

Monthly Monetary Report

August 2021



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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The closing date for statistics in this report was September 7, 2021. All figures are provisional and subject to review.

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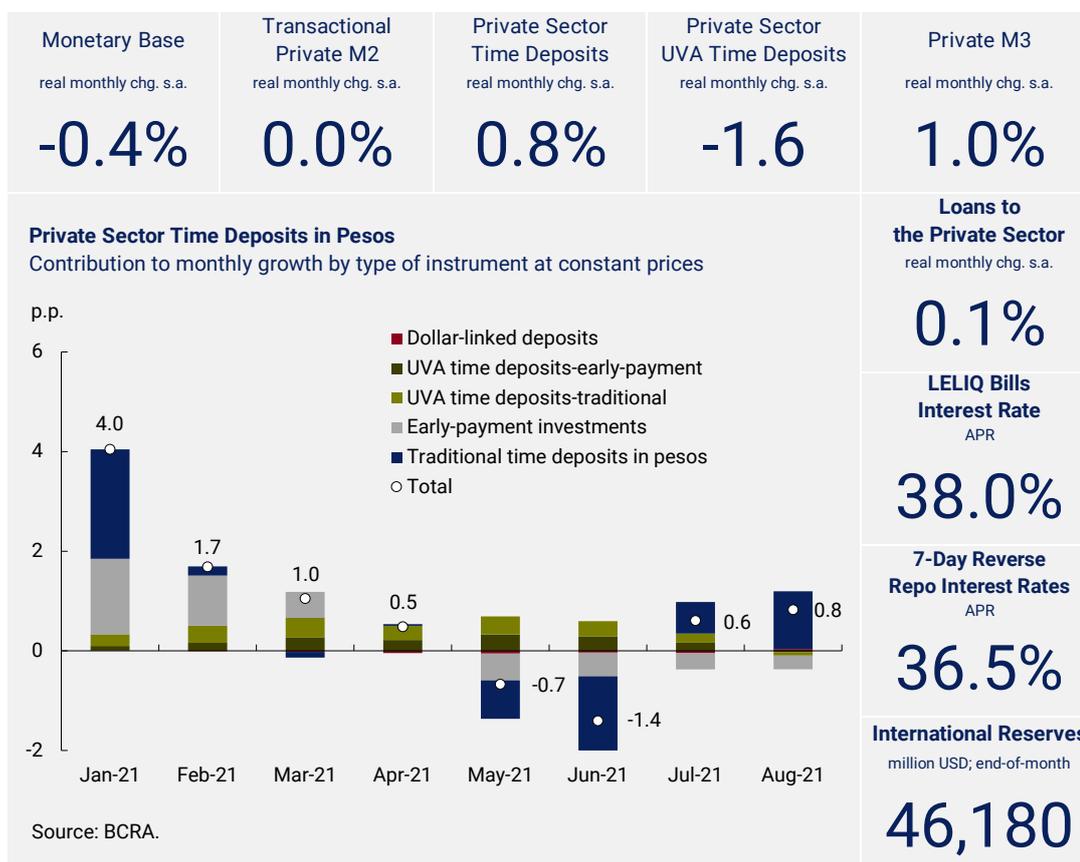
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About inclusive language in the Spanish version of this report

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



In real and seasonally-adjusted terms, means of payment (transactional private M2) remained virtually unchanged in August, after rising for three months in a row. This performance was driven by a fall of transactional sight deposits, which was offset by a rise of cash held by the public. The growth of cash in circulation could be explained by the payment of the extraordinary subsidy of up to ARS5,000 to the retired and pensioners, and their marked preference for the use of cash.

Private sector time deposits in pesos increased at constant prices for the second month in a row. In terms of instruments, mainly traditional time deposits in pesos posted the greatest contribution. In turn, early-payment investments and UVA deposits contributed negatively to monthly expansion. The latter brought an eight-month period of uninterrupted improvement to a close. This is explained by the moderate inflation estimations, the interest rate spread between UVA deposits and deposits denominated in pesos becoming virtually insignificant.

Among loans in pesos to the non-financial private sector, business credit lines and pledge-backed loans were the most dynamic. As regards business credit lines, short-term financing continued contributing to growth on a strong basis. However, longer-term financing exhibited a better performance over the month.

Regarding foreign currency, financial institutions' assets and liabilities did not exhibit any significant changes. As for international reserves, in August, the allocation of Special Drawing Rights (SDRs) for USD4.30 billion was recorded. They had been granted by the IMF to mitigate the effects of the pandemic.

2. Means of Payment

In real¹ and seasonally-adjusted terms, means of payment (transactional private M2²) remained unchanged, after rising for two months in a row. Among its components, transactional sight deposits posted a negative contribution, which was virtually offset by the positive contribution of cash held by the public (see Charts 2.1 and 2.2). Transactional private M2 in terms of GDP stood at about 10%, down 1.3 p.p. against the average ratio for the 2010-2019 period, and down 4.0 p.p. vis-à-vis the maximum reached in June 2020.

Chart 2.1 | Transactional Private M2 and Components
Index at current prices

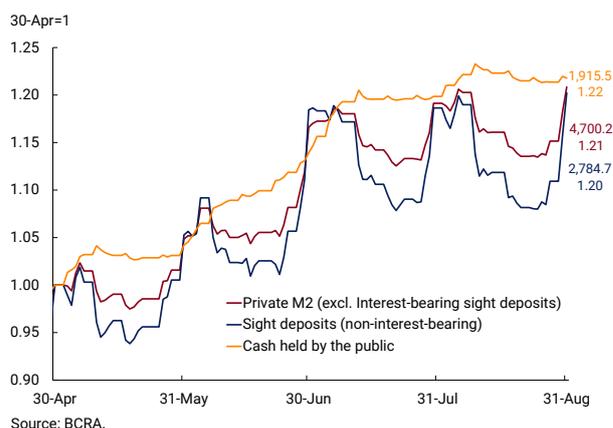
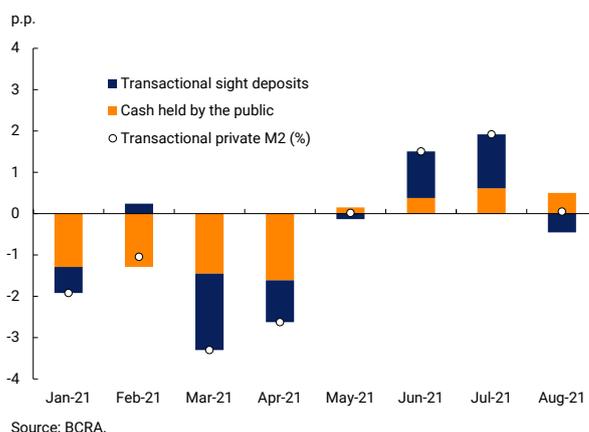


Chart 2.2 | Transactional Private M2
Contribution to s.a. monthly growth at constant prices by component



Transactional sight deposits recorded a 0.9% s.a. fall at constant prices, after two months of rises. In turn, cash in circulation rose by 1.2% s.a. at constant prices, expanding at a pace similar to that of July. **The public transfer of funds to the most vulnerable sectors—which make a more extensive use of cash—was one of the factors that explained the sustained increase of cash held by the public from May. Particularly in August, ANSES paid the extraordinary subsidy of up to ARS5,000 to the retired and pensioners³ together with the monthly payments.** In spite of the growth that cash held by the public exhibited over the last few months, it accrued about a 9% fall over 2021 at constant prices, and stood at 4.2% in terms of GDP. This figure was comparable to the one observed in March 2020 and it was 1.7 p.p. lower than the highest reached that year.

In this context, the BCRA went on promoting the use of electronic means of payment. Indeed, it adopted the creation of a QR code to identify business accounts in financial institutions and payment service providers (PSP), which will allow electronic wallet users to read the QR code from their application and make transfers or virtual payments. This new QR code differs from the existing ones because it directly identifies the shop's account, allowing immediate crediting of the funds transferred at the lowest fee⁴.

1 The National Institute of Statistics and Censuses (INDEC) will publish August's inflation data on September 14.

2 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.

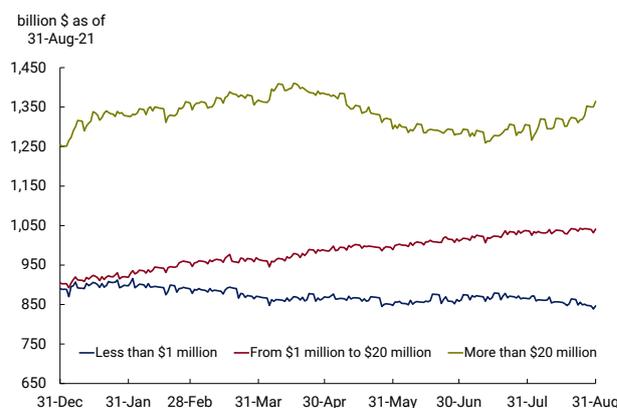
3 Executive Order No. 481/ 2021.

4 See "Regulatory Overview" (Comm. "A" 7346).

3. Savings Instruments in Pesos

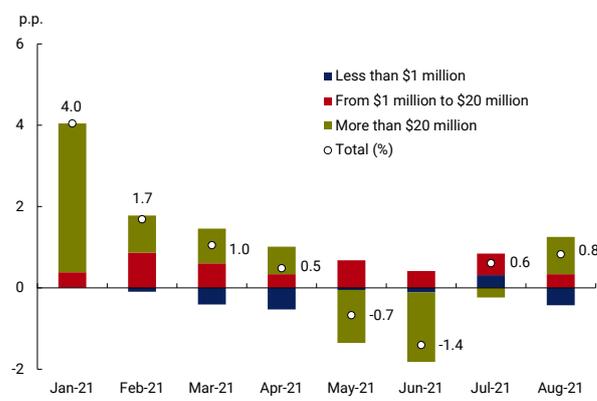
Private sector time deposits in pesos increased at constant prices (0.8% s.a.) for the second month in a row. Wholesale segment deposits (over ARS20 million) improved the most, exhibiting an upward trend since mid-July (see Chart 3.1). Thus, this type of deposits contributed positively to monthly expansion, reverting the performance observed between May and July (see Chart 3.2).

Chart 3.1 | Private Sector Time Deposits in Pesos
Daily stock at constant prices grouped by amount



Source: BCRA.

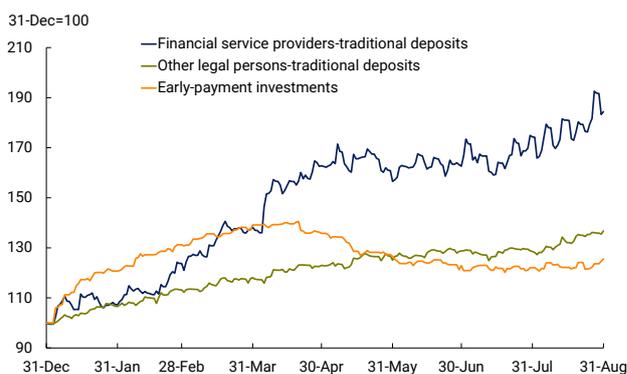
Chart 3.2 | Private Sector Time Deposits in Pesos
Contribution to real monthly change by amount



Source: BCRA.

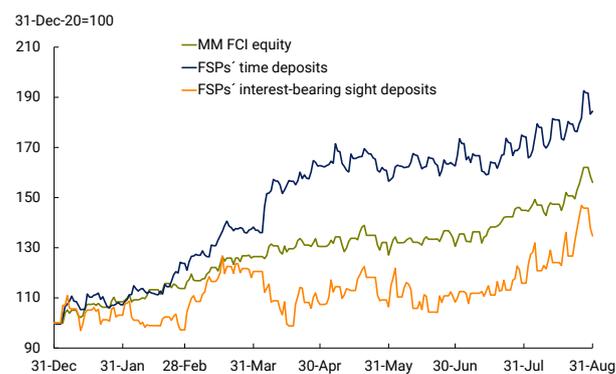
As for wholesale depositors, both the deposits of financial service providers (FSPs) and of companies inched up over August (see Chart 3.3). The growth of FSP's deposits was associated with the increase of equity of money market funds (MM FCI). This performance was also replicated in the clear rise of interest-bearing sight deposits (see Chart 3.4). In turn, companies also invested part of their surplus in time deposits, after a period of greater wage expenses and payment of taxes. The rise in wholesale deposits was mainly observed in traditional deposits, whereas early-payment investments remained nearly unchanged. It is worth mentioning that, in August, private banks' TM20 stood at 33.9% APR (39.7% EAR), around 7 p.p. and 4 p.p. above the interest rate paid to legal persons on early-payment investments and the average rate on interest-bearing sight deposits, respectively.

Chart 3.3 | Time Deposits over ARS20 Million by Type of Depositor
Index at current prices



Source: BCRA.

Chart 3.4 | Equity of MM FCI and Main Investments
Index at current prices



Source: BCRA.

Deposits between ARS1 and ARS20 million at constant prices recorded a slight improvement over August, whereas those below ARS1 million evidenced a minor fall. It is worth noting that retail deposits fell due to the lower amount segments, which had gained momentum in July when the semi-annual complementary wage was paid. The interest rate on natural persons' time deposits not exceeding ARS1 million stood at 36.3% APR, on average (43.0% EAR)⁵.

UVA time deposits posted a downward trend from the first week of August, evidencing a homogeneous performance both in traditional and early-payment deposits (see Chart 3.5). Thus, the average monthly stock of UVA time deposits stood at ARS182.11 billion, resulting in a 1.6% s.a. monthly contraction at constant prices, and **bringing an eight-month period of rises to a close.** Natural persons' deposits fell the most, although they recorded the highest growth over the year. Legal persons' deposits remained fairly stable, with a minor fall over the end of August (see Chart 3.6). **These deposits moderated their expansion pace, in a context in which the rate spread between UVA deposits and deposits denominated in pesos was virtually insignificant, given the lower inflation estimates for the months to come.**

The broad monetary aggregate (private M3)⁶ at constant prices rose by 1.0% s.a. in August, accumulating a fall of around 8% over the last 12 months. In terms of GDP, it stood at 18.5%, which is comparable to the average recorded between 2010 and 2019.

Chart 3.5 | Private Sector UVA Time Deposits
Stock at current prices

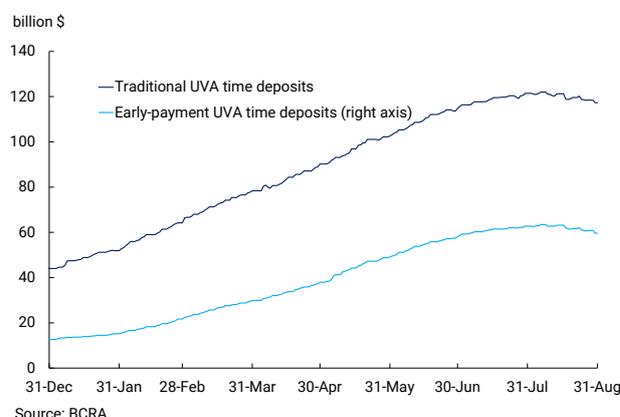
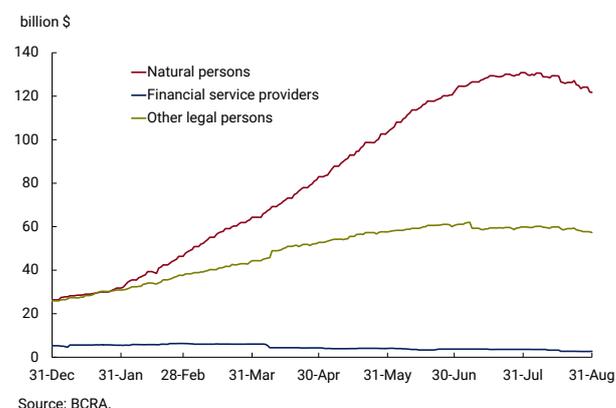


Chart 3.6 | Private Sector UVA Time Deposits by Type of Holder
Stock at current prices



4. Monetary Base

In August, the monetary base stood at ARS2,928 billion, evidencing an average monthly growth of 2.8% in nominal terms (+ARS79.95 billion). On the supply side, this expansion was associated with fund transfers to the National Treasury. However, it is worth noting that the public sector's primary issuance reached 1.0% of GDP over 2021, much lower than in 2020 and the 2015-2017 period (see Chart 4.1). Purchases of foreign currency to the private sector also contributed positively to monetary base expansion, but to a lesser extent. In turn, monetary policy instruments and the rest contributed negatively in August. The year-on-year change of the monetary base at constant prices got stabilized over the last few months, contracting nearly 19% (see Chart 4.2).

⁵ It is worth mentioning that the average interest rate under consideration is slightly lower than the minimum interest rate. The reason for this is that the latter only involves natural persons' deposits below ARS1 million.

⁶ It includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

Chart 4.1 | Public Sector Primary Expansion*

Accrued to August each year

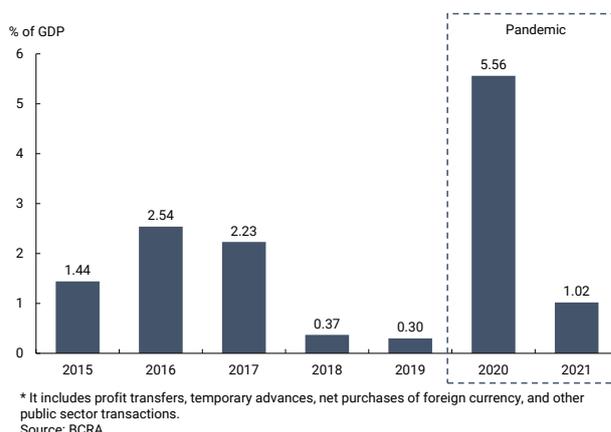
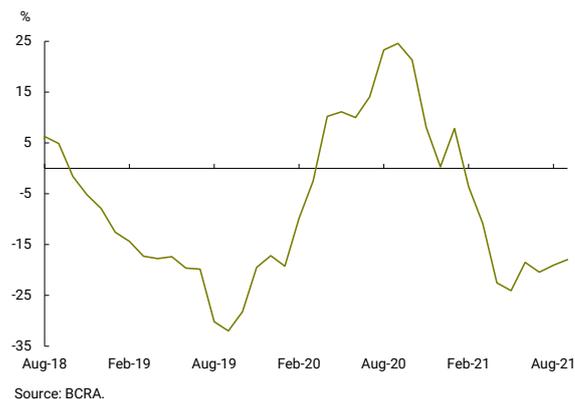


Chart 4.2 | Monetary Base

Year-on-year change at constant prices



5. Loans to the Private Sector

In August, loans in pesos to the private sector remained virtually stable (0.1%) in real and seasonally-adjusted terms. While financing to consumption contracted, business credit lines and pledge-backed loans posted a monthly growth once again (see Chart 5.1). In terms of GDP, loans in pesos to the private sector stood at 7.2% (see Chart 5.2).

Chart 5.1 | Loans to Private Sector in Pesos

Real, seasonally-adjusted; contribution to monthly growth

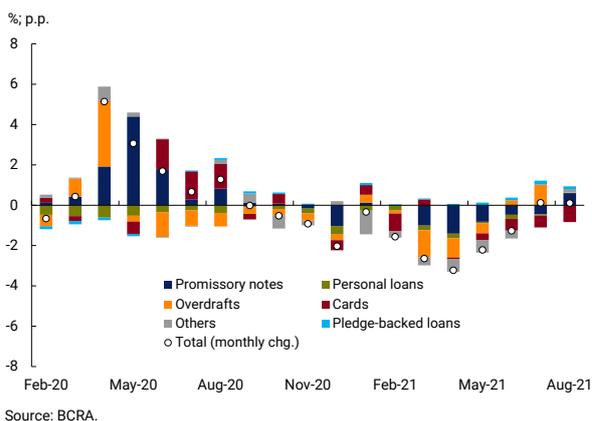
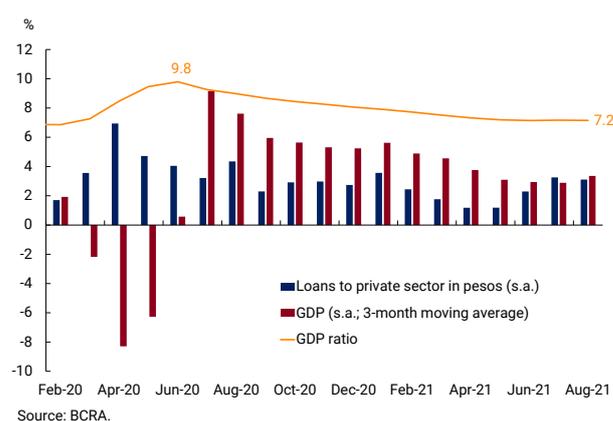


Chart 5.2 | Loans to Private Sector in Pesos as % of GDP

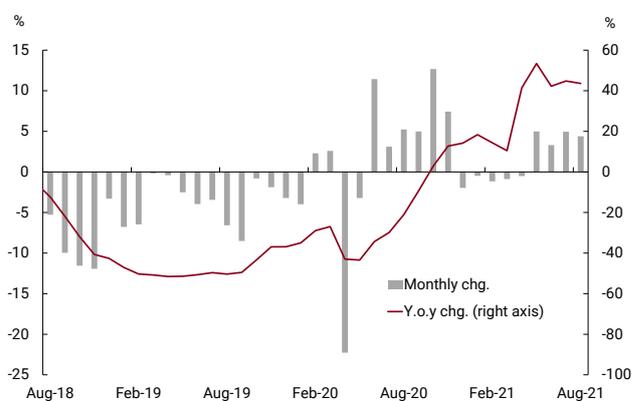


Aggregate business credit lines posted a monthly rise of 1.3% in real and seasonally-adjusted terms. Shorter-term financing posted the main contribution to growth, though longer-term financing exhibited a better performance over the month. In turn, discounted notes exhibited an average monthly growth of 4.4% s.a. at constant prices, mainly driven by the Credit Line for Productive Investment (LFIP) granted to micro, small, and medium-sized enterprises (MSMEs) (see Chart 5.3). The average interest rate on discounted documents stood at 31.4% in August, in line with the cost of financing for the LFIP⁷. Financing granted in the form of overdrafts remained fairly stable over August. However, the positive carryforward presented in July was the main factor for overdrafts' monthly growth rate of 0.2% s.a. at constant prices, which was lower than

⁷ The LFIP comprises a credit line to finance investment projects at a maximum 30% APR, and a line channeled to working capital at a maximum 35% APR.

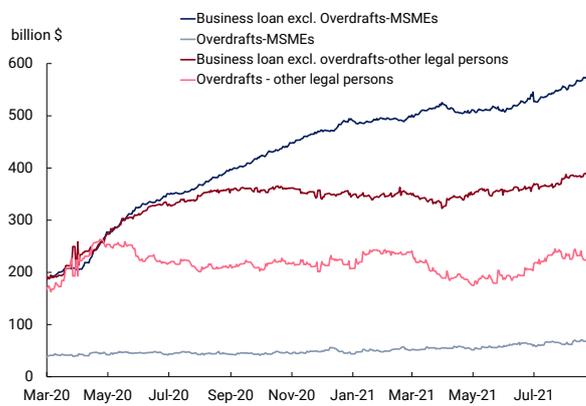
the rate observed over the last two months (see Chart 5.4). As for longer-term financing, promissory notes brought a six-month period of real negative changes to an end, with a rise of 0.8% s.a. over August.

Chart 5.3 | Seasonally-Adjusted Discounted Notes
Change at constant prices



Source: BCRA.

Chart 5.4 | Business Loans by Type of Debtor and Credit Line
Stock at current prices



Source: BCRA.

By the end of August, accrued disbursements for loans granted within the LFIP have reached about ARS908.70 billion since its implementation, up 13.4% against the end of July. As far as the end use of these funds is concerned, around 84% of total disbursements was channeled to finance working capital, and the rest to investment projects (see Chart 5.5). At the time of this publication, the LFIP credit lines had been granted to 165,000 companies.

As regards loans to consumption, financing on credit cards posted a monthly fall of 2.6% s.a. at constant prices. It is worth mentioning that the National Government relaunched the Zero Interest Rate Credit Line aimed at self-employed workers for a maximum amount of ARS150,000 (according to the tax category). These loans will be credited to the credit card in one installment, will have a six-month grace period, and will be paid back in twelve monthly interest-free installments⁸. This credit line and the expansion of the *Ahora 12 Plan* are expected to promote financing on credit cards over the next few months. In turn, personal loans remained stable in real terms, and averaged 53.1% APR in August (similar figure to that of July).

As regards loans with real property collateral, pledge-backed loans went on exhibiting a sustained growth in real terms. In August, they posted a 2.7% s.a. monthly expansion rate, up 30.4% against August 2020 (see Chart 5.6). On the contrary, the stock of mortgage-backed loans fell by 0.8% s.a. in real terms, with an accrued contraction of 25.5% over the last 12 months.

⁸ See Executive Order No. 512/2021 and "Regulatory Overview" (Comm. "A" 7342).

Chart 5.5 | Credit Lines for Productive Investment Accrued disbursed amounts as to end-of-month

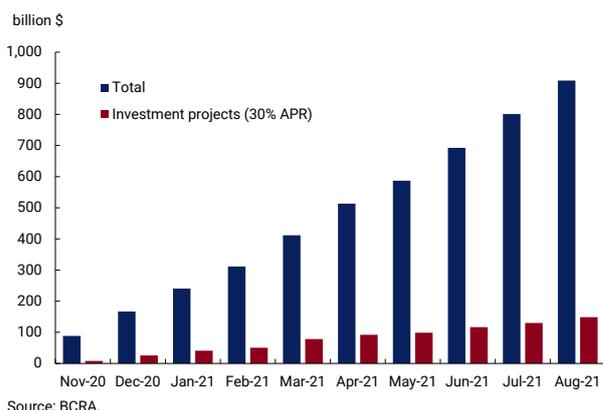
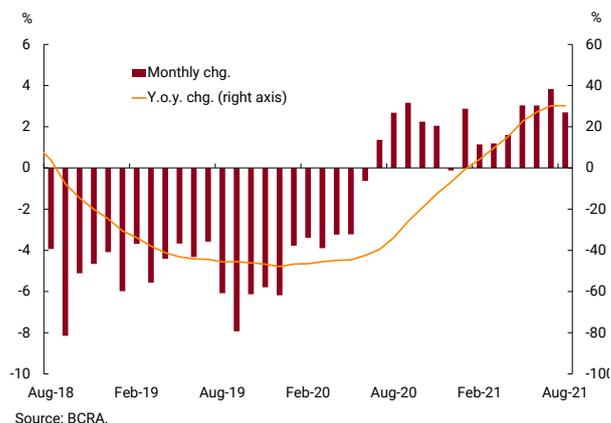


Chart 5.6 | Pledge-Backed Loans, Seasonally-Adjusted Change at constant prices

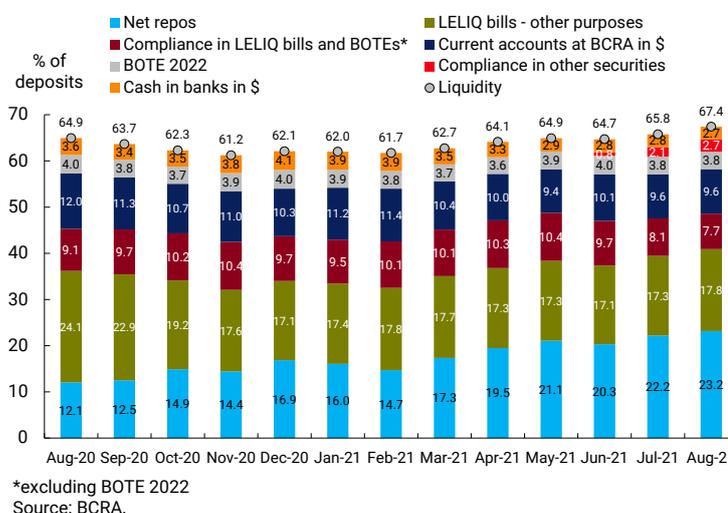


6. Financial Institutions' Liquidity in Pesos

In August, broad liquidity in domestic currency⁹ recorded an increase of 1.6 p.p. on average, standing at 67.4% of deposits, and remaining at historically high levels (see Chart 6.1). As regards bank liquidity components, the share of sovereign bonds allocated to meet minimum cash requirements increased from 2.1% of deposits in July to 2.7% in August, with a drop of LELIQ bills used for the same purpose. Also, repo transactions recorded a rise, and current accounts at the BCRA, a fall. Last, cash in banks posted a monthly average of 2.7% of deposits.

As for regulatory changes with an impact on bank liquidity, effective as from September, the BCRA set a rise from 6% to 8% of deposits in the amount financed under the *Ahora 12 Plan* to be deducted from minimum cash requirements¹⁰. In addition, the requirements will be reduced by 60% of the financing agreed through the zero percent credit line for self-employed workers, which will also have an impact in September¹¹.

Chart 6.1 | Financial Institutions' Liquidity in Pesos



9 It includes current accounts with the BCRA, cash holdings in banks, arranged repo stocks with the BCRA, holdings of LELIQ bills, and holdings of bonds admitted to comply with the minimum reserve requirements.

10 See "Regulatory Overview" (Comm. "A" 7334).

11 See "Regulatory Overview" (Comm. "A" 7342).

7. Foreign Currency

In August, deposits and loans in foreign currency posted subtle changes. The average monthly stock of private sector time deposits stood at USD16.39 billion, exhibiting a rise of USD101 million vis-à-vis July. In turn, credit to the private sector decreased by USD59 million over August, and the stock averaged USD5.31 billion (see Chart 7.1).

In this context, bank liquidity in foreign currency stood at high levels and averaged 76.4% of deposits, up 0.4 p.p. against July. The rise of liquidity was driven by the improvement of current accounts at the BCRA, which was in part offset by a fall of cash in banks, similarly to the performance observed in June and July (see Chart 7.2).

As regards regulatory changes, as from August 13, transactions involving the purchase and sale of securities in foreign currency will neither be made in such currency in cash nor in the form of deposits to custody accounts or third parties' accounts¹². In addition, companies obtaining new financing from abroad may draw on them to pay commercial debts for imports of goods and services up to USD5 million, with access to the forex market without the BCRA's prior authorization. The new financing must be arranged for, at least, the amount to be paid to the lenders abroad and for an average two-year term as a minimum. Hence, the private sector may settle their commercial external liabilities through new financial debts held abroad¹³.

Chart 7.1 | Stock of Deposits and Loans in Dollars

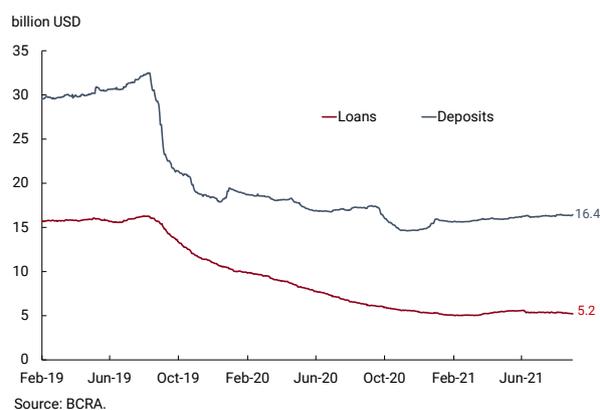
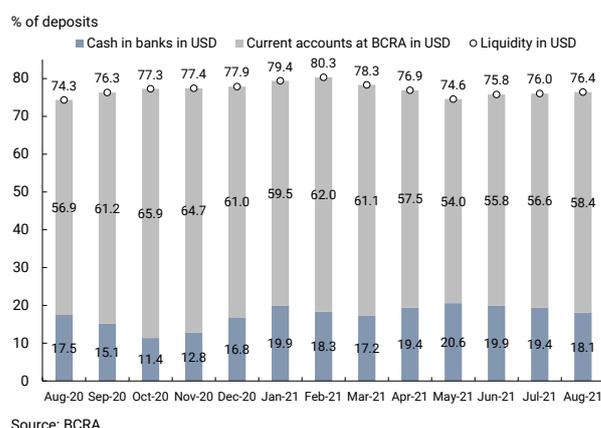


Chart 7.2 | Financial Institutions' Liquidity in Dollars



In August, BCRA's international reserves totaled USD46.18 billion. This time, the rise was mainly driven by the allocation of SDRs for USD4.30 billion granted by the IMF to mitigate the effects of the pandemic (see Chart 7.3).

In August, the bilateral nominal exchange rate grew by 1.0%, exhibiting an expansion rate similar to that of July and standing at ARS97.20/USD on average. The moderate depreciation pace of domestic currency in the last few months seeks to contribute towards the disinflation process, in a context in which the multilateral real exchange rate (TCRM, in Spanish) remains at its historic average (see Chart 7.4).

¹² See "Regulatory Overview" (Comm. "A" 7340).

¹³ See "Regulatory Overview" (Comm. "A" 7348).

Chart 7.3 | Change in International Reserves MoM

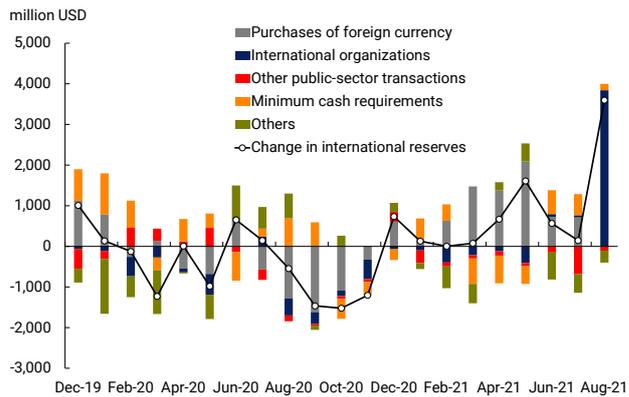
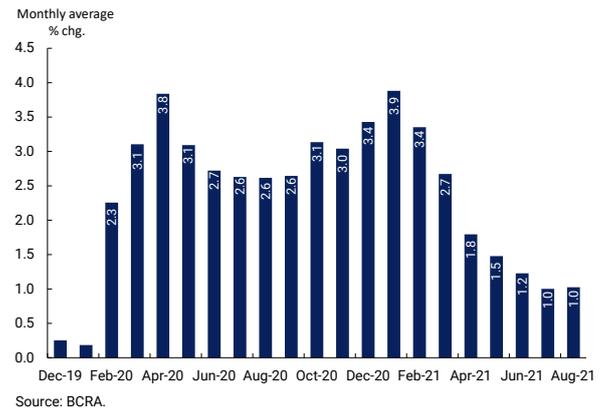


Chart 7.4 | Change in Nominal Exchange Rate



8. Regulatory Overview

Date of issue	Regulation	Description
12-Aug-21	<u>Comm. "A" 7340</u>	As from August 13, 2021, the purchase price of securities to be settled in foreign currency must be transferred from and to accounts in the name of the client held at domestic or foreign financial institutions. In the latter case, accounts must not be held in countries or regions which fail to apply the recommendations of the International Financial Action Task Force (FATF) or else apply them inadequately. Under no circumstances may these transactions be paid in foreign currency in cash or in the form of deposits to custody accounts or third parties' accounts.
12-Aug-21	<u>Comm. "A" 7341</u>	The BCRA has authorized financial institutions to purchase open-end mutual funds units approved by the National Securities Commission (CNV) , subject to the "Special Regime for the Creation of Open-End Mutual Funds for Financing Infrastructure and the Real Economy". The investment in each of these funds may reach 15% of the total amount of the issue and 2% of the minimum regulatory capital (RC).
13-Aug-21	<u>Comm. "A" 7342</u>	Financial institutions must grant loans at a 0% interest rate to self-employed workers , under the same existing conditions in the regulations on "Financial Services during the Health Emergency established by Executive Order No. 260/2020 COVID-19". Moreover, the regulation includes some special features: financing must be credited in a single installment , and institutions must not impose any charges or fees on such loans even if in arrears . In addition, financing will have a six-month grace period as from the deposit time, and will be reimbursed in, at least, twelve monthly installments as from the seventh month at fixed amounts.
13-Aug-21	<u>Comm. "A" 7343</u>	As from August 31, 2021 , any client opening a savings account in pesos online has the chance to get or not a debit card associated to such account.
23-Aug-21	<u>Comm. "A" 7346</u>	The BCRA established that financial institutions and payment service providers should create QR codes within a 60-day maximum term to identify business accounts . This seeks to make retail payments efficient, open, innovative and universal, thus accelerating the expansion of electronic payments over cash. This code will supplement the single banking code known as CBU and the alias, and will allow electronic wallet users to read the QR code from their application and make transfers or virtual payments. This new QR code differs from the existing ones because it directly identifies the shop's account, allowing immediate crediting of the funds transferred at the lowest fee.
26-Aug-21	<u>Comm. "A" 7348</u>	Companies may use new financing from abroad to pay commercial debts . In particular, importers may access the forex market for debt payments of imports of goods and services up to USD5 million without the BCRA's prior authorization. The new financing must be arranged for, at least, the amount to be paid to the lenders abroad and for an average two-year term as a minimum.

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 Aug-21						% of GDP	
	Aug-21	Jul-21	Jun-21	May-21	Apr-21	Monthly		Accrued in 2021		Year-on-year		Aug-21	Dec-20
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary base	2,927,785	2,847,839	2,705,144	2,425,025	2,329,228	2.8%	-0.4%	20.7%	-7.0%	25.7%	-19.1%	6.5%	7.1%
Currency in circulation	2,139,384	2,090,837	1,935,536	1,792,980	1,667,700	2.3%	1.3%	19.3%	-10.7%	28.3%	-17.4%	4.8%	5.4%
Cash Held by the Public	1,916,056	1,870,905	1,720,636	1,542,670	1,467,064	2.4%	1.2%	24.2%	-9.1%	30.6%	-15.9%	4.2%	4.7%
Cash in financial institutions	223,328	219,933	214,900	250,309	200,637	1.5%	2.2%	-10.8%	-21.7%	11.3%	-28.3%	0.5%	0.7%
Current accounts at BCRA	788,401	757,002	769,609	632,045	661,528	4.1%	4.3%	24.7%	-0.2%	19.2%	-23.3%	1.8%	1.8%
BCRA's remunerated liabilities (NV \$)	3,973,765	3,773,717	3,578,818	2,693,887	2,501,145	5.3%	2.2%	47.5%	9.6%	58.9%	2.3%	8.9%	6.0%
Reverse repos	1,894,607	1,760,118	1,543,864	1,040,558	671,463	7.6%	4.5%	82.1%	35.3%	182.2%	81.7%	4.2%	2.3%
1 day	54,668	55,632	57,424	262,283	671,463	-1.7%	-4.6%	-79.2%	-84.5%	-91.9%	-94.8%	0.1%	0.6%
7 days	1,839,939	1,704,485	1,486,440	778,276	0	7.9%	4.8%	136.4%	75.6%	-	-	4.1%	1.7%
Stock of LELIQ bills	2,079,158	2,013,599	2,034,954	1,653,328	1,829,682	3.3%	0.2%	25.8%	-6.6%	13.6%	-26.8%	4.6%	3.7%
BCRA's international reserves in dollars	43,307	42,835	42,421	38,898	43,152	1.1%	-	11.3%	-	0.4%	-	9.4%	9.7%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2021		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary base	79,946	2.8%	401,249	15.9%	502,760	20.7%	598,556	25.7%
Foreign exchange purchases to private sector and others	18,188	0.6%	230,760	9.1%	717,400	29.6%	456,257	19.6%
Foreign exchange purchase to the NT	-90,645	-3.2%	-149,548	-5.9%	-285,040	-11.8%	-395,497	-17.0%
Temporary advances and profit transfers to National Government	239,677	8.4%	472,581	18.7%	752,409	31.0%	1,190,766	51.1%
Other public-sector transactions	65,928	2.3%	8,482	0.3%	36,131	1.5%	33,520	1.4%
Repos and LELIQ bills	-79,500	-2.8%	-21,510	-0.9%	-477,167	-19.7%	-392,764	-16.9%
Others	-73,702	-2.6%	-139,515	-5.5%	-240,973	-9.9%	-293,725	-12.6%
International reserves	472	1.1%	2,200	5.4%	4,409	11.3%	154	0.4%
Purchases of foreign currency	189	0.4%	2,426	5.9%	7,780	20.0%	4,329	10.0%
International organizations	853	2.0%	864	2.1%	-311	-0.8%	-1,365	-3.2%
Other public-sector transactions	-488	-1.1%	-923	-2.2%	-1,297	-3.3%	-1,572	-3.6%
Minimum cash requirements	401	0.9%	994	2.4%	232	0.6%	-20	0.0%
Others (incl. forex valuation)	-483	-1.1%	-1,162	-2.8%	-1,995	-5.1%	-1,217	-2.8%

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

Minimum Cash Requirement and Compliance	Aug-21	Jul-21	Jun-21
Domestic Currency	% of total deposits in pesos		
Requirement	23,4	24,4	24,0
Compliance in current account	9,6	9,5	10,1
Compliance in Leliq	21,0	21,7	22,8
Compliance in BOTE 2022	3,8	3,8	4,0
Compliance in Other Facilities	2,7	2,1	0,8
Foreign Currency	% of total deposits in foreign currency		
Requirement	24,0	24,0	24,0
Compliance (includes default application resource)	58,4	56,6	55,9
Position ⁽¹⁾	34,4	32,6	31,9

(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 Aug-21						% of GDP ⁴	
	Aug-21	Jul-21	Jun-21	May-21	Apr-21	Monthly		Accrued in 2021		Year-on-year		Aug-21	Dec-20
						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 pesos¹	8,179,602	7,933,924	7,614,527	6,159,701	5,503,596	3.1%	0.8%	32.8%	1.0%	48.6%	-4.3%	18.1%	18.0%
Private sector deposits	6,507,291	6,303,570	5,980,734	4,876,010	4,434,546	3.2%	1.1%	33.5%	1.7%	46.7%	-5.5%	14.5%	14.4%
Private Sector Sight Deposits	3,216,775	3,131,423	2,921,132	2,568,087	2,286,150	2.7%	1.9%	25.3%	-1.4%	40.7%	-9.4%	7.2%	7.4%
Non-interest bearing (transactional)	2,613,478	2,627,499	2,429,219	2,137,880	1,941,673	-0.5%	-0.9%	22.2%	-2.6%	34.6%	-13.3%	5.9%	6.1%
Interest-bearing	603,297	503,924	491,912	430,208	344,477	19.7%	16.2%	40.2%	4.2%	75.1%	12.8%	1.3%	1.3%
Private Sector Time Deposits and Others	3,290,515	3,172,147	3,059,602	2,307,923	2,148,396	3.7%	0.7%	42.6%	5.9%	53.2%	-1.4%	7.3%	7.0%
Time Deposits	3,165,659	3,048,262	2,937,773	2,203,582	2,051,456	3.9%	0.8%	43.7%	6.7%	54.3%	-0.6%	7.1%	6.7%
CER / UVA non-adjustable	2,983,545	2,868,518	2,773,699	2,150,510	2,004,506	4.0%	1.0%	38.7%	3.1%	48.8%	-4.2%	6.7%	6.5%
CER / UVA adjustable	182,114	179,744	164,075	53,072	46,951	1.3%	-1.6%	243.1%	154.9%	287.9%	149.7%	0.4%	0.2%
Traditional	120,055	118,744	109,734	41,600	35,271	1.1%	-1.8%	188.6%	114.4%	240.4%	119.1%	0.3%	0.1%
Early-payment	62,059	61,000	54,341	11,472	11,680	1.7%	-1.2%	441.0%	301.9%	431.3%	242.1%	0.1%	0.0%
Other deposits	124,856	123,885	121,829	104,341	96,940	0.8%	-2.2%	19.7%	-11.1%	28.8%	-17.1%	0.3%	0.3%
Public sector deposits ²	1,573,135	1,531,894	1,563,465	1,191,192	1,002,575	2.7%	-0.3%	32.1%	-1.9%	56.9%	1.0%	3.5%	3.6%
Monetary Aggregates													
Total M2	5,675,653	5,531,148	5,223,442	4,629,761	4,151,368	2.6%	1.8%	22.6%	-5.0%	36.7%	-12.0%	12.7%	13.5%
Total M3	10,095,657	9,804,829	9,335,164	7,702,371	6,970,660	3.0%	0.9%	31.1%	-1.1%	44.8%	-6.8%	22.5%	22.9%
Private sector monetary aggregates													
Private M2	5,132,831	5,002,327	4,641,768	4,110,758	3,753,214	2.6%	1.4%	24.9%	-5.2%	36.8%	-12.0%	11.4%	12.1%
Transactional private M2 ³	4,529,534	4,498,404	4,149,856	3,680,550	3,408,737	0.7%	0.0%	23.1%	-5.4%	32.9%	-14.4%	10.1%	10.7%
Private M3	8,423,346	8,174,475	7,701,370	6,418,681	5,901,610	3.0%	1.0%	31.2%	-2.9%	42.7%	-8.1%	18.5%	19.2%
Total loans to the non-financial sector in pesos	3,225,857	3,130,692	3,037,574	2,752,700	2,404,225	3.0%	0.1%	17.2%	-10.7%	34.2%	-13.6%	7.3%	8.2%
Loans to the non-financial private sector	3,175,369	3,082,248	2,993,294	2,705,816	2,367,234	3.0%	0.1%	17.4%	-10.6%	34.1%	-13.6%	7.2%	8.1%
Overdrafts	321,690	314,772	273,546	279,592	267,314	2.2%	0.2%	15.1%	-12.6%	20.3%	-22.5%	0.7%	0.8%
Promissory notes	727,556	687,652	670,258	644,480	567,078	5.8%	2.8%	12.9%	-13.9%	28.3%	-17.4%	1.6%	1.9%
Mortgage-backed loans	244,918	239,960	235,295	214,677	211,655	2.1%	-0.8%	14.1%	-15.5%	15.7%	-25.5%	0.5%	0.7%
Pledge-backed loans	166,135	154,236	142,972	102,712	82,031	7.7%	2.7%	61.7%	21.1%	102.5%	30.4%	0.4%	0.3%
Personal loans	546,560	529,412	520,778	443,158	403,693	3.2%	0.0%	23.3%	-7.8%	35.4%	-12.8%	1.2%	1.3%
Credit cards	968,153	957,922	953,648	847,186	680,310	1.1%	-2.6%	14.3%	-7.6%	42.3%	-8.4%	2.2%	2.4%
Others	200,357	198,294	196,796	174,011	155,154	1.0%	-2.2%	15.1%	-18.5%	29.1%	-16.9%	0.4%	0.5%
Loans to the non-financial public sector	50,488	48,443	44,280	46,884	36,991	4.2%	1.2%	7.7%	-20.0%	36.5%	-12.1%	0.1%	0.1%
Foreign currency													
Deposits from the non-financial sector in dollars¹	18,994	18,884	18,859	17,775	19,504	0.6%	-	6.9%	-	-2.6%	-	4.2%	4.5%
Deposits from the non-financial private sector in dollars	16,389	16,288	16,240	15,112	17,214	0.6%	-	8.5%	-	-4.8%	-	3.6%	3.8%
sight deposits	12,067	11,945	11,917	10,829	12,392	1.0%	-	11.4%	-	-2.6%	-	2.6%	2.7%
time deposits and others	4,322	4,344	4,323	4,283	4,822	-0.5%	-	0.9%	-	-10.4%	-	0.9%	1.1%
Deposits from the non-financial public sector in dollars	2,605	2,596	2,619	2,664	2,289	0.4%	-	-2.2%	-	13.8%	-	0.6%	0.7%
Loans to the non-financial sector in dollars	5,453	5,506	5,551	5,461	6,566	-1.0%	-	-0.1%	-	-17.0%	-	1.2%	1.4%
Loans to the non-financial private sector in dollars	5,312	5,371	5,416	5,337	6,434	-1.1%	-	-0.5%	-	-17.4%	-	1.2%	1.3%
Promissory notes	3,770	3,828	3,836	3,556	4,280	-1.5%	-	6.0%	-	-11.9%	-	0.8%	0.9%
Credit cards	78	80	77	93	102	-3.4%	-	-16.5%	-	-23.7%	-	0.0%	0.0%
Others	1,465	1,463	1,503	1,688	2,051	0.1%	-	-13.2%	-	-28.6%	-	0.3%	0.4%
Loans to the non-financial public sector in dollars	141	135	135	124	133	4.5%	-	13.8%	-	6.2%	-	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 average for rates weighted by amount.

Monetary policy interest rates	Aug-21	EAR Aug-21	Jul-21	Jun-21	Dec-20	Aug-20
BCRA repo interest rates						
Overnight reverse repo	32.00	37.69	32.00	32.00	32.00	19.00
7-day reverse repo	36.50	43.87	36.50	36.50	36.50	s/o
Overnight repo	42.70	53.23	42.70	42.70	42.70	81.80
LELIQ bills interest rate	38.00	45.44	38.00	38.00	38.00	38.00
Interbank market interest rates	Aug-21	EAR Aug-21	Jul-21	Jun-21	Dec-20	Aug-20
Repo rates among third parties on overnight REPO round	32.92	38.97	32.06	32.71	33.19	17.61
Volume of repos traded among third parties (daily average)	3,756		4,528	3,664	5,717	6,602
Calls in pesos (overnight)						
Interest rate	30.39	35.50	31.46	31.62	29.58	15.87
Traded volume	12,393		11,321	11,179	12,242	6,754
Borrowing interest rates	Aug-21	EAR Aug-21	Jul-21	Jun-21	Dec-20	Aug-20
Sight deposits						
Interest-bearing	30.26	34.84	29.95	29.89	26.60	14.37
Time deposits						
Less than \$1 million Total (30-35 days) ¹	36.10	42.73	36.11	36.12	36.14	32.36
Total TM20 (more than \$20 million, 30-35 days)	33.23	38.79	33.29	33.29	33.36	28.13
Private banks' TM20 (more than \$20 million, 30-35 days)	33.93	39.75	33.89	33.87	34.20	29.14
Total BADLAR (more than \$1 million, 30-35 days)	33.32	38.91	33.37	33.39	33.30	28.48
Private banks' BADLAR (more than \$1 million, 30-35 days)	34.15	40.04	34.12	34.11	34.21	29.68
Interest rate on UVA deposits' early-payment option	30.50	35.15	30.50	30.50		
Lending interest rates	Aug-21	EAR Aug-21	Jul-21	Jun-21	Dec-20	Aug-20
Loans to the non-financial private sector in pesos						
Overdrafts	40.96	50.59	41.28	41.59	39.66	32.01
1 to 7 days—in accordance with companies—more than \$10 million	35.55	42.52	35.84	35.91	33.24	21.21
Unsecured promissory notes	36.90	43.84	36.25	35.69	35.13	29.58
Mortgage-backed loans	28.79	32.91	30.11	28.25	32.29	29.99
Pledge-backed loans	27.31	31.01	26.61	27.28	32.29	24.85
Personal loans	53.14	68.22	53.81	52.70	55.39	51.16
Credit cards	42.56	51.94	42.57	42.47	41.98	42.05
Interest rate in foreign currency	Aug-21	EAR Aug-21	Jul-21	Jun-21	Dec-20	Aug-20
Time deposits in dollars (30 to 44 days)	0.37	0.37	0.37	0.37	0.42	0.60
Unsecured promissory notes in dollars	4.89	5.00	3.50	3.40	5.35	6.22
Exchange rate	Aug-21	Monthly chg. (%)	Jul-21	Jun-21	Dec-20	Aug-20
NER peso/dollar						
Wholesale rate (Comm. "A" 3.500)	97.21	1.01	96.24	95.25	82.72	73.29
Retail rate ²	99.44	0.97	98.49	97.48	85.07	75.01
NER peso/dollar	18.52	-0.70	18.65	18.94	16.00	13.42
NER peso/euro	114.39	0.57	113.74	114.79	99.02	86.70
ITCNM	662.28	0.33	660.08	662.92	571.44	487.82
ITCRM	112.02	-2.02	114.33	117.60	123.98	119.93

¹ The average interest rate shown is slightly below the minimum interest rate. The reason for this is that the former involves deposits determined by court and those made by each holder in the same financial institution when all of them are in excess of \$1 million. On the other hand, 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.

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

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

FSP: Financial Service Provider

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

MoM: 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.

ROFEX: Rosario Futures Exchange

s.a.: Seasonally-Adjusted

SDR: Special Drawing Right

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