



**INTERNATIONAL RESERVES: COMPOSITION AND
PERFORMANCE AS OF DECEMBER 2008**

At the end of December 2008, gross international reserves (GIR) amounted to USD 31 233 millions, USD 228 millions higher than the previous month. Its composition by asset class was as follows:

GROSS INTERNATIONAL RESERVES (millions of US\$)				
Asset	31.12.2007	30.09.2008	28.11.2008	31.12.2008
Deposits abroad	9,567.6	8,466.7	3,137.0	2,655.9
Securities	16,834.4	24,881.1	26,526.0	27,178.2
Gold	927.8	965.6	916.0	982.6
Others ^{1/}	390.4	418.4	425.8	415.9
TOTAL	27,720.2	34,731.8	31,004.8	31,232.6

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

The value of liquid international assets (see glossary) reached USD 30 330 millions, showing the following composition in terms of currency denomination, term to maturity and credit risk:

Currencies	Dec-31-2008	Term to maturity	Dec-31-2008	Long term rating ^{2/}	Dec-31-2008
US\$	83.2	0-3 months	27.8	AAA	85.6
Other currencies ^{1/}	15.2	3-12 months	22.4	AA+ / AA / AA-	13.3
Gold	1.6	>1 year	49.8	A+	1.1

^{1/} Mostly euros.

^{2/} Average rating from Fitch, Standard & Poor's and Moody's. The minimum long term credit rating required by the BCRP for its correspondent banks is A+ and for securities held in its portfolio is AA -.

The Net International Position at the end of December 2008 reached US\$ 21 365 millions.

The average duration of the portfolio was 1,33 years at the end of December.

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 Latin-American central banks as part of the Asociación Latinoamericana de Integración, ALADI².

Net International Position.- Central Bank's Net International Position is the difference of assets and liabilities in foreign exchange, both internationally and with residents. These assets could be diversified by currencies and gold.

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.

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 historical series, see in this Webpage Home/Statistics/Weekly Report Charts/ 25 "Concepts of international liquidity of the Central Bank of Peru".