (CV) = (Standard Deviation σ ÷ Arithmetic Mean $X_{\text{■}}$) × 100

HOW TO INTERPRET?

CV < 15% indicates strong sector homogeneity. CV > 30-50% indicates high dispersion and structural polarization.

PEDAGOGICAL EXAMPLE

Pedagogical example: If the standard deviation is 5 billion DZD and the mean is 50 billion DZD, the coefficient of variation is 10%.

ABIX MODULES

Sector View, Sector Distribution, Comparator

RELATED CONCEPTS

Standard Deviation (σ) (SIGMA), Arithmetic Mean (Average) (MOY)

STATISTICS & QUANTITATIVE METHODS · Unit: %

Compound Annual Growth Rate (CAGR) (CAGR)

Aliases: CAGR, Compound Annual Growth Rate, Geometric Annual Growth

▲ Higher generally better

SUMMARY DEFINITION

Constant annual rate at which a metric would have grown from its base year to final year over n periods.

DETAILED EXPLANATION

CAGR smooths out year-to-year volatility through geometric progression. In ABIX Data Explorer, CAGR is used in the Growth scoring pillar (25% weight each on Assets, Loans, NBI, and Net Profit).

CALCULATION FORMULA

$$CAGR = [(Ending\ Value \div Beginning\ Value)^{(1 \div n)} - 1] \times 100$$

HOW TO INTERPRET?

Provides a standardized, fair multi-year growth comparison across institutions of varying scale.

PEDAGOGICAL EXAMPLE

Pedagogical example: Capital growing from 100 to 121 billion DZD over 2 years has a compound annual growth rate (CAGR) of 10%.

ABIX MODULES

ABIX Scores (Dynamic & Growth), Multi-Year History, Bank Profile

RELATED CONCEPTS

Year-over-Year Growth (YoY / Δ) (YoY), Rebased Index (Base 100) (B100)

STATISTICS & QUANTITATIVE METHODS · Unit: % / pts

Year-over-Year Growth (YoY / Δ) (YoY)

Aliases: Year-over-Year, YoY Growth, Annual Change, Delta YoY

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage change of a financial metric between period t and the preceding period t-1.

DETAILED EXPLANATION

Measures annual metric expansion or contraction. In ABIX Data Explorer, for indicators already expressed as percentages (e.g. ROE, CIR), the variation is strictly tracked in percentage points (point_change).

CALCULATION FORMULA

For financial aggregates (Billion DZD): $YoY = [(V_t - V_{t-1}) \div V_{t-1}] \times 100$ | For ratios (%): $\Delta = V_t - V_{t-1}$ (in points)

HOW TO INTERPRET?

Identifies trend shifts, commercial accelerations, or abrupt year-over-year decelerations.

PEDAGOGICAL EXAMPLE

Pedagogical example: If loans increase from 100 to 110 billion DZD in one year, the year-over-year variation is +10%.

ABIX MODULES

Historical Trends, Bank Profile, Sector View, Deterministic Scanning

RELATED CONCEPTS

Compound Annual Growth Rate (CAGR) (CAGR), Rebased Index (Base 100) (B100)

STATISTICS & QUANTITATIVE METHODS · Unit: index (base 100)

Rebased Index (Base 100) (B100)

Aliases: Base 100 Index, Rebased Growth, Indexed Trajectory

◆ Contextual interpretation

SUMMARY DEFINITION

Index normalizing base year metric to 100 to visually compare growth trajectories across banks of differing sizes.

DETAILED EXPLANATION

Base 100 fixes the initial selected year at 100. Subsequent years are computed as (Year Value / Base Value) * 100. This enables direct graphical trajectory comparison between large public and smaller private lenders.

CALCULATION FORMULA

$$\text{Base 100 Index (t)} = (\text{Value}_t \div \text{Base_Value}) \times 100$$

HOW TO INTERPRET?

An index of 135 indicates cumulative growth of +35% since the base year, regardless of initial bank size.

PEDAGOGICAL EXAMPLE

Pedagogical example: If an indicator starts at 50 billion DZD (base 100) and reaches 75 billion DZD, its base 100 index becomes 150.

ABIX MODULES

Historical Trends, Comparator, Bank Profile

RELATED CONCEPTS

Compound Annual Growth Rate (CAGR) (CAGR),
Year-over-Year Growth (YoY / Δ) (YoY)

STATISTICS & QUANTITATIVE METHODS · Academic Reference · Unit: coefficient (-1 to +1)

Pearson Linear Correlation (r) (PEARSON)

Aliases: *Pearson Correlation Coefficient, Linear Correlation, Pearson r*

◆ Contextual interpretation

SUMMARY DEFINITION

Statistical measurement of the strength and direction of linear association between two financial metrics (-1 to +1).

DETAILED EXPLANATION

The Pearson coefficient r ranges from -1 (perfect inverse linear relation) to +1 (perfect positive linear relation), with 0 indicating no linear association. Fundamental ABIX rule: Correlation $\neq$ Causation. Furthermore, r measures strictly linear relationships and can be sensitive to extreme outliers.

CALCULATION FORMULA

$$r = \frac{\sum [(X_i - \bar{X})(Y_i - \bar{Y})]}{\sqrt{\sum (X_i - \bar{X})^2} \times \sqrt{\sum (Y_i - \bar{Y})^2}}$$

HOW TO INTERPRET?

$|r| > 0.70$ indicates strong linear correlation; $0.40 < |r| < 0.70$ moderate; $|r| < 0.40$ weak or non-linear association.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Strong correlation if $|r| \geq 0.70$ (ABIX Multicollinearity Exclusion Threshold: $|r| \geq 0.85$)

PEDAGOGICAL EXAMPLE

Pedagogical example: A 0.9 correlation between NBI and total assets indicates they generally increase together.

ABIX MODULES

Correlation Matrix, Scatter Plots, Methodology Lab

RELATED CONCEPTS

Standardized Z-Score (Relative Positioning) (Z-SCORE),
Standard Deviation (σ) (SIGMA)

STATISTICS & QUANTITATIVE METHODS · Academic Reference · Unit: score (unitless)

Standardized Z-Score (Relative Positioning) (Z-SCORE)

Aliases: Standardized Score, Z-Score, Standard Normal Deviate, Robust Z-Score

◆ Contextual interpretation

SUMMARY DEFINITION

Number of standard deviations separating a bank's metric from the sector mean (or median).

DETAILED EXPLANATION

Standardizes metrics to a unitless scale centered at zero. ABIX implements two variants: 1) Classic $Z = (X - \text{Mean}) / \sigma$; 2) Robust $Z = 0.6745 * (X - \text{Median}) / \text{MAD}$. Statistical note: The equivalence of $Z = +2$ with the top 2.5% holds strictly only under the assumption of a normal distribution.

CALCULATION FORMULA

Standard Z-Score = $(X - \text{X} \blacksquare) \div \sigma$ | Robust Z-Score = $0.6745 \times (X - \text{Median}) \div \text{MAD}$

HOW TO INTERPRET?

$Z = 0$ places the bank at market center. $Z > +2$ or $Z < -2$ flags an outlier significantly diverging from sector norms.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Standard Zone $[-2 ; +2]$ | Atypical Profile if $|Z| > 2$

PEDAGOGICAL EXAMPLE

Pedagogical example: A Z-score of +2 means the bank's performance is two standard deviations above the sector average.

ABIX MODULES

Outliers & Anomaly Detection, Methodology Lab, Bank Profile

RELATED CONCEPTS

Standard Deviation (σ) (SIGMA), Median (50th Percentile / Q2) (MED), Arithmetic Mean (Average) (MOY)

STATISTICS & QUANTITATIVE METHODS · Unit: score (0 to 100)

Min-Max Normalization (0-100 Scale) (MINMAX)

Aliases: Min-Max Scaling, Feature Rescaling, Normalized Score 0-100

◆ Contextual interpretation

SUMMARY DEFINITION

Linear transformation of a financial metric onto a standardized scale from 0 to 100 points.

DETAILED EXPLANATION

Statistical concept shown for education and usable as a secondary diagnostic in the laboratory. The four official ABIX dimension scores use empirical percentile ranks within the selected comparison group, not Min-Max normalization.

CALCULATION FORMULA

Direct scale: $Score = [(X - Min) \div (Max - Min)] \times 100$ | Inverted scale: $Score = [(Max - X) \div (Max - Min)] \times 100$

HOW TO INTERPRET?

Useful for understanding linear rescaling, but it is not an official ABIX score.

PEDAGOGICAL EXAMPLE

Pedagogical example: A value of 80 transformed onto a 0 to 100 scale will be assigned a score of 0.8.

ABIX MODULES

Methodology Lab, Educational Glossary

RELATED CONCEPTS

Standardized Z-Score (Relative Positioning) (Z-SCORE), ABIX 4D Assessment Framework (4D_ABIX)

STATISTICS & QUANTITATIVE METHODS · [Benchmark ABIX](#) · Unit: %

Consolidated Ownership Reference (code: Réf. statut)

Aliases: Aggregated public or private ratio, Public / private benchmark

◆ Contextual interpretation

SUMMARY DEFINITION

Aggregate ratio calculated separately for the public-bank or private-bank group.

DETAILED EXPLANATION

For risk cost, the reference equals group net provisions divided by group NBI. It is therefore NBI-weighted and is not a median.

CALCULATION FORMULA

Status Group Cost of Risk Reference = Σ Group Net Provisions $\div$ Σ Group NBI $\times$ 100

HOW TO INTERPRET?

Provides a contextual comparison with banks of the same ownership status, without a regulatory rating or business-model benchmark.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2

RELATED CONCEPTS

Cost of Risk to NBI Ratio (CdR / PNB), Public vs Private Sector Segmentation (PUB_PRIV), Median (50th Percentile / Q2) (MED)

STATISTICS & QUANTITATIVE METHODS

Not available (N/D)

Aliases: N/A, Unavailable data, Missing value

◆ Contextual interpretation

SUMMARY DEFINITION

Data missing or insufficient for reliable display or calculation.

DETAILED EXPLANATION

ABIX explicitly preserves this state and never artificially replaces an unavailable value with zero.

HOW TO INTERPRET?

A missing value must be interpreted neither as zero nor as underperformance.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2, All Modules

RELATED CONCEPTS

Not significant (NS)

STATISTICS & QUANTITATIVE METHODS

Not significant (NS)

Aliases: Non-meaningful value, Not meaningful

◆ Contextual interpretation

SUMMARY DEFINITION

Value not usable as reliable numeric data.

DETAILED EXPLANATION

ABIX explicitly preserves the NS marker; it is never automatically converted to zero or included as a numeric observation.

HOW TO INTERPRET?

The value is excluded from calculations requiring a valid numeric observation.

PEDAGOGICAL EXAMPLE

NS

ABIX MODULES

Executive V2, All Modules

RELATED CONCEPTS

Not available (N/D)

CATEGORY

Sector & Market Analysis

4 terms in this category

SECTOR & MARKET ANALYSIS · Unit: %

Market Share (PDM)

Aliases: Market Share, Market Weight, Volume Share

◆ Contextual interpretation

SUMMARY DEFINITION

Percentage held by a single bank across an aggregate relative to total consolidated sector volume.

DETAILED EXPLANATION

Measures commercial footprint and competitive positioning across financial aggregates (Assets, Deposits, Loans, NBI). ABIX note: Market share is an indicator of relative scale, not an intrinsic measure of profitability or efficiency (contextual reading direction ◆).

CALCULATION FORMULA

$$\text{Market Share} = (\text{Bank Metric Value} \div \text{Sector Consolidated Total}) \times 100$$

HOW TO INTERPRET?

High market share provides economies of scale, but does not inherently guarantee superior unit profitability.

PEDAGOGICAL EXAMPLE

Pedagogical example: If a bank holds 100 billion DZD in deposits out of a sector total of 1000 billion DZD, its market share is 10%.

ABIX MODULES

Market Shares, Sector View, Rankings, Bank Profile, Concentration

RELATED CONCEPTS

Market Share Delta (Gain / Loss) (DELTA_PDM), Herfindahl-Hirschman Index (HHI) (HHI), Concentration Ratios (CR3 & CR5) (CR3_CR5), Total Assets (Balance Sheet Total) (TB)

SECTOR & MARKET ANALYSIS · Unit: percentage points

Market Share Delta (Gain / Loss) (DELTA_PDM)

Aliases: Market Share Change, Market Share Delta, Share Shift

◆ Contextual interpretation

SUMMARY DEFINITION

Absolute difference in percentage points between market share at period t and period t-1.

DETAILED EXPLANATION

Measures net competitive momentum and market share shifts among banks. A market share gain indicates the bank outgrew the overall sector on that metric.

CALCULATION FORMULA

$\Delta \text{ Market Share} = \text{Market Share}_t - \text{Market Share}_{t-1}$ (in percentage points)

HOW TO INTERPRET?

Sustained share gains reflect aggressive commercial conquest. Share loss indicates commercial slowdown or deliberate de-risking.

PEDAGOGICAL EXAMPLE

Pedagogical example: A bank increasing its market share from 10% to 12% records a gain of 2 percentage points.

ABIX MODULES

Market Shares, Historical Trends, Bank Profile, Sector View

RELATED CONCEPTS

Market Share (PDM), Year-over-Year Growth (YoY / Δ) (YoY)

SECTOR & MARKET ANALYSIS · Unit: % / DZD bn

Public vs Private Sector Segmentation (PUB_PRIV)

Aliases: Public vs Private Banks, Ownership Split, State vs Private Banking

◆ Contextual interpretation

SUMMARY DEFINITION

Institutional classification of banks according to ownership structure (State-owned vs Private lenders).

DETAILED EXPLANATION

Distinguishes the 6 major state-owned commercial banks (plus CNEP-Banque) from the 14 private lenders (international subsidiaries, regional and Islamic banks). Central to ABIX for analyzing structural divergences.

CALCULATION FORMULA

Public Sector Aggregate = Σ Public Banks | Private Sector Aggregate = Σ Private Banks

HOW TO INTERPRET?

Isolates the massive public bank balance sheet dominance (~87%) alongside private banks' relative profitability dynamism.

PEDAGOGICAL EXAMPLE

Pedagogical example: If public banks hold 800 billion DZD and private ones 200 billion DZD, the split is 80% / 20%.

ABIX MODULES

Public vs Private, Sector View, Comparator, Market Shares

RELATED CONCEPTS

Total Assets (Balance Sheet Total) (TB), Market Share (PDM), Constant Scope vs Observed Scope (SCOPE)

SECTOR & MARKET ANALYSIS · Unit: banks (count)

Constant Scope vs Observed Scope (SCOPE)

Aliases: Constant Scope, Like-for-like scope, Observed Sample

◆ Contextual interpretation

SUMMARY DEFINITION

Filtering method ensuring only banks with uninterrupted financial reporting across the full timeline are included in multi-year aggregates.

DETAILED EXPLANATION

ABIX offers two scope modes: 1) Observed Scope (all reporting banks for a given year); 2) Constant Scope (strictly banks with complete data from start to end year), eliminating distortion in CAGR and Base 100 metrics.

CALCULATION FORMULA

Constant Scope = { Banks present in every year of [Start_Year ; End_Year] }

HOW TO INTERPRET?

Essential for mathematical integrity in multi-year trend analysis, CAGR, and indexed trajectories.

PEDAGOGICAL EXAMPLE

Pedagogical example: Measuring growth without including the impact of a recent merger assesses performance on a like-for-like basis.

ABIX MODULES

Historical Trends, Time Series, ABIX Scores (Dynamic), Sector View

RELATED CONCEPTS

Compound Annual Growth Rate (CAGR) (CAGR), Rebased Index (Base 100) (B100), Market Share (PDM)

CATEGORY

Concentration & Competition

3 terms in this category

CONCENTRATION & COMPETITION · **Market Reference** · Unit: points (0 to 10,000)

Herfindahl-Hirschman Index (HHI) **(HHI)**

Aliases: Herfindahl Index, HHI, Market Concentration Index

◆ Contextual interpretation

SUMMARY DEFINITION

Sum of squared market shares of all operating banks, measuring sector concentration on a 0 to 10,000 scale.

DETAILED EXPLANATION

HHI squares market shares, placing greater weight on top banks. Standard competitive reading grid (indicative DOJ/FTC benchmarks): 1) HHI < 1,000: Unconcentrated market; 2) 1,000 <= HHI <= 1,800: Moderately concentrated; 3) HHI > 1,800: Highly concentrated. Mandatory ABIX note: These thresholds constitute a standardized competitive analytical grid and do not represent an automatic legal qualification of the Algerian banking market.

CALCULATION FORMULA

$HHI = \sum (\text{Market Share}_i)^2$ (for $i = 1$ to N banks, shares expressed in %)

HOW TO INTERPRET?

A high HHI (> 1,800) characterizes an oligopolistic structure where a small group of banks commands the majority of deposits and lending.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : HHI < 1000: Low concentration | 1000-1800: Moderate concentration | > 1800: High concentration (Indicative competition grid)

PEDAGOGICAL EXAMPLE

Pedagogical example: If the market consists of four banks each holding a 25% share, the HHI is 2500, indicating a concentrated market.

ABIX MODULES

Concentration & Competition, Sector View, Market Shares

RELATED CONCEPTS

Concentration Ratios (CR3 & CR5) (CR3_CR5), Effective Number of Banks (Equivalent Competitors) (NEFF), Market Share (PDM)

CONCENTRATION & COMPETITION · **Market Reference** · Unit: %

Concentration Ratios (CR3 & CR5) **(CR3_CR5)**

Aliases: Concentration Ratio 3, CR3, CR5, Top 3 / Top 5 Share

◆ Contextual interpretation

SUMMARY DEFINITION

Cumulative market share command held by the top 3 (CR3) or top 5 (CR5) leading banks on a financial metric.

DETAILED EXPLANATION

Concentration ratios measure top-tier market command. General definition: CR3 = sum of market shares of the top 3 ranked banks; CR5 = sum of market shares of the top 5 banks for the selected metric and year. ABIX note: Bank rankings are dynamic and computed per year and indicator. Specific bank names appear exclusively in dated historical examples.

CALCULATION FORMULA

**CR3 = Share_1 + Share_2 + Share_3 | CR5 = Share_1 + Share_2 + Share_3 + Share_4 + Share_5
(shares sorted descending)**

HOW TO INTERPRET?

CR3 > 50% or CR5 > 70% characterizes a market heavily dominated by a tight leadership cohort.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : CR3 > 50%: Strong oligopolistic control | CR5 > 70%: Highly concentrated market

PEDAGOGICAL EXAMPLE

Pedagogical example: If the top 3 banks hold 75% of total loans, the CR3 is 75%.

ABIX MODULES

Concentration & Competition, Market Shares, Sector View

RELATED CONCEPTS

Herfindahl-Hirschman Index (HHI) (HHI), Effective Number of Banks (Equivalent Competitors) (NEFF), Market Share (PDM)

CONCENTRATION & COMPETITION · Unit: equivalent banks

Effective Number of Banks (Equivalent Competitors) (NEFF)

Aliases: *Effective Number of Banks, Equivalent Competitors, HHI Inverted Number*

◆ Contextual interpretation

SUMMARY DEFINITION

Theoretical number of equal-sized banks that would generate the same HHI concentration level observed in the market.

DETAILED EXPLANATION

Calculated as $10,000 / \text{HHI}$. It translates concentration into intuitive terms: in a market with 20 nominal banks, an HHI of 2,000 implies the competitive equivalent of only 5 equal-sized competitors.

CALCULATION FORMULA

Effective Number of Banks = $10,000 \div \text{HHI}$

HOW TO INTERPRET?

The wider the gap between nominal and effective bank counts, the more pronounced the market asymmetry and top-bank dominance.

PEDAGOGICAL EXAMPLE

Pedagogical example: In a 10-bank market heavily dominated by one, the effective number of banks based on HHI might be only 2.

ABIX MODULES

Concentration & Competition, Sector View

RELATED CONCEPTS

Herfindahl-Hirschman Index (HHI) (HHI), Concentration Ratios (CR3 & CR5) (CR3_CR5)

CATEGORY

ABIX Methodology & Framework

5 terms in this category

ABIX METHODOLOGY & FRAMEWORK · Unit: dimensional scores (0-100)

ABIX 4D Assessment Framework (4D_ABIX)

Aliases: 4D Framework, ABIX 4D Scores, Multidimensional Evaluation Model

◆ Contextual interpretation

SUMMARY DEFINITION

ABIX methodology structured around four independent dimensions: Profitability, Growth Momentum, Efficiency and Financial Strength.

DETAILED EXPLANATION

Scores use empirical percentile ranks within the selected comparison group when N >= 5, then dimension weights: Profitability (imported ROE, calculated ROA, net margin; 33.3% each), Growth Momentum (CAGR of assets, loans, NBI and net profit; 25% each), Efficiency (CIR and GOI/net-profit conversion; 50% each), and Financial Strength (equity/assets and equity/loans; 50% each). At least 67% component coverage is required. Dimensions remain separate: ABIX calculates no global score.

CALCULATION FORMULA

4D Profile = {Profitability_Score, Growth_Momentum_Score, Efficiency_Score, Financial_Strength_Score} – without aggregate sum

HOW TO INTERPRET?

Growth Momentum quartiles describe relative momentum (upper, upper-middle, lower-middle or lower) and are not automatically labeled as strengths or weaknesses.

PEDAGOGICAL EXAMPLE

Pedagogical example: A bank scoring highly in Profitability and Growth, but low in Strength and Digital, will be guided towards a specific consolidation strategy.

ABIX MODULES

ABIX Scores (4D), Multidimensional Profiles, 4-Quadrant Matrix, Executive Dashboard

RELATED CONCEPTS

Min-Max Normalization (0-100 Scale) (MINMAX), Deterministic Rule-Based Scanning (SCAN)

ABIX METHODOLOGY & FRAMEWORK · [Benchmark ABIX](#) · Unit: rules & alerts

Deterministic Rule-Based Scanning (SCAN)

Aliases: Rule-Based Scanning, Deterministic Alerts, Financial Outlier Scanning

◆ Contextual interpretation

SUMMARY DEFINITION

Automated, 100% traceable audit engine identifying trend breaks, balance sheet divergences, and material benchmark gaps.

DETAILED EXPLANATION

Deterministic scanning applies explicit arithmetic rules to available data: benchmark gaps, changes, dimension shifts and activity divergences. For cost of risk, a raw provision increase—even a very large one—is insufficient: the observation requires a material provisions/NBI weight (absolute value $\geq 10\%$) or an absolute gap to an available benchmark ≥ 5 points, while reporting amount, change and ratio. No free-form generative model is involved.

CALCULATION FORMULA

Deterministic rules; cost of risk alert: $|\text{Net Provisions} / \text{NBI}| \geq 10\%$ or $|\text{benchmark deviation}| \geq 5 \text{ pts}$

HOW TO INTERPRET?

Guarantees complete mathematical auditability of analytical insights displayed in executive dashboards and bank profiles.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Versioned arithmetic detection rules v1.0 (100% traceable)

PEDAGOGICAL EXAMPLE

Pedagogical example: Applying a strict rule 'if ROA > 1% then score=A' is a deterministic scanning method.

ABIX MODULES

Executive Dashboard, Insights & Alerts, Bank Profile (Summary)

RELATED CONCEPTS

ABIX 4D Assessment Framework (4D_ABIX), Year-over-Year Growth (YoY / Δ) (YoY)

ABIX METHODOLOGY & FRAMEWORK · [Benchmark ABIX](#) · Unit: score (0 to 100)

E-Banking & Digital Transformation Barometer (EBANK)

Aliases: *E-Banking Barometer, Digital Banking Index, Online Banking Score*

▲ Higher generally better

SUMMARY DEFINITION

Benchmarking framework evaluating bank digital maturity through auditing mobile apps, web platforms, and e-payment services.

DETAILED EXPLANATION

The ABIX E-Banking Barometer is an independent benchmarking tool evaluating digital banking across Algeria. It audits over 40 criteria spanning mobile app functionality, online banking, e-payment capabilities, and UX design.

CALCULATION FORMULA

E-Banking Score = $\sum$ (Dimension_Weight × Dimension_Score) (normalized 0 to 100 scale)

HOW TO INTERPRET?

A top score reflects a mature, seamless, and secure digital banking offering for retail and corporate clients.

CLASSIFICATION & THRESHOLDS

ABIX Comfort Benchmark : Normalized 0-100 score on audited multi-criteria grid

PEDAGOGICAL EXAMPLE

Pedagogical example: The evolution of bank card payments reflects the development of digital services measured by such a barometer.

ABIX MODULES

E-Banking Barometer, Bank Profile (Digital Section), Digital Rankings

RELATED CONCEPTS

ABIX 4D Assessment Framework (4D_ABIX)

ABIX METHODOLOGY & FRAMEWORK · [Benchmark ABIX](#)

Growth Momentum (Growth Momentum)

Aliases: *Growth intensity, Relative momentum*

◆ Contextual interpretation

SUMMARY DEFINITION

Growth intensity of key banking aggregates.

DETAILED EXPLANATION

ABIX dimension presenting relative changes in key aggregates. High momentum does not automatically imply better banking quality or overall performance.

HOW TO INTERPRET?

Quartiles describe relative growth intensity here, without normative judgement.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2, ABIX Scores

RELATED CONCEPTS

croissance-yoy, cagr, Quartiles & Percentiles (Q1, Q2, Q3) (QUART), ABIX 4D Assessment Framework (4D_ABIX)

ABIX METHODOLOGY & FRAMEWORK · [Benchmark ABIX](#)

Financial Strength (Financial Strength)

Aliases: Financial structure, Relative capitalisation

▲ Higher generally better

SUMMARY DEFINITION

ABIX dimension providing a relative view of capitalisation and balance-sheet structure.

DETAILED EXPLANATION

This dimension positions the bank using available financial-structure indicators. It is neither a regulatory solvency ratio nor a prudential assessment.

HOW TO INTERPRET?

Relative positioning among available institutions, without an overall ABIX score.

PEDAGOGICAL EXAMPLE

N/A

ABIX MODULES

Executive V2, ABIX Scores

RELATED CONCEPTS

Accounting Equity (FP), ratio-fonds-propres-actifs, ABIX 4D Assessment Framework (4D_ABIX)