



**INTERNATIONAL RESERVES: COMPOSITION AND PERFORMANCE INDICATORS AS OF OCTOBER 2002**

At the end of October 2002, the gross international reserves (GIR) totalled USD 9 960 millions, down USD 25 millions as of the previous month. Its composition by asset class was as follows:

| GROSS INTERNATIONAL RESERVES<br>(millions of US\$) |               |               |               |               |
|--|---------------|---------------|---------------|---------------|
| Asset  | 31.12.2001    | 28.06.2002    | 30.09.2002    | 31.10.2002    |
| Deposits abroad                                    | 5167,0        | 4825,3        | 3734,3        | 3531,1        |
| Securities   | 3073,4        | 3770,1        | 5511,7        | 5727,7        |
| Gold   | 261,6         | 350,0         | 359,6         | 354,1         |
| Others <sup>1/</sup>                               | 336,0         | 331,2         | 329,4         | 347,5         |
| <b>TOTAL</b>                                       | <b>8838,0</b> | <b>9276,6</b> | <b>9935,0</b> | <b>9960,4</b> |

<sup>1/</sup> Includes subscriptions of capital to FLAR and credit balances from ALADI.

The liquid international assets (see glossary) amounted to USD 9 437 millions, showing the following composition in terms of currencies, term to maturity and credit risk:

| Currencies                     | %    | Term to maturity | %    | Long term rating <sup>2/</sup> | %    |
|--------------------------------|------|------------------|------|--------------------------------|------|
| US\$                           | 95,2 | 0-3 months       | 41,8 | AAA                            | 60,4 |
| Other currencies <sup>1/</sup> | 2,9  | 3-12 months      | 28,6 | AA+ / AA / AA-                 | 34,4 |
| Gold                           | 1,9  | 1-5 years        | 29,6 | A+ / A                         | 5,2  |

<sup>1/</sup> Euros, Japanese yens, sterling pounds y Canadian dollars.

<sup>2/</sup> Average rating from Fitch, Standard & Poor's and Moody's.

The total return based on actual book entries (see glossary) was 2,83% for the period November 2001–October 2002, though excluding gold holdings it rose to 2,90%. The average duration of the portfolio was 0,7 years as of the end of October.

**ANNEX 1: GLOSSARY OF TERMS**

**Gross International Reserves (GIR).**- Central Bank's GIR<sup>1</sup> are composed mainly of deposits in foreign banks, foreign securities and bonds, gold holdings and any other internationally recognized means of payments such as coins and bills. It also includes subscriptions to international organizations, and the credit balance from the financial agreement signed with other Latinoamerican central banks as part of the Asociación Latinoamericana de Integración, ALADI<sup>2</sup>.

**Liquid International Assets.**- The international assets which are under management and can be rapidly converted into cash. They are the result of excluding from the GIR subscriptions of capital to international financial organizations, such as Fondo Latinoamericano de Reservas (FLAR), credit balances from ALADI, and holdings of gold in Central Bank of Peru's vaults.

**Total return based on actual book entries.**- It is calculated as a quotient, in which the numerator considers interest earnings and profit/loss from securities sales and the denominator, the average daily balances of deposits, securities and gold (abroad and in vaults), excluding the valuation effect from changes in exchange rates and the price of gold.

<sup>1</sup> The concept used by the Central Bank is consistent with the paragraph 424 of the Manual of the Balance of Payments, IMF, 5<sup>th</sup> Edition.

<sup>2</sup> For an historic series, see in this web page Home/Series/Charts/Weekly Report Charts/ 17 Concepts of international liquidity of the Central Bank of Peru.