

Financial Inclusion Report

October 2024



BANCO CENTRAL
DE LA REPÚBLICA ARGENTINA

Financial Inclusion Report

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Executive Summary

- **Access to, and use of, accounts continued expanding** | In June 2024, there were 36.8 million account holders (natural persons (NPs)), recording a net increase of 1.2 million against June 2023. The segment holding both bank and payment accounts represented 66.4% of the adult population, increasing 4.5 percentage points (p.p.) against last December. In the second quarter of 2024, 73.8% of NPs holding accounts recorded at least one credit or debit transaction, increasing 12.4 p.p. y.o.y.
- **The shift towards electronic payments has progressively reduced the use of cash** | In the first half of 2024, the adult population made on average more than 40 electronic payments per month, up 73% against the same period in 2023. The opposing trends between cash withdrawals and electronic payments suggest that the latter, in particular instant transfers and payments with transfer (PCTs), play an important role in discouraging the use of cash.
- **Money market funds (MMFs) continued to gain share in NPs' savings and investment products** | The number of payment accounts with balances at MMFs increased from 13.8 million in December 2023 to 18.6 million in June 2024, accounting for nearly 51.7% of payment account holders.
- **Credit to NPs continued expanding** | Access to financing through financial institutions (FIs) and non-financial credit providers (PNFCs) reached 56.6% of the adult population in June 2024, with a net increase of 200,000 individuals (1%) compared to December 2023. More than half (53%) of the new borrowers (1.7 million) received financing from PNFCs, in which the average stock per debtor is historically lower than in FIs.
- **The average stock of financing per debtor expanded in the second quarter of 2024** | After several months of contraction, the average stock of financing (ARS1.2 million) started to grow in March, although it is still below the figures recorded in previous years.
- **Financing of micro-, small- and medium-sized enterprises (MSMEs) through the capital market has increased significantly in the past years** | This financing reached 1.6% of GDP in the second quarter of 2024, although it is proportionally low in relation to that granted by FIs to this group of companies. The growth of electronic promissory notes in foreign currency—an instrument that made it possible to extend the average terms of financing—was worthy of note. Moreover, there has been an increase in the number of companies guaranteed by reciprocal guarantee companies—the main issuers of guarantees to MSMEs—in recent years.
- **Instant payments in Argentina have boosted the retail payments market and broadened the use of electronic payments** | Instant payments—involving the instant transfer of funds between consumers and suppliers, and lower fees for stores—have expanded globally in a context of widespread growth of electronic payments.

Table of Indicators | Financial inclusion in Argentina

Indicator		Latest data	2022	2023	2024
Infrastructure	PDA's every 10,000 adults	Jun-24 (1)	14.9	15.4	15.2
	Percentage of municipalities with at least one PDA	Jun-24 (1)	52.2	52.7	52.7
	Percentage of the adult population in municipalities with at least one PDA	Jun-24 (1)	92.5	92.6	92.6
Accounts	Percentage of the adult population with account	Jun-24	99.1	100	100
	Percentage of the adult population with bank account	Jun-24	95.2	97.3	97.6
	Percentage of the adult population with payment account	Jun-24	55.8	66.3	71.2
	Percentage of account holders with activity in any account	Jun-24	56.7	70.3	73.8
Payments and withdrawals	Number of payments through electronic means per adult	Jun-24 (2)	17.2	28.9	41.3
	Number of electronic transfers per adult	Jun-24 (2)	5.4	11.6	18.8
	Number of PCTs per adult	Jun-24 (2)	2.9	6.1	9.7
	Number of payments on cards per adult	Jun-24 (2)	8.2	10.1	11.5
	Number of cash withdrawals per adult	Jun-24 (2)	2.9	2.9	2.9
Savings	Number of time deposits every 100 account holders (ARS/UVA/USD)	Jun-24	17.5	16.6	11.8
Credit	Percentage of adults with financing in the BFS	Jun-24	54.7	56.3	56.6
	Percentage of adults with financing from FIs	Jun-24	37.0	38.0	37.8
	Percentage of adults with financing from PNFCs	Jun-24	28.4	29.8	30.7

Notes | Indicators are disaggregated by demographic and geographic variables. At the time of publication of this edition, the definite results of the 2022 National Census of Population, Households and Housing (CNPHV) were available, as they were released in a staggered manner in 2023 and 2024. Given the need to adjust processes and update statistical data, the 2010 CNPHV continued in use.

The BFS includes financing from financial institutions (Fis) and/or non-financial credit providers (PNFCs). The latter lend their own capital and must meet minimum requirements (such as registration, information submission, and consumer protection).

Out of the adult population, 101.6% had at least one account in 2023 and 102.4% in 2024.

(1) Including FIs' access points (PDAs) (branches, mobile branches, automated teller machines (ATMs), self-service terminals (TASs) and supplementary agencies of financial services (ACSFs)) and non-FIs' ATMs.

(2) Monthly average for each period. In 2024, it refers to the monthly average of the first half of the year.

Introduction

Financial inclusion in Argentina made progress in some major components in the first half of 2024, but there are still certain challenges. People who only held bank accounts kept on opening payment accounts, which might have a positive impact on the use of electronic means of payment (MPEs) and on the access to investment products. Moreover, the indicators for the use of MPEs and the number of borrowers continued on the rise.

The role of non-bank institutions in terms of transactions as well as savings and credit was crucial in the access to, and use of, financial products and services. As regards credit, the average financing amount was lower than in the traditional financial system, while interest rates were higher.

This occurred against a backdrop of a financial system¹ functioning on a layer of free, interoperable basic financial services which had, at the same time, positive externalities for the system as a whole. A higher use of MPEs reduces the costs of handling cash, provides greater security in people’s and companies’ transactions, and generates a record that may allow users to access new financial services. In turn, as users expand the use of their accounts to include² new savings and credit products, more resources are channeled to the financial system for subsequent intermediation.

Chart 0.1 | Indicators of access

Share in the adult population

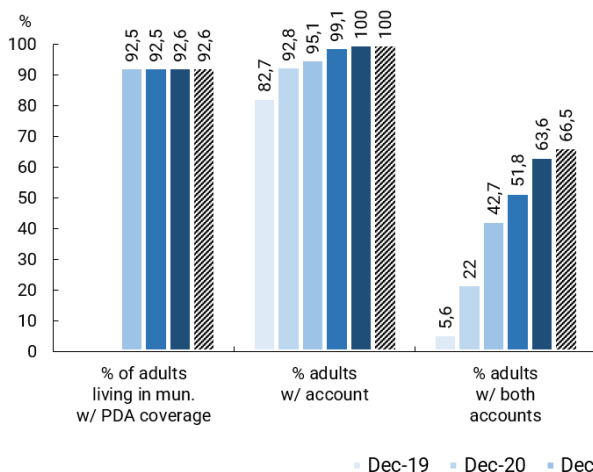
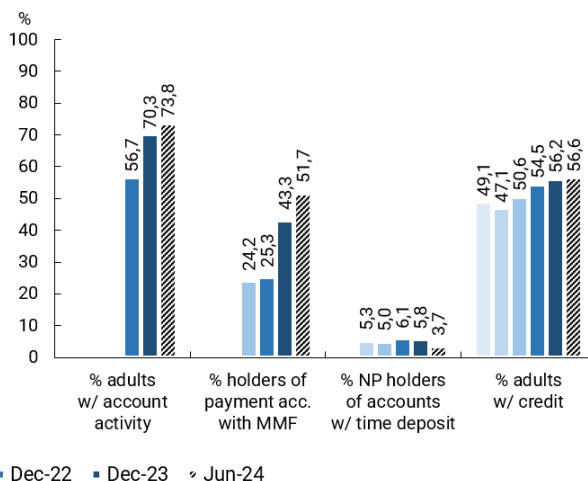


Chart 0.2 | Indicators of usage

Share in the adult population



Note | mun.: municipalities, and NP: natural persons.

Source | BCRA, COELSA and National Institute of Statistics and Censuses (INDEC).

In the first half, various actions of the national government and the BCRA affected the access to, and use of, financial services. To improve access to financial services, the requirements to open accounts in foreign currency were relaxed, and some regulations were adjusted for a smoother

¹ It encompasses financial institutions (FIs), payment service providers (PSPs), and non-financial credit providers (PNFCs).

² Both bank and payment accounts.

functioning of services related to accounts in pesos and in foreign currency. Additionally, the requirements for opening supplementary agencies of financial services (ACSFs) were also relaxed, and these agencies were allowed to conduct a broader range of transactions.

As for the use of financial services, the uptake of MPEs continued to be encouraged through tax incentives, new options for electronic payment and the promotion of competition. Some of these measures included the interoperability of QR codes for credit card payments, the removal of tax withholdings in electronic payments, the removal of caps on fees for debit and credit card payments, and the addition of new MPEs for paying public transport tickets, and for tips at restaurants. The minimum interest rates on time deposits and minimum quotas for MSMEs were removed, as well. Furthermore, new incentives were created for consumer and productive credit, such as Cuota Simple and MSME Minimum Quota.

These measures were adopted in a context where the nominal annual monetary policy rate fell from 100% in December 2023 to 40% in June 2024. This in turn brought deposit and lending rates down in the financial system, such as the rate on 30-day time deposits and on personal loans, which dropped 72 and 78 p.p., respectively, in the first half of the year. In addition, the level of prices measured by the consumer price index (CPI) kept on rising, at a slower pace, though.

Inflation must fall in order to achieve financial inclusion and financial well-being. Inflation disproportionately affects the poorest households, as they have fewer financial tools to protect themselves from price increases. They represent a larger portion of the population than in advanced economies.

In turn, the indicators of economic activity, employment and income showed a reduction in the first quarter of 2024, and remained the same or grew in the second quarter. Wages decreased in the first months of the year, but showed a significantly heterogeneous performance across sectors. Wages in the formal private sector rose 8%, whereas those in the informal and public sectors fell 6% and 4%, respectively.³ The economic activity hit a low in April 2024, grew by 0.6% in May against the previous month, and remained unchanged in June.⁴ There were 25,000 new formal jobs in May and June,⁵ and total wages increased in real terms from a low in March, and recovered 6.9% since then.

Finally, there is room for improvement in terms of financial inclusion. Considering the outcome in other Latin American countries, the financial infrastructure in municipalities with (financial access points) PDAs may increase in density. Aside from this, there are still small municipalities that lack PDAs. Regarding savings products, the use of investment instruments expanded among the population (e.g., money market funds (MMFs)), but this is seemingly related to a behavior aimed at maintaining the purchasing power of money, rather than saving for the long term. Then, the use

³ Seasonally-adjusted change. [Salary Index, INDEC](#).

⁴ Month-on-month change of the seasonally-adjusted series. [Monthly Economic Activity Estimator \(EMAE\), INDEC](#).

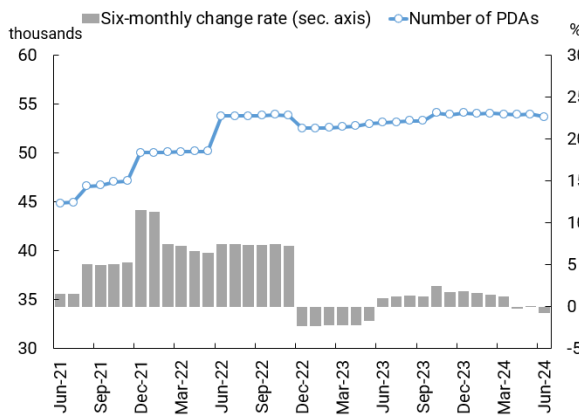
⁵ Seasonally-adjusted change in the number of total jobs. The rise was concentrated in taxpayers under a simplified scheme and public employees, whereas formal private employment continued to shrink. [Status and Development of Formal Employment, Ministry of Human Capital](#).

of longer-term savings instruments, such as time deposits, still poses challenges. As for credit, it continued growing, particularly in terms of the adult population. However, total credit stock remains low in relation to the size of the economy, with short-term financing standing out. This raises the challenge of extending terms, broadening the range of products and fostering greater competition in interest rates.

1. Financial Infrastructure

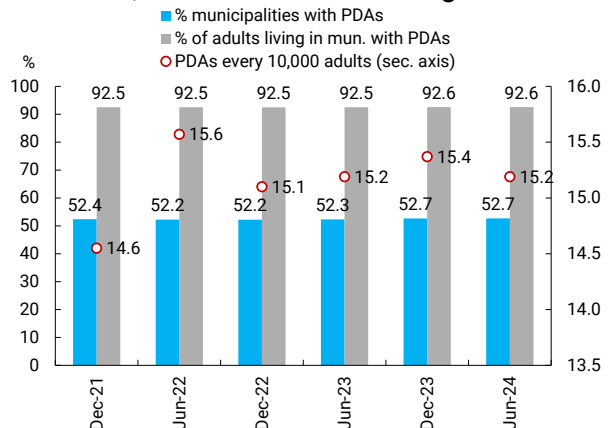
The indicators for financial infrastructure coverage showed slight changes in the first half of 2024. In June 2024, 52.7% of municipalities and 92.6% of adults had at least one financial access point (PDA),⁶ the coverage ratios remaining unchanged compared to December 2023. The density of PDAs was 15.2 units every 10,000 adults, below countries such as Mexico, Brazil and Colombia.⁷

Chart 1.1 | Evolution of PDAs



Source | BCRA, networks and INDEC.

Chart 1.2 | Indicators of PDA coverage



Source | BCRA, networks and INDEC.

Despite the six-monthly decrease of 0.7% (-392 units) in the total number of PDAs—53,715 units⁸—coverage was not affected, as the reduction was observed in municipalities with other PDAs. In the first half of 2024, there was one more municipality with PDA coverage. Breaking down such net rise, 11 municipalities increased coverage, while 10 lost coverage, accounting for 0.04% and 0.02%, respectively, of the adult population in Argentina. There were 1,674 municipalities without PDA coverage, encompassing 2.6 million adults.

The following factors drive the slowdown in the pace of the expansion of the physical infrastructure: (i) the nearly full coverage of people with bank accounts and the advance of digitization of financial services: digital channels (online banking, mobile banking, e-wallets, etc.) make it easier for people to start operating or broaden the number of FIs and PSPs in which people have an account, and they increase their client base without having to expand their own or third-party physical infrastructure; and (ii) the shallow depth of the Argentine financial system. By way of example, a financial system with long-term credit would require a larger network of PDAs to provide credit advice.

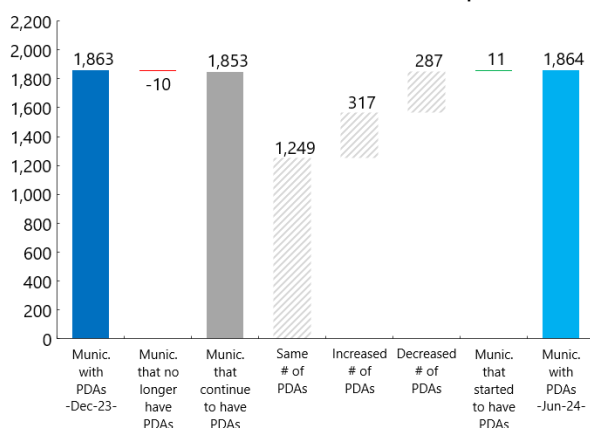
⁶ PDAs include branches, mobile branches, ATMs, TAS and ACFS, as well as non-financial institutions' ATMs.

⁷ Financial Access Survey (FAS), 2023, International Monetary Fund (IMF) (2024).

⁸ Composed of 20,517 ACSFs; 19,784 ATMs; 8,381 TASs; 4,915 branches and 118 mobile branches.

Chart 1.3 | Breakdown of change in coverage of municipalities

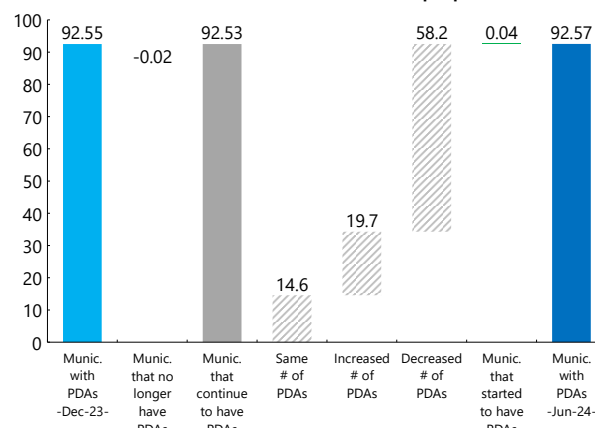
Jun-24 vs. Dec-23 – Number of municipalities



Source | BCRA, networks and INDEC.

Chart 1.4 | Breakdown of change in coverage of adults

Jun-24 vs. Dec-23 – % of the adult population



Source | BCRA, networks and INDEC.

However, the physical infrastructure still plays a major role for administrative procedures and sale of new products, as well as queries at FIs—as these are still preferably conducted in person—and in the provision of cash—with widespread use. In this context, the physical infrastructure still poses a challenge in municipalities with PDA coverage. Table 1.1 shows that coverage is mostly a problem in municipalities with fewer than 2,000 adults. In turn, considering the difference in PDA density compared to other countries in the region, the physical infrastructure might present a problem in the number and variety in municipalities already covered, which might lead to a deficit in services.

Table 1.1 | PDAs by municipality

Number of adults	Number of PDAs			Number of PDAs every 10,000 adults			% municipalities with at least one PDA			% adults living in municipalities with PDA		
	Jun-23	Dec-23	Jun-24	Jun-23	Dec-23	Jun-24	Jun-23	Dec-23	Jun-24	Jun-23	Dec-23	Jun-24
More than 50 K	35,668	36,061	35,675	15.3	15.4	15.1	100	100	100	100	100	100
From 10 K to 50 K	9,356	9,735	9,660	16.9	17.5	17.6	99.3	99.3	99.6	99.3	99.3	99.5
From 5 K to 10 K	3,171	3,266	3,331	19.7	20.5	20.5	98.7	98.7	98.7	98.7	98.7	98.7
From 2 K to 5 K	2,742	2,820	2,809	21.4	21.9	22.0	95.8	95.8	95.8	96.3	96.3	96.2
Less than 2 K	2,182	2,225	2,240	17.4	17.7	17.8	33.8	34.2	34.2	60.8	61.3	61.0
TOTAL	53,119	54,107	53,715	15.2	15.4	15.2	52.3	52.7	52.7	92.5	92.6	92.6

Source | BCRA, networks and INDEC.
Note | K: thousand.

Characteristics of municipalities not covered with PDAs. To better understand the extent of coverage, Table 1.2 compares the set of municipalities without PDA coverage to the set with coverage. Based on the available information, the comparison presents certain characteristics of the population and infrastructure which may influence the demand for financial services.

Below are the most relevant differences: (i) the population in municipalities without PDA coverage is on average older than in covered municipalities; (ii) as for the access to, and use of, accounts, the average number of accounts per account holder in municipalities without PDAs is on average 0.5 units lower than in municipalities with PDAs (3.7 vs. 4.2), while the activity rate of said accounts is lower (64% vs. 68%), and there is a 9-p.p. gap in exclusive bank account holding between both types of municipalities (48% vs. 39%); (iii) as for connection, just 57% of municipalities without PDA have some kind of internet connection as opposed to 95% of municipalities with PDAs, the gap being wider in the reach of mobile networks (24% vs. 79%).

Table 1.2 | Characteristic features of municipalities with and without PDAs

Characteristics		Municipalities with coverage	Municipalities without coverage
Universe of analysis	Number of municipalities (% of the total)	1,864 (52.7%)	1,674 (47.3%)
	Adult population (thousands) (% of the total)	32,739.6 (92.6%)	2,626.7 (7.4%)
Demography	Median adult population (inhabitants)	2,358	183
	Percentage of people aged 65+	14%	16%
Digital connection	Percentage of municipalities with internet connection	95%	57%
	Percentage of municipalities with mobile network connection (3G and/or 4G)	79%	24%
Usage of financial services	Average number of accounts per account holder	4.2	3.7
	Bank accounts	3.0	2.7
	Payment accounts	1.2	1.0
	Account activity rate	68%	64%
	Percentage of holders of bank accounts only	39%	48%

Note | For more details on the calculation methodology, see Note on Methodology.

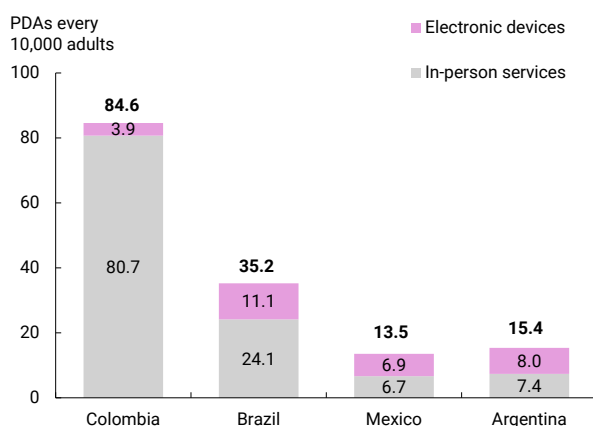
Source | Federal Administration of Public Revenue (AFIP), BCRA, National Communications Authority (ENACOM) and INDEC.

These factors suggest that the inhabitants in these municipalities tend to demand in-person financial services, rather than adopt digital financial services. Considering the experience of other countries in the region, this type of municipalities was covered by banking agents (or ACSFs). ACSFs incur no installation costs for they run on pre-existing infrastructure (e.g., local stores). Moreover, in-person customer service may bring inhabitants in these municipalities closer to financial products.

Number and variety of PDAs. Another challenge is the number and variety of PDAs in municipalities already covered. In developing countries, such as Argentina, low levels of education go hand in hand with fewer digital skills. Therefore, physical PDAs are still relevant to promote financial inclusion. As stated above, the high use of cash and the commercial and administrative management of financial products demand in-person points of service.

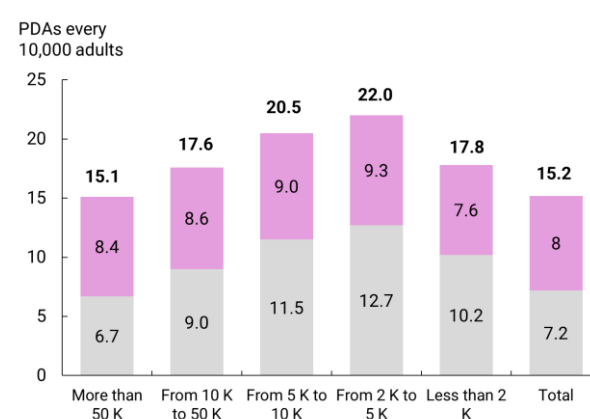
The number of PDAs every 10,000 adults is lower in Argentina compared to countries such as Brazil, Colombia and Mexico. These countries also belong to the upper-middle income group,⁹ and exhibit similar levels of labor informality.¹⁰ In terms of variety, in-person PDAs and electronic devices, Argentina ranks higher than Mexico in in-person points of service, but lower than Colombia and Brazil, as these two countries have more banking agents.

Chart 1.5 | Variety of PDAs in Latin American countries
December 2023



Source | BCRA and INDEC for Argentina; IMF's FAS 2023 for Colombia, Brazil and Mexico.

Chart 1.6 | Variety of PDAs in Argentina by size of municipality
June 2024



Source | BCRA, INDEC and IMF.

To conclude, the largest municipalities in Argentina seem to have a deficiency in the number of in-person PDAs compared to smaller municipalities and selected countries. People living in urban areas usually have the skills to carry out electronic transactions. However, certain commercial and administrative procedures still require in-person contact.

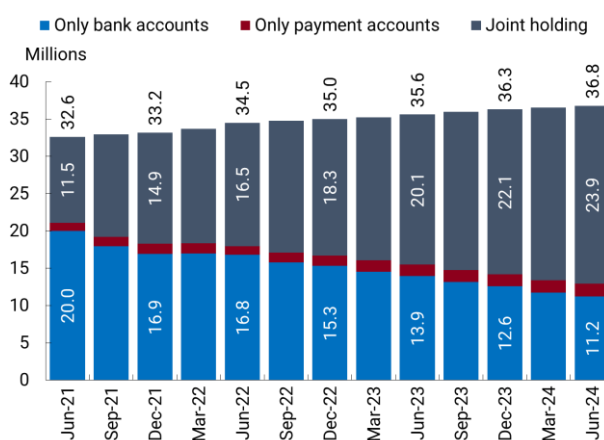
⁹ World Bank (2023).

¹⁰ Labor informality in these countries: 37% (Brazil), 56% (Colombia), 56% (Mexico) and 50% (Argentina). International Labour Organization (2023).

2. Account Access and Use

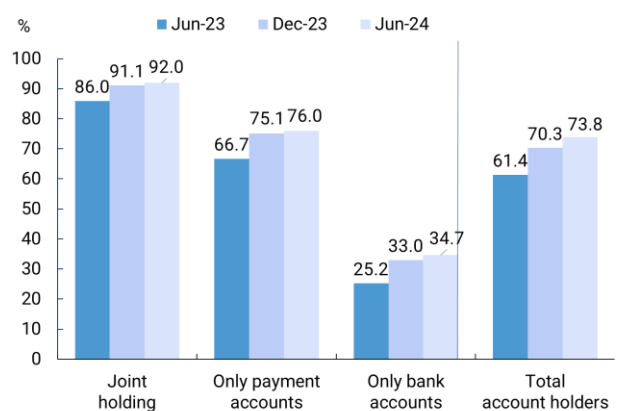
The number of natural persons (NP) account holders stood at 36.8 million as of June 2024, i.e. a net increase of 1.2 million against June 2023—up 3.3% year-on-year (y.o.y.). As mentioned in previous Financial Inclusion Reports (IIFs), individuals holding both bank and payment accounts kept on increasing (up 3.9 million y.o.y.) to the detriment of people holding bank accounts only (down 1.4 million y.o.y.). Adults with bank and payment accounts represented 66.4% of the adult population in June 2024.¹¹

Chart 2.1 | Natural persons with accounts



Note | Joint holding: people holding both bank and payment accounts.
Source | COELSA.

Chart 2.2 | Percentage of natural persons account holders with activity in their accounts



Note | Activity: people that had at least one credit and/or one debit transaction in their accounts.
Source | COELSA.

Moreover, the number of people with activity in their accounts continued on the rise. In the second quarter of 2024, 27.1 million NPs had at least one credit or debit transaction,¹² i.e., 73.8% of NP account holders as of June 2024, rising 12.4 p.p.¹³ This meant a net increase of 5.3 million people compared to the same quarter of 2023—up 24.2% y.o.y.

Joint account holding went up as a higher number of individuals added a payment account to their existing bank accounts. In the first half of 2024, 14 million net payment accounts¹⁴ were opened, 11 million of which belonged to joint account holders. People that only had bank accounts by the end of 2023 opened 1.9 million payment accounts, which was in line with their change to the group of joint account holders.

¹¹ In this sense, 102.4% of the adult population had an account in June 2024. For a more detailed explanation, see Note on Methodology.

¹² This metric measures the share of account holders with at least one transaction in any of their accounts along the quarter.

¹³ Activity metrics are underestimated because this indicator only takes into account the subset of transactions in which COELSA takes part. Particularly, the indicator does not measure account holders that use a debit card and make no transfers from or to a payment account, among others. In addition, debit transactions are generally initiated by the NP holding the account, whereas credit transactions are initiated by a third party (LP or NP). Such distinction has different connotations in terms of financial inclusion, as debit transactions are active transactions of NPs. For more information on the transactions settled and cleared by COELSA, see Note on Methodology.

¹⁴ The net opening (or net increase) is calculated by subtracting the total number of accounts of a given date from that of another date. Such calculation does not consider the gross opening and closure of accounts individually.

Interoperability between payment and bank accounts streamlines their use in a combined way, by allowing customers to choose products and services that best meet their needs, thus improving financial inclusion. Such trend is observed in the indicators of use of transfers, payments with transfer (PCTs) and money market funds (MMFs) (see section 3). Moreover, just 25% of people with both types of accounts recorded activity with a single account provider. This suggests that most users take advantage of account interoperability.

However, there is still a group of NPs holding bank accounts only. This might be due to demographic and socio-economic factors, such as age or lack of technological skills, or to the fact that an account of that type is not actively opened by the holder but by an institution, such as the Argentine Social Security Administration (ANSES) in the case of pensions.

Table 2.1 | Account holding by age group and geographical region
Data as of June 2024

Population group and account type	Joint holding				Only bank accounts			
	Number of people	% population group	Number of accounts	Accounts per capita	Number of people	% population group	Number of accounts	Accounts per capita
Age group								
Young (15-29)	7.7	72.7	46.2	6.0	1.3	12.5	2.6	2.0
Middle-aged (30-64)	14.8	75.4	96.0	6.5	5.5	27.8	15.0	2.8
Elderly (65+)	1.4	24.1	8.2	5.9	4.4	77.1	11.9	2.7
Geographical region								
Center	16.0	68.5	101.7	6.3	6.9	29.7	19.0	2.7
NEA	2.0	63.3	11.7	5.8	1.2	37.6	2.5	2.1
NOA	2.2	53.2	14.1	6.5	1.8	43.4	4.5	2.5
Cuyo	2.0	68.5	12.6	6.3	0.7	25.3	1.9	2.6
Patagonia	1.7	70.6	10.4	6.2	0.5	23.3	1.5	2.7

Note | For the “% population group” field, the numerator was the number of people with accounts and the denominator was the adult population in each group.

Source | COELSA and INDEC.

In this sense, as of June 2024, around 40% of people holding bank accounts only belonged to the 65+ age group. This age group mostly included exclusive bank account holders—77.1%. Such figure was twice as high as that in the middle-aged group (27.8%) and well above that of young people (12.5%).

More limited use of the internet and mobile devices,¹⁵ and basic technological skills among older people might explain the differences in account holding and in the number of accounts *per capita*, as the opening and use of payment accounts require internet access and a mobile phone. At a regional level, technology does not have the same effect as the age group: the urban agglomerations of the five regions did not report significant differences in internet connection¹⁶ and use of computers and mobile phones.¹⁷ Outside urban areas, problems with internet connection may adversely affect joint account holding levels.

¹⁵ In the fourth quarter of 2023, the use of internet and mobile phones in the 18-29 age group reached 96.7% and 98%, respectively, while the 30-64 age group recorded 93.2% and 97.5%. In the 65+ age group, the use of internet and mobile phones stood at 69.9% and 81%. See [Access and Use of Information and Communication Technologies. EPH, fourth quarter of 2023](#), INDEC.

¹⁶ [Report on Internet Access](#), INDEC.

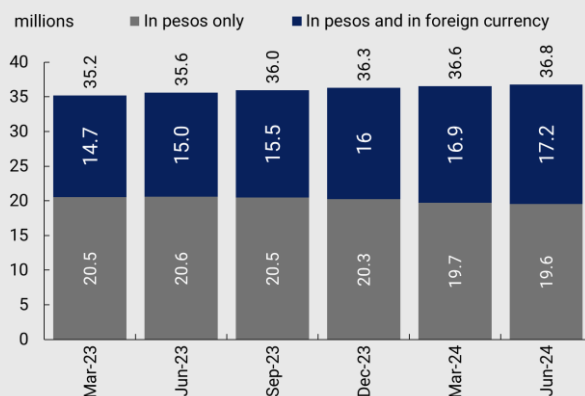
¹⁷ [Access and Use of Information and Communication Technologies. EPH, fourth quarter of 2023](#), INDEC.

Box 1 | Accounts in Foreign Currency

From December 2023, the national government and the BCRA introduced changes to the regulatory framework, which might boost transactions in foreign currency, such as identical requirements for savings accounts in foreign currency^{18,19} and the Asset Regularization Scheme.²⁰ Said regulations encourage the use of accounts in foreign currency for transactions through electronic means of payments.²¹

As of June 2024, half of the adult population had bank accounts in foreign currency. This set included 17.2 million NPs. In the first half of 2024, about 1.6 million people opened an account in foreign currency, while slightly more than 1 million NPs had opened such an account in the same period of 2023. This reveals a certain level of interest in accounts in foreign currency. Apart from this, a salary account ownership usually comes with a product bundle that includes dollar-denominated accounts. As of June 2024, 40% of people holding an account in foreign currency had a salary account.

Chart 2.3 | Natural persons account holding by currency



Source | COELSA.

Table 2.2 | Natural persons account holding by currency and population group

Data as of June 2024

Population groups	NPs with account -in millions-		Share by group (%)	
	In pesos only	In pesos and in foreign currency	In pesos only	In pesos and in foreign currency
Age group				
15 to 29	6.6	3.7	64.3	35.7
30 to 64	9.5	11.2	45.8	54.2
65+	3.5	2.3	60.0	40.0
Geographical region				
Center	12.4	11.7	51.3	48.7
NEA	2.3	1.1	68.0	32.0
NOA	2.3	1.8	55.9	44.1
Cuyo	1.5	1.4	52.1	47.9
Patagonia	1.1	1.2	47.7	52.3
Total	19.6	17.2	53.3	46.7

Source | COELSA.

When sorting out people by age, it is observed that the middle-aged stood out for their interest in accounts in foreign currency. In that group, 54.2% had accounts in both currencies in the second quarter of 2024, compared to the elderly (40%) and young people (35.7%). Such differences might be connected with their stage in the labor cycle, which affects saving

¹⁸ Under [Communication A 8027](#), savings accounts in foreign currency are subject to the same opening and operational requirements as those in domestic currency. Savings accounts in foreign currency may not be conditional on the purchase of other financial products or services. These accounts may be denominated in US dollars, euros, yuan renminbi or any other currencies.

¹⁹ Under [Communication A 7933](#), more than one transfer per person, per month, may be made in foreign currency to another account denominated in foreign currency. Such requirements had been laid down in [Communication A 7072](#).

²⁰ In July 2024, [Communication A 8062](#) established the regulations for the special account for asset regularization (CERA) set forth in [Law 27,743, Section 26](#).

²¹ In August 2024, [Communication A 8106](#) paragraph 1, allowed holders of CERA accounts to link a debit card or another electronic mean of payment to that account.

capacity. The most productive people (middle-aged) have higher chances of saving, as opposed to pensioners or those who are new to the workforce.

Additionally, at a regional level, Patagonia stood out, having the highest share of holders of accounts in foreign currency (52.3%), while at the other end were the northeastern (NEA) and northwestern (NOA) regions, with 32% and 44.1%, respectively. The differences in income level among regions might influence saving capacity, which in turn discourages people from holding accounts in foreign currency.

Historically, NPs' savings accounts in foreign currency have had higher average balances than the equivalent amount in pesos. Indeed, as of June 2024, the average balance of savings accounts in foreign currency was 5.7 times higher than the average balance of savings accounts in pesos. This indicator might be reflecting their types of use: accounts in pesos for transactions, and accounts in foreign currency for saving. However, 97% of savings accounts in foreign currency belonged to the USD0-USD2,999 range, with a share of 17.4% in balances. This set of accounts had an average balance of ARS82,150, which might indicate that accounts in foreign currency might be used for everyday transactions.²²

²² In this six-month period, certain supermarkets and small stores started taking payments in dollars.

3. Electronic Means of Payment, and Savings and Investment Methods

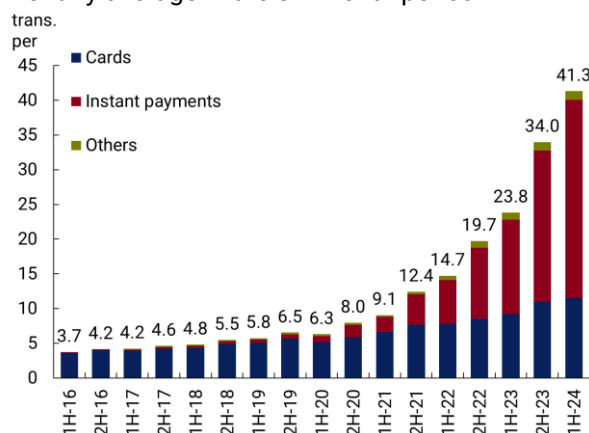
3.1. Electronic Means of Payment²³

The advance of technology and the issuance of new regulations transformed retail electronic payments in Argentina, bringing tools for consumers and merchants to manage payments more efficiently. Even against a backdrop of reduced economic activity, the number of electronic payments continued climbing significantly, with those credited instantly and involving lower costs gaining share. Also, the steady decrease in the average amount per transaction reveals that more and more people are using electronic payments for low-value, everyday transactions.

In this context, the new measures adopted by the BCRA and the national government continued encouraging them, thus improving consumers’ and merchants’ payment experience. Some of these measures include the interoperability of QR codes for credit card payments, the use of pull instant transfers between accounts held by the same person and the removal of tax withholdings (value added tax and income tax) from payments using electronic means of payments (MPEs) for up to 10,000 units of purchasing power (UVAs).²⁴

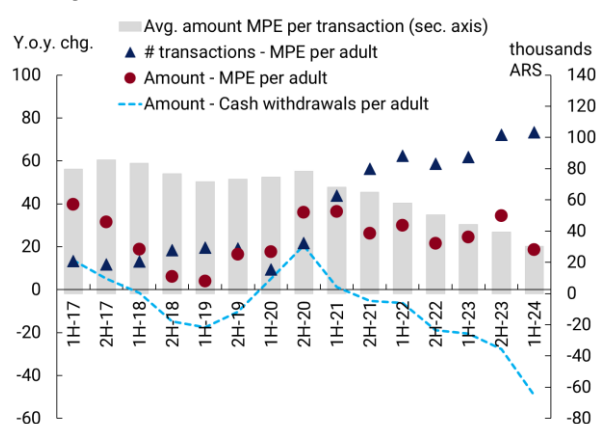
Chart 3.1.1 | Transactions per adult made through MPEs

Monthly average in the six-month period



Source | BCRA, INDEC and networks.

Chart 3.1.2 | Change rates of MPEs and withdrawals, and average amount paid through MPEs



In the first half of 2024, each adult made on average more than 40 electronic payments²⁵ per month, up 73% against the same period in 2023.²⁶ This increase was in line with a higher number

²³ The figures in this section are subject to review and potential changes, which might affect the analysis.

²⁴ Communication A 8032, Communication A 7996, Resolution 780/24, General Resolution 5554/24, Executive Order 731/24, Executive Order 698/24.

²⁵ Electronic payments comprise the following: (1) instant payments: (i) transfers: including transfers between bank accounts, transfers from or to a payment account, and between payment accounts belonging to the same PSP; excluding transfers within the same bank; (ii) PCTs, including interoperable PCTs and PCTs within the same PSP; (2) cards: debit, credit and prepaid cards; and (3) instant debit and direct debit.

²⁶ As a reference, Brazil recorded on average 47 monthly electronic payments per inhabitant in the first quarter of 2024 (Central Bank of Brazil (BCB)). With data available as of 2022, economies such as the United States and Sweden recorded around 50 electronic

of people with activity in their accounts (see Account Access and Use section), which means that new users are paying electronically. The opposing trends between cash withdrawals and use of MPEs suggest that electronic payments, in particular instant transfers and PCTs, play an important role in discouraging the use of cash. The BCRA's regulations thus created the conditions for customers and merchants to change their payment method of choice, leading to an increase in the number of people using MPEs, as well as in the frequency of their use.

As usual, amounts in constant terms²⁷ per adult increased at a more moderate pace (19% y.o.y.) than volume (73% y.o.y.) when comparing the first half of 2024 and the first half of 2023. This is due to a reduction in cards and other MPEs, mostly on account of a decrease in amounts paid on credit cards and through direct debit, whereas instant payments drove an increase in the amount per adult.

Table 3.1.1 | Transactions through MPEs
First half of 2024

Means of payment	Number per adult		Amount per adult		Avg. amount per transaction	
	#	chg. 1H-24 vs. 1H-23	ARS	chg. 1H-24 vs. 1H-23	ARS	chg. 1H-24 vs. 1H-23
Instant payments	28.5	109%	955,532	29%	31,969	-38%
Transfers	18.8	112%	818,127	28%	43,618	-40%
PCTs	9.7	105%	137,405	36%	12,356	-33%
Cards	11.5	25%	270,475	-3%	23,405	-22%
Debit card	6.9	30%	116,746	1%	16,851	-22%
Credit card	3.8	12%	143,368	-7%	37,572	-18%
Prepaid card	0.8	63%	10,360	20%	12,758	-26%
Others	1.3	26%	66,791	-3%	52,315	-23%
Instant debit	1.0	37%	42,376	15%	44,540	-16%
Direct debit	0.3	4%	24,415	-24%	74,823	-27%
MPE	41.3	73%	1,292,798	19%	30,231	-32%

Source | BCRA, INDEC and networks.

Given that the growth in MPE transactions was greater in volume than in value, the average amount per electronic payment continued on the decline in the first half of 2024 (-32% y.o.y.). This, as mentioned in previous editions, suggests some progress in the digitization of low-value, everyday transactions which were mostly paid in cash.

Such trend—a higher volume of electronic payments for a lower amount—is consistent with the reduction observed in the amounts withdrawn at ATMs and other outlets (such as supermarkets); this indicator is generally used as a proxy for cash payments.²⁸ In the past six-month periods, the

payments per inhabitant, while Mexico and India, for example, recorded approximately 6. In that year (2022), Argentina recorded 15 electronic payments per inhabitant (BIS data portal).

²⁷ Amounts are expressed at constant prices of June 2024 (CPI, June 2024 = 100).

²⁸ IMF, *Measurement and Use of Cash by Half the World's Population*, 2023.

cash withdrawal amount per adult and the average amount per withdrawal²⁹ exhibited negative (and increasingly greater) y.o.y. change rates. This might reflect a lesser need and use of cash for retail payments, but other factors, such as the impact of the activity on individuals' real income may also explain this situation. The reduced share of cash use in supermarket sales and household appliances clearly explain this dynamics.³⁰

Instant payments.

(i) Electronic transfers.³¹ Once again, transfers were the most widely used instrument within the ecosystem of electronic payments in the first half of 2024, accounting for nearly half (46%) of electronic payments compared to 37% a year earlier. Almost three transfers were made for every one debit card transaction, and almost five for every one credit card transaction. In contrast, such ratios were 1.7 and 2.6, respectively, in the first half of 2023.

Various factors contribute to the widespread adoption of transfers: (i) some movements of funds do not necessarily involve payment, e.g., transfers made between accounts belonging to the same account holder to manage liquidity in a MMF or to purchase foreign currency (by buying and selling bonds), thanks to a more interoperable market; (ii) some movements do involve payment: the ongoing advance of e-wallets and bank apps made consumers and merchants/service providers more familiar with transfers, in which funds are instantly credited at no cost for merchants/service providers.

(ii) Payments with Transfer (PCTs). In the first half of 2024, PCTs were the second most used instrument (23% of total transactions with MPEs), with their share going up by 3 p.p. in the period. Unlike transfers, the amounts per adult channeled through PCTs represented 10% of the total amount transacted through MPEs. This can be seen in the average amount per transaction—the lowest figure in the ecosystem of digital payments—which might indicate that PCTs are used for transactions of relatively small amounts, as they are used for purchases at stores.

Cards. Although they lost ground to instant payments, debit card payments grew in the first half of 2024, up 30% y.o.y. Debit cards thus became the third most used instrument in terms of number of transactions. Amounts per adult barely increased—1% y.o.y.—which led to a 22% drop in the average amount per transaction. However, the debit card remains one of the most widely used instruments, with a low average amount per transaction. This suggests they are generally used for low-value transactions.

Credit card payments increased in terms of number of transactions per adult in the first half of 2024 (12% y.o.y.) and decreased in terms of amounts per adult (-7% y.o.y.). The historical series

²⁹ The monthly average amount per withdrawal was 28 thousand constant pesos in the first half of 2024 compared to 78 thousand constant pesos in the same period of 2021.

³⁰ Cash payments at supermarkets had a share of 27% in the first half of 2023, and went down to 19% in the same period of 2024. In the household appliances sector, cash use fell from 17% in the first half of 2023 to 13% in the first half of 2024. Source: INDEC. [Survey at Supermarkets](#) and [Survey at Household Appliances Stores](#).

³¹ These transactions involve funds movements which are not necessarily payments. On the basis of the data available, it is not possible to tell apart transactions which are not payments from those which actually are. Instant transfers do not include those made within the same FI.

of amounts channeled through credit cards exhibits a connection with the performance of commerce. Therefore, amounts per adult were expected to fall in this period.

However, the use of credit cards was heterogeneous: (i) in supermarket sales, the share of amounts paid using credit cards increased (42% vs. 37% in the first half of 2023), exhibiting rises in most months of the first half of 2024, and (ii) as for e-commerce, credit cards kept on declining (70% in the first half of 2024 vs. 75% in the first half of 2023), but still channeled the largest amounts.

Box 2 | Electronic Collection: Options, Fees and Uptake

The growth in electronic payments is usually analyzed from the standpoint of consumers, who are indifferent as to their payment choice because they pay a low fixed cost or no cost at all when making electronic payments.³² By contrast, these payments may involve different fees for merchants, which may also get paid within varying terms.

With the available information, the objective was set to analyze the fees and settlement periods for electronic payments, as well as to assess the group of prospective users of these products on the supply side. Such assessment was based on both NPs and legal persons (LPs) whose main activity is trade or provision of services.

Settlement conditions. Retail electronic payment instruments comprise cards (debit, credit and prepaid), transfers and PCTs (instant transfers to pay for goods and/or services, and in which a PCT acquirer is involved).^{33,34} Except for credit cards, which allow cardholders to defer payment, in all other instruments, the amount paid for goods or services is automatically debited from an account, drawing on different technologies, such as a card with a magnetic band or a chip, or a mobile app.

Moreover, the said instruments are used in different channels, such as point-of-sale (POS) and mobile point-of-sale (mPOS) devices, QR codes (printed or dynamic (on the display of POS devices)), and payment links. The combination of means of payment, settlement term and channel involves certain fees. The fees are determined by acquirers and aggregators, except for PCTs, for which the BCRA set a cap (0.8%). They are used to pay to the different players of the transaction, such as the FI or PSP from which the amount was debited, the acquirer or aggregator, and the administrator of the payment scheme (e.g., credit card brands when payment is made using a card issued by a bank).

³² This decision might be affected by other factors, such as promotions or payment in installments. Generally speaking, credit card payments might be considered to have a fixed cost (related to the credit card statement or the credit card renewal). In the case of transfers and debit cards, the account maintenance fee (if the account is not provided free of charge) may be taken as the fixed cost. Anyhow, the cost per transaction decreases with use. This is not the case for merchants, as the cost is a percentage of the transaction.

³³ The PCT acquirer provides tools for stores to get paid through PCTs, which are governed by commercial rules different from those applicable to other instant transfers.

³⁴ For more information, see the [glossary](#) in the Report on Retail Payments.

There are limited data on fees and settlement times as not all the players provide such information in full. Upon surveying websites, Payment Service Providers (PSP) operators were found to provide more detailed information.³⁵

Table 3.1.2 | Fees and settlement terms of MPEs by channel

Channel	Means of payment	Minimum fee		Maximum fee	
		%	term	%	term
POS	Debit card	0.80%	1 day	3.25%	Instant
	Credit card	0%	40 days	6.29%	Instant
QR	Debit card	0.80%	Instant	3.19%	Instant
	Credit card	0%	35 days	6.29%	Instant
	Available funds	0.80%	Instant	0.80%	Instant
PAYMENT LINK	Debit card	1.49%	35 days	6.29%	Instant
	Credit card	1.49%	35 days	6.29%	Instant
	Available funds	1.49%	35 days	6.29%	Instant

Source | Own survey of information available on websites as of June 2024.

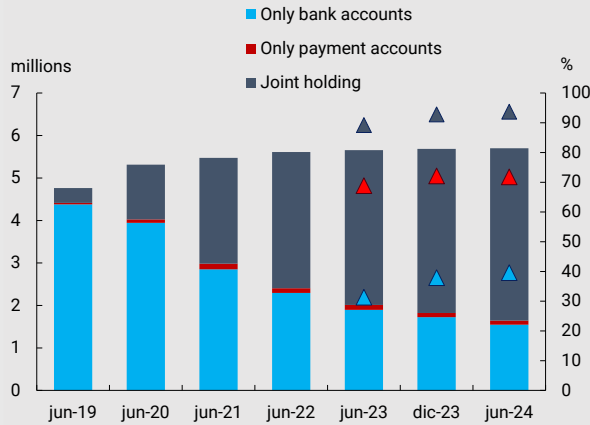
Some conclusions that could be drawn:

- (i) The payments made out of funds deposited in accounts are charged with the lowest fees and their settlement terms are the most convenient. In this case, funds are instantly credited to the merchant's account, and fees are 0.8% with QR codes (and 0.6% when a PIN is used instead of a QR code). These payments are the so-called PCTs. Debit card payments using QR codes are also among those with the lowest fees and shortest settlement terms.
- (ii) Credit card fees are usually the highest, which might be due to the risk involved in advancing funds to merchants before consumers' payment.
- (iii) Fees are usually higher in e-commerce (payment links or buttons), than in traditional stores (POS devices) when payment is made using a debit card or available funds.

Uptake. In the past five years, there was a rise in the number of LPs in commerce and services with an account at a FI or a PSP that offers payment accounts (PSPCP). The number of NPs with activity in commerce and services also increased in the same period, and the uptake of both account types was higher in this case.

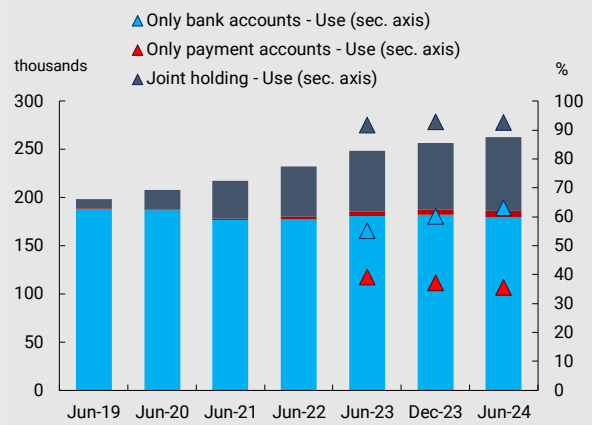
³⁵ The survey involved collecting information from the websites of FiServ, Payway, Mercado Pago, Ualábis, Naranja X, SiPago, Viumi and Getnet.

Chart 3.1.3 | Accounts and activity in commerce and services - NPs



Note | "Use" refers to the activity rate of account holders (see section 2).
Source | COELSA and BCRA.

Chart 3.1.4 | Accounts and activity in commerce and services - LPs

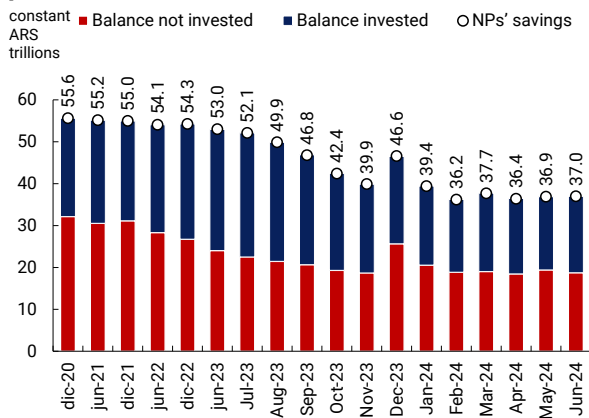


Note | "Use" refers to the activity rate of account holders (see section 2).
Source | COELSA and BCRA.

3.2. Savings and Investment Methods³⁶

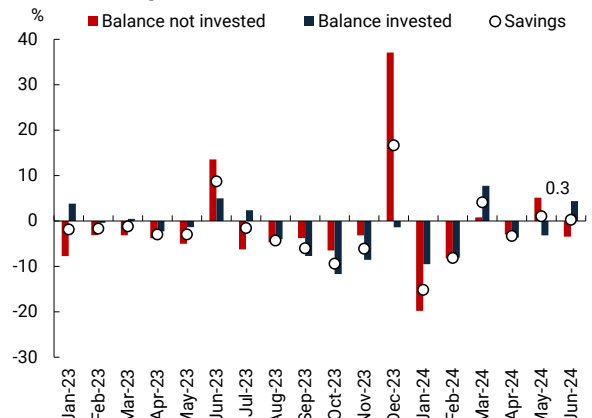
In June 2024, the stock of savings and investment products of natural persons (NPs) in the financial system and the capital market³⁷ was ARS37 trillion.³⁸ This meant a reduction of 30.2% year-on-year (y.o.y.), and of 20.6% against December 2023. However, this variable improved in the last months of the first half of 2024—up 1% in May and 0.3% in June.

Chart 3.2.1 | Stock of savings and investment products³⁹



Source | BCRA and Argentine Chamber of Mutual Funds (CAFCI).

Chart 3.2.2 | Monthly change rate of savings and investment products



Source | BCRA and CAFCI.

³⁶ Amounts of this section are expressed at constant prices of June 2024 (CPI, June 2024 = 100). The balances in foreign currency are stated in pesos and valued at the benchmark exchange rate (Comm. A 3500) for the last business day of the month.

³⁷ The savings and investment products considered are the following: (i) saving: account balances at FIs and PSPs, both in pesos and foreign currency; time deposits in pesos, UVAs and foreign currency, and other UVA products, such as savings accounts; (ii) investment: MMFs and other mutual funds (MFs) (other than MMFs).

³⁸ Trillion means a million million.

³⁹ The valuation of deposits in foreign currency at a higher exchange rate is the reason for the dramatic change in the series in December 2023. See footnote 48 of the IIF released in April 2024.

The better performance of mutual funds (MFs) drove significant progress in the last months of the six-month period. The reduction in liquid stocks in pesos might be channeled to money market funds (MMFs), while the decrease in time deposits may be related to the decision to opt for products with a higher risk-return ratio (such as MFs other than MMFs) or to the purchase of foreign currency through the capital market (MEP dollar). In this sense, FIs and agents of the capital market facilitated both types of transactions on their electronic platforms.⁴⁰ These movements occurred against a backdrop of slight growth in cash held by the public—up 1% in real and seasonally-adjusted terms in the first half of 2024.⁴¹

This occurred in a context where the monetary policy rate decreased from 80% in March 2024 to 40% in June 2024. The nominal yield of major savings and investment products kept on falling at a faster pace than in the previous months, whereas the price level continued rising, though at a slower pace. With these changes, real interest rates shifted from significantly negative levels at the beginning of the six-month period to figures close to zero by the end, although they were still negative. The improvement in real interest rates was exclusively due to a decrease in inflation rate.

Table 3.2.1. | Natural persons' stock of savings and investment
Trillion constant ARS

Product	Jun-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jun-24 vs. Dec-23 %	Jun-24 vs. May-24 %
Balance in account at FI	23.5	25.0	20.1	18.4	18.5	17.9	19.1	18.4	-26.4	-3.7
In pesos	16.2	13.0	10.3	9.6	10.2	9.8	10.9	10.4	-20.0	-4.6
In foreign currency	7.3	12.0	9.8	8.9	8.4	8.1	8.2	8.0	-33.3	-2.4
Balance in account at PSP	0.5	0.6	0.4	0.4	0.5	0.5	0.4	0.4	-33.3	0.0
Money market funds	3.0	3.8	3.5	3.4	3.9	4.3	4.9	5.4	42.1	10.2
Time deposit	23.0	14.3	12.6	11.9	11.5	10.8	9.8	9.4	-34.3	-4.1
In pesos	21.7	12.3	10.9	10.3	10.0	9.4	8.4	8.1	-34.2	-3.6
In foreign currency	1.8	2.3	2.0	1.8	1.7	1.6	1.5	1.5	-34.8	0.0
UVA products	1.2	0.4	0.3	0.3	0.2	0.2	0.2	0.2	-50.0	0.0
Other mutual funds	1.8	2.5	2.5	1.8	3.1	2.7	2.5	3.2	28.0	28.0
NPs' savings and investment	53.0	46.6	39.4	36.2	37.7	36.4	36.9	37.0	-20.6	0.3
Balance not invested	24.0	25.6	20.5	18.8	19.0	18.4	19.5	18.8	-26.6	-3.6
Balance invested	29.0	21.0	18.9	17.4	18.7	18.0	17.4	18.2	-13.3	4.6

Note | "Other mutual funds" comprise all MFs, except for MMFs.

Source | BCRA, CAFCI and INDEC.

In April and May, the real interest rate of MMFs was higher than the real interest rate on time deposits, which had not happened in the previous 24 months. Such a change might be associated with a larger share of term transactions in the asset portfolios of MMFs,⁴² mostly composed of time deposits (and securities-backed transactions to a lesser extent). In turn, a 10% reserve

⁴⁰ ByMA released data on trading accounts in the first half of 2024, which reveals a significant inflow of NPs into the capital market. The number of trading accounts at Caja de Valores S.A. recorded a significant growth, totaling 13.1 million in June 2024. In the first half, trading accounts with transactions on ByMA amounted to 1.2 million, compared to 430 thousand in the first half of 2023.

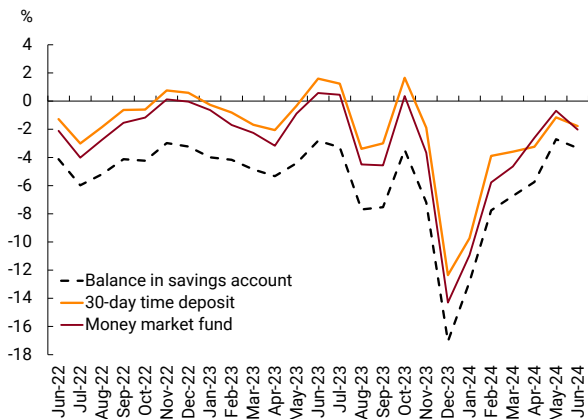
Market Growth. First half, BYMA. Also, based on the [shareholders' meeting of ByMA](#) and [Infographics](#), there were 7 million trading accounts in total in December 2023, whereas total trading accounts with transactions on ByMA were 3.6 million in that year.

⁴¹ Monthly Monetary Report, June 2024, BCRA.

⁴² Term transactions had a share of 58.1% in the portfolio of MMFs as of June 2024, far exceeding 22.3% by the end of 2023 (source: Argentine Chamber of Mutual Funds (CAFCI), Statistical Reports, [MMFs: Major Trends by Asset Type](#)). Particularly, the MMFs with greatest impact on the weighted monthly yield changed the composition of their assets as mentioned, increasing the share of term transactions from 10.3%, 17.1% and 45.5% in December 2023 to 60.2%, 53.7% and 69.4% in June 2024, respectively (source: CNV).

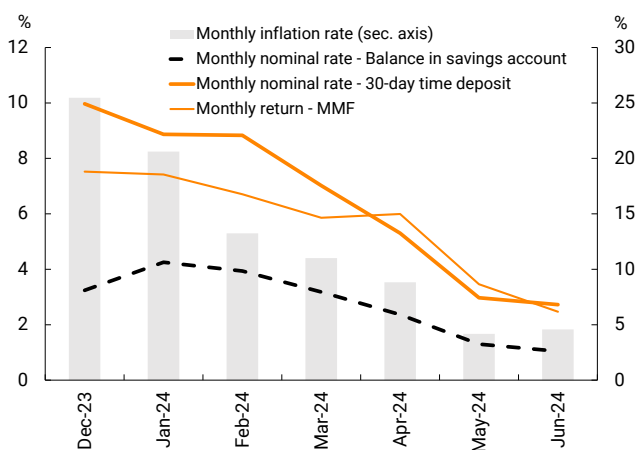
requirement was set for these instruments in April 2024, which were raised to 15% in the following month,⁴³ reducing the yield on MMFs.

Chart 3.2.3 | Real monthly interest rate



Source | BCRA and CAFCI

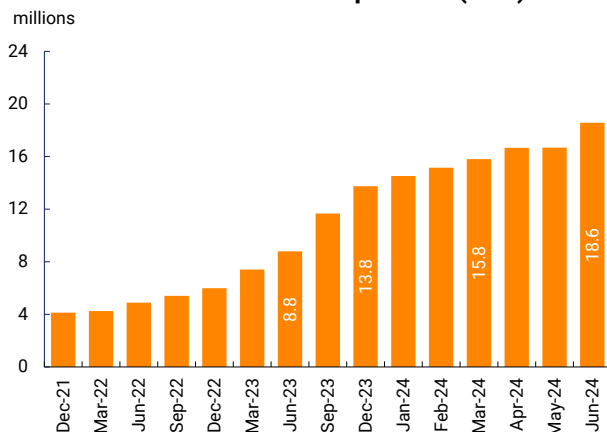
Chart 3.2.4 | Monthly nominal rate and inflation rate



Source | BCRA and CAFCI.

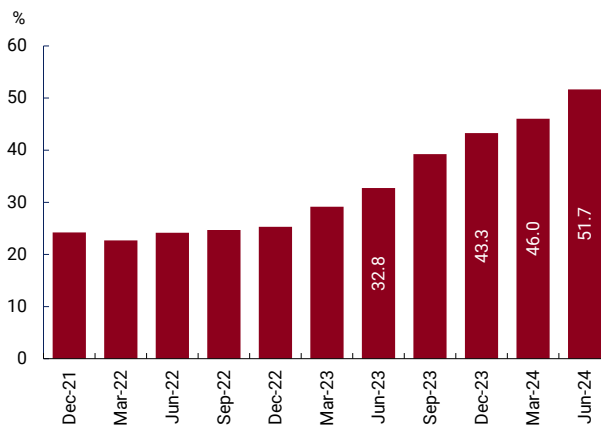
Even at negative real interest rates, this product offers a higher yield than holding liquid balances in an account, and similar to that of a 30-day time deposit, without losing liquidity. The increase in the stock of MMFs might be driven by savers migrating their funds from account balances and time deposits to MMFs. This product gained relevance compared to other savings and investment options, with a share that rose from 18% to 30% in total invested stock between December 2023 and June 2024.

Chart 3.2.5 | Number of payment accounts with balances in MMFs – Natural persons (NPs)



Source | National Securities Commission (CNV), CAFCI and COELSA.

Chart 3.2.6 | Percentage of holders of payment accounts with balances in MMFs – NPs



Note | The numerator of the metric derives from an estimation. For more details on calculation, see Note on Methodology. Source | CNV, CAFCI and COELSA.

PSPs played a key role in the uptake of this product. Such growth had a positive impact in terms of financial inclusion. The number of PSP accounts with balances in MMFs rose from 8.8 million

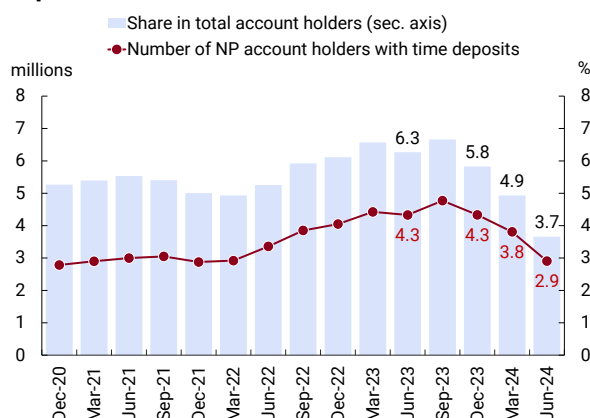
⁴³ Communication A 7988 and Communication A 8000.

in June 2023 to 18.6 million in June 2024.⁴⁴ Although there is no data available on the use of payment accounts among NPs, it is estimated that, as of June 2024, at least 51.7% of NP payment account holders⁴⁵ recorded balances in MMFs, up 8.4 p.p. y.o.y. Such performance might indicate that this product is increasingly used.

In turn, in the first half of 2024, time deposits continued displaying signs of weakness in terms of financial inclusion. The stock of time deposits held by NPs dropped 4.1% in June 2024, and 34.3% in the six-month period. Both time deposits in domestic currency and in foreign currency posted decreases in June 2024 and in the six-month period.

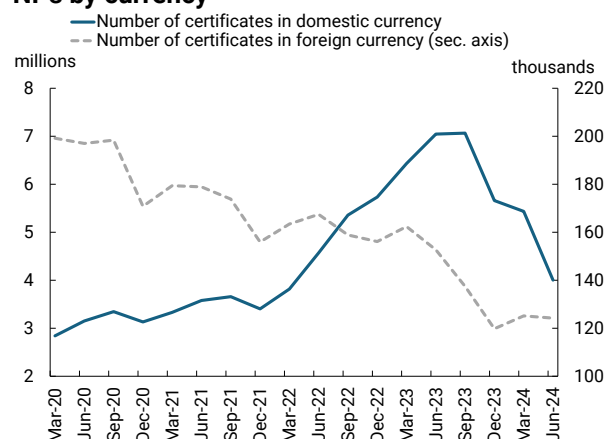
Also, in June 2024, there were 4 million time deposits held by NPs in domestic currency, falling 26.1% in the quarter and 29.2% in the six-month period. In turn, there were 124 thousand time deposits held by NPs in foreign currency, falling 0.7% in the quarter and rising 3.7% in the six-month period. The number of NPs holding time deposits fell from 4.3 million to 2.9 million in the same six-month period. This way, the percentage of account holders with time deposits⁴⁶ was 3.7% in June 2024, posting a quarterly drop of 1.55% and a six-monthly fall of 36.2%.

Chart 3.2.7 | Natural persons holding time deposits



Note | For more details on the estimation of both variables, see Note on Methodology.
Source | BCRA and COELSA.

Chart 3.2.8 | Number of time deposits held by NPs by currency



Note | Certificates in domestic currency include certificates in pesos and UVA with no early termination option.
Source | BCRA.

The figures of this indicator show the low-level use of time deposits as a savings instrument, especially when compared to the use of bank accounts for transactions⁴⁷ (34.7% in June 2024) and of MMFs mentioned above. Despite this, the stock of time deposits is higher than the stock of MMFs, but this gap narrowed.

⁴⁴ The structure of this market has some distinct features: as of June 2024 (i) three PSPs shared 96% in payment accounts with MMFs in terms of the number, and 97.6% in stock of MMFs subscribed from PSPs; (ii) 9% of PSPs offered this investment option.

⁴⁵ Holders of accounts at PSP that enable subscription of MMFs represent more than 90% of payment account holders.

⁴⁶ The number of NPs holding time deposits is an estimation, and the figure does not flag unique holders because they may have made time deposits in more than one FI. See an explanation of the estimation method in Note on Methodology.

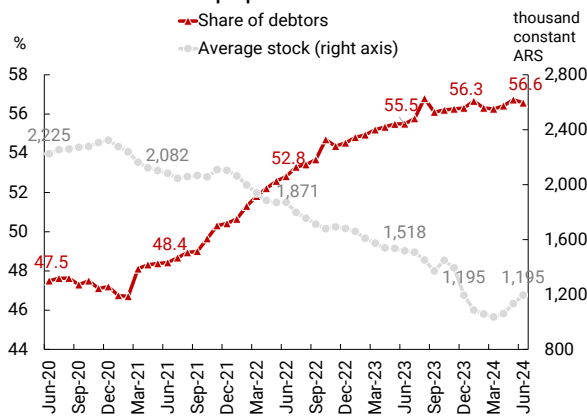
⁴⁷ See Account Access and Use section.

4. Credit to Natural Persons⁴⁸

As of June 2024, 20.3 million NPs had financing within the BFS,⁴⁹ accounting for a net increase of 200,000 debtors (1%) since December 2023, i.e., 1.7 million persons minus 1.5 million. Thus, adult population coverage reached 56.6%, compared to 56.3% in December 2023.

Chart 4.1 | Financing to NPs from the BFS

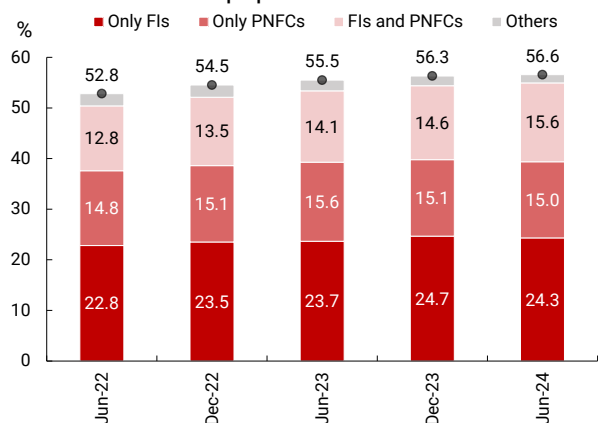
Share in the adult population



Source | BCRA and INDEC.

Chart 4.2 | NPs with financing by institutional group⁵⁰

Share in the adult population



Note | For further details on groups, see footnote 50.

Source | BCRA and INDEC.

The average stock owed per person continued to decrease in the first months of 2024 and then reversed its trend, starting to increase from April onwards. This performance is related to various factors:⁵¹ (i) contraction in employees' income during the first quarter of 2024, followed by a recovery that started in April;⁵² and (ii) reduction in nominal interest rates along with inflation, which tended to create favorable conditions in the consumer credit market.

It is worth noting that more than half of the new debtors (53%) who entered the credit market (1.7 million) obtained financing exclusively through PNFCs, where the average stocks per debtor have historically been lower than those in FIs. The remainder was mainly distributed among those who were granted credit exclusively from FIs (39%), and 7% who did so from both types of providers (FIs and PNFCs) at the same time. In this process, the most significant contribution of new debtors came from a PNFC that added nearly 750,000 persons, accounting for 38% of total

⁴⁸ Throughout this document, the metrics consolidate sole debtors within the group of providers that are taken as a reference. Overlapping credit lines granted by the same provider and those channeled to the same group under analysis have been removed.

⁴⁹ The BFS includes financing from FIs and/or non-financial credit providers (PNFCs). The latter lend their own capital and must meet minimum requirements (such as registration, information submission, and consumer protection).

⁵⁰ Only FIs: financing only with FIs (but not in PNFCs, though they may have debt in financial trusts (FTs)). Only PNFCs: financing only with PNFCs (but not in FIs, though they may have debt in FTs). FIs and PNFCs: existence of financing both with FIs and PNFCs at the same time (though they may have debt in FTs). Others: debt only in FTs. With the data available, it is not possible to determine whether the debt in FTs originated in FIs or PNFCs. For this reason, the information under "Others" refers to debtors recording debt only in FTs; "Only FIs" includes debtors in FTs and FIs; "Only PNFCs" includes debtors in FTs and PNFCs; "FIs and PNFCs" includes debtors in FTs, FIs and PNFCs.

⁵¹ Amounts are expressed at constant prices of June 2024 (CPI, June 2024 = 100).

⁵² Total salary index (deflated) includes wages from the formal private sector, public sector, and informal private sector. INDEC. [Salary Index](#).

gross increases.⁵³ In particular, the increase is explained by the PNFC's fintech group, composed of companies that provide consumer financing through mobile apps or websites.

Although the greatest dynamism in recent years has come from PNFCs, whose exclusive debtors accounted for 27% of the total in the BFS, the stock of financing barely represented less than 5% of the total as of June 2024. In turn, FIs stood out in both the number of debtors and the stock of financing. FIs reached 8.7 million exclusive debtors (13.7 million, considering those with debt with PNFCs), while PNFCs had 5.4 million (10.9 million, including those with debt with FIs). Additionally, the group of persons with simultaneous financing with FIs and PNFCs continued its upward trend, reaching 5.6 million.

Chart 4.3 | Stock of financing by group
June 2024

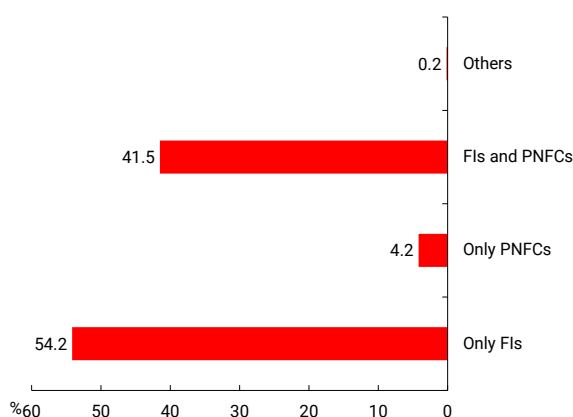
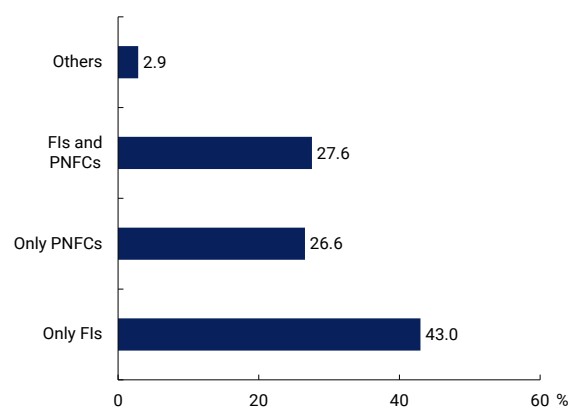


Chart 4.4 | Number of debtors by group
June 2024



Note | For a definition of groups, see note for Chart 4.2.
Source | BCRA.

Type of credit assistance. The importance of credit lines aimed at financing relatively low-amount and short-term purchases has intensified through credit cards and personal loans, PNFCs having a more prominent role. As of June 2024, 90% of NPs with credit had some of this type of financing. This situation has remained unchanged since at least June 2021,⁵⁴ despite a rise in the number of debtors in terms of the population (from 48.4% to 56.4% between those dates, up 8.1 p.p.).

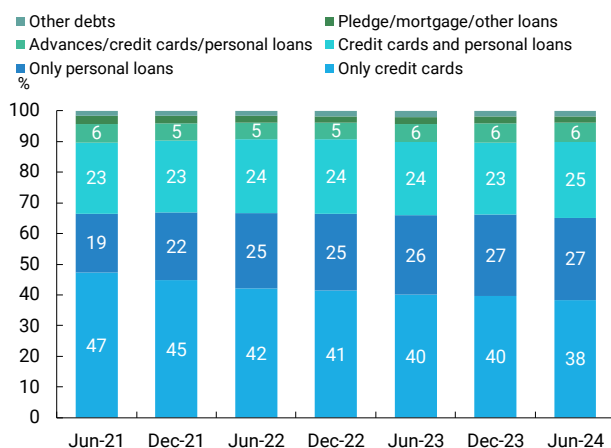
During that period, there was a shift in the preference between these two credit instruments. The share of exclusive credit card debtors fell by 8 p.p., from 47.3% to 38.4%, which was almost entirely offset by an increase of nearly 8 p.p. in the number of exclusive personal loan holders. This performance is related to new channels of personal loans, such as consumer financing through e-commerce provided by platforms or other providers, either in a single payment or in installments.

⁵³ As of June 2024, this PNFC was the credit provider with the largest number of debtors, representing 25% of total debtors in the BFS.

⁵⁴ A comparison with June 2020 is avoided due to the atypical circumstances of the COVID-19 pandemic.

This phenomenon is part of the global trend of “Buy Now, Pay Later,”⁵⁵ which allows consumers to pay in installments without drawing on a credit card, a traditional means of payment for this purpose. This system would be less demanding in terms of the requirements for accessing credit, which would also imply a higher repayment risk compared to the management of traditional loans.

Chart 4.5 | Share of debtors by type of assistance



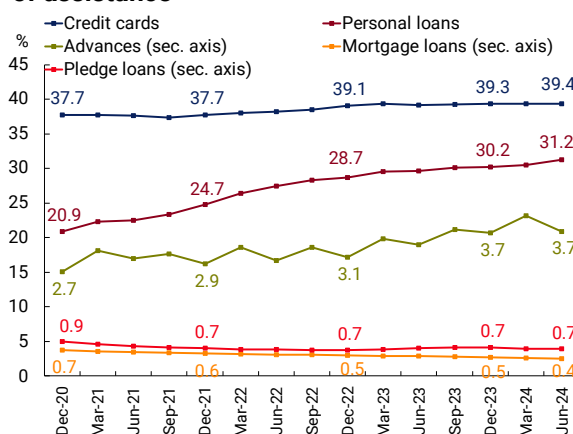
Source | BCRA.

These dynamics have a positive effect in terms of financial inclusion, as persons who previously had no access to financing in the formal financial system are now able to access credit through a provider bound by regulatory requirements, including those related to consumer protection. Also, credit transactions must be reported for tracking purposes in the formal financial system, which might allow borrowers to seek financing from other regulated providers with better credit conditions.

Despite the growth in personal loans, credit cards remained the most widely used type of credit among persons (reaching 39.4% of the adult population, or 14.1 million persons), keeping a moderate upward trend. The average stock per debtor moderated its continuous decline (-8% in June against December 2023), exhibiting a rise vis-à-vis March 2024 (+12%).

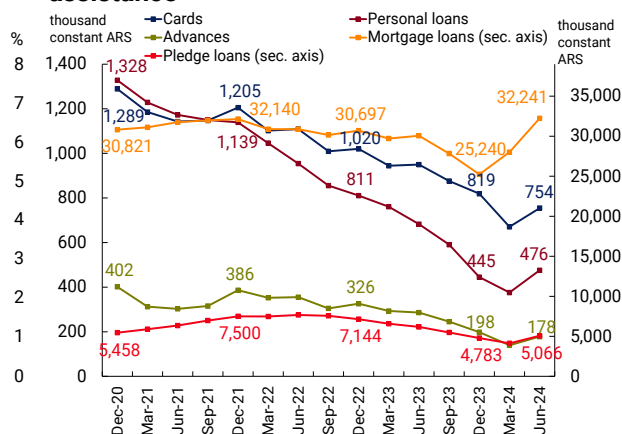
⁵⁵ For further details on the characteristics of “Buy Now, Pay Later,” see Exhibit 1 in the [Non-Financial Credit Providers Report](#), BCRA, June 2024.

Chart 4.6 | Share of debtors by type of assistance



Source | BCRA and INDEC.

Chart 4.7 | Average stock per debtor by type of assistance



Source | BCRA.

Personal loans were the fastest-growing segment, with over 430,000 new debtors, accounting for 31.2% of adults in Argentina as of June, or more than 11.2 million persons. This type of assistance is the second most widespread among the population. As for the average stock per debtor, the downward trend that had persisted until March 2024 came to a halt, up 7% in June against December 2023 and up 27% against March 2024.

On the long-term financing side, the renewed offering of UVA mortgage loans by FIs stood out, along with the resurgence of interest from the population⁵⁶ in the first half of 2024. The BCRA published a comparative tool⁵⁷ aimed at helping consumers make informed decisions. The monthly updated table displays UVA mortgage loans for the purchase of family's single and permanent residence in the Autonomous City of Buenos Aires (CABA), allowing for a homogeneous and transparent comparison among the different options available in the market.

In the first half of 2024, the number of persons with mortgage loans continued to experience a sustained reduction (-7%), reaching about 160,000 debtors (0.4% of the adult population). During this period, the average stock per debtor boosted 28% in real terms, amounting to ARS32.2 million by June 2024.

Regarding the stock increase in real terms, the value of the UVA went up by 125%, and the consumer price index (CPI) rose by 79.8% between December 2023 and June 2024. While 59% of mortgage loan borrowers have UVA loans, they accounted for 98% of the total stock as of June 2024, showing that the evolution of mortgage loan stocks largely depends on the value of the UVA.

⁵⁶ In April and May 2024, Google searches for the words "UVA mortgage loans" recorded the highest number as from January 2016 (source: Google Trends).

⁵⁷ [Comparative list - UVA loans.](#)

Table 4.1 | UVA and non-UVA mortgage loan borrowers

Data as of June 2024 and stocks expressed in millions of pesos

Situation between December 2023 and June 2024	Number of debtors	Stock of credit -millions-	Share of debtors		Share of stock	
			Traditional (non-UVA)	UVA	Traditional (non-UVA)	UVA
Increased their financing	94,897	4,978	0.5%	99.5%	0.4%	99.6%
Reduced their financing	62,290	99	96.3%	3.7%	61.5%	38.5%
Obtained financing	1,057	28	10.8%	89.2%	24.8%	75.2%
Discontinued their financing	12,507	-	75.3%	24.7%	-	-
TOTAL	170,751	5,105	69,970	100,781	87.6	5,017

Source | BCRA.

A more detailed analysis of mortgage loan borrowers reveals that, during the first half of 2024, 114 persons obtained traditional loans (non-UVA) and 943 obtained UVA loans, while 12,507 discontinued their financing (9,419 non-UVA and 3,088 UVA loans). The greater number of cancellations compared to new borrowings explains the reduction in the total number of debtors mentioned before.

Exhibit 1 / What Are Digital Banking Agents?

In recent years, access points (PDAs) have performed differently depending on the income level of each country. On the one hand, high-income countries reduced the number of ATMs and branches. On the other hand, low and middle-income countries recorded significant growth in banking agents and ATMs while they kept the number of branches virtually stable.⁵⁸

In Latin America, banking agents have played an important role in increasing the coverage and capillarity of the financial system by offering a range of financial services on behalf of financial institutions (FIs) to communities that were distant from points of contact with the financial system. Their physical presence with person-to-person service is crucial for bringing financial services closer to individuals with low educational levels or limited digital skills, who face barriers to using electronic devices and digital platforms.⁵⁹

However, the mass adoption of digital financial services would ease the transition from a face-to-face model to a digital model for delegating FIs' services. Therefore, this exhibit analyzes the current status of physical banking agents in Argentina and other Latin American countries, and explores conceptual materials and use cases about delegation of FIs' financial services to non-financial companies that have developed digital platforms and mobile applications ("digital banking agents").

Current status of physical banking agents. Brazil and Colombia had PDAs in all their municipalities, with 7.3% and 6% of municipalities being run exclusively by banking agents, respectively.⁶⁰ Mexico had PDAs in 80% of municipalities, with banking agents covering 75% of them.⁶¹ The effective use of these points was mainly concentrated on service payments (collections) and cash withdrawals, except in Mexico, where the main use was cash deposits. These countries have extensive experience in developing banking agents, as their regulatory frameworks were established several decades ago.⁶²

The regulatory framework for banking agents in Argentina was established in late 2018, allowing⁶³ FIs to delegate operations to supplementary agency of financial services (ACSFs). These agencies can be natural or legal persons (non-financial) and providing financial services must be their secondary activity. Since the mid-1990s, non-bank collection companies have provided services similar to those offered by ACSFs, which include tax and service payments.

⁵⁸ [Financial Access Survey: Trends and Developments. 2023. IMF; IIF, first half of 2023.](#)

⁵⁹ [Guidance Note on Policy Options to Improve "Last Mile" Access and Quality Inclusion, through Digital Infrastructure, Including Digital Public Infrastructure \(DPI\), Consumer Protection and Other FIAP Objectives \(pending publication\). GPFI, 2024.](#)

⁶⁰ [Geospatial Analysis of Banking Agents in Colombia. Banca de las Oportunidades.](#)

⁶¹ [Annual Financial Inclusion Outlook for 2023. CNBV.](#)

⁶² [Brazil \(1973\), Colombia \(2006\) and Mexico \(2008\).](#)

⁶³ [Communication A 6603.](#)

Table A1.1 | Regional comparison of PDA coverage⁶⁴

Metrics	Argentina	Brazil	Colombia	Mexico
Coverage				
Percentage of municipalities with at least one PDA	52.7% - Jun-2024 -	100% - 2020 -	100% - 2023 -	80% - 2022 -
Percentage of the adult population in municipalities with at least one PDA	92.6% - Jun-2024 -	100% - 2020 -	100% - 2023 -	99% - 2022 -
Percentage of municipalities with at least one banking agent	43.8% - Jun-2024 -	n.d.	100% - 2023 -	75% - 2022 -
Main transactions				
Payments and collections	95% - 1H 2024 -	55% - 2023 -	39% - 2022 -	1% - 2022 -
Deposits	1% - 1H 2024 -	17% - 2023 -	26% - 2022 -	81% - 2022 -
Cash withdrawals	4% - 1H 2024 -	20% - 2023 -	34% - 2022 -	10% - 2022 -

Note | Transactions are quantified by the number of operations.
Source | BCRA, BCB, Banca de las Oportunidades, CNBV.

Its rapid deployment can be explained mainly by two factors: (i) the demand for services that arose during the COVID-19 pandemic; and (ii) the pre-existence of an extensive network of non-bank collection companies. The number of ACSFs increased from 54 in 2019 to 17,693 in 2021, and most of them were located within this network of businesses. Thus, by the end of 2022, they had become the main PDA, reaching a total of 20,517 units by June 2024.

Table A1.2 | Municipalities and adults in terms of PDA combinations

Data as of June 2024

PDA combination	ACSF	Municipalities		Adults	
	Number	Number	%	Number -thousands-	%
Only ACSFs	511	259	7.3	297	0.8
ACSFs and branches same FI + branches other FIs + other PDAs	19,835	190	5.4	24,041	68.0
ACSFs and branches same FI + other PDAs	310	23	0.7	301	0.9
ACSFs and branches other FIs + other PDAs	23	765	21.6	6,895	19.5
ACSFs + electronic devices	987	313	8.8	909	2.6
Other PDAs (with no ACSFs)	0	314	8.9	296	0.8
Total municipalities with PDAs		1,864	52.7	32,740	92.6
With no PDAs		1,674	47.3	2,627	7.4

Source | BCRA and INDEC.

The most significant contributions of ACSFs include the coverage of municipalities that previously lacked financial services, and of municipalities which end up being the only ones to provide person-to-person services. As of June 2024, ACSFs provided exclusive access to financial

⁶⁴ The difference in coverage between Argentina and other countries does not lie in the size of the municipalities. Brazil has one municipality for every 1,529 km², Colombia has one for every 1,034 km², Mexico has one for every 803 km², and Argentina has one for every 776 km².

services in 7.3% of municipalities, home to 0.8% of the adult population. Additionally, in another 8.8% of municipalities, where 2.6% of adults live, they were the only person-to-person contact with the financial system. Furthermore, ACSFs offer a variety of points in 27.7% of municipalities, where 88.4% of the adult population lives.

Lastly, municipalities without PDAs accounted for 47.3% of the total, housing 7.4% of adults, mostly in populations with fewer than 2,000 adults. The challenge in terms of coverage could be addressed through more flexible distribution channels, such as ACSFs. However, the expansion of ACSFs would require the inclusion of new networks of businesses—since the existing infrastructure of non-bank collection services is close to exhaustion⁶⁵—or digital innovation.

Digital innovation in banking agents. Digital banking agents could be seen as a specific case of Banking as a Service (BaaS), where financial institutions outsource some of their services to technology-based non-financial companies in order to expand their customer base. Non-financial companies, in turn, offer these services in their apps or digital platforms, making them more appealing to their own customers.

According to CGAP,⁶⁶ BaaS combines “the scalability of digital ecosystems with the financial depth of a complete bank offering,” standing for a flexible and low-cost proposal that “goes beyond the current state of ‘broad but shallow’ inclusion.” However, it highlights that the progress in inclusion will depend on whom the new service offerings are ultimately targeted. Digital banking agents enjoy the same advantages (flexibility and low costs) and face the same challenges in advancing financial inclusion (the population that would benefit from the effective provision of their services).

In Latin America, Colombia introduced digital banking agents in 2020. The same regulation also established the creation of mobile banking agents, which provide services through mobile devices. In 2022, mobile and digital banking agents in Colombia accounted for 1.4% of transactions and 0.4% of the amounts.⁶⁷ In 2024, Mexico included technology-based correspondent banks (banking agents),⁶⁸ which are better aligned with the BaaS model. Financial institutions are authorized to “enter into business contracts with third parties who act at all times through their internet pages or software applications on behalf of the former before customers or potential customers.” The allowed transactions are as follows: account openings and transfers from those accounts, loan granting up to a certain amount, payment for goods and services, balance inquiry and operations conducted through these correspondent banks.

Digital banking agents could be effective in improving the availability of financial products and services:

⁶⁵ According to the Argentine Chamber of Non-Bank Companies for Collection of Taxes and Services (CAECEIS), there are 25,000 outlets.

⁶⁶ *Banking as a service: How it can catalyze financial inclusion.* Consultative Group to Assist the Poor (CGAP), 2022.

⁶⁷ *Colombia's Financial Inclusion Report for 2022.* Banca de las Oportunidades.

⁶⁸ Section 319 bis of the *General provisions applicable to credit institutions.* CNBV.

- (i) in municipalities that lack any type of PDA (but do have internet access)—25% of the first group has mobile network coverage;⁶⁹
- (ii) in municipalities where the availability of PDAs is very limited;
- (iii) for persons who have already been financially included through payment service providers (PSPs) but, as they do not have accounts in traditional FIs, they have no access to products such as time investments or loans from the financial system. One million adults have accounts exclusively with PSPs (see section on Account Access and Use);
- (iv) in general, for persons who use bank or non-bank e-wallets or engage in e-commerce and wish to access a broader range of financial services (such as time deposits, credit cards, loans, among others).

These factors, combined with the fact that mobile phones are the most widely used technology in Argentina (89.5% of persons own one),⁷⁰ would make digital banking agents an alternative for improving these populations' financial inclusion.

⁶⁹ 3G or 4G network coverage. First quarter 2024. ENACOM.

⁷⁰ Access and Use of IT and Communication Technologies. Fourth quarter of 2023. INDEC.

Exhibit 2 / Credit to MSMEs. The Role of Capital Markets and Guarantee Entities

Access to financing is one of the main challenges that Micro-, small- and medium-sized enterprise (MSMEs) face in emerging economies.⁷¹ The last half-year financial inclusion report identified two key challenges that MSMEs had to face in terms of financing. The first has to do with intensity, referring to whether the amount of financing is enough to meet the company's needs—a problem that affects all-size companies. The second is related to access, and focuses on the possibility of obtaining that financing, which is particularly difficult for microenterprises.

In light of this situation, this exhibit presents an initial approach to two institutional frameworks that can improve financing for MSMEs: (i) the capital market and its various products; (ii) third parties that provide guarantees or collateral for the loans borrowed by MSMEs. This initial approach aims to explore the level of usage of these products, their outstanding characteristics, and their relationship with financing from financial institutions (FIs).

(i) Capital market products. The Argentine capital market offers a wide range of financing alternatives for small- and medium-sized enterprises (SMEs), depending on the term and amount of financing, which are traded in authorized markets:⁷²

1. *Short-term or working capital financing:* instruments such as deferred payment checks (CPDs), electronic credit invoices (FCEM), and stock market promissory notes. Stock market promissory notes can be issued in both pesos and US dollars, while CPDs can only be issued in pesos. These instruments can also be issued digitally.
2. *Medium- and long-term financing, or financing for expanding productivity or refinancing liabilities:* options include corporate bonds (ON), FTs, and issuance of shares (equity).

In June 2024, financing aimed at SMEs reached ARS729,448 million, accounting for 42% of total financing in the capital market. However, lending still proves to be modest compared to the credit provided by FIs to SMEs⁷³ (24% in June 2024) and in terms of GDP (1.6% of GDP in the second quarter of 2024).

However, in recent years, the flow of financing to SMEs through the capital market has increased significantly. Promissory notes have gained market share at the expense of secured CPDs, while ONs have been the most commonly used product for long-term financing. ONs benefit from a special regime known as Simple ON,⁷⁴ which provides certain advantages to SMEs.

The increased relative weight of promissory notes is partly explained by the rise in those issued in foreign currency. This instrument can be issued in both pesos and foreign currency with a term of up to 3 years. This contrasts with CPDs, which cannot be issued in foreign currency and cannot

⁷¹ What are the biggest obstacles to growth of SMEs in developing countries? An empirical evidence from an enterprise survey. Wang (Borsa Istanbul, 2016).

⁷² mainly MAV, BYMA, and MAE.

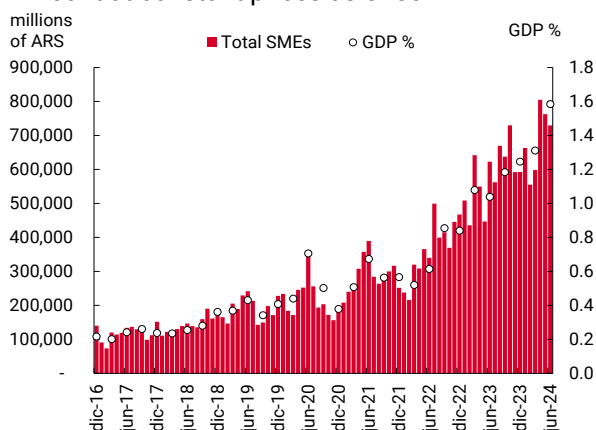
⁷³ This refers to the monthly credit flow from financial institutions to SMEs established as legal persons, as reported by the BCRA.

⁷⁴ CNV.

exceed a term of 360 days. In June 2024, dollar-denominated promissory notes accounted for 34% of the total volume issued, with an average term of 190 days, while peso-denominated promissory notes had an average term of 49 days, and CPDs, 93 days.

Chart A2.1 | Credit flow granted to SMEs in the capital market

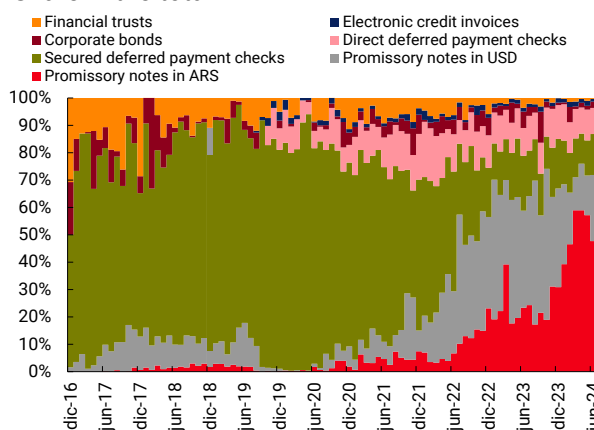
Amount at constant prices as of Jun-24



Note | Financing in terms of GDP is calculated by annualizing the quarterly financing in relation to the GDP for the quarter published by the INDEC.
Source | CNV and INDEC.

Chart A2.2 | Credit flow granted to SMEs in the capital market by instrument

Share in the total



Source | CNV and INDEC.

The issuance of backed securities accounted for about 21% of the amount issued in June 2024. The secured segment of these markets, present in some debt instruments, allows MSMEs to use guarantees provided by guarantee entities to access more competitive financing conditions.

(ii) Guarantees. The existence of a secured segment and a direct (unsecured) segment in some instruments for SMEs is directly related to the role of guarantee entities. This includes a combination of Reciprocal Guarantee Companies (SGRs), Public Guarantee Funds (FGPs), and FIs, which issue guarantees that enable MSMEs to access financing in the capital market as well as in the broad financial system (BFS). In June 2024, the amount of current guarantees (outstanding risk) was distributed among SGRs (56%), the Argentine Guarantee Fund (FoGAR) (37%), and provincial guarantee funds (7%).⁷⁵

Guarantees (collateral) play a crucial role in mitigating the credit risk perceived by creditors and, consequently, in achieving better conditions (interest rates and terms) for debtors. This helps address issues of adverse selection and moral hazard that exist in credit markets. MSMEs, which are usually more susceptible to these imperfections than larger companies—lacking sufficient assets to use as collateral and being subject to greater idiosyncratic risks than their larger counterparties—directly benefit from the operations of these entities.⁷⁶

SGRs are the main issuers of guarantees to MSMEs. They feature two characteristics: they are

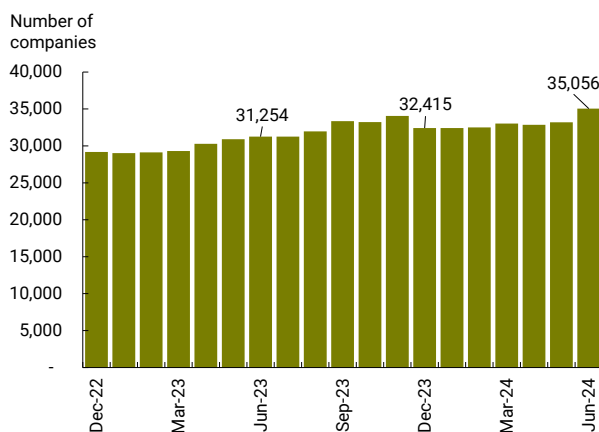
⁷⁵ Report - June 2024, Argentine Chamber of Companies and Guarantee Funds.

⁷⁶ MSMEs and the credit market in Argentina. Economic and Financial Research Management Office. BCRA (2001).

basically risk funds—which act as the ultimate guarantor in case the MSME fails to pay—and have two types of partners (protection members, who contribute to the risk fund; and participating members, which are the MSMEs that request and receive guarantees from the entity).

In June 2024, SGRs operating in Argentina⁷⁷ granted guarantees to 4,897 MSMEs. The total number of companies with current guarantees reached 35,056, representing 2.1% of MSMEs with certificate, with a net balance of ARS1 trillion. During the first half of 2024, 44% of the guarantees were allocated to bank loans, 43% to secured CPDs, 7% to secured promissory notes, and the remaining 6% to other types of financing.

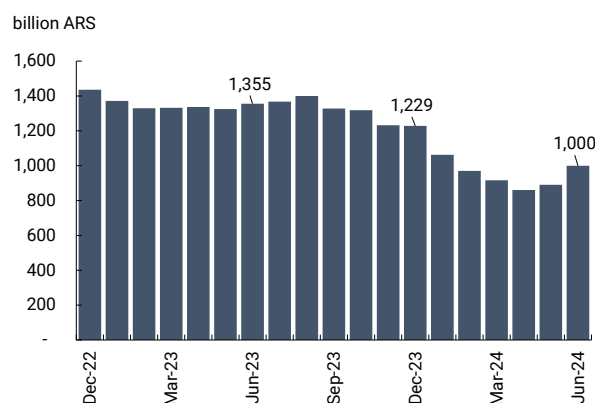
Chart A2.3 | MSMEs with current guarantees from SGRs



Source | Ministry of Economy and INDEC.

Chart A2.4 | Stock of MSMEs' current guarantees with SGRs

Stock at constant prices as of Jun-24



Source | Ministry of Economy and INDEC.

⁷⁷ The set of entities that offer guarantees is composed of: 49 SGRs (Datasets), 11 provincial FGPs (BCRA), 1 national FGP, and 49 banks authorized (CNV) to issue guarantees. SGRs, the main providers of guarantees to MSMEs, are governed by Law 24,467 enacted in 1995, as amended.

Exhibit 3 / Performance of Instant Payments Worldwide

In recent decades, the retail payments market has undergone significant changes globally, one of which was the rapid growth of instant payments. The purpose of this exhibit is to explain the extent of instant payments, analyze their evolution and the relative importance compared to other electronic means of payment, and briefly describe their development in three countries in the region.

Since the creation of the first instant payment system in South Korea in 2001, these schemes have multiplied globally. By June 2023, around 100 jurisdictions already had this system, and many more planned to implement it in the near future.⁷⁸ Instant payments (IP) are processed through transfers where funds are made available to the store owner or beneficiary in real-time and can be executed 24/7 with virtually low costs for the payee. This means that funds can be immediately reused for new payments through a financial institution (FI) or Payment Service Provider (PSP).

In contrast, other electronic payment instruments experience delays in the availability of funds, such delays usually being longer for credit cards than for debit cards.⁷⁹ As for cash, store owners must deposit it into an account before reusing it electronically. Moreover, handling cash entails storage, transportation, and security costs.

Chart A3.1 | Annual number of MPEs and IPs per inhabitant

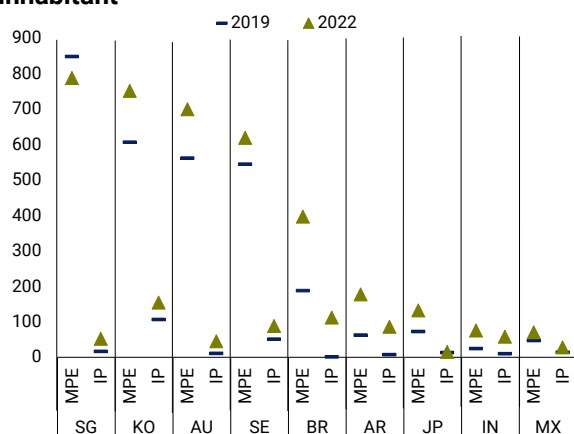
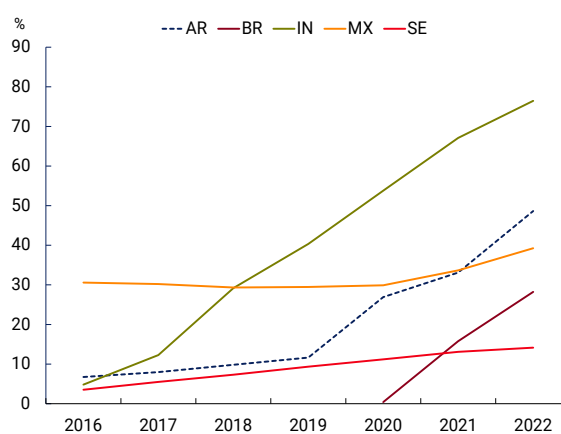


Chart A3.2 | Share of IPs in terms of MPEs



Note | AR: Argentina; AU: Australia; BR: Brazil; IN: India; JP: Japan; MX: Mexico; SE: Sweden; SG: Singapore; KO: South Korea.
Source | BIS. [Data Portal](#).

Most jurisdictions with available data⁸⁰ showed significant growth of instant payments within the context of a widespread expansion of electronic means of payment. In general, instant payments

⁷⁸ [The future of Fast Payments](#). World Bank. October 2023.

⁷⁹ In Argentina, the maximum term for financial institutions to credit the amount of a store owner's sale with a credit card can range from 5 to 18 business days, depending on the type of economic activity and/or the size of the company ([Consolidated Text on National Payment System – Payment Services](#)).

⁸⁰ BIS. [Data Portal](#).

gained share within electronic means of payment (MPEs) in economies where the use of traditional means of payment (such as cards) was less widespread.

Chart A3.3 | Number of IPs per inhabitant

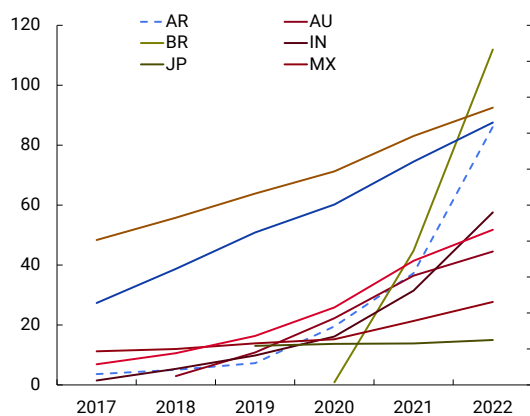
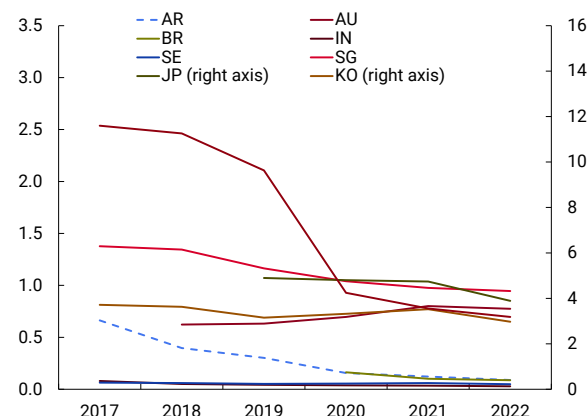


Chart A3.4 | Average IP amount per transaction
Thousands of USD



Note | AR: Argentina; AU: Australia; BR: Brazil; IN: India; JP: Japan; MX: Mexico; SE: Sweden; SG: Singapore; KO: South Korea.
Source | BIS. [Data Portal](#).

The average transaction amount shows a downward trend, though with significant heterogeneity, even among countries within the same economic group. These differences may exhibit different cases of use among countries and over time, as well as changes in the transaction limits set by the payment systems or by the providers involved.

The growth of IPs led to an increase in their share of total electronic payments in several countries. In Argentina and India, the expansion of instant payments resulted in a rapid change in the composition of retail payments. These countries exhibited virtually lower electronic payment levels *per capita* than other economies (62 and 24, respectively, in 2019), as well as lower average transaction amounts. In contrast, the increase in the share of instant payments within total electronic payments in Brazil was more moderate. It already had quite high electronic payment levels *per capita* (188 in 2019), with a widely expanded card payment system (credit, debit, and prepaid cards).

Development of instant payment systems in Argentina, Brazil, and Mexico. The main features of the three most important instant payment systems in Latin America are outlined for comparison.

In Argentina, the BCRA has regulated instant credit transfers since 2011, and payments initiated with cards, QR codes, or other methods through the so-called mobile payment platform (MPP) since 2016. In 2020,⁸¹ the Payments with Transfer (PCT) project was adopted, which standardized the MPP and regulated PCTs. The use of transfers as a means of payment was encouraged by: (a) the identification and traceability of transfers between bank accounts and payment accounts through the single virtual code (CVU) which, in turn, boosted interoperability, and (b) the possibility

⁸¹ Communication A 7153.

to include an alias (a nickname easy to remember) to identify bank and payment accounts (single banking code (CBU) and CVU).

Table A3.1 | Characteristics of instant payment systems

Variable	Argentina	Brazil	Mexico
System name	Instant Transfers (IT) Payments by Transfer (PCT)	Pix	Interbank Electronic Payment System (SPEI) and Digital Payment (CoDi)
Start year	2011 (IT), 2020 (PCT)	2020	2004 and 2015 (SPEI), 2019 (CoDi)
Operation	24/7	24/7	24/7
Payment initiation credentials	QR, magnetic band card, NFC, user's password, others.	QR, payment initiation service (online purchases)	QR and NFC
Transfer initiation methods	Alias (combination of three simple words or definition by user)	Alias for Pix (taxpayer identification code, email, phone number or random)	Account Standardized Basic Password (CLABE), debit card number or cell phone number
Interoperability between bank and payment accounts	Yes	Yes	Yes
Fee paid by purchaser	Free of charge	Free of charge (except for companies)	Not free of charge (SPEI) Free of charge (CoDi)
Fee paid by store (payee)	Maximum 0.8% (PCT)	Not free of charge	Free of charge
Operator	Private sector	Central Bank of Brazil	Bank of Mexico

Note | NFC: near field communication.

Source | World Bank, BCRA, BCB, and Bank of Mexico.

The Central Bank of Brazil launched its instant payment system (Pix) at the end of 2020. Pix operates between transactional accounts (current, deposit, and prepaid accounts) for NPs and LPs through a financial institution (FI) or payment institution (a system participant). Transfers or payments can be initiated using an account alias, QR code, or other methods. As a distinctive feature, payments can be scheduled for a specific date.

In Mexico, the Interbank Electronic Payment System (*Sistema de Pago Electrónico Interbancario*, SPEI) was launched in August 2004 and expanded to a 24/7 service in 2015. SPEI operates for both retail and high-amount payments and, like in Argentina and Brazil, it allows the use of an alias. In 2019, the Bank of Mexico launched CoDi (Digital Payment), a low-amount digital payment platform built on the functionality of SPEI. CoDi facilitates payments through QR codes, NFC, and internet messages and was designed to simplify and standardize the experience of requesting or responding to a payment request for end users. The role played by the monetary authority is a differential feature among countries. These initiatives were driven by central banks in the three cases, but the Central Bank of Brazil and the Bank of Mexico also assumed the role of system operator.

In summary, instant payments have advanced significantly and offer clear benefits over other instruments: instant fund availability, lower fees, and unrestricted availability, making everyday transactions easier.

As mentioned in previous reports, the use of MPEs contributes to improving financial inclusion, as they not only meet the population's various payment needs but can also make new financial services, such as savings or financing products, more accessible to users.⁸² In a conducive environment, instant payments can continue to expand and promote greater access to financial services.

⁸² IIF, second half of 2022.

Note on Methodology

Data on Population

This IIF presents indicators that are disaggregated by demographic and geographic variables. At the time of publication of this edition, the definite results of the 2022 National Census of Population, Households and Housing (CNPHV) were available, as they were released in a staggered manner in 2023 and 2024. Given the need to adjust processes and update statistical data, the 2010 CNPHV continued in use.

Along the same lines, given that the INDEC does not release a series that simultaneously contains all the disaggregations used in this IIF (gender, age group, and geographical location for each province, district and municipality), different series were used according to the definition of each indicator:

- in the case of national and provincial indicators, the series known as “Population by Sex and 5-Year Age Groups across the Country and Provinces. Years 2010-2040” was used;
- in the case of district-level indicators, the series known as “Population Estimated as of July 1 of each Calendar Year by Sex at District Level” was used;
- finally, as the INDEC does not publish a projection on the number of inhabitants of each municipality over time, it was necessary to build the series for the indicator based on the results of the 2010 CNPHV.

The indicators in this IIF on the adult population must be taken as provisional data since there are differences between the 2010 CNPHV and the 2022 CNPHV results. Last, in this IIF, an “adult” is any person aged 15 and older, following the standard used by the World Bank for its financial inclusion indicators.

Regionalization

This IIF follows the regionalization criterion proposed by the Ministry of Economy and Public Finance (today Ministry of Economy) that sets out five regions, namely:

- NOA region: Salta, Jujuy, Tucumán, Catamarca and Santiago del Estero.
- NEA region: Formosa, Chaco, Misiones and Corrientes.
- New Cuyo: Mendoza, San Juan, San Luis and La Rioja.
- Patagonia: La Pampa, Neuquén, Río Negro, Chubut, Santa Cruz and Tierra del Fuego.
- Center and Buenos Aires: Córdoba, Santa Fe, Entre Ríos, Buenos Aires and the Autonomous City of Buenos Aires.

In this report, “New Cuyo” is referred to as Cuyo, and “Center and Buenos Aires” as Center.

Payment Accounts with Payment Service Providers

As for PSPs operating in COELSA, some of them are recorded in the Registry of Payment Service Providers at the BCRA unlike other providers that have not been registered.⁸³ In this report, only payment accounts of providers registered as PSPs that offer payment accounts are counted.

⁸³ [Consolidated Text on Payment Service Providers.](#)

Account Activity

The “activity” series was obtained from COELSA. It indicates whether account holders had any credit or debit in their bank and/or payment accounts in a quarter. If a person conducts transactions from different accounts, either from the same institution or from many of them, they are counted once.

The series distinguishes between credit and debit transactions, and debits and credits from instant transfers, online payments by transfer, transactions with checks, direct debits, DEBINs and bulk (deferred) transfers are included provided they are cleared and settled by COELSA.

Given that the “activity” series takes into account the subset of transactions in which COELSA takes part, activity indicators are underestimated. Particularly, the indicator does not measure account holders that use a debit card and do not transfer funds from or to a payment account, or cash withdrawals, among others. In addition, debit transactions are generally initiated by the NP holding the account, whereas credit transactions are initiated by a third party (LP or NP). Such distinction has different connotations in terms of financial inclusion, as debit transactions are active transactions of NPs.

Natural Persons’ (NP) Stocks of Savings and Investment Products

NPs’ savings and investment stocks are classified as follows:

1. Uninvested stocks, which include: (i) balances in current accounts and savings accounts denominated in domestic and foreign currency; and (ii) balances in payment accounts.
2. Invested stocks, which include: (i) balances in time deposits in pesos and foreign currency; (ii) balances in UVA products; (iii) estimated value of equity of Money Market Funds (MMFs) subscribed by NPs; and (iv) estimated value of equity of other mutual funds (MFs) subscribed by NPs. The latter include fixed return funds (bonds), variable return funds (shares), mixed funds, and structured funds, among others.⁸⁴

To estimate the equity of MMFs subscribed by NPs, the following was calculated: (i) the sum of MMFs exclusive to NPs, and (ii) for those MMFs that may be subscribed by both NPs and LPs at FIs, the portion corresponding to NPs was computed on the basis of weights. The calculation of the share of NPs’ MFs in total MFs (NP + LP) was used to obtain the weights. The exclusive status was consulted in a website survey and in the regulations on MMF management. On the other hand, to estimate the equity of other MFs, the difference was calculated between the value of equity of MFs subscribed by NPs (using information published by the CAFCI and CNV) and the value of equity of MMFs subscribed by NPs.

Number of NPs Holding Time Deposits and Percentage of Account Holders with Time Deposits

The Reporting System for Supervision collects, on a quarterly basis, the number of time deposit holders in FIs, which includes natural persons and companies. This is carried out by multiplying the number of time deposit holders by the ratio of the number of NP time deposit certificates with

⁸⁴ See [Glossary, CAFCI](#).

respect to the total number of certificates, both in pesos and foreign currency for each FI.⁸⁵ Then, the estimated numbers for each FI were added up in order to obtain the estimate for the entire financial system, which may contain duplications because NPs may hold time deposits in more than one FI.

Share of Payment Account Holders with Stocks in MMFs

Exhibit “A” of the reporting system for PSPCP collects, on a quarterly basis, the number of payment accounts with stocks in MMFs for each PSP. This series was used to estimate the number of MMF holders for each PSP, given that these MMFs only include NPs, and each account is associated with only one MMF.⁸⁶ It is also assumed that each person has only one payment account with each PSP. Then, the amounts corresponding to each PSP are added, and the total amount may contain duplications if the NPs have MMFs in more than one PSP. The denominator of this ratio is the number of persons who have payment accounts with PSPs that offer MMFs, which is obtained by adding the number of account holders for each PSP. Thus, the denominator may also contain duplications, just like the numerator.

Real Interest Rate on Time Deposits⁸⁷

To calculate the monthly real interest rate, the following formula was applied:

$$r = [(1 + i) / (1 + \pi)] - 1$$

Where: i is the monthly nominal interest rate; π is the inflation rate derived from the monthly change of the CPI and r is the monthly real interest rate.

Metrics for Municipalities with and without Financial Access Points

To characterize the population in municipalities with and without PDAs, a CODLOC (municipality code) was assigned to each person based on available information from the Federal Administration of Public Revenues (AFIP) Registry, namely: address, zip code, and province. The fields with incorrect data were excluded from the analysis, as it is impossible to estimate the place of residence (about 1.8 million persons).

⁸⁵ [Reporting System for Supervision](#). Codes 999705, 999706, 889901, and 889902 - Number of time transactions.

⁸⁶ [Reporting System for Payment Service Providers that Offer Payment Accounts](#). Code 30000.

⁸⁷ [Nominal and real interest rates](#).

Abbreviations and Acronyms

ACSF	<i>Agencia complementaria de servicios financieros</i> (supplementary agency of financial services)
AFIP	<i>Administración Federal de Ingresos Públicos</i> (Federal Administration of Public Revenue)
ANDE	<i>Agencia Nacional de Desarrollo de Uruguay</i> (National Development Agency—Uruguay)
ARG	Argentina
ATM	Automated teller machine
BaaS	Banking as a Service
BCB	<i>Banco Central do Brasil</i> (Central Bank of Brazil)
BCRA	<i>Banco Central de la República Argentina</i> (Central Bank of Argentina)
BIS	Bank for International Settlements
BP	<i>Botón de pago</i> (payment button)
BR	Branch
ByMA	<i>Bolsas y Mercados Argentinos</i>
C&O	Companies and organizations
CABA	<i>Ciudad Autónoma de Buenos Aires</i> (Autonomous City of Buenos Aires)
CAECEIS	<i>Cámara Argentina de Empresas de Cobranzas Extrabancarias de Impuestos y Servicios</i> (Argentine Chamber of Non-Bank Bill Collection Agencies)
CAFCI	<i>Cámara Argentina de Fondos Comunes de Inversión</i> (Argentine Chamber of Mutual Funds)
CBU	<i>Clave bancaria uniforme</i> (single banking code)
CENDEU	<i>Central de Deudores del Sistema Financiero</i> (Debtors' Database of the Financial System)
CERA	<i>Cuenta especial de regularización de activos</i> (special account for asset regularization)
CGAP	Consultative Group to Assist the Poor
CNBV	<i>Comisión Nacional Bancaria y de Valores de México</i> (National Bank and Securities Commission—Mexico)
CNE	<i>Censo Nacional Económico</i> (National Economic Census)
CNPHV	<i>Censo Nacional de Población, Hogares y Viviendas</i> (National Census of Population, Households and Housing)
CNV	<i>Comisión Nacional de Valores</i> (National Securities Commission)
COELSA	<i>Cámara Compensadora Electrónica</i> (automated clearing house)
CPD	<i>Cheque de pago diferido</i> (deferred payment check)
CPI	Consumer price index
CVU	<i>Clave virtual uniforme</i> (single virtual code)
DEBIN	<i>Débito inmediato</i> (instant debit)
DPI	Digital public infrastructure
ENACOM	<i>Ente Nacional de Comunicaciones</i> (National Communications Authority)
EPH	<i>Encuesta Permanente de Hogares</i> (permanent household survey)
ETCNB	<i>Emisora de tarjetas de crédito no bancarias</i> (non-bank credit card issuer)
FAS	Financial Access Survey
FCEM	<i>Factura de crédito electrónica MiPymes</i> (electronic credit invoice for MSMEs)
FGP	<i>Fondo de garantía público</i> (public guarantee fund)
FI	Financial institution
FoGAR	Argentine guarantee fund (<i>Fondo de Garantías Argentino</i>)
FS	Financial system
FT	Financial trust
GDP	Gross domestic product
GPFI	Global Partnership for Financial Inclusion
IIF	<i>Informe de Inclusión Financiera</i> (Financial Inclusion Report)
IMF	International Monetary Fund
INEGI	<i>Instituto Nacional de Estadística y Geografía de México</i> (National Institute of Statistics and Geography—Mexico)
IP	Instant payment
K	Thousand
LAC	Latin America and the Caribbean
LFIP	<i>Línea de Financiamiento para la Inversión Productiva</i> (Credit Line for Productive Investment)
LP	Legal person
m	Million

MAV	<i>Mercado Argentino de Valores S.A.</i>
MB	Mobile banking
MF	Mutual fund
MINCIT	<i>Ministerio de Comercio, Industria y Turismo de Colombia</i> (Ministry of Trade, Industry and Tourism—Colombia)
MMF	Money market fund
MMF-NP	Natural persons' money market fund
MPE	<i>Medio de pago electrónico</i> (electronic means of payment)
MPOS	Mobile device at point of sale
MPP	Mobile payment platform
MSME	Micro-, small- and medium-sized enterprise
MTESS	<i>Ministerio de Trabajo, Empleo y Seguridad Social</i> (Ministry of Labor, Employment and Social Security)
NEA	<i>Noreste argentino</i> (northeastern region)
NOA	<i>Noroeste argentino</i> (northwestern region)
NP	Natural person
NW	Net worth
OB	Online banking
OECD	Organisation for Economic Co-operation and Development
ON	<i>Obligación negociable</i> (corporate bond)
OPNFC	<i>Otro proveedor no financiero de crédito</i> (other non-financial credit provider)
p.p.	Percentage point
PCT	<i>Pago con transferencia</i> (payment by transfer)
PDA	<i>Punto de acceso</i> (access point)
POS	Device at point of sale
PSP	Payment service provider
QR	Quick response code
SGR	<i>Sociedad de garantía recíproca</i> (reciprocal guarantee company)
SIDRA	<i>Sistema IBGE de Recuperación Automática de Brasil</i> (IBGE's Automatic Retrieval System—Brazil)
SII	<i>Servicio de Impuestos Internos de Chile</i> (Internal Revenue Service—Chile)
SIPA	<i>Sistema Integrado Previsional Argentino</i> (Integrated Argentine Social Security System)
SPNF	<i>Sector privado no financiero</i> (non-financial private sector)
TAS	<i>Terminal de autoservicio</i> (self-service terminal)
TD	Time deposit
TVI	<i>Tasa de variación interanual</i> (year-on-year change rate)
UNESCO	United Nations Educational, Scientific and Cultural Organization
UVA	<i>Unidad de valor adquisitivo</i> (unit of purchasing power)
y.o.y.	Year-on-year