

Monthly Monetary Report

March 2023



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was April 11, 2023. All figures are provisional and subject to review.

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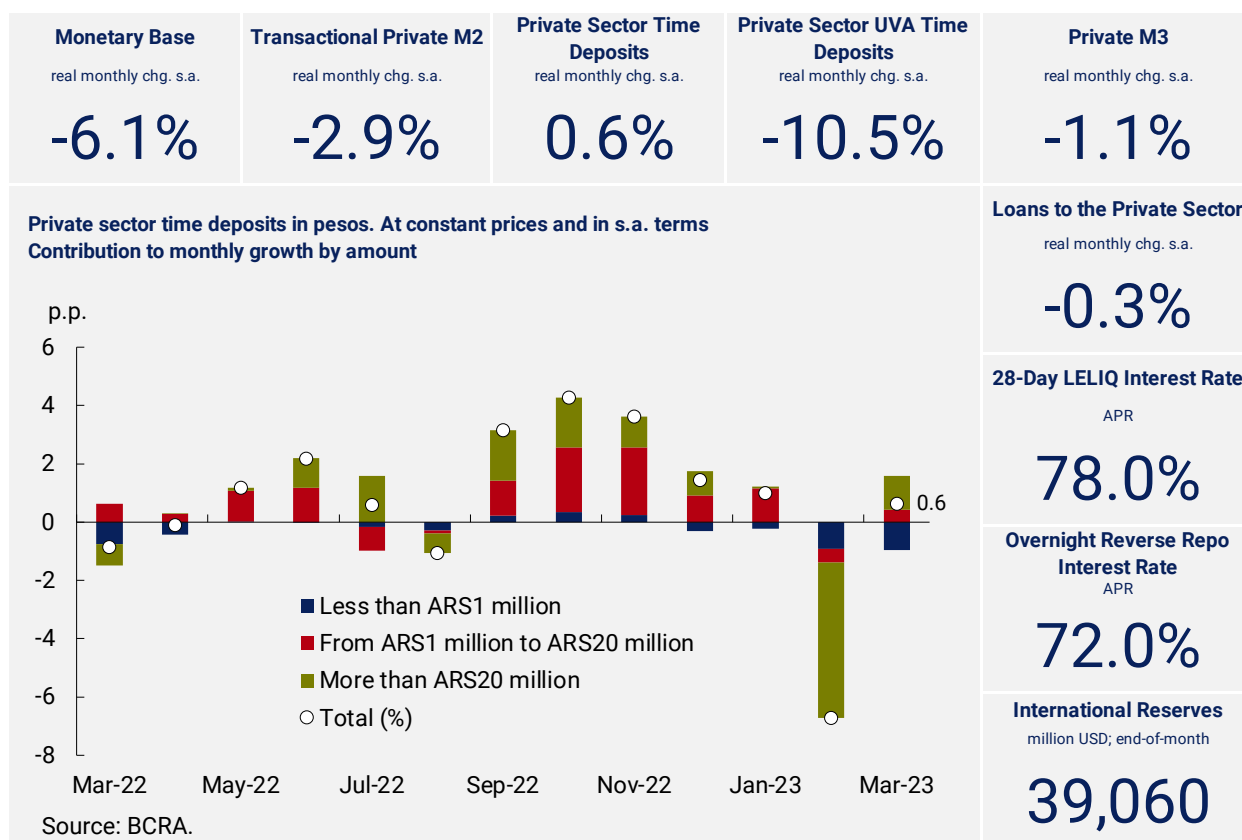
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About inclusive language in the Spanish version of this report

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences ideas, feelings, ways of thinking, as well as principles and core values.

Therefore, efforts have been made to avoid sexist and binary language in this report.

1. Executive Summary



The BCRA raised the interest rate on liquidity bills (LELIQs) by 3 percentage points (p.p.), which reached 78% APR, and kept the interest rates on repo transactions unchanged. Last, minimum interest rates on time deposits underwent the same rise as LELIQs.

In this context, the stocks of time deposits in pesos from the private sector expanded in real terms and stood around the highs of the past few decades, both at constant prices and in terms of GDP. The improvement mainly derived from the wholesale segment, since money market funds (MM FCI) restructured their portfolios in favor of time deposits. Yet, as this change took place over the second half of March, it only had an effect on such rise in part and left a positive carryforward for April.

In March, the broad monetary aggregate (private M3) posted a contraction at constant prices and in seasonally-adjusted (s.a.) terms. This was mainly explained by the performance of means of payment which remained around the lowest figures of the past 20 years, both at constant prices and in terms of GDP.

Last, loans granted to the private sector at constant prices and in seasonally-adjusted terms contracted again in March. In March, the Credit Line for Productive Investment (LFIP, in Spanish) was renewed for the April-September period. This credit line aimed at micro-, small-, and medium-sized enterprises (MSMEs) remained above pre-pandemic figures and the historical average in terms of GDP.

2. Means of Payment

In real and seasonally-adjusted terms, means of payment (transactional private M2¹) posted a 2.9% contraction in March. This was observed in the performance of cash held by the public as well as in non-interest-bearing sight deposits (see Chart 2.1). Transactional private M2 stood 19.6% below the level observed in March 2022 in year-on-year (y.o.y.) terms and at constant prices. In terms of GDP, means of payment stood at 7.8%, decreasing slightly (0.1 p.p.) against February (see Chart 2.2). Both components of means of payment remained around the lowest figures of the past 20 years.

Chart 2.1 | Transactional Private M2 at Constant Prices
Contribution to s.a. monthly change by component

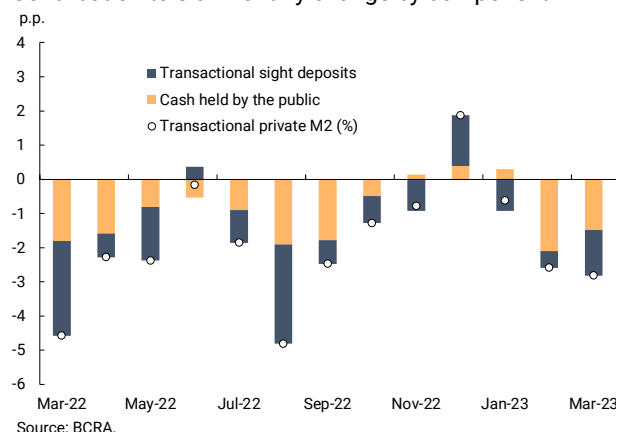
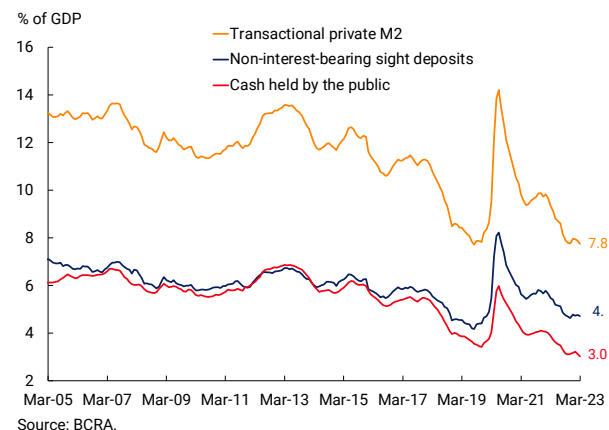


Chart 2.2 | Transactional Private M2



3. Savings Instruments in Pesos

In March, the Board of the BCRA decided to raise the minimum interest rates on time deposits by 3 p.p.² This measure seeks to encourage saving in domestic currency. The minimum interest rate on natural persons' deposits of up to ARS10 million reached 78% APR (113% EAR), while for the other depositors of the financial system the interest rate stood at 69.5% APR (96.6% EAR).³

Time deposits in pesos from the private sector grew in March (0.6%) in real and seasonally-adjusted terms. Thus, these deposits remained around the peak values of the past few decades, standing at 7.5% of GDP in March (up 0.1 p.p. against February).

Time deposits broken down by amount showed a heterogeneous performance. Deposits from ARS1 to ARS20 million as well as wholesale deposits (over ARS20 million) increased on average in March, the latter accelerating their monthly expansion pace. This was offset by a fall of retail deposits (less than ARS1 million).

The growth of wholesale time deposits derived from the performance of financial service providers (FSPs). MM FCIs, the main FSPs operating with deposits over ARS20 million, restructured the composition of their investment portfolios in favor of time deposits to the detriment of interest-bearing sight deposits (see

¹ Private M2 excluding interest-bearing sight deposits held by companies and financial service providers since they are more similar to a savings instrument than to a means of payment.

² The current interest rates have been set out in Communication "A" 7726.

³ The rest of depositors are legal persons and natural persons with deposits over ARS10 million.

Chart 3.1). Likewise, the rise in their equity was mainly channeled towards time investments. This rebalancing of their portfolios occurred in a context in which the yield of time deposits turned out to be higher than that of other investment options for FSPs (see Chart 3.2).

Chart 3.1 | MM FCI Equity and Investments
At constant prices

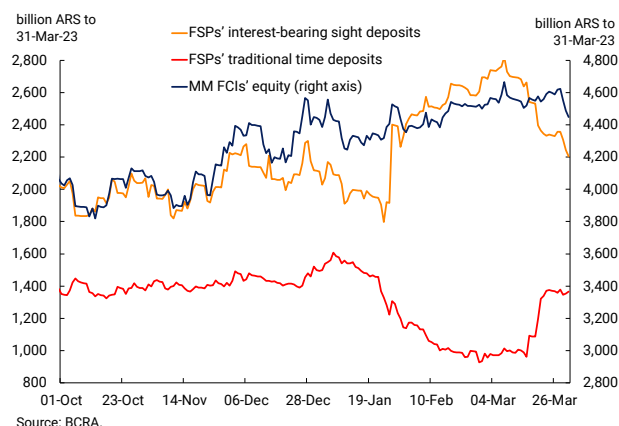
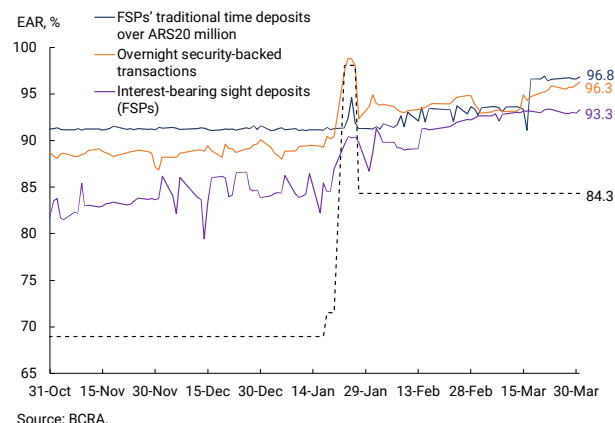


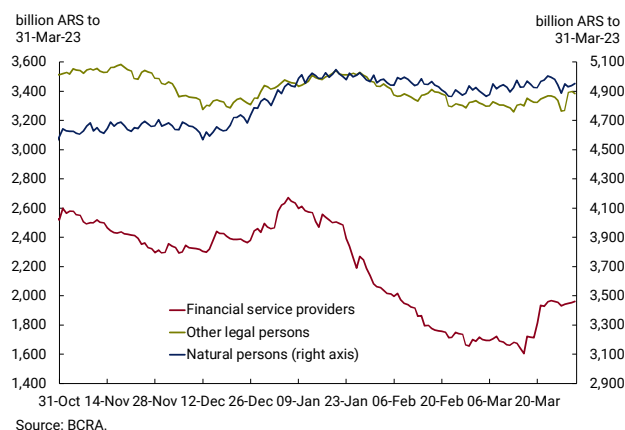
Chart 3.2 | FSP Deposit Interest Rates



The holdings of the remaining companies (excluding FSPs) in the wholesale segment remained virtually stable in March. Likewise, holdings belonging to natural persons—who make deposits not exceeding ARS20 million—were practically unchanged (see Chart 3.3).

Chart 3.3 | Private Sector Time Deposits by Type of Depositor

n.s.a. at constant prices



Time deposits adjusted by the reference stabilization coefficient (CER, in Spanish) contracted once again in real terms, accruing eight months of falls in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (UVA, in Spanish), whose monthly change rates were -10.2% s.a. and -10.7% s.a., respectively (see Chart 3.4). The analysis of deposits by type of holder showed that the decline was virtually driven by natural persons' holdings, which accounted for nearly 85% of the total (see Chart 3.5). Thus, UVA deposits reached a stock of ARS302.2 billion at the end of March with a share of 3.1% in total time instruments in domestic currency.

Chart 3.4 | Private Sector UVA Time Deposits
Stock at constant prices by type of instrument

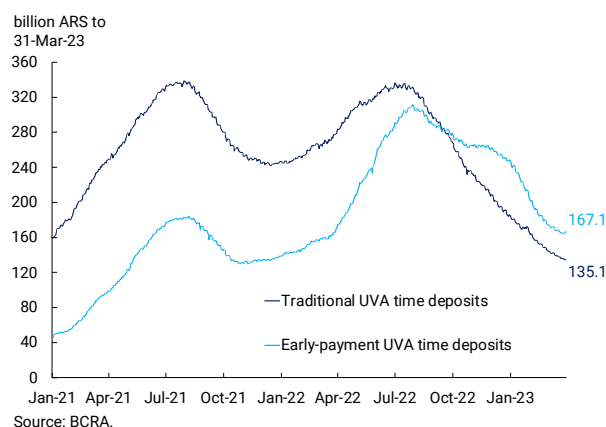
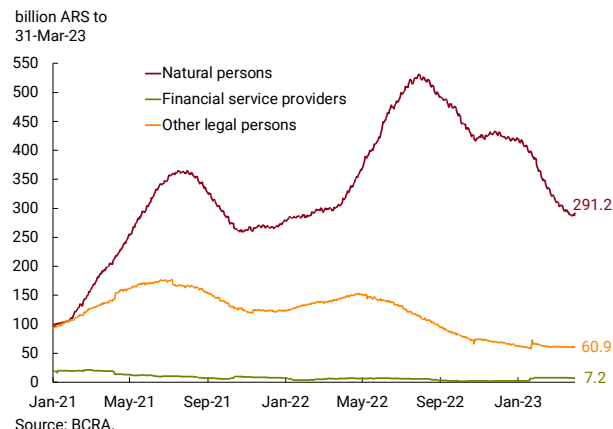


Chart 3.5 | Private Sector UVA Time Deposits
Stock at constant prices by type of holder



All in all, the broad monetary aggregate (private M3) at constant prices posted a monthly reduction of 1.1% s.a. in March.⁴ In year-on-year terms, private M3 posted a 1.8% fall with a share of 17.7% in GDP, remaining stable against February and comparable to the 2010-2019 average.

4. Monetary Base

In March, the monetary base averaged ARS5,161.3 billion, which meant a monthly drop of 1.5% (-ARS80.95 billion) at current prices. It contracted by 6%, down around 30% over the last twelve months, adjusted by seasonality and at constant prices. In terms of GDP, the monetary base stood at 4.2%, down 0.2 p.p. against February and at its historic low since the exit from the convertibility system (see Chart 4.1).

Chart 4.1 | Monetary Base

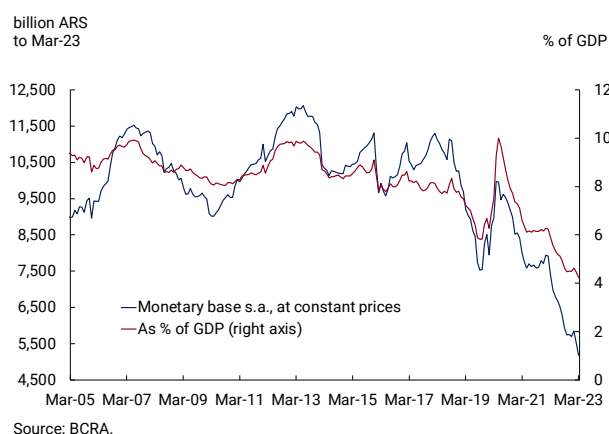
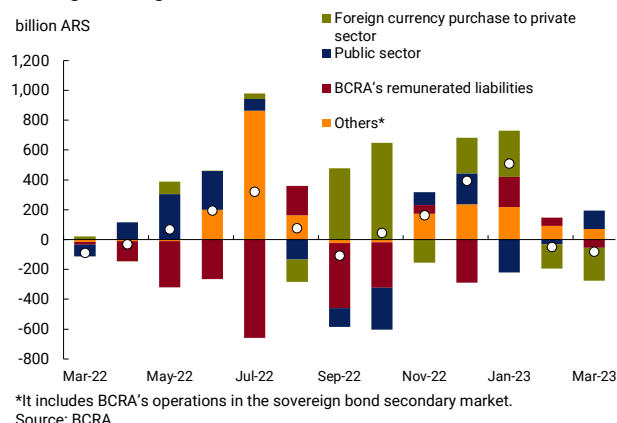


Chart 4.2 | Monetary Base Explanatory Factors Monthly average change



On the supply side, the BCRA continued purchasing sovereign bonds in the secondary market with the aim of reducing the excessive volatility. Furthermore, public sector transactions explained the expansion of

⁴ Private M3 includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

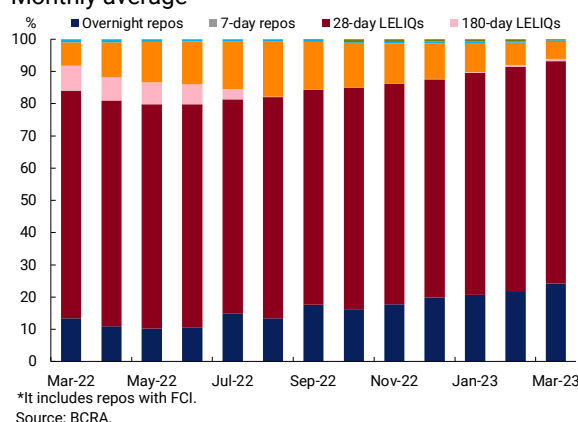
liquidity. All in all, the growth was mostly offset by net sales of foreign currency to the private sector and, to a lesser extent, by liquidity absorption through the monetary policy instruments (see Chart 4.2).

By mid-March, **the BCRA decided to raise the interest rate on 28-day LELIQs by 3 p.p. to reach 78% APR (113.3% EAR). The interest rate on 180-day LELIQs underwent the same rise and stood at 86.5% APR (105.5% EAR).** As for short-term instruments, the interest rate on overnight reverse repos remained at 72% APR (105.3% EAR), whereas the rate on overnight repos was 97% APR (163.5% EAR). Finally, the spread of liquidity notes (NOTALIQs) in the last auction of the month stood at 8.5 p.p., remaining unchanged since September 2022. The decision of raising benchmark interest rates by the end of the first quarter was taken against the backdrop of the recent evolution and short-term prospects of inflation, the economic activity performance, and the development of the foreign exchange market. This way, the BCRA seeks to keep a positive real monetary policy rate, which will contribute towards preserving financial and foreign exchange stability.

With the current availability of instruments, 28-day LELIQs averaged 69% of remunerated liabilities in March. Longer-term instruments, NOTALIQs in particular, accounted for 5.9% of the total. In turn, the share of overnight reverse repos in total instruments continued increasing to reach 24.2% of the total, up 2.3 p.p. vis-à-vis February. LEDIVs and LEGARs—which are bills issued by the BCRA—accounted for the remaining share and evidenced a slight decrease compared to February (see Chart 4.3).

Chart 4.3 | Composition of BCRA's Remunerated Liabilities

Monthly average



5. Loans to the Private Sector in Pesos

In March, loans in pesos to the private sector posted a new monthly contraction of -0.3% s.a. in real terms, accruing nine months of falls in a row. The decline was virtually observed across all credit lines, except for promissory notes (see Chart 5.1). Over the last twelve months, credit accrued a 13.8% decrease in real terms. The ratio of loans in pesos to the private sector to GDP at current prices remained virtually stable, standing at 6.2% in March (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos
Real, seasonally-adjusted; contribution to monthly growth

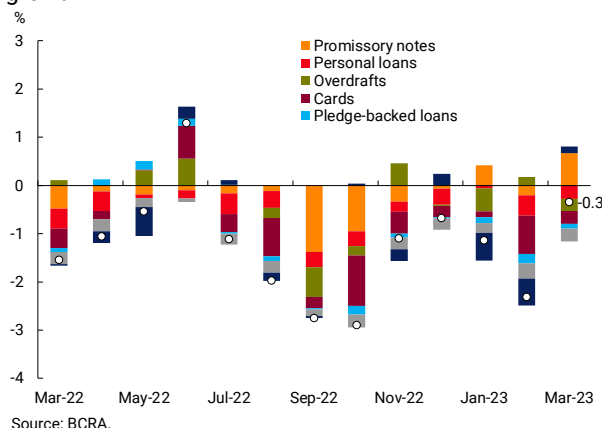
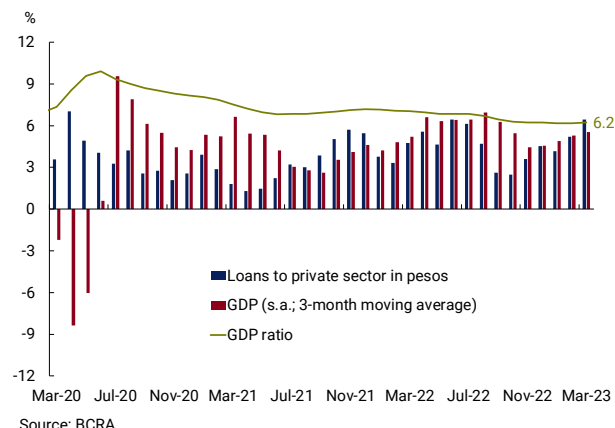


Chart 5.2 | Loans to Private Sector in Pesos
In terms of GDP



Regarding loans by type of financing, business credit lines posted a monthly expansion of 0.9% s.a. at constant prices, with a -10.3% y.o.y. change. Among these financings, promissory notes grew by 2.6% s.a., being the only credit line that improved in real terms over March. In particular, the rise was mainly driven by discounted notes (4.8% monthly); unsecured promissory notes also posted a positive contribution. In turn, overdrafts fell by 2.1% s.a. (-1.9% y.o.y.) at constant prices in March.

The analysis of business credit lines by type of debtor showed that credit to MSMEs fell, so far this year, about 8.3% y.o.y. at constant prices and loans to big companies, 12.8% y.o.y. Nevertheless, credit to smaller relative-sized companies in terms of GDP stood beyond the record observed before the pandemic and also above its historic average. On the contrary, credit channeled to big companies in terms of GDP stood at its historic low (see Chart 5.3).

Loans to MSMEs were still mainly granted through the LFIP. The loans granted until the end of March within the framework of the LFIP accrued disbursements for about ARS4,882 billion from its implementation, up 9.8% vis-à-vis February (see Chart 5.4). Accordingly, 13.6% of financings granted through the LFIP were channeled to investment projects and the rest, to working capital. It is worth mentioning that the average stock of loans granted through the LFIP reached around ARS1.31 billion in February (latest available data), standing for nearly 18.3% of total loans and 43.6% of total business loans.

It should be noted that the BCRA has recently extended the period for granting loans under the LFIP from April to September 2023 (Quota 2023).⁵ The quota for Group A financial institutions was kept at 7.5% of non-financial private sector deposits in pesos while the quota for public sector financial institutions other than Group A will be 25% of these deposits.

⁵ Communication "A" 7720. See Regulatory Overview.

Chart 5.3 | Business Loans by Type of Debtor
As % of GDP

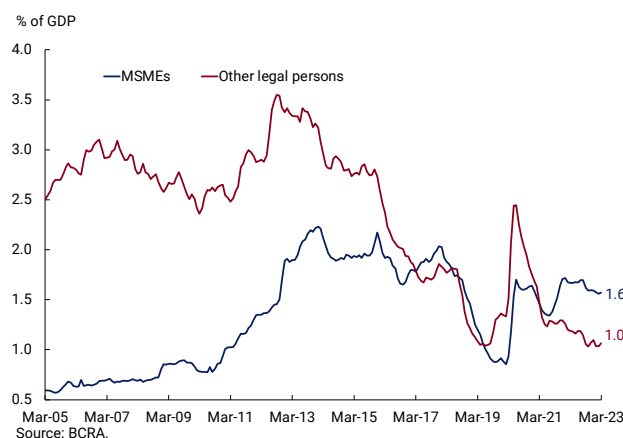
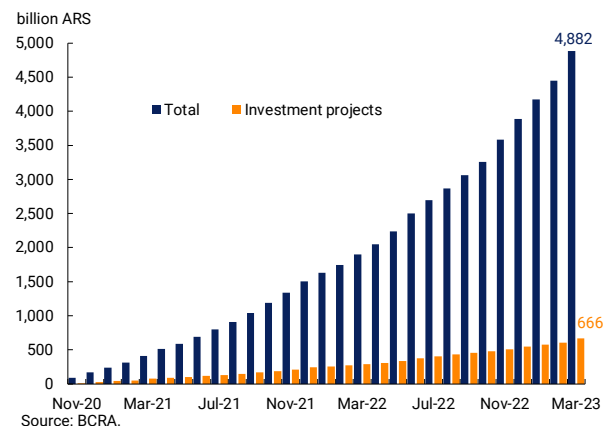


Chart 5.4 | Financing Granted through the LFIP
Accrued disbursed amounts as to end-of-month



As regards loans to consumption, financings on credit cards posted a fall of 0.9% s.a. (-12.3% y.o.y.) in real terms in March. Likewise, personal loans declined 1.7% in the month, down 18.8% against March 2022. In March, the interest rate on personal loans averaged 79.7% APR (116.4% EAR), remaining stable against February.

As for credit lines with real property collateral, pledge-backed loans declined by 1.4% s.a. in real terms, down 5.4% vis-à-vis a year ago. Regarding the stock of mortgage-backed loans, it fell by 5% s.a. at constant prices, with an accrued contraction of 36% over the last twelve months.

6. Financial Institutions' Liquidity in Pesos

In March, bank liquidity in domestic currency⁶ went up 1.2 p.p. against February, with an average of 76.6% of deposits (see Chart 6.1). Thus, it stood at historically high levels. The rise was mainly driven by LELIQs, reverse repos, and compliance with sovereign bonds. This was in part offset by NOTALIQs and current accounts held at the BCRA.

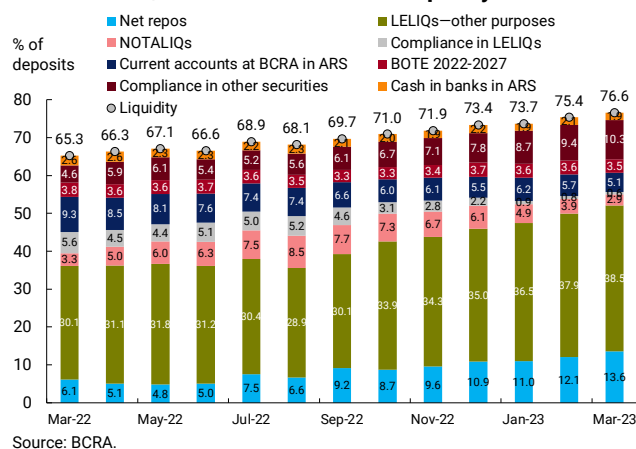
There were some regulatory changes that may have a potential effect on bank liquidity. Firstly, the BCRA established that the maximum net position of 28-day LELIQs would no longer be determined on private sector deposits. Instead, they should be based on the average daily balances of total time deposits in pesos from the previous term. Secondly, financial institutions with at least 20% of total time deposits from the private sector may keep a positive net position of 180-day LELIQs and NOTALIQs.

Thirdly, the residual term for meeting the minimum cash requirements with eligible sovereign bonds must be between 300 and 730 calendar days. Last, the residual term for meeting the minimum cash requirements with other eligible instruments was extended to 730 days.⁷

⁶ It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

⁷ Communication "A" 7717. See Regulatory Overview.

Chart 6.1 | Financial Institutions' Liquidity in Pesos

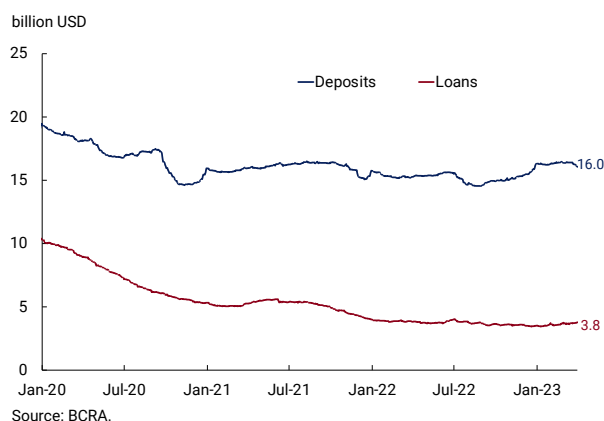


Source: BCRA.

7. Foreign Currency

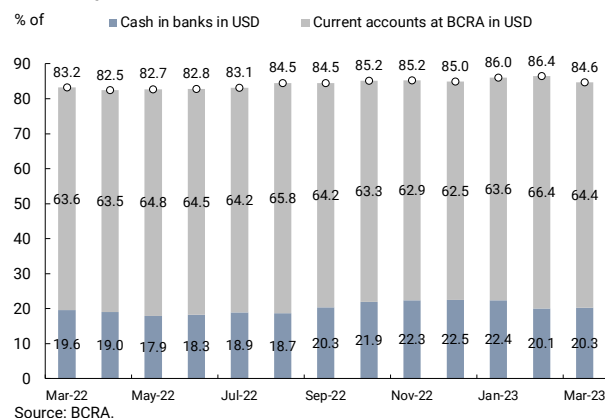
As regards foreign currency, financial institutions' main assets and liabilities posted subtle changes on average in March. The stock of deposits from the private sector averaged USD16.32 billion in March, recording a slight fall vis-à-vis February. In turn, the average monthly stock of loans in foreign currency to the private sector stood at USD3.68 billion, up USD90 million vis-à-vis February. This was mainly driven by the performance of unsecured promissory notes (see Chart 7.1).

Chart 7.1 | Stock of Private Sector Deposits and Loans in Foreign Currency



Source: BCRA.

Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency



Source: BCRA.

Financial institutions' liquidity in the foreign currency segment posted a 1.8 p.p. decline compared to the figure shown in February, standing at 84.6% of deposits and remaining at historically high levels. The movement was driven by the performance of current accounts in foreign currency at the BCRA, and was in part offset by cash in banks (see Chart 7.2).

In March, some regulations on foreign exchange were revised. Access to the forex market was relaxed for the payment of imports of certain items regarding products and supplies needed for health care or for connection-related public programs **with a view to allocating foreign currency more efficiently.**⁸ Moreover, the BCRA reviewed the regulation on the "Special accounts for exporters" held by public sector entities that

⁸ Communications "A" 7709 and "A" 7733. See Regulatory Overview.

receive financings from international organizations.⁹ In this regard, these entities are allowed to make debits to purchase foreign currency in the forex market for the amount needed to repay the funds that have not been used to carry out the pertinent projects to the funding organizations.¹⁰ Finally, beneficiaries of social security debt payment plans will not be able to purchase foreign currency either directly or indirectly.¹¹

At the end of March, BCRA's international reserves reached USD39.06 billion, increasing USD351 million over the month (see Chart 7.3). The rise was mainly due to the transactions with international organizations, particularly with the International Monetary Fund (IMF). It was in part offset by the sales of foreign currency to the private sector. The rest of components as a whole had no impact on reserves over March.

Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 5.7% in March, exceeding the rise recorded in February (see Chart 7.4). Thus, it averaged ARS202.91/USD1.

Chart 7.3 | Stock of International Reserves

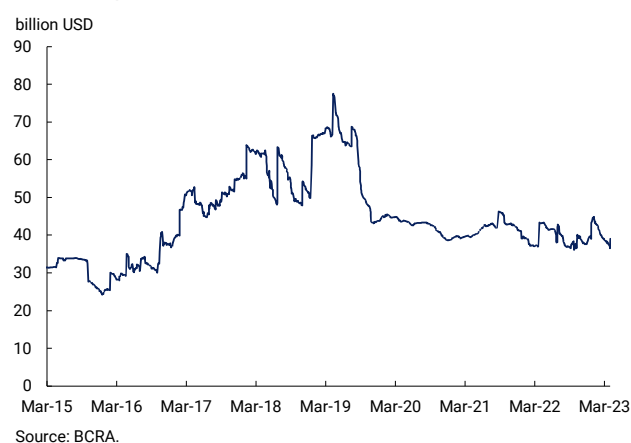
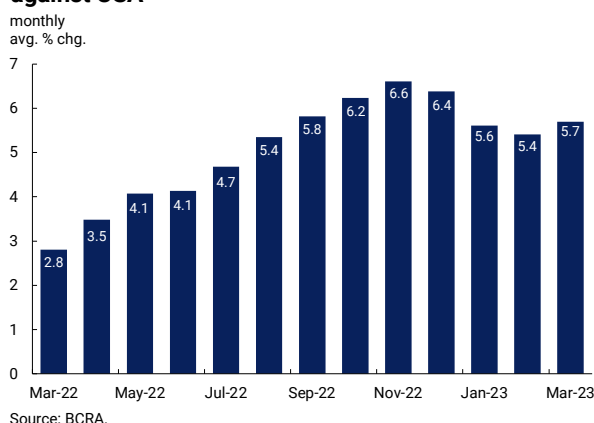


Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA



9 Communication "A" 7667.

10 Communication "A" 7732.

11 Communication "A" 7735.

8. Regulatory Overview

Date of Issue	Regulation	Description
2-Mar-23	<u>Comm. "A" 7709</u>	The Mercosur Common Nomenclature (NCM, in Spanish) list was updated to comprise pharmaceuticals and/or supplies used to produce them locally, and other health care items. In all these cases, importers will have access to the forex market for paying imports.
7-Mar-23	<u>Comm. "A" 7716</u>	<p>The BCRA has changed some mechanisms for exercising liquidity options on Argentine securities. Firstly, this option has been in force for securities maturing in 2023, and the current regulation includes those maturing in 2024 and 2025. The purchase price on the instrument continues to be the lower one between the closing price and the weighted average price traded on the business day prior to the date in which the option is exercised plus 30 basis points of an equivalent rate. In addition, the market and the term of the instrument for fixing the price have been changed, since the pricing will be based on the deepest market (traded volume). The settlement terms have also been changed: once the price is fixed, the derivative holder may exercise a liquidity option in t0, t+1 or t+2.</p> <p>The BCRA will partake in the LETE and BON1 rounds at Mercado Abierto Electrónico (MAE) in t+2, purchasing Argentine debt securities awarded as from March 7, 2023, with a residual term exceeding 1 day, and at interest rates similar to the cutoff rates of the last auction in the primary market plus a 2% maximum spread.</p>
9-Mar-23	<u>Comm. "A" 7717</u>	<p>Since March 9, 2023, financial institutions have been allowed to meet minimum cash requirements with national sovereign bonds in pesos having residual terms from 300 to 730 calendar days upon subscription, received in swap transactions arranged by the National Government and purchased either in the primary or secondary markets. This regulation includes CER-adjustable sovereign bonds in pesos with dual currency yields (BONO DUAL, in Spanish) but excludes US dollar-linked ones. In addition, the maximum term of subscribed national sovereign bonds in pesos was set at 730 calendar days upon subscription, as set out in paragraphs 1.3.7.1. and 1.3.17. of the regulations on "Minimum Cash".</p> <p>Also, as from March 9, 2023, financial institutions may keep a net position of short-term BCRA LELIQs for up to the average daily balances of time deposits in pesos made in the previous period. Likewise, financial institutions with at least 20% of total time deposits in pesos may keep a positive net position of longer-term LELIQs as well as NOTALIQs at a variable rate.</p>
9-Mar-23	<u>Comm. "A" 7718</u>	Financial institutions will be able to use LELIQs for up to 50% of the guarantees by product as under the current regulation to cover net debt balances from the compensation processes of transactions in pesos made by clearing houses. The LELIQ surplus exceeding guarantees by 50% will not be eligible for guarantee purposes.
9-Mar-23	<u>Comm. "A" 7719</u>	As from April 1, 2023, the regulation that suspended the distribution of earnings by financial institutions will be repealed. Until December 31, 2023, the financial institutions that have already been authorized by the BCRA may distribute their earnings in six equal, monthly and consecutive installments for up to 40% of the amount that would otherwise have been applied under the regulation revoked.

9-Mar-23	<u>Comm. "A"</u> <u>7720</u>	The LFIP , which provides financing to MSMEs, has been extended until September 30 . Thus, financial institutions must allocate to this line at least 7.5% of deposits from the non-financial private sector in pesos, calculated on the monthly average of daily balances for March 2023. Financial institutions other than those belonging to Group A will be required to allocate 25% of the one set out above.
10-Mar-23	<u>Comm. "A"</u> <u>7724</u>	The BCRA has approved the minimum requirements for the management and control of information security risks seeking to improve strategic planning on cybersecurity, fraud prevention, and cyber resilience . This is considered essential for offering financial services to users properly. The regulation, which gathers best practices and security requirements in a thorough regulatory framework, seeks to promote operational resilience and preserve the stability of the financial system. The regulation will become effective 180 days after its publication date. During this period, financial institutions may review their processes in line with the new regulatory approach.
16-Mar-23	<u>Comm. "A"</u> <u>7726</u>	Effective as from March 17, 2023, the interest rate on natural persons' time deposits up to ARS10 million was raised to 78% APR, and that on all other time deposits, to 69.5% APR. In addition, the coefficient to determine the fixed interest rate on UVA deposits with early-payment option was set at 74% APR.
23-Mar-23	<u>Comm. "A"</u> <u>7732</u>	Non-financial public sector entities may make deposits in their "Special accounts for exporters" for up to the amount in pesos deriving from settlements on two grounds: amounts settled as from December 1, 2022; and amounts from financings and/or non-refundable contributions from international organizations, their partner agencies, multilateral development banks, or official credit agencies. Moreover, they are allowed to make debits to purchase foreign currency in the forex market to repay the funds that have not been used to carry out the pertinent projects to the funding organizations.
23-Mar-23	<u>Comm. "A"</u> <u>7733</u>	Financial institutions may allow clients to access the forex market for paying imported goods recorded in a SIRA affidavit before the period stated therein. This is applicable where payments are made under the "Conectando con vos" program, as set forth in the Resolution issued by the National Communications Authority (ENACOM), inasmuch as certain regulatory conditions are met.
30-Mar-23	<u>Comm. "A"</u> <u>7735</u>	Natural persons who are beneficiaries of the "Social security debt payment plan" provided for in Law No. 27,705 or of another regularization plan of social security debt will not be able to carry out the following transactions until their debt is paid: purchase foreign currency in the forex market for the build-up of foreign assets; carry out transfers abroad for family support; make derivative transactions; sell foreign currency from securities issued by residents; exchange securities issued by residents for foreign assets or transfer them to foreign depositaries; or purchase securities settled in pesos in Argentina issued by non-residents.

9. Monetary and Financial Indicators

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Mar-23						% of GDP	
	Mar-23	Feb-23	Jan-23	Dec-22	Mar-22	Monthly		Accrued in 2023		Year-on-year		Mar-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	5,161,255	5,242,210	5,291,282	4,781,929	3,660,266	-1.5%	-6.1%	-1.5%	-17.3%	41.0%	-29.9%	4.2%	4.5%
Currency in circulation	4,070,844	4,087,141	4,089,114	3,767,917	2,674,269	-0.4%	-4.4%	-0.4%	-15.7%	52.2%	-24.4%	3.4%	3.6%
Cash held by the public	3,660,432	3,662,280	3,714,183	3,361,593	2,392,924	-0.1%	-3.8%	-0.1%	-15.2%	53.0%	-24.0%	3.0%	3.2%
Cash in financial institutions	410,413	424,861	374,931	406,323	281,346	-3.4%	-9.6%	-3.4%	-20.3%	45.9%	-27.5%	0.3%	0.4%
Current accounts at BCRA	1,090,411	1,155,069	1,202,167	1,014,012	985,997	-5.6%	-11.6%	-5.6%	-22.1%	10.6%	-45.0%	0.9%	1.0%
BCRA's remunerated liabilities (NV ARS)	11,808,752	11,017,136	10,395,877	9,946,599	4,803,021	7.2%	0.3%	7.2%	-11.6%	145.9%	22.2%	9.7%	9.5%
Reverse repos	2,878,700	2,436,638	2,182,287	2,004,090	649,856	18.1%	10.6%	18.1%	-2.5%	343.0%	120.1%	2.4%	1.9%
Stock of LE LIQs	8,307,160	7,799,573	7,268,795	6,831,822	3,804,296	6.5%	-0.3%	6.5%	-12.1%	118.4%	8.5%	6.8%	6.5%
Stock of 28-day LE LIQs	8,224,016	7,738,381	7,239,699	6,820,934	3,427,949	6.3%	-0.5%	6.3%	-12.3%	139.9%	19.2%	6.7%	6.5%
Stock of 180-day LE LIQs	83,145	61,192	29,096	10,888	376,347	35.9%	27.2%	35.9%	12.1%	-77.9%	-89.0%	0.1%	0.0%
Stock of NOTALIQs	622,891	780,925	944,796	1,110,688	348,869	-20.2%	-25.3%	-20.2%	-34.2%	78.5%	-11.3%	0.5%	1.1%
BCRA's international reserves in dollars	37,952	39,843	43,199	40,650	38,511	-4.7%	-	-4.7%	-	-1.5%	-	6.3%	6.7%

Monthly average explanatory factors	Monthly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	-80,955	-1.5%	379,326	7.9%	1,500,989	41.0%
Foreign exchange purchases to private sector and others	-220,055	-4.2%	-72,892	-1.5%	1,105,935	30.2%
Foreign exchange purchase to the NT	-58,862	-1.1%	-232,995	-4.9%	-346,944	-9.5%
Temporary advances and profit transfers to National Government	62,903	1.2%	62,903	1.3%	560,954	15.3%
Other public sector operations	120,061	2.3%	41,429	0.9%	168,293	4.6%
Monetary policy instruments	-55,528	-1.1%	200,918	4.2%	-1,942,305	-53.1%
Others	70,526	1.3%	379,963	7.9%	1,955,057	53.4%
BCRA's International Reserves	-1,891	-4.7%	-2,698	-6.6%	-559	-1.5%
Purchases of foreign currency	-1,103	-2.8%	-613	-1.5%	3,870	10.0%
International organizations ⁵	-285	-0.7%	-1,291	-3.2%	456	1.2%
Other public-sector transactions	76	0.2%	-2,079	-5.1%	-3,398	-8.8%
Minimum cash requirements	-567	-1.4%	702	1.7%	726	1.9%
Others (incl. forex valuation)	-12	0.0%	582	1.4%	-2,214	-5.7%

Note: "Contribution" field: The sum up of each factor's change to the main variable for the same month.

⁵ The Development Bank of Latin America (CAF) and the Central American Bank for Economic Integration (BCIE) are excluded.

Minimum Cash Requirement and Compliance	Mar-23	Feb-23	Jan-23
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	18.2	19.5	19.3
Compliance in current accounts	5.1	5.7	6.2
Compliance in LE LIQs	32.6	33.0	32.8
Compliance in BOTE 2027	3.5	3.6	3.6
Compliance in sovereign bonds/other	10.3	9.4	8.7
Foreign currency	% of total deposits in foreign currency		
Minimum capital requirements	24.0	24.0	24.0
Compliance (includes funds available for financing but not yet granted)	64.4	66.4	63.6
Position ⁽¹⁾	40.4	42.4	39.6

(1) Position = Compliance - Requirement

The figures below are stated in millions, and original currency. Figures are provisional and subject to review.

Main monetary and financial system variables	Monthly average					Average percentage changes as to Mar-23						% of GDP ⁴	
	Mar-23	Feb-23	Jan-23	Dec-22	Mar-22	Monthly		Accrued in 2023		Year-on-year		Mar-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Domestic currency													
Total deposits from the non-financial sector in pesos ¹	21,072,944	20,043,888	19,284,422	18,243,811	10,541,123	5.1%	-1.0%	5.1%	-12.7%	99.9%	-0.7%	17.3%	17.3%
Private sector deposits	17,817,292	16,882,147	16,029,685	15,166,107	8,474,272	5.5%	-0.5%	5.5%	-12.3%	110.3%	4.5%	14.7%	14.4%
Private Sector Sight Deposits	8,405,628	8,132,039	7,442,954	7,303,247	4,172,728	3.4%	-1.6%	3.4%	-13.2%	101.4%	0.1%	7.0%	6.6%
Non-interest bearing (transactional)	5,639,303	5,538,584	5,474,161	5,390,282	3,356,146	1.8%	-2.2%	1.8%	-13.8%	68.0%	-16.5%	4.7%	4.8%
Interest-bearing	2,766,326	2,593,455	1,968,793	1,912,965	816,582	6.7%	-0.1%	6.7%	-12.0%	238.8%	68.4%	2.3%	1.8%
Farm deposits	94	121	140	131	0	-22.1%	-27.3%	-22.1%	-35.9%			0.0%	
Private Sector Time Deposits and Others	9,411,664	8,750,108	8,586,731	7,862,860	4,301,544	7.6%	0.5%	7.6%	-11.5%	118.8%	8.7%	7.7%	7.8%
Time Deposits	9,176,230	8,516,006	8,373,659	7,640,020	4,145,039	7.8%	0.6%	7.8%	-11.3%	121.4%	10.0%	7.5%	7.6%
CER/UVA/exchange rate-non-adjustable	8,830,335	8,159,622	7,990,944	7,238,756	3,912,325	8.2%	1.1%	8.2%	-10.9%	125.7%	12.2%	7.2%	7.2%
CER / UVA-adjustable	298,917	311,800	339,308	359,923	208,488	-4.1%	-10.5%	-4.1%	-21.1%	43.4%	-28.7%	0.2%	0.4%
Traditional	135,097	140,521	147,274	156,518	130,621	-3.9%	-10.2%	-3.9%	-20.9%	3.4%	-48.6%	0.1%	0.2%
Early-payment	163,820	171,279	192,033	203,405	77,867	-4.4%	-10.7%	-4.4%	-21.3%	110.4%	4.6%	0.1%	0.2%
DIVA	46,978	44,584	43,407	41,340	24,226	5.4%	-1.6%	5.4%	-13.3%	93.9%	-3.6%	0.0%	0.0%
Other deposits	235,435	234,102	213,072	222,841	156,505	0.6%	-5.8%	0.6%	-17.0%	50.4%	-25.2%	0.2%	0.2%
Public sector deposits ²	3,255,652	3,161,740	3,254,737	3,077,704	2,066,851	3.0%	-3.6%	3.0%	-15.0%	57.5%	-21.7%	2.7%	2.9%
Monetary Aggregates													
Total M2	13,175,830	12,867,485	12,433,205	11,867,311	7,385,028	2.4%	-1.9%	2.4%	-13.5%	78.4%	-11.3%	10.9%	10.9%
Total M3	24,885,797	23,844,677	23,136,233	21,734,259	13,038,164	4.4%	-1.1%	4.4%	-12.8%	90.9%	-5.1%	20.5%	20.4%
Private sector monetary aggregates													
Private M2	12,066,060	11,794,319	11,157,137	10,664,840	6,565,652	2.3%	-2.7%	2.3%	-14.2%	83.8%	-8.7%	10.0%	9.8%
Transactional private M2 ³	9,299,734	9,200,864	9,188,344	8,751,875	5,749,070	1.1%	-2.9%	1.1%	-14.4%	61.8%	-19.6%	7.8%	8.0%
Private M3	21,477,724	20,544,427	19,743,868	18,527,700	10,867,196	4.5%	-1.1%	4.5%	-12.8%	97.6%	-1.8%	17.7%	17.5%
Total loans to the non-financial sector in pesos													
Loans to the non-financial private sector	7,578,194	7,148,110	6,895,705	6,693,483	4,367,790	6.0%	-0.3%	6.0%	-12.2%	73.5%	-13.8%	6.2%	6.2%
Overdrafts	876,940	839,593	758,412	775,003	444,107	4.4%	-2.1%	4.4%	-13.8%	97.5%	-1.9%	0.7%	0.7%
Promissory notes	1,997,412	1,837,165	1,779,401	1,708,525	1,099,195	8.7%	2.5%	8.7%	-9.6%	81.7%	-9.7%	1.7%	1.6%
Mortgage-backed loans	389,752	384,246	379,393	371,698	302,454	1.4%	-5.0%	1.4%	-16.3%	28.9%	-36.0%	0.3%	0.4%
Pledge-backed loans	508,987	483,832	468,515	458,905	267,503	5.2%	-1.4%	5.2%	-13.0%	90.3%	-5.4%	0.4%	0.4%
Personal loans	1,214,030	1,152,888	1,092,071	1,050,187	742,997	5.3%	-1.7%	5.3%	-13.4%	63.4%	-18.8%	1.0%	1.0%
Credit cards	2,246,369	2,126,067	2,089,962	1,999,446	1,273,214	5.7%	-0.9%	5.7%	-12.7%	76.4%	-12.3%	1.8%	1.8%
Others	344,702	324,321	327,950	329,719	238,321	6.3%	-1.0%	6.3%	-12.7%	44.6%	-28.1%	0.3%	0.3%
Loans to the non-financial public sector	72,931	72,186	68,606	71,280	50,557	1.0%	-5.4%	1.0%	-16.6%	44.3%	-28.3%	0.1%	0.1%
Foreign currency ¹													
Deposits from the non-financial sector in dollars	19,326	19,590	19,539	18,787	18,405	-1.3%	-	-1.3%	-	5.0%	-	3.3%	3.1%
Deposits from the non-financial private sector in dollars	16,317	16,375	16,260	15,687	15,240	-0.4%	-	-0.4%	-	7.1%	-	2.7%	2.6%
sight deposits	12,577	12,609	12,447	11,938	11,351	-0.3%	-	-0.3%	-	10.8%	-	2.1%	2.0%
time deposits and others	3,740	3,766	3,813	3,749	3,890	-0.7%	-	-0.7%	-	-3.8%	-	0.6%	0.6%
Deposits from the non-financial public sector in dollars	3,009	3,216	3,280	3,100	3,165	-6.4%	-	-6.4%	-	-4.9%	-	0.5%	0.6%
Loans to the non-financial sector in dollars	3,865	3,762	3,677	3,644	3,978	2.7%	-	2.7%	-	-2.8%	-	0.6%	0.6%
Loans to the non-financial private sector in dollars	3,683	3,593	3,506	3,491	3,853	2.5%	-	2.5%	-	-4.4%	-	0.6%	0.6%
Promissory notes	2,527	2,403	2,309	2,273	2,507	5.2%	-	5.2%	-	0.8%	-	0.4%	0.4%
Credit cards	207	233	193	179	200	-11.1%	-	-11.1%	-	3.6%	-	0.0%	0.0%
Others	949	957	1,004	1,039	1,146	-0.8%	-	-0.8%	-	-17.2%	-	0.2%	0.2%
Loans to the non-financial public sector in dollars	182	169	172	153	125	7.4%	-	7.4%	-	45.7%	-	0.0%	0.0%

¹ Financial sector and non-resident depositors are excluded. The figures on loans have been taken from statistical data, not being adjusted by financial trusts.

² Net of the use of unified funds.

³ It excludes interest-bearing sight deposits from private M2.

⁴ Calculated on the basis of the seasonally adjusted series of the month, and of the estimation of the 3-month moving average s.a. GDP.

Note: See definitions for the monetary aggregates in the Glossary.

Annual percentage rates (unless otherwise specified) and amounts in millions. Monthly averages.

Monetary policy interest rates	Mar-23	EAR Mar-23	Feb-23	Jan-23	Dec-22	Mar-22
BCRA repo interest rates						
Overnight reverse repo	72.00	105.30	72.00	70.90	70.00	33.79
Overnight reverse repo (FCI)	61.20	83.76	61.20	56.20	52.50	
Overnight repo	97.00	163.46	97.00	95.90	95.00	44.87
28-day LELIQ interest rate	76.45	110.21	75.00	75.00	75.00	43.08
180-day LELIQ interest rate	84.95	103.31	83.50	83.50	83.50	47.73
Interbank market interest rates	Mar-23	EAR Mar-23	Feb-23	Jan-23	Dec-22	Mar-22
Repo rates among third parties on overnight REPO round	68.58	98.41	67.62	62.08	66.37	33.35
Volume of repos traded among third parties (daily average)	8,155		7,306	12,393	7,500	14,420
Calls in pesos (overnight)						
Interest rate	68.37	97.98	66.42	66.67	67.38	33.13
Traded amount	15,150		12,780	16,420	22,471	19,284
Borrowing interest rates	Mar-23	EAR Mar-23	Feb-23	Jan-23	Dec-22	Mar-22
Sight deposits						
Interest-bearing	61.95	82.99	60.89	58.07	57.47	28.41
Time deposits						
Natural persons up to ARS1 million (30-35 days) ¹	76.01	109.02	74.67	74.67	74.67	41.80
Total TM20 (more than ARS20 million, 30-35 days)	67.78	93.40	66.02	65.94	65.91	39.10
Private banks' TM20 (more than ARS20 million, 30-35 days)	68.31	94.37	66.63	66.52	66.48	39.84
Total BADLAR (more than ARS1 million, 30-35 days)	70.59	98.61	69.06	68.94	68.58	39.60
Private banks' BADLAR (more than ARS1 million, 30-35 days)	71.29	99.94	69.90	69.58	69.45	40.48
Interest rate on UVA deposits' early-payment option	72.45	102.13	71.00	71.00	71.00	37.08
Lending interest rates	Mar-23	EAR Mar-23	Feb-23	Jan-23	Dec-22	Mar-22
Loans to the non-financial private sector in pesos						
Overdrafts	77.93	117.81	77.69	76.75	75.43	43.00
1 to 7 days— in accordance with companies— more than ARS10 million	75.13	110.85	75.23	74.51	73.27	37.17
Unsecured promissory notes	64.50	87.48	64.21	61.43	61.42	36.47
Mortgage-backed loans	63.19	85.16	57.28	58.18	62.71	32.66
Pledge-backed loans	48.87	61.46	47.24	46.21	48.60	28.35
Personal loans	79.72	116.44	79.68	79.24	81.19	55.98
Credit cards	79.44	115.88	79.94	79.28	77.10	46.70
Interest rate in foreign currency	Mar-23	EAR Mar-23	Feb-23	Jan-23	Dec-22	Mar-22
Time deposits in dollars (30 to 44 days)	0.32	0.32	0.32	0.31	0.32	0.38
Unsecured promissory notes in dollars	3.83	3.90	3.72	3.56	5.40	3.04
Exchange rate	Mar-23	Monthly chg. (%)	Feb-23	Jan-23	Dec-22	Mar-22
NER peso/dollar						
Wholesale rate (Comm. "A" 3500)	202.91	5.70	191.97	182.12	172.45	109.37
Retail rate ²	205.83	5.61	194.89	185.16	175.20	111.56
NER peso/real	38.91	5.00	37.06	35.12	32.92	21.99
NER peso/euro	217.45	5.91	205.32	196.31	182.58	120.42
ITCNM	1,329.76	5.38	1,261.83	1,199.58	1,116.28	745.24
ITCRM	95.30	-0.44	95.72	95.21	93.21	101.29

¹ The interest rate under consideration does not agree with the minimum interest rate. The reason for this is that the latter only involves natural persons' deposits below ARS10 million. The minimum interest rate applies to the whole time deposits of each depositor in the financial institution as long as they do not exceed ARS10 million.

² The benchmark retail interest rate posted by the Autonomous City of Buenos Aires is calculated on the basis of adhered entities' purchaser and seller exchange rates, weighted according to their share in the retail market (Communication "B" 9791).

Glossary

AFIP: Federal Administration of Public Revenue

ANSES: Argentine Social Security Administration

APR: Annual Percentage Rate

B.P.: Basis Points

BADLAR: Interest rate on time deposits of ARS1 million and over for 30-35 days.

BCRA: Central Bank of Argentina

CC BCRA: Current accounts at BCRA

CER: Reference Stabilization Coefficient

CNV: National Securities Commission

CPI: Consumer Price Index

EAR: Effective Annual Rate

EM: Minimum Cash Requirements

FCI: Mutual Funds

GDP: Gross Domestic Product

IAMC: Argentine Institute for Capital Markets

IRR: Internal Rate of Return

ITCNM: Multilateral Nominal Exchange Rate Index

ITCRM: Multilateral Real Exchange Rate Index

LEBAC: BCRA Bills

LELIQ: BCRA Liquidity Bills

LFIP: Credit Line for Productive Investment

MB: Monetary Base; total amount of money in circulation plus money deposited in current accounts in pesos of financial institutions held with the BCRA.

MERVAL: Buenos Aires Stock Exchange Index

MM: Money Market

MSMEs: Micro, Small and Medium-Sized Enterprises

NBFI: Non-Bank Financial Institution

NOCOM: Cash Compensation Notes issued by BCRA

ON: Negotiable Obligation

p.p.: Percentage Points

Private M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector.

Private M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector.

PSP: Payment Service Providers

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

SIMPES: Comprehensive System for Monitoring Payments of Services Abroad

SISCEN: BCRA Centralized Reporting Requirement System

TCN: Nominal Exchange Rate

TM20: Interest rate on time deposits of ARS20 million and over for 30-35 days.

Total M2: Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector and public sector.

Total M3: Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector and public sector.

Transactional private M2: Means of payment, it includes currency held by the public, settlement checks in pesos, and non-interest-bearing sight deposits in pesos from the non-financial private sector.

UVA: Units of Purchasing Power

Y. o. y.: Year-on-year