



*The literal translation of the slogan is "Mibanco, the bank of those who move the country." This refers to the 5 million small and micro business owners that represent 42% of Peru's GNP and employ 76% of its Economically Active Population (EAP). With 98% of Peruvian businesses being small or micro enterprises, it is clear that these entrepreneurs drive the country's economy.



Annual Report 2010



Statement GRI Application Level Check

GRI hereby states that **Mibanco, Banco de la Microempresa S.A.** has presented its report "2010 Annual Report" to GRI's Report Services which have concluded that the report fulfills the requirement of Application Level A.

GRI Application Levels communicate the extent to which the content of the G3 Guidelines has been used in the submitted sustainability reporting. The Check confirms that the required set and number of disclosures for that Application Level have been addressed in the reporting and that the GRI Content Index demonstrates a valid representation of the required disclosures, as described in the GRI G3 Guidelines.

Application Levels do not provide an opinion on the sustainability performance of the reporter nor the quality of the information in the report.

Amsterdam, 25 May 2011

A handwritten signature in blue ink, appearing to read "Nelmara Arbex".

Nelmara Arbex
Deputy Chief Executive
Global Reporting Initiative



The Global Reporting Initiative (GRI) is a network-based organization that has pioneered the development of the world's most widely used sustainability reporting framework and is committed to its continuous improvement and application worldwide. The GRI Guidelines set out the principles and indicators that organizations can use to measure and report their economic, environmental, and social performance. www.globalreporting.org

***Disclaimer:** Where the relevant sustainability reporting includes external links, including to audio visual material, this statement only concerns material submitted to GRI at the time of the Check on 26 April 2011. GRI explicitly excludes the statement being applied to any later changes to such material.*



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STATEMENT OF RESPONSIBILITY

Marggi Castillo Díaz, Head of Central Processes

STATEMENT OF RESPONSIBILITY

This document contains accurate and sufficient information concerning the business development of Mibanco, Banco de la Microempresa S.A., during 2010. Notwithstanding the responsibility of the issuer, the undersigned are responsible for its content, pursuant to the applicable legal provisions in force.



Óscar Rivera Rivera
Chairman of the Board of Directors



Rafael Llosa Barrios
General Manager

Lima, March 17, 2011



LETTER FROM THE CHAIRMAN OF THE BOARD

To the Shareholders:

It is a pleasure for me to present our Annual Report and the related Financial Statements for the year 2010, which reflect once more our firm leadership in the microbusiness segment, the result of twelve intense years of our Organization's commitment and innovation. Mibanco is a consolidated company, recognized locally and abroad, which continues focusing its efforts on the mission with which it was born, offering progress opportunities to low-income people through access to the financial system, with social commitment.

This year has been a year of recovery, following the last global financial crisis that hit economies worldwide; a year in which Peru managed to stand firm and continue improving its main macroeconomic indicators.

This has caused this year to be the best in the recent history of Peruvian economy, which has shown its leading position in Latin America and throughout the developing world. The country grew, recording a GDP increase of 8.7%, compared to 0.9% the previous year, and a controlled annual inflation

of 2.1%, within the target range of the Central Reserve Bank. In turn, the upward tendency of our currency continued due to the strong influx of dollars resulting from the increase of exports, direct foreign investment and inflows of speculative capital. This scenario, along with the commercial expectations of micro and small business entrepreneurs to whom we are committed and to a greater optimism regarding the future of their businesses, contributed to this being a very special period for our institution, different and full of challenges.

Thus, our 580,000 clients have contributed to our position as the financial institution with the largest amount of microbusiness loans, consolidating our leadership. Along this line, the main challenge has been to continue with our policies aimed at meeting the financial needs of micro and small business entrepreneurs.

Our expansion and development approach has enabled us to reach gross loans for a total of S/. 3,656.4 million, which represents 21.6% growth and a 17.5% increase in the number of total clients (loans and deposits). Our leading position in bank usage in the microbusiness segment has also shown good results, having incorporated 18.3% of the people who accessed a microbusiness loan for the first time in 2010.

At the same time, we have become stronger by taking care of our assets and the quality of our portfolio, focusing most of our efforts in developing a comprehensive risk management. In this respect, Mibanco, like many

other institutions, felt the blow of the international crisis, but was able to take adequate measures and closed the year with a controlled overdue rate of 3.11% and a significant reserve coverage of 178% over the overdue and default portfolio. Furthermore, we consolidated our operational risk management system and obtained authorization from the National Superintendence of Banking, Insurance and Pension Fund Administration Companies to use the alternative standard method to calculate the effective capital requirement for operational risk.

We are aware of the vital role our team of employees plays, which has enabled us to strengthen our leadership year after year. In this respect, we have placed greater emphasis on their training and development through educational, refresher and specialization programs. Mibanco has thus been recognized this year as a company with best practices in Human Resources and has received certification from the Good Employers Association of the American Chamber of Commerce of Peru (AMCHAM).

Meanwhile, we have boosted our efforts in terms of social and environmental performance through the creation of the Social Assets Management Office. This new area, which has been adopted for the first time by an institution within the national financial system, is in charge of overseeing the fulfillment of our mission, monitoring our performance, making suggestions for improvement, informing about our efforts and our achievements and designing programs to meet the non-financial needs of our clients.

As of December 2010, our total assets reached a balance of S/. 4,457 million, 20.6% growth with respect to the previous year. This result is basically explained by the increase of gross loans, which account for 82% of total assets. With regard to the funding needs of the Bank, we have covered them through deposits from the public and from institutional investors, our active participation in the capital market, direct credit lines and capitalization of part of our earnings, enabling us to guarantee the development of Mibanco and of our clients. It is worth mentioning that we obtained the first international syndicated loan in soles (equivalent to US\$ 45 million) received by a Peruvian financial institution, syndicated by the Inter American Development Bank (IADB).

As of December 2010, total liabilities amounted to S/. 4,066.9 million, 20.6% growth with respect to the previous year. Obligations to the public (S/. 2,896.5 million) represented 71.2% of liabilities and increased 25.8% as compared with the previous year. Furthermore, the number of savings clients increased from 145,354 in 2009 to 179,140 in 2010, evidencing 23.2% growth.

Another of our institution's notorious achievement was the BB+ international rating awarded by Standard & Poor's with Stable perspective, which places us one step from obtaining investment grade. This is the result of sound management, which translates into sustained growth in portfolio and in clients, but, above all, into being today the leading bank in Peru's microfinance segment today, and one of the most important in Latin America. We must add to this the rating awarded by Planet Rating, a rating company

specialized in social performance, which in its first assessment awarded Mibanco the highest score (4+) among more than 50 microfinance institutions assessed worldwide. This confirms the firm social commitment of our Bank, which is today objectively recognized.

Always focused on contributing to the development of MYPES entrepreneurs and to improving living standards, we continued our free training programs and invested, for the third consecutive year, US\$ 1 million in the training more than 29,000 clients through our 10th Free Training Program "Creciendo junto con mi empresa" (Growing along with my company). We also organized large-scale events in five important cities in the country and carried out the project "Fortalecimiento de la capacidad empresarial de la mujer en Perú" (Strengthening the entrepreneurial capacity of women in Peru). This last project has been possible thanks to the efforts of renowned international institutions such as the government of Australia, through its Australian agency for international development (AusAID), the Multilateral Investment Fund (FOMIN) of the Inter American Development Bank, Goldman Sachs and their 10,000 Women Initiative, and The Thunderbird School of Global Management, through their Thunderbird for Good program.

In the last 10 years we have trained, free of charge, more than 100,000 entrepreneurs in subjects such as marketing, sales, finances, business administration and strategy, leadership, planning, team work and financial education.

Together with the commitment to our clients, we seek to transmit a culture of sound business that may be applied to all, economic, social and environmental levels. To that end, we follow the Triple Bottom Line concept: Social Responsibility, Economic Return and the Environment.

As a result of this approach, we have adhered to the United Nations Global Compact's initiatives and, once more, we have designed this Annual Report following the guidelines of the Global Reporting Initiative (GRI). These guidelines enable us to observe our comprehensive performance from a different angle, which includes a series of important aspects like poverty reduction among our clients by offering products designed to meet their needs; training, to promote better investment of their money; meeting our personnel's needs, granting them opportunities for professional development; and greater efficiency in the use of natural resources to reduce the environmental impact of our operations.

Finally, I wish to thank all the people who have been with us this year. Our shareholders, for their permanent support; management, for their invaluable participation in designing strategies and making decision; our personnel, a key element for the development and quality operating of Mibanco; all stakeholders, who have been working with us throughout these years; and our clients, the micro and small business entrepreneurs, whose productive strength is the driving force of the Peruvian economy, which today is doing better than ever. We thank them for representing 42% of the Gross Domestic Product (GDP) and for ha-

ving their businesses harbor 74% of the work force of Peru. A country needs a powerful, modern and efficient engine to be dynamic. MYPES have earned that place. The presence of all these persons has made it possible for this adventure to grow upon firm bases, so that we can all contribute to build a country of hope and opportunities for all. In particular for those who started at the bottom and worked their way up. Micro and small business entrepreneurs are the ones who move the country today and thanks to them, Mibanco is the bank of those who move the country.



Óscar Rivera Rivera

Chairman of the Board of Directors of Mibanco

ORGANIZATION PROFILE

- Name of the Organization
- Location of our Head Office
- Board of Directors
- Executive Committee of the Board of Directors
- Management
- Organizational Chart
- Vision, Mission and Values
- Capital Stock
- Shareholding Structure



Flor Pisfil Egoavil, Senior Executive Consultant, Cercado Office

NAME OF THE ORGANIZATION

Mibanco, Banco de la Microempresa S.A., was Peru's first private bank for micro and small businesses and was organized in the City of Lima, on March 2, 1998, by public deed executed before Ricardo Fernandini Barreda, Attorney at Law and Public Notary.

The Corporation is registered in Electronic Card 11020316 of the Lima Corporations Registry and its operation was authorized by the Superintendence of Banking, Insurance and Pension Fund Administration Companies by Resolution SBS 356-98, dated April 7, 1998.

Mibanco started operating on May 4, 1998, in Lima, based on the experience of Acción Comunitaria del Perú (currently Grupo ACP) a non-profit civil association that has worked with micro and small businesses for 41 years, with excellent international prestige. It also maintains continuous, quality communication with national and international banks, as well as multilateral and bilateral organizations.

CORPORATE PURPOSE

Banking company.

Uniform Industrial Classification of all Economic Activities (CIU): 6519.

DURATION

Perpetual.

TYPE OF SHARES

VOTING SHARES

Shareholding	Number of Shareholders	% Participation
Less than 1%	12	2.06%
From 1% to 5%	2	4.78%
From 5% to 10%	5	33.09%
More than 10%	1	60.07%
Total	20	100.00%

LOCATION OF OUR HEAD OFFICE

Mibanco, Banco de la Microempresa S.A.

Headquarters address:

Av. Domingo Orué 165 - Surquillo, Lima.

Telephone: (511) 513-8000

Fax (511) 513-8155

E-mail: mibanco@mibanco.com.pe

Website: www.mibanco.com.pe

*Main Headquarters of
Mibanco*



BOARD OF DIRECTORS

Óscar Rivera Rivera - Chairman of the Board of Directors

Luis Felipe Derteano Marie - Vice Chairman of the Board of Directors



REGULAR DIRECTORS

Roberto Dañino Zapata



Juan Otero Steinhart



Alfredo Llosa Barber



Miguel Pinasco Limas



Luis Ovalle Gates

**ALTERNATE DIRECTORS**

Hugo Santa María Guzmán



Michael Edward Schlein



Enrique Ferraro



Esteban Andrés Altschul



Fernando Arias Vargas



EXECUTIVE COMMITTEE OF THE BOARD OF DIRECTORS

The Executive Committee is a decision-making body for the administrative management of the Corporation, which consists of five members designated by the Board of Directors and holds at least two ordinary sessions per month. The following Directors were elected for the 2010-2011 period.

Óscar Rivera Rivera

Luis Felipe Derteano Marie

Alfredo Llosa Barber

Juan Otero Steinhart

Hugo Santa María Guzmán

Rafael Llosa Barrios – Secretary

MANAGEMENT

Rafael Llosa Barrios - General Manager



DIVISION MANAGEMENT OFFICES

Fernando Balbuena Favarato
Marketing Division
Manager



Miguel Gonzáles Vargas
Business Division
Manager



Rossina Castagnola Vásquez
Human Resources
Division Manager



Roberto Gonzáles Peralta
Service Banking
Division Manager



José Castillo Deza
Controlling and Finances
Division Manager



Leonel Henríquez Cartagena
Risks and Standardization
Division Manager



AREA MANAGEMENT OFFICES

Carolina Benavides Piaggio
Social Assets Area Manager



José Delgado Contreras
Risks Area
Manager



Luz María Boza Llosa
Administration and Risk
Follow-up Area Manager



César Fernández Fernández
Business Intelligence
Area Manager



Ana Bruckmann Corvera
Micro Business Banking – Enterprise
Banking Area Manager



Eduardo Franco Águila
Operations Area
Manager



Rossana Chasseloup López
Legal Consultancy and
General Secretariat Area Manager



Marcos García Injoque
Standardization Area
Manager



Javier Guinassi Portugal
Small Business Banking
Area Manager



Marco Lúcar Bérnizon
Development and Technology
Area Manager



María del Pilar Martínez Rubio
General Accountant



Carlos Olazábal Chumán
Finance and Planning
Area Manager



Jessica Pacheco Lengua
Micro Business Banking –
Preferred Banking Area Manager



Ramiro Postigo Castro
Treasury Area Manager



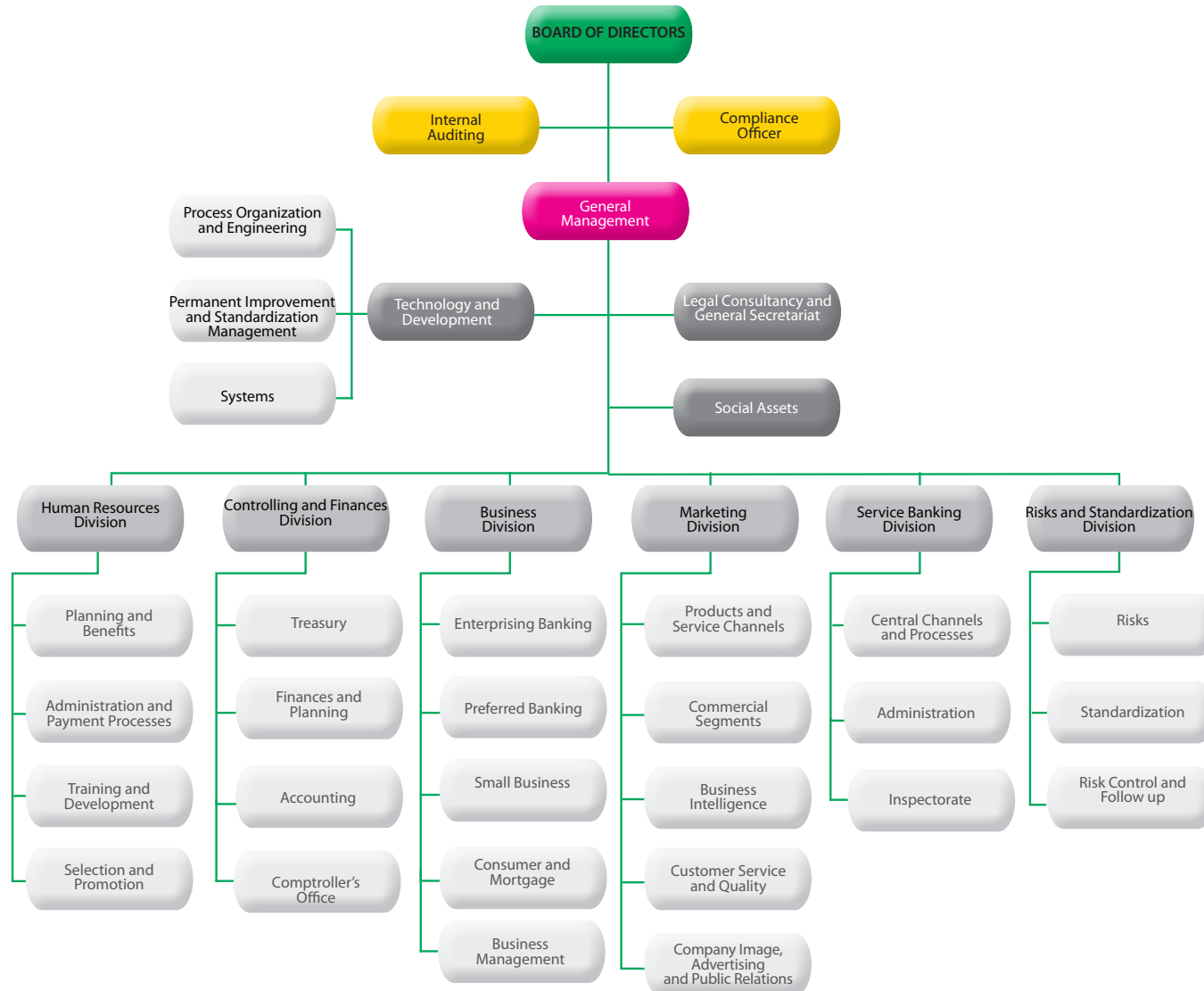
Dante Torres Martínez
General Auditor



María Luz Zegarra Seminario
Business Segments
Area Manager



ORGANIZATIONAL CHART



VISION, MISSION AND VALUES

OUR VISION

To be the leader and point of reference of banking institutions with a clear social commitment, where people feel proud of forming part of a community of clients and employees of Mibanco.

OUR MISSION

We offer opportunities for progress and provide access to the financial system with social commitment.

OUR VALUES

- **Honesty.** We work with moral integrity and professional ethics, carrying out a transparent management, offering clear and accurate information and generating trust.
- **Commitment.** We are convinced that we need to give the best of ourselves, and we become involved and participate actively in the development and fulfillment of our mission and vision.
- **Efficiency.** We manage our resources in an optimal way, permanently improving our processes and productivity to achieve greater competitiveness and sustainability over time.
- **Respect.** We recognize and appreciate the comprehensive value of the human person, with a sense of fairness and justice, within an environment of harmony, freedom of opinion and equal opportunities.
- **Innovation.** With the active participation of clients, employees and management staff, we promote the generation of original and creative ideas that may be applied to generate substantial and successful changes.
- **Quality.** We conduct our activities and projects effectively, surpassing our performance standards continuously, ensuring the satisfaction of the ever increasing expectations of our internal and external clients, to guarantee our competitiveness, leadership and image in the market.

We offer opportunities for progress and provide access to the financial system with social commitment.

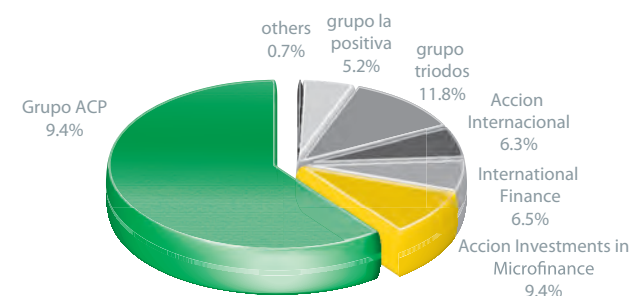
CAPITAL STOCK

Registered and paid up capital: S/. 244'763,869.00, represented by 244'763,869 shares with par value of S/. 1.00 each.

SHAREHOLDING STRUCTURE

Shareholder	Participation	Office
Grupo ACP Inversiones y Desarrollo	60.07%	Peru
ACCION Investments in Microfinance SPC	9.36%	Cayman Islands
International Finance Corporation (IFC)	6.50%	U.S.A.
ACCION International	6.33%	U.S.A.
Stichting Hivos – Triodos Fonds	5.45%	The Netherlands
Stichting Triodos Doën	5.45%	The Netherlands
La Positiva Vida Seguros y Reaseguros S.A.	2.62%	Peru
La Positiva Seguros y Reaseguros S.A.	2.58%	Peru
Triodos Fair Share Fund	0.92%	The Netherlands
Other investors	0.72%	Peru
Total	100.00%	

SHAREHOLDING STRUCTURE





*Pedro Ascencio Villaorduña
Line of Business: Milk production
Agency: Barranca*



CORPORATE GOVERNANCE

- Corporate Governance
- Comprehensive Risk Management
- Main National and International Associations
- Mibanco Belongs to or Supporters
- Recognition of Best Social Responsibility and Good Corporate Governance Practices
- Participation of Stakeholders



The Company's activities, always based on firm values, are governed by the governance matrix that guides us to our goals in a responsible way

CORPORATE GOVERNANCE

Mibanco operates under a strict code of ethics and transparency, guiding its actions by the principles and rules of Good Corporate Governance. The Company's activities, always based on firm values, are governed by the governance matrix that guides us to our goals in a responsible way, thus strengthening the trust of our shareholders and stakeholders.

Mibanco does not receive financial aid from the government.

Mibanco Corporate Governance System

This system is founded on five categories, as described in the matrix.

1.- Shareholders' rights. We protect the rights of all our shareholders, enforcing them in a transparent manner and we comply strictly with a clear and fair dividend policy.

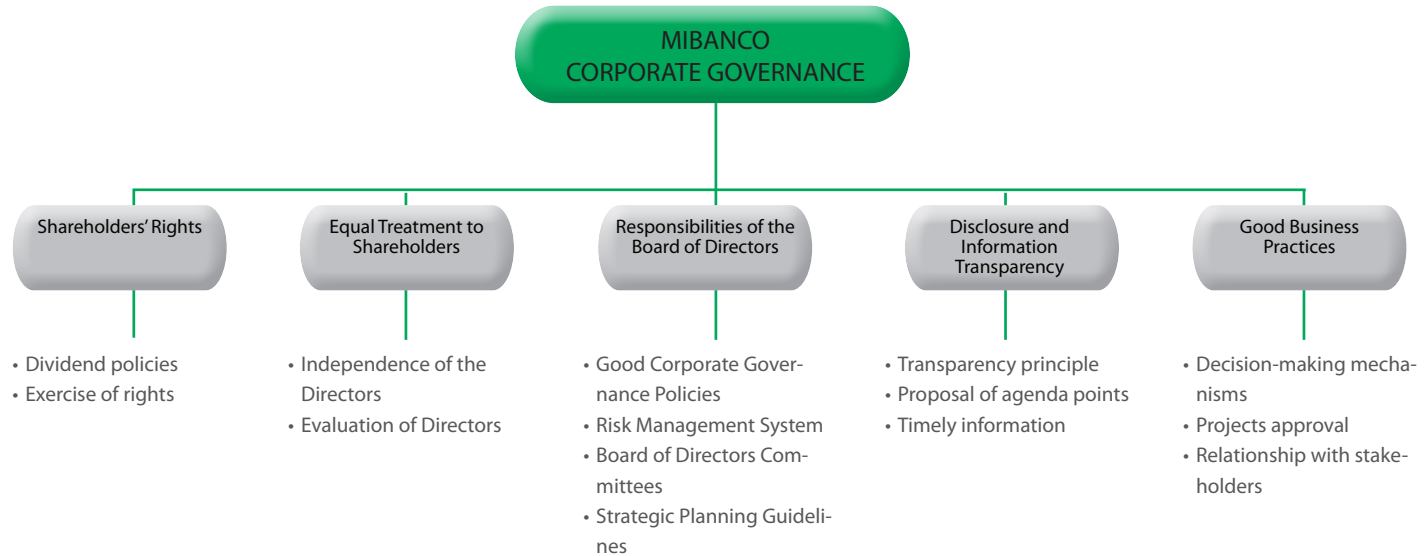
2.- Equal treatment to shareholders. Our shareholders enjoy fair treatment and our directors are independent, with the capacity to exercise fair judgment in case of conflicts of interest.

3.- Responsibilities of the Board of Directors. Our Board of Directors plays a fundamental role in the development and re-

view of our Company strategy and in the supervision of the business operation. The powers and duties of its committees are clearly established, as well as the frequency with which the sessions are held.

4.- Communication and information transparency. The Company provides specific and accurate information to the management, the shareholders and our stakeholders on a regular basis, so that they may take adequate, sound decisions. Furthermore, the legal, operational and financial information is adequately and timely disseminated and presented.

5.- Good business practices. We value our relations with our environs and carry out our activities within a context of respect and support so that our clients, workers, suppliers and the community altogether may be able to satisfy their needs. We permanently endeavor to keep a good relationship with our stakeholders.





*Irma Esther Meneses Quispe with her consultant,
Gustavo La Jara Benavides.
Line of Business: handicrafts
Agency: Miraflores, Arequipa*

The Board of Directors is the highest body in Mibanco and is in charge of defining the Organization's strategy. The Chairman of the Board does not hold an executive position.

The members of the Board of Directors are distributed as observed in the table below and their remuneration is agreed by the Stockholders' Meeting.

DISTRIBUTION OF MEMBERS OF THE BOARD OF DIRECTORS

Directors	Number
Dependent	9
Independent	3
Total	12

Mibanco operates under international standards¹, codes of conduct and principles and has procedures in place to select and incorporate members of the Board, who must possess vast experience in business company performance. While we have not designed yet procedures for the Board to supervise and assess social and environmental performance, we do follow up on the core business activities, such as bank usage, number of clients and number of clients trained by the Organization. Mibanco currently does not require the members that join the

¹ GRI, Global Compact, Basel, IFC Performance Standards and others.

Board of Directors previous training or experience in matters regarding social and environmental behavior. Communication mechanisms in place may be used by shareholders and employees alike and allow the Board to receive feedback from these groups.

There are no express voting policies in environmental or social matters.

As a financial entity for micro and small businesses, Mibanco considers it is necessary for its clients to adapt to the environmental provisions in force and, to that effect, we include in our regulations for the granting of loans parameters that limit and/or prevent loans from being granted for activities that attempt against the environment. These parameters or exclusion list are applied by the Loans Committee, which evaluates loan risks analyzing the activity for which the loan is being requested, awarding limited, medium and high risk categories. Mibanco's activity does not relate with habitats that may be endangered by its operations.

In 2011, we will commence the design of an environmental impact management system that will let us pay attention to opportunities related to climate change by including environmental policies in the products that Mibanco offers through its business lines.

The procedures established to prevent conflicts of interest in the Board of Directors apply to all employees and executives, who are committed to strict compliance of principles concerning conflicts of interest and to the corporate ethics of the institution. Furthermore, they are all acquainted with the regulations applicable to their obligations or level of responsibility, which are set forth in a Corporate Governance Matrix, a Committee for the Solution of Conflicts of Interest and a Behavior and Ethics Code.

PROCEDURES TO PREVENT CONFLICTS OF INTEREST

In the event a problem or breach of the code of ethics should arise, the matter must be reported to the immediate supervisor or, if the case should require it, to the person designated by the Human Resources Division. Furthermore, express authorization of the hierarchical superior is required to perform additional duties other than those having a philanthropic or teaching nature, and of a nature other than the activities of the Institution, in order to prevent conflicts of interest or any other damages against Mibanco.

In 2011, we will commence the design of an environmental impact management system that will let us pay attention to opportunities related to climate change



Arequipa agency façade

The labor or consulting relation with another financing entity, person or corporation, direct or indirect, with the bank is absolutely forbidden, unless there is specific authorization under the terms mentioned above. Our codes provide the following to that effect:

1. Contact between the executives and employees of Mibanco with the different suppliers, employees and/or correspondents will be based on objectivity and fairness to the benefit of the Bank's interests.
2. No employee must accept, himself/herself or through an intermediary, any gifts from clients or suppliers, employees and/or correspondents, unless authorized by his superior.

COMPREHENSIVE RISK MANAGEMENT

Excellence in the management of all risks is a fundamental principle at Mibanco, to which effect we apply an adequate combination and balance of business aggressiveness and soundness that may lead us to healthy development and growth of our business, optimizing value for our shareholders.

During the last years, Mibanco has implemented a series of initiatives designed to strengthen the risks culture across the Organization and consolidate comprehensive risk management with highly skilled professionals and the use of modern analytical and control tools.

In terms of loans, the measures adopted helped us face smoothly the financial crisis that hit micro and small business owners, closing the year with adequate overdue ratios and significant reserve coverage.

It is worth mentioning, as well, that the efforts engaged in by Mibanco in regard to operational risk management and information safety were recognized by the National Superintendence of Banking, Insurance and Pension Fund Administration Companies (SBS) with the authorization granted to use the Alternative Standard Method to calculate capital requirement.

RISK MANAGEMENT CORPORATE GOVERNANCE

The Board of Directors is the highest governing body, responsible for the global risk policy of the Bank. The Risks and Recoveries Division, in turn, guarantees the proper application of this policy throughout the Organization.

The Risks Committee, formed by five directors, the General Management and the Business and Risks Management Offices, reports to the Board of Directors and it is in charge of analyzing the evolution of the different risk indicators and reviewing and approving relevant policy issues.

In addition, Mibanco has established special committees that oversee regulations compliance, of whose decisions to the Board of Directors is informed.

- Operational Risk Management
- Strategic Risk
- Goodwill Risk
- Information Security

Credit Risk Management

The recent financial crisis that seriously affected the microbusiness sector had an impact on the quality of the credit portfolio of the different institutions specialized in microfinance, given the greater, or almost exclusive, concentration of loans in this segment.

The Risk Management and Follow Up Area focuses on monitoring the portfolio with an analytical and management support approach.

Mibanco also felt the blow of the crisis, but was able to take adequate measures and closed the year with a controlled overdue ratio of 3.11% and a solid reserve coverage of 178% of the overdue and default portfolio.

These measures covered the entire credit process of the Bank (admission, follow up and recoveries). Below we detail the main actions undertaken in each stage:

1. Admission

- Adjustments to loan policies in a permanent way according to the different statistical analyses of the variables that may generate late payments.
- Application of restrictions to activities most hit by the crisis.
- New generic scoring. It is applied as an initial filter in the loan process to most credit operations with both, new and returning clients.
- Implementation of a new loan management structure that incorporates personnel with specialized training in risk management (Loan Supervisors) in the loan operation approval line in agencies.
- Permanent training through different programs, internal conventions and/or workshops in a prestigious university and/or in an institute specialized in banking.

- Development of new admission and behavior scores to be implemented during 2011.

2. Follow up

- Portfolio Quality Committee: It takes care of following up on the Bank's portfolio quality indicators evolution and proposed actions.
- Strengthening of structure and team: The Risk Follow up and Administration Management, created in December 2009, focuses its efforts on monitoring the portfolio using an analytical approach to provide support to the administration.

This office includes:

- Follow up and Models Unit: Responsible for portfolio analysis at data base level for timely detection of possible risk niches that may cause impairment of the portfolio. In addition, it is in charge of implementing and following up on the scores and the internal development of own models.
- Loan Review Unit: It focuses on monitoring compliance of regulations (loan policy) and quality of loan evaluation in agencies.
- Development of a Risks Datamart and acquisition of new technological tools to strengthen the analytical approach being used in reviewing portfolio quality.

3. Recoveries (Standardization)

- New collections software.
- Strengthening of the collections team with the incorporation of two new supervising offices and a new team of employees with broad experience.
- Promotional campaigns with awards that seek to promote a culture of timely payment among our clients.

LOAN PORTFOLIO STRUCTURE AS AT DECEMBER 31, 2010

Classification	Total Debt S/.	% Portfolio	Total Provisions
Normal	3,287,974	S/.	49,181
CPP	169,301	4.63%	8,154
Deficient	73,980	2.02%	17,987
Doubtful	67,375	1.84%	39,082
Loss	61,880	1.69%	60,164
Total	3,660,509	100%	174,568

Market Risk Management

It is the value loss risk of the Bank's portfolios due to fluctuations in the risk factors –interest rates and their respective volatilities– as well as the financial markets liquidity risk in which it operates. Mibanco incurs in market risks in both, its trading activities and its balance management activities.

Trading activities are carried out according to different limits that are reviewed from time to time to incorporate the Bank's strategy and the market conditions and to anticipate situations that may compromise its capital.

The Assets and Liabilities Committee (ALCO) made up by the senior management provides strategic guidelines for the administration of the Bank's market risks, permanently monitoring exposures in the financial markets and informing the Risks Committee about its most relevant decisions.

Since July 2009, the Market Risk Unit has been administering the calculation of effective capital requirements due to credit and market risks, as well as the global capital ratio within the framework of the New Capital Accord (Basel II).

Interest Rate Risk

The Bank analyzes the sensitivity of the financial market (earnings at risk) and of the equity value at risk in the face of possible impacts from eventual interest rate fluctuations in different repricing periods, to improve its net revenues from interests within the established risk tolerance policies.

This risk has been adequately managed during 2010 through the consolidated repricing gap. The profit at risk ratio was 0.20% at December 2010, below the regulatory limit (5%).

It is worth mentioning that the Bank is implementing an assets and liabilities administration software that will enable the development of new models for interest rate risk measurement and mismatch gap management.

Foreign Exchange Rate Risk

The Bank controls the loss risk due to negative exchange rate variations through policies designed to soundly adjust exchange operations to risk levels defined by the institution and the volatility of market variables.

This risk has been managed through the matching of asset and liability operations in foreign currency, where a smaller difference may be observed between assets and liabilities at the end of 2010 with respect to the previous year.

The standard daily administration method of this risk is VaR (maximum loss expected) over risk factors and stress tests over them, which are assessed with respect to their accuracy level through periodical backtesting analyses.

Liquidity Risk

The Bank permanently follows up on its capacity to fulfill its financial commitments in a timely manner and at fair prices under both normal and stress conditions through its liquidity profile. The measures used to determine this risk

are matching of terms and liquidity ratios in each of the currencies in which the Bank operates and at a consolidated level, as well as the use of contingency plans in the analysis of liquidity stress scenarios.

During 2010, the Bank complied with the established liquidity limits², evidencing an adequate reaction capacity to face agreed financial commitments, as may be observed in the following table:

LIQUIDITY RISK

Liquidity Ratio	2007	2008	2009	2010
Local currency	13.85%	15.44%	19.27%	19.46%
Foreign currency	26.87%	49.22%	39.42%	28.26%

² SBS Local Currency Ratio (minimum 8%) and SBS Foreign Currency Ratio (minimum 20%).

Country Risk

As of December 31, 2010, there has been no exposure to this risk.

OPERATIONAL RISK MANAGEMENT

During 2010, Mibanco consolidated its Operational Risk Management by applying principles and strategies that are based on provisions issued by the SBS, enabling us to obtain authorization to use the Alternative Standard Method to calculate effective capital requirement per operational risk.

The main characteristics of operational risk management in the Bank include:

1. Decentralized management, with active participation of all business units and support of Mibanco in the application of operational risk management methodology.
2. Application of risk self-assessment techniques through the conducting of workshops on Mibanco's main processes that enable the assessment the implemented controls and definition of risk mitigation actions in the cases when level of exposure to permitted risk are exceeded.
3. Periodical monitoring of identified operational risks, with risk indicators in place to detect significant variations and take action accordingly.



*Antonio Chumacero Sánchez, Head of Follow up and Models
and Gabriela Muñoz Cossio, Loan Admission Supervisor*

4. Presentation of consolidation and reporting mechanisms for operational risk management results presented to the Risks Committee.
5. Use of tools and technological support to simplify operational risk management in all the organizational units of the Bank, including in the control and monitoring of identified risks.
6. We offer permanent training to our personnel on concepts, policies and methodologies applied to Operational Risk Management.

As part of our Operational Risk Management, Mibanco has implemented the Business Continuity Management, also based on SBS provisions. During 2010, we applied the Business Continuity Methodology, identifying and implementing new continuity strategies to ensure adequate response to activities that might interrupt operations.

Information Security Management

During 2010 and complying with Circular Letter SBS G-140, Information Security Management, we implemented an Information Security Management System (SGSI) with the Board of Directors approval. It is monitored by the Information Security Committee, which is made up of the Division Managers and the General Manager of the Bank.

The SGSI in the Bank is based on the ISO 27001:2005 security standard, in line with international standards, and it uses MAGERIT as risks methodology, which is in line with the COSO-ERM. This methodology is applied to critical

processes to identify risks of the information assets they support. The aim is to guarantee the protection of the data generated, ensuring its confidentiality, integrity and availability.

Periodical monitoring is performed as part of the annual activities plan, as established in the SGSI Manual, the Bank Information Security Policy and related procedures.

Adapting to Basel II

The framework of the New Capital Accord³ rests on three mainstays: Mainstay I seeks to harmonize minimum capital requirements with risks and introduces substantial changes in credit risk treatment, recognizing the nature of each operation, the counterparty's risk and the specific characteristics of the mitigating element, as well as the addition of the capital burden by operational risk; Mainstay II provides for greater supervision of capital sufficiency (it includes additional requirements per risk); and Mainstay III establishes extended public information of financing institutions (transparency).

Mibanco has engaged efforts towards successfully complying with spreading a risks culture within the Organization, as well as the implementation of Basel II standards proposed by the SBS since 2009, followed by the approval of the Alternative Standard Approach (ASA) application to calculate capital requirement for operational risk in the year 2010.

³ "International Convergence of Capital Measurements and Capital Standards – revised framework" (Basel II). June 2004.

MAIN NATIONAL AND INTERNATIONAL ASSOCIATIONS TO WHICH MIBANCO IS AFFILIATED OR WHICH IT SUPPORTS

PERUVIAN BANKS ASSOCIATION (ASBANC)

It represents the banks and financial institutions of the country, and collaborates with the national authorities in the analysis of issues related to the financial system, with the aim of achieving solutions to promote an efficient and modern development.

ASSOCIATION OF MICROFINANCE INSTITUTIONS OF PERU (ASOMIF)

This institution groups the members of the Rural Savings and Loans Association of Peru and the Association of Entities for Small and Micro Business Development (Edpymes) to foster common actions to support their operational development for the benefit of persons requiring their services, but who are generally not served by traditional banking institutions.

DUTCH PERUVIAN CHAMBER OF COMMERCE

It represents the member companies before the Peruvian and Dutch authorities, to assist them in their commercial interests.

ACCIÓN INTERNACIONAL NETWORK

It is a network composed by several of the best known microfinance institutions in the world. Together, these institutions collaborate to strengthen themselves and to strengthen the microfinance industry as a whole. The mission of the network is to work together to integrate the microfinance institutions into the financing systems of their respective countries. Additionally, the Network members exchange practical experiences and improvements about relevant issues for the microfinance industry.

WOMEN'S WORLD BANKING (WWB)

This organization, related to microbusiness development and the economic strengthening of women, has had deep impact on the lives of women worldwide. Likewise, it has contributed to increasing the sensitivity of men in control of banking and public administration. Nevertheless, the greatest efficacy of the WWB is better appraised by the success of the businesswomen who have received its assistance.

MICRO FINANCE NETWORK (MFN)

This international association groups leading microfinance institutions, including 33 members from 28 countries sharing

Mibanco has engaged efforts towards successfully complying with spreading a risks culture within the Organization, as well as the implementation of Basel II standards.



*Efraín Díaz Mamani with his family.
Line of Business: Textile confections
Agency: Miraflores, Arequipa*

ideas and experiences, and proposing innovative solutions to challenges they face to achieve continuous growth and greater progress. The MFN members seek to become a model within the microfinance industry.

GLOBAL ALLIANCE FOR BANKING ON VALUES

An independent network of banks that use financing to promote the sustainable development for the environment and for people who are not served by traditional banking institutions.

RECOGNITION FOR BEST SOCIAL RESPONSIBILITY AND GOOD CORPORATE GOVERNANCE PRACTICES

This year, Mibanco has obtained significant achievements in terms of social work and service quality, which confirm our commitment to our mission.

“Planet Rating, a rating agency specialized in social performance, awarded Mibanco the highest score (4+) among more than 50 microfinance institutions

evaluated worldwide. This confirms the firm social commitment of our Bank, which is today objectively recognized.”

Óscar Rivera – Chairman of the Board of Directors

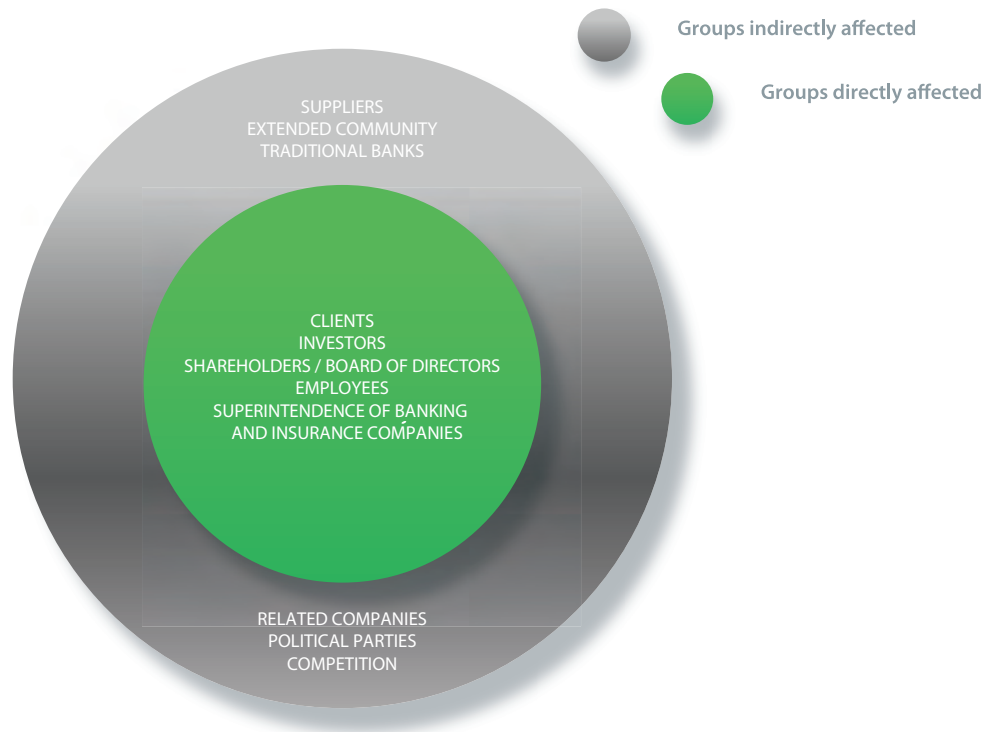
Meanwhile, in the Annual Report of Management & Excellence S.A. Mibanco obtained the highest score among medium size banks in Latin America, an AAA+ rating and an outstanding score of 90.44% in sustainability.

In turn, in 2010 we started the project “Strengthening the entrepreneurial capacity of women in Peru,” which to date has provided training in financial management to more than 18,000 women entrepreneurs and 30 small businesses ran by women.

In line with the Bank’s commitment to its mission and its goal to be identified by its institutional culture in September this year Mibanco created the Social Assets Management Office, in charge of social and environmental management, the design of programs that will add value to our financial products (training, legal consultancy, etc.) and the dissemination of the bank’s social and environmental achievements with the different stakeholders.

PARTICIPATION OF STAKEHOLDERS

Stakeholders are all human groups that have direct or indirect influence or are affected by the Bank's activities. They include:



Throughout the year, information was gathered about the different groups, mostly through personal interviews and the Bank has identified priorities with regard to each of them.

We consider transparency and credibility to be essential values present in the relationship with our stakeholders and in that context, processes that involve commitments and communication with them generate value for our Organization, building trust and recognition.

PARTICIPATION OF STAKEHOLDERS

STAKEHOLDERS	Bases		Approaches for their Inclusion		Type of Relationship		Aspects of Interest Emerged from Interaction	
	Identification and Selection (*)	Communication Channel	Criteria Applied	Frequency	Unidirectional	Bidirectional		
DIRECTLY AFFECTED	CLIENTS	Selection of a representative sample for interviews aimed at identifying priority issues, expectations and perceptions	<ul style="list-style-type: none"> Agency network Quality and customer service Viability and inter-relation with stakeholders (social asset) 	Group that most influences or which may be affected by the activities of the Organization and to whom the Bank owes the success achieved	Interview once a year Measurement of service quality	Mibanco asks its stakeholders what issues must be analyzed to support internal decisions concerning its environmental and socially responsible behavior	Product improvement: <ul style="list-style-type: none"> Clarity of information Promptness in awarding of loans Competitive interest rates Training programs Free technical – financial consultancy	
	INVESTORS		<ul style="list-style-type: none"> General Management Monitoring meetings (finances) Viability and inter-relation with stakeholders 	Criteria: Influence (greater), proximity, dependency and responsibility	Evaluation meetings and report on commitments undertaken			
	SHAREHOLDERS AND BOARD OF DIRECTORS		<ul style="list-style-type: none"> Representation in Government Agencies Strategic Board (Gen. Man.) 	Quarterly meetings to evaluate economic, social and environmental performance				
	EMPLOYEES		<ul style="list-style-type: none"> Employee website Internal email Health and safety committees 	Survey on work environment once a year				
	SUPERINTENDENCE OF BANKING AND INSURANCE COMPANIES (Regulatory Agency)		<ul style="list-style-type: none"> Agency network General Management SBS inspection visits (Risks and Marketing Management) 	Quarterly meetings				
INDIRECTLY AFFECTED	SUPPLIERS	Identification of 3 representatives of each group and conduction of survey regarding their perception and expectations about the Organization	<ul style="list-style-type: none"> Acquisition Committees 	Group that contributes to a positive external image	Meetings once a month	Mibanco informs its stakeholders about the issues that most concern them	<ul style="list-style-type: none"> Selection policy Contribute to social well being and sustainable development Support to underprivileged communities and/or groups Client over-indebtedness risk management Improved relations Client over-indebtedness risk management Contribute to social well being Transmission of democratic values 	
	EXTENDED COMMUNITY		<ul style="list-style-type: none"> Agency network Associations to which Mibanco is affiliated (Peruvian Banks Association, Association of Microfinance Institutions of Peru, Acción Internacional Network, Global Alliance for Banking on Values, etc.) 		Criteria: Influence (less), responsibility			Interview once a year Market studies
	TRADITIONAL BANKS							
	RELATED COMPANIES							
	COMPETITION							
	POLITICAL PARTIES							

(*) Interview once a year.



Corporate Social Responsibility (CSR)

- Our Economic Performance
- Our Social Performance
- Our Environmental Performance

*Abraham Gosme Cárdenas
Line of Business: Hardware store
Agency: Covida*





*Marcia Arbulú Rojas – Personnel
Selection and Promotion Supervisor*

Our mission consists of offering access to the financial system to micro and small business entrepreneurs through products and services that express our social commitment. We believe that the companies are the driving force of economic development and they must also be a driving force for sustainable development.

Corporate Social Responsibility constitutes the pivotal point around which we operate our business, which in turn reflects the commitment of Mibanco towards economic, social and environmental sustainability and towards the different human groups that surround us.

CSR is the core of our stakeholders and of all the Bank's divisions and is tangibly present through our everyday actions. We combine profitability with environmental protection and social environment, which translates in the so-called Triple Bottom Line.

As in previous years, this report has been prepared following the Global Reporting Initiative (GRI) guidelines. As a result of our commitment to gradually reach higher compliance levels, this report has been reviewed and verified, to establish that its contents and indicators are in line with the A application level of the GRI. Finally, we will continue relying on Social Corporate Responsibility to build upon the generation of synergies among the different areas of our Entity; we will continue focusing towards achieving greater financial inclusion and the best possible use of material resources, while safeguarding,

at the same time, the good performance of our employees, always promoting their personal and professional development.

OUR ECONOMIC PERFORMANCE

“We have strengthened our position as the financial institution with the largest amount of microbusiness loans, consolidating our leadership. Along this line, the main challenge has been to continue with our policies aimed at meeting the financial needs of micro and small business entrepreneurs.”

Óscar Rivera – Chairman of the Board of Directors

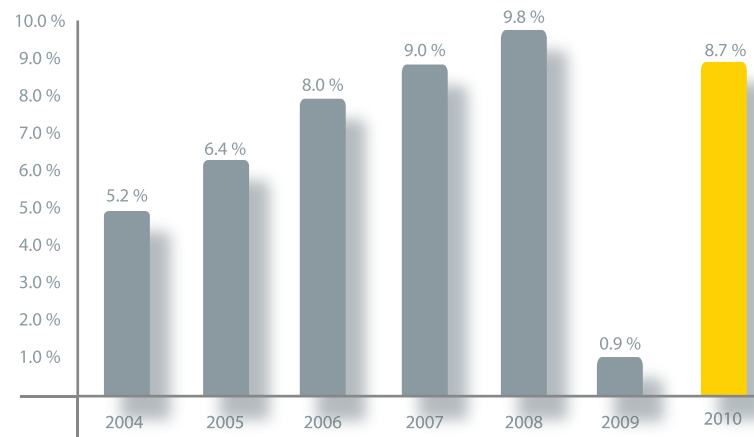
Peruvian Economy In 2010

Gross Domestic Product (GDP) Evolution.

During 2010, the Peruvian economy evidenced significant recovery in terms of economic growth, recording 8.7% growth, compared to 0.9% recorded the previous year, burdened by the effects of the greatest world crisis in the last 80 years.

This growth rested on both the fiscal boost generated by the execution of the anti-crisis plan expenses and the restructuring of inventories and recovery of private investment brought around by entrepreneurs' increased confidence. In this scenario, the growth of the construction and manufacturing sectors is to note, which contributed to greater dynamism of private consumption.

EVOLUTION OF GDP 2004 – 2010 (%)



Source: Apoyo Consultoría.

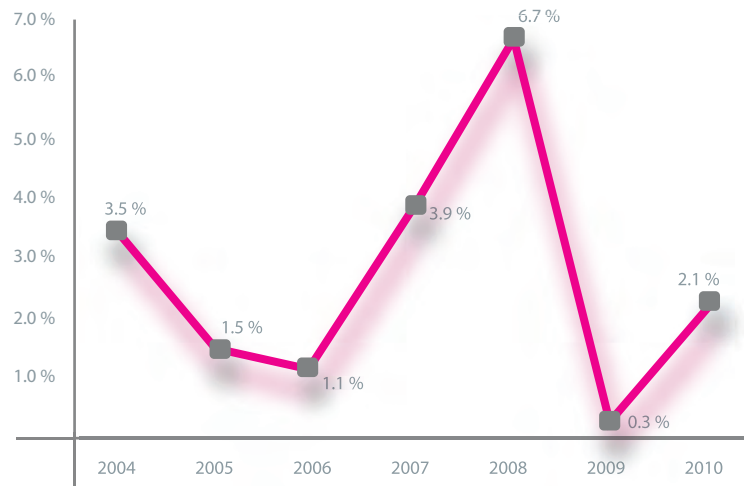
Evolution of Inflation

Accumulated inflation during 2010 was 2.1%, within the ranges established by the Central Bank (1% - 3%). This was possible because economic growth was based on expansion of

the productive capacity, which went hand in hand with the increase of overall demand, and which in turn generated greater productivity.

It is estimated that in 2011 the main inflation risk will be associated with world economy more than with internal factors, taking into account the expansive policies that the U.S., Japan and the Eurozone would apply and which would generate inflationary pressures worldwide.

EVOLUTION OF INFLATION 2004 – 2010 (%)



Source: Apoyo Consultoría.

The exchange rate evidenced an upward trend for the local currency throughout the year, originated in the greater influx of capitals seeking higher returns in emerging economies, as well as in the greater dynamism shown by international trade favored by the high metal prices. The appreciation of the accounting exchange rate for the year was 2.6%; it could have been higher if the Central Bank would not have intervened (in 2010, the monetary authority purchased US\$ 8,960 million).

Banking System Performance

The economic growth observed in 2010 was accompanied by greater loan activity. In general terms, loans in the banking system grew 15.3% with respect to the previous year, reaching a total of S/. 103,303 million at the closing of the year.

Nevertheless, late payment was 1.58% and remained in levels close to those recorded during the previous year (1.61%). This behavior is explained by the delayed effects of the world crisis on the quality of financing entities, a situation that caused, in turn, high reserves levels (242.5%) in the financial system.

Return on equity (ROE) was 24.2%, below the figures reported at the closing of 2009, while return on assets reached 2.4%.

2011 FORECASTS

APOYO Consultoría estimates that GDP growth for 2011 will be more than 7% and will be driven by both, internal and external factors. Internal factors include private investment growth, consumer dynamism and the continuing real estate construction boom. Meanwhile, it is worth noting the optimism of the business sector with regard to the results of the forthcoming presidential elections.

Among the most relevant external factors we have the fiscal boost in the U.S.A., which would lead this economy towards increased growth, and the growth expectations in China. The Eurozone has controlled the risk of spreading the financial crisis thanks to a salvage fund that would cover eventual financing needs, in addition to an increase of the main international prices.

In the local financial system the arrival of new banks is expected to lead to a reshuffling of the financial system. This would generate a reduction of interest rates owing to the greater competition and a greater number of persons and entities gaining access to credit, especially microbusinesses, which are still a significant market niche. It is therefore expected that loans will continue their upward trend. The favorable situation of the Peruvian economy would also allow for a reduction of current late payment levels, with special emphasis on the microloans segment.

While 2011 is a presidential elections year, this would not affect growth and development of the financial sector, provided it is based on economic foundations that will remain in the long term, regardless of who wins the elections.



*Augusto Braulio Román Ríos
Line of Business: Computer equipment sales
Agency: Cercado, Lima*



Carmen Pancorbo Méndez – Management and Follow up Analyst and Héctor Amaya Estrada – Head of operational risks

2010 MANAGEMENT ANALYSIS

Business Evolution

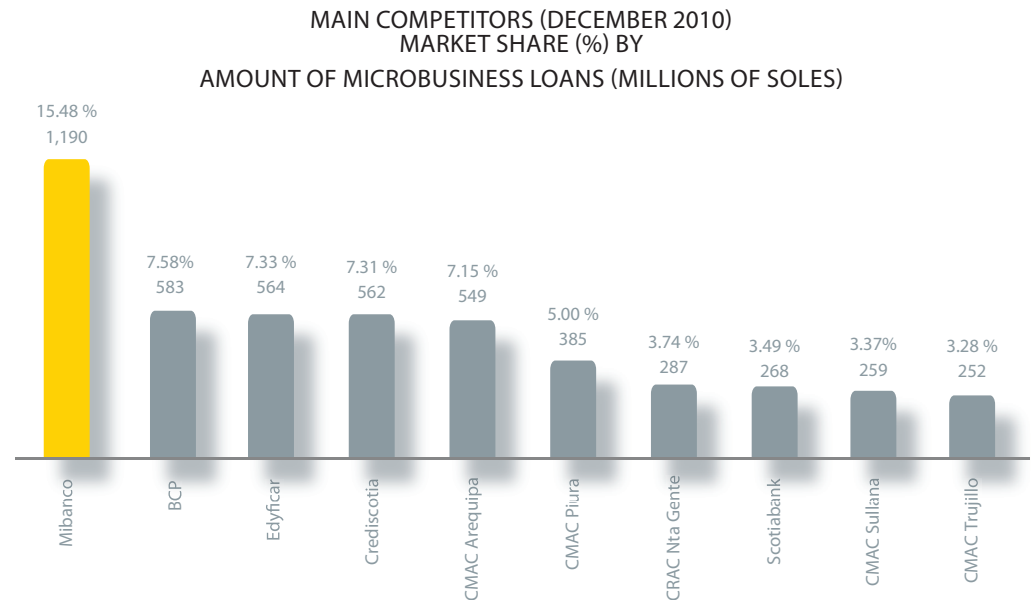
In 2010, the strong competition to finance the MYPES sector continued, recording a growth rate of 12.3% in loans, boosting the recovery of the Peruvian economy. Furthermore, portfolio quality indicators in the system evidenced improvement.

Mibanco was able to make successful use of the economic recovery and the loans portfolio impairment throughout the financial system by executing the actions provided for in its strategic plan. Thus, Mibanco obtained positive results and managed to place itself as one of the financing institutions with highest growth figures in loans (21.6%); however, its return on equity and return on assets (27.4% and 2.4%, respectively) were lower than those of the previous year.

Market Share

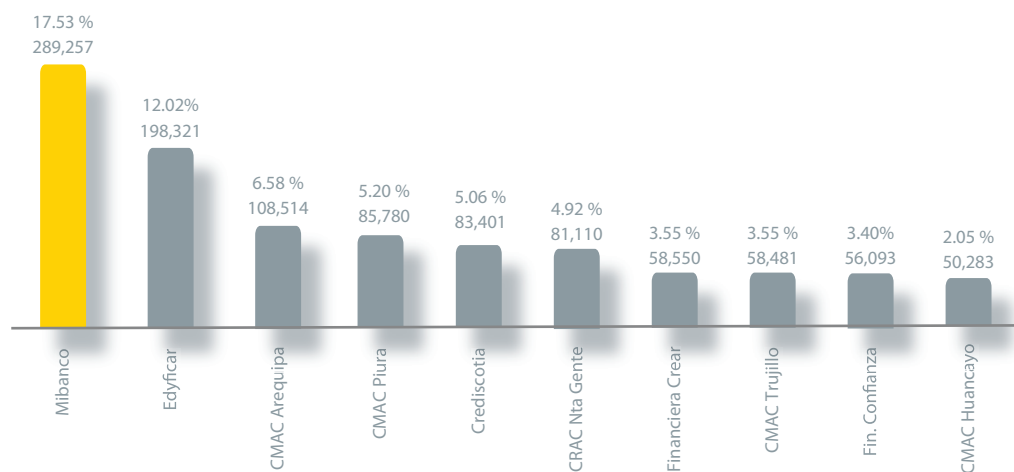
In July 2010, the SBS reclassified the loans portfolio and Mibanco changed from microbusiness, commercial, consumer and mortgage to microbusiness, small business, medium-size business, large business, consumer, corporate and mortgage. The Bank continued to lead the microbusiness segment, being the financing institution with the greatest amount of loans

and the greatest number of clients in this segment, according to SBS information. At December 2010, our participation in the market was 15.48% (S/. 1,190 million) in microbusiness loans and 17.53% (289,257 persons) in microbusiness clients.



Source: Superintendencia of Banking, Insurance and Pension Fund Administration Companies.

MAIN COMPETITORS (DECEMBER 2010)
MARKET SHARE (%) BY NUMBER OF MICROBUSINESS DEBTORS



Source: Superintendence of Banking, Insurance and Pension Fund Administration Companies.

These results evidence Mibanco's deep and continuing commitment with entrepreneurs in the micro and small business segments, which represent 96% of our portfolio (see table) and whose business grows together with the Institution.

LOANS PORTFOLIO BY SEGMENT
MIBANCO – DECEMBER 2010

Segment	Number of Loans	%
Microbusiness	428,666	87%
Small business	45,715	9%
Dependents	18,673	4%
Total	493,054	100%

Source: Mibanco.

As at December 2010, our total assets reached a balance of S/. 4,457.0 million (US\$ 1,586.7 million), which means 20.6% growth with respect to 2009. This significant result is mostly due to an increase of gross loans, which reached S/. 3,656.4 million (US\$ 1,301.7 million) and which account for 82.0% of total assets.

PORTFOLIO BY ECONOMIC ACTIVITY
DECEMBER 2010

Economic Activity	S/.	%
Trade	1,968,167,111	54.1%
Service	1,123,287,793	30.9%
Production	466,547,931	12.8%
Dependents	79,417,667	2.2%
Total	3,637,420,501	100.0%

Source: Mibanco.

Following the trend of previous years, the main loans were placed in the trade sector (54%), services (31%), production (13%), and dependents (2%).



Juan Pablo Domínguez Hernández and his wife Gianina Romero Marín.
Line of Business: Textiles
Agency: Valle Sharon

ANNUAL COMPARATIVE RESULTS

	2009	2010
Number of loan clients	349,204	401,988
Number of loans granted	628,215	641,384
Average amount disbursed	S/. 5,607 (US\$ 1,940)	S/. 6,731 (US\$ 2,396)
Gross loans (in millions)	S/. 3,007.2 (US\$ 1,040.06)	S/. 3,656.4 (US\$ 1,301.7)
Total disbursed (in millions)	S/. 3,552.4 (US\$ 1,218.8)	S/. 4,317.2 (US\$ 1,536.9)
Net earnings (in millions)	S/. 97.1 (US\$ 1,218.8)	S/. 97.1 (US\$ 34.6)
Overdue portfolio / Gross loans	3.38%	3.11%
Exchange rate*	S/. 2,890	S/. 2,809
Total number of savings clients	145,354	179,140
Total number of clients	494,558	581,128

Source: Superintendence of Banking, Insurance and Pension Fund Administration Companies.

Assets Quality

As of December 2010, the Bank registered a default rate (overdue portfolio / gross loans) of 3.11%, less than the 3.38% recorded in December 2009. The default ratio of Mibanco's microbusiness loans (2.51%) is below the financial system ratio (4.48%). The impaired portfolio ratio was 6.07% (the sum of the overdue portfolio plus refinanced and restructured loans) while the coverage ratio (reserves / overdue portfolio) was 178%.





Miraflores agency employees, Arequipa



*Architect Carolina Guerra Alva,
Engineering and Infrastructures
Analyst*

Liabilities and Obligations

Mibanco covers its funding requirements through deposits from the public and from institutional investors, the active participation in the capitals market, direct credit lines and the capitalization of part of its earnings. This policy has enabled us to ensure the permanent growth of Mibanco and of our clients.

Total liabilities as at December 2010 amounted to S/. 4,066.9 million (US\$ 1,447.8) a 20.6% increase with respect to the previous year. The obligations with the public (S/. 2,896.5 million or US\$ 1,031.2 million) account for 71.2% of the liabilities and increased 25.8% compared with the previous year, as a result of the confidence and security that Mibanco generates among both the public and institutions. Thus, the number of savings clients also increased from 145,354 people in 2009 to 179,140 in 2010, evidencing a 23.2% growth.

Debts (S/. 750.4 million or US\$ 267.1 million) account for 18.5% of the liabilities, as a result of the funding source diversification policies and of credit lines use granted by local and foreign institutions.

Solvency and Capital Adequacy

Like the entire financial system, Mibanco adopted the regulatory framework of the New Capital Accord (Basel II) which became effective in July 2009 and which promotes the safety and strength of the industry through guidelines and/or

standards that seek to improve the banks' financial strength, their competitiveness, innovation and good practices in comprehensive risk management, introducing additional scopes not considered in the previous regulation (Basel I).

Within this context, Mibanco continued its operations offering to its clients and investors security in adverse economic situations such as the world financial crisis, consolidating its equity level (effective equity) and its global equity ratio (effective equity / sum of assets weighted by risk) which replaced the old global leverage index and which was 13.30% (the limit established by the SBS is 9.8%) higher than the 2009 global leverage index (12.68%).

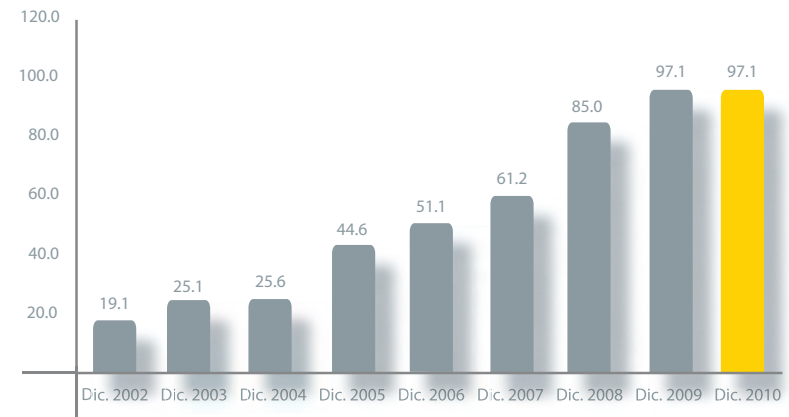
Operating Results

Mibanco increased its financial income to S/. 936.8 million (98.3% from loans) equal to an 11.3% increase with respect to 2009.

As of the end of the year, financial expenses totaled S/. 165.7 million (US\$ 59.0 million) and represented 17.7% of the overall financial income. Net earnings as of December 2010 amounted to S/. 97.1 million (US\$ 34.6 million).

Furthermore, the efficient use of resources allowed Mibanco to reach a return on equity (ROE) of 27.4%, above the average of the banking system (24.2%). Our assets performance (ROA) reached an outstanding 2.38%, substantially higher than the average of the banking system (2.35%).

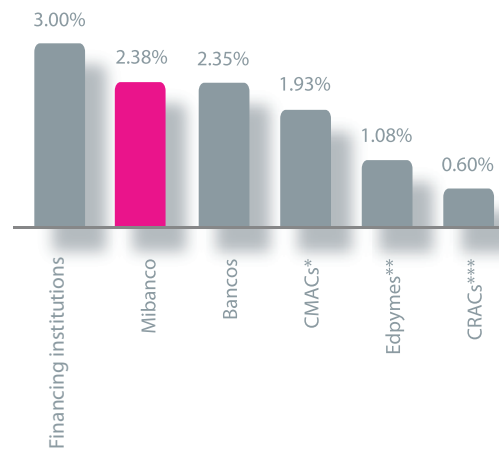
NET EARNINGS 2002 – 2010 (MILLIONS OF S/.)



Source: Mibanco.

the efficient use of resources allowed Mibanco to reach a return on equity (ROE) of 27.4%, above the average of the banking system.

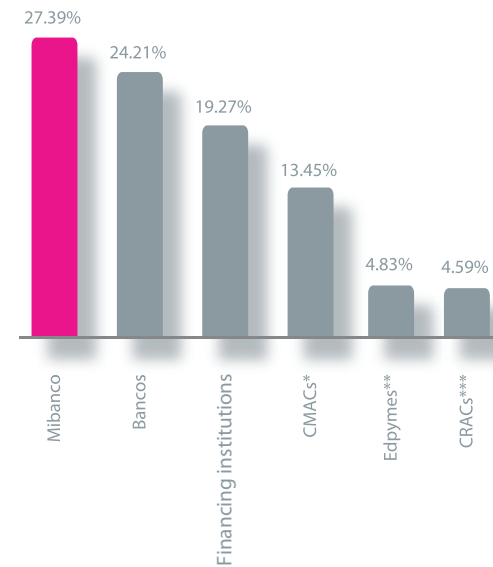
RETURN ON ASSETS – ROA (%)
DECEMBER 2010



Source: Superintendence of Banking, Insurance and Pension Fund Administration Companies.

- * Municipal Savings and Loans Associations.
- ** Small and Microbusiness Development Companies.
- *** Rural Savings and Loans Associations.

RETURN ON EQUITY – ROE (%)
DECEMBER 2010



Source: Superintendence of Banking, Insurance and Pension Fund Administration Companies.

- * Municipal Savings and Loans Associations.
- ** Small and Microbusiness Development Companies.
- *** Rural Savings and Loans Associations.

Risk Rating

Mibanco maintained its "A" rating in Financial Strength, awarded by Pacific Credit Rating (PCR) and by Class & Asociados. Deposits with terms longer than one year were rated AA by Class & Asociados and short term deposits obtained "Category 1" from PCR and 1 from Class & Asociados. Furthermore, Mibanco obtained BB+ as the international rating awarded by Standard & Poor's with Stable perspective.

The following table shows the rating received by the banks in the Peruvian banking system:

RISK RATING BANKING INSTITUTIONS

Institutions	PCR(*)	Class & Asociados(*)	Equilibrium (*)	Apoyo
Mibanco	A	A		
Banco de Crédito del Perú			A+	A+
BBVA Banco Continental	A+		A+	A+
Interbank		A	A	A
Banco Interamericano de Finanzas	A	A		
Citibank	A+			A
Scotiabank		A+	A+	A+
Banco Financiero	A-		A-	
Financiera Crediscotia			B+	A-
Banco de Comercio	B+		B+	
HSBC			A-	A
Banco Ripley		A-		B+
Banco Falabella		A-		B+

* As published in each risk rating company's website.

*Five
placements
were made
during 2010,
for a total
amount of S/.
150 million.*

Below is the definition of each category awarded to Mibanco in relation with Financial Strength, Deposits of More than One Year and Short-Term Deposits.

Class A: Solvent companies, with exceptional intrinsic financial strength, well positioned in the system, with total coverage of existing risks and capable of managing future risks.

Class AA: Companies that have a very high capital and interest payment capacity in the terms and periods agreed, which would not be significantly affected in the event of possible changes in the issuer, in the industry to which it belongs or in the economy.

Class 1: The highest quality rating. Minimum probability of non-compliance in the terms agreed. Excellent payment capacity even in the most foreseeable unfavorable economic scenario.

Capital Market and Securities Market

Capital Market

As at the closing of 2010, Mibanco had two financial instrument programs with emissions in force for the Peruvian

capital market. Five placements of negotiable deposit certificates were made during 2010, for a total amount of S/. 150 million. Participants in the auction included Pension Fund Administration Companies (AFP), banks, mutual funds and individuals, among others.

SECOND CORPORATE BONDS PROGRAM

This program is for S/. 150 million or its equivalent in US Dollars and the rating awarded by the risk rating companies Pacific Credit Rating and Class & Asociados was "AA". No issuances were made in 2010 under this program.

As of the closing of 2010, this program was effective and its three issuances expire in 2011 and 2012.

SECOND PROGRAM OF NEGOTIABLE DEPOSIT CERTIFICATES

This program is for S/. 150 million or its equivalent in US Dollars and the rating awarded by the risk rating companies Pacific Credit Rating and Class & Asociados was "Class 1". Five placements were made during 2010, for a total amount of S/. 150 million.

As of the closing of 2010, this program was not the five issuances made during that year were still in effect and expire in 2011.



*Santiago Fretel Aguilar.
Line of Business: Lumber sales
Agency: Lurín*

New instrument programs approved by the Superintendence of Banking, Insurance and Pension Fund Administration Companies in 2010:

- Third Program of Public Offer Corporate Bonds – For up to S/. 400 million or its equivalent in US Dollars.

- Third Program of Negotiable Deposit Certificates – For up to S/. 300 million or its equivalent in US Dollars.

- First Program of Public Offer Subordinate Bonds – For up to S/. 150 million or its equivalent in US Dollars.

These programs will help us with short, medium and long-term funding for the next three years.

Securities Market

The table below shows the monthly quotation of Mibanco's shares during 2010.

VARIABLE YIELD

ISIN Code	Mnemonic	Year-Month	2009 Quotations				Average Price S/.
			Opening S/.	Closing	Maximum S/.	Minimum S/.	
S/.	Maximum	2009-12	3.00	3.00	3.00	3.00	3.00
S/.	Minimum	2010-01	-	-	-	-	-
S/.	MIBANC1	2010-02	2.95	2.95	2.95	2.95	2.95
PEP133001003	MIBANC1	2010-03	-	-	-	-	-
PEP133001003	MIBANC1	2010-04	3.04	3.04	3.04	3.04	3.04
PEP133001003	MIBANC1	2010-05	2.33	2.33	2.33	2.33	2.33
PEP133001003	MIBANC1	2010-06	-	-	-	-	-
PEP133001003	MIBANC1	2010-07	2.70	2.70	2.70	2.70	2.70
PEP133001003	MIBANC1	2010-08	2.96	2.96	2.96	2.96	2.96
PEP133001003	MIBANC1	2010-09	-	-	-	-	-
PEP133001003	MIBANC1	2010-10	3.10	3.10	3.10	3.10	3.10
PEP133001003	MIBANC1	2010-12	3.40	3.40	3.40	3.40	3.40

Source: Lima Stock Exchange.

FIXED YIELD

ISIN Code	Mnemonic	Year-Month	2009 Quotations				Average Price S/.
			Opening S/.	Closing	Maximum S/.	Minimum S/.	
PEP13300Q216	MIBAN2CD3D	2010-02	98.5030	98.5030	98.5030	98.5030	98.5030
PEP13300Q224	MIBAN2CD3E	2010-02	97.3345	97.3345	97.3345	97.3345	97.3345

Source: Lima Stock Exchange.

Financing Sources

Mibanco has structured and diversified its financing sources in line with its needs for loan portfolio expansion. These sources are mainly obtained from obligations with the public (65%), short and long-term debts with foreign institutions and international financial agencies (17%), its capital stock increase (9%), active participation in the capitals market (1%), deposits in the financial system (7%) and other sources (2%). All this has made it possible for the bank to adequately manage its liabilities, have a sound capital base and improve its financial efficiency. On the other hand, Mibanco does not receive any financial aid from governments.

Main operations performed in 2010

Syndicated loan with the IADB as structuring party and PROPARCO as co-lender. This operation amounted to the

equivalent in soles of US\$ 42.2 million and was the first syndicated loan in domestic currency awarded under multilateral agreement. Only investors specialized in microfinancing participated.

This operation is the first syndicated loan made 100% in domestic currency by a financial institution; furthermore, it was considered the fourth 2010 deal by the Peruvian journal *Semana Económica*.

It is worth noting that this financing represents an opportunity to continue with bank usage promotion as part of our social and financial inclusion mission, providing support to new microbusiness entrepreneurs in their sustainable development.

Furthermore, as part of our funds diversification and continuing

Mibanco provided the first syndicated loan, 100% in domestic currency, with the IADB as structuring party and PROPARCO as co-lender.



Katherine Yon Trujillo,
Comptroller's Office
Supervisor

with our consolidation in the capitals market, the Bank approved the new corporate bond and deposit certificates programs, as well as the new subordinate bonds program, which will strengthen Mibanco's effective equity and consolidate its growth. These programs will contribute to increasing our short, medium and long-term funding for the next years.

The programs are:

- Third Deposit Certificates Program: Up to S/. 300 million.
- Third Corporate Bond Program: Up to S/. 400 million.
- First Subordinate Bonds Program: Up to S/. 150 million.

FUNDING SOURCES – DECEMBER 2010

	Balance S/.	%
Obligations with the public	2896,514,335	65.0%
Debts	750,416,697	16.8%
Equity	390,131,419	8.8%
Deposits from the financial system	299,393,816	6.7%
Other	81,098,340	1.8%
Outstanding securities	39,478,399	0.9%
Total	4,457,033,006	100%

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED BY THE ORGANIZATION

The above information responds to the economic performance of Mibanco, which is framed within its approach towards a comprehensive sustainability policy. To that end, we consider it is relevant to report the direct economic value generated and distributed, including income, costs, employee compensation, donations and other investments in the community, undistributed benefits and payments to capital suppliers and governments.

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

Component	2009	2010
	Thousands S/.	Thousands
Financial income	S/.	936,827
Financial expenses	176,177	165,657
Personnel and Board of Directors expenses	186,521	236,237
Interests for deposits of companies in the financial system and international financing agencies	10,107	5,285
Interests for debts and obligations of the financial system in the country	21,045	14,764
Interests for debts and obligations with foreign financial institutions and international financing organizations	31,886	34,974
Legal distribution of income	22,222	43,591
Net result	97,089	97,143
Reserves	38,204	48,167
Donations made	49	251

The economic performance of Mibanco is framed within its approach towards a comprehensive sustainability policy.

PRESENCE IN THE MARKET

Clients

The tables below shows our portfolio's value by business line, broken down by urban area and rural area and by sectors.

CLIENT PORTFOLIO BY ORIGIN – DECEMBER 2010

	Loan Amount	%	Number of Loans	%
Urban	3,524,929,884	96.41%	411,149	83.39%
Rural	131,435,672	3.59%	81,905	16.61%
Total	3,656,365,556	100.00%	493,054	100.00%

Source: Mibanco.

Our products and services, innovative and custom made, respond directly to ethical or sustainability criteria, as is the case of Rural Credit, and register a loans portfolio of: S/. 131.4 million, with 81,905 current loans. This rural loans portfolio is distributed among clients associated around a solidary group (78.4%) and in individual loans (21.6%). With regard to gender, distribution is as follows: women 64% and men 36%.

INDIRECT ECONOMIC IMPACTS

Indirect economic impacts are those resulting from economic activities and from the commercial transactions made by the Organization. It is essential for Mibanco to understand their

effects and scope correctly, to be able to verify the degree of fulfillment of our mission.

The main economic impact of Mibanco is reflected in our countrywide leadership in the microbusiness segment. Mibanco is recognized as an innovative bank, with different business models and with presence in urban and rural zones.

Our commitment is to offer opportunities for progress and the internalization of this commitment by each employee encourages us to continue with these efforts that reflect in the more than 400,000 clients in our portfolio (as at December 2010). This indicator reflects, no doubt, the impact that small and microbusinesses have in the 8.78% growth recorded in our country in 2010, one of the highest growth figures worldwide.

Another indicator which is no less important is that more than 60,000 clients have access to credit through solidary groups, a mechanism designed in view of the lack of real collateral among the population living in poverty and exclusion conditions.

CLIENT TRAINING PROGRAM

At Mibanco we are convinced that without access to knowl-

edge, our clients' options for development will be limited both at a business and at a personal level. Accordingly, for over 10 years we have held cost-free training programs every year, aimed at improving the business management capacities of our clients, offering them tools to contribute to the growth of their businesses and the improvement of their families' living conditions.

In 2010, we trained more than 29,000 micro and small business entrepreneurs –men and women – with an investment of US\$ 1 million, through the following programs:

- "Growing with my company," 10th free training program for men and women in rural and semi-urban zones throughout the country.
- Five mega events for clients in urban zones in Arequipa, Cuzco, Huancaayo, Lima and Trujillo. Each one gathered more than 1,000 persons.
- "Strengthening entrepreneurial capacity of women in Peru," focused on offering women training and better access to capital and networks. This project lasts four years and has been implemented with the joint efforts of Grupo ACP, IADB, the Thunderbird University (U.S.A.), Goldman Sachs and the Australian Cooperation Agency (AusAID).

In the last 10 years, Mibanco has invested more than US\$ 4.5 million and has trained, free of charge, more than 100,000 entrepreneurs in subjects such as marketing, sales, finances, business administration and strategy, legal issues, leadership, planning, team work and financial education.



10th Free Training Program "Creciendo junto a mi empresa", Huancaayo



¿sabías qué...
...aquí
...y más!

TRAINING OF CLIENTS

Initiative		Goals	Beneficiaries	
Banking Entrepreneurial Meeting for Graduate Clients		<ul style="list-style-type: none"> - Achieve that participants improve their businesses management - Broaden their knowledge about the products to make better use of them 	Micro and small business entrepreneurs, "graduate clients"*	53
Strengthening entrepreneurial capacity of women in Peru	The great leap	Contribute so that businesswomen may identify the aspects that will contribute to their business improvement and growth	Microbusiness women entrepreneurs	18,058
	10,000 women initiative	Assist women entrepreneurs of small and medium-size businesses to access advanced education in business and international networks	Women entrepreneurs of small and medium-size businesses	30
Great Entrepreneurs Meeting		Generate a high degree of motivation among participants through leadership, success and strategic planning subjects	Micro and small business entrepreneurs	7,500
10th "Growing along with my company" program		Achieve that participants recognize themselves as entrepreneurs, identifying opportunities to make their businesses grow	Micro and small business entrepreneurs, clients of our Rural Credit product	3,801
			Total	29,919

(*) "Graduate" clients are those who already have a favorable credit record at Mibanco, with potential for growth.



*12 years opening trails and access
to those who didn't have it before*

OUR SOCIAL PERFORMANCE

"We have boosted our efforts in terms of social and environmental performance through the creation of the Social Assets Management Office. This new area, which has been adopted for the first time by a national financial system institution, is in charge of overseeing the fulfillment of our mission, monitoring our performance, making suggestions for improvement, informing about our efforts and our achievements and designing programs to meet the non-financial needs of our clients."

Óscar Rivera – Chairman of the Board of Directors.

Due to the business nature of Mibanco, Corporate Social Responsibility (CSR) is embedded in our mission and is indispensable. We serve businessmen from low-income sectors who have traditionally been excluded from access to credit as they were considered "high risk."

Ninety-eight per cent of companies in Peru are micro and small businesses (MYPE), 40% of which are owned by women. While each, alone, is small, altogether they generate 50% of Peru's GDP and they play a key role in the life of millions of workers and their families.

Mibanco's shareholders promote and strongly support the social approach present in all the products offered in our different lines of business.

LEADERS IN BANK USAGE

Ever since it was created, Mibanco has been an innovative institution in bank usage in the country, granting different kinds of loans and services to sectors traditionally excluded from formal banking, such as micro and small business entrepreneurs and people with low income. We remain leaders in

this important process that drives our country's economy.

We are highly motivated because our work allows our clients to make the most of their businesses, improve their income and, finally, achieve personal and professional development for improved living standards.

Of the 339,266 persons that accessed the financial system for the first time (through 50 financial entities) in the period January-December 2010, through a microbusiness loan, 18.3% (62,030 persons) did it through Mibanco. This result is in line with the bank's mission, which seeks to offer opportunities to excluded and low-income sectors.

PERSONS INCORPORATED INTO BANK USAGE – 2010

Total		339,266	100.0%
1	Mibanco	62,030	18.3%
2	Edyficar	46,284	13.6%
3	CRAC Nuestra Gente	23,766	7.0%
4	CMAC Arequipa	17,475	5.2%
5	CMAC Piura	15,980	4.7%
6	F. Confianza	15,923	4.7%
7	B. Agropecuario	11,781	3.5%
8	Crediscotia	10,803	3.2%
9	CMAC Huancayo	10,204	3.0%
10	CMAC Trujillo	10,058	3.0%
11	B. Crédito	9,822	2.9%
12	F. CREAM	9,774	2.9%
13	EDPYME Raíz	8,878	2.6%
14	CMAC Cusco	7,935	2.3%
15	CMAC Tacna	6,906	2.0%
16	Other entities (35)	76,530	22.6%

Source: Superintendencia of Banking, Insurance and Pension Fund Administration Companies.

Of the 339,266 persons that accessed the financial system for the first time (through 50 financial entities) in the period January-December 2010, through a microbusiness loan, 18.3% (62,030 persons) did it through Mibanco.



Ángel Duberly Gómez Salas.
Line of Business: Cochineal Production
Agency: Avelino, Arequipa

The Bank's product portfolio focuses on covering the financing requirements for working capital and fixed assets of micro and small businesses. The minimum loan that Mibanco offers its entrepreneurship clients is S/. 300, amount with which it promotes bank inclusion based on a credit methodology of its own. In this way, the Bank offers financial service access to persons who do not receive this service through traditional banks. Mibanco's client base (0 – 5,000) has a monthly sales volume of less than S/. 3,800 and the average loan amounts to S/. 1,800.

It is worth noting that for 2010, the Institution recorded a 25% increase (with respect to 2009) in rural credits, surpassing 80,000 clients. This result reflects Mibanco's social commitment, which seeks to include more and more Peruvians in the financial system, supporting the microbusiness entrepreneurs' performance and growth with a tailored offer, adjusted to today's financial needs. Mibanco does not grant loans to corporations.

OUR CLIENTS

Mibanco currently reaches countrywide, to coast, highlands and jungle areas of Peru, border regions like Tacna or Puno in the south, Tumbes and Cajamarca in the north and Iquitos in the east. The table below shows the bank's current client distribution.

CLIENT DISTRIBUTION BY REGION

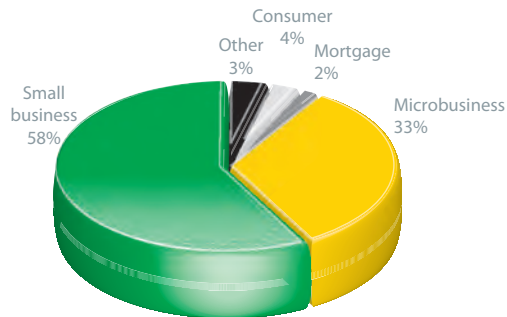
Region	Number of Clients	%
Lima	190,212	45.0%
Áncash	10,322	2.5%
Arequipa	12,290	3.0%
Ayacucho	4,037	1.0%
Cajamarca	8,141	2.0%
Cusco	9,205	2.2%
Huánuco	6,605	1.6%
Ica	16,471	4.0%
Junín	24,077	5.8%
La Libertad	27,315	6.6%
Lambayeque	20,371	4.9%

Region	Number of Clients	%
Loreto	11,228	2.7%
Madre de Dios	3,454	0.8%
Moquegua	3,278	0.8%
Piura	16,455	4.0%
Puno	11,047	2.7%
San Martín	10,482	2.5%
Tacna	13,911	3.4%
Tumbes	8,240	2.0%
Ucayali	7,236	1.7%
Another country	434	0.1%

Source: Mibanco, as at December 31, 2010.

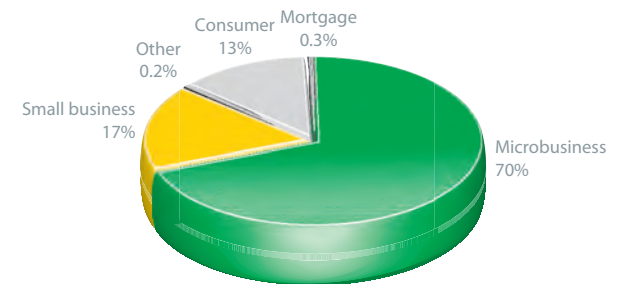
The loans granted by Mibanco, in turn, cover all kinds of credits, giving greater priority to micro and small business loans.

PLACEMENT STOCK BY SBS CATEGORY



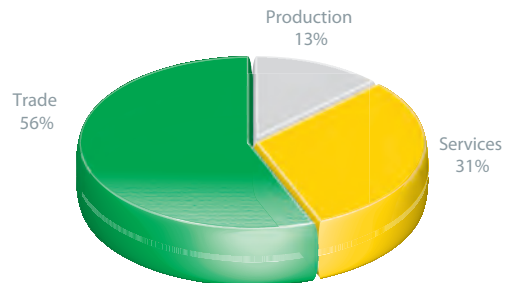
Source: Mibanco, as at December 31, 2010.

NUMBER OF OPERATIONS BY SBS CATEGORY



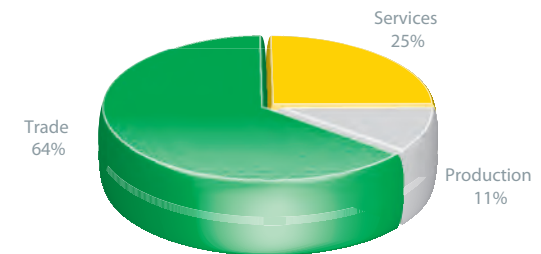
Source: Mibanco, as at December 31, 2010.

NUMBER OF OPERATIONS BY SBS CATEGORY



Source: Mibanco, as at December 31, 2010.

NUMBER OF CLIENTS DISTRIBUTED BY ECONOMIC SECTOR



Source: Mibanco, as at December 31, 2010.

BUSINESS LINE BY REGION (*)

Type of Debt	Lima		Other Regions	
	Clients	Balance Amount (millions of S/.)	Clients	Balance Amount (millions of S/.)
Microbusiness	112,134	583	163,095	622
Small business	30,336	1,018	35,682	1,049
Other (**)	32,352	172	20,997	142
Total	174,822	1,773	219,774	1,814

(*) Does not include loans to institutions or to employees.

(**) Includes medium-size businesses, large businesses and corporate banking.

BUSINESS LINE BY SECTOR (*)

Type of Debt	Trade		Services		Production	
	Clients	Balance Amount (millions of S/.)	Clients	Balance Amount (millions of S/.)	Clients	Balance Amount (millions of S/.)
Microbusiness	177,365	676	66,276	361	31,588	169
Small business	36,114	1,141	21,373	657	8,531	269
Other (**)	36,405	190	14,403	100	2,541	24
Total	249,884	2,007	102,052	1,118	42,660	462

(*) Does not include loans to institutions or to employees.

(**) Includes medium businesses, large businesses and corporate banking.

The great challenge for the MYPES currently consists in keeping as the development driving force in the country.

MONETARY VALUE BY PRODUCTS AND SERVICES (FS7)

Business Line by SBS Category	Product *	Scope of Products	Amount in S/.
SMALL BUSINESS 2,118,238,899	Working Capital Loans	<ul style="list-style-type: none"> • Different kind of short-term loans to finance the purchase of final inventories, production and provision of services • Finances investment in personal fixed assets • Secured or unsecured mortgage loans for improvement, expansion, construction or refurbishment of commercial property, as well as the purchase of new business premises • They simplify transactions and immediate availability of cash • Individual or solidary, aimed at merchants, producers and providers of services to the community in the country's most remote areas • Offers great benefits to users and educates them, promoting safe and sound management of their expenses • Products designed especially to serve clients grouped in neighborhood associations, to support them in improving their homes' urban environs. By financing electricity, water, sewerage, roads and sidewalk projects, we comply with the objective with which we launched this product: that our clients may live in a healthy and safe environment, provided with all essential utilities • For personal needs: loans to purchase products and services necessary in everyday life; we also offer personal loans that constitute credit of free disposition 	614,947,971
	Personal Property Loans		527,490,580
	Real Property Loans		392,177,745
	Credit Line		466,409,987
	Rural Loan		27,109,139
	Other Products		90,103,476
MICROBUSINESS 1,193,842,167	Working Capital Loans		476,661,585
	Personal Property Loans		266,069,516
	Real Property Loans		176,778,338
	Credit Line		140,371,857
	Rural Loan	107,494,097	
OTHER 343,695,46	Other Products	26,466,775	
	Housing Loans	152,904,604	
	Personal Loans	57,991,431	
	Credit Cards	6,406,196	
	Other Products	126,393,229	
Total		3,655,776,526	

(*) All products of Mibanco within the micro and small business lines have Debtor's Life Insurance and Multiple Risk Insurance.

Micro and Small Business in Peru

In 2010, Peru experienced a significant growth, mostly driven by the construction, manufacturing, financial, commercial and tourism sectors. As a result, the GDP was 8.8%⁴, compared to 0.9% in 2009⁵, far above the average of the region (5.3%).⁶

Unlike 2009, which was characterized by a sharp decrease in the MYPES sector (which accounts for 98% of companies in Peru) 2010 was a year of growth and recovery for the segment, which managed to face adversity with great flexibility, rapidly adapting to the changes in its environment. This contributed to keeping unemployment rate at 7.9%⁷ in 2010.

The great challenge for the MYPES currently consists of remaining as the development driving force in the country which, in turn, will enable them to compete in foreign markets, benefitting from the trade liberalization.

For the MYPES to be successful in this respect it is mainly the responsibility of the entrepreneurial sector and the community as a whole to engage efforts to promote formalization, provide technical assis-

4 2010 Poverty Report. National Institute of Statistics and Informatics (INEI).

5 Information as at December 2010 (Peruvian Central Reserve Bank – BCRP).

6 Information as at November 2010 (Ministry of Economy and Finance – MEF).

7 Information as at July 2010 (Lima Chamber of Commerce – CCL).



Fanny Minchola Rodríguez.
Line of Business: Bookstore bazaar
Agency: Covida



San Gabriel's Agency, Villa María del Triunfo

tance and favor access to financing. The State must also promote formalization among entrepreneurs, simplifying, speeding up and lowering the costs of the transactions this process entails. Furthermore, emphasis must be given to offering them specialized technical assistance and strengthening the bank usage process applying a specific products offer for this sector.

Parallel to development and growth of the MYPES sector, poverty levels have reduced by 3.5% in the country between 2009 and 2010, from 34.8%⁸ to 31.3%. Meanwhile, extreme poverty levels were also reduced by 1.7%, from 11.5% (2009) to 9.8% (2010).

Microfinance Offer in Peru

During 2010, the loans growth rate in the financial system was 16.9%⁶ as compared with 2009, an increase explained by a larger number of entities serving the microbusiness sector, as well as by more branch offices (7.3% more than in 2009).

Halfway through the year, the SBS created a new classification for loans, establishing 7 types: Microbusiness, Small Business, Medium-size Business, Large Business, Corporate, Consumer and Mortgage. Loans were distributed as follows in 2010⁶: Microbusiness loans, S/. 7,700 million; Small business loans, S/.

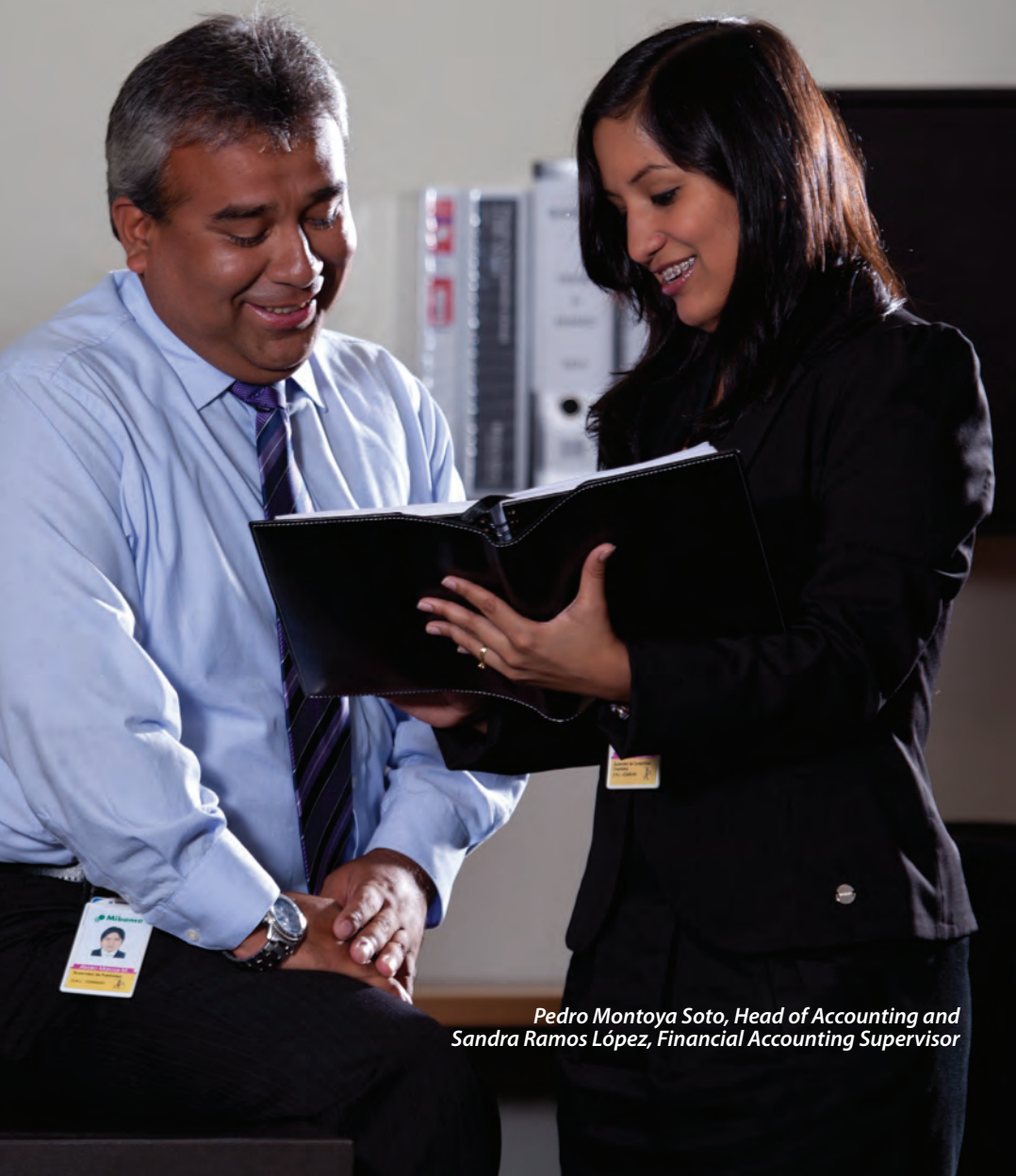
13,900 million; Medium-size business loans, S/. 19,800 million; Large business loans, S/. 19,400 million; Corporate loans, S/. 20,300 million; Consumer loans S/. 22,600 million; and Mortgage loans, S/. 16,000 million. Altogether, this totals S/. 119,600 million in loans.

With this new classification, Mibanco still leads the micro and small business segment, with a portfolio of more than S/. 3,600 million in loans.

During 2010, competition to lead the MYPES market and earn a greater share increased not only among specialized entities, but also among traditional banking institutions, which are making aggressive efforts that translate into greater benefits for entrepreneurs, with improved conditions for credit offers for this segment.

However, market growth brings along exposure risk to over-indebtedness. Thus, entrepreneurs would have access to more capital than what they actually require, putting at risk the viability of their business units and, mostly, their families well-being. As a socially responsible entity, Mibanco permanently monitors their clients as they grow and acquire greater indebtedness and investment capacity, overseeing the responsible management of their businesses that will lead them towards better living conditions.

⁸ Information as at November 2010 (Association of Microfinance Institutions of Peru – ASOMIF).



*Pedro Montoya Soto, Head of Accounting and
Sandra Ramos López, Financial Accounting Supervisor*

PRODUCTS AND SERVICES

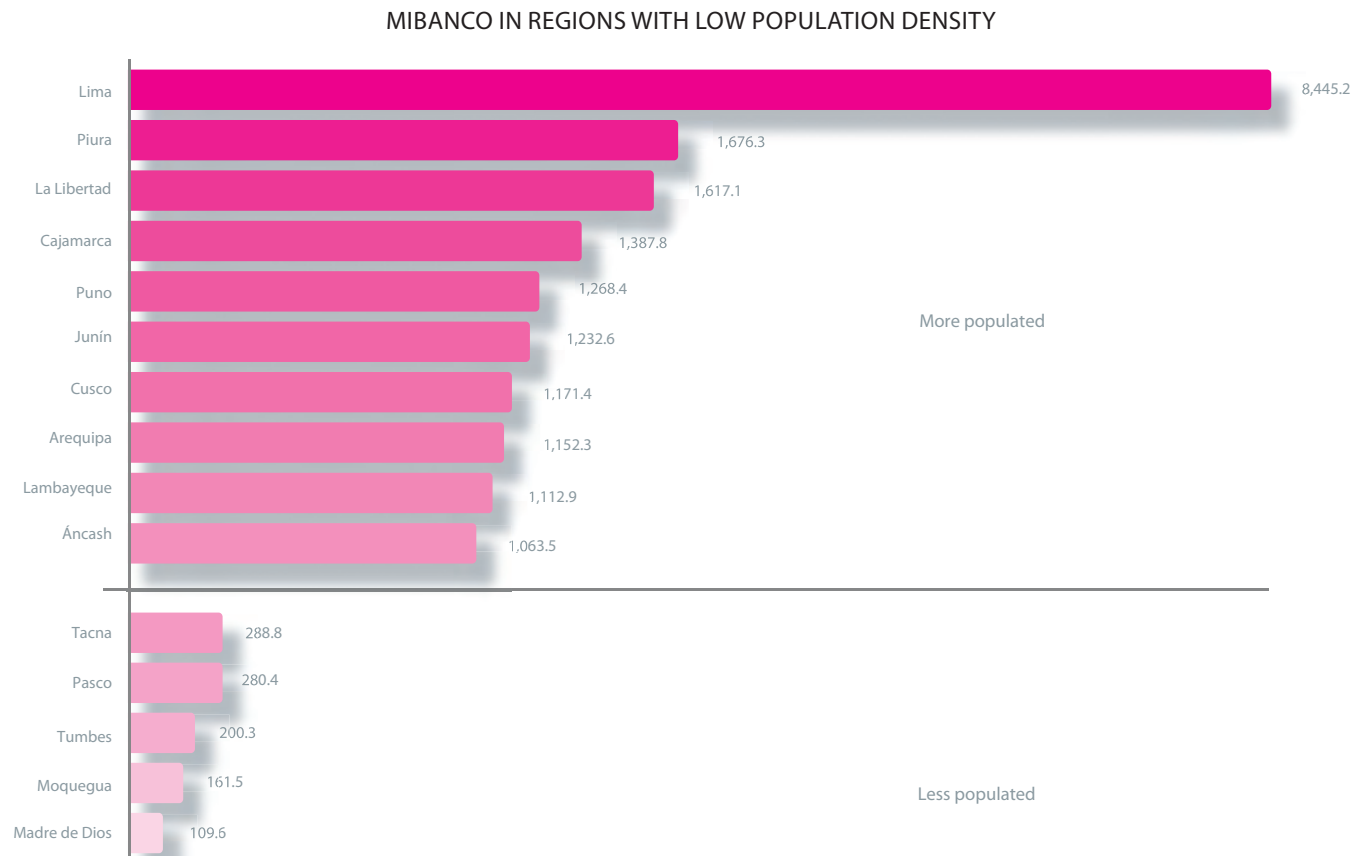
Our expansion and development approach has enabled us to reach gross loans for a total of S/. 3,656,4 million, which represent 21.6% growth and 17.5% increase in total number of clients. Our leading position in bank usage in the microbusiness segment has also shown good results, having incorporated 18.3% of the people who accessed a micro-business loan for the first time in 2010.

Óscar Rivera – Chairman of the Board of Directors.

The twelve years we have been working closely with micro and small business entrepreneurs have given us insight into their needs, making it possible for us to offer different products and services tailored to their requirements, simplifying their insertion into the financial system.

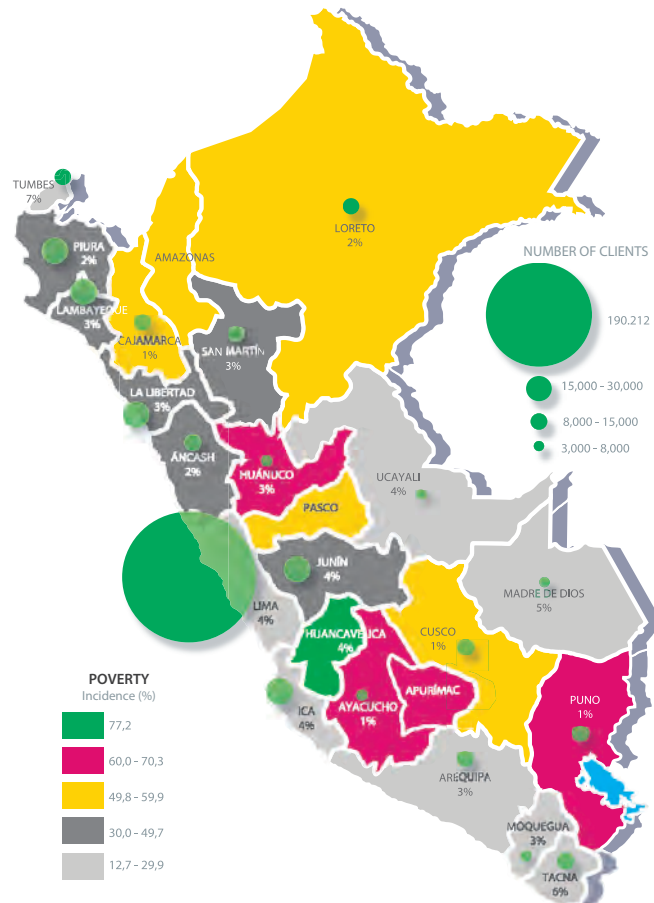
One of our primary goals is to offer financial access to remote areas with low population density and/or low income levels. In regions such as Tumbes, Tacna, Moquegua (low population density) Mibanco is present with 3 agencies, 23 correspondent agents and 4 automatic teller machines (ATMs).

In Ayacucho, Puno, Loreto (higher poverty rates) we operate with 3 agencies, 23 correspondent agents and 3 ATMs.



Source: INEI – 2007 National Surveys: 11th Population Survey and 6th Housing Survey.

CLIENT PORTFOLIO BY REGION AND PERCENTAGE OF EMPLOYED POPULATION



(*) Economically Active Population

Another of Mibanco’s main objectives is to give access to loans through simple mechanisms and a swift and transparent process. Thanks to our advisors’ efficient and thorough work, we grant loans with minimum requirements. Furthermore, through the pre-approved loans strategy we managed to reduce processes, granting loans in as fast as 7 minutes.

Access to financial services and opportunities for progress are promoted with each of the products in our different business lines, which, in addition to being innovative, are customized and respond directly to ethical and sustainability criteria, as in the case of Rural Loans, with a portfolio of S/. 131.4 million and 81,905 current loans. This portfolio is distributed between clients associated in a solidary group (78.4%) and individual loans (21.6%), reaching geographical areas with population in extreme poverty situations and which, in addition, face language barriers (who have a native language/dialect other than Spanish). As of December 31, 2010, more than 3,000 clients with language barriers had accessed credit, a situation that makes us very proud as it is in line with our social mission.

POLICIES WITH SPECIFIC ENVIRONMENTAL AND SOCIAL ASPECTS APPLIED TO BUSINESS LINES

Clients by Business Line According to SBS	Products *	Policies	
		Social	Environmental
SMALL BUSINESS 86,067	Working Capital Loans	<ul style="list-style-type: none"> Innovative and flexible products aimed at financing profitable businesses that will enable entrepreneurs to generate sufficient revenues to repay loans and raise their living standards as well as those of their families. Products that will allow access to loans without sureties or collateral. Aimed especially at small and microbusiness entrepreneurs. System based on people's self-confidence and potential. System through which clients are approached to make financial operations through more than 1,500 credit advisors. Insurance offers to cover loan holder in the event of spouse's death, coverage for accidental death and/or sudden bereavement, etc. 	<p>As loan policy, we have credit regulations aimed at environmental care and protection of our clients' health. They include financial restrictions for activities that damage or destroy ecosystems, production and/or trading in substances that deteriorate the ozone layer and which are subject to gradual elimination or international limitations, among others.</p>
	Personal Property Loans		
	Real Property Loans		
	Credit Line		
	Rural Loan		
	Other Products		
MICROBUSINESS 309,865	Working Capital Loans		
	Personal Property Loans		
	Real Property Loans		
	Credit Line		
	Rural Loan		
	Other Products		
OTHER 58,149	Housing Loans		
	Personal Loans		
	Credit Cards		
	Other Products		

(*) All products of Mibanco within the micro and small business lines have Debtor's Life Insurance and Multiple Risk Insurance.

Loan System

One of the main objectives at Mibanco is to promote among its clients access to credit without long and troublesome paperwork. Thanks to the effective work of our advisors, who are extremely thorough in their duties throughout the process stages, we grant loans in a fast, easy and transparent manner and with the least requirements possible. Furthermore, through the pre-approved loans strategy we managed to reduce processes, granting loans in as fast as 7 minutes.

For the Business

Mibanco has analyzed and evaluated in depth the particular financial requirements of MYPES entrepreneurs. This has made it possible for the Bank to develop optimal products for its target group, and structure them in the most convenient way, as follows:

1. Working Capital: different types of short-term loans to finance the purchase of final inventories, production and provision of services.
2. Working Capital Lines: they simplify transactions and prompt availability of cash through the use of a Visa card.
3. Rural, Individual or Solidary Loans: aimed at traders, producers and providers of services to the community in the most remote areas of the country.

In turn, *Miequipo* and *Leasing* are products through which the Bank finances investments in movable fixed assets of its clients.

For Commercial Establishments

Through *Milocal*, Mibanco grants loans with or without mortgage guarantee for the improvement, expansion, construction and refurbishment of commercial establishments, as well as for the purchase of new premises for their businesses. In this way, it covers in this way one of our clients' most requested needs. Likewise, our product *Proyectos Especiales* offers financing to groups of clients who come together in trading associations for projects such as building more modern markets and shopping centers to offer their clients better infrastructure and service conditions.

For Housing

Micasa is a product intended to offer financing for home improvement. It is a type of loan that covers 100% of the amount required to expand, build, improve or remodel the house, materials and labor, without the need of collateral. To date we have granted more than 160,000 loans, which have contributed to more families improving their living conditions or gaining access to decent housing.

Habilitación Urbana, in turn, is a product designed especially to serve clients grouped in neighborhood associations, to provide them assistance in the improvement of their home surroundings. Through the financing of electrification, water, sewerage, roads and sidewalk projects, we fulfill the objectives with which we launched this product: that our clients may live in a healthy and safe environment, with all essential utilities.

For Personal Needs

Aware of the importance of offering our clients the possibility to access credit to purchase products and services required for their day-to-day life, we offer them personal loans that are credit lines of free disposition.

The Mibanco Visa Credit Card designed for MYPES entrepreneurs not only offers great benefits to its users, but also educates them, promoting a safe and sound use of their consumption.

Savings System

Mibanco focuses its efforts mainly on its target segment, offering them the best alternatives in savings and fixed term deposits; however, we are always looking for more attractive options for the public in general. In 2010, Mibanco grew 35% (S/. 416.57 million) in deposits from the public of all segments, thanks to the advertising campaign and the promotion "La Promo Espectacular," with which we gave away 8 air tickets to see the 2010 World Soccer Finals in South Africa.



*Rosana Sandoval Sadoval.
Line of Business: Tools and machinery sales
Agency: Cercado del Lima*



*Gustavo La Jara Benavides
and Gino Cabanillas Silva,
Senior Executive Advisors.
Agency: Miraflores, Arequipa*

Meanwhile, we complemented our savings offer with two new plans, Cuenta Negocios, a cost-free transactional account aimed at independent clients who make day-to-day business operations and Cuenta Full Ahorro, which pays one of the highest interest rates (3.25% effective annual rate in soles) and is aimed at dependent and independent clients who wish to save without the rigidity of a fixed-term deposit. These accounts help our clients manage their money in an efficient and organized manner, through a series of service channels.

We also offer fixed-term deposits and CTS Accounts, excellent options to increase the value of money; in fact, these are the most profitable options among A and A+ rated banks.

Because of the nature of the loans that Mibanco offers through its main business lines (micro and small business) we do not apply processes to monitor the implementation of social and environmental requirements of our products by our clients. Nevertheless, it is worth mentioning that among the different products designed to contribute to the development of society, Mibanco participates in the acquisition and/or construction of several markets and shopping centers for microbusiness entrepreneurs, allowing for job opportunities for lower income people.

During 2010, Mibanco generated 28 commercial projects with associations, in this way serving more than 1,700 clients, with more than S/. 79 million. As part of its commitment towards these persons, the Bank provides permanent legal, administrative and financial support for the completion of these projects.

Mibanco does not have any products and/or services designed to offer an environmental benefit. In 2011, we will evaluate the inclusion of new products and services for environmental care and protection.

PERFORMANCE OF SAVINGS PRODUCTS

Products	Accounts Opened *	Balance Amount
S/.	243,460	498,701,106
Savings	243,460	498,701,106
Checking Accounts	614	10,367,450
CTS	2,258	5,179,176
Fixed term deposits	169,596	2,424,386,626

(*) Accounts opened during 2010.

*During 2010,
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Channels and Services

Mibanco uses different channels to serve MYPES entrepreneurs and clients from different segments who seek comprehensive service and financial intermediation, offering them multiple alternatives such as: issuance of cashier's checks, payment of foreign remittances, interbank transfers and transfers abroad via Swift, purchase and sale of foreign currency under preferred conditions for our clients, automatic account charges for loans payment and insurance, payment of utilities and money orders countrywide.

Complementing the foregoing, clients with deposits in Mibanco hold a Visa Electron Debit Card that gives them access to a network of more than 850 Mibanco and BBVA Banco Continental ATM's, more than 53,000 Visanet Points of Sale (POS) countrywide and more than 300 correspondent agents in the Kasnet, Multiagencias Prosegur and Hermes MultiFácil networks, as well as thousands of establishments worldwide. As with the commercial banking institutions, our clients may perform their operation through Internet and telephone banking systems, as well as through consulting modules in all our agencies.

Our goal is that more and more Peruvians become acquainted with and partake of financial system benefits.

Insurance

In line with its mission, Mibanco has prepared insurance packages accessible to a greater number of people, offering their clients insurance associated to loans and optional insurance that may be purchased through the network of

agencies countrywide. Insurance policies are designed and managed based on the following social criteria:

Low Cost. They adjust to the budget of most users and generate profitability to enable business sustainability.

Limited Cover. They simplify comprehension of benefits and their characteristics.

Minimum Exclusions. They generate trust in the segment that traditionally distrusts "fine print".

Simple Affiliation Process. In line with the nature of the insurance and the Bank's operations.

Simple Benefit Collection Process. Beneficiaries are not affected by high time and money costs, strengthening their trust in insurance products as protection tools.

Mibanco maintains its leading position in the microbusiness segment, for which it offers different financial products and services that require permanent evaluation and, at the same time, the innovation of its facilities and data processing systems due to the requirements in matters of security for both, the institution and the clients' protection.

In 2010, Mibanco consolidated its position as an institution offering insurance for microbusiness. About 268,000 optional insurance policies were sold, which meant a 36% increase with respect to the previous year. Of the above, 72,500 (27%) corresponded to Debtor's Spouse Life Insurance that covers the

debtor in the event of the spouse's death, while the Personal Accidents Insurance, covering accidental death and sudden bereavement in the family, closed with 164,800 policies sold (61%). In 2010, we launched the Funeral Insurance, which offers compensation for funeral expenses; in the last five months of the year we sold 30,000 insurance policies (11%). These three products have the backing of Protecta, an insurance company within Grupo ACP.

Depending on the amount loaned, the Debtor's Life Insurance covers the initial loan amount or the unpaid balance at the time of death, total and permanent disability, sudden family bereavement, severe burns and hospitalization due to severe accidents of the loan holder.

The Debtor's Spouse Life Insurance covers the debtor in the event of the spouse's death. For the particular case of our clients, this insurance is of utmost importance, as in most cases spouses work together and the eventual loss of either could have a negative impact on the business, in the fulfillment of their commitments with the bank, and on the family's overall situation.

In turn, the Personal Accident Insurance offers our clients access to coverage for accidental death and sudden bereave-

ment in the family for a moderate price. This product is offered in four plans, according to the payment capacity of each client.


Finally, the Multiple Risk Insurance has been in the market for several years and protects borrowers against floods, fires and earthquakes, preventing them from becoming insolvent in case of unforeseen loss events. In 2010, Mibanco paid 440 loss claims for a compensation amount of S/. 3'863,580.564, confirming the importance of this product, accessible only to Mibanco users in their capacity as loan clients.

The 401,988 clients with current loans are covered with Debtor's Life Insurance and Multiple Risk Insurance. Additionally, 194,535 clients are covered with optional insurance policies voluntarily purchased, such as Debtor's Spouse Life Insurance and Personal Accident Insurance.

SALES OF OPTIONAL INSURANCE AND SOAT*

Product	Sales 2010	%
Accident Insurance	164,802	55.61%
Debtor's Spouse Life Insurance	72,509	24.47%
Funeral	32,493	10.96%
SOAT	25,608	8.64%
Business protection	941	0.32%
Total	296,353	100.00%

(*) Mandatory Car Accident Insurance*



ALIDAD Y
AL CLIENTE

*Zenobia Córdova Paz – Head
of Quality and Customer
Service*

QUALITY AND INNOVATION MANAGEMENT

Mibanco considers quality as one of the strategic mainstays to ensure competitiveness, leadership and strengthening of the company. Our quality management is based on the Quality Management of Mibanco, which propounds an organizational culture based on a management of excellence, permanently surpassing our management standards and ensuring the satisfaction of our internal and external clients' ever-increasing expectations.

Excellence in Service

Our clients' satisfaction is part of our corporate philosophy and is present in all our activities, permanently engaging and training our employees, upgrading our equipment and facilities and adapting our services, products and channels to achieve greater flexibility.

In order to always be one step ahead of our clients' expectations and make our business grow, we have developed the Excellence in Service management model, based on the learning, experience and deep insight of MYPES entrepreneurs, which enables us to increase income margins through service, satisfaction and customer loyalty, generating at the same time, barriers to protect us from our competitors. Furthermore, Mibanco ensures proper guidance for our clients, which has an impact on their development.

Service Quality Indicators of Mibanco

Monitoring of the work performed by our internal clients and of the service offered by our employees to our external clients is permanent. In this way we are able to gather feedback from our internal and external clients to set in motion actions for improvement.

It is important to mention that in line with the dynamism of the model and the efforts to keep an updated value and monitoring offer to meet the needs, expectations and aspirations of our clients, we proposed ourselves to raise the standard and adjust the parameter towards a more demanding goal. Accordingly, in 2010 we introduced new service variables to measure the level of satisfaction. Mibanco is currently in the breakpoint of the learning curve of the new standards, with a performance in the Excellence category.

EVOLUTION OF SERVICE QUALITY INDICATOR

Indicator	2006	2007	2008	2009	2010
Client satisfaction (9)	77%	76.5%	89%	94%	87% *
Standards compliance (10)	57%	70.0%	90%	94%	91% *

(9) Source: Grupo Macro - * As of 2010, it introduces new methodology and measurement variables

(10) Source: Grupo Macro - * As of 2010, it introduces new methodology and measurement variables

Permanent Improvement Management

Our clear orientation towards our target segment and its satisfaction has led us to commit ourselves to offer excellent service within a process of permanent innovation and improvement of our products and processes. To this end, we rely on the opinion of our clients and on the permanent measurement of the Bank's process, within the framework of the Quality Indicators Model under implementation.

This model enables us to manage our goals based on our internal and external clients' expectations and to focus our enhancements on four variables: Service, Time, Accuracy and Efficiency, which span over both, our business processes and our internal support processes.

Our permanent improvement projects include the participation of the respective areas involved, whose progress and results are periodically examined by the Quality Committee.

Innovation

Innovation is one of our organizational values and forms part of the foundations of our business model, under permanent and systematic review. We are preparing the Innovation Plan, focused on a profitable and unique business model, adjusting to the changes in our environ and in our clients, which

*Mibanco
complies
strictly with
the application
of legal
provisions on
information
transparency,
user service
and consumer
protection.*

may be recognized and appreciated in the market.

Customer Protection and Information Transparency

Our customer protection system seeks to ensure responsible banking and to consolidate our relation with our clients based on trust and on ethical and transparent management. We offer clear, truthful and accurate information, thus guaranteeing our operations.

Meanwhile, given that over-indebtedness could be considered a potential social risk that would affect our clients, the Quality and Customer Care area (Marketing division) is preparing the Customer Protection Framework, which in 2011 will introduce over-indebtedness follow-up indicators in coordination with the Risks division.

In order that clients and users to make informed and responsible decisions when making operations at Mibanco, the principle of information transparency and customer protection is always applied through:

1. Permanent information dissemination through different channels, like our website, telephone banking and agencies throughout the country, about interest rates, fees and conditions applicable to our products and services, in simple terms

and with visible print size.

2. Implementation in our agencies of an efficient service system to respond to enquiries, doubts, claims and requests from our clients and users in a timely manner.
3. Writing of contracts for products and services in simple and comprehensible terms, with a visible print size.
4. Implementation of a permanent training program for our front-office personnel that may allow us to offer the bank's products and services in a clear and transparent manner.
5. Creation of a Customer Protection area to assure that policies and regulations on products and services are correctly applied, seeking legitimacy for our clients and for the bank's business.
6. A supervision and control system that includes verification, assessment, strengthening and improvement of the different tools to offer the information required by our clients.
7. A products and services offer clearly regulated in our internal regulation in force (definition, conditions, characteristics, parameters and others) as well as responsibilities applicable to each of the areas or actors involved in the sales and post sales stage of each product or service offered.

Due to the nature of our clients (individuals and microbusiness entrepreneurs) 100% of the products (loans, deposits and insurance) and financial services we offer consider

adequate security measures for their use, such as digital registration of signature, the use of secret passwords for transactions, daily limits for cash disposition from automatic tellers, presentation of identification document to make withdrawals for large amounts and other procedures for proper customer identification, among others.

In every respect, Mibanco complies strictly with the application of legal provisions on information transparency, user service and consumer protection, adapting its policies and internal processes to such provisions. Furthermore, we seek to apply financial system best practices related to these aspects.



Eduardo Vladimir Treneman Ríos, Senior Business Advisor, next to his customer, Rafael Flores Necoy, from the Bora native community. Line of Business: Handicrafts Agency: Iquitos

Centro Histórico agency employees

Along this line, Mibanco adheres to the Code of Advertising Ethics and is affiliated to the National Council for Advertising Self-Regulation (CONAR). Likewise, it follows the legal provisions detailed below, which regulate aspects on the dissemination and advertising of financial products (loans, deposits, insurance) and services:

1. Consumer Protection and Defense Code (Law 29571).
2. Law for the Repression of Unfair Competition (Legislative Decree 1044).
3. Supplementary Law on Consumer Protection in matters of Financial Services (Law 28587).
4. Regulations on Information Transparency and Provisions Applicable to Contracts with Users in the Financial System (SBS Resolution 1765-2005).
5. Regulations on Commercial Promotions and Raffles for Commercial Purposes (Supreme Decree 006-2000-INT).

Every time a statement or advertising notice is published, Mibanco verifies it complies with provisions and implications of the referred codes and regulations. Due to the nature of our Organization's business, there have been no incidents as a result of non-compliance with legal regulations or voluntary codes concerning the impact of our products and services on our clients' health and safety. There have been no claims either for non-compliance with regulations on supply and use of our products and services.

During 2010, there have been no incidents and/or complaints, whether administrative or civil, as a result of non-compliance of regulations and voluntary codes regarding information and labeling of our products and services.

Finally, no incidents have been reported regarding non-compliance with regulations with warning or incidents resulting from non-compliance of voluntary codes.

We must mention that in 2010 the bank received 16 fines for cases concerning consumer protection. These cases are currently under review by the competent authorities, as they were objected to by our Institution. The total cost of penalties is not significant considering the bank's size, with and the amount of each one ranging from S/. 3,600 to S/. 54,000.

With regard to anti-competitive behavior and monopolistic practices, no incidents and/or complaints were reported during 2010.

Furthermore, the Bank has not received any penalty or fine for non-compliance of environmental regulation.

Mibanco does not participate in public politics or lobbying activities, nor does it provide support, monetary or in kind, to political parties or related institutions.

NETWORK OF AGENCIES

Mibanco seeks to serve more and more MYPES entrepreneurs; accordingly, it has a total of 112 offices throughout the country, 53 in Lima and 59 in cities outside Lima. This offer is complemented with a group of agencies located in different shopping centers that seek to offer clients convenient and safe options for their savings, deposits, surpluses and loan requirements. This includes the possibility to perform operations in agencies with extended hours of service, including weekends.

In 2010, the Bank added a significant number of correspondent agents, totaling 380 countrywide, 19% more than as of December 2009. Thus, today, Mibanco's broader coverage enables us to offer alternatives to our clients to repaying their loans and perform other operations with their accounts.

Furthermore, Mibanco continued serving its clients through its Multifácil agencies, under an agreement with Hermes Transportes Blindados S.A. These are payment centers managed by Hermes, where clients of different institutions may perform financial operations, such as loan payments, operations with accounts, inquiries and others, with longer service hours, including weekends.

*Mibanco has
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Yuliana Pancorvo Alvaro, next to her advisor, Efraín Velásquez Sivincha. Line of Business: Shoe Manufacturing Agency: Avelino, Arequipa

In addition to Multifácil agencies and along the same concept, we have seven Prosegur Multia-gencias, serving our clients since 2008.

OUR CONTROL MECHANISMS

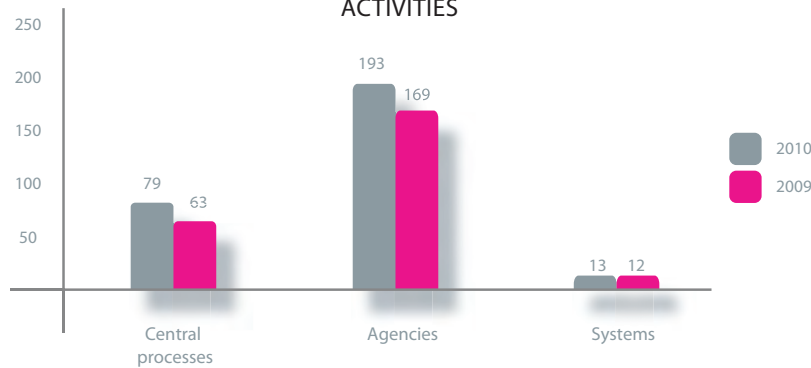
Audits

As in previous years, the Bank has strengthened its validation processes on good institutional behavior and in 2010, increased the number of audits to its processes, agencies and systems, as well as the number of auditors dedicated to these activities. This confirms that the Organization follows up on its procedures application, as shown in the tables below:

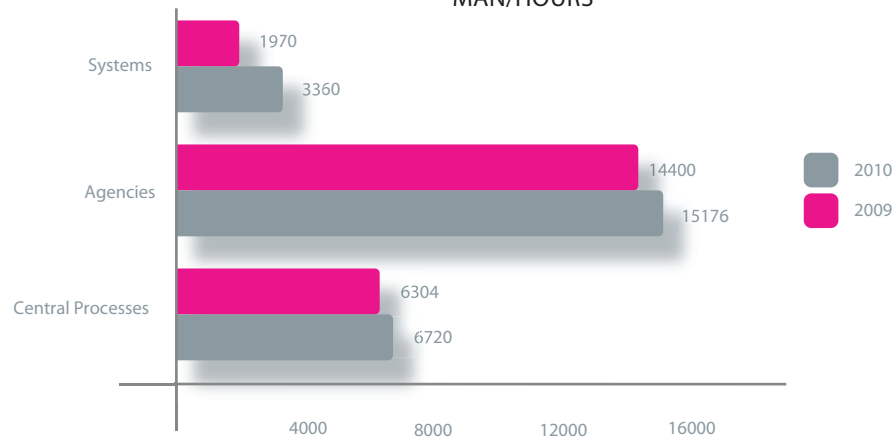
EVOLUTION OF APPLICATION OF AUDIT PROCEDURES

	Central Processes		Agencies		Systems		Total	
	2009	2010	2009	2010	2009	2010	2009	2010
Number of activities	63	79	169	193	12	13	401	465
Man / Hours	6,304	6,720	14,400	15,176	1,970	3,360	22,674	25,256
% hours participation	28%	27%	64%	60%	9%	13%	100%	100%

EVOLUTION OF INTERNAL AUDIT ACTIVITIES



EVOLUTION OF INTERNAL AUDIT MAN/HOURS



The Business area is in charge of implementing follow-up procedures of risks and policies application to protect business lines against social risks. The environmental risks evaluation and control in business lines is performed with the proper application of the Bank's Regulations on Loan Granting Policy and Policies Guide.

Fraud Prevention

When incidents that require some kind of intervention occur, the parties may resort to the Questionable Practices Reporting process, for the timely report and investigation of any illegal or fraudulent activity that may be detected by employees or others. Security mechanisms that guarantee the complainant's confidentiality and the contents of the complaint are thus set in motion.

The most sensitive issues are addressed by the bank under the Code of Conduct and Ethics, Internal Policies, Internal Regulations and Anti-Money Laundering Manual, based on which pertinent decisions are made.

All these manuals or guides are currently available in hard copy or in the bank's intranet. Claims have mechanisms that allow for totally automated processes, speeding up the transmission of information. There have been no incidents recorded with respect to non-compliance with laws or conduct regulation codes.

At year-end, Mibanco had 3,548 employees countrywide, from the different regions in which we operate.

OUR EMPLOYEES

“We are aware of the vital role our team of employees plays, which has enabled us to strengthen our leadership year after year. In this respect, we have placed greater emphasis on their training and development through educational, refresher and specialization programs.”

Óscar Rivera – Chairman of the Board of Directors

Our team is the force that drives our Company’s leadership. During 2010, we developed Human Resources strategies to continue working on the professionalism and commitment of our employees through programs in line with the strategic guidelines of our business.

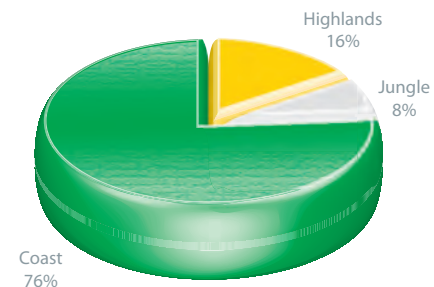
Demographic Information

At year-end, Mibanco had 3,548 employees countrywide, from the different regions in which we operate. 88% of them correspond to the core business areas and the remaining 22% to support areas.

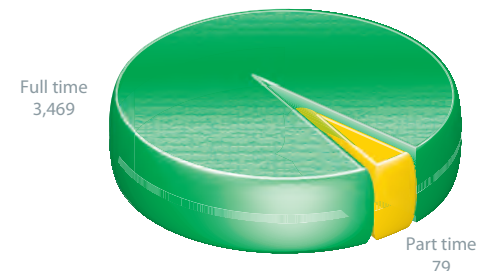
Region and position

Most employees are concentrated in the coastal region, where majority of our agencies are located; 70% of the 2,699 employees working on the coast are in Lima.

EMPLOYEES BY GEOGRAPHICAL REGION



EMPLOYEES BY TYPE OF EMPLOYMENT



Type of Contract

Mibanco directs long-term relationships with its employees towards generating mutual growth and benefits. All our employees work under an employment agreement, as established by the Peruvian laws.

EMPLOYEES BY TYPE OF CONTRACT



EMPLOYEES BY TYPE OF CONTRACT AND BY REGION

Region	Type of Contract		Total employees by region
	Indefinite Term	Fixed Term	
Coast	1,843	856	2,699
Highlands	192	90	282
Jungle	372	195	567
Total per type of contract	2,407	1,141	3,548



Milagros Longa Salazar – Head of Service Banking Agency: Centro Histórico

Gender and Age

At Mibanco we respect gender diversity and we recognize complementarity, which contributes to achieving the Company's goals.

EMPLOYEES BY GENDER



EMPLOYEES BY REGION AND GENDER

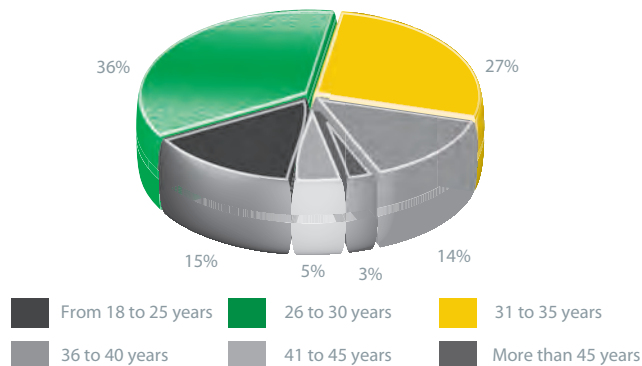
Distribution by Region	Gender		Total per Region
	Men	Women	
Coast	1,371	1,328	2,699
Highlands	307	260	567
Jungle	180	102	282
Total per gender	1,858	1,690	3,548

EMPLOYEES – COMPARATIVE PER REGION

Distribution by Region	2010	2009
Coast	2,699	2,044
Highlands	567	484
Jungle	282	162
Total	3,548	2,690

The average age among our employees is 31 years and we offer job opportunities to professionals and technicians from the different educational institutions in the country.

EMPLOYEES BY AGE GROUP



EMPLOYEES BY AGE GROUP AND GENDER

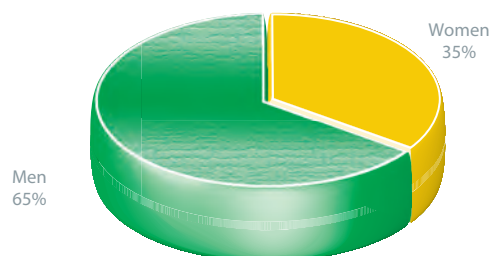
Age Group	Type of Contract		Total Employees per Age Group
	Men	Women	
From 18 to 25 years	178	345	523
26 to 30 years	588	681	1,269
31 to 35 years	535	428	963
36 to 40 years	328	160	488
41 to 45 years	141	45	186
More than 45	88	31	119
Total per gender	1,858	1,690	3,548

Since 2010, Mibanco works on the equal opportunities project with Women's World Banking. According to information obtained, our employees, women and men, have equal opportunities, which is a value that we seek to keep constant.

Since 2010, Mibanco works on the equal opportunities project with Women's World Banking.

Women’s participation in managerial positions in the Company has evidenced a significant 66% increase during 2010.

DISTRIBUTION OF MANAGERIAL POSITIONS BY GENDER



GENDER DIVERSITY IN MIBANCO BY POSITION CATEGORY

Distribution by Category	Men (%)	Women (%)
Staff Managers	65	37
Heads of Line	53	47
Business Advisors	60	40
Other Agency positions	39	69
Other Staff positions	42	58
Total per gender (%)	48%	52%

EMPLOYEES BY REGION AND POSITION CATEGORY

Position Category	Region			Total by Category (%)
	Coast (%)	Highlands(%)	Jungle (%)	
Staff Managers	1	0	0	1%
Heads of Line	7	2	1	10%
Business Advisors	36	8	5	49%
Other Agency positions	26	7	3	36%
Other Staff positions	4	0	0	4%
Total per gender (%)	74%	17%	9%	100%

EMPLOYEES BY AGE GROUP AND POSITION CATEGORY

Position Category	Age Group					
	18 to 25	26 to 30	31 to 35	36 to 40	41 to 45	More than 45
Staff Managers	0	0	0	6	4	13
Heads of Line	2	60	66	43	15	15
Business Advisors	133	616	528	235	78	25
Other Agency positions	313	362	144	53	18	10
Other Staff positions	75	231	225	151	71	56
Total	523	1269	963	488	186	119

During 2010, 629 employees ceased working countrywide. The average employee turnover* was 19.44%.

Average service time with the Company is three years, which is directly related to the exponential growth of the Bank in the last years.

(*) Number of terminations / total employees

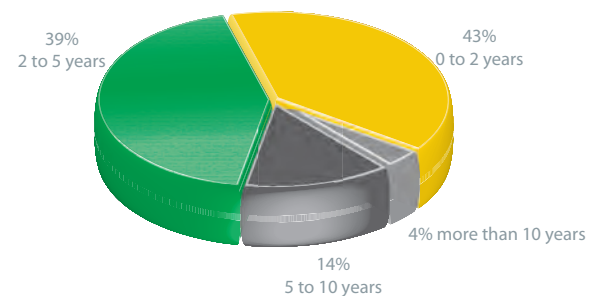


*Elena Fabián Padilla,
Line of Business: Milk Production
Agency: Barranca*



Martín Perona Huamán – Head of Channel Planning and Management

EMPLOYEES BY SENIORITY



TERMINATION OF EMPLOYEES BY GENDER AND AGE GROUP

Age Group	Gender		Total Terminations by Age Group
	Men	Women	
From 18 to 25 years	42	61	103
26 to 30 years	118	119	237
31 to 35 years	101	54	155
36 to 40 years	56	25	81
41 to 45 years	30	13	43
More than 45	7	3	10
Total per gender	354	275	629

EMPLOYEE TERMINATION BY GEOGRAPHICAL REGION AND AGE GROUP

Age Group	Geographical Region			Total Terminations by Age Group
	Coast	Highlands	Jungle	
From 18 to 25 years	80	7	16	103
26 to 30 years	165	18	54	237
31 to 35 years	99	15	41	155
36 to 40 years	57	10	14	81
41 to 45 years	31	3	9	43
More than 45	8	0	2	10
Total terminations per geographical region	440	53	136	629

ANNUAL ROTATION BY GENDER

Gender	Rotation
Men	16.27%
Women	19.05%

ANNUAL ROTATION BY GEOGRAPHICAL REGION

Region	Rotation
Coast	16.33%
Highlands	23.99%
Jungle	18.79%

Mibanco has a Security Area that works in direct coordination with specialized companies to supervise and monitor people's security and order (employees, visitors and clients) and our premises (internal and external), headquarters and agencies, countrywide. We are aware of the importance of training courses on human rights for our employees in our line of business; therefore, as of 2011 we will carry out educational activities on this topics.

We also have in place a Health and Safety Committee to control and assist in occupational health and safety programs. This group is peer-based and consists of an equal number of employee (3) and employer (3) representatives. All employees are represented in the Committee, which operates at General Management level and covers the headquarters and the agencies.

Mibanco has no unions or similar organizations.

We must point out that a motivated, prepared and well considered workforce is essential for the fulfillment of our mission and of our goals. Adequate management is reflected by the equal opportunities offered, the development and benefits of our employees and in the good relationship between them and the Company.

Selection and Hiring

Mibanco applies the highest standards in its employee selection process, enabling us to hire individuals who meet the profiled organizational, functional and leadership competencies, who show great potential to develop a career line and whose contribution will add value to our Company. We promote their professional development covering job openings internally and offering work opportunities locally.

Fifty-seven percent of our agency managers countrywide are local to the agency area; however, our selection process does not limit the participation of national or foreign applicants. In 2010, we hired 1,487 new employees throughout the country and promoted 173 persons.

Furthermore, our new employee hiring policies are established in our internal regulations and framed within national and international employee promotion policies.

Equal Opportunities

Mibanco has in place a clear and ethical policy about equal rights and opportunities for employees, within the framework of national and international laws and expressed in different internal regulations such as our Internal Labor

Regulations, the Conduct and Ethics Code and our Recruiting and Selection Procedure. We firmly reject any and all kinds of discrimination and any kind of forced labor and we promote equal opportunities for the development of an adequate working atmosphere.

During 2010 there were no incidents reported concerning discrimination with respect to any of our employees.

Training for Employees

Our Training Plan focuses on strengthening our employees' organizational culture and technical and personal skills through classroom or virtual activities. To that effect our Human Resources Division has a Learning unit in charge of Learning Managers, employees in the same line of business, who must design, implement and offer learning programs for all agency network employees countrywide. Our virtual campus (e-learning platform) complements classroom activities, offering access to important courses and information.

Educational Programs

Aimed at employees who just joined the Bank or moved to a different position in the agency. The purpose is to introduce them to our organizational culture and offer them the tools required to perform their tasks successfully.

Updating Programs

These programs seek to maintain employees permanently informed about any relevant changes in policies, procedures and techniques as a result of the dynamics of the microfinancing sector.

Specialization Programs

Its main purpose is to professionalize and improve employees' productiveness with courses that enhance their capacities.

In 2010, 71.08 hours of training per person were delivered, including our educational program offered to our employees when they first join our company.

TRAINING BY BUSINESS CATEGORY

Distribution by Category	Training Hours	Hours per Person
Businesses (agencies)	185,373	83.05
Service Banking (agencies)	40,621	60.99
Staff	26,182	40.28
Total training hours	252,176	71.08



Alejandra Huamaní Céspedes, Head of Service Banking and Guillermo Bayona Carazas, Senior Executive Advisor. Agency: Valle Sharon

TRAINING BY BUSINESS POSITION CATEGORY

Distribution by Category	Training Hours	Hours per Person
Staff Managers	3,287.5	71.53
Staff Supervisors	11,132	54.37
Business Advisors	121,466	75.73
Agency Managers	6,563.5	40.38
Other Agency Positions	68,041	48.01
Other Staff Positions	41,686	86.62
Total training hours	252,176	71.08

All our employees receive permanent training in policies and procedures related to our Conduct and Ethics Code and in national and international policies such as anticorruption, asset laundering and terrorism financing policies and procedures.

Furthermore, we have a number of training and skill development programs in coordination with well known local and international institutions, such as agreements with educational institutions for graduate courses and languages. Some programs are covered 100% covered by the Company or financed through loans with preferred rates.

In addition, Mibanco grants leaves to those who wish to take courses abroad, so that they can be away for the duration of their studies. The recovery of their position afterwards forms part of the policy Mibanco has in this respect.

For 2011, we plan to implement training policies and programs concerning human rights and indigenous populations' rights as we believe it is necessary to raise awareness and inform our employees on these issues.

Organizational Development

The philosophy behind Mibanco's firm social commitment is based on offering opportunities for progress and access to the financial system to people with low income.

Our training program stresses this social commitment in all aspects and aims to familiarize employees with the products we offer and the impact they have on our clients' lives. We have programs exclusively aimed at employees who will be working in rural areas, where they learn about the importance of bank usage for people engaged in production activities.

We also have a permanent updating process of job descriptions and organizational structure. Processes concerning position changes are defined based on coverage of vacant positions generated by internal rotation or organizational growth. Changes are informed with due anticipation to ensure adequate adjustment of both, the per-

son and the Bank. Time depends on the magnitude of the change.

Our organizational competency concerning Social Commitment is one of the most critical when hiring new employees. It is the starting point to hire persons who identify themselves with our mission.

Furthermore, once a year employees are evaluated to determine the level of their organizational competency. Strategies and programs are established based on this information, to develop the competencies that may be required to achieve greater identification with the institutional philosophy.

The social aspects of our employee training program focus on becoming acquainted with the products we offer to low-income people in order to enable them to gain access to the financial system and thus carry out their business activities or improve their living conditions.

Front-office employees receive training focused on excellence in service, which emphasizes the advisory role and the different ways to reach clients. This is vital, considering that bank usage is a learning process and that the client-advisor relation goes beyond the sales transaction, as we not only grant loans,



*Jonathan Wilbert Pérez Cutipa.
Line of Business: Handicrafts
Agency: Cusco Sur*

but also get involved in the success of our clients' investments through adequate advisory, which implies visiting their businesses, often in rural or hard-to-reach areas.

Finally, with our program "Reconocimiento Migente" we reward the people who stand out for their behavior with regard to social commitment and upholding of our values.

Performance Management

At Mibanco, we assess the general performance of our employees when they complete their first six months in the Company; thereafter, evaluations are periodical.

We have implemented the Performance Management System in 2010, a tool for company productiveness control that also seeks to be a source for permanent improvement and to align individual and Company goals. This system evaluates the performance of our employees in their job position and their potential for future development. Results are informed to each person individually, in order to prepare a permanent improvement plan.

The percentage of employees eligible to participate in the formal performance assessment is 86%.

The 2010 formal performance assessment will take place in January next year.

EMPLOYEES ELIGIBLE TO PARTICIPATE IN THE FORMAL PERFORMANCE ASSESSMENT – 2011

2010 Details	N°
Number of employees	3,548
Number of employees eligible for 2010 performance assessment	3,153

"Migente" Recognition Program

The purpose is to recognize and generate among employees behaviors and attitudes in line with the philosophy of Mibanco, always emphasizing social impact. It consists of several categories:

"MIGENTE" RECOGNITION PROGRAM

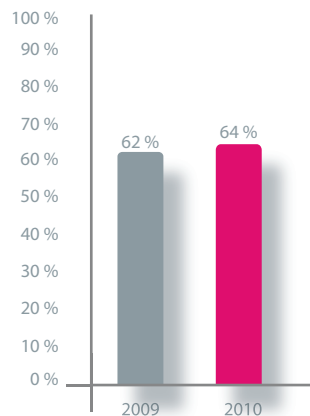
Category	What does it recognize?
Migente Ejemplar	Exemplary attitude of employees
Migente Excelente	High degree of excellence service
Migente Exigente	Outstanding results in productivity
Migente Exitosa	High performance shown by employees

Employees or area supervisors may nominate a person. In 2010, 653 employees received recognition, many of them in the category *Migente Exigente*.

Working Atmosphere

Mibanco participated in the working environment survey organized by “Great Place to Work” (GPTW) and obtained 64% general satisfaction in 2010 (2 percentage points more than in 2009).

RESULTS OF THE SURVEY “MIBANCO WORKING ATMOSPHERE” (GPTW)



The results enable us to identify the aspects that are most appreciated by employees and those which we could improve, so that we may prepare action plans to contribute to the enhancement of all areas of our working environment.

Without a well motivated, prepared and cared for workforce, it would be impossible to fulfill our mission and our objectives. Adequate management is reflected by the equal opportunities offered, the development and benefits of our employees and in the good relationship between them and the Company. Mibanco has no unions or similar organizations.

Communications

The Human Resources division has an Internal Communications service in charge of preparing an annual Communications Plan to inform about management programs and bulletins for employees countrywide.

In 2010, our communication channels were optimized with the creation of the Intranet site “Miportal” that offers greater efficiency in the use of the bank’s resources and the social network “Micomunidad” which offers a space to exchange opinions and information about different activities and projects.

Front-office employees receive training focused on excellence in service, which emphasizes the advisory role and the different ways to reach clients.



*Isela Milagros Almero Almirón.
Line of Business: Hairdressing Shop
Agency: Cayma, Arequipa*

Furthermore, as of this year, we have implemented the program *Corresponsales Mibanco*, through which headquarters and agency employees assist in the gathering of information and dissemination of activities. To date we have correspondents in each office countrywide.

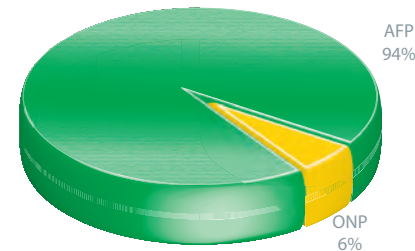
Health and Benefits

Our employees have a complete social benefits program and total coverage of statutory obligations. There are no differences in the benefits granted, as our attention focuses equally on the entire team, the undisputable driving force behind our progress. These benefits include:

- **Health insurance.** Our employees choose between a private insurance with an EPS (Health Care Provider) and the public health insurance (EsSalud). In the case of the EPS, the premium is covered 80% by Mibanco and 20% by the employee. The Bank offers this option to provide a comprehensive health care service, accessible to all the people working in the institution.
- **Mandatory Life Insurance.** It covers employees in the event of accidental or natural death throughout the life of their employment agreement. This insurance is for those employees who have 4 years with the company, according to law. Supervisors and managers are entitled to this benefit from their first day in the company.

- 30 calendar days vacation per year worked. These are made effective through a program agreed with each direct head of office.
- 2 annual bonuses. Equivalent to one-month salary and paid in July and December.
- Family allowance. Employees with children under 18 are entitled to this allowance, equivalent to 10% of the minimum legal salary in the country.
- Transportation allowance. Designated for employees who must perform field visits on account of their position.
- Compensation for Years of Service/Retirement Fund (CTS). It is a social benefit for contingencies caused by termination at work and for protection of workers and their families. It acts as an unemployment insurance.
- Maternity leave. Benefit granted to pregnant employees. The time granted is 45 days before and 45 days after the estimated birth date. The 90-day term may be extended 30 days more in the case of multiple pregnancy.
- Paternity leave. Four consecutive business days leave for male employees when their children are born.
- Retirement plans. Based on the laws in force, employees may choose between a pension fund under the administration of a private company (AFP) or the State Pension Fund Administration (ONP). The contribution of each person varies depending on the entity chosen. All employees at Mibanco are covered by a retirement plan.

EMPLOYEE DISTRIBUTION
BY PENSION SYSTEM



We also have in place a Health and Safety Committee to control and assist in health and safety programs at work. This group is peer-based and consists of an equal number of employee (3) and employer (3) representatives.

Health Programs

Mibanco conducts annual immunization campaigns against hepatitis A, hepatitis B, influenza, measles, rubella, chicken pox and pneumonia. We also organize courses, workshops and prevention programs for different diseases.

BENEFICIARIES OF THE HEALTH ASSISTANCE PROGRAMS

Program beneficiaries	Education / Training		Advisory		Prevention / Risk Control		Treatment	
	YES	NO	YES	NO	YES	NO	YES	NO
Employees	X		X		X		X	
Employees' families	X		X		X		X	
Members of the Community		X		X		X		X

The preventive health program "Misalud," in turn, is aimed exclusively at our employees and offers laboratory exams (hemoglobin, glucose, cholesterol, triglycerides), x-rays and other related exams.

It should be noted that during 2010, there have been no reports of accidents with employees in the course of their work activities or with occupational diseases (*). There have been no fatal

victims either. According to the registry of absences and leaves, absenteeism as of December 31, was 0.56%.

We must add that health programs are established according to the strategies and efforts of Mibanco to keep its employees motivated and healthy for the well-being of their families and of the Company. No health-related issues concerning employees or their families are planned by collective bargaining since, as mentioned before, there are no unions at Mibanco.

Recreational and Camaraderie Activities

We believe it is highly proactive to offer our employees venues for recreation, entertainment and well-being so that they may have the opportunity to interact and spend more time with their families. Mibanco organizes annual friendly sports competitions in Lima and in the provinces outside of the capital. Furthermore, it carries out a recreational vacation program during the summer, aimed at our employees' youngest children. This year 200 children participated in sports activities, robotics courses, handicrafts and educational trips. We also launched the program "Mis papis en Mibanco" (my parents at Mibanco) where the children visited the offices where their father or mother work and spent some time with them, drawing or working on keepsake cards.

(*) Diseases acquired by employees at the working place and identified as such by the law.

Like every year, we celebrated our traditional Year End Parties in Lima and held simultaneous celebrations in different cities throughout of the country. Our Christmas Party for our employees' children has also become a tradition and gathers a great number of children.

Planning and Compensation

Mibanco is a potential employment source in all the areas where it operates. Our employees receive a salary above the minimum vital salary established by the Peruvian Laws; the lowest salary at the bank is 27% higher than the minimum established by the law (S/. 550/month).

DIFFERENCE BETWEEN THE MINIMUM LEGAL SALARY AND MIBANCO'S LOWEST SALARY

Location	% Minimum Legal Salary	% Lowest Salary at Mibanco
Lima	100%	127%
Other cities	100%	127%

We try to make sure to keep salary structures within the average of the national market, seeking to reach internal equality and external salary competitiveness. This sense of fairness is reflected in salary scales that make no distinctions with regard to gender, age or cultural or ethnical origin. Salaries are rather related to the contribution each employee makes in his or her assigned position and to the responsibilities entailed.

Cayetano Walter Herencia Arisaca, Senior Executive Advisor, with his client, Mario Ramírez Apasa. Line of Business: Brick production Agency: Avelino.



It is worth mentioning that at every acquisition process, the Bank demands its suppliers a coherent and responsible behavior.

OUR SUPPLIERS

In 2010, the number of suppliers who offer their services and products according to operational, technical and economic specifications as requested at each of the procurement processes of the bank, for both bidding processes and special requirements, increased to 267⁹ (29% more than in 2009).

All suppliers and contractors of Mibanco follow applicable regulations and provisions, issued by the competent authorities in matters of security, occupational health and environmental protection.

Evaluation of the suppliers and/or contractors does not include specific human rights criteria. Nevertheless, being formal companies, well-known for their social performance, they avoid discrimination, child labor and other practices that violate these basic human rights.

As of 2011, the new contracts that Mibanco enters into with suppliers and contractors will include clauses expressly stating the commitment not to violate the essential rights of workers and the rejection of child labor.

It is worth mentioning that the bank demands coherent and responsible behavior on the part of its suppliers during every acquisition process. Thus, Procedure 273, called "Suppliers Assessment, Registration and Maintenance Evaluation," establishes as policy that the Bank will prefer to contract the services and/or products from companies or organizations that prove to comply with Good Corporate Governance Principles and/or social responsibility practices.

During 2010, the Bank undertook the following actions:

1. Promote the use of electronic auctions in acquisition processes, respecting corporate and social responsibility principles, with a clear transparency approach in the search for the best suppliers, securing the most competitive prices in the market, availability of products, lowest cost of purchasing process, elimination of intermediaries, the best use of resources and other benefits. In this respect, during 2010, 72 electronic auctions were made for the acquisition of goods and services.
2. Payment to suppliers was improved, encouraging depo-

⁹ Suppliers with transactions for amounts of more than S/. 100,000 in 2009 and 2010.

sits into account in order to reduce issuance of checks and optimize payment time. During 2010, account deposits increased 49% and issuance of checks was reduced 16% with respect to the previous year.

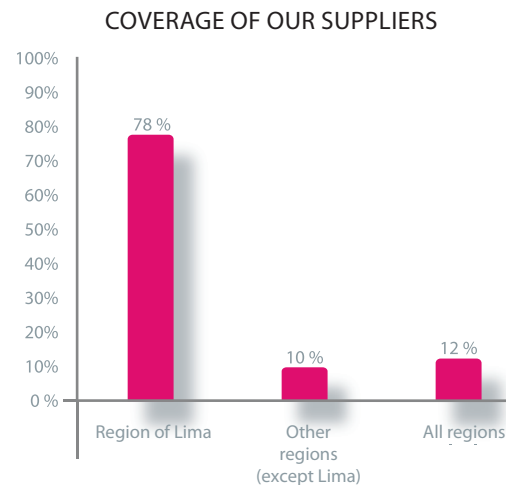
3. Processes were streamlined and improvement proposals were implemented with new suppliers in the main support services of the bank, such as dispatch and messenger service, switchboard, warehouses, transportation in general, maintenance, infrastructure and others, enabling us to keep a competitive service, in line with the bank's requirements.

Coverage of our suppliers

- Definition of the term "local": Each region nationwide where an agency of Mibanco operates.
- Mibanco's practice is to engage suppliers with presence and reach at a national level, to reduce operating costs and support the economy of the region where the bank's agencies operate.

Note: main suppliers have been considered based on turnover of more than S/. 100,000.

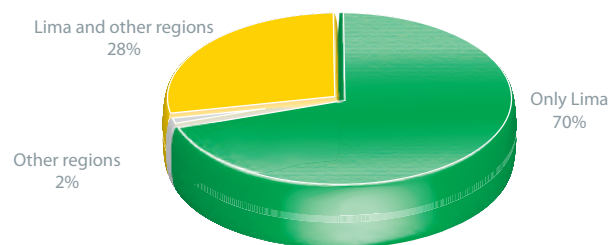
All our suppliers are local, with the following coverage: 78% only Lima, 10% other regions (except Lima) and 12% suppliers with nationwide coverage.



Seventy percent of our purchases are made through suppliers in the department of Lima and 30% through suppliers in the other departments, including those with nationwide coverage.

In the course of next year, we will continue working to improve our processes and undertaking actions to contribute to the fulfillment of the corporate objectives of the Bank.

DISTRIBUTION OF PURCHASES



CONTRIBUTIONS TO OUR COMMUNITY

Donations by Mibanco to the community during 2010 increased with respect to the previous year, as may be observed in the table below.

SERVICES FOR PUBLIC BENEFIT

Institution / Program	2009 S/.	2010 S/.
Cost-free training program for clients	2,878,322	2,800,000
Social support to the community of Villa María del Triunfo in Christmas	6,500	714
Social support to the community of Nueva Esperanza in fitting and sewerage works (Municipalities 2009)	13,809	17,240
Cash donation due to natural disasters in Haiti, Cuzco and Huánuco	-	56,105
Donation for social support institutions such as Instituto Invertir, Centro Global Democracia y Desarrollo, Amigos de la Policía and Ayudar es Vivir	28,769	176,572
Total	2,927,380	3,050,631

Furthermore, Mibanco allocated S/. 2,800,000 to the training programs DIME Rural and Strengthening the Business Capacity of Women in Peru. The purpose of these efforts is that microbusiness entrepreneurs be able to identify opportunities that will help them with the improvement and growth of their businesses.

During 2010, Mibanco received four loans from multilateral agencies such as the Inter American Development Bank (IADB), the Entrepreneurial Development Bank of the Netherlands (FMO) and the Société de Promotion et de Participation pour la Coopération Economique (Society for the Promotion and Participation for Economic Cooperation – PROPARCO) to grant loans to micro and small business owners. All credit lines received by Mibanco are aimed at strengthening and promoting entrepreneurial spirit among the women of our country and creating a positive impact on local economy.

Mibanco is proud to form part of these initiatives that reaffirm its commitment with social and economic development through the expansion of our credit offer to those markets so far not served and excluded in our country. Thus, Mibanco contributes with financial democracy and sustainable development in Peru.

Along this line and for the second consecutive year, we have applied the investment agreement for US\$ 7,435,000 entered into between the Australian Agency for International Development (AusAID), the Multilateral Investment Fund of the Inter-American Development Bank, the Goldman Sachs Foundation, the Thunderbird Business School and Mibanco which consists of developing a business training program especially designed to help women micro and small businesses owners be successful with their companies.



Eulogio Pontecil Vargas and his family received compensation from multiple risk insurance of Mibanco following the 2010 flood in the City of Cusco. Line of Business: Bakery Agency: Cusco Sur

Our commitment to offer opportunities for progress and to make our employees interiorize this notion encourages us to continue with these efforts that reflect on the more than 400 thousand clients in our portfolio.

As part of the social support it provides in infrastructure, Mibanco allocated in 2010 S/. 17,240 for sewerage works in Nueva Esperanza (Villa María del Triunfo). Furthermore, we donated S/. 56,105 to the victims of natural disasters in Cuzco, Huánuco and Haiti. Finally, we promoted the Keynote Lecture by Muhammad Yunus, 2006 Nobel Peace Award winner who is considered the father of microfinances and who shared his renowned experience in the field of microloans with Peruvian entrepreneurs.

For 2011, Mibanco projects to continue its contributions to the community, especially in matters concerning training for clients. Meanwhile, through our Social Assets area, we will increasingly promote the voluntary contribution of time and knowledge from both foreign and local students and professionals and our employees.

HUMAN RIGHTS

Mibanco carries out its activities under strict compliance with basic legal provisions regarding human rights. Nevertheless, Mibanco includes in its working practices and its contracting policies regarding suppliers and contractors, specific guidelines that prevent the violation of human rights in any of its possible expressions.

At Mibanco we do not yet have training hours in human right issues; however, it is worth underscoring that the total number of training hours in other aspects during 2010 was 252,176, that is, 71.08 hours per employee. Mibanco closed 2010 with 3,548 employees countrywide.

Mibanco does not engage in any kind of activity that may favor child labor. Our hiring policies are expressed in our internal regulations and are framed within the national regulations on the promotion of employment and education and training at work, as well as on international regulations such as Agreements 138 and 182 of the ILO. All (100%) our employees are adults (18 or older).

On the other hand, the Bank has not recorded any incident related to violations of rights of native or indigenous communities. Meetings are being held to implement policies and programs to help our employees developed proper comprehension of human rights and specifically, of the rights of native and indigenous communities. All this is framed within the philosophy of Mibanco and its social commitment towards Peruvian families.

The Bank does not engage either in operations that may be identified as forced or non consented labor episodes in its headquarters or in any of its agencies countrywide.

Our policies are designed within the Peruvian legal framework and relevant international regulations.

Finally, no incident related to discrimination has been recorded during the provision of the financial services offered by Mibanco through its 112 agencies countrywide.

INVESTMENT AGREEMENTS THAT INCLUDE CLAUSES THAT EXPRESS
OUR COMMITMENT TO THE RESPECT FOR HUMAN RIGHTS

2010 Agreements	Objective	Clause	Detail
IADB	Two disbursements: (a) one to finance microbusiness activities in Peru through our products MiLocal and MiEquipo, at least 75% in the form of loans to women or companies owned by women in Peru, and (b) Two other loans to finance working capital for microbusiness owners in Peru.	List of activity exclusions.	No activities are financed if they do not comply with fundamental workers' rights (specifically forced labor and child labor).
FMO SENIOR	Any loan granted under the FMO agreement to the borrower shall be applied by the borrower with the sole purpose of expanding his/her loans portfolio, granting sub-loans to his clients.	Excluded activities.	No productions or activities that imply forced labor or child labor will be financed.
SUBORDINATED FMO	For any type of loans.	Excluded activities.	No productions or activities that imply forced labor or child labor will be financed.
PROPARCO	Intended for financing micro and small business owners and low-income sectors of the population, who have limited access to traditional banking services.	List of activities excluded.	No productions or activities that imply forced labor or child labor will be financed.



*Feliciana Cruz Isidro.
Line of Business: Straw mat production
Agency: Huacho*

Our financial agreements include exclusion clauses concerning activities that may violate human rights, attempt against the environment and/or imply the relocation of native or indigenous communities from their usual environ.

Human rights are universal and indivisible from all human activities; accordingly, we do not finance any kind of business that may attempt against the fundamental rights of the people; wich are that a the base of our institutional values and the law that governs us and on our moral obligations.

We are convinced that by promoting good practices in human rights matters, investing in human resources, and establishing fair relationships with clients and suppliers, we stand in a genuinely competitive position.

SOCIAL ENVIRONMENT

Our social environment is the environment in which we carry out our activities and which contributes to the growth of Mibanco. We believe the same happens the other way around, that is, without a real commitment to the development of our community we would not be able to reach our goals.

Mibanco's main economic impact is reflected in its countrywide leadership

in the microbusiness segment, where it is well known as an innovative bank, with different business models and presence in urban and rural zones.

Our commitment to offer opportunities for progress encourages us to continue with these efforts that are reflected by the more than 400 thousand clients in our portfolio (at December 31, 2010). This is undoubtedly an indicator one of the impact small and microbusinesses have had in the 8.78% growth our country has experienced in 2010, which constitutes one of the highest growth rates worldwide.

Another not less important indicator is that more than 60 thousand clients have credit access through solidarity groups, a mechanism designed in light of the impossibility of the population living in poverty, under exclusion conditions, to access real guarantees.

In credit matters, environmental and social controls are incorporated into risk analysis and follow-up on laws and regulations compliance (loan policy) and the quality of loan assessments. Our business advisors, agency managers, regional heads, loan supervisors and zone loan supervisors, assess and monitor environmental risks in the business lines through the proper application of the bank's Loan Granting Policy and Policies Guide.

On the other hand, given that over-indebtedness could be considered as a potential social risk that could affect our clients, the Quality and Customer Service area (Marketing Division) is preparing the Customer Protection Framework, which in 2011 will include follow-up indicators for over-indebtedness in coordination with the Risk Division.

The policies and procedures developed by the bank to identify corruption and internal fraud-related risks are used to gradually assess the business units through risk analysis associated with the bank's critical processes. Indicators for 2010 were:

1. Number of business units assessed in relation to internal fraud risk: 17.
2. Percentage of business units in relation to internal fraud risk: 15%.
3. Number of business units in the Bank: 110 (includes the 112 agencies plus Treasury).

Another factor we are proud of and that shows we are completely in line with our social mission are our financial products, which enable us to reach more than 3,000 clients with language barriers (a native language or dialect other than Spanish).

In January 2011 we will set in motion a program to measure the social impact of our loans among our low-income clients, using the Progress from Poverty Index (PPI).

The implementation of the Fraud Prevention area contributes to prevent actions that might affect our customers' interests.

Our Institution continuously disseminates clear and complete updated information on rates, tariffs, characteristics and parameters of the products and services we offer our clients and users through information channels, such as our front-office employees in the bank's agencies, flyers and advertising posters, our website and advertising in the media, among others.

Furthermore, we offer clear and complete information about the financial operation or service to be purchased through the advice of specialized personnel and clear clauses in contracts and annexes that make it easy to understand the main conditions and obligations agreed. In all cases, the information disseminated and contractual documents signed by the client strictly comply with the legal regulations applicable in matter of consumer protection and financial services.

No incidents have been recorded in 2010 related to non-compliance with laws with subsequent warnings, or incidents derived from non-compliance of voluntary codes.

During this period the SBS, highest supervisor authority and regulating entity of the financial institutions, visited 14 of Mibanco's agencies in order to verify the compliance grade of the information transparency and user service regulations

(Resolution 1765-2005 and Circular Letter G-146-2009).

Among the aspects assessed are those related to advertising of products (loans, deposits, insurance) and financial services offered by the bank through brochures and posters. The SBS determined that Mibanco has a 99.45% compliance of these regulations, with some remarks of minor impact which have already been rectified. On the first stage of the visits, Mibanco ranked third in compliance among other banks in the system, and ranked first in the second stage.

Likewise, during the regular inspection visit of the SBS, a minor impact remark was detected in brochure information, which was also rectified. As for clients' privacy-related claims during the same period, Mibanco has detected no grounded claims. We strictly comply with the legal provisions on bank secrecy and protection of personal data, and only disclose client information to third parties in compliance with specific legal provisions. Furthermore, we have internal procedures in place for compliance of the aforementioned provisions regarding data confidentiality and bank secrecy.

Confidentiality of information –among others- on clients' data constitutes one of the principles of the Conduct and Ethics Code, of mandatory compliance for all employees of

Mibanco, and we have the proper security and control tools and measures to prevent leaks of customer data.

The main units analyzed with respect to corruption-related risks are the Business and Banking Service areas. This task is performed by the Inspectorate unit, who issues monthly reports to elaborate a more accurate risk analysis and defines actions to be taken. The Business and Banking Service areas are responsible for reporting any events associated with fraud to the Operational Risk area.

The implementation of the Fraud Prevention area contributes to preventing actions that might affect our customers' interests.

In response to incidents of corruption during 2010, Mibanco has filed criminal complaint against four former employees due to issues regarding corruption and fraud. It is worth noting that these situations did not generate any damage to our customers.

As for the operational aspect, the actions taken were:

1. Reassessment of profiles from personnel that have access to the Bank's critical systems according to the assigned tasks and responsibilities.

2. Reassignment of faculties regarding financial transactions with double control, to the Central Processing and Process Operating Analysis unit.

Our training program for the Prevention of Asset Laundering has prepared 100% of our employees in this subject, consolidating a responsible culture that teaches the consequences derived from unlawful terrorism, corruption and drug trafficking activities. Usually, training in policies and procedures against corruption, asset laundering and financing of terrorist activities is carried out once a year. Due to the nature of the functions performed, the employees having direct contact with the customers and who depend of the Compliance Officer, receive training twice a year.

The prevention of asset laundering and financing of terrorist activities is part of the induction content for new employees that start working at Mibanco.

VALUE ADDED OF THE BANK'S ACTIVITIES

The following chart shows the value added in economic terms, as a result of the activities of Mibanco, including gross salaries, taxes, benefits, etc., which furthermore constitute a contribution to the GDP. Information is given in millions of Nuevos Soles and compared to 2009.

VALUE ADDED GENERATED

	2009	2010
	S/. (MM)	S/. (MM)
1 Net earnings	97.1	97.1
2 Workers' profit sharing	22.2	19.4
3 Taxes	45.7	43.6
4 Reserves and amortizations	27.7	30.5
5 Personnel and Board of Directors expenses	186.5	236.2
Value added generated (1 + 2 + 3 + 4 + 5)	379.2	426.9

Source: Central Reserve Bank of Peru (BCRP)

In 2010, the total economic value added of Mibanco amounted to S/. 426,933,118, which represents an increase with respect to 2009 due to the growth of our operations. This amount represents 0.10% of the total 2010 Peruvian GDP.

OUR ENVIRONMENTAL PERFORMANCE

Simultaneously with the commitment to our customers, we seek to transmit a responsible business culture that may be applied at an economic, social and environmental level. To this effect we are guided by the "Triple Bottom Line" concept: social, economic revenue and environmental responsibility. Óscar Rivera – Chairman of the Board of Directors (DMA).

We are a company committed to environment and biodiversity and we seek to actively participate in its care and protection. In 2011, we will initiate the design of an environmental impacts management system to take care of opportunities derived from climate change through the inclusion of environmental policies in the products Mibanco offers through its business lines.

We are aware that the greater environmental impact takes place indirectly, through the granting of loans, thus, we have paid special attention to the assessment and control of environmental risks by applying loan granting rules and policies that do not allow financing of activities that attempt against labor rights and affect the environment.

The Risk Division is responsible for establishing the policies and procedures to assess and protect the business lines regarding environmental risks. The Bank's internal provisions have restrictions against financing of activities that attempt against environment and biodiversity. Likewise, loan applicants must assume the following commitments:

- Store and adequately dispose of solid residues, in coordination with the local government or the company responsible for residues collection.
- Reduce and/or clean gas emissions (fumes, odors, gases and other) by implementing filters or other technical measures that may be required.

- Reduce and/or treat wastewaters in coordination with the local water supply and sewerage service company.
- Protect workers' health using safety and hygiene equipment at work (gloves, uniforms, mask and others).
- Develop other environmental and neighborhood well-being protection measures that may have some relation with the business/company's activity.

We strongly believe that the social, economic and environmental balance is the key to the development of our country and the door to new growth opportunities.

MATERIALS

Due to our line of business, the bank purchases products for internal consumption and not for transformation. The main consumables for our activities are bond paper and toner cartridges for printers. During 2010, the Bank used a total of 139,464 kg of bond paper (3% less than the previous year) and the average use per employee was 39.30 kg (26% less than in 2009). As for toner cartridges, 1,136 cartridges were used during 2010.



Víctor Canta Terreros, Head of Administration



Among recycling initiatives for this year, an agreement with FUNDADES was reached by which cardboard boxes would be placed in each floor of the head office for employees to dispose of paper waste. In that way we not only contribute by taking care of the environment, but we also comply with our social responsibility objective, since by recycling paper we are supporting scholarships for disabled and underprivileged children.

During the year, 4,425 kg of bond paper (3% out of the total used) and 720 toner cartridges (63% out of the total used) were recycled and given to the supplier to be reused.

TOTAL WEIGHT OF RESIDUE GENERATED BY TYPE AND TREATMENT METHOD

Type of Residues for Recycling	2010		2009
	Weight (kg)	Weight (kg)	Weight (kg)
Recycled paper (bond paper type)	4,425	3%	n.a.
Toner cartridges	954	63%	n.a.

In 2011, we will continue encouraging our employees to recycle paper, making them aware of the importance of this action in environmental conservation.

PERCENTAGE OF MATERIALS USED THAT ARE VALUATED

Year	Bond Paper Used kg	Bond Paper Recycled kg	% Recycled	Recycled Toner kg
2010	139,464	4,425	3%	954

ENERGY

Energy has always represented an important role in the economic development and well-being of the companies; as the Bank grows, it generates greater consumption.

During the 2010 period 31,193 GJ of electric power were consumed (11% more than the previous year) mainly due to the opening of new agencies. Power consumption average per employee was 8.79 GJ (15% less than the previous year).

INDIRECT ENERGY CONSUMPTION BY SOURCE

Year	Electricity GJ	Number of Employees	Electricity Used per Employee (GJ)
GJ	27,954	2,690	10.39
2010	31,193	3,548	8.79

Considering that power consumption has an environmental and expenditure impact, during 2010 some actions were implemented in order to counteract these effects, such as the use of light timers for advertising signs of the agencies, which keep signs lit up for only four hours during the night at branch agencies and six hours at the head office. In addition, as part of the bank's comprehensive maintenance of its premises, electrical installations are constantly revised to minimize additional consumption risk due to electricity problems.

Additionally, during 2010, we started an awareness raising plan aimed at all the personnel to promote the efficient use of electricity by turning off office lights, monitors and air conditioning systems, involving all the personnel in the efficient use of this resource and the protection of our environment. During 2011, we will continue with this kinds of initiatives.

Consumption of primary energy sources is represented by vehicle fuel (gas and oil), mostly motorcycles for the sales force. During 2010, 22,412 GJ were used.

DIRECT ENERGY CONSUMPTION BY PRIMARY SOURCE

Year	Direct Energy GJ	Direct Energy per Employee
2010	22,412	6.32

For 2011, we will continue developing actions aimed at contributing to optimizing this resource.

WATER

Water is a natural resource that is essential for life but that, unfortunately, is currently becoming scarce. Hence, we have adopted measures oriented to its rational and efficient use, in order to save this resource.

During 2010, 55,796 m³ of water were used (28% more than the previous year) mainly due to the opening of new agencies and the 32% personnel increase. Average water consumption per employee was 16 m³ in 2010 (same as the previous year).

Concerned about efficient water consumption at the Bank, we implemented some actions during 2010 in order to minimize expenditure, such as periodic revision of the taps to prevent leaks. In addition, we started an awareness plan among the personnel to promote the good use of this resource through bulletins on good practices and responsible consumption.

The water used by Mibanco comes from public supply, thus, no impact is generated on the water resources; moreover, Mibanco does not use recycled or reused water.

For 2011, we will consolidate the awareness plan through awareness campaigns regarding our daily actions and we will recommend good practices for rational use of water.

TOTAL WATER INTAKE BY SOURCE

Intake Information	2010	2009
Consumption through conventional distribution networks (public service supply)	55,796	43,438
Water consumption per employee (m ³ /employee)	16	16
Water consumption per employee per day (liters) *	62	62
Variation in water consumption	0%	n.d.

* 260 business days per year have been considered

GREENHOUSE GAS EMISSIONS

The Earth's climate is suffering alterations mainly due to greenhouse gas emissions. In its environment responsibility guidelines, the bank pays special attention to the generation of these gases due to actions inherent to the operation of its business.

During the current period, CO2 emissions generated due to the use of business-related vehicles, motorcycles and air travel were 3,513 t CO2 (5% less than the previous year). In addition, CO2 emissions due to electricity consumption rose to 3,318 MT.

GREENHOUSE GAS EMISSIONS (TONS CO2)

Detail	2010
CO2 emissions from electric power consumption (indirect)	3,318
CO2 emissions from fuel consumption (direct)	
SUVs	27
Motorcycles	1,568
CO2 emissions from air travel (indirect)	1,918
Total CO2 emissions	6,831

CO2 emissions were determined using the calculation tools available in the website of Fundación Ecología y Desarrollo y Accionatura (<http://www.ceroco2.org/>).

Likewise, during 2010, the Bank increased account deposits by 49% and the issuing of checks was reduced by 16%

compared to the previous year. It is worth adding that reduction of check printing contributes to bond paper and banknote saving.

INITIATIVES FOR ENVIRONMENTAL IMPACT MITIGATION

Item	2009	2010	%	
Checks issued	5,976	5,010	-16%	Less check printing
Account deposits	6,035	8,971	49%	More account deposits

In the course of next year we will continue working in the improvement of processes and executing actions to contribute to the mitigation of environmental impacts in line with the bank's corporate objectives.

Mibanco received no penalties or fines due to non-compliance of environmental regulations.

During 2010, account deposits increased 49% and issuance of checks was reduced 16% with respect to the previous year.



XLIV ASAMBLEA

FELAB

FEDERACIÓN LATINOAMERICANA

Awards and Distinctions

& Casino



Oscar Rivera Rivera, 44th Annual Conference of the Federation of Latin American Banks in Punta del Este, Uruguay.

Over the last 12 years, Mibanco has consolidated its leading position in the microfinance sector. Over this time, this sector has gained prominence worldwide, in the region and especially in our country.

In 2010, Peru was elected for the second consecutive year as the country with the best business climate in microfinance by the Economist Intelligence Unit report.

In this context, the Chairman of Mibanco, Óscar Rivera Rivera, was elected President of the Latin American Federation of Banks (FELABAN) for the 2010-2012 period. This election owes to the fact that the region recognizes the good performance and soundness of the Peruvian financial system, as well as the Peruvian microfinance sector growth and Óscar Rivera's career at the same time.

Meanwhile, and as part of the recognition awarded Mibanco's work in the domestic and international market, this year our institution achieved important objectives that positioned the bank as a company with good practices in transparency, quality and human resource issues.

Thus, Mibanco won the third customer protection practice contest in transparency issues, organized by The Smart Campaign - ACCION International, for the loan contract summary in simple language, which evidences our concern for the protection of our customers.

The bank was also distinguished with the 2010 Excellence Award by the Management Society magazine and the international organization Lo Mejor del Management for its "Quality and Excellence in Microfinance" business model.

In addition, the American Chamber of Commerce of Peru recognized Mibanco as a company with the best practices in human resources, and awarded the bank with the Association of Good Employers Certification.

Furthermore, Mibanco was distinguished with the highest recognition, the 2010 Latin American Quality Awards, by the Latin American Quality Institute (LAQI), the most important Latin American institute for the development of quality regulations and patterns, for its achievement in the grade of Excellence in the principles of total quality, corporate social responsibility, sustainable development, fair trade and educational quality.

Finally, the Association of Private Organizations for the Development Promotion of Small and Microbusinesses (Consortio de Organizaciones Privadas de Promoción al Desarrollo de la Pequeña y Microempresa, COPEME) and the Microfinance Information Exchange (MIX) granted Mibanco the 2010 International Certificate in Transparency, in the category "Five Diamonds" for maintaining a high levels of transparency, high quality and high reliability standard in microfinance information.

A smiling woman with dark hair tied back, wearing a bright pink ruffled top, is holding a white folder. The folder has the Wipro logo in the top right corner. The background is dark and out of focus. A large yellow diagonal shape is on the left side of the image.

EXPERIENCE AND CAREER

Wipro



*Esther Benzaquén Porras, Talent Management Supervisor and
Luis Hong Cruz, Planning and Compensations Analyst*

OUR SHAREHOLDERS

GRUPO ACP

Grupo ACP is a non-profit civil association with more than 42 years of experience in the microbusiness segment. It is a Latin American corporation based in Peru, leader in social mission that defines poverty as a series of exclusions and aims at establishing ways of access for the development of its target group, the microbusiness entrepreneurs.

Thus, it has created a group of companies that complement each other, addressed to its target segment, providing its clients with the instruments they need to fulfill their dreams. Grupo ACP is engaged in business activities in the following areas:

MICROFINANCES

MIBANCO – PERU

Leading bank in microfinances, whose mission is to offer micro and small business owners easy and fast access to credit. The bank currently has than 500,000 and 112 agencies countrywide. Mibanco has become distinguished for its fast growth and notorious bank usage growth in the country, in particular in rural zones.

FORJADORES – MEXICO

An institution that offers loans to Mexican microbusiness entrepreneurs, mainly in the form of community banking and solidarity loans. The head office is located in Mexico city and there are branch offices in Zinacantepec, Toluca, Córdoba, Juchitán, Matías Romero, Querétaro, Tehuantepec, Xalapa, Orizaba, Tehuacán, Veracruz, Aguascalientes, Tlaxcala and Acayucán, among other important Mexican cities.

MICROFIN – URUGUAY

This institution provides efficient financing services to micro and small businesses, financing their efforts through loans. It contributes to the integration of segments excluded from the formal financial system.

EMPRENDA – ARGENTINA

A social mission institution, pioneer and leader in the microfinance market. It seeks to generate and strengthen credit relationships with working people, to grow together through productive, housing and multiple use loans.

Shareholding

BANCOSOL – BOLIVIA

Institution specialized in microfinances that in 1992 became the first commercial bank in the world which focused on lower socioeconomic segments of society. Today its loans portfolio is equal to approximately 3% of the Bolivian GDP and it offers a wide array of products and services, always aimed at its segment.

INTEGRAL – EL SALVADOR

First regulated savings and loan association, with more than 45,000 clients and a US\$ 74.5 million portfolio, which make it a leading institution in El Salvador's microfinance market. Its current product offer, which includes a complete portfolio of loans, remittances, debt, life and health microinsurance, community housing and home improvement program with cost-free technical assistance, constitutes a real contribution to the sustainable development of its clients.

FINANCIERA EL COMERCIO – PARAGUAY

Leading financial entity internationally recognized for its work in the rural and agricultural microfinance area. With 34 years since its incorporation and 22 years of experience in microloans, it is the most long-standing entity in the Paraguayan financial market, accounting for 70% of the total loan portfolio. It is the financial institution with the most offices in the country, with 52 branch offices and 250 authorized agents. It covers more than 200 places and serves more than 90,000 clients.

MICROINSURANCE**PROTECTA – PERU**

Company that offers protection, in particular, to microbusiness owners, entrepreneurs and their families, through the design and implementation of simple and easily accessible insurance policies. Protecta started operating in February 2008, with A and A- ratings awarded by PCR and Class & Asociados, respectively, ratings it keeps to date and which support the trust of the over 850,000 clients

that make up its portfolio today.

SECURA – PERU

An insurance broker company, leader in consultancy and generation of microinsurance and insurance for both mass coverage and programs for companies in general. The accumulated experience and its negotiation capacity ensure the competitive rates and premiums obtained for their clients.

EDUCATION AND TRAINING**APRENDA – PERU**

Company that creates and offers knowledge for professionals, entrepreneurs and microbusiness owners. It designs and executes enterprise and value chain development programs with large companies. It trains more than 26,000 people per year, promoting solid values and excellence in business.

COMMUNICATIONS**SOMOSEMPRESA – PERU**

Company that designs and executes positioning and relation strategies with entrepreneurs and micro and small business owners in Peru and Latin America, through the production of contents for mass media (television and radio shows and publications) and the creation of direct relation spaces that disseminate and promote a successful enterprising culture.

HOUSING AND INFRASTRUCTURE

VIVENCIA – PERU

Company that promotes the development of real estate and infrastructure that supports microbusiness owners and their environment with proper drinking water and sewerage, electrification and housing projects.

Shareholding

PANECONS – ECUADOR

Company that produces and offers panels that form part of reinforced concrete walls, prepared under the M2 system. They are used in roofs, walls, staircases and partitions for construction in general. The main characteristics of this system are design flexibility and great level of panel integration, allowing for safe, comfortable and economic constructions.

MARKETS

TIGGRES – PERU

Company that offers useful solutions and tools for micro and small business owners to optimize their businesses and obtain new clients through the Internet. Through their website Tiggres.com, they offer a cost-free listing of companies, a community of entrepreneurs and an area of contents on enterprising and business-related subjects.

CONSUMPTION

Shareholding

GONZALITO – PARAGUAY

Company that offers and grants financing required for the acquisition of different domestic and technological products, as well as for individual transportation means, which contribute to the improvement of the living conditions of low-income families in Paraguay. They also offer technical assistance, maintenance service and spare parts for the products they distribute.

CORPORATE SERVICES

CONECTA – PERU

A relational marketing company with five essential duties: portfolio generation, customer service, promotion, sales and collection. It operates mostly through a call center with state-of-the-art technology. It has qualified personnel locally and abroad.

CONECTA2 – EL SALVADOR

First company specialized in providing support service in the collection efforts by telephone and in the field to institutions engaged in micro and small business financing.

INNOVACIÓN – PERU

Company that offers data processing services to the companies of Grupo ACP.

It is the technological hub for the operations of the group of companies, in line with the requirements of each business.

FUTURA – PERU

Entity in charge of developing new projects for Grupo ACP. It deals with investors to establish creative alliances that may favor the success of micro and small business owners, and identifies new investment opportunities.

INVIERTA – PERU

Company engaged in the administration of investment funds in entities that support micro and small businesses. In addition, it provides consultancy, technical assistance and administration services, among others, related to the investments sector.

ACCION INTERNATIONAL (ACCION) (U.S.A.)

ACCION is a private, non-profit organization that contributes to the reduction of poverty among the underprivileged, providing them with the necessary financial tools, such as microloans, business training and other financial services. ACCION International, world pioneer in microfinancing, was founded in 1961 and granted the first microloan in 1973, in Brazil.

Since its creation, ACCION has contributed to the development of 62 microbusiness institutions in 31 countries across 4 continents, which today serve millions of clients worldwide. Meanwhile, in the United States of America, companies affiliated to ACCION form the largest network of

microbusiness institutions in the country and have served hundreds of thousands of clients and granted more than US\$ 275 million in loans since the launch of the pilot program in 1991. ACCION has received the “Social Capitalist Award” for five years in a row and in 2009 it was awarded the “Juscelino Kubitschek” recognition by the Inter American Development Bank for its work in the development of Latin America.

ACCION promotes the development of microfinance institutions capable of having sustainable and profitable growth. Based on a model that combines management, investment and corporate governance services, ACCION assists microbusiness institutions in their efforts to become entities independent from donor funds, able to attract deposits and obtain their funding from alternative sources. Furthermore, ACCION provides leadership in the microbusiness industry through the Financial Inclusion Center, “The Smart Campaign”, its seminars, workshops and publications.

In 2011, ACCION celebrates its 50th anniversary assisting the underprivileged in obtaining the necessary tools to escape poverty. ACCION is an organization that is proud of the pioneering role it has played in the creation of an industry that is currently considered a world phenomenon. However, ACCION recognizes as well that its job is not yet done and is committed to using its 50-year experience in the creation of a more inclusive financial world. For further information, please see the website www.accionorg/fiftyyears.

LA POSITIVA SEGUROS Y REASEGUROS (PERU)

Founded in 1937, La Positiva has more than 73 years experience in dedication to general insurance activities, offering protection to more than 3 million insured customers nationwide. The application of different successful strategies over all these years has consolidated its position as one of the leading and most renowned insurance companies in Peru, with investments in different South American countries.

LA POSITIVA VIDA SEGUROS Y REASEGUROS S.A. (PERU)

A subsidiary of La Positiva Seguros y Reaseguros, dedicated to life insurance and specialized in Annuity and Retirement insurance. With 5 years of operation, La Positiva Vida has achieved an important growth, above the average for the life insurance market in Peru. It currently offers confidence and peace of mind to its clients through a professional business management and its commitment to high service quality, which enables it to generate increasing confidence, thus guaranteeing its commitment towards its thousands of policyholders.

TRIODOS-DOEN / HIVOS-TRIODOS FONDOS / TRIODOS FAIR SHARE FUND

Triodos Investment Management manages the Triodos Microfinance Funds, Triodos-Doe, Hivos-Triodos Fondos and Triodos Fair Share Fund. In its capacity as shareholder in the microbusiness sector, the funds have a tridimensional approach that takes into account sustainable balance between people, planet and commercial benefits. They aim at establishing

long-term relations based on transparency and fairness, with the mutual commitment to mitigate poverty and take care of the planet where we live on.

The Triodos Microfinance Funds operate in 43 countries and, in addition to Mibanco, they participate in 18 other leading microfinance banks worldwide and grant funding to a total of 87 microfinance entities. At the end of 2010, the Funds invested 280 million Euros in microfinancing.

Triodos Investment Management is part of Triodos Bank, an independent bank with branch offices in The Netherlands, Belgium, United Kingdom, Spain and Germany, which only finances companies and initiatives that, in addition to being profitable, improve the quality of life of the people and respect nature. (www.triodos.com)

THE INTERNATIONAL FINANCE CORPORATION (IFC)

The International Finance Corporation (IFC), a member of the World Bank Group, is the main international development institution focused on the private sector in developing countries. It creates opportunities for people to build their way out from poverty and improve their living conditions. To that end, it provides financing to assist companies to hiring more people and providing essential services, it moves capital from third parties and provides consultancy services for sustainable development.

IFC combines investments with consultancy to assist the private sector in finding solutions to the main development challenges today. The three lines of

activity of IFC (investment services, consultancy and asset management) complement each other mutually and work together to transmit the technical knowledge acquired throughout the world to clients in over 100 developing countries.

In these days filled with uncertainty, the promotion of sustainable development depends more than ever on the formation of alliances and on innovation, as well as on the capacity to move resources wherever they are needed. IFC plays a key role in helping the private sector to face these challenges. Its investments and consultancy services focus in projects that aim at mitigating unemployment and climate change, placing more food and health within people's reach, assisting communities to obtain water supply, promoting sustainability in cities and improving living conditions in places devastated by conflicts.

During 2010, the new investments of the IFC reached a record of US\$ 18 billion, US\$ 12.7 of which derived from the corporation's own resources. The consultancy services portfolio had 736 active projects for a total value of more than US\$ 850 million, with an annual expenditure of US\$ 268 million.

IFC works with clients from different fields of the private sector to improve people's lives in the poorest areas of the world. During 2010, it invested in 255 projects throughout 58 countries that obtain resources from the International Development Association, commitments that amounted to US\$ 4.9 billion of own resources. These countries, where development needs are

most pressing, received almost half of the Corporation's investments in infrastructure and agribusiness. During 2010, IFC invested US\$ 5.3 billion worldwide, in micro and small and medium-sized (PYMES) businesses –driving forces in the creation of new jobs– in addition to US\$ 1.5 billion in infrastructure projects and US\$ 536 million in agribusiness.

Furthermore, they invested the record amount of US\$ 1.64 billion in clean energy, projects that moved US\$ 6.8 million from other sources. Projects related with climate change increased to account for up to 15% of the consultancy service portfolio value. The investments of IFC in microfinancing increased 10% to US\$ 400 million, bringing the total of this portfolio to US\$ 1,200 million.

The Latin American and Caribbean region represents the largest proportion of IFC commitments (24% during 2010) which includes more than US\$ 3.0 billion on the Corporation's account for 133 new projects in the private sector. IFC has 90 active projects in its consultancy service portfolio. IFC is a long-term partner that uses its investment products and consultancy services to speed up sustainable development, increasing access to financing, promoting the development of infrastructure and assisting the private sector in generating productive employment and to offering essential services to unattended segments of the population.

ACCION INVESTMENTS IN MICROFINANCE

Investment company sponsored by ACCION International, engaged in activities designed to reduce poverty worldwide through microfinancing. ACCION

Investments invests in regulated microfinance institutions that comply with strict efficiency parameters in their operations, administration and financial strength.

Its main shareholders are:

- ACCION International – U.S.A.
- Arthur Rock 2000 Trust – U.S.A.
- Belgische Investeringsmaatschappij voor Ontwikkelingslanden NV (BIO) – Belgium.
- Blueorchard Private Equity Fund, S.C.A., Sicav-Fis – Luxembourg.
- Stephen Brenninkmeijer – England.
- Fondo Finlandés para la Cooperación Industrial Ltd. (FinnFund) – Finland.
- The International Finance Corporation (IFC) – U.S.A.
- KREDITANSTALT für WIEDERAUFBAU (KfW) – Germany
- Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV, (FMO) – The Netherlands
- RESPONSABILITY Sicav (Lux) – Luxembourg.
- RESPONSABILITY Global Microfinance Fund – Luxembourg.
- RESPONSABILITY Bop Investments – Luxembourg.
- Hawk Rock Foundation – U.S.A.



Edurne Montjoy Vélez and Adriana Caballero Herbozo, Financial Analysts .

DIRECTORS

REGULAR DIRECTORS

Oscar Rivera Rivera

With Mibanco since its foundation in May 1998

- Chairman of the Board of Directors, Mibanco.
- Member of the Steering Council of Grupo ACP, Lima, Peru.
- Director de Aprenda, Lima, Peru.
- Former Bank Agency Administrator of Acción Comunitaria del Perú, Lima, Peru.
- President of the Banks Association (ASBANC), Lima, Peru.
- Chairman of the Board of Directors of the Latin American Federation of Banks (FELABAN), Bogota, Colombia.
- Director and Member of the Executive Committee of the National Confederation of Private Business - CONFIEP, Lima, Peru.
- Director of Arquitectura y Diseño NeoArte S.A., Lima, Peru.
- Chairman of the Board of Directors of the Bank Training Institute - (IFP), Lima, Peru.

Education:

- Business Administration – Universidad del Pacífico, Lima, Peru.

Luis Felipe Derteano Marie

With Mibanco since its foundation in May 1998

- Vice-Chairman of the Board of Directors, Mibanco.
- President of the Steering Council of Grupo ACP, Lima, Peru.
- Director of Protecta S.A. Compañía de Seguros, Lima, Peru.
- Former Bank Agency Administrator of Acción Comunitaria del Perú, Lima, Peru.
- Director of Solef, Lima, Peru.
- Chairman of the Board of Directors of Invierta, Lima, Peru.
- Chairman of the Board of Directors of Tiggres, Lima, Peru.
- Director of Forjadores de Negocios S.A, Mexico F.D., Mexico.
- Director of Bancosol, La Paz, Bolivia.
- Chairman of the Board of Directors of Microfin, Montevideo, Uruguay.
- Director of Empresa, Buenos Aires, Argentina.
- Director of Apoyo Integral, San Salvador, El Salvador.
- Director of Conectá2, San Salvador, El Salvador.
- Director of Financiera El Comercio, Asunción, Paraguay.

Education:

- Economics – Universidad Agraria La Molina, Lima, Peru.
- Postgraduate degree in Agricultural Economics – Universidad Católica de Chile, Santiago de Chile, Chile.

Roberto Dañino Zapata

With Mibanco since March 2007.

- Regular Director of Mibanco.
- Vice-Chairman of the Board of Directors and Executive Director of Hochschild Mining PLC, London, United Kingdom.
- Vice-Chairman of the Board of Directors of Fosfatos del Pacífico, Regular Director of Cementos Pacasmayo, AFP Integra, Goldfields Inc. (South Africa), Goldfields La Cima, Grupo RPP, Results for Development (U.S.A.).
- Former Senior Vice-President and Legal Advisor at the World Bank and Secretary General of CIADI, Washington D.C., U.S.A.
- Former Prime Minister of Peru and subsequently Peruvian Ambassador in the United States of America.
- Former partner at Wilmer, Cutler & Pickering, Washington, D.C., U.S.A.

Education:

- Law – School of Law, Harvard University, U.S.A., and Pontificia Universidad Católica del Perú, Lima, Peru.

Alfredo Llosa Barber

With Mibanco since March 2001.

- Regular Director of Mibanco.
- Vice-President of the Steering Council of Grupo ACP, Lima, Peru.
- Chairman of the Board of Directors of CONECTA, Centro de Contacto S.A., Lima, Peru.
- Director of Protecta S.A. Compañía de Seguros, Lima, Peru.
- Director of Forjadores de Negocios S.A, Mexico F.D., Mexico.
- Director of Microfin, Montevideo, Uruguay.
- Vice-President of the Steering Council of Acción Comunitaria del Perú, Lima, Peru.
- Director of Bancosol, La Paz, Bolivia.
- Director of Solef, Lima, Peru.
- Director of Tiggres, Lima, Peru.
- Director of Conectá2, San Salvador, El Salvador.
- Director of Gamesa, Arequipa, Peru.
- Vice-Chairman of the Board of Directors of Fundades, Lima, Peru.

Education:

- Business Administration – Georgetown University, Washington D.C, U.S.A.
- Master's degree in Latin American Studies specialized in Economic Development – Georgetown University, Washington D.C., U.S.A.

- Senior Management Program (PAD) – Universidad de Piura, Lima, Peru.
- Strategic Leadership for Microfinances – Harvard University – Business School – Boston, MA., U.S.A.

Juan Otero Steinhart

With Mibanco since November 2003.

- Regular Director of Mibanco.
- Director of Forjadores de Negocios S.A., Mexico F.D., Mexico.
- Director of Bancosol, La Paz, Bolivia.

Luis Ovalle Gates

With Mibanco since March 2009.

- Regular Director of Mibanco.
- President of the Administration Council of Forjadores de Negocios, Mexico F.D., Mexico.
- Director of Microfin, Montevideo, Uruguay.
- Director of Tiggres, Lima, Peru.
- Director of Invierta, Lima, Peru.
- Director of Solef, Lima, Peru.
- Director of Apoyo Integral, San Salvador, El Salvador.
- Alternate Director of Conectá2, San Salvador, El Salvador.
- Alternate Director of Somos Empresa, Grupo ACP, Lima, Peru.

- Alternate Director of Conecta, Centro de Contacto, Lima, Peru.
- Alternate Director of Aprenda, Lima, Peru.
- Alternate Director of CSC InnovAcción, Lima, Peru.
- Treasury Director of FOPECAL, Lima, Peru.
- General Manager of Grupo ACP, Lima, Peru.
- General Manager of ACP Vivencia, Lima, Peru.
- General Manager of Acción Comunitaria del Perú, Lima, Peru.

Education:

- Certified Public Accountant – Universidad Particular San Martín de Porres, Lima, Peru.
- Leadership Development Program – Universidad de Piura, Lima, Peru.

Miguel Pinasco Limas

With Mibanco since 1999.

- Regular Director of Mibanco.
- Executive Director of Solidaridad Sacerdotal Santa Rosa, Lima, Peru.
- Member of the Economic Council of the Peruvian Episcopal Conference.

Education:

- Mechanical Engineering and Electricity – Universidad Nacional de Ingeniería, Lima, Peru.
- Graduate degree on Business Administration and Finance – Universidad del

Pacífico, Lima, Peru.

- Senior Management Program in INCAE, Nicaragua.
- Senior Management Program (PAD) – Universidad de Piura, Lima, Peru.

Hugo Santa María Guzmán

With Mibanco since January 2007.

- Regular Director of Mibanco.
- Partner – Manager of Economic Studies – Chief Economist at Apoyo Consultoría S.A.C., Lima, Peru.
- Director of Inmobiliaria Korikancha (Lima Cargo City), Lima, Peru.
- Director of APOYO Comunicación Corporativa, Lima, Peru.
- Director of Compañía Minera Atacocha, Lima, Peru.

Education:

- Bachelor's degree and graduated in Economics – Universidad del Pacífico, Lima, Peru.
- Master's Degree and Doctorate in Economics – Washington University in St. Louis, U.S.A.

Michael Edward Schlein

With Mibanco since March 2010.

- Regular Director of Mibanco.
- Alternate Director of Bancosol, La Paz, Bolivia.

- Chairman of the Board of Directors and Executive Director of ACCION International, Washington D.C., U.S.A.
- Former Chairman of the Board of Directors of Citigroup, New York, U.S.A.
- Former Team Leader at the U.S. Securities and Exchange Commission, Washington D.C., U.S.A.
- Former Team Leader for Financial and Economic Matters of New York City Hall, U.S.A.
- Former Financial Director for the presidential campaign of Mr. Dukakis in New York, U.S.A.
- Former associate at Smith Barney Investment Banking, New York, U.S.A.
- Former Director of Citibank N.A., U.S.A. and of Bank Handlowy, Poland; Citibank Korea, Inc.; Governing Board of EMEA; Citigroup Foundation; Wildcat Service Corporation; New York Cares; Corporate Member of the Foreign Affairs Council; Member of the Trading Council of the Asia Society;
- Member of the Finance Committee of New York for the Election of President Obama, U.S.A.

Education:

- Master's Degree in Political Science and Graduated in Economics, PhiBeta Kappa – Massachusetts Institute of Technology, U.S.A.
- London School of Economics, London, England.

ALTERNATE DIRECTORS

Fernando Arias Vargas

With Mibanco since March 2007.

- Alternate Director of Mibanco.
- Member of the Steering Council of Grupo ACP, Lima, Peru.
- Chairman of the Board of Directors of Aprenda, Lima, Peru.
- Chairman of the Board of Directors of Minera Andina de Exploraciones S.A.A., Lima, Peru.
- Chairman of the Board of Directors of Peruana de Energía S.A.A., Lima, Peru.
- Member of the Institute of Mining Engineering of Peru, Lima, Peru.
- Director of Inmobiliaria EFIA S.A., Lima, Peru.
- Chairman of the Board of Renovables de los Andes SAC, Lima, Peru.

Education:

- Mining Engineer – Michigan Technological University, Michigan, U.S.A.

Esteban Andrés Altschul

With Mibanco since March 2010.

- Director of Operations (COO) at ACCION International, Boston, MA, U.S.A.
- From 1991 to 2008, he held different positions at International Finance Corporation (IFC), in Washington D.C., U.S.A., including Human Resources Director, Corporate Programs Manager, Chief Investments Officer and Team Leader in Eastern and Southern Europe, as well as Investments Officer for Latin America.

Education:

- Master's Degree in International Economics – Georgetown University, Washington D.C, U.S.A.
- Bachelor's Degree in International Business and Diplomacy Studies; graduated Magna cum Laude and Phi Beta Kappa – Georgetown University, Washington D.C., U.S.A.
- Development Program for Executives – Harvard University, Boston, MA, U.S.A.
- Leadership Training Programs – Diálogos Inc., Boston, MA, U.S.A.

Enrique Ferraro

With Mibanco since December 2004.

- Alternate Director of Mibanco.
- Director of Banco Solidario, Quito, Ecuador.
- Chairman of the Board of Directors of Bancosol, La Paz, Bolivia.
- Director of Akiba Commercial Bank, Tanzania.
- Managing Director of ACCION Investment Management Company, LLC, the company that manages ACCION Investments in Microfinance, SPC, Boston, MA, U.S.A.
- Alternate Director of Banco Popular, Tegucigalpa, Honduras.

Education:

- Master's degree in Business Administration – Universidad Nacional de Buenos Aires, Argentina.

MANAGEMENT

Rafael Llosa Barrios

With Mibanco since January 2004.

- General Manager, Mibanco.
- President of the General Managers' Committee of the Banks Association (ASBANC).
- Former Director of Wiese Inversiones Financieras S.A., Lima, Peru.
- Former Director of Wiese Sudameris Fondos SAF, Lima, Peru.
- Former Director of Mibanco (2001-2002), Lima, Peru.
- Former General Manager of Inversiones Mobiliarias S.A., Lima, Peru.
- Former Manager of the Capitals Market Division of Banco Wiese Sudameris, Lima, Peru.
- Former Finance Manager of Banco de Lima, Lima, Peru.
- Former Treasury Manager of Banco Santander Perú, Lima, Peru.

Education:

- Bachelor's degree in Law and Political Sciences – Universidad de Lima, Lima, Peru.
- HBS-ACCION Program on Strategic Leadership for Microfinance, Harvard Business School, U.S.A.
- Women's World Banking Program: Advanced Leadership Program, Wharton University of Pennsylvania, U.S.A.

Fernando Balbuena Favarato

With Mibanco since April 2004.

- Manager of the Marketing Division, Mibanco.
- Former Manager of Personal Banking and Marketing at Banco Sudamericano, Lima, Peru.
- Former Assistant Manager of Distribution and Sales at Banco de Crédito BCP, Lima, Peru.
- Former Assistant Manager of Economic Analysis at Credibolsa, Sociedad Agente de Bolsa, Lima, Peru.
- Former Assistant Manager of Operations (Finance and Administration) at Fondo de Compensación y Desarrollo Social (FONCODES) Lima, Peru.

Education:

- Bachelor's degree in Economics – Universidad del Pacífico, Lima, Peru.
- Master's degree in Economics and Business Management – IESE, Barcelona, Spain.

Rossina Castagnola Vásquez

With Mibanco since January 2009.

- Manager of the Human Resources Division, Mibanco.
- 20-year experience in Human Resources Management in companies in the Peruvian financial sector.

Education:

- Bachelor's degree in Industrial Relations – Universidad San Martín de Porres, Lima, Peru.
- Master's degree in Strategic Business Administration at the Business Center of Pontificia Universidad Católica del Perú – CENTRUM, Lima, Peru.
- Certified Consultant in Institutional Transformation by the Leading Consultation Postgraduate Program – IFSI Paris, France and MPhil Business School – Hull University, England.
- Management Skills Program (PAD) – Universidad de Piura, Lima, Peru.
- Advanced Workshop on Leadership at Women's World Banking (WWB) and the Wharton Aresty Institute for Executive Education, Pennsylvania University, Philadelphia, U.S.A.

José Castillo Deza

With Mibanco since June 2001.

- Manager of the Comptrolling and Finances Division, Mibanco.
- Former Manager of Special Projects at Banco Wiese Sudameris, Lima, Peru.
- Former General Accountant - Manager of Banco Wiese Limitado, Lima, Peru.
- Former Central Assistant Manager of Finance and Tax Accounting of Banco Wiese Limitado, Lima, Peru.

Education:

- Certified Public Accountant – Universidad Ricardo Palma, Lima, Peru.

- The CEOs' Management – Kellogg School of Management, Chicago, U.S.A.
- Business Administration Advanced Program (PADE) in Finances – ESAN, Lima, Peru.
- Leadership Development Program – Universidad de Piura, Lima, Peru.
- The CFO's Executive Program – The University of Chicago Booth School of Business, U.S.A.

Miguel Gonzáles Vargas

With Mibanco since May 1998.

- Manager of the Business Division, Mibanco.
- Former Microbusiness Manager at Mibanco.
- Former Head of Business Management at Mibanco.
- Former Regional Head of Business at Mibanco.

Education:

- Bachelor of Business Administration – Universidad Nacional Mayor de San Marcos, Lima, Peru.
- Master's degree in Business Administration – Universidad de Piura, Piura, Peru.
- Skills Program – Universidad de Monterrey, Mexico.
- Specialization in Marketing and Business - Kellogg School of Management, Chicago, U.S.A.

Roberto Gonzáles Peralta

With Mibanco since June 2008.

- Manager of the Service Banking Division, Mibanco.
- Former Head of Channel and Process Planning Service (Marketing Division) – Banco de Crédito BCP, Lima, Peru.
- Former Regional Head of Service Channels (Service Banking Division) – Banco de Crédito BCP, Lima, Peru.
- Former Head of Permanent Improvement Service (Quality Area) – Banco de Crédito BCP, Lima, Peru.

Education:

- Bachelor of Business Administration – Universidad de Piura, Piura, Peru.
- Master’s degree in Business Management – Universidad de Piura, Piura, Peru.
- Graduate degree in Banking and Financial Business – ESAN, Lima, Peru.

Leonel Henríquez Cartagena

With Mibanco since January 2009.

- Manager of the Risks and Standardization Division, Mibanco.
- Former Executive Vice-President of the Risks Division at Interbank, Lima, Peru.
- Former Executive Vice-President of the Commercial Division at Interbank, Lima, Peru.

- Former Corporate Manager of Commercial Risks at Corp. Group Interhold Chile S.A., Santiago de Chile, Chile.
- Former Central Risks Manager at Banco Santander Central Hispano, Lima, Peru.
- Former Financial Risks and Subsidiaries Manager, Banco Santander Chile, Santiago de Chile, Chile.
- Former Assistant Manager of the Risks Department of the Southern Cone area, Banco Santander Chile, Santiago de Chile, Chile.

Education:

- Bachelor of Economic and Administrative Sciences – Universidad de Chile, Santiago de Chile, Chile.
- Commercial Engineer – Universidad de Chile, Santiago de Chile, Chile.
- Audit Accountant – Universidad de Chile, Santiago de Chile, Chile.

Carolina Benavides Piaggio

With Mibanco since September 2010.

- Social Assets Manager of Banking, Mibanco.
- Regular columnist of El Comercio newspaper’s editorial page, Lima, Peru.
- Former Executive Director of Nexos Voluntarios and NeVo Consultores, Lima, Peru.
- Former Project Coordinator of the Harvard Program in Refugee Trauma, Cambridge, U.S.A.
- Former Head Researcher of the TV Show “Facetas”, with Televisión Nacional

del Perú and the Presidency of the Republic, Lima, Peru.

- Former Head of the Psychology and Social Research Department in “Wayna Warmi” – Laboratorio Merck, Lima, Peru.
- Former Coordinator of the Mentors Service for Disabled Refugee Students at the Westminster Kingsway College, London, England.

Education:

- Bachelor’s degree in Clinical Psychology – Universidad del Sagrado Corazón (UNIFE) Lima, Peru.
- Master’s degree in Psychoanalytical Theories – University College London, London, England.

Ana Bruckmann Corvera

With Mibanco since May 1998.

- Manager of Microbusiness Banking Area, Mibanco.
- Former Regional Head of Business at Mibanco.
- Former Agency Administrator at Mibanco.
- Former Agency Assistant Administrator at Mibanco.
- Former Regional Head of Business at Mibanco.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- Master’s degree in Institutional Microfinance Management – Universidad del Pacífico, Lima, Peru.

- International Senior Management Program (PIAD) in Finances – ESAN, Lima, Peru.

Luz María Boza Llosa

With Mibanco since December 2009.

- Administration and Risk Follow-up Manager at Mibanco.
- Former Manager of the Personal and Small Business Banking G&S Division at Banco Interbank, Lima, Peru.
- Former Corporate Product and Service Manager at Interbank, Lima, Peru.
- Former Senior Executive of Corporate Banking at Interbank, Lima, Peru.

Education:

- Bachelor’s degree in Business Administration – Universidad del Pacífico, Lima, Peru.
- Master’s degree in Business Administration – INCAE Business School, Costa Rica.

Rossana Chasseloup López

With Mibanco since September 2009.

- Manager of Legal Consultancy and General Secretariat at Mibanco.
- Former Legal Consultant at Banco Financiero del Perú, Lima, Peru.
- Former Assistant Manager of Legal Consultancy at Banco Wiese Sudameris, Lima, Peru.

- Former Legal Consultant of the Foreign Debt Office at MEF, Lima, Peru.
- Former Legal Advisor at Corporación Financiera de Desarrollo S.A. – COFIDE, Lima, Peru.

Education:

- Law – Universidad San Martín de Porres, Lima, Peru.
- Master's degree in Civil Law – Pontificia Universidad Católica del Perú, Lima, Peru.

José Delgado Contreras

With Mibanco since January 2003.

- Risks Manager, Mibanco.
- Former Assistant Risks Manager at Banco Santander Central Hispano, Lima, Peru.
- Former Senior Auditor at Banco Santander Central Hispano, Lima, Peru.
- Former Head of Loan Auditing at Bancosur, Lima, Peru.
- Former Senior Loan Auditor at Banco de Crédito BCP, Lima, Peru.
- Former Loan Analyst at Banco Popular del Perú, Lima, Peru.

Education:

- Certified Public Accountant – Universidad Ricardo Palma, Lima, Peru.
- Graduate studies in Financial Auditing – Association of Certified Public Accountants of Lima, Lima, Peru.
- Master's degree in Business Administration – Universidad San Ignacio de Loyola, Lima, Peru.

César Fernández Fernández

With Mibanco since April 2003.

- Commercial Intelligence Manager, Mibanco.
- Former Marketing and Product Manager at Banco Santander Central Hispano, Lima, Peru.
- Former Marketing Assistant Manager at AFP Unión Vida, Lima, Peru.
- Former Head of Budget and Media – Marketing at Banco de Crédito BCP, Lima, Peru.

Education:

- Economics – Universidad Inca Garcilaso de la Vega, Lima, Peru.
- Business Administration Advanced Program (PADE) in Marketing – ESAN, Lima, Peru.
- Master's degree in Business Administration and Management – Universidad de Tarapacá, Chile.

Eduardo Franco Águila

With Mibanco since February 2003.

- Channels and Central Processes Manager, Mibanco.
- Former Assistant Operations Manager in Solución Financiera de Crédito del Perú, Lima, Peru.
- Former Head of Operations at Banco de Crédito BCP – San Isidro office, Lima, Peru.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- Master's degree in Business Administration – Universidad Ricardo Palma, Lima, Peru.

Marcos García Injoque

With Mibanco since October 2010.

- Standardization Area Manager, Mibanco.
- Former Operations Manager of Servcorp, Lima, Peru.
- Former Assistant Collections Manager at Banco de Crédito BCP, Lima, Peru.
- Former Liquidator of Banco Nuevo Mundo, Lima, Peru.
- Former Assistant Collections Manager at Orión Banco (Grupo Carsa), Lima, Peru.

Education:

- Law – Pontificia Universidad Católica del Perú, Lima, Peru.
- Master's degree in Business Administration – Universidad del Pacífico, Lima, Peru.

Javier Guinassi Portugal

With Mibanco since July 2008.

- Small Business Banking Manager, Mibanco.
- Former Asset Financing Manager at HSBC Bank Peru, Lima, Peru.
- Former Business Banking Manager at Interbank, Lima, Peru.
- Former South Zone Manager at Interbank, Lima, Peru.
- Former Zone Corporate Branch Offices Manager at Interbank, Lima, Peru.
- Former Financial Markets Manager at Banco Santander Central Hispano, Lima, Peru.
- Former Commercial Manager of Santander Leasing, Lima, Peru.
- Former North Region Manager at Banco Santander, Lima, Peru.
- Former Assistant Finance Manager at NSPSA (Coca Cola) Lima, Peru.

Education:

- Bachelor in Business Administration – Universidad Católica Santa María, Arequipa, Peru.
- Specialized in Financial Management – Universidad de Tarapacá, Chile.
- Business Administration Advanced Program (PADE) in Finances – ESAN, Lima, Peru.
- Activity Based Costing – Harvard School, U.S.A.
- Financial Derivatives – Wharton School, University of Pennsylvania, U.S.A.
- Corporate Financial Strategy, Lima, Peru.
- Negotiation – Harvard University, U.S.A.
- International Senior Management Program (PIAD) in Microfinances – ESAN 2010.

Marco Lúcar Bérninzon

With Mibanco since September 2002.

- Development and Technology Manager, Mibanco.
- Former Head of the Process Engineering Area at Mibanco.
- Former Senior Analyst of the Process Engineering Area at Mibanco.
- Former Project Head of the Organizational Design Area at Banco Sudamericano, Lima, Peru.

Education:

- Graduate degree in Mechanical Engineering – Escuela Naval del Perú, Lima, Peru.
- Specialized in Quality Management – Osaka, Japan.
- Master's degree in Business Administration – Universidad del Pacífico, Lima, Peru.

María del Pilar Martínez Rubio

With Mibanco since December 2000.

- General Accountant of Mibanco.
- Formerly in charge of Expense Control of the Accounting Department and of the Implementation of the Accounting Guide of the Superintendence of Banking and Insurance Companies, of the Metropolitan Savings and Loans Associations, Lima, Peru.
- Former Head of the Financial and Statistical Statements of the Accounting Department of Banco de Comercio, Lima, Peru.

Education:

- Certified Public Accountant – Universidad Garcilaso de la Vega, Lima, Peru.
- Master's degree in Microfinance Institutions Management – Universidad del Pacífico, Lima, Peru.

Carlos Olazábal Chumán

With Mibanco since January 2001.

- Finance and Planning Area Manager, Mibanco.
- Former Head of Finance and Management Control at Mibanco.

Education:

- Bachelor's degree in Business Administration – Universidad de Piura, Piura, Peru.
- Master's degree in Business Administration – Universidad de Piura, Piura, Peru.
- Specialization in Banking and Financial Business – ESAN, Lima, Peru.
- Specialization in Banking – ASBANC, Lima, Peru.

Jessica Pacheco Lengua

With Mibanco since December 2002.

- Micro Business Banking – Preferential Banking Manager, Mibanco.
- Former Regional Head of Business at Mibanco.

- Former Regional Manager at Forjadores – Mexico.
- Former Regional – Metropolitan Manager of Banco Compartamos – Mexico.
- Former Bank Agency Administrator of Acción Comunitaria del Perú, Lima, Peru.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- PADE (Business Administration Advanced Program) in Finances – ESAN, Lima, Peru.
- Master's degree in Finance – Universidad de las Américas, Puebla, Mexico.
- International Senior Management Program (PIAD) in Finances – ESAN, Lima, Peru.

Ramiro Postigo Castro

With Mibanco since January 2003.

- Treasury Area Manager, Mibanco.
- Former Assistant Treasury Manager at Banco Nuevo Mundo, Lima, Peru.
- Former Manager of Capital Markets and Distribution at NBK Bank, Lima, Peru.
- Former Treasury Manager at Banco del Progreso, Lima, Peru.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- European Master's degree in Strategic Finance and Business Administration – Graduate School of Universidad Peruana de Ciencias (UPC), Lima, Peru.

- Specialization course in Finance and Business Administration – Escuela de Negocios EOI, Madrid, Spain.
- Specialization Studies in Finance and Treasury – Harvard University Extension School – Cambridge, Massachusetts, U.S.A.
- The CFO's Executive Program – The University of Chicago Booth School of Business, U.S.A.

Dante Torres Martínez

With Mibanco since March 2004.

- General Auditor, Mibanco.
- Former Audit Manager at Banco Sudamericano, Lima, Peru.
- Former Assistant Audit Manager at Interbank, Lima, Peru.
- Former Audit Manager at Banco Exterior de los Andes y de España S.A., Extebandes, Lima, Peru.
- Former Finance and Business Manager at EFE Comercial S.A., Lima, Peru.
- Former Assistant Audit Manager at Banco Mercantil del Perú, Lima, Peru.
- Former Senior Auditor at Pricewaterhouse, Lima, Peru.

Education:

- Certified Public Accountant – Universidad de Lima, Lima, Peru.
- Certified Internal Auditor – The Institute of Internal Auditors, Florida, U.S.A.
- Certified in Control Self Assessment – The Institute of Internal Auditors, Florida, U.S.A.

- Business Administration Advanced Program (PADE) in Finances – ESAN, Lima, Peru.
- Master's degree in Finance – Universidad del Pacífico, Lima, Peru.

María Luz Zegarra Seminario

With Mibanco since August 2010.

- Commercial Segments Area Manager, Mibanco.
- Former Corporate Banking Division Manager at Banco Interamericano de Finanzas, Lima, Peru.
- Former Corporate Banking Division Manager at Interbank, Lima, Peru.
- Former Corporate Banking Division and Office Network Manager at Interbank, Lima, Peru.
- Former Office Network Manager at Interbank, Lima, Peru.
- Former Money Market Division Manager of the Office Network at Interbank, Lima, Peru.

Education:

- Graduated in Business Administration – Universidad Ricardo Palma, Lima, Peru.
- Master's degree in Business Administration – ESAN, Lima, Peru.
- Management Skills Program – Universidad de Piura, Lima, Peru.
- Commercial Management Program – Universidad de Piura, Lima, Peru.
- Leadership Development Program – Universidad de Piura, Lima, Peru.

*Laura Jara Amézaga ,
Guarantees Analyst*



FINANCIAL STATEMENTS





Unidad	1	2	3	4	5	6	7	8	9	10	11	12
OPERACIONES	1	1	1	1	1	1	1	1	1	1	1	1
GESTION LOGISTICA	1	1	1	1	1	1	1	1	1	1	1	1
ADMINISTRACION FINANCIERA Y CONTABILIDAD	1	1	1	1	1	1	1	1	1	1	1	1
RECURSOS HUMANOS	1	1	1	1	1	1	1	1	1	1	1	1
INVERSIONES FINANCIERAS	1	1	1	1	1	1	1	1	1	1	1	1
ADMINISTRACION DE TI	1	1	1	1	1	1	1	1	1	1	1	1
ADMINISTRACION DE LOGISTICA	1	1	1	1	1	1	1	1	1	1	1	1
ADMINISTRACION FINANCIERA Y CONTABILIDAD	1	1	1	1	1	1	1	1	1	1	1	1

José Jiménez Falcón, Henry Cabana Huamaní,
 Karina Ccanto Palacios and Eliana Figueroa
 Chávez, Auditing Supervisors



Medina, Zaldívar, Paredes & Asociados
Sociedad Civil de Responsabilidad Limitada

Dictamen de los auditores independientes

A los Accionistas de Mibanco, Banco de la Microempresa S.A.

Hemos auditado los estados financieros adjuntos de Mibanco, Banco de la Microempresa S.A. (una entidad financiera peruana, subsidiaria del Grupo ACP Inversiones y Desarrollo) que comprenden el balance general al 31 de diciembre de 2010 y de 2009, y los estados de ganancias y pérdidas, de cambios en el patrimonio neto y de flujos de efectivo por los años terminados el 31 de diciembre de 2010, de 2009 y de 2008, así como el resumen de políticas contables significativas y otras notas explicativas.

Responsabilidad de la Gerencia sobre los Estados Financieros

La Gerencia es responsable de la preparación y presentación razonable de estos estados financieros de acuerdo con las normas contables establecidas por la Superintendencia de Banca, Seguros y AFP (SBS) para las entidades financieras en el Perú, y del control interno que la Gerencia determina que es necesario para permitir la preparación de estados financieros que estén libres de errores materiales, ya sea por fraude o error.

Responsabilidad del Auditor

Nuestra responsabilidad consiste en expresar una opinión sobre estos estados financieros basados en nuestras auditorías. Nuestras auditorías fueron realizadas de acuerdo con normas de auditoría generalmente aceptadas en el Perú para entidades financieras. Tales normas requieren que cumplamos con requerimientos éticos y planifiquemos y realicemos la auditoría para obtener una seguridad razonable de que los estados financieros no incluyan representaciones erróneas de importancia relativa.

Una auditoría comprende la ejecución de procedimientos para obtener evidencia de auditoría sobre los saldos y las divulgaciones en los estados financieros. Los procedimientos seleccionados dependen del juicio del auditor, que incluye la evaluación del riesgo de que los estados financieros contengan representaciones erróneas de importancia relativa, ya sea como resultado de fraude o error. Al efectuar esta evaluación de riesgo, el auditor toma en consideración el control interno relevante del Banco para la preparación y presentación razonable de los estados financieros a fin de diseñar procedimientos de auditoría de acuerdo con las circunstancias, pero no con el propósito de expresar una opinión sobre la efectividad del control interno del Banco. Una auditoría también comprende la evaluación de si los principios de contabilidad aplicados son apropiados y si las estimaciones contables realizadas por la Gerencia son razonables, así como una evaluación de la presentación general de los estados financieros.

Consideramos que la evidencia de auditoría que hemos obtenido es suficiente y apropiada para proporcionarnos una base para nuestra opinión de auditoría.

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Dictamen de los auditores independientes (continuación)

Opinión

En nuestra opinión, los estados financieros antes indicados presentan razonablemente, en todos sus aspectos significativos, la situación financiera de Mibanco, Banco de la Microempresa S.A. al 31 de diciembre de 2010 y de 2009, así como el resultado de sus operaciones y sus flujos de efectivo por los años terminados el 31 de diciembre de 2010, de 2009 y de 2008, de acuerdo con las normas contables establecidas por la Superintendencia de Banca, Seguros y AFP (SBS) para las entidades financieras en el Perú, ver nota 2.

Lima, Perú,
10 de febrero de 2011

Refrendado por:

Fernando Núñez Pazos
C.P.C.C. Matrícula No.22755

Medina, Zaldivar, Paredes
& Asociados

Mibanco, Banco de la Microempresa S.A.

Balance Sheet

As of December 31, 2010 and 2009

	Note	2010	2009
		S/.(000)	S/.(000)
Assets			
Available	4		
Cash and clearing		134,301	106,809
Deposits in the Central Reserve Bank of Peru		268,911	157,376
Deposits in local and foreign banks		235,918	22,041
Accrued interest from other cash and due from banks		310	-
		639,440	286,226
Inter-bank funds		30,005	78,251
Marketable investments available for sale	5	9,570	258,306
Loans portfolio, net	6	3,509,758	2,901,334
Property, furniture and equipment, net	7	122,288	98,007
Deferred asset for income tax and workers' share, net	13(e)	36,273	30,388
Other assets, net	8	61,102	42,993
		4,408,436	3,695,505
Memorandum accounts	14		
Contingent debt		300,295	304,843
Debit memorandum accounts		1,983,906	1,475,189
		2,284,201	1,780,032

	Note	2010	2009
		S/.(000)	S/.(000)
Liabilities and stockholders' equity			
Obligations with the public	9	2,847,917	2,302,877
Deposits from companies within the financial system		299,394	190,802
Short-term financial debts and obligations	10	321,492	238,540
Long-term financial debts and obligations	10	428,925	493,707
Outstanding shares, securities and obligations	11	39,478	86,990
Other liabilities	8	81,099	60,083
		<hr/>	<hr/>
Total liabilities		4,018,305	3,372,999
		<hr/>	<hr/>
Stockholders' equity			
Stockholders' equity	12		
Capital stock		244,764	186,764
Legal reserve		45,485	35,523
Voluntary reserve		2,681	2,681
Unrealized gain, net		58	449
Retained earnings		97,143	97,089
		<hr/>	<hr/>
Total stockholders' equity		390,131	322,506
		<hr/>	<hr/>
Liabilities and stockholders' equity, net		4,408,436	3,695,505
		<hr/>	<hr/>
Memorandum accounts			
Memorandum accounts	14		
Contingent credit accounts		300,295	304,843
Credit memorandum accounts		1,983,906	1,475,189
		<hr/>	<hr/>
		2,284,201	1,780,032
		<hr/>	<hr/>

Mibanco, Banco de la Microempresa S.A.**Profit and Loss Statement**

For the years ended on December 31, 2010, 2009 and 2008

	Note	2010	2009	2008
		S/.(000)	S/.(000)	S/.(000)
Financial income	15	936,827	841,783	588,723
Financial expenses	15	(165,657)	(176,177)	(123,612)
Gross financial margin		771,170	665,606	465,111
Provision for doubtful loans	6(e)	(421,748)	(272,544)	(124,818)
Recovery of provision for doubtful loans	6(e)	152,889	48,705	27,259
		(268,859)	(223,839)	(97,559)
Financial margin, net		502,311	441,767	367,552
Income from financial services		64,215	46,296	25,269
Expenses for financial services		(8,764)	(4,572)	(2,968)
Operating margin		557,762	483,491	389,853
Administrative expenses				
Personnel expenses	16	(247,520)	(200,258)	(162,667)
Expenses for third-party services	17	(145,657)	(114,805)	(89,379)
Taxes and contributions		(3,820)	(3,363)	(2,712)
		(396,997)	(318,426)	(254,758)
Operating margin, net		160,765	165,065	135,095

	Note	2010	2009	2008
		S/.(000)	S/.(000)	S/.(000)
Provisions, depreciation and amortization				
Depreciation of property, furniture and equipment	7(a)	(19,124)	(16,579)	(10,739)
Amortization of intangibles	8(b)	(2,552)	(2,069)	(2,375)
Provisions for contingencies, other accounts receivable and others		(8,763)	(9,045)	(3,703)
		(30,439)	(27,693)	(16,817)
Income from operations		130,326	137,372	118,278
Other income, net	18	18,552	13,888	10,637
Earnings before workers' share and income tax		148,878	151,260	128,915
Workers' share	13(f)	(8,145)	(8,484)	(6,724)
Income tax	13(f)	(43,590)	(45,687)	(37,186)
Net earnings		97,143	97,089	85,005
Earnings per share (in nuevos soles)	19	0.397	0.397	0.347
Weighted average of the number of outstanding shares (in thousands of units)	19	244,764	244,764	244,764

Statement of Changes in Stockholders' Equity

Statement of Changes in Stockholders' Equity

For the years ended on December 31, 2010, 2009 and 2008

	Number of Shares	Capital Stock	Legal Reserve	Voluntary reserve	Unrealized gain, net	Retained earnings	Total
	(in thousands)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Balance as of January 1, 2008	113,764	113,764	19,633	2,681	-	61,158	197,236
Transfer to legal reserve, note 12(b)	-	-	6,637	-	-	(6,637)	-
Capitalization of earnings, note 12(a)	27,000	27,000	-	-	-	(27,000)	-
Payment of dividends, note 12(c)	-	-	-	-	-	(27,521)	(27,521)
Net earnings for the year	-	-	-	-	-	85,005	85,005
Balance as of December 31, 2008	140,764	140,764	26,270	2,681	-	85,005	254,720
Transfer to legal reserve, note 12(b)	-	-	9,253	-	-	(9,253)	-
Capitalization of earnings, note 12(a)	46,000	46,000	-	-	-	(46,000)	-
Unrealized net gain, net of provision for permanent impairment	-	-	-	-	449	-	449
Payment of dividends, note 12(c)	-	-	-	-	-	(29,752)	(29,752)
Net earnings for the year	-	-	-	-	-	97,089	97,089

	Number of Shares	Capital Stock	Legal Reserve	Voluntary reserve	Unrealized gain, net	Retained earnings	Total
	(in thousands)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Balance as of December 31, 2009.	186,764	186,764	35,523	2,681	449	97,089	322,506
Transfer to legal reserve 12(b)	-	-	9,962	-	-	(9,962)	-
Capitalization of earnings, note 12(a)	58,000	58,000	-	-	-	(58,000)	-
Transfer of realized net gain from investments available for sale to results, net of realized loss	-	-	-	-	(391)	-	(391)
Payment of dividends, note 12(c)	-	-	-	-	-	(29,127)	(29,127)
Net earnings for the year	-	-	-	-	-	97,143	97,143
Balance as of December 31, 2008	244,764	244,764	45,485	2,681	58	97,143	390,131

Mibanco, Banco de la Microempresa S.A.**Cash Flow Statement**

For the years ended on December 31, 2010, 2009 and 2008

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Cash flow from operations			
Net earnings	97,143	97,089	85,005
Adjustments to reconcile net income with net cash from operations			
Plus (minus)			
Provision for doubtful loans, net of recoveries	268,859	223,839	97,559
Depreciation and amortization	21,676	18,648	13,114
Provision for impairment of permanent investments and investments available for sale	-	(38)	(53)
Otros, neto	5,931	5,064	1,122
Debits and credits due to net changes in assets and liabilities			
Other assets	(37,971)	(36,504)	(18,689)
Other liabilities	25,640	24,626	18,072
Net cash from operations	381,278	332,724	196,130
Cash flow from investment activities			
Acquisition of intangibles	(8,975)	(5,075)	(2,213)
Acquisition of property, furniture and equipment	(45,900)	(36,206)	(38,032)
Net cash used for investment activities	(54,875)	(41,281)	(40,245)

Cash Flow Statement (continuation)

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Cash flow from financing activities			
Net increase in loan portfolio	(860,293)	(695,794)	(1,024,057)
Net increase (decrease) of debit inter-bank funds	48,246	(63,248)	4,980
Net increase in marketable investments available for sale	248,319	(159,213)	(52,917)
Net increase of investment in subsidiaries and related companies	-	-	(18)
Net increase in deposits and obligations	537,534	711,507	694,584
Net (decrease) increase in deposits from companies in the financial system	108,592	(68,121)	182,576
Net (decrease) increase in indebtedness and other financial obligations	20,716	(11,417)	225,175
Net (decrease) increase in outstanding shares, securities and obligations	(47,176)	(35,043)	31,440
Payment of dividends	(29,127)	(29,752)	(27,521)
	<hr/>	<hr/>	<hr/>
Net cash used for financing activities	26,811	(351,081)	34,242
	<hr/>	<hr/>	<hr/>
Net (decrease) increase of cash and cash equivalents	353,214	(59,638)	190,127
Opening cash and cash equivalent balance	286,226	345,864	155,737
	<hr/>	<hr/>	<hr/>
Closing cash and cash equivalent balance	639,440	286,226	345,864
	<hr/>	<hr/>	<hr/>

Mibanco, Banco de la Microempresa S.A.

Notes to financial statements

As of December 31, 2010 and 2009

1. Economic activity

Mibanco, Banco de la Microempresa S.A. (hereinafter referred to as "the Bank") is a subsidiary of ACP Inversiones y Desarrollo S.A., which owns 60.07 percent of its common shares as at December 31, 2010 and 2009, respectively, Note 12 (a). The Bank is a corporation organized in Peru on March 2, 1998.

The social purpose of the Bank is to conduct banking operations preferentially aimed at the micro and small business sector. Its operations are regulated by the General Law on the Financial and Insurance System and Organic Law of the SBS (hereinafter referred to as the "Law on Banking") – Law 26702, that establishes the requirements, rights, obligations, guarantees, restrictions and other operating conditions to which private legal entities operating in the financing and insurance system are subjected. The Bank is authorized by the Superintendence of Banking, Insurance and Pension Fund Administration Companies (SBS) to operate as a multi-operations bank pursuant to the legal provisions in force in Peru. As such, it is authorized to receive deposits from third parties and invest them, together with its capital, in loans and the acquisition of securities, to grant sureties and guarantees, to conduct operations related to financial intermediation, to provide banking services and to conduct other activities permitted by the Law on Banking.

The main office of the Bank is located at Av. Domingo Orué 165, Surquillo, Lima, Peru. As at December 31, 2010 and 2009 the Bank had 111 and 110 offices, respectively, in Lima and in the provinces.

The financial statements as at December 31, 2009 were approved by the Shareholders' Meeting held on March 18, 2010. The accompanying financial statements for the year 2010 were approved by the Management and the Board of Directors on January 10 and 21, respectively, and will be submitted for the approval of the Shareholders' Meeting within the time period established by law. In opinion of the management, the accompanying financial statements will be approved by the Shareholders' Meeting without modifications.

2. Accounting principles and practices

(a) Bases of presentation, use of estimates and accounting changes -

(i) Bases of presentation and use of estimates -

The accompanying financial statements have been prepared in Nuevos Soles based on the accounting records in accordance with SBS regulations and, in addition, in line

with International Financial Reporting Standards – IFRS approved in Peru through resolutions issued by the Accounting Standards Board (CNC) and in force as at December 31, 2010 and 2009, see paragraph (r.1) below.

The preparation of financial statements requires that the management make estimates that affect the asset and liability and income and expenses figures reported and the disclosure of significant events in the notes to the financial statements. The final results might differ from such estimates.

Estimates are constantly being evaluated and are based on historic experience and other factors. The most significant estimates in relation with the accompanying financial statements correspond to the provision for doubtful loans, the valuation of investments, the determination of useful life and recoverable value of property, furniture and equipment, the valuation of derivative financial instruments and the calculation of deferred income tax and workers' participation, the accounting criteria for which are described in this note.

(ii) Changes in accounting principles:

(ii.a) By SBS Resolution 11356-2008, dated November 19, 2008, the SBS approved the new "Regulations for the evaluation and classification of debtors and provision requirement" that entered into full force and effect as of July 1, 2010, except for the part referred to the procyclical rule, the effectiveness of which is explained further below.

The main changes introduced by SBS Resolution 11356-2008 are the following:

- It establishes new types of portfolio, passing from four types (commercial, consumer, MES and mortgage) to eight types (corporate loans, loans to large companies, to medium-size companies, to small companies, to microbusinesses, revolving consumption, non-revolving consumption and housing mortgage loans) which are mainly determined by the level of revenues from sales of the debtor and the amount of the loan. See further details in Note 2(d).

- It separates the loans portfolio in retail and non-retail debtors. Retail debtors include individuals or companies that have direct and indirect loans classified as consumer loans (revolving and non-revolving) to microbusinesses, small companies or housing mortgage loans. Non-retail debtors correspond to individuals or companies that have direct or indirect corporate loans, to large companies or to medium-size companies.

- It establishes loan conversion factors on indirect loans to determine the "Exposure equivalent to credit risk." Factors may be 0%, 20%, 50% and 100%, depending on the type of credit, which is the basis to calculate the provisions on.

- It establishes new provision percentages for loans classified as normal. See Note 6 (d)(i).

- It establishes the procyclical rule, the purpose of which is to increase generic reserves for loans classified as normal, especially for consumer loans .

- see Note 6(d) - based on the behavior of certain macroeconomic variables of the country. The procyclical rule was kept active during the period of December 1, 2008 to August 1, 2009 and was, subsequently reactivated as of September 1, 2010 by Circular Letter B-2193-2010.

- For credits more than 90 days overdue, the Bank will estimate the loss expected for each credit operation with that debtor. Such estimate will be made taking into account the economic situation and the conditions of the operation, including the value of the collateral, the kind of loan, the debtor's economic sector and others. The Bank must constitute as specific reserve the estimated loss or the reserve calculation according to the general treatment, whichever results higher. See note 2 (d).

Furthermore, as SBS regulations are applicable for future statements, the adoption of the above-mentioned Resolution had no effect on the financial situation and results recorded in the financial statements of the Bank as of December 31, 2009 and 2008.

(ii.b) By Circular Letter SBS B-2193-2010, dated September 28, 2010, the SBS informed companies in the financial system of the reactivation of the procyclical component rates for reserves on direct and indirect loans of debtors classified under the normal category, since the macroeconomic conditions that activate this rule had been met as of such month.

As of the date when the Circular Letter became effective, the Bank recorded an additional reserve of S/ 3,289,000 for this concept.

(ii.c) By Resolution SBS 6941-2008, reserves for over-indebtedness are required, as explained in further detail in paragraph (d) below.

(ii.d) On February 24, 2010, the SBS issued Resolution 1967-2010 establishing the accounting treatment for limited and unlimited life intangibles.

- Limited life intangibles will be repaid within a maximum term of five years and the amortization method to be adopted may not be modified without the authorization of the SBS.

- Unlimited life intangibles, such as Goodwill, generated prior to January 1, 2010, shall be repaid until December 31, 2009, according to the provisions in force on the date when its initial accounting recording was made and considering a maximum term of 5 years. As of January 1, 2010, amortization of such intangibles is suspended and they are valued at the net of amortization cost as at that date, less any accumulated value impairment.

(b) Financial instruments -

Financial instruments are classified as assets, liabilities or equity according to the substance of the contractual agreement from which they originated. Interests, dividends, profits and losses generated by a financial instrument classified as an asset or liability, are recorded as income or expense. Financial instruments are offset when the Bank has the legal right to compensate them and management has the intention of settling them on a net basis or realizing the asset and canceling the liability simultaneously.

The financial assets and liabilities presented on the balance sheet correspond to available cash, inter-bank funds, marketable investments available for sale, the loan portfolio, accounts receivable included in the "Other assets, net," account and liabilities in general, except for the deferred employees' share and income tax liabilities. Furthermore, all derivative instruments and indirect loans are considered to be financial instruments. Accounting policies on recognition and valuation of these items are disclosed in the respective accounting policies described in this note.

(c) Recognition of income and expenses -

Income from and expenses due to interests, are recorded in the period in which they are accrued, based on the effective term of the related operations and the interest rates freely negotiated with the clients, except in the case of interests on arrears, refinanced and under judicial collection, as well as loans classified as doubtful or write-offs, which are recognized as income as they are collected. When management determines that the financial condition of a debtor has improved and the loan is reclassified as being in effect or in the normal categories with potential problems or substandard, interest is once again recorded on an accrued basis.

Income from interest includes the accrued yield of fixed-income investments, as well as recognition of discounts and premium on the financial instruments. Dividends are recorded as income when they are declared.

Commissions for financial services are recorded as income when they are received. Other income and expenses are recognized as earned or incurred in the period when they are accrued.

(d) Loan portfolio and provision for doubtful loans -

Direct loans are recorded when disbursements of funds are made in favor of clients. Indirect loans (contingencies) are recorded when the documents supporting such credit facilities are issued. Refinanced loans are those that due to debtor's difficulties to repay have their initial payment schedules and/or amount changed.

Leasing operations are recorded using the financial method, entering as loan the capital amount in the outstanding lease quotas.

As of December 31, 2009, the reserve for bad loans was determined following the criteria established by Resolution 808-2003, Resolution 11356-2008 (as to the application of the procyclical rule) and Resolution 6941-2008 "Regulations for the Over-indebtedness Risk of Retail Debtors." As at December 31, 2010 and, as previously explained in paragraph (a)(ii), the reserve for doubtful collection was determined following the criteria set forth in Resolutions 11356-2008, 6941-2008 and Circular Letter 2193-2010. In line with such criteria, the Management carries out periodical reviews and analyses of the loans portfolio, classifying its portfolio in the following categories: normal, with potential problem, deficient, doubtful or loss, depending on the level of payment default risk of each debtor.

In the case of non-retail debtors, classification into one of the above-mentioned categories takes into consideration the following factors, among others: the payment record, the record of the business relationship between the Bank and the debtor's management, the record of operations, the payment capacity and the debtor's availability of funds, the situation of collaterals and guarantees, the debtor's financial statements, the risk rating awarded to the debtor by other financial institutions in the market and other relevant factors. In the case of loans granted to retail debtors, classification is made, particularly, based on delays in payments.

As of December 31, 2010, calculation of the reserve for indirect loans, as mentioned in paragraph (a)(ii), is determined based on the loan conversion factor. As of December 31, 2009 and until June 30, 2010, calculation of the reserve for indirect loans was made based on the total of such loans.

The calculation of the reserve is made according to the classification awarded and considering specific percentages, which vary if the loans are secured or not by preferred self-liquidating guarantees – CGPA (cash deposits and letter of credit titles) or readily available preferred guarantees – CGPMRR (public debt instruments issued by the Central Government, securities listed in the Lima Stock Exchange, among others) or preferred guarantees – CGP (first lien on financial instruments and real or personal property, first lien on agricultural or mining

property, export loan insurance, and others) considered at their estimated realization value, as determined by independent appraisers. If the loans have the subsidiary liability of a company in the financial or insurance system (loans subject to credit counterparty replacement) the calculation of the reserve considers the guarantor's rating.

In the reserve calculation for clients classified as doubtful or write-offs for more than 36 and 24 months, respectively, the collateral value is not considered and the calculation is made as if they were unsecured loans.

The provisions for direct loans are recorded deducting the balance amount in the assets, whereas the provisions for indirect loans are recorded in the liabilities.

As at December 31, 2010, the Bank has recorded reserves for doubtful loans exceeding the minimum amounts established by SBS regulations in order to cover additional risks estimated in the loans portfolio for approximately S/ 27,522,000 (S/ 26,554,000 at December 31, 2009).

These reserves are in line with SBS regulations. In addition, as of December 31, 2010 and 2009, the Bank keeps procyclical reserves for an amount of approximately S/16,628,000 and S/13,147,000, respectively.

SBS Resolution 6941 – 2008, dated August 25, 2008, made amendments and clarifications to the "Regulations for Over-indebtedness Risk Management of Retail Debtors", effective as of December 2008, thus replacing Resolutions 1237-2006 and 930-2007. This regulation sets forth that companies in the Financial System must establish an over-indebtedness risk management system to reduce the risk prior to and after granting the loan; and to make permanent follow up of the portfolio to identify over-indebted debtors to determine the need for additional reserves for such exposure. The regulation establishes that the companies that do not comply with such regulations to the satisfaction of the SBS, for the purpose of the reserve, shall calculate the exposure equivalent to the loan risk applying a 20% factor to the unused amount of the MES and consumer-type revolving credit lines and then calculate, over that amount, the reserve according to the debtor's classification.

(e) Operations in foreign currency -

Assets and liabilities in foreign currency are recorded at the exchange rate on the date on which the transactions take place and are expressed in Peruvian currency at the closing of each month, using the exchange rate set by the SBS for that date, note 3. Exchange gains or losses from translating assets and liabilities in foreign currency at the exchange rate in effect as of the balance sheet date are recorded in the year end results.

Non-monetary assets and liabilities acquired in foreign currency are recorded in Nuevos soles at the exchange rate on the date of acquisition.

(f) Investments available for sale -

SBS Resolution 10639-2008 entered into full force and effect on March 1, 2009; consequently, on that date and following the SBS guidelines, the Bank recorded under the heading "Unrealized Earnings" of the stockholders' equity the unrealized earnings accumulated up to that date, resulting from the valuation at fair value of investments available for sale. Therefore, as of December 31, 2010 and 2009, the initial recording and the subsequent measurement of investments available for sale are made pursuant to the provisions set forth in SBS Resolution 10639-2008 "Regulations on classification and valuation of investments of financial system entities" as amended. The valuation criteria of negotiable investments available for sale are:

- The initial recording is made at fair value, including transaction costs directly related to the acquisition of such investments. The valuation of investments available for sale shall be at fair value and the profit or loss originated by the variation between the initial recording and their fair value shall be recognized directly in the stockholders' equity, unless there is a permanent impairment of their value. When the instrument is sold or realized, any gains or losses, previously recognized as part of the equity, shall be included in the year-end results.

- In the case of instruments representing debt, prior to the valuation at fair value, the amortized cost must be updated in the books applying the effective interest rate method and earnings and losses from the variation of the fair value must be recognized based on such amortized cost.

Interests will be recognized using the effective interest rate method, which includes both the interests to be charged and the payment of the premium or discount upon awarding.

The Bank must assess on each balance sheet date, if there is evidence that an instrument classified as investment available for sale evidences impairment of its value, which must be recognized in the year-end results even if the instrument has not been sold or withdrawn.

SBS Resolution 10639-2008 sets forth that if the SBS should consider that it is necessary to establish an additional provision for any type of investment, it shall determine such provision on an individual basis, and it shall be recorded in the results for the year in which the SBS requests the provision.

The difference between income received from the sales of investments and their book value is recognized in the profit and loss statement.

As of December 31, 2008 and until February 28, 2009, investments available for sale were valued in accordance with SBS Resolution 1914-2004 - "Regulations on classification, valuation and provisions of investments of financial system entities." As of December 31, 2008 and until February 28, 2009, initial recognition of investments available for sale was made at fair value, estimated to be the cost of acquisition, not including transaction costs.

As of December 31, 2008 and until February 28, 2009, debt instruments classified under any investment category were updated - before valuation - through the straight-line discount or capital premium amortization used at the time of acquisition.

Furthermore, as of December 31, 2008 and until February 28, 2009, valuation of the investments available for sale was made at market cost or value, whichever was less, determined based on the global portfolio. Unrealized gains or losses resulting from valuation were recorded in the stockholders' equity under "Unrealized results in financial instruments."

(g) Derivative financial instruments -

SBS Resolution 1737-2006, "Regulations for the Trading and Accounting of Derivatives in Companies in the Financial System" and amendments thereof, establish criteria for the recording of operations with derivatives classified as held-for-trading and hedging and embedded derivatives.

Derivative financial instruments from trading, held by the Bank are from forward foreign currency purchase operations with clients and with the Central Reserve Bank (BCRP) and are initially recognized in the balance sheet at their cost and then taken to their market value, generating an asset or liability in the balance sheet, as the case may be, and the respective gain or loss in the profit and loss statement. Furthermore, the nominal value of the operation is recorded in memorandum accounts at the reference value in the currency involved, notes 14(c) and 14(d). Market values are obtained based on foreign exchange rates and interest rates in the market.

As of December 31, 2010 and 2009, the Bank does not present derivatives from hedging or embedded derivatives.

(h) Property, furniture and equipment -

The item property, furniture and equipment is presented at the purchase cost less accumulated depreciation and the amount accumulated of losses due to devaluation

of long-term assets, if applicable. See paragraph (m) below. This item includes the cost of assets purchased under lease agreements. See paragraph (i) below:

The initial cost of property, furniture and equipment comprises its purchase price, including non-refundable tariffs and purchase taxes and any other cost attributed directly to locate the asset and leave it in working and use conditions.

Disbursements incurred after the property, furniture and equipment were put in operation, such as repairs and maintenance and refurbishment costs, are charged to results for the period when the costs were incurred. When it is demonstrated that disbursements will result in future benefits for the use of the property, furniture and equipment, beyond its original performance standard, they are capitalized as an additional cost of the property, furniture and equipment.

Works in progress and goods in transit are recorded at cost. This includes the cost of acquisition or construction and other direct costs. These goods are not depreciated until the relevant assets are received or finished and in operating conditions.

The cost and corresponding accumulated depreciation of assets sold or removed are eliminated from the respective accounts and the resulting profit or loss is included in year-end results.

Land is not depreciated. Depreciation is calculated by the straight-line method, using the following useful life estimates:

	Years
Buildings, facilities and other constructions	20 and 33
Buildings under leasing	5
Installations and enhancements in leased offices	Entre 5 y 10
Furniture and equipment	10
Transportation units	5
Computer equipment	4

The useful life estimates and the depreciation method are reviewed from time to time to ensure that the method and depreciation period are consistent with the expected economic benefits pattern to be obtained from property, furniture and equipment.

(i) Leasing –

The Bank recognizes leases recording assets and liabilities on the balance sheet at the beginning of the contract period, for an amount equal to the market value of the

leased property or, if lower, to the current leasing installments. The initial direct costs are considered part of the asset value.

Leasing installments are distributed between the financial charges and liability reduction. The financial burden is spread throughout the term of the lease, so as to record interest expenses only on the balance amount of the liability for each period.

Leasing generates depreciation expenses related to the asset, as well as financial expenses for each accounting period.

When assets are sold or removed, their cost and depreciation is eliminated and any profit or loss obtained must be included in the profit and loss statement.

(j) Intangibles –

Intangible assets are initially recorded at cost and are shown in the item “Other assets, net” of the balance sheet, Note 8 (b). The Bank recognizes an asset as intangible if it is likely that future attributable economic benefits will flow to the company and its cost can be measured in a reliable manner. After initial recognition, intangibles are kept on the books at cost less accrued amortization.

Intangibles mainly include disbursement for acquisitions of software related to banking operations and are amortized using the straight-line method based on their useful life estimated in 5 years.

Furthermore, they include disbursement related to turnkey contracts and are repaid using the straight-line method based on the contract term.

As of December 31, 2010 and 2009, the Bank has no intangibles of unlimited useful life.

(k) Outstanding shares, securities and obligations

Liabilities from issuance of outstanding shares, securities and obligations are recorded at nominal value, recognizing the interests earned in the period.

(l) Income tax and employees’ share -

Current income tax and employees’ share – Assets or liabilities from current income tax are measured as the amount recovered or paid to the tax authorities. Income tax is calculated based on the financial information of the Bank. Workers’ profit sharing is calculated on the same basis used to calculate current income tax.

Deferred income tax and employees’ share – Are recorded using the liability method based on temporary differences between assets and liabilities tax bases

and their amounts in the books for financial purposes as at the date of the balance sheet date.

Deferred income tax and employees' share reflects the effects of temporary differences between assets and liabilities balance amounts for accounting purposes and those determined for tax purposes. Deferred assets and liabilities are measured using the tax rates expected to be applicable to taxable income in the years in which these differences are recovered or cease to exist. The measurement of deferred assets and liabilities reflects the tax consequences resulting from the way in which the Bank is likely to recover or settle the value of its assets and liabilities as at the date of the balance sheet.

Deferred assets and liabilities are recognized regardless of when the temporary differences are expected to cease to exist. Deferred assets are recognized when it is probable that sufficient future tax benefits exist for the deferred asset to be applied. As at the date of the balance sheet, the Bank evaluates unrecognized deferred assets and the balance of those recognized. The Bank recognizes previously unrecognized deferred assets are recognized to the extent that it is probable that future tax benefits permit their recovery, or deferred assets are reduced to the extent that it is unlikely that there will be sufficient future tax benefits to allow for the use of part or the entire deferred asset recognized for accounting purposes.

The Bank determines its deferred income tax based on the income tax applicable to its retained earnings.

(m) Impairment of long-term assets -

When there are occurrences or economic changes that indicate that the value of any property, furniture, equipment and intangibles may not be recoverable, the Bank management reviews the value of such assets to verify that there is no permanent impairment of their value. An impairment loss is recognized on the profit and loss statement when the asset book value surpasses its recoverable value. The recoverable value is the greater of the net sales price and its value in use. The net sales price is the free-market amount that can be obtained from the sale of an asset, while its value in use is the current value of future flows estimated from its continued use and its disposal at the end of its useful life. In opinion of the management, there is no evidence of impairment in the value of such assets as of December 31, 2010 and 2009.

(n) Provisions -

A provision is recognized only when the Bank has a current obligation (legal or implicit) as a result of a past event, when it is probable that resources shall be required to settle the obligation, and when the amount of the obligation can be reliably estimated.

Provisions are reviewed and adjusted to reflect the best estimate available as of the date of the balance sheet. When the value effect of money in time is relevant, the amount of the provision is the current value of the flows expected to be incurred in order to settle it.

(o) Contingencies -

Contingent liabilities are not recognized on the financial statements. They are disclosed in the notes to the financial statements, unless the possibility of an economic flow is remote.

Contingent assets are not recognized on the financial statements, but are disclosed when the probability of the contingency is high.

(p) Earnings per share -

Earnings per share have been calculated based on the weighted average of outstanding common shares as at the date of the balance sheet. Shares from the capitalization of earnings constitute a share split and, therefore, the weighted average calculation for the number of shares must consider those shares as if they had always been outstanding.

As of December 31, 2010 and 2009, the Bank has no financial instruments with dilutive effect, for which reason the basic and diluted earnings per share are the same, note 19.

(q) Cash and cash equivalents -

The cash presented in the cash flow statement consists of the cash and due balance with original maturity of less than three months, without considering their respective accrued earnings, excluding restricted funds.

(r) New accounting statements -

(r.1) International Financial Reporting Standards -

As of the date of these financial statements, the International Accounting Standards Board (IASB) has formalized the application of IFRS 1 to 8 and IAS 1 to 41, the opinions on Standards 7 to 32 by the Interpretations Committee (SIC) and the interpretation of IFRIC 1 to 14, of mandatory application in Peru, except for financial entities when the SBS has issued specific accounting standards.

Furthermore, by Resolution 044-2010-EF-94, dated August 23, 2010, the Accounting Standards Board formalized the effectiveness as of January 1, 2011, of the 2009 version of International Accounting Standards (IAS) 1 through 41, International Financial Reporting Standards (IFRS) 1 through 8, interpretation of IFRIC 1 through 19 and SIC 7 through 32 and of amendments at May 2010 of IAS 1 and 34, IFRS 1, 3 and 7, IFRIC 13; and transition requirement for amendments that may emerge as a result of IAS 27, with the possibility to be adopted early subject to conditions foreseen for

each modification and to temporary provisions concerning the first adoption of IFRSs.

However, since all these standards are only applied in addition to those issued by the SBS, they have not had nor will they have any material effect in the preparation of the attached financial statements, unless the SBS adopts them in the future through the modification of the Accounting Manual for Companies of the Financial Systems or through the issuance of specific standards.

The standards and amendments in force internationally which have not been formalized by the Accounting Standards Board are:

- IFRS 9 "Financial Instruments": It modifies the recording and classification of financial assets and liabilities established in IAS 39 "Financial Instruments: Measurement and Valuation," and which changes are internationally mandatory for periods starting on or after January 1, 2013, although earlier application is optional.

- Amendment to IFRS 7 "Financial Instruments: Information to be Disclosed," that introduces new disclosure requirements when financial assets are not recognized anymore. It is in force for periods starting on or after July 1, 2011, although earlier application is optional.

- Amendment of IFRS 1 "Adoption for the first time of the International Financial Reporting Standards," which introduces a new exception for the attributable cost in cases of severe hyperinflation. It also eliminated the effectiveness of a fixed date to write off or recognize earnings or losses from the application of IAS 39 "Financial Instruments: Recognition or Measurement" or IFRS 9 "Financial Instruments." It is in force for periods starting on or after July 1, 2011, although earlier application is optional.

- Amendment of IAS 12 "Income Tax," which sets forth that deferred taxes on real property investments recording using the fair value model of IAS 40 must be determined on the basis that their recorded amount will be recovered through the sale of such assets. Furthermore, deferred taxes on non-depreciable assets, measured using the IAS 16 revaluation model, must be measured based on sale presumption. This standard is in force for periods starting on or after January 1, 2012, although earlier application is optional.

- IAS 24 "Related party disclosures" (Revised), in force internationally for periods starting on or as of January 1, 2011.

- IFRIC 14 "Prepayment of a funding requirement" (Amended), in force internationally for periods starting on or as of January 1, 2011.

- IFRIC 19 "Extinguishing financial liabilities with equity instruments" (Revised), in force internationally for periods starting on or as of July 1, 2010.

(r.2) Standards issued by the SBS –

At the meeting of the Interpretations Committee of International Financial Reporting Standards (IFRIC) held in November 2010, it was concluded that workers' profit sharing must be recognized as provided for by IAS 19 "Employee benefits" and not as provided for IAS 12 "Income Tax". Consequently, an entity only has the obligation to recognize a liability when services have been rendered by the employee; therefore, workers' profit participation should not be calculated deferred by temporary differences as it would correspond to future services that must not be considered as obligations or rights under IAS 19 and current participation must be recognized as a personnel expense in the profit and loss statement. In Peru, the practice was to calculate and recognize deferred workers' profit participation in the financial statements. On January 21, 2011, the SBS issued Multiple Official Letter 4049-2011, providing that recognition of workers' profit participation should be recognized as of reporting period 2011 in line with the provisions issued by the IFRIC. In 2011, this modification will be applied prospectively, without affecting the 2009 and 2010 financial statement, except for the reclassification of workers' profit participation as personnel expense in the heading "Administration Expenses." The new treatment will be of mandatory application as of January 2011.

3. Transactions in foreign currency and exposure to foreign exchange rate risk

Operations in foreign currency are conducted at free market exchange rates.

As of December 31, 2010, the free-market, weighted average exchange rates published by the SBS for transactions in United States Dollars was of S/2.808 the purchase rate and S/ 2.809 the selling rate (S/ 2.888 and S/ 2.891 as of December 31, 2009). As of December 31, 2010, the Exchange rate for asset and liability accounts in foreign currency set by the SBS was S/ 2.809 per United States Dollar (S/ 2.890 as of December 31, 2009).

Below are the details of the Bank's assets and liabilities stated in foreign currency, expressed in US Dollars:

	2010	2009
	US\$(000)	US\$(000)
Assets		
Available	53,481	62,532
Inter-bank funds	-	25,000
Marketable investments available for sale	-	3,000
Loans portfolio, net	234,134	206,927
Other assets, net	2,522	5,284
	290,137	302,743
Liabilities		
Obligations with the public	(176,730)	(172,291)
Deposits from companies within the financial system	(12,060)	(10,177)
Debits and financial obligations	(94,062)	(131,199)
Outstanding shares, securities and obligations	(4,299)	(7,165)
Other liabilities	(3,817)	(3,280)
	(290,968)	(324,112)
Net position over purchase of derivatives - forwards	-	22,444
Net asset (liability) position	(831)	1,075

The net position over purchase of derivatives under forward contracts, as at December 31, 2009, corresponds to foreign currency term purchase operations, with reference values of approximately US\$ 22,444,000, equivalent to approximately S/ 64,863,000, note 14(a).

As at December 31, 2010 the Bank has contingent operations in foreign currency for approximately US\$ 459,000, equivalent to approximately S/ 1,289,000 (US\$ 135,000, equivalent to approximately S/ 390,000 as at December 31, 2009).

4. Available

As of December 31, 2010, the "Available" heading on the balance sheet includes approximately US\$ 1,383,000 and S/ 180,756,000 (US\$ 41,597,000 and S/ 37,160,000 as at December 31, 2009) which represents the legal reserve the Bank must keep in relation with its obligations with the public. These funds are deposited in the Bank's vault and in the Central Reserve Bank of Peru (BCRP) and are kept within the limits established by the legal provisions in force.

As of December 31, 2010, legal reserve funds kept with the Central Reserve Bank do not accrue interest, except for the part that is demandable in foreign and domestic currency exceeding the minimum legal reserve (as at December 2009, only legal reserve surpluses in foreign currency accrued interest). As of that date, the surplus in foreign currency amounts to approximately US\$ 36,020,000, equivalent to approximately S/ 101,180,000 and accrued interest in dollars at an average rate of 0.16% per annum, while the surplus in domestic currency amounts to approximately S/ 105,699,000 and accrued interest in soles at an average rate of 1.2% per annum (US\$ 236,570,000, equivalent to approximately S/ 683,687,000 and accrued interest in dollars at an average rate of 0.14% per annum as at December 31, 2009).

As of December 31, 2010, available funds include, mainly, 18 term deposits placed with the Central Reserve Bank for a total amount of S/ 200,200,000, which expire between January and February 2011 and are mostly being renewed. As at December 31, 2009, available funds included a term deposit placed with Wells Fargo in the amount of US\$ 5,000,000 (equivalent to S/ 14,450,000) which matured on January 13, 2010.

Deposits in local and foreign Banks correspond mostly to balance amounts in Nuevos Soles and in US Dollars, are freely available and earn interest at market rates. As of December 2010 and 2009, the Bank keeps deposits with local and foreign financial entities.

5. Investments available for sale

(a) The table below shows the composition of this heading:

	2010			2009		
	Amortized cost	Unrealized Gain	Estimated fair Value	Amortized Cost	Unrealized Gain	Estimated fair Value
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Common shares	97	45	142	97	30	127
Sovereign Bonds of the Republic of Peru (b)	9,393	13	9,406	14,302	72	14,374
Certificates of Deposit issued by the Central Reserve Bank of Peru (b)	-	-	-	234,407	347	234,754
Mutual Funds	-	-	-	8,670	-	8,670
	9,490	58	9,548	257,476	449	257,925
Plus – Accrued return on marketable investments available for sale			22			381
Total			9,570			258,306

(b) As of December 31, 2010 and 2009, sovereign bonds were issued in nuevos soles by the Peruvian Government. On December 31, 2010, these bonds accrued interest at rates that fluctuated from 5.88 to 6.77% per annum (3.10 to 5.00% per annum at December 31, 2009) and mature between August 2020 and 2037 (between March 2010 and August 2017 at December 31, 2009).

Meanwhile, as of December 2009, certificates of deposit issued by the Central Reserve Bank were denominated in Nuevos soles, and were short term deposits, with maturities up to July 2010, earning effective annual interest rates fluctuating from 1.24 to 6.60% per annum.

(c) The table below shows the balance of marketable investments available for sale as of December 2010 and 2009, classified by maturity:

	2010	2009
	S/.(000)	S/.(000)
Up to 1 month	-	18,276
From 1 to 3 months	-	144,732
From 3 months to 1 year	-	93,671
From 1 to 5 years	-	285
5 years and more	9,406	834
Shares (without maturity)	142	127
	<hr/>	<hr/>
Total	9,548	257,925
	<hr/>	<hr/>

6. Loans portfolio, net

(a) The table below shows the details of direct loans:

	2010	2009
	S/.(000)	S/.(000)
Direct loans		
Loans	3,335,270	2,829,586
Leasing	68,482	9,392
Factoring operations	24,479	10,553
Credit card	6,124	8,333
Refinanced loans	108,319	47,615
Overdue loans and in process of legal collection	113,692	101,743
	<hr/>	<hr/>
	3,656,366	3,007,222

	2010	2009
	S/.(000)	S/.(000)
Plus (minus)		
Accrued yield of current loans	72,533	55,543
Interest accruable and interest collected in advance	(17,111)	(3,730)
Provision for doubtful loans (e)	(202,030)	(157,701)
	<hr/>	<hr/>
Direct loans	3,509,758	2,901,334
	<hr/>	<hr/>
Indirect loans (*)	4,144	3,107
	<hr/>	<hr/>

(*) The indirect loans portfolio is entirely comprised of letters of guarantee and sureties and is shown under the Account "Debit contingent memorandum accounts" of the balance sheet, note 14(a).

(b) Pursuant to SBS regulations, the loans portfolio (direct and indirect) of the Bank as of December 31, 2010 and 2009 is classified by risk as follows:

	2010						2009					
	Direct loans		Indirect loans		Total		Direct loans		Indirect loans		Total	
	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%
Normal	3,283,830	90	4,144	100	3,287,974	90	2,714,089	90	3,107	100	2,717,196	90
With potential problems	169,301	5	-	-	169,301	5	138,403	5	-	-	138,403	5
Deficient	73,980	2	-	-	73,980	2	56,348	2	-	-	56,348	2
Doubtful	67,375	2	-	-	67,375	2	58,471	2	-	-	58,471	2
Loss	61,880	1	-	-	61,880	1	39,911	1	-	-	39,911	1
	<u>3,656,366</u>	<u>100</u>	<u>4,144</u>	<u>100</u>	<u>3,660,510</u>	<u>100</u>	<u>3,007,222</u>	<u>100</u>	<u>3,107</u>	<u>100</u>	<u>3,010,329</u>	<u>100</u>

(c) As of December 2010 and 2009, there is no significant loan risk concentration due to the type of operations handled by the bank.

(d) As of December 31, 2010 and 2009, financial entities in Peru must establish a provision for doubtful loans based on the risk rating indicated in (b) above and using the percentages indicated in SBS Resolution 11356-2008 and SBS Resolution 6941-2008, respectively, as detailed below:

(i) For loans rated "Normal" as of December 31, 2010:

Type of Loan	2010	
	Fixed rate	Procyclical component (*)
	%	%
Corporate	0.70	0.40
Large companies	0.70	0.45
Medium-size companies	1.00	0.30
Small companies	1.00	0.50
Microbusinesses	1.00	0.50
Mortgage loans for housing	0.70	0.40
Consumer revolving loan	1.00	1.50
Consumer non-revolving loan	1.00	1.00

ii) For loans rated "Normal" as of December 31, 2009:

Type of Loan	2009	
	Fixed rate	Procyclical component (*)
	%	%
Commercial	0.70	0.45
Microbusiness	1.00	0.50
Mortgage for housing	0.70	0.40
Consumer	1.00	0.30 -1.50

(*) If the loan granted is secured with preferred self-liquidating collateral (CGPA) the procyclical component will be 0%, 0.25% or 0.30%, depending on the type of loan.

By Circular Letter SBS B-2 193-2010, dated September 28, 2010, the SBS informed the companies in the financial system the reactivation of the procyclical component rates for reserves on direct and indirect loans of debtors classified under the normal category, since the macroeconomic conditions that activate this rule had been met as of such month.

The procyclical component was also required by the SBS for the period from December 1, 2008 to August 30, 2009.

(iii) The following percentages are used for loans in the categories "With potential problems," "Deficient," "Doubtful" and "Loss", depending on whether they Unsecured Loans (CSG) Loans with Preferred Guarantees (CGP), Loans with Preferred, Readily Liquid Guarantees (CGPMRR) or Loans with Preferred Self-Liquidating Guarantees (CGPA) as of December 2010 and 2009:

Risk category	CSG	CGP	CGPMRR	CGPA
	%	%	%	%
With 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
Loss	100.00	60.00	30.00	1.00

For loans with amounts subject to loan counterparty replacement, note 2(d), the provisioning requirement depends on the classification of the respective

counterparty, the amount covered, regardless of the debtor's classification, using the previously mentioned percentages.

(e) The movement regarding the provision for doubtful loans, determined according to the risk rating, the provision percentages required mentioned in foregoing paragraph (d) and the standards concerning procyclical provisions indicated in note 2(d) was as follows:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Opening balance	157,701	78,786	49,170
Provision recognized as expense for the year (*)	421,748	272,544	124,818
Provision recoveries	(152,889)	(48,705)	(27,259)
Write-offs for the year	(222,070)	(142,465)	(68,170)
Difference in exchange rate, net	(2,460)	(2,459)	227
Closing balance	202,030	157,701	78,786

(*) As of December 31, 2010 and 2009, it includes procyclical provisions amounting to S/ 16,628,000 and S/ 13,147,000, respectively, note 2(d).

As of December 31, 2010, the Bank keeps a voluntary provision in addition to the minimum provisions required by the SBS for doubtful loans amounting to S/ 27,522,000 (S/ 26,554,000 as at December 31, 2009) which forms part of the account "Provision for doubtful loans" in the balance sheet.

In the opinion of the Management, the provision for doubtful loans recorded by the Bank as of December 2010 and 2009, is in line with SBS regulations and authorizations in force on those dates, note 2(d).

(f) The Bank freely sets the interest rates applicable to its lending operations based on supply and demand, for the terms agreed upon and the currency in which loans are granted, which as of December 31, 2010 and 2009, fluctuated between 13.00 and 59.00% per annum, for MES loans in domestic currency and between 12.00 and 55.00% per annum for loans in foreign currency.

	Land	Buildings, facilities and other constructions	Buildings under leasing	Installations and enhancements in leased offices	Furniture and equipment	Transportation units	Computer equipment	Ongoing works and in-transit goods	Total	Total 2009
	2010	Total	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Opening balance 2010	-	2,655	192	16,452	7,822	3,100	18,395	-	48,616	33,485
Depreciation for the year	-	1,859	42	7,848	2,290	1,053	6,032	-	19,124	16,579
Withdrawals and others	-	-	(234)	(361)	(996)	(285)	(5,176)	-	(7,052)	(1,448)
Balance as of December 31, 2010	-	4,514	-	23,939	9,116	3,868	19,251	-	60,688	48,616
Net book value	26,800	32,492	-	21,089	19,251	2,377	16,394	3,885	122,288	98,007

- (b) During 2010, the Bank has acquired land property and buildings for implementation of new agencies and has made enhancements in infrastructure and equipment of existing agencies. Furthermore, during 2010, the Bank replaced its computer equipment units.
- (c) Except for assets acquired under leasing agreements, financial entities established in Peru are not allowed to use their fixed assets as collateral.
- (d) As of December 31, 2010, the Bank exercised the purchase option over the buildings under leasing, which are included in the "Land Property" and "Buildings, facilities and other constructions" accounts for a net cost of approximately S/ 315,000 and S/ 659,000, respectively. As at December 31, 2009, the Bank kept assets acquired under leasing agreements for a net cost of approximately S/ 1,008,000.
- (e) The Banks holds insurance policies covering its main assets pursuant to the policies established by the Management.

8. Other assets and liabilities

(a) The table below shows the composition of this account:

	2010	2009
	S/.(000)	S/.(000)
Other assets, net		
Intangibles, net (b)	16,241	9,818
Payment on account of income tax, net	16,200	2,103
Accounts receivable under FOGAPI Agreement	6,315	3,181
Prepaid expenses	3,737	3,172
Insurance receivable	2,177	751
Other accounts receivable, net	2,062	547
Tax credit from leasing value added tax (IGV)	1,937	283
Advance payment of extraordinary earnings (c)	1,873	3,407
Prepaid rental amounts	1,473	468
Goods received in payment and repossessed	991	468
Miscellaneous supplies	802	878
Prepayment to suppliers	535	10,669
Prepaid advertising	533	45
Third-party accounts receivable	314	484
Other	120	92
Other	5,792	6,627
	<u>61,102</u>	<u>42,993</u>

	2010	2009
	S/.(000)	S/.(000)
Other liabilities		
Vacations payable	18,953	13,311
Accounts payable to suppliers and services	13,536	11,587
Other personnel expenses	12,692	3,188
Miscellaneous accounts payable	10,505	7,303
Workers' share	9,061	10,562
Accounts payable to leasing suppliers	3,491	102
Operations in process (d)	3,373	2,449
Accounts payable under FOGAPI Agreement	3,088	2,167
Provisions for contingencies and others	2,270	2,743
Insurance payable	1,862	2,734
Deposits insurance fund	1,237	953
Promotion campaigns	1,031	1,132
Accounts payable for derivative instruments, notes 14(c) and 14(d)	-	1,852
	<u>81,099</u>	<u>60,083</u>

(b) The table below shows the composition of this account:

	Organization expenses	Software (*)	Goodwill	Total 2010	Total 2009
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Cost					
Opening balance 2010	1,017	24,546	679	26,242	21,286
Acquisitions	-	8,833	142	8,975	5,075
Adjustments	-	-	-	-	(119)
Closing balance 2010	1,017	33,379	821	35,217	26,242
Amortization					
Opening balance 2010	1,017	15,274	133	16,424	14,355
Amortization for the year	-	2,416	136	2,552	2,069
Closing balance 2010	1,017	17,690	269	18,976	16,424
Net book value	-	15,689	552	16,241	9,818

(*) During 2010, the Bank has purchased a new ERP, which is currently in the process of being implemented.

- (c) It corresponds to an incentive granted to key operation personnel in 2007, which established to a 5-year minimum permanence with the institution. Failure to follow through with the agreement will result in the employee's obligation to refund the entire incentive received. The amount accrued for this heading as of December 31, 2010 and 2009 amounted to S/ 1,633,000 and S/ 1,314,000 and was recorded under the account "Personnel expenses" of the profit and loss statement, note 16.
- (d) The operations in process are mainly related to loan operations during the last days of the month, which are reclassified to their final accounts on the balance sheet the following month. These transactions do not affect the Bank's net income.

9. Obligations with the public

(a) The table below shows the composition of this account:

	2010	2009
	S/.(000)	S/.(000)
Term deposits	2,215,621	1,769,415
Savings	315,960	293,328
Marketable certificates of deposit	160,560	96,447
Checking accounts	63,505	75,733
Compensation for years of service (CTS)	46,027	29,646
Other obligations	9,885	9,455
	<u>2,811,558</u>	<u>2,274,024</u>
Interest payable	36,359	28,853
Total	<u>2,847,917</u>	<u>2,302,877</u>

(b) The Deposit Insurance Fund (FSD) as of December 31, 2010 is equivalent to S/ 85,793 (S/ 82,073 as of December 31, 2009). As of December 31, 2010 and 2009, out of the total deposits, approximately S/ 894,504,000 and S/ 855,507,000 are covered by the deposit insurance fund, respectively.

(c) Interest rates applied to accounts for different obligations with the public determined by the Bank taking into account the rates in place in the local market.

(d) The table below shows the direct loans portfolio as of December 31, 2010 and 2009, classified by maturity.

	2010	2009
	S/.(000)	S/.(000)
Up to 1 month	509,495	340,420
From 1 to 3 months	535,557	533,551

	2010	2009
	S/.(000)	S/.(000)
From 3 months to 1 year	924,071	805,521
More than 1 year	246,498	89,923
	<u>2,215,621</u>	<u>1,769,415</u>

10. Debts and financial obligations

(a) The table below shows the composition of this account:

	2010	2009
	S/.(000)	S/.(000)
By type -		
Obligations with foreign financial institutions (b)	491,872	484,637
Obligations with local financial institutions (c)	248,703	235,222
	<u>740,575</u>	<u>719,859</u>
Interest payable for debts and financial obligations	9,842	12,388
	<u>750,417</u>	<u>732,247</u>
By term -		
Short-term portion	321,492	238,540
Long-term portion	428,925	493,707
Total	<u>750,417</u>	<u>732,247</u>

(b) As of December 31, 2010 and 2009, it includes the following:

Entity	Country of origin	Original currency	Maturity	2010	2009
				S/.(000)	S/.(000)
Inter American Development Bank – IADB(*)	United States of America	S/.	Between May 2013 and May 2015	101,576	-
International Finance Corporation – IFC (*)	United States of America	S/. - US\$	January 2017	85,494	178,580
Nederlandse Financierings – Maatschappij Voor Ontwikkelingslanden N.V. – FMO (*)	Holland	S/. - US\$	January April 2013 and March 2020	63,173	34,500
Instituto de Crédito Oficial de España (*)	Spain	US\$	Between February 2018 and February 2020	48,319	49,712
Global Microfinance Facility (*)	Cayman Islands	US\$	April 2014	28,090	28,900
Société de Promotion et de Participation pour la Cooperation Economique S.A. – PROPARCO (*)	France	S/.	September 2015	26,000	-
Inter American Investment Corporation (*)	United States of America	S/.	November 2011	23,000	23,000
Credit Suisse Microfinance Fund	Luxemburg	US\$	March 2012	21,068	21,675
Triodos SICAV II - Triodos Microfinance Fund (*)	Luxemburg	US\$	Between July 2019 and January 2020	16,854	17,340
BlueOrchard Loans for Development 2006-1 S.A. (*)	Luxemburg	US\$	March 2011	14,045	14,450
Triodos Custody BV - Triodos Fair Share Fund (*)	Holland	US\$	Between May 2017 and January 2019	14,045	14,450
BlueOrchard Microfinance Securities I, LLC (*)	United States of America	US\$	July 2011	9,832	20,230
BlueOrchard - Dexia Micro-Credit Fund (*)	Luxemburg	S/.	June 2012	9,000	9,000
Accion Investments in Microfinance SPC	United States of America	US\$	August 2016	8,427	8,670
VDK Spaarbank (*)	Belgium	US\$	August 2012	8,427	8,670
Andean Corporation for Development	Venezuela	S/.	February 2011	7,500	15,000
Responsability SICAV	Luxemburg	US\$	March 2012	7,022	7,225
JP Morgan Chase Bank, National Association (*)	United States of America	US\$	-	-	14,450
ING Bank N.V. (*)	Holland	US\$	-	-	18,785
Total				491,872	484,637

(*) These loans include specific agreements regarding the financial conditions that must be met concerning compliance with financial ratios and other administrative issues.

As of December 31, 2010 and 2009, the Bank management considers that the conditions established for these transactions have been substantially fulfilled.

(c) As of December 2010 and 2009 it includes the following:

Entity	Original currency	2010	2009	Maturity
		S/.(000)	S/.(000)	
COFIDE S.A (i)	S/.	90,625	148,052	April 2012
Banco de la Nación	S/.	83,065	38,054	Between June 2011 and August 2012
Citibank del Perú S.A.	S/.	38,500	19,656	Between February and May 2011
Scotiabank Perú S.A.A.	S/.	14,200	11,500	June 2011
COFIDE S.A. - Fondo Mivivienda (ii)	US\$	8,870	10,332	April 2026
COFIDE S.A - Coficasa	S/.- US\$	8,331	7,628	April 2024
Banco Internacional del Perú S.A.A. – Interbank	S/.	5,112	-	February 2011
		248,703	235,222	
		248,703	235,222	

(i) As of December 31, 2010, as collateral for funds received from COFIDE, the Bank maintained a long-term loan portfolio in favor of that financial institution amounting to S/ 90,625,000 (S/ 105,977,000 as of December 31, 2009).

(ii) The funds received from Fondo Mivivienda are guaranteed with promissory notes on mortgage loans granted under the same concept.

(iii) Operations with local financing entities generated an effective annual interest rate that fluctuated between 2.50% and 8.15% during 2010 (between 4.06% and 9.30% during 2009).

(iv) In general, the financing lines granted by domestic financing institutions do not include in their agreements financing conditions that the Bank must maintain.

(d) As of December 2010 and 2009, the amortization schedule for indebtedness and financial obligations is as follows:

Year	2010	2009
	S/.(000)	S/.(000)
2010	-	270,623
2011	302,905	210,905
2012	140,661	81,070
2013 onward	297,009	157,261
	<u>740,575</u>	<u>719,859</u>

11. Bonds, securities, and obligations outstanding

(a) The composition of this area is as follows:

Issuance	Interest rate	Payment of interest	Maturity	Amount used	Outstanding amounts as of December 31, 2010		Outstanding amounts as of December 31, 2009	
					US\$(000)	S/.(000)	US\$(000)	S/.(000)
	%			(000)				
Corporate bonds (b)								
First A issuance	5.94	semestral	2010	S/.30,000	-	-	-	10,000
First B issuance	7.38	semestral	2011	S/.30,000	-	10,000	-	30,000
Third issuance	7.00	semestral	2012	S/.30,000	-	17,142	-	25,714
Fourth issuance	6.38	semestral	2012	US\$10,000	4,286	12,039	7,143	20,643
					<u>4,286</u>	<u>39,181</u>	<u>7,143</u>	<u>86,357</u>
Interest payable						297		633
Total						<u>39,478</u>		<u>86,990</u>

- (b) In the Board of Directors' meetings held on November 17, 2005 and November 16, 2006, it was agreed to authorize the second corporate bond issuance program by the Bank, effective until November 14, 2008; by SBS Resolution 908-2009, the SBS authorized its renewal on February 18, 2009 for two (2) additional years under the same conditions. The Bank may issue bonds for up to S/.150,000,000 or its equivalent in US Dollars. The funds obtained through the issuance of bonds by public offer were allocated to the funding of operations involved with Bank's line of business.
- (c) Corporate bonds have no specific guarantees. During 2010, the Bank redeemed corporate bonds in all its emissions for a total amount of S/ 47,176,000 (S/ 35,043,000 corresponding to the First issuance A, Third and Fourth issuances during 2009).

- (d) The repayment schedule of these obligations as of December 31, 2010, is as follows:

Year	2010
	S/.(000)
2011	26,597
2012 to 2013	12,584
Total	39,181

12. Stock holders' equity

(a) Capital Stock -

As of December 31, 2010, the capital stock of the Bank was represented by 244,764,000 common shares (186,764,000 and 140,764,000 as of December 31, 2009 and 2008, respectively) fully subscribed and paid, with a face value of One Nuevo Sol each.

The Shareholders' Meeting held on March 18, 2010, approved the capitalization of retained earnings for the year 2009, for an amount of S/ 58,000,000.

The Shareholders' Meeting held on March 19, 2009, approved the capitalization of retained earnings for the year 2008, for an amount of S/46,000,000.

The Shareholders' Meeting held on March 27, 2008, approved the capitalization of retained earnings for the year 2007, for an amount of S/ 27,000,000.

The capital stock structure as at December 2010 and 2009 is as follows (in percentage):

	2010	2009	2008
	%	%	%
Grupo ACP Inversiones y Desarrollo S.A.	60.07	60.07	60.07
Accion Investments in Microfinance SPC	9.36	9.36	9.36
International Finance Corporation – IFC	6.50	6.50	6.50
Accion International	6.33	6.33	6.33
Stichting Hivos - Triodos Fonds	5.45	5.45	5.45
Stichting Triodos – Doen	5.45	5.45	5.45
La Positiva Vida de Seguros y Reaseguros	2.63	2.63	2.63
La Positiva Cia. de Seguros y Reaseguros S.A.	2.58	2.15	2.58
Triodos Fair Share Fund	0.92	0.92	0.92
Other	0.71	1.14	0.71
	100.00	100.00	100.00

(b) Legal reserve -

Pursuant to the provisions of the Law on Banking and Insurance, the Bank must reach a legal reserve of not less than 35% of its paid capital. This reserve is established through the annual transfer of at least 10% of its net earnings and may only be used to offset losses or their capitalization, existing in both cases, the obligation to replace it.

(c) Distribution of dividends -

In Shareholders' Meetings held on March 18, 2010, March 19, 2009 and March 27, 2008, it was agreed to distribute dividends from the 2010, 2009 and 2008 year periods, in the amount of approximately S/ 29,127,000, S/ 29,752,000 and S/ 27,521,000, respectively.

(d) Unrealized gain, note -

As at December 2010 and 2009, unrealized gains correspond to net earnings from the fluctuation of investments available for sale, note 5(a).

(e) Effective equity -

As at December 2010 and 2009, the effective equity of the Bank was determined as follows:

	2010	2009
	S/.(000)	S/.(000)
Tier 1 effective Stockholders' Equity		
Paid capital	244,764	186,764
Legal reserve	45,485	35,523
Results for the year under capitalization agreement	45,400	51,600
	335,649	273,887
Tier 2 effective Stockholders' Equity		
Voluntary reserve	2,681	2,681
Subordinated debt	109,716	92,929
Generic provisions for loans (mandatory)	45,757	36,194
	158,154	131,804
Total	493,803	405,691

Through Legislative Decree 1028, dated June 22, 2008, the Executive modified the Law of the Financial and Insurance System and the Organic Law of the Superintendence of Banking and Insurance Companies, which entered into full force and effect as of July 2009. This law sets forth that the effective stockholders' equity must be equal to or more than 10% of the total risk-weighted assets and contingents, which correspond to the aggregate of: (i) the effective equity requirement per market risk multiplied by 10, (ii) the effective equity requirement per operating risk multiplied by 10 and (iii) assets and contingents weighted by loan risk. This calculation must include all exposure or asset in local or foreign currency. This ratio will be implemented gradually until July 2011, according to the percentages and dates established in the same provision. As of December 31, 2010 and 2009, minimum requirement corresponds to 9.8 and 9.5%, respectively. Furthermore, the law distinguishes between basic (Tier 1) and supplementary (Tier 2) equity, according to the definitions and limits set forth in it.

As of December 31, 2010 and 2009, in application of Legislative Decree 1028, the Bank keeps the following amounts related to contingent assets and loans weighted by risk and effective equity (basic and supplementary) as follows:

	2010	2009
	S/.(000)	S/.(000)
Assets and loans weighted by total risks	3,712,903	3,199,739
Effective stockholders' equity	493,803	405,691
Effective basic stockholders' equity	335,649	273,887
Effective supplementary stockholders' equity	158,154	131,804
Global capital to effective stockholders' equity ratio (in percentage)	13.30	12.68

During 2009, the SBS issued SBS Resolutions 2115-2009, 6328-2009 and 14354-2009, Regulations for the Effective Stockholders' Equity Requirement per Operating Risk, per Market Risk and per Loan Risk, respectively, which entered into full force and effect as of July 2009, with exception of Resolution per Loan Risk, which has an adaptation term until June 30, 2010. As of December 31, 2010 and 2009, the Bank has been complying with the requirements of such Resolutions.

During 2010, by Official Letter SBS 55995-2010, dated November 29, 2010, the SBS authorized the Bank to adopt the alternative standard method.

13. Tax situation

- (a) The Bank is subject to the Peruvian tax system. The income tax rate as at December 31, 2009 and 2008 was 30% of the taxable earnings, after deducting the participation paid to the workers, which, according to the current legal provisions, is calculated using a 5% rate.

Non-domiciled legal entities and individuals must pay a 4.1% tax on dividends received from legal entities domiciled in Peru.

- (b) Until December 31, 2009, the income tax exemption for capital earnings from the sales of securities registered in the Public Securities Market Registry through centralized

trading mechanisms, as well as for interests and other earnings from loans granted to the National Public Sector.

As of January 1, 2010, only interests and capital earnings from bonds issued by the Republic of Peru are exempted from income tax, as well as interests and capital earnings from Central Reserve Bank Certificates of Deposit used for monetary regularization purposes. Likewise, interests and capital earnings from bonds issued prior to March 11, 2007 are exempted.

Furthermore, the exemption for earnings generated from deposits in the National Financial System has been eliminated when the receiver is a legal entity.

Meanwhile, as of 2010, capital earnings from the sales, redemption or surrender of securities through centralized trading mechanisms in Peru are taxed.

In this context, the Income Tax Law specified that in order to establish the gross income generated by the transfer of securities acquired prior to January 1, 2010, the computable cost of such securities shall be the highest of the price quoted at the closing of the 2009 taxable period or the acquisition cost or the value upon entry to the Equity.

This rule is applicable to legal entities when the securities are transferred within or outside a centralized trading mechanism in Peru.

Furthermore, when the transfer, redemption or surrender of shares and participations acquired or received by the taxpayer in different forms or occasions occurs, the computable cost will be given by the weighted average cost. It is worth mentioning that the weighted average cost will be equivalent to the result that may be obtained from dividing the aggregate of computable costs of each security acquired in a given moment by the number of shares, by the total shares acquired.

As of 2011, the amendment introduced by Law 29645 to the Income Tax Law includes also, as one of the assumptions not subject to income tax, interests and other earnings from foreign loans granted to the National Public Sector.

In turn, according to the amendment in Law 29645, the rates that will apply to withholdings made to non-domiciled persons have also been modified. Accordingly, as of 2011, the rate to be withheld for interests to be paid to non-domiciled individuals will be 4.99%. This rate will also be applicable to interests that the Bank will pay to non-

domiciled legal entities as a result of their use in the country of foreign credit lines.

The 1% rate will continue to be applicable to interests resulting from contracts entered into until 2010.

Furthermore, the 4.99% rate withholding will be applied for interests from bonds and other debt instruments, deposits or investments made pursuant to the Financial System Law, as well as for capital increases of such deposits or investments, repo transactions, repurchase agreements and stock loans and other interests from company credit operations.

Meanwhile, we must mention that Law 29546, published on June 29, 2010, extended until December 31, 2012 the exemption of the Value Added Tax (IGV) on interests accrued by securities issued through public offer by legal entities organized or established in the country, provided that issuance is made under the Securities Market Law, approved by Legislative Decree 861 or by the Law of Investment Funds, approved by Legislative Decree 862, as applicable.

- (c) For the purpose of income tax and value added tax determination, the prices and payments agreed for transactions between related parties or from, to or through countries or territories with low taxing or tax-free, must be documented with information substantiating the valuation methods and criteria applied in such determination. The Tax Administration has the power to request taxpayers to provide this information.

Based on the analysis of the Bank's operations, the Management and its internal legal advisors are of the opinion that no material contingencies will arise for the Bank as of December 31, 2010, 2009 and 2008, as a result of the application of these provisions.

- (d) The Tax Administration may examine and, if applicable, correct the income tax calculated by the Bank during the four years following the reporting year. Income Tax Returns for the years 2010 through 2009 are subject to inspection by the Tax Administration. Due to the possible interpretations that the Tax Administration may give to the legal provisions in force, it is not possible at this time to determine if any liabilities will result from such inspection for the Bank; therefore, any additional tax or surcharge that may result from eventual tax inspections would be applied to the results of the year in which it is determined. In the opinion of the Management and of its legal advisors, no significant additional liabilities should result from such inspections.

(e) The table below shows the movement regarding deferred income tax and workers' share for the years ended on December 31, 2010, 2009 and 2008:

	Saldo al 1º enero de 2008	(Cargo) y abono a resultados	Saldo al 31 diciembre de 2008	(Cargo) y abono a resultados	Saldos al 31 diciembre de 2009	(Cargo) y abono a resultados	Saldos al 31 diciembre de 2010
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
Deferred asset							
Mandatory and voluntary generic provision for doubtful loans	7,071	4,644	11,715	10,401	22,116	3,789	25,905
Leasing installments, realizable assets, received in payment and repossessed, differences in refurbishment depreciation rates in leased offices and others	2,155	1,321	3,476	1,649	5,125	1,659	6,784
Provision for vacations payable	2,490	1,114	3,604	855	4,459	1,890	6,349
Provision for contingencies	334	1	335	1,491	1,826	162	1,988
Suspended interest	134	17	151	-	151	-	151
	<u>12,184</u>	<u>7,097</u>	<u>19,281</u>	<u>14,396</u>	<u>33,677</u>	<u>7,500</u>	<u>41,177</u>
Deferred liabilities							
Intangible assets -	(2,152)	(138)	(2,290)	(816)	(3,106)	(1,661)	(4,767)
Goodwill	-	(261)	(261)	78	(183)	46	(137)
Fixed asset purchased through financial leasing	(145)	145	-	-	-	-	-
	<u>(2,297)</u>	<u>(254)</u>	<u>(2,551)</u>	<u>(738)</u>	<u>(3,289)</u>	<u>(1,615)</u>	<u>(4,904)</u>
Total deferred assets, net	<u>9,887</u>	-	<u>16,730</u>	-	<u>30,388</u>	-	<u>36,273</u>
Income for the year		<u>6,843</u>		<u>13,658</u>		<u>5,885</u>	

(f) Income (expenses) due to workers' share and income tax comprises:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Workers' share			
Current	(9,023)	(10,522)	(7,745)
Deferred	878	2,038	1,021
	<u>(8,145)</u>	<u>(8,484)</u>	<u>(6,724)</u>
Income tax			
Current	(48,597)	(57,307)	(43,008)
Deferred	5,007	11,620	5,822
	<u>(43,590)</u>	<u>(45,687)</u>	<u>(37,186)</u>

(g) Below is the reconciliation of the income tax rate and the workers' share rate with the effective rate of the Bank, for the years 2010, 2009 and 2008:

	2010		2009		2008	
	S/.(000)	%	S/.(000)	%	S/.(000)	%
Earnings before workers' share and income tax	160,161	100.00	164,998	100.00	132,727	100.00
Theoretical expense (combined 33.5% rate)	53,654	33.50	55,268	33.50	44,464	33.50
Non-deductible expenses	3,968	2.48	7,478	4.53	4,306	3.24
Exempted and excluded income	(5,887)	(3.68)	(8,575)	(5.20)	(4,860)	(3.66)
Expenses for workers' share and income tax based on effective rate	<u>51,735</u>	<u>32.30</u>	<u>54,171</u>	<u>32.83</u>	<u>43,910</u>	<u>33.08</u>

14. Memorandum accounts

(a) The table below shows the comparison for this account:

	2010	2009
	S/.(000)	S/.(000)
Contingent operations		
Indirect loans (b) –		
Letters of credit	4,144	2,207
Letters of guarantee	-	900
	<u>4,144</u>	<u>3,107</u>
Future operations in foreign currency		
Forward purchases (c)	-	28,900
Forward purchases with the BCRP (d)	-	35,963
	<u>-</u>	<u>64,863</u>
Other contingent operations		
Loans granted, undisbursed	290,401	236,773
Other	5,750	100
	<u>296,151</u>	<u>236,873</u>
Total contingent operations	<u>300,295</u>	<u>304,843</u>
Other memorandum accounts		
Collateral received for loans	1,455,803	1,123,268
Guarantees granted due to borrowings and financial obligations (e)	105,651	105,977
Bad debt write-offs (f)	359,843	189,471
Suspended interest	24,593	16,367
Securities in custody	15,685	9,162

	2010	2009
	S/.(000)	S/.(000)
Completely impaired fixed asset	3,593	3,593
Other memorandum accounts	18,738	27,351
Total other memorandum accounts	<u>1,983,906</u>	<u>1,475,189</u>
Total memorandum accounts	<u>2,284,201</u>	<u>1,780,032</u>

(b) In the normal course of its operations, the Bank transacts contingent operations (indirect loans). These operations expose it to loan risks in addition to the amounts recognized in the balance sheet.

The Bank applies the same policies it uses for the granting and assessment of provisions for direct loans when transacting contingent operations, note 6, including obtaining collateral when deemed necessary. There are many kinds of collateral, including deposits kept in financial institutions, securities or other assets.

Considering that most contingent operations must reach maturity without the Bank having to face them, the total of contingent operations (indirect loans) does not necessarily represent future cash requirements.

(c) As of December 31, 2009, the Bank had forward purchase operations in foreign currency for trading purposes. These operations consisted in contracts involving the agreement to receive and deliver in the future foreign currency against domestic currency, at an established exchange rate. The risk emerged from the possibility that the counterparty does not fulfill the agreed terms and from the changes that may occur in the exchange rates of the currencies in which the transactions are made. These contracts had in general maturities of one year or less and were recorded at their estimated market values. The fair value of derivative financial instruments recorded as liabilities as of December 31, 2009 amounted to S/ 353,000. During 2010 and 2009, net loss due to forward contracts amounted to S/ 791,000 and S/ 4,688,000, respectively, and is included in the Account "Loss from derivative financial products" of the profit and loss statement, note 15. The nominal reference values of the asset underlying the derivative instrument as of December 31, 2009 amounted to US\$ 10,000,000 (equivalent to S/ 28,900,000).

(d) As of December 31, 2009, the Bank purchased forwards issued by the Central Reserve Bank of Peru. Through these operations, the Bank received nuevos soles on the trading

date in exchange for American dollars and agreed to repurchase the same amount of American dollars in exchange for nuevos soles (on the maturity date of the operation) including a fixed yield in favor of BCRP. Pursuant to the provisions set forth by the SBS, the recording of the repurchase operation of foreign currency must be entered as a trading derivative financial instrument (forward). The fair value of derivative financial instruments recorded as liabilities as of December 31, 2009 amounted to S/ 1,499,000. During 2010 and 2009, net loss due to forward contracts amounted to S/ 642,000 and S/ 1,499,000, respectively, and is included in the Account "Loss due to derivative financial instruments" of the profit and loss statement, note 15.

- (e) Guarantees granted support mostly financing received from COFIDE and correspond to financed loans, note 10(c).
- (f) During 2010 and 2009, the Bank sold the rights on write-offs granted to clients for approximately S/ 79,966,000 and S/ 64,003,000, respectively, which were completely provisioned, to a related entity, see note 18. The selling price and profit generated in 2010 amounted to S/ 5,768,000 (S/ 5,472,000 in 2009) and is recorded in the heading "Other income, net" of the profit and loss statement, note 18.

15. Financial income and expenses

The table below shows the composition of this account:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Financial income			
Interest from loans portfolio	920,700	823,034	575,941
Income from sale of investments	2,721	3,464	435
Income from appreciation of investments	1,812	3,184	3,028
Interests from available funds	1,480	311	1,960
Interest and fees payable for inter-bank funds	1,327	1,837	2,299
Other financial income	830	131	37
Participation earned from investments in subsidiaries and related companies	-	-	34
Financial income before exchange rate difference, net	928,870	831,961	583,734

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Difference in exchange rate, net	7,957	9,822	4,989
Total	936,827	841,783	588,723
Financial expenses			
Interest and fees payable for obligations with the public	93,492	91,047	61,143
Interests for indebtedness and obligations with foreign and local financing institutions	49,738	52,931	40,250
Interest payable for deposits from companies within the financial system	5,285	10,107	7,648
Interest payable for outstanding shares, securities and obligations	4,617	7,177	6,918
Fees and other charges payable for financial obligations	4,712	4,889	4,674
Premiums for the deposits insurance fund	4,481	3,509	2,153
Loss due to derivative financial instruments, net	1,433	6,187	-
Interests and fees payable for inter-bank funds	89	246	754
Other financial expenses	1,810	84	72
Total	165,657	176,177	123,612
Gross financial margin	771,170	665,606	465,111

16. Personnel expenses

The table below shows the composition of this account:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)

Salaries	146,483	116,779	90,849
Bonuses	23,816	19,021	14,703
Compensation for Years of Service (CTS)	13,767	11,072	8,579
Pension fund contribution	13,075	10,563	9,302
Non-recurring participation	9,650	12,423	10,373
Training programs for the personnel	8,373	6,808	8,485
Transportation	6,309	4,740	4,252
Board of directors expenses	4,385	4,048	3,677
Other compensations	1,665	1,957	1,709
Advance payment of extraordinary earnings, note 8 (c)	1,633	1,314	1,312
Allowances	1,126	1,549	631
Other bonuses	919	831	539
Other personnel expenses	16,319	9,153	8,256
	<u>247,520</u>	<u>200,258</u>	<u>162,667</u>
Average number of workers	<u>3,244</u>	<u>2,767</u>	<u>2,446</u>

17. Expenses for services received

(a) The table below shows the composition of this account:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Professional fees (b)	28,993	23,503	12,367
Advertising (c)	28,932	13,968	16,942
Lease expenses	15,650	14,855	10,390
Repair and maintenance	12,670	11,002	8,774
Transportation	11,087	8,718	5,798
Surveillance and protection	7,327	7,360	5,642
Communications	7,028	5,504	3,940

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Miscellaneous supplies	5,648	6,093	4,832
Public relations and events	4,021	4,125	4,431
Services	3,772	3,345	2,402
Insurance	1,637	1,656	1,573
Studies and projects	1,595	1,918	1,475
Risk central expenses	1,426	1,440	1,492
Other	15,871	11,318	9,321
	<u>145,657</u>	<u>114,805</u>	<u>89,379</u>

(b) In 2010, it includes S/10,308,000 and S/ 6,709,000 for information technology and call center services, respectively, provided since 2009 by related companies (S/ 8,005,000 and S/ 10,249,000 in 2009, and S/ 4,473,000 and S/ 4,473,000 in 2008).

(c) In 2010, it includes S/ 14,283,000 and S/ 8,931,000 for media advertising and promotional campaigns, respectively (S/ 7,037,000 and S/ 2,371,000 in 2009, and S/ 7,909,000 and S/ 3,466,000 in 2008).

18. Other income, net.

The table below shows the composition of this account:

	2010	2009	2008
	S/.(000)	S/.(000)	S/.(000)
Recovery of write-offs	13,822	11,749	8,979
Earnings from the sale of rights over loans granted to clients, note 14 (f)	5,768	5,472	3,612
Minor others, net	(1,038)	(3,333)	(1,954)
Total other income, net	<u>18,552</u>	<u>13,888</u>	<u>10,637</u>

19. Earnings per share

The table below shows the calculation of shares weighted average and earnings per share:

	Outstanding shares (in thousands)	Share base for calculation (in thousands)	Effective days in the year	Weighted average of common shares (in thousands)
2008				
Opening balance 2008	113,764	113,764	365	113,764
Capitalization of earnings, note 12(a)	27,000	27,000	365	27,000
Capitalization of earnings in 2009, note 12(a)	-	46,000	365	46,000
Capitalization of earnings in 2010, note 12(a)	-	58,000	365	58,000
Closing balance 2008	140,764	244,764		244,764
Earnings per share, basic and diluted				0.347
2009				
Opening balance 2009	140,764	140,764	365	140,764
Capitalization of earnings, note 12(a)	46,000	46,000	365	46,000
Capitalization of earnings in 2010, note 12(a)	-	58,000	365	58,000
Closing balance 2009	186,764	244,764		244,764
Earnings per share, basic and diluted				0.397
2010				
Opening balance 2010	186,764	186,764	365	186,764
Capitalization of earnings, note 12(a)	58,000	58,000	365	58,000
Closing balance 2010	244,764	244,764		244,764
Earnings per share, basic and diluted				0.397

20. Transactions with shareholders and related parties

(a) The main balance amounts of the accounts held by the Bank with its shareholders and related companies as of December 31, 2010 and 2009 are detailed below:

	Grupo ACP Inversiones y Desarrollo	Conecta Centro de Contacto S.A.	Protecta S.A. Compañía de Seguros	CSC Innovación S.A.	Other shareholders	Other related companies
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
2010						
Assets						
Loans portfolio	8,342	26	-	-	-	2,702
Other assets	804	32	18	15	-	186
Liabilities						
Obligations with the public	15,030	904	3,490	445	-	6,646
Debts	-	-	-	-	124,820	-
Other liabilities	162	1,781	1,175	323	-	435
Results						
Income from interest	973	3	-	-	-	227
Income from miscellaneous services	7	4,186	20,323	278	-	133
Expenses for miscellaneous financial services	-	2,749	-	-	-	-
Expenses for interest	131	9	53	6	12,193	117
Expenses for third-party services	676	8,171	80	10,308	-	3,023
Memorandum accounts						
Indirect loans and guarantees	8,810	-	-	-	-	11,098

	Grupo ACP Inversiones y Desarrollo	Conecta Centro de Contacto S.A.	Protecta S.A. Compañía de Seguros	CSC Innovación S.A.	Other shareholders	Other related companies
	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)	S/.(000)
2009						
Assets						
Loans portfolio	8,617	42	-	-	-	1,494
Other assets	1,491	149	26	61	-	545
Liabilities						
Obligations with the public	17,888	1,164	2,375	233	-	4,780
Debts	-	-	-	-	219,040	-
Other liabilities	128	418	5	169	-	455
Results						
Income from interest	8	1	-	-	-	109
Income from miscellaneous services	5	5,655	14,746	103	-	754
Expenses for miscellaneous financial services	-	1,647	-	-	-	-
Expenses for interest	530	9	30	11	13,644	180
Expenses for third-party services	663	10,937	1	8,005	-	4,108
Memorandum accounts						
Indirect loans and guarantees	-	-	1	-	-	10,415

Conecta Centro de Contacto S.A. -

Conecta Centro de Contacto S.A. provides telephone, collection and telemarketing services.

During 2010, the Bank entered into twelve sales agreements covering write-offs portfolio with its related company Conecta Centro de Contacto S.A., for a total amount of S/ 5,768,000, note 14(f) (S/ 5,472,000 in 2009).

Protecta S.A. Compañía de Seguros -

On January 2, 2009, the Bank entered into a service provision agreement for insurance sales with Protecta S.A. Compañía de Seguros, whereby Mibanco is authorized to promote and sell insurance products to its clients portfolio.

CSC Innovación S.A. -

In May 2009, the Bank entered into an information technology service agreement with CSC Innovación S.A.

Other shareholders -

As of December 31, 2009, the Bank maintains financing from its shareholders IFC, Triodos Fair Share Fund and Triodos SICAV II – Triodos Microfinance Fund and Accion Investment in Microfinance SPC in the amount of S/ 85,494,000 (S/ 178,580,000 as of December 31, 2009) S/ 30,899,000 (S/ 31,790,000 as of December 31, 2009) and S/ 8,427,000 (S/ 8,670,000 as of December 31, 2009), respectively, note 10(b) which generated interest expenses recorded in Account “Financial Expenses” of the profit and loss statement, totaling S/ 8,432,000 (S/ 11,466,000 as at December 31, 2009), S/ 2,922,000 (S/ 1,845,000 as of December 31, 2009) and S/ 839,000 (S/ 333,000 as of December 31, 2009), respectively.

During 2010 and 2009 it incurred in expenses for property, debtors’ life and risk insurance with La Positiva Cía. de Seguros y Reaseguros S.A. In addition, as at December 31, 2010 and 2009, La Positiva Cía. de Seguros y Reaseguros S.A. held term deposits and current accounts.

In 2010 and 2009, the Bank obtained revenues for technical financial advice provided to its related companies Microfinanzas de Uruguay S.A., Forjadores de Negocios S.A. and FIS Empresa Social (Emprenda) for a total approximate amount of S/117,000 and S/637,000, respectively.

- (b) Certain shareholders and officers of the Bank have entered into loan transactions with the Bank, directly or indirectly, as permitted by the Law on Banking and Insurance that regulates and limits certain transactions with employees, directors and officers of a bank. As at December 31, 2010, loans and other credits granted to employees and directors of the Bank amounted to approximately S/ 11,599,000 (S/ 8,382,000 as of December 31, 2009).
- (c) The total compensation paid to directors amounted to approximately S/ 3,855,000 and S/ 3,828,000 and S/ 3,400,000 in 2010, 2009 and 2008, respectively, and is recorded in the heading “Personnel Expenses” of the income statement.

The total compensation paid to key personnel of the Bank, which includes the General Management and other Management positions, in 2010, 2009 and 2008, amounted to S/ 8,100,000, S/ 10,257,000 and S/ 7,680,000, respectively.

Pursuant to the laws in force, loans to related parties may not be granted at more favorable conditions than those offered by a bank to the general public.

The Bank Management considers it has complied with all the requirements established in the legal provisions in force for transactions with related entities or persons.

21. Risks Assessment

The Bank activities are mainly related to the use of financial instruments. The Bank receives deposits from its clients at fixed and variable rates, at different terms, with the intention of obtaining a profit, investing these funds in first class assets. The Bank seeks to increase these margins consolidating its short-term funds and lending at terms in line with its financing to obtain higher rates, through a variety of products, but keeping sufficient liquidity to comply with all withdrawals that may be required.

Market risks -

The Bank is exposed to market risks, which include the risk that the fair value or future cash flows of a financial instrument fluctuate due to changes in market prices. Market risks emerge from changes in positions in and out of the balance sheet, which are exposed to general and specific market movements, subjects to price variability in financial markets, such as interest rates, foreign exchange rates, commodities and capital investments.

The Bank sets internal limits that are monitored on a permanent basis. However, the use of this control measure does not eliminate entirely the possibility that losses may occur beyond such limits if extreme movements should occur in the market prices.

Liquidity Risk -

The Bank is exposed to daily withdrawal of its available resources in cash due to its day to day obligations with the public, checking accounts, maturity of deposits, reduction of loans, guarantees and other withdrawals. The Bank does not keep cash to comply with all these requirements, as experience shows that a minimum reinvestment of funds may be projected upon their maturity, with a high degree of certainty. The Bank Management establishes limits on the minimum amount of available funds to cover the payment of deposits upon maturity and on the minimum level of interbank loan facilities and other types of loans (debts and financial obligations) required to cover withdrawals in the event of an unexpected demand level.

It is essential for the Bank to balance and control mismatch of maturities, lending and savings interest rates; however, financial entities do not usually obtain exact matches; given the uncertain terms of many transactions and their many different types, an exposed

position in the terms or rate can potentially increase the return, although it also increases the of loss risk.

The maturity in loans and savings (assets and liabilities) and the capacity to replace, at a reasonable cost, liabilities that generate interest upon maturity, are important factors in determining the liquidity of the Bank and its exposure to changes in the interest rates and foreign exchange rates.

The notes on the financial statements include an analysis of the relevant assets and liabilities of the Bank, grouped according to their contractual maturity.

Cash flow and fair value risks due to changes in interest rates -

Cash flow risk due to interest rates is the risk that cash flows of a financial instrument may fluctuate due to changes in market interest rates. The fair value risk due to interest rates is the risk that the value of a financial instrument may fluctuate due to changes in market interest rates.

The Bank takes positions that are affected by the impact of fluctuations in market interest rate levels prevailing over its financial situation and cash flows. Interest margins may increase as a result of such changes, but may drop or generate losses in the event of unexpected movements. The Bank Management sets mismatch level limits to probable changes in interest rates, which are permanently monitored.

Financing resources are mostly obtained from short-term liabilities, the interest of which is agreed at the fixed and variable market rates.

Clients' deposits and other financial instruments are subject to risks originated by interest rate fluctuations. Relevant contractual maturity and interest rate characteristics of the main financial instruments are shown in the respective notes on the financial statements.

During the years 2010 and 2009, the Bank did not transact operations with products derived from hedging of this risk.

Risk due to foreign exchange rate -

The Bank is exposed to the effects of fluctuations in foreign exchange rates prevailing in its financial position and cash flows. The Management sets limits on the levels of exposure to currency and the total "overnight" operations, which are monitored on a permanent basis. Most of the assets and liabilities are maintained in nuevos soles. Transactions in foreign currency are made at offer and demand rates.

The Bank's assets and liabilities in foreign currency as of December 31, 2010 and 2009 are shown in note 3.

The Bank has transacted operations with currency forward derivatives to cover part of this risk, note 3 and 14(c) and (d).

Loan risk -

The Bank has positions subject to loan risk, which is the risk that a client may not be able to meet payments upon maturity; accordingly, it records provisions for such losses incurred as at the date of the balance sheet. Significant changes in the economy or in the situation of a particular industry segment, representing a concentration of the Bank's portfolio, could cause the losses to differ from those recorded on the date of the balance sheet; therefore, the Bank's Management permanently monitors its exposure to loan risk.

The Bank structures loan risk levels, setting acceptable limits to in relation with a debtor or a group of debtors and the geographical and industry segments. Such risks are permanently monitored and subject to frequent review. Risk level limits are approved by the Management and are framed within the legal provisions in force.

Loan risk exposure is managed through permanent analysis of the debtors' capacity to meet payment of interest and capital of their obligations and by changing the loan limits when deemed appropriate.

Exposure to loan risk is also managed in part through real and personal guarantees; however, for a significant portion of MES and consumer loans it is not possible to obtain such guarantees. Financial assets that present a potential credit risk consist mainly of available funds, marketable investments available for sale, loans portfolio, derivatives and other assets.

Available funds, excluding cash and clearing, are placed in first class financial institutions. The magnitude of the Bank's maximum loan risk exposure is represented by the previously indicated accounting balance amounts. Actual exposures and their comparisons to established limits are reviewed on a permanent basis.

22. Fair value of financial instruments

The fair value or market estimate is the amount for which an asset could be traded or a liability agreed between knowledgeable and willing parties in a current transaction, in the assumption that the entity is an ongoing concern.

When a financial instrument is traded in a liquid market, its market price in an actual transaction offers the best proof of its respective fair value. When the market price is not available or might not be indicative of the fair value of the instrument, the market value of another substantially similar instrument may be used to determine such fair value or the analysis of discounted cash flows or other applicable techniques that may be significantly affected by the assumptions used. Notwithstanding that the Management has used its best judgment in estimating the fair values of its financial instruments, any technique used to make such estimates entails a degree of inherent fragility.

As a result, the fair value might not be indicative of the net realizable or liquidation value. The methodologies and assumptions used to determine estimated market values depend on the terms and risk characteristics of the different financial instruments, as detailed below:

- Available funds represent cash and short-term deposits that do not entail significant loan risks or interest rate risks; accordingly, their book value is equal to their estimated market value.

- As of December 31, 2010 and 2009, investments available for sales are recorded at their estimated market values; consequently, the estimated market value includes potential unrealized gains, which have been determined based on the valuation of investments.

- Most of the Bank's loans have interest rates that may be adjusted in the event market conditions change; consequently, their accounting value net of provisions for theoretical loan risk with the provision rates required by the SBS, excluding the increase for procyclical provisions as indicated in note 6, is considered a good fair value estimate of these assets as at the date of the balance sheet.

- The market value of deposits and obligations is similar to their respective book value, mainly because most have current maturities and the interest rates they generate are comparable to those of other similar liabilities in the market as of the date of the balance sheet.

- Debts with Banks and correspondent entities generate interest at fixed and variable rates and/or preferred rates similar to those prevailing in the market. As a result, it is estimated that their book values do not differ significantly from their respective market value.

- Outstanding securities, titles and obligations generate interest at fixed and variable rates according to the issuance. The fair value of bonds was calculated using discounted cash flows at prevailing rates in the bank for liabilities with similar characteristics. As a result of the calculation, the estimated market value does not differ significantly from the book value.

- The Bank records operations with derivatives (forward) at their estimated market value; hence there is no difference with the book value.

Consequently, as of December 31, 2010 and 2009, Management considers that the estimated value of the Bank's financial instruments does not differ significantly from their respective book value.



**GLOBAL
REPORTING
INITIATIVE (GRI)**





*Wilber Quispe Huamán.
Line of Business: Handicrafts
Agency: Lurín*

Mibanco has included observations for GRI indicators (mandatory and voluntary) in the Annual Report under the principle of reliability; this information is open to be audited by third parties.

The degree of rigorousness implemented in the Annual Report meets the A grade of the GRI.

As a general rule, the information follows the guidelines contained in the GRI protocols. In cases where information about an indicator is not offered, it is because it is not within the scope of activities of Mibanco, Banco de la Microempresa.

Mibanco has implemented specific measures to ensure that the financial data and any other data issued within the framework of its institutional communications are complete, accurate and truthful.

No information from previous years has been reformulated.

No significant changes have taken place as to the scope, coverage or valuation methods. In the exceptional cases where there is a change with respect to the previous year, it is duly justified.

No relevant limitations have been identified. In such cases where a variation may be considered with respect to the scope or coverage, it is duly explained, attaching the information provided.

Mibanco's Annual Report introduces to GRI indicators in its content; at the end of the document there is a specific index of each indicator, organized according to the structure of the GRI.

DEFINITION OF THE ANNUAL REPORT CONTENT, COVERAGE AND QUALITY

PRINCIPLES FOR THE DEFINITION OF THE ANNUAL REPORT CONTENT

The contents of the Annual Report were defined taking into account the following principles:

THOROUGHNESS

Scope: Aspects and indicators required by the Global Reporting Initiative (GRI) are applied to both the general guide and the sector supplement for financial services.

Coverage: The data contained in the Annual Report refers to Mibanco, Banco de la Microempresa; and is comprised of information from its 112 offices countrywide, 53 in Lima and 59 in cities other than Lima.

Time: The information presented is accurate and up to date for the period up until December 31, 2010 and is supplemented, in quantitative magnitudes, with the data from the 2009 period.

SUSTAINABILITY CONTEXT

Mibanco makes its commitment to sustainability explicit in this report, which forms part of the institution's strategy and operations, as well as the description of the policies and procedures in place in matters of ethical and responsible management.

MATERIALITY

The information included reflects the matters relevant to our stakeholders, the financial sector and the scenario in which Mibanco operates.

PARTICIPATION OF STAKEHOLDERS

The main stakeholders have been identified and we consider that this Report meets their expectations and matches their interests.

REPORT'S QUALITY PRINCIPLES

BALANCE

Complete information of the activity or activities to which this indicator refers is considered. It includes both positive results and those required to improve performance.

ACCURACY

The Report offers sufficiently accurate and detailed information to make it generally comprehensible.

The information presented in the Report includes all activities and justifies information reported partially or not reported.

Information has been prepared based on standardized measurement techniques and calculation bases in both the scopes of financial management and sustainability.

RELIABILITY

The information contained in the Report is open for audit by third parties. The Financial Statements comply with the legal parameters established by the Peruvian institutions.

CLARITY

Any reader will easily comprehend the clarity of the information reported.

The Bank's Annual Report is available at the website <http://www.mibanco.com.pe/> for any person or group to assess its performance.

COMPARABILITY

Even though some indicators are reported for the first time (version G3) most indicators may be compared with those reported in the previous year.¹⁰

¹⁰ Mibanco 2009 Annual Report.

The information in this report follows the same compilation and calculation procedures as in previous Annual Reports; therefore, no significant changes may be observed in comparability matters.

TIMELINESS

The information regarding the performance of Mibanco is consolidated and presented on an annual basis. The report is published after its approval at Mibanco's Annual Shareholders' Meeting.

Contact: Fernando Balbuena fbalbuena@mibanco.com.pe and/or Carolina Benavides cbenavid@mibanco.com.pe

1. STRATEGY AND ANALYSIS

Item	Description	Page
1.1	Statement on the relevance of sustainability for the organization and its strategy by the maximum authority.	10 – 13
1.2	Description of the main impacts, risks and opportunities.	10 – 13, 51, 68

2. MIBANCO PROFILE

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3.8	The basis for including information in the case of joint ventures, affiliates, leased premises, sub-contracted activities and other entities that may significantly affect comparability between periods and/or between organizations.	209

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4.2	It must indicate if the President of the highest governing body also holds an executive position (if that is the case, his/her function in the management of the organization and the reasons supporting it).	32
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4.6	Procedures in place to prevent conflicts of interest in the highest governing body.	33
4.7	Procedure to determine required training and experience for members of the highest governing body to be able to guide the strategy of the organization in social, environmental and economic aspects.	33
4.8	Mission and values statements prepared internally, codes of conduct and relevant principles for economic, environmental and social performance and the status of implementation.	25
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4.11	Description of how the organization has adopted a precaution motion or principle.	33 – 35
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4.16	Approaches adopted for inclusion of stakeholders, including frequency of participation by type and category of stakeholder.	44, 45
4.17	Main concerns and aspects of interest that may have arisen through the participation of the stakeholders and how the organization has responded to them in preparing the Annual Report.	12, 13, 30 – 33, 44, 45

ECONOMIC PERFORMANCE INDICATORS

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ECONOMIC PERFORMANCE

Indicator	Description	Page
EC1	Direct generated and distributed economic value, including revenues, exploitation costs, compensation to employees, donations and other investments in the community, non-distributed benefits and payments to capital suppliers and governments.	67
EC2	Financial consequences and other risks and opportunities for climate change-related activities of the organization.	33
EC3	Coverage of obligations of the organization due to social benefit programs.	115
EC4	Significant financial aid received from governments.	30

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Indicator	Description	Page
EC5	Range of relations between initial standard salary and minimum local salary in places where significant operations take place.	117
EC6	Policy, practices and expense proportion for local suppliers in places where significant operations take place.	120
EC7	Procedures for local hiring and proportion of senior officers from the local community in places where significant operations take place.	108

INDIRECT ECONOMIC IMPACTS

Indicator	Description	Page
EC8	Development and impact of investments in infrastructure and services rendered mainly for the benefit of the public through commercial commitments, pro bono or in kind.	121
EC9	Comprehension and description of significant indirect economic impacts, including the scope of such impacts.	125

ENVIRONMENTAL PERFORMANCE INDICATORS**APPROACH**

Management Approach (DMA).

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MATERIALS**Indicator****Description****Page**

EN1

Materials used, by weight or volume.

129

EN2

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131

ENERGY**Indicator****Description****Page**

EN3

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131

EN4

Indirect energy consumption by primary sources.

131

EN5

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EN6

Initiatives to provide efficient products and services in energy consumption or based on renewable energy and reductions in energy consumption as a result of such initiatives.

132

EN7

Initiatives to reduce indirect energy consumption and reductions achieved with such initiatives. Additional indicator, not included in the 2010 version.

-

WATER**Indicator****Description****Page**

EN8

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EN9

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132

EN10

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132

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Indicator	Description	Page
EN15	Number of species, detailed according to their extinction danger, included in the Red List of the UICN and in national listings and the habitats of which are in areas affected by the operations according to the degree of endangerment of the species.	33
EN16	Total, direct and indirect, greenhouse gas emissions in weight.	133
EN17	Other indirect greenhouse gas emissions, in weight. Not material.	-
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved. Additional indicator, not included in the 2010 version.	-
EN19	Emissions of destructive substances for the ozone layer, in weight. Not material.	-
EN20	NO, SO and other significant emissions to the air by type and weight. Not material.	-
EN21	Total discharge of wastewaters, according to their nature and destination. Not material.	-
EN22	Total weight of residues generated, by type and treatment method.	130
EN23	Total number and volume of the most significant accidental spillages. Not material.	-

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Indicator	Description	Page
EN26	Initiatives to mitigate environmental impacts of products and services and degree of impact reduction.	133
EN27	Percentage of products sold and their packing materials which are recovered at the end of their useful life, by product category. Not material.	-

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Indicator	Description	Page
EN28	Cost of significant fines and number of non-monetary penalties imposed for non-compliance of environmental regulations.	133

TRANSPORTATION

Indicator	Description	Page
EN29	Significant environmental impacts from transportation of products and other goods and materials used for the organization's activities, as well as transportation of personnel. Additional indicator, not included in the 2010 version.	-

GENERAL

Indicator	Description	Page
EN30	Breakdown by type, of the total environmental expenses and investments. Additional indicator, not included in the 2010 version.	-

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INVESTMENT AND PROCUREMENT

Indicator	Description	Page
HR1	Percentage and total number of significant investment agreements that include human rights clauses or that may have been subject of analysis in human rights matters.	124
HR2	Percentage of the main distributors and contractors that have been subject of analysis in human rights matters and measures adopted.	118
HR3	Total hours of education for employees on policies and procedures related to human rights aspects relevant for their activities, including percentage of employees that received such education.	122

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Indicator	Description	Page
HR4	Total number of discrimination incidents and measures adopted.	108

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Indicator	Description	Page
HR5	Company activities where freedom of association and the right to adhere collective agreements may be in serious danger and measures adopted to support such rights.	107

CHILD LABOR ABOLITION

Indicator	Description	Page
HR6	Activities identified that entail potential risk of child labor incidents and measures adopted to contribute to their eradication.	122

FORCED LABOR

Indicator	Description	Page
HR7	Operations identified as having significant risk of being the source of forced or non-consented labor episodes and measures adopted to contribute to their elimination.	108, 123

SECURITY PRACTICES

Indicator	Description	Page
HR8	Percentage of the security personnel educated in the policies or procedures of the organization in human rights aspects relevant to their activities.	107, 118

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Indicator	Description	Page
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LABOR AND ETHICAL PRACTICES AT WORK

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LA9	Health and safety matters covered under formal agreements with unions.	116

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Indicator	Description	Page
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LA11	Skill management and permanent improvement programs that promote employability of workers and that provide them support to follow through their professional careers.	110
LA12	Percentage of workers who receive regular performance and professional development assessments.	112

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LA14	Relation between men's base salary with respect to women's base salary, by professional category.	104, 117

SOCIETY PERFORMANCE INDICATORS

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Indicator	Description	Page
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SO3	Percentage of employees that received instruction in anti-corruption policies and procedures of the organization.	127
SO4	Measures adopted in response to corruption incidents.	127

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Indicator	Description	Page
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PERFORMANCE INDICATORS ON RESPONSIBILITY ON PRODUCTS

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CLIENTS' HEALTH AND SAFETY

Indicator	Description	Page
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PR6	Programs for compliance with laws or adhesion to standards or voluntary codes mentioned in marketing communications, including advertising, other promotional activities and sponsorships.	96
PR7	Practices with respect to client satisfaction, including results of client satisfaction surveys.	126

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SPECIFIC SUPPLEMENTARY ENVIRONMENTAL INDICATORS FOR THE FINANCIAL SERVICES SECTOR

IMPACT OF PRODUCTS AND SERVICES

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FS3	Processes to monitor implementation by clients of social and environmental requirements that are included in contracts or transactions.	89
FS4	Process to improve employees' competency to implement social and environmental policies and the procedures for application to business lines.	112
FS5	Interactions with clients/participating corporations/business partners in relation to social and environmental risks and opportunities.	69

PRODUCTS PORTFOLIO (PERFORMANCE INDICATORS)

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FS7	Monetary value of products and services designed to provide specific social benefit per each business line, by purpose.	78
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FS9	Coverage and frequency of audits to assess implementation of social and environmental policies and risk assessment procedures.	98

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Indicator	Description	Page
FS10	Percentage and number of companies in the portfolio with which there has been interaction in social and environmental issues.	26, 41, 72, 124
FS11	Percentage of assets subject to social or environmental controls both positive and negative.	99, 125
FS12	Voting policy or policies in social or environmental issues, in participations over which the reporting organization has voting rights or voting recommendation rights.	33

*Katherine Jiménez Carreño, User Service Officer ,
Gabriela Molina Zevallos, Savings and Insurance Assistant,
Diana de la Cruz Ramírez, Channels and Production Analyst*



10

**ADHERENCE
THE GLOBAL
COMPACT**

ETO



*Laureana Juliana Calle Mamani.
Line of Business: Groceries Sales
Agency: Cercado*

ADHERENCE TO THE GLOBAL COMPACT

At Mibanco we express our commitment to the Global Compact and the Millennium Development Goals, both United Nations initiatives, promoting a respect for human rights among our stakeholders and contributing to the development of a more just and inclusive society.

PRINCIPLES	Global Reporting Initiative (GRI)	
	GRI INDICATORS	Annual Report Page Nr.
Human Rights		
1. Companies should support and respect the protection of internationally proclaimed human rights, within their scope of influence.	HR1- 9	107, 108, 118, 122, 123, 124
2. Businesses should make sure that their affiliates are not complicit in human rights abuses.	HR1, HR2, HR9	124, 118, 122
LABOR		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA4, LA5	107 - 111
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR7	108, 123
5. Businesses should support the effective abolition of child labor.	HR6	122
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	HR4, LA2, LA13, LA14	108, 105, 104, 117
ENVIRONMENT		
7. Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, SO5	33, 133, 97
8. Businesses should undertake initiatives to promote greater environmental responsibility.	EN2, EN5, EN10, EN22, EN26	131, 132, 130, 133
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5, EN10, EN26	131, 132, 133
CORRUPTION		
10. Businesses should work against corruption in all its forms, including extortion and bribery.	SO2-SO4	125, 127



SINOTRUK

371

JAC

PERU
B2A-915
RALLY

*Miguel Ángel Cancce Quispe.
Line of Business: Hardware store
Agency: Villa María del Triunfo*

LIST OF AGENCIES



Valle Snaon agency employees



i
Información



LIST OF AGENCIES

Name	District	Address
SAN JUAN DE MIRAFLORES	San Juan de Miraflores	Av. Los Héroes 516.
RÍMAC	Rímac	Av. Caquetá 998-A.
ZÁRATE	San Juan de Lurigancho	Av. Gran Chimú 822-824 Urb. Zárate.
CALLAO	Bellavista	Av. Elmer Faucett 310.
VILLA EL SALVADOR	Villa El Salvador	Av. Juan Velasco, 2do. sector Gr.8, Mz.F Lt. 17.
SANTA ANITA	Ate - Vitarte	Av. Nicolás Ayllón 3236 (a 2 cdas de Plaza Veá).
COMAS	Comas	Av. Túpac Amaru 3857 - 3861, San Agustín I Etapa.
CHORRILLOS	Chorrillos	Av. Guardia Civil 312.
CERCADO	Lima - Cercado	Av. Inca Garcilaso de la Vega 1390-1394.
VILLA MARÍA DEL TRIUNFO	Villa María del Triunfo	Av. El Triunfo 101.
LOS OLIVOS	Los Olivos	Av. Alfredo Mendiola 3491.
CANTO GRANDE	San Juan de Lurigancho	Av. Canto Grande 3510.
VENTANILLA	Ventanilla	Av. Principal Mz C-3 Lote 13. Urb Ventanilla.
CHOSICA	Lurigancho	Av. 28 de Julio 393.
HUAYCÁN	Ate - Vitarte	Av. 15 de Julio Lte. 29 Zona B.
PUENTE PIEDRA	Puente Piedra	Mz. C Lt. 2, Urb. Santo Domingo.
SAN MARTÍN DE PORRES	San Martín de Porres	Av. Perú 3411.
SAÉNZ PEÑA	Callao	Av. Roque SaéNZ Peña 922-924.

Name	District	Address
SURQUILLO	Surquillo	Av. Paseo de la República 4297.
GAMARRA	La Victoria	Prolong. Antonio Bazo 750.
INDEPENDENCIA	Independencia	Av. Túpac Amaru 7197.
CENTRO HISTÓRICO	Lima - Cercado	Jr. Carabaya 406.
PRÓCERES	San Juan de Lurigancho	Av. Próceres de la Independencia 1671-A Urb. Las Flores.
PARDO	Miraflores	Av. José Pardo 175.
LURÍN	Lurín	Mz. E Lt. 6 Urb. Las Virreyenas km. 36 1/2.
CARABAYLLO	Comas	Av. Túpac Amaru 3043 Mz R Lt 11 Urb el Progreso.
CERES	Ate - Vitarte	Av. Víctor Raúl Haya de la Torre Mz. D Lt. 24.
MAGDALENA	Magdalena	Av. Brasil 3256 - 3260.
COVIDA - LOS OLIVOS	Los Olivos	Av. Antúnez de Mayolo 1388.
SAN GABRIEL	Villa María del Triunfo	Av. Salvador Allende 198 Esq. con José C. Mariátegui Urb. San Gabriel.
MÉXICO	La Victoria	Av. México 1604 - 1606 Urb. La Pólvara.
ANGÉLICA GAMARRA	Los Olivos	Av. Angélica Gamarra Cdra 8 Mz. D Lt. 4 Urb. El Trébol.
PRO	Los Olivos	Av. Alfredo Mendiola 7887.
HUANDOY	Los Olivos	Av. El Naranjal 1413 y 1415 Parque Naranjal - II Etapa Mz. I -2, Lt.15.
VALLE SHARON	San Juan de Miraflores	Av. Prolongación Canevaro 131 Urb. Coop. Viv. Valle Saron.
JOSÉ GÁLVEZ	Villa María del Triunfo	Av. Lima 1089 (alt. paradero 6 ½ Av. Lima).

Name	District	Address
PACHACAMÁC	Villa El Salvador	Urbanización Pachacamác Mz. L, Lt.16 Etapa II.
SAN PEDRO	Chorrillos	Av. El Triunfo cdra. 3 s/n puerta 1 AA.HH. Túpac Amaru de Villa - San Pedro de Chorrillos.
MARISCAL CÁCERES	San Juan de Lurigancho	Av. Próceres de la Independencia 5118, Urb. Mariscal Cáceres.
SAN JUAN DE COLLIQUE	Collique	Av. Túpac Amaru 5475, Urb. San Juan Bautista.
EL AGUSTINO	El Agustino	Av. Riva Agüero 1400 (al costado de la Municipalidad).
HUACHIPA	Huachipa	Av. Las Torres Mz.A, Lt.8 Urb. El Paraíso de Puente Huachipa.
MUSA	Pachacamac	AAHH Paul Poblet Mz Alt 6, carretera a Cieneguilla km 12 (por la curva de Manchay).
CIRCUNVALACIÓN	San Luis	Av. Circunvalación 2147, Urb. Industrial Residencial El Pino.
GRAU	La Victoria	Av. Manco Cápac 201 y Jr. Raymondi.
PRIMAVERA	Surco	Av. Primavera 1754.
CAVENECIA	Lima	Av. Emilio Cavenecia 175.
CAÑETE	San Vicente de Cañete	Jirón Sepúlveda 225 - San Vicente de Cañete
HUACHO	Huacho	Av. Miguel Grau Seminario 147.
BARRANCA	Barranca	Jr. Alfonso Ugarte 120 a media Cdra. Plaza Armas.
HUARAL	Huaral	Calle Luis Colán 110.

AGENCIAS OUTSIDE LIMA

Name	Department	Province	District	Address
CHINCHA	Ica	Chincha	Chincha Alta	Av. Mariscal Benavides 234, Chincha Alta.
CHICLAYO	Lambayeque	Chiclayo	Chiclayo	Calle San José 755.
HUANCAYO	Junín	Huancayo	Huancayo	Av. Giraldez 201.
AREQUIPA	Arequipa	Arequipa	Arequipa	Esq. Calle Piérola 237 y Dean Valdivia 117.
TRUJILLO	La Libertad	Trujillo	Trujillo	Calle Bolívar 626.
CUSCO	Cusco	Cusco	Cusco	Av. Garcilazo de la Vega 232 - 238 .
AVELINO	Arequipa	Arequipa	La Pampilla	Av. Daniel Alcides Carrión 265 A.
HUARAZ	Ancash	Huaraz	Huaraz	Av. José de Sucre 765.
TACNA	Tacna	Tacna	Tacna	Calle Apurímac 245 Cercado .
CAJAMARCA	Cajamarca	Cajamarca	Cajamarca	Jr. Apurímac 888.
ICA	Ica	Ica	Ica	Jr. Independencia 156.
TARAPOTO	San Martín	Tarapoto	Tarapoto	Jr. Gregorio Delgado 142 Cercado.
JULIACA	Puno	San Román	Juliaca	Jr. Huaynacápac 130 Zona Cercado Prov. San Román.
MOSHOQUEQUE	Lambayeque	Chiclayo	José Leonardo Ortiz	Av. El Dorado 924 y 928 esquina con Av. Bolívar.
PUNO	Puno	Puno	Puno	Calle Puno 334 - 342.
PIURA	Piura	Piura	Piura	Av. Sánchez Cerro 1279.

Name	Department	Province	District	Address
PUCALLPA	Ucayali	Cnel. Portillo	Callería	Jr. Coronel Portillo 623 distrito de Callería.
IQUITOS	Loreto	Maynas	Iquitos	Jr. Napo 200, esquina con Raymondi.
PISCO	Ica	Pisco	Pisco	Calle Progreso 181.
TARMA	Junín	Tarma	Tarma	Jr. Lima 543.
CHIMBOTE	Áncash	Del Santa	Chimbote	Jr. F. Bolognesi 687.
PUERTO MALDONADO	Madre de Dios	Tambopata	Tambopata	Av. Ernesto Rivero 716.
EL PORVENIR	La Libertad	Trujillo	El Porvenir	Calle Micaela Bastidas 1233 El Porvenir.
TUMBES	Tumbes	Tumbes	Tumbes	Calle Bolívar 147.
PINTO	Tacna	Tacna	Tacna	Av. Pinto Mz. K, Lt. 7 - frente a CC Polvos Rosados.
EL TAMBO	Junín	Huancayo	El Tambo	Av. Mariscal Castilla 1259, El Tambo.
CUSCO SUR	Cusco	Cusco	San Sebastián	Lt. 2 y 3 Mz. B Asoc. Pro Vivienda Pueblo Libertador.
JAÉN	Cajamarca	Jaén	Jaén	Calle Bolívar 1247 - 1249.
ILO	Moquegua	Ilo	Ilo	Jr. Zepita 423.
HUÁNUCO	Huánuco	Huánuco	Huánuco	Jr. 28 de Julio 1038 - 1040.
CAYMA	Arequipa	Arequipa	Cayma	Av. Ejército 1014.
MIRAFLORES	Arequipa	Arequipa	Miraflores	Av. Teniente Ferré 207.
CASTILLA	Piura	Piura	Castilla	Esquina Av. Guardia Civil y Las Dalias B - 1, Urb. Miraflores.

Name	Department	Province	District	Address
CHILCA	Junín	Huancayo	Chilca	Calle Real 600.
LA MERCED	Junín	Chanchamayo	Chanchamayo	Jr. Tarma 244.
LAMBAYEQUE	Lambayeque	Lambayeque	Lambayeque	Av. Ramón Castilla 1021.
TÚPAC AMARU	Puno	San Román	Juliaca	Jr. Túpac Amaru 887 - 891.
LA ESPERANZA	La Libertad	Trujillo	Trujillo	Av. Condorcanqui 1264.
MOYOBAMBA	San Martín	Moyobamba	Moyobamba	Jr. San Martín 421-425 Barrio Belén.
CUSCO CENTRO	Cusco	Cusco	Centro	Av. La Cultura 2009 y 2009 - A, Urb. Magisterio I Etapa. Cercado.
EL DORADO	San Martín	Tarapoto	Tarapoto	Jr. Lima 367-377-379.
EL PEDREGAL	Arequipa	Caylloma	El Pedregal	Calle Islay Mz. I, Lt.2A.
LA HERMELINDA	La Libertad	Trujillo	Trujillo	Av. América Norte 1351 (antes Av. Circunvalación Exterior) Urb. Las Quintanas.
TALARA	Piura	Talara	Talara	Sub Lote C, Zona Centro Cívico entre Parque Grau y Mercado Nuevo de Talara.
SULLANA	Piura	Sullana	Sullana	Av. San Martín 821-823.
SATIPO	Junín	Satipo	Satipo	Jr. Francisco Irazola 251,253 y 255 Satipo, Letra B, Mz. 14.
CHEPÉN	La Libertad	Chepén	Chepén	Calle Lima 406.
AYACUCHO	Ayacucho	Huamanga	Ayacucho	Jr. Sol 241.
MAYORISTA	La Libertad	Trujillo	Trujillo	Av. César Vallejo 311 Urb. Palermo.

Name	Department	Province	District	Address
AVENTURA PLAZA TRUJILLO	La Libertad	Trujillo	Trujillo	Av. América Oeste 750 Urb. El Ingenio. Locales B-1259 B-1263 - 1° nivel
OPEN PLAZA TRUJILLO	La Libertad	Trujillo	Trujillo	Av. América Norte 1245, Urb. Los Jardines.
PLAZA SOL DE ICA	Ica	Ica	Ica	Av. San Martín y Ayabaca, local LC 108, 1° piso.
REAL PLAZA HUANCAYO	Junín	Huancayo	Huancayo	Local Comercial 101 - 105, 1° nivel Centro Comercial - Estación Huancayo

AGENCY IN SHOPPING CENTERS

Number	Agency	District	Address
1	AVENTURA PLAZA BELLAVISTA	Bellavista	Av. Óscar R. Benavides No. 3866 Bellavista, Callao, locales No. C-1022, C-1024, C-1026, C-1028, C-1030 y C-1032 - 1° nivel.
2	REAL PLAZA PRO	San Martín de Porres	Av. Alfredo Mendiola 7042 - LC 101 Santa Luzmila.
3	MULTICENTER INDEPENDENCIA	Independencia	Av. Carlos Alberto Izaguirre 275.
4	REAL PLAZA CENTRO CÍVICO	Lima	Paseo de la República s/n Real Plaza Centro Cívico 2°Piso / Garcilazo de la Vega 1337 - 2° piso.
5	MINKA	Callao	Av. Argentina 3093 - 3257, Callao.
6	AVENTURA PLAZA TRUJILLO	Trujillo	Av. América Oeste 750 Urb. El Ingenio, locales B -1259 B -1263, 1° nivel.
7	OPEN PLAZA TRUJILLO	Trujillo	Av. América Norte 1245, Urb. Los Jardines.
8	PLAZA SOL DE ICA	Ica	Av. San Martín y Ayabaca, Local LC 108, 1er piso.
9	REAL PLAZA HUANCAYO	Huancayo	Local Comercial 101 - 105, 1° nivel Centro Comercial-Estación Huancayo.



*Adelina Villaorduña Pérez next to her
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Agency: Barranca.*



Photography: Alex Bryce
Graphic design: Pilar Elías
Editing: Servidioma
Printing: Comunica2 S.A.C.

