

05. LIQUIDITY AND CREDIT

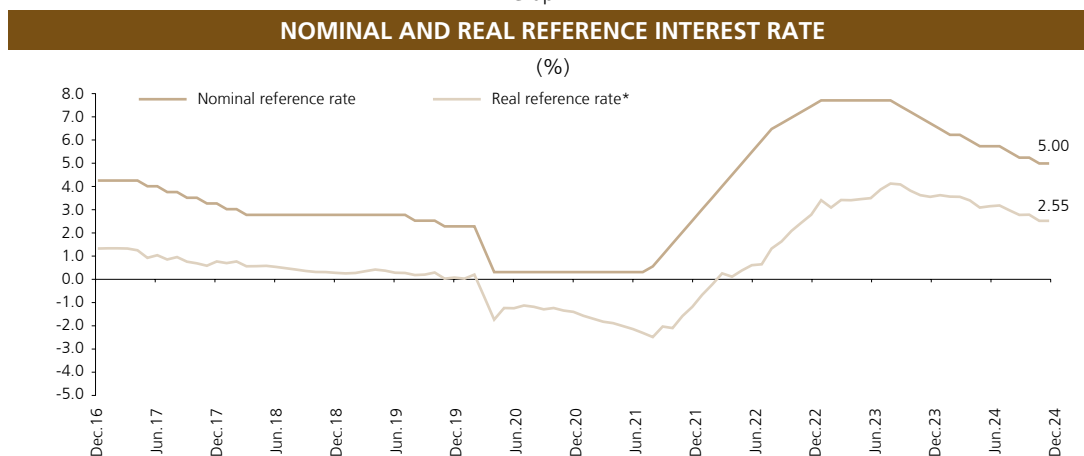
1. MONETARY POLICY

Continuing with the monetary easing process initiated in September 2023, during 2024 the Board of Directors of BCRP reduced the monetary policy benchmark rate by 25 basis points in seven of the twelve meetings of the Monetary Program, while agreeing to maintain it in the March, June, July, October and December meetings. Thus, at the close of 2024, the benchmark rate stood at 5.00 percent. Thus, the real benchmark rate stood at 2.55 percent, close to the level estimated as neutral (around 2.0 percent). The neutral real interest rate is defined as that consistent with a scenario in which the economy remains at its potential level of production and with an inflation rate at its long-term equilibrium level.

Between September 2023, when the easing of monetary policy began, and December 2024, the benchmark rate accumulated a reduction of 275 basis points, of which 175 basis points corresponded to 2024. During this period of monetary easing, at all times the BCRP's real monetary policy interest rate remained one of the lowest among the largest countries in the region.

The monthly decision on the benchmark rate takes into account inflation forecasts and inflation determinants, such as the evolution of the output gap, changes in international prices, the exchange rate, supply factors and inflation expectations of economic agents.

Graph 57



* Ex-ante: with expectation on inflation.

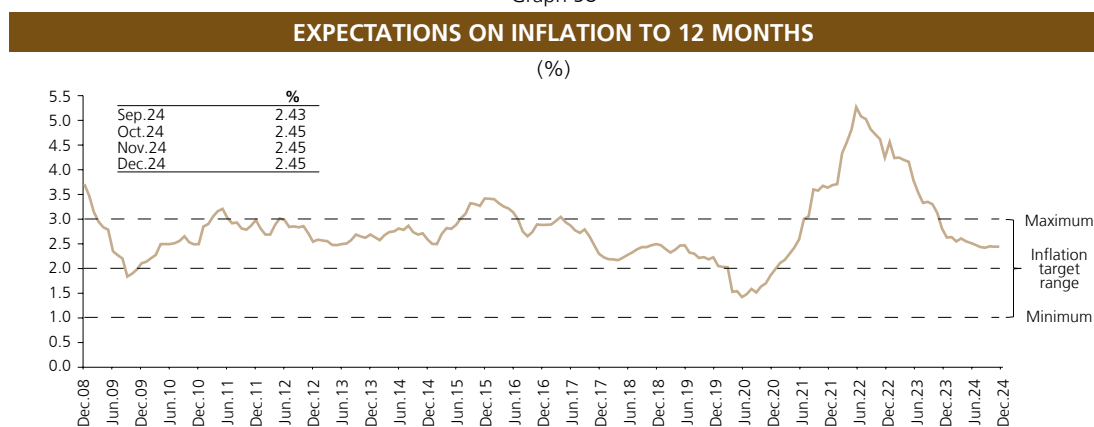
Source: BCRP.

Since May 2024, the monetary policy communiqués highlighted that the Board will be attentive to new information on inflation and its determinants, including the evolution of inflation excluding food and energy (SAE), in a context in which this variable remained close to the upper limit of the target range between late 2023 and mid-2024. This indicator showed a downward trend throughout most of the second half of the year, standing at 2.60 percent in December, within the target range. In particular, year-on-year inflation excluding food and energy has the characteristic of: (i) reflecting more clearly the demand components on which monetary policy acts, and (ii) being more persistent than the rest of the components of the Consumer Price Index (CPI), and is a determinant of inflation expectations.

The decisions on the benchmark rate adopted during the year took into account the following information:

- Twelve-month inflation rate decreased from 3.2 percent in December 2023 to 2.3 percent in November 2024. The twelve-month non-food and energy inflation rate decreased from 2.9 percent in December 2023 to 2.6 percent in November 2024. Both indicators were within the target range.
- Headline inflation continued to decline, albeit at a slower pace than in previous months, approaching the respective targets of most central banks, and in the case of some countries these targets were reached.
- After falling within the target range in December 2023, twelve-month inflation expectations remained on a downward trend throughout most of 2024, settling slightly below 2.50 percent between October and November.
- Once within the target range, year-over-year inflation and inflation excluding food and energy were projected to remain within the target range over the projection horizon.
- As of November 2024, most of the current situation and expectations indicators were in the optimistic range, as in previous months, under conditions in which economic activity was around its potential level.
- The outlook for global economic activity pointed to moderate growth in a context in which the gradual normalization of monetary policy continued in most advanced economies. Risks from international conflicts remained, as well as uncertainty about the implementation of trade policies following the U.S. election period.

Graph 58



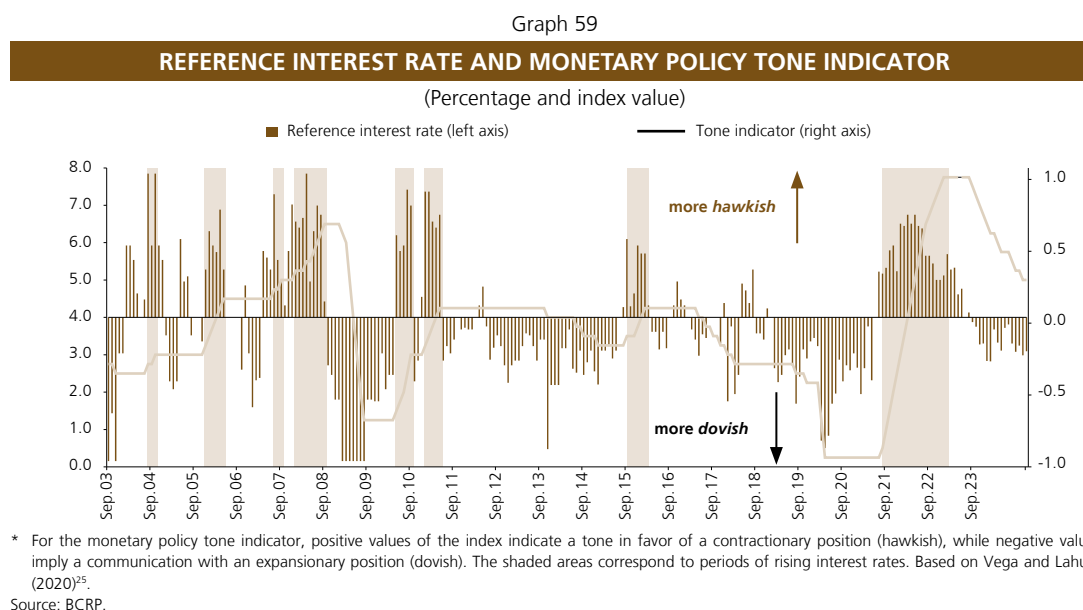
Memo: Expectation on inflation to 12 months are calculated as the simple average of the Financial entities' and Economic analysts' to 12 month expectations. For each of them, an estimate of the 12-month expectation is obtained by weighting the year's expectation by the number of months remaining and the following year's expectation by the number of months remaining to complete the 12 months.

Source: BCRP.

In terms of communication, the Monetary Program briefing notes stated, with respect to forward guidance on monetary policy, the following:

- The communication of the rate reduction decisions (January, February, September and November) emphasized that these did not necessarily imply a cycle of successive interest rate reductions.
- It was noted in all of the 2024 information notes that future adjustments to the benchmark rate will be conditional on new information on inflation and its determinants.
- As of May 2024, the communiqués emphasized that non-food and energy inflation would be given special consideration by the Board in its decision making. The amended paragraph is: “The Board is particularly attentive to new information on inflation and its determinants, including developments in core inflation, inflation expectations, and economic activity, to consider, if necessary, further modifications to the stance of monetary policy. The Board reaffirms its commitment to take the necessary actions to keep inflation within the target range.

Regarding the tone and communication signals of monetary policy, the tone indicator used by the BCRP remained in a dovish zone between September 2023 and December 2024, coinciding with the monetary easing process. It should be pointed out that a trend towards a more *dovish* level of the indicator was observed between August and November 2024.²⁵



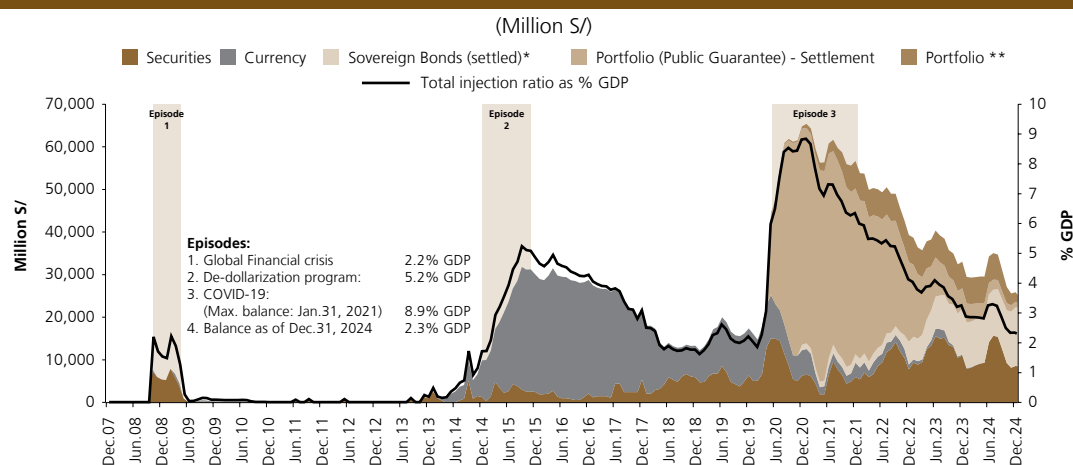
Monetary operations

The balance of liquidity injection operations in domestic currency decreased from S/ 33,052 million at the end of 2023 to S/ 25,897 million at December 31, 2024, mainly explained by the maturity of Repo Cartera Alternativo (S/ 3,992 million) and the amortization of Repo of government-secured repos of credit portfolio under the Reactiva Perú program (S/ 3,566 million). This balance of liquidity injection operations is equivalent to 2.3 percent of GDP.

In comparative terms, the ratio of the total balance of liquidity injection operations at the end of 2024 as a percentage of GDP is equivalent to: 1.1 times the maximum ratio reached during the 2008-2009 international financial crisis (2.2 percent of GDP); 0.4 times the maximum ratio reached during the period of falling commodity prices and the de-dollarization program (5.2 percent of GDP) and; 0.3 times the maximum ratio recorded during the COVID-19 pandemic (8.9 percent of GDP).

²⁵ Vega, M. and E. Lahura (2020). Assessing central bank communication through monetary policy statements: Results for Colombia, Chile and Peru. Working Papers 2020-017, Banco Central de Reserva del Perú.

Graph 60

BALANCE OF INJECTION OPERATIONS OF BCRP

* Purchase of Public Treasury Bonds, in line with article 61 of the Organic Law of the BCRP.

** Credit Portfolio reporting operations.

Source: BCRP.

Table 61

BALANCE OF INJECTION OPERATIONS OF BCRP

(Million S/)

Episode	Date	Values	Currency (Regular)	Currency (Expansion)	Currency (Substitution)	Portfolio (General and Alternative)	Portfolio (Public Guarantee) - Settlement	Sovereign bonds (Settled)*	Total
Financial crisis 2008-2009	Oct.08	7,383	300	0	0	0	0	0	7,683
	Nov.08	5,959	30	0	0	0	0	0	5,989
	Dec.08	5,412	0	0	0	0	0	0	5,412
	Jan.09	5,239	0	0	0	0	0	0	5,239
	Feb.09	7,877	0	0	0	0	0	0	7,877
	Mar.09	5,989	735	0	0	0	0	0	6,724
De-dollarization program	Dec.14	1,300	8,600	0	0	0	0	0	9,900
	Mar.15	4,900	8,600	2,200	1,500	0	0	0	17,200
	Jun.15	2,631	11,500	5,100	4,305	0	0	0	23,536
	Sep.15	3,034	16,050	7,900	4,805	0	0	0	31,789
	Dec.15	2,500	14,900	7,900	4,805	0	0	0	30,105
COVID-19 crisis	Jun.20	14,947	8,095	0	0	260	24,338	0	47,640
	Sep.20	8,604	5,895	0	0	304	47,002	0	61,805
	Dec.20	6,309	5,970	0	0	464	50,729	1,321	64,793
	Mar.21	4,454	2,430	0	0	1,491	49,907	1,321	59,603
	Jun.21	6,476	1,922	0	0	2,330	47,968	2,078	60,773
	Sep.21	6,470	1,842	0	0	4,512	43,770	2,078	58,672
	Dec.21	5,963	3,342	0	0	6,441	38,827	2,078	56,651
Recent	Jan.24	7,912	187	0	0	6,250	4,399	10,692	29,439
	Feb.24	8,187	145	0	0	6,234	4,083	10,692	29,341
	Mar.24	8,697	95	0	0	6,207	3,739	10,692	29,430
	Apr.24	9,107	50	0	0	6,205	3,350	10,850	29,561
	May.24	9,307	0	0	0	6,203	3,052	10,991	29,553
	Jun.24	14,176	0	0	0	6,203	2,703	11,223	34,305
	Jul.24	15,654	0	0	0	6,195	2,366	10,810	35,025
	Aug.24	15,404	0	0	0	5,978	2,127	11,197	34,707
	Sep.24	12,461	0	0	0	5,015	1,875	11,646	30,997
	Oct.24	9,261	0	0	0	3,841	1,640	12,384	27,125
	Nov.24	8,186	0	0	0	2,799	1,459	13,166	25,609
	Dec.24	8,586	0	0	0	2,271	1,270	13,769	25,897

* Purchase of Public Treasury Bonds, in line with article 61 of the Organic Law of the BCRP.

Source: BCRP.

The balance of injection operations has been decreasing, given the maturity of the Alternative Portfolio Repo and the amortizations of the Reactiva Perú program, which imply a decrease in the balance of credit repos guaranteed by the National Government. This dynamic was partially offset by the purchases of Public Treasury Bonds and the periodic placement of injection instruments such as the Securities Repo.

Table 62

LIQUIDITY INJECTION PROGRAMS						
(Billion S/)						
Program	Dec.19	Dec.20	Dec.21	Dec.22	Dec.23	Dec.24
Government-guaranteed credit repos	0.0	50.7	38.8	18.7	4.8	1.3
of which: balance of repos for rescheduling	0.0	0.0	14.1	11.3	4.7	1.2
Credit rescheduling repos	0.0	0.5	4.8	4.7	4.6	2.9
Long-term credit expansion repos	0.0	1.3	5.5	5.4	5.0	0.0
Purchase of Public Treasury Bonds*	0.0	1.3	2.1	5.3	10.7	13.8
Rest **	17.4	11.0	5.4	5.2	7.9	8.0
Total	17.4	64.8	56.7	39.3	33.1	25.9

* At acquisition value.
 ** Regular repos such as securities repos and currency repos.
 Source: BCRP.

In order to inject liquidity on a permanent basis, during 2024, the BCRP purchased Public Treasury Bonds (BTP) with maturities between 2029 and 2042. In circumstances in which they are considered necessary, the BCRP's purchases of BTPs are carried out in a preventive manner and are specifically oriented to an adequate regulation of the financial system's liquidity. Thus, since April 2024, BTP auctions were called for a total settled value of S/ 3,816 million. This value, added to the purchases made in previous years, implies a settled balance of BTP purchases by the BCRP of S/ 13,769 million at the end of 2024.

Likewise, the increase, in 2024, of the holdings of securities issued by the Public Treasury in the secondary market reached S/ 3 077 million, a flow that includes the net sale of BTP in the framework of the Debt Management Operation (OAD) for a total value of S/ 739 million. This flow was lower than the limit of 5 percent of the monetary base balance at the end of the previous year (S/ 4,501 million), which Article 61 of the BCRP's Organic Law establishes for the BCRP's purchases in the secondary market of securities issued by the Public Treasury, valued at their acquisition price.

Table 63

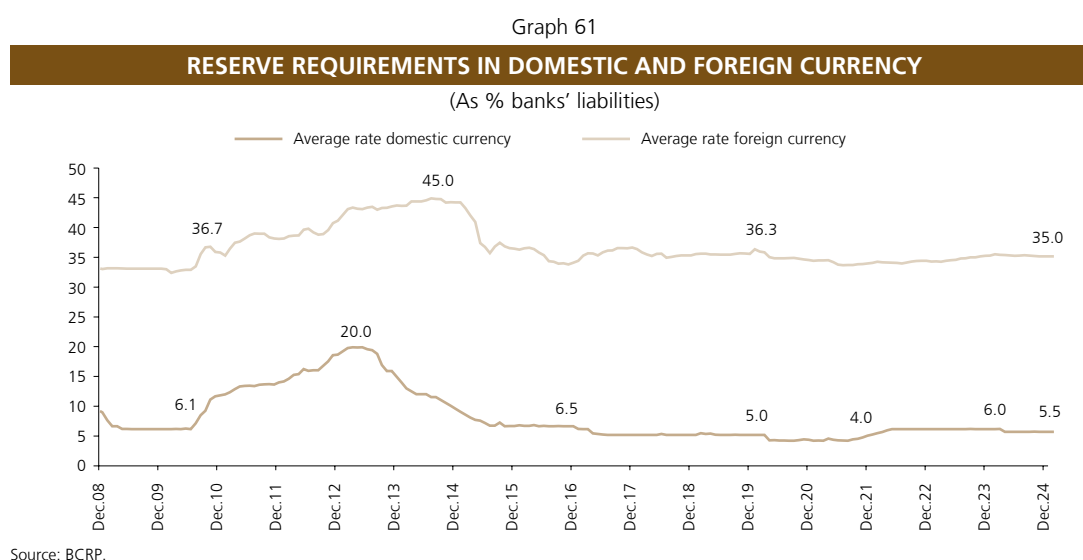
PURCHASES OF PUBLIC TREASURY BONDS				
(Million S/)				
Bond	Maturity Date	Nominal Amount	Acquisition Amount	N° Operations
BTP 2029E	12-Feb-29	60	60	2
BTP 2031	12-Aug-31	380	402	11
BTP 2032	12-Aug-32	470	473	12
BTP 2033	12-Aug-33	752	800	25
BTP 2034	12-Aug-34	570	523	16
BTP 2037	12-Aug-37	440	445	12
BTP 2039	12-Aug-39	583	632	15
BTP 2040	12-Aug-40	551	471	18
BTP 2042	12-Feb-42	10	10	2
TOTAL 2024		3,816	3,816	113

Source: BCRP.

Laces

In March 2024, **Circular 0008-BCRP** on Reserve requirements in domestic currency was approved, reducing the reserve requirements rate in domestic currency from 6.0 to 5.5 percent as of April 2024. The BCRP uses the changes in the reserve requirement rate as a complementary measure to the decisions it makes on its benchmark rate. The reserve requirement rate allows regulating liquidity, through the monetary base and the banking multiplier, and the credit cycle of the financial system. Additionally, this type of measure indirectly influences interest rates by affecting the cost of financial intermediation and the margin between the financial system's lending and deposit rates.

It is estimated that the reduction in the reserve requirement rate as of April would have freed up loanable funds for S/ 1,253 million, which contributes to the easing of the monetary policy stance and favors a reduction in lending rates and stimulates the demand for credit to the private sector.



2. INTEREST RATES

The evolution of the interbank rate closely followed the BCRP monetary policy benchmark rate, which declined by 1.75 percentage points during the year. Coincidentally, the monthly average interbank interest rate in Sol fell by 1.9 percentage points, to accumulate an annual average of 4.9 percent. Interest rates on deposits and loans in Sol recorded mixed variations depending on each type of deposit or loan. On the one hand, interest rates paid by preferential clients, as well as those paid by large, medium and small companies, were reduced. On the other hand, the interest rates of microcredits and consumer loans increased, reflecting the increase in non-performing loans in these market segments.

For its part, interest rates in dollars had a downward trend, with the exception of consumer loans, and their behavior was mainly associated with the evolution of international interest rates.

Table 64

INTEREST RATES ON OPERATIONS IN SOLES				
	2022			
	(%)			
	2022	2023	2024	Change 2024/2023
Interbank rate	7.5	6.9	4.9	-1.9
Deposits up to 30 days 1/	3.7	3.3	3.3	-
31-day to 60-day term deposits 1/	3.7	6.1	3.9	-2.2
61-day to 180-day term deposits 1/	4.8	5.9	3.7	-2.2
181-day to 360-day term deposits 1/	6.9	5.0	3.7	-1.3
More than 360-day term deposits 1/	5.9	5.0	3.7	-1.3
90-day corporate prime rate	8.7	7.7	5.2	-2.5
Large companies	10.6	10.2	8.4	-1.9
Medium-sized enterprises	14.1	13.3	10.3	-3.0
Small business	22.5	22.9	19.8	-3.1
Micro Business	36.3	37.7	46.3	8.6
Micro Business 2/	39.3	43.9	48.8	4.9
Consumer	49.6	56.9	59.9	3.0
Consumer 2/	47.7	54.3	55.6	1.3
Mortgages	9.9	9.1	8.2	-0.9
FTAMN 3/	28.3	28.4	27.3	-1.1

1/ Interest rates on deposits correspond to individuals.

2/ Correspond to the average interest rates of the financial system.

3/ Average market lending rate of the operations carried out in the last 30 business days.

Source: SBS.

Table 65

INTEREST RATE ON OPERATIONS IN US DOLLARS				
	2022			
	(%)			
	2022	2023	2024	Change 2024/2023
3-month SOFR rate	4.5	5.4	4.4	-1.0
Interbank rate	4.2	5.5	4.5	-1.0
Deposits up to 30 days 1/	1.1	3.4	2.8	-0.5
31-day to 60-day term deposits 1/	1.7	3.8	3.1	-0.8
61-day to 180-day term deposits 1/	2.1	3.2	2.9	-0.4
181-day to 360-day term deposits 1/	3.2	2.7	2.7	0.0
More than 360-day term deposits 1/	2.9	3.0	2.4	-0.6
90-day corporate prime rate	5.5	6.3	5.0	-1.4
Large companies	7.8	8.8	7.5	-1.3
Medium-sized enterprises	8.8	9.8	9.1	-0.7
Small business	12.2	13.2	10.0	-3.2
Micro Business	12.7	15.5	10.7	-4.8
Micro Business 2/	9.4	16.1	10.7	-5.4
Consumer	41.0	45.9	48.3	2.4
Consumer 2/	37.1	40.8	47.6	6.8
Mortgages	8.3	7.9	7.1	-0.8
FTAMEX 3/	11.4	13.5	13.3	-0.2

1/ Interest rates on deposits correspond to individuals.

2/ Correspond to the average interest rates of the financial system.

3/ Average market lending rate of the operations carried out in the last 30 business days.

Source: SBS.

3. MONETARY AND CREDIT AGGREGATES

The year-on-year growth of credit to the private sector was lower than in previous years, due to the contraction of credit in dollars, which could not be offset by the acceleration of credit in Sol. This behavior is mainly explained by credit supply and demand factors, which had negative

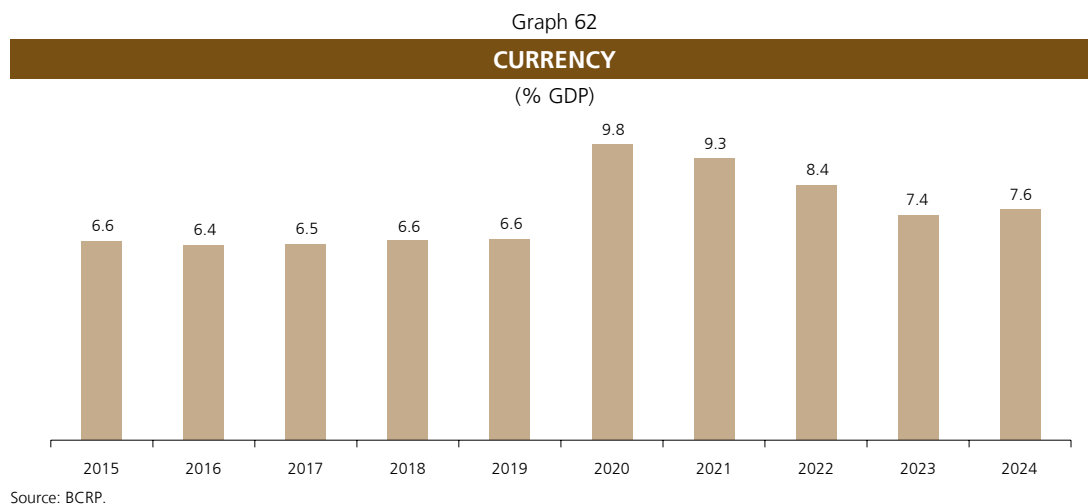
contributions in both currencies. This caused credit to companies to shrink by 0.3 percent per year, and to expand by 1.5 percent if the amortization of Reactiva Peru program loans is not taken into account. This particularly affected credit to the medium, small and micro-enterprise (MSME) sector, which recorded an annual contraction of 6.1 percent compared to a reduction of 3.1 percent without the amortizations of loans granted under programs with national government guarantees.

Likewise, another factor that contributed to the drop in MSME credit was a reclassification of loans that occurred as of October 2024 as a result of the application of SBS Resolution No. 2368-2023, published on July 14, 2023, which modified the definitions of corporate credit segments. The latter mainly resulted in the reallocation of loans from medium-sized companies to small and micro companies, as well as consumer loans.

The lower dynamism of credit was observed mainly in foreign currency, which fell by 3.4 percent, while credit in Sol increased by 1.5 percent. Thus, the dollarization ratio of credit fell from 23.7 percent in December 2023 to 22.8 percent in December 2024.

3.1 CURRENCY IN CIRCULATION

Currency in circulation in the hands of the public as of December 2024 represented 7.6 percent of GDP, up from the value recorded in December 2023 (7.4 percent).



3.2 LIQUIDITY

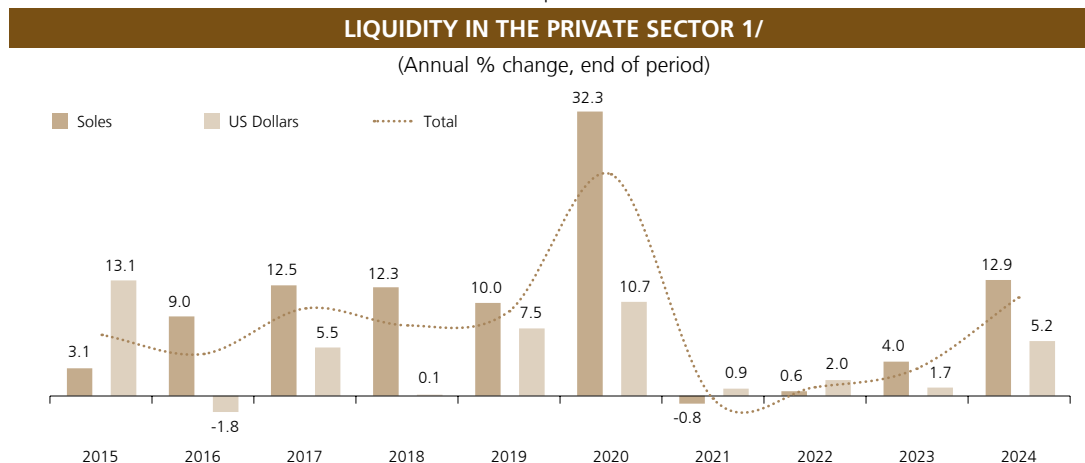
During 2024, private sector liquidity recorded a growth rate of 10.7 percent. Likewise, as a percentage of GDP, the value of this aggregate increased from 44.8 percent in 2023 to 45.8 percent in 2024.

By type of liabilities, the components that grew the most were demand deposits, savings deposits and currency in circulation. In the breakdown by currency, the growth of Sol deposits was higher than that of dollar deposits: 13.2 percent versus 6.4 percent.

By type of depositor, deposits from individuals and non-profit legal entities increased (9.3 percent), as did those from companies (12.9 percent).

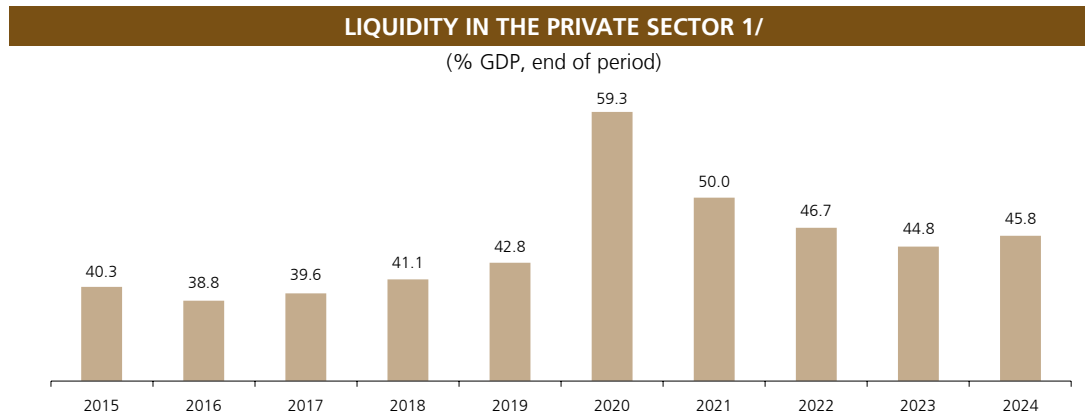
The dollarization ratio of liquidity at constant exchange rates declined by 1.5 percentage points on average, from 29.1 percent in December 2023 to 27.6 percent in December 2024. In the case of deposits, dollarization decreased from 34.8 percent to 33.4 percent. The dollarization of nonprofit deposits decreased from 32.1 percent to 29.8 percent, while that of for-profit deposits decreased from 38.4 percent to 38.1 percent.

Graph 63



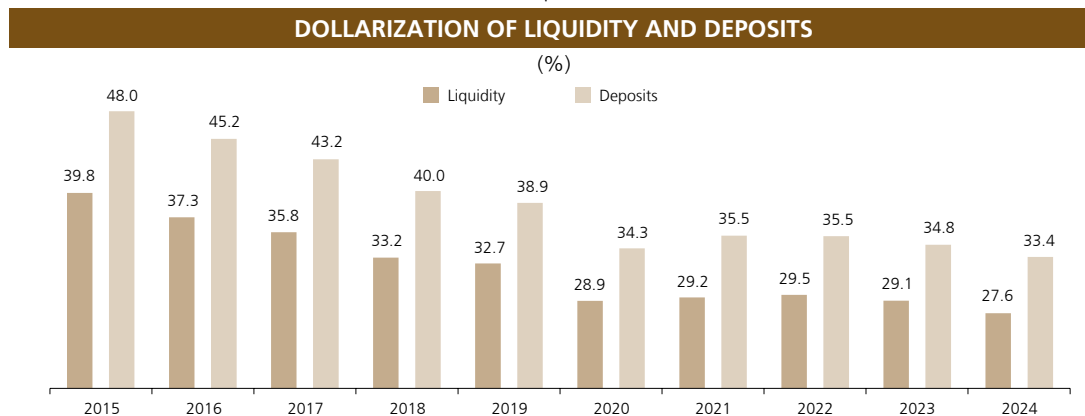
1/ The balance in dollars is valued at the constant exchange rate of December 2024.
Source: BCRP.

Graph 64



1/ The balance in dollars is valued at the average exchange rate at the end of period.
Source: BCRP.

Graph 65



1/ Balances in dollars are valued at the exchange rate of December 2024.
Source: BCRP.

Table 66

MAIN MONETARY AGGREGATES 1/					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
Currency	79,890	75,399	84,004	-5.6	11.4
Money	137,007	137,128	156,714	0.1	14.3
Deposits 1/	354,316	369,108	409,153	4.2	10.8
In domestic currency	228,498	240,738	272,550	5.4	13.2
Demand deposits	57,116	61,729	72,710	8.1	17.8
Savings deposits	94,944	91,407	109,169	-3.7	19.4
Term deposits	76,438	87,601	90,671	14.6	3.5
Without Compensation					
for Time of Service (CTS)	67,946	80,444	83,624	18.4	4.0
CTS	8,492	7,157	7,047	-15.7	-1.5
In foreign currency (Mills USD)	33,373	34,051	36,234	2.0	6.4
Demand deposits	11,921	12,144	13,382	1.9	10.2
Savings deposits	12,111	10,644	10,721	-12.1	0.7
Term deposits	9,341	11,263	12,131	20.6	7.7
Without Compensation					
for Time of Service (CTS)	8,664	10,720	11,666	23.7	8.8
CTS	677	542	465	-19.9	-14.3
Liquidity 1/	443,149	457,951	506,790	3.3	10.7
In soles	312,239	324,779	366,683	4.0	12.9
In US Dollars (Million USD)	34,724	35,324	37,164	1.7	5.2

1/ The balance in dollars is valued at the exchange rate of December 2024.
Source: BCRP.

Table 67

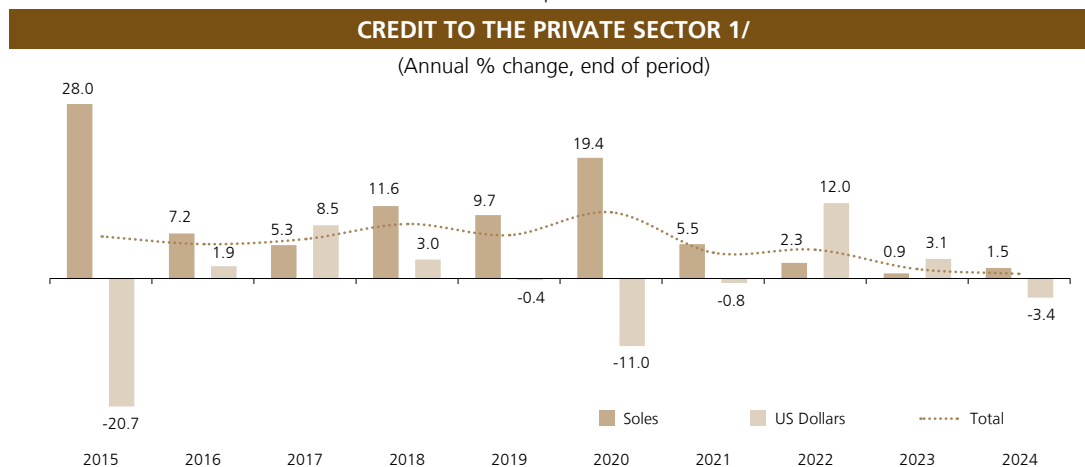
DEPOSITS BY TYPE OF DEPOSITOR 1/					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
Individuals 2/	202,174	211,567	231,220	4.6	9.3
In soles	137,021	143,729	162,358	4.9	13.0
In dollars (Million USD)	17,282	17,994	18,266	4.1	1.5
Business	152,142	157,541	177,933	3.5	12.9
In soles	91,478	97,009	110,192	6.0	13.6
In dollars (Million USD)	16,091	16,056	17,969	-0.2	11.9
Total	354,316	369,108	409,153	4.2	10.8
In soles	228,498	240,738	272,550	5.4	13.2
In dollars (Million USD)	33,373	34,051	36,234	2.0	6.4

1/ The balance in dollars is valued at the constant exchange rate of December 2024.
2/ Includes non-profit legal persons.
Source: BCRP.

3.3 CREDIT TO THE PRIVATE SECTOR

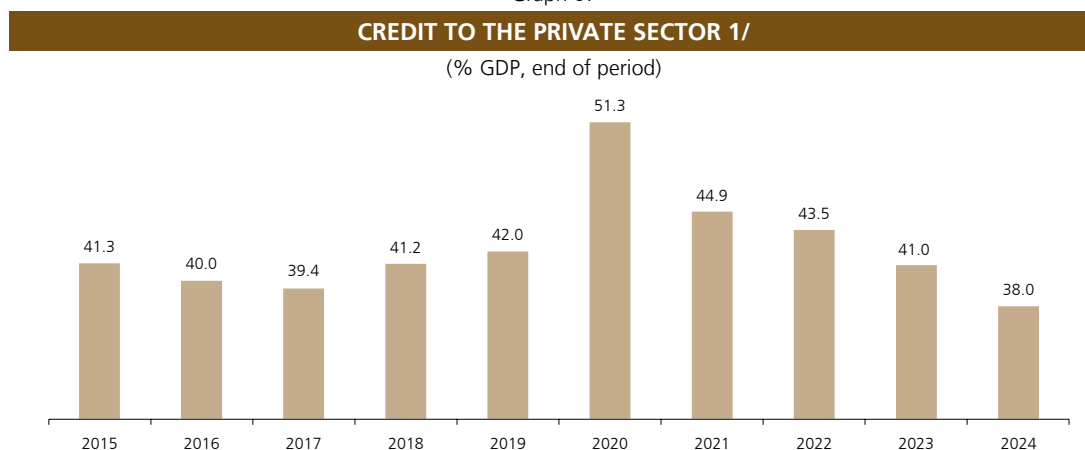
The balance of total credit to the private sector from deposit-creating corporations increased 0.4 percent in 2024, which represented a slowdown from the previous year's expansion (1.4 percent). As a percentage of GDP, the balance of credit to the private sector represented 38.0 percent, down from 41.0 percent in 2023. The non-performing loans rate of deposit-creating corporations decreased from 4.5 percent to 4.1 percent.

Graph 66



1/ The balance in dollars is valued at the exchange rate of December 2024. Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

Graph 67



1/ The balance in dollars is valued at the average exchange rate. Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

The slowdown in lending during the year was mainly due to a fall in the balance of loans to companies (0.3 percent). Personal loans, on the other hand, continued to grow (1.3 percent), although at a slower rate than in the previous year.

In the segment of loans to companies, credit to the corporate sector and large companies - which represents the largest percentage of the total - increased 4.9 percent during the year, and its non-performing loans rate in this segment fell from 1.0 percent to 0.8 percent. Lending to the medium, small and microenterprise segment contracted 6.1 percent versus the previous year, and its non-performing loans rate in this segment increased from 9.9 to 10.0 percent.

With respect to personal loans, consumer credit contracted 1.1 percent (8.3 percent growth in 2023) and its non-performing loans rate fell from 4.0 to 3.5 percent (0.5 percentage points), mainly reflecting portfolio sales by banks. Mortgage loans grew 5.0 percent (5.4 percent in 2023) with a slight increase in non-performing loans from 2.7 to 2.8 percent. Within consumer loans, vehicle loans increased 2.8 percent (11.4 percent in 2023) and credit card loans contracted 5.0 percent (10.4 percent growth in the previous year).

Table 68

TOTAL CREDIT TO THE PRIVATE SECTOR 1/					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
Business	254,592	249,127	248,356	-2.1	-0.3
Corporate and large companies	131,176	131,352	137,780	0.1	4.9
Mipyme	123,417	117,775	110,576	-4.6	-6.1
Individuals	158,556	169,848	172,084	7.1	1.3
Consumer	95,126	103,014	101,889	8.3	-1.1
Car loans	2,927	3,261	3,353	11.4	2.8
Credit cards	16,965	18,728	17,783	10.4	-5.0
Rest	75,234	81,025	80,753	7.7	-0.3
Mortgage	63,430	66,834	70,195	5.4	5.0
TOTAL	413,149	418,974	420,441	1.4	0.4

1/ The balance in dollars is valued at the exchange rate of December 2024. Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

By currency, credit to the private sector in domestic currency grew 1.5 percent during 2024 and credit in dollars contracted by 3.4 percent. Sol-denominated credit growth was directed more towards corporate and large companies and, to a lesser extent, mortgage loans. Dollar-denominated loan growth was concentrated in the corporate segments and also in consumer loans. The dollarization ratio of credit -valued at constant December 2024 exchange rates- fell from 23.7 percent to 22.8 percent. The dollarization of credit to companies decreased from 35.4 percent to 34.0 percent, while the dollarization of credit to individuals increased slightly from 6.4 percent to 6.5 percent.

Table 69

CREDIT TO THE PRIVATE SECTOR IN DOMESTIC CURRENCY					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
Business	169,216	160,928	163,819	-4.9	1.8
Corporate and large companies	63,190	60,414	65,445	-4.4	8.3
Mipyme	106,025	100,514	98,374	-5.2	-2.1
Individuals	147,787	158,948	160,898	7.6	1.2
Consumer	89,929	97,421	95,695	8.3	-1.8
Car loans	2,609	2,930	3,024	12.3	3.2
Credit cards	15,018	16,534	15,463	10.1	-6.5
Rest	72,302	77,957	77,209	7.8	-1.0
Mortgage	57,858	61,527	65,203	6.3	6.0
TOTAL	317,003	319,877	324,718	0.9	1.5

Source: BCRP.

Table 70

CREDIT TO THE PRIVATE SECTOR IN FOREIGN CURRENCY 1/					
	Balances in million US dollars			Growth rates (%)	
	2022	2023	2024	2023	2024
Business	22,646	23,395	22,424	3.3	-4.2
Corporate and large companies	18,033	18,816	19,187	4.3	2.0
Mipyme	4,613	4,578	3,237	-0.8	-29.3
Individuals	2,856	2,891	2,967	1.2	2.6
Consumer	1,379	1,483	1,643	7.6	10.7
Car loans	84	88	87	4.0	-0.6
Credit cards	516	582	616	12.7	5.8
Rest	778	814	940	4.6	15.5
Mortgage	1,478	1,408	1,324	-4.8	-5.9
TOTAL	25,503	26,286	25,391	3.1	-3.4

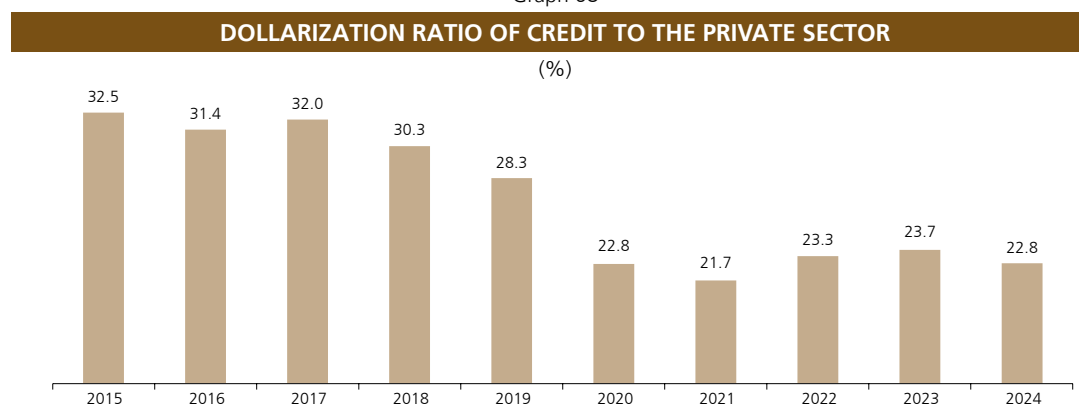
1/ Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

Table 71

DOLLARIZATION RATIO OF CREDIT TO THE PRIVATE SECTOR 1/			
	(%)		
	2022	2023	2024
Business	33.5	35.4	34.0
Corporate and large companies	51.8	54.0	52.5
Mipyme	14.1	14.7	11.0
Individuals	6.8	6.4	6.5
Consumer	5.5	5.4	6.1
Vehicular	10.9	10.1	9.8
Credit cards	11.5	11.7	13.0
Rest	3.9	3.8	4.4
Mortgage	8.8	7.9	7.1
TOTAL	23.3	23.7	22.8

1/ The balance in dollars is valued at the exchange rate of December 2024. Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

Graph 68



1/ The balance in dollars is valued at the exchange rate of December 2024. Does not include loans made by banks' branches of the local banks abroad.
Source: BCRP.

4. OVERALL FINANCING TO THE PRIVATE SECTOR

In addition to credit from deposit-creating corporations, global financing to the private sector includes financing through other financial institutions such as mutual funds, insurance companies and private pension funds, as well as direct foreign loans to companies. During the year, overall financing grew 0.2 percent (1.4 percent in 2023).

The largest component of global financing is credit granted by deposit-creating corporations, whose annual growth was 0.4 percent. The second largest component was direct financing obtained by companies from abroad, whose annual expansion was 1.0 percent (2.2 percent in 2023).

The third component of global financing is direct domestic financing obtained by companies through the capital markets. This financing comprises local issues of bonds and other assets through public or private offerings to be acquired by local institutional investors such as AFPs, mutual funds and insurance companies. The balance of this financing decreased by 3.4 percent compared to the previous year, which implies that the amount of new issues is lower than the amount of issues redeemed, due to the lower dynamism of the stock market. In other words, companies find it less advantageous under current conditions to finance themselves by issuing securities than by using regular credit channels.

Table 72

EXPANDED FINANCING TO THE PRIVATE SECTOR 1/					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
I. CREDIT OF DEPOSITORY CORPORATIONS	413,149	418,974	420,441	1.4	0.4
Domestic currency	317,003	319,877	324,718	0.9	1.5
Foreign currency (Million USD)	25,503	26,286	25,391	3.1	-3.4
Dollarization (%)	23.3	23.7	22.8		
II. CREDIT OF OTHER FINANCIAL CORPORATIONS 2/	41,300	41,086	39,695	-0.5	-3.4
Domestic currency	25,961	26,464	25,946	1.9	-2.0
Foreign currency (Million USD)	4,069	3,879	3,647	-4.7	-6.0
Dollarization (%)	37.1	35.6	34.6		
Of which:					
AFP's loans	14,444	13,270	9,191	-8.1	-30.7
Loans of mutual funds	2,173	1,931	3,329	-11.1	72.4
Loans of insurances	16,903	18,846	19,445	11.5	3.2
III. EXTERNAL PRIVATE INDEBTNESS (Million USD)	103,896	106,142	107,158	2.2	1.0
Short-term (Million USD)	27,559	28,154	28,424	2.2	1.0
Mediano and Long-term (Million USD)	4,125	4,301	4,793	4.3	11.4
	23,434	23,854	23,631	1.8	-0.9
IV. TOTAL	558,345	566,203	567,293	1.4	0.2
Domestic currency	342,964	346,341	350,664	1.0	1.2
Foreign currency (Million USD)	57,130	58,319	57,461	2.1	-1.5
Dollarization (%)	38.6	38.8	38.2		

1/ The balance in dollars is valued at the exchange rate of December 2024.

2/ Includes loans and investment in fixed income from institutional investors.

Source: BCRP.

5. FINANCIAL INDICATORS

The financial system improved its profitability in 2024 (although it has not yet reached the level reached before the pandemic) mainly due to lower provisioning expenses, in a context of recovery in economic activity and employment that has had a positive impact on the payment capacity of debtors. In addition, the measures implemented by the entities for a better selection of clients and a more efficient recovery of credits, which also allowed a reduction of credit risk indicators, since the last months of the year, mainly due to lower defaults in the consumer portfolio.

Bank solvency, as measured by the overall capital ratio, increased in 2024, remaining above its average over the last 9 years, and comfortably above the legal minimum (9.5% until February 2025).

Table 73

FINANCIAL INDICATORS ON COMMERCIAL BANKS 1/				
	(%)			
	2022	2023	2024	Average 2015-2024
Ratio global capital	14.4	16.4	17.3	15.2
Overdue loans / gross placements 2/	4.0	4.3	3.8	3.4
High risk portfolio / gross placements 3/	5.7	6.4	5.7	5.0
Allowance for loans / high-risk portfolio	102.3	97.7	102.2	106.8
Return on equity (ROE)	17.3	14.3	15.3	16.1
Return on assets (ROA)	2.0	1.8	1.9	1.8

1/ Bank of China is included as of 2020, and Bci as of 2022.

2/ Credits due and in judicial collection processes.

3/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.

Source: SBS.

Banks' non-performing loans indicators decreased in 2024, mainly due to the recovery of quality in the consumer portfolio (where the non-performing loans ratio went from 4.0 to 3.2 percent). It should be noted that changes in company size definitions generated a redistribution of overdue portfolio in the corporate loans portfolio (especially in medium and small companies).

Table 74

BANKS: DELINQUENCY RATES BY TYPE AND SIZE OF DEBTOR 1/

	(%)			
	2022	2023	2024	Average 2015-2024
Corporate loans	0.8	0.3	0.2	0.3
Loans to large companies	1.9	1.9	2.2	1.4
Loans to medium-sized companies	11.5	13.4	13.5	8.8
Loans to small companies	8.2	9.7	11.7	9.0
Loans to microbusinesses	4.9	4.3	3.3	3.7
Consumer loans	2.7	4.0	3.2	3.5
Mortgage loans	2.6	2.7	2.8	2.8
Total	3.9	4.3	3.7	3.4

1/ Bank of China is included as of 2020, and Bci as of 2022.
Source: SBS.

In general, non-banks obtained better financial results than in 2023, but most of them did not reach the profitability levels of 2022. In particular, finance companies, credit companies and municipal savings banks improved their results, mainly due to higher revenues and intermediation margins, and reduced their provisioning expenses during the second half of the year. In contrast, rural savings banks continued to generate losses (slightly lower than in 2023) due to higher operating and provisioning expenses.

Table 75

FINANCIAL INDICATORS OF NON-BANK COMPANIES

	(%)			
	2022	2023	2024	Average 2015-2024
Overdue loans / gross placements 2/				
Financial Firms	5.4	6.6	5.8	6.1
Municipal savings banks	4.8	5.0	6.0	5.3
Rural savings banks	6.4	6.1	7.2	7.2
Edpymes	5.2	6.8	5.8	4.2
Provision for loans / high-risk portfolio 3/				
Financial Firms	122.4	109.7	108.8	116.5
Municipal savings banks	114.9	102.8	101.8	112.6
Rural savings banks	112.7	105.2	94.1	105.7
Edpymes	95.4	89.0	104.5	121.0
Ratio on equity (ROE)				
Financial Firms	16.7	5.2	6.6	11.6
Municipal savings banks	10.1	6.3	8.9	10.2
Rural savings banks	-1.4	-11.6	-9.9	-4.2
Edpymes	8.5	5.4	9.2	8.9

1/ Entities that were in operation at the end of fiscal year 2024 are considered.

2/ Overdue loans and loans in judicial collection processes.

3/ The high-risk portfolio is equal to the non performing loans plus the refinanced and restructured portfolio.

Source: SBS.

The behavior of portfolio quality in non-bank entities was differentiated among groups. Thus, rural savings banks suffered the greatest portfolio deterioration, which resulted in lower coverage of high-risk portfolios. In response, several of these entities received capital contributions during the year to strengthen their solvency. Municipal savings banks also suffered portfolio quality deterioration, but this has been improving since the second half of 2024. Finally, both financial and credit companies improved their credit risk indicators during the year as a result of stricter credit policies, which are reflected, in part, in the low dynamism of their loans.

6. EXCHANGE RATE

In 2024, the Peruvian Sol experienced a nominal depreciation against the U.S. dollar, from S/ 3.71 to S/ 3.76 per dollar. This variation occurred in a context of a strengthening of the dollar at the global level (6.7 percent), mainly in the fourth quarter of the year (7.3 percent); and high volatility in international financial markets. The Peruvian Sol continued to stand out in the region for its low annual volatility, with a depreciation of 1.5 percent, well below the regional average depreciation of 15.4 percent.

In the first half of 2024, the exchange rate accumulated a depreciation of 3.7 percent, driven by several factors: (i) the strengthening of the dollar at the global level by 4.5 percent; (ii) changes in market expectations regarding the possible start date of the monetary policy rate cut in the United States; (iii) the increase in the price of copper by 12.9 percent; (iv) geopolitical tensions in the Middle East; and (v) concerns regarding China's economic growth.

On the other hand, in the second half of 2024, the exchange rate appreciated by 2.2 percent, in an environment affected by: (i) fears of an economic slowdown in the United States; (ii) the positive monetary policy interest rate differential between Peru and the United States; and (iii) the net supply of dollars from local exchange market participants.

Table 76

EXCHANGE RATE 1/ AND PRICE OF COMMODITIES 2/									
		Dec.20	Dec.21	Dec.22	Dec.23	Dec.24	% change Dec.24 respect to:		
							Dec.23	Dec.22	Dec.21
Dollar Index	C.U. per USD	90	96	104	101	108	6.7	4.5	13.0
Eurozone	Euro*	1.222	1.137	1.071	1.104	1.041	-5.7	-2.8	-8.5
Japan	Yen	103.3	115.1	131.1	141.0	156.8	11.2	19.6	36.3
Brazil	Real	5.19	5.57	5.29	4.85	6.18	27.3	16.9	10.9
Chile	Peso	711	852	851	881	996	13.1	17.2	17.0
Colombia	Peso	3,428	4,065	4,851	3,875	4,405	13.7	-9.2	8.4
Mexico	Peso	19.91	20.53	19.50	16.97	20.65	21.6	5.9	0.6
Peru	Sol	3.62	3.99	3.81	3.707	3.761	1.5	-1.2	-5.8
Copper	cUSD/pound	352	446	381	389	409	5.2	7.4	-8.3
Gold	USD/troy ounce	1,898	1,829	1,824	2,063	2,607	26.3	42.9	42.5
Oil	USD/barrel	48.5	75.2	80.3	71.7	71.0	-0.9	-11.5	-5.6

1/ In all cases, a positive percentage change implies appreciation of the dollar, except for the euro.

2/ End of period.

Source: Reuters.

Flows in the foreign exchange market in 2024 were a net demand for dollars of USD 661 million, while the BCRP offered net dollars for USD 1,030 million. This net demand for dollars is broken down into: (i) net supply in the *spot market* for USD 6,150 million²⁶; and (ii) net demand for dollars in the derivatives market for USD 6,811 million, mainly from non-resident investors, AFPs and companies in the corporate sector.

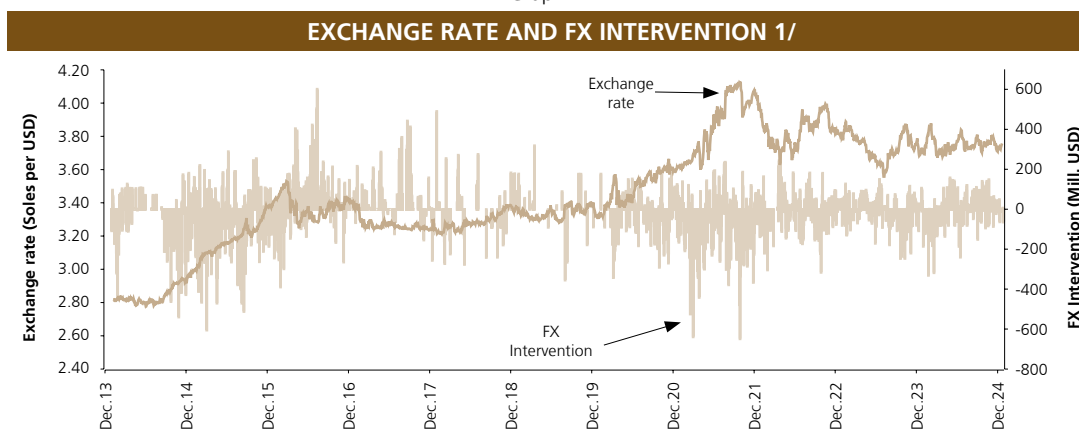
The AFPs made a net offer of USD 1,167 million in the *spot market*, associated with the sales of assets abroad to meet the extraordinary withdrawals of pension funds, while in the derivatives market they demanded a net USD 1,269 million.

²⁶ The main suppliers of foreign currency were mining companies (USD 11,070 million) and retailers (USD 4,544 million), flows that were offset by demand from companies in the corporate sector (USD 10,826 million).

For its part, non-resident investors in 2024 bid USD 1,865 million in the *spot market* and demanded a net USD 4,378 million in the derivatives market. In a context of uncertainty in the international market, non-resident investments in local government bonds increased by S/ 14,035 million. In the case of banks, the overall position increased by USD 370 million in 2024 (in 2023 this position decreased by USD 405 million).

In this context, in 2024, the BCRP intervened in the foreign exchange market through the net placement of FX swaps-sale for USD 853 million, net maturities of CDRs for USD 141 million, and with dollar sales in the *spot market* for USD 318 million. Thus, in 2024, the BCRP intervened with a net supply for USD 1,030 million, less than the accumulated intervention in 2023 of USD 2,433 million. This result occurred in a context of uncertainty in international financial markets, although with favorable terms of trade associated with the prices of some of the raw materials we export.

Graph 69



7. FINANCIAL SAVINGS AND CAPITAL MARKETS

Financial savings include the total assets held by firms and households in the financial system. This savings can take the form of deposit holdings (mainly savings, time deposits, among others), securities holdings, mutual fund shares, life insurance and contributions to private pension funds. In 2024, the balance of this aggregate increased 6.1 percent, mainly due to the increase in savings deposits, whose value grew 13.7 percent.

Table 77

FINANCIAL SAVINGS COMPONENTS 1/					
	Balance in million soles			Growth rates (%)	
	2022	2023	2024	2023	2024
Saving Deposits	140,602	131,535	149,587	-6.4	13.7
Term deposits	111,655	130,062	136,405	16.5	4.9
Mutual Fund Fees	25,690	30,760	45,912	19.7	49.3
Direct Securities holdings	7,049	11,380	11,550	61.4	1.5
Participation in Insurance Life Reserves	14,087	15,712	18,618	11.5	18.5
Participation in Private Pension Funds	104,630	121,586	105,824	16.2	-13.0
Rest	3,060	2,915	3,174	-4.7	8.9
TOTAL	406,774	443,950	471,071	9.1	6.1

1/ The balance in dollars is valued at the exchange rate of December 2024.
Source: BCRP.

By currency, financial savings in dollars grew more (11.6 percent per year) than financial savings in Sol (4.1 percent per year), which was due in part to the fact that pension savings -which represent 22 percent of the total- are always recorded in Sol. Other components of financial savings, such as term deposits from the public or participations in life insurance reserves, grew relatively more in dollars.

Table 78

FINANCIAL SAVINGS			
(Balances at the end of period)			
	Domestic currency (mill S/)	Foreign currency (mill USD)	Total 1/ (mill S/)
2015	217,189	22,255	301,091
2016	242,734	22,114	326,102
2017	278,771	24,556	371,346
2018	289,978	24,278	381,507
2019	327,440	27,193	429,956
2020	356,749	29,355	467,419
2021	314,973	27,155	417,346
2022	295,832	29,427	406,774
2023	326,768	31,083	443,950
2024	340,318	34,683	471,071
Growth rates			
2023	10.5	5.6	9.1
2024	4.1	11.6	6.1

1/ Balances in dollars are valued at the exchange rate of December 2024.
Source: BCRP.

7.1 PRIMARY FIXED-INCOME MARKET

At the end of 2024, the balance of outstanding fixed-income securities issued through public offerings in the local market totaled S/ 18,902 million, which implies a decrease of 14.1 percent with respect to the balance at the end of 2023 (S/ 22,003 million). These figures include both bonds and short-term instruments in circulation, placed through public offerings by non-government issuers and therefore exclude sovereign bonds regularly issued by the Public Treasury.

The flow of securities placed during the year was S/ 4 009 million, lower than the previous year (S/ 4 107 million in 2023), and even lower than the amounts recorded in years prior to COVID-19 (S/ 5 971 million per year average issued between 2016 and 2019). A total of 59 fixed-income issues were recorded through public offerings. Almost all of these issues were short-term (one year or less) and there were only seven issues for terms longer than 1 year.

By type of issuer, non-financial private companies placed public offerings for an equivalent value of S/ 527 million (S/ 1,211 million in 2023). With this, the balance of securities of these companies recorded a 14.5 percent decrease compared to the previous year. For its part, the financial system companies placed securities for a value of S/ 3,482 million (in 2023 securities were placed for S/ 2,896 million) ending with a balance of outstanding securities of S/ 7,976 million. The entity with the largest amount issued during the year is the credit company Santander Consumo with an amount of S/ 475 million, followed closely by Luz del Sur with an amount issued of S/ 425 million during the year.

By currency, Sol bonds accounted for 84.3 percent of the outstanding balance (85.8 percent at the end of 2023) and dollar-denominated bonds accounted for 15.7 percent (14.2 percent in 2023). Fixed-rate Sol bonds accounted for 79.3 percent of the balance (81.7 percent in 2023), while inflation-indexed bonds -VAC- represented 4.9 percent (4.2 percent in 2023).

Table 79

FIXED-INCOME SECURITIES ISSUED BY PRIVATE COMPANIES 1/

	Annual amounts			Growth rates (%)	
	2022	2023	2024	2023	2024
Balances at the end of period					
(Million soles)	22,918	22,003	18,902	-4.0	-14.1
Non-financial sector	13,329	12,774	10,926	-4.2	-14.5
Financial sector 2/	9,589	9,229	7,976	-3.8	-13.6
Composition by currency (%)	100.0	100.0	100.0		
Soles	85.0	85.8	84.3		
Fixed rate	80.2	81.7	79.3		
VAC	4.8	4.2	4.9		
US dollars	15.0	14.2	15.7		
Balance as % GDP	2.4	2.2	1.7		

1/ Balances in dollars are valued at the exchange rate of December 2024.

2/ Securities issued or originated by a financial organization, including Banco de la Nación, COFIDE, and MiVivienda.

Source: BCRP and Superintendency of the Securities Market (SMV).

The average term of the flow of placements, weighted by the amount placed, was 1.4 years for securities in Sol and 7.7 years for securities in dollars. The longest placement term in 2024 was 10 years, which corresponded to Interseguro in June and November.

7.2 STOCK MARKET

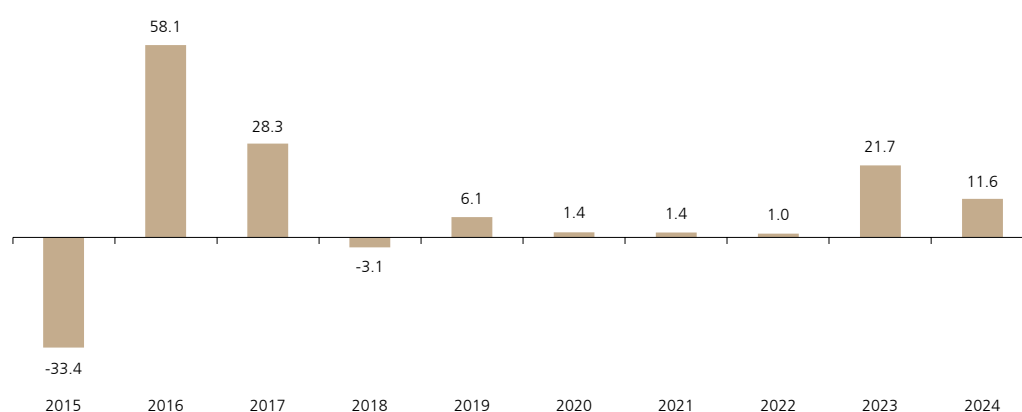
During the year, the Lima Stock Exchange (BVL) had positive results. The main index, the SP/BVL PERU GENERAL or general index, had a positive annual return of 11.6 percent, lower than the previous year (21.7 percent). The selective SP/BVL LIMA 25 index recorded an annual gain of 16.8 percent, having risen 9.6 percent in 2023. And finally, the SP/BVL PERU SELECT index had an annual increase of 15.4 percent (its return was 21.0 percent in 2023).

The economic context was mainly marked by a higher level of domestic economic activity and a convergence to the center of the inflation target range. On the external side, there was a slowdown in global inflation, which led central banks to reduce their interest rates, affecting international interest rates on global assets.

Graph 70

GENERAL INDEX OF THE LIMA STOCK EXCHANGE

(Annual % change, end-of-period)



Source: Lima Stock Exchange (LSE).

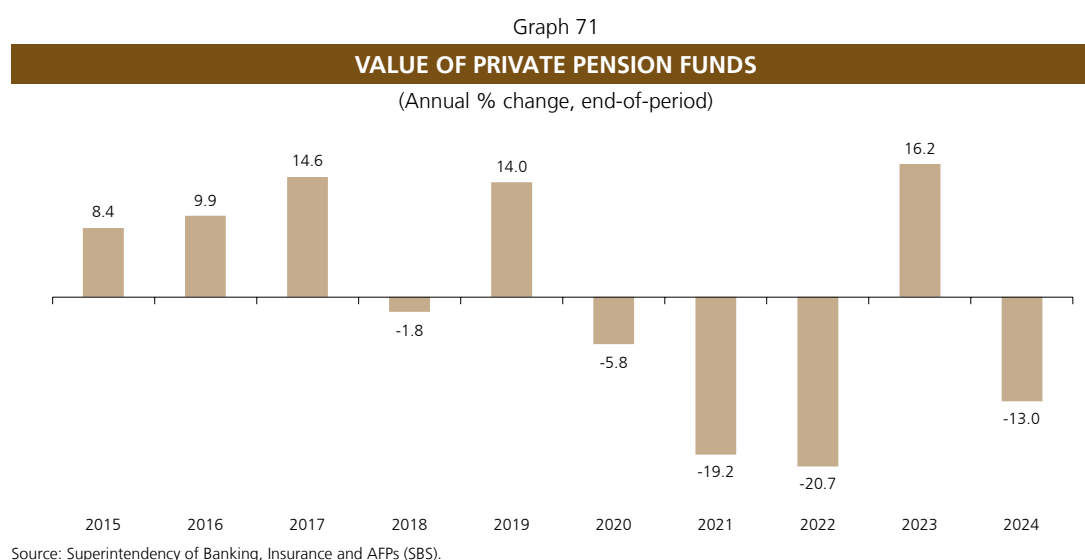
At the sector level, the indices with the highest returns were financials (31.0 percent) and industrials (16.9 percent), while the indices with the highest losses were electricity and utilities (-23.5 percent).

Trading volumes were higher than in the previous year. Trading in shares increased 190.8 percent compared to 2023, totaling S/ 21,671 million, the main transaction being the public offerings made by Niagara Energy to Enel Generación for USD 1.3 billion, which was settled in May. Bond trading increased 11.6 percent, reaching a total of S/ 1,774 million per year. Market capitalization at the end of the year was S/ 695,136 million, 5.7 percent higher than the value recorded at the end of 2023 (S/ 657,589 million).

The amount of dematerialized shares (those recorded electronically in CAVALI) was S/ 237,805 million at the end of 2024, equivalent to 34.2 percent of market capitalization (32.8 percent in 2023). The share of non-resident investors in total dematerialized shares decreased from 31.3 percent in 2023 to 27.0 percent in 2024.

7.3 PRIVATE PENSION SYSTEM

The value of private pension fund assets decreased 13.0 percent during 2024, recording a value of S/ 105,824 million in December (S/ 121,586 million in 2023). This decrease is mainly due to the withdrawals approved during the year (Law No. 32002), which reached a value of around S/ 27.3 billion (2.5 percent of GDP). In total, in the 7 withdrawals approved between 2020 and 2024, an accumulated amount of around S/ 115.2 billion was withdrawn, which represents 10.4 percent of the GDP for the year 2024. The number of members of the system increased by 5.5 percent and reached 9.8 million people. The percentage of contributing members in relation to the total number of members decreased from 42.1 percent in December 2023 to 43.0 percent in November 2024 (latest available data), remaining below the situation that existed before the pandemic (the ratio of contributing members was 44 percent in December 2019).



The real return of the private pension funds was positive. Pension fund type 2 - which represents two-thirds of the total and is therefore the most representative - had a real return of 2.2 percent per year. The other fund types had negative real returns, with the exception of the type zero fund.

The percentage of investments made abroad increased from 39.8 percent to 46.3 percent during 2024, 6.6 percentage points. On the other hand, the weight of local assets decreased. Even so, within the local components, the weight of deposits increased (from 3.4 percent to 5.0 percent), mainly due to higher deposits in Sol.

Table 80

COMPOSITION OF THE PRIVATE PENSION SYSTEM PORTFOLIO			
(% structural)			
	2022	2023	2024
I. DOMESTIC INVESTMENTS	63.2	61.1	54.7
Deposits	4.8	3.4	5.0
In soles	4.3	3.3	4.6
In dollars	0.5	0.1	0.4
Bonds and fixed income	32.1	34.6	27.3
Central Bank securities	-	-	0.5
Sovereign Bonds	19.2	24.4	18.5
Values issued by the private sector	12.9	10.1	8.3
Stocks and variable income	26.3	23.1	22.4
Shares	19.8	17.8	17.6
Investment funds	6.5	5.3	4.8
II. FOREIGN INVESTMENTS	36.9	39.8	46.3
III. OPERATIONS IN TRANSIT	-0.1	-0.9	-1.0
IV. TOTAL	100.0	100.0	100.0
Million soles	104,630	121,586	105,824
As % GDP	11.0	12.0	9.6

Source: SBS.

By fund type, the type 2 or mixed fund (which has a maximum of 45 percent in equities) accounted for 64.4 percent of the total fund value and had a real return of 2.2 percent per year. Fund type 3 or capital appreciation fund (which has a maximum of 80 percent in equities) accounted for 12.0 percent and had a negative real return of 0.6 percent per year. The type 1 or capital preservation fund (which has a maximum of 10 percent in equities) accounted for 17.8 percent and had a negative real return of 0.6 percent. For its part, the zero fund or capital protection fund (which invests only in fixed income) had a share of 5.8 percent and its real return was 4.4 percent.

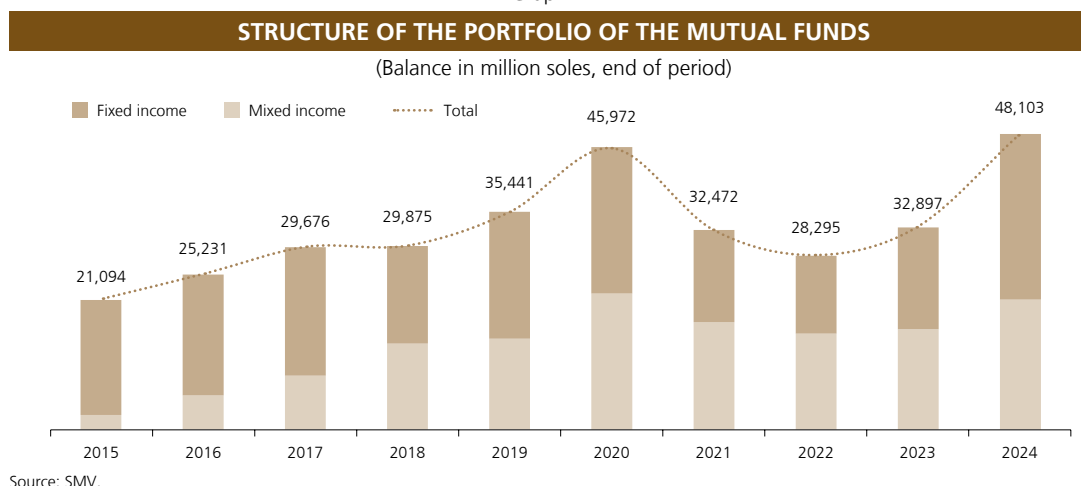
The balance of voluntary contributions amounted to S/ 2,325 million (S/ 2,008 million in 2023), which represented 2.1 percent of the total accumulated funds (1.6 percent in 2023). Most of these contributions were for non-pension purposes (S/ 2,123 million).

7.4 MUTUAL INVESTMENT FUNDS

The combined assets of mutual funds increased 46.2 percent over the previous year and closed 2024 with a balance of S/ 48,103 million (4.3 percent of GDP). The number of participants increased 19.9 percent to 417 thousand people at the end of the year (348 thousand in 2023). The number of mutual funds operating at the end of the year was 272 funds, of which 56 are Sol-denominated mutual funds and 216 are dollar-denominated funds.

In terms of assets under management, by currency, the relative share of Sol mutual funds increased from 28.2 percent to 31.3 percent, while the percentage share of dollar mutual funds decreased from 71.8 percent to 68.7 percent.

Graph 72



The share of mutual funds' foreign investments increased from 51.4 percent to 57.9 percent over 2024. Among domestic investments, the share of deposits (from 37.7 percent to 28.8 percent) and equity instruments (from 2.4 percent to 2.0 percent) decreased. Investment in local domestic fixed-income instruments increased from 7.9 to 8.8 percent.

Table 81

COMPOSITION OF MUTUAL FUNDS' INVESTMENT			
(% structural)			
	2022	2023	2024
I. DOMESTIC INVESTMENTS	45.6	48.6	42.1
Deposits	30.4	37.7	28.8
In soles	18.8	22.7	17.4
In dollars	11.6	15.0	11.4
Bonds and Fixed income	10.5	7.9	8.8
Central Bank securities	-	-	0.4
Sovereign Bonds	0.3	0.6	0.4
Values issued by the private sector	10.1	7.3	8.1
Stocks and variable income	2.2	2.4	2.0
Others	2.5	0.6	2.4
II. FOREIGN INVESTMENTS	54.4	51.4	57.9
III. TOTAL	100.0	100.0	100.0
Mutual Fund Equity (Million S/)	28,295	32,897	48,103
As % GDP	3.0	3.2	4.3

Source: SMV.

8. PAYMENT SYSTEMS

High and Low Value Payments

In 2024, the growing trend observed in recent years in the adoption of digital payments in the country continued; as a result, the number of Digital Payments Indicator (DPI) transactions

grew by 74.2 percent. This trend is characterized by i) a sustained increase in the share of very low-value payments and ii) a focus on payment instruments that offer a better user experience, immediacy and low cost. The IPD includes customer transactions of participants in the BCRP's Real Time Gross Settlement System (RTGS)²⁷ and digital retail payments (credit and immediate transfers via Electronic Clearing House (ECC)²⁸, intrabank and interbank transfers via wallets (including interoperable transfers) and other digital channels, payment cards, direct debit and electronic money transactions (BIM)).

Table 82

HIGH AND LOW VALUE PAYMENTS 1/								
(Annual)								
	2022		2023		2024		Average 2024-2023 3/	
	Value	Number	Value	Number	Value	Number	Value	Number
HIGH VALUE	4,580,198	1.05	4,865,043	1.10	5,621,034	1.13	4,079,721	0.95
RTGS System	4,580,198	1.05	4,865,043	1.10	5,621,034	1.13	4,079,721	0.95
- Customers	2,385,645	0.81	2,369,963	0.81	2,774,716	0.84	1,889,985	0.69
- Proprietary	2,194,553	0.24	2,495,080	0.28	2,846,318	0.29	2,189,737	0.26
LOW VALUE	3,635,859	3,298	3,747,287	5,646	3,693,314	9,832	2,571,983	3,068
Intrabank transfers	2,930,311	1,954	2,960,965	3,651	2,756,438	6,613	1,952,122	1,940
- Via digital wallets	64,069	1,165	124,661	2,715	231,711	5,445	64,726	1,404
- Via other channels 2/	2,866,241	789	2,836,304	937	2,524,727	1,168	1,887,395	536
Interbank transfers	13,564	150	37,181	510	89,697	1,291	20,999	287
- Via digital wallets	13,564	150	37,181	510	89,697	1,291	20,999	287
CCE system	443,022	151	487,529	193	565,941	290	348,723	93
- Transfers of credit	274,177	44	285,637	43	308,806	41	197,156	32
- Immediate transfers	92,451	106	127,178	149	178,808	247	55,151	59
- Checks	76,394	1	74,713	1	78,326	1	96,416	3
Payment cards	139,161	977	156,106	1,222	172,963	1,565	99,611	684
- Debit cards	61,023	638	66,686	796	78,978	1,089	38,004	435
- Credit cards	78,138	339	89,420	426	93,986	476	61,607	249
Intrabank checks	99,696	6	93,482	6	95,477	5	142,119	16
Automatic debits	8,282	52	8,871	56	9,074	59	6,915	41
Bim								
(Payments and transfers)	1,824	7	3,152	8	3,723	9	1,495	7
Digital Payments Indicator	5,845,414	3,291	5,949,055	5,640	6,294,226	9,826	4,223,433	3,050

1/ Value in millions of S/. Number of transactions in millions. Average value per transaction in soles.

2/ Intrabank transfers via other channels include ATMs, the Bank's Counter, the ESF Online Transaction Page, Client Software, Mobile Banking, Direct Customer Instructions by Letter or Fax, and others.

3/ For transfers via digital wallets, the average was calculated from 2018. For immediate transfers, from 2016. For BIM, from 2017.

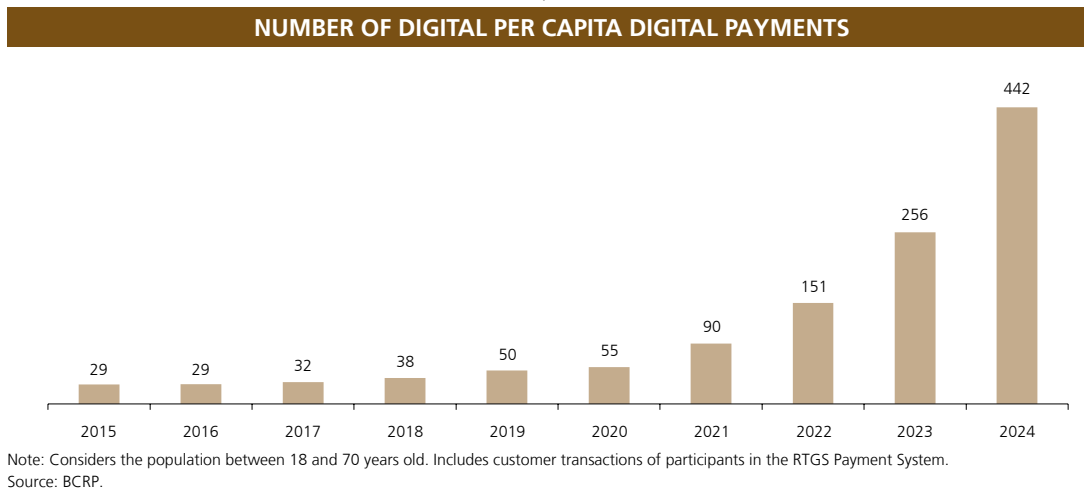
Source: BCRP, CCE, Business del Financial entities and Bim.

The progress in the digitization of payments can be seen in the rapid increase in the number of per-capita payments, reaching more than one digital payment per person per day by 2024.

27 It is a system administered by the BCRP that allows the immediate and definitive settlement of high-value payments between the country's financial institutions, in real time and on an individual basis.

28 It is a system that allows the clearing and settlement of electronic payments between different banks and financial institutions in Peru for certain low-value payment instruments.

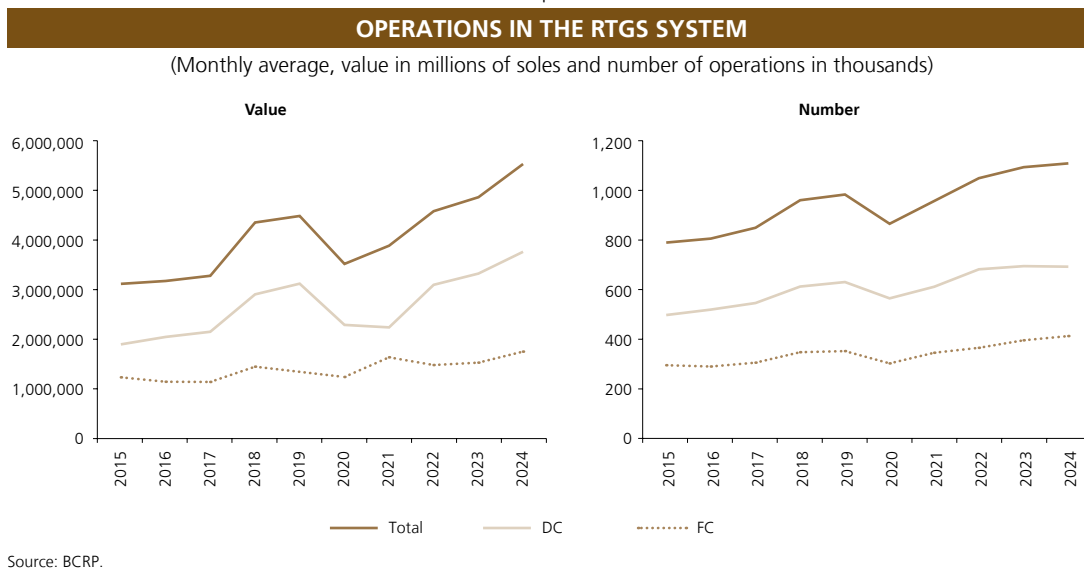
Graph 73



High Value

The RTGS system, the main payment system in Peru, which processes high-value fund transfers between companies in the financial system, recorded an increase in the value and number of transactions it processes of 14 percent and 1 percent, respectively, in 2024, reflecting the increased transactions between participants (loans and transfers). By currency, the value of transactions in domestic currency increased by 13 percent, while in foreign currency (U.S. dollars) it increased by 15 percent, compared to the previous year.

Graph 74

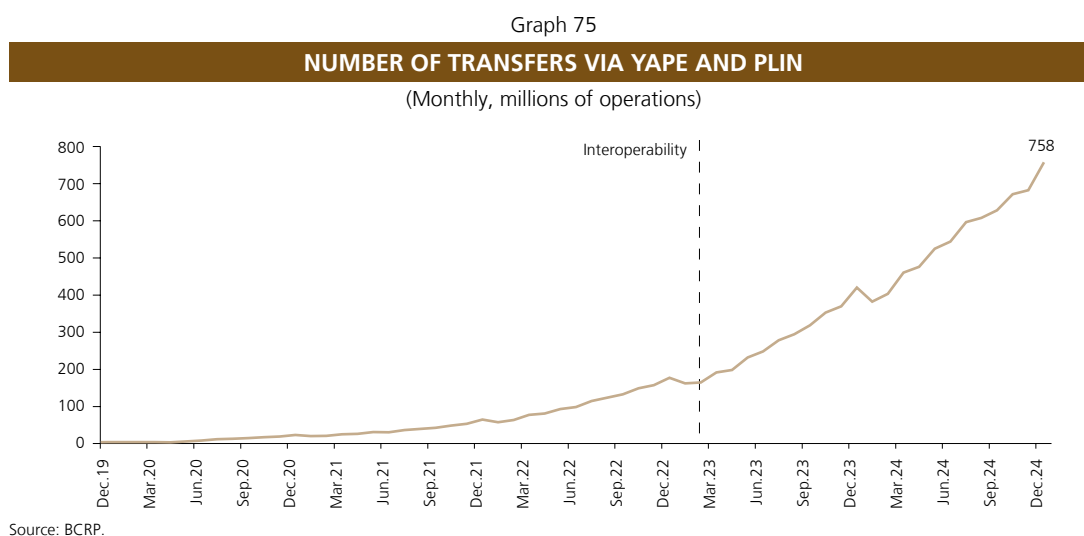


Low Value

The progress in the digitization of low-value or retail payments reflects the public's greater preference for using digital payments, especially those that provide a better user experience.

Not only has this expanded the number of payments, it has also implied a further deepening of digitization in lower-value payments. The number of average monthly payments has increased from 471 in December 2023 to 819 million transactions in December 2024, a growth of 74 percent.

It highlights the rapid growth in the number of wallet payments (intrabank and interbank), which increased its share of low-value payments from 57 percent in 2023 to 69 percent in 2024, largely due to the development of interoperability between the main wallets: Yape and Plin (BBVA, Interbank and Scotiabank) since March 2023.



Interoperability

The BCRP's Interoperability Strategy, progressively deployed in phases, has been increasing the adoption and use of digital payments in the country. Phase 1 (Interoperability between Yape and Plin) and Phase 2 (banking applications and QR Codes), implemented in March 2023 and September 2023, respectively, have generated more than 160 million additional monthly transactions by December 2024. This rapid growth process is mainly due to the ease of use of the wallets, the growing penetration of QR Codes in merchants and the increase in payments through banking applications. With respect to the deployment of Phase 3 of the Strategy, e-money issuers have continued their integration into the ecosystem. Additionally, the BCRP has been holding working groups to gather the opinion of the participants on the implementation of Phase 4 of the Interoperability Strategy. This phase seeks to incorporate Fintech and Bigtech into the ecosystem through a payment initiation model.

Regulation and Supervision

In April 2024, the Central Bank issued Circular No. 0011-2024-BCRP, Regulation of Digital Money Innovation Pilots, with the objective of promoting access and use of digital payments in areas with low banking penetration. Thus, the regulatory framework was established for the implementation of Pilots, using digital money from the Central Bank, as an innovative solution. In addition, the specific objectives of the first pilot were determined.

In August 2024, the Regulation of Exchange and Clearing Service Companies (ESEC) and Exchange and Clearing Services (Circular 0020-2024-BCRP) and the Regulation of the Immediate

Transfer Clearing Service (Circular 0021-2024-BCRP) were updated. These modifications were made in order to establish guidelines to enable Indirect Participants²⁹ to access the ESECs in a safe and efficient manner, update operational aspects, among others.

The regulation of Indirect Participation in ESECs opens the possibility for Direct Participants, including Electronic Money Issuing Companies (EEDC), to incorporate *fintech* companies into the payment system, which favors the development of phase 4 of the BCRP's Interoperability Strategy. During the fourth quarter of 2024, the Central Bank recorded two Indirect Participants: Prex and Global66. In both cases, the GMoney EEDC acts as the *sponsor* that provides them with indirect access to the ECC.

In September 2024, Legislative Decree No. 1665 was published, which amends the Payments Law with the main purpose of strengthening the regulations to adapt them to the advances in the payments ecosystem observed in the last 15 years. The reforms strengthen the powers of the BCRP as the entity in charge of the National Payments System, in order to promote the growth and resilience of the payments ecosystem. The BCRP will gradually adapt the regulatory framework to create a regulatory environment that fosters the development of secure, efficient, accessible and interoperable digital payments, in an environment of constant innovation, favoring the incorporation of new payment service providers and use cases.

In October 2024, the BCRP issued Annex 3 of the Interoperability Regulation for Payment Services Provided by Payment Providers, Arrangements and Systems (Circular No. 0024-2022-BCRP). Annex 3 includes four additional user experience guidelines that Regulated Entities must implement in their digital wallets and mobile applications. These guidelines were defined through working groups held by the BCRP during 2024.

During 2024, progress was made in the implementation of the Regulation of Payment Agreements with Cards (Circular No. 0027-2022-BCRP). In this regard, the registry of entities participating in the card market has been kept updated.

Table 83

NUMBER OF PARTICIPANTS IN THE CARD PAYMENT AGREEMENT				
Entity role	Card Payment Network			
	Visa	Mastercard	American Express	Diners
Issuers	34	18	2	1
Acquirers	5	5	2	2
Payment facilitators	26	25	15	15
Total	65	48	19	18

Publication of commissions in the web portals and in the Central Bank's portal. Payment Networks, Acquirers and Payment Facilitators must publish interchange and discount fees on their web portals³⁰, which will allow affiliated merchants to have relevant information to make a rational commercial decision. Additionally, in 2024, the Central Bank published the historical series of fees, from January 2023 to December 2024, disaggregating the information by merchant segment and card type.

²⁹ Payment Service Provider established in the country that is a different entity from the Direct Participant.

³⁰ The discount rate is the fee charged by the Acquirer or Payment Facilitator to the affiliated merchant for processing a card payment. The interchange fee is the fee paid by the Acquirer to the Issuer.

Delivery of periodic information. The Payment Networks, Acquirers and Facilitators have been reporting monthly statistical information (interchange rates, discount rates, among others) under the established deadlines, which is published in aggregate terms on the BCRP's web portal.

In 2024, the registration of new entities as QR code and digital wallet providers continued, in accordance with the QR Code Payment Service Regulations (Circular N°0003-2020-BCRP). Thus, the QR registry has registered six QR code providers, eight digital wallets and five entities that are QR code and digital wallet providers, as shown below:

Table 84

ENTITIES REGISTERED IN THE QR REGISTRY	
Type of registration	Entity
As a QR Code Provider	Niubiz
	Vendemás
	YellowPepper
	Izipay
	BBVA (Adquirente – POS)
As a Digital Wallet	Cámara de Compensación Electrónica (CCE)
	Ligo (TPP)
	Financiera Oh
	Interbank (IzipayYa)
	Prex (Prexpe)
	Bitel (Bipay)
	Financiera Efectiva (Efectiva tu Financiera)
	Máximo (Máximo Pay)
As a QR Code and Digital Wallet Provider	Luqea (Bancom)
	BCP (Yape)
	Caja Cusco (Wayki)
	APDE Bim (Bim)
	GMoney (Kontigo)
	GMoney (Panda)

Source: BCRP.

Box 3

EVOLUTION OF CREDIT IN FOREIGN CURRENCY

This Box analyzes the evolution of foreign currency credit of companies by segment, with information from the Credit Registry (RCC) and CUSTOMS, from before the beginning of the pandemic to the current situation. The evolution of placements and dollarization in foreign currency is reviewed considering the companies' status as exporters.³¹

Since the pandemic, foreign currency credit to the corporate sector has shown greater dynamism than credit in other segments of the credit market. Between 2019 and 2024, credit to the corporate sector in foreign currency from Deposit-creating Corporations (DCS) increased by 60.8 percent, while foreign currency credit to the rest of firms and individuals declined by 34.2 percent and 16.8 percent, respectively.

The growth in foreign currency funding of the corporate sector through SCDs contrasts with the reduction observed in capital market funding. Over the period, dollar funding from other financial corporations³² decreased by 24.5 percent, due to the disruption of capital market funding associated with the pandemic and the impact of pension fund withdrawals. On the other hand, external financing has increased by 9.2 percent.

Between 2019 and 2024, the dollarization of credit granted by SCDs has decreased by 5.6 percentage points (from 28.3 to 22.8 percent). In said period, the increase in credit dollarization for corporate companies stands out (from 49.0 to 50.6 percent), while credit dollarization has decreased for the rest of companies and individuals (from 36.4 to 23.2 percent and from 10.0 to 6.5 percent, respectively). Likewise, considering extended financing -which includes financing through the capital market and foreign financing-, dollarization of the corporate sector decreased by 5.3 percentage points, from 80.0 to 76.3 percent.

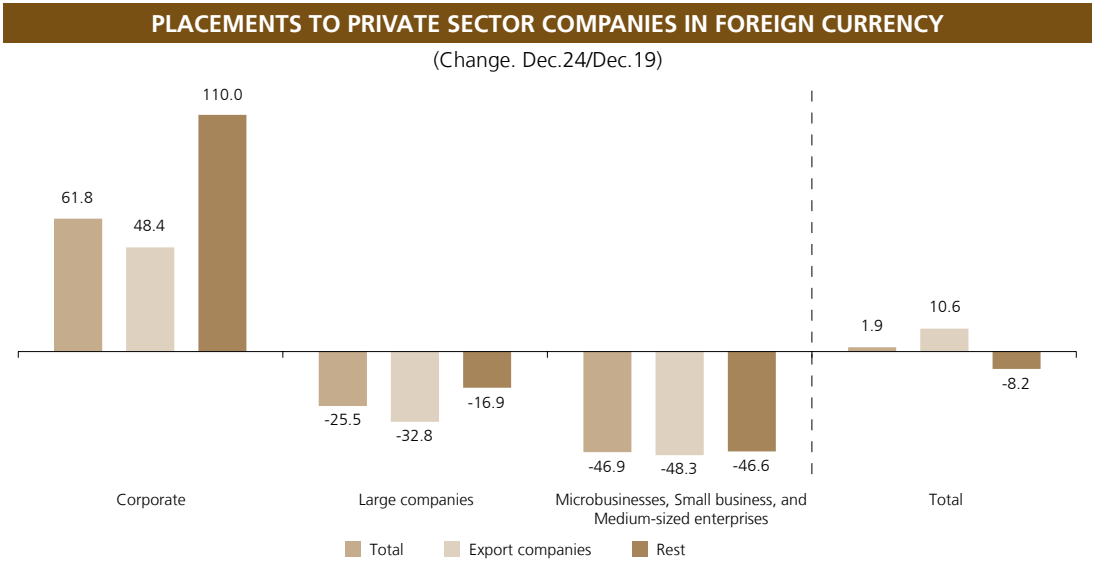
EXTENDED FINANCING TO THE PRIVATE SECTOR IN FOREIGN CURRENCY						
	(Million USD)					
	Dec.19	Dec.22	Dec.23	Dec.24	% chg. Dec.24/ Dec.23	% chg. Dec.24/ Dec.19
Credit of depository corporations	25,773	25,503	26,286	25,391	-3.4	-1.5
Business loans	22,208	22,646	23,395	22,424	-4.2	1.0
Corporate	8,220	9,483	10,668	13,219	23.9	60.8
Other companies	13,988	13,163	12,727	9,205	-27.7	-34.2
Personal loans	3,566	2,856	2,891	2,967	2.6	-16.8
Credit of other financial companies *	4,828	4,069	3,879	3,647	-6.0	-24.5
Private external debt	26,041	27,559	28,154	28,424	1.0	9.2
Bonds	9,256	10,259	10,284	11,787	14.6	27.3
Others	16,785	17,300	17,871	16,637	-6.9	-0.9
TOTAL	56,642	57,130	58,319	57,461	-1.5	1.4
Dollarization ratios:					Diff. (p.p.)	
Credit of depository corporations	28.3	23.3	23.7	22.8	-0.9	-5.6
Business loans	40.2	33.5	35.4	34.0	-1.4	-6.2
Corporate	49.0	49.6	51.6	50.6	-1.1	1.5
Other companies	36.4	27.2	28.0	23.2	-4.9	-13.2
Personal loans	10.0	6.8	6.4	6.5	0.1	-3.5
Credit of other financial companies *	40.1	37.1	35.6	34.6	-1.0	-5.4
Total extended private sector financing	43.9	38.6	38.8	38.2	-0.6	-5.7
Extended financing of corporate credit	80.0	79.4	79.5	76.3	-3.2	-3.7

Both placements and investments are included. All dollarization ratios are valued at a fixed exchange rate of S/ 3.77 per dollar.

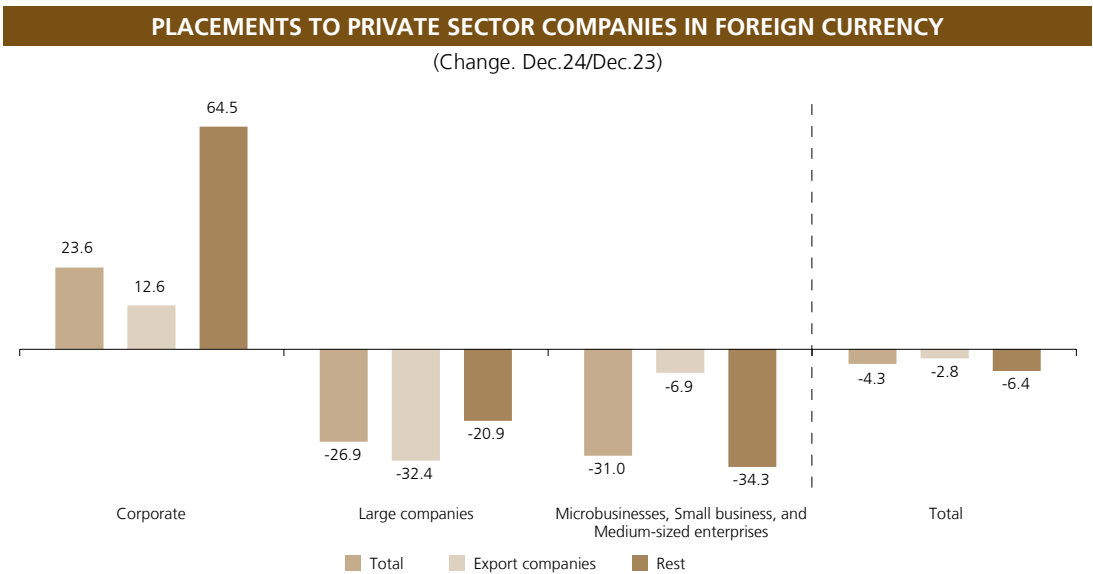
* Credit of other financial companies includes insurance, AFP, mutual funds, Cofide, credit companies, and Agrobanco.

- 31 For the classification of companies, companies that imported or exported during the last 12 months are considered. In the case of importing companies, only those that imported more than USD 800 FOB are considered. It should be pointed out that placements to exporting and importing companies do not necessarily coincide with the concept of placements under the foreign trade modality.
- 32 This financing includes investments from insurance companies, AFPs and mutual funds, as well as placements from Cofide, credit companies and Agrobanco.

Foreign currency credit growth between 2019 and 2024 is mainly explained by higher placements to exporting companies particularly in the corporate sector that, due to the nature of their business, require foreign currency financing. Between December 2019 and December 2024, the growth of foreign currency placements to companies (1.9 percent) has been mainly driven by exporting companies (10.6 percent), particularly in the corporate segment (48.4 percent).

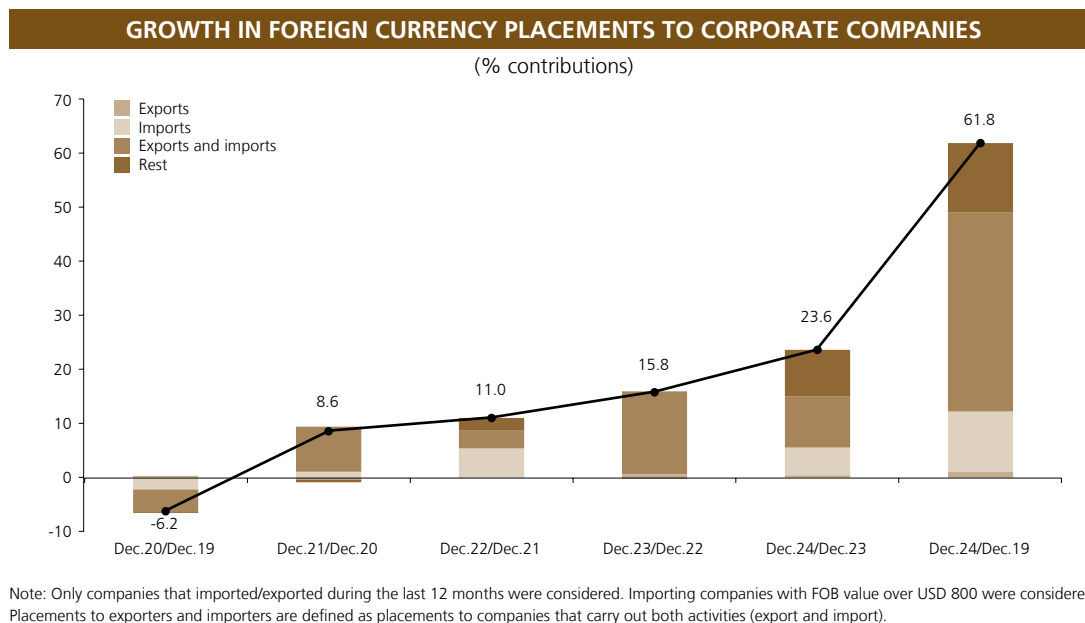


For its part, the reduction in foreign currency loans in 2024 is mainly explained by the reduction in the segment of companies not related to export activities. Likewise, loans to exporting companies were reduced, mainly in the large company sector, while the corporate sector recorded an increase in loans in both the exporting and total segments.

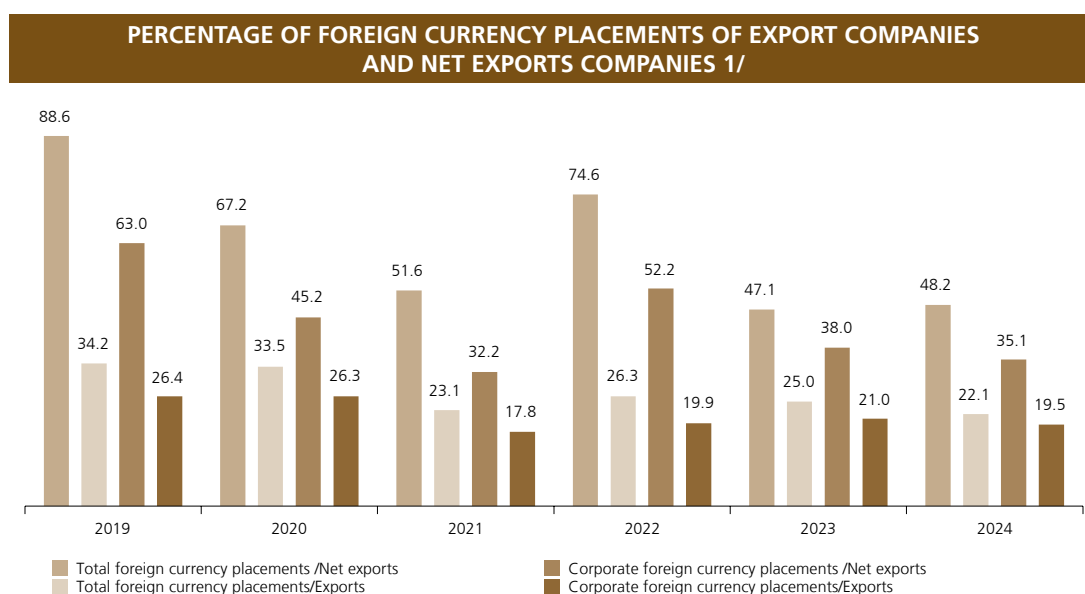


Between 2019 and 2024, foreign currency placements to corporate companies increased by 61.8 percent. These segments that contributed the most to the growth were companies that simultaneously carry out export activities (36.7 percentage points). For its part, in 2024, the 23.6 percent growth

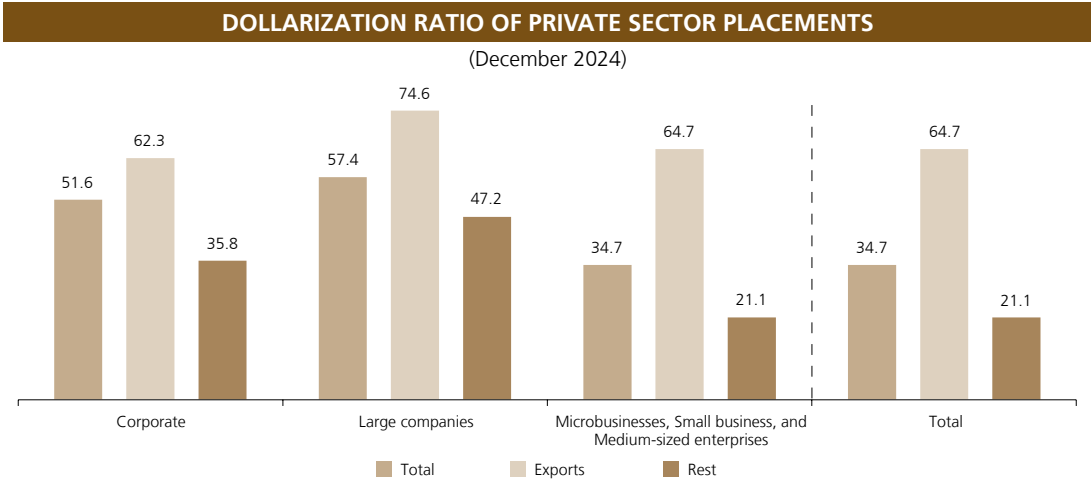
was mainly due to the contribution of companies that export and import (9.5 percentage points) and companies that do not engage in these activities (8.6 percentage points).



The ratio of foreign currency placements over the value of exports or net exports (exports minus imports) in the last 12 months is an indicator of exposure to foreign exchange risk. The higher the ratio, the greater the exposure. During the pandemic, this ratio increased and then stabilized. This ratio is lower in corporate companies, reflecting a higher natural hedging of foreign exchange risk in this segment. For its part, the ratios of placements over net exports (exports minus imports) show the same decreasing trend. Between 2023 and 2024, all ratios decreased with the exception of Total Placements over Net Exports, which increased slightly, which may reflect a return to internal funding of companies involved in international trade, to the detriment of external funding.

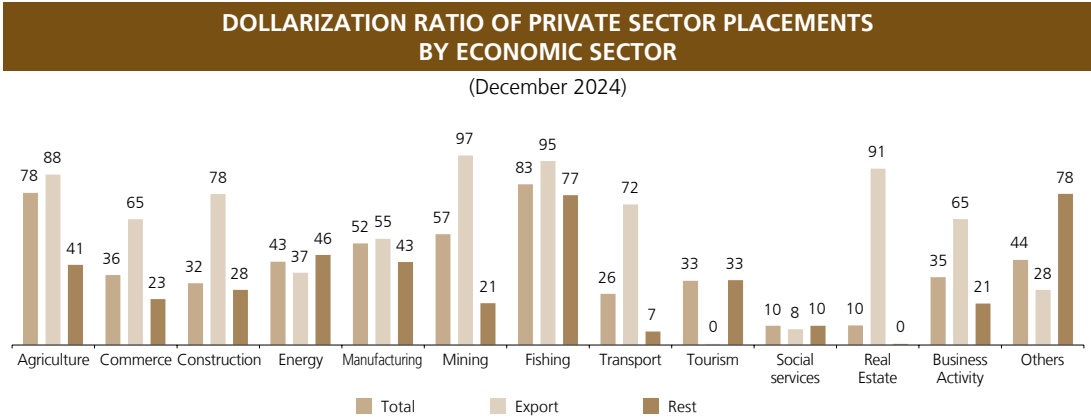


It is observed that exporting companies in the corporate, large and MSME segments maintain a higher dollarization. Between December 2019 and December 2024, the corporate sector has increased its placement dollarization ratio by 3.5 percentage points (from 48.1 to 51.6 percent), which is mainly explained by an increase in the dollarization of exporting companies (from 53.7 to 62.3 percent).



Note: Only companies that imported/exported during the last 12 months were considered. Importing companies with FOB value over USD 800 were considered.
Source: RCC and customs.

For total loans to companies, by economic sector, the highest dollarization ratios were observed in mining, agriculture and fishing. For its part, sectors such as transportation, tourism and social services show lower dollarization. The dollarization of exporting companies tends to be above the average for the segment.



To conclude, the growth in foreign currency loans from the levels recorded pre-pandemic is explained by the corporate segment, particularly to companies related to export activities. In 2024, however, foreign currency lending to the corporate sector declined in contrast to the cumulative growth of previous years. This reduction was driven by lower loans to companies not involved in foreign trade activities, although the corporate segment maintained positive growth in its foreign currency loans. Likewise, exporting companies maintain a higher dollarization, consistent with their exposure to international markets and their revenues in dollars. For its part, MSMEs have very low dollarization, suggesting that they are less exposed to foreign exchange risk. Finally, the dollarization of the export segment by economic sector tends to be above average.

Box 4**IMPACT OF THE CHANGE IN THE DEFINITION OF CREDIT SEGMENTS ON THE SECTORAL CREDIT STATISTICS**

The definition of credit segments has an important impact on sectoral credit statistics. The SBS establishes specific criteria for the classification of debtors in the financial system, aimed at banks, municipal savings banks, finance companies, rural savings banks, among others, in order to accurately reflect the quality of the loan portfolio.

On July 14, 2023, the SBS published Resolution No. 2368-2023, which modified the definitions of corporate credit segments, effective October 1, 2024. The new classification mainly considers changes in the criteria based on the level of sales. The previous classification, which was in effect from July 2010 until September 2024, introduced changes in the definitions of the credit segments, increasing them from four to six, which were mainly based on the level of indebtedness. The definitions are as follows:

Segment	Definition until September 2024	Definition since October 2024
Law	SBS Resolution No. 11356-2008	SBS Resolution No. 2368-2023
Corporate	Annual sales greater than S/ 200 million in the last 2 years.	Annual sales in the last 2 years greater than S/ 200 million (or in the last year, if operations have recently started).
Large	Sales between S/ 20 and S/ 200 million in the last 2 years, or have current issues in the capital market.	Sales greater than S/ 20 million in the last two years and not be classified as corporate.
Medium-sized	Debt greater than S/ 300 thousand in the last 6 months, without being corporate or large company.	Annual sales greater than S/ 5 million in the last year and not be classified as corporate or large company.
Small	Total debt in the financial system greater than S/ 20 thousand, but less than S/ 300 thousand in the last 6 months.	Annual sales less than S/ 5 million and total debt in the financial system greater than S/ 20 thousand in the last 6 months or new credit disbursed greater than S/ 20 thousand.
Micro	Total debt in the financial system less than S/ 20 thousand in the last 6 months.	Annual sales less than S/ 5 million, total debt in the financial system less than S/ 20 thousand in the last 6 months or new credit disbursed is less than S/ 20 thousand.
Consumer	If the debtor additionally has loans to small businesses or consumer microbusinesses, under certain conditions they must be classified as loans to medium-sized businesses.	The precondition is removed. In addition, additional loans from a natural person taken by a debtor classified as a small or microenterprise, and that are not intended for commercial activities, will be classified in this segment.

In general, the classification of an economic agent between segments may vary due to changes in its characteristics, for example, under the definition of the segments in effect until September 2024 due to changes in its level of sales and/or indebtedness, as is the case in 2022 and 2023. In the month of 2024, there is also an important reclassification of credit by segments due to the application of the new SBS definition since October of this year.

Based on this, the credit balance for each segment affected by the new definitions is estimated for 2024, considering their previous classifications. A search period was defined³³ and the classifications

³³ The search period for medium-size companies was from March to September 2024, while for the corporate and large companies, micro and small companies, and consumer segments, it was September 2024.

that the loans had in that period were compared with the classifications they have as of October 2024, the month in which the new definitions come into effect. This information is used to estimate the reclassified flows between segments, which are used to calculate the balances without reclassification. In the previous years, 2022 and 2023, the calculation was made under a similar methodology except that the previous year was used as a reference to estimate the reclassified flows.

Thus, in 2024 the growth of credit to companies was -0.3 percent and it is estimated that the reclassification introduced a net movement of credit from companies to individuals, so that isolating this effect, credit would have grown 0.4 percent. In the medium-size companies segment, there was a 63.5 percent decrease, and it is estimated that the reclassification introduced a net movement of loans from medium-size to small companies. Isolating for the reclassification effect, credit to medium-size companies would have decreased by 3.0 percent year-on-year in 2024. Likewise, the year-on-year change in credit to small and micro enterprises (MSEs) grew 41.5 percent, which would be 2.5 percent after isolating for the reclassification effect. For its part, the year-on-year variation rate of consumer credit is -1.1 percent, and -2.8 percent isolating the reclassification effect.

By 2023, credit to companies fell by 2.1 percent and it is estimated that it would have fallen by 1.8 percent without the reclassification, with a movement of credit towards consumption (8.3 percent versus 7.4 percent without reclassification). Meanwhile, the medium-size business segment recorded a drop of 11.7 percent, and it is estimated that without the reclassification a smaller drop of 10.9 percent would have been recorded. For its part, credit to small and micro enterprises grew 2.2 percent, which would be 6.4 percent without the reclassification.

Finally, it can be seen that the methodological change recorded in 2024 had a greater impact on the reclassification of loans, particularly in the medium-sized companies and small and microenterprise segments.

CREDIT TO THE TOTAL PRIVATE SECTOR 1/ 2/												
	Balances in Millions of soles						Growth rates (%)					
	Dec.19	Dec.20	Dec.21	Dec.22	Dec.23	Dec.24	Dec.22/Dec.21		Dec.23/Dec.22		Dec.24/Dec.23	
							Without Reclassif.	With Reclassif.	Without Reclassif.	With Reclassif.	Without Reclassif.	With Reclassif.
Companies	208,221	249,673	258,859	254,592	249,127	248,356	-1.3	-1.6	-1.8	-2.1	0.4	-0.3
Corporate and large companies	113,112	120,559	130,345	131,176	131,352	137,780	0.0	0.6	-1.5	0.1	0.7	4.9
Medium-sized enterprises	47,513	70,073	70,103	60,484	53,432	19,506	-14.7	-13.7	-10.9	-11.7	-3.0	-63.5
Small and micro business	47,595	59,041	58,412	62,933	64,343	91,070	11.8	7.7	6.4	2.2	2.5	41.5
Individuals	134,882	130,607	136,852	158,556	169,848	172,084	15.2	15.9	6.6	7.1	0.3	1.3
Consumer	81,609	75,773	78,119	95,126	103,014	101,889	20.6	21.8	7.4	8.3	-2.8	-1.1
Car loans	2,404	2,351	2,525	2,927	3,261	3,353	15.9	15.9	11.4	11.4	2.8	2.8
Credit cards	27,244	21,704	12,791	16,965	18,728	17,783	32.6	32.6	10.4	10.4	-5.0	-5.0
Rest	51,960	51,718	62,803	75,234	81,025	80,753	18.4	19.8	6.5	7.7	-2.5	-0.3
Mortgage	53,273	54,834	58,733	63,430	66,834	70,195	8.0	8.0	5.4	5.4	5.0	5.0
TOTAL	343,103	380,280	395,711	413,149	418,974	420,441	4.4	4.4	1.4	1.4	0.4	0.4

1/ Balances in U.S. dollars are valued at constant exchange rate: (\$/ 3.77 per USD).

2/ Due to the change in the definition of each segment, several companies have been reclassified between the medium-sized and mype segments. For data without reclassification, an estimate of the annual variation is presented, isolating the effect of reclassification. Taking as a reference the classification of credits for September 2024, the reclassification that occurred between the different segments was controlled. For credit to medium-sized companies, the period from March to September 2024 was taken as a reference, while for 2022 and 2023, the classification of credits from the previous year in each period was taken as a reference.

Source: RCC and BC.

In 2024, the variation in loans to medium-size companies in domestic currency is mainly due to the reclassification of loans between segments as of October 2024 mentioned above, and to

the variation in the loan balances of the Reactiva program, associated with the amortization and cancellations of this program. Also, the outflow of loans to medium-size companies was in part offset by new loans to this segment, which were lower compared to previous years.

PLACEMENTS TO MEDIUM-SIZE COMPANIES IN DOMESTIC CURRENCY

	Flows (Millions S/)			
	2021/2020	2022/2021	2023/2022	2024/2023
Total	1,212	-9,121	-6,845	-25,636
Reactiva	-3,006	-11,203	-7,612	-3,267
New credits 1/	5,776	5,367	5,162	2,060
Reclassification 2/	2,788	2,170	1,357	-24,941
Written-off loans 3/	-159	-562	-215	206
Rest 4/	-4,187	-4,893	-5,538	306
Total Balance	53,926	44,805	37,960	12,324

1/ Compares both months in question. Excludes new loans associated with Reactiva.

2/ Represents the difference between the balances reclassified to medium-size companies minus what was no longer in that segment.

3/ Change in the balance of written-off loans (as to contribution to EBITDA).

4/ Includes amortizations, cancellations, among others.

Source: RCC.