



MONETARY PROGRAM FOR FEBRUARY 2009

BCRP REDUCED THE REFERENCE INTEREST RATE TO 6.25%

1. The Board of the Central Reserve Bank of Peru approved to reduce the monetary policy reference interest rate from 6.50 to 6.25 percent.

This decision is based on the fact that lower inflationary pressures have been observed in a context of lower global economic growth and a drop in the international prices of food and fuels.

2. The Board continues to oversee the evolution of inflation and its determinants, particularly in terms of the development of domestic demand and of the national and international economic and financial situation.
3. Inflation in January showed a rate of 0.11 percent, the lowest monthly rate observed since November 2007. As a result of this, last 12-month inflation has declined for the third consecutive month, posting 6.53 percent. Given that inflation and inflation expectations are expected to continue declining in the next months, inflation should converge to the target range in 2009.
4. The Board also approved to maintain the following annual interest rates on active and passive operations in domestic currency (not included in auctions) between the BCRP and the financial system:
 - a. Direct repo and rediscount operations: 7.0 percent.
 - b. Overnight deposits: 5.50 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 7.0 percent.
5. The Board will approve the Monetary Program for the next month on its session to be held on March 5, 2009.