

INSTITUTIONAL ACTIVITIES

1. Board of Directors

On December 31, 2013, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Luis Alberto Arias Minaya, José Gallardo Ku, Jaime Serida Nishimura, Francisco González García, Drago Kusic Wagner, and Gustavo Yamada Fukusaki. The latter three directors were appointed to the Board of BCRP by the Congress of Peru in December 2013.

The Board held 60 meetings in 2013.

2. Transparency and Social Responsibility

Efficiency and transparency characterize the BCRP in all of its actions. The monetary policy of BCRP is based on inflation targeting since 2002. To reinforce the effectiveness of monetary policy actions, policy decisions and measures are disseminated to the public through various media.

2.1 Transparency

The Board of the BCRP informs the public about monetary policy decisions through the **Informative Notes on the Monetary Program** released each month. These communiqués, which provide information regarding policy decisions about the reference interest rate, the interest rates on rediscount operations, and the interest rates on overnight deposits, are published on the BCRP website (www.bcrp.gob.pe), disseminated through press releases, and emailed to subscribers. Teleconferences are also held with the media to inform the public about monetary policy decisions.

In 2013 the **Inflation Report** was published in March, June, September, and December. This report discusses the BCRP monetary policy actions and offers an analysis of economic developments, explains the evolution of inflation, and provides forecasts on inflation and the main macroeconomic variables. It is published on the Central Bank's website and disseminated through meetings and conferences with representatives of the financial system, with economic analysts, scholars, representatives of the media and business, and authorities both in Lima and in the interior of the country.



In 2013 Governor Julio Velarde met with Congress representatives on several occasions. On June 5 he spoke before the Congressional Committee of Economy, Banking, Finance, and Financial Intelligence on "The International Context and Prospects for the Peruvian Economy in 2013". On September 18 he offered a dissertation on the "Current Situation and Prospects of the Peruvian Economy" to the Commission of Economy, and on September 30 he discussed the country's economic outlook 2014 before the members of the Budget and General Account Committee.

The indicators of the BCRP administrative and budget management as well as the BCRP Financial Statements, audited by internationally renowned auditing firms, are published in the Transparency section of the Bank's website (www.bcrp.gob.pe).

In compliance with the Transparency and Access to Public Information Act, in 2013 the BCRP answered 33 information requests submitted by different citizens.

2.2 Dissemination of Economic Information

In accordance with its constitutional mandate and its Organic Law, in 2013 the BCRP continued informing the public periodically about the state of national finances through the publication and dissemination of macroeconomic reports and statistical data. Printed publications, which are also published on the Bank's website, include the *Inflation Report*, the *Weekly Economic Report*, the *Annual Report*, the *Financial Stability Report*, *Revista de Estudios Económicos*, and *Revista Moneda*. The *Weekly Economic Report*, *Notas de Estudio*, the *Working Papers*, and the *Reports of the Regional Branches* are disseminated in electronic version. Informative Notes on the evolution of the main economic variables and the main institutional events were also sent to the media.

The BCRP organized seminars, conferences, institutional talks and events in Lima and in other cities of the country to discuss several topics of economic interest. Talks on the mission and roles of the Central Bank and on the security features of banknotes and coins were also offered. A total of 6,953 university students participated in the 81 lectures and talks offered by the BCRP in 2013 (the number of participants who took part in these activities was 5 percent higher than in 2012).

2.3 Social Responsibility

In 2013 the BCRP continued contributing to education and culture in our country by offering courses, organizing contests, and providing free access to its museums and library, among other activities and services.

2.3.1 Courses

- **Extension Course for Economists**

Thirty-five students of economics of various public and private universities of Lima and other cities of the country participated in the 60th Extension Course for Economists offered by the Central Bank. Through this course, the BCRP contributes to disseminate new knowledge in the field of economics each year, improving in this way the professional level of participants. The best students of the course are invited to integrate the Bank's technical staff.

- **Extension Course of Advanced Finances**
Thirty students from different universities and different academic fields interested in specializing in financial themes were selected to participate in this finance course. The best students were also incorporated to the BCRP staff.
- **Refresher Course in Economics**
Students of economics from different universities of the country learned about the latest trends in the fields of macroeconomics, microeconomics, econometrics, and mathematics. The best students were invited to take part in the 61st Extension Course for Economists – 2014.
- **Course for Economics Faculty**
The BCRP offers this course with the aim of improving the standards of education in the field of economics in the universities of the country by training faculty members. Twenty-five professors from different universities of the interior of the country and five professors from universities located in Lima participated in this course in 2013.

2.3.2 Contests

- **Research Contest for Junior Economists**
The winner of the 2012-2013 Research Contest for Junior Economists “Luis Felipe de las Casas Grieve” was Mr Guillermo Jopen Sánchez of Pontificia Universidad Católica del Perú for his paper “Concentración de mercados en la industria bancaria peruana”. Mr. Rodrigo Mendoza Yllanes, of Universidad Peruana de Ciencias Aplicadas, obtained the second prize for his paper “Midiendo la eficiencia financiera en el manejo de los portafolios de inversión de las AFPs”.
- **BCRP Contest for School Students 2013**
The first prize of the VIIIth BCRP School Contest was awarded to the paper entitled “Menores intereses, mayores proyectos, mejor economía para los peruanos”, submitted by students of school Eliseo Alcides Bernal of the city of Paita, Piura. The second prize was awarded to the students of Colegio Juan Croniqueur, located in the district of El Agustino, in Lima, for the paper “Entusiasmo sí, triunfalismo no... a cumplir los retos pendientes del Perú”, and the third prize was awarded to students of school Nuestra Señora del Carmen (Carmelitas), located in the district of Miraflores in Lima, for their paper “Un recorrido por la historia del Sol: cambios y permanencias”.
- **Short Novel Contest “Julio Ramón Ribeyro”**
Selected among 69 literary works, “El amor empieza en la carne” by Juan Ochoa was awarded the first prize of the BCRP short novel contest in 2013. The judges included Abelardo Oquendo, Alonso Cueto, Mirko Lauer, Marcel Velásquez, and Francesca Denegri.
- **Fifth National Painting Contest**
The winner of the BCRP National Painting Contest in 2013 was artist Paloma Álvarez Castro with her work “Mamachay”. The second prize was awarded to Ignacio Noguero García for his work “Parihuana”. The judges gave honorable mentions to Graciela Arias for her work “La coleccionista de amores”, Juan Carlos Zeballos for his work “Pedagogía de paisaje fragmentado”, and Giancarlo León for his work “Cometa: Batalla por las antípodas”. A group of paintings selected among the works that participated in the contest was exhibited at Centro Cultural Garcilaso de la Vega from November 14 to December 2.

The panel of judges was integrated by Moico Yaker, Christian Bendayán, Angela Delgado, Fernando Torres, and Carlo Trivelli.



Publications

In 2013 the BCRP published the following books: *"Ilusiones de la transición. El altiplano peruano, 1780-1930"*, by Nils Jacobs, co-published with IEP; *"Historia de las ideas en el Perú contemporáneo. ¿Existe una filosofía de nuestra América?"*, by Augusto Salazar Bondy, co-published with Fondo Editorial del Congreso del Perú; *"El amor empieza en la carne"*, the short novel written by Juan Ochoa that won the 2012 Short Novel Contest, and *"Campesinos en haciendas. Coacción y consentimiento entre los productores de algodón en el valle de Pisco"*, by Vicent C. Peloso, co-published with IEP.

2.3.4 Museum

The different museums of BCRP were visited by 135,147 people in 2013. The BCRP Museum participated in exhibitions in Peru as well as in several other countries. The exhibition *"Retrospectiva de José Sabogal"*, organized by the Museo de Arte de Lima (MALI) and shown from July 10 to November 3, stands out among the former.

The BCRP Museum also participated in the following international exhibitions: *"El Imperio Inca revelado: Un siglo después del descubrimiento de Machu Picchu"*, shown in different cities of Japan between March 10, 2012, and February 29, 2013, thanks to the coordination of Tokyo Broadcasting System Television; *"Luminescence: The silver of Peru"*, organized by the Museum of Anthropology (MOA) and the University of Toronto Art Centre, in Toronto, Canada, from January 15 to March 9; *"Chavín: De la llegada de los dioses a los Andes"*, shown at the Rietberg Museum of Zurich, Switzerland, from November 24, 2012, to March 10, 2013, and *"Peru: Kingdoms of the Sun and the Moon"*, displayed at The Montreal Museum of Fine Arts from January 28 to September 15, 2013, and at the Seattle Art Museum of Washington from October 17, 2013, to January 15, 2014.

The BCRP Museum also organized the VIIIth Numismatics Seminar *"La evolución de las unidades monetarias del Perú"*, which was held on October 23.

The Museum also participated in the XIth Fair *"Los Museos a tu alcance"*, held at Parque de la Exposición on May 18-19; the XVIIIth International Book Fair of Lima, carried out at Parque Los Próceres in Jesús María, from July 19 to August 4; the Vth International Book Fair of Arequipa, from September 26 to October 8, and the XXXIVth Book Fair Ricardo Palma, held at Larcomar in Miraflores from October 25 to November 5.

As part of its social responsibility program, the Museum showed 29 theater plays, as well as 46 films in its film club, between January and December. Moreover, the Museum participated in the XVIIth Film Festival of Lima and the XXVth Festival of European Films, and carried out 21 social responsibility activities with school children who live in conditions of extreme poverty.

Several craft workshops were also carried out at the Museum facilities, including 15 workshops celebrating the 31st Anniversary of the BCRP Museum in January, 10 workshops commemorating the Artisan's Day in March, 18 workshops celebrating the International Museum Month and two workshops as part of the activities developed in the Vth Noche de los Museos de Lima in May, as well as 12 workshops celebrating the National Identity Week in June, 24 workshops in July for the celebrations of Peru's Independence Day, 2 workshops on how to prepare the traditional organic bread of Colca, 20 workshops celebrating

the diversity of race month in September, 15 workshops celebrating the arrival of Spring in October, 19 Christmas workshops at the III Feria Navidad en Manos Artesanas between November and December, and 2 workshops in the frame of the VIth Museum Night in December.

The Museum provided support for the Conference of Latin Americanist Geographers, organized by the International Geographical Union and the Peruvian National Committee, which took place from April 8 to 12; for the seminar Patrimonio Educativo y Educación Patrimonial, organized by the International Council of Museums and the Museum Network, on April 18, and for the II Conversatorio sobre Perspectivas y Avances de las Bibliotecas de Museos y Centros Culturales, hosted by the National Library of Peru and Red de Museos del Centro Histórico de Lima on December 12 and 13.

2.3.5 Library

During 2013, the Library of the BCRP –one of the most important libraries of the country specialized in economics and finance– managed 8,216 reading requests and lent a total of 58,469 books and periodical publications.

As part of its modernization program, in 2013 the Library also bought two new databases specialized in economics and finance: the Bank's Cross-National Time-Series Data Archive of Databank International, which contains economic and social indicators, and the Springer database, which has full text articles of 99 journals. In addition to this, the Library bought subscriptions to 6 new journals with digital access to complete text and thus has now access to a total of 75 publications with online access and 6 specialized databases.

3. Meetings and Events

In 2013 the BCRP authorities and officials participated in various international and national meetings. The main events included the following:

3.1 International Meetings

- Bimonthly Meeting of Governors of BIS Member Central Banks and Seminar "Sovereign Risk – A World Without Risk-Free Assets?", organized by the BIS in Basel, Switzerland, January 6 - 9.
- "Reunión FRBA – SGT – MIAP sobre viabilidad de una interconexión de los sistemas de pagos", organized by Centro de Estudios Monetarios Latinoamericanos (CEMLA), in Mexico D.F., January 23.
- "Peru Road Show USA 2013", organized by Asociación inPERU, in New York, Chicago, and San Francisco, January 28 - 31.
- "Annual Meeting of Emerging Market Deputy Governors", organized by the BIS, in Basel, Switzerland, January 21 - 22.
- Seminar on Central Bank Finances, co-sponsored by CEMLA, BIS, and the Central Bank of Chile, in Santiago, Chile, March 4 - 5.
- "2013 IIF Annual Meeting of Latin America Chief Executives", organized by the Institute of International Finance (IIF) and the Central Bank of Chile, in Santiago, Chile, March 5 - 7.



- Meetings of communication strategy, organized by the Central Bank of Paraguay, in Asunción, Paraguay, March 6 - 7.
- "First IMF Annual Financial Stability and Systemic Risk Forum", organized by the International Monetary Fund (IMF), in Washington D.C., USA, March 8.
- Bimonthly Meeting of BIS, held in Zurich, Switzerland, on March 10 and 11.
- "Integración y Fragmentación Financiera Internacional: Desarrollos y respuestas de política", organized by the Bank of Spain and the Reinventing Bretton Woods Committee and held in Madrid, Spain, on March 12.
- Meeting of the Working Group on the effects of foreign exchange operations in Latin America, organized by the BIS Consultative Council for the Americas, held in Mexico D.F., March 11 - 15.
- Annual Meetings of the Assembly of Governors of the International Development Bank (IDB) and the Inter-American Investment Corporation, held in Panama, March 14 - 17.
- LXX Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), held in Bogotá, Colombia, on March 18.
- Forum "The path of economic growth", organized by The International Economic Forum of the Americas, held in Palm Beach, USA, April 8 - 9 .
- XXV Meeting of Governors of Central Banks of South America, organized by the Central Bank of Brazil, held in Rio de Janeiro, April 11 - 12.
- Annual Meetings of the IMF and the World Bank, held in Washington D.C., USA, April 15 to 22.
- "Global Seminar for Central Bank Internal Auditors", organized by the BIS, held in Basel, Switzerland, April 17 to 19.
- XIII Meeting of SICAP/ALADI Technicians, organized by ALADI, held in Buenos Aires, Argentina, April 23 to 25.
- Fourth Conference: "Estabilidad Financiera, Política Macropudencial y Tipos de Cambio", organized by the BIS, in Santiago, Chile, April 25 - 26.
- "2013 Economic Modelling Workshop", organized by the IMF, held in Washington D.C., USA, April 25 to 27.
- "International Workshop on Macropudencial Policies", organized by the IMF and the Bank of Thailand, in Bangkok, Thailand, April 26 to 28.
- Plenary Meeting of the Working Party on Financial Integration, organized by the Union of South American Nations (UNASUR), held in Buenos Aires, Argentina, on April 29.
- Bi-Monthly Meeting of Governors of the BIS, held in Basel, Switzerland, May 12 – 13.

- XCV Meeting of Governors of Central Banks of CEMLA, held in Washington D.C., USA, May 15 to 16.
- XV Annual Seminar of the Banco Central do Brazil, in Rio de Janeiro, Brazil, May 16 - 17.
- IX Meeting of Monetary Policy Managers, co-sponsored by CEMLA and the Central Bank of Argentina, in Buenos Aires, Argentina, May 23 - 24.
- "Road Shows Europe Arab Emirates 2013", organized Asociación inPERU, held in Abu Dhabi, Dubai; Frankfurt, Germany; and London, England, from May 25 to 31.
- Meeting on Central Bank Accounting Aspects, organized by CEMLA, in Mexico D.F., May 30 - 31.
- Conference "Investor Briefing on Peru's Economic Outlook", organized by el Peruvian American Business Council, held in New York, USA, June 10 - 11.
- Seminar "Implementing Effective Operational Risk Management Frameworks in Central Banks", sponsored by the Bank of Italy, in Rome, Italy, June 12 to 14.
- Conference on Macroeconomic Policies, co-sponsored by CEMLA, the World Bank, and la Banca d'Italia, in Mexico D.F., June 20 - 21.
- "83th Annual General Meeting of the BIS", in Basel, Switzerland, June 22 - 23.
- LXXI Extraordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR) and VIII FLAR-CAF International Conference of Economic Studies, held in Cartagena, Colombia, July 7 to 9.
- II Seminario de Abogados de Bancos Centrales y Entidades Multilaterales de América Latina, organized by the FLAR, in Bogota, Colombia, August 29 - 30.
- Seminar "Crecimiento y Productividad", organized by the Central Bank of Nicaragua, in Managua, Nicaragua, September 5 - 6.
- VI Meeting of Central Bank Heads of Security, organized by CEMLA, en Bogota, Colombia, September 5 - 6.
- Annual Meeting of BIS Governors, held in Basel, Switzerland, September 8 - 9.
- LXXII Ordinary Meeting of the Board of the FLAR, in Bogota, Colombia, September 23.
- IV International Seminar on Strategic Planning for Central Banks, organized by CEMLA, in Bogota, Colombia, September 25 to 27.
- XII Meeting on Central Bank Internal Audit, organized by el CEMLA, in Asunción, Paraguay, September 25 to 27.
- "17th Annual Working Party on Monetary Policy in Latin America", organized by the BIS y Banco Central de Chile, in Santiago, Chile, September 26 to 27.



- Meeting of “Central Bank Legal Experts”, organized by the BIS, in Basel, Switzerland, October 1 to 3.
- Annual Meetings of the IMF, the World Bank, G-24, and the IDB, held in Washington D.C., USA, October 8 to 15.
- III Workshop on Payment Systems Oversight, organized by CEMLA and the Bank of Guatemala, in Guatemala, October 16 to 18.
- “Fourth Meeting on Reserve Management in the Americas”, organized by el BIS, in Santiago, Chile, October 17 to 18.
- XXVI Meeting of Governors of Central Banks of South America, organized by the Central Bank of Bolivia, in Santa Cruz, Bolivia, October 17 to 18.
- XI Meeting of Central Bank Legal Advisors, co-sponsored by CEMLA and the Central Bank of Chile, in Santiago, Chile, October 23 to 25.
- Annual Meeting 2013, organized by the Research Network for the Americas of the BIS, in Mexico D.F., October 28 to 29.
- Sixth Latin American Forum for Communications Heads and Spokespersons of the Ministries of Finance and Central Banks, co-organised by the World Bank, Banco de la República and the Ministerio de Hacienda y Crédito, in Cartagena, Colombia, October 31 to November 1.
- Annual LACEA Meeting, organized by Latin American and Caribbean Economic Association, in Mexico D.F., October 31 to November 2.
- Bi-Monthly Meeting of BIS Governors, held in Zurich, Switzerland, November 10 - 11.
- XVIII Annual Meeting of the Network of Central Bank Researchers, organized by CEMLA and held in Mexico DF., November 11 - 12.
- XVII Annual Conference “Liquidez Global, consecuencias para mercados emergentes y respuestas de política económica”, organized by Banco Central de Chile, in Santiago, Chile, November 14 to 15.
- “Central Banks 17th Annual Conference” and “5th Banks Summit Meeting on Inflation Targeting”, organized by Banco Central de Chile, in Santiago, Chile, November 14 to 16.
- Plenary Meeting of the Working Party on Financial Integration, organized by UNASUR, held in Buenos Aires, Argentina, November 20 - 21.
- XXVII Meeting of Central Banks and Government Institutions, organized by the FLAR, in Cartagena, Colombia, November 20 - 22.
- “Meeting of Directors of Financial Stability”, co-organized by the BIS and the Central Bank of Brazil, held in Rio de Janeiro, Brazil, on December 3.

- X International Seminar on Central Banking, organized by the Bank of Spain and held in Madrid, Spain, December 9 to 13.
- "V Road Show of Alianza del Pacífico", organized by Asociación inPERU, and held in Santiago, Bogota, and Mexico D.F., December 9 to 13.

3.2 National Meetings

- Central Banking "Rodrigo Gómez 2012" Award Ceremony: the 2012 Rodrigo Gómez award was delivered by the Director General of the CEMLA.
- Course "Topics of Macroeconomics", offered by Professor Lawrence Christiano.
- Lecture on "Planes de contingencia y continuidad del negocio en situaciones extremas", organized by the CEMLA.
- Meeting of the International Monetary Law Committee MOCOMILA.
- "The Role of Incentives in the World Financial Crisis", lecture by Dr. Robert Aumann, Nobel Prize in Economics 2005.
- "El uso de modelos DSGE en la formulación de políticas", course organized by the IMF and CEMLA.
- Encuentro Económico in the Tacna Region.
- Seminar "Las Asociaciones Público Privadas (APP) como alternativa de inversión en infraestructura pública".
- Book presentation of "Historia de las ideas en el Perú contemporáneo. ¿Existe un filosofía de nuestra América?", by Augusto Salazar Bondy, co-published by the BCRP and the Congress of Peru.
- Lecture "El Mercado de Repos".
- Seminar "The Great Experimentation with Unconventional Monetary and Financial Policy", co-sponsored by the Reinventing Bretton Woods Committee and the BCRP.
- Presentation of the winning novel of the XVth Short Novel Contest Julio Ramón Ribeyro "El amor empieza en la carne" by Juan Ochoa López.
- Encuentro Económico in the Junín Region.
- Course "Interacción entre Política Monetaria y Fiscal", co-organized with CEMLA.
- Course "Macroeconomía de Volatilidad Estocástica y Markow Switching y SVARs con Restricciones de Signo", offered by Professor Juan Rubio, Duke University, co-organized with SECO.
- Seminar on "Inflation Targeting in Latin American and Caribbean Countries", organized with the IDB.
- VII Seminar of Numismatics: "La evolución de las unidades monetarias del Perú".
- Presentation of the 2014 World Development Report: "Gestión de Riesgo para el Desarrollo".



- XXXI Encuentro de Economistas.
- Forum on Industrial Estate Development.
- III Meeting on Financial Stability, co-organized with CEMLA.
- VIIIth BCRP Contest for School Students 2013.
- LV Meeting of ALADI's Advisory Committee on Financial and Monetary Affairs.
- Forum on "Educación Técnica en el Perú: Lecciones aprendidas y retos en un país en crecimiento".
- Lecture on "Manejando Spillovers de política en economías desarrolladas, flujos de capitales y retos de política para las economías emergentes", co-organized with SECO.
- Forum on "Dinamizando la Inversión Pública".
- Encuentro Económico in La Libertad Region.

4. Branch Offices

The BCRP has branch offices in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo. The main role of the BCRP branches is to develop and disseminate studies and reports on the economy of the country's departments and ensure that each area has the appropriate supply of banknotes and coins required by the financial system and the population in general.

The BCRP Branches publish the document *Síntesis Económica* on the web page of the BCRP each month, providing in this way information about both the economic development of the areas under their jurisdiction as well as about their economic characteristics and main tourist attractions. As part of their activities, the BCRP Branch Offices organize lectures and talks on the economy of the region and the country, disseminate the information contained in the Inflation Report, and organize talks on the security features of banknotes and coins.

Three regional meetings –Encuentros Económicos Regionales– were carried out in 2013: the "Encuentro Económico Región Tacna" was carried out in April in the city of Tacna, the "Encuentro Económico Región Junín" was held in the city of Huancayo in August, and the "Encuentro Económico Región La Libertad" was carried out in the city of Trujillo in December. In general, the main topics discussed in these meetings are the challenges and possibilities of the regions as well as specific issues relevant to the reality of each region.

In 2013, BCRP officials made a presentation of the Inflation Report at the Universidad de Lambayeque in the frame of the National Congress of Students of Economics and also lectured on "Perspectivas de desarrollo de Piura y factores para su inserción exitosa en los mercados nacionales y globales" in the city of Piura.

Moreover, lectures on "Las perspectivas económicas del Perú en un contexto de alta volatilidad de la economía global", "Panorama actual y proyección macroeconómica 2013-2015", and the "Impacto de la minería en el crecimiento y desarrollo económico y social de la región" were provided at the Branch Office

of Trujillo. Additionally, the international seminar “La gran experimentación de las políticas monetarias no convencionales”, co-organized by the BCRP and the Reinventing Bretton Woods Committee was held at the city of Cusco.

It should also be pointed out that the BCRP Branch Office of Arequipa participated in the Fifth International Book Fair held in this city and in the “Convención minera Arequipa 2013”.

In 2013 the BCRP branch offices continued providing training to the personnel of financial entities and the general public on the security features of banknotes and coins. A total of 19,622 people attended the 582 talks delivered over the year.

The museums of the branch offices of Trujillo, Arequipa, and Piura were visited by 37,717 visitors, that is, by 14 percent more visitors than in 2012. It is worth pointing out that the museum of the BCRP branch office in Trujillo was visited by 27,577 people, which represents 73 percent of the total number of visitors who visited the BCRP museums during the year.

5. Currency Management

The Central Bank continued issuing the coins of its Numismatic Series “Wealth and Pride of Peru” (Riqueza y orgullo del Perú series), which was started in March 2010 with the aim of promoting the rich cultural heritage of our country through a means of payment of massive use as well as with the aim of encouraging numismatic culture. Thus, 4 coins of 1 nuevo sol (with 10 million units of each one) were issued in 2013: the coin reproducing the “Temple of Huaytará” (Huancavelica) was issued in March; the coin with the design of the “Temple of Kotosh” (Huánuco), in May; the coin reproducing a design of Paracas textiles in honor of “Paracas Textile Art” (Ica), in September, and the coin reproducing part of “Tunanmarca” (Junín), in November. A total of 15 coins of this series had been issued by December 2013.



In July 2013, the Central Bank put into circulation a new series of coins called “Natural Resources of Peru”, which consists of 3 coins of S/.1 (with 10 million units of each coin) with the motifs of the “Anchovy”, “Cocoa” and “Quinoa”. These coins are legal tender and circulate simultaneously with the coins of the Wealth and Pride of Peru series and the rest of S/. 1 sol coins.





Commemorating the Sesquicentennial of the Creation of the Sol as monetary unit, in July 2013 the Central Bank issued commemorative silver coins. The reverse of these coins reproduces the design of the 1863 coin with the motif of the "Seated Liberty" surrounded by the phrase FIRME Y FELIZ POR LA UNIÓN. The period commemorated (1863-2013) and the inscription UN SOL appear at the bottom.



In December, the Central Bank issued banknotes in the denomination of S/. 100 with a recently developed new security feature. A color-changing ink which changes from green to blue is now used to print the number 100 in the center of the obverse of the banknote, but in addition to the color change, this ink has a beam of light that goes through the denomination of 100. These notes circulate simultaneously with the previous banknotes of 100 nuevos soles.



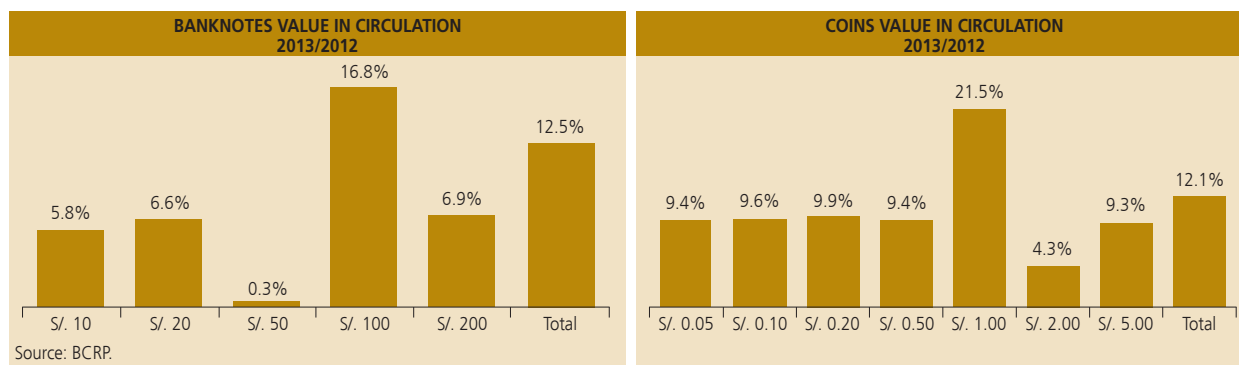
The regulation for the exchange of banknotes and coins held by banks and financial entities, which includes a section on the replacement of damaged banknotes due to the authorized use of anti-theft devices, was published in January (Circular N° 002-2013-BCRP).

The BCRP intensified the information campaigns on the security features of banknotes during the year. The number of lectures offered by the BCRP nationwide were 1,296 increased by 40 percent to 37,467 people. Moreover, instructors of different banks were trained in order that they in turn train the staff they work with about these security features in cities where the BCRP does not have branch offices. In addition to this, an intense information campaign on the security features was carried out through radio and television interviews and through newspaper ads published nationwide.

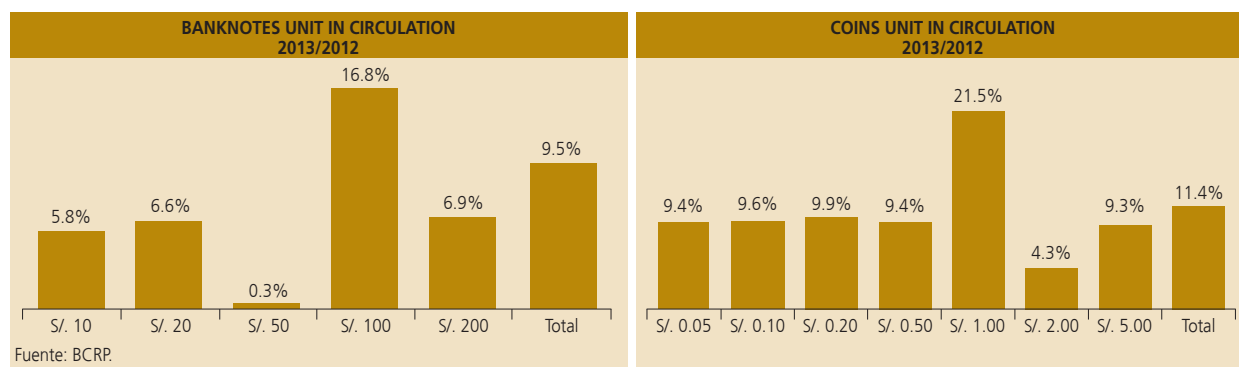
5.1 Banknotes and Coins in Circulation

In line with the dynamism of economic activity, in 2013 currency in circulation was higher than in 2012, both in terms of value and in terms of units in circulation.

The balance of the value of banknotes in circulation at December 2013 was S/. 40.73 billion (12.5 percent higher than at end 2012), while the balance of the value of coins in circulation was S/. 1.79 billion (12.1 percent higher than at end 2012).



Moreover, in terms of units of banknotes and coins, the balance of units of banknotes in circulation at the end of 2013 was 637.5 million banknotes (9.5 percent higher than at the end of 2012) and the balance of coins was 2.93 billion coins (11.4 percent higher than at the end of the previous year).



Both in terms of value and in term of the number of units, the use of banknotes in the denomination of S/. 100 stands out, as reflected in the fact that they are widely used in automatic teller machines (ATM), while in the case of coins the demand for 1 sol coins stands out, reflecting in part the public's significant interest in keeping and collecting the coins of the two numismatic series that are in circulation.

5.2 Coin Minting

The National Mint produced 310 million coins in 2013, 3 percent more than in 2012. The largest production of coins was coins in the denominations of ten cents (S/. 0.10) and one Nuevo Sol (S/. 1), which together represented 68 percent of the total of coins produced (vs. 61 percent in 2012).



PRODUCTION OF COINS

Denomination	Alloy	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 0.05	Aluminun	24	1.2
S/. 0.10	Brass	117	11.7
S/. 0.20	Brass	29	5.8
S/. 0.50	Nickel-silver	34	17.0
S/. 1.00	Nickel-silver	93	93.0
S/. 2.00	Bi-metal	6	12.0
S/. 5.00	Bi-metal	7	35.0
Total		310	175.7

Source: BCRP.

5.3 Destruction of Banknotes and Coin Melting

A total of 197.1 million banknotes with a monetary value equivalent to S/. 6.97 billion was destroyed in 2013. In terms of units, 65 percent of the banknotes destroyed was banknotes of ten soles and twenty soles (S/. 10 and S/. 20).

DESTRUCTION OF BANKNOTES

Denomination	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 10.00	68.6	685.5
S/. 20.00	59.3	1,185.2
S/. 50.00	38.2	1,911.1
S/. 100.00	30.3	3,025.8
S/. 200.00	0.8	165.8
Total	197.1	6,973.5

Source: BCRP.

In terms of units of coins, a total of 8.9 million coins in the denominations of 50 cents and 1 nuevo sol was melted in 2013.

MELTING OF COINS

Denomination	Quantity (Million units)	Monetary value (Million nuevos soles)
S/. 0.05		
S/. 0.10		
S/. 0.20		
S/. 0.50	4.2	2.1
S/. 1.00	4.7	4.7
S/. 2.00		
S/. 5.00		
Total	8.9	6.8

Source: BCRP.

6. Circulars

During 2013 the BCRP issued fifty-three circulars: nineteen circulars about regulations on reserve requirements, five about first-class banks, eight about banknotes and coins, five about monetary instruments, twelve about the daily adjustment index established in article 240 of Law 26702, General Law for the Financial and Insurance Systems and the Organic Law of the Superintendence of Banks and Insurance Companies, and four about the maximum investment limits for the Administrators of Pension Funds. The circulars issued in 2013 were the following:

- **Monetary Instruments**

Circular 048-2013-BCRP (27/12/2013)
 Circular 049-2013-BCRP (27/12/2013)
 Circular 050-2013-BCRP (27/12/2013)
 Circular 051-2013-BCRP (27/12/2013)
 Circular 052-2013-BCRP (27/12/2013)

- **Reserve Requirements**

Circular 004-2013-BCRP (29/01/2013)
 Circular 005-2013-BCRP (29/01/2013)
 Circular 009-2013-BCRP (27/02/2013)
 Circular 010-2013-BCRP (27/02/2013)
 Circular 013-2013-BCRP (26/03/2013)
 Circular 016-2013-BCRP (29/04/2013)
 Circular 017-2013-BCRP (29/04/2013)
 Circular 020-2013-BCRP (28/05/2013)
 Circular 023-2013-BCRP (25/06/2013)
 Circular 024-2013-BCRP (25/06/2013)
 Circular 027-2013-BCRP (19/07/2013)
 Circular 028-2013-BCRP (19/07/2013)
 Circular 031-2013-BCRP (23/08/2013)
 Circular 032-2013-BCRP (23/08/2013)
 Circular 037-2013-BCRP (27/09/2013)
 Circular 038-2013-BCRP (27/09/2013)
 Circular 043-2013-BCRP (27/11/2013)
 Circular 046-2013-BCRP (23/12/2013)
 Circular 047-2013-BCRP (23/12/2013)

- **First-Class Banks**

Circular 007-2013-BCRP (04/02/2013)
 Circular 033-2013-BCRP (23/08/2013)
 Circular 036-2013-BCRP (19/09/2013)
 Circular 041-2013-BCRP (18/11/2013)
 Circular 053-2013-BCRP (30/12/2013)



- Banknotes and Coins**

Circular 002-2013-BCRP (15/01/2013)
Circular 012-2013-BCRP (15/03/2013)
Circular 019-2013-BCRP (26/05/2013)
Circular 022-2013-BCRP (26/06/2013)
Circular 025-2013-BCRP (27/06/2013)
Circular 029-2013-BCRP (23/07/2013)
Circular 035-2013-BCRP (10/09/2013)
Circular 042-2013-BCRP (21/11/2013)

- Investment Limit for the AFPs**

Circular 003-2013-BCRP (21/01/2013).
Circular 008-2013-BCRP (14/02/2013).
Circular 015-2013-BCRP (05/04/2013).
Circular 045-2013-BCRP (13/12/2013).

2013	
Since December 15	36.5%
2014	
Since January 15	37.0%
Since February 15	37.5%
Since March 15	38.0%
Since April 15	38.5%
Since May 15	39.0%
Since June 15	39.5%
Since July 15	40.0%

- Daily Adjustment Index**

Circular 001-2013-BCRP (January)
Circular 006-2013-BCRP (February)
Circular 011-2013-BCRP (March)
Circular 014-2013-BCRP (April)
Circular 018-2013-BCRP (May)
Circular 021-2013-BCRP (June)
Circular 026-2013-BCRP (July)
Circular 030-2013-BCRP (August)
Circular 034-2013-BCRP (September)
Circular 039-2013-BCRP (October)
Circular 040-2013-BCRP (November)
Circular 044-2013-BCRP (December)