



**INTERNATIONAL RESERVES: COMPOSITION AND
PERFORMANCE AS OF JULY 2004**

At the end of July 2004, the gross international reserves (GIR) amounted to USD 11 066 million, USD 202 millions higher than the level of the previous month. Its composition by asset class was as follows:

GROSS INTERNATIONAL RESERVES (millions of US\$)				
Asset	31.12.2003	31.05.2004	30.06.2004	30.07.2004
Deposits abroad	3502,9	3472,5	3353,4	3665,5
Securities	5883,9	6558,1	6711,9	6601,1
Gold	462,7	438,9	437,2	435,8
Others ^{1/}	356,5	362,7	361,2	363,8
TOTAL	10206,0	10832,2	10863,7	11066,2

^{1/} Includes subscriptions of capital to FLAR and credit balances from ALADI.

The book value of liquid international assets (see glossary) reached USD 10 487 million, showing the following composition in terms of currencies, term to maturity and credit risk:

Monedas	%	Plazo al Vcto.	%	Calif. Largo Plazo ^{2/}	%
US\$	93,8	0-3 meses	43,0	AAA	60,9
Otras Monedas ^{1/}	4,1	3-12 meses	24,8	AA+ / AA / AA-	39,1
Oro	2,1	1-5 años	32,2	A+ / A	0,1

^{1/} Comprende euros, libras esterlinas y dólares canadienses.

^{2/} Calificativo promedio de las agencias Fitch, Standard & Poor's y Moody's. Porcentaje de la categoría "A+" / "A" ajustado considerando el aumento en el calificativo de un emisor en noviembre del 2003.

The total return based on actual book entries (see glossary) was 1,77% for the period August 2003 – July 2004, and excluding gold holdings was 1,85%. The average duration of the portfolio was 0,64 years at the end of July.

ANNEX 1: GLOSSARY OF TERMS

Gross International Reserves (GIR).- Central Bank's GIR¹ 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 ².

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 prices of gold and securities.

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

² For historic series, see in this web page Home/Statistics/Charts/Weekly Report Charts/ 23 "Concepts of international liquidity of the Central Bank of Peru".