FORM FOR PRESENTATION TO THE SBS.

FORM "A"

STATEMENT OF FINANCIAL POSITION

As at the 31st of March 2015

(in thousands of nuevos soles)

ASSETS	Currency Peruvian	Equivalent in F. C.	TOTAL
AVAILABLE	**32,123**	**379,265**	**411,388**
Banco Central de Reserva del Peru	23,391	77,121	100,512
Banks and other financial institutions in Peru	8,668	282,219	290,887
Bank and other financial institutions abroad	0	19,925	19,925
Others available	64	0	64
INVESTMENTS AVAILABLE FOR SALE	**2,748,751**	**1,125,239**	**3,873,990**
Capital instruments	2,339,156	290,799	2,629,955
Debt instruments	409,595	834,440	1,244,035
LOAN PORTFOLIO	**1,975,109**	**3,322,843**	**5,297,952**
Portfolio of current loans	2,354,909	3,495,668	5,850,577
Restructured loan portfolio	0	11,440	11,440
Refinanced loan portfolio	928	3,121	4,049
Portfolio of matured loans	231	47,320	47,551
Portfolio of loans subject to collection through the courts	0	1,264	1,264
- Provisions for loans	(380,959)	(235,970)	(616,929)
DERIVATIVES FOR HEDGING	**2,910**	**4,318**	**7,228**
ACCOUNTS RECEIVABLE	**53,907**	**71,369**	**125,276**
Accounts receivable from sale of goods and services and trusts	0	15	15
Other accounts receivable	53,907	71,354	125,261
REALISABLE PROPERTY RECEIVED IN LIEU OF PAYMENT AND ADJU	**78**	**0**	**78**
Goods received in payment and adjudicated	78	0	78
REAL ESTATE, FIXTURES AND FITTINGS	**13,947**	**0**	**13,947**
INTANGIBLE ASSETS	**7,042**	**0**	**7,042**
Other intangible assets	7,042	0	7,042
CURRENT TAXES	**23,595**	**0**	**23,595**
OTHER ASSETS	**1,487**	**3,628**	**5,115**
TOTAL ASSETS	**4,858,949**	**4,906,662**	**9,765,611**

LIABILITIES	Currency Peruvian	Equivalent in F. C.	TOTAL
OBLIGATIONS TO THE PUBLIC	**56,127**	**1,970**	**58,097**
Other obligations	56,127	1,970	58,097
DEPOSITS FROM FINANCE COS. AND INTERNAT. FINAN. ENTITIES	**187,558**	**0**	**187,558**
Term deposits	187,558	0	187,558
CHARGES AND FINANCIAL OBLIGATIONS	**1,444,791**	**4,872,816**	**6,317,607**
Borrowings and obligations to Peruvian companies and financial institutions	766,380	0	766,380
Borrowings and obligations to foreign companies & internat. entities.	0	1,291,924	1,291,924
Other borrowings & obligations in Peru and abroad	116	154,199	154,315
Securities	678,295	3,426,693	4,104,988
DERIVATIVES FOR HEDGING	**150,097**	**4,488**	**154,585**
ACCOUNTS PAYABLE	**63,037**	**3,568**	**66,605**
PROVISIONS	**4,695**	**54,033**	**58,728**
Provisions for contingent loans	437	43,781	44,218
Provision for litigation and claims	1,720	11	1,731
Others	2,538	10,241	12,779
DEFERRED TAXES	**234,009**	**0**	**234,009**
OTHER LIABILITIES	**3,101**	**299**	**3,400**
TOTAL LIABILITIES	**2,143,415**	**4,937,174**	**7,080,589**
EQUITY			
Capital	1,532,779	0	1,532,779
Additional capital	486,005	0	486,005
Reserves	295,057	0	295,057
Adjustments to equity	320,269	5,690	325,959
Accumulated results	21,742	0	21,742
Net results of the fiscal year	23,480	0	23,480
TOTAL EQUITY	**2,679,332**	**5,690**	**2,685,022**
TOTAL LIABILITIES AND EQUITY	**4,822,747**	**4,942,864**	**9,765,611**
RISKS AND CONTINGENT COMMITMENTS	**67,277**	**584,460**	**651,737**

FORM FOR PRESENTATION TO THE SI

FORM "B 1"

INCOME STATEMENT

Earnings statement from the 01st of January to the 31st of March 2015

(in thousands of nuevos soles)

	Currency Peruvian	Equivalent in F. E.	TOTAL
INTEREST INCOME	**52,746**	**72,128**	**124,874**
Available funds	593	397	990
Interbank funds	0	0	0
Investments at reasonable value with changes in the results	0	0	0
Investments available for sale	7,503	12,382	19,885
Investments held to maturity	0	0	0
Direct loan portfolio	44,650	59,349	103,999
Results of hedging operations	0	0	0
Accounts receivable	0	0	0
Other Financial Income	0	0	0
INTEREST EXPENDITURE	**23,095**	**50,899**	**73,994**
OBLIGATIONS TO THE PUBLIC	**527**	**64**	**591**
Interbank funds	0	0	0
Deposits by financial institutions and international financial entities.	**2,364**	**0**	**2,364**
Borrowings and financial obligations	**19,672**	**49,759**	**69,431**
Borrowings and obligations with Banco Central de Reserva del Peru	0	0	0
Interest on borrowings and obligations to the Peruvian financial system	10,008	0	10,008
Borrowings and obligations with financial institutions and international financial entities.	0	9,036	9,036
Other borrowings & obligations in Peru and abroad	0	335	335
Commissions and other charges and financial obligations	77	3,076	3,153
SECURITIES, BONDS AND OBLIGATIONS IN CIRCULATION	9,587	37,312	46,899
Accounts payable	**0**	**0**	**0**
Interest on accounts payable	0	0	0
Results of hedging operations	**532**	**1,076**	**1,608**
Other financial costs	0	0	0
Gross financial margin	**29,651**	**21,229**	**50,880**
PROVISIONS FOR DIRECT LOANS	**15,061**	**(793)**	**14,268**
NET FINANCIAL MARGIN	**14,590**	**22,022**	**36,612**
INCOME FROM FINANCIAL SERVICES	**4,703**	**3,615**	**8,318**
Earnings on indirect loans	232	1,988	2,220
Income from trusts and confidential commissions	4,471	1,076	5,547
Income - various	0	551	551
COST OF FINANCIAL SERVICES	**198**	**61**	**259**
Cost of indirect loans	0	0	0
Expenses on trusts and confidential commissions	0	0	0
Deposit insurance fund premiums	0	0	0
Expenses various	198	61	259
NET FINANCIAL MARGIN ON EARNINGS AND COST OF FINANCIAL SERVICES	**19,095**	**25,576**	**44,671**
RESULTS OF FINANCIAL OPERATIONS (ROF)	**(7,069)**	**2,354**	**(4,715)**
Investments at reasonable value with changes in the results	**0**	**0**	**0**
Investments at reasonable value with changes in the results	0	0	0
Investments in commodities	0	0	0
Investments available for sale	0	52	52
Derivatives for negotiation	0	0	0
Results of hedging operations	(7,070)	(958)	(8,028)
Earnings (losses) on participations	0	0	0
Profit - loss on exchange rate differences	0	1,489	1,489
Others	1	1,771	1,772
OPERATING MARGIN	**12,026**	**27,930**	**39,956**
MANAGEMENT COSTS	**15,988**	**1,848**	**17,836**
Cost of personnel and board of directors	10,596	129	10,725
Cost of services received from third parties	3,997	1,713	5,710
Taxes and contributions	1,395	6	1,401
DEPRECIATION AND AMORTISATION	**1,032**	**0**	**1,032**
NET OPERATING MARGIN	**(4,994)**	**26,082**	**21,088**
VALUATION OF ASSETS AND PROVISIONS	**(1,602)**	**5,188**	**3,586**
Provisions for non-performing loans	(2,511)	3,726	1,215
Provisions for uncollectable accounts receivable	398	1,462	1,860
Provision for realisable assets, assets received in lieu of payment, recovered, adjudicated ar	0	0	0
Provision for non-current activities maintained for Sale	0	0	0
Deterioration of investments	0	0	0
Impairment of fixed assets	0	0	0
Impairment of intangible assets	0	0	0
Provision for litigation and claims	0	0	0
Other provisions	511	0	511
OPERATING RESULTS	**(3,392)**	**20,894**	**17,502**
OTHER INCOME AND EXPENSES	**77**	**5,305**	**5,382**
Other income and expenses	77	5,305	5,382
RESULTS OF THE FISCAL YEAR BEFORE INCOME TAX	**(3,315)**	**26,199**	**22,884**
INCOME TAX	**596**	**0**	**596**
NET RESULTS OF THE FISCAL YEAR	**(2,719)**	**26,199**	**23,480**

1. INCORPORATION, ECONOMIC ACTIVITY AND APPROVAL OF THE FINANCIAL STATEMENTS

(a) Incorporation and economic activity

Corporación Financiera de Desarrollo S.A. - COFIDE (hereinafter the Corporation) is a mixed economy company whose shareholders include the State (represented by the National Fund for Financing State Business Activities – FONAFE, an entity of the Ministry of Finance – MEF) and the Corporación Andina de Fomento – CAF, which hold 98.00% and 1.00% respectively. The Corporation also holds treasury shares representing 1.00% of the capital total.

The Corporation was created on the 18th of March 1971 by Decree Law Nº 18807 and enjoys administrative, economic and financial autonomy; its purpose is to contribute to the integral development of Peru by attracting deposits and granting loans through intermediate financial institutions (IFIs) for productive investment and public and private infrastructure throughout the country.

In addition, the Corporation manages funds and securities received principally from the State and financial institutions, in its capacity as trustee, for which it charges a commission.

The Corporation's activities are regulated by a number of legal provisions included in its by-laws, specifically included to define its framework for action. In addition, these activities are governed by the Finance, Insurance and Banking, Insurance and Pension Fund Regulator (hereinafter the SBS) Framework act - Law Nº 26702 (hereinafter the Act), and modifications contained in Legislative Decree N° 1028 dated the 21st of June 2008.

The Corporation's registered office is at Augusto Tamayo N° 160, San Isidro, Lima and its personnel (managers, officers and employees) as at the 31st of March 2015 and the 31st of December 2014 numbered 193 and 193, respectively.

(b) Approval of the Financial statements

The financial statements for year ending the 31st of March 2015, prepared in accordance with generally accepted accounting principles in Peru (GAAP-Peru) for financial institutions, were approved for issue by the Corporation's management on the 15th of April 2015. These statements will be submitted to the board of directors for approval. The management of the Corporation considers that the financial statements included in this report will be approved by the board without change. The financial statements for fiscal year ending the 31st of December 20144, prepared in accordance with generally accepted accounting principles in Peru applicable to finance companies, were approved by the AGM on the 31st of March 2015.

2. PREPARATION OF THE FINANCIAL STATEMENTS

(a) Declaration of Compliance

The financial statements were prepared in accordance with Peruvian legislation and GAAP applicable to companies belonging to the financial system, which include the accounting standards and practices authorised by the SBS in accordance with powers delegated to it under the Act. The rules are set out in the Accounting Manual for Finance Companies (hereinafter the Accounting Manual) approved by SBS ruling N° 7036-2012 on the 19st of September 2012 and in force from the 1st of January 2013.

(b) Basis for measurement

the SBS has established that any situations not covered in the generally accepted accounting principles for Peru (GAAP) applicable to financial institutions, the the provisions of the GAAP for Peru shall apply.

The GAAP Peru include: the Standards and Interpretations issued or adopted by the International Accounting Standards Board (IASB), which include the (IFRS), the International Accounting Standards (IAS) and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), or by the former Standards Interpretation Committee (SIC) adopted by the IASB, and ratified by the Peruvian Accounting Standards Board (PASB) for application in Peru.

(c) Operating and presentation currency

The Corporation prepares and submits its financial statements in nuevos soles (S/.), which is its operating currency as determined in the Accounting Manual for finance companies.

(d) Responsibility for the information and estimates used

The information contained in these financial statements is the responsibility of the board of directors and the management of the Corporation. These statements were drawn up using certain estimates used to quantify some of the assets, liabilities, expenditure and commitments recorded in them, based on their experience and other relevant factors. The actual results may differ from these estimates.

These estimates are under continual review. The modifications to the accounting estimates are recognised prospectively, and the effects of the change are recorded in the corresponding earnings or loss account for the year in which the corresponding revisions took place.

The estimates and their sources of uncertainty considered most important in drawing up the financial statements of the Corporation are:

- Provision for uncollectables, direct and indirect
- Fair value of financial derivatives
- Provision for non-performing accounts receivable
- Useful life of real estate, fixtures and fittings

- Useful life of intangible assets
- Impairment calculations for real estate, machinery and equipment
- Estimated impairment of investments
- Other contingent assets and loans
- Recording of contingent liabilities
- Current and deferred income tax
- Fair values, classification and investment risks
- Acknowledgements of earnings

The management has used its judgement in applying accounting policies when preparing the attached financial statements, as explained in the corresponding accounting policies.

3. PRINCIPAL ACCOUNTING POLICIES

(a) Changes in accounting estimates

According to management, during the first quarter of 20155 and throughout 2014 the Corporation made no adjustments deriving from changes in accounting policies and/or accounting errors. During 2014 the Corporation made the following changes in accounting estimates resulting from regulatory changes:

• Deactivation of the procyclic factor applicable to the provision for non-performing loans

On the 27th of November 2014 the SBS issued Circular B-2224–2014, which deactivating the procyclic calculation of provision for non-performing loans from the 1st of November 2014 (see note 3(d)).

• Changes in income tax rates

As at the 31st of December 2014, the Income Tax Act modified the tax rate for third category income earners domiciled in Peru, the net effect of which on the financial statements as at the 31st of March 2015 and 31st of December 2014 was to increase deferred income tax assets and reduce deferred income tax liabilities by (in thousands) S/..7,221 and S./.17,836, respectively (see note 18 (g)).

(b) Financial instruments

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual agreement from which they originate. The interest, dividends, earnings and losses generated by a financial instrument classified as a liability, are recorded as expenditure or income in the profit and loss account.
Financial instruments are offset when the Corporation has the legal right to do so and the management intends to pay them on a net basis or to realise the asset and pay the liability simultaneously.

Financial assets and liabilities included in financial statements consist of available funds, investments available for sale, the loan portfolio, accounts receivable, obligations to the public, deposits from finance companies and international bodies, borrowings and financial obligations, securities, securities and obligations in circulation, accounts payable and provisions for contingent credits. Furthermore, all derivatives and operations in progress are considered financial instruments, including both other assets and other liabilities.

Accounting policies on the acceptance and evaluation of these items are given in the respective accounting policies described in these notes.

(c) Financial derivatives

Are financial derivatives that meet the following conditions: (a) Their fair value fluctuates in response to changes in the level or price of an underlying asset, (b) they do not require an initial net investment or only require an investment lower than that which would be required in contracts that respond in a similar manner to changes in market variables and (c) they are to be liquidated at a future date.

The Corporation classifies financial derivatives and records them in its accounts in accordance with the provisions of SBS ruling N°1737-2006 and modifications thereto. The accounting treatment envisaged by the SBS includes essential aspects established by IAS 39 - "Financial Instruments: Acknowledgement and Measurement".

At the time of initial recording in the accounts, financial derivatives should be classified in one of the following two categories: (a) Financial derivatives for negotiation or (b) financial derivatives for hedging purposes. Financial derivatives for negotiation are initially recorded at their reasonable value; all subsequent changes in the reasonable value of the derivative will affect the results of the fiscal year. Financial derivatives used for hedging purposes should meet certain requirements established by the SBS concerning procedures, techniques applicable and adequate, opportune documentation to support the hedging strategy.

Swaps and forwards classified as financial derivatives for hedging purposes are entered in the accounts initially at their reasonable value.

Future cash flow hedges are recorded as hedging derivatives, both as assets and liabilities, as appropriate, in the statement of financial position and are shown at their fair value. Insofar as these hedging operations effectively offset exchange rate and/or interest rate risk, changes in reasonable value are recorded directly under "Changes in equity" in the equity account. These amounts are transferred to the results of the fiscal year in which the financial liability is liquidated and are shown under the heading profit or loss from financial derivatives.

Hedging instrument of all types should be valued periodically and when in a range of 80-125% are considered highly effective at reducing the risk associated with the exposure they are hedging. If at any time the hedge ceases to be effective, changes in the reasonable value from then on will be reflected in the results of the fiscal year.

Derivatives classified as for negotiation are initially recorded at their reasonable value on the date of negotiation.

The fair values are obtained from market exchange rates and interest rates. Earnings and losses from changes in reasonable value are recorded in the profit and loss account.

The nominal value of financial derivatives is recorded in its agreed currency in contingencies and memorandum accounts (Note 14 (a)).

(d) Loan portfolio and provision for non-performing items of the loan portfolio

Loans are recorded when funds are disbursed to clients.

Those loans whose payment schedules and/or capital owed are changed because of difficulties with payment by the debtor are considered to be refinanced or restructured.

Financial leasing operations deriving from portfolio assignment agreements are recorded in the accounts in accordance with SBS regulations and IAS 17 - "Leases", as loans.

The provision for non-performing loans is calculated in accordance with the criteria and percentages established in SBS Ruling Nº 11356-2008 "Regulations for the Evaluation and Classification of Debtors and Provision Requirements", modifications thereto and other complementary legislation".

Type of loans

In accordance with SBS ruling Nº 11356-2008 loans are classified as: i) Corporate loans, ii) loans to large companies, (iii) loans to medium-sized companies, iv) loans to small companies, v) loans to micro-enterprises (MES), vi) revolving consumer loans, vii) non-revolving consumer loans and viii) housing mortgage loans. This classification takes into consideration the nature of the client (corporate, government or individual), the purpose of the loans and the size of the business measured by earnings, indebtedness and other criteria.

Classification categories

The classification categories established by the SBS are as follows: Normal, potentially problematical, deficient, doubtful and lost; in the case of the non-retail loan portfolio (corporate clients, large and medium-sized companies) classification is determined principally by the debtor's ability to pay, its cash flow, the degree of compliance with its obligations, classifications assigned by other financial entities, the debtor's financial position and the quality of its management; whilst loans to small companies, MES and consumer loans (revolving and non-revolving) and mortgages are classified as a function of the number of days in arrears in repayment and classification by other financial entities.

Provision requirement

In accordance with current regulations, the Corporation makes two classes of provisions for its loan portfolio: Generic provisions and specific.

Generic provisions include those created as a preventive measure for debtors in the normal category according to SBS requirements and, in addition, the procyclic component when the SBS indicates that this should be applied (deactivated since November 2014 by means of Circular B-2224-2014); as well as voluntary generic provisions.

In accordance with internal policies permitted by the SBS, the Corporation makes voluntary generic provisions for the loan portfolio, the level of which depends on an evaluation carried out by the management on the country's macroeconomic variables and their impact on IFIs and debtors in general (Note 7). Furthermore, voluntary generic provisions are created as a preventive measure for certain debtors with greater exposure to risk.

In this regard, agreements by the board of directors N° 066-2005 and Nº 003-2007, dated the 15th of September 2005 and 11th of January 2007 respectively, approved the redistribution and creation of voluntary generic provisions based on the following maximum provision rates:

Sub-system	% provision up to
Municipal savings & loan institutions	30%
Rural savings & loan institutions	50%
Small & microenterprise development entities	30%
Cooperatives	40%
Banks	35%
Finance institutions	30%
Lessors	30%

Specific provisions are those created to cover direct loans and credit risk exposure arising from indirect loans included in a higher risk category than normal.
Provision requirements are determined using the debtor's risk classification, whether or not there is any collateral guarantee and as a function of the type of guarantees provided.

Furthermore, in compliance with SBS Ruling N° 041-2005 approving the regulations for exchange rate risk management, the Corporation evaluates the exposure to exchange rate risk by loans denominated in foreign currency and makes provisions as required by the SBS.

The Corporation uses the above criteria to set aside a specific provision for accounts receivable in the assigned loan portfolio, included under the heading Other Assets (Note 9-b)).

As at the 31st of March 2015 and the 31st of December, the provisions are determined of accordance with SBS instructions. The minimum percentages required for loan provisions are given below:

Risk category	Un-secured	With preferred guarantees	With very fast preferred guarantees	Self-liquidating guarantees
	%	%	%	
- Normal				
Corporate loans	0.70	0.70	0.70	0.70
Loans to large companies	0.70	0.70	0.70	0.70
Loans to medium companies	1.00	1.00	1.00	1.00
Loans to small companies	1.00	1.00	1.00	1.00
Loans to microenterprises	1.00	1.00	1.00	1.00
Revolving consumer credit	1.00	1.00	1.00	1.00
Non-revolving consumer credit	1.00	1.00	1.00	1.00
Housing mortgages	0.70	0.70	0.70	0.70
- Potential problems	5.00	2.50	1.25	1.00
- Deficient	25.00	12.50	6.25	1.00
- Doubtful	60.00	30.00	15.00	1.00
- Lost	100.00	60.00	30.00	1.00

Procyclic component

A procyclic provision is required for the normal risks portfolio. This represents an additional component to the generic provision mentioned above and depends on the "procyclic rule" being activated.

The provision for the "procyclic rule" was deactivated in November 2014, in accordance with SBS Circular B-2224-2014 dated the 27th of November 2014. The circular also indicates that the procyclic provisions may be reassigned to new provisions for debtors.

When a debt is considered uncollectable it is written off against the respective provision for non-performing loans. Later recovery of sums that have been written off are recorded on the entries side of the profit and loss account.

The provision for overdue accounts is kept at a level that, in the opinion of the company's management, is sufficient to cover potential losses in the loan portfolio as at the date of the earnings statement.

(e) Investments

These investments can be classified as: Investments at fair value with changes in the results, investments available for negotiation and investments held to maturity.

The Corporation keeps the following investments:

(e.1) Investments available for sale

Consists of those securities that the management intends to sell for gain before maturity. This category includes all investment instruments that are not classified as investments at reasonable value or investments held to maturity. They are valued at their reasonable value and gains or losses arising from changes in this reasonable value are recorded in the equity account until the instrument is sold or realised, at which time they are transferred to the results of the fiscal year except for losses due to impairment of their value, which are recorded in the results.

Gains or losses caused by exchange rate differences in instruments representing capital are recorded in equity accounts while debt instruments are recorded in the profit and loss account.

The performance of these investments is recognised when it accrues and dividends when they are declared.

Provisions for impairment in the value of investments are based on internal evaluations carried out by the Corporation and depend on the credit risk and exchange rate risk to which the issuer of the investment is exposed. Losses through impairment of accumulated value recognised directly under equity should be removed from this account and entered in the results of the fiscal year, even though these investment instruments have not been sold or withdrawn.

(e.2) Investment in Corporación Andina de Fomento

In accordance with IAS 39 and the Executive Regulations for the Classification and Valuation of Investments (Ruling N° 7033-2012-SBS), investments in equity instruments that are not quoted in an active market and whose reasonable value cannot be measured reliably shall be measured at cost.

As part of the harmonisation process with IFRS and taking into account that shares in CAF do not pay cash dividends, have no active public market, a reasonable estimate of the value of the investment cannot be made and with reference to SBS official communication N° 45853-2012-SBS issued by the SBS on the 5th of December 2012, which requires them to be treated in line with IFRS, the Corporation maintains these investments as “Investments available for sale” at cost value, which is equivalent to the last book value recorded by the Corporation and reported by the Corporation to the SBS on the 31st of December 2012.

(f) Real estate, fixtures and fittings

Real estate, fixtures and fittings are shown at cost less depreciation and any loss through impairment of the recognised value. Initial disbursements and those occurring later, relating to assets whose cost can be reliably determined and are likely to be the sources of future economic benefits, are recognised as fixed assets. Disbursements for maintenance and repairs are recognised as expenses in the period in which they occur. Profits or losses from the sale or withdrawal of items in the real estate, fixtures and fittings account consist of the difference between the sale price and the book value of the asset and are recorded in the profit and loss account of the fiscal year on the date the sale is completed.

Depreciation is calculated using the straight line method on the estimated useful life of the different assets; estimated useful life is shown below:

Item		*Useful life*
Buildings		33 years
Installations, fixtures & fittings		10 years
Vehicles		5 years
Equipment - various		4 & 10 years

Estimates of useful life, residual value and methods of depreciation are reviewed at the end of each reporting period in order to evaluate possible significant changes in earlier expectations or in the expected pattern of consumption of the future economic benefits incorporated into the assets; the effects of any change in these estimates are incorporated prospectively in net earnings or losses of the period in which they occur.

In accordance with the provisions of the Act, the Corporation is prohibited from using its fixed assets as guarantees.

(g) Realisable assets, assets received in payment and adjudicated

Property adjudicated and received in lieu of payment is recorded at the adjudication value or value agreed in the payment contract, or the net value realised, whichever is lower. Assets recovered after termination of a contract, if any, are initially recorded at the unpaid value of the debt or the net value realised, whichever is lower. If the unpaid value of the debt is greater than that of the recovered asset, the difference is recorded as a loss, provided that there is no likelihood of recovery.

The Corporation made the following provisions in accordance with SBS Ruling Nº 1535-2005:

- 20% of the value on the date of adjudication or recovery of all property received, unless the provision determined by the valuation is higher.

- For assets other than real estate, a provision was made for the outstanding balance over a maximum period of 18 months or 12 months, depending on whether the SBS allows an extension.

- In addition, a monthly provision for devaluation of real estate from the 18th month after adjudication or recovery should be made within a maximum period of 42 months, based on the net value obtained in the 18th month.

(h) Intangible assets

Intangible assets with finite useful lives acquired separately are recorded at cost less accumulated amortisation and any accumulated loss arising from impairment of the recorded value. Amortisation is calculated using the straight line method using the useful life estimated by the Corporation. Estimates of useful life and methods of depreciation are reviewed at the end of each reporting period to evaluate possible significant changes in earlier expectations or in the expected pattern of consumption of the future economic benefits incorporated into the assets; the effects of any change in these estimates are incorporated prospectively in net earnings or losses of the period in which they occur.

Licences for computer programs are capitalised on the basis of the cost of acquisition or making use of the specific computer program. These costs are amortised using the straight line method during the estimated useful life. Useful life is estimated at between 3 and 5 years.

Costs linked to the development or maintenance of computer programs are recorded as costs when they are incurred. Costs incurred in the development of computer programs recorded as assets are amortised over their estimated useful lives.

The Corporation recognises intangibles at cost.

(i) Losses through impairment

When events or economic changes occur that indicate that the value of an asset with a long life cannot be recovered, the management reviews the book value of these assets as at the date of each balance sheet. If this analysis shows that the book value exceeds the recoverable value, a loss is recorded in the profit and loss account. Recoverable values are recorded for each asset.

(j) Borrowings and financial obligations - securities and obligations in circulation

Liabilities under the heading borrowings and financial obligations and arising from the issue of securities (corporate bonds) are recorded at their nominal value with accrued interest recorded in the profit and loss account.

Discounts granted in bond placements are deferred and are amortised during their lives.

(k) Income tax

Income tax expenditure includes the estimated amount of income tax payable plus deferred income tax.

Current income tax is calculated by applying the tax rate established in current tax legislation to net taxable income for the year.

Deferred income tax is the amount of tax it is expected to recover or to pay on temporary differences between the book values of assets and liabilities and their corresponding tax bases. Deferred income tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences and tax credits, rebates and tax losses not made use of, insofar as the Corporation considers it likely that it will have sufficient taxable gains in the future to be able to make use of them.

The book value of deferred tax assets is reviewed at the end of teach reporting period and reduced to the extent that it is unlikely that the Corporation will have future taxable gains in the future to recover all or part of these assets.

Taxes on deferred assets and liabilities are calculated using the tax rate that it is expected will apply when the asset is realised or the liability cancelled, based on rates and legislation approved or approval of which is almost completed, at the end of the reporting period. Measurement of these deferred taxes reflects the fiscal consequences deriving from the way in which the Corporation waits to recover or liquidate the book value of its assets and liabilities at the end of the reporting period.

Income taxes, both current and deferred, are recognised as expenditure or income and included in the calculation of earnings or losses for the period, except if those taxes are related to items recorded directly in the equity account, in which case the tax on current or deferred income is also recorded directly in the equity account.

(l) Employee benefits

Benefits for employees include, among others, short-term benefits such as salaries and social security contributions, annual holiday pay, sick pay and profit sharing and incentives, if paid within twelve months of the end of the period. These benefits are set against the profit or loss of the period in which an employee has provided the services giving rise to the right to receive them. The corresponding payment obligations are contained under other liabilities.

(l.1) Employee profit sharing

The company recognises as a liability and a cost employee profit sharing of 5% of the tax base determined in accordance with current tax legislation.

(l.2) Holidays

Annual holidays are on an accrual basis. The provision for the estimated cost of annual holidays and other paid absence arising from services provided by the employees is recognised as at the date of the financial position.

(l.3) Severance pay

Provision for employee severance pay consists of the whole amount due in accordance with current legislation. Payments are deposited in banks chosen by the employees.

(m) Provisions

Provisions are accepted when the Corporation has a present obligation (whether legal or implicit) arising from a past event and it is likely that the Corporation will pay out money to pay that obligation and can make a reliable estimate of its value.

The value of the provision corresponds to the best estimate, as at the date of the financial position, of the disbursement necessary to pay the obligation, taking into consideration the risks and uncertainties inherent in the majority of the events and circumstances involved in assigning a value to the obligation. When the value of the provision is measured using estimated cash flows to pay an obligation, the book value is the present value of the corresponding disbursements.

If it is expected that all or part of the disbursement necessary to cancel the provision will be reimbursed by a third party, the receivable portion is recorded as an asset when its recovery is practically certain and the value of this portion can be reliably determined.

(n) Contingent liabilities and assets

Contingent liabilities are not recognised in the financial statements, they are only revealed in the notes. When there is little possibility of funds being used to cover a contingent liability, such a revelation is not required.

Contingent assets are not recognised in the financial statements, they are only revealed in the notes to the financial statements when income is likely.

The items formerly treated as contingent liabilities are recorded in the financial statements for the period in which the change of probabilities occurs, that is, when it is thought likely that funds will be required to cover the liability in question. Items treated as contingent assets are recorded in the consolidated financial statements in the period in which it is thought to be virtually certain that income will be received.

(o) Distribution of dividends

Cash dividends are recorded as a liability in the financial statements in the year in which dividends are approved by the Corporation's shareholders.

(p) Recognition of income and expenditure

Interest earnings and payments are recorded in the results of the period in which they accrue, as a function of the validity of the operations generating them and the interest rates agreed with clients; except interest generated by overdue, refinanced and restructured loans and those subject to legal action; as well as loans classified in the doubtful and lost categories, interest on which is recognised as earned as and when it is collected. When the management decides that the financial condition of the debtor has improved and the loan is reclassified as current and/or in the normal, potentially problematical or deficient, the interest is once again recognised as and when accrued.

Commissions for services are recognised as income when received. Other income and expenditure is recorded in the period in which it accrues.

(q) Trustee activity

Assets maintained by the Corporation in its capacity as trustee on behalf of financial institutions or state entities, are not included in the Financial position. These assets are kept separate in the financial statements and are recorded in the Corporation's memorandum accounts.

(a) Foreign currency

The operating currency of the Corporation is the Peruvian nuevo sol (S/.). Operations in currencies other than the Peruvian nuevo sol are considered as “foreign currency” transactions and are recorded using the exchange rates in force on the dates of the said transactions. At the end of the reporting period, balances for foreign-currency-denominated monetary items are converted using the exchange rates in force on that date. Non-monetary balances recorded at reasonable value and denominated in foreign currency are converted using the exchange rate applicable on the date on which the reasonable value was determined. Balances of non-monetary items recorded at historic cost in foreign currencies are converted using the exchange rates in force on that date.

Exchange rate differences arising from monetary items are recorded as profits or losses in the fiscal year in which they occur, except for exchange rate differences arising from monetary items receivable or payable for foreign operations for which payment has not been planned nor is expected to occur in the foreseeable future (considered part of the net investment in the foreign operation), which are recorded initially as part of other consolidated results and reclassified as net gains or losses in the fiscal year in which the said monetary items are received or paid.

(s) Profits per share

Profit per basic share is calculated by dividing net profit for shareholders by the weighted average of shares in circulation during the period. The calculation of the weighted Average considers that shares created by the capitalisation of profits were always in circulation during the period. As at the 31st of March 2015 and 31st of December 2014, the Corporation had no financial instruments that diluted profits per share, therefore basic profit and profit per share are the same (note 17).

(t) Cash and cash equivalent

For cash and cash equivalent, the Corporation uses the indirect method in accordance with IAS 7 - ”Cash flow accounts”; cash and the cash equivalents include the balance of the items Available and Sight Deposits in Banks.

(u) Other integrated results

As at the 31st of March 2015 and 31st of December 2014, the components of the income statement and other consolidated results correspond to the results of investments available for sale and used for cash flow hedges, net of the corresponding deferred income tax.

4. NEW ACCOUNTING RULES

(a) Rulings by the Accounting Standards Board (PASB)

The PSAB issued ruling Nº 055-2014-EF/30 on the 24th of July 2014 adopting the 2014 version of the International Financial Reporting Standards (IAS, IFRS, IFRSIC and SIC), in accordance with the respective dates of application contained in each one of the standards approved by the said ruling.

Modifications to the IFRS and applicable interpretations in 2014 and 2013 are as follows:

- IFRS 10 “Consolidated financial statements”. Effective for annual periods commencing on or after the 1st of January 2014.
  IFRS 12 “Disclosure of Interests in Other Entities”. Effective for annual periods commencing on or after the 1st of January 2014.

- IAS 27 “Separate financial statements”. Effective for annual periods commencing on or after the 1st of January 2014.

- IAS 32 "Financial Instruments: Presentation – Clarification of requirements for calculating the net value of financial assets and liabilities”. Effective for annual periods commencing on or after the 1st of January 2014.

- IAS 36 “Impairment of assets - Revelation of the recoverable value of non-financial assets”. Effective for annual periods commencing on or after the 1st of January 2014.

- IAS 39 "Financial Instruments: Acknowledgement and Measurement ” – Novation of derivatives and continuation of hedge accounting”. Effective for annual periods commencing on or after the 1st of January 2014.

- IFRSIC 21 “Encumbrances”. Effective for annual periods commencing on or after the 1st of January 2014.

- Amendments to IAS 19 “Employee benefits _ Defined benefit plans: Employee contributions”. Effective for annual periods commencing on or after the 1st of July 2014.

New and revised IFRS that are not obligatory (but may be applied in advance) for fiscal year ending on the 31st of December 2014:

- IFRS 9 “Financial instruments”. Effective for annual periods commencing on or after the 1st of January 2018.

- IFRS 14 “Regulatory deferral accounts”. Effective for annual periods commencing on or after the 1st of January 2016.

- IFRS 15 “Revenue from contracts with clients”. Effective for annual periods commencing on or after the 1st of January 2017.

- Modification to IFRS 11 “Joint Arrangements”. Effective for annual periods commencing on or after the 1st of January 2016.

- Modification to IFRS 16 “Property, plant and equipment”. Effective for annual periods commencing on or after the 1st of January 2016.

- Modification to IFRS 38 “Intangible assets”. Effective for annual periods commencing on or after the 1st of January 2016.

The management of the Corporation believes that the application of these new publications will have no material impact on its financial statements.

(b) Main SBS publications

SBS regulation Nº	Description of the regulation	In force from
B-2224-2014	Approval of Deactivation of Procyclic Rule.	November 2014
OM-43078-2014	The SBS defines the fair value of the loan and deposit portfolios to be their book values.	November 2014
R-1014-2014	Modification of Annexes 7-A and 7-B of Chapter V “Complementary Information” of the Accounting Manual.	March 2014
R-1802-2014	Modification of the Regulation for Debtor Evaluation and Classification and Provision Requirements.	March 2014
R-4128-2014	Modification of the Accounting Manual for Financial Companies and Regulation Governing Regulatory Capital to cover Operating Risk.	July 2014
R-5254-2014	Modification of the Liquidity Risk Management Regulation and the Accounting Manual for Financial Companies.	September 2014
R-5790-2014	Approval of Repo Transaction Regulations applicable to Financial Companies.	September 2014

5 AVAILABLE FUNDS

This item includes:

	31 03 2015 S/. 000	31 12 2014 S/. 000
Central Reserve Bank of Peru-BCRP (a)	100,512	155,298
Current accounts	310,679	372,235
Yield on available funds	134	275
Other funds available	64	64
Provision for country risk (b)	(1)	(4,190)
Total	**411,388**	**523,682**

(a) As at the 31st of March 2015, CRBP included (in thousands) US$ 210 and S/210 (in thousands), US$ 888 and S/.3,246,2014 as at the 31st of December .5,391 corresponding to the statutory reserve that financial institutions in Peru must maintain to cover deposits and obligations to third parties. These funds are kept in the companies' own vaults or are deposited with the CRBP. Funds representing the minimum statutory reserve do not generate interest. The additional statutory reserves accrue interest at a rate established by the CRBP. In accordance with current legislation, statutory reserve funds cannot be seized.

As at the 31st of March 2015, the CRBP includes (in thousands) US$24,700,.18,00000 and S/.18,000 (US$35,800 and S/.42,500 as at the 31st of December 2014) for overnight deposits with the CRBP that accrue interest at an effective annual rate of 0.13362.05% in foreign currency and 2.05% in Peruvian currency. Overnights accrued interest during fiscal year 20155 amounting to (in thousands) US$3 and (in thousands) S/.0.377, ((in thousands) S/. US$ 12 and S/. 87, as at the 31st of December 2014) included under “interest earnings on available funds” in the results.

(b) Provisions were recorded for country risk - available funds in the first quarter of 2015 amounting to (in thousands) S/. 1 ((in thousands) S/. 4,190 as a the 31st of December 2014), arising from the Corporation's deposits in foreign banks (subject to the regulatory provision for country risk). These deposits are short term and therefore as expected, the provision requirement has gradually been reduced. It should be pointed out that these provisions were made in accordance with instructions from the SBS and the Corporation's internal policies on this matter.

6. INVESTMENTS AVAILABLE FOR SALE

This item includes:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
CAF shares (note 3 (e.2.))	2,339,156	2,339,156
Mutual funds	266,843	314,981
Investment funds	21,064	20,266
Shares	2,892	2,561
Capital instruments	**2,629,955**	**2,676,964**
Structured bonds	851,685	823,548
porate bonds	261,667	262,877
Securitised bonds	44,859	45,786
Structured bonds / repurchase agreements	42,548	29,805
Sovereign bonds	19,775	18,581
Commercial paper	1,898	2,966
Subordinated bonds	2,362	2,377
	1,224,794	**1,185,940**
Accrued yield	19,241	27,329
Debt instruments	**1,244,035**	**1,213,269**
Total	**3,873,990**	**3,890,233**

The investment in the CAF was a contribution by the Peruvian Government between 1989 and 2000, in the form of class "B" shares in the CAF. The class "B" shares have a nominal value of US$5,000 each, and enable their holder to appoint a representative to the board of directors. As at the 31st of March 2015 and the 31st of December 2014, the Corporation held 97,951 class “B” shares representing 11.73% and 12.43% of capital of CAF, respectively.

As part of the harmonisation process with IFRS and taking into account that shares in CAF do not pay cash dividends, have no active public market, a reasonable estimate of the value of the investment cannot be made and with reference to SBS official communication N° 45853-2012-SBS, which requires them to be treated in line with IFRS, as at the 1st of March 2013 the Corporation maintains these investments as “Investments available for sale” at cost value, which is equivalent to the last book value recorded by the Corporation and reported by COFIDE to the SBS on the 31st of December 2012 (note 3 (e.2)).

Interest income from the investments is recorded under “income from investments available for sale” in the profit and loss account.

As at the 31st of March 2015, structured bonds / repurchase agreements consisted of bonds issued by Terminales Portuarios Paita issued to guarantee short-term financing and held in trust administered by COFIDE (note 10 (c)). As at the 31st of December 20144, structured bonds / repurchase agreements consisted of bonds issued by Terminales Portuarios Paita issued to guarantee short-term financing and held in trust administered by COFIDE (note 10(c)).

Furthermore, as at the 31st of March 2015 and 31st of December 2014 the Corporation made provisions of (in thousands) S/.0.10,241 and S/.0.9,877, respectively for exposure to credit risk deriving from exchange rate risk – RCDR by its investments in foreign currency, as a result of internal reviews. (Note 12 (b)).

According to the Corporation's policy as at the 31st of March 2015 and 31st of December 2014, they were invested in instruments having a credit rating of “BBB-“ and “AAA” (see note 21.1. (e)).

The market value and unrealised results of these investments are as follows:

Type of instrument	Maturities	Interest rate (coupon)		Market value		Unrealised results	
		As at 31st March 2015	As at 31st Dec. 2014	As at 31st March 2015	As at 31st Dec. 2014	As at 31st March 2015	As at 31st Dec. 2014
		%	%	S/. 000	S/. 000	S/. 000	S/. 000
Peruvian currency							
Structured bonds	Between January 2033 & June 2037	Between 5.97 & 8.58	Between 5.97 & 8.58	343,220	350,459	20,945	23,209
Corporate bonds	September 2025	662.50%	Between 6.625 & 6.8437	31,100	30,702	13,352	13,061
Securitised bonds	Between June 2015 & December 2016	8.50	8.50	30,932	30,469	82	242
Commercial paper	January 2015	6.60	6.60	1,898	2,966	(2)	(4)
Subordinated bonds	October 2022	7.17	7.17	2,445	2,416	(201)	(185)
				409,595	**417,012**	**34,176**	**36,323**
CAF shares (Note 3 (e.2))	-	-	-	2,339,156	2,339,156	404,261	404,261
				2,748,751	**2,756,168**	**438,437**	**440,584**
Foreign currency							
Structured bonds	Between December 2033 & April 2037	Between 6.0 & 8.125	Between 6.0 & 8.125	518,697	487,056	10,364	17,796
Corporate bonds	Entre enero 2015 y enero 2021	Between 6.50 & 9.875	Between 6.50 & 9.875	233,901	240,046	(397)	6,478
Structured bonds / repurchase agreements	April 2037	8.125%	8.125%	43,428	30,448	(1,912)	(10,624)
Securitised bonds	February 2021	7.3475%	7.3475%	18,266	19,384	696	688
Sovereign bonds	December 2015	8.00%	8.00%	20,148	19,323	812	301
Mutual funds	No contractual maturity	-	-	266,843	314,981	454	118
Investment funds	No contractual maturity	-	-	21,064	20,266	(6,390)	(5,906)
Bladex shares	No contractual maturity	-	-	2,892	2,561	2,065	1,763
				1,125,239	**1,134,065**	**5,692**	**10,614**
Total				**3,873,990**	**3,890,233**	**444,129**	**451,198**

7. LOAN PORTFOLIO, NET

(a) The loan portfolio is made up as follows:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Direct loans		
Loans to intermediate financial institutions	5,434,491	5,390,624
Loans	158,711	13,201
Restructured loans	12,952	12,492
Refinanced loans	4,579	5,066
Overdue loans	48,326	144,058
Loans to be settled and subject to legal action	1,264	1,219
Sub Total	**5,660,323**	**5,566,660**
Plus:		
Accrued yield from loans	258,417	225,742
Minus:		
Provision for non-performing loans	(616,929)	(594,442)
Deferred interest	(3,859)	(3,213)
	(620,788)	(597,655)
Total	**5,297,952**	**5,194,747**
Contingent loans - guarantees & letters of guarantee (Note 14)	**631,652**	**658,468**

The balance of the loan portfolio, consisting of direct and contingent loans, mainly in foreign currency, to intermediate financial institutions (IFIs) for their first tier portfolio.

Loans to banks are guaranteed through clauses in the global contracts for channeling resources entered into with each debtor, which enable the Corporation to: i) automatically collect debt instalments by charging the debtor's current account at the Central Reserve Bank of Peru (CRBP) and/or the nominated operating bank and ii) through an assignment of rights to the portfolio of loans financed by the Corporation's funds up to the value of the debt including interest, commissions, penal interest and other costs; this assignment to take effect if the bank fails to pay an instalment or when, in the judgement of the Corporation, special circumstances exist that make collection of the funds granted difficult. For other IFIs the cover is similar, except that an operating bank is designated in place of the CRBP.

Classification of the loan and contingency portfolios (net of deferred interest) by risk category, carried out by the management of the Corporation and following the current rules issued by the SBS, is summarised as follows:

	Number of debtors		Total portfolio	
	31 03 2015	31 12 2014	31 03 2015	31 12 2014
			S/. 000	S/. 000
Normal	128	127	5,642,952	5,408,720
With potential problems	20	21	544,580	613,745
Deficient	7	9	51,440	197,664
Doubtful	4	3	47,657	343
Lost	4	4	1,487	1,443
Total	**163**	**164**	**6,288,116**	**6,221,915**

The loan portfolio broken down by type of IFI is classified as follows:

	31 03 2015		31 12 2014	
	S/.000	%	S/.000	%
Second tier portfolio:				
Banks	4,315,800	76.2	4,137,297	74.3
Financial institutions	671,061	11.9	781,736	14.0
Municipal savings & loans	293,309	5.2	316,827	5.7
Edpymes	73,332	1.3	72,733	1.3
Financial leasing	41,026	0.7	34,947	0.6
Cooperatives	25,469	0.4	26,357	0.5
Rural savings & loans	14,494	0.3	20,727	0.4
Factoring	310	0.0	3,284	0.1
	5,434,801	96.0	5,393,908	97.0
First tier portfolio:				
Financial leasing & promissory notes	213,002	3.8	160,387	2.9
Other loans (i)	12,520	0.2	12,365	0.2
	225,522	4.0	172,752	3.0
Total portfolio	**5,660,323**	**100.0**	**5,566,660**	**100.0**
Rendimiento devengado de créditos	258,417		225,742	
Total general	**5,918,740**		**5,792,402**	

(i) Consumer loans and mortgages to employees and former employees.

(b) Rates of interest and guarantees:

The Corporation is free to establish the interest rates applicable to its lending operations as a function of the cost of funds, type of client, market and currency in which the loan is denominated.

The effective annual average rates for the main products were as follows:

	31 03 2015		31 12 2014	
	Loans in		Loans in	
	S/.	US$	S/.	US$
	%	%	%	%
Short-term working capital	6.33	1.69	6.53	1.8
COFIDE own resources	9.35	5.92	9.37	5.71
Medium-term working capital	9.28	6.83	9.37	7.02
Probid II	-	Libor 6M + 4.42	-	Libor 6M + 4.46
Structured financial products	22.89	11.90	21.27	10.91

(c) Changes in the provision for non-performing direct and contingent loans were as follows:

	Direct	Contingent	Total
	S/.000	S/.000	S/.000
Balances as at 31st December 2013	**599,097**	**44,994**	**644,091**
Provision for fiscal year	100,444	5,393	105,837
Recoveries	(115,254)	(11,423)	(126,677)
Write-downs	(930)	-	(930)
Exchange rate differences	11,085	2,600	13,685
Balances as at 31st December 2014	**594,442**	**41,564**	**636,006**
Provision for fiscal year	34,425	4,041	38,466
Recoveries	(19,977)	(2,826)	(22,803)
Exchange rate differences	8,039	1,439	9,478
Balances as at 31st March 2015	**616,929**	**44,218**	**661,147**

The balance of provisions for non-performing direct and contingent loans is made up as follows:

	31 03 2015			31 12 2014	
	Direct	Contingent	Total	Direct	Contingent
	S/.000	S/.000	S/.000	S/.000	S/.000
Specific	151,245	-	151,245	147,194	-
Generic for normal clients	54,705	5,313	60,018	55,531	5,470
Voluntary generic	410,979	38,905	449,884	391,717	36,094

As at the 31st of March 2015 and the 31st of December 2014, the Corporation had recorded the total obligatory value required by the SBS for generic provisions.

As at the 31st of March 2015 and 31st December 2014 the procyclic rule was deactivated, however during 2014 this concept accumulated the sum of (in thousands) S/.22,542.

The management considers that the level of provision for non-performing loans is sufficient to cover future losses in this portfolio as at the date of the statement of financial position.

(d) As at March 2015, approximately el 96% of the loan portfolio was concentrated in IFIs (97% a December 2014).

(e) The loan portfolio is distributed among the following sectors:

Economic sector	31 03 2015		31 12 2014	
	S/. 000	%	S/. 000	%
Commercial & microenterprise loans				
Financial intermediation	5,434,491	96.01	5,390,624	96.84
Farming, livestock, hunting & forestry	148,407	2.62	109	0.00
Manufacturing industry	48,285	0.85	144,157	2.59
Hotels & restaurants	16,526	0.29	16,305	0.29
Housing mortgages	9,848	0.17	9,638	0.17
Consumer loans	1,407	0.03	1,507	0.03
Transport, storage & communications	1,031	0.02	993	0.02
Other community services	310	0.01	3,285	0.06
Real estate, business & rentals	18	0.00	42	0.00
Total	**5,660,323**	**100.00**	**5,566,660**	**100.00**

(f) The loan portfolio has the following maturities:

	31 03 2015		31 12 2014	
	S/.000	%	S/.000	%
Up to one year	2,020,249	35.7	1,966,823	35.3
More than 1 but less than 2 years	397,638	7.0	544,443	9.8
More than 2 but less than 3 years	390,162	6.9	314,973	5.7
More than 3 but less than 4 years	412,698	7.3	348,011	6.3
More than 4 but less than 5 years	729,640	12.9	340,937	6.1
More than 5 years	1,660,346	29.3	1,906,196	34.3
Sub Total	**5,610,733**	**99.1**	**5,421,383**	**97.4**
Overdue and subject to legal action	49,590	0.9	145,277	2.6
Total loan portfolio	**5,660,323**	**100.0**	**5,566,660**	**100.0**

(g) First tier portfolio (assigned)

In accordance with its global contracts for channelling funds with IFIs, the Corporation entered into complementary agreements with certain IFIs, by which the IFIs in question assigned their rights and contractual positions in a number of loan contracts to the Corporation. Furthermore, some IFS liquidated and taken over by the SBS assigned to the Corporation various lending and financial leasing contracts as payment of their obligations to the Corporation.

Annual changes in this portfolio over the last two years are as follows:

	From 1998 to 2002				
	Latino Leasing	Banco Nuevo Mundo	NBK Bank	Consolidated operations	Total
	US$ 000	US$ 000	US$ 000	US$ 000	US$ 000
Balances as at 31.12.2013	**3,417**	**2,758**	**415**	**1,476**	**8,066**
Loans received (*)	-	-	-	48,202	48,202
Recoveries & others	(2,140)	(44)	(371)	-	(2,555)
Balances as at 31.12.2014	**1,277**	**2,714**	**44**	**49,678**	**53,713**
Equivalent in soles as at 31.12.2014	**3,813**	**8,104**	**131**	**148,339**	**160,387**
Loans received (*)	-	-	-	47,916	47,916
Recoveries & others	(123)	(7)	(18)	(32,682)	(32,830)
Balances as at 31.03.2015	**1,154**	**2,707**	**26**	**64,912**	**68,799**
Equivalent in soles as at 31.03.2015	**3,573**	**8,381**	**80**	**200,968**	**213,002**

(*) The Corporation signed joint financing contracts in August 2013 with Itau BBA S.A. in order to participate in a financing project with Maple Etanol S.R.L. and Maple Biocombustibles amounting to (in thousands) US$ 40,000, and in April 2014 with Banco Interbank in order to take part in another financing project with Maple Etanol S.R.L. and Maple Biocombustibles valued at (in thousands) US$15,000. In

December 2014 the Corporation assigned the rights to its loan portfolio to Itau BBA S.A. and Banco Interbank as a result of a non-payment by Maple Etanol S.R.L. and Maple Biocombustibles.

(**) Through contracts for the assignment of rights and contractual position, the financial intermediaries who are owed money by Fiducia Cayalti assigned their debts to Cofide. Temporarily, and as part of the intervention by our investor in EAI Cayalti SAA, Cofide assigned these debts to Consorcio Peruano Japonés Intipuquio SAC.

8. REAL ESTATE, FIXTURES AND FITTINGS, NET

Changes in the cost and accumulated depreciation of real estate, fixtures and fittings as at the 31st of March 2015 and 31st of December 2014 were as follows:

	Initial balance	Additions	Withdrawals	Final balance	Depreciation rates
	S/. 000	S/. 000	S/. 000	S/. 000	%
Cost:					
Land	469	-	-	469	
Buildings & installations	21,873	-	-	21,873	
es & fittings	2,544	6	-	2,550	
Vehicles	184	-	-	184	
Equipment - various	15,889	1,412	-	17,301	
Total	40,959	1,418	-	42,377	
Accumulated depreciation:					
Buildings & installations	15,728	150	-	15,878	3 y 10
Fixtures & fittings	2,059	24	-	2,083	10
Vehicles	184	-	-	184	20
Equipment - various	9,840	445	-	10,285	10 y 25
Total	27,811	619	-	28,430	
Net	13,148			13,947	

In the opinion of the management, the recoverable values of real estate, fixtures and fittings as at the 31st of March 2015 and the 31st of December 2014 are higher than their book values, therefore it was not considered necessary to make any provision for losses due to deterioration of these assets.

The Corporation holds insurance policies to cover possible risks to which its real estate and furniture and fittings are exposed, as well as possible claims that it may receive in the pursuance of its business.

9. DERIVATIVES FOR HEDGING, ACCOUNTS RECEIVABLE, INTANGIBLE ASSETS AND OTHER ASSETS

This item includes:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Fair value - hedging swaps rate swaps	7,372	0
Fair value - derivatives for hedging - currency swaps	0	139
ion for country risk - derivatives	(144)	(139)
Derivatives for hedging (Note 12 (a))	**7,228**	**0**
Funds under guarantee - Margin Call (a)	66,378	49,538
Account receivable from MEF-Law 30283 (Note 13 (b))	52,182	0
Accounts receivable - various	9,769	9,610
Accounts receivable from assigned loan portfolio	1,963	1,923
Commissions receivable	1,893	1,800
Provisions for accounts receivable and others (b)	(6,909)	(6,462)
Accounts receivable, net	**125,276**	**56,409**
Software	14,534	14,398
Accumulated amortisation of software	(7,492)	(7,079)
Intangible assets, net ©	**7,042**	**7,319**
Commissions and others paid in advance	1,699	1,765
Works of art and library	775	765
Various	2,641	1,392
Other assets	**5,115**	**3,922**
Total	**144,661**	**67,650**

(a) As at the 31st of March 2015 the Corporation held funds in guarantee amounting to (in thousands) US$21,440,440 (US$16,590 as at the 31st of December 2014) in favour of J. Aron & Company (J. Aron & Company as at the 31st of December 20144) in the form of a margin call in order to guarantee the Corporation's interest rate and currency hedging operations.

(b) The balance of provisions for accounts receivable - various, assigned loan portfolio and commissions receivable consists of:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Specific	2,298	2,177
Generic voluntary	4,611	4,285
	6,909	6,462

The following changes took place in the provision for uncollectable accounts receivable:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Initial balances	6,462	5,111
Provision for fiscal year	1,998	2,452
Recoveries	(137)	(183)
write-downs	(1,561)	(1,131)
Exchange rate differences	147	213
Final balances	6,909	6,462

(c) This software consists principally of SAP system licences. As at the 31st of March 2015, the Corporation had acquired (in thousands) S/.0.137 (S/..2,696,696 as at the 31st of December 2014) and recorded amortisation of (in thousands) S/.414 (S/.29 as at the 31st of March 2014), included under “Depreciation and amortisation” in the income statement.

OBLIGATIONS TO THE SECTOR AND DEPOSITS BY FINANCE COMPANIES AND INTERNATIONAL FINANCIAL ENTITIES

This item includes:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Term deposits	181,784	191,784
Deposits in guarantee	17,477	18,151
Repo transactions	39,272	28,861
	238,533	238,796
Interest accrued	6,195	3,717
	244,728	**242,513**
Severance pay	927	513
Total	**245,655**	**243,026**

(a) As at the 31st of March 2015, term deposits consisted principally of Peruvian currency funds from CMAC Trujillo and CMAC Arequipa, which accrue interest at annual market rates of between 4.40% and 5.40% and mature between April and September 2015. As at the 31st of December 2014, term deposits consisted principally of Peruvian currency funds from CMAC Trujillo and CMAC Arequipa, which accrue interest at annual market rates of between 4.40% and 5.40% and mature between March and September 2015.

(b) As at the 31st of March 2015 , deposits in guarantee including amounts withheld from pledged disbursements in favour of the Corporation to support lending operations valued at (in thousands) S/.15,8195,819 and US$535, accrue interest at annual market rates of 2.30% in Peruvian currency and 0.1279% in foreign currency and mature between June and December 2015. As at the 31st of December 2014, deposits in guarantee included withholdings on pledged disbursements to the Corporation to support lending operations valued at (in thousands) S/.16,552 and US$535, they accrued interest at annual market rates of 2.30% in Peruvian currency and 0.1279% in foreign currency and became due between March and August 2015.

(c) As at the 31st of March 2015, repo transactions consisted of funds in Peruvian currency held in Peruvian currency in various trusts administered by the Corporation, which accrue interest annually at market rates varying between 2015% and 4.42%; they are guaranteed by structured bonds issued by Terminales Portuarios Paita, and mature in June 2015. As at the 31st of December 2014, repo transactions consisted of funds in Peruvian currency held in Peruvian currency in various trusts administered by the Corporation, which accrue interest at market rates varying between 3.88% and 4.72% in soles; they are guaranteed by structured bonds issued by Terminales Portuarios Paita, and mature between March and June 2015

Obligations and deposits made by companies belonging to the financial system have the following maturities:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Up to one month	17,000	4,847
More than 1 month and up to 3 months	45,599	11,767
More than 3 months and up to 6 months	176,861	63,311
More than 6 months and up to 12 months	-	159,384
Total	**239,460**	**239,309**

11. BORROWINGS AND FINANCIAL OBLIGATIONS

This item includes:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Borrowings (a)	2,212,619	2,835,231
Financial obligations (b)	4,104,988	3,910,495
	6,317,607	6,745,726

(a) Borrowings from finance companies in Peru and abroad consist of:
(b)

Name of creditor		Rate	31 03 2015	31 12 2014	Maturity
		%	S/.000	S/.000	
Bank of Tokyo - Mitsubishi / Sindicado		Libor (3M) + 1.725%	619,200	597,200	September 2016
Bank of Tokyo - Mitsubishi / Bilateral		Libor (3M) + 0.70%	309,600	298,600	February 2017
Scotiabank Perú		from 3.80% to 5.98%	402,000	420,000	December 2015
Banco de la Nación del Perú		from 3.95% to 4.90%	123,000	308,000	December 2015
BBVA Banco Continental		from 4.25% to 4.90%	200,000	227,000	September 2015
American Family Life Assurance of Columbus Japan Branch - AFLAC		3.75%	232,191	224,370	September 2031
Banco Internacional del Perú - INTERBANK		from 5.89% to 7.24%	31,544	43,010	September 2022
Corporación Andina de Fomento - CAF		Libor (6M) + 2.8%	92,880	89,580	October 2016
Nordic Investment Bank		Libor (6M) + 0.85%	11,610	14,930	September 2015
CAF share issue - financial liability (Note 13 (a))			25,582	24,673	December 2023
Corporación de Fomento a la Produccion - CORFO		4.25%	185	178	June 2015
Sub Total			**2,047,792**	**2,247,541**	
Banco Interamericano de Desarrollo - BID	(a.2)		-	171,390	
Banco Interamericano de Desarrollo - BID	(a.2)		-	36,646	
Banco Interamericano de Desarrollo - BID	(a.2)		-	35,703	
Banco Interamericano de Desarrollo - BID	(a.2)		-	1,067	
Japan Bank For International Coopetation - JBIC	(a.2)		-	143,680	
Kreditanstalt Fur Wiederaufbau - Fase II	(a.2)		-	18,015	
Kreditanstalt Fur Wiederaufbau - Fase I	(a.2)		-	13,856	
The Opec Fund For International Cooperation	(a.2)		-	996	
Japan International Coopetation Agency- JICA		from 0.01% to 0.60%	117,577	113,617	October 2027
Kreditanstalt Fur Wiederaufbau - EREE		1.95%	34,328	33,108	June 2025
Sub Total (a.1)			**151,905**	**568,078**	
Commissions for structuring obligations to Bank of Tokyo-Mitsubishi / Syndicated and bilateral			(3,709)	(4,164)	
Sub total			**2,195,988**	**2,811,455**	
Interest			16,631	23,776	
Total			**2,212,619**	**2,835,231**	

(a.1) These loans were originally granted by the multilateral entities named in the above table to the Republic of Peru, represented by the MEF. These funds were transferred to the Corporation by means of “pass-through agreements. In addition, an irrevocable payment authorisation on the original foreign currency account established by the Corporation at the Central Reserve Bank of Peru was included in order to guarantee debt servicing of these agreements.

(a.2) In accordance with the fourth final and complementary provision of Law N° 30283, the Corporation's debt to the MEF was capitalised on the 15th of February 2014 (see notes 9 and 13 (b)).

As at the 31st of March 2015 and 31st of December 2014, loans in yen, euros and certain loans denominated in United States dollars are associated with swap contracts aimed at reducing exchange rate and interest rate risk (Note 12 (a)).
These debts (not including interest) have the following due dates:

	31 03 2015	**31 12 2014**
	S/. 000	**S/. 000**
Up to one month	180,155	227,152
More than 1 and up to 3 months	90,658	345,056
More than 3 and up to 6 months	154,637	205,795
More than 6 and up to 12 months	290,395	291,858
More than 12 months	1,480,143	1,741,594
Total	**2,195,988**	**2,811,455**

As at the 31st March 2015 and 31st December 2014, the Corporation has not submitted reports in non-compliance with either capital or interest. Furthermore, it is complying with certain clauses, financial ratios and other conditions specified in Loans agreements entered into with foreign financial institutions and international financial bodies.

Swap operations have been undertaken involving yen-denominated liabilities with the JBIC and AFLAC in order to offset the risk of a revaluation of this currency compared with the United States dollar; they mature in September 2031 and October 2027, respectively. As at the 31th June 2015, the Corporation recorded net losses on hedging operations amounting to (in thousands) S/.8,028 (loss of S/.8,890 as at the 31th June 2014), shown under “Results of hedging operations” in the results of financial operations - ROF in the income statement.

(b) As at the 31st of March 2015 and the 31st of December 2014 the financial obligations are made up of:

	Series	Issue Date	Issue Value	Maturity date	Interest rate	31 03 2015	31 12 2014
			S/.000			S/.000	S/.000
a)	**In Peruvian currency**						
	Second programme						
	Eighth - Series A	01/06/2007	20,000	15/07/2017	5.90%	10,000	11,000
	Eighth - Series B	02/04/2008	10,000	02/04/2018	6.65%	6,500	7,000
	Twelfth - Series A	16/01/2009	7,065	15/01/2015	7.94%	0	305
						16,500	18,305
	Third programme						
	First - Series A	24/01/2011	50,000	24/01/2016	6.25%	50,000	50,000
	Fourth - Series A	21/07/2011	45,065	21/07/2015	7.00%	45,065	45,065
	Ninth - Series A	27/04/2012	150,000	27/04/2027	6.65%	150,000	150,000
	Tenth - Series A	28/06/2012	50,000	28/06/2027	6.20%	50,000	50,000
	Tenth - Series A	28/06/2012	50,000	28/06/2027	6.20%	50,000	50,000
	Eleventh - Series A	30/10/2012	90,000	30/10/2042	5.630%	90,000	90,000
						435,065	435,065
	Fourth programme						
	Second - Series A	30/04/2013	100,000	30/04/2043	5.35%	100,000	100,000
	Fifth - Series A	30/01/2015	78,445	30/01/2020	5.65%	78,445	0
						178,445	100,000
	Certificates of deposit 2nd programme						
	Third issue - Series A	15/01/2015	40,115	11/01/2016	4.50%	40,115	0
						40,115	0
	Total nominal value					**670,125**	**553,370**
	Accrued yield					8,170	15,301
	Total Peruvian currency					**678,295**	**568,671**
b)	**In foreign currency**						
	First international issue	08/02/2012	400,000	08/02/2022	4.75%	1,238,400	1,194,400
	Reopening, first international issue	03/12/2012	100,000	08/02/2022	4.75%	309,600	298,600
	Second international issue - senior	08/07/2014	300,000	15/07/2019	3.25%	928,800	895,800
	Second international issue - subordinated	08/07/2014	300,000	15/07/2029	5.25%	928,800	895,800
	Total nominal value					**3,405,600**	**3,284,600**
	Net price difference (under / over par) and related costs					(5,976)	(5,648)
	Accrued yield					27,069	62,872
	Total foreign currency					**3,426,693**	**3,341,824**
	Total					**4,104,988**	**3,910,495**

Second bond programme

The funds obtained were used principally to finance new intermediation operations as part of the business through the domestic financial system as well as to optimise financial results by financing negotiable investments in the capital market. These bonds are guaranteed in generic terms by the equity of the Corporation and they have been registered with CAVALI ICLV S.A., and are therefore represented by account entries and are freely negotiable.

Third Programme - Bonds

This programme has been approved for up to US$200'000,000 or the equivalent in nuevos soles or any foreign currency. Corporate bonds enjoy the maximum local risk classification from Apoyo & Asociados Internacionales S.A.C. Clasificadora de Riesgo and by Equilibrium Clasificadora de Riesgo S.A., AAA (pe) and AAA pe, respectively.

Fourth bond programme

This programme has been approved for up to US$400,000 or the equivalent in nuevos soles or any foreign currency. Corporate bonds enjoy the maximum local risk classification from Apoyo & Asociados Internacionales S.A.C. Clasificadora de Riesgo and by Equilibrium Clasificadora de Riesgo S.A., AAA (pe) and AAA pe, respectively.

First issue of senior unsecured notes - due 2022

The AGM held on the 14th of March 2011 approved an international bond issue valued at up to (in thousands) US$500,000 consisting of the placement of “senior unsecured notes” valued at (in thousands) US$ 400,000 having a payment date of the 8th of February 2012; they accrue interest at an annual coupon rate of 4.75% amortised every six months and with the capital maturing in 10 years. This issue has an international classification from Standard & Poor’s and Fitch Ratings of “BBB+”.

On the settlement date, the 3rd of December 2012, this international issue was reopened for (in thousands) US$ 100,000 also maturing in 10 years and with an international "BBB+" rating granted by Standard & Poor’s and Fitch Ratings.

Second bond issue in the international market

A general meeting of shareholders held on the 19th of May 2014 approved the issue of senior and/or subordinated bonds. On the 8 of July 2014, the Corporation placed bonds valued at (in thousands) US$ 600,000 in the international market in two tranches: (in thousands) US$ 300,000 of senior bonds maturing in 5 years with a coupon of 3.250% annually and a yield of 3.297%, which were given investment grade BBB+ by Standard & Poor’s and Fitch Ratings; and, (in thousands) US$ 300,000 of tier II subordinate bonds at 15 years with a coupon of 5.250% annually and a yield of 5.263% up to year 10, after which they become variable rate instruments. The subordinate bonds were investment-rated at BBB by Standard & Poor’s Fitch Ratings.

The funds obtained will be used principally to finance an increase in loans to infrastructure projects and productive investments, which represent one of the Corporation's four strategic pillars.

DERIVATIVES FOR HEDGING, ACCOUNTS PAYABLE, PROVISIONS AND OTHER LIABILITIES

This item includes:

	31 03 2015	31 12 2014
	S/. 000	**S/. 000**
Fair value - derivatives for hedging - currency swaps	154,585	153,586
Valor razonable - Derivados de cobertura - Swaps de tasas	0	2,113
Derivatives for hedging (a)	**154,585**	**155,699**
Dividends payable	58,985	0
Taxes payable	1,517	981
Accounts payable - various	6,103	8,442
Accounts payable	**66,605**	**9,423**
Provision for contingent loans (Note 7(b))	44,218	41,564
Provisión para litigios y demandas (b)	1,731	1,730
Other provisions (b)		
- RCDRC provision - investments available for sale	10,241	9,877
- Provision vfor vacacions accrued	2,538	2,589
Provision for litigation, claims and others (b)	**58,728**	**55,760**
Operations in progress	3,327	1,006
Deferred sales	73	73
Other liabilities	**3,400**	**1,079**
Total	**283,318**	**221,961**

(a Derivatives for hedging

Accounts receivable and/or payable for currency and interest rate swaps, financial derivatives held by the Corporation and consisting principally of the amounts deriving from fluctuations in the values of these financial instruments.

As at the 31st of March 2015201401 and 5st of December 2014 derivative operations for cash flow hedging consisted of:

FINANCIAL DERIVATIVES AS AT 31 03 2015

(in thousands of nuevos soles)

DESCRIPTION	N°	Nominal	Exchange rate diff.		Interest accrued		Earning / (Loss)			Fair value	
	Oper.	value	Lending	Deposit	Lending	Deposit	lending	Deposit	Realised	Lending	Deposit
CURRENCY SWAPS - HEDGING YEN/US$	4	349,768	-	152,973	269	1,982	(269)	(370)	-	-	154,585
CURRENCY SWAPS - HEDGING US$/S/.	0	-	-	-	-	-	-	-	-	-	-
CURRENCY SWAPS - HEDGING	**4**	**349,768**	**-**	**152,973**	**269**	**1,982**	**(269)**	**(370)**	**-**	**0**	**154,585**
TOTAL - CURRENCY DERIVATIVES	**4**	**349,768**	**-**	**152,973**	**269**	**1,982**	**(269)**	**(370)**	**-**	**-**	**154,585**
INTEREST RATE SWAPS - HEDGING	**1**	**619,200**	**-**	**-**	**3,179**	**2,506**	**3,179**	**(2,506)**	**-**	**7,372**	**-**
			-	**152,973**	**3,448**	**4,488**	**2,910**	**(2,876)**	**-**	**7,372**	**154,585**

FINANCIAL DERIVATIVES AS AT 31 12 2014

(in thousands of nuevos soles)

DESCRIPTION	N°	Nominal	Exchange rate diff.		Interest accrued		Earnings / (Loss)			Fair value	
	Oper.	value	Lending	Deposit	Lending	Deposit	Lending	Deposit	Realised	Lending	Deposit
CURRENCY SWAPS - HEDGING YEN/US$	16	481,300	9,463	171,929	1,082	4,803	(10,545)	(27,594)	-	-	149,138
CURRENCY SWAPS - HEDGING US$/S/.	3	114,743	1,615	3,545	151	1,886	(1,766)	(983)	-	-	4,448
CURRENCY SWAPS - HEDGING	**19**	**596,043**	**11,078**	**175,474**	**1,233**	**6,689**	**(12,311)**	**(28,577)**	**-**	**0**	**153,586**
TOTAL CURRENCY DERIVATIVES	**19**	**596,043**	**11,078**	**175,474**	**1,233**	**6,689**	**(12,311)**	**(28,577)**	**-**	**-**	**153,586**
INTEREST RATE SWAPS - HEDGING	**1**	**40,311**	**-**	**-**	**51**	**505**	**(51)**	**1,608**	**-**	**-**	**2,113**
			11,078	**175,474**	**1,284**	**7,194**	**(12,362)**	**(26,969)**	**-**	**-**	**155,699**

(i) As at the 31st March 2015, the net position payable for foreign currency swaps amounted to (in thousands) S/.154,585 (S/.153,586 as at the 31st December 2014), which offsets the reduction in liability arising from the depreciation of the yen against the United States dollar.

(ii) As at the 31st of March 2015.7,372, the net position receivable of interest rate swaps amounted to (in thousands) S/..2,113,372 (S/.2,113 as at the 31st of December 2014), which offset variations in the borrowing rates applicable to these borrowings.

(iii) As at the 31st of March 20150.34, an unrealised net gain was obtained from these financial derivatives amounting to (in thousands) S/..21,284 (net gain (in thousands) of S/.21,284 as at the 31st of March of 2014). See note 13(d)

(iv) As at the 31st of March 20155, the Corporation held mainly currency swap contracts to offset the risk of a strengthening of the yen affecting borrowings from AFLAC and JICA, which mature in September 2031 and October 2027, respectively. The Corporation uses currency swaps to obtain a fixed exchange rate in dollars, and pays a variable exchange rate in the same currency; for the remaining amount the Corporation receives at a variable rate and pays at a set rate (note 11).

(b) Provision for litigation, claims and other provisions

As at the 31st of March 2015 and 31st of December 2014 the balance included provisions for lawsuits against the Corporation relating to its activities.

Other provisions include mainly those arising from internal reviews of exposure to credit risk deriving from exchange rate risk – RCDR applicable to the Corporation's investments.

13. EQUITY

(a) Capital

As at the 31st of March 2015 the Corporation's capital was represented by 1,548,418,292’15,639,765 ordinary shares and 1,548,418,292’15,639,765 preference shares (1,514’401,683 ordinary shares and 15’639,765 preference shares as at the 31st December 2014), having a nominal value of S/.1.00 each, fully subscribed and paid up. Of the above sum, as at the 31st of December 2014, the Corporation held 15,639,765 ordinary treasury shares.

A general meeting of shareholders of the Corporation, held on the 31st of March 2015 approved an increase in capital by the capitalisation of profits payable to FONAFE from fiscal year 2014 amounting to (in thousands) S/.10,409.

A general meeting of shareholders of the Corporation held on the 31st of March 2014 approved an increase in capital by: (i) capitalisation of profits payable to FONAFE from fiscal year 2013 amounting to (in thousands) S/.10,205 and (ii) capital contributions in cash of (in thousands) S/.23,812 made on the 28th of May 2014.

Shareholdings in the Corporation were as follows:

Share class	Holder	31 03 2015		31 12 2014	
		Nº of shares	% shareholding	Nº of shares	% shareholding
Class "A"	MEF-FONAFE	1,063,561,110	68.00	1,063,561,110	68.00
Class "C"	MEF-FONAFE	469,217,417	30.00	469,217,417	30.00
		1,532,778,527	98.00	1,532,778,527	98.00
Class "B"	COFIDE (Treasury)	15,639,765	1.00	15,639,765	1.00
		1,548,418,292	**99.00**	**1,548,418,292**	**99.00**
Class "B Preference"	CAF	15,639,765	1.00	15,639,765	1.00
		1,564,058,057	**100.00**	**1,564,058,057**	**100.00**

The class "B" shares belong to the Corporation and are part of its treasury.

The class "B" preference shares belong to different Peruvian State companies and entities (unless they have been bought back). They are preference shares and are redeemable or may be bought back; they are non-voting shares and accrue an annual preferred and cumulative dividend (Libor 360 days plus 4.5% of the initial value paid in dollars by CAF).

Class "C" shares belong to the Peruvian State. They are freely negotiable and may be listed on the stock exchange and/or any registry necessary for them to be traded on the exchange, with the prior approval of the board of directors.

(b) Additional capital

As at the 31st of March 2015, this item consisted of capital in the process of registration at the Public Records Office, deriving from: (i) a general meeting of the shareholders in COFIDE held on the 31st of March 2015, which approved the reinvestment of 15% of profits from fiscal year 2014 payable to FONAFE and amounting to (in thousands) S/: 10’409 and, (ii) in accordance with the fourth complementary and final provision of Law N° 30283 the “Public Sector Borrowing for Fiscal Year 2015 Act”, which took effect on the 1st of January 2015, the balances owed by the Corporation to the MEF were capitalised, with a cut-off date of the 15th of February 2014, amounting to (in thousands) S/.475,5122, notes 9 and 11(a.2).

In addition, as at the 31st of March 2015 and 31st of December 2014, this item also contained a donation of moveable property amounting to (in thousands) S/.84.

(c) Reserves

In accordance with current legislation, the Corporation must set aside a statutory reserve of not less than 35% of its paid up capital. This reserve is created by annual transfers of not less than 10 percent of net profits.

A general meeting of shareholders held on the 31nd of March 2015 approved a legal reserve equivalent to 10% of profits for fiscal year 2014 (in thousands) S/.7,711.

A general meeting of shareholders held on the 31nd of March 2014 approved a legal reserve equivalent to 10% of profits for fiscal year 2013 (in thousands) S/.7,638.

(d) Accumulated results and adjustments to equity

Law Nº 23337 created the Public Sector Infrastructure and Counterparty Fund (later known as - FONAFE) whose funds consisted of the profits available for distribution earned by state-owned companies (100% of these profits in the case of banks and finance companies), which were to be transferred to the fund within 60 days of the balance sheets being approved. Profits available for distribution means the percentage set by the State after allowing for statutory reserves and capital reserves aimed at maintaining the solvency and liquidity of these companies.

A general meeting of shareholders in COFIDE held on the 31st of March 2015 approved dividends payable from the earnings of fiscal year 2014 amounting to (in thousands) S/.69,394. A general meeting of shareholders in COFIDE held on the 31st of March 2014 approved dividends payable from the earnings of fiscal year 2012 amounting to (in thousands) S/2012.

From 2003 onwards, dividends payable to shareholders other than companies domiciled in Peru are subject to income tax at a rate of 4.1%; this tax is withheld and paid by the Corporation.

Total accumulated results and adjustments to equity consists of:

	31 03 2015 S/. 000	31 12 2014 S/. 000
Accumulated results:		
Changes to deferred employee profit sharing - NIC 12	12,647	12,647
Difference in value of COFIDE "B" shares on redemption CAF (Note 13(a)).	7,599	7,599
Accumulated profit not distributed, previous fiscal years	1,496	1,496
Total	**21,742**	**21,742**
Changes in equity:		
Unrealised earnings from change in the value of investment in CAF	404,261	404,261
Less: deferred income tax	(111,173)	(113,194)
	293,088	291,067
Earnings from changes in the value of negotiable investments available for sale	39,868	46,937
Less: deferred income tax	(11,163)	(13,142)
	28,705	33,795
Loss derived from hedging cash flows	5,786	14,606
Less: deferred income tax	(1,620)	(4,090)
	4,166	10,516
Total	**325,959**	**335,378**

14. CONTINGENT AND MEMORANDUM ACCOUNTS

This item includes:

	31 03 2015 S/.000	31 12 2014 S/.000
Contingent accounts		
Swap and Forward operations (a)	349,768	596,043
Guarantees granted (Note 7)	631,652	658,468
Other contingent accounts	20,085	20,890
	1,001,505	**1,275,401**
Memorandum accounts		
Guarantees for lending operations (b)		
Promissory notes	4,910,187	4,897,227
Mortgages	39,099	211,345
Deposits in guarantee	17,477	18,151
Documentary guarantees	15,382	12,549
Mercantile pledges	909	-
Warrants	112	108
Other guarantees	130,177	130,643
	5,113,343	**5,270,023**
Trusts & confidential commissions (c):		
Gtees. for trustee credit operations	8,790,070	8,545,570
Contra accounts for trusts and confidential commissions	7,905,172	8,297,914
Funds in trust	7,710,912	7,503,527
Funds in confidential commissions	548,199	522,764
Fair value - interest rate swaps (c)	619,200	40,311
Other memorandum accounts	8,995,310	8,552,481
	39,682,206	**38,732,590**
Total contingent & memorandum accounts	**40,683,711**	**40,007,991**

(a) Contingent loans

In the normal course of its business, the Corporation takes part in off-balance-sheet transactions that involve risk. These transactions expose the Corporation to credit risk in addition to the amounts shown on the statement of financial position.

The credit risk involved in contingent operations is related to the likelihood of one of the participants in the respective contract failing to honour the terms of the contract. The corresponding contracts include the amounts to be assumed by the Corporation for losses in contingent operations.

The Corporation uses similar policies to evaluate and grant loans, both direct and contingent. In the opinion of the management, contingent transactions do not represent an exceptional credit risk, given that it is expected that a portion of these contingent loans will expire without having been used; the total value of contingent loans does not necessarily represent future cash disbursements by the Corporation.

When, in the judgement of the management, there is a reasonable likelihood of a contingent operation causing a loss for the Corporation, that operation is included in the calculation of the loan provision as if it were a direct loan.

The Corporation's management believes that there will be no significant losses in addition to the amounts for which provision has been made under the heading provision for contingent loans, covering contingent operations current as at the 31st of March 2015 and 31st of December 2014.

(b) Trusts and confidential commissions

As at the 31st of March 2015 the Corporation managed 4 funds, 1866 items of equity in trust and 2 programmes (4 funds, 185 items of equity in trust and 2 programmes as at December 2014), for which it received commissions varying from 0.25% to 2% as at the 31st of March 2015 and 31st of December 2014, received monthly, quarterly or every six months. The Corporation has no liability for the funds, equity or programmes.

As at the 31st December 2014 the Corporation has guaranteed loans to the Agroindustrial Cayaltí S.A. Trust by Banco Financiero, Interbank, BBVA Banco Continental, Banco de Comercio and CMAC Huancayo amounting to (in thousands) S/.90,947. As at the 31st of March 2015, COFIDE no longer guaranteed these loans as they had been repaid.

(c) Guarantees for lending operations

The balance of this item, guarantees received, is based on the agreed value of the guarantees as at the date of the loan contract. This balance does not necessarily represent the market value of the assets used as guarantees for the Corporation's loans.

(d) Currency swaps and forward operations

The Corporation's commitments consist principally of swaps in different currencies and at different interest rates aimed at hedging risks relating to foreign-currency-denominated borrowings (note 12).

15. EXPENDITURE ON PERSONNEL AND DIRECTORS

This item includes:

	31 03 2015	31 03 2014
	S/. 000	S/. 000
Salaries	4,015	4,046
Profit sharing	1,621	2,629
Bonuses	1,229	1,281
Gratuities	751	816
Social and other charges	781	690
Severance pay	410	439
Holidays	36	43
Directors' emoluments	47	38
Assignations	20	22
Other personnel costs	1,815	1,682
Total	**10,725**	**11,686**

16. COST OF SERVICES RECEIVED FROM THIRD PARTIES

This item includes:

	31 03 2015	31 03 2014
	S/. 000	S/. 000
Other services	1,968	1,412
Consulting services	1,397	1,022
Professional fees	416	493
Electronic processing	386	281
Repairs and maintenance	357	331
Advertising	81	178
Security and protection	237	225
Communications	229	235
Supplies - various	145	148
Rentals	128	88
Electricity and water	96	94
Transport	70	67
Insurance	65	22
Subscriptions and quotations	37	36
Travel expenses	25	26
Notary and registry office fees	10	29
Electronic transfers	53	51
Court costs	5	5
Entertainment expenses	5	7
Total	**5,710**	**4,750**

17. BASIC EARNINGS AND DILUTED EARNINGS PER SHARE

The calculation of basic and diluted earnings per share is given below:

	Number of shares, in thousands	
	31 03 2015	31 03 2014
In circulation at start of year	1,548,418	1,514,402
In circulation at close of year	1,548,418	1,514,402
Net profit for period (in S/. X 1,000)	23,480	21,492
Shares (denominator)	1,548,418	1,514,402
Basic and diluted earnings per share (S/.)	**0.0152**	**0.0142**

18. INCOME TAX

(a) Income tax regime

Tax rates

As at the 31st of March 2015 and 31st of December 2014, the income tax rates for corporations domiciled in Peru were 28% and 30%, respectively.

Companies domiciled in Peru are subject to an additional rate of 4.1% on any sum that can be classified as a dividend or other form of profit distribution.

(b) Significant modifications to income tax

The Peruvian Congress has promulgated laws promoting economic growth and the reactivation of the country's economy. It has thus introduced a number of measures modifying and adding to the Income Tax Act and Tax Code, and created a special regime for early claw back of value added tax in order to encourage capital goods acquisitions. The principal measures are:

- From the 1st of January 2015 net employment income tax (fourth and fifth category income) and net income from foreign sources obtained by individuals domiciled in Peru is taxed at the following cumulative rates, depending on the sum of the said net incomes:

Sum of net earned income and earnings from foreign sources	Tasas
Up to 5 UIT	8%
More than 5 UIT up to 20 UIT	14%
More than 20 UIT up to 35 UIT	17%
More than 35 UIT up to 45 UIT	20%
More than 45 UIT	30%

- The articles regulating the rate applicable to dividends and any other form of profit distribution have been modified to include a gradual increase in the rate of income tax, as shown in the following table:

Fiscal years	Rates
2015 - 2016	6.80%
2017 - 2018	8.00%
2019 onwards	9.30%

Furthermore, accumulated profits or other concepts that may generate taxable dividends obtained up to the 31st of December 2014, which are included in the distribution of dividends or any other form of profit distribution, are taxed at a rate of 4.1%.

- Similarly, third category income tax has been reduced, as shown in the following table:

Fiscal years	Rates
2015 - 2016	28.00%
2017 - 2018	27.00%
2019 onwards	26.00%

(c) Income tax expenses include:

	31 03 2015	31 03 2014
	S/. 000	S/. 000
Current income tax	8,622	14,985
Deferred income tax (paragraph (g))	(9,218)	(3,558)
Total	(596)	11,427

Estimated current income tax consists of the tax payable calculated using the rate of 28% of estimated taxable income after deduction of employee profit sharing, Leg. Decree 892 at 5%.

(d) Reconciliation of the effective tax rate with the actual tax rate:

As at the 31st of March 2015 and the 31st of March 2014, the effective income tax rate differs from the rate applicable to earnings before tax. This difference is due to certain items relating to the calculation of taxable income, whose effects on the applicable tax rate are summarised below (in percentages of earnings before tax):

	31 03 2015		31 03 2014	
	S/. 000	%	S/. 000	%
Income tax calculated according to current tax rate	**6,407**	**28.00**	**9,876**	**30.00**
Tax effect on additions (deductions):				
Non-deductible expenses	1,070	4.68	2,923	8.88
Exempt earnings	(12)	(0.05)	(17)	(0.05)
Other permanent differences	(8,061)	(35.23)	(1,355)	(4.12)
Current and deferred income tax recorded According to effective rate	**(596)**	**(2.60)**	**11,427**	**34.71**

(e) Tax reimbursable:

Income tax debit and credit balances are as follows:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Reimbursable:		
Income tax payments on account	32,439	54,319
Payable:		
Income tax payable	8,622	28,879
Tax recoverable	**23,817**	**25,440**

(f) The Corporation's tax position

Income tax returns for fiscal years 2010 to 2014 are awaiting review by the tax authority, which can carry out such a review for four years after the corresponding income tax return has been submitted. The management believes that no significant liabilities will arise from pending reviews.

The Peruvian Tax Authority issued letter N°140011424760-01 SUNAT dated the 3rd of January 2014, initiating a tax audit of fiscal year 2011, which at the date of this report is still ongoing, with the respective report not yet issued.

Because legislation applicable to the company can be interpreted in different ways by the tax authority, it is not possible at this date to say whether additional tax liabilities will arise as a result of future audits or the audit currently in progress. Any additional tax, fines or interest, if any, will be recognised in the results of the year in which the difference in interpretation with the tax authority is resolved. The management believes that no significant liabilities will arise as a result of these possible audits.

During the second half of 2013 the tax authority carried out an audit of fiscal year 2008, which revealed an omission of income tax and corresponding fine. The Corporation did not lodge an appeal, but modified its income tax return for 2008 and made a payment to the tax authority amounting to a total (in thousands) of S/0.25.

(g) Deferred income tax - balances

Deferred assets tax and liabilities are made up as follows:

	Balance as at	Changes in results		Balance as at	Changes in results		Balance as at
	01 01 2014	Accumulated	Fiscal year	31 12 2014	Accumulated	Fiscal year	31 03 2015
	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000
Temporary differences in assets:							
Generic provision for loans and contingencies	609,113	-	(36,652)	572,461	-	17,960	590,421
Other generic provisions	3,245	-	15,280	18,525	-	(3,871)	14,654
Provision for changes in securities	3,984	-	(3,984)	-	-	-	-
Generic provision - accounts receivable	2,835	-	1,450	4,285	-	326	4,611
Provision for adjudicated assets	3,760	-	(1,514)	2,246	-	-	2,246
	622,937	**-**	**(25,420)**	**597,517**	**-**	**14,415**	**611,932**
Temporary differences in liabilities:							
Depreciation of buildings	(514)	-	257	(257)	-	(64)	(321)
Changes in value of CAF shares	(1,444,318)	-	-	(1,444,318)	-	-	(1,444,318)
Unrealised earnings (loss) on investment in securities	(18,964)	(27,971)	-	(46,935)	7,069	-	(39,866)
Unrealised earnings (loss) on derivatives	(32,864)	18,258	-	(14,606)	8,820	-	(5,786)
Comments on 2003 tax return - provisions, write-downs and other	20,378	-	(3,555)	16,823	-	-	16,823
	(1,476,282)	**(9,713)**	**(3,298)**	**(1,489,293)**	**15,889**	**(64)**	**(1,473,468)**
Temporary differences in liabilities, net	**(853,345)**	**(9,713)**	**(28,718)**	**(891,776)**	**15,889**	**14,351**	**(861,536)**
Movements in deferred income tax	-	(2,914)	(8,615)	-	4,449	4,018	-
Changes in deferred income tax (rate change)	-	9,316	8,520	-	2,021	5,200	-
Deferred income tax	**(256,004)**	**6,402**	**(95)**	**(249,697)**	**6,470**	**9,218**	**(234,009)**

TRANSACTIONS WITH NON-ARM'S LENGTH PARTIES

As at the 31st of March and 31st of December 2014, the principal transactions with the CAF were financing operations.

The Corporation's transactions with this non-arm's length company took place in the normal course of its business and under similar conditions to those that would have applied to third parties.

Operations carried out with CAF in the periods ending on the 31st of March 2015 and 31st of March 2014 include interest payments on borrowings and obligations to international bodies valued (in thousands) S/.1,052 and S/.956, respectively.

Directors' emoluments

The amount paid in the first quarter of 2015 and 2014 for directors' emoluments was (in thousands) S/. 47 and S/. 38, respectively.

Managers' salaries

Salaries, other benefits and professional fees paid as at the 31th of March 2015 to employees of the Corporation with executive responsibility (managers) amounted to (in thousands) S/.1,254 (S/.1,772 in March 2014).

Loans to personnel

As at the 31st of March 2015 and 31st of December 2014, the directors, officials and employees of the Corporation had taken out loans permitted by the Act, which regulates and establishes certain limits for transactions with directors, officials and employees of banks in Peru. As at the 31st of March 2015 and 31st of December 2014, loans to employees, directors, officers and key personnel amounted (in thousands) to S/.8,402 and S/.8,215, respectively.

20. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The values of financial assets and liabilities in each item of the income statement are given below, broken down by category as established in the Accounting Manual:

	As at 31st Mardch 2015			
	Financial assets			
	Loans and items receivable	Available for sale at fair value	Derivatives for hedging	Total
	S/. 000	S/. 000	S/. 000	S/. 000
Asset				
Available funds	411,388	-	-	411,388
Investments available for sale	-	-	-	-
- Capital instruments	-	2,629,955	-	2,629,955
- Debt instruments	-	1,244,035	-	1,244,035
Loan portfolio	5,297,952	-	-	5,297,952
Derivatives for hedging		-	7,228	7,228
Accounts receivable	125,276	-	-	125,276
Other assets	820	-	-	820
Total	5,835,436	3,873,990	7,228	9,716,654

	As at 31 December 2014			
	Financial assets			
	Loans and items receivable	Available for sale at fair value	Derivatives for hedging	Total
	S/. 000	S/. 000	S/. 000	S/. 000
Asset				
Available funds	523,682	-	-	523,682
Investments available for sale	-	-	-	-
- Capital instruments	-	2,676,964	-	2,676,964
- Debt instruments	-	1,213,269	-	1,213,269
Loan portfolio	5,194,747	-	-	5,194,747
Derivatives for hedging		-	-	-
Accounts receivable	56,409	-	-	56,409
Other eassets	623	-	-	623
Total	5,775,461	3,890,233	-	9,665,694

	As at 31st March 2015				As at 31st December 2014			
	Financial liabilities				Financial liabilities			
	At amortised cost	Other liabilities	Derivatives for hedging	Total	At amortised cost	Other liabilities	Derivatives for hedging	Total
	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000
Liabilities								
Obligations to the public	-	58,097	-	58,097	-	47,557	-	47,557
Deposits by financial institutions and international financial entities	-	187,558	-	187,558	-	195,469	-	195,469
Borrowings & financial obligations	2,212,619	-	-	2,212,619	2,835,231	-	-	2,835,231
Securities & obligations in circulation	4,104,988	-	-	4,104,988	3,910,495	-	-	3,910,495
Derivatives for hedging	-	-	154,585	154,585	-	-	155,699	155,699
Accounts payable	-	66,605	-	66,605	-	9,423	-	9,423
Other liabilities	-	47,545	-	47,545	-	42,570	-	42,570
Total	6,317,607	359,805	154,585	6,831,997	6,745,726	295,019	155,699	7,196,444

21. FINANCIAL RISK MANAGEMENT

Financial risk management includes the administration of the principal risks faced by the Corporation in the course of its business, such as credit risk, liquidity risk and market risk.

21.1. Credit risk

Credit risk is defined as the likelihood of incurring a financial loss through non-compliance with the contractual obligations of a counterparty or third party for reasons of insolvency, incapacity or unwillingness to pay or for any another reason leading to non-compliance with contractual obligations.

The controls used by the Corporation to mitigate credit risk are described below:

(a) The Corporation has opted for a risk policy that ensures sustained and profitable growth. It therefore incorporates analysis procedures to ensure good decision taking, as well as tools and methodologies to identify, measure, mitigate and control the different risks in a more efficient manner and according to directives established by the SBS. It has also developed management models that enable adequate measuring, quantification and monitoring of loans, as well as encouraging continual improvement of policies, tools, methodologies and processes.

(b) Maximum exposure to credit risk

As at the 31st of March 2015 and 31st of December 2014, the management estimates that the maximum credit risk to which the Corporation is exposed is represented by the book value of financial assets that imply a potential credit risk and consist principally of: available, investments available for sale, placements (direct and indirect, regardless of the market value of guarantees or collateral), financial derivative transactions, accounts receivable and other monetary assets.

Exposure broken down by borrower, including banks, investments and other debtors, is established by assigning limits to cover operating risks on the statement of financial position and off it (contingent accounts), specific evaluations of transactions and risk limits for elements subject to negotiation, such as foreign currency and interest rate swaps and forward positions in foreign currency. Real exposure and comparisons with the established limits are reviewed monthly.

Thus as at the 31st of March 2015 and 31st of December 2014:

- 96.4 percent and 96.4 percent , respectively of loans are considered as neither due nor impaired.

- 89. percent and 6 percent, respectively of investments are at least investment grade (BBB- or better) or are debt instruments issued by the central government.

The following table shows the Corporation's maximum exposure to credit risk broken down by type of financial asset:

	Notes	31 03 2015	31 12 2014
		S/. 000	S/. 000
Asset (*)			
Available funds	5	411,388	523,682
Investments available for sale	6	3,873,990	3,890,233
Loan portfolio	7	5,297,952	5,194,747
Derivatives for hedging	9	7,228	-
Accounts receivable	9	125,276	56,409
Other assets	9	820	623
Total		**9,716,654**	**9,665,694**
Contingent (**)	7 y 14	**607,519**	**637,794**
(*) Net of provisions			
(**) Includes contingent net of provisions			

(c) Guarantee management

The Corporation has policies for the negotiation and management of in rem and personal guarantees that must be provided for any type of lending operation, maintaining minimum clearance in the margin of coverage between the existing value of the guarantees and the magnitude of the risk covered, including degree of realisation of the assets involved and the final recovery of the debt; which means an important mitigation of the credit risk assumed. The criteria for valuing guarantees and procedures for updating them are described in the Debtor Credit Risk Policy Manual (Policy on Guarantees), which also incorporates SBS provisions.

It should be mentioned that the Corporation has no guarantees for other financial instruments such as its investment portfolio, business portfolio and derivatives used for hedging.

The Corporation has departments specialising in the creation, management and release of guarantees.

(d) Loan portfolio credit risk management

Risk management of loans to debtors in which the Corporation assumes the risk of the final debtors as well as of IFIS, the Corporation has a process that consists of three basic stages: i) admission of the risks, ii) follow-up and monitoring of these risks, and iii) recovery of the non-performing and impaired portfolio. The purpose of these stages in the process is to maintain portfolio quality in accordance with the appetite for risk defined by the directors of the Corporation.
Stage i) admission of loans is based on good knowledge of the client and its business, with an evaluation of its payment capacity, credit history and solvency being determining factors. This process rests on the use of risk management methodologies and management tools that enable us to measure ans value the quality of the risk and these in turn are based on models and qualification systems for accepting credit.

Stage ii), monitoring and follow-up of the portfolio, consists of a system of early warnings for detecting credit risk from financial intermediaries based on sub-systems that enable us to identify financial entities with potential risks that might affect their ability to pay, as well as a monitoring classification methodology by which points are assigned for the performance and risk profile of the intermediary, leading to action being taken. There is also a methodology for monitoring the risk profile of debtors (not intermediaries) and a methodology for monitoring the risk of over-indebtedness (retail portfolio) by which we monitor variations in and management of debtor risks and decision-taking, leading to regularisation or collection.

For every business segment we continually monitor the main portfolio trends in terms of changing quality indicators, sector concentration and products in the placement portfolio, as well as counterparty risk exposure indicators, among others.

Finally, in stage iii) loans in the non-performing and impaired portfolio are collected through a series of coordinated actions applied to ensure prompt recovery of the loans, to minimise losses through elevated exposure to credit risk.

(e) Management of investments credit risk

The Corporation controls the credit risk of its investments based on an evaluation of the risk inherent in the issuers and instruments in question. The evaluation of foreign investments takes into account the ratings issued by international ratings agencies, as well as the issuer's country risk, which is evaluated taking into account its principle macroeconomic variables. For local investments, local ratings organisations' ratings are used and if applicable, internal analyses of their financial situation are produced.

The following table shows the risk classification of investments available for sale:

	31 03 2015	31 12 2014
	S/. 000	S/. 000
Instruments issued in Peru		
AAA	47,236	49,502
AA- a AA+	227,033	295,226
4 (pe)	15,787	14,092
Unclassified	111,620	93,262
Total Peru	**401,676**	**452,082**
Instruments issued abroad		
AAA	227,908	229,621
AA- a AA+	2,339,156	2,339,156
BBB- a BBB+	568,393	531,008
BB- a BB+	317,616	311,037
Total foreign	**3,453,073**	**3,410,822**
Interest accrued	**19,241**	**27,329**
TOTAL	**3,873,990**	**3,890,233**

(f) Risk concentration

The Corporation possesses policies and procedures to ensure adequate diversification of its financial assets and liabilities, whether or not they are included in the statement of financial position; It seeks, when appropriate, and adequate ratio of concentration risk and the degree of equity capitalisation of the Corporation. The diversification and concentration policies in the policies manual for assets and liabilities establish warnings that reflect the Corporations appetite for risk, such as:

(i) Warnings of a concentration of assets with a single risk:

In order to avoid an excessive concentration in direct and indirect lending operations (available Interbank funds, investments, loans, accounts receivable and contingencies, including equivalent exposure to credit risk from derivatives) with counterpart constituting a minimum and unique risk.

(ii) Warnings of diversification by economic sector

Its purpose is to maintain adequate diversification throughout the investment portfolio, as a function of the economic sector in which each counterparty operates, or in the case of specialist financing operations, the economic sector upon which the underlying risk depends.

(iii) Warnings of diversification of investments and available cash by market

Related to different market behaviours, for which the Corporation considers it prudent to diversify in relation to systemic risk.

(iv) Warnings of a Concentration of liabilities with a single risk

With this warning the Corporation seeks to avoid a concentration of sources of financing by type of debtor institution.

Furthermore, the Corporation has established limits policies to ensure that its credit risk is sufficiently spread and diversified within the organisation's corporate objectives, for which it has established:

-Limits to exposure to IFIS sub-systems with higher relative risk.
- Limits on exposure to IFIS with higher relative risk.
- Monitoring of single risk concentration.
- Monitoring of implicit credit exposure quality.
- Monitoring of explicit credit exposure quality.
- Limits to shares in business, specialist and structured financing operations.

The Corporation also has levels of autonomy, which have to be approved by the board of directors, which are related to:

- Lending operations.
- Position limits.
- Investment operations.
- Borrowing operations.
- Operations with derivatives.
- Special interest rates.

As far as investments are concerned the Corporation's policies on warnings of portfolio concentration contain limits to relative risk and issue risk affecting the investment portfolio

21.2. Liquidity risk

Liquidity risk consists of the inability of the Corporation to pay its obligations as they fall due, or the need to do so using funds set aside for lending, thus incurring losses that may have a significant effect on its equity position. This risk derives from possible losses on early (or forced) sales of assets and unusual and/or significant discounts offered in order to obtain the necessary funds quickly; or from the impossibility of renewing or obtaining new financing under normal conditions for the institution.

The Corporation manages its liquidity by centralising the flow of funds generated by all of its intermediation and treasury operations and all operations relating to its own investments, in accordance with liquidity risk tolerances and regulatory requirements.

The Corporation's liquidity is managed by the Assets and Liabilities Committee (ALCO) through a department of the treasury, which continually examines economic and market conditions in order to minimise the cost of liquidity in accordance with approved parameters. Thus the Committee can periodically review levels of liquidity and mismatches between total maturity and currencies in the portfolio. Liquidity risk is in turn monitored by the Risks Committee and Risks Department, which defines the level of risk that the Corporation is willing to assume and which also reviews the corresponding indicators, limits and controls.

Furthermore, the Corporation evaluates liquidity in the medium and long terms by means of a structural analysis of its income and outgoings at different maturities, using as tools static and dynamic cash flow modelling and estimates of liquidity gaps between lending and borrowing positions on and off the statement of financial position over a given horizon. This process reveals the different sources of funds, how the need for liquidity grows and any maturity mismatches. Internal assumptions are considered for both assets and liabilities, in operations that have no fixed maturity dates. Also included are estimated obligations derived from contingent liabilities such as letters of guarantee or unused lines of credit. This information is used in taking decisions necessary to maintain the target levels of liquidity.

The following table shows cash flows payable by the Corporation in accordance with agreed contractual periods. For liabilities with undefined maturities, terms are assumed by internal assumptions, in accordance with the methodological notes in Annex 16 - Liquidity Table by Maturity. The amounts shown are undiscounted cash flows in accordance with contractual terms, and include the respective interest accrued.

	31 03 2015				
Exposure to liquidity risk	**Up to 1 month**	**More than 1 month up to 3 months**	**More than 3 up to 12**	**More than 1 year**	**Total**
	S/. 000	**S/. 000**	**S/. 000**	**S/. 000**	**S/. 000**
Risk to financial liability position					
Obligations to the public	-	40,199	17,898	-	58,097
Deposits by financial institutions and international financial entities	17,424	10,589	159,545	-	187,558
Borrowings and financial obligations	175,665	105,910	622,117	5,413,915	6,317,607
Derivatives for hedging	1,840	3,680	16,563	132,502	154,585
Accounts payable	62,713	7	2,147	-	64,867
Other liabilities	1,291	-	448	-	1,739
Total	**258,933**	**160,385**	**818,718**	**5,546,417**	**6,784,453**
Risk to financial position					
Contingent liabilities	-	-	-	502,741	502,741
Total	**258,933**	**160,385**	**818,718**	**6,049,158**	**7,287,194**

	31 12 2014				
Exposure to liquidity risk	**Up to 1 month**	**More than 1 month up to 3 months**	**More than 3 up to 12**	**More than 1 year**	**Total**
	S/. 000	**S/. 000**	**S/. 000**	**S/. 000**	**S/. 000**
Risk to financial liability position					
Obligations to the public	4,847	1,767	40,943	-	47,557
Deposits by financial institutions and international financial entities	-	10,183	185,286	-	195,469
Borrowings and financial obligations	285,387	381,940	551,491	5,526,908	6,745,726
Derivatives for hedging	1,854	3,708	16,682	133,455	155,699
Accounts payable	3,374	5,068	-	-	8,442
Other liabilities	652	-	463	-	1,115
Total	**296,114**	**402,666**	**794,865**	**5,660,363**	**7,154,008**
Risk to financial position					
Contingent liabilities	-	21,948	18,719	641,745	682,412
Total	**296,114**	**424,614**	**813,584**	**6,302,108**	**7,836,420**

21.3. Market risk

Market risk is the likelihood of losses deriving from changes in the conditions of the financial market. The main variations should occur in: i) interest rates, ii) exchange rates and iii) prices.

(a)Business portfolio

The Corporation is exposed to interest rate, exchange rate and price risks, which affect the value of its assets and business portfolio positions. As at the 31st of March 2015 and 31st of December 2014 the business portfolio was not exposed to such risk.

The Corporation applies VaR (value at risk) as a basic statistical measure used to measure, manage and control market risks, given that maximum losses are calculated for positions in the business portfolio for a time horizon of 10 days and a 99% confidence level under normal market conditions. The VaR calculation is analysed by risk factor: principally interest rate and exchange rate.

The concept of duration was used to estimate the value of interest rate risk, as a measure of sensitivity of the Corporations investment and derivatives portfolio. As far as exchange rate risk is concerned, the level of exposure for each currency is calculated by adding the present value of investments and estimated derivatives. As far as price risk is concerned, the market value of each investment is calculated at the time of the evaluation. Once the risk factors for interest rate and exchange rate have been determined, the sensitivity of these specific risk factors and variables is estimated. The VaR for foreign exchange interest rates is then determined, together with the VaR for exchange rate risk, VaR for price risk and VaR for aggregate market risk. Stress tests and backtesting of the model are also carried out every month.

(b) Non-traded assets and liabilities

The Corporation is exposed to the following risks applicable to non-traded assets and liabilities: i) interest rate, and ii) exchange rate.

(i) Interest rate risk

Interest rate risk arises from the possibility that market interest rate changes will have an adverse effect on the financial position of a company, affecting its profits and equity value.

The Corporation's internal methodologies include differentiation between the effect of interest rate risk on profits (interest receivable) and on interest payable (repricing, reinvestment or refinancing); and the effect on economic value (equity value), relating to the actual value of the company's assets and liabilities and the updated interest rates applicable to the future cash flows generated by them.

In other words, the impact of changes in interest rates is shown in two forms: the first is the impact on expected profits, which is directly related to the reinvestment risk, refinancing risk and repricing risk. The second is related to the valuation of the Corporation's assets and liabilities and, therefore, the economic or real value of its equity.

The impact on expected profits is determined by profit at risk (PAR), which is the expected variation in the Corporation's financial resulting from expected changes in interest rates. In other words, the impact on the company's earnings. The impact on equity is determined by value at risk (VAR), which is the change in the value of the Corporation's equity resulting from changes in the interest rates used to value it. In other words, the impact of market interest rate changes on the statement of financial position.

The results of these 2 indicators of internal interest rate risk in a normal scenario are as follows:

	31 03 2015	31 12 2014
GER=	S/. 25,764,674.55 (0.7670% p.e)	S/. 29,314,290.50 (1.0367% p.e)
VPR=	S/. 63,063,357.58 (1.8784% p.e)	S/. 64,557,323.06 (2.2832% p.e)

Monitoring of interest rate risk is reported to the Risks Committee and also to the ALCO Committee. The Risks Committee approves the various limits used to manage risk and monitoring is the responsibility of the Risks Department.

The following shows the sensitivity of the interest rate indicators to a 200 basis point (pbs) shock:

	31 03 2015	31 12 2014
GER=	S/. 57,177,629.85 (1.7021% p.e)	S/. 49,077,301.38 (1.7357% p.e)
VPR=	S/. 63,196,048.43 (1.8813% p.e)	S/. 54,354,634.53 (1.9223% p.e)

It should be pointed out that this information derives from the Corporations internal interest rate model updated in December 2014.

(ii) Foreign currency exchange rate risk -

Foreign currency exchange risk is related to variations in the value of the company's positions shown on the statement of financial position and off it, which could be negatively affected by changes in the exchange rate. This risk depends on the position in each currency and the volatility of exchange rates. A significant part of the Corporation's assets and liabilities are denominated in United States dollars. The management sets limits for the levels of exposure to each currency and these are monitored monthly. The majority of the foreign currency denominated assets and liabilities are in United States dollars.

Foreign currency denominated operations are carried out using free market exchange rates.

As at the 31st of March 2015 the weighted average free market exchange rate published by the SBS for transactions in United States dollars was S/. 3.094 (buying) and S/. 3.097 (selling) per US dollar (S/.2.981 and S/.2.989 as at the 31st December 2013, respectively). As at the 31st March 2015, the exchange rate for asset and liability accounts in foreign currency set by the SBS was the mean of the buying and selling rates, equivalent to S/.3.096 per US$1 (S/.2.986 as at the 31st December 2014).

Details of the Corporation's position broken down by currency are shown below:

	31st March 2015				31st December 2014			
	US dollar	Other currencies	Nuevos Soles	Total	US dollar	Other currencies	Nuevos Soles	Total
	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000	S/. 000
Assets								
Available funds	379,134	131	32,123	411,388	369,678	41,397	112,607	523,682
Investments available for sale	1,125,239	-	2,748,751	3,873,990	1,134,065	-	2,756,168	3,890,233
Loan portfolio - net	3,322,843	-	1,975,109	5,297,952	3,383,363	-	1,811,384	5,194,747
Derivatives for hedging	4,193	125	2,910	7,228	202	943	-1,145	-
Accounts receivable	71,369	-	53,907	125,276	54,535	-	1,874	56,409
Other assets	576	1	243	820	468	-	155	623
	4,903,354	257	4,813,043	9,716,654	4,942,311	42,340	4,681,043	9,665,694
Liabilities								
Obligations to the public	1,970	-	56,127	58,097	1,808	-	45,749	47,557
Deposits by financial institutions	-	-	187,558	187,558	-	-	195,469	195,469
Borrowings and financial obligations	1,095,520	350,603	766,496	2,212,619	1,308,611	515,174	1,011,446	2,835,231
Securities and obligations in circulation	3,426,793	(100)	678,295	4,104,988	3,341,935	(112)	568,672	3,910,495
Derivatives for hedging	4,488	-	150,097	154,585	5,309	-	150,390	155,699
Accounts payable	3,568	-	63,037	66,605	3,196	-	6,227	9,423
Other liabilities	44,080	-	3,465	47,545	38,740	-	3,830	42,570
	4,576,419	350,503	1,905,075	6,831,997	4,699,599	515,062	1,981,783	7,196,444
Forwards position, net	-	-	-	-	-	-	-	-
Currency swaps position, net	(502,741)	349,768	152,973	-	(529,022)	481,300	47,722	-
Currancy position, net	(175,806)	(478)	3,060,941	2,884,657	(286,310)	8,578	2,746,982	2,469,250

As at the 31st of March 201520140.1, the Corporation recorded net exchange rate gains of (in thousands) S/.489 (loss of (in thousands) S/..10 as at the 228st of March 31), which is shown net under “earnings from exchange rate differences”, in the earnings statement.
The Corporation manages exchange rate risk by matching its assets and liabilities and monitors its global exchange rate position on a monthly basis. The Corporation's global exchange rate position is equal to long positions minus short positions in currencies other than the nuevo sol. The global position includes spot positions and derivatives.

Variations in exchange rates affect the financial statements by modifying income and expenditure in local currency, as well as the values of all of the Corporation's assets and liabilities. Exchange rate risk is held within the calculated limits of VaR and the analysis of sensitivity to exchange rates. Furthermore, the regulatory and internal limits on foreign currency positions are monitored monthly.

Sensitivity to variations in the United States dollar are shown below: Because of its volume, the position in United States dollars is the only exposure that could cause a material loss for the Corporation. Negative changes represent potential losses while positive changes represent potential gains.

Sensitivity analysis	exchange rates %	31 03 2015 S/. 000	31 12 2014 S/. 000
Devaluation			
US dollar	5	25,884	21,501
US dollar	10	51,768	43,002
Revaluation			
US dollar	5	(25,884)	(21,501)
US dollar	10	(51,768)	(43,002)

21.4. Fair value

The fair value is the amount for which an asset may be exchanged between duly informed vendor and purchaser, or for which an obligation may be paid between debtor and creditor with sufficient information under the terms of a free contract.

Fair value is a market-based measurement; therefore a financial instrument traded in an active and liquid market has a price on which its fair value is based. When the price of a financial instrument is not observable, its fair value must be measured using another valuation technique, attempting to maximise the use of relevant observable variables and minimise the use of variables that cannot be observed.

In order to calculate the fair value of an instrument that is not quoted in liquid markets, the market value of an instrument with similar characteristics that is quoted in the market can be used, or the price can be obtained from analytical techniques such as discounted cash flow analysis or the multiples method.

The following assumptions and calculations are used to determine the fair value of financial assets and liabilities:

(i) Financial instruments booked at fair value. – Fair value is based on the following hierarchy:

Level 1 Prices of instrument quoted in active markets.

Level 2. Prices quoted in active markets for identical instruments.

Valuation using data from observable markets (using market rate curves and the price vector provided by the SBS).

Positions valued at market prices consist mainly of investments traded on centralised trading mechanisms.

Positions valued using other valuation techniques include financial derivatives and others (financial liabilities).

The fair value of the Corporation's investment in the CAF is classified, according to Official Communication SBS N° 45853-2012, under “investments available for sale”, with the cost value being the last value recorded in COFIDE's books, which is also used as the fair value.

(ii) Instruments whose fair value is similar to their book value. - Short-term financial assets and liabilities, including available cash, interbank funds and similar items.

(iii) Fixed yield financial instruments

Fixed yield financial assets (loan portfolio, obligations to the public and deposits by banks and finance companies) - according to Official Communication SBS N° 1575-2014 the fair value of these items is their book value.

Fixed yield financial liabilities - these liabilities may or may not be quoted in active markets. The fair value of the Corporation's own bonds quoted in active markets is the quoted market value.
The fair value of liabilities not quoted in an active market (borrowings and bonds issued by the Corporation) is calculated as a function of discounted future cash flows using the original effective interest rate.

The following table gives a comparison between the book values and fair values of the Corporation's financial instruments, using the methodology explained above, shown in the statements of financial position:

	31 03 2015		31 12 2014	
	Book value	Fair value	Book value	Fair value
	S/. 000	S/. 000	S/. 000	S/. 000
Fair value and book value				
ASSET				
Available funds	411,388	411,388	523,682	523,682
Investments available for sale				
Capital instruments	2,629,955	2,629,955	2,676,964	2,676,964
Debt instruments	1,244,035	1,244,035	1,213,269	1,213,269
Loan portfolio	5,297,952	5,297,952	5,194,747	5,194,747
Derivatives for hedging	7,228	7,228	-	-
Accounts receivable	125,276	125,276	56,409	56,409
Other assets	820	820	623	623
Total	**9,716,654**	**9,716,654**	**9,665,694**	**9,665,694**
LIABILITIES				
Obligations to the public	58,097	58,097	47,557	47,557
Deposits from financial institutions	187,558	187,558	195,469	195,469
Borrowings & financial obligations	2,212,619	2,211,165	2,835,231	2,835,576
Securities and obligations in circulation	4,104,988	4,104,185	3,910,495	3,910,336
Derivatives for hedging	154,585	154,585	155,699	155,699
Accounts payable	66,605	66,605	9,423	9,423
Other liabilities	47,545	47,545	42,570	42,570
Total	**6,831,997**	**6,829,740**	**7,196,444**	**7,196,630**

Assets assigned in guarantee

As at the 31st of March 2015, the Corporation carried out operations with repurchase agreements involving funds denominated in peruvian currency totalling (in thousands) S/..39,272,.28,861 (S/.28,861 as at the 31st of December 2014), obtained from different trusts managed by the Corporation, which accrue interest at a given annual rate and are guaranteed by structured bonds having a book value of (in thousands) S/..43,428,14,35928 and a nominal value of (in thousands) US$14,359 (book value (in thousands) S/.30,448 and nominal value (in thousands) US$ 10,643 as at the 31st of

December 2014). The funds acquired are used to cover the Corporation's various obligations.

Hedging operations

The Corporation is exposed to fluctuations in future cash flows from financial assets and liabilities denominated in foreign currency and/or that generate interest at variable rates. The Corporation uses financial derivatives as cash flow hedges to cover these risks.

The following table shows the fair value in financial derivatives as at the 31st March 2015 and 31st December 2014, recorded as assets or liabilities, together with their nominal values and maturities. The reference value, given gross, is the value of the asset underlying the derivative and is the basis upon which changes in the fair values of derivatives are measured.

	Note	As at 31st March 2015				As at 31st December 2014				
		Assets	Liabilities	Reference value	Maturity	Assets	Liabilities	Referenc e value	Maturity	Instruments hedged
		S/. 000	S/. 000	S/. 000		S/. 000	S/. 000	S/. 000		
Derivatives for hedging										
Cash flow:										
Curency swaps - USD / JPY		-	-	-	-	-	298	4,404	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	561	10,379	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	874	10,080	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	571	10,831	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	1,327	10,347	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	1,256	7,995	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	1,692	12,981	15/02/2019	Borrowings JBIC
Currency swaps - PEN / USD		-	-	-	-	-	1,556	35,702	05/12/2025	Borrowings BID US$ 25 MM
Currency swaps - USD / JPY		-	-	-	-	-	4,198	26,169	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	4,617	27,233	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	906	5,337	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	1,814	10,964	15/02/2019	Borrowings JBIC
Currency swaps - USD / JPY		-	-	-	-	-	1,102	6,592	15/02/2019	Borrowings JBIC
Currency swaps - PEN / USD		-	-	-	-	-	1,595	39,521	15/02/2019	Borrowings BID US$ 200 MM
Currency swaps - PEN / USD		-	-	-	-	-	1,297	39,521	15/02/2019	Borrowings BID US$ 200 MM
Currency swaps - USD / JPY		-	128,240	232,191	08/09/2031	-	108,335	224,370	08/09/2031	Borrowings AFLAC
Currency swaps - USD / JPY		-	14,274	67,077	20/10/2027	-	11,586	64,818	20/10/2027	Borrowings JICA
Currency swaps - USD / JPY		-	770	3,767	20/10/2027	-	623	3,640	20/10/2027	Borrowings JICA
Currency swaps - USD / JPY		-	11,301	46,733	20/10/2027	-	9,377	45,159	20/10/2027	Borrowings JICA
		-	**154,585**	**349,768**		**-**	**153,585**	**596,043**		
Interest rate swaps - fixed rate / Libor rate 6M - USD		-	-	-	15/02/2019	-	2,114	40,311	15/02/2014	Borrowings BID US$ 200 MM
Interest rate swaps - fixed rate / Libor rate 6M - USD		7,372	-	619,200	15/07/2019	-	-	-	15/02/2019	COFIDE corporate bonds 2019 US$ 300MM
		7,372	**-**	**619,200**		**-**	**2,114**	**40,311**		

As at the 31st of March 2015 and the 31st of March 2014, the accumulated unrealised net loss from cash flow hedges, shown as other integral earnings under results of current hedging (unrealised earnings net of income tax amounted to (in thousands) a net loss of S/.6,350 and a net loss of S/.8,106, respectively; see cash flow hedges in the equity account) being carried out during the term of the underlying financial instrument. Furthermore, the unrealised loss from cash flow hedges has not been transferred to the earnings statement.

As at the 31st of March 2015, the Corporation had four currency swaps (nineteen as at the 31st of December 2014), which according to SBS regulations qualify as cash flow hedges from borrowings. In economic terms, this operation covers the Corporation's debts.

In addition, as at the 31st March 2015, the Corporation had one (two as at the 31st of December 2014) interest rate swaps aimed at covering the variable rate component of certain borrowings; it matures in 2019.

The Corporation has a method for measuring the degree of ineffectiveness of its financial derivative hedges that are used for that purpose. As at the 31st of March 2015 and the 31st of December 2014, the Corporation showed no reduction in the ineffectiveness of these hedges in its earnings statement.

22. MANAGEMENT OF OTHER RISKS

(a Operating risk

Operating risk originates from human, process, or system error, or external factors, including legal risk.

The Corporation has identified its operating risks, concentrating on the complementary processes that make up its operations. Furthermore, successive improvements have been made in the policies and methodologies for identifying, evaluating and monitoring operating risk, as well as in the definition of the roles and responsibilities of those involved in managing it.

Indicators have been created to analyse the causes and effectiveness of the control and mitigation measures for operating risk. Furthermore, a number of reports are generated to permit continual monitoring of these risks and to determine the measures necessary to mitigate them, in accordance with limits set by the board of directors. At the same time, the Corporation's divisions and departments are responsible for the qualitative valuation of their risks and controls through the operating risk coordinators.

A database of losses to operating risk has been designed to complement the qualitative analysis described above with a quantitative analysis.

Thus, although the eCorporation currently bases its operating risk management on the qualitative actions described, it is moving towards a management of this risk that complements qualitative valuations with quantitative ones.

(b) Capital management – statutory reserve

The Corporation actively manages a capital base to cover the risks inherent in its activities. The Corporation's capital adequacy is monitored using, among other measures, the rules and ratios established by the SBS; it has policies for capital adequacy that define levels of appetite for and tolerance of capital adequacy risk through indicators that seek to optimise the risk / return ratio, as well as guidelines for the management and assignation of capital.

The Corporation's capital management objectives are broader in concept than “net equity” shown in the financial statements, and are: (i) To comply with the capital requirements established by the SBS; (ii) To safeguard the ability of the Corporation to continue operating and provide returns to its shareholders and benefits to other participants; and (iii) maintaining a strong capital base to support future activities.

In accordance with SBS rules, the Corporation is obliged to maintain regulatory capital equal to or greater than 10% of risk-weighted assets and contingencies, including regulatory capital requirements for market risk, operating risk and credit risk. As at the 31st March 2015 and 31st December 2014, the Corporation used the standard method for calculating its regulatory capital requirement for credit risk and market risk, and the basic method for operating risk. Furthermore, the 20th of July 2011 saw the publication of SBS ruling N° 8425-2011 (rules for additional statutory reserve) by which companies must comply with requirements throughout the economic cycle to cover the risk of market concentration, interest rate risk and other risks. This additional regulatory capital requirement must be achieved in five years, the first stage being 40% of the total requirement by July 2012. The reserve will gradually increase each year at a rate of 15% to achieve 100% by the 31st of July 2016. It should be mentioned that the economic cycle requirement is activated and deactivates as a function of the procyclic provisions for loans.

As at the 31st of March 2015 and 31st December 2014, the regulatory capital of the Corporation, calculated in accordance with current legislation was (in thousands) S/.3,359,167 and S/.2,827,529 respectively; This figure is used to calculate certain limits and restrictions applicable to banks in Peru, which the management believes it has met in full.

As at the 31st of March 2015, assets and contingent loans weighted by credit risk amounted to (in thousands) S/.6,495,711 (in thousands S/.6,050,988 as at the 31st December 2014) and the equity requirement for credit risk, market risk and operating risk determined by the Corporation according to current legislation totaled (in thousands) S/.679,476 (S/.640,633 as at the 31st December 2014); these figures generate a global capital ratio in 49.44% (44.14% as at the 31st December 2014).

23. SUBSEQUENT EVENTS

There are no known events occurring after the closing date of these financial statements and of this report that could have a significant effect on them.