

# Monthly Monetary Report

December 2022



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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*The closing date for statistics in this report was January 6, 2023. All figures are provisional and subject to review.*

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

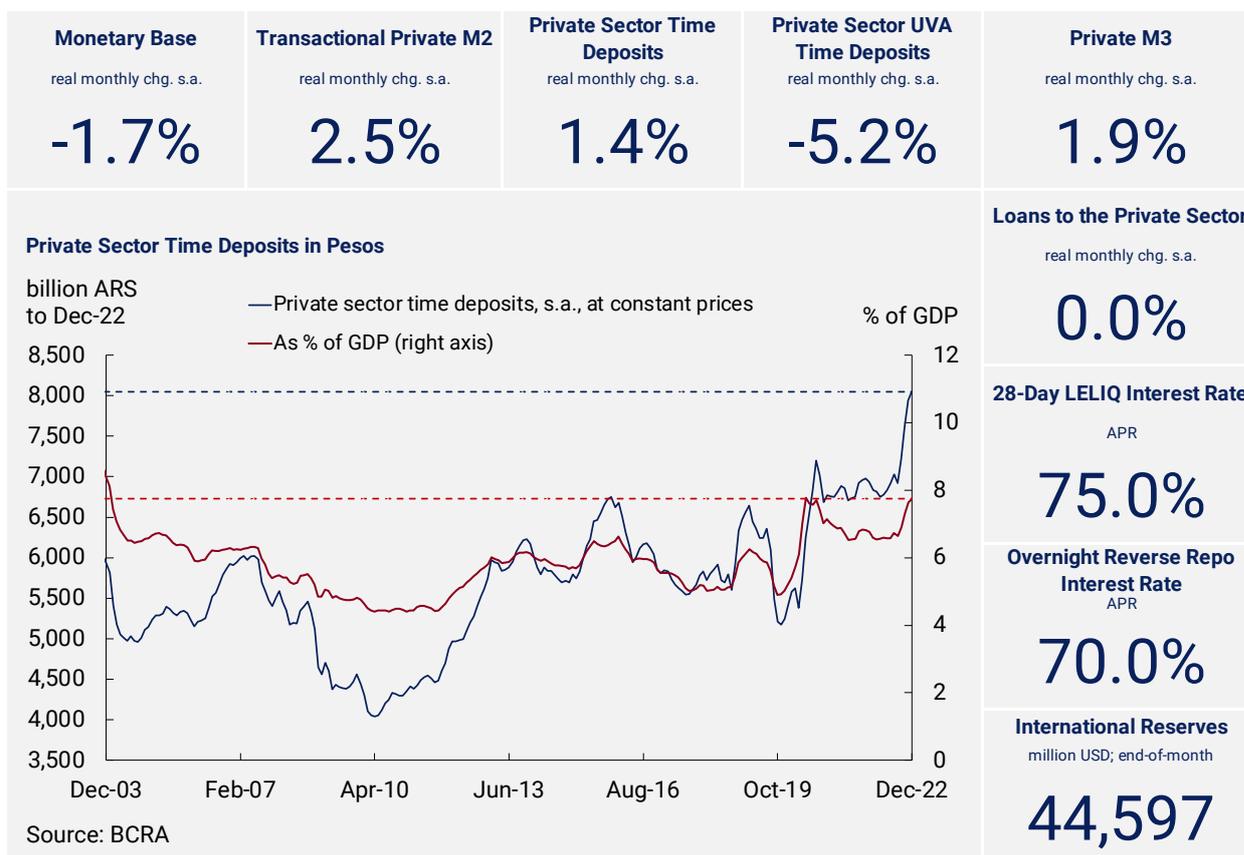
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### **About inclusive language in the Spanish version of this report**

The Central Bank of Argentina is committed to encouraging the use of a non-discriminatory language that promotes the acceptance of all gender identities. It should be noted that all those who have contributed to this report acknowledge that language influences ideas, feelings, ways of thinking, as well as principles and core values.

Therefore, efforts have been made to avoid sexist and binary language in this report.

# 1. Executive Summary



In December, the broad monetary aggregate (private M3) posted an increase at constant prices and in seasonally-adjusted (s.a.) terms. As for its components, means of payment rose—as opposed to the performance observed over most of the year—and time deposits went on growing. Thus, the latter hit a new historic high at constant prices, and showed a similar record to the one reached during the pandemic in terms of GDP.

The growth of time deposits took place against the backdrop of positive real interest rates. In December, the minimum interest rate on natural persons' deposits of up to ARS10 million remained at 75% APR (107.05% EAR), while for the other depositors of the financial system the interest rate stood at 66.5% APR (91.07% EAR).

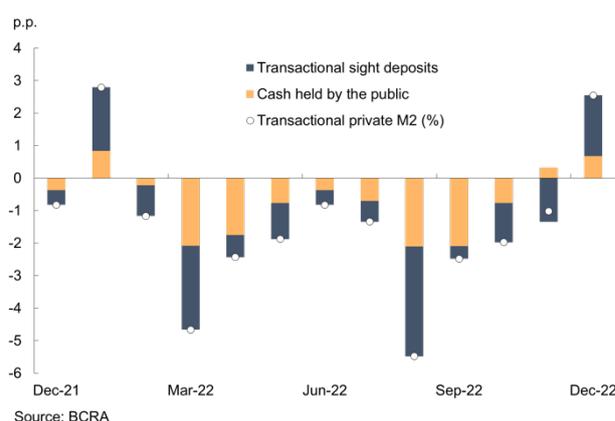
On November 28, the “Export increase program” was implemented again and allowed soybean producers to settle foreign currency at an unusual and temporary nominal exchange rate of ARS230/USD1 until December 30. By virtue of this program, the BCRA acquired USD3.15 billion and reached a net stock of USD2.33 billion in December, considering the rest of foreign exchange transactions from the private sector. These transactions drove liquidity to expand, and this growth was sterilized with remunerated liabilities.

Last, loans to the private sector at constant prices and in seasonally-adjusted terms remained unchanged over December, after contracting for five months in a row. Thus, by the end of 2022, these loans posted a year-on-year (y.o.y.) fall of about 12%.

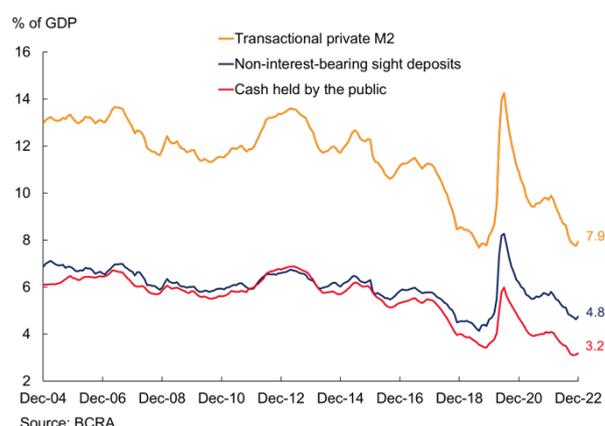
## 2. Means of Payment

**Means of payment (transactional private M2<sup>1</sup>) expanded by 2.5% s.a. at constant prices in December, thus reversing the falling trend observed virtually all over the year** (see Chart 2.1). As for its components, this rise was explained by the performance of non-interest-bearing sight deposits and, to a lesser extent, by cash held by the public. Transactional private M2 stood 16.4% below the level observed in December 2021 in year-on-year terms and at constant prices. In terms of GDP, means of payment reached 7.9%, ending the year with a slightly higher record to that of the previous months (see Chart 2.2). Both components of means of payment remained around the lowest figures of the past 20 years.

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



**Chart 2.2 | Transactional Private M2**



## 3. Savings Instruments in Pesos

**In December, the Board of the BCRA decided to keep the minimum interest rates on time deposits unchanged for the third month in a row.**<sup>2</sup> The decision was taken against the backdrop of the slowdown in the growth pace of prices in November, December's forward indicators and short-term prospects. Thus, the minimum interest rate on natural persons' deposits of up to ARS10 million remained at 75% APR (107.05% EAR), while for the other depositors of the financial system the interest rate stood at 66.5% APR (91.07% EAR).<sup>3</sup>

In December, private sector time deposits in pesos posted a monthly expansion of 1.4% s.a. at constant prices, moderating their growth pace vis-à-vis previous months. As a result, they hit a new historic high at constant prices in December, standing at 7.7% in terms of GDP—a similar level to the highest attained during the pandemic.

Time deposits grouped by amount showed that the monthly growth centered on deposits over ARS1 million, in particular those ranging from ARS1 to ARS20 million (see Chart 3.1). The average monthly rise of deposits over ARS20 million was in part driven by November's carryforward. The analysis of the daily evolution of these deposits posts that traditional time deposits held by financial service providers (FSPs) ended December at a level comparable to that of the end of November, though deposits held by the rest of companies recorded a fall. In turn, early-payment investments, which cannot be sorted by type of holder,

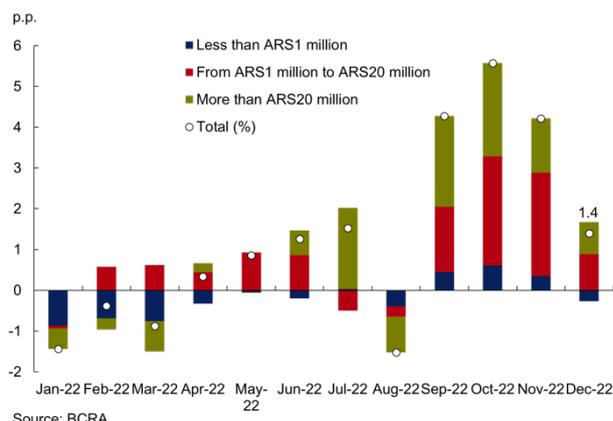
<sup>1</sup> Private M2 excluding interest-bearing sight deposits held by companies and financial service providers since they are more similar to a savings instrument than to a means of payment.

<sup>2</sup> The current interest rates have been set out in Communication "A" 7527.

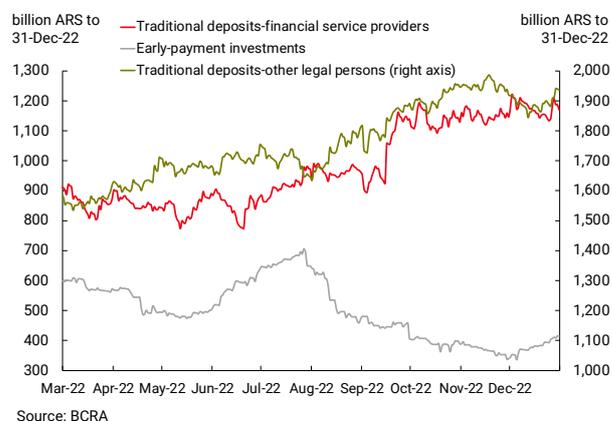
<sup>3</sup> The rest of depositors are legal persons and natural persons with deposits over ARS10 million.

reversed their falling trend (see Chart 3.2). Last, deposits below ARS1 million evidenced a modest decline in real and seasonally-adjusted terms.

**Chart 3.1 | Private Sector Time Deposits**  
Contribution to monthly change by amount at constant prices and in s.a. terms

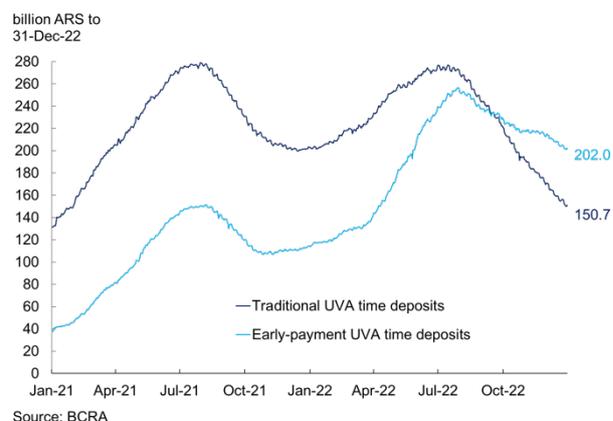


**Chart 3.2 | Time Deposits over ARS20 Million**  
Stock at constant prices by type of depositor and instrument. Original series

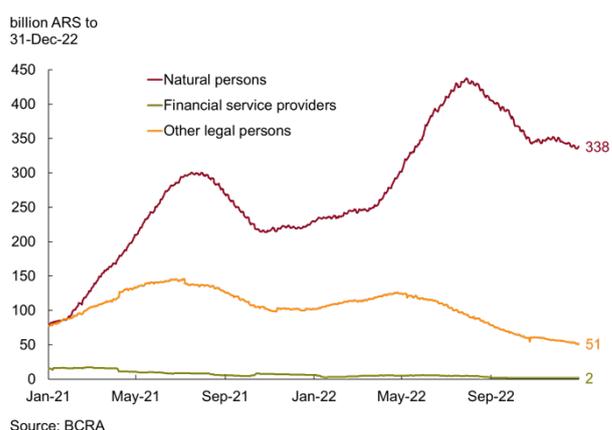


In a context of moderate inflation rate, time deposits adjusted by the reference stabilization coefficient (CER, in Spanish) contracted once again in real terms, accruing five months of falls in a row. This time, the decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (UVA, in Spanish), whose monthly change rates stood at -9.5% s.a. and -1.6% s.a., respectively (see Chart 3.3). The analysis of CER-adjustable instruments by type of holder showed that the average monthly fall was almost entirely driven by the performance of holdings by natural persons and companies (excluding FSPs) (see Chart 3.4). All in all, UVA deposits ended the year with a stock of ARS352.7 billion, with a share of about 4.4% in total time instruments in domestic currency.

**Chart 3.3 | Private Sector UVA Time Deposits**  
Stock at constant prices by type of instrument



**Chart 3.4 | Private Sector UVA Time Deposits**  
Stock at constant prices by type of holder



On the contrary, deposits adjusted by the benchmark exchange rate recorded a rise in December, though they evidenced a heterogeneous performance at component level. At present, the agricultural sector may draw on two different types of deposits with foreign exchange hedge: those made in sight accounts known as “farm deposits”, and time investments called “DIVA dollar deposits” (bearing interest at the exchange rate of the dollar). By the end of December, the first type of deposits recorded a 37.4% change at current prices, reaching a stock of ARS146.1 billion. It should be noted that these funds originated in transactions under the

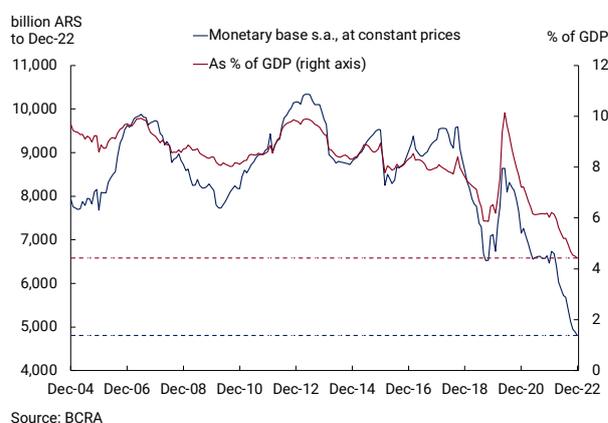
“Export increase program”. In turn, the stock of DIVA dollar deposits amounted to ARS42.5 billion in December, evidencing an average monthly contraction of 2% at current prices. **Financial institutions may resort to bills payable at the benchmark exchange rate (LEDIVs) as an instrument for hedging the exchange rate risk of such deposits.**

**All in all, the broad monetary aggregate (private M3<sup>4</sup>) at constant prices posted an expansion (1.9% s.a.) in December, accruing four consecutive months of positive changes.** In year-on-year terms, private M3 posted a 1.7% fall with a share of 17.7% in GDP, up 0.3 p.p. against November and comparable to the 2010-2019 average.

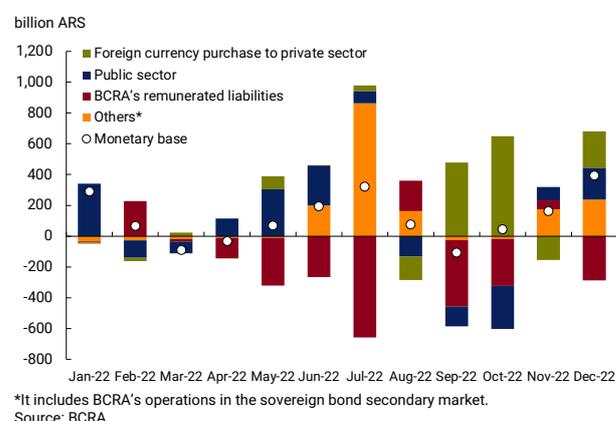
## 4. Monetary Base

**In December, the monetary base averaged ARS4,781.9 billion, which meant a monthly growth of 9% (+ARS393.59 billion) at current prices in the original series.** It is worth noting that the monetary base in December showed positive seasonality. Hence, if so adjusted, it would exhibit a 1.7% s.a. monthly contraction at constant prices. In 2022, it would accrue a decline of nearly 26% in real terms. **In terms of GDP, the monetary base stood at 4.4%, down 0.1 p.p. against November and at its historic low since the exit from the convertibility system** (see Chart 4.1).

**Chart 4.1 | Monetary Base**



**Chart 4.2 | Monetary Base Explanatory Factors**  
Monthly average



On the supply side, the average monthly growth of the monetary base was driven by the net purchase of foreign currency to the private sector, boosted by the new implementation of the “Export increase program”. These funds were largely channeled to money market funds (MM FCI)<sup>5</sup> which, in turn, led to a rise of interest-bearing deposits. Other expansion factors of the monetary base pivoted around the BCRA’s purchases in the sovereign bond secondary market with the aim of reducing the excessive price volatility, and public sector transactions.<sup>6</sup> The expansion of liquidity was in part sterilized through monetary policy instruments (see Chart 4.2).

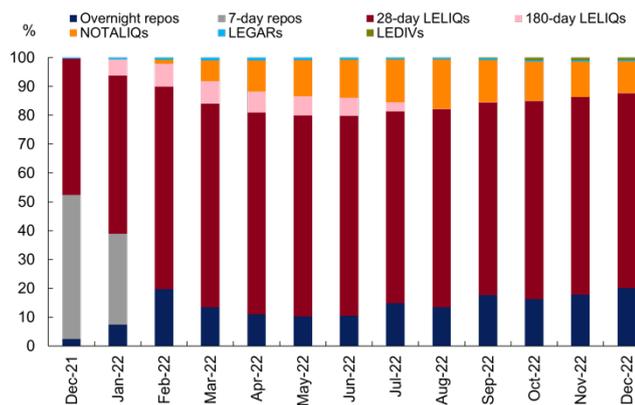
**In December, the BCRA kept the benchmark interest rates unchanged** in answer to the slowdown of the inflation rate in November, the evolution of December’s forward indicators, and the future prospects of inflation. Therefore, the real monetary policy rate remains positive and paves the way for strengthening financial and foreign exchange stability. The 28-day-term liquidity bill (LELIQ) interest rate remained at 75% APR (107.35% EAR), while the 180-day-term LELIQ interest rate stood at 83.5% APR (101.23% EAR). As

4 Private M3 includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).  
5 As already mentioned, they were also channeled to deposits adjusted by the benchmark exchange rate.  
6 Among the public sector transactions, the purchase of SDRs to the National Treasury stands out.

for short-term instruments, the interest rate on overnight reverse repos reached 70% APR (101.24% EAR), whereas the rate on overnight repos was 95% APR (158.25% EAR). Finally, the spread of liquidity notes (NOTALIQs) in the last auction of the month was set at 8.5 p.p.

With the current composition of instruments, 28-day LELIQs averaged 67.6% of remunerated liabilities in December. Longer-term instruments, NOTALIQs in particular, accounted for 11.1% of the total. In turn, the share of overnight reverse repos in total instruments increased to reach nearly 20% of the total, up 2.2 p.p. vis-à-vis November. Last, LEDIVs and LEGARs (both BCRA bills) accounted for the remaining 1.3%, remaining stable against November (see Chart 4.3).

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

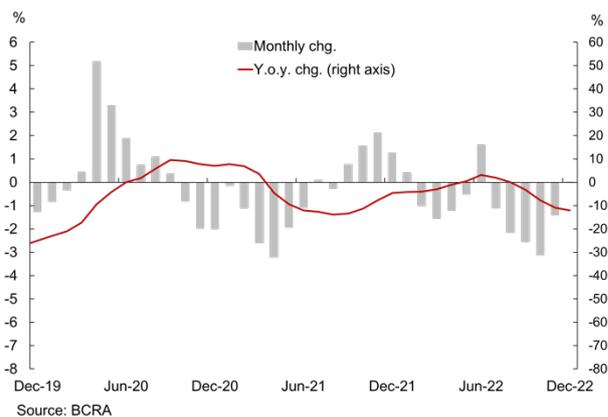


\*It includes repos with FCI.  
Source: BCRA

## 5. Loans to the Private Sector in Pesos

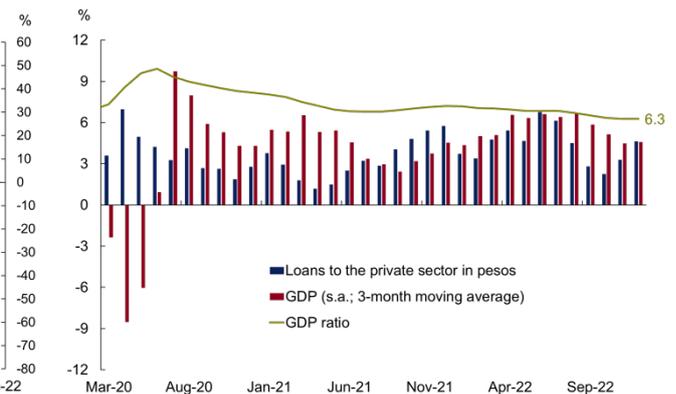
In December, loans in pesos to the private sector remained unchanged in real and seasonally-adjusted terms, after contracting for five months in a row. They exhibited a heterogeneous performance among credit lines (see Chart 5.1). Thus, throughout 2022, credit accrued a 12% fall in real terms, and stood at 6.3% in terms of GDP (see Chart 5.2).

**Chart 5.1 | Loans to Private Sector in Pesos**  
Average monthly change; real, seasonally-adjusted



Source: BCRA

**Chart 5.2 | Loans to Private Sector in Pesos**  
In terms of GDP

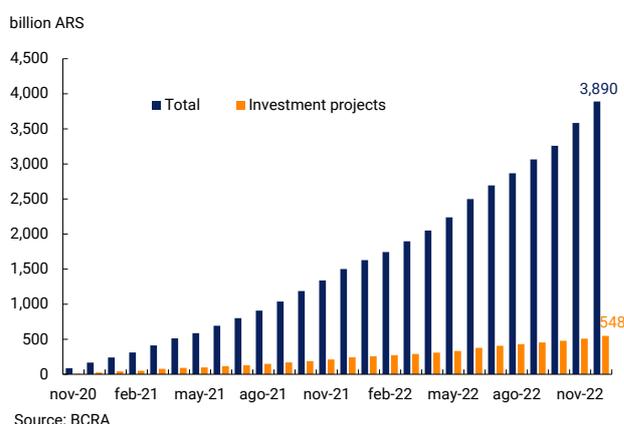


Source: BCRA

**Regarding loans by type of financing, business credit lines posted the best relative performance with a monthly fall of just 0.3% s.a. at constant prices, ending 2022 with a 9% y.o.y. contraction.** Among these financings, discounted notes (1.6% s.a., -9.4% y.o.y.) and overdrafts (0.5% s.a., 4.7% y.o.y.) came to the fore in real terms. In turn, financing granted through unsecured promissory notes diminished by 0.8% s.a. (-9.4% y.o.y.) at constant prices.

**Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the Credit Line for Productive Investment (LFIP, in Spanish).** The loans granted until the end of December within the framework of the LFIP accrued disbursements for about ARS3,890 billion from its implementation, up 8,5% vis-à-vis November (see Chart 5.3). Accordingly, 14% of financings granted through the LFIP were channeled to investment projects and the rest, to working capital. It is worth mentioning that the average stock of loans granted through the LFIP reached around ARS1,212 billion in November (latest available data). This amount accounted for nearly 19% of total loans and 45% of total business loans.

**Chart 5.3 | Financing Granted through the LFIP**  
Accrued disbursed amounts as to end-of-month



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



As for business credit sorted out by type of debtor, December's analysis reveals that the rate of credit to MSMEs accrued a 6.7% fall over the year in real terms, whereas credit to big companies contracted by 14.8% (see Chart 5.4).

As regards loans to consumption, financing on credit cards posted a decline of 1% s.a. in real terms in December, down 12.5% throughout 2022. In turn, personal loans fell by 1.6% in the month at constant prices, standing 17.1% below the level reached in December 2021. In December, the interest rate on personal loans averaged 81.7% APR (120.5% EAR), up 2.5 p.p. against November.

As for credit lines with real property collateral, pledge-backed loans increased slightly in real terms (0.1% s.a.), up 5.4% vis-à-vis a year ago. Regarding the stock of mortgage-backed loans, it fell by 3.6% s.a. at constant prices, with an accrued contraction of 30.1% over 2022.

## 6. Financial Institutions' Liquidity in Pesos

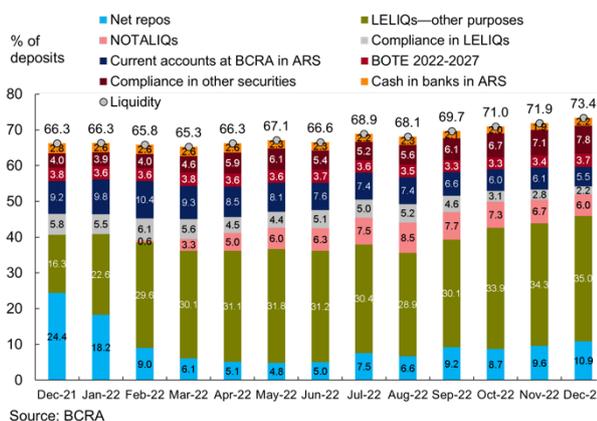
**In December, bank liquidity in domestic currency<sup>7</sup> went up 1.5 p.p. against November, with an average of 73.4% of deposits. Thus, it has reached the highest figure since the exit from the convertibility system.**

<sup>7</sup> It includes current accounts with the BCRA, cash holdings in banks, arranged net repo stocks with the BCRA, holdings of LELIQs and NOTALIQs, and holdings of sovereign bonds eligible to comply with the minimum reserve requirements.

This improvement was once again boosted by the performance of BCRA’s remunerated liabilities (increases in net repos and LELIQs, in part offset by NOTALIQs) and by the use of sovereign bonds (including the new BOTE 2027) to meet minimum cash requirements.

It is worth mentioning that among the regulatory changes with an impact on bank liquidity, the BCRA extended—until June 2023—the deduction on minimum cash requirements on cash withdrawals made through ATMs in municipalities belonging to categories II through VI, in line with the regulations on “Categories of Municipalities for Financial Institutions”.<sup>8</sup>

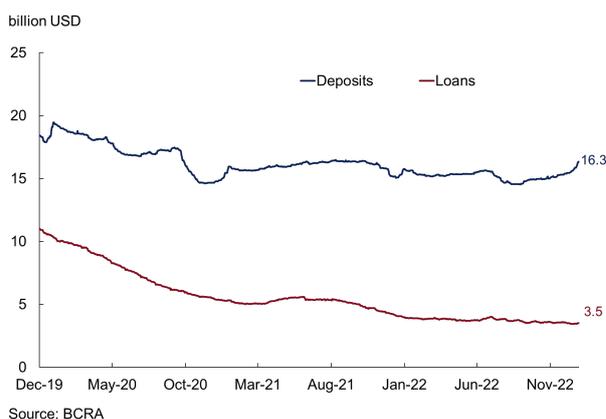
**Chart 6.1 | Financial Institutions’ Liquidity in Pesos**



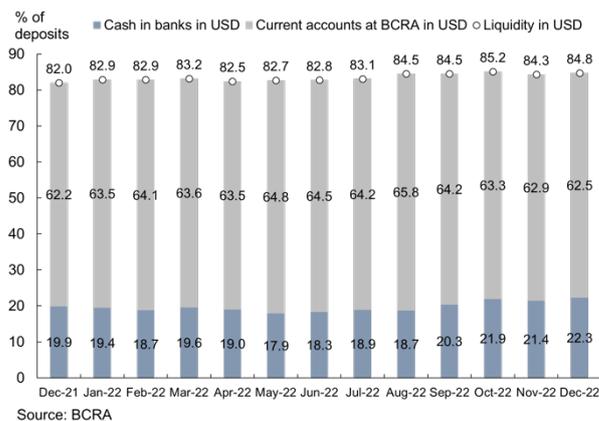
## 7. Foreign Currency

As regards foreign currency, financial institutions’ main assets and liabilities posted a dissimilar performance. On the one hand, the stock of deposits from the private sector increased for the fourth month in a row, recording an average of USD15.68 billion in December. This meant a rise of USD475 million vis-à-vis November. This was mainly explained by the performance of natural persons’ sight deposits, whose amount usually increases at this time of the year due to the exemption of the personal property tax from sight deposits. On the other hand, the average monthly stock of loans in foreign currency to the private sector stood at USD3.49 billion, down USD74 million vis-à-vis November (see Chart 7.1).

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



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



<sup>8</sup> Communication “A” 7661.

Financial institutions' liquidity in the foreign currency segment posted a 0.5 p.p. rise compared to the figure shown in November, standing at 84.8% of deposits in December and remaining at historically high levels. This rise was explained by an increase in cash in banks which was in part offset by a fall in the balance of current accounts in foreign currency (see Chart 7.2).

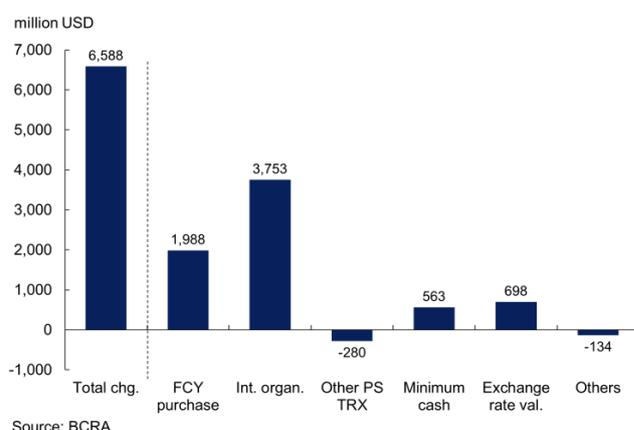
**In December, the BCRA made some regulatory changes concerning the foreign exchange.** Access conditions to the forex market were relaxed for importers to pay for a new set of goods related to health care items<sup>9</sup> **with a view to allocating foreign currency more efficiently.** In turn, the cap on financings in pesos and/or in foreign currency to "Large Exporting Companies"<sup>10</sup> was raised in order to increase the supply of foreign currency. In addition, the term to transfer and settle advances, pre-financings and post-financings from abroad was set at 180 calendar days when the foreign currency is transferred to domestic correspondent accounts from November 28 to December 30, 2022.<sup>11</sup> Finally, the requirement to settle exports of goods and services related to the knowledge economy was relaxed **to promote the development of certain productive sectors.**<sup>12</sup>

**At the end of December, the BCRA's international reserves reached USD44.6 billion, up USD6.6 billion against the end of December.** This increase was mainly due to **disbursements for USD6.02 billion made by the International Monetary Fund (IMF) within the framework of the Extended Fund Facility (EFF) program.** In turn, it was partially offset by payments of principal owed to the IMF for USD2.72 billion. Also, on November 28, the "Export increase program" was implemented again. **This measure allowed the BCRA to acquire foreign currency for USD3.15 billion and, together with the rest of foreign exchange transactions from the private sector, it reached a net stock of USD2.33 billion.** The earnings from the valuation of net foreign assets and the change in balances in current accounts in dollars held at the BCRA also contributed positively (see Chart 7.3).

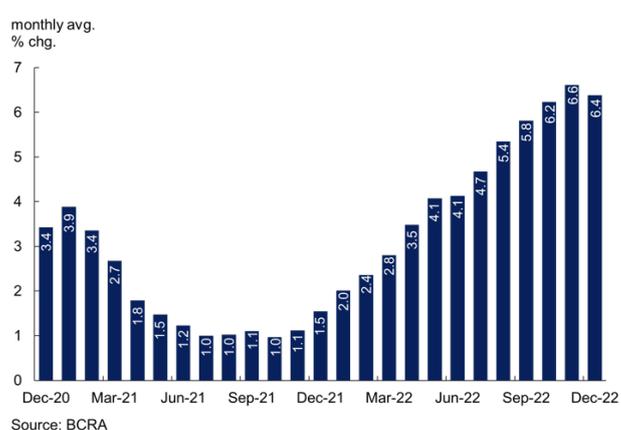
**Finally, the ARS/USD nominal exchange rate (TCN, in Spanish) increased 6.4% and averaged ARS172.45/USD1 in December** (see Chart 7.4). This way, the BCRA slowed down the depreciation pace of domestic currency in line with inflation moderation.

**Chart 7.3 | Change in Stock of International Reserves at Month-End**

Explanatory factors. December 2022



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



9 Communication "A" 7662.

10 Communication "A" 7648.

11 Communication "A" 7649.

12 Communication "A" 7664.

## 8. Regulatory Overview

Date of Issue	Regulation	Description
Dec-1-22	<a href="#">Comm. "A" 7648</a>	<b>The cap on financings in pesos and/or in foreign currency to "Large Exporting Companies" was raised from ARS1.5 billion to ARS5 billion</b> , as set out in paragraph 7.1.2. of the regulations on "Credit Policy".
Dec-1-22	<a href="#">Comm. "A" 7649</a>	<b>The 180-calendar day term established to transfer and settle advances, pre-financings and post-financings from abroad will also be applicable when the foreign currency is transferred to domestic correspondent accounts from November 28 to December 30, 2022</b> , provided that the rest of the regulatory requirements are met.
Dec-1-22	<a href="#">Comm. "A" 7650</a>	The BCRA established that the "Special accounts for crediting exports financings" must be used to transfer advances, pre-financings and post-financings from abroad; and the "Special accounts for exporters", to credit the amount in pesos from the settlement of export proceeds. This Communication supplements Communication "A" 7649.
Dec-15-22	<a href="#">Comm. "A" 7656</a>	<b>A new type of daily reverse repo has been implemented: the BCRA Round.</b> Financial institutions that join this round must make overnight reverse repo transactions with the BCRA daily—until the closing time of the Electronic Means of Payment (MEP, in Spanish)—for the current account balance in pesos that exceeds the amount reported on each date. The maturity settlement will take place on the following business day at 11 am. <b>The BCRA will set the interest rate for overnight reverse repos, and will charge no fees or administrative expenses whatsoever.</b>
Dec-15-22	<a href="#">Comm. "A" 7659</a>	<b>Effective from January 1, 2023 to December 31, 2023, the distribution of earnings by financial institutions was suspended.</b> Also, the regulation on "Lending Interest Rates" was extended until December 31, 2023. It sets out that the compensatory interest charged by financial institutions belonging to Group C for financings on credit cards cannot exceed the APR that applies to non-financial credit card issuers.
Dec-22-22	<a href="#">Comm. "A" 7661</a>	First, the BCRA extended—until June 30, 2023—paragraph 6.3.1. of the regulations on "Minimum Cash" (deduction on the minimum cash requirement in pesos) for cash withdrawals made through ATMs in municipalities belonging to categories II through VI, in line with the regulations on "Categories of Municipalities for Financial Institutions". Second, the limit established to endorse checks and bills of exchange was extended until December 31, 2027. Such limit was set out in paragraph 5.1.1. of the regulations on "Bank Current Accounts" and in paragraph 4.1.1. of the regulations on "Sight Accounts Opened in Credit Unions". Finally, effective as from January 1, 2023, the insurance amount of the deposits detailed in the regulation was set at ARS6 million.
Dec-22-22	<a href="#">Comm. "A" 7662</a>	<b>The Mercosur Common Nomenclature (NCM, in Spanish) list was updated to comprise pharmaceuticals and/or inputs used to produce them locally, other health care items, and food products for human consumption</b> , as set forth in Section 155 ter of the Argentine Food Code. Therefore, <b>access conditions to the forex market were relaxed for paying imports.</b>
Dec-29-22	<a href="#">Comm. "A" 7664</a>	<b>Legal persons that are beneficiaries of the Knowledge Economy Promotion Regime</b> , have access to freely available US dollars amounting to 30% of the foreign currency transferred from incremental net exports, and use that amount to pay employees' wages <b>are exempted from the requirement to settle proceeds from exports of goods and services already transferred into the forex market</b> —within the terms set in each case. This exemption will be applied <b>provided that the legal persons carry out knowledge economy-related activities</b> and have a "Certification of Increased Exports Related to the Knowledge Economy" (Executive Order No. 679/22).

## 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 Dec-22					% of GDP		
	Dec-22	Nov-22	Oct-22	Sep-22	Dec-21	Monthly		Accrued in 2022		Year-on-year		Dec-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Monetary Base</b>	<b>4,781,929</b>	<b>4,388,339</b>	<b>4,225,141</b>	<b>4,179,909</b>	<b>3,394,480</b>	9.0%	-1.7%	40.9%	-25.6%	40.9%	-25.6%	4.4%	6.0%
Currency in circulation	3,767,917	3,348,968	3,240,179	3,171,405	2,504,731	12.5%	3.2%	50.4%	-20.6%	50.4%	-20.6%	3.6%	4.6%
Cash held by the public	3,362,664	3,020,099	2,911,674	2,856,142	2,230,702	11.3%	1.7%	50.7%	-20.4%	50.7%	-20.4%	3.2%	4.0%
Cash in financial institutions	405,253	328,868	328,505	315,263	274,029	23.2%	17.8%	47.9%	-21.9%	47.9%	-21.9%	0.4%	0.5%
Current accounts at BCRA	1,014,012	1,039,372	984,962	1,008,504	889,749	-2.4%	-6.7%	14.0%	-39.8%	14.0%	-39.8%	1.0%	1.6%
<b>BCRA's remunerated liabilities (NV ARS)</b>	<b>9,946,599</b>	<b>9,110,754</b>	<b>8,653,499</b>	<b>7,853,743</b>	<b>4,506,696</b>	9.2%	4.4%	120.7%	16.5%	120.7%	16.5%	9.6%	8.3%
Reverse repos	2,004,090	1,636,090	1,428,092	1,398,559	2,366,670	22.5%	17.1%	-15.3%	-55.3%	-15.3%	-55.3%	1.9%	4.4%
1 day	2,004,090	1,636,090	1,428,092	1,398,559	110,546	22.5%	17.1%	1712.9%	856.9%	1712.9%	856.9%	1.9%	0.2%
Stock of LE LIQs	6,831,822	6,336,682	6,035,569	5,289,805	2,140,026	7.8%	3.1%	219.2%	68.5%	219.2%	68.5%	6.6%	4.0%
Stock of 28-day LE LIQs	6,821,262	6,332,127	6,031,014	5,285,251	2,140,026	7.7%	3.0%	218.7%	68.2%	218.7%	68.2%	6.6%	4.0%
Stock of 180-day LE LIQs	10,560	4,555	4,555	4,555	-	131.8%	121.6%	-	-	-	-	0.0%	-
Stock of NO TALIQs	1,110,688	1,137,983	1,189,838	1,165,378	-	-2.4%	-6.7%	-	-	-	-	1.1%	-
<b>BCRA's international reserves in dollars</b>	<b>40,650</b>	<b>37,897</b>	<b>38,710</b>	<b>37,174</b>	<b>40,584</b>	7.3%	-	0.2%	-	0.2%	-	6.7%	7.6%

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2022		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
<b>Monetary Base</b>	<b>393,590</b>	<b>9.0%</b>	<b>602,020</b>	<b>14.4%</b>	<b>1,387,449</b>	<b>40.9%</b>	<b>1,387,449</b>	<b>40.9%</b>
Foreign exchange purchases to private sector and others	236,922	5.4%	731,166	17.5%	1,170,004	34.5%	1,170,004	34.5%
Foreign exchange purchase to the NT	167,934	3.8%	-134,586	-3.2%	-267,417	-7.9%	-267,417	-7.9%
Temporary advances and profit transfers to National Government	0	0.0%	0	0.0%	1,013,351	29.9%	1,013,351	29.9%
Other public sector operations	39,182	0.9%	147,862	3.5%	-85,716	-2.5%	-85,716	-2.5%
Monetary policy instruments	-287,691	-6.6%	-536,075	-12.8%	-1,938,742	-57.1%	-1,938,742	-57.1%
Others	237,242	5.4%	393,654	9.4%	1,495,969	44.1%	1,495,969	44.1%
<b>BCRA's International Reserves</b>	<b>2,753</b>	<b>7.3%</b>	<b>3,476</b>	<b>9.4%</b>	<b>66</b>	<b>0.2%</b>	<b>66</b>	<b>0.2%</b>
Purchases of foreign currency	744	2.0%	2,527	6.8%	4,391	10.8%	4,391	10.8%
International organizations	1,172	3.1%	331	0.9%	646	1.6%	646	1.6%
Other public-sector transactions	-137	-0.4%	-162	-0.4%	-1,300	-3.2%	-1,300	-3.2%
Minimum cash requirements	356	0.9%	537	1.4%	406	1.0%	406	1.0%
Others (incl. forex valuation)	619	1.6%	243	0.7%	-4,077	-10.0%	-4,077	-10.0%

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

Minimum Cash Requirement and Compliance	Dec-22	Nov-22	Oct-22
<b>Domestic currency</b>	% of total deposits in pesos		
Net requirement of deductions	18.9	19.4	18.7
Compliance in current accounts	5.5	6.1	6.0
Compliance in LE LIQs	32.4	32.3	32.2
Compliance in BOTE 2027	3.7	3.4	3.3
Compliance in sovereign bonds/other	7.8	7.1	6.7
<b>Foreign currency</b>	% 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)	62.5	62.9	63.3
Position <sup>(1)</sup>	38.5	38.9	39.3

(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 Dec-22						% of GDP <sup>4</sup>	
	Dec-22	Nov-22	Oct-22	Sep-22	Dec-21	Monthly		Accrued in 2022		Year-on-year		Dec-22	Dec-21
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Domestic currency</b>													
<b>Total deposits from the non-financial sector in pesos<sup>1</sup></b>	<b>18,245,192</b>	<b>16,961,036</b>	<b>16,223,170</b>	<b>15,078,026</b>	<b>9,585,924</b>	7.6%	1.1%	90.3%	0.5%	90.3%	0.5%	<b>17.5%</b>	<b>17.6%</b>
<i>Private sector deposits</i>	15,164,496	13,801,516	13,081,312	12,257,150	7,725,433	9.9%	2.8%	96.3%	3.6%	96.3%	3.6%	<b>14.6%</b>	<b>14.2%</b>
<b>Private Sector Sight Deposits</b>	<b>7,301,525</b>	<b>6,268,864</b>	<b>6,013,572</b>	<b>5,799,507</b>	<b>4,094,910</b>	16.5%	4.5%	78.3%	-5.9%	78.3%	-5.9%	<b>6.6%</b>	<b>7.2%</b>
Non-interest bearing (transactional)	5,374,457	4,573,045	4,401,239	4,227,014	3,283,152	17.5%	3.0%	63.7%	-13.6%	63.7%	-13.6%	<b>4.8%</b>	<b>5.7%</b>
Interest-bearing	1,927,068	1,695,819	1,612,334	1,572,494	811,758	13.6%	8.6%	137.4%	25.3%	137.4%	25.3%	<b>1.9%</b>	<b>1.5%</b>
Farm deposits	131	109	116	19	0	20.2%	16.9%					<b>0.0%</b>	
<b>Private Sector Time Deposits and Others</b>	<b>7,862,970</b>	<b>7,532,652</b>	<b>7,067,740</b>	<b>6,457,643</b>	<b>3,630,523</b>	4.4%	1.4%	116.6%	14.3%	116.6%	14.3%	<b>8.0%</b>	<b>7.0%</b>
Time Deposits	7,637,488	7,323,767	6,868,862	6,272,288	3,482,489	4.3%	1.4%	119.3%	15.8%	119.3%	15.8%	<b>7.7%</b>	<b>6.8%</b>
CER/UVA/exchange rate-non-adjustable	7,236,251	6,912,470	6,451,028	5,842,401	3,299,094	4.7%	1.8%	119.3%	15.8%	119.3%	15.8%	<b>7.3%</b>	<b>6.4%</b>
CER / UVA-adjustable	359,896	369,121	375,071	390,789	159,676	-2.5%	-5.2%	125.4%	19.0%	125.4%	19.0%	<b>0.4%</b>	<b>0.3%</b>
Traditional	156,497	168,232	179,996	195,553	102,705	-7.0%	-9.6%	52.4%	-19.6%	52.4%	-19.6%	<b>0.2%</b>	<b>0.2%</b>
Early-payment	203,400	200,889	195,075	195,236	56,970	1.2%	-1.6%	257.0%	88.4%	257.0%	88.4%	<b>0.2%</b>	<b>0.1%</b>
DIVA	41,340	42,176	42,763	39,098	23,719	-2.0%	-4.7%	74.3%	-8.0%	74.3%	-8.0%	<b>0.0%</b>	<b>0.0%</b>
Other deposits	225,483	208,885	198,878	185,355	148,035	7.9%	3.2%	52.3%	-19.6%	52.3%	-19.6%	<b>0.2%</b>	<b>0.3%</b>
<b>Public sector deposits<sup>2</sup></b>	<b>3,080,696</b>	<b>3,159,520</b>	<b>3,141,858</b>	<b>2,820,876</b>	<b>1,860,491</b>	-2.5%	-6.8%	65.6%	-12.6%	65.6%	-12.6%	<b>3.0%</b>	<b>3.4%</b>
<b>Monetary Aggregates</b>													
Total M2	11,866,228	10,402,558	10,170,350	9,701,506	7,120,815	14.1%	3.4%	66.6%	-12.0%	66.6%	-12.0%	<b>11.0%</b>	<b>12.6%</b>
Total M3	21,736,992	20,102,342	19,250,856	18,057,120	11,905,669	8.1%	0.6%	82.6%	-3.6%	82.6%	-3.6%	<b>20.5%</b>	<b>21.6%</b>
<b>Private sector monetary aggregates</b>													
Private M2	10,664,189	9,288,963	8,925,246	8,655,650	6,325,612	14.8%	4.5%	68.6%	-11.0%	68.6%	-11.0%	<b>9.9%</b>	<b>11.3%</b>
Transactional private M2 <sup>3</sup>	8,737,121	7,593,144	7,312,913	7,083,156	5,513,854	15.1%	2.5%	58.5%	-16.4%	58.5%	-16.4%	<b>7.9%</b>	<b>9.7%</b>
Private M3	18,527,159	16,821,615	15,992,986	15,113,292	9,956,135	10.1%	1.9%	86.1%	-1.8%	86.1%	-1.8%	<b>17.7%</b>	<b>18.3%</b>
<b>Total loans to the non-financial sector in pesos</b>	<b>6,766,512</b>	<b>6,411,810</b>	<b>6,090,781</b>	<b>5,887,981</b>	<b>4,058,133</b>	5.5%	0.1%	66.7%	-12.0%	66.7%	-12.0%	<b>6.3%</b>	<b>7.3%</b>
<b>Loans to the non-financial private sector</b>	<b>6,695,004</b>	<b>6,347,428</b>	<b>6,023,276</b>	<b>5,823,913</b>	<b>4,003,444</b>	5.5%	0.0%	67.2%	-11.7%	67.2%	-11.7%	<b>6.2%</b>	<b>7.2%</b>
Overdrafts	775,524	737,290	660,906	625,127	392,585	5.2%	0.5%	97.5%	4.3%	97.5%	4.3%	<b>0.7%</b>	<b>0.7%</b>
Promissory notes	1,708,408	1,626,484	1,547,739	1,509,228	1,010,395	5.0%	-0.7%	69.1%	-10.8%	69.1%	-10.8%	<b>1.6%</b>	<b>1.8%</b>
Mortgage-backed loans	371,755	366,279	364,942	360,617	280,283	1.5%	-3.6%	32.6%	-30.0%	32.6%	-30.0%	<b>0.4%</b>	<b>0.5%</b>
Pledge-backed loans	458,900	439,308	422,263	408,243	229,234	4.5%	0.1%	100.2%	5.7%	100.2%	5.7%	<b>0.4%</b>	<b>0.4%</b>
Personal loans	1,047,620	1,012,744	971,377	932,566	665,885	3.4%	-1.6%	57.3%	-17.0%	57.3%	-17.0%	<b>1.0%</b>	<b>1.2%</b>
Credit cards	2,000,781	1,855,373	1,747,170	1,686,867	1,198,243	7.8%	-1.0%	67.0%	-11.9%	67.0%	-11.9%	<b>1.8%</b>	<b>2.1%</b>
Others	332,015	309,951	308,879	301,265	226,818	7.1%	-0.2%	46.4%	-22.7%	46.4%	-22.7%	<b>0.3%</b>	<b>0.4%</b>
<b>Loans to the non-financial public sector</b>	<b>71,508</b>	<b>64,382</b>	<b>67,505</b>	<b>64,069</b>	<b>54,689</b>	11.1%	6.2%	30.8%	-31.0%	30.8%	-31.0%	<b>0.1%</b>	<b>0.1%</b>
<b>Foreign currency<sup>1</sup></b>													
<b>Deposits from the non-financial sector in dollars</b>	<b>18,784</b>	<b>18,091</b>	<b>17,523</b>	<b>17,454</b>	<b>18,237</b>	3.8%	-	3.0%	-	3.0%	-	<b>3.2%</b>	<b>3.5%</b>
Deposits from the non-financial private sector in dollars	15,684	15,209	14,982	14,823	15,255	3.1%	-	2.8%	-	2.8%	-	<b>2.6%</b>	<b>2.9%</b>
sight deposits	11,937	11,469	11,254	11,074	11,233	4.1%	-	6.3%	-	6.3%	-	<b>2.0%</b>	<b>2.1%</b>
time deposits and others	3,747	3,740	3,728	3,749	4,022	0.2%	-	-6.8%	-	-6.8%	-	<b>0.6%</b>	<b>0.8%</b>
Deposits from the non-financial public sector in dollars	3,100	2,881	2,542	2,631	2,982	7.6%	-	4.0%	-	4.0%	-	<b>0.6%</b>	<b>0.6%</b>
<b>Loans to the non-financial sector in dollars</b>	<b>3,643</b>	<b>3,705</b>	<b>3,696</b>	<b>3,710</b>	<b>4,268</b>	-1.7%	-	-14.6%	-	-14.6%	-	<b>0.6%</b>	<b>0.8%</b>
Loans to the non-financial private sector in dollars	3,489	3,562	3,586	3,592	4,127	-2.0%	-	-15.4%	-	-15.4%	-	<b>0.6%</b>	<b>0.8%</b>
Promissory notes	2,271	2,296	2,296	2,345	2,729	-1.1%	-	-16.8%	-	-16.8%	-	<b>0.4%</b>	<b>0.5%</b>
Credit cards	180	199	250	261	137	-9.7%	-	31.8%	-	31.8%	-	<b>0.0%</b>	<b>0.0%</b>
Others	1,038	1,067	1,040	987	1,261	-2.7%	-	-17.7%	-	-17.7%	-	<b>0.2%</b>	<b>0.2%</b>
Loans to the non-financial public sector in dollars	153	143	111	118	141	6.9%	-	8.8%	-	8.8%	-	<b>0.0%</b>	<b>0.0%</b>

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	Dec-22	EAR Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
<b>BCRA repo interest rates</b>						
Overnight reverse repo	70.00	101.24	70.00	70.00	67.25	32.00
Overnight repo	95.00	158.25	95.00	95.00	91.50	42.70
<b>28-day LELIQ interest rate</b>	75.00	107.35	75.00	75.00	72.25	38.00
<b>180-day LELIQ interest rate</b>	83.50	101.23	83.50	83.50	79.75	
Interbank market interest rates	Dec-22	EAR Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
<b>Repo rates among third parties on overnight REPO round</b>	66.37	94.09	69.01	70.70	64.62	30.98
Volume of repos traded among third parties (daily average)	7,500		9,942	19,455	6,393	4,489
<b>Calls in pesos (overnight)</b>						
Interest rate	67.38	96.04	65.64	66.10	63.85	30.46
Traded amount	22,471		25,400	30,297	24,289	19,687
Borrowing interest rates	Dec-22	EAR Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
<b>Sight deposits</b>						
Interest-bearing	58.30	76.73	56.69	55.20	52.88	28.87
<b>Time deposits</b>						
Natural persons up to ARS1 million (30-35 days) <sup>1</sup>	74.67	106.40	74.64	74.65	71.98	36.29
Total TM20 (more than ARS20 million, 30-35 days)	65.91	90.00	65.80	65.81	63.66	33.25
Private banks' TM20 (more than ARS20 million, 30-35 days)	66.48	91.03	66.49	66.48	64.30	33.98
Total BADLAR (more than ARS1 million, 30-35 days)	68.58	94.88	68.52	68.38	65.97	33.34
Private banks' BADLAR (more than ARS1 million, 30-35 days)	69.45	96.47	69.31	69.19	66.84	34.20
<b>Interest rate on UVA deposits' early-payment option</b>	71.00	99.38	71.00	71.00	68.25	30.50
Lending interest rates	Dec-22	EAR Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
<b>Loans to the non-financial private sector in pesos</b>						
Overdrafts	75.43	112.45	74.50	72.45	68.28	40.47
1 to 7 days– in accordance with companies– more than ARS10 million	73.28	107.02	73.92	72.37	69.63	35.36
Unsecured promissory notes	61.52	82.23	61.22	61.09	58.98	34.78
Mortgage-backed loans	62.71	84.31	61.42	60.85	49.10	29.71
Pledge-backed loans	48.68	61.17	48.66	50.30	48.64	28.80
Personal loans	81.20	119.46	79.06	82.93	78.31	53.00
Credit cards	76.27	109.54	75.95	68.77	59.51	42.87
Interest rate in foreign currency	Dec-22	EAR Dec-22	Nov-22	Oct-22	Sep-22	Dec-21
<b>Time deposits in dollars (30 to 44 days)</b>	0.32	0.32	0.33	0.34	0.34	0.37
<b>Unsecured promissory notes in dollars</b>	5.40	5.54	4.26	4.55	4.95	5.97
Exchange rate	Dec-22	Monthly chg. (%)	Nov-22	Oct-22	Sep-22	Dec-21
<b>NER peso/dollar</b>						
Wholesale rate (Comm. "A" 3500)	172.45	6.39	162.10	152.05	143.13	101.88
Retail rate <sup>2</sup>	175.20	6.28	164.85	154.64	145.69	104.27
<b>NER peso/real</b>	32.92	7.10	30.74	28.93	27.33	18.01
<b>NER peso/euro</b>	182.58	12.92	161.68	149.64	141.71	115.14
ITCNM	1,116.28	8.16	1,032.03	958.13	911.77	672.89
ITCRM	92.13	2.67	89.73	88.25	89.21	102.24

<sup>1</sup> 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.

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

## Glossary

**AFIP:** Federal Administration of Public Revenue

**ANSES:** Argentine Social Security Administration

**APR:** Annual Percentage Rate

**B.P.:** Basis Points

**BADLAR:** Interest rate on time deposits of ARS1 million and over for 30-35 days.

**BCRA:** Central Bank of Argentina

**CC BCRA:** Current accounts at BCRA

**CER:** Reference Stabilization Coefficient

**CNV:** National Securities Commission

**CPI:** Consumer Price Index

**EAR:** Effective Annual Rate

**EM:** Minimum Cash Requirements

**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

**MSMEs:** Micro, Small and Medium-Sized Enterprises

**NBFI:** Non-Bank Financial Institution

**NOCOM:** Cash Compensation Notes issued by BCRA

**ON:** Negotiable Obligation

**p.p.:** Percentage Points

**Private M2:** Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector.

**Private M3:** Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector.

**PSP:** Payment Service Providers

**ROFEX:** Rosario Futures Exchange

**s.a.:** Seasonally-Adjusted

**SDR:** Special Drawing Right

**SIMPES:** Comprehensive System for Monitoring Payments of Services Abroad

**SISCEN:** BCRA Centralized Reporting Requirement System

**TCN:** Nominal Exchange Rate

**TM20:** Interest rate on time deposits of ARS20 million and over for 30-35 days.

**Total M2:** Means of payment; it includes currency held by the public, settlement checks in pesos, and sight deposits in pesos from the non-financial private sector and public sector.

**Total M3:** Broad aggregate in pesos; it includes currency held by the public, settlement checks in pesos, and total deposits in pesos from the non-financial private sector and public sector.

**Transactional private M2:** Means of payment, it includes currency held by the public, settlement checks in pesos, and non-interest-bearing sight deposits in pesos from the non-financial private sector.

**UVA:** Units of Purchasing Power

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