## Compatibility between PCIF and CONTIF

The Plano de Contas das Instituições Financeiras (CONTIF Chart of Accounts of Financial Institutions) was approved by the Instruction no. 9/2007 of BNA, of September 19, aiming to harmonize the accounting standards applicable to the banking sector to International Financial Reporting Standards (IFRS). Until December 31, 2009, financial statements were prepared in accordance with the principles of the previous Plano de Contas das Instituições Financeiras (PCIF – Chart of Accounts of Financial Institutions), in accordance with the Instructive no. 13/1999, of September 1, issued by BNA.

The 2010 financial statements were the first presented by banks according to the CONTIF, with the financial statements of 2009 being restated to enable comparability. In the reports of ABANC, as well as any available financial information, the financial statements for the period 2006-2008, as well as the financial statements of some banks for the financial year of 2009 has been restated under the responsibility of ABANC, to allow the comparative analysis of the sector from 2006 to 2013. The changes did not cover prudential ratios presented whose source is the BNA.

There were no impacts on the equity side on the balance sheet from the adoption of CONTIF in 2010[[1]](#footnote-1). The major changes are reflected in the presentation of the balance sheet and the income statement, in particular,

1. Within the Balance Sheet:

* Securities
* Interest Receivable and Costs of Financial Instruments
* Foreign Exchange
* Works in Rented Buildings
* Asset Revaluation Reserves

1. Within the Income Statement:

* Extraordinary Results

The following table shows the correspondence between the chart of accounts PCIF and CONTIF that have been applied in ABANCs’s reports.

Table 1 – Correspondence between PCIF and CONTIF

|  |  |
| --- | --- |
| **ASSETS** | |
| **PCIF** | **CONTIF** |
| Cash and Deposits with the Central Bank | Cash and Cash Equivalents |
| Deposits at other credit institutions |
| Other loans and Advances to Credit institutions | Short-Term Investments |
| Bonds and Other Securities | Securities |
| Fixed Assets and Equity Holdings | Fixed Assets |
| Other Assets | Other Amounts |
| Accruals and Deferrals |

|  |  |
| --- | --- |
| **LIABILITIES** | |
| **PCIF** | **CONTIF** |
| Funds from other credit institutions | Liquidity Funding |
| Funds from the Central Bank and other entities |
| Deposits | Deposits |
| Debts Securities Issued | Funding through Securities |
| Other Funds | Other Funding Received |
| Other Liabilities | Other Liabilities |
| Provisions for contingencies and liabilities | Provisions for Probable Liabilities |

|  |  |
| --- | --- |
| **INCOME STATEMENT** | |
| **PCIF** | **CONTIF** |
| **Net Interest Income** | **Net Interest Income** |
| Interest and Similar Income | Income from Financial Instrument Assets |
| Interest and Similar Costs | Costs of Financial Instrument Liabilities |
| **Complementary Margin** | **Complementary Margin** |
| Income on Operations with Securities | Net Income from Trading and Fair Value Adjustments |
| Commissions | Net Income from Financial Services |
| Income on Financial Transactions | Net Income from Foreign Exchange Transactions |
| **Banking Revenue** | **Results from Financial Brokerage** |
| **General Administrative Expenses** | **Administrative and Marketing Expenses** |
| Staff Expenses | Staff Expenses |
| Administrative Expenses | Provision for Probable Liabilities |
| Third-Party Supplies and Services | External Supplies |
| Depreciation Charges for the Year | Depreciation and Amortization |
| Taxes and Levies | Taxes and Levies Not Incidents on the Income |
| Other Income and Expenses | Other Operating Income and Expenses |
| Provisions for the Year | Provisions for Bad Debt and Provisions of Guarantees |
| Specific Provisions for Losses related to Commercial and Industrial Inventories |
| Provisions for Other Values and Probable Liabilities |
| **Operating Results** | **Operating Income** |
| **Extraordinary Results** | **Non-Operating Income** |
| **Net Income before Tax and Other Charges** | **Net Income before Tax and Other Charges** |
| **Provision for Industrial Tax** | **Charges on Current Income** |

1. The same cannot be said of the Regulatory Capital (FPR), were this change had an impact for all banks due to the reclassification of works in rented buildings of tangible assets to intangible (intangible assets are to be deducted in the calculation of FPR as it is an asset without quality from a prudential point of view). [↑](#footnote-ref-1)