



# INSTITUTIONAL ACTIVITIES

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**Pancho Fierro (1809-1879)**  
*El soldado y la rabona. S. XIX*  
Watercolor. 0.33 x 0.25 m.



**Pancho Fierro (1809-1879)**  
*El notario público. S. XIX*  
Watercolor. 0.31 x 0.24 m.

# INSTITUTIONAL ACTIVITIES

## 1. Board of Directors

On December 31, 2018, 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 2018 the Board held 57 meetings.

## 2. Transparency and Social Responsibility

Transparency and efficiency characterize the Central Reserve Bank of Peru (BCRP) in all of its monetary policy actions. Monetary policy decisions are taken in accordance with the BCRP 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 2018, the **Inflation Report** was published in the months of March, June, September, and December. This report contains the BCRP analysis of economic developments, explains monetary policy actions, discusses the evolution of prices, and provides forecasts on inflation and the main macroeconomic variables each quarter of the year. The Inflation Report is published on the BCRP website and discussed in presentations to representatives of the financial system, economic analysts, the media, authorities, and business and academia representatives, both in Lima and in several cities of the country.

In 2018, Governor Julio Velarde was invited to speak before the Congressional Committee of Budget and General Account on September 12 to explain the "Macroeconomic Assumptions of the Public Sector Budget Proposed for 2018".

Moreover, in compliance with the Transparency and Access to Public Information Act, in 2018 the BCRP answered 63 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 macroeconomic statistical data and reports 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*, *Documentos de Trabajo*, and *Síntesis de Actividad Económica*, the latter of which is prepared by the Branch Offices of BCRP. In addition, 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 published.

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

Furthermore, in 2018 BCRP intensified its use of social networks 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 continued to actively publish information through Facebook, Twitter, and YouTube. As a result of this, BCRP has become one of the most popular public institutions in the social media.

## 2.3 Social Responsibility

The Central Reserve Bank of Peru also 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. The following courses and events are worth highlighting:

### Courses

- **Advanced Economics Extension Course**  
Thirty-five students of economics from various public and private universities of Lima and other cities of the country participated in the LXV Extension Course of Advanced Economics 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 who are interested in specializing in financial themes were selected to participate in the Bank's XI Extension Course of Advanced Finances. The students with the best grades were also invited to join the BCRP staff.
- **Refresher Course in Economics**  
Thirty-two students of economics from different universities of the country learned about the latest trends in the fields of macroeconomics, microeconomics, econometrics, and quantitative methods in August 2018. The best students were invited to participate in the LXVI Extension Course of Advanced Economics 2019.
- **Refresher Course for Economics Faculty**  
Twenty-three professors from different universities of the interior of the country and two professors from universities located in Lima participated in this course in 2018. The participants were trained in different aspects of macroeconomics, microeconomics, econometrics, and project evaluation.

### Contests

- **BCRP Award for Research in Economics and Finances**  
The winner of the 2018 BCRP Award for Research in Economics and Finances was Frida Infante (UP) for her research paper "*Desdolarización del crédito en el Perú con políticas monetarias poco convencionales entre 2013 - 2017 ¿Funcionó?*". The second prize was awarded to Jennifer de la Cruz (PUCP) for her research entitled "*Análisis del papel del desarrollo financiero en el crecimiento económico*", and the third prize was awarded to Roberto Vilchez (UPC) for his article "*Análisis del impacto del desarrollo de los sistemas financieros en el crecimiento económico en los países miembros del MILA durante el periodo 2000-2014*".

- **BCRP Video Contest for School Students 2018**

In the thirteenth edition of this contest, the participant teams submitted educational videos about “The Role of BCRP in the Economy”. The first prize was awarded to the schoolgirls of Colegio Vallesol, Piura, for their video “El BCRP y su importancia en el país”. The second prize was for “Allin illay aypunakuy” (Regulating the Economy), carried out by students of Institución Educativa Zárate, Huancayo, and the third prize was for the group of students of school José María García García, of Cusco, for their video entitled “Banco Central de Reserva en la Economía del País”.

- **Annual Short Novel Contest “Julio Ramón Ribeyro”**

The winner of the 2018 Short Novel Contest was Luis Alejandro Vinatea Arana for his novel “Oreja de perro”. The novel was presented in Lima’s Feria Internacional del Libro in July 2018. The panel of judges was chaired by Abelardo Oquendo and integrated by Alonso Cueto, Francesca Denegri, Mirko Lauer, and Marcel Velásquez.

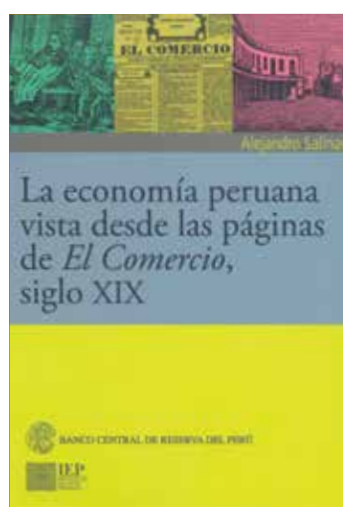
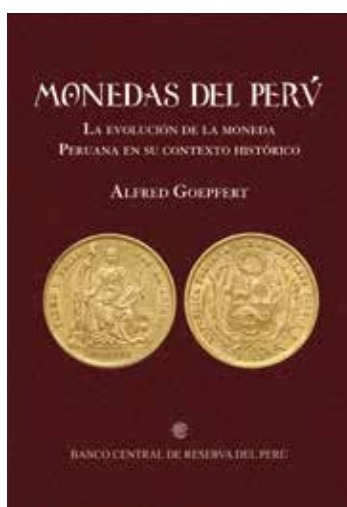
- **2018 National Painting Contest**

The first prize of the tenth edition of the National Painting Contest was awarded to artist Alice Wagner for “Untitled”, a mixed technique piece in ceramics. The second prize was awarded to Valeria Ghezzi for her painting “El rebalse de las entrañas del Perú originario / La otra posibilidad”. An exhibition with the winning artworks and the finalist works of the contest was held at the Museum of BCRP – Museo Central (MUCEN) - from November 16, 2018 to February 3, 2019. The panel of judges included Moico Yaker, Claudia Coca, Natalia Majluf, Ángela Delgado, and Augusto del Valle.

### **Book Publications**

In 2018, the Central Reserve Bank of Peru published the book “Monedas del Perú”, a posthumous work of Alfred Goepfert Freimann. In addition, BCRP and Instituto de Estudios Peruanos (IEP) co-published the book “La economía vista desde las páginas de El Comercio, siglo XIX”, by Alejandro Salinas. This book obtained the first place in the survey “Los más importantantes (o populares) libros de Historia del Perú in 2018”, in the category of historical sources and bibliography.

Moreover, two other publications linked to the museum were released: on the one hand, the catalog of the temporary exhibition “Media cajetilla de cigarrillos y una de fósforos” of artist Miguel Aguirre, winner of the 2016 Painting Contest and, on the other hand, “CONEXIONES”, the catalog of the art collections of Museo Central (MUCEN), which includes interpretations and research about more than 64 works of the four types of art collections of MUCEN and which show the relationships, continuities, and transformations of Peruvian art. On the other hand, BCRP also published the novel “Oreja de perro”, authored by Luis Alejandro Vinatea Arana, who won the first prize in the 2018 Short Novel Contest Julio Ramón Ribeyro.



In addition, the Bank participated in the Ricardo Palma Book Fair and in the Lima International Book Fair.



## Museum

During 2018, the network of BCRP museums, integrated by the MUCEN in Lima, the Numismatic Museum, and the MUCENs in the cities of Arequipa, Piura, and Trujillo, were visited by a total of 163 thousand people.

The **MUCEN** is committed to building an inclusive, dynamic space that contributes to strengthening citizenship. Because of this, the pedagogical approach is present in all of its actions including the work of the “dialoguers” (mediators), the design of dissemination and educational materials, and temporary exhibitions.

During the year, MUCEN held 13 events with curators and artists within the framework of the **#DialogArte** program, in addition to the regular activities in the fields of dance, music, theater, and performances carried out by the programs **#ContArte**, Theater for Children, the workshops related to the temporary exhibitions, and **MUCEN Abre de noche**, all of which contribute to motivate the public to bond with art collections and with the Peruvian culture. As a result, 26 artistic groups offered 57 scenic performances to the community free of charge.

MUCEN also showed more than 50 films in collaboration with Filмотeca de la Pontificia Universidad Católica del Perú and also participated as one of the venues of four film festivals: the 9th Central and Eastern European Film Festival, the 22nd Lima Film Festival of PUCP, the 10th Festival of Environmental Films “Sembrando Cine” and the 30th European Film Festival in Lima.

Education activities included the activities carried out by about 22,170 schoolchildren in the **#ConversArte** programs at Museo Central Museum and those carried out by 12,484 schoolchildren at the Numismatic Museum. Throughout their tours, the students learned about their heritage through an interactive, participatory methodology designed especially according to thematic topics and according to the age of participants. In addition, they participated in the elaboration of the Map of Experiences of the Numismatic Museum, which allows each student to visit the most important pieces of the museum linking them with his or her own experience.

On the other hand, since August MUCEN started carrying out special tours of the museum guided by a sign language interpreter. The aim of these tours, held twice a month, is to bring the MUCEN experience to the deaf community of Lima and to contribute to promoting inclusion by developing an inclusive gathering space.

MUCEN hosted three temporary exhibitions during the year: “Media cajetilla de cigarrillos y una de fósforos”, the individual exhibition of the winning artist of the VIII National Painting Contest of the BCRP in the month of February; the exhibition **“CONEXIONES”**, inspired by the catalog that has the same name, since May, and the collective exhibition of the winners and finalists of the X National Painting Competition in November.

Furthermore, the Museum’s collection management was improved through the development of the Digital Collections System, which allows access to images and information about the museum’s heritage. In addition, MUCEN added the two contemporary artworks that won the first and second prize of the X National Painting Contest to its assets. Finally, a loan agreement was signed for the 460 medals of the Alfred Goepfert Collection that are exhibited in the Numismatic Museum and the commodatum agreement of the Macera Carnero Traditional Art Collection was renewed.



MUCEN opens in the evening, #EstamosEnTuCentro, July 2018 Photo: Rodrigo Rodrich



MUCEN of experiences, #MuseoDeExperiencias, May 2018



MUCEN invitation for its educational program  
#ConversArte

### **BCRP Library**

The Library continued to increase its digital format services to the public during 2018. Users requested a total of 13,963 specialized articles and the Library managed 3,467 reading requests in its facilities and lent a total of 94,202 documents, including books and periodic publications. Moreover, 38,072 digital publications were sent by email.

On the other hand, the Library acquired 2,767 new documents on monetary and economic policy issues, international finance, the banking system, and economic theory, among other subjects through the purchase, exchange, and donations of publications.

### **3. Main Meetings and Events**

In 2018 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 BIS Governors, organized by the Bank for International Settlements (BIS) and held in Basel, Switzerland, January 7 to 8.
- Annual Meeting of Emerging Market Deputy Governors, organized by the BIS, Basel, Switzerland, February 8 - 9.
- "Peru Day" Convention and Meeting of the Prospectors and Developers Association of Canada 2018, organized by the Peruvian Canadian Chamber of Commerce, held in Toronto, Canada, March 4 to 6.
- Bimonthly Meeting of BIS Governors and 2018 IIF G20 Conference, organized by Instituto de Finanzas Internacionales and held in Buenos Aires, Argentina, and One on One Seminar, organized by Estudio Larrain Vial, held in Santiago de Chile, Chile, from March 17 to 21.
- LXXXIX Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), organized by this entity in Bogotá, Colombia, on April 2.
- Meetings of the International Monetary Fund (IMF) and the World Bank (WB), held in Washington D.C., USA, from April 17 to 22, and Third Annual Central Bankers Roundtable, organized by Columbia University, New York, USA, on April 23.



- XXXIV Meeting of Governors of Central Banks of South America, organized by the Central Bank of Ecuador and held in Quito, Ecuador, on April 26 - 27.
- Bimonthly Meeting of BIS Governors, held in Basel, Switzerland, and 8th High-Level Conference on the International Monetary System, organized by the IMF and the Swiss National Bank, Zürich, Switzerland, May 6 - 8.
- BIS meeting to share information and experiences on the challenges for Central Banks' operations, recent market developments, and other topics of interest for Central Banks in Latin America, held in Toronto, Canada, May 23 - 24.
- CV Meeting of Central Bank Governors, organized by Centro de Estudios Monetarios Latinoamericano (CEMLA), carried out in Asunción, Paraguay, June 4 - 6.
- 17th BIS Annual Conference, organized by the BIS, the IMF and the Swiss National Bank, held in Zurich, and 88th BIS General Annual Meeting, organized by the BIS, held in Basel, Switzerland, June 21 - 24.
- XIII Lecture on de Estudios Económicos "Retos y Prioridades de Política Económica, una década después de la crisis financiera y global: Perspectivas para América Latina", and XC Extraordinary Meeting of the Board of FLAR, organized by FLAR, held in Cartagena de Indias, Colombia, July 9 - 10.
- XLII Economic Policy Symposium "Changing Market Structure and Implications for Monetary Policy", organized by the Federal Reserve of Kansas City, held in Jackson Hole, USA, August 23 to 25.
- Bimonthly Meeting of BIS Governors, organized by the Bank for International Settlements (BIS) and held in Basel, Switzerland, September 9 - 10.
- XIV Road Show New York 2018, organized by *InPeru*, held in New York, USA, September 13 - 14.
- Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR), held in Bogotá, Colombia, on September 24.
- Sixth Annual Conference of the "Bilateral Assistance and Capacity Building for Central Bank (BCC) Program", organized by the Graduate Institute of International and Development Studies, held in Geneva, Switzerland, September 27 - 28.
- Annual Meetings of the IMF, the World Bank, and associated meetings such as the G-24 Meeting and the CEMLA meeting, carried out in Indonesia, October 8 to 15.
- XXXV Meeting of Governors of Central Banks of South America, organized by MERCOSUR, held in Buenos Aires, Argentina, October 28 to 29.
- Bimonthly Meeting of BIS Governors, organized by the BIS and held in Basel, Switzerland, November 11 - 12.

### 3.2. National Meetings

- Lecture on "Experimentación colectiva en estudio de laboratorio", by César Martinelli, professor of Economics at George Mason University, on January 19.
- Lecture on "Estimación de la curva de rendimientos soberana para Perú: El rol de Factores Macroeconómicos y Latentes", by Gabriel Rodríguez, professor of Economics at Pontificia Universidad Católica del Perú, on January 26.
- Lecture on "Los Efectos Desprotectores de la Protección del Empleo", by Miguel Jaramillo, researcher at Grade, on February 9.



- Course on the use of Bayesian VAR models and the BEAR toolbox. Lecturer: Björn van Roye, Chief Economist of the European Central Bank, from February 15 to 17.
- Lecture on “Riesgo de Crédito”, by Professor David Trillo, Departamento de Economía Aplicada III, Universidad Rey Juan Carlos de Madrid, on March 2.
- Lecture on “Financial Frictions”, by Lawrence Christiano, Senior Professor, Northwestern University, March 16.
- Presentation of the IMF Regional Economic Outlook “Aprovechando el impulso: Perspectivas y Desafíos para América Latina y el Caribe”, by Krishna Srinivasan, Deputy Director of the IMF’s Western Hemisphere Department and Hamid Faruquee, Head of the Regional Studies Unit of the IMF’s Western Hemisphere Department, held on May 11.
- Presentation of the Analytical Work in financial and inequality issues, carried out by the team of the Mission of the International Monetary Fund, May 18.
- XIVth Meeting of Monetary Policy Advisors, organized by Centro de Estudios Monetarios Latinoamericanos (CEMLA) and the Banco Central de Reserva del Perú, May 21 and 22.
- Primer Foro para el Diseño de una Estrategia Nacional para el Desarrollo de Mercados de Capitales, organized by BCRP, held on June 6.
- Tenth meeting of Grupo Técnico Temático de Pagos (GTT de Pagos) as a member of the National Strategy for Financial Inclusion, organized by BCRP and held on June 20.
- Presentation of the book “Monedas del Perú: La Evolución de la Moneda Peruana en su Contexto Histórico” authored by Alfred Goepfert, on July 18.
- Seminar on “The New Phase of Monetary Policy: Money, Finance, and Capital for the Next Decade”, organized by the Reinventing Bretton Woods Committee and BCRP, July 23 to 25.
- Course on Análisis y Pronóstico de la Política Monetaria basada en Modelos, co-organized by the IMF and BCRP, September 10 to 14.
- Eleventh meeting of Grupo Técnico Temático de Pagos (GTT de Pagos) as a member of the National Strategy for Financial Inclusion, organized by BCRP and carried out on September 28.
- Seminar on “Monedas digitales y el rol de los Bancos Centrales”, co-organized by the BIS, CEMLA and BCRP, October 15 - 16.
- Presentation of the IMF World Economic Outlook Report, by Mr. Francesco Grigoli, October 22.
- XIVth Meeting of Central Bank Treasurers, co-organized by CEMLA and BCRP, October 23 to 24.
- VIth Meeting of Experts on Currency Anti-Counterfeiting Measures, co-organized by CEMLA and BCRP, October 25 - 26.
- XXXVIth Encuentro de Economistas del Banco Central de Reserva del Perú, October 30 - 31.
- Seminar on “Nuevos Retos Legales para la Banca Central Moderna”, organized by BCRP, November 7 to 9.
- Regional Seminar on Stress Testing and Financial Stability, co-organized by the Financial Stability Institute (FSI) and CEMLA, November 27 to 29.
- Hackathon BCRP 2018 “Chequea tus Billetes y Monedas”, organized by BCRP, December 1 - 2.



- Vllth Course on Payment Systems in Perú: “Infraestructura de comunicaciones y desarrollo de los pagos digitales”, organized by BCRP, December 12.
- High-level meeting with panel of mining experts, organized by BCRP, December 17.

#### 4. Branch Offices

Banco Central de Reserva del Peru has branches in seven cities of the country: Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo. These Branch Offices have jurisdiction in 23 departments of the country, except in Lima. The first BCRP decentralized office was the BCRP Branch of Piura, which started operations in 1970. Each of the Central Bank's Branch Offices has a Department of Economic Studies and an Operations Department.

The main role of the BCRP branches is to ensure that each region has the appropriate quantity and quality of banknotes and coins required by the financial system, oversee the operations of the custody vaults, and develop and disseminate studies and reports on the economy of the country's departments.

A report entitled *Síntesis de la Actividad Económica Regional* is published each month on the BCRP website. This document provides information about economic and financial developments in each region, analyzing statistical data on production, prices, employment, credit and bank deposits, foreign trade operations, and the execution of the public budget at regional level.

During 2018, BCRP organized presentations of “Inflation Report: Recent Trends and Macroeconomic Forecasts 2018-2019” as well as presentations of the document “Síntesis de la Actividad Económica Regional”, which is prepared by the Department of Economic Studies of the BCRP Branch Offices. Presentations were offered to representatives of business and academia in the cities of Arequipa, Moquegua, Tacna, Jaén, Huaraz, Iquitos, Pucallpa, Moyobamba, Tarapoto, Huancayo, Ica, Piura, Tumbes, Lambayeque, Bagua Grande, Chachapoyas, Sullana, Cusco, Puerto Maldonado, Puno, Juliaca, and Trujillo.

On the other hand, the Xth Annual Meeting denominated “Money Finance and Capital for the Next Decade” organized by BCRP and The Reinventing Bretton Woods Committee was carried out at El Valle Sagrado in Cusco on July 24-25. This meeting brought together central bank officials of different countries of the Americas and the world.

In addition to this, the BCRP also organized lectures and seminars. The following events are worth highlighting: in Arequipa: “Entorno internacional y cuentas externas”, “Regla óptima de política monetaria del BCRP”, “Cómo operan los bancos centrales y cómo afecta la política monetaria en la economía”, “El rol del comercio en el crecimiento económico del Perú”; in Cusco: “Análisis de los principales sectores económicos de la Macro Región Sur Este”; in Huancayo: “Entorno económico internacional y su impacto en la economía peruana”, “Incidencia del Banco Central de Reserva del Perú en la actividad empresarial”, “Indicadores económicos de la región Junín”; in Iquitos: “Manejo de la base de datos del censo 2017 usando el REDATAM”, in Piura: “Proyecto de modernización de la Refinería de Talara”, “Impacto de la innovación en la productividad de las empresas manufactureras”, “Taller de Econometría Financiera y Gestión de Riesgos”; in Puno: “IV Foro de Desarrollo Económico Regional Puno”; in Trujillo: “Potencialidades Económicas y Desafíos de la Zona Nor Oriente del Perú”, “Potencialidades y Desafíos Económicos y Sociales de La Libertad” and “Potencialidades Productivas de La Libertad”.

Furthermore, in addition to the monthly economic reports, in 2018 the BCRP Branch Offices also prepared the following documents: in Arequipa, “Informe económico social de la Región Tacna” and “Informe económico y social de la Región Moquegua”; in Cusco, “Informe económico y social de la Región Cusco”, “Informe económico y social de la Región Madre de Dios”, “Informe económico y social de la Región Apurímac”; in Huancayo, “Informe económico y social de la Región Junín”, “Informe económico y social de la Región Pasco”, “Informe económico y social de la Región Ica”; in Iquitos, “Informe económico y social de la Región Ucayali”, “Informe económico y social de la Región Loreto”; in Piura, “Informe económico y social de la Región Tumbes”, “Informe económico y social de Región Lambayeque” and “Informe económico y social de la Región Amazonas”; in Puno, “Informe económico y social de la Región

Puno”, and in Trujillo: “Informe económico social de la Región La Libertad”, “Informe económico social de Región Ancash”, and “Informe económico social de la Región Cajamarca”.

The BCRP Branches also organized talks on the mission and role of BCRP for students of secondary schools, public and private universities, higher education institutes, and business members in these regions. The presentations that the Departments of Economic Studies of Cusco and Puno carried out this year in these regions in the Quechua and Aymara languages should be highlighted. In addition, training continued to be provided to the personnel of financial entities and the general public on the security features of banknotes and coins, with the talks given Quechua and Aymara in the departments of Cusco, Apurimac and Puno standing out. A total of 24,914 people participated in the 687 talks delivered over the year.

The museums of the branch offices of Trujillo, Arequipa, and Piura were visited by 34,453 visitors; that is, by 33 percent more people than in the previous year. It should be pointed out that the number of people who visited the museum of our Branch Office in Trujillo represents 62 percent of the total number of people that visited our museums.

**5. Currency Management**

In 2018, BCRP continued issuing coins of the numismatic series called “Endangered Wildlife of Peru”, composed of 10 coins. This series, which seeks to raise awareness about the importance of preserving the wildlife species that are found in Peru and the importance of preserving the environment while also contributing to promote a numismatic culture in the country, has included endangered wildlife species such as the Andean Tapir, the White-winged Guan, the Jaguar, and the Suri into the designs of our coins. Four coins featuring these species were put into circulation in 2018.



Andean Tapir

White-winged Guan

Jaguar

Suri

Two commemorative silver coins were also released in 2018: the coin commemorating the “Centenario de la Escuela Nacional Superior Autónoma de Bellas Artes del Perú” was issued in July and the coin celebrating the “450th Anniversary of the First Coin coined in the Lima Mint” was issued in November.



100th Anniversary of the creation of Escuela Nacional Superior Autónoma de Bellas Artes del Perú



450th Anniversary of the First Coin minted in the Lima Mint



Banco Central de Reserva del Perú also decided to withdraw the coins of 5 cents from circulation as of January 2019. These coins may be exchanged at banks and at the offices of BCRP for their face value for an unlimited period of time. The withdrawal of this coin denomination from circulation does not affect the use of a cent of a sol and its multiples as a unit of account nor its use to pay transactions with means other than cash.

Moreover, BCRP published the new Regulation for the Exchange of Banknotes and Coins through Circular No. 0016-2018-BCRP of May 2018, establishing that banknotes that do not have a watermark, color changing ink, or the security thread will be retained by the financial entities.

The deadline for the exchange of banknotes without any of the security features was subsequently extended until March 19, 2019, by means of Circular No. 0035-2018-BCRP of November 2018, so that the entities of the financial system would have more time to make the technical adjustments to update the equipment they use to work with banknotes.

Information campaigns about the security features of banknotes and coins were also carried out through television and radio interviews and through the written press, as well as through newspaper ads nationwide, especially in periods where regional festivities are celebrated and large amounts of cash are moved. More than 1.6 million posters and flyers were distributed, and the information campaign was also carried out through social networks such as Twitter and Facebook.

In 2018, the talks on the security features of banknotes and coins given in different cities of the country had a total attendance of 40,591 people. It is worth mentioning that this figure is 27 percent higher than total attendance to these talks in 2017 (32,043 people).

## 5.1 Banknotes and Coins in Circulation

In 2018, both the number of units and the value of banknotes in circulation was higher than in 2017. In December 2018, the value of banknotes in circulation was S/ 56.59 billion (7.2 percent higher than in December 2017), while the number of units of banknotes in circulation (858 million) was 5.1 percent higher than that observed at the end of 2017.

BANKNOTES IN CIRCULATION (Million units)							
Period	10	20	50	100	200	Total	Value (Million S/)
Jan.18	116.8	140.3	133.8	364.8	17.3	773.0	50,606.8
Feb.18	117.5	139.7	135.3	364.9	17.4	774.8	50,703.7
Mar.18	117.3	142.9	137.6	370.7	17.6	786.1	51,499.8
Apr.18	116.1	141.1	133.2	365.5	17.8	773.7	50,748.0
May.18	114.1	139.2	131.0	363.2	18.0	765.4	50,385.9
Jun.18	117.0	142.6	135.6	368.9	18.4	782.5	51,370.9
Jul.18	117.8	147.2	140.2	378.2	18.8	802.3	52,716.2
Aug.18	120.0	149.1	141.6	377.5	19.0	807.1	52,808.4
Sep.18	116.0	144.0	137.3	372.7	19.0	789.0	51,978.4
Oct.18	117.3	146.4	140.1	379.7	19.2	802.8	52,930.5
Nov.18	117.2	144.9	139.1	378.1	19.4	798.6	52,712.3
Dec.18	122.0	156.1	154.5	405.0	20.1	857.7	56,588.5

Source: BCRP.

Similarly, the number of units and the value of coins in circulation in 2018 was higher than in 2017. The value of coins in circulation was S/ 2.65 billion, 7.8 percent higher than in December 2017, while the number of units (4,320 million coins) was 7.1 percent higher than that registered at the end of 2017.

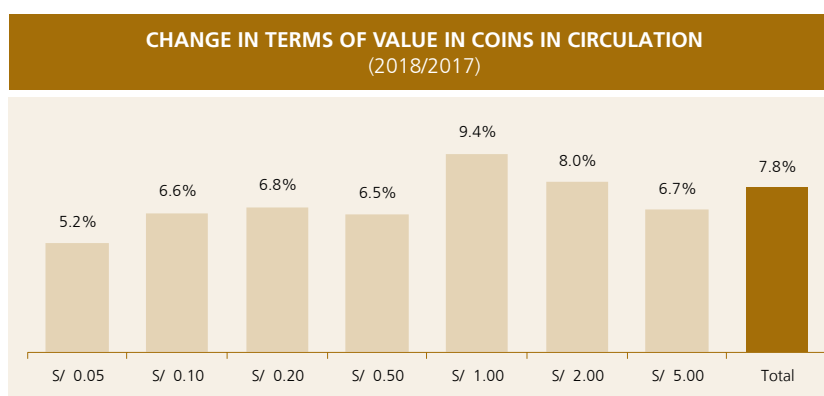
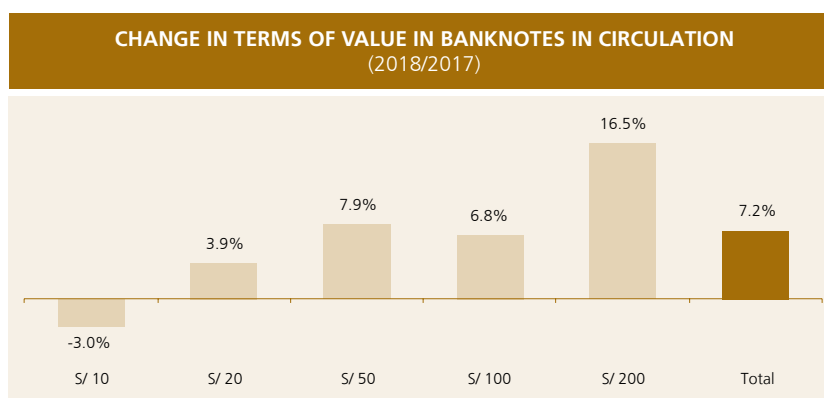
COINS IN CIRCULATION (Million units)									
Period	0,05	0,10	0,20	0,50	1,00	2,00	5,00	Total	Value (Million S/)
Jan.18	482.7	1,486.2	424.0	470.3	868.4	169.4	155.2	4,056.4	2,476.0
Feb.18	483.8	1,491.0	425.9	472.6	876.0	171.2	156.1	4,076.6	2,493.8
Mar.18	486.2	1,499.3	428.0	475.4	883.3	172.9	157.5	4,102.6	2,514.3
Apr.18	488.6	1,507.3	431.2	479.4	889.7	170.6	155.8	4,122.6	2,510.9
May.18	491.9	1,516.3	434.6	482.5	885.8	171.5	156.4	4,139.1	2,515.2
Jun.18	493.6	1,525.6	436.4	484.0	895.5	173.1	157.5	4,165.8	2,535.9
Jul.18	496.1	1,533.2	438.2	486.3	895.0	173.3	158.3	4,180.4	2,542.0
Aug.18	497.9	1,540.7	440.0	488.6	900.3	175.4	159.3	4,202.3	2,559.1
Sep.18	500.2	1,548.3	441.4	490.0	906.6	175.9	160.0	4,222.5	2,571.6
Oct.18	502.7	1,559.1	444.8	492.4	919.6	179.0	162.2	4,259.9	2,604.9
Nov.18	504.5	1,566.1	447.9	494.8	928.0	180.9	163.3	4,285.6	2,625.3
Dec.18	505.1	1,577.2	451.3	499.1	940.9	181.3	164.8	4,319.7	2,650.3

Source: BCRP.

By denominations, the banknotes that showed a higher increase in their use compared to 2017 were the 200 soles banknotes (16.5 percent), while the coins that showed a higher increase in their use were the 1 sol coins (9.4 percent).

Reflecting the greater preference that people and banks have for this denomination, both in terms of value and in terms of units, the most used banknote in 2018 was the 100 soles bill.

As for coins, the denominations of greater use were the 10 cent coin and the 1 sol coin, which are mainly used to pay public transport fares and for retail transactions.





## 5.2 Coin Minting

Casa Nacional de Moneda (Peru's National Mint) produced 270 million coins in 2018, 8.0 percent more than in 2017. The largest volumes of coins produced were coins in the denominations of 10 cents and 1 Sol, which together represented 62 percent of the total number of coins produced in the year (a similar percentage to that recorded in 2017).

PRODUCTION OF COINS - 2018			
Denomination	Alloy	Quantity (Million units)	Monetary value (Million soles)
S/ 0.05	Aluminum	20.75	1.0
S/ 0.10	Brass	106.0	10.6
S/ 0.20	Brass	32.0	6.4
S/ 0.50	Nickel-silver	32.0	16.0
S/ 1.00	Nickel-silver	60.3	60.3
S/ 2.00	Bi-metal	9.0	18.0
S/ 5.00	Bi-metal	10.0	50.0
<b>Total</b>		<b>270.0</b>	<b>162.3</b>

Source: BCRP.

## 5.3 Destruction of Banknotes and Coins

A total of 300 million banknotes with a monetary value equivalent to S/ 12.61 billion was destroyed in 2018. Moreover, 61 percent of the banknotes destroyed was banknotes in the denominations of 10 soles and 20 soles. No coins withdrawn from circulation were melted in the year.

DESTRUCTION OF BANKNOTES - 2018		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 10	91.9	918.7
S/ 20	89.7	1,793.0
S/ 50	45.2	2,258.3
S/ 100	70.2	7,022.1
S/ 200	3.1	621.3
<b>Total</b>	<b>300.0</b>	<b>12,613.5</b>

Source: BCRP.

## 6. Circulars

In 2018, BCRP issued 40 circulars: 6 circulars were about regulations on reserve requirements, 2 about monetary instruments, 10 about banknotes and coins, 1 about information and reports, 4 about the investment limits for the Administrators of Private Pension Funds, 5 about first-class banks, and 12 about the daily adjustment index.. The circulars issued in 2018 were the following:

- **Reserve Requirements**

- In Domestic Currency**

- Circular 023-2018-BCRP (29/06/2018)

- In Foreign Currency**

- Circular 004-2018-BCRP (26/01/2018)
    - Circular 007-2018-BCRP (21/02/2018)
    - Circular 011-2018-BCRP (23/03/2018)
    - Circular 014-2018-BCRP (24/04/2018)
    - Circular 024-2018-BCRP (29/06/2018)

- **Monetary Instruments**

- Circular 005-2018-BCRP (26/01/2018)
  - Circular 019-2018-BCRP (12/06/2018)

- **Banknotes and Coins**

- Circular 009-2018-BCRP (14/03/2018)
  - Circular 016-2018-BCRP (20/05/2018)
  - Circular 020-2018-BCRP (14/06/2018)
  - Circular 021-2018-BCRP (17/06/2018)
  - Circular 026-2018-BCRP (04/07/2018)
  - Circular 032-2018-BCRP (23/10/2018)
  - Circular 033-2018-BCRP (31/10/2018)
  - Circular 035-2018-BCRP (16/11/2018)
  - Circular 036-2018-BCRP (19/11/2018)
  - Circular 038-2018-BCRP (17/12/2018)



- **Information and Reports**

- Circular 040-2018-BCRP (31/12/2018)

- **Investment Limits for Administrators of Pension Funds**

- Circular 003-2018-BCRP (25/01/2018)
- Circular 012-2018-BCRP (23/03/2018)
- Circular 017-2018-BCRP (28/05/2018)
- Circular 027-2018-BCRP (29/07/2018)

- **First-Class Banks**

- Circular 002-2018-BCRP (04/01/2018)
- Circular 010-2018-BCRP (21/03/2018)
- Circular 022-2018-BCRP (29/06/2018)
- Circular 030-2018-BCRP (25/09/2018)
- Circular 039-2018-BCRP (28/12/2018)

- **Daily Adjustment Index**

- Circular 001-2018-BCRP (January)
- Circular 006-2018-BCRP (February)
- Circular 008-2018-BCRP (March)
- Circular 013-2018-BCRP (April)
- Circular 015-2018-BCRP (May)
- Circular 018-2018-BCRP (June)
- Circular 025-2018-BCRP (July)



- Circular 028-2018-BCRP (August)
- Circular 029-2018-BCRP (September)
- Circular 031-2018-BCRP (October)
- Circular 034-2018-BCRP (November)
- Circular 037-2018-BCRP (December)