Monthly Monetary Report

May 2022

BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Contents

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

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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

Monetary Base	Transactional Private M2	Private Sector Time Deposits	Private Sector UVA Time Deposits	Private M3
real monthly chg. s.a.	real monthly chg. s.a.	real monthly chg. s.a.	real monthly chg. s.a.	real monthly chg. s.a.
-2.7%	-2.3%	0.2%	11.4%	-0.3%

Time Deposits to the Private Sector in Pesos, Seasonally-Adjusted, at Constant Prices, in Terms of GDP

Source: BCRA

Loans to the Private Sector

real monthly chg. s.a.

-1.4%

28-Day LELIQ Bill Interest Rate

APR

49.0%

Overnight Reverse Repo Interest Rate

APR

37.5%

International Reserves

million USD; end-of-month

41,561

In the fifth month of the year, the broad monetary aggregate (private M3) posted a modest monthly contraction at constant prices (-0.3% s.a.), exhibiting a moderate rate of fall for the second month in a row. This contraction was mainly explained by the performance of transactional accounts, since time deposits remained virtually unchanged in May.

The stocks of private sector time deposits in pesos were around the highs of the past few decades, both at constant prices and as GDP percentage. The performance was heterogeneous in terms of instruments. In particular, UVA deposits stood out to reach a stock of ARS312.70 billion by the end of May, exceeding the historic high they exhibited by mid-2021, though they still have a limited share in the total (6.5%).

In May, the monetary base adjusted by seasonality and by the inflation rate fell by 2.7% (-10.9% y.o.y.) on average. In terms of GDP, the monetary base stood at 5.2%, reaching a historic low since 2003.

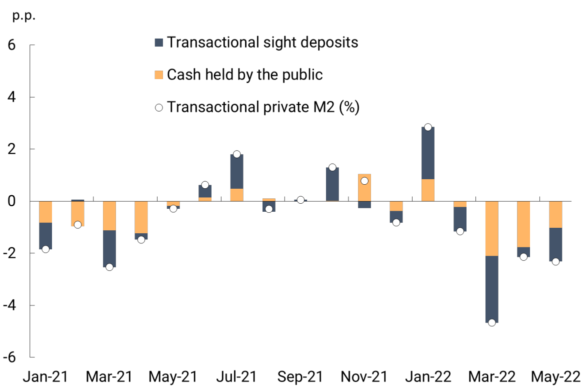
Last, loans to the private sector at constant prices declined once again over May for the fourth month in a row. Most credit lines contributed negatively to the monthly change, except for pledge-backed loans and discounted notes.

2. Means of Payment

In real and seasonally-adjusted terms, means of payment (transactional private M2[1]) posted a 2.3% contraction in May, falling for the fourth successive month (see Chart 2.1). As for its components, this fall was explained by the performance of non-interest-bearing sight deposits as well as by cash held by the public. So, in year-on-year terms, private M2 shrank by around 4.6% at constant prices.

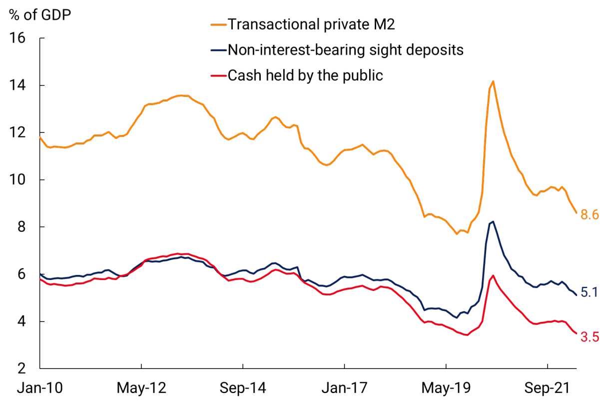
In May, transactional private M2 stood at 8.6% of GDP, posting a decrease (0.3 p.p.) against April (see Chart 2.2). As mentioned in previous reports, cash held by the public remained around the lowest figures in the past 15 years. The low level of demand for banknotes and coins is partly due to a higher relative demand for sight deposits that, in turn, was explained by the growing use of electronic means of payment in the past few years.

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
As % of GDP



Source: BCRA

3. Savings Instruments in Pesos

By mid-May, the Board of the BCRA adopted the resolution to raise the minimum interest rates on time deposits for the fifth time in the year[2]. Such measure is consistent with the strategy aimed at setting an interest rate path to obtain yields in line with inflation. Thus, the minimum interest rate on natural persons' deposits of up to ARS10 million increased from 46% APR to 48% APR (60.1% EAR). For the other depositors of the financial system,[3] the interest rate was also raised by 2 p.p. to reach 46% (57.1% EAR).

In May, time deposits in pesos from the private sector at constant prices remained virtually unchanged (0.2% s.a.), hence, remaining around the peak values of the past few decades. In terms of GDP, these deposits stood at 6.3% in May, which also stands among the highs of the last few years.

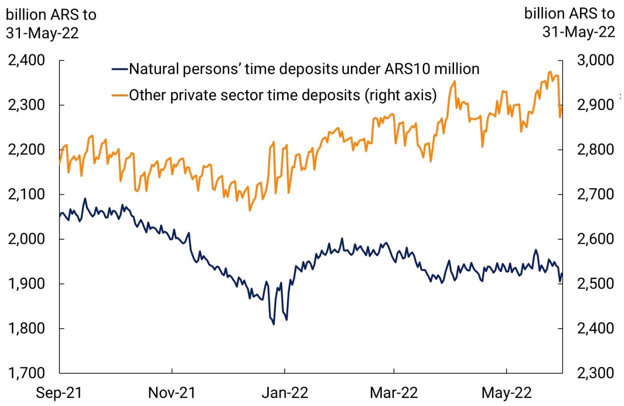
Time deposits were grouped by minimum interest rate segments for analysis, showing that natural persons' time deposits up to ARS10 million in real terms were virtually stable throughout May, just like in April. In turn, the monthly average of other deposits from the non-financial private sector (legal persons' deposits

1 Private M2 excluding interest-bearing sight deposits held by companies and financial service providers since they are more similar to a savings instrument than to a means of payment.
2 Communication "A" 7512.
3 Financial service providers, companies, and natural persons with deposits over ARS10 million.

regardless of their amount, and natural persons' deposits over ARS10 million) slightly increased in seasonally-adjusted terms, driven by an upward trend as from the second week of May (see Chart 3.1).

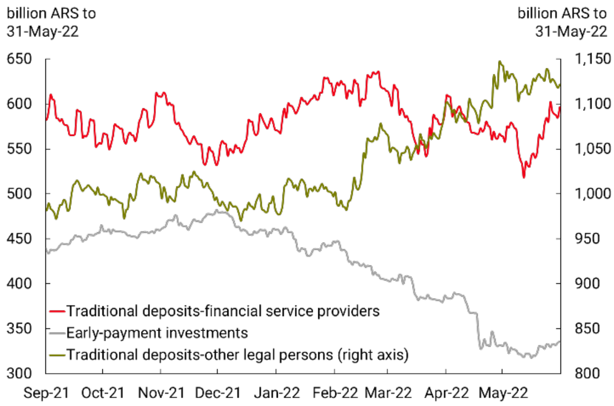
As for legal persons' time deposits, companies' deposits (excluding financial service providers (FSPs)) showed an average increase in May, which was mainly explained by April's carryforward. FSPs' holdings decreased mildly in May, though in month-on-month (m.o.m) terms they expanded by 2% at constant prices. Their performance was, then, heterogeneous in May. In early May, FSPs' portfolios were rebalanced, with a rise in interest-bearing sight deposits to the detriment of time deposits in a context of fall in the equity of money market funds (MM FCI)—which are the main actors among FSPs. As from the second week, the equity's trend reversed, which led to a relative rearrangement of time deposits held by FSPs (see Chart 3.2).

Chart 3.1 | Private Sector Time Deposits in Pesos
At constant prices by interest rate segment
Original series



Source: BCRA

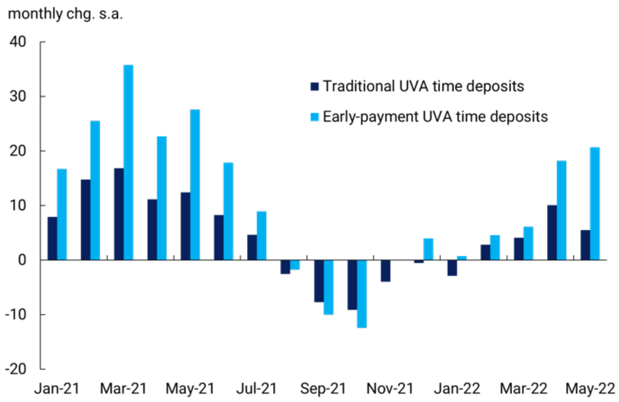
Chart 3.2 | Time Deposits over ARS20 Million
At constant prices by type of depositor and instrument
Original series



Source: BCRA

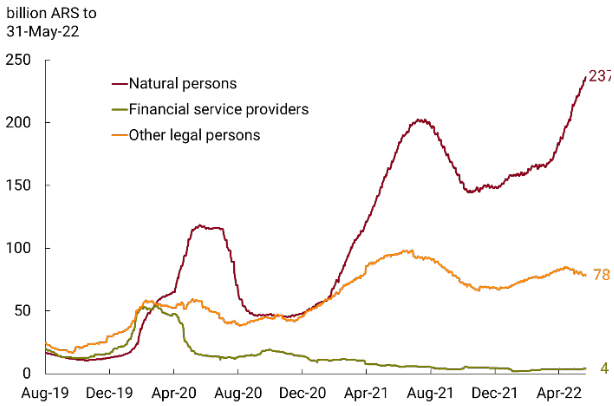
The relative stability of savings instruments in pesos concealed a heterogeneous performance at instrument level. Indeed, early-payment investments contributed negatively to the monthly change of total time deposits, which was offset by the expansion of CER-adjustable deposits and traditional time deposits in pesos. In this way, **UVA deposits continued showing the upward trend that had started at the beginning of 2022 and their relative share went on growing over May to reach 6.5% of total private sector time deposits to month-end**. At constant prices and in seasonally-adjusted terms, these deposits exhibited an average monthly growth of 11.4%, and the stock amounted to ARS312.70 billion by the end of May, **exceeding the historic high reached by mid-2021**. That growth was observed in both UVA traditional and early-payment deposits, with monthly expansion rates of 5.5% s.a. and 20.7% s.a., respectively, in real terms (see Chart 3.3). Stocks grouped by type of holders climbed due to natural persons' deposits, since companies' holdings (excluding FSPs) went down slightly (see Chart 3.4).

Chart 3.3 | Private Sector UVA Time Deposits
S.a. monthly change by type of instrument



Source: BCRA

Chart 3.4 | Private Sector UVA Time Deposits
Daily stock at constant prices by type of holder
Original series



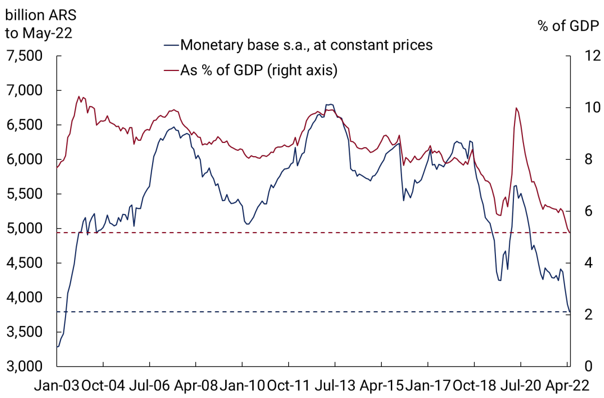
Source: BCRA

All in all, the broad monetary aggregate (private M3[4]) at constant prices declined by 0.3% s.a. over May, exhibiting a moderate fall rate for the second month in a row. In year-on-year terms, private M3 posted a 1.4% fall. As a percentage of GDP, it stood at 16.4%, 0.1 p.p. below the figure recorded in April.

4. Monetary Base

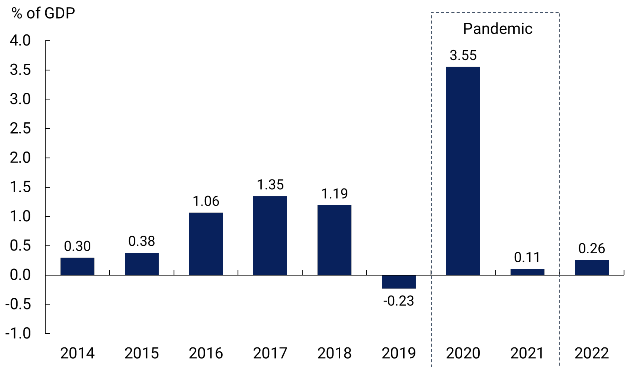
In May, the monetary base averaged ARS3,696.4 billion, recording a monthly rise of 1.9% in the original series at current prices. It fell by 2.7% (-10.9% y.o.y.) adjusted by seasonality and by the inflation rate. In terms of GDP, the monetary base stood at 5.2%, down 0.1 p.p. against April, witnessing a historic low since 2003 (see Chart 4.1).

Chart 4.1 | Monetary Base



Source: BCRA

Chart 4.2 | Public Sector's Primary Issuance as % of GDP
Accrued to May each year



*It includes profit transfers, temporary advances, net purchases of foreign currency, and other public sector transactions.
Source: BCRA.

On the supply side, the monthly expansion of the monetary base was mainly driven by public sector transactions. However, during the first five months of 2022, the public sector's primary issuance in terms of GDP remained around the lowest rates in the last few years (see Chart 4.2). The net purchase of foreign currency to the private sector was another factor of liquidity expansion in May, though the impact was lower.

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

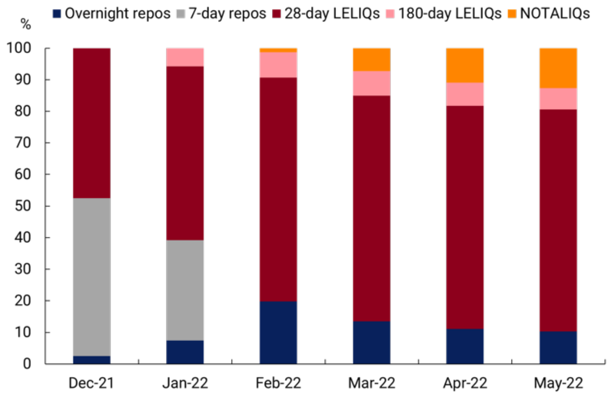
These effects were in part counteracted by liquidity absorption through the BCRA's monetary policy instruments.

By mid-May, the Board raised the interest rates on monetary policy instruments once again. In particular, the interest rate on 28-day-term liquidity bills (LELIQ bills) was raised by 2 p.p. and stood at 49% APR (61.8% EAR). In turn, the180-day-term LELIQ bill interest rate rose by 2.5 p.p.—54.5% APR (62% EAR). As for short-term instruments, the interest rate on overnight reverse repos increased by 1.5 p.p. to reach 37.5% APR (45.5% EAR), whereas the rate on overnight repos was 53% APR (69.8% EAR). Finally, the fixed spread of liquidity notes (NOTALIQs) in the last auction of the month remained at 5 p.p.

With the current composition of instruments, 28-day-term LELIQ bills accounted for around 70% of remunerated liabilities. Regarding longer-term instruments, 180-day-term LELIQ bills reduced their share to 6.8% of the total, while NOTALIQs increased their share in May (12.7% of the total). The rest included overnight reverse repos, which lost share once again (see Chart 4.3).

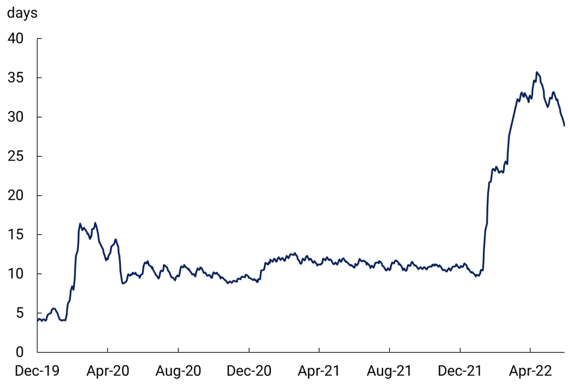
These changes in the relative composition of monetary policy instruments enabled the BCRA to continue implementing the policy on the extension of maturity terms on remunerated liabilities adopted at the beginning of the current management. Indeed, the average residual term of monetary policy instruments (LELIQ bills, repos and NOTALIQs) was nearly 30 days, more than three times the term in effect at the beginning of 2022 (see Chart 4.4).

Chart 4.3 | Composition of BCRA's Remunerated Liabilities
Monthly average



Source: BCRA

Chart 4.4 | Average Residual Term of BCRA's Remunerated Liabilities
7-day moving average

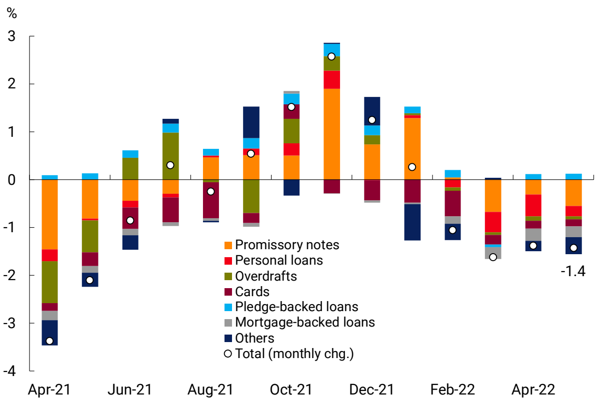


Source: BCRA

5. Loans to the Private Sector in Pesos

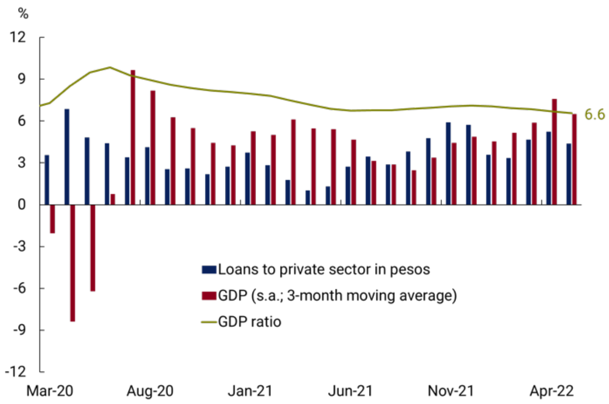
In May, loans in pesos to the private sector contracted once again over May -1.4% s.a. in real terms, the fourth monthly fall in a row **All credit lines, except for pledge-backed loans and discounted notes, contributed negatively to monthly change** (see Chart 5.1). Thus, loans in pesos accrued a contraction of 0.3% at constant prices over the last twelve months. The ratio of loans in pesos to the private sector to GDP declined slightly in May (0.1 p.p.) and stood at 6.6% (see Chart 5.2).

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



Source: BCRA

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

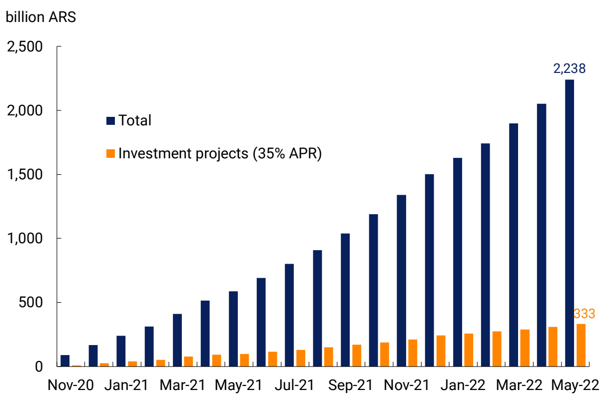


Source: BCRA

Loans to MSMEs were still mainly granted through the Credit Line for Productive Investment (LFIP, in Spanish). The loans granted until the end of May within the framework of the LFIP accrued disbursements for about ARS2,238 billion from its implementation, up 9.2% vis-à-vis April (see Chart 5.3). As far as the end use of these funds is concerned, around 85% of total disbursements was channeled to finance working capital and the rest to investment projects. At the time of this publication, the LFIP credit lines had been granted to 269,308 companies.

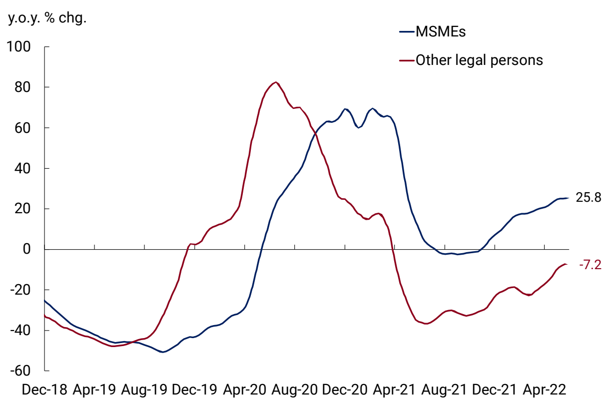
Thus, the LFIP contributed to upholding financing to companies of a smaller relative size. Indeed, the analysis of business credit by type of debtor showed that, at constant prices and in year-on-year terms, credit to MSMEs expanded over 25.8%, whereas credit to big companies contracted by around 7.2% against a year ago (see Chart 5.4).

Chart 5.3 | Financing Granted through the Credit Line for Productive Investment (LFIP)
Accrued disbursed amounts as to end-of-month



Source: BCRA

Chart 5.4 | Business Loans by Type of Debtor
Y.o.y. change of 30-day moving average stock at constant prices



Source: BCRA

Business credit lines dropped 2.1% s.a. at constant prices in May, up 9.9% against the figure reported a year ago, showing homogeneous dynamics across all types of financing. Indeed, financing granted through overdrafts fell by 0.6% s.a. at constant prices over May (+16.9% y.o.y.), whereas promissory notes contracted by 2.1% s.a. in real terms (+14.1% y.o.y.). The performance of promissory notes was explained by a fall of unsecured instruments. This was in part offset by the growth of discounted notes.

As regards loans to consumption, financing on credit cards posted a 0.5% s.a. contraction in real terms, 12.1% below the level observed a year ago. In turn, personal loans fell by 1.3% in the month at constant prices, standing 3.9% below the level reached in May 2021. The interest rate on personal loans rose to reach 59% APR (77.8% EAR) in May, increasing nearly by 1 p.p. against April.

As for credit lines with real property collateral, pledge-backed loans improved in real terms (1.9% s.a.), growing by 40.3% y.o.y. On the contrary, the stock of mortgage-backed loans fell by 3.3% s.a. at constant prices, with an accrued contraction of about 16% over the last twelve months.

6. Financial Institutions' Liquidity in Pesos

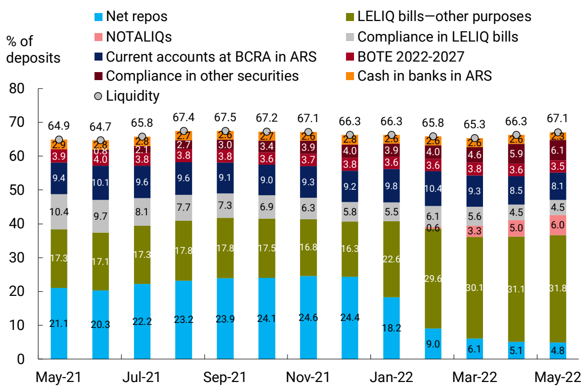
In May, broad liquidity in domestic currency[5] averaged 67.1% of deposits, up 0.8 p.p. against April. Thus, it stands at historically high levels.

Delving into the components of bank liquidity, there was a rise in holdings of LELIQ bills (in particular, those that are not allocated to comply with minimum cash requirements), of NOTALIQs and of sovereign bonds eligible for meeting minimum cash requirements. On the contrary, the stock of reverse repos fell once again, as in the case of current accounts held at the BCRA (see Chart 6.1).

Concerning regulatory changes to the minimum cash requirements, the BCRA established that those built on clients' deposits in pesos in the payment accounts held with service providers offering payment accounts (PSPOCPs) will be determined on the basis of the average of daily balances recorded at the end of each calendar day.[6]

Also, it should be noted that the new National Treasury Bond in pesos (BOTE 2027), which will fall due on May 23, 2027, was settled in the first auction that took place on May 23. This bond was eligible for meeting minimum cash requirements[7] in replacement of BOTE 2022—which was due on May 21, 2022. As from June, the compliance of minimum cash requirements out of this bond is expected to rise when the new balance has a full bearing on the monthly average.

Chart 6.1 | Financial Institutions' Liquidity in Pesos



Source: BCRA

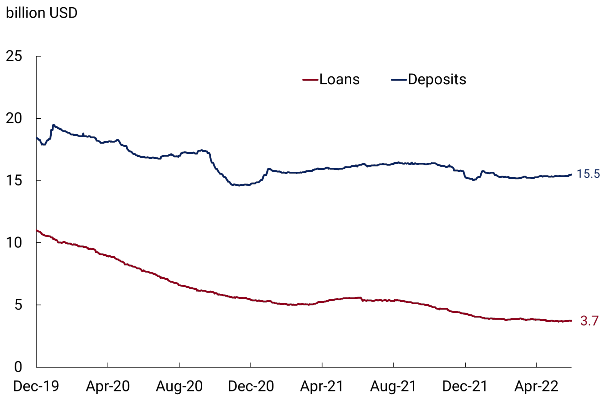
5 It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQ bills, and holdings of bonds eligible to comply with the minimum reserve requirements.
6 Communication "A" 7515.
7 Communication "A" 7511.

7. Foreign Currency

As regards foreign currency, financial institutions' main assets and liabilities posted limited changes in May. Indeed, the average monthly stock of deposits from the private sector stood at USD15.39 billion, up USD52 million against April. This subtle increase was driven by sight deposits and, to a lesser extent, by natural persons' time deposits. On the contrary, the average monthly stock of loans to the private sector stood at USD3.71 billion, down USD65 million vis-à-vis April (see Chart 7.1).

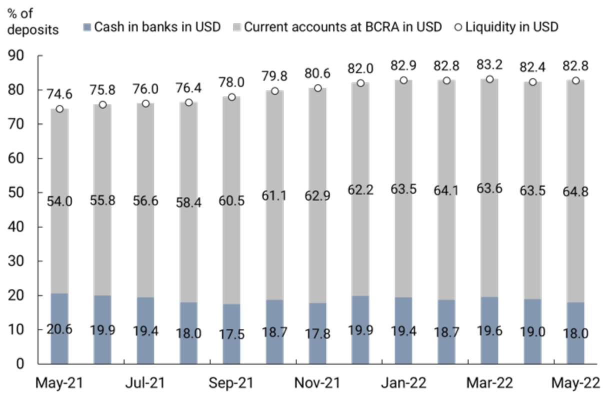
Financial institutions' liquidity in the foreign currency segment stood at 82.8% of deposits in May, posting a rise (0.3 p.p.) compared to the figure shown in April. The rise of liquidity was related to the change of current accounts at the BCRA, which was in part offset by a fall of cash in banks (see Chart 7.2).

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



Source: BCRA

Chart 7.2 | Financial Institutions' Liquidity in Foreign Currency



Source: BCRA

In May, some regulatory changes on foreign exchange took place. First, regimes were created to ease access to foreign currency used for the incremental production of oil and gas. These regimes aim at creating certainty and incentives to boost investments and the growth of production in the hydrocarbon sector. Foreign currency may be allocated to pay principal and interest on commercial or financial liabilities abroad, including liabilities with non-resident related companies, and/or profits and dividends, and/or repatriation of non-residents' direct investments. Oil companies' direct providers may also enjoy the right to access the market in full or in part for the same purposes available to oil companies.[8]

Likewise, in early June, the BCRA adopted the regime on foreign currency availability for exporters of services[9]. Natural persons exporting services related to the knowledge economy may be credited up to USD12,000 per year to accounts held at local financial institutions without the requirement of settlement in pesos. This benefit also applies to companies in the sector, which will have foreign currency available for the payment of salaries for a percentage of the increase in foreign sales recorded this year compared to 2021.

Moreover, importers falling under categories B or C that have produced a SIMI affidavit in force are now subject to more relaxed conditions to access the forex market, provided that imports involve pharmaceuticals and/or inputs and materials used for the domestic manufacturing of goods necessary for

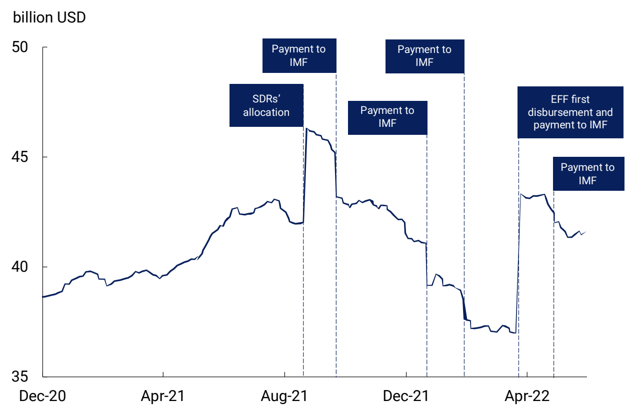
8 Executive Order No. 277/2022 by the Executive Power.
9 Communication "A" 7518.

building infrastructure facilities hired by the national public sector. Finally, importers providing certification of income of the new financial debt held abroad may access the forex market for payments of principal before the maturity date of the commercial debts incurred for the import of goods and services, under certain conditions set out in the regulation.[10]

At the end of May, the BCRA's international reserves reached USD41.56 billion, USD446 million down against the end of April (see Chart 7.3). This fall was explained by several factors. In May, the servicing of interest to the International Monetary Fund (IMF) for USD364 million, the valuation loss of net foreign assets, and the change in current account balances at the BCRA had a negative bearing on reserves. These effects were offset in part by the net purchase of foreign currency to the private sector, which contributed positively in May (USD784 million).

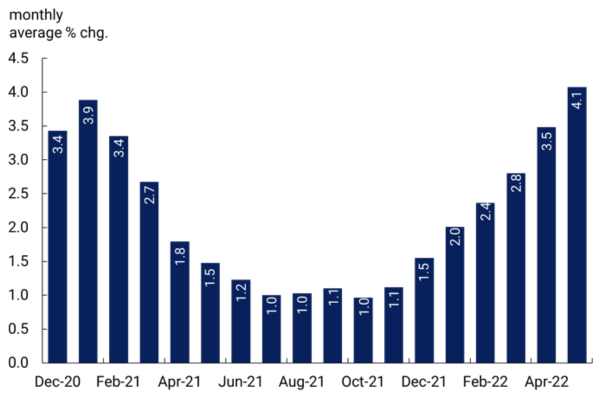
Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 4.1% and averaged ARS117.79/USD in May (see Chart 7.4). Since the depreciation pace of domestic currency accelerated throughout May, the m.o.m. change was higher in April (4.2%). **Hence, the depreciation pace of domestic currency is gradually readjusting to levels more compatible with the inflation rate with the aim of keeping the Multilateral Real Exchange Rate Index (ITCRM, in Spanish) at a competitive level.**

Chart 7.3 | International Reserves
Daily stock



Source: BCRA

Chart 7.4 | Change in Bilateral Nominal Exchange Rate against USA



Source: BCRA

10 Communications "A" 7507 and "A" 7516.

8. Regulatory Overview

Date of Issue	Regulation	Description
May-5-22	Comm. "A" 7506	The BCRA established that **financial institutions may not carry out transactions or allow their clients to make transactions with digital assets,** including crypto assets and those assets whose yields are determined on the basis of the changes in their value, which are not regulated by a national authority and authorized by the BCRA.
May-5-22	Comm. "A" 7507	**Access the forex market was allowed to make payments of imports of goods for categories B or C under a SIMI affidavit in force, provided that the goods paid are pharmaceuticals and/or materials used for the domestic manufacturing of goods**. It should be noted that these categories refer to the way importers may access the forex market for imports of goods subject to the submission of an affidavit under the SIMI and to the terms of access, which fall outside the scope of the foreign exchange regulations. In addition, the BCRA's prior consent to access the forex market will not be required in the case of a payment with pending import customs registration paid with funds from financing of imports of goods granted by a domestic financial institution and which originated in any foreign credit lines. This will come into effect as far as the financing granted matures on the date of the arrival of goods in Argentina or up to 15 running days after the arrival. In addition, importers must submit an affidavit stating that they will carry out the import customs registration within 15 running days from the arrival of goods in the country, except reasons of force majeure. Finally, the monitoring of a shipping permit for the amount equivalent to the amounts paid locally in pesos and/or in foreign currency to the exporter by a local agent of the foreign transport company will be considered totally or partially fulfilled provided that such local agent has not used this mechanism for an amount exceeding two million US dollars in the current calendar month.
May-12-22	Comm. "A" 7511	**Financial institutions belonging to Group "A", and branches or subsidiaries of G-SIBs not included in Group "A" may allocate National Treasury Bonds in pesos, with maturity on May 23, 2027, to meet the minimum cash requirement in that currency** under the same conditions set out in the regulations on "Minimum cash" for compliance with "National Treasury Bonds in pesos at a fixed interest rate maturing in May, 2022", using the maximum quota expected at present for "National Treasury Bonds in pesos at a fixed interest rate maturing in May, 2022". National Treasury Bonds in pesos with maturity on May 23, 2027, allocated to meet minimum cash requirements in such currency will be excluded from the caps established in the regulations on "Lending to the non-financial public sector".
May-12-22	Comm. "A" 7512	As from May 13, 2022, **the minimum interest rate on natural persons' time deposits in financial institutions not exceeding ARS10 million on the date of deposit rose from 97.87% to 97.96% of the monetary policy rate** recorded on the day before the deposit is made or, as the case may be, the last rate published. The interest rate on the remaining deposits rose from 93.62% to 93.87% of the monetary policy rate. **In turn, the interest rate on early-payment deposits increased to 87.76% of such rate** (from 87.23% applicable before this regulation). Effective for loans granted as from May 13, 2022, **the interest rate on financing to working capital and to the discount of deferred payment checks and MSME electronic credit invoices was increased from 45.5% to 47.5% APR, and the interest rate on financing to investment projects in the framework of the LFIP was raised from 35% to 37% APR.** Finally, effective as from the invoicing cycle of June 2022, the maximum compensatory interest charged by financial institutions for financings on credit cards was raised to 53% APR.

May-19-22	Comm. "A" 7514	Sight or payment accounts debited by transfer may be opened by other financial institutions, PSPOCPs, or any other providers of digital wallet services. The same applies to all other means of payment. This measure seeks to streamline the electronic payment system. Therefore, **users may carry out payments by transfer or instant transfers through a digital wallet using funds deposited in other linked accounts**. Moreover, these measures should be implemented not later than September 30, 2022. First, all instant transfer scheme administrators must implement mechanisms to handle recipient client's requests to debit their sight or payment accounts and to credit the requesting client's account with prior authorization from the recipient client. Such requests also involve payments by transfer from sight or payment accounts opened with institutions other than digital wallet providers. Finally, instant debit (DEBIN) transactions—ordering or receiving payments—can be carried out from sight accounts as well as from payment accounts.
May-19-22	Comm. "A" 7515	As from June 1, 2022, **the minimum cash requirement placed on deposits in pesos made by financial institutions' clients in PSPOCPs' accounts will be calculated on the basis of daily balances recorded in the current month**, unlike the rest of deposits in pesos, whose requirements are determined on daily balances recorded in the previous month.
May-19-22	Comm. "A" 7516	**The Mercosur Common Nomenclature (NCM, in Spanish) list was updated** to comprise **pharmaceuticals and/or inputs used to produce them locally, and other health care items. In all these cases, importers will have access to the forex market for paying imports**, as stated in Communication "A" 7507. Also, **importers falling under categories B or C that have produced a SIMI affidavit in force will be subject to new conditions before having access to the forex market for paying imports of goods**. First, these conditions apply to the goods corresponding to the items detailed in the regulation, insomuch as inputs are used for the domestic manufacturing of goods necessary for building infrastructure facilities by the national public sector. Second, they are applicable where the client accesses the forex market and, simultaneously, settles the amounts collected for advances or pre-financing of exports from abroad or granted by domestic financial institutions with funding in foreign credit lines. This is contingent on the fact that the goods paid are inputs to be used for the domestic manufacturing of items to export, and the financing granted matures 365 running days after having access to the forex market or later. Finally, **importers of goods or services that produce a certification of income of a new financial debt held abroad will be able to access the forex market for paying the principal of their commercial debts before maturity** (as set out in the regulations on "Foreign trade and exchange"), provided that the lifespan of the new debt is, at least, 2 years longer than the remaining term of the debt paid in advance.

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 May-22						% of GDP	
	May-22	Apr-22	Mar-22	Dec-21	May-21	Monthly		Accrued in 2022		Year-on-year		May-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
Monetary Base	**3,696,382**	**3,628,710**	**3,660,266**	**3,394,480**	**2,526,536**	1.9%	-2.7%	8.9%	-10.7%	46.3%	-10.9%	**5.2%**	**6.0%**
Currency in circulation	2,743,185	2,688,459	2,674,269	2,504,731	1,831,076	2.0%	-3.7%	9.5%	-11.6%	49.8%	-8.8%	**3.9%**	**4.5%**
Cash held by the public	2,472,276	2,393,210	2,392,933	2,230,702	1,617,069	3.3%	-2.5%	10.8%	-10.0%	52.9%	-6.9%	**3.5%**	**4.0%**
Cash in financial institutions	270,909	295,249	281,337	274,029	214,008	-8.2%	-13.4%	-1.1%	-23.8%	26.6%	-22.9%	**0.4%**	**0.5%**
Current accounts at BCRA	953,197	940,252	985,997	889,749	695,459	1.4%	-4.3%	7.1%	-17.4%	37.1%	-16.6%	**1.3%**	**1.6%**
BCRA's remunerated liabilities (NV ARS)	**5,557,121**	**5,082,656**	**4,803,021**	**4,506,696**	**3,609,319**	9.3%	3.2%	23.3%	-5.0%	54.0%	-6.3%	**7.6%**	**6.1%**
Reverse repos	572,009	564,228	649,856	2,366,670	1,560,224	1.4%	-4.3%	-75.8%	-81.4%	-63.3%	-77.7%	**0.8%**	**3.2%**
1 day	572,009	564,228	649,856	110,546	71,818	1.4%	-4.3%	417.4%	298.9%	696.5%	384.8%	**0.8%**	**0.2%**
7 days	0	0	0	2,256,124	1,488,406	3.9%	-1.8%	-100.0%	-100.0%	-100.0%	-100.0%	**0.0%**	**3.1%**
Stock of LELIQ bills	4,281,073	3,965,042	3,804,296	2,140,026	2,049,095	8.0%	2.0%	100.0%	54.2%	108.9%	27.2%	**5.8%**	**2.9%**
Stock of 28-day LELIQ bills	3,904,694	3,588,663	3,427,949	2,140,026	2,049,095	8.8%	2.7%	82.5%	40.6%	90.6%	16.0%	**5.3%**	**2.9%**
Stock of 180-day LELIQ bills	376,379	376,379	376,347	-	-	0.0%	-5.6%	-	-	-	-	**0.5%**	**-**
Stock of NOTALIQ	704,039	553,386	348,869	-	-	27.2%	20.1%	-	-	-	-	**1.0%**	**-**
BCRA' s international reserves in dollars	**41,620**	**43,011**	**38,511**	**40,584**	**41,107**	-3.2%	-	2.6%	-	1.2%	-	**6.7%**	**7.5%**

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2022		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary Base	**67,671**	**1.9%**	**-54,561**	**-1.5%**	**301,902**	**8.9%**	**1,169,846**	**46.3%**
Foreign exchange purchases to private sector and others	84,550	2.3%	103,872	2.8%	72,925	2.1%	90,057	3.6%
Foreign exchange purchase to the NT	-18,647	-0.5%	-52,147	-1.4%	-195,647	-5.8%	19,899	0.8%
Temporary advances and profit transfers to National Government	192,367	5.3%	197,700	5.3%	713,000	21.0%	1,812,270	71.7%
Other public sector operations	130,050	3.6%	194,565	5.2%	50,313	1.5%	2,714	0.1%
Monetary policy instruments	-310,901	-8.6%	-461,990	-12.3%	-240,028	-7.1%	-274,320	-10.9%
Others	-9,747	-0.3%	-36,562	-1.0%	-98,660	-2.9%	-480,774	-19.0%
BCRA's International Reserves	**-1,391**	**-3.2%**	**4,368**	**11.7%**	**1,035**	**2.6%**	**513**	**1.2%**
Purchases of foreign currency	728	1.7%	906	2.4%	610	1.5%	895	2.2%
International organizations	-1,139	-2.6%	5,159	13.8%	2,710	6.7%	3,109	7.6%
Other public-sector transactions	-88	-0.2%	-349	-0.9%	-77	-0.2%	2,540	6.2%
Minimum cash requirements	284	0.7%	126	0.3%	649	1.6%	1,918	4.7%
Others (incl. forex valuation)	-1,177	-2.7%	-1,474	-4.0%	-2,857	-7.0%	-7,948	-19.3%

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

Minimum Cash Requirement and Compliance	May-22	Apr-22	Mar-22
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	21.9	22.2	23.0
Compliance in current account	8.1	8.4	9.3
Compliance in LELIQ bills	19.1	19.5	19.3
Compliance in BOTE 2022	3.5	3.6	3.8
Compliance in sovereign bonds/other	6.1	5.9	4.6
Foreign currency	% of total deposits in foreign currency		
Minimum capital requirements	24.0	24.0	24.0
Compliance (includes funds available for financing but not yet granted)	64.8	63.5	63.6
Position [(1)]	40.8	39.5	39.6

(1) Position = Compliance – Requirement

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

Main monetary and financial system variables	Monthly average					Average percentage changes as to May-22						% of GDP[4]	
						Monthly		Accrued in 2022		Year-on-year			
	May-22	Apr-22	Mar-22	Dec-21	May-21	Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real	May-22	Dec-21
Domestic currency													
Total deposits from the non-financial sector in pesos[1]	**11,689,939**	**10,993,533**	**10,540,839**	**9,585,195**	**7,332,430**	6.3%	0.4%	22.0%	-4.6%	59.4%	-2.9%	**16.1%**	**17.3%**
Private sector deposits	*9,465,345*	*8,888,361*	*8,473,993*	*7,725,394*	*5,752,440*	6.5%	0.6%	22.5%	-3.8%	64.5%	0.2%	**13.1%**	**14.0%**
Private Sector Sight Deposits	4,625,999	4,310,624	4,172,514	4,094,953	2,760,747	7.3%	1.1%	13.0%	-5.1%	67.6%	2.0%	**6.5%**	**7.0%**
Non-interest bearing (transactional)	*3,611,543*	*3,479,419*	*3,355,898*	*3,283,216*	*2,263,891*	3.8%	-2.2%	10.0%	-5.4%	59.5%	-2.9%	**5.1%**	**5.6%**
Interest-bearing	1,014,456	831,205	816,616	811,737	496,856	22.0%	15.2%	25.0%	-3.7%	104.2%	24.3%	**1.4%**	**1.5%**
Private Sector Time Deposits and Others	4,839,345	4,577,737	4,301,479	3,630,441	2,991,693	5.7%	0.1%	33.3%	-2.6%	61.8%	-1.5%	**6.6%**	**6.9%**
Time Deposits	4,673,066	4,415,643	4,144,989	3,482,486	2,877,212	5.8%	0.2%	34.2%	-2.2%	62.4%	-1.1%	**6.3%**	**6.7%**
CER / UVA non-adjustable	4,378,434	4,165,309	3,936,543	3,322,817	2,734,126	5.1%	-0.5%	31.8%	-3.9%	60.1%	-2.5%	**5.9%**	**6.3%**
CER / UVA-adjustable	294,631	250,335	208,446	159,669	143,086	17.7%	11.4%	84.5%	34.5%	105.9%	25.3%	**0.4%**	**0.3%**
Traditional	170,093	152,630	130,583	102,704	97,036	11.4%	5.5%	65.6%	20.8%	75.3%	6.7%	**0.2%**	**0.2%**
Early-payment	124,538	97,705	77,863	56,964	46,051	27.5%	20.7%	118.6%	59.4%	170.4%	64.6%	**0.2%**	**0.1%**
Other deposits	166,280	162,094	156,490	147,955	114,481	2.6%	-3.1%	12.4%	-13.4%	45.2%	-11.6%	**0.2%**	**0.3%**
Public sector deposits[2]	*2,224,595*	*2,105,172*	*2,066,846*	*1,859,801*	*1,579,990*	5.7%	-0.2%	19.6%	-7.8%	40.8%	-14.3%	**3.0%**	**3.4%**
Monetary Aggregates													
Total M2	7,913,571	7,501,609	7,384,945	7,120,852	5,046,725	5.5%	0.6%	11.1%	-7.6%	56.8%	-4.5%	**11.2%**	**12.4%**
Total M3	14,276,930	13,524,345	13,037,897	11,905,633	9,019,021	5.6%	-0.1%	19.9%	-4.2%	58.3%	-3.6%	**19.8%**	**21.2%**
Private sector monetary aggregates													
Private M2	7,098,275	6,703,834	6,565,447	6,325,655	4,377,816	5.9%	-0.2%	12.2%	-8.7%	62.1%	-1.3%	**9.9%**	**11.1%**
Transactional private M2[3]	6,083,819	5,872,629	5,748,830	5,513,918	3,880,960	3.6%	-2.3%	10.3%	-7.3%	56.8%	-4.6%	**8.6%**	**9.5%**
Private M3	11,937,621	11,281,570	10,866,926	9,956,096	7,369,509	5.8%	-0.3%	19.9%	-6.5%	62.0%	-1.4%	**16.4%**	**18.0%**
Total loans to the non-financial sector in pesos	**4,858,186**	**4,638,825**	**4,417,985**	**4,058,133**	**2,977,205**	4.7%	-1.5%	19.7%	-5.4%	63.2%	-0.7%	**6.7%**	**7.2%**
Loans to the non-financial private sector	***4,802,919***	***4,584,861***	***4,367,427***	***4,003,444***	***2,932,195***	4.8%	-1.4%	20.0%	-5.2%	63.8%	-0.3%	**6.6%**	**7.1%**
Overdrafts	500,542	457,348	444,089	392,585	260,579	9.4%	-0.6%	27.5%	-2.4%	92.1%	16.9%	**0.7%**	**0.7%**
Promissory notes	1,230,417	1,174,611	1,098,377	1,010,395	656,413	4.8%	-2.1%	21.8%	-0.8%	87.4%	14.1%	**1.7%**	**1.8%**
Mortgage-backed loans	318,469	311,622	302,440	280,283	231,764	2.2%	-3.3%	13.6%	-12.6%	37.4%	-16.4%	**0.4%**	**0.5%**
Pledge-backed loans	308,733	288,147	267,462	229,234	133,940	7.1%	1.9%	34.7%	8.3%	130.5%	40.3%	**0.4%**	**0.4%**
Personal loans	806,907	777,133	743,047	665,885	511,262	3.8%	-1.3%	21.2%	-6.9%	57.8%	-3.9%	**1.1%**	**1.2%**
Credit cards	1,365,910	1,314,901	1,273,703	1,198,243	945,460	3.9%	-0.5%	14.0%	-5.3%	44.5%	-12.1%	**1.9%**	**2.1%**
Others	271,941	261,098	238,310	226,818	192,778	4.2%	-4.6%	19.9%	-11.7%	41.1%	-14.1%	**0.4%**	**0.4%**
Loans to the non-financial public sector	***55,268***	***53,965***	***50,557***	***54,689***	***45,010***	2.4%	-3.3%	1.1%	-22.1%	22.8%	-25.3%	**0.1%**	**0.1%**
Foreign currency[1]													
Deposits from the non-financial sector in dollars	**18,479**	**18,433**	**18,405**	**18,237**	**18,726**	0.3%	-	1.3%	-	-1.3%	-	**3.0%**	**3.4%**
Deposits from the non-financial private sector in dollars	15,386	15,334	15,241	15,255	16,084	0.3%	-	0.9%	-	-4.3%	-	**2.5%**	**2.8%**
sight deposits	11,472	11,412	11,351	11,233	11,763	0.5%	-	2.1%	-	-2.5%	-	**1.8%**	**2.1%**
time deposits and others	3,913	3,921	3,890	4,022	4,321	-0.2%	-	-2.7%	-	-9.4%	-	**0.6%**	**0.7%**
Deposits from the non-financial public sector in dollars	3,094	3,099	3,165	2,982	2,642	-0.2%	-	3.7%	-	17.1%	-	**0.5%**	**0.6%**
Loans to the non-financial sector in dollars	**3,836**	**3,902**	**3,977**	**4,268**	**5,676**	-1.7%	-	-10.1%	-	-32.4%	-	**0.6%**	**0.8%**
Loans to the non-financial private sector in dollars	3,713	3,779	3,853	4,127	5,541	-1.7%	-	-10.0%	-	-33.0%	-	**0.6%**	**0.8%**
Promissory notes	2,527	2,518	2,507	2,729	3,954	0.4%	-	-7.4%	-	-36.1%	-	**0.4%**	**0.5%**
Credit cards	205	189	200	137	59	8.9%	-	50.2%	-	250.1%	-	**0.0%**	**0.0%**
Others	981	1,072	1,146	1,261	1,529	-8.5%	-	-22.2%	-	-35.8%	-	**0.2%**	**0.2%**
Loans to the non-financial public sector in dollars	123	124	125	141	135	-0.9%	-	-13.1%	-	-9.0%	-	**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	May-22	EAR May-22	Apr-22	Mar-22	Dec-21	May-21
BCRA repo interest rates						
Overnight reverse repo	36.92	44.63	35.15	33.79	32.00	32.00
Overnight repo	51.84	67.87	48.02	44.87	42.70	42.70
28-day LELIQ bill interest rate	48.23	60.57	45.58	43.08	38.00	38.00
180-day LELIQ bill interest rate	53.53	68.98	50.58	47.73		
Interbank market interest rates	**May-22**	**EAR May-22**	**Apr-22**	**Mar-22**	**Dec-21**	**May-21**
Repo rates among third parties on overnight REPO round	37.62	45.65	36.04	33.35	30.98	33.19
Volume of repos traded among third parties (daily average)	23,356		26,244	14,420	4,489	4,060
Calls in pesos (overnight)						
Interest rate	38.30	46.63	35.19	33.13	30.46	32.23
Traded volume	26,612		25,965	19,284	19,687	10,612
Borrowing interest rates	**May-22**	**EAR May-22**	**Apr-22**	**Mar-22**	**Dec-21**	**May-21**
Sight deposits						
Interest-bearing	32.82	38.25	29.77	28.41	28.87	30.05
Time deposits						
Natural persons up to ARS1 million (30-35 days)[1]	46.90	58.44	44.51	41.80	36.29	36.34
Total TM20 (more than ARS20 million, 30-35 days)	44.05	54.14	41.84	39.10	33.25	33.17
Private banks' TM20 (more than ARS20 million, 30-35 days)	45.04	55.62	42.58	39.84	33.98	33.87
Total BADLAR (more than ARS1 million, 30-35 days)	44.61	54.98	42.33	39.60	33.34	33.25
Private banks' BADLAR (more than ARS1 million, 30-35 days)	45.67	56.56	43.21	40.48	34.20	34.10
Interest rate on UVA deposits' early-payment option	43.00	52.59	41.00	38.50	30.50	30.50
Lending interest rates	**May-22**	**EAR May-22**	**Apr-22**	**Mar-22**	**Dec-21**	**May-21**
Loans to the non-financial private sector in pesos						
Overdrafts	46.37	58.94	44.43	43.00	40.46	41.82
1 to 7 days—in accordance with companies—more than ARS10 million	40.61	49.87	38.89	37.19	35.36	36.00
Unsecured promissory notes	41.11	49.82	39.60	36.47	34.78	35.59
Mortgage-backed loans	34.42	40.42	32.01	32.66	29.71	29.92
Pledge-backed loans	30.98	35.79	29.62	28.25	28.16	28.66
Personal loans	58.95	77.84	58.02	55.92	53.00	54.65
Credit cards	48.04	60.18	47.30	45.79	42.87	42.63
Interest rate in foreign currency	**May-22**	**EAR May-22**	**Apr-22**	**Mar-22**	**Dec-21**	**May-21**
Time deposits in dollars (30 to 44 days)	0.33	0.33	0.34	0.38	0.37	0.37
Unsecured promissory notes in dollars	3.26	3.31	3.49	3.04	5.97	3.16
Exchange rate	**May-22**	**Monthly chg. (%)**	**Apr-22**	**Mar-22**	**Dec-21**	**May-21**
NER peso/dollar						
Wholesale rate (Comm. "A" 3.500)	117.79	4.07	113.18	109.37	101.88	94.10
Retail rate[2]	119.95	4.03	115.31	111.56	104.27	96.45
NER peso/real	23.85	0.06	23.83	21.99	18.01	17.77
NER peso/euro	124.55	1.67	122.51	120.42	115.14	114.26
ITCNM	785.28	1.33	775.00	745.24	672.89	648.08
ITCRM	96.76	-3.25	100.01	101.51	102.60	118.20

1 The interest rate under consideration does not agree with the minimum interest rate. The reason for this is that the latter only involves natural persons' deposits below ARS1 million. The minimum interest rate applies to the whole time deposits of each depositor in the financial institution as long as they do not exceed ARS1 million.

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

Glossary

ANSES: Argentine Social Security Administration
AFIP: Federal Administration of Public Revenue
APR: Annual Percentage Rate
BADLAR: Interest rate on time deposits of ARS1 million and over for 30-35 days.
BCRA: Central Bank of Argentina
B.P.: Basis Points
CC BCRA: Current accounts at BCRA
CER: Reference Stabilization Coefficient
CNV: National Securities Commission
CPI: Consumer Price Index
EAR: Effective Annual Rate
EM: Minimum Cash Requirements
FCI: Mutual Funds
GDP: Gross Domestic Product
IAMC: Argentine Institute for Capital Markets
ITCNM: Multilateral Nominal Exchange Rate Index
ITCRM: Multilateral Real Exchange Rate Index
IRR: Internal Rate of Return
LEBAC: BCRA Bills
LELIQ: BCRA Liquidity Bills
LFIP: Credit Line for Productive Investment
MERVAL: Buenos Aires Stock Exchange Index
MM: Money Market
MSMEs: Micro, Small and Medium-Sized Enterprises
NBFI: Non-Bank Financial Institution
MB: Monetary Base; total amount of money in circulation plus money deposited in current accounts in pesos of financial institutions held with the BCRA
m.o.m.: Month-on-month
NOCOM: Cash Compensation Notes issued by BCRA
ON: Negotiable Obligation
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.
PSP: Payment Service Providers
p.p.: Percentage Points
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
SIMPES: Comprehensive System for Monitoring of Payment of Foreign Service
TCN: Nominal Exchange Rate
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.
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.

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
TM20: Interest rate on time deposits of ARS20 million and over for 30-35 days.
UVA: Units of Purchasing Power
y.o.y.: Year-on-year