

# Monthly Monetary Report

January 2022



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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*The closing date for statistics in this report was February 7, 2022. All figures are provisional and subject to review.*

Inquiries, comments, or electronic subscription: [analisis.monetario@bcra.gob.ar](mailto:analisis.monetario@bcra.gob.ar)

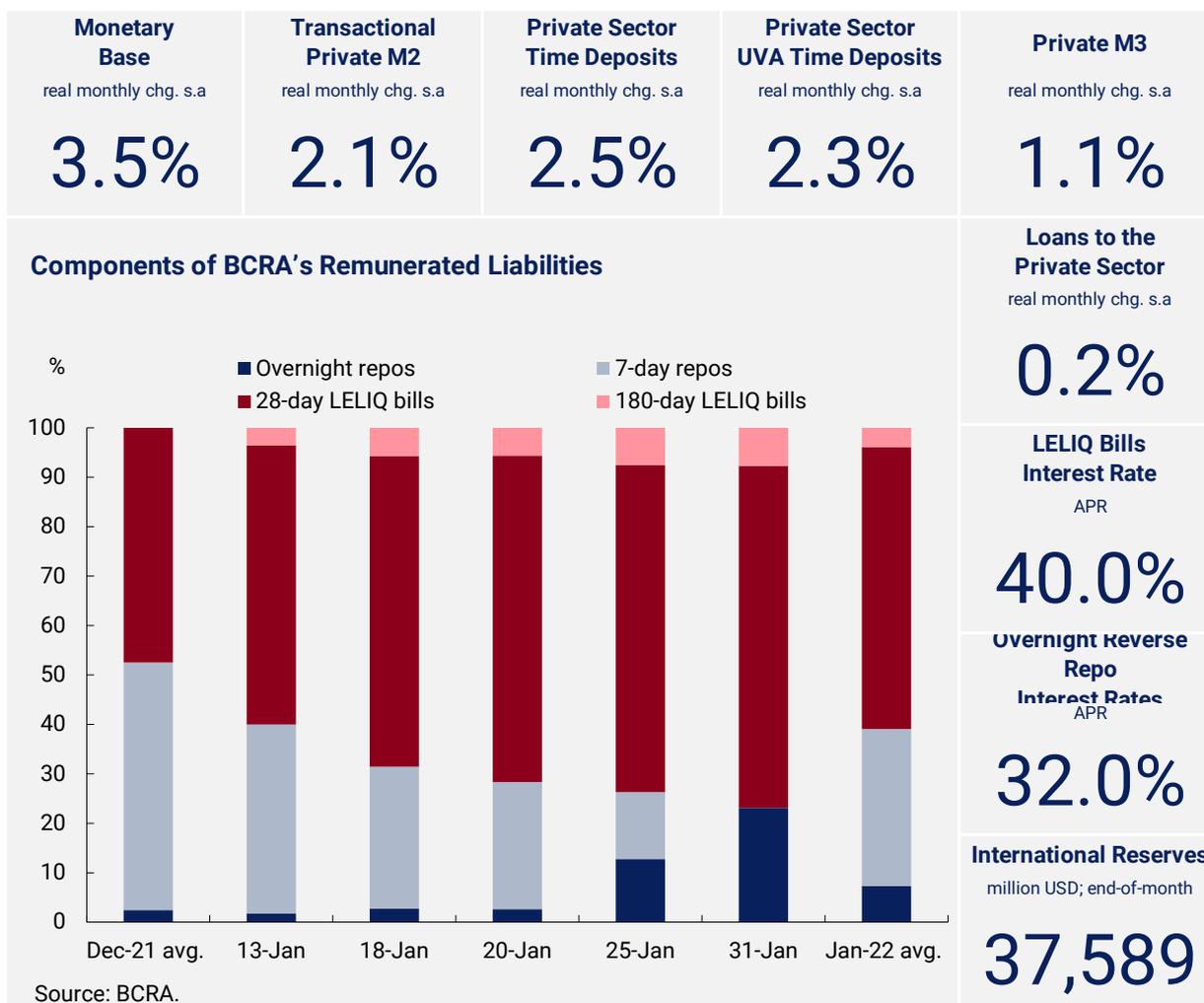
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### **About inclusive language in the Spanish version of this report**

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



In January, the broad monetary aggregate (private M3) at constant prices expanded 1.1% s.a. This performance was explained by the rise of both means of payment and time deposits. The dynamics of savings instruments was partly driven by a change in monetary policy decisions.

In the first week of January, the BCRA redesigned its monetary policy instruments. The purposes of such changes are to achieve better liquidity management at financial institution level, to raise sterilization instruments average terms, and to focus the monetary policy rate signal on LELIQ bill interest rate again. Not only were the monetary policy instruments adjusted, but also benchmark interest rates were raised. The minimum rates on savings instruments in pesos were changed in order to ensure the transmission of the new interest rates to depositors. This measure also seeks to obtain positive returns for savings in domestic currency.

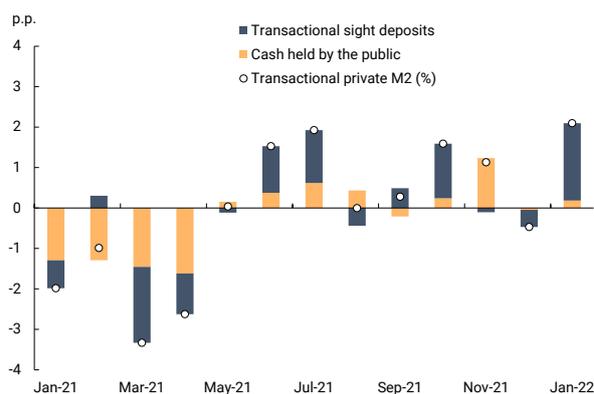
In addition, the National Government has announced that it began to work on an agreement with the International Monetary Fund (IMF) regarding the Extended Fund Facility (EFF)<sup>1</sup>. This is expected to solve the numerous obligations for 2022 and 2023 as stated in the *Stand-By Agreement* signed in 2018. An agreement in negotiations with the IMF will help agents to increase their expectations on the external sector's sustainability. This will in turn contribute to counteracting pressures on the inflation and exchange rates.

<sup>1</sup> <https://www.argentina.gob.ar/noticias/martin-guzman-este-acuerdo-con-el-fmi-abre-un-camino-transitable> and <https://www.imf.org/es/News/Articles/2022/01/28/pr2218-argentina-imf-staff-statement-on-argentina>.

## 2. Means of Payment

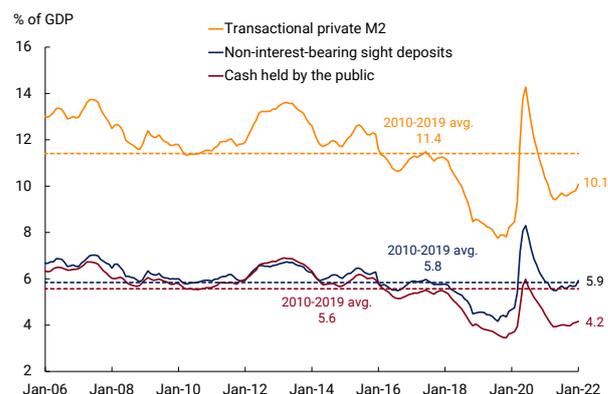
In January, means of payment (transactional private M2<sup>2</sup>) posted a 2.1% rise in real<sup>3</sup> and seasonally-adjusted terms, mainly driven by December's positive carryforward—caused by the payment of the semi-annual complementary wage. As for its components, non-interest-bearing sight deposits posted the greatest contribution to growth, followed by cash held by the public (see Chart 2.1).

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



Source: BCRA.

**Chart 2.2 | Transactional Private M2 in Terms of GDP**



Source: BCRA.

Transactional private M2 in terms of GDP continued standing below the average record for the 2010-2019 period. As mentioned in previous reports, the low levels of cash held by the public explain this performance. Indeed, banknotes and coins held by the public stood 1.4 p.p. below the average recorded between 2010 and 2019, a figure comparable to the minimum observed in the last 15 years (see Chart 2.2). This performance favored the growing use of electronic means of payment.

## 3. Savings Instruments in Pesos

In early January, the Board of the BCRA decided to raise the minimum interest rates on time deposits in order to boost demand by depositors<sup>4</sup>. Thus, it set a minimum interest rate on natural persons' deposits of up to ARS10 million at 39% APR (46.8% EAR), up 2 p.p. for depositors with up to ARS1 million and 5 p.p. for depositors with investments between ARS1 and ARS10 million. For all other depositors of the financial system,<sup>5</sup> the new floor was set at 37% APR (43.98% EAR). **This measure was adopted within the framework of the Objectives and Plans for 2022<sup>6</sup>, which includes an interest rate path for Argentinians to obtain yields in line with the evolution of the inflation and exchange rates.**

<sup>2</sup> Private M2 excluding interest-bearing sight deposits held by companies and financial service providers because they are more similar to a savings instrument than to a means of payment.

<sup>3</sup> The National Institute of Statistics and Censuses (INDEC) will publish January's inflation data on February 15.

<sup>4</sup> Communication "A" 7432.

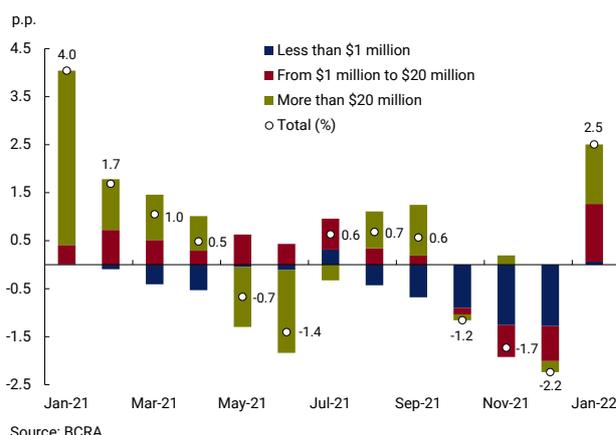
<sup>5</sup> Financial service providers, companies, and natural persons with deposits over ARS10 million.

<sup>6</sup> [https://www.bkra.gov.ar/Pdfs/Institucional/ObjetivosBCRA\\_2022.pdf](https://www.bkra.gov.ar/Pdfs/Institucional/ObjetivosBCRA_2022.pdf).

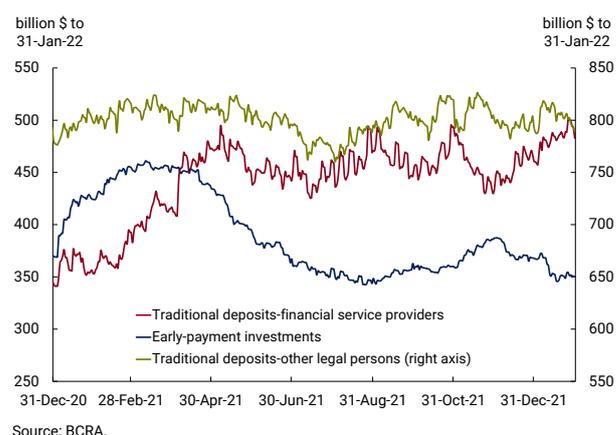
Time deposits in pesos from the private sector posted a monthly expansion of 2.5% s.a. in real terms, bringing a three-month period of falls to an end, in a context of higher interest rates and considering that January has exhibited—over the last few years—a higher demand for savings instruments in pesos<sup>7</sup>. Thus, time deposits expanded 0.2 p.p. in terms of GDP (6.6%), up 1.1 p.p. vis-à-vis the 2010-2019 period average, and down 1.3 p.p. against the peak recorded by mid-2020.

January's growth was mainly boosted by natural persons' deposits, which increased in a sustained way over the month both in nominal and in real terms. As for deposits grouped by amount, the segment of deposits over ARS1 million came to the fore (see Chart 3.1). Indeed, deposits between ARS1 and ARS20 million, mainly held by natural persons, expanded at constant prices over January. Deposits from the wholesale segment (over ARS20 million) also grew in real terms in January. The performance of Money Market funds (MM FCI) had a bearing on such deposits, considering the MM FCI's influence on the segment. The equity of MM FCI did not change significantly. Just a portion of its short-term assets (interest-bearing sight deposits and early-payment deposits) was replaced by traditional time deposits (see Chart 3.2). Last, deposits no exceeding ARS1 million improved in nominal terms at a pace similar to prices. This derived into a virtual stability at constant prices in January, putting an end to the falling trend that had started in August 2021.

**Chart 3.1 | Private Sector Time Deposits**  
Contribution to real monthly change by amount



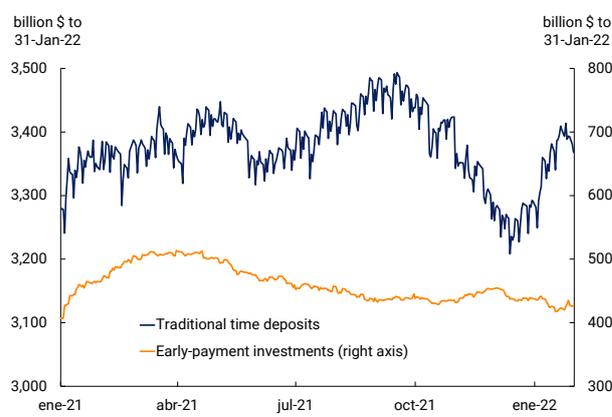
**Chart 3.2 | Time Deposits in Pesos over ARS20 Million**  
Stock at constant prices by type of deposit



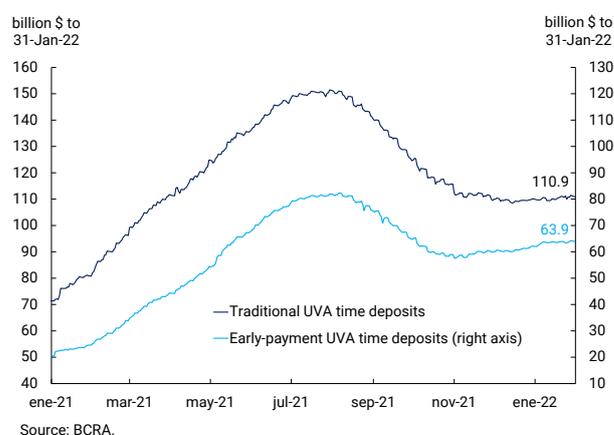
As regards instruments, longer-term assets were mostly preferred once again. Thus, traditional time deposits went on evidencing the growing trend that had started by mid-December, boosted by deposits denominated in pesos. In turn, CER-adjustable traditional deposits had no significant changes at constant prices and early-payment investments fell in the same period (see Chart 3.3). CER-adjustable early-payment deposits, in particular, got stabilized as from mid-January, after two months of showing a slightly upward trend (see Chart 3.4).

<sup>7</sup> It should be noted that the statistical series of private sector time deposits in pesos shows no seasonality. However, this series has consistently posted a growth in January for the last few years.

**Chart 3.3 | Private Sector Time Deposits in Pesos**  
Stock at constant prices



**Chart 3.4 | Private Sector UVA Time Deposits**  
Stock at constant prices

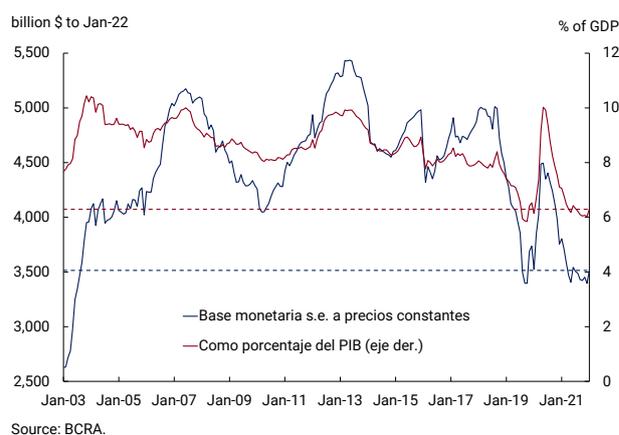


All in all, the broad monetary aggregate (private M3<sup>8</sup>) at constant prices expanded 1.1% s.a. over January. Private M3 posted a moderate rise in y.o.y. terms (1.5%). In terms of GDP, it exhibited a slight improvement to reach 18.5%, which is a bit higher than the average recorded between 2010 and 2019.

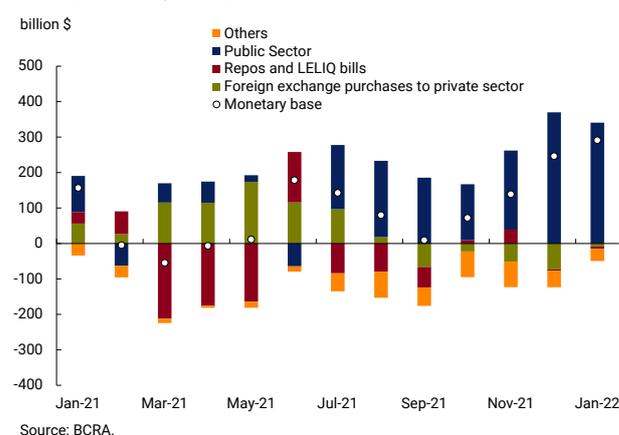
## 4. Monetary Base

In January, the monetary base stood at ARS3,836 billion, which meant an average monthly growth of 8.6% in nominal terms (+ARS291.15 billion). This rise was partly explained by December's positive statistical carryforward against the backdrop of strong seasonality. Indeed, the month-on-month end-of-period (m.o.m. eop), from December 31 to January 31, was -0.6% (-ARS22.99 billion). The monetary base went up by 3.5% adjusted by seasonality and by the inflation rate; however, it posted a contraction of around 8% y.o.y. In terms of GDP, the monetary base hit 6.3%, a similar figure to that of end-2019 and around the lowest figures observed since 2003 (see Chart 4.1).

**Chart 4.1 | Monetary Base**



**Chart 4.2 | Monetary Base and Expansion Factors by Supply**  
Average monthly change



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

The analysis of the explanatory factors in terms of supply shows that December's expansion of the monetary base was mostly associated with public sector transactions, mainly driven by the carryforward of monetary financing to the National Treasury last December (see Chart 4.2). In turn, monetary policy instruments and purchases of foreign currency to the private sector made a mild negative contribution over January.

The BCRA decided to redesign remunerated liabilities at the beginning of January<sup>9</sup> in line with its Objectives and Plans for 2022. The purposes of such changes are to achieve better liquidity management at financial institution level, to raise sterilization instruments average terms, and to focus the monetary policy rate signal on LELIQ bill interest rate again. In that regard, 7-day reverse repos will be gradually removed, and a new instrument will be issued—180-day LELIQ bills with auctions taking place once a week<sup>10</sup>. Overnight reverse repos will sterilize financial institutions' short-term liquidity, while long-term LELIQ bills will seek to cope with structural liquidity. In turn, 28-day LELIQ bills will be taken as a benchmark for the monetary policy. For this reason, the BCRA relaxed regulations so that private sector financial institutions may purchase these instruments up to the amount of their stock of time deposits.

Not only was the monetary policy adjusted, but also interest rates were raised. In particular, 28-day LELIQ bill interest rates were raised by 2 p.p., and stood at 40% APR (48.29% EAR). As for 180-day LELIQ bills, the interest rate was set at 44% APR (48.9% EAR). Regarding short-term instruments, the interest rate on 7-day reverse repos was gradually reduced to match that paid for overnight repos, which remained at 32% APR (37.69% EAR).

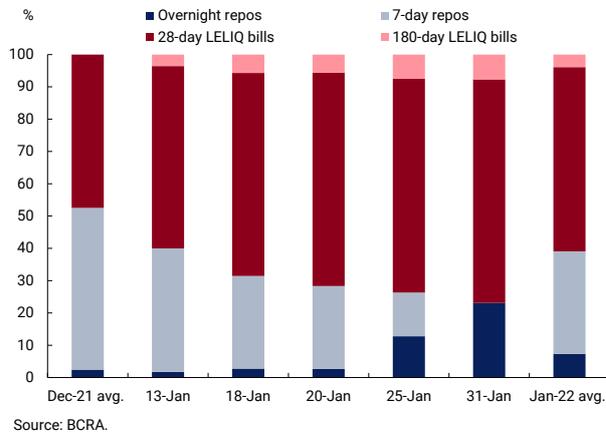
**All these changes led to adjustments in the components of BCRA's remunerated liabilities** (see Chart 4.3). As a result of the reduction on the 7-day reverse repo interest rate, financial institutions had no position on these transactions by the end of January, and funds were channeled to other remunerated liabilities. Overnight reverse repos expanded to reach 23.1% of the total. In turn, 180-day LELIQ bills explained 7.7% of the total as of January 31. Last, the remaining 70% was explained by 28-day LELIQ bills, expanding just over 20 p.p. against December's average. These changes in the relative composition of BCRA's remunerated liabilities made it possible to continue implementing the policy on the extension of maturity terms. It was adopted at the beginning of this central bank's management when the term for LELIQ bills was changed from 7 to 28 days in February 2020. The current instrument composition made the average residual term of LELIQ bill total stock virtually double from 15 to about 30 days (see Chart 4.4).

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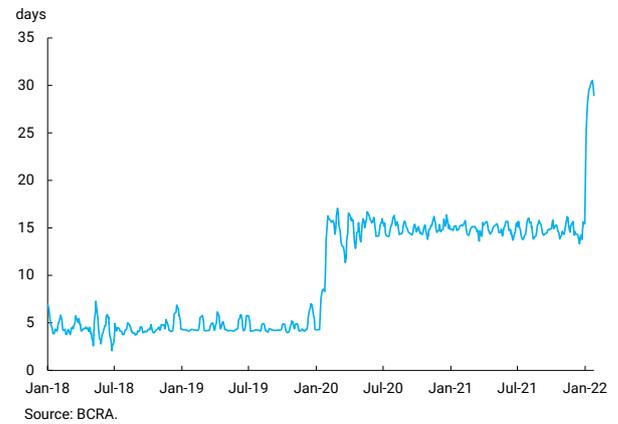
<sup>9</sup> See Comm. "A"7432

<sup>10</sup> To access this bill, the institution's stock of time deposits must be over 20% of its deposits in pesos from the private sector.

**Chart 4.3 | BCRA's Remunerated Liabilities**



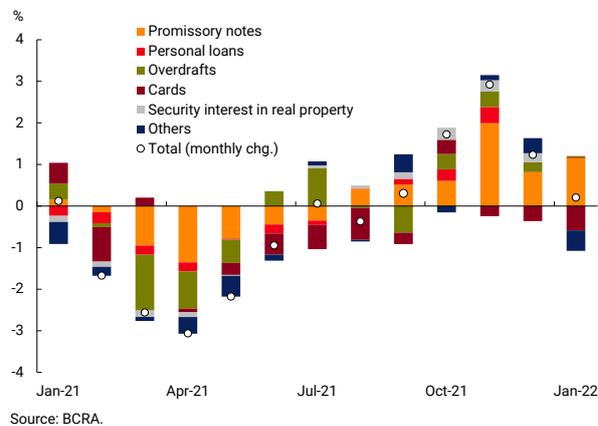
**Chart 4.4 | LELIQ Bill Average Term**  
7-day moving average



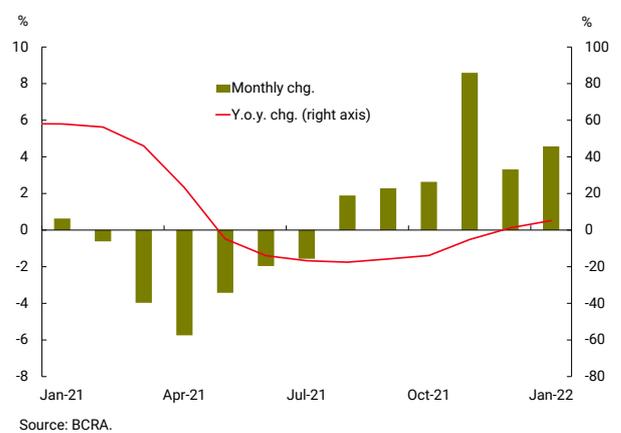
## 5. Loans to the Private Sector in Pesos

**In January, loans in pesos to the private sector grew slightly (0.2% s.a.) in real terms, thus posting five months of improvement.** Business credit lines went on contributing positively to monthly change, which was in part offset by a fall in financing on credit cards (see Chart 5.1). Credit in pesos to the private sector in terms of GDP remained just above 7%, a figure comparable to that of December.

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



**Chart 5.2 | Promissory Notes**  
Change of average monthly stock at constant prices



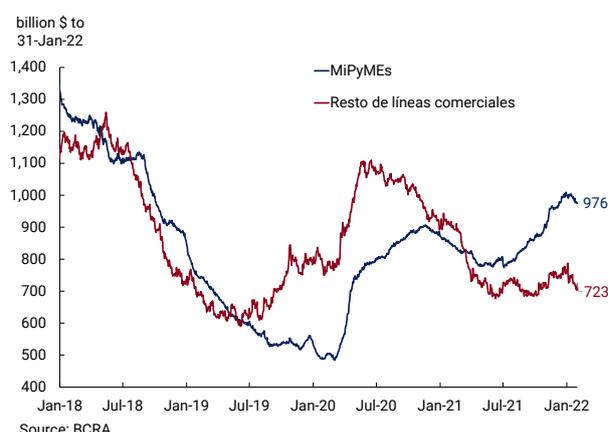
Business credit lines grew by 2.8% monthly at constant prices and in seasonally-adjusted terms. This financing was driven, once again, by credit lines arranged through promissory notes, with a 4.6% s.a. expansion rate at constant prices (see Chart 5.2). Both the dynamics of unsecured promissory notes, with an average longer term, and discounted notes could explain this rise (5.4% s.a. and 3% s.a., respectively, at constant prices).

However, it should be noted that virtually all the growth posted by business credit lines was explained by December's carryforward. Indeed, in terms of m.o.m. growth, there were no significant changes and even some credit lines clearly decreased in a context where companies' demand for credit tends to fall in January due to seasonal factors associated with less activity during the summer vacations.

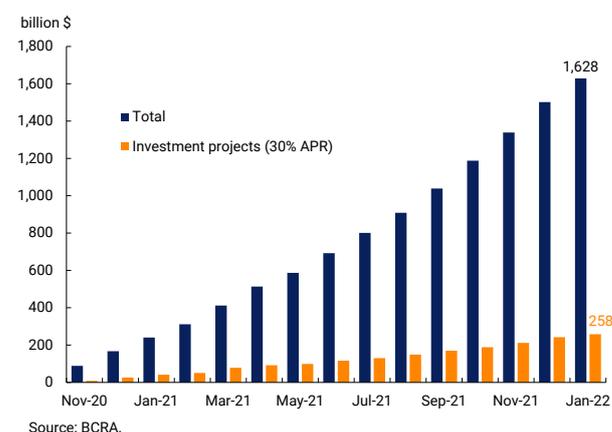
In spite of the drop of demand over January, loans to micro-, small-, and medium-sized enterprises (MSMEs) were mainly granted through the Credit Line for Productive Investment (LFIP, in Spanish). The fall observed in stocks of loans to MSMEs was lower than the one recorded for all other companies because of the LFIP's prime conditions (see Chart 5.3). Indeed, loans to MSMEs adjusted by the inflation rate went on posting a positive average in January, unlike loans to the remaining companies.

By the end of January, accrued disbursements for loans granted within the LFIP have reached about ARS1,628 billion since its implementation, up 8.4% against the end of December (see Chart 5.4). As of now, more than 215,000 companies have had access to credit within the framework of the LFIP. Around 84% of total disbursements was channeled to finance working capital and the rest to investment projects. The BCRA increased the maximum interest rate on financing for working capital by 6 p.p.—up to 41% APR—, and kept the interest rate on financing for investment projects unchanged—30% APR—in line with the rise in benchmark interest rates established at the beginning of 2022.

**Chart 5.3 | Business Loans to Private Sector by Type of Debtor**  
Stock at constant prices



**Chart 5.4 | Financing Granted through the Credit Line for Productive Investment (LFIP)**  
Accrued disbursed amounts as to end-of-month



As for loans with real property collateral, pledge-backed loans posted a monthly expansion rate of 2% s.a. at constant prices, evidencing a nineteen-month growth. Over the last twelve months, they accrued a 43.7% expansion and, together with loans granted through notes, they are the only lines that show a positive change vis-à-vis January 2021. On the contrary, the stock of mortgage-backed loans fell 0.5% s.a. in real terms, with an accrued contraction of 13.7% over the last 12 months.

Last, loans associated with consumption contracted during January. Financing on credit cards declined by 2% s.a. in real terms in January 2022, down 12% against a year before. In turn, personal loans remained virtually stable at constant prices (0.1% s.a.), with a year-on-year decrease that reached 1.5%. The interest rate on personal loans increased 1.9 p.p. on average and stood at 54.9% APR in January.

## 6. Financial Institutions' Liquidity in Pesos

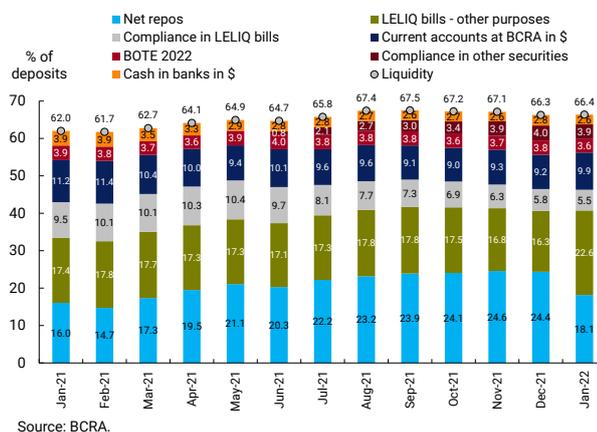
**In January, broad liquidity in domestic currency<sup>11</sup> averaged 66.4% of deposits, up 0.1 p.p. against November, remaining at historically high levels.**

<sup>11</sup> It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQ bills, and holdings of bonds admitted to comply with the minimum reserve requirements.

**The redesign of the monetary policy instruments carried out at the beginning of 2022 (see Monetary Base) had an impact on the components of bank liquidity.** Indeed, LELIQ bills not used to comply with minimum cash requirements increased from 16.3% to 22.6% of deposits, and reverse repos fell from 24.4% to 18.1% of deposits. This trend is expected to continue in February, since by the end of January there were no 7-day repos left (see Chart 6.1).

In addition, as regards minimum requirements, the BCRA changed the deduction on minimum cash requirements for financing to MSMEs, increased the portion admitted to be deducted for new financing on investment projects in the framework of the LFIP granted to MSMEs, and established that financial institutions must keep in reserve 100% of the funds deposited by payment service providers (PSPs) that provide payment accounts for their clients<sup>12</sup>. As a result of these changes, the current account increased by 0.7 p.p. of deposits on average in January. Finally, financial institutions' requirement to comply with minimum cash within the framework of the *Ahora 12* program was reduced to 40%<sup>13</sup>.

**Chart 6.1 | Financial Institutions' Liquidity in Pesos**



Source: BCRA.

## 7. Foreign Currency

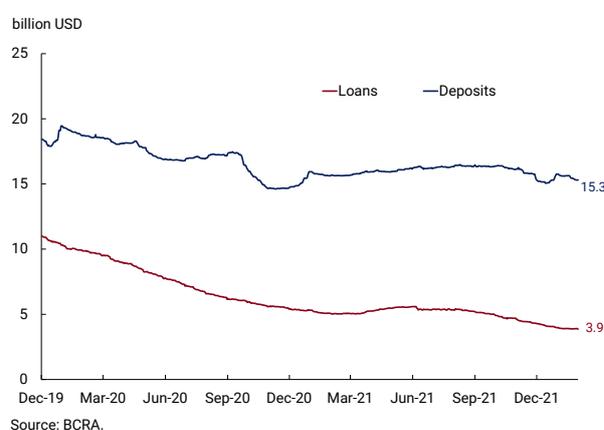
**Private sector deposits in foreign currency recorded a modest rise against last December.** This improvement was explained by the statistical carryforward presented in December, driven by the growth of deposits which, in turn, was favored by the exemption of the personal property tax from sight deposits. Indeed, the m.o.m. eop of deposits, from December 31 to January 31, decreased USD455 million, ending January with a stock of USD15.30 billion (see Chart 7.1). In turn, loans to the private sector contracted both in terms of the average monthly change and in m.o.m. terms, falling for the eighth time in a row. The decrease of financing was centralized in unsecured promissory notes, which virtually represent total loans in foreign currency.

Bank liquidity in foreign currency recorded a 0.9 p.p. rise, and averaged 82.9% of deposits in January. This was explained by the rise of financial institutions' deposits at the BCRA, which was in part offset by a fall of cash in banks (see Chart 7.2).

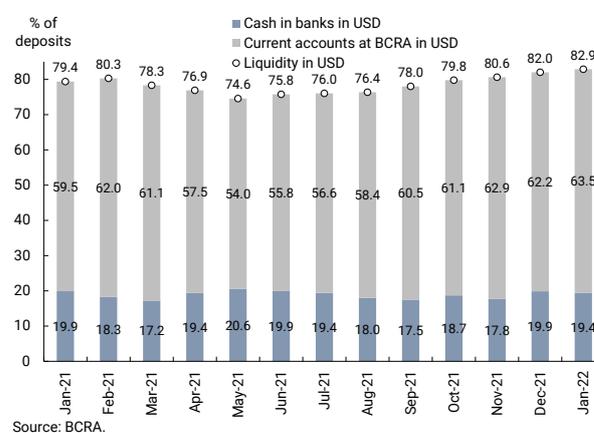
12 Communication "A" 7429.  
13 Communication "A" 7448.

In turn, some regulatory changes on the foreign exchange system took place in January. On the one hand, at sight payments or commercial debts pending import customs registration for imports of supplies used for manufacturing goods in Argentina were exempted from requiring the BCRA's prior consent to access the forex market, provided that the average amount of imports of supplies recorded in the last twelve months does not exceed the amount set out in the regulation<sup>14</sup>. On the other hand, the BCRA established that financial institutions must verify that clients conform to the Comprehensive System for Monitoring of Payment of Foreign Service (SIMPES, in Spanish) to transfer funds abroad. The Federal Administration of Public Revenue (Administración Federal de Ingresos Públicos, AFIP) created this system, which serves the purpose of analyzing taxpayers' compliance with tax liabilities, and economic and financial capacity when making transfers abroad for services.

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



**Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency**

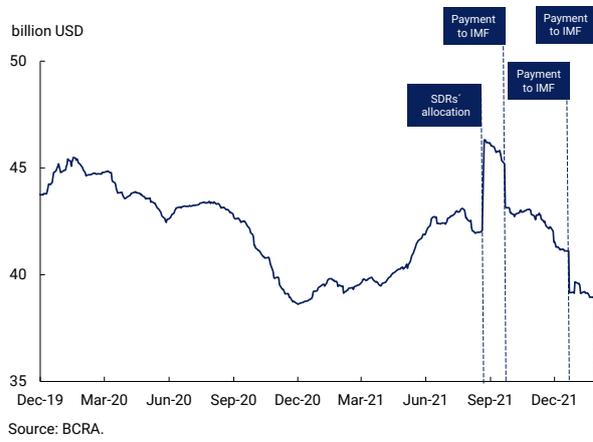


**At the end of January, the BCRA's international reserves reached USD37.59 billion, USD2.07 billion down against the end of December** (see Chart 7.3). One of the explanatory factors for this is the payment to the IMF for USD714 million by the end of January. The rest of the fall was basically explained by payments to other international organizations, other payments in foreign currency for debts incurred by the National Government, and net sales of currency to the private sector.

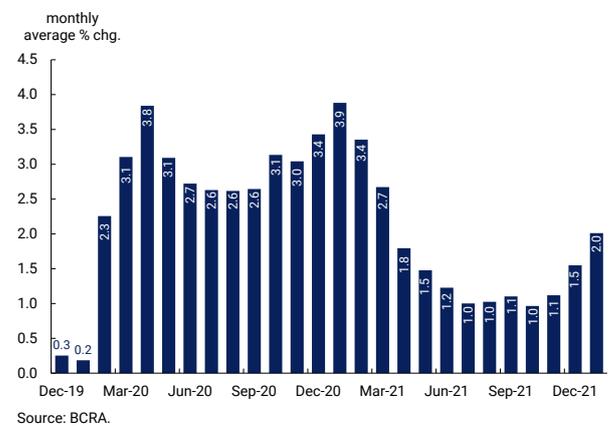
In line with the Objectives and Plans for 2022, the BCRA will seek to preserve external competitiveness, gradually readjusting the depreciation pace of domestic currency to levels more compatible with the inflation rate. This policy is further aimed at strengthening the position of international reserves through an accumulation of external surplus reflected on the forex market. Hence, **the ARS/USD nominal exchange rate (TCN, in Spanish) increased 2% and averaged ARS103.93/USD1 in January** (see Chart 7.4). A greater dynamism of TCN as well as that of the main trading partners allowed the Multilateral Real Exchange Rate Index (ITCRM, in Spanish) to stabilize during January.

14 Communication "A" 7433.

**Chart 7.3 | International Reserves**  
Daily stock



**Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA**



## 8. Regulatory Overview

Date of issue	Regulation	Description
6-Jan-22	Comm. "A" <a href="#">7432</a>	<p>Effective as from January 7, 2022, the minimum interest rate on natural persons' time deposits in financial institutions not exceeding ARS10 million on the date of deposit will be 97.5% of the monetary policy rate recorded on the day before the deposit is made or the last rate published. The interest rate on the remaining deposits will be 92.5% of the monetary policy rate. In turn, the interest rate on early-payment deposits will be 85% of such rate.</p> <p>Also, financial institutions may keep a short-term BCRA Liquidity Bill (LELIQ bills) net position for up to the average monthly amount of the daily average of time deposits in pesos from the non-financial private sector made in the previous period. So, they should decrease their holdings as they collect them. Moreover, effective as from January 10, 2022, <b>institutions with at least 20% of total time deposits in pesos from the non-financial private sector may keep a positive longer term LELIQ bill net position.</b></p> <p>Regarding minimum cash, <b>financial institutions are allowed to allocate short-term LELIQ bills to meet their minimum cash requirements in pesos.</b> Likewise, the minimum cash requirement will be reduced by 30% (formerly 14%) of the financings set forth in paragraph 4.1. of the "Credit Line for Productive Investment for MSMEs" agreed at an APR up to 30%, calculated as a monthly average of the daily balances of the previous month. Furthermore, <b>the interest rate on financing granted for working capital was increased to 41% APR as from January 10, 2022.</b></p> <p>Last, <b>the maximum interest rate on financing on credit cards was also raised to 49% APR</b> (formerly 43% APR) provided that the amount so financed does not exceed ARS200,000 per credit card account.</p>
6-Jan-22	Comm. "A" <a href="#">7433</a>	<p><b>Sight payments or commercial debts pending import customs registration for imports of supplies used for manufacturing goods in Argentina are exempted from the BCRA's prior consent to access the forex market,</b> provided that the average amount of imports of supplies recorded in the last twelve months (net of owed payments having import customs registration) does not exceed the amount equivalent to USD250,000 as set forth in paragraph 10.11.1. of the regulation on "Foreign trade and exchange".</p> <p>Moreover, <b>financial institutions are required to verify that clients conform to the SIMPES whenever they transfer funds abroad.</b> This system serves the purpose of analyzing taxpayers' compliance with tax liabilities, and economic and financial capacity when making transfers abroad for services. This Communication also explicitly excludes the cases in which this requirement does not apply.</p>
20-Jan-22	Comm. "A" <a href="#">7444</a>	<p>The application of paragraph 9.3 of the regulations on "Lending to the non-financial public sector" has been <b>extended until July 31, 2022.</b> It sets forth that <b>lending to the non-financial public sector channeled to the payment of wages, provided it complies with the requirements set forth in this regulation, is excluded for calculating basic individual and global caps on diversification of credit risk.</b></p>
27-Jan-22	Comm. "A" <a href="#">7448</a>	<p>Effective as from February 1, 2022, the BCRA <b>adopted a reduction on minimum cash requirements in pesos for 40% of total financing granted by financial institutions within the framework of the <i>Ahora 12</i> program</b> (formerly 50%).</p>

## 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 Jan-22						% of GDP	
	Jan-22	Dec-21	Nov-21	Dec-21	Jan-21	Monthly		Accrued in 2021		Year-on-year		Jan-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Monetary base</b>	<b>3,685,633</b>	<b>3,394,480</b>	<b>3,148,096</b>	<b>3,394,480</b>	<b>2,581,522</b>	8.6%	3.5%	8.6%	3.5%	42.8%	-7.6%	<b>6.3%</b>	<b>6.0%</b>
Currency in circulation	2,677,121	2,504,731	2,293,738	2,504,731	1,864,005	6.9%	-0.8%	6.9%	-0.8%	43.6%	-7.1%	<b>4.6%</b>	<b>4.6%</b>
Cash Held by the Public	2,412,352	2,230,702	2,058,046	2,230,702	1,613,506	8.1%	0.4%	8.1%	0.4%	49.5%	-3.3%	<b>4.2%</b>	<b>4.1%</b>
Cash in financial institutions	264,769	274,029	235,693	274,029	250,499	-3.4%	-11.9%	-3.4%	-11.9%	5.7%	-31.6%	<b>0.4%</b>	<b>0.5%</b>
Current accounts at BCRA	1,008,512	889,749	854,357	889,749	717,517	13.3%	13.8%	13.3%	13.8%	40.6%	-9.1%	<b>1.8%</b>	<b>1.6%</b>
<b>BCRA's remunerated liabilities (NV \$)</b>	<b>4,703,424</b>	<b>4,506,696</b>	<b>4,368,504</b>	<b>4,506,696</b>	<b>2,747,338</b>	4.4%	0.6%	4.4%	0.6%	71.2%	10.8%	<b>8.4%</b>	<b>8.1%</b>
Reverse repos	1,840,825	2,366,670	2,250,137	2,366,670	1,025,416	-22.2%	-25.0%	-22.2%	-25.0%	79.5%	16.2%	<b>3.3%</b>	<b>4.2%</b>
1 day	349,455	110,546	93,249	110,546	104,913	216.1%	204.8%	216.1%	204.8%	233.1%	115.5%	<b>0.6%</b>	<b>0.2%</b>
7 days	1,491,369	2,256,124	2,156,889	2,256,124	920,504	-33.9%	-36.3%	-33.9%	-36.3%	62.0%	4.8%	<b>2.7%</b>	<b>4.0%</b>
Stock of LELIQ bills	2,862,599	2,140,026	2,118,366	2,140,026	1,721,922	33.8%	29.0%	33.8%	29.0%	66.2%	7.6%	<b>5.1%</b>	<b>3.8%</b>
<b>BCRA's international reserves in dollars</b>	<b>38,964</b>	<b>40,584</b>	<b>42,464</b>	<b>40,584</b>	<b>39,610</b>	-4.0%	-	-4.0%	-	-1.6%	-	<b>7.2%</b>	<b>7.6%</b>

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2021		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
<b>Monetary base</b>	<b>291,153</b>	<b>8.6%</b>	<b>676,317</b>	<b>22.5%</b>	<b>291,153</b>	<b>8.6%</b>	<b>1,104,111</b>	<b>42.8%</b>
Foreign exchange purchases to private sector and others	-8,332	-0.2%	-132,924	-4.4%	-8,332	-0.2%	439,151	17.0%
Foreign exchange purchase to the NT	-29,387	-0.9%	-36,839	-1.2%	-29,387	-0.9%	58,814	2.3%
Temporary advances and profit transfers to National Government	409,042	12.1%	1,004,856	33.4%	409,042	12.1%	1,716,054	66.5%
Other public-sector transactions	-39,032	-1.1%	-34,723	-1.2%	-39,032	-1.1%	-96,978	-3.8%
Repos and LELIQ bills	-6,737	-0.2%	28,375	0.9%	-6,737	-0.2%	-528,946	-20.5%
Others	-34,400	-1.0%	-152,428	-5.1%	-34,400	-1.0%	-483,983	-18.7%
<b>International reserves</b>	<b>-1,621</b>	<b>-4.0%</b>	<b>-3,956</b>	<b>-9.2%</b>	<b>-1,621</b>	<b>-4.0%</b>	<b>-647</b>	<b>-1.6%</b>
Purchases of foreign currency	-81	-0.2%	-1,315	-3.1%	-81	-0.2%	4,887	12.3%
International organizations	-1,400	-3.5%	-2,640	-6.2%	-1,400	-3.5%	-2,114	-5.3%
Other public-sector transactions	594	1.5%	2,405	5.6%	594	1.5%	2,683	6.8%
Minimum cash requirements	566	1.4%	282	0.7%	566	1.4%	957	2.4%
Others (incl. forex valuation)	-1,300	-3.2%	-2,688	-6.3%	-1,300	-3.2%	-7,060	-17.8%

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

Minimum Cash Requirement and Compliance	Jan-22	Dec-21	Nov-21
<b>Domestic Currency</b>	% of total deposits in pesos		
Requirement	22.6	22.1	22.8
Compliance in current account	9.9	9.2	9.3
Compliance in Leliq	18.0	18.3	19.3
Compliance in BOTE 2022	3.6	3.8	3.7
Compliance in Other Facilities	3.9	4.0	3.9
<b>Foreign Currency</b>	% of total deposits in foreign currency		
Requirement	24.0	24.0	24.0
Compliance (includes default application resource)	63.5	62.2	62.9
Position <sup>(1)</sup>	39.5	38.2	38.9

(1) Position = Compliance - Requirement

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 Jan-22						% of GDP <sup>4</sup>	
	Jan-22	Dec-21	Nov-21	Dec-21	Jan-21	Monthly		Accrued in 2021		Year-on-year		Jan-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Domestic currency</b>													
<b>Total deposits from the non-financial sector in pesos<sup>1</sup></b>	<b>10,079,920</b>	<b>9,608,635</b>	<b>9,062,126</b>	<b>9,608,635</b>	<b>6,320,153</b>	4.9%	2.0%	4.9%	2.0%	59.5%	3.2%	<b>17.8%</b>	<b>17.3%</b>
<i>Private sector deposits</i>	8,055,738	7,742,862	7,260,284	7,742,862	5,063,041	4.0%	1.3%	4.0%	1.3%	59.1%	3.0%	<b>14.2%</b>	<b>13.9%</b>
<b>Private Sector Sight Deposits</b>	<b>4,222,532</b>	<b>4,120,701</b>	<b>3,730,509</b>	<b>4,120,701</b>	<b>2,575,423</b>	2.5%	1.3%	2.5%	1.3%	64.0%	6.1%	<b>7.3%</b>	<b>7.2%</b>
Non-interest bearing (transactional)	3,432,695	3,308,963	2,944,670	3,308,963	2,129,580	3.7%	3.3%	3.7%	3.3%	61.2%	4.3%	<b>5.9%</b>	<b>5.7%</b>
Interest-bearing	789,838	811,738	785,839	811,738	445,843	-2.7%	-6.2%	-2.7%	-6.2%	77.2%	14.6%	<b>1.4%</b>	<b>1.5%</b>
<b>Private Sector Time Deposits and Others</b>	<b>3,833,206</b>	<b>3,622,161</b>	<b>3,529,775</b>	<b>3,622,161</b>	<b>2,487,618</b>	5.8%	2.1%	5.8%	2.1%	54.1%	-0.3%	<b>6.9%</b>	<b>6.7%</b>
Time Deposits	3,692,530	3,473,779	3,402,837	3,473,779	2,382,453	6.3%	2.5%	6.3%	2.5%	55.0%	0.3%	<b>6.6%</b>	<b>6.4%</b>
CER / UVA non-adjustable	3,523,118	3,314,129	3,248,962	3,314,129	2,319,345	6.3%	2.5%	6.3%	2.5%	51.9%	-1.7%	<b>6.3%</b>	<b>6.1%</b>
CER / UVA-adjustable	169,411	159,650	153,875	159,650	63,107	6.1%	2.3%	6.1%	2.3%	168.5%	73.7%	<b>0.3%</b>	<b>0.3%</b>
Traditional	107,527	102,682	100,535	102,682	48,615	4.7%	1.0%	4.7%	1.0%	121.2%	43.1%	<b>0.2%</b>	<b>0.2%</b>
Early-payment	61,885	56,968	53,340	56,968	14,492	8.6%	4.8%	8.6%	4.8%	327.0%	176.3%	<b>0.1%</b>	<b>0.1%</b>
Other deposits	140,676	148,382	126,938	148,382	105,165	-5.2%	-8.6%	-5.2%	-8.6%	33.8%	-13.4%	<b>0.3%</b>	<b>0.3%</b>
<i>Public sector deposits<sup>2</sup></i>	<i>2,024,182</i>	<i>1,865,772</i>	<i>1,801,842</i>	<i>1,865,772</i>	<i>1,257,112</i>	8.5%	4.6%	8.5%	4.6%	61.0%	4.2%	<b>3.6%</b>	<b>3.4%</b>
<b>Monetary Aggregates</b>													
Total M2	7,554,028	7,144,286	6,499,085	7,144,286	4,752,732	5.7%	1.7%	5.7%	1.7%	58.9%	2.8%	<b>12.9%</b>	<b>12.6%</b>
Total M3	12,577,572	11,928,494	11,215,685	11,928,494	8,006,717	5.4%	1.5%	5.4%	1.5%	57.1%	1.6%	<b>22.0%</b>	<b>21.6%</b>
<b>Private sector monetary aggregates</b>													
Private M2	6,634,884	6,351,403	5,788,555	6,351,403	4,188,928	4.5%	0.5%	4.5%	0.5%	58.4%	2.5%	<b>11.5%</b>	<b>11.4%</b>
Transactional private M2 <sup>3</sup>	5,845,047	5,539,665	5,002,716	5,539,665	3,743,086	5.5%	2.1%	5.5%	2.1%	56.2%	1.0%	<b>10.1%</b>	<b>9.8%</b>
Private M3	10,468,090	9,973,564	9,318,330	9,973,564	6,676,546	5.0%	1.1%	5.0%	1.1%	56.8%	1.5%	<b>18.5%</b>	<b>18.2%</b>
<b>Total loans to the non-financial sector in pesos</b>	<b>4,159,475</b>	<b>4,058,133</b>	<b>3,811,700</b>	<b>4,058,133</b>	<b>2,829,302</b>	2.5%	0.1%	2.5%	0.1%	47.0%	-4.9%	<b>7.4%</b>	<b>7.3%</b>
<b>Loans to the non-financial private sector</b>	<b>4,108,150</b>	<b>4,003,444</b>	<b>3,763,931</b>	<b>4,003,444</b>	<b>2,782,514</b>	2.6%	0.2%	2.6%	0.2%	47.6%	-4.5%	<b>7.3%</b>	<b>7.2%</b>
Overdrafts	397,996	392,585	368,292	392,585	293,425	1.4%	0.4%	1.4%	0.4%	35.6%	-12.2%	<b>0.7%</b>	<b>0.7%</b>
Promissory notes	1,049,876	1,010,395	936,762	1,010,395	647,494	3.9%	4.6%	3.9%	4.6%	62.1%	4.9%	<b>1.9%</b>	<b>1.8%</b>
Mortgage-backed loans	289,581	280,283	268,694	280,283	217,087	3.3%	-0.5%	3.3%	-0.5%	33.4%	-13.7%	<b>0.5%</b>	<b>0.5%</b>
Pledge-backed loans	241,257	229,234	213,566	229,234	108,596	5.2%	2.0%	5.2%	2.0%	122.2%	43.7%	<b>0.4%</b>	<b>0.4%</b>
Personal loans	685,376	665,885	636,455	665,885	450,270	2.9%	0.1%	2.9%	0.1%	52.2%	-1.5%	<b>1.2%</b>	<b>1.2%</b>
Credit cards	1,210,953	1,198,243	1,125,049	1,198,243	890,350	1.1%	-2.0%	1.1%	-2.0%	36.0%	-12.0%	<b>2.1%</b>	<b>2.1%</b>
Others	233,111	226,818	215,113	226,818	175,293	2.8%	-0.6%	2.8%	-0.6%	33.0%	-14.0%	<b>0.4%</b>	<b>0.4%</b>
<b>Loans to the non-financial public sector</b>	<b>51,325</b>	<b>54,689</b>	<b>47,770</b>	<b>54,689</b>	<b>46,787</b>	-6.2%	-9.5%	-6.2%	-9.5%	9.7%	-29.0%	<b>0.1%</b>	<b>0.1%</b>
<b>Foreign currency</b>													
<b>Deposits from the non-financial sector in dollars<sup>1</sup></b>	<b>18,742</b>	<b>18,237</b>	<b>18,753</b>	<b>18,237</b>	<b>18,446</b>	2.8%	-	2.8%	-	1.6%	-	<b>3.5%</b>	<b>3.5%</b>
Deposits from the non-financial private sector in dollars	15,538	15,255	15,896	15,255	15,744	1.9%	-	1.9%	-	-1.3%	-	<b>2.9%</b>	<b>2.9%</b>
sight deposits	11,526	11,233	11,780	11,233	11,383	2.6%	-	2.6%	-	1.3%	-	<b>2.1%</b>	<b>2.1%</b>
time deposits and others	4,013	4,022	4,116	4,022	4,361	-0.2%	-	-0.2%	-	-8.0%	-	<b>0.7%</b>	<b>0.8%</b>
Deposits from the non-financial public sector in dollars	3,203	2,982	2,857	2,982	2,702	7.4%	-	7.4%	-	18.5%	-	<b>0.6%</b>	<b>0.6%</b>
<b>Loans to the non-financial sector in dollars</b>	<b>4,048</b>	<b>4,268</b>	<b>4,576</b>	<b>4,268</b>	<b>5,271</b>	-5.2%	-	-5.2%	-	-23.2%	-	<b>0.8%</b>	<b>0.8%</b>
Loans to the non-financial private sector in dollars	3,907	4,127	4,435	4,127	5,147	-5.3%	-	-5.3%	-	-24.1%	-	<b>0.7%</b>	<b>0.8%</b>
Promissory notes	2,550	2,729	2,984	2,729	3,467	-6.6%	-	-6.6%	-	-26.5%	-	<b>0.5%</b>	<b>0.5%</b>
Credit cards	145	137	138	137	82	6.0%	-	6.0%	-	76.2%	-	<b>0.0%</b>	<b>0.0%</b>
Others	1,212	1,261	1,313	1,261	1,597	-3.9%	-	-3.9%	-	-24.1%	-	<b>0.2%</b>	<b>0.2%</b>
Loans to the non-financial public sector in dollars	141	141	141	141	125	0.0%	-	0.0%	-	13.2%	-	<b>0.0%</b>	<b>0.0%</b>

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

<sup>2</sup> Net of the use of unified funds.

<sup>3</sup> It excludes interest-bearing sight deposits from private M2.

<sup>4</sup> 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 average for rates weighted by amount.

Monetary policy interest rates	Jan-22	EAR Jan-22	Dec-21	Nov-21	Oct-21	Jan-21
<b>BCRA repo interest rates</b>						
Overnight reverse repo	32.00	37.69	32.00	32.00	32.00	32.00
7-day reverse repo	32.00	37.58	36.50	36.50	36.50	36.50
Overnight repo	42.70	53.23	42.70	42.70	42.70	81.80
<b>28-day LELIQ bills interest rate</b>	40.00	48.29	38.00	38.00	38.00	38.00
<b>180-day LELIQ bills interest rate</b>	44.00	54.15				
Interbank market interest rates	Jan-22	EAR Jan-22	Dec-21	Nov-21	Oct-21	Jan-21
<b>Repo rates among third parties on overnight REPO round</b>	29.43	34.20	30.98	29.67	30.62	32.78
Volume of repos traded among third parties (daily average)	3,753		4,489	2,959	5,284	5,360
<b>Calls in pesos (overnight)</b>						
Interest rate	31.39	36.86	30.46	30.94	30.94	30.27
Traded volume	19,828		19,687	18,211	14,794	8,656
Borrowing interest rates	Jan-22	EAR Jan-22	Dec-21	Nov-21	Oct-21	Jan-21
<b>Sight deposits</b>						
Interest-bearing	28.63	32.71	28.87	29.11	30.24	28.36
<b>Time deposits</b>						
Natural persons' up to \$1 million (30-35 days) <sup>1</sup>	38.25	45.74	36.29	36.30	36.29	36.35
Total TM20 (more than \$20 million, 30-35 days)	35.28	41.59	33.25	33.26	33.31	33.31
Private banks' TM20 (more than \$20 million, 30-35 days)	35.98	42.56	33.98	33.95	33.95	34.10
Total BADLAR (more than \$1 million, 30-35 days)	35.78	42.28	33.34	33.37	33.40	33.27
Private banks' BADLAR (more than \$1 million, 30-35 days)	36.66	43.50	34.20	34.17	34.15	34.15
<b>Interest rate on UVA deposits' early-payment option</b>	34.00	39.84	30.50	30.50		
Lending interest rates	Jan-22	EAR Jan-22	Dec-21	Nov-21	Oct-21	Jan-21
<b>Loans to the non-financial private sector in pesos</b>						
Overdrafts	41.59	51.54	40.46	41.08	41.53	40.48
1 to 7 days—in accordance with companies—more than \$10 million	35.69	42.71	35.36	35.19	35.24	34.69
Unsecured promissory notes	34.80	40.93	34.78	34.63	34.90	34.68
Mortgage-backed loans	30.51	35.17	29.71	28.78	31.51	29.23
Pledge-backed loans	27.22	30.90	28.16	27.80	27.59	27.72
Personal loans	54.89	71.07	53.00	51.79	52.86	56.38
Credit cards	42.86	52.38	42.78	43.03	42.73	42.35
Interest rate in foreign currency	Jan-22	EAR Jan-22	Dec-21	Nov-21	Oct-21	Jan-21
<b>Time deposits in dollars (30 to 44 days)</b>	0.37	0.37	0.37	0.37	0.37	0.43
<b>Unsecured promissory notes in dollars</b>	4.97	5.08	5.97	3.40	3.83	5.01
Exchange rate	Jan-22	Monthly chg. (%)	Dec-21	Nov-21	Oct-21	Jan-21
<b>NER peso/dollar</b>						
Wholesale rate (Comm. "A" 3.500)	103.93	2.01	101.88	100.33	99.22	83.50
Retail rate <sup>2</sup>	106.28	1.93	104.27	102.68	101.60	88.26
<b>NER peso/dollar</b>	18.81	4.48	18.01	18.07	17.94	15.92
<b>NER peso/euro</b>	117.63	2.16	115.14	114.45	115.05	101.04
ITCNM	693.36	3.04	672.89	668.80	664.04	590.00
ITCRM	102.31	-0.26	102.58	104.70	106.49	123.80

<sup>1</sup> The average interest rate shown is slightly below the minimum interest rate because it includes time deposits up to \$1 million from holders who have a total of more than \$1 million time deposits in the financial institution. The minimum interest rate only covers deposits made by each holder in the same financial institution when all of them do not exceed such amount.

<sup>2</sup> 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

**EOP:** end of period

**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

**M.o.m.:** month-on-month

**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 of Payment of Foreign Service

**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