

Monthly Monetary Report

June 2021



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Contents

Page 2		1. Executive Summary
Page 3		2. Means of Payment
Page 4		3. Savings Instruments in Pesos
Page 6		4. Monetary Base
Page 7		5. Loans to the Private Sector in Pesos
Page 9		6. Financial Institutions' Liquidity in Pesos
Page 10		7. Foreign Currency
Page 12		8. Regulatory Overview
Page 13		9. Monetary and Financial Indicators
Page 16		Glossary

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

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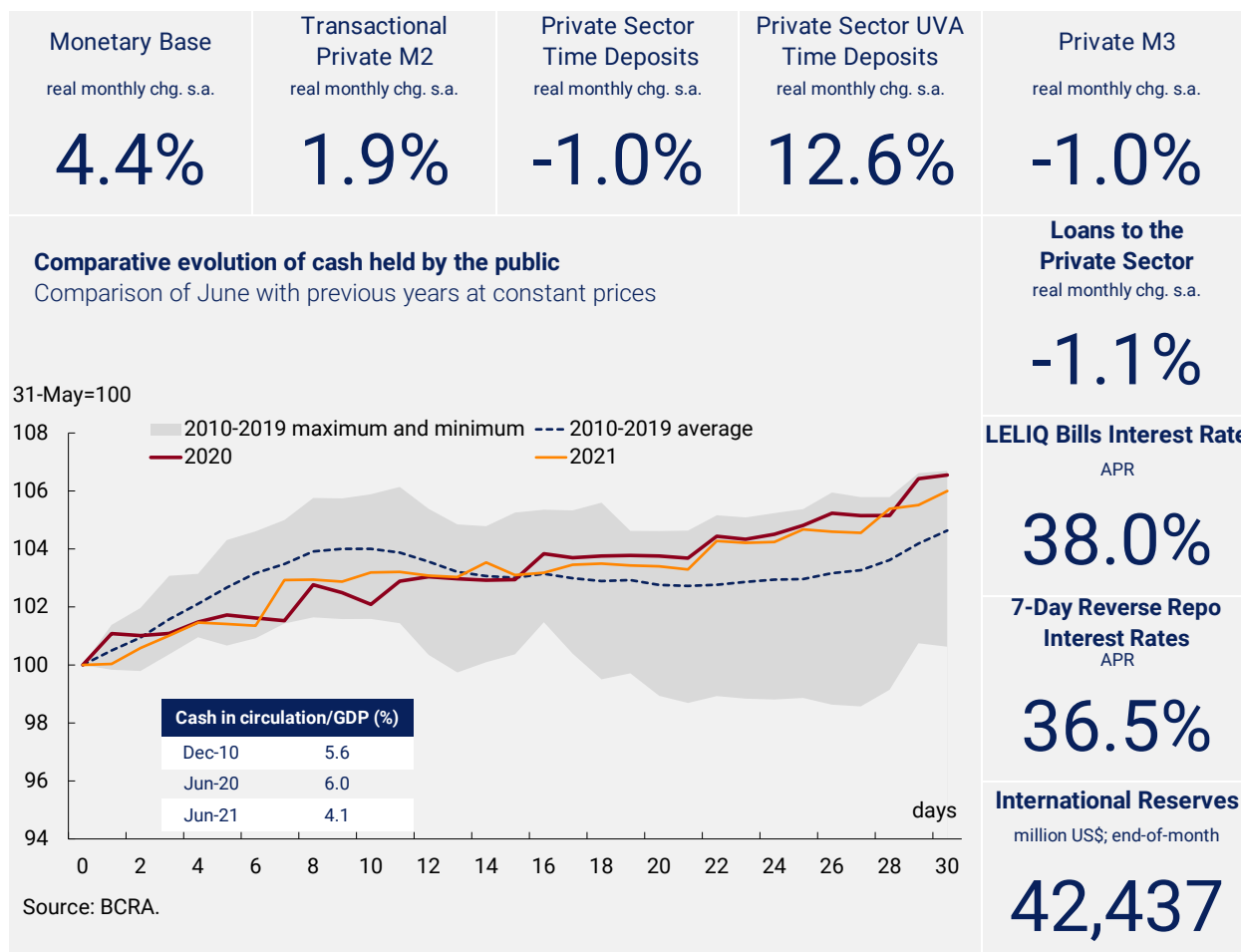
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About inclusive language in the Spanish version of this report

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, transactional accounts increased their pace in June due to different factors, such as fund transfers to the most vulnerable sectors and higher wages for the adjustment of collective bargaining. Particularly, transfers to the most vulnerable sectors, which represent a high demand for cash, led to a growing demand for cash over June (with a less dynamic intra-month seasonality as a result of the payment of the semi-annual complementary wage).

Time deposits in pesos to the private sector posted a new monthly contraction at constant prices. However, their performance was not homogeneous: UVA time deposits stood out, partly offsetting the negative contribution of deposits in pesos. Even so, the broad monetary aggregate (private M3) at constant prices decreased (-1.0%) in June, down 7.5% against June 2020.

Loans in pesos to the non-financial private sector fell once again at constant prices (-1.1% s.a.) in June. As for commercial credit lines, overdrafts and discounted notes came to the fore, the latter driven by the Credit Line for Productive Investment (LFIP, in Spanish).

Regarding foreign currency, financial institutions' assets and liabilities did not exhibit any significant changes. In turn, the BCRA increased its international reserves for the seventh month in a row, with net purchases of foreign currency contributing the most positively.

2. Means of Payment

In real¹ and seasonally-adjusted (s.a.) terms, transactional accounts (measured through transactional private M2²) posted a 1.9% rise, thus bringing a ten-month period of contractions to a close. In terms of GDP, transactional private M2 has been around 10% since March, accumulating a 4.5 p.p. fall since June 2020, when it reached a 14.3% high. The upward trend observed in June was explained by the performance of transactional sight deposits as well as by cash held by the public (see Chart 2.1).

Chart 2.1 | Transactional Private M2 and Components

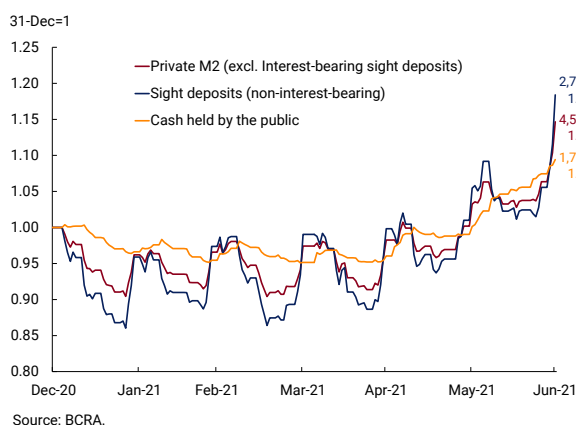
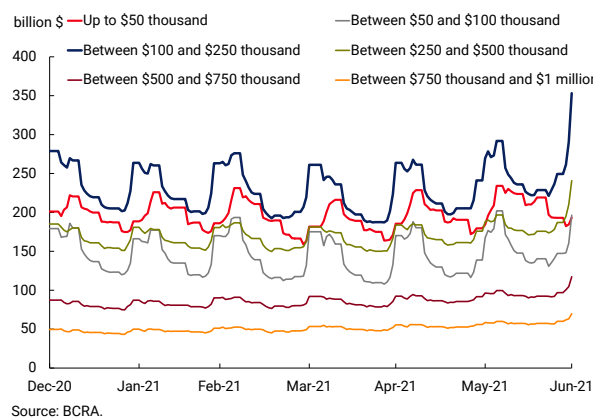


Chart 2.2 | Natural Persons' Savings Account Deposits up to \$1 million



In June, several factors influenced the performance of non-interest-bearing sight deposits. On the one hand, additional funds were transferred to the most vulnerable sectors. In particular, the **Argentine Social Security Administration (ANSES, in Spanish)** paid in advance a 20% complement of the universal child allowance (AUH, in Spanish) that is usually paid in December³. This had an impact on the dynamics of natural persons' deposits in savings accounts with lower amounts (up to \$50,000), the pace of their intra-month seasonal fall clearly slowing down as the payment was made between June 8 and 22. **On the other hand, wages were adjusted in June as a result of collective bargaining agreements, which was mainly evidenced in the growth of savings account deposits between \$50,000 and \$250,000** (see Chart 2.2). Finally, the law sets forth the obligation to pay June's semi-annual complementary wages before June 30; however, many companies and/or organizations are used to paying it earlier⁴. Even so, in June, non-interest-bearing sight deposits recorded a monthly rise of 2.4% s.a. at constant prices.

Lower income sectors are highly demanding for cash⁵, which explained the growth of cash held by the public. Another factor that may have contributed to the dynamics is the greater demand for cash to make purchases in nearby shops, given the restrictions on persons' mobility imposed in most of Argentina until the first week of June. In addition, the seasonal growth associated with the payment of the semi-annual complementary wage of June contributed to such an increase. **This way, cash held by the public exhibited**

¹ The National Institute of Statistics and Censuses (INDEC) will publish June's inflation data on July 15.

² Private M2 excluding interest-bearing sight deposits held by companies and financial service providers because such deposits do not represent transactional accounts.

³ Every year, ANSES withholds 20% of AUH to be paid by the end of the year to beneficiaries who have proved and complied with their children's enrolment to school and vaccination schedule. This year, the AUH amounts to \$7,083.4 per child.

⁴ This effect is corrected with monthly seasonality.

⁵ According to the last National Survey on Households' Expenses (ENGHo 2018), the first income decile pays virtually 90% of their expenses in cash.

a sustained growing trend over June, unlike its intra-month seasonal performance, and quite similar dynamics to that of June 2020 (see Chart 2.3 and Executive Summary). Thus, it recorded a 1.4% s.a. monthly rise at constant prices, and ended the first half of the year with an accrued contraction of about 11% in real terms. Unlike April 2020, the expansion in the use of cash could not halt the downward trend in the use of banknotes and coins for transaction purposes. This is explained by the emergence of new means of payment such as the QR code (see Chart 2.4). The BCRA has recently agreed with financial institutions to shorten to one business day the term for shops to have the payments deposited in their accounts for sales on debit cards⁶. The aim of this decision is to further promote a greater use of electronic means of payment.

Chart 2.3 | Cash Held by the Public
Comparison with previous months

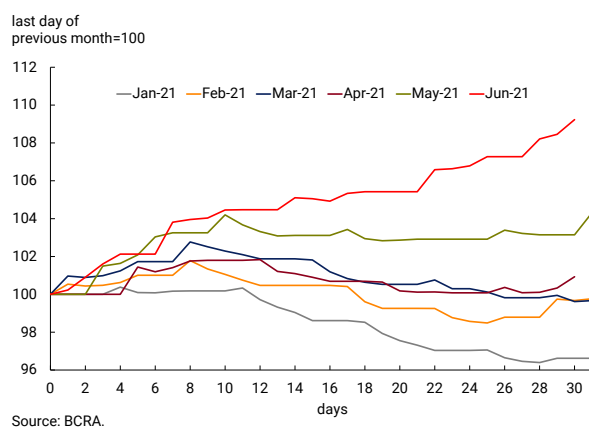
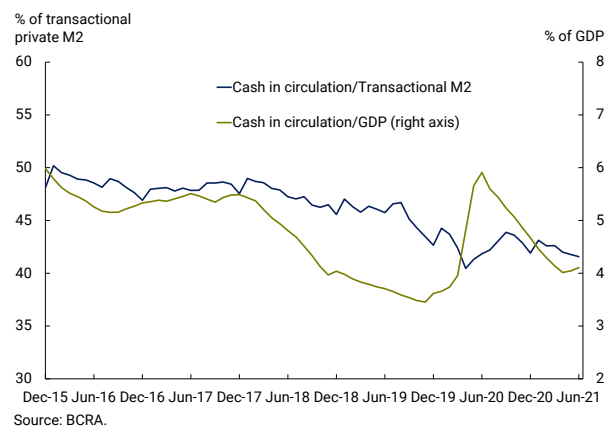


Chart 2.4 | Cash Held by the Public as Share of Transactional Private M2 and GDP



3. Savings Instruments in Pesos

Private sector time deposits in pesos⁷ continued moderating their monthly expansion pace, contracting nearly 1.0% s.a. at constant prices. Upon breaking down deposits by amounts, the fall was mostly recorded in wholesale segment deposits (over \$20 million) and was mainly explained by May's negative statistical carryforward (-2.3 p.p.). These deposits stopped falling in real terms as from the first days of June and then they got stabilized.

In the wholesale segment of time deposits there are two main actors: financial service providers and companies. Over this year, financial service providers and, in particular, money market funds explain the dynamics of these deposits. The equity of money market funds was practically the same in June as well as their portfolio composition in the presence of interest rate stability. Accordingly, their time deposits and interest-bearing sight deposits remained virtually unchanged. Indeed, private banks' TM20 stood at 33.9% APR (39.7% EAR) in June, while the interest rate on interest-bearing sight deposits stood at 29.9% APR (34.3% EAR).

Deposits between \$1 and \$20 million recorded an upward trend at constant prices over June. In this segment, the growth was driven by natural persons' deposits, which represent a bit more than 75% of total deposits. Finally, deposits of up to \$1 million remained virtually stable as their nominal growth was similar

⁶ The Law on Credit Cards, Law No. 25,065, set a maximum 3-business-day term and, thanks to an agreement with the regulator, banks agreed to have deposits credited in a 2-business-day term. That term has now been shortened to 1 day as agreed between the BCRA and financial institutions.

⁷ They include UVA deposits.

to inflation (see Chart 3.1). It is worth noting that the \$750,000 to \$1 million segment is the most dynamic, many of these deposits fitting into the \$1 to \$20 million segment after interest is capitalized. The interest rate on time deposits not exceeding \$1 million stood at 36.1% APR (42.8% EAR).

As regards time deposits in pesos, the performance by type of deposit was heterogeneous. Both traditional and early-payment deposits in pesos contributed negatively to monthly change, but they were in part offset by the positive contribution of UVA time deposits (see Chart 3.2).

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

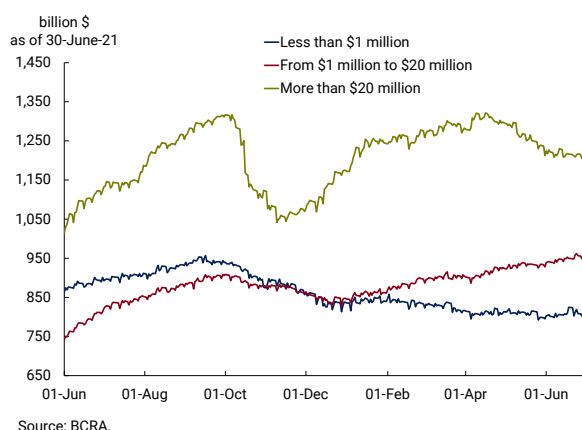
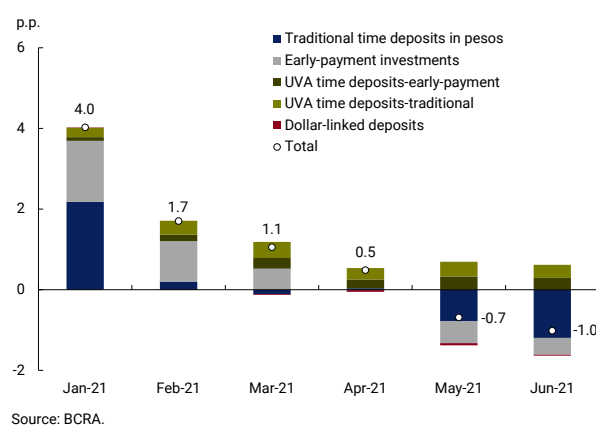


Chart 3.2 | Private Sector Time Deposits Contribution to real monthly change by type of deposit



Indeed, UVA deposits went on exhibiting the same performance observed as from the end of 2020. In June, they reached a monthly stock of \$164.08 billion on average, up 12.6% s.a. in real terms against May. The climb was accounted for by both UVA traditional deposits and those with an early-payment option after a minimum term of 30 days, which growth rate at constant prices was 9.7% and 19.0%, respectively (see Chart 3.3). The demand for CER-adjustable instruments grew in a context in which the BCRA kept the benchmark interest rates unchanged, making allowances for the recovery process of economic activity. Thus, savings options with inflation adjustments allowed savings to have positive yields in real terms.

The broad monetary aggregate (private M3)⁸ at constant prices recorded a 1.0% s.a. decrease in June, down 7.5% against June 2020. It virtually exhibited no changes in June in terms of GDP, standing at 18.2%—comparable to its historic average (see Chart 3.4).

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

Chart 3.3 | UVA Deposits
Daily stock at constant prices

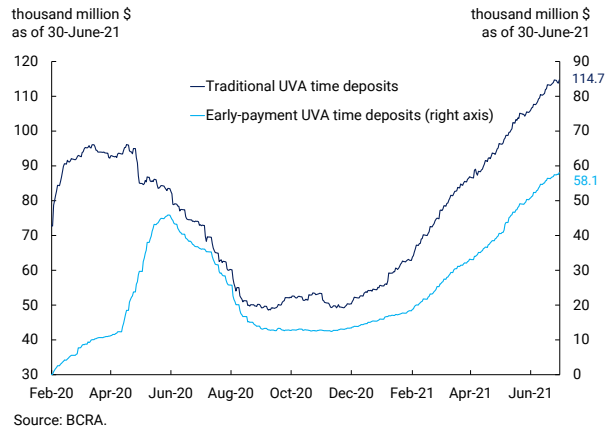
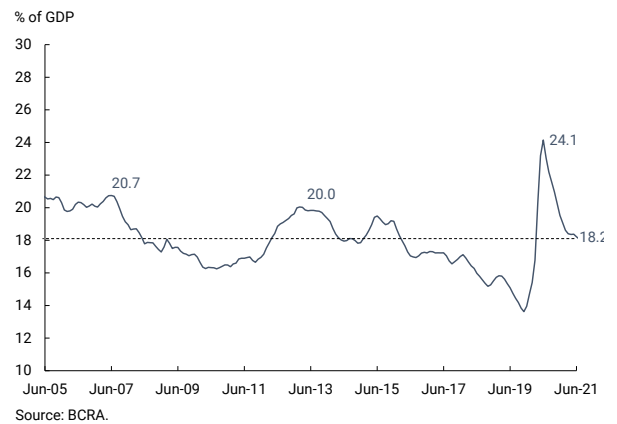


Chart 3.4 | Private M3 in Terms of GDP



4. Monetary Base

In June, the monetary base stood at \$2,705 billion, evidencing an average monthly growth of 7.1% in nominal terms (\$178.6 billion; +4.4% in real and seasonally-adjusted terms). The monetary expansion was associated with the net purchase of foreign currency to the private sector, and to LELIQ bills and repo transactions. **Against the backdrop of these transactions, there was a rise of sovereign bonds in pesos in financial institutions' portfolio. This is explained by the fact that, in June, institutions were allowed to meet a portion of their minimum reserve requirements with subscribed Treasury bonds in pesos** (see "Financial Institutions' Liquidity in Pesos"). Until May, that portion could only be complied with LELIQ bills. In turn, public sector transactions and the rest posted a negative contribution in June (see Chart 4.1). Thus, the monetary base went on following a contractive trend (around 18%) in year-on-year terms and at constant prices (see Chart 4.2).

Chart 4.1 | Monetary Base and Explanatory Factors Average monthly change

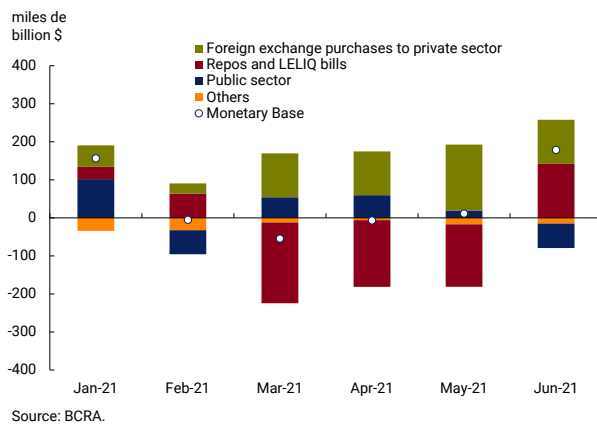
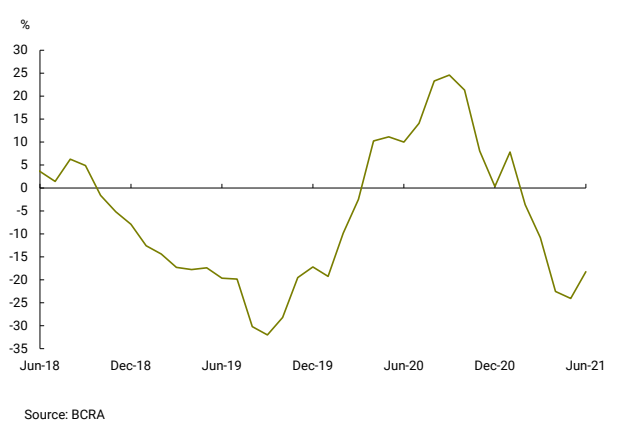


Chart 4.2 | Monetary Base Year-on-Year Change Rate At constant prices



5. Loans to the Private Sector

In June, loans in pesos to the private sector recorded a 1.1% s.a. contraction in real terms, thus the falling pace slackened vis-à-vis previous months (see Chart 5.1). Thus, in year-on-year terms, they shrank by 11.8% at constant prices. This was driven by both the monthly contraction and by the high basis of comparison of June 2020. **Most of the monthly fall can be explained by the performance of financing on credit cards and promissory notes**, whereas overdrafts and pledge-backed loans were the only credit lines that contributed positively to monthly change. In June, loans in pesos to the private sector to GDP ratio stood at 7.1%, comparable to the time before the pandemic started. This reversal in GDP ratio was explained by both the moderate nominal growth rate of credit lines and the economic activity recovery (see Chart 5.2).

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

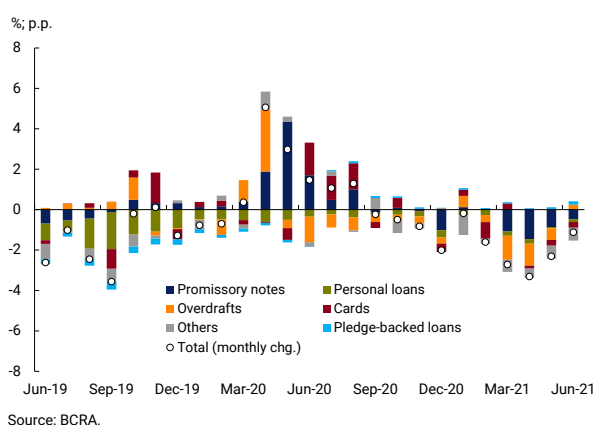
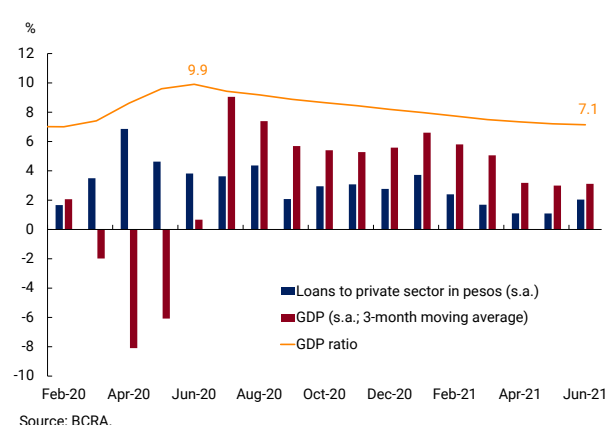


Chart 5.2 | Loans to Private Sector in Pesos as % of GDP



Aggregate credit lines for commercial purposes posted a monthly contraction of 1.0% s.a. at constant prices, with a fall of 20.7% y.o.y. This type of financing exhibited a heterogeneous performance. **While promissory notes fell by 4.4% s.a. at constant prices in June, overdrafts and discounted notes increased 2.9% and 3.3% s.a., respectively, in real terms. The growth of discounted notes is associated with the LFIP**, since most loans were granted to MSMEs and to LFIP-related rates (see Chart 5.3). It is worth mentioning that 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.

Within the framework of the LFIP, loans granted reached \$100.37 billion in June, and total accumulated disbursements virtually reached \$687.40 billion. As far as the end use of these funds is concerned, around 83% of total disbursements was channeled to finance working capital, and the rest to investment projects (see Chart 5.4). Last, it is worth noting that at the time of this publication, the LFIP credit lines had been granted to 147,000 companies.

Chart 5.3 | Loans Granted on Discounted Notes
20-day rolling average

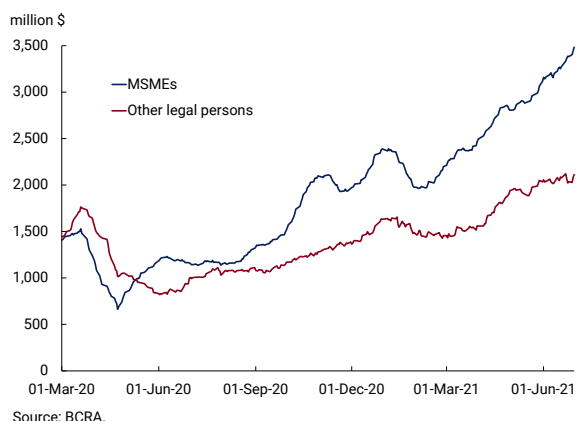
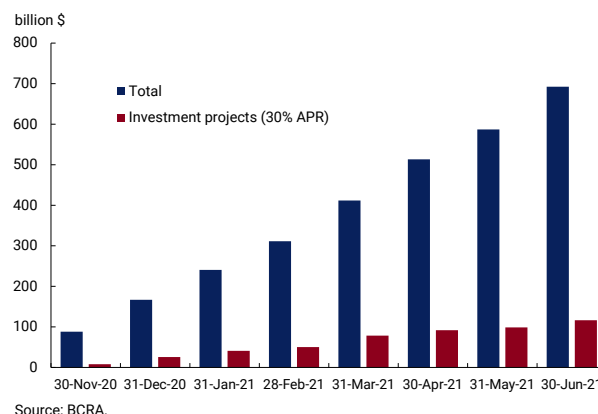


Chart 5.4 | Credit Lines for Productive Investment Accrued disbursed amounts as to end-of-month



As for loans channeled to consumption, financing on credit cards exhibited a monthly contraction of 0.9% s.a. at constant prices. Even so, in year-on-year terms, they stood 5 p.p. above the figure observed in 2020 (see Chart 5.5). **The BCRA has recently decided to reduce the period for financial institutions to pay shops for transactions on credit cards carried out in one instalment. The aim of this decision is to streamline the payment system.** This measure will benefit 1.5 million micro and small businesses, and will come into effect in July⁹. Before this regulation, the maximum term for payments to be settled was 10 business days. From now on, micro or small businesses as well as natural persons will get paid 8 business days after a credit card transaction is made. The term will remain unchanged—10 business days—for medium-sized businesses, and will be extended to 18 business days for large companies. Health companies, restaurants, and hotels will also get paid within 8 business days, if they are micro or small enterprises. The others will get paid within 10 business days.

In turn, personal loans exhibited a 0.8% monthly fall in real and seasonally-adjusted terms. It is worth noting that the interest rate on personal loans has decreased gradually since mid-June, and more sharply over the last few days. The latter is associated with a special credit line launched by a financial institution. Thus, in June, the average interest rate stood at 52.7% APR, down 1.9 p.p. against May.

Regarding loans with real property collateral, pledge-backed loans posted—in June—a monthly rise of 3.5% on average in real terms, with twelve months in a row of positive changes at constant prices. Thus, the y.o.y. growth rate of these loans stood at about 27.5% in real terms (see Chart 5.6). Last, the stock of mortgage-backed loans recorded a 1.5% fall in real and seasonally-adjusted terms, down 27.8% against June 2020.

⁹ See Communication "A" 7305.

Chart 5.5 | Credit Cards, Seasonally-Adjusted
Change at constant prices

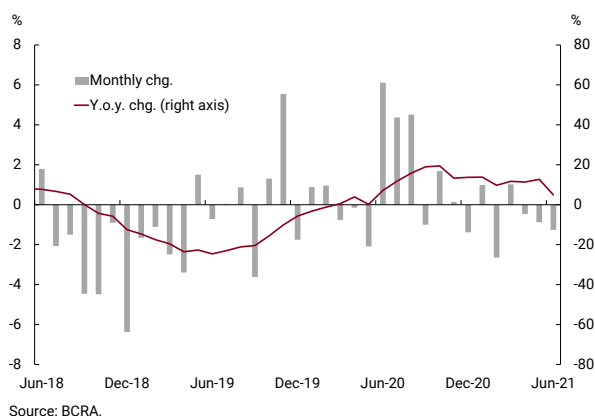
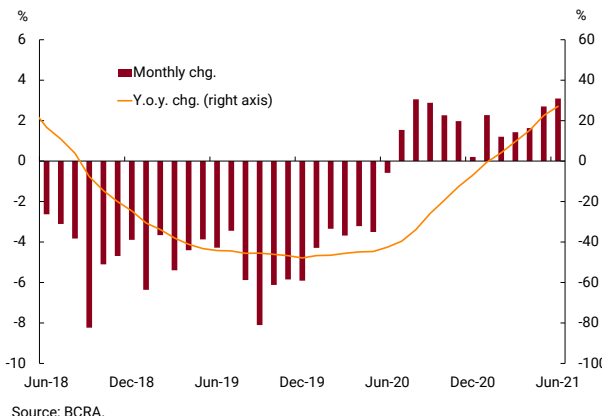


Chart 5.6 | Pledge-Backed Loans, Seasonally-Adjusted
Change at constant prices



6. Financial Institutions' Liquidity in Pesos

Broad liquidity in domestic currency¹⁰ remained at historically high levels. During June, it posted a slight fall of 1.0 p.p. and averaged 63.9% of deposits (see Chart 6.1). **As for the components of bank liquidity, net repos and LELIQ bills decreased but, on the contrary, the stock of National Treasury bonds eligible to meet minimum reserve requirements increased** (see Chart 6.2). This is explained by a change in the applicable regulation, in effect since June, which allows financial institutions to allocate the share of minimum reserve requirements complied with LELIQ bills so far in national sovereign bonds in pesos (excluding dollar-linked sovereign bonds) with a minimum term of 180 days¹¹. In turn, current accounts with the BCRA posted a rise mainly as a result of the increase of sight deposits in May against time deposits (note that reserve requirements are allocated with a delay). In turn, cash in banks accounted for 2.8% of deposits on average.

Chart 6.1 | Financial Institutions' Liquidity in Pesos

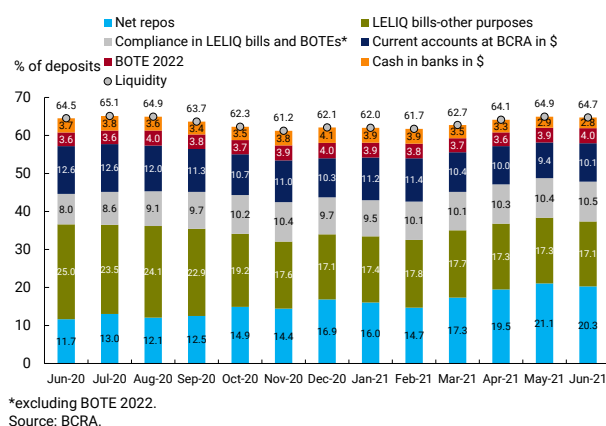
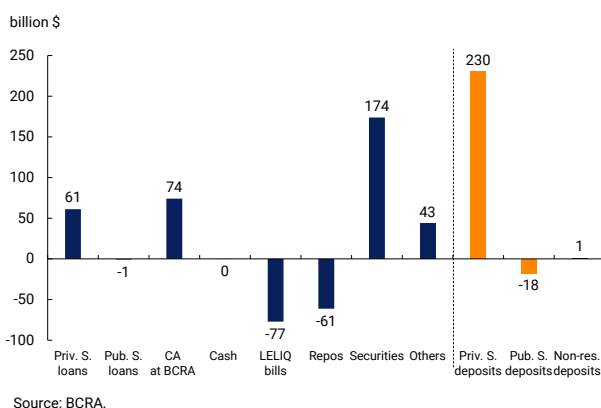


Chart 6.2 | Financial Institutions' Main Assets and Liabilities
Average monthly change



¹⁰ 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.

¹¹ See Communication "A" 7290.

7. Foreign Currency

Deposits and loans to the private sector in foreign currency evidenced no significant changes over June.

Deposits reached an average monthly stock of US\$16.24 billion (+US\$158 million against May), whereas loans averaged US\$5.41 billion, recording a decrease over June (-US\$124 million) (see Chart 7.1).

Bank liquidity in foreign currency averaged 75.8% of deposits, up 1.2 p.p. vis-à-vis May. Thus, it stands at historically high levels. The rise of liquidity over June was driven by a 1.8 p.p. increase in current accounts at the BCRA, which was in part offset by a 0.7 p.p. fall of cash in banks (see Chart 7.2).

Chart 7.1 | Stock of Deposits and Loans in Dollars

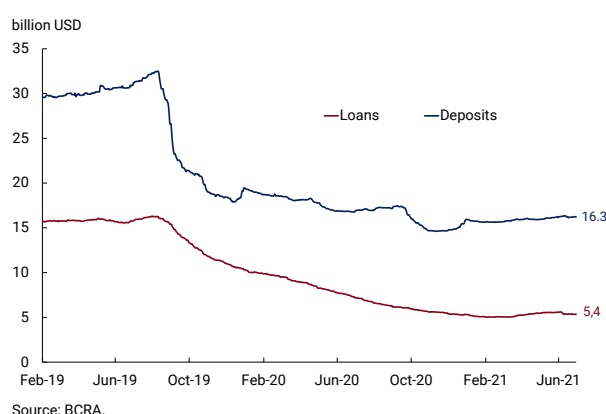
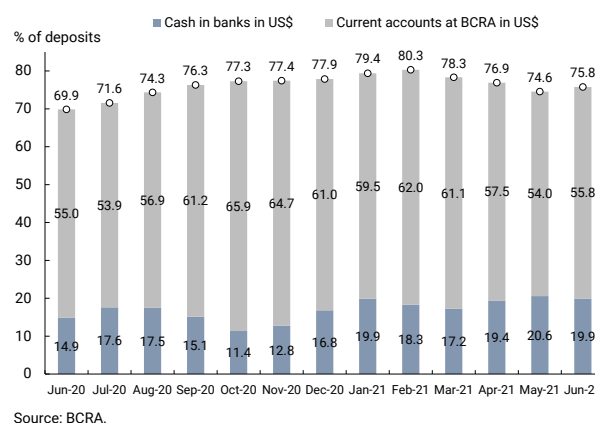


Chart 7.2 | Financial Institutions' Liquidity in Dollars



Regarding regulatory changes, the BCRA postponed until the end of 2021 the requirement of prior consent to access the forex market for payments of both imports of goods (for transactions subject to this requirement) and financial debts held abroad for companies with principal falling due between April 1, 2021, and December 31, 2021, exceeding US\$2 million monthly¹². The requirement of prior consent to access the forex market will neither apply to companies having a "Certification of increased exports of goods in 2021"¹³.

In June, the BCRA's international reserves expanded by US\$565 million against May 31, ending the month with a stock of US\$42.44 billion with positive changes over seven months in a row. As for the explanatory factors, the net purchase of foreign currency and financial institutions' stocks of minimum cash requirements explained the expansion observed over June. However, these factors were in part offset by changes in the exchange rate valuation and, to a lesser extent, by net payments by the public sector (see Chart 7.3).

In June, the \$/US\$ nominal exchange rate stood at \$95.26/US\$ on average. This involved a 1.2% change in the nominal exchange rate in June, down 0.3 p.p. against May. This is explained by the moderate depreciation pace of domestic currency which seeks to contribute towards the disinflation process (see Chart 7.4). Even so, the multilateral real exchange rate (TCRM, in Spanish) is in line with its historic average in June.

¹² Communication "A" 7313.

¹³ Communication "A" 7301.

Chart 7.3 | Change in International Reserves
MoM

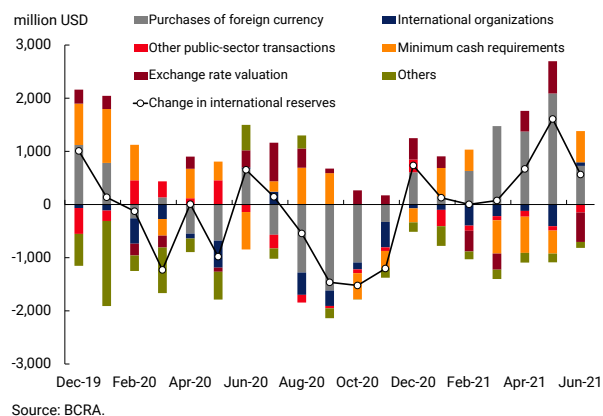
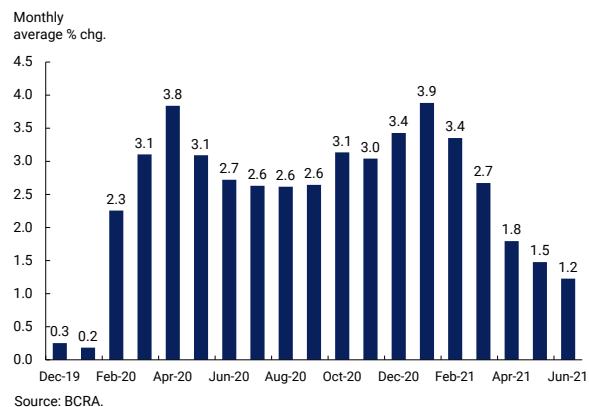


Chart 7.4 | Change in Nominal Exchange Rate



8. Regulatory Overview

Date of issue	Regulation	Description
4-Jun-21	<u>Comm. "A" 7301</u>	Companies having a "Certification of increased exports of goods in 2021" may access the forex market without the prior consent of the BCRA. It applies to transactions subject to such requirement.
11-Jun-21	<u>Comm. "A" 7305</u>	The BCRA reduced the maximum period for financial institutions to pay suppliers or shops for transactions on credit cards carried out in one instalment .
18-Jun-21	<u>Comm. "A" 7307</u>	The BCRA and Banco Central del Paraguay (BCP) agreed to make use of the Local Currency System (SML, in Spanish) as a bilateral system of payments between Argentina and the Republic of Paraguay in order to streamline transactions between the two countries in domestic currencies.
18-Jun-21	<u>Comm. "A" 7308</u>	Detail of transactions that may be carried out by means of SML.
22-Jun-21	<u>Comm. "A" 7311</u>	Financial institutions may reassign the available lending quota intended for financing the public sector (the basic global cap for total financing granted to the non-financial public sector is 75% of the regulatory capital—RC—of the financial institution) to the provincial non-financial public sector—including CABA— , not exceeding 25% of the RC of the lending institution per jurisdiction.
24-Jun-21	<u>Comm. "A" 7312</u>	The suspension of distribution of earnings by financial institutions was extended until December 31, 2021.
24-Jun-21	<u>Comm. "A" 7313</u>	The BCRA postponed until December 31, 2021, the provisions on access to the forex market to make payments of foreign debts to related counterparties and of imports (for transactions subject to this requirement).
25-Jun-21	<u>Comm. "A" 7314</u>	The Database of MSME Electronic Credit Invoices unpaid upon maturity was created with the aim of ensuring collection ; any default will be recorded on this Database. This is a supplementary measure to the system of Electronic Credit Invoices created last April, which enabled MSME providers of large companies to draw on a larger number of financing sources in advance.
1-Jul-21	<u>Comm. "A" 7318</u>	In order to supplement the agreement reached with financial institutions to shorten to one business day the term for shops to have the payments deposited in their accounts for sales on debit cards, and to reduce from 1.5% to 0.8% the fee charged on shops for such sales, the BCRA established that financial institutions' obligations with shops are excluded from the definition of minimum cash requirement .

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 Jun-21						% of GDP	
	Jun-21	May-21	Apr-21	Dec-20	Jun-20	Monthly		Accrued in 2021		Year-on-year		Jun-21	Dec-20
						Nominal s.a.	Real s.a.	Nominal s.a.	Real s.a.	Nominal	Real		
Monetary base	2,705,144	2,526,536	2,515,131	2,425,025	2,149,123	7.1%	4.4%	11.6%	-5.3%	25.9%	-18.2%	6.6%	7.2%
Currency in circulation	1,935,536	1,831,076	1,804,298	1,792,980	1,517,798	5.7%	1.0%	8.0%	-12.5%	27.5%	-17.1%	4.6%	5.5%
Cash Held by the Public	1,721,710	1,617,051	1,569,149	1,542,668	1,329,813	6.5%	1.4%	11.6%	-11.1%	29.5%	-15.9%	4.1%	4.8%
Cash in financial institutions	213,826	214,026	235,149	250,311	187,985	-0.1%	-1.5%	-14.6%	-22.1%	13.7%	-26.1%	0.5%	0.8%
Current accounts at BCRA	769,609	695,459	710,833	632,045	631,324	10.7%	2.4%	21.8%	-1.0%	21.9%	-20.8%	1.8%	1.9%
BCRA's remunerated liabilities (NV \$)	3,578,818	3,609,319	3,338,691	2,693,887	2,245,730	-0.8%	-3.9%	32.8%	5.3%	59.4%	3.6%	8.5%	8.3%
Reverse repos	1,543,864	1,560,224	1,379,466	1,040,558	585,367	-1.0%	-4.1%	48.4%	17.5%	163.7%	71.4%	3.7%	3.2%
1 day	57,424	71,818	65,734	262,283	585,367	-20.0%	-22.5%	-78.1%	-82.7%	-90.2%	-93.6%	0.1%	0.8%
7 days	1,486,440	1,488,406	1,313,732	778,276	0	-0.1%	-3.2%	91.0%	51.3%	-	-	3.5%	2.4%
Stock of LELIQ bills	2,034,954	2,049,095	1,959,224	1,653,328	1,660,363	-0.7%	-3.8%	23.1%	-2.5%	22.6%	-20.3%	4.8%	5.1%
BCRA's international reserves in dollars	42,421	41,107	40,005	38,898	43,051	3.2%	-	9.1%	-	-1.5%	-	9.6%	9.9%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2021		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
Monetary base	178,609	7.1%	183,223	7.3%	280,119	11.6%	556,022	25.9%
Foreign exchange purchases to private sector and others	115,851	4.6%	404,175	16.0%	602,492	24.8%	259,618	12.1%
Foreign exchange purchase to the NT	-18,355	-0.7%	-88,184	-3.5%	-153,846	-6.3%	-295,423	-13.7%
Temporary advances and profit transfers to National Government	49,745	2.0%	194,422	7.7%	329,573	13.6%	1,121,522	52.2%
Other public-sector transactions	-95,723	-3.8%	-91,767	-3.6%	-68,074	-2.8%	-17,458	-0.8%
Repos and LELIQ bills	142,014	5.6%	-197,680	-7.8%	-313,643	-12.9%	-343,029	-16.0%
Others	-14,924	-0.6%	-37,743	-1.5%	-116,383	-4.8%	-169,206	-7.9%
International reserves	1,314	3.1%	2,710	6.8%	3,522	9.1%	-630	-1.5%
Purchases of foreign currency	1,226	2.9%	4,328	10.9%	6,581	16.9%	2,003	4.7%
International organizations	-131	-0.3%	-675	-1.7%	-1,306	-3.4%	-2,375	-5.5%
Other public-sector transactions	-102	-0.2%	-281	-0.7%	-474	-1.2%	-1,142	-2.7%
Minimum cash requirements	432	1.0%	-755	-1.9%	-330	-0.8%	13	0.0%
Others (incl. forex valuation)	-112	-0.3%	93	0.2%	-949	-2.4%	871	2.0%

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

Minimum Cash Requirement and Compliance	Jun-21	May-21	Apr-21
Domestic currency	% of total deposits in pesos		
Net requirement of deductions	24.1	23.1	23.7
Compliance in current account	10.1	9.4	10.0
Compliance in LELIQ bills and BOTES*	23.5	23.5	23.2
Compliance in BOTE 2022	4.0	3.9	3.6
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	55.8	54.0	57.5
Position ⁽¹⁾	31.8	30.0	33.5

(1) Position = Compliance – Requirement

*excluding BOTE 2022

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 Jun-21						% of GDP ⁴	
	Jun-21	May-21	Apr-21	Dec-20	Jun-20	Monthly		Accrued in 2021		Year-on-year		Jun-21	Dec-20
						Nominal s.a.	Real s.a.	Nominal s.a.	Real s.a.	Nominal	Real		
Domestic currency													
Total deposits from the non-financial sector in pesos ¹	7,543,816	7,331,501	7,019,685	6,067,134	4,984,757	2.9%	-1.3%	24.3%	0.5%	51.3%	-1.6%	17.9%	18.3%
Private sector deposits	5,980,119	5,750,109	5,556,198	4,875,908	4,079,916	4.0%	-0.6%	22.6%	-0.3%	46.6%	-4.7%	14.2%	14.7%
Private Sector Sight Deposits	2,920,837	2,760,927	2,647,581	2,567,984	2,211,094	5.8%	1.2%	13.7%	-4.6%	32.1%	-14.1%	7.0%	7.5%
Non-interest bearing (transactional)	2,418,985	2,254,719	2,168,405	2,137,776	1,848,701	7.3%	2.4%	13.2%	-3.9%	30.8%	-15.0%	5.8%	6.2%
Interest-bearing	501,853	506,208	479,176	430,208	362,393	-0.9%	-3.9%	16.7%	-7.6%	38.5%	-10.0%	1.2%	1.3%
Private Sector Time Deposits	3,059,554	2,989,227	2,908,639	2,307,924	1,868,822	2.4%	-0.8%	32.6%	5.0%	63.7%	6.4%	7.3%	7.1%
Time Deposits	2,937,464	2,875,408	2,797,968	2,203,612	1,768,443	2.2%	-1.0%	33.3%	5.6%	66.1%	8.0%	7.0%	6.8%
CER / UVA non-adjustable	2,773,144	2,734,203	2,680,886	2,150,539	1,694,032	1.4%	-1.7%	29.0%	2.2%	63.7%	6.4%	6.6%	6.6%
CER / UVA-adjustable	164,076	141,205	117,083	53,073	74,410	16.2%	12.6%	209.2%	144.9%	120.5%	43.3%	0.4%	0.2%
Traditional	109,733	96,973	83,524	41,600	48,863	13.2%	9.6%	163.8%	109.0%	124.6%	46.0%	0.3%	0.1%
Early-payment	54,342	44,232	33,559	11,473	25,547	22.9%	19.0%	373.7%	275.3%	112.7%	38.3%	0.1%	0.0%
Other deposits	122,089	113,819	110,671	104,312	100,379	7.3%	3.9%	17.0%	-7.3%	21.6%	-20.9%	0.3%	0.3%
Public sector deposits ²	1,563,697	1,581,392	1,463,487	1,191,227	904,841	-1.1%	-4.2%	31.3%	4.0%	72.8%	12.3%	3.7%	3.7%
Monetary Aggregates													
Total M2	5,224,216	5,046,809	4,820,713	4,629,708	3,910,101	3.5%	-1.5%	12.8%	-5.3%	33.6%	-13.2%	12.6%	13.7%
Total M3	9,265,526	8,948,552	8,588,834	7,609,803	6,314,570	3.5%	-0.4%	21.8%	-0.7%	46.7%	-4.6%	22.2%	23.0%
Private sector monetary aggregates													
Private M2	4,642,521	4,377,933	4,216,708	4,110,653	3,540,907	6.0%	0.9%	12.9%	-7.3%	31.1%	-14.8%	11.1%	12.3%
Transactional private M2 ³	4,140,653	3,871,779	3,737,554	3,680,445	3,178,514	6.9%	1.9%	12.5%	-7.0%	30.3%	-15.3%	9.9%	10.9%
Private M3	7,701,829	7,367,160	7,125,347	6,418,576	5,409,729	4.5%	-1.0%	20.0%	-4.0%	42.4%	-7.5%	18.2%	19.5%
Total loans to the non-financial sector in pesos													
Loans to the non-financial private sector	3,037,653	2,977,311	2,929,308	2,752,664	2,242,471	2.0%	-1.2%	10.4%	-11.0%	35.5%	-12.0%	7.2%	8.4%
Overdrafts	273,533	260,738	261,850	279,572	284,985	4.9%	2.9%	-2.2%	-22.0%	-4.0%	-37.6%	0.6%	0.9%
Promissory notes	670,213	656,442	651,845	644,490	503,170	2.1%	-2.1%	4.0%	-15.0%	33.2%	-13.4%	1.6%	1.9%
Mortgage-backed loans	235,285	231,768	228,411	214,677	211,842	1.5%	-1.5%	9.6%	-13.5%	11.1%	-27.8%	0.6%	0.7%
Pledge-backed loans	142,975	133,928	126,492	102,711	72,911	6.8%	3.5%	39.2%	13.4%	96.1%	27.5%	0.3%	0.3%
Personal loans	520,753	511,297	497,923	443,143	399,623	1.8%	-0.8%	17.5%	-7.0%	30.3%	-15.3%	1.2%	1.4%
Credit cards	953,984	945,430	935,273	847,174	590,554	0.9%	-0.9%	12.6%	-2.9%	61.5%	5.0%	2.4%	2.5%
Others	196,738	192,722	183,281	174,013	142,330	2.1%	-2.3%	13.1%	-14.3%	38.2%	-10.2%	0.5%	0.5%
Loans to the non-financial public sector	44,171	44,985	44,233	46,884	37,056	-1.8%	-4.9%	-5.8%	-25.4%	19.2%	-22.5%	0.1%	0.1%
Foreign currency													
Deposits from the non-financial sector in dollars ¹	18,860	18,726	18,546	17,775	19,191	0.7%	-	6.1%	-	-1.7%	-	4.3%	4.6%
Deposits from the non-financial private sector in dollars	16,242	16,084	15,963	15,112	16,837	1.0%	-	7.5%	-	-3.5%	-	3.7%	3.9%
sight deposits	11,918	11,763	11,674	10,829	11,905	1.3%	-	10.1%	-	0.1%	-	2.7%	2.8%
time deposits and others	4,324	4,321	4,289	4,283	4,933	0.1%	-	0.9%	-	-12.4%	-	1.0%	1.1%
Deposits from the non-financial public sector in dollars	2,619	2,642	2,583	2,664	2,353	-0.9%	-	-1.7%	-	11.3%	-	0.6%	0.7%
Loans to the non-financial sector in dollars	5,551	5,675	5,506	5,461	7,666	-2.2%	-	1.7%	-	-27.6%	-	1.3%	1.4%
Loans to the non-financial private sector in dollars	5,416	5,540	5,372	5,337	7,537	-2.2%	-	1.5%	-	-28.1%	-	1.2%	1.4%
Promissory notes	3,837	3,953	3,777	3,556	5,222	-2.9%	-	7.9%	-	-26.5%	-	0.9%	0.9%
Credit cards	77	59	64	93	90	31.3%	-	-17.1%	-	-14.1%	-	0.0%	0.0%
Others	1,503	1,529	1,530	1,688	2,225	-1.7%	-	-11.0%	-	-32.5%	-	0.3%	0.4%
Loans to the non-financial public sector in dollars	135	135	134	124	128	0.3%	-	8.9%	-	5.2%	-	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	Jun-21	EAR Jun-21	May-21	Apr-21	Dec-20	Jun-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	Jun-21	EAR Jun-21	May-21	Apr-21	Dec-20	Jun-20
Repo rates among third parties on overnight REPO round	32.73	38.71	33.19	32.90	33.19	13.29
Volume of repos traded among third parties (daily average)	3,450	0	4,060	5,724	5,717	6,633
Calls in pesos (overnight)						
Interest rate	31.64	37.21	32.22	31.33	29.58	16.20
Traded volume	11,282	0	10,167	14,314	12,242	7,722
Borrowing interest rates	Jun-21	EAR Jun-21	May-21	Apr-21	Dec-20	Jun-20
Sight deposits						
Interest-bearing	29.88	34.33	29.99	29.40	26.60	13.91
Time deposits						
Less than \$1 million Total (30-35 days) ¹	36.12	42.75	36.12	36.13	36.14	29.78
Total TM20 (more than \$20 million, 30-35 days)	33.29	38.88	33.17	33.06	33.36	28.38
Private banks' TM20 (more than \$20 million, 30-35 days)	33.87	39.66	33.87	33.87	34.20	29.31
Total BADLAR (more than \$1 million, 30-35 days)	33.39	39.02	33.25	33.13	33.30	28.47
Private banks' BADLAR (more than \$1 million, 30-35 days)	34.11	40.00	34.10	34.08	34.21	29.52
Interest rate on UVA deposits' early-payment option	30.50	35.15	30.50	30.50		
Lending interest rates	Jun-21	EAR Jun-21	May-21	Apr-21	Dec-20	Jun-20
Loans to the non-financial private sector in pesos						
Overdrafts	41.58	51.52	41.75	41.74	39.66	34.20
1 to 7 days—in accordance with companies—more than \$10 million	36.16	43.39	36.05	36.63	33.24	22.66
Unsecured promissory notes	35.70	42.17	35.58	36.67	35.13	30.03
Mortgage-backed loans	28.26	32.23	29.92	30.50	32.29	30.84
Pledge-backed loans	27.28	30.96	28.63	29.05	32.29	23.33
Personal loans	52.68	67.49	54.62	55.43	55.39	50.30
Tarjetas de créditoCredit cards	41.71	50.70	42.48	42.53	41.98	41.63
Interest rate in foreign currency	Jun-21	EAR Jun-21	May-21	Apr-21	Dec-20	Jun-20
Time deposits in dollars (30 to 44 days)	0.37	0.38	0.37	0.38	0.42	0.77
Unsecured promissory notes in dollars	3.40	3.45	3.16	3.92	5.35	6.82
Exchange rate	Jun-21	Monthly chg. (%)	May-21	Apr-21	Dec-20	Jun-20
NER peso/dollar						
Wholesale rate (Comm. "A" 3.500)	95.25	1.22	94.10	92.86	82.72	69.54
Retail rate ²	97.48	1.04	96.47	95.39	85.07	70.08
NER peso/dollar	18.94	6.43	17.80	16.73	16.00	13.42
NER peso/euro	114.79	0.47	114.25	111.31	99.02	78.27
ITCNM	662.92	2.25	648.31	625.93	571.44	460.78
ITCRM	117.77	-0.47	118.33	117.87	123.98	117.20

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 \$1 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

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 \$20 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