



INFORMATIVE NOTE

MONETARY PROGRAM FOR MARCH 2015

BCRP MAINTAINED THE POLICY INTEREST RATE AT 3.25%

1. The Board of the Central Reserve Bank of Peru approved to maintain the monetary policy interest rate at 3.25 percent.

This level of the benchmark rate is compatible with the forecast that inflation will be converging to the 2.0 percent target in 2015 and takes into account that: i) economic activity continues showing levels below its potential level; ii) inflation expectations remain anchored within the target range, and iii) recent international indicators show mixed signals of global economic recovery, as well as increased volatility in financial markets and foreign exchange markets.

2. Inflation in February showed a rate of 0.30 percent, as a result of which the interannual rate of inflation fell from 3.07 percent in January to 2.77 percent in February, within the target range. Inflation without food and energy registered a rate of 0.16 percent, as a result of which the interannual rate of inflation declined from 2.48 percent January to 2.45 percent in February.
3. Recent indicators of economic activity and consumer and business confidence continue showing a weak economic cycle, with lower GDP growth rates than the potential GDP levels.
4. In March, the BCRP has continued lowering the rate of reserve requirements in domestic currency –from 8.5 to 8.0 percent– with the aim of supporting the growth of credit in soles.
5. The Board oversees the inflation forecasts and inflation determinants, and will implement additional monetary easing measures if it is necessary.
6. The Board of the Central Bank also approved to keep the annual interest rates on lending and deposit operations in domestic currency (not included in auctions) between the BCRP and the financial system, as specified below:
 - a. Overnight deposits: 2.05 percent.
 - b. Direct repos and rediscount operations: 4.05 percent.
 - c. Swaps: a commission equivalent to a minimum annual effective cost of 4.05 percent.
7. The Monetary Program for the month of March will be approved on the Board meeting to be held on April 9, 2015.

Lima March 12, 2015