

**CENTRAL RESERVE BANK OF PERU. BALANCE SHEET AS AT DECEMBER 31,1999**  
(in nuevos soles)

ASSETS	HISTORIC	ADJUSTED
<b>FOREIGN ASSETS</b>	33 998 890 919,10	33 998 890 919,10
<b>CURRENT ASSETS</b>	31 554 783 402,93	31 554 783 402,93
Foreign currency cash	211 415 487,18	211 415 487,18
Deposits in foreign banks	18 573 661 582,60	18 573 661 582,60
Foreign entities securities	10 304 749 412,40	10 304 749 412,40
Gold	962 476 853,80	962 476 853,80
Gold and SDR contribution to the IMF	495 503 064,86	495 503 064,86
Dollars contributions to the FLAR	876 250 000,00	876 250 000,00
Agreements with central banks	29 260 370,94	29 260 370,94
Other current assets	101 466 631,15	101 466 631,15
<b>OTHER FOREIGN ASSETS</b>	2 444 107 516,17	2 444 107 516,17
Local currency contribution to the IMF	2 399 369 637,08	2 399 369 637,08
Others	44 737 879,09	44 737 879,09
<b>DOMESTIC CREDIT</b>	800 457 110,51	800 457 110,51
Banking institutions	262 654 185,00	262 654 185,00
Public sector	537 793 760,63	537 793 760,63
Private sector	9 164,88	9 164,88
<b>FIXED ASSETS</b>	222 135 290,02	232 797 536,73
Net of accumulated depreciation	222 135 290,02	232 797 536,73
<b>OTHER ASSETS</b>	4 471 933 559,29	4 473 042 584,66
Interests and commissions	416 927 589,44	416 927 589,44
Silver	16 486 556,29	16 486 556,29
Others	4 038 519 413,56	4 039 628 438,93
<b>TOTAL ASSETS</b>	39 493 416 878,92	39 505 188 151,00
<b>DEBIT CONTROL ACCOUNTS</b>	18 226 312 577,72	18 226 312 577,72

Germán Suárez Chávez  
Chairman

Mario Tovar Velarde  
Director

Alfredo Jalilic Awapara  
Director

LIABILITIES, CAPITAL AND RESERVES	HISTORIC	ADJUSTED
<b>FOREIGN LIABILITIES</b>	4 380 438 141,69	4 380 438 141,69
<b>INTERNATIONAL LIABILITIES</b>	1 972 749 831,83	1 972 749 831,83
Short term liabilities with financial institutions	34 023 689,63	34 023 689,63
With the IMF	1 938 555 436,30	1 938 555 436,30
Others	170 705,90	170 705,90
<b>OTHER FOREIGN LIABILITIES</b>	2 407 688 309,86	2 407 688 309,86
With the IMF in local currency	2 399 519 347,12	2 399 519 347,12
Long term liabilities with international financial institution	8 168 962,74	8 168 962,74
<b>MONETARY BASE</b>	5 876 227 843,09	5 876 227 843,09
Notes and coins issued	5 814 688 661,35	5 814 688 661,35
Banking deposits in local currency	53 430 990,39	53 430 990,39
Financial institutions deposits in local currency	1 177 155,76	1 177 155,76
Other financial institutions deposits in local currency	6 931 035,59	6 931 035,59
<b>OTHER DEPOSITS IN LOCAL CURRENCY</b>	394 666 971,82	394 666 971,82
Public sector	266 080 225,96	266 080 225,96
Banks	1 009,42	1 009,42
Banco de la Nacion	111 520 032,70	111 520 032,70
Other institutions and funds	300,51	300,51
Private sector	17 065 403,23	17 065 403,23
<b>SECURITIES ISSUED</b>	399 471 512,92	399 471 512,92
In local currency	399 000 000,00	399 000 000,00
In foreign currency	471 512,92	471 512,92
<b>DEPOSITS IN FOREIGN CURRENCY</b>	21 012 682 124,97	21 012 682 124,97
Public sector	10 383 907 214,91	10 383 907 214,91
Banks	10 233 551 613,92	10 233 551 613,92
Banco de la Nacion	79 098 232,63	79 098 232,63
Financial institutions	5 067 361,42	5 067 361,42
Other institutions and funds	311 008 851,92	311 008 851,92
Private sector	48 850,17	48 850,17
<b>OTHER LIABILITIES</b>	7 056 333 267,63	7 056 333 267,63
Interests and commissions	294 299 477,95	294 299 477,95
Revaluation adjustment - O.L. 89 art.	1 730 337 097,03	1 730 337 097,03
Provisions	163 174 760,78	163 174 760,78
Others	4 868 521 931,87	4 868 521 931,87
<b>TOTAL LIABILITIES</b>	39 119 819 862,12	39 119 819 862,12
<b>CAPITAL AND RESERVES</b>	373 597 016,80	385 368 288,88
Capital O. L. 5 art. 4th. transitory disp.	50 000 000,00	50 000 000,00
Capital - inflation adjustment	50 418 235,94	55 941 238,92
Reserves	50 000 000,00	50 000 000,00
Reserves - inflation adjustment	4 368 250,00	7 358 503,75
Inflation exposition result	52 411 283,75	55 293 904,36
Net profit	166 399 247,11	166 774 641,85
<b>TOTAL LIABILITIES CAPITAL AND RESERVES</b>	39 493 416 878,92	39 505 188 151,00
<b>CREDIT CONTROL ACCOUNTS</b>	18 226 312 577,72	18 226 312 577,72

Javier de la Rocha Marie  
General Manager

Emilio Pallete Celi  
Acc. Lic. No.1324

**CENTRAL RESERVE BANK OF PERU. PROFIT & LOSS STATEMENT**  
For the fiscal year ended December 31, 1999  
(in nuevos soles)

CENTRAL RESERVE BANK OF PERU

	HISTORIC	ADJUSTED
<b>I N C O M E</b>	<b>1 747 632 002,68</b>	<b>1 786 158 671,78</b>
<b>FINANCIAL INCOME</b>	<b>1 736 662 797,40</b>	<b>1 774 939 572,43</b>
<b>FINANCIAL INCOME IN FOREIGN CURRENCY</b>	<b>1 696 784 350,73</b>	<b>1 733 966 421,25</b>
<b>INTERESTS ON FINANCIAL ASSETS</b>	<b>1 695 864 611,84</b>	<b>1 733 024 718,00</b>
Deposits in foreign banks	995 213 282,18	1 017 417 567,13
Foreign entities securities	563 484 649,84	576 801 906,73
SDR Holdings	323 488,91	333 029,35
International agreements	2 934 947,45	2 999 287,77
Transactions with metals	7 107 725,68	7 246 746,80
FLAR financial result distribution	52 110 000,00	52 578 990,00
Interests, Commissions and other income	74 690 517,78	75 647 190,22
<b>CREDITS IN FOREIGN CURRENCY</b>	<b>919 738,89</b>	<b>941 703,25</b>
Short term credits	919 738,89	941 703,25
<b>FINANCIAL INCOME IN LOCAL CURRENCY</b>	<b>39 878 446,67</b>	<b>40 973 151,18</b>
<b>INTERESTS ON CREDITS AND OTHERS</b>	<b>39 878 446,67</b>	<b>40 973 151,18</b>
Short term credits and repurchase agreements	4 384 298,27	4 517 516,00
Securities	31 770 270,00	32 625 823,08
Other interests, commissions and other income	3 723 878,40	3 829 812,10
<b>NON-FINANCIAL INCOME</b>	<b>10 969 205,28</b>	<b>11 219 099,35</b>
Non financial income	10 969 205,28	11 219 099,35
<b>E X P E N D I T U R E</b>	<b>1 581 232 755,57</b>	<b>1 616 234 786,66</b>
<b>FINANCIAL EXPENDITURE</b>	<b>1 371 755 254,36</b>	<b>1 402 244 927,04</b>
<b>IN FOREIGN CURRENCY</b>	<b>1 202 391 193,11</b>	<b>1 229 280 473,42</b>
<b>DEPOSITS IN FOREIGN CURRENCY</b>	<b>1 101 226 225,81</b>	<b>1 125 801 173,15</b>
Reserve requirements deposits	445 348 806,89	454 701 814,28
Special and term deposits	655 877 418,92	671 099 358,87
<b>INTERNATIONAL ORGANIZATIONS AND AGREEMENTS</b>	<b>96 373 731,20</b>	<b>98 617 473,34</b>
SDR allocations	14 712 030,44	15 044 144,02
Liabilities with the IMF	78 476 207,48	80 318 968,52
International agreements	3 185 493,28	3 254 360,80
<b>OTHER FINANCIAL EXPENDITURE IN FOREIGN CURRENCY</b>	<b>4 791 236,10</b>	<b>4 861 826,93</b>
Other interests, commissions and expenses	4 791 236,10	4 861 826,93
<b>IN LOCAL CURRENCY</b>	<b>169 364 061,25</b>	<b>172 964 453,62</b>
<b>BCRP CERTIFICATES</b>	<b>112 959 144,68</b>	<b>115 200 292,10</b>
BCRP Certificates	112 959 144,68	115 200 292,10
<b>SPECIAL DEPOSITS, TERM DEPOSITS AND OTHERS</b>	<b>56 404 916,57</b>	<b>57 764 161,52</b>
Special and term deposits	56 404 887,22	57 764 132,17
Other expenses	29,35	29,35
<b>NON-FINANCIAL EXPENDITURE</b>	<b>209 477 501,21</b>	<b>213 989 859,62</b>
Administrative expenses	196 883 544,13	200 868 607,40
Investment expenditure	1 738 219,02	1 773 537,56
Depreciation and amortization	8 185 338,34	8 565 226,51
Other non financial expenses	2 670 399,72	2 782 488,15
<b>INFLATION EXPOSITION RESULT</b>	<b>0,00</b>	<b>(3 149 243,27)</b>
<b>NET PROFIT</b>	<b>166 399 247,11</b>	<b>166 774 641,85</b>

Germán Suárez Chávez  
Chairman

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Director

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**COMMENTS ON THE  
FINANCIAL STATEMENTS  
AS OF DECEMBER 31, 1999**

**1. Main Central Bank  
accounting practices**

a) The Central Bank's accounting system is based on generally accepted accounting principles, in what is applicable to central banking (Central Bank Organic Law, article 88°). The Bank's financial and accounting statements —based on information processed in automated form— are used to write the statistical analyses and reports submitted regularly to the Board of Directors and the Superintendency of Banking and Insurance.

b) In compliance with article 89° of the Organic Law, differences originating in variations of the domestic-currency valuation of the Bank's assets and liabilities in gold, silver, foreign currencies, Special Drawing Rights or other monetary units used internationally, are not considered as gains or losses, and are credited to a special account.

c) Gold and silver holdings are registered at a value established by the

Board of Directors not exceeding the international market price (article 72° of the Organic Law). The price per troy ounce for both is updated on the last working day of each month.

d) Foreign-currency investments are registered at their acquisition cost. On the last day of each month, book value is compared with market value. If the latter is smaller, a provision accounting for value fluctuation is entered.

The share of premium or discount amortizations, calculated from the date of acquisition until the maturity date of securities, is registered monthly.

e) Peru's International Monetary Fund subscriptions and liabilities in domestic currency are valued monthly, registered in transitory accounts and canceled at the end of the Fund's financial year (April).

f) In compliance with Resolution No.2 of the Accounting Regulation Council, the following items have been adjusted by a correction factor (the average wholesale price index): urban property, furniture and equipment, museum collection, mint warehouse, capital, reserves, cumulative

inflation exposure and statement of gains and losses. The adjustment factor used in the financial statements was 1,055. Depreciation of fixed assets was calculated using the historic and adjusted balance sheet values of buildings, furniture and equipment as of December 31, 1999.

## 2. Available Assets Abroad

The Bank's financial statements show an available assets abroad balance amounting to S/. 31 554,8 million, equivalent to US\$ 9 002,8 million, a US\$ 979,4 million (9,8 percent) decrease from 1998.

AVAILABLE ASSETS	1999-12-31	1998-12-31 (millions of US\$)	Variation (millions of US\$)
Deposits in foreign banks	5 299,2	5 600,9	(301,7)
International securities	2 940,0	3 658,7	(718,7)
Gold	274,6	272,5	2,1
U.S. dollar contribution to FLAR	250,0	235,0	15,0
Other	239,0	215,1	23,9
<b>TOTAL</b>	<b>9 002,8</b>	<b>9 982,2</b>	<b>(979,4)</b>

Resources deposited in foreign banks —amounting to US\$ 5 299,2 million, held in compliance with security, liquidity and profitability criteria— decreased US\$ 301,7 million (5,4 percent) from 1998.

The values of the main international securities held by the bank, U.S. Agency Notes (US\$ 712,4 million), Medium-Term Instruments (US\$ 704,6 million), FIXBIS (US\$ 663,0 million) and

bonds from international institutions (US\$ 486,5 million), decreased US\$ 718,7 million (19,64 percent) from 1998.

The subscription in dollars of the United States of America to the Latin American Reserve Fund (FLAR) increased US\$ 15 million (6,4 percent) from 1998, due to distribution of profits of the said organization capitalized as part of the Central Bank's subscription.

## 3. Monetary base

The monetary base amounts to S/. 5 876,2 million. The S/. 989,4 million increase in issued notes and coins (S/. 5 814,7 million) was partially offset by the S/. 135,3 million (71,7 percent) decrease in deposits held by banks.

MONETARY BASE	1999-12-31 (millions of S/.)	1998-12-31 (millions of S/.)	Variation (millions of S/.)
Notes and coins issued	5 814,7	4 825,3	989,4
Domestic-currency deposits held by banks	53,4	188,7	(135,3)
Domestic-currency deposits held by finance companies	1,2	5,8	(4,6)
Domestic-currency deposits held by other financial institutions	6,9	3,5	3,4
<b>TOTAL</b>	<b>5 876,2</b>	<b>5 023,3</b>	<b>852,9</b>

## 4. Securities issued

Securities issued by the Central Bank are basically certificates of deposit amounting to S/. 399,0 million as of December 31, 1999, a S/. 119,0 million (42,5 percent) rise from 1998.

CENTRAL BANK CERTIFICATES	1999-12-31 (millions of S/.)	1998-12-31 (millions of S/.)	Variation (millions of S/.)
Banks	290,4	278,0	12,4
Finance companies	4,0	0,0	4,0
Other firms and funds	104,6	2,0	102,6
<b>TOTAL</b>	<b>399,0</b>	<b>280,0</b>	<b>119,0</b>

## 5. Foreign-currency deposits

Foreign-currency deposits amount to S/. 21 012,7 million (US\$ 5 995,1 million), a US\$ 1 126,8 million (15,8 percent) decrease from 1998.

Public sector deposits —made up of privatization deposits and the consolidated previsual reserve fund— amounted to US\$ 2 962,6 million as of December 31, 1999, down US\$ 1 034,1 million from the previous year.

DEPOSITS IN FOREIGN CURRENCY	1999-12-31 (millions of US\$)	1998-12-31 (millions of US\$)	Variation (millions of US\$)
Public sector	2 962,6	3 996,7	(1 034,1)
Banks	2 919,7	2 933,1	(13,4)
Banco de la Nación	22,6	104,1	(81,5)
Finance companies	1,5	11,6	(10,1)
Other financial institutions	88,7	76,2	12,5
Private	0,0	0,2	(0,2)
<b>TOTAL</b>	<b>5 995,1</b>	<b>7 121,9</b>	<b>(1 126,8)</b>

Deposits held by banks amounted to US\$ 2 919,7 million —made up of sight deposit accounts (US\$ 2 282,3 million), overnight deposits (US\$ 537,0 million) and time deposits (US\$ 100 million)— a US\$ 13,4 million decrease from 1998.

## 6. Capital and reserves

In compliance with article 5° of the Organic Law, the Bank's authorized capital is S/. 50 million subscribed and paid by the State. Shares are not issued, and their value is only registered in the capital account.

Capital and adjusted reserves are S/. 105 941 239 and S/. 57 358 504, respectively. Cumulative exposure to inflation amounted to S/. 55 293 904 as of December 31, 1999.

## 7. Profits and Losses statement

The Profits and Losses statement at December 31 of 1999 showed a profit of S/. 166,4 million, result of the difference between revenues of S/. 1 747,6 million and expenditures of S/. 1 581,2 million, explained by:

a) The financial profit produced by the operations in foreign currency, S/. 494,4 million coming from:

- Financial revenues in foreign currency for S/. 1 696,8 million.
- Financial expenditures in foreign currency for S/. 1 202,4 million.

Minus:

b) A loss in operations in national currency for S/. 129,5 million, coming from:

- Financial revenues in national currency for S/. 39,8 million.

- Financial expenditures in national currency for S/. 169,3 million.
- Other revenues for S /. 11,0 million.
- c) A non-financial loss of S /. 198,5, product of:
- Administrative expenses and investment for S /. 209,5 million.

### 8. Budget of expenditures executed at level sheet

(In nuevos soles)

a) Wages and Salaries	98 565 415
b) Goods	9 815 438
c) Services	54 926 146
d) Current Transfers	44 162 111
e) Pensions	21 714
f) Total interests and commissions	1 371 755 254
Financial expenditures in foreign currency	1 202 391 193
Financial expenditures in domestic currency	169 364 061
g) Total studies	67 252
h) Total works	2 500 000
i) Capital Goods not tied to of investment project	4 855 885
<b>Total operational expenses and investment</b>	<b><u>214 913 961</u></b>
<b>Total interests and commissions</b>	<b><u>1 371 755 254</u></b>
<b>GRAND TOTAL</b>	<b><u>1 586 669 215</u></b>

## ISSUED NOTES AND COINS

### NOTES



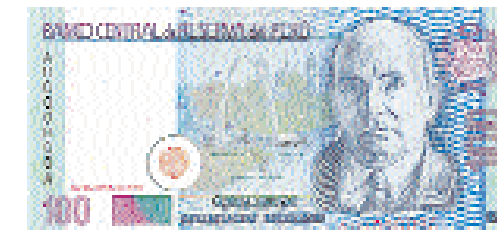
S/. 10,00 TEN NUEVOS SOLES



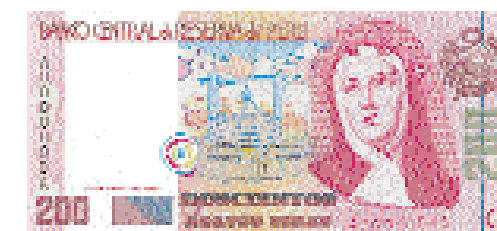
S/. 20,00 TWENTY NUEVOS SOLES



S/. 50,00 FIFTY NUEVOS SOLES



S/. 100,00 ONE HUNDRED NUEVOS SOLES



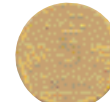
S/. 200,00 TWO HUNDRED NUEVOS SOLES

### COINS

S/. 0,01  
ONE CENTIMO



S/. 0,05  
FIVE CENTIMOS



S/. 0,10  
TEN CENTIMOS



S/. 0,20  
TWENTY CENTIMOS



S/. 0,50  
FIFTY CENTIMOS



S/. 1,00  
ONE NUEVO SOL



S/. 2,00  
TWO NUEVOS SOLES



S/. 5,00  
FIVE NUEVOS SOLES

