



FINANCIAL STATEMENTS



(Free translation of the original in Spanish)

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Banco Central de Reserva del Perú

Our opinion

We have audited the financial statements of **Banco Central de Reserva del Perú**, which comprise the statement of financial position as of December 31, 2024, the statement of income and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of **Banco Central de Reserva del Perú** as of December 31, 2024, its financial performance and its cash flows for the year then ended, in conformity with the accounting principles described in note 2 to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) approved for application in Peru by the Board of Deans of the Institutes of Peruvian Certified Public Accountants and in accordance with the Governmental Financial Audit Manual. Our responsibilities, under those standards, are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We are independent of **Banco Central de Reserva del Perú** (hereinafter the "Central Bank"), in accordance with the Code of Ethics for Professional Accountants of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) and the ethical requirements, which are relevant for our audit of the financial statements in Peru, and we have fulfilled our other ethical responsibilities in accordance with those requirements and the IESBA Code of Ethics.

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

Key Audit Matters (KAM)

Key audit matters are those matters that, in our professional judgment, were the most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters (KAM)

How our audit addressed the key audit matter

Information technology environment

The Central Bank has a technological infrastructure to support its operating activities, as well as continuous improvement plans, maintenance of access management, changes in systems and applications, development of new programs and controls dependent on Information Technology (IT) in the relevant operating processes. The controls to authorize, control, restrict and withdraw access to the systems and the management of changes to the programs are fundamental to mitigate the potential risk of fraud or error based on misuse or improper change in the Central Bank's systems, thus ensuring the integrity of the financial reporting and accounting records.

The Central Bank has an integrated IT structure with different segregated processes and controls, which include third-party support in some cases; situation that leads to increased risks associated with information security and cybersecurity.

The lack of an adequate general IT control environment and its dependent controls could affect the data processing capacity for the preparation of the financial statements.

The Central Bank is highly dependent on its technology structure for the processing of its operations, as well as for the preparation and fair presentation of its financial statements, which leads us to consider the IT environment as an important area in our audit.

With the participation of systems audit specialists, we performed, among others, the following procedures:

- We evaluated and tested the design and operating effectiveness of the IT general controls, evaluated the Central Bank's IT governance framework and the key controls over program and data access management, development and changes to programs, and IT operations, including the monitoring of activities carried out by third parties when they were relevant for the audit.
- We evaluated the mechanisms implemented by the Central Bank in order to respond to possible conflicts of segregation of duties, including compensatory controls, when necessary.
- We evaluated the existence of technology risk mitigation mechanisms and containment of cyber- attacks, preventive measures to ensure the continuous operation of its security and access controls, identity and access management, among others, that contribute to mitigating cybersecurity risks.



Key Audit Matters (KAM)

How our audit addressed the key audit matter

Investments in securities from international institutions (Notes 2.B.(b) and 5 to the financial statements)

At December 31, 2024, the amount of investments in securities from international entities totals S/218,889 million.

The international reserves administered by the Central Bank are mainly composed of investments in securities from international entities, which correspond to first-class, low-risk financial debt instruments issued by international organizations or foreign public entities.

The investments in securities from international entities are mainly recorded at their fair value through other comprehensive income in accordance with the business model defined by the Central Bank's management. The fair value is estimated on a daily basis according to the market prices available at the end of the day.

Considering the above, this area was a key audit matter.

Our audit approach to address this issue included, among other procedures, the following:

- With the support of our systems specialists, we obtained an understanding of the management process of investments in securities from international entities and other related processes. We also identified and evaluated the IT dependencies and systems involved in the management process of investments in securities from international entities.
- We tested the key controls related to the process of investment in securities from international entities.
- We applied, among other procedures, the following substantive tests:
 - We obtained the detail of investment in securities from international entities; we tested its completeness and, based on a sample, we compared the accuracy of the relevant data of the instrument; we tested the calculation of the amortized cost and its fair value. To determine the fair value, we considered price sources other than those used by the Central Bank.
 - We obtained external confirmations from the international custodians and compared the amount of the securities with the reports maintained by the Central Bank.
 - We tested the classification of credit risk of investment in securities from international entities.
 - We reviewed the sufficiency of the information disclosed in the notes to the financial statements.



Other information

Management is responsible for the other information. The other information comprises the annual report required by the Central Bank's Bylaws, which is not an integral part of the financial statements or our auditor's report, which is expected to be made available after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance or conclusion on that other information.

Regarding our audit of the financial statements, our responsibility is to read the other information indicated above and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit, or if it appears that there is a material misstatement in the other information for some other reason.

When we read and consider the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with the Central Bank's Corporate Governance.

Responsibilities of management and those in charge of Corporate Governance for the financial statements

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

In preparing the financial statements, Management is responsible for assessing the Central Bank's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless Board of Directors either intends to liquidate the Central Bank or cease operations, or has no realistic alternative but to do so.

Those in charge with the Central Bank's Corporate Governance are responsible for overseeing the Central Bank's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs, approved for application in Peru, and in accordance with the Governmental Financial Audit Manual, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with ISAs, approved for application in Peru, and in accordance with the Governmental Financial Audit Manual, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Central Bank's internal control.
- Evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Central Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Central Bank to be unable to continue as a going concern.
- Evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with the Central Bank's Corporate Governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiency in internal control that we identified during our audit.

We also provided those charged with the Central Bank's Corporate Governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



From the matters communicated with those charged with the Central Bank's Corporate Governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the Key Audit Matters. We have described these matters in our auditor's report unless law or regulation preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lima, Peru

February 28, 2025

Gariglio Aparicio y Asociados

Countersigned by,

Cecilia Hashimoto

----- (partner)

Cecilia Hashimoto
Certified Public Accountant
Registration No.24793

STATEMENT OF FINANCIAL POSITION

As of December 31, 2024, and 2023

<i>In thousands of soles</i>	<u>Note</u>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
Assets			
Gross International reserves			
Cash in foreign currency		138,342	177,149
Deposits at foreign banks	3	54,104,326	30,227,762
Deposits at foreign organizations	4	8,825,824	8,925,313
Securities from international institutions	5	218,888,598	212,008,987
Gold	6	10,983,757	8,519,045
Contributions to international organizations	7	4,241,454	4,274,144
Other available assets	20(b)(h)	451,951	104,823
		<u>297,634,252</u>	<u>264,237,223</u>
Other foreign assets			
Contributions in domestic currency to the International Monetary Fund	7(b)	4,889,937	4,802,180
Other external assets	11(b)	75,160	74,100
		<u>4,965,097</u>	<u>4,876,280</u>
Domestic credit			
	8		
To banks		12,075,667	21,771,870
To public sector		15,167,557	12,153,101
To financial enterprises		-	7,131
To other entities and funds		60,400	422,485
		<u>27,303,624</u>	<u>34,354,587</u>
Property, plant and equipment, net	9	160,489	160,805
Other assets	10	1,169,562	1,798,531
Total assets			
		<u>331,233,024</u>	<u>305,427,426</u>
Off balance sheet accounts	20	<u>214,915,373</u>	<u>260,071,045</u>

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

<i>In thousands of soles</i>	Note	2024 (S/ 000)	2023 (S/ 000)
Liabilities			
Reserve liability	20(b)(h)	802,411	1,059,919
Other foreign liabilities			
Equivalent of the contribution in domestic currency to the International Monetary Fund	7(b)	4,889,937	4,802,180
Other foreign liabilities	11	9,334,930	9,475,465
		14,224,867	14,277,645
Sterilized stock			
Issued securities in circulation	12	35,983,739	34,884,558
Deposits in domestic currency	13	49,120,009	63,978,733
		85,103,748	98,863,291
Monetary base	14		
Currency in circulation		95,364,397	86,747,016
Deposits in domestic currency		2,899,471	3,275,502
		98,263,868	90,022,518
Deposits in foreign currency	15	86,989,450	63,217,372
Other liabilities	16	1,900,572	2,314,082
TOTAL LIABILITIES		287,284,916	269,754,827
Equity	17		
Capital		1,182,750	1,182,750
Legal reserve		1,182,750	1,182,750
Special statutory reserve requirements		2,689,880	2,544,446
Fair value reserve		(134,996)	(985,928)
Retained earnings		3,751,930	193,912
Capital, reserves and results		8,672,314	4,117,930
Adjustment for valuation. Article No. 89 –Organic Act	17(e)	35,275,794	31,554,669
Total equity		43,948,108	35,672,599
TOTAL LIABILITIES AND NET EQUITY		331,233,024	305,427,426
Off balance sheet accounts	20	214,915,373	260,071,045

STATEMENT OF INCOME AND OTHER COMPREHENSIVE INCOME FOR THE YEARS ENDED

As of December 31, 2024, and 2023

<i>In thousands of soles</i>	Note	2024 (S/ 000)	2023 (S/ 000)
Finance income			
Interest on deposits at foreign banks	3(b)	3,058,631	2,243,907
Net return on securities	5	7,876,321	5,523,805
Return on operations with derivative instruments	20(b)	163,965	324,735
Interest on international agreements and deposits at the IMF		404,982	414,307
Profits and dividends received from international institutions		127,679	10,833
Return on gross international reserves		11,631,578	8,517,587
Interest and fees on domestic credit operations	8(c)	4,605,176	4,206,520
Other finance income	20(i)	2,292	5,190
Total finance income		16,239,046	12,729,297
Non- finance income		11,959	15,140
Total income		16,251,005	12,744,437
Finance costs			
Interest on other liabilities abroad	11(c)	(362,535)	(367,120)
Interest on securities in circulation	12	(4,888,234)	(4,035,626)
Interest on domestic currency deposits	13	(2,745,500)	(4,515,517)
Interest on foreign currency deposits	15	(3,858,551)	(3,142,753)
Other finance costs	20(i)	(16,542)	(68,996)
Total finance costs		(11,871,362)	(12,130,012)
Operating expenses	21	(513,661)	(311,292)
Issuance expenses and costs	22	(114,052)	(109,221)
Total expenses		(12,499,075)	(12,550,525)
Net (loss) profit		3,751,930	193,912
Other comprehensive income	17(c)	850,932	4,904,358
TOTAL COMPREHENSIVE INCOME		4,602,862	5,098,270

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

STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	Note	Share capital	Legal reserve	Special legal reserve requirements	Fair value reserve	Retained earnings	Total capital, reserves and profit or loss	Adjustment for valuation - article 89 of Organic Act	Total Equity
		(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)
Balance as of January 1, 2023		1,182,750	1,182,750	4,208,099	(5,890,286)	(1,663,653)	(980,340)	34,827,968	33,847,628
Net profit		-	-	-	-	193,912	193,912	-	193,912
Other comprehensive income	17(c)	-	-	-	4,904,358	-	4,904,358	-	4,904,358
Total comprehensive income		-	-	-	4,904,358	193,912	5,098,270	-	5,098,270
Coverage of losses Allocation of the legal reserve and coverage of prior year's loss	17(b)	-	(1,182,750) 480,903 (480,903)	(480,903)	-	1,182,750	-	-	-
Transfer from statutory reserve	17(b)	-	1,182,750	(1,182,750)	-	-	-	-	-
Adjustment for valuation – Article 89 of Organic Act	17(e)	-	-	-	-	-	-	(3,273,299)	(3,273,299)
Balance as of December 31, 2023		1,182,750	1,182,750	2,544,446	(985,928)	193,912	4,117,930	31,554,669	35,672,599
Net Profit		-	-	-	-	3,751,930	3,751,930	-	3,751,930
Other comprehensive income	17(c)	-	-	-	850,932	-	850,932	-	850,932
Total comprehensive income		-	-	-	850,932	3,751,930	4,602,862	-	4,602,862
Transfer of Statutory Reserve	17(b)	-	-	145,434	-	(145,434)	-	-	-
Transfer of profits to Public Treasury	17(d)	-	-	-	-	(48,478)	(48,478)	-	(48,478)
Adjustment for valuation – Article 89 of Organic Act	17(e)	-	-	-	-	-	-	3,721,125	3,721,125
Balance as of December 31, 2024		1,182,750	1,182,750	2,689,880	(134,996)	3,751,930	8,672,314	35,275,794	43,948,108

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

STATEMENT OF CHANGES IN CASH FLOW

For the years ended December 31, 2024 and 2023

<i>In thousands of soles</i>	Note	2024 (S/ 000)	2023 (S/ 000)
Cash flows from operating activities			
Net profit		3,751,930	193,912
Adjustments to reconcile the profit with the cash and cash equivalents from operating activities			
Depreciation of property, plant and equipment	9	17,119	14,877
Amortization of intangible assets		(1,834)	1,568
Fixed assets write- off		840	513
Net change in assets, liabilities and equity			
Domestic credit		7,050,964	6,212,150
Other foreign assets		(88,818)	(5,546)
Other assets		630,803	(57,189)
Reserve liability		(257,508)	(322,353)
Other foreign liabilities		(52,777)	(177,141)
Securities in circulation		1,099,182	9,513,432
Deposits in domestic currency		(14,858,725)	(21,768,113)
Deposits of banks, financial enterprises and others (monetary base)		(376,031)	701,813
Deposits in foreign currency		23,772,078	(2,226,601)
Other liabilities		(413,510)	(903,358)
Fair value reserve		850,932	4,904,358
Adjustment for valuation - Article 89 of Organic Act		3,721,125	(3,273,299)
Transfer of profits to Public Treasury	17(d)	(48,478)	-
Cash and cash equivalents provided by (used in) operating activities		24,797,292	(7,190,977)
Cash flows from investing activities			
Additions of property, plant and equipment	9	(17,644)	(15,409)
Cash and cash equivalents used in investing activities		(17,644)	(15,409)
Net (decrease) of cash and cash equivalents		24,779,648	(7,206,386)
Cash and cash equivalents at the beginning of the year		177,490,207	184,696,593
Cash and cash equivalents at the end of the year	2.B(o)	202,269,855	177,490,207

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

STATEMENT OF CHANGES IN EQUITY

For the years ended December 31, 2024 and 2023

1. OPERATIONS

(a) Operations

Banco Central de Reserva del Perú (hereinafter the “Central Bank” or “BCRP”) is an autonomous legal institution of public law incorporated on March 9, 1922, in order to preserve monetary stability in Peru. Its activities are currently governed by Article 84 of the Political Constitution of Peru, dated December 29, 1993, and by its Organic Act approved by Decree-Law 26123, dated December 24, 1992 (hereinafter the Organic Act). According to the Organic Act, the Central Bank’s functions are to control the money supply, manage international reserves, issue currency, and report on domestic finance.

The Central Bank’s legal address and main office are located at Jr. Santa Rosa No. 441 - 445 (formerly Antonio Miró Quesada), Lima. It also has branches in 7 cities of Peru. As of December 31, 2024 and 2023, the Central Bank has 1,013 and 967 employees, respectively. They include Central Bank workers, temporary workers, and workers with unpaid leave or unpaid temporary assignments.

The Central Bank represents Peru for the purposes specified in the constituent agreements of the International Monetary Fund (IMF) and the Latin American Reserves Fund (hereinafter “FLAR”, for its Spanish acronym) and is responsible for all transactions, operations and formal relationships with these organizations. The Central Bank may also act as a Peruvian Government agent in its relations with multilateral credit organizations and financial agencies of foreign governments. The Central Bank has subscribed shares of the Bank for International Settlements (BIS), which is an organization responsible for promoting international financial and economic cooperation and serves as a bank for central banks.

According to the Organic Act, the Central Bank is not permitted to:

- Grant financing to the Public Treasury, except for acquisitions of securities issued by the Public Treasury in the secondary market; in which case the annual increase in the holding of said securities may not exceed at any time, measured at acquisition cost, 5 percent of the monetary base at the end of the prior year.
- Grant credits or any other form of financing to financial institutions that have outstanding and past due obligations with the Central Bank, nor may it grant loans or advances to its Directors.
- Provide guarantees, letters of guarantee or any other guarantee, use any form of indirect financing, or grant any type of insurance, except for operations entered into by the Central Bank in implementing reciprocal payment and credit agreements, which are exempt from the above prohibition.
- Allocate resources to create special funds aimed at granting credits or making investments to promote non-financial economic activities.

- Issue securities, bonds or contribution certificates of mandatory acquisition.
- Set sectorial or regional coefficients in the composition of the loan portfolio of financial institutions.
- Establish multiple exchange rate regimes.
- Purchase shares, except for those issued by international financial organizations or those needed to be acquired to strengthen banks or financial enterprises; participate, directly or indirectly, in the capital of commercial, industrial or any other enterprises.
- Own properties additional to those needed for its activities and those transferred to it in payment of debts (the latter must be sold within a term not exceeding 1 year after their acquisition date).

Equity

According to Article 93 of the Organic Act, if the Central Bank incurs losses, they must be covered by the balance presented in the account "Legal Reserve" or "Special legal reserve requirements", established with prior period profits. If this reserve is insufficient, within thirty days of the approval of the statement of financial position, the Public Treasury issues and grants to the Central Bank interest bearing negotiable debt securities for the non-covered amount.

The profit for the year ended as of December 31, 2024, amounts to S/ 3,752 million and is associated with:

- Higher foreign currency income, mainly generated by interest earned from the investment of International Reserves, in a context of high international interest rates, which began to decrease in the last months of the year. Additionally, the increase in the balance of International Reserves contributed.
- Lower financial expenses in local currency, due to a reduction in interest payments on time deposits and other public sector deposits at the Central Bank, as a result of the lower balance of these deposits. This performance occurred in a context where the reference monetary policy interest rate decreased from 6.50 percent in January to 5.00 percent in December, reflecting more flexible monetary conditions in soles. This scenario was accompanied by a reduction in inflation, which ended the year at the center of the target range.

The profit recorded as of December 31, 2023 was S/ 194 million.

On April 11, 2024, the Central Bank allocated 25 percent of the net profit for 2023 to the Public Treasury, transferring S/ 48.5 million to the main local currency account of the Ministry of Economy and Finance ("MEF"), as detailed in note 17(d).

Approval of the financial statements -

The financial statements as of and for the year ended December 31, 2024, prepared in accordance with the accounting policies described in note 2, were issued with Management approval on January 23, 2025. The financial statements as of December 31, 2023 and for the year then ended were approved by the Board of Directors at its meeting held on January 19, 2024.

2. SIGNIFICANT ACCOUNTING POLICIES

A. Central Bank criteria

According to Article 88 of the Organic Act and the criteria approved by the Board of Directors, the accounting policies used by the Central Bank are:

- (a) The criteria approved by the Board of Directors based on its powers (Article 88 of the Organic Act); and,
- (b) The International Financial Reporting Standards (IFRS) issued and adopted by the International Accounting Standards Board (IASB), made official through resolutions issued by the Peruvian Accounting Board (CNC, for its Spanish acronym), effective December 31, 2024 and 2023, as applicable for the Central Bank, and the standards established for that purpose by the Superintendency of Banking, Insurance and Private Pension Fund Administrators (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones – SBS).

The criteria established by the Board of Directors of the Central Bank that differ from the IFRS are mainly the following:

i. Recognition of changes due to fluctuations in exchange rates

The Central Bank records the adjustment for changes in the prices and exchange rates of assets and liabilities in gold, silver, currencies, Special Drawing Right (SDR) and other monetary units of international use in "Valuation adjustment– Article 89 of Organic Act" in the statement of changes in equity.

BCRP indexed certificates of deposit (CDR BCRP, for their Spanish acronym) are recorded at face value, and the Central Bank recognizes the changes due to fluctuations in exchange rates in 'Valuation adjustment– Article 89 of Organic Act in the statement of changes in equity (see paragraph (v) below).

As of December 31, 2024 and 2023, the adjustment was recorded in equity, and corresponds to an increase of S/ 3,721 million and decrease of S/ 3,273 million, respectively, see notes 2.B(d) and 17(e).

According to the IFRS, the results of the above-mentioned valuations must be included in the results for the year in which they were generated.

ii. Recognition of embedded derivatives

Financial instruments which contain embedded derivatives will be recognized and treated separately from other financial instruments; and both the host contract and the value of the embedded derivative will be dealt with together.

According to the IFRS, embedded derivatives of a main (or host) agreement must be treated like separate derivative instruments and recorded at their fair value if their economic risks and characteristics are not closely related to those of the host contract.

iii. Statement of cash flows

The preparation of the statement of cash flows is carried out by the Central Bank considering as cash and cash equivalents, the balance of the accounts which comprise

the “Gross international reserves” less the balance of the account “Currency in circulation”, as indicated in note 2.B(o). Likewise, the Central Bank prepares and presents the statement of cash flows applying the indirect method.

According to the IFRS, cash and cash equivalents correspond to available funds, short term, highly liquid instruments, easily convertible into a determined amount of cash, which are subject to an insignificant risk of changes in their value, with maturities no more than 90 days from the acquisition date.

iv. Disclosure of financial instruments

As of December 31, 2024, and 2023, the Central Bank has not fully applied the requirements of IFRS 7 Financial Instruments: Disclosures, nor IFRS 9 Financial Instruments.

These standards require entities to provide disclosures in their financial statements that enable users to evaluate the significance of financial instruments for the Entity's financial position and performance, and the nature and extent of risks arising from financial instruments to which the Entity is exposed during and at the end of the reporting period, and how the entity manages those risks. The Central Bank does not apply the disclosures related to derivative financial instruments, mainly with regard to risk disclosures.

v. Measurement of exchange rate related instruments

The Central Bank has foreign exchange instruments such as: operations with derivatives held-for- trading (note 2.B(e.i)), operations with CDR BCRP (note 2.B(k)) and operations with foreign exchange swaps (note 2.B(e.ii)).

Gains and losses from changes in the fair value of these instruments and in the exchange rates are recorded in “Valuation adjustment– Article 89 of Organic Act” in equity, without affecting the profit or loss for the period in any case.

According to IFRS, the aforementioned valuations must be recorded as a gain or loss in the statement of income and other comprehensive income.

vi. Securities issued by the MEF

- The Central Bank receives bonds from the MEF, issued in Soles through the Public Treasury, to cover any loss in compliance with Article 93 of the Organic Act (notes 1 and 17.d). Such bonds are initially recorded as financial assets at face value in “Domestic credit” in the statement of financial position.

According to the IFRS, said bonds do not qualify as financial assets, since the amortization of the interest in favor of the Central Bank, is made through dividends that the Central Bank itself has the obligation to transfer to the Public Treasury when it presents profits, see note 1.

- The Central Bank classifies the financial instruments in foreign currency issued by the MEF as investments measured at fair value through other comprehensive income (FVOCI). They are recorded in “Domestic credit” in the statement of financial position. The fair value of these financial instruments is measured based on market prices.

Changes in the fair value of these financial instruments acquired until December 31, 2015, are determined by comparing the carrying amount (acquisition cost) with the fair value, excluding the amortized cost. They are recorded in equity until the financial instrument is sold or realized. Premiums or discounts arising on the acquisition of the instrument are recorded as income or expense when the instrument is settled.

Changes in the value of these financial instruments acquired from January 1, 2016, are determined by comparing the fair value with the amortized cost, which is calculated using the effective interest method.

Gains and losses generated by exchange rate variations are recorded in the caption "Valuation adjustment Article 89 – Organic Act" of equity, in no case affecting results for the year.

B. Accounting principles

The main accounting principles and policies used in preparing the accompanying financial statements are the following:

(a) Basis of preparation and use of estimates

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

The preparation of the accompanying financial statements requires Management to formulate estimates that affect the reported amounts of assets, liabilities, income and expenses, and the disclosure of significant events in notes to the financial statements. The final results may differ from said estimates. Estimates are reviewed on an ongoing basis and are based on historical experience and other factors. The most significant estimates related to the financial statements correspond to the valuation of securities from international entities, which include investments in financial instruments measured at fair value, actuarial reserves for retirement, survivor, health care and burial benefits, the accounting principles of which are described in the respective notes to the financial statements.

The information included in these financial statements is the responsibility of the Management and Board of Directors of the Central Bank, who expressly confirm that all the applicable principles and criteria of the Central Bank have been applied in their preparation.

(b) Financial instruments

According to the Central Bank's policies, the securities issued by the MEF are considered as financial assets and they are recognized and measured as indicated in attached notes 2.A(vi) and 2.B(s).

Other financial instruments are classified as assets, liabilities, or equity according to the contract that gave rise to them. Interest, dividends, gains and losses generated by a financial instrument classified as an asset or a liability are recorded as income or expense. Financial instruments are offset when the Central Bank has a legally

enforceable right to offset them, and Management intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

Financial assets recognized in the statement of financial position correspond to: gross international reserves, other external assets, domestic credit, assets recorded in "other assets", except for those classified as non-financial assets (note 10). Financial liabilities correspond to all liabilities in general, except for those classified as non-financial liabilities in "other liabilities" (note 16). The accounting policies with regard to the recognition and measurement of these items are disclosed in the accounting policies described in this note.

i. Initial recognition and measurement

At initial recognition, financial instruments are measured at fair value, plus transaction costs that are directly attributable to the acquisition of these instruments.

ii. Classification

Securities from international entities are classified as investments at amortized cost and investments at FVOCI. The Central Bank does not use the category of financial assets of FVTPL.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met:

- It is managed within a business model, the objective of which is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at fair value with changes in other comprehensive income

These are financial assets that meet the following conditions:

- It is held within a business model, the objective of which is achieved by both collecting contractual cash flows and selling financial assets; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the outstanding principal amount.

iii. Subsequent measurement

Financial instruments measured at amortized cost

A financial instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of maturity using the effective interest rate. The calculated amortization is recorded

by increasing or decreasing the carrying amount of the instrument with the offsetting entry in profit or loss. Instruments initially recorded at face value are not amortized.

For instruments classified as measured at fair value with changes in other comprehensive income

For securities from international entities and securities issued by the Public Treasury:

- First, a financial instrument is measured at amortized cost in order to amortize the premiums or discounts on such instrument from its acquisition date to its date of maturity using the effective interest rate. The calculated amortization is recorded by increasing or decreasing the carrying amount of the instrument with the offsetting entry in profit or loss profit. Financial instruments acquired at face value are not amortized.
- In addition, the instruments classified as measured at FVOCI are also measured on a daily basis at market prices, comparing them with the instrument's last amortized cost or acquisition cost (in case they have been recently acquired). Adjustments to market prices are recorded by increasing or decreasing the carrying amount of the instrument, crediting the offsetting entry to fair value reserve in equity.

Fair value is the market price provided on a daily basis by the financial information service available in the Central Bank (information provided to date mainly by Bloomberg, specialized provider of the financial market, recognized worldwide).

In Management's opinion, said information reasonably reflects the fair value of investments in international securities, considering the market data and accounting policies established by the Board of Directors of the Central Bank.

When the investment is sold or realized, gains or losses previously recognized in equity are transferred to the profit or loss for the year, excluding the effects of the exchange differences, which are recorded as indicated in paragraph (d) below.

Interest earned is calculated and recorded using the nominal interest rate (coupon rate) on the face value of the investment. It is recorded in "net return on securities" in the statement of income and other comprehensive income.

iv. Impairment of financial assets

The Central Bank's Management evaluates, on each presentation date of the financial statements, whether there is objective evidence that its financial assets measured at amortized cost or at fair value through other comprehensive income present changes in credit risk since their initial recognition.

The Central Bank's Management periodically monitors credit risk, based on the most recognized risk rating agencies, in order to evaluate whether there is any evidence of significant increase in said risk since its initial recognition, which may have a significant impact on the investment portfolio, and therefore is considered as a permanent reduction in its market value. Furthermore, Management considers that its investments have a low credit risk, through the

evidence obtained that certifies a low risk of non-compliance for each investment instrument and for each issuer thereof.

In the event that the reduction in the market value of the investments proves to be permanent or due to credit impairment of the issuer, the respective provisions will be established affecting the results for the year.

(c) Income and expense recognition

Interest income and expenses are calculated using the effective interest rate method (amortized cost), and are recognized in the income statement for the year in which they accrue, based on the term of the transactions that generate them and the interest rates agreed upon except for the interest related to the investments recognized as indicated in paragraph (b) above. Interest income includes the income from investments in securities of international entities.

Gains and/or losses on embedded derivatives not related to the exchange rate in the investment are recognized in profit or loss for the period on their maturity date.

Other income and expenses are recognized as earned or incurred in the period in which they accrue.

When there are reasonable uncertainties about the collectability of the principal of a financial instrument, interest is recognized as income to the extent to which there is reasonable certainty of its collection.

(d) Foreign currency transactions

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

Assets and liabilities in foreign currency are recorded at the exchange rate of the date on which transactions are entered into and are stated in soles using the buying rate established by the SBS for operations in U.S. dollars. Balances in other currencies are stated at the exchange rates provided by Bloomberg (note 24.B(iii)).

For the payment of liabilities in foreign currency to the Central Bank's suppliers and the recording of tax withholding, as applicable, the Central Bank uses the average selling rate of the U.S. dollar related to the sol published by the SBS.

The Central Bank recognizes the adjustment to exchange rates in "Valuation adjustment – Article 89 of Organic Act" in equity.

(e) Derivative financial instruments

The Central Bank has derivative financial instruments held-for-trading and embedded derivatives.

i. Derivatives held-for-trading.

The reference price (committed face value) of forward and future operations is recorded in "off-balance sheet accounts" (notes 20(b) and 20(h)), and subsequently measured at fair value. Fair values are calculated based on exchange rates, interest rates and market prices.

Interest on investment of the underlying asset plus the higher amount received in the currency used for foreign exchange swaps (simultaneous operations of foreign currency purchase and sale, one using the spot exchange rate and the other, the forward exchange rate), which equals the increase in currency from the agreed forward points, are recorded in the statement of income and other comprehensive income. Thus, the effect recorded in "Valuation adjustment – Article 89 of Organic Act" in equity, corresponds to the measurement of the underlying asset during the term of the foreign exchange swap plus (less) the exchange rate effect from the changes in the quotation of the foreign currencies in relation to the domestic currency.

Gains and losses from changes in the fair value of future and forward operations are recorded in "Return on operations with derivative instruments" in the statement of income and other comprehensive income and in "Valuation adjustment– Article 89 of Organic Act" in equity, respectively, recognizing an asset or liability in the statement of financial position, as applicable.

ii. Foreign Exchange swaps

Foreign exchange swaps (FX Swaps), whose notional amount is recorded in memorandum accounts (note 20(c)), correspond to transactions in which one of the parties undertakes to pay a variable interest rate on a notional amount in local currency in exchange for the counterparty paying a fixed interest rate on the equivalent notional amount in U.S. dollars, and also paying the exchange difference determined on the notional amount in U.S. dollars.

The Central Bank calculates interest receivable and payable, which are recognized in the statement of income and other comprehensive income in the period in which they are accrued, within "other finance income" and "other finance costs", with a balancing entry in "other assets" and "other liabilities" in the statement of financial position, respectively. Likewise, the Central Bank recognizes the exchange difference on the notional amount committed in U.S. dollars in the caption "Valuation adjustment article No. 89 - Organic Act" of the shareholders' equity, with a balancing entry in the asset and liability captions mentioned above, as appropriate.

At maturity of the transaction, the settlement is made in soles at current exchange rates.

iii. Interest rate swaps (IRS)

The Central Bank recognizes the interest receivable and payable related to these operations in the statement of income and other comprehensive income in the period in which they are accrued, in the accounts "Interest and fees on domestic credit operations" and "Interest on securities in circulation", respectively; with offsetting entry in the headings "Other assets" and "Other liabilities" of the statement of financial position, respectively.

Additionally, for the interest rate swaps agreed at an original term of more than 15 months, the fluctuations in their fair value are recognized on each reporting date in the statement of income and other comprehensive income, in the headings "Interest and fees on domestic credit operations" or "Interest on securities in circulation", with offsetting entry in the headings "Other assets" and "Other liabilities" of the statement of financial position, respectively.

The fair value of the interest rate swaps is equal to the difference between the present value of the fixed payments, less the present value of the variable payments, taking as discount factor the curve of CD BCRP, and the zero-coupon curve constructed on the basis of the yields of the Peruvian Treasury Bonds.

iv. *Embedded derivatives*

The Central Bank recognizes the measurement of instruments containing embedded derivatives at the reporting date in "fair value reserve" in net equity. The measurement of instruments, without separating the embedded derivative from its host contract, is obtained from the financial information service available in the Central Bank.

The effect of the measurement of the instrument is recorded on the date of maturity in "net yield on securities" in the statement of income and other comprehensive income. As of December 31, 2024 and 2023, the Central Bank does not have instruments containing embedded derivatives.

(f) *Gold*

Gold holdings are valued using the quoted prices in the New York market, provided daily by Bloomberg. The result of said measurement is recorded in "Valuation adjustment–Article 89 of Organic Act" in net equity.

(g) *Transactions with international organizations*

Contributions to international organizations

This caption corresponds to contributions made by the Central Bank to the IMF, FLAR and BIS recorded at the face value of the contribution, which represents the acquisition cost, since it is said amount that the Central Bank would have the right to receive in case it ceased to be a member of any of the above institutions. These contributions cannot be traded with third parties.

Returns on such contributions are recognized when accrued, and dividends, when declared.

Allocations of Special Drawing Rights (SDR)

The recognition of the allocations of SDR with the IMF involves a charge to an asset account in foreign currency which forms part of the "Gross International reserves" and a credit to a liability account in foreign currency, which is part of the item "Other external liabilities" and constitutes a long-term obligation. Both concepts are initially recognized at cost, subsequently they are measured at their adjusted value and are presented in the statement of financial position of the Central Bank.

(h) *Collections*

Collections mainly correspond to works of art (archeological objects, paintings, sculptures, among others) and collectible coins acquired and/or received in donation. They are valued at their acquisition cost or face value. Due to their nature, these assets have an indefinite useful life. Therefore, they are not depreciated and are recognized in "other assets" in the statement of financial position, note 10. The acquisition cost of donated assets is recorded in "other income" in the statement of income and

other comprehensive income and is determined based on the fair value estimated by specialists when they are received.

(i) Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at acquisition cost less accumulated depreciation and accumulated impairment losses if applicable. Repair and maintenance expenses are charged to profit or loss, and significant renewals and improvements are capitalized when: i) it is probable that future economic benefits associated with the asset will flow to the Central Bank; and ii) its cost can be measured reliably. Cost and accumulated depreciation of disposed of or sold assets are removed from their accounts, and any resulting gain or loss is recorded in profit or loss for the period.

Units pending receipt are measured at acquisition cost and are not depreciated until they are in working condition.

Depreciation

Land is not depreciated. Depreciation of assets under this heading is calculated on a straight-line basis using the following estimated useful lives:

	Years
Buildings and other constructions	100
Machinery and equipment	10
Vehicles	5
IT equipment	3

(j) Impairment of long-lived assets

Whenever events or changes in the economic environment indicate that the carrying amount of a long-lived tangible asset may not be recoverable, the Central Bank reviews the carrying amount of its assets in order to verify that there is no permanent impairment in its value.

When the carrying amount of a tangible asset exceeds its recoverable amount, an impairment loss is recognized in the statement of income and other comprehensive income. The recoverable amount is the higher of net selling price and value in use. Net selling price is the amount that can be obtained from selling a tangible asset in a free market, while value in use is the present value of the estimated future cash flows expected to be provided by the continued use of an asset and its subsequent disposal at the end of its useful life. Recoverable amounts are estimated for each asset or, if not possible, for each cash-generating unit (CGU).

Management annually assesses whether the carrying amount exceeds the recoverable amount of its long-lived tangible assets based on available market information.

(k) Sterilized stock

This caption corresponds to liabilities in domestic currency. It comprises securities in circulation and deposits in domestic currency from the public sector and financial enterprises, which are not included in reserve requirements. The sterilized stock

corresponds to the Central Bank's monetary operations to withdraw liquidity from the financial system, as well as deposits of financial institutions which, in case of reversal, would involve an increase in the monetary base.

Securities in circulation are measured at face value, and accrued interest is recognized in profit or loss. Discounts granted at placement are deferred and amortized during the term of the instrument using the effective interest method.

The CDR BCRP's carrying amount is adjusted for changes in the exchange rate of the U.S. dollar with respect to the sol. Those changes are recognized in "Valuation adjustment – Article 89 of Organic Act" in equity.

(l) Currency in circulation

This caption includes banknotes and coins of legal tender issued by the Central Bank, which are held by the public and are recorded as liabilities at face value in "monetary base" in the statement of financial position.

Currency not in circulation and in the Central Bank's vaults is measured at face value in off-balance sheet accounts.

(m) Employee benefits

According to Article 58 of the Bylaws, the Central Bank annually transfers resources to the Disease, Insurance and Pension Fund of Employees (hereinafter "the Fund") to meet the payment of obligations to its employees. The amount of transfers from the Central Bank to the Fund is approved each year by the Board of Directors.

The Central Bank has the following defined benefit plans:

- Supplementary subsidy for retirement, widow, and burial benefits.
- Other supplementary retirement benefits, related to health care benefits granted by the Central Bank.

The cost of providing benefits through defined benefit plans is determined separately for each plan, using the projected unit credit method. Actuarial gains and losses of both defined benefit plans are recognized in full in the results of the year in which they occur.

The defined benefit asset or liability includes the present value of the obligation, which is determined using mortality tables and a discount rate based on high quality marketable debt, note 16(a), less past service costs and the fair value of plan assets to be used to settle those obligations. Plan assets are administered by a long-term employee benefit fund. Plan assets are not available to the Central Bank's creditors, nor are they payable directly to the Central Bank. The fair value of these assets is based on market price information.

The net assets held by the Fund, which are considered by the Central Bank in reducing the actuarial reserve liability, consist of the value of deposits and loans, net of its obligations.

The subsidy items for the retirement pension supplement, widow's and widower's pensions, burial benefits and other long-term and/or supplementary retirement benefits, deducted from the present value of the Fund's net assets, are recorded in the caption "Other liabilities" in the statement of financial position, note 16(a).

(n) Operating expenses and currency issuing costs

Operating expenses and currency issuing costs are recognized in profit or loss of the period in which they are incurred.

Minting cost of coins and coin blanks includes the cost of raw materials, labor and production overheads.

Expenses for printing banknotes and costs of minting coins are initially recognized in "other assets" in the statement of financial position (note 10(b) and (d)) and are subsequently recognized in profit of the year in which they are made available for circulation for the first time.

(o) Cash and cash equivalents

This caption, comprises gross international reserves, net of currency in circulation recorded in "monetary base" in the statement of financial position, as follows, at December 31:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Gross international reserves	297,634,252	264,237,223
Less:		
Currency in circulation	(95,364,397)	(86,747,016)
Cash and cash equivalents	<u>202,269,855</u>	<u>177,490,207</u>

The difference between total gross international reserves and reserve liabilities (including obligations with international entities) represents net international reserves.

These net international reserves reflect the international liquidity of the country and its financial capacity compared to other countries and correspond to the resources available to the Central Bank to meet its obligations in foreign currency.

(p) Provisions

A provision is only recognized when the Central Bank has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed annually and adjusted to reflect the best estimate at the date of the statement of financial position.

When the effect of the time value of money is significant, the amount of the provision is the present value of the disbursements expected to be incurred to settle it.

The expense corresponding to any provision is presented in the statement of income and other comprehensive income, net of any related reimbursement.

(q) Contingencies

Contingent liabilities are not recognized in the financial statements. They are only disclosed in the notes to the financial statements except when the possibility of an outflow of economic resources to cover a contingent liability is remote.

Contingent assets are not recognized in the financial statements, they are only disclosed in a note to the financial statements when it is probable that an income of resources will occur.

(r) Domestic credit

Domestic credit is comprised of the following:

- (i) Investments in instruments issued in Soles and in foreign currency by the MEF, through the Public Treasury, which are recorded and classified as investments measured at fair value through other comprehensive income. The initial recording and subsequent measurement of these investments are made in accordance with the criteria described in note 2.(b).(vi).
- (ii) Reportable transactions, which are recorded and classified in accordance with the criteria described in paragraph (b) of this note:
 - Securities repo transactions (sales transactions with a commitment to repurchase securities) to inject liquidity in local currency, mainly to companies in the financial system. This operation consists of the purchase of securities at the beginning of the operation, in which the financial system companies transfer the ownership of the securities to the Central Bank, and at maturity of the repurchase transaction, the financial system companies repurchase the same securities and the Central Bank transfers the ownership of the securities to them. These transactions are recognized as assets in the statement of financial position with a balancing entry in the "Deposits on local currency" account.
 - Transactions of credit portfolio represented in securities, in which the participating entities sell credit portfolios represented in securities to the Central Bank, receive in exchange local currency (amount of the sale) and undertake, in the same act, to repurchase these portfolios at a later date, against payment in local currency. These transactions are recorded on the asset side of the statement of financial position with a balancing entry in the "Deposits in local currency" account.
 - Credit reporting transactions guaranteed by the Peruvian Government in the form of securities, in which the participating entities sell securities representing loans guaranteed by the Peruvian Government to the Central Bank, receive local currency in exchange and are obligated, in the same act, to repurchase such securities at a later date, against payment of local currency. These transactions are part of the "Reactiva Perú" program created to promote the financing of the replacement of working capital funds to companies facing short-term payments and obligations with their

workers and suppliers of goods and services, in order to ensure continuity in the economy's payment chain. These transactions are recognized as assets in the statement of financial position with a balancing entry in the "Deposits in local currency" account. The amounts placed in these operations correspond to the guaranteed amounts of the loans subject to such operations.

(s) Foreign exchange swaps

Foreign exchange swaps, whose notional value is recorded in memorandum accounts (note 20(c)), correspond to transactions in which one party commits to paying a variable interest rate on a notional amount in local currency, in exchange for the counterparty paying a fixed interest rate on the equivalent notional amount in U.S. dollars, additionally, the exchange rate difference determined on the notional value in U.S. dollars is also settled. .

The Central Bank calculates the interest receivable and payable on these transactions, which are recognized in the statement of income and other comprehensive income during the period in which they accrue, under the headings "Other finance income" and "Other finance costs", with a corresponding entry to "Other assets" and "Other liabilities" in the statement of financial position, respectively. Similarly, the Central Bank recognizes the exchange rate difference on the committed notional amount in U.S. dollars under the heading "Valuation Adjustment - Article No. 89 of the Organic Act" within equity, with a corresponding entry to the aforementioned asset and liability items, as applicable.

At the maturity of the transaction, settlement is carried out in soles at the prevailing market exchange rates.

(t) Subsequent events

Events after the end of the reporting period that provide additional information regarding the financial position of the Central Bank as of the date of the statement of financial position (adjusting events) are included in the financial statements. Significant events after the reporting period that are non-adjusting events are disclosed in notes to the financial statements.

(u) New accounting pronouncements

A number of new amendments have been issued by the IASB and are effective for annual periods beginning on or after January 1, 2025:

Amendments	Effective application date
Amendment to IAS 21 – Lack of Exchangeability	Annual periods beginning on or after January 1, 2025. Early adoption is permitted.
Amendments to IFRS 9 and IFRS 7 – Modifications to the Classification and Measurement of Financial Instruments	Annual periods beginning on or after January 1, 2026. Early adoption is permitted.
IFRS 18 – Presentation and Disclosure in Financial Statements	Annual periods beginning on or after January 1, 2027. Early adoption is permitted.
Amendments to IFRS 1, IFRS 7, IFRS 9, IFRS 10, and IAS 7	Annual periods beginning on or after January 1, 2026. Early adoption is permitted.

Since the standards detailed apply only on a supplementary basis to those established by the Organic Act and the regulations issued by the Board of Directors of the Central Bank, they will not have a significant impact on the preparation of the accompanying financial statements. The Central Bank has not estimated the effect on its closed or projected financial statements if these standards were adopted.

3. DEPOSITS AT FOREIGN BANKS

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Term deposits (a)	53,110,532	29,683,155
Interest due on term deposits (b)	148,620	96,027
	53,259,152	29,779,182
Demand deposits	5,556	4,357
Interest due on gold deposits	1,443	1,608
Portfolio deposits at foreign entities (c)	124,347	128,265
Investment guarantee at foreign entities (d)	713,828	314,350
	54,104,326	30,227,762

- (a) As of December 31, 2024, and 2023, term deposits are held at tier 1 foreign banks, accrue interest at international market rates and are mainly stated in U.S. dollars for USD 14,133 million and USD 8,012 million, respectively.

During 2024, deposits with foreign banks accrued interest at an average annual interest rate of 4.05 percent (4.75 percent as of December 31, 2023).

- (b) During 2024 and 2023, the Central Bank recognized interest income on deposits with foreign banks for S/ 3,059 million and S/ 2,244 million, respectively, which are recorded in "finance income" in the statement of income and other comprehensive income.
- (c) As of December 31, 2024, the portfolio deposits at foreign entities are composed of call deposit accounts for USD 14,6 million and security deposits for financial derivatives for USD 18,4 million (2023: USD 13,2 million and USD 21,3 million, respectively).
- (d) As of December 31, 2024 and 2023, the investment guarantee at external entities for USD 189,9 million and USD 84,8 million, respectively, corresponds to guarantees for operations with securities, forwards, forex swap and futures, which increased due to the larger number of operations.

4. DEPOSITS AT FOREIGN ORGANIZATIONS

As of December 31, 2024 and 2023, this caption corresponds to deposits at the International Monetary Fund (IMF), stated in SDR, which accrue interest at average annual rates of 3,159 percent and 4,103 percent, respectively, and are not freely available, except in certain situations such as the presence of actual or potential balance of payments problems that require financial assistance from the IMF, or when there is a request for withdrawal of membership from this international organization.

5. SECURITIES OF INTERNATIONAL ENTITIES

As of December 31, this caption comprises the following:

	2024				2023			
	Unrealized gross amount				Unrealized gross amount			
	Cost (i) (\$/ 000)	Increase (ii) (\$/ 000)	Decrease (iii) (\$/ 000)	Carrying amount (iii) (\$/ 000)	Cost (i) (\$/ 000)	Increase (ii) (\$/ 000)	Decrease (iii) (\$/ 000)	Carrying amount (iii) (\$/ 000)
<i>In thousands of sales</i>								
Financial assets measured at amortized cost								
Short- term bankers' acceptances (vi)	1,993,179	-	-	1,993,179	41,944,078	-	-	41,944,078
Short- term sovereign bonds (iv)	217,814	-	-	217,814	2,232,312	-	-	2,232,312
Short- term supranational bonds (v)	969,959	-	-	969,959	4,229,173	-	-	4,229,173
Financial assets measured at FVOCI								
At local entities								
Short- term sovereign bonds (iv)	45,942,231	34,863	(122,303)	45,854,791	59,263,048	126	(846,159)	58,417,015
Short- term supranational bonds (v)	2,927,768	3,554	(35,633)	2,895,689	3,582,736	-	(69,630)	3,513,106
Long- term sovereign bonds (iv)	141,118,379	295,114	(839,400)	140,574,093	83,708,119	357,477	(809,097)	83,256,499
Long- term supranational bonds (v)	17,533,021	590,776	(57,281)	18,066,516	10,774,841	477,605	(113,702)	11,138,744
	210,702,351	924,307	(1,054,617)	210,572,041	205,734,307	835,208	(1,838,588)	204,730,927
Accrued interest	-	-	-	1,947,298	-	-	-	1,267,660
				212,519,339				205,998,587
At foreign entities								
Fixed income securities – PIMCO	2,113,599	21,679	(19,386)	2,115,892	1,983,488	26,886	(30,179)	1,980,195
Fixed income securities – AMUNDI	2,068,809	10,633	(35,865)	2,043,577	1,961,268	15,115	(41,381)	1,935,002
Fixed income securities – BNP	2,194,203	2,137	(21,128)	2,175,212	2,059,927	20,689	(20,101)	2,060,515
	6,376,611	34,449	(76,379)	6,334,681	6,004,683	62,690	(91,661)	5,975,712
Accrued interest	-	-	-	34,578	-	-	-	34,688
		958,756	(1,130,996)	6,369,259		897,898	(1,930,249)	6,010,400
				218,888,598				212,008,987

(i) It corresponds to the amortized cost.

(ii) It corresponds to the temporary decrease in the market price of the investments.

(iii) It corresponds to the estimated market price of financial assets measured at FVOCI (note 17.d).

(iv) As of December 31, 2024 and 2023, it corresponds to securities issued by central governments. The Central Bank's portfolio as of December 31, 2024 and 2023, is mainly invested 70.6 percent and 55.0 percent, respectively, in sovereign bonds issued by the U.S. Government.

(v) As of December 31, 2024 and 2023, it corresponds to securities issued by supranational entities, such as the Bank for International Settlements (BIS), the Andean Development Corporation (ADC), the World Bank - International Bank for Reconstruction and Development (IBRD), the Asian Development Bank (AIDAN), among others.

(vi) As of December 31, 2024 and 2023, it mainly includes certificates of deposit and bankers' acceptances, respectively.

In 2024 and 2023, the delegation framework of a part of the investment portfolio of the international reserves held at tier 1 foreign financial institutions which manage the portfolios was maintained under the guidelines established by the Central Bank. Accordingly, since July 2020 the following three specialized firms have rendered services to the Central Bank: BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC., both located in USA and Amundi Asset Management, located in United Kingdom.

As of December 31, the maturities and the nominal annual interest rates of the investments are as follows:

	Maturity		Annual nominal interest rate (i)							
			2024				2023			
	2024	2023	USD		Other currencies		USD		Other currencies	
			Min. %	Max. %	Min. %	Max. %	Min. %	Max. %	Min. %	Max. %
At local entities										
Short- term banker's acceptances	Jan-2025 / Jan-2025	Jan-2024 / Feb 2024	0.00	0.00	0.00	0.00	5.55	5.87	5.13	5.32
Short term sovereign bonds	Jan-2025 / Dec-2025	Jan-2024 / Dec 2024	0.00	5.46	0.00	5.00	0.13	5.97	(0.26)	5.25
Short- term supranational bonds	Jan-2025 / Nov-2025	Jan-2024 / Dec-2024	0.00	5.25	0.75	4.00	0.38	5.93	1.45	1.80
Long- term sovereign bonds	Jan-2026 / Jun-2031	Jan-2025 / Nov-2028	0.38	6.13	0.00	6.50	0.25	6.30	0.13	5.00
Long- term supranational bonds	Jan-2026 / Oct-2029	Jan-2025 / Oct-2028	0.63	6.00	0.63	5.30	0.38	6.00	0.63	4.40
At foreign entities										
Fixed income securities – PIMCO	Jan-2025 / Sep-2073	Jan-2024 / Sep-2073	0.00	6.49	0.00	1.90	0.00	5.87	0.00	3.25
Fixed income securities – AMUNDI	Sep-2025 / Jun-2054	Feb-2024 / Oct-2053	0.63	6.50	0.00	5.25	0.13	6.50	0.00	4.75
Fixed income securities – BNP	Jan-2025 / Jul-2054	Mar-2024 / May-2053	0.00	6.50	0.00	4.40	0.34	6.50	0.00	4.40

(i) It corresponds to the coupon rate for investments in bonds, and the discount rate for certificates of deposit, bankers' acceptances, commercial papers and other fixed income securities, excluding premiums or discounts obtained on the acquisition date of the instruments at coupon rate.

As of December 31, 2024 and 2023, securities from international entities correspond to tier 1, low risk financial instruments. Securities issued by international organizations or foreign public entities have risk ratings of at least A, according to the credit rating agencies Moody's and Standard & Poor's. Certificates of deposit and bankers' acceptances have a risk rating of at least A according to Fitch, Moody's and Standard & Poor's. These securities accrue interest at international market rates and are held at tier 1 foreign banks.

The following table shows the balance by maturity of financial assets measured at amortized cost and at fair value with changes in other comprehensive income, excluding interest:

<i>In thousands of soles</i>	At amortized cost		At fair value through OCI	
	2024 (S/ 000)	2023 (S/ 000)	2024 (S/ 000)	2023 (S/ 000)
Up to 3 months	2,210,993	45,290,979	17,575,679	20,611,172
3-12 months	969,959	3,114,584	32,096,323	42,393,387
1 to 3 years	-	-	107,072,639	88,646,738
3 to 5 years	-	-	49,819,740	7,388,003
More than 5 years	-	-	7,161,389	3,261,776
Total	3,180,952	48,405,563	213,725,770	162,301,076

In 2024 and 2023, the Central Bank recognized income for net yield on securities for S/ 7,876 million and S/ 5,524 million, respectively, which form part of "Finance Income" of the statement of income and other comprehensive income. Likewise, during the years 2024 and 2023, an increase of S/ 860 million and S/ 4,055 million, respectively, was recorded in the caption "Fair value reserve" of the Statement of Changes in Equity (note 17.c).

6. GOLD

As of December 31, this caption comprises the following:

	2024 (S/ 000)	2023 (S/ 000)
In Peru		
Gold coins (a)	5,440,854	4,220,216
Provision for costs of converting gold into high purity or "good delivery" bars	(2,566)	(2,530)
	5,438,288	4,217,686
Abroad		
Gold bars (b)	5,545,469	4,301,359
Total	10,983,757	8,519,045

- (a) As of December 31, 2024 and 2023, it corresponds to 552,033 troy ounces in commemorative coins, deposited in the vaults of the Central Bank, which are valued at quotation value per troy ounce on the above-mentioned dates.
- (b) As of December 31, of 2024 and 2023, it corresponds to 562,647 troy ounces of gold, in high purity or "good delivery" gold bars deposited in tier 1 foreign banks under term deposits.

As of December 31, 2024, these term deposits accrue interest at an annual rate ranging from 0.09 to 0.23 percent, and have a maturity period of 30 to 90 days from their inception date (as of December 31, 2023, they accrued interest at a rate of 0.25 percent and had a maturity period of 90 days from their inception date).

The accrued interest at December 31, 2024 and 2023, was recorded in "Deposits at foreign banks" of the statement of financial position (note 3).

7. CONTRIBUTIONS TO INTERNATIONAL ORGANIZATIONS

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Contributions to the FLAR (a)	2,269,056	2,113,904
Contributions to the IMF (b)	1,650,349	1,833,494
Contributions to the BIS (c)	322,049	326,746
	4,241,454	4,274,144

- (a) This contribution grants Peru access to financing facilities from the FLAR. As of December 31, 2024, the contribution paid to the FLAR amounts to USD 604 million, equivalent to S/ 2,269 million (USD 571 million equivalent to S/ 2,144 million at December 31, 2023). As of December 31, of 2024 and 2023, Peru's participation in the FLAR is 17 percent of its subscribed capital. Likewise, as of December 31, 2024, the Central Bank holds contributions pending capitalization for an amount of USD 60 million, equivalent to S/ 225 million (USD93 million equivalent to S/ 345 million at December 2023), which are recorded as accounts payable and accounts receivable, and are recorded net in the statement of financial position, (note 2.B (g)).
- (b) The contribution to the IMF grants Peru access to IMF's financing facilities. The IMF determines Peru's contribution as a participating country, which, as of December 31 of 2024 and 2023 amounts to SDR 1,335 million; made up of contributions in SDR and soles. As of December 31, of 2024 and 2023, Peru's participation in the total quotas subscribed by the IMF's member countries is 0.28 percent and comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Contribution in SDR		
Contribution to the IMF in SDR (i)	1,650,349	1,833,494
Domestic currency contributions		
Contribution to the IMF for the equivalent in domestic currency (ii)	4,893,967	4,848,395
Revaluations to be settled – contributions to the IMF in domestic currency (iii)	(4,030)	(46,215)
	4,889,937	4,802,180
Total contribution to the IMF	6,540,286	6,635,674

- (i) As of December 31, 2024 and 2023, it corresponds to contributions granted by Peru to the IMF for SDR 337 million and SDR 369 million; respectively.
- (ii) For the contributions in soles, the Central Bank did not disburse any funds, but issued promissory notes in favor of the IMF which it can collect at any time; therefore, the balancing entry is recorded as a liability with the IMF in 'other foreign liabilities' in the statement of financial position. This obligation does not accrue interest and payment can be required at any time.
- (iii) This corresponds to the exchange difference with respect to the SDR generated by the adjustment of the contribution in domestic currency between April 30 and December 31 of each year. These revaluations are settled at the close of the IMF's financial year, which takes place on April 30 of each year.

Through Law No. 29823, published on December 29, 2011, the Congress of the Republic authorized the increase of Peru's quota in the IMF from SDR 638 million to SDR 1,335 million.

- (c) Since 2011, Central Bank has participated as a member of this international entity. The BIS determines the percentage participation of member countries, and in the case of Peru, its participation is equivalent to 3,000 shares. As of December 31, of 2024 and 2023, 25 percent of the market value of said shares has been paid, corresponding to SDR 66 million, equivalent to S/ 322 million (equivalent to S/ 327 million as of December 31, 2023).

The 75 percent of the market value of the 3,000 shares, corresponding to SDR 197 million, equivalent to S/ 966 million as of December 31, 2024 (equivalent to a S/ 980 million as of December 31, 2023) was recorded as an account receivable and account payable, which are presented, net in the statement of financial position, (note 2.B (g)).

8. DOMESTIC CREDIT

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
To banks (a)		
Securities repurchase agreements	8,533,371	10,883,013
Credit portfolios repurchase agreements	2,271,454	6,263,819
Repos of government- backed credit portfolio	1,210,111	4,456,944
Outstanding interest from credit portfolios repurchase agreements	60,455	167,131
Outstanding interest from repos of government- backed credit portfolio	276	963
	12,075,667	21,771,870
To the public sector (b)		
Bonds issued by the MEF in domestic currency	13,879,199	10,686,131
Bonds issued by the MEF in foreign currency	915,207	953,127
Repurchase agreements of currencies	-	227,000
Outstanding interest from securities issued in Peru	373,151	285,531
Outstanding fees from currency repurchase agreements	-	1,312
	15,167,557	12,153,101
To other entities and funds (a)		
Securities repurchase agreements	-	49,618
Repos of government backed credit portfolio	1,935	284,352
Outstanding interest from repos of government backed credit portfolio	1	108
Accounts receivable from entities of the financial system in liquidation	58,464	88,407
	60,400	422,485
To financial enterprises (a)		
Repos of government- backed credit portfolio	-	7,114
Outstanding interest from repos of government- backed credit	-	17
Portfolio	-	7,131
Total	27,303,624	34,354,587

- (a) As of December 31, 2024, repurchase agreements involving certificates of deposit and Treasury bonds with banking institutions remain in effect, with an average annual interest rate of 4.47 percent and settlement dates between January and September 2025 (as of December 31, 2023, they had an average annual interest rate of 5.15 percent and settlement dates between January 2024 and September 2025).

Also, as of December 31, 2024, the Bank maintains active credit portfolio repurchase agreements represented by securities with banking institutions, with an interest rate ranging from 0.50 percent to 1.25 percent annually and maturity dates between January and September 2025 (as of December 31, 2023, they had an interest rate ranging from 0.50 percent to 3.50 percent annually and maturity dates between January 2024 and September 2025).

As of December 31, 2024, the Central Bank has current repurchase agreements of Government-backed credit portfolio represented by securities in the framework of the Reactiva Peru program, which was created in order to ensure the continuity of the chain of payments in the face of the impact of Covid-19 on companies. This is an instrument which allows the Central Bank to provide liquidity to the financial institutions participating in the program, receiving the Government-backed part of loans as collateral. As of December 31, 2024 and 2023, the balance of these operations had an average annual interest rate of 0.50 percent, with settlement dates between May 2024 and December 2025. It is also worth mentioning that these operations have a grace period of up to 12 months.

As of December 31, 2024 and 2023, in the opinion of the Management of the Central Bank, there is no evidence of impairment. Also, accounts receivable from entities of the financial system in liquidation are in the process of collection, and therefore, in accordance with Emergency Decree No. 003-2024 issued on February 22, 2024, Article 9 authorizes the Ministry of Economy and Finance to apply the guarantees that were granted by the "Reactiva Perú" program.

- (b) As of December 31, 2024 and 2023, the Central Bank holds MEF bonds issued in U.S. dollars, acquired in the secondary market, which mature to November 2033, and accrue interest at a rate of 8.75 percent. Additionally, the Central Bank holds MEF bonds issued in Soles, acquired in the secondary market between December 2020 and December 2024, which mature between February 2029 and 2055, and accrue interest at rates ranging between 5.35 percent and 7.60 percent.

In 2024 and 2023, the Central Bank recognized interest income on securities and bonds issued domestically amounting to S/ 808 million and S/ 549 million, respectively. These amounts are presented under the "Interest and fees on domestic credit operations" line item in the statement of income and other comprehensive income.

Said instruments are classified and valued as financial assets measured at FVOCI. In 2024, a decrease in fair value of S/ 9 million (an increase of S/ 850 million as of December 31, 2023), was recorded in "Fair value reserve" of the statement of financial position, see note 17(c).

Likewise, as of December 31, 2023 the Central Bank carried out currency repurchase agreements with Public Sector companies, for which said companies sold foreign or domestic currency to the Central Bank in exchange for domestic or foreign currency, simultaneously undertaking to repurchase the sold currency on a subsequent date at the exchange rate current on the repurchase date. The Central Bank charges a fee equivalent to the interest rate offered by each public sector company in auctions, less a discount announced in the respective call. As of December 31, 2023, these operations had interest rates ranging from 0.18 percent to 0.27 percent, and with settlement dates between January 2024 and May 2024.

- (c) In 2024 and 2023, the Central Bank recognized interest income and fees from domestic credit operations for S/ 4,605 million and S/ 4,207 million, respectively, which are recorded in "finance income" in the statement of income and other comprehensive income.

9. PROPERTY, PLANT AND EQUIPMENT, NET

The movement of property, plant and equipment for the years 2024 and 2023, as well as the accumulated depreciation, was as follows:

<i>In thousands of soles</i>	Land	Building and other constructions	Furniture and office equipment	Vehicles	Various items of equipment	Units in transit	Total
	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)
Cost -							
Balance as of January 1, 2023	28,419	177,010	7,407	4,391	130,755	8,045	356,027
Additions	-	2,110	225	449	8,065	4,560	15,409
Transfers	-	2,503	7	-	4,638	(7,148)	-
Disposals and others	-	(820)	(394)	(608)	(11,920)	(1)	(13,743)
Balance as of December 31, 2023	28,419	180,803	7,245	4,232	131,538	5,456	357,693
Additions	-	4,087	663	370	9,298	3,226	17,644
Transfers	-	1,014	10	-	4,376	(5,399)	1
Disposals and others	-	(1,373)	-	-	-	(40)	(1,413)
Balance as of December 31, 2024	28,419	184,531	7,918	4,602	145,212	3,243	373,925
Accumulated depreciation -							
Balance as of January 1, 2023	-	85,725	5,793	3,968	99,756	-	195,242
Depreciation for the period (d)	-	4,096	389	160	10,232	-	14,877
Disposals and others	-	(423)	(392)	(608)	(11,808)	-	(13,231)
Balance as of December 31, 2023	-	89,398	5,789	3,520	98,180	-	196,888
Depreciation for the period	-	4,064	403	224	12,428	-	17,119
Disposals and others	-	(573)	-	-	-	-	(571)
Balance as of December 31, 2024	-	92,891	6,193	3,744	110,608	-	213,436
Carrying amount -							
Balance as of January 1, 2023	28,419	91,285	1,614	423	30,999	8,045	160,785
Balance as of December 31, 2023	28,419	91,405	1,455	712	33,358	5,456	160,805
Balance as of December 31, 2024	28,419	91,640	1,725	858	34,604	3,243	160,489

As of December 31, 2024 and 2023, the Central Bank has fully depreciated items of property, plant and equipment, still in use, for S/ 72 million and S/ 62 million, respectively.

The Central Bank has insured its main assets in accordance with the policies established by the Management and the Board of Directors.

In 2024 and 2023, the depreciation of Property, plant and equipment amounted to S/ 17 million and S/ 15 million, respectively, and is included in "operating expenses" and "issuance expenses and costs" for S/ 13 million and S/ 4 million in 2024, and for S/ 12 million and S/ 3 million in 2023, respectively (notes 21 and 22).

Management performs an annual evaluation to determine whether the carrying amount exceeds the recoverable amount of its long-lived assets based on available market input. Every five years, appraisers are hired to appraise the Bank's properties to determine whether there is evidence of impairment; from the appraisals of the Bank's properties carried out between September and October 2024, the Bank's 18 properties appraised represent their fair value, in accordance with the Bank's Accounting Policies manual and International Financial Reporting Standards.

As of December 31, 2024 and 2023, no asset of the Central Bank was granted in guarantee.

10. OTHER ASSETS

As of December, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Financial instruments		
Outstanding interest foreign exchange swaps (a)	768,903	1,445,421
Outstanding accounts from personnel	2,412	2,638
	771,315	1,448,059
Non- financial instruments		
Raw material, semi- finished and finished goods (b)	149,301	98,446
Collections (c)	77,239	79,537
Deferred charges (d)	148,490	135,753
Advance payments to suppliers	722	13,064
Intangible assets	14,324	13,932
Outstanding accounts (e)	5,063	4,992
Silver	1,656	1,379
Others	1,452	3,369
	398,247	350,472
	1,169,562	1,798,531

(a) Comprises the interest rate receivables on foreign exchange operations. In 2024, and 2023, the Central Bank recognized interest income from currency swap operations for S/ 3,077 million and S/ 2,722 million, respectively, which forms part of "Interest and fees on domestic credit operations" of the statement of income and other comprehensive income.

(b) Raw material comprises the supplies acquired by the Central Bank for coin minting and is valued at average cost. The value of semi-finished and finished products comprises the cost of raw material, direct labor and manufacturing overhead.

- (c) Collections comprise paintings, archaeological items, sculptures, banknotes, coins, medals and other objects acquired by or donated to the Central Bank, which are maintained for display.
- (d) Deferred charges mainly comprise the cost of printing banknotes, which, as of December 31, 2024 and 2023 amounts to S/ 141 million and S/ 131 million, respectively, which is charged to expenses when said banknotes are put into circulation for the first time.
- (e) It mainly corresponds to the mortgage guarantee in favor of the Central Bank, arising from lawsuits with third parties.

11. OTHER EXTERNAL LIABILITIES

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
SDR allocations and revaluations to be settled (a)	9,257,600	9,392,631
Allocation in Andean pesos (b)	75,160	74,100
Others	2,170	8,734
	<u>9,334,930</u>	<u>9,475,465</u>

- (a) As of December 31, 2024, the balance of the account was SDR 1,889 million, equivalent to S/ 9,258 million (SDR 1,889 million, equivalent to S/ 9,393 million as of December 31, 2023), the increase corresponds to the distribution which the IMF made to Peru in proportion to its quota, according to the provisions of the Articles of Agreement of the IMF, the last distribution having been made on August 23, 2021. The balances at the above-mentioned dates include the exchange difference generated by the revaluation of the SDR allocation received from the IMF from the last movement of the account (August 23, 2021).

SDR allocations accrue interest in accordance with the conditions of the Articles of Agreement. As of December 31, 2024 and 2023, the annual interest rate was 3.159 percent and 4.103 percent, respectively.

- (b) The allocation in Andean pesos corresponds to those delivered by the FLAR for 20 million Andean pesos, equivalent to S/ 75 million and S/ 74 million as of December 31, 2024 and 2023, respectively. This allocation does not accrue interest, has no defined maturity for its cancellation and the balancing entry is an account receivable recorded in "other external assets" in the statement of financial position.

In the years 2024 and 2023, the Central Bank recognized interest expenses for S/ 363 million and S/ 367 million respectively that correspond to its foreign liabilities mainly for SDR allocations under the "Interest on other external liabilities" line item in the statement of income and other comprehensive income.

12. SECURITIES IN CIRCULATION

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
BCRP certificates of deposit (CD BCRP)	36,551,500	35,086,000
BCRP indexed certificates of deposit (CDR BCRP)	-	520,935
Sale discounts on CD BCRP, CDR BCRP and CDLD BCRP	(567,761)	(722,377)
	<u>35,983,739</u>	<u>34,884,558</u>

As of December 31, 2024 and 2023, securities in circulation comprise certificates of deposit and indexed certificates of deposit, placed by the mechanism of auction or direct placement, in order to withdraw excess liquidity from the financial system.

As of December 31, 2024, S/ 5,811 million in certificates of deposit guarantee security repurchase transactions (S/ 5,547 million, as of December 31, 2023).

During 2024 and 2023, the Central Bank recognized net interest expense for securities in circulation for S/ 4,888 million and S/ 4,036 million, respectively, which form part of "Finance costs" in the statement of income and other comprehensive income. In 2024 and 2023, the interest expense for securities issued, correspond mainly to operations with bank exchange for S/ 2,902 million and S/ 1,811 million, respectively, in addition to the certificates of deposit for S/ 1,983 million and S/ 1,790 million respectively.

Likewise, during 2024, the Central Bank do not recognized interest income on certificates of deposit at variable rate due its maturity was on may 2023 (along 2023 the Central Bank recognized S/ 808 million, which were part of "Interest on securities issued" in the statement of income and other comprehensive income).

As of December 31, the certificates of deposit issued by the Central Bank were acquired by the following entities:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Banks	22,176,600	24,250,135
Insurance Deposit Fund	7,105,100	6,198,800
Banco de la Nación	2,850,000	2,890,000
Mutual funds and funds of pension fund administrators	1,243,100	182,900
Financial enterprises	975,500	611,600
Other institutions	2,201,200	1,473,500
	<u>36,551,500</u>	<u>35,606,935</u>
Sale discounts on CD BCRP and CDR BCRP	(567,761)	(722,377)
	<u>35,983,739</u>	<u>34,884,558</u>

As of December 31, 2024, the certificates of deposit issued by the Central Bank mature between January 2025 and December 2026 and accrue interest at discount rates between 4.20 per cent and 5.308 per cent (as of December 31, 2023, they had maturities between January 2024 and December 2024, and accrued interest at discount rates between 5.380 per cent and 7.293 per cent).

13. DEPOSITS IN DOMESTIC CURRENCY

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Public sector	29,732,710	39,275,804
Banco de la Nación	9,299,973	15,760,648
Banks	7,263,005	7,171,013
Municipal Savings and Credit Unions	1,416,631	659,295
Financial enterprises	638,719	763,747
Insurance Deposit Fund	639,594	304,608
Rural Savings and Credit Unions	108,271	28,150
Other entities and funds	21,106	15,468
	49,120,009	63,978,733

As of December 31, deposits in domestic currency, per type of transaction are classified as follows:

Type	Interest rate %	Maturity date	2024 (S/ 000)
Checking accounts	3.9	January 2025	14,591,999
Time deposits	Between 0.0385 and 0.0495	Between January and August 2025	33,149,400
Special deposits (overnight)	0.035	2 days	1,378,610
			49,120,009
Type	Interest rate %	Maturity date	2023 (S/ 000)
Checking accounts	5.30	No maturity	10,044,184
Time deposits	Between 0.0317 – 0.0669	Between January and October 2024	51,129,609
Special deposits (overnight)	0.04	3 days	2,804,940
			63,978,733

In 2024 and 2023, the Central Bank recognized interest on deposits in domestic currency for S/ 2,746 million and S/ 4,515 million, respectively, which is recorded in "Interest on deposits in domestic currency" in the caption "Finance costs" of the statement of income and other comprehensive income.

14. MONETARY BASE

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Currency in circulation (a)	95,364,397	86,747,016
Deposits in domestic currency (b)		
Banks	1,454,030	1,396,795
Municipal Savings and Credit Unions	612,638	661,570
Financial enterprises	306,761	346,991
Banco de la Nación	450,000	800,000
Rural Savings and Credit Unions	51,754	70,097
Others	24,288	49
	2,899,471	3,275,502
	98,263,868	90,022,518

- (a) The denomination of the currency in circulation is as follows:

	2024		2023	
	Units	S/ (000)	Units	S/ (000)
Banknotes				
Denomination S/ 10	145,291,446	1,452,914	146,817,502	1,468,175
Denomination S/ 20	172,807,362	3,456,147	173,957,653	3,479,153
Denomination S/ 50	254,140,483	12,707,024	235,232,808	11,761,640
Denomination S/ 100	643,427,437	64,342,744	583,104,407	58,310,441
Denomination S/ 200	48,699,908	9,739,982	40,930,060	8,186,012
		91,698,811		83,205,421
Coins				
Denomination S/ 0.01	347,551,833	3,476	347,683,833	3,477
Denomination S/ 0.05	503,347,799	25,167	503,555,223	25,178
Denomination S/ 0.10	2,174,454,379	217,445	2,091,889,867	209,189
Denomination S/ 0.20	676,430,001	135,286	636,560,765	127,312
Denomination S/ 0.50	659,567,113	329,784	642,661,181	321,331
Denomination S/ 1.00	1,279,747,103	1,279,747	1,247,937,192	1,247,937
Denomination S/ 2.00	264,232,973	528,466	252,244,283	504,488
Denomination S/ 5.00	228,875,689	1,144,379	220,172,332	1,100,862
		3,663,750		3,539,774
Commemorative coins		1,836		1,821
		95,364,397		86,747,016

- (b) As of December 31, 2024 and 2023, it corresponds to deposits in domestic currency of the financial institutions subject to the reserve requirement of the national financial system. Said funds are intended to cover the cash reserve required by the Central Bank for the obligations subject to reserve requirements in domestic currency and have no maturity. Additionally, the legal reserve requirement may be covered with cash in domestic currency, held by the entities subject to the legal reserve requirement.

The legal reserve requirement comprises a minimum legal reserve and additional reserve requirements, which is the part of the legal reserve requirement which exceeds the legal minimum. As of December 31, 2024, and 2023 the minimum legal reserve had a rate of 5.5 percent and 6.0 percent respectively, for the obligations subject to reserve requirements in domestic currency. Furthermore, the obligations subject to reserve requirements are classified into two regimes: general and special.

As of December 31, 2024, only the reserve requirement funds which correspond to the additional reserve requirement to be remunerated of the general and special regime in soles which are deposited at the Central Bank accrued interest at an annual rate of 1.050 percent, equal to the higher rate between 0 percent and the interest rate of overnight deposits in domestic currency with the Central Bank, less 195 bps (as of December 31, 2023, the rate of remuneration of the deposits in domestic currency was 2,1629 percent).

On March 14, 2024, the Central Bank issued Circular No. 0008-2024-BCRP, regarding the reserve requirements in local currency, through which it resolved to reduce the minimum legal reserve requirement from 6 percent to 5.5 percent and establish a reserve rate of 5.5 percent applied to obligations under the general regime.

On November 2, 2022, the Central Bank issued Circular No.0025-2022-BCRP, regarding reserve requirements in domestic currency, with which it has decided to increase the weekly limit and the limit on the balance of the operations agreed of sale of foreign currency in exchange for domestic currency through forwards and swaps.

15. DEPOSITS IN FOREIGN CURRENCY

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Banks (a)	64,075,214	43,422,801
Public Sector (b)	20,106,193	16,576,084
Other financial enterprises (a)	434,251	493,512
Banco de la Nación (a)	2,250,538	2,579,691
Financial institutions (a)	123,254	145,284
	<u>86,989,450</u>	<u>63,217,372</u>

- (a) As of December 31, 2024 and 2023, it corresponds to deposits in foreign currency by financial institutions subject to reserve requirements in the domestic financial system. Said funds are intended to cover the amount of legal reserve required by the Central Bank for the obligations subject to reserve requirements in foreign currency and which have no maturity.

Legal reserve requirements comprise minimum legal reserves and additional reserve requirements. As of December 31, 2024 and 2023, minimum legal reserves had a rate of 9.0 percent for obligations subject to reserve requirements in foreign currency, and the additional reserve requirement, which is the part of the legal reserve requirements that exceeds the minimum legal reserves. As of December 31, 2024, the rate of the additional reserve requirement in foreign currency for the banks was 26.0 percent on average (as of December 31, 2023, it was 26.12 percent on average).

As of December 31, 2024, the reserve requirement funds corresponding to the additional reserve requirement of the general and special regime, which are deposited with the Central Bank, accrued interest at an annual rate of 3.9021 percent. Said rate is equivalent to the higher rate between: (i) 25 percent of the difference between the Chicago Mercantile Exchange (CME), Term Secured Overnight Financing Rate (SOFR) at one month less 10 basis points and (ii) the CME Term SOFR rate at one month less 50 basis points. (As of December 31, 2023, said rate was 4.8555 percent).

On June 27, 2023, the Central Bank issued Circular No.0011-2023-BCRP, related to the provisions for cash reserve requirements in foreign currency, through which it decided to amend: a) the requirement of additional reserve requirement based on the evolution of the total credit in foreign currency, and b) increase the rate of reserve requirement of the borrowings with average terms of 2 years or less with international financial entities, subject to the special reserve requirement, from 9 percent to 35 percent.

On March 22, 2021, the Central Bank issued Circular No. 0005-2021-BCRP, regarding reserve requirements in foreign currency, through which it decided to modify the additional reserve requirements based on the evolution of total credit and vehicle and mortgage consumer credit in foreign currency.

- (b) As of December 31, 2024 and 2023, deposits in foreign currency of public sector entities are stated in U.S. Dollars and mainly comprise agreements entered into with the MEF's General Directorate of Public Treasury, which established the conditions for receiving deposits from said institution. As of December 31, 2024, these deposits correspond to demand and term deposits, which accrued interest at an effective annual rate between 0 percent and 4.79 percent (As of December 31, 2023, the effective annual rate fluctuated between 0 percent and 5.64 percent). Term deposits have maturities between January and March 2025 (As of December 31, 2023, they had maturities in the months of January and February 2024).

In 2024 and 2023, the Central Bank recognized interest expense on deposits in foreign currency for S/ 3,858 million and S/ 3,143 million, respectively, and it is recorded in "Interest on foreign currency deposits" in the statement of income and other comprehensive income.

16. OTHER LIABILITIES

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<u>Note</u>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
Financial liabilities			
Interest and fees payable		1,472,156	1,846,187
Reverse repurchase agreements of foreign currencies	8(b)	-	231,776
Fund for diseases, insurance and pensions of Central Bank's employees (a)		32,216	23,523
Deposit Insurance Fund		15,239	9,955
Accounts payable		10,909	8,643
OCN		52	17
		<u>1,530,572</u>	<u>2,120,101</u>
Non- financial liabilities			
Actuarial liabilities (a)		307,702	109,935
Other provisions		56,899	51,712
Others		5,399	32,334
		<u>370,000</u>	<u>193,981</u>
		<u>1,900,572</u>	<u>2,314,082</u>

- a) As of December 31, 2024 and 2023, the actuarial liabilities comprise the provision corresponding to the allowance for supplementing retirement, widow and funeral benefits, and a reserve for current risks of health care services, calculated by an expert actuary, deducting the value of the Fund's net assets, note 2.B(m).

The Fund for diseases, insurance and pensions of the Central Bank's employees, is a legal entity under private law created by Decree Law N° 7137, to provide assistance to the active and retired employees of the Central Bank, as well as their spouses, children and parents, in accordance with its regulations. This assistance is additional to social security and other social benefits granted by Law (Essalud, National Pension System - Decree Law No. 19990 and the Private Pension System). According to the International Accounting Standard (IAS) - 19 "Employee Benefits", the above-mentioned assistance corresponds to a defined benefit plan.

As of December 31, 2024 and 2023, the movement in the obligation for employee benefit plans and the fair value of the assets of the plan is as follows:

<i>In thousands of soles</i>	<u>Note</u>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
Opening balance		109,935	114,561
Transfer to the Fund during the year		(8,140)	(8,266)
Adjustment of Ongoing risk provision (i)	21	138,675	-
Provision for employee benefit plans	21	67,232	3,640
		<u>307,702</u>	<u>109,935</u>

- (i) The main variation corresponds to the recognition of the ongoing risk provision, which changed from being calculated as a short-term liability to a long-term liability. This liability includes, among other expenses, medical costs such as oncology assistance for the Bank's employees.

In 2024, the Bank recognized the ongoing risk provision as a long-term liability through an actuarial calculation that considers demographic and financial variables (projected unit credit method). It is measured at the present value of all future payments, using an annual discount interest rate, considering probabilities of employee retention and survival. The effect of the change in the provision, which moved from being considered a short-term liability to a long-term liability, was S/ 139 million and was recorded under the Bank's "Operating Expenses," affecting the income statement and other comprehensive income prospectively.

In December of 2024 and 2023, the Central Bank's Board of Directors authorized the transfer to the Fund for Diseases, Insurance and Pensions of the Central Bank's Employees of S/ 52,5 million and S/ 52,5 million, respectively. In 2024, from the aforementioned amount, S/ 8,1 million were used to pay pensions of retired personnel, which decreased the actuarial liability by the same amount (S/ 8,3 million in 2023) and S/ 41,6 million were transferred to the Fund for health expenses of active personnel, which increased the balance of "Operating expenses" (S/ 41,5 million in 2023) (note 21); and approximately S/ 2,8 million were transferred as health expenses for the personnel of the National Mint (CNM), which were recognized in the cost of issued coins (S/ 2,7 million during the year 2023).

- b) As of December 31, 2024, and 2023, 77.0 percent and 68.1 percent of the Fund's assets, respectively, are deposited in the Central Bank, and mainly comprise deposits in domestic currency which accrue interest at an effective annual rate of 5.12 percent and 7.35 percent, respectively; and loans to employees of the Central Bank, which are directly discounted through the payroll.

In 2024 and 2023 the net expense is recognized in "operating expenses", note 21, in the statement of income and other comprehensive income in respect of employee benefit plans; and comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Changes in net assets of the Employees' Fund	(3,987)	(3,069)
Change in reserves calculated by the actuary	71,219	6,709
Adjustment of actuarial reserve provision	138,675	-
	205,907	3,640

The principal categories of the assets of the Fund as a percentage of the fair value of its total liquid assets are as follows:

	2024		2023	
<i>In thousands of soles</i>	S/ (000)	%	S/ (000)	%
Deposits with the Central Bank	32,216	77.0	23,523	68.1
Outstanding accounts from personnel	9,650	23.0	11,042	31.9
Total	41,866	100.0	34,565	100.0

- c) The main hypotheses used when determining the actuarial liability for the defined employee benefit plans are the following:

<i>Porcentaje</i>	<u>2024</u>	<u>2023</u>
Discount rate (%)	6.50	6.50
Increase (reduction) in pensions (%)	(6.70)	5.30
Average period for amortization of pensions	8.20	8.40
Active and retired personnel as of the date of the statement of financial position		
Men	1,013	969
Women	622	603
Mortality tables		
Men	SP-2005-H	SP-2005-H
Women	SP-2005-M	SP-2005-M

The sensitivity of the actuarial assumptions in the Central Bank's profit or loss is as follows:

	Increase/ decrease in discount rate	Effect on reserve for the year in thousands of soles
		S/ 000
Year		
2024	+50pbs	(13,853)
	-50pbs	15,076
2023	+50pbs	(5,732)
	-50pbs	6,215
	Increase/Decrease in Life Expectancy	Effect on the Year's Reserve (in thousands of soles)
	Years	S/ 000
Year		
2024	1	13,391
	(1)	14,561
2023	1	3,864
	(1)	7,028

17. EQUITY

a) Capital

As of December 31, 2024 and 2023, the capital authorized, subscribed and paid-in by the Peruvian State, in accordance with the legal norms, is S/ 1,183 million.

The capital is not represented by shares, and its value is only stated in the capital account of the statement of financial position. Furthermore, through a Supreme Decree countersigned by the MEF, the Central Bank's authorized capital may be adjusted.

b) Reserves

Legal reserve

According to Article 92 of its Organic Act, the Central Bank must distribute its net profits annually, as follows: (i) 25 percent for the Public Treasury and (ii) 75 percent for the constitution and increase, up to 100 percent of its capital, of a reserve which, preferably, will be used for capitalization.

During 2024 and 2023 the Central Bank has not established additional legal reserves since the maximum limit allowed has been reached.

On March 30, 2023, after the approval of the 2022 financial statements, the coverage of the 2022 net loss was applied (in accordance with Article No. 93 of the Organic Act), with the balance of S/ 1,183 million from the Legal Reserve and then S/ 481 million was transferred from the Statutory Reserve to the Legal Reserve to complete the amount necessary to cover the loss. Finally, the balance of the Legal Reserve of S/ 1,183 million was restored by transferring part of the balance of the Statutory Reserve.

Statutory special reserve

According to Article 63 of the Central Bank's Bylaws, the surplus generated by the application of Article 92, of the Organic Act, will be used for the constitution of a special reserve.

On March 22, 2024, after the approval of the 2023 financial statements, it was agreed to establish a special reserve of S/ 145 million for the surplus of 75 percent of the profit allocated to the Central Bank, as the legal reserve reached an amount equivalent to 100 percent of the capital.

On March 30, 2023, after the approval of the 2022 financial statements, the coverage of the 2022 net loss was applied (in accordance with Article No. 93 of the Organic Act), transferring S/ 481 million to the Legal Reserve to complete the amount necessary to cover the loss and subsequently transferring S/ 1,183 million to replenish the balance of the Legal Reserve.

c) Fair value reserve

The movement of this caption for the years 2024 and 2023 is as follows:

<i>In thousands of soles</i>	<u>Note</u>	Securities from international entities S/ (000)	Bonds issued by the MEF S/ (000)	Total S/ (000)
Balance as of January 1, 2023		(5,087,023)	(803,263)	(5,890,286)
Gain from fluctuations	5 and 8 (b)	4,055,129	849,686	4,904,815
Loss from fluctuations	5 and 8 (b)	(457)	-	(457)
Balance as of December 31, 2023		(1,032,351)	46,423	(985,928)
Gain from fluctuations	5 and 8 (b)	892,903	14,185	907,088
Loss from fluctuations	5 and 8 (b)	(32,790)	(23,366)	(56,156)
Balance as of December 31, 2024		(172,238)	(37,242)	(134,996)

d) Retained earnings

Article 93 of the Organic Act states that in case of losses incurred by the Central Bank, the legal reserve shall be applied to offset them: If said amount is insufficient, within 30 days from the approval of the statement of financial position, the Public Treasury must issue and deliver to the Central Bank, negotiable debt securities for the amount not covered, which will accrue interest.

The profit recorded as of December 31, 2024, amounted to S/ 3,752 million and is attributed to: i) higher foreign currency income, primarily generated by interest earned from the investment of International Reserves in a context of high international interest rates, which began to decrease in the last months of the year. Additionally, the increase in the balance of International Reserves contributed; and ii) lower finance costs in local currency, due to a reduction in interest payments on time deposits and other public sector deposits at the Central Bank, as a result of the lower balance of these deposits. This performance occurred in a context where the reference monetary policy interest rate decreased from 6.50 percent in January to 5.00 percent in December, reflecting more flexible monetary conditions in soles. This scenario was accompanied by a reduction in inflation, which ended the year at the center of the target range.

The profit recorded as of December 31, 2023, which amounted to S/ 194 million, is explained by: i) higher foreign currency income, primarily generated by interest earned from the investment of International Reserves, which increased due to the context of higher international interest rates observed since mid-2022; and (ii) the higher cost of sterilization operations, in line with a monetary policy reference interest rate of 7.75 percent between January and August, which gradually decreased to 6.50 percent in December. These stricter monetary conditions in soles occurred in a context of high inflationary pressures that began to ease in the second half of the year.

On March 22, 2024, after the approval of the 2023 financial statements, it was agreed to transfer a special reserve of S/ 145 million for the surplus of 75 percent of the profit allocated to the Central Bank, as the legal reserve reached an amount equivalent to 100 percent of the capital.

Through Report No. 0011-202—CON110, after the approval of the 2023 financial statements, it was agreed to transfer profits to the Public Treasury for the surplus of 25 percent of the net profit allocated to the BCRP, amounting to S/ 48 million.

e) **Adjustment for Valuation – Article 89 of Organic Act**

In accordance with the accounting policies approved by the Board of Directors, based on Article 89 of the Organic Act, the exchange differences resulting from the valuation in domestic currency of the Central Bank's assets and liabilities in gold, silver, foreign currency, SDR or other monetary units in international use, are debited or credited in this account and are not considered as gains or losses for the year, note 2.B(d).

The movement of this caption for the years 2024 and 2023 is as follows:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Opening balance	31,554,669	34,827,968
Plus (less)		
Valuation of derivative instrument operations and others related to the exchange rate	752,694	842,851
Valuation of metals (gold)	2,465,150	788,228
Valuation of IMF contribution and obligations	4	4
Valuation of U. S. dollars (i)	1,670,235	(3,795,642)
Valuation of other currencies	(1,164,858)	(1,148,312)
Valuation of indexed Certificates of deposit	(2,100)	39,572
Closing balance	<u>35,275,794</u>	<u>31,554,669</u>

- (i) As of December 31, 2024, an increase was observed in the valuation of accounts in U.S. dollars compared to December 31, 2023, due to the depreciation of the sol against the U.S. dollar.

18. TAX SITUATION

In accordance with the Income Tax Law, Peruvian public institutions are not subject to income tax. The Central Bank, as a withholding agent, is only subject to self-employment income tax, regular employment income tax, and social contributions.

The Tax Authorities are entitled to audit and, if applicable, to correct the tax calculated by the Central Bank within the 4 years following the year of the tax return filing. The Central Bank's income tax returns from 2020 to 2024 are open for review by the Tax Authorities. Due to the

possible varied interpretations of the current laws by the Tax Authorities, it is not possible to determine, to date, whether a future tax assessment will result in liabilities for the Central Bank. Therefore, any major tax, late interest and penalties that might arise from eventual tax assessments would be applied to profit or loss of the period in which they are determined. In Management's opinion, any possible additional settlement of taxes would not be significant for the Central Bank's financial statements as of December 31, 2024 and 2023.

19. CONTINGENCIES

Certain civil and labor lawsuits have been filed against the Central Bank in the country's courts, for which the pertinent legal instruments and actions have been submitted. Therefore, the Central Bank's Management and its legal advisors consider that, as of December 31, 2024 and 2023, it is not necessary to record a material provision for possible losses as a result of these legal contingencies.

20. OFF-BALANCE SHEET ACCOUNTS

As of December 31, this caption comprises the following:

<i>In thousands of soles</i>	<u>Note</u>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
Foreign Exchange swaps (c)	2.B(e)(ii)	96,726,750	89,711,737
Currency in circulation (a)		63,163,200	74,746,802
Forward operations and forex swap (b)	2.B(e)(i)	41,067,546	71,407,690
Futures operations (h)	2.B(e)(i)	3,976,095	3,233,728
Securities held in custody (g)		3,150,043	3,049,355
Public Treasury securities with repurchase agreement (e)		3,132,933	6,178,318
Securities portfolio credits (f)		2,309,139	6,695,875
Government- backed credits (d)		1,212,046	4,748,655
Others		177,621	298,885
		<u>214,915,373</u>	<u>260,071,045</u>

- (a) As of December 31, it corresponds to the currency not in circulation that the Central Bank holds in its vaults. It comprises the following:

<i>In thousands of soles</i>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
New	54,980,140	63,413,140
Available	6,802,480	9,566,789
To be classified	711,119	1,111,058
To be destroyed	572,017	317,761
In transit	97,444	338,054
Total	<u>63,163,200</u>	<u>74,746,802</u>

The movement of 'currency in circulation' in 2024 y 2023, is as follows:

<i>In thousands of soles</i>	<u>2024</u> (S/ 000)	<u>2023</u> (S/ 000)
Opening balance	74,746,802	46,979,585
Acquisition of currency	13,996,747	43,120,951
Destruction of currency	(16,962,968)	(19,024,253)
(Entered) Removed from circulation, net	(8,617,381)	3,670,519
Closing balance	<u>63,163,200</u>	<u>74,746,802</u>

- (b) As of December 31, 2024 and 2023, it corresponds to the reference value (committed face value) of the Central Bank's forward operations in foreign currency, classified as held for trading instruments. As of December 31, 2024, the Central Bank has 27 forward operations with maturities between January and May 2025 (63 forward operations with maturities between January and October 2024, held at December 31, 2023). Likewise, as of December 31, 2024, the valuation of the forwards generated an asset for S/ 390 million (S/ 28 million at December 31, 2023), which was recorded in "other available assets", and a liability for S/ 6 million (S/ 665 million at December 31, 2023), which was recorded as part of "reserve liabilities". Said valuations were recorded in "Valuation adjustments Article. 89 – Organic Act" in equity. In 2024, the Central Bank recognized revenues for the forward contracts traded for S/ 153 million (S/ 349 million in 2023), which form part of "Return on operations with derivative instruments" of the statement of income and other comprehensive income.

As of December 31, the face values of "*forward*" operations per type of currency are as follows:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Purchase of U. S. dollar / sale of currencies other than sol	20,122,736	34,571,658
Sale of U. S. dollar / purchase of currencies other than sol	190,705	215,095
Purchase of British pound sterling / sale of currencies other than sol	58,776	225,488
Sale of British pound sterling/ purchase of currencies other than sol	97,302	,139,726
Purchase of Japanese yen / sale of currencies other than sol	17,443	63,031
Sale of Japanese yen / purchase of currencies other than sol	1,637,736	3,707,059
Purchase of euro/ sale of currencies other than sol	293,063	49,391
Sale of euro/ purchase of currencies other than sol	7,563,533	3,674,648
Purchase of Swedish krona / sale of currencies other than sol	9,398	20,943
Sale of Swedish krona / purchase of currencies other than sol	7,994	16,331
Purchase of Norwegian krone / sale of currencies other than sol	5,412	38,337
Sale of Norwegian krone/ purchase of currencies other than sol	31,521	18,974
Purchase of Canadian dollar / sale of currencies other than sol	21,278	21,184
Sale of Canadian dollar / purchase of currencies other than sol	8,158,344	27,688,898
Purchase of Chinese RMB / sale of currencies other than sol	2,746	6,515
Sale of Chines RMB / purchase of currencies other than sol	18,585	12,142
Purchase of Korean won / sale of currencies other than sol	1,225	18,115
Sale of Korean won / purchase of currencies other than sol	-	16,738
Purchase of Australian dollar / sale of currencies other than sol	198,870	379,521
Sale of Australian dollar / purchase of currencies other than sol	143,061	196,130
Purchase of New Zealand dollar / sale of currencies other than sol	23,184	180
Sale of New Zealand dollar / purchase of currencies other than sol	64,912	67,675
Purchase of Swiss francs / sale of currencies other than sol	-	10,755
Sale of Swiss francs / purchase of currencies other than sol	2,399,722	249,156
Total	41,067,546	71,407,690

- (c) As of December 31, 2024, the Central Bank maintains 902 operations with banks called foreign exchange swaps, whereby the nominal value in soles in favor of the Central Bank is S/ 48,349 million and the balancing entry in favor of the banking companies

is USD 12,873 million (1,097 operations as of December 31, 2023, with a face value in soles in favor of the Central Bank for S/ 45,176 million and the balancing entry in favor of banks for USD 12,020 million). These operations mature between January and November 2025 (between January and December 2024). The interest rate for the notional value in soles is equal to capitalization of the Accumulated Index of Interbank Overnight Operations (ION), calculated and published by the BCRP, and which, as of December 31, 2024, is 4.94 percent (6.75 percent at December 31, 2023).

In 2024, the Central Bank recognized interest income and expense for interest received and paid on foreign exchange swaps for S/ 3,078 million and S/ 2,902 million, respectively, which form part "interest and fees on domestic credit operations" and "interest on securities in circulation" of the statement of income and other comprehensive income, respectively (S/ 2,722 million and S/ 1,811 million, respectively at December 31, 2023). Likewise, during said period, the Banco Central recognized the effect of the changes in the exchange rate on the face value in U.S. as a debit to "Valuation adjustment Article 89 –Organic Act" in equity, for S/ 358 million (S/ 822 million at December 31, 2023), which corresponds to financial institutions (note 17.e).

- (d) This corresponds to the guarantee granted by the government to the companies of the financial sector in order to approve credits in favor of individuals in the framework of the Reactiva Peru Program. The Central Bank maintains S/ 1,212 million as of December 31, 2024 (S/ 4,749 million as of December 31, 2023) at nominal value of Government-backed Credit Portfolio Repurchase Operations.
- (e) As of December 31, 2024, the Central Bank has effective repurchase agreements of treasury bonds with banks, with a nominal value in soles of S/ 3,133 million (S/ 6,178 million as of December 31, 2023).
- (f) As of December 31, 2024, the Central Bank has effective security portfolio credit operations with banks, with a nominal value in soles of S/ 2,309 million (S/ 6,696 million as of December 31, 2023).
- (g) As of December 31, 2024 and 2023, the securities in custody mainly include promissory notes in guarantee for operations with the IMF.
- (h) This corresponds to the reference value (committed face value) of the portfolio of futures operations held by the Central Bank for trading purposes, which is managed directly by the specialized firms, BNP Paribas Asset Management USA, Inc., Pacific Investment Management Company LLC. and Amundi Asset Management, in accordance with the guidelines approved by the Central Bank. As of December 31, 2024, the Central Bank held 6,413 futures contracts with both long and short positions (5,886 contracts during 2023), whose underlying assets are U.S., German, Australian, Canadian, French, Japanese, and UK Treasury bonds, denominated in U.S. dollars, euros, Australian dollars, Canadian dollars, Japanese yen, and British pounds. Additionally, one of the managers held 329 interest rate futures contracts on SOFR. Furthermore, one manager had a total of 2 positions (differing in coupon rate) in TBA. The estimated market value, provided by the specialized firms, generated an asset amounting to S/ 15 million (S/ 22 million during 2023), and a liability of S/ 5 million (S/ 29 million during 2023), which were recorded as part of the "other available assets" and "reserve liabilities" line items, respectively, in the statement of financial position, and as "net income from securities" in the statement of income and other comprehensive income.

21. OPERATING EXPENSES

This caption comprises the following:

<i>In thousands of soles</i>	Note	2024 (S/ 000)	2023 (S/ 000)
Personnel expenses and social benefits	23	170,893	173,367
Administrative expenses		72,267	71,300
Health expenses of active personnel	16	41,610	41,506
Expenses for actuarial provision	16b	205,907	3,640
Depreciation	9	13,587	11,825
Amortization		1,834	1,568
Others		7,563	8,086
		513,661	311,292

In 2024 and 2023, administrative expenses correspond mainly to security expenses, computer supplies, maintenance of equipment and premises, utilities, consulting, property insurance, among others.

22. ISSUANCE EXPENSES AND COSTS

This caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Cost of minting issued coins	58,523	59,901
Expenses for printing issued banknotes	51,359	44,795
Expenses for transporting currency	4,170	4,525
	114,052	109,221

23. PERSONNEL EXPENSES AND SOCIAL BENEFITS

This caption comprises the following:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Basic remuneration	98,895	70,503
Legal bonuses and holidays	27,269	58,920
Bonuses and allowances	20,166	18,990
Retirement compensation arrangement	9,633	9,494
EsSalud	9,074	8,903
Training	2,852	3,579
Others	3,004	2,978
	170,893	173,367

24. FINANCIAL INSTRUMENTS

A. Accounting classification and fair value

The following table shows the carrying amounts and fair values of the financial assets and financial liabilities held by the Central Bank, including their levels in the fair value hierarchy.

Note	As of December 31, 2024				Measured at fair value (I)			
	At amortized Cost	At FVOCI	Financial liabilities measured at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)	(\$/ 000)
<i>In thousands of soles</i>								
Financial assets								
Cash in foreign currency	138,342	-	-	138,342	-	-	-	-
Deposits at foreign banks	54,104,326	-	-	54,104,326	-	-	-	-
Deposits at foreign organizations	8,825,824	-	-	8,825,824	-	-	-	-
Securities from international entities	3,180,953	215,707,645	-	218,888,598	215,707,645	-	-	215,707,645
Contributions to international organizations	4,241,454	-	-	4,241,454	-	-	-	-
Other available assets	39,075	412,876	-	451,951	-	412,876	-	412,876
Other foreign assets	75,160	-	-	75,160	-	-	-	-
Domestic credit	12,136,067	15,167,557	-	27,303,624	15,167,557	-	-	15,167,557
Other financial assets	-	768,903	-	768,903	-	768,903	-	768,903
	82,741,201	232,056,981	-	314,798,182	230,875,202	1,181,779	-	232,056,981
Financial liabilities								
Reserve liabilities	-	11,652	790,759	802,411	-	11,652	-	11,652
Other foreign liabilities	-	-	14,224,867	14,224,867	-	-	-	-
Sterilized stock	-	-	85,103,748	85,103,748	-	-	-	-
Monetary base	-	-	98,263,868	98,263,868	-	-	-	-
Deposits in foreign currency	-	-	86,989,450	86,989,450	-	-	-	-
Other financial liabilities	-	-	1,530,572	1,530,572	-	-	-	-
	-	11,652	286,903,264	286,914,916	-	11,652	-	11,652

(I) Given the characteristics of the financial instruments of the Bank (mainly securities of international entities with a very high liquidity and depth), these are mostly classified in the hierarchy: Level 1 (quoted prices) of fair value.

Note	As of December 31, 2023				Measured at fair value (I)			
	At amortized Cost	At FVOCI	Financial liabilities measured at amortized cost	Total	Level 1	Level 2	Level 3	Total
	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)
<i>In thousands of soles</i>								
Financial assets								
Cash in foreign currency	177,149	-	-	177,149	-	-	-	-
Deposits at foreign banks	30,227,762	-	-	30,227,762	-	-	-	-
Deposits at foreign organizations	8,925,313	-	-	8,925,313	-	-	-	-
Securities from international entities	48,413,810	163,595,177	-	212,008,987	163,595,177	-	-	163,595,177
Contributions to international organizations	4,274,144	-	-	4,274,144	-	-	-	-
Other available assets	48,317	56,506	-	104,823	-	56,506	-	56,506
Other foreign assets	74,100	-	-	74,100	-	-	-	-
Domestic credit	22,429,798	11,924,789	-	34,354,587	11,924,789	-	-	11,924,789
Other financial assets	-	1,445,421	-	1,445,421	-	1,445,421	-	1,445,421
	114,570,393	177,021,893	-	291,592,286	175,519,966	1,501,927	-	177,021,893
Financial liabilities								
Reserve liabilities	-	718,914	341,005	1,059,919	-	718,914	-	718,914
Other foreign liabilities	-	-	14,277,645	14,277,645	-	-	-	-
Sterilized stock	-	-	98,863,291	98,863,291	-	-	-	-
Monetary base	-	-	90,022,518	90,022,518	-	-	-	-
Deposits in foreign currency	-	-	63,217,372	63,217,372	-	-	-	-
Other financial liabilities	-	-	2,120,101	2,120,101	-	-	-	-
	-	718,914	268,841,932	269,560,846	-	718,914	-	718,914

(I) Given the characteristics of the financial instruments of the Bank (mainly securities of international entities with a very high liquidity and depth), these are mostly classified in the hierarchy: Level 1 (quoted prices) of fair value.

B. Financial risk management

The Central Bank is exposed to the following risks related to the use of financial instruments: liquidity risk, credit risk, currency risk, interest rate risk and operational risk. The Central Bank's risk management aims to minimize the potential adverse effects on its financial performance.

The Central Bank's statement of financial position mainly comprises financial instruments, as described in note 2.B(b). Gross international reserves are a relevant component of said instruments (as of December 31, 2024 and 2023, they represent 89.86 percent and 86.51 percent, respectively). Reserve management complies with the principles of security, liquidity and profitability indicated in Article 71 of the Organic Act. International reserves contribute to the country's economic and financial stability, to the extent that they guarantee availability of currency in extraordinary situations, such as in the case of an eventual significant withdrawal of foreign currency deposits from the domestic financial system or temporary external shocks, which may cause imbalances in the real economy and feed expectations. Likewise, an adequate availability of foreign currency helps to reduce Peru's country risk and improve its credit ratings, which results in better conditions for private and public Peruvian companies to obtain foreign credits and contributes to the growth of foreign investment in the country.

Financial risk management mainly focuses on the investment portfolio, composed of assets that are easily tradable in international markets. These assets comprise deposits with foreign institutions and organizations, securities from international institutions and gold holdings abroad.

Risk management is carried out considering the following criteria:

- The Central Bank's reserve management policy considers it a priority to preserve the capital and guarantee the liquidity of reserves. Once these conditions are met, the Central Bank seeks to maximize the return on foreign assets.
- Management of foreign assets is closely related to the origin and characteristics of sources of foreign currency resources (i.e., the Central Bank's liabilities) in terms of the amount, currency, term, and volatility. Accordingly, the Central Bank seeks to minimize the financial risks that may affect the value and availability of the resources that it manages.

The international assets managed by the Central Bank are exposed to liquidity, credit, foreign exchange and interest rate risk.

The Management of the Central Bank is aware of the current market conditions and, based on its knowledge and experience, it controls the aforementioned risks in accordance with the policies approved by the Board of Directors. The most important aspects for the management of these risks are the following:

i. Liquidity risk

It arises from the impossibility of trading securities at the appropriate time. To mitigate this risk, the Central Bank controls the degree of liquidity of fixed income instruments by selecting securities from markets where said instruments are heavily traded, establishing minimum amounts according to the size of the issue and a limit for the percentage acquired in each issue. Liquidity of instruments is reflected in a low "bid-ask spread" in their market price.

Likewise, the Central Bank minimizes this risk by dividing the investment portfolio into tranches that reflect the required liquidity to manage withdrawals associated with the different nature of the reserve sources. Said portfolio is divided into:

- Immediate availability tranche: This includes very short-term investments mainly to face obligations with local banks and unexpected events.
- Liquid and trading tranches: They correspond to deposits in foreign currency of financial (mainly for reserve requirements) and public institutions with the Central Bank. Investments are made with these resources, which mainly comprise bank deposits with staggered maturity and high-liquidity fixed income instruments in international financial markets.
- Investment and diversification tranches: They comprise the Central Bank's own resources (foreign exchange position) for investments including securities with terms generally longer than one year (mainly bonds), which may generate higher returns and support risk diversification.

As of December 31, 2024, the distribution of the investments into tranches is reflected in the percentage composition per term to maturity of the investment portfolio as shown below:

<i>Percentage (%)</i>	<u>2024</u> (%)	<u>2023</u> (%)
Term to Maturity		
0 - 3 months	28	41
3 - 12 months	12	17
More than 1 year	60	42
	<u>100</u>	<u>100</u>

The following table presents the undiscounted cash flows payable by the Central Bank according to agreed contractual terms:

As of December 31, 2024						
	Less than 1 month	1 – 3 months	3–12 months	1–5 years	More than 5 years	No maturity
<i>In thousands of soles</i>	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)
Financial liabilities per type (i)						
Sterilized stock						
Certificates of deposit	5,070,247	13,492,320	16,440,997	980,175	-	-
Deposits in domestic currency	19,578,876	9,600,000	17,575,000	-	-	2,366,133
Monetary base	-	-	-	-	-	98,263,868
Deposits in foreign currency	41,066,762	31,620,669	14,289,241	12,778	-	-
Other financial liabilities	116,322	1,429,743	42,412	2,170	14,222,697	-
Total non- derivative liabilities (ii)	65,832,207	56,142,732	48,347,650	995,123	14,222,697	100,630,001
Accounts payable for derivatives	744,506	-	-	-	-	-
	66,576,713	56,142,732	48,347,650	995,123	14,222,697	100,630,001
						286,914,916
As of December 31, 2023						
	Less than 1 month	1 – 3 months	3–12 months	1–5 years	More than 5 years	No maturity
<i>In thousands of soles</i>	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)	(S/ 000)
Financial liabilities per type (i)						
Sterilized stock						
Certificates of deposit	4,233,437	12,636,693	18,014,428	-	-	-
Deposits in domestic currency	24,627,466	16,507,400	20,134,109	-	-	2,709,758
Monetary base	-	-	-	-	-	90,022,518
Deposits in foreign currency	18,462,060	9,058,725	-	-	-	35,696,587
Other financial liabilities	341,360	1,576,618	209,217	69,084	14,268,913	-
Total non- derivative liabilities (ii)	47,664,323	39,779,436	38,357,754	69,084	14,268,913	128,428,863
Accounts payable for derivatives	992,473	-	-	-	-	-
	48,656,796	39,779,436	38,357,754	69,084	14,268,913	128,428,863
						269,560,846

(i) As of December 31, 2024 and 2023, the financial liabilities do not include non-accrued interest.

(ii) As of December 31, 2024, and 2023, it corresponds to the valuation of trading derivatives presented under the “Reserve Liabilities” category.

ii. **Credit risk**

Credit risk refers to the possibility that a counterparty may be unable to meet an obligation with the Central Bank on a timely basis. In order to face this risk, investments are diversified into:

- Deposits with tier one foreign banks, in terms of capital and short-term and long- term risk ratings assigned by the main international risk rating agencies, such as Standard & Poor's, Moody's and Fitch.
- Fixed income securities issued by international organizations or foreign public institutions. As of December 31, 2024 and 2023, said obligations must have a long-term rating among the 5 highest ratings from the more than 20 ratings assigned by the risk rating agencies.
- Investments in debt issues of private institutions are not allowed.

The magnitude and concentration of the Central Bank's exposure to credit risk can be obtained directly from the statement of financial position, which describes the size and composition of the Central Bank's financial assets.

As of December 31, 2024, the risk rating of the investment portfolio is summarized as follows:

Percentage (%)	2024 (%)	2023 (%)
Long- term rating		
AAA	67	57
AA+ / AA/ AA-	22	28
A+ / A/ A-	11	15
	100	100

Based on the obtained risk ratings and management's analysis as of December 31, 2024 and 2023, the Central Bank has no exposure in countries or institutions with debt issues that may represent a credit risk for its deposits with foreign banks and its investments.

iii. **Exchange rate risk**

This can be defined as the risk to which the Central Bank is exposed due to fluctuations in the value of financial assets and financial liabilities arising from changes in exchange rates. The magnitude of the risk depends on the following:

- The mismatch between the Central Bank's assets and liabilities in foreign currency, and
- The exchange rate of the foreign currency transactions pending at the end of the period.

The Central Bank's assets are mostly invested in U.S. dollars, reflecting the denomination of liabilities in foreign currency (mainly bank reserve requirements and special deposits of residents) and the currency used by the Central Bank for intervention in the domestic foreign exchange market.

Foreign currency operations are carried out at free-market exchange rates.

As of December 31, 2024, the free market buying rate, published by the SBS for transactions in U.S. dollars, is S/ 3.758 (S/ 3.705 as of December 31, 2023). Balances in other currencies were stated in U.S. dollars at the exchange rate provided daily by Bloomberg, as described in paragraph (c) below.

(a) As of December 31, the Central Bank's assets and liabilities in foreign currencies are as follows:

	2024			2023		
	U. S. Dollar (USD 000)	Other currencies (USD 000)	Total (USD 000)	U. S. Dollar (USD 000)	Other currencies (USD 000)	Total (USD 000)
<i>In thousands of U. S. dollars</i>						
Monetary assets						
Cash in foreign currency	36,812	-	36,812	47,813	-	47,813
Deposits at foreign banks	9,939,525	4,457,581	14,397,106	6,222,057	1,936,583	8,158,640
Deposits at foreign organizations	-	2,348,542	2,348,542	-	2,408,991	2,408,991
Securities from international entities	52,993,170	5,252,865	58,246,035	46,037,939	11,184,460	57,222,399
Gold	-	2,922,767	2,922,767	-	2,299,337	2,299,337
Contributions to international organizations	603,794	524,853	1,128,647	570,554	583,061	1,153,615
Other available assets	118,964	1,300	120,264	21,173	7,119	28,292
Other external assets	-	20,000	20,000	-	20,000	20,000
Domestic credit	245,528	-	245,528	259,246	-	259,246
Other assets	1,649	510	2,159	4,982	465	5,447
	63,939,442	15,528,418	79,467,860	53,163,764	18,440,016	71,603,780
Monetary liabilities						
Reserve liabilities	196,673	16,848	213,521	262,008	24,070	286,078
Other foreign liabilities	-	2,483,438	2,483,438	-	2,555,124	2,555,124
Deposits in foreign currency	23,147,653	151	23,147,804	17,062,445	273	17,062,718
Other liabilities	67,762	-	67,762	128,326	-	128,326
	23,412,088	2,500,437	25,912,525	17,452,779	2,579,467	20,032,246
Subtotal	40,527,354	13,027,981	53,555,335	35,710,985	15,860,549	51,571,534
Derivatives						
Net forward contract position	5,947,744	(5,253,493)	694,251	9,755,327	(9,585,124)	170,203
Net monetary position	46,475,098	7,774,488	54,249,586	45,466,312	6,275,425	51,741,737

- (b) As of December 31, the balances in foreign currency, SDR and in precious metals, without including financial derivatives, expressed in their equivalent in thousands of U.S. dollars, are summarized as follows:

<i>In thousands of U. S. dollars</i>	2024 (USD 000)	2023 (USD 000)
Assets		
U. S. dollar	63,938,758	53,163,764
Japanese yen (i)	438,373	998,793
Euro	2,374,695	975,687
Gold	2,923,519	2,300,113
SDR (ii)	2,873,396	3,256,625
British pound sterling	955,742	447,802
Other currencies	5,963,377	10,460,996
	79,467,860	71,603,780
Liabilities		
U. S. dollar	23,412,088	17,452,779
SDR (ii)	2,477,133	2,552,737
Other currencies	23,304	26,730
	25,912,525	20,032,246
Net assets	53,555,335	51,571,534

- (i) As of December 31, 2024, and 2023 there is no exposure to this currency since it is fully hedged with forward operations (note 20(b)).
- (ii) The SDR is an international reserve asset created by the IMF and allocated to its member countries in proportion to their participation quota as such. The value of the SDR is calculated on a daily basis, adding the values in U.S. dollars (midday London quotation)) of a basket of five currencies (U.S. dollar, euro, Chinese renminbi, Japanese yen and pound sterling). The amounts of each of the currencies of the SDR basket are calculated according to agreed percentages.
- (c) As of December 31, the quotations of the main currencies used by the Central Bank in relation to the U.S. dollar are as follows:

<i>In thousands of soles</i>	2024 (S/ 000)	2023 (S/ 000)
Gold troy ounce	2,622.680000	2,063.390000
Pound sterling	1.252000	1.274600
SDR	1.304130	1.342080
Euro	1.036000	1.104000
Japanese yen	0.006356	0.007091

As established in Article 89 of the Organic Act, in 2024, the Central Bank recorded a net negative valuation adjustment of foreign currency of S/ 3,271 million (net positive adjustment of S/ 3,273 million as of December 31, 2023) in "Valuation Adjustment Article 89 – Organic Act" in equity, see note 17(e).

The following table shows the analysis of sensitivity to changes in the quotations of the main currencies to which the Central Bank has exposure as of December 31, 2024 and 2023. The analysis determines the effect of devaluation or revaluation of a reasonably possible variation of the exchange rate of the sol against foreign currencies, considering that all other variables remain constant in the statement of income and other comprehensive income. A negative amount reflects a potential net reduction in equity, while a positive amount reflects a potential net increase. In both cases, these changes do not affect the Central Bank's profits since they are recorded as exchange differences in equity.

Analysis of Sensitivity	Change in exchange rates	2024 (S/ 000)	2023 (S/ 000)
Devaluation			
U. S. dollars	5%	10,062,965	9,553,558
U. S. dollars	10%	20,125,929	19,107,116
Pound sterling	5%	179,409	82,869
Pound sterling	10%	358,819	165,738
Japanese yen	5%	82,350	185,001
Japanese yen	10%	164,700	370,001
Euro	5%	446,121	180,265
Euro	10%	892,242	360,531
Revaluation			
U. S. dollars	5%	(10,062,965)	(9,553,558)
U. S. dollars	10%	(20,125,929)	(19,107,116)
Pound sterling	5%	(179,409)	(82,869)
Pound sterling	10%	(358,819)	(165,738)
Japanese yen	5%	(82,350)	(185,001)
Japanese yen	10%	(164,700)	(370,001)
Euro	5%	(446,121)	(180,265)
Euro	10%	(892,242)	(360,531)

iv. Interest rate risk

It is related to unexpected changes in the market return rates of the portfolio's fixed income assets, which may affect the market value of investments before their maturity. The longer the maturity period of investments, the greater the impact of changes in the return on the market value of said investments. The measurement of said impact is reflected in the portfolio's duration, which reflects the risk-return preferences of the Board of Directors.

The Central Bank faces this risk by considering the maturity structure of the liabilities for the maturity composition of its assets. This makes the total portfolio duration lower, so the impact of changes in interest rates on the market value of the portfolio is limited. Likewise, maximum investment terms have been established, consistent with the market risk profile desired for each portfolio instrument.

As of December 31, 2024 and 2023, the average duration of the investment portfolio was 1.49 and 0.87 years respectively, comprised of internally managed

international assets, mainly deposits in foreign Banks, investments in securities and gold holdings.

v. *Operating risk*

The Bank defines the risk as the effect of uncertainty or the possibility of occurrence of an event that affects its ability to meet its strategic objectives and functions, safeguard the value of its equity and protect its reputation, image and credibility. In this sense, operating risk refers to the potential negative impact on the Bank's ability to comply effectively with its objectives and responsibilities, in the form of losses or interruptions arising from the failure or inadequacy of internal processes, systems or personnel, or from external events.

Risk management is an integral part of all the Bank's activities, from strategic planning and decision making to the execution of processes and the development of projects. Comprehensive risk management forms part of the Bank's organizational culture and it is the responsibility of all personnel on each of its levels. The Bank manages its risks based on a structured and exhaustive focus which contributes to consistent and comparable results, for which it relies on a structure of governance that assigns clear responsibilities.

The reports with results are presented by the Risk Management to the Risk Committee, a body that becomes aware of the implementation of process improvement actions and decides on the implementation of risk treatment measures.

25. INFORMATION ABOUT THE FAIR VALUE OF THE FINANCIAL STATEMENTS

Fair value or estimated market value is the price that would be received for selling an asset or would be paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use to price the asset or liability, assuming that the market participants act in their best economic interest.

When a financial instrument is traded in an active and liquid market, its quoted market price in a real transaction provides the best evidence of its fair value. When a quoted market price is not available or it cannot be indicative of the fair value of the instrument, the fair value may be determined using the market value of another similar instrument, discounted cash flow analysis or other applicable techniques, which are significantly affected by the assumptions made. Management has used its best judgment in the measurement of the fair values of its financial instruments, Fair value may not be indicative of the net realizable value or settlement value of said instruments.

The methodologies and assumptions applied to determine the estimated market values at December 31, 2024 and 2023, in the applicable cases, according to the policies of the Central Bank, depend on the risk terms and characteristics of the different financial instruments, as shown below.

- Cash in foreign currency and deposits with foreign banks represent cash and term deposits in banks at terms of up to 90 days, respectively, which do not represent significant credit risks or interest rate risks.

- The carrying amount of the securities of international entities classified as FVOCI corresponds to their estimated market value.
- The carrying amount of gold corresponds to its market value.
- The values of the contributions to and deposits with international organizations are considered to correspond to their fair values, since they represent the amount that would be received if the Central Bank ceased to be a member of said organizations. Additionally, contributions to international organizations cannot be traded with third parties and generate interest at rates based on their market risk.
- Securities in circulation accrue interest at fixed and variable rates according to the respective issuance.
- Deposits in domestic and foreign currency accrue interest at fixed and variable rates, which are fixed at terms of less than a year by the Central Bank.
- The carrying amount of the currency held by the Central Bank in “Monetary base” corresponds to its market value, since it represents the currency in circulation in the Peruvian economy.

Consequently, as of December 31, 2024 and 2023, the Central Bank’s Management considers that the estimated fair values of its financial instruments do not significantly differ from their carrying amounts.

26. SUBSEQUENT EVENTS

Regarding the financial statements as of December 31, 2024, there are no known subsequent events that occurred between the closing date of the financial statements and the date of this report that may significantly affect them.