



ANNUAL REPORT 2012



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CENTRAL RESERVE BANK OF PERU



ANNUAL REPORT

2012

CENTRAL RESERVE BANK OF PERU

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As of December 31, 2012

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CENTRAL RESERVE BANK OF PERU

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The former headquarters of the BCRP currently host the BCRP Museum.

Introduction

In 2012 the Peruvian economy grew 6.3 percent. This growth rate is lower than the one registered in 2011 (6.9 percent), but higher than the one forecast in the first months of the year (a growth rate of 5.7 percent was estimated in the Inflation Report of March 2012). Explained mainly by the dynamism of domestic demand which grew 7.4 percent, this higher growth was in part offset by lower net exports in a context of global economic slowdown. On the other hand, annual inflation showed a declining trend as supply shocks gradually reverted, dropping from 4.74 percent in 2011 to 2.65 percent in 2012.

During most of 2012, the world economy was affected by uncertainty regarding the situation of the Eurozone and by expectations of a lower dynamism in the emerging economies. In addition to this, the problems associated with the fiscal situation in the United States increased risk aversion, affecting consumers and investors' confidence in the developed economies. However, an improvement was observed in international financial conditions as from the fourth quarter of the year as a result of the series of measures implemented by the central banks of the Eurozone countries, the United States and Japan, as well as of indicators reflecting some degree of stabilization in China's pace of growth.



In this scenario of strong growth of domestic demand in the country, well-contained inflation expectations, and slow recovery in the world economy, the BCRP maintained its policy rate at 4.25 percent. Even though the BCRP policy rate remained unchanged, other policy measures were taken. Thus, reserve requirements were adjusted with the purpose of moderating the expansion of credit and reducing the financial system's vulnerability to potential abrupt capital outflows. Reflecting the steadiness of the monetary policy reference rate, the corporate interest rate in nuevos soles remained stable in 2012.

Affected by an international environment marked by uncertainty, the terms of trade recorded an average decrease of 5 percent after declining particularly in the first half of the year due to drop of the international prices of our main export products. The latter, together with the fact that domestic demand grew at a higher rate than GDP, accounts for the growth of the deficit in the current account of the balance of payments from 1.9 percent of GDP in 2011 to 3.6 percent in 2012. Moreover, the financial account registered a surplus of over US\$ 20 billion (10 percent of GDP), consisting mainly of long-term private capital, particularly reinvestment of companies with foreign shareholding and long-term loans directed mostly to the financial sector. A significant positive flow of foreign portfolio investment, oriented mostly to non-financial companies, was also observed in the country as a result of the bonds issued by these companies overseas.

Significant capital inflows of foreign investors with an appetite for the assets of emerging economies with good macroeconomic prospects and companies with international expansion plans were observed over the year. This explains the appreciation pressures on the new nuevo sol which, in turn, induced a process of dedollarization of deposits as well as an increased demand for credit in dollars in the domestic financial system. Moreover, the latter also contributes to explain the increase of interest rates in foreign currency. In this context, the nuevo sol appreciated 5.4 percent in 2012.

As from September, the BCRP modified its foreign exchange intervention strategy and made interventions in the foreign exchange market even in the periods of depreciation of the nuevo sol, although these interventions involved lower daily amounts. The aim of this strategy is to make the evolution of the exchange rate less predictable in order to reduce the incentives for investors' speculative positions.

In 2012, the non-financial public sector (NFPS) continued to show a countercyclical position and recorded an economic surplus of 2.2 percent of GDP (2.0 percent in 2011). The balance registered by the NFPS in the last two years is explained by the dynamism of economic activity –especially by the dynamism of domestic demand which had a positive impact on tax revenues– as well as by the moderation in the growth of non-financial expenditure.





***ECONOMIC
ACTIVITY***



Wrought iron gate – National Mint.

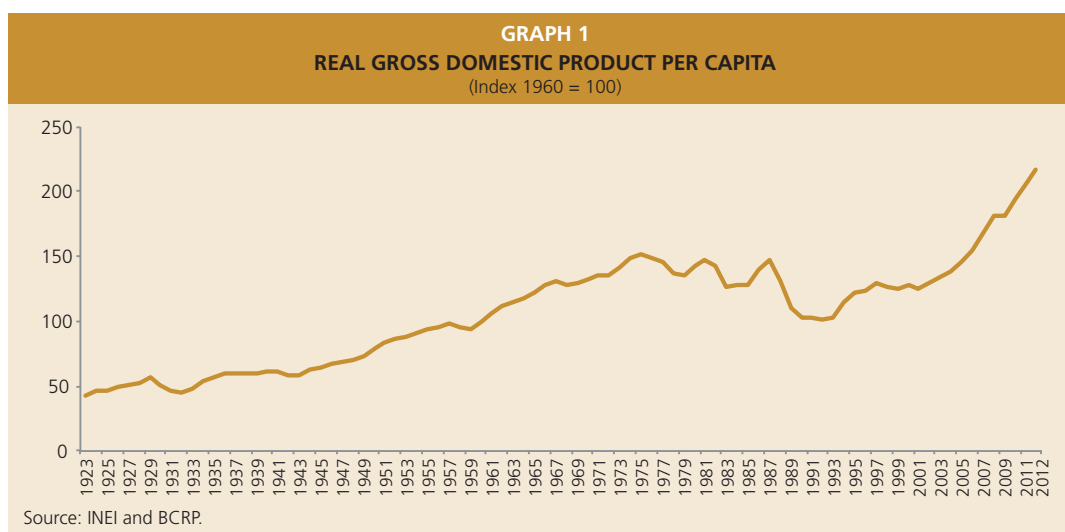
I.

Production and Employment

In 2012 the Peruvian economy grew 6.3 percent. This growth rate, which is lower than the one registered in 2011 (6.9 percent), but consistent with the economy's potential long-term rate of growth (around 6.5 percent), is mainly explained by the dynamism of domestic demand, which grew 7.4 percent, and particularly by the dynamism of public investment and private investment (which grew 13.6 percent and 20.8 percent, respectively). In a context of international uncertainty, this was partially offset by lower net exports.

A deceleration of growth was observed in both the primary and non-primary sectors. The primary GDP grew 1.7 percent (versus 4.8 percent in 2011), while the non-primary GDP grew 7.1 percent (versus 7.2 percent the previous year). In the case of the former, the lower rate of growth is explained mainly by the decline of activity in the fishing sector, while in the case of the latter the lower rate of growth is explained by a slowdown of activity in all the sectors, with the exception of construction. It is worth pointing out that much of the decline registered in non-primary manufacturing is explained by the drop of textile production for the external market.

Moreover, in 2012 per capita production registered a growth rate of 5.1 percent.





1. Domestic Demand

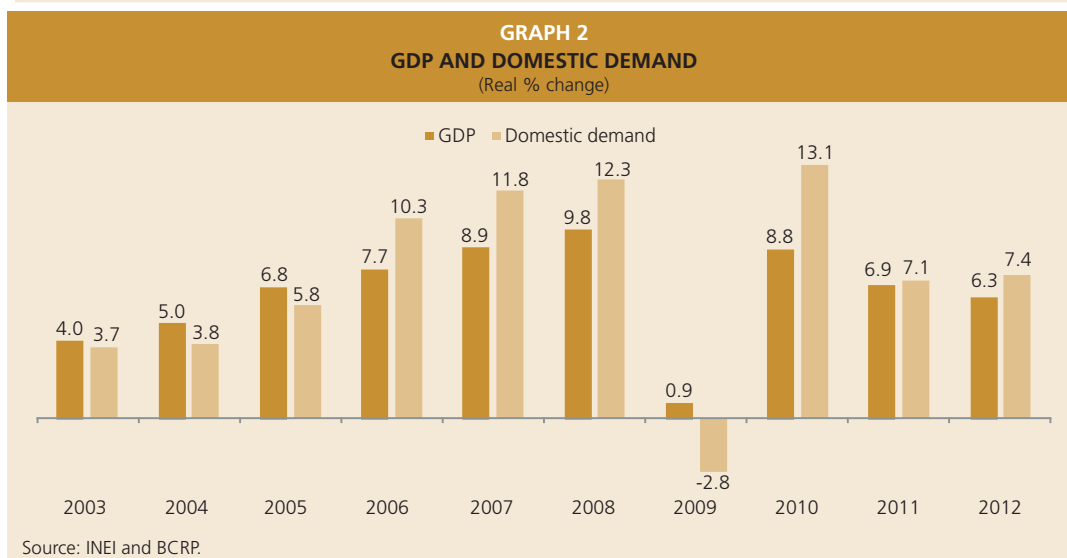
Showing a slightly higher growth rate than in 2011 (7.1 percent), domestic demand grew 7.4 percent in 2012. In terms of demand components, a moderation of growth was observed in private consumption, which declined from 6.4 percent in 2011 to 5.8 percent in 2012.

Private investment grew 13.6 percent –recording a higher rate than in the previous year (11.4 percent)–, mainly due to the dynamism of the construction sector which showed a remarkable recovery.

Public investment showed a significant growth compared to 2011, increasing from a drop of 18.0 percent to an increase of 20.8 percent due especially to the dynamism of investment expenditure in regional and local governments.

TABLE 1 GROSS DOMESTIC PRODUCT BY TYPE OF EXPENDITURE (Real % change)				
	2010	2011	2012	Average 2003-2012
Domestic Demand	13.1	7.1	7.4	7.2
a. Private consumption	6.0	6.4	5.8	5.5
b. Public consumption	9.7	6.1	10.5	7.3
c. Gross domestic investment	23.1	4.8	14.9	12.4
- Private	22.1	11.4	13.6	12.1
- Public	26.7	-18.0	20.8	13.9
d. Change of inventory (% of nominal GDP)	0.9	1.9	0.9	0.3
Exports	1.3	8.8	4.8	6.3
Minus:				
Imports	24.0	9.8	10.4	9.8
GDP	8.8	6.9	6.3	6.5
Note:				
Total public expenditure	15.9	-3.4	14.0	9.2

Source: INEI and BCRP.



1.1. Private Consumption

Showing a lower growth rate than in the previous year (6.4 percent), private consumption grew 5.8 percent in 2012. This moderation of growth in private consumption is consistent with the decline in the growth rates of the national disposable income (down from 7.2 percent in 2011 to 6.6 percent in 2012), urban employment (down from 5.4 to 4.0 percent in 2012), and consumer loans (down from 20.4 percent in December 2011 to 14.4 percent in December 2012). However, the pace of growth of private consumption remained stable at 5.8 percent since Q2-2012.

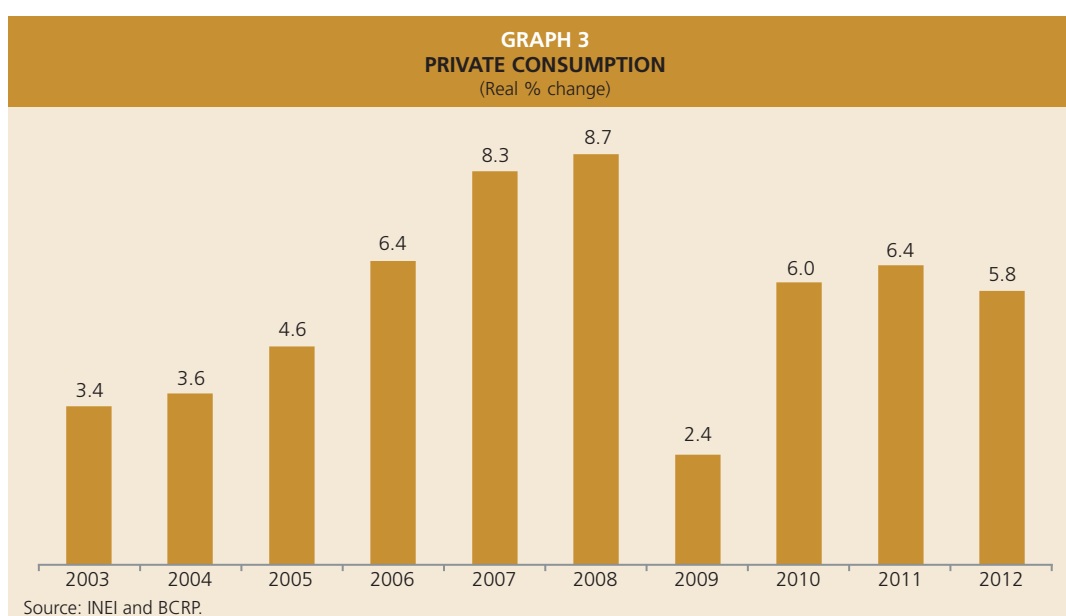


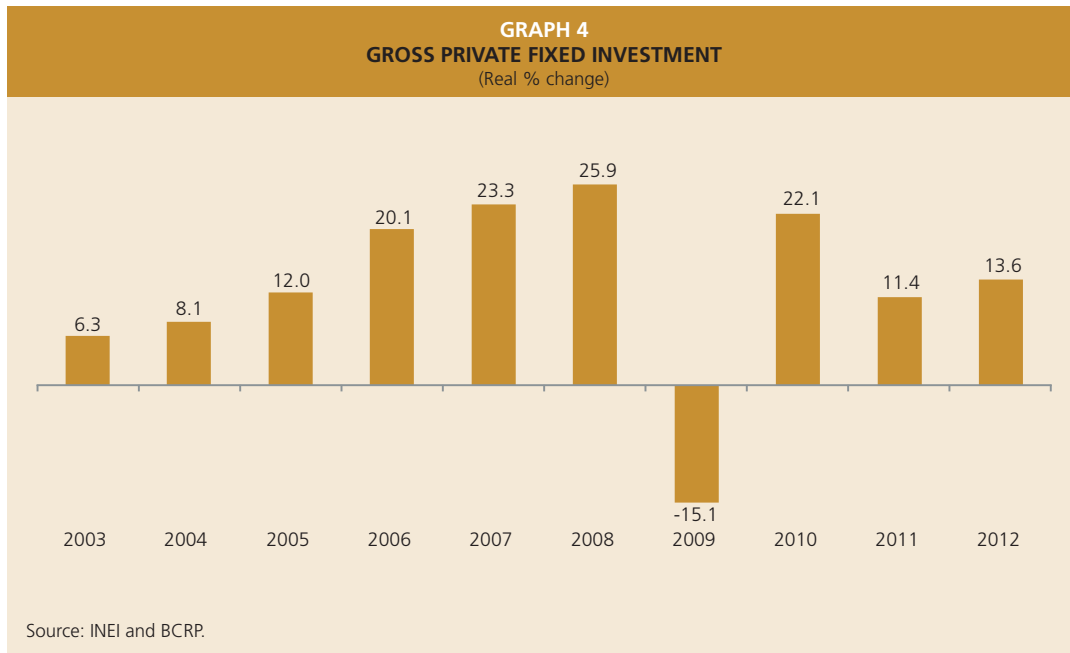
TABLE 2
NATIONAL DISPOSABLE INCOME 1/
(% change)

	2010	2011	2012	Average 2003-2012
Gross domestic product	8.8	6.9	6.3	6.5
Gross national product 2/	7.6	6.1	8.2	6.0
Gross national income 3/	10.8	7.4	6.8	6.7
National disposable income 4/	10.5	7.2	6.6	6.7

1/ Preliminary data.
2/ Excludes non-resident factor income from GDP.
3/ Includes losses and gains due to changes in terms of trade.
4/ Adds net transfers received by non residents to the gross national income.
Source: INEI and BCRP.

1.2 Private Investment

On the other hand, in 2012 private investment grew 13.6 percent. It should be pointed out that, except in 2009, private investment has been growing at two-digit rates since 2005 after having gone through an economic recovery based on the use of excess installed capacity in the previous years.



The growth of private investment in 2012 was higher than the growth of GDP for the third consecutive year, as a result of which the ratio of fixed gross investment to GDP rose from 19.5 percent in 2011 to 21.4 percent in 2012.



Significant investment was observed during the year in different sectors of the economy. Investments in the mining sector continued to be oriented to the development of new projects, as well as to the expansion and continuity of operations in existing projects. Chinalco Peru's Toromocho project and Xstrata's Las Bambas and Antapaccay projects are worth highlighting among the former, while Yanacocha, Antamina, and Cerro Verde stand out among the latter.

In the hydrocarbons sector, Pluspetrol Camisea continued with the expansion of the Malvinas and Pisco production plants, with an accumulated investment of US\$ 32 million in the year. Furthermore, Pluspetrol Lot 56 invested about US\$ 100 million in the construction of the pipeline connecting the area of Mipaya (Cusco) with the production plant and in the installation of compressors at the Pagoreni wells. These projects would be completed in Q1 and Q3 of 2013, respectively.

Investments worth pointing out in the manufacturing sector included the investment made by Gloria, which at December 2012 amounted to US\$ 65 million. This investment was in part used to improve the production plant of Huachipa and the yogurt plant in Arequipa. On the other hand, La Pampilla reported investments for a total of US\$ 10 million to develop the engineering details of the modernization of the refinery in order to adapt it to the new specifications of fuels, to complete the biological effluent treatment plant, to replace liquid fuels by natural gas, and to implement other minor maintenance operations. Quimpac also continued investing in the expansion of its plant in Callao and in the acquisition of equipment, with an investment of over US\$ 80 million in the year.

In the energy sector, Enersur invested over US\$ 30 million, of which a large part went to the thermal power plant of Chilca Uno to convert the plant which went into commercial operation in November 2012 into a combined cycle plant. On the other hand, Luz del Sur invested US\$ 130 million, of which US\$ 70 million was to improve the hydroelectric plant of Santa Teresa in Cusco.

Large real estate developments implemented during 2012 included the housing project "Ciudad Nueva" of Paz Centenario in Canta, Callao, as well as Graña y Montero's housing projects "Los Parques de Carabaylo", "Los Parques de El Agustino" and "Los Parques de Villa El Salvador" with a total of almost 3,000 apartments, and "Las Torres de Santa Clara" of Grupo Acuario with a total of 1,700 apartments.

Five new shopping malls –four of which are located in Metropolitan Lima– opened during the year, including Centro Comercial La Rambla San Borja and Mall Aventura Plaza Santa Anita (with investments of US\$ 100 million and US\$ 67 million, respectively). In addition to this, investments were also made to expand the Jockey Plaza's Boulevard, Plaza Norte at Independencia (Wong group), Real Plaza in Juliaca (Intercorp group), and Mall Aventura Plaza in Trujillo.



TABLE 3
INVESTMENT IN MALLS IN 2012

ECONOMIC GROUP	COMMERCIAL PROJECT	LOCATION	AMOUNT OF INVESTMENT (MILLION US\$)	STATUS
Grupo Breca	Centro Comercial La Rambla San Borja	Lima	100	Inaugurated
Grupo Aventura Plaza 1/	Mall Aventura Plaza Santa Anita	Lima	67	Inaugurated
Parque Arauco	Mega Plaza Chimbote	Áncash	28	Inaugurated
Parque Arauco	Mega Express Villa El Salvador	Lima	13	Inaugurated
Cencosud	Cencosud Shopping Center Miraflores	Lima	16	Inaugurated
Grupo Intercorp	Real Plaza Salaverry	Lima	120	In construction
Grupo Intercorp	Real Plaza Cusco	Cusco	63	In construction
Grupo Intercorp	Real Plaza Huánuco	Huánuco	53	In construction
Grupo Intercorp	Real Plaza Cajamarca	Cajamarca	40	In construction
Grupo Ekimed	El Quinde Shopping Plaza	Ica	80	In construction
Grupo Estructura	Las Malvinas Plaza	Lima	23	In construction
Parque Arauco	Mega Express Chíncha	Ica	12	In construction
Parque Arauco	Mega Express Barranca	Lima	12	In construction
Parque Arauco	Mega Express Cañete	Lima	12	In construction
Grupo Breca	Paso Huánuco	Huánuco	10	In construction
Penta Realty Group	Penta Mall Mansiche	La Libertad	10	In construction

1/ New mall projects developed by Mall Plaza, Falabella y Ripley groups.
Source: Colliers International and news media.

Finally, investments in the hotel industry included the development of new projects such as the JW Marriott Cusco (US\$ 56 million), the Hilton Lima Miraflores (US\$ 45 million), and Palacio Nazarenas in Cusco by Orient Express (US\$ 16 million). Other hotel projects included the Decameron Punta Sal (US\$ 30 million) and hotel San Agustín in Paracas, which began operations in December 2012 (with an investment of US\$ 9 million), as well as the works carried out at Best Western's Premier Vista Pacífico Resort in Cañete, which would require a total investment of US 30 million, and Inkaterra Urubamba with a total investment of US\$ 4 million.

1.3 Public Expenditure

Reflecting the greater investment of the general government and state-owned enterprises which increased 20.9 and 40.9 percent, respectively, public spending grew 14.0 percent in 2012, coupled by a growth of public consumption of 10.5 percent. These results were in part associated with the publication of Law 29914 in September, which established public spending measures to encourage and improve the effectiveness of spending.

Increased current expenditure was registered in the following sectors:

- Defense (real growth of 13 percent). Increased funding was allocated to this sector for interventions in areas of the Valley of the Apurimac, Ene and Mantaro rivers (VRAEM), and for training, border surveillance, and units maintenance actions.
- Transport and Communications. Most of the sector's resources were used in road maintenance and repair.
- Health (real growth of 22 percent): Expenditure was increased to supervise the maintenance of health infrastructure facilities, the National comprehensive cancer health care program, and to improve access to health care for cancer and rare diseases.
- Education: About 60 percent of this increased spending was used to contract professional and technical services and to pay for administrative service contracts (CAS).
- Economy (Expenditure increased by a real 15 percent): Due mainly to the higher payments made by SUNAT to meet the tax pressure goal and the implementation of new offices to serve taxpayers.
- Justice, Judiciary, and Public Prosecutor's Office (growth of 10, 4, and 20 percent, respectively): Due to the higher costs associated with the implementation of the New Criminal Code.
- Presidency of the Council of Ministers (real growth of 33 percent): Due mainly to the cost of carrying out the IV Censo Nacional Agropecuario and collecting information through the Sistema de Focalización de Hogares (SISFOH).
- Interior (real growth of 9 percent): Due to higher spending in fuel and maintenance of police stations and vehicles.
- Agriculture (real growth of 7 percent): Due to increased funding allocated to pay professional services and administrative service contracts (CAS), as well as due to increased spending at Autoridad Nacional del Agua, Servicio Nacional de Sanidad y Calidad Agroalimentaria (SENASA), and the Ministry of agriculture.
- Housing (real growth of 12 percent): Due to the implementation of citizen service centers and the management of Programa de Apoyo al Hábitat Rural.

As for public investment, the sectors which recorded higher expenditure were:

- Transport: Due to road concession projects, the Electric Train project, and road rehabilitation projects.
- Education: Improvement of education infrastructure and educational quality.
- Health: Improvement and equipping of hospital emergency services.
- Agriculture: Improvement of irrigation infrastructure and preservation of natural resources.
- Electricity: Installation of small electricity systems in different villages.
- Justice: Improvement of the administration of justice services.
- Housing: National Drinking Water and Rural Sanitation Program.

1.4 Exports and Imports

In a context of deceleration in the growth of world trade, exports of goods and services grew 4.8 percent in 2012 (versus 8.8 percent in 2011). A weak evolution of exports was observed during the year due to lower shipments of traditional exports (0.2 percent), such as coffee and gold, while the non-traditional exports grew 9.0 percent in terms of volume.



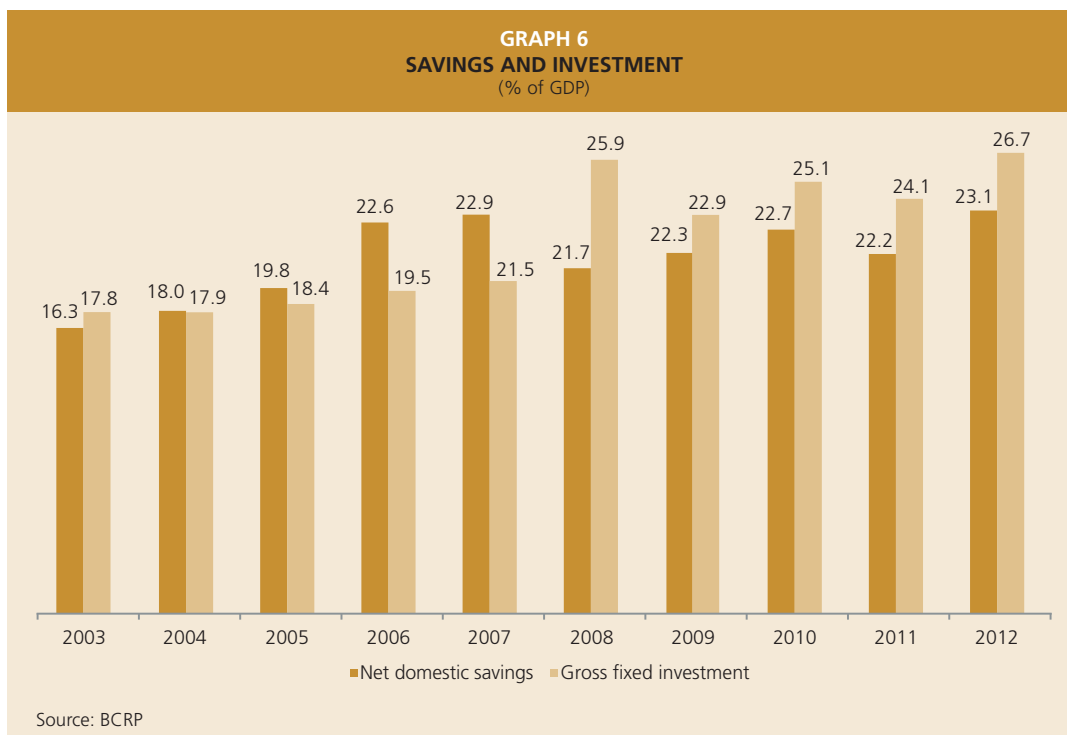
Imports grew 10.4 percent as a result of increased imports of consumer goods and non-financial services, which recorded growth rates of 19.4 and 13.7 percent, respectively.

1.5 Savings and Investment

In 2012, favored by a good business climate and an optimistic outlook for the economy of both consumers and entrepreneurs, gross fixed investment increased from 24.1 to 26.7 percent of GDP, while net domestic savings increased from 22.2 to 23.1 percent of GDP. Given that the increase in investment was higher than that of domestic savings, the gap was covered with external savings (deficit in the current account of the balance of payments). Thus, foreign savings increased from a level of 1.9 percent of GDP in 2011 to 3.6 percent in 2012.

TABLE 4 SAVINGS AND INVESTMENT (% of GDP)			
	2010	2011	2012
I. Gross fixed investment	25.1	24.1	26.7
Public investment	5.9	4.5	5.2
Private investment	19.2	19.6	21.5
II. Net domestic savings 1/	22.7	22.2	23.1
Public sector	6.0	7.1	7.8
Private sector	16.7	15.1	15.3
III. External savings	2.4	1.9	3.6

1/ Excludes changes in inventories.
Source: BCRP.



2. Production Sectors

During 2012 non-primary sectors grew 7.1 percent –a result consistent with the dynamism of domestic demand–, while primary sectors registered a lower growth rate than in 2011 (1.7 versus 4.8 percent) due mainly to supply factors.

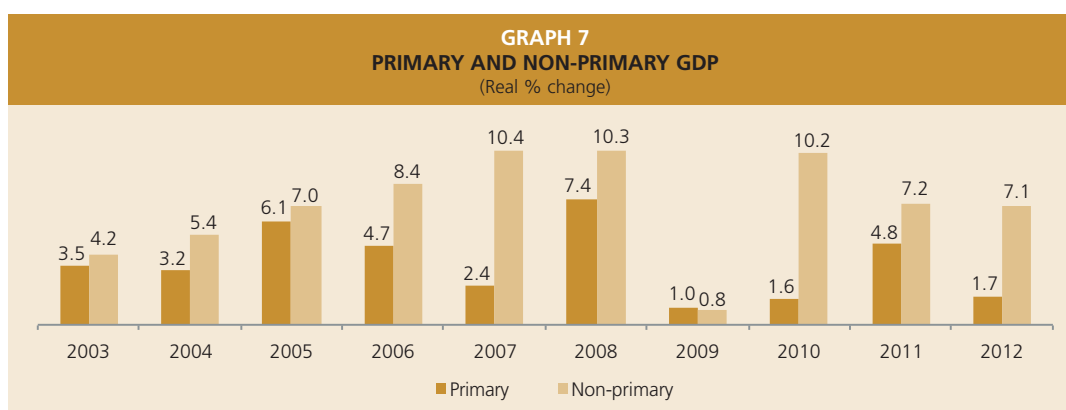


TABLE 5
GROSS DOMESTIC PRODUCT
(Real % change)

	Pond. 2011	2010	2011	2012	Average 2003-2012
Agriculture and livestock	7.2	4.9	4.2	5.1	4.2
Agriculture	4.3	5.3	3.2	5.2	3.6
Livestock	2.3	4.3	5.6	4.9	5.2
Fishing	0.4	-12.2	31.8	-11.9	2.8
Mining and hydrocarbons	4.9	-0.1	-0.2	2.2	3.3
Metallic mining	3.7	-4.8	-3.2	2.1	2.1
Hydrocarbons	0.7	29.5	18.1	2.3	11.0
Manufacturing	14.8	14.1	5.6	1.3	5.8
Manufacturing based on raw materials	2.6	-1.6	13.1	-6.5	2.8
Non-primary manufacturing	12.0	17.3	4.3	2.8	6.5
Electricity and water	2.0	7.7	7.4	5.2	5.8
Construction	6.5	17.4	3.0	15.2	10.6
Commerce	15.2	9.7	8.8	6.7	7.3
Other 1/	48.9	7.7	8.1	7.3	6.7
GLOBAL GDP	100.0	8.8	6.9	6.3	6.5
Primary	15.2	1.6	4.8	1.7	3.6
Non-Primary	84.8	10.2	7.2	7.1	7.1

1/ Includes VAT, excise tax, and import duties.
Source: INEI.

2.1 Agriculture

The agriculture sector grew 5.1 percent in 2012, with export-oriented products showing a different conduct from that of agricultural products for the domestic market. The former showed a more moderate pace of growth than in the previous year, whereas the latter, including both agricultural and livestock products showed a stronger dynamism than the one observed in previous years.

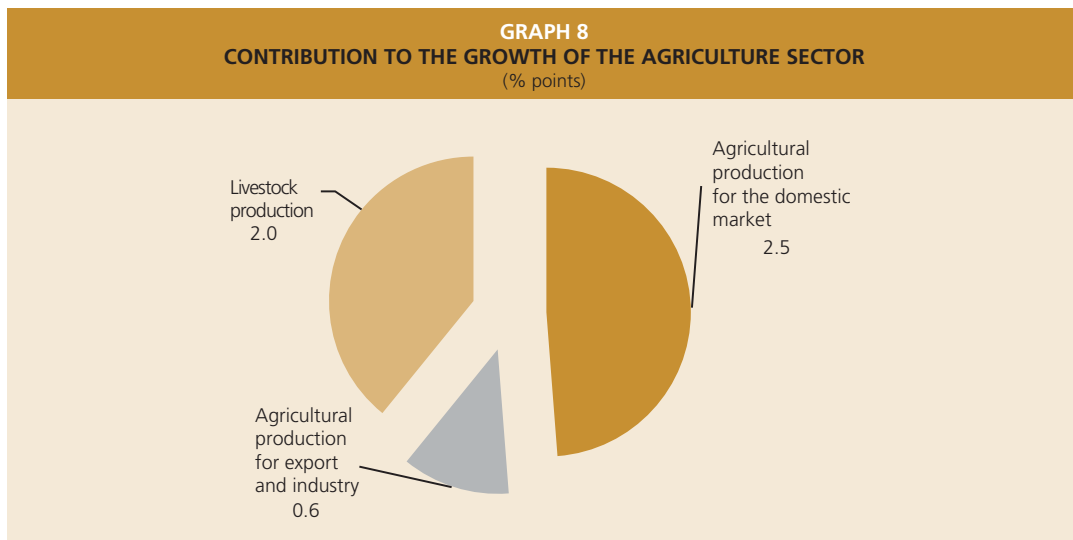


TABLE 6
AGRICULTURE AND LIVESTOCK PRODUCTION
(Real % change)

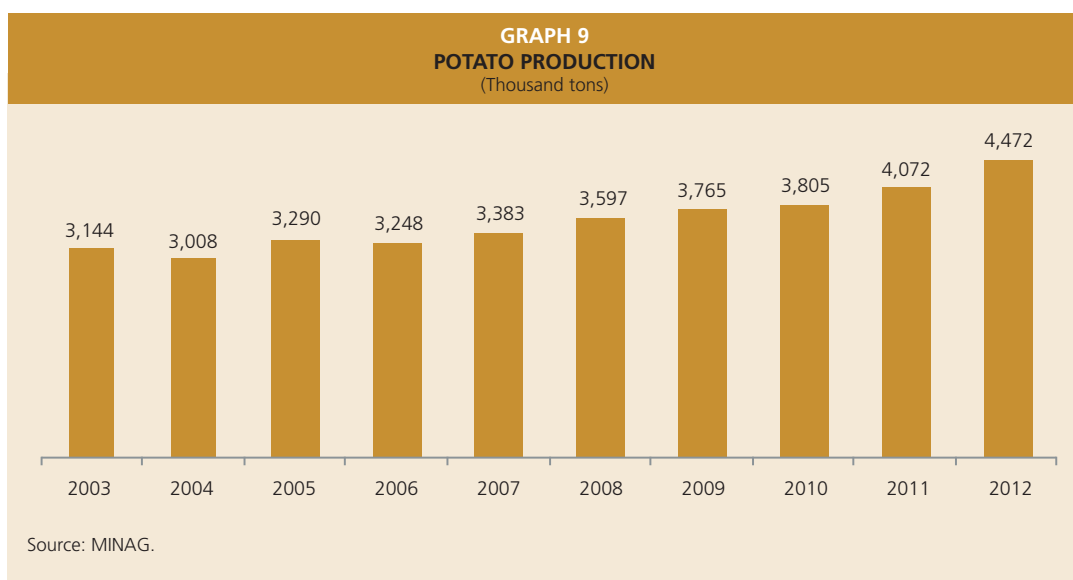
	2010	2011	2012	Average 2003-2012
Agricultural production	5.3	3.2	5.2	3.6
For the domestic market	2.2	0.8	6.1	3.2
Potato	1.1	7.0	9.8	3.1
Rice	-5.3	-7.3	14.3	3.6
Banana	7.5	-6.6	4.6	2.3
Cassava	6.4	-10.0	0.5	2.3
Amilaceous maize	-9.9	-0.7	9.3	1.0
Garlic	8.6	40.5	-7.2	2.7
Onion	19.5	0.4	6.7	5.3
Dry beans	-5.9	-5.3	4.2	3.9
Lemon	12.6	-3.6	3.9	-0.9
Mandarine	33.3	6.8	18.8	7.7
Orange	4.5	6.1	1.3	3.8
Tomato	1.5	-17.3	3.2	3.9
Other crops	2.7	1.8	3.7	3.4
For export and industry	13.5	9.2	3.4	4.4
Coffee	14.7	17.5	-7.3	3.6
Sugar cane	-0.8	0.3	4.9	2.1
Yellow maize	0.8	-1.8	10.8	3.0
Asparagus	6.8	17.0	6.0	8.5
Grapes	6.1	5.9	21.1	10.3
Olive	946.5	-2.6	26.6	11.0
Mango	172.0	-22.5	-52.4	-0.7
Cocoa	26.7	6.7	16.3	9.0
Avocado	17.1	15.9	17.1	10.3
Cotton	-33.6	91.4	-8.8	-2.3
Oil palm	8.8	23.3	44.1	11.6
Other crops	2.2	19.3	10.5	-1.4
Livestock production	4.3	5.6	4.9	5.2
Poultry	5.8	6.4	7.8	7.7
Beef	4.4	4.0	2.7	3.2
Milk	1.6	4.0	2.4	4.1
Other products	2.7	5.7	1.8	2.9
AGRICULTURE AND LIVESTOCK	4.9	4.2	5.1	4.2

Source : MINAG.

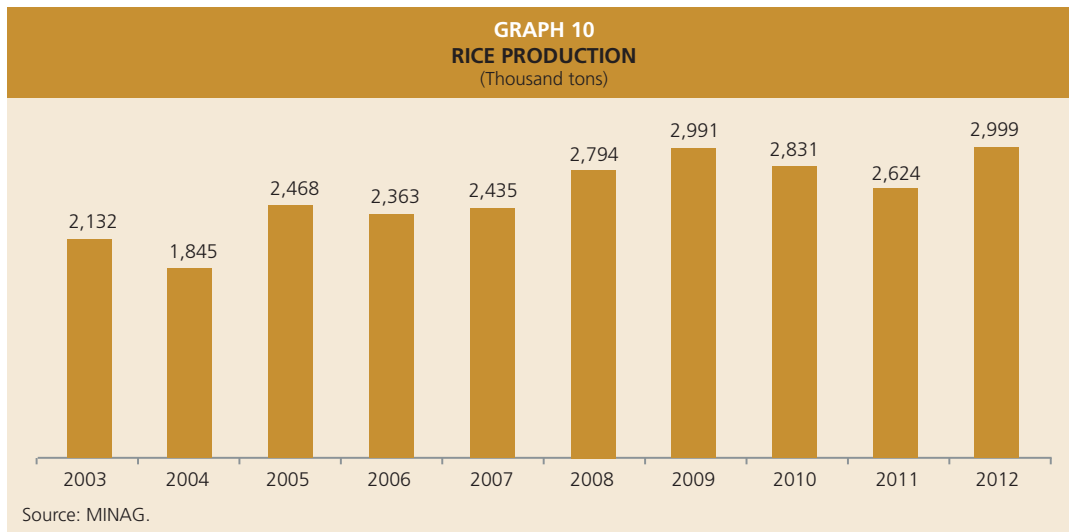
The agricultural production for the domestic market grew 6.1 percent in 2012. This growth was led by a higher production of potato and husk rice.



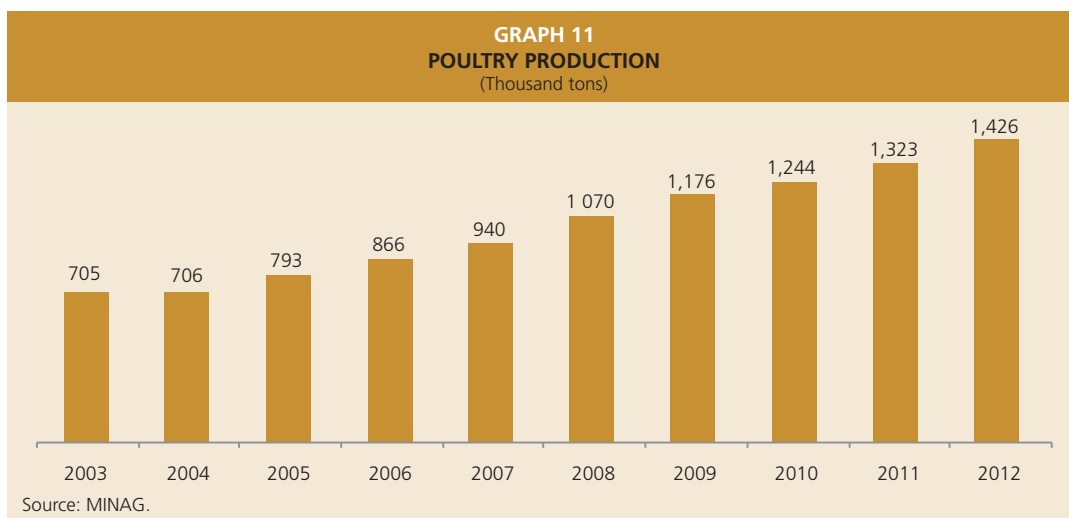
Potato production, which grew 9.8 percent, accumulated six consecutive years of growth and recorded a historic volume of 4.5 million tons harvested. This growth was basically observed in 17 of the country's 24 departments, mostly in the Sierra region, which harbors nearly 95 percent of potato-cultivated areas, and reflected an increase in both harvested areas and yields (about 4 percent).



Similarly, after having declined in the two previous years, rice production grew 14.3 percent in 2012. This result is derived from the fact that both the harvested areas and yields increased as a result of the normalization of the rain cycle in Piura, which had been altered in 2011 due to the occurrence of "La Niña" event. The harvested areas increased by 28.8 thousand hectares, with Piura accounting for 73.6 percent of this result, while the yield increased from 7.2 to 7.7 tons per hectare between 2011 and 2012.

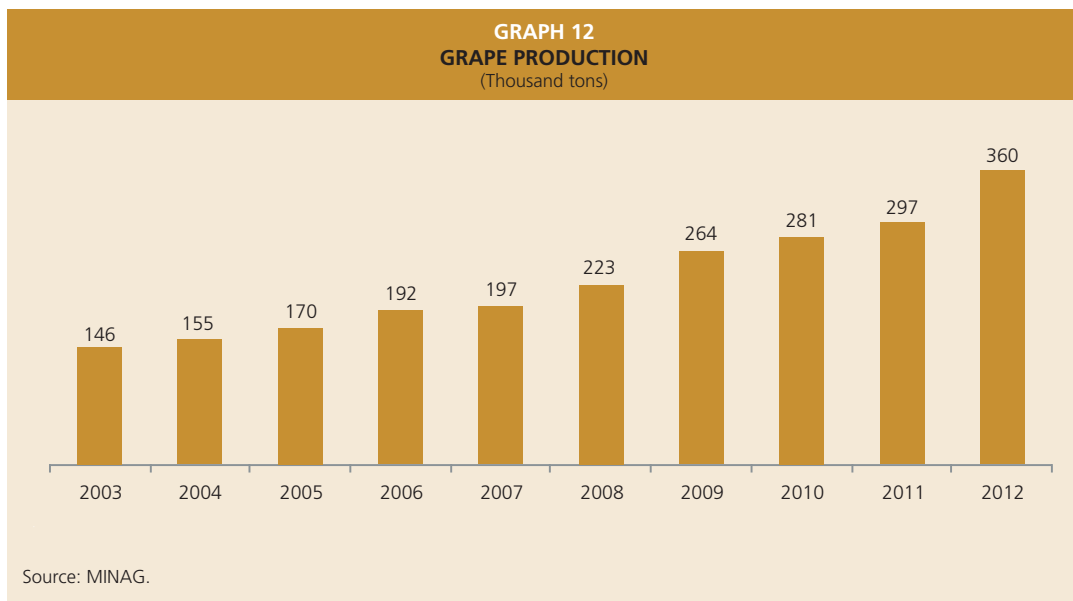


Livestock production, which grew 4.9 percent in 2012, accounts for 39 percent of the growth of the agriculture sector. The increase in livestock production is explained by a higher production of poultry meat, which grew 7.8 percent recording a rate close to its average annual growth rate in recent years due to the higher demand associated with the improvement of the population's purchasing power.

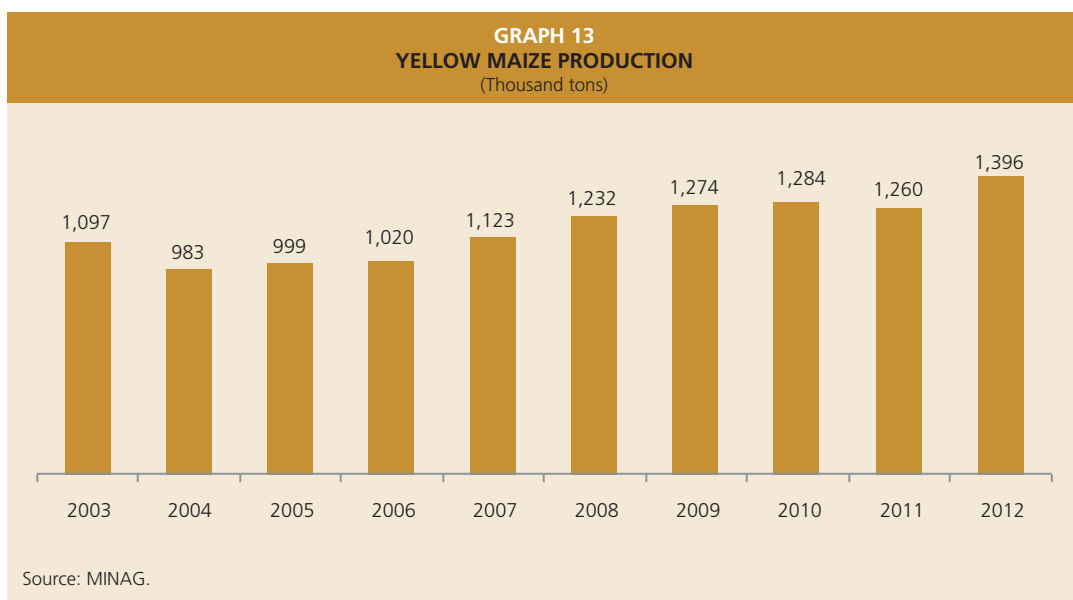


Finally, showing a significantly lower rate than the one registered in previous years, agricultural production for the external market and agro-industry grew 3.4 percent. This lower growth is associated with the fact that the higher production of grapes and hard yellow maize was offset by a lower production of coffee and mango.

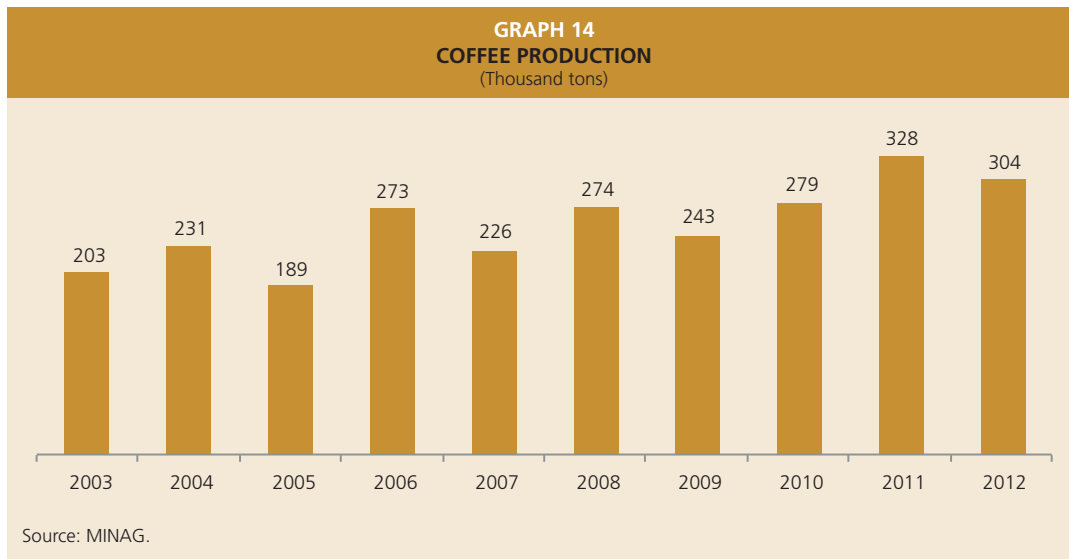
As a result of the consolidation of increased cultivated areas in Piura and Ica, the production of grapes grew 21.1 percent. Between 2008 and 2011 the number of hectares of land cultivated with grapes increased by nearly 4,500 hectares and the production of this land was added to this year's yield. Together with a much better yield than the world average yield (about 18 tons per hectare), this growth of cultivated areas promises good prospects for the development of this crop.



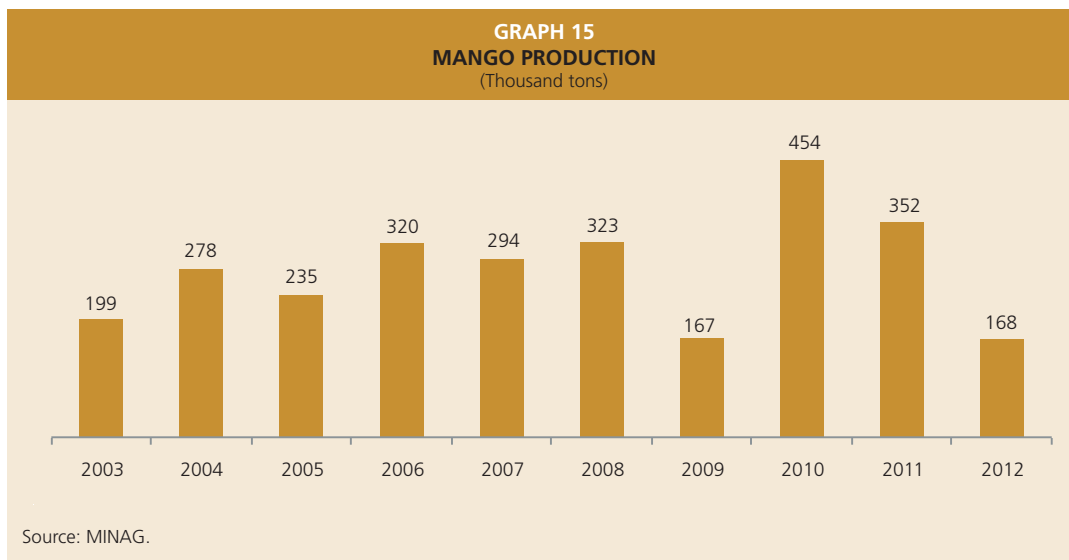
The production of hard yellow maize recorded an increase of 10.8 percent. This growth is associated with the development of poultry production since this product is a main input in bird breeding. The increased demand for hard yellow maize was concentrated in Lima, which is the largest poultry producer in the country.



After two years of growth, coffee production fell 7.3 percent in 2012 due to a yield reduction and to coffee's period of crop rotation following two crop years in which coffee recorded historical levels of production.



The fall in the production of mango (-52.4 percent) is explained by a statistical effect associated with the good production obtained in 2011. This is explained by the fact that the production of this fruit was favored by climate changes associated with “La Niña” event, which raises the yield of this crop.



2.2 Fishing Sector

In 2012, activity in the fishing industry showed a contraction of 11.9 percent due to a lower extraction of anchovy for industrial use during the second fishing season in the North-Central area. Despite this, a greater catch of species for human consumption, especially of species consumed as fresh fish, was observed in this period.

TABLE 7
FISH CATCH BY DESTINATION
(Real % change)

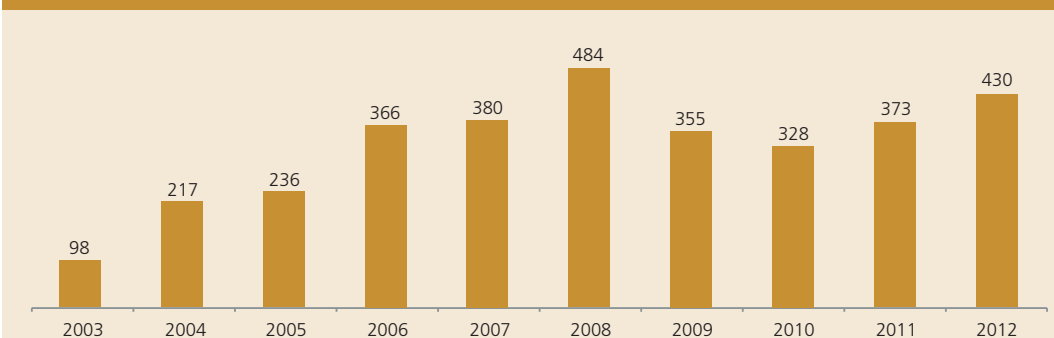
	2010	2011	2012	Average 2003-2012
Human consumption	-3.0	19.3	1.2	6.6
Canned	19.8	6.5	-39.9	1.7
Fresh	4.4	33.0	-5.3	13.6
Frozen	-16.2	0.4	26.9	1.8
Dry-salted	-3.0	5.9	-34.2	-7.4
Industrial consumption	-42.9	110.3	-48.4	-7.8
Anchovy	-42.9	110.2	-48.4	-7.7
FISHING SECTOR	-12.2	31.8	-11.9	2.8

Source: Ministry of Production.

Fishing for human consumption grew 1.2 percent, favored by the increased presence of species intended for consumption as fresh fish, such as bonito, mackerel, mullet, and mahi-mahi.

The catch of squid for the elaboration of frozen products which reached a volume of 430.1 thousand tons, showed the highest positive contribution to the growth of the sector (2.7 percent) during the year, higher than the previous three year. The lower catch of jack mackerel, mackerel and hake; as well as by a lower catch of species used for canned products (39.9 percent) was due to the reduced availability of jack mackerel, mackerel, and tuna.

GRAPH 16
CATCH OF GIANT SQUID TO PRODUCE FROZEN PRODUCTS
(Thousand tons)



Source: Ministry of Production.

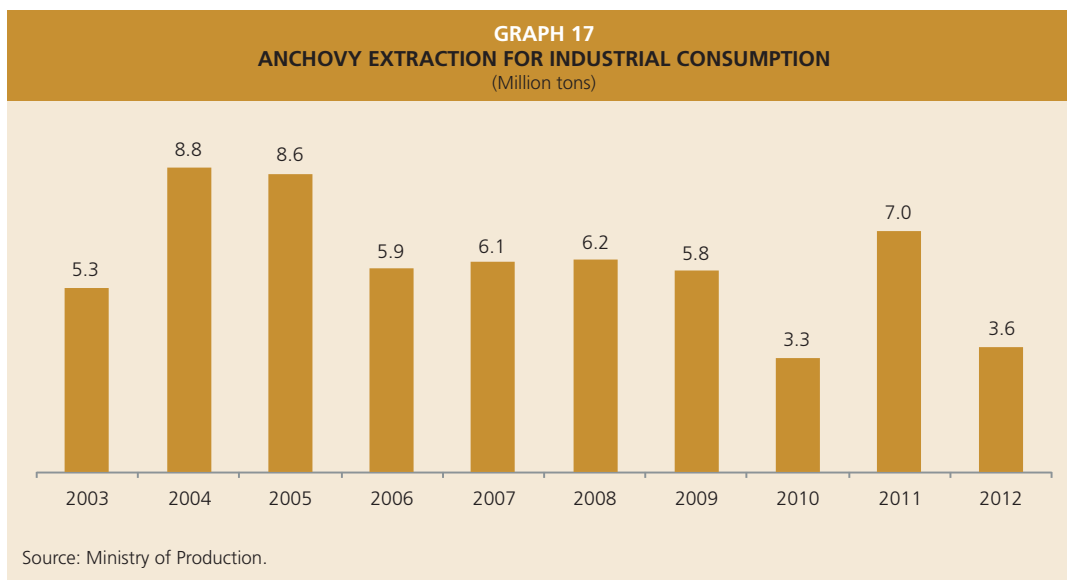


TABLE 8
FISH CATCH BY MAIN SPECIES
(Real % change)

Species	2010	2011	2012	Average 2003-2012
Anchovy	-42.9	110.2	-48.4	-7.7
Jack mackerel	-77.9	1,452.5	-29.0	1.8
Prawns	21.9	61.5	-9.0	19.4
Giant Squid	-7.8	13.9	15.2	15.9
Mackerel	-84.3	151.8	-54.3	-2.4
Hake	-13.0	-8.5	-22.1	-4.5
Scallops	137.3	48.1	-71.1	13.3
Other species	-7.2	-7.2	15.3	3.6

Source: Ministry of Production.

Due mainly to the lower quota of anchovy catch established in the second fishing season of 2012, the extraction of anchovy for industrial consumption amounted to 3.6 million tons (48.4 percent less than in 2011).



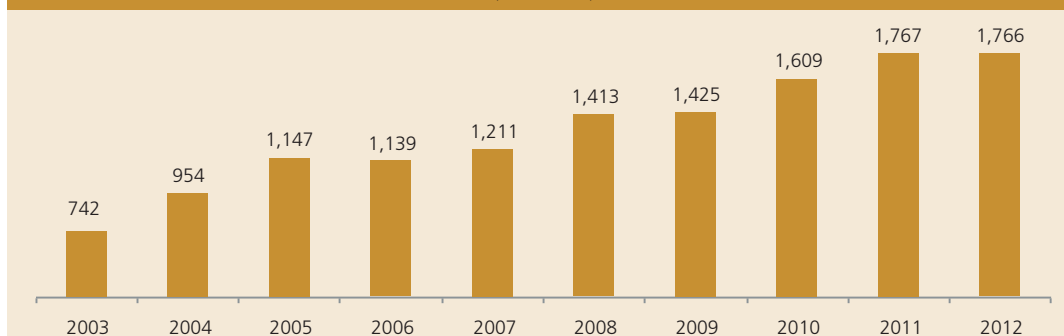
The first fishing season for anchovy in the North-Central area, which is the area with higher levels of anchovy catch and anchovy fishing quota, started on April 25 and finished in the end of July. The quota established in 2012 was 2.7 million tons, 1.0 million tons lower than the one registered in 2011. There a quota of only 810 thousand tons for the second fishing season in the North-Central.

TABLE 9
FISHING SEASONS
(Thousand tons)

	2011		2012	
	South	North-Central	South	North-Central
First season	400	3,675	400	2,700
Second season	400	2,500	0	810
Year	6,975		3,910	

Source: Ministry of Production.

GRAPH 18
FISHMEAL EXPORTS
(Million US\$)

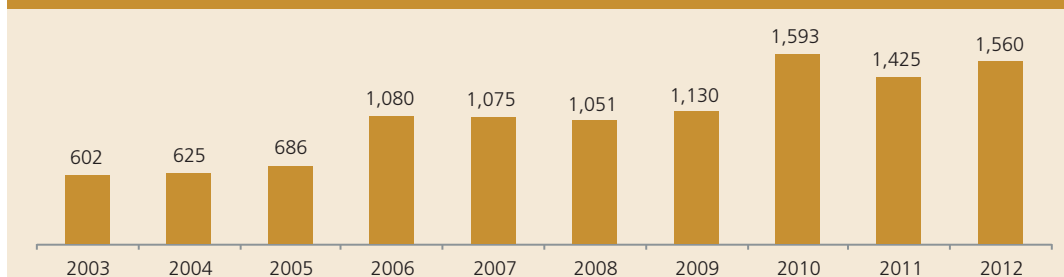


Source: SUNAT.

With similar levels to those observed in 2011 and moderating the growing trend of recent years, fishmeal exports amounted to US\$ 1.76 billion in 2012. Exports as well as production concentrated between the months of June and July and were mainly oriented to the Asian market.

On average the price of fishmeal increased compared to the price observed in 2011 due to the lower availability of anchovy, which is its main input of fishmeal. During the year, the price of fishmeal ranged from a maximum of US\$ 2,023/ton in December to a minimum of US\$ 1,229/ton in January.

GRAPH 19
AVERAGE PRICE OF FISHMEAL
(US\$ per ton)



Source: Reuters and Bloomberg.



2.3 Mining and hydrocarbons sector

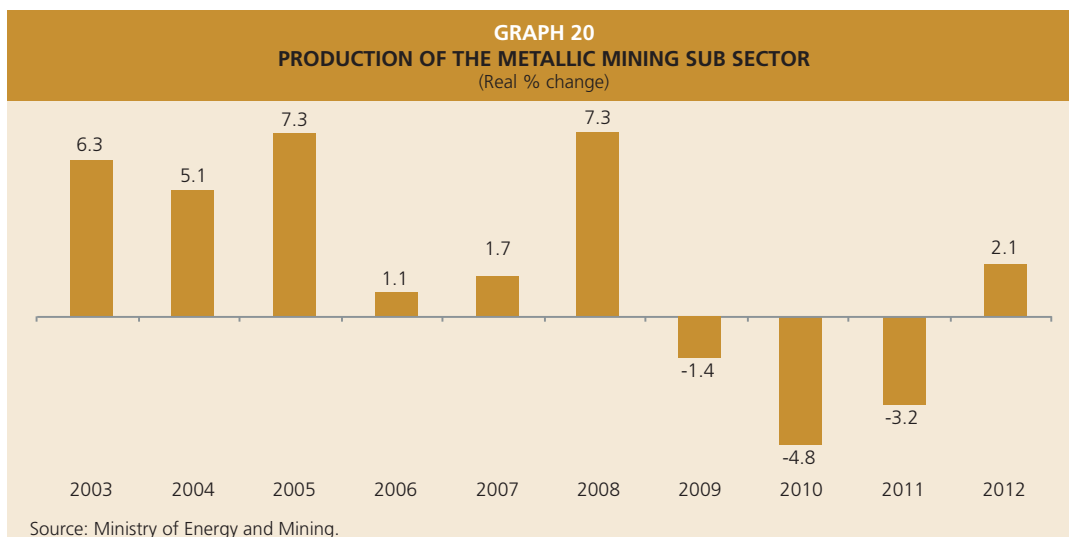
Production in the mining and hydrocarbons sector registered a growth rate of 2.2 percent in 2012, a lower result than the average growth rates recorded in the past ten years (3.3 per cent). The declining trend observed in metal mining since 2009 due to the aging of deposits was reversed as a result of the implementation of expansion projects in some copper and multi-metal units, which contrasted with the lower production of gold resulting mainly from the measures implemented to reduce informal gold mining.

Higher production in metal mining (2.1 percent) was also coupled by the growth of the subsector of hydrocarbons (2.3 percent). However, in contrast with previous years when Camisea’s increased production of natural gas for the external market accounted for the expansion of the sector, in 2012 the sector’s growth was associated with the extraction of this resource for the domestic market.

TABLE 10
MINING AND HYDROCARBONS PRODUCTION
(Real % change)

	2010	2011	2012	Average 2003-2012
Metallic Mining	-4.8	-3.2	2.1	2.1
Gold	-10.8	0.1	-2.9	0.2
Copper	-1.7	0.1	9.4	5.7
Zinc	-2.8	-14.6	2.0	0.4
Silver	-7.2	-6.1	1.8	2.0
Lead	-13.4	-12.1	8.0	-2.0
Tin	-9.7	-14.7	-9.6	-3.9
Iron	36.7	16.0	-4.7	8.1
Molybdenum	37.9	12.8	-12.3	6.9
Hydrocarbons	29.5	18.1	2.3	11.0
Liquid hydrocarbons	8.2	-2.8	0.4	4.7
Natural gas	104.0	56.9	4.4	39.0
TOTAL	-0.1	-0.2	2.2	3.3

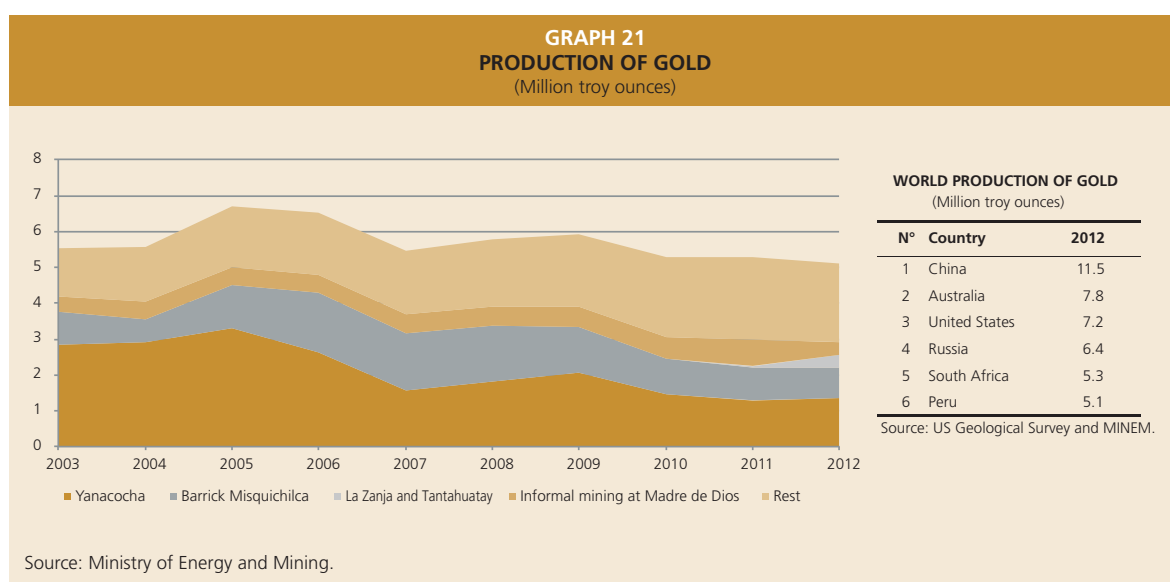
Source: INEI, Ministry of Energy and Mining and Perupetro.



The extraction of gold dropped 2.9 percent in 2012, declining from 5.3 to 5.1 million troy ounces. The production of this metal was affected mainly by lower recorded activity in Madre de Dios following the measures implemented by the government to formalize gold production¹. Barrick Misquichilca's production fell 5.5 percent, while Yanacocha's production remained at similar levels to those observed in 2011 (1.3 million ounces).

This result was partially offset by the onset of operations at project La Arena de Río Alto (La Libertad), which had a production of 200 thousand ounces, as well as by the contribution of Tantahuatay (139 thousand ounces).

Peru remained as the largest producer of gold in Latin America and as the sixth largest producer in the world, with a contribution of 6 percent to the world production of gold.

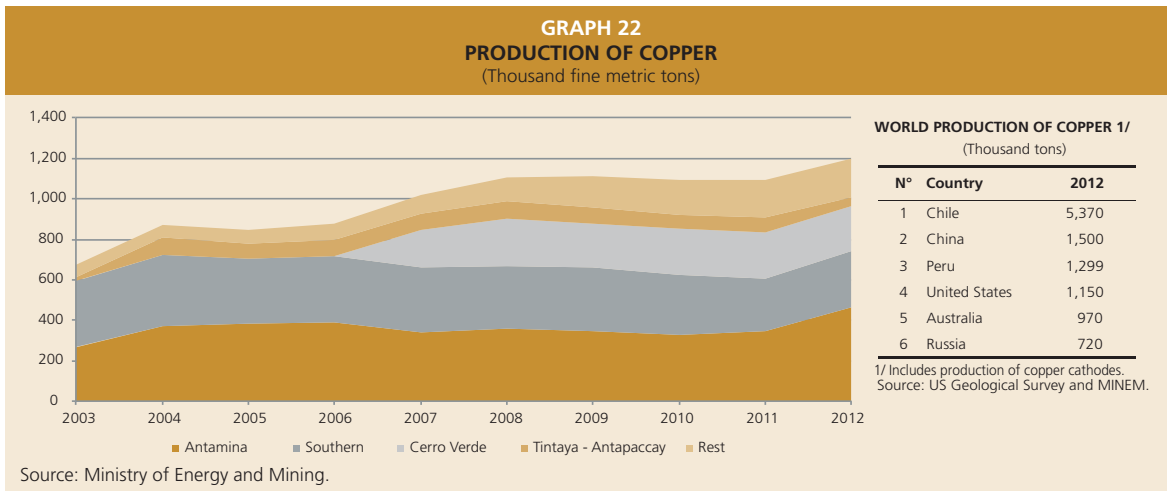


After showing two consecutive years of contraction, copper production grew 9.4 percent in 2012 with a production that reached 1.3 million fine metric tons (MFT) and contributed to the growth of the sector with 2.4 percentage points. This result was mainly favored by the start-up of Antamina's expansion project at the beginning of the year, which allowed this mining company to consolidate its position as the largest copper producer in the country with a production of 463 tons. For its part, Southern's production grew 7.1 percent mainly as a result of the investments made in its Cuajone unit with the aim of improving the fine mineral content² of extracted mineral ore. In contrast, Xstrata's production at Tintaya dropped from 74 thousand fine metric tons (FMT) in 2011 to 38 thousand FMT in 2012 due to the ageing of this mine, while Antapaccay initiated operations in November and obtained a production of 5 thousand FMT in the year.

Thus, Peru remained as the second largest producer of copper in Latin America, after Chile (5.4 million FMT), but was moved to the third place worldwide by China which reached a production of 1.5 million FMT.

¹ The informal production of gold in Madre de Dios registered by the Ministry of Energy and Mining declined from 723 thousand ounces in 2011 to 367 thousand ounces in 2012.

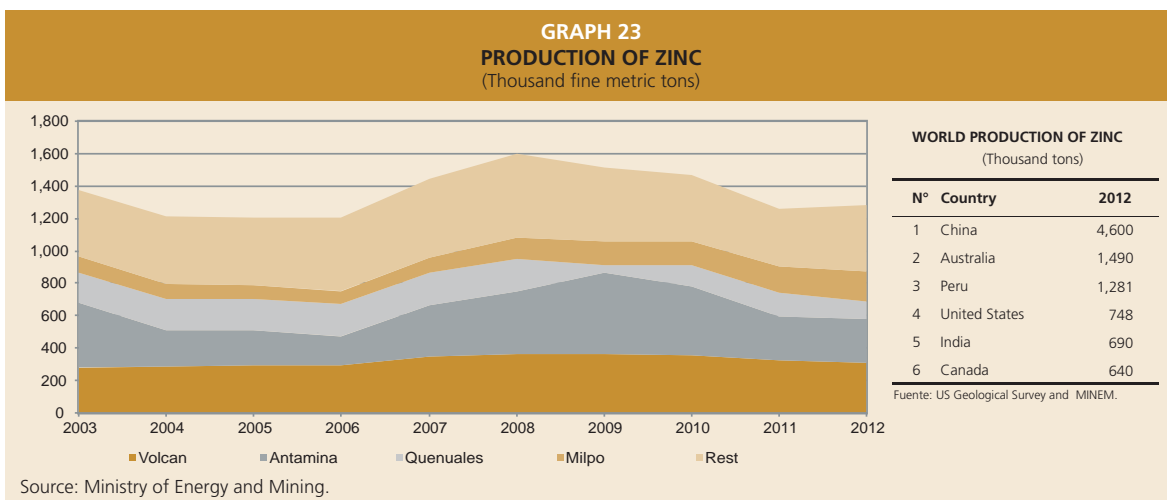
² Mineral with a fine content of mineral used in the concentration process.



The production of zinc grew 2.0 percent in 2012, from 1.26 million FMT in 2011 to 1.28 million FMT in 2012. This result reflects the performance of Milpo, whose production went from 161 thousand tons in 2011 to 186 thousand tons in 2012 (15.3 percent increase) due to the expansion of production capacity at its unit of Cerro Lindo (Ica) from 10 thousand tons per day (tpd) to 15 thousand tpd, as well as due to the expansion of production capacity at its unit El Porvenir (Pasco) from 5.1 to 5.6 thousand tpd.

On the other hand, despite having registered a greater volume of treated ore, Volcan's production of zinc dropped 6.5 percent due to the lower mineral content of processed ore, especially in the concentrator plants of Chungar and Cerro de Pasco. Nonetheless, Volcan remains the largest zinc producer in the country with 306 thousand FMT, followed by Antamina with 270 thousand tons.

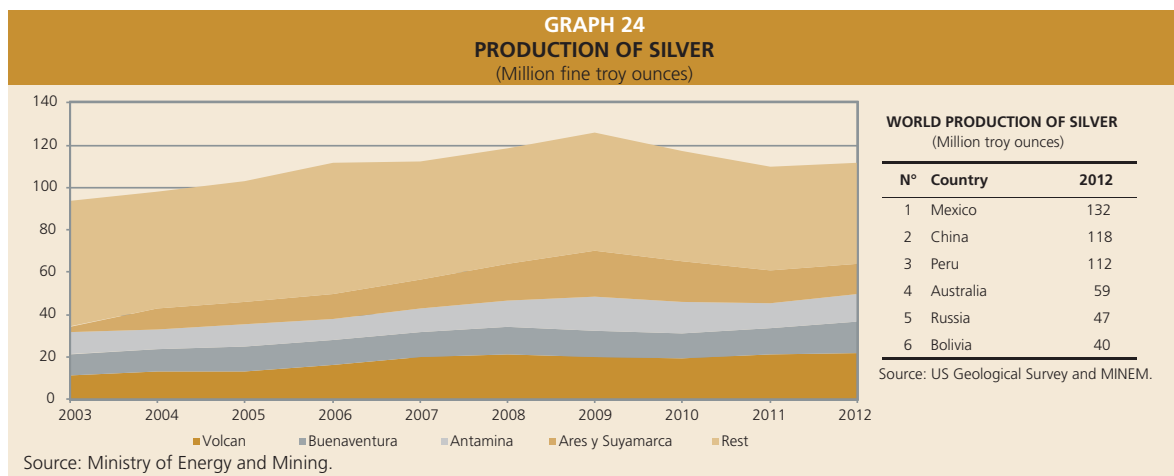
Peru remained as the largest producer of zinc in Latin America and third in the world, with a share of 10 percent in terms of the global output. China and Australia rank first and second in terms of global production, with a production of 4.6 million tons and 1.5 million tons, respectively.



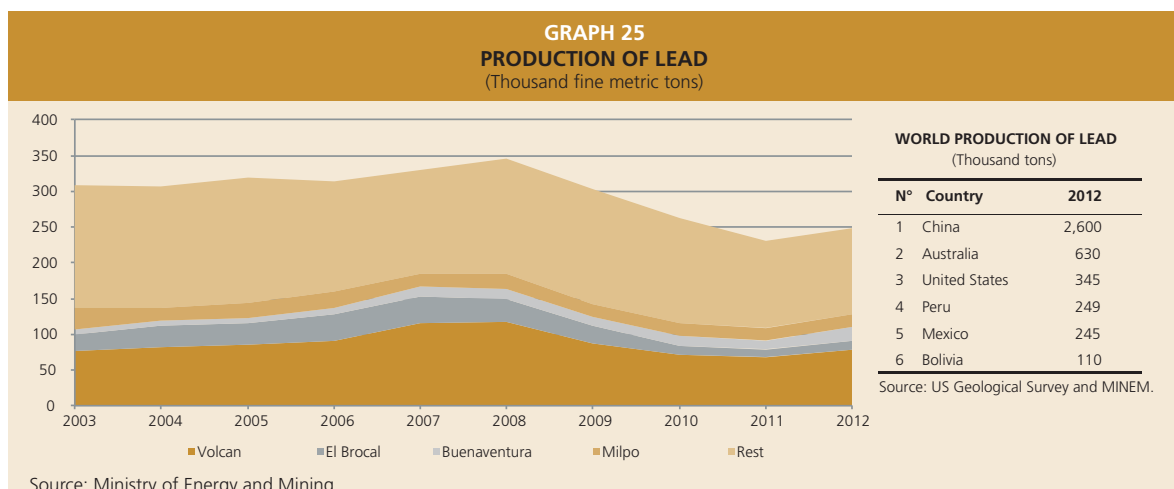
The production of silver grew 1.8 percent to 112 million ounces, favored by Buenaventura's increased activity in its units of Uchucchacua (Pasco), Mallay (Lima), and Breapampa (Ayacucho). It should be pointed out that the Mallay unit which began operations in May 2012 registered a production of 646 thousand

ounces, while Breapampa which started operations in December recorded a production of 14 thousand ounces. Other factors that contributed to this growth included the expansion carried out by Antamina in its concentrator plant, as well as the production of Tantahuatay unit (Cajamarca) which began operating in August 2011. This increased production contrasted with the lower production registered by Minera Ares and Minera Suyamarca in their units of Arcata (Arequipa) and Pallancata (Ayacucho), respectively.

With this level of production, Peru ranks third as world producer of silver after Mexico (132 million ounces) and China (118 million ounces).



Contrasting with the two-digit declines registered between 2009 and 2011, the production of lead grew 8.0 percent in 2012. This result reflects Volcan's increased production due to the greater mineral content of the ore and the higher tonnage treated as well as the onset of operations at Buenaventura's Mallay project, which obtained a production of 4.4 thousand tons. It should be pointed out that with the 249 thousand tons produced in 2012, Peru ranks fourth among the world's largest producers with a contribution of 5 percent to the world production, while China remained first with a contribution of 50 percent to total global production.



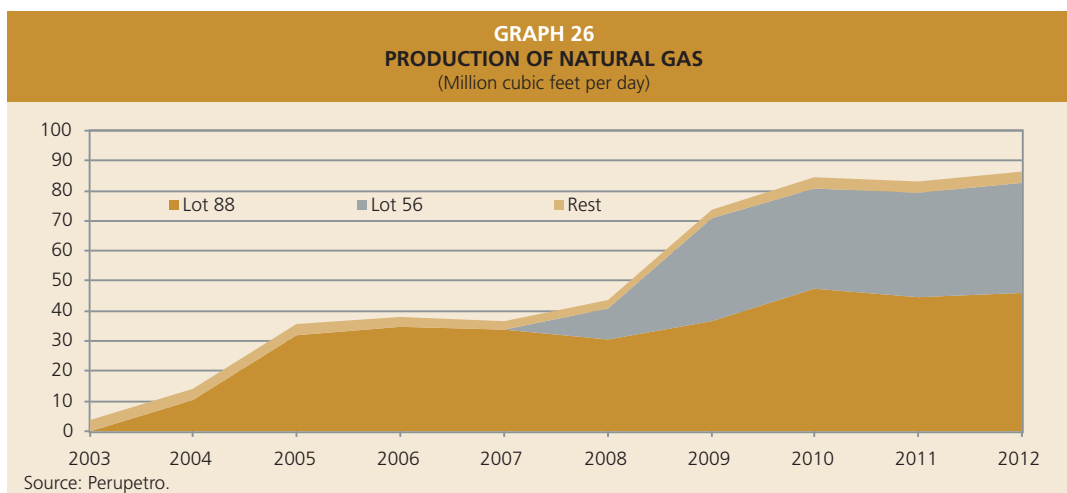
On the other hand, the production of tin shrank 9.6 percent as a result of the lower quality of ore treated by Minsur in its San Rafael unit. Moreover, the extraction of iron dropped 4.0 percent due to the lower



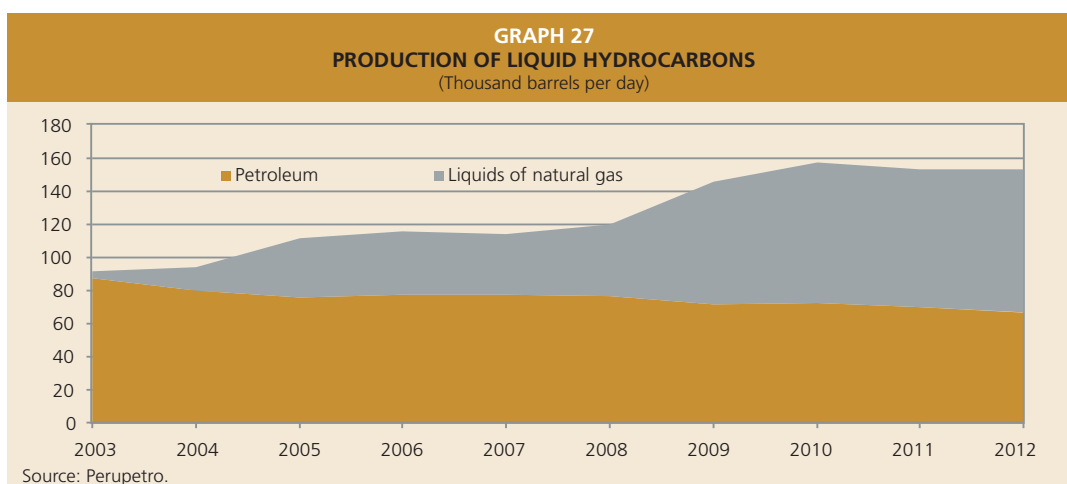
activity of Shougang, while the production of molybdenum fell 12.3 percent as a result of the lower content of this metal in ores processed by Southern and Cerro Verde.

Production in the subsector of hydrocarbons grew 2.3 percent mainly as a result of a higher exploitation of natural gas (4.4 percent), which reached a production of 1,144 million cubic feet per day (MMPDC). This increase reflects a greater production for the domestic market especially at Camisea’s lot 88 (Cusco) and Aguaytia’s lot 31 C (Ucayali).

On the other hand, production in Camisea’s lot 56, which is oriented to the external market, shrank slightly (-0.4 percent).



The production of liquid hydrocarbons showed a slight growth (0.4 percent) since the increased extraction of natural gas liquids at Camisea offset the decline in oil production in Pluspetrol’s lot I-AB and lot 8 produced as a result of the natural exhaustion of the oil wells.



2.4 Manufacturing Sector

Showing a slowdown compared to previous years, manufacturing recorded a growth rate of 1.3 percent in 2012. This rate reflects the contraction of manufacturing based on raw materials as well as slower growth

in non-primary manufacturing. The lower dynamism of this subsector can be explained by lower external demand associated with the global economic slowdown and with the deceleration of private consumption, in part offset by the dynamism observed in branches associated with construction given the significant upturn shown by this sector.

After growing at two-digit rates in 2011, manufacturing based on the processing of raw materials shrank 6.5 percent due basically to a lower processing of fishmeal and fish oil (-48.0 percent) as a result of lower anchovy catch and to a lower production of canned and frozen fish products as result of a lower catch of jack mackerel and mackerel. In addition to this, the refining of non-ferrous metals was affected by a lower production of copper cathodes at Cerro Verde due to a reduced availability of copper oxides for the mineral leaching process, while the refining of petroleum shrank 3.0 percent as a result of substituting imports of crude oil by oil derivatives.

On the other hand, meat products continued to grow at around the average rate of the past 10 years, reflecting mainly the increased demand for poultry meat observed.

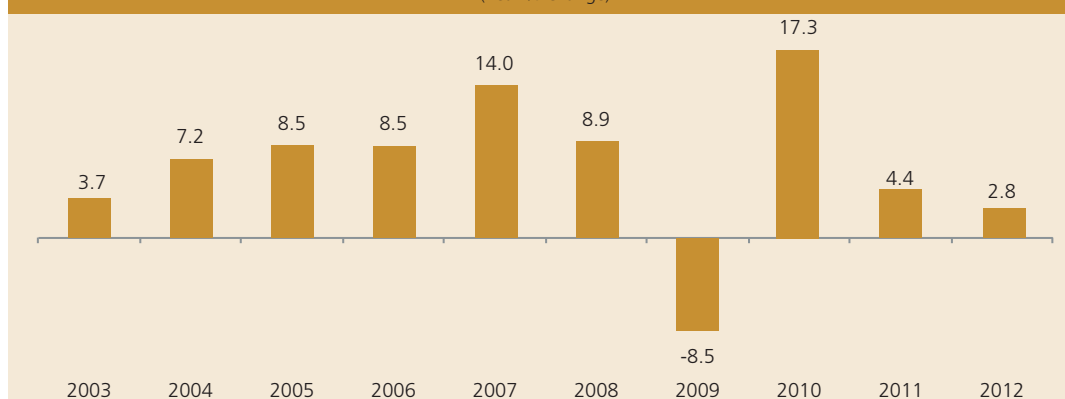
TABLE 11
MANUFACTURING BASED ON RAW MATERIALS BY MAIN INDUSTRIAL GROUPS
(Real % change)

	2010	2011	2012	Average 2003-2012
MANUFACTURING BASED ON RAW MATERIALS	-1.6	13.0	-6.5	2.8
Sugar	-2.3	3.5	2.0	1.1
Meat products	-4.9	5.5	6.0	6.2
Fishmeal and fish oil	-42.0	109.0	-48.1	-6.3
Canned and frozen fish products	-12.4	59.6	-5.3	13.7
Refining of non-ferrous metals	-6.1	7.4	-3.8	-1.3
Refining of crude	14.2	-4.5	-3.0	6.1

Source: Ministry of Production and INEI.

Non-primary manufacturing grew 2.8 percent showing a slowdown for the second consecutive year. This result is associated with the slower pace of global economic growth which had a negative impact on export-oriented branches such as the textile branch.

GRAPH 28
NON-PRIMARY MANUFACTURING
(Real % change)



Source: INEI and Ministry of Production.



TABLE 12
GROWTH OF NON-PRIMARY MANUFACTURING DUE TO DOMESTIC DEMAND
(%)

	2010	2011	2012	Average 2003-2012
Mass consumer products	15.1	3.0	0.9	5.0
Dairy products	13.1	3.6	6.7	8.1
Oils and fats	15.2	-2.2	7.5	1.9
Miscellaneous food products	13.2	5.6	12.7	4.3
Beer and malt	6.2	4.6	3.7	5.0
Soft drinks	7.1	7.8	4.1	8.7
Clothing	57.0	12.0	-13.2	6.3
Wood and furniture	15.8	2.3	5.8	2.8
Other paper and cardboard items	21.7	1.6	4.5	-3.0
Toiletries and cleaning products	6.9	5.8	0.8	6.4
Pharmaceutical products	-8.0	5.3	4.4	13.9
Miscellaneous items	3.0	-10.9	-3.1	8.0
Inputs	18.4	10.3	5.9	7.5
Paper and cardboard	18.1	13.5	0.2	5.6
Paper and cardboard containers	19.4	8.5	2.4	2.3
Publishing and printing	15.6	10.6	-0.1	3.5
Basic chemicals	12.5	4.8	-0.1	6.7
Explosives, chemical, and natural scents	17.3	15.6	27.6	8.1
Rubber	21.9	8.4	-4.0	8.3
Plastic	19.1	4.1	-0.9	5.9
Glass	29.6	21.9	9.7	10.5
Materials for construction	16.5	2.0	11.0	10.7
Paints, varnishes and lacquers	5.3	9.9	-0.3	9.8
Cement	14.0	2.2	15.9	9.2
Construction materials	22.3	-0.6	9.9	12.8
Abrasive products	23.9	11.1	2.2	6.9
Capital goods	20.9	6.2	9.5	8.4
Iron and steel industry	3.3	-4.6	6.0	4.1
Metal products	30.2	8.9	5.2	10.2
Machinery and equipment	5.7	62.3	11.7	2.9
Electric machinery	19.1	-4.4	28.6	6.4
Transport equipment	28.2	7.9	13.3	17.2
Goods for external markets	14.5	3.7	-6.5	3.7
Canned food, chocolate, and alcoholic beverages	10.1	11.3	-3.0	11.6
Synthetic fibers	7.4	-0.8	-16.4	0.0
Yarns, fabrics, and finished garments	22.0	5.6	-7.7	0.0
Knitted garments	14.9	-9.1	-10.1	0.3
TOTAL NON-PRIMARY MANUFACTURING	17.3	4.4	2.8	6.5

Source: Ministry of Production.

The production of mass consumer goods registered a mixed behavior. The manufacture of miscellaneous food products grew significantly due to the increased production of instant sauces, drinks and desserts, while the manufacturing of other garments recorded a negative performance due to a less-cold winter which had a negative impact on the sales of outerwear.

The production of inputs grew 5.9 percent, led by the production of explosives, glass, and chemical and natural essences. The increased production of explosives was associated with an increased demand of the mining sector, while the increase in the production of glass is explained by the high growth of construction and the higher demand for beer containers.

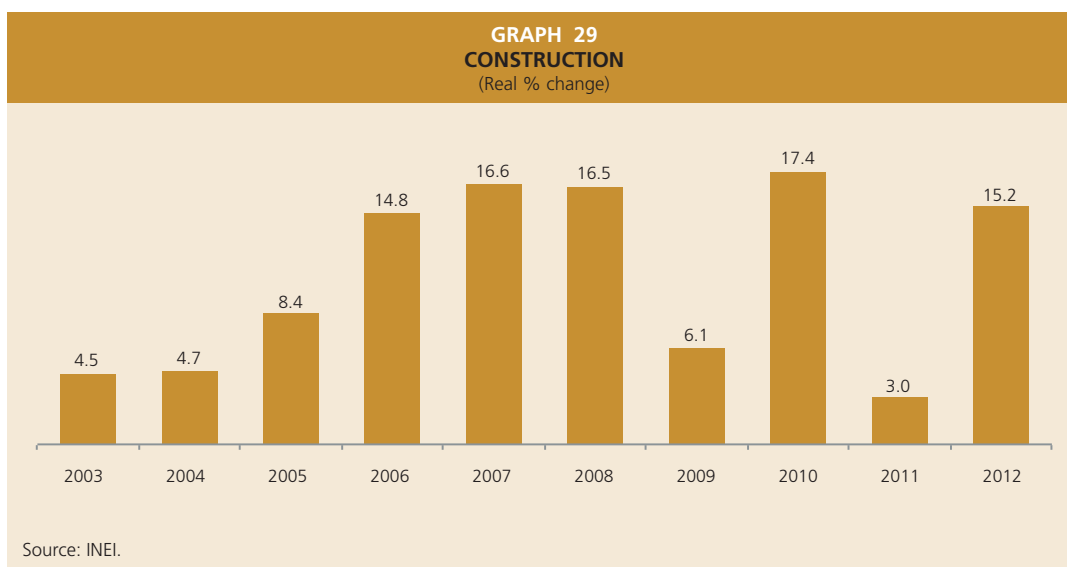
Moreover, construction-oriented branches showed a growth rate of 11.0 percent, which is consistent with the dynamism observed in the execution of public and private works.

The capital goods industry showed an expansion of 9.5 percent due to the increased production of electrical machinery, especially electrical distribution boards and insulated cables, and machinery and equipment associated with a higher demand in the mining sector, and of transport equipment due to the increased production of accessories and spare parts.

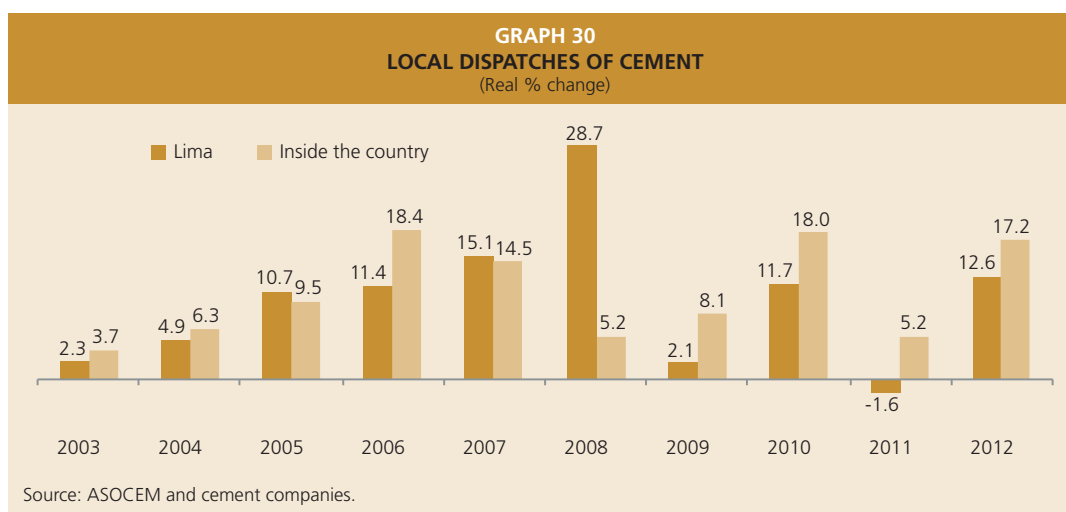
Finally, the external market-oriented production dropped 6.5 percent mainly as a result of a lower demand for textile products in Europe and the United States associated with weak growth in these economies.

2.5 Construction

Construction, which grew 15.2 percent in 2012, was the sector that registered the highest growth in the year. This growth in construction contrasts with the sector's performance in 2011 (when it only grew 3.0 percent) and reflects the upturn in public-sector capital spending as well as the implementation of important private investment projects.



Local dispatches of cement recorded a growth of 15.9 percent, increasing from 8.4 to 9.7 million metric tons. By geographic areas, a faster growth was observed in the interior of the country (17.2 percent) associated mainly with the dynamism observed in the construction of new shopping centers.



As for the residential real estate market, the latest study on the market of apartment buildings in Metropolitan Lima and Callao published by CAPECO, the Peruvian Chamber of Construction, reports an increase of 10.2 percent in the number of apartments sold in the period July 2011-June 2012 compared to the previous twelve months. This result is mostly explained by the improvement in households' income and by the lower interest rates on bank loans. However, just as in the figures reported by the real estate consultant TINSA, a slowdown is observed in the number of sold apartments when this is compared with the number of sold departments in 2011. Moreover, the decline in the average area of the new home acquired (from 105 m² to 100 m²) would be explained by the increase of prices per square meter.

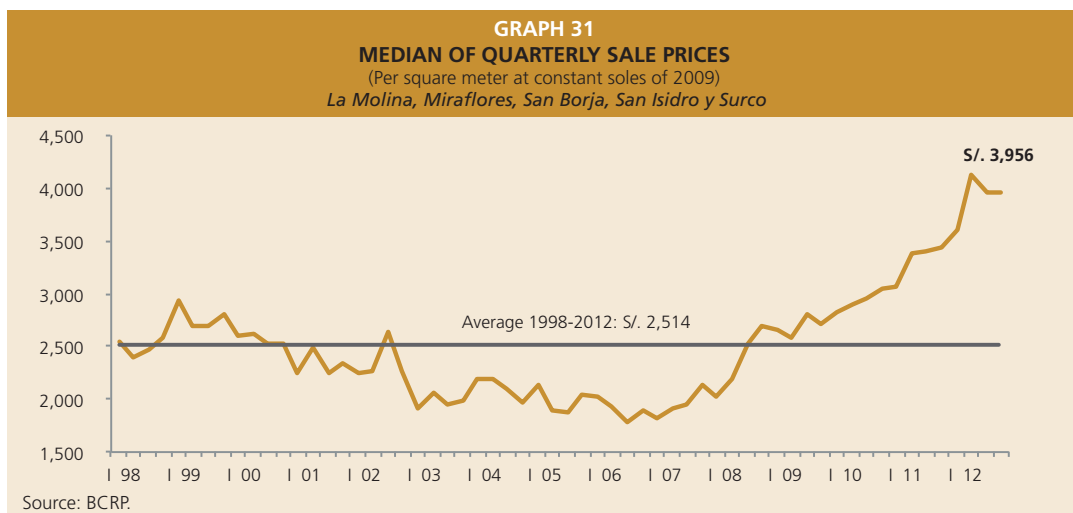
CUADRO 13
REAL ESTATE SECTOR: EVOLUTION OF MAIN VARIABLES

INDICATOR	2010	2011	2012
Apartments: Unit sold - CAPECO 1/ % Change	13,184 13.7	18,736 42.1	20,648 10.2
Apartments: Unit sold- TINSA 2/ % Change	15,643 16.9	21,550 37.8	24,143 12.0
Average area of sold houses - CAPECO 1/	103	105	100
Unmet demand - CAPECO 1/ % Change	399,952 29.8	391,434 -2.1	396,566 1.3
New mortgages 3/ % Change	29,388 43.2	34,487 17.4	38,141 10.6
New loans Mi Vivienda 4/ % Change	6,449 265.6	8,888 37.8	9,945 11.9
Number of debtors of current mortgage borrowers 3/ % Change	137,105 10.8	155,052 13.1	172,796 11.4
Mortgages disbursed in S/. (mills.) 3/ % Change	2,979 46.1	3,612 21.3	4,874 34.9
Mortgages disbursed in US\$ (mills.) 3/ % Change	558 25.1	466 -16.6	562 20.7
Average interest rate of mortgages in S/. 5/	9.3	9.4	8.8
Average interest rate of mortgages in US\$ 5/	8.1	8.2	8.0

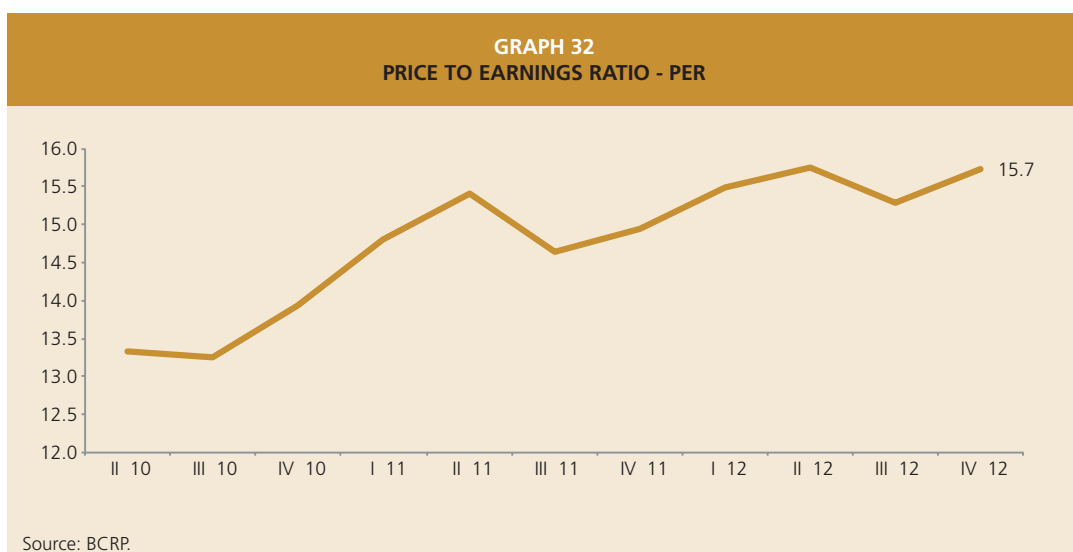
1/ El Mercado de Edificaciones Urbanas en Lima Metropolitana y el Callao, CAPECO. A one-year period is considered (from June to July in the next year).
2/ Informe de Coyuntura Inmobiliaria, TINSA PERU SAC.
3/ Commercial banks. Source: SBS.
4/ "Nuevo Crédito Mi Vivienda". Source: Fondo Mi Vivienda.
5/ Average lending interest rates by commercial banks. Source: SBS.

As regards credit for this segment, new mortgage loans grew 10.6 percent, while the new placements of the housing program Mi Vivienda grew 11.9 percent. An increase was also observed in borrowers of mortgage loans in force (up from 155 thousand in 2011 to 173 thousand in 2012).

During 2012, the price index of sales in constant soles per square meter continued showing the rising trend observed since mid-2006. Thus, the prices per square meter in five districts (La Molina, Miraflores, San Borja, San Isidro, and Surco) rose 15 percent on average relative to 2011, in line with the growth of the demand for mortgage-financed homes.



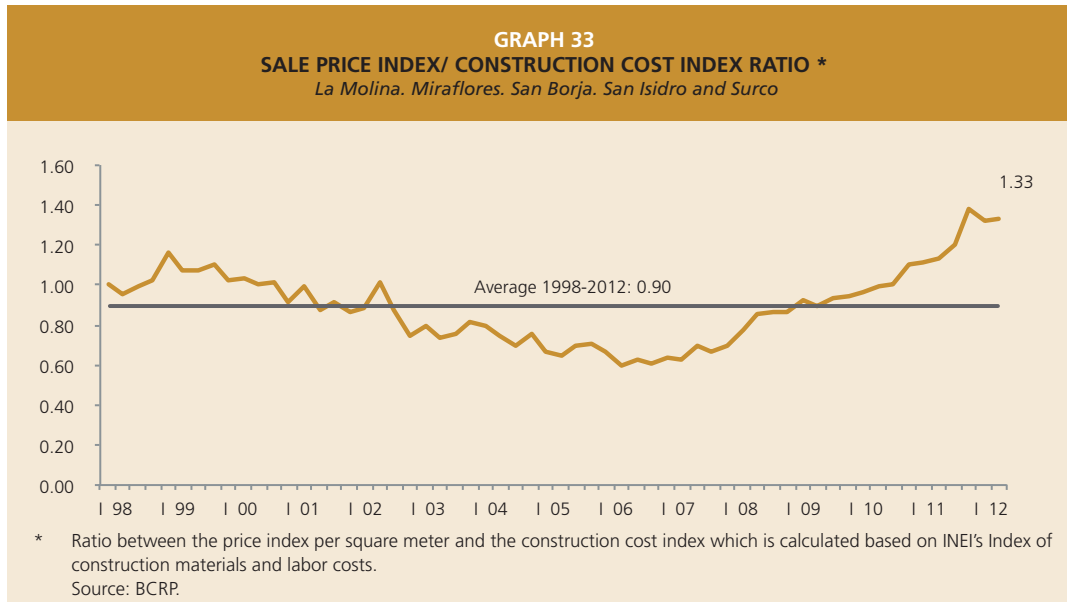
Moreover, the price-to-earnings ratio (PER) –or sale price-to-earning from annual rent ratio– which shows the number of years that a property would have to be rented to recover the purchase value³ of the property, showed an average of 16 years of rent in Q4-2012.



³ According to the PER index, Global Property Guide classifies real estate prices as undervalued (5.0-12.5 years), normal (12.5-25.0 years), and overvalued (25.0-50.0 years).



The sale price/construction cost index showed a level of 1.33 in Q4-2012. It is worth pointing out that this measurement excludes the cost of the land.

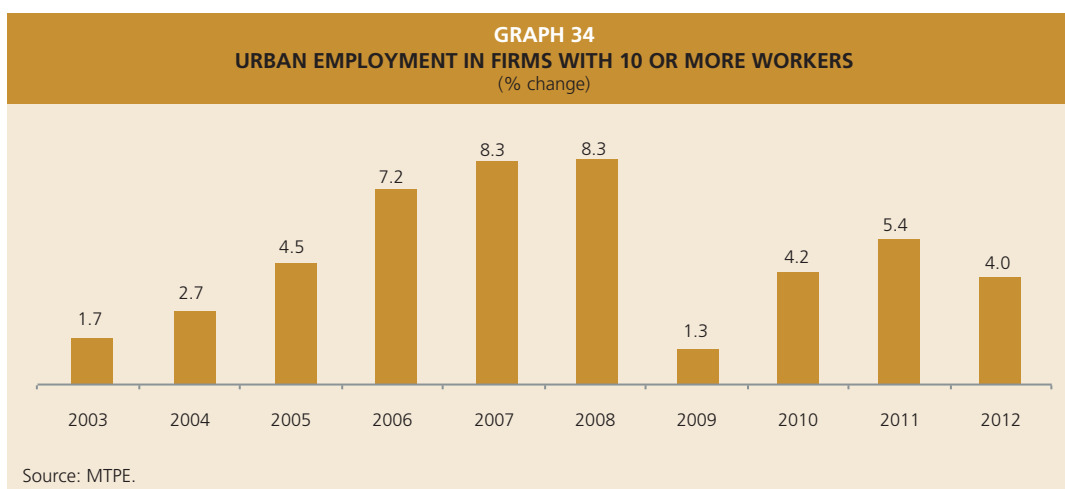


The prime office market has maintained a high demand in recent years. Thus, the indicator of net absorption, which shows the behavior of the market demand, has remained high and even exceeded the new supply of prime offices. According to Colliers International, nine office buildings, of which six belong to prime segment prime (Omega, Arona EC, Umayuq and Torre Altavista in San Isidro, and Gerens and Link Tower in Surco), entered the market this year. Even though 52.1 thousand m² entered the market, the net absorption was 57.1 thousand m²; in other words, every available office was taken or rented. A decline is observed in the number of available spaces today since current availability is 7,000 m², which is equivalent to 1.4 percent of the inventory (versus 2.4 percent in Q3-2012) even though an upward trend is being observed in the average price per square meter of prime offices in Lima.

According to Colliers International's latest report, the rate of vacancy in malls in Lima fell to 4.9 percent in Q4-2012 (5.7 percent in Q3-2011). In the next years the vacancy rate is expected to increase as a result of the construction of shopping centers that would start operating in 2013 and that altogether represent an investment of over US\$ 400 million. Projects outside of Metropolitan Lima worth pointing out include the Real Plaza Cusco, Huánuco and Cajamarca, El Quinde Shopping Plaza Ica of the Ekimed Group and the Mega Express Malls of Chinchá, Barranca and Cañete.

3. Employment

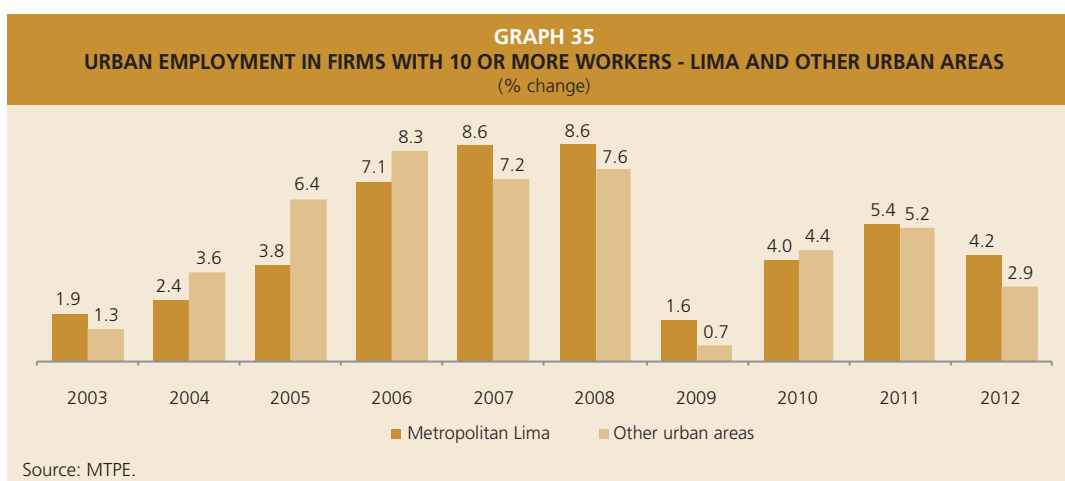
According to the Ministry of Labor and the Promotion of Employment, employment in formal enterprises with 10 and more employees in urban areas grew 4.0 percent in 2012.



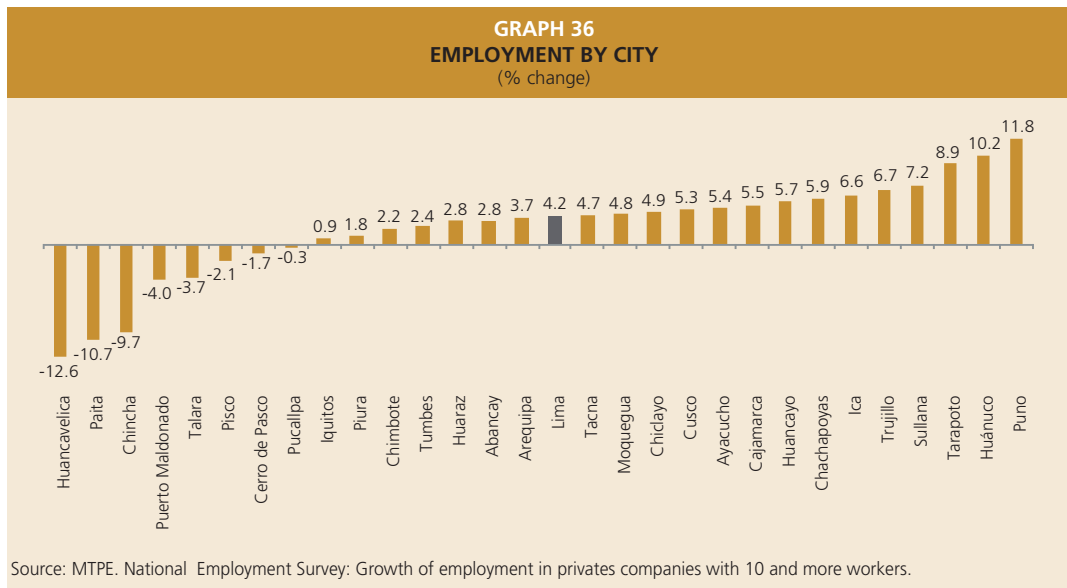
Nonetheless, the slowdown compared to 2011 reflects the lower dynamism observed in the recruitment of staff in industry (0.1 percent) associated with the lower growth of non-primary manufacturing during 2012.

In terms of production sectors, the highest growth of employment was observed in the sector of services (6.1 percent), where employment grew more than in 2011 (5.2 percent) due to the greater demand for workers at education institutions, restaurants and financial institutions (AFPs, Edpymes, and insurance companies), as well as to the greater demand for business consulting services.

By geographical areas, employment showed a lower rate of growth than in 2011 in both Metropolitan Lima, where it declined from a growth rate of 5.4 to 4.2 percent, and in the rest of urban areas, where it fell from 5.2 to 2.9 percent.



By departments, employment showed a positive trend in most of the 30 cities considered in the sample of the Ministry of Labor, contractions being registered only in eight cities. Employment recorded the highest growth rates in Puno (11.8 percent) and Huánuco (10.2 percent), where this growth was associated with the growth of the branches of services, especially in teaching and financial institutions, as well as with the growth of transport, storage and communications. In contrast, employment dropped in Huancavelica (- 12.6 percent), particularly in the sector of services.



According to INEI's survey on employment, during 2012 employment in Metropolitan Lima continued showing a positive trend. The employed population grew at a similar rate than in 2011 –1.7 percent in 2012 and 1.9 percent in 2011– increasing from 4.4 million in 2011 to 4.5 million in 2012. By production sectors, employment grew the most in the construction sector (3.2 percent), which was followed by services (1.9 percent). By size of firms, the highest growth of employment was observed in companies with 51 or more workers (7.3 percent), and by level of education, the growth of employment of workers with higher education stands out with a rate of 8.4 percent.

In 2012 the improvement in the quality of employment was reflected in the increase observed in the number of adequately employed population (4.7 percent), which increased from 2.5 million in 2011 to 2.7 million in 2012. As a result, the rate of underemployment in terms of hours dropped 2.5 percent –from 11.2 to 11.4 percent–, while the rate of unemployment, which measures the part of the economically active population (EAP) who is actively searching for employment and is unable to find work, declined for the third consecutive year, falling from 7.7 percent in 2011 to 6.8 percent in 2012.

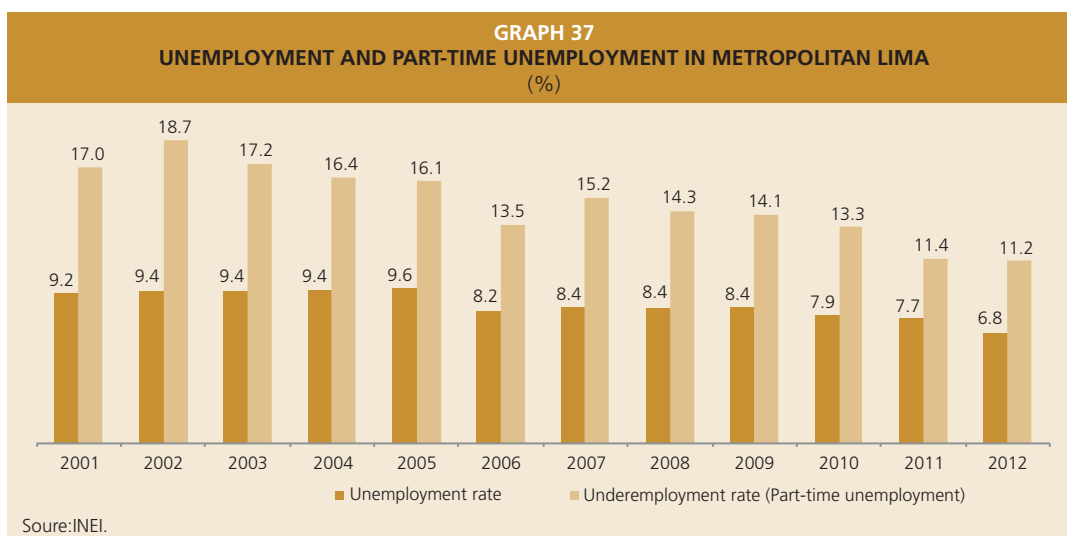


TABLE 14
WORKFORCE BY LEVELS OF EMPLOYMENT IN METROPOLITAN LIMA 1/
 (Thousand persons)

	2010	2011	2012
I. ECONOMICALLY ACTIVE POPULATION (EAP): 1 + 4	4,704	4,786	4,816
1. EMPLOYED	4,332	4,415	4,489
By economic activity			
Manufacturing	729	737	737
Construction	309	311	321
Commerce	943	948	951
Services	2,293	2,363	2,408
Others	59	57	71
By educational level			
Primary school 2/	443	445	413
Complete high school 3/	2,282	2,252	2,246
Higher education	746	773	805
University higher education	861	944	1,023
By occupation			
Salaried workers 4/	2,606	2,712	2,841
Non-salaried workers	1,726	1,704	1,647
By size of business			
Independent 5/	1,496	1,478	1,449
2 to 10 workers	1,236	1,233	1,233
11 to 50 workers	442	471	483
51 and more workers	1,158	1,233	1,323
By number of hours worked per week			
Employed workers working 20 or more hours	3,902	3,983	4,013
Salaried workers working 20 or more hours	2,424	2,536	2,619
2. UNDEREMPLOYED	1,999	1,874	1,828
Visible underemployment (by hours) 6/	628	547	542
Invisible underemployment (by income) 7/	1,371	1,328	1,286
3. PROPERLY EMPLOYED	2,333	2,541	2,661
4. UNEMPLOYED	372	370	328
II. INACTIVE POPULATION	2,012	2,057	2,150
III. WORKING-AGE POPULATION (PWA)	6,715	6,842	6,967
RATES (%)			
Activity rate (EAP / PWA)	70.0	69.9	69.1
Employment/population (Employed EAP/PWA)	64.5	64.5	64.4
Unemployment rate (Unemployed EAP/EAP)	7.9	7.7	6.8
Underemployment by hours	13.3	11.4	11.2

1/ Annual average.

2/ Includes individuals with no school education or with elementary school education.

3/ Incomplete and complete secondary school.

4/ Includes employees, workers and housekeepers.

5/ Working alone or in partnership, having no salaried workers.

6/ Includes workers unwillingly working less than 35 hours per week

7/ Workers working 35 or more hours a week who learn less than the minimum salary estimated as benchmark by INEI.

Source: INEI. Encuesta Permanente de Empleo.

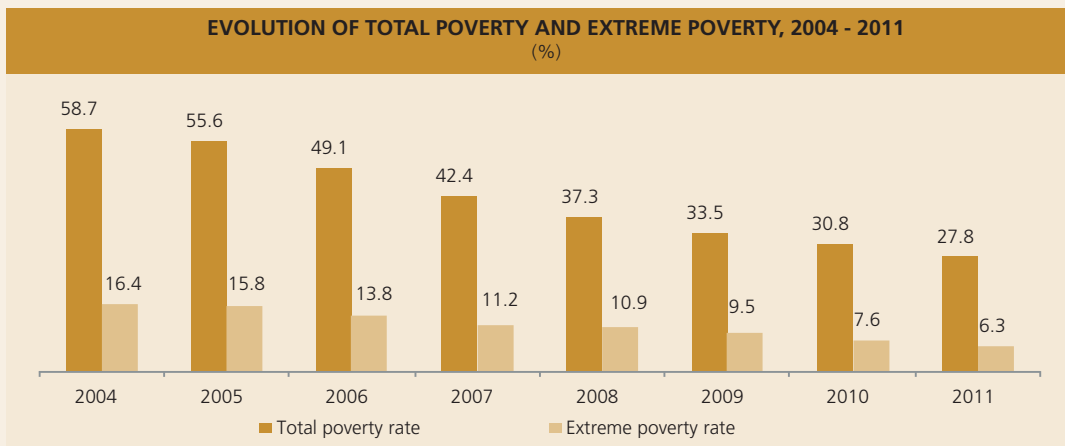


BOX 1

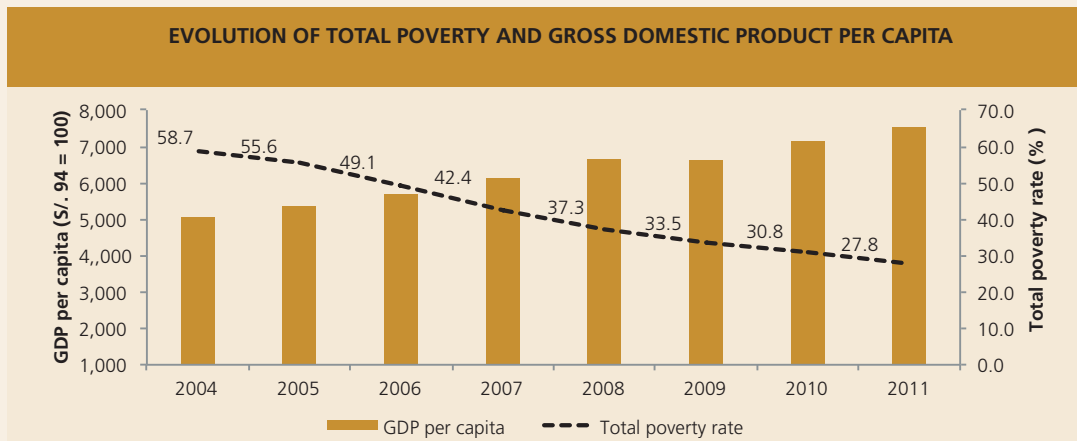
INCIDENCE OF TOTAL POVERTY 2011⁴

The incidence of poverty in Peru declined to 27.8 percent of the country's population in 2011; that is; the poverty rate fell by 3.0 percentage points compared to the previous year (30.8 percent in 2010). The INEI estimates that about 791 thousand people would have emerged from poverty between 2010 and 2011.

In the same period, extreme poverty declined from 7.6 percent to 6.3 percent (1.3 percentage points), which implies that about 362 thousand people stopped being poor. Between 2004 and 2011, total and extreme poverty dropped by 30.9 and 10.1 percentage points, respectively.



The impact of the sustained growth of GDP over the past seven years would have been so significant that it has implied a reduction of poverty.



⁴ This indicator of monetary poverty summarizes people's well-being in terms of the food and non-food basic needs expressed in the so-called poverty line. People living in conditions of extreme poverty are defined as people whose spending in consumption is below the monthly value of a basket of staple food (S/.143 per person in 2011) while people living in conditions of non-extreme poverty include those who can meet their food needs but cannot cover the value of a basket of staple products (S/. 272 per person in 2011).

The magnitude of the impact of economic growth in reducing poverty may be quantified using the methodologies of Datt and Ravallion (1991)⁵ and Maasoumi and Mahmoudi (2004)⁶, which allow us to break down such a reduction in growth and redistribution factors.

Thus, it is estimated that of the total poverty reduction of 30.9 percentage points observed between 2004 and 2011, economic growth accounts for between 78 and 82 percent of this reduction (24 to 25.4 percentage points), whereas net improvements in the distribution of resources among the population account for between 11 and 18 percent of this reduction (3.4 to 5.5 percentage points).

BREAK DOWN OF CHANGE IN TOTAL POVERTY RATE 2004-2011
(Percentage points)

Methodologies	Total	Growth	Redistribución	Residual
Datt y Ravallion	-30.9	-24.0	-3.4	-3.4
Maasoumi and Mahmoudi	-30.9	-25.4	-5.5	-

Source: INEI, ENAHO 2010, and 2011.

Incidence of total poverty by geographical areas

As the following table shows, the rates of total poverty remain lower in urban areas (18 percent), particularly in Metropolitan Lima (15.6 percent), as well as in the urban areas of the Sierra and Selva regions (18.7 and 26 percent, respectively). The poverty rate in rural areas is 56.1 percent. A higher incidence of poverty is observed in the rural areas of the Sierra and Selva (62.3 and 47 percent, respectively) than in the rural Coast (37.1 percent).

Despite this difference, in 2010-2011 poverty declined more in rural areas (-4.9 percentage points) than in urban areas (-2 percentage points). Moreover, in the period analyzed, poverty dropped more in the following domains: rural Selva areas (-8.5 percent), the urban Coast (-4.8 percent), and the rural Sierra (-4.4 percentage points).

INCIDENCE OF TOTAL POVERTY BY GEOGRAPHICAL AREAS 2004 - 2011
(%)

	2004	2005	2006	2007	2008	2009	2010	2011	Diference 2010-2011	Diference 2004-2011
	Porcentaje points									
National	58.7	55.6	49.1	42.4	37.3	33.5	30.8	27.8	-3.0	-30.9
Urban areas	48.2	44.5	37.0	30.1	25.4	21.3	20.0	18.0	-2.0	-30.2
Rural areas	83.4	82.5	79.3	74.0	68.8	66.7	61.0	56.1	-4.9	-27.3
Domains										
Urban coast	50.8	43.2	37.6	31.7	27.4	23.7	23.0	18.2	-4.8	-32.6
Rural coast	69.3	66.9	62.3	53.8	46.6	46.5	38.3	37.1	-1.2	-32.2
Urban Sierra area	46.9	44.0	37.1	31.8	26.7	23.2	21.0	18.7	-2.3	-28.2
Rural Sierra area	86.7	85.4	83.1	79.2	74.9	71.0	66.7	62.3	-4.4	-24.4
Urban Selva area	59.4	58.4	54.6	44.0	32.7	32.7	27.2	26.0	-1.2	-33.4
Rural Selva area	81.5	82.4	77.3	69.2	62.5	64.4	55.5	47.0	-8.5	-34.5
Metropolitan Lima	44.6	42.4	32.7	25.1	21.7	16.1	15.8	15.6	-0.2	-29.0

Source: INEI, Informe Técnico, Evolución de la Pobreza 2007-2011, May 2012. Informe Técnico, Evolución de la Pobreza 2004-2010, March 2012.

5 Ravallion, M. and Datt, G., 1991. "Growth and Redistribution Components of Changes in Poverty Measures," Papers 83, World Bank - Living Standards Measurement.

6 Maasoumi, E. and V. Mahmoudi, 2004, "Decomposition of Change in Poverty by Growth and Redistribution Components".



Incidence of total poverty by department

Economic growth, together with the use of mechanisms of targeting social expenditure towards the poorest sectors, has had a positive impact on reducing regional poverty. Although there are still significant gaps to close, significant changes in the levels of poverty have been observed in the last seven years (see map). Only five of the 17 departments with poverty rates higher than 50 percent in 2004 remained in those levels in 2011. Moreover, only one department showed a poverty rate below 30 percent in 2004 while in 2011 twelve departments had poverty rates of less than 30 percent.

Since 2011, the INEI provides data on regional poverty by groups. This methodological change has been adopted due to the necessary statistical accuracy required as a result of the size of the sample and the heterogeneous features that each department has.

Apurímac, Ayacucho, Cajamarca, Huancavelica and Huánuco make up Group 1 which concentrated the greatest levels of poverty in 2011 and showed lower levels of poverty than in 2010. Madre de Dios is the department with lower poverty levels (Group 6) with total poverty rates of between 2 to 6.3 percent.

DEPARTMENT GROUPS BY POVERTY RATES, 2010 AND 2011

Year	Group	Departments	Poverty rate (%)	
			Confidence interval at 95%	
			lower limit	Upper limit
2010	Group 1	Apurímac, Huancavelica	62.0	63.0
	Group 2	Amazonas, Ayacucho, Cajamarca, Cusco, Huánuco, Loreto, Piura, Puno	42.7	55.2
	Group 3	Lambayeque, Pasco, San Martín	36.3	38.2
	Group 4	Áncash, Junín, La Libertad, Ucayali	21.7	31.4
	Group 5	Arequipa, Ica, Lima 1/, Moquegua, Tacna, Tumbes,	12.4	19.7
	Group 6	Madre de Dios	2.8	7.2
2011	Group 1	Apurímac, Ayacucho, Cajamarca, Huancavelica, Huánuco	52.7	57.0
	Group 2	Amazonas, Loreto, Pasco, Piura, Puno	35.2	48.1
	Group 3	Áncash, Cusco, Junín, La Libertad, Lambayeque, San Martín	24.1	31.0
	Group 4	Lima 1/, Tacna	15.8	16.6
	Group 5	Arequipa, Ica, Moquegua, Tumbes, Ucayali	10.9	13.9
	Group 6	Madre de Dios	2.0	6.3

1/ Includes the Province Callao.

Source: INEI. Informe Técnico, Evolución de la Pobreza 2004-2011. May 2012.

Economic growth has brought about new mechanisms that connect the departments with the internal and external markets, which has resulted in an improvement of local revenues according to the productive diversity of each department and, in that sense, in the reduction of poverty.

An analysis of the evolution of incomes may be carried out for nine of the departments where poverty reduction has been statistically significant in this period. The table below shows a growth of the actual total income between 2010 and 2011 due mainly to the increase in earned income (income earned from work, which makes up more than 80 percent of total income) and in some departments, such as Amazonas, San Martín, Huancavelica and Tumbes, due to government and

private donations. If the income sources are sustainable, the increasing importance of earned income would generate a lower reliance on donations and transfers over time, given that a characteristic of donations and transfers is that they are temporary.

POVERTY REDUCTION AND REAL INCOME BY SOURCE, 2010 AND 2011

	Reduction of poverty 2010-2011 1/	% change 2010 - 2011					% contribution to total income			
		Earned income	Government donation	Private donation	Others 2/	Total income	Earned income	Government donation	Private donation	Others 2/
Amazonas	-5.9	14.2	16.1	16.4	21.5	15.0	12.1	0.5	0.6	1.8
Cusco	-13.0	10.9	-15.7	11.2	6.5	9.6	9.4	-0.5	0.2	0.5
Huancavelica	-8.3	11.4	22.1	35.9	-4.8	11.1	9.7	0.9	0.9	-0.4
Lambayeque	-7.8	1.3	6.1	-4.1	10.7	2.1	1.1	0.2	-0.2	1.0
Piura	-9.0	5.0	-6.9	8.5	3.8	4.6	4.2	-0.3	0.4	0.3
Puno	-9.5	4.7	-17.2	-6.4	13.5	4.7	4.2	-0.4	-0.1	1.0
San Martín	-5.9	6.9	-8.5	20.8	-0.1	6.1	5.8	-0.3	0.6	0.0
Tumbes	-5.8	6.3	15.4	21.5	11.6	7.6	5.3	0.4	0.9	1.0
Ucayali	-8.2	4.7	-10.7	9.0	-8.2	3.0	3.9	-0.3	0.3	-0.9

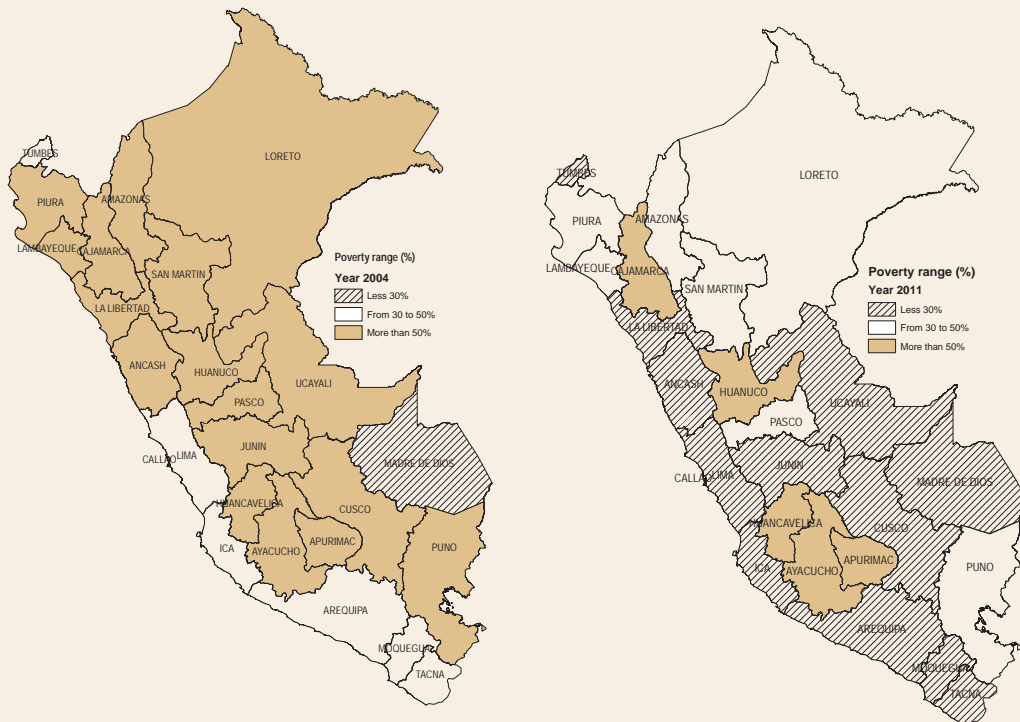
1/ Percentage points.

2/ Rents.

Source: INEI, ENAHO 2010 and 2011.

MAP

DEPARTMENTS BY POVERTY RANGES, 2004 AND 2011





BOX 2

LIVING CONDITIONS IN PERU

The INEI has elaborated a report on living conditions in Peru at Q4-2012 on the basis of the results obtained by the National Survey of Households (ENAHO). The Survey results in terms of various indicators, such as education, health care, social programs, access to basic services, and participation in economic activity, are discussed below.

I. Education

Improvements in school attendance indicators concentrated in secondary education, where the net rate of school attendance at the national level recorded an increase of 2.2 percentage points in Q4-2012 compared to the same period of the previous year. By geographic area, attendance in urban areas grew by 2.6 percentage points, while in rural areas it grew by 0.7 percentage points during the same period. It is worth highlighting that the net rate of school attendance at the level of initial education in rural areas increased by 3.7 percentage points nationwide.

NET RATE OF SCHOOL ATTENDANCE , BY GEOGRAPHICAL AREA
(% relative to total population by education level)

	Early Childhood Education			Primary School			Secondary school		
	Q1 2011	Q4 2012	Absolute change	Q1 2011	Q4 2012	Absolute change	Q1 2011	Q4 2012	Absolute change
National	66.7	64.7	-2.0	92.5	90.7	-1.8	77.1	79.3	2.2
Urban	71.0	66.7	-4.3	92.5	90.8	-1.7	83.3	85.9	2.6
Rural	56.3	60.0	3.7	92.7	90.5	-2.2	64.5	65.2	0.7

Source: INEI.

II. Health Care

An increase in the number of people with health problems that sought some kind of health care was observed: in Q4-2012, 51.8 percent of the people said they had sought health care for some chronic and non-chronic health issue.

PPEOPLE WITH HEALTH PROBLEMS , BY HEALTH CARE CONSULTATION CENTERS
(%)

	Q4 2011	Q4 2012	Absolute change
Sough kind of health care	50.0	51.8	1.8
MINSAs 1/	16.9	16.9	0.0
EsSalud 2/	6.4	6.3	-0.1
MINSAs and EsSalud	0.1	0.1	0.0
FFAA and/or National Police	0.3	0.6	0.3
Particular 3/	7.8	9.0	1.2
Pharmacy	17.6	17.9	0.3
Home	0.1	0.2	0.1
Others 4/	0.9	0.8	-0.1

1/ Includes health care centers in MINSAs, CLASAs and hospitals in MINSAs.

2/ Includes some centers and hospitals in EsSalud.

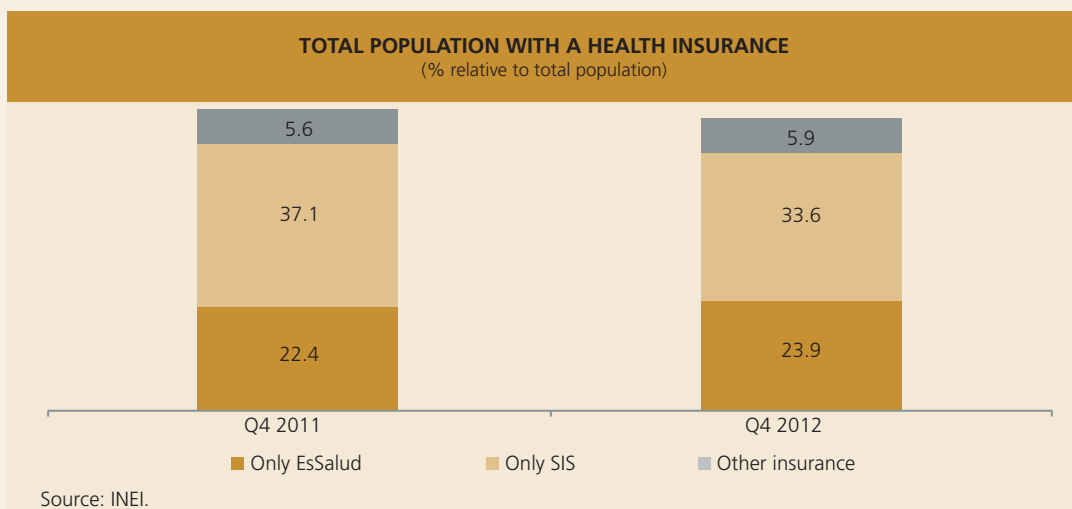
3/ Includes hospitals and doctor's offices.

4/ Includes informal houses.

Source: INEI

The most important health care consultation centers continued to be drug stores and the establishments of the Ministry of Health (16.9 percent), even though consultations in private centers (hospitals and doctors' offices) increased by 1.2 percent to 9 percent.

Furthermore, 63.4 percent of the country's population had a health insurance in Q4-2012. The SIS, Seguro Integral de Salud, continued to be the most commonly used insurance (33.6 percent) although the number of users has declined by 3.5 percentage points, followed by EsSalud (23.9 percent) and by other insurances (5.9 percent).



III. Social Programs

Rural families continued to be the major beneficiaries of food programs. A total of 50.4 percent of rural households has a member who has been benefited from these programs, whereas in urban areas the percentage of beneficiary families is 22.3 percent. By age groups, children under the age of 18 years are the ones who benefitted the most from these food programs⁷ (32.6 percent), followed by older adults (6.8 percent).

IV. Acces to basic services

In Q4-2012, the number of households in the country with access to the water supply system was 83.2 percent of total households, which represents an increase of 5.5 percent compared to the same period of 2011. The highest increase was observed in rural areas (18.6 percentage points). Moreover, in Q4-2012 the number of households with connections to the public sewage system in rural areas increased slightly to 41.2 percent, while the percentage in urban areas was 84.3 percent. Furthermore, 65.4 percent of rural households already have electric lighting –up by 4.5 percentage points compared to Q4-2011, while the percentage of households with electric lighting has reached 90.3 percent at the national level and 98.7 percent in urban areas.

⁷ Including programs such as Vaso de Leche, Comedores Populares, Programa Nutricional Integral; health care for children under three years of age, and pregnant and nursing mothers; breakfast, snack or school lunch; food service, and Wawa Wasi/ Cuna Más, among other programs.



V. Participation in Economic Activity

During the last four months of 2012, 72.5 percent of the working age population was economically active. In other words, they were part of the labor force. By people's area of residence, the

percentage of the economically active population in rural areas was higher than in urban areas, and by level of education, people with higher education participated in economic activities the most.

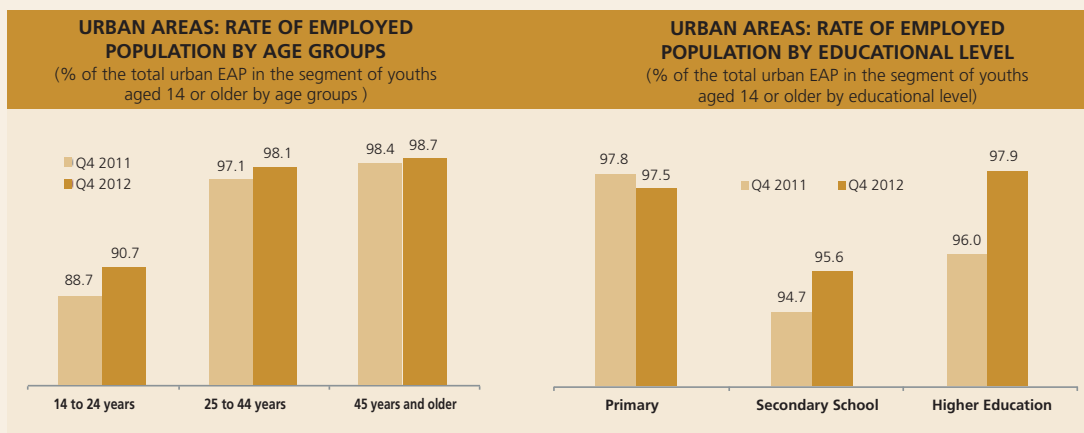
This increased participation of the working age population with higher education levels is a phenomenon observed both in Metropolitan Lima and in urban and rural areas. A slight increase of 0.5 percentage points has also been observed in the participation of groups with a primary education level in urban areas compared to Q4-2011, while the participation of the economically active population with secondary education has increased by 1 percentage point in the case of rural areas.

ACTIVITY RATE BY EDUCATION LEVELS AND AREA OF RESIDENCE (% of total population aged 14 and older in each education level and area of residence)									
	Primary 1/			Secondary School			Higher education		
	Q4 2011	Q4 2012	Absolute change	Q4 2011	Q4 2012	Absolute change	Q4 2011	Q4 2012	Absolute change
National level	74.9	73.5	-1.4	68.7	67.4	-1.3	80.3	79.5	-0.8
Metropolitan Lima	60.0	56.1	-3.9	68.0	66.5	-1.5	80.0	80.2	0.2
Urban areas 2/	67.6	68.1	0.5	67.8	65.7	-2.1	80.6	78.9	-1.7
Rural areas	85.4	83.6	-1.8	72.3	73.3	1.0	80.1	78.8	-1.3

1/ Includes initial and non education.
2/ Not includes Metropolitan Lima.
Source: INEI.

In Q4-2012, 96.8 percent of the urban economically active population of the country had a job. Compared to Q4-2011, the employed EAP increased by 1.1 percentage points.

By age groups, between Q4-2011 and Q4-2012, the rate of employment of the urban EAP increased mainly in the segment of youths aged 14 to 24 years (2 percentage points).



By educational level, the EAP with higher education increased by 1.9 percentage points while the EAP with secondary education increased 0.9 percentage points.

By branch of activity, the sectors other services and commerce employed 38.5 percent and 22.5 percent of the total urban employed labor force, respectively.

URBAN AREAS: DISTRIBUTION OF OCCUPIED EAP BY BRANCH OF ACTIVITY
(%)

	Q4 2011	Q4 2012	Absolute change
National	100.0	100.0	
Agriculture / Fishing/ Mining	10.0	8.9	-1.1
Manufacturing	13.3	13.1	-0.2
Construction	6.6	7.1	0.5
Commerce	20.5	22.5	2.0
Transportation and communications	10.4	9.9	-0.5
Other services 1/	39.2	38.5	-0.7

1/ Includes financial statement, real estate, business and rent, education, electricity, hotels and restaurants, social and health services.
Source: INEI.

As for unemployment, the population group of youths aged 14 to 24 showed the highest decline in the rate of unemployment in Q4.

Finally, in Q4-2012, the monthly average income of urban workers increased by 99.7 nuevos soles (8 percent) compared to Q4-2011 and reached 1,341.9 new soles in current terms. The main income increase was observed in the group of employed labor force with a higher education level, who saw their average monthly income increase by 10.1 percent in the period.

URBAN AREAS: AVERAGE MONTHLY INCOME OF WORKERS BY EDUCATIONAL LEVEL
(Nuevos soles)

	Q4 2011	Q4 2012	Absolute change (Nuevos soles)	% change
Total	1,242.2	1,341.9	99.7	8.0
Primary School 1/	699.9	735.3	35.4	5.1
Secondary School	1,027.7	1,066.9	39.2	3.8
Higher Education 2/	1,707.6	1,879.9	172.3	10.1

1/ Includes no education.
2/ Includes non-university and university higher education.
Source: INEI.



Sculpture "El acuñador" (The Coiner) and part of the ancient machinery of the National Mint.



External Sector

1. International Environment

In 2012, the world economy registered a growth rate of 3.1 percent, lower than the 2011 rate. Several factors that affected the performance of global production, such as uncertainty about the Eurozone and expectations of a lower dynamism in the emerging economies, prevailed during most of the year. Moreover, the fiscal situation in the United States increased risk aversion and affected consumers and investors' confidence.

Towards Q4, some improvement was observed in international financial conditions due to a series of measures taken by the central banks of developed economies –particularly the European Central Bank (ECB), the Federal Reserve (Fed), and the Bank of Japan (BoJ)– and due to indicators that showed some stabilization in China's economic activity.

In this context, the main international financial indicators showed a positive trend at the close of the year. Stock exchanges recorded profits, credit spreads declined and the dollar depreciated against the major currencies. On the other hand, the terms of trade registered an average decline of 5 percent due to the unfavorable evolution of trade in the first half of the year.

2. Economic Activity

Growing 3.1 percent, below the 4.0 percent record in 2011, and showing a rate not only lower than the one estimated by most investment companies, but also lower than the average rate of the last ten years, the world economy slowed down for the second consecutive year in 2012.



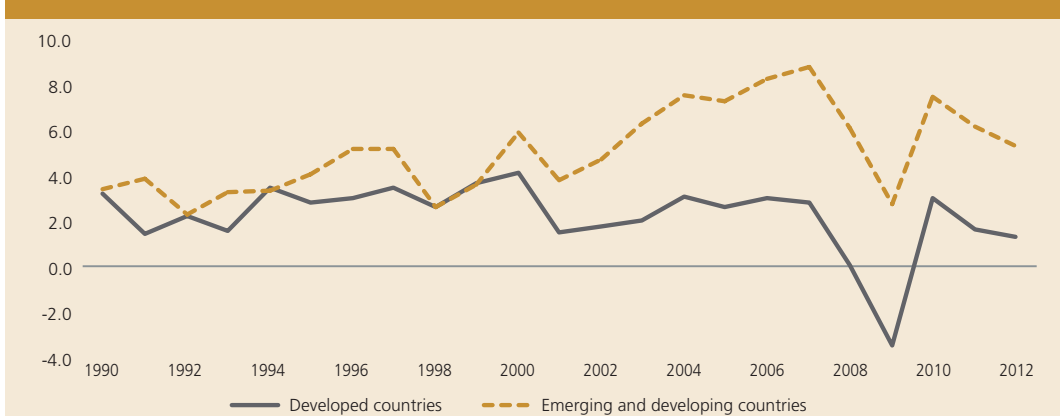
TABLE 15
GLOBAL GROWTH
(Annual % change)

	2010	2011	2012	Average 2003/2012
Developed countries	3.0	1.6	1.2	1.6
of which:				
1. USA	2.4	1.8	2.2	1.7
2. Eurozone	2.0	1.4	-0.6	1.0
Germany	4.2	3.0	0.7	1.2
France	1.7	1.7	0.0	1.0
Italy	1.7	0.4	-2.4	0.0
Spain	-0.3	0.4	-1.4	1.3
3. Japan	4.7	-0.6	2.0	0.8
4. United Kingdom	1.8	1.0	0.3	1.3
Developing countries	7.6	6.4	5.1	6.6
of which:				
1. Developing Asia	9.5	8.0	6.9	8.7
China	10.4	9.3	7.8	10.5
India	10.1	7.9	5.0	7.8
2. Latin America and the Caribbean	6.1	4.6	3.0	4.1
Brazil	7.5	2.7	0.9	3.6
World Economy	5.2	4.0	3.1	3.9
Memo:				
Trading partners 1/	4.6	3.6	2.7	3.5
BRICs 2/	9.2	7.7	6.0	8.2

1/ Peru's 20 main trading partners.
2/ Brazil, Russia, India and China.
Source: Bloomberg and IMF.

Growth in the developed economies continued showing more moderate rates (1.2 percent) as a result of the debt crisis and the weak recovery of consumption (due to still high unemployment and to households' deleveraging process), which led the main central banks of developed economies to maintain accommodative monetary policy and to adopt additional non-conventional monetary stimulus, such as those applied by the Fed, the ECB, and the central banks of the United Kingdom and Japan, among the most important. On their side, the emerging economies also grew 5.1 percent, lower rate than in the previous two years (6.4 and 7.6 percent in 2011 and 2010, respectively).

GRAPH 38
GDP GROWTH RATES: 1990 - 2012



Source: IMF.

The United States registered a growth rate of 2.2 percent and consumption expanded 1.9 percent showing a greater dynamism in the first quarter. Factors favoring this result included the stabilization of house prices, households' lower deleveraging, and improving credit conditions, although this outcome was offset by the weak recovery of the labor market (unemployment declined from 8.5 percent to 7.8 percent).

After six consecutive years of negative growth rates, residential investment grew 12.1 percent amid better conditions in the real estate market and the stabilization of house prices. On the other hand, private non-residential investment was affected in Q3 by uncertainty regarding the likelihood of a "fiscal cliff"⁸ at the beginning of 2013. The accumulation of inventories was affected by fiscal fears in the last quarter of the year, which contributed negatively to growth. This slowdown was also associated with increased cuts in government spending, although consumption and fixed investment grew at a faster pace than in the two previous quarters.

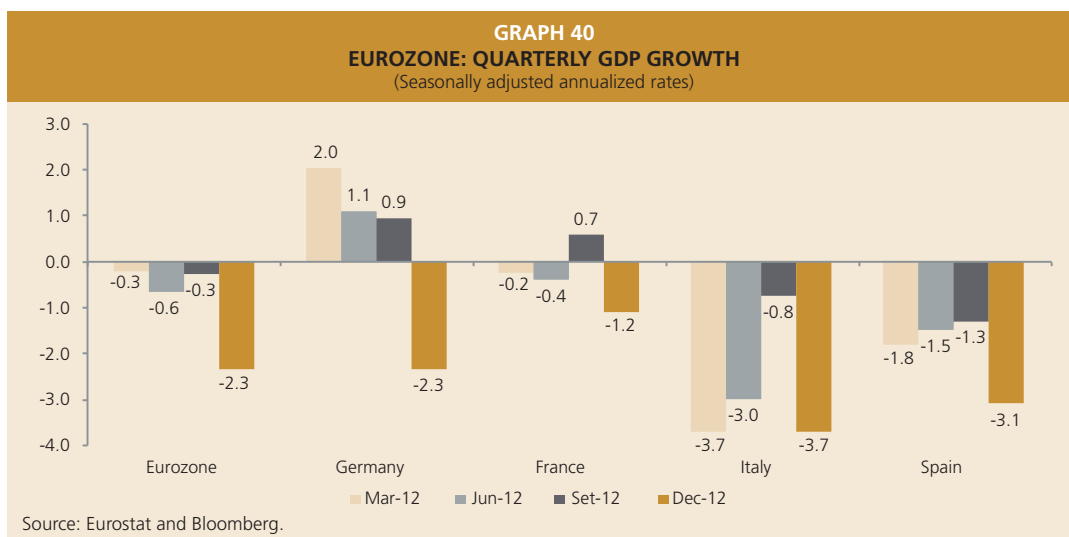
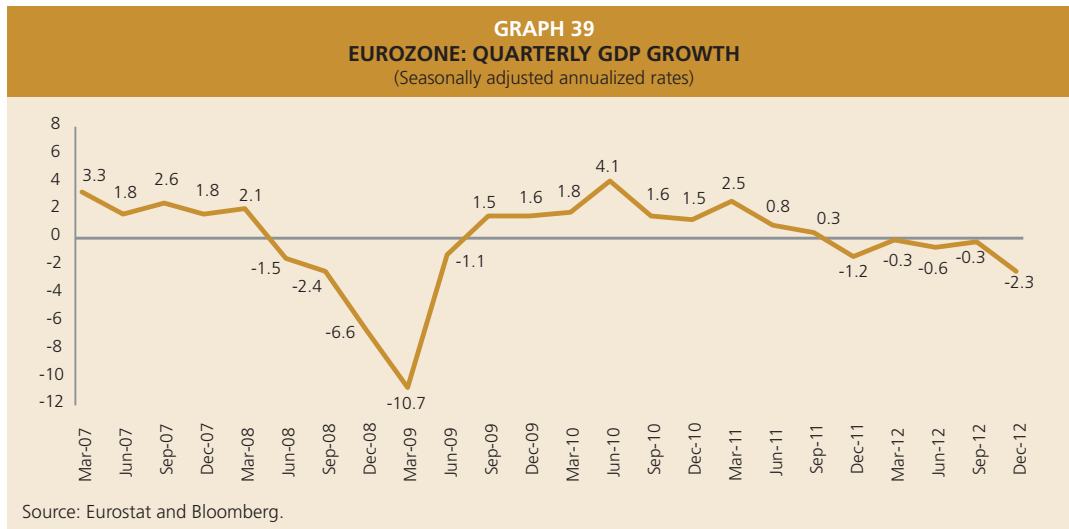
TABLE 16 USA: GROWTH (Quarterly annualized rates)								
	Q1.11	Q2.11	Q3.11	Q4.11	Q1.12	Q2.12	Q3.12	Q4.12
GDP	0.1	2.5	1.3	4.1	2.0	1.3	3.1	0.4
Personal consumption	3.1	1.0	1.7	2.0	2.4	1.5	1.6	1.8
Durable	7.3	-2.3	5.4	13.9	11.5	-0.2	8.9	13.6
Non Durable	4.6	-0.3	-0.4	1.8	1.6	0.6	1.2	0.1
Services	2.0	1.9	1.8	0.3	1.3	2.1	0.6	0.6
Gross investment	-5.3	12.5	5.9	33.9	6.1	0.7	6.6	1.3
Fixed investment	-1.3	12.4	15.5	10.0	9.8	4.5	0.9	14.0
Non-Residential	-1.3	14.5	19.0	9.5	7.5	3.6	-1.8	13.2
Residential	-1.4	4.1	1.4	12.1	20.5	8.5	13.5	17.6
Exports	5.7	4.1	6.1	1.4	4.4	5.3	1.9	-2.8
Imports	4.3	0.1	4.7	4.9	3.1	2.8	-0.6	-4.2
Government expenditure	-7.0	-0.8	-2.9	-2.2	-3.0	-0.7	3.9	-7.0

Source: Bureau of Economic Analysis.

In the context of a moderate recovery in the country with controlled inflation pressures (with annual inflation at 1.7 percent and core inflation at 1.9 percent), the Fed announced a mortgage asset purchase program of US\$ 40 billion per month in September and additional purchases of US Treasury bonds for US\$ 45 billion monthly in December.

After growing at moderate rates in the previous two years, the Eurozone shrank 0.6 percent in 2012. However, economic growth in the region was again not uniform: whereas Germany grew 0.7 percent, activity in the countries with debt problems registered drops of over 1 percent. It should be pointed out that the contraction accelerated in the last quarter of the year when the major economies of the region (including Germany) had a negative performance.

⁸ The "fiscal cliff" is scenario that combines a series of automatic spending cuts and the expiration of tax breaks implemented in the United States in late 2012.



The economic slowdown in the larger economies, i.e. Germany and France, associated with the decline of the growth rate of their exports and the deterioration of consumer confidence added to the contraction of economies with problems of debt, such as Spain and Italy, which accumulated six consecutive quarters of contraction. Although better financial conditions were observed during the second half of the year (due to the measures implemented by the ECB and the Eurozone leaders), the effects of the fiscal consolidation programs adopted in most countries resulted in a negative fiscal impulse. In addition to this, the high levels of unemployment in the region (11.4 percent) continued affecting consumer and business confidence.

Recording a positive growth rate in Q1 and negative rates in the following quarters of the year, the economy of Japan grew 2.0 percent in 2012. Factors accounting for this include the gradual withdrawal of fiscal stimulus, the decline in net exports as a result of the deepening of the Eurozone crisis, the expiration of the program of subsidy to the sale of motor vehicles, and the conflict with China. In this context, the Bank of Japan increased its monetary stimulus on 3 occasions in the last six months to 101 billion yen in order to stimulate the country's economy.

After showing a rate of 9.3 percent in 2011, China's economy slowed down in 2012 (7.8 percent) after the government ended the considerable fiscal stimulus program implemented in response to the global financial crisis, which was coupled with the deterioration of international trade.

In 2012, Latin America grew 3.0 percent. This slower pace of growth than in 2011 (4.6 percent) is explained both by a lower external stimulus and by a slowdown in domestic demand, even though the latter continued to be the component that showed greater dynamism. Among countries with inflation targeting, Peru and Chile registered the highest growth rates in the region. Activity in Brazil, on the other hand, continued slowing down, reflecting the weakness of exports and private investment, while industrial production showed the poorest results on the supply side. In most cases, inflation rates fell in the second semester, in line with the decline observed in food prices, the appreciation of local currencies, and lower economic dynamism. However, demand inflationary pressures associated mainly with tight labor market conditions continued to be observed.

3. Financial Markets

In 2012, financial markets were influenced by different events of volatility associated with: (i) events related to the European debt crisis, particularly in the first half of the year; (ii) signals of global slowdown, especially in Q3-2012; and (iii) the fiscal problem in the United States, known as the fiscal cliff, towards the end of the year.

In the first half of the year, fears that Greece would exit the euro monetary union and that the debt crisis would spread on to Spain and Italy, given the delicate fiscal position of both countries. However, better financial conditions were observed in the European economies since the end of July 2012 as a result of the measures implemented by the ECB, the new more favorable terms agreed for the program for Greece, the definition of the Spanish banks' recapitalization program, the fiscal adjustment programs in the major Eurozone economies with debt problems, and the measures proposed by European leaders (fiscal pact and unified banking regulation).

The main measures implemented by the ECB were the following:

- a. Injection of 3-year liquidity for a total of € 530 billion in February, which added to the injection of 3-year liquidity of December 2011 (€ 489 billion). As a result of this operation, the balance sheet of the ECB increased to record levels (€ 3 trillion or 32 percent of GDP). The balance of ECB loans to banks (through their main refinancing operations) reached a record level of € 1.2 trillion. Spanish banks and Italian banks were favored the most by these operations.
- b. Easing of credit requirements for the collaterals used by banks.
- c. The ECB cut its interest rate from 1.0 percent to 0.75 percent in July 2012.
- d. In September the ECB announced again a new program of purchases of sovereign bonds in the secondary market and said that the purchases will include only short-term bonds (with 1- to 3-year maturities), that there will be no pre-established quantitative limits (that is, that they will be discretionary and potentially unlimited), and that they will be fully sterilized. The ECB also said that a total program (Macroeconomic Adjustment) or a preventive program (Credit Line with Reinforced Conditionality) with rescue funds (EFSF/ESM) is previously required.



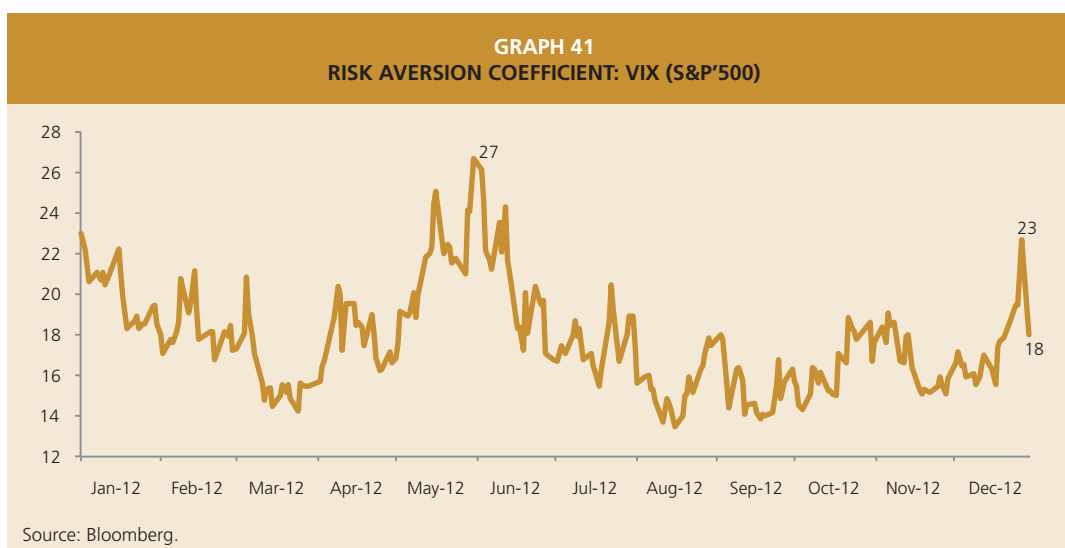
Moreover, the new measures adopted by the European Union included the following:

- a. New Fiscal Pact: A new Fiscal Pact was approved by the Eurozone leaders in February and ratified at the Summit of March 30. Subscribing to the new pact is a necessary condition to apply for bailout money from the permanent European Stability Mechanism (ESM). The fiscal pact establishes a structural fiscal deficit limit of 0.5 percent of GDP for each country which, if not complied with, will involve a penalty of up to 0.1 percent of GDP and a gradual reduction of the debt ratio to 60 percent of GDP.
- b. Increasing the Eurozone bailout fund: in the Summit of March 30, the European leaders raised the ceiling for the new loans that may be obtained from the European Financial Stability Fund (EFSF) and the European Stability Mechanism (ESM) from 300 to € 500 billion. With the funds already disbursed to countries with bailout programs (€ 200 billion between Greece, Portugal, and Ireland), the bailout funds rise from € 500 to 700 billion. Furthermore, taking into account the loans granted to Greece through bilateral agreements and EFSM resources, the maximum loan fund amounted to € 800 billion.
- c. Unified bank regulation and possibility of bank recapitalization directly through the ESM. At the Summit of June 28 and 29, the European leaders agreed that: (a) the ECB will be the single regulator of banks in the Eurozone, which implies the establishment of a new regulation scheme; (b) bailout funds would be allowed to intervene in secondary markets of sovereign debt to stabilize the markets in the short term; (c) once the bank regulation scheme is in force, bailout funds would be allowed to participate directly in the recapitalization of banks, without requiring a program with the IMF/EU.

These better conditions observed in the Eurozone since the end of June were then complemented by the positive effect of the Fed's new quantitative easing program (September) which approved US\$ 40 billion of monthly purchases of mortgage assets, with no deadline. Additionally, the Fed continued with its "Operation Twist" until it culminated at the end of the year and in December announced additional purchases of long-term Treasury bonds for a total of US\$ 45 billion as from January 2013. The Fed also said that it would maintain low interest rates as long as the rate of unemployment is below 6.5 percent, that the projected rate of inflation two years ahead is below the 2.0 percent long-term target plus 0.5 percent, and that long-term inflation expectations remain anchored.

On the other hand, even though fears of a further slowdown in global growth intensified in Q3, the signs of a better evolution of activity observed since November 2012 (particularly in the United States and China) had a positive influence on the reduction of risk aversion in international financial markets.

Towards the end of the year, a temporary rise was observed in volatility due to uncertainty about the fiscal issue in the United States. The fiscal cliff implied increasing revenues and implementing automatic cuts in government spending by US\$ 600 billion in early 2013, which would threaten the pace of growth in the first quarter. The negotiations between the Federal Government and the US Congress started in November after President Barack Obama's was reelected and an agreement for approximately US\$ 200 billion was reached on January 1, 2013. The agreement included increasing taxes for annual incomes of over US\$ 400 thousand and payroll taxes, as well as postponing the automatic spending cuts for two months.



The European sovereign debt markets showed markedly different evolutions. Unfavorable conditions were observed until early July 2012, particularly in Spain and Italy with 10-year yields that widely exceeded sustainable levels and that forecast a prompt request of a bailout program, as had happened with Greece, Ireland and Portugal. However, since mid-July, financial conditions in the Eurozone began to improve significantly.

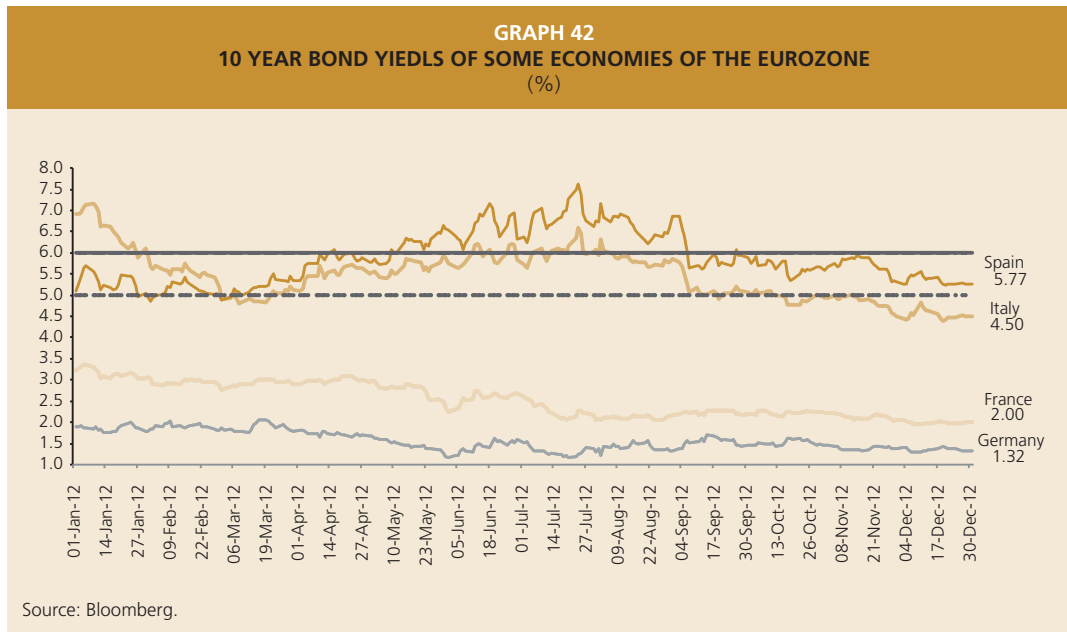
The yields on the sovereign debt of the major developed economies (such as the United States, Germany, and the United Kingdom) showed slight reductions compared to 2011, in part because of lower risk aversion associated with the better conditions for global growth and because of the monetary policy measures applied by the major central banks.

TABLE 17
SOVEREIGN SPREADS OF DEVELOPED COUNTRIES

	End of period			Chg. In bps.	
	Dec. 10 (3)	Dec. 11 (2)	Dec. 12 (1)	Dec. 11 (1)-(2)	Dec. 10 (1)-(3)
CDS Spreads (in bps)					
USA	42	49	38	-11	-4
United Kingdom	74	98	41	-56	-32
Germany	59	102	42	-60	-18
France	108	220	93	-126	-14
Spain	350	380	300	-81	-51
Italy	240	484	289	-195	49
Greece 1/	1,010	8,786	4,265	-4,521	3,255
Portugal	501	1,082	443	-639	-58
Ireland	609	724	220	-504	-389
Treasury bond yields (10 year)					
USA	3.29	1.87	1.76	-11	-154
United Kingdom	3.40	1.98	1.83	-15	-157
Germany	2.96	1.83	1.32	-51	-165

Source: Bloomberg

1/The reduction in the case of Greece is explained by the restructuring of the debt (February - March) and the repurchase of the debt (November - December).



With the exception of Argentina's, the credit spreads of Latin American countries declined, in line with lower risk aversion due to lower tensions in international financial markets and to better prospects for growth in the region.

TABLE 18
SOVEREIGN SPREADS OF DEVELOPING COUNTRIES

	End of period			% Chg. Dec.12 compared to:	
	Dec. 10 (3)	Dec. 11 (2)	Dec. 12 (1)	Dec. 11 (1)/(2)	Dec. 10 (1)/(3)
Spreads CDS (en pbs)					
Argentina	610	923	1,401	478	791
Brazil	111	161	108	-52	-3
Chile	84	132	72	-60	-12
Colombia	113	154	96	-58	-17
Mexico	113	153	97	-56	-16
Peru	113	172	97	-75	-16

Source: Bloomberg.

The U.S. money markets continued showing stability, while European markets (in contrast with the previous year) recorded significant positive corrections, basically as a result of the measures adopted by the ECB. The injections of 3-year liquidity of late December 2011 and late February 2012 and the announcement of the new program of purchases of sovereign bonds (August-September) of countries with debt problems significantly reduced the liquidity problems in the major European interbank markets.

GRAPH 43
SPREAD BETWEEN THE 3-MONTH EURO-LIBOR RATE AND O/N OF SWAP MARKET (OIS)
 (%)



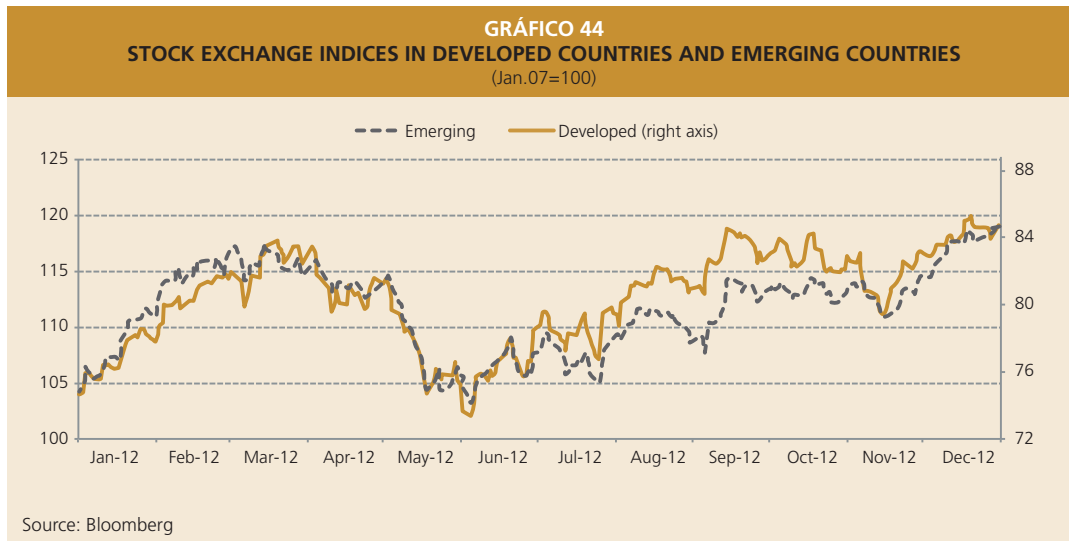
Source: Bloomberg.

Stock markets showed a positive trend due to the decline of risk aversion during the last months of 2012 as a result of increased signs of stabilization of global economic activity (particularly in China and United States), as well as of the monetary stimulus of central banks (the ECB and the Fed among the most important ones), and of better prospects regarding the Eurozone debt crisis. In addition to this, pessimism about the US fiscal cliff had a temporary impact given investors' confidence that the negotiations between the Government and the Congress would be able to prevent it.

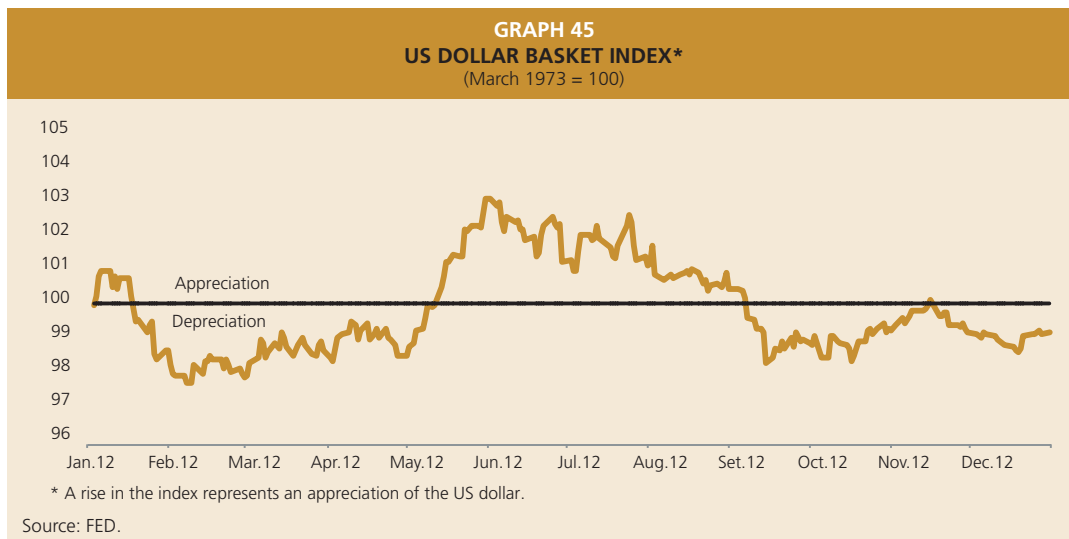
TABLE 19
STOCK MARKETS
 (Main indices, end of period)

		End of period			% Change Dec.12 compared to:	
		Dec. 10 (3)	Dec. 11 (2)	Dec. 12 (1)	Dec. 11 (1)/(2)	Dec. 10 (1)/(3)
USA	Dow Jones	11,578	12,218	13,104	7.3%	13.2%
BRAZIL	Bovespa	69,305	56,754	60,952	7.4%	-12.1%
MEXICO	IPC	38,551	37,078	43,706	17.9%	13.4%
CHILE	IGP	22,979	20,130	21,070	4.7%	-8.3%
PERU	Ind. Gral.	23,375	19,473	20,629	5.9%	-11.7%
GERMANY	DAX	6,914	5,898	7,612	29.1%	10.1%
FRANCE	CAC 40	3,805	3,160	3,641	15.2%	-4.3%
UNITED KINGDOM	FTSE 100	5,900	5,572	5,898	5.8%	0.0%
JAPAN	Nikkei 225	10,229	8,455	10,395	22.9%	1.6%
CHINA	Shangai C.	2,808	2,199	2,269	3.2%	-19.2%

Source: Bloomberg.

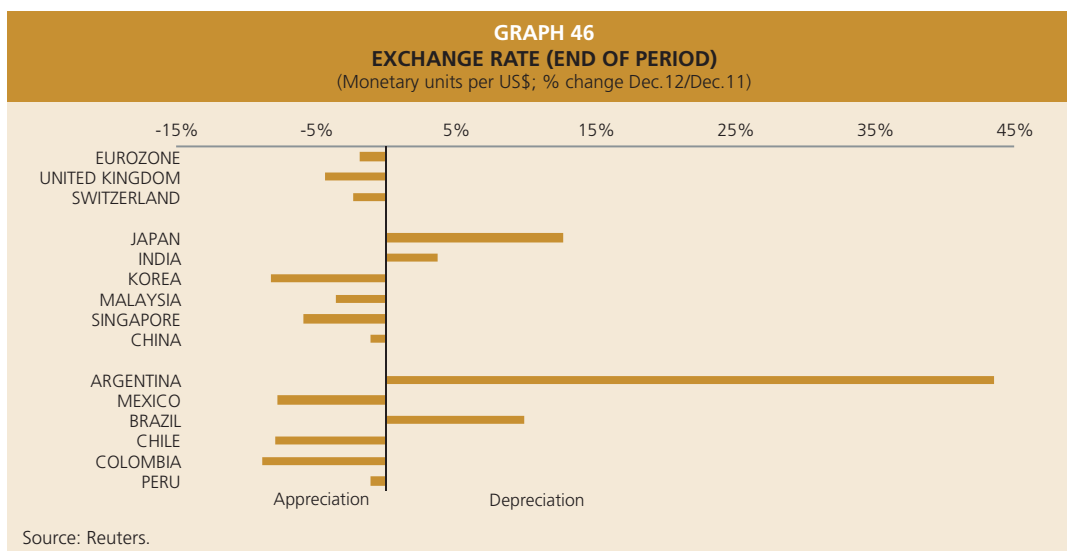


In foreign exchange markets, the dollar depreciated as a result of lower risk aversion. In the year, with figures at the end of the period, the dollar depreciated 1.4 percent against the currency basket elaborated by the Fed, which includes the currencies of the main trading partners of the United States, due to the evolution of the dollar during the second half of the year.



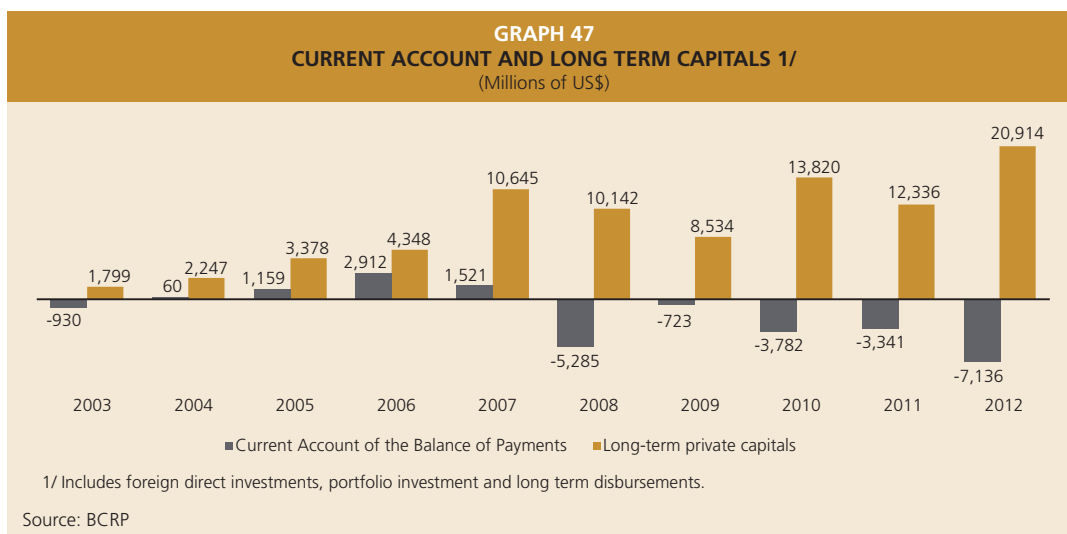
The dollar depreciated against the euro and the pound reflecting better financial conditions in the economies with debt problems (i.e. Greece and Spain). On the other hand, the dollar appreciated significantly against the yen (12.7 percent), influenced both by weaker prospects for the Japanese economy and by the greater monetary stimulus of the Bank of Japan in recent months. Against the currencies of the emerging countries, the dollar against most Asian currencies, such as China's yuan. India's rupee depreciated because of capital outflows associated with a deterioration of the business climate and delays in the fiscal consolidation process. In Latin America, the dollar depreciated against most currencies due to better growth prospects for the countries in the region, the correction of inflation expectations (in the last months of the year), and

rising commodity prices in a context in which net capital inflows were observed since mid-June. However, the dollar strengthened against the currencies of Argentina and Brazil due to a deterioration of economic activity and inflation expectations in both countries, as well as due to the interventions of these countries' central banks in their foreign exchange markets.



4. Balance of Payments

In an international environment marked by uncertainty, the terms of trade of Peru fell by an average of 5 percent with declines in the international prices of our main export products concentrating in the first half of the year. This result, coupled with a higher growth of domestic demand than the growth of GDP, account for the increase in the deficit of the current account of the balance of payments from 1.9 percent of GDP in 2011 to 3.6 percent in 2012.





The financial account, which registered a flow of US\$ 20.13 billion –equivalent to 10.1 percent of GDP–, was composed of long-term private capital (8.1 percent of GDP), particularly profit reinvestment of companies with foreign shareholding operating in the sectors of mining, hydrocarbons, services, and financial services, and of long-term loans granted mostly to the financial sector. A significant positive flow of foreign investment portfolio aimed mostly at the non-financial sector was also observed in the country as a result of the bonds issued by non-financial companies abroad. The financial account of the public sector recorded a flow of US\$1.67 billion, while short-term capital inflows amounted to US\$ 2.23 billion reflecting the increase of banks' liabilities overseas.

**TABLE 20
BALANCE OF PAYMENTS**

	Million US\$			% of GDP	
	2010	2011	2012	2011	2012
I. CURRENT ACCOUNT BALANCE	-3,782	-3,341	-7,136	-1.9	-3.6
1. Trade Balance	6,750	9,302	4,527	5.3	2.3
a. FOB Exports	35,565	46,268	45,639	26.2	22.9
b. FOB Imports	-28,815	-36,967	-41,113	-20.9	-20.6
2. Services	-2,345	-2,132	-2,258	-1.2	-1.1
a. Exports	3,693	4,364	5,130	2.5	2.6
b. Imports	-6,038	-6,497	-7,388	-3.7	-3.7
3. Investment Income	-11,212	-13,710	-12,701	-7.8	-6.4
a. Private	-10,982	-13,173	-11,980	-7.5	-6.0
b. Public	-230	-537	-721	-0.3	-0.4
4. Current transfers	3,026	3,200	3,296	1.8	1.7
of which: Remittances	2,534	2,697	2,788	1.5	1.4
II. FINANCIAL ACCOUNT	13,606	9,594	20,130	5.4	10.1
1. Private sector	11,396	10,053	16,236	5.7	8.1
a. Assets	-1,375	-1,298	-2,477	-0.7	-1.2
b. Liabilities	12,771	11,351	18,712	6.4	9.4
2. Public sector	2,468	848	1,667	0.5	0.8
a. Assets	-37	-273	-457	-0.2	-0.2
b. Liabilities 1/	2,505	1,121	2,123	0.6	1.1
3. Short-term capital	-258	-1,307	2,228	-0.7	1.1
a. Assets	-1,844	-1,319	36	-0.7	0.0
b. Liabilities	1,587	12	2,192	0.0	1.1
III. EXCEPTIONAL FINANCING	19	33	19	0.0	0.0
IV. NET ERRORS AND OMISSIONS	1,348	-1,562	1,814	-0.9	0.9
V. BALANCE OF PAYMENT RESULT	11,192	4,724	14,827	2.7	7.4
(V = I + II + III + IV) = (1-2)					
1. Change in the balance of NIRs	10,970	4,711	15,176	2.7	7.6
2. Valuation effect	-222	-13	349	-0.0	0.2

1/ As of this Annual Report, government bonds issued abroad and held by residents are excluded from the external liabilities of the public sector, and government bonds issued in the domestic market and held by non-residents are included in the external liabilities of the public sector.

Source: BCRP, MEF, SBS, SUNAT, MINCETUR, COFIDE, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A. ICLV, Proinversión, Bank for International Settlements (BIS), and businesses.

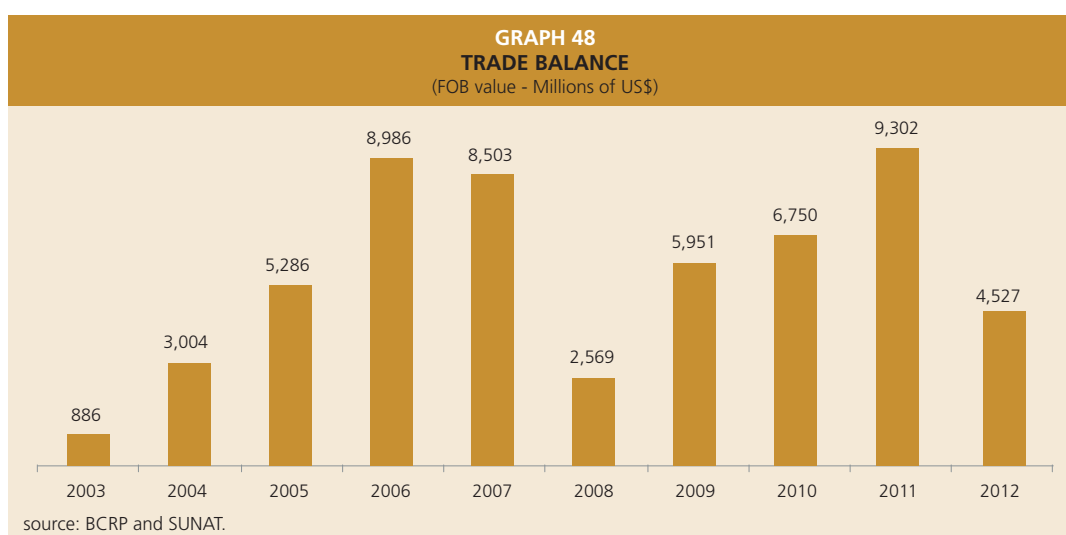
4.1 Trade Balance

In 2012, the trade balance registered a surplus of US\$ 4.53 billion, which represents a decline of US\$ 4.77 billion compared to the trade surplus recorded in 2011 (US\$ 9.30 billion). This balance reflects, on the one hand, the high growth of the volume of imports, in line with the evolution of domestic demand and, on the other hand, the effect of lower terms of trade and almost no growth in the volume of traditional exports.

Exports totaled US\$ 45.64 billion, a figure 1.4 percent lower than in 2011 due to the downward correction of export prices (-3.3 percent), especially in the case of mining products (copper, iron and zinc) due to a less favorable international environment. Another factor that also contributed to this lower figure was the lower volume of gold exported from the area of Madre de Dios as a result of the measures implemented by the Government with the aim of increasing formal mining in that area.

The volume of non-traditional exports also grew at a slower pace, affected by a less favorable international environment. The exports of agricultural products, textiles and fisheries grew 9.0 percent on average, showing a rate below the average rate of the last ten years (11.4 percent).

Imports amounted to US\$ 41.11 billion, a figure 11.2 percent higher than in 2011. The volume of imports grew 9.5 percent, reflecting an increased demand in general for consumer goods in a context of rising incomes in the country, as well as an increased demand for inputs and capital goods associated with the country's economic growth and the development of the investment projects which are currently underway. On the other hand, the price of imports grew 1.7 percent, in line with the evolution of external inflation.



With this balance, the weight of foreign trade (the economy's degree of openness) reached a level equivalent to 43.4 percent of GDP, which makes the Peruvian economy one of the most open economies in the region as a result of the continuity of the trade liberalization policies implemented through the establishment of free trade agreements (FTAS). Peru has signed free trade agreements with 54 countries.



Peru's main trading partners continued to be China –the main destination for our exports– and the United States –the main country of origin of our imports. Trade with China increased 1.8 percentage points compared to the previous year and reached 17.5 percent. Our main exports to the Asian country continued to be minerals, such as copper, iron and zinc, as well as fishmeal, while Peru continued buying mainly machinery, mobile phones, computer equipment, and a rising number of cars.

Trade with the United States on the side of exports consisted mostly of agricultural products, textiles, and, in general, goods with higher added value (t-shirts, knit shirts, fresh asparagus; calcium phosphates, unground; alloyed silver; fresh grapes; artichoke preserves; paprika, among others). This country continues to be the main destination for our non-traditional exports (23.1 percent of our total exports of non-traditional products).

TABLE 21
TRADE BY MAIN COUNTRIES AND REGIONS 1/
(% structure)

	Exports 2/			Imports 3/			X + M		
	2010	2011	2012	2010	2011	2012	2010	2011	2012
China	15.4	15.2	17.0	15.6	16.4	18.1	16.0	15.7	17.5
United States of America	16.9	13.2	13.7	19.2	19.3	18.7	18.0	15.9	16.1
Switzerland	10.9	12.8	11.2	0.3	0.4	0.4	6.2	7.3	6.1
Japan	5.1	4.7	5.7	2.8	3.3	3.4	4.8	4.1	4.6
Canada	9.4	9.1	7.4	1.4	1.5	1.4	6.0	5.7	4.6
Brazil	2.7	2.8	3.1	6.5	6.4	6.1	4.7	4.3	4.5
Chile	3.9	4.3	4.4	4.1	3.8	3.1	3.9	4.1	3.8
Germany	4.3	4.1	4.1	3.1	3.0	3.2	3.7	3.6	3.7
South Korea	2.5	3.7	3.4	4.1	3.8	3.8	2.9	3.8	3.6
Ecuador	2.3	1.8	2.0	5.4	5.1	4.9	3.5	3.3	3.4
Spain	3.4	3.7	4.0	1.5	1.5	1.9	2.5	2.7	3.0
Colombia	2.2	2.3	2.0	3.9	3.9	3.7	3.2	3.0	2.8
Mexico	0.8	1.0	0.9	4.0	3.9	4.3	2.1	2.3	2.5
Argentina	0.4	0.4	0.4	5.2	5.0	4.5	1.9	2.4	2.3
Others	19.8	20.9	20.6	22.9	22.8	22.5	20.5	21.7	21.5
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Memo:									
Asia	25.9	26.6	29.2	31.0	30.4	32.1	28.1	28.3	30.6
North America	27.1	23.3	22.1	24.8	24.7	24.4	26.1	23.9	23.2
European Union	18.4	18.7	17.4	10.6	10.8	11.8	15.0	15.2	14.8
Andean Countries 4/	11.0	11.4	12.3	14.9	14.6	13.9	12.7	12.8	13.1
Mercosur 5/	3.1	3.3	3.6	12.1	12.2	11.4	7.2	7.2	7.3
Others	14.4	16.7	15.4	6.6	7.3	6.3	10.9	12.6	11.1

X: Exports. M: Imports.
 1/ Imports were grouped by country of origin.
 2/ Exports exclude goods sold and repairs of foreign ships and aircrafts.
 3/ Imports exclude defense material, other purchased goods, and ships and aircrafts abroad.
 4/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.
 5/ Brazil, Argentina, Uruguay, and Paraguay.
 Source: SUNAT.

On the other hand, the European Union was the only regional bloc where our exports of both traditional and non-traditional products dropped. Exports to this region shrank 7.2 percent in 2012 as a result of the lower growth registered in the countries of this economic bloc.

Classification of exports by economic activity groups

In 2012 all the exports of the agricultural sector amounted to US\$ 3.43 billion, the exports of the fishing sector amounted to US\$ 2.80 billion, the exports of the mining and hydrocarbons sector amounted to US\$ 31.64 billion, and the exports of the manufacturing sector amounted to US\$ 5.70 billion.

Exports standing out in the agricultural group included exports of coffee (US\$ 1.01 billion) and fruits (US\$ 832 million), whereas exports of fishmeal and of canned fish and other seafood (US\$ 2.77 billion) stand out in the fishing sector.

Moreover, exports standing out in the mining and hydrocarbons sector included non-ferrous minerals (US\$ 12.2 billion) and primary products based on non-ferrous minerals (US\$ 13.14 billion). Finally, the export of textiles –fabrics, yarn, garments, and synthetic fibers– stands out in the manufacturing group (US\$ 1.76 billion).

Exports of agricultural and mining products increased from 7 to 8 percent and from 69 to 70 percent of total exports, respectively, between 2008 and 2012, while exports of fishing products fell from 7 to 6 percent and exports of manufacturing products fell from 15 to 13 percent of total exports.

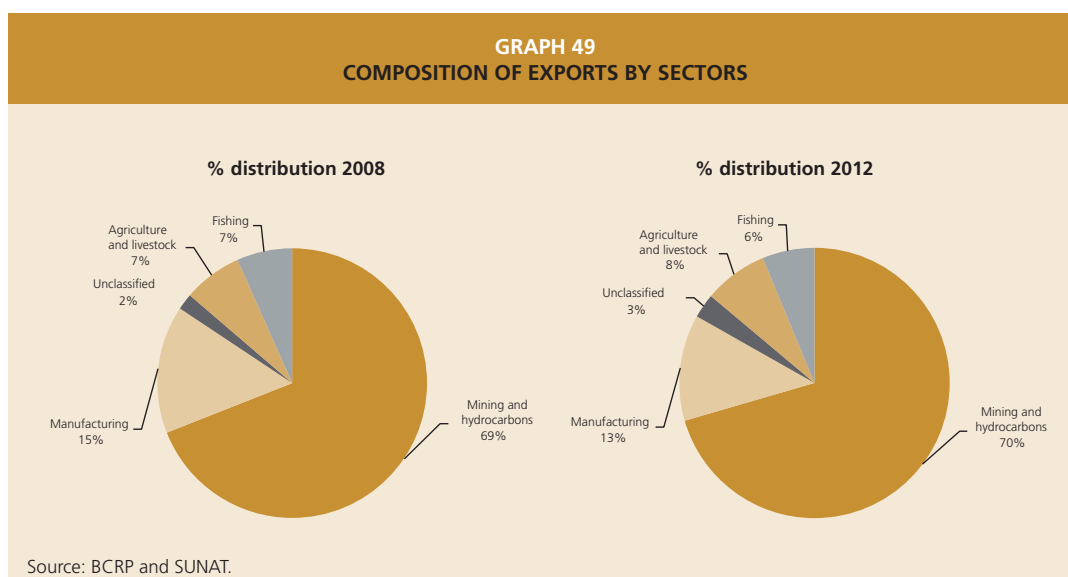




TABLE 22
EXPORTS 1/ BY GROUP OF ECONOMIC ACTIVITY
(Millions of US\$)

CIU	Sector	2008	2009	2010	2011	2012
	Agricultural Products	2,179	2,085	2,684	3,872	3,431
0111	Cereals, legumes and oilseeds, except rice	102	89	115	136	158
	Of which:					
	Tara powder	23	13	27	29	31
	Quinoa	5	7	13	24	30
	Black Eye Bean	14	14	21	22	29
0113	Vegetables, tubers and roots	261	296	357	366	441
	Of which:					
	Fresh Asparagus	228	251	291	292	340
	Fresh onions	21	28	42	43	53
0121 - 0126	Fruits	344	401	505	795	832
	Of which:					
	Grapes	83	136	180	301	354
	Avocados	73	64	85	164	137
	Mangos	63	71	89	115	118
	Organic bananas	46	51	49	64	81
0127	Coffee	644	584	887	1,580	1,008
0128	Spices and medicinal and aromatic plants	154	120	121	160	142
	Of which:					
	Whole paprika	86	68	66	87	65
	Ground paprika	24	14	15	24	30
1030	Canned fruits and vegetables	564	472	554	690	683
1072	Sugar cane	26	39	68	51	38
	Others	84	84	78	94	128
	Fishing	2,048	1,952	2,266	2,830	2,801
0311	Fresh or frozen products	20	13	24	23	29
1020	Fishmeal and canned fish, and sea food	2,024	1,935	2,237	2,804	2,768
	Others	5	3	5	4	3
	Mining And Hydrocarbons	21,272	18,368	24,862	32,302	31,640
0610	Crude oil	588	353	505	577	582
0620	Natural gas	0	0	284	1,284	1,331
0710	Iron	381	298	523	1,023	856
0729	Non-ferrous minerals	7,867	6,470	9,729	12,136	12,201
0891	Phosphates, sulphates and other	11	10	70	254	446
1920	Oil refining products	2,089	1,562	2,239	2,801	3,009
2420	Primary products of precious metals and nonferrous metals	10,301	9,637	11,466	14,171	13,142
	Others	35	39	47	56	73
	Manufacturing	4,728	3,613	4,300	5,350	5,705
1040	Oils and fats of vegetable and animal origin	392	263	285	352	555
1050	Milk products	91	62	83	103	118
1061 - 1071 - 1074	Milling and Bakery	95	88	111	150	145
1073	Cocoa and chocolate and confectionery products	84	83	97	125	122
1079	Other foodstuffs	45	36	46	56	70
1080	Prepared animal food	62	63	79	104	124
1311 - 1430 - 2030	Textiles (yarn, tissues, garments and fibers)	1,822	1,340	1,380	1,713	1,757
1610	Wood	160	120	128	114	110
1709	Paper and cardboard items	82	75	75	89	107
1811	Brochures, books and other printed materials	79	62	59	74	86
2011	Basic chemicals	354	248	496	720	566
2012	Fertilizers	87	67	56	53	58
2013	Supplies of plastics and synthetic rubber	34	30	48	66	58
2023	Toiletries and cleaning products	108	97	109	129	194
2029	Others chemicals	52	49	53	65	79
2211	Tires and inner tubes	45	35	56	78	74
2220	Plastic products	275	221	296	390	450
2392	Building materials	51	49	71	80	81
2410 - 2431	Iron and steel industry	172	110	143	145	183
2432	Smelting of nonferrous metals	151	92	154	184	188
2710	Electric motors, generators, transformers and distribution equipment	16	19	37	24	28
2732	Other electric and electronic cables	26	24	15	23	31
2822 - 2824	Machinery and equipment	29	33	48	47	47
3211 - 3290	Miscellaneous articles	109	80	92	99	108
	Others	311	267	285	368	850
	Unclassified	601	570	711	968	1,308
	Total	30,828	26,588	34,824	45,322	44,884

1/ Only definitive exports are included.
Source: BCRP and SUNAT.

Traditional Exports

Reflecting mostly the lower prices of basic metals, fish meal, and coffee, in 2012 traditional exports amounted to US\$ 34.25 billion, a figure 4.4 percent lower than that recorded in 2011.

The volume of exports of traditional products was similar to the one registered in 2011 (up 0.2 percent) given that the increased exports of copper resulting from a higher production were mostly offset by lower exports of gold, by lower exports of coffee due to crop rotation, and by a lower extraction of crude oil.

TABLE 23						
EXPORTS						
(% change)						
	Volume			Price		
	2010	2011	2012	2010	2011	2012
Traditional exports	-1.5	5.2	0.2	36.8	22.9	-4.6
<i>Of which</i>						
Fish meal	-29.7	19.3	2.9	60.6	-8.0	-2.9
Coffee	16.3	27.8	-10.6	30.7	39.3	-28.6
Copper	0.6	0.3	9.2	48.6	20.4	-10.3
Gold	-9.2	1.1	-11.0	25.5	28.9	6.3
Zinc	-4.5	-23.1	-0.9	43.6	17.1	-11.8
Crude oil	-0.3	-13.9	-4.1	43.4	32.0	5.1
Derivatives	12.6	-7.5	6.5	30.3	33.8	0.6
Non-Traditional exports	15.3	20.2	9.0	6.9	10.4	0.3
<i>Of which</i>						
Agricultural exports	17.4	25.7	10.2	2.1	2.5	-1.9
Fisheries	-6.5	37.9	-1.6	32.6	17.1	-2.3
Textiles	2.5	3.1	-0.9	1.4	23.2	10.1
Chemicals	31.6	21.7	8.1	10.5	11.1	-8.8
Iron, steel, and jewelry	23.4	-1.4	17.3	31.9	24.4	-5.2
TOTAL	1.9	8.5	2.0	29.9	20.0	-3.3

Source: BCRP and SUNAT.

The value of fishing exports, which amounted to US\$ 2.29 billion, increased 9.2 percent compared to the previous year due mainly to the higher volume and price of fish oil. On the other hand, even though the quota for anchovy catch was reduced substantially, the value of exports of fishmeal remained at a similar level to that of the previous year.

Mining exports totaled US\$ 25.92 billion, a figure 5.3 percent lower than in 2011, reflecting both the lower contributions of basic metals in the international market and the lower volumes of exports of gold and tin. It is worth pointing out that the volume of exports of copper, our main export product, reached 1,372 thousand fine metric tons (FMT) recording an increase of 9.2 percent compared to the previous year (1,257 tons).



Our exports of crude and natural gas amounted to US\$ 4.96 billion, which represents an increase of 5.4 percent relative to the value of oil exported in 2011, as a result of higher volumes of exports of oil derivatives (6.5 percent) and of the higher price of exports of natural gas.

TABLE 24
TRADITIONAL EXPORTS

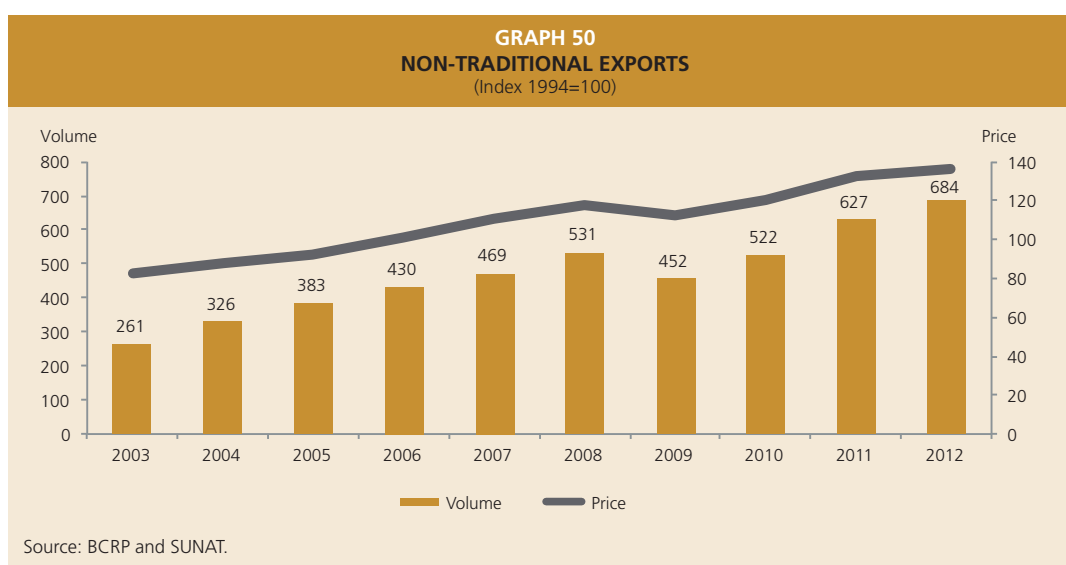
	Millions of US\$			% change		
	2010	2011	2012	2010	2011	2012
FISHING	1,884	2,099	2,292	11.9	11.4	9.2
Fishmeal	1,609	1,767	1,766	12.9	9.8	0.0
Fish oil	274	333	526	6.4	21.3	58.1
AGRICULTURAL PRODUCTS	975	1,672	1,075	53.2	71.6	-35.7
Of which:						
Cotton	1	8	4	-59.1	608.9	-45.2
Sugar	65	48	6	74.7	-26.5	-87.8
Coffee	888	1,581	1,009	52.0	78.0	-36.2
MINING	21,723	27,361	25,921	32.6	26.0	-5.3
Of which:						
Copper	8,870	10,711	10,483	49.5	20.8	-2.1
Iron	523	1,023	856	75.7	95.5	-16.3
Lead 1/	1,579	2,424	2,501	41.5	53.5	3.2
Zinc	1,691	1,522	1,331	37.1	-10.0	-12.6
Refined silver	118	219	209	-44.8	85.6	-4.6
Gold	7,756	10,104	9,558	14.0	30.3	-5.4
OIL AND NATURAL GAS	3,088	4,704	4,959	60.8	52.3	5.4
TOTAL	27,669	35,837	34,247	34.2	29.5	-4.4

1/ Includes silver content.
Source: BCRP and SUNAT.

Non-Traditional Exports

Exports of non-traditional products were 9.1 percent higher than in 2011 and amounted to US\$ 11.05 billion. The volume of non-traditional exports increased 9 percent due to the market diversification strategy followed in recent years through the signing of trade agreements. Free trade agreements that became effective in 2012 included the FTA with Mexico (February), the FTA with Japan (March), the FTA with Panama (May) and the FTA with Norway (July).

In the last ten years, exports of non-traditional products have grown by an annual 15.5 percent on average, mainly as a result of the higher volume exported (up 10.1 percent on average). The export's growth of agricultural products (17.3 percent), chemicals (13.1 percent), fishing products (10.4 percent), and textiles (2.6 percent) are worth highlighting.



The main market for our non-traditional products was the United States, with exports to that country amounting to US\$ 2.55 billion, followed by Venezuela and Colombia, with US\$ 1.17 billion and US\$ 758 million, respectively. However, by economic blocs, sales to the bloc of Andean countries, which amounted to US\$ 3.88 billion, were higher by US\$ 981 million than sales to North America.

The major products exported to the United States were t-shirts (US\$ 258 billion), fresh asparagus (US\$ 209 million), calcium phosphates (US\$ 161 million) and knit shirts (US\$ 117 million), while rods of copper (US\$ 259 million), t-shirts and polo shirts (US\$ 214 million), sulfuric acid (US\$ 115 million) and blouses for women and girls (US\$ 93 million) stand out in our sales to the Andean countries.

TABLE 25
NON-TRADITIONAL EXPORTS

	FOB Value: Millions of US\$			% change		
	2010	2011	2012	2010	2011	2012
Agricultural products	2,190	2,830	3,047	20.0	29.2	7.6
Fishing products	642	1,047	1,011	24.0	63.0	-3.5
Textiles	1,558	1,986	2,157	4.2	27.5	8.6
Wood and paper manufacturing	355	398	432	5.9	12.2	8.6
Chemicals	1,223	1,645	1,624	46.3	34.5	-1.3
Non-metallic minerals	251	487	716	69.6	94.2	46.9
Iron and steel, and jewelry	918	1,128	1,253	61.4	22.8	11.1
Metal mechanic products	394	464	532	7.7	17.8	14.7
Others 1/	110	145	275	18.1	31.8	89.6
TOTAL	7,641	10,130	11,047	23.5	32.6	9.1

1/ Includes furs, leather, and handcrafts, mainly.
Source: BCRP and SUNAT.



TABLE 26
MAIN DESTINATION: NON TRADITIONAL EXPORTS
(Millions of US\$)

	Year			% Change 2012/2011
	2010	2011	2012	
USA	1,939	2,342	2,549	8.8
Venezuela	487	893	1,166	30.6
Colombia	690	825	758	-8.1
Ecuador	492	616	730	18.6
Chile	429	595	695	16.7
Bolivia	365	428	529	23.4
Netherlands	339	431	455	5.5
Spain	390	485	431	-11.0
Brazil	256	353	408	15.5
China	254	331	327	-1.4
Mexico	143	218	243	11.2
Italy	126	188	220	16.9
France	195	232	182	-21.6
United Kingdom	144	169	175	3.1
Germany	151	178	167	-5.8
Others	1,243	1,845	2,013	9.1
Total	7,641	10,130	11,047	9.1
Memo:				
Andean countries 1/	2,463	3,356	3,877	15.5
North America	2,151	2,657	2,896	9.0
European Union	1,529	1,969	1,887	-4.1
Asia	601	862	956	10.9
Mercosur 2/	356	516	583	13.0

1/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.
2/ Brazil, Argentina, Uruguay, and Paraguay.
Source: SUNAT.

Sales of farming products amounted to US\$ 3.05 billion, exports of fresh grapes, asparagus and fresh avocados being particularly noteworthy. By economic blocs, the main destinations for our agricultural products were the European Union (prepared and fresh asparagus, fresh avocado, fresh grapes, fresh mangoes, organic bananas, canned artichokes, and cocoa beans), North America (fresh and prepared asparagus, fresh grapes, canned artichokes, paprika, fresh onions, fresh mangoes and other prepared vegetables), and the Andean countries (food for shrimp and prawns, noodles, milled white rice, and hatching eggs).

In the last ten years, our sales of agricultural products have grown at an average annual rate of 18.7 percent; in other words, the value exported in 2012 was approximately five times higher than in 2003. The values of exported cocoa beans, canned artichokes, fresh grapes, organic bananas, fresh tangerines, fresh avocados, and fresh and prepared asparagus, stand out among other products.

TABLE 27
MAIN NON-TRADITIONAL AGRICULTURAL PRODUCTS
(Millions of US\$)

Most popular products	2003	2012	Average % Change 2003-2012
Fresh grapes	23	354	34.1
Fresh asparagus	108	340	15.1
Asparagus prepared	82	141	5.1
Fresh avocados	16	137	39.6
Fresh mangoes	31	118	13.6
Paprika	22	112	19.2
Shrimp feed	14	112	25.6
Canned artichokes	7	112	48.7
Evaporated milk	18	105	26.1
Other vegetables prepared	21	97	23.9
Organic bananas	7	81	29.4
Cocoa beans	1	64	49.3
Fresh onions	11	53	15.3
Fresh mandarines	6	53	23.5
Subtotal	369	1,879	19.9
Total	624	3,047	18.7

Source: BCRP and SUNAT.

Reflecting higher sales of frozen squid and canned and frozen fish, exports of fishery products amounted to US\$ 1.01 billion. The main markets for these exports were United States (US\$ 179 million), China (US\$148 million), and Spain (US\$ 119 million). In the last ten years, fishing exports have grown at an annual average rate of 20.0 percent.

TABLE 28
MAIN NON-TRADITIONAL FISHING PRODUCTS
(Millions of US\$)

Most popular products	2003	2012	Average % Change 2003-2012
Frozen giant squid	63	236	20.8
Canned giant squid	8	165	44.3
Frozen fish	4	94	43.3
Frozen scallops	15	75	23.5
Frozen prawns tails	11	73	19.6
Frozen fillets	17	62	18.4
Fillets fish	5	35	19.0
Canned anchovies	2	31	43.1
Canned fish	3	26	26.5
Giant Squid meal	2	21	35.6
Whole frozen shrimps	5	20	21.9
Egg of fish	1	19	23.6
Subtotal	135	856	25.2
Total	205	1,011	20.0

Source: BCRP and SUNAT.



In 2012 textile exports totaled US\$ 2.16 billion, up 8.6 percent from the previous year. The volume of textile exports fell almost 1 percent, associated with lower sales in the European and North American markets.

TABLE 29
MAIN COUNTRIES OF DESTINATION OF TEXTILE PRODUCTS
 (Millions of US\$)

	Year			% Change 2012/2011
	2010	2011	2012	
Venezuela	210	401	698	74.0
United States	689	738	642	-13.0
Brazil	65	103	102	-0.7
Ecuador	53	81	98	21.9
Colombia	88	108	92	-14.1
Chile	61	76	79	4.4
Italy	49	73	58	-20.9
Bolivia	37	40	45	11.4
Argentina	29	52	41	-22.0
Germany	32	40	35	-11.4
Mexico	18	26	34	30.6
Canada	16	20	23	19.6
United Kingdom	31	31	21	-30.7
China	25	20	20	-3.1
Japan	13	18	18	0.0
Other	140	159	149	-6.3
Total	1,558	1,986	2,157	8.6
Nota:				
North America	724	783	700	-10.7
Andean Countries 1/	449	706	1,013	43.6
European Union	165	202	159	-21.0
Mercosur 2/	99	165	152	-7.5
Asia	73	69	72	4.1

1/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.

2/ Argentina, Brazil, Paraguay, and Uruguay.

Source: BCRP and SUNAT.

On the other hand, the value of exports of chemical products (US\$ 1.62 billion) was 1.3 percent lower than in 2011 due mainly to the lower prices of these products (down 8.8 percent). This was only in part offset by an increase in the volume of shipments of ethyl alcohol, sulfuric acid, flexible laminates, perfumes and eau de toilette, and polyethylene sheets. The main markets for these products in 2012 were Chile (US\$ 272 million), Colombia (US\$ 229 million) and Ecuador (US\$ 193 million).

TABLE 30
MAIN COUNTRIES OF DESTINATION OF CHEMICAL PRODUCTS
(Millions of US\$)

	Year			% Change 2012/2011
	2010	2011	2012	
Chile	122	207	272	31.1
Colombia	164	205	229	11.8
Ecuador	136	162	193	19.1
Bolivia	134	146	181	23.5
Venezuela	86	226	160	-29.1
Brazil	60	82	79	-3.7
USA	70	73	55	-25.0
Netherlands	31	35	50	42.5
Mexico	26	33	35	6.6
China	36	40	31	-22.7
Guatemala	21	27	30	8.7
Panama	18	19	28	43.6
Germany	48	49	25	-47.9
Argentina	22	27	19	-29.9
El Salvador	13	18	18	2.3
Other	237	294	219	-25.7
Total	1,223	1,645	1,624	-1.3
Memo:				
Andean Countries 1/	643	946	1,035	9.3
European Union	204	231	156	-32.2
Mercosur	85	115	103	-10.1
North America	98	108	93	-13.8
Asia	66	81	68	-16.6

1/ Bolivia, Chile, Colombia, Ecuador, and Venezuela.
2/ Argentina, Brazil, Paraguay, and Uruguay.

Export Diversification

The significant growth observed in the value of our exports in the last decade has been coupled by a greater diversification of our export products, especially of non-traditional exports.

The number of non-traditional products⁹ exported in 2012 was 4,463, while in 2011 this number was 4,429; in other words, 34 new products were exported in 2012. Moreover, the number of destination

⁹ Measured by the number of export items.



markets for our non-traditional exports increased from 170 countries in 2010 to 171 in 2012 and the number of exporting companies increased by 212 between 2011 and 2012.

Imports

The demand for imports continued to be driven by the process of economic growth experienced by the Peruvian economy. Thus, imports reached a level of US\$ 41.11 billion, which represents an expansion of 11.2 percent compared to the end of 2011.

TABLE 31
FOB IMPORTS BY USE OR DESTINATION

	FOB Value: Millions of US\$			% change		Average 2003-2012
	2010	2011	2012	2011	2012	
1. CONSUMER GOODS	5,489	6,692	8,247	21.9	23.2	16.7
Durable goods	2,809	3,465	4,089	23.4	18.0	14.8
Non-durable goods	2,680	3,226	4,159	20.4	28.9	19.1
2. INPUTS	14,023	18,255	19,256	30.2	5.5	17.8
Fuel, oils and related	4,063	5,737	5,879	41.2	2.5	19.7
Raw materials for agriculture	868	1,091	1,289	25.7	18.2	17.9
Raw materials for industry	9,093	11,428	12,088	25.7	5.8	17.0
3. CAPITAL GOODS	9,074	11,665	13,356	28.6	14.5	21.9
Construction materials	1,087	1,447	1,488	33.1	2.9	18.5
For agriculture	80	110	137	37.4	25.2	20.9
For industry	5,539	7,296	8,175	31.7	12.0	20.9
Transportation equipment	2,369	2,813	3,556	18.8	26.4	27.1
4. OTHERS GOODS 1/	229	355	253	54.6	-28.7	16.3
5. TOTAL IMPORTS	28,815	36,967	41,113	28.3	11.2	18.7
Memo:						
Main food products 2/	1,725	2,295	2,528	33.0	10.2	16.6
Wheat	368	535	516	45.4	-3.6	11.7
Maize and/or sorgum	372	563	507	51.4	-9.9	18.6
Rice	55	116	149	112.8	28.3	32.8
Sugar 3/	121	135	188	11.5	39.1	20.2
Soybean	81	96	167	19.6	72.9	-1.6
Dairy products	679	794	936	16.9	17.9	40.5
Meat	49	55	64	11.3	17.7	14.2

1/ Includes donations of goods, purchases of fuel and food by Peruvian ships, and repairs of capital goods in other countries, as well as other goods not considered by the classification used.

2/ Excludes food donations.

3/ Includes unrefined sugar, classified as inputs.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.

TABLE 32
IMPORTS
(% change)

	Volume			Price		
	2010	2011	2012	2010	2011	2012
CONSUMER GOODS	28.0	12.4	19.4	8.1	8.6	3.4
Durable goods	38.3	17.5	25.5	6.1	2.9	2.9
Non-durable goods	19.4	8.8	14.7	9.9	13.7	2.8
INPUTS	21.3	6.7	5.9	15.3	22.0	-0.4
Main food products	20.6	-2.5	3.7	0.0	36.4	-0.6
Crude oil and derivatives	10.0	2.3	0.9	30.7	37.9	2.3
Industrial inputs	27.8	10.6	9.6	11.1	12.6	-2.0
Of which:						
Plastics	28.6	4.5	9.3	22.8	16.4	-8.1
Iron and steel	62.7	-7.4	22.6	14.7	13.3	-10.4
Textiles	38.8	5.2	0.8	17.4	27.2	-4.1
Papers	16.2	9.4	10.4	2.8	7.1	-5.3
Chemicals	-1.1	35.4	-14.6	32.1	14.2	22.5
Organic chemicals	23.6	13.0	16.3	14.9	4.6	-5.0
CAPITAL GOODS	27.5	22.1	9.9	3.8	5.3	4.2
Building materials	22.1	26.7	-1.3	3.8	5.3	4.2
Rest 1/	28.2	21.5	11.5	3.8	5.3	4.2
Total	24.5	12.8	9.5	10.1	13.8	1.7

1/ Excludes building materials.
Source: BCRP and SUNAT.

The average price of imports in 2012 grew 1.7 percent compared to the previous year, whereas the average price of imports in 2011 grew 13.8 percent. This slower pace of growth is mainly explained by the fall in the prices of industrial inputs, as in the case of iron and steel (-10.4 percent), plastics (-8.1 percent), and textiles (-4.1 percent).

The most dynamic component of imports was consumer goods, both durable and non-durable, which showed two-digit growth rates for the third consecutive year. Imports of automobiles reached a new record level (US\$ 1.64 billion), particularly in the case of vehicles imported from Asia. It is worth mentioning that South Korea replaced Japan as the first supplier of automobiles in the country.

The positive evolution of private consumption also favored a greater demand for imports of television sets and other household appliances. Imports of television sets, especially from Mexico and South Korea,

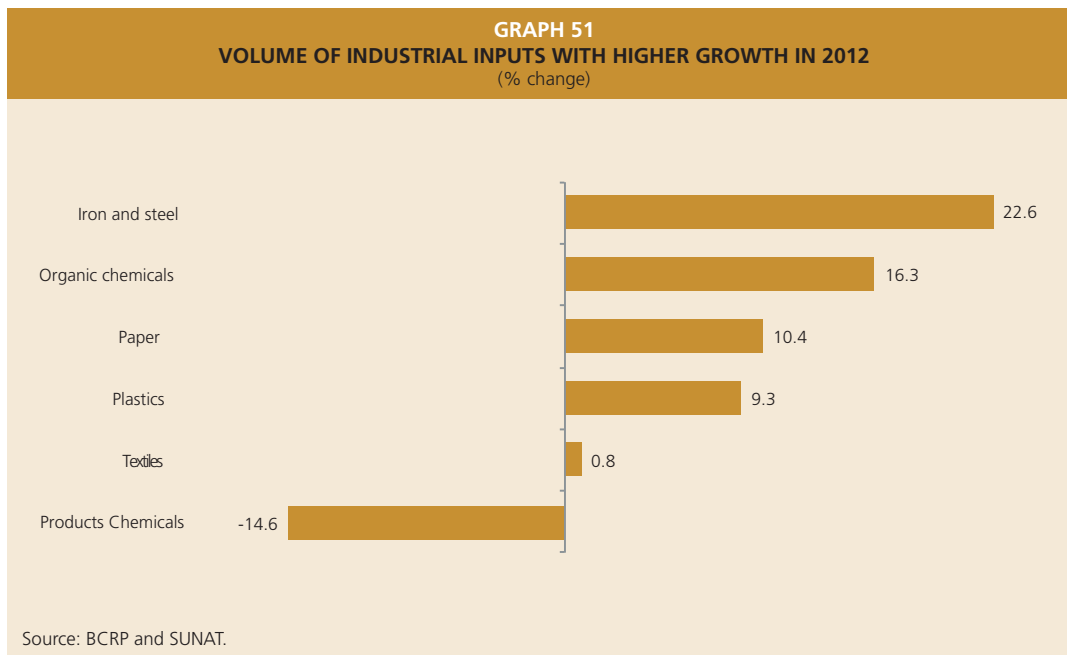


increased by 17.7 percent and amounted to US\$ 497 million.

Other products that showed a major expansion among imports of durable consumer goods were household appliances, furniture, and radios. On the other hand, imports of perfumes, cosmetics and footwear grew the most among non-durable consumer goods.

Moreover, accounting for about 50 percent of our total imports, the imports of inputs amounted to US\$ 19.26 billion. In terms of value, these imports grew 5.5 percent relative to 2011, which reflected the effect of the decline in the prices of industrial inputs and, to a lesser extent, the decline in food prices.

The imports of industrial inputs recorded an expansion of 9.6 percent in terms of volume due to increased imports of iron and steel given the high growth of the construction sector in the year. The increased purchases of iron and steel made by Aceros Arequipa (37 percent) and the higher imports of organic chemicals, papers and plastics are worth highlighting.



Imports of capital goods grew 14.5 percent during the year, the acquisitions of mining equipment (loaders, load shovels, dump trucks, valves, etc.), transportation equipment (trucks, buses and minibuses), and mobile phone equipment (which grew 21.8 percent in terms of the imported amount) were noteworthy in 2012.

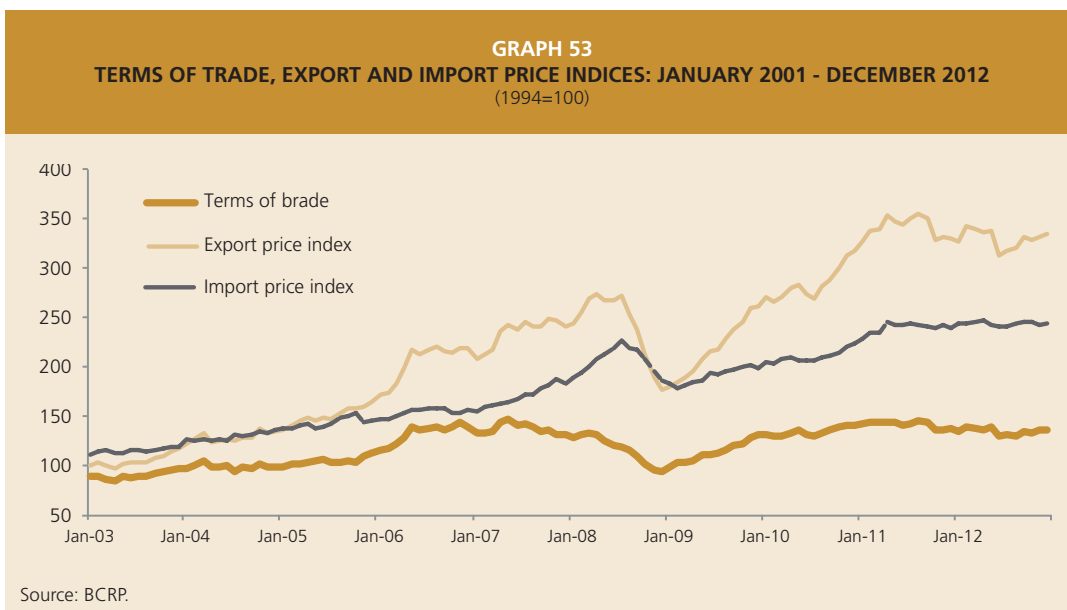
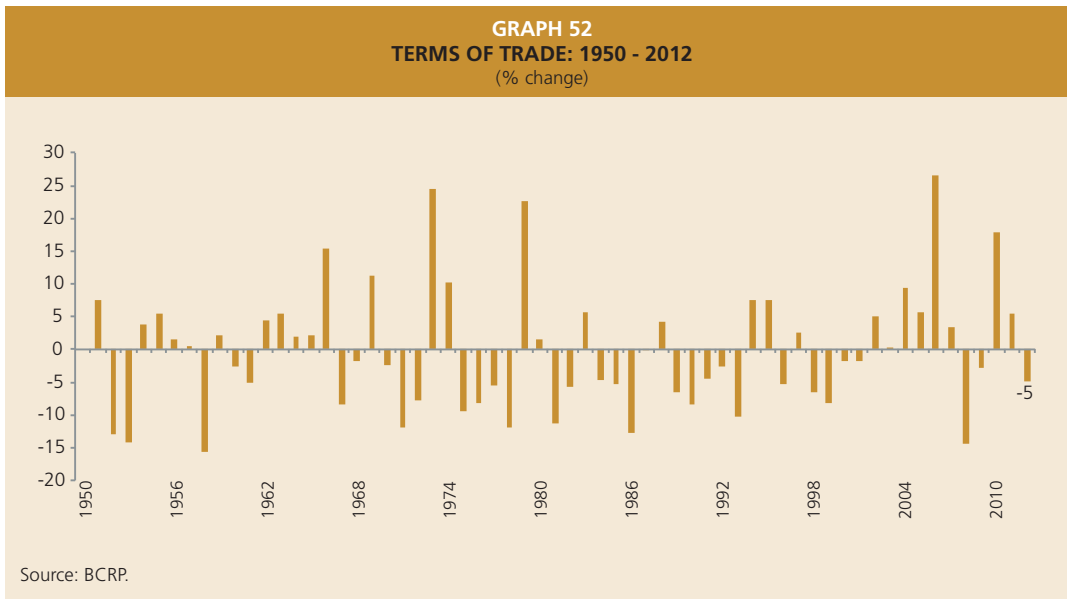
TABLE 33
IMPORTS OF CAPITAL GOODS BY ECONOMIC SECTORS

	FOB Value: Millions of US\$			% Change		
	2010	2011	2012	2011	2012	Average 2003-2012
Agriculture	44	39	55	-11.5	39.9	23.1
Fishing	14	11	13	-25.4	16.7	18.5
Hydrocarbons	514	427	359	-16.8	-16.1	5.8
Mining	809	1,160	1,576	43.4	35.8	25.6
Manufacturing	939	1,151	1,161	22.7	0.8	17.7
Construction	371	430	405	15.8	-5.9	27.6
Electricity	149	224	84	50.3	-62.7	11.6
Transportation	1,246	1,622	1,976	30.2	21.8	33.4
Telecommunications	547	711	726	30.0	2.0	16.4
Traders of Capital Goods	2,305	2,813	3,130	22.1	11.3	23.0
<i>IT Equipment</i>	496	539	650	8.6	20.6	18.6
<i>Machinery and diverse equipments</i>	597	588	696	-1.5	18.5	26.0
<i>Medicine and surgery instruments</i>	87	93	102	7.6	9.7	19.5
<i>Office equipments</i>	130	221	156	70.5	-29.2	21.2
<i>Financial services</i>	358	613	616	71.3	0.5	31.5
<i>Other traders</i>	638	759	909	19.1	19.7	21.7
Unclassified	2,135	3,076	3,839	44.1	24.8	22.3
Memo:						
<i>Mobile phones</i>	377	529	645	40.4	21.8	21.7
Total	9,074	11,665	13,356	28.6	14.5	21.9

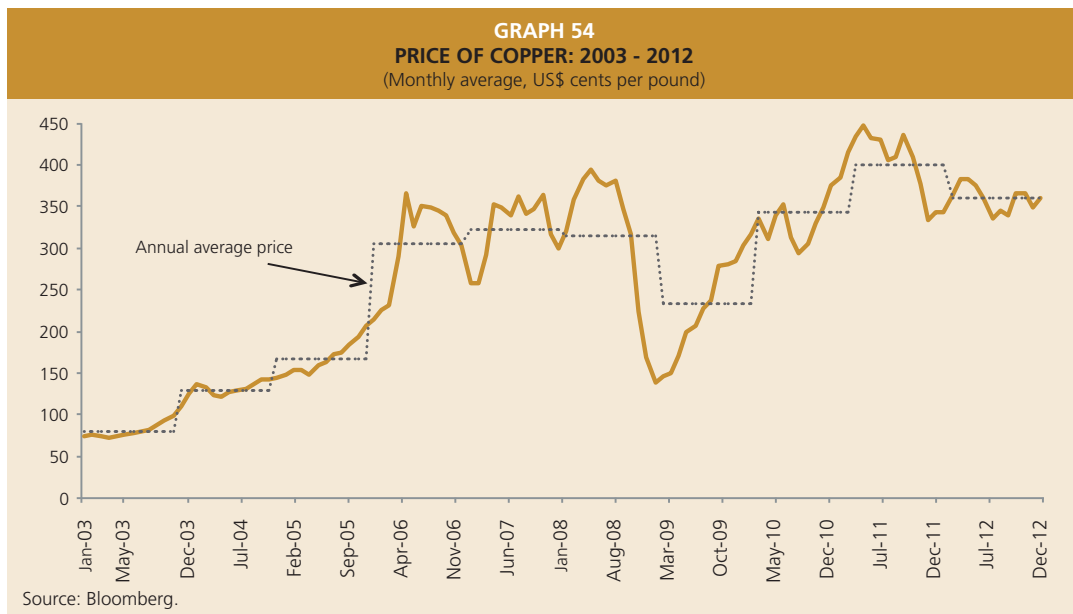
4.2 Terms of trade

During 2012, the terms of trade registered an average decline of 5 percent, reflecting a 3 percent decrease in export prices and a 2 percent increase in import prices.

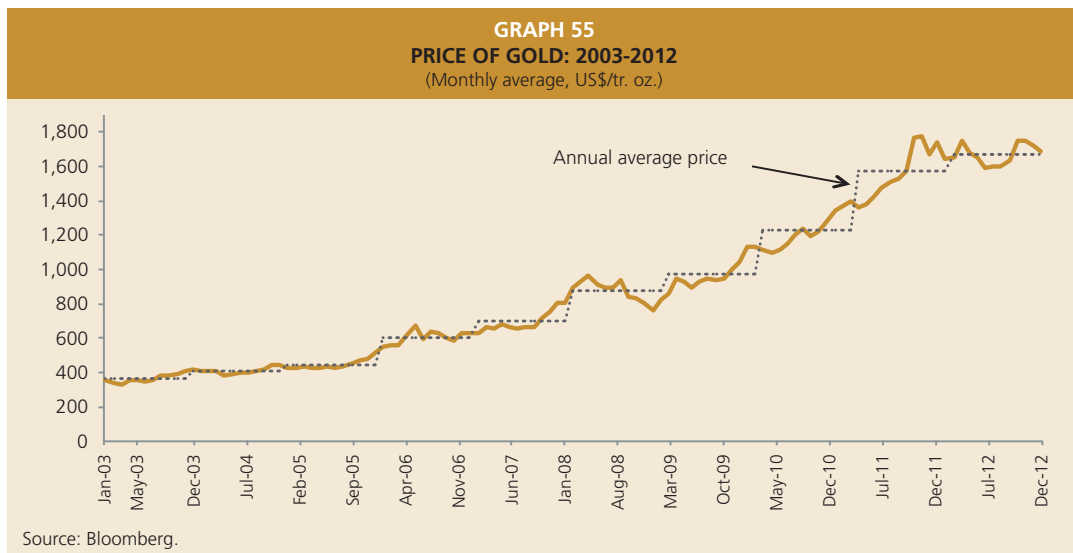
In general, commodity prices were affected by increasing tensions in international financial markets and by fears of lower global demand associated with the recession in the Eurozone and by the slowdown in China (the major consumer of commodities). The international prices of food products were driven by the drought that affected key agricultural areas of the United States.



In 2012 the average price of copper dropped 10 percent. Copper showed a volatile behavior during the year since after reaching a maximum of US\$ 3.84 per pound in the month of March, it fell to a minimum of US\$ 3.36 per pound in June. The first half of the year was characterized by the intensification of the European sovereign-debt risks, which in turn raised expectations of a recession in the Eurozone and of a slowdown in emerging economies, especially China. In the second half of the year, driven by the additional stimulus measures implemented by the Fed, the price of copper closed the year at US\$360 per pound. This behavior was in part offset by fears of a disorderly fiscal adjustment in the United States.



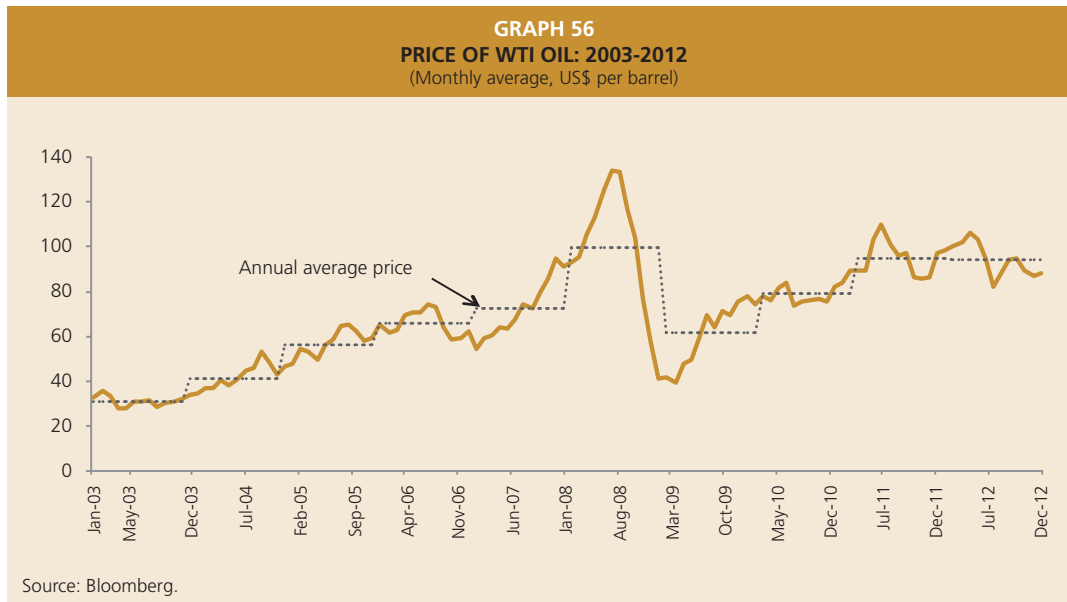
The average price of gold rose 6 percent and closed with an average level of US\$ 1,670 per ounce. The path of the gold price reflects a context of greater risk aversion in which gold was demanded by investors and countries as a hedge asset. Two additional impulses affected the price of gold during the year: the first was caused by the tensions between Iran and the West at the beginning of the year (fears of higher oil prices and inflationary pressures) and the second, by the Fed's third round of quantitative easing towards the last quarter of the year.



The price of oil recorded an average drop of 1 percent and registered an average price of US\$ 94 per barrel in 2012. This price drop was supported by the perception of a well supplied market due to an unexpected increase in the US oil production associated with the rise in the production of non-conventional fuels, which added onto the high production levels that the OPEC maintained throughout most of the year. In addition to this, the demand for crude was constrained by fears of a recession in the Eurozone and



by the economic slowdown in the emerging economies. The downward pressures were offset by fears generated by the embargo on Iran’s imports of oil (which came into force in July) and by the resurgence of violence and political instability in several Middle East countries.

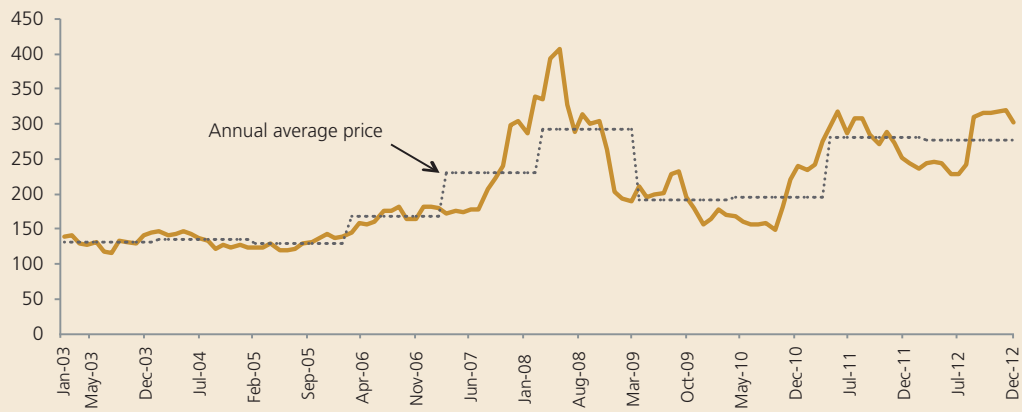


In the first semester, the international prices of food showed no significant variations, but since June and during the third quarter, most food commodities registered significant price increases due to expectations of lower global production associated mainly with unfavorable weather conditions in the United States given that this country experienced the most severe drought in over 50 years and that the drought affected the major agricultural areas of the country, reducing substantially the expected yields.

As regards grains, the annual average price of maize was US\$ 273 per ton, 4 percent higher than in 2011. The price of maize increased 30 percent between June and August, when it reached a historical peak of US\$ 319 per ton, correcting downwards thereafter in the fourth quarter due to a partial recovery of the global supply and to expectations of a greater harvest in South America.

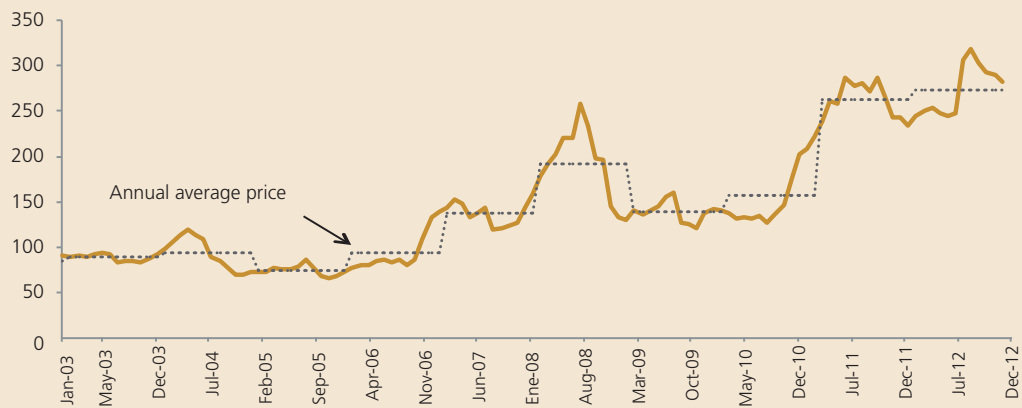
Even though the annual average price of wheat (US\$ 276 per ton) fell 2 percent, it increased 28 percent in terms of end of period (December 2012 - December 2011). The price of wheat increased since June following the trend of maize and continued to increase in Q3 due to fears that persistent drought conditions in the United States would affect winter wheat crops as well.

GRAPH 57
PRICE OF WHEAT: 2003-2012
 (Monthly average, US\$/Ton)



Source: Bloomberg.

GRAPH 58
PRICE OF MAIZE: 2003-2012
 (Monthly average, US\$/Ton)



Source: Bloomberg.

4.3 Services

The trade deficit in services amounted to US\$ 2.26 billion. Revenues reached US\$ 5.13 billion and increased by US\$ 766 million (18 percent) compared to the previous year, with the strong growth in insurance payments for damage and loss recovered from overseas markets standing out, while outflows amounted US\$ 7.39 billion and increased by US\$ 891 million (14 percent) due to higher payments to other countries for freight, business services, and travel.



**TABLE 34
SERVICES**

	Millions of US\$			% change	
	2010	2011	2012	2011	2012
I. TRANSPORTATION	- 1,599	- 1,521	- 1,630		
1. Credit	854	997	1,223	16.7	22.7
2. Debit	- 2,453	- 2,517	- 2,852	2.6	13.3
II. TRAVEL	740	1,008	1,168		
1. Credit	2,008	2,360	2,657	17.5	12.6
2. Debit	- 1,268	- 1,352	- 1,490	6.6	10.2
III. COMMUNICATIONS	- 78	- 47	- 74		
1. Credit	102	132	147	29.3	11.5
2. Debit	- 180	- 179	- 221	- 0.8	23.9
IV. INSURANCE AND REINSURANCE	- 325	- 359	- 366		
1. Credit	166	230	361	38.3	57.2
2. Debit	- 491	- 588	- 728	19.7	23.7
V. OTHERS 1/	- 1,083	- 1,214	- 1,355		
1. Credit	562	646	742	14.9	14.7
2. Debit	- 1,645	- 1,861	- 2,097	13.1	12.7
VI. TOTAL SERVICES	- 2,345	- 2,132	- 2,258		
1. Credit	3,693	4,364	5,130	18.2	17.5
2. Debit	- 6,038	- 6,497	- 7,388	7.6	13.7

1/ Includes government, financial, and information technology services, royalties, leasing of equipment, and business services.
Source: BCRP, SUNAT, Ministry of Trade Affairs and businesses.

The transport deficit amounted to US\$ 1.63 billion. Revenue reached US\$ 1.22 billion and increased by US\$ 226 million (23 percent) as a result of the higher costs of foreign ships in the country and to a lesser extent as a result of domestic airlines' increased sale of tickets abroad. On the other hand, expenses amounted US\$ 2.85 billion and increased by US\$ 335 million as a result of the higher costs paid by national airlines abroad (17 percent), as well as for the higher cost of freight (13 percent) and sales of international tickets (12 percent).

The surplus associated with travel amounted to US\$ 1.17 billion. Revenues was US\$ 2.66 billion and increased by 13 percent due to the greater number of visitors who came to the country (9 percent), mainly through international airport Jorge Chávez (11 percent) and to the higher average spending of visitors (3 percent), while expenses reached US\$ 1.49 billion and increased by 10 percent due mainly to the greater number of Peruvians who visited other countries (6 percent) and to their higher average spending (2 percent).

The heading other services closed the year with a deficit of US\$ 1.35 billion. On the revenue side (US\$ 742 million), an increase of 15 percent was observed mainly in royalties and licenses, as well as in personal, cultural and recreational services and, to a lesser extent, in other business services. On the other hand, expenses (US\$ 2.10 billion) increased by 13 percent as a result of higher payments made for financial services and other business services.

TABLE 35
OTHER SERVICES

	Millions of US\$			% change		
	2010	2011	2012	2010	2011	2012
Balance of Other Services	-1,083	-1,214	-1,355	23.4	12.1	11.6
Revenue	562	646	742	12.1	14.9	14.7
Government Services	140	143	146	2.7	2.0	1.8
Others services	422	503	596	15.7	19.2	18.4
Other Business Services 1/	333	399	469	13.6	19.7	17.6
Financial Services	59	67	59	22.5	15.1	-11.7
Computer and Information Services	23	26	46	27.8	11.1	76.6
Personal, Cultural, and Recreational Services	4	5	10	14.2	36.8	89.4
Royalties and License Rights	3	5	12	39.6	76.0	114.5
Expenditures	1,645	1,861	2,097	19.3	13.1	12.7
Government Services	150	153	157	2.7	2.0	2.5
Other services	1,495	1,708	1,940	21.3	14.2	13.6
Other Business Services 1/	978	1,108	1,378	23.8	13.3	24.4
Computer and Information Services	208	196	180	36.1	-5.6	-8.3
Royalties and License Rights	197	216	229	29.1	9.7	6.3
Construction Services	56	115	42	15.3	104.6	-63.3
Financial Services	37	52	86	-47.7	39.5	64.6
Personal Services, Cultural and Recreational	19	21	24	7.1	9.9	13.6

1/ Includes mainly sale-purchase services, commissions, leasing of ships and unmanned aircraft and business, professional and various (legal, accounting, management consulting and public relations; advertising, research of public opinion polls markets; research and development and engineering, among others).

Source: BCRP and Ministry of Trade Affairs.

4.4 Current Transfers

Current transfers, whose most important component is remittances from Peruvians residing abroad (85 percent), amounted to US\$ 3.30 billion in 2012. Moreover, remittances were 3.4 percent higher than in 2011 and amounted to US\$ 2.79 billion.

However, the growth rate of remittances was 3 points lower than that recorded in 2011 due to uncertainty about the recovery of the U.S. economy and the Eurozone crisis. Thus, in 2012 United States and Spain channeled 47.9 percent of total remittances to the country, while in 2011 they accounted for 49.4 percent of total remittances. This generated a 0.1 percent reduction in the share of remittances in GDP terms to a ratio of 1.4 percent of GDP, which is a similar ratio to the one registered in 2003 and also one of the lowest ratios registered over the past ten years.

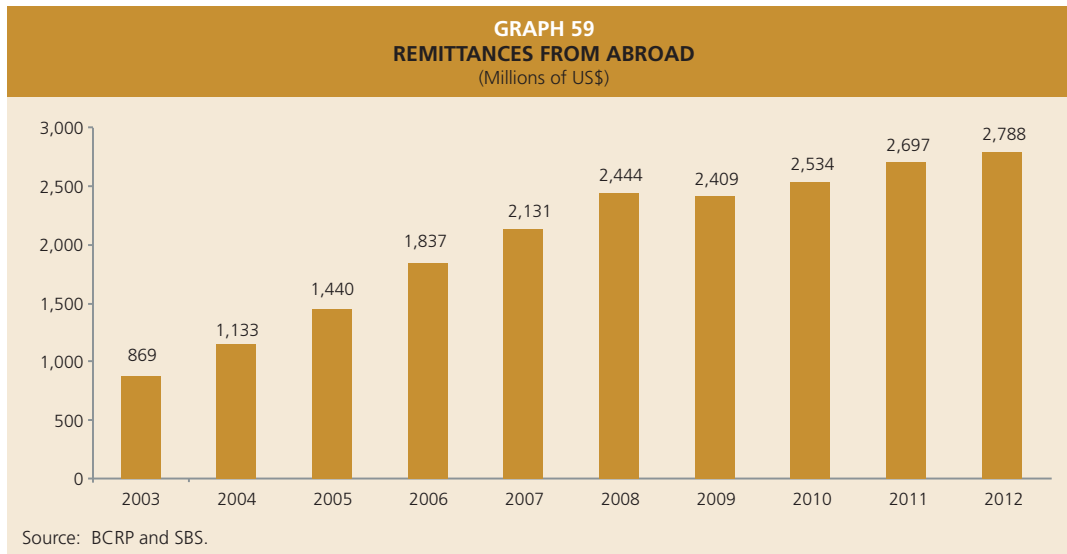


TABLE 36
REMITTANCES FROM ABROAD

Year	Millions of US\$	% change	% of GDP
2003	,869	23.1	1.4
2004	1,133	30.4	1.6
2005	1,440	27.1	1.8
2006	1,837	27.6	2.0
2007	2,131	16.0	2.0
2008	2,444	14.7	1.9
2009	2,409	-1.4	1.9
2010	2,534	5.2	1.6
2011	2,697	6.4	1.5
2012	2,788	3.4	1.4

Source: BCRP and SBS.

Like in 2011, the United States continued to be the main country of origin of remittances (they grew 5 percent). A totally different situation was observed in remittances from Spain: the high levels of unemployment in this country have affected the remittances from Peruvian migrants and generated a 9.6 percent reduction in 2012. Despite this, Spain is still the second source of these transfers.

In terms of total remittances, remittances from Japan increased their share from 9.2 percent in 2011 to 9.3 percent in 2012. This slight increase is explained by the fact that the remittances from this country grew only 4.2 percent, 7 points less than in 2011.

A different situation was observed in South America, whose share in terms of total remittances increased for the eighth consecutive year, rising from 14.6 percent in 2011 to 16.5 percent in 2012 as a result of a 17.4 percent increase in these fund transfers. Countries such as Argentina and Chile, which have significantly large Peruvian “colonies” and accounted for 11.5 percent of total remittances in 2011, increased their share in total remittances to 12.8 percent in 2012.

TABLE 37
REMITTANCES BY COUNTRIES
(% share)

	2010	2011	2012
United States	34.5	33.5	34.0
Spain	16.6	15.9	13.9
Japan	8.8	9.2	9.3
Italy	8.8	8.2	7.6
Chile	5.1	6.0	7.0
Argentina	4.8	5.5	5.8
Other countries 1/	21.5	21.7	22.5
Total	100.0	100.0	100.0

1/ Includes estimated remittances not classified by country (informal channels).
Source: BCRP and SBS.

The main source used to transfer these funds continued to be banks, which intermediated 46.4 percent of total remittances even though their share declined by nearly 1 point. On the other hand, the share of money transfer companies (ETFs) and other media was 41.6 percent.

TABLE 38
REMITTANCES FROM ABROAD BY SOURCE
(% share)

	2010	2011	2012
Banks	46.0	47.2	46.4
FTCs - Other channels 1/	42.0	40.6	41.6
Informal channels	12.0	12.2	12.0
Total	100.0	100.0	100.0

1/ Fund transfer companies (FTCs) and other means.
Source: BCRP and SBS.



The average remittance amount was US\$ 302 per transfer, 5.7 percent higher than in 2011. The average remittances that increased the most were the ones transferred from Argentina (16.4 percent), Chile (9.3 percent), Spain (8.6 percent) and the United States (5.8 percent). As regards the number of transfers made, a strong decline was observed in transactions from Spain (-16.8 percent) and Argentina (-6.4 percent).

TABLE 39
AVERAGE REMITTANCES BY COUNTRIES 1/
(Average per delivery in US\$)

	2010	2011	2012
United States	229	241	255
Spain	339	364	395
Japan	596	624	610
Italy	310	314	314
Chile	191	205	224
Argentina	172	195	227
Other countries 1/	345	357	388
Average remittance	271	285	302

1/ Excludes estimated remittances not classified by country (informal channels).
Source: BCRP and SBS.

4.5 Factor Income

The income earned by production factors showed a deficit of US\$ 12.70 billion, a balance lower by US\$ 1.01 billion than the one recorded the previous year. The private sector deficit amounted to US\$ 11.98 billion. Furthermore, the private sector revenue, which amounted to US\$ 409 million, consisted of interests on deposits and financial and non-financial investment yields, while the outflows, which totaled US\$ 12.39 billion, are mainly explained by the profits generated by companies with foreign shareholding. It should be pointed out, however, that these profits were lower by US\$ 1.12 billion than in 2011 due to the lower balances recorded in the mining, industrial, and oil sectors.

The public sector deficit, which amounted to US\$ 721 million, was US\$ 184 million higher than the 2011 deficit due to the higher outflows for interests on bonds.

TABLE 40
FACTOR INCOME

	Millions of US\$			% change	
	2010	2011	2012	2011	2012
I. REVENUE	1,148	1,111	1,180	-3.2	6.2
1. Private	281	339	409	20.6	20.4
2. Public	867	772	771	-11.0	-0.1
II. EXPENDITURE	12,361	14,821	13,881	19.9	-6.3
1. Private	11,264	13,512	12,389	20.0	-8.3
Profits 1/	10,714	12,866	11,743	20.1	-8.7
Interests	549	647	646	17.7	-0.1
· Long-term loans	367	456	424	24.5	-7.1
· Bonds	58	54	110	-8.1	105.4
· Short-term loans 2/	125	137	112	9.6	-18.3
2. Government	1,097	1,309	1,492	19.3	14.0
Interests on long term loans	337	289	286	-14.3	-1.1
Interests on bonds	757	1,019	1,206	34.7	18.3
Interests on BCRP securities 3/	3	0	0	-82.6	-88.5
III. BALANCE (I-II)	-11,212	-13,710	-12,701	22.3	-7.4
1. Private	-10,982	-13,173	-11,980	19.9	-9.1
2. Public	-230	-537	-721	133.7	34.3

1/ Profits or losses accrued in the period. Includes profits and dividends sent abroad plus undistributed profits.
2/ Includes interests of non-financial public enterprises.
3/ Includes interests of short-term and long-term loans.
Source: BCRP, MEF, Cofide, ONP and businesses.

4.6 Financial Account

In 2012 the private sector financial account registered a balance of US\$ 16.23 billion, which represents an increase of US\$ 6.18 billion relative to 2011 as a result of increased foreign direct investment (FDI) in the country, as well as of increased long-term loans associated with the process of expansion of investment in the country.

The flow of liabilities in 2012 amounted to US\$ 18.71 billion, FDI accounting for 65 percent of this total, mainly in the form of reinvested profits. The sectors with higher rates of reinvestments were the sectors of mining, hydrocarbons, and services. On the other hand, net external loans (US\$ 4.12 billion), of which 51 percent concentrated in the financial sector, also increased compared to the previous year. In contrast with 2011, in 2012 non-residents purchased securities for a total of US\$ 2.39 billion.



TABLE 41
PRIVATE SECTOR FINANCIAL ACCOUNT

	Millions of US\$			% change	
	2010	2011	2012	2011	2012
1. ASSETS	-1,375	-1,298	-2,477	-5.6	90.8
Direct investment abroad	-266	-113	57	-57.4	-150.7
Portfolio investment abroad 1/	-1,109	-1,185	-2,534	6.8	113.9
2. LIABILITIES	12,771	11,351	18,712	-11.1	64.8
Foreign direct investment	8,455	8,233	12,240	-2.6	48.7
a. Reinvestment	5,317	5,671	8,263	6.7	45.7
b. Capital inflows and other transactions	2,445	276	4,637	-88.7	1,577.1
c. Net loans to parent companies	693	2,285	-659	229.9	-128.9
Portfolio foreign investment	378	218	2,357	-42.3	981.6
a. Capital participation 2/	87	147	-32	70.0	-121.5
b. Other liabilities 3/	291	71	2,389	-75.7	3,273.8
Long-term loans	3,939	2,901	4,115	-26.4	41.9
a. Disbursements	5,254	3,998	6,259	-23.9	56.5
b. Amortization	-1,315	-1,098	-2,144	-16.5	95.3
3. TOTAL	11,396	10,053	16,236	-11.8	61.5
Memo:					
Net foreign direct investment	8,189	8,119	12,297	-0.8	51.5

1/ Includes mainly shares and other assets of the financial and non-financial sectors. The negative sign indicates an increase of assets.
2/ Includes non-residents' net purchases of shares listed at Cavali S.A. and traded at the Lima Stock Exchange (LSE), as well as, placements of American Depositary Receipts (ADRs).
3/ Includes bonds, credit notes and securitizations in net terms (issuance minus redemption).
Source: BCRP, Cavali S.A. ICLV, Proinversion, and businesses.

It is worth pointing out that bonds issued in international markets by non-financial private companies amounted to US\$ 1.66 billion, which is the highest amount recorded for bonds placements by non-financial enterprises. Thus, considering the resident issuers of all the sectors, excluding the government, foreign investors' demand for Peruvian securities was largely higher than the bond amount issued, which shows, on the one hand, the excess of liquidity in international markets and, on the other hand, investors' perception of a low country risk. The private sector has extended the term of its debt and reduced the cost of bond placements (rate of return) through these bond issuances.

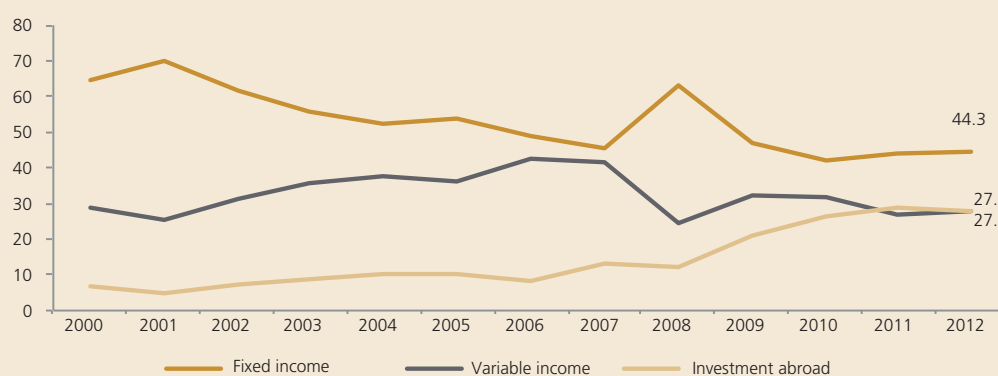
TABLE 42
BONDS ISSUED BY NON-FINANCIAL FIRMS IN THE EXTERNAL MARKET 1/
 (Millions of US\$)

		Amount (Millions of US\$)	Maturity (Years)	Yields	Demand (Millions of US\$)
I. Total Year 2011		320			
November 25	Lindley	320	10	6.750%	2,000
II. Total Year 2012		1,660			
January 26	Volcan	600	10	5.375%	4,809
February 2	Camposol	125	5	9.875%	300
April 12	Terminales Portuarios Euroandinos - Paita	110	25	8.125%	-
July 24	CFG Investments SAC	300	7	9.750%	-
July 26	Coazúcar (Grupo Gloria)	325	10	6.375%	4,074
September 21	Maestro Perú	200	7	6.750%	200

1/ The financial account of the private sector excludes the bonds issued abroad by branches of (banks and non-banks) resident companies.
 Source: SMV.

As regards external assets, they increased by US\$ 2.48 billion in 2012 (US\$ 1.18 billion more than in the previous year). This increased flow of investment abroad is explained mostly by the higher purchases of foreign assets made by the administrators of private pension funds (AFPs). The limit for AFPs' investment abroad at December 2012 is 30 percent.

GRAPH 60
AFP: INVESTMENT
 (%)



Source: SBS, banks, and companies.



Public Sector Financial Account

In 2012 the government obtained net external financing for a total of US\$ 1.67 billion, a figure US\$ 819 million higher than in the previous year. The main operations accounting for this flow include non-residents' acquisition of sovereign bonds (US\$ 2.15 billion) and the issuance of global bonds (US\$ 500 million) and Cofide bonds (US\$ 500 million). The issuances of global bonds were used in part to pay off 2012 global bonds (US\$ 312 million).

TABLE 43
PUBLIC SECTOR FINANCIAL ACCOUNT 1/

	Millions of US\$			% change	
	2010	2011	2012	2011	2012
1. DISBURSEMENTS	4,261	990	1,448	-3,271	458
Investment projects	722	679	333	-43	-346
Central government	509	616	317	107	-299
Public enterprises	213	63	16	-150	-47
- Non-financial	0	0	16	0	16
- Financial	213	63	0	-150	-63
Unrestricted loans	875	311	115	-564	-196
Global bonds 2/	2,664	0	1,000	-2,664	1,000
2. AMORTIZATION	- 5,268	- 868	- 1,215	4,400	-347
3. NET EXTERNAL ASSETS	- 37	- 273	- 457	-236	-184
4. OTHER OPERATIONS WITH DEBT SECURITIES (a-b)	3,513	998	1,890	-2,515	892
a. Securities in the domestic market purchased by non residents	2,905	546	2,149	-2,359	1,603
b. Securities in the foreign market purchased by residents	- 608	- 452	258	156	710
5. TOTAL	2,468	848	1,667	-1,620	819

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Includes US\$ 500 millions issued by Cofide.

Source: BCRP, MEF, Cofide, and FCR.

Short-Term Capital Flows

The net flow of short-term capital showed a reversal from an outflow of US\$ 1.31 billion in 2011 to a positive flow of US\$ 2.23 billion in 2012. This capital inflow resulted in a balance equivalent to 4.3 percent of GDP, of which 2.0 percent was banking debt.

TABLE 44
SHORT-TERM CAPITAL FINANCIAL ACCOUNT

	Millions of US\$		
	2010	2011	2012
1. BANKS	855	-805	2,016
Assets 1/	-194	-140	-64
Liabilities 2/	1,049	-664	2,080
2. BCRP 3/	-80	0	0
3. BANCO DE LA NACION	-11	-4	-51
Assets 1/	-11	-4	-51
Liabilities 2/	0	0	0
4. NON-BANK FINANCIAL	42	51	11
Assets 1/	3	-1	-27
Liabilities 2/	39	52	38
5. NON-FINANCIAL SECTOR 4/	-1,063	-549	253
Assets 1/	-1,642	-1,174	179
Liabilities 2/	579	625	74
6. TOTAL SHORT-TERM CAPITAL	-258	-1,307	2,228
Assets 1/	-1,844	-1,319	36
Liabilities 2/	1,587	12	2,192

1/ The negative sign indicates an increase of assets.

2/ A positive sign indicates an increase of liabilities.

3/ Obligations in national currency to non residents for Certificates of Deposit issued by the Central Bank.

4/ Net flow of assets with other countries. The negative sign indicates an increase in net assets.

Source: BCRP, Bank for International Settlements (BIS) and businesses.

International Investment Position

The international assets at December 2012 amounted to US\$ 100.05 billion, a figure 25 percent higher than at end 2011. The BCRP international reserves, which increased by US\$ 15.19 billion during 2012, represent 32 percent of GDP. This amount covers 5.8 times short term external liabilities (which includes the amortization of medium and long term loans to one year and 93 percent of the total obligations of private banks).



On the side of liabilities, the increase in the balance of FDI stands out, especially due to the increased reinvestment of foreign companies in Peru and the higher balance of medium- and long-term private debt.

TABLE 45
NET INTERNATIONAL INVESTMENT POSITION
(End of period levels)

	Millions of US\$			% of GDP	
	2010	2011	2012	2011	2012
I. ASSETS	72,104	79,787	100,052	45.2	50.1
1. BCRP reserve assets	44,150	48,859	64,049	27.7	32.1
2. Assets of financial sector (excluding BCRP)	16,606	18,479	22,775	10.5	11.4
3. Others assets	11,347	12,450	13,227	7.0	6.6
II. LIABILITIES	114,910	125,094	146,107	70.8	73.4
1. Bonds and total private and public external debt 1/	43,674	47,977	58,830	27.2	29.5
a. Medium and long term debt	37,359	41,652	50,298	23.6	25.2
Private sector 2/	14,424	17,420	23,978	9.9	12.0
Public sector (i - ii + iii) 3/	22,934	24,232	26,320	13.7	13.2
i. External public debt	19,905	20,204	20,402	11.4	10.2
ii. Public debt issued abroad purchased by residents	1,283	831	1,089	0.5	0.5
iii. Public debt issued locally purchased by non-residents	4,313	4,859	7,008	2.8	3.5
b. Short-term debt	6,315	6,325	8,532	3.6	4.3
Financial sector (excluding BCRP)	2,514	1,901	4,019	1.1	2.0
BCRP	45	43	57	0.0	0.0
Others 4/	3,756	4,381	4,456	2.5	2.2
2. Direct investment	42,976	51,208	63,448	29.0	31.8
3. Capital participation	28,260	25,908	24,149	14.7	12.1

1/ External public debt includes the debt of the Central Government and public enterprises. The latter now represents less than 5 percent of total. The external debt is mostly medium and long term debt (99 percent).

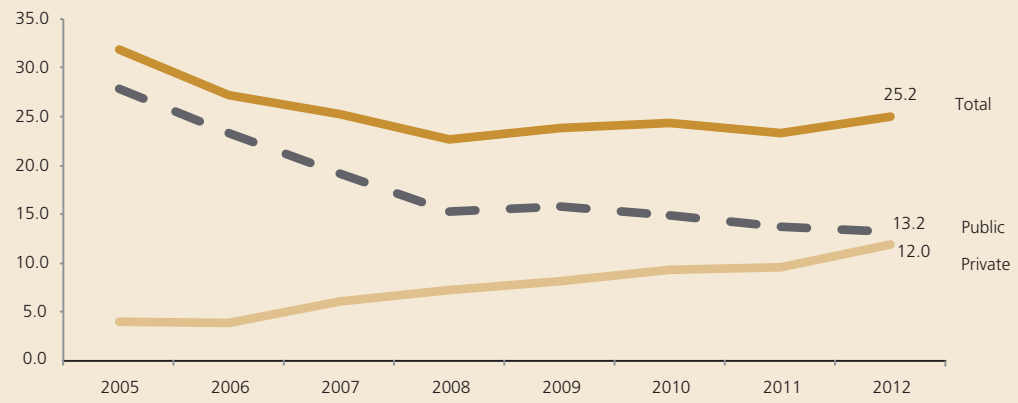
2/ Includes bonds.

3/ Since these publication government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

4/ Includes mainly short term debt of the non-financial private sector.

Source: BCRP, MEF, Cavali SA ICLV, Proinversión, and BIS.

GRAPH 61
MEDIUM- AND LONG-TERM EXTERNAL DEBT
(% of GDP)



Fuente: BCRP, SBS, and banks.

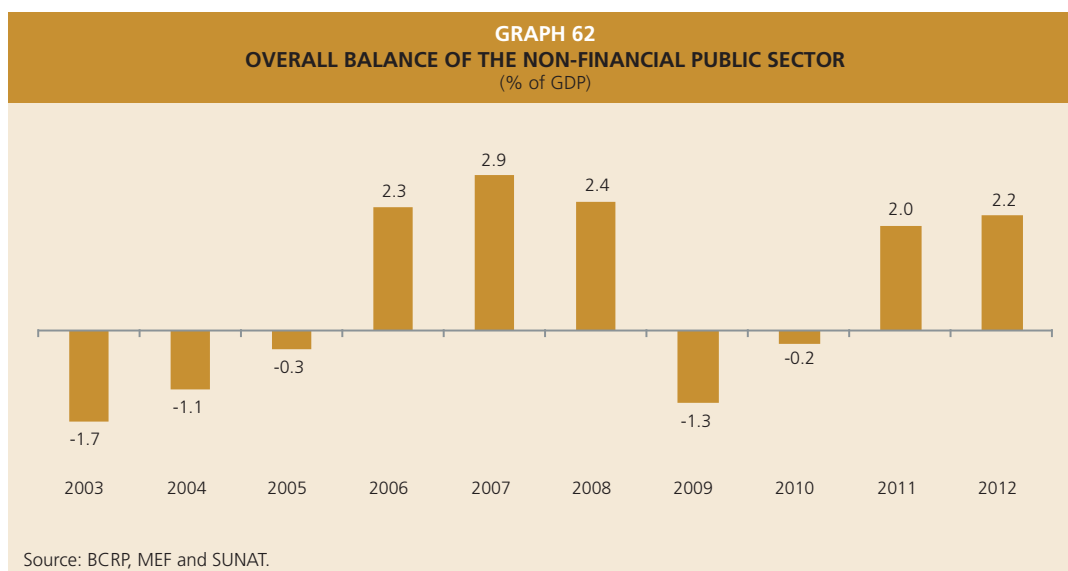


Hall of the Tribunal of Accounts.



Public Finances

In 2012, the non-financial public sector (NFPS) maintained a countercyclical position and recorded an economic surplus of 2.2 percent of GDP, a higher balance than in 2011 (2.0 percent of GDP). The operations of the NFPS in the two last years have been favored by the recovery of the level of economic activity, the dynamism of domestic demand, the high prices of export minerals which have had a positive impact on tax revenues, and the moderation of growth in non-financial expenditure.



Showing lower growth rates than in 2010 and 2011 (20.6 and 13.3 percent, respectively), the tax revenue of the general government increased by 7.5 percent in real terms due mainly to the moderation of GDP growth and the reduction of the prices of the main export minerals.

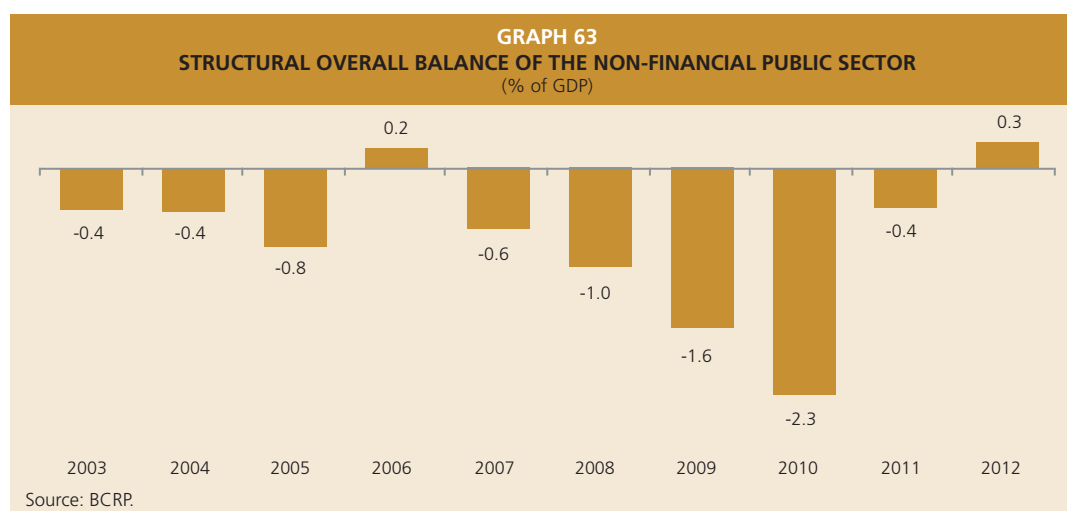


TABLE 46
OVERALL BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR

	Millions of nuevos soles			% of GDP		
	2010	2011	2012	2010	2011	2012
I. Primary Balance	4,168	15,116	16,879	1.0	3.1	3.2
1. Of the General Government	4,757	14,869	15,750	1.1	3.1	3.0
a. Current revenue	87,148	102,134	113,528	20.1	21.0	21.6
i. Tax revenue	65,961	77,261	86,097	15.2	15.9	16.4
ii. Non-tax revenue	21,187	24,873	27,431	4.9	5.1	5.2
b. Non-financial expenditure	83,172	87,574	98,045	19.1	18.0	18.6
i. Current	57,104	63,197	68,999	13.1	13.0	13.1
ii. Capital	26,068	24,377	29,046	6.0	5.0	5.5
c. Capital revenue	782	310	267	0.2	0.1	0.1
2. Of Public Enterprises	- 590	247	1,129	-0.1	0.1	0.2
II. Interests	5,083	5,541	5,568	1.2	1.1	1.1
1. External debt	2,927	2,655	2,755	0.7	0.5	0.5
2. Domestic debt	2,156	2,886	2,813	0.5	0.6	0.5
III. Overall Balance (I-II)	- 916	9,575	11,310	-0.2	2.0	2.2
1. Net external financing	-2,077	748	-1,388	-0.5	0.2	-0.3
(Millions of US\$)	-\$ 728	\$ 277	-\$ 531	-0.5	0.2	-0.3
a. Disbursements	\$ 4,261	\$ 990	\$ 948	2.8	0.6	0.5
b. Amortization	\$ 5,184	\$ 831	\$ 1,175	3.4	0.5	0.6
c. Others	\$ 195	\$ 118	-\$ 304	0.1	0.1	-0.2
2. Net domestic financing	2,574	-10,458	-9,948	0.6	-2.2	-1.9
3. Privatization	419	135	26	0.1	0.0	0.0

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, local governments state enterprises and public institutions.

The structural economic balance, indicator obtained isolating the effects of the economic cycle and of fluctuations in the prices of mining and hydrocarbons exports on the economic result, showed a positive balance of 0.3 percent of GDP in 2012.



The fiscal surplus exceeded the resources required for the amortization of the public debt (S/. 4.34 billion). Furthermore, given that the external disbursements received amounted to S/. 2.52 billion, that sovereign bonds were issued for a total of S/. 3.03 billion, and that revenue from privatization processes amounted to S/. 26 million, the balance was a surplus equivalent to S/. 12.55 billion, which was mainly used to increase public sector deposits.

TABLE 47
FINANCING OF THE NON-FINANCIAL PUBLIC SECTOR

	Millions of nuevos soles			% of GDP		
	2010	2011	2012	2010	2011	2012
1. Overall balance	-916	9,575	11,310	-0.2	2.0	2.2
2. Amortization	-17,721	-3,634	-4,342	-4.1	-0.7	-0.8
Redemption of recognition bonds	-742	-530	-509	-0.2	-0.1	-0.1
Domestic debt	-2,313	-813	-729	-0.5	-0.2	-0.1
External debt	-14,667	-2,291	-3,105	-3.4	-0.5	-0.6
3. Financial requirements	18,637	-5,941	-6,968	4.3	-1.2	-1.3
External disbursements	12,039	2,717	2,520	2.8	0.6	0.5
Freely disposable funds	10,001	851	1,644	2.3	0.2	0.3
Investment projects	2,038	1,866	875	0.5	0.4	0.2
Domestic bonds	9,765	1,266	3,033	2.2	0.3	0.6
Privatization	419	135	26	0.1	0.0	0.0
Others	-3,586	-10,060	-12,546	-0.8	-2.1	-2.4

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, local governments, state enterprises, and public institutions.

1. Revenue of the General Government

The current revenue of the general government which amounted to 21.6 percent of GDP was 0.6 percentage points of GDP higher than in 2011, which represents a real growth of 7.2 percent. Despite the decline in the prices of our exports, this increase in revenue was observed both in the tax and non-tax revenues of the Government reflecting the performance of the country's economic activity.



TABLE 48
FISCAL REVENUE RATIOS
(% of GDP)

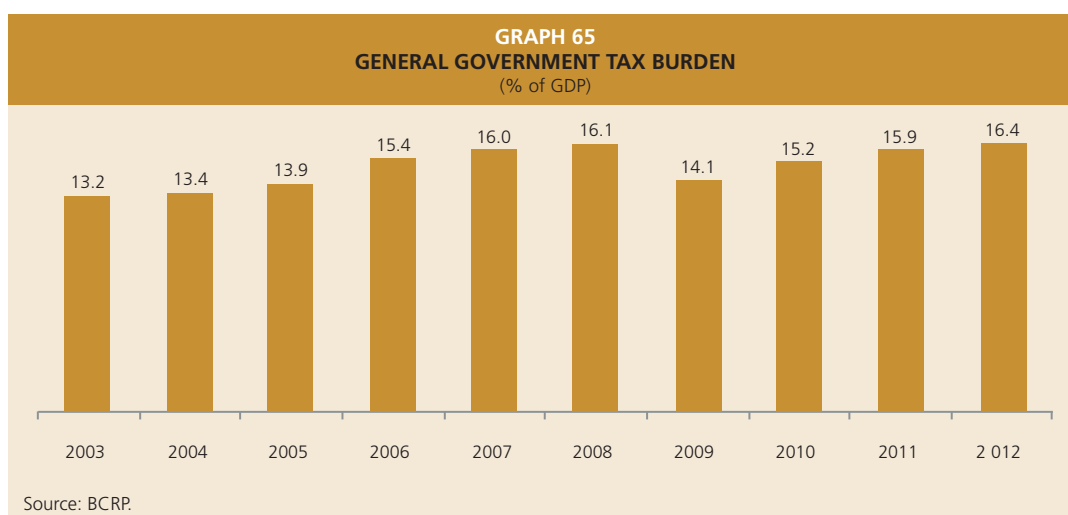
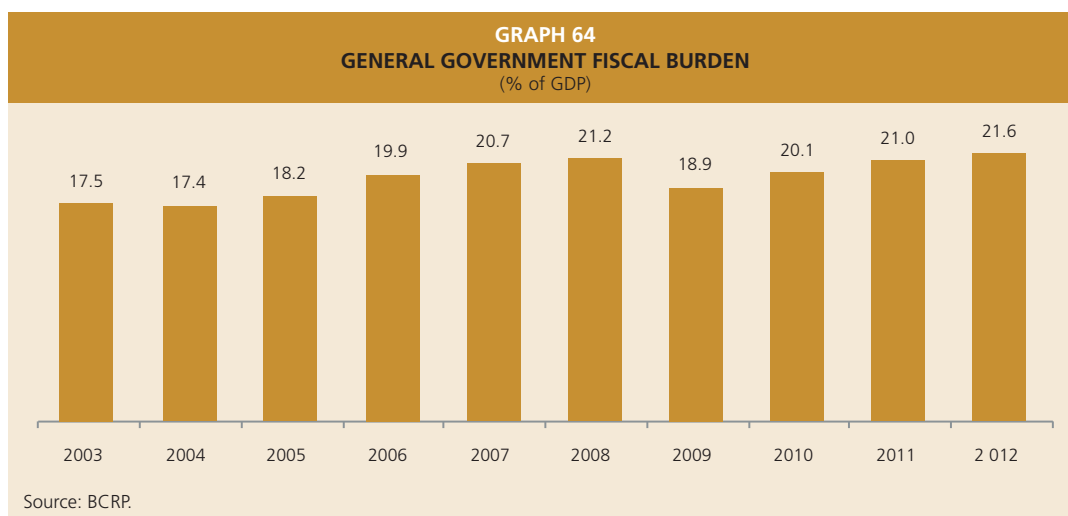
	2010	2011	2012
Central government tax burden 1/	14.8	15.5	16.0
Central government fiscal burden 2/	17.2	18.1	18.5
Fiscal burden of the general government 3/	20.1	21.0	21.6

1/ Central government tax revenues as % of GDP.
2/ Current revenues of the central government as a ratio of GDP.
3/ Current revenues of the general government as a ratio of GDP.
Source: MEF, Banco de la Nación, BCRP, and SUNAT.

TABLE 49
GENERAL GOVERNMENT REVENUES

	Millions of nuevos soles			Real % change		% of GDP		
	2010	2011	2012	2011	2012	2010	2011	2012
I. TAX REVENUE	65,961	77,261	86,097	13.3	7.5	15.2	15.9	16.4
1. Income tax	25,802	33,628	37,278	26.1	6.9	5.9	6.9	7.1
- Individuals	6,285	7,931	9,070	22.1	10.3	1.4	1.6	1.7
- Legal entities	16,428	21,432	23,429	26.2	5.5	3.8	4.4	4.5
- Tax regularization	3,089	4,265	4,779	33.9	7.7	0.7	0.9	0.9
2. Import duties	1,803	1,380	1,526	-25.9	6.7	0.4	0.3	0.3
3. Value-added tax (VAT)	35,536	40,424	44,042	10.1	5.1	8.2	8.3	8.4
- Domestic VAT	19,629	22,029	24,543	8.6	7.5	4.5	4.5	4.7
- VAT on imports	15,908	18,395	19,499	11.9	2.3	3.7	3.8	3.7
4. Excise tax	4,668	4,718	4,918	-2.2	0.5	1.1	1.0	0.9
- Fuels	2,410	2,231	2,149	-10.4	-7.2	0.6	0.5	0.4
- Others	2,258	2,487	2,769	6.6	7.4	0.5	0.5	0.5
5. Other income tax	6,098	6,818	8,920	8.2	26.2	1.4	1.4	1.7
- National government	4,600	5,098	6,902	7.1	30.7	1.1	1.0	1.3
- Local government	1,498	1,720	2,018	11.2	13.1	0.3	0.4	0.4
6. Tax returns	-7,947	-9,707	-10,587	18.2	5.2	-1.8	-2.0	-2.0
II. NON-TAX REVENUES	21,187	24,873	27,431	13.6	6.4	4.9	5.1	5.2
Contributions to Essalud and ONP	7,967	9,071	10,281	10.1	9.3	1.8	1.9	2.0
Own resources and transfers 1/	2,523	3,756	2,850	44.0	-26.8	0.6	0.8	0.5
Oil Canon 2/	1,840	2,673	2,910	40.5	5.0	0.4	0.5	0.6
Others 3/	8,858	9,373	11,391	2.4	17.2	2.0	1.9	2.2
III. TOTAL	87,148	102,134	113,528	13.4	7.2	20.1	21.0	21.6

1/ Compensation for the use of state property.
2/ Percentage of value of production for the right to exploit natural resources redistributed to the regions.
3/ Includes own resources, current transfers, interests, transfers of profits from Banco de la Nación, and BCRP.
Source: SUNAT, EsSalud, ONP, charity societies, regulatory agencies and registry offices.



Revenues from the income tax rose from 6.9 to 7.1 percent in GDP terms due to higher payments from the sector of services (real growth of 19.0 percent) and from the sectors of trade and hydrocarbons (real growth of 13.7 and 18.4 percent, respectively). Conversely, the revenue from the mining sector was lower given that the international prices of our main export products were below those registered in 2011 during much of the year.

In 2012, except for revenues from the second category income tax, the revenues from other income tax categories showed nominal increases. The major contributions came from income tax - third category (S/.1.42 billion) and income tax – fifth category (S/. 1.18 billion).

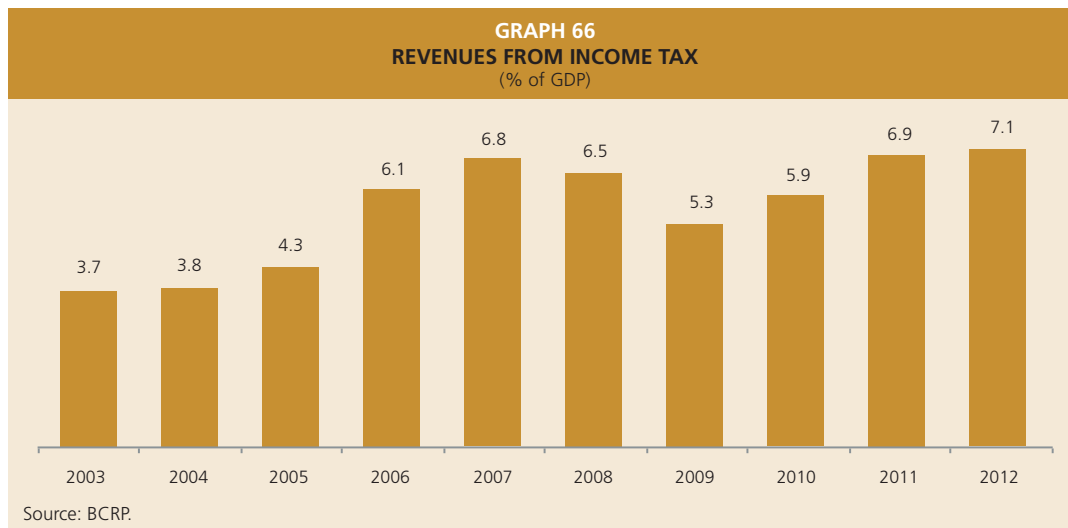


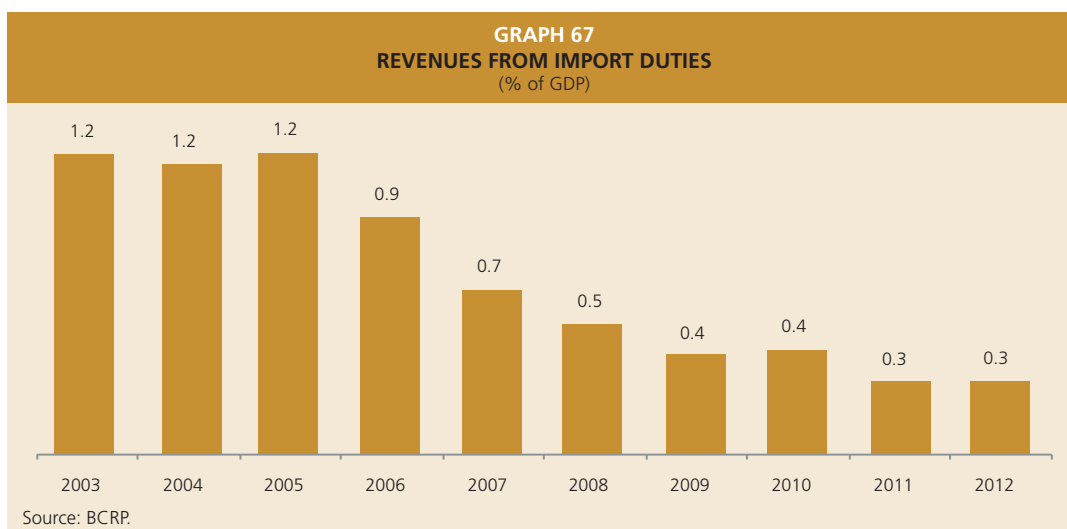
TABLE 50
REVENUES FROM CORPORATE TAX BY SECTORS
(Millions of nuevos soles)

	2010	2011	2012	Real % change	
				2011	2012
Services 1/	5,377	6,585	8,131	18.5	19.0
Mining	5,618	7,764	6,456	33.8	-19.8
Commerce	2,267	2,909	3,430	24.2	13.7
Manufacturing	2,307	2,938	3,267	23.1	7.3
Hydrocarbons	1,056	1,835	2,253	68.1	18.4
Construction	715	1,050	1,385	42.2	27.2
Agriculture and livestock	44	92	76	102.5	-20.5
Fishing	124	134	143	4.3	2.9
Total	17,507	23,308	25,141	28.8	4.0

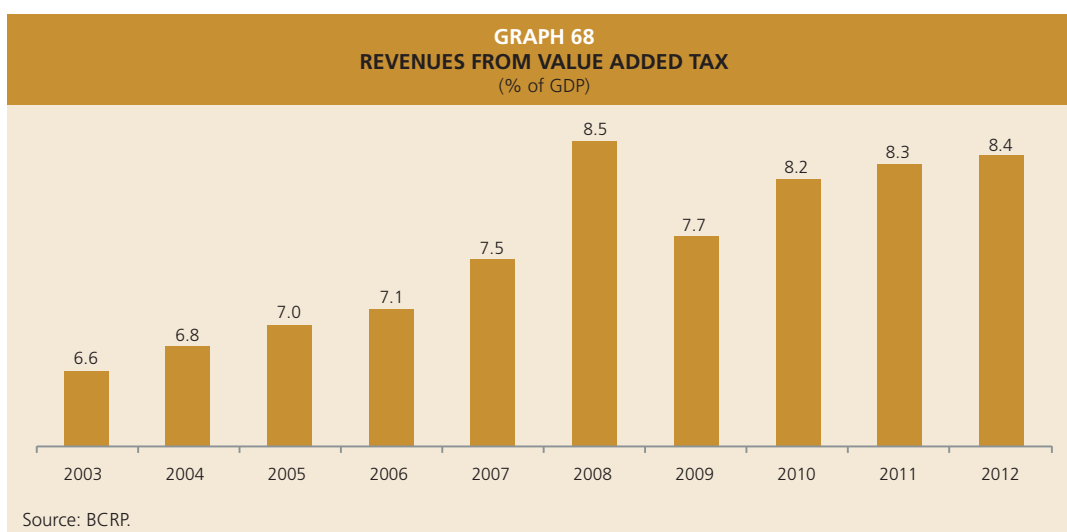
1/ Includes activities in real estate, business, leasing, telecommunications, financial intermediation, health, social services, tourism and hotels, electric generation, and water services.
Source: SUNAT.

The revenues from personal income tax recorded a real growth of 10.3 percent, while the income tax on legal entities grew 5.5 percent. The increase in the former was mainly associated with the growth of formal employment, while the increase in the latter was mainly associated with the increased revenues from the sector of services, this being the category which has gained greater participation within third category payments in the last year.

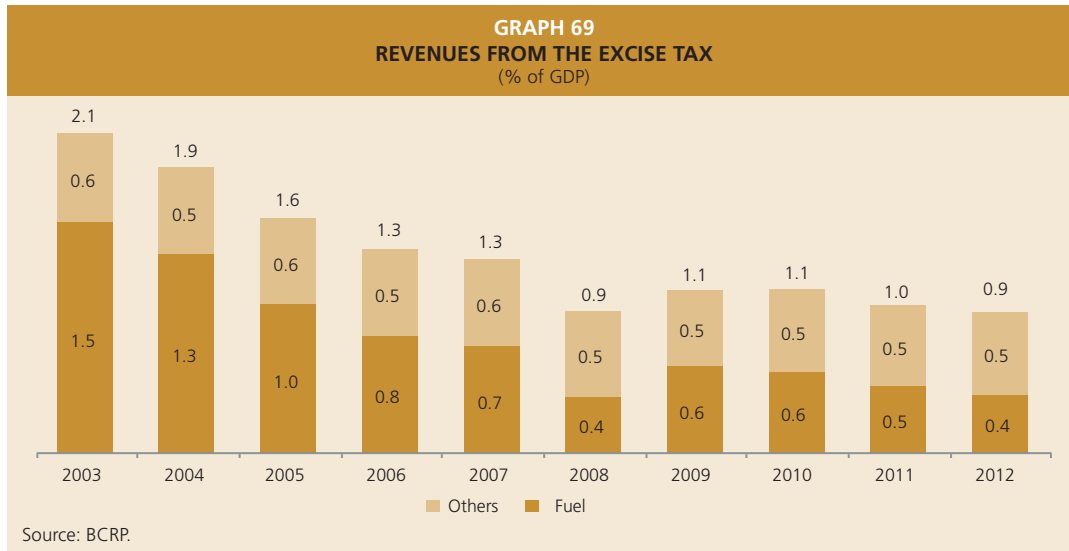
On the other hand, the revenue from imports duties grew by a real 6.7 percent, maintaining a ratio of 0.3 percent in GDP terms. This growth is explained by increased imports, especially of consumer goods, which are levied with higher tariff rates.



Revenues from the value added tax (VAT) registered a growth of 5.1 percent in real terms and increased by 0.1 percent in GDP terms (from 8.3 to 8.4 percent of GDP). This result is explained by the growth of the domestic VAT, which reflects the dynamism of domestic demand.



On the other hand, the revenues from the excise tax (ISC) grew 0.5 percent in real terms –and declined from 1.0 percent to 0.9 percent in GDP terms– as a result of the reduction of the excise tax on fuels implemented in 2011. In January the weighted average of the excise tax on fuels declined from S/. 1.04 to S/. 1.02 per gallon and in June it dropped to S/. 0.87 per gallon. Thus, the revenues from the excise tax are explained mainly by revenues obtained from other goods levied by this tax, the increase in the excise tax on beer standing out.



Revenues from other taxes grew from 1.4 to 1.7 percent of GDP, which represents a rate of 26.2 percent in real terms. This growth is explained by an increase in most of their components, especially transfers of tax withholdings (S/. 1.17 billion) as a result of the greater number of taxpayers that have adopted this system to pay the VAT. In addition, higher revenues from fines were recorded (S/. 1.03 billion), and increased revenues were also obtained from the Special Tax on Mining (S/. 442 million) in the frame of the new tax framework established for the mining sector.

The tax rebates, which grew by a real 5.2 percent, were equivalent to 2.0 percent of GDP. Although higher tax refunds were observed due to the early VAT payment regime, these higher refunds were offset by lower tax rebates for exports. It is worth mentioning that the early VAT payment regime benefits companies that are in the pre-operational stage and have acquired goods or equipments for the implementation of investment projects.

The non-tax revenues increased by a real 6.4 percent due to the Special Levy on Mining established as part of the new tax scheme for mining activities and contributed with revenues amounting to S/. 942 million. Moreover, increased revenues from EsSalud and ONP were also observed as a result of the growth of formal employment and the increase in average salary.

2. General Government Expenditure

The non-financial expenditure of the general government was equivalent to 18.6 percent of GDP, a ratio 0.6 percentage points higher than in 2011, which is explained by higher expenses in the implementation of investment projects (up from 4.7 to 5.2 percent of GDP).

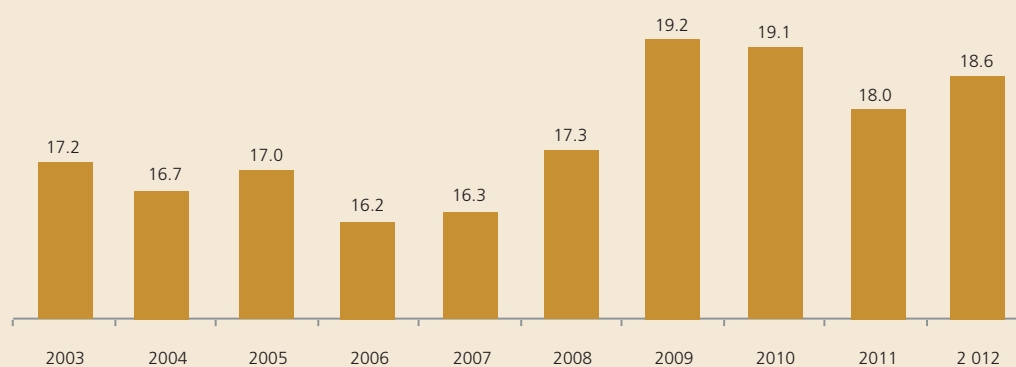
By government levels, the non-financial expenditure of the national government was equivalent to 10.6 percent of GDP while the non-financial expenditure of the subnational governments was equivalent to 8.1 percent of GDP.

TABLE 51
GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE 1/

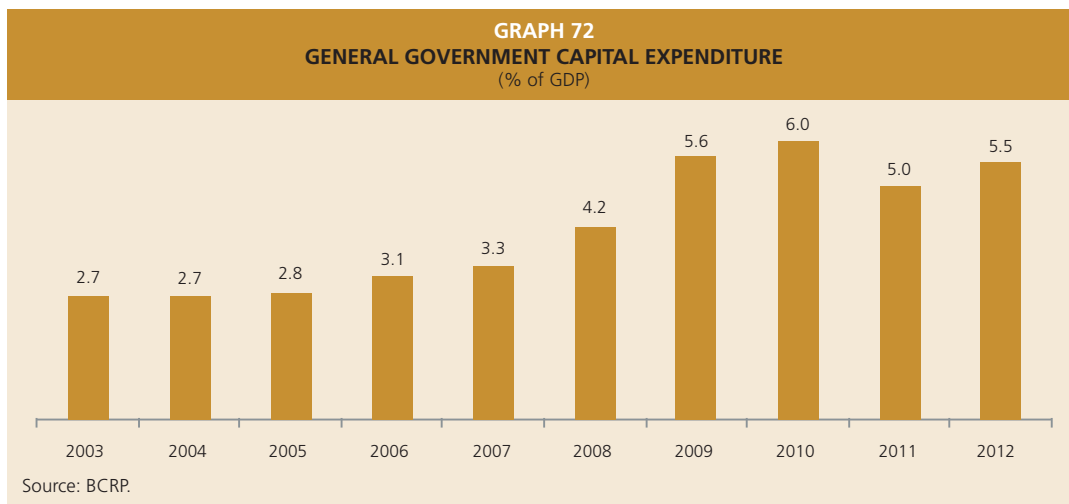
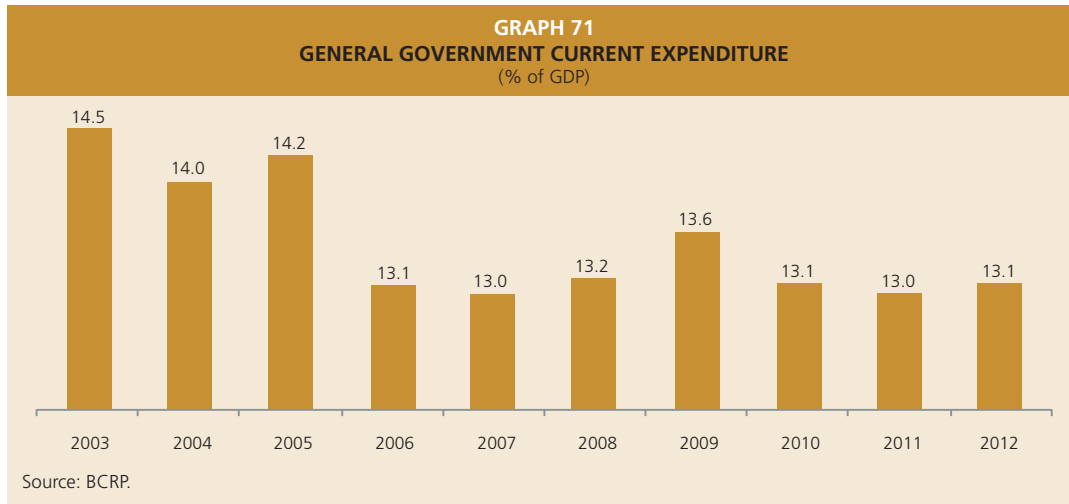
	Millions of nuevos soles			% of GDP		
	2010	2011	2012	2010	2011	2012
I. CURRENT EXPENDITURE	57,104	63,197	68,999	13.1	13.0	13.1
Wages and salaries	20,801	22,843	25,270	4.8	4.7	4.8
National government	12,157	13,364	15,229	2.8	2.7	2.9
Regional governments	6,802	7,533	8,250	1.6	1.5	1.6
Local governments	1,843	1,945	1,792	0.4	0.4	0.3
Goods and services	22,295	23,888	28,457	5.1	4.9	5.4
National government	15,804	16,612	18,557	3.6	3.4	3.5
Regional governments	1,997	2,305	3,311	0.5	0.5	0.6
Local governments	4,493	4,971	6,590	1.0	1.0	1.3
Transfers	14,008	16,466	15,272	3.2	3.4	2.9
National government	11,081	13,353	11,949	2.5	2.7	2.3
Regional governments	1,978	2,083	2,108	0.5	0.4	0.4
Local governments	949	1,030	1,214	0.2	0.2	0.2
II. CAPITAL EXPENDITURE	26,068	24,377	29,046	6.0	5.0	5.5
Gross Capital Formation	23,978	22,828	27,345	5.5	4.7	5.2
National government	9,030	9,666	8,386	2.1	2.0	1.6
Regional governments	4,951	4,664	6,690	1.1	1.0	1.3
Local governments	9,997	8,498	12,269	2.3	1.7	2.3
Other capital expenditure	2,091	1,549	1,701	0.5	0.3	0.3
III. NON FINANCIAL EXPENDITURE (I + II)	83,172	87,574	98,045	19.1	18.0	18.6
National government	49,921	54,245	55,581	11.5	11.2	10.6
Regional governments	15,854	16,646	20,421	3.6	3.4	3.9
Local governments	17,397	16,684	22,043	4.0	3.4	4.2

1/ Preliminary data. Net of commissions and intergovernmental transfers.
Source: MEF.

GRAPH 70
GENERAL GOVERNMENT NON-FINANCIAL EXPENDITURE
(% of GDP)



Source: BCRP.



National Government

The non-financial expenditure of the national government was equivalent to 10.6 percent of GDP, 1.2 percent lower than in 2011 in real terms. This lower balance is mainly explained by the reduction in current transfers (13.7 percent in real terms) and by lower gross capital formation (16.3 percent in real terms).

Expenditure in wages and salaries grew by a real 9.9 percent compared to 2011. Among other factors, this growth is explained by payments to police officers working overtime during their days off (Emergency Decree 047-2011), as well as by the higher salary levels applicable to the armed forces and Policía Nacional del Perú since December 2012 as part of a new salary structure. In addition to this, the spending in salaries also increased due to the new positions opened in the Judiciary system to implement the new Criminal Code and due to the additional payment paid to teachers incorporated in the public teaching career.

Spending on goods and services amounted to 3.5 percent of GDP, which represents an increase of 7.7 percent in real terms.

Expenditure for current transfers declined from 2.7 percent of GDP in 2011 to 2.3 percent of GDP in 2012 (-13.7 percent in real terms) due mainly to lower accrued expenses of the Fuel Price Stabilization Fund (FPSF).

Transfers worth pointing out included the ones made to Programa Juntos, the program promoting Mype markets, Program Pensión 65, and comprehensive care of young children in the Wawa Wasis.

Capital expenditure decreased by 13.0 percent in real terms, from 2.3 percent of GDP in 2011 to 1.9 percent in 2012, due mainly to the fall in gross capital formation (16.3 percent), which was offset by the increase in other capital expenditure (12.6 percent).

Expenditure in gross capital formation was concentrated in the following sectors: transport (S/. 5.12 billion) in road rehabilitation and improvement; education (S/. 902 million), improvement of infrastructure and quality education; health (S/. 494 million), improvement and equipment of hospital emergency services; agriculture (S/. 424 million), improvement of irrigation infrastructure and preservation of natural resources, and electricity (S/. 281 million), installation of small electrical systems in different villages.

The national government's major investment projects included the works of roads IIRSA South and IIRSA North (S/. 1.37 billion), the Electric Train project (S/. 1.28 billion), the Ayacucho-Abancay highway (S/. 385 million), and the Chongoyape-Cochabamba-Cajamarca highway (S/. 373 million). These four projects, which account for 12 percent of the national government's total investment in 2012, are part of the Transport Sector.



TABLE 52
MAIN INVESTMENT PROJECTS OF THE NATIONAL GOVERNMENT
(Millions of nuevos soles)

ECONOMIC SECTOR	2011	2012	Flow
TRANSPORT	6,103	5,122	-981
Road Concessions-IIRSA South and North	1,881	1,374	-507
Special Project Tren Eléctrico	1,160	1,284	124
Rehabilitation and improvement of the Ayacucho - Abancay highway	273	385	112
Rehabilitation and improvement of the Chongoyape - Cochabamba - Cajamarca highway	467	373	-94
Rehabilitation and improvement of the Quinua-San Francisco highway	210	198	-13
Rehabilitation and improvement of the Lima Canta - La Viuda - Unish highway	0	181	181
Rehabilitation and improvement of the Chamaya - Jaen - San Ignacio - Río Canchis highway	26	174	148
Rehabilitation and improvement of the Juanjui Tocache highway	0	149	149
Rehabilitation and improvement of the Cajamarca Celendin Balzas highway	21	125	104
Rehabilitation of the rural road network and bridge	200	109	-91
Rehabilitation of the Chanchamayo-Villa Rica highway	59	79	20
Rehabilitation and improvement of the Ollantaytambo - Quillabamba highway	0	74	74
Airport concessions	885	64	-821
Rehabilitation and improvement of the Shiran Huamachuco highway	34	54	20
Improvement and expansion of the entrance to Callao port terminal entrance	123	30	-94
Rehabilitation and improvement of the Patahuasi - Yauri-Sicuni highway	48	26	-22
Construction and improvement of the Camaná-DV-Quilca-Matarani-Ilo-Tacna highway	103	15	-88
Port concessions	3	5	2
Rehabilitation and improvement of the Casma - Yaután - Huaraz highway	69	1	-68
Construction of by-pass Ramiro Priale	31	1	-30
Rehabilitation and improvement of the Tingo Maria-Aguaytia-Pucallpa highway	45	1	-44
Construction and improvement of the Cusco - Quillabamba highway	96	0	-96
Others	367	419	51
HEALTH	533	494	-39
Improvement and equipment of hospitals emergency services	513	460	-52
Support to Health Sector Reform PAR-Salud	1	2	0
Others	19	32	13
ELECTRICITY	394	281	-113
Installation of small power systems in several towns	387	266	-121
Others	8	16	8
AGRICULTURE AND LIVESTOCK	342	424	83
Support agriculture	151	112	-39
Irrigation infrastructure	62	131	69
Eradication of fruit fly Ceratitis capitata from the coast of Peru	36	63	27
Others	93	119	26
HOUSING	189	193	4
Housing sector support	26	3	-24
National Rural Water Supply and Sanitation project	125	98	-27
Rights of real property	22	5	-17
Others	17	88	71
ECONOMY	116	136	20
Support for government reform and improving the customs system	48	58	10
Improvement of management taxpayers	61	39	-22
Others	8	40	32
JUSTICE	93	204	110
Improvement of administration of justice	82	169	87
Others	11	35	24
EDUCATION	1,150	902	-248
Improvement of education infrastructure	1,085	863	-222
Others	64	39	-25
OTHERS	745	630	-115
TOTAL	9,666	8,386	-1,280

Source: MEF.

Regional and Local Governments

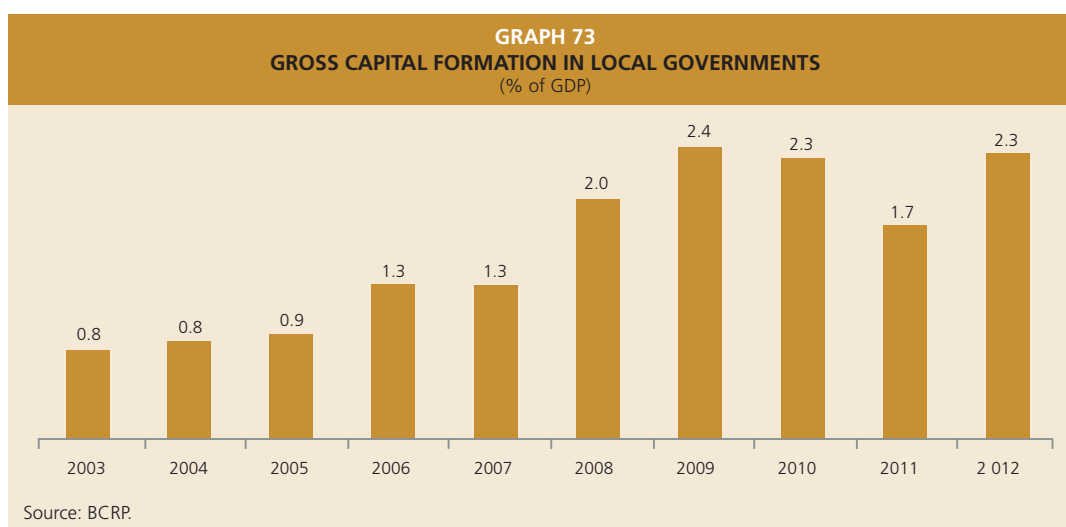
The non-financial expenditure of the regional governments increased by 18.5 percent in real terms and from 3.4 to 3.9 percent in GDP terms. The acquisition of goods and services (38.9 percent) and salaries (5.7 percent) standing out in terms of the highest expenditure increases observed in real terms.

On the other hand, the non-financial expenditure of local governments recorded a real increase of 28.0 percent relative to 2011, which reflects the greater dynamism of the new municipal administrations in the implementation of investment projects. Current expenditure also showed a growth of 16.5 percent in real terms in the year.

Among the several investment projects carried out, it is worth pointing out those executed by the Municipality of Lima, which include the improvement of the Costa Verde boardwalk (S/. 41 million) and the road geometry of the Costa Verde beach areas (S/. 46 million), as well as the expansion and remodeling of the Gran Mercado Mayorista de Santa Anita (S/. 26 million).

The implementation of projects aimed at improving and expanding the distribution and storage systems of drinking water also stands out. Among the most important, it is worth highlighting the projects developed by the Municipality of Pacasmayo (La Libertad) to improve the drinking water storage and distribution subsystems (S/. 29 million) and the ones carried out by the Municipality of Tumbes (Tumbes) in terms of expanding and improving water and sanitation systems (S/. 24 million).

The sub-national governments that made the largest investments were the Municipality of Metropolitan Lima (S/. 368 million), the District Municipality of Echarate in Cusco (S/. 251 million), the District Municipality of Mariscal Nieto in Moquegua (S/. 104 million), the Provincial Municipality of Cajamarca (S/. 100 million), and the Provincial Municipality of Santa in Ancash (S/. 96 million). These five local governments concentrated 7 percent of total municipal investment (S/. 12.27 billion).





3. State Enterprises

The State-owned enterprises showed a positive economic balance with a surplus of S/. 1.02 billion. This balance, which is higher by S/. 885 million than the one registered in 2011, is explained mainly by the surpluses recorded by the regional electricity companies, Sedapal and Electroperu.

The regional electricity companies recorded an overall surplus of S/. 288 million, a balance S/. 123 million higher than the one registered in 2011, due mainly to the higher revenues obtained from these companies' sale of energy.

Electroperu recorded a cash surplus of S/. 186 million. This balance, which is higher by S/. 99 million than the one observed in 2011, is explained in part by lower tax payments and lower transfers to the Fonahpu, as well as by higher revenues from sales of goods and services since Electroperú has become a greater supplier of energy for electricity distribution companies and free clients.

Sedapal showed a surplus of S/. 349 million, a higher balance than in 2011 (S/. 13 million). This balance reflects not only lower purchases of goods and services, but also the increase in water rates during the year and the larger volume of water invoiced in 2012 (472 million cubic meters vs. 447 million cubic meters in 2011). In addition to this, Sedapal recorded a lower execution of its investment projects Mejoramiento Sanitario de las áreas Marginales de Lima (PROMESAL) and Agua para Todos and received higher capital transfers, both from the Ministry of Housing and from the Fonafe (Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado).

On the other hand, contrasting with the deficit of S/. 174 million it registered in the previous year, in 2012 Petroperu showed a surplus of S/. 96 million as a result of the higher revenues obtained thanks to the improvement of sale prices.

TABLE 53
OVERALL BALANCE OF STATE ENTERPRISES

	Millions of nuevos soles			% of GDP		
	2010	2011	2012	2010	2011	2012
Petroperú	- 255	- 174	96	-0.1	0.0	0.0
Electroperú	- 391	99	186	-0.1	0.0	0.0
Regional Electricity Companies	34	165	288	0.0	0.0	0.1
Sedapal	- 233	13	349	-0.1	0.0	0.1
Others	163	31	100	0.0	0.0	0.0
TOTAL	- 683	134	1,018	-0.2	0.0	0.2

Source: State enterprises and FONAFE.

4. Promotion of Private Investment

A total of US\$ 909 million was obtained from investment commitments for concession contracts and revenues of privatization processes. Committed investment for concessions in the sectors of telecommunications, transport, tourism and electricity amounted to US\$ 889 million, while revenues for the privatization of real estate and agro-industrial enterprises amounted to US\$ 20 million.

Among others, the following concession contracts are worth pointing out:

1. The use of the 899-915 MHz and 944-960 MHz bands in Lima and Callao and the use of 902-915 MHz and 947-960 MHz bands in the rest of the country were awarded to Viettel Peru S.A.C. for a total investment of US\$ 343 million.
2. The sections of Panamericana Sur: Ica-Peruvian border with Chile (sections Quilca-Arequipa, Moquegua-Matarani and Ilo-Tacna-La Concordia) were awarded to Consortium Concesión Vial del Sur for an investment of US\$ 196 million.
3. Lot E Chaco - La Puntilla was awarded to Consortium Ocean Planet, Inmobiliaria CVC and Porta do Sur for an investment of US\$ 188 million.

TABLE 54
PRIVATIZATIONS AND CONCESSIONS 2012
(Millions of US\$)

SALE OF STOCKS, ASSETS AND CONCESSIONS	DATE	AWARDED TO	TRANSACTION OR INVESTMENT
Cold reserve power plants of Pucallpa and Puerto Maldonado 1/	10 may	Consortio Energías del Perú	55,0
Empresa Agroindustrial Tumán S.A.A.	18 may	The company was sold to 1424 workers of Empresa Tumán	2,4
Empresa Agroindustrial Pomalca S.A.A.	28 may	SAB Cartisa S.A.	17,1
899-915 MHz and 944-960 MHz Bands in Lima and Callao 902-915 MHz and 947-960 MHz Bands in the rest of country 2/	Augusto 14	Viettel Perú S.A.C.	343,0
Panamericana Sur: Ica - Frontera con Chile (Tranche Dv. Quilca – Dv. Arequipa; Dv. Matarani – Dv. Moquegua; Dv. Ilo – Tacna – La Concordia) 3/	16 agosto	Consortium Concesión Vial del Sur	196,0
Carhuaquero - Cajamarca - Norte - Cálclit - Moyobamba Transmission Line (220 KV).	22 november	Cobra Instalaciones y Servicios S.A.	106,9
Sale of PRF's real estate ("Parque Unión" y "Fundo SAMAR") 4/	29 november	Several bidders and Asociación de Moradores de Asentamiento Humano in Fundo Samar	0,3
Chaco La Puntilla Lot E 5/	12 december	Consortio Ocean Planet, Inmobiliaria CVC and Porta do Sur	187,7
TOTAL			908,5

1/ The contract was awarded to Consortio Energías del Perú, which offered the lowest price/power in both power plants: Plant Pucallpa: 9,147 US\$ / MW - month and Plant Puerto Maldonado: 11,070 US\$ / MW - month.
2/ The amount includes the allowance of free access to wide band internet for 718 beneficiary organizations (schools, health care centers, and municipalities) during 10 years. The contractor will cover the wide band maintenance costs.
3/ US\$ 196 million will be invested in works and US\$ 200 million in maintenance during the 25-year concession. The 430 Km long highway will extend from the stretch to Quilca (Arequipa) to La Concordia (Border with Chile). This project will contribute to improve the exporting competitiveness of the products of "Macro Región Sur".
4/ 14.6 hectare real estate project located in Yarinacocha, Province of Coronel Portillo (Ucayali).
5/ The project will consist of a modern wharf with other first-class related services and a 120 meter-long pier.
Fuente: Proinversión.



5. Public Debt

In 2012 the debt of the non-financial public sector (NFPS) amounted to S/. 103.83 billion. This debt amount, which is equivalent to 19.7 percent of GDP, is lower by S/. 31 million than the debt recorded in 2011.

The main debt indicators continued showing a favorable trend: a greater proportion of the debt is domestic debt, a greater part of the debt is in domestic currency and has been established at a fixed rate, all of which has contributed to reduce market risks.

TABLE 55
PUBLIC DEBT BALANCE 1/

	Millions of nuevos soles			% of GDP		
	2010	2011	2012	2010	2011	2012
PUBLIC DEBT	102,150	103,856	103,825	23.5	21.4	19.7
I. EXTERNAL PUBLIC DEBT	55,233	53,514	49,900	12.7	11.0	9.5
Loans	29,086	28,444	25,649	6.7	5.8	4.9
International organizations	21,826	21,227	19,369	5.0	4.4	3.7
Paris Club	7,126	7,119	6,189	1.6	1.5	1.2
Suppliers	111	81	67	0.0	0.0	0.0
International banks	2	0	12	0.0	0.0	0.0
Latin America	22	17	12	0.0	0.0	0.0
Other bilateral organizations	0	0	0	0.0	0.0	0.0
Global bonds	26,147	25,071	24,251	6.0	5.2	4.6
II. DOMESTIC PUBLIC DEBT	46,917	50,341	53,925	10.8	10.4	10.3
1. LONG TERM	41,553	42,469	45,116	9.6	8.7	8.6
Bank loans	2,685	3,284	3,406	0.6	0.7	0.6
Treasury bonds	38,768	39,133	41,705	8.9	8.0	7.9
1. Bonds to support the financial system	342	328	311	0.1	0.1	0.1
2. Debt swap bonds	1,950	1,890	1,746	0.4	0.4	0.3
3. Sovereign bonds	28,512	29,239	32,244	6.6	6.0	6.1
4. Recognition bonds	7,965	7,676	7,405	1.8	1.6	1.4
Municipality of Lima Bonds	100	52	5	0.0	0.0	0.0
2. SHORT TERM	5,364	7,872	8,809	1.2	1.6	1.7
Memo:						
Liabilities of Private-Public Partnerships	4,547	4,340	3,968	1.0	0.9	0.8
FEPC	280	240	214	0.1	0.0	0.0
External debt from COFIDE	681	955	2,135	0.2	0.2	0.4
Bond holdings	54,659	54,310	56,495	12.6	11.2	10.7
Residents	20,001	18,379	16,758	4.6	3.8	3.2
Non residents	34,658	35,931	39,737	8.0	7.4	7.6
Sovereign bonds	28,512	29,239	32,244	6.6	6.0	6.1
Residents	16,397	16,139	14,371	3.8	3.3	2.7
Non residents	12,115	13,100	17,873	2.8	2.7	3.4
Global bonds	26,147	25,071	24,251	6.0	5.2	4.6
Residents	3,605	2,240	2,387	0.8	0.5	0.5
Non residents	22,542	22,831	21,864	5.2	4.7	4.2

1/ Includes national government debt, regional and locals, public enterprises (since 2010). Excludes debt from COFIDE, Banco de la Nación and BCRP. Source: MEF, Banco de la Nación, MTC, ONP and COFIDE.

5.1 Public External Debt

In 2012, the external debt of the NFPS, which amounted to US\$ 19.57 billion (figure equivalent to S/. 49.90 billion), was US\$ 285 million lower than in 2011. This decline in the debt is explained mainly by the decrease of liabilities with international agencies (US\$ 279 million) and with the Paris Club (US\$ 214 million).

The external disbursements made during the year amounted to US\$ 948 million and included the issuance of the 2050 Global Bond (US\$ 500 million), as well as disbursements made to finance several investment projects of the general government (US\$ 317 million) and state enterprises (US\$ 16 million) and pay foreign debt obligations (US\$ 115 million).

On the other hand, the disbursements made to the general government corresponded mainly to the sector of Transport and Communications (US\$ 183 million) and included the funds used to finance projects such as the second stage of Lima's Electric Train (US\$ 130 million) and the IIRSA Sur highway (US\$ 16 million). Most of these funds (US\$ 148 million) came mainly from the Corporación Andina de Fomento (CAF).

Another important funding source for the implementation of projects was Japan International Cooperation Agency (JICA, US\$ 74 million). Among other programs, these funds have contributed to the development of programs such as the Improvement of Drinking Water and Sanitation Systems in Iquitos, Cuzco and Sicuani (US\$ 22 million), the expansion of the electrical grid (Frontera Eléctrica III) in Cajamarca (US\$ 19 million), and the Sub-Sectoral Irrigation Project (US\$ 12 million). Free availability loan agreements were mainly established with the Inter-American Development Bank (IDB, US\$ 115 million).

The amortization of the external debt amounted to US\$ 1.22 billion, the highest payments being the payment made to the International Bank for Reconstruction and Development (IBRD) (US\$ 342 million), the redemption of Peru 2012 global bonds (US\$ 312 million), and the payments to the IDB (US\$ 228 million) and the Paris Club (US\$ 220 million).

5.2 Public Domestic Debt

The domestic debt of the NFPS showed a balance of S/. 53.92 billion, which represents an increase of S/. 3.58 billion. This increase is mostly explained by the issuance of sovereign bonds, whose balance increased by S/. 3.00 billion, as well as by increased domestic liabilities (S/. 937 million) associated with the seasonality of the short-term debt which reflected the generation of greater floating charges¹⁰.

The issuance of S/. 1,615 million in sovereign bonds to Support the Balance of Payments (series 12AGO31) was authorized by the Treasury. The financial advisors of this operation were Citigroup Global Markets and Deutsche Bank Securities. In addition to this operation, other debt placements amounted to S/. 1.11 billion, which included the placements of series 12SEP23 (S/. 887 million) and 12FEB42 (S/. 221 million). Moreover, the loan granted by Banco de la Nación (D.S. 149-2010-EF) for the purpose of financing the acquisition of military equipment for operations in the area of the Valley of rivers Apurimac and Ene (VRAE) was amortized in February with the placement of S/. 243 million in sovereign bonds 12AGO20.

¹⁰ Accrued expenditure pending payment.



5.3 Net Debt of the Non-Financial Public Sector¹¹

In 2012 the net debt amounted to S/. 25.40 billion, a sum equivalent to 4.8 percent of GDP. This debt balance, which is lower by S/. 14.66 billion than the one registered at end 2011, is mainly explained by the fiscal surplus obtained which allowed to increase public financial assets (S/. 14.63 billion).

TABLE 56
NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR

Year (December)	Millions of nuevos soles			% of GDP		
	Assets	Liabilities	Debt Net	Assets	Liabilities	Debt Net
2003	17,846	100,097	82,252	8.4	46.9	38.5
2004	18,808	101,389	82,581	7.9	42.6	34.7
2005	20,792	102,938	82,146	7.9	39.3	31.4
2006	25,435	97,586	72,151	8.4	32.3	23.9
2007	38,061	95,604	57,543	11.3	28.5	17.1
2008	45,649	96,255	50,606	12.3	25.9	13.6
2009	47,003	99,215	52,212	12.3	26.0	13.7
2010 1/	50,852	102,150	51,298	11.7	23.5	11.8
2011 1/	63,796	103,856	40,059	13.1	21.4	8.2
2012 1/	78,429	103,825	25,396	14.9	19.7	4.8

1/ Preliminary data.
Source: BCRP and MEF.

GRAPH 74
GROSS AND NET DEBT OF THE NON-FINANCIAL PUBLIC SECTOR
(% of GDP)



Source: BCRP.

5.4 Debt by Currencies

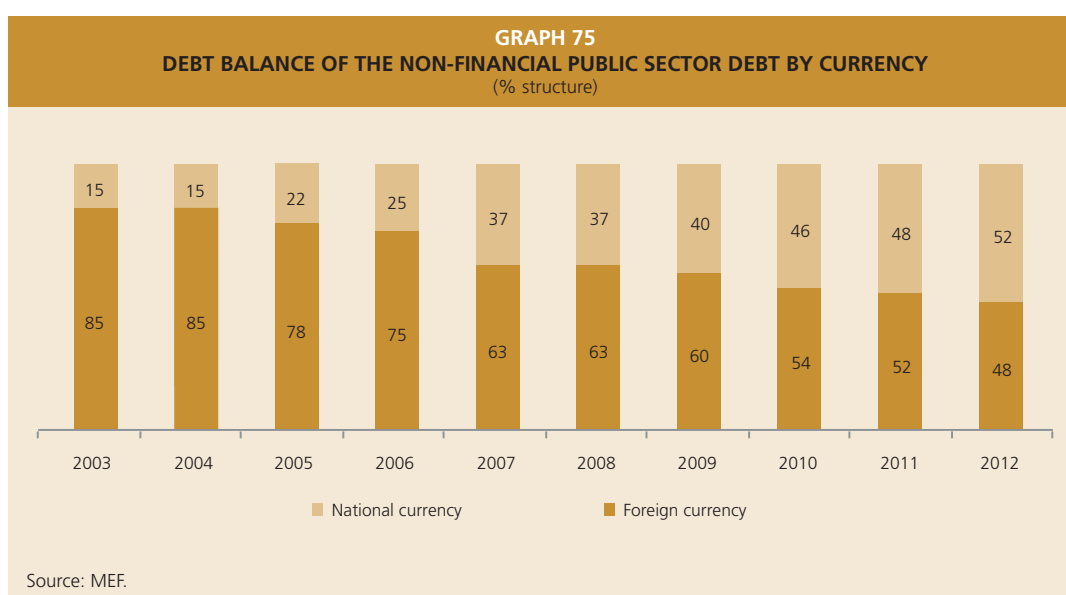
With the purpose of reducing the debt's exposure to foreign exchange risk, the ratio of the debt contracted in nuevos soles-to-total debt has been increased.

¹¹ The net debt of the NFPS is defined as the difference between the liabilities of the non-financial public sector (gross debt) and its financial assets (total deposits in the domestic and external financial systems).

Thus, between 2003 and 2012 the ratio of debt denominated in domestic currency has increased from 15 to 52 percent of the gross public debt.

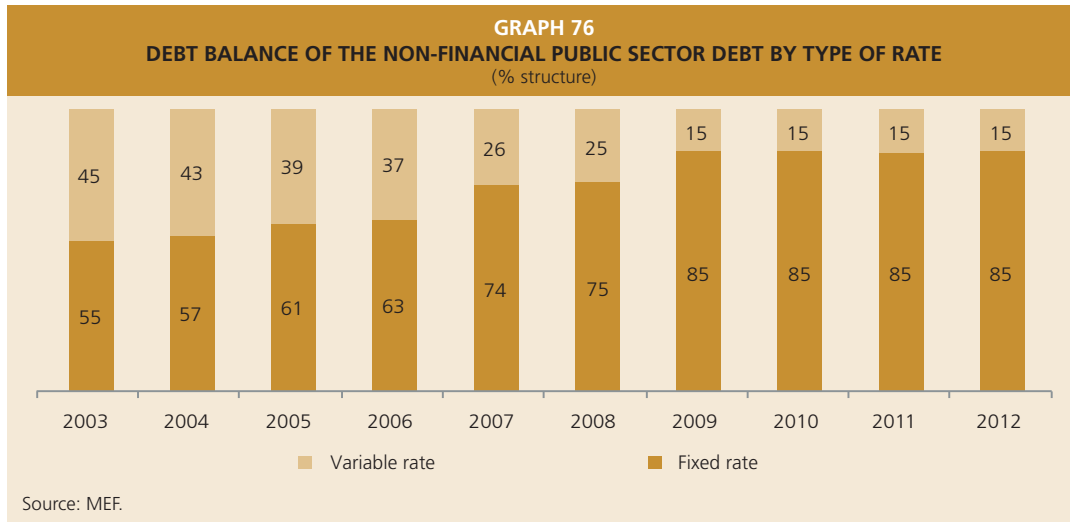
TABLE 57										
DEBT BALANCE OF THE NON-FINANCIAL PUBLIC SECTOR BY CURRENCY										
(Millions of nuevos soles)										
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. Foreign currency	84,959	85,729	80,534	73,615	60,550	60,738	59,267	55,575	53,843	50,211
2. National currency	15,139	15,660	22,404	23,970	35,053	35,517	39,948	46,576	50,013	53,615
3. TOTAL	100,097	101,389	102,938	97,586	99,604	96,255	99,215	102,150	103,856	103,825

Source: MEF, Banco de la Nación, ONP, and COFIDE.



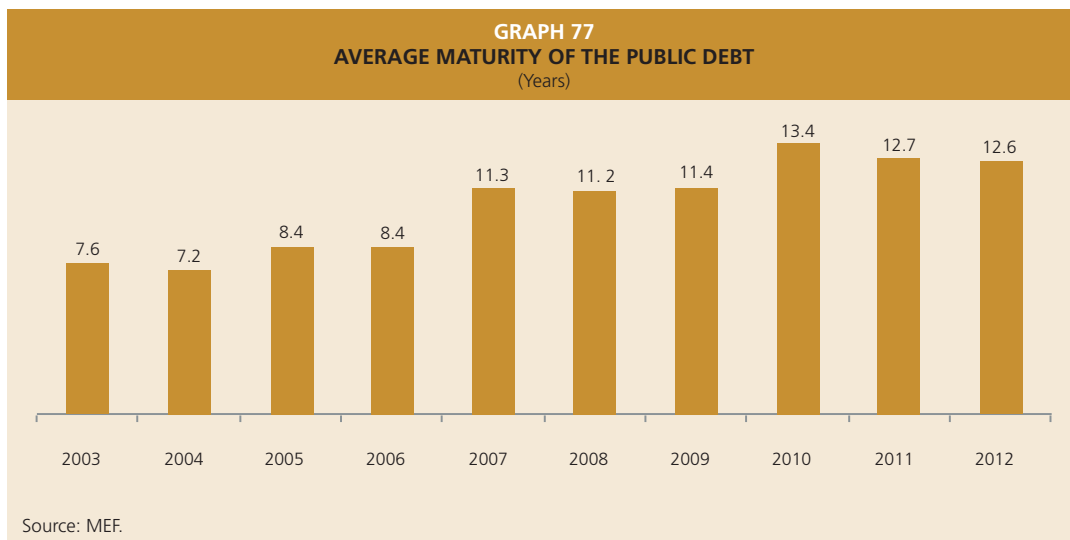
5.5 Debt by Type of Interest Rate

In order to be able to predict more precisely the debt service and to minimize the risk of an increase in global interest rates, the debt contracted at variable rates has been gradually replaced by a debt with fixed interest rates. Thus, between 2003 and 2012 the proportion of fixed-rate debt has increased from 55 to 85 percent.



5.6 Average Life of the Debt

Similarly, the average life of debt has been increased over the past years. Between 2003 and 2012 the average life of the debt was increased from 8 to 13 years. The slight decline observed in this indicator in the last two years is explained by the increase in the short-term floating debt (accrued expenses pending payment).





Part of the façade of Casa Urquiaga, current building of the BCRP Branch Office in Trujillo.



Façade of Casa Goyeneche, current building of the BCRP Branch Office in Arequipa.

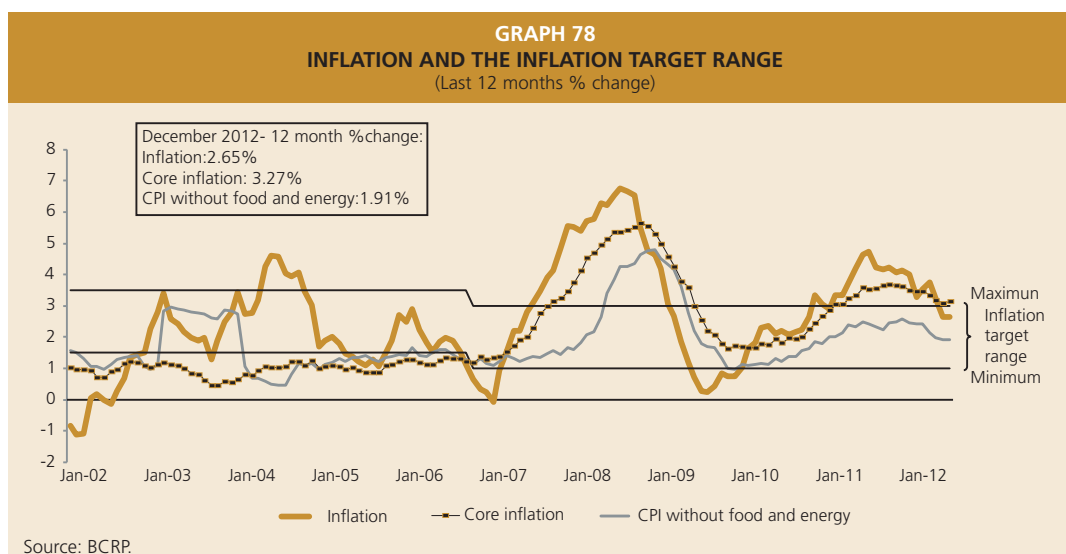
IV.

Inflation

After registering a rate of 4.74 percent at end-2011, the consumer price index (CPI) of Metropolitan Lima showed a rate of 2.65 percent in 2012. This decline reflected the gradual reversal of the supply shocks that had affected farming products in the domestic market during the previous year.

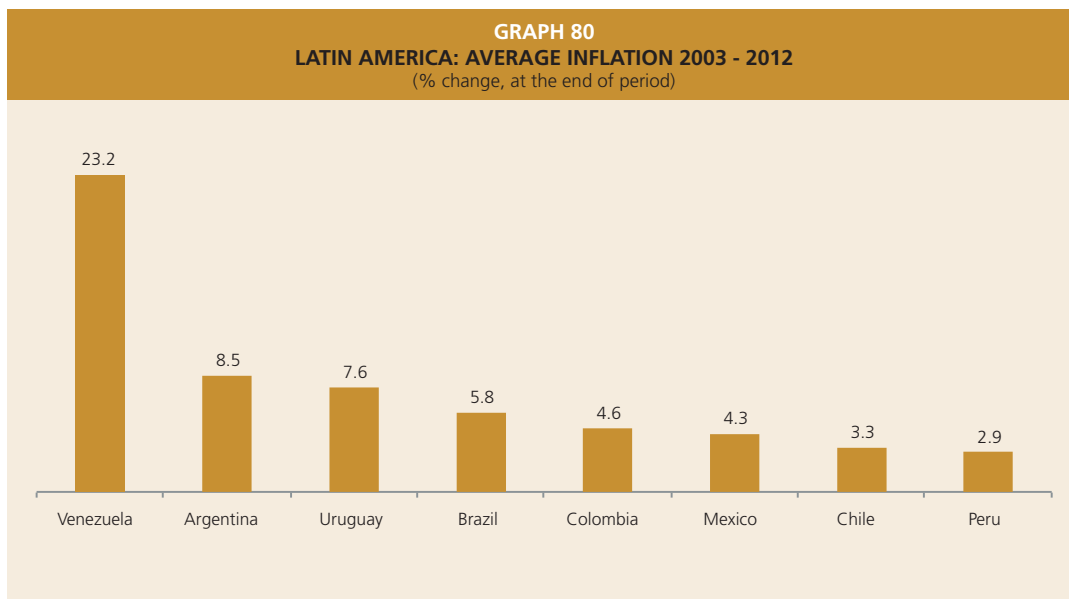
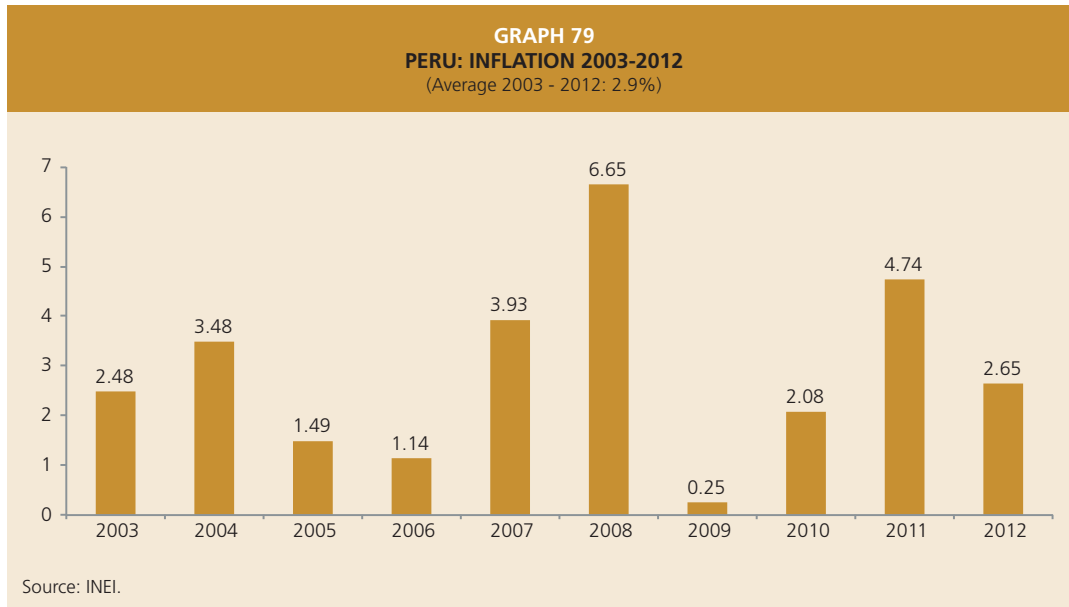
In 2012 the evolution of inflation was associated mainly with the conduct of the prices of perishable food products. In the first months of the year, weather anomalies affected the yields and the supply of various agricultural products, such as citrus fruits and onions, although this situation improved since October.

As regards the indicators of the inflation trend, core inflation fell from 3.65 percent in December 2011 to 3.27 percent in December 2012, while inflation excluding food and energy dropped from 2.42 to 1.91 percent.





In the 2003-2012 period, the average annual inflation rate was 2.9 percent, the lowest in Latin America.



Core Inflation

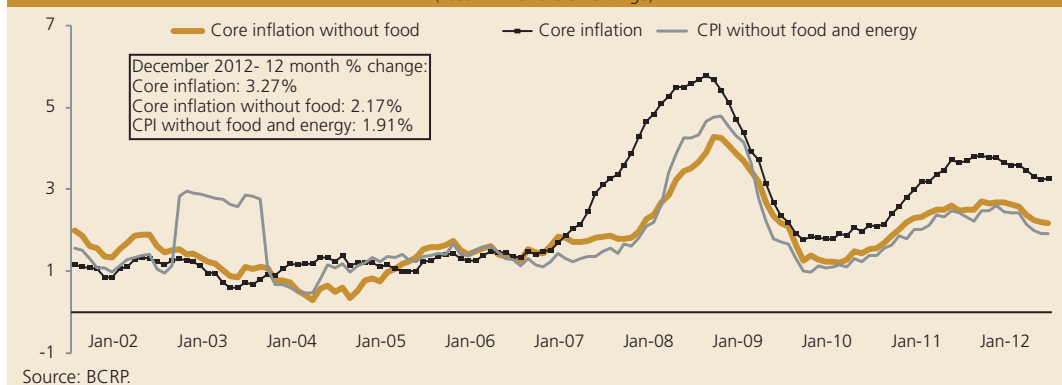
The annual rate of core inflation, which isolates the most volatile items from the calculation of the CPI, declined from 3.65 to 3.27 percent between December 2011 and December 2012. The variation in food prices went from 5.76 percent in 2011 to 5.17 percent in 2012, while the variation in non-food prices went from 2.47 to 2.17 percent in the same period.

TABLE 58
INFLATION
(Annual % change)

	Weight 2009=100	Year			Average 2003-2012
		2010	2011	2012	
I. Core inflation	65,2	2,12	3,65	3,27	2,45
1. Food	23,0	3,20	5,76	5,17	3,44
2. Non food	42,2	1,53	2,47	2,17	1,82
a. Goods	21,7	1,07	2,37	1,60	1,41
b. Services	20,5	2,01	2,57	2,76	2,35
II. Non core	34,8	2,00	6,79	1,52	3,51
1. Food	14,8	1,18	11,50	2,36	4,43
2. Non food	20,0	2,60	3,37	0,86	2,54
a. Fuels	2,8	12,21	7,54	-1,48	4,08
b. Transportation	8,9	1,94	3,61	1,99	3,10
c. Public Services	8,4	0,01	1,50	0,54	0,62
III. Total	100,0	2,08	4,74	2,65	2,87
Memo:					
Food	37,8	2,41	7,97	4,06	3,91
CPI without food	62,2	1,87	2,76	1,74	2,06
CPI without food and energy	56,4	1,38	2,42	1,91	1,97

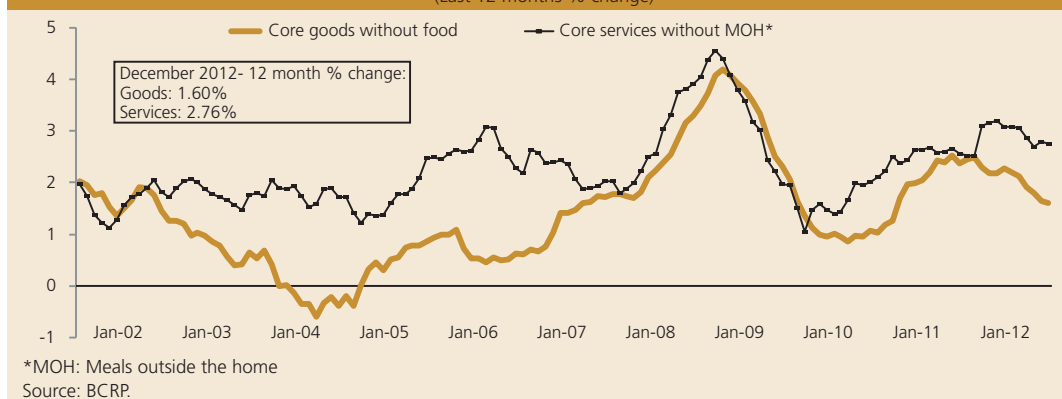
Source: INEI and BCRP.

GRAPH 81
CORE INFLATION, CORE INFLATION WITHOUT FOOD AND CPI WITHOUT FOOD AND ENERGY
(Last 12 months % change)



It is worth mentioning that within the non-food items included in core inflation, it was the prices of goods that showed a slowdown –declining from 2.37 percent in 2011 to 1.60 percent in 2012–, whereas, on the other hand, the prices of services increased from 2.57 to 2.76 percent.

GRAPH 82
CORE GOODS AND SERVICES WITHOUT FOOD
(Last 12 months % change)





Non-Core Inflation

Non-core inflation, indicator that reflects the short-term changes that are beyond the control of monetary policy, showed a decreasing trend throughout the year, declining from 6.8 percent at end-2011 to 1.5 percent at December 2012. This trend was influenced mainly by the lower variation of food prices, which went from 11.5 percent in 2011 to 2.4 percent in 2012, the decline in the prices of sugar and rice standing out.

Another factor which also contributed to this trend was the drop in the prices of fuels (-1.5 percent), domestic transport (-4.9 percent), and telephone rates (-4.2 percent).

TABLE 59
INFLATION

	Weigh 2009=100	% Change			Weighted contribution
		2010	2011	2012	
I. CORE INFLATION	65.2	2.1	3.6	3.3	2.11
Goods	32.9	1.5	3.2	2.6	0.82
Food and beverages	11.3	2.4	4.7	4.3	0.49
Textiles and footwear	5.5	2.6	4.7	3.0	0.17
Domestic appliances	1.3	-0.6	-1.1	-2.4	-0.03
Other industrial products	14.9	0.7	1.8	1.4	0.19
Services	32.2	2.7	4.1	4.0	1.29
Meals outside the home	11.7	3.9	6.8	6.0	0.73
Education	9.1	3.4	4.2	4.7	0.43
Health	1.1	2.8	1.9	2.6	0.03
Rent	2.4	-0.2	-0.7	-0.3	-0.01
Other services	7.9	1.0	1.7	1.3	0.10
II. NON-CORE INFLATION	34.8	2.0	6.8	1.5	0.54
Food	14.8	1.2	11.5	2.4	0.37
Chicken meat	3.0	-14.2	16.5	9.3	0.27
Bread	1.9	1.1	7.5	2.8	0.05
Rice	1.9	1.7	10.8	-1.8	-0.03
Potato	0.9	11.2	2.4	19.8	0.17
Sugar	0.5	25.1	1.9	-11.8	-0.09
Noodles	0.5	1.6	5.3	2.2	0.01
Oils	0.5	-1.6	22.2	-0.9	0.00
Other foodstuffs	5.6	5.7	13.1	-0.2	-0.01
Fuels	2.8	12.2	7.5	-1.5	-0.05
Oil and lubricants	1.3	16.4	14.3	-5.0	-0.08
Gas	1.4	8.8	1.0	2.2	0.03
Transportation	8.9	1.9	3.6	2.0	0.18
Urban Fares	8.5	1.8	3.5	2.3	0.20
National Transportation	0.3	6.0	5.2	-4.9	-0.02
Public utilities	8.4	0.0	1.5	0.5	0.04
Electricity	2.9	1.4	4.3	2.2	0.06
Telephone	2.9	-3.8	-3.3	-4.2	-0.11
Water	1.6	4.5	5.8	5.2	0.09
III. CPI	100.0	2.1	4.7	2.6	2.65
Memo:					
Food	37.8	2.4	8.0	4.1	1.59
CPI without food	62.2	1.9	2.8	1.7	1.06
CPI without food and energy	56.4	1.4	2.4	1.9	1.05

Source: INEI and BCRP.

Effects of International Prices

After showing more or less constant levels in the first semester of the year, the international prices of grains rose in Q3 due to unfavorable climate conditions in producing countries, especially in the United States, which was affected by the most severe drought observed in the last 50 years.

The rise in the prices of maize and wheat brought about a rise in the prices of food products such as chicken, bread, and noodles.

TABLE 60
FOOD: INTERNATIONAL PRICES OF INPUTS AND CONSUMER PRICE
(Annual % change)

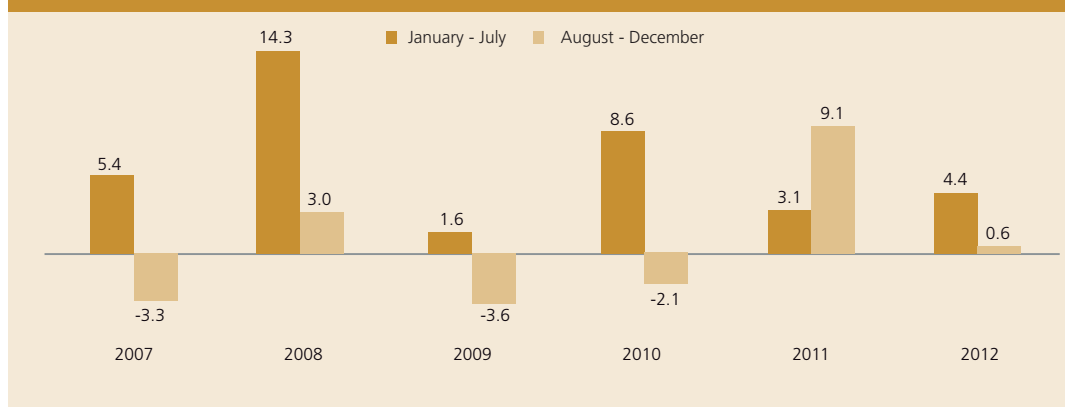
	2010	2011	2012
Gutted chicken (S/. per kg)	-13,2	17,2	9,5
Maize (US\$ per ton)	57,3	5,7	20,5
Soybean tart (US\$ per ton)	5,1	-16,4	60,4
Bread (Pan francés) (S/. per kg)	0,9	5,8	2,7
Noodles (S/. per kg)	0,3	7,0	2,1
Wheat (US\$ per ton)	60,6	-14,0	27,8
Bottled vegetable oil (S/. per liter)	-1,3	18,3	-0,9
Soybean oil (US\$ per ton)	40,7	-2,9	-6,2

Source: INEI, Bloomberg, and BCRP.

Items Affected by Climate Anomalies

The prices of perishable food products usually rise in the first semester of the year. In 2012, this rise was stronger than in 2011 because the prices of some products, like onions and other vegetables, were affected by climate anomalies. The production of onions in Arequipa, Lima's main supplier of onions, was affected by heavy rainfall during the months of February and March, which not only resulted in a lower quality of onions but also generated an irregular supply of this product.

GRAPH 83
PRICES OF PERISHABLE AGRICULTURAL FOOD PRODUCTS
(Annual % change)





Public Utilities

The electricity rates increased 2.2 percent in 2012. The evolution of these rates during the year was associated with the adjustments approved by Osinergmin in the prices of the different components of the electricity rate (generation, transmission, and distribution).

The reduction in telephone rates (-4.2 percent) was associated with the application of a productivity factor.

Finally, the water rate rose 5.2 percent, in line with the rises established by the Sunass. This rate includes the rate increase implemented in July (1.7 percent) to cover the costs of La Chira project.

TABLE 61 PUBLIC UTILITIES RATES (Annual % change)				
	2010	2011	2012	Average 2003-2012
Public utilities	0,0	1,5	0,5	0,6
Electricity	1,4	4,3	2,2	0,8
Telephone	-3,8	-3,3	-4,2	-3,9
Water	4,5	5,8	5,2	5,4

Source: INEI.

Imported Inflation

The imported component of the CPI rose 0.4 percent due to the increase in the price of food products (2.0 percent), especially due to the increase in the prices of bread, noodles, and oils, as well as due to the increase in the prices of other imported goods, such as medicines and vehicles. This rise was offset by the lower international price of crude and of electrical appliances, which was reinforced by the appreciation of the exchange rate.

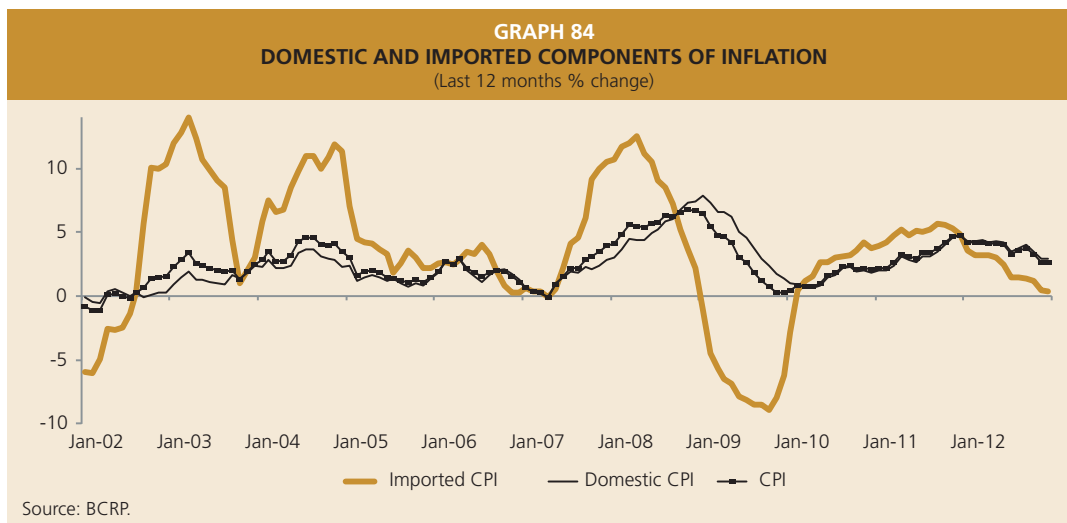


TABLE 62
DOMESTIC AND IMPORTED INFLATION
(Annual % change)

	Peso	2010	2011	2012	Average 2003-2012
I. IMPORTED CPI	10,8	3,78	4,87	0,41	3,12
Food	3,0	0,76	9,59	1,99	4,23
Fuels	2,8	12,21	7,54	-1,48	4,08
Electric appliances	1,3	-0,58	-1,13	-2,44	-1,54
Others	3,7	1,20	0,83	1,73	1,19
II. DOMESTIC CPI	89,2	1,87	4,72	2,92	2,83
III. CPI	100,0	2,08	4,74	2,65	2,87
Exchange rate		-2,15	-4,24	-4,80	-3,09

Source: INEI and BCRP.

Moreover, as a result of the decline in the international price of crude oil, associated with higher production levels in the United States and OPEC countries, the price of gasoline dropped 5.0 percent, while the price of crude expressed in soles dropped 15 percent. Despite this, urban fares registered a rise of 2.3 percent due to the lagging effect of fuel price increases in 2010 and 2011.

TABLE 63
FUEL PRICES
(Annual % change)

	2010	2011	2012	Average 2003-2012
Fuels	12,2	7,5	-1,5	4,1
Gasoline	16,4	14,3	-5,0	3,9
Gas	8,8	1,0	2,2	1,8
Price of WTI oil, end of period 1/				
US Dollars	89,2	98,5	88,2	
Nuevos soles	251,2	265,6	226,4	

1/ West Texas Intermediate
Source: INEI and Bloomberg.



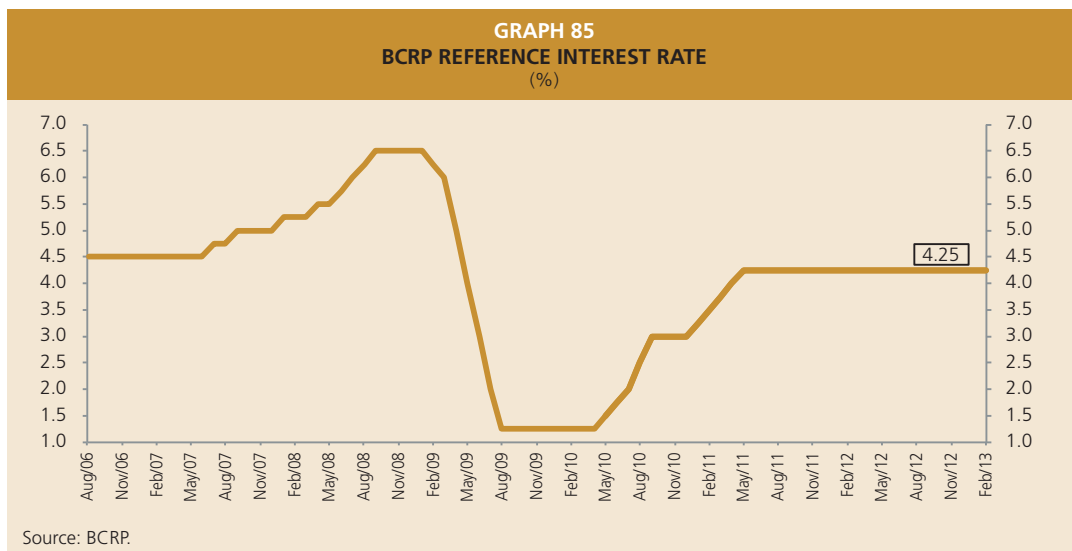
Main building of the National Mint.



Liquidity and Credit

1. Monetary Policy

During 2012, the BCRP maintained its policy reference rate at 4.25 percent in a context marked by the reversal of supply shocks, an economic growth close to the economy's potential growth, and still weak growth prospects for the global economy. In this scenario of uncertainty, monetary policy was preventive and aimed at maintaining inflation expectations anchored within the inflation target range.



Reserve requirements induce financial institutions to maintain prudent levels of liquidity in both domestic currency and foreign currency, reducing their vulnerability to possible scenarios of capital outflows. Several reserve requirements adjustments were made during the year with the purpose of moderating the expansion of credit and reducing the vulnerability of the financial system to a potential capital outflow. Moreover, since reserve requirements also increase the cost of financial intermediation, they also lead lending interest rates to rise.



Among the measures implemented in 2012, it is worth pointing out that the rate of marginal reserves in domestic currency was raised from 25 to 30 percent and that new external short term obligations with terms of 3 years or less were also included among the obligations subject to reserve requirements of 60 percent. This rate of reserves was previously applied only to external obligations with terms of 2 years or less.

Additionally, in order to induce a sustainable evolution of banks' leverage, a rate of reserve requirements of 20 percent was established for 3-year external loans and bonds exceeding by 2.5 times the effective net worth of financial entities.

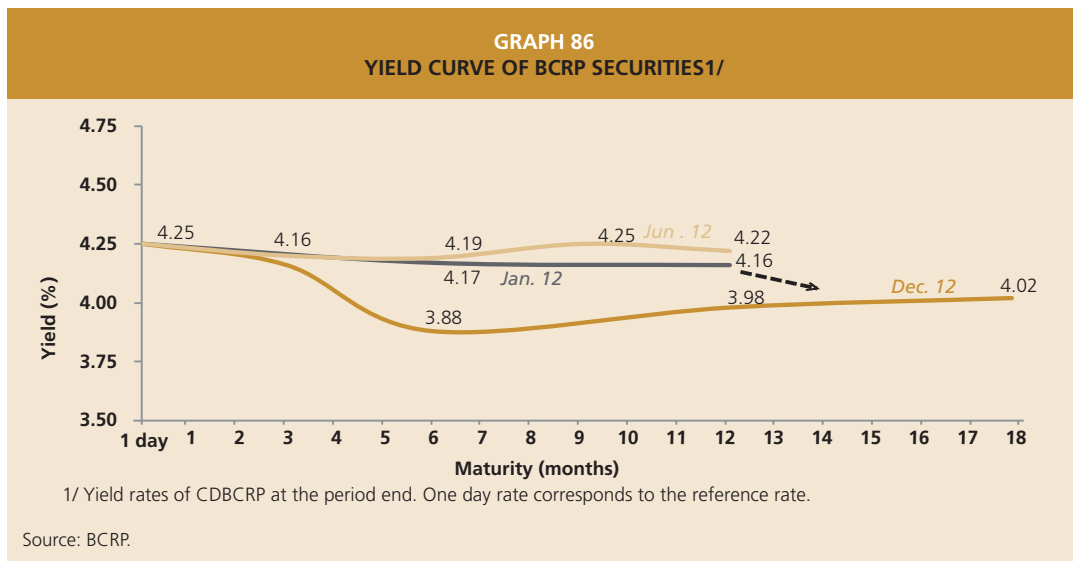
Moreover, the rate of reserve requirements on credit in foreign currency for foreign trade operations was reduced from 60 percent to 25 percent in order to have a better control of reserves on loans for foreign trade purposes.

The rates of mean reserve requirements were raised on 4 occasions (between 0.25 and 0.75 percentage points on each occasion), as a result of which they were raised by a total of 2.25 percentage points. This adjustment was made simultaneously in the rates of required reserves in soles and in dollars.

TABLE 64 RESERVE REQUIREMENTS						
	Legal minimum reserve requirements	Domestic Currency		Foreign currency		Short-term foreign liabilities
		Marginal reserve requirements on deposits	Increase in the average reserve requirements	General regime		
				Marginal reserve requirements on deposits	Increase in the average reserve requirements	
May.12	9%	30%	0.50%	55%	0.50%	60%
Jul.12	9%	30%		55%		60%
Sep.12	9%	30%	0.50%	55%	0.50%	60%
Oct.12	9%	30%	0.50%	55%	0.50%	60%
Nov.12	9%	30%	0.75%	55%	0.75%	60%

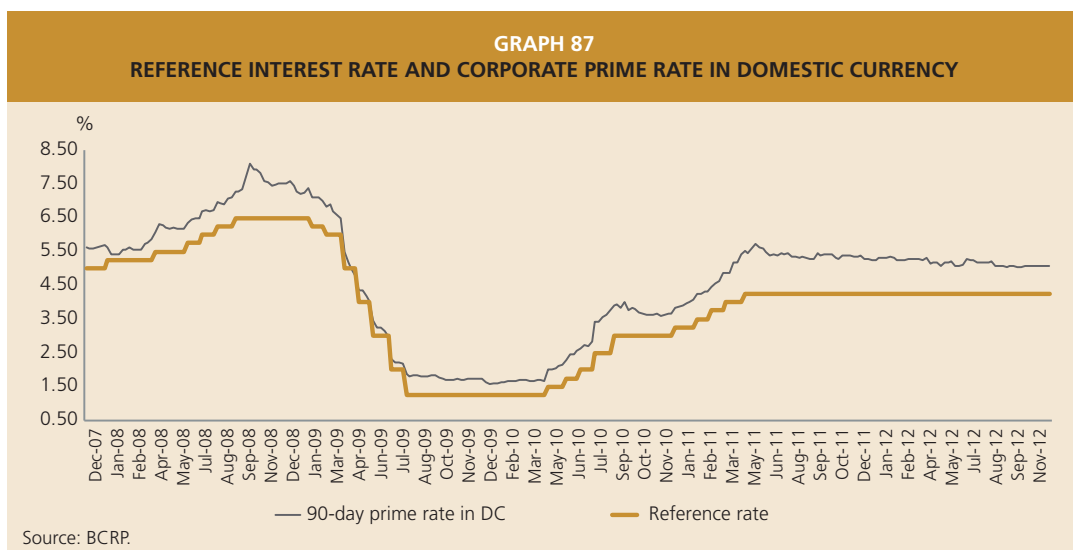
Source: BCRP.

The stability of the reference rate was reflected in the nearly flat yield curve of the BCRP securities observed in the first half of the year. Towards the end of the year, expectations of lower rates in the reference rate were reflected in the six months to 18-months segment of the yield curve.



2. Interest Rates

In 2012 the corporate interest rate for credit in nuevos soles remained stable, reflecting the behavior of the policy interest rate.



The average rate on loans in domestic currency (FTAMN) declined from 21.3 percent in December 2011 to 19.1 percent in December 2012. Deposit rates, both the interest rate on 30-day deposits and the interest rate on over 180-day deposits, declined during the year: the former fell from 3.9 to 3.5 percent between December 2011 and December 2012 and the latter fell from 4.7 to 4.2 percent in the same period.



TABLE 65
INTEREST RATES ON OPERATIONS IN NUEVOS SOLES
(%)

	2008	2009	2010	2011	Jun.2012	Dec.2012
Interbank rate	6.5	1.2	3.0	4.2	4.2	4.3
Deposits up to 30 days	6.5	1.2	2.2	3.9	3.8	3.5
181-day to 360-day term deposits	6.3	3.6	3.8	4.7	4.3	4.2
Corporate prime rate	7.5	1.7	3.6	5.4	5.1	5.1
FTAMN 1/	22.5	19.3	22.8	21.3	19.7	19.1

1/ Average market lending rate of the operations carried out in the last 30 business days.
Source: BCRP and SBS.

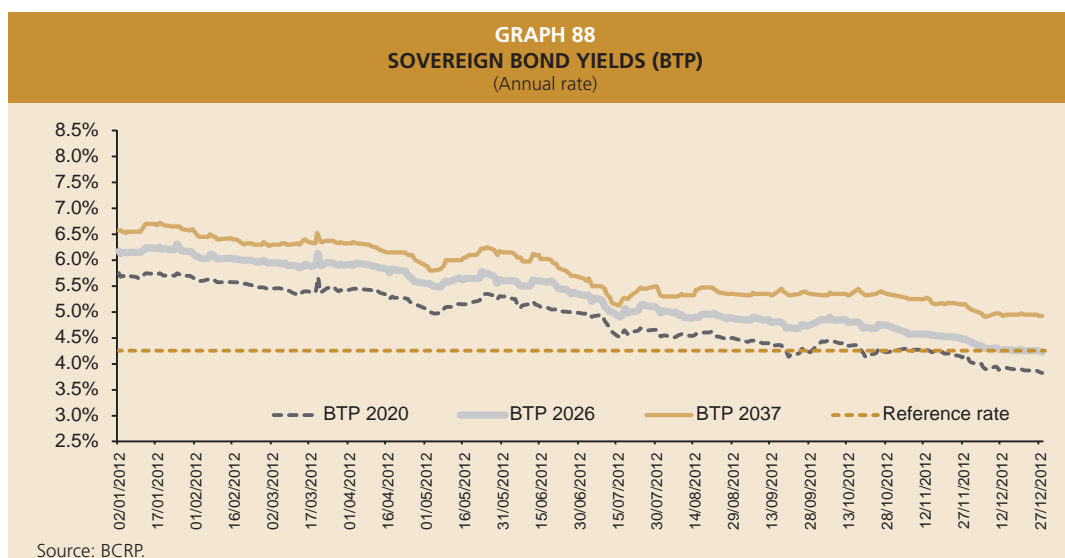
The interest rates on operations in foreign currency increased reflecting the reserve requirement measures implemented by the BCRP, despite the low interest rates observed in international markets. At end-2012, the lending corporate prime rate in dollars rose 180 basis points compared to December 2011 (from 2.4 to 4.2 percent), while the rate on 30-day deposits increased from 0.7 to 1.4 percent.

TABLE 66
INTEREST RATES ON OPERATIONS IN US DOLLARS
(%)

	2008	2009	2010	2011	Jun.2012	Dec.2012
3-month libor rate	1.8	0.3	0.3	0.6	0.5	0.3
Interbank rate	1.0	0.2	1.1	0.3	1.9	1.1
Deposits up to 30 days	0.9	0.4	0.9	0.7	1.4	1.4
181-day to 360-day term deposits	4.5	2.4	1.7	1.6	1.7	1.7
Corporate prime rate	5.2	1.2	2.1	2.4	3.4	4.2
FTAMEX 1/	10.5	8.0	7.9	6.8	8.0	8.2

1/ Average market lending rate of the operation carried out in the last 30 business days.
Source: BCRP and SBS.

The yield curve of sovereign bonds showed relative stability in a context of an increased amount of transactions and an increased participation of non-residents. The lower interest rates of the Treasury Bonds (BTP) translated into lower long-term rates of corporate bonds issued in the local market, as well as into a reduction in the premium paid for these bond issuances, which makes it easier for companies to finance their investment projects at a lower cost.



3. Foreign Exchange Rate

In 2012 the nuevo sol appreciated 5.4 percent in nominal terms against the US dollar, from S/. 2.697 to S/. 2.552 per US dollar. During the year the foreign exchange rate recorded a differentiated conduct with periods of depreciation concentrated in the months of May, June, and October, associated with increased global risk induced by the problems faced by Greece to remain within the Eurozone and the possible effects that this could have on the rest of the Eurozone countries, on the one hand, and periods of appreciation due to the faster pace of dedollarization of local banks' deposits, on the other hand.

Since September, the BCRP modified its strategy of intervention in the foreign exchange market and started making interventions even in periods of depreciation of the nuevo sol, but with lower daily amounts. This strategy seeks to increase uncertainty about the exchange rate in order to generate a greater volatility in the exchange rate.

On the other hand, as a result of the uncertainty generated by the Eurozone problems which pushed the exchange rate upwards, the nuevo sol depreciated 2.7 percent between April 27 and May 31 (from S/. 2.639 to S/. 2.710 per US dollar). A similar situation was observed in October, when the new intervention strategy of the BCRP and uncertainty regarding the Eurozone debt problem increased risk aversion among investors, which reflected in a depreciation of the nuevo sol of 1.4 percent (the exchange rate fell from S/. 2.578 to S/. 2.613 per dollar between October 18 and November 9). When uncertainty subsided, international financial markets showed again lower volatility and lower risk aversion, after which depreciation pressures declined.

The supply of foreign currency in the exchange market came mainly from local private agents, which supplied a total of US\$ 14.47 billion. This amount was higher than the one observed in 2011 due to the faster pace of dedollarization of deposits. Pension funds, on the other hand, generated a net demand of US\$ 210 million, a figure reflecting a demand of US\$ 2.91 billion in the spot market and a supply of US\$ 2.70 billion in the forward market. These flows are consistent with the AFPs' increasing volume of investments overseas, which has generated a higher demand for dollars for these organizations. However, because the AFPs hedge their positions abroad from the foreign exchange risk by selling dollars in the forward market, they also generate a supply of dollars in this market. The opposite situation is observed



in the case of non-resident investors. Non-residents offered US\$ 1.46 billion in the spot market, mainly for the purpose of increasing their positions in BTP, and also demanded US\$ 1.87 billion in the forward market, which reflects their hedge operations.

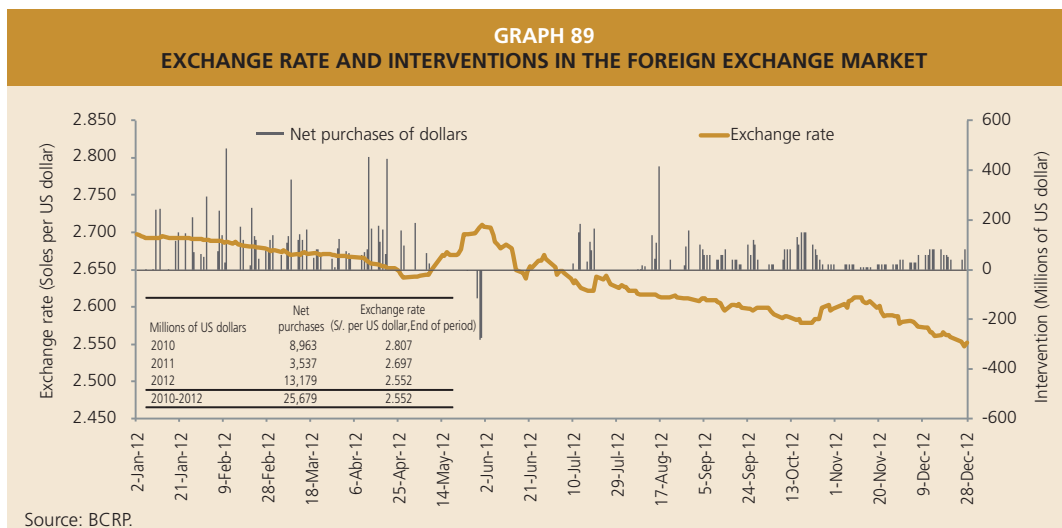
TABLE 67
FLOWS IN THE FOREIGN EXCHANGE MARKET
(Millions of US\$)

	2010	2011	2012
Pension funds	-600	2 840	210
Spot	868	2 108	2 915
Forward	-1 469	732	-2 705
Non residents	-1 367	1 425	410
Spot	-1 601	-317	-1 465
Forward	235	1 742	1 875
Banco de la Nación and financial companies	1 092	625	1 017
Spot	938	530	693
Forward	154	95	325
Private	-7 860	-8 591	-14 471
Banks international position	-389	326	-346
BCRP intervention	9 123	3 374	13 179

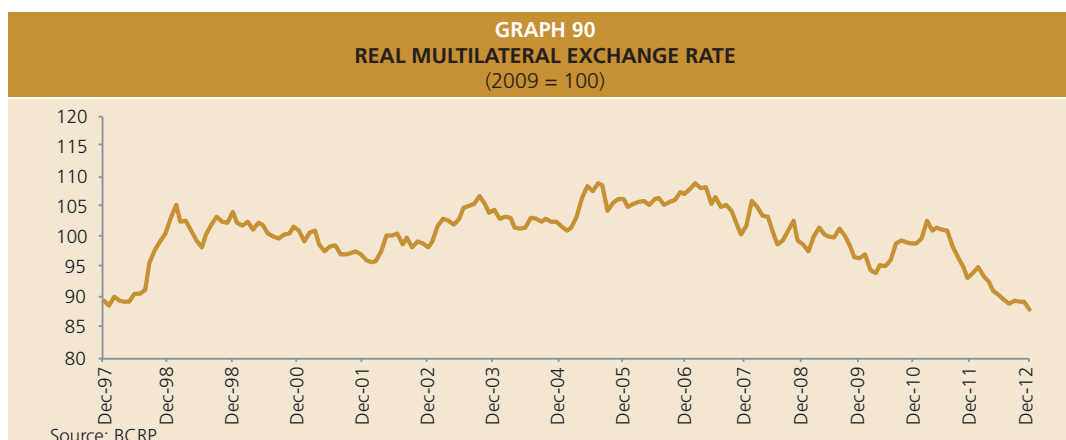
1/ Positive sign indicates demand and negative supply.
Source: BCRP.

The demand for foreign currency of Banco de la Nación and financial entities amounted to US\$ 1.02 billion, a figure US\$ 392 million higher than in the previous year.

In this context, the BCRP intervened in the foreign exchange market buying US\$ 13.18 billion with the purpose of reducing excessive volatility in the exchange rate. As a result of these operations, the BCRP accumulated international reserves for a total of US\$ 15.17 billion, increasing the balance of NIRs from US\$48.81 billion at December 2011 to US\$ 63.99 billion at December 2012.



In real terms, the real multilateral exchange rate index appreciated 5.0 percent, from 93.8 at end-2011 to 89.1 at end-2012. This real appreciation results from a nominal multilateral appreciation of 4.7 percent, a rate of external inflation of 2.4 percent, and a rate of domestic inflation of 2.6 percent.



4. Monetary and Credit Aggregates

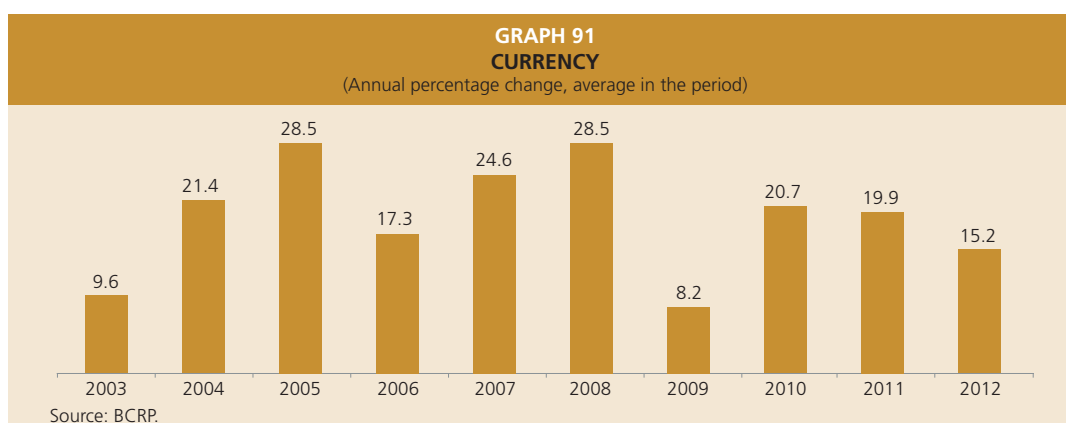
The slowdown observed in the annual growth rates of liquidity and credit between 2011 and 2012 would be associated with the moderation of the growth of economic activity and the prudential increase of reserve requirements.

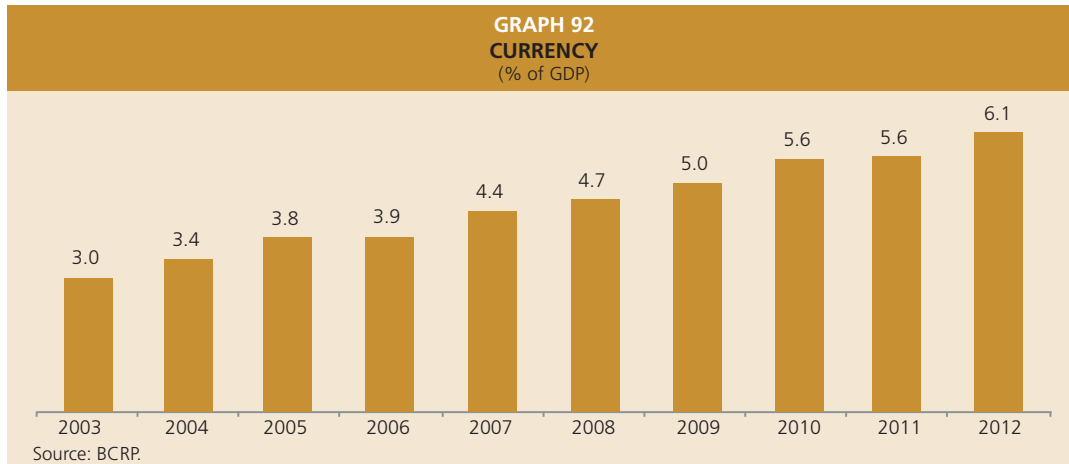
In 2012 total liquidity grew 14.4 percent. Liquidity in domestic currency grew 22.8 percent, while liquidity in dollars shrank 0.9 percent. The ratio of dollarization of liquidity dropped from 36.8 percent in December 2011 to 30.7 percent in December 2012.

Total credit to the private sector grew 15.4 percent, with credit in soles growing 16.0 percent, while credit in foreign currency grew 14.7 percent. Moreover, the ratio of dollarization of credit fell from 44.7 percent in December 2011 to 43.0 percent in December 2012.

4.1 Currency in Circulation

Currency registered a daily average balance of S/. 27.58 billion in 2012, which represents a growth rate of 15.2 percent, lower than in 2011 (19.9 percent). In GDP terms, currency grew 0.5 percentage points relative to 2011 and recorded a rate of 6.1 percent. This rate is consistent with the growth of economic activity and with the gradual reduction of dollarization observed during the year.





The balance of currency in circulation at December 2012 was S/. 32.24 billion, higher by S/. 4.98 billion (18.3 percent) than in December 2011. The BCRP operations, which were aimed at meeting the public's increased demand for liquidity and ensuring the flow of transactions in the monetary market, were consistent with the sterilizing effect generated by the increase of public sector deposits in soles at the BCRP and with the expansion of the central bank's foreign exchange operations relative to the previous year.

The public sector deposits in soles increased by S/. 7.99 billion, while the BCRP exchange operations gave a net balance of S/. 31.17 billion (equivalent to net direct purchases of a total of US\$ 11.84 billion). Higher reserve deposits in soles (S/. 7.78 billion) were also recorded in the year after the rate of mean required reserves in domestic currency was raised between May and November. In this scenario, a total of S/. 12.83 billion was absorbed in open market operations through the auction of certificates of deposit and term deposits.

The flow of foreign exchange operations generated foreign currency (FC) for a total of US\$ 11.84 billion as a result of net purchases of FC (US\$ 13.18 billion), offset in part by sales of FC to the public sector (US\$ 1.35 billion).

During the first semester, the net purchases of FC concentrated in the months of February (US\$ 2.38 billion), March (US\$ 1.88 billion), and April (US\$ 2.24 billion). In May, the BCRP sold FC for a total of US\$ 395 million as a way of reducing the depreciatory pressures on the exchange rate and, between July and December the purchases of FC amounted to US\$ 5.77 billion.

In response to the depreciation pressures on the nuevo sol in May, the sale of FC was coupled by auctions of 60-day certificates of deposits indexed to the exchange rate (CDR-BCRP). Thus, placements of CDR-BCRP that month amounted to S/. 1.52 billion (a sum equivalent to US\$ 561 million). These certificates were not renewed after they matured.

On the other hand, the increased volume of monetary base sterilized during the year using mainly short-term instruments was associated with market expectations of corrections in the BCRP policy rate and with uncertainty in international markets.

Net placements of certificates of deposit (CD-BCRP) increased by S/. 7.22 billion during 2012, while term deposits (DP-BCRP), auctioned mostly as 1-day deposits, increased by S/. 5.61 billion between end-2011 and end-2012. Additionally, government deposits at the BCRP increased by S/. 7.99 billion, which contributed to monetary sterilization.

TABLE 68
OPERATIONS OF THE BCRP
(Millions of nuevos soles)

	2010	2011	2012
I. EXCHANGE OPERATIONS	25,362	669	31,172
(Millions of US\$)	9,010	329	11,837
1. Over the counter trading	8,963	3,537	13,179
2. Public sector	-50	-3,039	-1,353
3. Others	96	-169	11
II. NET DOMESTIC ASSETS	-20,472	2,461	-26,188
1. Public sector deposits	-5,720	-5,214	-7,999
2. Repos	0	0	0
3. CD BCRP (Certificates of deposit)	14,091	-13,550	-7,225
4. CDR BCRP (Certificates of deposit indexed to the exchange rate)	0	0	0
5. CD BCRP-NR (with restricted negotiation)	0	0	0
6. CDLD BCRP (Certificates of deposit payable in dollars)	-450	450	0
7. CDV BCRP (Certificates of deposit indexed to the reference rate)	-3,196	3,196	0
8. Term deposits (DP BCRP)	-20,788	17,151	-5,611
9. Overnight deposits	163	559	-375
10. Reserve requirements in domestic currency	-5,770	-2,630	-7,784
11. Other assets	1,198	2,499	2,805
III. CURRENCY	4,890	3,130	4,984
Memo: Balance at end of period			
Currency	24,131	27,261	32,244
CD BCRP	30	13,580	20,805
CDR BCRP	0	0	0
CD BCRP-NR	0	0	0
CDLD BCRP	450	0	0
CDV BCRP 1/	3,207	0	0
Term deposits (DP BCRP)	20,788	3,637	9,248
Public sector deposits	26,726	31,940	39,939
1/ Includes adjustment of balance due to changes in the BCRP reference rate.			
Memo:			
CD BCRP: Certificate of deposit			
CDR BCRP: Certificate of deposit indexed to the exchange rate			
CDLD BCRP: Certificate of deposit payable in dollars			
CDV BCRP: Certificate of deposit indexed to the reference rate			
Source: BCRP.			

4.2 Liquidity

Liquidity in the private sector continued growing although showing a slower pace than in the previous year due to the more moderate growth of economic activity. Liquidity registered a growth rate of 14.4 percent, a rate 2.4 percentage points lower than in 2011 (16.8 percent). On the other hand, deposits, which exclude currency in circulation, registered a growth rate 4.3 percentage lower than in 2011, declining from 17.6 percent in 2011 to 13.3 percent in 2012.

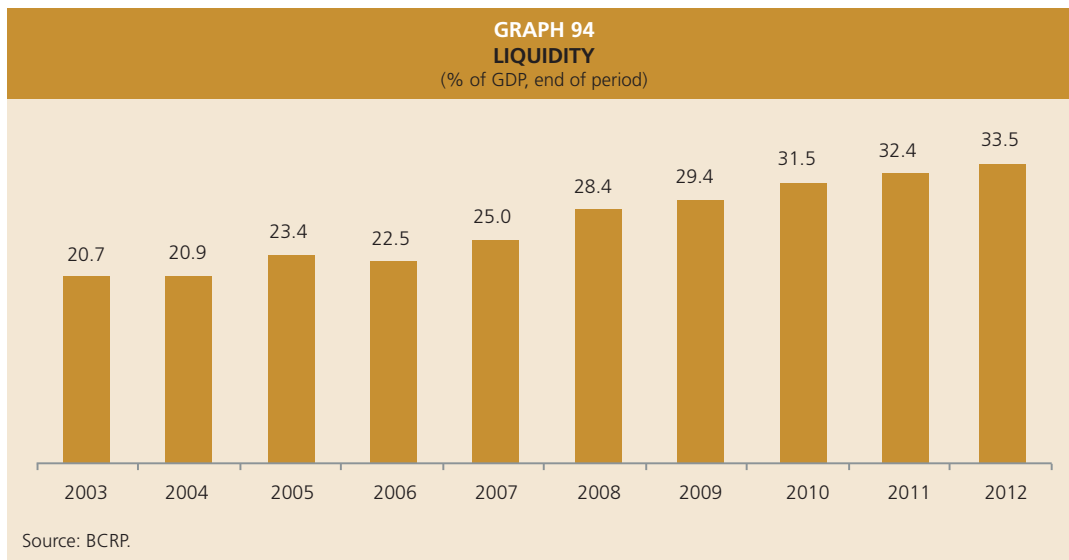
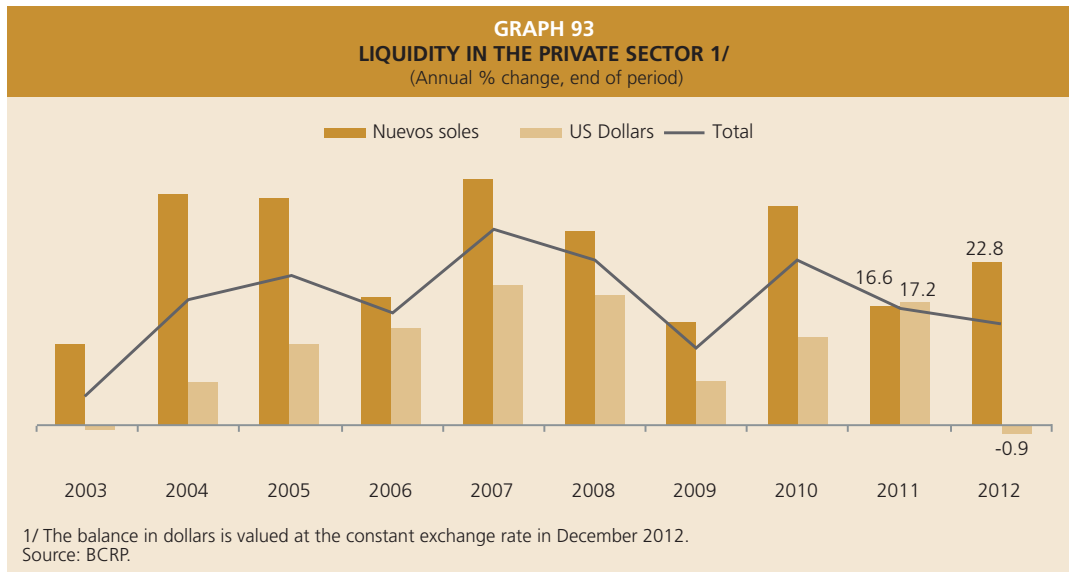


TABLE 69
MAIN MONETARY AGGREGATES

	Balance in millions of nuevos soles			Growth rates (%)	
	2010	2011	2012	2011	2012
Currency	24,131	27,261	32,244	13.0	18.3
Money	42,651	48,766	57,488	14.3	17.9
Total deposits 1/	106,672	125,432	142,157	17.6	13.3
In nuevos soles	60,089	70,778	87,984	17.8	24.3
In dollars (Millions of US\$)	18,268	21,433	21,244	17.3	-0.9
Liquidity 1/	132,070	154,240	176,457	16.8	14.4
In nuevos soles	85,366	99,520	122,227	16.6	22.8
In dollars (Millions of US\$)	18,316	21,459	21,267	17.2	-0.9

1/ The balance in dollars is valued at the constant exchange rate in December 2012.
Source: BCRP.

By type of depositor, in 2012 the deposits of legal entities grew at a higher rate (17.7 percent) than the deposits of individuals (10.5 percent), whereas in terms of currencies both groups preferred to maintain assets in nuevos soles.

TABLE 70
DEPOSITS BY TYPE OF DEPOSITOR

	Balance in millions of nuevos soles			Growth rates (%)	
	2010	2011	2012	2011	2012
Individuals	64,785	76,301	84,326	17.8	10.5
In nuevos soles	38,570	48,260	57,076	25.1	18.3
In US dollars (Millions of US\$)	10,280	10,997	10,686	7.0	-2.8
Legal entities	41,888	49,131	57,830	17.3	17.7
In nuevos soles	21,519	22,518	30,907	4.6	37.3
In US dollars (Millions of US\$)	7,988	10,437	10,558	30.7	1.2
Total	106,672	125,432	142,157	17.6	13.3
In nuevos soles	60,089	70,778	87,984	17.8	24.3
In US dollars (Millions of US\$)	18,268	21,433	21,244	17.3	-0.9

1/ The balance in dollars is valued at the constant exchange rate in December 2012.
Source: SBS and balances of financial institutions.

The slowdown in liquidity, which is consistent with the evolution of the credit to the private sector, affected mostly the segment of liquidity in foreign currency, whose annual growth rate declined from 17.2 percent in 2011 to -0.9 percent in 2012. This slowdown, which occurred mostly in the second semester, was influenced by expectations of a gradual devaluation of the dollar against the sol. Thus, a greater decline was observed in term deposits (-7.9 percent).

TABLE 71
LIQUIDITY IN DOMESTIC CURRENCY IN THE PRIVATE SECTOR

	Balance in millions of nuevos soles			Growth rates (%)	
	2010	2011	2012	2011	2012
Currency	24,131	27,261	32,244	13.0	18.3
Deposits	60,089	70,778	87,984	17.8	24.3
Demand deposits	18,519	21,505	25,244	16.1	17.4
Savings deposits	18,084	22,409	26,922	23.9	20.1
Term Deposits	23,485	26,863	35,818	14.4	33.3
Securities and other instruments	1,145	1,481	1,999	29.3	34.9
TOTAL	85,366	99,520	122,227	16.6	22.8

Source: BCRP.

Liquidity in local currency showed an acceleration compared to 2011, rising from 16.6 percent to 22.8 percent. It should be pointed out that much of this increase took place during the second half of the year, particularly between October and November. The most dynamic growth rates were observed in savings deposits and term deposits in soles, which grew substantially compared to the previous year. The annual growth rate of term increased from 14.4 percent in 2011 to 33.3 percent in 2012.



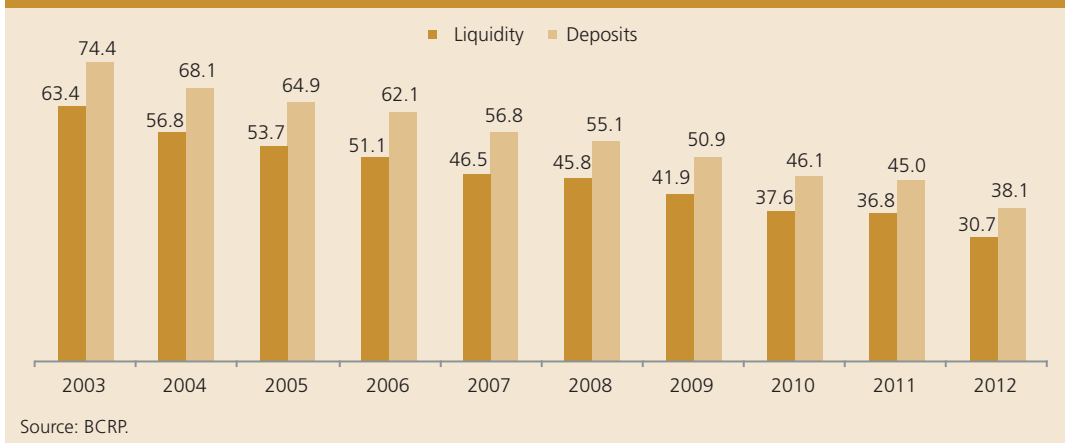
TABLE 72
LIQUIDITY IN FOREIGN CURRENCY IN THE PRIVATE SECTOR

	Balance in millions of US dollars			Growth rates (%)	
	2010	2011	2012	2011	2012
Deposits	18,268	21,433	21,244	17.3	-0.9
Demand deposits	5,704	6,981	7,552	22.4	8.2
Savings deposits	4,563	5,411	5,367	18.6	-0.8
Term Deposits	8,001	9,042	8,325	13.0	-7.9
Securities and other instruments	48	26	22	-45.8	-13.8
TOTAL	18,316	21,459	21,267	17.2	-0.9

Source: BCRP.

The ratio of dollarization of liquidity decreased by 6.1 percentage points during the year (from 36.8 percent in December 2011 to 30.7 percent in December 2012), registering its greatest decline since 2004. Moreover, the ratio of dollarization of deposits decreased from 45.0 percent in December 2011 to 38.1 percent in December 2012.

GRAPH 95
DOLLARIZATION OF LIQUIDITY AND DEPOSITS
(%)

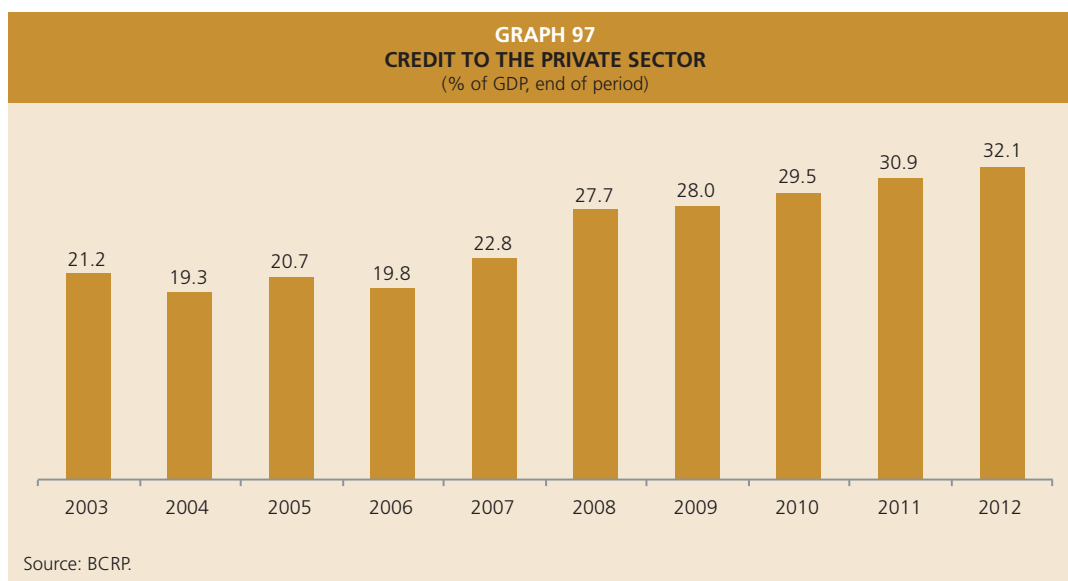
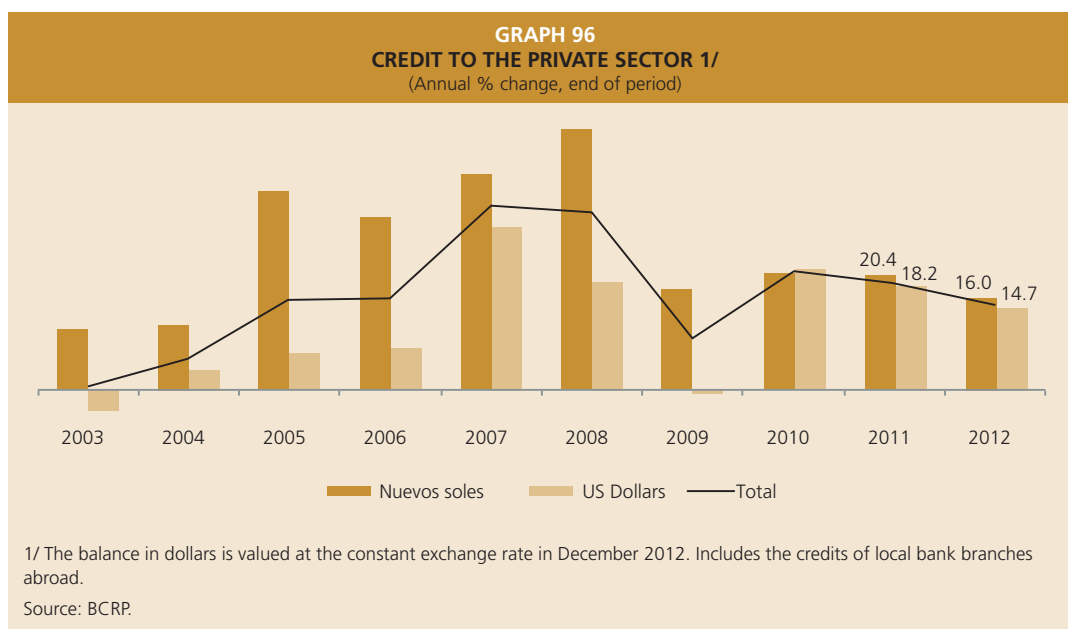


4.3 Credit to the Private Sector

The growth rate of total credit to the private sector shrank for the third consecutive year, falling from 19.4 percent in 2011 to 15.4 percent in 2012. It is worth pointing out that the balance of total credit includes the loans that local banks transfer to their branches abroad, which are accounted for as loans granted by these branches.

Credit to the private sector showed a gradual deceleration over the year, especially in the first semester. Credit to the private sector in domestic currency was the most dynamic component with a growth rate of 16.0 percent (20.4 percent in 2011). Credit in domestic currency, on the other hand, grew 14.7 percent (18.2 percent in 2011).

The ratio of dollarization of credit to the private sector continued showing a decreasing trend falling from 44.7 percent in December 2011 to 43.0 percent in December 2012.



By type of borrower, credit decelerated in the segment of enterprises, where it declined from 17.5 percent in 2011 to 13.3 percent in 2012, as well as in the segment of loans to individuals, where it fell from 23.1 percent to 19.4 percent.



TABLE 73
TOTAL CREDIT TO THE PRIVATE SECTOR

	Balance in millions of nuevos soles 1/			Growth rates (%)	
	2010	2011	2012	2011	2012
Corporate loans	80,918	95,099	107,787	17.5	13.3
Foreign trade	7,938	8,239	9,257	3.8	12.4
Others	72,980	86,860	98,530	19.0	13.4
Individual loans	41,628	51,244	61,163	23.1	19.4
Consumer	26,233	31,607	36,416	20.5	15.2
Mortgage	15,395	19,636	24,747	27.5	26.0
TOTAL	122,546	146,343	168,950	19.4	15.4

1/ The balance in dollars is valued at the constant exchange rate in December 2012. Includes the credits of local bank branches abroad.
Source: BCRP.

By economic sector, considering only the credit to business, the highest increase in the demand for credit was observed in commerce (S/. 4.15 billion), real estate, entrepreneurial activities, and rentals (S/. 2.12 billion), and manufacturing industry (S/. 1.09 billion). These three sectors concentrated 56 percent of the demand for business credit during the year.

TABLE 74
DEPOSITORY INSTITUTIONS: TOTAL CREDIT BY ECONOMIC SECTOR 1/

	Balance			Flows		
	2010	2011	2012	2011	2012	2012
Agriculture and livestock	3,521	4,335	5,134	531	814	799
Fishing	1,282	1,512	1,396	43	230	-116
Mining	3,812	4,649	4,301	368	837	-348
Manufacturing Industry	19,153	21,676	22,770	3,298	2,523	1,093
Electricity, Gas and Water	4,224	5,077	6,132	644	853	1,055
Construction	2,157	2,835	3,629	455	679	794
Commerce	19,584	24,185	28,338	3,855	4,601	4,153
Hotels and Restaurants	1,747	2,320	2,804	247	573	484
Transportation, Storage and Communications	8,159	8,194	8,938	2,055	35	744
Real Estate, Business and Rental Activities	8,811	9,912	12,036	3,797	1,101	2,124
Rest	8,467	10,403	12,309	-686	1,936	1,906
TOTAL	80,918	95,099	107,787	14,607	14,182	12,688

1/ The balance of broad money in dollars is valued at the constant exchange rate in December 2012. Includes the credits of local bank branches abroad.
Source: BCRP.

Credit to the private sector in domestic currency grew 16.0 percent (annual flow of S/. 13.31 billion). This rate is explained mainly by the increase registered in credit to individuals, which grew 19.6 percent (S/. 7.63 billion) and accounted for 57 percent of the increase observed in credit in soles. Consumer

loans, which grew 14.8 percent (S/. 4.23 billion), and mortgage loans, which grew 33.2 percent (S/. 3.40 billion), stand out among the different types of credit to individuals.

TABLE 75
CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY

	Balance in millions of nuevos soles			Growth rates (%)	
	2010	2011	2012	2011	2012
Corporate loans	37,579	44,116	49,801	17.4	12.9
Personal loans	31,402	38,917	46,549	23.9	19.6
Consumer	23,672	28,656	32,886	21.1	14.8
Motor vehicle	470	456	422	-2.9	-7.5
Credit cards	8,076	10,087	11,382	24.9	12.8
Others	15,126	18,113	21,082	19.7	16.4
Mortgages	7,730	10,261	13,662	32.7	33.2
TOTAL	68,981	83,034	96,350	20.4	16.0

Source: BCRP.

Credit to the private sector in foreign currency expanded 14.7 percent (annual flow of US\$ 3.64 billion). This growth was favored by increased external sources of credit in dollars, as well as by stable and low interest rates in foreign currency that reflected both the levels of international interest rates and expectations of an appreciation of the nuevo sol.

By type of borrower, the segment of corporate loans in dollars, which accounted for 75 percent of the growth of credit in foreign currency, grew 13.7 percent (US\$ 2.74 billion). Credit to individuals grew 18.6 percent (US\$ 897 million) due mainly to the growth of credit in the segments of mortgages and consumer loans, which grew 18.2 and 19.6 percent, respectively. The growth of new mortgage loans was not reflected in a higher ratio of dollarization in this segment given that mortgage loans in soles registered a higher growth than mortgage loans in dollars.

TABLE 76
CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY 1/

	Balance in millions of nuevos soles			Growth rates (%)	
	2010	2011	2012	2011	2012
Corporate loans	16,996	19,993	22,740	17.6	13.7
Personal loans	4,010	4,834	5,731	20.5	18.6
Consumer	1,004	1,157	1,384	15.2	19.6
Motor vehicle	297	388	539	30.5	38.9
Credit cards	224	252	305	12.6	21.1
Others	483	517	540	7.1	4.4
Mortgages	3,006	3,677	4,347	22.3	18.2
TOTAL	21,006	24,827	28,471	18.2	14.7

1/ Includes the credits of local bank branches abroad.
Source: BCRP.



Credit to the private sector at end-2012 continued showing lower levels of dollarization in all the different types of credit. The ratio of dollarization of credit to the private sector fell 1.7 percentage points, from 44.7 percent in December 2011 to 43.0 percent in December 2012.

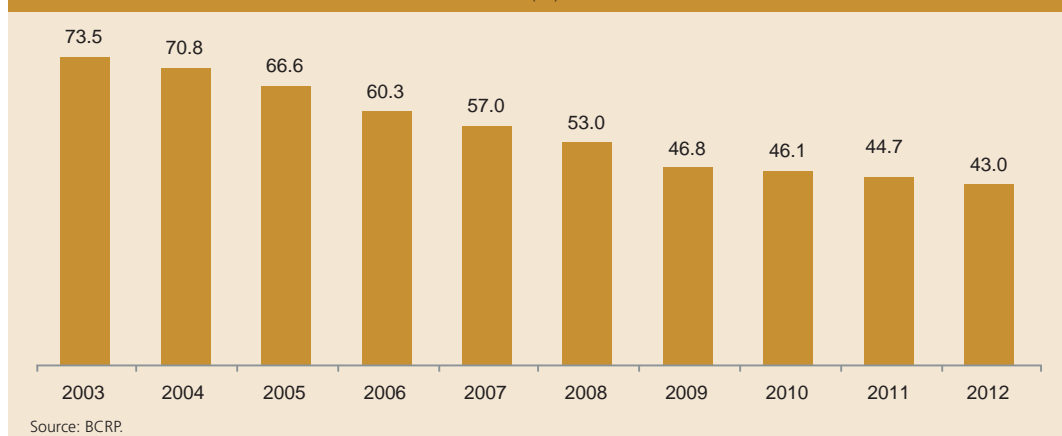
Credit to businesses registered a dollarization ratio of 53.8 percent, a level a little more than one percentage point lower than in the previous year (55.0 percent). The dollarization of credit to individuals also decreased, falling from 25.1 percent in 2011 to 23.9 percent in 2012.

TABLE 77
DOLLARIZATION OF CREDIT TO THE PRIVATE SECTOR

	2010	2011	2012
Corporate loans	56.0	55.0	53.8
Personal loans	26.4	25.1	23.9
Consumer	10.7	9.8	9.7
Mortgage	52.2	49.2	44.8
TOTAL	46.1	44.7	43.0
Memo:			
Dollarization of credit at constant exchange rate	43.7	43.3	43.0

1/ Includes the credits of local bank branches abroad.
Source: BCRP.

GRAPH 98
DOLLARIZATION OF CREDIT TO THE PRIVATE SECTOR
(%)



4.4 Financing to the Private Sector

Total financing to the private sector grew 18.4 percent in 2012, a rate 0.4 percentage points higher than in 2011 (18.0 percent). This indicator provides information on the funding obtained by non-financial private enterprises through a larger set of funding sources as well as through depository financial institutions.

As previously mentioned, during 2012 the growth of credit to the private sector through depository corporations declined in annual terms from 19.4 percent in 2011 to 15.4 percent in 2012. Part of this

slowdown is explained by the increased direct funding obtained by private companies through the issuance of securities in the domestic and the international markets.

The increased funding obtained by issuing bonds in the domestic market was reflected in the higher holdings of these instruments in the portfolios of domestic institutional investors, mainly AFPs and insurance companies, the balance of which rose 22.0 percent in 2012 (9.7 percent in 2011). In terms of flows, the funding obtained by companies' placements of bonds in the country in 2012 was equivalent to S/. 3.50 billion (S/. 1.32 billion in 2011 and S/. 2.61 billion in 2010).

The financing channel that grew the most during the year was direct external loans. The balance of Peruvian companies' debt with external financing sources grew 29.8 percent in 2012, a rate that outweighs the rate of 16.8 percent recorded in 2011. In terms of flows, the external financing obtained by private firms amounted to US\$ 3.76 billion (US\$ 1.81 billion in 2011). Most of this financing was medium- and long-term debt (US\$ 3.68 billion).

TABLE 78
PRIVATE SECTOR FINANCING 1/

	Balance in millions of nuevos soles			Growth rate (%)	
	2010	2011	2012	2011	2012
I. CREDIT OF DEPOSITORY CORPORATIONS	122,546	146,343	168,950	19.4	15.4
Domestic currency	68,981	83,034	96,350	20.4	16.0
Foreign currency (Millions of US\$)	21,006	24,827	28,471	18.2	14.7
Dolarization (%)	46.1	44.7	43.0		
II. CREDIT OF OTHER FINANCIAL CORPORATIONS 2/	16,516	18,118	20,098	9.7	22.0
Domestic currency	8,957	9,402	10,888	5.0	15.8
Foreign currency (Millions of US\$)	2,964	3,418	4,396	15.3	28.6
Dolarization (%)	48.2	49.5	50.7	2.8	2.4
Of which:					
AFP's loans	9,833	10,943	13,751	11.3	25.7
Loans of mutual funds	1,935	1,633	1,528	-15.6	-6.4
Loans of insurances	3,090	3,602	4,402	16.6	22.2
III. EXTERNAL PRIVATE INDEBTNESS	27,499	32,117	41,700	16.8	29.8
(Millions of US\$)	10,784	12,595	16,353	16.8	29.8
Short-term (Millions of US\$)	3,756	4,381	4,456	16.6	1.7
Medium and long-term (Millions of US\$)	7,027	8,214	11,897	16.9	44.8
IV. TOTAL (I + II + III)	166,560	196,578	232,747	18.0	18.4
Domestic currency	77,938	92,436	107,237	18.6	16.0
Foreign currency (Millions of US\$)	34,754	40,840	49,220	17.5	20.5
Dolarization (%)	55.6	54.4	53.9		

1/ The balance of broad money in dollars is valued at the constant exchange rate in December 2012.

2/ Includes loans and investments in fixed-income bonds of institutional investors.

Furthermore, it is worth pointing out that 44 percent of the flow of foreign loans were bond placements in the international market, which amounted to US\$ 1.66 billion in 2012 (vs. US\$ 320 million in 2011).

This increased placement of external debt was associated with the abundance of liquidity in international markets as a result of the counter-cyclical monetary policies of the Fed and the ECB, as well as with the



greater access of Peruvian companies to these markets, which allows them to place higher amounts of debt and reduce significantly the fixed costs for this type of financial operations.

5. Financial Indicators

The financial indicators of commercial banks showed a slight deterioration in 2012. The ratio of past-due loan portfolio increased by 0.3 percent to 1.8 percent, while the level of coverage of high-risk portfolio dropped from 149.8 percent to 142.5 percent. Moreover, the return on equity (ROE) and the return on assets (ROA) fell from 24.5 percent in 2011 to 22.4 percent in 2012 and from 2.3 to 2.2 percent, respectively.

TABLE 79 FINANCIAL INDICATORS ON COMMERCIAL BANKS (%)			
	2010	2011	2012
Overdue loans / gross placements 1/	1.5	1.5	1.8
High risk portfolio / gross placements 2/	2.6	2.5	2.8
Allowance for loans / high-risk portfolio	141.9	149.8	142.5
Return on equity (ROE)	24.2	24.5	22.4
Return on assets (ROA)	2.4	2.3	2.2

1/ Credits due and in judicial collection processes.
2/ The high-risk portfolio is equal to the most backward refinanced and restructured portfolio.
Source: SBS.

By size of debtor, corporate loans and loans for large businesses registered lower delinquency rates than the average rates: zero percent and 0.4 percent, respectively. The loans to medium-sized enterprises showed a delinquency rate of 2.5 percent, while loans to small and micro enterprises showed delinquency rates of 5.3 and 2.7 percent, respectively. Furthermore, the delinquency rate in the case of consumer loans was 3.0 percent, higher than the average rate, whereas this rate in the case of mortgage loans was quite lower (0.8 percent).

TABLE 80 BANKS: DELINQUENCY RATE S BY TYPE AND SIZE OF DEBTOR (%)			
	2010	2011	2012
Corporate loans	0.0	0.0	0.0
Loans to big companies	0.2	0.2	0.4
Loans to medium-sized companies	2.3	2.1	2.5
Loans to small companies	4.6	4.7	5.3
Loans to microbusiness	2.9	2.4	2.7
Consumer loans	2.7	2.6	3.0
Mortgage loans	0.9	0.9	0.8
TOTAL	1.5	1.5	1.8

Source: SBS.

The indicators of non-banking financial companies also showed some deterioration, with an increase in delinquency rates and a reduction in the ratios of coverage (provisions) of the high risk portfolio being observed. The rural savings banks showed the highest delinquency rates (5.3 percent at December 2012) and the lowest rates of coverage of high-risk portfolio (84.2 percent at December 2012). As regards the profitability indices, the return on equity (ROE) declined in municipal and rural savings banks while they increased in financial entities and the edpymes.

TABLE 81
FINANCIAL INDICATORS OF NON-BANK COMPANIES
(%)

	2010	2011	2012
Overdue loans / gross placements 1/			
Financial Firms	3.8	3.5	4.5
Municipal savings banks	5.1	4.9	5.2
Rural savings banks	4.6	4.3	5.3
Edpymes	5.1	5.0	4.8
Provision for loans / high-risk portfolio 2/			
Financial Firms	132.8	149.2	132.2
Municipal savings banks	108.2	111.2	107.9
Rural savings banks	96.7	105.0	84.2
Edpymes	105.7	114.4	120.0
Ratio on equity (ROE)			
Financial Firms	19.3	20.0	21.6
Municipal savings banks	13.4	17.8	14.6
Rural savings banks	4.6	8.1	7.1
Edpymes	4.8	3.3	5.7

1/ Overdue loans and loans in judicial collection processes.
2/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.
Source: SBS.

6. International Reserves

The net international reserves (NIRs) of the BCRP increased by US\$ 15.17 billion to US\$ 63.99 billion at year-end. This increase in NIRs resulted mainly from net purchases of foreign currency (US\$ 11.84 billion), higher deposits in foreign currency of both the public sector (US\$ 1.47 billion) and commercial banks at the BCRP (US\$ 1.27 billion), and the net yield of the investment of reserve assets (US\$ 573 million).



The foreign exchange position of the BCRP increased by US\$ 12.76 billion and registered a balance of US\$ 46.06 billion at the end of 2012. Between 2011 and 2012, the ratio of the BCRP foreign exchange position to total NIRs increased by 4 percentage points, from 68 percent to 72 percent. The other funding sources that explain the composition of NIRs are banks’ deposits in dollars (16 percent) and public sector deposits in dollars (13 percent) held at the BCRP.

6.1 Management of International Reserves

Increasing by US\$ 15.19 billion compared to 2011, gross international reserves –also called international reserve assets– recorded a balance of US\$ 64.05 billion at the end of 2012. This increase in international reserves has allowed the Peruvian economy to maintain adequate international liquidity indicators: at end 2012, net international reserves were equivalent to 19 months of imports, to 5.6 times the country’s short term external liabilities, and to 3.1 times the monetary base.

TABLE 82
“HIGH LEVEL OF INTERNATIONAL RESERVES STRENGTHENS PERU’S INTERNATIONAL LIQUIDITY POSITION”

US\$ 64 billion in NIRs	<ul style="list-style-type: none"> • 5.8 times one-year debt liabilities (short term external liabilities plus amortization of long-term debt) • 3.1 times the monetary base • 18.7 months of imports
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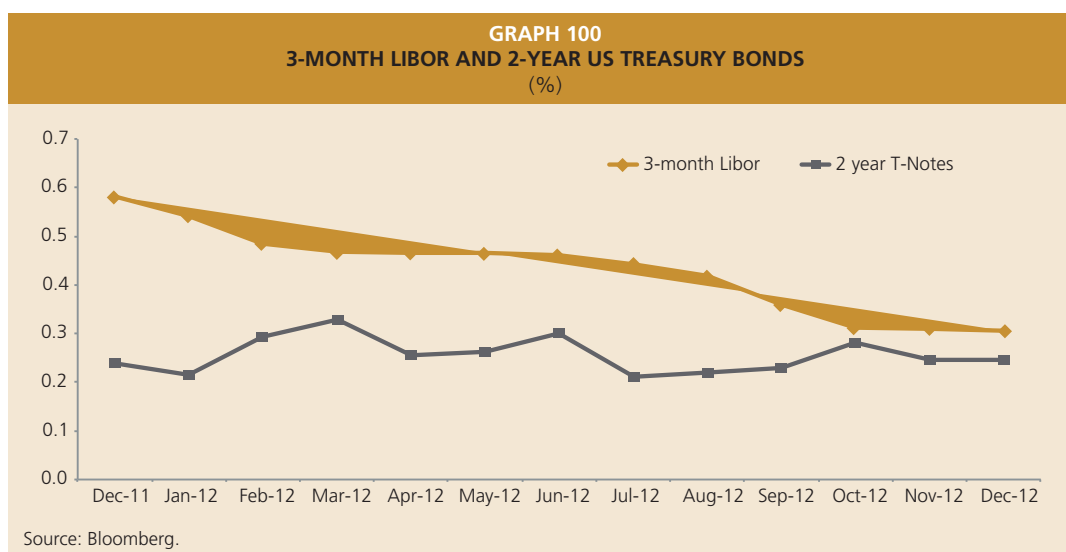
Source: BCRP.

In 2012, the U.S. GDP recorded a growth rate of 2.2 percent. On the other hand, contrasting with this rate, the Eurozone GDP showed a contraction of -0.6 percent, affected by the crisis of the peripheral countries, especially Italy and Spain, whose GDP dropped 2.4 and 1.4 percent, respectively. In the United States, the Fed maintained its benchmark rate within the range of 0 and 0.25 percent over the year, supporting economic growth with non-conventional monetary measures, such as the extension of the

maturities of the Treasury bonds of its asset purchase programs and the implementation of its third quantitative easing program (QE3) since the unfolding of the 2008 crisis.

The ECB lowered its benchmark interest rate from 1.00 percent to 0.75 percent in July and also implemented programs to support the financial system, such as the second program of 3-year unlimited loans with collateral (known as long-term refinancing operations - LTRO) at an interest rate of 1 percent. In addition to this, the ECB announced its program of Outright Monetary Transactions (OMT) for the Eurozone governments that request assistance from the European Stability Mechanism (ESM)¹⁶.

During the year, the yield curve of the U.S. Treasury bonds flattened given that the rates of the short segment of the curve (between 1 month and 1 year) increased slightly and the rates of the medium-term segment declined. In Europe, on the other hand, the yield curve moved down, except for the rates on up to 1-year securities, which rose slightly. The 3-month Libor in dollars fell 28 basis points, reflecting better market liquidity conditions and a moderation in the bank risk perceived over the year as a result of the measures taken by the United States and the Eurozone monetary authorities. Moreover, the rate on the 2-year T-Notes remained within a range of 0.20 percent to 0.39 percent¹⁷, reflecting that expectations about inflation in the United States would have remained contained in 2012.



In this context, the BCRP investment of reserves was carried out with a conservative approach, using strict criteria to determine the placement of deposits in banks abroad and diversifying investments in securities with the highest credit quality. As regards the portfolio duration, a primarily neutral positioning was held relative to the benchmark given existing market uncertainty. Some tactical deviations were also implemented when circumstances allowed improving the portfolio performance.

¹⁶ LTRO (long-term refinancing operations), OMT (outright monetary transactions), and ESM (European Stability Mechanism).

¹⁷ Measured using daily data.



It is worth mentioning that a priority in the policy of investment of international reserves is to preserve capital and ensure the liquidity of the reserves. Once these conditions are met, the BCRP seeks to maximize the yield of international assets. In general, the management of these assets is closely related to the characteristics of the sources of such resources in terms of value, currency, maturity, and volatility. In this way, the BCRP seeks to minimize the market risks that could affect the value and availability of these assets.

6.2 Composition of International Reserve Assets (IRA)

At end-2012, 77 percent of the IRA was invested in liquid securities of high credit quality, 17 percent in first-class banks overseas, and the remaining 6 percent in gold and other assets. The portfolio consists of debt securities issued by sovereign issuers, supranational organizations and foreign government entities with credit ratings of A+ or higher.

It should be pointed out that in July 2012 the Board of the BCRP authorized Treasury bond operations in the secondary market for up to a limit of 5 percent of the monetary base balance of the previous year, in accordance with article 61 of its Organic Law. Through these operations the BCRP expects to temporarily accumulate a balance of government bonds which could be used to face abrupt changes in the liquidity of these securities that could affect the yield curve and, through this channel, the long-term interest rates and the evolution of liquidity and credit. In 2012 the BCRP bought 2025 and 2033 global bonds for a nominal value of US\$ 205.3 million, amount equivalent to 42.2 percent of the limit established in its Organic Law.

In 2012 the BCRP international reserve assets generated a yield of S/. 1.60 billion, less than in the previous year due mainly to the low international interest rates observed during the year.

TABLE 83 INTERNATIONAL RESERVE ASSETS (Millions of US\$)				
	December 2011		December 2012	
	Amount	%	Amount	%
Deposits abroad	11,263	23.1	11,011	17.2
Securities	34,190	70.0	49,118	76.7
Gold	1,722	3.5	1,867	2.9
Other 1/	1,683	3.4	2,054	3.2
TOTAL	48,859	100.0	64,049	100.0

1/ Includes contribution to the FLAR and balance of assets associated with international agreements.
Source: BCRP.

The balance of liquid IRA¹⁸ at end-year was US\$ 61.88 billion. As regards the quality of the portfolio, 68 percent of IRA was held in entities with a long-term credit rating of AAA and most of the rest in entities with credit ratings between AA+ and AA-. The average duration of the investment portfolio was 1.12 years.

18 Easily tradable assets in international financial markets. Therefore, the capital contributions to international organizations, such as the FLAR and BIS, the contributions and funds to the IMF, the active balances associated with international conventions, and the gold held in the vaults of the BCRP are excluded from the international reserve assets.

TABLE 84
COMPOSITION OF LIQUID INTERNATIONAL ASSETS
 (% structure)

	December 2011	December 2012
By maturity term	100	100
0-3 months	41	39
3-12 months	19	16
> 1 year	39	45
By long-term rating	100	100
AAA	78	68
AA+/AA/AA-	14	25
A+/A/A-	8	7

Source: BCRP.

The effective exposure of the BCRP foreign exchange position to the US dollar rose to 67 percent.

TABLE 85
INTERNATIONAL POSITION: EFFECTIVE EXPOSURE
 (% structure)

	December 2011	December 2012
US dollars	57	67
Other currencies	38	29
Gold	5	4
Total	100	100

Source: BCRP.

7. Financial Savings and Capital Market

Financial savings includes all of the assets that the enterprises and households in the financial system hold in the form of savings deposits, term deposits, securities, holdings of life insurance, mutual funds and contributions to private pension funds.

In 2012, the average balance of financial savings increased 10.7 percent relative to 2011 (a figure equivalent to 41.6 percent of GDP). The growth of financial savings slowed down compared to 2011 due to the lower pace of growth of government deposits. On the other hand, however, the balance of contributions to private pension funds and mutual funds recovered its pace of growth due to the increase registered in the stock indices.

By currencies, the financial savings in soles grew 16.0 percent (15.1 percent in 2011) while the financial savings in dollars grew 4.1 percent (14.8 percent in 2011). The higher growth of the aggregate in soles was associated with the increase of deposits in soles and of the value of private pension funds, which are recorded in soles. The share of the financial savings in nuevos soles in GDP terms rose from 27.4 to 29.3 percent between 2011 and 2012, while the share of savings in dollars declined from 13.3 percent to 12.2 percent in the same period.



TABLE 86
FINANCIAL SAVINGS
(Average balance in the period, as % of GDP)

	Domestic currency	Foreign currency	Total
2003	12.0	15.9	27.9
2004	13.4	14.4	27.7
2005	15.4	13.3	28.7
2006	17.1	13.1	30.2
2007	23.1	13.4	36.5
2008	23.9	13.0	36.9
2009	24.0	14.6	38.6
2010	26.6	13.3	39.9
2011	27.4	13.3	40.7
2012	29.3	12.2	41.6

7.1 Fixed-Income Market

The balance of securities issued by private companies through public offering at end-2012 amounted to S/. 22.09 billion, a figure 8.2 percent higher than the balance recorded in December 2011¹⁹.

Valued at the constant exchange rate at December 2012, the flow of securities placed during the year amounted to S/. 4.67 billion (vs. S/. 3.36 billion in 2011). In addition to this, the securities placed by Peruvian companies in the international market amounted to US\$ 4.12 billion, of which US\$ 1.66 billion was bonds issued by non-financial companies. In 2011 these placements amounted to US\$ 1.94 billion and US\$ 320 million, respectively.

In terms of bonds issued in the domestic market, it is worth pointing out that non-financial companies placed a volume equivalent to S/. 1.78 billion (S/. 1.73 billion in 2011), while financial entities placed securities for a total of S/. 2.86 billion (S/. 2.40 billion in 2011).

The largest issuers were COFIDE (with a volume equivalent to S/. 457 million), Banco de Crédito del Perú (with an amount equivalent to S/. 400 billion), and BBVA Banco Continental (with an amount equivalent to S/. 396 million). Among the non-financial companies, the largest issuers were H2OImos (S/. 330 million), Luz del Sur (S/. 302 million), and Red de Energía del Perú (S/. 244 million).

By maturity terms, the average term of domestic issuances in soles was 9.1 years (4.8 years in 2011) while the average term of issuances in dollars was 8.6 years (9.1 years in 2011). The longer maturities in soles were 30 and 25 years (the securities issued by COFIDE), while the longest maturity term in the securities issued by private companies was 20 years (Edelnor placed securities for a total of S/. 50 million in May and H2OImos placed securities for a total of S/. 253 million in October).

¹⁹ Including short term bonds and instruments placed through public offering in the domestic market. The effect of exchange rate variations is isolated for comparison purposes.

TABLE 87
FIXED-INCOME SECURITIES ISSUED BY PRIVATE COMPANIES

	Annual amounts			Growth rate (%)	
	2010	2011	2012	2011	2012
Balance at the end of period (Millions of nuevos soles)	19,892	20,416	22,095	2.6	8.2
Non-financial sector	14,125	13,795	13,841	-2.3	0.3
Financial sector 1/	5,767	6,621	8,255	14.8	24.7
Composition by currency (%)	100.0	100.0	100.0		
Soles	43.1	45.8	51.0		
VAC	9.0	9.3	10.3		
US dollars	43.4	42.4	38.7		
Balance as % of GDP	4.6	4.2	4.2		

1/ Securities issued or originated by a financial organization.
Source: SMV.

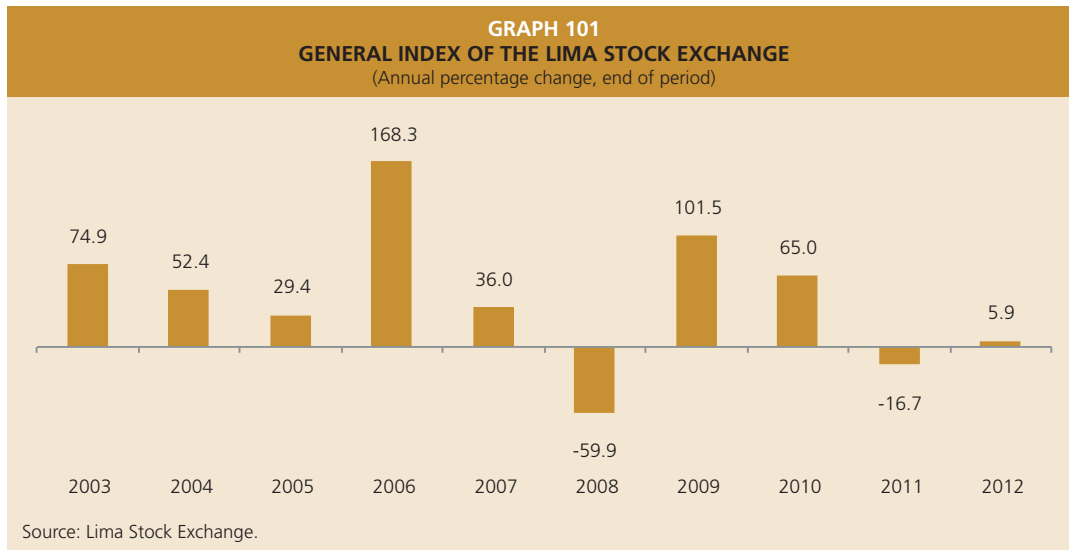
By currencies, the ratio of participation of financial instruments in soles continued to rise. At the end of 2012, bonds in soles accounted for 61.3 percent of the balance of existing public offering (55.1 percent in 2011). Moreover, fixed-rate bonds in soles represented 51 percent (45.8 percent in 2011), while inflation-indexed bonds (VAC) represented 10.3 percent (9.3 percent in 2011).

The lower country risk and the stability of the nuevo sol favored lower interest rates on bonds issuances in soles in the domestic market, especially in the longer segments of the yield curve. The average interest rate of AA 1-year bonds declined from 4.9 percent in December 2011 to 4.2 percent in December 2012 (down 0.7 percentage points). Furthermore, the average rate of a 10-year bonds with a AAA risk rating dropped from 7.2 percent in December 2011 to 5.3 percent in November 2012 (down 1.9 percentage points).

7.2 Stock Exchange

In 2012 the indices of the Lima Stock Exchange (LSE) recovered from part of the losses registered in 2011. However, worries about Europe, particularly about Greece and Spain, had a negative impact on the market, especially during Q2. In Q3 the LSE showed a recovery associated, among other factors, with the decision of the ECB to buy back the debt of countries with debt problems, as well as with the Fed's decision to continue carrying out its monetary easing program.

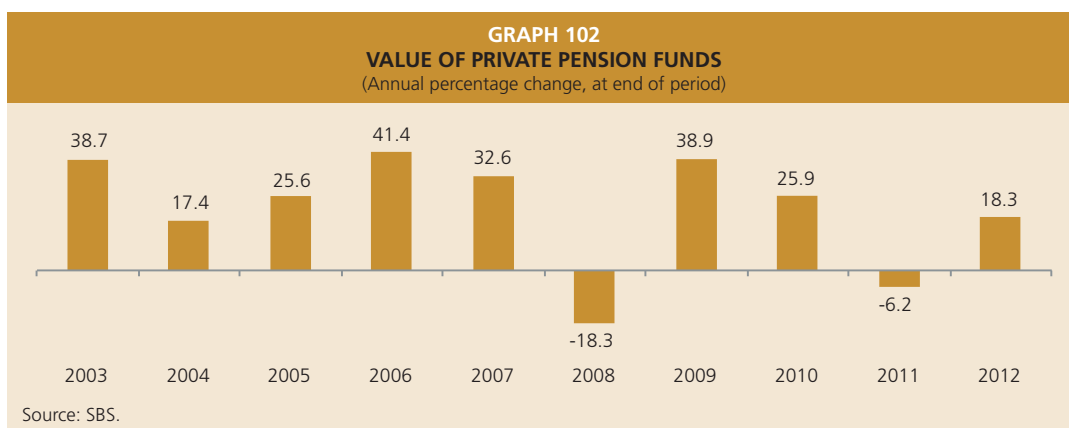
The general index of the LSE recorded a positive annual yield of 5.9 percent and the selective index registered an annual yield of 13.4 percent (in 2011 these indices had dropped 16.7 and 14.7 percent, respectively). By sectors, a positive performance and yield was registered by the shares of banks (38.9 percent), services (22.5 percent), and industry (3.9 percent). Conversely, mining and agriculture shares had negative profitability rates (3.5 percent and 1.4 percent, respectively).



The traded volumes of stocks fell 2.5 percent compared to 2011. The trade of shares fell 7.3 percent while the trade of debt securities shrank 23.1 percent. At the end of the year, the market capitalization –the total value of companies listed at the stock exchange– was S/. 391.18 billion, equivalent to 74.3 of GDP, and higher than in 2011 (67.4 percent of GDP). Moreover, dematerialized shares (the amount of shares recorded electronically in CAVALI) at year-end amounted to S/. 144 .3 billion, which is equivalent to 36.9 percent of the value of market capitalization (46.8 percent in 2011).

7.3 Private Pensions System

The net worth of private pension funds increased 18.3 percent during the year due to the recovery of stock markets. In December, the assets of these funds amounted to S/. 95.91 billion. The number of members increased 6.9 percent to a total of over 5.2 million people.



Recovering from the losses recorded in 2011, pension funds showed a positive profitability which was slightly higher in the more conservative funds. Pension Fund type 1, which does not invest in shares, had a

nominal return of 12.4 percent (3.0 percent in 2011) and a real return of 9.5 percent (-1.6 percent in 2011), while Pension Fund type 2, which represents 69 percent of the total value of the funds, had a nominal profitability of 11.8 percent (-7.1 percent in 2011) and a real return of 8.9 percent (-11.3 percent in 2011). Finally, Pension Fund type 3, which invests a higher proportion in stocks, had a nominal profitability of 10.6 percent (-17.3 percent in 2011) and a real return of 7.8 percent (-21.1 percent in 2011).

The composition of the investment portfolio showed few changes with regard to its composition at December 2011. The ratio of domestic securities decreased from 71.5 percent in December 2011 to 70.6 percent in December 2012 (1.1 percentage points). Moreover, the participation of deposits in the country dropped from 4.5 percent to 4.1 percent in the same period (0.4 percentage points).

With almost the same participation as in the previous year (31.4 percent), the participation of domestic fixed-income securities registered a level of 31.5 percent. The participation of variable-income securities fell from 35.6 percent to 35.0 percent, in part due to the higher growth of pension fund type 1 (33.2 percent during the year) than that of pension fund type 3 (16.5 percent during the year).

The participation of investments abroad increased from 28.6 percent in December 2011 to 29.4 percent in December 2012 (0.8 percentage points), variable income securities accounting mostly for this increase. The legal limit for investments abroad remained at 30 percent during the year.

TABLE 88
COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO

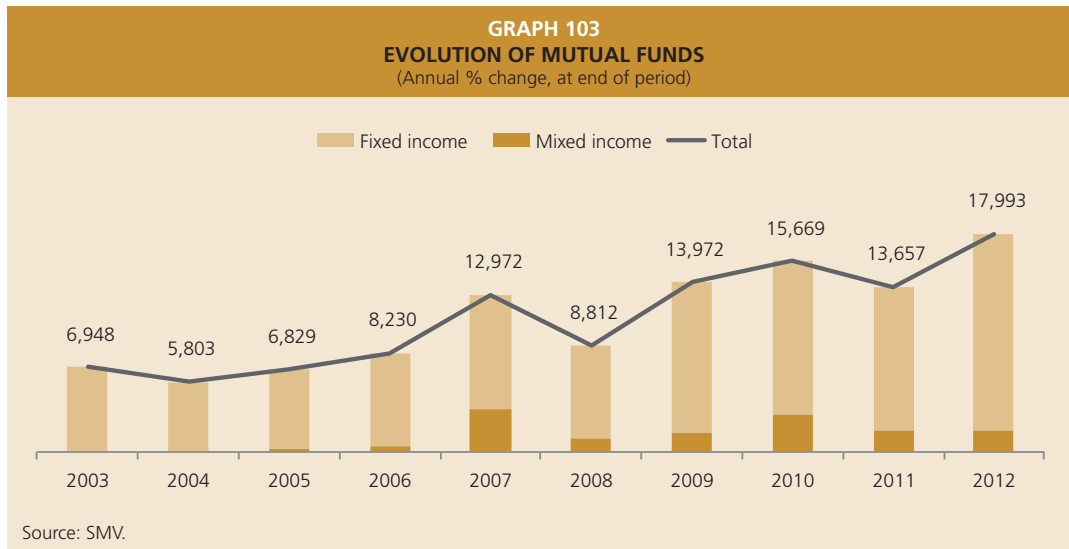
	(%)		
	2010	2011	2012
I. DOMESTIC INVESTMENTS	73.7	71.5	70.6
Deposits	6.2	4.5	4.1
In nuevos soles	5.0	3.8	2.2
In US dollars	1.2	0.7	1.9
Bonds and fixed income	29.2	31.4	31.5
Central Bank securities	0.0	1.1	2.9
Sovereign bonds	16.1	15.9	14.6
Values issued by the private sector	13.1	14.4	14.0
Stocks and variable income	38.2	35.6	35.0
Shares	31.7	27.4	25.9
Investment funds	6.5	8.2	9.0
II. FOREIGN INVESTMENTS	26.3	28.5	29.4
III. TOTAL (I+II)	100.0	100.0	100.0
Millions of nuevos soles	86,391	81,052	95,907
% of GDP	19.9	16.9	18.2

Source: SBS.



7.4 Mutual Funds

Mutual funds' joint net worth grew 32.0 percent relative to 2011 with a balance of S/. 17.99 billion (3.4 percent of GDP) at year-end. The fixed income assets of mutual funds increased by 37.5 percent compared to 2011, whereas the mixed-income and variable income assets decreased 6.0 percent.



As regards the investment portfolio of mutual funds, the participation of investments in the domestic market decreased from 94.8 percent to 91.5 percent and the participation of investments abroad increased from 5.1 percent to 7.7 percent. Moreover, the participation of fixed-income securities in domestic investments declined from 37.6 percent to 33.6 percent (4 percentage points) and the participation of variable income securities declined from 7.0 percent to 4.7 percent (2.3 percentage points).

TABLE 89
COMPOSITION OF MUTUAL FUNDS' INVESTMENT

	(% structure)		
	2010	2011	2012
I. DOMESTIC INVESTMENT	96.5	94.8	91.5
Deposits	57.2	50.2	53.2
In nuevos soles	29.6	25.7	30.3
In US dollars	27.6	24.5	22.9
Bonds and fixed income	32.9	37.6	33.6
Central Bank securities	2.7	6.3	11.4
Sovereign bonds	9.9	11.4	7.4
Securities issued by the private sector	20.4	19.9	14.8
Stocks and variable income	6.3	7.0	4.7
II. INVESTMENT ABROAD	3.1	5.1	7.7
III. TOTAL (I+II)	100.0	100.0	100.0
Millions of nuevos soles	15,669	13,657	17,993
% of GDP	3.6	2.8	3.4

Source: SMV.

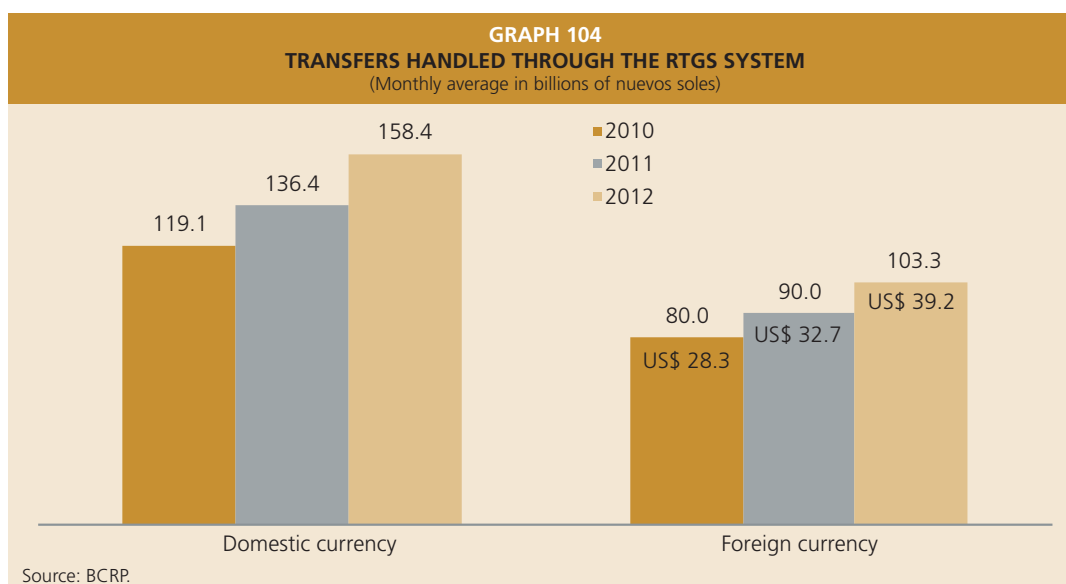
8. Payments Systems

A rising trend in terms of the value of the transactions made through payment systems continued to be observed in 2012 as these increased by 15 percent in a context marked both by higher local economic activity and the weak performance of the global economy. Thus, total funds transferred through these systems were equivalent to 6.5 times the value of annual GDP, a level of funds 6.1 times higher than the one recorded in 2011.

8.1 Real Time Gross Settlement System (RTGS)

This system is mainly used to channel high-value transfers among the entities integrating the financial system as well as to make transfers on behalf of their clients. Even though the number of these transactions is not particularly big, they account for 92.5 percent of the total value transferred through the payments systems. In 2012, the value of transfers carried out through the RTGS system grew 15.6 percent, while the number of transactions grew 7.8 percent. By currencies, the value of payments in domestic currency increased 16.1 percent and the value of payments in foreign currency (dollars) increased 20 percent.

Agreements with non-banking companies of the financial system were signed during the year to promote their interconnection and access to the RTGS system in order that their participation in this system will be more efficient and safer.



8.2 Electronic Clearing House (Cámara de Compensación Electrónica - CCE)

The CCE is a payment system used to settle checks and credit transfers among the clients of the various financial entities that participate in this system. The value of such transactions is low, but their number represents 93.5 percent of total transactions carried out through payment systems.

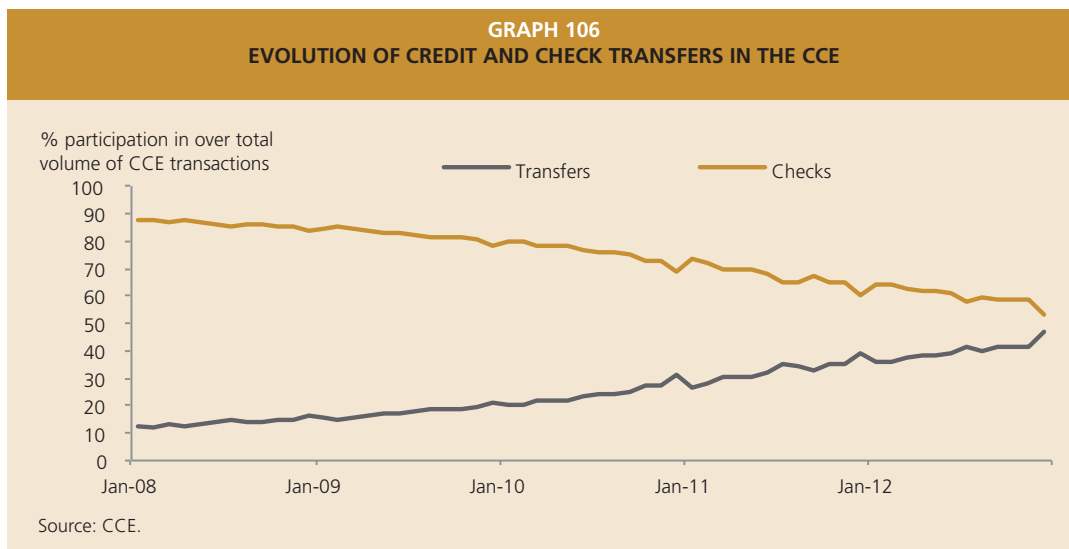
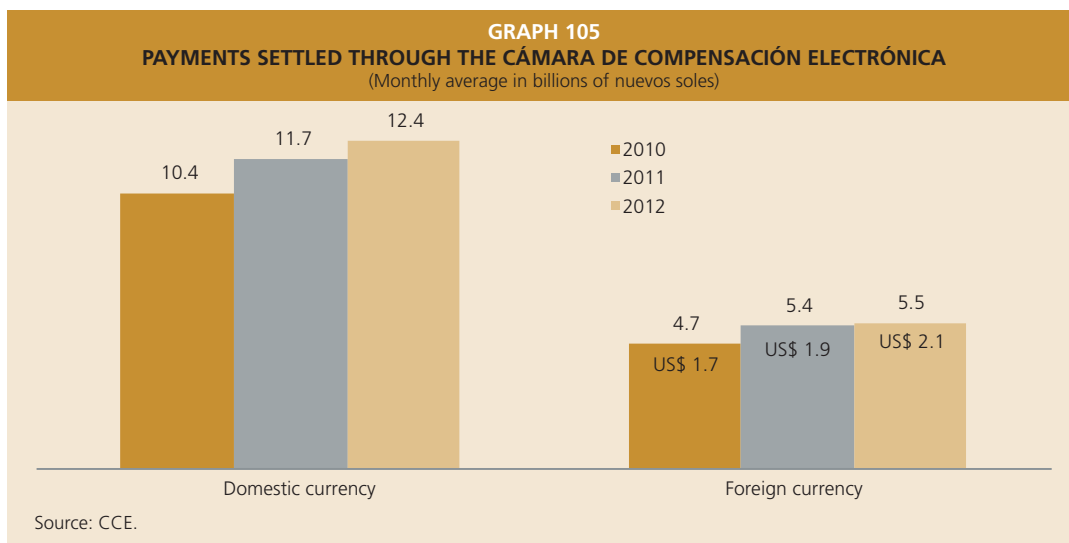
In 2012, the number of transactions processed by the CCE grew 10.8 percent, with credit transfers increasing by 35.5 percent. The greater dynamism of this instrument reflects the growing trend in people's



use of electronic payments systems. The participation of electronic payment instruments in the total settlements processed through the CCE increased from 32.7 percent in 2011 to 40.0 percent in 2012.

Furthermore, the value of the transactions processed in the CCE increased 5 percent in the year, with the value of credit transfers increasing 29.3 percent while the value of checks decreased by 0.6 percent.

It is worth mentioning that Caja Municipal de Cusco began operations in the CCE in 2012 and that the participation of Caja Municipal de Huancayo in this system was approved as well.



8.3 Multibank Securities Settlement System (MSSS)

The payments for transfers of stock exchange securities and Treasury bonds are processed through this mechanism. In 2012, the value of payments in the MSS system grew 30.1 percent, while the volume decreased 31.2 percent. Payments for stock exchange operations declined 6.7 percent in value and 32.8 percent in volume, while fund transfers for operations of government securities in the secondary market increased 77.9 percent in terms of value and 88.5 percent in terms of volume.

8.4 Regulations

The bill regulating the basic characteristics of electronic money as an instrument for financial inclusion was approved by the Congress of the Republic in December 2012.

BOX 3

LAW ON ELECTRONIC MONEY

In December 2012, the Congress of the Republic approved by majority the bill that regulates the basic characteristics of electronic money as a tool of financial inclusion. This new instrument will facilitate the access to financial services for people who currently have no access to bank services. The main aspects of the law are discussed below:

Purpose: the purpose of the law is to regulate the issuance of electronic money, establish which entities are authorized to issue money, and set the regulatory and supervision framework governing issuers of electronic money –or Empresas Emisoras de Dinero Electrónico (EEDe)– that are not financial institutions.

Definition and characteristics of electronic money: Electronic money is a monetary value represented by a credit payable to their issuer which has the following characteristics: it is stored on an electronic device; it is accepted as a means of payment by entities or persons other than the issuer; it is issued by an amount equal to the funds received; it is convertible to cash; it does not constitute a deposit and it does not generate interest. A similar definition and similar characteristics of electronic money are found in the legislation of other countries¹⁶.

Reserve, characteristics of the EEDe, and measures against money laundering and financing of terrorism: Only the companies under the supervision of the SBS, including the EEDe, are authorized to issue electronic money. The law establishes that the main role of these entities is to issue electronic money and that they may not grant credit using the funds received and that the only operations they can carry out are operations related to their main role. In addition to this, the EEDe are required to comply with the provisions governing the prevention of money laundering and financing terrorism.

User protection: The law also regulates aspects associated with the protection of the users of electronic money, such as the guarantee of the funds received from the public via trust funds, the protection of information on the user, and the types of contracts with users.

Tax treatment: The issuance of electronic money by the EEDe is exempted from the payment of the VAT for a period of 3 years.

¹⁶ Directive 2009/110/CE of the European Parliament, which applies to the countries of the European Union, among others.



Competition and interoperability: The telecommunications services used to provide financial services must be provided on equal terms to avoid discriminatory treatment in the use of such services.

IMPLICATIONS FOR THE BCRP

The BCRP involvement in drafting the law reflects the interest of the Central Bank in promoting electronic payments as a means of achieving greater financial inclusion while seeking, at the same time, to strengthen the safety and efficiency of payment services in a context of frequent innovations, increasing interrelationships and interdependencies between the different participants of the systems, the payment arrangements, and the providers of payment services.

The law establishes that the opinion of the BCRP must be taken into account by the SBS in order to authorize the organization and operation of the EEDE as well as to authorize non-bank financial firms to issue electronic money.

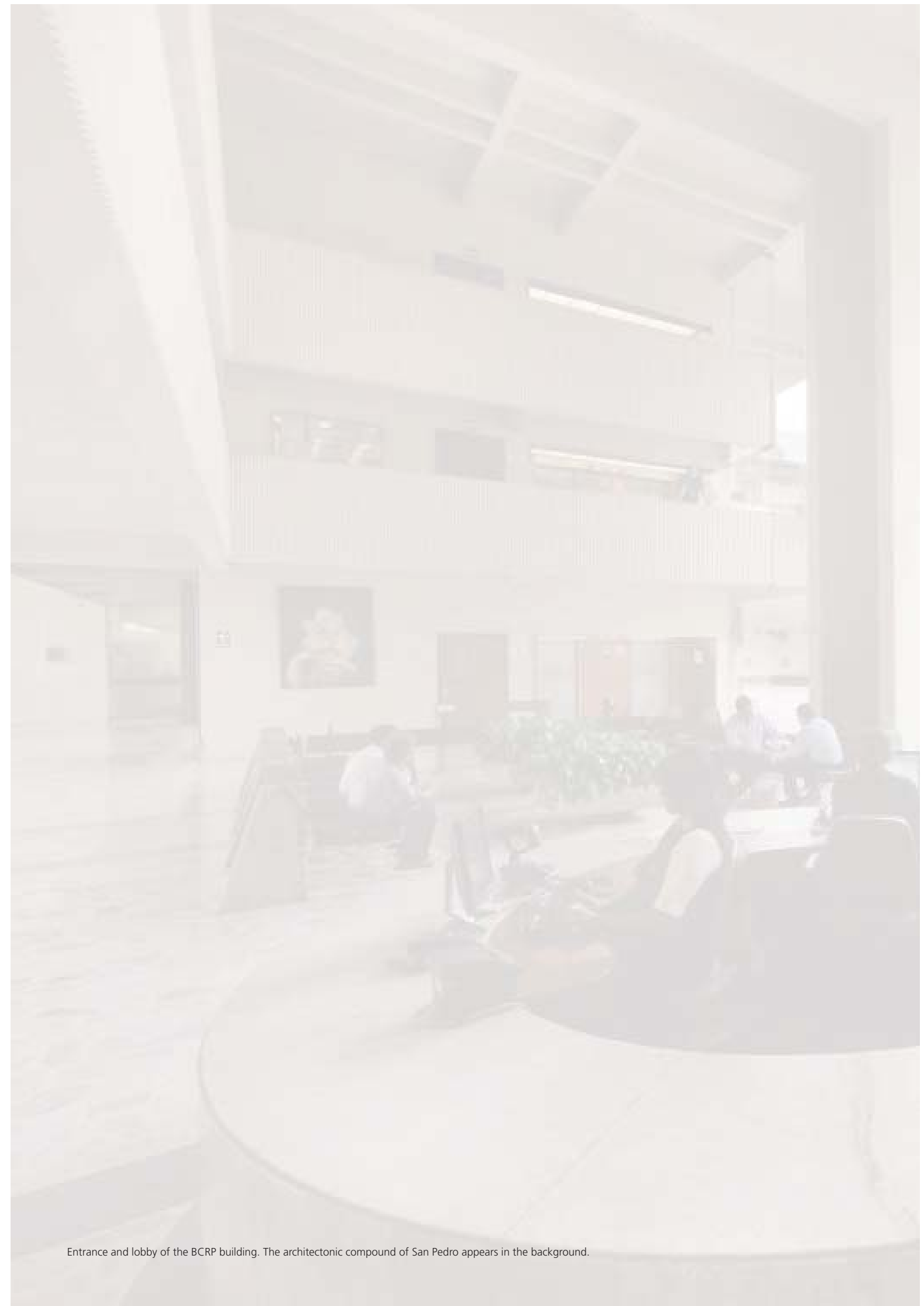
It also establishes among the duties and powers of the BCRP the responsibility of establishing rules, regulations, principles and standards for the payment agreements and the providers of payment services when deemed necessary, as well as to oversee the compliance with these regulations and standards to contribute to reinforce the safe and efficient operation of these services.

The law also says that the BCRP can also establish reserve requirements on electronic money as a measure to prevent potential effects on monetary policy if the size of this means of payment should grow significantly.

Finally, the law establishes that the BCRP and the SBS are responsible for establishing in their respective fields of action the conditions for interoperability of the payment services so that customers can make transactions between them regardless of which provider of payment services they work with.



Cashier windows in the former building of Banco Central de Reserva del Perú. This building today hosts the BCRP Museum.



Entrance and lobby of the BCRP building. The architectonic compound of San Pedro appears in the background.



INSTITUTIONAL ACTIVITIES



Patio with carved stone fountain in Casa Goyeneche, the current headquarters of the BCRP Branch Office in Arequipa.

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 Desiree 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 VIIth 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 Chacabayo, 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 Héroes Navales I)". The work submitted by Ignacio Noguero, "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” (Apurímac) 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.



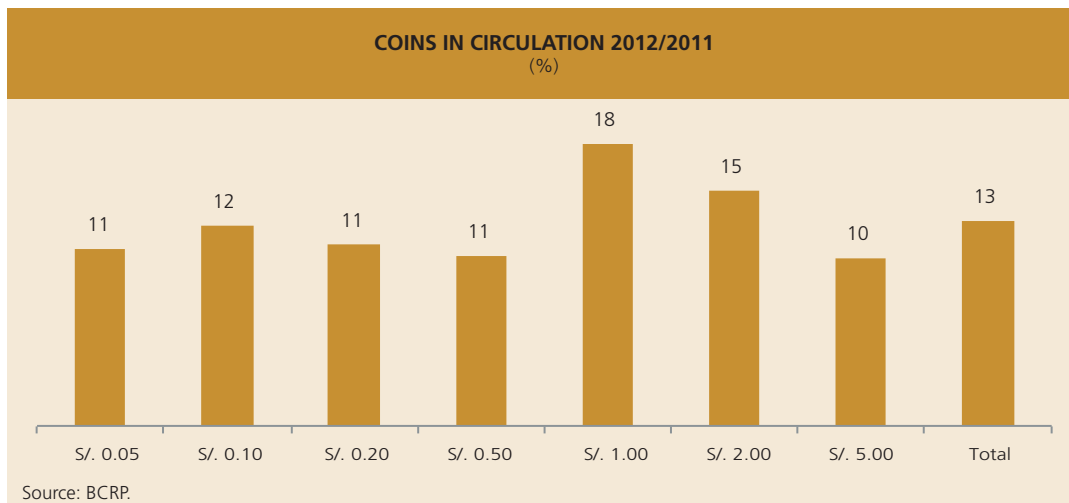
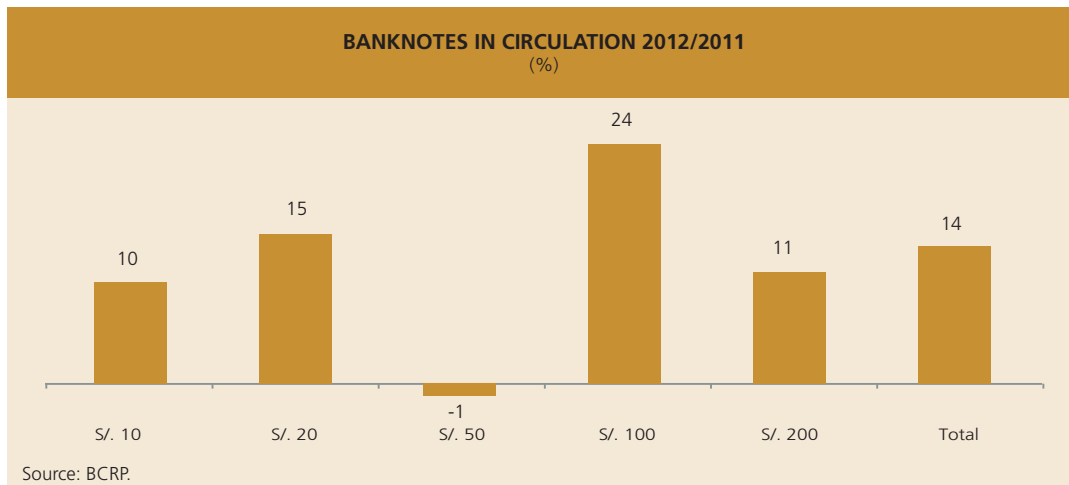
A new application called “Cliente Web Circulante” was put into operation. The purpose of this app is to enable financial institutions to make online deposits, withdrawals, and transfers of cash, thus reducing their operational risk. Among other factors, the implementation of this application has generated 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)

Circular N° 040-2012-BCRP (04/12/2012)

Circular N° 045-2012-BCRP (28/12/2012)

- **Banknotes and Coins**

Circular N° 006-2012-BCRP (16/03/2012)

Circular N° 017-2012-BCRP (28/06/2012)

Circular N° 024-2012-BCRP (03/08/2012)

Circular N° 030-2012-BCRP (28/09/2012)

Circular N° 039-2012-BCRP (29/11/2012)

Circular N° 042-2012-BCRP (03/12/2012)

- **Information and reports**

Circular N° 025-2012-BCRP (16/08/2012)



- **Daily Adjustment Index**

Circular N° 001-2012-BCRP (02/01/2012) - January

Circular N° 002-2012-BCRP (01/02/2012) - February

Circular N° 005-2012-BCRP (01/03/2012) - March

Circular N° 008-2012-BCRP (02/04/2012) - April

Circular N° 012-2012-BCRP (02/05/2012) - May

Circular N° 015-2012-BCRP (01/06/2012) - Juny

Circular N° 018-2012-BCRP (02/07/2012) - July

Circular N° 022-2012-BCRP (01/08/2012) - August

Circular N° 029-2012-BCRP (03/09/2012) - September

Circular N° 034-2012-BCRP (03/10/2012) - October

Circular N° 038-2012-BCRP (05/11/2012) - November

Circular N° 041-2012-BCRP (04/12/2012) - December



Main patio of the Tribunal of Accounts.



***FINANCIAL
STATEMENTS***

Independent auditors' report

To the Directors of Banco Central de Reserva del Perú

We have audited the accompanying financial statements of Banco Central de Reserva del Perú (hereinafter "the Central Bank") which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles approved by the Central Bank Board of Directors, described in note 2 to the accompanying financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in Peru. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence on the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independent auditors' report (continued)

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Banco Central de Reserva del Perú as of December 31, 2012 and 2011, and its financial performance and cash flows for the year then ended, in accordance with accounting principles applied by the Central Bank as described in note 2.

Emphasis paragraph

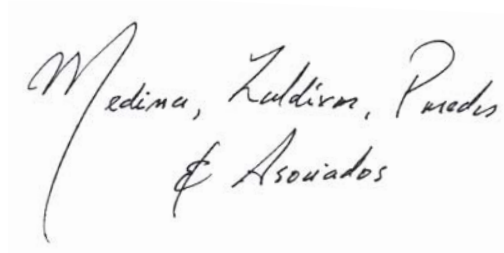
As indicated in note 1, the Management of Banco Central de Reserva del Perú has concluded that the net equity balance and results obtained do not affect its operations, neither the fulfillment of its purpose.

Lima, Peru
February 26, 2013

Countersigned by:



Juan Paredes
C.P.C.C. Registration No. 22220



**STATEMENTS OF FINANCIAL POSITION
AS OF DECEMBER 31, 2012 AND 2011**

ASSETS	Note	2012 S/.(000)	2011 S/.(000)
GROSS INTERNATIONAL RESERVES:			
Cash in foreign currency		127,596	134,896
Deposits in foreign banks	4	28,066,147	30,354,568
Deposits in foreign institutions	5	2,086,416	2,188,933
Securities from international institutions	6	125,200,625	92,141,335
Gold	7	4,757,621	4,641,465
Contributions to international institutions	8	2 295 510	2,144,349
Other available assets	21(b) and (e)	<u>726,572</u>	<u>68,470</u>
		<u>163,260,487</u>	<u>131,674,016</u>
OTHER ASSETS ABROAD:			
Contributions in local currency to the International Monetary Fund	8(b)	1,676,343	1,814,335
Other assets abroad	12(d)	<u>50,980</u>	<u>55,623</u>
		<u>1,727,323</u>	<u>1,869,958</u>
DOMESTIC CREDIT	9	829,451	9
PROPERTY, FURNITURE AND EQUIPMENT, NET	10	142,416	139,481
OTHER ASSETS	11	<u>1,474,967</u>	<u>1,229,708</u>
TOTAL ASSETS		<u>167,434,644</u>	<u>134,913,172</u>
OFF – BALANCE SHEET ACCOUNTS	21	<u>42,568,466</u>	<u>21,501,677</u>

The accompanying notes are an integral part of these statements of financial position.

LIABILITIES AND NET EQUITY	Note	2012 S/.(000)	2011 S/.(000)
RESERVE LIABILITIES	21(b) and (e)	146,303	115,110
OTHER LIABILITIES ABROAD:			
Equivalent of the contribution in local currency to the International Monetary Fund	8(b)	1,676,343	1,814,335
Other liabilities abroad	12	<u>2,441,516</u>	<u>2,570,498</u>
		<u>4,117,859</u>	<u>4,384,833</u>
STERILIZED STOCK:			
Outstanding securities issued	13	20,351,758	13,395,918
Deposits in local currency	14	<u>50,210,968</u>	<u>36,232,328</u>
		<u>70,562,726</u>	<u>49,628,246</u>
MONETARY BASE:	15		
Currency in circulation		37,823,821	32,300,487
Deposits in local currency		<u>14,911,131</u>	<u>7,666,683</u>
		<u>52,734,952</u>	<u>39,967,170</u>
DEPOSITS IN FOREIGN CURRENCY	16	46,559,264	41,853,711
OTHER LIABILITIES	17	<u>1,701,168</u>	<u>1,353,621</u>
TOTAL LIABILITIES		<u>175,822,272</u>	<u>137,302,691</u>
NET EQUITY	18		
Capital		1,182,750	1,182,750
Legal reserve		979,327	1,182,750
Special statutory reserve		871,449	871,449
Fair value reserve		(227,554)	(145,226)
Retained earnings		<u>(1,162,925)</u>	<u>(203,423)</u>
CAPITAL, RESERVES AND RETAINED EARNINGS		1,643,047	2,888,300
Readjustment for valuation article N°89 - Organic Act		<u>(10,030,675)</u>	<u>(5,277,819)</u>
TOTAL NET EQUITY		<u>(8,387,628)</u>	<u>(2,389,519)</u>
TOTAL LIABILITIES AND NET EQUITY		<u>167,434,644</u>	<u>134,913,172</u>
OFF – BALANCE SHEET ACCOUNTS	21	<u>42,568,466</u>	<u>21,501,677</u>

**STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	<u>Note</u>	2012 S/.(000)	2011 S/.(000)
FINANCIAL INCOME			
Interest on deposits in foreign banks	4(c)	99,824	67,955
Net yield on securities	6(e)	1,486,754	1 845,346
Interest on international agreements and deposits in International Monetary Fund		3,772	12,353
Dividends received from Latin American Reserve Fund		<u>14,691</u>	<u>16,566</u>
Yield on gross international reserves		1,605,041	1,942,220
Interest on domestic credit operations		14,665	12,294
Other financial income		<u>40,095</u>	<u>86,519</u>
TOTAL FINANCIAL INCOME		<u>1,659,801</u>	<u>2,041,033</u>
NON-FINANCIAL INCOME		<u>6,289</u>	<u>14,368</u>
FINANCIAL EXPENSES			
Interest on liabilities abroad		(2,708)	(10,844)
Interest on outstanding securities issued	13(c)	(791,758)	(486,021)
Interest on local currency deposits	14(c)	(1,666,364)	(1,393,366)
Interest on foreign currency deposits	16(d)	(55,066)	(44,428)
Other financial expenses		<u>(6,407)</u>	<u>(6,481)</u>
TOTAL FINANCIAL EXPENSES		<u>(2,522,303)</u>	<u>(1,941,140)</u>
OPERATING EXPENSES	22	(229,333)	(221,726)
EXPENSES AND COST OF ISSUANCE	23	<u>(77,379)</u>	<u>(95,958)</u>
NET LOSS		(1,162,925)	(203,423)
OTHER COMPREHENSIVE INCOME	6(e) and 9(b)	<u>(82,328)</u>	<u>(163,699)</u>
TOTAL COMPREHENSIVE INCOME		<u>(1,245,253)</u>	<u>(367,122)</u>

The accompanying notes are an integral part of these statements.

**STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	Capital	Legal reserve	Special statutory reserve	Fair value reserve notes 6(e) and 9(b)	Retained earnings	Capital, reserves and retained earnings	Readjustment for valuation article N°89 – Organic Act	Net Equity
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
BALANCE AS OF JANUARY 1, 2011	1,182,750	1,182,750	410,107	18,473	615,123	3,409,203	(1,791,632)	1,617,571
Net loss	-	-	-	-	(203,423)	(203,423)	-	(203,423)
Other comprehensive income	-	-	-	(163,699)	-	(163,699)	-	(163,699)
Total comprehensive income	-	-	-	(163,699)	(203,423)	(367,122)	-	(367,122)
Transfer to special statutory reserve, note 18(b)	-	-	461,342	-	(461,342)	-	-	-
Transfer to earnings to the public treasury, note 18(c)	-	-	-	-	(153,781)	(153,781)	-	(153,781)
Readjustment for valuation of the year, note 18(d)	-	-	-	-	-	-	(3,486,187)	(3,486,187)
BALANCE AS OF DECEMBER 31, 2011	1,182,750	1,182,750	871,449	(145,226)	(203,423)	2,888,300	(5,277,819)	(2,389,519)
Net loss	-	-	-	-	(1,162,925)	(1,162,925)	-	(1,162,925)
Other comprehensive income	-	-	-	(82,328)	-	(82,328)	-	(82,328)
Total comprehensive income	-	-	-	(82,328)	(1,162,925)	(1,245,253)	-	(1,245,253)
Loss cover article N°93 – Organic Act, note 18 (b) and (c)	-	(203,423)	-	-	203,423	-	-	-
Readjustment for valuation of the year, note 18(d)	-	-	-	-	-	-	(4,752,856)	(4,752,856)
BALANCE AS OF DECEMBER 31, 2012	1,182,750	979,327	871,449	(227,554)	(1,162,925)	1,643,047	(10,030,675)	(8,387,628)

The accompanying notes are an integral part of these statements.

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011**

	2012	2011
	S/.(000)	S/.(000)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	(1,162,925)	(203,423)
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES		
Depreciation of property, furniture and equipment	8,987	6,822
Amortization of intangible assets	2,049	2,018
Other, net	2,343	1,545
NET CHANGES IN ASSETS, LIABILITIES AND EQUITY ACCOUNTS		
Increase of domestic credit	(829,442)	-
Decrease of other assets abroad	142,635	430,937
Increase of other assets	(247,308)	(799,658)
Increase (decrease) of reserve liabilities	31,193	(12,072)
Decrease of other liabilities abroad	(266,974)	(542,796)
Increase of outstanding securities issued	6,955,840	9,711,335
Increase (decrease) of deposits in local currency	13,978,640	(12,656,582)
Increase of deposits in banks, financial institutions and other	7,244,448	1,535,859
Increase of deposits in foreign currency	4,705,553	9,098,617
Increase of other liabilities	347,546	717,104
Decrease of fair value reserve	(82,328)	(163,699)
Decrease of readjustment in valuation article N°89 - Organic Act	(4,752,856)	(3,486,187)
Transfer of earnings to the Public Treasury	-	(153,781)
CASH AND NET CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	<u>26,077,401</u>	<u>3,486,039</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property, furniture and equipment	<u>(14,264)</u>	<u>(9,565)</u>
CASH AND NET CASH EQUIVALENTS USED IN INVESTING ACTIVITIES	<u>(14,264)</u>	<u>(9,565)</u>
Net increase in cash and cash equivalents	26,063,137	3,476,474
Cash and cash equivalents at the beginning of year	<u>99,373,529</u>	<u>95,897,055</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	<u>125,436,666</u>	<u>99,373,529</u>

The accompanying notes are an integral part of these statements.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

1. OPERATIONS

Banco Central de Reserva del Perú (hereinafter “the Central Bank”) is an autonomous legal entity of public law incorporated on March 9, 1922, intended to preserve monetary stability in Peru. Its activities are currently governed by article N°84 of the Peruvian Constitution, dated December 29, 1993, and by its Organic Act approved by Decree-Law N°26123 of December 24, 1992 (hereinafter “the Organic Act”). The Organic Act establishes that the Bank’s functions are to regulate the amount of money, administrate international reserves, issue bills and coins, and report on the finances of Peru.

The Central Bank has its legal address and headquarters in Antonio Miró Quesada Street 441 – 445, Lima and has branches in seven cities in Peru. As of December 31, 2012 and 2011, the number of employees was 1,006 and 990, respectively.

The Central Bank represents Peru for the purposes set forth in the articles of the agreements of the International Monetary Fund (hereinafter “IMF”) and the Latin American Reserve Fund (hereinafter “FLAR” for its Spanish acronym) and is responsible for all transactions, operations and official relations with these institutions. The Central Bank may also act as a Peruvian Government Agent in its relations with multilateral credit organizations and financial agencies of foreign governments. Additionally, at December 31, 2012 and 2011, the Central Bank maintains operations with the Bank for International Settlements (hereinafter “BIS”).

As established in its Organic Act, the Bank is not allowed to:

- Grant funding to the Public Treasury, except in the form of acquisitions of securities issued by the Public Treasury in the secondary market in which case the holding of such securities may not exceed at any moment, valued at their acquisition cost, 5 percent of the balance of the monetary base at the closing date of the previous year.
- Grant credits or any other form of funding to financial institutions that maintain past due obligations. Moreover, the Central Bank is not allowed to grant loans or advanced payments to its Directors.



- Extend guarantees, letters of guarantee or any other guarantees, or use any form of indirect funding, or grant insurance of any type. It should be mentioned that the operations conducted by the Central Bank in implementing payment and reciprocal credit agreements are not subject to the aforementioned prohibition.
- Allocate resources for the creation of special funds aimed at granting credits or making investments to promote nonfinancial economic activities.
- Issue securities, bonds or contribution certificates of mandatory acquisition.
- Impose sector or regional coefficients in the composition of the loan portfolio of financial institutions.
- Establish multiple exchange rate regimes.
- Purchase shares, except those issued by international financial agencies or those needed to be acquired to strengthen banks or financial entities; participate, directly or indirectly, in the capital of commercial, industrial or any other companies.
- Own more real estate properties than those required for its activities and those that were transferred in payment of debts. The latter must be sold not later than one year after their acquisition.

The financial statements as of and for the year ended December 31, 2011 were approved by the Board of Directors at the meeting held on March 15, 2012. The financial statements as of and for the year ended December 31, 2012, were approved by the Central Bank's Management on February 26, 2013; and will be submitted for the Board's approval within the period established by the Organic Act. In Management's opinion, they will be approved by the Board of Directors without modifications.

Negative net equity and net loss-

According to article N°84 of the Peruvian Constitution, the Central Bank's purpose is to preserve monetary stability. Its functions are to regulate liquidity and credit in the financial system, to manage international reserves and to perform other functions as specified its own Act. Therefore, it is not the objective of the Central Bank to maximize returns their capital from the corporate financial perspective.

Likewise, according to article N°93 of the Organic Act, the losses will have to be covered by the reserve. If such reserve is not enough, the Public Treasury, within thirty days from the approval of the statements of financial position, issues and delivers to the Central Bank trading debt securities which accrue interests.

Losses incurred in 2012 and 2011 are mainly associated to the exceptional situation of low international interest rates in developed economies and the Bank's maintenance of international reserves to address the financial crisis. Moreover, the negative equity situation presented by the Central Bank is due to the weakening of the U.S. Dollars on the valuation of assets and liabilities during the years 2012 and 2011. It should be noted that since the Central Bank's liabilities are adequately supported by the assets it holds, its capability to issue bills and coins, the reserves maintained to cover losses and the support of the Public Treasury according to the current law, the Central Bank's Management believes that its negative equity and its net loss incurred don't affect its capability to continue operations as normal and fulfill its purpose.

2. SIGNIFICANT ACCOUNTING PRINCIPLES

2.1. Central Bank criteria -

As of December 31, 2012 and 2011, according to article N°88 of the Organic Act and the criteria approved by the Board of Directors, the accounting principles used by the Central Bank correspond to generally accepted accounting principles in Peru, which comprise:

- (i) The criteria approved by the Board of Directors according based on its faculties (article N°88 of the Organic Act) and,
- (ii) The International Financial Reporting Standards (IFRS) formalized through Resolutions issued by the Peruvian Accounting Council (hereafter "CNC" for its Spanish acronym), as applicable to the Central Bank according to standards established by the Superintendencia de Banca, Seguros y AFP (SBS). As of the date of these financial statements, the CNC has formalized the application of IFRS 1 to 13, IAS 1 to 41, SIC 7 to 32 and IFRIC 1 to 20.

The accounting principles established by the Central Bank's Board of Directors that differ from generally accepted accounting principles in Peru are mainly:

(i) Recording of variations due to exchange rate differences -

The Central Bank records adjustments of price valuation and exchange rates, of the assets and obligations in gold, silver, currencies, SDR or other monetary units of international use under the heading "Readjustment in valuation article N°89 – Organic Act" in net equity. In accordance with the generally accepted accounting principles in Peru, the results of the aforementioned valuations must be included in the results of the period in which they were generated. As of December 31, 2012 and 2011, this adjustment amounted to a balance of S/.(000)10,030,675 and S/.(000) 5,277,819, respectively; see paragraph 2.2(e) below and note 18(d).



(ii) Recording of embedded derivatives -

The Central Bank records the structured instruments that are provided with embedded derivatives such as held-to-maturity investments, which are valued at their amortization cost through the effective interest rate method, without considering the effects of the embedded derivative that are recognized in their entirety after the maturity of the instrument on the basis of the realized cash. The interest rate applied is provided by the counterpart. In accordance with the generally accepted accounting principles in Peru, the embedded derivatives of a main (or host) contract are treated like separate derivatives and recorded at their fair value if their economic characteristics and risks are not closely related to those of the main contract.

(iii) Valuation of available-for-sale assets -

The Central Bank performs the valuation of the available-for-sale financial assets at fair value on the basis of market prices. The Central Bank calculates the largest or smallest value of the available-for-sale assets comparing their book value (cost of acquisition) with their fair value, without considering the amortized cost, recording the changes in net equity until said investments are sold or realized. Premiums or discounts generated in their acquisition are recorded as income or expense at the time of settlement.

According to the generally accepted accounting principles in Peru, to calculate the largest or smallest value of the instruments representative of debt classified as available-for-sale assets, the fair value must be compared to the amortized cost, which must be calculated applying the effective interest rate method.

(iv) Statements of cash flow -

The preparation of the statements of cash flow is carried out by the Central Bank considering as cash and cash equivalents the items indicated in paragraph 2.2(p) below; consequently, the format and content of the above mentioned statements adapt to said definition. This accounting practice differs in several aspects from what is stated in the generally accepted accounting principles in Peru. In addition, the preparation of the Central Bank's statements of cash flows, as well as certain activities, differs in some aspects to the generally accepted accounting principles in Peru.

(v) Disclosure of financial instruments -

As of December 31, 2012 and 2011, and similarly to the financial companies in Peru, the Central Bank is not applying the requirements of IFRS 7 – Financial Instruments: Disclosures. The objective of this standard is to require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the entity's financial position and performance, through the understanding of the nature and extent of the financial instruments to which the entity is exposed; as well as the methods the entity applies to manage the risks arising from said instruments.

As part of its approved policies, the Central Bank has also determined not to disclose the estimated market value of held-to-maturity investments.

(vi) Valuation of Exchange derivatives–

The Central Bank initially records derivatives in the statements of financial position at cost and subsequently at its fair value. Fair values are estimated based on the market exchange and interest rates. Gains and losses due to the changes of fair value are recorded in the caption "Readjustment for valuation article N°89 – Organic Act" in net equity, recognizing an asset or liability in the statements of financial position, as appropriate. According to generally accepted accounting principles in Peru, the valuation of said instruments must be recorded as a gain or loss in the statements of comprehensive income.

The accounting criteria for these transactions are described in paragraphs (e), (f), (c), (p), (b) and (f) of note 2.2, respectively.

2.2. Accounting criteria –

The main accounting principles and practices used in the preparation of the accompanying financial statements and corresponding to the accounting principles regulated by article N°88 of the Organic Act and approved by the Central Bank Board of Directors, according to its legal powers, are set forth below.

(a) Basis for presentation and use of estimates –

The accompanying financial statements have been prepared in Nuevos Soles from the accounting records of the Central Bank in accordance with the accounting principles approved by the Board of Directors.

The preparation of the accompanying financial statements requires Management to make estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of material events in the notes to the financial statements. Actual results could differ from those estimates. Estimates are continually evaluated and are based on historical experience and other factors. The most significant estimates used in relation with the accompanying financial statements correspond to the valuation of financial instruments, the transformation factor of monetary gold, the provision for social benefits, actuarial provision for supplemental retirement, widowhood, health care and burial benefits, the respective accounting criteria of which are described in this note.



(b) Financial Instruments -

Financial instruments are classified as assets, liabilities or equity according to the substance of the contractual agreement that originated them. Interests, dividends, gains and losses generated by financial instruments classified as assets or liabilities are recorded as income or expense. Financial instruments are offset when the Central Bank has a legal enforceable right to offset them and Management has the intention to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets and liabilities recorded in the financial statements correspond to the gross international reserves (without considering gold), the rest of external assets, certain assets recorded in the "Other assets" item; note 11, and liabilities in general, with the exception of those detailed as non financial liabilities in the "Other liabilities" item, note 17.

The specific accounting policies on recognition and measurement of these items are disclosed in the accounting policies described in this note.

(c) Available-for-sale and held-to-maturity investments -

Securities from international institutions are classified as available-for-sale and held-to-maturity investments, the Central Bank does not consider for its purposes the category of at fair value through profit or loss.

According to the investments classification, the initial recognition and the subsequently measurements are carried out in accordance with the following criteria:

• Classification -

(i) Available-for-sale investments:

Those designated as such because they are held for an indefinite time and can be sold due to needs for liquidity or changes in the interest rate, exchange rates or in the market price; or they do not qualify to be recorded at fair value through profit or loss or held up to maturity.

(ii) Held-to-maturity investments:

For the Central Bank, they are financial assets that may or may not include embedded derivatives, whose recovery values are fixed or determinable amounts and with definite maturity terms, and for which the entity has both the effective intention and the ability to hold them up to their maturity.

• Initial recognition -

The initial recognition of available-for-sale and held-to-maturity investments is performed at fair value, plus the transaction costs that are directly attributable to the acquisition of said investments.

- **Valuation -**

- (i) Available-for-sale investments:**

Upon initial recognition, available-for-sale investments are measured at their fair value, and non realized gains and losses are recorded in the "Fair value reserve" heading in the net equity. Non realized gains or losses result from the comparison between the acquisition cost, which includes premiums paid or discounts obtained, and market value. Premiums and discounts included in the acquisition cost are recognized in the statements of income at maturity and not by the accrual criteria.

The fair value of the instruments classified as available-for-sale is the one provided daily by Bloomberg and Reuters. In Management's opinion, such prices reflect reasonably the value of investments in international securities, considering the current market information and the accounting policies established by the Central Bank Board of Directors.

When the instrument is sold or gains or losses previously recognized as part of the equity are realized, they are transferred to the results of the period, excluding the effects of the exchange rate difference, which is recorded as stated in paragraph (e) below. On the other hand, in case that the decrease in the market value of the investments is permanent or due to credit deterioration, the respective provisions are made, which affects the result of the period.

Interest earned is calculated and recorded using the nominal interest rate (coupon rate) on the nominal value of the investment, and is recorded in the statements of comprehensive income in the "Net yield on securities" caption.

The exchange rate difference that arises from the valuation of these investments is not recognized in the statements of comprehensive income, but in the equity, in accordance with paragraph (e) below.

- (ii) Held-to-maturity investments:**

Upon initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest rate method.

Any premium or discount of the instruments representative of debt classified as held-to-maturity investments is recognized with the calculation of the amortized cost by applying the effective interest rate method, recognizing the accrued interest in the "Net yield on securities" caption of the statements of comprehensive income.

Securities classified as held-to-maturity correspond to structured bonds that are held with the purpose of diversifying investments, in accordance with the agreements reached by the Board of Directors. Said securities have embedded derivatives related to other underlying assets that are not separated and are recorded as held-to-maturity; see paragraph (f) below.



(d) Recognition of revenues and expenses -

Interest revenues and expenses are calculated at nominal rates over nominal values and are recognized in the results of the period they are accrued, in function to the time of validity of the operations that generate them and the agreed interest rates; except of interests related to held-to-maturity investments, which are recognized as indicated by paragraph (c) above. Interest revenues include the yields of investments on securities issued by international entities.

Gains and/or losses generated by investments containing embedded derivatives are recognized at amortized cost without considering the effects of said embedded derivatives, which are recognized based on the cash received at their payment date or at maturity.

Other income and expenses are recognized as earned or incurred in the period when they are accrued.

When there is reasonable doubt regarding the collectability of the principal of any financial instrument, interest is recognized as income to the extent that there is reasonable certainty of collection.

(e) Transactions in foreign currency -

The Central Bank prepares and presents its financial statements in Nuevos Soles, which is its functional and presentation currency.

Assets and liabilities in foreign currencies are recorded at the exchange rate of the date when transactions are performed and are expressed in Nuevos Soles using the daily closing purchase exchange rate established by the SBS. Balances in other currencies are expressed according to the exchange rates provided by Bloomberg and Reuters, see note 3.

In accordance with article N°89 of the Organic Act and as approved in the Board of Directors Meeting of December 30, 2010, changes resulting from restatement assets and liabilities in gold, silver, currencies, special drawing rights (hereinafter "SDR") or other monetary units of international use at the exchange rates prevailing at the date of issue of the statement of financial position, are recorded in the caption "Readjustment for valuation article N°89 – Organic Act" in net equity, without regarding them as gains or losses.

The Board meeting held on December 15, 2011, agreed that beginning in the year 2011, any exchange rate difference shall be permanently recorded in the "Readjustment for valuation, article N°89 – Organic Act" caption in the net equity.

(f) Derivative financial instruments -

The Central Bank holds trading and embedded derivatives.

(i) Trading derivatives –

Derivatives held for trading are recorded in the statements of financial position at cost for initial recognition, and subsequently they are measured at their fair value. Fair values are estimated based on the market exchange rates, interest rates and market prices. The Central Bank maintains operations with futures which underlying assets are investments in international securities and forward exchange operations.

Gains and losses for changes in the fair value of future operations are recorded in the caption “Net yield on securities” of the statements of comprehensive income, generating an asset or liability in the statements of financial position, as appropriate.

Gains and losses from changes in the fair value of forward exchange operations are recorded in the caption “Readjustment for valuation article N°89 - Organic Act” in the net equity, recognizing an asset or liability in the statements of financial position, as appropriate; at the maturity of these instruments, the asset or liability is settled and the result is recorded in the caption “Readjustment for valuation article N°89 – Organic Act”.

The reference value (nominal amount committed) of the future and forward operations is recorded in the caption “Off – balance sheet accounts” of the statements of financial position, note 21(b) and (e).

(ii) Embedded derivatives -

The Central Bank records the embedded derivatives in a main (or host) contract at the date of the operation’s maturity, based on the realized cash, recognizing at that moment the gain or loss generated in the caption “Net yield on securities” of the statements of comprehensive income.

The Central Bank holds structured instruments to maturity as part of “Securities from international entities”, note 6, whose yields are indexed to variables such as the inflation rate of the United States of America, the variation in the exchange rate of different currency baskets, the variations in the price of gold, among others.

(g) Gold -

Gold holdings are valued using the New York market price provided daily by Bloomberg and Reuters.

The price of gold per troy ounce as of December 31, 2012 and 2011 was US\$1,674.81 and US\$1,545.45, respectively.



(h) Contributions to international organizations -

These include the contributions made by the Central Bank to the IMF, FLAR and BIS, which are recorded at the nominal value of the contribution, which represents their acquisition cost, because the above mentioned amount corresponds to the value that the Central Bank would have the right to receive in case it withdrew its membership in some of said organizations. These contributions cannot be negotiated with third parties.

The yields from these contributions are recognized when accrued and the dividends when declared.

(i) Collections -

Collections consist mainly of artwork (archeological objects, paintings, sculptures, among others) and collectible coins that have been purchased and/or received as donation, and are recorded at their purchasing cost. Due to their nature, these assets are considered to have an indefinite useful life, so they do not depreciate and are recorded in the "Other assets" caption in the statements of financial position note, 11. The purchasing cost of donations is calculated based on the fair value estimated by specialists at the moment they are received.

(j) Property, furniture and equipment and depreciation -

Property, furniture and equipment are recorded at their acquisition cost, less the accumulated depreciation and accumulated amount of impairment, if applicable. Maintenance and repair costs are charged to the statements of comprehensive income and significant renewals and improvements are capitalized when: a) it is probable that future economic benefits will flow from the renewal or improvement; and b) their cost can be measured fairly. The cost and its corresponding accumulated depreciation of an asset sold or retired are eliminated from the corresponding accounts and the related gain or loss is included in the statements of comprehensive income.

Work in progress and in transit units are accounted at their acquisition cost. These goods are not depreciated until they are received or finished and placed into service.

Land is not depreciated. Depreciation is computed on a straight-line basis over the following estimated useful lived:

	Years
Buildings	100
Furniture and office equipment and miscellaneous equipment	10
Vehicles	5
Computer hardware	3

(k) Impairment of long-lived assets -

When changes or certain events indicate that the value of a long-lived asset may not be recovered, the Central Bank reviews the book value of its assets in order to verify if there is no permanent impairment in their values.

When the book value of the asset exceeds its recoverable value, a loss for impairment is recognized in the statements of comprehensive income. The recoverable value is the highest between the net sale price and its value in use. The net sale price is the amount that can be obtained from the sale of an asset in a free market, while the value in use is the present value of the estimated future cash flows provided by the continuous use of an asset and its disposal at the end of its useful life. The recoverable amounts are estimated for each asset or, if not possible, for each cash generating unit.

Management performs an annual assessment of whether the carrying value exceeds the value recoverable from its long-lived assets based on market information available.

(l) Sterilized stock -

Sterilized stock is a liability in local currency comprised by outstanding securities issued and deposits in local currency from the governmental sector and financial entities, which are not part of the reserve requirements. The sterilized stock is the result from monetary operations to take out liquidity from the financial system, and from deposits from the said entities, which in case of reversal, would imply an increase in the monetary base.

Issued securities in circulation are measured at nominal value, recognizing the interests accrued in the statements of income of the period. The discounts granted at their placing date are deferred and are amortized during the term of validity of the instrument, using the effective interest rate method.



(m) Currency in circulation -

This includes bills and coins in legal tender issued by the Central Bank which are held by the public; and are recorded as a liability on the statement of financial position at their nominal value in the caption "Monetary Base".

Bills and coins not in circulation are kept in the Central Bank's vaults and recorded in off-balance sheet accounts at their nominal value.

(n) Employee benefits -

According to article N°58 of its by-laws, the Central Bank transfers financial resources to the Fund for Disease, Insurance and Pensions of the Central Bank's Employees (hereinafter "the Fund") with the purpose of supplementing the funds necessary to pay the benefits to its personnel. The total amount of the transferences to the Fund is approved by the Board of Directors.

The Central Bank maintains the following defined benefits plans:

- Supplemental pensions' subvention, widowhood pensions and burial subsidy.
- Other supplemental benefits to retirement, related to the healthcare benefits granted by the Central Bank.

The cost of granting benefits through the plans of definite benefits is determined separately for each plan, by means of the projected unit of credit method. Actuarial gains and losses of both defined benefits plans are recognized in their entirety in the statements of income in the period they occur.

The assets or liabilities for definite employee benefits include the present value of the obligation, which is determined using a discount rate based on high quality negotiable obligations; see note 17(b), minus the costs for past services and the fair value of the assets of the plan that will be used to liquidate said obligations. The assets of the plan are managed by a fund of long-term benefits for the personnel. The assets of the plan are neither available for the creditors of the Central Bank nor can be directly paid to the Central Bank. The fair value of these assets is based on the information of market prices.

The Fund's net assets considered to be deducted from the amount of the actuarial reserve comprise the present value of the deposits and loans, net of obligations. The allowance for actuarial reserve has been calculated using mortality tables and market interest rates; see note 17(b).

The concepts of subvention for supplemental retirement pensions, widowhood, burial subsidy and other supplemental benefits, deducted of the present value of the Fund's net assets are recorded in "Other liabilities" in the statements of financial position, note 17(b).

(o) Operating expenses and issuance costs of bills and coins -

Operating expenses and the expenses of transporting bills and coins are recognized in results for the year they are incurred in.

The cost of making coins and coin blanks includes the cost of raw materials, of labor and indirect manufacturing costs.

The cost of printing bills and the cost of manufacturing coins are recognized in results of the year in which the bills and coins are available to be in circulation for the first time.

(p) Cash and cash equivalents -

Cash and cash equivalents comprise gross international reserves, net of bills and coins in circulation issued as part of the caption "Monetary base" in the statement of financial position. As shown below:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
Gross international reserves	163,260,487	131,674,016
Less:		
Currency in circulation	<u>(37,823,821)</u>	<u>(32,300,487)</u>
Cash and cash equivalents	<u>125,436,666</u>	<u>99,373,529</u>

The difference between total gross international reserves and reserve liabilities (consisting of the obligations with international entities) represent net international reserves. These reserves, which show the international liquidity of the country and its financial capacity in relation to other countries, are the resources available to the Central Bank to meet its obligations in foreign currency.

(q) Provisions -

Provisions are only recognized when the Central Bank has a present (implicit or legal) obligation as a result of past events, it is probable that an outflow of resources will be required to settle such obligation, and the amount has been reliably estimated. Provisions are reviewed in each period and are adjusted to reflect their best estimate as of the date of the statement of financial position. When the effect of the time value of money is significant, the amount recorded as a provision is the same as the present value of future payments required to settle the obligation.



The expense relating to any provision is presented in the statements of comprehensive income net of any related refund.

(r) Contingencies -

Contingent liabilities are not recognized in the financial statements. They are disclosed in notes to the financial statements, unless the possibility of an outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements; however, they are disclosed when their contingency degree is probable.

(s) Domestic credit -

Domestic credit comprises investments in securities issued by the Ministry of Economy and Finance (hereinafter "MEF" for its Spanish acronym), which are recorded and classified as available-for-sale investments. According to their classification, the initial recognition and subsequent measurement of said investments is performed in accordance to the criteria described in paragraph (c) above.

(t) New accounting rules -

(i) International Financial Reporting Standards – IFRS Issued, and in effect in Peru as of December 31, 2012 –

The CNC through Resolutions N°051-2012-EF/30 issued on August 29, 2012 and N°048-2011-EF/30 issued on January 6, 2012, approved the application from the day following the issuance of the ruling or later, according to the effective date specified in each specific standard, of the current versions of 2012 and 2011, respectively, of IFRS 1 to 13, IAS 1 to 41, the statements 7 through 32 of the Standing Interpretations Committee (SIC), the Interpretations of International Financial Reporting Standards (IFRIC) 1 to 20, and amendments to October 2011 of IAS, IFRS and IFRIC issued internationally.

Likewise, on March 14, 2012, through Resolution N°050-2012-EF/30, the CNC agreed to keep the application in the country's equity method to record in the consolidated financial statements investments in associates and joint ventures.

(ii) IFRS issued, and in effect in Peru as of December 31, 2011-

The current versions 2009 of IFRS 1 to 8, IAS 1 to 41, SIC 7 to 32 and IFRIC 1 to 19, as well as the amendments to May 2010 of IAS 1 and 34, IFRS 1, 3 and 7, IFRIC 13 and the transition requirements for amendments arising as a result of IAS 27, had been in force to implement by the CNC as of December 31, 2011.

Because standards explained in paragraphs (i) and (ii) above are applied jointly with those developed by the Organic Act and the standards issued by the Central Bank, they will not have any significant effect in the preparation of the accompanying financial statements, except for those matters indicated in note 2.1 above. The Central Bank has not estimated the effect in its financial statements, of the adoption of the above mentioned standards, if adopted.

3. FOREIGN CURRENCY TRANSACTIONS AND EXPOSURE TO EXCHANGE RISK

Transactions in foreign currency are recorded using the prevailing exchange rates in the market.

As of December 31, 2012, the purchase exchange rate established by the SBS to record transactions in U.S. Dollars was *S/2.549* (*S/2.695* as of December 31, 2011). Balances in other currencies have been stated in U.S. Dollars at the exchange rate at the closing of the New York market as mentioned in paragraph (c) below.

- (a) A detail of the Central Bank' foreign currency assets and liabilities expressed in thousands of U.S. Dollars is shown below:

	<u>2012</u>	<u>2011</u>
	US\$(000)	US\$(000)
Assets		
Cash in foreign currency	50,057	50,054
Deposits in foreign banks	11,010,650	11,263,291
Deposits in foreign institutions	818,523	812,220
Securities from international institutions	49,117,546	34,189,735
Gold	1,866,466	1,722,250
Contributions to international institutions	900,553	795,677
Other available assets	285,042	25,406
Other assets abroad	20,000	20 639
Domestic credit	325,399	-
Other assets	<u>512,052</u>	<u>401,808</u>
	<u>64,906,288</u>	<u>49 281,080</u>
Liabilities		
Reserve liabilities	57,396	42,712
Other liabilities abroad	20,000	20,000
Deposits in foreign currency	18,265,698	15,530,134
Other liabilities	<u>499,024</u>	<u>387,557</u>
	<u>18,842,118</u>	<u>15,980,403</u>
Net asset position	<u><u>46,064,170</u></u>	<u><u>33,300,677</u></u>



- (b) The balances in foreign currency, SDR and in precious metals as of December 31, 2012 and 2011 expressed in thousands of U.S. Dollars are summarized as follows:

	2012	2011
	US\$(000)	US\$(000)
Assets		
U.S. Dollars	47,504,239	37,257,784
Euro	5,908,332	5,830,703
Australian Dollars	3,217,604	2,402,401
Other currencies	4,841,646	527,823
Gold	1,867,148	1,722,933
SDR (*)	1,546,021	1,518,267
Andean pesos	20,000	20,000
Silver	1,298	1,169
	<u>64,906,288</u>	<u>49,281,080</u>
Liabilities		
U.S. Dollars	18,497,082	15,555,906
SDR (*)	303,090	301,982
Euro	21,059	102,057
Andean pesos	20,000	20,000
Silver	509	458
Other currencies	378	-
	<u>18,842,118</u>	<u>15,980,403</u>
Net assets	<u>46,064,170</u>	<u>33,300,677</u>

- (*) SDR is an international reserve asset created by the IMF, allocated to member countries in proportion to their quotas. The value of SDR is calculated daily by adding the U.S. Dollars values (exchange rate quoted at noon in the London Market) of fixed amounts of a four-currency basket (U.S. Dollar, euro, Japanese yen and pound sterling). The amounts of each currency of the SDR basket are calculated according to agreed percentages.

- (c) The quotation of major currencies used by the Central Bank in relation to the U.S. Dollar as of December 31, 2012 and 2011 are summarized as follows:

	<u>2012</u> US\$	<u>2011</u> US\$
Euro	1.320200	1.294000
Australian Dollar	1.040300	1.013100
SDR	1.536920	1.530400
Andean peso	1.000000	1.000000

4. DEPOSITS IN FOREIGN BANKS

- (a) This item is made up as follows:

	<u>2012</u> S/.(000)	<u>2011</u> S/.(000)
Time deposits (b)	27,991,777	30,315,224
Accrued interest (c)	<u>8,949</u>	<u>1,672</u>
	<u>28,000,726</u>	<u>30,316,896</u>
Demand deposits	65,252	37,596
Accrued interest (c)	<u>-</u>	<u>65</u>
	<u>65,252</u>	<u>37,661</u>
Accrued interest for gold deposits, note 7(c)	<u>169</u>	<u>11</u>
Total	<u><u>28,066,147</u></u>	<u><u>30,354,568</u></u>

- (b) As of December 31, 2012 and 2011, time deposits are mainly represented by US\$(000)9,001,010 and US\$(000)10,588,358, respectively, which are deposited in first class banks and bear interest in accordance with international market rates.

As of December 31, 2012, deposits in foreign banks accrued an average annual interest rate of 0.24 percent (0.14 percent as of December 31, 2011).

- (c) As of December 31, 2012 and 2011, Central Bank recognized interest income in deposits in foreign banks by S/.(000)99,824 and S/.(000)67,955, respectively, which is presented in the caption "Financial income" of the statements of comprehensive income.

5. DEPOSITS IN INTERNATIONAL INSTITUTIONS

As of December 31, 2012 and 2011, these deposits correspond to deposits in IMF which are denominated in SDR, bear interest at average annual effective rate of 0.07 and 0.11 percent, respectively, and are mainly unrestricted.



6. SECURITIES FROM INTERNATIONAL INSTITUTIONS

(a) This item is made up as follows:

	2012		2011	
	Unrealized gross amount		Unrealized gross amount	
	Acquisition cost S/.(000)	Increase S/.(000)	Decrease S/.(000) (e)	Book value (*) S/.(000)
Available-for-sale investments -				
Short – term sovereign securities	42,274,727	-	(199,969)	42,074,758
Short – term supranational securities	9,882,201	-	(8,385)	9,873,816
Long – term sovereign securities	56,529,393	-	(43,815)	56,485,578
Long – term supranational securities	6,046,349	26,357	-	6,072,706
	114,732,670	26,357	(252,169)	114,506,858
				Acquisition cost S/.(000)
				28,721,232
				13,411,406
				33,096,592
				4,465,754
				79,694,984
				123,227
				(268,453)
				28,457,629
				13,406,556
				33,167,391
				4,518,182
				79,549,758
				Book value (*) S/.(000)
Held-to-maturity investments -				
Sovereign securities	1,320,626			1,320,626
Supranational securities	8,918,163			8,918,163
	10,238,789			10,238,789
Balance of available-for-sale investments and held-to-maturity investments				12,090,066
Accrued interest				91,639,824
Total				501,511
				125,200,625
				92,141,335

(*) Book value corresponds to the estimated market value for available-for-sale investments and the amortized cost for held-to-maturity investments, according to accounting policies indicated in note 2.2(c).

(**) As of December 31 2012 and 2011, the decrease of the unrealized gross amount corresponds mainly to the premiums paid at acquisition date of investments available-for-sale, which are recognized in the statements of comprehensive income at maturity of the instrument, as indicated in note 2.2(c).

(b) As of December 31, 2012 and 2011, the maturities and the nominal annual interest rates on investments are as follows:

	Maturity		Nominal interest rate (coupon rate) (*)						
	2012		2011		2012		2011		
	US\$	Other currencies	US\$	Other currencies	US\$	Other currencies	US\$	Other currencies	
	Min %	Max %	Min %	Max %	Min %	Max %	Min %	Max %	
Available-for-sale investments -									
Short – term sovereign securities	0.125	5.130	0.140	8.000	0.102	6.125	0.810	8.000	
Short – term supranational securities	0.500	5.500	3.130	6.000	0.090	5.750	3.212	5.375	
Long – term sovereign securities	0.125	5.500	0.180	6.250	0.125	5.500	0.250	6.500	
Long – term supranational securities	0.050	4.630	0.260	5.380	0.500	5.500	1.648	6.000	
Held-to-maturity investments -									
Sovereign securities	1.625	2.000	-	-	1.625	2.000	-	-	
Supranational securities	0.150	0.300	0.150	2.280	0.150	0.790	1.000	2.282	

(*) The nominal rate corresponds to the coupon rate, excluding premiums or discount earned at the acquisition of the instruments detailed above.



- (c) As of December 31, 2012, securities from international institutions are first category and low-risk financial instruments, which have risk ratings of at least A+, according to rating agencies Moody's and Standard & Poor's (as of December 31, 2011, they have risk ratings of at least AA-, according to rating agencies Moody's, Standard & Poor's and Fitch), bear interest at the international market rates, and are kept in first class foreign banks.
- (d) Balance due on available-for-sale and held-to-maturity investments as of December 31, 2012 and 2011, is as follows:

	2012	2011
	S/.(000)	S/.(000)
Up to 3 months	30,537,054	19,890,158
From 3 months to 1 year	25,872,270	25,071,019
From 1 to 3 years	44,610,443	30,386,277
From 3 to 5 years	22,514,328	16,157,221
More than 5 years	<u>1,211,552</u>	<u>135,149</u>
Total	<u>124,745,647</u>	<u>91,639,824</u>

- (e) As of December 31, 2012 and 2011, the Central Bank recognized revenues for net yields of securities for a total of S/.(000)1,486,754, and S/.(000)1,845,346, respectively, which are part of the "Financial income" caption in the statements of comprehensive income. Likewise, during 2012 and 2011, the Central Bank recognized a reduction of S/.(000)80,586 and S/.(000)163,699, respectively, in the "Fair value reserve" caption, which is part of the net equity, see note 2.2(c).

The Central Bank's Management has determined that the non realized losses as of December 31, 2012 and 2011, correspond mainly to premiums paid at the acquisition of such securities which, in accordance with the accounting policies of the Central Bank, are recognized at their maturity. No other situation that indicates a permanent impairment on investments and that requires the recognition of an allowance for periods 2012 and 2011 has been identified, note 2.2(c).

7. GOLD

(a) This item is made up as follows:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
In the country -		
Gold coins (b)	2,357,355	2,299,872
Provision for cost of converting gold coins to high purity or "good delivery" gold bars	<u>(1,740)</u>	<u>(1,840)</u>
	2,355,615	2,298,032
Abroad -		
Gold bars (c)	<u>2,402,006</u>	<u>2,343,433</u>
Total	<u>4,757,621</u>	<u>4,641,465</u>

(b) As of December 31, 2012 and 2011, is represented by 552,191 troy ounces of gold in commemorative coins deposited in the vault of the Central Bank, valued at the per-troy ounce price at said dates.

(c) As of December 31, 2012 and 2011, corresponds to 562,651 troy ounces of good delivery gold bars, which are deposit in first class foreign banks. As of December 31, 2012 and 2011, 249,702 troy ounces were held under custody (as of December 31, 2011, the total amount of said item was held under custody) and 312,949 troy ounces were held as time deposits, thus accruing interests at an annual effective rate of 0.13 percent and having a 32-day term since their issuance date (as of December 31, 2011 accruing interests at an annual effective rate of 0.03 percent and having a 15-day term since their issuance date). Accrued interests as of December 31, 2012, are recorded in the "Deposits in foreign banks" caption in the statement of financial position, note 4.

8. CONTRIBUTIONS TO INTERNATIONAL INSTITUTIONS

(a) This item is made up as follows:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
Contributions to IMF (b)	824,656	818,699
Contributions to FLAR (c)	1,213,420	1,054,625
Contribution to BIS (d)	<u>257,434</u>	<u>271,025</u>
Total	<u>2,295,510</u>	<u>2,144,349</u>



- (b) The contribution to IMF grants to Peru access to IMF's funding activities. The IMF determines the Peru's contribution as a participating country, which as of December 31, 2012 and 2011 amounts to SDR(000)638,400, which are composed by contributions in SDR and Nuevos Soles. As of December 31, 2012 and 2011, Peru's participation in the total share held by IMF member countries is 0.29 percent and includes the following:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
Contribution in SDR:		
Contribution to IMF in SDR (i)	<u>824,656</u>	<u>818,699</u>
Contribution in local currency:		
Contribution to IMF for equivalent in local currency (ii)	1,735,107	1,822,340
Revaluations to be liquidated – Contribution to IMF in local currency (iii)	<u>(58,764)</u>	<u>(8,005)</u>
Total contribution in local currency	<u>1,676,343</u>	<u>1,814,335</u>
Total contribution to IMF	<u>2,500,999</u>	<u>2,633,034</u>

(i) As of December 31, 2012 and 2011, it's comprised by contributions granted by Peru to the IMF of SDR(000)210,500 and SDR(000)198,500, respectively.

(ii) For the contributions in Nuevos Soles, the Central Bank has not disbursed any funds and has constituted a promissory note in favor of the IMF, by means of which said organization can arrange the cashing of the above mentioned contribution at any moment; thus, said compensation is recorded as a liability to the IMF in the "Other external liabilities" caption in the statement of financial position. This obligation does not generate interests and can be demanded at any moment.

(iii) Corresponds to the exchange rate difference generated by the contribution between April 30 and December 31 of each year. These revaluations restate the contribution in local currency at the end of IMF's financial year that is made on April 30 each year.

By means of Act N°29823 published on December 29, 2011, the Congress authorized to increase Peru's quota at the International Monetary Fund from SDR(000) 638,400 (equivalent to S/.(000)2,500,999) to SDR(000) 1,334,500 (equivalent to S/.(000)5,228,045), for which purpose, the Central Bank will takes the steps required and sign the promissory notes or necessary documents to make this increase effective, once the approvals and conditions indicated in the IMF Constitutive Agreement are met. As of December 31, 2012 the approvals and conditions indicated in the IMF Constitutive Agreement for the increase of Peruvian quota in the IMF has not concluded.

- (c) As of December 31, 2012, the contribution to FLAR amounts to US\$(000)476,038, equivalent to S/.(000)1,213,420 (US\$(000)391,327 equivalent to S/.(000)1,054,625, as of December 31, 2011). This contribution grants Peru access to funding facilities from FLAR. Peru's participation in FLAR accounts for 22.22 percent of its subscribed capital. Also, at said date, the Central Bank holds unpaid contributions in favor of FLAR that amount to US\$(000)187,500, equivalent to S/.(000)477,938 (US\$(000)77,423 equivalent to S/.(000)208,656, as of December 31, 2011), which are recorded as accounts receivable and accounts payable and are recorded in the "Other assets" and "Other liabilities" captions, notes 11(a) and 17(a).
- (d) In July 2011, the Central Bank accepted the invitation of BIS to participate as a member of that international organization. BIS determines the percentage of participation of member countries and in the case of Peru, its participation amounts to 3,000 shares, as of December 31, 2012 and 2011 has been paid 25 percent of market value equivalent to SDR(000)65,712, equivalent to S/.(000)257,434 (equivalent to SDR(000)271,025, as of December 31, 2011), 75 percent of the market value of said shares, corresponding to SDR(000)197,136 equivalent to S/.(000)772,301 (equivalent to SDR(000)813,073, as of December 31, 2011), has been recorded as a subscribed but not paid-in contribution in the "Other assets" and "Other liabilities" captions, notes 11(a) and 17(a).

9. DOMESTIC CREDIT

- (a) This item is made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Domestic credit to governmental sector (b):		
Bonds issued by MEF	817,073	-
Accrued interests	12,369	-
Domestic credit to private sector:	<u>9</u>	<u>9</u>
Total	<u>829,451</u>	<u>9</u>

- (b) As of December 31, 2012, the Central Bank acquired MEF bonds issued in U.S. Dollars in the secondary market, which have maturities between July 2025 and November 2033, and accrue interests at rates ranging between 7.35 and 8.75 percent, respectively. Said instruments are classified and valued as available-for-sale investments and as of the date mentioned, they maintain an unrealized loss of S/.(000)1,742, which was recorded in the caption "Fair value reserve" of the statements of financial position.



10. PROPERTY, FURNITURE AND EQUIPMENT, NET

(a) The movement of property, furniture and equipment and accumulated depreciation, for the years ended December 31, 2012 and 2011, is as follows:

Description	Land	Building and other construction	Furniture and office equipment	Vehicles	Miscellaneous equipment	Units in transit	2012	2011
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Cost								
Balance as of January 1	24,056	158,382	4,967	3,104	64,866	3,030	258,405	255,370
Additions	-	2,300	63	497	9,109	2,295	14,264	9,565
Disposals and others	-	(1,395)	(110)	-	(2,317)	(1,380)	(5,202)	(6,530)
Balance as of December 31	24,056	159,287	4,920	3,601	71,658	3,945	267,467	258,405
Accumulated depreciation								
Balance as of January 1	-	55,663	4,377	2,263	39,696	-	101,999	100,163
Depreciation for the year (d)	-	2,651	96	276	5,964	-	8,987	6,822
Disposals and others	-	(479)	(109)	-	(2,272)	-	(2,860)	(4,986)
Balance as of December 31	-	57,835	4,364	2,539	43,388	-	108,126	101,999
Impairment (e)	-	(16,925)	-	-	-	-	(16,925)	(16,925)
Net book value	24,056	84,527	556	1,062	28,270	3,945	142,416	139,481

(b) As of December 31, 2012 and 2011, the Central Bank maintains furniture and equipment for S/.(000)33,995 and S/.(000) 32,553, respectively, fully depreciated, which are still in use.

(c) The Central Bank maintains effective insurances on its main assets, in conformity with the policies established by Management and Board of Directors.

(d) As of December 31, 2012 and 2011, the depreciation of property, furniture and equipment is included in the captions "Operating expenses" and "Expense and costs of issuance" of the statements of comprehensive income, notes 22 and 23.

(e) Corresponds to the impairment on its real estate generated as result of the appraisal carried out by expert independent appraisers during 2008. Management reviews every year whether the book value exceeds the recoverable value of its long-lived assets based on available market information. In Management's opinion, there is no evidence of additional impairment of the long-lived assets held by the Central Bank as of December 31, 2012 and 2011.

11. OTHER ASSETS

(a) These items are made up as follows:

	<u>2012</u> S/.(000)	<u>2011</u> S/.(000)
Financial instruments -		
Contribution to international institutions, notes 8(c), (d) and note 17(a)	1,250,239	1,021,729
Accounts receivable from personnel	<u>1,487</u>	<u>1,905</u>
	<u>1,251,726</u>	<u>1,023,634</u>
Non-financial instruments -		
Collections (b)	96,835	97,176
Raw material, semi finished and finished products (c)	72,342	33,241
Deferred charges (d)	45,779	34,116
Intangibles, net	3,514	3,794
Silver	3,309	3,149
CNM inventories in transit	105	29,351
Other	<u>1,357</u>	<u>5,247</u>
	<u>223,241</u>	<u>206,074</u>
Total	<u>1,474,967</u>	<u>1,229,708</u>

- (b) Collections correspond to painting, archaeological pieces, sculptures, numismatic collections of coins and bills and other objects acquired by or donated to the Central Bank and maintained for display.
- (c) Raw material comprises the supplies acquired by the Central Bank for the minting of coins valued at average cost. The value of semi-finished and finished products is comprised by the cost of the raw material, direct manpower and the indirect manufacturing expenses.
- (d) Deferred charges mainly comprise the cost of printing bills, which is charged to expenses when such bills are issued for first time.



12. OTHER FOREIGN LIABILITIES

(a) These items are made up as follows:

	<u>2012</u> <u>S/.(000)</u>	<u>2011</u> <u>S/.(000)</u>
Allocation of SDR (b)	2,473,078	2,526,557
Revaluations to be liquidated – SDR Allocations (c)	(83,757)	(11,098)
Allocation of Andean pesos (d)	50,980	53,900
Other	<u>1,215</u>	<u>1,139</u>
Total	<u>2,441,516</u>	<u>2,570,498</u>

- (b) As of December 31, 2012 and 2011, the balance of the SDR allocation account is equivalent to SDR (000)609,893 and corresponds to the distribution the IMF made to Peru in proportion to its SDR quota, in accordance to what is stated in the IMF Constitutive Agreement. SDR allocations accrue interests according to the conditions of said Constitutive Agreement; the annual interest rates were 0.07 percent and 0.11 percent as of December 31, 2012 and 2011, respectively.
- (c) Correspond to the exchange rate difference generated by the allocation of SDR received on the part of the IMF and that is generated between April 30 and December 31 of every year. These revaluations (allowances) update the SDR allocations at the end of IMF's financial year that is performed on April 30 of every year.
- (d) The allocation of Andean Pesos corresponds to those delivered by FLAR amount to Andean Pesos (000)20,000 (equivalent to S/.(000)50,980 and S/.(000)53,900, respectively, as of December 31, 2012 and 2011), this allocation does not generate interests, does not have any defined maturity and has not represented any disbursement because the counterpart has been recorded as an account receivable in the "Other assets abroad" caption in the statement of financial position.
- (e) During 2012 and 2011, the Central Bank paid interests corresponding to its liabilities abroad, mainly for the obligations for SDR allocations that amounted to S/.(000)2,619 and S/.(000) 10,713, respectively, which are recorded in the "Financial expenses" caption in the statements of comprehensive income.

13. OUTSTANDING SECURITIES ISSUED

(a) These items are made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Certificates of deposits (CDBCRP)	20,804,700	13,580,200
Discount on sale CDBCRP	<u>(452,942)</u>	<u>(184,282)</u>
Total	<u>20,351,758</u>	<u>13,395,918</u>

- (b) As of December 31, 2012 and 2011, issued securities in circulation comprise certificates of deposit in local currency with maturities of up to 493 and 348 days, respectively which are placed by means of auctions or by direct placing mechanism for the purpose of withdrawing liquidity surpluses from of the financial system. As of December 31, 2012, said certificates were placed at discount and accrued interests at an implicit annual rate between 3.5 and 4.3 percent (between 3.9 and 5.2 percent as of December 31, 2011).
- (c) During 2012 and 2011, the Central Bank registered expenses for the interests of the issued securities in circulation that amounted to S/.(000)791,758 and S/.(000) 486,021, respectively, which are registered in the "Financial expenses" caption in the statements of comprehensive income.
- (d) As of December 31, 2012 and 2011, certificates of deposits issued by the Central Bank were acquired by:

	2012	2011
	S/.(000)	S/.(000)
Banks	11,534,430	10,237,200
Mutual funds and private pension funds	4,975,270	1,559,400
Banco de la Nación	1,955,700	249,300
Financial institution	-	109,500
Other entities	<u>2,339,300</u>	<u>1,424,800</u>
Total	<u>20,804,700</u>	<u>13,580,200</u>

**14. DEPOSITS IN LOCAL CURRENCY**

(a) These items are made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Governmental sector	31,700,252	22,782,275
Banks	8,783,000	3,690,200
Banco de la Nación	8,238,441	9,157,093
Financial institutions	795,300	12,800
Other entities and Funds	<u>693,975</u>	<u>589,960</u>
Total	<u>50,210,968</u>	<u>36,232,328</u>

(b) As of December 31, 2012 and 2011, deposits in local currency are classified by type of transaction as follows:

	Interest	Maturity	2012	2011
	%		S/.(000)	S/.(000)
Current accounts	Between 2.45 and 2.50	Without maturity	14,900,975	10,360,093
Time deposits	Between 2.54 and 4.24	Between January and October 2013	34,776,993	16,561,900
Special deposits (overnight)	3.45	Between 1 and 2 days	<u>533,000</u>	<u>9,310,335</u>
Total			<u>50,210,968</u>	<u>36,232,328</u>

(c) During 2012 and 2011, the Central Bank recognized interest on deposits in local currency for S/.(000)1,666,364 and S/.(000) 1,393,366, which are recorded in the caption "Financial expenses" of the statements of comprehensive income.

15. MONETARY BASE

(a) These items are made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Currency in circulation (b)	37,823,821	32,300,487
Deposits in local currency (c) -		
Deposits from banks	10,274,362	4,910,769
Deposits from Banco de la Nación	2,350,000	1,370,000
Deposits from financial institutions	445,663	328,196
Other financial institutions	<u>1,841,106</u>	<u>1,057,718</u>
	<u>14,911,131</u>	<u>7,666,683</u>
Total	<u>52,734,952</u>	<u>39,967,170</u>

(b) The composition of currency in circulation is as follows:

	2012		2011	
	Units	S/.(000)	Units	S/.(000)
Denomination S/. 10	105,359,218	1,053,592	95,778,294	957,783
Denomination S/. 20	105,510,917	2,110,218	91,657,578	1,833,152
Denomination S/. 50	112,277,339	5,613,867	113,721,158	5,686,058
Denomination S/. 100	243,669,058	24,366,906	196,426,428	19,642,643
Denomination S/. 200	15,375,929	<u>3,075,186</u>	13,812,875	<u>2,762,575</u>
Total		<u>36,219,769</u>		<u>30,882,211</u>
Denomination S/. 0.01	354,909,587	3,549	355,297,308	3,553
Denomination S/. 0.05	332,886,348	16,644	299,811,371	14,991
Denomination S/. 0.10	1,019,846,391	101,985	906,745,006	90,675
Denomination S/. 0.20	265,867,181	53,173	238,897,566	47,780
Denomination S/. 0.50	334,868,020	167,434	302,799,051	151,400
Denomination S/. 1.00	450,380,641	450,381	383,062,414	383,062
Denomination S/. 2.00	115,341,439	230,683	100,646,345	201,293
Denomination S/. 5.00	115,702,666	<u>578,513</u>	104,767,128	<u>523,836</u>
		1,602,362		1,416,590
Commemorative coins		<u>1,690</u>		<u>1,686</u>
Total		<u>37,823,821</u>		<u>32,300,487</u>



- (c) As of December 31, 2012 and 2011, correspond to deposits in local currency of the financial entities subject to reserve requirements in the national financial system. Such funds are intended to cover the amount of reserves required by the Central Bank for obligations subject to reserve requirements in local currency which do not have maturity. Additionally, the amount of reserve requirements may be covered with cash in local and foreign currency, note 16(b), in cash of the entity subject to reserve requirements.

The required reserve comprises minimum reserve requirements, which, as of December 31, 2012 and 2011, had a rate of 9 percent for the obligations subject to reserve requirements in local and foreign currency, note 16(b), and additional reserves, which is the part of the required reserves that exceeds the legal minimum reserve requirements. As of December 31, 2012, the additional reserve rate in local currency fluctuated between 5 and 10 percent (between 3.0 and 5.0 percent as of December 31, 2011).

The obligations subject to reserve requirements are classified in two regimes: general and special. As of December 31, 2012, reserve requirements funds corresponding to the additional reserve of the general and special regime, that were deposited in the Central Bank earned interests at an annual rate of 1.75 percent, equivalent to the rate of remuneration of overnight deposits at the Central Bank minus 170 basis point (as of December 31, 2011, the rate was 2.45 percent equivalent to the rate of remuneration of overnight deposits at the central Bank minus 100 basis point).

On March 31, 2011, the Central Bank issued Circular N°008-2011-BCRP which refers to reserve requirements in local and foreign currency, note 16(b), and increases by 0.5 percentage points, the implicit rate used to calculate reserve requirements of the obligations subject to the general regimes in local and foreign currency to 0.75 percentage points, to control liquidity into institutions subject to reserve requirements in order to preserve monetary stability.

On October 30, 2012, the Central Bank issued the Circular N°036-2012-BCRP which refers to reserve requirements in local currency, and increases up to 0.75 percentage points the implicit rate used to calculate reserve requirements of the obligations subject to the general regimes in local currency for those entities with an implicit rate under 20 percent, to control liquidity into institutions subject to reserve requirements, in order to preserve monetary stability.

16. DEPOSITS IN FOREIGN CURRENCY

(a) These items are made up as follows:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
Banks (b)	24,593,675	21,527,141
Governmental sector (c)	20,896,805	18,140,750
Banco de la Nación (b)	637,931	1,815,712
Financial institutions (b)	76,371	24,416
Other institution of financial system (b)	<u>354,482</u>	<u>345,692</u>
Total	<u>46,559,264</u>	<u>41,853,711</u>

(b) As of December 31, 2012 and 2011, correspond to deposits in foreign currency made by entities subject to reserve requirements in the national financial system. Such funds are intended to cover the amount of reserves required by the Central Bank for obligations subject to reserve requirements in foreign currency which not have maturity.

The required reserve comprises minimum reserve requirements, which as of December 31, 2012 and 2011, had a rate of 9 percent for the obligation subject to reserve requirements in local and foreign currency, and additional reserves, which is the part of the reserves required that exceeds the legal minimum reserve requirements. As of December 31, 2011, the additional reserve rate in foreign currency fluctuated between 29 and 32 percent (between 26 and 30 percent as of December 31, 2011).

As of December 31, 2012, the reserve funds corresponding to the additional reserves of the general and special regimes that were deposited in the Central Bank accrued interests at annual rates of 0.1054 percent, equivalent to 50 percent of the 1-month LIBOR (as of December 31, 2011, said rates were 0.1705 percent, equivalent to 60 percent of the 1-month LIBOR).

In addition, on January 29, 2013, the Central Bank issued Circular N°005-2013-BCRP, and increases the implicit rate up to 1.75 percentage points for those institutions with an implicit rate under 50 percent, and allows a deduction to the reserve requirements in function of the foreign investments and loans; modifying the regime of reserve requirements for obligations over foreign loans and bonds with an average maturity over 3 years, and for obligations with average maturities over 3 years from foreign funds specialized in microfinance. Said Circular will take effect since the reserve requirement period of February 2013.

(c) As of December 31 2012 and 2011, deposits in foreign currency of the public sector entities are denominated in U.S. dollars and euros, comprise mainly contracts subscribed with the General Direction of the Public Treasure of the



Ministry of Economy and Finance (hereinafter "MEF" for its Spanish acronym), which established the conditions for the reception by the Central Bank of the deposits from said entity. As of December 31, 2012, such deposits correspond to demand and time deposits, which accrued interests at an effective annual rate between 0.07 and 0.24 percent (as of December 31, 2011, the effective annual rate ranged between 0.01 and 0.16 percent). Time deposits have maturities between January 2013 and August 2014 (as of December 31, 2011, between January and December 2012). As of December 31, 2012, foreign currency deposits are comprised by the MEF resources for an amount of US\$(000)8,195,200, equivalent to S/.(000)20,889,565 and deposits of Corporación Financiera de Desarrollo (hereinafter "COFIDE" for its Spanish acronym) for an amount of US\$(000)2,840, equivalent to S/.(000)7,240 (as of December 31, 2011, correspond to MEF deposits for an amount of US\$(000)6,724,998, equivalent to S/.(000)18,123,870 and COFIDE deposits for an amount of US\$(000)6,263, equivalent to S/.(000)16,880).

- (d) In 2012 and 2011, the Central Bank has recognized interests on deposits in foreign currency amounting to S/.(000)55,066 and S/.(000) 44,428, respectively, which are recorded in the "Financial expenses" caption in the statements of comprehensive income.

17. OTHER LIABILITIES

- (a) These items are made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Financial liabilities		
Contribution subscribed to international organizations pending payment, notes 8(c), (d) and note 11(a)	1,250,239	1,021,729
Interest and commissions payable	270,229	148,580
Fund for diseases, insurance and pension of BCRP employees	12,745	13,962
Account payable	5,674	9,623
Deposit Insurance Fund	100	92
	<u>1,538,987</u>	<u>1,193,986</u>
Non-financial liabilities		
Actuarial liability (b)	126,530	123,492
Other provisions	29,351	26,120
Other	6,300	10,023
	<u>162,181</u>	<u>159,635</u>
Total	<u>1,701,168</u>	<u>1,353,621</u>

- (b) As of December 31, 2012 and 2011, includes the actuarial obligation corresponding to the subvention of supplemental pensions and other supplemental benefits to the retirement of the Central Bank's pensioners and their relatives. At said dates, the allowance for the actuarial obligation corresponds to the subvention of supplemental retirement pensions, widowhood, burial subsidy and reserve of current risks of healthcare services calculated by an actuary amounted to S/.(000)153,817 and S/.(000) 154,932, respectively, minus the value of net assets of the Fund for S/.(000)27,287 and S/.(000)31,440, respectively, thereby the actuarial liability amounted to S/.(000)126,530 and S/.(000)123,492, note 2.2(n).

The Fund is a legal entity of private law established under Decree Act N°7137 and is intended to provide assistance to the Central Bank's active and retired employees, as well as to their spouses, children and parents, as established in its regulations. Such assistance is additional to social security benefits and other social benefits granted by Law (ESSALUD, National Pension System - Decree Act N°19990, and the Private Pensions System). According to IAS 19 – Employee Benefits, the aforementioned assistance correspond to a defined benefits plan. As of December 31, 2012 and 2011, 46.7 and 44.4 percent of the Fund's assets, respectively, are deposited in the Central Bank, which accrued interests at an annual effective rate of 4.41 and 3.45 percent, respectively, and the difference which has been granted as loans to the Central Bank's employees is directly discounted from the payroll.

The net expense recognized in the statements of comprehensive income for employee benefits is made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Transfers to the Fund	11,013	9,948
Variation of the net assets of the Fund	4,153	2,791
Variation of reserves calculated by the actuary	<u>(1,115)</u>	<u>1,849</u>
Total	<u>14,051</u>	<u>14,588</u>

As of December 31, 2012 and 2011, the caption "Other" in the Operative Expenses of the statements of comprehensive income includes the adjustment of the actuarial reserve that amounts to S/.(000)14,051 and S/.(000)14,588, respectively, note 22(a).



As of December 31, 2012 and 2011, the movement in provision for actuarial obligation for retired and active employees of the Central Bank is as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
Balance at the beginning of the year	123,492	118,852
Variation of net assets of the Fund	4,153	2,791
Variation of reserves calculated by the actuary	<u>(1,115)</u>	<u>1,849</u>
Balance at the end of the year	<u>126,530</u>	<u>123 492</u>

The main categories of the assets of the plan as a percentage of the fair value of the total assets of the plan are as follows:

	<u>2012</u>	<u>2011</u>
	%	%
Deposits in Central Bank	43.8	45.8
Accounts receivable from employees	<u>56.2</u>	<u>54.2</u>
Total	<u>100.0</u>	<u>100.0</u>

The main hypothesis used in determination of employee benefits plans are shown below:

	<u>2012</u>	<u>2011</u>
Discount rate	6%	6%
(Decrease) increase of pensions	(1.8)%	1.5%
Increase (decrease) of burial subsidy	1.7%	(3.0)%
Increase of health services	14.7%	1.4%
Average period of amortization of pensions	9.66	9.64
Retired employees as of the date of financial statements:		
Men	934	932
Women	609	602

The following chart shows the sensibility of the actuarial assumptions in the results of the Central Bank:

Year	Increase / decrease of the discount rate	Effect in reserves from the period
	%	S/.(000)
2012	+0.5%	(5,774)
	-0.5%	6,240
2011	+0.5%	(5,813)
	-0.5%	6,274

Year	Increase / decrease in life expectancy	Effect in reserves from the period
	Years	S/.(000)
2012	+1	2,173
	-1	(2,195)
2011	+1	1,897
	-1	(2,077)

18. NET EQUITY

(a) Capital -

As of December 31, 2012 and 2011, the Bank's capital stock authorized, subscribed and paid-in by the Peruvian State in accordance with the Bank's Organic Act and Supreme Decrees N°059-2000-EF, N°108-2004-EF, N°136-2006-EF, N°136-2007-EF and N°124-2010-EF amounts to S/.(000)1,182,750.

According to the article N°92 of its Organic Act, the Central Bank must distribute its net income annually as follows: (i) 25 percent for the Public Treasury and (ii) 75 percent for the constitution and increase up to 100 percent of its capital of a reserve which, preferably, will be used for capitalization. As of December 31, 2012 and 2011, the Central Bank has made no capitalization of reserves.

Capital is not represented by shares, and its value is recorded only in the capital account in the statement of financial position. Likewise, a Supreme Decree countersigned by MEF established that the Bank's authorized capital may be readjusted.

(b) Reserves -

According to article N°63 of the Statute of the Central Bank, the surplus generated by the application of article N°92 of the Organic Act provides for the constitution of a special reserve.

According to established by article N°93 of the Organic Act, on March 27, 2013, after the approval of the financial statements of 2011, the legal reserve was used to cover the net loss of the year 2011, which amounted to S/.(000)203,423.



On its meeting of March 3, 2011, the Board of Directors meeting approved to transfer 75 percent of the balance of the year 2010, amounting to S/.(000)461,342, to the statutory special reserve.

(c) Retained earnings -

Article N°93 of the Organic Act indicates that in case of losses, the reserve shall be applied to settle them; if said amount is insufficient, the Public Treasury must issue and deliver to the Central Bank, negotiable debt securities that shall accrue interests for the non-covered amount, within the first 30 days following the approval of the statement of financial position. In that sense, the loss of the year 2011, which amounted to S/.(000)203,423, was covered with part of the legal reserve.

Additionally, the Board's meeting held on March 3, 2011, approved the transfer of S/.(000)153,781, corresponding to the retained earnings of 2010, to the Public Treasury.

(d) Readjustment for valuation article N°89 - Organic Act -

In accordance with the accounting policies approved by the Board of Directors based on article N°89 of the Central Bank's Organic Act, the exchange rate differences that result from the valuation in local currency of assets and obligations of the Central Bank in gold, silver, currencies, SDR or other monetary units of international use, are debited or credited in this account without being considered gains or losses of the period, note 2.2 (e).

The movement of this item as of December 31, 2012 and 2011, is as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
Balance at the beginning of year	(5,277,819)	(1,791,632)
More (less):		
Valuation of U.S. Dollars	(4,118,164)	(2,410,602)
Valuation of other currencies	(1,565,183)	(1,512,124)
Valuation of metals (gold and silver)	116,156	246,869
Valuation of IMF contribution and obligations	126,143	121,979
Exchange derivatives transactions	687,727	65,364
Other	465	2,327
	<u> </u>	<u> </u>
Balance at the end of year	<u>(10,030,675)</u>	<u>(5,277,819)</u>

19. TAX SITUATION

In accordance with the Income Tax Law, entities of the national governmental sector are not subject to income tax. The Central Bank, as a withholding agent, is only subject to the fourth and fifth-category income taxes and to social contributions.

The Tax authority is entitled to review and, if necessary, amend the taxes calculated by the Central Bank during the last four years, counted as from the date of filing of the related tax returns. The tax returns for 2008 through 2012, inclusive, are open to fiscal review. Since discrepancies may arise over the interpretation by the Tax Authority of the rules applicable to the Central Bank, to date it is not possible to foresee whether any additional tax liabilities will arise as a result of eventual reviews of the financial statements. Therefore, any additional taxes, fines and interest, arising from such reviews, will be recognized in the income (loss) for the year when the disagreement with Tax Authority is resolved. The Central Bank's Management and internal legal advisors consider no significant ultimate liabilities will arise as a result of any possible fiscal reviews for financial statements as of December 31, 2012 and 2011.

20. CONTINGENCIES

On December 15 2006, the Fourth Civil Court of the Supreme Court of Justice of Lima declared that a writ of amparo against the Central Bank promoted by ex-employees who took avail of incentives in 1992, was sustained and ruled their reinstatement and the actuarial calculation for the respective payment of earned remunerations and other labor rights. Subsequently, the Central Bank filed a writ of amparo against said judicial resolution for the violation of diverse constitutional rights that protect the due process (*res judicata*, due motivation and assessment of evidence).

Also, by means of Resolution dated November 22, 2011, the Third Civil Court of the Supreme Court of Justice of Lima, acting as the first instance organ, ratified a previous pronouncement, and declared sustained the lawsuit filed by the Central Bank and left without effect the ruling dated December 15, 2006, previously mentioned, decision ratified by the Supreme Court according to the sentence issued on October 30, 2012.

Taking into account the judicial pronouncements previously mentioned, which overrules the reinstatement of said former employees and accrued payment alluded by the ruling dated December 15, 2006, the Central Bank's Management and its legal advisers consider that, as of December 31, 2012, it is not necessary to record any allowance for liabilities regarding this judicial contingency.

**21. OFF – BALANCE SHEET ACCOUNTS**

(a) These items are made up as follows:

	2012	2011
	S/.(000)	S/.(000)
Forward transactions (b)	20,595,049	-
Bills and coins in stock (c)	19,737,138	17,752,552
Securities held in custody (d)	1,744,683	973,526
Future transactions (e)	149,430	173,558
Collateral guarantees – Plan Brady (f)	146,569	154,957
Banks under liquidation	52,043	53,179
Securities deposit in guarantee	27,774	2,310,309
Coins in process of production - CNM	2,022	1,882
Bills and coins removed from circulation to be destroyed	1,201	1,201
Other	<u>112,557</u>	<u>80,513</u>
Total	<u>42,568,466</u>	<u>21,501,677</u>

(b) As of December 31, 2012, corresponds to the reference value (nominal amount committed) of the forward exchange transactions maintained by the Central Bank for trading purposes. As of that date, the Central Bank maintains 35 forward operations, which maturities are between January and April 2013. Likewise, the valuation of said instruments generated an asset for an amount of S/.(000)663,082, which was recorded as a part of the caption "Other available assets" and a liability for an amount of S/.(000)31,911, which was recorded under the caption of "Reserve liabilities". Said valuation was recorded against the caption "Readjustment for valuation article N°89 - Organic Act" of the statements of financial position.

As of December 31, 2012, the nominal values of the forward transactions according to the currency are as follows:

Descripción	2012
	S/.(000)
Purchase of U.S. Dollars for other currencies different from Nuevos Soles	9,622,053
Sell of Japanese Yen for other currencies different from Nuevos Soles	7,873,374
Sell of Euros for other currencies different from Nuevos Soles	1,578,278
Purchase of Euros for other currencies different from Nuevos Soles	1,011,787
Sell of U.S. Dollars for other currencies different from Nuevos Soles	497,055
Purchase of Japanese Yen for other currencies different from Nuevos Soles	<u>12,502</u>
Total	<u>20,595,049</u>

- (c) As of December 31, 2012 and 2011, the bills and coins Central Bank holds in its vaults, which are not in circulation, are as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
New	16,863,000	11,915,000
Available	2,210,145	1,868,942
To be classified	542,450	3,802,916
To be incinerated and/or melted	120,962	133,429
In transit	<u>581</u>	<u>32,265</u>
Total	<u>19,737,138</u>	<u>17,752,552</u>

The movement of the account of bills and coins in stock for the year ended December 31, 2012 and 2011 has been as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
Balance at the beginning of year	17,752,552	8,956,161
Acquisition of bills and coins	15,370,693	19,148,949
Destruction of bills and coins	(7,862,773)	(6,129,215)
Removal of circulation, net of income	<u>(5,523,334)</u>	<u>(4,223,343)</u>
Balance at the end of year	<u>19,737,138</u>	<u>17,752,552</u>

- (d) As of December 31, 2012 and 2011, securities in custody included mainly guaranteed promissory notes for operations with the IMF.
- (e) As of December 31, 2012 and 2011, corresponds to the reference value (nominal amount committed) of future transactions, maintained by the Central Bank for trading purposes. As of that date, the Central Bank maintains 483 contracts of price future transactions which underlying assets are bonds the United States Treasury issued in U.S. Dollars, bonds of the German Government issued in Euro and bonds of the United Kingdom issued in Great British Pounds (322 contracts of future transactions which underlying assets are United States Treasury Bonds, as of December 31, 2011), and which maturities are in March 2013 (March 2012, as of December 31, 2011). Likewise, the valuation of said instruments generated an asset for an amount of S/.(000)165, which was recorded under the caption "Other available assets" and a liability for an amount of S/.(000)208, which was recorded under the caption "Reserve liabilities" (generated an asset for an amount of S/.(000)30, which was recorded under the caption "Other available assets", as of December 31, 2011). Such valuation was recorded in the caption "Net yield on securities" of the statements of comprehensive income.



- (f) As of December 31, 2012 and 2011, included mainly collaterals from the insertion of the Peruvian State into the Brady Plan amounting to S/.(000)146,569 and S/.(000)154,957, respectively. The Peruvian State issued Brady Plan Bonds with the purpose of paying its external debt to the international banking system. Likewise, it issued the corresponding collateral to guarantee the payment of said bonds, which are managed by the Central Bank at the aforementioned dates in representation of the Peruvian State. Said guarantees shall not generate any liabilities or contingencies to the Central Bank.

22. OPERATING EXPENSES

- (a) This item is made up as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
Remunerations and social benefits, note 24	145,527	140,301
Administrative expenses (b)	39,200	38,875
Employees fund	20,148	20,174
Depreciation, note 10(d)	6,756	5,273
Amortization	2,049	2,018
Other, note 17(b)	<u>15,653</u>	<u>15,085</u>
Total	<u>229,333</u>	<u>221,726</u>

- (b) As of December 31, 2012 and 2011, corresponds mainly to the expenses of public services, maintenance, vigilance, advisories, data supplies, and other.

23. EXPENSES AND COST OF ISSUANCE

This item is made up as follows:

	<u>2012</u>	<u>2011</u>
	S/.(000)	S/.(000)
Cost of production of coins issued	49,251	48,957
Expenses for printing of bills issued	25,431	42,261
Expenses for transporting bills and coins	<u>2,697</u>	<u>4,740</u>
Total	<u>77,379</u>	<u>95,958</u>

24. PERSONNEL EXPENSES AND SOCIAL OBLIGATIONS

This item is made up as follows:

	<u>2012</u>	<u>2011</u>
	<u>S/.(000)</u>	<u>S/.(000)</u>
Salaries	81,467	79,555
Legal gratifications and vacations	27,637	26,000
Commissions and awards	14,941	13,894
Severance compensations	9,157	8,787
Social security	8,458	8,422
Training	1,844	1,386
Other	<u>2,023</u>	<u>2,257</u>
Total	<u>145,527</u>	<u>140,301</u>

25. RISK ASSESSMENT -

Due to the nature of its activities, the Central Bank is exposed to liquidity, credit, exchange and interest rate risks. The aim of the risk management program of the Central Bank is to minimize potential adverse effects on financial performance.

The Bank's statements of financial position mostly comprise financial instruments, as described in note 2.2(b). International reserves are a relevant component of such instruments (represents 97.5 and 97.6 percent as of December 31, 2012 and 2011, respectively) and reserve management adheres to the principles of security, liquidity and profitability indicated in article N°71 of its Organic Act. International reserves contribute to the country's economic and financial stability insofar as they guarantee availability of foreign exchange in extraordinary situations, such as in the case of an eventual significant withdrawal of foreign currency deposits from the national financial system or temporary external shocks which could cause imbalances in the real sector of the economy and feedback expectations. Likewise, a suitable availability of currency contributes to the reduction of the country risk and to the improvement of Peru credit ratings, which results in better conditions for obtaining



foreign credits on the part of the private and public Peruvian companies and, also contributes to the expansion of foreign investment in the country.

The Central Bank's reserve management policy prioritizes the preservation of capital and guaranteeing the liquidity of reserves. Once these conditions are met, yield is to be maximized.

The management of international assets is closely related to the origin and characteristics of the Central Bank's liabilities in terms of amount, currency, term, and volatility. The Central Bank seeks to minimize in this way the market risks that may affect the value and availability of the resources managed by the Central Bank.

The Central Bank's Management is well aware of the existing market conditions and, on the basis of its knowledge and experience; it controls the aforementioned risks, following the policies approved by the Board. The most important aspects for risk management are the following:

(i) Liquidity risk –

In order to mitigate this risk, the degree of liquidity of fixed rent instruments is controlled mainly by the size of the issuance of currency and the acquired percentage of each issuance.

This risk is also minimized through the distribution of the availability of liquidity which is determined taking into account the liabilities the Bank has and, consequently, the investments are realized considering the terms of these liabilities.

(ii) Credit risk –

The risk refers to the possibility that a counterpart is not able to meet an obligation with the Central Bank on a timely basis. In order to face this risk, investments are diversified into:

- Deposits in first-class foreign banks, according to the capital involved and to short-term and long-term risk ratings assigned by the main international risk rating agencies, such as Standard & Poor's, Moody's and Fitch.
- Fixed income securities issued by international organizations or foreign public organizations. As of December 31, 2012 these securities must be long-term bonds assigned with one of the five highest ratings of the twenty long-term ratings assigned by risk rating agencies (assigned with one of the four highest ratings, as of December 31, 2011).
- Investments in private debt bonds are not allowed.

The magnitude and concentration of the Central Bank's exposure to credit risk can be obtained directly from the statement of financial position, which describes the size and composition of the Central Bank's financial assets.

Based on the obtained risk ratings and analysis of Management, as of December 31, 2012 and 2011, the Central Bank has no exposure in countries or entities with debt problems, that may pose a credit risk due to the deterioration of investments.

(iii) Exchange rate risk –

This risk can be defined as the risk to which the Central Bank is exposed due to fluctuations in the value of financial assets and liabilities arising from changes in exchange rates. The magnitude of the risk depends on:

- The imbalance between the Bank's assets and liabilities in foreign currency.
- The exchange rate of transactions in foreign currency pending at the close of the business day.

The Central Bank assets are mostly invested in U.S. Dollars, which reflects both the denomination of liabilities in foreign currency (mainly reserve requirements and special resident deposits) and the currency used by the Central Bank for intervention in the domestic foreign exchange market. The second most important currency in the composition by currencies of the international reserves is the Euro. The composition by currency of the balances in foreign currency is detailed in note 3.

(iv) Interest rate risk –

This risk is associated with to unexpected movements in the market yield rates of the portfolio's fixed income assets, which could affect the market value of investments before their maturity. The longer the maturity period of investments, the greater the impact of changes in the yield on the market value of such investments. The measure of such impact is reflected in the duration of the portfolio.

The Central Bank faces this risk considering the term structure of liabilities to determine the composition of the maturities of its assets. The maturity of the total portfolio is low and therefore, the impact of interest rate variations on the market value of the portfolio is minimum.

Likewise, maximum maturity terms have been established for investments which are consistent with the market risk profile desired for each portfolio instrument.

The magnitude of the risk depends on:

- The relevant interest rate of financial assets and liabilities; and
- The maturity structure of the Central Bank's portfolio of financial instruments.



Most of the Central Bank's financial assets are interest-bearing. The Central Bank's financial liabilities include both interest-bearing and non-interest-bearing liabilities. The Central Bank's interest-bearing assets and liabilities are based on rates established in accordance with the market economic conditions, effective at the moment when the financial instruments are issued.

(v) Operating risk –

It is defined as the risk of losses generated by risk factors such as: people, processes, external events and information technologies.

Since the risk management approach followed by the Bank is based on the process approach and since risk management is a self-evaluation process, the organizational units and the Risk Management department follow the steps described below:

- The activities supporting a process are identified to elaborate the process layout.
- The risks in activities and the controls applied to mitigate them are identified.
- The risks are assessed and valued and control measures are proposed if the latter are required to control the former.

Once the risks have been valued and the control measures that should be applied have been evaluated, the Risk Management presents its findings to the Risk Committee, which is in charge of assigning responsibilities in the implementation of such measures. The Risk Committee decides about the importance and priority of the processes in which operating risks should be managed.

26. INFORMATION ABOUT FAIR VALUE OF FINANCIAL INSTRUMENTS

The estimated fair value or market value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties to do so under the assumption that the Central Bank is an entity of a going concern.

When a financial instrument is traded on an active and liquid market, its price stipulated in said market in a real deal that offers the best evidence of its fair value. When a price is not stipulated in the market, or cannot be an indicative of the fair value of the instrument to determine said fair value, one can use either the market value of a similar instrument, the analysis of discounted flows or other applicable techniques, which may be affected in a significant way by the assumptions made. Although Management has used its best judgment in the estimation of the fair values of its financial instruments, any technique to perform the above mentioned estimation bears a certain level of inherent fragility. Thus, the fair value cannot be an indicative of the net realizable value or the liquidation value of said instruments.

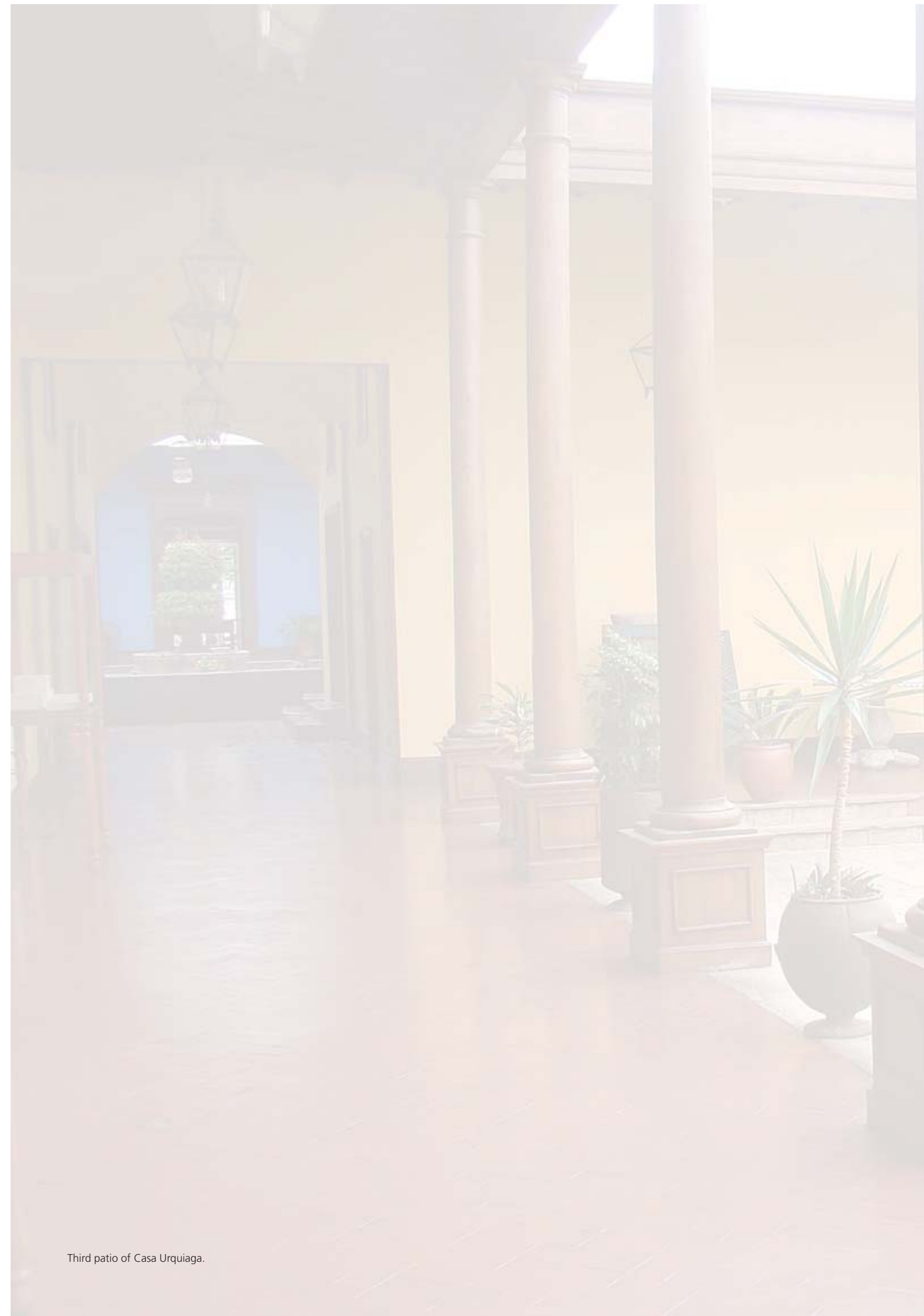
The methodologies and assumptions applied to determine the estimated market values as of December 31, 2012 and 2011, in all cases applicable according to the Central Bank's policies, depend on the terms and risk characteristics of the diverse financial instruments, as detailed below:

- (a) Cash in foreign currency and deposits in foreign banks represent cash and up to 90 days bank deposits, respectively, which do not represent significant credit risks or interest rate risks. Therefore, their book value is equivalent to their fair value.
- (b) Because the book value of securities issued by international entities classified as available-for-sale corresponds to their estimated market value, there is not any difference between their book value and their fair value.
- (c) The book value of securities issued by international entities classified as held-to-maturity corresponds to their amortized cost using the effective interest rate method. In accordance with the accounting policies of the Central Bank the market value of these investments is not disclosed.
- (d) The book value of gold corresponds to its market value.
- (e) The value of the contributions to international organizations and of deposits in international organizations is considered to correspond to their fair values because they represent the amount the Bank would receive if it withdrew its membership from said organizations. Additionally, contributions to international organizations cannot be traded with third parties. These contributions generate interest rates that depend on their market risk.
- (f) Securities in circulation generate interests at fixed and variable rates according to the respective bond issuance and have maturities of a maximum of 493 and 348 days, as of December 31, 2012 and 2011 respectively; consequently, the estimated market value does not differ significantly from the book value.
- (g) Deposits in local and foreign currency generate interests at fixed and variable rates which are fixed in periods under a year by the Central Bank; consequently, the estimated market value does not differ significantly from the book value.
- (h) The book value of bills and coins maintained by the Central Bank as part of the "Monetary base" caption correspond to their market value because it represents the currency in circulation in the Peruvian economy.

Consequently, as of December 31, 2012 and 2011, the Central Bank's Management considers that the estimated values of the financial instruments of the Central Bank do not differ significantly from their book values, except for what is indicated in paragraph (c) above.

27. EXPLANATION ADDED FOR ENGLISH TRANSLATION

The accompanying translated financial statements were originally issued in Spanish and are presented on the basis of accounting principles approved by the Central Bank Board, described in note 2. Certain accounting principles applied by the Central Bank that conform to accounting principles approved by the Central Bank Board may differ in certain respects to generally accepted accounting principles in other countries. In the event of discrepancy, the Spanish language version prevails.



Third patio of Casa Urquiaga.



APPENDICES



APPENDIX 1
GROSS DOMESTIC PRODUCT
(Millions of nuevos soles at 1994 prices)

YEAR	GROSS DOMESTIC PRODUCT 1/ (1)	POPULATION 2/ (Thousands) (2)	GDP PER CAPITA (Nuevos soles at 1994 prices) (3)	% change			INFLATION 3/ (3)	EXPORTS OF GOODS 4/ (Millions of US\$)	IMPORTS OF GOODS 4/ (Millions of US\$)	TRADE BALANCE (Millions of US\$)
				(1)	(2)	(3)				
1922	7,172	4,790.6	1,497.1	7.1	1.5	5.5	-4.5	75.4	32.0	43.4
1923	7,590	4,861.1	1,561.4	5.8	1.5	4.3	-5.3	104.5	46.8	57.8
1924	8,314	4,933.7	1,685.1	9.5	1.5	7.9	3.9	105.3	58.2	47.1
1925	8,516	5,008.4	1,700.4	2.4	1.5	0.9	7.0	93.7	58.3	35.4
1926	9,342	5,084.9	1,837.2	9.7	1.5	8.0	0.5	98.2	58.0	40.2
1927	9,553	5,163.4	1,850.1	2.3	1.5	0.7	-3.5	107.6	57.9	49.7
1928	10,100	5,244.2	1,926.0	5.7	1.6	4.1	-6.7	110.5	55.6	55.0
1929	11,170	5,327.1	2,096.7	10.6	1.6	8.9	-2.2	117.1	60.7	56.4
1930	10,030	5,412.6	1,853.1	-10.2	1.6	-11.6	-4.5	69.4	33.0	36.4
1931	9,452	5,500.4	1,718.4	-5.8	1.6	-7.3	-6.5	55.0	22.8	32.2
1932	9,245	5,590.5	1,653.7	-2.2	1.6	-3.8	-4.4	38.1	13.0	25.1
1933	10,105	5,682.9	1,778.1	9.3	1.7	7.5	-2.6	48.4	16.2	32.2
1934	11,317	5,777.9	1,958.7	12.0	1.7	10.2	2.0	70.3	31.6	38.7
1935	12,325	5,875.2	2,097.8	8.9	1.7	7.1	1.3	73.7	34.6	39.2
1936	12,949	5,975.1	2,167.2	5.1	1.7	3.3	5.3	83.5	39.9	43.6
1937	13,258	6,077.5	2,181.5	2.4	1.7	0.7	6.3	92.3	47.5	44.8
1938	13,586	6,182.2	2,197.6	2.5	1.7	0.7	-4.1	76.5	46.6	30.0
1939	13,861	6,289.3	2,203.9	2.0	1.7	0.3	4.8	71.3	38.2	33.0
1940	14,243	6,398.6	2,225.9	2.8	1.7	1.0	9.2	65.8	41.3	24.4
1941	14,435	6,509.7	2,217.5	1.3	1.7	-0.4	10.5	76.0	44.0	32.0
1942	14,136	6,622.7	2,134.5	-2.1	1.7	-3.7	8.5	76.1	41.7	34.5
1943	14,516	6,738.2	2,154.3	2.7	1.7	0.9	12.3	70.8	55.3	15.5
1944	15,704	6,856.4	2,290.4	8.2	1.8	6.0	13.2	84.2	63.3	20.9
1945	16,457	6,978.0	2,358.4	4.8	1.8	3.0	11.1	103.8	67.7	36.1
1946	17,511	7,101.9	2,465.7	6.4	1.8	4.5	12.1	151.3	98.7	52.6
1947	18,082	7,228.1	2,501.7	3.3	1.8	1.5	46.1	154.3	134.4	19.9
1948	18,774	7,357.6	2,551.6	3.8	1.8	2.0	13.6	162.4	134.2	28.2
1949	20,203	7,492.0	2,696.6	7.6	1.8	5.7	18.7	154.5	133.7	20.8
1950	21,929	7,632.5	2,873.1	8.5	1.9	6.5	9.5	198.4	149.3	49.1
1951	23,987	7,826.3	3,064.9	9.4	2.5	6.7	8.2	259.1	223.0	36.0
1952	25,231	8,025.7	3,143.8	5.2	2.5	2.6	6.4	245.7	257.2	-11.6
1953	26,470	8,232.2	3,215.4	4.9	2.6	2.3	8.6	228.3	257.5	-29.2
1954	28,086	8,447.0	3,324.9	6.1	2.6	3.4	4.8	254.3	225.4	28.9
1955	29,719	8,671.5	3,427.2	5.8	2.7	3.1	4.6	281.2	294.6	-13.4
1956	31,006	8,904.9	3,482.0	4.3	2.7	1.6	6.0	320.2	342.5	-22.3
1957	33,097	9,146.2	3,618.7	6.7	2.7	3.9	7.1	331.5	402.1	-70.7
1958	32,855	9,396.7	3,496.5	-0.7	2.7	-3.4	8.9	291.8	344.7	-52.8
1959	33,369	9,657.8	3,455.1	1.6	2.8	-1.2	16.8	322.6	280.5	42.1
1960	36,355	9,931.0	3,660.8	9.0	2.8	6.0	2.6	444.3	341.0	103.4
1961	39,413	10,217.5	3,857.4	8.4	2.9	5.4	8.7	510.2	428.6	81.5
1962	43,054	10,516.5	4,093.9	9.2	2.9	6.1	4.9	478.4	478.4	77.6
1963	45,387	10,825.8	4,192.5	5.4	2.9	2.4	8.7	555.1	517.9	37.2
1964	48,198	11,143.4	4,325.3	6.2	2.9	3.2	11.4	684.6	517.7	166.8
1965	51,406	11,467.2	4,482.8	6.7	2.9	3.6	14.6	684.6	659.7	24.9
1966	55,590	11,796.3	4,712.5	8.1	2.9	5.1	7.9	788.5	811.2	-22.7
1967	58,046	12,132.1	4,784.5	4.4	2.8	1.5	19.0	742.4	810.1	-67.7
1968	58,271	12,475.9	4,670.7	0.4	2.8	-2.4	9.8	839.8	672.9	166.9
1969	60,528	12,829.0	4,718.1	3.9	2.8	1.0	5.7	879.5	658.8	220.8

CONTINUES...

APPENDIX 1
GROSS DOMESTIC PRODUCT
 (Millions of nuevos soles at 1994 prices)

YEAR	GROSS DOMESTIC PRODUCT 1/ (1)	POPULATION 2/ (Thousands) (2)	GDP PER CAPITA (Nuevos soles at 1994 prices) (3)	% change			INFLATION 3/	EXPORTS OF GOODS 4/ (Millions of US\$)	IMPORTS OF GOODS 4/ (Millions of US\$)	TRADE BALANCE (Millions of US\$)
				(1)	(2)	(3)				
1970	64,275	13,192.7	4,872.0	6.2	2.8	3.3	1,034.3	699.6	334.6	
1971	67,177	13,567.7	4,951.3	4.5	2.8	1.6	889.4	730.0	159.4	
1972	69,479	13,953.2	4,979.4	3.4	2.8	0.6	945.0	812.0	133.0	
1973	73,980	14,348.1	5,156.1	6.5	2.8	3.5	1,111.8	1,033.0	78.8	
1974	80,481	14,751.1	5,455.9	8.8	2.8	5.8	1,513.3	1,908.0	-394.7	
1975	84,024	15,161.1	5,542.1	4.4	2.8	1.6	1,335.0	2,427.0	-1,092.0	
1976	85,004	15,580.8	5,455.7	1.2	2.8	-1.6	1,344.0	2,016.0	-672.0	
1977	85,529	16,010.8	5,342.0	0.6	2.8	-2.1	1,729.6	2,148.0	-418.4	
1978	82,296	16,447.4	5,003.6	-3.8	2.7	-6.3	2,038.0	1,668.0	370.0	
1979	83,920	16,886.5	4,969.7	2.0	2.7	-0.7	3,719.0	1,954.0	1,765.0	
1980	90,354	17,324.2	5,215.5	7.7	2.6	4.9	3,950.6	3,089.5	861.1	
1981	95,291	17,760.2	5,365.4	5.5	2.5	2.9	3,328.0	3,802.2	-474.2	
1982	94,979	18,197.2	5,219.5	-0.3	2.5	-2.7	3,343.4	3,720.9	-37.5	
1983	86,111	18,635.6	4,620.8	-9.3	2.4	-11.5	3,036.2	2,721.7	314.5	
1984	89,382	19,075.9	4,685.6	3.8	2.4	1.4	3,193.4	2,166.5	1,026.9	
1985	91,250	19,518.6	4,675.0	2.1	2.3	-0.2	3,021.4	1,822.6	1,198.8	
1986	102,301	19,965.8	5,123.8	12.1	2.3	9.6	2,572.7	2,649.3	-76.7	
1987	110,222	20,417.3	5,398.5	7.7	2.3	5.4	2,713.4	3,215.1	-501.7	
1988	99,839	20,869.7	4,783.9	-9.4	2.2	-11.4	2,719.9	2,865.1	-145.2	
1989	86,431	21,319.9	4,054.0	-13.4	2.2	-15.3	2,775.3	2,286.5	1,216.7	
1990	82,032	21,764.5	3,769.1	-5.1	2.1	-7.0	3,503.3	2,921.9	357.9	
1991	83,760	22,203.9	3,772.3	2.1	2.0	0.1	3,393.1	3,595.3	-202.2	
1992	83,401	22,640.3	3,683.7	-0.4	2.0	-2.3	3,578.1	4,001.4	-423.3	
1993	87,375	23,073.2	3,786.9	4.8	1.9	2.8	3,384.7	4,160.4	-775.8	
1994	98,577	23,502.0	4,194.4	12.8	1.9	10.8	4,424.1	5,499.2	-1,075.1	
1995	107,064	23,926.3	4,474.7	8.6	1.8	6.7	5,491.4	7,732.9	-2,241.5	
1996	109,760	24,348.1	4,507.9	2.5	1.8	0.7	5,877.6	7,864.2	-1,986.6	
1997	117,294	24,767.8	4,735.7	6.9	1.7	5.1	6,824.6	8,535.5	-1,711.0	
1998	116,522	25,182.3	4,627.2	-0.7	1.7	-2.3	5,756.8	8,218.7	-2,462.0	
1999	117,587	25,588.5	4,595.3	0.9	1.6	-0.7	6,087.5	6,710.5	-623.0	
2000	121,057	25,983.6	4,659.0	3.0	1.5	1.4	6,954.9	7,357.6	-402.7	
2001	121,317	26,366.5	4,601.2	0.2	1.5	-1.2	7,025.7	7,204.5	-178.7	
2002	127,402	26,739.4	4,764.6	5.0	1.4	3.6	7,713.9	7,392.8	321.1	
2003	132,545	27,103.5	4,890.3	4.0	1.4	2.6	9,090.7	8,204.8	885.9	
2004	139,141	27,460.1	5,067.0	5.0	1.3	3.5	12,809.2	9,804.8	3,004.4	
2005	148,640	27,810.5	5,344.7	6.8	1.3	5.5	17,367.7	12,081.6	5,286.1	
2006	160,145	28,151.4	5,688.7	7.7	1.2	6.4	23,830.1	14,844.1	8,986.1	
2007	174,407	28,481.9	6,123.4	8.9	1.2	7.6	28,094.0	19,590.5	8,503.5	
2008	191,505	28,807.0	6,647.9	9.8	1.1	8.6	31,018.5	28,449.2	2,569.3	
2009	193,155	29,132.0	6,630.3	0.9	1.1	-0.3	26,961.5	21,010.7	5,950.8	
2010 5/	210,079	29,461.9	7,130.5	8.8	1.1	7.5	35,564.8	28,815.3	6,749.5	
2011 5/	224,495	29,797.7	7,534.0	6.9	1.1	5.7	46,268.5	36,966.7	9,301.8	
2012 5/	238,588	30,137.3	7,916.7	6.3	1.1	5.1	45,639.5	41,112.7	4,526.8	

1/ The values for 1922 - 1949 are based on Seminario and Beltrán: "Una estimación alternativa del GDP del siglo XX", and the values for 1950 - 1989 were calculated using GDP growth rates with 1979 as the base year.

2/ Series provided by the INEI. The source of information for the period 1922 - 1949 is "Boletín de Análisis Demográfico, N° 01", ONEC, July 1964. The series of inflation 1950 - 2008 have been elaborated based on the latest projections.

3/ Between 1922 and 1937, the value of inflation is the average inflation rate in the period.

4/ BCRP: Boletines and Memorias.

5/ Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 2
MACROECONOMIC FLOWS
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Domestic savings	16.9	18.0	19.3	23.2	24.3	22.7	20.1	22.8	23.4	23.2
Public sector	1.2	1.7	2.6	5.5	6.3	6.8	4.6	6.0	7.2	7.8
Private sector	15.7	16.3	16.8	17.7	17.9	15.9	15.5	16.8	16.2	15.4
External savings	1.5	-0.1	-1.5	-3.2	-1.4	4.2	0.6	2.5	1.9	3.6
Investment	18.4	17.9	17.9	20.0	22.8	26.9	20.7	25.3	25.3	26.8
Public sector	2.8	2.7	2.9	3.1	3.4	4.3	5.2	5.9	4.5	5.2
Private sector	15.6	15.2	15.0	17.0	19.5	22.6	15.5	19.4	20.8	21.6
Current account balance	-1.5	0.1	1.5	3.2	1.4	-4.2	-0.6	-2.5	-1.9	-3.6
Trade balance	1.4	4.3	6.7	9.7	7.9	2.0	4.7	4.4	5.3	2.3
Services	-1.5	-1.0	-1.1	-0.8	-1.1	-1.6	-0.9	-1.5	-1.2	-1.1
Investment income	-3.5	-5.2	-6.4	-8.1	-7.7	-6.9	-6.6	-7.3	-7.8	-6.4
Current transfers	2.0	2.1	2.2	2.4	2.3	2.3	2.3	2.0	1.8	1.7
Financial account	1.0	3.0	0.2	0.4	8.0	6.7	1.9	8.8	5.4	10.1
Private sector	0.5	1.4	1.1	2.7	7.6	7.5	3.3	7.4	5.7	8.1
Public sector	0.3	1.3	-0.6	-1.0	-1.5	-1.3	0.2	1.6	0.5	0.8
Short-term capital	0.2	0.3	-0.3	-1.3	1.9	0.4	-1.6	-0.2	-0.7	1.1
Exceptional financing	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
Flow of BCRP net international reserves (-)	0.8	3.4	2.1	3.0	9.0	2.5	0.8	7.3	2.7	7.4
Net errors and omissions	1.2	0.2	0.2	-0.6	-0.5	-0.1	-0.5	0.9	-0.9	0.9
Current account savings	1.2	1.7	2.6	5.5	6.3	6.8	4.6	6.0	7.2	7.8
Capital revenue	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Capital expenditure	3.0	2.9	3.0	3.3	3.5	4.5	6.0	6.4	5.3	5.7
Public investment	2.8	2.7	2.9	3.1	3.4	4.4	5.6	5.9	5.0	5.4
Other capital expenditure	0.2	0.2	0.1	0.2	0.2	0.1	0.4	0.4	0.3	0.3
Overall balance	-1.7	-1.1	-0.3	2.3	2.9	2.4	-1.3	-0.2	2.0	2.2
Financing	1.7	1.1	0.3	-2.3	-2.9	-2.4	1.3	0.2	-2.0	-2.2
External financing	1.4	1.5	-1.5	-0.6	-1.9	-0.9	1.1	-0.5	0.2	-0.3
Domestic financing	0.2	-0.6	1.7	-1.8	-1.1	-1.5	0.2	0.6	-2.2	-1.9
Privatization	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0
NON FINANCIAL PUBLIC SECTOR										
Current account savings	1.2	1.7	2.6	5.5	6.3	6.8	4.6	6.0	7.2	7.8
Capital revenue	0.1	0.1	0.1	0.2	0.1	0.1	0.1	0.1	0.1	0.1
Capital expenditure	3.0	2.9	3.0	3.3	3.5	4.5	6.0	6.4	5.3	5.7
Public investment	2.8	2.7	2.9	3.1	3.4	4.4	5.6	5.9	5.0	5.4
Other capital expenditure	0.2	0.2	0.1	0.2	0.2	0.1	0.4	0.4	0.3	0.3
Overall balance	-1.7	-1.1	-0.3	2.3	2.9	2.4	-1.3	-0.2	2.0	2.2
Financing	1.7	1.1	0.3	-2.3	-2.9	-2.4	1.3	0.2	-2.0	-2.2
External financing	1.4	1.5	-1.5	-0.6	-1.9	-0.9	1.1	-0.5	0.2	-0.3
Domestic financing	0.2	-0.6	1.7	-1.8	-1.1	-1.5	0.2	0.6	-2.2	-1.9
Privatization	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0

1/ Preliminary data.
Source: BCRP.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 3 NATIONAL DISPOSABLE INCOME (Millions of nuevos soles at 1994 prices)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
											1/
Gross domestic product	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,079	224,495	238,588	
+ Investment income	- 4,537	- 7,334	- 9,736	- 14,114	- 14,670	- 13,594	- 13,142	- 16,342	- 18,930	- 16,155	
Gross national product	128,008	131,807	138,904	146,031	159,737	177,911	180,014	193,737	205,565	222,433	
+ Terms of trade	- 2,075	- 147	1,491	9,502	11,093	5,472	4,450	10,726	13,940	12,085	
Gross national income	125,933	131,659	140,395	155,533	170,830	183,383	184,464	204,463	219,505	234,518	
+ Current transfers	2,581	2,885	3,405	4,098	4,422	4,618	4,545	4,413	4,412	4,194	
National disposable income	128,514	134,544	143,800	159,631	175,253	188,000	189,008	208,876	223,917	238,712	

1/ Preliminary data.
Source: INEI and BCRP.
Elaborated by the Department of Economic Studies. BCRP.



	2003	2004	2005	2006	2007	2008	2009	2010 1/	2011 1/	2012 1/
Gross domestic product	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8	6.9	6.3
- Investment income	43.0	61.7	32.7	45.0	3.9	-7.3	-3.3	24.4	15.8	-14.7
Gross national product	3.0	3.0	5.4	5.1	9.4	11.4	1.2	7.6	6.1	8.2
Gross national income	3.0	4.5	6.6	10.8	9.8	7.3	0.6	10.8	7.4	6.8
+ Current transfers	14.9	11.8	18.0	20.4	7.9	4.4	-1.6	-2.9	0.0	-4.9
National disposable income	3.2	4.7	6.9	11.0	9.8	7.3	0.5	10.5	7.2	6.6

1 / Preliminary
Source: INEI and BCRP
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 5
GROSS DOMESTIC PRODUCT BY EXPENDITURE
 (Real % change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										1/
I. Domestic demand	3.7	3.8	5.8	10.3	11.8	12.3	- 2.8	13.1	7.1	7.4
a. Private consumption	3.4	3.6	4.6	6.4	8.3	8.7	2.4	6.0	6.4	5.8
b. Public consumption	4.0	4.6	8.5	7.6	4.5	2.1	16.5	9.7	6.1	10.5
c. Gross domestic investment	4.7	4.3	9.2	26.5	25.8	25.8	- 20.6	36.3	9.4	10.1
i. Gross fixed investment	5.9	7.8	12.3	20.2	22.6	27.1	- 9.1	23.1	4.8	14.9
- Private	6.3	8.1	12.0	20.1	23.3	25.9	- 15.1	22.1	11.4	13.6
- Public	3.7	6.1	13.8	20.7	18.9	33.7	21.6	26.7	- 18.0	20.8
II. Exports of goods and non-financial services	6.2	15.2	15.2	0.8	6.9	8.2	- 3.2	1.3	8.8	4.8
Minus:										
III. Imports of goods and non-financial services	4.2	9.6	10.9	13.1	21.4	20.1	- 18.6	24.0	9.8	10.4
IV. GDP	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8	6.9	6.3
Memo:										
Domestic demand without inventories	3.9	4.5	6.4	9.2	11.0	12.4	0.4	10.4	5.9	8.7

1 / Preliminary.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies. BCRP.



APPENDIX 6
GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Millions of nuevos soles at 1994 prices)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. Domestic demand	130,514	135,527	143,410	158,220	176,822	198,591	193,061	218,298	233,886	251,226
a. Private consumption	94,860	98,313	102,857	109,483	118,618	128,961	131,992	139,887	148,780	157,472
b. Public consumption	11,914	12,464	13,529	14,559	15,220	15,536	18,095	19,858	21,077	23,280
c. Gross domestic investment	23,739	24,751	27,025	34,178	42,985	54,094	42,974	58,553	64,029	70,475
i. Gross fixed investment	22,939	24,720	27,758	33,356	40,900	51,978	47,248	58,158	60,932	70,003
- Private	19,272	20,831	23,332	28,013	34,547	43,483	36,918	45,066	50,191	57,025
- Public	3,667	3,889	4,426	5,343	6,354	8,495	10,331	13,091	10,741	12,978
ii. Change in inventories	800	31	-733	822	2,085	2,116	-4,274	395	3,097	472
II. Exports of goods and non-financial services	24,491	28,221	32,512	32,772	35,017	37,874	36,678	37,152	40,410	42,349
Minus										
III. Imports of goods and non-financial services	22,461	24,607	27,282	30,846	37,432	44,960	36,584	45,371	49,801	54,987
IV. GDP	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,079	224,495	238,588

1 / Preliminary.
Source: INEI and BCRP.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 7
GROSS DOMESTIC PRODUCT BY EXPENDITURE
 (Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. Domestic demand	212,619	229,245	246,157	276,035	313,136	370,398	368,627	422,754	467,230	520,759
a. Private consumption	151,363	162,840	173,050	186,644	206,347	237,346	250,003	269,017	295,791	324,500
b. Public consumption	21,923	23,806	26,298	28,810	30,148	33,312	39,452	43,944	48,338	55,398
c. Gross domestic investment	39,332	42,598	46,809	60,580	76,641	99,740	79,172	109,793	123,101	140,861
i. Gross fixed investment	38,033	42,543	48,061	58,798	72,247	95,955	87,414	109,028	116,923	139,891
- Private	32,090	36,002	40,499	49,504	60,925	79,928	67,498	83,354	95,070	112,604
- Public	5,943	6,542	7,562	9,294	11,322	16,026	19,917	25,674	21,853	27,288
ii. Change in inventories	1,299	55	- 1,252	1,782	4,394	3,785	-8,242	765	6,178	970
II. Exports of goods and non-financial services	38,061	51,041	65,647	86,234	97,589	101,172	91,671	110,851	139,539	133,967
Minus:										
III. Imports of goods and non-financial services	37,254	42,384	50,151	60,013	75,198	100,496	77,980	99,010	120,447	128,691
IV. GDP	213,425	237,902	261,653	302,255	335,528	371,073	382,318	434,596	486,322	526,036

1 / Preliminary.
 Source: National Institute of Statistics and Informatics and BCRP.
 Elaborated by the Department of Economic Studies. BCRP.



APPENDIX 8
GROSS DOMESTIC PRODUCT BY EXPENDITURE
(Nominal % change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. Domestic demand	5.8	7.8	7.4	12.1	13.4	18.3	-0.5	14.7	10.5	11.5
a. Private consumption	5.1	7.6	6.3	7.9	10.6	15.0	5.3	7.6	10.0	9.7
b. Public consumption	8.6	8.6	10.5	9.6	4.6	10.5	18.4	11.4	10.0	14.6
c. Gross domestic investment	7.1	8.3	9.9	29.4	26.5	30.1	-20.6	38.7	12.1	14.4
i. Gross fixed investment	8.2	11.9	13.0	22.3	22.9	32.8	-8.9	24.7	7.2	19.6
- Private	8.7	12.2	12.5	22.2	23.1	31.2	-15.6	23.5	14.1	18.4
- Public	6.0	10.1	15.6	22.9	21.8	41.6	24.3	28.9	-14.9	24.9
II. Exports of goods and non-financial services	16.5	34.1	28.6	31.4	13.2	3.7	-9.4	20.9	25.9	-4.0
Minus:										
III. Imports of goods and non-financial services	9.5	13.8	18.3	19.7	25.3	33.6	-22.4	27.0	21.7	6.8
IV. GDP	6.9	11.5	10.0	15.5	11.0	10.6	3.0	13.7	11.9	8.2

1 / Preliminary data.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies. BCRP.

APPENDIX 9 GROSS DOMESTIC PRODUCT BY EXPENDITURE (Nominal % structure)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
											1/
I. Domestic demand	99.6	96.4	94.1	91.3	93.3	99.8	96.4	97.3	96.1	99.0	
a. Private consumption	70.9	68.4	66.1	61.8	61.5	64.0	65.4	61.9	60.8	61.7	
b. Public consumption	10.3	10.0	10.1	9.5	9.0	9.0	10.3	10.1	9.9	10.5	
c. Gross domestic investment	18.4	17.9	17.9	20.0	22.8	26.9	20.7	25.3	25.3	26.8	
i. Gross fixed investment	17.8	17.9	18.4	19.5	21.5	25.9	22.9	25.1	24.0	26.6	
- Private	15.0	15.1	15.5	16.4	18.2	21.5	17.7	19.2	19.5	21.4	
- Public	2.8	2.7	2.9	3.1	3.4	4.3	5.2	5.9	4.5	5.2	
ii. Change in inventories	0.6	0.0	-0.5	0.6	1.3	1.0	-2.2	0.2	1.3	0.2	
II. Exports of goods and non-financial services	17.8	21.5	25.1	28.5	29.1	27.3	24.0	25.5	28.7	25.5	
Minus:											
III. Imports of goods and non-financial services	17.5	17.8	19.2	19.9	22.4	27.1	20.4	22.8	24.8	24.5	
IV. GDP	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	

1/ Preliminary.
Source: INEI and BCRP.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 10
GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR
 (Real % change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture and livestock 2/	3.0	- 1.4	5.4	8.4	3.2	7.2	2.3	4.9	4.2	5.1
- Agriculture	1.4	- 1.8	4.2	8.4	2.0	7.4	0.9	5.3	3.2	5.2
- Livestock	3.0	3.0	6.9	8.2	5.3	6.0	4.4	4.3	5.6	4.9
Fishing	- 10.3	30.7	3.2	2.4	6.9	6.3	- 7.9	- 12.2	31.8	- 11.9
Mining and hydrocarbons 3/	5.5	5.3	8.4	0.6	3.5	7.6	0.6	- 0.1	- 0.2	2.2
- Metallic mining	6.3	5.1	7.3	1.1	1.7	7.3	- 1.4	- 4.8	- 3.2	2.1
- Hydrocarbons	- 4.3	7.1	23.4	- 4.1	17.3	10.3	16.1	29.5	18.1	2.3
Manufacturing	3.6	7.4	7.5	7.5	11.1	8.9	- 7.1	14.1	5.6	1.3
- Based on raw materials	3.2	8.0	3.9	4.1	- 2.7	8.3	- 0.0	- 1.6	13.0	- 6.5
- Non primary manufacturing	3.7	7.2	8.5	8.5	14.0	8.9	- 8.5	17.3	4.4	2.8
Electricity and water	3.7	4.5	5.6	6.9	8.4	7.8	1.2	7.7	7.4	5.2
Construction	4.5	4.7	8.4	14.8	16.6	16.5	6.1	17.4	3.0	15.2
Commerce	2.4	6.2	6.2	11.7	9.7	13.0	- 0.4	9.7	8.8	6.7
Other services 4/	4.8	4.8	6.8	6.9	8.9	9.1	3.1	7.7	8.1	7.3
GROSS DOMESTIC PRODUCT	4.0	5.0	6.8	7.7	8.9	9.8	0.9	8.8	6.9	6.3
Primary sectors	3.5	3.2	6.1	4.7	2.4	7.4	1.0	1.6	4.8	1.7
Non-primary sectors	4.2	5.4	7.0	8.4	10.4	10.3	0.8	10.2	7.2	7.1

1 / Preliminary.
 2 / Includes the forestry sector.
 3 / Includes non-metallic mining.
 4 / Includes taxes on products and import duties.
 Source: INEI and BCRP.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 11
GROSS DOMESTIC PRODUCT BY PRODUCTION SECTOR
 (Millions of nuevos soles at 1994 prices)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Agriculture and livestock 2/	11,795	11,629	12,259	13,286	13,718	14,712	15,050	15,782	16,443	17,283
- Agrícoltura	7,409	7,274	7,578	8,215	8,378	8,994	9,076	9,555	9,865	10,382
- Livestock	3,329	3,430	3,668	3,971	4,180	4,432	4,627	4,824	5,093	5,340
Fishing	596	779	804	823	879	934	861	755	996	878
Mining and hydrocarbons 3/	8,579	9,031	9,790	9,853	10,194	10,971	11,037	11,021	11,000	11,238
- Metallic mining	7,361	7,740	8,306	8,397	8,540	9,161	9,032	8,599	8,326	8,504
- Hydrocarbons	576	617	761	730	857	945	1,097	1,420	1,677	1,716
Manufacturing	19,830	21,300	22,887	24,607	27,328	29,774	27,672	31,574	33,347	33,786
- Based on raw materials	4,419	4,773	4,957	5,161	5,022	5,440	5,442	5,353	6,050	5,658
- Non primary manufacturing	15,411	16,527	17,930	19,446	22,169	24,133	22,078	25,896	27,024	27,769
Electricity and water	2,805	2,931	3,094	3,307	3,585	3,866	3,912	4,213	4,526	4,762
Construction	6,413	6,712	7,276	8,350	9,737	11,340	12,037	14,135	14,566	16,773
Commerce	18,453	19,604	20,821	23,248	25,495	28,808	28,693	31,473	34,251	36,549
Other services 4/	64,075	67,155	71,708	76,672	83,471	91,069	93,893	101,132	109,367	117,323
GROSS DOMESTIC PRODUCT	132,545	139,141	148,640	160,145	174,407	191,505	193,155	210,079	224,495	238,588
Primary sectors	25,389	26,212	27,810	29,123	29,813	32,023	32,354	32,877	34,452	35,022
Non-primary sectors	107,156	112,929	120,830	131,022	144,594	159,483	160,801	177,202	190,043	203,566

1 / Preliminary.

2 / Includes the forestry sector.

3 / Includes non-metallic mining.

4 / Includes taxes on products and import duties.

Source: INEI and BCRP.

Elaborated by the Department of Economic Studies. BCRP.



APPENDIX 12
AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS
(% change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AGRICULTURE GDP	1.4	-1.8	4.2	8.4	2.0	7.4	0.9	5.3	3.2	5.2
Domestic market	0.8	-3.2	7.5	4.6	3.0	4.3	6.7	2.2	0.8	6.1
Potato	-4.7	-4.3	9.4	-1.3	4.1	6.3	4.7	1.1	7.0	9.8
Rice	0.8	-13.5	33.8	-4.2	3.0	14.7	7.1	-5.3	-7.3	14.3
Banana	3.9	2.7	2.0	4.7	3.2	-2.3	4.1	7.5	-6.6	4.6
Cassava	2.2	6.8	3.4	13.4	1.7	1.2	-0.5	6.4	-10.0	0.5
Starchy maize	1.5	-15.4	11.3	3.2	-1.5	1.7	14.6	-9.9	-0.7	9.3
Wheat	1.9	-10.5	4.7	7.1	-5.0	14.0	9.3	-3.0	-2.4	5.6
Dry beans	-5.2	-1.1	22.5	15.0	-0.6	5.1	14.5	-5.9	-5.3	4.2
Garlic	-7.9	-15.1	11.6	33.8	10.1	-16.4	-14.2	8.6	40.5	-7.2
Onion	2.1	9.0	-4.3	16.9	10.0	0.7	-5.2	19.5	0.4	6.7
Corn	1.9	-7.2	-7.0	2.6	-7.9	12.6	5.4	3.6	-9.8	-1.7
Lemon	-1.1	-16.3	7.4	15.6	7.4	-17.2	-11.6	12.6	-3.6	3.9
Mandarin	21.0	8.8	9.3	9.3	1.7	-1.7	-11.3	33.3	6.8	18.8
Orange	4.6	8.0	1.3	5.8	-2.7	9.6	0.1	4.5	6.1	1.3
Sweet potato	-13.9	-4.4	0.0	7.7	-7.0	1.8	39.6	0.3	13.5	1.6
Alfalfa	2.4	-0.2	-0.6	0.6	1.6	1.5	5.1	2.1	2.5	4.5
Tomato	14.4	22.8	-13.2	6.6	2.1	21.4	5.3	1.5	-17.3	3.2
Barley	-2.2	-8.5	9.0	-0.8	-7.4	4.8	14.7	1.4	-6.9	6.3
Green peas	1.5	-19.0	21.0	7.5	13.9	3.2	3.5	-2.8	-1.4	15.9
Dry broad beans	-6.5	-9.1	-6.3	8.5	3.7	8.7	1.0	-4.9	3.6	2.2
Dry peas	4.4	-8.3	3.8	15.2	-3.4	7.8	8.0	1.7	-5.2	9.6
Dry broad beans	6.9	-8.4	12.0	8.7	6.6	4.9	8.3	-3.6	-3.7	13.7
Dry lima beans	-4.6	-34.5	-24.0	178.9	-20.0	10.6	17.8	-21.8	26.0	27.4
Olluco	-0.6	-11.1	12.2	7.0	7.9	0.6	3.4	-2.4	2.0	11.4
Oca	-7.2	-8.9	7.8	-9.7	-6.0	-4.0	8.1	-6.6	-4.3	3.4
Peach	-7.3	-4.3	-0.2	-8.4	12.4	17.7	4.8	-3.2	3.3	3.7
Other products	4.2	0.1	5.3	10.4	5.2	3.8	13.7	4.5	2.9	-0.7
Agricultural exports and industrial	2.9	1.7	-3.8	18.5	-0.5	14.8	-11.9	13.5	9.2	3.4
Coffee	-4.5	13.9	-18.5	44.9	-17.3	21.1	-11.1	14.7	17.5	-7.3
Sugarcane	5.3	-21.6	-9.2	14.9	13.6	14.2	5.8	-0.8	0.3	4.9
Hard yellow corn	5.7	-10.4	1.6	2.1	10.1	9.7	3.4	0.8	-1.8	10.8
Cotton	-1.1	35.4	10.5	2.9	1.0	-22.3	-42.7	-33.6	91.4	-8.8
Asparagus	3.5	1.5	7.0	26.2	9.3	15.6	-4.4	6.8	17.0	6.0
Grapes	7.7	6.5	9.1	13.0	2.6	13.6	18.4	6.1	5.9	21.1
Olive	17.1	11.7	28.6	-3.9	-0.1	18.1	-93.7	946.5	-22.5	26.6
Mango	10.5	40.0	-15.3	36.1	-8.1	9.6	-48.2	172.0	-22.5	-52.4
Cocoa	-0.6	7.0	-2.6	24.8	-0.4	7.5	9.1	26.7	6.7	16.3
Avocado	6.1	8.5	-4.6	9.5	7.5	12.0	15.5	17.1	15.9	17.1
Oil palm	4.1	15.6	-4.1	18.2	0.9	3.3	8.9	8.8	23.3	44.1
Marigold	53.8	-39.0	14.4	-56.2	-59.7	-55.8	-29.3	8.3	222.8	77.0
Oregano	-5.0	2.8	14.5	8.4	17.4	33.5	16.6	1.8	5.7	-4.3
Tea	-11.3	-72.5	173.6	13.8	-25.4	11.5	-21.0	1.4	-1.7	8.7
LIVESTOCK GDP	3.0	3.0	6.9	8.2	5.3	6.0	4.4	4.3	5.6	4.9
Poultry	3.9	0.1	12.4	9.2	8.4	13.9	9.9	5.8	6.4	7.8
Beef	3.1	5.9	4.6	6.2	0.4	0.1	0.8	4.4	4.0	2.7
Eggs	3.6	2.3	2.3	18.5	5.0	3.5	0.8	6.1	11.4	-1.1
Pork	0.2	5.6	5.0	5.6	5.4	0.6	-0.4	0.9	1.4	2.7
Milk	2.7	3.7	4.7	11.6	6.5	-0.9	5.5	1.6	4.0	2.4
Other products	2.0	5.4	1.2	2.1	2.3	0.6	-6.7	1.0	4.9	3.3
GDP AGRICULTURE AND LIVESTOCK	3.0	-1.4	5.4	8.4	3.2	7.2	2.3	4.9	4.2	5.1

1 / Preliminary.
Source: Ministry of Agriculture.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 13
AGRICULTURE AND LIVESTOCK BY MAIN PRODUCTS
(Thousands of metric tons)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AGRICULTURE GDP										
Domestic market										
Potato	3,143.9	3,008.2	3,289.7	3,248.4	3,383.0	3,597.1	3,765.3	3,805.5	4,072.5	4,471.7
Rice	2,132.4	1,844.9	2,468.4	2,363.5	2,435.1	2,794.0	2,991.2	2,831.4	2,624.5	2,999.1
Banana	1,621.0	1,664.1	1,697.1	1,777.3	1,834.5	1,792.9	1,866.6	2,007.3	1,874.3	1,961.5
Cassava	909.3	971.0	1,004.5	1,138.6	1,158.0	1,171.8	1,166.0	1,240.1	1,115.6	1,121.6
Amylaceous maize	256.5	216.9	241.5	249.2	245.3	249.4	285.8	257.6	255.7	279.4
Wheat	190.5	170.4	178.5	191.1	181.6	206.9	226.3	219.5	214.1	226.1
Dry beans	59.2	58.5	71.7	82.5	82.0	86.1	98.6	92.8	87.9	91.5
Garlic	57.9	49.2	54.9	73.4	80.9	67.6	58.0	63.0	88.5	82.1
Onion	472.9	515.5	493.3	576.7	634.4	639.1	606.1	724.0	727.0	775.4
Corn	407.1	377.9	351.3	360.6	332.3	374.0	394.2	408.2	368.0	361.7
Lemon	241.9	202.4	217.3	251.3	269.8	223.4	197.4	222.3	214.2	222.5
Mandarine	161.2	175.4	171.3	187.3	190.4	187.2	166.1	221.3	236.3	280.6
Orange	305.8	330.4	334.5	353.9	344.3	377.3	377.6	394.6	418.6	423.9
Sweet potato	192.9	184.4	184.4	198.6	184.8	188.2	262.7	263.5	299.1	303.9
Alfalfa	5,652.1	5,638.9	5,605.9	5,639.6	5,732.0	5,816.2	6,113.1	6,240.9	6,398.2	6,684.0
Tomato	149.4	183.5	159.2	169.7	173.3	210.4	221.6	224.9	186.0	191.9
Barley	193.7	177.2	193.1	191.6	177.5	186.0	213.3	216.2	201.2	213.9
Green peas	82.1	66.5	80.4	86.5	98.5	101.6	105.2	102.3	100.9	116.9
Green broad beans	61.8	56.2	52.6	57.1	59.2	64.4	65.0	61.8	64.0	65.5
Dry peas	40.9	37.5	38.9	44.8	43.3	46.7	50.4	51.3	48.6	53.3
Dry broad beans	51.6	47.2	52.9	57.5	61.3	64.3	69.6	67.1	64.6	73.5
Dry lima beans	8.0	5.2	4.0	11.1	8.8	9.8	11.5	9.0	11.3	14.5
Oilfuo	135.6	120.6	135.3	144.9	156.4	157.3	162.6	158.7	161.9	180.4
Oca	116.1	105.8	114.1	103.0	96.9	93.0	100.6	94.0	90.0	93.1
Peach	37.5	35.9	35.8	32.8	36.9	43.4	45.5	44.1	45.5	47.2
Agricultural exports and industrial										
Coffee	203.1	231.4	188.6	273.2	226.0	273.8	243.5	279.2	327.9	304.1
Sugarcane	8,864.0	6,945.7	6,304.1	7,245.8	8,228.6	9,396.0	9,936.9	9,857.9	9,884.9	10,368.9
Hard yellow corn	1,097.3	983.2	999.3	1,019.8	1,122.9	1,231.5	1,273.9	1,283.6	1,260.1	1,395.7
Cotton	138.6	187.7	207.3	213.4	215.4	167.4	96.0	63.8	122.0	111.3
Asparagus	189.6	192.5	206.0	260.0	284.1	328.4	313.9	335.2	392.3	415.9
Grapes	146.0	155.4	169.5	191.6	196.6	223.3	264.4	280.5	296.9	359.6
Olive	38.0	42.5	54.6	52.5	52.4	114.4	7.2	75.0	73.1	92.5
Mango	198.5	277.9	235.4	320.3	294.4	322.6	167.0	454.3	351.9	167.5
Cocoa	24.2	25.9	25.3	31.5	31.4	33.7	36.8	46.6	49.7	57.9
Avocado	100.0	108.5	103.4	113.3	121.7	136.3	157.4	184.4	213.7	250.3
Oil palm	180.4	208.5	199.9	236.4	238.4	246.4	268.3	291.8	359.8	518.3
Marigold	175.7	107.2	122.7	53.7	21.6	9.6	6.8	7.3	23.6	41.9
Oregano	4.8	4.9	5.7	6.1	7.2	9.6	11.2	11.4	12.1	11.5
Tea	5.6	1.5	4.2	4.8	3.6	4.0	3.2	3.2	3.2	3.4
LIVESTOCK GDP										
Poultry										
Beef	704.9	705.7	793.0	866.4	939.6	1,069.7	1,176.1	1,243.8	1,322.9	1,425.6
Eggs	271.1	287.0	300.2	318.8	320.1	320.2	322.9	337.0	350.3	359.9
Pork	197.8	202.4	207.1	245.5	257.6	266.5	268.7	285.1	317.7	314.0
Milk	123.7	130.6	137.2	144.9	152.7	153.6	153.0	154.3	156.5	160.7
Leche	1,224.3	1,269.5	1,329.3	1,482.9	1,579.8	1,565.5	1,652.1	1,678.4	1,745.5	1,787.8

1 / Preliminary.

Source: Ministry of Agriculture.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 14
FISHING PRODUCTION BY DESTINATION AND BY MAIN SPECIES
(% change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
INDUSTRIAL CONSUMPTION	- 34.5	64.8	- 2.1	- 31.7	3.2	1.3	- 5.4	- 42.9	110.3	- 48.4
Anchovy	- 34.0	64.9	- 1.9	- 31.7	3.3	1.2	- 5.4	- 42.9	110.2	- 48.4
HUMAN CONSUMPTION	6.2	15.2	6.8	23.6	7.3	8.1	- 13.6	- 3.0	19.3	1.2
Frozen										
Scallop	101.8	- 0.3	- 3.1	8.7	35.5	- 5.8	31.1	143.6	53.4	- 71.3
Shrimp	11.7	45.6	53.5	25.2	19.9	- 5.4	- 7.3	21.9	61.5	- 9.0
Hake	- 90.3	555.8	- 11.4	8.2	12.6	- 7.1	39.5	- 30.3	11.3	- 27.4
Giant Squid	- 0.3	120.3	8.7	55.2	3.8	27.6	- 26.7	- 7.8	13.9	15.2
Anchovy	n.d.	- 67.3	556.5	- 9.8	316.9	132.0	- 6.1	31.6	- 3.2	- 32.7
Canned										
Tuna	31.7	- 53.9	187.9	14.8	- 67.2	- 11.6	- 38.6	355.3	- 28.3	- 82.3
Chub mackerel	709.9	- 44.9	7.0	126.5	- 54.9	81.7	7.7	- 81.1	110.5	- 53.2
Yellow mackerel	465.3	- 53.6	- 55.4	500.1	- 32.5	- 29.0	- 75.7	- 59.6	1 342.2	- 47.7
Sardine	75.7	- 89.7	- 77.5	- 70.9	- 97.9	- 100.0	- -	- -	- -	- -
Anchovy	n.d.	- 45.4	465.8	108.2	99.8	27.3	7.7	10.9	- 10.7	- 29.3
Fresh										
Scallop	- 18.4	134.3	22.1	119.6	19.2	- 82.9	122.9	53.3	- 63.8	- 52.8
Yellow mackerel	26.6	20.6	- 56.9	143.6	- 1.4	- 40.6	- 41.2	- 77.9	601.2	- 11.6
Lists	- 9.7	- 36.2	- 47.4	- 46.1	194.3	55.8	19.3	- 43.9	24.9	0.3
Dogfish	- 84.1	258.5	- 87.8	268.4	79.0	3.5	38.3	23.1	13.9	- 55.3
Anchovy	n.d.	- 18.4	8.7	54.6	- 25.7	- 16.0	- 12.8	- 23.9	- 80.3	11.4
FISHING GDP	- 10.3	30.7	3.2	2.4	6.9	6.3	- 7.9	- 12.2	31.8	- 11.9

1/ Preliminary data.
Source: Ministry of Production.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 15
FISHING PRODUCTION BY DESTINATION AND BY MAIN SPECIES
 (Thousands of metric tons)

	2003	2004	2005	2006	2007	2008	2009	2010 ^{1/}	2011 ^{1/}	2012 ^{1/}
INDUSTRIAL CONSUMPTION										
Anchovy	5,335.5	8,797.1	8,628.4	5,891.8	6,084.7	6,159.4	5,828.6	3,330.4	7,000.1	3,615.5
HUMAN CONSUMPTION										
Frozen										
Scallop	14.0	14.0	13.5	14.7	19.9	18.8	24.6	60.0	92.0	26.4
Shrimp	4.0	5.9	9.0	11.3	13.5	12.8	11.9	14.5	23.4	21.3
Hake	4.0	26.3	23.3	25.2	28.4	26.4	36.8	25.6	28.5	20.7
Giant Squid	98.4	216.8	235.6	365.7	379.6	484.2	355.1	327.6	373.2	430.1
Anchovy	0.7	0.2	1.4	1.3	5.3	12.3	11.5	15.5	14.7	9.9
Canned										
Tuna	7.4	3.4	9.9	11.3	3.7	3.3	2.0	9.2	6.6	1.2
Chub mackerel	43.6	24.0	25.7	58.2	26.2	47.7	51.4	9.7	20.5	9.6
Yellow mackerel	99.0	46.0	20.5	122.9	82.9	58.9	14.3	5.8	83.3	43.6
Sardine	7.1	0.7	0.2	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Anchovy	4.8	2.6	14.9	31.0	61.9	78.9	85.0	94.2	84.2	59.5
Fresh										
Scallop	0.6	1.5	1.8	4.0	4.8	0.8	1.8	2.8	1.0	0.5
Yellow mackerel	108.1	130.4	56.2	136.8	134.9	80.1	47.1	10.4	73.0	64.5
Lists	17.5	11.2	5.9	3.2	9.3	14.5	17.3	9.7	12.1	12.2
Dogfish	1.0	3.5	0.4	1.6	2.8	2.9	4.1	5.0	5.7	2.5
Anchovy	0.4	0.3	0.3	0.5	0.4	0.3	0.3	0.2	0.0	0.0

^{1/} Preliminary data.
 Source: Ministry of Production.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 16
MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS
(% change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
									1/	1/
METALLIC MINING GDP	6.3	5.1	7.3	1.1	1.7	7.3	-1.4	-4.8	-3.2	2.1
Copper	-2.2	29.0	-2.8	3.8	16.2	8.8	0.5	-1.7	0.1	9.4
Tin	3.6	3.5	1.3	-8.7	1.4	0.0	-3.9	-9.7	-14.7	-9.6
Iron	14.0	21.9	7.5	4.8	6.7	1.1	-14.4	36.7	16.0	-4.7
Gold	9.7	0.4	20.0	-2.5	-16.1	5.7	2.3	-10.8	1.3	-2.9
Silver	1.8	4.8	4.8	8.3	0.9	5.4	6.4	-7.2	-6.1	1.8
Lead	1.2	-0.8	4.3	-1.9	5.1	4.8	-12.4	-13.4	-12.1	8.0
Zinc	11.3	-11.9	-0.6	0.1	20.0	11.0	-5.6	-2.8	-14.6	2.0
Molybdenum	11.3	48.6	21.6	-0.7	-2.5	-0.4	-26.5	37.9	12.8	-12.3
HYDROCARBONS GDP	-4.3	7.1	23.4	-4.1	17.3	10.3	16.1	29.5	18.1	2.3
Natural gas	18.5	64.2	76.5	-52.7	273.2	29.4	2.5	104.0	56.9	4.4
Crude oil	-5.7	3.3	17.9	3.9	-1.5	5.7	20.7	8.2	-2.8	0.4
MINING AND HYDROCARBONS GDP 2/	5.5	5.3	8.4	0.6	3.5	7.6	0.6	-0.1	-0.2	2.2

1/ Preliminary data.

2/ Includes non metallic mining, other minerals, and secondary production.

Source: Ministry of Energy and Mining.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 17
MINING AND HYDROCARBONS PRODUCTION BY MAIN PRODUCTS
 (Thousands of recoverable units)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										^{1/}
METALLIC MINING										
Copper	630.1	812.9	790.2	819.9	952.8	1,036.7	1,042.0	1,023.9	1,024.7	1,120.7
(tons)										
Tin	34.9	36.2	36.6	33.4	33.9	33.9	32.6	29.4	25.1	22.7
(tons)										
Iron	3,540.7	4,315.1	4,638.0	4,861.2	5,185.2	5,243.2	4,489.4	6,139.2	7,123.0	6,791.4
(tons)										
Gold	167.7	168.3	201.9	196.9	165.3	174.6	178.6	159.3	161.3	156.6
(kilos)										
Silver	2,745.0	2,876.8	3,013.8	3,263.0	3,291.9	3,468.3	3,691.1	3,425.3	3,216.9	3,273.6
(kilos)										
Lead	284.1	281.9	294.0	288.4	303.0	317.7	278.4	241.2	211.9	228.9
(tons)										
Zinc	1,174.1	1,034.7	1,028.4	1,029.9	1,236.1	1,371.5	1,294.8	1,258.4	1,075.2	1,096.3
(tons)										
Molybdenum	9.2	13.7	16.6	16.5	16.1	16.1	11.8	16.3	18.4	16.1
(tons)										
HYDROCARBONS										
Natural gas	18,483.0	30,355.7	53,567.1	25,314.9	94,485.4	122,230.1	125,299.6	255,609.2	401,169.4	418,794.8
(cubic feet)										
Crude oil	33,342.6	34,448.0	40,622.6	42,187.2	41,562.2	43,930.4	53,027.0	57,363.0	55,741.2	55,991.4
(barrels)										

^{1/} Preliminary data.
 Source: Ministry of Energy and Mining.
 Elaborated by the Department of Economic Studies. BCRP.



APPENDIX 18
MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS
 (% change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
MANUFACTURING BASED ON RAW MATERIALS GDP	3.2	8.0	3.9	4.1	- 2.7	8.3	0.0	- 1.6	13.0	- 6.5
Sugar	14.6	- 29.8	- 11.7	15.6	13.1	10.7	7.2	- 2.3	3.5	2.0
Meat products	3.4	5.5	7.2	7.8	6.4	9.2	4.6	4.9	5.5	6.0
Fishmeal and fish oil	- 29.0	56.0	- 2.1	- 24.5	4.9	0.5	- 4.2	- 42.0	109.0	- 48.1
Canned and frozen fish products	42.6	13.7	2.7	54.4	9.0	17.6	- 17.4	- 12.4	59.6	- 5.3
Refining of non-ferrous metals	11.7	1.3	- 2.2	2.5	- 11.2	9.4	- 18.0	- 6.1	7.4	- 3.8
Refining of oil	- 0.5	8.6	16.3	- 1.7	4.2	4.1	27.7	14.2	- 4.5	- 3.0
NON PRIMARY MANUFACTURING GDP	3.7	7.2	8.5	8.5	14.0	8.9	- 8.5	17.3	4.4	2.8
Food, beverages, and tobacco	1.9	2.7	7.8	9.3	8.8	8.4	0.4	8.5	4.1	3.7
Textiles, leather, and footwear	7.4	10.0	2.1	- 2.0	6.8	- 6.7	- 23.0	35.3	5.0	- 10.5
Wood and furniture	- 3.7	19.9	- 0.6	4.3	12.7	16.6	- 6.0	15.8	2.3	5.8
Paper and print industry	7.3	15.6	16.7	7.9	11.6	25.1	- 12.3	18.2	7.9	1.6
Chemical, rubber and plastic products	3.9	5.2	8.2	11.9	12.8	7.0	- 8.2	11.1	6.3	5.8
Non-metallic minerals	5.6	11.0	12.8	13.0	16.0	20.5	- 0.6	20.4	5.3	12.0
Iron and steel industry	4.0	9.8	19.1	12.3	8.1	9.9	- 21.1	3.3	- 4.6	6.0
Metallic products, machinery and equipment	2.2	3.4	8.7	17.1	21.2	18.3	- 14.4	26.6	9.1	10.3
Miscellaneous industries	- 5.8	5.2	9.9	5.8	31.7	- 1.0	- 1.6	3.0	- 10.9	- 3.1
MANUFACTURING GDP	3.6	7.4	7.5	7.5	11.1	8.9	- 7.1	14.1	5.6	1.3

1/ Preliminary data.
 Source: INEI and Ministry of Production.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 19
MANUFACTURING PRODUCTION BY MAIN INDUSTRIAL GROUPS
 (Millions of nuevos soles at 1994 prices)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
MANUFACTURING BASED ON RAW MATERIALS GDP	4,419	4,773	4,957	5,161	5,022	5,440	5,442	5,353	6,050	5,658
Sugar	289	203	179	207	234	259	277	271	280	286
Meat products	1,243	1,311	1,405	1,515	1,612	1,760	1,841	1,931	2,037	2,159
Fishmeal and fish oil	427	666	652	492	516	519	497	288	603	313
Canned and frozen fish products	332	378	388	599	653	768	635	556	888	840
Refining of non-ferrous metals	1,301	1,317	1,288	1,321	1,173	1,283	1,052	987	1,061	1,020
Refining of oil	827	898	1,045	1,027	1,070	1,114	1,422	1,624	1,552	1,506
NON PRIMARY MANUFACTURING GDP	15,411	16,527	17,930	19,446	22,169	24,133	22,078	25,896	27,024	27,769
Food, beverages, and tobacco	3,770	3,873	4,175	4,562	4,965	5,384	5,407	5,869	6,111	6,337
Textiles, leather, and footwear	3,126	3,440	3,512	3,441	3,677	3,432	2,641	3,573	3,753	3,361
Wood and furniture	624	748	744	776	874	1,019	958	1,109	1,135	1,200
Paper and print industry	1,335	1,542	1,799	1,941	2,166	2,710	2,378	2,811	3,033	3,080
Chemical, rubber and plastic products	2,552	2,685	2,906	3,253	3,669	3,926	3,603	4,002	4,255	4,503
Non-metallic minerals	1,472	1,634	1,844	2,083	2,416	2,911	2,895	3,485	3,669	4,109
Iron and steel industry	571	627	747	839	907	997	787	813	776	822
Metallic products, machinery and equipment	1,471	1,522	1,654	1,937	2,347	2,775	2,375	3,008	3,281	3,620
Miscellaneous industries	490	515	566	599	788	781	768	792	706	684
MANUFACTURING GDP	19,830	21,300	22,887	24,607	27,328	29,774	27,672	31,574	33,347	33,786

1/ Preliminary data.
 Source: INEI and Ministry of Production.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 20 INFLATION (% change)											
	Weight 2009	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
CPI	100.0	2.48	3.48	1.49	1.14	3.93	6.65	0.25	2.08	4.74	2.65
1. Food and beverages	37.8	1.89	4.00	1.13	1.76	6.02	9.70	0.57	2.41	7.97	4.06
2. Other components	62.2	3.04	3.03	1.75	0.61	2.02	3.86	- 0.07	1.87	2.76	1.74
a. Fuel and electricity	5.7	4.23	15.93	4.01	- 3.16	5.21	1.65	- 10.40	6.80	6.01	0.22
Fuel	2.8	8.94	17.77	6.89	- 1.50	6.45	- 0.04	- 12.66	12.21	7.54	- 1.48
Electricity	2.9	- 4.63	11.95	- 2.52	- 7.30	1.92	6.31	- 4.56	1.36	4.30	2.19
b. Transportation	8.9	10.99	3.49	1.29	1.12	0.82	5.86	0.37	1.94	3.61	1.99
c. Public services	5.4	0.81	0.46	- 0.83	1.22	- 1.44	8.68	- 0.05	- 0.70	0.02	- 0.37
d. Other goods and services	42.2	1.07	0.50	1.63	1.28	1.89	3.51	2.16	1.53	2.47	2.17
Memo:											
Core inflation	65.2	0.73	1.23	1.23	1.37	3.11	5.56	2.35	2.12	3.65	3.27
CPI without food and energy	56.4	2.86	1.09	1.36	1.28	1.49	4.25	1.71	1.38	2.42	1.91

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 21
CONSUMER PRICE INDEX
(% change)

	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	
January	0.23	2.28	0.54	2.80	0.10	3.03	0.50	1.90	0.01	0.64	0.22	4.15	0.11	6.53	0.30	0.44	0.39	2.17	-0.10	4.23	
February	0.47	2.80	1.09	3.43	-0.23	1.68	0.55	2.70	0.26	0.36	0.91	4.82	-0.07	5.49	0.32	0.84	0.38	2.23	0.32	4.17	
March	1.12	3.39	0.46	2.76	0.65	1.88	0.46	2.50	0.35	0.25	1.04	5.55	0.36	4.78	0.28	0.76	0.70	2.66	0.77	4.23	
April	-0.05	2.59	-0.02	2.78	0.12	2.02	0.51	2.90	0.18	-0.08	0.15	5.52	0.02	4.64	0.03	0.76	0.68	3.34	0.53	4.08	
May	-0.03	2.42	0.35	3.18	0.13	1.79	-0.53	2.23	0.49	0.94	0.37	5.39	-0.04	4.21	0.24	1.04	-0.02	3.07	0.04	4.14	
June	-0.47	2.17	0.56	4.26	0.26	1.49	-0.13	1.83	0.47	1.55	0.77	5.71	-0.34	3.06	0.25	1.64	0.10	2.91	-0.04	4.00	
July	-0.15	1.98	0.19	4.61	0.10	1.40	-0.17	1.55	0.48	2.21	0.56	5.79	0.19	2.68	0.36	1.82	0.79	3.35	0.09	3.28	
August	0.01	1.89	-0.01	4.59	-0.18	1.22	0.14	1.87	0.14	2.20	0.59	6.27	-0.21	1.87	0.27	2.31	0.27	3.35	0.51	3.53	
September	0.56	1.98	0.02	4.03	-0.09	1.11	0.03	1.99	0.61	2.80	0.57	6.22	-0.09	1.20	-0.03	2.37	0.33	3.73	0.54	3.74	
October	0.05	1.30	-0.02	3.95	0.14	1.28	0.04	1.89	0.31	3.08	0.61	6.54	0.12	0.71	-0.14	2.10	0.31	4.20	-0.16	3.25	
November	0.17	1.88	0.29	4.07	0.07	1.06	-0.28	1.54	0.11	3.49	0.31	6.75	-0.11	0.29	0.01	2.22	0.43	4.64	-0.14	2.66	
December	0.56	2.48	-0.01	3.48	0.42	1.49	0.03	1.14	0.45	3.93	0.36	6.65	0.32	0.25	0.18	2.08	0.27	4.74	0.26	2.65	
Memo:																					
Annual average	2.26		3.66		1.62		2.00		1.78		5.79		2.94		1.53		3.37		3.66		

Source: INEI
Elaborated by the Department of Economic Studies, BCRP



APPENDIX 22
CORE INFLATION
(% change)

	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	
January	0.00	1.16	-0.06	0.68	0.10	1.39	0.13	1.26	0.10	1.33	0.25	3.27	0.35	5.66	0.21	2.21	0.19	2.09	0.22	3.68	
February	0.13	1.27	0.24	0.79	0.00	1.14	0.09	1.36	0.26	1.49	0.36	3.37	0.46	5.77	0.17	1.91	0.21	2.14	0.32	3.79	
March	0.16	1.31	0.30	0.93	0.35	1.20	0.41	1.41	0.33	1.42	0.55	3.59	0.47	5.69	0.33	1.77	0.60	2.41	0.62	3.82	
April	0.07	1.25	0.05	0.90	0.06	1.21	0.08	1.42	0.13	1.48	0.40	3.88	0.15	5.42	0.23	1.85	0.40	2.59	0.37	3.78	
May	0.01	1.24	0.17	1.06	0.16	1.20	0.05	1.32	0.09	1.51	0.46	4.27	0.17	5.11	0.14	1.81	0.34	2.80	0.33	3.77	
June	0.03	1.13	0.15	1.18	0.05	1.10	0.00	1.27	0.17	1.68	0.55	4.66	0.16	4.70	0.13	1.79	0.32	2.99	0.20	3.64	
July	0.01	0.96	0.00	1.17	0.06	1.16	0.05	1.25	0.23	1.86	0.40	4.84	0.08	4.38	0.08	1.79	0.25	3.18	0.20	3.58	
August	0.10	0.95	0.11	1.18	0.01	1.06	0.13	1.38	0.31	2.04	0.55	5.10	0.12	3.93	0.24	1.91	0.25	3.19	0.27	3.60	
September	0.01	0.74	0.02	1.19	-0.03	1.01	0.08	1.49	0.19	2.15	0.35	5.27	0.16	3.73	0.14	1.88	0.31	3.37	0.19	3.47	
October	-0.04	0.60	0.11	1.35	0.10	1.00	0.06	1.45	0.35	2.44	0.56	5.50	-0.02	3.13	0.17	2.07	0.28	3.48	0.13	3.32	
November	0.13	0.60	0.12	1.34	0.13	1.01	0.13	1.45	0.59	2.91	0.59	5.50	0.16	2.68	0.05	1.96	0.29	3.73	0.20	3.23	
December	0.13	0.73	0.02	1.23	0.24	1.23	0.15	1.37	0.34	3.11	0.40	5.56	0.07	2.35	0.23	2.12	0.14	3.65	0.18	3.27	
Memo:																					
Annual average	0.99	1.08	1.14	1.37	1.95	4.57	4.36	1.92	2.97	3.58											

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 23
NON CORE INFLATION
(% change)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012										
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months										
January	0.59	4.04	1.38	5.98	0.12	5.43	1.01	2.77	-0.10	-0.28	0.18	5.37	-0.20	7.71	0.45	-1.90	0.77	2.32	-0.69	5.24
February	0.99	5.22	2.32	7.38	-0.56	2.45	1.20	4.59	0.26	-1.20	1.64	6.82	-0.78	5.13	0.61	-0.52	0.70	2.42	0.34	4.86
March	2.56	6.65	0.70	5.42	1.06	2.83	0.52	4.02	0.38	-1.33	1.71	8.23	0.21	3.58	0.20	-0.54	0.90	3.14	1.04	5.00
April	-0.26	4.61	-0.14	5.55	0.21	3.18	1.08	4.93	0.24	-2.15	-0.18	7.78	-0.15	3.62	-0.35	-0.74	1.20	4.75	0.84	4.62
May	-0.10	4.19	0.62	6.31	0.06	2.61	-1.29	3.52	1.04	0.15	0.25	6.94	-0.36	2.99	0.43	0.04	-0.70	3.57	-0.50	4.84
June	-1.19	3.78	1.17	8.85	0.60	2.03	-0.29	2.60	0.89	1.34	1.06	7.13	-1.01	0.87	0.47	1.54	-0.32	2.76	-0.48	4.67
July	-0.40	3.56	0.45	9.78	0.17	1.74	-0.50	1.91	0.85	2.71	0.77	7.05	0.33	0.43	0.90	2.12	1.81	3.68	-0.11	2.70
August	-0.12	3.36	-0.18	9.71	-0.47	1.45	0.16	2.55	-0.12	2.42	0.65	7.87	-0.66	-0.87	0.33	3.13	0.30	3.65	0.96	3.38
September	1.42	3.91	0.01	8.19	-0.18	1.26	-0.05	2.69	1.20	3.69	0.85	7.50	-0.44	-2.13	-0.35	3.22	0.37	4.39	1.20	4.24
October	0.16	2.38	-0.20	7.80	0.23	1.69	0.04	2.49	0.28	3.94	0.67	7.93	0.32	-2.47	-0.73	2.14	0.38	5.56	-0.70	3.11
November	0.24	3.85	0.50	8.08	-0.02	1.16	-0.85	1.65	-0.52	4.29	-0.07	8.41	-0.49	-2.88	-0.06	2.58	0.69	6.35	-0.77	1.62
December	1.20	5.16	-0.05	6.75	0.65	1.87	-0.16	0.83	0.59	5.07	0.31	8.11	0.66	-2.54	0.09	2.00	0.51	6.79	0.41	1.52
Memo:																				
Annual average	4.22	7.48	2.29	2.87	1.54	7.44	1.04	1.07	4.12	3.80										

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP



APPENDIX 24
WHOLESALE PRICE INDEX
(% change)

	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	
January	-0.16	1.69	0.55	2.73	0.36	4.69	0.49	3.73	-0.34	0.50	0.28	5.89	-1.51	6.85	0.82	-2.81	0.97	4.73	-0.52	4.69	
February	0.44	2.59	1.27	3.58	-0.35	3.01	-0.19	3.90	-0.48	0.20	1.12	7.59	-1.55	4.03	0.07	-1.22	0.64	5.33	0.13	4.16	
March	0.83	3.31	0.99	3.75	0.33	2.34	0.38	3.95	0.41	0.24	0.82	8.03	-0.50	2.67	0.26	-0.47	0.67	5.75	0.61	4.10	
April	-0.21	2.41	0.60	4.60	0.12	1.85	0.43	4.27	0.30	0.12	0.29	8.01	-0.70	1.66	0.24	0.48	1.11	6.67	0.12	3.08	
May	-0.14	2.25	0.65	5.42	0.25	1.44	-0.21	3.79	0.88	1.21	1.19	8.34	-0.68	-0.22	0.81	1.98	0.30	6.14	-0.34	2.43	
June	-0.30	1.96	0.63	6.41	0.21	1.03	0.13	3.71	1.26	2.35	1.69	8.81	-0.38	-2.25	0.11	2.48	0.31	6.35	-0.07	2.05	
July	-0.29	1.08	0.21	6.94	0.04	0.85	-0.09	3.57	0.75	3.22	1.09	9.17	0.05	-3.26	0.01	2.44	0.32	6.68	-0.84	0.87	
August	0.16	1.05	-0.18	6.58	0.46	1.51	0.20	3.29	0.65	3.68	1.39	9.98	-0.42	-4.99	0.37	3.25	0.44	6.76	0.24	0.66	
September	0.67	0.80	0.10	5.97	0.74	2.15	0.15	2.69	0.63	4.17	1.23	10.65	-0.06	-6.21	0.22	3.54	0.67	7.24	0.40	0.39	
October	0.17	0.45	-0.02	5.77	0.55	2.74	0.06	2.19	0.11	4.23	0.31	10.87	0.16	-6.35	0.16	3.54	0.21	7.30	0.02	0.20	
November	0.19	0.91	0.35	5.94	-0.05	2.33	-0.20	2.04	0.22	4.67	-0.13	10.47	-0.07	-6.29	0.89	4.53	0.42	6.79	-0.23	-0.44	
December	0.65	2.00	-0.35	4.89	0.88	3.60	0.19	1.33	0.73	5.24	-0.81	8.79	0.50	-5.05	0.53	4.57	0.03	6.26	-0.12	-0.59	
Memo:																					
Annual average	1.70	5.21	2.29	3.19	2.49	8.91	-1.76	1.83	6.34	1.77											

Source: INEI.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 25
NOMINAL EXCHANGE RATE 1/
 (% change)

	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012	
	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month	Monthly 12 month
January	0.6	1.0	-0.1	-0.8	-0.4	-5.7	-0.9	3.8	-0.4	-5.9	-1.0	-7.6	1.2	6.8	-0.7	-9.3	-1.0	-2.4	-0.1	-3.4
February	-0.3	0.2	0.5	0.0	-0.3	-6.4	-3.1	0.9	-0.1	-3.0	-1.5	-8.9	2.7	11.4	-0.1	-11.8	-0.6	-2.9	-0.3	-3.1
March	-0.1	0.7	-0.5	-0.4	0.0	-5.9	1.5	2.5	-0.1	-4.6	-3.2	-11.7	-1.9	12.9	-0.5	-10.6	0.3	-2.1	-0.5	-3.9
April	-0.4	0.7	0.1	0.1	0.0	-6.1	-0.2	2.3	-0.2	-4.6	-2.2	-13.5	-2.8	12.2	0.0	-7.9	1.3	-0.9	-0.5	-5.6
May	0.5	0.9	0.5	0.2	-0.1	-6.7	-1.6	0.7	-0.3	-3.4	2.0	-11.4	-3.0	6.7	0.2	-5.0	-1.4	-2.5	0.5	-3.8
June	-0.1	-0.1	-0.3	0.0	-0.1	-6.5	-0.5	0.3	0.1	-2.9	3.1	-8.8	-0.1	3.4	-0.3	-5.1	-0.4	-2.6	0.0	-3.4
July	-0.2	-1.8	-1.0	-0.9	0.0	-5.5	-0.6	-0.3	-0.3	-2.5	-1.5	-9.9	0.7	5.8	-0.5	-6.3	-0.8	-2.9	-1.3	-3.9
August	0.3	-2.5	-1.3	-2.4	0.2	-4.1	-0.3	-0.7	-0.1	-2.4	1.6	-8.4	-2.1	2.0	-0.7	-5.0	-0.1	-2.2	-0.7	-4.5
September	0.0	-3.8	-1.1	-3.5	1.6	-1.5	0.4	-1.8	-0.7	-3.4	2.5	-5.4	-1.4	-1.9	-0.4	-4.1	0.2	-1.7	-0.5	-5.1
October	-0.1	-3.8	-1.1	-4.5	2.2	1.8	-0.3	-4.3	-3.7	-6.7	3.7	1.9	-1.3	-6.6	0.0	-2.8	-0.4	-2.1	-0.6	-5.3
November	0.0	-3.0	-0.3	-4.8	-0.1	2.0	-0.5	-4.6	-0.6	-6.9	0.5	3.0	0.5	-6.7	0.5	-2.8	-1.0	-3.6	0.4	-3.9
December	-0.2	-1.2	-0.9	-5.5	1.4	4.4	-0.5	-6.4	-0.7	-7.0	0.7	4.5	-0.3	-7.6	0.4	-2.2	-0.3	-4.2	-1.2	-4.8
Memo:																				
Annual average	-1.1	-1.9	-3.4	-0.7	-4.4	-6.5	2.9	-6.2	-2.5	-4.2										

1/ Bank selling exchange rate.
 Source: SBS.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 26
REAL MULTILATERAL EXCHANGE RATE
(% change)

	2003		2004		2005		2006		2007		2008		2009		2010		2011		2012		
	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	Monthly 12 months	
January	1.0	1.5	1.1	6.6	-0.4	-3.4	-0.3	5.2	-1.0	-2.7	0.2	0.0	1.4	-3.6	-1.5	-2.3	-0.2	0.4	0.8	-4.3	
February	-0.3	1.7	-1.0	5.9	0.4	-2.1	-3.5	1.2	0.4	1.2	-0.9	-1.3	1.4	-1.4	-1.6	-5.2	0.0	2.0	0.9	-3.5	
March	-0.6	2.0	-1.3	5.0	-0.3	-1.1	1.1	2.7	0.3	0.4	-1.9	-3.4	-2.8	-2.3	-0.1	-2.5	0.8	3.0	-1.4	-5.6	
April	0.8	3.1	0.4	4.6	0.0	-1.6	0.5	3.2	1.0	0.9	-1.4	-5.8	-0.6	-1.5	0.5	-1.4	2.5	5.0	-0.9	-8.7	
May	2.3	5.3	-1.3	1.0	-0.7	-1.0	-0.1	3.9	-0.2	0.8	1.3	-4.4	-1.0	-3.7	-2.3	-2.7	-1.3	6.1	-1.3	-8.7	
June	1.0	4.8	0.3	0.3	-0.7	-2.0	-1.0	3.6	0.6	2.4	3.6	-1.6	2.2	-5.0	-0.6	-5.4	0.5	7.2	-0.6	-9.7	
July	-0.3	2.2	-0.1	0.4	0.4	-1.4	0.3	3.4	0.9	3.0	-0.8	-3.2	1.4	-2.9	1.3	-5.4	-0.4	5.3	-0.9	-10.1	
August	-0.5	1.7	-1.3	-0.4	1.7	1.6	0.3	2.0	-0.6	2.0	-1.2	-3.8	-1.0	-2.7	-0.2	-4.6	0.0	5.5	-0.6	-10.6	
September	0.7	2.0	-0.2	-1.4	2.6	4.4	0.2	-0.3	0.0	1.8	-0.1	-3.9	-0.3	-2.8	0.9	-3.5	-2.3	2.1	0.4	-8.1	
October	1.7	5.5	0.1	-2.8	1.7	6.0	-0.5	-2.5	-2.3	0.1	-1.9	-3.6	-0.2	-1.1	2.5	-0.9	-1.6	-2.0	-0.1	-6.8	
November	0.2	4.6	1.4	-1.7	-0.6	3.9	0.7	-1.2	1.0	0.4	-2.1	-6.6	1.3	2.4	0.4	-1.8	-1.5	-3.9	0.0	-5.4	
December	0.3	6.5	0.0	-2.0	1.1	5.0	0.3	-2.0	-1.3	-1.2	0.7	-4.7	-1.1	0.6	-0.3	-1.0	-1.6	-5.2	-1.2	-5.0	
Memo:																					
Annual average	3.4	1.3	0.7	1.5	0.7	-3.5	-2.0	-3.1	2.1	-7.2											

Source: SBS.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 27
EXCHANGE RATE
(\$/, per US\$)

	Period average				At period end			
	Bank rate 1/		Informal rate 2/		Bank rate 1/		Informal rate 2/	
	Bid	Ask	Bid	Ask	Bid	Ask	Bid	Ask
2003	3.48	3.48	3.47	3.48	3.46	3.46	3.47	3.48
2004	3.41	3.41	3.41	3.41	3.28	3.28	3.28	3.28
2005	3.29	3.30	3.29	3.29	3.43	3.43	3.42	3.43
2006	3.27	3.27	3.27	3.28	3.19	3.20	3.20	3.20
2007	3.13	3.13	3.13	3.13	3.00	3.00	2.99	2.99
2008	2.92	2.93	2.92	2.93	3.14	3.14	3.12	3.13
2009	3.01	3.01	3.01	3.01	2.89	2.89	2.88	2.88
2010	2.82	2.83	2.82	2.83	2.81	2.81	2.81	2.81
January	2.86	2.86	2.86	2.86	2.86	2.86	2.85	2.86
February	2.85	2.85	2.85	2.85	2.85	2.85	2.85	2.85
March	2.84	2.84	2.83	2.84	2.84	2.84	2.83	2.83
April	2.84	2.84	2.84	2.84	2.85	2.85	2.84	2.84
May	2.84	2.85	2.84	2.85	2.84	2.85	2.84	2.85
June	2.84	2.84	2.84	2.84	2.83	2.83	2.82	2.83
July	2.82	2.82	2.82	2.82	2.82	2.82	2.82	2.82
August	2.80	2.80	2.80	2.81	2.80	2.80	2.79	2.80
September	2.79	2.79	2.79	2.79	2.79	2.79	2.79	2.79
October	2.79	2.79	2.79	2.79	2.80	2.80	2.79	2.79
November	2.81	2.81	2.80	2.80	2.83	2.83	2.82	2.83
December	2.82	2.82	2.82	2.82	2.81	2.81	2.81	2.81
2011	2.75	2.75	2.75	2.76	2.70	2.70	2.70	2.70
January	2.79	2.79	2.79	2.80	2.77	2.77	2.77	2.78
February	2.77	2.77	2.77	2.77	2.77	2.78	2.77	2.77
March	2.78	2.78	2.77	2.78	2.80	2.81	2.80	2.80
April	2.82	2.82	2.82	2.82	2.82	2.82	2.83	2.83
May	2.77	2.77	2.79	2.79	2.77	2.77	2.77	2.77
June	2.76	2.76	2.77	2.77	2.75	2.75	2.76	2.76
July	2.74	2.74	2.74	2.75	2.74	2.74	2.74	2.74
August	2.74	2.74	2.73	2.74	2.73	2.73	2.73	2.73
September	2.74	2.74	2.74	2.74	2.77	2.77	2.76	2.77
October	2.73	2.73	2.74	2.74	2.71	2.71	2.72	2.72
November	2.70	2.71	2.70	2.71	2.70	2.70	2.70	2.70
December	2.70	2.70	2.69	2.70	2.70	2.70	2.70	2.70
2012	2.64	2.64	2.64	2.64	2.55	2.55	2.55	2.55
January	2.69	2.69	2.69	2.69	2.69	2.69	2.69	2.69
February	2.68	2.68	2.68	2.68	2.68	2.68	2.67	2.68
March	2.67	2.67	2.67	2.67	2.67	2.67	2.67	2.67
April	2.66	2.66	2.66	2.66	2.64	2.64	2.64	2.65
May	2.67	2.67	2.66	2.66	2.71	2.71	2.70	2.70
June	2.67	2.67	2.67	2.67	2.67	2.67	2.66	2.66
July	2.63	2.64	2.64	2.64	2.63	2.63	2.63	2.63
August	2.62	2.62	2.62	2.62	2.61	2.61	2.61	2.61
September	2.60	2.60	2.60	2.60	2.60	2.60	2.60	2.60
October	2.59	2.58	2.58	2.58	2.59	2.59	2.59	2.59
November	2.60	2.60	2.60	2.60	2.58	2.58	2.59	2.59
December	2.57	2.57	2.57	2.57	2.55	2.55	2.55	2.55

1/ Price in the free market, published by the SBS.

2/ Price published by Reuters.

Source: SBS and Reuters.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 28
REAL BILATERAL AND MULTILATERAL EXCHANGE RATE
(Period average data)

	NOMINAL EXCHANGE RATE INDEX (\$/ x US\$)		US INFLATION		REAL BILATERAL EXCHANGE RATE INDEX 1/		NOMINAL EXCHANGE RATE INDEX (\$/ x Basket)		EXTERNAL INFLATION		REAL MULTILATERAL EXCHANGE RATE INDEX 2/	
	Bid	Ask	Average	Base: 2009 = 100	Bid	Ask	Average	Base: 2009 = 100	Base: 2009 = 100	Multilateral 2/	Base: 2009 = 100	Base: 2009 = 100
2002	116.8	116.8	116.8	83.8	119.2	119.2	119.2	99.3	81.2	81.2	98.2	98.2
2003	115.5	115.5	115.5	85.7	117.9	117.9	117.9	101.5	84.0	84.0	101.5	101.5
2004	113.3	113.3	113.3	88.0	114.6	114.6	114.6	103.4	86.5	86.5	102.7	102.7
2005	109.4	109.4	109.4	91.0	112.6	112.6	112.6	102.7	89.1	89.1	103.4	103.4
2006	108.7	108.7	108.7	94.0	113.2	113.2	113.2	103.7	91.4	91.4	105.0	105.0
2007	103.9	103.9	103.9	96.6	109.3	109.3	109.3	102.9	94.4	94.4	105.8	105.8
2008	97.1	97.1	97.1	100.4	100.3	100.3	100.3	100.2	98.9	98.9	102.0	102.0
2009	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
2010	93.8	93.8	93.8	101.6	93.9	93.9	93.9	95.9	102.6	102.6	96.9	96.9
January	94.8	94.9	94.9	101.0	95.4	95.4	95.4	97.6	101.2	101.2	98.4	98.4
February	94.8	94.8	94.8	101.0	95.0	95.1	95.1	96.0	101.6	101.6	96.8	96.8
March	94.3	94.3	94.3	101.4	94.7	94.7	94.7	96.1	101.7	101.7	96.7	96.7
April	94.3	94.3	94.3	101.6	94.8	94.9	94.8	96.1	102.2	102.2	97.2	97.2
May	94.5	94.5	94.5	101.7	94.9	94.9	94.9	96.4	101.8	101.8	94.9	94.9
June	94.2	94.2	94.2	101.6	94.3	94.3	94.3	93.8	102.2	102.2	94.4	94.4
July	93.7	93.7	93.7	101.6	93.5	93.5	93.5	94.9	102.8	102.8	95.7	95.7
August	93.0	93.0	93.0	101.8	92.7	92.7	92.7	94.9	102.9	102.9	95.5	95.5
September	92.7	92.7	92.7	101.8	92.4	92.4	92.4	95.4	103.2	103.2	96.4	96.4
October	92.7	92.7	92.7	101.9	92.7	92.6	92.7	97.3	103.5	103.5	98.8	98.8
November	93.2	93.2	93.2	102.0	93.2	93.1	93.2	97.4	103.9	103.9	99.2	99.2
December	93.5	93.5	93.5	102.2	93.5	93.5	93.5	97.3	103.9	103.9	99.0	99.0
2011	91.5	91.5	91.5	104.8	91.4	91.4	91.4	97.6	106.4	106.4	98.9	98.9
January	92.5	92.6	92.6	102.7	92.6	92.6	92.6	97.0	104.4	104.4	98.8	98.8
February	92.0	92.0	92.0	103.2	92.2	92.2	92.2	97.0	104.9	104.9	98.8	98.8
March	92.3	92.3	92.3	104.2	92.7	92.7	92.7	98.0	105.4	105.4	99.6	99.6
April	93.5	93.5	93.5	104.8	93.9	93.9	93.9	100.6	105.9	105.9	102.1	102.1
May	92.1	92.1	92.1	105.3	93.0	93.0	93.0	99.4	105.8	105.8	100.7	100.7
June	91.8	91.8	91.8	105.2	92.4	92.4	92.4	99.5	106.3	106.3	101.2	101.2
July	91.0	91.0	91.0	105.3	91.0	91.0	91.0	99.2	107.0	107.0	100.8	100.8
August	91.0	91.0	91.0	105.6	91.0	91.0	91.0	99.3	107.1	107.1	100.7	100.7
September	91.1	91.1	91.1	105.8	91.0	90.9	91.0	97.0	107.5	107.5	98.4	98.4
October	90.7	90.7	90.7	105.5	90.1	90.1	90.1	95.7	107.6	107.6	96.9	96.9
November	89.8	89.8	89.8	105.5	88.7	88.7	88.7	94.5	107.7	107.7	95.4	95.4
December	89.5	89.5	89.5	105.2	88.0	88.0	88.0	93.4	107.5	107.5	93.8	93.8
2012	87.6	87.6	87.6	107.0	86.2	86.2	86.2	91.4	109.3	109.3	91.8	91.8
January	89.4	89.4	89.4	105.7	88.4	88.4	88.4	93.6	108.0	108.0	94.5	94.5
February	89.1	89.1	89.1	106.1	88.2	88.2	88.2	94.5	108.3	108.3	95.4	95.4
March	88.7	88.7	88.7	106.9	87.7	87.7	87.7	93.5	108.6	108.6	94.0	94.0
April	88.2	88.2	88.2	107.2	87.1	87.1	87.1	92.8	109.0	109.0	93.2	93.2
May	88.6	88.6	88.6	107.1	87.3	87.3	87.3	92.1	108.5	108.5	91.9	91.9
June	88.7	88.7	88.7	107.0	87.3	87.3	87.3	91.3	108.8	108.8	91.4	91.4
July	87.5	87.5	87.5	106.8	85.9	85.9	85.9	90.1	109.4	109.4	90.6	90.6
August	86.9	86.9	86.9	107.4	85.3	85.3	85.3	89.8	109.6	109.6	90.1	90.1
September	86.4	86.4	86.4	107.9	84.8	84.8	84.8	90.2	110.2	110.2	90.4	90.4
October	85.9	85.9	85.9	107.8	84.4	84.4	84.4	89.8	110.3	110.3	90.3	90.3
November	86.3	86.3	86.3	107.3	84.5	84.5	84.5	89.7	110.2	110.2	90.3	90.3
December	85.2	85.2	85.2	107.0	83.0	83.0	83.0	88.9	110.1	110.1	89.1	89.1

1/ Using the United States Consumer Price Index (CPI)

2/ Using the Consumer Price Index of our 20 main trading partners.

Source: SBS, IMF, INEI and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 29

REAL EXCHANGE RATE

(% change of period average data) 1/

	NOMINAL EXCHANGE RATE INDEX (S/. x US\$)			US INFLATION			REAL BILATERAL EXCHANGE RATE INDEX 1/			NOMINAL EXCHANGE RATE INDEX (S/. x Basket)			EXTERNAL INFLATION			REAL MULTILATERAL EXCHANGE RATE INDEX 2/		
	Base: 2009 = 100			Base: 2009 = 100			Base: 2009 = 100			Base: 2009 = 100			Base: 2009 = 100			Base: 2009 = 100		
	Bid	Ask	Average	Bid	Ask	Average	Bid	Ask	Average	Bid	Ask	Average	Bid	Ask	Average	Bid	Ask	Average
2003	-1.1	-1.1	-1.1	2.3	-1.1	-1.1	-1.1	-1.1	-1.1	2.2	2.2	2.2	3.5	3.5	3.5	3.4	3.4	3.4
2004	-1.9	-1.9	-1.9	2.7	-2.8	-2.8	-2.8	-2.8	-2.8	1.9	1.9	1.9	3.0	3.0	3.0	1.2	1.2	1.2
2005	-3.4	-3.4	-3.4	3.4	-1.7	-1.7	-1.7	-1.7	-1.7	0.6	0.6	0.6	2.9	2.9	2.9	0.7	0.7	0.7
2006	-0.7	-0.7	-0.7	3.2	0.5	0.5	0.5	0.5	0.5	0.9	0.9	0.9	2.7	2.7	2.7	1.5	1.5	1.5
2007	-4.4	-4.4	-4.4	2.9	-3.4	-3.4	-3.4	-3.4	-3.4	-0.7	-0.7	-0.7	3.2	3.2	3.2	0.7	0.7	0.7
2008	-6.5	-6.5	-6.5	3.8	-8.3	-8.3	-8.3	-8.3	-8.3	2.7	2.7	2.7	4.8	4.8	4.8	-3.5	-3.5	-3.5
2009	3.0	2.9	3.0	-0.4	-0.3	-0.3	-0.3	-0.3	-0.3	0.2	0.2	0.2	1.1	1.1	1.1	-2.0	-2.0	-2.0
2010	-6.2	-6.2	-6.2	1.6	-6.1	-6.1	-6.1	-6.1	-6.1	-4.1	-4.1	-4.1	2.6	2.6	2.6	-3.1	-3.1	-3.1
January	-0.7	-0.7	-0.7	0.3	-0.7	-0.7	-0.7	-0.7	-0.7	-1.6	-1.6	-1.6	0.4	0.4	0.4	-1.5	-1.5	-1.5
February	-0.1	-0.1	-0.1	0.0	-0.4	-0.4	-0.4	-0.4	-0.4	-1.6	-1.6	-1.6	0.4	0.4	0.4	-1.6	-1.6	-1.6
March	-0.5	-0.5	-0.5	0.4	-0.4	-0.4	-0.4	-0.4	-0.4	0.1	0.1	0.1	0.1	0.1	0.1	-0.1	-0.1	-0.1
April	0.0	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.6	0.6	0.6	0.5	0.5	0.5
May	0.2	0.2	0.2	0.1	0.0	0.0	0.0	0.0	0.0	-1.8	-1.8	-1.8	-0.4	-0.4	-0.4	-2.3	-2.3	-2.3
June	-0.3	-0.3	-0.3	-0.1	-0.6	-0.6	-0.6	-0.6	-0.6	0.3	0.3	0.3	0.3	0.3	0.3	-0.6	-0.6	-0.6
July	-0.5	-0.5	-0.5	0.0	-0.9	-0.9	-0.9	-0.9	-0.9	1.1	1.1	1.1	0.6	0.6	0.6	1.3	1.3	1.3
August	-0.7	-0.7	-0.7	0.1	-0.9	-0.9	-0.9	-0.9	-0.9	0.0	0.0	0.0	0.1	0.1	0.1	-0.2	-0.2	-0.2
September	-0.4	-0.4	-0.4	0.1	-0.3	-0.3	-0.3	-0.3	-0.3	0.6	0.6	0.6	0.3	0.3	0.3	0.9	0.9	0.9
October	0.0	0.0	0.0	0.1	0.3	0.3	0.3	0.3	0.3	2.0	2.0	2.0	0.4	0.4	0.4	2.5	2.5	2.5
November	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.4	0.4	0.4	0.4	0.4	0.4
December	0.4	0.4	0.4	0.2	0.4	0.4	0.4	0.4	0.4	-0.1	-0.1	-0.1	0.0	0.0	0.0	-0.3	-0.3	-0.3
2011	-2.5	-2.5	-2.5	3.2	-2.7	-2.7	-2.7	-2.7	-2.7	1.7	1.7	1.7	3.7	3.7	3.7	2.1	2.1	2.1
January	-1.0	-1.0	-1.0	0.5	-0.9	-0.9	-0.9	-0.9	-0.9	-0.3	-0.3	-0.3	0.4	0.4	0.4	-0.2	-0.2	-0.2
February	-0.6	-0.6	-0.6	0.5	-0.5	-0.5	-0.5	-0.5	-0.5	0.0	0.0	0.0	0.5	0.5	0.5	0.0	0.0	0.0
March	0.3	0.3	0.3	1.0	0.6	0.6	0.6	0.6	0.6	1.1	1.1	1.1	0.4	0.4	0.4	0.8	0.8	0.8
April	1.3	1.3	1.3	0.6	1.3	1.3	1.3	1.3	1.3	2.6	2.6	2.6	0.6	0.6	0.6	2.5	2.5	2.5
May	-1.4	-1.4	-1.4	0.5	-1.0	-1.0	-1.0	-1.0	-1.0	-1.2	-1.2	-1.2	-0.2	-0.2	-0.2	-1.3	-1.3	-1.3
June	-0.4	-0.4	-0.4	-0.1	-0.6	-0.6	-0.6	-0.6	-0.6	0.1	0.1	0.1	0.5	0.5	0.5	0.5	0.5	0.5
July	-0.8	-0.8	-0.8	0.1	-1.5	-1.5	-1.5	-1.5	-1.5	-0.3	-0.3	-0.3	0.7	0.7	0.7	-0.4	-0.4	-0.4
August	-0.1	-0.1	-0.1	0.3	-0.1	-0.1	-0.1	-0.1	-0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0
September	0.2	0.2	0.2	0.2	0.0	0.0	0.0	0.0	0.0	-2.3	-2.3	-2.3	0.3	0.3	0.3	-2.3	-2.3	-2.3
October	-0.4	-0.4	-0.4	-0.2	-1.0	-1.0	-1.0	-1.0	-1.0	1.4	1.4	1.4	0.1	0.1	0.1	-1.6	-1.6	-1.6
November	-1.0	-1.0	-1.0	-0.1	-1.5	-1.5	-1.5	-1.5	-1.5	1.2	1.2	1.2	0.1	0.1	0.1	-1.5	-1.5	-1.5
December	-0.3	-0.3	-0.3	-0.2	-0.8	-0.8	-0.8	-0.8	-0.8	-1.2	-1.2	-1.2	-0.2	-0.2	-0.2	-1.6	-1.6	-1.6
2012	-4.2	-4.2	-4.2	2.1	-5.7	-5.7	-5.7	-5.7	-5.7	-6.4	-6.4	-6.4	2.7	2.7	2.7	-7.2	-7.2	-7.2
January	-0.1	-0.1	-0.1	0.4	0.4	0.4	0.4	0.4	0.4	0.2	0.2	0.2	0.5	0.5	0.5	0.8	0.8	0.8
February	-0.3	-0.3	-0.3	0.4	-0.2	-0.2	-0.2	-0.2	-0.2	1.0	1.0	1.0	0.2	0.2	0.2	0.9	0.9	0.9
March	-0.5	-0.5	-0.5	0.8	-0.5	-0.5	-0.5	-0.5	-0.5	-1.0	-1.0	-1.0	0.3	0.3	0.3	-1.4	-1.4	-1.4
April	-0.5	-0.5	-0.5	0.3	-0.8	-0.8	-0.8	-0.8	-0.8	-0.7	-0.7	-0.7	0.4	0.4	0.4	-0.9	-0.9	-0.9
May	0.5	0.5	0.5	-0.1	0.3	0.3	0.3	0.3	0.3	-0.8	-0.8	-0.8	-0.5	-0.5	-0.5	-1.3	-1.3	-1.3
June	0.1	0.1	0.1	0.0	-0.1	-0.1	-0.1	-0.1	-0.1	-0.9	-0.9	-0.9	0.3	0.3	0.3	-0.6	-0.6	-0.6
July	-1.3	-1.3	-1.3	-0.2	-1.6	-1.6	-1.6	-1.6	-1.6	-1.3	-1.3	-1.3	0.5	0.5	0.5	-0.9	-0.9	-0.9
August	-0.7	-0.7	-0.7	0.6	-0.7	-0.7	-0.7	-0.7	-0.7	-0.3	-0.3	-0.3	0.2	0.2	0.2	-0.6	-0.6	-0.6
September	-0.5	-0.5	-0.5	0.4	-0.6	-0.6	-0.6	-0.6	-0.6	0.4	0.4	0.4	0.5	0.5	0.5	0.4	0.4	0.4
October	-0.6	-0.6	-0.6	0.0	-0.5	-0.5	-0.5	-0.5	-0.5	-0.4	-0.4	-0.4	0.1	0.1	0.1	-0.1	-0.1	-0.1
November	0.4	0.4	0.4	-0.5	-0.5	-0.5	-0.5	-0.5	-0.5	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0
December	-1.2	-1.2	-1.2	-0.3	-1.7	-1.7	-1.7	-1.7	-1.7	-0.9	-0.9	-0.9	-0.1	-0.1	-0.1	-1.2	-1.2	-1.2

1/ For the monthly data the change is compared to the previous month.

2/ Using the United States Consumer Price Index (CPI)

3/ Using the Consumer Price Index of our 20 main trading partners.

Source: SBS, IMF, INEI and Reuters.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 30
EXCHANGE RATE OF OTHER CURRENCIES AGAINST THE NUEVO SOL1/
 Nuevos Soles per monetary unit
 (Period average data)

	US dollar (US\$)	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine peso (\$)	Canadian dollar (Can\$)	Currency basket 2/
2003	3.48	3.93	0.030	1.14	5.68	0.005	0.32	1.20	2.49	0.59
2004	3.41	4.24	0.032	1.17	6.25	0.006	0.30	1.17	2.63	0.60
2005	3.30	4.10	0.030	1.36	6.00	0.006	0.30	1.14	2.72	0.60
2006	3.27	4.11	0.028	1.51	6.03	0.006	0.30	1.07	2.89	0.61
2007	3.13	4.28	0.027	1.61	6.26	0.006	0.29	1.01	2.92	0.60
2008	2.92	4.29	0.028	1.62	5.42	0.006	0.26	0.93	2.75	0.59
2009	3.01	4.19	0.032	1.52	4.70	0.005	0.22	0.81	2.64	0.58
2010	2.83	3.75	0.032	1.61	4.37	0.006	0.22	0.73	2.74	0.56
2011	2.75	3.83	0.035	1.65	4.41	0.006	0.22	0.67	2.79	0.57
2012	2.64	3.39	0.033	1.36	4.17	0.005	0.20	0.58	2.64	0.53

1/ Calculated from average exchange rates purchase - sale of various currencies against the US dollar.

2/ Includes currency basket with the top 20 trading partners of Peru.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 31
EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES
 (Period average data)

	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine Peso (\$)	SDR 1/	3 month Libor US\$ (%)	Libor Euro 3 month (%)
2003	0.886	115.934	3.0771	0.612	691.43	10.7890	2.9006	1.400	1.216	2.332
2004	0.805	108.193	2.9251	0.546	609.37	11.2860	2.9233	1.481	1.619	2.105
2005	0.804	110.218	2.4344	0.550	560.09	10.8979	2.9037	1.475	3.558	2.185
2006	0.797	116.299	2.1753	0.543	530.29	10.8992	3.0543	1.472	5.194	3.080
2007	0.731	117.754	1.9471	0.500	522.46	10.9282	3.0956	1.530	5.296	4.277
2008	0.683	103.360	1.8338	0.544	522.46	11.1297	3.1442	1.579	2.910	4.631
2009	0.720	93.570	1.9970	0.642	560.86	13.5135	3.7101	1.535	0.693	1.211
2010	0.755	87.780	1.7592	0.647	510.25	12.6360	3.8963	1.526	0.343	0.751
2011	0.719	79.807	1.6728	0.624	483.67	12.4233	4.1101	1.579	0.337	1.336
2012	0.778	79.790	1.9544	0.633	486.47	13.1695	4.5369	1.532	0.430	0.490

1/ US dollars per SDR.
 Source: IMF and Reuters.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 32
EXCHANGE RATE OF MAIN CURRENCIES 1/
 (End of period data)

	US dollar (US\$)	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine peso (\$)	Canadian dollar (Can\$)	Basket 2/
2003	3.47	4.27	0.032	1.19	6.09	0.006	0.31	1.17	2.64	0.61
2004	3.28	4.40	0.032	1.21	6.33	0.006	0.29	1.11	2.70	0.60
2005	3.42	4.06	0.029	1.50	5.98	0.007	0.32	1.13	2.95	0.62
2006	3.21	4.24	0.027	1.49	6.29	0.006	0.30	1.05	2.78	0.60
2007	2.98	4.35	0.027	1.67	6.03	0.006	0.27	0.96	2.97	0.59
2008	3.11	4.24	0.034	1.30	4.63	0.005	0.23	0.91	2.52	0.59
2009	2.88	4.20	0.032	1.65	4.67	0.006	0.22	0.76	2.73	0.58
2010	2.82	3.72	0.034	1.66	4.39	0.006	0.23	0.71	2.79	0.57
2011	2.70	3.55	0.035	1.47	4.21	0.005	0.20	0.63	2.63	0.55
2012	2.57	3.37	0.031	1.24	3.98	0.005	0.20	0.53	2.59	0.52

1/ Based on average of bid-ask prices

2/ Currency basket of our 20 main trading partners.

Source: IMF and Reuters.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 33
EXCHANGE RATE OF THE MAIN CURRENCIES AGAINST THE US DOLLAR AND INTERNATIONAL INTERESTS RATES
 (End of period data)

	Euro (€)	Yen (¥)	Brazilian real (R)	Pound (£)	Chilean peso (\$)	Mexican peso (\$)	Argentine Peso (\$)	SDR 1/	Libor US\$ 3 month (%)	Libor Euro 3 month (%)
2003	0.795	107.350	2.8915	0.560	593.13	11.2300	2.9550	1.4860	1.152	2.123
2004	0.738	102.465	2.6560	0.521	555.75	11.1350	2.9725	1.5530	2.564	2.154
2005	0.844	117.960	2.3383	0.581	514.30	10.6285	3.0475	1.4293	4.536	2.487
2006	0.758	119.020	2.1365	0.510	532.35	10.8028	3.0888	1.5044	5.360	3.723
2007	0.685	111.355	1.7800	0.504	497.95	10.9088	3.1713	1.5785	4.703	4.679
2008	0.715	90.610	2.3145	0.684	638.00	13.6663	3.4750	1.5478	1.425	2.894
2009	0.698	92.915	1.7430	0.619	507.45	13.0636	3.8575	1.5677	0.251	0.655
2010	0.747	81.175	1.6596	0.641	468.00	12.3575	3.9700	1.5400	0.303	0.939
2011	0.772	76.960	1.8632	0.644	519.50	13.9547	4.3030	1.5353	0.581	1.292
2012	0.758	86.745	2.0485	1.625	478.71	12.8657	4.9160	1.5369	0.306	0.129

1/ SDR - Special Drawing Rights.
 Source: Estadísticas Financieras Internacionales of IMF and Reuters.
 Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 34
BALANCE OF PAYMENTS
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. CURRENT ACCOUNT BALANCE	- 930	60	1 159	2 912	1 521	- 5 285	- 723	- 3 782	- 3 341	- 7 136
1. Trade balance	886	3 004	5 286	8 986	8 503	2 569	5 951	6 750	9 302	4 527
a. FOB Exports	9 091	12 809	17 368	23 830	28 094	31 018	26 962	35 565	46 268	45 639
b. FOB Imports	- 8 205	- 9 805	- 12 082	- 14 844	- 19 591	- 28 449	- 21 011	- 28 815	- 36 967	- 41 113
2. Services	- 900	- 732	- 834	- 737	- 1 192	- 2 056	- 1 176	- 2 345	- 2 132	- 2 258
a. Exports	1 716	1 993	2 289	2 660	3 152	3 649	3 636	3 693	4 364	5 130
b. Imports	- 2 616	- 2 725	- 3 123	- 3 397	- 4 344	- 5 704	- 4 812	- 6 038	- 6 497	- 7 388
3. Investment income	- 2 125	- 3 645	- 5 065	- 7 522	- 8 299	- 8 742	- 8 385	- 11 212	- 13 710	- 12 701
a. Private	- 1 301	- 2 758	- 4 238	- 6 870	- 7 895	- 8 746	- 8 450	- 10 982	- 13 173	- 11 980
b. Public	- 825	- 888	- 827	- 652	- 403	4	65	- 230	- 537	- 721
4. Current transfers	1 209	1 433	1 772	2 185	2 508	2 943	2 887	3 026	3 200	3 296
of which: Remittances	869	1 133	1 440	1 837	2 131	2 444	2 409	2 534	2 697	2 788
II. FINANCIAL ACCOUNT	636	2 091	1 73	331	8 590	8 510	2 406	13 606	9 594	20 130
1. Private sector	301	983	896	2 495	8 154	9 569	4 200	11 396	10 053	16 236
a. Assets	- 833	- 258	- 868	- 1 327	- 1 052	- 535	- 3 586	- 1 375	- 1 298	- 2 477
a. Liabilities	1 134	1 240	1 764	3 822	9 207	10 104	7 786	12 771	11 351	18 712
2. Public sector	187	879	- 486	- 935	- 1 629	- 1 621	291	2 468	848	1 667
a. Assets	- 303	- 159	- 378	- 125	- 166	65	- 320	- 37	- 273	- 457
b. Liabilities 2/	490	1 037	- 108	- 811	- 1 464	- 1 686	610	2 505	1 121	2 123
3. Short-term capital	147	230	- 236	- 1,229	2,065	562	- 2,085	- 258	- 1,307	2,228
a. Assets	204	- 8	- 671	- 927	- 1,046	416	- 601	- 1,844	- 1,319	36
b. Liabilities	- 56	238	435	- 302	3,111	146	- 1,484	1,587	12	2,192
III. EXCEPTIONAL FINANCING	64	26	100	27	67	57	36	19	33	19
IV. NET ERRORS AND OMISSIONS	707	174	196	- 517	- 523	- 112	- 675	1,348	- 1,562	1,814
V. RESULT OF THE BALANCE OF PAYMENTS	477	2,351	1,628	2,753	9,654	3,169	1,043	11,192	4,724	14,827
(V = I + II + III + IV) = (1-2)										
1. Change in the balance of NIRS	596	2,437	1,466	3,178	10,414	3,507	1,939	10,970	4,711	15,176
2. Valuation effect	119	86	- 162	425	760	338	896	- 222	- 13	349

1/ Preliminary data.

2/ Since these publication government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCB, Tarma Free Trade Zone, Banco de la Nación, Cavali S.A., ICLV, Proinversión, Bank for International Settlements (BIS), and companies Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 35
BALANCE OF PAYMENTS
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. CURRENT ACCOUNT BALANCE	- 1.5	0.1	1.5	3.2	1.4	- 4.2	- 0.6	- 2.5	- 1.9	- 3.6
1. Trade balance	1.4	4.3	6.7	9.7	7.9	2.0	4.7	4.4	5.3	2.3
a. FOB Exports	14.8	18.4	21.9	25.8	26.1	24.4	21.2	23.1	26.2	22.9
b. FOB Imports	- 13.4	- 14.1	- 15.2	- 16.1	- 18.2	- 22.4	- 16.5	- 18.7	- 20.9	- 20.6
2. Services	- 1.5	- 1.0	- 1.1	- 0.8	- 1.1	- 1.6	- 0.9	- 1.5	- 1.2	- 1.1
a. Exports	2.8	2.9	2.9	2.9	2.9	2.9	2.9	2.4	2.5	2.6
b. Imports	- 4.3	- 3.9	- 3.9	- 3.7	- 4.0	- 4.5	- 3.8	- 3.9	- 3.7	- 3.7
3. Investment income	- 3.5	- 5.2	- 6.4	- 8.1	- 7.7	- 6.9	- 6.6	- 7.3	- 7.8	- 6.4
a. Private	- 2.1	- 4.0	- 5.3	- 7.4	- 7.3	- 6.9	- 6.6	- 7.1	- 7.5	- 6.0
b. Public	- 1.3	- 1.3	- 1.0	- 0.7	- 0.4	0.0	0.1	- 0.1	- 0.3	- 0.4
4. Current transfers	2.0	2.1	2.2	2.4	2.3	2.3	2.3	2.0	1.8	1.7
of which: Remittances	1.4	1.6	1.8	2.0	2.0	1.9	1.9	1.6	1.5	1.4
II. FINANCIAL ACCOUNT	1.0	3.0	0.2	0.4	8.0	6.7	1.9	8.8	5.4	10.1
1. Private sector	0.5	1.4	1.1	2.7	7.6	7.5	3.3	7.4	5.7	8.1
a. Assets	- 1.4	- 0.4	- 1.1	- 1.4	- 1.0	- 0.4	- 2.8	- 0.9	- 0.7	- 1.2
a. Liabilities	1.8	1.8	2.2	4.1	8.6	7.9	6.1	8.3	6.4	9.4
2. Public sector	0.3	1.3	- 0.6	- 1.0	- 1.5	- 1.3	0.2	1.6	0.5	0.8
a. Assets	- 0.5	- 0.2	- 0.5	- 0.1	- 0.2	0.1	- 0.3	- 0.0	- 0.2	- 0.2
b. Liabilities 2/	0.8	1.5	- 0.1	- 0.9	- 1.4	- 1.3	0.5	1.6	0.6	1.1
3. Short-term capital	0.2	0.3	- 0.3	- 1.3	1.9	0.4	- 1.6	- 0.2	- 0.7	1.1
a. Assets	0.3	- 0.0	- 0.8	- 1.0	- 1.0	0.3	- 0.5	- 1.2	- 0.7	0.0
b. Liabilities	- 0.1	0.3	0.5	- 0.3	2.9	0.1	- 1.2	1.0	0.0	1.1
III. EXCEPTIONAL FINANCING	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
IV. NET ERRORS AND OMISSIONS	1.2	0.2	0.2	- 0.6	- 0.5	- 0.1	- 0.5	0.9	- 0.9	0.9
V. RESULT OF THE BALANCE OF PAYMENTS (V = I + II + III + IV) = (1- 2)	0.8	3.4	2.1	3.0	9.0	2.5	0.8	7.3	2.7	7.4
1. Change in the balance of NIRS	1.0	3.5	1.8	3.4	9.7	2.8	1.5	7.1	2.7	7.6
2. Valuation effect	0.2	0.1	- 0.2	0.5	0.7	0.3	0.7	- 0.1	- 0.0	0.2
Memo:										
GDP (Millions of US\$)	61,367	69,752	79,395	92,439	107,443	127,115	127,370	153,913	176,682	199,591

1/ Preliminary data.

2/ Since these publication government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

Source: BCRP, MEF, SBS, SUNAT, Ministry of Foreign Affairs, Cofide, ONP, FCR, Tacna Free Trade Zone, Banco de la Nación, Cavali S.A., ICLV, Proinversión, Bank for International Settlements (BIS), and companies. Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 36
TRADE BALANCE
(FOB values in millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										1/
1. EXPORTS	9,091	12,809	17,368	23,830	28,094	31,018	26,962	35,565	46,268	45,639
Traditional products	6,356	9,199	12,950	18,461	21,666	23,266	20,622	27,669	35,837	34,247
Non-traditional products	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641	10,130	11,047
Others	114	131	141	91	114	190	154	254	301	345
2. IMPORTS	8,205	9,805	12,082	14,844	19,591	28,449	21,011	28,815	36,967	41,113
Consumer goods	1,841	1,995	2,308	2,616	3,189	4,520	3,962	5,489	6,692	8,247
Inputs	4,340	5,364	6,600	7,981	10,429	14,556	10,076	14,023	18,255	19,256
Capital goods	1,974	2,361	3,064	4,123	5,854	9,233	6,850	9,074	11,665	13,356
Other goods	49	85	110	123	119	140	122	229	355	253
3. TRADE BALANCE	886	3,004	5,286	8,986	8,503	2,569	5,951	6,750	9,302	4,527
Memo:										
Annual % change: 2/										
Index of X prices	9.2	22.7	16.8	36.1	14.4	3.5	-10.0	29.9	20.0	-3.3
Index of M prices	9.0	12.1	10.6	7.5	10.6	21.0	-7.4	10.1	13.8	1.7
Terms of trade	0.1	9.4	5.6	26.7	3.4	-14.4	-2.8	17.9	5.4	-4.9
Index of X volume	7.9	14.7	15.9	0.6	3.3	7.3	-4.1	1.9	8.5	2.2
Index of M volume	1.9	6.4	11.5	14.4	19.1	19.9	-20.1	24.5	12.8	9.5
Index of X value	17.8	40.9	35.6	37.2	17.9	10.4	-13.1	31.9	30.1	-1.4
Index of M value	11.0	19.5	23.2	22.9	32.0	45.2	-26.1	37.1	28.3	11.2

1/ Preliminary data.

2/ X: Exports; M: Imports.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 37
EXPORTS BY GROUP OF PRODUCTS
 (FOB values in millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010 ^{1/}	2011 ^{1/}	2012 ^{1/}
1. Traditional products	6,356	9,199	12,950	18,461	21,666	23,266	20,622	27,669	35,837	34,247
Fishing	821	1,104	1,303	1,335	1,460	1,797	1,683	1,884	2,099	2,292
Agriculture	224	325	331	574	460	686	636	975	1,672	1,075
Mining	4,690	7,124	9,790	14,735	17,439	18,101	16,382	21,723	27,361	25,921
Oil and Natural gas	621	646	1,526	1,818	2,306	2,681	1,921	3,088	4,704	4,959
2. Non-traditional products	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641	10,130	11,047
Agriculture and livestock	624	801	1,008	1,220	1,512	1,913	1,825	2,190	2,830	3,047
Fishing	205	277	323	433	500	622	518	642	1,047	1,011
Textiles	823	1,092	1,275	1,473	1,736	2,026	1,495	1,558	1,986	2,157
Wood and paper manufacture	172	214	261	333	362	428	335	355	398	432
Chemicals	316	415	538	602	805	1,041	837	1,223	1,645	1,624
Non- metallic minerals	74	94	118	135	165	176	148	251	487	716
Basic metal industries and jewelry	262	391	493	829	906	909	569	918	1,128	1,253
Metal-mechanic	99	136	191	164	220	328	366	394	464	532
Others 2/	45	58	70	89	107	121	93	110	145	275
3. Others 3/	114	131	141	91	114	190	154	254	301	345
4. TOTAL EXPORTS	9,091	12,809	17,368	23,830	28,094	31,018	26,962	35,565	46,268	45,639
PERCENTAGE STRUCTURE (%)										
Fishing	9.0	8.6	7.5	5.6	5.2	5.8	6.2	5.3	4.5	5.0
Agriculture	2.5	2.5	1.9	2.4	1.6	2.2	2.4	2.7	3.6	2.4
Mining	51.6	55.6	56.4	61.8	62.1	58.4	60.8	61.1	59.1	56.8
Oil and Natural gas	6.8	5.0	8.8	7.6	8.2	8.6	7.1	8.7	10.2	10.9
TRADITIONAL	69.9	71.7	74.6	77.4	77.1	75.0	76.5	77.8	77.5	75.1
NON-TRADITIONAL	28.8	27.2	24.6	22.2	22.5	24.4	22.9	21.5	21.9	24.2
OTHERS	1.3	1.1	0.8	0.4	0.4	0.6	0.6	0.7	0.7	0.7
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

1/ Preliminary data.

2/ Includes mainly fur and leather and handicrafts.

3/ Fuel and food sold to foreign ships and aircrafts and repairs of capital goods.

Source: BCRP, SUNAT and companies.

laborated by the Department of Economic Studies, BCRP.



APPENDIX 38
EXPORTS OF TRADITIONAL PRODUCTS
(FOB values in millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
FISHING										
Fishmeal	821	1 104	1 303	1 335	1 460	1 707	1 683	1 884	2 099	2 292
Volume (Thousand MT)	771	914	1 307	1 335	1 711	1 413	1 455	1 711	1 916	1 729
Price (US\$/MT)	1 070	1 750	2 000	1 340	1 361	1 564	1 539	1 082	1 070	1 329
	541,7	545,2	573,6	850,0	959,8	902,7	925,9	1 486,7	1 367,7	1 328,6
Fishoil	79	149	156	196	249	385	258	274	333	526
Volume (Thousand MT)	183,2	285,1	286,4	298,5	320,7	257,7	304,4	254,1	234,5	302,9
Price (US\$/MT)	431,6	523,4	543,2	657,1	777,2	1 493,2	847,0	1 079,2	1 418,5	1 735,4
AGRICULTURE										
Cotton	224	325	331	574	460	686	636	975	1 672	1 075
Volume (Thousand MT)	6	6	7	7	3	2	3	1	8	4
Price (US\$/MT)	3,6	3,3	2,0	3,8	1,5	0,9	1,6	0,5	2,1	1,9
	1 600,7	1 883,3	1 640,4	1 833,2	2 093,6	2 505,2	1 722,0	2 417,9	3 762,2	2 404,7
Sugar	19	15	13	43	19	25	37	65	48	6
Volume (Thousand MT)	61,1	41,4	32,2	108,5	48,3	70,4	85,5	112,0	62,6	8,4
Price (US\$/MT)	313,9	352,5	395,1	395,7	388,9	350,9	433,2	577,9	759,9	690,4
Coffee	181	290	307	515	427	645	584	888	1 581	1 009
Volume (Thousand MT)	150,5	191,1	142,2	238,1	173,6	225,1	197,7	229,8	393,7	265,7
Price (US\$/MT)	1 203,2	1 516,7	2 157,0	2 163,3	2 459,0	2 865,9	2 956,7	3 864,7	5 382,4	3 842,2
Other agriculture products 2/	18	14	8	9	11	14	12	20	36	56
MINING										
Copper 3/	4 690	7 124	9 790	14 735	17 439	18 101	16 382	21 723	27 361	25 921
Volume (Thousand MT)	1 261	3 472	5 996	8 472	7 277	7 277	5 934	8 870	10 711	10 483
Price (US\$/pd.)	787,3	940,5	984,2	980,6	1 121,9	1 243,1	1 246,2	1 253,5	1 257,2	1 372,3
	72,6	119,6	160,0	277,3	291,9	265,5	216,0	321,0	386,5	346,5
Tin	211	346	301	409	595	663	479	663	755	526
Volume (Thousand MT)	39,1	40,2	41,8	46,5	41,1	38,3	38,0	41,1	33,5	24,9
Price (US\$/pd.)	244,7	390,3	326,9	398,7	656,6	785,7	571,5	897,7	1 187,7	956,7
Iron	94	129	216	256	285	385	298	523	1 023	856
Volume (millions MT)	5,9	6,0	6,6	6,7	7,2	6,8	7,7	7,0	9,2	9,9
Price (US\$/MT)	15,9	21,5	32,7	38,3	39,8	56,3	42,6	67,6	111,3	86,5
Gold	2 102	2 424	3 095	4 032	4 187	5 596	6 805	7 756	10 104	9 558
Volume (mlns oz.tr.)	5 716	5 855	6 825	6 637	5 967,4	6 117,7	6 868	6 345,8	6 415,4	5 711,0
Price (US\$/oz.tr.)	363,8	407,1	430,2	604,2	701,7	870,4	994,0	1 222,3	1 574,9	1 673,7
Refined Silver	191	260	281	480	538	595	214	118	219	209
Volume (millions oz.tr.)	39,3	39,1	38,5	41,8	40,4	39,7	16,2	6,2	6,5	6,9
Price (US\$/oz.tr.)	4,9	6,7	7,3	11,5	13,3	15,0	13,2	19,2	33,7	30,2
Lead 3/	201	389	491	713	1 033	1 136	1 116	1 579	2 424	2 501
Volume (Thousand MT)	258,5	281,4	322,8	375,5	416,6	525,0	681,4	770,0	986,5	1 139,3
Price (US\$/pd.)	35,3	62,7	69,0	85,6	112,5	98,1	74,3	93,0	111,5	99,6
Zinc	529	577	805	1 991	2 539	1 468	1 233	1 691	1 522	1 331
Volume (Thousand MT)	1 183,4	1 035,4	1 089,8	1 063,2	1 272,7	1 457,1	1 372,5	1 310,4	1 007,1	998,5
Price (US\$/pd.)	20,3	25,3	33,5	84,9	90,5	45,7	40,8	58,5	68,6	60,4
Molybdenum	95	506	1 107	834	991	943	276	492	571	435
Volume (Thousand MT)	10,5	13,5	18,6	17,8	16,2	18,3	12,2	16,7	19,5	17,9
Price (US\$/pd.)	407,3	1 695,7	2 700,5	2 120,7	2 781,8	2 343,2	1 023,6	1 338,0	1 330,6	1 103,2
Other mining products 4/	6,9	12,1	21,2	24,1	50,6	47,6	27,6	29,3	31,2	21,5
OIL AND NATURAL GAS										
Crude oil and derivatives	621	646	1 526	1 818	2 306	2 681	1 921	3 088	4 704	4 959
Volume (Millions bl.)	23,7	20,0	32,3	32,7	35,7	31,1	33,5	36,8	33,6	36,9
Price (US\$/bl.)	26,2	32,3	47,2	55,5	64,6	86,1	57,4	76,2	101,8	103,2
Gas natural	0	0	0	0	0	0	0	0	1 284	1 331
Volume (Thousand m3)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	3 605,1	8 737,5	8 969,2
Price (US\$/m3)	0,0	0,0	0,0	0,0	0,0	0,0	0,0	78,6	143,1	152,3
TRADITIONAL PRODUCTS										
	6 356	9 199	12 950	18 461	21 666	23 266	20 622	27 669	35 837	34 247

1/ Preliminary data.
2/ Comprises coca leaves and derivatives, molasses, wool and furs.
3/ Includes silver content.
4/ Includes mainly bismuth and tungsten.
Source: BCRP and SUNAT.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 39
EXPORTS OF NON-TRADITIONAL PRODUCTS
 (FOB values in millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
AGRICULTURE AND LIVESTOCK	624	801	1,008	1,220	1,512	1,913	1,825	2,190	2,830	3,047
Vegetables	308	380	452	563	713	798	739	864	980	1,031
Fruits	111	140	178	259	311	412	461	585	903	956
Various plant products	66	75	100	108	135	180	173	225	280	348
Cereals and its preparations	41	47	53	66	77	121	124	126	170	196
Tea, coffee, cocoa, and essences	47	86	132	116	151	217	185	196	264	238
Other	49	75	92	108	125	185	144	194	234	278
FISHING	205	277	323	433	500	622	518	642	1,047	1,011
Frozen crustaceans and molluscs	110	143	182	202	225	262	231	353	477	420
Frozen fish	41	62	92	121	117	137	127	109	210	260
Preparations and canned products	46	61	56	121	127	190	151	141	309	269
Dried fish	6	6	6	11	16	22	16	26	11	31
Other	3	6	5	6	15	17	16	13	20	31
TEXTILES	823	1,092	1,275	1,473	1,736	2,026	1,495	1,558	1,986	2,157
Clothes and other garments	655	887	1,063	1,209	1,411	1,652	1,173	1,200	1,540	1,625
Fabrics	54	64	71	95	138	185	174	145	204	309
Textile fibers	56	67	81	87	92	85	69	99	106	84
Yarns	59	74	75	87	95	103	78	113	136	139
WOOD AND PAPER, AND ITS MANUFACTURING	172	214	261	333	362	428	335	355	398	432
Timber	84	101	124	168	167	169	125	134	125	122
Printed materials	42	45	56	66	58	66	75	66	81	96
Manufacturing of paper and cardboard products	22	32	36	52	63	105	101	119	94	171
Manufacturing of wood products	13	21	29	31	29	40	24	27	33	35
Wooden furnitures	11	14	16	16	18	14	8	7	8	7
Other	0	1	1	1	1	0	1	2	57	2
CHEMICALS	316	415	538	602	805	1,041	837	1,223	1,645	1,624
Organic and inorganic chemicals	65	78	109	179	256	347	218	287	490	489
Plastic manufacturing	54	58	85	83	103	114	103	131	163	192
Dyeing, tanning and coloring products	47	64	57	64	77	74	77	77	281	133
Rubber manufacturing	33	34	44	53	67	41	41	62	82	89
Essential oils, toiletries	65	107	133	178	251	332	107	191	139	204
Other	69	107	153	178	251	332	291	372	481	514
NON-METALLIC MINERALS	74	94	118	135	165	176	148	251	487	716
Cement and construction materials	40	52	71	88	105	99	65	89	105	122
Fertilizers and raw minerals	12	13	16	17	22	32	32	33	284	477
Glass and manufactures	8	13	12	13	16	19	27	33	52	60
Ceramic products	4	5	6	5	6	6	6	5	8	7
Other	9	11	15	13	16	19	18	31	39	51
IRON-METALLIC AND JEWELRY	262	391	493	829	906	909	569	918	1,128	1,253
Copper products	76	130	184	345	377	402	204	390	461	450
Zinc products	60	87	87	212	215	154	103	171	284	238
Iron products	35	50	69	80	90	145	122	125	138	175
Common metals	11	15	20	47	67	62	43	72	83	87
Non-ferrous waste	3	4	4	7	7	4	5	10	12	10
Lead products	3	3	5	4	14	9	8	11	12	11
Silver products	1	1	2	1	10	24	8	40	22	166
Jewelry	69	91	108	112	104	86	64	72	78	84
Other	4	10	21	21	22	21	13	26	38	31
METAL-MECHANIC	99	136	191	164	220	328	366	394	464	532
Highway vehicles	9	5	5	23	9	6	31	21	37	28
Industrial machinery, equipment and parts	17	17	23	6	29	57	74	62	56	63
Electrical machinery, equipment and parts	11	15	22	21	41	53	45	34	52	66
Iron and steel manufactured articles	7	11	27	20	23	30	25	31	29	34
Office machines and data processing	5	9	5	5	23	30	8	9	10	13
Domestic equipment	4	4	5	5	13	18	7	6	7	2
Machinery and equipment for civil engineering	4	4	11	11	17	17	39	51	54	60
Force generating machinery and equipment	5	8	10	12	16	26	31	57	50	43
Metal household items	3	5	7	7	10	23	10	23	15	10
Other	29	58	72	49	68	84	112	114	154	210
OTHER	45	58	70	89	107	121	93	110	145	275
NON-TRADITIONAL PRODUCTS	2,620	3,479	4,277	5,279	6,313	7,562	6,186	7,641	10,130	11,047

1/ Preliminary data.

Source: BCRP and SUNAT.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 40
IMPORTS BY USE OR ECONOMIC DESTINATION
 (FOB values in millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. CONSUMER GOODS	1,841	1,995	2,308	2,616	3,189	4,520	3,962	5,489	6,692	8,247
Non-durable	1,035	1,153	1,338	1,463	1,751	2,328	2,137	2,809	3,465	4,089
Durable	807	842	970	1,154	1,438	2,192	1,825	2,680	3,226	4,159
2. INPUTS	4,340	5,364	6,600	7,981	10,429	14,556	10,076	14,023	18,255	19,256
Fuel, lubricants and related	1,376	1,754	2,325	2,808	3,631	5,225	2,929	4,063	5,737	5,879
Raw materials for agriculture	278	349	384	436	588	874	773	868	1,091	1,289
Raw materials for industry	2,686	3,261	3,890	4,738	6,209	8,458	6,374	9,093	11,428	12,088
3. CAPITAL GOODS	1,974	2,361	3,064	4,123	5,854	9,233	6,850	9,074	11,665	13,356
Construction materials	199	192	305	470	590	1,305	854	1,087	1,447	1,488
For agriculture	17	29	37	31	50	90	72	80	110	137
For industry	1,422	1,661	2,114	2,784	3,958	5,765	4,498	5,539	7,296	8,175
Transport equipments	336	480	607	838	1,256	2,073	1,426	2,369	2,813	3,556
4. OTHER GOODS 2/	49	85	110	123	119	140	122	229	355	253
5. TOTAL IMPORTS	8,205	9,805	12,082	14,844	19,591	28,449	21,011	28,815	36,967	41,113
Memo:										
Temporary admission	188	214	275	365	322	361	196	420	698	734
Free zone 3/	99	99	104	104	108	113	110	131	136	140
FOODSTUFFS 4/	560	722	746	880	1,201	1,703	1,349	1,725	2,295	2,528
Wheat	185	220	209	224	345	489	346	368	535	516
Corn and/or sorghum	99	119	123	172	258	310	266	372	563	507
Rice	4	26	43	14	31	88	49	55	116	149
Sugar 5/	3	45	68	100	84	72	57	121	135	188
Dairy products	23	36	34	46	60	77	37	81	96	167
Soybean	224	255	246	299	396	625	561	679	794	936
Meat	22	21	23	24	27	42	34	49	55	64

1/ Preliminary data.

2/ Includes donations fuel and food bought by Peruvian ships and aircrafts, repairs of capital goods and other good, and other goods not considered in the classification used.

3/ Imports into the Tacna Free Trade Zone.

4/ Excludes food donations.

5/ Includes unrefined raw sugar cane, classified as raw material.

Source: BCRP, SUNAT, Tacna Free Trade Zone, Banco de la Nación, and companies.)

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 41
TERMS OF TRADE
 (Year 1994 = 100)

	Exports 1/ 2/			Imports 1/ 3/			Terms of trade		
	Nominal prices		Volume	Nominal prices		Volume	Index	% Chg.	
	Index	% Chg.	Index	% Chg.	Index	% Chg.			
2003	105.4	9.2	194.9	7.9	115.9	9.0	129.1	90.9	0.1
2004	129.3	22.7	223.6	14.7	130.0	12.1	137.4	99.5	9.4
2005	151.1	16.8	259.2	15.9	143.8	10.6	153.2	105.1	5.6
2006	205.6	36.1	260.8	0.6	154.5	7.5	175.2	133.1	26.7
2007	235.2	14.4	269.3	3.3	170.8	10.6	208.7	137.7	3.4
2008	243.4	3.5	288.9	7.3	206.7	21.0	250.2	117.8	-14.4
2009	219.0	-10.0	277.0	-4.1	191.4	-7.4	200.0	114.4	-2.8
2010	284.4	29.9	282.3	1.9	210.7	10.1	249.0	135.0	17.9
2011	341.4	20.0	306.3	8.5	239.9	13.8	280.9	142.3	5.4
2012	330.1	-3.3	313.0	2.2	243.9	1.7	307.5	135.3	-4.9

1/ Weighted according to the structure of trade in the current and previous month. Fisher chained index

2/ Until December 2006, calculated based on the price of each traditional export and a price basket of our main trading partners for the rest of exports. This basket is replaced by the price of nontraditional exports as from January 2007

3/ Until December 2006, calculated based on the price of food and fuel import and a price basket of our main trading partners for the rest of imports. As from January 2007, this basket is replaced by the import price of inputs in the case of raw materials.

Source: BCRP, SUNAT, Iacna Free Trade Zone, Banco de la Nación and companies. Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 42
COMMODITY PRICES
(Average data)

	Fishmeal Hamburgo US\$/MT	Sugar Cont. 14 US\$/MT	Coffee Other.S.Arab US\$/MT	Copper LME €US\$/pd.	Tin LME €US\$/pd.	Gold LME US\$/tr.oz	Silver H.Harman US\$/tr.oz	Lead LME €US\$/pd.	Zinc LME €US\$/pd.	Nickel LME €US\$/pd.	Oil Residual No.6 US\$/bar.	Oil WTI US\$/bar.	Wheat USA US\$/MT	Maize USA US\$/MT	Rice Thailand US\$/MT	Soybean oil USA US\$/MT	Soybean Flour USA US\$/MT	
2003	601.70	471.89	1,412.42	80.70	222.03	363.62	4.91	23.36	37.54	436.96	25.40	31.11	131.95	88.73	200.34	519.39	235.99	218.24
2004	624.87	450.90	1,770.02	129.99	386.13	409.85	6.69	40.21	47.53	627.33	28.67	41.44	134.41	93.66	244.79	629.82	279.61	260.70
2005	685.83	470.03	2,523.94	166.87	334.84	445.47	7.34	44.29	62.68	668.77	43.45	56.45	129.66	74.44	293.54	506.84	223.62	206.61
2006	1,080.29	488.57	2,509.88	304.91	398.29	604.58	11.57	58.50	148.56	1,100.16	51.84	66.05	169.12	93.91	313.01	538.83	214.14	193.94
2007	1,074.88	463.45	2,717.34	322.93	659.47	697.41	13.42	117.03	147.07	1,688.72	55.28	72.28	231.19	137.85	337.20	768.16	306.74	253.70
2008	1,051.08	469.01	3,050.21	315.51	839.60	872.72	15.01	94.83	85.04	957.56	78.76	99.59	293.12	192.12	684.53	1,092.22	447.73	367.48
2009	1,130.44	541.45	3,128.68	233.52	615.83	973.62	14.68	77.91	75.05	663.91	59.52	61.68	192.54	139.38	561.45	728.93	384.49	383.80
2010	1,596.69	792.90	4,300.67	342.28	926.63	1,225.29	20.19	97.61	98.18	991.00	76.71	79.37	195.07	157.22	503.16	859.36	387.41	345.49
2011	1,443.50	839.03	6,026.08	400.20	1,183.96	1,569.53	35.17	108.97	99.50	1,038.10	97.14	94.95	280.37	262.45	552.04	1,191.44	485.65	369.02
2012	1,563.94	635.96	4,133.95	360.55	958.08	1,669.87	31.17	93.54	88.35	795.01	99.55	94.14	276.15	273.37	566.74	1,124.82	543.14	482.69

Source: Reuters and Bloomberg.
Elaborated by the Department of Economic Studies, BCRP

APPENDIX 43
COMMODITY PRICES
(End of period data)

	Fishmeal Hamburgo US\$/MT	Sugar Cont.14 US\$/MT	Coffee Other:5.Arab US\$/MT	Copper LME €US\$/pd.	Tin LME €US\$/pd.	Gold LME US\$/tr.oz	Silver H.Harman US\$/tr.oz	Lead LME €US\$/pd.	Zinc LME €US\$/pd.	Nickel LME €US\$/pd.	Oil Residual No.6 US\$/bar.	Oil WTI US\$/bar.	Wheat USA US\$/MT	Maize USA US\$/MT	Rice Thailand US\$/MT	Soybean oil		Soybean Flour	
																USA US\$/MT	USA US\$/MT	USA US\$/MT	USA US\$/MT
2003	635.00	446.44	1,434.33	105.28	297.78	417.25	5.96	33.54	45.72	755.23	26.05	32.52	141.83	91.92	205.00	644.85	291.56	249.67	
2004	610.00	456.36	2,386.50	148.76	352.21	438.00	6.85	47.90	57.61	689.69	29.45	43.45	124.19	73.03	288.00	475.76	203.45	182.54	
2005	800.00	493.84	2,378.35	207.95	299.37	513.00	8.91	49.90	86.86	606.91	51.25	61.04	145.32	77.36	287.00	464.07	222.12	225.53	
2006	1,075.00	434.97	2,802.74	285.31	539.77	635.70	12.83	80.51	196.45	1,551.51	45.05	61.05	176.00	144.09	318.00	623.03	249.67	200.29	
2007	990.00	451.51	3,058.91	302.84	742.98	833.75	14.81	114.85	103.87	1,170.50	71.28	96.00	324.81	167.53	380.00	1,046.53	429.17	365.86	
2008	920.00	441.59	2,612.48	131.63	469.69	869.75	11.02	43.05	50.83	490.33	38.40	44.60	214.95	147.04	500.00	698.20	359.61	318.46	
2009	1,610.00	772.28	3,472.28	333.21	758.63	1,087.50	16.92	108.64	116.57	838.24	74.90	79.36	171.78	147.06	640.00	819.46	382.98	370.82	
2010	1,500.00	859.80	5,718.35	441.78	1,222.20	1,418.01	30.40	117.34	110.34	1,132.17	82.00	91.38	281.64	230.72	540.00	1,181.90	500.27	406.09	
2011	1,200.00	799.18	5,282.94	342.64	859.56	1,574.95	28.26	89.81	82.92	829.17	97.60	98.83	254.27	249.22	570.00	1,145.74	439.27	329.70	
2012	2,030.00	493.84	3,337.36	359.02	1,065.94	1,663.02	30.00	106.14	92.28	774.96	96.65	91.82	289.72	272.03	560.00	1,033.09	527.93	493.06	

Source: Reuters and Bloomberg.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 44
SERVICES
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. TRANSPORT	- 621	- 726	- 858	- 874	- 1,198	- 1,741	- 979	- 1,599	- 1,521	- 1,630
1. Credit	310	360	440	545	646	818	758	854	997	1,223
2. Debit	- 931	- 1,086	- 1,298	- 1,419	- 1,844	- 2,560	- 1,737	- 2,453	- 2,517	- 2,852
a. Freight	- 590	- 740	- 917	- 1,010	- 1,370	- 2,043	- 1,266	- 1,882	- 1,957	- 2,229
Credit	26	43	60	64	80	84	32	37	49	46
Debit	- 615	- 783	- 978	- 1,074	- 1,450	- 2,126	- 1,298	- 1,919	- 2,006	- 2,275
b. Passengers	- 146	- 119	- 88	- 44	9	94	110	95	140	170
Credit	60	90	130	205	284	405	426	467	552	631
Debit	- 206	- 209	- 218	- 249	- 275	- 310	- 316	- 372	- 412	- 461
c. Others 2/	114	133	147	179	163	207	177	188	296	430
Credit	225	227	250	275	281	330	300	350	396	546
Debit	- 110	- 93	- 103	- 96	- 119	- 123	- 124	- 162	- 99	- 116
II. TRAVEL	322	499	557	772	755	870	926	740	1,008	1,168
1. Credit	963	1,142	1,308	1,570	1,723	1,991	2,014	2,008	2,360	2,657
2. Debit	- 641	- 643	- 752	- 798	- 968	- 1,121	- 1,088	- 1,268	- 1,352	- 1,490
III. COMMUNICATIONS	- 34	- 21	- 28	- 27	- 21	- 8	- 69	- 78	- 47	- 74
1. Credit	46	60	69	82	88	125	91	102	132	147
2. Debit	- 80	- 81	- 96	- 109	- 110	- 133	- 161	- 180	- 179	- 221
IV. INSURANCE AND REINSURANCE	- 178	- 127	- 115	- 163	- 23	- 152	- 176	- 325	- 359	- 366
1. Credit	89	82	118	103	289	227	271	166	230	361
2. Debit	- 267	- 209	- 233	- 265	- 311	- 379	- 447	- 491	- 588	- 728
V. OTHERS 3/	- 388	- 357	- 391	- 446	- 705	- 1,024	- 878	- 1,083	- 1,214	- 1,355
1. Credit	307	350	354	361	406	487	501	562	646	742
2. Debit	- 695	- 706	- 744	- 806	- 1,111	- 1,511	- 1,379	- 1,645	- 1,861	- 2,097
VI. TOTAL SERVICES	- 900	- 732	- 834	- 737	- 1,192	- 2,056	- 1,176	- 2,345	- 2,132	- 2,258
1. Credit	1,716	1,993	2,289	2,660	3,152	3,649	3,636	3,693	4,364	5,130
2. Debit	- 2,616	- 2,725	- 3,123	- 3,397	- 4,344	- 5,704	- 4,812	- 6,038	- 6,497	- 7,388

1/ Preliminary data.

2/ Includes ship and airship port expenses and transport fees.

3/ Includes government, financial, and IT services, as well as royalties, equipment leasing, and business services.

Source: BCRP, SUNAT, Ministry of Foreign Affairs, and companies. Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 45
INVESTMENT INCOME
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										1/
I. CREDITS										
1. Private	66	87	173	319	527	438	294	281	339	409
2. Public	230	203	417	666	973	1,366	1,105	867	772	771
II. DEBITS										
1. Private	1,367	2,844	4,411	7,189	8,423	9,184	8,744	11,264	13,512	12,389
Profits 2/	1,112	2,567	4,030	6,741	7,788	8,346	8,172	10,714	12,866	11,743
Interests	255	277	381	448	635	838	573	549	647	646
- Interests on long-term loans	163	170	213	218	302	425	383	367	456	424
- Interests on bonds	8	4	7	19	40	44	43	58	54	110
- Interests on short-term loans 3/	84	103	162	211	293	369	147	125	137	112
2. Public	1,054	1,091	1,244	1,317	1,376	1,362	1,041	1,097	1,309	1,492
Interests on long-term loans	785	739	738	695	716	559	448	337	289	286
Interests on bonds	262	346	501	618	641	708	583	757	1,019	1,206
Interests on BCRP liabilities 4/	8	6	5	5	20	95	10	3	0	0
III. INCOME BALANCE (I- II)	- 2,125	- 3,645	- 5,065	- 7,522	- 8,299	- 8,742	- 8,385	- 11,212	- 13,710	- 12,701
1. Private	- 1,301	- 2,758	- 4,238	- 6,870	- 7,895	- 8,746	- 8,450	- 10,982	- 13,173	- 11,980
2. Public	- 825	- 888	- 827	- 652	- 403	4	65	- 230	- 537	- 721

1/ Preliminary data.

2/ Accrued profits and losses in the period, including profits and dividends transferred abroad and non-distributed profits.

3/ Includes interests of non-financial public institutions.

4/ Includes interests on short and long term debts.

Source: BCRP, MEF, Cofide, ONP and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 46 PRIVATE SECTOR FINANCIAL ACCOUNT (Millions of US\$)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
											1/
1. ASSETS	- 833	- 258	- 868	- 1,327	- 1,052	- 535	- 3,586	- 1,375	- 1,298	- 2,477	
Direct investment abroad	- 60	0	0	0	- 66	- 736	- 411	- 266	- 113	57	
Portfolio investment abroad 2/	- 773	- 258	- 868	- 1,327	- 987	200	- 3,176	- 1,109	- 1,185	- 2,534	
2. LIABILITIES	1,134	1,240	1,764	3,822	9,207	10,104	7,786	12,771	11,351	18,712	
Foreign direct investment	1,335	1,599	2,579	3,467	5,491	6,924	6,431	8,455	8,233	12,240	
a. Reinvestment	638	1,864	2,724	2,353	3,835	3,287	5,385	5,317	5,671	8,263	
b. Contributions and other capital perations	697	- 265	- 145	874	733	2,981	1,828	2,445	276	4,637	
c. Net loans with parent companies	0	0	0	240	924	656	- 782	693	2,285	- 659	
Portfolio investment in the country	- 35	- 78	152	153	831	527	347	378	218	2,357	
a. Capital participations 3/	1	- 74	25	- 45	70	85	47	87	147	- 32	
b. Others liabilities 4/	- 36	- 4	127	198	761	442	301	291	71	2,389	
Long-term loans	- 166	- 281	- 967	202	2,885	2,653	1,008	3,939	2,901	4,115	
a. Disbursements	559	726	647	728	4,389	3,427	2,167	5,254	3,998	6,259	
b. Amortization	- 725	- 1,007	- 1,614	- 525	- 1,504	- 774	- 1,158	- 1,315	- 1,098	- 2,144	
3. TOTAL	301	983	896	2,495	8,154	9,569	4,200	11,396	10,053	16,236	
Memo:											
Net Foreign Direct Investment	1,275	1,599	2,579	3,467	5,425	6,188	6,020	8,189	8,119	12,297	

1/ Preliminary data.

2/ Equity and other financial assets from other countries acquired by the financial and non financial sectors. The negative sign implies an increase of assets.

3/ Considers non-residents' net purchases of financial assets listed at Cavalli (security settlement institution) through the ISE and placements of American Depository Receipts (ADRs).

4/ Includes bonds, promisory notes, and securitization instruments expressed in net terms (issuance minus redemption).

Source: BCRP, Cavalli ICLV S.A., Proinversión, and companies.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 47
PUBLIC SECTOR FINANCIAL ACCOUNT
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. DISBURSEMENTS	2,161	2,535	2,656	609	3,384	1,166	3,229	4,261	990	1,448
Investment projects	396	371	379	288	290	283	616	722	679	333
Central government	305	281	324	259	245	206	521	509	616	317
Public enterprises	91	90	54	29	45	78	95	213	63	16
- Financial	60	62	28	0	0	1	4	0	0	0
- Non-financial	31	28	26	29	45	77	91	213	63	16
Food imports	0	6	0	5	3	0	0	0	0	0
Defense	0	0	0	0	0	0	0	0	0	0
Freely disposable funds	519	862	595	315	800	883	580	875	311	115
Bonos 2/	1,246	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000
- Brady bonds	0	0	0	0	0	0	0	0	0	0
- Global bonds 3/	1,246	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000
II. AMORTIZATION 4/	- 1,228	- 1,389	- 3,719	- 1,223	- 5,691	- 2,635	- 1,879	- 5,268	- 868	- 1,215
III. NET EXTERNAL ASSETS	- 303	- 159	- 378	- 125	- 166	65	- 320	- 37	- 273	- 457
IV. OTHER OPERATIONS WITH DEBT SECURITIES (a-b)	- 443	- 109	954	- 197	844	- 217	- 739	3,513	998	1,890
a. Securities in the domestic market purchased by non residents	0	0	769	238	678	- 28	- 249	2,905	546	2,149
b. Securities in the foreign market purchased by residents	443	109	- 186	434	- 166	189	490	- 608	- 452	258
V. TOTAL	187	879	- 486	- 935	- 1,629	- 1,621	291	2,468	848	1,667

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Brady, Global and Cofide Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by residents.

3/ The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

The 2012 figure corresponds to the issuance of the Global Bond 2050 (US\$ 500 million) and Cofide Corporate 2022 Bond (US\$ 500 million).

4/ 2005 includes repayments to country members of the Paris Club (US\$ 1,555 million) and to Japan Peru Oil Co. Ltd JAPECO (US\$ 757 million).

2006 includes repayments to Japan Peru Oil Co. Ltd JAPECO (US\$ 85.8 million).

2007 includes amortization of Global Bonds 2012 and Brady Bonds (US\$ 2,435 million) and repayments to Paris Club member countries (US\$ 1,793 million) and to the CAF (US\$ 262 million).

2008 includes amortization due to repayments of Brady Bonds (US\$ 838 million) and to the CAF (US\$ 317 million).

2009 includes the repayment made to the country members of the Paris Club (US\$ 893 million).

2010 includes the swap of Global Bonds (US\$ 2,213 millions) and repayments of external debt to the government of Japan, BID and CAF (US\$ 2,020 million).

2012 includes amortization of Global Bond 2012 (US\$ 312 million).

5/ Preliminary data.

Source: BCRP, MEF, Cofide, and FCR.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 48
PUBLIC SECTOR NET EXTERNAL INDEBTEDNESS 1/
(Millions of US\$)

	New disbursements 2/ I	Amortization 3/ II	Refinance disbursements III	Others capitals 4/ IV	Net external indebtedness V=I-II+III+IV	Others adjustments 5/ VI	Outstanding debt change VII=V+VI
2003	2,161	1,228	0	0	933	1,120	2,053
2004	2,535	1,389	0	0	1,146	552	1,698
2005	2,656	3,719	15	15	1,063	1,124	2,187
2006	609	1,223	0	0	614	307	307
2007	3,384	5,691	0	0	2,307	417	1,890
2008	1,166	2,635	0	0	1,469	625	844
2009	3,229	1,879	0	0	1,349	14	1,363
2010 6/	4,261	5,268	0	0	1,007	312	696
2011 6/	990	868	0	0	122	177	299
2012 6/	1,448	1,215	0	0	233	35	198

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Bonds are classified according to the market where they are issued. Brady and Global Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by residents. The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

The 2012 figure corresponds to the issuance of the Global Bond 2050 (US\$ 500 million) and Cofide Corporate 2022 Bond (US\$ 500 million).

3/ Includes debt relief of amortizations.

2007 includes amortization of Global Bonds 2012 and Brady Bonds (US\$ 2,435 million) and prepayments to Paris Club member countries (US\$ 1,793 million) and to the CAF (US\$ 262 million).

2008 includes amortization due to prepayments of Brady Bonds (US\$ 838 million) and to the CAF (US\$ 317 million).

2009 includes the prepayment made to the country members of the Paris Club (US\$ 893 million).

2010 includes the swap of Global Bonds (US\$ 2,213 millions) and prepayments of external debt to the government of Japan, BID and CAF (US\$ 2,020 million).

2012 includes amortization of Global Bond 2012 (US\$ 312 million).

4/ Includes net movements and debt relief of arrears.

5/ Includes debt adjustment due to market value / face value difference and exchange rate variations.

6/ Preliminary data.

Source: BCRP, MEF, Cofide, and FCR.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 49
PUBLIC EXTERNAL DEBT 1/
DISBURSEMENTS BY FINANCIAL SOURCE
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multilateral organizations	699	1,049	788	484	951	996	1,041	1,344	661	364
Committed loans	180	186	207	184	151	171	501	469	511	249
Free disposable loans	519	862	581	300	800	825	540	875	150	115
Paris club	216	191	186	125	142	170	155	253	329	84
Committed loans	216	191	172	109	142	112	115	253	168	84
Free disposable loans	0	0	14	15	0	58	40	0	161	0
Bonds 2/	1,246	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000
Free disposable loans	1,246	1,295	1,682	0	2,290	0	2,033	2,664	0	1,000
Suppliers without insurance	0	0	0	0	0	0	0	0	0	0
Committed loans	0	0	0	0	0	0	0	0	0	0
International banks	0	0	0	0	0	0	0	0	0	0
Committed loans	0	0	0	0	0	0	0	0	0	0
Latin America	0	0	0	0	0	0	0	0	0	0
Committed loans	0	0	0	0	0	0	0	0	0	0
Other bilateral organizations 3/	0	0	0	0	0	0	0	0	0	0
Committed loans	0	0	0	0	0	0	0	0	0	0
TOTAL	2,161	2,535	2,656	609	3,384	1,166	3,229	4,261	990	1,448
Committed loans	396	377	379	294	294	283	616	722	679	333
Free disposable loans	1,765	2,158	2,277	315	3,090	883	2,613	3,539	311	1,115
Memo:										
Debt relief 4/	64	26	100	27	67	57	36	19	33	19

1/ Medium and long-term accounts; excludes loans to BCRP to support the balance of payments

2/ Bonds are classified according to the market where they are issued. Brady and Global Bonds were issued abroad so they are considered to be part of the public external debt, including the ones purchased by non-residents. The 2007 figure corresponds to debt management operations (repurchases and swaps of Global Bonds 2012 and Brady Bonds).

The 2009 figure corresponds to the issuance of the Global Bond 2019 (US\$ 995 million) and Global Bond 2025 (US\$ 1,038 million).

The 2010 figure corresponds to the issuance of the Global Bond 2033 (US\$ 1,664 million) and Global Bond 2050 (US\$ 1,000 million).

The 2012 figure corresponds to the issuance of the Global Bond 2050 (US\$ 500 million) and Cofide Corporate 2022 Bond (US\$ 500 million).

3/ Debt with Eastern Europe countries, Russia, and the People's Republic of China.

4/ Considers debt relief of current maturities and arrears.

5/ Preliminary data.

Source: BCRP, MEF and Cofide.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 50
PUBLIC EXTERNAL DEBT 1/
SETTLEMENTS BY FINANCIAL SOURCE, DESTINATION, AND MATURITY
(Millions of US\$)

	FINANCIAL SOURCE					USE				MATURITY		
	Multilateral organizations	Paris Club	Bonds 2/	International banks	Investment projects	Freely disposable funds 3/	Food imports	1 to 5 years	more than 5 years	TOTAL		
2003	1,281	0	1,250	60	382	2,209	0	38	2,553	2,591		
2004	1,059	26	1,299	0	219	2,159	6	0	2,384	2,384		
2005	505	14	400	0	155	764	0	0	919	919		
2006	513	115	0	0	403	215	10	0	628	628		
2007	558	71	0	0	229	400	0	1	628	629		
2008	934	109	0	0	478	565	0	0	1,043	1,043		
2009	542	213	1,000	0	265	1,490	0	0	1,755	1,755		
2010 3/	1,061	276	0	0	652	685	0	0	1,336	1,336		
2011 3/	581	0	0	0	456	125	0	0	581	581		
2012 3/	430	462	1,000	0	892	1,000	0	0	1,892	1,892		

1/ Medium and long-term debts; excludes loans to BCRP to support the balance of payments.

2/ Exclude issue of bonds to debt management operations.

3/ Preliminary data.

Source: BCRP and MEF.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 51
SHORT-TERM CAPITAL FINANCIAL ACCOUNT
 (Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. COMMERCIAL BANKS	117	86	103	- 497	- 1,552	- 1,384	- 87	855	- 805	- 2,016
Assets 2/	178	54	- 249	- 94	76	- 819	224	- 194	- 140	- 64
Liabilities 3/	- 61	32	352	- 403	- 1,476	- 566	- 311	- 1,049	- 664	- 2,080
2. BCRP 4/	0	0	0	0	850	- 181	- 583	- 80	0	0
3. BANCO DE LA NACION	1	17	- 39	- 55	45	43	- 30	- 11	- 4	- 51
Assets 2/	1	17	- 39	- 55	45	43	- 30	- 11	- 4	- 51
Liabilities 3/	0	0	0	0	0	0	0	0	0	0
4. NON BANK FINANCIAL COMPANIES	- 21	12	- 18	- 15	91	- 74	- 45	42	51	11
Assets 2/	3	- 59	- 10	- 23	- 44	- 6	- 20	3	- 1	- 27
Liabilities 3/	- 24	71	- 8	8	136	- 68	- 25	39	52	38
5. NON FINANCIAL SECTOR 5/	51	115	- 283	- 662	- 474	- 2,159	- 1,340	- 1,063	- 549	253
Assets 2/	22	- 20	- 373	- 755	- 1,123	- 1,197	- 774	- 1,642	- 1,174	179
Liabilities 3/	29	135	91	94	649	961	- 565	579	625	74
6. TOTAL SHORT TERM CAPITAL	147	230	- 236	- 1,229	- 2,065	562	- 2,085	- 258	- 1,307	- 2,228
Assets 2/	204	- 8	- 671	- 927	- 1,046	416	- 601	- 1,844	- 1,319	36
Liabilities 3/	- 56	238	435	- 302	- 3,111	146	- 1,484	- 1,587	12	- 2,192

1/ Preliminary data.

2/ Negative sign indicates increase of assets.

3/ Positive sign indicates increase of liabilities.

4/ Obligations in domestic currency with non-residents due to Certificates of Deposit issued by the BCRP.

5/ Net flow of foreign assets. Negative sign indicates increase of assets.

Source: BCRP Bank for International Settlements (BIS) and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 52
INTERNATIONAL INVESTMENT POSITION
(Millions of US\$ at period end)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. ASSETS	16,995	20,062	24,005	31,448	46,189	46,783	55,651	72,104	79,787	100,052
1. BCRP reserve assets	10,206	12,649	14,120	17,329	27,720	31,233	33,175	44,150	48,859	64,049
2. Financial system assets (excluding BCRP)	3,361	3,682	5,431	8,040	10,333	9,266	14,006	16,606	18,479	22,775
3. Other assets	3,428	3,731	4,454	6,079	8,135	6,284	8,470	11,347	12,450	13,227
II. LIABILITIES	45,148	47,214	50,936	57,914	79,124	78,657	89,312	114,910	125,094	146,427
1. Bonds and private and public external debt 2/	28,427	29,975	28,342	28,387	33,239	34,997	35,157	43,674	47,977	58,830
a. Medium and long-term debt	26,042	27,347	25,274	25,167	27,141	28,757	30,431	37,359	41,652	50,298
Private sector 3/	4,294	4,009	3,170	3,566	6,587	9,264	10,314	14,424	17,420	23,978
Public sector (i - ii + iii) 4/	21,748	23,337	22,105	21,601	20,555	19,494	20,117	22,934	24,232	26,320
i. External public debt purchased by residents	1,020	1,129	943	1,377	1,211	1,401	1,891	1,283	,831	1,089
ii. Public debt issued locally purchased by non-residents	0	0	769	1,007	1,685	1,657	1,408	4,313	4,859	7,008
b. Short-term debt	2,385	2,629	3,068	3,220	6,098	6,240	4,726	6,315	6,325	8,532
Financial system (excluding BCRP)	,591	,694	1,038	,783	2,395	1,761	1,425	2,514	1,901	4,019
BCRP	,12	,18	,23	,54	,921	,736	,124	,45	,43	,57
Others 5/	1,782	1,917	2,007	2,383	2,782	3,743	3,177	3,756	4,381	4,456
2. Direct investment	12,876	13,310	15,889	20,484	26,808	32,340	34,521	42,976	51,208	63,448
3. Capital participation	3,845	3,928	6,705	9,043	19,077	11,319	19,634	28,260	25,908	24,149

1/ Preliminary data.

2/ External public debt includes the debt of the central government and state enterprises. Today the latter represents less than 5 percent of total debt. The external public debt is mainly medium and long-term debt (99 percent).

3/ Includes bonds.

4/ Since these publication government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

5/ Includes mainly the short term debt of the non financial private sector.

Source: BCRP MEF, Cavali (CLV) S.A., Proinversión, and BIS.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 53
INTERNATIONAL INVESTMENT POSITION
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. ASSETS	27.7	28.8	30.2	34.0	43.0	36.8	43.7	46.8	45.2	50.1
1. BCRP reserve assets	16.6	18.1	17.8	18.7	25.8	24.6	26.0	28.7	27.7	32.1
2. Financial system assets (excluding BCRP)	5.5	5.3	6.8	8.7	9.6	7.3	11.0	10.8	10.5	11.4
3. Other assets	5.6	5.3	5.6	6.6	7.6	4.9	6.6	7.4	7.0	6.6
II. LIABILITIES	73.6	67.7	64.2	62.7	73.6	61.9	70.1	74.7	70.8	73.4
1. Bonds and private and public external debt 2/	46.3	43.0	35.7	30.7	30.9	27.5	27.6	28.4	27.2	29.5
a. Medium and long-term debt	42.4	39.2	31.8	27.2	25.3	22.6	23.9	24.3	23.6	25.2
Private sector 3/	7.0	5.7	4.0	3.9	6.1	7.3	8.1	9.4	9.9	12.0
Public sector (i - ii + iii) 4/	35.4	33.5	27.8	23.4	19.1	15.3	15.8	14.9	13.7	13.2
i. External public debt	37.1	35.1	28.1	23.8	18.7	15.1	16.2	12.9	11.4	10.2
ii. Public debt issued abroad purchased by residents	1.7	1.6	1.2	1.5	1.1	1.1	1.5	0.8	0.5	0.5
iii. Public debt issued locally purchased by non-residents	0.0	0.0	1.0	1.1	1.6	1.3	1.1	2.8	2.8	3.5
b. Short-term debt	3.9	3.8	3.9	3.5	5.7	4.9	3.7	4.1	3.6	4.3
Financial system (excluding BCRP)	1.0	1.0	1.3	0.8	2.2	1.4	1.1	1.6	1.1	2.0
BCRP	0.0	0.0	0.0	0.1	0.9	0.6	0.1	0.0	0.0	0.0
Others 5/	2.9	2.7	2.5	2.6	2.6	2.9	2.5	2.4	2.5	2.2
2. Direct investment	21.0	19.1	20.0	22.2	25.0	25.4	27.1	27.9	29.0	31.8
3. Capital participation	6.3	5.6	8.4	9.8	17.8	8.9	15.4	18.4	14.7	12.1

1/ Preliminary data.

2/ External public debt includes the debt of the central government and state enterprises. Today the latter represents less than 5 percent of total debt. The external public debt is mainly medium and long-term debt (99 percent).

3/ Includes bonds.

4/ Since these publication government bonds issued abroad and in the hands of residents are excluded from foreign liabilities of the public sector. Government bonds issued locally, in the hands of non-residents, are included foreign liabilities of this sector.

5/ Includes mainly the short term debt of the non financial private sector.

Source: BCRP, MEF, Cavali ICLV S.A., Prominver, and BIS.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 54
BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
								3/	3/	3/
Multilateral organizations	7,359	7,875	7,983	7,843	7,851	7,926	8,311	7,810	7,913	7,634
Paris Club	8,658	8,508	5,696	5,629	3,883	4,170	3,133	2,548	2,648	2,430
Bonds	5,630	6,944	8,393	8,392	8,262	6,880	8,906	9,308	9,299	10,008
Suppliers	1,034	1,070	158	73	60	56	51	40	30	26
Commercial banks	5	4	1	1	1	186	186	181	296	289
Latin America	50	42	33	25	20	15	11	9	7	5
Other bilateral organizations 2/	32	23	16	9	5	3	2	10	10	8
TOTAL	22,768	24,466	22,279	21,972	20,081	19,237	20,600	19,905	20,204	20,402

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.
2/ Former socialist countries. Includes the People's Republic of China.
3/ Preliminary data.
Source: BCRP, and MEF.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 55
BALANCE OF THE EXTERNAL PUBLIC DEBT BY FINANCIAL SOURCE 1/
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multilateral organizations	12.0	11.3	10.1	8.5	7.3	6.2	6.5	5.1	4.5	3.8
Paris Club	14.1	12.2	7.2	6.1	3.6	3.3	2.5	1.7	1.5	1.2
Bonds	9.2	10.0	10.6	9.1	7.7	5.4	7.0	6.0	5.3	5.0
Suppliers	1.7	1.5	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
Commercial banks	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.2	0.1
Latin America	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other bilateral organizations 2/	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	37.1	35.1	28.1	23.8	18.7	15.1	16.2	12.9	11.4	10.2

1/ Medium- and long-term accounts; excludes loans to BCRP to support the balance of payments.

2/ Former socialist countries. Includes the People's Republic of China.

3/ Preliminary data.

Source: BCRP and MEF

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 56
OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. PRIMARY BALANCE	1,035	2,308	4,192	12,721	15,805	14,816	- 2	4,168	15,116	16,879
1. Central government primary balance	613	1,351	2,970	10,080	10,842	13,013	- 721	5,251	9,774	11,872
a. Current revenue	31,683	35,334	41,029	53,048	60,795	68,039	60,895	74,726	88,225	97,287
i. Tax revenue 3/	27,510	31,089	35,557	45,798	52,362	58,304	52,614	64,462	75,541	84,079
ii. Non-tax revenue	4,173	4,245	5,472	7,250	8,433	9,735	8,282	10,264	12,685	13,208
b. Non-financial expenditure	31,432	34,172	38,446	43,328	50,338	55,420	62,060	70,256	78,746	85,759
i. Current expenditure	27,369	29,877	33,550	37,349	43,108	46,538	47,542	51,333	58,333	63,285
ii. Capital expenditure	4,063	4,295	4,896	5,979	7,230	8,882	14,519	18,923	20,413	22,474
c. Capital revenue 4/	361	189	386	361	385	394	444	781	295	344
2. Primary balance of other government levels	422	957	1,222	2,640	4,963	1,803	720	- 1,084	5,342	5,006
a. Rest of central government	191	322	- 193	1,166	854	844	1,040	883	1,878	2,908
b. Local governments	333	325	745	621	3,494	843	- 1,117	- 1,377	3,216	970
c. State enterprises	- 102	309	670	853	615	116	797	- 590	247	1,129
II. INTERESTS	4,605	4,865	5,061	5,660	6,007	5,883	5,006	5,083	5,541	5,568
1. External debt	3,763	3,951	4,175	4,337	4,287	3,350	3,101	2,927	2,655	2,755
2. Domestic debt	842	914	886	1,323	1,720	2,533	1,905	2,156	2,886	2,813
III. OVERALL BALANCE (I- II)	- 3,570	- 2,558	- 870	7,061	9,799	8,932	- 5,008	- 916	9,575	11,310
IV. NET FINANCING	3,570	2,558	870	- 7,061	- 9,799	- 8,932	5,008	916	- 9,575	- 11,310
1. External funding	2,928	3,600	- 3,813	- 1,790	- 6,398	- 3,472	4,069	- 2,077	748	- 1,388
(Millions of US\$) (a- b+c)	\$ 841	\$ 1,076	- \$ 1,167	- \$ 542	- \$ 2,085	- \$ 1,205	\$ 1,317	- \$ 728	\$ 277	- \$ 531
a. Disbursements	\$ 2,101	\$ 2,474	\$ 2,628	\$ 609	\$ 3,384	\$ 1,165	\$ 3,225	\$ 4,261	\$ 990	\$ 948
b. Amortization	\$ 1,187	\$ 1,348	\$ 3,678	\$ 1,193	\$ 5,661	\$ 2,604	\$ 1,843	\$ 5,184	\$ 831	\$ 1,175
c. Others 5/	- \$ 73	- \$ 49	- \$ 117	\$ 42	\$ 193	\$ 234	- \$ 65	\$ 195	\$ 118	- \$ 304
2. Domestic funding	462	- 1,432	4,498	- 5,575	- 3,850	- 5,617	837	2,574	- 10,458	- 9,948
3. Privatization	181	389	185	304	449	156	102	419	135	26

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Includes exceptional and short-term financing.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 57
OPERATIONS OF THE NON-FINANCIAL PUBLIC SECTOR 1/
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. PRIMARY BALANCE	0.5	1.0	1.6	4.2	4.7	4.0	0.0	1.0	3.1	3.2
1. Central government primary balance	0.3	0.6	1.1	3.3	3.2	3.5	-0.2	1.2	2.0	2.3
a. Current revenue	14.8	14.9	15.7	17.6	18.1	18.3	15.9	17.2	18.1	18.5
i. Tax revenue 3/	12.9	13.1	13.6	15.2	15.6	15.7	13.8	14.8	15.5	16.0
ii. Non-tax revenue	2.0	1.8	2.1	2.4	2.5	2.6	2.2	2.4	2.6	2.5
b. Non-financial expenditure	14.7	14.4	14.7	14.3	15.0	14.9	16.2	16.2	16.2	16.3
i. Current expenditure	12.8	12.6	12.8	12.4	12.8	12.5	12.4	11.8	12.0	12.0
ii. Capital expenditure	1.9	1.8	1.9	2.0	2.2	2.4	3.8	4.4	4.2	4.3
c. Capital revenue 4/	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1
2. Primary balance of other government levels	0.2	0.4	0.5	0.9	1.5	0.5	0.2	-0.2	1.1	1.0
a. Rest of central government	0.1	0.1	-0.1	0.4	0.3	0.2	0.3	0.2	0.4	0.6
b. Local governments	0.2	0.1	0.3	0.2	1.0	0.2	-0.3	-0.3	0.7	0.2
c. State enterprises	0.0	0.1	0.3	0.3	0.2	0.0	0.2	-0.1	0.1	0.2
II. INTERESTS	2.2	2.0	1.9	1.9	1.8	1.6	1.3	1.2	1.1	1.1
1. External debt	1.8	1.7	1.6	1.4	1.3	0.9	0.8	0.7	0.5	0.5
2. Domestic debt	0.4	0.4	0.3	0.4	0.5	0.7	0.5	0.5	0.6	0.5
III. OVERALL BALANCE (I-II)	-1.7	-1.1	-0.3	2.3	2.9	2.4	-1.3	-0.2	2.0	2.2
IV. NET FINANCING	1.7	1.1	0.3	-2.3	-2.9	-2.4	1.3	0.2	-2.0	-2.2
1. External funding	1.4	1.5	-1.5	-0.6	-1.9	-0.9	1.1	-0.5	0.2	-0.3
a. Disbursements	3.4	3.5	3.3	0.7	3.2	0.9	2.6	2.8	0.6	0.5
b. Amortization	1.9	1.9	4.6	1.3	5.3	2.0	1.4	3.4	0.5	0.6
c. Others 5/	-0.1	-0.1	-0.1	0.0	0.2	0.2	-0.1	0.1	0.1	-0.2
2. Domestic funding	0.2	-0.6	1.7	-1.8	-1.1	-1.5	0.2	0.6	-2.2	-1.9
3. Privatization	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Includes exceptional and short-term financing.

Source: MEF, Banco de la Nación, BCRP, SUNAT, ESsalud, public welfare agencies, local governments, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 58
OPERATIONS OF THE GENERAL GOVERNMENT
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
								1/	1/	1/
I. CURRENT REVENUE	37,357	41,493	47,601	60,260	69,565	78,656	72,214	87,148	102,134	113,528
1. Tax revenue 2/	28,094	31,774	36,311	46,574	53,531	59,689	53,890	65,961	77,261	86,097
2. Contributions	3,504	3,738	4,023	4,588	5,191	6,728	7,218	7,967	9,071	10,281
3. Other	5,759	5,981	7,268	9,097	10,843	12,238	11,107	13,221	15,802	17,150
II. NON FINANCIAL EXPENDITURE	36,604	39,713	44,492	48,847	54,777	64,377	73,458	83,172	87,574	98,045
1. Current expenditure	30,902	33,388	37,234	39,578	43,701	48,824	51,926	57,104	63,197	68,999
2. Capital expenditure	5,702	6,325	7,258	9,269	11,075	15,553	21,532	26,068	24,377	29,046
III. CAPITAL REVENUE	384	218	412	455	401	421	445	782	310	267
IV. PRIMARY BALANCE	1,137	1,999	3,522	11,868	15,190	14,700	- 798	4,757	14,869	15,750
V. INTERESTS	4,510	4,799	4,966	5,552	5,911	5,749	4,897	4,990	5,428	5,458
VI. OVERALL BALANCE	- 3,373	- 2,800	- 1,444	6,315	9,279	8,950	- 5,696	- 233	9,441	10,292
VII. NET FINANCING	3,373	2,800	1,444	- 6,315	- 9,279	- 8,950	5,696	233	- 9,441	- 10,292
1. External funding	2,681	3,614	- 3,816	- 1,932	- 6,842	- 3,902	4,174	- 2,909	505	- 530
(Millions of US\$) (a- b+c)	\$ 770	\$ 1,078	-\$ 1,167	-\$ 585	-\$ 2,231	-\$ 1,379	\$ 1,331	-\$ 1,022	\$ 187	-\$ 205
a. Disbursements	\$ 2,070	\$ 2,445	\$ 2,602	\$ 580	\$ 3,339	\$ 1,089	\$ 3,134	\$ 4,048	\$ 927	\$ 932
b. Amortization	\$ 1,161	\$ 1,328	\$ 3,654	\$ 1,159	\$ 5,621	\$ 2,556	\$ 1,792	\$ 5,129	\$ 741	\$ 1,129
c. Others	-\$ 139	-\$ 39	-\$ 114	-\$ 6	\$ 50	\$ 89	-\$ 11	\$ 59	\$ 1	-\$ 8
2. Domestic funding	512	- 1,203	5,074	- 4,687	- 2,886	- 5,205	1,420	2,723	- 10,081	- 9,788
3. Privatization	181	389	185	304	449	156	102	419	135	26

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance. Source: MEF, Banco de la Nación, BCRP, SUNAT, ESSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 59
OPERATIONS OF THE GENERAL GOVERNMENT
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. CURRENT REVENUE	17.5	17.4	18.2	19.9	20.7	21.2	18.9	20.1	21.0	21.6
1. Tax revenue 2/	13.2	13.4	13.9	15.4	16.0	16.1	14.1	15.2	15.9	16.4
2. Contributions	1.6	1.6	1.5	1.5	1.5	1.8	1.9	1.8	1.9	2.0
3. Other	2.7	2.5	2.8	3.0	3.2	3.3	2.9	3.0	3.2	3.3
II. NON FINANCIAL EXPENDITURE	17.2	16.7	17.0	16.2	16.3	17.3	19.2	19.1	18.0	18.6
1. Current expenditure	14.5	14.0	14.2	13.1	13.0	13.2	13.6	13.1	13.0	13.1
2. Capital expenditure	2.7	2.7	2.8	3.1	3.3	4.2	5.6	6.0	5.0	5.5
III. CAPITAL REVENUE	0.2	0.1	0.2	0.2	0.1	0.1	0.1	0.2	0.1	0.1
IV. PRIMARY BALANCE	0.5	0.8	1.3	3.9	4.5	4.0	-0.2	1.1	3.1	3.0
V. INTERESTS	2.1	2.0	1.9	1.8	1.8	1.5	1.3	1.1	1.1	1.0
VI. OVERALL BALANCE	-1.6	-1.2	-0.6	2.1	2.8	2.4	-1.5	-0.1	1.9	2.0
VII. NET FINANCING	1.6	1.2	0.6	-2.1	-2.8	-2.4	1.5	0.1	-1.9	-2.0
1. External funding (a- b+c)	1.3	1.5	-1.5	-0.6	-2.0	-1.1	1.1	-0.7	0.1	-0.1
a. Disbursements	3.4	3.5	3.3	0.6	3.1	0.9	2.5	2.6	0.5	0.5
b. Amortization	1.9	1.9	4.6	1.3	5.2	2.0	1.4	3.3	0.4	0.6
c. Others	-0.2	-0.1	-0.1	0.0	0.0	0.1	0.0	0.0	0.0	0.0
2. Domestic funding	0.2	-0.5	1.9	-1.6	-0.9	-1.4	0.4	0.6	-2.1	-1.9
3. Privatization	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.
Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 60
CENTRAL GOVERNMENT OPERATIONS
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010 1/	2011 1/	2012 1/
I. CURRENT REVENUE 2/	31,683	35,334	41,029	53,048	60,795	68,039	60,895	74,726	88,225	97,287
II. NON FINANCIAL EXPENDITURE	31,432	34,172	38,446	43,328	50,338	55,420	62,060	70,256	78,746	85,759
1. Current expenditure	27,369	29,877	33,550	37,349	43,108	46,538	47,542	51,333	58,333	63,285
2. Capital expenditure	4,063	4,295	4,896	5,979	7,230	8,882	14,519	18,923	20,413	22,474
III. CAPITAL REVENUE	361	189	386	361	385	394	444	781	295	344
IV. PRIMARY BALANCE	613	1,351	2,970	10,080	10,842	13,013	- 721	5,251	9,774	11,872
V. INTERESTS	4,191	4,381	4,795	5,418	5,525	5,128	4,867	4,766	5,039	5,233
VI. OVERALL BALANCE	- 3,578	- 3,030	- 1,825	4,663	5,317	7,885	-5,589	485	4,735	6,639
VII. NET FINANCING	3,578	3,030	1,825	- 4,663	- 5,317	- 7,885	5,589	- 485	- 4,735	- 6,639
1. External funding	3,386	3,840	- 3,121	- 1,832	- 6,831	- 4,083	4,229	- 3,055	593	- 459
(Millions of US\$) (a- b+c)	\$ 973	\$ 1,144	-\$ 955	-\$ 554	-\$ 2,229	-\$ 1,441	\$ 1,350	-\$ 1,074	\$ 219	-\$ 179
a. Disbursements	\$ 2,070	\$ 2,445	\$ 2,599	\$ 578	\$ 3,325	\$ 1,059	\$ 3,106	\$ 4,036	\$ 927	\$ 932
b. Amortization	\$ 1,161	\$ 1,328	\$ 3,654	\$ 1,159	\$ 5,621	\$ 2,556	\$ 1,792	\$ 5,129	\$ 741	\$ 1,129
c. Others	\$ 64	\$ 26	\$ 100	\$ 27	\$ 67	\$ 57	\$ 36	\$ 19	\$ 33	\$ 19
2. Domestic funding	12	- 1,200	4,761	- 3,135	1,065	- 3,958	1,259	2,151	- 5,464	- 6,206
3. Privatization	181	389	185	304	449	156	102	419	135	26

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.
Source: MEF, Banco de la Nación, BCRP, SUNAT, ESSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 61
CENTRAL GOVERNMENT OPERATIONS
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010 1/	2011 1/	2012 1/
I. CURRENT REVENUE 2/	14.8	14.9	15.7	17.6	18.1	18.3	15.9	17.2	18.1	18.5
II. NON FINANCIAL EXPENDITURE	14.7	14.4	14.7	14.3	15.0	14.9	16.2	16.2	16.2	16.3
1. Current expenditure	12.8	12.6	12.8	12.4	12.8	12.5	12.4	11.8	12.0	12.0
2. Capital expenditure	1.9	1.8	1.9	2.0	2.2	2.4	3.8	4.4	4.2	4.3
III. CAPITAL REVENUE	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1
IV. PRIMARY BALANCE	0.3	0.6	1.1	3.3	3.2	3.5	-0.2	1.2	2.0	2.3
V. INTERESTS	2.0	1.8	1.8	1.8	1.6	1.4	1.3	1.1	1.0	1.0
VI. OVERALL BALANCE	- 1.7	- 1.3	-0.7	1.5	1.6	2.1	- 1.5	0.1	1.0	1.3
VII. NET FINANCING	1.7	1.3	0.7	- 1.5	- 1.6	- 2.1	1.5	- 0.1	- 1.0	- 1.3
1. External funding (a- b+c)	1.6	1.6	- 1.2	- 0.6	- 2.0	- 1.1	1.1	- 0.7	0.1	- 0.1
a. Disbursements	3.4	3.5	3.3	0.6	3.1	0.9	2.5	2.6	0.5	0.5
b. Amortization	1.9	1.9	4.6	1.3	5.2	2.0	1.4	3.3	0.4	0.6
c. Others	0.1	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0
2. Domestic funding	0.0	-0.5	1.8	- 1.0	0.3	- 1.1	0.3	0.5	- 1.1	- 1.2
3. Privatization	0.1	0.2	0.1	0.1	0.1	0.0	0.0	0.1	0.0	0.0

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.
Source: MEF, Banco de la Nación, BCRP, SUNAT, ESsalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 62
GENERAL GOVERNMENT CURRENT REVENUES
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
								1/	1/	1/
I. TAX REVENUE	28,094	31,774	36,311	46,574	53,531	59,689	53,890	65,961	77,261	86,097
1. Income tax	7,972	9,026	11,188	18,414	22,847	24,146	20,346	25,802	33,628	37,278
- Individuals	2,585	2,798	3,196	3,926	4,477	5,356	5,608	6,285	7,931	9,070
- Corporate	4,298	5,230	5,953	11,205	14,373	16,313	12,269	16,428	21,432	23,429
- Regularization	1,089	999	2,038	3,283	3,997	2,477	2,470	3,089	4,265	4,779
2. Import tariffs	2,550	2,744	3,143	2,847	2,198	1,911	1,493	1,803	1,380	1,526
3. Value-added tax (VAT)	14,116	16,203	18,302	21,517	25,258	31,587	29,520	35,536	40,424	44,042
- Domestic VAT	8,458	9,513	10,587	11,982	13,586	15,752	17,322	19,629	22,029	24,543
- VAT on imports	5,658	6,689	7,715	9,535	11,673	15,835	12,198	15,908	18,395	19,499
4. Excise tax	4,526	4,469	4,066	4,042	4,291	3,459	4,145	4,668	4,718	4,918
- Fuel	3,285	3,176	2,607	2,399	2,419	1,457	2,255	2,410	2,231	2,149
- Other	1,241	1,292	1,459	1,643	1,872	2,003	1,890	2,258	2,487	2,769
5. Other tax revenues	2,003	2,849	3,728	4,136	5,033	5,770	5,725	6,098	6,818	8,920
6. Tax refunds 2/	- 3,073	- 3,517	- 4,116	- 4,382	- 6,097	- 7,184	- 7,339	- 7,947	- 9,707	- 10,587
II. NON-TAX REVENUE	9,263	9,719	11,291	13,685	16,034	18,966	18,325	21,187	24,873	27,431
1. Contributions to Essalud and ONP	3,504	3,738	4,023	4,588	5,191	6,728	7,218	7,967	9,071	10,281
2. Royalties: oil, gas and mining	457	462	1,103	1,559	1,788	2,459	1,597	2,523	3,756	2,850
3. Oil canon	401	513	878	1,105	1,181	1,633	1,241	1,840	2,673	2,910
4. Other revenues 3/	4,902	5,006	5,287	6,433	7,874	8,146	8,269	8,858	9,373	11,391
III. TOTAL (I+II)	37,357	41,493	47,601	60,260	69,565	78,656	72,214	87,148	102,134	113,528

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Includes equity and current transfers, interest and earnings transfer of the Banco de la Nación and BCRP.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions.

Elaborated by the Department of Economic Studies, BCRP

APPENDIX 63
GENERAL GOVERNMENT CURRENT REVENUES
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. TAX REVENUE	13.2	13.4	13.9	15.4	16.0	16.1	14.1	15.2	15.9	16.4
1. Income tax	3.7	3.8	4.3	6.1	6.8	6.5	5.3	5.9	6.9	7.1
- Individuals	1.2	1.2	1.2	1.3	1.3	1.4	1.5	1.4	1.6	1.7
- Corporate	2.0	2.2	2.3	3.7	4.3	4.4	3.2	3.8	4.4	4.5
- Regularization	0.5	0.4	0.8	1.1	1.2	0.7	0.6	0.7	0.9	0.9
2. Import tariffs	1.2	1.2	1.2	0.9	0.7	0.5	0.4	0.4	0.3	0.3
3. Value-added tax (VAT)	6.6	6.8	7.0	7.1	7.5	8.5	7.7	8.2	8.3	8.4
- Domestic VAT	4.0	4.0	4.0	4.0	4.0	4.2	4.5	4.5	4.5	4.7
- VAT on imports	2.7	2.8	2.9	3.2	3.5	4.3	3.2	3.7	3.8	3.7
4. Excise tax	2.1	1.9	1.6	1.3	1.3	0.9	1.1	1.1	1.0	0.9
- Fuel	1.5	1.3	1.0	0.8	0.7	0.4	0.6	0.6	0.5	0.4
- Other	0.6	0.5	0.6	0.5	0.6	0.5	0.5	0.5	0.5	0.5
5. Other tax revenues	0.9	1.2	1.4	1.4	1.5	1.6	1.5	1.4	1.4	1.7
6. Tax refunds 2/	- 1.4	- 1.5	- 1.6	- 1.4	- 1.8	- 1.9	- 1.9	- 1.8	- 2.0	- 2.0
II. NON-TAX REVENUE	4.3	4.1	4.3	4.5	4.8	5.1	4.8	4.9	5.1	5.2
1. Contributions to Essalud and ONP	1.6	1.6	1.5	1.5	1.5	1.8	1.9	1.8	1.9	2.0
2. Royalties: oil, gas and mining	0.2	0.2	0.4	0.5	0.5	0.7	0.4	0.6	0.8	0.5
3. Oil canon	0.2	0.2	0.3	0.4	0.4	0.4	0.3	0.4	0.5	0.6
4. Other revenues 3/	2.3	2.1	2.0	2.1	2.3	2.2	2.2	2.0	1.9	2.2
III. TOTAL (I+II)	17.5	17.4	18.2	19.9	20.7	21.2	18.9	20.1	21.0	21.6

1/ Preliminary data.

2/ Includes the methodological change implemented in the recording of tax refunds established by SUNAT (Nota Tributaria published in March 2010) according to which tax refunds are recorded on the corresponding date of issuance.

3/ Includes equity and current transfers, interest and earnings transfer of the Banco de la Nación and BCRP.

Source: MEF, Banco de la Nación, BCRP, SUNAT, EsSalud, public welfare agencies, local governments, state-owned enterprises, and public institutions. Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 64
GENERAL GOVERNMENT EXPENDITURE
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										1/
I. NON FINANCIAL EXPENDITURE	36,604	39,713	44,492	48,847	54,777	64,377	73,458	83,172	87,574	98,045
1. Current	30,902	33,388	37,234	39,578	43,701	48,824	51,926	57,104	63,197	68,999
a. Wages and salaries	12,392	13,293	14,801	15,921	16,665	18,006	19,653	20,801	22,843	25,270
b. Goods and services	9,762	10,639	12,134	13,382	14,536	16,281	19,137	22,295	23,888	28,457
c. Transfers	8,748	9,455	10,299	10,275	12,500	14,537	13,136	14,008	16,466	15,272
2. Capital expenditure	5,702	6,325	7,258	9,269	11,075	15,553	21,532	26,068	24,377	29,046
a. Gross capital formation	5,214	5,828	6,863	8,580	10,370	14,875	19,632	23,978	22,828	27,345
b. Other	488	497	395	689	706	678	1,901	2,091	1,549	1,701
II. INTERESTS	4,510	4,799	4,966	5,552	5,911	5,749	4,897	4,990	5,428	5,458
1. Domestic debt	788	878	828	1,256	1,665	2,436	1,831	2,099	2,818	2,749
2. External debt	3,722	3,921	4,138	4,297	4,247	3,314	3,066	2,891	2,609	2,709
III. TOTAL (+II)	41,115	44,511	49,458	54,399	60,688	70,127	78,355	88,162	93,002	103,502

1/ Preliminary data.
Source: MEF, Banco de la Nación, BCRP and SUNAT.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 65
GENERAL GOVERNMENT EXPENDITURE
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
										1/
I. NON FINANCIAL EXPENDITURE	17.2	16.7	17.0	16.2	16.3	17.3	19.2	19.1	18.0	18.6
1. Current	14.5	14.0	14.2	13.1	13.0	13.2	13.6	13.1	13.0	13.1
a. Wages and salaries	5.8	5.6	5.7	5.3	5.0	4.9	5.1	4.8	4.7	4.8
b. Goods and services	4.6	4.5	4.6	4.4	4.3	4.4	5.0	5.1	4.9	5.4
c. Transfers	4.1	4.0	3.9	3.4	3.7	3.9	3.4	3.2	3.4	2.9
2. Capital expenditure	2.7	2.7	2.8	3.1	3.3	4.2	5.6	6.0	5.0	5.5
a. Gross capital formation	2.4	2.4	2.6	2.8	3.1	4.0	5.1	5.5	4.7	5.2
b. Other	0.2	0.2	0.2	0.2	0.2	0.2	0.5	0.5	0.3	0.3
II. INTERESTS	2.1	2.0	1.9	1.8	1.8	1.5	1.3	1.1	1.1	1.0
1. Domestic debt	0.4	0.4	0.3	0.4	0.5	0.7	0.5	0.5	0.6	0.5
2. External debt	1.7	1.6	1.6	1.4	1.3	0.9	0.8	0.7	0.5	0.5
III. TOTAL (+II)	19.3	18.7	18.9	18.0	18.1	18.9	20.5	20.3	19.1	19.7

1/ Preliminary data.
Source: MEF, Banco de la Nación, BCRP and SUNAT.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 66
GENERAL GOVERNMENT GROSS CAPITAL FORMATION
(% structure)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
ECONOMIC SECTORS	53	50	45	48	49	47	52	55	53	51
1. Agriculture	15	12	10	12	13	11	9	8	7	8
2. Transport and communications	33	32	29	31	29	31	37	42	42	39
3. Energy and mining	4	4	4	2	5	4	4	4	3	3
4. Industry, commerce, tourism, and integration	1	1	1	2	1	2	2	1	1	1
5. Fishing	0	0	0	0	1	0	0	0	0	0
SOCIAL SECTOR	29	33	35	34	33	36	30	29	33	31
1. Education	14	14	17	14	10	15	14	15	15	13
2. Health	10	11	14	18	21	20	16	14	18	18
3. Labor and other sectors	5	7	5	2	2	2	0	0	0	0
GENERAL SECTOR 2/	8	9	10	7	8	9	12	10	12	11
MULTISECTOR PROGRAMS 3/	9	9	10	11	10	8	7	6	2	7
TOTAL	100	100	100	100	100	100	100	100	100	100

1/ Preliminary data.

2/ Includes Presidency of Council of Ministers, Ministry of Justice, Ministry of Interior, Ministry of Foreign Affairs, and MEF.

3/ Includes projects in different sectors.

Source: MEF.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 67 LOCAL GOVERNMENT OPERATIONS (Millions of nuevos soles)											
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
								1/	1/	1/	
I. CURRENT REVENUES	4,631	5,375	6,487	8,056	11,872	12,736	11,586	12,482	15,028	16,817	
II. NON FINANCIAL EXPENDITURE	4,465	5,123	5,866	7,858	9,162	13,332	15,578	17,397	16,684	22,043	
1. Current expenditure	2,795	3,124	3,537	3,941	4,780	5,826	6,275	7,285	7,947	9,596	
2. Capital expenditure	1,670	1,998	2,329	3,918	4,382	7,507	9,303	10,112	8,737	12,447	
III. CAPITAL REVENUE	167	73	123	423	783	1,439	2,875	3,539	4,872	6,196	
IV. PRIMARY BALANCE (I- II+III)	333	325	745	621	3,494	843	- 1,117	- 1,377	3,216	970	
V. INTERESTS	84	84	66	45	27	32	34	36	26	26	
VI. OVERALL BALANCE	249	241	679	577	3,466	811	- 1,151	- 1,413	3,190	944	

1/ Preliminary data.
Source: Local governments, Contaduría Pública de la Nación.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 68
LOCAL GOVERNMENT OPERATIONS
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
								1/	1/	1/
I. CURRENT REVENUES	2.2	2.3	2.5	2.7	3.5	3.4	3.0	2.9	3.1	3.2
II. NON FINANCIAL EXPENDITURE	2.1	2.2	2.2	2.6	2.7	3.6	4.1	4.0	3.4	4.2
1. Current expenditure	1.3	1.3	1.4	1.3	1.4	1.6	1.6	1.7	1.6	1.8
2. Capital expenditure	0.8	0.8	0.9	1.3	1.3	2.0	2.4	2.3	1.8	2.4
III. CAPITAL REVENUE	0.1	0.0	0.0	0.1	0.2	0.4	0.8	0.8	1.0	1.2
IV. PRIMARY BALANCE (I- II+III)	0.2	0.1	0.3	0.2	1.0	0.2	-0.3	-0.3	0.7	0.2
V. INTERESTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VI. OVERALL BALANCE	0.1	0.1	0.3	0.2	1.0	0.2	-0.3	-0.3	0.7	0.2

1/ Preliminary data.
Source: Local governments, Contaduría Pública de la Nación.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 69
OPERATION OF NON FINANCIAL STATE ENTERPRISES
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
								1/	1/	1/
I. CURRENT REVENUE	11,829	14,077	16,257	16,394	16,812	20,985	19,068	21,700	26,158	26,544
1. Petroperú	6,964	8,818	10,427	10,259	10,061	13,408	10,609	13,306	17,349	17,117
2. Electroperú	1,363	1,323	1,659	1,701	1,406	1,498	1,486	1,112	1,067	1,371
3. Regionales de Electricidad	1,465	1,709	1,865	1,981	2,310	2,467	2,846	2,798	3,207	3,733
4. Sedapal	680	702	706	805	892	986	1,112	1,099	1,275	1,371
6. Other	1,358	1,525	1,600	1,648	2,142	2,625	3,016	3,385	3,260	2,951
II. NON FINANCIAL EXPENDITURE	11,128	13,226	14,852	14,922	15,502	19,748	16,698	20,402	24,557	24,482
1. Petroperú	7,038	8,648	10,096	10,074	9,994	13,858	10,083	13,387	17,312	16,786
2. Electroperú	1,149	1,332	1,331	1,379	1,498	1,202	1,213	1,134	941	1,163
3. Regionales de Electricidad	1,189	1,365	1,470	1,666	1,804	2,002	2,377	2,379	2,688	3,140
4. Sedapal	472	464	498	476	547	616	696	701	798	907
6. Other	1,280	1,417	1,457	1,328	1,659	2,070	2,329	2,802	2,818	2,486
III. CAPITAL EXPENDITURE	965	797	850	909	1,252	1,465	2,022	2,180	1,597	1,414
1. Petroperú	68	17	32	70	78	99	90	165	201	223
2. Electroperú	168	91	150	134	138	116	202	369	26	22
3. Regionales de Electricidad	387	389	352	251	435	438	686	590	399	347
4. Sedapal	172	194	222	257	352	530	664	567	447	271
6. Other	170	106	96	196	248	282	381	489	523	551
IV. CAPITAL REVENUE	162	255	115	290	558	344	449	293	243	481
V. PRIMARY BALANCE (I- II- III+IV)	102	309	670	853	615	116	797	590	247	1,129
1. Petroperú	143	153	300	162	12	549	435	245	164	108
2. Electroperú	45	100	178	188	230	180	71	391	99	186
3. Regionales de Electricidad	51	210	178	199	328	150	228	47	188	306
4. Sedapal	36	44	13	162	170	136	192	169	87	424
6. Other	92	2	27	142	359	199	255	169	37	104
VI. INTERESTS	95	67	95	107	96	134	109	93	114	110
VII. OVERALL BALANCE 2/	197	242	574	746	520	18	688	683	134	1,018
1. Petroperú	155	143	287	144	27	607	401	255	174	96
2. Electroperú	45	100	178	188	230	180	71	391	99	186
3. Regionales de Electricidad	30	190	158	168	300	119	194	34	165	288
4. Sedapal	12	19	66	111	124	97	228	233	13	349
6. Other	105	10	17	134	354	193	249	163	31	100

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 70
OPERATION OF NON FINANCIAL STATE ENTERPRISES
(% of GDP)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. CURRENT REVENUE	5.5	5.9	6.2	5.4	5.0	5.7	5.0	5.0	5.4	5.0
1. Petroperú	3.3	3.7	4.0	3.4	3.0	3.6	2.8	3.1	3.6	3.3
2. Electroperú	0.6	0.6	0.6	0.6	0.4	0.4	0.4	0.3	0.2	0.3
3. Regionales de Electricidad	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.6	0.7	0.7
4. Sedapal	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
6. Other	0.6	0.6	0.6	0.5	0.6	0.7	0.8	0.8	0.7	0.6
II. NON FINANCIAL EXPENDITUR E	5.2	5.6	5.7	4.9	4.6	5.3	4.4	4.7	5.0	4.7
1. Petroperú	3.3	3.6	3.9	3.3	3.0	3.7	2.6	3.1	3.6	3.2
2. Electroperú	0.5	0.6	0.5	0.5	0.4	0.3	0.3	0.3	0.2	0.2
3. Regionales de Electricidad	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.5	0.6	0.6
4. Sedapal	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
6. Other	0.6	0.6	0.6	0.4	0.5	0.6	0.6	0.6	0.6	0.5
III. CAPITAL EXPENDITUR E	0.5	0.3	0.3	0.3	0.4	0.4	0.5	0.5	0.3	0.3
1. Petroperú	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2. Electroperú	0.1	0.0	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
3. Regionales de Electricidad	0.2	0.2	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
4. Sedapal	0.1	0.1	0.1	0.1	0.1	0.1	0.2	0.1	0.1	0.1
6. Other	0.1	0.0	0.0	0.1	0.1	0.1	0.1	0.1	0.1	0.1
IV. CAPITAL REVENUE	0.1	0.1	0.0	0.1	0.2	0.1	0.1	0.1	0.0	0.1
V. PRIMARY BALANCE (I- II- III+IV)	0.0	0.1	0.3	0.3	0.2	0.0	0.2	-0.1	0.1	0.2
1. Petroperú	-0.1	0.1	0.1	0.1	0.0	-0.1	0.1	-0.1	0.0	0.0
2. Electroperú	0.0	0.0	0.1	0.1	-0.1	0.0	0.0	-0.1	0.0	0.0
3. Regionales de Electricidad	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1
4. Sedapal	0.0	0.0	0.0	0.1	0.1	0.0	-0.1	0.0	0.0	0.1
6. Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.0	0.0	0.0
VI. INTERESTS	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
VII. OVERALL BALANCE 2/	-0.1	0.1	0.2	0.2	0.2	0.0	0.2	-0.2	0.0	0.2
1. Petroperú	-0.1	0.1	0.1	0.0	0.0	-0.2	0.1	-0.1	0.0	0.0
2. Electroperú	0.0	0.0	0.1	0.1	-0.1	0.0	0.0	-0.1	0.0	0.0
3. Regionales de Electricidad	0.0	0.1	0.1	0.1	0.1	0.0	0.1	0.0	0.0	0.1
4. Sedapal	0.0	0.0	0.0	0.0	0.0	0.0	-0.1	0.0	0.0	0.1
6. Other	0.0	0.0	0.0	0.0	0.1	0.1	0.1	-0.1	0.0	0.0

1/ Preliminary data.

2/ The difference between revenue and payments in cash is reflected in the cash flow. "Profits" refers to the difference between revenue and expenses recorded as accruals and included in the Income Statement.

Source: State-owned companies and FONAFE.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 71
NET PUBLIC DEBT

	Millions of nuevos soles			% of GDP		
	Assets	Liabilities	Net debt	Assets	Liabilities	Net debt
2003	17,846	100,097	82,252	8.4	46.9	38.5
2004	18,808	101,389	82,581	7.9	42.6	34.7
2005	20,792	102,938	82,146	7.9	39.3	31.4
2006	25,435	97,586	72,151	8.4	32.3	23.9
2007	38,061	95,604	57,543	11.3	28.5	17.1
2008	45,649	96,255	50,606	12.3	25.9	13.6
2009	47,003	99,215	52,212	12.3	26.0	13.7
2010 1/	50,852	102,150	51,298	11.7	23.5	11.8
2011 1/	63,796	103,856	40,059	13.1	21.4	8.2
2012 1/	78,429	103,825	25,396	14.9	19.7	4.8

1/ Preliminary data.
Source: BCRP and MEF.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 72
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/
(% of GDP)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Credit to the private sector
2003	3.0	4.4	3.2	7.5	13.2	20.7	5.6	15.6	21.2
2004	3.4	5.2	3.7	9.0	11.9	20.9	5.6	13.7	19.3
2005	3.8	5.9	4.9	10.8	12.6	23.4	6.9	13.8	20.7
2006	3.9	6.3	4.8	11.0	11.5	22.5	7.8	11.9	19.8
2007	4.4	7.3	6.1	13.4	11.6	25.0	9.8	13.0	22.8
2008	4.7	7.8	7.6	15.4	13.0	28.4	13.0	14.7	27.7
2009	5.0	8.7	8.4	17.1	12.3	29.4	14.9	13.1	28.0
2010	5.6	9.8	9.8	19.6	11.8	31.5	15.9	13.6	29.5
2011	5.6	10.0	10.4	20.5	11.9	32.4	17.1	13.8	30.9
2012	6.1	10.9	12.3	23.2	10.3	33.5	18.3	13.8	32.1

1/ Data at period end.
Source: Depository Institutions.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 73
EVOLUTION OF LIQUIDITY AND CREDIT TO THE PRIVATE SECTOR 1/
(% change)

	Currency	Money	Quasi money	Broad money in domestic currency	Broad money in foreign currency	Broad money	Credit to the private sector in domestic currency	Credit to the private sector in foreign currency	Credit to the private sector
2003	9.6	10.7	4.8	7.9	0.7	3.1	13.7	- 5.7	- 1.5
2004	21.4	24.9	12.8	19.5	-0.5	6.2	8.6	- 1.6	1.0
2005	28.5	29.5	43.1	35.3	2.1	14.7	20.4	2.7	7.5
2006	17.3	17.0	17.4	17.2	14.3	15.6	37.1	4.5	14.4
2007	24.6	29.7	35.9	32.5	9.4	19.9	36.0	11.6	20.5
2008	28.5	32.2	58.3	44.2	9.5	27.0	42.9	18.8	28.7
2009	8.2	8.1	8.4	8.2	21.3	13.8	32.2	7.9	19.0
2010	20.7	28.0	23.7	25.8	- 1.4	13.4	19.3	5.0	12.3
2011	19.9	18.6	24.3	21.5	14.9	18.9	20.8	29.3	24.7
2012	15.2	17.6	27.0	22.4	1.0	14.2	17.8	1.7	10.1

1/ Data at period end.
Source: Depository institutions.
Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 74
MONETARY ACCOUNTS OF THE FINANCIAL SYSTEM 1/
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. SHORT TERM EXTERNAL ASSETS (Millions of US\$)	35,273	41,200	47,952	56,487	79,120	98,408	96,575	125,957	132,726	158,804
A. Assets	10,194	12,561	13,980	17,652	26,373	31,340	33,417	44,824	49,158	62,276
B. Liabilities	37,671	43,500	51,590	58,982	86,151	103,749	100,599	129,222	137,361	168,778
	2,398	2,300	3,638	2,495	7,031	5,341	4,024	3,265	4,635	9,975
II. OTHER NET OPERATIONS ABROAD (Millions of US\$) 2/	7,725	8,199	13,640	19,020	15,329	5,641	21,282	19,703	18,142	19,163
A. Credits	1,704	1,945	3,287	4,959	4,703	1,263	6,128	5,743	5,386	6,261
B. Liabilities	13,122	13,878	19,262	25,304	31,120	26,652	38,159	44,545	46,951	54,462
	5,398	5,679	5,621	6,285	15,791	21,011	16,876	24,842	28,809	35,299
III. DOMESTIC CREDIT (A+B- C+D)	29,789	32,583	39,241	47,007	63,297	59,936	77,754	94,600	102,651	114,565
A. Public sector	-5,688	-6,727	-6,041	-6,427	-13,766	-21,617	-16,086	-22,383	-36,300	-51,050
1. Credits	13,010	13,226	15,397	17,722	23,025	22,736	29,624	27,175	26,057	26,244
- Central government	12,436	12,693	15,030	17,494	22,828	21,943	29,031	26,667	25,327	25,799
- Rest of the public sector	574	533	367	228	197	793	592	507	730	445
2. Deposits	18,698	19,953	21,438	24,148	36,791	44,352	45,710	49,558	62,356	77,294
- Central government	7,817	9,911	11,997	13,920	21,530	29,640	32,002	36,205	48,175	59,528
- Rest of the public sector	10,881	10,042	9,441	10,228	15,261	14,712	13,707	13,353	14,182	17,766
B. Private sector	58,425	61,502	72,064	83,558	108,509	124,066	136,993	164,468	187,547	213,416
Domestic currency	19,838	23,450	29,638	40,986	57,593	65,184	80,866	100,707	110,194	126,647
Foreign currency	38,587	38,051	42,426	42,572	50,916	58,882	56,127	63,762	77,353	86,769
(Millions of US\$)	11,152	11,601	12,369	13,304	16,972	18,752	19,421	22,691	28,649	34,027
C. Capital, reserves, provisions, and balances	33,447	33,451	36,880	41,507	46,063	54,089	58,850	65,874	70,614	75,850
D. Others Assets and Liabilities (Net)	10,500	11,259	10,098	11,383	14,617	11,575	15,696	18,389	22,017	28,049
IV. MONETARY LIABILITIES WITH THE PRIVATE SEC TOR (I+II+III)	72,786	81,982	100,833	122,514	157,746	163,984	195,611	240,259	253,519	292,531
A. Domestic currency	38,808	47,954	61,814	80,610	109,409	109,358	138,949	178,158	186,699	228,592
1. Money	9,312	12,420	15,489	18,975	24,476	28,930	33,147	42,651	48,766	57,488
Notes and coins held by the public	6,319	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244
Demand deposits in domestic currency	2,993	4,438	5,453	7,288	9,618	11,595	13,905	18,519	21,505	25,244
2. Quasi money	29,496	35,534	46,325	61,635	84,933	80,428	105,803	135,507	137,933	171,104
Saving deposits	3,587	4,174	5,739	6,613	8,534	11,659	13,808	18,084	22,409	26,922
Term deposits	2,944	4,403	6,458	7,052	11,213	15,755	17,668	23,485	26,863	35,818
Pension funds	21,844	25,651	32,223	45,547	60,406	49,380	68,595	86,391	81,052	95,907
Other securities	1,122	1,307	1,905	2,423	4,780	3,634	5,732	7,546	7,608	12,457
B. Quasi money in foreign currency	33,978	34,028	39,019	41,903	48,336	54,627	56,662	62,100	66,820	63,939
(Millions of US\$)	9,820	10,374	11,376	13,095	16,112	17,397	19,606	22,102	24,748	25,074
1. Deposits	27,655	27,844	32,579	34,375	38,648	47,935	47,033	51,333	57,870	54,173
2. Other	6,323	6,184	6,440	7,529	9,688	6,691	9,630	10,769	8,951	9,766

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of each period.

2/ Balance of operations in foreign currency.

3/ Preliminary data.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 75
MONETARY ACCOUNTS OF THE DEPOSITORY INSTITUTIONS 1/
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011 ^{3/}	2012 ^{3/}
I. SHORT TERM EXTERNAL ASSETS (Millions of US\$)	35,524	41,332	48,030	56,511	79,503	98,480	96,516	126,018	132,815	158,915
A. Assets	10,267	12,601	14,003	17,660	26,501	31,363	33,397	44,846	49,191	62,320
B. Liabilities	37,507	43,336	51,349	58,683	85,824	103,294	100,126	128,771	136,939	168,259
	1,983	2,004	3,319	2,172	6,321	4,814	3,609	2,753	4,124	9,344
II. OTHER NET OPERATIONS ABROAD (Millions of US\$) 2/	1,378	770	758	638	- 8,920	- 13,745	- 9,631	- 18,071	- 21,575	- 27,055
A. Credits	385	230	233	133	- 1,996	- 3,334	- 2,817	- 5,916	- 7,398	- 9,795
B. Liabilities	5,207	4,820	4,747	5,142	4,719	4,784	5,377	4,979	5,008	5,190
	3,829	4,050	3,989	4,504	13,639	18,528	15,008	23,050	26,583	32,246
III. Domestic credit (A+B- C+D)	7,296	7,541	12,315	10,967	13,234	20,513	25,536	28,885	46,219	44,597
A. Public sector	- 10,338	- 12,798	- 14,092	- 17,595	- 29,767	- 36,287	- 34,740	- 41,179	- 53,115	- 68,644
1. Credits	7,625	6,751	6,969	6,211	6,662	7,613	10,642	8,090	8,916	8,329
- Central government	7,052	6,218	6,602	5,983	6,465	6,820	10,050	7,583	8,185	7,884
- RRest of the public sector	574	533	367	228	197	793	592	507	730	445
2. Deposits	17,963	19,548	21,061	23,806	36,429	43,900	45,382	49,269	62,031	76,973
- Central government	7,546	9,759	11,817	13,830	21,418	29,553	31,897	36,068	47,988	59,380
- Rest of the public sector	10,417	9,789	9,244	9,976	15,011	14,347	13,484	13,201	14,042	17,593
B. Private sector	44,203	44,607	52,610	57,027	74,150	99,257	104,189	121,587	147,861	167,586
Domestic currency	11,983	13,372	18,124	23,708	32,849	48,268	56,925	68,981	83,034	96,350
Foreign currency	32,220	31,235	34,486	33,319	41,302	50,989	47,263	52,606	64,828	71,237
(Millions of US\$)	9,312	9,523	10,054	10,412	13,767	16,239	16,354	18,721	24,010	27,936
C. Capital, reserves, provisions, and balances	23,443	23,390	24,446	25,336	28,907	35,128	38,815	42,864	45,684	49,391
D. Others Assets and Liabilities (Net)	- 3,126	- 878	- 1,756	- 3,128	- 2,242	- 7,329	- 5,097	- 8,659	- 2,844	- 4,954
IV. MONETARY LIABILITIES WITH THE Private sec tor (I+II+III)	44,198	49,643	61,104	68,116	83,818	105,249	112,422	136,832	157,459	176,457
A. Domestic currency	16,174	21,446	28,264	33,340	44,866	57,083	65,324	85,366	99,520	122,227
1. Money	9,312	12,420	15,489	18,975	24,476	28,930	33,147	42,651	48,766	57,488
Notes and coins held by the public	6,319	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244
Demand deposits in domestic currency	2,993	4,438	5,453	7,288	9,618	11,595	13,905	18,519	21,505	25,244
2. Quasi money	6,862	9,027	12,775	14,364	20,390	28,153	32,178	42,715	50,754	64,739
Saving deposits	3,587	4,174	5,739	6,613	8,534	11,659	13,808	18,084	22,409	26,922
Term deposits	2,944	4,403	6,458	7,052	11,213	15,755	17,668	23,485	26,863	35,818
Other securities	330	451	578	700	643	739	703	1,145	1,481	1,999
B. Quasi money in foreign currency (Millions of US\$)	28,024	28,197	32,840	34,776	38,952	48,165	47,097	51,467	57,939	54,230
	8,099	8,597	9,574	10,868	12,984	15,339	16,297	18,316	21,459	21,267

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Balance of operations in foreign currency.

3/ Preliminary data.

Source: Depository institutions.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 76
MONETARY ACCOUNT OF BANCO CENTRAL DE RESERVA DEL PERÚ 1/
 (Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. NET INTERNATIONAL RESERVES	35,272	41,430	48,353	55,279	83,066	97,955	95,760	123,935	131,803	163,178
(Millions of US\$)										
A. Assets	10,194	12,631	14,097	17,275	27,689	31,196	33,135	44,105	48,816	63,991
B. Liabilities	35,313	41,488	48,430	55,453	83,161	98,070	95,877	124,063	131,918	163,325
	40	59	77	174	94	115	117	127	115	146
II. OTHER NET LIABILITIES ABROAD	39	35	34	29	2,583	2,111	168	73	55	50
(Millions of US\$) 2/										
A. Credits	12	11	10	9	28	28	27	26	21	20
B. Liabilities	3,098	3,263	3,187	3,138	3,171	3,172	2,405	2,307	1,870	1,727
	3,058	3,228	3,153	3,109	5,754	5,283	2,573	2,234	1,815	1,678
III. DOMESTIC CREDIT (A+B+C- D+E)	14,334	14,574	13,701	22,561	31,663	37,840	41,831	45,590	53,586	57,994
A. Public sector	9,665	10,475	9,712	12,988	17,558	24,586	25,318	30,327	41,681	52,917
1. Credits	237	39	0	0	0	0	0	0	0	817
2. Deposits	9,903	10,514	9,712	12,988	17,558	24,586	25,318	30,327	41,681	53,734
- Central government	3,188	4,835	5,295	9,004	14,317	22,073	24,674	28,083	40,506	52,560
- Other public sector 3/	6,715	5,678	4,417	3,984	3,241	2,513	644	2,244	1,175	1,174
B. Private sector	0	0	0	0	0	0	0	0	0	0
C. Banking system 4/	1,414	1,941	1,127	6,642	11,264	5,316	9,547	10,123	11,225	10,832
- Banco de la Nación	1,414	1,941	3,977	6,642	11,264	10,728	9,547	10,123	11,225	10,832
- Development banks	0	0	2,850	0	0	5,412	0	0	0	0
- Banks	802	592	598	1,317	2,429	3,697	4,167	3,609	3,078	1,851
D. Capital, reserves, provisions, and balance	2,453	1,566	2,263	1,614	412	4,240	2,799	1,531	2,397	7,605
E. Other assets and liabilities (net)										
IV. MONETARY LIABILITIES										
WITH THE PRIVATE SECTOR (I+II+III)	20,978	26,890	34,686	32,747	48,821	58,004	53,762	78,418	78,271	105,234
A. Domestic currency	11,503	17,478	20,511	21,902	35,436	38,140	37,717	59,362	56,332	80,198
1. Monetary base	7,441	9,327	11,724	13,864	17,779	22,311	23,548	34,208	39,967	52,735
1.1 Notes and coins issued	7,309	9,047	11,448	13,651	16,999	20,458	22,539	28,077	32,300	37,824
- In vault	990	1,065	1,412	1,963	2,142	3,122	3,298	3,946	5,040	5,579
- In circulation	6,319	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244
1.2 Deposits	132	280	276	212	780	1,853	1,009	6,131	7,667	14,911
- Banks	60	208	76	89	199	944	503	3,687	4,911	10,274
- Banco de la Nación 5/	0	0	0	0	410	720	330	1,700	1,370	2,350
- Other financial entities	73	72	199	124	171	188	176	744	1,386	2,287
2. Others deposits 6/	0	52	60	247	20	23	842	21,467	3,757	9,743
3. Securities issued 7/	4,062	8,100	8,728	7,792	17,636	15,807	13,327	3,687	12,608	17,720
B. Foreign currency	9,475	9,412	14,174	10,845	13,385	19,864	16,045	19,056	21,939	25,036
(Millions of US\$)										
1. Deposits	2,738	2,869	4,132	3,389	4,462	6,326	5,552	6,782	8,125	9,818
1.1 Banks	9,474	9,411	14,174	10,844	13,384	19,863	16,044	19,055	21,937	25,034
1.2 Other financial entities	9,296	9,219	13,979	10,599	13,189	19,772	15,787	18,701	21,567	24,603
2. Certificates	179	192	195	246	195	91	257	354	370	431
	0	0	1	1	1	1	1	1	1	1

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.
 2/ Includes the issuance of Public sector bonds purchased by the BCRP (Article 61 of the Central Bank Organic Act).
 3/ Includes only operations in foreign currency.
 4/ Includes COFIDE.
 5/ Since January 31, 1994, the balances of credits to Banco de la Nación and development banks in process of dissolution are net of their deposits at the BCRP.
 6/ Since December 31, 2007, the monetary base includes deposits in domestic currency in the current account of Banco de la Nación.
 7/ Financial entities' sterilization deposits in domestic currency (overnight deposits and auctions of term deposits) are also included here.
 8/ Includes BCRP securities purchased by banks and the private sector. The value of Indexed Certificates of Deposits is indexed to the exchange rate.
 Source: BCRP.
 Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 77
OPERATIONS OF THE BANCO CENTRAL DE RESERVA DEL PERÚ
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I NET INTERNATIONAL POSITION										
(Millions of US\$)										
1. Foreign exchange operations	3,465	6,239	2,360	9,141	21,914	311	- 562	25,362	669	31,172
2. Public sector	998	1,854	767	2,861	7,070	488	- 48	9,010	329	11,837
3. Others	1,050	2,340	2,699	3,944	10,306	2,754	108	8,963	3,537	13,179
	- 51	- 487	- 1,935	- 1,084	- 3,275	- 2,316	- 261	- 50	- 3,039	- 1,353
	- 1	2	3	1	39	50	105	96	- 169	11
II NET DOMESTIC ASSETS										
1. Public sector deposits	- 2,720	- 4,576	- 306	- 7,490	- 18,744	2,167	2,468	- 20,472	2,461	- 26,188
2. Repos	- 921	- 721	- 2,821	- 5,434	- 6,751	- 6,644	2,561	- 5,720	- 5,214	- 7,999
3. BCRP Certificates of Deposit (CDBCRP)	- 170	0	2,850	- 2,850	0	5,412	- 5,412	0	0	0
4. BCRP Indexed Certificates of Deposit (CDR)	- 2,462	- 4,158	578	- 389	- 13,393	13,737	- 6,399	14,091	- 13,550	- 7,225
5. BCRP Certificates of Deposit with restricted negotiation	319	0	- 1,202	1,202	0	- 4,425	4,425	0	0	0
6. BCRP Certificates of Deposit payable in dollars	0	0	0	0	0	- 6,483	6,483	0	0	0
7. BCRP Variable rate Certificates of Deposit	0	0	0	0	0	0	0	- 450	450	0
8. Term deposits	0	0	0	0	0	0	0	- 3,196	3,196	0
9. Overnight deposits	0	0	0	0	0	0	0	- 20,788	17,151	- 5,611
10. Reserve requirements in domestic currency	65	- 52	- 8	- 188	227	- 3	- 819	163	559	- 375
11. Other	63	- 223	- 343	- 488	- 745	- 2,054	668	- 5,770	- 2,630	- 7,784
	385	577	639	657	1,919	2,626	961	1,198	2,499	2,805
III CURRENCY										
Memo: Balance at end of period	745	1,663	2,054	1,652	3,170	2,478	1,906	4,890	3,130	4,984
- Currency	6,319	7,982	10,036	11,688	14,858	17,336	19,241	24,131	27,261	32,244
- CDBCRP	4,097	8,255	7,676	8,066	21,458	7,721	14,121	30	13,580	20,805
- CDR-BCRP	0	0	1,201	0	0	4,465	0	0	0	0
- CDBCRP with restricted negotiation	0	0	0	0	0	6,483	0	0	0	0
- CDLD BCRP	0	0	0	0	0	0	0	450	0	0
- CDV BCRP 1/	0	0	0	0	0	0	0	3,207	0	0
- Term deposits (DP BCRP)	0	0	0	0	0	0	0	20,788	3,637	9,248
- Public sector deposits	1,196	1,918	4,738	10,172	16,924	23,568	21,006	26,726	31,940	39,939

1/ Includes the readjustment of the balance due to change in the BCRP reference rate.

Memo:

CD BCRP: BCRP Certificates of Deposit.

CDR BCRP: BCRP Indexed Certificates of Deposit.

CDLD BCRP: BCRP Certificates of Deposit payable in dollars.

CDV BCRP: BCRP Certificates of Deposit with variable rate.

Source: BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 78
FLOWS OF NET INTERNATIONAL RESERVES (NIRS)
(Millions of US\$)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. FOREIGN EXCHANGE OPERATIONS	998	1,854	767	2,861	7,070	488	48	9,010	329	11,837
1. Over the Counter operations	1,050	2,340	2,699	3,944	10,306	2,754	108	8,963	3,537	13,179
a. Purchases of FC	1,050	2,340	3,130	4,299	10,306	8,733	1,256	8,963	4,733	13,855
b. Sales of FC	0	0	431	355	0	5,979	1,149	0	1,196	676
2. Operations with the public sector	51	487	1,935	1,084	3,275	2,316	261	50	3,039	1,353
3. Other operations (net)	1	2	3	1	39	50	105	96	169	11
II. DEPOSITS OF THE FINANCIAL SYSTEM	488	23	1,251	684	1,154	1,946	728	1,473	1,473	1,269
III. PUBLIC SECTOR DEPOSITS	139	359	587	245	630	134	1,030	36	2,392	1,467
IV. NET INTERESTS	174	188	261	329	773	1,049	827	670	579	573
V. OTHER	52	13	226	427	787	158	858	218	62	30
VI. TOTAL	596	2,437	1,466	3,178	10,414	3,507	1,939	10,970	4,711	15,176

Source: BCRP
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 79
MONETARY ACCOUNT OF COMMERCIAL BANKS 1/
 (Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. NET EXTERNAL ASSETS										
(Millions of US\$)										
A. Assets	2,047	1,763	2,698	2,847	2,442	5,126	4,071	4,505	4,815	4,610
B. Liabilities	1,943	1,945	3,241	1,997	6,227	4,699	3,493	2,620	4,009	9,198
II. OTHER NET OPERATIONS ABROAD										
(Millions of US\$) 2/										
A. Credits	1,263	687	585	675	-6,204	-11,134	-8,815	-17,293	-20,570	-26,087
B. Liabilities	349	202	180	136	-2,001	-3,275	-2,796	-5,810	-7,252	-9,662
	1,997	1,465	1,330	1,889	1,417	1,461	2,594	2,351	2,952	3,148
	734	778	745	1,214	7,622	12,595	11,409	19,644	23,522	29,235
III. DOMESTIC CREDIT (A+B+C-D+E)										
A. Public sector										
1. Credits	41,190	42,476	51,789	54,614	77,900	99,936	100,162	128,827	143,174	166,007
- Central government	-3,568	-4,472	-4,533	-4,929	-7,608	-8,813	-6,376	-6,483	-7,754	-13,132
- Rest of the public sector 3/	2,359	2,134	2,585	3,335	3,167	4,007	5,846	4,735	4,871	3,372
2. Deposits	2,126	1,802	2,228	3,051	2,894	3,648	5,111	3,723	3,704	2,583
- Central government	233	332	357	284	273	360	735	1,011	1,167	789
- Rest of the public sector 3/	5,927	6,606	7,118	8,263	10,775	12,820	12,221	11,218	12,625	16,504
B. Private sector										
1. Domestic currency	2,036	2,323	2,778	1,065	1,464	1,688	1,256	708	671	514
- Central government	3,891	4,282	4,340	7,198	9,310	11,132	10,965	10,509	11,954	15,989
- Rest of the public sector 3/	40,250	39,700	46,456	49,392	65,397	88,470	89,300	101,922	124,475	140,255
2. Foreign currency	9,293	9,911	13,628	17,876	25,461	38,848	43,585	51,768	62,236	71,783
(Millions of US\$)	30,957	29,788	32,828	31,516	39,936	49,622	45,714	50,155	62,239	68,472
C. Interbank operations (net)										
1. BCRP	8,947	9,082	9,571	9,849	13,312	15,803	15,818	17,849	23,052	26,852
- Cash	12,945	15,360	19,126	18,828	29,548	31,966	30,770	49,651	44,083	59,253
- Deposits and securities	12,938	15,347	19,113	18,808	29,527	31,950	31,112	49,751	44,130	59,287
- Liabilities	717	766	1,040	1,531	1,609	2,373	2,471	3,041	3,942	4,094
2. Banco de la Nación	12,221	14,581	20,923	17,277	27,919	34,989	28,642	46,710	40,188	55,193
- Credits and deposits	0	0	2,850	0	0	5,412	0	0	0	0
- Liabilities	7	13	13	19	21	16	-342	-100	-47	-34
3. Savings deposits	14	15	18	23	26	20	28	36	45	64
- Liabilities	6	3	5	4	5	3	370	136	92	98
D. Capital, reserves, provisions and balances										
E. Others Assets and Liabilities (net)										
	17,702	17,668	18,180	18,325	20,029	23,950	26,599	29,991	32,223	35,873
	9,265	9,557	8,919	9,648	10,592	12,263	13,067	13,727	14,593	15,504
IV. MONETARY LIABILITIES WITH THE PRIVATE SECTOR (I+II+III)										
A. Liquidity in domestic currency										
1. Demand deposits	42,557	42,981	51,831	56,140	67,911	89,229	91,926	113,418	123,411	135,332
2. Saving deposits	11,093	12,782	16,182	19,851	27,091	36,982	40,345	57,585	62,526	75,982
3. Term deposits	2,843	3,912	4,843	6,473	8,624	10,203	12,191	16,588	18,943	21,960
4. Negotiable securities	2,760	3,094	4,143	4,698	6,161	8,733	10,254	13,436	16,271	19,971
B. Liquidity in foreign currency										
(Millions of US\$)	5,034	5,311	6,685	7,807	10,535	15,826	15,351	24,879	24,156	30,053
	455	466	511	874	1,771	2,219	2,548	2,682	3,156	3,998
	31,465	30,199	35,649	36,288	40,821	52,248	51,581	55,833	60,885	59,350
	9,094	9,207	10,393	11,340	13,607	16,639	17,848	19,869	22,550	23,275

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes only operations in foreign currency.

3/ Includes operations with COFIDE.

4/ Preliminary data.

Source: Commercial banks.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 80
MONETARY ACCOUNT OF BANCO DE LA NACIÓN 1/
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. NET EXTERNAL ASSETS	147	84	221	382	221	97	177	199	206	325
(Millions of US\$)										
A. Assets	43	26	64	119	74	31	61	71	76	128
B. Liabilities	147	84	221	382	222	98	178	204	206	325
	0	0	0	0	0	0	0	5	0	0
II. OTHER NET OPERATIONS ABROAD	47	44	170	16	56	32	281	214	76	215
(Millions of US\$) 2/										
A. Credits	13	13	50	5	14	10	89	67	26	84
B. Liabilities	47	44	170	16	56	32	281	214	76	215
	0	0	0	0	0	0	0	0	0	0
III. DOMESTIC CREDIT (A+B+C-D+E)	1,198	1,729	1,954	2,594	3,335	4,209	4,736	5,836	7,327	8,756
A. Public sector	2,133	1,405	-360	-2,488	-7,660	-6,040	-4,697	-6,034	-5,354	-4,592
1. Credits	5,052	4,655	4,557	2,967	3,686	4,053	5,557	4,243	4,883	5,289
- Central government	4,651	4,342	4,326	2,887	3,528	3,133	4,902	3,821	4,444	4,452
- Rest of the public sector 3/	401	312	231	80	157	920	655	422	439	837
2. Deposits	2,919	3,250	4,916	5,455	11,346	10,092	10,254	10,277	10,236	9,880
- Central government	2,151	2,388	3,499	3,734	5,582	5,791	5,968	7,271	6,806	6,100
- Rest of the public sector 3/	768	862	1,417	1,721	5,764	4,301	4,286	3,006	3,431	3,780
B. Private sector	588	1,124	1,353	1,385	2,304	2,143	2,469	2,974	3,119	3,191
C. Interbank operations (net)	1,628	2,174	4,257	6,947	12,059	12,010	10,790	12,510	13,345	14,269
1. BCRP	1,635	2,186	4,270	6,965	12,079	12,026	10,448	12,410	13,298	14,235
- Cash	221	245	292	323	406	578	572	586	703	1,052
- Deposits and securities	1,414	1,941	3,977	6,642	11,674	11,448	9,877	11,823	12,596	13,182
- Liabilities	0	0	0	0	0	0	0	0	0	0
2. Banco de la Nación	-7	-12	-13	-19	-21	-16	342	100	47	34
- Credits and deposits	7	3	5	4	5	4	370	136	92	98
- Liabilities	14	15	18	23	26	20	28	36	45	64
D. Capital, reserves, provisions and balances	3,861	3,800	3,917	3,876	4,485	5,006	4,764	4,764	4,899	5,089
E. Others Assets and Liabilities (net)	709	827	620	626	1,118	1,101	938	1,152	1,115	976
IV. MONETARY LIABILITIES WITH	1,392	1,857	2,345	2,991	3,613	4,339	5,194	6,249	7,608	9,296
THE PRIVATE SECTOR ((I-II+III)	1,080	1,549	2,017	2,698	3,272	3,973	4,784	5,865	7,093	8,807
A. Liquidity in domestic currency	410	672	799	1,195	1,465	1,920	2,270	2,726	3,213	4,337
1. Demand deposits	644	855	1,193	1,472	1,772	2,010	2,448	3,060	3,823	4,324
2. Saving deposits	26	23	25	30	35	42	66	78	57	146
3. Term deposits	312	308	327	294	341	366	409	384	515	489
B. Liquidity in foreign currency	90	94	95	92	114	117	142	137	191	192
(Millions of US\$)										

1/ Foreign currency is valued at the average bid and ask exchange rate at the end of period.

2/ Includes operations with COFIDE.

3/ Preliminary data.

Source: Banco de la Nación.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 81
NOMINAL AND REAL INTEREST RATES IN DOMESTIC CURRENCY AND FOREIGN CURRENCY
 (Annual effective rate at year-end)

	DOMESTIC CURRENCY						FOREIGN CURRENCY													
	Average lending rate (TAMIN)		Loans up to 360 days 1/		Average deposits rate (TIPWIN)		Savings		Interbank rate		Average deposits rate (TIPIEX)		Savings		Interbank rate					
	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 2/	Nominal	Real 3/	Nominal	Real 3/	Nominal	Real 3/				
2003	22.3	19.3	14.0	11.2	2.5	0.1	1.3	-1.2	2.5	0.0	9.3	5.4	7.2	3.4	1.0	-2.7	0.6	-3.0	1.1	-2.6
2004	25.4	21.1	14.7	10.8	2.5	-1.0	1.3	-2.2	3.0	-0.5	9.2	-0.3	7.7	-1.6	1.2	-7.5	0.6	-8.1	2.2	-6.6
2005	23.6	21.8	13.9	12.3	2.6	1.1	1.2	-0.3	3.3	1.8	10.4	13.5	9.4	12.5	1.8	4.7	0.6	3.4	4.2	7.1
2006	23.1	21.7	13.8	12.5	3.2	2.0	1.4	0.3	4.5	3.3	10.8	2.5	10.1	1.8	2.2	-5.5	0.7	-6.8	5.4	-2.5
2007	22.3	17.7	13.2	9.0	3.3	-0.6	1.5	-2.4	5.0	1.0	10.5	-1.2	9.7	-1.8	2.5	-8.3	0.8	-9.8	5.9	-5.2
2008	23.0	15.3	15.2	8.1	3.8	-2.6	1.4	-4.9	6.5	-0.1	10.5	8.3	9.9	7.6	1.9	-0.2	0.8	-1.2	1.0	-1.1
2009	19.9	19.7	11.1	10.9	1.6	1.3	0.7	0.5	1.2	1.0	8.6	0.1	6.4	-1.9	0.9	-7.0	0.4	-7.4	0.2	-7.6
2010	18.7	16.3	4.4	2.3	1.8	-0.3	0.5	-1.5	3.0	0.9	8.5	4.0	2.7	-1.5	0.8	-3.4	0.3	-3.8	1.1	-3.1
2011	18.9	13.5	5.6	0.8	2.5	-2.2	0.6	-4.0	4.2	-0.5	7.8	-1.5	2.7	-6.1	0.7	-8.0	0.3	-8.3	0.3	-8.3
2012	19.1	16.0	5.5	2.8	2.4	-0.3	0.6	-2.0	4.2	1.6	8.2	0.3	3.7	-3.9	0.9	-6.4	0.3	-7.0	1.2	-6.2

1/ Since 2010, corresponds to corporate credits.

2/ Nominal interest rate minus last twelve-month inflation.

3/ Nominal interest rate adjusted to last 12-month exchange rate variations minus last 12-month inflation.

Source: SBS and BCRP.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 82
COMMERCIAL BANKS: INDICATORS OF FINANCIAL SOUNDNESS
(%)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
1. SOLVENCY										
Global Leverage (Number of times)	13.28	13.99	11.98	12.49	12.13	11.85	13.47	13.63	13.38	14.13
2. PORTFOLIO QUALITY										
Non-performing loans / Direct loans	5.80	3.71	2.14	1.63	1.26	1.27	1.56	1.49	1.47	1.75
Non-performing loans in domestic currency / Direct loans in DC	3.99	3.01	2.09	1.88	1.56	1.68	1.99	1.88	1.98	2.44
Non-performing loans in foreign currency / Direct loans in FC	6.32	3.93	2.15	1.49	1.07	0.97	1.16	1.13	0.98	1.06
Refinanced and restructured loans / Direct loans	6.37	5.83	4.13	2.45	1.41	0.90	1.15	1.09	1.00	1.00
Provisions / Non performing loans	141.10	176.46	235.26	251.40	278.39	258.74	242.20	245.62	251.14	223.56
Provisions / Non performing loans + refinanced and restructured loans)	67.24	68.56	80.15	100.30	131.59	151.05	139.34	141.95	149.77	142.46
3. MANAGEMENT										
Operative expenses / (Financial margin + non financial net revenues)	63.70	59.93	52.56	51.81	49.74	47.53	44.98	45.09	48.10	47.59
4. PROFITABILITY										
Net profit / Average equity (ROE)	10.85	11.26	22.16	23.86	27.86	31.06	24.53	24.21	24.54	22.40
Net profit / Average asset (ROA)	1.11	1.18	2.18	2.18	2.49	2.56	2.27	2.35	2.32	2.18
5. LIQUIDITY 1/										
Liquidity ratio in domestic currency	32.85	44.76	38.58	43.08	57.28	26.25	38.77	54.61	39.23	46.29
Liquidity ratio in foreign currency	43.90	44.32	49.23	44.99	36.95	52.96	41.67	41.11	45.02	46.24

1/ Monthly averages of liquid assets divided by banks' short term liabilities in domestic currency and foreign currency.
Source: SBS.
Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 83
PRIMARY BOND MARKET
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. BONDS ISSUED BY THE PRIVATE SECTOR 1/										
BALANCE BY TYPE OF BOND										
Leasing bonds	9,931	11,538	12,898	14,193	16,300	18,260	20,087	20,359	20,035	21,453
Subordinate bonds	1,708	1,412	1,401	1,067	1,105	1,422	1,372	1,326	872	796
Mortgage-backed bonds	1,034	976	1,010	965	1,024	1,286	1,589	1,426	1,593	1,902
Securitization bonds	104	180	240	212	220	210	193	188	72	56
Corporate	1,029	1,449	2,215	2,158	2,226	2,251	1,880	1,622	1,625	1,543
	6,055	7,521	8,032	9,792	11,725	13,091	15,053	15,798	15,872	17,157
BALANCE BY MATURITY										
Up to 3 years	9,931	11,538	12,898	14,193	16,300	18,260	20,087	20,359	20,035	21,453
More than 3 years; up to 5 years	2,062	2,185	2,046	2,008	2,266	2,398	2,608	3,550	2,909	2,327
More than 5 years	2,702	3,015	3,689	3,911	4,350	4,533	5,339	6,747	6,305	6,328
	5,167	6,339	7,163	8,274	9,685	11,645	12,139	10,061	10,821	12,798
PARTICIPATION BY CURRENCIES										
Fixed-income bonds in nuevos soles	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Variable-income bonds in nuevos soles	11.0	12.3	15.8	25.4	34.6	38.4	41.9	42.1	43.7	49.9
US dollars	19.7	18.6	15.2	10.1	9.7	10.3	9.4	9.2	9.8	10.7
	69.3	69.1	69.0	64.5	55.7	51.2	48.8	48.6	46.5	39.4
II. TREASURY BONDS 3/										
1. BALANCE OF FIXED - INCOME BONDS										
Up to 3 years	2,461	2,685	8,096	9,728	16,668	17,384	18,731	26,008	26,569	26,787
More than 3 years; up to 5 years	2,018	1,350	1,543	1,133	1,064	1,968	1,573	459	552	2,237
More than 5 years; up to 10 years	443	634	1,067	1,563	1,424	9	--	1,587	1,687	1,213
More than 10 years	--	700	1,830	1,626	4,070	4,070	4,250	10,121	10,043	8,831
	--	--	3,655	5,405	10,110	11,337	12,908	13,842	14,287	14,508
2. BALANCE OF VARIABLE INCOME BONDS										
Up to 10 years	199	1,066	1,982	2,034	2,124	2,124	2,115	2,153	2,091	2,091
More than 10 years; up to 20 years	199	600	600	267	267	267	196	247	185	185
More than 20 years; up to 30 years	--	466	1,025	811	811	811	107	795	795	795
More than 30 years	--	--	357	911	911	911	1,678	911	911	911
	--	--	--	45	135	135	135	200	200	200
TOTAL BALANCE: (1)+(2)	2,660	3,751	10,077	11,762	18,792	19,508	20,846	28,161	28,660	28,878
Memo:										
Private sector bonds (% of GDP)	4.7	4.8	4.9	4.7	4.9	4.9	5.3	4.7	4.1	4.1
Sovereign bonds (% of GDP)	1.2	1.6	3.9	3.9	5.6	5.3	5.5	6.5	5.9	5.5

1/ Includes only bonds negotiated through auctions.

2/ Includes only corporate and securitisation bonds issued by non-financial entities.

Source: SMV, MEF and companies.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 84
PRIVATE PENSION SYSTEM

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. FUND VALUE										
Millions of nuevos soles	21,844	25,651	32,223	45,547	60,406	49,380	68,595	86,391	81,052	95,907
Annual % growth	38.7	17.4	25.6	41.4	32.6	-18.3	38.9	25.9	-6.2	18.3
% of GDP	10.2	10.8	12.3	15.1	18.0	13.3	17.9	19.9	16.7	18.2
II. NUMBER OF MEMBERS										
In thousands	3,193	3,397	3,637	3,882	4,101	4,296	4,458	4,642	4,928	5,268
Annual % growth	6.6	6.4	7.1	6.7	5.6	4.8	3.8	4.1	4.1	6.9
III. ANNUAL YIELD 1/										
Nominal	24.3	9.3	20.2	28.3	25.0	-21.9	33.2	18.4	-7.1	11.8
Real	21.2	5.6	18.4	26.8	20.2	-26.7	32.9	16.0	-11.3	8.9
IV. COMPOSITION OF INVESTMENT PORTFOLIO										
In %										
Government securities	19.5	24.2	20.3	19.1	21.9	25.2	20.1	16.1	17.0	17.5
Central government securities	12.9	11.9	14.6	17.0	20.6	24.3	19.6	16.1	15.9	14.6
Central Bank securities	4.2	10.4	4.7	1.3	1.3	0.9	0.5	0.0	1.1	2.9
Brady bonds	2.4	1.9	1.0	0.8	0.0	0.9	0.0	0.0	0.0	0.0
Financial institutions	23.2	13.4	14.0	11.7	8.1	17.4	11.7	15.4	14.4	14.7
Deposits in domestic currency	11.5	5.9	4.5	4.9	2.1	4.3	1.8	5.0	3.8	2.2
Deposits in foreign currency 2/	5.3	1.9	3.0	0.6	0.3	3.7	0.7	1.2	0.7	1.9
Shares	0.4	0.6	0.8	0.8	1.6	1.6	2.7	2.5	1.9	2.1
Bonds	4.8	3.6	2.9	2.4	2.4	4.2	3.4	3.4	4.1	4.6
Other 3/	1.1	1.4	2.8	3.0	1.7	3.6	3.1	3.3	3.9	3.9
Non-financial institutions	48.9	52.2	55.6	60.7	56.8	45.0	47.2	42.2	40.1	38.3
Common and investment stocks	35.2	37.0	35.6	41.6	39.7	22.9	29.3	29.2	25.5	23.9
Corporate bonds	11.5	11.3	10.7	12.0	13.0	18.2	14.2	9.5	9.9	9.2
Other 4/	2.1	3.9	9.3	7.1	4.1	3.9	3.7	3.5	4.7	5.3
Investment abroad	8.7	10.2	10.1	8.5	13.2	12.4	21.0	26.3	28.5	29.4
Other countries' debt bonds	1.2	1.2	0.6	2.2	0.3	2.4	1.2	2.5	1.2	1.8
Foreign mutual funds	0.0	8.9	9.5	6.3	10.4	6.4	5.8	7.4	14.1	18.5
Foreign shares	7.4	0.1	0.0	0.0	0.2	0.8	5.4	5.9	5.1	3.9
American Depository Shares (ADS)	0.0	0.0	0.0	0.0	0.2	0.7	5.1	5.0	2.8	0.2
Other	0.0	0.0	0.0	0.0	2.0	2.2	3.4	5.6	5.4	5.1

1/ Since December 2005, annual yields correspond to the yield of Type 2 Fund.

2/ Includes current account and certificates in foreign currency.

3/ Includes mortgage bonds and guaranteed promissory notes.

4/ Includes commercial bonds, repos, and promissory notes.

Source: SBS.

Elaborated by the Department of Economic Studies, BCRP.

APPENDIX 85
LIMA STOCK EXCHANGE

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. STOCK EXCHANGE INDICES (Base: 31/12/91 = 100)										
General Index	2,435.0	3,710.4	4,802.3	12,884.2	17,524.8	7,048.7	14,167.2	23,374.6	19,473.7	20,629.4
Blue Chip Index	3,993.9	6,159.6	7,681.1	22,159.3	29,035.5	11,691.3	22,434.1	32,050.4	27,335.2	31,000.6
II. SECTOR INDICES (Base: 31/10/98 = 100)										
Agriculture and livestock	57.5	89.8	127.3	434.4	816.3	284.7	599.6	1,071.1	1,071.1	911.6
Banks	57.5	79.2	162.5	296.7	351.3	259.2	571.0	738.1	576.7	801.1
Industry	173.9	254.9	350.9	599.9	1,016.1	461.0	607.6	900.8	703.9	731.1
Mining	386.3	569.7	743.5	2,701.6	3,395.5	1,222.4	3,071.0	5,205.2	4,146.3	3,999.1
Services	142.5	202.5	203.2	263.0	375.9	291.8	367.9	524.5	479.1	587.1
III. ANNUAL TRADED VOLUME (Millions of nuevos soles)										
Variable-income instruments	3,963	5,316	8,754	17,916	35,197	18,655	13,707	16,873	19,764	18,534
Fixed-income instruments	3,873	3,099	3,268	2,708	3,657	4,386	3,228	2,142	1,824	1,417
Total	7,836	8,415	12,023	20,625	38,853	23,041	16,946	19,015	21,588	19,951
IV. MARKET CAPITALIZATION (Millions of nuevos soles)										
Millions of nuevos soles	55,883	66,326	124,062	192,364	324,118	179,163	310,116	451,796	327,823	391,181
Millions of US\$	16,084	20,108	36,196	60,020	108,220	57,231	107,325	160,867	121,596	153,404
% of GDP	26.2	27.9	47.4	63.6	96.6	48.3	81.1	104.0	67.4	74.4
V. DEMATERIALIZED HOLDINGS 1/ (Millions of nuevos soles)										
Variable-income instruments	27,175	31,017	48,929	69,776	131,453	76,790	121,468	187,112	153,325	144,299
Fixed-income instruments	17,646	19,753	28,147	29,793	39,370	46,852	51,022	54,170	52,685	53,191
Total	44,821	50,770	77,076	99,569	170,822	123,642	172,491	241,196	205,705	197,490
% of GDP	21.0	21.3	29.5	32.9	50.9	33.3	45.1	55.5	42.3	37.5
VI. NON-RESIDENTS SHARE 2/ (%)										
Variable-income instruments	48.6	42.9	47.3	42.7	47.6	53.7	51.0	45.2	41.6	45.9
Fixed-income instruments	1.3	1.5	11.4	12.3	14.1	12.8	8.9	22.4	24.1	30.6
Total	30.0	26.8	34.2	33.6	39.9	38.2	38.6	40.0	37.1	41.8

1/ Dematerialized holdings listed at CAVALI.

2/ Relative to securities listed at CAVALI.

Source: Lima Stock Exchange, CAVALI ICLV.

Elaborated by the Department of Economic Studies, BCRP.



APPENDIX 86
INVESTMENT MUTUAL FUNDS
(Millions of nuevos soles)

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
I. FUND VALUE										
BALANCE BY TYPE OF FUND										
Fixed-income	6,918	5,803	6,848	8,210	12,759	8,652	14,038	15,669	13,657	17,993
Mixed-income	30	126	216	481	3,490	1,130	1,691	3,099	1,944	1,731
BALANCE BY CURRENCIES										
Domestic currency	1,385	1,044	1,495	1,491	3,788	2,270	4,715	5,588	5,605	9,391
Foreign currency	5,563	4,758	5,353	6,719	8,971	6,382	9,323	10,080	8,053	8,603
(Millions of US\$)	1,607	1,449	1,561	2,103	2,992	2,032	3,226	3,589	2,983	3,373
II. NUMBER OF PARTICIPANTS (in thousands)										
Total	67	82	115	167	271	194	246	279	263	315
Fixed-income	66	80	112	159	193	158	209	232	225	281
Mixed-income	1	2	4	8	78	36	37	48	38	34
III. COMPOSITION OF THE INVESTMENT PORTFOLIO (%)										
Deposits	36.4	33.0	32.4	31.3	28.9	46.6	49.8	54.7	48.8	53.2
Fixed-income instruments	58.4	65.7	64.5	66.2	54.3	46.7	42.9	32.9	37.6	33.6
Sovereign bonds	15.2	17.8	11.4	15.8	12.3	5.1	12.9	9.9	11.4	7.4
BCRP securities	2.4	2.6	3.3	8.7	17.6	10.8	8.4	2.7	6.3	11.4
Other	40.8	45.3	49.8	41.7	24.4	30.8	21.6	20.4	19.9	14.8
Variable income instruments	0.2	0.9	0.8	1.6	16.2	6.1	7.1	6.3	7.0	4.7
Domestic shares	0.2	0.4	0.5	1.1	11.5	4.7	5.3	8.7	5.8	4.7
Foreign shares	0.0	0.5	0.2	0.5	4.7	1.4	1.8	2.4	1.9	0.0
Repos and derivatives	4.9	0.4	2.3	1.0	0.7	0.6	0.2	0.4	0.1	0.0

1/ Dematerialized holdings listed at CAVALL.

2/ Relative to securities listed at CAVALL.

Source: Lima Stock Exchange, CAVALL ICLV.

Elaborated by the Department of Economic Studies, BCRP.

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