

FITCH UPGRADES PERU'S COFIDE, FONDO MIVIVIENDA & BANCO DE LA NACION; OUTLOOK STABLE

Fitch Ratings-New York-31 October 2013: Fitch Ratings has today upgraded to 'BBB+' from 'BBB' the support-driven Foreign Currency Long Term Issuer Default Ratings (IDR) of Cofide, Fondo Mivivienda (FMV) and Banco de la Nacion (BdN) (Peru). The Rating Outlook is Stable. A complete list of rating actions follows at the end of this release.

KEY RATING DRIVERS

The ratings of Cofide, Fondo Mivivienda and Banco de la Nacion reflect the potential support from the Republic of Peru, whose ratings were recently upgraded by Fitch to 'BBB+/A-' (for further details on Fitch's recent action on Peru's sovereign ratings, please refer to the press release 'Fitch Upgrades Peru to 'BBB+'; Outlook Stable', dated Oct. 23, 2013.)

In Fitch's opinion, Cofide, Fondo Mivivienda and Banco de la Nacion are integral and key parts of the government, allowing it to perform basic financial functions (collections and payments through Banco de la Nacion) and carry out economic policy in specific sectors (Infrastructure through Cofide, housing through Fondo Mivivienda). Hence, support from the government should be forthcoming, if needed, which underpins the fact that these entities' IDRs are aligned to the sovereign's.

By the same token, Cofide's, Fondo Mivivienda's and Banco de la Nacion's support ratings and support rating floors, indicate the direct link between the entities' creditworthiness and that of their shareholder, the Republic of Peru.

COFIDE is devoted to promoting Peru's sustainable economic development by lending to its target sectors (Mainly Infrastructure) through intermediary financial institutions (IFIs) and developing programs to support micro-enterprises and SMEs.

BdN is the government's financial agent, providing banking services and credit to the central government and its agencies. It is in charge of collecting taxes and making payments on behalf of the Treasury. BdN also extends credit to civil servants and government retirees.

FMV was established by the Peruvian Government to facilitate access for the working and middle class to housing financing. FMV provides long-term and low-cost funds to its target sectors by lending through FIs.

RATING SENSITIVITIES

As state-owned financial institutions, deeply integrated within the government's structure, Cofide's, Fondo Mivivienda's and Banco de la Nacion's creditworthiness and ratings are directly linked to those of the Republic of Peru; hence, their ratings should move in line with any potential change in Peru's sovereign ratings.

Fitch has taken the following rating actions:

COFIDE

- Foreign Currency Long Term IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable.
- Local Currency Long Term IDR upgraded to 'A-' from 'BBB+; Outlook Stable.
- Foreign Currency Short Term IDR affirmed at 'F2';
- Local Currency Short Term IDR affirmed at 'F2';
- Support Rating affirmed at '2';

- Support Rating Floor revised to 'BBB+' from 'BBB';
- Senior unsecured debt upgraded to 'BBB+' from 'BBB'.

Banco de la Nacion

- Foreign Currency Long Term IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable;
- Local Currency Long Term IDR upgraded to 'A-' from 'BBB+'; Outlook Stable;
- Foreign Currency Short Term IDR affirmed at 'F2';
- Local Currency Short Term IDR affirmed at 'F2';
- Support Rating affirmed at '2';
- Support Rating Floor revised to 'BBB+' from 'BBB';
- Viability Rating 'bb+', unaffected.

Fondo Mivivienda

- Foreign Currency Long Term IDR upgraded to 'BBB+' from 'BBB'; Outlook Stable;
- Local Currency Long Term IDR upgraded to 'A-' from 'BBB+'; Outlook Stable;
- Foreign Currency Short Term IDR affirmed at 'F2';
- Local Currency Short Term IDR affirmed at 'F2';
- Support Rating affirmed at '2';
- Support Rating Floor revised to 'BBB+' from 'BBB';
- Senior unsecured debt upgraded to 'BBB+' from 'BBB'.

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Additional information is available at 'www.fitchratings.com'.

Applicable Criteria and Related Research:

- 'Global Financial Institutions Rating Criteria', Aug. 15, 2012;
- 'Assessing and Rating Bank Subordinated and Hybrid Securities', Dec. 5, 2012;
- 'Rating Financial Institutions Above the Local Currency Sovereign Rating', Dec. 11, 2012.

Applicable Criteria and Related Research:

Global Financial Institutions Rating Criteria

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=686181

Assessing and Rating Bank Subordinated and Hybrid Securities

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=695542

Rating Financial Institutions Above the Local Currency Sovereign Rating – Effective Dec. 20, 2011 to Dec. 11, 2012

http://www.fitchratings.com/creditdesk/reports/report_frame.cfm?rpt_id=657925

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