



NOTES TO THE FINANCIAL STATEMENTS

As at March 31, 2015

In thousands of Peruvian Nuevos Soles

1. Background and economic activity

(a) Background

Fondo MIVIVIENDA S.A. (hereinafter "the Fund") is a state-owned company under private law and is governed by Law No. 28579 and the Fund's by-laws. The Fund falls under the purview of the Peruvian National Fund for the Financing of Business Activities of the State (Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado or "FONAFE" for its acronym in Spanish) under the Ministry of Housing, Construction and Sanitation (Ministerio de Vivienda, Construcción y Saneamiento or "MVCS" for its acronym in Spanish). The aforementioned Law No. 28579 provided for the conversion of the former Mortgage Fund for the Promotion of Housing (Fondo Hipotecario de Promoción de la Vivienda – Fondo MIVIVIENDA) into a corporation named Fondo MIVIVIENDA S.A. effective as of January 1, 2006.

(b) Economic Activity

The Fund's objectives are the promotion and financing of the acquisition, improvement and construction of homes, especially those of social interest, promotion of activities to invest into the home lending market, participation in the primary and secondary market for mortgage loans, and contributing to the development of the Peruvian capital market. The Fund's activities are regulated by the Superintendency of Banking, Insurance and Pension Funds Administrators (Superintendencia de Banca, Seguros y Administradoras Privadas de Fondos de Pensiones or "SBS", as per the Spanish acronym), pursuant to the provisions of SBS Resolution No. 980-2006 "Fondo MIVIVIENDA S.A. Regulations"

The legal address of the Fund is Avenida Paseo de la República 3121, San Isidro, Lima, Peru.

As of the date of these financial statements, the Fund manages the following programs and financial resources:

- (i) MIVIVIENDA Program.
- (ii) Techo Propio Program – Management of the Household Housing Bonus (Bono Familiar Habitacional, or "BFH", as per the Spanish acronym), as commissioned by the Ministry of Housing, Construction and Sanitation – MVCS.
- (iii) Resources of the Fondo Ley No. 27677, as commissioned by the Ministry of Economy and Finance (hereafter "MEF" as per the Spanish acronym).

The characteristics of each program are as follows:

(i) MIVIVIENDA Program

The Fund, through a Trust Agreement with Corporación Financiera de Desarrollo S.A. ("COFIDE" as per the Spanish acronym) channels resources to financial institutions that are participants in the Peruvian financial system to grant mortgage loans. Among its features are the Good Payer Award (Premio al Buen Pagador or



“PBP” as per the Spanish acronym) and the Credit Risk Coverage (Cobertura de Riesgo Crediticio or “CRC” as per the Spanish acronym).

The MIVIVIENDA Program includes the following products:

- Crédito MIVIVIENDA tradicional (*)
- Crédito MIHOGAR (*)
- Crédito MIVIVIENDA estandarizado (*)
- Servicio de cobertura de riesgo crediticio y premio al buen pagador (Financiamiento de las instituciones financieras intermediarias) - Service of Credit Risk Coverage and Good Payer Award (Funding to Intermediary Financial Institutions, hereinafter IFI) (*)
- Crédito complementario Techo Propio
- Nuevo crédito MIVIVIENDA
- Crédito MICONSTRUCCIÓN
- Crédito MICASA MAS
- Crédito MITERRENO

(*) As of December 31, 2015 and December 31, 2014, these lending products have been discontinued. The remaining balance of loans under these programs consists solely of uncollected amounts (note 7). CRC-PBP services and Crédito MIVIVIENDA estandarizado were discontinued in November 2009, Crédito MIHOGAR was discontinued in August 2009, and Crédito MIVIVIENDA tradicional in May 2006.

- (ii) Techo Propio program – Management of the household housing bonus (BFH)
Through Act N° 27829 published in El Peruano Official Gazette on September 20, 2002, the Household Housing Bonus (BFH) was created. The subsidies under the Techo Propio Program are granted in three modalities,
(a) acquisition of a new home;
(b) construction on owned lot; and
(c) house renovations.

In all modalities, mortgage loan financing within this program involves up to three components:

- (a) a subsidy channeled by the Fund with resources from the Peruvian government – the aforementioned household housing bonus (BFH);
- (b) household savings and;
- (c) when necessary, complementary financing to household housing bonus (Techo Propio Program) which must be granted by an IFI.

Act N° 27829 was amended through Legislative Decree N° 1037, published on June 25, 2008. This Legislative Decree amended Article 6° of such Law establishing the power of the Fund to carry out the administration of the BFH with its own resources.

- (iii) Fondo Ley No. 27677
By virtue of Law No. 27677 dated March 1, 2002, the Fund was entrusted with the administration, reimbursement and channeling of the proceeds resulting from the liquidation of Fondo Nacional de Vivienda (FONAVI, as per the Spanish acronym). Law No. 29625, which became effective on December 8, 2010, provides for the reimbursement of the amounts that were contributed to FONAVI to the workers that



made those contributions. Article 4 of Act No. 29625 contemplated the formation of an Ad Hoc Committee responsible for conducting and supervising all procedures relating to the reimbursement of the FONAVI contributions. The current composition of such Ad Hoc Committee was approved on September 24, 2012 by Ministerial Resolution No. 609-2012-EF/10.

Likewise, the Fund established the CRC-PBP trusts, one in Peruvian Nuevos Soles and the other in US Dollars, to cover the Fund's obligations to provide PBP payments and CRC in an amount equivalent to one-third (1/3) of the total loan portfolio balance reported by each IFI that contracted such service. These trusts are governed by SBS Resolution No. 980-2006, which approves the Fondo MIVIVIENDA S.A. Regulations.

Under the service contracts with the CRC-PBP trusts, the Fund provides the IFI with the following services:

- Credit Risk Coverage (CRC service), as defined by Article 21 of the CRC and PBP Regulations, is a guarantee the Fund provides to the intermediary financial institution the lower of one third of the unpaid balance of the covered loan or one-third (1/3) of the loss, whichever the lower. Said amount shall be duly notified by the IFI to the Fund, under the terms provided for in such Regulations.
- Good Payer Award (PBP service), as defined in Article 24 of the CRC and PBP Regulation, is the service to the IFI for which the Fund assumes payment of the installments corresponding to the concessional part (the amount of the Good Payer Award) for covered loans whose beneficiaries have promptly paid the installments corresponding to the non-concessional part of the loan. This award is aimed to settle – every six months – the amount of the installment payable in the corresponding period for the concessional part of the MIVIVIENDA loans.

(c) Approval of the Financial Statements-

These financial statements as of December 31, 2015, presented to the Superintendency of Banking, Insurance and AFP, were approved by Board of Directors on April 11, 2015.

These financial statements as of December 31, 2014, presented to the Superintendency of Banking, Insurance and AFP, were approved on January 26, 2015 by Board of Directors and by the General Shareholder's Meeting on March 19, 2015.

2. Trust agreement - Corporación Financiera de Desarrollo S.A. (COFIDE)

On March 25, 1999, a Trust Agreement was signed between the Mortgage Fund for Housing Promotion (Fondo Hipotecario de Promoción de la Vivienda – MIVIVIENDA), now Fondo MIVIVIENDA S.A. and Corporación Financiera de Desarrollo S.A. (COFIDE). Its purpose was the creation of a trust through which COFIDE receives the resources from the Fund and acts as the trustee on behalf of the Fund, in order to channel the funds for loans to final borrowers through the IFIs that in turn are required to use the funds provided to generate loans that are used by final borrowers to finance the acquisition, expansion or improvement of homes and residences, in accordance with article 12 of Supreme Decree No. 001-99-MTC "Regulations on the Fondo Hipotecario de Promoción de la Vivienda – Fondo MIVIVIENDA"

The main duties of COFIDE are as follows:



- Compliance with articles 241 to 274 of the General Law of the Financial and Insurance System and Organic Law of the SBS – Law No. 26702, as amended.
- Verify compliance with requirements and conditions of the IFI according to Supreme Decree No. 001-99 –MTC.
- Sign the agreement on resources intermediation with IFI's that have fulfilled the corresponding requirements and conditions.
- Monitor the use of resources, according to the provisions of the Fund's Regulations and the agreement on resources intermediation.
- Collect the loans granted to the IFI's.
- Contract the necessary audits of the Fund.
- Periodically submit reports on the development of the aforementioned trusts, as well as make recommendations for exposure limits of IFI's (*). (*)
- Establish operating procedures necessary for the proper administration of the Fund.
- Other duties necessary to ensure the normal development of the objectives and functions of both the Trust and the Fund.

(*) On May 18th 2012, the Fund executed the first amendment to the Trust Agreement with COFIDE, which discharged the latter from the obligation to issue recommendations on portfolio concentration limits with intermediary financial institutions given the fact that the Fund is a Corporation supervised by the SBS. By virtue of SBS Resolution No. 3586-2013, the Fund is no longer subject to the lending limits established by Article 204 of Act 26702, the Peruvian Banking Law, to the extent the Fund acts as a second-tier bank. However, the fund has established internal limits to prevent the concentration of loans to intermediary financial institutions, which take into account factors related to the size of regulatory capital, risk classification and risk-weighted regulatory capital ratio.

The main duties of the Fund are the following:

- Establish the policies for the management and use of the Fund's resources.
- Approve the borrower eligibility criteria used by the IFI's that will receive resources from the Fund for use in financing house purchases and approve the borrowing limits for each of them.
- Establish the terms and conditions under which the Fund will make resources available to the IFIs, and the modalities for placing them.

As trustee, COFIDE is entitled to the following:

- Intermediate and monitor the Fund's resources, being able to enter into and sign all kinds of public and private documents, for that purpose.
- Require that the IFI's constitute guarantees on behalf of the beneficiaries.
- Exercise all the powers contained in articles 74 and 75 of the Civil Procedure Code necessary for carrying out the assignment given as trustee. Consequently, COFIDE may sue, counterclaim, answer complaints and counterclaims, desist processes or claims, agree to claims, reconcile, settle and to arbitrate the claims at issue in the process.
- It is stated that COFIDE is not responsible for the solvency of the IFI.

The term of this trust Agreement is 5 years and is automatically renewable if none of the parties expresses its willingness to terminate it.



3. Accounting principles and practices

The main accounting principles and practices in the preparation of the financial statements have been evenly uniformly in the periods presented, unless otherwise stated; and are as follows:

(a) Basis of Presentation and Changes in the Accounting Policies

(i) Statement of compliance

The accompanying financial statements have been prepared in Peruvian Nuevos Soles from the accounting records of the Fund and are presented in accordance with current legal regulations and accounting principles authorized by the SBS. In case of unforeseen events in such rules, the provisions of the International Financial Reporting Standards (IFRS), made official in Peru by the Accounting Standards Board (ASB) shall apply. Such regulations comprise the rules and interpretations issued or adopted by the International Accounting Standards Board (IASB), including the International Financial Reporting Standards (IFRS), the International Accounting Standards (IAS), and the pronouncements of the IFRS Interpretations Committee by the former Standing Interpretations Committee (SIC) adopted by the IASB, made official by the Accounting Standards Board (ASB) to be applied in Peru.

As at the date of the financial statements, by virtue of Resolution N° 058-2015-EF/30 published on March 05, 2015, the ASB made official the modifications to IAS 1 Presentation of Financial Statements, IFRS Financial Instruments: Disclosures; IAS 34 Interim Financial Reporting; IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities, and IAS 28 Investments in Associates and Joint Ventures.

In addition, by Resolution 055-2014-EF/30 published on July 26, 2014, the ASB made official the 2014 version of the International Financial Reporting Standards.

- a) Officially endorse the amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.
- b) Officially endorse version 2014 of the International Financial Reporting Standards (IAS, IFRIC and SIC) previously officialised. They maintain their content and validity provided they have not been amended or substituted.

In addition, IFRS 14 "Regulatory Deferral Accounts" and the amendment to IFRS 11 "Joint Agreements", IFRS 15 "Revenue from Contracts with Customers" became official.

Certain accounting principles applied by the Fund that conform to accounting standards prescribed by the SBS may differ from accounting principles in other countries.

(ii) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the following, that are measured at fair value:

- Derivative financial instruments



- Financial instruments at fair value through profit or loss.
- Available-for-sale financial assets.

(iii) Functional and presentation currency

The financial statements are presented in Nuevos Soles (S/.) according to SBS standards, which is the Fund's functional and presentation currency. The information presented in nuevos soles (S/.) has been rounded to the nearest thousand (S/. 000), except as otherwise indicated.

(iv) Critical accounting estimates and criteria

The preparation of the financial statements in conformity with the accounting principles requires management to use certain critical accounting estimates and criteria. Estimates and criteria are reviewed on an on-going basis according to experience and include reasonable assumptions about the future in every circumstance. Since these are estimates, final results may differ; however, based on the opinion of the Fund's management, these estimates and assumptions do not have significant risk of causing a material adjustment to the balances of assets and liabilities of subsequent financial statements.

The significant estimates related to the financial statements correspond to the provision for doubtful accounts receivable, valuation of investments, estimates of useful life and the recoverable amount of property, furniture and equipment and intangible assets, estimate of deferred income tax recovery, provision for current tax, and the valuation of derivative financial instruments, which accounting criteria are defined and applied by our accounting practices.

(v) Accounting principles and practices

The accounting principles and practices as of March 31, 2015 have not varied in relation to the report audited by Caipo y Asociados Sociedad Civil de Responsabilidad Limitada, representatives of KPMG International for the year ending on December 31, 2014:

As of December 31, 2014, the deferred tax liability of the bank was adjusted with the income tax rate of future years in which it will be used. The effect of this accounting estimation was charged to the income tax in the results of year 2014 amounting to S/. 370 thousand.

Buy Multiple Letter N° 1575-2014, the SBS has ordered that for purposes of disclosing minimum information, financial companies shall include a note related to the fair value of financial instruments, as stated in the Accounting Manual for companies of the financial system. Such letter states that as it is related to the portfolio of credits and deposits, the fair value thereof corresponds to the fair value or book value.

As at March 2015 and December 31, 2014, the Fund has considered the carrying amount of the accounts receivable (Trust -COFIDE) and other accounts receivable from credit portfolios at fair value.

(vi) Responsibility of the information and estimations performed:



The information of the Financial Statements is responsibility of the Fund Management. For their preparation, some estimations have been made to quantify diverse assets, liabilities, income, expenditures and commitments appearing registered thereon, based on the experience and other relevant factors. The final results may not be equal to such estimations.

Such estimations are verified and analyzed on a continuous basis. Changes in accounting estimates shall be recognized prospectively by including them in profit or loss in the period of such analysis.

The sources of estimation uncertainty considered more important for the elaboration of the financial statements of the Funds are referred to:

- Available-for-sale investments and at maturity
- Provision for accounts receivable
- Other Assets
- Provision for sundry goods
- Useful life assigned to Property, Machinery and Equipment
- Register of contingent liabilities
- Deferred income tax
- Derivative financial instruments

Year 2014 changed the methodology to estimate the provisions for Accounts Receivable from the COFIDE Trust, by identifying two components:

- First Component: IFI Risk Provision.- This is the provision for direct risk with Financial Institutions (IFI) distinguishing those amounts lacking of pledged collaterals from those having pledged collaterals in such a form of applying Table 1 or Table 2, according to SBS Resolution N° N° 11356-2008.
- Second Component: Credit Risk Coverage (CRC) Provision.- This provision is for assuming a commitment in relation to the Credit Risk Coverage agreement for credits with collateral mortgage.

On the other side, the Fund has considered pledging voluntary provisions as at 12.31.2014 for a total of S/. 16'676 thousand, pursuant to the Board Committee Agreement N°03-27D-2014 dated 11.24.14. In this way, possible variations in the change of classification of some monitored IFI are protected.

(b) Transactions in foreign currency

In accordance with SBS regulations, the Fund's functional and presentation currency is the Nuevo Sol. Assets and liabilities in U.S. Dollars and Swiss francs are recorded at the transaction date exchange rate. Monetary assets and liabilities denominated in U.S. Dollars and Swiss Francs are converted to Nuevos Soles at the month-end exchange rate set by the SBS (note 4). Gains or losses from restatement of monetary assets and liabilities denominated in U.S. Dollars and Swiss Francs at the exchange rates prevailing at the financial position reporting date are recorded in the statements of income.

Non-monetary assets and liabilities acquired in U.S. Dollars are recorded in Nuevos Soles at the exchange rate at the date of its acquisition.



(c) Financial instruments

Financial instruments are classified as assets, liabilities or equity according to the substance of the contractual agreement that originated them. Interests, dividends, gains and losses generated by financial instruments classified as assets or liabilities are recorded as income or expense. Financial instruments are offset when the Fund has a legal right to offset them and

Management has the intention to settle them on a net basis or to realize the asset and settle the liability simultaneously. Refer to note 8(b) related to criteria for accounting records of accounts receivable from the CRC-PBP trusts.

The financial assets and liabilities presented in the statement of financial position comprise cash and due from banks, accounts receivable, other receivables, investments, obligations with the public, other payables and other liabilities in general. Additionally, all derivatives are considered financial instruments.

As of March 31, 2015 and December 31, 2014, the Fund classified financial assets and liabilities in the following:

<u>As of March 31, 2015</u>	<u>Loans and items receivable</u>	<u>In thousands of Available for sale at reasonable value</u>	<u>Held to maturity</u>	<u>Hedging derivatives</u>
Financial Assets:				
Available	1,370,896			
Available-for-sale investments				
Debt instruments		361.924		
Held- to- maturity investments			2.161	
Accounts receivable (Trust Agreement - COFIDE)	5,397,774			
Accounts receivable from hedging derivatives				185.014
Other accounts receivable	3,351			
Other receivables CRC-PBP Trust	10,124	59,011	6,173	
	-----	-----	-----	-----
	6,782,145	420,935	8,334	185,014
	=====	=====	=====	=====
		<u>At amortized cost</u>		<u>Hedging derivatives</u>
Financial Liabilities:				
Deposits and obligations -		425		
Debts and financial obligations		3,581,429		
Accounts payable on hedging derivatives -			24.282	
Other accounts payable		555.809		
		-----	-----	
		4,137,663	24,282	
		=====	=====	
<u>As of December 31, 2014</u>	<u>Loans and items receivable</u>	<u>In thousands of Available for sale at reasonable value</u>	<u>Held to maturity</u>	<u>Hedging derivatives</u>
Financial Assets:				
Available	1,495,316			
Available-for-sale investments				
Debt instruments		334.367		
Held- to- maturity investments			2,071	
Accounts receivable (Trust Agreement - COFIDE)	5,232,527			



Accounts receivable from hedging derivatives				98,007
Other accounts receivable	507,174			
Other receivables CRC-PBP Trust	7,764	59,238	6,250	
	<u>7,242,781</u>	<u>393,605</u>	<u>8,321</u>	<u>98.007</u>
	=====	=====	=====	=====

	<u>At amortized cost</u>	<u>Hedging derivatives</u>
Financial Liabilities:		
Deposits and obligations -	175	
Debts and financial obligations	3,953,060	
Accounts payable on hedging derivatives -		23.328
Other accounts payable	558.650	
	<u>4,511,885</u>	<u>23.328</u>
	=====	=====

Accounting policies related to recognition and valuation of these financial instruments are described below in this note.

(d) Recognition of revenues and expenses

(d.1) Interest income and expenses

Interest income and interest expenses are recognized in profit or loss in the period they accrue, depending on the lifetime of the operations that generate them and the interest rates established.

Interest income from accounts receivable (Trust agreement-COFIDE) is recognized in profit or loss in the period they accrue, consistent with SBS rules for the Fund, in-suspense interests income are not recognized.

Interest income in debt instruments is recognized in profit or loss in the statement of income.

Interest income and commissions for services are recognized in profit or loss of the period when earned, based on the time of operations that generated them.

Income from other receivables, banks in liquidation, past due balances, refinanced loans, in court collection, as well as loans classified as doubtful and lost, are recognized in profit or loss when effectively received.

Other income and expenses are recorded in the period they accrue.

(d.2) Bonus and Award for Good Payer

In accordance with the accounting treatment stipulated by SBS for the Fund, the Good Payer Bonus and the Good Payer Award, including applicable interest, are recognized as follows:

- (i) The Good Payer Bonus (Bono al Buen Pagador, or "BBP" for its acronym in Spanish) was created in compliance with Law No. 29033, issued on June 7,



2007, as a non-reimbursable direct assistance payable to eligible final borrowers up to a maximum of 10,00 for housing prices over 14 UIT up to 25 UIT, which is granted to borrowers who have paid on time for six consecutive monthly installments related to the non-concessional section of the MIVIVIENDA loan. Meanwhile, the Good Payer Award (PBP) was of S/. 10,000 until 04.21.2010, from 04.22.2010 is of S/. 12,500 for housing prices of 14 UIT up to 50 UIT. For housing prices from 50 to 70 UIT, the PBP is of S/. 5.000.

For this purpose, the Fund divides the total amount of Crédito MIVIVIENDA plus its interest into two schedules:

- A half-annual schedule called "concessional section" that corresponds to the PBP amount which includes the Good Payer Bonus (principal and interest); and
- A monthly schedule called "non-concessional section" that corresponds to the loan amount less the concessional section amount (capital and interests).

In these cases, the BBP is received from the Ministry of Housing, Construction and Sanitation - MVCS upon request at the request of the Fund and it is recorded for financial reporting and control as a liability in the "Good payer bonus - received" (**note 15**).

Upon being granted, the total amount disbursed on the Crédito MIVIVIENDA loan is recorded as placement in the "Accounts receivable (Trust Agreement - COFIDE)" caption and generates the 2 aforementioned schedules.

Subsequently, the Fund sends to the MVCS the list of BBP beneficiaries, reclassifying such bonus to eligible borrowers from "Good payer bonus – received" to "Good payer bonus – assigned" (note 15).

- (ii) When the Good Payer Bonus is made effective, provided the recipient has complied with the timely payment of six consecutive monthly installments, the Fund credits the accounts receivable (principal) of the concessional section and charges it to the liability on the account "Good Payer Bonus - Assigned". Interest on such amounts of the concessional section are recognized as an expense of the Fund and is presented net of the "Income from accounts receivable (Trust agreement – COFIDE)" item included in the "Interest income" caption of the statement of income.
- (iii) Through DU 002-2014 published on 07.24.2014, Article 14.2 presents the general regulatory framework for granting the Good Payer Bonus to the FMV for houses with prices over 14 UIT and less than 50 UIT, BBP is available as a non-reimbursable economic aid up to a maximum amount of S/. 12500.00. In these cases, FMV previously receives all the resources from the BBP to be allocated during year 2014 and this is recorded in the accounts payable

For such purpose, MIVIVIENDA Fund has two forms to apply the BBP.

- BBP granted as financing of the PBP for making timely payments of six installments of the schedule called non concessional section, the modality and allocation mentioned above is maintained.



- As supplement of the initial installment, BBP shall be used in addition to the contribution of the sub-borrowers to reach the minimum initial installment, and shall be applied at the time of disbursing the credit, therefore, it is not part of it.

When the Good Payer Bonus becomes effective as complement of the initial installment, the account payable is reversed.

- (iv) When the Good Payer Award is made effective (see paragraph (ii) above, for example, when the PBP is assumed directly by the Fund) provided the fulfillment of the conditions by the final beneficiary, the Fund records such amounts as expenses; by reducing the principal amount of as consequence, the accounts receivable (principal) of the installments of the concessional section are reduced and the amount is recorded in the "Interest expenses" caption, while interest, as in the previous case, is recognized as expense and presented net of the "Income from accounts receivable (Trust agreement – COFIDE)" item which is included in the "Interest income" caption of the statement of income.
- (v) Through DU 002-2014 published on 07.28.2014, Article 14.2 establishes the framework of Law 29033 for granting the Good Payer Bonus for houses with prices over 14 UIT and less than 50 UIT, BBP is available as a non-reimbursable economic aid up to a maximum amount of S/. 12 500.00 granted to the beneficiaries of the MIVIVIENDA loan. For such purpose, the Banco de la Nacion was authorized to lease Fondo MIVIVIENDA the amount of S/. 500 000 000.00 with the participation of MVCS for payment purposes, as set forth in the loan agreement.

(d.3) Commissions for CRC-PBP trusts administration services are recognized as income when received.

(e) Accounts receivable and provision for accounts receivable:

This item includes the receivable for services other than financing operations. Accounts receivable generated in favor of the trustee or originator are also included in this item.

Accounts receivable are initially recognized at fair value, which is generally equal to the cost.

Although accounts receivable held by the Fund are not direct loans, the accounting treatment applied is that stipulated by the SBS for direct loans and its provisions.

(e.1) Accounts receivable (Trust agreement - COFIDE)

Accounts receivable are recorded upon the disbursement of funds through Trust Agreement-COFIDE to the IFI that channels the Fund's resources for the credit placement of the MIVIVIENDA products.

According to the Fund's Regulation, enacted by SBS Resolution No. 980-2006 issued on August 14, 2006, the calculation of the allowance is performed based on the criteria established by the SBS in the "Regulation for the

evaluation and classification of debtor and allowance requirements”, as established in SBS Resolution No. 11356-2008.

According to the SBS Resolution No. 11356-2008, the Fund applies the following percentages to determine provisions:

<u>Risk category</u>	<u>%</u>	
	<u>Table 1</u>	<u>Table 2</u>
Normal	0.70	0.70
With potential problem (CPP)	5.00	2.50
Deficient	25.00	12.50
Doubtful	60.00	30.00
Losses	100.00	60.00

To determine IFI’s risk classification, the Fund has established among its internal standards a provision chart based on the risk category assigned by the SBS, as follows:

Provisions for accounts receivables are presented net of balance for the same in the asset.

(e.2) Accounts receivable related to CRC-PBP Trusts

Includes the assets of the CRC-PBP trusts, which correspond to assets (due from banks, investments and accrued yields) and liabilities of the Fund, but according to SBS regulation (SBS Resolution No. 980-2006, the Fondo MIVIVIENDA S.A. Regulation), they must be presented as a net balance in the “Other accounts receivable, net” caption in the statement of financial position, since the Fund legally acts simultaneously as trustee and trust beneficiary. The assets and liabilities included in such trusts are valued according to the criteria used by the Fund for similar items, as described in this note.

Likewise, the surplus (deficits) generated by such trusts is recorded as “Interest Income (expenses)” in the statement of income.

The CRC-PBP trusts were established in 2007 to ensure the availability of resources to meet the Fund’s obligations relating to CRC and PBP service contract, signed with certain IFI’s; and to manage trust resources efficiently.

(e.3) Other accounts receivable, net

Includes accounts receivable from time deposits, certificates of deposits among others that the Fund holds in banks that are in liquidation, and other accounts receivable from

third parties that, since they are under litigation or judicial proceeding, do not accrue interest. Any recovery is recorded on a cash basis.

To determine provision for other doubtful accounts receivable, the Fund assigns a risk classification in accordance with SBS Resolution No. 11356-2008.

The provision for other doubtful accounts receivable is performed based on the review the Fund’s Management regularly conducts to classify it into the categories of “normal”, “with potential problem”, “substandard” “doubtful” or “loss”,



depending on the degree of each borrower's risk to fail to pay. Collateral received is considered by the Fund only to the extent it is registered in the Public Registry without observations or annotations.

Provision for borrowers classified as doubtful or loss by more than 36 and 24 months, respectively, are determined without considering the value of the collaterals.

(f) Derivative financial instruments

Derivative financial instruments are classified according to the intention of the company for trading or hedging purposes, are initially recognized in the statement of financial situation of the Fund at cost on the date of the transaction and, subsequently, are carried at fair value. Derivatives are registered as an asset when the fair value is positive and as a liability when the fair value is negative. The (nominal) notional amount of the operation is recorded in memorandum accounts at the notional amount of the involved currency.

Fair values are estimated based on prevailing market exchange and interest rates. Gains and losses arising from changes in the fair value of derivatives are recorded in profit or loss for the period.

As of March 2015 and December 2014, the Fund holds foreign exchange swaps to hedge cash flows in foreign currency. When valued, the agreements in effect are included in the equity until the agreement is settled. At this time, the unrealized result is transferred to the profit and loss statement.

Meanwhile, the non-effective part is registered as a result of hedge derivatives in the profit and loss statement. Finally, as of these dates, the Fund does not hold any embedded derivatives.

As of March 31, 2015 and December 31, 2014, Management considers that the Fund holds economic hedging derivatives for administrative purposes, recognizing gains and losses arising from their measurement at fair value in profit or loss for the fiscal year. Likewise, as of these dates, the Fund does not hold any embedded derivatives.

(g) Investments

As of March 31, 2015 and December 31, 2014, investments are valued in accordance with SBS Resolution No. 7033-2012.

Classification

(g.1) Available-for-sale investments

Designated as such because they are held for an indefinite period and may be sold for purposes of liquidity or changes in interest rates, exchange rates or cost of capital; or are not qualified to be classified at fair value through profit and loss or held-to-maturity.

The estimated value of available-for-sale investments is determined primarily on the basis of open market quotations or, lacking these, based on discounted cash flows using market rates that reflect the credit quality and maturity of the investment.

(g.2) Held-to-maturity investments



Investment instruments classified in this category, must meet the following requirements:

- Acquired or reclassified for the purpose of holding them until their maturity date; except for the cases when sale, assignment or reclassification are allowed by the SBS.
- The companies must have the financial capacity and the intention to hold investment instruments until their maturity.
- Investment must have risk classifications as required by the SBS.
- In order to classify investments in this category, the companies shall assess whether they have the financial capacity to maintain such investment instruments until their maturity whenever they decide to classify the instrument and at the closing of each annual fiscal year.

Recording date of the transaction

Transactions related to available-for-sale and held-to-maturity investments are recorded on their trading date, that is, the date at which the reciprocal obligations must be fulfilled within the term established by regulations and practices in the market in which the operation takes place.

Initial recognition

The initial recognition of available-for-sale and held-to-maturity investments are carried at fair value plus transaction costs that are directly attributable to the acquisition of such investments.

Amortized cost

Any premium or discount related to these investments is considered in determining the amortized cost using the effective interest rate method, recognizing the accrued interest in the "Interest on available-for-sale and held-to-maturity investments" item within the "Interest income" caption of the statement of income.

Valuation

(g.1) Available-for-sale investments

These investments are recorded at fair value and unrealized gains and losses generated by them are recognized in net equity.

When the instrument is sold or gains or losses previously recognized as part of the net equity are realized, such gains or losses are recognized in profit or loss for the fiscal year. On the other hand, when Fund's Management believes that the decline in market value is permanent or is caused by credit impairment, it takes the respective provisions and transfers the estimated loss from equity to profit or loss for the fiscal year.

In any of the aforementioned cases, if the SBS considers necessary to provide some additional provision for any type of investment, such provision will be determined by the SBS based on each individual asset and then communicated to the Fund, for its recognition in profit or loss for the fiscal year.

(g.2) Held-to-maturity investments

These investments are recorded at amortized cost using the effective interest rate method.



Impairments are recorded individually for negative changes in the credit capacity of the issuer, analogous to the treatment of direct loans, directly affecting profit or loss for the period.

When these investments are sold without complying with the requirements of SBS regulation and similar financial instruments are again acquired from the same issuer, they may not be recorded in this category without SBS express authorization.

Impairment assessment

SBS Resolution No. 7033-2012 provides a standard methodology for the identification of impairment of financial instruments classified as available-for-sale and held-to-maturity investments. This analysis methodology includes two filters, as described below:

First filter:

The following conditions are assessed for all representative debt and principal portfolios on a quarterly basis:

- a) Significant decrease in fair value - In the event that the fair value at the date of the financial statements decreases below 50% of the acquisition value.
- b) Prolonged decrease in fair value – In the event that monthly average fair value decreases for 12 consecutive months and the aggregate decline in fair value in the period is at least 20%.

This analysis is performed in the original currency of the instrument, in order to isolate the variation in the exchange rate.

Second filter:

With respect of instruments that passed the first filter, the following circumstances relating to qualitative aspects of the issuer are assessed:

- Impairment of financial ratios or financial position of the issuer and its business group.
- Adverse conditions of investment and the issuer.
- Downgrade in risk rating due to factors other than those mentioned above.
- Interruption in the payment of interest or principal due to financial distress of the issuer.
- Disruption of a transaction or of an active market due to financial distress of the issuer.
- Forced renegotiation of the contractual terms of the instrument by legal or economic factors related to the issuer.
- Evidence that the issuer will be subject to a forced restructuring or bankruptcy procedure.
- Decline in value due to policy changes (tax, regulatory or other governmental regulations).
- The Fund does not have the intention and ability to hold the under performing investment until its value is recovered. For that, it is necessary to make a projection of the estimated time for the recovery of value and an analysis of the evidence supporting, based on historical information and the financial position of the company, if there is the intent and ability to hold the investment throughout such period.



According to such resolution, if at least two of the factors mentioned above exist, there is value impairment. Once a loss due to value impairment is recognized, subsequent evaluations are made on the book value of the instruments, net of losses due to value impairment previously recognized.

(h) Property, Plant and Equipment

One element of the "Property, Plant, and Equipment" item that was initially booked as an asset did meet the general recognition criteria set forth in IAS 16: Property, Plant, and Equipment.

- a) Its acquisition price, including the import duties and unrecoverable indirect taxes levied on the procurement, if any, after subtracting any deduction to or reduction in the price;
- b) All costs directly related to the location of the asset at the place and in the conditions necessary so that it can operate in the form planned by the management; and
- c) The initial estimate of the costs for disassembly or removal of the element, as well as the remediation of the place on which it rests, when these are obligations incurred in by the Fund as a consequence of the use of the element during a given period.

Fondo MIVIVIENDA S.A. applied the cost model as the sole model for booking at a later date. In application of this model, the elements that make up the "Property, Plant, and Equipment" item must be measured at their purchase cost less cumulative depreciation and deterioration of value.

The Fund booked and depreciated the fixed asset by element throughout its useful life, using the straight-line method.

Assets in disuse are also booked to the accounts of this item, and continue to depreciate until they are disposed of.

There are fixed assets destined for sale, which have been previously reclassified to Account 1603 "Non-Current Assets Held for Sale" at their net value.

For the appropriate presentation in the Statement of Financial Position, the Fund will present the balance of this item subtracted from Account 1809 (Cumulative Depreciation and Deterioration of Property, Plant, and Equipment).

The depreciation is calculated using the straight-line method, based on the following estimated useful lives:

	03.31.2015	As at 12.31.2014
Premises	10	10
Buildings	25	25
Various equipment	10	10
Computer equipment	4	4
Furniture and chattels	10	10
Vehicles	5	5

Maintenance and repair costs are charged to profit or loss; all renewals and improvements are capitalized only when expenditures improve the condition of the



asset and increase its useful life beyond the time originally estimated. The cost and related accumulated depreciation of assets sold or retired are eliminated from the respective accounts and the gain or loss generated is recognized in profit or loss for the fiscal year.

As from taxable year 2015, buildings and constructions may be depreciated for purposes of the Income Tax, by applying an annual depreciation percentage of twenty percent (20%) up to their total depreciation, provided that the goods are destined exclusively to the corporate development and comply with the following conditions:

- a) The construction would have started from January 1, 2014. It is understood that the construction starts at the time in which a building license or another document required in the Regulations is obtained. To determine the start of the construction, neither the building license or nor any other document issued as a consequence of the procedure to regularize constructions will be considered.
- b) In case until December 31, 2016, the construction had at least eighty percent work progress of (80%). In the case of constructions that have not been completed until December 31, 2016, it is presumed that the work progress at such date is lower than 80 percent (80%), unless otherwise evidenced by the taxpayer. It is understood that the construction has been completed when the corresponding municipal office has issued the work completion certificate or another document established in the Regulations. The Regulation states (Income Tax Law) that the above information may be applied by the taxpayers that during years 2014, 2015 and 2016 purchase property and goods that comply with the conditions stated in paragraphs a) and b). It is not applicable when the goods have been built totally or partially before January 1, 2014.

(i) Assets received as payment.

The assets received as payment, repossessed and recovered are initially booked at the lower of the value determined by the court, out of court, market value or unpaid debt value, whichever is the lowest; recognizing in turn a provision equivalent to 20 percent of the value upon repossession or recovery of the asset, being able to keep to such purpose the provision that was recorded by the related credit.

Additional provisions are recorded based on the following criteria:

- Personal property- a uniform monthly provision shall be recorded as from the first month of repossession or recovery, for a period of twelve months until completing one hundred percent of the net value upon repossession or recovery.
- Real Estate– Uniform monthly provisions shall be recorded based on the net book value as from the twelfth month. In addition, SBS Resolution N° 1535-2005 allows the granting of an extension of six months, in which case, uniform monthly provisions shall be recorded on the net book value as from the eighteenth month. In both cases, provisions shall be recorded until completing one hundred percent of the net book value over a term of three and half years, counted as from the date on which monthly provisions started to be recorded.

Impairment is recognized when these assets suffer a decline in fair value (when the net realizable value is lower than the net carrying value), therefore, the carrying value shall be reduced and the loss shall be recognized in the statement of income. In cases where



the net realizable value is higher than the net carrying amount, the higher value shall not be recognized in the books.

The annual update of these assets' valuations, determined by an independent appraiser, involves, if necessary, the constitution of an impairment provision.

Assets held by the Fund are registered as Sundry Assets as they are derived from accounts receivable before becoming a corporation.

(j) Available-for-sale non current assets

This account records non current assets held-for-sale, after being reclassified from fixed assets to their net amount.

The subsequent measurement shall follow the guidelines of IFRS 5, and the valuation adjustments shall be registered in the sub-account 4304.03 called "Provision for Non-current assets held for sale" credited to sub-account 1609.03.

Gains or losses from the sale of non-current assets held for sale are registered in the accounts 5604 and 4604 respectively, when they are realized.

(k) Intangibles

Intangible assets, included in the "Other assets" caption on the statement of financial position, comprise development and licensing of computer software used in the Fund's operations. Software licenses purchased by the Fund are capitalized on the basis of costs incurred to acquire and bring to use the specific program. These intangible assets are amortized on a straight-line basis for a maximum of 4 years.

The amortization method are reviewed periodically to ensure they are consistent with the expected pattern of economic benefits of the intangible assets items.

As of March 31, 2015 and December 31, 2014, the Fund does not hold any intangible assets with indefinite useful lives.

In accordance with the amendment to the IGV Law by Law 30264 in year 2014, the definition of "Import of Intangible Assets", includes the purchase for valuable consideration of intangible assets from an individual domiciled abroad by an individual domiciled in the country, provided that they are used or consumed in the country. The origin of the IGV tax liability for the import of intangible goods is the date of payment, whether total or partial; or when the payment receipt is recorded in the Purchase Registry, whichever occurs first.

(l) Impairment of long-lived assets

When events or economic changes indicate that the value of a long-lived asset may not be recoverable, Fund's management reviews the value of its property, furniture and equipment and intangible assets to verify there is no permanent impairment in value. When the book value of the asset exceeds its recoverable amount, an impairment loss is recognized in the statement of comprehensive income for the items of property, furniture and equipment and intangible assets held at cost. The recoverable amount is the higher of an asset's net selling price and its value in use. The net selling price is the amount obtained for an asset's market value, while the value in use is the present value of net future cash expected to be derived from using an asset and its disposal at the end of its useful life.



In Management's opinion, there is no evidence of impairment in the value of such assets as of March 31, 2015 and December 31, 2014.

(m) Tax assets and liabilities

Current Income Tax -

Current income tax is determined based on the taxable income recorded for tax purposes.

For purposes of presentation in the Statement of Financial Position as of March 31, 2015, its payable balance is shown net of payments on account of the income tax, and considering that these payments on account resulted above the tax payable, the Current Tax item is presented in the Assets.

Deferred income tax

The accounting record of the deferred income tax reflects the effects of timing differences between the balances of assets and liabilities for accounting purposes and those determined for tax purposes using the Balance Sheet Method. Deferred assets and liabilities are measured using the tax rates expected to be applied to taxable income in the year in which these differences are recovered or eliminated. The measurement of deferred assets and liabilities reflects the tax consequences derived from the form in which the Fund expects to recover or settle the value of assets and liabilities as at the date of the Statement of Financial Position.

Deferred assets and liabilities are recognized without considering the time in which it is estimated that the temporary differences will be canceled. Deferred assets are recognized when there may exist sufficient future tax benefits to apply the deferred asset.

As at the date of the Statement of Financial Position, the Fund Management has applied temporary differences of its assets and liabilities, according to the pronouncement of the SBS issued through a Multiple Letter N° 1205-2015-SBS dated January 14, 2015, where there is a pronouncement on IAS 12.

(n) Employee benefits

The employee benefits include all contributions paid by the Fund in exchange for workers' services.

(n.1) Employees' profit sharing

Both active and inactive employees who have provided services to the Fund in the corresponding period, receive profit sharing, whereby the Fund recognizes a liability and an expense of personnel, determined in accordance with current tax legislation.

SBS Official Letter No. 4049-2011, dated January 21, 2011, established a change in treatment of employees' profit sharing plans indicating that this should be recorded according to International Accounting Standard 19 "Employee Benefits". Consequently, this profit sharing is recognized as personnel expense and liability related with benefits to employees and does not recognize deferred assets or liabilities as a result of temporary differences between financial and tax bases.



(n.2) Vacation and other employee benefits

Annual vacation, compensated absences, family allowance and other employee benefits are recorded on an accrual basis.

(n.3) Severance payment

The provision for severance payment (CTS, for its acronyms in Spanish) is calculated according to current legislation, on the employees' total remuneration and must be paid through deposits to authorized financial entities chosen by them. Calculation is made for the amount that to be paid as of the date of the statement of financial position and is included in the provision for fringe benefits.

(o) Provisions, contingent liabilities and contingent assets

Provisions are recognized when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each date 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 material, the amount of the provision is equal to the present value of the expenditure expected to settle the obligation.

Contingent liabilities are not recognized in financial statements. They are disclosed in notes of the financial statements, unless the probability of an economic flow being disbursed is probable.

Contingent assets are not recognized in financial statements, but should be disclosed when the contingency degree is possible.

(p) Deferred income –

The deferred income mainly arises from the difference between book value and market value of financial instruments that the Fund transferred to CRC-PBP trusts in Nuevos Soles and U.S. Dollars at the time of transfer (2007).

In accordance with SBS Resolution No. 0084-2000, and the standards for the Accounting Treatment of the Trust and the Commissions of Trust, if the trustee's rights under the trust are greater than the assets transferred to the trust, a deferred gain shall be recognized, which shall be accrued according to the amortization, realization and/or expiration of those rights.

(q) Trust Activities

Assets, liabilities, income and expenditures of equities managed by the Fund in its capacity as trustee from trust activities in which there is a commitment to return such assets to the beneficiaries of the trust have been excluded from the financial statements. Such assets are controlled in the financial statements separately and are presented in the memorandum accounts.

(r) Other comprehensive income

Unrealized loss of the year on available-for-sale investments, net of the amount of deferred tax gains is presented as part of other comprehensive income.

As of March 31, 2015 and December 31, 2014, non-realizable earnings of the effective part of the valuation of contracted SWAP and Forward of the cash flow rate have also been presented, where only ineffective part of the earnings is affected, and the



valuation amount which corresponds to the exchange difference to the extent the exchange difference of the item covered is affected. These balances are presented net of the related deferred income tax amount

(t) Statement of Cash Flows–

Cash presented in the statements of cash flows includes cash and due from banks balance with original maturities of 91 days or less.

4. Balances in foreign currency

The statement of financial position includes balances of transactions in foreign currency, mainly in U.S. Dollars (US\$), which are recorded in nuevos soles (S/.) at the exchange rate established by the SBS. As of March 31, 2015 and December 31, 2014, these rates were US\$ 1= 3.906 and S/. 2,986 thousand, respectively.

In addition, we hold positions in Swiss Francs (CHF), which are registered at the exchange rate in Nuevos Soles (S/.) established by the SBS. As of March 31, 2015 and December 31, 2014, these rates were US\$ 1= 3.18512 and S/. 3.003722, respectively.

Foreign currency transactions in the country and international trade transaction, referring to the concepts approved by the Banco Central de Reserva del Perú, are channeled through the Free Banking Market.

The buying and selling exchange rate used were:

In US Dollars:

	Buying	Selling
As at 3/31/2015	3,094	3,097
As at 12/31/2014	2,981	2,989

In Swiss Francs:

	Buying	Selling
As at 3/31/2015	3,018	3,350
As at 12/31/2014	2,880	3,172

As of March 31, 2015 and December 31, 2014, U.S. Dollars balances, equivalent to thousands of US Dollars, are summarized as follows:

	<u>In thousands of US\$</u>	
	<u>03.31.2015</u>	<u>12.31.2014</u>
Asset:		
Available	369.531	425.961
Investments	89,848	82,617
Accounts receivable, net (Trust agreement – COFIDE)	116,947	122,275
Other accounts receivable, net	412	22
Other assets, net	35	38
	-----	-----
	576,773	630,913
	-----	-----

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Liability:		
Debts and financial obligations	(800,072)	(801,754)
Hedging Derivatives	(1,178)	(2,497)
Other accounts payable	(521)	(1,137)
Other liabilities	(331)	(335)
	-----	-----
	(802,102)	(805,723)
	-----	-----
	(225,329)	(174,810)
Derivative financial instruments	373,552	332,319
	-----	-----
(Liability) asset position, net	148.223	157.509
	=====	=====



As of March 31, 2015 and December 31, 2014, Swiss Franc balances, equivalent to thousands of Swiss Franc, are summarized as follows:

	In thousands of CHF	
	<u>03.31.2015</u>	<u>12.31.2014</u>
Asset:		0
Liability:		
Debts and financial obligations	(251,494)	(250,647)
	(251,494)	(250,647)
Derivative financial instruments	249,000	228,890
(Liability) asset position, net	(2,494)	(21,757)
	=====	=====

In the period accumulated from January 01 to December 31, 2014, the Fund recorded a loss on exchange difference amounting to S/. 67,066 thousands; while the accumulated period from January 01 to December 31, 2014, the Fund recorded a loss on exchange difference amounting to S/. 948 thousand, which are presented in the item "Profit-Loss in exchange difference" of the income statement in the corresponding periods.

Likewise, in the accumulated period from January 01 to March 31, 2015, the Fund recorded a loss on derivative financial instruments transactions of 56,266; meanwhile in the accumulated period from January 01 to December 31, 2014, the Fund recorded a loss on derivative financial instruments transactions of 7,716 thousand (loss on hedge transactions of S/. 4,220 thousand and a loss on transaction operations for thousands of S/. 2,259)

5. Available

Below we may find the available composition detail as of March 31, 2015 and December 31, 2014:

	In thousands of	
	<u>03.31.2015</u>	<u>12.31.2014</u>
Banco Central de Reserva del Perú (a)	278	460
Checking and savings accounts (b)	1,344,322	1,279,163
Term deposits (c)	0	189,891
Other cash and due from banks	418	226
Cash and cash equivalents	<u>1,345,018</u>	<u>1,469,741</u>
Plus:		
Term deposits over 90 days (c)	<u>25,878</u>	<u>25,576</u>
Total Available	<u><u>1,370,896</u></u>	<u><u>1,495,317</u></u>

- a) Funds denominated in nuevos soles and U.S. Dollars held in Banco Central de Reserva del Perú (BCRP) are mainly used in transactions entered into by the Fund with COFIDE, under the Trust Agreement.



- b) Correspond to deposits in nuevos soles and U.S. Dollars in banks and other financial system companies in Peru; they have free withdrawal option and accrue interest at market interest rates.
- c) Correspond to term deposits in local currency at banks and other companies of the financial system of the country. As of 03.31.2015, the FMV holds deposits with maturities over 90 days for term deposits in Soles generating an interest rate at an annual effective rate of 4.8% in Local currency for 25.878 thousands. As of December 31, 2014, these term deposits amount to S/. 25,576 thousands and US\$ 63,594 thousands (equivalent to 189,891 thousands), respectively.

6. - Available-for-sale investments and at maturity, net

- (a) The composition of this item is shown below:

March 2015				
	In thousands of S/.			
	Amortized cost S/. (000)	Unrealized Gains S/. (000)	Losses S/. (000)	Book value (*) S/. (000)
Available-for-sale investments:				
Sovereign bonds of the Republic of Peru (a)	81,617	0	(9,214)	72,403
Corporate bonds (c)	262,089	7,981	(729)	269,341
Negotiable certificates of deposits (d)	12,606	8	0	12,614
Short-term instrument (e)	3,322	0	(2)	3,320
	<u>359,634</u>	<u>7,989</u>	<u>(9,945)</u>	<u>357,678</u>
Plus:				
Accrued interest of available-for-sale investments				4,246
Available-for-sale investments			Subtotal	<u>361,924</u>
Held-to-maturity investments				
Short-term instrument (f)	2,142			2,142
	<u>2,142</u>	<u>0</u>	<u>0</u>	<u>2,142</u>
Plus:				
Accrued interest of held-to-maturity investments				19
Held-to-maturity investments			Subtotal	<u>2,161</u>
Total				<u>364,085</u>

December 2014

	Amortized cost S/. (000)	Unrealized Gains S/. (000)	Losses S/. (000)	Book value (*) S/. (000)
Available-for-sale investments:				

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Sovereign bonds of the Republic of Peru (a)	84,897	0	(9,731)	75,166
Corporate bonds (c)	239,033	4,453	(1,696)	241,790
Negotiable certificates of deposits (d)	12,874		(262)	12,612
Short-term instrument (e)	967	0	0	967
	<u>337,771</u>	<u>4,453</u>	<u>(11,689)</u>	<u>330,535</u>
Plus:				
Accrued interest of available-for-sale investments				3,832
Available-for-sale investments			Subtotal	<u>334,367</u>
Held-to-maturity investments				
Short-term instrument (f)	2,067			2,067
	<u>2,067</u>	<u>0</u>	<u>0</u>	<u>2,067</u>
Plus:				
Accrued interest of held-to-maturity investments				4
Held-to-maturity investments			Subtotal	<u>2,071</u>
Total				<u>336,438</u>

(*) The book value corresponds to fair value of available-for-sale investments and amortized cost of held-to-maturity investments, according to the provisions of IAS 39.

- (a) The denomination of sovereign bonds issued by the Republic of Peru classified as available-for-sale is in Nuevos Soles; their balance as at March 31, 2015 is the one comprised of bonds with maturity in August 2020 and February 2042) bonds with maturity between August 2020 and February 2042 at December 31, 2013) and accrue an annual interest rate between 5.20 and 8.20 percent (between 5.20% and 8.20% as of December 31, 2014).
- (b) As of March 31, 2015, the balance corresponds to twelve bonds classified as available-for-sale: i) three financial lease bonds denominated in U.S. Dollars with AA classification issued by the Banco Financiero del Peru and two AA-issued by Leasing Total S.A. with fair values amounting to S/. 28'787, S/. 3'629 and S/.11'966, thousand nuevos soles, respectively that mature between August 2016 and May 2018 (between August 2016 and May 2018 as of December 31, 2014) and accrue an interest rate between 4.8487, 5.0 and 6.0625 percent per year (between 4.8437% and 6.0625% as of December 31, 2014) respectively; ii) two corporate bonds from financial entities purchased in 2015 in US Dollars with BBB+ y BBB risk classification- issued by BBVA Banco Continental and Banco Davivienda with fair values amounting to S/. 3'338, and 12'336 thousand nuevos soles; they are due in January 2017 and January 2018) and accrue an interest rate of 5.75 and 311 percent per year respectively; iii) one subordinated bond in US Dollars with AA+ risk classification issued by BBVA Banco Continental with fair value of S/. 34'368 thousand nuevos soles, due in October 2028 (October 2028 as of December 31, 2014) and accrue an interest rate of 6.53125 percent per year (6.53125% as of December 31, 2014) iv) three ordinary bonds in US Dollars with BBB, BBB- and BB+ risk classification issued by public Companies of Medellín, Consorcio Transmantaro S.A. and Cementos Pacasmayo S.A.A., with fair values amounting to S/.14'704, S/. 34'886 and S/. 23'990 thousand, respectively, due



between July 2019 and May 2023 (between July 2019 and May 2023 as of December 31, 2014) and accrue an interest rate of 3.34272, 4.50034 and 4.625025 percent per year, (between 3.34272% and 4.625025% as of December 31, 2014) respectively; and v) three securitization bonds in US Dollars of AAA classification issued by Hunt Oil Company of Perú and AA+ classification of Abengoa Transmisión Norte S.A. with fair value of S/. 31'444, S/. 23'430 and S/. 49'792 thousand respectively due between June 2018 and September 2028 (between June 2018 and September 2028 as of December 31, 2014) and accruing an interest rate of 4.4375, 4.1875 and 6.15625 percent per year (between 4.4375% and 6.15625% as of December 31, 2014) respectively.

- (c) As of March 31, 2015 the balance corresponds to a certificate of deposit classified as available for sale in Nuevos Soles with CP-1- risk classification issued by Banco Ripley S.A. with fair value amounting to S/. 13'028 thousand nuevos soles, due in July 2015 (in July 2015 as of December 31, 2014) and accrues an interest rate of 4.6094 percent annually (4.6094% as of December 31, 2014).
- (d) As of March 31, 2015 the balance corresponds to a short-term instrument classified as available for sale in US Dollars with CP-2+ risk classification issued by Andino Investment holding S.A. with fair value amounting to S/. 3'336 thousand nuevos soles, due in January 23, 2016 (in January 2015 as of December 31, 2014) and accrues an interest rate of 2.75 percent annually (2.75% as of December 31, 2014).
- (e) As of March 31, 2015 the balance corresponds to a short-term instrument with held-to-maturity classification in US Dollars with CP-2+ risk classification issued by Obras de Ingenieria S.A. - Obrainsa with fair value amounting to S/. 2'161 thousand nuevos soles, due in November 29, 2015 (in November 2015 as of December 31, 2014) and accrues an interest rate of 2.71875 percent annually (2.71875% as of December 31, 2014).

The Fund has recognized as investment as at the date an interest income of S/. 3'839 thousand (S/. 4'453, to March 2014), included in the accounts "Interests on Trading, Available-for-Sale Investment" and S/.15 thousand (S/. 81, thousand in 2014) nuevos soles, included in the "Interests from financial investments upon maturity" accounts of the Income Statement.

As of March 31, 2015, such financial entities and/or local companies are comprised under the following risk classification granted by the principal risk rating agencies of the country authorized by the SBS:

Risk Classification	March	December
	2015	2014
	S/. (0.00)	S/. (0.00)
AAA	127,762	128,740
AA+	84,161	78,542
AA	28,787	27,405
AA-	15,596	16,136
BBB+	3,338	0
BBB	14,704	14,439
BBB-	47,222	32,571
BB+	23,990	22,662
CP-2+	5,497	2,071
CP-2	0	992



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CP-1-	13,028	12,880
TOTAL	364,085	336,438

The estimated fair value detail of the corporate bond as of March 31, 2015 is as follows:

Risk Classification	March 2015 S/. (0.00)	December 2014 S/. (0.00)
Hunt Oil Company of Peru L.L.C., Sucursal del Perú	54,874	51,879
ATN - Abengoa Transmisión Norte S.A.	49,792	46,839
Banco Continental S.A.	37,707	31,703
Consorcio Transmantaro S.A	34,886	32,571
Banco Financiero del Perú	28,787	27,405
Cementos Pacasmayo S.A.A	23,990	22,663
Leasing Total S.A.	15,596	16,136
Empresas públicas de Medellín	14,704	14,439
Banco DAVIVIENDA S.A.	12,336	0
Total	272,672	243,635

- (g) The balance of available-for-sale and held-to-maturity investments as of March 31, 2015 is shown below:

	In thousands of S/.	
	2014	2013
Up to 1 year	18,525	15,943
1 - 5 years	129,636	109,859
5 - 10 years	96,271	99,256
From 10 to 30 years	119,653	111,380
Total	364,085	336,438

- (h) As of March 31, 2015, the Fund Management has estimated the market value of available-for-sale investments based on available market prices or, in their absence, discounting expected cash flows at an interest rate reflecting the risk rating of the security.

The Fund Management has determined that unrealized losses as of March 31, 2015 are not the result of credit impairment of the issuers but they are mainly due to variations in the free risk rates that were incorporated to its valuations. Consequently, there is no impairment of available-for-sale investments in accordance with the accounting standards which must be registered on the date of each balance sheet.

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7. Financial Derivatives

- (a) The following table shows the fair value of the financial instruments, recorded as assets or liabilities, along with their notional amounts (nominal). The notional amount is the face amount of the derivative underlying asset and is the basis on which changes in the value of derivatives are measured. The Fund has future sale/purchase commitments of US Dollars and Swiss Franc ("forwards") as well as Swaps for cash flow hedge which fair value has generated accounts receivable and payable, as indicated below.

The notional amounts state the volume of outstanding transactions at the end of the year and are not an indicator of the market risk or of the credit risk, note 22:

Hedge Derivatives	In thousands of S/.					
	2015			2014		
	Accounts receivable S/. (000)	Fair value Accounts payable S/. (000)	Reference amount S/. (000)	Accounts receivable S/. (000)	Fair value Accounts payable S/. (000)	Reference amount S/. (000)
Hedge Derivatives - Forwards - purchase	3,604	(1,611)	249,306	2,487	(2,496)	307,747
Hedge Derivatives - Forwards - selling	154	(6,230)	433,731	131	(3,600)	541,441
	3,758	(7,841)	683,037	2,618	(6,096)	849,188
Hedge Derivatives - Swaps - purchase	181,255	(16,441)	2,134,134	95,389	(17,232)	1,913,521
	181,255	(16,441)	2,134,134	95,389	(17,232)	1,913,521
	185,013	(24,282)	2,817,171	98,007	(23,328)	2,762,709
	=====	=====	=====	=====	=====	=====

- (b) These derivative financial instruments are held for hedging purposes with regard to the exchange risk and correspond to buying forwards maturing on April and July 2015 and selling forwards maturing on April and July 2015 and to buying Swaps maturing on June 2018 and January 2023.

As of March 31, 2015, hedging derivatives generated a net gain of S/. 56'266 thousands Nuevos Soles (net loss amounting to S/. 1'431, thousand nuevos soles as of March 31, 2014), see note 21.



8. Accounts Receivable on Goods and Services Sale and Trust (Net)

The composition of this caption as of March 31, 2015 and December 31, 2014, in thousands of Nuevos Soles, is detailed as follows:

	March 2015 S/. (000)	December 2014 S/. (000)
COFIDE Trust(8a)	5,397,773	5,232,527
CRC-PBP Trust Nuevos Soles (8b)	36,011	35,259
CRC-PBP Trust U.S. Dollars (8b)	39,298	37,993
	5,473,082	5,305,779

8.a Trust agreement – COFIDE

The item is comprised as shown below:

	Mar-2015 S/. (000)	Dec-2014 S/. (000)
Nuevo crédito MIVIVIENDA	4,718,956	4,546,486
Crédito MIVIVIENDA Tradicional	388,352	394,515
Crédito MIHOGAR	131,092	133,029
Crédito Complementario Techo Propio	129,854	133,006
Crédito MIVIVIENDA Estandarizado	13,395	13,728
Crédito Mi Construcción	60,711	56,156
Crédito MICASA MAS	1,888	1,347
Crédito MITERRENO	169	20
	5,444,417	5,278,287
Plus (minus)		
Accrued interest on accounts receivable	14,949	14,842
Provision for doubtful accounts (f)	(61,593)	(60,602)
Total	5,397,773	5,232,527

- (a) As of March 31, 2015 and December 31, 2014, the number of transactions in force is 84,485 and 83,323, respectively. There is no significant credit risk concentration due to the type of credit transactions carried out by the Fund.

All these resources have been channeled through COFIDE by virtue of the legal relationship of the Trust Agreement that the Fund has with it. The Trust COFIDE receives the Fund's resources in order to channel them through intermediate financial institutions called IFI who wish to use them in lending for house purchase in accordance with the provisions of Article 12 of Supreme Decree No. 001-99-MTC.



- (b) The composition of the accounts receivable (Trust Agreement - COFIDE) based on sub-loans for which a Risk Hedging has been required is as follows.

As of 03.31.2015

Products	Credit risk with coverage S/. (000)	Credit risk without coverage S/. (000)	Total S/. (000)
Nuevo crédito MIVIVIENDA	2,994	4,715,962	4,718,956
Crédito MIVIVIENDA Tradicional	3,023	385,329	388,352
Crédito MIHOGAR	891	130,201	131,092
Programa Techo Propio	573	129,281	129,854
Crédito MIVIVIENDA Estandarizado	0	13,395	13,395
MICONSTRUCCION	0	60,711	60,711
Crédito MICASA MAS	0	1,888	1,888
Crédito MITERRENO	0	169	169
	7.482	5,436,936	5,444,417

As of 12.31.2014

Products	Credit risk with coverage S/. (000)	Credit risk without coverage S/. (000)	Total S/. (000)
Nuevo crédito MIVIVIENDA	2,442	4,544,044	4,546,486
Crédito MIVIVIENDA Tradicional	3,598	390,917	394,515
Crédito MIHOGAR	783	132,246	133,029
Programa Techo Propio	480	132,526	133,006
Crédito MIVIVIENDA Estandarizado	0	13,728	13,728
MICONSTRUCCION	0	56,156	56,156
Crédito MICASA MAS	0	1,347	1,347
Crédito MITERRENO	0	20	20
	7.303	5,270,984	5,278,287

- (c) Accounts receivable are classified by risk according to the SBS regulation in force as of 2015 and 2014. In accordance with the provisions of note 3.(c.1.1), the provision for accounts receivable is determined based on final borrowers and IFI classification. The



table below details the classification of accounts receivable according to final borrowers based on the consolidated credit report (RCC):

Risk category	As at March 31, 2015		As at December 31, 2014	
	Total S/. (000)	%	Total S/. (000)	%
Normal	5,056,471	92.9	4,957,041	93.9
Potential problem	127,769	2.4	76,305	1.5
Deficient	65,236	1.2	68,051	1.3
Doubtful	99,634	1.8	86,263	1.6
Losses	95,307	1.7	90,627	1.7
Total	5,444,417	100.0	5,278,287	100.0

- (d) The classification of accounts receivable of IFI's granting MIVIVIENDA credits is presented as follows:

Risk category	As at March 31, 2015		As at December 31, 2014	
	Total S/. (000)	%	Total S/. (000)	%
Normal	5,293,229	97.2	5,123,831	97.1
Potential problem	151,188	2.8	154,456	2.9
Total	5,444,417	100.0	5,278,287	100.0

- (e) Interest rates applied to the products account correspond to fixed rates established for promoting the granting of each type of credit:

	2015 %	2014 %
Nuevo crédito MIVIVIENDA	6.60	6.60
Crédito MIVIVIENDA tradicional (*)	7.75	7.75
Crédito MIHOGAR (*)	7.60	7.60
Crédito Complementario Techo Propio	8.00	8.00
Crédito MIVIVIENDA estandarizado (*)	6.90 and 7.30	6.90 and 7.30
Crédito MI CONSTRUCCION	8.00	8.00
Crédito MICASA MAS	6.50	6.50
Crédito MITERRENO	9.00	9.00



(*) Suspended products, in recovery only.

The interest rate for the credito MICONSTRUCTION product was modified from 9.00% to 7.50% (with Risk Coverage and without Risk Coverage, respectively) at the unique rate of 8.00% (with Risk Coverage) by means of Board of Directors' Agreement N° 06-18D-2014 dated July 18, 2014.

The interest rate for the Crédito Complementario Techo Propio product was modified from 6.00% to 8.00% by means of Board of Directors' Agreement 02-25D-2014 dated September 28, 2014.

- (f) The accounts receivable portfolio as of March 31, 2015 and December 31, 2014 classified as held-to-maturity is shown below:

	Mar-2015	Dec-2014
	S/. (000)	S/. (000)
Maturing		
Up to 1 month	25.509	24.730
1 -3 months	81.496	79.009
3 months to 1 year	246.820	239.289
1-3 years	1,080,091	1,047,133
From 3 years and over	4,010,501	3,888,125
	<u>5,444,417</u>	<u>5,278,287</u>

- (g) The provision for doubtful accounts determined according to the classification and percentages indicated in note 3 (c.1.1) is shown below:

	Mar-2015	Dec-2014
	S/. (000)	S/. (000)
Balance at beginning of fiscal year	60,602	52,845
Plus (minus)		
Provision recognized as expenditure of the period	1,759	10,505
Recoveries, note 21(a)	(898)	(25,033)
Exchange differences	130	290
Reclassification of provisions		5,319
Voluntary Provisions (i)		16,676
Balance at end of period	<u>61,593</u>	<u>60,602</u>

- (h) In December 2014, the registry of provisions calculated according to the "Calculation Methodology of Provisions" approved by Board Agreement N° 03-27D-2014 was applied.

In opinion of the Management, the provision for accounts receivable registered as at March 31, 2015 and December 31, 2014, is according to the effective SBS regulations for the Fondo MIVIVIENDA S.A.

In relation to the modification of the Provisions Methodology, we shall indicate that the Provisions Calculation as at 03.31.2015 presents two components.



First Component: IFI Risk Provision.- This is the provision for direct risk with Financial Institutions (IFI) distinguishing those amounts lacking of pledged collaterals from those having pledged collaterals in such a form of applying Table 1 or Table 2, according to SBS Resolution N° 11356-2008.

Second Component: Credit Risk Coverage (CRC) Provision.- This provision is for assuming a commitment in relation to the Credit Risk Coverage agreement for credits with collateral mortgage.

- (i) From December 2014, voluntary provisions which were approved by Board agreement N° 03-27D-2014 were recorded.

The activity of the voluntary provision is shown below:

	Mar-2015	Dec-2014
	S/. (000)	S/. (000)
Balance at beginning of fiscal year	16,676	0
Plus (minus)		
Provision recognized as expenditure of the period	346	16.676
Recoveries, note 21(a)	(346)	0
Exchange differences	0	0
Reclassification of provisions	0	0
Balance at end of period	16,676	16,676

As at 12.31.2014, voluntary provisions for a total amount of S/. 16.676 have been established by Board Agreement N° 03-27D-2014 dated 11.24.14. In this way, possible variations in the change of classification of some monitored IFI are protected.

- (j) On August 20, 2012, the Fund received a prepayment of 36 installments of the accounts receivable from a financial entity; the Fund maintained the credit risk coverage over such installments. The amount received from the bank amounted to S/. 188,037 thousand, corresponding to the fair value of the 36 installments as at August 20, 2012.

According to the provisions of the SBS, this transaction was recorded as a sale, for which purpose the Fund determined that the capital paid which decreased from the accounts receivable from this transaction amounted to S/. 179'549 thousand. The Fund decreased its accounts receivable in this amount. Therefore, the Fund recorded a gain from the sale of approximately S/. 8'488 thousand which, according to the SBS regulations, was recognized as deferred income in the item "Provisions and other liabilities" and shall be accrued in the Income Statement on a linear basis during 36 months.

In addition, according to the SBS regulations, the Fund has recorded a provision for credit risk coverage applicable to the credits related to this operation over one third of the capital pending collection.



8.b CRC-PBP Trusts

The composition of this caption as of March 31, 2015 and December 31, 2014, in thousands of Nuevos Soles, is detailed as follows:

CRC and PBP Trust	March 2015 S/. (000)	December 2014 S/. (000)
CRC PBP Trust in Soles	36,011	35,259
CRC PBP Trust in Dollars	39,298	37,993
Total CRC PBP Trust:	75,309	73,252

- As of March 31, 2015, it comprises the balances of total assets net of liabilities of management Trusts (total equity and surplus (deficit) net): CRC-PBP in Nuevos Soles for S/. 36'011 thousand and CRC-PBP in US Dollars for S/. 39'298 thousand (S/.35'259 thousand and S/.37'993 thousand, respectively, as of December 31, 2014).
- Through articles of incorporation executed in June 2007 by the Fondo MIVIVIENDA S.A. as trustee and trustor simultaneously, both Trusts were established on an administration basis aiming to assure the availability of resources for the Fund to comply with the obligations arising from CRC-PBP service agreements (credit risk coverage - CRC and payment of the Good Payer Award - PBP) executed with certain financial institutions - EF, as well as to guarantee that those resources are efficiently managed, in compliance with the provisions of the Regulations and the Manual of policies and procedures of CRC-PBP, as well as the Manual of Investment Policies and Procedures that are part of the exhibits of the articles of incorporation
- The accounting record of these trust transactions are made in accordance with Resolution SBS No. 980-2006 "Fondo MIVIVIENDA S.A. Regulation", meaning one single account of the statement of financial position (note 3(e.2)). The accounting for trusts is maintained separately for control purposes and shows the following balances as of March 31, 2015 and December 31, 2014:

CRC-PBP trust

Nuevos Soles	March 2015 S/. (000)	December 2014 S/. (000)
Statement of financial position		
Assets:		
Cash and due from banks (*)	3,716	1,969
Available-for-sale investments, representative debt instruments, net (**)	30,755	31,775
Held-to-maturity investments (**)	1,540	1,515
Total assets	36,011	35,259
Non-Current liabilities:		
Accounts payable	0	0
Total liabilities	0	0



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Equity and net surplus:		
Surplus from collections, net	2,099	2,100
Adjustments to equity	278	(493)
Retained earnings	33,633	33,652
Total equity and net surplus	36,011	35,259
Total liabilities, equity and net surplus	36,011	35,259

(*) Mainly because during 2015 a coupon collection for a total of S/. 522 thousand for available-for-sale investments and, in addition, one thousand sovereign bonds identified as mnemonic SB12AGO26 for a total of S/. 1'272, thousand nuevos soles and 2,000 sovereign bonds identified with mnemonic SB12AGO37 for a total of S/. 2'176 thousand nuevos soles, has been made, as well as the purchase of bonds from ICCGSA Inversiones, identified by mnemonic ICCIN1BC1A for a total of S/. 1.5 millions.

(**) The decrease of available-for-sale investments as of December 31, 2015 can be explained because we maintain only sovereign bonds with the denomination SB12SEP2023 and SB12AGO31 purchased in May 2013 for an amount of S/. 3'000 thousand (face value) with which we maintain sovereign bonds at a market rate of S/. 2'997 thousand (S/. 5'364 thousand as of December 2014), corporate bonds at a market value of S/. 22'251 thousand (S/. 20'804 thousand as of December 2014), securitization bonds at a market value of S/. 5'506 thousand (S/. 5'607 thousand as of December 31, 2014). The increase of held-to-maturity investments corresponds to interests accrued at that date.

	2015	2014
	Jan - Mar	Jan - Mar
	S/. (000)	S/. (000)
CRC and PBP trust		
Nuevos Soles	S/.	S/.
Statement of income		
INTEREST INCOME	535	511
Cash and due from banks	26	9
Available-for-sale investments	484	482
Held-to-maturity investments	25	20
INTEREST EXPENSES	0	0
Other financial expenses	0	0
GROSS FINANCE MARGIN	535	511
PROVISIONS FOR DIRECT LOANS		
NET FINANCE MARGIN	535	511
FINANCIAL SERVICES REVENUES	0	0
Miscellaneous revenues	0	0
FINANCIAL SERVICES EXPENSES	(55)	(50)
Trust expenses and trust commissions	(54)	(49)
Miscellaneous expenses	(1)	(1)
NET FINANCE MARGIN OF SERVICE REVENUES AND EXPENSES	480	461



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RESULTS FROM FINANCIAL TRANSACTIONS	499	0
Available-for-sale investments	(499)	0
Others	0	0
OPERATING MARGIN	(19)	461
ADMINISTRATIVE EXPENSES	0	0
Taxes and contributions	0	0
NET OPERATING MARGIN	(19)	461
OPERATING INCOME	(19)	461
OTHER REVENUES AND EXPENSES	0	0
Other revenues and expenses	0	0
INCOME FOR THE PERIOD BEFORE INCOME TAX	(19)	461
Income tax	0	0
NET INCOME FOR THE PERIOD	(19)	461
Asset		
Available (*)	6,408	5,795
Available-for-sale Investments - debt instruments, net (**)	28,255	27,463
Held-to-maturity investments (**)	4,635	4,735
Total Assets	39,298	37,993
Non-current liabilities		
Derivative financial instruments with hedging purposes, net	0	0
Total liabilities	0	0
Equity and net surplus		
Initial Equity	21,013	21,013
Collection surplus, net	7,099	7,055
Equity adjustments	(316)	(1,583)
Retained Earnings	11,502	11,508
Total equity and net surplus	39,298	37,993
Total liabilities, equity and surplus, net	39,298	37,993

- (*) Mainly because during 2015, 2,320 sovereign bonds identified as mnemonic SB12AGO26 and 3,000 sovereign bonds identified as mnemonic SB12AGO37 for a total of S/. 6'248 thousand were settled, at a coupon rate of interests of sovereign bonds for S/. 604 thousand nuevos soles, and at collection contribution of commissions net of service for a total of S/. 47 thousand net of the purchase of 4,500 sovereign bonds identified with mnemonic SB12AGO37 for a total of S/. 4'585 thousand nuevos soles and the purchase of 2,000 ordinary bonds of ICCGSA Inversiones for a total of S/. 2. MM.



- (**) The increase of available-for-sale investments can be explained by the settlement of 2,320 sovereign bonds identified as mnemonic SB12AGO26 and 3,000 sovereign bonds identified as mnemonic SB12AGO37 for a total of S/. 6'248 thousand, at a coupon rate of S/. 604 thousand nuevos soles, and the collection contribution of commissions net of service for a total of S/. 47 thousand net of the purchase of 4,500 sovereign bonds identified with mnemonic SB12AGO37 for a total of S/. 4'585 thousand nuevos soles and the purchase of 2,000 ordinary bonds of ICCGSA Inversiones for a total of S/. 2. MM.

The decrease of held-to-maturity investments is mainly explained by settling the coupon collection for S/. 238 thousand bonds CONTI4BC3A and BFAL1BC1A for S/. 71 thousand and S/. 166 thousand respectively, net of interests accrual.

	2015 Jan - Mar S/. (000)	2014 Jan - Mar S/. (000)
CRC and PBP trust		
Nuevos Soles	S/.	S/.
Statement of income		
INTEREST INCOME	458	432
Cash and due from banks	46	6
Available-for-sale investments	336	342
Held-to-maturity investments	76	84
Other financial revenues	0	0
INTEREST EXPENSES	0	0
Other financial expenses	0	0
GROSS FINANCE MARGIN	458	432
PROVISIONS FOR DIRECT LOANS		
NET FINANCE MARGIN	458	432
FINANCIAL SERVICES REVENUES	0	0
Miscellaneous revenues	0	0
FINANCIAL SERVICES EXPENSES	(60)	(52)
Trust expenses and trust commissions	(58)	(51)
Miscellaneous expenses	(2)	(1)
NET FINANCE MARGIN OF SERVICE REVENUES AND EXPENSES	398	380
RESULTS FROM FINANCIAL TRANSACTIONS	(403)	30
Available-for-sale investments	(894)	0
Income from trading transactions	0	6
Income from hedging transactions	0	(33)
Gain – loss on exchange difference	491	57
Others	0	0
OPERATING MARGIN	(5)	410
ADMINISTRATIVE EXPENSES	0	(1)
Expenses for services provided by third parties	0	0
Taxes and contributions	0	(1)
NET OPERATING MARGIN	(5)	409
OPERATING INCOME	(5)	409
OTHER REVENUES AND EXPENSES	0	0



Other revenues and expenses	0	0
INCOME FOR THE PERIOD BEFORE INCOME TAX	(5)	409
Income tax	0	0
NET INCOME FOR THE PERIOD	(5)	409

(***) Corresponds mainly to available-for-sale investments, net interest margin from the sale of 336 thousand Nuevos Soles. (Profit of S/.342, thousand as of March 31, 2014) and interest income held-to-maturity of S/. 76 thousand nuevos soles (profit of S/. 84 thousand as of December 31, 2014).

9. Other accounts receivable, net

The item is comprised as shown below:

	In thousands of	
	03.31.2015	12.31.2014
Accounts receivable from banks in liquidation (a)	102,716	102,528
Claim to MVCS - DU 002-2014	0	506,148
Accounts receivable from Ex-Coneminsa portfolio (b)	13,825	14,008
Recoveries of COFIDE to be distributed (c)	1,189	0
Various investments outstanding receivable	0	0
Other accounts receivable	2,043	782
	<u>119,773</u>	<u>623,465</u>
Less: Provision for other accounts receivable (f)		
Banks in liquidation (a)	(102,716)	(102,528)
Ex-coneminsa portfolio (b)	(12,976)	(13,086)
Other accounts receivable	(730)	(677)
	<u>(116,422)</u>	<u>(116,291)</u>
Total	<u>3,351</u>	<u>507,174</u>
(a) Corresponds to accounts receivable generated from term deposits, certificate of deposits, among others, which before being a company of the financial system supervised by the SBS (before 01.01.2006), the Fund maintained in certain financial institutions which subsequently entered in winding-up procedure.		

The detail of balances and their provision as of March 31, 2015 and December 31, 2014 is as follows:

	In thousands of	
	03.31.2015	12.31.2014
Capital		
Banco Nuevo Mundo, in liquidation (i)	56,161	56,161
Banco República, in liquidation (i)	39,975	39,984
Banco Banex, in liquidation – payment in kind	4,302	4,151
Banco República, in liquidation – payment in kind (i)	2,279	2,232
	<u>102,716</u>	<u>102,528</u>
Less: Provision for doubtful of accounts receivable		
Banco Nuevo Mundo, in liquidation (i)	(56,161)	(56,161)
Banco República, in liquidation (i)	(39,975)	(39,984)
Banco Banex, in liquidation – payment in kind	(4,302)	(4,151)



Banco República, in liquidation – payment in kind (i)	(2,279)	(2,232)
	<u>(102,716)</u>	<u>(102,528)</u>
Net	<u>0</u>	<u>0</u>

- i) The Fund has received personal and real property and collection of credits as part of payment for these debts.

100 % of the accounts receivable from banks in liquidation are recorded in provisions. The Fund recognizes in books the recoveries of these accounts receivable each time they are made. During the first quarter of 2014, the Fund received in cash from Banco Nuevo Mundo in liquidation S/. As of March 31, the Fund received from the Banco República, in liquidation, thousands of S/. 9 (thousands of S/. 790 in cash from Banco Nuevo Mundo in liquidation and thousand of S/.9 of the Banco República in liquidation during 2014).

In the Management's opinion, the provision for doubtful of accounts receivable from banks in liquidation recorded as of March 31, 2015 and December 31, 2014 covers sufficiently the related collectibility risk.

- (b) Corresponds to accounts receivable from the portfolio of mortgage loans granted by Compañía de Negociaciones Mobiliarias e Inmobiliarias S.A.- CONEMINSA, which was received by the Fund in the framework of the Payment in Kind Agreement dated December 30, 2003 for administration and recovery purposes (before being a financial entity supervised by the SBS).
- (c) As of March 31, 2015 and December 31, 2014, corresponds to the net effect of adjustments and reversals of monthly reconciliations among the balances of COFIDE, which are regularized in the following months.

The provision of other accounts receivable, determined according to the criteria indicated in note 3 (c.1.3), is shown below in thousand of Nuevos Soles:

	In thousands of S/.	
	03.31.2015	12.31.2014
	S/.	S/.
Balance at beginning of fiscal year	116,291	121,450
Plus (minus)		
Provision for the fiscal year	35	150
Penalties	0	0
Recoveries	(123)	(1,354)
Exchange differences	220	378
Balance at end of period	116,422	120,625

In Management's opinion, the provision for other doubtful accounts receivable recorded as of March 31, 2015 and December 31, 2014, are aligned with SBS standards in force as of each such date.



10. Property, furniture and equipment, net

The activity of this item as of March 31, 2015 and December 31, 2014 is as follows:

<u>12.31.2015</u>	<u>In thousands of S/.</u>			
-	<u>Balances</u>	-	<u>Disposals</u>	<u>Balances</u>
	<u>12.31.2014</u>	<u>Additions</u>	<u>& Other</u>	<u>03.31.2015</u>
			<u>adjustments</u>	
Cost:				
Land	103	-	-	103
Buildings	36	-	-	36
Premises	62			62
Furniture and chattels	616		(1)	615
Computer equipment	2.014	4		2.018
Various equipment	981	15	(14)	982
Vehicles	647			647
	-----	-----	-----	-----
	-	-	-	-
	4,459	19	(15)	4,463
	-----	-----	-----	-----
	-	=====	=====	-----
Accumulated depreciation:				
Buildings	9			9
Premises	53	1		54
Furniture and chattels	537	4	(1)	540
Computer equipment	1.759	26		1.785
Various equipment	650	20	(9)	661
Vehicles	588	25		613
	-----	-----	-----	-----
	3,596	76	(10)	3.662
	-----	=====	=====	-----
Net cost	863			801



Financial entities in Peru cannot grant as guarantee the goods that are part of their property, furniture and equipment.

In Management's opinion there is no evidence of impairment of property, furniture and equipment held by the Fund as of March 31, 2015 and December 31, 2014.

As of March 31, 2015, the Fund holds totally depreciated assets in the amount of S/. 2,628 thousand (S/. 2.288 thousand as of December 31, 2014).

The Fund holds insurance coverage over its principal assets according to the policies established by Management; in that sense, as of March 31, 2015 and December 31, 2014, the Fund has contracted an all-risk insurance policy that covers the value of property, furniture and equipment owned by the Fund. In Management's opinion, insurance policies of the Fund are consistent with the industry practice.

11 Intangibles

The item is comprised as shown below:

03.31.2015

	In thousands of S/.		
	<u>Balances</u>		<u>Balances</u>
	<u>12.31.2014</u>	<u>Additions</u>	<u>03.31.2015</u>
Cost:			
Software	2.558		2.558
Licenses	927	59	986
Software in development	613	72	(3)
	-----	-----	-----
	4,098	131	(4)
	-----	=====	=====
			-
Accumulated Amortization:			
Software	1,249	95	1.344
Licenses	826	16	842
	-----	-----	-----
	2,075	110	2,186
	-----	=====	=====
			-
Net cost	2,023		2,040



=====

=====

The intangibles item is composed of software and licenses for the use of computer equipment which total cost as of March 31, 2015 is of S/. 4'226 thousand and its accumulated amortization of approximately S/. 2'186 thousand (cost of S/.4'098 thousand and amortized amortization of approximately S/.2,075 thousand as of December 31, 2014). Such intangible assets are amortized under the straight-line method according to the estimated useful lives by the Management, note 3 (k).

12. Held-for-sale non current assets

As of March 2015, the balance of assets held-for-sale is for S/. 1 thousand, which is projected to be sold within one year.

13. Other Assets

The item is comprised as shown below:

	March 2014	December 2014
Assets awarded, net	117	178
Others (a)	2,901	669
Total	3,018	847

The "Corporate Management Plan on Information Technology and Communications" (TIC) for companies within the scope of FONAFE, was approved through Executive Resolution No. 046-2009/DE-FONAFE. This resolution defines the implementation of the Shared Service Center for Information Technology and Communications of FONAFE. As of March 31, 2015, pre-payments for this service amounts to S/. 117 thousand (S/. 348 thousand as of December 31, 2014) and it is included as Others.

14. Debts and financial obligations

The item is comprised as shown below:

	In thousands of S/.	
	3.31.2015	12.31.2014
-Debts and Obligations with domestic companies and financial institutions (a)	303,269	806,148
- Securities and bonds (b)	3,278,160	3,146,912
Total	3,581,429	3,953,060



- a) As of March 31, 2015, FMV maintains capital and derivative interests from an advance in checking account of the Banco de la Nación for an amount of S/.303,269 thousand, at an interest rate of 4.43%, as detailed below:

<u>Financial institution</u>	<u>Date</u>	<u>Annual Interest rate</u>	<u>In thousands of S/.</u>			
			<u>Capital</u>	<u>Interests</u>	<u>Cost adjustment</u>	<u>Total</u>
-	-	<u>interest</u>	-	-	<u>cost</u>	-
Advance in Banco de la Nación account	12/30/2014	4.43%	300,000	3,269	0	303,269
	4					
			300,000	3,269	0	303,269
			=====	=====	=====	=====

As of December 31, 2014, FMV maintained a capital and interests pending payment with Banco de la Nación for S/.303,269 thousand at an annual interest rate of 4.43% and 3.97%, as detailed below:

<u>Financial institution</u>	<u>Date</u>	<u>Annual Interest rate</u>	<u>In thousands of S/.</u>			
			<u>Capital</u>	<u>Interest</u>	<u>cost</u>	<u>Total</u>
-	-	<u>interest</u>	-	-	<u>cost</u>	-
Loan Banco de la Nación	9/9/2014	3.97%	500,000	6,148	0	506,148
Advance in Banco de la Nación account	12/31/2014	4.43%	300,000		0	300,000
			800,000	6,148	0	806,148
			=====	=====	=====	=====

- a) In May 2014, the Fund issued bonds in the Swiss market. The issuance corresponded to a notional amount of CHF 250,000 thousand maturing in 4 years. Bonds were placed under par at a price of 99.826% and at a coupon rate of 1.250% with payment of interest annually and amortization at maturity. Proceeds obtained were used exclusively to finance credit operations.

In March 2014, the Fund issued bonds under Rule 144 and Regulation S of the U.S. Securities Law in the international market. The issuance corresponded to a notional amount of US\$ 500,000 thousand maturing in 5 years. Bonds were placed under par at a price of 99.763% and at a coupon rate of 3.375% with payment of interest semi-annually and amortization at maturity. Proceeds obtained were used exclusively to finance credit operations.

In January 2013, the Fund issued bonds under Rule 144 and Regulation S of the U.S. Securities Law in the international market. The issuance corresponded to a notional amount of US\$ 500,000 thousand maturing in 10 years. Bonds were placed under par at a price of 99.15% and at a coupon rate of 3.50% with payment of interest semi-annually and amortization at maturity. Proceeds obtained were used exclusively to finance credit operations.



As of March 31, 2015, interest expense on outstanding securities issued by the Fund amounts to S/. 24,327 (thousands of S/.12,581 to March 2014) (note 20).

15. Other accounts payable, provisions and other liabilities

This item comprises the following:

	<u>In thousands of S/.</u>	
	<u>Mar2015</u>	<u>Dec2014</u>
Other accounts payable:		
FONAVI contributions (a)	160,343	158,671
Good payer bonus (capital) allocated to COFIDE (b)	73,470	74,942
Savings of the family group eligible for transferring technical entities (c)	12,946	13,755
Family housing bonus to be transferred to technical entities (d)	107,792	102,132
Workers' profit sharing - payable	1,671	3,794
Good payer bonus (capital) received from MVCS (e)	8	8
Good payer bonus (capital) received from MVCS according to DU N° 002-2014 (f)	193,947	197,267
Supplier payables	2,002	4,853
Resources to transfer for executed letters of guarantee	1,157	1,116
Vacation and fringe benefits liquidations	1,406	1,011
Others	1,067	1,101
	-----	-----
	555,809	558,650
	=====	=====
Provisions and other liabilities:		
Deferred income for cash flow advances (g)	943	1,650
Other deferred income	400	371
Provision for litigation, claims and other contingencies (h)	2,683	2,005
Provision for credit risk coverage on cash flow advances	0	285
Transactions in progress	8	52
	-----	-----
	4,034	4,463
	=====	=====

(a) As of March 31, 2015 and December 31, 2014, this item comprises the following:

(b)

	<u>In thousands of S/.</u>	
	<u>2015</u>	<u>2014</u>
FONAVI collections	96,832	95,192
FONAVI contributions pending from being transferred to the MEF	366	63,145
Refund of FONAVI pending collection	63,145	334
	-----	-----
	160,343	158,671
	=====	=====



FONAVI collections correspond to balances allocated to the Fund as a result of the collection made by the Peruvian Tax Authority (SUNAT) related to contributions made to FONAVI by tax payers in accordance with Law No. 26969.

The activity of this item is as follows:

	In thousands of S/.	
	2015	2014
Balance at beginning of fiscal year	95.192	112.943
Collection for the fiscal year	1.708	7.373
Reclassification of contributions pending to be transferred to the MEF		(24,998)
Reimbursement of FONAVI contributions	(68)	(126)
Balance at end of period	96,832	95,192

FONAVI contributions pending from being transferred to the MEF correspond to collections made by SUNAT of FONAVI contributions made by taxpayers who have a stabilized tax regime applicable as per Law No. 27071.

Uncollected FONAVI reimbursements correspond to checks drawn from 1999 to 2012 which have not been cashed by its beneficiaries. These checks were issued to refund FONAVI contributions according to SUNAT communications, which is the entity in charge of collecting these resources.

- (c) Corresponds to the funds received from the MVCS that were allocated to credits authorized to IFI's (Crédito MIHOGAR and Nuevo Crédito MIVIVIENDA), prior to compliance review of the requirements stipulated in the respective regulations. The activity of this item is as follows:

	In thousands of S/.	
	2015	2014
Balance at beginning of fiscal year	74,942	79,872
Reclassification regularized in apr-15	(228)	
Adjustment of BBP allocations from previous periods		
Adjustment of BBP applications from previous periods		
BBP application to Crédito MIHOGAR fees	(395)	(1,413)
BBP application to Nuevo Crédito MIVIVIENDA fees	(1,001)	(3,721)
BBP assumed by DU 002-2014	152	204
Balance at end of period	73,470	74,942



- (d) Corresponds to the balance payable to technical entities on behalf of eligible households who accessed the Techo Propio program. This balance comprises the amount of savings deposited by the household in the Fund's account and savings of Fondo de Vivienda Policial (FOVIPOL).
- (e) Corresponds to the balance payable to technical entities (builders) for the financing of the family housing allowance (BFH for its acronym in Spanish) of households that accessed to the Techo Propio Program.
- (f) Corresponds to the funds received from the Ministry of Housing, Construction and Sanitation with pending allocation to beneficiaries that request credit products offered by the Fund. The allocations of these resources are made through COFIDE when disbursements to IFI's are authorized by approved credits.

The activity of this item is as follows:

	In thousands of S/.	
	2015	2014
Balance at beginning of fiscal year	8	8
Regularization of previous periods		-
Resources received during the period		-
BBP disbursements to COFIDE for loan allocation		-
Balance at end of period	8	8
	=====	=====

- (g) Corresponds to funds received from MVCS from DU 002-2014 to assume the BBP for houses at prices higher than 14 UIT-25 UIT (01.01.14 to 07.28.14) and 14 UIT - 50 UIT (07.29.14 to 01.22.15). The balance of unused resources are being allocated pursuant to the provisions of DS 003-2015. This item is comprised of the following:

	In thousands of S/.	
	2015	2014
DU 002-2014 - BBP – Received	0	148,725
DU 002-2014 - BBP – Allocated	50,177	48,542
DS 003-2015 - BBP – Received	136,360	
DS 003-2015 - BBP – Allocated	7,410	
Balance at end of period	193,947	197,267
	=====	=====

- (h) According to SBS requirements, the prepayment by an IFI of an amount equivalent to 36 installments, was recorded as a deferred income for S/. 8,488 thousand in August 2012, under the caption "Other liabilities", which will accrue on a linear basis throughout the course of 36 months. As of March 31, 2015, the deferred income for this transaction amounts to S/. 943.



- (i) Corresponds to provisions for disputes and claims of judicial and labor nature. In the opinion of Management and the Fund's legal advisors, the provision recorded as of Tuesday, March 31, 2015 and Wednesday, December 31, 2014 is sufficient to cover the risk of loss for disputes and claims of the Fund.

16. Net Equity

(a) Capital Stock

As of March 31, 2015, the capital comprises 3,109,899,030 common shares, subscribed and paid up (3,109,899,030 common shares as of December 31, 2014). All shares have voting rights and a par value of S/. 1 each.

As of December 31, 2014 and 2013, the unique shareholder of the Fund is the Fondo Nacional de Financiamiento de la Actividad empresarial del Estado - FONAFE (National Fund for Financing State Enterprise Activity).

On March 19, 2015 the Fund's General Stockholder Meeting approved the capitalization of the profit for the 2014 fiscal year amounting to S/.64,350 thousands; this increased the capital 3,109,899 thousands of S/. This can not be recorded because this capital increase is pending registration in the public records office.

On March 25, 2014 the Fund's General Stockholder Meeting approved the capitalization of profits for the 2013 fiscal year amounting to S/. 59,211, and the additional capital capitalization amounting to S/. 34 thousand; this increased the capital in thousands of S/. 3,050,654 to thousands of S/. 3,109,899.

(b) Legal Reserve

Pursuant to the General Law, the Fund has a legal reserve of at least 35% of its capital stock. This reserve is created by an annual transfer of no less than 10% of after-tax profits, and supersedes the reserve referred to in the General Companies Act. On the other hand, as stipulated in the General Law, the amount of the legal reserve may also be increased with contributions made by the Fund's stockholder for this purpose.

The General Shareholder Meeting held on March 2015, approved the increase of the legal reserve amounting to S/. 57,012 thousand charged to the obtained earnings for the 2014 fiscal year.

The General Shareholder Meeting held on March 2014, approved the increase of the legal reserve amounting to S/. 49,863 thousand charged to the obtained earnings for the 2013 fiscal year.

(c) Adjustment to equity

The equity adjustments correspond to unrealized gain (loss) generated by the valuation of available-for-sale investments of the Fund as well as the forward and Swaps cash flows hedge agreements generated by the valuation that are within the range of effectiveness. The net movement of taxes is as follows:



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Adjustment to Equity – Unrealized income	March 2015 S/. (000)	December 2014 S/. (000)
<u>BONDS</u>		
Initial Balance	(752)	(29,797)
Unrealized gain (loss) on available-for-sale investments	4,729	11,097
Transfer of loss on available-for-sale investments	551	11,464
	-----	-----
Subtotal	4,528	(7,236)
Unrealized loss on available-for-sale investments due to deferred income tax	(1,250)	(654)
Unrealized gain due to flow hedges transactions	4,723	7,138
	-----	-----
Total:	8,001	(752)
	=====	=====
Net deferred income tax		

(d) Effective equity

As of March 31, 2015, the net worth of the Fund determined pursuant to applicable standards, amounts to S/. 3,156,541 (S/. 3,145,891 thousand as of December 31, 2014). This figure is issued to calculate certain limits and legal restrictions in accordance with the applicable Fund's General Law, and has been determined as follows:

	In thousands of S/.	
	2015	2014
Level 1 net worth:		
Paid- in capital stock	3,109,899	3,109,899
Plus:		
Legal reserve	57,012	49,863
Additional capital	0	0
Less:		
Accumulated loss	241	2,256
Unrealized losses on available-for-sale investments	10,130	11,615
	-----	-----
Total Level 1 net worth	3,156,541	3,145,891
	-----	-----
Total Level 2 net worth	-	-
	-----	-----
Total regulatory capital	3,156,541	3,145,891
	Liabilities:	Liabilities:

As of December 31, 2014, the requirement for net worth for credit risk determined by the Fund according to legislation applicable to financial institutions amounts to S/. 3,099,341 thousand (S/. 3,007,451 thousand, as of December 31, 2013), while net worth requirements for market and operational risk amount to S/. 23,505 thousand and S/. 23,043 thousand, respectively (S/. 34,897 thousand and S/. 18,107 thousand, respectively, as of December 31, 2013).

According to the General Law, the net worth must be equal to or greater than 10% of the total risk - weighted assets and contingent credits, which includes: i) net worth



requirements for market risk multiplied by 10, ii) net worth for operational risk multiplied by 10, and iii) credit risk-weighted contingent assets. As of December 31, 2014, the net worth of the Fund represents 45.60 % of minimum capital requirements per market, operational and credit risk (60.34%, as of December 31, 2013).

On April 2, 2009, via SBS Resolution No. 2115-2009, the SBS approved the regulation for the Net Worth Requirement for Operational Risk, effective July 1, 2009. In this respect, the Fund has applied the base-indicator method for the calculation of the net worth for operational risk as of the date of these financial statements

On July 20, 2011, the SBS enacted Resolution No. 8425-2011 approving the Regulations on Additional Net Worth Requirement indicating that the net worth shall be equal to the sum of net worth requirements, calculated per each of the following components: i) economic cycle, ii) concentration risk, iii) market risk concentration, iv) interest rate risk in banking records, and v) other risks. As from the effective date of this standard, financial entities will have a five-year term to conform all of their total net worth to the level indicated in such Resolution. This additional requirement has come into force progressively starting in July 2012. As of December 31, 2014 and 2013, the global regulatory capital excess is as follows:

	In thousands of S/.	
	2015	2014
Minimum net worth requirement:		
For credit, market, and operational risks	656,783	689,818
Additional net worth	84,992	87,211
	-----	-----
Total minimum requirement	741,775	777,029
	=====	=====
Total calculated net worth	3,156,540	3,145,891
	=====	=====
Global net worth excess	2,414,765	2,368,862
	=====	=====

17. Interest income

The item is comprised as shown below:

	In thousands of S/.	
	As of 03.31.2015	As of 03.31.2014
Available	3,430	578
Available-for-sale investments	3,839	4,453
Held-to-maturity investments	15	81
Accounts receivable	77,871	66,021
Other financial income	236	454
TOTAL	85.391	71.587



- a) Corresponds to interest-bearing bank accounts and interests accrued from term deposits.
- b) Corresponds to available-for-sale investments which is mainly comprised of interests of ordinary sovereign bonds, ordinary bonds, securitization bonds, among others.
- c) Corresponds to held-to-maturity investments that are comprised of interest accrued from Short-term instruments and certificate of deposits.
- d) Interest income from accounts receivable corresponds to interest earned on accounts receivable from financial entities placed through the COFIDE Trusts; likewise, it corresponds to the attribution of results regarding the CRC – PBP trusts.

18. Interest expense

The item is comprised as shown below:

	In thousands of S/.	
	03.31.2015	03.31.2014
Debts and obligations of the financial system of Peru		
- Debts and obligations of the financial system of Peru (a)	(3,268)	(5,837)
- Fees and other charges from debts and financial liabilities	-	-
- Values, Securities and Obligations outstanding (b)	(24,327)	(12,581)
	(27,595)	(18,418)
Interests from accounts payable	-	-
Other financial expenses	(12,480)	(10,641)
Total interest expenses	(40,075)	(29,059)

- (a) Corresponds to interest accrued on amounts owed to Banco de la Nación.
- (b) Corresponds to interest accrued for Bond Issues, with the first issue in 2013 and the second and third issue in 2014.
- (c) This item presents the expenses for the Punctual Payer Bonus (Premio del Buen Pagador) granted through the Fideicomiso COFIDE.

19. Financial services revenues

Corresponds to the commissions received for the trust management service, mainly the management of the CRC-PBP Trusts, for which the Fund receives a monthly commission equivalent to 0.05 percent of the net equity of the CRC and PBP as of the close of each month, charged to the CRC and PBP, and for the commission charged to the IFIs for the credit risk hedging service agreement and the Punctual Payer Bonus.

	March 2015 S/. (0.00)	March 2014 S/. (0.00)
Income from financial services		
Income from Trust and Commissions of Trust	130	125



Sundry Income	1,431	1,407
Total	1,561	1,532

20. Financial services expenses

The composition of this item is shown below:

	In thousands of S/.	
	03.31.2015	03.31.2014
Sundry expenses	(24)	(29)
Total	(24)	(29)

Corresponds to the expenses for maintenance, charges, transfer fees, securities custody fee, service for issuing cashier's check and other expenses for services rendered by banks.

21. Results from financial transactions (ROF)

The item is comprised as shown below, in thousands of Nuevos Soles:

	March 2015 S/.	March 2014 S/.
	(000)	(000)
Available-for-sale investment (available-for-sale)	(551)	0
Income from hedging transactions (a)	56,266	(1,431)
Exchange rate Profit-Loss (b)	(67,066)	(3,565)
Others	132	(454)
Final balance	(11,219)	(5,450)

- (a) Corresponds to net income generated from the following agreements: Fair value hedge with forward and cash flows (US\$ y CFH) and hedging Swap of cash flows (US\$ y CFH) at as of 31.03.2015 presents an accumulated profit of S/56,266 thousand mainly due to:

N° of Contracts	Type of Contracts	Amount S/.
34	Non Delivery FWD Buying VR	375
1	Full Delivery FWD Buying VR	6.223
1	Full Delivery FWD Buying FE	1,053
4	Full Delivery FWD Selling VR	(336)



64	Full Delivery FWD Selling FE	(13,655)
44	Swap Principal Only FE	62.606
148		<u>56.266</u>

Corresponds to 104 FWF contracts signed between July 2014 and March 2015 and 44 SWAP Contracts signed between March 2014 to March 2015.

While as of 03.31.2014, the net loss generated from hedge forward agreements is of S/1,431 thousand mainly due to : 76 forward contracts signed between January 2014 to March 2014 and 37 Swap contracts signed in March 2014.

- (b) This refers principally to the exchange rate leveling in the balances of the asset, liability, and equity accounts in U.S. dollars and the debt item in Swiss Francs; as well as the exchange rate results in the exchange of Swiss Francs to U.S. dollars for the francs received from the international issue, which resulted in a cumulative loss of S/. 948 thousand. The accounting exchange rate for U.S. Dollars rose in 2014. By maintaining an oversold accounting exchange position, this resulted in a foreign exchange loss that was offset by the foreign exchange profit from the Swiss Francs, whose accounting exchange rate as of December 31, 2014 was lower than the exchange rate in the month of the international issue.

Meanwhile, the exchange rate leveling in the balances of the asset, liability, and equity accounts in U.S. Dollars during the 2013 due to the increase in the accounting exchange rate resulted in a cumulative loss of S/. 22.127 million due to higher balance in U.S. Dollars in the liability accounts than in the asset accounts (oversold foreign exchange position).

22. Administrative expenses

- (a) The item is comprised as shown below:

	In thousands of S/.	
	3/31/2015	03.31.2014
Personnel and Board of Directors expenses (b)	(6,002)	(5,488)
Services received from third parties (c)	(3,422)	(3,982)
Taxes and contributions	(70)	(93)
	<u>(9,494)</u>	<u>(9,563)</u>
	=====	=====



- (b) This Personnel and Board of Directors expenses item is comprised as shown below:

	In thousands of S/.	
	03.31.2015	03.31.2014
Remuneration	(2,524)	(2,491)
Bonus	(147)	(179)
Professional Practices Grant	(191)	(147)
Employee profit sharing	(1,671)	(1,367)
Gratuities	(455)	(444)
Severance payment	(269)	(258)
Security and indemnities	(254)	(243)
Vacation	(226)	(223)
Training	(43)	(29)
Others	(220)	(108)
	-----	-----
	(6,002)	(5,488)
	=====	=====

- (c) According to the legal provisions in force, the Fund distributes 5% of the taxable net income as employees' profit sharing.
- (d) The composition of this item "services received from third parties" is comprises as follows:

	Mar-15 S/. (000)	Mar-14 S/. (000)
Advertising	789	685
Advisory services	513	793
Rental of goods and properties	535	448
Repair and maintenance	377	186
TIC project expenses – FONAFE	250	250
Communications	174	163
Travel expenses	89	243
Mobility	99	173
Guarding and protection	49	91
Insurance	58	76
Courier services	43	55
Office supplies	18	20
Utilities	44	51
Cleaning services	4	30
Telemarketing services	72	12
Other expenses	308	706
	-----	-----
	3.422	3.982
	=====	=====

23. Valuation of Assets and Provisions

The composition of this item is shown below:

	In thousands of S/.	
	03.31.2015	03.31.2014
Provisions for uncollectible accounts receivable		
Provision COFIDE Trust	(2,095)	(9,280)



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Provision EXCONEMINSA Portfolio	(2)	(30)
Provision Ex CMAC Paita -Fid COFIDE	-	(0)
Provision - Banco Banex	(33)	(30)
Provision Reversion - COFIDE	1.244	3.249
Provision Reversion - EXConeminsa	113	121
Provision Reversion - Banco Banex	2	2
Provision Reversion - IFIS in liquidation	9	362
	(762)	(5,606)
Provision for suits and complaints	(382)	(347)
Other provisions	(62)	(62)

24. Other income, net

The composition of this item is shown below:

	In thousands of S/.	
	03.31.2015	03.31.2014
Other income		
Income from Sundry Accounts Receivable	54	43
Deferred income accrued	6	4
Other minor income	363	79
License for use of brand	25	27
Notarial Expenditures - Enforcement of Letter of Guarantee	3	18
Sale of Bidding Conditions	0	0
Penalties	3	2
Lease of Dissemination Area	56	0
	510	173
Other expenses		
Other minor expenses	(48)	(29)
	(48)	(29)
Total other income, net	462	144

25. Profit per share

Basic profit per common share has been calculated by dividing the net profit of the year by the weighted average of the number of existing shares in such period. Because the Fondo MIVIVIENDA S.A. does not have financial instruments with dilutive effect, the basic and diluted profit per share is the same.

Detail	Average	Amount
Weighted Average of the N° of Basic Shares	3,065,465,231	
Weighted Average of the N° of Diluted Basic	3,065,465,231	



Shares	
Year Profits	71,499,910.48
Profit per Basic Share	0.0 23324
Profit per Diluted Share	0.0 23324

26. Tax Situation

- (a) The Fund is subject to the Peruvian tax regime. The income tax as of March 31, 2015 is 28%, while as of December 31, 2014, there was a tax of 30% on the taxable earnings after calculating workers' profit-sharing, which, according to the laws in force, is calculated at a rate of 5% of net taxable revenues.
- (b) Starting in fiscal year 2011, as an amendment to the Consolidated Text (TUO) of the Income Tax Act, Law 29645 established an exoneration from income tax for interest earned on credits granted directly or through suppliers or financial brokers by international organisms or foreign governmental institutions. With regard to the exoneration of interest on development credits, the law states that such credits shall be understood as all debt operations destined for the financing of projects or programs for the development of the country through public infrastructure works and the provision of public services, as well as those destined for the financing of credits to microenterprises, as per the provisions of SBS Resolution 11356-2008, as substituted.
- (c) Starting in the tax period of August 2012, it was established that taxpayers shall select the highest amount resulting from the comparison of the coefficients system—System a) and System b)—to be applied to the net revenues obtained during the month, in accordance with the provisions established in Section 85 of the TUO of the Income Tax Act (amended by Section 3 of Executive Order (Decreto Legislativo) 1120) and Section 54 of the Regulations on the Income Tax Act (amended by Supreme Executive Order (Decreto Supremo) 155-2012-EF). The amendment of this section results in a lowering of the percentage from 2% to 1.5% in the percentage system. The lower percentage of this advance payment system, in one way or another, may benefit taxpayers who choose this system when they commence their activities or obtain a tax loss in previous fiscal years.
- (d) The amendments made to Section 37, Subsection II) of the TUO of the Income Tax Act eliminate the training expense limits and amend the application of the criterion of generality thereto. Effectively, the amendment made by Executive Order 1120 eliminated the limit of 5% of the total expenses deducted for the fiscal year, which had been introduced for training expenses through Law 29498, the Act for the Promotion of Investment in Human Capital.
- (e) The amendments to vehicular expenses made to the TUO of the Income Tax Act through Executive Order 1120 apply to the new types of vehicles in calculating the limit on vehicles whose expenses are deductible for businesses. Starting in 2013, there are two new rules: i) In addition to automobiles, the limit shall include vehicles in Categories B1.3 and B1.4, i.e., 4x2 and 4x4 pickup trucks and SUVs; ii) Regardless of their category, expenses corresponding to vehicles destined for management, representation, and administration activities whose price exceeds the amount established in the Regulations on the Income Tax Act shall not be deductible



- (f) Given that the purpose of the payment voucher is to accredit the performance of a transaction (transfer of assets, delivery in use, or the provision of a service) and serve as proof of compliance with the formal obligations imposed by the Tax Administration, it was agreed to amend Section 20: Gross Revenues of the TUO of the Income Tax Act, with regard to the proof of Transfer of Assets, via Executive Order 1112, which establishes the following: The calculable cost accredited via payment vouchers shall not be deductible for taxpayers who, as of the date of issue of said voucher, are registered in the system as undomiciled for tax purposes, as per the publication issued by the Tax Administration, unless, as of December 31 of the fiscal year in which the voucher was issued, the taxpayer has rectified such condition.
The obligation to accredit the calculable cost using payment vouchers shall not apply in the following cases:
- (i) when the seller receives second-category income from the sale of the asset;
 - (ii) when, according to the Payment Voucher Regulations, the issuing of the voucher is not mandatory; or
 - (iii) when, in accordance with Section 37 of the Income Tax Act, it is permitted to accredit the expense using other documents, in which case the cost may be accredited using such documents.
- (g) The Tax Authority shall have the power to inspect, and, where applicable, correct the income tax calculated by the Fondo during the four (4) years following the filing of the respective tax return. It should be noted that the Fund was already audited for fiscal year 2010, with a final audit pending as of this date for fiscal year 2012. Due to the possible ways in which the Tax Authority may interpret the laws in force, it is not possible to determine as of this date whether or not the inspections performed may result in liabilities for the Fondo, for which reason any further taxes or surcharges that may result from possible tax audits shall be applied to the results of the fiscal year in which they are ultimately determined.
- (h) As of March 31, 2015, the Fondo has a credit of S/. 27.165 million. As of December 31, 2014, the Fondo had a credit of S/. 27.021 million.
- With regard to the income tax as of March 31, 2015:
What is seen here is the allowance for income tax as of March 2015, deducting the advance payments effectively made, as shown in the following table:

	March
	2015
CURRENT TAX	S/. (000)
Income Tax Provision as of March 2015	8,890
Payments on account January to February 2015	(8,274)
Income Tax Credit Previous Year	(27,781)
Income Tax Credit to March 2015	(27,165)
General Sales Tax	84
TOTAL TAX AND/OR CURRENT CREDIT	(27,081)



- The total current income tax as of March 31, 2014 comes to S/. 26.955 million, which may be seen in the statements for said year.
- (i) As per Law 30296, amendments were made to the income tax, tax code, and other laws. The impact on the Fondo in 2015 is detailed below:
 - Amendment to Section 55 of the Consolidated Text (TUO) of the Income Tax Act, establishing amendments to the third-category income tax rate, as follows:

Taxable Years	Rates
2015-2016	28%
2017-2018	27%
2019 onwards:	26%

- Amendment to Section 74 of the TUO of the Income Tax Act, establishing that, in the case of fourth-category income, businesses shall retain 8% of the gross revenues paid or owed as an advance payment of the income tax

27. Deferred income tax

By virtue of Law N° 30296, the TUO of the Income Tax Law is amended in relation to the net income tax rates in future years.

After the application of IAS 12 Income Tax, and the pronouncement of the Superintendancy of Banking, Insurance and AFP (SBS) through Multiple Letter N° 1205-2015-SBS "Adjustment to deferred income tax items in the Financial Statements corresponding to 12.31.2014" dated January 14, 2015, we detail the amounts originating the deferred income tax amounts as of March 31, 2015 and December 31, 2014:

	In thousands of S/.		
	Balance as of 03.31.2015	Additions (Deductions) Results Equity	Balance as of 12.31.2014
Assets			
Generic provision for accounts receivable	14.640	4.781 -	9.859
Deferred income for cash flow advances of BCP	66	(396) -	462
Others	1.529	180 -	1,349
Liabilities			
Derivative financial products with hedging purposes	(4,412)	- (1,523)	(2,889)
Available-for-Sale Investments	(2,107)	- (1,272)	(835)
Adjustment of assets and liabilities	(12,133)	1.237 -	(13,370)
Others	(174)	(26) -	(148)



(2,591)	5.776	(2,795)	(5,572)
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- (a) The composition of the Income Statements for the years ending on March 31, 2015 and December 2014 is as follows:

	In thousands of S/.	
	03.31.2015	12.31.2014
Income tax		
Current	(8,890)	(7,790)
Deferred	5,776	170
TOTAL	(3,114)	(7,620)

28. Financial instruments

Classification categories of financial assets and liabilities

As of March 31, 2015 and March 31, 2014, the classification categories of financial assets and liabilities are observed as follows:

Year 2015 Financial Assets:

	Loans and Receivables S/	Available-for-sale		Held-to- maturity S/	Hedging Derivatives S/.
		At Amortized cost S/.	At Fair value S/.		
ASSETS					
AVAILABLE			1,370,896		
AVAILABLE-FOR-SALE					
INVESTMENTS					
Capital instruments					
Debt instruments			361,924		
HELD- TO- MATURITY					
INVESTMENTS		2,161			
CREDIT PORTFOLIO					
DERIVATIVES HELD-FOR-					
TRADING					
HEDGING DERIVATIVES					
ACCOUNTS RECEIVABLE	5,476,433				185.014
OTHER ASSETS					
TOTAL	5,476,433	2.161	1,732,820		185.014

Year 2015



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Notes to the Financial Statements
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Financial Liabilities:

LIABILITIES

OBLIGATIONS WITH THE PUBLIC
DEPOSITS FROM COMPANIES OF
THE FINANCIAL SYSTEM AND ORG
DEBTS AND FINANCIAL OBLIGATIONS
DERIVATIVES HELD-FOR-TRADING
HEDGING DERIVATIVES
ACCOUNTS PAYABLE

TOTAL

At Amortized cost S/.	Other Liabilities S/.	Hedging Derivatives S/.
425		
3,581,429		
		24.282
555,809		
4,137,663		24.282

Year 2014

ASSETS

CASH AND DUE FROM
BANKS
AVAILABLE-FOR-SALE
INVESTMENTS
Capital representative
instruments
Debt representative
instruments
HELD-TO-MATURITY
INVESTMENTS
CREDIT PORTFOLIO
DERIVATIVES FOR
TRADING
HEDGING DERIVATIVES
ACCOUNTS RECEIVABLE
OTHER ASSETS

TOTAL

(*) includes those measured at cost

loans and items receivable S/. (000)	Available-for-sale		Held-to maturity S/. (000)	hedging derivatives
	at amortized cost S/. (000)	at fair value S/. (000)		
		1,495,316		
		334,367		
	2,071			
5,812,953				98,007
5,812,953	2,071	1,829,683		98,007

Year 2014

FINANCIAL LIABILITIES

LIABILITIES

At amortized cost S/. (000)	Other liabilities S/. (000)	Hedging derivatives S/. (000)



OBLIGATIONS WITH THE PUBLIC	175		
DEPOSITS OF THE FINANCIAL			
SYSTEM COMPANIES AND			
ORGANIZATIONS			
BORROWINGS AND FINANCIAL			
OBLIGATIONS	3,953,060		
DERIVATIVES FOR TRADING			
HEDGING DERIVATIVES			23,328
ACCOUNTS PAYABLE	558,650		
TOTAL	4,511,885		23,328

29. Financial risk management

(1) Structure and organization of the risk management functions.

The organizational structure, as well as the comprehensive risk management functions, are described in the Organization and Functions Regulations (ROF) and the Organization and Functions Manual (MOF).

Fondo MIVIVIENDA S.A. manages its risks using policies and methodologies approved by the Board of Directors for the management of risks related primarily to credit, market, liquidity, and operations. Based on these methodologies, the principal indicators have been established in order to mitigate the risks to which the entity is exposed.

The Fondo has a Credit Risk Manual and a Credit Foreign Exchange Risk Management Manual, which establish the policies, procedures, and methodologies for Credit Risk Management. The Organization and Functions Manual (MOF) details the risk management functions.

(2) Risk hedging and mitigation policies.

The methodologies established for comprehensive risk management include limits, as well as tolerances and deviations, which allow for the monitoring and mitigation of the entity's risks.

The Fondo has different risk hedging and mitigation policies, which are included in the manuals developed by the Risk Management.

The Fondo is exposed to the following market risk factors: interest rate risk for the trading portfolio, structural interest rate risk, and foreign exchange risk.

The interest rate risk for the trading portfolio is controlled using internal stop loss limits and unrealized loss alerts. According to the Investment Policies and Procedures Manual of FMV S.A., when losses due to devaluation in the price of a debt instrument, plus cumulative interest earned, from the moment the security is acquired, are greater than or equal to 5% of the acquisition value, the financial instrument shall be sold at the best possible value.



The structural balance sheet interest rate risk is monitored by following up on the earnings at risk situation and equity value at risk reported to the SBS, which are short- and long-term structural interest rate risk indicators, respectively. Monitoring of earnings at risk is below the regulatory limit of 5% of the Fondo's effective net equity. The Fondo also has an internal limit of 20% for the regulatory calculation of equity value at risk.

The foreign exchange risk is controlled based on an internal hedging limit, which is situated in the range of 80% and 120% with regard to the Fondo's accounting foreign exchange position in foreign currency. The Fondo also has an internal limit on the value at risk of the overall position equal to 1% of its effective net equity.

Via Official Letter No. 8004-2013-SBS, the SBS exonerated the Fondo from the application of the net position limit on derivative financial products in foreign currency, established in Section 6-A of the Regulations on Foreign Exchange Risk Management.

¹

¹ Approved by SBS Resolution 1455-2003, as amended.



(3) Policies and procedures for avoiding the concentration of excessive risks.

In Peru, the financial market is concentrated in four credit institutions (Banco de Crédito del Perú, Banco Interbank, BBVA Banco Continental, and Scotiabank). As such, market concentration is always latent in all financial products placed, including Mivivienda products.

The Credit Risk Manual includes policies for Single Risk, which are aimed at avoiding greater credit concentration.

In order to avoid concentrations, limits have been established in the Fondo's Market Risk Management Policies and Processes Manual and Investment Policies Manual with a structure of internal limits on investments made. The limits are established by financial institution, by economic sectors, by issuer, by instrument, by currency, by risk classification, etc.

Monitoring is also performed on concentrations in a company from the local financial system by determining and updating, at least one per year, the investment limits for each financial institution. Likewise, in order to monitor concentrations in issuers or instruments, before any operation is performed in an investment instrument, the Risk Management evaluates the instrument proposed by the Finance Management, issuing a favorable or unfavorable opinion to the Finance Management and the General Manager. The General Manager is the person who approves or rejects the investment. The results of the evaluation are reported to the Risk Committee for informational purposes.

(4) Risk measurement and reporting systems.

The Fondo has different risk monitoring, control, and measurement reports, as established in the entity's risk manuals.

The Fondo has a monitoring and control system called TraderLive. This system is used to value investment instruments and hedging derivatives and monitor the concentration of exposures and investment limits.

The limits (internal and regulatory) and alerts situation is reported to the Risk Committee and the Assets and Liabilities Management Committee. The Finance Management is also informed of the situation of internal limits, alerts, and valuations of investment instruments and hedging derivatives.

Risk type derived from financial instruments.

- **Credit Risk**

- (a) Quantitative information on exposure to the specific risk as of the date of the financial statements.



The credit risk exposure of end clients as of March 31, 2015 is S/. 5.444 billion, of which 92.87% corresponds to the normal portfolio, 2.35% to the CPP, and 4.78% to the past-due portfolio².

- (b) The maximum credit risk exposure level, without deducting collateral or credit enhancements.

The maximum credit risk exposure level, without deducting collateral or credit enhancements, as of March 31, 2015, is S/. 5.444 billion.

- (c) Guarantees

- i. Policies and procedures for management and valuation.

The COFIDE Trust Agreement is the instrument by virtue of which the Fondo guarantees its resources. Taking into account its role as a merchant bank, it grants lines for the disbursement of loans to the IFIs.

The guarantees (mortgages) are tied to the onlending operations held by the IFI with its clients as a retail bank, and these operations are required to be correctly set up.

In its roles as trustee, COFIDE has established mechanisms through the Resource Distribution Agreements entered into with the IFIs that make it possible to safeguard the mortgage credit volume placed with the Fondo's resources, under which the IFI assumes responsibility and acquiesces to the foreclosure by the trustee or the Fondo itself in case of verification of grounds for suspension and the repayment of resources contained in the Agreement (Article 12), Assignment of Rights (Article 13), and Termination (Article 16). Likewise, it should be noted that for each loan granted to the IFI, the IFI signs a promissory note in favor of COFIDE.

- ii. Risk concentrations with regard to guarantees.

The Fondo grants credit lines without guarantees to the financial institutions (IFIs), for which reason there is no concentration of this kind.

- (d) Information on the creditworthiness of financial assets that are not due or deteriorated.

The credit risk exposure of end clients as of March 31, 2015 is S/. 5.444 billion, of which 92.87% corresponds to the normal portfolio, 2.35% to the CPP, 1.20% to bad debt, and 3.58% to the past-due portfolio³.

Compared to the previous period, the normal portfolio has decreased from 93.91% to 92.87%, and the past-due portfolio has increased from 4.64% to 4.78%.

² Bad, doubtful, and distressed debt portfolio.

³ Doubtful and Past due portfolio.



- (e) The book value of financial assets that are due or deteriorated, in case their conditions have not been renegotiated.

In the IFIs, which are our direct clients, we have no past-due or deteriorated credits registered.

- (f) Financial assets past-due or deteriorated.

In the IFIs, which are our direct clients, we have no credits registered as past-due, deteriorated, or written-off.

Liquidity risk

- (a) Financial liabilities classified according to maturity terms, based on the residual periods as at the date of the financial statements, based on the contractual maturity date.

Exposure to Liquidity Risk- A Mar15	At sight	Up to 1 month	More than 1 up to 3 months	More than 3 up to 12 months	Over 1 years	TOTAL
	S/.000	S/.000	S/.000	S/.000	S/.000	S/.000
BALANCE RISK						
Liabilities						
Deposits and obligations -	-	-	4.256	-	-	4.256
Debts and financial obligations	-	-	50.545	50.545	3,480,339	3,581,429
Accounts payable on hedge	-	1.996	4.150	84	18.052	24.282
Accounts payable	-	112.320	157	1.151	442.182	555.810
Other liabilities	-	-	-	-	1.351	1.351
SUB TOTAL	-	114,316	59.108	51.780	3,941,924	4,167,128
RISK OUT OF BALANCE						
Contingent liabilities	-	-	-	-	829.906	829.906
TOTAL	-	114,316	59.108	51.780	4,771,830	4,997,034

Source and elaboration: Risk Management

- (b) Liquidity Risk Management

Liquidity risk is managed through the analysis of contract expirations. The main component of the Fondo's assets are the accounts receivable, where the loans paid out to financial institutions are booked. Expirations are based on monthly deadlines for loans granted. Another component of the assets are investments, which are distributed by contract term. The distribution method was approved by Resolution No. 03-01CR-2014 adopted in Session No. 01-2014 of the Risk Committee, held on January 24, 2014.



Liquidity risk management is focused on developing a portfolio of assets and liabilities that seeks to diversify the financing sources, with the goal of matching the terms of the assets and liabilities.

Internal control indicators include the internal liquidity ratio, liquidity gaps, analysis of resource duration, and stress analysis. These internal control indicators are prepared based on internal and regulatory methodologies (contained in the Liquidity Risk Policies and Management Manual and the methodological notes of the SBS for the preparation of regulatory annexes on liquidity, respectively). In case of any event that may give rise to a liquidity risk, the Fondo has a liquidity contingency plan, which includes the liquidation of certain assets, issuing of debt, or taking on debt.

- **Market risk**

- (a) Sensitivity analysis for each type of market risk to which the Fondo is exposed, and effects on the net equity and results for the fiscal year.

The Fondo is exposed to two structural risks: interest rate risk and foreign exchange risk.

Structural interest rate risk management is performed by monitoring and reporting regulatory indicators: earnings at risk and equity value at risk. This indicators are taken from the following regulatory annexes: Annex 7-A "Interest Rate Risk Measurement – Earnings at Risk"; and Annex 7-B "Interest Rate Risk Measurement – Equity Value."

Annex 7-A and Annex 7-B are prepared based on internal suppositions and the methodological notes of the SBS.

In 2014, the suppositions and methodology for the preparation of Annex 7 did not vary.

The indicator results are reported to the Risk Committee and the Assets and Liabilities Management Committee, which decide on the actions for mitigating exposure to interest rate risk.

The Fondo monitors foreign exchange risk using an internal hedging limit on the accounting foreign exchange position in foreign currency. With regard to maximum losses due to adverse foreign exchange movements, these are calculated using the regulatory model for value at risk and its methodological notes. Currently, the Fondo uses the historical simulation model to measure these maximum expected losses (the internal model methodology is detailed in the Market Risk Management Policies and Processes Manual). The results of these models are reported in Annex 9 "Positions Exposed to Foreign Exchange Risk."

Mar2015

Exposure to Market Risk Interest Rate Risk	Up to 1 month	More than 1 up to 2 months	More than 2 up to 3 months	More than 3 up to 6 months	More than 6 up to 12 months	More than 12 months	TOTAL
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As at March 31, 2015

	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)
ASSETS							
Available	1,345,018	-	-	25,878.00	-	-	1,370,896
Available-for-sale and held-to-maturity investments	796	2,929	1,466	11,967.00	13,505	333,421	364,084
Trust receivables	46,018	34,724	34,911	104,554.00	230,668	5,022,208	5,473,083
Hedging Derivatives	51	9	95	3,604.00	-	181,255	185,014
TOTAL ASSETS	1,391,883	37,662	36,472	146,003	244,173	5,536,884	7,393,077
LIABILITIES							
Debts and Other Financial Liabilities	-	-	53.116	-	52.088	198.065	303.269
Values, Securities and Obligations outstanding (b)	13.217	-	8.394	22,844.00	36.061	3,197,644	3,278,160
Hedging Derivatives	3.607	2.648	1.502	84.00	-	16.441	24.282
TOTAL LIABILITIES	16.824	2.648	63.012	22.928	88.149	3,412,150	3,605,711
OFF-BALANCE SHEET ACCOUNTS	74.889	(131,853)	(139,635)	12,174	-	2,134,134	1,949,709
Derivative instruments, assets	207.058	-	-	42,248.00	-	2,134,134	2,383,440
Derivative instruments, liabilities	132.169	131.853	139.635	30,074.00	-	-	433.731
MARGINAL GAP	1,449,948	(96,839)	(166,175)	135,249	156,024	4,258,868	5,737,075
ACCUMULATED GAP	1,449,948	1,353,109	1,186,934	1,322,183	1,478,207	5,737,075	

Source and elaboration: Risk Management

Dec 2014

Exposure to Market Risk Interest Rate Risk	Up to 1 month	More than 1 up to 2 months	More than 2 up to 3 months	More than 3 up to 6 months	More than 6 up to 12 months	More than 12 months	TOTAL
	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)	S/. (000)
ASSETS							
Available	1,469,740	-	-	-	25.576	-	1,495,316
Available-for-sale and held-to-maturity investments	1.078	2.431	954	4.815	18.896	308.264	336.438
Trust receivables	42.582	34.260	33.846	101.438	224.225	4,869,428	5,305,779
Hedging Derivatives	-	132	-	-	2,487	95,389	98,008
TOTAL ASSETS	1,513,400	36,823	34,800	106,253	271,184	5,273,081	7,235,541
LIABILITIES							
Debts and Other Financial Liabilities	-	-	-	549.276	53.487	203.385	806.148
Values, Securities and Obligations outstanding (b)	21.882	-	-	20.522	34.542	3,069,966	3,146,912
Hedging Derivatives	5.656	229	211	-	-	17.232	23.328



TOTAL LIABILITIES	27.538	229	211	569.798	88.029	3,290,583	3,976,388
OFF-BALANCE SHEET ACCOUNTS	(113,905)	(110,342)	(50,193)	-	40,746	1,913,521	1,679,827
Derivative instruments, assets	267.001	-	-	-	40,746	1,913,521	2,221,268
Derivative instruments, liabilities	380.906	110.342	50.196	-	-	-	541.441
MARGINAL GAP	1,371,957	(73,748)	(15,604)	(463,545)	223.901	3,896,019	4,938,980
ACCUMULATED GAP	1,371,957	1,298,209	1,282,605	819,060	1,042,961	4,938,980	

Source and elaboration: Risk Management

- (b) Sensitivity analysis of the Fondo for the different types of financial instruments.

Regulatory variations of interest rates would have the following effects on the financial margin (risk management) and on the equity value (equity value in risks):

	Dic14	Mar15	Limit
Profit under risk	0.74%	1.11%	5% - Regulatory
Equity Value in Risk	9.50%	9.89%	20% - Internal

Source and elaboration: Risk Management

In relation to foreign exchange risk, the results of the value-at-risk regulatory and internal model (99% confidence and a liquidation term of 10 days) reported in Exhibit 9 "Exchange Risk Affected Positions" is shown below:

In S/.000				
Models	Dic14	% Cash Equity	Mar15	% Cash Equity
Regulatory Model	2.787	0.09%	866	0.03%
Internal Model	2.896	0.09%	1.088	0.03%
Global Position	-199.117	6.33%	-55.547	1.76%
	Oversale		Oversale	

Source and elaboration: Risk Management

Article 6 of The Regulations on Exchange Risk Management approved by SBS Resolution No. 1455-2003, as amended, requires that the companies' oversold global position do not exceed ten per cent (10%) of its regulatory



capital. On the other side, those Regulations establish that the overall overbought position of companies may not exceed fifty percent (50%) of its effective equity.

Resolution No. 05-04CR-2014, adopted in the Risk Committee Session held on April 23, 2014, approved the Risk Management's proposal to establish a preventive cushion margin for the overall oversold position, so that it does not exceed 8% of the effective equity, and for the overall overbought position of 30% of the effective equity, in order to avoid violating regulatory limits.

Additionally, it should be noted that the interest rate risk for investments in government bonds and certificates of deposit of the Central Reserve Bank and corporate bonds are managed using the value at risk model.

(c) Other representative sensitivity analyses.

In terms of the measurement of structural interest rate risk as per the regulatory model, accounting information is used. However, it should be noted that the book balance of the Fondo's assets is made up of the balance of product placements that include a concessional section and a non-concessional section. In other words, if the final sub-borrower of the MIVIVIENDA credits pays punctually, the concessional section is booked as an expense and the capital balance is reduced. Therefore, part of the assets constitutes a return flow for the Fondo, while the other does not return (assuming that the sub-borrower pays its installments on time).

Therefore, the analysis of structural interest rate risks is performed based on the book balance of the assets with a non-concessional section (which is a return flow) and a concessional section (which will not be a return flow if the sub-borrower is a punctual payer).

(d) Risk concentrations.

With regard to the risk concentrations for financial instruments that have similar characteristics and that may be similarly affected by economic or other changes, as established by SBS standards, the following table displays the single risk concentration of the IFIs:

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RIESGO UNICO 28.02.2015	C	Línea de Inversión S/. MM	Exposición de Línea de Inversión S/. MM	Línea General de Crédito S/. MM	Exposición de Línea General de Crédito S/. MM	Línea Global S/. MM	Exposición Global S/. MM	LEG	Patrimonio Efectivo FMV	Incremento Máx Línea	Incremento Máx. Exposición
Banco de Crédito	A+	1,400	161	1,717	1,596	3,117	1,756	4,594	3,157	1,477	2,838
Financiera Edyficar	A-	2	0	5	5	7	5	1,654	3,157	1,647	1,649
Banco de la Microempresa (Mibanco)	A	119	6	16	7	135	13	2,910	3,157	2,775	2,896
Riesgo Unico BCP		1,521	167	1,737	1,607	3,259	1,774	4,594	3,157	1,335	2,820
Scotiabank Perú	A+	1,180	10	611	581	1,791	591	4,073	3,157	2,282	3,483
Crediscotia	A	100	0	2	2	102	2	1,746	3,157	1,644	1,744
Riesgo Unico Scotiabank		1,280	10	613	583	1,893	592	4,073	3,157	2,181	3,481
Banco Continental	A+	1,180	1,094	983	565	2,163	1,659	3,859	3,157	1,696	2,200
Financiera Confianza SAA	B+	77	0	16	7	93	7	735	3,157	642	728
Riesgo Unico BBVA		1,257	1,094	999	571	2,256	1,666	3,859	3,157	1,603	2,193
Banco Financiero	A-	255	32	602	346	857	378	2,603	3,157	1,747	2,225
América Financiera	B-	5	0	0	0	5	0	92	3,157	87	92
Riesgo Unico Financiero		259	32	602	346	861	378	2,603	3,157	1,742	2,225

Source and elaboration: Risk Management



30. Fair value

The estimated market or fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties, on the assumption that the issuing entity is a going concern. The fair value is associated with the value observed in market transactions under "normal" situations and mutual independence. Fair value shall consider the credit quality of the instrument.

As of March 31, 2015 and December 31, 2014, the fair value and the carrying amount of financial instruments of the Fund is as follows:

	In thousands of S/.			
	03.31.2015		12.31.2014	
	Carrying value	Carrying Carrying	Carrying value	Carrying Carrying
Asset:				
Available	1,370,896	1,370,896	1,495,316	1,495,316
Available-for-sale investments:				
Debt instruments	361.924	361.924	334.367	334.367
Held- to- maturity investments	2.161	2.161	2.071	2.071
Accounts receivable (Trust agreement - COFIDE)	5,397,774	5,397,774	5,232,527	5,232,527
Accounts receivable from financial derivatives	185.014	185.014	98.007	98.007
Other accounts receivable	75.308	75.308	580.426	580.426
	6,216,750	6,216,750	6,216,750	6,216,750
	7,393,077	7,393,077	7,742,714	7,742,714
	=====	=====	=====	=====
Liability:				
Obligations with the Public-	425	425	175	175
Debts and financial obligations	3,581,429	3,579,324	3,953,060	3,084,665
Accounts payable on financial derivatives	24.282	24.282	23.328	23.328
Other accounts payable	555.809	555.809	558.650	558.650
	4,161,945	4,159,840	4,535,213	3,666,818
	=====	=====	=====	=====

A significant portion of the Fund's assets and liabilities correspond to short-term financial instruments with maturity terms of less than one year. It is considered that the fair values of financial instruments are equivalent to their carrying value at the end of the fiscal year.

Methodology and assumptions used depend on the terms and risk characteristics of various financial instruments as follows:

- (a) The cash and due from Banks represents cash or short-term deposits, not presenting significant credit risks.
- (b) Available-for-sale investments generally have share price or market value through discounted cash flows.
- (c) The fair value, of the accounts receivable (Trust agreement – COFIDE) are similar to their carrying value, net of their corresponding provision for loan losses, according to the "Oficio Multiple SBS N° 1575-2014-SBS".



- (d) Debts correspond to credit lines with banks and correspondents and accrue interests at fixed rates; they have short-term maturities. On the other side, the Obligations with the Public correspond to international issuances. The fair value of such financial instruments is calculated using discounted cash flows at current rates for liabilities with similar characteristics. As a result of the calculation, the estimated market value does not differ significantly from the carrying value.
- (e) Outstanding bonds and debentures bear interest at fixed rates. The fair value of such financial instruments was calculated using flows discounted at current rates for liabilities with similar characteristics. As a result of the calculation, the estimated market value does not differ significantly from the carrying value.

31. Contingencies

As of March 31, 2014 and the Fund holds the following contentious processes:

- (a) Lawsuits on labor issues related to profit sharing payment and reimbursement of fringe benefits. As of March 31, 2015 the Fund recorded a provision for S/. 1,563 for this concept.
- (b) Various constitutional procedures (protective action) related to the reestablishment of labor rights to former employees of the Funds and to the cancellation of records to technical entities for committed infringements.
- (c) Administrative procedure with DHMONT & CG & M S.A.C. for challenging an administrative resolution. Consortium in the context of which an administrative resolution is being challenged. The claimant is seeking the annulment of the letter by virtue of which the Fund refused to return the stand-by letter of credit granted to the Fund as guarantee, which was posted as a condition to appeal the award under the public bid (Collique) called by the Fund. The amount in dispute is S/. 4,870 thousand. The judge ordered the fund to reimburse US\$ 250 thousand equivalent to S/. 774 thousand, for which, as of Tuesday, March 31, 2015 there is a provision for present value of US\$ 243 thousand, equivalent to S/. 754.
- (d) Arbitration proceeding with Veritas Edificaciones S.A.C. and CG&M Proyectos and Construcciones S.A.C. The claim involves an amount of US\$ 7,327 thousand.

In Management and its legal advisors' opinion, these legal claims will not result in significant liabilities additional to those recorded in the theses financial statements.

32. Contingent and memoranda accounts

The item is comprised as shown below:

Contingents	In thousands of S/.	
	03.31.2015	12.31.2014
Forwards (a)	683.037	849.188
Swaps (b)	2,134,134	1,913,521
Other contingents	829.906	831.146
Total contingents	3,647,077	3,593,855

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Notes to the Financial Statements
As at March 31, 2015



Memoranda accounts

Suspended interest of Ex-Coneminsa portfolio and other accounts receivable (c)	6,359	6,391
CRC-PBP Trusts in MN and ME(d)	75,309	73,252
Written-off uncollectible accounts (e)	36.197	36.174
Securities and bonds outstanding	6.097	6.107
Employer's contribution debt (f)	18.222	18.222
Other debt accounts	261	257
Other debt accounts	142.444	140.402

Effective agreements signed with suppliers	36.305	8.620
Funds received from the MVCS-BFH	107.570	101.872
Stand-by letters of credit and surety bonds received as guarantees (g)	556.519	704.470
Mortgage guarantees received (h)	2.670	2.575
Account Advance in favor of BFH	0	0
Other debt accounts	159	154
Total other debt accounts	703.224	817.692

Trusts and autonomous equity in administration

Autonomous equity of Fondo Ley 27677 (i)	0	0
CRC-PBP Trust (j)	153.654	149.441
Las Garzas Trusts (k)	23.675	23.926
Total trusts	177.328	173.367

Other memoranda accounts	4,670,073	4,725,316
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- (a) Corresponds to the Fund's commitment on forward buying and selling operations for U.S. Dollars and Swiss Francs assumed primarily to hedge its debts in said currencies for US\$153,740,000 and CHF 65,000,000 as of March 31, 2015; and US\$849,188,000, as of December 31, 2014
- (b) Corresponds to the Fund's commitment for swap buying operations for U.S. Dollars and Swiss Francs assumed to hedge its debts in said currencies for US\$500,000,000 and CHF 184,000,000 as of March 31, 2014.
- (c) As of March 31, 2015 and December 31, 2014, this corresponds to the letters of guarantee received to secure the performance of the Technical Entities under the contracts entered into by the Techo Propio program for the Family Housing Bond and the Family Savings Bond, as well as letters of guarantee for the performance of procurement contracts for goods and services.
- (d) Corresponds to the recognition of the right assumed for the constitution of the CRC and PBP Trusts in Nuevos Soles and U.S. Dollars in 2007, with a current trust fund of S/. 36,011,000 and S/. 39,297,000, respectively (S/. 35,259,000 and S/. 37,993,000 as of December 31, 2014, respectively).



- (e) As of March 31, 2015 and December 31, 2014, this corresponds to a control account for the Fund's claim with the Ministry of Economy and Finance (MEF) for the contributions to the FONAVI – Employer's Contribution, as per Law 26969 – the FONAVI Settlement Act, to which the Fund believes it is entitled.
- (f) As of March 31, 2015 and December 31, 2014, these mainly correspond to write-offs on the balances receivable (principal and interest) from Corporación Transcontinental del Perú SA totaling S/.4.333 million and S/.3.775 million, which were booked in the "Other Accounts Receivable" and "Other Suspended Performance" items. This write-off was performed as per the resolution of the Board of Directors.
- (g) As of March 31, 2015 and December 31, 2014, this corresponds to the mortgage securities received from two financial entities in liquidation, for the credit portfolios held with them.
- (h) As of March 31, 2015 and December 31, 2014, this corresponds to the interest accrued on the past-due portfolio with Ex-Coneminsa and "Other Accounts Receivable."
- (i) (i) As of March 31, 2015 and December 31, 2014, this corresponds to the value of the total assets of the "Statutory Fund Equity," net of liabilities. This equity includes the results for the fiscal year for earnings of S/. 5.557 million and S/. 19.994 million, respectively. The Statutory Fund Equity was established via the Notarially Recorded Instrument dated February 13, 2002, with the resources transferred to Fondo MIVIVIENDA S.A. from the liquidation of the National Housing Fund (FONAVI), for its administration, recovery, and channelling through the Intermediary Financial Institutions (IFIs).
- (j) As of March 31, 2015, this corresponds to the total of the assets, liabilities, revenues, and expenses accounts, and the total equity value of the Trusts managed, known as "CRC (Credit Risk Hedging) and PBP (Punctual Payer's Bonus) in Nuevos Soles" and "CRC (Credit Risk Hedging) and PBP (Punctual Payer's Bonus) in U.S. Dollars, for S/. 36.011 million and S/. 39.297 million (S/. 35.259 million and S/. 37.993 million as of December 31, 2014). For more details, see Note 4.4.2.

Both managed trusts were established via the Notarially Recorded Instrument dated June 11, 2007, for the purpose of enabling the availability of resources to meet the Fund's obligations under the CRC (Credit Risk Hedging) and PBP (Punctual Payer's Bonus) service agreements entered into with certain financial entities, as well as to allow said resources to be managed as efficiently as possible.

- (k) Land trust in which the Banco de Comercio acted as trustee from the creation thereof in 2006 until October 6, 2010. By virtue of the preliminary agreement (minuta) dated October 7, 2010, the Banco de Comercio resigned from its role as trustee and transferred to Fondo MIVIVIENDA S.A. the trust estate and the duty of trustee. As from that date, the Fund has been responsible for keeping the accounting records as part of its duties as trustee.

14. Subsequent events



On January 16, 2015, the Fund received S/. 507,024,235.00 from the Ministry of Housing, Construction and Sanitation to pay off the Other account receivable it maintained according to the Urgency Decree N° 002-2014 del 28.07.2014. Likewise, the Fund proceeded to pay off the debt to the Banco de la Nación for the same amount.

There is no evidence that significant events occurred between the closing date of these financial statements, which may affect these financial statements significantly.