Monthly Monetary Report

May 2015

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

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Contents

Inquiries, comments or electronic subscriptions: analisis.monetario@bcra.gov.ar

The closing date for statistics in this report was June 11, 2015. All figures are provisional and subject to review.

1. Summary[1]

• In May, the broadest monetary aggregate in pesos (M3) exhibited a 2.5% rise; means of payments (M2) and time deposits increased as well. Monthly growth was boosted by foreign currency purchases by the Central Bank and the expansion of loans in pesos channeled into the private sector among other factors. In y.o.y. terms, the M3 nearly recorded a 31% change.

• Time deposits continued standing out among private-sector deposits, increasing 4.4%, and kept accelerating their y.o.y. expansion pace up to a 36% change. The average monthly rise was influenced by April statistical carryover, since in May the companies' liquidity demand is higher, to meet their tax maturities. The average balance of time deposits of $1 million or more grew 4.8% during May, virtually increasing 6 p.p. in their y.o.y. change rate. In turn, deposits under $1 million continued growing steadily during May (4%), boosted by the minimum interest rate regime for individuals set forth by the Central Bank and by the foreign exchange market stability.

• The monetary base increased 2.2% in May, evidencing an increase of bank reserves (consisting of cash in financial institutions' and financial institutions' current account balance with the Central Bank) and of cash held by the public. As a result of the May 25th long weekend holiday followed by a two-day bank strike, there was an exceptional increase of money held by financial institutions and the public as well. This had an impact on the monetary base performance, which grew 32.5% in y.o.y terms.

• The liquidity ratio of the segment in pesos (cash in banks, institutions' current account with the Central Bank, net repos with such Institution, plus LEBAC, in terms of the total deposits in pesos) remained high (39.6%), practically unchanged against April.

• Loans in pesos to the private sector showed a 2% growth ($11.59 billion), which is similar to that of the previous two months and higher than May last year. Consequently, there was a new acceleration in the y.o.y. change rate from 24.3% in April to 25.6% in May. Credit cards, personal loans, and lending arranged through promissory notes exhibited the highest growth over the month.

• Deposit rates slightly decreased compared to the previous month. In particular, BADLAR of private banks averaged 20.2%, falling 0.5 p.p. during the month and recording a second consecutive decrease. In turn, in accordance with the development of benchmark interest rates , the monthly average of the interest rate paid by private banks for time deposits up to $100 thousand and up to 35 days, stood at 22.7%, 0.2 p.p. down against April.

• Most of the interest rates on loans in pesos decreased. While interest rates on financing arranged through promissory notes slid 0.4 p.p. against April, interest rates on pledge-backed loans fell to 0.9 p.p. and the interest rates on personal loans dropped 0.4 p.p.

[1] Unless otherwise stated, figures to which reference is made are monthly averages of daily data.

Chart 2.1

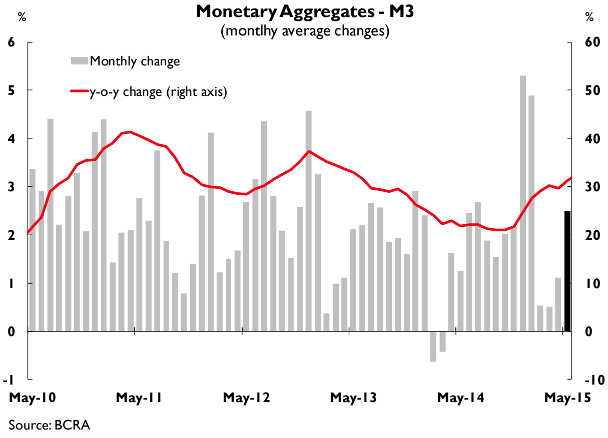


Chart 2.2

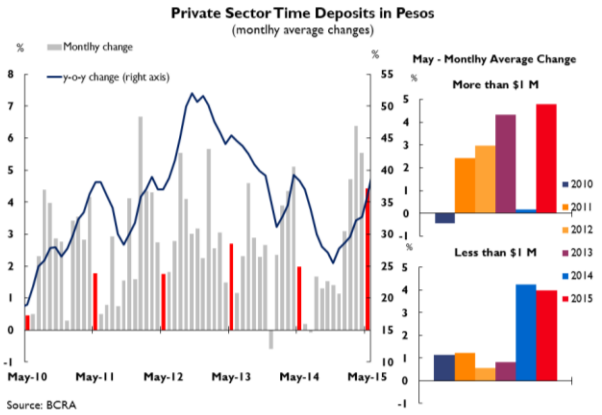
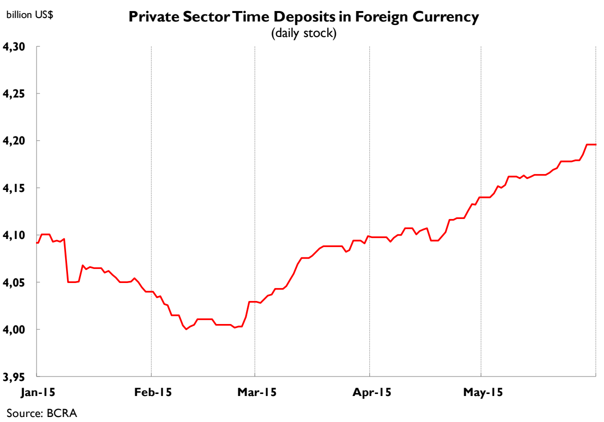


Chart 2.3



2. Monetary Aggregates[1]

In May, the broadest monetary aggregate in pesos (M3[2]) exhibited a 2.5% rise; means of payments (M2) and time deposits increased as well. Monthly growth was boosted by foreign currency purchases by the Central Bank and the expansion of loans in pesos channeled into the private sector among other factors. In y.o.y terms, the change of M3 was nearly recorded at 31% (see Chart 2.1).

The total of deposits in pesos grew 2.5% in May, with a private sector deposits increase that was in part counterbalanced by a fall in public sector deposits.

Within private-sector deposits, rises were observed in sight deposits and, in particular, time deposits. The latter increased 4.4% on average, thus sustaining the growth recorded over the last few months and continued accelerating its y.o.y. expansion pace with a change rate close to 36% (see Chart 2.2). This increase was influenced by April statistical carryover. In fact, an increase of this type of deposits should not be expected in May, especially in the wholesale segment, since companies' high demand for liquidity is likely to be allocated to meet their tax maturities. Going back to the analysis of changes as an average of daily balances, the average rate of transactions for $1 million or more grew 4.8% during the month, the change rate virtually rising 6 p.p. y.o.y. In turn, deposits under $1 million continued growing steadily during May (4%), boosted by the minimum interest rates regime for individuals set forth by the Central Bank and by the foreign exchange market stability.[3].

Foreign currency deposits grew 1.9%, evidencing a rise in private-sector deposits and a decrease in public-sector deposits. Within the private-sector, deposits from energetic companies came to the fore, with time deposits showing a steady rising trend (see Chart 2.3)[4]. Consequently, the broadest monetary aggregate, M3*[5], grew 2.5%, reaching a y.o.y. change rate close to 31%.

The monetary base increased 2.2% in May, with a monthly balance of $468,116 million on average. There was a rise of bank reserves (consisting of cash in

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[2] It includes cash held by the public, settlement checks in pesos and deposits in pesos of the non-financial private and public sector.
[3] During the 26th and 27th of May there were falls, which may be explained by a bank strike. This drop was counterbalanced by the transactions conducted on the following days.
[4] It should be noted that, when relaunching LEBACs in dollars, the spread between the interest rate paid to depositors and the interest rate on LEBACs underwritten by financial institutions was adjusted. See Communications A 5527 and A5711.
[5] It includes the M3 and deposits in foreign currency of non-financial public and private sectors.

Chart 3.1

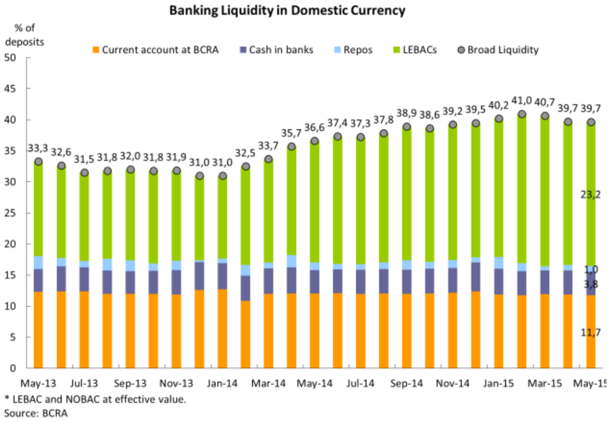


Chart 3.2

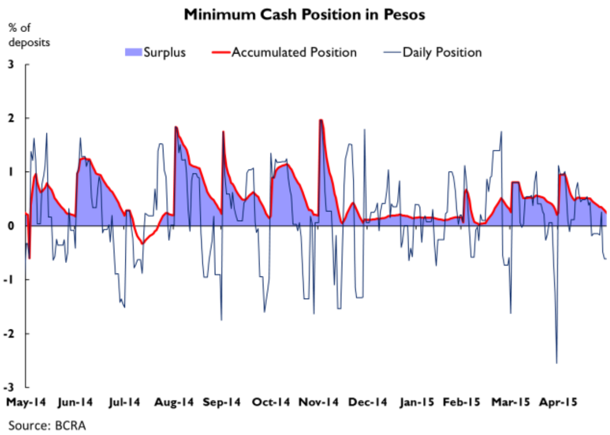
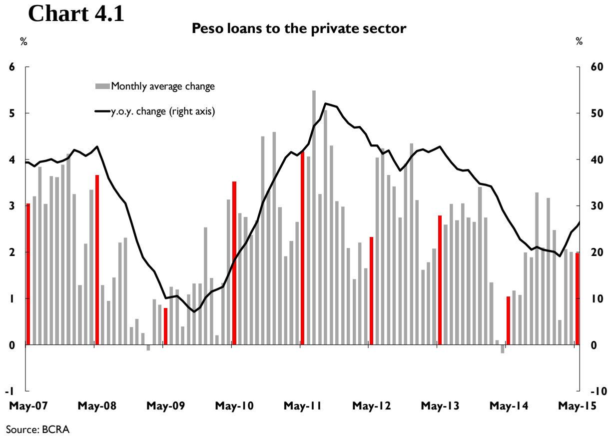


Chart 4.1



financial institutions' and financial institutions' current account balance with the Central Bank) and of cash held by the public. As a result of the May 25th long weekend holiday followed by a two-days bank strike, there was an exceptional increase of money held by financial institutions and the public as well. This had an impact on the monetary base performance that grew 32.5% in y.o.y. terms. Regarding the factors that led to a monthly rise, the primary expansion was essentially explained by the BCRA net purchases of foreign currency.

3. Financial Institutions´Liquidity[1]

The liquidity ratio corresponding to the segment in pesos (cash in banks, institutions' current account with the Central Bank, net repos with such Institution and LEBAC holdings) remained stable during the month, standing at high levels (39.6% in terms of deposits in pesos - see Chart 3.1). The share of each liquid asset into total deposits of the ensemble of financial institutions was similar to April.

Regarding the minimum cash regime, it is estimated that financial institutions complied with minimum cash requirements by 0.3% of total deposits in pesos in May (see Chart 3.2).

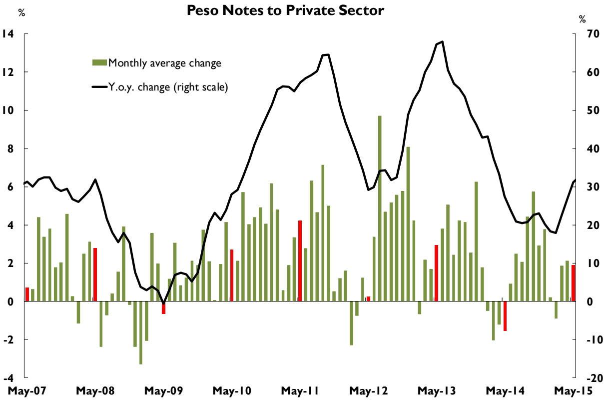
In turn, as regards the foreign currency segment, liquidity remained high in May, averaging 102.9% of total deposits in dollars. In connection with the previous month, there was a fall of 1.8 p.p. and, particularly, an increase of the stock of LEBACs in dollars, which was more than offset by a drop in the balance of financial institutions' current accounts held with the Central Bank and cash in foreign currency.

4. Loans [1] 6

In May, loans in pesos to the private sector showed a 2% growth ($11,59 billions), increased at a pace similar to that of the previous two months and higher than May last year. Consequently, there was a new acceleration in the y.o.y. change rate from 24.3% to 25.6% in April (see Chart 4.1). Credit cards, personal loans, and those arranged through promissory notes exhibited the highest growth over the month.

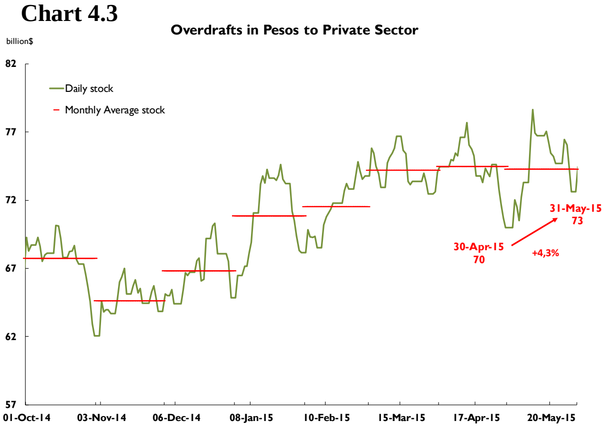
[6] Monthly changes of loans are adjusted to reflect accounting movements, which are fundamentally caused by transfers of loans from financial institutions' portfolios to financial trusts. In this report, the terms "amounts granted" or "new loans" refer to loans (new and renewed) arranged in a given period. In contrast, a change in stock consists of arranged loans minus amortizations and repayments over the period.

Chart 4.2



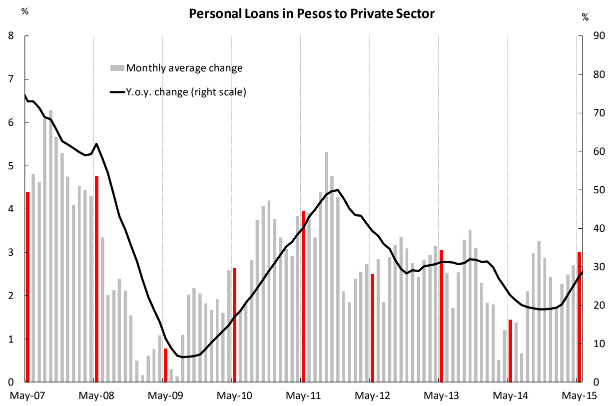
Source: BCRA

Chart 4.3



Source: BCRA

Chart 4.4



Source: BCRA

Among credit lines mainly channeled to commercial purposes, financing arranged through promissory notes kept a growth pace similar to that of March and April, with a 1.9% increase ($2,6 billions), which counterbalanced the fall recorded in May 2014. As a result, the y.o.y. change rate increased more than 4 p.p. and stood at 31.1% (see Chart 4.2). In turn, the monthly average stock of overdrafts stood virtually stable. A lower growth of loans furnished in May vis-à-vis those granted in the past few years may be explained to a certain extent by April's negative ´statistical carryover´. In fact, daily stock flags a significant increase during the first part of the month—consistent with a greater demand for liquidity by companies to afford tax maturities—. The stock at end May against that at end April increased 4.3% ($3 billions, see Chart 4.3). During the last twelve months this financing increased 16% on an accumulated basis.

Household consumption-oriented financing continued exhibiting good performance. Personal loans exhibited a 3% growth ($3.77 billions) over the month, evidencing one of the highest rises in the last twelve months. Moreover, their y.o.y. growth rate continued showing a meaningful acceleration of 27.5% (2.4 p.p. up against April, see Chart 4.4). Favored by the maximum interest rate policy established for this type of loans, this credit line continued showing—since the second half of 2014—growth rates above those recorded in the first half of that year. In turn, credit card financing grew 3.3% ($4.2 billions) and it was in line with that recorded in May in past years. Hence, the y.o.y. growth rate remained at high levels, reaching 43.2%. It should be noted that this credit line continued deriving benefit from the official program ´AHORA 12´, which led into boosting domestic consumption.

Regarding collateralized loans, mortgage-backed loans grew 0.6% ($300 millions), accumulating a growth near 8% in the last twelve months. Like in other opportunities, even though mortgage-backed loans are showing scarce dynamism, a portion of the demand for mortgage-backed loans for housing (individuals) is not computed in the statistics on bank loans because it is channeled through the Bicentennial Credit for Housing Program (Pro.Cre.Ar.). Meanwhile, pledged-backed loans edged up 1.4% ($470 millions), evidencing one of the highest rises since March 2014.

Finally, foreign currency loans to the private sector rose by 7.4% (US$290 millions) in May. Such increase was mainly explained by the performance of unsecured promissory notes in foreign currency, a type of financing that is closely connected with foreign trade transactions. Thus, during the first five months of the year, foreign currency financing exhibited an increase close to US$870 millions on an accumulated basis.

5. Interest rates [7]

Central Bank's Securities[8]

In May, the interest rate of LEBACs that the Central Bank issues each week through the primary market fell once more. Decreases concentrated once again especially in the medium part of the yield curve, in terms between 120 and 200 days, which amounted around 0.3 p.p. Thus, at the end of the month predetermined interest rates on LEBACs —at 100 and 120 days—stood at 26% and 26.4%, respectively. Whereas the interest rate for the longest maturity—255 days—stood at 28.25% (see Chart 5.1). It should be noted that in the last two months the Central Bank decided to interrupt the auction of one-year LEBACs, in coordination with the National Treasury that issued BONAC in this part of the yield curve

Within this context, the amount awarded for shorter terms, between 91 and 180 days, concentrated 52% of the total amount issued in the month ($37,070 billion; see Chart 5.2).

By the end of the month the outstanding nominal stock of LEBACs remained on a relatively stable level in relation to the end of April, standing at NV $323.336 billion. Regarding deposits in pesos, the stock of securities stood at around 35% (see Chart 5.3). As to this indicator, it should be noted that virtually 27% of the LEBAC stock is held by non-financial institutions. In May, while private financial institutions and mutual funds recorded a drop in their holdings, public institutions and insurance companies went up.

In the secondary market, interest rates on LEBACs increased along the month, mainly in shorter terms that rose towards the second half of the month in line with the performance recorded in the call money market. The average turnover of LEBACs and NOBACs traded in the secondary market stood at virtually $2.96 billions daily.

Regarding the foreign currency segment, the stock of LEBACs grew US$ 14 millions and stood at US$1.655 billions by the end of May (see Chart 5.4).

Chart 5.1

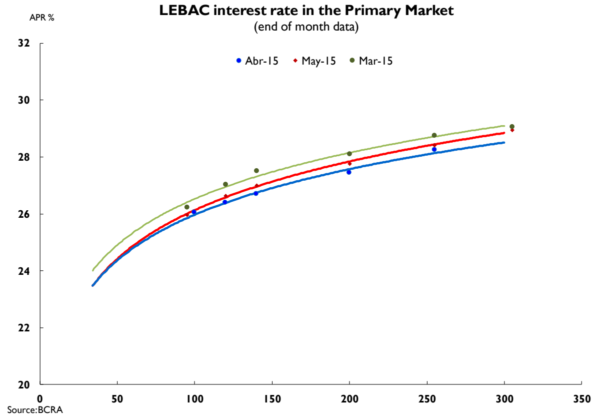


Chart 5.2

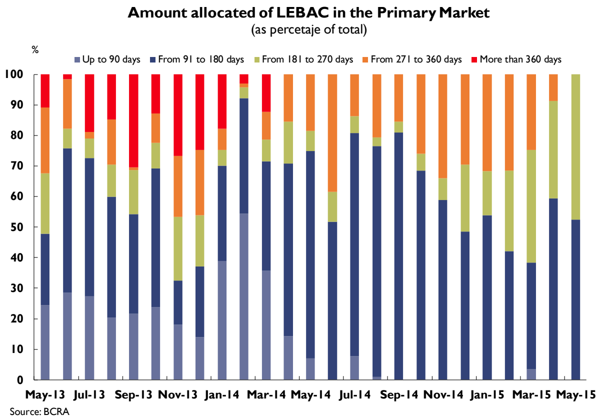
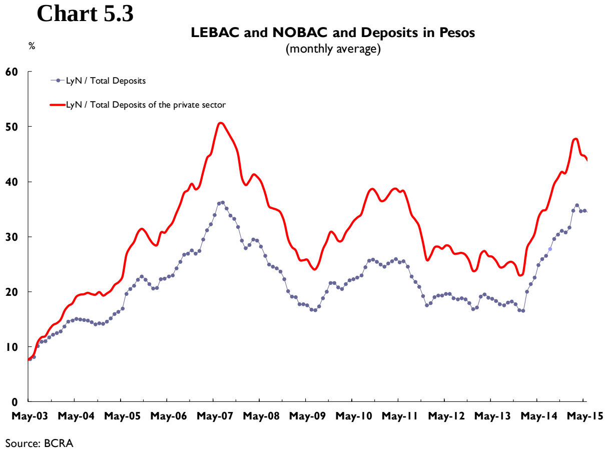


Chart 5.3



[7] Interest rates mentioned in this section are expressed as annual percentage rates (APR).
[8] In this section, figures are end of the month data, unless otherwise stated.

Chart 5.4

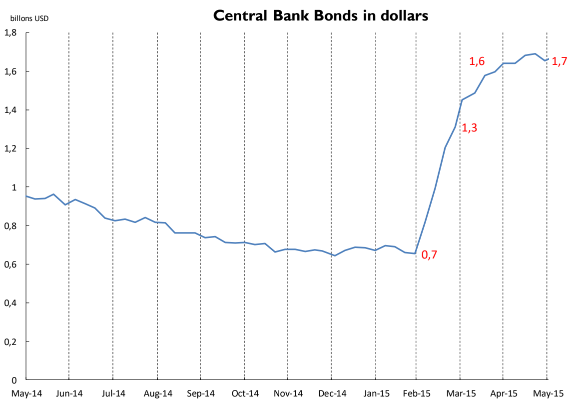
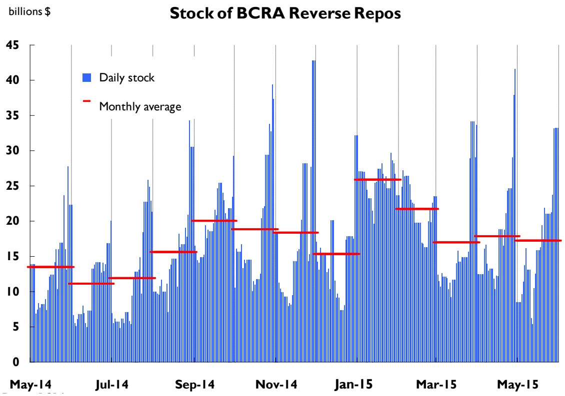
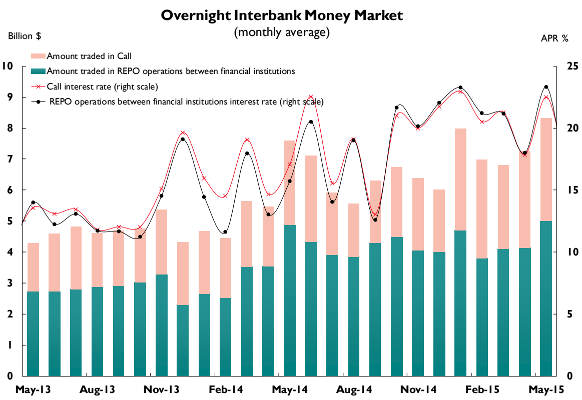


Chart 5.5



Source: BCRA

Chart 5.6



Source: BCRA

Central Bank's Repo Transactions[1]

In May, the Central Bank's reverse repo interest rates remained at 13% overnight, and at 14% at 7 days. While rates on repo loans stood at 16% overnight, and at 17% at 7 days.

The average monthly stock of all reverse repos in which the Central Bank is a participant fell $600 million, standing at $17.2 billion (see Chart 5.5). This decrease was mainly explained by the performance observed in mutual funds, as financial institutions recorded increases.

Call money markets[1]

In May, average interest rates on the call money market posted an increase. This is a month characterized by financial institutions' increased need for liquidity to afford their tax payments. Such needs were further increased as a result of the long weekend holiday of May 25 and a lower level of bank activities on the subsequent days (which, as explained above, increased the demand for cash by households and banks). The average interest rates on overnight transactions in the unsecured call market (*call*) stood at 22.6%, 4.8 p.p. up against April. Moreover, the average interest rate on overnight transactions amongst financial entities in the secured market (REPO round) stood at 23.3%, evidencing an increase of 5.3 p.p. (see Chart 5.6). The daily average turnover went up to the tune of $900 million in May totaling around $8.2 billion. This increase was driven by the transactions traded on the REPO round.

Deposit rates[1]

Interest rates paid by financial institutions on their time deposits in pesos slightly decreased in May, headed by the wholesale market interest rate.

Particularly, the BADLAR at private banks (interest rate on time deposits of $1 million or more, and up to 30-35 days) averaged 20.2%, falling 0.5 p.p. during the month and scoring a second consecutive decrease.

In turn, since October 2014 there are minimum interest rates for the retail market, which go hand in hand with LEBAC rates at near 90 days corresponding to the second month immediately preceding deposit taking.[9]In March interest rates on LEBAC decreased, and the current minimum interest rate for deposits of up to 44

[9] Se Communication "A" 5640.

Chart 5.7

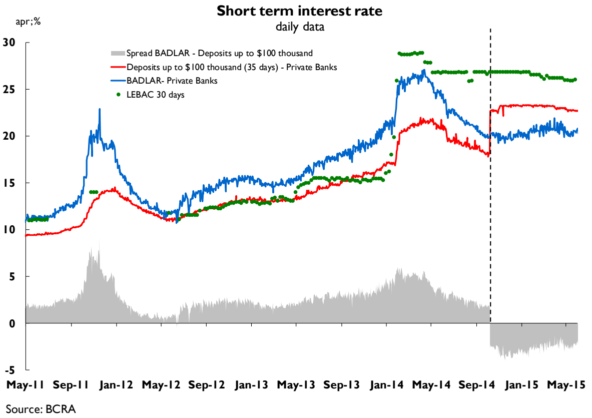


Chart 5.8

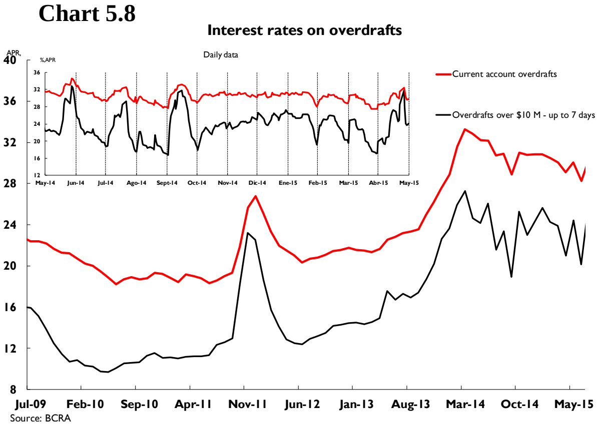
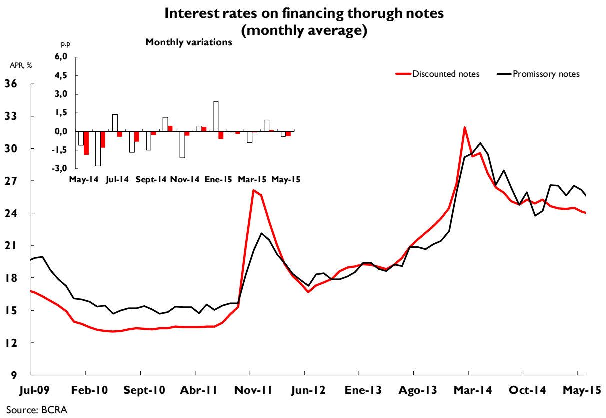


Chart 5.9



days[10] was 22.8%, with a drop of 0.2 p.p. against April. Such a decrease was reflected on the monthly average of the interest rate paid by private banks for time deposits up to $100 thousand and up to 35 days, stood at 22.7%, 0.2 p.p. down against April (see Chart 5.7). In this way, thanks to this measure, deposits from individuals are remunerated 2 p.p. above wholesale deposits.

Lending rates[1] [11]

Like in the case of benchmark deposit rates, most of the rates applied to loans to the private sector decreased in May.

The interest rate on current account overdrafts was an exception as it was influenced by specific needs for liquidity which, in turn, affected interest rates in call money markets. The interest rate on current account overdrafts averaged 30.1%, increasing 1 p.p. monthly. Within this credit line, the interest rate on overdrafts to companies for over $10 million and up to 7 days averaged 24.4%, rising 3.4 p.p. monthly (Chart 5.8). Such an increase is clearly temporary, which can be checked by viewing the daily evolution of this interest rate—recording a fall near 8 p.p. during the last week of the month—.

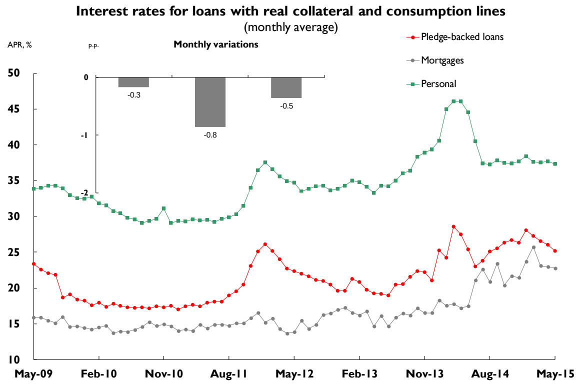
Instead, interest rates on financing arranged through promissory notes decreased 0.4 p.p. during May. Therefore, while the monthly average interest rate charged for discounted documents was 24.1%, the monthly average interest rate on unsecured promissory notes stood at 26.1% (see Chart 5.9).

In turn, among the interest rates on loans with longer terms, those applied to pledged-backed loans averaged 25.2%, decreasing 0.9 p.p. On the other hand, the monthly average of the interest rate on mortgage-backed loans granted to natural persons was 19.9%, going down 0.2 p.p. (Chart 5.10).

As regards personal loans, the current maximum interest rates[12] fell again in May, standing at 38% and 47.2% for institutions of Group I and Group II[13], respectively. Therefore, the monthly average interest rate decreased 0.4 p.p., standing below the maximum limits at 37.2%.

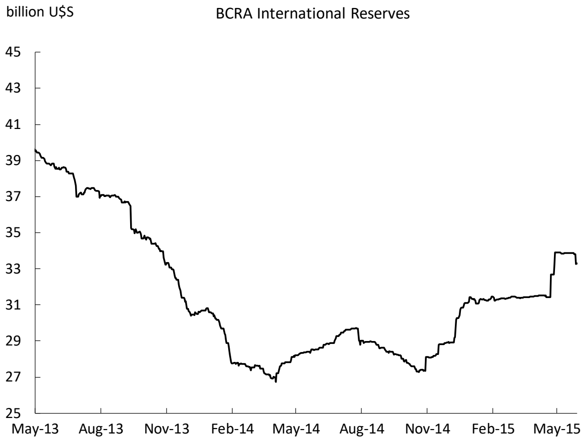
[10] See Communication “A” 10994.
[11] This section makes reference to annual nominal rates and, as such, they exclude assessment or granting expenses or any other expenditure (e.g. insurance) which are included in the total financial cost of loans.
[12] Communication "A" 5590 became effective in June 2014. Such communication set, based on LEBACs' yields, maximum interest rates particularly for personal loans and car loans for natural persons, which are monthly published by the Central Bank.
[13] For the establishment of maximum levels of interest rates on personal and mortgage-backed loans the institutions were divided into two groups. Group 1 consists of those institutions that concentrate 1% or more of private sector deposits, while Group II is composed by the remaining institutions.

Chart 5.10



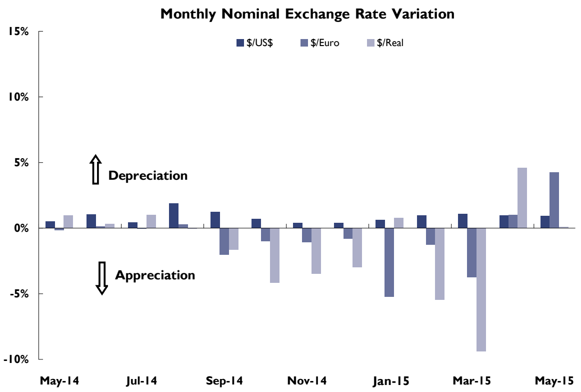
Source: BCRA

Chart 6.1



Source: BCRA

Chart 6.2



Source: BCRA

6. International reserves and foreign exchange market[1]

By the end of May international reserves reached U$S33.283 billion, resulting in a drop of U$S626 million against the end of April (see Chart 6.1). The monthly decrease was mainly explained by the need for foreign exchange to afford public sector debts —incurred with the Paris Club, among other entities, and BONAR 2018 and 2024 servicing—. The effect of this decrease was partially compensated by net foreign exchange purchases made by the Central Bank.

In the foreign exchange market, the peso depreciated against the US dollar (see Chart 6.2). Its monthly average exchange rate stood at 8.95 $/U$S, with a stable monthly change rate (0.9%). Meanwhile, the rate for the real did not change (2.9 $/real) and the euro increased 10$/euro (4.3%). In turn, the futures market (ROFEX), the daily average turnover stood at $3.2 billion, 25% up against April. In addition, the contracts executed during the month reflect a fall in the futures exchange rate for subsequent months compared to the rate arranged in prior months.

7. Collective investment vehicles

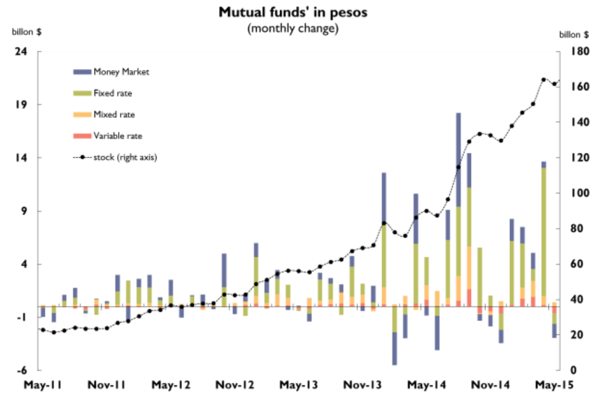
Mutual funds

In May, equity of FCI, in pesos and in foreign currency, fell $2.6 billion (1.5%), reaching $164.38 billion by the end of the month.

This monthly decrease was mainly triggered by *Market Money* funds—which fell $1.3 billion—, followed by fixed income funds which recorded a decrease of 1.04 billion (see Chart 7.1). In both cases, the fall was due to the need to afford tax payments on maturities by mid-month, as a result of which unit shares were redeemed. Variable income funds moved in the same direction recording a drop of $585 million due to the price of their assets in portfolio. Only such mixed income funds moved in the opposite direction by increasing $409 million.

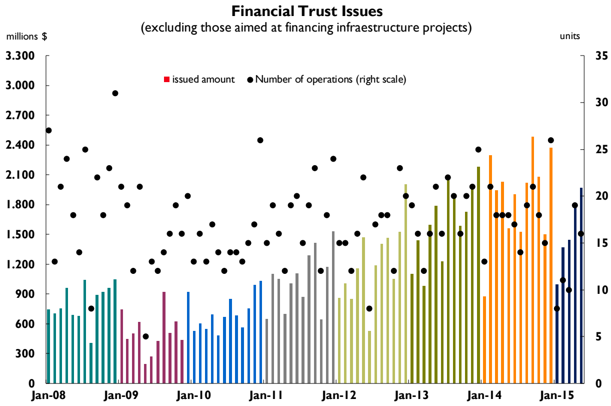
Regarding profitability, during May the return of fixed income funds should be highlighted as it showed a monthly performance to the tune of 1.1%. During the segment, it is worth mentioning the performance of overnight funds (24 hours), most of which have the BADLAR at private banks as a *benchmark*, and an average return of around 2%. On the one hand, the return on

Chart 7.1



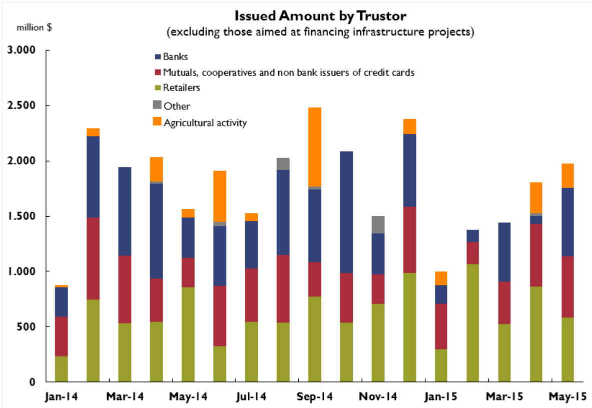
Source: CAFCI and BCRA

Chart 7.2



Source: BCRA based on CNV data

Chart 7.3



Source: BCRA based on CNV data and other

money market funds reached 1.1%, and mixed income funds, 0.5%. In turn, variable income funds exhibited an average loss of almost 9%.

Finally, in the foreign currency segment, equity of FCI fell US$10 million down to US$306 million.

Financial trusts[14]

Financial trust (FT) conducted 16 transactions, which totaled around $1.96 billion in May. In this way, there was a recovery of the volumes operated, exhibiting an increase of 11% against April and of 26% vis-â-vis May 2014 (see Chart 7.2).

Financial institutions were the main trustors over the month. Even though the amount of financial institutions' issues was relatively low in April, it climbed to around $620 million, the greatest amount in year-to-date terms (see Chart 7.3). In addition, the retail sector securitized consumption-related loans for around $580 million, exhibiting a decrease of 33% against April; while mutual associations, cooperatives and non-bank credit card issuers and other financial service providers issued around $550 million, an amount similar to April. The rest issues were traded by agricultural companies, which securitized commercial and pledge-backed loans.

Finally, the cut-off interest rate (weighted average by amount) for senior bonds—in pesos with a *duration* below 14 months—with a variable yield stood at 26.6%, exhibiting a slight increase against April. In turn, in the fixed rate segment, there was only one issue and its cut-off interest rate stood at 31%.

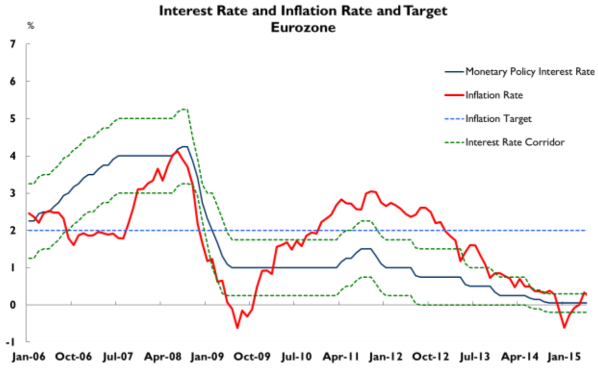
8. Major Policy Measures Taken by Other Central Banks

In the period under analysis, few central banks implemented monetary policy measures with an expansionary bias[15]. Even though monetary authorities of them main central banks did not set forth new measures, they made statements that had an impact on leading financial markets.

In the first place, no meeting was scheduled with the *Governing Council* (GC) of the European Central Bank (ECB) during May. In sum, The Central Bank of Brazil´s monetary policy interest rate on *Main Refinancing Operations* (MRO) stood at the minimum historical

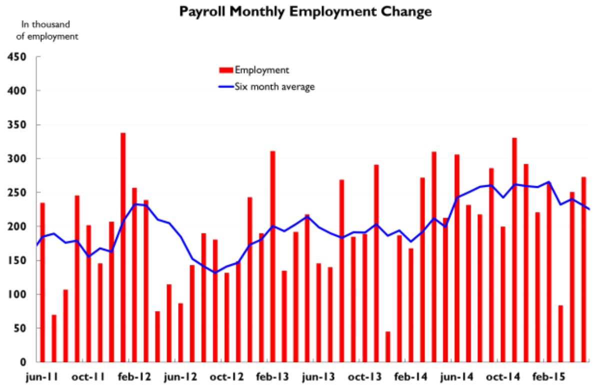
[14] Only publicly traded financial trusts are considered.
[15] On June 3, the Central Bank of Brazil decided to raise the Selic rate target 0.5 p.p. to 13.75%.

Chart 8.1



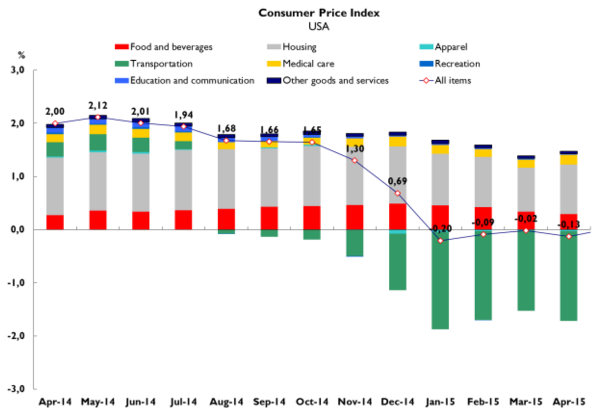
Source: BCRA based on the European Central Bank (ECB) and Eurostats. The ECB doesn't pursue an inflation targeting regime. However, it tries to achieve price stability which is defined as an inflation rate < a 2% y.o.y.

Chart 8.2



Source: BCRA based on BLS.gov

Chart 8.3



Fuente: BCRA en base a BLS.gov

figure of 0.05%[16]. This took place in a context of mixed signs displayed by economic activity indicators and a preliminary inflation rate of 0.3% y.o.y. during May, the first inflation rate greater than zero in the last five months (see Chart 8.1). Nonetheless, ECB started to accelerate its rate of purchase of government and corporate securities based on the fact that markets are likely to have lower liquidity in July and August.

In the case of the United States, the minutes of the meeting held by the Federal Reserve (FED) by end April evidence that a rise in the target for the federal funds rate (TFF) is unlikely to be discussed in the next meeting of mid-June. However, the president of the FED stated by mid-May that if the economy continues along the expected path, mainly with regard to indicators of both labor market (see Chart 8.2) and inflation (see Chart 8.3), it would be sensible to increase the target of TFF during 2015 and thus begin a monetary policy normalization process. Moreover, the FED said that TFF´s increases would be gradual.

In turn, the Reserve Bank of Australia (RBA) decided to cut by 0.25 p.p. its benchmark interest rate, the *Cash Rate* (see Chart 8.4), therefore reaching a new minimum historical figure of 2%. This is the second reduction of the *Cash Rate* in 2015. The RBA asserted that inflationary perspectives call for a greater monetary stimulus to the economy. Indeed, the latest inflation figure for the first quarter of 2015[17], 1.3% y.o.y., stands for the lowest value since mid-2012, being out of the target range (2-3%) for the second consecutive quarter. According to the RBA, the measure aims at reinforcing the recent rise in household consumption.

In turn, among emerging countries, the Central Reserve Bank of Peru (CRBP) decided to reduce the minimum reserve requirement rate in domestic currency from 7.5% to 7%, at 13 p.p. below the figure recorded in June 2013, when it started to decrease gradually. The CRBP seeks to promote loans in domestic currency by changing the minimum reserve requirements.[18]

Finally, The Bank of Indonesia (BI) kept, in the third consecutive meeting, the minimum reserve requirement, *BI rate*, at 7.5% (after having been reduced in February) and the interest rate range within 5.5-8% (see Chart 8.5). However, in order to support the ´increase in economic activities´, the BI plans to accommodate its macroprudential policies in order to promote credit. According to the latest data, the GDP grew 4.7 % y.o.y

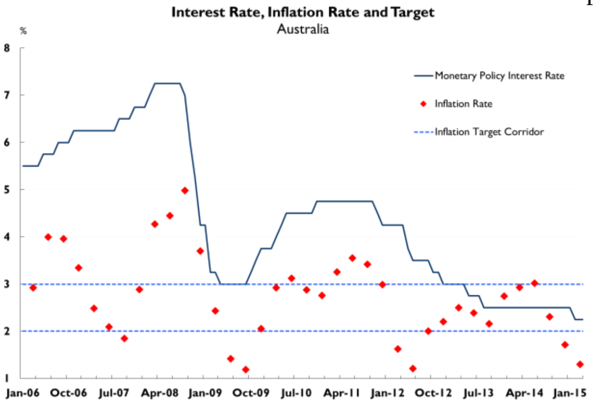
[16] In the meeting of June 3, the ECB did not adopt new monetary policy measures.

[17] Inflation is measured quarterly.

[18] In early June, the CRBP reduced again the minimum reserve requirements in domestic currency to 6.5%.

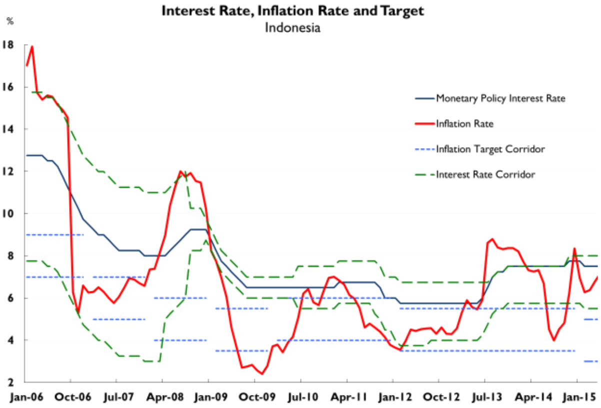
over the first quarter of 2015, down 0.3 p.p. against the fourth quarter of 2014. The BI adopted these measures despite the last figure of inflation, 6.8% in April, up 0.5 p.p. against March, remaining over the target (4% ± 1 p.p.) for the sixth time in a row.

Chart 8.4



Source: BCRA based on RBA

Chart 8.5



Source: BCRA based on BI

9. Monetary and Financial Indicators

Figures in millions, expressed in their original currency.

Main monetary and financial system figures	Montlhy average				Average change in	
	May-15	Apr-15	Dec-14	May-14	Monthly	Last 12 months
Monetary base	**468,116**	**458,015**	**442,861**	**353,311**	**2.2%**	**32.5%**
Currency in circulation	358,815	349,861	338,425	267,035	2.6%	34.4%
Held by public	323,459	315,111	299,390	239,957	2.6%	34.8%
Held by financial entities	35,354	34,749	39,034	27,075	1.7%	30.6%
Settlement check	2	1	1	0	67.6%	-
BCRA current account	109,301	108,154	104,436	86,276	1.1%	26.7%
Repos stock						
Reverse repos	17,237	17,865	15,333	13,493	-3.5%	27.8%
Repos	0	0	0	0	0.0%	0.0%
BCRA securities stock (in face value)	325,443	316,148	259,788	178,142	2.9%	82.7%
In banks	242,087	235,699	200,220	151,142	2.7%	60.2%
LEBAC						
In pesos	323,779	314,610	259,788	162,191	2.9%	99.6%
In Dollars	1,664	1,537	0	0		
NOBAC	0	0	0	15,951	-	-
International Reserves	**33,796**	**31,908**	**30,233**	**28,386**	**5.9%**	**19.1%**
Private and public sector deposits in pesos (1)	**928,022**	**905,722**	**840,088**	**713,875**	**2.5%**	**30.0%**
Current account (2)	269,209	264,615	275,630	201,105	1.7%	33.9%
Savings account	187,071	180,318	175,719	133,548	3.7%	40.1%
Not CER-adjustable time deposits	434,843	425,940	356,310	350,908	2.1%	23.9%
CER-adjustable time deposits	9	9	8	7	0.7%	29.5%
Other deposits (3)	36,890	34,840	32,420	28,306	5.9%	30.3%
Private sector deposits	724,302	697,961	624,731	531,995	3.8%	36.1%
Public sector deposits	203,720	207,761	215,357	181,880	-1.9%	12.0%
Private and public sector deposits in dollars (1)	**9,621**	**9,444**	**8,788**	**8,337**	**1.9%**	**15.4%**
Loans to private and public sector in pesos (1)	**651,068**	**638,142**	**590,814**	**520,834**	**2.0%**	**25.0%**
Loans to private sector	600,161	588,792	549,787	477,967	1.9%	25.6%
Overdrafts	74,313	74,438	66,782	64,080	-0.2%	16.0%
Promissory bills	140,984	138,390	133,922	107,530	1.9%	31.1%
Mortgages	48,525	48,222	47,502	45,016	0.6%	7.8%
Pledge-backed loans	33,730	33,261	32,700	31,954	1.4%	5.6%
Personal loans	131,023	127,466	117,247	102,778	2.8%	27.5%
Credit cards	129,682	125,481	110,982	90,559	3.3%	43.2%
Other loans	41,904	41,535	40,651	36,049	0.9%	16.2%
Loans to public sector	50,907	49,350	41,027	42,868	3.2%	18.8%
Loans to private and public sector in dollars (1)	**4,199**	**3,906**	**3,331**	**4,075**	**7.5%**	**3.0%**
Total monetary aggregates (1)						
M1 (currency held by public + settlement check in pesos+ current account in pesos)	592,670	579,727	575,021	441,064	2.2%	34.4%
M2 (M1 + savings account in pesos)	779,741	760,046	750,740	574,612	2.6%	35.7%
M3 (currency held by public + settlement check in pesos + total deposits in pesos)	1,251,484	1,220,835	1,139,479	953,834	2.5%	31.2%
M3* (M3 + total deposits in dollars + settlemente check in foreign curren	1,341,599	1,308,618	1,217,433	1,022,973	2.5%	31.1%
Private monetary aggregates						
M1 (currency held by public + settlement check in pesos + priv.current account in pesos)	495,283	483,271	459,757	368,893	2.5%	34.3%
M2 (M1 + private savings account in pesos)	667,287	649,284	621,075	491,459	2.8%	35.8%
M3 (currency held by public + settlement check in pesos + priv. total deposits in pesos)	1,047,763	1,013,073	924,122	771,954	3.4%	35.7%
M3* (M3 + private total deposits in dollars + settlemente check in foreign currency)	1,124,648	1,085,486	988,640	830,777	3.6%	35.4%

Explanatory factors	Average Change							
	Monthly		Quarterly		YTD 2014		Last 12 months	
	Nominal	Contribution(4)	Nominal	Contribution(4)	Nominal	Contribution(4)	Nominal	Contribution(4)
Monetary base	**10,101**	**2.2%**	**17,446**	**3.9%**	**25,255**	**5.7%**	**114,805**	**32.5%**
Financial sector	587	0.1%	4,442	1.0%	-1,748	-0.4%	-3,740	-1.1%
Public sector	1,322	0.3%	-235	-0.1%	45,344	10.2%	168,811	47.8%
Private external sector	12,781	2.8%	10,838	2.4%	12,066	2.7%	28,433	8.0%
BCRA securities	-3,608	-0.8%	4,383	1.0%	-27,964	-6.3%	-70,001	-19.8%
Others	-981	-0.2%	-1,981	-0.4%	-2,444	-0.6%	-8,700	-2.5%
International Reserves	**1,888**	**5.9%**	**2,446**	**7.8%**	**3,563**	**11.8%**	**5,410**	**19.1%**
Foreign exchange market intervention	1,436	4.5%	1,218	3.9%	1,373	4.5%	3,397	12.0%
International financial institutions	-207	-0.6%	-669	-2.1%	-905	-3.0%	-792	-2.8%
Other public sector operations	548	1.7%	564	1.8%	3,068	10.1%	8,744	30.8%
Dollar liquidity requirements	-84	-0.3%	-1,142	-3.6%	-561	-1.9%	-1,180	-4.2%
Others (incl. change in US$ market value of nondollar assets)	195	0.6%	2,475	7.9%	588	1.9%	-4,759	-16.8%

1 Excludes financial sector and foreign depositors. Loans´s figures correspond to statistical information, without being adjusted by financial trusts. Provisory figures.
2 Net of the use of unified funds.
3 Net of deposits pending of swap by public bonds (BODEN).
4 "Contribution" field refers to the percentage of change of each factor versus the main variable corresponding to the month respect which the change is being calculated.
5 Provisory data subjected to changes in valuation.

Sources: BCRA Accounting Department and SISCEN Informative Regime.

Minimum Cash Requirement and Compliance

	may-15	abr-15	mar-15
	(1)		
Domestic Currency	*% of total deposits in pesos*		
Requirement	11,4	11,4	11,6
Compliance	11,7	11,7	11,9
Position (2)	0,3	0,3	0,3
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	65,6	68,2	70,0
30 to 59 days	21,9	20,8	20,8
60 to 89 days	6,6	5,5	5,0
90 to 179 days	4,8	4,4	3,1
more than 180 days	1,2	1,1	1,0
Foreign Currency	*% of total deposits in foreign currency*		
Requirement	44,7	40,9	45,3
Compliance (includes default application resource)	75,3	77,8	87,8
Position (2)	30,6	36,9	42,5
Residual time structure of term deposits used for the calculation of the requirement (3)	%		
Up to 29 days	46,1	45,6	47,0
30 to 59 days	22,3	21,6	22,3
60 to 89 days	15,7	13,5	10,5
90 to 179 days	11,3	15,1	15,6
180 to 365 days	4,5	4,0	4,4
more than 365 days	0,1	0,2	0,2

(1) Estimates data of Requirement, Compliance and Position.
(2) Position= Requirement - Compliance
(3) Excludes judicial time deposits.
Source: BCRA

Interest rates in annual nominal percentage and traded amounts in million. Monthly averages.

Borrowing Interest Rates	May-15	Apr-15	Mar-15	May-14
Interbank Loans (overnight)				
Interest rate	22.51	17.85	21.13	17.14
Traded volume (million pesos)	3,381	3,174	2,856	2,807
Time Deposits				
In pesos				
30-44 days	20.20	20.40	19.87	21.29
60 days or more	23.25	23.26	23.57	24.45
Total BADLAR (more than $1 million, 30-35 days)	18.12	18.43	17.38	20.18
Private Banks BADLAR (more than $1 million, 30-35 days)	20.25	20.74	20.80	24.66
In dollars				
30-44 days	1.63	1.64	1.59	0.97
60 days or more	2.37	2.50	2.48	1.64
Total BADLAR (more than $1 million, 30-35 days)	1.26	1.24	1.19	0.81
Private Banks BADLAR (more than $1 million, 30-35 days)	2.26	2.17	2.15	0.99
Lending Interest Rates	**May-15**	**Apr-15**	**Mar-15**	**May-14**
Stock Repos				
Gross interest rates 30 days	23.94	23.49	23.44	23.74
Traded volume (all maturities, million pesos)	601	567	522	274
Loans in Pesos (1)				
Overdrafts	30.07	29.09	30.08	32.21
Promissory Notes	26.14	26.54	25.69	29.43
Mortgages	22.77	22.94	23.09	17.44
Pledge-backed Loans	25.19	26.06	26.54	25.39
Personal Loans	37.23	37.64	37.58	44.58
Credit Cards	s/d	39.36	40.47	39.39
Overdrafts - 1 to 7 days - more than $10 million	24.42	20.97	23.89	24.17
International Interest Rates	**May-15**	**Apr-15**	**Mar-15**	**May-14**
LIBOR				
1 month	0.18	0.18	0.18	0.15
6 months	0.42	0.40	0.40	0.32
US Treasury Bonds				
2 years	0.60	0.53	0.64	0.37
10 years	2.20	1.93	2.05	2.55
FED Funds Rate	0.25	0.25	0.25	0.25
SELIC (1 year)	13.25	12.80	12.70	11.00

(1) Observed data from Monthly Informative Regime SISCEN 08 up to April and estimated data based on Daily Informative Regime SISCEN 18 for May and June.

Interest rates in annual nominal percentage and traded amounts in million. Monthly averages.

Reference Interest Rates	May-15	Apr-15	Mar-15	May-14
BCRA Repo Interest Rates				
Overnight reverse repo	13.00	13.00	13.00	9.00
7-day reverse repo	14.00	14.00	14.00	9.50
7-day repo	17.00	17.00	17.00	11.50
Total Repo Interest Rates				
Overnight	16.99	14.96	17.01	12.16
7 days	16.21	16.94	17.61	12.47
Repo traded volumen (daily average)	15,014	15,420	12,579	12,691
Peso LEBAC Interest Rate[1]				
1 month	s/o	s/o	s/o	s/o
2 months	s/o	s/o	s/o	s/o
3 months	25.96	26.16	26.24	26.80
9 months	s/o	s/o	s/o	s/o
12 months	s/o	s/o	29.29	28.26
Peso NOBAC with variable coupon Spread[1]				
200 days BADLAR Private Banks	s/o	s/o	s/o	0.90
Dollars LEBAC Interest Rate[1]				
1 month	4.25	3.25	3.25	2.50
3 months	4.90	3.90	3.90	3.00
6 months	5.00	4.00	4.00	3.50
12 months	5.20	4.20	4.20	4.00
LEBAC and NOBAC traded volume (daily average)	2962	2821	2350	2287
Foreign Exchange Market	**May-15**	**Apr-15**	**Mar-15**	**May-14**
Dollar Spot				
Exchange agencies	8.95	8.87	8.78	8.04
BCRA Reference	8.95	8.87	8.78	8.05
Future dollar				
NDF 1 month	9.07	9.00	8.95	8.20
ROFEX 1 month	9.07	9.01	8.95	8.20
Traded volume (all maturities, million pesos)	3,207	2,543	2,911	2,621
Real (Pesos/Real)	2.93	2.92	2.79	3.62
Euro (Pesos/Euro)	10.00	9.59	9.49	11.04
Capital Market	**May-15**	**Apr-15**	**Mar-15**	**May-14**
MERVAL				
Index	11,825	11,789	10,442	7,166
Traded volume (million pesos)	155	253	265	141
Governement Bonds (parity)				
BODEN 2015 (US$)	130.68	132.24	134.35	125.35
DISCOUNT (US$ - NY legislation)	127.17	132.39	134.23	105.13
BONAR 2017 (US$)	128.56	130.55	132.57	119.33
DISCOUNT ($)	83.54	92.28	88.34	78.53
Country risk				
Spread BODEN 2015 vs. US Treasury Bond	1,121	1,031	813	921
EMBI+ Latin America (without Argentina)	480	492	532	361

1 Corresponds to average results of each month primary auctions.

10. Glossary

ANSES: *Administración Nacional de Seguridad Social*. Social Security Administration

APR: Annual percentage rate.

BADLAR: Interest rate for time deposits over one million pesos between 30 and 35 days for the average of financial institutions

BCRA: *Banco Central de la República Argentina*. Central Bank of Argentina

BODEN: Bonos optativos del Estado Nacional. Optional federal bonds

BOVESPA: Sao Pablo Stock Exchange Index (Brazil)

CAFCI: *Cámara Argentina de Fondos comunes de inversión*

CDS: Credit Default Swaps

CER: Coeficiente de Estabilización de Referencia. Reference Stabilization Coefficient

CNV: Comisión Nacional de Valores. National Securities Commission

CPI: Consumer Price Index

DISC: Discount Bond

EMBI: Emerging Markets Bonds Index

FCI: Mutual Funds

Fed: Federal Reserve

FTs: Financial Trusts

GBA: Greater Buenos Aires metropolitan area

GDP: Gross Domestic Product

IAMC: Instituto Argentino de Mercado de Capitales.

IGBVL: Lima Stock Exchange Index (Peru)

IGPA: Santiago Stock Exchange Index (Chile)

LEBAC: *Letras del Banco Central*. BCRA Bills

LCIP: Credit Line for Productive Investment.

LIBOR: London Interbank Offered Rate

M2: Notes and Coins + Current Accounts and Savings Accounts in $

M3: Notes and Coins + Total Deposits in $.

M3*: Notes and Coins + Total Deposits in $ and US$

MERVAL: *Mercado de Valores de Buenos Aires*. Buenos Aires Stock Exchange Index

MEXBOL: Mexico Stock Exchange Index

NBFI: Non-Banking Financial Institutions

NDF: Non Deliverable Forward

NOBAC: Notas del Banco Central. BCRA Notes

NV: Nominal value

ONs: Corporate Bonds

PyME: Small and medium enterprises

ROFEX: Rosario Futures Exchange Rate Market

SELIC: Brazilian Central Bank's Benchmark Interest Rate

SISCEN: *Sistema Centralizado de Requerimientos Informativos*. BCRA Centralized Reporting Requirement System

S&P: Standard and Poor´s 500 Index

TIR: Internal rate of return (IRR).

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