



INTERNATIONAL RESERVES: COMPOSITION AND

PERFORMANCE AS OF OCTOBER 2017

At the end of October 2017, **Gross International Reserves (GIR)** amounted to USD 63 595 million, of which 64 percent is invested in securities, 31 percent in deposits and 5 percent in gold and other assets. Regarding their composition by asset class, they maintained a conservative risk profile with predominance of investments in the highest quality securities.

| GROSS INTERNATIONAL RESERVES (GIR) (millions USD) | | | | |
|--|---------------|---------------|---------------|-------------|
| Asset | 12.30.2016 | 09.29.2017 | 10.31.2017 | Change |
| | Balance | Balance | Balance | |
| Deposits abroad | 21 674 | 22 622 | 19 758 | -2 864 |
| Securities | 37 341 | 38 843 | 40 897 | 2 054 |
| Gold | 1 283 | 1 427 | 1 416 | -11 |
| Others ^{1/} | 1 448 | 1 531 | 1 524 | -7 |
| TOTAL | 61 746 | 64 423 | 63 595 | -828 |

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

The value of liquid international assets reached USD 62 116 million, with a decrease in investments with maturities between 0-3 months and those with credit rating AA+ /AA /AA-. The duration of the portfolio was 0.63 years at the end of October, 0.03 years greater than the previous month.

| Term to maturity | 10.31.2017 | Long term rating | 10.31.2017 |
|------------------|------------|------------------|------------|
| 0-3 months | 54% | AAA | 43% |
| 3-12 months | 17% | AA+ / AA / AA- | 24% |
| >1 year | 29% | A+ / A / A- | 33% |

The **Net International Position** at the end of October 2017 reached USD 33 920 million. This aggregate does not include assets financed with public sector and local financial entities.

| Currencies | 10.31.2017 |
|------------------|------------|
| USD | 91% |
| Other Currencies | 5% |
| Gold | 4% |

The effective exposure to U.S. dollar in the Net International Position reached 91 percent, while other currencies accounted for 5 percent.

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.- Assets which can be easily negotiated in the international financial markets. They are the result of excluding from the GIR subscriptions of capital to international financial organizations, such as Fondo Latinoamericano de Reservas (FLAR) and Bank for International Settlements (BIS), IMF's Reserve Tranche Position and trust funds, 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 See data in <http://www.bcrp.gob.pe/publications/weekly-reports/tables.html> > "Concepts of international liquidity of the Central Bank of Peru".