

# Argentina Investor's Program 2022

Data as of March 31<sup>st</sup>



Ministerio de Economía  
Argentina

Secretary of Finance

# Agenda

## Investor's Program 2022

- 1 Restoring debt sustainability
- 2 Market financing 2021 and 2022
- 3 Liability Management 2021 and 2022
- 4 Market makers program (MMP)
- 5 Next steps

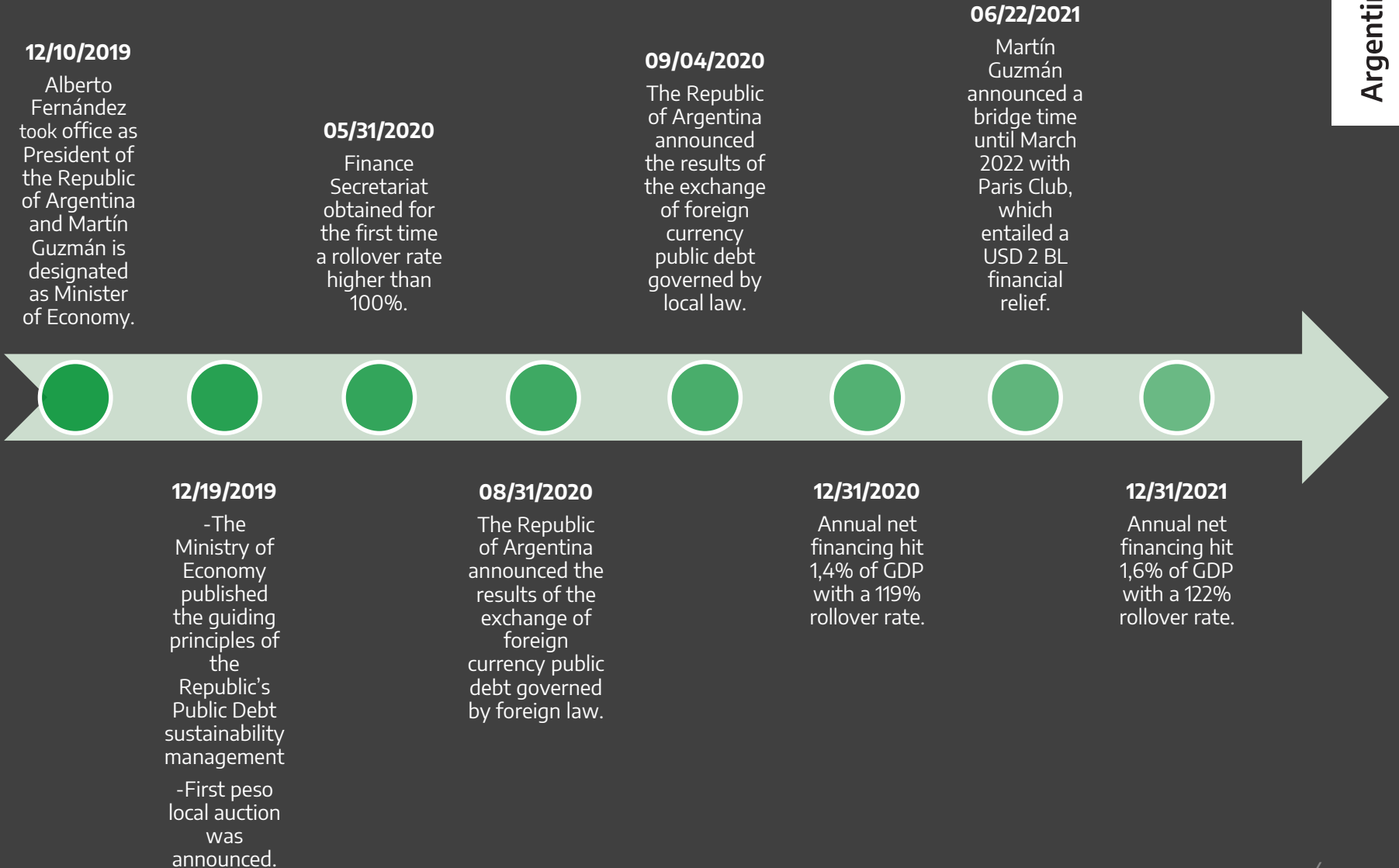


# Restoring Debt Sustainability

# 1

## Restoring Debt Sustainability

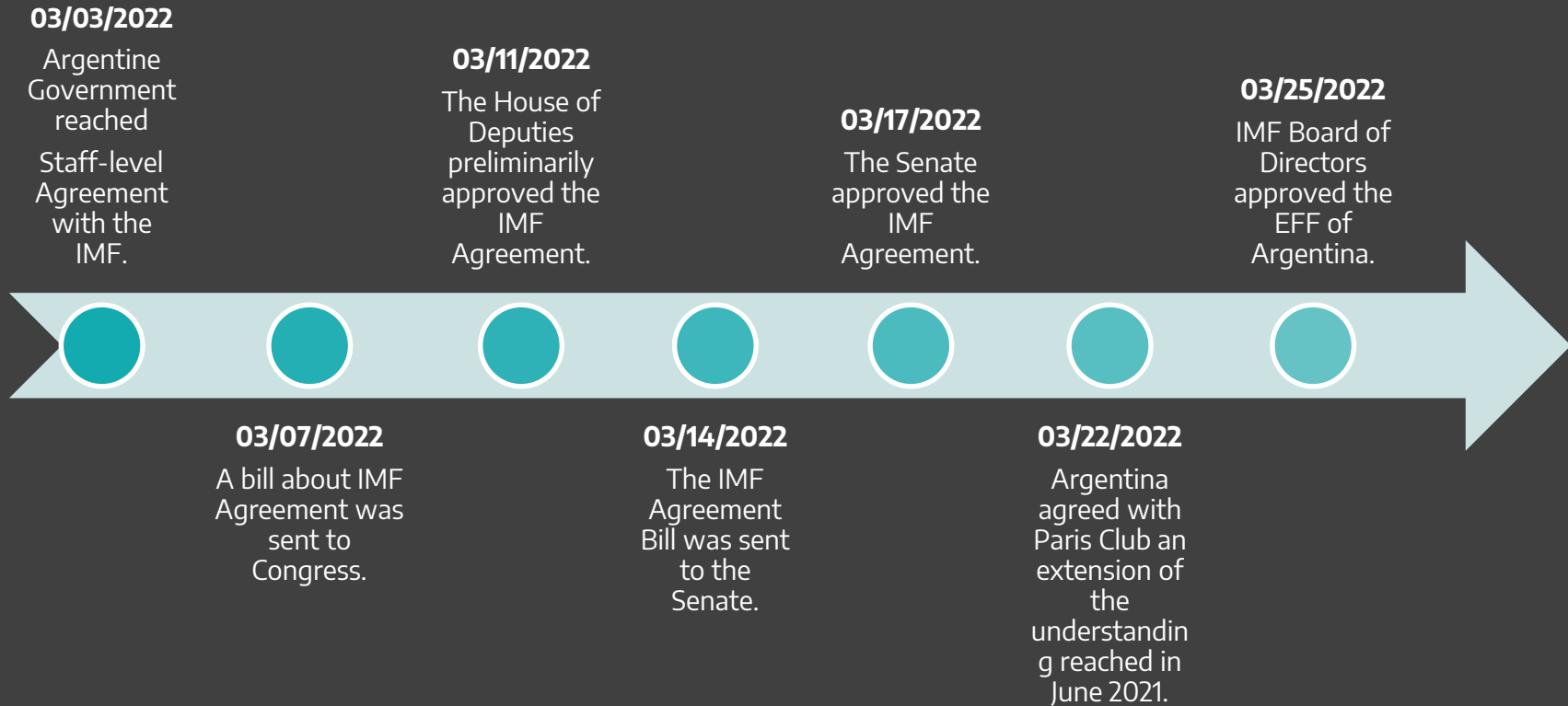
# Timeline of our overall debt strategy



# 1

## Restoring Debt Sustainability

### Timeline of our management (cont,)

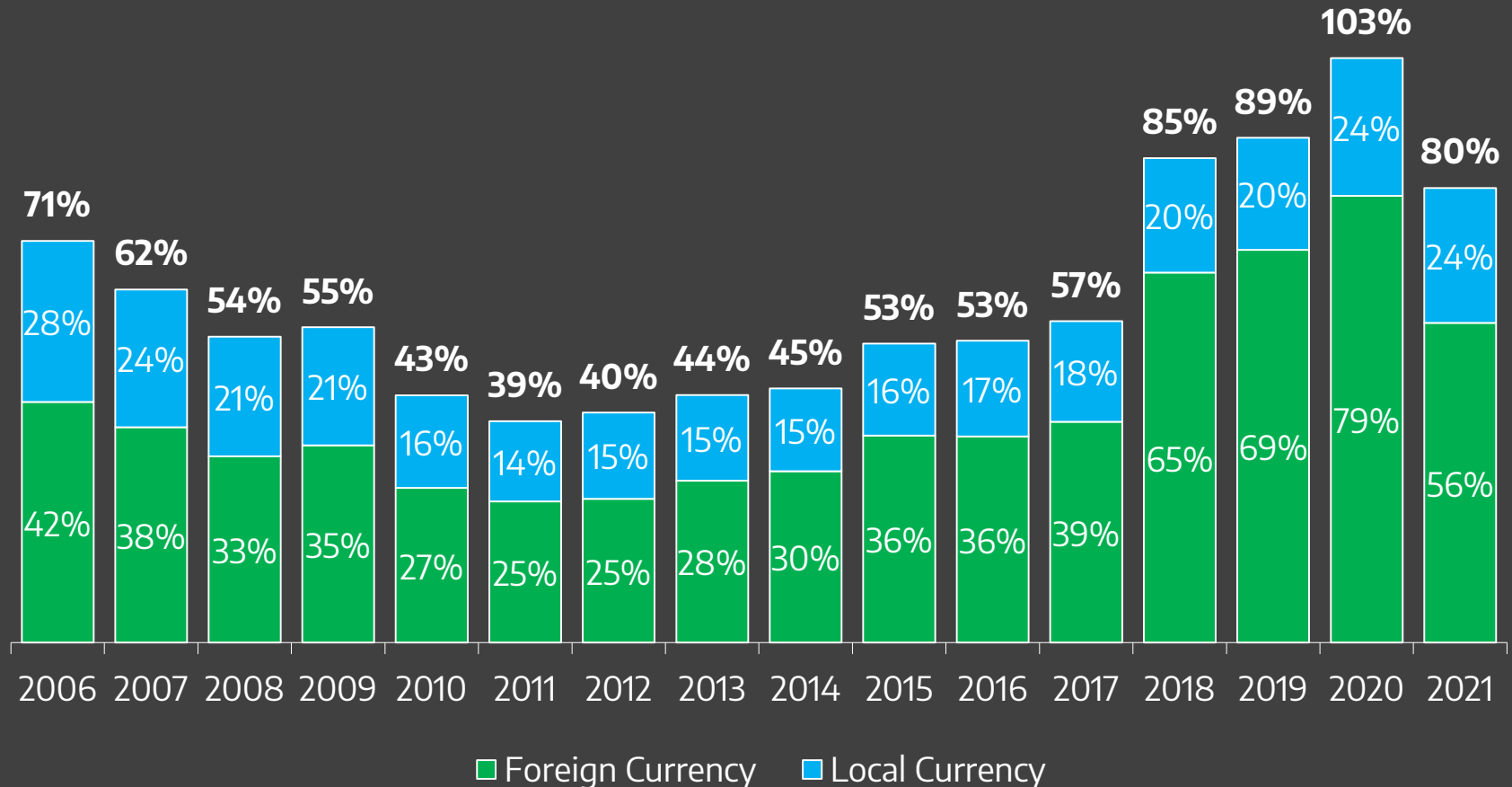


# 1

## Restoring Debt Sustainability

### Total Debt Profile as of March 31<sup>th</sup>

➤ Debt stock by currency, in % of GDP.

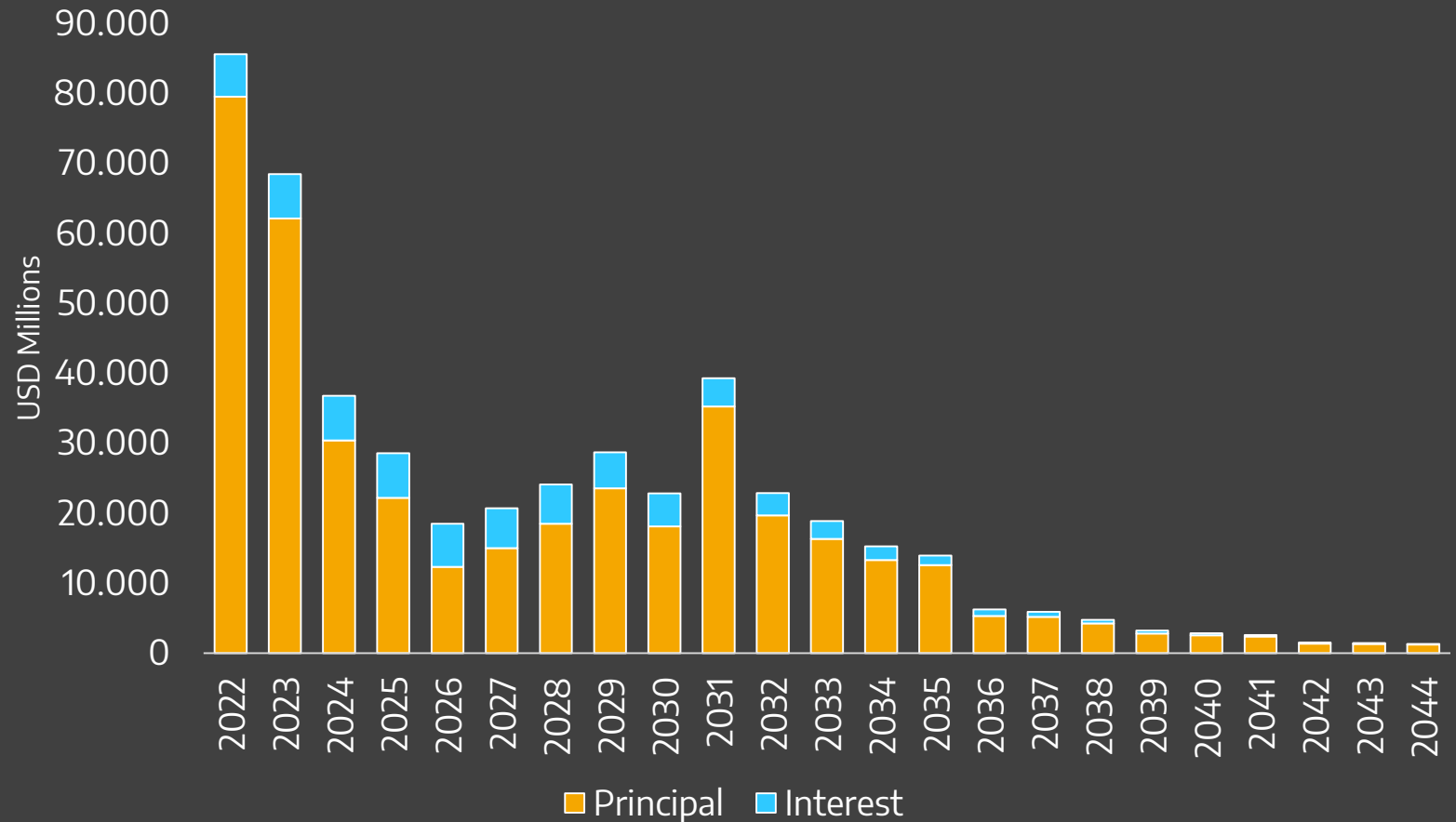


# 1

## Restoring Debt Sustainability

### Total Debt Profile as of March 31<sup>th</sup>

➤ Principal and Interest payments. Fx ARS/USD= 111,5583

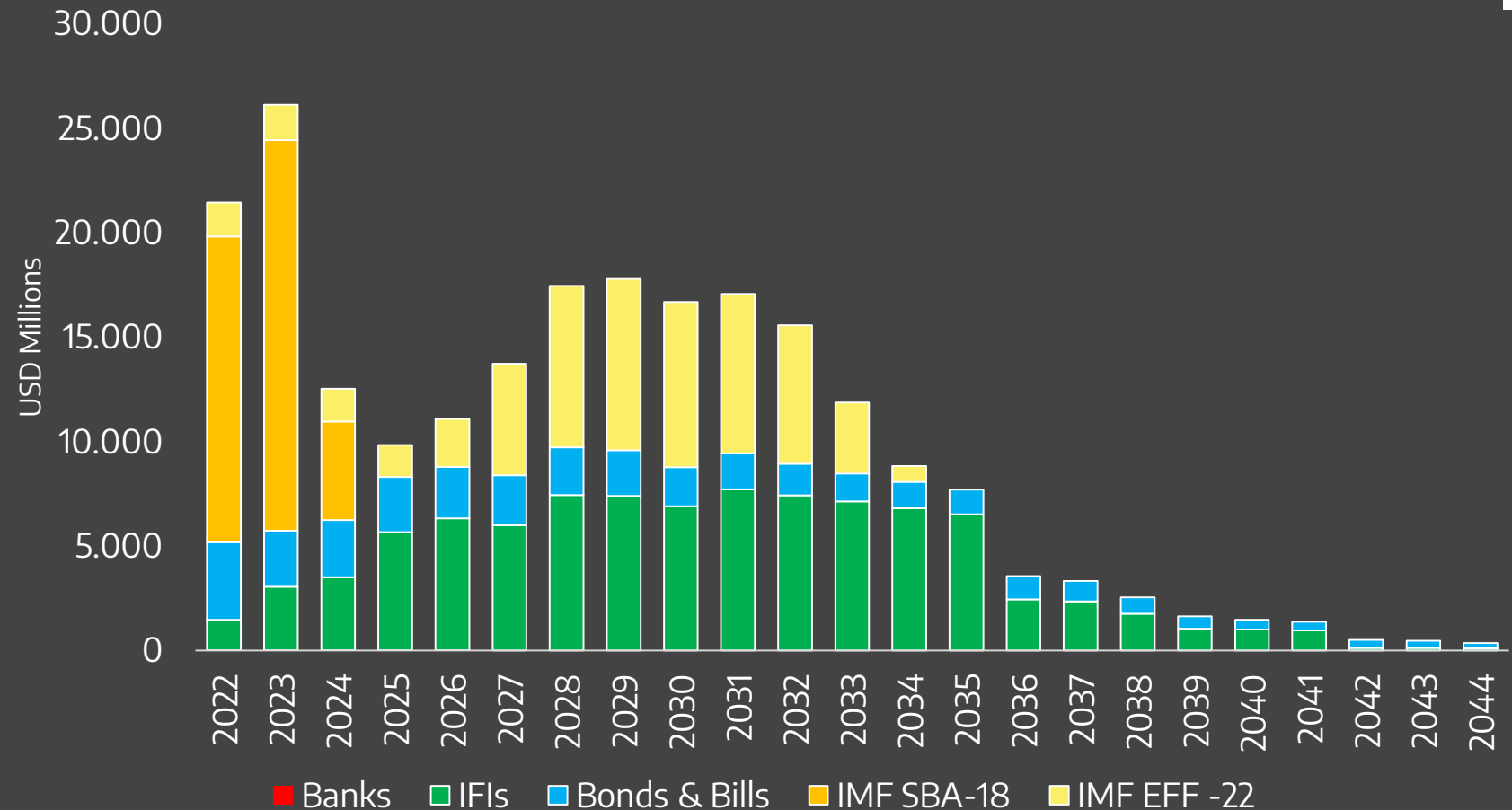


# 1

## Restoring Debt Sustainability

### Foreign Debt Profile as of March 31<sup>th</sup>

➤ Total payments by credit type



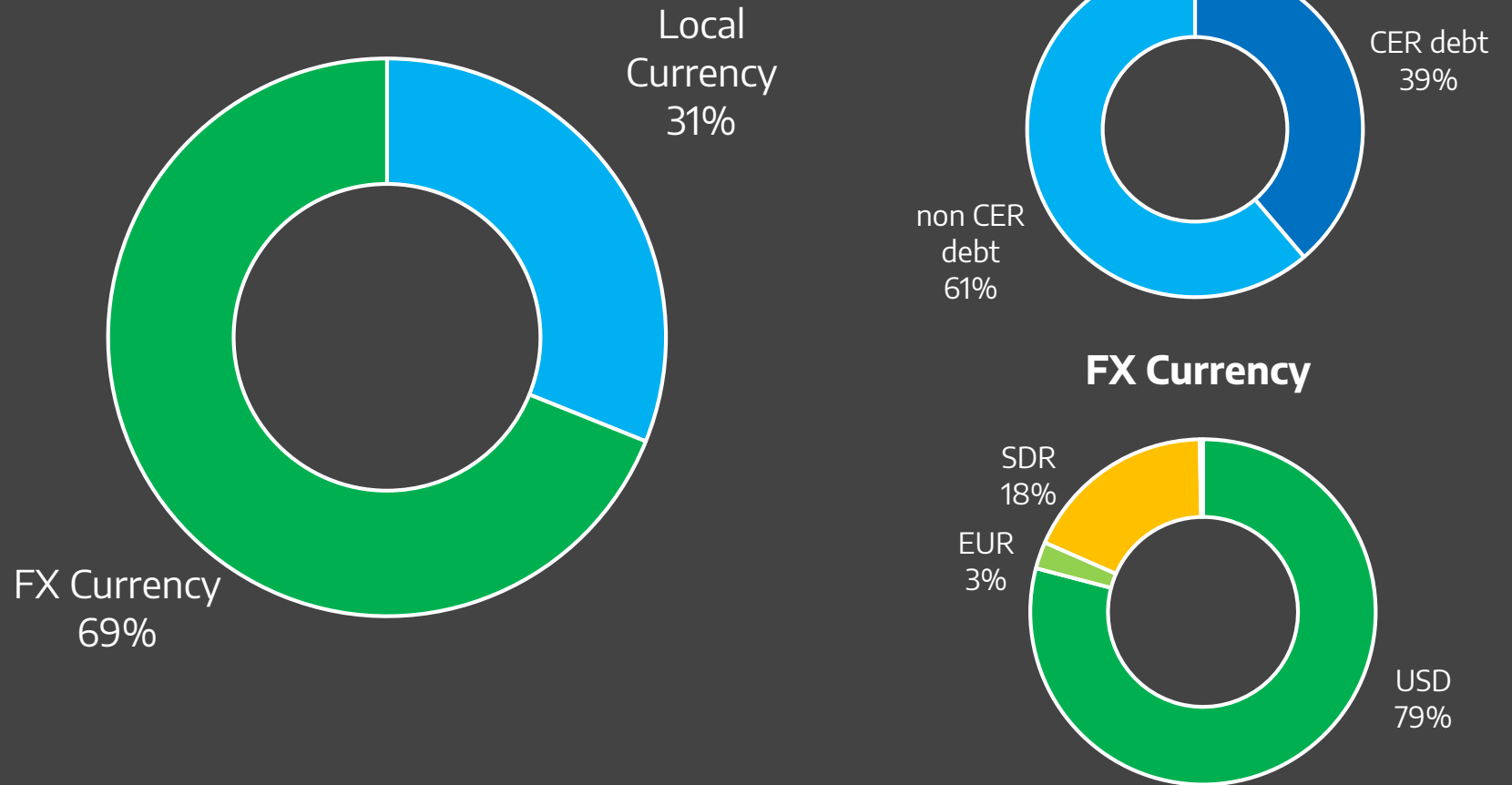


1

# Restoring Debt Sustainability

## Outstanding Debt as of March 31<sup>st</sup>

➤ By Currency (%)





# Market Financing 2021 and 2022

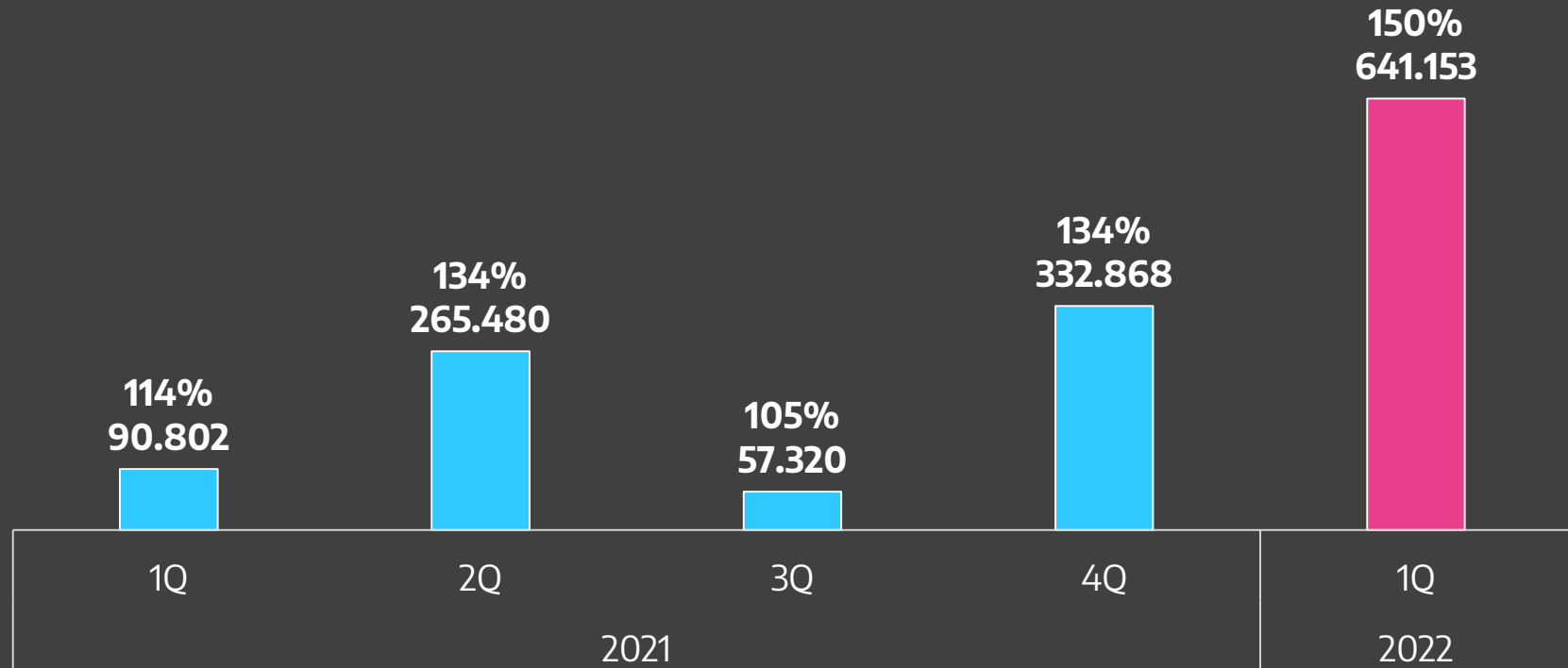
2

## Market Financing 2021 and 2022

# Net Financing through the local debt market

➤ In ARS millions

Argentina unida



+ **ARS 550 billion** in nominal terms (**ARS 362 billion** in real terms) between the 1Q 2021 and 1Q this year.

# Issuances 2021 by type of securities

➤ In 2021 - In ARS millions

Month	CER Bonds	ARS-Variable Bonds	Dollar-Linked Bond	ARS-Fixed Bonds	LECER	LEDES	LEPASE	LELITE	Total
January	65,086				7,176	83,417	100,701		256,380
February	108,752	31,321				42,066	122,458		304,597
March					56,533	66,454	73,140		196,127
April				31,375	109,340	64,644	63,302		268,661
May	49,586		38,901	22,842	127,980	81,529	52,336		373,175
June					250,407	125,095	27,010		402,512
July					90,067	191,466	34,297		315,829
August	5,378	22,922	44,079	18,680	105,932	112,208	5,594		314,793
September		3,576	45,727		91,853	184,012			325,168
October	55,679	1,930	90,897		68,583	153,970		17,031	388,090
November	73,875		37,875	46,385	117,566	116,466		36,784	428,950
December	65,290	34,436	25,571		91,921	212,454		54,380	484,052
<b>Total</b>	<b>423,646</b>	<b>94,185</b>	<b>283,051</b>	<b>119,281</b>	<b>1,117,357</b>	<b>1,433,781</b>	<b>478,839</b>	<b>108,195</b>	<b>4,058,335</b>

**Note:** Exchanges were not considered,

# Issuances 2021 by type of securities

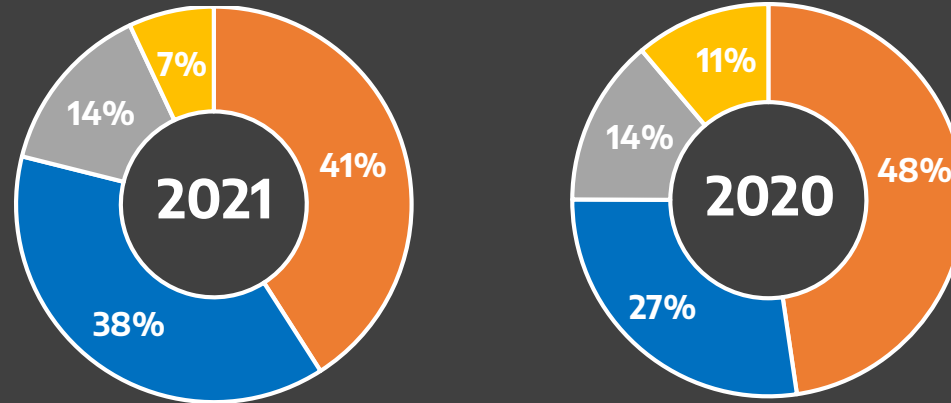
➤ In 2021 - In ARS millions

Instrument	Allocated	%
<b>T-Bills</b>	<b>3,138,172</b>	<b>77%</b>
ARS-Fixed	1,541,976	38%
CER	1,117,357	28%
ARS-Variable	478,839	12%
<b>Bonds</b>	<b>920,163</b>	<b>23%</b>
CER	423,646	10%
Dollar-linked	283,051	7%
ARS-Fixed	119,281	3%
ARS-Variable	94,185	2%
<b>Total</b>	<b>4,058,335</b>	<b>100%</b>

**Note:** Exchanges were not considered,

## Compared annual Issuances 2020-2021

➤ by type of securities



➤ In 2021

In ARS Millions	ARS-Fixed	ARS-Variable	CER	Dollar-linked	Total	%
Foreign Sector	86,594	10,033	94,292		190,919	5%
Public Sector	473,793	201,001	525,020	77,336	1,277,150	31%
Private Sector	1,100,870	361,990	921,692	205,715	2,590,267	64%
Financial Sector	549,612	218,922	521,813	82,400	1,372,747	34%
Mutual Funds	367,975	101,090	181,414	27,241	677,720	17%
Non Financial Private Sector	151,997	35,110	150,157	91,840	429,104	11%
Insurance Companies	31,287	6,867	68,307	4,234	110,696	3%
<b>Total</b>	<b>1,661,257</b>	<b>573,024</b>	<b>1,541,003</b>	<b>283,051</b>	<b>4,058,335</b>	

**Note:** Exchanges were not considered, Public Sector includes BNA,

## Conversion transactions

➤ In 2022

The Treasury offered an exchange for two T-bills (the LEDE S28F2 and the LECER X28F2) **reducing debt payments for a total of ARS 244,1 billion (48% of the original amount)**, Two options were offered: a short-term basket mode of LEDES with maturity in 2022; and a CER medium-term basket, made of a LECER and BONCER,

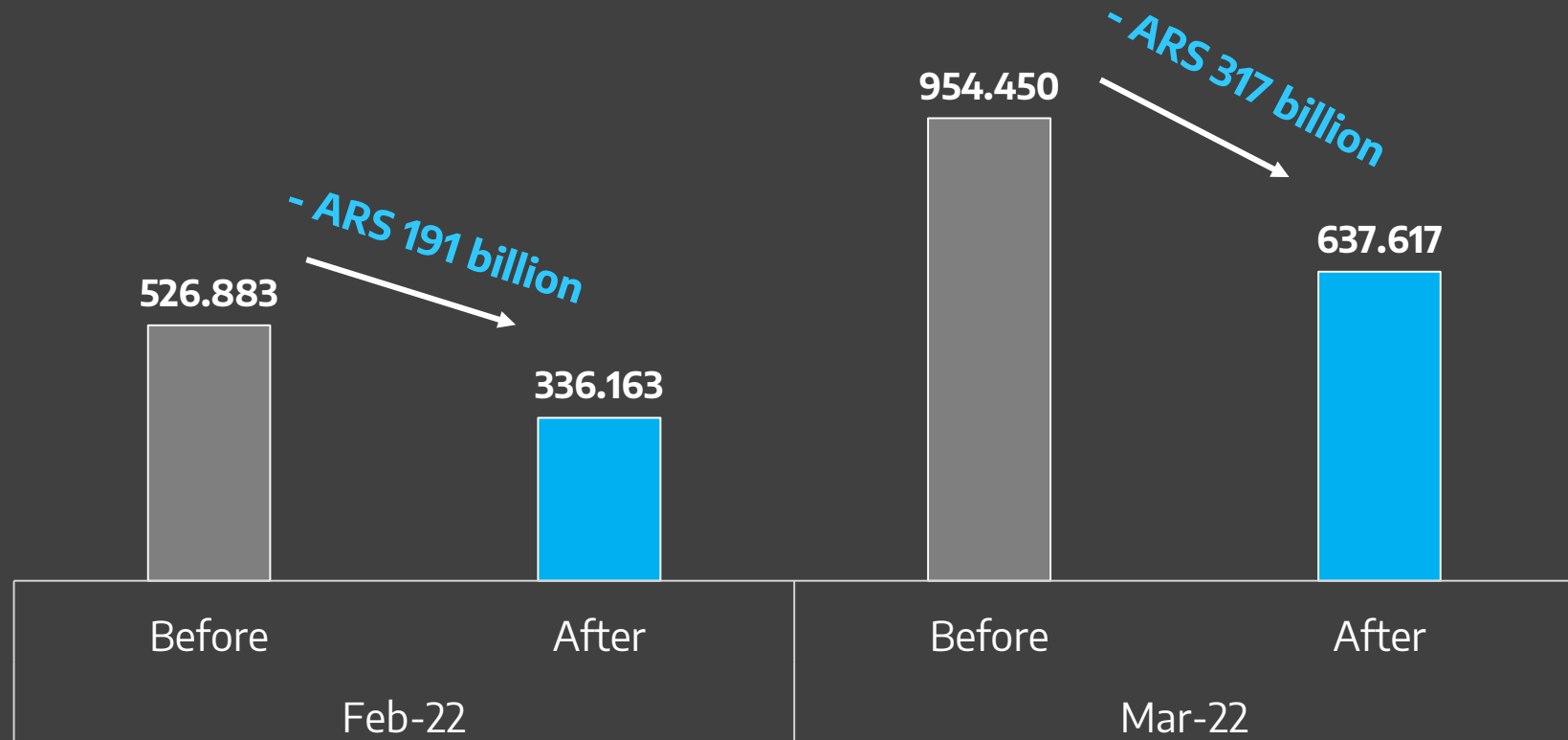


The Treasury offered an exchange of the BONCER 22 **reducing debt payments for a total of ARS 293,4 billion (48% of the original amount)**, As the abovementioned exchange, two options were offered: a medium-term basket with maturities at the end of 2022, 2024 and 2026; and a long-term basket, made of BONCER 24, 26 and 28,

## Conversion transaction's effects

- Monthly debt payments before and after the conversion transactions. In ARS millions.

**Total reduction was ARS 508 billions**



**Note:** “before” amounts correspond to the projected maturities at the beginning of the month, “After” amounts correspond to the effective payments,

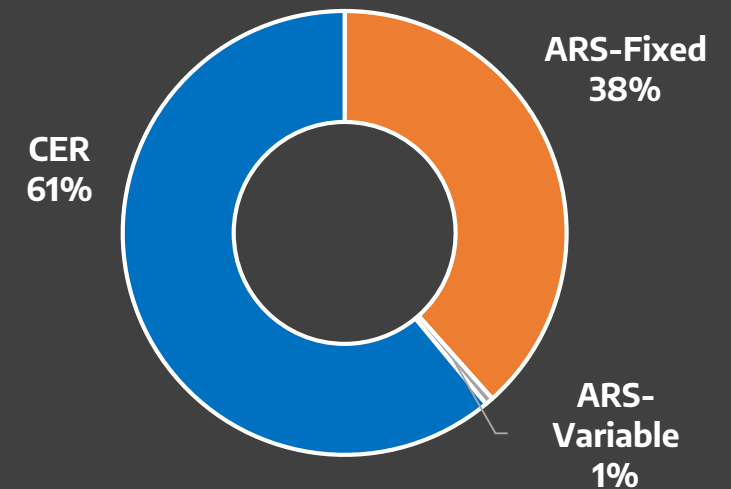


# Issuances by type of securities and currency

➤ In 2022 - In ARS millions

Month	CER Bonds	ARS-Fixed Bonds	LECER	LEDES	LEPAS	LELITE	Total
January	6,844		190,668	168,187		71,791	437,490
February	45,997	36,416	189,814	194,153		54,092	520,470
March	134,412		598,876	146,522	11,348	63,690	954,848
<b>Total</b>	<b>187,253</b>	<b>36,416</b>	<b>979,357</b>	<b>508,861</b>	<b>11,348</b>	<b>189,573</b>	<b>1,912,809</b>

Instrument	Allocated	%
<b>T-Bills</b>	<b>1,689,140</b>	<b>90%</b>
ARS-Fixed	698,435	29%
ARS-Variable	11,348	1%
CER	979,357	59%
<b>Bonds</b>	<b>223,668</b>	<b>10%</b>
ARS-Fixed	36,416	0%
CER	187,253	10%
<b>Total</b>	<b>1,912,809</b>	<b>100%</b>



**Note:** exchanges were not considered,

## Marketable debt stock composition

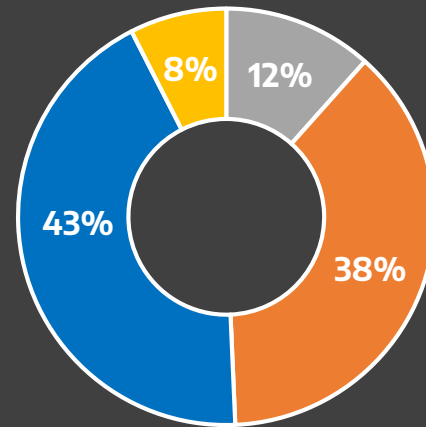
ARS-Fixed

CER

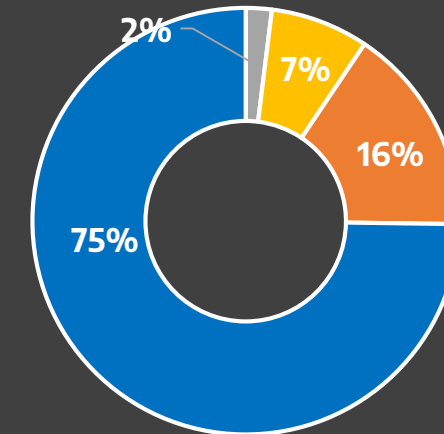
ARS-Variable

Dollar-Linked

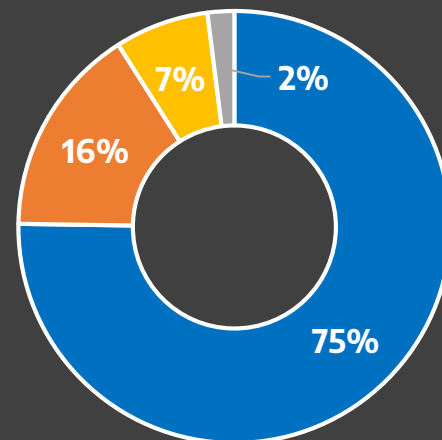
December 2019



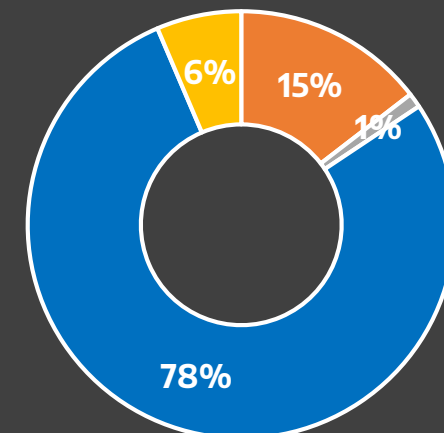
December 2020



December 2021



March 2022



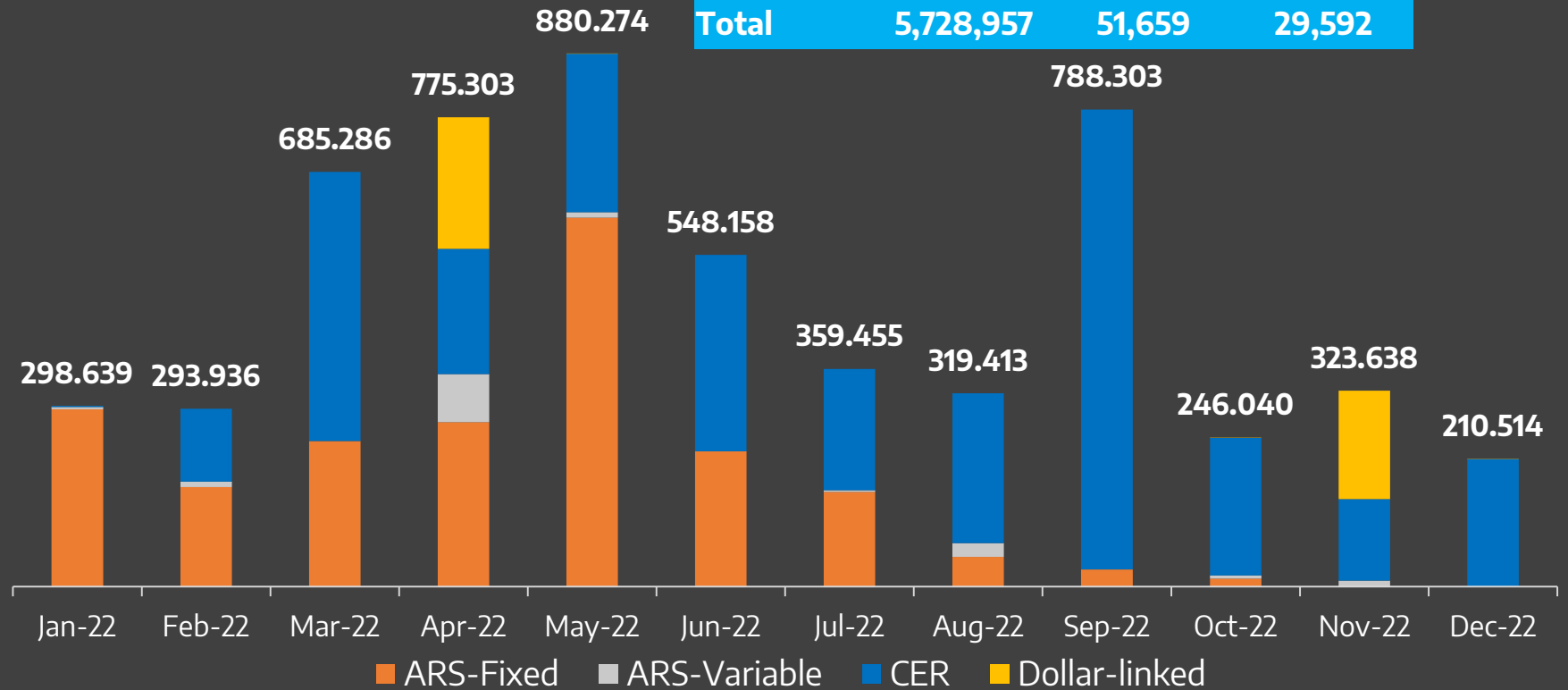
2

## Market Financing 2021 and 2022

# 2022 Total Marketable Debt Profile

➤ By type of currency, in ARS millions

	ARS	FX = 110,9	CCL = 193,6
ARS-Fixed	2,049,880	18,484	10,588
ARS-Variable	141,369	1,275	730
CER	3,140,846	28,321	16,223
Dollar-linked	396,862	3,579	2,050
<b>Total</b>	<b>5,728,957</b>	<b>51,659</b>	<b>29,592</b>



2

## Market Financing 2021 and 2022

# Projected vs accomplished

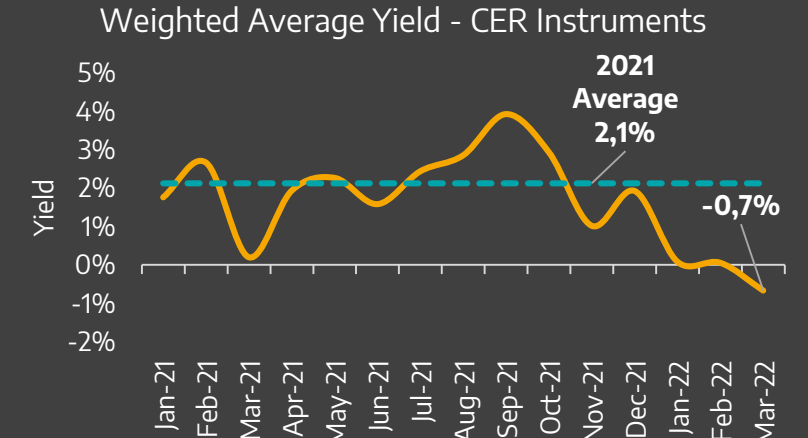
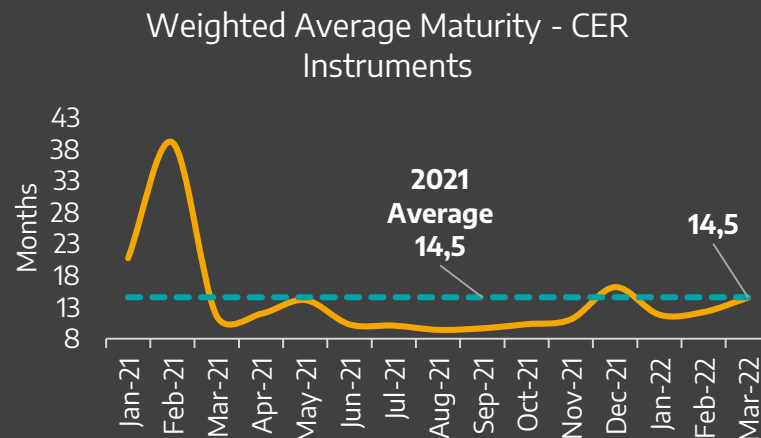
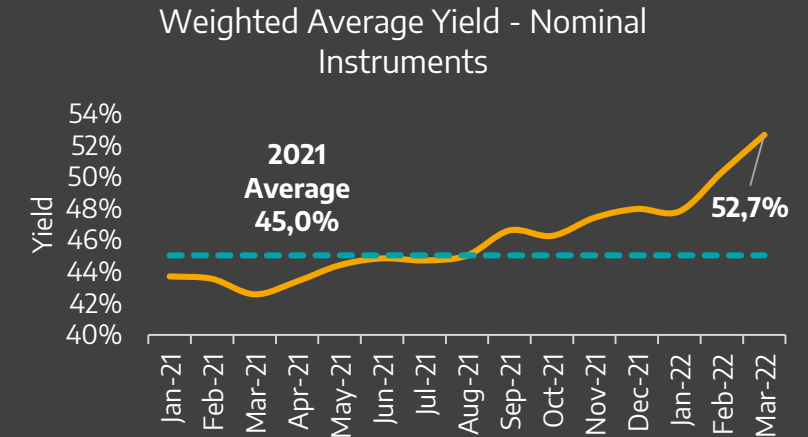
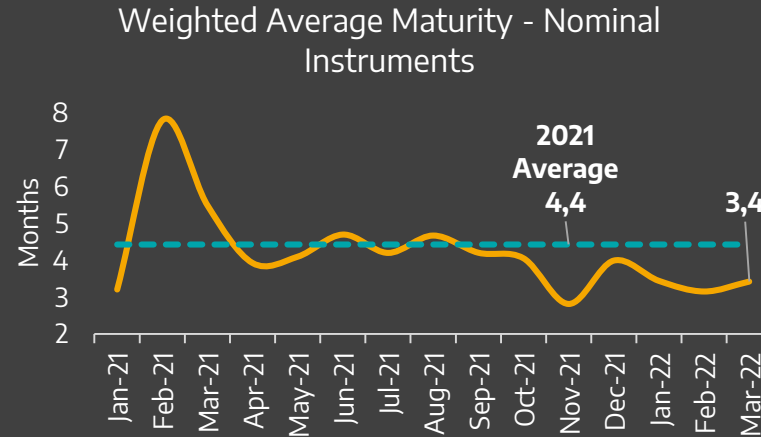
➤ 1<sup>st</sup> quarter of 2022

Financial Needs	1Q (mou)		1Q	
	% PIB	ARS Millions	% PIB	ARS Millions
Primary balance	-0,3%	-222,264	-0,3%	-192,735
Interest	-0,3%	-214,655	-0,4%	-266,857
FGS Rents	0,0%	24,036	0,1%	44,722
<b>TOTAL</b>	<b>-0,6%</b>	<b>-412,883</b>	<b>-0,6%</b>	<b>-414,870</b>

Residence	Financial Sources	1Q (mou)		1Q	
		% PIB	ARS Millions	% PIB	ARS Millions
Foreign	Official creditors	-0,1%	-50,201	0,0%	-30,281
	IMF	0,7%	530,258	1,0%	686,673
	External Market			-0,1%	-47,722
Domestic	BCRA*	0,3%	236,814	0,2%	122,000
	Domestic Market ARS	0,3%	214,641	1,0%	682,841
	Others			0,01%	5,747
<b>TOTAL</b>		<b>1,2%</b>	<b>862,636</b>	<b>2,0%</b>	<b>1,419,258</b>

## Weighted Average Maturity and Yields

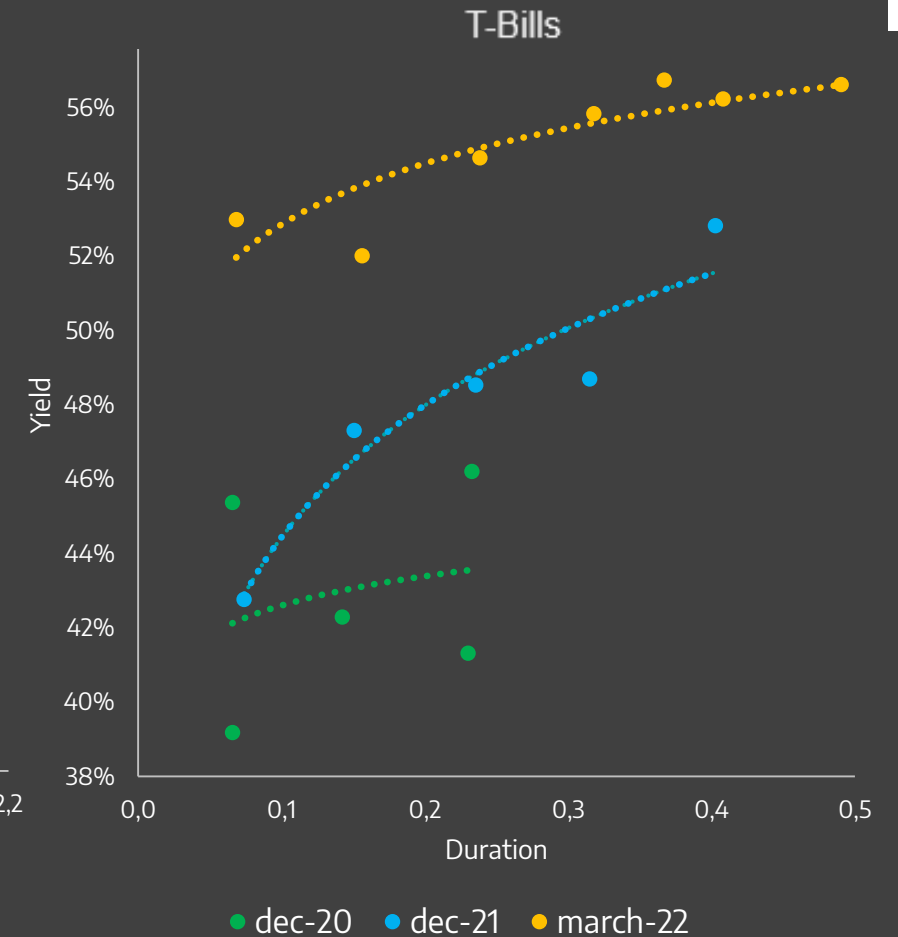
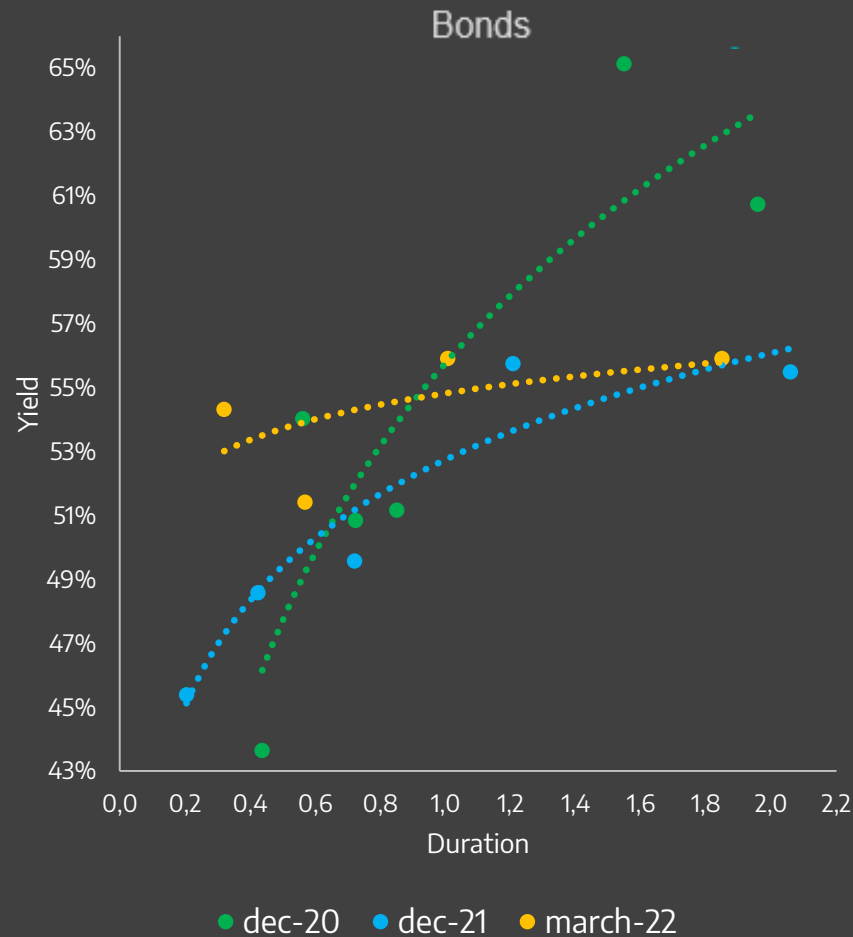
➤ For nominal and CER instruments issued



**Note:** exchanges were not considered,

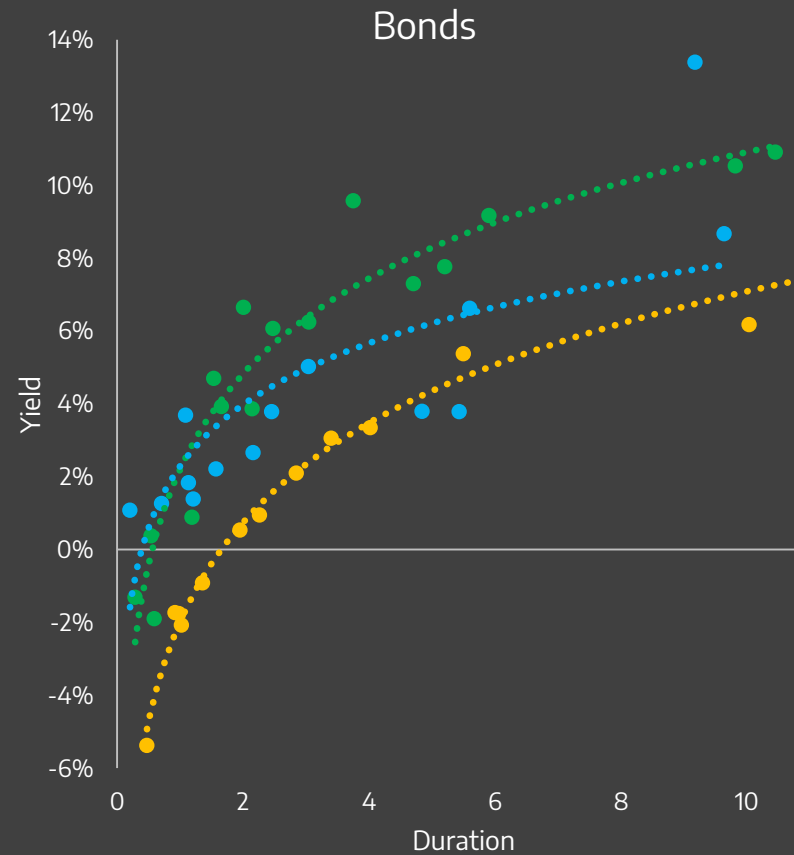
## A comparison among peso-debt curves

### ➤ Nominal instruments

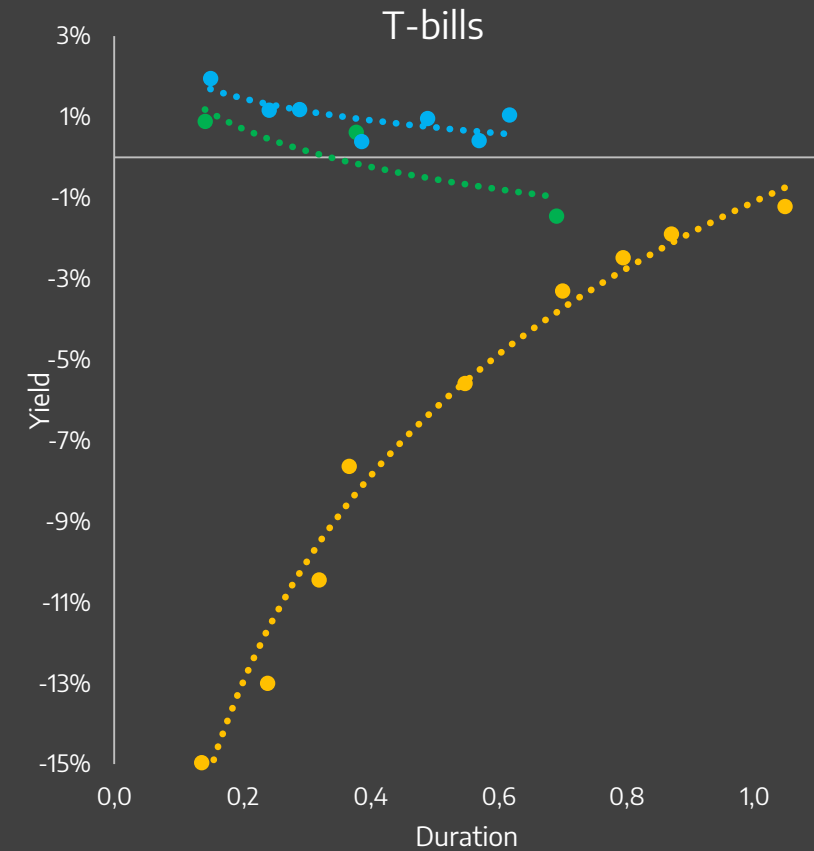


# A comparison among peso-debt curves

➤ CER instruments



● dec-20 ● dec-21 ● march-22



● dec-20 ● dec-21 ● march-22



# Liability Management 2021 and 2022



# 3

## Liability Management 2021

### T2X1 Exchange

On March 29<sup>th</sup> the treasury offered a basket of instruments with maturities in 2022 and 2023, reducing April maturities for a total of ARS 209 billions.

### TC21 Exchange

On June 16<sup>th</sup> a conversion operation of the TC21 bond was performed, offering a basket of instrument maturing on 2022 and 2023, reducing June maturities for a total of ARS 188 billions.

### TX21 Exchange

On July 20<sup>th</sup> the treasury offered a basket of instruments with maturities in 2022 and 2023, reducing July maturities for a total of ARS 216 billions.

### TS21 Exchange

On September 3<sup>rd</sup> BNA received a 16-instrument basket with maturities between 2021 and 2024, for a total amount of ARS 152 billions, All T-bills delivered are part of the MMP.

### T2V1 Exchange

On October 5<sup>th</sup> and November 4<sup>th</sup> the Treasury offered an exchange for the T2V1 (dollar linked bond) reducing November maturities for a total of ARS 128,8 billion (73% of the original outstanding), Instruments offered were two dollar-linked bonds maturing in 2022 and 2023.

3

## Liability Management 2022

### S28F2 Exchange

On February 10<sup>th</sup> the treasury offered a basket of instruments with maturities in 2022, reducing February maturities for a total of ARS 72 billions.

### X28F2 Exchange

On February 10<sup>th</sup> the treasury offered a basket of instruments with maturities in 2022 and 2023, reducing February maturities for a total of ARS 173 billions.

### TX22 Exchange

On March 11<sup>th</sup> the treasury offered a basket of instruments with maturities in 2022, 2024, 2026 and 2028, reducing March maturities for a total of ARS 293 billions.



# Market Makers Program (MMP)

# 4

## Market Makers Program (MMP)

### Market Makers Program (MMP)

Argentina has previous experiences with MMP:

- The first version of the program took place between 1996 and 2001.
- A second one, in 2019, was discontinued before the ending of the initial evaluation period, due to the debt reprofiling event.

The new 2021 MMP, launched last August, took into account that experiences as well as the other Latin American countries (Mexico, Colombia, Peru) incorporating new features:

- **Adapted to different business plans for MMC**
- **Incentives for trading longer-term securities in the secondary market**

# 4

## Market Makers Program (MMP)

### Second Evaluation Period (EP) finished

With the finalization of the second EP (Nov 29<sup>th</sup> – Feb 28<sup>th</sup>) two candidates become Market Makers:

**BBVA Argentina**

**Banco HIPOTECARIO**

### Market Maker list for the third EP (March 2<sup>nd</sup> – May 31<sup>th</sup>)

CNV ID	Entity
24	ALLARIA LEDESMA & CIA, S,A,
22	BANCO DE GALICIA Y BUENOS AIRES S,A,U,
251	BANCO DE LA NACION ARGENTINA
75	BANCO DE LA PROV,DE CORDOBA SA
40	<b>BANCO HIPOTECARIO S,A,</b>
72	BANCO SANTANDER S,A,
42	<b>BANCO BBVA ARGENTINA S,A,</b>
167	HSBC BANK ARGENTINA S,A,

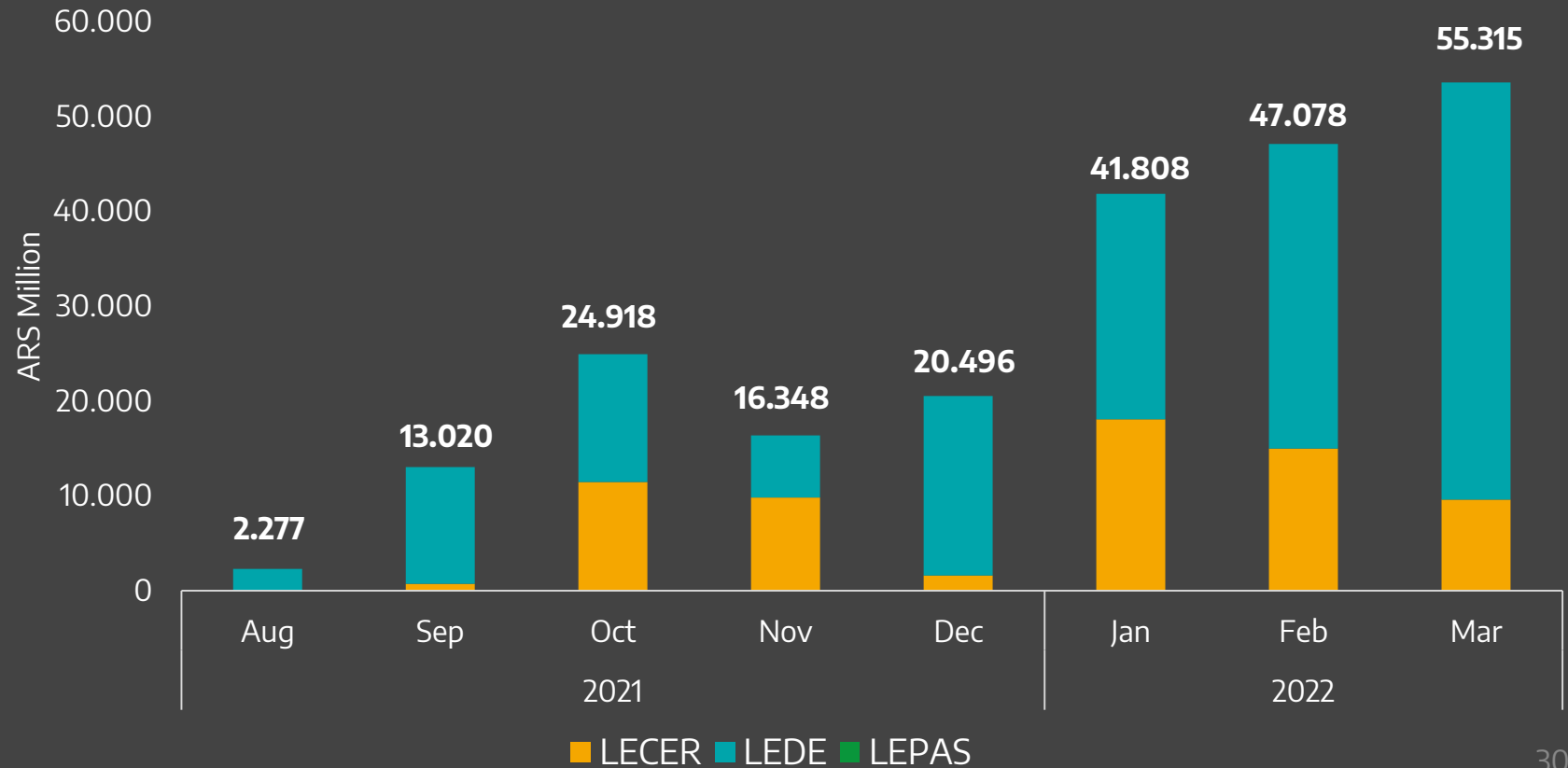
# 4

## Market Makers Program (MMP)

# Green Shoe impact over market financing

➤ Since the beginning of the program

**69% of the total allocated at green shoes was LECER, 30% LEDES and the rest LEPASE**

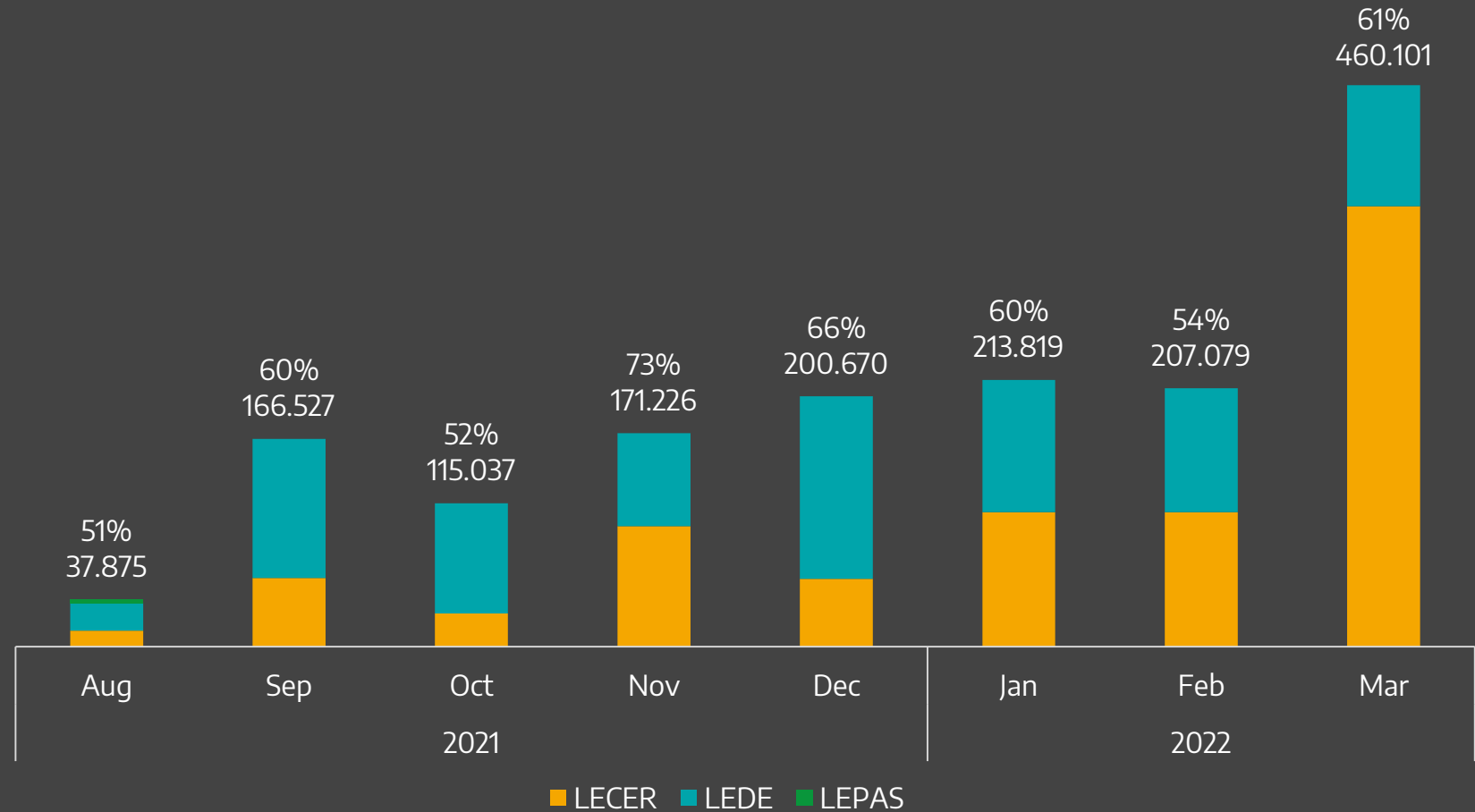


# 4

## Market Makers Program (MMP)

### Primary Market Performance

- Effective-value allocated to MMs in primary market and share over total (on average 60% of the total amount)

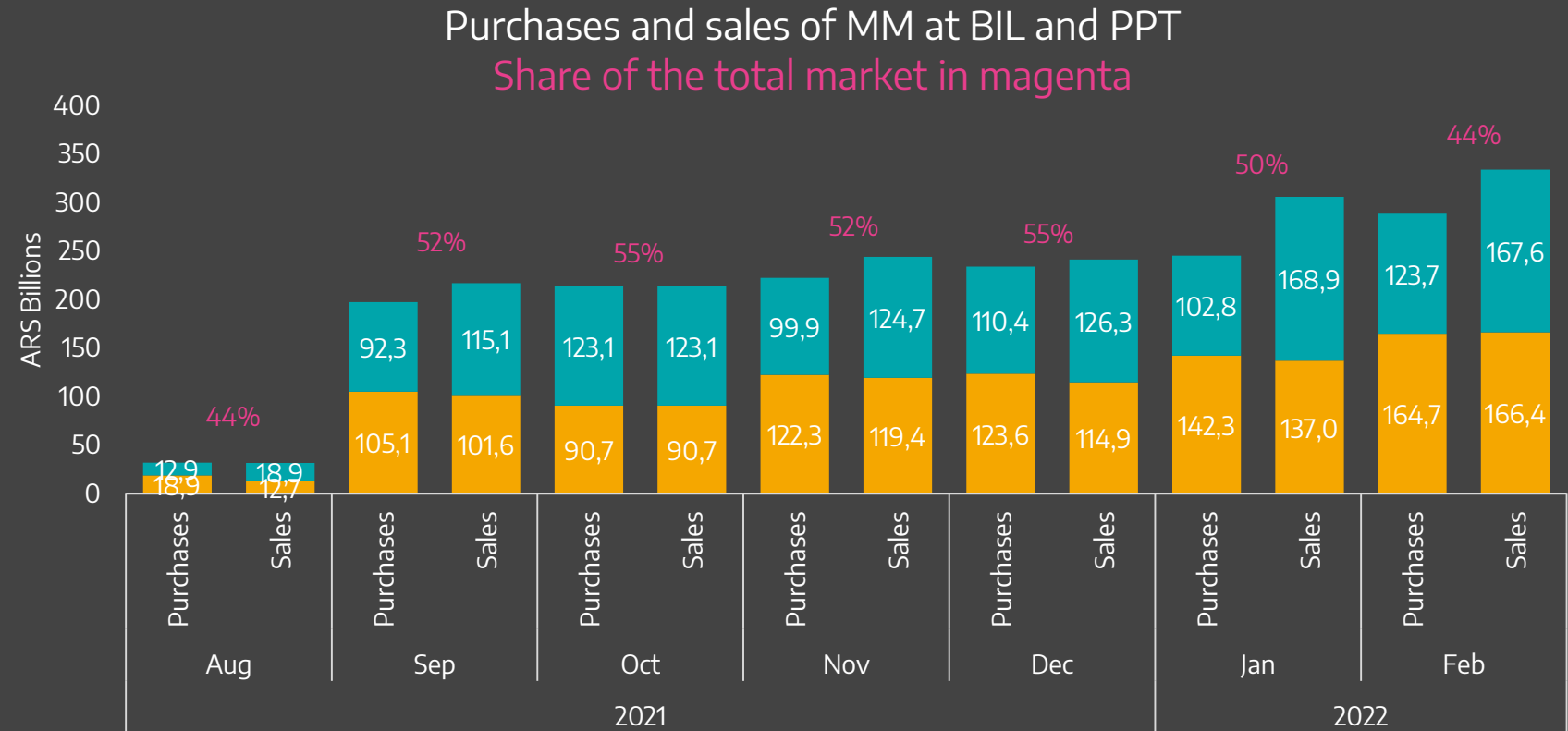


# 4

## Market Makers Program (MMP)

# Secondary Market Performance

- Purchases and Sales of MMs, at Over the Counter (BIL) and on Exchange operations (PPT), MMs market share averaged 50% since the beginning of the program,





**5**

**Next steps**

# 5

## Next Steps

### Next Steps

- continue to expand market makers (MMP)
- preparation of an annual borrowing plan (ABP)
- elaboration of medium term debt strategy (MTDS)
- enhancing investor's relation program (IRP)