



# INSTITUTIONAL ACTIVITY

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## 1. Directory

The Board of Directors of the BCRP, as of December 31, 2021, was comprised of Julio Velarde Flores (Chairman), Carlos Oliva Neyra (Vice-Chairman), Germán Alarco Tosoni, Roxana Barrantes Cáceres, Marylin Choy Chong, Diego Macera Poli and José Távora Martín.

During the year 2021, 60 Board of Directors meetings were held.

## 2. Transparency and institutional projection.

The activities carried out by the Central Reserve Bank of Peru are characterized by their efficiency and transparency and its Board of Directors makes monetary policy decisions autonomously, which are disseminated through various formats and media.

### 2.1 Transparency

The monetary policy decisions of the BCRP's Board of Directors were disseminated every month through the **Monetary Program briefing notes**. These were published on the institution's website and social networks, and sent to the press media, as well as to subscribers of BCRP publications by e-mail. In addition, virtual conferences were held for journalists to provide details of the decisions of the Monetary Program.

In 2021, the **Inflation Report** was presented in March, June, September and December. This document contains the BCRP's economic analysis, explains monetary policy actions and reports on the evolution of prices, inflation forecasts and the main macroeconomic variables. It was disseminated in digital media and through virtual presentations to representatives of the financial system, economic analysts, journalists, authorities, academics and businessmen, both in Lima and in the interior of the country.

During the year 2021, the president of the BCRP, Julio Velarde, made virtual presentations before the Economic Commission of the **Congress of the Republic** on October 6, where he spoke about the Monetary Policy and the economic situation at that time; and on September 15, before the Budget Commission, where he spoke about the macroeconomic assumptions of the 2022 budget.

Likewise, Adrian Armas, Central Manager of Economic Studies of the BCRP, made a virtual presentation on the pension issue at the session of the Economy Commission on July 5; and before the Consumer Defense Commission on June 14, where he reported on the methodology applied for the calculation and determination of the maximum interest rate established in Law 31143, a law that protects consumers of financial services from usury. Likewise, he participated in person on December 3 in a Technical Working Group organized by the Economy Commission, which opened the debate to define a comprehensive reform of the pension system in the country.

## 2.2 Dissemination of economic information

In 2021, the BCRP published information on the state of the nation's finances through statistics and macroeconomic analysis, presented in the *Inflation Report*, the *Weekly Note*, the *Annual Report*, the *Financial Stability Report*, the *Economic Studies* and *Currency* magazines, the *Weekly Economic Report*, the *Research Notes*, the *Working Papers* and the *Economic Activity Summaries* of the Bank's branches, among others. It also disseminated in its Internet Portal, press media and social networks, the information notes on the decisions of the Board of Directors regarding the reference interest rate, the most relevant institutional activities and the evolution of economic variables.

The Central Bank organized institutional and academic events, both in Lima and in different regions of the country, where different topics of economic interest were analyzed. In addition, virtual exhibitions were held to inform about the purpose and functions of the Bank, as well as the security measures for banknotes and coins.

In 2021, the BCRP increased its use of digital media to disseminate its economic and institutional information and guidance on security measures for banknotes and coins. Information was continuously published on Facebook, Twitter, LinkedIn, YouTube and Instagram, maintaining its position as one of the main public institutions in these communication channels.

## 2.3 Social responsibility

The Central Bank continued to contribute to the culture and education of our country through courses, contests and free access to its museums and library, among others.

### Courses

- **Extension Course on Advanced Economics**  
Thirty students from public and private universities from different regions of the country participated in the LXVIII Advanced Economics Extension Course, held from January 4 to March 31. The students with the highest grades were invited to join the Bank.
- **Extension Course in Advanced Finance**  
For the XIV Advanced Finance Extension Course, the Bank selected 27 students from different universities in the country to be trained in financial topics. The students with the best performance were called to join the Bank. The course was held from January 4 to March 31, 2021.
- **Refresher Course for Economics**  
In the 2021 edition, from August 9 to September 6, 283 students from 27 universities in the interior of the country participated. The course aimed to reinforce and update the academic knowledge of economics students from provincial universities in the following subjects: Macroeconomics, Microeconomics, Econometrics, Finance and a seminar on Monetary Policy.
- **Refresher Course for Economics Teachers**  
In the 2021 edition, 37 professors from provinces all over the country participated. The course aimed to update university professors from universities outside Lima on the latest knowledge and developments in the subjects of Macroeconomics, Microeconomics, Econometrics and Project Evaluation. The course was held from August 9 to September 6.

### Contests

- **Renzo Rossini Research Award in Economics and Finance**  
The first place in this contest was awarded to Teresa Tipula (UPC), for her work "*Competitive risk analysis of the duration of the monetary policy rate in Peru*". Second place went to Daniel Yon (UPC), for his research "*Political economic uncertainty and investment: An indicator based on the EPU and the use of Big Data*". The third place went to Vivian Izaguirre (UPC), for her work "*An analysis of the effectiveness of macroprudential tools applied in Peru during the period 2011-2019*".

- **Julio Ramón Ribeyro Short Novel Competition**

In the 2021 edition, the work *“El ave soul del Hotel Lima. La zona rosa de Victor Humareda”* by Ladislao Plasencia won first place. The jury was made up of writers Mirko Lauer, Alonso Cueto, Francesca Denegri, Marcel Velázquez and Karina Pacheco, who selected the novel for “its reconstruction of the figure of a Puno artist in Lima, in dialogue with popular figures from an extravagant and marginal world”.

**Book publications**

In 2021, the Central Reserve Bank of Peru in co-publication with the Institute of Peruvian Studies (IEP), published the book: *“Empire and domestic economy”* by historian Terence D’Altroy and Christine A. Hastorf.



On the occasion of Peru’s Bicentennial, the BCRP published two books: i) *“La Independencia del Perú: de los Borbones a Bolívar”*, compiled by Scarlett O’Phelan, in its second edition, whose presentation was made via videoconference with the participation of historians Scarlett O’ Phelan, Carlos Aguirre, Elizabeth Hernández and Carlota Casalino. ii) *“El Padrón de Contribuyentes de Lima 1821; ciudadanos, cuarteles y barrios”* (*The Taxpayers’ Register of Lima 1821; citizens, barracks and neighborhoods*).

In addition, the BCRP Editorial Fund published the novel *“El ave soul del Hotel Lima. The pink zone of Victor Humareda”*.

**Central Museum (MUCEN)**

In 2021, the Central Museum kept its doors open to the community, complying with biosecurity protocols due to the COVID-19 Health Emergency. It received a total of 8,106 visitors in its main building, located in the Historic Center of Lima. During the months of February to April, no public attention was provided due to the second wave of the pandemic. Attention was resumed since May, offering the visit to the permanent rooms as well as to the temporary exhibition *Mantos y otros fantasmas*, by the artist Alice Wagner, winner of the I prize of the BCRP Painting Contest in 2018.

**National Project (2021-2024)**

In the context of the commemoration of the Bicentennial of the Independence of Peru, the Nation Project and the Nation exhibition were presented as the main activity of the project *“Imagining Peru”* from the MUCEN. This exhibition opened its doors from July 2021 to February 2022. The curatorship was in charge of an interdisciplinary team of five curators, formed by archaeologist Hugo Ikehara, historian Carlos Contreras, and art historians María Eugenia Yllia, Gabriela Germaná and Ricardo Kusunoki.

A monthly average of 400 people participated in the activities in the exhibition hall, using cards on which they could propose designs or leave messages. This indicates that the exhibition constituted a space for reflection and dialogue with visitors on symbols, diversity and routes for imagining Peru.

As part of this project, the Nation Laboratory was carried out, aimed at primary school teachers to develop educational materials on the themes of the exhibition. To this end, 12 teachers from different Peruvian cities and the museum's educators worked collaboratively in 5 sessions. In addition, the "My family, my nation" laboratory-workshop was held, a space for creation with families from different parts of Peru to design an emblem that represents them using pieces from the collection as inspiration.

The audiovisual content produced about the Nation Project (videos and podcast) obtained in 2021 27,627 views on Facebook and 581 views on MUCEN's YouTube channel. Likewise, in order to continue with the commitment to include the Deaf Community, such material was provided with a Peruvian sign language interpreter.

### **MUCEN Digital**

Continuing with the commitment to build a museum of experiences with a pedagogical approach, the following resources were developed in digital format:

- Three virtual tours in 360° format of: i) MUCEN's Traditional Art Room, ii) MUCEN Numismatic and, iii) the temporary exhibition Mantos y otros fantasmas by artist Alice Wagner. The first two include audios to accompany visitors on their tour.
- 5 videos made for Museum Month in which team members explain the functions they perform and how they envision the future of museums.
- 11 podcast episodes on Spotify about the history of Casa Urquiaga and the collection exhibited at MUCEN Trujillo.
- 891 new cultural property records were registered in the museum's Digital Catalog of Collections, including the digitization of 4 archaeological pieces in 3D format, published on MUCEN's Sketchfab platform<sup>1</sup>.
- As part of the exhibition Nation, Imagining Peru from the MUCEN, was held:
  - The podcast series Proyecto Nación, tradiciones artísticas, which features 6 testimonials from artists or their families about their creative process and legacy.
  - 4 videos about the themes of the exhibition explained by the curators and the director of the museum.

Regarding the MUCEN website, 247,147 visits were received during 2021, an increase of 113% over the previous period. These were made by 47 thousand users, a grew of 18% over 2020.

Regarding the use of social networks, MUCEN's Facebook page had 66 thousand followers during the 2021 period, which indicates a growth rate of 6% with respect to 2020. The number of followers on Instagram increased to 7,120, an increase of 44% over the previous period.

### **EDUCATIONAL MUCEN**

In order to continue generating links between the museum and the educational community, the digital educational program "The other side of the coin" was developed for elementary school children, which consists of four interactive videos, a guide for teachers and worksheets for students, in order to bring them closer to the history of the coin in Peru and its manufacturing process. These videos had a reach of 37,141 views on digital platforms.

Between March 8 and 12, 2021, the event "Community of Educators: First Meeting of Museums + School" was held, aimed at museum and school educators with the objective of exchanging successful experiences. More than 3,120 people participated in the virtual transmissions with a national and Ibero-American scope.

<sup>1</sup> MUCEN's Sketchfab platform: <https://sketchfab.com/MUCEN>





On the other hand, the first call for the Contest for teachers was held: *“The MUCEN as an educational resource”*. A total of 41 proposals were received for learning projects aimed at schoolchildren and inspired by the museum’s collections under the theme *“Thinking the Peruvian nation”*. On September 20, in a virtual event, the jury selected three winning teachers in the following categories:

- **Regular Primary Basic Education Category**  
Winning proposal: *“Shadow theater workshop to generate stories based on the engravings of the Peruvian painter José “Sabogal”*.  
Author: Vania Fantasía Guevara Pérez.
- **Regular Basic Secondary Education Category**  
Winning proposal: *“CuestionARTE para EmpoderARTE”*.  
Author: Luz María Guevara Llatas.
- **Basic Special Education Category**  
Winning proposal: *“Let’s take care of life, we are all part of nature”*.  
Author: Hilda Fernández Quispe.

In order to generate spaces for dialogue with students in real time, between October and November 2021, 16 virtual tours of the educational programs Cosmovisiones and Nuestra Vestimenta were conducted through virtual platforms. The participation of 397 primary and secondary students from 12 schools in Lima and Callao, and 4 schools in other departments was obtained.

In order to generate experiences of creation and exchange, several workshops and discussions were held during 2021. For the *“World Savings Week”*, 2 workshops and 1 discussion for teachers were held; in July and September, 2 workshops were held for families on numismatics and the series *“Endangered wildlife of Peru”*. Within the framework of the Nation Project and the Nation exhibition, 4 workshops were held for families and the general public, as well as 4 talks with curators, specialists and guest artists.

### Renewal of MUCEN Trujillo

A new museographic script was implemented through the renovation of seven exhibition rooms at MUCEN Trujillo, with an interpretive approach. This new proposal seeks to highlight the role of the historic mansion, linked to important political, social, economic and religious events in the city of Trujillo. In this context, the conservation of more than 80 cultural assets, the diagnosis of the works in the collection, as well as the reorganization and improvement of the cultural property deposits were carried out.

### Collection management

Of note were the acquisitions of 834 new pieces to the numismatic collection of the Banco Central de Reserva del Perú (BCRP), consisting of 306 commemorative coins and 528 head-of-series banknotes. In addition, the loan agreement with the Numismatic Society of Peru (SNP) was renewed, extending the BCRP’s custody of 618 numismatic pieces belonging to the SNP’s collection until July 2025, which are currently on display at the BCRP’s Numismatic Museum.

In relation to the museum's participation in national or international exhibitions, through the loan of goods, in May a contract was signed for the loan of two works of art to the Museum of Contemporary Art for the exhibition "*Negar el desierto*" (*Denying the Desert*).

In June 2021, a work was granted on loan to the Peruvian-North American Cultural Institute for the exhibition "*Dominating Color / Seeing Reality*. Victor Humareda, first century".

During 2021, the number of services provided to national and foreign researchers increased with respect to previous years, as well as for the Ministry of Education's "*I Learn at Home*" Educational Program.

Forty users requested access to the MUCEN's Digital Catalog of Collections to obtain more information, use high resolution images or reproduce audiovisual material.

## Library

In terms of services, the Library lent a total of 58,388 copies of books and periodicals, both physical and digital.

In addition, the Library acquired 763 books and periodicals related to monetary and economic policy, international finance, trade and the external sector, public finance and economic theory, among others, through purchases, exchanges and donations.

## 3. Main events

In 2021, BCRP authorities and officials participated in several international and national meetings held in virtual format. The main ones included the following:

### 3.1 International meetings

- Seminar "*Future of Peru: Economy, Politics and Scenario 2021*", organized by UBS, on February 25.
- Seminar "*Peru's Economic Outlook*" held by Bank of America, on March 5.
- Seminar "*Prospectors & Developers Association of Canada*", organized by the Canadian Chamber of Commerce - Peru, on March 9.
- "*Americas Society Council of the Americas*" virtual meeting, March 31.
- Academic event coordinated by XP Inverimentos, within the framework of the spring meetings organized by the International Monetary Fund (IMF) and the World Bank (WB), on April 6.
- Bilateral meeting between the President of the Central Reserve Bank of Peru and the Director of the IMF's Western Hemisphere Department, prepared by the IMF, on April 7.
- Meeting organized by Columbia University School of International and Public Affairs, on April 14.
- "*Andean Panel Central Banks*" meeting, held by JP Morgan, on April 22.
- Quarterly meetings organized by the Bank for International Settlements (BIS), May 8 to 14.
- CX CEMLA Central Bank Governors' Meeting, May 20.
- Seminar "*The next global financial cycle in a divergent global economy*", organized by The Reinventing Bretton Woods Committee, IDB and BCRP, on July 23.
- XXXIX Meeting of Presidents of Central Banks of South America-MERCOSUR, on October 4.
- CXI Meeting of CEMLA Central Bank Governors, October 8.
- Annual Meetings of the IMF and WB, at the IMFC PLENARY, on October 14.
- Seminar "*The post pandemic recovery: Is the best behind us?*", in the framework of the IMF and WB Annual Meetings, organized by J.P. Morgan, on October 21.
- Meeting of the BIS-CCA *Consultative Council for the Americas*, November 5.
- BIS - All Governors meeting, November 15.
- Monetary Banking Conference 2021, organized by the Central Bank of Argentina, on November 17.
- BIS-CCA "*Governors with the CEOs of Financial institutions*", November 23.

### 3.2 National meetings

- Conference *“Reactivación de Cara al 2021”*, held by CADE, on January 12.
- Master Lecture, organized by the Peruvian Institute of Economics, on January 19.  
BCRP Economic Policy Virtual Seminar: *“Boosting Residential Construction and the Mortgage Market in Peru”*, February 22-24.
- Virtual lecture series *“Climate Change and Socially Responsible Investments”*, organized by the International Operations Management of the Central Reserve Bank of Peru, June 15-17.
- Virtual Forum *“Peruvian Economy: Pending Agenda after the Bicentennial”*, coordinated by the Ministry of Economy and Finance, on July 1.
- EXPO ECONOMIN, *“La Economía Peruana en el Próximo Quinquenio”*, October 2.
- Economic Forum 2021: *“Confidence for Economic Development: Managing Change”*, organized by AMCHAM, on October 26.
- UP Alumni Network Conference, *“Regional and World Economic Outlook”*, organized by Universidad del Pacífico, on October 27.
- Public Management Day 2021, held by Universidad Pacifico, on November 11.
- XXXIX Meeting of Economists 2021, organized by the Central Reserve Bank of Peru, on November 23 and 24.
- Scotiabank investor event: *“Price trends, inflation forecasts, nature of inflationary shocks, monetary policy implications, exchange rate”* on November 30.
- X Course on Payment Systems in Peru, organized by the Central Reserve Bank of Peru, on December 15.
- Virtual exhibition organized by the Asociación para el Progreso de la Dirección (APD): *“Economía Peruana 2022”*, on December 16.

### 4. Branches

The Central Reserve Bank of Peru has seven branches located in the cities of Arequipa, Cusco, Huancayo, Iquitos, Piura, Puno and Trujillo, which operate in 23 departments of the country, except for Lima. The Piura and Arequipa branches were the first decentralized offices of the Central Bank, operating since 1970 and 1971, respectively. Each branch has an Economic Studies department and an Operations department. In addition, the Arequipa, Trujillo and Piura branches have art museums and numismatic collections open to the general public.

The main function of the branches is to represent the Bank within their sphere of influence, to prepare reports and studies on the development of regional economic activity; to ensure an adequate supply of banknotes and coins, in the quantity and quality required by the financial system; to supervise the operation of the custody vaults and to oversee compliance with the regulations regarding the circulation of our currency.

Through the Bank's Internet portal, the branches publish monthly the document *“Regional Economic Activity Summary”*, which contains an analysis of the economic and financial performance of each of the country's 23 departments, including monthly statistics on sectoral production, prices, employment, bank loans and deposits, foreign trade operations and execution of the public budget at the regional level. It also disseminates the *“Economic Characterization”* and the *“Main tourist attractions”* of each of the 23 departments of the country.

In 2021, despite the health emergency situation as a consequence of the Covid 19 pandemic, BCRP branches continued to prepare and virtually disseminate regional and national economic information, thus, the *“Inflation Report: Recent Trends and Macroeconomic Forecasts 2021-2022”* and the document *“Synthesis of Regional Economic Activity”* for each department, was virtually disseminated among the main regional companies, academic institutions and public sector authorities, with participants from the cities of Arequipa, Moquegua, Ilo, Tacna, Cusco, Huancayo, Huanuco, Tingo Maria, Ayacucho, Cerro de Pasco, Iquitos, Pucallpa, Moyobamba, Tarapoto, Piura, Chiclayo, Lambayeque, Puno, Juliaca, Trujillo and Cajamarca.

The branches continued to disseminate virtually the conference *“Role and Functions of the BCRP”*, aimed at students of public and private universities and institutes of higher education; they also promoted the participation of university students in the university extension courses in Advanced Economics and Finance, virtual edition and refresher courses for students and professors of Economics.



The main conferences where the branches participated with speakers were: in Arequipa, *"From the Financial Crisis to the Covid 19 Crisis. Lessons Learned"*; in Iquitos, *"IX Scientific Meeting of the Regional Council of Science and Technology - CORCYTEC"*, and *"IX Academic Conference of the Educational Exchange Program"*; in Puno, *"I Conference on the problems of marketing Quinoa"*; in Trujillo, *"Development of the Construction Sector in La Libertad"*. In Cusco, the course *"Economics for Non-Economists"*, modules on microeconomics and macroeconomics, was given to businessmen of the Chamber of Commerce of Cusco.

In Arequipa, they met with the Grupo Impulsor del Ecosistema Emprendedor de la Provincia de Ilo, made up of the Ilo Chamber of Commerce and the Regional Production Management of Moquegua; the Technical-Public Forum for the Analysis of the Government's Reactivation Plan, convened by the rectors of Universidad Nacional de San Agustín, Universidad Católica de Santa María and Universidad Católica San Pablo; the Interinstitutional Coordination Committee for Statistics and Informatics, convened by the National Institute of Statistics and Informatics.

Given the context of the health emergency caused by Covid 19, the branch offices continued to conduct virtual interviews with executives of the main regional companies in different economic sectors, in order to evaluate the problems and growth prospects of the agro-export, textile, alpaca, mining, fishing, timber, tourism, commercial and service sectors.

It should be noted that during the year 2021, the branches continued to serve the public by exchanging banknotes and coins at their counters, thus facilitating the flow of commercial transactions in the region. Thus, throughout the year, 237,297 people were served, with an amount exchanged of S/ 400.78 million. Likewise, financial system personnel and the public were trained virtually on the characteristics and security features of banknotes, including those of the new family. In 2021, 352 virtual lectures were held, attended by 14,714 people, an audience 140 percent larger than that registered in 2020.

## 5. Currency in Circulation Management

As of July 2021, the Central Reserve Bank of Peru issued a new family of banknotes, whose designs pay tribute to prominent figures of the twentieth century of our country and highlight the rich flora and fauna representative of our natural heritage. The new banknotes also have high-tech security features that are easy for the public to recognize.

On July 22 the S/ 10 and S/ 100 banknotes were put into circulation. The S/ 10 banknote presents on the obverse the portrait of María Isabel Granda y Larco, and on the reverse the image of a vicuña next to the Amancaes flower, an endemic species of Peru. The S/ 100 banknote presents on the obverse the portrait of Pedro Paulet Mostajo and on the reverse the image of the Spatula-tailed Hummingbird and the *Phragmipedium kovachii* orchid, both endemic species of Peru.





During 2021, we increased the dissemination of the characteristics of our numeraire, with emphasis on the new family of banknotes, through various virtual platforms. In the context of the Covid-19 pandemic, virtual lectures were given to participants in different cities of the country, both to the general public and to representatives of the financial system, with a total attendance of 35 thousand people, higher than in 2020 (14 thousand people).

### 5.1 Banknotes and coins in circulation

The annual growth rates of the volume (10.8 percent) and value (13.3 percent) of banknotes in circulation continued to be high compared to those observed in the pre-pandemic period. However, since February, a slowdown in the annual growth rate of currency in circulation was registered, which was due to the gradual normalization of economic activities.

BANKNOTES IN CIRCULATION (Millions of units)							
Period	10	20	50	100	200	Total	Value (Million S/)
Jan.21	182.5	214.2	255.9	571.1	38.3	1,262.0	83,671.5
Feb.21	170.3	195.4	242.3	568.3	37.9	1,214.3	82,132.1
Mar.21	166.3	192.6	244.9	573.9	38.2	1,216.1	82,804.7
Apr.21	159.1	183.6	238.1	570.3	38.3	1,189.5	81,865.2
May.21	157.7	186.7	242.7	574.7	39.1	1,200.8	82,736.6
Jun.21	156.4	187.3	257.7	585.3	40.7	1,227.5	84,868.6
Jul.21	169.0	202.7	269.5	608.8	42.8	1,292.9	88,672.7
Aug.21	156.7	190.2	265.0	607.2	42.1	1,261.2	87,765.8
Sep.21	155.6	187.6	264.8	606.2	42.3	1,256.5	87,631.2
Oct.21	156.6	188.8	268.1	610.9	42.6	1,266.9	88,346.8
Nov.21	155.4	181.3	262.5	607.0	42.7	1,248.8	87,539.3
Dec.21	162.6	189.9	276.0	624.3	43.6	1,296.3	90,361.5

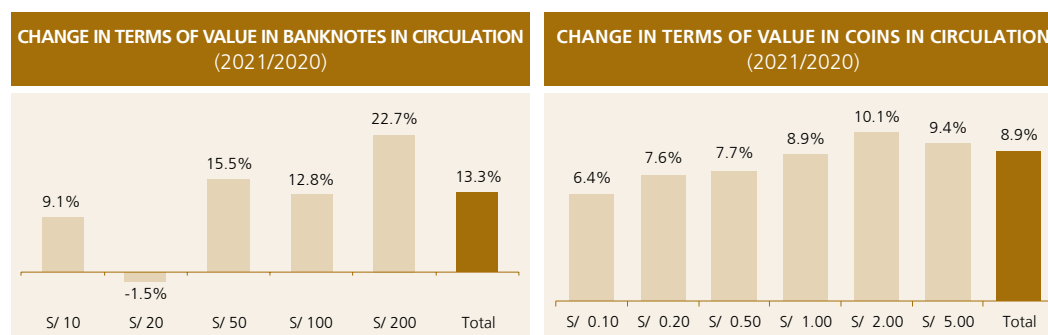
Source: BCRP.

For currency in circulation, the annual growth rates for volume and value were 7.6 percent and 8.9 percent, respectively.

COINS IN CIRCULATION (Millions of units)								
Period	0.10	0.20	0.50	1.00	2.00	5.00	Total	Value (Million S/)
Jan.21	1,772.7	507.2	551.2	1,040.4	210.5	180.0	4,262.0	2,915.6
Feb.21	1,778.9	509.3	552.8	1,044.8	211.8	181.0	4,278.7	2,929.7
Mar.21	1,786.5	512.6	556.6	1,051.2	214.3	182.7	4,304.0	2,952.9
Apr.21	1,795.2	515.8	560.0	1,050.7	216.3	184.0	4,322.0	2,965.9
May.21	1,805.5	519.2	564.2	1,059.0	219.0	186.4	4,353.2	2,995.2
Jun.21	1,815.2	523.4	567.7	1,068.9	221.5	187.5	4,384.3	3,019.3
Jul.21	1,822.2	525.5	570.8	1,078.6	222.7	188.9	4,408.7	3,041.2
Aug.21	1,834.2	528.9	574.4	1,081.8	221.2	188.3	4,428.8	3,042.1
Sep.21	1,845.6	532.0	578.5	1,092.7	224.3	190.6	4,463.6	3,074.3
Oct.21	1,855.7	536.2	582.9	1,107.6	227.6	193.0	4,502.9	3,111.9
Nov.21	1,865.7	539.5	586.5	1,113.9	229.2	194.9	4,529.7	3,134.4
Dec.21	1,876.3	543.1	589.7	1,122.4	229.7	195.3	4,556.6	3,149.5

Source: BCRP.

Considering the evolution of the circulation of banknotes and coins by denomination, it was observed that in terms of banknotes, the S/ 200 denomination presented the highest increase with respect to 2020 (22.7 percent), while in the case of coins, the S/ 2.00 and S/ 5.00 denominations stood out (10.1 percent and 9.4 percent, respectively).



As for the structure of banknotes in circulation, the S/ 100 denomination was the most demanded during the health emergency period, mainly to supply ATMs.

With respect to the structure of the currencies in circulation, the S/ 1.00 and S/ 5.00 denominations had a greater share in value, while in units the S/ 0.10 denomination was the most used, mainly for low value transactions.

STRUCTURE OF CURRENT IN CIRCULATION EMITTED BY DENOMINATION: DECEMBER 2021				
Banknotes	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
10	163	12.5%	1,626	1.8%
20	190	14.6%	3,797	4.2%
50	276	21.3%	13,799	15.3%
100	624	48.2%	62,427	69.1%
200	44	3.4%	8,712	9.6%
<b>Total</b>	<b>1,296</b>	<b>100.0%</b>	<b>90,362</b>	<b>100.0%</b>
Coins 1/	Unit (Million)	Unit (% allocation)	Value (Million S/)	Value (% allocation)
0.10	1,876	41.2%	188	6.0%
0.20	543	11.9%	109	3.4%
0.50	590	12.9%	295	9.4%
1.00	1,122	24.6%	1,122	35.6%
2.00	230	5.0%	459	14.6%
5.00	195	4.3%	977	31.0%
<b>Total</b>	<b>4,557</b>	<b>100.0%</b>	<b>3,150</b>	<b>100.0%</b>

Source: BCRP.

## 5.2 Coin minting

The National Mint minted 250 million coins, 40 percent more than in 2020. The largest volumes corresponded to the S/ 0.10 and S/ 1.00 denominations, which together represented 58 percent of the total minted.

PRODUCTION OF COINS - 2021			
Denomination	Alloy	Quantity (Million units)	Monetary value (Million soles)
S/ 0.10	Brass	102.0	10.2
S/ 0.20	Brass	37.0	7.4
S/ 0.50	Nickel-silver	39.0	19.5
S/ 1.00	Nickel-silver	43.0	43.0
S/ 2.00	Bi-metal	17.0	34.0
S/ 5.00	Bi-metal	12.0	60.0
<b>Total</b>		<b>250.0</b>	<b>174.1</b>

Source: BCRP.

### 5.3 Destruction of banknotes and melting of coins

In 2021, 480 thousand S/10 denomination banknotes withdrawn from circulation were destroyed.

DESTRUCTION OF BANKNOTES - 2021		
Denomination	Quantity (Million units)	Monetary value (Million soles)
S/ 10	0.5	4.8
S/ 20	-	-
S/ 50	-	-
S/ 100	-	-
S/ 200	-	-
<b>Total</b>	<b>0.5</b>	<b>4.8</b>

Source: BCRP.

In the year 2021, there was no melting of disused coins.

## 6. Circulars

In 2021, the BCRP issued 34 circulars: 3 referring to reserve requirements, 2 on monetary instruments, 2 on interest rates, 3 on banknotes and coins, 4 establishing the list of first category banks, 12 determining the Daily Readjustment Index, 5 putting commemorative coins into circulation, 1 referring to the Real Time Gross Settlement System RTGS, 1 in relation to checks and 1 regarding credit transfers.

- **Reserve requirements**

#### Domestic currency

- Circular 0024-2021-BCRP (08/30/2021)  
Establishes a marginal reserve requirement rate of 25 percent for obligations subject to the general regime that exceed the average level of the base period, which corresponds to July 2021. It also establishes a minimum average reserve requirement rate of 4.0 percent for obligations subject to the general regime, which will be increased to 4.25 percent in the October 2021 period and to 4.50 percent as of the November 2021 period. Finally, it increases the minimum level of current account deposits that Institutions Subject to Reserve Requirement must maintain in the Central Bank as reserve requirement funds from 0.75 to 1.0 percent of total obligations subject to reserve requirement as of October 2021. The purpose of these measures is to support monetary sterilization mechanisms and strengthening banks levees of liquidity of institutions subject to reserve requirements with a view to preserving monetary stability.
- Circular 0031-2021-BCRP (10/26/2021)  
It grew the minimum legal reserve requirement from 4.0 percent in October 2021 to 4.5 percent in November 2021, to 4.75 percent in December 2021 and to 5.0 percent as of



January 2022. It also establishes that the average reserve requirement rate for obligations subject to the general regime will be capped at 6 percent as of November 2021. This is intended to strengthen banks levees of liquidity of entities subject to reserve requirements.

### **Foreign currency**

- Circular 0005-2021-BCRP (03/22/2021)  
It modifies the additional reserve requirements based on the evolution of total credit and of consumer, vehicle, and mortgage credit in foreign currency. In this way, it continues to promote a gradual process of reduction in the dollarization of credit.

### • **Monetary Instruments**

- Circular 0011-2021-BCRP (05/13/2021)  
It includes within its monetary policy instruments the Credit Portfolio Repo Operations with National Government Guarantee Represented in Securities for Liquidity Support. The loan portfolio may be made up of loans individually guaranteed by the National Government or by certificates of participation in securitization trusts of loan portfolios guaranteed by the National Government, issued by Cofide.
- Circular 0028-2021-BCRP (06/12/2021)  
It includes the FX *swaps* modality of the Central Reserve Bank of Peru with fixed interest rate in soles, in order to broaden the range of instruments with which the BCRP participates in the foreign exchange market.

### • **Interest rates**

- Circular 0008-2021-BCRP (04/28/2021)  
It establishes maximum rates of conventional compensatory and moratorium interest applicable to the operations of the companies of the financial system in their consumer credit portfolios, consumer credits of low amount (equal or less than 2 Tax Units) and credits for small and micro companies, as well as modifies the maximum rates of conventional compensatory and moratorium interest applicable to the operations between persons outside the financial system.
- Circular 0010-2021-BCRP (07/05/2021)  
Establishes clarifications to Circular No. 0008-2021-BCRP, which determines maximum interest rates, due to operational aspects of the implementation of financial institutions.

### • **Banknotes and Coins**

- Circular 0012-2021-BCRP (05/18/2021)  
The second coin of the Numismatic Series "Constructores de la República Bicentenario 1821-2021" allusive to Hipólito Unanue y Pavón is put into circulation.
- Circular 0017-2021-BCRP (07/21/2021)  
The new S/ 10 and S/ 100 bills are put into circulation.
- Circular 0033-2021-BCRP (09/11/2021)  
The third coin of the Numismatic Series "Constructores de la República Bicentenario 1821-2021" allusive to Toribio Rodríguez de Mendoza is put into circulation.

### • **Commemorative Coins**

- Circular 0013-2021-BCRP (01/06/2021)  
It puts into circulation a silver coin allusive to the bicentennial of the Peruvian Navy.
- Circular 0018-2021-BCRP (07/26/2021)  
It puts into circulation a silver coin allusive to the bicentennial of the Proclamation of Independence.

- Circular 0022-2021-BCRP (10/08/2021)  
It puts into circulation a silver coin allusive to the bicentennial of the Ministry of Foreign Affairs of Peru.
  - Circular 0023-2021-BCRP (08/17/2021)  
It puts into circulation a silver coin allusive to the bicentennial of the Army of Peru.
  - Circular 0030-2021-BCRP (10/14/2021)  
It puts into circulation a silver coin allusive to the bicentennial of the National Library of Peru.
- **Real-Time Gross Settlement System (RTGS)**
    - Circular 0029-2021-BCRP (12/10/2021)  
Modifies the Real-Time Gross Settlement System Regulations to clarify the regulatory framework for Intraday Repo Transactions in the RTGS System and reduce the fees charged in the RTGS System, among other changes aimed at strengthening the efficiency and security of this Payment System.
- **Checks**
    - Circular 0020-2021-BCRP (08/06/2021)  
Modifies the Regulations of the Check Exchange and Clearing Service to strengthen the security and efficiency of the service.
- **Credit Transfers**
    - Circular 0021-2021-BCRP (08/06/2021)  
Modifies the Credit Transfer Clearing Service Regulations to strengthen the security and efficiency of the service.
- **First class banks**  
The following circulars approved the list of first category banks detailed in the Central Bank's web portal ([www.bcrp.gob.pe](http://www.bcrp.gob.pe)).
    - Circular 0002-2021-BCRP (01/28/2021)
    - Circular 0006-2021-BCRP (03/23/2021)
    - Circular 0015-2021-BCRP (06/26/2021)
    - Circular 0026-2021-BCRP (09/28/2021)
- **Daily readjustment index**  
The daily readjustment index referred to in Article 240 of the General Law of the Financial System and the Insurance System and the Organic Law of the Superintendence of Banking, Insurance and AFP's was published in the following circulars:
    - Circular 0001-2021-BCRP (04/01/2021): January
    - Circular 0003-2021-BCRP (01/02/2021): February
    - Circular 0004-2021-BCRP (02/03/2021): March
    - Circular 0007-2021-BCRP (05/04/2021): April
    - Circular 0009-2021-BCRP (04/05/2021): May
    - Circular 0014-2021-BCRP (01/06/2021): June
    - Circular 0016-2021-BCRP (07/01/2021): July
    - Circular 0019-2021-BCRP (02/08/2021): August
    - Circular 0025-2021-BCRP (01/09/2021): September
    - Circular 0027-2021-BCRP (01/10/2021): October
    - Circular 0032-2021-BCRP (02/11/2021): November
    - Circular 0034-2021-BCRP (01/12/2021): December