

Institutional Activities

1. Board of Directors

At December 31, 2012, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Alfonso López Chau Nava, Luis Alberto Arias Minaya, José Gallardo Ku, and Jaime Serida Nishimura. Ms. Beatriz Boza Dibos and Mr. Abel Salinas Izaguirre were members of the Board until May 30 and May 31, 2012, respectively.

The Board held 60 meetings in 2012.

2. Transparency and Social Responsibility

The BCRP is characterized by efficiency and transparency in all of its actions. Based on inflation targeting since 2002, the BCRP monetary policy is disseminated to the public through various media to reinforce the effectiveness of the policy measures and decisions adopted.

2.1 Transparency

The Board of the BCRP informs the public about monetary policy decisions through the Informative Notes on the Monetary Program released each month. These communiqués, which provide information regarding policy decisions about the reference interest rate, the interest rates on rediscount operations, and the interest rates on overnight deposits, are published on the BCRP website (www.bcrp.gob.pe), disseminated through press releases, and emailed to subscribers. Teleconferences are also held with the media to inform the public about monetary policy decisions.

In 2012 the Inflation Report was published in March, June, September, and December. This report discusses the BCRP monetary policy actions and offers an analysis of economic developments, explains the evolution of inflation, and provides forecasts on inflation and the main macroeconomic variables. It is published on the Central Bank's website and disseminated through meetings and conferences with representatives of the financial system, with economic analysts, academics, the media, business, and authorities both in Lima and in the interior of the country.



Governor Julio Velarde met with Congress representatives on several occasions in 2012. In September he discussed the country's economic outlook in the presentation entitled "Macro-Economic Assumptions for 2013" that he made before the Budget and General Account Committee and he also presented the Commemorative Medal minted for the centennial of former President Fernando Belaunde Terry's birth. In October he spoke before the Congressional Commission of Economy, Banking, Finance, and Financial Intelligence on "Current Situation and Prospects of the Peruvian Economy".

Other BCRP officials addressed Congress Members on several subjects, delivering the presentations "Towards a Comprehensive Social Security System" and "International Economic and Financial Prospects" in two specialized seminars organized by the Commission of Economy in February and March, respectively. In April, BCRP officials supported the Central Bank's view regarding proposed amendments to the Consumer Protection Code and the Consumer Protection Act in terms of financial services, and in May and June they participated in the sessions of the Commission of Economy discussing the bills on the reform of the private pension system.

It is worth pointing out that the Transparency section of the Bank's website (www.bcrp.gob.pe) publishes indicators of the BCRP administrative and budget management, as well as the BCRP Financial Statements audited by internationally renowned auditing firms.

In accordance with the Transparency and Access to Public Information Act, in 2012 the BCRP answered 14 information requests of citizens.

2.2 Dissemination of economic information

In compliance with its constitutional mandate and its Organic Law, in 2012 the BCRP continued informing the public periodically about the state of national finances through the publication and dissemination of macroeconomic reports and statistical data. Printed publications, which are also published on the Bank's website, include the Inflation Report, the Weekly Economic Report, the Annual Report, the Financial Stability Report, *Revista de Estudios Económicos*, and *Revista Moneda*. The Weekly Economic Report, *Notas de Estudio*, the Working Papers, and the Reports of the Regional Branches are disseminated in electronic version. Informative Notes on the evolution of the main economic variables and the main institutional events were also sent to the media.

The BCRP also organized several events both in Lima and in other cities of the country to discuss several topics of economic interest. Talks on the mission and roles of the Central Bank and on the security features of banknotes and coins were also offered. A total of 6,610 university students participated in the 82 lectures and talks offered by the BCRP in 2012 (the number of participants in these activities was 19.5 percent higher than in 2011).

2.3 Courses

- **LIX Extension Course for Economists.** Thirty-five students of economics of different public and private universities of Lima and other cities of the country participated in this year's course. The Extension Course organized by the Central Bank each year contributes to disseminate new knowledge in the field of economics, improving in this way the professional level of participants. The best students of the course are recruited to integrate the Bank's technical staff.

- **V Extension Course of Advanced Finances.** Thirty students from different universities and different academic fields interested in specializing in financial themes were selected to participate in this finance course. The best students were also invited to integrate the BCRP staff.
- **Update Course for Students of Economics of Province Universities.** Through this course, participants updated their knowledge on macroeconomics, microeconomics, econometrics, and mathematics. The best students were invited to take part in the LX Extension Course.
- **Course for University Professors.** The aim of this course is to improve the standards of economic education in the universities of the country by training faculty members. Twenty-nine professors from different universities of the interior of the country participated in this course in 2012.

2.4 Contests

- **Research Contest for Junior Economists**

The winner of the 2011-2012 Research Contest for Junior Economists "Luis Felipe de las Casas Grieve" was Mr Isaac Zenón Martínez Centeno of Universidad Nacional Mayor de San Marcos for his work "¿Cuál es el efecto del emprendimiento y el empleo informal?" Ms. Raquel Desireé Poblete Cisneros, of Universidad del Pacífico, obtained the second prize for her paper "Elección del destino de migración: Un análisis de los determinantes económicos en la elección del destino de migración interna".

- **BCRP Contest for School Students**

The first prize of the VIth BCRP School Contest was awarded to the paper entitled "De la macro a la micro y de la micro a la nueva macro" submitted by students of school San Martín de Porres. The second prize was awarded to the students of Colegio Mayor Secundario Presidente del Perú, of Chacabuco, for their paper "El bono demográfico en el Perú: una oportunidad para el progreso, soluciones para su provecho", and finally the third prize was awarded to students of school Francisco Antonio de Zela, of Tacna, for their paper "Yo sí quiero progresar y para eso voy a estudiar".

- **National Painting Contest**

The winning work of the fourth contest organized by the BCRP was "Dictado", by artist Nereida Apaza. The second prize was awarded to Jean Paul Zelada for his work "Play (Museo de Héroe Navales I)". The work submitted by Ignacio Nogueroles, "Pelicano I", was awarded an honorable mention. A group of paintings selected among the works that participated in the contest was exhibited at the Tribunal Mayor de Cuentas from November 27 to December 19. The panel of judges was integrated by Gustavo Buntinx, Moico Yaker, Cristhian Bendayán, Carlo Trivelli, and Angela Delgado.

- **Short Novel Contest "Julio Ramón Ribeyro"**

The short novel by César Vega Herrera entitled "Bienaventurados los que lavan su ropa" was selected among 49 literary works and declared the winner of this contest in 2012. A presentation of this novel was held at 17th International Book Fair on July 30. The judges included Abelardo Oquendo, Alonso Cueto, Mirko Lauer, Marcel Velásquez, and Francesca Denegri.



2.5 Publications

The following books were published by the BCRP during 2012: "Funcionarios y remuneraciones" by Juvenal Luque; "Gremios mercantiles en las guerras de Independencia" by Cristina Mazzeo; Volume IV of Compendio de Historia Económica del Perú: "La Economía peruana durante su primera centuria de vida independiente", which includes essays by Fernando Armas Asín, José Deustua, Martín Monsalve, Jesús Cosamalón, Alejandro Salinas, and Luis Miguel Espinoza; "La Gobernabilidad y el Leviatán Guanero" by Javier Tantaleán Vanini, and "La economía pública en el Perú después del guano y del salitre" by Carlos Contreras. All of these books were co-published by the BCRP and Instituto de Estudios Peruanos. The BCRP also published "Bienaventurados los que lavan su ropa", the short novel written by César Vega Herrera that won the 2012 Short Novel Contest.

2.6 Museum

In 2012 the BCRP Museum participated in exhibitions in Peru as well as in several other countries. The former included the exhibitions "Modelando el mundo: Imágenes de la arquitectura precolombina", which was organized by the Museo de Arte de Lima (MALI) and took place from October 19, 2011, to March 4, 2012; "Gente de mi tierra: Teodoro Núñez Ureta", organized by the Municipalidad Metropolitana de Lima at the Art Gallery Pancho Fierro from August 15 to September 23, and "Carlos Baca Flor, el último académico", at the MALI from July 20 to October 28.

On the other hand, the BCRP Museum also participated in the following international exhibitions: "El Imperio Inca revelado: Un siglo después del descubrimiento de Machu Picchu", which was organized by the Tokyo Broadcasting System Television, the Museo Nacional de Naturaleza y Ciencias and the Ministry of Culture, and displayed in Japan between March 2012 and January 2013; "Luminescence: The silver of Peru", organized by the Museum of Anthropology (MOA) in Vancouver, Canada, and the University of Toronto Art Centre, Canada, from October 5, 2012 to March 2013, and "Chavín: De la llegada de los dioses a los Andes", organized by the Rietberg Museum of Zurich, Switzerland, from November 24, 2012, to March 2013.

The BCRP Museum also organized the Vth Numismatics Seminar: "Órdenes y Condecoraciones en la Numismática Peruana" and the VIth Numismatics Seminar: "Resellos y contramarcas sobre monedas peruanas".

In addition to this, the Museum also participated in the Xth Fair "Los Museos a tu alcance", held at Parque de la Exposición on May 18-19; the XVIIth International Book Fair of Lima, which was carried out at Parque Los Próceres in Jesús María, from July 19 to August 1; the Vth International Book Fair of Arequipa, held the last week of September, the Feria Interna del Libro, held at the BCRP on October 18-19, and the XXXIIIth Book Fair Ricardo Palma, held at Parque Kennedy in Miraflores from October 27 to November 4.

As part of its social responsibility program, the Museum showed 21 theater plays, offered 49 films in the frame of its film club, and carried out 16 social responsibility activities with school children living in conditions of extreme poverty.

The Museum also organized several craft workshops over the year: 18 workshops were carried out in May celebrating the International Museum Month; 8 workshops were held as part of the activities developed during the National Identity Week in June; 24 workshops were carried out in July for the celebrations of

Peru' Independence Day; 12 workshops promoting Integration were organized in August; 8 workshops celebrating Diversity were held in September, and 13 Christmas workshops were organized in December.

2.7 Library

During 2012 the Library of the BCRP managed 8,023 reading requests and lent a total of 44,969 books and periodical publications.

The BCRP Library also renewed its subscriptions to 42 periodical journals and reviews, choosing in many cases subscriptions involving an unlimited online access to these publications, and subscribed to other 4 digital publications with full access to their contents. As a result of this, the BCRP Library is now subscribed to 187 publications with online access.

3. Meetings and Events

The BCRP authorities and officials participated in various international and national meetings in 2012. The main events included the following:

3.1 International Meetings

- Conference "Giving International Finance an Adequate Architecture", organized by the Reinventing Bretton Woods Committee, the G20 and Presidencia de los Estados Unidos Mexicanos, held in México D.F., January 18 and 19.
- First Plenary Meeting of the Working Party on Financial Integration, organized by the Union of South American Nations (UNASUR), held in Buenos Aires, Argentina, February 16 and 17.
- Annual Meeting of Deputy Governors of Central Banks of Emerging Economies, organized by the Bank for International Settlements (BIS) and held in Basel, Switzerland, February 16 and 17.
- First Meeting of the Group of Experts on Monetary and Financial Statistics, organized by the International Monetary Fund (IMF), held in Washington, D.C., United States of America, on February 22 and 23.
- Regional Meeting on "Análisis y Propuestas para la Consolidación de la Arquitectura Financiera Regional y la Cooperación", organized by the Latin American and Caribbean Economic System (SELA), held in Caracas, Venezuela, on February 27 and 28.
- Peru Day 2012, organized by the Peruvian American Business Council and carried out in New York, USA, March 8 and 9.
- XXIII Meeting of Governors of Central Banks of MERCOSUR, Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela, organized by the Central Bank of Argentina, held in Buenos Aires, Argentina, March 8 and 9.
- LXVII Ordinary Meeting of the Board of Fondo Latinoamericano de Reservas (FLAR) and Annual Meeting of the Assembly of Governors of the International Development Bank (IDB) and the Inter-American Investment Corporation, held in Montevideo, Uruguay, on March 14 and March 15 -19, respectively.



- LIII Meeting of the Advisory Commission for Financial and Monetary Affairs of the Latin American Integration Association (ALADI), held in Montevideo, Uruguay, March 20 to 22.
- Conference "Monetary Policy Workshop on Strengthening Macroprudential Frameworks", organized by the IMF, held in Tokio, Japan, March 22 and 23.
- Seminar "Basel III y Políticas Macroprudenciales", organized by Centro de Estudios Monetarios Latinoamericanos (CEMLA) and the Financial Stability Institute (FSI), in Mexico D.F., March 27 to 29.
- I Road Show Londres 2012, organized by Asociación inPERÚ, carried out in London, UK, April 16 to 18.
- Meeting on Economic Research on Latin American Central Banks' Foreign Exchange Rate Operations, organized by the BIS, held in Mexico D.F., April 19 and 20.
- "Executive Forum for Senior Central Bankers and other Official Sector Asset Managers", organized by the World Bank, in Washington D.C., USA, April 23 and 24.
- Conference "Financial Stability, Financial Regulation and Monetary Policy", organized by the BIS, held in Rio de Janeiro, Brazil, April 26 and 27.
- Bimonthly Meeting of Governors of BIS Member Central Banks, held in Basel, Switzerland, May 6 - 8.
- XCIII Meeting of Governors of Central Banks of CEMLA, held in Valencia, Spain, May 9 - 11.
- XIV Meeting of the Working Party on Financial Integration, organized by the Union of South American Nations (UNASUR), held in Buenos Aires, Argentina, May 10 and 11.
- Seminar "Asset Management Associate Programme", organized by the BIS, held in Basel and Luzern, Switzerland, May 21 to June 1.
- "II Meeting of the FSB Regional Consultative Group of the Americas", organized by the Financial Stability Board (FSB), held in Santiago, Chile, May 24 and 25.
- Fourth Roundtable of Managers of Sovereign Reserve Assets, organized by the IMF in Washington, D.C., USA, June 5 and 6.
- XI Annual Conference and LXXXII Annual General Meeting of BIS Governors, held in Zurich, Switzerland, June 21 - 25.
- Regional "SWIFT 2012" Conference for Latin American Countries, organized by the Society for Worldwide Interbank Financial Telecommunications (SWIFT), held in Rio de Janeiro, Brazil, June 25 - 27.
- Meeting of FLAR Board, held in Cartagena de Indias, Colombia, July 5.

- inPERÚ Road Show for Asian Countries, organized by Asociación inPERÚ, carried out in Hong Kong, Shanghai, and Singapore, July 9 - 14.
- XXIV Meeting of Governors of Central Banks of MERCOSUR, Bolivia, Chile, Colombia, Ecuador, Peru, and Venezuela, organized by the Central Bank of Ecuador, held in Quito, Ecuador, August 2 and 3.
- Meeting of the International Monetary Law Committee and Plenary Meeting of the Association of International Law, organized by the International Law Association, held in Sofia, Bulgaria, on August 29 and 30.
- Bi-Monthly Meeting of the BIS, held in Basel, Switzerland, September 9 - 10.
- XI Plenary Meeting of the Working Party on Financial Integration and Seminar on Regional Financial Agreements, organized by the Union of South American Nations (UNASUR), held in Buenos Aires, Argentina, September 19 – 21.
- LXIX Ordinary Meeting of the Board of the FLAR, held in Bogota, Colombia, September 24 and 25.
- XI Meeting of Central Bank Treasurers and III Meeting of Experts on Currency Anti-Counterfeiting Measures, organized by CEMLA and the Central Bank of Brazil, in Rio de Janeiro, Brazil, September 24 to 28.
- Annual Meetings of the IMF, the World Bank, and CEMLA, held in Tokyo, Japan, October 8 - 14.
- Global Payments Week 2012, organized by CEMLA and the Working Group on Payments Systems of the World Bank, held in Lisbon, Portugal, from October 23 to 26.
- Plenary Meeting of the Working Party on Financial Integration and Seminar on Regional Financial Agreements, organized by the UNASUR, held in Quito, Ecuador, October 25 and 26.
- II Meeting on Financial Stability, organized by CEMLA and Banco de la República, carried out in Bogota, Colombia, October 25 and 26.
- Bimonthly Meeting of Governors of BIS Member Central Banks, held in Mexico D.F., November 3 and 4.
- XXVI Annual FLAR Conference on Reserve Management, held in Cartagena de Indias, Colombia, November 4 - 6.
- XXXVI Meeting of the IDB's Latin American Network of Central Banks and Finance Ministries, held in Washington D.C., USA, November 12 and 13.
- II CEMLA-SEACEN Conference: "El papel de los Bancos Centrales en la estabilidad macroeconómica y financiera: los retos de un mundo incierto y volátil", organized by CEMLA, and held in Punta del Este, Uruguay, on November 15 and 16.



- XVII Annual Meeting of the Network of Central Bank Researchers, organized by CEMLA and held in Montevideo, Uruguay, November 21 - 23.
- Fourth Joint Conference of the BIS and the World Bank, held in Washington D.C., USA, December 3 and 4.
- Workshop: "Administración de flujos de capitales en Sudamérica bajo políticas monetarias no convencionales, en un contexto de elevada liquidez internacional", organized by the IDB and the Central Bank of Brazil, held in Sao Paulo, Brazil, December 13 and 14.

3.2 National Meetings and Events

- Roundtable: "BIS-CEMLA sobre el futuro de la banca internacional: una perspectiva desde América Latina y el Caribe".
- Presentation of Volume IV of Compendio de Historia Económica del Perú: "Economía de la Primera Centuria Independiente".
- Conference "Efectos de los choques financieros mundiales en la producción en América Latina", organized by the BCRP and the IMF.
- V Seminar on Numismatics: "Órdenes y Condecoraciones en la Numismática Peruana".
- Book presentation: "La gobernabilidad y el leviatán guanero", by Javier Tantaleán.
- Lecture on "Eurozone in Crisis. A view from Poland" by Marek Belka, Governor of the Central Bank of Poland.
- VIII Meeting of Monetary Policy Advisors, co-organized with CEMLA.
- VI Seminar on Numismatics: "Resellos y contramarcas sobre monedas peruanas".
- II Course on Payments Systems.
- Lecture on "La crisis del Euro: pasado, presente y futuro" by doctor Charles Goodhart, Professor Emeritus of the London School of Economics.
- Presentation of the winning novel of the 2012 Short Novel Contest "Julio Ramón Ribeyro", "Bienaventurados los que lavan su ropa", by Cesar Vega Herrera.
- Encuentro Económico in the Ucayali Region.
- Conference "La crisis financiera desde la perspectiva de la teoría macroeconómica moderna" by doctor Nobuhiro Kiyotaki, Senior Professor, Princeton University, USA.

- Conference “La diferencia sobre límites marítimos entre el Perú y Chile” by doctor Roberto Mac Lean.
- Seminar Workshop on “Manejo de Situaciones Extremas”, carried out with the participation of experts of the Central Banks of Chile, Colombia, and Mexico.
- Presentation of the Commemorative Medal minted for the Centennial of the birth of former President Fernando Belaunde Terry.
- BIS Working Party on Monetary Policy in Latin America.
- Seminar “Desarrollo del mercado de swaps de tasas de interés. La experiencia de Chile”.
- Lecture on “El rol del dinero en los modelos Neo-Keynesianos”, by doctor Bennett T. McCallum, Professor of Economics, Business School of the University Carnegie Mellon, USA.
- XXX Encuentro de Economistas.
- XVII Anual LACEA Meeting 2012: “The future of monetary policy”. Speakers included doctor Rodrigo Vergara, Governor of Banco Central de Chile; Mario Bergara, Governor of Banco Central del Uruguay, and Julio Velarde, Governor of BCRP.
- VI Seminar on Numismatics.
- Course on “Pronósticos Macroeconómicos Avanzados”, co-organized with CEMLA and the IMF.
- LIV Meeting of ALADI’s Advisory Committee on Financial and Monetary Affairs.
- Lecture on “The China Factor”, by Michael McDonough, Senior Economist, Bloomberg, Hong Kong.
- Meeting of UNASUR’s Working Party on Financial Integration.
- Meeting of UNASUR’s South American Council of Economy and Finance.
- Fifth Latin American Forum for Communications Heads and Spokespersons of the Ministries of Finance and Central Banks, co-organised with the World Bank.
- Presentation of the ninth coin of the Ibero-American series.

4. Branch Offices

The BCRP Branches, located in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno, and Trujillo, develop and disseminate studies and reports on the economy of the country’s departments and ensure



the appropriate supply of banknotes and coins required by the financial system and the population in general in each area.

The BCRP Branch Offices publish the document *Síntesis Económica* on the web page of the BCRP each month, providing in this way information about both the economic development of the areas under their jurisdiction as well as about their economic characteristics and main tourist attractions. As part of their activities, the BCRP Branch Offices organize lectures and conferences on the economy of the region and on the national economy, disseminate the information contained in the Inflation Report, and organize talks on the security features of banknotes and coins.

During 2012, presentations of the Inflation Report were carried out at the Universidad Nacional Santiago Antúnez de Mayolo and at the Chamber of Commerce in Huaraz, as well as at Universidad Privada del Norte, the Universidad Privada Antenor Orrego, and Colegio de Economistas of La Libertad, in Trujillo.

The BCRP Branch Office in Trujillo offered the course “Modelos Matemáticos y Económicos de la Política Monetaria en el Perú”, and organized lectures on Inclusion Policies as well as a conference on the Regional Economy of La Libertad through the radio.

The “Encuentro Económico de la Región Ucayali” was held in the city of Pucallpa. The main topics discussed included the national economic outlook; Ucayali, challenges and potentials; Forest management and sustainable development; Regional infrastructure and development; Health and education, challenges for the development of human capital; Regional integration with Brazil; and Possibilities and potentialities of alternative development. The lecture “ Situación Económica y Perspectivas de la Economía Peruana” was offered in the city of Iquitos.

The participation of the BCRP Branch Office of Arequipa in the IV International Book Fair carried out in that city is worth pointing out. In addition to this, the BCRP Office in Arequipa organized the lectures “La Crisis Europea y los Impactos en el Perú” and “Economía Peruana 2012-2013, Coyuntura y Perspectivas”.

Moreover, the lecture “Dolarización Financiera y los Retos para la Política Monetaria en el Perú” was offered at the Universidad Privada de Los Andes, in the city of Juliaca, and the XII Regional Seminar on Lucha Contra la Falsificación Monetaria was carried out in Puno with the participation of experts of the Oficina Nacional de Lucha contra la Falsificación (OCN).

During 2012 the BCRP branch offices continued provided training on the security features of banknotes and coins to the personnel of financial entities and to the general public. A total of 500 talks were delivered and the number of participants in this talks reached 15,956 people.

A total of 33,200 national and foreign visitors visited the museums of the BCRP branch offices of Trujillo, Arequipa, and Piura in 2011. This number of visitors is 3 percent higher than the one registered in 2011. The museum of Trujillo was visited by 19,981 people, which accounts for 60 percent of the total number of people who visited the BCRP museums.

5. Currency Management

The BCRP put into circulation a 1 sol coin with a new design, which shows the denomination in numbers and the logo of the “Peru Brand Name”. This coin is legal tender and circulates simultaneously with other 1 sol coins (S/. 1).



Furthermore, the BCRP continued issuing the coins of its numismatic series entitled “Wealth and Pride of Peru” (Riqueza y orgullo del Perú series), which was started in 2010 with the aim of promoting the rich cultural heritage of our country through a means of payment of massive use as well as with the aim of encouraging Numismatic culture. Thus, 4 coins of 1 nuevo sol were issued in 2012: the coin reproducing the “Stone of Saywite” (Apurimac) was issued in March; the coin with the design of “the Real Felipe Fortress” (Callao), in July; the coin reproducing part of the “Temple of the Sun in Vilcashuaman” (Ayacucho), in October; and the coin with the “Kuntur Wasi” (Cajamarca), in December. It is worth mentioning that these coins are legal tender and circulate simultaneously with the rest of S/. 1.00 coins. A total of 11 coins of this series had been issued by December 2012.



During the year, the BCRP intensified the dissemination campaigns on the security features of the new family of banknotes as well as on the new design of the one sol coin and the new series of coins (ROP). Thus, the number of lectures offered by the BCRP nationwide increased by 40 percent and personnel of financial entities were trained as instructors in order that they can teach these security features to the staff they work with in places where the BCRP does not have branches.



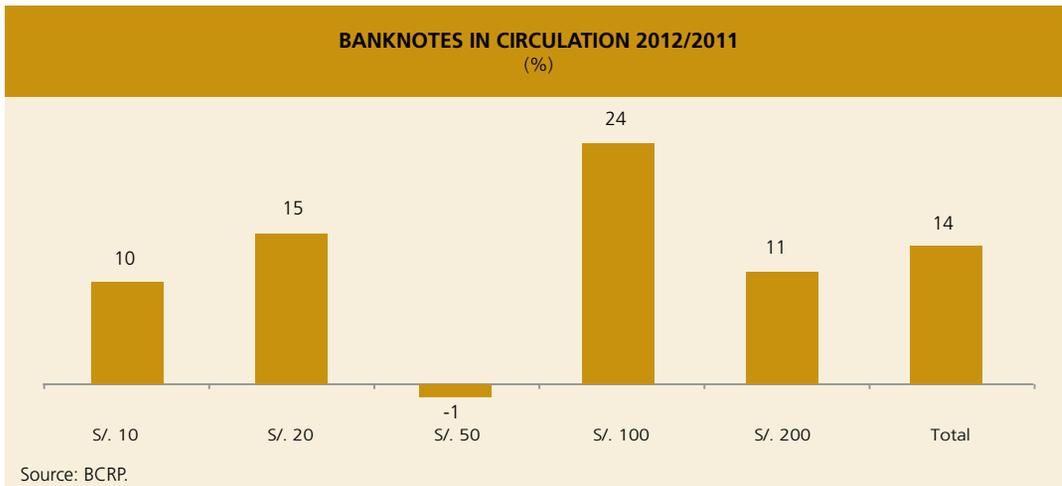
A new application called “Cliente Web Circulante” was put into operation. The purpose of this app is to enable financial institutions to make online deposits, withdrawals, and transfers of cash, thus reducing their operational risk. Among other factors, the implementation of this application has generated the modification of the Regulations on Deposits, Withdrawals, and Transfers of Banknotes and Coins (Circular N° 039-2012-BCRP).

5.1 Banknotes and Coins in Circulation

In 2012, currency in circulation increased both in terms of value and in terms of units in circulation, reflecting the growth of the Peruvian economy.

The balance of banknotes in circulation at December 2012 was S/. 36.22 billion (17.3 percent higher than at end 2011), while the balance of coins in circulation was S/. 1.60 billion (13.1 percent higher than at end 2011).

In terms of units, currency in circulation closed the year with a total of 582.2 million banknotes (a number 13.8 percent higher than the one recorded at the end of 2011) and a total of 2.63 billion coins (a number 12.8 percent higher than in 2011).



5.2 Destruction of Banknotes and Coin Melting

A total of 207.9 million banknotes with a monetary value equivalent to S/. 7.86 billion was destroyed in 2012. In terms of units, 59 percent of the banknotes destroyed was banknotes of ten soles and twenty soles (S/. 10 and S/. 20).

DESTRUCTION OF BANKNOTES		
Denomination	Quantity (Million units)	Monetary value (Millions of nuevos soles)
S/. 10	61.8	617.8
S/. 20	60.5	1,210.1
S/. 50	53.0	2,649.5
S/. 100	31.5	3,145.8
S/. 200	1.2	238.6
Total	207.9	7,861.8

Source: BCRP.

One million units of 1 Nuevo Sol coins was melted in 2012.

DESTRUCTION OF COINS		
Denomination	Quantity (Million units)	Monetary value (Millions of nuevos soles)
S/. 0.05		
S/. 0.10		
S/. 0.20		
S/. 0.50		
S/. 1.00	1.0	1.0
S/. 2.00		
S/. 5.00		
Total	1.0	1.0

Source: BCRP.

5.3 Coin Minting

The National Mint produced 300 million coins, 0.2 percent less than in 2011. This lower production is associated with the fact that the 1 cent coin stopped being minted given that it was withdrawn from circulation in May 2011.

In 2012 the largest production of coins was coins in the denominations of ten cents (S/. 0.10) and one Nuevo Sol (S/. 1), which together represented 61 percent of the total of coins produced.



PRODUCTION OF COINS			
Denomination	Alloy	Quantity (Millions units)	Monetary value (Millions of nuevos soles)
S/. 0.05	Aluminum	32.7	1.64
S/. 0.10	Brass	112.7	11.27
S/. 0.20	Brass	25.8	5.16
S/. 0.50	Nickel-silver	24.9	12.47
S/. 1.00	Nickel-silver	70.2	70.20
S/. 2.00	Bi-metal	18.7	37.46
S/. 5.00	Bi-metal	14.9	74.50
Total		300.0	212.69

Source: BCRP.

6. Circulars

During 2012 the BCRP issued three circulars associated with the regulations of monetary instruments, twelve circulars about regulations on reserve requirements, ten about first-class banks, six about banknotes and coins, one about information and reports, and twelve about the monthly announcement of the daily adjustment index established in article 240 of Law 26702, General Law for the Financial and Insurance Systems and the Organic Law of the Superintendence of Banks and Insurance Companies.

- **Monetary Instruments**

Circular N° 013-2012-BCRP (04/05/2012)

Circular N° 016-2012-BCRP (19/06/2012)

Circular N° 031-2012-BCRP (28/09/2012)

- **Reserve Requirements**

Circular N° 010-2012-BCRP (27/04/2012)

Circular N° 011-2012-BCRP (27/04/2012)

Circular N° 019-2012-BCRP (03/07/2012)

Circular N° 020-2012-BCRP (03/07/2012)

Circular N° 027-2012-BCRP (28/08/2012)

Circular N° 028-2012-BCRP (28/08/2012)

Circular N° 032-2012-BCRP (28/09/2012)

Circular N° 033-2012-BCRP (28/09/2012)

Circular N° 036-2012-BCRP (30/10/2012)

Circular N° 037-2012-BCRP (30/10/2012)

Circular N° 043-2012-BCRP (28/12/2012)

Circular N° 044-2012-BCRP (28/12/2012)

- **First-Class Banks**

Circular N° 004-2012-BCRP (20/02/2012)

Circular N° 007-2012-BCRP (26/03/2012)

Circular N° 009-2012-BCRP (27/04/2012)

Circular N° 014-2012-BCRP (18/05/2012)

Circular N° 021-2012-BCRP (03/07/2012)

Circular N° 023-2012-BCRP (01/08/2012)

Circular N° 026-2012-BCRP (28/08/2012)

Circular N° 035-2012-BCRP (29/10/2012)

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