

BCC 14th Annual Conference - Geneva

Resilience of the financial system: Where do we stand?

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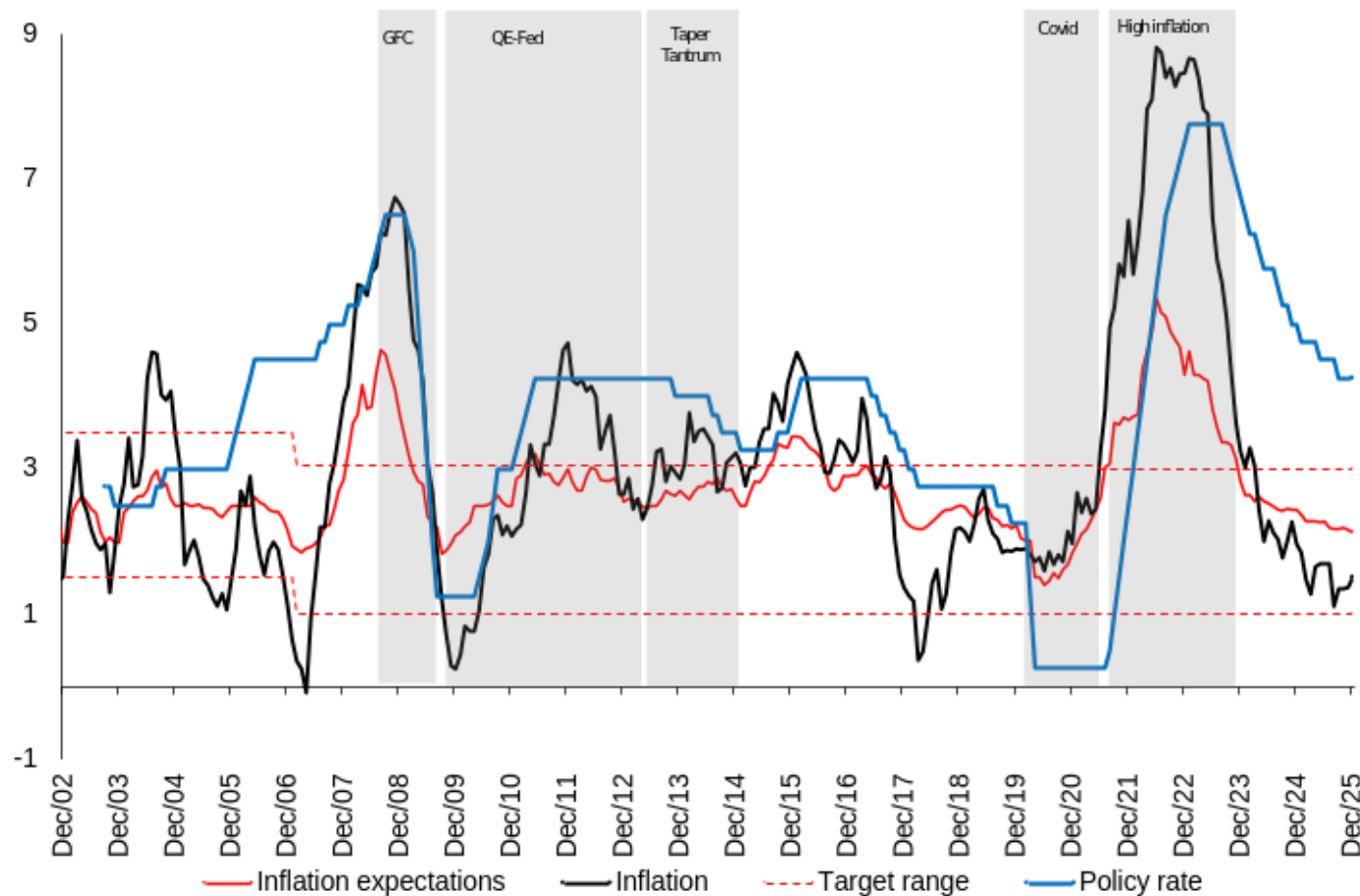
September 11, 2026



BANCO CENTRAL DE RESERVA DEL PERÚ

Communication anchors expectations and extends the effectiveness of non-conventional instruments

The BCRP has consistently framed FX intervention as a tool to smooth excessive volatility — not to defend a fixed rate. Market participants have internalised the conditional, symmetric nature of the framework, which reduces front-running incentives. Inflation expectations have stayed within the target range even through the GFC, Taper Tantrum, COVID, and the 2022 high-inflation episodes.



Graph: Inflation, inflation expectations, policy rate, and target range (%), 2002–2025. Source: BCRP.

Symmetric commitment

The BCRP intervenes against both excessive appreciation and depreciation, preventing one-sided bets. Market participants know the rule; the toolkit is not a surprise.

Role separation

The policy rate is kept focused on the inflation-output gap. FX tools and RR handle external volatility — the dual mandate is never confused, and each instrument's signal is clean.

Track record

Consistent delivery — inflation within target for most of the IT period, even through major shocks — builds credibility that makes future commitments self-reinforcing and cheaper to deploy.

Reserve requirements moderate the credit cycle and reduce FX intermediation risks

Differentiated reserve requirements in domestic and foreign currency allow the BCRP to lean against credit booms and strengthen banks' FX liquidity buffers — critical in an economy where the central bank cannot provide last-resort liquidity in dollars.

Domestic-currency RR

Higher RR raises intermediation costs → reduces credit supply and monetary multiplier.

Used cyclically: raised during credit booms (pre-GFC) and lowered during downturns.

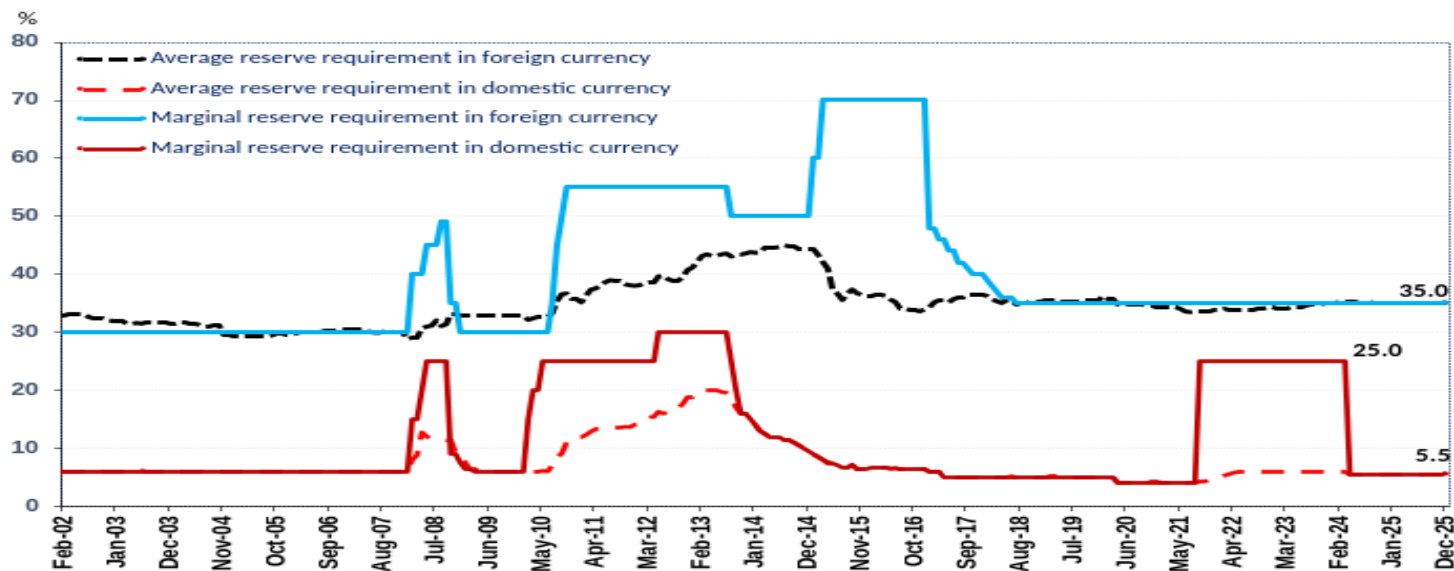
Complements the policy rate when rate hikes risk attracting carry-trade inflows.

Foreign-currency RR

Requires banks to hold adequate FX liquidity buffers, reducing vulnerability to capital outflows.

Internalises the risk of FX intermediation; discourages excessive dollar-denominated lending.

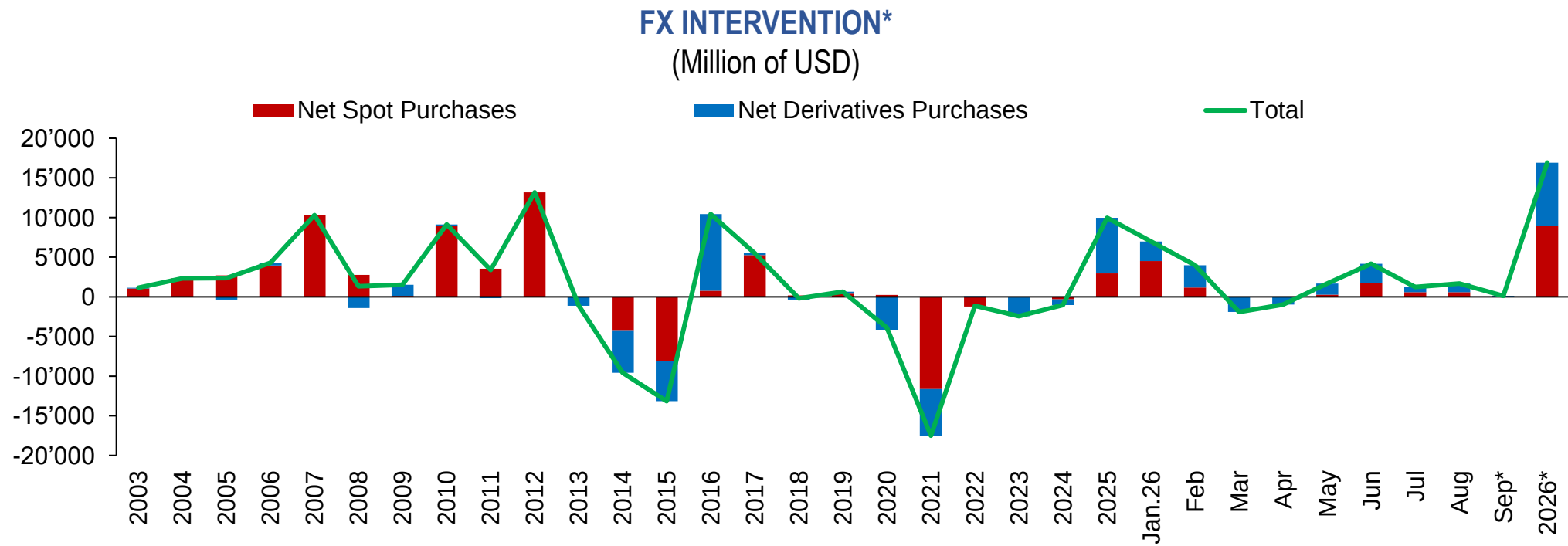
Key driver of de-dollarisation: credit in FX fell from ~80% (2002) to below 25% (2025).



Graph: Reserve requirement rates — domestic and foreign currency (%). Source: BCRP.

FX intervention smooths volatility and protects monetary transmission — without targeting a rate level

The BCRP intervenes symmetrically in both depreciation and appreciation episodes. The goal is not to defend a parity, but to prevent disorderly exchange rate movements from triggering balance-sheet contractions or eroding IT credibility. An expanded toolkit — spot, FX swaps, CDR BCRP — provides operational flexibility while preserving the monetary stance.



	2026									
	2020	2021	2022	2023	2024	2025	Jan.-Feb.	Mar.-Apr.	May.-Sep.*	Year*
Net Spot Purchases	251	-11 626	-1 236	-81	-318	2 955	5 689	0	3 218	8 907
Net Derivatives Purchases	-4 161	-5 880	102	-2 352	-712	7 009	5 257	-2 885	5 652	8 024
Total	-3 910	-17 506	-1 134	-2 433	-1 030	9 964	10 947	-2 885	8 870	16 932

* As of Sep 2

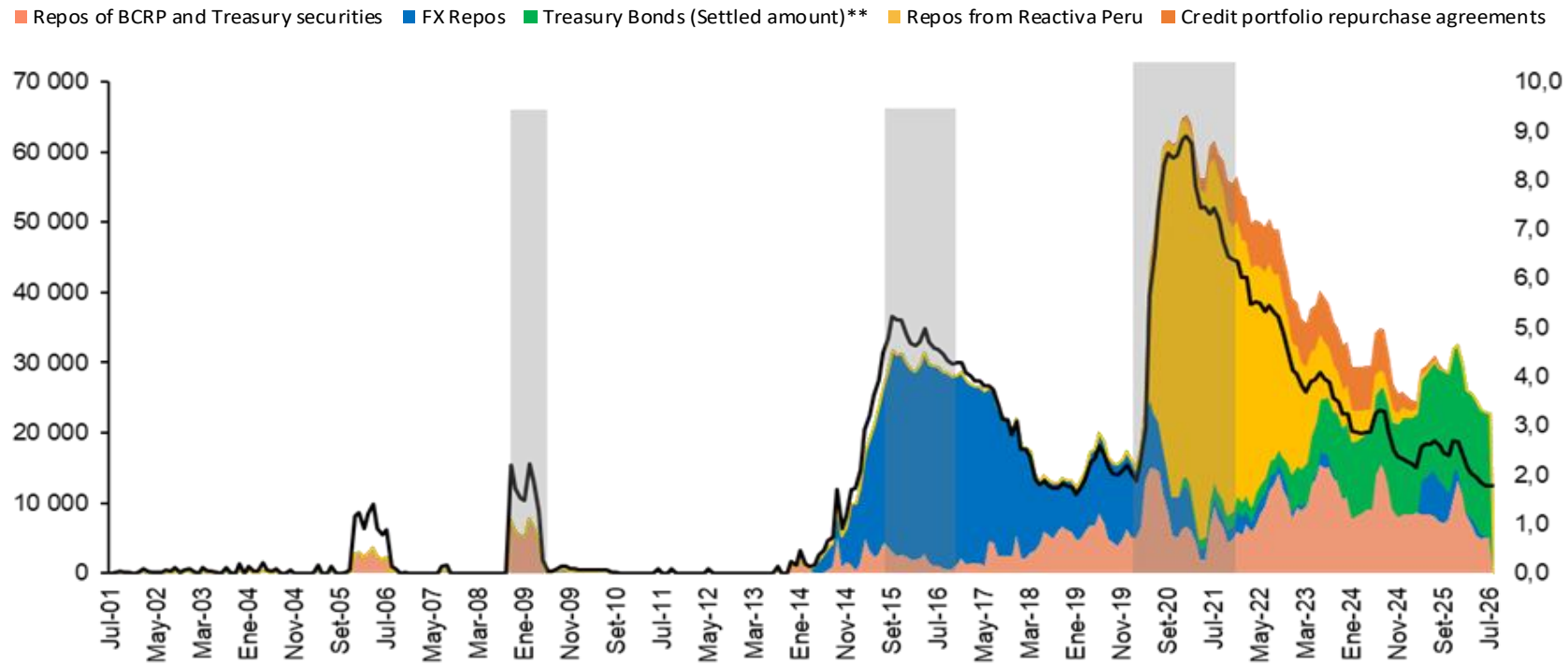
Macprudential tools contain speculative FX positions and reinforce orderly market functioning

Since 2025, the BCRP automatically applies RR surcharges when banks' net FX-derivative sales breach predefined thresholds — creating a countercyclical brake on speculative position-building. These tools complement SBS position limits on banks and pension funds, reducing the financial system's aggregate FX exposure.

Tool	Applies to	How it limits FX risk
RR surcharges on FX derivatives	Commercial banks	RR rises automatically when weekly net FX derivative sales or outstanding stock exceed thresholds.
Global FX position limit	SBS — all banks	Net on-balance-sheet FX + net derivatives capped at ±10% of regulatory capital.
AFP trading limits	SBS — pension funds	Quantitative limits on FX exposure; prevents large AFP rebalancing from amplifying rate moves.

Additionally, as a precautionary measure, BCRP is replacing the maturing liquidity facilities implemented during the pandemic with term securities repos, Treasury bond purchases, and FX repos.

Balance of BCRP Injection Operations (In million of PEN)



* As of the end of July 2026.

** Purchase of Treasury bonds, according to the 61th article of the Organic Law of the BCRP.

Source: BCRP.

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