



**INTERNATIONAL RESERVES: COMPOSITION AND**

**PERFORMANCE AS OF MAY 2018**

At the end of May 2018, **Gross International Reserves (GIR)** amounted to USD 60 111 million, of which 65 percent is invested in securities, 30 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	12.29.2017	04.30.2018	05.31.2018	Change
	Balance	Balance	Balance	
Deposits abroad	22 775	19 290	18 061	-1 229
Securities	37 869	37 713	38 942	1 229
Gold	1 452	1 465	1 448	-17
Others <sup>1/</sup>	1 635	1 756	1 660	-96
<b>TOTAL</b>	<b>63 731</b>	<b>60 224</b>	<b>60 111</b>	<b>-113</b>

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

The value of liquid international assets reached USD 58 487 million, with a term structure of investments similar to those obtained in April; and an increase in those with credit rating AA+/ AA /AA- and a decrease in those with credit rating A+ /A /A-. The duration of the portfolio was 0.73 years at the end of May, lower to the previous month.

Term to maturity	05.31.2018	Long term rating	05.31.2018
0-3 months	49%	AAA	50%
3-12 months	15%	AA+ / AA / AA-	20%
>1 year	36%	A+ / A / A-	30%

The **Net International Position** at the end of May 2018 reached USD 38 137 million. This aggregate does not include assets financed with public sector and local financial entities.

Currencies	05.31.2018%
USD	87%
Other Currencies	9%
Gold	4%

The effective exposure to U.S. dollar in the Net International Position reached 87 percent, while other currencies accounted for 9 percent.

**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 Latin-American central banks as part of the Asociación Latinoamericana de Integración, ALADI<sup>2</sup>.

**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.

<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> See data in <http://www.bcrp.gob.pe/publications/weekly-reports/tables.html> > "Concepts of international liquidity of the Central Bank of Peru".