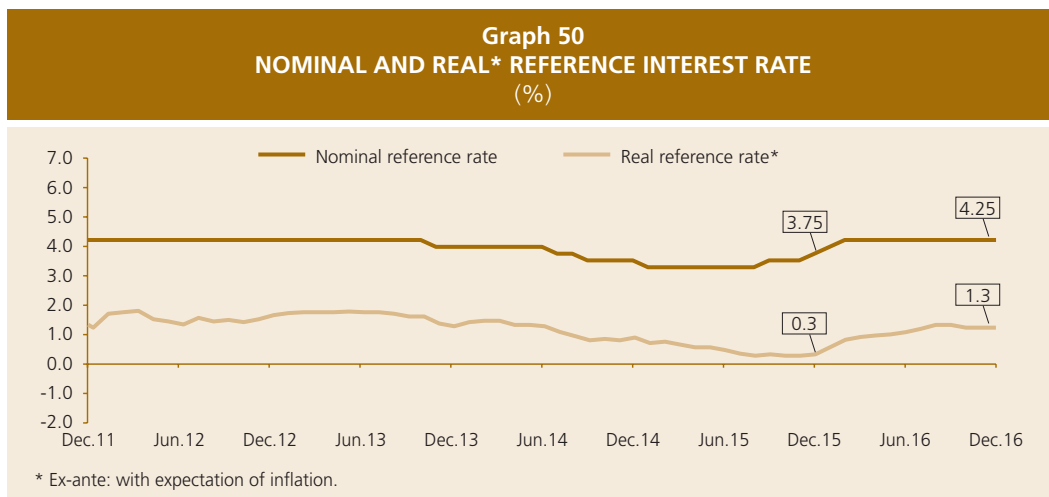


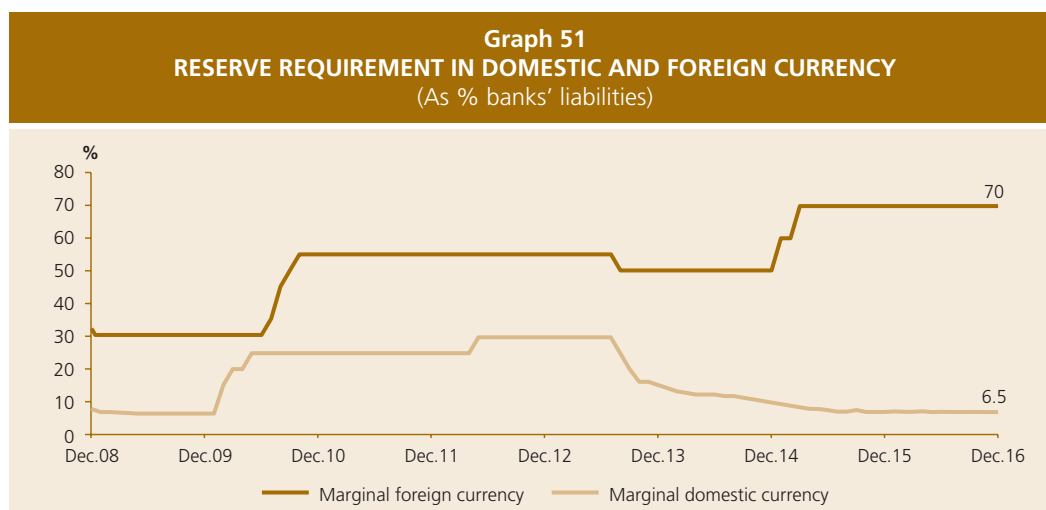
LIQUIDITY AND CREDIT

1. Monetary Policy

In 2016, BCRP adopted a more moderate expansionary monetary policy stance to maintain inflation expectations within the target range, raising the benchmark interest rate from 3.75 percent in December 2015 to 4.25 percent in February 2016. As a result of these actions, inflation, which had been affected by supply shocks during 2015 and in early 2016, was reduced from 4.4 percent at end 2015 to 3.2 percent at end 2016, while inflation expectations decreased from 3.3 percent to 2.9 percent in the same period.



In December 2016, BCRP also announced the lowering of the rate of reserve requirements in domestic currency from 6.5 to 6.0 percent, the rate of marginal reserve requirements in dollars from 70 to 48 percent, and the limit to the mean rate of reserve requirements in dollars from 65 to 48 percent in order to moderate the effects of expected hikes in international interest rates on domestic credit conditions. These measures, effective since January 2017, were adopted in a context of slowdown of credit to the private sector associated with the lower dynamism of domestic demand.



2. Interest Rates

Interest rates in domestic currency increased by 55 basis points in average, in line with the increase of 50 basis points in the BCRP benchmark rate during the year. The interbank interest rate remained close to the benchmark level during 2016.

Bank interest rates increased by 65 basis points on average, the higher rates for the segment of micro-businesses standing out. On the other hand, the interest rate for the mortgage segment declined by 50 basis points on average between 2015 and 2016, reflecting increased banking competition in this segment in response to a faster pace of repayment of mortgage loans after the Congress enacted Law 30425 which allows workers to withdraw up to 25 percent of their pension funds to repay mortgage loans or to buy a first property. Moreover, the deposit interest rates increased in all of the deposit terms (31 basis points on average).

Table 57
INTEREST RATES ON OPERATIONS IN SOLES: DECEMBER
(%)

	2014	2015	2016
1. Interbank rate	3.8	3.8	4.4
2. Deposits up to 30 days	3.1	4.0	4.3
3. 31-day to 360-day term deposits	2.6	4.7	4.9
4. More than 360-day term deposits	4.4	4.9	5.3
5. Large companies loans	6.8	7.1	7.1
6. Medium-sized enterprises loans	9.5	10.2	10.4
7. Small businesses loans	20.6	20.5	21.7
8. Microbusinesses loans	33.0	34.9	37.2
9. Mortgage loans	9.0	9.0	8.5
10. Corporate prime rate	4.7	4.9	5.2
11. FTAMN ^{1/}	20.6	20.2	21.2

^{1/} Average market lending rate of the operations carried out in the last 30 business days. Rates on deposits correspond to individuals.
Source: BCRP and SBS.

Interest rates in dollars showed mixed behaviors. In the money market, the interbank rate and the 90-day corporate prime rate increased by 40 and 12 basis points, respectively, in line with the evolution

of international interest rates. However, due to banks' ample levels of liquidity in foreign currency, the hikes in the international interest rates at the end of the year did not reflect in the rest of interest rates. Thus, the rates for the credit segment decreased by 184 basis points on average, while the deposit rates increased by 6 points in the case of less-than-360-days deposits whereas the deposit rates for longer terms decreased by 25 basis points.

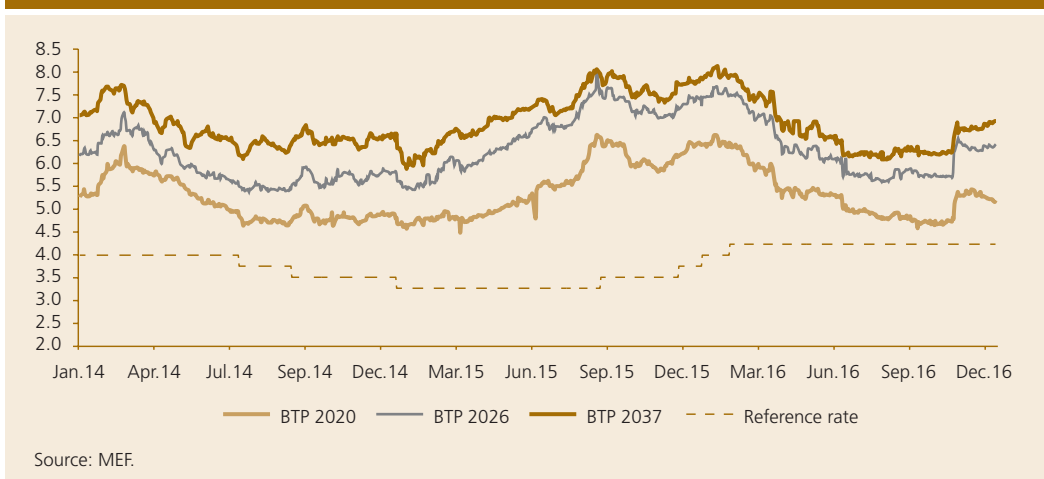
Table 58
INTEREST RATES ON OPERATIONS IN US DOLLARS
(%)

	2014	2015	2016
1. 3-month libor rate	0.2	0.5	1.0
2. Interbank rate	0.2	0.2	0.6
3. Deposits up to 30 days	0.2	0.2	0.3
4. 31-day to 360-day term deposits	0.5	0.5	0.6
5. More than 360-day term deposits	1.1	1.3	1.1
6. Large companies loans	5.1	5.5	5.0
7. Medium-sized enterprises loans	8.3	8.1	6.9
8. Small businesses loans	12.3	11.3	10.7
9. Microbusinesses loans	16.9	23.4	15.4
10. Mortgage loans	7.6	6.7	6.1
11. Corporate prime rate	0.7	1.1	1.2
12. FTAMEX ^{1/}	7.3	7.0	7.8

^{1/} Average market lending rate of the operations carried out in the last 30 business days. Rates on deposits correspond to individuals.
Source: BCRP and SBS.

After showing an upward trend in 2015, the interest rates on long-term bonds in soles reversed as a result of a lower risk aversion to invest in the emerging economies. This reversal was associated with market expectations of a more gradual withdrawal of monetary stimulus by the FED, which generated greater capital inflows, especially capital flows towards fixed-income markets. However, during the year, this declining trend in long term interest rates was temporarily affected by developments, such as the results of the Brexit referendum in June and the presidential elections in the United States in November.

Graph 52
SOVEREIGN BOND YIELDS (BTP)
(%)



3. Exchange Rate

In 2016, the sol appreciated 1.7 percent in nominal terms against the dollar (the dollar-PEN exchange rate moved from S/ 3.41 to S/ 3.36 per dollar) in a context marked by the recovery of the prices of raw materials, a surplus in the trade balance after two years of deficit, and a favorable evolution of the Peruvian economy noteworthy in the region. In the international context, lower uncertainty regarding global economic growth, especially regarding growth in China and calm in the financial markets after the brexit referendum, favored the decline of risk aversion.

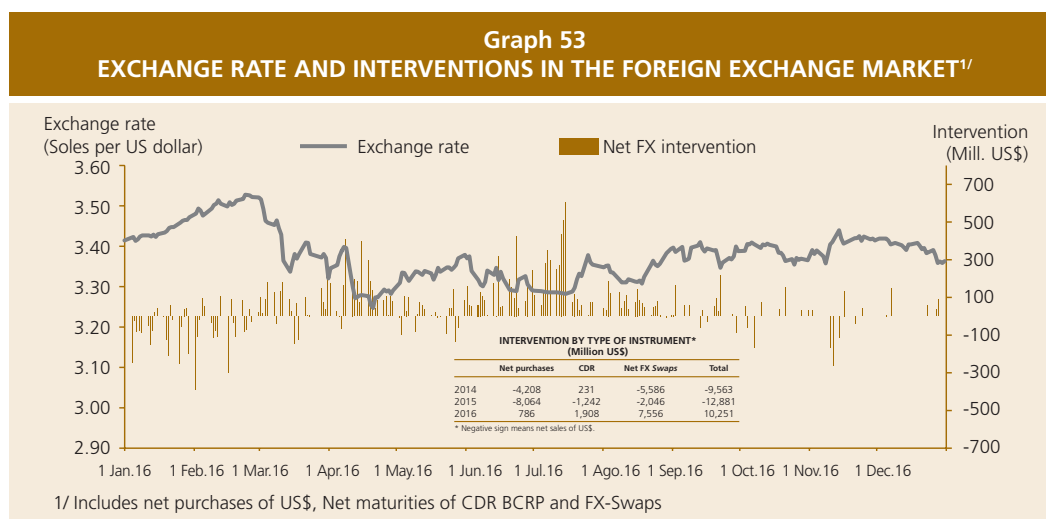
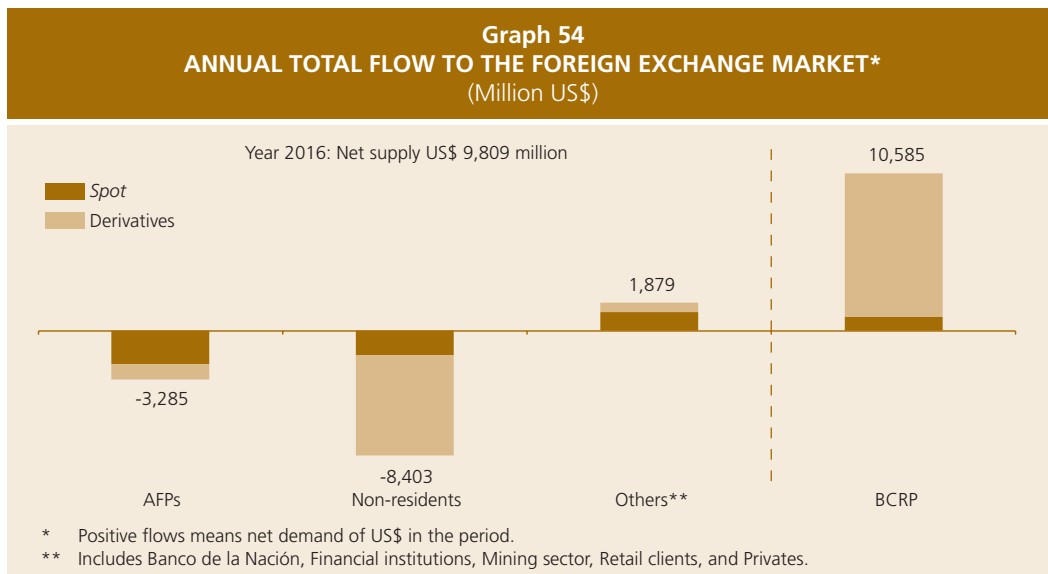


Table 59
EXCHANGE RATE AND PRICE OF COMMODITIES

		Dec. 13	Dec. 14	Dec. 15	Dec. 16	% change Dec.16:		
						Dec. 15	Dec. 14	Dec. 13
FED Index	C.U. per US\$	101.877	111.293	122.98	128.21	4.3	15.2	25.8
Eurozone	US\$ per Euro	1.374	1.210	1.086	1.052	-3.1	-13.0	-23.5
Japan	Yen	105.31	119.68	120.06	117.00	-2.5	-2.2	11.1
Brazil	Real	2.362	2.647	3.961	3.255	-17.8	23.0	37.8
Chile	Peso	525	607	709	671	-5.4	10.5	27.6
Colombia	Peso	1,923	2,377	3,175	3,001	-5.5	26.3	56.0
Mexico	Peso	13.05	14.76	17.20	20.73	20.5	40.4	58.9
Peru	Sol	2.800	2.980	3.414	3.357	-1.7	12.7	19.9
Copper	US\$/pound	339.65	282.55	213.5	250.6	17.4	-11.3	-26.2
Gold	USD/Troy ounce	1,201.64	1,184.37	1,061	1,148	8.1	-3.1	-4.5
Oil	US\$/barrel	81.31	66.02	45.3	55.4	22.3	-16.0	-31.8

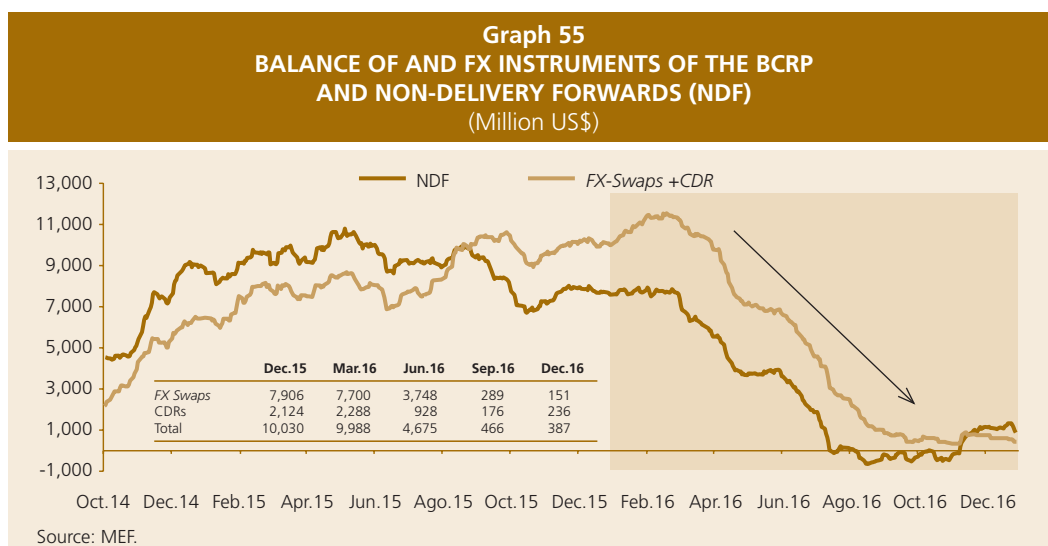
Source: Bloomberg.

A net supply of dollars of US\$ 9.81 billion that came mainly from non-resident investors and from the AFPs was observed in the foreign exchange market. Non-residents offered dollars mainly through derivatives (US\$ 6.75 billion of a total of US\$ 8.40 billion), while the supply of dollars of the AFPs came mainly through their sales of dollars in the spot market (US\$ 2.26 billion of a total of US\$ 3.29 billion). AFPs' increased need for liquid assets in domestic currency was influenced by the approval of Law 30425 which allowed workers to withdraw funds from their pension funds (25 percent of their funds if the funds would be used to purchase a first property or to prepay a first mortgage payment, and 95 percent of their funds in the case of workers after they turned 65 years-old).



The intervention of BCRP in the foreign exchange market continued to be aimed at reducing the exchange rate volatility. After selling dollars in the previous two years, BCRP recorded net purchases of US\$ 786 million in 2016. In addition to this, BCRP registered net maturities of Foreign Exchange Swaps (Forex Swaps) amounting to US\$ 7.56 billion and *Certificados de Depósitos Reajustables* (CDRBCRP) amounting to US\$ 1.91 billion.

As for the demand for dollars in the derivatives market, a clear downward trend was observed amid the context of appreciation of the sol, which was also supported by the reserve requirements measure established by the Central Bank on banks' forward positions in 2015. As a result of this, the overall balance of Forex Swaps and CDR-BCRP dropped from US\$ 10.03 billion at end-2015 to US\$ 387 million at end-2016.



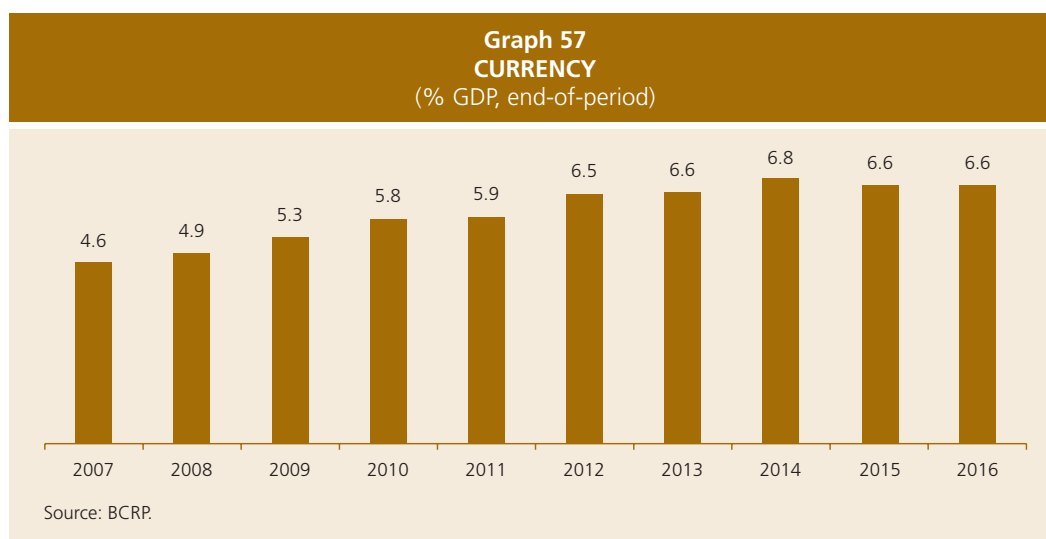
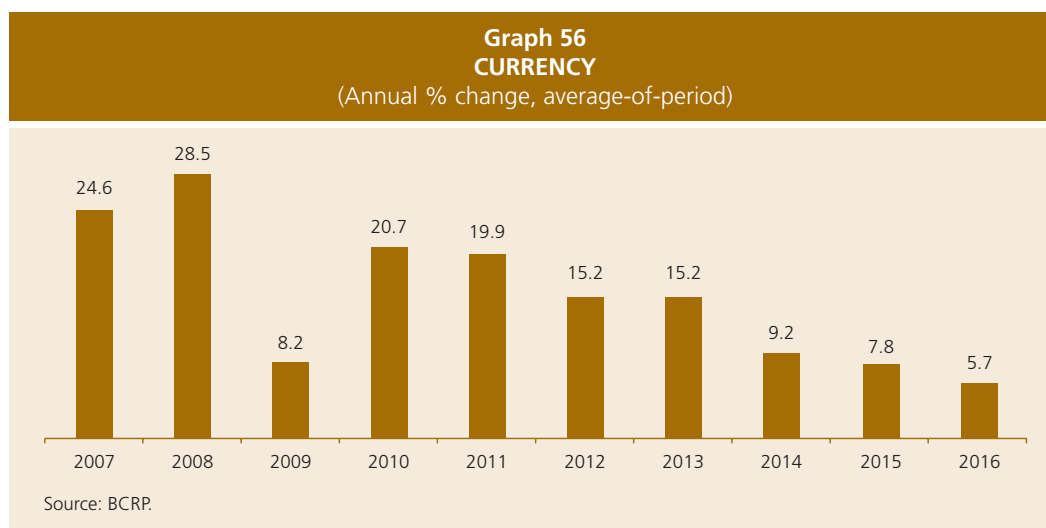
4. Monetary and Credit Aggregates

The annual growth rates of liquidity and credit slowed down in 2016. Total liquidity grew 5.0 percent (vs. 6.5 percent in 2015), with liquidity in local currency growing at an annual rate of 9.0 percent while the rate of liquidity in foreign currency decreased by 1.8 percent. Thus, the dollarization ratio of liquidity fell from 37.4 percent in December 2015 to 34.6 percent in December 2016.

Total credit to the private sector grew 5.6 percent (8.0 percent in 2016). Credit in domestic currency grew 7.2 percent while credit in foreign currency grew 2.1 percent. The ratio of dollarization of credit decreased from 30.5 percent in December 2015 to 29.2 percent in December 2016.

4.1 Currency in Circulation

In 2016, the daily average balance of currency was S/. 39.52 billion, which represents a growth rate of 5.7 percent compared to the previous year. In GDP terms, the growth of currency remained constant relative to 2015.



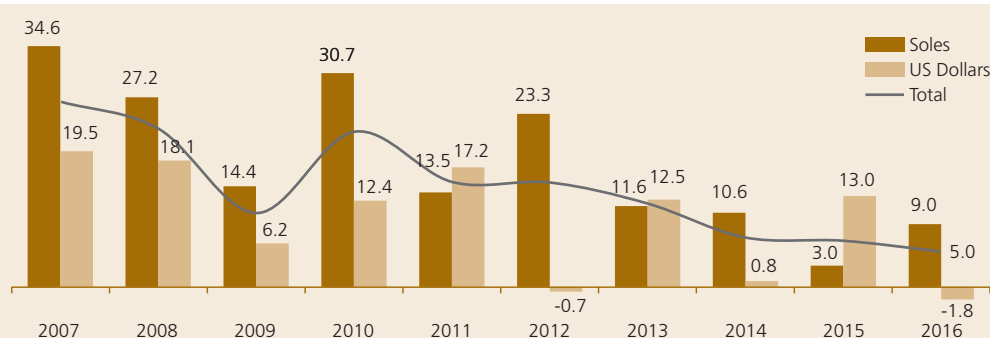
The balance of currency in circulation at December 2016 was S/ 43.30 billion, a figure higher by S/ 2.65 billion (6.5 percent) than in December 2015. The operations of BCRP, which were aimed at meeting the public's demand for liquidity and at ensuring the flow of transactions in the money market, were consistent with the actions taken to sterilize the higher net purchases of dollars of BCRP compared with the previous year.

4.2 Liquidity

Liquidity grew at a rate of 5 percent in 2016 –less than in the previous year–, which reflected the slowdown in the pace of growth of term deposits (whose growth rate dropped from 9.4 percent in

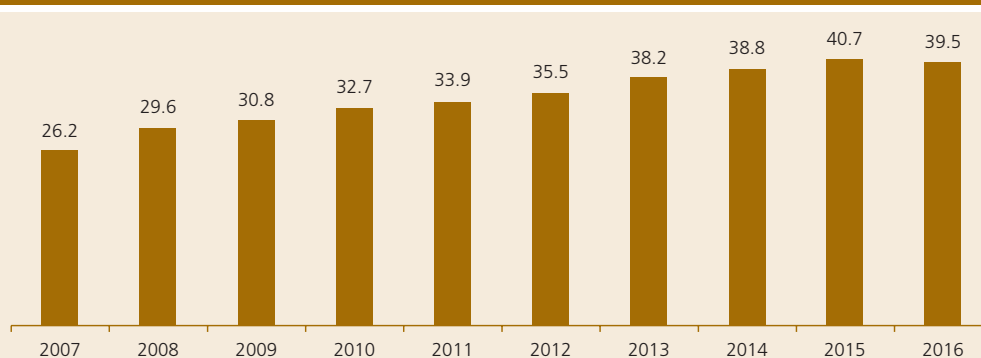
2015 to 1.6 percent in 2016) and demand deposits (3.6 percent in 2016 vs. 5.0 percent in 2015). This slower pace of growth in deposits was in part offset by the faster pace of growth registered by currency in circulation, which went from 3.8 percent in 2015 to 6.5 percent in 2016, in line with the higher rate of economic activity reached in 2016.

Graph 58
LIQUIDITY IN THE PRIVATE SECTOR^{1/}
(Annual % change, end-of-period)



1/ The balance in dollars is valued at the constant exchange rate in December 2016.
Source: BCRP.

Graph 59
LIQUIDITY^{1/}
(% GDP, end-of-period)



1/ The balance in dollars is valued at the bid-ask exchange rate at the end of period.
Source: BCRP.

Table 60
MAIN MONETARY AGGREGATES

	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Currency	39,173	40,643	43,295	3.8	6.5
Money	68,382	71,324	73,805	4.3	3.5
Deposits^{1/}	189,369	202,999	212,247	7.2	4.6
In soles	108,491	111,323	122,284	2.6	9.8
In dollars (Million US\$)	24,071	27,285	26,775	13.4	-1.9
Liquidity^{1/}	232,821	248,034	260,386	6.5	5.0
In soles	151,549	156,170	170,211	3.0	9.0
In dollars (Million US\$)	24,188	27,340	26,838	13.0	-1.8

1/ The balance in dollars is valued at the constant exchange rate in December 2016.
Source: BCRP



The deposits of individuals (natural persons) grew 5.8 percent, while the deposits of legal persons grew 2.1 percent. In contrast with 2015, deposits in dollars decreased, while deposits in soles, on the other hand, showed greater growth.

Table 61 DEPOSITS BY TYPE OF DEPOSITOR					
	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Individuals^{1/}	120,774	133,125	140,912	10.2	5.8
In soles	76,714	79,988	89,700	4.3	12.1
In dollars (Million US\$)	13,107	15,814	15,242	20.7	-3.6
Legal entities^{1/}	68,595	69,875	71,335	1.8	2.1
In soles	31,777	31,334	32,584	-1.4	4.0
In dollars (Million US\$)	10,957	11,470	11,533	4.6	0.5
Total^{1/}	189,369	202,999	212,247	7.2	4.6
In soles	108,491	111,323	122,284	2.6	9.8
In dollars (Million US\$)	24,071	27,285	26,775	13.4	-1.9

1/ The balance in dollars is valued at the constant exchange rate in December 2016.
Source: BCRP.

Liquidity in domestic currency grew 9.0 percent in 2016. Except for demand deposits, which registered a decrease in the year, all of the other components of liquidity in domestic currency showed a faster pace of growth. Savings deposits grew 10.7 percent while term deposits grew 16.4 percent.

Table 62 LIQUIDITY IN DOMESTIC CURRENCY IN THE PRIVATE SECTOR					
	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Currency	39,173	40,643	43,295	3.8	6.5
Deposits	108,491	111,323	122,284	2.6	9.8
Demand deposits	29,209	30,681	30,509	5.0	-0.6
Savings deposits	35,591	36,751	40,696	3.3	10.7
Term Deposits	43,691	43,890	51,078	0.5	16.4
Securities and other	3,885	4,204	4,632	8.2	10.2
TOTAL	151,549	156,170	170,211	3.0	9.0

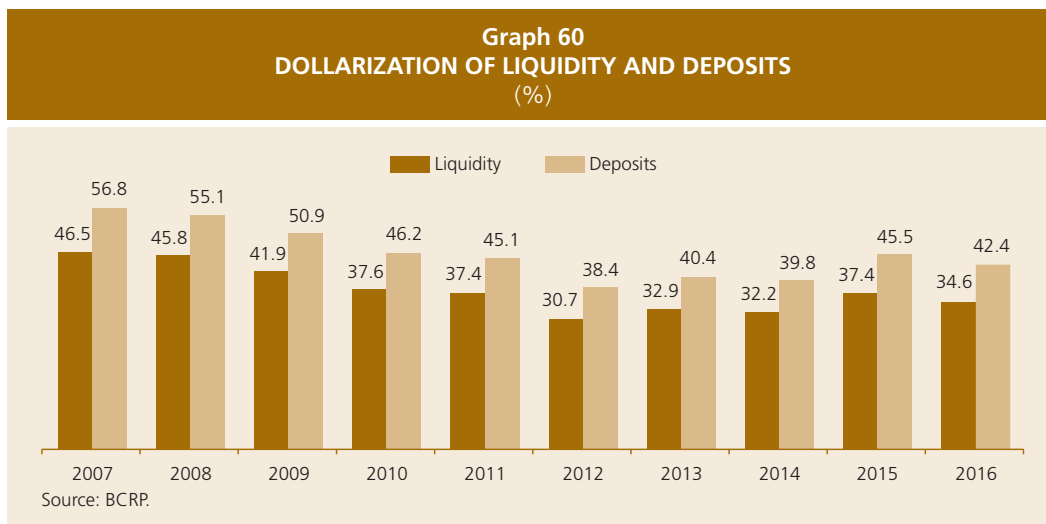
Source: BCRP.

Liquidity in foreign currency dropped 1.8 percent, this drop being explained by the 17.2 percent decline of term deposits during the year. On the other hand, demand deposits and savings deposits recorded growth rates of 7.8 and 7.0 percent, respectively.

Table 63 LIQUIDITY IN FOREIGN CURRENCY IN THE PRIVATE SECTOR					
	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Deposits	24,071	27,285	26,775	13.4	-1.9
Demand deposits	8,763	9,205	9,922	5.0	7.8
Savings deposits	6,974	7,802	8,344	11.9	7.0
Term Deposits	8,333	10,278	8,509	23.3	-17.2
Securities and other	117	56	63	-52.5	12.8
TOTAL	24,188	27,340	26,838	13.0	-1.8

Source: BCRP.

The dollarization ratio of liquidity fell by 2.8 percentage points over the year. Moreover, the dollarization ratio of deposits fell from 45.5 percent in December 2015 to 42.4 percent in December 2016.

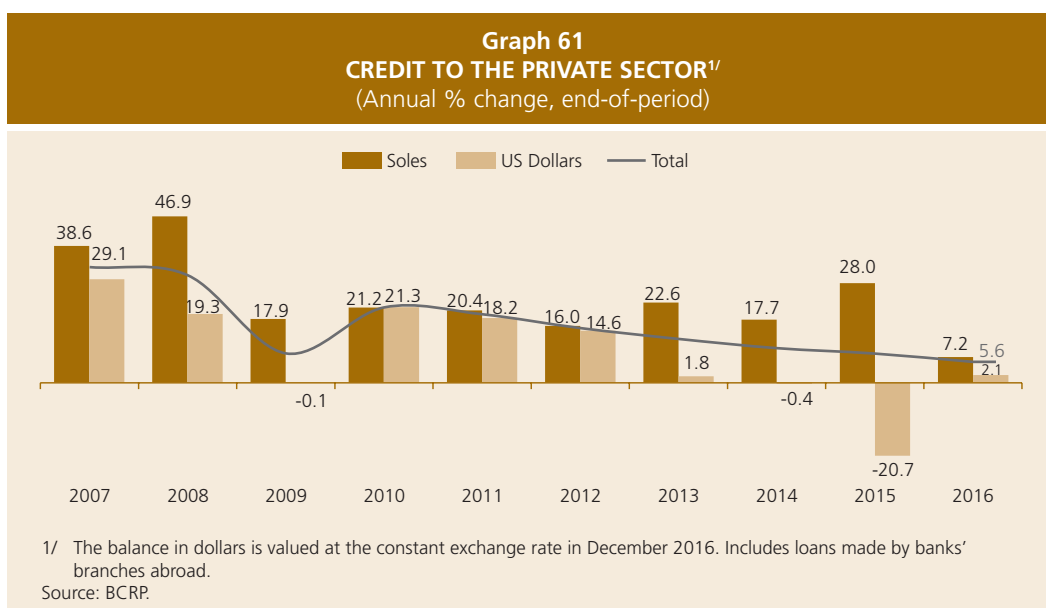


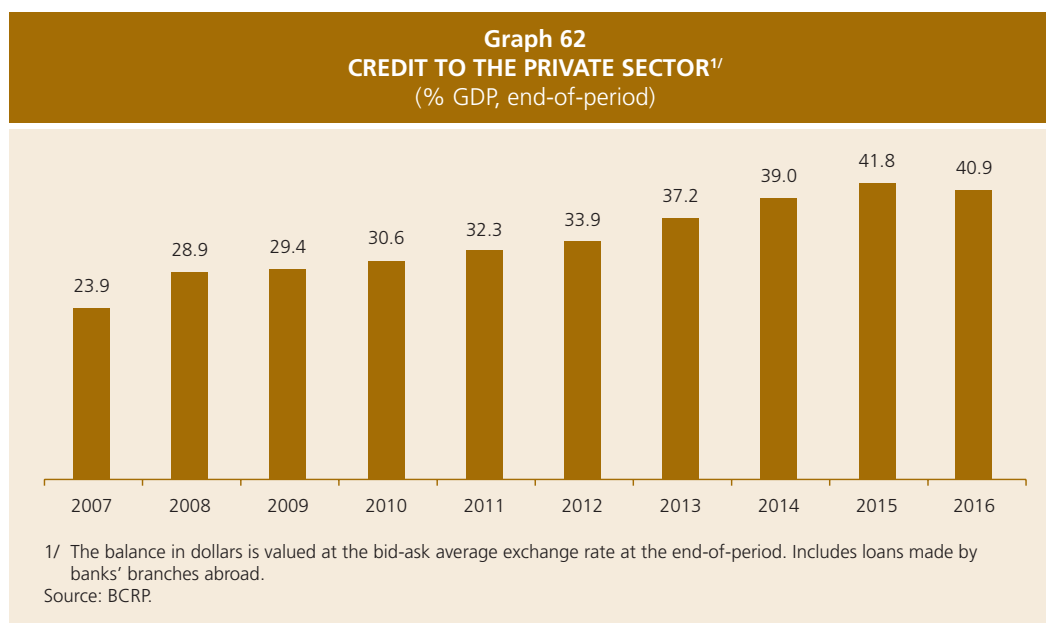
4.3 Credit to the Private Sector

The growth rate of total credit to the private sector slowed down, declining from 8.0 percent in 2015 to 5.6 percent in 2016 in line with the lower growth in the domestic demand.

Credit in foreign currency recovered in 2016 and recorded a growth rate of 2.1 percent after having dropped 20.7 percent in the previous year. On the other hand, credit to the private sector in domestic currency continued to show a considerable growth rate (7.2 percent) although at a more moderate pace in comparison with the previous year (28.0 percent in 2015).

As a result, the ratio of dollarization of credit to the private sector continued showing a downward trend, declining from 30.5 percent in December 2015 to 29.2 percent in December 2016.





By type of borrowers, credit showed different degrees of slowdown in the main segments: in the corporate segment, credit slowed down from 6.2 percent in 2015 to 4.8 percent in 2016, while in the segment of personal credit, it declined from a rate of 11.4 percent in 2015 to 7.1 percent –this slowdown is explained mostly by a lower demand for consumer loans (particularly, of credit cards), and in the segment of mortgage loans, it fell from 7.3 to 4.9 percent.

Table 64
TOTAL CREDIT TO THE PRIVATE SECTOR^{1/}

	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Businesses	153,192	162,688	170,512	6.2	4.8
Corporate and large companies	75,967	85,632	89,689	12.7	4.7
Medium-sized enterprises	43,250	42,160	43,246	-2.5	2.6
Small businesses and microbusinesses	33,976	34,895	37,578	2.7	7.7
Individuals	82,772	92,174	98,711	11.4	7.1
Consumer	46,674	53,425	58,072	14.5	8.7
Car loans	2,690	2,474	2,290	-8.0	-7.4
Credit cards	15,437	19,099	20,670	23.7	8.2
Rest	28,548	31,852	35,112	11.6	10.2
Mortgage	36,098	38,749	40,639	7.3	4.9
TOTAL	235,965	254,861	269,224	8.0	5.6

1/ The balance in dollars is valued at the constant exchange rate in December 2016. Includes loans made by banks' branches abroad.
Source: BCRP.

The growth of credit to the private sector in domestic currency (7.2 percent) was driven mainly by personal credit, which grew 10.1 percent. Credit to companies grew 4.9 percent, the growth of credit

to medium-sized companies (11.0 percent) standing out. On the other hand, credit to the corporate segment and to large enterprises showed a decline of 1.4 percent.

Table 65					
CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY					
	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
Businesses	74,424	100,260	105,131	34.7	4.9
Corporate and large companies	28,405	46,136	45,487	62.4	-1.4
Medium-sized enterprises	16,377	22,250	24,691	35.9	11.0
Small businesses and microbusinesses	29,642	31,874	34,952	7.5	9.7
Individuals	64,589	77,728	85,600	20.3	10.1
Consumer	41,718	49,239	54,065	18.0	9.8
Car loans	770	1,380	1,675	79.1	21.4
Credit cards	14,299	17,893	19,346	25.1	8.1
Rest	26,648	29,966	33,044	12.5	10.3
Mortgage	22,871	28,489	31,536	24.6	10.7
TOTAL	139,013	177,988	190,731	28.0	7.2

Source: BCRP.

Moreover, credit to the private sector in foreign currency rebounded, growing at a rate of 2.1 percent in 2016 after having dropped by 20.7 percent in the previous year. By type of borrower, the segment of corporate credit in dollars grew by 4.7 percent, whereas personal credit fell 9.2 percent mainly as a result of the drop of mortgage and car loans (11.3 percent and 43.8 percent, respectively).

Table 66					
CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY^{1/}					
	Balance in million US dollars			Growth rates (%)	
	2014	2015	2016	2015	2016
Businesses	23,443	18,580	19,459	-20.7	4.7
Corporate and large companies	14,155	11,755	13,155	-17.0	11.9
Medium-sized enterprises	7,998	5,926	5,522	-25.9	-6.8
Small businesses and microbusinesses	1,290	899	782	-30.3	-13.1
Individuals	5,412	4,299	3,902	-20.6	-9.2
Consumer	1,475	1,246	1,193	-15.5	-4.3
Car loans	571	326	183	-43.0	-43.8
Credit cards	339	359	394	6.0	9.8
Rest	565	561	616	-0.7	9.7
Mortgage	3,937	3,053	2,709	-22.4	-11.3
TOTAL	28,855	22,879	23,361	-20.7	2.1

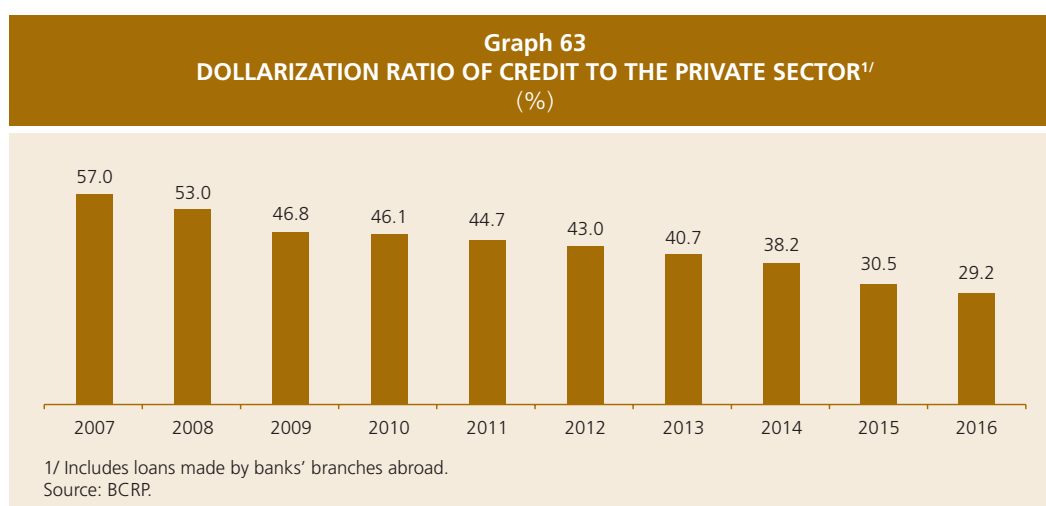
^{1/} Includes loans made by banks' branches abroad.
Source: BCRP.

Credit to the private sector continued showing lower levels of dollarization in all of the segments, the dollarization ratio of credit to the private sector decreasing by 1.3 percentage points, from 30.5 percent in December 2015 to 29.2 percent in December 2016.

The dollarization ratio of corporate credit recorded 38.3 percent, 0.4 percentage points less than in the previous year (38.7 percent), while the dollarization ratio of personal credit people showed a slightly higher fall, declining from 15.9 percent in 2015 to 13.3 percent. Finally, the dollarization ratio of mortgage loans dropped from 26.8 percent in 2015 to 22.4 percent in 2016.

Table 67			
DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR^{1/}			
	2014	2015	2016
Businesses	48.4	38.7	38.3
Corporate and large companies	59.8	46.5	49.3
Medium-sized enterprises	59.3	47.6	42.9
Small businesses and microbusinesses	11.5	8.8	7.0
Individuals	20.0	15.9	13.3
Consumer	9.5	7.9	6.9
Vehicular	68.9	44.6	26.8
Credit cards	6.6	6.4	6.4
Rest	5.9	6.0	5.9
Mortgage	33.9	26.8	22.4
TOTAL	38.2	30.5	29.2
Memo:			
Dollarization of credit at constant exchange rate	41.1	30.2	29.2

1/ Includes loans made by banks' branches abroad.
Source: BCRP.



5. Total Funding to the Private Sector

The concept of total funding to the private sector includes not only the credit provided by depository institutions, but also the resources provided by other financial institutions such as mutual funds, insurance companies and private pension funds, as well as direct external loans. In 2016, total funding to the private sector grew 3.7 percent (8.5 percent in 2015).

Table 68
FINANCING TO THE PRIVATE SECTOR^{1/}

	Balance in million soles			Growth rates (%)	
	2014	2015	2016	2015	2016
I. CREDIT OF DEPOSITORY CORPORATIONS	235 965	254 861	269 224	8.0	5.6
Domestic currency	139 013	177 988	190 731	28.0	7.2
Foreign currency (Million US\$)	28 855	22 879	23 361	-20.7	2.1
Dolarization (%)	38.2	30.5	29.2		
II. CREDIT OF OTHER FINANCIAL CORPORATIONS^{2/}	30 364	35 114	35 733	15.6	1.8
Domestic currency	14 416	17 031	18 653	18.1	9.5
Foreign currency (Million US\$)	4 746	5 382	5 083	13.4	-5.5
Dolarization(%)	49.5	51.9	47.8		
<i>Of which:</i>					
AFP's loans	17 526	17 841	19 576	1.8	9.7
Loans of mutual funds	1 130	933	880	-17.4	-5.7
Loans of insurances	7 347	11 156	10 422	51.8	-6.6
III. EXTERNAL PRIVATE INDEBTNESS (Million US\$)	96 557	103 701	103 314	7.4	-0.4
(Million US\$)	28 737	30 863	30 748	7.4	-0.4
Short-term (Million US\$)	3 455	3 600	3 753	4.2	4.2
Medium- and long-term (Million US\$)	25 283	27 263	26 996	7.8	-1.0
IV. TOTAL	362 886	393 677	408 271	8.5	3.7
Domestic currency	153 429	195 019	209 385	27.1	7.4
Foreign currency (Million US\$)	62 338	59 124	59 192	-5.2	0.1
Dolarization (%)	54.8	50.8	48.7		

1/ The balance in dollars is valued at the constant exchange rate in December 2016.
2/ Includes loans and investments in fixed income of institutional investors.
Source: BCRP.

The growth rate of total funding to the private sector reflected the evolution of the growth of credit in other financial companies, which dropped to 1.8 percent in 2016 after growing 15.6 percent in 2015. This drop is explained mostly by the decrease in the credit provided by mutual funds and insurance companies, which fell by 5.7 and 6.6 percent, respectively.

Moreover, after growing 7.4 percent in 2015, direct external financing to Peruvian companies decreased by 0.4 percent (US\$ 115 million). Most of this credit was medium-term and long-term loans, which fell by 1.0 percent in the year, whereas direct short-term loans grew 4.2 percent.

As a result of the aspects discussed above, total funding to the private sector showed a lower growth rate (3.7 percent) than credit provided by depository institutions (5.6 percent).

6. Financial Indicators

Banks' financial indicators showed a slight deterioration during 2016. The indicator Return on assets (ROA) decreased from 2.1 percent in 2015 to 2.0 percent in 2016 and the indicator of Return on equity (ROE) decreased from 22.1 to 19.9 percent. Moreover, the ratio of non-performing loans increased from 2.5 percent to 2.8 percent, while the level of provision coverage of the high risk portfolio fell from 117.5 percent to 111.6 percent.

Table 69
FINANCIAL INDICATORS ON COMMERCIAL BANKS
(%)

	2014	2015	2016
Overdue loans / gross placements ^{1/}	2.5	2.5	2.8
High risk portfolio / gross placements ^{2/}	3.5	3.6	4.0
Allowance for loans / high-risk portfolio	116.5	117.5	111.6
Return on equity (ROE)	19.7	22.1	19.9
Return on assets (ROA)	1.9	2.1	2.0

1/ Credits due and in judicial collection processes.
2/ The high-risk portfolio is equal to the most backward refinanced and restructured portfolio.
Source: SBS.



By size of debtor, credit to corporations and large enterprises recorded the lowest rates of delinquency. Loans to medium-sized businesses had a delinquency rate of 6.1 percent, while loans to small and micro businesses recorded ratios of 9.0 and 3.1 percent, respectively. The delinquency rate for consumer loans was 3.6 percent, while mortgage loans recorded a rate of 2.3 percent.

Table 70
BANKS: DELINQUENCY RATES BY TYPE AND SIZE OF DEBTOR
(%)

	2014	2015	2016
Corporate loans	0.0	0.0	0.0
Loans to large companies	0.7	1.0	0.9
Loans to medium-sized companies	5.0	5.2	6.1
Loans to small companies	8.8	8.6	9.0
Loans to microbusinesses	3.9	2.9	3.1
Consumer loans	3.3	3.3	3.6
Mortgage loans	1.4	1.8	2.3
TOTAL	2.5	2.5	2.8

Source: SBS.

As for delinquency rates in non-banking institutions, a reduction was observed in the ratios of non-performing loans in all of these institutions, especially in rural savings banks which increased their level of provision coverage for their high risk portfolios. Moreover, an increase was observed in the ROE indices in rural savings banks and Edpymes, and a slight increase was observed in the ROE indices of non-bank financial institutions.

Table 71
FINANCIAL INDICATORS OF NON-BANK COMPANIES
(%)

	2014	2015	2016
Overdue loans / gross placements^{1/}			
Financial Firms	5.6	5.7	5.5
Municipal savings banks	5.8	6.0	5.5
Rural savings banks	12.6	9.2	5.1
Edpymes	4.1	4.2	3.9
Provision for loans / high-risk portfolio^{2/}			
Financial Firms	124.1	123.2	116.2
Municipal savings banks	105.2	106.1	104.9
Rural savings banks	63.2	92.3	97.1
Edpymes	120.6	132.7	137.9
Ratio on equity (ROE)			
Financial Firms ^{3/}	9.0	14.8	14.9
Municipal savings banks	13.2	14.5	14.4
Rural savings banks	-6.2	-9.7	-3.2
Edpymes	4.2	-0.4	0.3

1/ Overdue loans and loans in judicial collection processes.

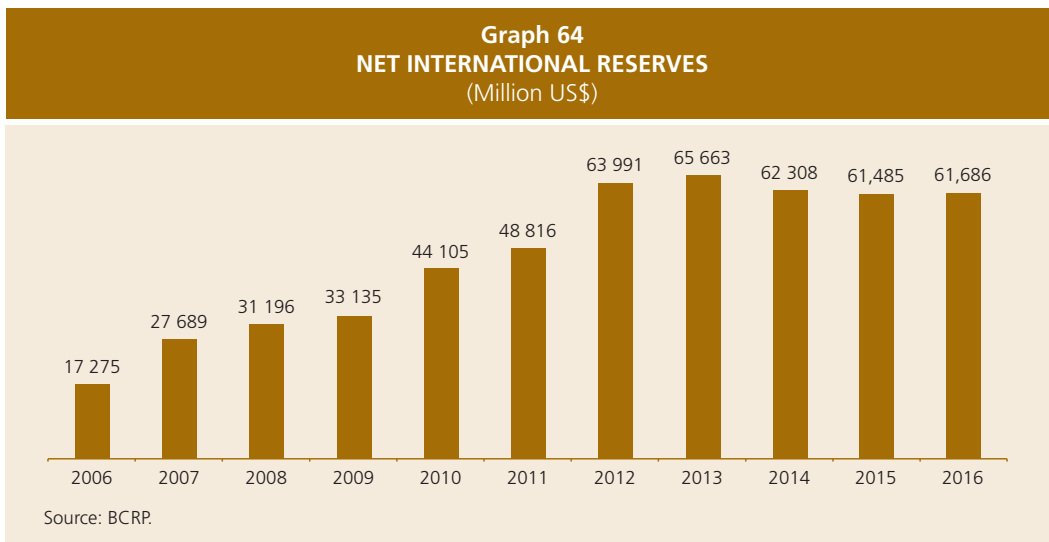
2/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.

3/ Update indicators to incorporate merger in some entities.

Source: SBS.

7. International Reserves

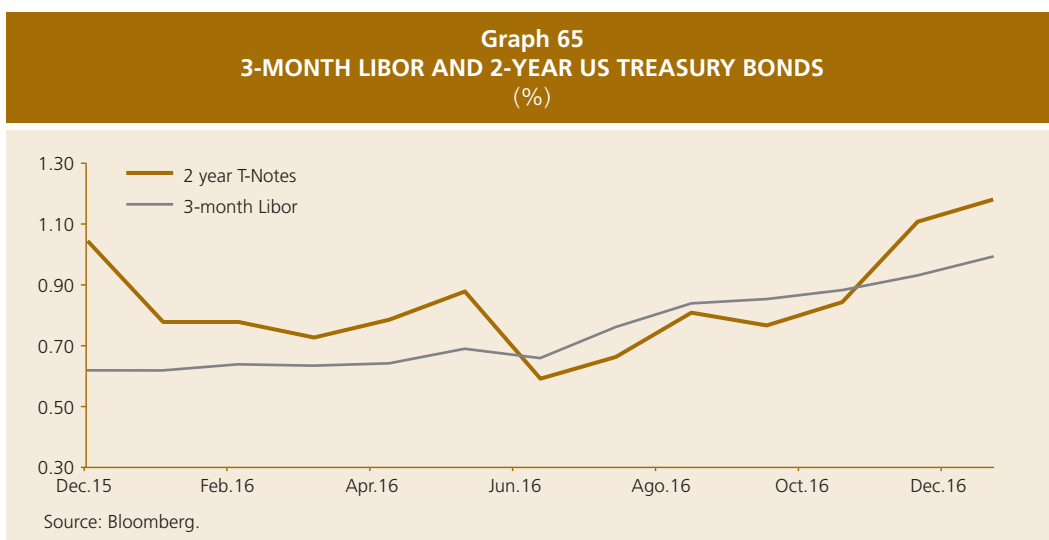
Peru’s net international reserves (NIRs) increased by US\$ 201 million in 2016, as a result of which the balance of NIRs at the end of the year was US\$ 61.69 billion. This increase in NIRs reflected mainly higher public sector deposits (US\$ 1.47 billion), the BCRP foreign exchange operations (US\$ 928 million), and earned interests (US\$ 381 million), offset in part by banks’ lower deposits (down US\$ 2.62 billion).



7.1 Management of International Reserves

At end 2016, Peru’s gross international reserves –or international reserve assets– showed a balance of US\$ 61.75 billion. This balance is US\$ 209 million higher than the balance recorded in 2015.

In 2016, the yield curve of the U.S. Treasury bonds moved up, as a result of which the yield of the 2-year T-Note increased from 1.05 percent at end December 2015 to 1.19 percent at end 2016. Moreover, the 3-month Libor rate in dollars rose from 0.61 to 1.00 percent in the same period.



In this context, the BCRP investment of reserves was carried out maintaining a conservative approach, following specific criteria for the placement of deposits in low-risk banks abroad and for investments in securities. A neutral position was maintained in terms of the duration of the investment portfolio, although some tactical deviations were taken in terms of the yield curve in the second half of the year. Some tactical deviation operations were also carried out to optimize the portfolio yield together with some strategies implemented to take advantage of temporary market opportunities.

It is worth pointing out that a priority in BCRP investment policy of the country's international reserves is to preserve capital and ensure the liquidity of these reserves. Once these conditions are met, BCRP seeks to maximize the yield of these international assets. In general, the management of these assets is closely related to the characteristics of the sources of such resources in terms of value, currency, maturity, and volatility. In this way, BCRP seeks to minimize the market risks that could affect the value and availability of these assets.

7.2 Composition of International Reserve Assets (IRA)

At the end of 2016, 61 percent of the IRA was invested in liquid securities of high credit quality, 35 percent in first-class banks overseas, and the remaining 4 percent was invested in gold and other assets. The security portfolio consists of debt securities issued by sovereign issuers, supranational organizations, and foreign government entities with credit ratings of A+ or higher.

International reserve assets generated a yield of S/ 890 million in 2016, slightly less than in the previous year.

Table 72				
INTERNATIONAL RESERVE ASSETS				
(Million US\$)				
Item	December 2015		December 2016	
	Ammount	%	Ammount	%
Deposits abroad	20,122	32.7	21,674	35.1
Securities	38,491	62.5	37,341	60.5
Gold	1,181	1.9	1,283	2.1
Others ^{1/}	1,743	2.8	1,448	2.3
TOTAL	61,537	100.0	61,746	100.0

1/ Includes contribution to the FLAR and BIS, and balance of assets associated with international agreements.
Source: BCRP.

Table 73		
COMPOSITION OF LIQUID INTERNATIONAL ASSETS		
(% structure)		
	December 2015	December 2016
By maturity term	100	100
0-3 months	52	55
3-12 months	23	18
> 1 year	25	27
By long-term rating	100	100
AAA	49	42
AA+/AA/AA-	33	38
A+/A/A-	18	20

Source: BCRP.

At the end of the year, the balance of liquid international reserve assets⁹ was US\$ 60.38 billion. As for the quality of the portfolio, 42 percent of IRA was held in entities with a long-term credit rating of AAA and the rest mostly in entities with credit ratings between AA+ and AA-. The mean duration of the investment portfolio was 0.58 years.

Table 74		
INTERNATIONAL POSITION: EFFECTIVE EXPOSURE		
(% structure)		
	December 2015	December 2016
US\$	86	89
Other currencies	9	6
Gold	5	5
Total	100	100

Source: BCRP.

The effective exposure of the BCRP foreign exchange position to the U.S. dollar was 89 percent, higher than at end 2015 (86 percent).

8. Financial Savings and Capital Markets

Financial savings include the total amount of assets that enterprises and households have in the financial system in the form of savings deposits, term deposits, securities, and holdings of mutual funds, life insurance policies, and contributions to private pension funds. During 2016, the average balance of financial savings increased by 10.3 percent relative to 2015 and was equivalent to 51.1 percent of GDP.

Table 75			
FINANCIAL SAVINGS			
(Average balance in the period, as % GDP)			
	Domestic currency	Foreign currency	Total
2007	24.2	14.1	38.4
2008	24.9	13.6	38.5
2009	25.1	15.3	40.4
2010	27.6	13.8	41.3
2011	28.7	13.9	42.6
2012	31.1	12.9	44.0
2013	33.5	12.9	46.4
2014	33.6	13.7	47.3
2015	34.3	15.5	49.8
2016	34.8	16.3	51.1

Source: BCRP.

By currencies, financial savings in soles grew 9.1 percent in 2016 (vs. 8.5 percent in 2015), this rate reflecting both the low growth of private sector deposits in soles and the inclusion of the pension funds of AFP members in the accounts. Financial savings in dollars (valued in soles) grew 13.0 percent (vs. 20.8 percent in 2015). The ratio of financial savings in soles in GDP terms increased from 34.3 to 34.8 percent, while the ratio of savings in dollars increased from 15.5 to 16.3 percent.

9 Easily tradable assets in international financial markets. Therefore, the IRA excludes capital contributions to international organizations –such as the FLAR and BIS–, contributions and funds to the IMF –except holdings of SDRs–, the active balances associated with international conventions, and the gold held in the BCRP vaults.



8.1 Fixed-Income Market

At end 2016 the balance of non-governmental fixed-income securities placed through public offering in the local market during the year amounted to **S/ 26.13 billion**. This balance is 14.8 percent higher than the current balance in 2015 (S/ 22.77 billion)¹⁰.

The **balance of fixed-income securities** placed through public offering **in the domestic market** (valued at the constant exchange rate of December 2016) during the year was S/ 6.25 billion, higher than the flow of securities placed in the previous year (S/ 4.32 billion). In addition to this, a Peruvian company placed securities **in the international market** for a total of US\$ 498 million.

It is worth pointing out that the amount of non-government bonds placed in the international market in 2016 was US\$ 798 million, amount lower than in 2015, when placements of Peruvian companies abroad totaled US\$ 1.36 billion. External conditions, particularly the increase of interest rates due to the U.S. Federal Reserve policy made it more profitable for businesses to seek financing in dollars in the local market. Because of this, four companies (Corporación Azucarera del Perú - Coazucar, Maestro Peru, Corporación Lindley, and Pesquera Exalmar) redeemed earlier the bonds placed abroad to seek financing in the domestic market.

Table 76
FIXED-INCOME SECURITIES ISSUED BY PRIVATE COMPANIES

	Amounts			Growth rates (%)	
	2014	2015	2016	2015	2016
Balance at the end of period (Million soles)					
Non-financial sector	11,035	14,171	15,892	28.4	12.1
Financial sector ^{1/}	8,433	8,597	10,239	1.9	19.1
Composition by currency (%)	100.0	100.0	100.0		
Soles	62.9	61.3	70.7		
Fixed rate	52.7	52.2	62.5		
VAC	10.2	9.1	8.2		
US dollars	36.1	38.4	29.2		
Structured	1.0	0.3	0.2		
Balance as % GDP	3.4	3.7	4.0		

^{1/} Securities issued or originated by a financial organization.
Source: SMV.

By type of issuers of securities, **non-financial companies** issued public offering bonds for a total equivalent to S/ 2.86 billion (vs. S/ 3.16 billion in 2015) and the balance of current bonds increased 12.1 percent compared to the previous year (vs. 28.4 percent in 2015). On the other hand, **financial entities**¹¹ placed bonds for a total of S/ 3.39 billion (vs. S/ 1.11 billion in 2015) and their balance grew 19.1 percent (vs. 1.9 percent in 2015). The largest bond issuers in the year were Banco Continental (S/ 655 million), Corporación Primax (S/ 640 million), COFIDE (S/ 500 million), Banco de Crédito (S/ 461 million), and Mivivienda (S/ 426 million), all of which were bond issuances in soles.

¹⁰ Including short-term bonds and instruments placed through public offering in the domestic market. Issuances of sovereign bonds are not included in the balance.

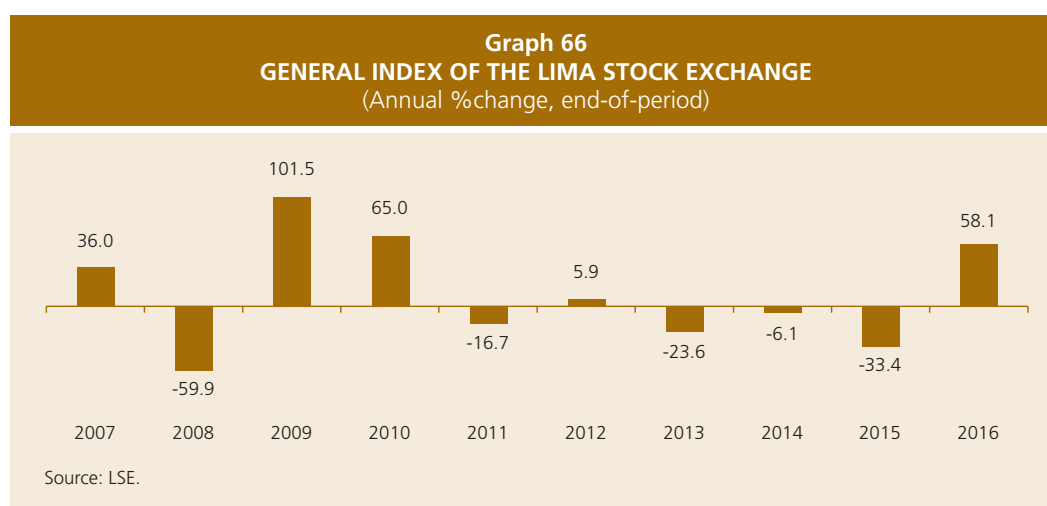
¹¹ Including the bond issued by public financial organizations such as Banco de la Nación, Banco Agropecuario, COFIDE, and Fondo MIVIVIENDA.

The **average maturity term** of domestic bonds issued in soles, weighed by the amount placed, was **8.3 years** (9.1 years in 2015) while the average maturity term of bond issuances in dollars was **4.3 years** (11.6 years in 2015). The longer maturity terms for bond placements in soles was 30 years in the bonds issued by COFIDE (S/ 300 million placed in December), and 20 years, in the bonds placed by Corporación Primax (S/ 278 million placed in October).

By currencies, bonds in soles represented 70.7 percent of the balance of existing public offering (61.3 percent at end 2015), while bonds in dollars represented 29.2 percent (38.4 percent in 2015). Bonds in soles at fixed-rates represented 62.5 percent of the balance (52.2 percent in 2015), while inflation-indexed bonds (VAC) represented 8.2 percent (9.1 percent in 2015).

8.2 Stock Exchange

During the year, the Lima Stock Exchange –Bolsa de Valores de Lima (BVL)– reversed the negative trend it showed in the previous four years and accumulated a positive return of 58.1 percent, measured by the SP/BVL PERU GENERAL index. The BVL also recorded a significant increase in the volumes traded in comparison with 2015. It is worth highlighting that this better performance of the bourse took place amid a not particularly favorable external context marked by low growth in the high-income economies and by a slowdown in the pace of growth in the emerging countries.



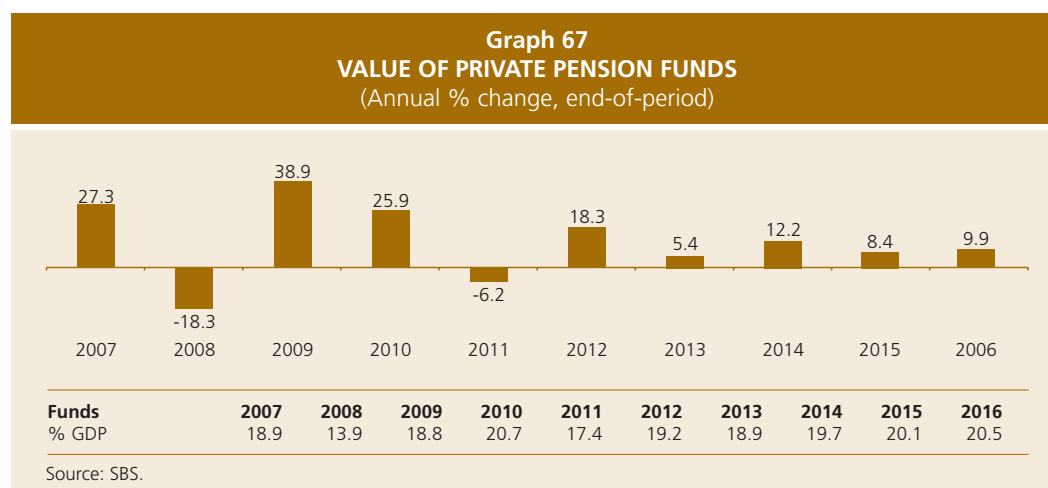
At the sector level, stocks in all the sectors showed positive performances, the biggest returns being observed in the shares of junior mining companies with 120.5 percent. In addition, shares in the construction sector showed a rate of return of 67.9 percent, manufacturing shares showed a rate of 58.4 percent, bank and financial shares recorded a rate of 57.7 percent, and mining shares recorded 52.0 percent. Moreover, shares in the consumer sector yielded 29.9 percent and shares in the services sector yielded 21.3 percent.

The volumes traded increased by 38.1 percent compared to 2015. By segments, the volume of shares traded increased by 35.3 percent relative to 2015, while the volume of debt instruments traded increased by 43.7 percent. On the other hand, repos transactions increased 43.7 percent, both in the case of shares (40.2 percent) and in the case of fixed-income instruments (169.9 percent).

The amount of dematerialized shares at year end –i.e. the amount of shares recorded electronically at CAVALI– was S/ 194.93 billion, which is equivalent to 46.8 percent of the value of market capitalization (S/ 416.17 billion). The ratio of dematerialized stocks held by non-resident investors in terms of total dematerialized stocks increased from 34.6 percent in December 2015 to 35.2 percent in December 2016.

8.3 Private Pension System

In addition to the positive performance shown by the indices of the LSE, the net worth of private pension funds increased 9.9 percent during the year. At December, the net worth of these funds amounted to S/. 135.16 billion. The number of participants in the private pension system grew 5.0 percent to over 6.26 billion members.



After recording a real profitability of 1.2 percent in 2015, the profitability of private pension funds rose to 6.5 percent in real terms (for the type 2-fund) in 2016.

The composition of the investment portfolio reflected the favorable context in the local market, the ratio of investments in securities abroad declining from 40.2 to 38.1 percent during the year (the limit established for the investment of pension funds abroad is 42 percent). The composition of domestic investments also reflected the greater dynamism of the local stock market. The ratio of stocks rose from 17.3 to 19.5 percent while the ratio of deposits fell from 11.4 percent to 5.8 percent. Bond holdings increased mainly as a result of the acquisition of sovereign bonds whose ratio grew from 17.8 to 21.5 percent, while the share of the non-government bonds grew only 0.2 percentage points.

Table 77
COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO
(%)

	2014	2015 ^{1/}	2016 ^{1/}
I. DOMESTIC INVESTMENTS	59.4	58.9	60.9
Deposits	6.6	11.4	5.8
In soles	0.8	0.8	2.4
In dollars	5.8	10.6	3.5
Bonds and fixed income	30.3	30.2	35.5
Central Bank securities	0.4	-	0.4
Sovereign bonds	17.3	16.8	21.5
Values issued by the private sector	12.6	13.4	13.6
Stocks and variable income	22.5	17.3	19.5
Shares	12.6	7.4	10.3
Investment funds	9.8	9.9	9.2
II. FOREIGN INVESTMENTS	40.6	40.2	38.1
III. TOTAL	100.0	100.0	100.0
Million soles	114,527	124,168	136,468
% GDP	19.9	20.3	20.7

^{1/} In 2015 and 2016, 1% of portfolio are in transit investment.
Source: SBS.

By type of funds, Fund type 2 or mixed fund (which has a maximum investment of 45 percent in variable-income securities) had a real annual return of 6.5 percent and represented 71.5 percent of the total value of pension funds. Fund type 3 or capital appreciation fund (which has a maximum investment of 80 percent in variable-income securities) had a real return of 7.0 percent annually and represented 15.9 percent of the value of the funds, whereas Fund type 1, or capital preservation fund, (whose maximum investment in variable-income securities is 10 percent) had a real profitability of 4.5 percent per annum and represented 11.7 of the value of pension funds. From April it began to operate The Fund type zero, which invests only in fixed-income securities, began to operate since April, its share at year end recording 0.9 percent.

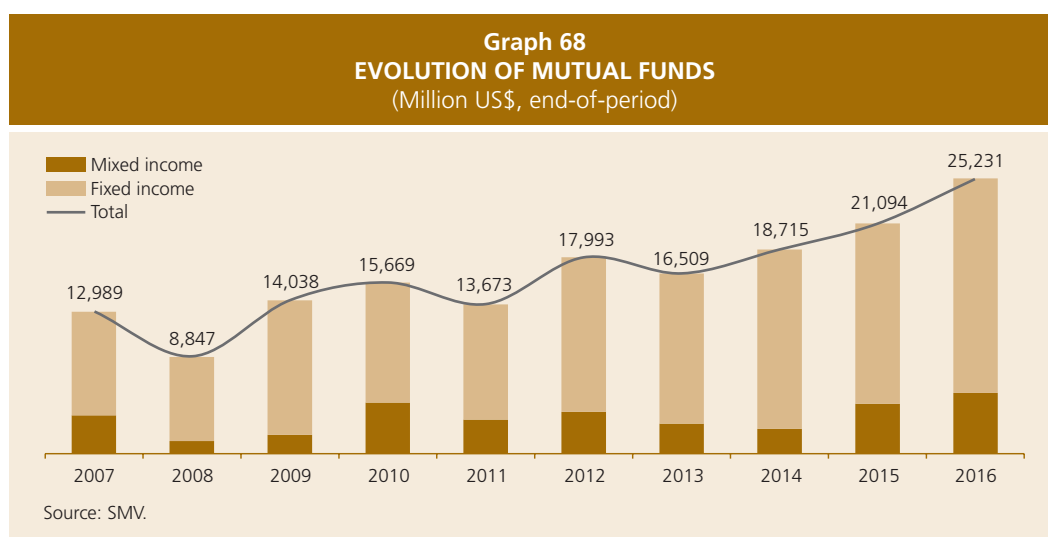
Voluntary contributions, which amounted to S/ 939 million (vs. S/ 602 million in 2015), represented 0.7 percent of the total value of pension funds. Most of these contributions were for non-pension purposes (S/ 721 million).

8.4 Mutual Funds

Mutual funds' joint net worth increased 19.6 percent compared to 2015 with a balance of **S/. 25.23 billion** (3.8 percent of GDP) at year-end. The number of participants increased by 8.9 percent to 419 thousand people at the end of the year (vs. 385 thousand in 2015) while the number of operating funds increased from 106 to 111.

By type of fund, the positive evolution of stock market indices favored the growth of mixed-income mutual funds, which invest in fixed and variable income securities, over the mutual funds that invest exclusively in fixed-income securities. The ratio of the latter in terms of the total value of mutual funds fell from 78.4 percent in 2015 to 78.0 percent in 2016, whereas the ratio of mixed-income funds rose from 21.6 percent to 22.0 percent on the other hand.

By currencies, the participation of mutual funds in soles fell from 44.9 percent to 38.5 percent, while the participation of mutual funds in dollars increased from 55.1 to 61.5 percent.



The ratio of the funds' investments abroad rose from 33.3 percent in 2015 to 35.9 percent in 2016. As regards domestic investments, the ratio of deposits and certificates of deposit fell from 54.4 percent to 53.1 percent and the ratio of bonds and fixed-income debt instruments fell from 8.5 to 7.1 percent, whereas the ratio of domestic shares rose from 1.4 to 1.8 percent.



Table 78
COMPOSITION OF MUTUAL FUNDS' INVESTMENT
(%)

	2014	2015	2016
I. DOMESTIC INVESTMENTS	77.8	66.7	64.1
Deposits	62.8	54.4	53.1
In soles	30.2	27.0	30.7
In dollars	32.6	27.3	22.4
Bonds and fixed income	11.8	8.5	7.1
Central Bank securities	1.1	0.5	1.4
Sovereign bonds	2.6	0.9	0.7
Values issued by the private sector	8.1	7.0	5.0
Stocks and variable income	2.5	1.4	1.8
Stocks	2.4	1.3	1.7
Investment funds	0.1	0.1	0.1
Others	0.6	2.4	2.0
II. FOREIGN INVESTMENTS	22.2	33.3	35.9
III. TOTAL	100.0	100.0	100.0
Million soles	18,715	21,094	25,231
% GDP	3.2	3.4	3.8

Source: SMV.

8.5 Payment Systems

The payment systems overseen by the Central Bank are essential for the settlement of transactions of goods, services, and securities, as well as for the implementation of monetary policy. During 2016, BCRP continued carrying out its roles of overseeing and regulating payment systems, promoting a greater provision of payment services, increased access and greater use of these systems, as well as supporting innovation. The Central Bank strengthened the efficiency and security of payment systems and also carried out different activities of the entities integrating the National Financial Inclusion Strategy Group.

Payment systems showed an increase of 2 percent in the value of fund transfers. In GDP terms, the value of funds transferred through the payment systems declined from 5.5 times to 5.2 times the value of annual GDP between 2015 and 2016, which is explained by the higher rate of growth of nominal GDP recorded.

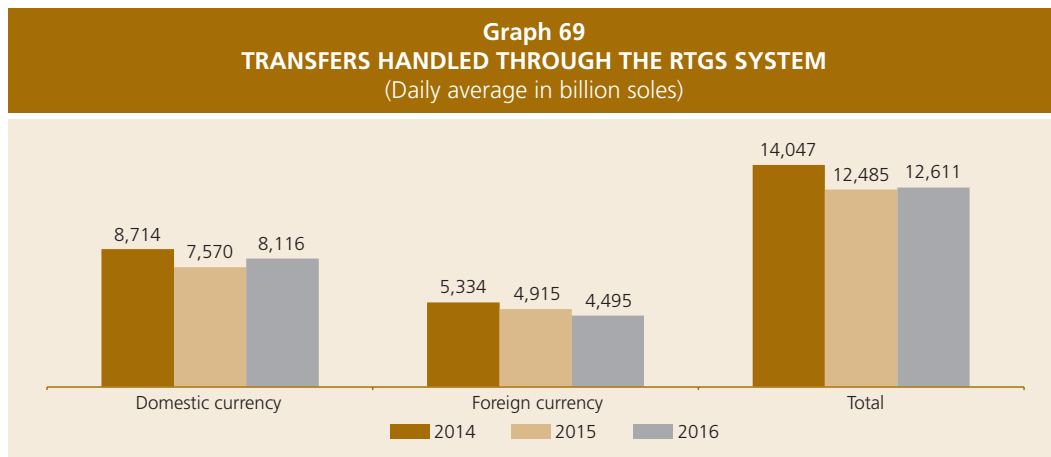
As part of its oversight role, the Central Bank carried out its annual inspection visit to Cámara de Compensación Electrónica-CEE (Electronic Clearing House) and CAVALI to evaluate compliance with regulations, the development of new products, opportunities for improvements, and prospects for the administrators of the Payments Systems. The Central Bank can confirm that payment systems meet current standards of safety, efficiency, as well as standards of risk management.

Real Time Gross Settlement System (RTGS System)

This system is mainly used to make high-value transfers among the entities integrating the financial system as well as to make transfers on behalf of their clients. In 2016, these transfers represented 92 percent of the total value transferred through payment systems.

In 2016, the average daily value of transfers handled through the RTGS system increased by 1.0 percent due mainly to the increase of interbank loans and repayment of loans. Moreover, the number of transactions handled through this system increased by 1.1 percent. By currencies, the value of payments in domestic currency represented 64.3 percent of total operations handled by the RTGS system.

The Central Bank continued promoting the electronic access of micro finance entities (i.e. municipal and



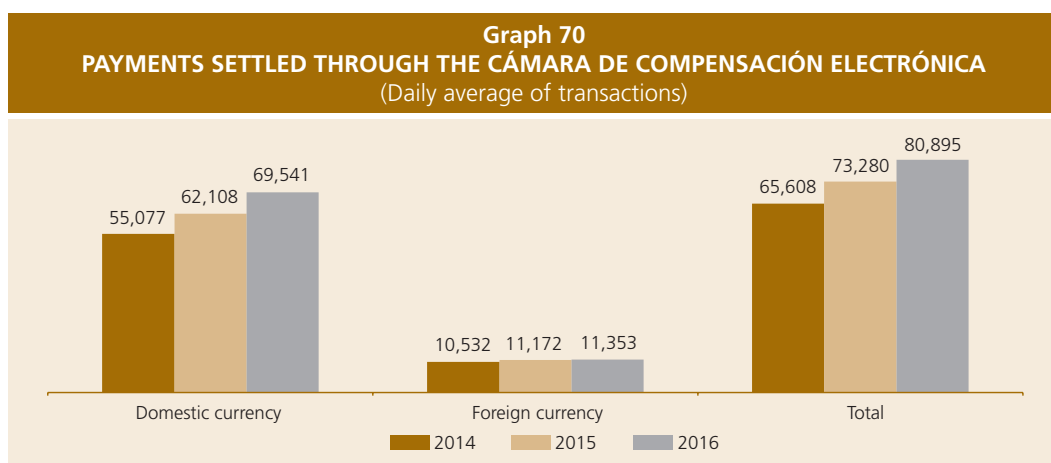
rural savings banks and non-bank financial entities) to the RTGS system, which is the main infrastructure of payment systems in Peru. The entities that established electronic connections with this system in 2016 included Caja Municipal de Cusco and Caja Municipal de Ica, which had been preceded in previous years by the savings banks of Trujillo, Sullana, Piura, Tacna, and Arequipa, as well as by Caja Municipal de Crédito Popular de Lima, Financiera TFC, and Financiera Confianza.

Moreover, the process of modernization of the technological platform of the RTGS system was completed during the first half of 2016 and the international certification of information security management in the interbank transfers handled through the RTGS system was renewed, which reflects the higher levels achieved in the system's security.

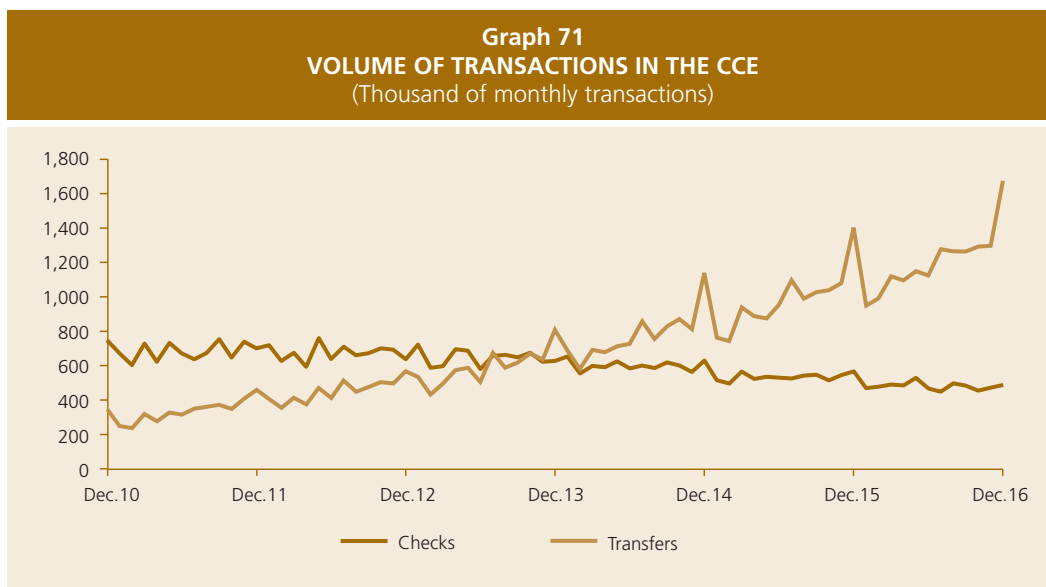
Electronic Clearing House (Cámara de Compensación Electrónica - CCE)

The CCE is a payment system used to settle checks and credit transfers among the clients of the various financial entities that participate in this system. These transactions represent 95.6 percent of the total volume of transactions handled through payment systems.

In 2016, the average number of transactions handled by the CCE¹² each day grew 10.4 percent since credit transfers grew 22 percent. This greater dynamism reflects the rising trend observed in the use of electronic payment systems and that checks are no longer used as a payment instrument. The ratio of credit transfers in terms of total daily average transactions processed through the CCE increased from 64.8 percent in 2015 to 71.7 percent in 2016.

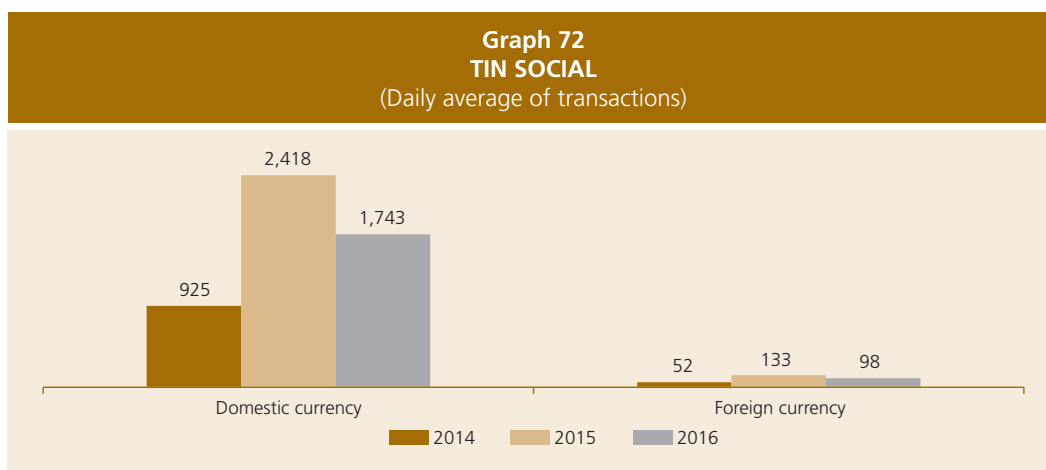


¹² Without including Immediate Transfer operations.



The average value of the transactions processed through the CCE each day –without including immediate transfers– increased 2 percent in the year, the value of credit transfers showing an increase of 16.2 percent. On the other hand, the value of checks decreased by 8.6 percent.

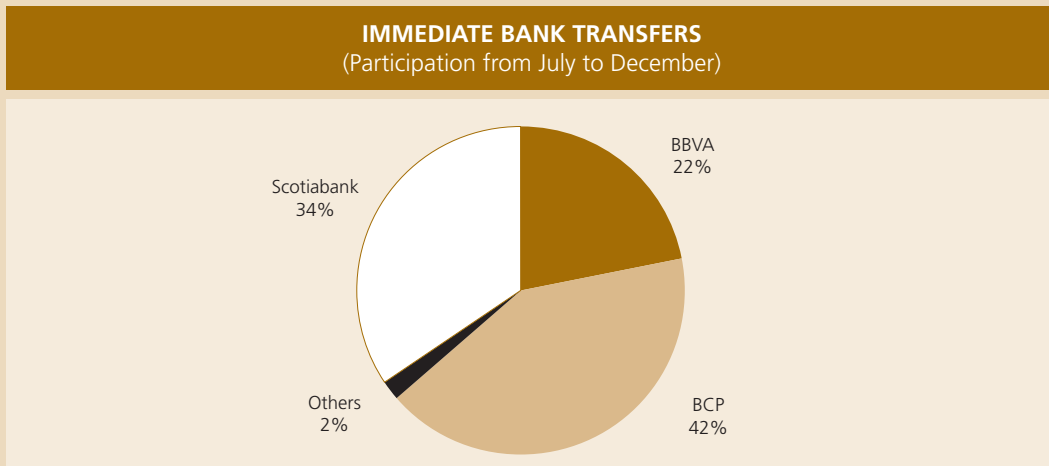
In addition, CCE continued promoting the use of TIN Social¹³, a system that allows fund transfers of less than S/ 350 or US\$ 135, which imply a very low cost or no cost at all for end users. TIN Social is a commercial campaign that has been going on for a little over 3 years. It is worth mentioning that the daily average of funds transferred through this system in 2016 was S/ 300 thousand and that the number of transactions carried out with this promotion exceeds 18 thousand transactions.



¹³ It is also worth mentioning that some entities decided to stop providing this free service between April and September 2016, but resumed the promotion in October.

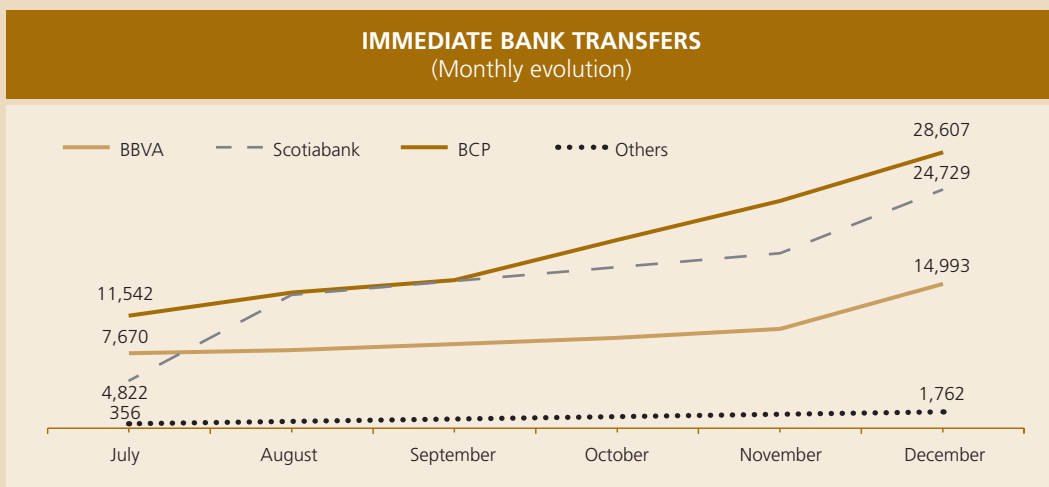
Box 4
IMMEDIATE BANK TRANSFERS

Immediate transfers are a new payment instrument that processes fund transfers between bank customers nearly in real-time, eliminating the time lag that affects payments when other interbank instruments are used. A scheme whereby specific resources are deposited at the start of each day in the accounts banks have at BCRP has been established to ensure settlements between the banks participating in the clearing process, this innovation having introduced improvements in terms of the efficiency and safety of the new instrument.



Cámara de Compensación Electrónica – CEE (Electronic Clearing House) began operations with this new service in July 2016, recording 269 thousand immediate fund transfers (86 percent in soles) between July and December. The main providers of this service are BCP, BBVA, and Scotiabank, which together represent 98 percent of the total number of immediate fund transfers. As of December 2016, participants in this system include BBVA, Banco de la Nacion, Banbif, Interbank, Crediscotia, and the Cajas Municipales de Ahorro y Crédito of Trujillo, Arequipa, Sullana, and Piura.

The number of operations recorded in December 2016 is 187 percent higher than the number of operations registered in July, Scotiabank being the financial entity showing the highest growth in the number of immediate fund transfers made (more than 400 percent).

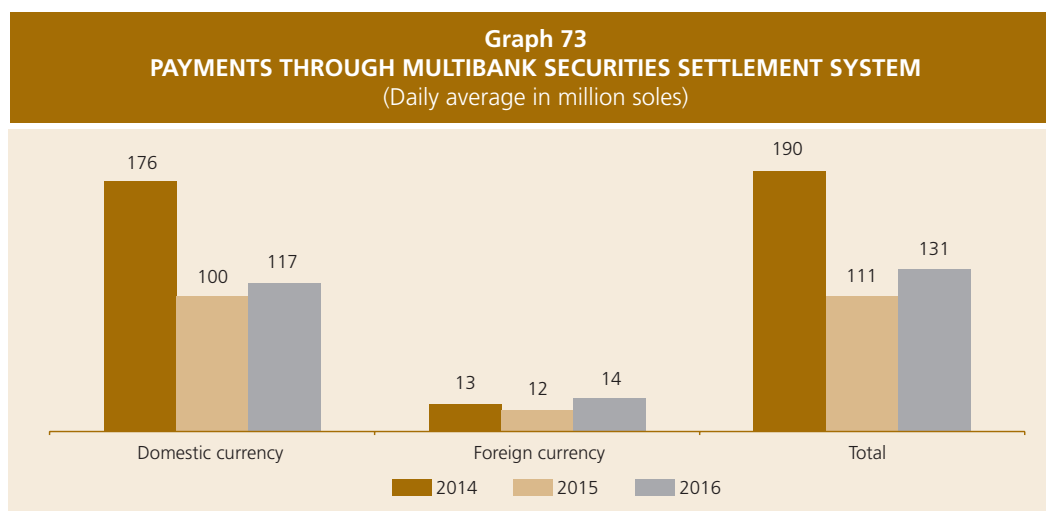


Although the use of this instrument has grown significantly, it still represents a very low percentage of the total number of deferred transfers carried out through the CEE, both in terms of value (1.4 percent) and in terms of volume (4.2 percent).



Multibank Securities Settlement System (MSSS)

Managed by CAVALI, the MSS System handles payments for transfers of stock exchange securities and Treasury bonds. In 2016, the daily average value of payments in this system increased by 17.3 percent and the daily average volume of payments increased by 37.7 percent, reflecting both the higher values and volumes of transfers of stock exchange operations.



Payment Agreements

In June 2016, the Central Bank issued the Regulation of Payment Agreements for Electronic Money (Circular 013-2016-BCRP)¹⁴ to strengthen the security and efficiency of such agreements, by establishing principles and standards, defining the responsibilities and obligations of the administrator and participant issuers, and regulating the processes of clearing and settlement of transactions using electronic money.

This was carried out within the framework of a Payments Agreement for the use of electronic money called Modelo Perú, which is headed by ASBANC and managed by the company Pagos Digitales Peruanos (PDP). Thanks to Modelo Perú, which started operations in February 2016, the transfer orders of users of electronic money are processed in a centralized electronic platform of accounts.

8.6 Financial Inclusion

As a member of the Multi-Sector Committee on Financial Inclusion, the Central Bank has participated in the design and the elaboration of the National Strategy for Financial Inclusion, leading actions in terms of Payments and Settlements and promoting the development of channels and digital instruments for retail payments.

During 2016, the Central Bank has carried out the following activities in the Payments Group:

- Issued the Regulation of e-Money Payments Agreements to strengthen the legal framework governing retail payment instruments.
- Coordinated with Superintendencia de Banca, Seguros y AFPs the implementation of modifications in the regulation of operations with electronic money required to allow the development of the e-money payments ecosystem.

¹⁴ Effective since January 1, 2017.

- Made arrangements with the MEF's Dirección General de Endeudamiento y Tesoro Público to interconnect the RTGS system with billing operations carried out by the Executing Units and the municipalities through Sistema Integrado de Administración Financiera.

Moreover, other entities participating in the Payments Group carried out the following activities:

- In response to a MEF initiative, the Payments Group approved law decree 1271, which amended the Legal Framework of Operation Licenses to simplify the procedures required by an establishment to obtain a license to carry out economic and commercial activities, contributing in this way to the expansion of business operations so that some businesses may operate as cash correspondents.
- The MEF presented the results of the technical studies conducted by the Inter-American Development Bank and Better than Cash Alliance with the aim of contributing to the development of a Government policy of digital payments at national and subnational levels.
- SBS coordinated the implementation of the National Survey on the Demand for Financial Services and on the Level of Financial Culture in Peru, aimed at identifying the characteristics of the potential demand for comprehensive financial services and estimating the level of financial culture.
- Banco de la Nación (BN) has been developing new products and services to promote digital payments:
 - Online banking through "Multired Celular", which promotes the use of cell phones to carry out bank operations.
 - "Botón de Pagos BN", which enables companies and government agencies to provide their customers or taxpayers the possibility of paying for a service, product, rate, or tariff from their own website via a payments button.
 - eWallet BIM: This instrument allows taxpayers to pay taxes (RUS) with e-money through the platform of electronic money administered by PDP, in which BN is a participating issuer.
- Moreover, the Central Bank has been developing activities and publishing articles to promote and position the ENIF as a State strategy:
 - BCRP carried out the "CPMI-BCRP Seminar on Innovations in Payments and Financial Inclusion" in May 2016
 - The Central Bank offered the V Course of Payment Systems entitled "Innovaciones en pagos minoristas y retos para la regulación y supervisión" in December 2016.
 - BCRP and the Centre for Latin American Monetary Studies - CEMLA prepared the paper entitled "El papel de los sistemas y servicios de pago: Una perspectiva de América Latina y el Caribe", which shows the progress of payment services in financial inclusion strategies undertaken in the region.
 - The Central Bank published three articles in Revista Moneda: "Regulación de Pagos Minoristas" and "Acceso y uso de servicios de pago digitales en el Perú: Una visión internacional" in December 2016.