

# Monthly Monetary Report

August 2023



BANCO CENTRAL  
DE LA REPÚBLICA ARGENTINA

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*The closing date for statistics in this report was September 7, 2023. All figures are provisional and subject to review.*

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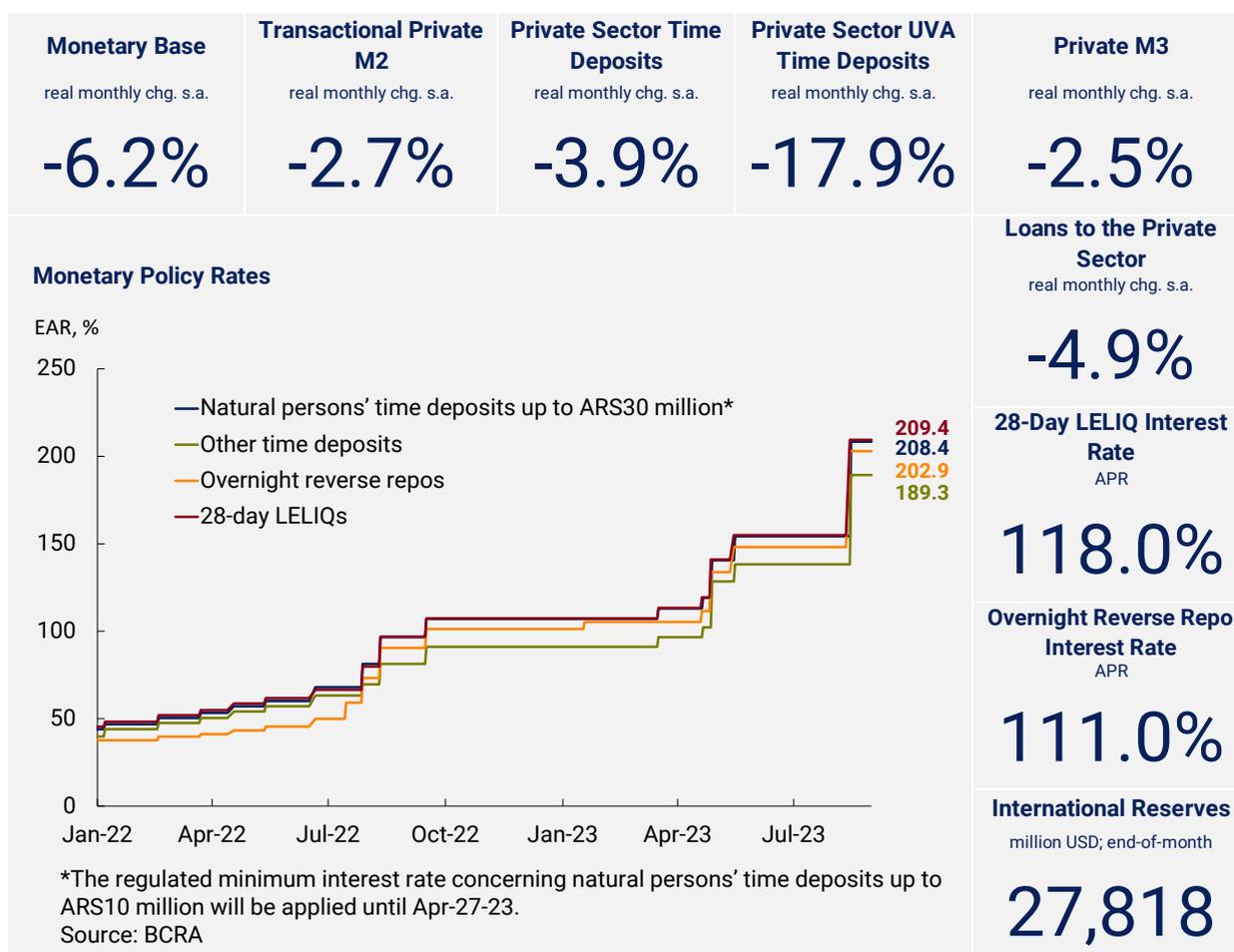
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### **About inclusive language in the Spanish version of this report**

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



Following the primary elections (*Primarias Abiertas, Simultáneas y Obligatorias*, PASO) and in a context of high financial volatility, the BCRA adjusted the official exchange rate with the aim of favoring international reserve accumulation. Along the same lines, it adjusted both benchmark interest rates and interest rates on time deposits simultaneously in order to mitigate the devaluation pass-through to prices and obtain positive real returns on investments in domestic currency.

Time deposits in pesos from the private sector at constant prices, which declined in the first half of August, recovered after the BCRA raised interest rates. However, they recorded a contraction in the average monthly change. In turn, means of payment went on declining in real terms and remained at the lowest levels observed over the last few decades. Thus, private M3 exhibited a new contraction in real and seasonally-adjusted (s.a.) terms in August.

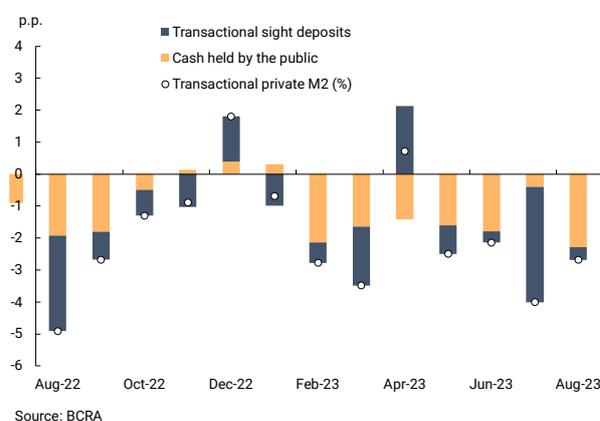
It should be mentioned that the BCRA received a disbursement from the International Monetary Fund (IMF) for about USD7.3 billion, which strengthened international reserves and allowed the advance of the next repayment for USD950 million to be settled in September. This was executed as part of the fifth and sixth reviews of the Extended Fund Facility (EFF) program.

## 2. Means of Payment

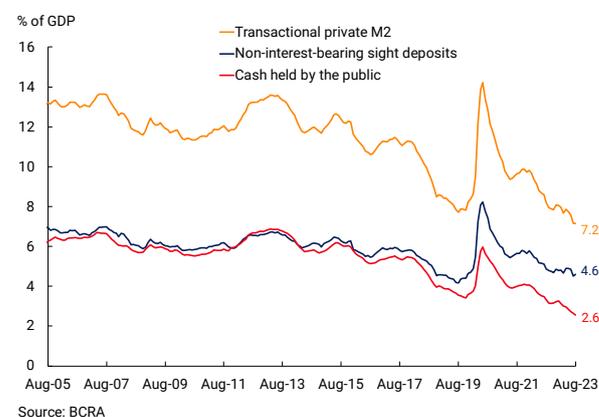
In real and seasonally-adjusted terms, means of payment (transactional private M2<sup>1</sup>) contracted by 2.7% in August, down around 16.3% over the year. The dynamics was mainly explained by the performance of cash held by the public, which continued recording new historic lows. In turn, non-interest-bearing sight deposits declined slightly (see Chart 2.1). Thus, transactional private M2 stood 19.1% below the level observed in August 2022 at constant prices.

In terms of GDP, means of payment stood at 7.2%, remaining virtually unchanged against July (see Chart 2.2). Both components of means of payment stayed 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

The Board of the BCRA decided to raise the minimum interest rates paid on time deposits in line with the adjustment of interest rates on monetary policy instruments.<sup>2</sup> This way, the BCRA sought to encourage saving in domestic currency and contribute to financial and foreign exchange balance. In particular, the monetary authority raised the minimum interest rate on natural persons' deposits from 97% APR to 118% APR, which means a 9.7% EMR. In turn, for the other depositors of the financial system, the minimum interest rate rose from 90% APR to 111% APR, i.e., 9.2% EMR.<sup>3</sup>

The evolution of time deposits throughout August was not homogeneous. Indeed, on Monday following the PASO elections, these deposits exhibited a nominal fall, which can be explained by the usual performance of such deposits on Mondays, and by the news about the rise on interest rates to be effective as from Tuesday. This involved an increase in returns provided that depositors renewed time deposits with a one-day delay. Thus, on the days that followed, the dynamics reversed (see Chart 3.1).

<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.

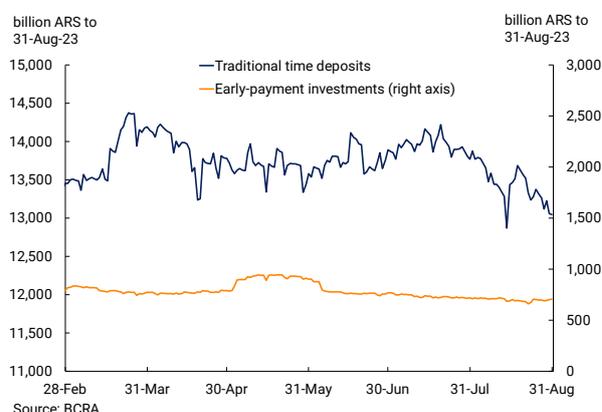
<sup>2</sup> The current interest rates have been set out in Communication "A" 7726.

<sup>3</sup> The other depositors are natural persons who hold deposits over ARS30 million and legal persons.

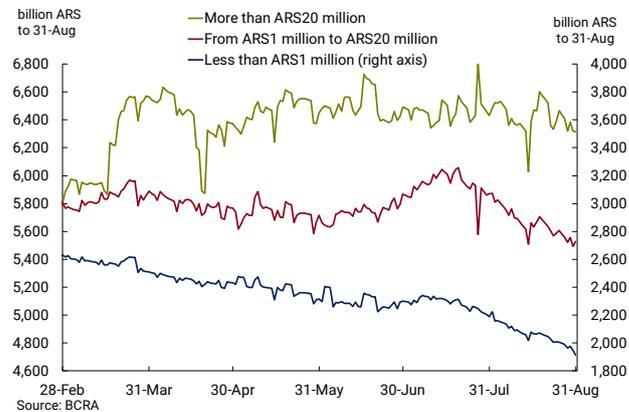
**Nevertheless, time deposits in pesos from the private sector posted a 3.9% s.a. contraction at constant prices in August.** In spite of this, they remained around the peak values of the past few decades. Along the same lines, they stood at 7.4% of GDP in August (down 0.1 p.p. against July).

As for time deposits grouped by amount, the wholesale segment (over ARS20 million) exhibited a better performance, with a stock comparable to that of June in real terms (see Chart 3.2). The analysis of deposits by type of holder showed that Financial Service Providers (FSPs) increased their holdings at constant prices, in particular, money market funds (MMFs), whose equity rose by 3.4% s.a. at constant prices. They also boosted the growth of interest-bearing sight deposits, which improved 7.7% s.a. in real terms. As for the other companies' holdings, they fell on average in August. In turn, deposits from ARS1 to ARS20 million and those under ARS1 million decreased throughout August.

**Chart 3.1 | Time Deposits by Type of Instrument**  
At constant prices

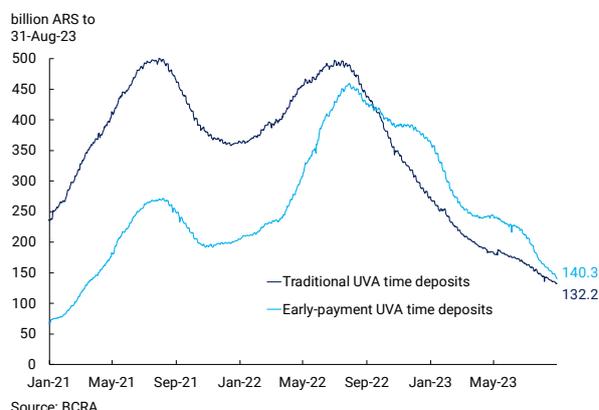


**Chart 3.2 | Time Deposits by Amount**  
At constant prices

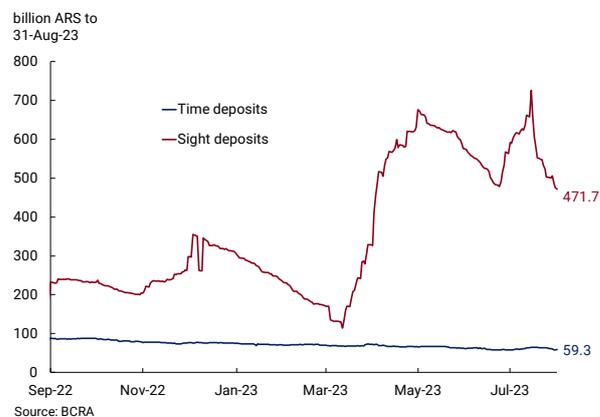


Time deposits adjusted by the reference stabilization coefficient (*Coeficiente de Estabilización de Referencia*, CER) contracted once again in real terms, accruing 13 months of falls in a row. The decrease was observed in both traditional and early-payment deposits adjusted by units of purchasing power (*Unidad de Valor Adquisitivo*, UVA), whose monthly change rates were -13.9% s.a. and -21.2% s.a., respectively, accelerating their fall compared to previous months (see Chart 3.3). The analysis of deposits by type of holder showed that the decline was mainly due to natural persons' holdings, which accounted for about 70% of the total. All in all, the stock of UVA deposits reached ARS272.4 billion at the end of August, which amounted to 2% of 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 | Exchange Rate-Adjusted Deposits**  
Stock at constant prices



Furthermore, the performance of deposits adjusted by the benchmark exchange rate was not homogeneous during the period under analysis, though deposits recorded an average rise in the month. Indeed, sight deposits adjusted by the exchange rate expanded until mid-August and then they fell. This performance was in part explained by a halt in transactions carried out under the Export Increase Program (*Programa de Incremento Exportador*, PIE) in the second half of August. The news about the frozen exchange rate may have been a reason for the partial use of these funds. In general terms, sight deposits recorded an average monthly expansion of 5% at constant prices, favored by July's carryforward and a 22.5% fall in real terms month-on-month end-of-period (MoM eop). In turn, the stock of time deposits adjusted by the exchange rate amounted to ARS59.25 billion at the end of August, evidencing an average monthly contraction of 0.8% at constant prices (see Chart 3.4).

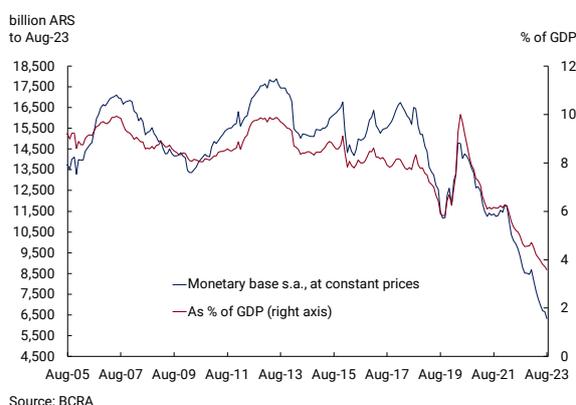
**All in all, the broad monetary aggregate (private M3) at constant prices posted a monthly reduction of 2.5% s.a. in August.**<sup>4</sup> In year-on-year (y.o.y.) terms, private M3 posted a .5.7% fall with a share of 16.9% in GDP, remaining stable against July.

## 4. Monetary Base

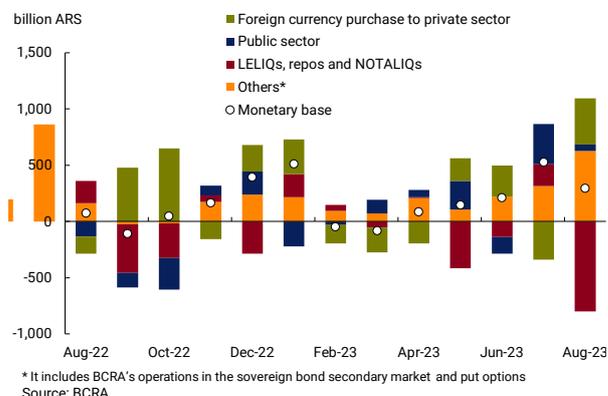
**In August, the monetary base averaged ARS6,422.7 billion, which meant a monthly expansion of 4.8% (+ARS293.79 billion) at current prices.** The monetary base contracted by 6.2% s.a. at constant prices, down around 33% over the last 12 months. In terms of GDP, it stood at 3.6%, down 0.1 p.p. against July and at its historic low since the exit from the convertibility system (see Chart 4.1).

<sup>4</sup> Private M3 includes cash held by the public and deposits in pesos from the non-financial private sector (sight deposits, time deposits and others).

**Chart 4.1 | Monetary Base**



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



On the supply side, one of the main monthly expansion factors of the monetary base was the net purchase of foreign currency to the private sector. Before adjusting the exchange rate, foreign currency purchases were boosted by transactions conducted under the PIE but, after the adjustment, they were encouraged by transactions with the rest of the private sector. The improvement also came from put option contracts on Argentine sovereign bonds exercised by financial institutions and, to a lesser extent, from operations with sovereign bonds in the secondary market. Last, public sector transactions, which include the payment of temporary advances for ARS500 billion, expanded on average in August due to July's carryforward. All in all, these effects were partly sterilized through monetary policy instruments (see Chart 4.2).

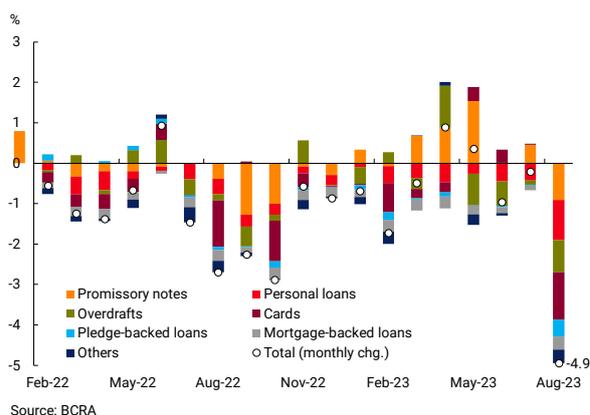
**By mid-August, the BCRA decided to adjust the interest rates on the monetary policy instruments in line with the adjustment of the official exchange rate.** The aim of raising them was to anchor expectations, reduce the pass-through to consumer prices, obtain positive real returns on investments in domestic currency, and contribute to financial and foreign exchange balance. **In particular, the BCRA decided to raise the interest rate on 28-day liquidity bills (LELIQs) by 21 p.p. to reach 118% APR (209.4% EAR).** The interest rate on 180-day LELIQs underwent a rise of 15 p.p. and stood at 120.5% APR (157.5% EAR). As for shorter-term instruments, the interest rate on overnight reverse repos increased from 91% APR to 111% APR (202.9% EAR), whereas the rate on overnight repos was 140% APR (304.4% EAR). Finally, the spread of liquidity notes (NOTALIQs) in the last auction of the month was set at 2.5 p.p.

**As regards the components of remunerated liabilities, 28-day LELIQs averaged 68.2% of the total in August, reducing their relative share vis-à-vis July.** Longer-term instruments, particularly NOTALIQs, accounted for only 0.7% of the stock in August. In turn, the share of overnight reverse repos in total instruments increased to reach 26.4% of the total. The share of LEDIVs and LEGARs, which are bills issued by the BCRA, increased by 1 p.p. compared to July's share.

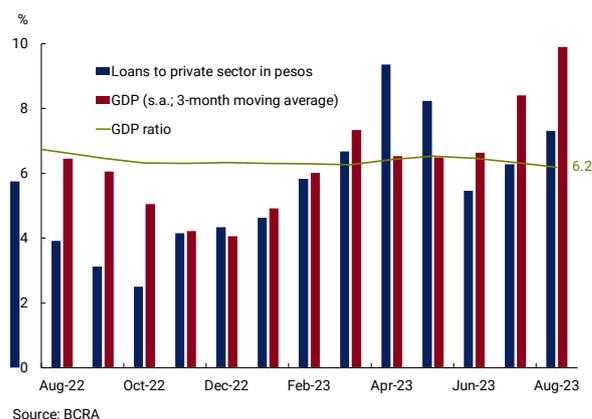
## 5. Loans to the Private Sector in Pesos

In August, loans in pesos to the private sector posted a monthly decrease of 4.9% s.a. in real terms, accruing a 13% decline over the last 12 months. In general terms, the most relevant credit lines fell over the month (see Chart 5.1). In terms of GDP, loans in pesos to the private sector fell slightly in August and stood at 6.2%, the lowest share observed since mid-2004 (see Chart 5.2).

**Chart 5.1 | Loans to Private Sector in Pesos**  
Real, s.a.; contribution to monthly growth



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

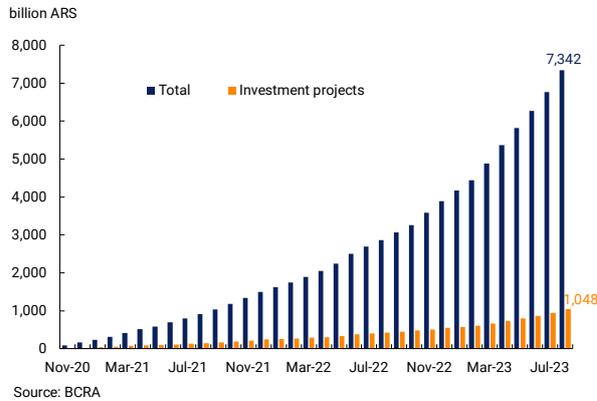


**Business credit lines fell 4.5% s.a. in real terms in August.** As regards instruments, loans granted through promissory notes declined 3% s.a. in real terms, standing at about the same level recorded a year ago. Within these credit lines, both unsecured promissory notes and discounted notes fell by 4.2% s.a. and 1.3% s.a., respectively. In turn, overdrafts exhibited a deep contraction of 7.2% s.a. at constant prices, down 14% vis-à-vis August 2022.

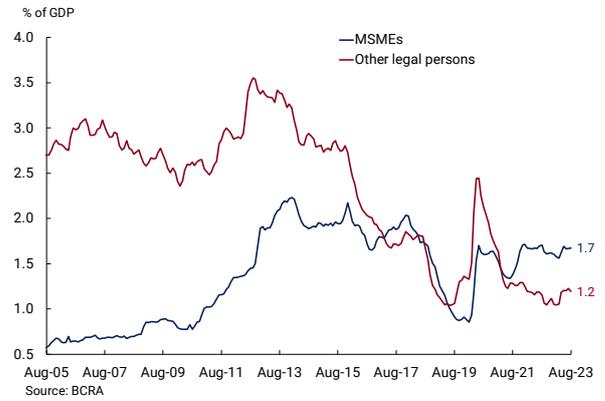
**Loans to micro-, small-, and medium-sized enterprises (MSMEs) were still mainly granted through the Credit Line for Productive Investment (*Línea de Financiamiento para la Inversión Productiva*, LFIP).** Until the end of August, the loans granted under the LFIP accrued disbursements for ARS7,342 billion from its implementation, up 8.4% vis-à-vis July (see Chart 5.3). Out of the total financings granted through the LFIP, 14.3% was channeled to investment projects and the rest, to working capital. The average stock of loans granted through the LFIP reached around ARS1,783 billion in July (latest available data), standing for nearly 17.6% of total loans and 38.2% of total business loans.

The analysis of business loans by type of debtor shows that lending to smaller relative-sized companies continued standing at around 1.7% of GDP, beyond the record observed before the pandemic and also above its historic average. However, the ratio of credit to big companies in terms of GDP stood at about 1.2%, among the lowest records in the past 20 years (see Chart 5.4).

**Chart 5.3 | Financing Granted through the LFIP**  
Cumulative disbursements as to end-of-month



**Chart 5.4 | Business Loans by Type of Debtor**  
As % of GDP



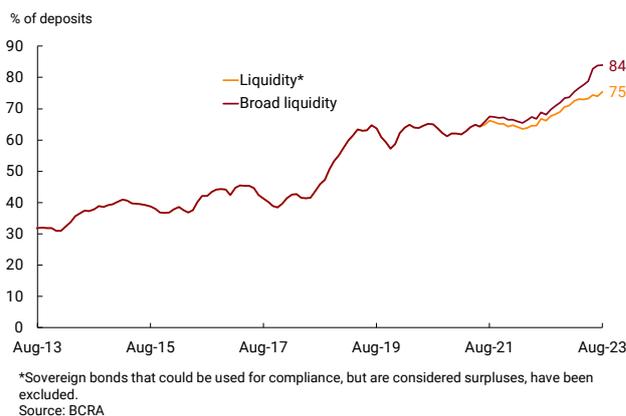
Loans to consumption decreased 5% s.a. at constant prices in August, falling 15.7% over the year. Among these credit lines, financings on credit cards posted a decline of 4% s.a. in real terms, and personal loans, 7.1% in August. In year-on-year terms, these loans fell by 10% and 26%, respectively.

As for secured credit lines at constant prices, pledge-backed loans contracted 6.2% s.a., that is, 15.6% y.o.y. Regarding the stock of mortgage-backed loans, it fell by 7.6% s.a., contracting about 42% over the last 12 months.

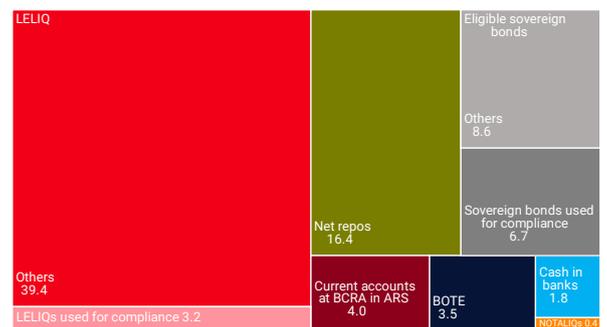
## 6. Financial Institutions' Liquidity in Pesos

In August, broad liquidity in domestic currency<sup>5</sup> remained unchanged vis-à-vis July, averaging 84% of deposits (see Charts 6.1 and 6.2). Thus, it stood at historically high levels. It should particularly be noted that reverse repos improved to the detriment of LELIQs and sovereign bonds used to comply with minimum cash requirements.

**Chart 6.1 | Financial Institutions' Levels of Liquidity in Pesos**



**Chart 6.2 | Financial Institutions' Components of Liquidity**  
% of deposits



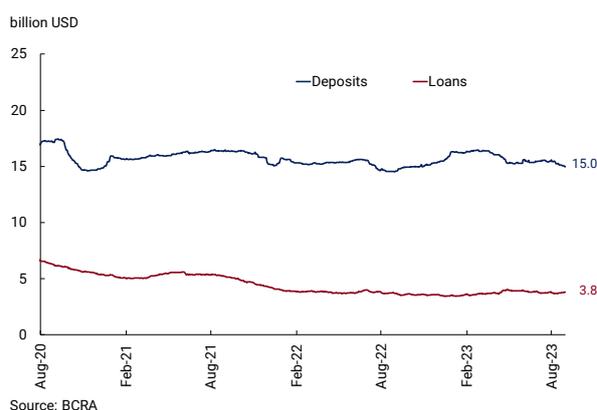
Note: The distribution of sovereign bonds used for compliance and others are computed assuming that the latest data available in the Reporting System on Minimum Cash Requirements is constant.  
Source: BCRA

<sup>5</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.

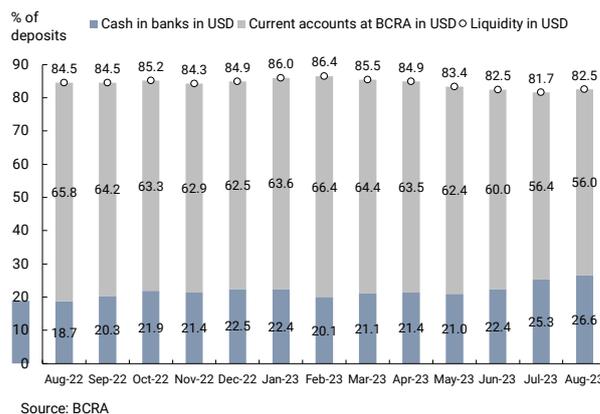
## 7. Foreign Currency

Private sector deposits, particularly sight deposits, in foreign currency recorded a fall of USD518 million in August, ending the month with a stock of USD14.99 billion. Also, the stock of loans to the private sector decreased by USD21 million, reaching USD3.8 billion at the end of August (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**



Financial institutions' liquidity in the foreign currency segment posted a 0.8 p.p. rise compared to the figure shown in July, standing at 82.5% of deposits and remaining at historically high levels. Such a rise was mainly driven by cash in banks (see Chart 7.2).

**In August, the BCRA made some regulatory changes on foreign exchange.** Access conditions to the forex market were relaxed,<sup>6</sup> and the transfer and settlement of foreign currency derived from exports of certain corn byproducts were regulated.<sup>7</sup> The conditions for underwriting "Central Bank Bills in US dollars payable in pesos at the benchmark exchange rate as set forth in Communication "A" 3500 (LEDIV) at zero rate" have been extended.<sup>8</sup> In turn, **the tax on certain expenses incurred in foreign currency was reduced** provided that they exceed a given amount; this tax had a bearing mainly on the exchange rate faced by outbound tourism.<sup>9</sup>

It is worth mentioning that, on the first days of September, the PIE was established again with a view to improving the supply of foreign currency. This time, instead of setting a new exchange rate, 75% of the foreign currency proceeds from exports of goods must be transferred to Argentina's financial system and exchanged in the Free and Single Foreign Exchange Market (*Mercado Único y Libre de Cambios, MULC*), and the remaining 25% will be freely available.<sup>10</sup>

**At the end of August, the BCRA's international reserves reached USD27.82 billion, up USD3.73 billion against the end of July (see Chart 7.3). The disbursement from the IMF for about USD7.3 billion (SDR5.5 billion) executed as part of the fifth and sixth reviews of the EFF program had a bearing on this performance.** Part of these funds was used to pay temporary advances for ARS500 billion (about

6 Communications "A" 7815 and "A" 7830.

7 Communication "A" 7826.

8 Communication "A" 7829.

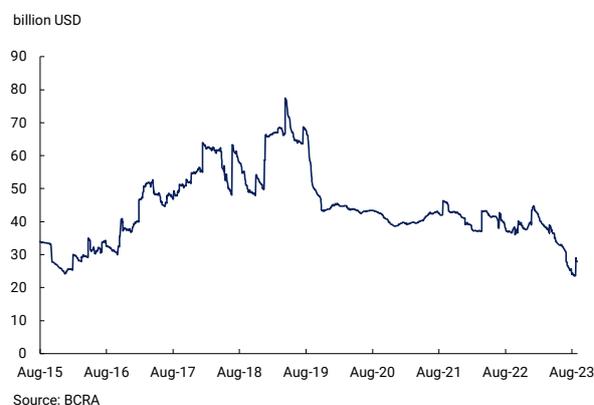
9 General Resolution No 5403/2023 of the Federal Administration of Public Revenue (*Administración Federal de Ingresos Públicos, AFIP*).

10 Executive Order No. 443/2023 by the Executive Power.

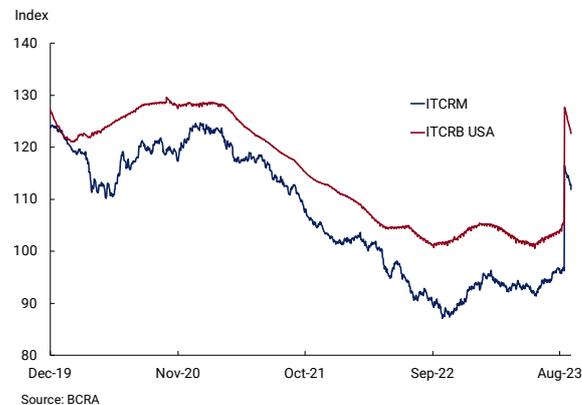
USD1.43 billion), advance the payment of principal to the IMF to be due in September for around USD950 million, and pay the debt with Qatar for USD773.7 million. The debt with Qatar had been incurred into at the beginning of August as a bridge loan to comply with the repayment of interest to the IMF. Also, by the end of August, the USD1 billion deposit at the BCRA made by the Development Bank of Latin America and the Caribbean (*Banco de Desarrollo de América Latina y el Caribe - CAF*) was reversed. The growth of international reserves was further driven by the net purchase of foreign currency to the private sector for USD1.25 billion in August.

**Finally, by mid-August, the BCRA decided to adjust the ARS/USD nominal exchange rate (NER), setting it at ARS350/USD1.** Thus, the Multilateral Real Exchange Rate Index (ITCRM, in Spanish) reached levels comparable to those observed by mid-2021, and to its historical average (see Chart 7.4).

**Chart 7.3 | Stock of International Reserves**



**Chart 7.4 | Multilateral Real Exchange Rate Index**



## 8. Regulatory Overview

Date of Issue	Regulation	Description
Aug-3-23	<a href="#">Comm. "A" 7815</a>	Financial institutions may grant their clients access to the forex market to make payments of services rendered by non-residents, as they are now exempted from having an affidavit recorded as "APPROVED" in the Comprehensive System for Monitoring Payments of Services Abroad ( <i>Sistema Integral de Monitoreo de Pagos al Exterior de Servicios, SIMPES</i> ). This applies for payments by i) the public sector; ii) all corporate organizations with majority share National State ownership or decision-making power in company operations, as long as they are not payments for insurance premiums, insured events and insurance-related services; iii) trusts established with national public sector's investments; iv) financial institutions for imports of services rendered by themselves; or v) financial institutions for the settlement of letters of credit or bills issued or granted until January 6, 2022.
Aug-14-23	<a href="#">Comm. "A" 7822</a>	<p>On August 15, 2023, the BCRA raised the minimum interest rates on natural persons' time deposits. The new floor for deposits not exceeding ARS30 million is 118% APR and for all other time deposits, 111% APR. In line with this measure, the fixed interest rate on deposits with an early-payment option was set at 108.93% APR. However, this interest rate reached 110,93% APR for deposits of at least 180-day contractual terms, actually held in the accounts for at least 120 days.</p> <p>Also, the interest rates on financings under the LFIP were increased to 97% APR for investment projects; and to 109% APR for financing working capital and discount of deferred payment checks, among other promissory notes.</p> <p>Last, the maximum compensatory interest that financial institutions may charge for financings on credit cards held by natural persons will be raised to 107% APR as from the invoicing cycle of September 2023, provided that the amount financed does not exceed ARS200,000 per credit card account.</p>
Aug-24-23	<a href="#">Comm. "A" 7825</a>	Payment service providers that offer payment accounts must transfer to their clients the total return on their deposit accounts in pesos held at the financial institutions where clients' funds are deposited.
Aug-24-23	<a href="#">Comm. "A" 7826</a>	As from August 25, 2023, the Mercosur Common Nomenclature list was updated to include certain corn byproducts. The term for transferring and settling foreign currency from the export of goods was set within 15 calendar days.
Aug-25-23	<a href="#">Comm. "A" 7829</a>	The conditions for offering "Central Bank Bills in US dollars payable in pesos at the benchmark exchange rate (LEDIV) at zero rate" have been detailed. In particular, this regulation allows financial institutions to underwrite bills on behalf of clients who are consumer goods companies participating in the Fair Prices Program ( <i>Programa Precios Justos</i> ) for an amount equal to the new deliveries pending payment as of August 25, 2023.
Aug-31-23	<a href="#">Comm. "A" 7830</a>	As for non-resident clients, international organizations and institutions working as official export credit agencies may access the forex market for the purchase of foreign currency with the prior consent of the BCRA.
Aug-31-23	<a href="#">Comm. "A" 7830</a>	The implementation of interoperable QR codes for shops that accept credit card payments has been deferred for 45 calendar days. The date originally provided for in Communication "A" 7769 was September 1, 2023.

## 9. Monetary and Financial Indicators

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

Main monetary variables associated with BCRA	Monthly average					Average percentage changes as to Aug-23						% of GDP	
	Aug-23	Jul-23	Jun-23	Dec-22	Aug-22	Monthly		Accrued in 2023		Year-on-year		Aug-23	Dec-22
						Nominal n.s.a.	Real s.a.	Nominal n.s.a.	Real s.a.	Nominal	Real		
<b>Monetary Base</b>	<b>6,422,707</b>	<b>6,128,916</b>	<b>5,603,843</b>	<b>4,781,929</b>	<b>4,287,266</b>	4.8%	-6.2%	4.8%	-26.1%	49.8%	-33.0%	<b>3.6%</b>	<b>4.6%</b>
Currency in circulation	5,188,683	4,918,975	4,501,724	3,767,917	3,234,769	5.5%	-5.3%	5.5%	-25.4%	60.4%	-28.2%	<b>2.9%</b>	<b>3.6%</b>
Cash held by the public	4,634,709	4,439,884	4,022,764	3,361,661	2,904,397	4.4%	-6.2%	4.4%	-25.4%	59.6%	-28.6%	<b>2.6%</b>	<b>3.2%</b>
Cash in financial institutions	553,856	479,090	478,960	406,256	330,371	15.6%	2.4%	15.6%	-25.1%	67.6%	-25.0%	<b>0.3%</b>	<b>0.4%</b>
Current accounts at BCRA	1,234,023	1,209,941	1,102,119	1,014,012	1,052,497	2.0%	-9.7%	2.0%	-33.2%	17.2%	-47.6%	<b>0.7%</b>	<b>1.0%</b>
<b>BCRA's remunerated liabilities (NV ARS)</b>	<b>19,479,195</b>	<b>16,950,486</b>	<b>15,902,970</b>	<b>10,076,065</b>	<b>7,028,162</b>	14.9%	1.8%	14.9%	6.2%	177.2%	24.0%	<b>11.0%</b>	<b>9.8%</b>
Reverse repos	5,148,609	3,803,047	3,663,530	2,004,090	944,336	35.4%	19.9%	35.4%	41.1%	445.2%	143.9%	<b>2.9%</b>	<b>1.9%</b>
Stock of LELIQs	13,310,271	12,353,763	11,381,469	6,831,822	4,832,790	7.7%	-4.6%	7.7%	7.0%	175.4%	23.2%	<b>7.5%</b>	<b>6.6%</b>
Stock of 28-day LELIQs	13,288,889	12,298,524	11,305,721	6,820,934	4,825,195	8.1%	-4.3%	8.1%	7.0%	175.4%	23.2%	<b>7.5%</b>	<b>6.6%</b>
Stock of 180-day LELIQs	21,382	55,238	75,748	10,888	7,595	-61.3%	-65.7%	-61.3%	7.9%	181.5%	25.9%	<b>0.0%</b>	<b>0.0%</b>
Stock of NOTALIQs	116,691	172,093	241,188	1,110,688	1,206,889	-32.2%	-39.9%	-32.2%	-94.2%	-90.3%	-95.7%	<b>0.1%</b>	<b>1.1%</b>
Stock of LEDIVs	821,470	554,601	550,993	76,058	0	48.1%	31.2%	48.1%	493.3%	-	-	<b>0.5%</b>	<b>0.1%</b>
Stock of LEGARs	82,154	66,982	65,789	53,408	44,147	22.7%	8.6%	22.7%	-15.5%	86.1%	-16.8%	<b>0.0%</b>	<b>0.1%</b>
<b>BCRA's international reserves in dollars</b>	<b>25,132</b>	<b>26,140</b>	<b>31,931</b>	<b>40,650</b>	<b>37,116</b>	-3.9%	-	-3.9%	-	-32.3%	-	<b>4.6%</b>	<b>6.8%</b>

Monthly average explanatory factors	Monthly		Quarterly		Accrued in 2023		Year-on-year	
	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution	Nominal	Contribution
<b>Monetary Base</b>	<b>293,790</b>	<b>4.8%</b>	<b>1,029,912</b>	<b>19.1%</b>	<b>1,640,777</b>	<b>34.3%</b>	<b>2,135,441</b>	<b>49.8%</b>
Foreign exchange purchases to private sector and others	409,730	6.7%	345,425	6.4%	278,291	5.8%	1,487,871	34.7%
Foreign exchange purchase to the NT	-124,583	-2.0%	-1,150,799	-21.3%	-1,537,265	-32.1%	-1,732,240	-40.4%
Temporary advances and profit transfers to National Government	231,613	3.8%	1,459,290	27.1%	2,028,645	42.4%	2,026,387	47.3%
Other public sector operations	-49,818	-0.8%	-44,681	-0.8%	-37,112	-0.8%	46,306	1.1%
Monetary policy instruments	-800,807	-13.1%	-743,091	-13.8%	-946,873	-19.8%	-1,916,932	-44.7%
Others	627,656	10.2%	1,163,768	21.6%	1,855,091	38.8%	2,224,049	51.9%
<b>BCRA's International Reserves</b>	<b>-1,009</b>	<b>-3.9%</b>	<b>-8,394</b>	<b>-25.0%</b>	<b>-15,519</b>	<b>-38.2%</b>	<b>-11,985</b>	<b>-32.3%</b>
Purchases of foreign currency	894	3.4%	15	0.0%	-1,644	-4.0%	2,971	8.0%
International organizations <sup>5</sup>	-592	-2.3%	-3,524	-10.5%	-6,163	-15.2%	-6,810	-18.3%
Other public-sector transactions	2,392	9.2%	1,339	4.0%	-720	-1.8%	-724	-2.0%
Minimum cash requirements	-214	-0.8%	-1,300	-3.9%	-1,919	-4.7%	-1,730	-4.7%
Others (incl. forex valuation)	-3,488	-13.3%	-4,924	-14.7%	-5,072	-12.5%	-5,692	-15.3%

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

<sup>5</sup> The Development Bank of Latin America (CAF) and the Central American Bank for Economic Integration (BCIE) are excluded.

Minimum Cash Requirement and Compliance	Aug-23	Jul-23	Jun-23
<b>Domestic currency</b>	% of total deposits in pesos		
Net requirement of deductions	16.8	17.7	17.4
Compliance in current accounts	4.0	4.2	4.1
Compliance in LELIQs	27.6	30.0	31.0
Compliance in BOTE 2027	3.5	3.8	4.0
Compliance in sovereign bonds/other	15.3	16.8	15.6
<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)	56.0	56.4	60.0
Position <sup>(1)</sup>	32.0	32.4	36.0

(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 Aug-23						% of GDP <sup>4</sup>	
	Aug-23	Jul-23	Jun-23	Dec-22	Aug-22	Monthly		Accrued in 2023		Year-on-year		Aug-23	Dec-22
						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>31,025,952</b>	<b>28,326,479</b>	<b>26,470,637</b>	<b>18,248,097</b>	<b>14,057,898</b>	9.5%	-1.5%	9.5%	-6.4%	120.7%	-1.3%	<b>17.5%</b>	<b>17.7%</b>
Private sector deposits	25,570,919	23,358,729	21,817,209	15,170,436	11,426,208	9.5%	-1.2%	9.5%	-7.1%	123.8%	0.1%	<b>14.4%</b>	<b>14.7%</b>
<b>Private Sector Sight Deposits</b>	<b>11,957,640</b>	<b>10,820,590</b>	<b>10,145,436</b>	<b>7,305,131</b>	<b>5,436,199</b>	10.5%	1.9%	10.5%	-4.0%	120.0%	-1.6%	<b>6.8%</b>	<b>6.7%</b>
Non-interest bearing (transactional)	8,014,804	7,578,035	7,165,810	5,375,548	4,093,193	5.8%	-0.6%	5.8%	-10.3%	95.8%	-12.4%	<b>4.6%</b>	<b>4.8%</b>
Interest-bearing	3,942,836	3,242,555	2,979,626	1,929,583	1,343,006	21.6%	7.7%	21.6%	12.2%	193.6%	31.3%	<b>2.2%</b>	<b>1.9%</b>
Sight deposits adjusted by NER	552	465	514	132		18.7%	5.0%	18.7%	117.5%			<b>0.0%</b>	
<b>Private Sector Time Deposits and Others</b>	<b>13,613,278</b>	<b>12,538,139</b>	<b>11,671,773</b>	<b>7,865,305</b>	<b>5,990,009</b>	8.6%	-3.9%	8.6%	-9.8%	127.3%	1.7%	<b>7.6%</b>	<b>7.9%</b>
Time Deposits	13,288,981	12,233,425	11,369,525	7,642,488	5,812,179	8.6%	-9.5%	8.6%	-9.5%	128.6%	2.3%	<b>7.4%</b>	<b>7.7%</b>
CER/UVA/exchange rate-non-adjustable	12,948,978	11,877,963	10,991,646	7,241,211	5,378,497	9.0%	-3.5%	9.0%	-6.9%	140.8%	7.7%	<b>7.2%</b>	<b>7.3%</b>
CER / UVA-adjustable	280,908	302,736	324,048	359,936	399,382	-7.2%	-17.9%	-7.2%	-59.4%	-29.7%	-68.5%	<b>0.2%</b>	<b>0.4%</b>
Traditional	132,994	136,652	141,399	156,519	204,126	-2.7%	-13.9%	-2.7%	-55.8%	-34.8%	-70.9%	<b>0.1%</b>	<b>0.2%</b>
Early-payment	147,913	166,084	182,649	203,417	195,256	-10.9%	-21.2%	-10.9%	-62.2%	-24.2%	-66.1%	<b>0.1%</b>	<b>0.2%</b>
DIVA	59,096	52,726	53,831	41,340	34,300	12.1%	-0.8%	12.1%	-25.6%	72.3%	-22.9%	<b>0.0%</b>	<b>0.0%</b>
Other deposits	324,297	304,714	302,249	222,818	177,830	6.4%	-5.7%	6.4%	-20.1%	82.4%	-18.4%	<b>0.2%</b>	<b>0.2%</b>
<b>Public sector deposits<sup>2</sup></b>	<b>5,455,033</b>	<b>4,967,750</b>	<b>4,653,428</b>	<b>3,077,661</b>	<b>2,631,690</b>	9.8%	-2.7%	9.8%	-2.6%	107.3%	-7.3%	<b>3.1%</b>	<b>3.0%</b>
<b>Monetary Aggregates</b>													
Total M2	18,596,033	16,988,760	15,748,895	11,869,262	9,240,533	9.5%	-0.9%	9.5%	-10.2%	101.2%	-10.0%	<b>10.5%</b>	<b>11.1%</b>
Total M3	35,846,572	32,916,252	30,715,273	21,738,611	17,075,219	8.9%	-2.7%	8.9%	-8.0%	109.9%	-6.1%	<b>20.2%</b>	<b>20.7%</b>
<b>Private sector monetary aggregates</b>													
Private M2	16,592,350	15,260,475	14,168,200	10,666,792	8,340,596	8.7%	-1.6%	8.7%	-11.7%	98.9%	-11.0%	<b>9.3%</b>	<b>10.0%</b>
Transactional private M2 <sup>3</sup>	12,649,514	12,017,920	11,188,574	8,737,209	6,997,590	5.3%	-2.7%	5.3%	-16.3%	80.8%	-19.1%	<b>7.2%</b>	<b>8.1%</b>
Private M3	30,205,628	27,798,614	25,839,973	18,532,097	14,330,605	8.7%	-2.5%	8.7%	-10.6%	110.8%	-5.7%	<b>16.9%</b>	<b>17.9%</b>
<b>Total loans to the non-financial sector in pesos</b>	<b>11,106,051</b>	<b>10,294,800</b>	<b>9,642,961</b>	<b>6,765,414</b>	<b>5,722,071</b>	7.9%	-5.2%	7.9%	-7.6%	94.1%	-13.2%	<b>6.3%</b>	<b>6.4%</b>
<b>Loans to the non-financial private sector</b>	<b>10,980,024</b>	<b>10,146,225</b>	<b>9,514,817</b>	<b>6,694,118</b>	<b>5,664,897</b>	8.2%	-4.9%	8.2%	-7.6%	93.8%	-13.3%	<b>6.2%</b>	<b>6.3%</b>
Overdrafts	1,228,694	1,175,146	1,054,388	775,219	640,655	4.6%	-7.2%	4.6%	-14.1%	91.8%	-14.2%	<b>0.7%</b>	<b>0.7%</b>
Promissory notes	3,365,958	3,017,779	2,765,663	1,708,519	1,497,990	11.5%	-3.0%	11.5%	11.3%	124.7%	0.5%	<b>1.9%</b>	<b>1.6%</b>
Mortgage-backed loans	458,322	437,870	420,761	371,698	350,440	4.7%	-7.6%	4.7%	-32.2%	30.8%	-41.5%	<b>0.3%</b>	<b>0.4%</b>
Pledge-backed loans	725,127	676,923	627,753	458,905	384,534	7.1%	-6.2%	7.1%	-12.5%	88.6%	-15.6%	<b>0.4%</b>	<b>0.4%</b>
Personal loans	1,495,358	1,424,297	1,397,529	1,050,186	900,839	5.0%	-7.1%	5.0%	-21.1%	66.0%	-25.7%	<b>0.9%</b>	<b>1.0%</b>
Credit cards	3,220,098	2,941,548	2,805,560	1,999,883	1,596,047	9.5%	-4.0%	9.5%	-5.8%	101.8%	-9.7%	<b>1.9%</b>	<b>1.9%</b>
Others	486,467	472,663	443,163	329,708	294,391	2.9%	-7.5%	2.9%	-20.4%	65.2%	-26.1%	<b>0.3%</b>	<b>0.3%</b>
<b>Loans to the non-financial public sector</b>	<b>126,027</b>	<b>148,575</b>	<b>128,144</b>	<b>71,296</b>	<b>57,173</b>	-15.2%	-24.9%	-15.2%	-2.9%	120.4%	-1.4%	<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>17,578</b>	<b>17,835</b>	<b>17,601</b>	<b>18,785</b>	<b>17,547</b>	-1.4%	-	-1.4%	-	0.2%	-	<b>3.2%</b>	<b>3.2%</b>
Deposits from the non-financial private sector in dollars	15,232	15,477	15,440	15,686	14,603	-1.6%	-	-1.6%	-	4.3%	-	<b>2.8%</b>	<b>2.6%</b>
sight deposits	11,879	12,074	11,998	11,937	10,824	-1.6%	-	-1.6%	-	9.7%	-	<b>2.2%</b>	<b>2.0%</b>
time deposits and others	3,353	3,403	3,442	3,749	3,779	-1.5%	-	-1.5%	-	-11.3%	-	<b>0.6%</b>	<b>0.6%</b>
Deposits from the non-financial public sector in dollars	2,346	2,358	2,161	3,100	2,944	-0.5%	-	-0.5%	-	-20.3%	-	<b>0.5%</b>	<b>0.6%</b>
<b>Loans to the non-financial sector in dollars</b>	<b>3,932</b>	<b>3,953</b>	<b>4,045</b>	<b>3,645</b>	<b>3,835</b>	-0.5%	-	-0.5%	-	2.5%	-	<b>0.7%</b>	<b>0.6%</b>
Loans to the non-financial private sector in dollars	3,737	3,760	3,853	3,491	3,714	-0.6%	-	-0.6%	-	0.6%	-	<b>0.7%</b>	<b>0.6%</b>
Promissory notes	2,559	2,607	2,671	2,273	2,434	-1.8%	-	-1.8%	-	5.1%	-	<b>0.5%</b>	<b>0.4%</b>
Credit cards	223	223	221	179	272	0.0%	-	0.0%	-	-18.0%	-	<b>0.0%</b>	<b>0.0%</b>
Others	956	931	961	1,039	1,008	2.7%	-	2.7%	-	-5.2%	-	<b>0.2%</b>	<b>0.2%</b>
Loans to the non-financial public sector in dollars	194	193	192	153	120	0.8%	-	0.8%	-	61.4%	-	<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 averages.

Monetary policy interest rates	Aug-23	EAR Aug- 23	Jul-23	Jun-23	Dec-22	Aug-22
<b>BCRA repo interest rates</b>						
Overnight reverse repo	102.61	178.62	91.00	91.00	70.00	61.44
Overnight reverse repo (MF)	87.22	137.50	77.35	77.35	52.50	
Overnight repo	129.94	265.85	116.00	116.00	95.00	83.81
<b>28-day LELIQ interest rate</b>	109.19	185.37	97.00	97.00	75.00	66.44
<b>180-day LELIQ interest rate</b>	114.21	147.42	105.50	105.50	83.50	73.45
Interbank market interest rates	Aug-23	EAR Aug- 23	Jul-23	Jun-23	Dec-22	Aug-22
<b>Repo rates among third parties on overnight REPO round</b>	87.77	140.29	82.71	77.58	66.63	60.31
Volume of repos traded among third parties (daily average)	13,054		14,268	15,262	7,500	11,723
<b>Calls in pesos (overnight)</b>						
Interest rate	97.57	164.97	85.43	84.13	67.38	57.79
Traded amount	20,813		18,007	15,838	22,471	22,249
Borrowing interest rates	Aug-23	EAR Aug- 23	Jul-23	Jun-23	Dec-22	Aug-22
<b>Sight deposits</b>						
Interest-bearing	86.04	129.65	77.86	72.75	57.46	45.26
<b>Time deposits</b>						
Natural persons up to ARS1 million (30-35 days)	107.05	179.00	96.66	96.67	74.67	65.56
Total TM20 (more than ARS20 million, 30-35 days)	102.02	166.37	89.48	89.10	65.91	57.44
Private banks' TM20 (more than ARS20 million, 30-35 days)	102.72	168.08	90.04	89.92	66.48	58.14
Total BADLAR (more than ARS1 million, 30-35 days)	103.72	170.57	92.16	91.66	68.58	59.74
Private banks' BADLAR (more than ARS1 million, 30-35 days)	104.59	172.74	92.82	92.62	69.45	60.71
<b>Interest rate on UVA deposits' early-payment option</b>	101.19	164.34	91.80	91.80	71.00	62.44
Lending interest rates	Aug-23	EAR Aug- 23	Jul-23	Jun-23	Dec-22	Aug-22
<b>Loans to the non-financial private sector in pesos</b>						
Overdrafts	104.37	183.55	97.05	95.09	75.43	60.09
1 to 7 days—in accordance with companies—more than ARS10 million	102.02	174.66	91.70	92.08	73.27	61.71
Unsecured promissory notes	92.55	143.99	86.63	83.27	61.42	54.10
Mortgage-backed loans	78.84	114.67	74.65	75.44	62.71	43.80
Pledge-backed loans	66.19	90.51	65.13	66.15	48.60	41.66
Personal loans	108.35	182.34	102.72	104.05	81.19	74.76
Credit cards	87.78	133.40	84.17	82.72	77.10	54.92
Interest rate in foreign currency	Aug-23	EAR Aug- 23	Jul-23	Jun-23	Dec-22	Aug-22
<b>Time deposits in dollars (30 to 44 days)</b>	0.32	0.32	0.33	0.32	0.32	0.34
<b>Unsecured promissory notes in dollars</b>	4.75	4.86	4.77	6.77	5.40	5.31
Exchange rate	Aug-23	chg. Monthly (%)	Jul-23	Jun-23	Dec-22	Aug-22
<b>NER peso/dollar</b>						
Wholesale rate (Comm. "A" 3500)	321.62	20.89	266.05	248.31	172.45	135.26
Retail rate <sup>1</sup>	328.13	20.62	272.03	253.61	175.20	138.02
<b>NER peso/real</b>	65.58	18.22	55.48	51.17	32.92	26.32
<b>NER peso/euro</b>	350.66	19.21	294.16	269.24	182.58	136.95
ITCNM	2,121.83	19.08	1,781.88	1,653.49	1,116.28	878.15
ITCRM	106.70	11.63	95.58	93.65	93.21	91.50

<sup>1</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 over ARS1 million 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

**GDP:** Gross Domestic Product

**IAMC:** Instituto Argentino de Mercado de Capitales

**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

**MF:** Mutual Funds

**MM:** Money Market

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

**NBFI:** Non-Bank Financial Institution

**NER:** Nominal Exchange Rate

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

**TM20:** Interest rate on time deposits over ARS20 million 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