



MONETARY PROGRAM FOR SEPTEMBER 2009

BCRP MAINTAINS THE REFERENCE INTEREST RATE AT 1.25%

1. The Board of the Central Reserve Bank of Peru approved to maintain the monetary policy reference interest rate at 1.25 percent.

This decision to maintain the monetary stimulus unchanged is based on the sustained reduction of annual inflation –inflation has declined from 6.65 percent in December to 1.87 percent in August– and on the continuous reduction of inflation expectations.

2. Inflation in August showed a rate of -0.21 percent, as a result of which annual inflation declined for the ninth consecutive month, falling within the target range. Inflation is expected to continue declining in the next months, showing rates close to the lower band of the target range. Unless important changes were observed in inflation forecasts and in inflation determinants, no new adjustments are foreseen in the reference rate.
3. The Board also approved to maintain the following annual interest rates on active and passive operations in domestic currency (not included in auctions) between the BCRP and the financial system as described below:
 - a. Direct repo and rediscount operations: 2.05 percent.
 - b. Overnight deposits: 0.45 percent.
 - c. Swap: a commission equivalent to a minimum annual effective cost of 2.05 percent.
 - d. The interests on reserve requirements in foreign currency corresponding to additional reserve requirements, provided that they are deposited at this Central Bank, will be equivalent to 60 percent of the London Interbank Offered Rate (LIBOR rate).
4. The Board will approve the Monetary Program for the next month on its session of October 7, 2009.

Lima, September 10, 2009