



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

At the end of May 2008, gross international reserves (GIR) amounted to USD 34 889 millions, USD 768 millions lower than the previous month. Its composition by asset class was as follows:

GROSS INTERNATIONAL RESERVES (millions of US\$)				
Asset	31.12.2007	31.03.2008	30.04.2008	30.05.2008
Deposits abroad	9,567.6	11,115.4	12,310.6	10,673.1
Securities	16,834.4	21,085.5	21,992.3	22,829.5
Gold	927.8	1,019.8	969.2	987.2
Others ^{1/}	390.4	386.9	384.9	399.2
TOTAL	27,720.2	33,607.6	35,657.0	34,889.0

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

The value of liquid international assets (see glossary) reached USD 34 001 millions, showing the following composition in terms of currency denomination, term to maturity and credit risk:

Currencies	May-30-2008	Term to maturity	May-30-2008	Long term rating ^{2/}	May-30-2008
US\$	85.5	0-3 months	42.1	AAA	59.5
Other currencies ^{1/}	13.0	3-12 months	16.1	AA+ / AA / AA-	40.5
Gold	1.5	>1 year	41.8	A+	0.0

^{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 correspondents banks is A+ and for securities held in its portfolio is AA -.

The Net International Position at the end of May 2008 reached US\$ 27 542 millions.

The average duration of the portfolio was 1,17 years at the end of May.

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".