

# INSTITUTIONAL ACTIVITIES

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"The Mint Worker", sculpture in homage to the workers of Casa Nacional de Moneda. In the background, a "catalina" or water wheel, which used the moving water of river Huatica as a power source to drive the mechanical processes of the machines used at Casa Nacional de Moneda.

# INSTITUTIONAL ACTIVITIES

## 1. Board of Directors

On December 31, 2015, the Board of Directors of BCRP was integrated by Julio Velarde Flores (Governor), Luis Alberto Arias Minaya (Deputy Governor), Francisco González García, Drago Kisic Wagner, Waldo Mendoza Bellido, Carlos Oliva Neyra, and Gustavo Yamada Fukusaki.

In 2015 the Board held 60 meetings.

## 2. Transparency and Social Responsibility

Efficiency and transparency characterize the BCRP in all of its actions. Monetary policy decisions are taken in accordance with the BCRP monetary policy independence and informed to the public through various communication channels.

### 2.1 Transparency

The Board of BCRP informs the public about monetary policy decisions through the **Monetary Program Communiqués** released each month. These communiqués are published on the BCRP website and its social media sites, disseminated through press releases, and emailed to subscribers. Teleconferences are also held with the media to inform the public about these decisions.

In 2015, the **Inflation Report** was published in the months of January, May, September, and December. This report discusses the BCRP monetary policy actions, provides an analysis of economic developments, explains the evolution of inflation and provides forecasts on inflation and the main macroeconomic variables.

Invited by the Budget and General Account Committee of Congress, Governor Julio Velarde spoke before Congress Members on “Macroeconomic Assumptions of the 2016 Budget” on October 12.

Other BCRP officials participated in events at the Congress of the Republic in 2015 as well. On March 13, the Deputy Governor of the Bank, Luis Alberto Arias, participated in a ceremony organized by a Special Multi-Party Commission to pay homage to Mariano Melgar. Activities included the presentation of the design of the coin which would be issued in commemoration of Mariano Melgar on the occasion of the 200th anniversary of his death. This numismatic piece was issued by BCRP in August and presented by Governor Velarde in the cities of Arequipa and Lima.

Together with the Minister of Economy and the President of the Lima Stock Exchange (LSE), on August 26 Renzo Rossini, General Manager of BCRP, spoke before the Congressional Committee of Economy about the likely behavior of the stock market. The exposition was about the effects if the LSE were to be reclassified from its current “emerging market” classification to a “frontier market” classification, as well as about the factors that caused the decline of transactions and the decline of prices of the securities traded at the Lima Stock Exchange.



Other BCRP officials also attended the Congress of the Republic on different dates in 2015 in response to the invitations extended to them by various committees.

In its Transparency Section, the BCRP website publishes information about indicators of the BCRP administrative and budget management as well as the Financial Statements of the BCRP, which are audited by internationally renowned auditing firms.

Moreover, in compliance with the Transparency and Access to Public Information Act, in 2015 the BCRP answered 35 information requests submitted by different citizens.

## 2.2 Dissemination of Economic Information

The BCRP continued informing the public about national finances through the publication and dissemination of reports and macroeconomic statistical data such as the Inflation Report, the Weekly Report, the Annual Report, the Financial Stability Report, the journals Estudios Económicos and Moneda, the Weekly Economic Report, Notas de Estudios, the Working Papers, and the Síntesis de Actividad Económica prepared by the BCRP Branch Offices. Informative Notes on the Board decisions regarding the monetary policy interest rate, the evolution of the main economic variables, and the main institutional events were also sent to the media.

The BCRP also organized talks on the mission and roles of the Central Bank and on the security features of banknotes and coins in Lima and in other cities of the country, as well as institutional and academic events to discuss economic issues of interest.

## 2.3 Social Responsibility

In 2015, the Central Bank continued contributing to education and culture in our country by offering courses, organizing contests, and providing free access to its museums and library, among other activities and services.

### Courses

- **Extension Course for Economists**  
Thirty-five students of economics from various public and private universities of Lima and other cities of the country participated in the 62nd Extension Course for Economists which was offered in 2015. The best students of the course were invited to join the Bank's technical staff.
- **Advanced Finance Extension Course**  
Thirty students from different universities of the country interested in specializing in financial themes were selected to participate in the VIII Extension Course of Advanced Finances 2015. The best students were also invited to join the BCRP.
- **2015 Update Course in Economics**  
Students of economics from different universities of the country reinforced their knowledge of macroeconomics, microeconomics, econometrics, and mathematics. The best students were invited to participate in the 63rd Extension Course for Economists 2016.
- **2015 Course for Economics Faculty**  
Twenty-six professors from different universities of the interior of the country and two professors from universities located in Lima were trained in different aspects of macroeconomics, microeconomics, econometrics, and project evaluation to improve the education standards in these fields.

### Contests

- **Research Contest for Junior Economists**  
The winner of the 2014-2015 Research Contest for Junior Economists "Luis Felipe de Las Casas Grieve" was Samy del Pilar Galvez Vargas of Universidad Peruana de Ciencias Aplicadas (UPC) for her



paper "Financial Access and Company Size: Analysis of the Business Environment in 2006-2010". The second prize was awarded to Hugo Fuentes Dávila Ángeles of Pontificia Universidad Católica del Perú (PUCP) for his work "Determinants of Financial Margins in the Microfinance Sector: The Peruvian Case (2002-2013)". Ricardo José Ramos Rojas (Universidad Nacional de Ingeniería) and Lilian Katherine Atoche Murrieta (Universidad Nacional del Callao) obtained the third place for their paper "Asymmetric Effects of Monetary Policy in Peru".

- **BCRP Contest for School Students**

In this tenth edition of the contest, the research papers were related to the role of the World Bank Group and the International Monetary Fund, a subject that was part of the World Bank and IMF Annual Meetings which were held in our country in 2015.

The essay "El Fondo Monetario Internacional y el Banco Mundial, mucho más que sólo organismos financieros", submitted by students of Nuestra Señora del Carmen-Carmelitas, Lima, was declared winner of the contest. The second place was awarded to "El progreso peruano de la mano con la economía mundial", prepared by students of Señor de Ccoyllur Ritty, a school located in the District of Ocongate, in Quispicanchi, Cusco. The third place was awarded to a team representing the school Abilia Ocampo, from Rioja, San Martín, for the essay entitled "Borrador y Lápiz".

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

The first prize of the XVIII BCRP Short Novel Contest Julio Ramón Ribeyro was awarded to the novel "Los dorados años veinte", authored by Wilfredo Ardito Vega. The presentation was held on July 22 in the frame of the XX International Book Fair. The panel of judges was integrated by Abelardo Oquendo, Alonso Cueto, Mirko Lauer, Marcel Velásquez, and Francesca Denegri.

- **2015 National Painting Contest**

The winner of the VII BCRP National Painting Contest was artist Luis Antonio Torres Villar for his work "De la serie Reconquista Arpa," a manual printing on paper and illuminated with applications of clay. The second place was awarded to Enrique Gregorio Barreto Montes, for his work "De Memoria II", a stunning painting using a mixed technique. The finalist works were exhibited at the BCRP Museum from October 29 to November 12. The panel of judges included Moico Yaker, Cristhian Bendayán, Angela Delgado (Arequipa), Natalia Majluf, and Luis Eduardo Wuffarden.

## Publications

In 2015, the BCRP and Instituto de Estudios Peruanos co-edited three books: "Minería e imperio en Hispanoamérica colonial" by Kendall Brown, "El poder provincial en el Imperio Inka" by Terence D'Altroy, and "Relación de Gobierno del Real de Minas de Huancavelica (1758-1763)" by Antonio de Ulloa, edited by Kendall W. Brown and Joseph J. Hernandez Palomo, who also wrote the introduction and notes.





## **Museum**

In 2015, a total of 152,445 people visited the BCRP museums.

The BCRP Museum organized the following exhibitions: “Obras ganadoras del Concurso Nacional de Pintura del BCRP 2009-2014”, from January 20 to March; “Nacimientos Peruanos” from December 2, 2015 to January 6, 2016, and “Colección de Monedas y Medallas de la Sociedad Numismática del Perú”, which is exhibited since August 2015 in the BCRP Numismatic Museum.

In addition, part of the art collection of the BCRP Museum participated in a number of exhibitions carried out in the country, including “José Gil de Castro, pintor de libertadores”, organized by Museo de Arte de Lima (MALI) from October 21, 2014 to February 22, 2015; “Chavín, el misterioso templo de los andes peruanos”, which was organized by the MALI, the Rietberg Museum of Zurich-Switzerland, and the Ministry of Culture, and was held from April 10 to September 30.

The BCRP Museum also participated in the exhibition “José Gil de Castro, pintor de libertadores” organized by the MALI and the Museum of Fine Arts in Santiago de Chile, Chile, from May 7 to July 28.

In addition, the BCRP Museum was also present at the XII Fair “Los Museos a tu alcance”, organized by the City of Lima and held at the Plazuela de Artes of Teatro Municipal on May 15; the XX International Book Fair of Lima, organized by Cámara Peruana del Libro at Parque Los Próceres in Jesús María, from July 17 to August 2; the Second International Book Fair of Cusco, organized by the Ministry of Education, from August 27 to September 6; the VII International Book Fair of Arequipa, held at Universidad Nacional de San Agustín from September 29 to October 11, and the XXXVI Book Fair Ricardo Palma, which was organized by the Cámara Peruana del Libro and held at Larcomar from November 21 to December 8.

As part of its social responsibility program, the Museum showed four theater plays and 46 films in its film club in partnership with the Filмотeca of Pontificia Universidad Católica del Perú. The Museum also participated in the XIX Film Festival of Lima in August 11-14, and in the XXVII Festival of European Films and the National Film Festival on October 16, 23, and 30. BCRP also carried out other social responsibility activities for children in areas of extreme poverty.

The BCRP Museum also organized six workshops of traditional arts, and the V Christmas Fair with the participation of 26 craftsmen from different regions of Peru.

The museum also held the First International Seminar of Numismatics on 21 August. Participants in this seminar on “The history of Mints in Latin America” included Inés Herrera of Instituto Nacional de Antropología e Historia of México; Edgar Valda of the Universidad Mayor, Real y Pontificia de San Francisco Xavier de Chuquisaca, Bolivia, and Pedro de la Puente, Chairman of Sociedad Numismática del Perú.

## **Library**

During 2015, the BCRP Library provided services to 7,734 visitors and lent a total of 94,503 documents (including books and periodicals). Continuing with its modernization program, the BCRP Library implemented one of the most important international library management systems in its facilities to ease the processes of acquisition, loans, returns of bibliographic materials, and the consultation of catalogues and databases, among others.

Moreover, BCRP also acquired EBSCO Discovery Service (EDS), an advanced search system which integrates all the information resources available at the BCRP Library.

Furthermore, the BCRP Library purchased a number of printed and digital publications, as well as online access to national and foreign newspapers.

### 3. Meetings and events

In 2015 the BCRP authorities and officials participated in various international and national meetings. The main events included the following:

#### 3.1 International meetings

- Bank for International Settlements (BIS) Bimonthly Meeting of Governors of BIS Member Central Banks, held in Basel, January 11-12.
- Meeting of FLAR Audit Committee, organized by the Latin American Reserve Fund (FLAR), held in Bogota, February 15-17.
- Expert Meeting on the "Transformation of the International Investment Agreement Regime: The Path Ahead", organized by UNCTAD, held in Geneva, February 25-27.
- BIS Bimonthly Meeting of Governors, held in Basel, March 8-9.
- "VIII InPeru Road Show Brazil 2015", organized by Asociación InPERU, held in Sao Paulo, March 17-19.
- LXXVIII Ordinary Meeting of the Board of FLAR, held in Bogota, March 23.
- "Third International Conference on the Protection of the Euro Against Counterfeiting" organized by the European Central Bank, European Commission and European Police Office, held in Frankfurt, March 24-27.
- "World Strategic Forum", organized by the International Economic Forum of the Americas, held in Miami, April 12-14.
- Spring Meetings of the IMF and the World Bank, organized by the International Monetary Fund (IMF), the World Bank (WB) and the Inter-American Development Bank (IDB), held in Washington D.C., April 15-16.
- "First Plenary Session of the BIS CCA Working Group on Foreign Exchange Market Operations", organized by the BIS, held in Mexico D.F., April 19-20.
- BIS Bimonthly Meeting of Governors, held in Basel, May 10-11.
- Sixth High Level Conference on the International Monetary System, organized by the IMF and the Swiss National Bank (SNB), held in Zurich, May 12.
- XI Ibero-American Convention of Commemorative Coins, organized by the Royal Mint of Spain, held in Buenos Aires, May 12-16.
- Conference "Latin America: Challenges in a Rapidly Changing Global Environment", organized by the IMF, the Bank of the Republic and the Ministry of Finance and Public Credit of Colombia, held in Bogota, May 13.
- Seminar "Asset Management Associate Program", organized by the BIS, held in Basel, May 18 to June 2.
- XCIX Meeting of Governors of Central Banks; XLVI Meeting of the Council for Financial and Monetary Affairs of ALADI, Eighth Meeting of the FSB Regional Consultative Group for the Americas BIS-CCA and Second High-level Round Table on Financial Affairs, held in Mexico, May 28-30.
- First Meeting of the Financial Information Forum of Latin America and Caribbean Central Banks, organized by CEMLA, held in Mexico D.F., June 8-9.



- Workshop Open-Economy DSGE Models with Financial Stability and Development, organized by the IDB, Financial Stability and Development Group and Central Bank of Brazil, held in Brasilia, June 11-12.
- "73rd Plenary Meeting of the Group of Thirty", organized by the G-30, held in Rio de Janeiro, June 11-13.
- VIII Latin American Forum for Communication Heads and Spokespersons of the Ministries of Finance and Central Banks, organized by the Central Bank of Paraguay, the Ministry of Finance of Paraguay and the World Bank, in Asuncion, June 18-19.
- LXXIII Session of the Board of the Association of Supervisors of Banks of the Americas (ASBA), organized by the ASBA and the Financial Superintendence of Colombia, in Bogota, June 25-26.
- "14th Annual Conference of the BIS", organized by the BIS, in Lucerne, June 26.
- "85th Annual General Meeting of the BIS", organized by the BIS in Basel, June 28.
- Seminar of the Financial Stability and Development Group (FSD): "Endeudamiento de hogares en Latinoamérica: perspectivas macroeconómicas y financieras", organized by the IDB and the Central Bank of Chile, in Santiago de Chile, July 1-2.
- XXIX Meeting of Central Bank Governors of South America, organized by the Central Bank of Chile, in Santiago de Chile, July 2-3.
- "Monetary Policy Formulation and Implementation in the Euro Area", seminar organized by the European Central Bank, Frankfurt, July 6-10.
- XI Meeting of Monetary Policy Managers, organized by CEMLA and the Central Bank of Brazil, in Brasilia, July 16-17.
- Seminar "Desarrollos recientes en asuntos de política y vigilancia en Sistemas de Pagos y Liquidación", organized by CEMLA, the Deutsche Bundesbank and the Central Bank of Paraguay, in Asuncion, July 21-23.
- X International Conference on Economic Studies, organized by FLAR, in Cartagena, July 23-24.
- Irving Committee Meeting on Central Bank Statistics, organized by the BIS, in Rio de Janeiro, July 24-26.
- XX Meeting of the Working Party on Financial Integration, organized by the Union of South American Nations (UNASUR), in Buenos Aires, August 3.
- BIS-CEMLA Roundtable "Changing patterns in Financial Intermediation: Implications for Monetary Policy and Financial Stability", organized by the BIS and CEMLA, in Asuncion, August 3-4.
- First Meeting BIS CCA CGDFS Working Group, organized by the BIS, in Mexico D.F., August 27-28.
- "39th Economic Policy Symposium: Inflation Dynamics and Monetary Policy" organized by the Federal Reserve Bank of Kansas City, in Jackson Hole, August 27-29.
- Conference "From Monetary Union to Banking Union, on the way to Capital Markets Union: New Opportunities for European Integration", organized by the European Central Bank, in Frankfurt, September 1-2.
- 100th Meeting of the International Monetary Law Committee, organized by the International Law Association (MOCOMILA), in Berlin, September 4-5.
- 15th ECB Seminar on Payment and Settlement Issues for Central Banks, organized by the European Central Bank, in Frankfurt, September 7-11.



- “IX InPeru Roadshow Asia 2015”, organized by Association InPerú, held in Tokyo, Seoul and Beijing, September 7-11.
- BIS CCA CGDFS Annual Meeting, organized by the BIS, in Vancouver, September 14-15.
- LXXX FLAR Board Meeting, held in Bogota, September 21.
- XIII Meeting on Central Bank Internal Audit, organized by CEMLA and the Bank of the Republic, held in Bogota, September 23-25.
- “19th Working Party on Monetary Policy in Latin America”, organized by the BIS, in Bogota, September 28-29.
- Seminar “Evaluación de la estabilidad financiera e implementación de herramientas macroprudenciales”, organized by CEMLA and the Financial Stability Institute, in Mexico D.F., September 29 - October 1.
- XXXVI Meeting of Central Bank Systematization, organized by CEMLA and Bank of the Republic, in Bogota, October 6-9.
- 20th Annual LACEA Meeting 2015, organized by Asociación Económica de Latinoamérica y el Caribe (LACEA), in Santa Cruz, October 15-17.
- “Financial Inclusion in Latin America”, seminar organized by the Financial Stability and Development Group, in Asuncion, October 21-22.
- 30th Meeting of Governors of Central Banks of South America, organized by the Central Bank of Paraguay, in Asuncion, October 22-23.
- IV Meeting of Government Specialists in Statistics of Services Trade and Workshop on the Degree of Correlation between Goods and Services, organized by ALADI, in Montevideo from 27 to 28 October.
- 3rd Annual Conference of the Bilateral Assistance and Capacity Building for Central Banks (BCC) “Exchange rate policy: Limits to flexibility, capital controls, and reserve managements”, organized by the Graduate Institute of International and Development Studies, in Geneva, October 29-30.
- First Meeting BIS CCA Research Network on Commodities, organized by the BIS, in Mexico D.F., October 29-30.
- XXIX FLAR Meeting of Central Banks and Official Institutions: Chronic Fragility, A new standard? organized by FLAR, in Cartagena, November 4-6.
- BIS Bimonthly Meeting of Governors, held in Basel, November 8-9.
- Seventh High-Level Policy Dialogue of the Eurosystem and Latin American Central Banks, organized by the European Central Bank and the Bank of Spain, in Madrid, November 10-11.
- IDB Conference Research Network Project “Structure and composition of firms’ balance sheets”, organized by the IDB, in Washington D.C., November 9-10.
- Third International Monetary Fund Forum on Official Statistics to Support to Evidence-based Policymaking, organized by the Deutsche Bundesbank and the IMF in Frankfurt, November 19-20.
- XX Meeting of the Network of Central Bank Researchers, organized by CEMLA and the Central Bank of the Dominican Republic, in Santo Domingo, November 26-27.
- 2015 Regional Payments Week, organized by CEMLA, the World Bank and the Central Bank of the Dominican Republic, in Santo Domingo, December 1-4.



### 3.2 National meetings and events

- Lecture "The distribution and dynamics of prices," delivered by Professor David Jacho-Chavez, Emory University.
- "Challenges of the Chinese economy" lectured by Professor Emeritus Qiren Zhou, National School of Development, Pekin University.
- Lecture "Fostering Scientific Research: Evidence of Public Programs", delivered by Professor Mateo Triossi, Universidad de Chile.
- Presentation of OECD Development Centre document: "Economic Outlook and innovation for development".
- Lecture "Basel III New Liquidity Requirements ", delivered by Professor Angel Vilariño, PhD in Economics.
- Universidad del Pacífico Tribute to Julio Velarde on his appointment as the Central Bank Governor of the Year by The Bankers Magazine.
- "Understanding the Great Recession" lectured by Lawrence Christiano PhD, Senior Professor at Northwestern University.
- "Health Reform", lecture delivered by Midori de Habich, former Minister of Health.
- "Money and Systemic Risk", lecture by Professor Saki Bigio, Columbia University.
- "Behavioral Economics and Public Policies", lecture delivered by Marco Hernandez PhD, Senior Country Economist for Central America, World Bank.
- LVII Meeting of ALADI's Advisory Committee, April 20-24.
- Conference "Prospects for the mining sector 2015" organized by Thomson Reuters.
- Presentation of the "Global Financial Stability Report", organized with the IMF on April 24.
- Financial Stability Committee: "Lessons from initial experiences in Latin America", organized with the IMF, April 28.
- Presentation of the Regional Economic Outlook (REO): "Prospects and policy challenges for Latin America and the Caribbean", organized with the IMF, May 15.
- Presentation of the book "La fuerza económica de las migraciones internas", written by Aníbal Sanchez, Deputy Director of INEI, June 4.
- Seminar "Managing Macroeconomic Risks and Controlling Inflation: Challenges for Emerging Market Economies", organized with CEMLA, June 15-16.
- XII Meeting of Central Bank Legal Advisors, organized with CEMLA, June 24-26.
- Technical Seminar "OECD Codes of Liberalisation", June 30 to July 2.
- Workshop "Advanced Forecasting", organized with ECLAC and the IMF, August 3-7.
- Regional Economic Meeting at Ayacucho, August 7-8.
- Conference "The economy of Greece", delivered by Professor Plutarchos Sakellaris, Athens University, August 14.
- 450th anniversary of Casa Nacional de Moneda and presentation of commemorative coins, August 21.

### 450th Anniversary of Casa Nacional de Moneda

The first mint in South America, Casa Nacional de Moneda de Lima (CNM), was established in Lima, in the Viceroyalty of Peru following a Royal Decree signed by King Philip II of Spain on August 21, 1565. The Lima Mint started operating alongside the Viceregal Palace, where the Government Palace gardens are located today.

The Lima Mint has been located in its current premises since 1683. Because of the importance and beauty of this architectural ensemble, the Casa Nacional de Moneda building was declared part of Peru's Cultural Heritage in 1972.

Operations in the Lima Mint were interrupted in different moments of the long viceregal period. Since 1748 the mint was administered by royal superintendents, but after the Independence of Peru in 1821, Don José de San Martín appointed the first Peruvian director of the mint and from there on the mint was called Casa Nacional de Moneda (CNM). In 1943 Banco Central de Reserva del Peru (BCRP) took over the management of CNM and since 1977, the National Mint has been a department of the Central Bank.

Casa Nacional de Moneda is responsible for coin minting in the country, coins contributing to provide economic fluidity to market transactions. In addition, with their artistic and innovative abilities and skills, the CNM technicians and designers have created beautiful pieces of gold, silver, copper, and other alloys which are invaluable testimonies reflecting different moments of the history of Peru.

Moreover, in order to contribute to assert our national identity, disseminate our cultural heritage, and promote the presence of Peru in coin collection markets, in recent years Casa Nacional de Moneda has also been minting coins for numismatic purposes in addition to producing legal tender coins, medals, badges, and other artistic products.



Nickel-silver



Silver



Gold



- International seminar "History of National Mints of America and Spain" as part of the celebration of the 450th anniversary of Casa Nacional de Moneda, August 21.
- Course "Macroeconomic models with a financial sector," Professor Yuliy Sannikov, Princeton University, September 21-25.
- Workshop "Macroprudential Policies", José Berróspide, PhD, Senior Economist at the Federal Reserve System, September 28-30.
- Roundtable discussion with students at Universidad del Pacífico with Barry Eichengreen, Yide Qiao, Jacob Frenkel and Alejandro Werner, October 5.
- VI Annual Conference organized by the Central Reserve Bank of Peru and the Reinventing Bretton Woods Committee: "Monetary Shifts: Challenges and Possible Outcomes", October 6.
- Meeting of the Research Network of Central Banks and Finance Ministries, organized with the Inter-American Development Bank, October 7-8.
- Conference "The IMF and the Global Financial Crisis: Policy and Operational Responses and Latest Developments" organized with the IMF, October 7.
- Annual Meeting of the World Bank Group and the IMF, October 5-12. Meetings of Central Bank Governors and Ministry of Finance of 188 countries with representatives of the IMF and World Bank.
- "International Banking Seminar", organized with the G-30, October 11.
- XXXIII BCRP Meeting of Economists, October 27-28.
- "Employment Prospects and Labor Market Policies", lecture delivered by Professor Christopher Pissarides, Nobel Prize in Economics, November 9.
- "Working Party on Markets in Latin America", organized with the BIS, November 11-12.
- Seminar "Methods and Models for Strategic Asset Allocation in Central Banks", Professor Jerome L. Kreuser, founder of The Riskontrol Group, November 23-27.
- Regional Economic Meeting at Huánuco, November 27-28.

### Annual Meetings of the World Bank Group and the International Monetary Fund

Peru was host to the 2015 **Annual Meetings of the World Bank Group (WBG) and the International Monetary Fund (IMF)** held in Lima in October 5 to 11, 2015. Participants included the Governors of the Central Banks and Ministries of Finance of 188 countries as well as many of the highest authorities and most distinguished personalities of the international financial world. As Governor of the Central Bank of Peru, Julio Velarde had an active participation in these WBG/IMF Annual Meetings.

Important global issues were discussed during the meetings, e.g. how to face the economic slowdown in China, the impact of global risks on the emerging economies, the effect of the increase in the Fed interest rate, and volatility in international financial markets. In addition to the economic and financial agenda, other subjects addressed in debates included the structural reforms needed to ensure sustainable growth taking into accounts aspects such as the rational exploitation of natural resources and an efficient management of climate change.

The designation of Peru as the host country of the 2015 Annual Meetings reflects international acknowledgement of the country's macroeconomic stability in recent decades. In addition to demonstrating our capacity to organize one of the world's most important events, this was also an opportunity to show that Peru has become a major destination for business and investors, as well as a major destination for tourists seeking culture, beautiful natural areas, and excellent food.



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#### 4. Branch offices

BCRP has regional branches in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno and Trujillo, which have jurisdiction in 23 departments.

The main role of the BCRP branch offices is to develop and disseminate studies and reports on economic activity in the respective regions, ensure the adequate supply of banknotes and coins in each region, and monitor the operation of the custody vaults. As part of its outreach and institutional responsibility activities, the BCRP branch offices organize and promote courses, conferences, and research about economic issues in the region and in the country.

The document “Síntesis de la Actividad Económica Regional” is published each month in the BCRP website. This document provides information about economic development in each region, as well as statistical data on production, employment, prices, the financial system, foreign trade, and non-financial public expenditure. Information about the main tourist attractions in each region is also published in the BCRP website.

Two regional meetings were held in 2015: “Encuentro Económico Región Ayacucho” was carried out in the City of Huamanga in August and “Encuentro Económico Región Huánuco” was carried out in Huánuco in November. Participants, who included local authorities, business representatives, and researchers, discussed about the economic challenges and prospects of the regions, as well as other specific issues associated with each region: e.g. rural development, education, human capital and welfare, infrastructure, energy, and tourism and development.

Together with the Branch offices, BCRP organized presentations of the Inflation Report and of the document “Síntesis de la Actividad Económica Regional” for representatives of several government, professional and academic organizations, chambers of commerce, and universities in different regions. Talks about the role and functions of the Central Bank were also delivered to university students.

The conferences organized by the BCRP branch offices in 2015 included the following: “Piura: coyuntura actual y retos futuros”, “Coyuntura económica de la macro región norte”, “La reducción del canon petrolero y sus impactos en la Región Piura”, “El impulso de clusters como eje del desarrollo regional en Piura”, “Coyuntura de la economía regional de Piura y perspectivas 2015-2016”, “El Fenómeno El Niño y su impacto en el crecimiento económico de Piura”; “Desarrollo reciente de la actividad económica de La Libertad”, “Desarrollo reciente de la actividad económica de Cajamarca”, “La informalidad en el Perú”, “Situación actual y perspectivas del impacto del Fenómeno El Niño en la agricultura peruana”, “Importancia de las industrias extractivas en el desarrollo de La Libertad”, “Perspectivas de los negocios en La Libertad”, “Desarrollo rural en la zona andina de La Libertad”, “Indicadores de la actividad económica de Huánuco”, “Indicadores de la actividad económica de Ica”, “Indicadores de la actividad económica de Huancavelica”, “Indicadores de la actividad económica de Ayacucho”, “Indicadores de la actividad económica de Pasco”, “Perspectivas de la economía global y canales de transmisión hacia América Latina”, “Sistema financiero y Pymes”, “Perspectivas y potencialidades económicas de la Región Madre de Dios”, “Política monetaria del BCRP”, “Impacto de la política monetaria en el desarrollo de las regiones”, and “Competencia monopolística entre bancos y dolarización”.

Among the research studies promoted by the regional branch offices that were carried out by the local academia, the following are worth highlighting: “Desarrollo reciente del mercado inmobiliario en la ciudad de Trujillo: 2004-2014”, in Trujillo; “Potencialidades competitivas del sector agropecuario de la región Junín y propuesta de estrategias y actividades para incrementar su valor agregado a favor del desarrollo de la región Junín” in Huancayo; “Potencialidad productiva e impacto económico en la región Arequipa”, in Arequipa, and “Potencialidades económicas de la región Puno”, in Puno.

It is also worth mentioning the participation of BCRP Branch Office of Arequipa in the Seventh International Book Fair, which took place in Arequipa in November 2015. The Central Bank was present in this event selling books and painting reproductions and providing information about the security features of our banknotes.

The BCRP branch offices also contributed to the decentralized selection of the students that would be among the finalists in the X Contest for School Students, which is a competition that seeks to foster the development of economic-financial literacy among senior secondary students.

Moreover, BCRP branch Offices continued providing training on the security features of banknotes and coins to the public and to personnel of financial entities. A total of 22,901 people participated in the 688 talks delivered over the year.

The museums of the branch offices of Trujillo, Arequipa and Piura received 33,448 visitors. It is worth pointing out that the number of people who visited the museum of the branch office of Trujillo (24,704 people) accounted for 74 percent of the total number of visitors to these museums.

## 5. Currency management

In 2015 the Central Bank continued issuing the coins of the Numismatic Series “Wealth and Pride of Peru” (Riqueza y Orgullo del Perú) launched in 2010 with the aim of providing information on our country’s rich cultural heritage while promoting numismatics at the same time. Five coins of this collection were issued in 2015: “Lima’s Cathedral” (January), the “Petroglyphs of Pusharo”, Madre de Dios (March), the “Architecture of Moquegua” (June), the “Archaeological Site of Huarautambo, Pasco (November), and the “Vicus Pottery”, Piura (December). A total of 23 coins of this 26-coin series have been issued so far.



Moreover, the Central Bank also issued four gold and silver commemorative coins: a silver coin featuring Peruvian poet Mariano Melgar Valdivieso, who had an active participation in Peru’s independence from Spain, was issued in August, in addition to gold, silver and alpaca coins commemorating the 450th anniversary of the creation of the National Mint. Furthermore, a silver coin commemorating the 400th anniversary of Guaman Poma de Ayala’s “Nueva Crónica y Buen Gobierno” was issued in November and a silver coin of the X Ibero-American Series called “Raíces Culturales” was put into circulation in December.





The regulation about the replacement of damaged banknotes and coins (Circular No. 016-2015-BCRP: Reglamento de Canje de Billetes y Monedas) was modified in April to allow financial entities to replace the banknotes held by people which may be damaged and missing some security features.

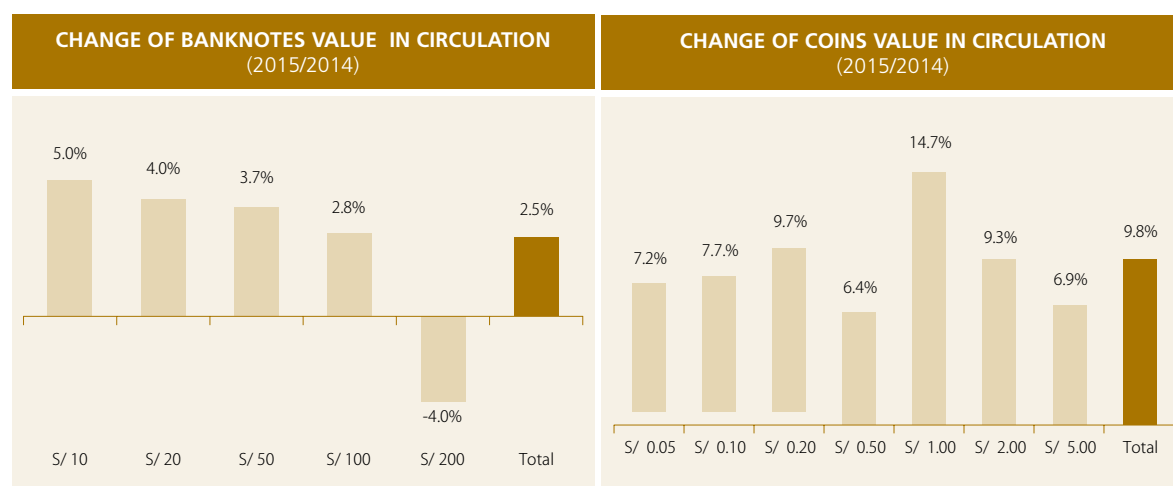
Law N°30381, approved in December, changed the name of Peru's monetary unit from Nuevo Sol to Sol to adjust to the name that is commonly used to refer to our domestic currency and facilitate faster transactions. The symbol of the new denomination is "S/". This law authorizes the Central Reserve Bank of Peru to develop the relevant regulations. Thus, Circular No. 047-2015-BCRP established that, as from December 15, 2015, any reference to nuevos soles made at an earlier date will be understood as soles, and that both names –nuevos soles (S/.) or soles (S/)- may be used indistinctively between December 15, 2015 and December 31, 2016. Banknotes and coins denominated in nuevos soles will continue to circulate together with currency denominated in soles.

BCRP continued carrying out the information campaigns about the security features of our banknotes and coins to the public and personnel of the financial entities, the staff of financial entities carrying out these campaigns in areas where the Central Bank does not have branch offices.

In addition, other information campaigns about the security features of our currency were carried out nationwide in the media –interviews on television, radio and newspapers–, especially when regional festivities are celebrated and there are significant movements of cash. Information campaigns were also carried out through the social media (especially through Twitter and Facebook).

## 5.1 Banknotes and coins in circulation

In 2015 currency in circulation was higher than 2014 both in term of value and in term of units in circulation. At December 2015, the value of banknotes in circulation reached S/ 46.7 billion (2.5 percent higher than at end 2014), while the value of coins in circulation reached S/ 2.2 billion (9.8 percent higher than at end 2014)



In 2015, there was 737 million pieces of banknotes in circulation (3.4 percent higher than at the end of 2014) and 3.5 billion coins in circulation (9.1 percent more than at the end of 2014)

The use of banknotes in the denomination of S/ 100 stands out in terms of both value and units, reflecting banks' greater preference for bills in this denomination to replenish their ATMs and bank facilities.

STRUCTURE OF CURRENT IN CIRCULATION EMITTED BY DENOMINATION: DECEMBER 2015				
Banknotes	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
10	131	17.8%	1,312	2.8%
20	133	18.1%	2,667	5.7%
50	123	16.7%	6,144	13.1%
100	333	45.2%	33,347	71.4%
200	16	2.2%	3,253	7.1%
<b>TOTAL</b>	<b>737</b>	<b>100.0%</b>	<b>46 723</b>	<b>100.0%</b>
Coins	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
0.05	422	12.1%	21	1.0%
0.10	1,298	37.2%	130	6.0%
0.20	351	10.0%	70	3.2%
0.50	419	12.0%	209	9.7%
1.00	713	20.4%	713	33.0%
2.00	144	4.1%	287	13.3%
5.00	146	4.2%	732	33.8%
<b>TOTAL</b>	<b>3,492</b>	<b>100.0%</b>	<b>2,162</b>	<b>100.0%</b>

As for coins, the demand for coins of 10 cents and 1 sol stands out, this demand being explained by the wide use of these denominations in public transport fares and retail transactions, as well as by interest in collecting the coins of the Wealth and Pride of Peru (ROP) numismatic series.

## 5.2 Coin minting

The National Mint produced 315 million coins in 2015, 9 percent more than in 2014. The largest production was coins in the denominations of 10 cents and 1 sol, which together represented 61 percent of the total number of coins produced (62 percent in 2014).

PRODUCTION OF COINS			
Denomination	Alloy	Quantity (Million units)	Monetary value (Million soles)
S/ 0.05	Aluminum	28.0	1.40
S/ 0.10	Brass	94.0	9.40
S/ 0.20	Brass	34.0	6.80
S/ 0.50	Nickel-silver	34.0	17.00
S/ 1.00	Nickel-silver	99.0	99.00
S/ 2.00	Bi-metal	13.0	26.00
S/ 5.00	Bi-metal	13.0	65.00
<b>TOTAL</b>		<b>315.0</b>	<b>224.60</b>

Source: BCRP.



### 5.3 Destruction of banknotes and coins

A total of 247 million banknotes with a monetary value equivalent to S/ 9.5 billion was withdrawn from circulation and destroyed in 2015. Moreover, 64 percent of the banknotes destroyed was banknotes in the denomination of ten soles and twenty soles (S/ 10 and S/ 20).

DESTRUCTION OF BANKNOTES		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 10	79.1	790.8
S/ 20	79.7	1,593.1
S/ 50	37.6	1,881.0
S/ 100	48.5	4,853.4
S/ 200	1.7	337.4
<b>Total</b>	<b>246.6</b>	<b>9,455.8</b>
Source: BCRP.		

In addition, 3.8 million units of coins was melted in 2015, 62 percent more than value registered in 2014.

MELTING OF COINS		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 0.01	0.2	0.0
S/ 0.05	0.7	0.0
S/ 0.10	1.8	0.2
S/ 0.20	-.-	-.-
S/ 0.50	-.-	-.-
S/ 1.00	1.2	1.2
S/ 2.00	-.-	-.-
S/ 5.00	-.-	-.-
<b>Total</b>	<b>3.8</b>	<b>1.4</b>
Source: BCRP.		

## 6. Circulars

During 2015 the BCRP issued forty-eight circulars: 12 referred to reserve requirement regulations, 7 about monetary instruments, 12 about banknotes and coins, 5 referred to first-class banks, and 12 about 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 Banking and Insurance Companies.



### Reserve Requirements

BCRP issued 12 circulars modifying the rates of reserve requirements in national and foreign currency and the current account requirement to provide the financial system with the necessary liquidity.

- Circular 005-2015-BCRP (27/01/2015)
- Circular 006-2015-BCRP (27/01/2015)
- Circular 009-2015-BCRP (24/02/2015)
- Circular 010-2015-BCRP (24/02/2015)
- Circular 014-2015-BCRP (27/03/2015)
- Circular 017-2015-BCRP (27/04/2015)
- Circular 018-2015-BCRP (27/04/2015)
- Circular 020-2015-BCRP (08/05/2015)
- Circular 023-2015-BCRP (29/05/2015)
- Circular 032-2015-BCRP (21/08/2015)
- Circular 040-2015-BCRP (04/11/2015)
- Circular 041-2015-BCRP (04/11/2015)

### Monetary Instruments

BCRP implemented and modified monetary instruments to provide liquidity to the financial system to support its De-dollarization of Credit Program and continue to meet the demand for loans.

- Circular 002-2015-BCRP (06/01/2015)
- Circular 021-2015-BCRP (08/05/2015)
- Circular 022-2015-BCRP (08/05/2015)
- Circular 033-2015-BCRP (26/08/2015)
- Circular 043-2015-BCRP (27/11/2015)



### **Banknotes and Coins**

The following circulars were related to numismatic and commemorative coins, banknotes regulations, and the new denominations of the Peruvian monetary unit.

- Circular 004-2015-BCRP (21/01/2015)
- Circular 012-2015-BCRP (23/03/2015)
- Circular 016-2015-BCRP (13/04/2015)
- Circular 025-2015-BCRP (17/06/2015)
- Circular 029-2015-BCRP (12/08/2015)
- Circular 030-2015-BCRP (20/08/2015)
- Circular 031-2015-BCRP (20/08/2015)
- Circular 038-2015-BCRP (02/11/2015)
- Circular 042-2015-BCRP (24/11/2015)
- Circular 044-2015-BCRP (01/12/2015)
- Circular 046-2015-BCRP (16/12/2015)
- Circular 047-2015-BCRP (18/12/2015)

### **Information and reports**

- Circular 008-2015-BCRP (23/02/2015)

### **System of payments**

- Circular 035-2015-BCRP (23/09/2015)

### **First-Class Banks**

The following circulars approved the list of first-class banks detailed in the website of the Central Bank ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)).

- Circular 003-2015-BCRP (11/01/2015)
- Circular 013-2015-BCRP (23/03/2015)

- Circular 026-2015-BCRP (25/06/2015)
- Circular 036-2015-BCRP (23/09/2015)
- Circular 048-2015-BCRP (28/12/2015)

**Daily Adjustment Index**

The daily rate adjustment referred to in Article 240 of the General Law of the Financial System and the Insurance System and Organic Law of the Superintendency of Banking and Insurance was published in the following circulars:

- Circular 001-2015-BCRP (January)
- Circular 007-2015-BCRP (February)
- Circular 011-2015-BCRP (March)
- Circular 015-2015-BCRP (April)
- Circular 019-2015-BCRP (May)
- Circular 024-2015-BCRP (June)
- Circular 027-2015-BCRP (July)
- Circular 028-2015-BCRP (August)
- Circular 034-2015-BCRP (September)
- Circular 037-2015-BCRP (October)
- Circular 039-2015-BCRP (November)
- Circular 045-2015-BCRP (December)