

# INSTITUTIONAL ACTIVITIES

## 1. Board of Directors

On December 31, 2016, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Miguel Palomino Bonilla (Deputy Governor), José Chlimper Ackerman, Elmer Cuba Bustinza, Javier Escobal D'Angelo, Rafael Rey Rey, and Gustavo Yamada Fukusaki.

In 2016 the Board held 58 meetings.

## 2. Transparency and Social Responsibility

Efficiency and transparency characterize the BCRP in all of its actions. Monetary policy decisions are taken in accordance with the BCRP monetary policy independence and informed to the public through various communication channels.

### 2.1 Transparency

The Board of BCRP informs the public about monetary policy decisions through the **Monetary Program Communiqués** released each month. These communiqués are published on the BCRP website and its social media sites, disseminated through press releases, and emailed to subscribers. Teleconferences are also held with the media to inform the public about these decisions.

In 2016, the **Inflation Report**, which provides an analysis of economic developments, explains the BCRP monetary policy actions, and discusses the evolution of prices and provides forecasts on inflation and the main macroeconomic variables, was presented by the Governor of the Central Bank to analysts, business and media representatives each quarter of the year.

Governor Julio Velarde was invited to speak before the Congressional Committee of Economy on two occasions: On May 18, he spoke on the management of net international reserves and on August 31, he offered a presentation entitled "Prospects and Challenges for Economic Growth in Peru (2016-2018)".

Governor Velarde was also invited by the Budget and General Account Committee of Congress to speak on the "Macroeconomic Assumptions of the Public Sector Budget Proposed for 2017" on September 21.

Moreover, other BCRP officials were invited by different Congress working groups to participate in several events organized by the Congress of the Republic in 2016.



In compliance with the Transparency and Access to Public Information Act, in 2016 the BCRP answered 43 information requests submitted by different citizens, and published indicators of the BCRP administrative and budget management as well as the BCRP Financial Statements, audited by internationally renowned auditing firms, in the Transparency section of its website.

## 2.2 Dissemination of Economic Information

BCRP continued informing the public about national finances through the publication and dissemination of studies and macroeconomic statistical data such as the Inflation Report, the Weekly Report, the Annual Report, the Financial Stability Report, the journals Estudios Económicos and Moneda, the Weekly Economic Report, Notas de Estudios, the Working Papers, and the Síntesis de Actividad Económica prepared by the Branch Offices of BCRP. Informative Notes on the decisions of the Board of BCRP about the benchmark interest rate, the main institutional events, and the evolution of the main economic variables were also sent to the media.

In addition, BCRP also organized talks on the mission and roles of the Central Bank and on the security features of banknotes and coins in Lima and in other cities of the country, as well as institutional and academic events to discuss economic issues of interest.

During 2016, BCRP used social networks intensively to publish reports containing economic data and institutional information, as well as to provide information about the security features of banknotes and coins. During this year, BCRP has become one of the most popular public institutions in the social media: not only did BCRP double the information it published on Facebook, its followers on this social network exceeding one million people, but it also saw the number of its followers on Twitter rise from 18 thousand to more than 120 thousand.

## 2.3 Social Responsibility

The Central Bank 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:

### **Courses**

- **Extension Course for Economists**  
Thirty-six students of economics from various public and private universities of Lima and other cities of the country participated in the LXIII Extension Course for Economists offered this year. The best students of the course were invited to join the Bank's technical staff.
- **Advanced Finances Extension Course**  
Thirty students from different universities and different academic fields interested in specializing in financial themes were selected to participate in the Bank's IX Extension Course of Advanced Finances. The students with the best grades were also invited to integrate the BCRP staff.
- **2016 Update Course in Economics**  
A select group of 35 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 participate in the LXIV Extension Course for Economists 2017.
- **Course for Economics Faculty**  
Twenty-three professors from different universities of the interior of the country and three professors from universities located in Lima participated in this course in 2016. The participants were trained in different aspects of macroeconomics, microeconomics, econometrics, and project evaluation.

## Contests

- Research Contest for Junior Economists: Economics and Finances**

The winner of the 2016 Research Contest for Junior Economists was Gabriel Arrieta (PUCP) for his paper “Un análisis gravitacional de la creación y desviación comercial en el marco del Tratado de Libre Comercio entre Perú y Estados Unidos”. The second prize was awarded to Angelo Cozzubo (PUCP) for his research “Para nunca más volver: Un análisis de la dinámica de pobreza en el Perú (2007-2011)”, and the third prize was awarded to Jan Sandoval (UNI) for his work “Descomposición de spreads de crédito: Un enfoque no lineal con probabilidades de transición cambiantes”.
- Short Novel Contest**

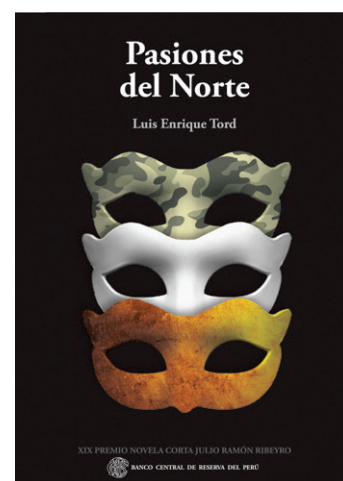
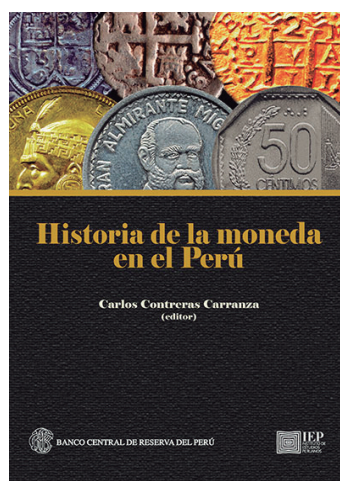
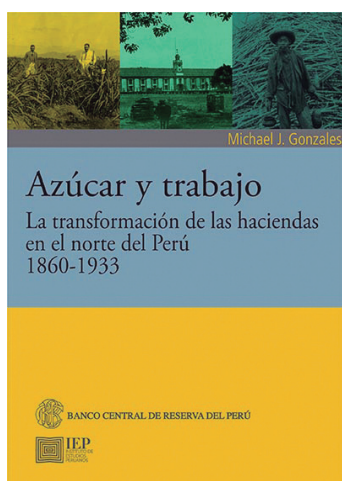
The winner of 2016 Short Novel Contest was Luis Enrique Tord for his novel “Pasiones del Norte”. The panel of judges was chaired by Abelardo Oquendo, and integrated by Francesca Denegri, Alonso Cueto, Mirko Lauer, and Marcel Velázquez.
- National Painting Contest**

The first prize of the 2016 National Painting Contest was awarded to renown artist Miguel Aguirre for “Birú, mientras recorría el desierto con andar errante en aquel otoño que agonizaba, se topó con una letrina. Por poco no entró en ella”. The second prize was awarded to Annie Flores for “Todo se quiebra y parte” and Luana Letts got an honorable mention for “Casa: Acantilado de Lima”. The panel of judges included Moico Yaker, Crithian Bendayán, Natalia Majluf, Luis Eduardo Wuffarden, and Ángela Delgado Valdivia.
- BCRP Contest for School Students**

In this eleventh edition of the contest, the participant groups submitted videos describing the importance of the dollarization of credit and explaining why it is essential to maintain inflation low and stable. The first prize was awarded to the video entitled “Dólar: ¿aliado o enemigo?”, carried out by students of school Las Praderas del Norte, Piura. The second prize was for “Seamos responsables, mantengamos una inflación baja y estable”, carried out by students of Institución Educativa Hermanos Blanco, of Trujillo, and the third prize was for the team of students of Colegio 5143 Escuela de Talentos, of Callao, for their video entitled “La Inflación Controlada”.

## Publications

In 2016, Banco Central de Reserva del Perú and Instituto de Estudios Peruanos co-published two books: “Azúcar y trabajo: La transformación de las haciendas en el norte del Perú 1860-1933” by Michael Gonzales and “Historia de la moneda en el Perú”, edited by Carlos Contreras.



The Bank also participated in the XXth Book Fair of Lima where “Pasiones del Norte”, the novel authored by Luis Enrique Tord that won the BCRP’s XIX Contest of Short Novels “Julio Ramón Ribeyro” was presented to the public, as well as in the 37th Book Fair Ricardo Palma offering the books published by Fondo Editorial del BCRP.

## **Museum**

During 2016, a total of 140,433 people visited the different museums of BCRP.

The Museum had 157 school visits, the total number of visitors reaching 24,516 including students and teachers. In addition, it held the first Meeting with Primary and Secondary Teachers to promote the activities organized by the Museum as well as the various collections the Museum has. In the framework of its pedagogical activities, the Museum organized different presentations with theatre plays and storytelling on topics related to its collections or to Peruvian culture in popular activities such as #SusurrArte or #ContArte on Wednesdays and Saturdays from January to October 2016.

The winning and finalist artworks of the 8th Contest of Painting were exhibited in a renovated showroom where visitors can interact participating in activities such as #ExpresArte or #EmocionArte, labeling the works of art as one does in the social networks.

The activities of the Museum's Film Club continued with the collaboration of Fimoteca of PUCP and included participating in the 8th Festival of Environmental Films "Sembrando Cine" in June, in the 20th Film Festival of Lima in August, and in the 28th Festival of European Films between October and November.

Since July 2016, the Museum extended its visiting hours from 5 pm to 10 pm every last Friday of the month to allow the visits of a more varied group of people who either finish work around this time in the surrounding areas or go there for other activities.

Other activities carried out during the year included exhibitions on thematic topics under the direction of renowned curators: Marianela Béjar developed "De(S) Tapadas", an exhibition on women throughout the history of Peru; Joanna Burga was responsible for "Nuestros Rostros", on miscegenation; Jhonathan Montenegro and Luz Espinoza offered us a tour of the country with "Nuestras Regiones"; Jorge Chávez prepared the exhibition entitled "Yaku, Nuestra Agua", on water management in Andean societies; Diego Paitán was in charge of "Post-mortem, la eternidad de la muerte", a reflection of death in cultural expressions, and Patricia López developed "La vestimenta de nuestra tierra", which focuses on identity and how it is reflected in clothing likings.

In addition, other activities developed included the renovation of the showrooms of the museums of the BCRP Branch Offices of Arequipa and Piura, as well as the restoration and conservation of the valuable pieces exhibited in these premises. Moreover, in 2016 the Museum also started to promote its activities through social media such as Facebook and YouTube.



Showrooms - Branch Office Arequipa



Showrooms - Branch Office Piura

## **Library**

During 2016, the Library of the BCRP managed 8,565 reading requests in its facilities and lent a total of 61,260 documents, including books and periodical publications. Moreover, to provide a better service, it used one of the most important library management systems available today, which facilitates the follow-up of the acquisition,

lending, and return of bibliographic material, as well as queries to our catalog and databases, among other library services.

Furthermore, consultations of online databases and digital publications increased to over 16 thousand in 2016.

### 3. Main Meetings and Events

In 2016 the BCRP authorities and officials participated in various international and national meetings. The main events included the following:

#### International Meetings

- Annual Meeting of Emerging Market Deputy Governors, organized by the BIS, Basel, Switzerland, January 28 - 29.
- Seminar "Global Commodity Price Drivers and Implications for Latin America", organized by Centro de Estudios Monetarios Latinoamericanos (CEMLA), carried out in San José, Costa Rica, March 3 - 4.
- "X Road Show New York 2016", organized by inPeru, carried out in New York, United States, March 9 - 10.
- "Foreign Reserve Management Workshop", organized by the Deutsche Bundesbank, carried out in Frankfurt, Germany, March 7 - 11.
- "Financial Stability and Development Group Seminar: Risks of Currency Depreciation", organized by the Inter-American Development Bank (IDB) and the Central Bank of Uruguay in Montevideo, Uruguay, March 30 - 31.
- LXXXI Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), held in Bogotá, Colombia, on April 4.
- BIS-CEMLA Regional Workshop on Retail Payments, organized by the BIS, CEMLA, and the Central Bank of Trinidad and Tobago, carried out in Port of Spain, Trinidad and Tobago, April 12 - 13.
- Spring Meetings of the IMF, the World Bank, XLII Meeting of the Latin American Network of Central Banks and Ministries of Finances of the Inter-American Development Bank, carried out in Washington D.C., USA, April 13 - 17.
- LIX Meeting of the Advisory Committee on Financial and Monetary Affairs of the Reciprocal Payments Agreement, organized by Asociación Latinoamericana de Integración (ALADI), held in Punta Cana, Dominican Republic, May 2 - 6.
- CI Meeting of Central Bank Governors, organized by the Bank of Portugal and CEMLA, carried out in Lisbon, Portugal, May 10 - 11.
- Expert Meeting about Central Banks' Macroeconomic Models in Latin America, organized by CEMLA and the IMF Institute, carried out in Mexico City, June 9 - 10.
- XII Meeting of Monetary Policy Managers, co-sponsored by the Bank of Spain and CEMLA, carried out in Madrid, Spain, June 15 - 24.
- IX Latin American Forum for Communications Heads and Spokespersons of the Ministries of Finance and Central Banks, co-organized by the World Bank, the Ministerio de Hacienda and Banco Central de Costa Rica, carried out in San José, Costa Rica, June 23 - 24.
- XV Annual Conference and LXXXVI Annual Meeting of BIS Governors, held in Luzern and Basel, Switzerland, June 23 - 26.



- VI Meeting of Directors of Financial Stability, organized by CEMLA, carried out in Mexico City, July 13 - 15.
- Lecture on "Economía de China, Política Monetaria Global y América Latina: Retos para los bancos centrales de la Región" and LXXXII Extraordinary Meeting of the Board, organized by the FLAR and Banco de Desarrollo de América Latina (CAF), held in Cartagena, Colombia, July 20 - 22.
- "XXXI Annual Economic Meeting", organized by Banco Central del Uruguay, carried out in Montevideo, Uruguay, August 18 - 19.
- "40th Economic Policy Symposium", organized by el Federal Reserve Bank of Kansas City, carried out in Jackson Hole, USA, August 25 - 27.
- "8th IFC Conference Statistical Implications of the New Financial Landscape", organized by the BIS and the Fisher Committee of Central Banks Statistics, carried out in Basel, Switzerland, September 8 - 9.
- XXXI Meeting of Governors of Central Banks of South America, organized by Banco de la República, carried out in Bogotá, Colombia, September 26 - 27.
- LXXXII Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), carried out in Bogotá, Colombia, September 26 - 27.
- Seminar on Big Data and Central Banking, organized by CEMLA and the Deutsche Bundesbank, carried out in Mexico City, September 27 - 29.
- Seminar on Operation Risk in Central Banks 2016, organized by Banco de España and CEMLA, carried out in Madrid, Spain, September 27 - 30.
- "20th Annual Working Party on Monetary Policy in Latin America", organized by the BIS, carried out in Montevideo, Uruguay, September 29 to 30.
- Annual Meetings of the IMF, the World Bank, and associated meetings such as G-24, CEMLA, Third BIS CCA High Level Roundtable on Financial Issues, and XLIV Meeting of the Latin American Network of Central Banks and Ministries of Finances, held in Washington D.C., October 3 - 10.
- "Financial Conditions, Commodity Prices and Monetary Policy in a Dollarized Small Open Economy" in the event of Grupo de Estabilidad Financiera y Desarrollo (EFD), research developed jointly with CEMLA, organized by the IDB and Banco Central de Uruguay, October 17.
- "XI Road Show Europe 2016", organized by inPerú, carried out in London, England, and Madrid, Spain, October 17 to 20.
- XIII Meeting of Central Bank Treasurers and V Meeting of Experts on Currency Anti-Counterfeiting Measures, organized by CEMLA, carried out in Guatemala, Guatemala, October 24 to 28.
- V Meeting of Government Officials specialized in Statistics on Trade of Services, organized by ALADI, carried out in Montevideo, Uruguay, October 25 to 26.
- XXX Conference on Reserve Management, organized by the FLAR, carried out in Cartagena, Colombia, November 2 to 4.
- LX Meeting of the Advisory Committee on Financial and Monetary Affairs of the Reciprocal Payments and Credit Agreement, organized by ALADI, held in Montevideo, Uruguay, November 7 to 11.
- Forum "Lifting the Small Boats: Statistics for Inclusive Growth", organized by the IMF and held in Washington DC., USA, November 17 - 18.
- "Financial Cycles and Policy Response in Latin America", organized by the IDB in Buenos Aires, Argentina, November 21 - 22.

- Sixth Roundtable of Sovereign Asset and Reserve Managers, organized by the IMF, carried out in Washington DC., USA, December 6 - 7.

### National Meetings

- Lecture on "Productividad, reasignación y distorsiones: Evidencias de datos de empresas ecuatorianas", by Professor David Jacho, Emory University.
- Presentation of the book "Medallas del Perú" authored by Pedro de la Puente and Alfred Goepfert.
- Lecture on "Incentivando la productividad en el Perú hacia un sistema de educación y entrenamiento continuo", by Pablo Lavado, Professor and researcher at Universidad del Pacífico.
- Lecture on "Inflación y juegos políticos", Professor César Martinelli, George Mason University.
- "Is there a uniqueness problem in the new Keynesian model", lecture by Lawrence Christiano, Senior Professor, Northwestern University.
- Lecture on "Microfinanzas peruanas: competencia e inclusión en un mercado maduro", by Socorro Heysen, Gerente General Adjunta de Estudios Económicos de Financiera Confianza.
- "La importancia del gobierno corporativo y la gestión integral de los riesgos", lecture by Professor David Trillo, Facultad de Ciencias Sociales, Universidad Rey Juan Carlos.
- Presentation of "Perspectivas económicas de América Latina 2016: hacia una nueva asociación con China", report of the OECD Development Centre.
- "Aplicando la economía conductual para mejorar la gestión de las finanzas públicas", lecture by Marco Hernández, Senior Country Economist for Central America, The World Bank.
- Presentation of the Regional Economic Outlook (REO): "Perspectivas para América Latina y Caribe", co-organized with the IMF.
- Presentation of "Índice de Inclusión Financiera", by David Tuesta, Chief Economist of Financial Inclusion of BBVA.
- VII BIS CCA Annual Research Conference, co-organized with the BIS.
- Seminar on The Payments System, co-organized with the BIS.
- Encuentro Económico de la Región Arequipa.
- Presentation of The World Bank document entitled "La Macroeconomía del Ciclo de Commodities en América Latina: espejismos y dilemas", by Augusto La Torre.
- "Systemic Risk and Financial Stability", lecture by Raphael Espinoza, University College London, co-organized with SECO.
- Course on "Monetary Policy – State of Play", co-organized with the Bank of England and CEMLA.
- XXXIV Encuentro de Economistas.
- Presentation of document entitled "Perspectivas de la Economía Mundial – WEO", IMF.
- Course on "Monetary Policy and Macro-Prudential Policies in Open Economies", Lecturer: Professor Gianluca Benigno, London School of Economics.
- Seminar "Basilea III y las implicaciones para su implementación en América Latina y el Caribe", co-organized with CEMLA.
- V Course on the Payments System.



#### 4. Branch Offices

Banco Central de Reserva del Peru has seven branch offices which are located in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo, and have jurisdiction in 23 departments of the country. Each of the BCRP Branch Offices has a Department of Economic Studies and Operation Departments.

The main role of the BCRP branches is to develop and disseminate studies and reports on the economy of the country's departments, ensure that each region has the appropriate supply of banknotes and coins required by the financial system and the population in general, and oversee the custody operations of the vaults. The BCRP Branch Offices also organize lectures and talks on the economy of the region and on the security features of banknotes and coins.

In addition to this, they periodically publish the document *Síntesis de la Actividad Económica Regional* on the web page of BCRP, providing information about economic and financial developments in each region with statistical data on production, prices and employment, credit and bank deposits, foreign trade operations, and the public budget. Additional information about the economic characteristics and main tourist attractions of each region are also included in the BCRP web page (see *Caracterización económica and Principales atractivos turísticos* of each region).

In 2016, the BCRP Branch Offices signed agreements with several local business organizations such as the Chambers of Commerce of Piura, La Libertad, Cajamarca, Ancash, Madre de Dios, Cusco, Tarapoto, Loreto, Arequipa, Ayacucho, Ica, Huánuco, Huancayo, Lambayeque, Chíncha, Tacna, Ilo, and Moquegua, to strengthen inter-institutional cooperation and promote greater dialogue with the regional business community.

The regional economic meeting of Arequipa – Encuentro Económico Región Arequipa – was carried out in July 2016 with the participation of the main authorities of the Regional Government, members of the business community, public officials, and researchers, who exchanged proposals on the potentials, challenges, and possibilities of the region. On July 5-6, this city also hosted the meeting “El BCRP y el Comité de Reinversión de Bretton Woods”, which brought together leading scholars and officials of the central banks of other countries.

In 2016, BCRP organized presentations of the Inflation Report in each of its seven branch offices and discussed the document “*Síntesis de la Actividad Económica Regional*” in several other cities as well, including the cities of Piura, Chiclayo, Sullana, La Libertad, Cajamarca, Huaraz, Cusco, Iquitos, Pucallpa, Tarapoto, Puno, Juliaca, Arequipa, Moquegua, Huancayo, Tingo María, and Huancavelica. Talks on the mission and role of BCRP were also given to students of various public and private universities in these regions.

Moreover, in 2016 BCRP Branches promoted research papers that were later presented at the XXXIV Encuentro de Economistas carried out in the city of Lima. These papers included, for example, “Un índice de pobreza multidimensional para el Perú”, “Mercado inmobiliario urbano-habitacional de La Libertad”, and “Un índice de calidad del crecimiento para las regiones del Perú”, prepared by researchers of the Branch Office of Trujillo. Furthermore, the Branch Office of Piura organized a course on public budget-related topics addressed to the authorities of the Regional and Local Governments of this region.

During the year, the BCRP branches continued providing training to the personnel of financial entities and the general public on the security features of banknotes and coins. A total of 21,483 people participated in the 564 talks delivered over the year.

The museums of the branch offices of Trujillo, Arequipa, and Piura were visited by 31,358 visitors. The number of people that visited the BCRP Museum in Trujillo represent 76 percent of the total number of people that visited these facilities (23,704 thousand people). It is worth mentioning that the potential of the museums of the branch offices of Piura and Arequipa was optimized in 2016, their showrooms being expanded and renewed to continue contributing to the dissemination of Peru's cultural heritage.



## 5. Currency Management

In September 2016, BCRP put into circulation the new 1 sol coin featuring the monument known as *Arco Parabólico de Tacna* and completed the 26 coins that make up the “Wealth and Pride of Peru” coin series. BCRP started this series in 2010 with the aim of disseminating Peru’s rich cultural heritage and promoting the development of a numismatic “culture” through means of payment of daily use. In 2016, BCRP also issued 2 other coins of this series: *Cabeza de Vaca*, which represents Tumbes (April) and *Cerámica Shipibo-Konibo*, which represents Ucayali (July).



“Cabeza de Vaca” (Tumbes)



“Cerámica Shipibo-Konibo” (Ucayali)



“Arco Parabólico” (Tacna)

In October 2016, the 1 sol coin of this numismatic series featuring the Cathedral of Lima received the 2016 Nexonum Award as the best coin in the world in the category “Coins of legal tender in 2015”. This is the second time a Peruvian coin is awarded with this prize. In 2014, the same award was given to the 1 sol coin allusive to the Inca Huaytara Temple of Huancavelica. Furthermore, three coins of the Wealth and Pride of Peru Series were included in the category of “best coin in circulation” in the 7th International Convention of Numismatics carried out in Buenos Aires: the coin featuring the “Pusharo petroglyphs” got the first prize and received the “LatiNum” 2014-2015 award, while the coins “Huaca de la Luna” and “Cathedral of Lima” obtained the second and third prizes, respectively.

Two commemorative silver coins were also issued in 2016: the coin commemorating the “Sesquicentennial of the Victory of Dos de Mayo” was issued in April and the coin commemorating “200 años del Nacimiento del Coronel Francisco Bolognesi Cervantes” in November.



“Sesquicentenario de la Victoria del Dos de Mayo”



“200 años del Nacimiento del Coronel Francisco Bolognesi Cervantes”

In February, BCRP issued coins in the denominations of 1 Sol, 2 Soles, and 5 Soles (Circular 004-2016-BCRP) with the new name of the monetary unit (SOL), as provided for by Law No. 30381.

The deadline for changing the name of the monetary unit of Peru from “Nuevo Sol” (S/.) to “Sol” (S/) was extended in December 2016 until December 31, 2017 (Circular N° 027-2016-BCRP). Therefore,

both names and their respective symbols may be used indistinctly in documents, transactions, securities, prices, records, and any other similar document in which the monetary unit of Peru is expressed.

BCRP continued developing information campaigns about the security features of banknotes and coins, as well as training instructors in different banks so that the latter may train the staff of banks about these security features in cities where the BCRP does not have branch offices. In addition to this, information campaigns on these security features were also carried out nationwide through the social media, as well as through television and radio interviews and through the written press, especially in periods where regional festivities are celebrated and large amounts of cash are moved.

### Banknotes and Coins in Circulation

In 2016, the amount of banknotes and coins in circulation was higher than in 2015, both in terms of value and in terms of units. The balance of the value of banknotes in circulation in December 2016 was S/ 48.77 billion (4.4 percent higher than in December 2015), while the balance of the value of coins in circulation was S/. 2.29 billion (5.7 percent higher than in December 2015).



The number of banknotes in circulation at the end of 2016 was 759 million units (a figure 3.0 percent higher than that recorded at the end of 2015) and the number of coins in circulation was 3.76 billion coins (7.7 percent higher than at the end of 2015).

As for the most used banknotes, the use of S/ 100 banknotes stands out both in terms of value and of the number of units used, which would be reflecting banks' preference for these banknotes to supply ATMs and cash operations at a bank counter.

STRUCTURE OF CURRENT IN CIRCULATION EMITTED BY DENOMINATION: DECEMBER 2016				
Banknotes	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
10	126	16.6%	1,263	2.6%
20	138	18.2%	2,765	5.7%
50	125	16.5%	6,265	12.8%
100	354	46.6%	35,362	72.5%
200	16	2.0%	3,111	6.4%
<b>TOTAL</b>	<b>759</b>	<b>100.0%</b>	<b>48,765</b>	<b>100.0%</b>
Coins	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
0.05	449	12.0%	22	1.0%
0.10	1,392	37.0%	139	6.1%
0.20	391	10.4%	78	3.4%
0.50	444	11.8%	222	9.7%
1.00	785	20.9%	785	34.3%
2.00	151	4.0%	303	13.2%
5.00	147	3.9%	797	32.2%
<b>TOTAL</b>	<b>3,760</b>	<b>100.0%</b>	<b>2,286</b>	<b>100.0%</b>

In the case of coins, the circulation of the coins in the denominations of 1 sol and 10 cents is particularly noteworthy due to their significantly widespread use to pay fares and retail transactions.

### Coin Minting

Casa Nacional de Moneda (Peru's National Mint) produced 300 million coins in 2016, 4.8 percent less than in 2015. The largest production was coins in the denominations of ten cents (S/ 0.10) and one Sol (S/ 1), which together represented 61 percent of the total of coins produced in the year (like in 2015).

PRODUCTION OF COINS - 2016			
Denomination	Alloy	Quantity (Million units)	Monetary value (Million soles)
S/ 0.05	Aluminum	27.0	1.35
S/ 0.10	Brass	107.0	10.70
S/ 0.20	Brass	43.0	8.60
S/ 0.50	Nickel-silver	26.0	13.00
S/ 1.00	Nickel-silver	76.0	76.00
S/ 2.00	Bi-metal	16.0	32.00
S/ 5.00	Bi-metal	5.0	25.00
<b>Total</b>		<b>300.0</b>	<b>166.65</b>

Source: BCRP.

### Destruction of Banknotes

A total of 290.7 million banknotes with a monetary value equivalent to S/ 12.00 billion was destroyed in 2016. Moreover, 55 percent of the banknotes destroyed was banknotes of ten soles and twenty soles (S/ 10 and S/ 20).

DESTRUCTION OF BANKNOTES: 2016		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 10	87.8	878.1
S/ 20	73.0	1,460.9
S/ 50	70.8	3,541.9
S/ 100	56.8	5,680.4
S/ 200	2.2	441.2
<b>Total</b>	<b>290.7</b>	<b>12,002.4</b>

Source: BCRP.

## 6. Circulars

During 2016, BCRP issued 30 circulars: 4 circulars were about regulations on reserve requirements, 3 about monetary instruments, 1 about payment agreements, 7 about banknotes and coins, 3 about first-class banks, and 12 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. The circulars issued in 2016 were the following:

- **Reserve Requirements**

Circular 002-2016-BCRP (29/01/2016)  
 Circular 005-2016-BCRP (26/02/2016)  
 Circular 029-2016-BCRP (27/12/2016)  
 Circular 030-2016-BCRP (27/12/2016)

- **Monetary Instruments**

Circular 016-2016- BCRP (10/07/2016)  
 Circular 023-2016- BCRP (11/10/2016)  
 Circular 028-2016- BCRP (16/12/2016)

- **Payment Agreements**

Circular 013-2016- BCRP (06/06/2016)

- **Banknotes and Coins**

Circular 004-2016-BCRP (26/02/2016)  
 Circular 008-2016-BCRP (05/04/2016)  
 Circular 010-2016-BCRP (28/04/2016)  
 Circular 017-2016-BCRP (13/07/2016)  
 Circular 020-2016-BCRP (29/09/2016)  
 Circular 024-2016-BCRP (31/10/2016)  
 Circular 027-2016-BCRP (16/11/2016)

- **First-Class Banks**

Circular 009-2016-BCRP (06/04/2016)  
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 Circular 022-2016-BCRP (04/10/2016)

- **Daily Adjustment Index**

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Circular 012-2016-BCRP (01/06/2016)  
Circular 015-2016-BCRP (01/07/2016)  
Circular 018-2016-BCRP (01/08/2016)  
Circular 019-2016-BCRP (01/09/2016)  
Circular 021-2016-BCRP (04/10/2016)  
Circular 025-2016-BCRP (02/11/2016)  
Circular 026-2016-BCRP (02/12/2016)