

Argentina: Sound Monetary Policy (the Cycle, the Stimulus, and the Strategy) alongside Strengthened FX Policy

Investor Roundtables

Annual Meetings of the IMF and World Bank Group

Bangkok, Thailand

October 2026

Vladimir Werning, Deputy Governor of the BCRA



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

I. MONETARY CYCLE: FROM SHOCK (2025) TO NORMALIZATION (2026)

II. MONETARY STIMULUS: INITIATIVES TO PROMOTE BROADER LENDING

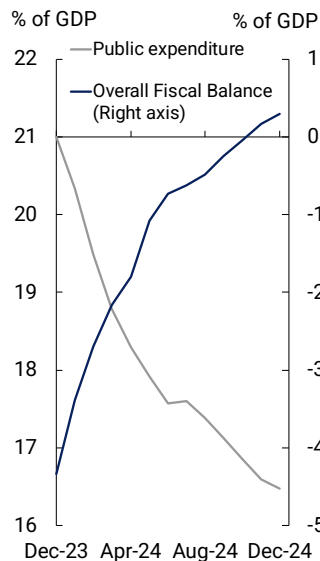
III. MONETARY STRATEGY: POLICIES TO ANCHOR DOMESTIC SAVINGS

IV. FX POLICY: FROM CONTROLS TO BIGGER BUFFERS + BALANCED FLOWS

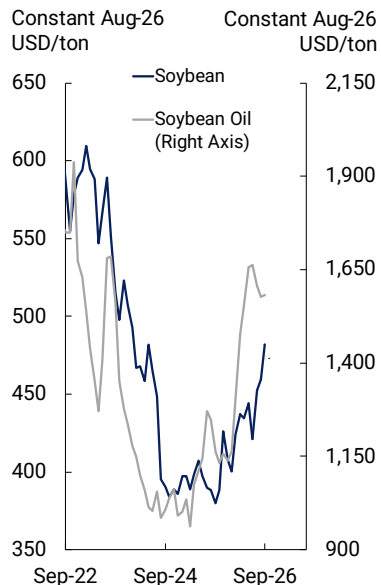
MONETARY CYCLE: FROM SHOCK TO NORMALIZATION

Shocks with lags: Argentina's credit cycle is turning up as bank NPLs (the aftermath of the election shock) now decline

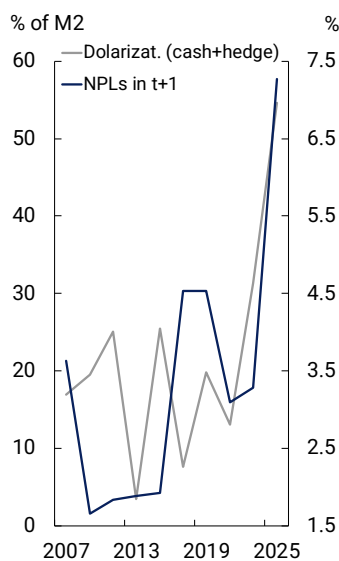
Shock #1: 2024
NFPS fiscal adjustment



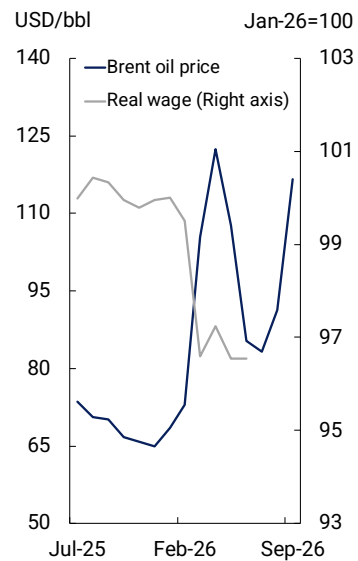
Shock #2: 2024-25
Soybean Prices



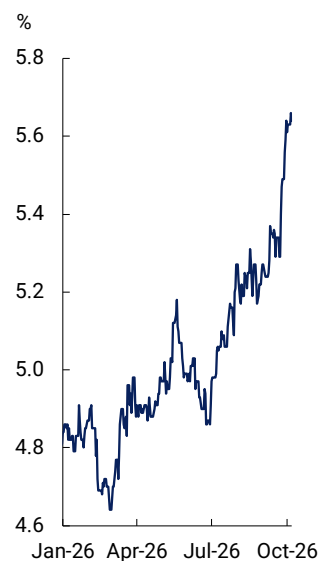
Shock #3: 2025-26
Electoral shock and its lag (NPLs)



Shock #4: 2026
Crude oil price



Shock #5: 2026
UST 30 years yield



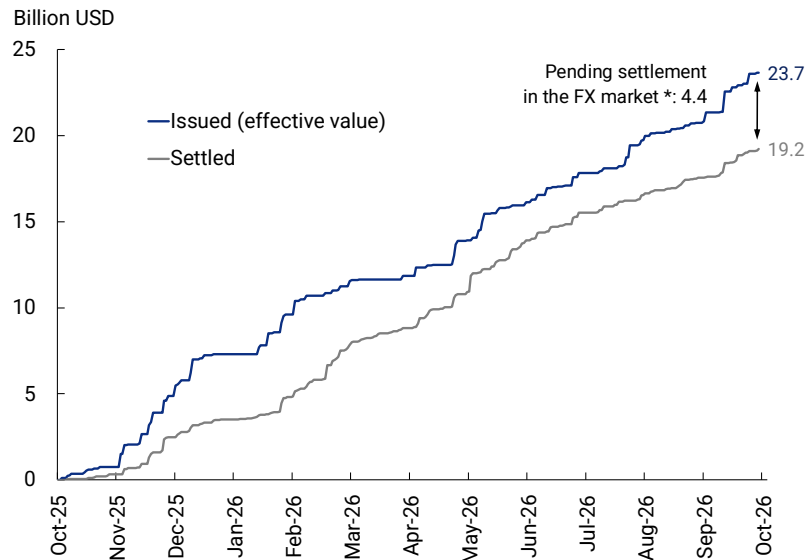
Note | Soybean prices and the 30-year U.S. Treasury yield as of October 6, 2026.

Source | BCRA based on data from the Secretariat of Labor, Employment and Social Security (STeYSS), INDEC, Brent crude prices from Bloomberg and the London Stock Exchange, the Secretariat of Energy, and BCRA Communication A3500.

MONETARY CYCLE: FROM SHOCK TO NORMALIZATION

Liquidity supply is normalizing: BCRA safeguards stability by operationally managing the pace at which BOP surpluses impact base money

Debt securities issuance and USD settlement in the FX market

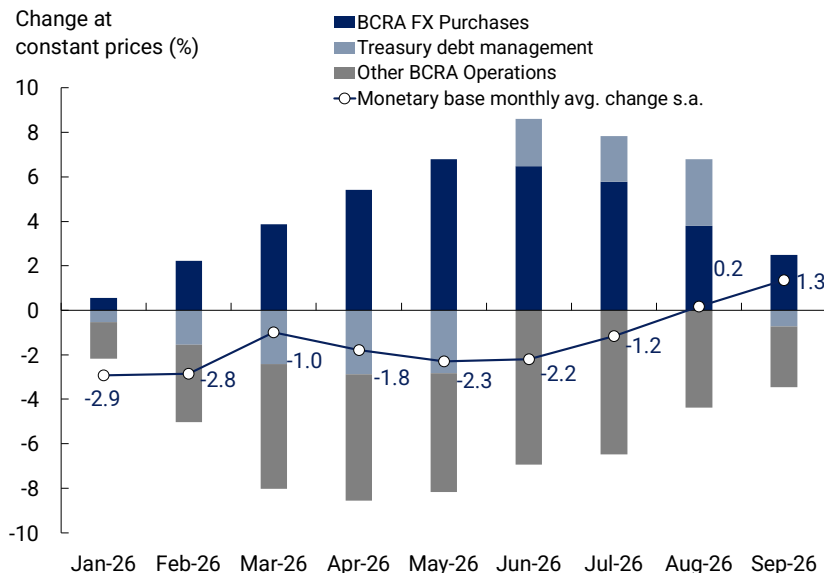


Note | Swaps are excluded. Estimated USD financial maturities and announced buybacks for these companies and provincial governments during Q4 2026 and Q1 2027: USD 2.6 billion. Data as of October 6. Source | BCRA.

Corps: USD supply → securities demand → ARS demand

Monetary Base and its explanatory factors

Change in end-of-month balances. 3-month moving average



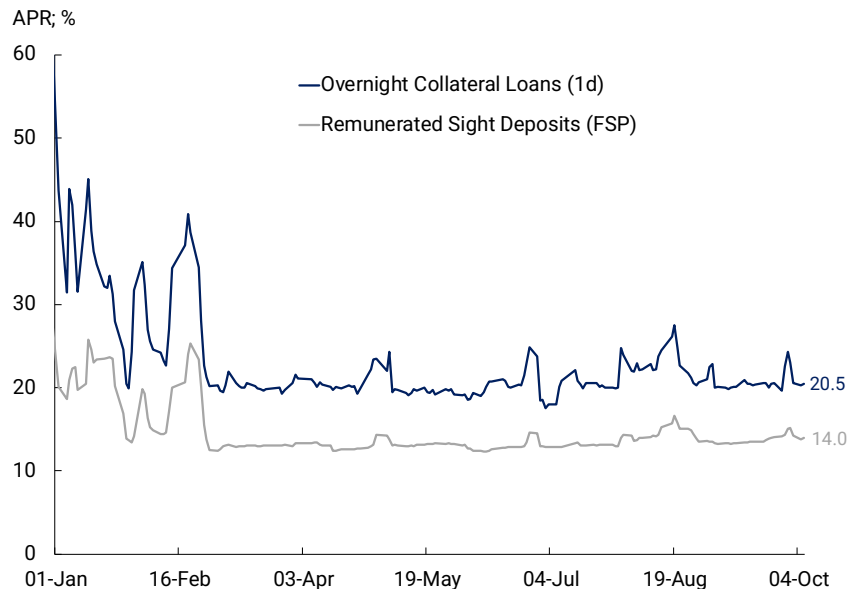
Source | BCRA.

BCRA: Remonetization is no longer lagging (M0 supply)

MONETARY CYCLE: FROM SHOCK TO NORMALIZATION

Real money demand is normalizing: BCRA observes a recovery in private transactional M2 unfolding, and monitors its multiple determinants

Short-term interest rates

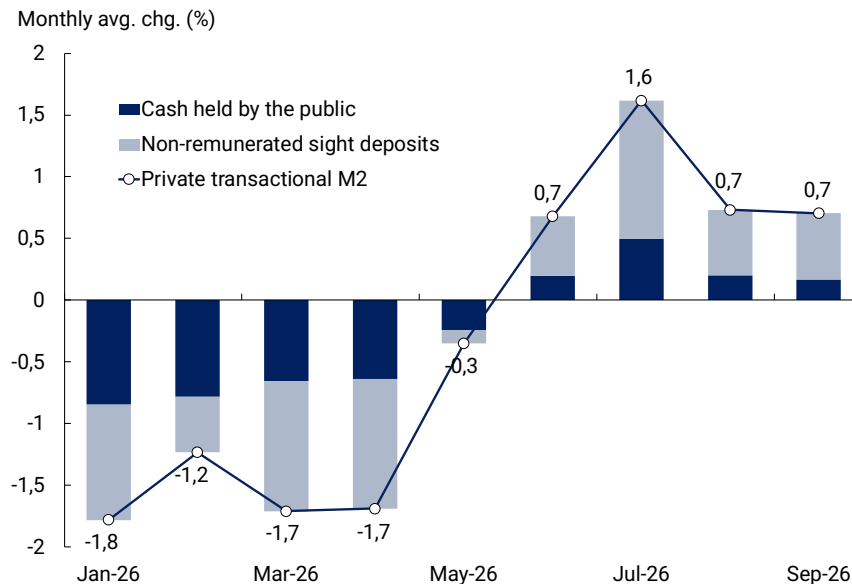


Note | Data as of October 6, 2026.

Source | BCRA.

Banks: Negative real funding rates and reduced volatility

Transactional private M2 in real terms 3-month moving average



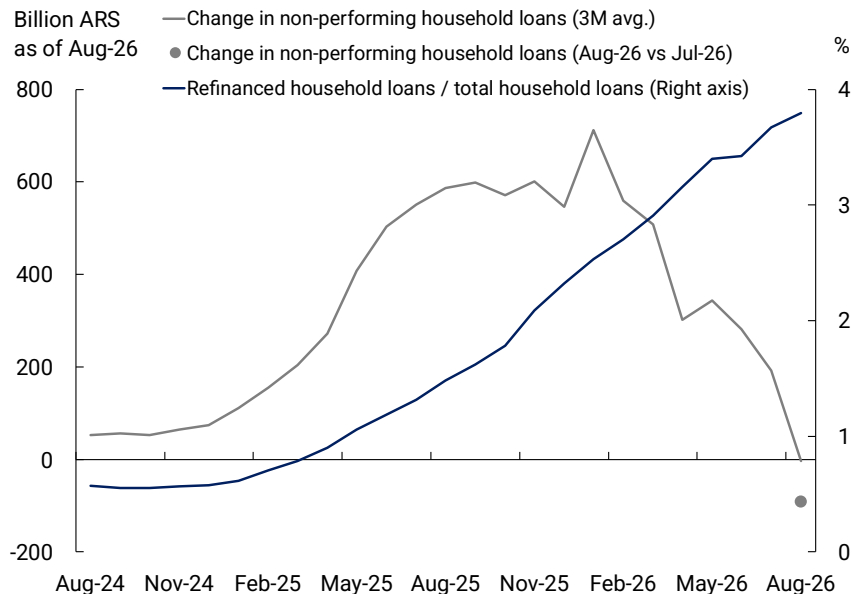
Source | BCRA.

Private sector: Real money demand (M2) on the rise

MONETARY CYCLE: FROM SHOCK TO NORMALIZATION

Bank credit is normalizing: Banks are witnessing a decline in NPLs which facilitates a resumption of the bimonetary lending cycle

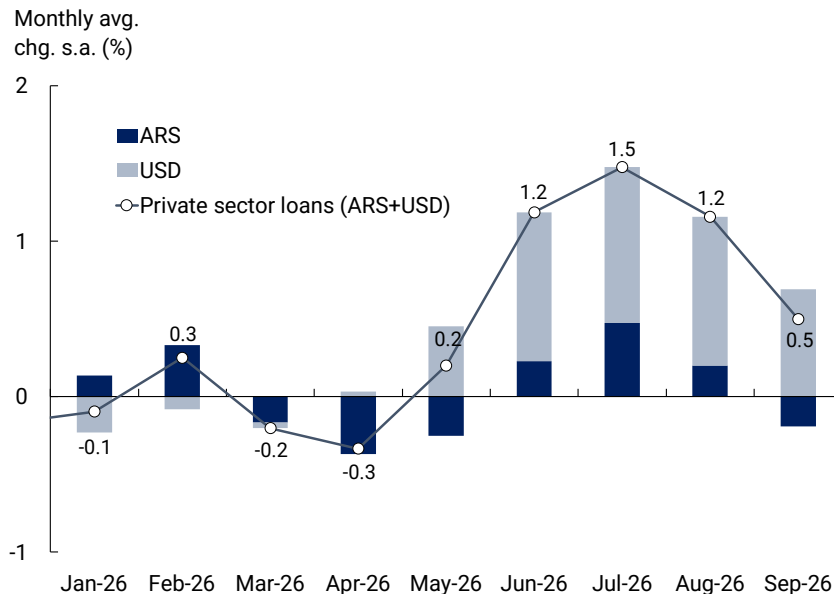
Households: Non-performing banking loans and loan refinancing



Note | Data up to August 2026. Source | BCRA.

Households: Refinancing rising, NPLs falling (old news)

Bank loans to the private sector 3-month moving average



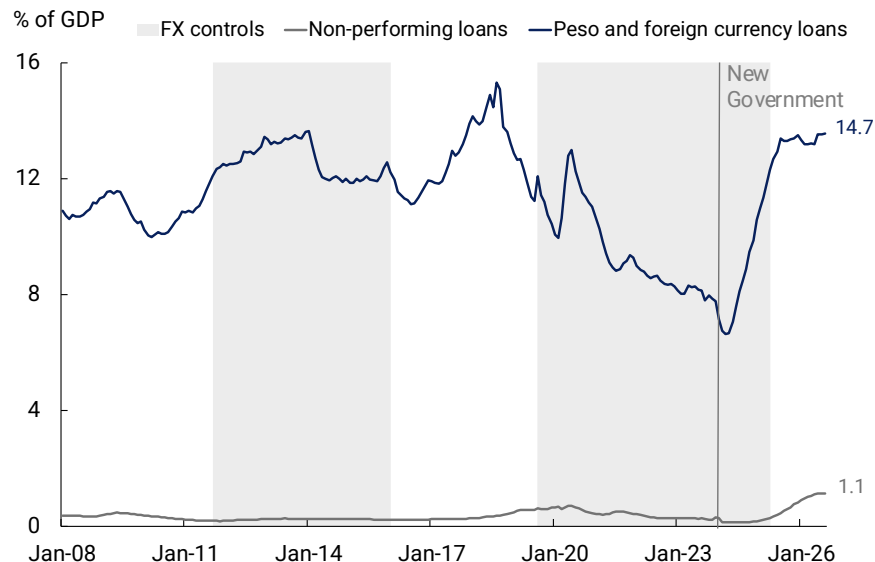
Source | BCRA.

Banks: Selective recovery in bimonetary lending (true news)

MONETARY CYCLE: FROM SHOCK TO NORMALIZATION

Other financial channels have their floodgates open: While bank lending is resuming, domestic capital market financing never stalled

Banking system loans to the private sector and non-performing loans

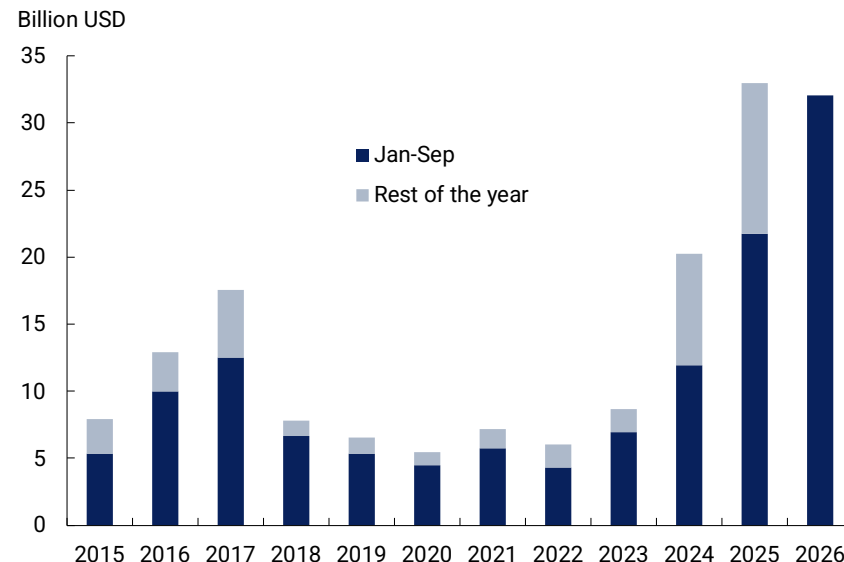


Note | Data up to August 2026.

Source | BCRA.

Strong bank lending shifting to more selective crowding in

Capital market financing



Note Includes corporate bonds, financial trusts, promissory notes, deferred payments checks, electronic credit invoices, stocks and closed-end mutual funds.

Source | BCRA based on CNV data. Using blue-chip USD rate (MEP)..

Record-high capital market financing still soaring

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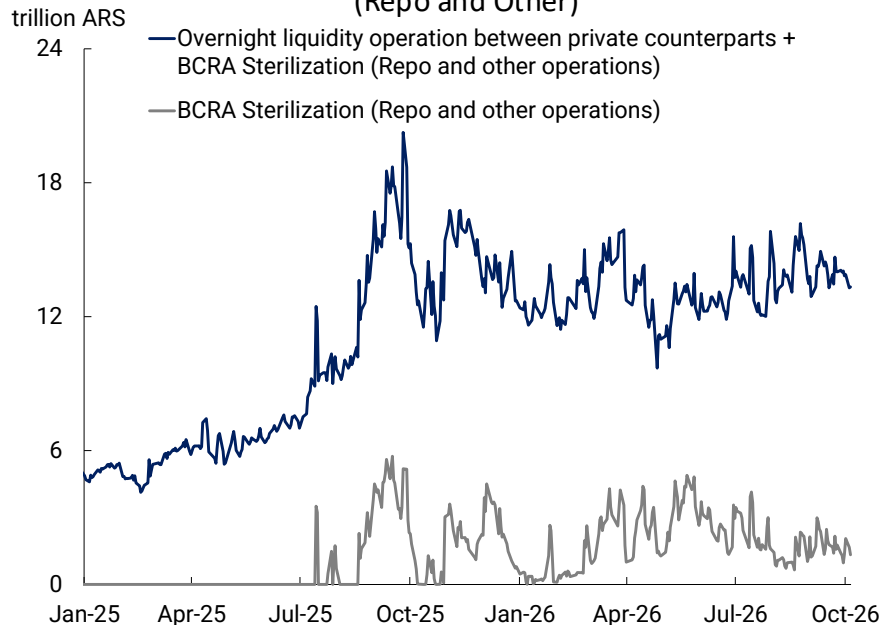
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MONETARY STIMULUS: PRO-LENDING INITIATIVES

Monetary transmission gears have been upgraded: BCRA introduced incentives favoring transparency, liquidity, predictability and operational efficiency

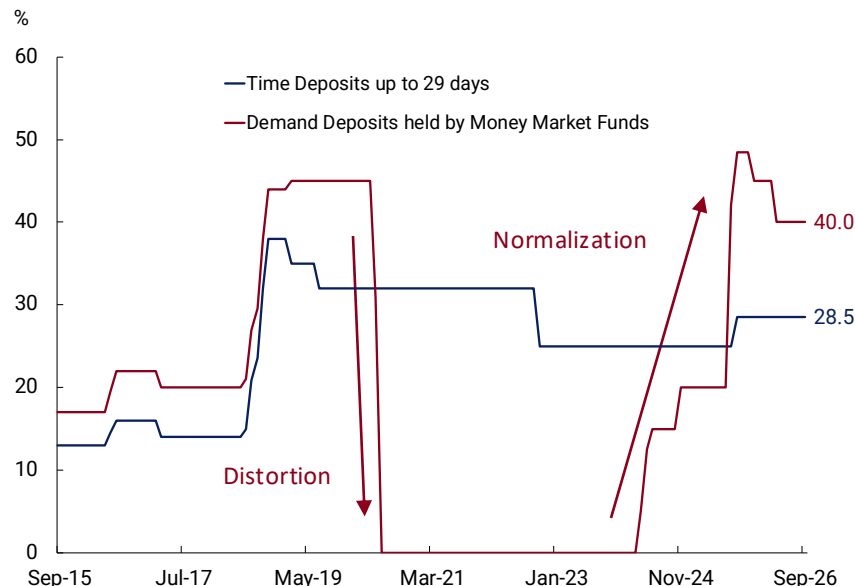
Overnight Interbank collateralized operations and BCRA Participation (Repo and Other)



Note | Data up to October 6, 2026. Source | BCRA.

Oiling the gears: Deeper interbank/broker markets

Liquidity requirements



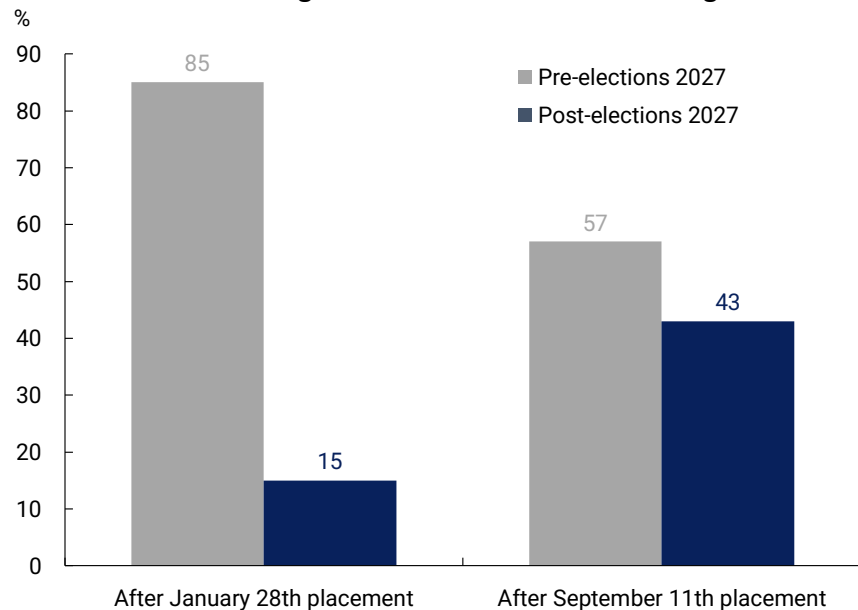
Source: BCRA

Dissuading predatory practices: Less regulatory asymmetries

MONETARY STIMULUS: PRO-LENDING INITIATIVES

Market conditions are normalized: The Treasury's opportunistic debt strategy pushed up long-end interest rates temporarily

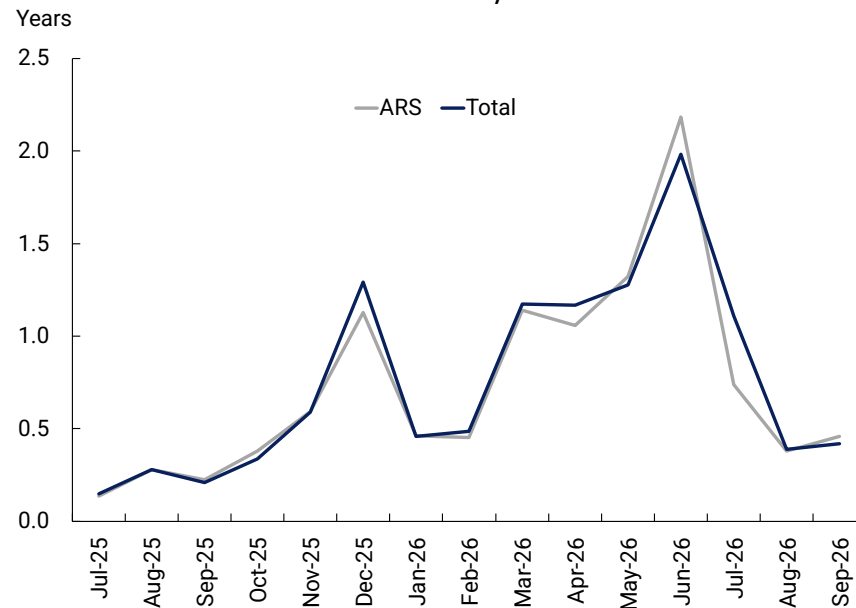
Stocks: Maturity of Treasury Bonds
Outstanding Stock of Private Sector Holdings



Source | Mecon.

Treasury buffer: Nearly half of debt matures post-election

Flows: Maturity of Treasury Bonds
Issuance in Primary Auctions



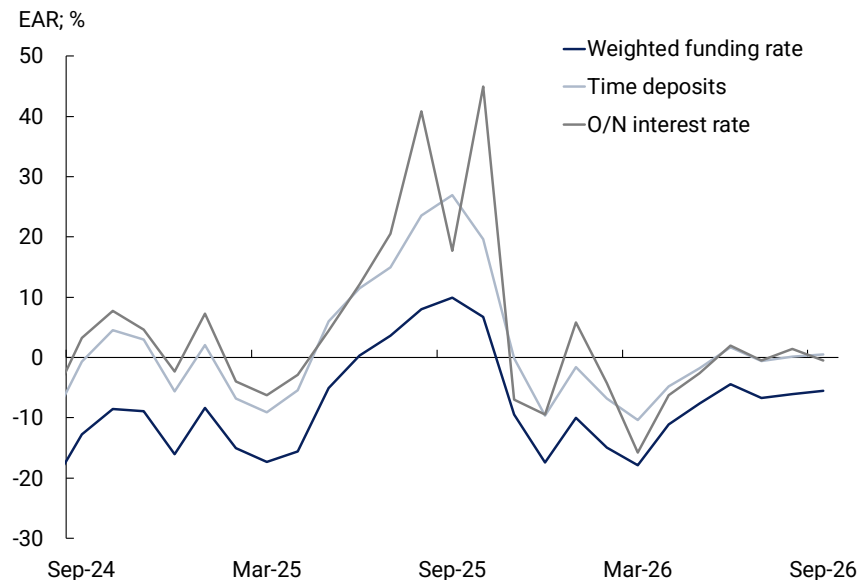
Note | The TAMAR/Dollar-linked dual bond is classified as dollar-linked (bond issued on July 31). The total includes peso-denominated, dollar-linked, and dollar-denominated bonds. Source | BCRA.

Treasury issuance: Back to normal, after extending duration

MONETARY STIMULUS: PRO-LENDING INITIATIVES

Credit conditions are improving: Bank funding rates are negative in real terms; lending rates declined for businesses and are starting to decline for households

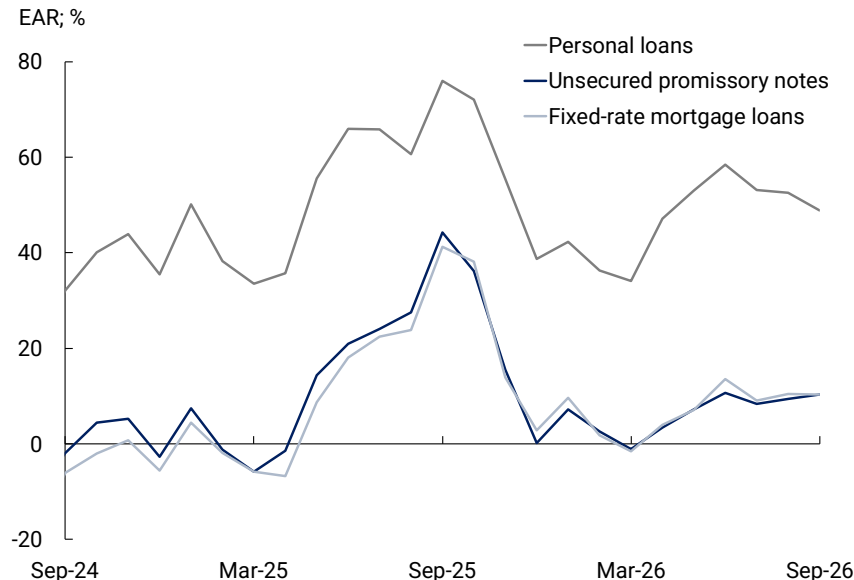
Bank Funding: Real Interest Rates



Note | Data up to October 6, 2026. The weighted funding rate reflects the rate for each funding source ((interest-bearing sight deposits, timedeposits, repo transactions, interbank loans, and non-interest-bearing deposits) according to relative shares in banks' total funding. Source | BCRA.

Funding rates: Not a constraint (low and stable)

Bank Lending: Real Interest Rates



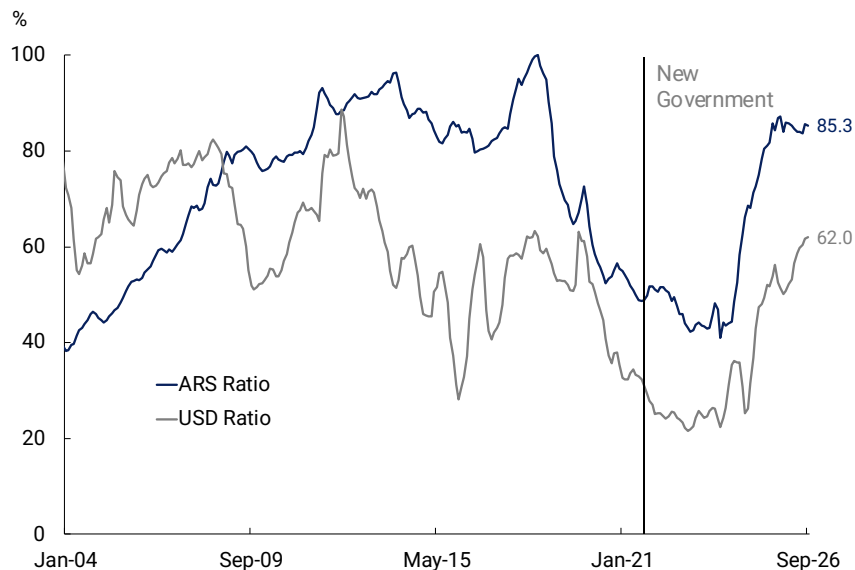
Note | The mortgage lending rate corresponds to fixed-rate loans (UVA-indexed loans, granted in August at an average rate of UVA + 6.9%). Real interest rates are estimated by deflating effective monthly rates by core inflation and expressing them in annualized terms. Source | BCRA.

Lending rates: Eased (businesses) or easing (households)

MONETARY STIMULUS: PRO-LENDING INITIATIVES

BCRA is actively promoting intermediation: BCRA launched initiatives to expand access to bank credit, reduce borrowing costs, and lengthen funding maturities

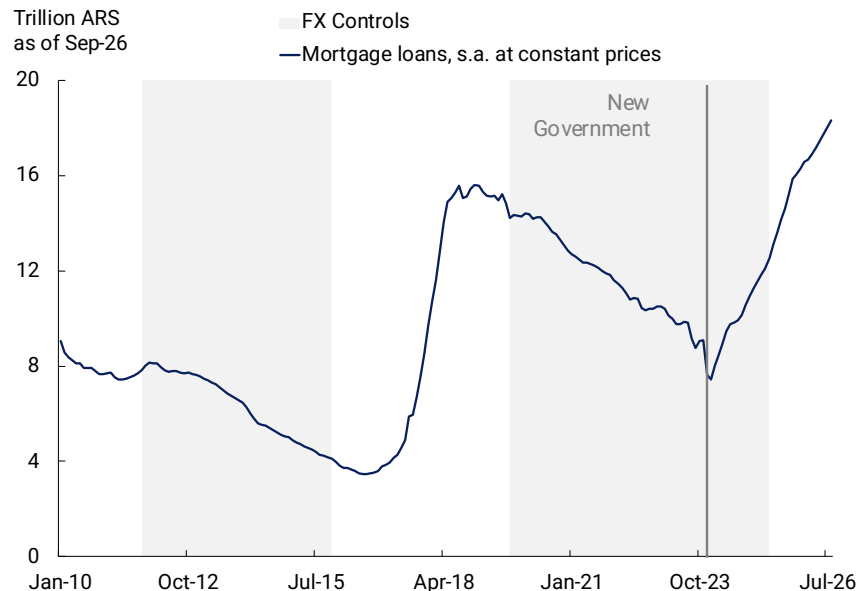
Loan-to-deposit Ratio in Pesos and US Dollars
Private Sector



Source | BCRA.

USD corporate lending: New prudential framework

Mortgage Lending to Households



Note | Data up to August 26. Source | BCRA and INDEC.

Household mortgages: New term funding auctions

PERSONAL LOANS

1

Payroll deduction code for public employees

The interest rate cap was removed, and the code can now be transferred to an eligible institution, providing greater security for the transferred loan portfolio and broader access to funding.

2

Payroll deduction code for private-sector employees

Centralize the earmarked payment flows through COELSA, leaving the assignment of funds in the employee's hands and imposing no administrative burden on the employer.

FINANCING FOR RETAIL BUSINESSES

3

Card receipts

Establish card receivables as legally recognized, digital and transferable instruments, enforceable through summary proceedings and eligible for public offering and investment by open-end mutual funds.

CORPORATE FINANCING

4

Federal Guarantee System

Create a centralized database of assets pledged as collateral for secured loans.

5

SGR

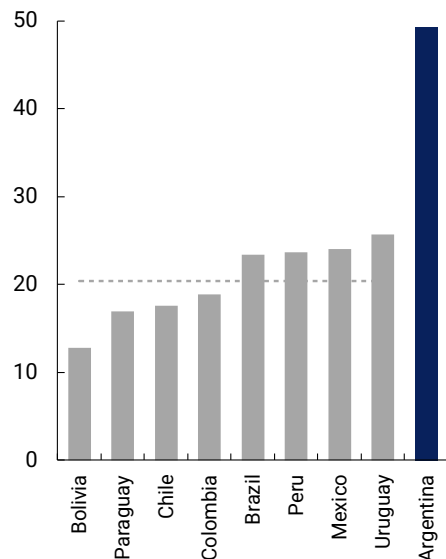
Increase the leverage limit for banks.

MONETARY STIMULUS: PRO-LENDING INITIATIVES

BCRA has no appetite for short-cuts carrying hidden costs (moral hazard): NPL bailouts for banks, forbearance in credit-scoring, or reassigning depositor protection

Bank capital

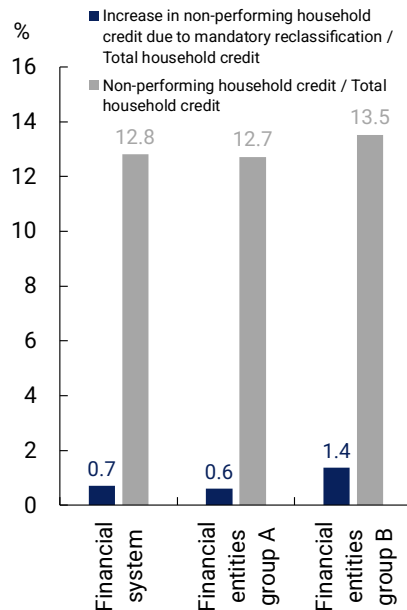
As a % of credit to the private sector
(net of loan loss provisions)



Source | IMF (FSI) and BCRA.

Strong capital, no bailouts

“Carry-over effect” (reclassification) Of household loan portfolio



Note | Information up to July 2026. Source | BCRA.

Regulation informs, not distorts

Bank reserve requirements held in cash



Source | BCRA.

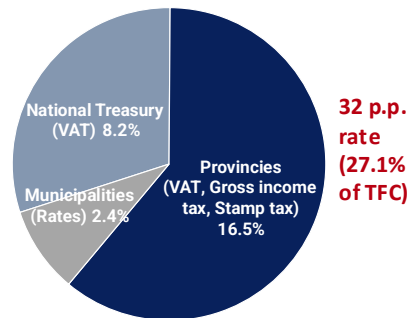
Liquidity protects depositors

MONETARY STIMULUS: PRO-LENDING INITIATIVES

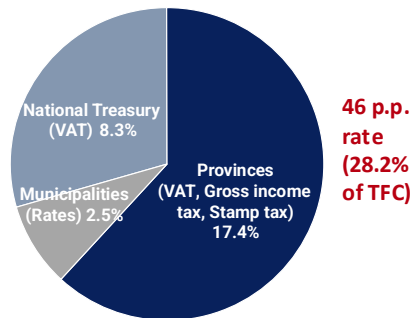
Reducing household credit costs relies on retooling fiscal, not monetary policy: Sub-sovereign taxes are the root cause of high lending rates

Tax burden on bank loan costs (% of TFC)

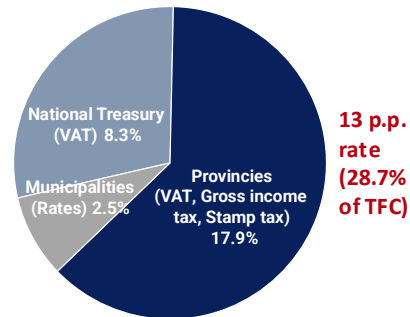
Individuals (Personal loans)
APR 64%; EAR 86%; TEFC 119%



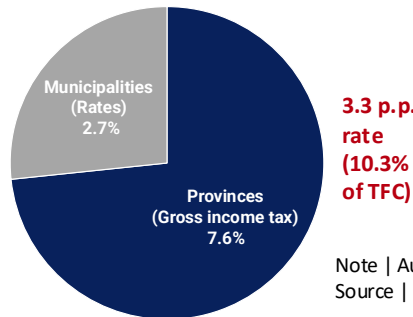
Individuals (Credit cards)
APR 80%; EAR 117%; TEFC 162%



Companies (Discounted doc.)
APR 29%; EAR 34%; TEFC 44%

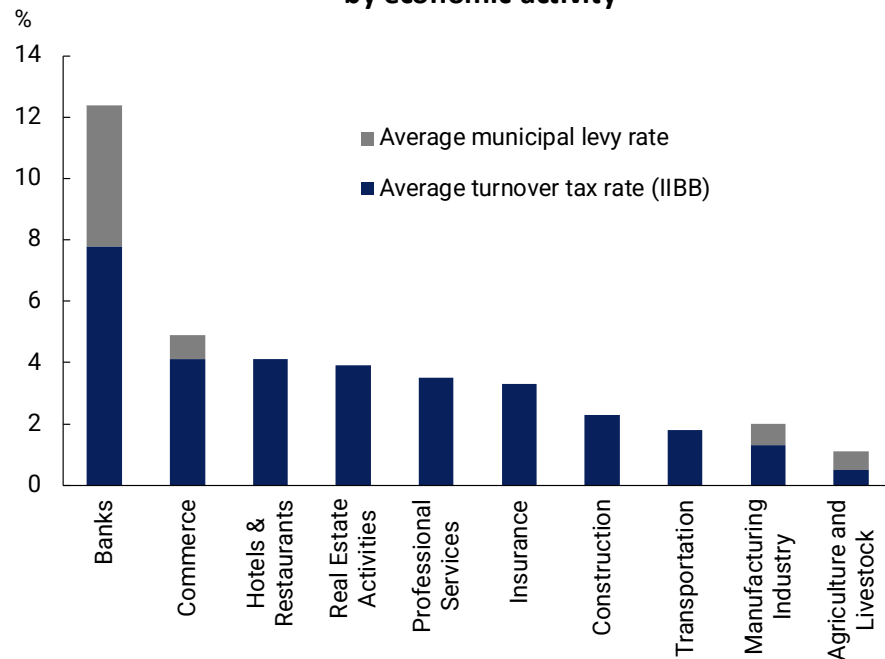


Individuals (Mortgage loans)
APR 25%; EAR 28%; TEFC 32%



Note | Aug-26
Source | BCRA.

Average provincial turnover tax and municipal levy rates by economic activity



Note | The municipal levy rate for commerce is the average of wholesale and retail rates.
Source | IERAL.

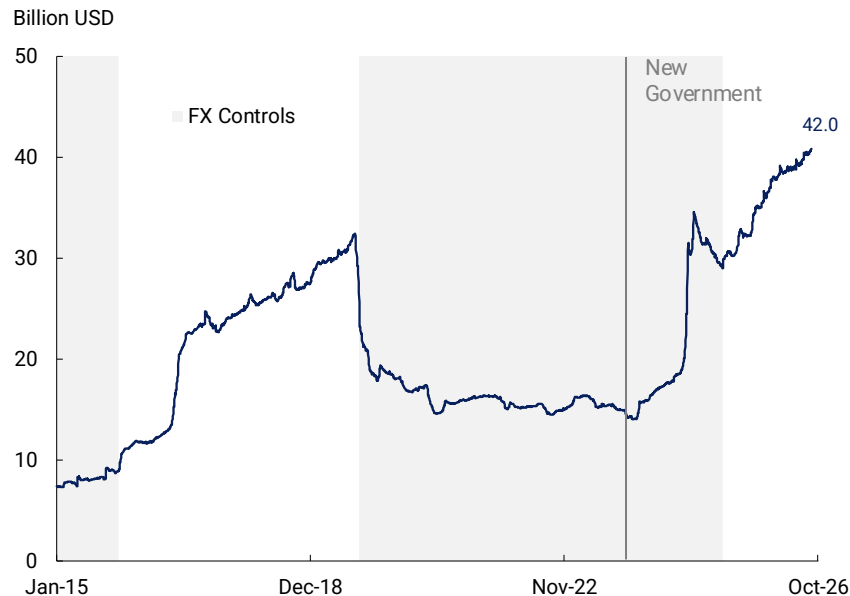
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Private deposits in foreign currency

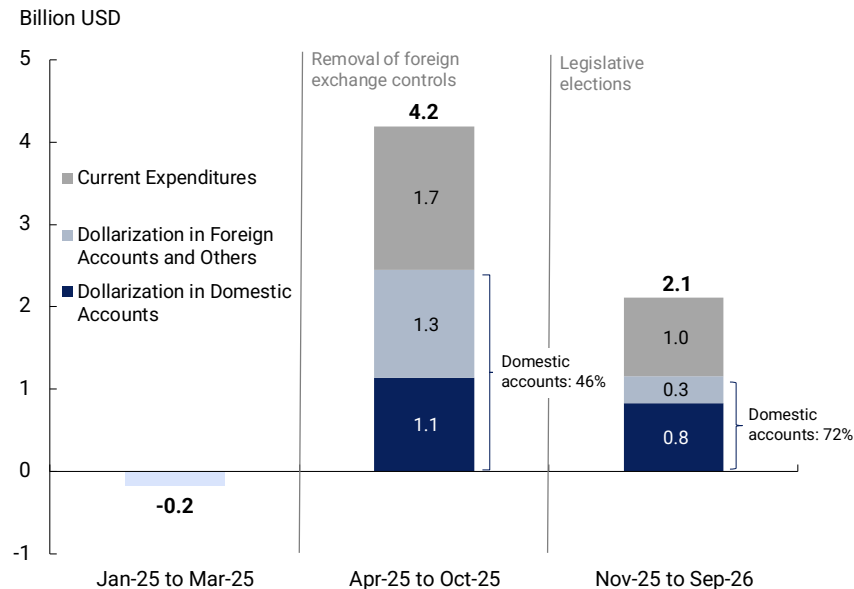


Note | Data up to October 5th, 2026.

Source | BCRA.

Pro-resident repatriation laws (amnesty, fiscal innocence)

Use of household USD purchases in the FX Market: Spending and Savings (monthly average)



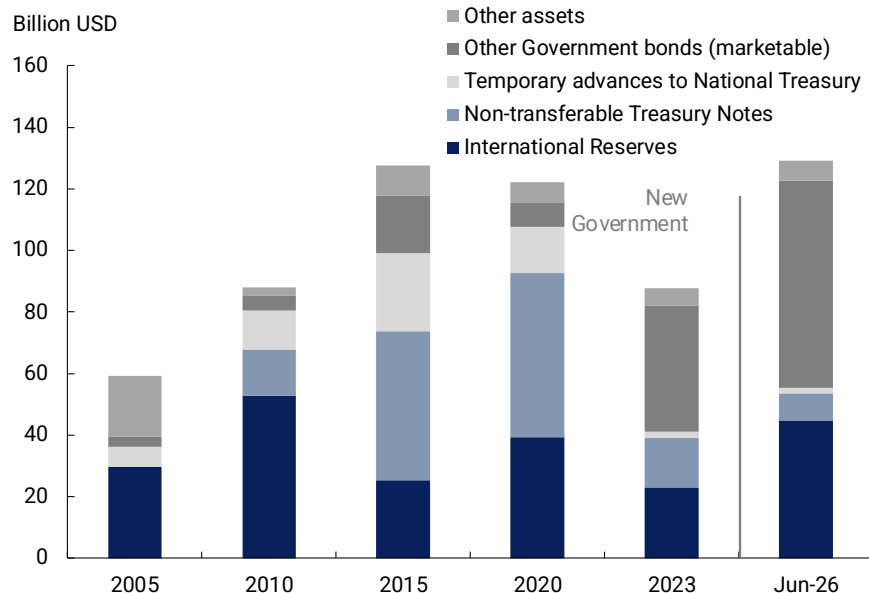
Source | BCRA.

Reinvestment of domestic savings in onshore markets

MONETARY STRATEGY: ANCHORING SAVINGS

Anchor #1 (day-to-day): Recovering operational capacity by strengthening BCRA's balance sheet via sound monetary and strengthened FX policies

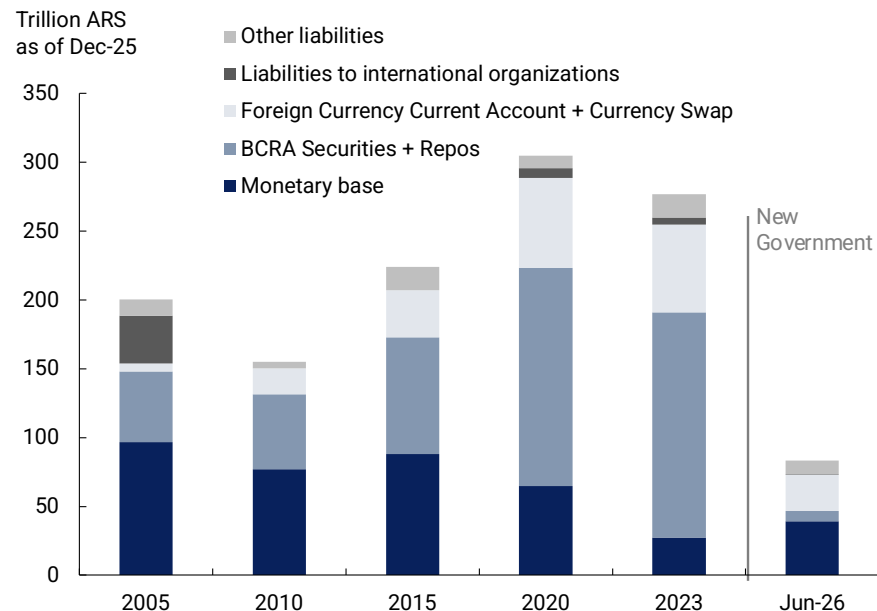
BCRA Assets



Source | BCRA.

More assets and improved asset composition

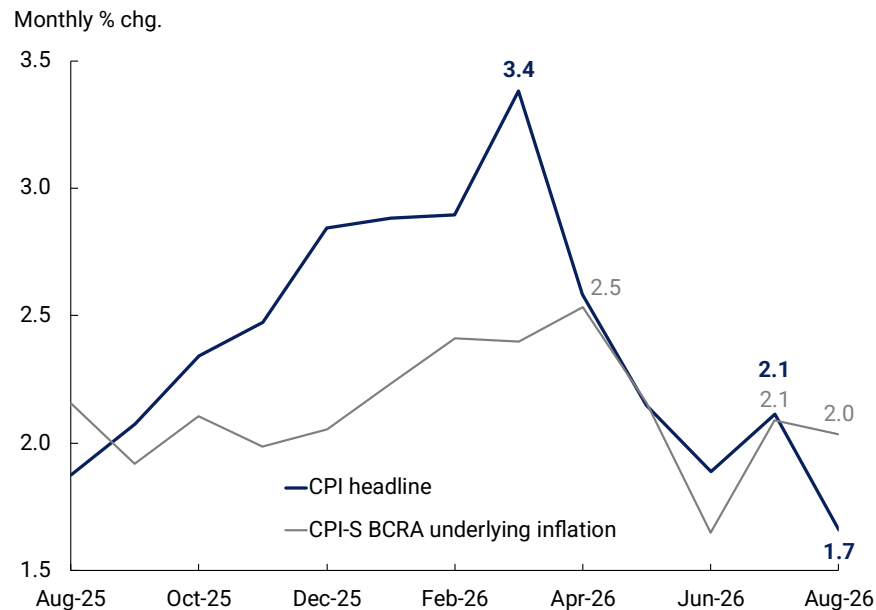
BCRA Liabilities



Source | BCRA.

Less liabilities and improved liability composition

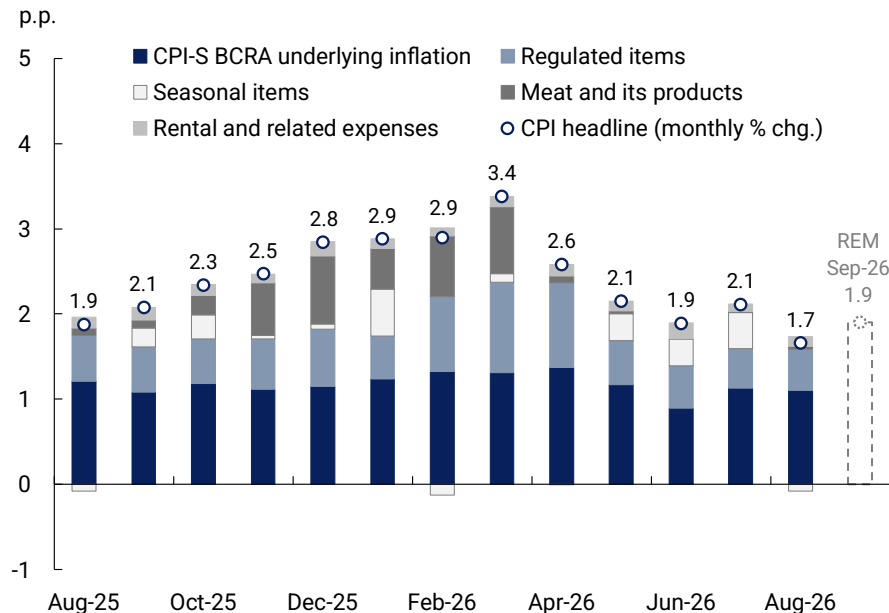
Headline CPI (INDEC) and underlying (BCRA CPI-S)



Source | BCRA based on INDEC data.

Relative prices, not monetary policy, lifted CPI temporarily

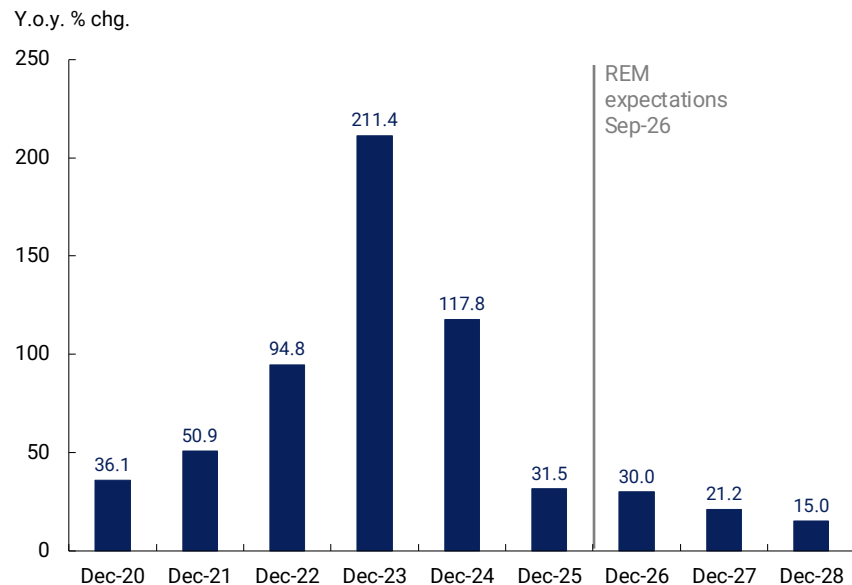
CPI Components Contribution to monthly inflation



Source | BCRA based on INDEC and REM-BCRA.

Public services, meat and fuel price increases now easing

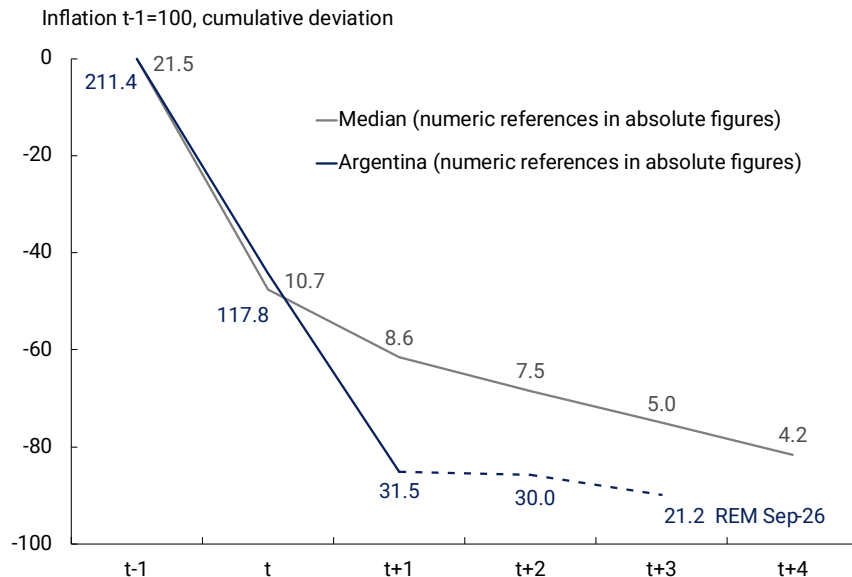
Observed CPI and Market Expectations Survey (REM)



Source: INDEC and REM-BCRA

Observed disinflation and anchored expectations

Post Stabilization CPI Inflation and Inflation Expectations Comparison with 40 successful stabilization programs



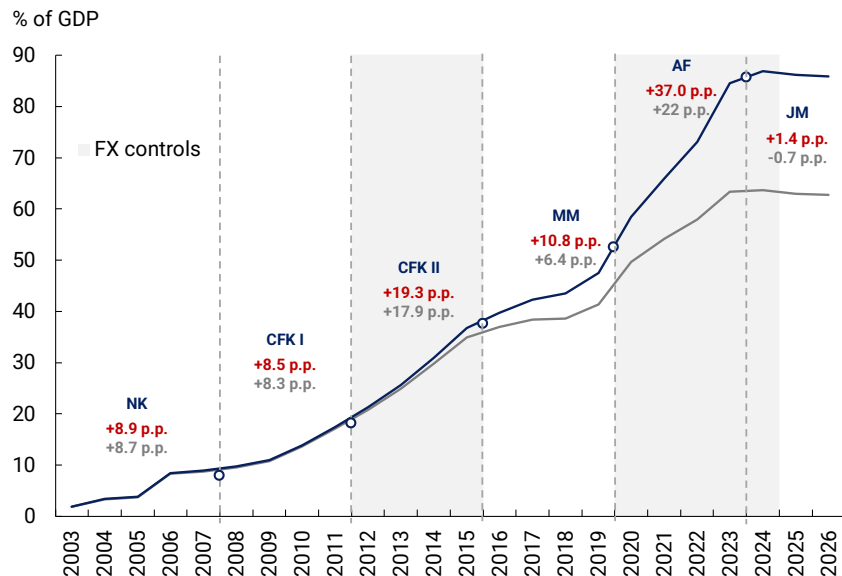
Note | Cumulative deviation of annual inflation rates relative to the year prior to the start of the stabilization program. The series labels show the absolute inflation rates.

Source | BCRA based on INDEC, REM-BCRA, World Bank data. [DiTella, R., Núñez, F., & Ottonello, P. \(2025\). Argentina's Disinflation: An International and Historical Perspective. Federal Reserve Bank of Minneapolis, Quarterly Review, 45](#)

MONETARY STRATEGY: ANCHORING SAVINGS

Anchor #4 (long-term): Making progress on institutional independence (erasing fiscal dominance *de facto*, anchoring stability *de jure* with CB Charter reform)

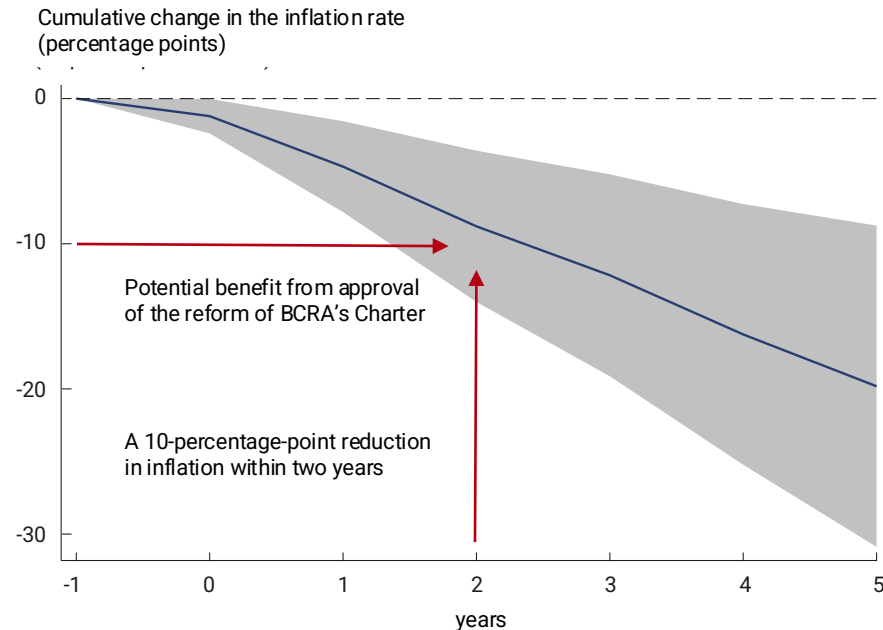
BCRA's Cumulative Financial Support for the Treasury Transfers (ARS + USD) + ARS Sterilization Cost



Note | Cumulative transfers: Temporary advances + profit monetization + puts + bids + other open market operations + non-transferable bills. The damage to the BCRA's equity includes the sterilization cost associated with ARS transfers to the National Treasury. Data as of June 30, 2026. Source | BCRA.

BCRA has already tamed fiscal dominance

Dynamic impact of central bank independence in Latin America Relative to initial inflation rate



Source | Central Bank Independence and Inflation in Latin America – Through the Lens of History, Jácome & Pienknagura, IMF, 2022.

BCRA aspires to lock-in stability

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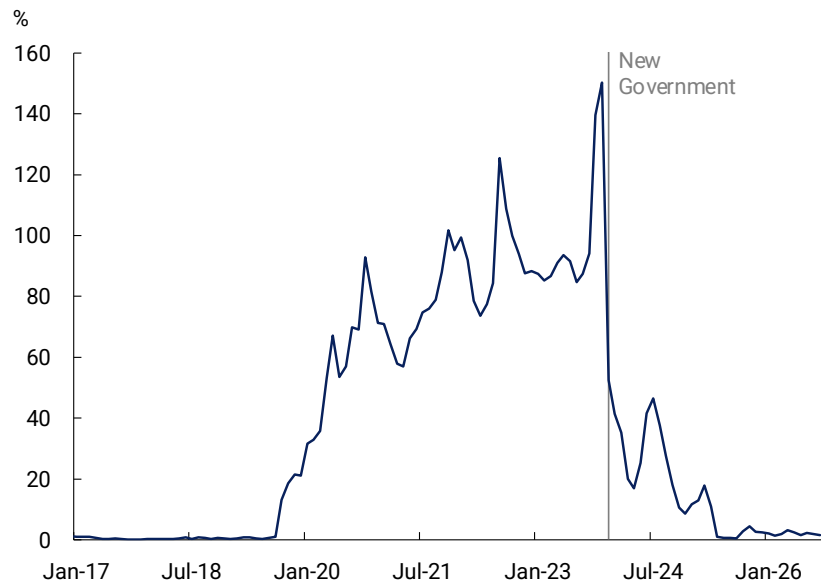
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FX gap

CCL vs official dollar (Com. A 3500)

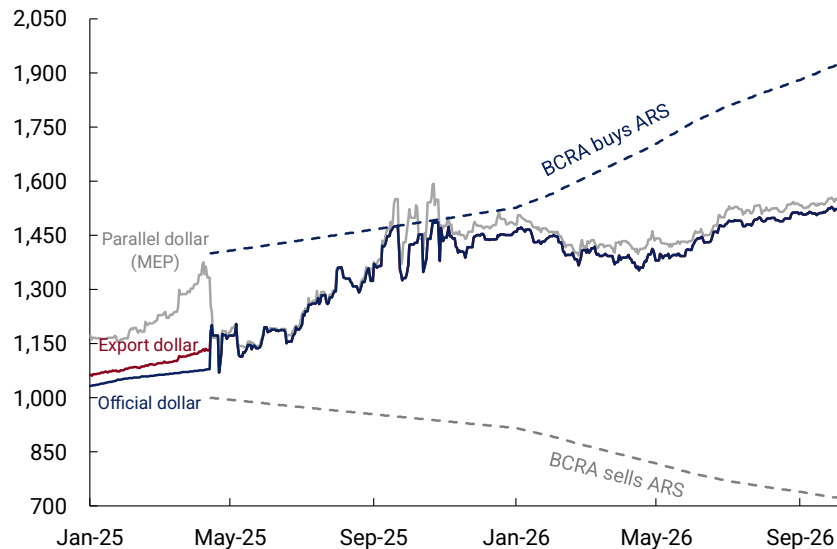


Source | BCRA

Lifting of FX controls was a quantum policy leap

FX band regime

ARS/USD

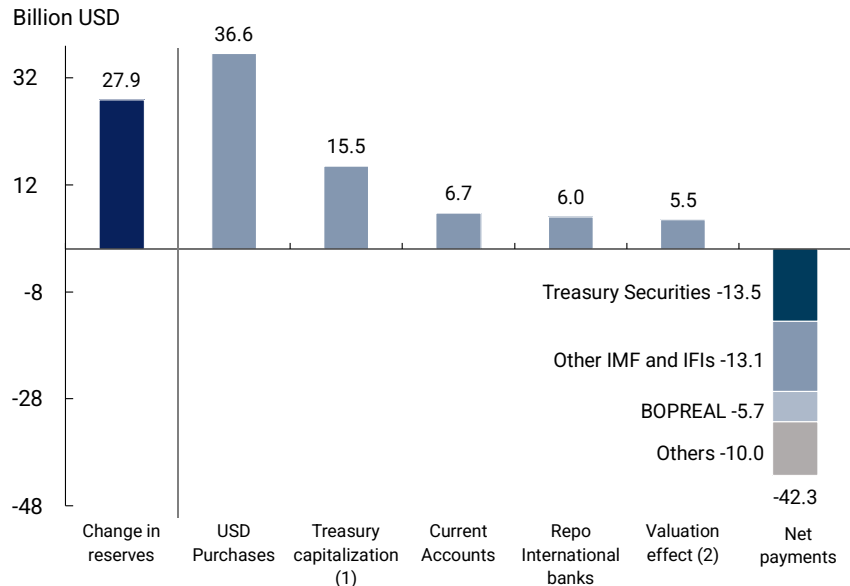


Note | Data as of October 7th.

Source | BCRA

Flexible bands provide flexibility while limiting fears

Factors Contributing to Change in Gross International Reserves Between 12-11-23 to 10-06-26

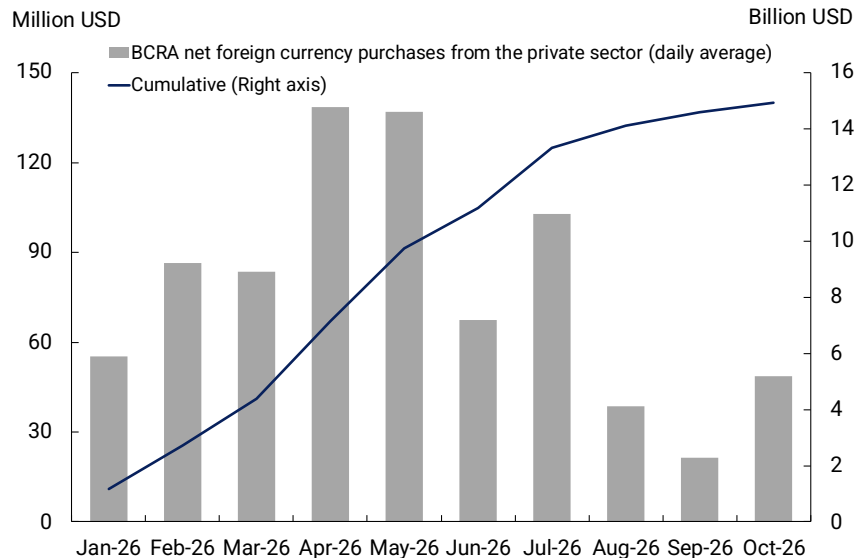


Note | (1) Exchange of Non-transferable Treasury Notes for reserves in the context of Treasury disbursements under the IMF Extended Fund Facility (EFF) arrangement; (2) Mainly gold.

Source | BCRA.

Increased USD stock: BCRA anchors the capital account

BCRA: Daily and cumulative FX purchases from the private sector

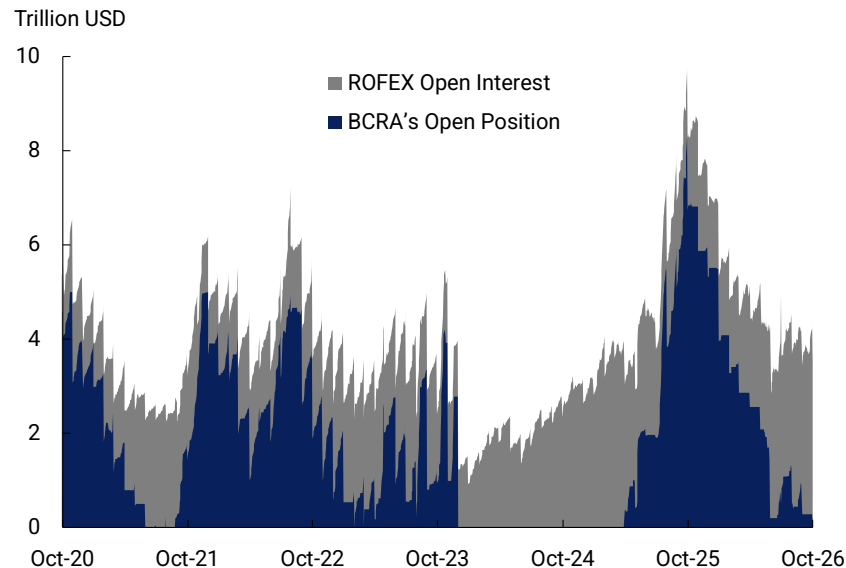


Note | Data up to October 9th.

Source | BCRA.

USD purchases: Accelerating in October

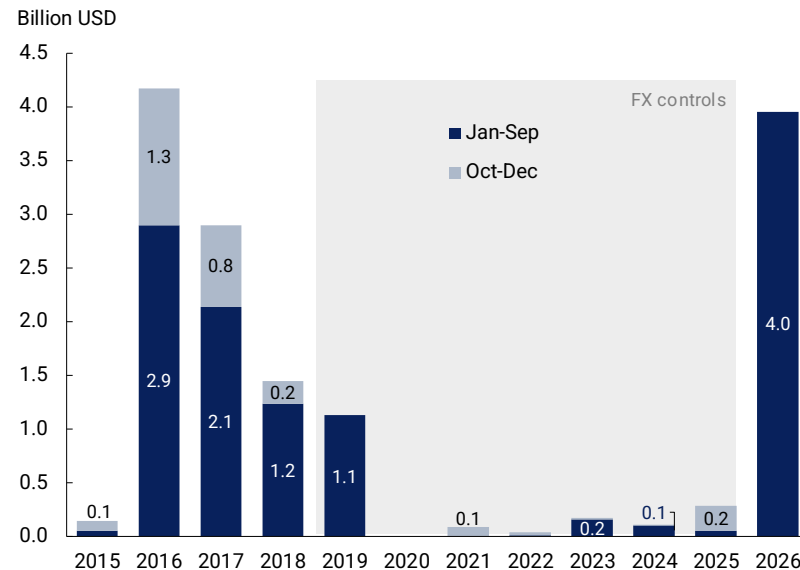
USD Futures Open Interest: Market and BCRA



Note | Data up to October 1st, 2026.

Source | BCRA.

Corporate Dividends: Cross-border transfers In constant September 2026 prices



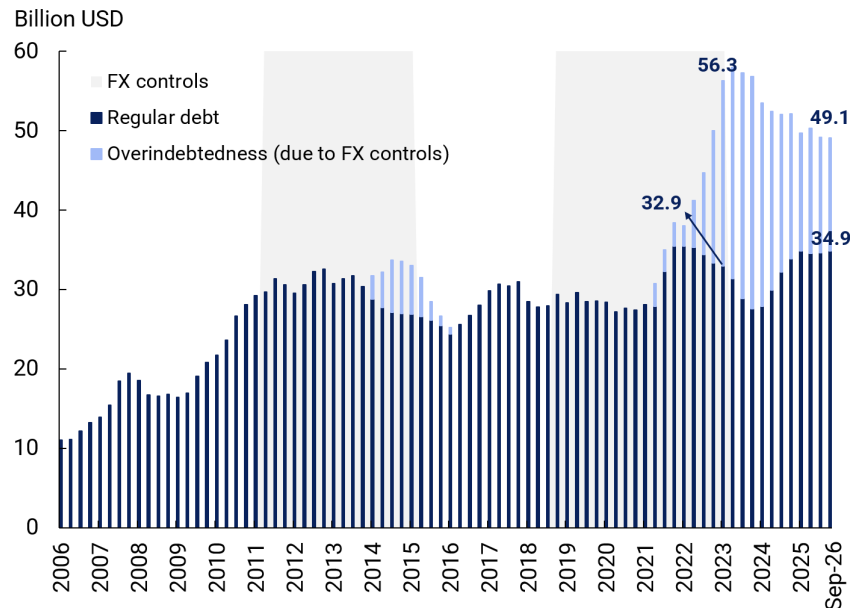
Note | Data up to September 2026. Includes outflows through the foreign exchange market and via foreign currency transfers (swaps).

Source | BCRA.

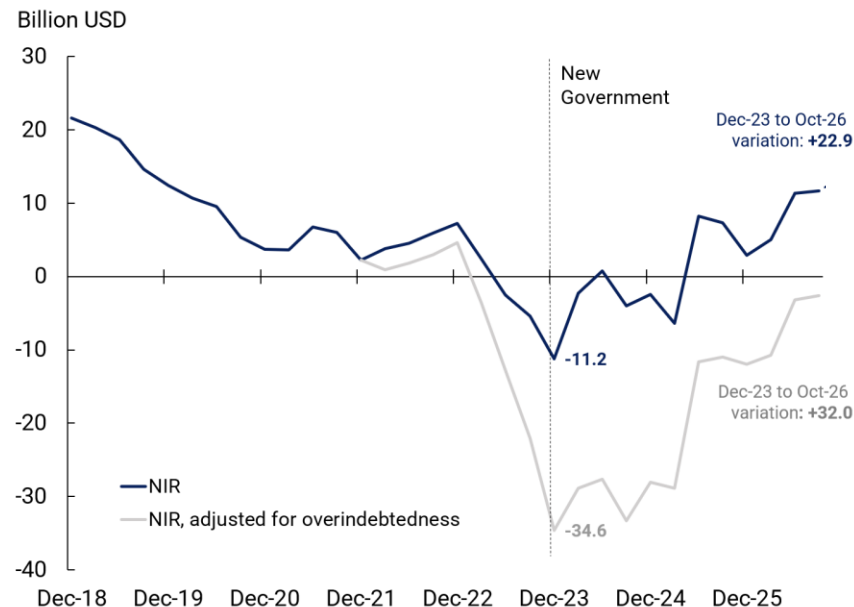
BCRA replenishes alternative sources of FX liquidity

FX market absorbs corporate dividend repatriation demand

External commercial debt for imports of goods and services



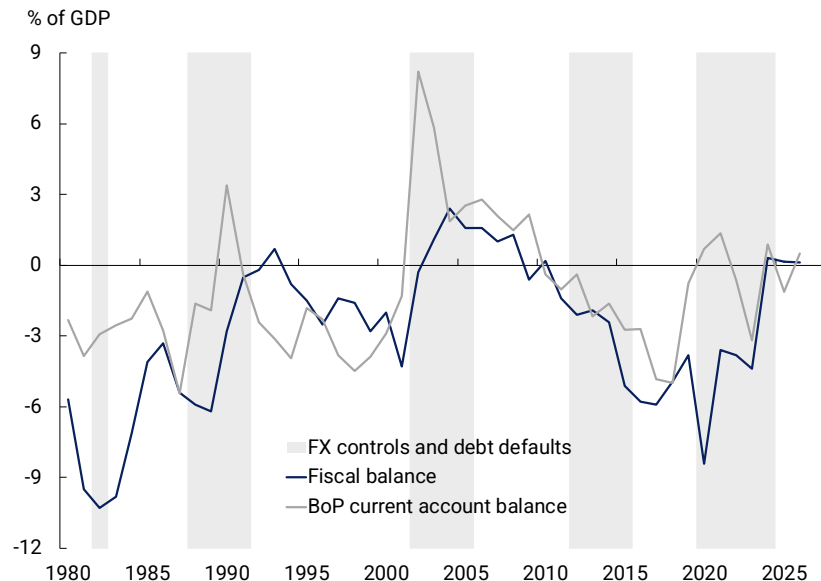
Net International Reserves (NIR): cash and accrual



Currently paying down importer debt from 2022-23

Normalization of debt obscures true pace of NIR progress

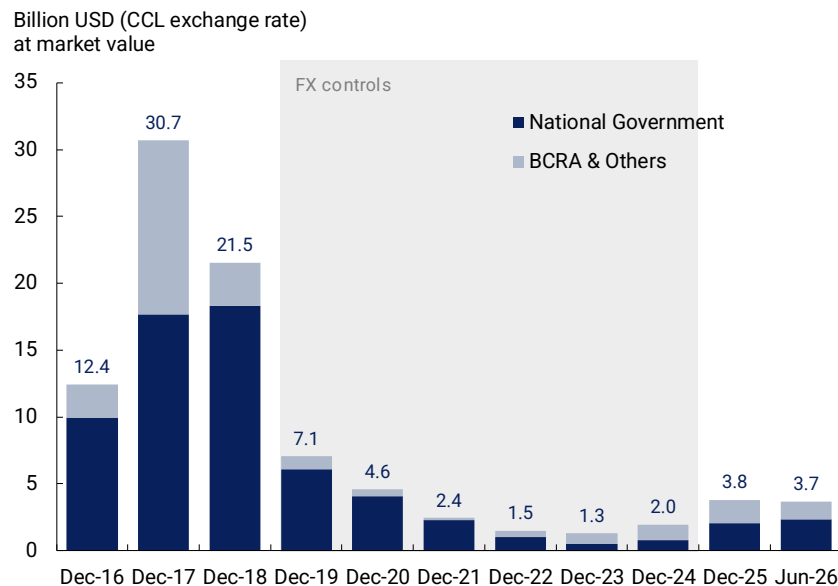
Headline Fiscal Balance and Current Account Balance



Source | BCRA based on INDEC and Ministry of Economy data.

Balanced USD flows: Treasury anchors current account

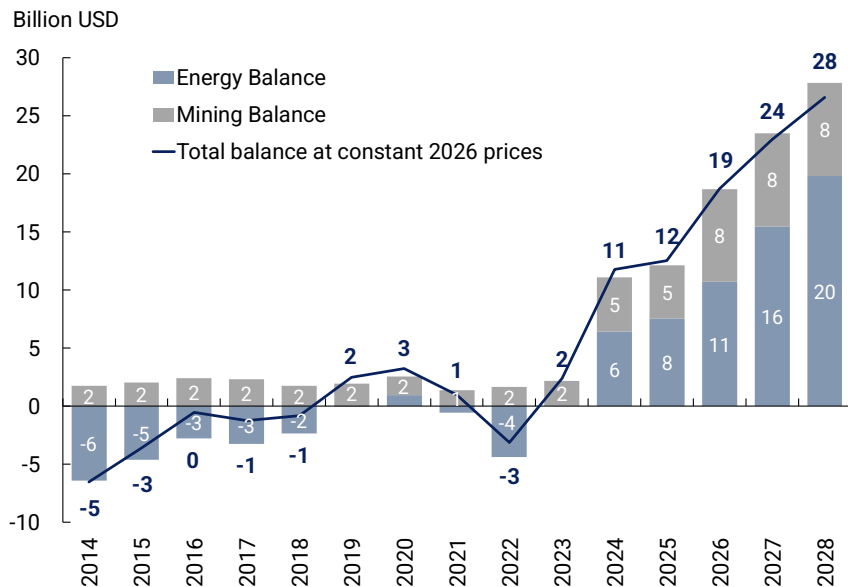
Non-residents' exposure to peso-denominated assets



Source | BCRA.

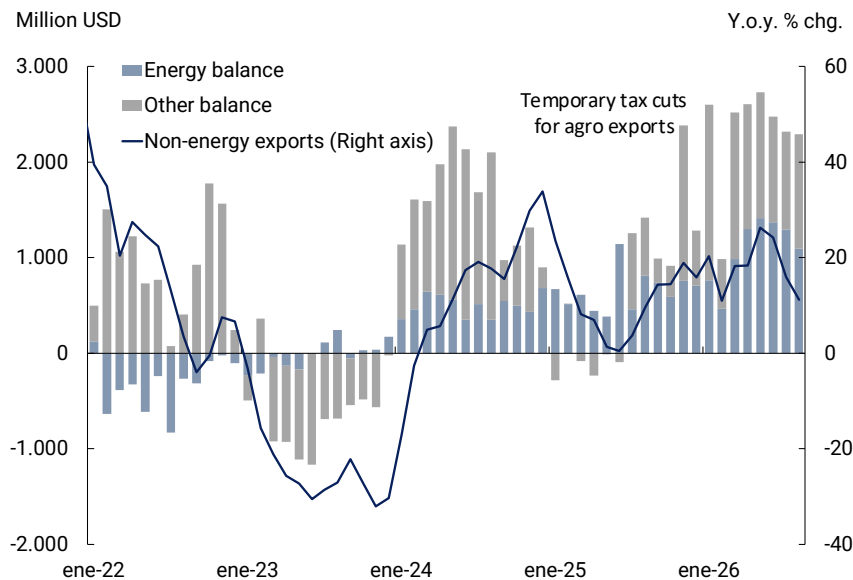
External savings: No economic reliance, no market leverage

Mining and Energy trade balance through 2035



Note | Deflated by US CPI.
Source | Ministry of Economy.

Trade balance and non-energy exports Seasonally adjusted series



Note | Non-energy exports y.o.y change over 3 months moving average.
Source | INDEC.

Thank you