



PUBLIC DEBT OPERATIONS

February 2024

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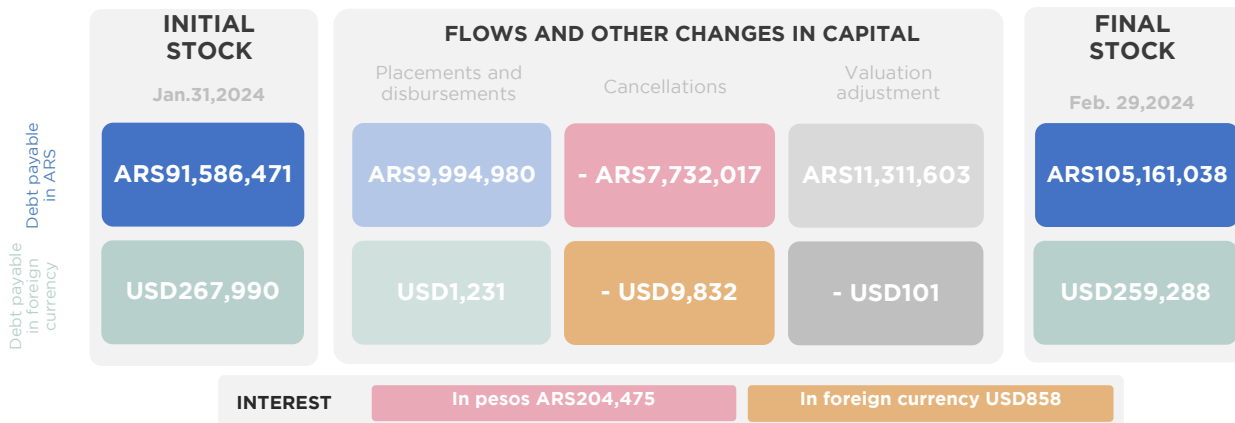
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EXECUTIVE SUMMARY

In February, the stock of public debt payable in pesos amounted to ARS105,161.038 billion, which implied an increase of ARS13,574.567 billion with respect to the end of January. The stock of debt in foreign currency decreased by USD8.702 billion in February, reaching USD259.288 billion at the end of the month.

STOCK, DEBT OPERATIONS AND OTHER VARIATIONS (in millions)

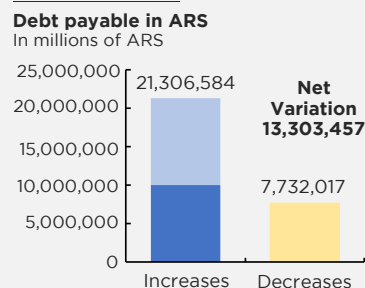


SOURCE: OPC, based on data from the Ministry of Economy.

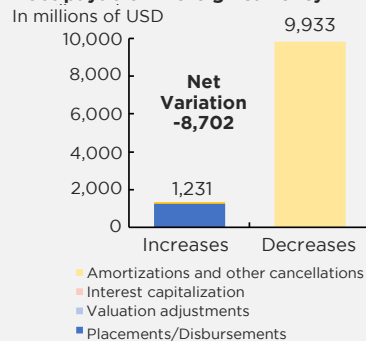
DEBT OPERATIONS AND MATURITY PROFILE

- **Interest:** ARS204.475 billion were paid for debt in pesos and USD858 million for debt in foreign currency, of which USD781 million were paid to the IMF.
- **Amortizations:** debt of ARS7,732.017 billion and USD9.832 billion was cancelled. Of note was the maturity of dual bonds for ARS4,141.862 billion (USD4.939 billion) and the cancellation for the repurchase from the BCRA of AL35 bonds in dollars for USD7.596 billion.
- **New debt:** the Treasury obtained financing in pesos for ARS9,994.98 billion through auctions of CER-adjustable securities and USD-linked bonds, and in foreign currency for USD1.231 billion, mainly because of the renewal at maturity of intra-public sector bills.
- **Profile:** Estimated debt service for the March-June term totals ARS12,690.349 billion in local currency and USD4.657 billion in foreign currency.

Debt variations



Debt payable in foreign currency



Source: OPC, based on data from the Ministry of Economy

INDICATORS

Debt/GDP	97.2%	Debt in foreign currency/Reserves	993.0%
External debt/GDP	33.9%	External debt/Reserves	523.2%
Debt in foreign currency/Total debt	66.1%	Debt in foreign debt/Exports	301.5%
Debt in pesos/Total debt	33.9%	External debt/Exports	158.8%
External debt/Total debt	34.8%		

Data as of 09/30/2023.
Debt: stock of performing debt of the Central Government.

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Public debt payable in pesos

The public debt of the Central Government payable in pesos includes:

- Instruments denominated in domestic currency adjustable by CER (Reference Stabilization Coefficient)
- Non-adjustable instruments denominated in domestic currency.
- Instruments denominated in dollars payable in pesos (USD-linked and dual bonds).

This includes securities issued through auctions, restructuring, securities placed with public sector entities (FGS - Sustainability Guarantee Fund -, BCRA - Central Bank of Argentina -, *Banco Nación*, Trust Funds, etc.), consolidation bonds (issued for the cancellation of consolidated debt under Laws 23,982 and 25,344), temporary advances from the BCRA, loans to the Treasury in domestic currency (from commercial banks, promissory notes and guaranteed loans), Treasury promissory notes and guarantees (indirect debt), among others.

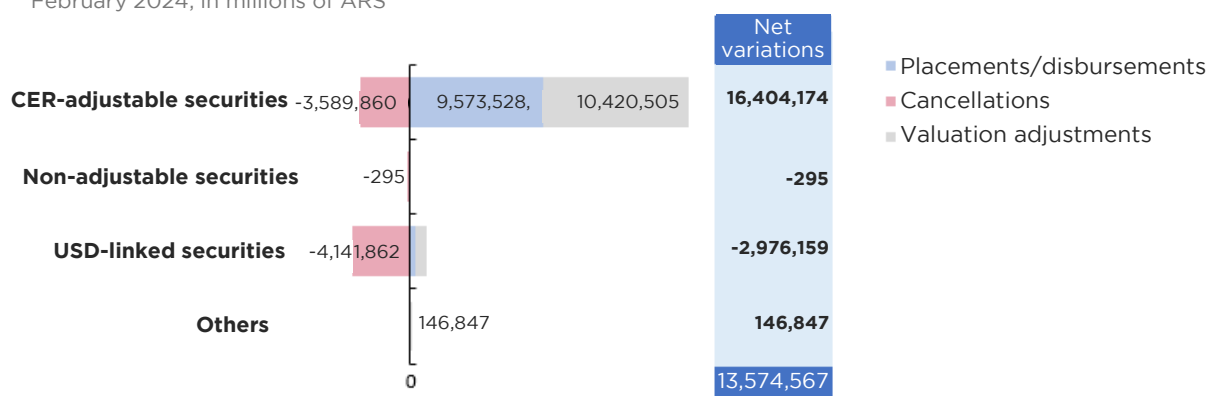
Debt stock payable in pesos

In February, the performing¹ debt stock² payable in pesos increased by ARS13,574.567 billion (Figure 1) with respect to the level at the end of January, which was ARS91,586.471 billion. Thus, as of February 29, the stock amounted to ARS105,161.038 billion, composed of 60% of CER-adjustable debt, 35% of debt denominated in dollars payable in pesos (USD-linked and dual bonds) and 6% of non-adjustable debt in pesos.

The increase was explained by the combined effect of the principal valuation adjustments of ARS11,311.603 billion - due to the impact of the exchange rate increase in USD-linked debt (ARS744.251 billion) and of the price index in CER- adjustable debt (ARS10,567.352 billion) - and by the net issuance of debt for ARS2,262.964 billion.

Figure 1. Variations in principal amount of debt payable in pesos

February 2024; in millions of ARS



SOURCE: OPC, based on data from the Ministry of Economy.

¹ Performing debt consists of current debt that is being repaid under the original terms and conditions agreed upon in the contracts for the issuance of the instruments.

² The public debt stock refers to the principal amount that has not yet been cancelled as of a certain date (this is known as "Residual Value"). It may vary from one period to another due to the operations that occur during the period, either due to a debt purchase, capital cancellations (payment of amortizations, swaps, repurchases and debt forgiveness), valuation adjustments and capitalization of interest. During the period, the debt generates interest, which is the payment to creditors for having lent the money to the Central Government. Each time the Treasury places debt, it may also incur expenses for commissions paid, generally, to the entities that participate in the placement or structuring of the operation.

Debt operations payable in pesos

In February, the Treasury obtained financing in pesos for ARS9,994.98 billion, through three auctions (one held in January and two in February) of ARS8,322.968 billion in CER-adjustable government securities denominated in pesos (Table 1) and bonds in dollars payable in pesos (USD-linked) for ARS421.453 billion, and through a swap offered to National Government entities (FGS, BCRA) of their holdings of TDF24 dual bond maturing on February 28 for BONCER T2X5 for ARS1,250.56 billion (as a result, a dual bond for ARS1,088.254 billion was swapped)

In addition, ARS7,732.017 billion of debt principal in pesos was repaid. Of the total, ARS5,290.543 billion were for amortizations of securities at maturity (dual bond TDF24 for ARS3,053.609 billion and LECER X20F4 for ARS2,236.935 billion), ARS1,350 billion for a purchase operation of BONCER T5X4 from the BCRA, ARS1,088.254 billion for the swap of dual bond TDF24, ARS2.925 billion of consolidation bonds PR13 and ARS295 million for BONTE BADLAR TB31.

Also, the Treasury paid interest on debt in pesos for ARS204.475 billion, of which ARS154.739 billion were for BONCER T2X5.

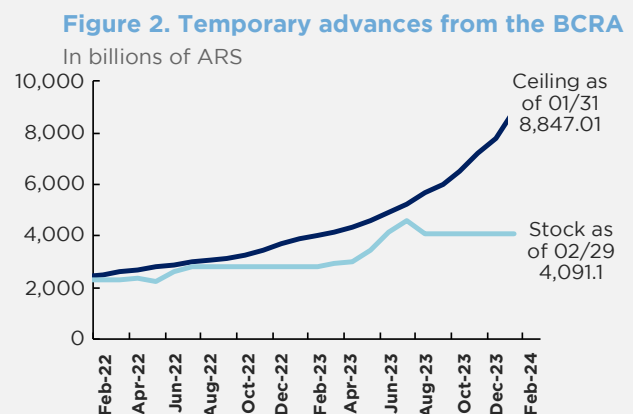
Cuadro 1. Debt operations payable in pesos

February 2024; in millions of ARS

NEW DEBT Issuances		T R E A S U R Y	CANCELLATIONS Payment of amortizations and interest, and other cancellations		
Instrument	Principal		Instrument	Interest	Principal
CER-adjustable securities	ARS9,573,528	}	Dual bonds		ARS4,141,862
USD-linked Bonds	ARS421,453		CER-adjustable securities	ARS160,825	ARS3,589,860
			Non-adjustable securities	ARS43,650	ARS295
TOTAL	ARS9,994,980		TOTAL	ARS204,475	ARS7,732,017

SOURCE: OPC, based on data from the Ministry of Economy.

Temporary Advances from the BCRA: no net financing for Temporary Advances (TA) was recorded during the month, so that the stock remained unchanged with respect to the end of January at ARS4,091.1 billion. According to the latest available data on the resources of the National Non-Financial Public Sector (NFPS) for January, at the end of that month, the legal ceiling on the stock of TA stood at ARS8,847.015 billion (Figure 2).



SOURCE: OPC, based on data from the Ministry of Economy and BCRA

Note: In accordance with Section 20 of the BCRA Charter, the calculation of the total limit is composed of 12% of the balance of the monetary base on the last day of the month, 10% of the current income of the NFPS accrued in the last 12 months (including property income from BCRA profits and income received by the FGS and other government entities), plus an additional exceptional amount equivalent to 10% of the current income of the NFPS accrued in the last 12 months.

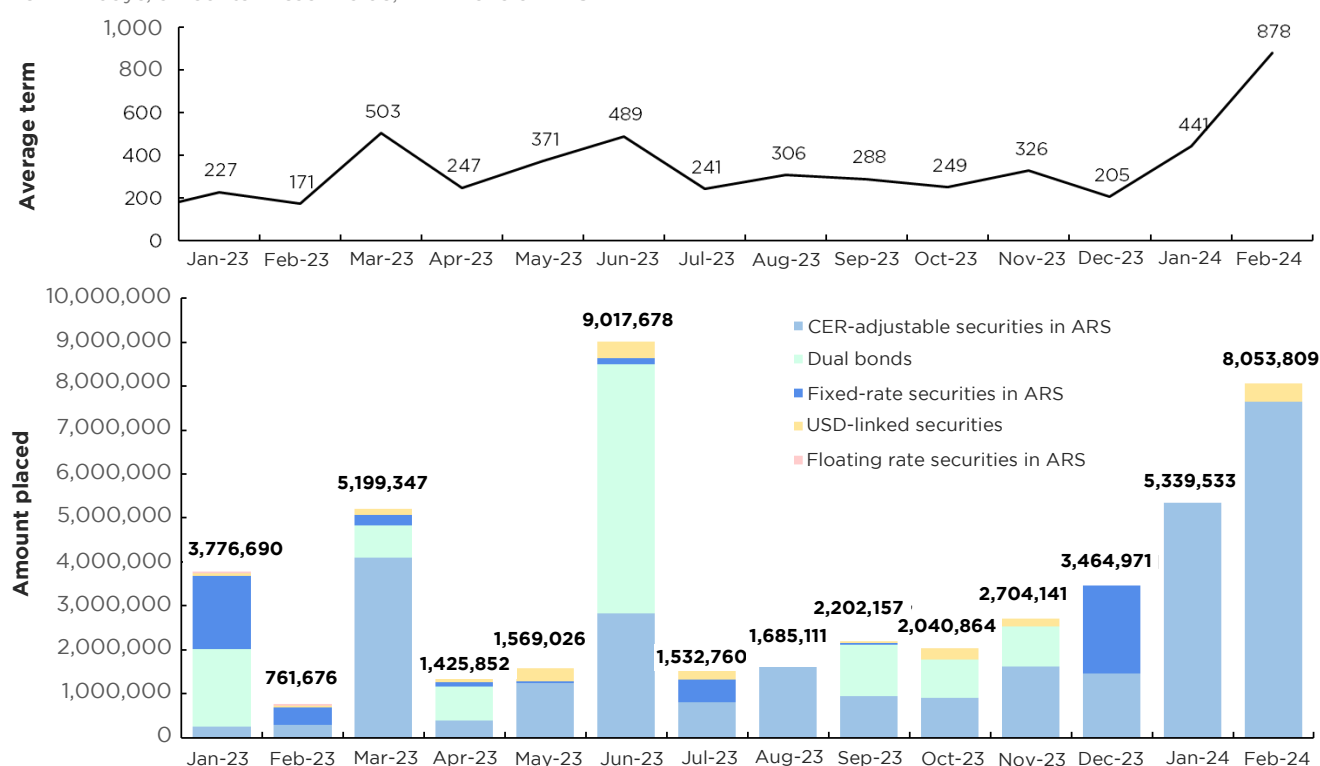
Two government securities auctions were held in February, offering CER-adjustable bills and bonds (LECER X20F4 and BONCER TZX25, TZX26 and TZX27) and USD-linked bonds (TZV25 and TZV26). As a result, securities were placed for a total Nominal Values (NV) of ARS8,744.421 billion, raising funds for a total Cash Value (CV) of ARS8,053.809 billion (see Table A.1. of the Annex and Figure 3).

Part of the funds in pesos obtained in the first auction, ARS2,950 billion, were allocated to the repurchase of AL35 dollar Bonar in dollars held by the BCRA for NV ARS7.596 billion, 40% of the total bond stock.

The average term of the securities placed through the auctions held in February was 878 days, 899 days for CER-adjustable securities and 488 days for USD-linked securities.

Figure 3. Government securities auctions: average maturity and amount placed

Term in days; amounts in cash value; in millions of ARS



Note: Includes auctions in cash and in kind (swaps).

SOURCE: OPC, based on data from the Ministry of Economy.

Public debt payable in foreign currency

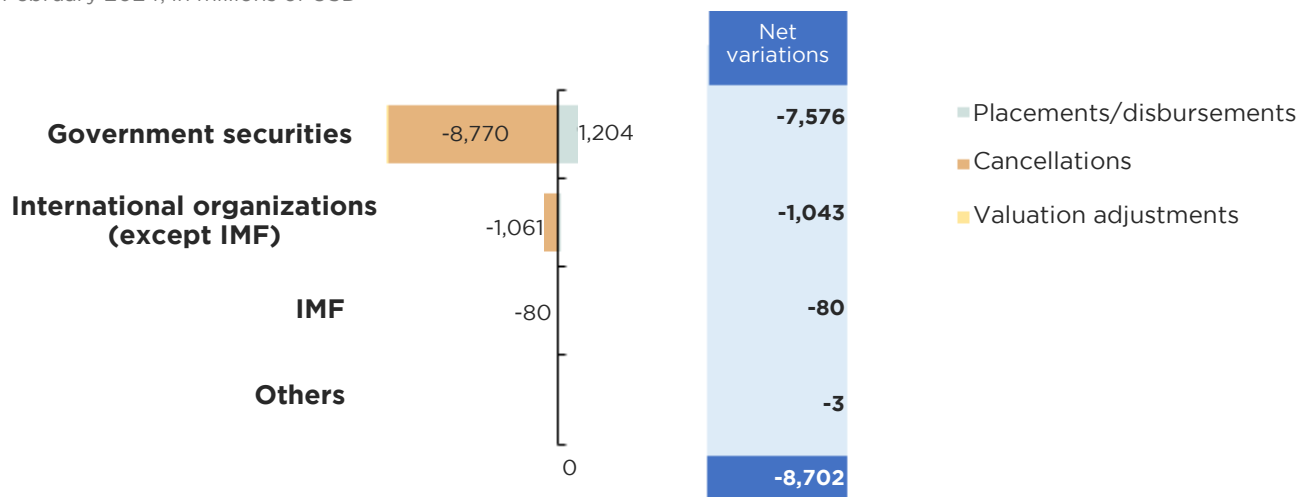
Public debt in foreign currency includes instruments denominated in various currencies (U.S. dollar, euro, yen, etc.). It includes securities issued through auctions, restructurings, securities placed with public sector entities (FGS, BCRA, *Banco Nación*, Trust Funds, etc.), loans to the Treasury in foreign currency (from commercial banks, international and government agencies) and guarantees (indirect debt), among others.

Debt stock payable in foreign currency

At the end of February, the debt stock payable in foreign currency amounted to the equivalent of USD259.288 billion, which implied a decrease of USD8.702 billion with respect to the end of January (Figure 4). The variation is composed of principal cancellations for USD9.832 billion, placements of government securities and loan disbursements for a total equivalent to USD1.231 billion and downward valuation adjustments for USD101 million.

Figure 4. Variations in principal amount of debt payable in foreign currency

February 2024; in millions of USD



SOURCE: OPC, based on data from the Ministry of Economy.

Debt operations payable in foreign currency

Financing for the equivalent of USD1.231 billion was obtained in February (Table 2). Of the total, USD1.188 billion were placements of Treasury bills to various entities of the National Public Sector for the renewal at maturity of similar bills for USD1.174 billion. There was also a placement of USD15 million of non-transferable bills to the BCRA for the renewal at maturity of interest (as provided by Section 4 of DNU 23/2024).

In addition, there were cancellations of debt in foreign currency for USD9.832 billion, for the repurchase of USD7.596 billion of dollar-denominated Bonar AL35 from the BCRA with the proceeds in pesos of the first auction in February, the maturity of intra-public sector bills for USD1.174 billion and USD1.061 billion for repayments of loans from international and bilateral credit organizations. Of the latter, USD960 million related to the CAF contingent loan received in December to face the payment of amortizations in that month of the IMF loan under the stand-by agreement.

Also, interest on debt in foreign currency for the equivalent of USD858 million matured, of which USD781 million was interest on the IMF loans.

Table 2. Debt operations payable in foreign currency

February 2024; in millions of USD

NEW DEBT Placements and disbursements		T R E A S U R Y	CANCELLATIONS Payments of amortizations and interest, and other		
Instrument	Principal		Instrument	Interest	Principal
<i>Bills intra-public sector</i>	USD1,188		<i>Bills intra-public sector</i>		USD1,174
<i>International organizations</i>	USD27		<i>AL35 Bonds</i>		USD7,596
<i>BCRA Bills</i>	USD15		<i>IMF</i>	USD781	
TOTAL	USD1,231		<i>Other international org.</i>	USD62	USD1,061
			<i>Others</i>	USD16	USD2
			TOTAL	USD858	USD9,832

SOURCE: OPC, based on data from the Ministry of Economy.

Authorizations for public credit

Under current regulations, the entities of the National Government may not formalize any public credit operation that is not included in the General Budget Law of the respective year or in a specific law³, except for public credit operations formalized by the National Executive Branch (PEN) with the international financial organizations of which Argentina is a member. With respect to the latter, the PEN is empowered to contract loans with international economic-financial organizations to which Argentina belongs as a member⁴, with the only exception of IMF financing, which will require a law of the Honorable Congress of the Nation expressly approving it, after the enactment of Law 27,612 of 2022.

Thus, on the one hand, the Budget Law establishes limits to undertake public credit operations for each budget year. Since there was no budget approved for fiscal year 2024, Executive Order 88/2023 provided for the extension⁵ of the 2023 Budget (Law 27,701)⁶. Chapter VII of such law contains several sections that authorize the formalization of public credit operations under the terms of Section 60 of Law 24,156 on Financial Administration.

A first group of sections of Law 27,701 (37, 43 and 45) establishes limits to the gross amounts for the issuance of securities and contracting of loans with maturities that may be after the closing of the fiscal year in which the placement or disbursement is made.

During February, securities for ARS10,381.451 billion were placed under the authorization of Section 37, with maturities in 2025, 2026, 2027 and 2034, representing 7.4% of the total authorized ceiling for these instruments (Table 3). If the placements made in 2023 and January 2024 are added, the total amount placed under this authorization amounts to ARS47,689.816 billion, 34% of the authorized ceiling.

³ Section 60 of Law 24,156 on Financial Administration

⁴ Section 53 of the Budget Supplementary Permanent Law 11,672

⁵ Section 27 of Law 24,156 on Financial Administration determines that if at the beginning of the financial year the general budget has not been approved, the budget in effect during the previous year will be in force.

⁶ Amended by Resolution 758/2023 of the Ministry of Economy, DNU 436/2023, DNU 56/2023 and DNU23/2024.

Table 3. Debt Authorizations: Sec. 37 Law 27,701

Placements as of February 29, 2024; in millions; limits on issuance amount.

Instrument	Minimum term	Currency	Amount authorized	Amount placed	Amount remaining
Government securities or loans	90 days to 4 years	ARS	140,744,520	47,689,816	93,054,704
Loans	3 years	USD	28,595	n/a	n/a
		EUR	155	n/a	n/a

SOURCE: OPC, based on data from the Ministry of Economy.

A second group of sections of Law 27,701 (38 and 39) establishes limits for the use of short-term credit (maturing within the same fiscal year). In these cases, instead of establishing limits on the gross amount to be issued, maximum limits are set on the outstanding amounts of these instruments. Therefore, as they mature, they free margin for new issuances. The current limit under Sec. 38 is ARS6,664.451 billion and during the month ARS1,175.106 billion were placed under this authorization, and ARS659.169 billion matured, bringing the total outstanding amount of these instruments to ARS2,179.432 billion as of February 29.

Necessity and Urgency Decree - DNU 23/2024 of January 5 authorized the issuance of up to USD3.2 billion of 10-year bonds in dollars for the payment of debt obligations denominated in foreign currency. In January, securities for USD1.6 billion were placed under this authorization.

Operations scheduled for coming months

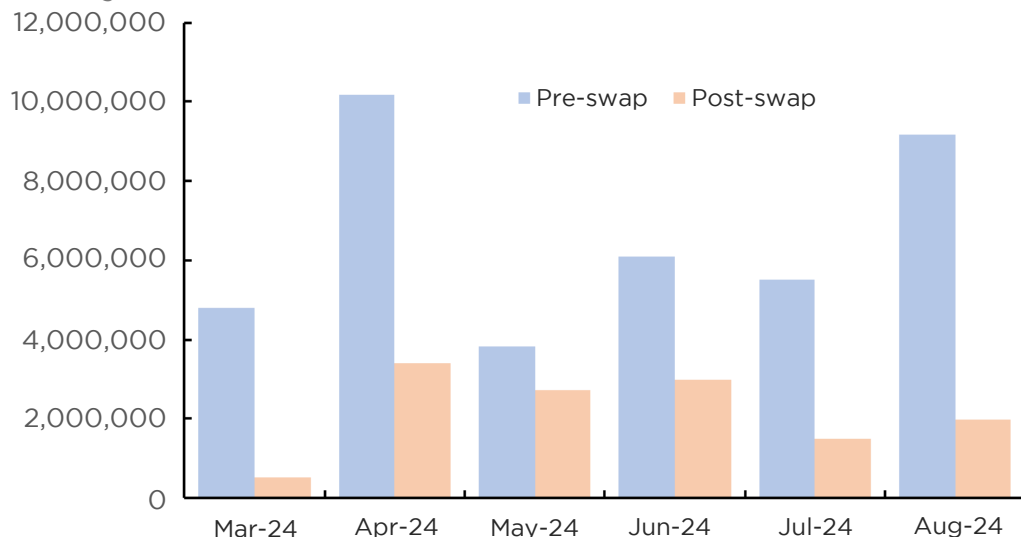
On March 11 and 12, a debt swap under the terms of Sec. 11 of DNU 331/2022⁷ was conducted to alleviate the maturity burden of debt payable in pesos from March to December 2024. National Government entities (such as the FGS - Sustainability Guaranty Fund) and the public sector (such as the BCRA and the BNA) were called to participate in the operation, and the offer was opened to financial and non-financial sector entities and individuals and legal entities.

The operation consisted in the conversion of securities denominated in pesos adjustable by CER (BONCER TX24, T3X4, T6X4, T2X4, T7X4, T4X4 and T5X4, LECER X20Y4 and Bonte Badlar TB24) and denominated in dollars payable in pesos (USD-linked bonds TV24 and T2V4 and dual bonds TDA24, TDJ24, TDG24 and TDG24), - "Eligible Securities"-, for a basket of CER-adjustable bonds maturing in December 2025, 2026 and 2027 and June 2028 (BONCER TZXD5, TZXD6, TZXD7 and TZXD28). As a result, 77% of the stock of eligible securities was accepted.

⁷ It established that subscriptions of securities payable in pesos may be made with debt instruments in pesos, taken at technical value (except for compliance with Section 65 of the Financial Administration Law). This Section was included in the Permanent Complementary Budget Law 11,672.

Figure 5. Maturity profile of eligible securities and those offered in the swap

March-August 2024. In millions of ARS



SOURCE: OPC, based on data from the Ministry of Economy.

Estimated debt maturities in domestic currency for March, after the swap referred to above, total ARS959.933 billion, among which the payments of BONCER TX24 for ARS510.653 billion stand out (Table 4).

Maturities in foreign currency for March are estimated at the equivalent of USD818 million (USD443 million of principal and USD375 million of interest), including debt held by National Public Sector agencies. Of note are the repayments of loans from multilateral organizations for USD531 million.

Table 4. Upcoming maturities

March

Payments in domestic currency; in millions of ARS

Instrument	Date	Principal	Interest
BOCON	Mar-15	5,548	9
Intra-Public Sector bills in ARS	Mar-20	100,181	91,689
BONTE ARSAT	Mar-22	170	1,538
BONCER 2024 (TX24)	Mar-25	506,851	3,801
BONCER held intra-PS	Mar-29	0	8,267
BONTE (T2V4)	Mar-30	0	677
Fiscal Consensus Bonds	Mar-31	290	113
PAR ARS	Mar-31	0	4,840
BONTE (TV 25D)	Mar-31	0	760
Temporary Advances BCRA	Various	230,419	
Others			4,778
Total		843,461	116,472

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest
PAR (EUR, USD, and JPY)	Mar-31	0	11
BCRA Bills		0	63
Multilateral	Various	266	265
Bilateral		177	35
Others		0	0
Total		443	375

April

Payments in domestic currency; in millions of ARS

Instrument	Date	Principal	Interest
BONTE ARS FGS	Apr-5	0	11,491
BONCER (T3X4)	Apr-14	401,947	7,527
BONCER (T4X4)	Apr-14	0	81,044
BONTE 2026 (TO 26)	Apr-17	0	7,484
BONTE 2024 (TB24)	Apr-18	4,920	1,900
BONCER 2025 (TC25P)	Apr-27	0	19,973
BONAD 2024 (TV 24D)	Apr-30	2,242,778	4,486
DUAL BOND (TDA24)	Apr-30	699	0
Fiscal Consensus Bonds	Apr-30	296	111
Temporary Advances BCRA	Various	284,400	0
Others		0	2,680
Total		3,633,077	86,705

Payments in foreign currency; in millions of USD

Instrument	Date	Principal	Interest
IMF	Apr-9	1,294	0
IMF	Apr-16	647	0
Bills in USD Mendoza	Apr-28	7	0
BCRA Bills	Various	0	58
Other multilateral		110	160
Bilateral		1	0
Others		0	0,0
Total		2,060	218

Note: includes the result of the March 11 and 12 swap.

SOURCE: OPC, based on data from the Ministry of Economy.

Maturities payable in pesos between March and June amount to ARS12,690.349 billion (Table 5), comprising CER-adjustable debt (34% of total payments in pesos), dual bonds (27%), non-adjustable securities in pesos (20%) and USD-linked bonds (19%).

Maturities for the same period of foreign currency debt are estimated at the equivalent of USD4.657 billion. However, maturities in dollars for non-transferable BCRA bills (USD234 million), will not imply expenditures from the Treasury since they are renewed at maturity. Most of the payments in foreign currency are payments to the IMF for a total equivalent to USD2.735 billion, of which USD1.941 billion are payments for the April amortization of the 2018 stand-by agreement loan.

Table 5. Maturity profile by type of instrument

Includes amortization and interest

Type on instrument	Mar	Apr	May	Jun	Mar-Jun 2024
Payable in domestic currency in millions of ARS	959,933	3,719,782	3,638,033	4,372,601	12,690,349
Government securities	532,865	3,421,211	3,124,006	3,245,311	10,323,394
Securities subscribed by government agencies	191,870	11,491	0	217,091	420,452
Temporary Advances from BCRA	230,419	284,400	511,150	907,000	1,932,969
Others	4,778	2,680	2,877	3,199	13,534
Payable in foreign currency In millions of USD	818	2,278	1,180	382	4,657
Government securities	11	7	0	5	23
Securities subscribed by government agencies	0	0	0	0	0
IMF	0	1,941	794	0	2,735
Others - multilateral and bilateral	744	271	361	264	1,640
BCRA Bills	63	58	0	113	234
Others	0	0	25	0	25

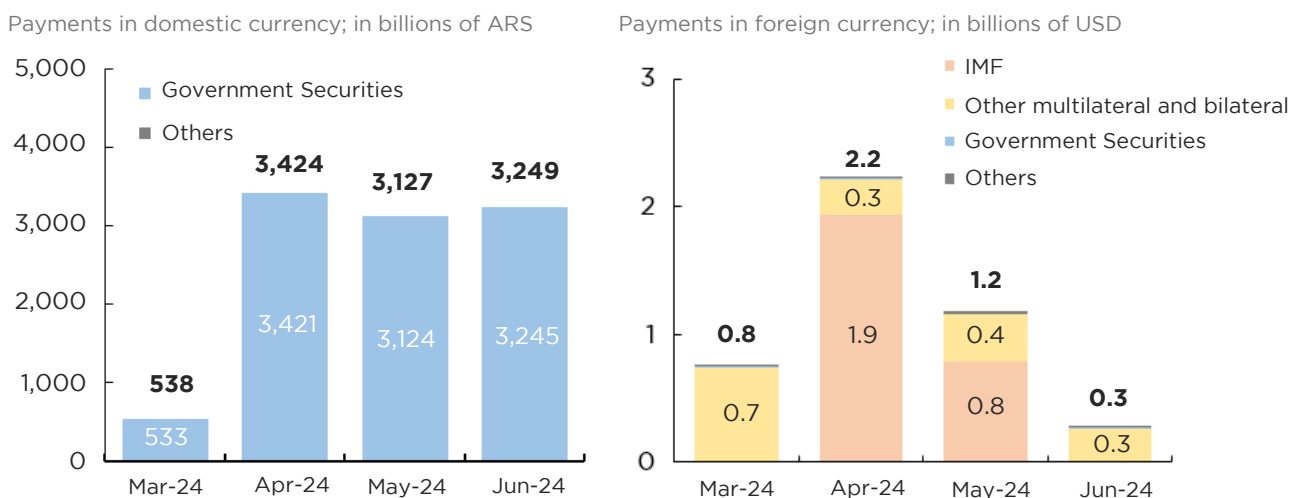
Note: "Others" include promissory notes, secured loans and commercial bank loans. Includes the result of the March 11 and 12 swap.

SOURCE: OPC estimate, based on data from the Ministry of Economy.

Figure 6 shows the maturity profile if the maturities of Temporary Advances, non-transferable BCRA bills and non-negotiable securities subscribed by government agencies are excluded. From March

to June, maturities in pesos excluding those instruments amount to ARS10,336.928 billion and in foreign currency, USD 4.423 billion.

Figure 6. Maturity profile by type of instrument (excludes Temporary Advances, non-transferable BCRA bills and securities subscribed by government agencies)



Note: Includes the result of the March 11 and 12 swap.

SOURCE: OPC estimate, based on data from the Ministry of Economy.

Annex

Table A.1. Auctions results for March

Subscriptions in pesos

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NOV awarded (in millions of ARS)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1,000)	APR
02/16/2024	02/20/2024	LECER X20Y4	05/20/2024	90	Void			
		BONCER TZX26	06/30/2026	861	1,514,094	1,837,353	1,213.50	-3.40%
		BONCER TZX27	06/30/2027	1226	2,401,817	3,019,084	1,257	-3.33%
02/26/2024	02/28/2024	LECER X20Y4	05/20/2024	82	178,717	289,630	1,620.00	-86.80%
		BONCER TZX25	06/30/2025	488	1,276,099	1,544,079	1,210.00	-12.96%
		BONCER TZX26	06/30/2026	853	686,579	947,479	1,380.00	-4.99%
Total						7,637,625		

Subscriptions in pesos for dollar-denominated bonds payable in pesos

Auction date	Settlement date	Instrument	Maturity	Term (in days)	NOV awarded (in millions of USD)	Cash value (in millions of ARS)	Cut-off price (ARS every NV ARS1,000)	APR
02/26/2024	02/28/2024	BONTE DLK TZV25	06/30/2025	488	502	416,184	987.5	0.95%
		BONTE DLK TZV26	06/30/2026	853	Void			
Total						416,184		

SOURCE: OPC estimate, based on data from the Ministry of Economy.

Methodological comments

The debt operations analyzed relate to the Central Administration, comprising the institutions of the Executive, Legislative and Judicial branches, and the Public Prosecutor's Office. They include disbursements, amortizations, capitalizations, and interest payments.

Disbursements comprise market placements, direct subscriptions of government securities and loan disbursements. These operations are expressed in nominal values.

Amortizations refer to principal cancellations of debt instruments (maturities, precancellations, repurchases, swaps, etc.). In line with the Debt Management and Analysis System (DMFAS) records, for discounted securities (zero coupon), the final payment is recorded in full as principal.

For comparison and aggregation purposes, transactions in U.S. dollars are valued at the BCRA reference exchange rate (Communication A 3500). For stocks, the month-end exchange rate is used, while flows are valued at the date of each transaction.

In addition, an estimate of the profile of debt interest and principal maturities as of the end of the month under analysis is included. The impact of subsequent transactions is included where explicitly indicated. The maturity profile includes only the direct debt of the Central Administration.

The data used for this report comes mainly from statements published by the Ministry of Economy on its website, regulations published in the Official Gazette, releases from the Electronic Open Market (MAE), *Bolsas y Mercados Argentinos* (BYMA), the *Relevamiento de Expectativas de Mercado* (REM) of the Central Bank of Argentina, and queries made in the Financial Information System (e-SIDIF) and the Debt Management and Analysis System (DMFAS). For this report, preliminary data recorded in the DMFAS and e-SIDIF as of March 5, 2024, were analyzed.

OPC Publications

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This report does not contain binding recommendations.

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