



El banco de los que mueven el país.



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Annual Report **2011**



Declaración de Control del Nivel de Aplicación de GRI

Por la presente GRI declara que **MIBANCO, BANCO DE LA MICROEMPRESA S.A.** ha presentado su memoria "MEMORIA ANUAL 2011" a los Servicios de GRI quienes han concluido que la memoria cumple con los requisitos del Nivel de Aplicación A.

Los Niveles de Aplicación de GRI expresan la medida en que se ha empleado el contenido de la Guía G3.1 en la elaboración de la memoria de sostenibilidad presentada. El Control confirma que la memoria ha presentado el conjunto y el número de contenidos que se exigen para dicho Nivel de Aplicación y que en el Índice de Contenidos de GRI figura una representación válida de los contenidos exigidos, de conformidad con lo que describe la Guía G3.1 de GRI.

Los Niveles de Aplicación no manifiestan opinión alguna sobre el desempeño de sostenibilidad de la organización que ha realizado la memoria ni sobre la calidad de su información.

Amsterdam, 03 de abril 2012

Nelmara Arbex
Subdirectora Ejecutiva
Global Reporting Initiative



Global Reporting Initiative (GRI) es una organización que trabaja en red, y que ha promovido el desarrollo del marco para la elaboración de memorias de sostenibilidad más utilizado en el mundo y sigue mejorándola y promoviendo su aplicación a escala mundial. La Guía de GRI estableció los principios e indicadores que pueden emplear las organizaciones para medir y dar razón de su desempeño económico, medioambiental y social. www.globalreporting.org

Descargo de responsabilidad: En los casos en los que la memoria de sostenibilidad en cuestión contenga enlaces externos, incluidos los que remiten a material audiovisual, el presente certificado sólo es aplicable al material presentado a GRI en el momento del Control, en fecha 16 de marzo 2012. GRI excluye explícitamente la aplicación de este certificado a cualquier cambio introducido posteriormente en dicho material.



Carlos Tasayco Almeida and María Luisa Tasayco de Tasayco.
Business: Handicrafts manufacturing.
Office: Chíncha.

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Janeth Velita, advertising analyst, Graciela Ortega, advertising assistant.

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Ercilio Julián Ponce and Aydi Ramos Tapia.
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Office: Chilca.

STATEMENT OF RESPONSIBILITY

This document includes trustworthy and sufficient information about the business of Mibanco, Banco de la Microempresa S.A, during the year of 2011. Notwithstanding the responsibility of the issuer, the undersigned take full responsibility for its content, pursuant to the applicable legal provisions in force.



Óscar Rivera Rivera
Chairman of the Board



José Castillo Deza
General Manager

Lima, March 15, 2012

LETTER FROM THE CHAIRMAN OF THE BOARD TO THE SHAREHOLDERS



Óscar Rivera Rivera, Chairman of the board.

Dear shareholders,

I am pleased to submit our Annual Report and the corresponding Financial Statements for 2011. This has been a year of change, but also of significant efforts that have paid off. Among the most remarkable of them, I should mention that in December Mibanco received Standard & Poor's BBB rating, thus achieving investment grade. This milestone has made us the first bank specialized in microfinance in Peru to obtain a rating equal to that awarded to Peru's sovereign titution, consolidates our position in the market, and attests to the responsible management of our business and the effort of the entire Mibanco team throughout these years..

In 2011 the international crisis regained strength, especially in developed economies. However, Peru closed 2011 with a positive outlook, confirming its growing leadership among emerging economies. Despite being an election year, with all the adjustments that entails, the country kept growing. GDP increased 6.9%, the highest in the region, consolidating Peru's posi-

tion as a regional leader. Strong dollar inflows, resulting from increased exports and foreign direct investment, kept pushing up the value of the domestic currency, the Nuevo Sol.

This encouraging scenario is further brightened by two additional announcements related to the financial system and microfinance in particular. On one hand, in the ranking of financial development prepared by the World Economic Forum, Peru climbed eight places from last year, ranking first in ease of access to credit and number of accounts opened by financial institutions. On the other, the Global Microscope Index, prepared by The Economist Intelligence Unit of The Economist, has cataloged Peru as the country with the best business climate for microfinance for the third consecutive year.,

Mibanco has contributed significantly to both achievements. Our commitment to social inclusion drives our leadership in banking penetration, as we accounted for 18.4% of first-time credits for micro and small enterprises. Similarly, the success of our business model has enabled institutions to increasingly serve

the financial needs of micro and small business owners and entrepreneurs. With over 660,000 clients, Mibanco now ranks as the financial institution with the largest amount of loans to micro enterprises

We focused on expanding our market and remaining a leading institution, increasing our gross loans to a total of S/.4.2 billion in 2011, which accounts for 80.5% of our total assets.

Simultaneously, and to further reinforce our already strong foundations, we have paid special attention to our assets and to the quality of our portfolio, and further strengthened our comprehensive approach to risk management. Also Mibanco closed 2011 with a 3.661% controlled default rate and a significant 170.7% provisioning on the NPL and legal collection portfolios.

Similarly, in December 2011, our total assets reached S/.5.2 billion, a 16.7% increase from the year before.

Following this, I want to underscore two major achievements. First, the significant increase in assets by S/. 140 million made by our shareholders as of July, which has strengthened the capital structure of Mibanco and will permit it to continue growing. Second, in November 2011 we placed a syndicated loan of up to US\$ 60 million, structured by the International Finance Corporation (IFC), in the international market place.

The impact of both operations is critical because it has increased the capacity of our

organization to support micro and small enterprises in their development, thus stimulating growth, employment generation and poverty reduction in the country.

Furthermore, at the end of 2011, total liabilities amounted to S/. 4. Billion, an increase of 13.0% compared to the previous year. Bonds payable (S/.3.7 billion), meanwhile, accounted for 80.7% of liabilities and increased 28.1% compared to 2010. Also, the number of liability-side customers increased from 179,140 in 2010 to 233,308 in 2011, an increase of 30.2%.

It is also worthwhile to mention that the Global Compact of the United Nations awarded us an advanced level based on the performance published in our last annual report, placing us among the companies that make visible and tangible efforts to adopt best practices in sustainability, corporate governance and management worldwide.

In addition, in May of this year Mibanco was recognized as a "Great Modern Brand of Peru 2011" by the Marketing Hall of Fame of the Effie Awards. These Advertising Effectiveness Awards¹ were established in 1968 by the New York chapter of the American Marketing Association and recognize that the bank's communications strategy and creativity has contributed effectively to positioning Mibanco as a bank that caters to the needs of the micro and small business entrepreneurs segment.

To this we must add the grade awarded to us by the social performance rating agency

1. Awards created in 1968 by the Advertising Effectiveness Awards, New York chapter of the American Marketing Association

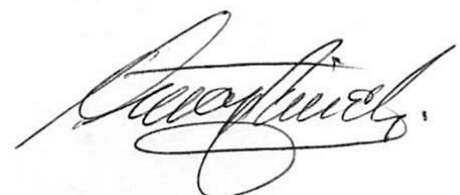
Planet Rating, which, in its second assessment, reaffirmed Mibanco's position by awarding it the top score (4+) among over 50 MFIs evaluated worldwide. This recognition strengthens our already strong commitment to fulfilling our mission.

Always focused on contributing to the development of SME entrepreneurs SMEs and to improving their quality of living, we continued offering free training programs and invested US\$ 1 million for the fourth consecutive year to educate more than 40,000 customers. With this, the total number of entrepreneurs trained over the last 11 years through our various course offering reached 170,000.

Our ongoing commitment to convey a culture of responsible business to our customers based on the triple bottom line (economic, social and environmental) has also been recognized. In line with this commitment, we have once again designed this annual report following the guidelines prepared by the Global Reporting Initiative (GRI). These guidelines will direct us towards an integrated management approach focused on providing outstanding services to our customers, including tailor-made products and training programs in business administration as primary components. We thus also respond to our workers' career aspirations and develop initiatives that allow us to optimize the use of resources from natural sources.

In closing, I want to thank each and every one of the people who has made it possible

for Mibanco to continue its successful track. I especially want to thank our shareholders for their trust and support, our directors and senior management for their continued contribution in designing strategies and making decisions, and our workers, who are the driving engine of our organization's development and optimal functioning. Similarly, my appreciation goes out to all of our stakeholders, who, with the passing of the years, have become part of our culture – especially to our customers. They are the ones who remind us daily with their achievements and their progress that the true objective of our institution is to serve the entrepreneurs in emerging segments of our country. In these 13 years, Mibanco has delivered appropriations to thousands of entrepreneurs of micro and small enterprises – but above all, Mibanco has consciously contributed to improving their living standards, and those of their families. We are convinced that in this way, we can make Peru a more inclusive nation.



March 15, 2012

Dear shareholders,

This year I want to add a few extra lines to my usual letter to you, as this is a special report for me. On March 15, after 12 years, I stepped down as Chairman of Mibanco. I feel I've completed a cycle; a year and a half designing and establishing the bank when we were still Acción Comunitaria del Perú, and 14 years as Director of Mibanco. During this time, important achievements have been accomplished, which have gained Mibanco prestige and recognition as the leading bank for microenterprise in Peru and Latin America.

I feel immense satisfaction to think that on May 4, 1998, Mibanco was born as the first private bank specialized in microfinance. Since then, we have traveled a path to become a benchmark in the microfinance sector.

In writing these lines, I look back and see we are making a difference. We started our operations with only 13 branches and almost 34,000 customers. To date, we have 117 offices to serve over 690,000 micro and small enterprise entrepreneurs, which has led to an average annual growth of 44% in loan placements, raising us from 26th (of 27 institutions) to 5th place among 15 banks competing in the Peruvian banking system, with loans amounting to S/. 4.3 billion as of February.

But growth has not been the only part of our institution's journey. As I reflect I cannot help but recall the prestige Mibanco has earned both in Peru and abroad. The bank has been recognized twice (2006 and 2009) as the best microfinance institution in Latin America and the Caribbean, and as pioneers on more than one occasion: first microfinance institution to issue bonds in the stock market (2002), highest score for social performance among more than 50 microfinance institutions worldwide by Planet Rating (2010 and 2011), and first syndicated loan structured in Peruvian nuevos soles (2010).

“ I retire hoping I met your expectations and with the pleasure of participated in the major endeavor to give micro and small company entrepreneurs the chance to become creditworthy and grow. ”

We were recognized as a “Great Modern Brand of Peru” by Effie’s Marketing Hall of Fame in 2011; moreover, we were given a BBB investment grade rating by Standard & Poor’s, earned by only the five largest banks in Peru.

Over time our organization has grown increasingly stronger. But this would not have been possible without the knowledge and selfless support of the different directors who have served over the years I have chaired the Board; of the various officials and executives who demonstrated their professionalism and dedication; and of all of the staff, who consistently gave their best effort, and identified with our mission. Proof of our efforts is seen in the fact that we are entering 2012 as the absolute leader in banking penetration, having recruited 23.3% of first time financial system clients.

I’m proud to have contributed for 12 years, together with all of you, to making the dream of including more and more entrepreneurs in the financial system a reality.

I step down hoping to have fulfilled your expectations, as well as those of the management staff and all of Mibanco’s employees; and also with tremendous pleasure to have been involved in this great endeavor of giving micro and small enterprise entrepreneurs the opportunity to become creditworthy and grow, thereby contributing to the development of Peru.

Warm regards and my sincerest gratitude

Óscar Rivera Rivera



Ana Canelo Bernal, executive assistant.
Office: Covida.

Bienvenido

Retire aquí
su ticket
ser atendido

ANNUAL REPORT 2011

ORGANIZATION DETAILS

Organization's name

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

The company is registered under Item No. 11020316 of the Registry of Legal Entities of the Public Records of Lima and its operation was authorized by the Superintendence of Banking and Insurance (SBS) through Resolution No. 356-98, dated April 7, 1998. Mibanco began operating on May 4, 1998 in Lima, based on the experience of Acción Comunitaria del Perú (now Grupo ACP Inversiones y Desarrollo), a non-profit civil organization that has operated for 41 years in the micro and small enterprise sector with excellent international prestige and continuous, quality communication with national and international banks and multilateral and bilateral organizations.

Corporate objective

Banking company.

Uniform Industrial Classification – All Economic Activities (CIU): 6519.

Duration

Indefinite.

Type of stock

As per capital registered with the Public Registry on December 31, 2011

Voting stock

OWNERSHIP	NUMBER OF STOCKHOLDERS	% SHARE
• Under 1%	14	8.42%
• 1% and 5%	3	4.51%
• 5% and 10%	4	26.76%
• Over 10%	1	60.31%
Total	22	100.00%

Subscribed and paid, as of 31.12.2011 (including the capital increase approved at the bank's Annual General Shareholder Meeting on 04.08.2011 and the Board meetings dated 27.10.2011 and 29.12.2011, registration underway).

Class A voting stock

OWNERSHIP	NUMBER OF STOCKHOLDERS	% SHARE
• Under 1%	13	11.24%
• 5%	6	5.24%
• 10%	3	21.06%
• Over 10%	1	57.36%
Total	23	94.90%

Class A voting stock

OWNERSHIP	NUMBER OF STOCKHOLDERS	% SHARE
• Under 1%	6	1.77%
• 1% to 5%	1	3.33%
Total	7	5.10%



Headquarters

MIBANCO, Banco de la Microempresa S.A. | Main office: Av. Domingo Orué No. 165, Surquillo, Lima.

Telephone: (511) 513-8000 | Fax: (511) 421-6645 | E-mail: mibanco@mibanco.com.pe | Web site: www.mibanco.com.pe

Board



El banco de los que mueven el país.



Óscar Rivera Rivera
Chairman of the Board

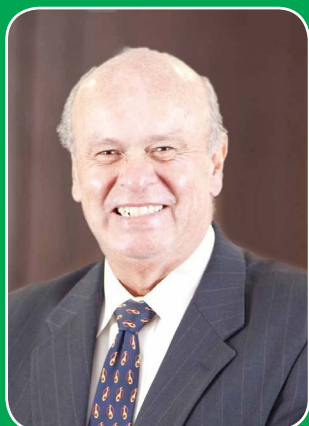


Luis Felipe Derteano Marie
Deputy Chairman
of the Board

Directors



Roberto Dañino Zapata



Alfredo Llosa Barber



Juan Otero Steinhart



Luis Ovalle Gates



Miguel Pinasco Limas



Hugo Santa María Guzmán



Michael Edward Schlein

Alternate directors



Esteban Andrés Altschul



Fernando Arias Vargas



Enrique Osvaldo Ferraro

Executive Committee of the Board

The Executive Committee is a decision-making body for the administrative management of the company. It consists of 5 members appointed by the Board, and holds at least two ordinary sessions per month. The following directors were elected to the Executive Committee for the period 2011-2012:

Óscar Rivera Rivera – President

Luis Felipe Derteano Marie

Alfredo Llosa Barber

Juan Otero Steinhart

Hugo Santa María Guzmán

Rafael Llosa Barrios – Secretary (until 30.6.2011)

José Castillo Deza – Secretary (since 1.7.2011)



El banco de los que mueven el país.



José Castillo Deza
GENERAL MANAGER (A.I.) AND MANAGER OF THE FINANCE AND MANAGEMENT CONTROL DIVISION

Division Managers



Fernando
Balbuena Favarato
MARKETING DIVISION



Rossina
Castagnola Vásquez
HUMAN RESOURCES (TO 30.11.2011)



Roberto
González Peralta
OPERATIONS AND PROCESSES
DIVISION



Miguel
González Vargas
MICRO AND SMALL COMPANY BUSINESS
DIVISION



Leonel
Henríquez Cartagena
MANAGER RISK DIVISION

Area Managers



Carolina
Benavides Piaggio
SOCIAL ASSET AREA



Luz María
Boza Llosa
RISKS AREA



Ana
Bruckmann Corvera
MICROCOMPANIES - ENTREPRENEURS'
BANKING AREA



Rossana
Chasseloup López
LEGAL COUNSEL AREA AND
SECRETARY GENERAL



Antonio
Chumacero Sánchez
RISK FOLLOW UP AND CONTROL AREA



José
Delgado Contreras
RECOVERIES AREA



César
Fernández Fernández
PLANNING AND BUSINESS INTELLIGENCE AREA
(to 30.11.2011)



Eduardo
Franco Águila
OPERATIONS AREA



Javier
Guinassi Portugal
SMALL COMPANIES AREA
(to 31.07.2011)

Francisco Vargas Peralta
(since 15.12.2011)



María del Pilar
Martínez Rubio
ACCOUNTANT GENERAL



Juan Manuel
Morgan Ochoa
TERRITORY MANAGER
SOUTH ZONE



Guillermo
Nevado Rioja
BUSINESS METHODS



Carlos
Olazábal Chumán
FINANCE AND PLANNING
(to 30.11.2011)



Enrique
Orezzoli Moreno
TERRITORY MANAGER
NORTH ZONE



Jessica
Pacheco Lengua
TERRITORY MANAGER



Ramiro
Postigo Castro
TREASURY AREA

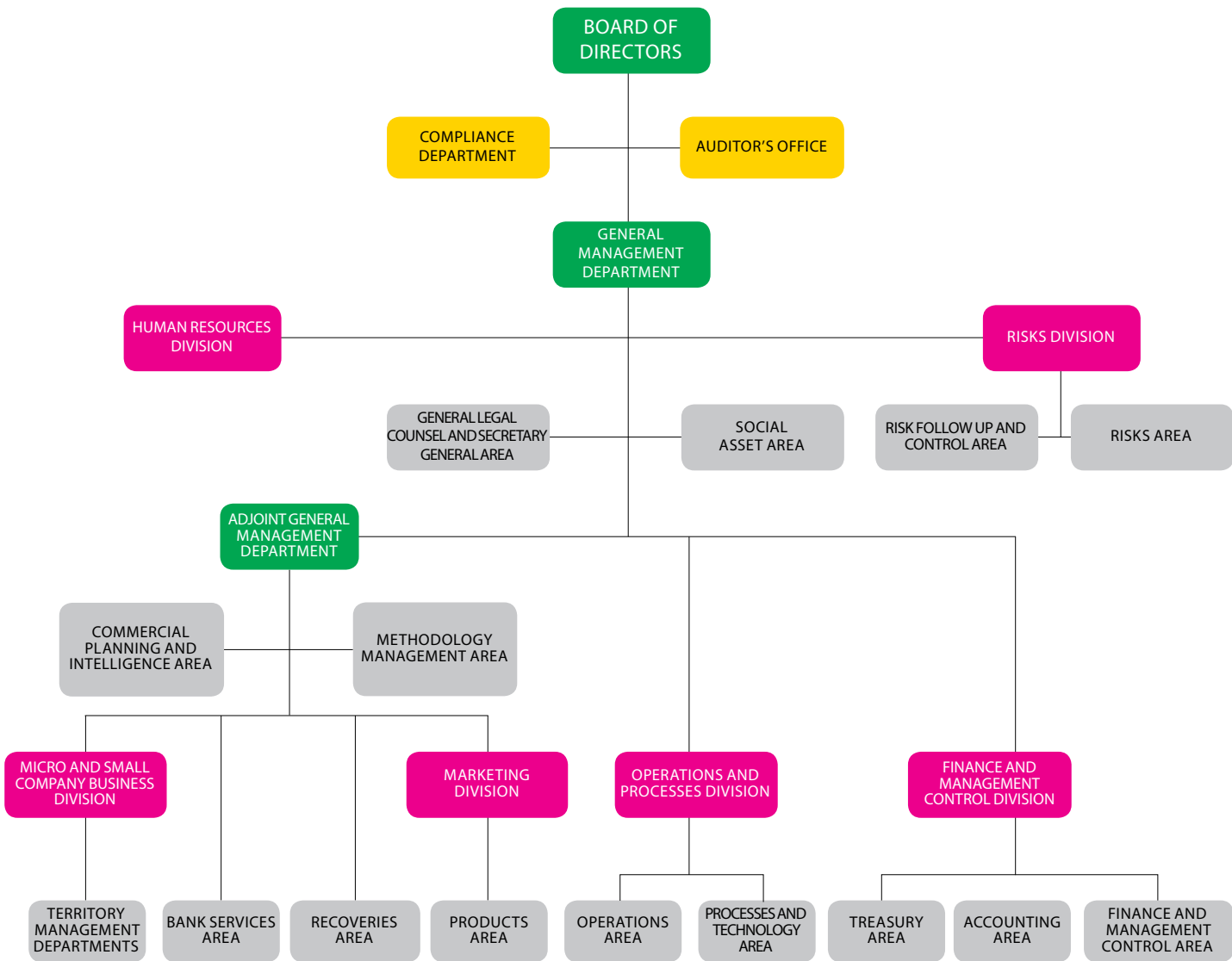


Dante
Torres Martínez
GENERAL AUDITOR



María Luz
Zegarra Seminario
MANAGER PRODUCTS AREA

Organizational Chart





Tú tienes la
que no
la puer

Karina Rivera Bustamante and Paola Delgado Vargas, legal counsel.

Vision, Mission and Values

Our vision

To be a leader and benchmark among banking institutions with a strong social commitment, where people feel proud to form part of Mibanco's community of clients and employees.

Our mission

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

Our values

HONESTY. We work with moral integrity and professional ethics, carrying out transparent management and providing clear and accurate information, thereby building 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 optimally, continuously improving processes and productivity to achieve greater competitiveness and sustainability over time.

RESPECT. We recognize and appreciate people's full value with a sense of fairness and justice, in an atmosphere 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 develop our activities and projects effectively and continuously and consistently exceed our management standards, ensuring the satisfaction of the rising expectations of our internal and external clients to ensure our competitiveness, leadership and image in the market.

Company Capital

The subscribed and paid in share capital registered under electronic docket of the Lima Public Registry amounts to the sum of S/. 299,259,813.00, represented by 299,259,813 shares of a nominal value of S/. 1.00 each.

On August 4, 2011 at Mibanco's General Shareholders Meeting, it was unanimously agreed to increase the bank's share capital for up to the amount of S/. 43,750,000.00, by issuing up to 43,750,000 new shares with a nominal value of S/. 1.00 each. This was the result of new cash contributions and capitalization of Mibanco subordinated debt. The shares' placement price was fixed at S/. 3.20, bringing the total amount of the increase in equity (share capital + premium placement) to S/. 140,000,000.00.

The capital increase would consist in issuing up to 26,250,000 Class "A" voting shares (common shares would be renamed as class "A", so the new shares would be in addition to common stock representing the capital stock existing prior to the capital increase), and up to 17,500,000 preferred stock without voting rights to be called class 'B' shares (created at the same Board meeting).

At the meeting the Board was also delegated the authority to define the time, amount, conditions and procedure of the capital increase. Because the aforementioned capital increase would be paid in part by capitalization of subordinated debt, a request was filed with the Superintendence of Banking and Insurance to authorize such capitalization, and authorization was granted by means of SBS Resolution No. 10826 – 2011, dated October 21, 2011.

Subsequently, on October 27, 2011, Mibanco's Board approved the time, amount, conditions and procedure of the capital increase approved at the Annual General Shareholders Meeting of August 4, 2011.

The share subscription process ended December 28, 2011,

with the allocation of shares remaining after the second round of subscription. At that date the shares authorized by the General Meeting of Shareholders, i.e. Class "A" 26,250,000 shares, and 17,500,000 Class "B" shares of a nominal value of S/. 1.00 each were subscribed and paid up, accounting for a capital increase that totaled S/. 43,750,000.

At the Mibanco Board meeting held on December 29, 2011, it was placed on record that the capital increase process had been completed and that the capital paid in the process amounted to S/. 43,750,000, with an additional capital premium of S/. 96,250,000. It was also agreed to increase the capital of Mibanco from S/. 299,259,813 to S/. 343,009,813, accounted for by a total of 343,009,813 shares divided into two classes, called classes "A" and "B", respectively, all nominative, individual and freely transferable in accordance with the following:

- *Class "A" voting, representing a capital of S/. 325,509,813 (three hundred twenty five million five hundred and nine thousand eight hundred and thirteen and 00/100 nuevos soles), represented by 325,509,813 voting shares, fully subscribed and paid, with a nominal value of S/. 1.00 (one nuevo sol) per share.*

- *Class "B" non-voting preferred shares, representing a capital of S/. 17,500,000 (seventeen million five hundred thousand and 00/100 nuevos soles), represented by 17,500,000 preferred shares without voting rights, fully subscribed and paid, with a nominal value of S/. 1.00 (one nuevo sol) each.*

The company's capital is in the process of registration. The Superintendence of Banking and Insurance has authorized the partial modification of the bank's bylaws as a result of the capital increase. Once the capital increase has been registered in the company's electronic file held at the Lima Public Registry, an application will be filed register the new classes and shares at the Lima Stock Exchange, the Superintendence of Securities, and CAVALI.



Shareholding structure

The following shareholding structure reflects Mibanco's capital, subscribed, paid and registered in the company's electronic file with the Public Registry of Lima:

List of shareholders as of 30 December, 2011

SHAREHOLDER	SHARE	HEADQUARTERS
Grupo ACP Inversiones y Desarrollo	60.30%	Peru
ACCION Investments in Microfinance	9.36%	Cayman Islands
International Finance Corporation	6.50%	US
ACCION Internacional	6.33%	US
Stichting Hivos – Triodos Fonds	5.44%	Holland
Stichting Triodos – Doen	5.44%	Holland
Corporación Financiera de Inversiones	1.75%	Peru
Ducktown Holdings S.A.	1.40%	Panama
La Positiva Seguros y Reaseguros S.A.	1.36%	Peru
Triodos Fair Share Fund (mutual fund)	0.91%	Holland
La Positiva Vida Seguros y Reaseguros S.A.	0.35%	Peru
Transacciones Financieras S.A.	0.19%	Peru
Transacciones Especiales S.A.	0.13%	Peru
Other investors	0.54%	Peru



Following Mibanco's capital increase, under registration, resulting from new cash contributions and partial capitalization of its subordinated debt, approved at the bank's Annual Shareholders' Meeting on 08/04/2011 and the Board's meetings held 10/27/2011 and 29/12/2011, the shareholding of the company has been organized as follows:

List of shareholders as of 30 December 2011

CLASS A – B SHAREHOLDERS	PERCENT	HEADQUARTERS
Grupo ACP Inversiones y Desarrollo	60.68%	Peru
ACCION Investments in Microfinance	9.36%	Cayman Islands
International Finance Corporation	6.50%	US
ACCION International	6.33%	US
Stichting Hivos – Triodos Fonds	4.75%	Holland
Stichting Triodos – Doen	4.75%	Holland
Triodos Fair Share Fund (mutual fund)	1.64%	Holland
Corporación Financiera de Inversiones	1.53%	Peru
La Positiva Seguros y Reaseguros S.A.	1.23%	Peru
Ducktown Holdings S.A.	1.22%	Panama
Triodos Sicav II – Triodos Microfinance Fund	0.72%	Holland
La Positiva Vida Seguros y Reaseguros S.A.	0.57%	Peru
Transacciones Financieras S.A.	0.18%	Peru
Transacciones Especiales S.A.	0.13%	Peru
Other investors	0.41%	Peru



Carlos Sánchez Bustamante, benefits supervisor.

ANNUAL REPORT 2011

CORPORATE GOVERNANCE



Corporate Governance

Mibanco operates under a strict code of ethics and transparency that guides all our actions based on the principles and standards set out in our Corporate Governance Guidelines. The company's activities are guided by strong values and are governed by our governance matrix, allowing us to achieve our goals in a responsible manner, thereby enhancing the trust of our shareholders and stakeholders. Mibanco receives no financial support from any government.

Mibanco corporate governance system

This system is built around five principles detailed in the matrix:

1. Shareholders' rights. We protect the rights of our shareholders; we enforce a transparent rights policy and strictly adhere to a clear and fair dividend policy.

2. Fair treatment of our shareholders. Our shareholders receive equal treatment and our independent directors ensure a fair trial in cases of conflict of interest.

3. Board responsibilities. This body plays a major role in the development and review of our organization's strategy, as well as in monitoring our operations. The powers and functions of its committees are clearly established, as is the frequency of meetings.

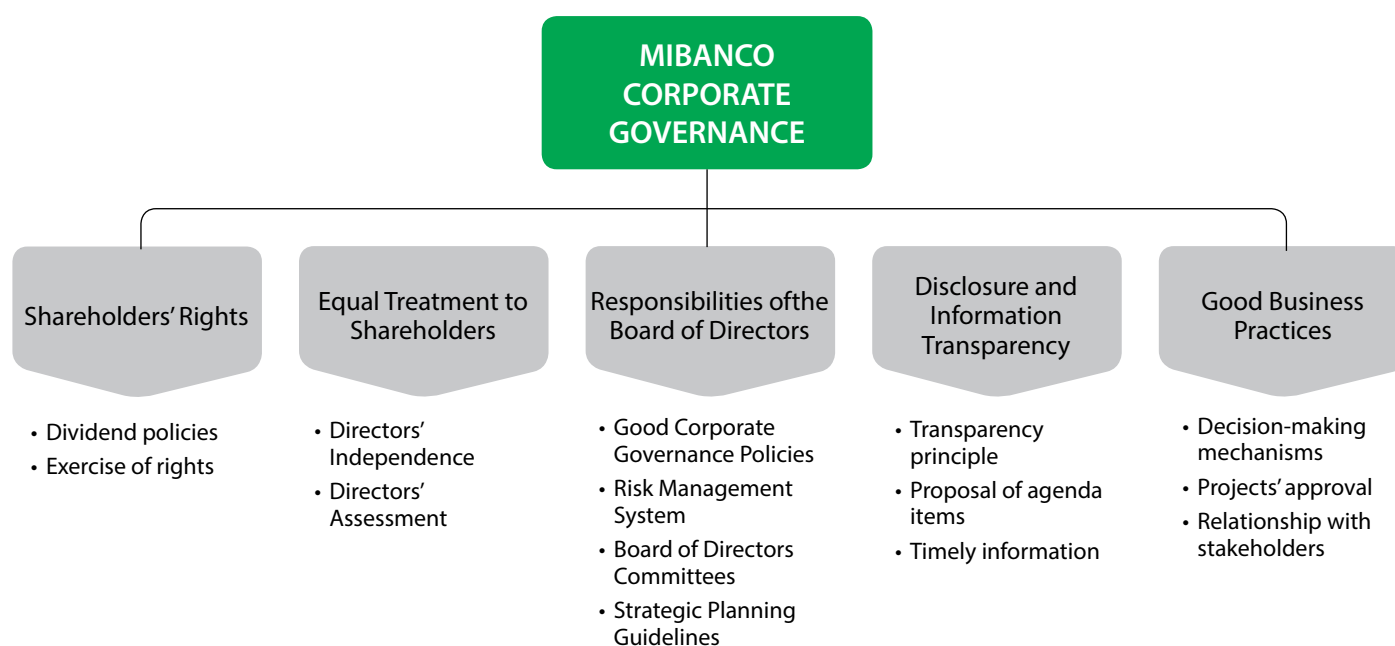
4. Transparent communications and information. The company provides regular, accurate and truthful information to

management, shareholders and stakeholders to make appropriate and informed decisions. It also disseminates appropriate and timely legal, financial and operational information to the Board and the Executive Committee.

5. Good business practices. We value our relationship 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 are able to satisfy their needs. We permanently endeavor to maintain a good relationship with our stakeholders.

Stakeholders:

Shareholders, Board of Directors, employees, suppliers, clients, investors, multilaterals, financial organizations, opinion makers, mass media, alternative channels, regulators, civil society organizations, associations, national and international networks and associations.



The Board, Mibanco's highest body, is responsible for defining the organization's strategy. The Chairman of the Board does not occupy an executive position.

Board members are distributed as reflected in the table below and their remuneration is agreed on by the Annual General Shareholders Meeting.

DIRECTORS	NUMBER
Non-Independent	9
Independent	3
Total	12

In addition to complying with national standards, Mibanco operates under the codes of conduct and principles of internationally recognized institutions such as the Global Reporting

Initiative (GRI) and the Global Compact, among others.

Furthermore, the bank must follow established procedures for the selection of new board members. Although Mibanco does have the prerequisite that they be trained in environmental and social issues, it also requires a solid professional background and knowledge in effective business management.

It is important to note that to date no specific policies apply to voting on environmental or social issues and that further procedures are not designed for the Board to assess the bank's performance in these matters. However, Mibanco does track its core business activities such as banking penetration, portfolio and customer training. Also, there are communication channels for shareholders and employees to share their recommendations.

In addition, Mibanco expects its customers to adhere to environmental standards. Therefore, within its rules, it includes

constraints to lending to businesses whose activities have a negative impact on the environment. These limitations are defined as exclusion lists and are enforced through the Credits Committee. This team evaluates credit risk, and established limited medium and high risk grades.

It should be noted that by 2012, Mibanco is expected to have a system to manage the organization's environmental impacts in place. It also plans to continue designing products that promote sustainable activities by means of its environmental policies. Moreover, Mibanco's activities are not carried out in habitats that may be negatively affected by its operations.

Procedures to avoid conflicts of interest

All employees and executives of the organization must comply with the procedures established by the Board to avoid conflicts of interest. Also, as stated in the Corporate Governance Matrix, the Committee for the Settlement of Conflicts of Interest and the Code of Conduct and Ethics, all employees should be familiar with the rules governing their roles and responsibilities.

Additionally, in case of a breach of any of the established rules or the Code of Ethics, Mibanco's procedures require the event to be reported to an immediate supervisor or the person designated by the Human Resources department.

These procedures also establish that if a worker wishes to engage in activities that are not philanthropic, teaching or are different in nature from the institution's own purpose, express permission from a superior must be obtained.

It is also strictly prohibited to engage in any counseling or advisory relation with any other financial institution, person or company having direct or indirect relationship with the bank, unless specifically authorized in the above terms. Related to this,, the codes prescribe the following:

- a)** The relationship of Mibanco's executives and employees

with different suppliers, employees and/or correspondents will be objective and impartial, and pursue the best interest of the organization.

- b)** No employee shall, personally or through a third party, unless authorized by a superior, accept gifts from customers or suppliers, employees and/or correspondents.

Comprehensive risk management

Risk management is based on the fundamental principles and values mentioned below:

- **Independence.** A Management Division, independent from the business's management, is responsible for the proper implementation of the policies established by the Board.
- **Support to business.** Proper risk management strengthens quality credit management, ensuring excellence in managing all risks and seeking a healthy balance between commercial aggressiveness and prudence.
- **Use of adequate tools.** We use analytical tools and rely on cutting-edge systems to design proprietary models for state-of-the-art risk management.
- **Involvement.** Members at all levels of the organization, from the directors and senior management to branch personnel, should be involved in strict and efficient risk management.

Based on these principles, various measures are implemented to strengthen the organization's risk culture, making it robust,

and comprehensive. Along these lines, we have high-level professionals in this area and strive to develop comprehensive training programs in all risk-related issues.

In regard to credit, the bank keeps delinquency rates under control and has accumulated significant coverage provisions.

Notably, Mibanco's efforts in relation to operational risk management, continuity and information security were acknowledged by the Superintendence of Banking and Insurance, which renewed its authorization to use of the Alternative Standardized Approach through July 31, 2013.

CORPORATE GOVERNANCE OF RISK MANAGEMENT

The Board is responsible for the bank's comprehensive risk policy while the Risk and Monitoring Division is responsible for ensuring its proper global implementation.

A committee comprised of five directors, the general manager and the business and risk managers analyzes the evolution of the various risk indicators, and reviews and approves decision on issues of concern.

Additionally, as part of its comprehensive risk management, Mibanco has established the following specialized committees that monitor compliance and whose agreements are reported to the Board:

- Operational Risk Management Committee
- Information Security Committee
- Strategic Risk Committee
- Reputational Risk Committee

CREDIT RISK MANAGEMENT

As part of its ongoing effort to enrich and improve the bank's management, Mibanco strictly oversees all the stages of the integrated risk management process, including admission, monitoring and recoveries, to thus identify any deviation from portfolio quality objectives and take corrective action as ap-

propriate.

Below, we detail the main stages of credit risk management:

a) Admission

To better serve the branch network and help our institution achieve its objectives of healthy growth, risk management defined a new organizational structure for this stage, which provides customized and flexible service to clients, and encourages continuous contact between loan advisors and clients.

This change envisaged the creation of three regional admissions headquarters supervised by a central department. Each head office relies on a team of loan officials deployed in each of the different regions to support all areas of the credit management process, while also ensuring a better understanding of conditions and markets in each region.

Also, credit policies are regularly reviewed based on the analysis of changes in portfolio quality.

b) Risk monitoring

Mibanco's monitoring scheme verifies compliance with risk policies, both from the perspective of the entire portfolio (through statistical analyses) and through the monitoring of individual loan advisors' portfolios (field portfolio review).

To that end, the Risk Division includes a management unit comprised of the following units:

- **Monitoring and Models Unit.** Responsible for portfolio analysis at database level, this Unit detects possible risk niches that could result in a deteriorated portfolio. During the year the Datamart risk project was completed, which has enhanced various reports for closer monitoring of the portfolio to provide early warnings and develop data mining analyses.

- **Loan Review Unit.** This unit is responsible for monitoring





Rafael Pariamachi Trejo. Business:
Plastic ware. Office: Carabayllo

regulatory compliance and ensuring the quality of field credit assessments. In 2011, improved credit review procedures identified assessment issues that led to introducing corrective actions and reduced losses.

• **Portfolio Classification Unit.** A unit charged with ensuring compliance with regulatory (SBS) rules for loan classification as follows:

Loan portfolio structure as of december 31, 2011

Class	Total debt in S/.	% Portfolio	Total provisions S/.
• Normal	3'763,985	89.82%	55,927
• CPP	179,590	4.29%	8,595
• Deficient	66,110	1.58%	16,134
• Doubtful	77,091	1.84%	44,780
• Loss	103,686	2.47%	101,840
Total	4'190,463	100%	227,275

MARKET RISK MANAGEMENT

Evaluates the risk of loss of equity due to fluctuations in risk factors including the volatility of interest rates and exchange rates, and the liquidity risk of the bank's various products and the markets where it operates.

Trading activities, such as buying, selling and taking positions in financial instruments, are managed according to various regulatory and internal limits. These limits are reviewed periodically to evaluate the bank's strategy and market conditions, and to anticipate scenarios that may expose the bank's equity. Balance sheet management (Asset Liability Management or ALM) involves managing the interest rate and liquidity risks created by the assets and liabilities structure.

Strategic guidelines for the management of financial risks

are defined by the Assets and Liabilities Committee - ALCO, composed of members of the General Management Department, Treasury, Business Division, and Risk Division. This body constantly monitors market exposures and reports its main agreements to the Risk Committee.

The Risk Division includes a specialized area for the proper monitoring and control of established limits at both the internal and regulatory levels. In addition, since July 2009, it has managed regulatory capital requirements for credit and market risk, as well as the total capital ratio, pursuant to the New Capital Accord (Basel II). The main objective is to give stability to our institution's financial margin and economic value, while preserving adequate liquidity and solvency.

• **Interest rate risk**

The bank analyzes the sensitivity of the expected net interest income and the equity at risk from potential changes in interest rates, within the established risk tolerance policies. Other measures used for this purpose involve the analysis of interest rate gaps, value at risk (VaR) and scenario analyses. The main factors of exposure to this risk are the mismatch in the timing of mass equity repricing, changes in short-term and long-term interest rates or modifications of the residual terms of certain assets and / or liabilities due to changes in market interest rates, with their corresponding direct or indirect impact on loan demand, and subsequent impact on revenue.

Indicator	Dec-10	Mar-11	Jun-11	Sept-11	Dec-11
EARNINGS AT RISK (EAR)	0.20%	0.24%	0.71%	0.54%	0.96%

This risk has been properly administered in 2011 by managing the consolidated repricing gap. The earnings at risk ratio stood at 0.96% in December 2011, below the regulatory limit (5% of capital).²

In early 2012, the new ALM platform will be implemented to develop new models for measuring interest rate risk, following good international banking practices.

• Exchange rate risk

Mibanco manages the risk of loss due to adverse movements in the exchange rate through prudential policies and methodologies designed to adapt to foreign exchange risk levels defined by the bank and fluctuations in market risk factors.

This risk is managed by matching asset and liability transactions in foreign currency. At the end of 2011, the observed difference between assets and liabilities was smaller than it was in 2010.

In its daily management of this risk, the bank uses VaR³ parametric models to determine the maximum expected loss from foreign currency positions, complemented by scenario and risk factors analyses, and retrospective testing. In 2011, the indicator reached an average value of S/. 26.5 thousand, with a minimum value of S/. 0.1 thousand and a maximum value of S/. 201 thousand. These levels are considered low compared to our net worth.

• Liquidity risk

The bank makes constant and timely monitoring to assess its ability to meet the demand for loans, pay its dues, and meet deposit withdrawals and other financial commitments, both in normal market conditions and under stress, through

monitoring of the sufficiency of liquid assets and dependence on funders.

Indicators used to gauge liquidity risk include liquidity gap analysis and liquidity ratios in each of the currencies used by the bank and on a consolidated basis, as well as contingency plans included in stress scenario analysis.

In 2011, the bank met established⁴ regulatory liquidity limits, and demonstrated both adequate capacity to respond to financial commitments and an appropriate liquidity structure, as shown in the following table.

INDICATOR		Dec-09	Dec-10	Mar-11	Jun-11	Sept-11	Dec-11
LIQUIDITY RATIO ⁶	LC	19.27%	19.46%	18.17%	20.97%	21.72%	25.25%
	FC	39.42%	28.26%	32.32%	36.47%	41.55%	39.51%

• Sovereign risk

The bank was not exposed to this risk in 2011.

OPERATIONAL RISK MANAGEMENT

Mibanco strives to internalize operational risk management into each management department with a focus on each department's processes. Throughout 2011, this effort meant significant employee involvement in creating and monitoring process risk mitigation initiatives and identifying corrective actions on reported loss events. Similarly, the operational risk management culture was reinforced in regard to indicators and automatic alerts through courses and workshops for employees. Risk management issues were also aligned with the work of operational risk coordinators to improve the incentive program associated with operational risk management.

All this has allowed Mibanco to obtain the renewal of the authorization to use the Alternative Standardized Approach to

¹) Review or recalculation of interest rates linked to a financial product.

²) 3. Demonstrates room to maneuver in case of changes in the estimated financial margin resulting from changes in market rates.

³) VaR: Value at Risk

⁴) Limit SBS ratio for local currency (minimum 8%) and limit SBS ratio for foreign currency (minimum 20%).

calculate the capital requirements for operational risk through July 2013.

Pursuant to SBS provisions, Mibanco bases its operational risk management on the following actions:

- a.** Promoting decentralized operational risk management with active participation from managers and heads responsible for business and support units.
- b.** Scheduling and running workshops on Operational Risk Self-Assessment for major Mibanco processes, new products and significant changes that occur in the operating and information technology environment and in business process outsourcing. This allows for the evaluation of the controls in place and the definition of risk mitigation actions in cases that exceed acceptable exposure levels.
- c.** Follow up and monitoring of identified operational risks and risk mitigation actions authorized by management, using special software (Accelerate Analyzer) that supports the recording and generation of information.
- d.** Recording and analyzing operational risk loss events and management actions to prevent their recurrence.
- e.** Generating consolidated information on the results of operational risk management and the level of exposure to which Mibanco is subjected, which are submitted to the Committee on Operational Risk Management, the Risk Committee and the Board.
- f.** Analyzing and streamlining operational risk management at the level of all Mibanco organizational units, including providing technological facilities for the control and monitoring of identified risks.
- g.** Educating employees on the concepts, policies and methodologies applied in operational risk management by organizing classroom lectures and E-learning platforms in the annual training program.

During 2011, the management of business continuity resulted in the Crisis Management Plan, including the development and implementation of new strategies to support the continuity of Mibanco critical processes, in addition to existing plans (including the Crisis Management Plan, the Business Continuity Plan for HQ, the various emergency plans and the Information Technology Services Recovery Plan). Tests for the plans were also scheduled and business continuity management was implemented as a specialized function provided with independent resources to carry out activities to strengthen the mainstreaming of continuity management in Mibanco's organizational culture.

INFORMATION SECURITY MANAGEMENT

Pursuant to Circular SBS G-140 regarding management of information security, the bank operates an adequate Information Security Management System (ISMS), which contributed significantly to the extension of the authorization to use the Alternative Standardized Approach for operational risk and to the strengthening of the organization's culture of information security.

The bank's ISMS complies with international standard ISO 27001:2005, which embraces management of information assets, human resources, physical and environmental security, communications and operations management, logical security, security for the procurement, development and maintenance of computer systems, and management of incidents regarding security of information.

The bank also operates a risk management model for information security based on the COSO ERM and NIST 800-39, which were enforced for all critical processes and significant changes to ensure the protection of information assets.

The ISMS annual plan is enforced pursuant to the bank's information security policy, and includes reviews of compliance

with internal security policies and regulatory and legal information security provisions.

ADAPTATION TO BASEL II

In line with provisions of the Superintendence of Banking and Insurance (SBS), in 2011 Mibanco continued to enforce its policy to implement Basel II standards and the best practices of the New Capital Accord.

Main national and international memberships and sponsorships

Mibanco belongs to or supports the following associations:

Association of Banks of Peru (ASBANC). It represents the banks and financial companies operating in Peru and cooperates with national authorities in analyzing financial system issues for efficient and modern development.

Association of Microfinance Institutions of Peru (ASOMIF). It brings together members of the Association of Rural Banks of Peru and the Association of Edpymes (Entities for the Development of Small Firms), with the aim of promoting joint actions to support their operational development for the benefit of persons who require their services and who generally are not served by traditional banking.

Dutch Chamber of Commerce of Peru. It represents member companies before the Peruvian and Dutch authorities to promote their business interests.

Latin American Banking Federation (FELABAN). Through their respective associations in 19 countries throughout the subcontinent, this organization brings more than 500 banks and financial institutions throughout Latin America together. It encourages and facilitates contacts and an understanding of the direct relationships between the region's financial institutions, regardless of each country's domestic policies.

Acción Internacional Network (Red Acción Internacional). A network made up of several of the most renowned microfinance institutions in the world. Together, these institutions work together to strengthen each other and the microfinance sector as a whole. The network's mission is to work together to integrate microfinance institutions into their respective national financial systems. Additionally, network members share experiences and best practices on issues relevant to the microfinance industry.

Women's World Banking (WWB). This organization, focused on the development of micro-businesses and the empowerment of women, has had a profound impact on the lives of women worldwide. It has also helped to increase the sensitivity of the men who hold the reins of banking and government. However, WWB's greatest achievement is the success of the women entrepreneurs who have received the organization's assistance.

Microfinance Network (MFN). This association brings together leading microfinance institutions worldwide. Its members include 33 MFIs from 28 countries who share ideas and experiences and propose innovative solutions to the challenges they face in achieving continued growth and further progress. MFN members seek to be role models in the microfinance industry.

Global Alliance for Banking on Values (GABV). An independent network of banks whose financial activities promote sustainable development for the environment and for people who are not served by traditional banking.

Recognition, Awards and distinctions for best corporate social responsibility and governance practices

This year, Mibanco had important social and service quality accomplishments through which it reaffirmed its commitment to its mission. For the second consecutive year, Mibanco scored 4+ on the Global Social Performance rating awarded by Planet Rating, a prestigious international rating agency specializing in microfinance. The score reflects Mibanco's demonstrated commitment to accomplishing its social goals. Mibanco's performance was assessed in four areas or factors: social performance management, financial inclusion, consumer protection policy and financial ethics, and human resources policy.

Additionally, the Global Compact gave Mibanco's Communication on Progress (COP) an advanced level rating. The Global Compact is a voluntary initiative, through which companies commit to aligning their operations and strategies with ten universally accepted principles in four areas: human rights, labor standards, environment and anti-corruption. COP stakeholders report on the progress the company has made in implementing the ten principles as part of their business activities.

Furthermore, in 2011, for the second year running, the project "Strengthening women's entrepreneurship in Peru" has benefited more than 29,000 micro and small enterprise women entrepreneurs. So far, the project has reached more than 47,000 women in Lima and other major cities of Peru.

In May, Mibanco was also recognized as a "Great modern brand of Peru 2011" by the Marketing Hall of Fame of Effie⁵. This award recognizes that strategic and creative communication efforts

5) Awards created in 1968 by the Advertising Effectiveness Awards, New York chapter of the American Marketing Association



Oscar Rivera, Mibanco's Chairman of the Board, accepts the Effie Award for Peru's Modern 2011 Brand.

have contributed effectively to the creation of a brand that caters to micro and small business entrepreneurs and owners.

Finally, the Consortium of Private Organizations Promoting the Development of Small and Micro Enterprises (COPEME) and the Microfinance Information Exchange (MIX) gave the bank a 2011 International Transparency Certificate in the "Five Diamonds" category for the high transparency, quality and reliability of its microfinance information.

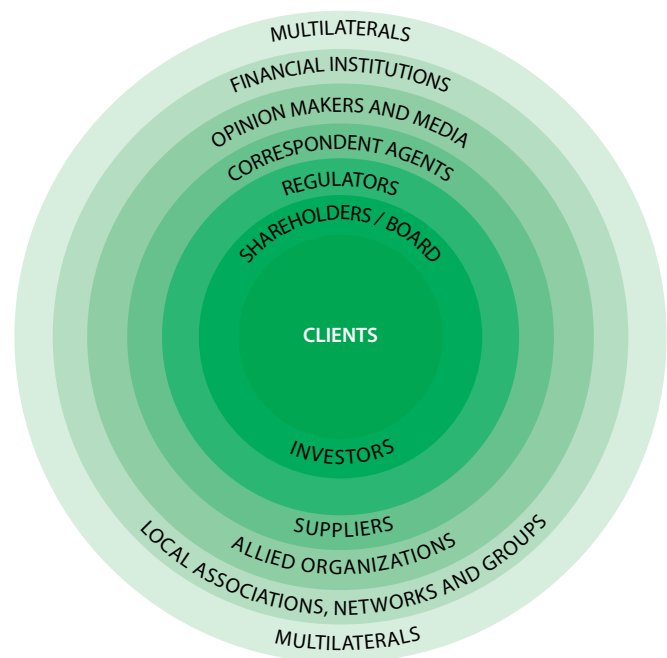
Stakeholder involvement

Mibanco attaches great importance to maintaining a dialogue with its various stakeholders, so as to better understand their expectations, perceptions and suggestions regarding the bank's operations and performance, and thus optimize its growth and strength.

Therefore, in 2011 the bank worked with representatives from each group to identify and build on previous year achievements. These activities complement the regular communication channels and exchange of ideas in each area.

The bank has identified the following stakeholders. The chart reflects their level of influence in the fulfillment of the bank's mission and management strategies, based on the triple bottom line.

Stakeholders, by level of influence



The information shown in the table has been collected mainly through personal and group interviews which identified priority issues relevant to each of the stakeholder groups.

We believe that transparency and credibility are essential values in the relationship with our stakeholders and, in that context, communication and commitments with these groups generate value for our organization, increasing their trust and recognition.

STAKEHOLDERS' PARTICIPATION

+	INFLUENCE	STAKEHOLDERS	BASES	
			IDENTIFICATION AND SELECTION	COMMUNICATION CHANNEL
		CUSTOMERS	Selection of a representative sample for interviews aimed at identifying urgent issues, expectations and perceptions	<ul style="list-style-type: none"> • Agency network • Quality and customer service • Capital Stock Management
		EMPLOYEES		<ul style="list-style-type: none"> • Employee website • Internal email • Health and safety committees
		SHAREHOLDERS / BOARD		<ul style="list-style-type: none"> • Representation in Government Agencies • General Management • Capital Stock Management
		INVESTORS		
		REGULATORY (CONASEV, SBS, BCR) AND OVERSIGHT (INDECOPI, ASPEC, SUNAT, MINTRA) INSTITUTIONS		<ul style="list-style-type: none"> • General Management • Marketing Management • Risk Management • Agency network
		BRANCHLESS BANKING AND ALTERNATIVE CHANNELS AND INSTITUTIONS WITH PRIOR AGREEMENT		<ul style="list-style-type: none"> • Frequent visits and assessment to improve future agreements
		SUPPLIERS (INCLUDING NON-FINANCE SERVICE SUPPLIERS)	Identification of 3 representatives of each group and surveys on perception and expectations about the organization	<ul style="list-style-type: none"> • Procurement Committees
		OPINION LEADERS, MEDIA AND POLITICAL LEADERS		<ul style="list-style-type: none"> • Branch network • Mibanco memberships: Peruvian Association of Microfinance Institutions, Acción Internacional Network, Global Alliance for Banking on Values, etc.
		ALLIED INSTITUTIONS (ACADEMIC, NGO, ETC.)		<ul style="list-style-type: none"> • Participation in forums and meetings to assess team work
		FINANCIAL INSTITUTIONS		
		ASSOCIATIONS, NETWORKS AND NATIONAL BUSINESS ASSOCIATIONS (ASBANC, ASOMIF)		<ul style="list-style-type: none"> • Branch network • Mibanco memberships: Peruvian Association of Microfinance Institutions, Acción Internacional Network, Global Alliance for Banking on Values, etc.
		"MULTILATERAL INSTITUTIONS (IDB, WB, UNDP, EU, ETC.)"		
		ASSOCIATIONS, NETWORKS AND INTERNATIONAL ASSOCIATIONS		
-				

CRITERIA FOR INCLUSION		TYPE OF RELATIONSHIP / COMMUNICATION	INTERACTION ASPECTS
BANK'S RESPONSE	FREQUENCY		
<p>Group that most influences or which may be affected by the organization's activities and to whom the Bank owes the success achieved. Criteria: Influence (greater), proximity, dependence and responsibility</p>	Annual interview to measure service quality	<p>Mibanco asks its stakeholders what issues must be analyzed to support internal decisions concerning its environmental and socially responsible behavior Mibanco asks and stakeholders respond</p>	<p>BIDIRECTIONAL</p> <ul style="list-style-type: none"> • Product improvement • Clarity of information • Loan access • Training programs • Greater social commitment • Health and security committees • Benefits (Educational agreements, Comprehensive Health Plan, etc.) • Refresher courses and specialization programs • Access to loans for people at the base of the pyramid, equal opportunities and sustainable development" • Creating Capital Stock Management • Consolidation of Mibanco's good reputation • Compliance with transparency standards and implementation of risk policies (alternative standard method, etc.) • Broadening of our services' geographical coverage
	Annual survey on working environment		
	Quarterly meetings to evaluate commitment report		
	Meetings 4 times a year		
	Meetings once every six months		
<p>Group that contributes to a positive external image Criteria: responsibility, (less) Influence</p>	Meetings once a month	<p>Mibanco informs its stakeholders about concerned issues</p>	<p>UNIDIRECTIONAL</p> <ul style="list-style-type: none"> • Selection policies • Customer debt overhang risk management • Initiatives to eliminate legal barriers and facilitate loan access • Contributing to social well being and sustainable development" • Volunteer program • Customer debt overhang risk management • Improving relationships • Promoting projects towards green portfolio
	Interviews once a year		
<p>Group with which alliances can be established to improve loan access for underprivileged or minority groups</p>	Meetings once every six months		
<p>Group that contributes to a positive external image Criteria: responsibility, (less) influence</p>	Interview once a year Market studies		
	Interviews once a year		



Solidarity loan group at Antabairanto, an indigenous community in Pampamichi.
Office: La Merced.



5

**CORPORATE SOCIAL
RESPONSIBILITY
(CSR)**

Mibanco's management is fully accountable to its shareholders, customers, employees and the community at large. Our actions aim to find a balance between our business interests and our stakeholders' expectations regarding our institution. All our actions are aligned with the triple social, economic and environmental bottom line.

In that sense, one of the characteristics that defines Mibanco's management is the relationship with our stakeholders, especially our customers. Throughout the years we have strengthened our ties and provided financial access to businessmen and women from micro and small enterprises through products and services that attest to the bank's social commitment.

The bank has also subscribed to international initiatives, such as the Global Reporting Initiative (GRI), which sets parameters for preparing sustainability reports and which have guided us in preparing this report.

As in previous years, Mibanco aims to exceed GRI indicators. Therefore, the report has been reviewed and the contents verified to ensure they meet GRI's "A" level of compliance.

It should be added, finally, that Mibanco will continue betting on full SCR across management, internalized in each and every organizational operation. The objective is to continue promoting financial inclusion, the appropriate use of resources and the strong performance of employees and customers through their professional and personal development.

Our economic performance

"The highlight of our achievements is the BBB rating awarded by Standard & Poor's, which gave us investment grade. This milestone has made us the first bank specialized in micro-finance in Peru to obtain a rating equal to that awarded to Peru's sovereign debt. This achievement makes us proud as an institution, consolidates our position in the market, and attests to the responsible management of our business and the effort of the entire Mibanco team throughout these years. - Oscar Rivera - Chairman of the Board (DMA).

PERU'S ECONOMY IN 2010

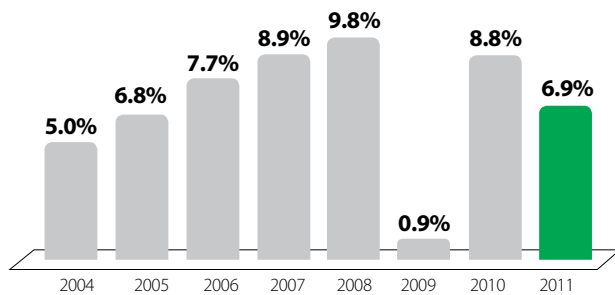
a. Gross Domestic Product (GDP)

In 2011, the growth of Peru's GDP was less than the extraordinary 8.8% rate recorded in 2010, due to lower domestic demand resulting from decreased public spending, which is attributed to operational issues of local and regional governments and to a lesser extent, slower private investment.

Despite the slight reduction in its rate of acceleration, the country's 6.9% GDP increase was higher than that of other economies in the region, which started to feel the impact of the new crisis that originated in Europe.

Elections also had a negative impact on the national economy during the first months of the year. However, in the second half output moved upward, driven by the services and trade industries, despite declines in two other major sectors, construction and manufacturing, which reflect a deterioration in public and private investment.

EVOLUTION OF GDP 2004 - 2011 (%)

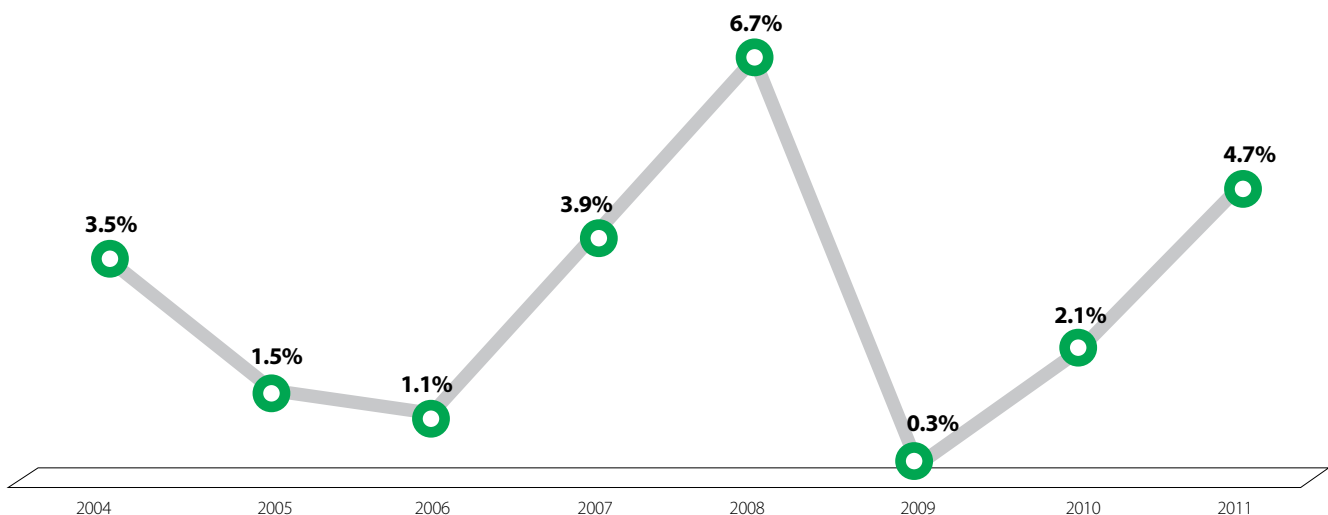


b. Inflation

Cumulative inflation for the year was 4.7%, higher than the target set by the Central Reserve Bank (BCR) in its monetary policy and higher than that of 2010 (2.1%). The rise in inflation was due mainly to the rise in international commodity prices, as well as weather changes that affected the price of some foods, with an impact on domestic prices.

It is estimated that in 2012 inflation will eventually converge with the target range (1% - 3%). According to the BCR's monetary policy, falling international commodity prices and abnormal weather could create upward tendencies in local food prices, but the decreased growth rate of domestic demand observed over the last months of 2011 would help reduce demand-side pressures that might lead to inflation.

EVOLUTION OF INFLATION 2004 - 2011 (%)



The exchange rate appreciated in 2011. The election period generated a capital outflow that raised the value of the dollar, but in the following months the strength of the nuevo sol increased compared to the American currency. Nominal appreciation in the previous year reached 4.3% (BCR), which was limited by the Central Bank's intervention in the foreign exchange market where it bought a total U.S. \$ 3.6 billion.

c. Banking system's performance

Economic growth in 2011 was accompanied by increased lending. Banking system loans rose 22.1% from the previous year, totaling S/. 126 million by the year's end.

Asset quality improved to 1.50%, below the 1.58% achieved a year before, which led the financial system to reduce provisions to 222.4%.

The return on equity (ROE), meanwhile, was 24.5%, which was higher than that reported at the end of 2010, while return on assets was lower, at 2.3%.

2012 OUTLOOK

In its latest inflation report, the BCR estimated a 5.5% growth in the GDP this year, driven by recovered public spending and private investment. However, it also mentioned slower international trade due to decreased activity in markets worldwide.

More than \$16 billion worth of private investment projects were announced in 2012, a growth of 8.3% from the previous year.. Investment will mainly target mining and electricity. Fur-

thermore, government spending is expected to parallel resurging private investment through maintenance works and infrastructure development.

External factors to consider for 2012 are the future of the debt crisis in Europe, the evolution of the large emerging economies, and rebounding markets in developed economies. The national economy would be affected by the international environment through financial channels (foreign loans) and trade (exports) resulting in slower growth compared to recent years.

MANAGEMENT ANALYSIS 2011

a. Evolution of business

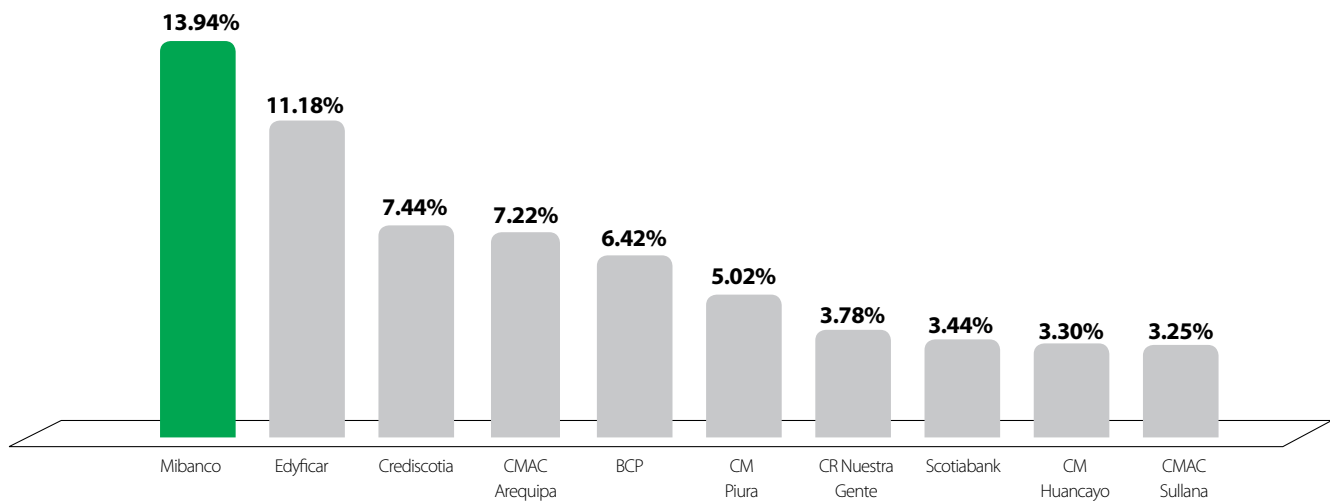
Strong competition to finance the SME segment continued in 2011. Placements grew 11.9%, paralleling the growth of the Peruvian economy. Asset quality indicators improved while default and refinanced portfolio numbers dropped from the previous year.

Mibanco's strategic plan enabled the institution to end the year successfully, with positive results reflected in 14.5% increase in credit placements, a 25.5% ROE and a 2.3% ROA.

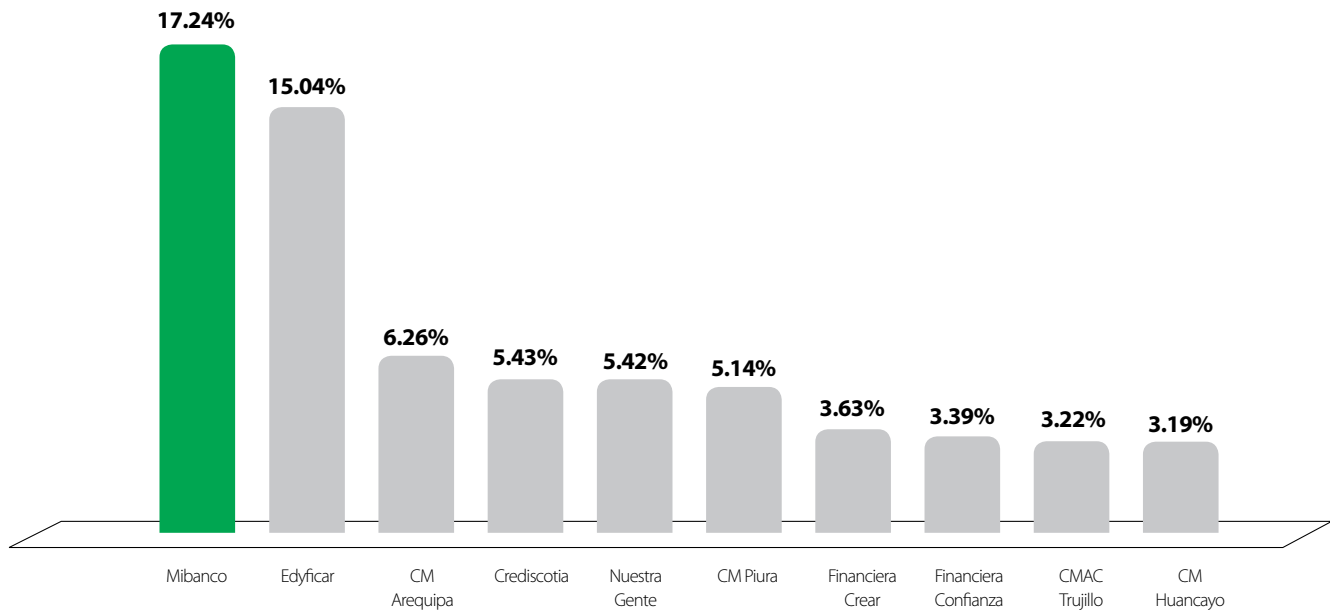
b. Market share

Mibanco maintained its leadership in the microenterprise segment, as the financial institution with the highest number of loans placed in the segment according to SBS information. In December 2011 Mibanco reported a 13.94% market share (S/. 1.2 billion) in loans to microenterprises and a 17.24% market share in terms of number of microenterprise borrowers.

MARKET SHARE (%)
MICROENTERPRISE LOANS - DECEMBER 2011



MARKET SHARE (%)
MICROENTERPRISE DEBT HOLDERS - DECEMBER 2011



CMAC: Caja Municipal de Ahorro y Crédito.

c. Annual comparative results

These results are an indication of the enormous effort, dedication and ongoing commitment of Mibanco towards entrepreneurs and micro and small business owners, who account for 97% of our portfolio (see chart), and whose businesses grow along with our organization.

Loans by segment

DECEMBER 2011		
SEGMENT	LOANS	%
• Microenterprises	462,708	91%
• Small enterprises	29,623	6%
• Sales people	14,165	3%
Total	506,496	100%

As of December 2011, our total assets amounted to S/. 5.2 billion (US\$ 1.9 billion), a 16.7% increase compared to 2010. This major achievement is mainly due to larger gross loans, which reached a total S/. 4.2 billion (US\$ 1.5 billion), representing 80.5% of our total assets.

Portfolio by economic activity

DECEMBER 2011		
ECONOMIC ACTIVITY	BALANCE IN NUEVOS SOLES	%
• Trade	2,256'989,059	53.9%
• Service	1,287'931,889	30.8%
• Production	585'468,823	14%
• Payroll and other workers	56'427,629	1.3%
Total	4,186'817,399	100.0%

In line with previous annual trends, loans went mainly to trade (53.9%), services (30.8%), manufacturing (14.0%) and workers employed by others (1.3%).

Annual comparative results

	2010	2011
Number of loan clients	401,988	435,157
Number of loan granted	641,384	620,763
Average amount disbursed	S/. 6,731 (US\$ 2,396)	S/. 7,482 (US\$ 2,775)
Gross loans (in millions)	S/. 3,656.4 (US\$ 1,301.7)	S/. 4,186.8 (US\$ 1,553.0)
Total disbursed (in millions)	S/. 4,317.2 (US\$ 1,536.9)	S/. 4,644.5 (US\$ 1,722.7)
Net earnings (in millions)	S/. 97.1 (US\$ 34.6)	S/. 109.4 (US\$ 40.6)
Overdue portfolio / Gross loans	3.11%	3.66%
Exchange rate *	S/. 2,809	S/. 2,696
Total number of savings customers	179,140	233,308
Total number of customers	581,128	668,465

*Fuente: SBS

d. Asset quality

In December 2011 the delinquency rate (non-performing loans/ total loans) reached 3.66%. Mibanco's NPL ratio for microenterprise credits (2.68%) is below the default rate for micro loans in the financial system (4.07%). The impaired loan ratio was 6.58% (sum of overdue loans and refinanced and restructured loans). Finally, the coverage ratio (provisions/past due portfolio) was 170.7%.



Yrene de la Cruz Antesano and her loan officer Luis Alberto Lingán Romero. Business: Candy manufacturing and confectionery. Office: Huaycán.

e. Liabilities

Mibanco's funding needs are covered by deposits from the public and institutional investors, active participation in the capitals market, debt lines, and partial capitalization of profits. This policy has enabled us to ensure the continued growth of the institution and of our customers.

Total liabilities as of December 2011 amounted to S/. 4594.7 million (US\$ 1.7 billion), a 13.0% increase compared to the previous year. Bonds payable (S/. 3,709.3 million or US\$ 1.4 billion) account for 80.7% of liabilities and increased 28.1% compared to 2010, thanks to the sense of confidence and security Mibanco generates among the public and among institutions. Additionally, the number of liability clients increased from 179,140 in 2010 to 233,308 in 2011, an increase of 30.2%.

Debt (S/. 613.5 million or U.S.\$ 227.5 million) accounts for 13.4% of liabilities, as a result of policies to diversify funding sources and use of credit lines granted by local and foreign institutions.

f. Solvency and capital adequacy

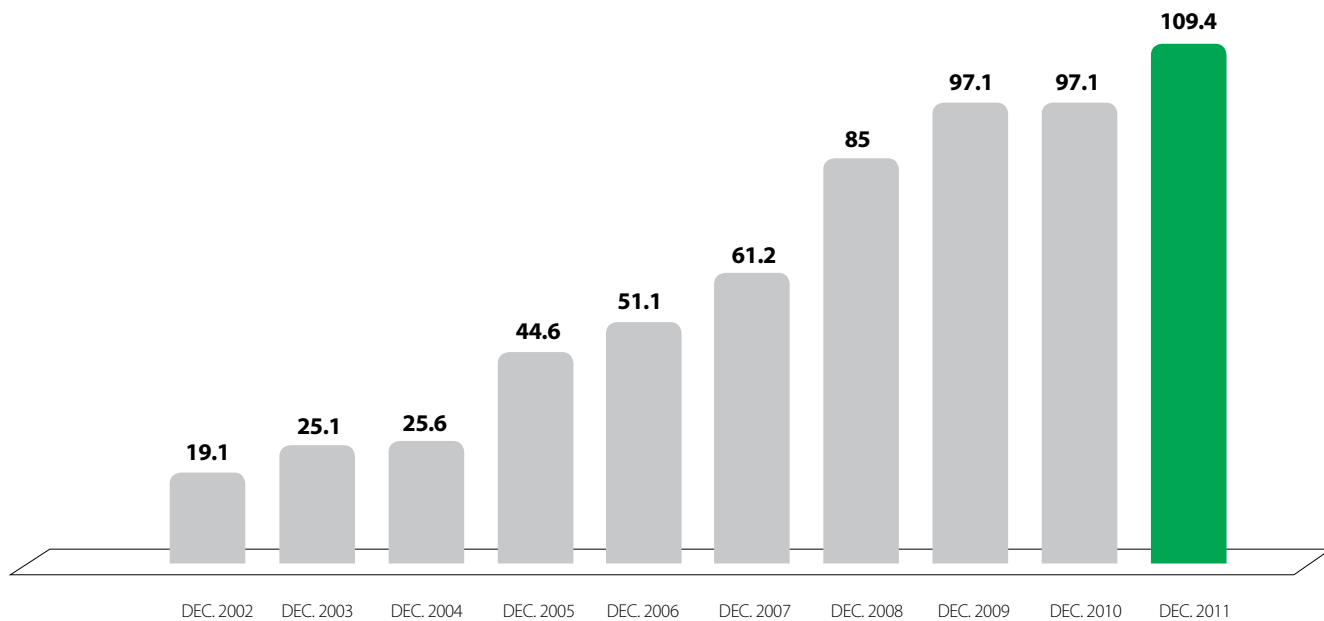
Mibanco continued strengthening its solvency vis-à-vis its customers, shareholders, competitors and stakeholders in Peru and abroad, consolidating its capital position (equity) and total capital ratio (equity / sum of risk-weighted assets), which replaced the old overall leverage ratio of 14.57% (the SBS regulatory limit is 10%) and exceeded the 2010 overall leverage ratio (13.33%).

g. Results of operations

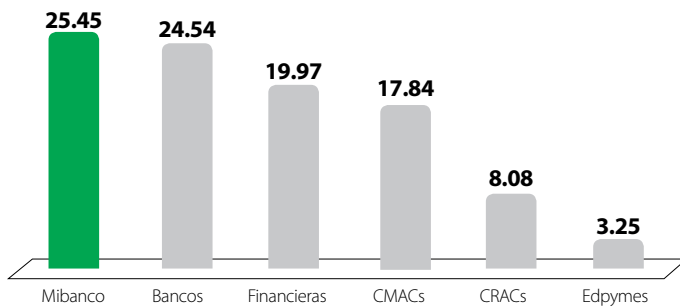
Mibanco's financial income increased to S/. 987.9 million (98.0% from placements), an increase of 5.4% compared to 2010. At the year's end, financial expenses totaled S/. 206.2 million (US \$ 76.5 million) and accounted for 20.9% of total interest income. Net income as of December 2011 amounted to S/. 109.4 million (US \$ 40.6 million).

The efficient use of resources this year also allowed us to achieve a return on equity (ROE) of 25.5%, one of the highest in the system. Return on assets (ROA) reached an outstanding 2.3%.

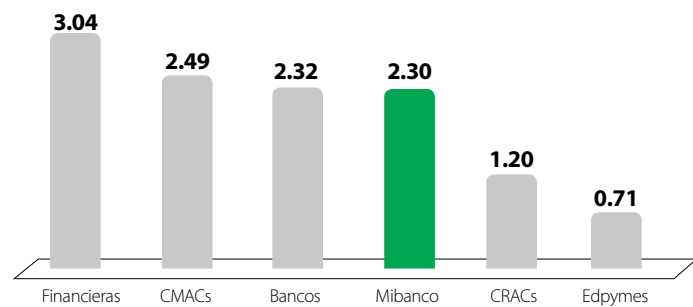
NET INCOME 2002 - 2011



RETURN ON EQUITY (%)
DECEMBER 2011



RETURN ON ASSETS (%)
DECEMBER 2011



CMAC: Caja Municipal de Ahorro y Crédito. CRAC: Caja Rural de Ahorro y Crédito. EDPYME: Entidad de Desarrollo para la Pequeña y Microempresa.

h. Risk rating

Mibanco maintained its category A rating for financial strength awarded by Pacific Credit Rating (PCR) and Class & Asociados. The deposits over one year were rated AA by Class & Asociados, and short-term deposits were classified as category I by PCR, and as 1 by Class & Asociados.

Standard & Poor's raised Mibanco's rating for long-term credit by two notches, from BB + to BBB.

This rating is the highest investment grade awarded in Peru and so we became the first bank specializing in microfinance to reach the same level of classification as Peruvian sovereign debt and as the largest commercial banks in the financial sector.

Below is the definition of each classification awarded to Mibanco by these different entities, which address financial strength, deposits over one year and short-term deposits.

Class A companies: are solvent companies of exceptional intrinsic financial strength, good system positioning, total coverage for present risks and ability to manage future risks.

Class AA companies: have a very high ability to pay principal and interest under the terms and conditions agreed upon, and would not be significantly affected by possible changes in issuer, the industry to which they belong, or the economy.

Category I companies: demonstrate the highest quality levels, low probability of default under the agreed terms, and excellent repayment ability even in the worst predictable economic scenario.

i. Capitals markets and foreign financing transactions

To diversify funding sources and further consolidate our presence in the capitals market in 2011 we registered the following

programs with the Securities Superintendence:

Third Program of Negotiable Certificates of Deposit

- Up to S/. 300 million or its equivalent in U.S. dollars. Third Corporate Public Offering Bond Program - Up S/. 400 million or its equivalent in U.S. dollars.

These programs will contribute to our funding in the short, medium and long-term future.

Capitals markets

At the end of 2011 Mibanco ran two financial instruments programs with outstanding issues in the Peruvian capitals market. During the year, five placements were made for a total of S/. 185.61 million. Participants in the auctions were pension fund administration companies (AFPs), banks, mutual funds and individuals, among others.

Second program: corporate bonds

This program is for an amount of S/. 150 million, or its equivalent in U.S. dollars. It was awarded an AA score by the rating agencies Pacific Credit Rating and Class & Asociados. During 2011 no issuance was made under this program. At the year's end, this program was no longer in force, but two issues were outstanding, which will expire in 2012.

Third program: Non-negotiable deposit certificates

This program is for an amount of S/. 300 million or its equivalent in U.S. dollars and was registered with the Superintendence of Securities Market in 2011. Pacific Credit Rating and Class & Asociados ranked it as category 1. During 2011 five placements were made totaling S/. 185.61 million, which expire in 2012.





Rafaela Espinoza de Ojeda and her loan officer Diana Napa
Almeyda. Business: Animal husbandry. Office: Cañete.

Stock exchange

The tables below show Mibanco's stock and financial instruments prices in 2011.

Variable income			QUOTATIONS				
ISIN CODE	MNEMONIC	YEAR-MONTH	OPENING S/.	CLOSING S/.	MAXIMUM S/.	MINIMUM S/.	AVERAGE PRICE S/.
PEP 133001003	MIBANC1	2011-01	4.05	4.05	4.05	4.05	4.05
PEP 133001003	MIBANC1	2011-02	-	-	-	-	-
PEP 133001003	MIBANC1	2011-03	-	-	-	-	-
PEP 133001003	MIBANC1	2011-04	3.91	3.91	3.91	3.91	3.91
PEP 133001003	MIBANC1	2011-05	-	-	-	-	-
PEP 133001003	MIBANC1	2011-06	3.24	3.24	3.24	3.24	3.24
PEP 133001003	MIBANC1	2011-07	-	-	-	-	-
PEP 133001003	MIBANC1	2011-08	3.28	3.28	3.28	3.28	3.28
PEP 133001003	MIBANC1	2011-09	3.28	3.28	3.28	3.28	3.28
PEP 133001003	MIBANC1	2011-10	3.33	3.33	3.33	3.33	3.33
PEP 133001003	MIBANC1	2011-11	-	-	-	-	-
PEP 133001003	MIBANC1	2011-12	3.33	3.33	3.33	3.33	3.33

Source: Lima Stock Exchange.

Fixed income			QUOTATIONS				
ISIN CODE	MNEMONIC	YEAR-MONTH	OPENING S/.	CLOSING S/.	MAXIMUM S/.	MINIMUM S/.	AVERAGE PRICE S/.
PEP 13300M066	MIBAN2BC3A	2011-09	101.04	101.04	101.04	101.04	101.04
PEP 13300M058	MIBAN2BC4A	2011-09	102.09	102.13	102.13	101.43	101.83
PEP 13300Q273	MIBAN2CD5E	2011-10	96.79	99.39	99.39	96.79	98.47
PEP 13300Q281	MIBAN3CD1A	2011-09	97.44	97.73	98.07	97.44	97.56
PEP 13300Q299	MIBAN3CD1B	2011-09	96.43	98.01	98.01	96.43	96.47
PEP 13300Q307	MIBAN3CD1C	2011-08	96.52	95.95	95.95	95.52	95.79
PEP 13300Q315	MIBAN3CD1D	2011-10	95.30	95.30	95.30	95.30	95.30

Source: Lima Stock Exchange.



Christopher Escudero Roldan, senior loan officer and Karla Seminario González Olaechea, sales and services manager. Office: Santa Clara.

Main transactions in 2011

During 2011, Mibanco received loans from foreign institutions such as the Microfinance Enhancement Facility (MEF) fund headquartered in Luxembourg. This institution granted us funding for \$ 7 million.

Similarly, the Inter-American Investment Corporation gave us a loan of up to US\$ 15 million to finance the expansion of the bank's loan portfolio.

Finally, we completed the implementation of a syndicated credit facility with IFC, a member of the World Bank and Citibank as arranger and co-arranger (joint bookrunner) of the issue. This transaction reached US\$ 40 million, of which 75% was disbursed in national currency, and involved the participation of international banks and institutions.

j. Funding sources

Mibanco structured and diversified its funding sources to expand its loan portfolio. They include mainly bonds payable (71.3%), short and long term debt with foreign institutions and international financial organizations (11.8%), increased share capital (11.7%), participation in the capitals market (0.2%), financial system deposits (3.3%) and other sources (1.7%). All this has enabled Mibanco to properly manage the firm's liabilities, build a solid capital base, and improve financial efficiency. It should be underscored that Mibanco receives no financial support from any government.

In 2011 our shareholders increased the Bank's equity by S/. 140 million thus demonstrating their commitment to developing microbusinesses in Peru. This increase will allow continuing to expand Mibanco in coming years, and introduce the innovations we need to remain as leaders in microenterprise financing and financial penetration in Peru.

FUNDING SOURCES – DECEMBER 2011	BALANCE IN THOUSANDS OF NUEVOS SOLES	%
• Obligations with the public	3709.3	71.3%
• Debt	613.5	11.8%
• Equity	606.9	11.7%
• Deposits from the financial system	169.7	3.3%
• Outstanding securities	12.6	0.2%
• Other	89.7	1.7%
Total	5201.7	100%

DIRECT ECONOMIC VALUE CREATED AND DISTRIBUTED BY OUR ORGANIZATION

The bank's economic performance is guided by our comprehensive sustainability policy. To accomplish our performance objectives, we consider it relevant to report the economic value we generate and distribute, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments, as detailed in the following table.

COMPONENT	2010 IN THOUSANDS OF SOLES	2011 IN THOUSANDS OF SOLES
• Financial income	936,827	987,869
• Financial expenses	165,657	206,242
• Personnel and Board expenses	236,237	279,242
• Interest for deposits of companies in the financial system and international financing organization	5,285	9,573
• Interest for debts and obligations of the country's financial system	14,764	13,293
• Interest for debts and obligations with foreign financial institutions and international financing organizations	34,974	32,185
• Mandatory distribution of income	43,591	42,562
• Net revenue	97,143	109,423
• Reserves	48,167	57,881
• Donations granted	251	91

MARKET PRESENCE

The table below shows the value of our portfolio for each business line, by urban and rural areas, and by sector.

Client portfolio by origin – December 2011

S/.	LOANS S/.	%	LOANS	%
• Urban	4,043'539,973	96.58%	410,285	81.00%
• Rural	143'277,423	3.42%	96,211	19.00%
Total	4,186'817,396	100.00%	506,496	100.00%

Our products and services are innovative and customized, and they comply with ethical and/or sustainability criteria, like our rural credits, which totaled S/. 145 million distributed among 95,767 performing loans.

INDIRECT ECONOMIC IMPACTS

Mibanco's leadership is the main indicator of our economic impact on microenterprise. More than 435,000 credit clients prove that our organization is committed to providing opportunities for progress through innovation, new product development and a presence in both urban and rural areas.

This impact on small and microbusinesses – the bank's target market – definitely contributed to Peru's 6.5% growth last year, a significant achievement in view of the global economic crisis experienced in 2011.

Likewise, over 80,000 clients have joined solidarity groups, a mechanism designed to provide access to credit to people living in poverty and exclusion who cannot provide collateral or guarantees for their loans.

CLIENT TRAINING PROGRAM

In line with our social mission, we invest \$ 1 million annually in training clients. There are several programs designed with different objectives, but they all aim at empowering Peruvian entrepreneurs.

In 2011 the following training programs reached more than 40,000 entrepreneurs.

- **Strengthening entrepreneurship of women in Peru.** This project, aiming at improving the income of women in small and micro enterprises through business management training and access to credit, began in January 2010 with co-financing from the Multilateral Investment Fund (FOMIN), Inter-American Development Bank (IDB), Government of Australia, Grupo ACP, The Thunderbird School of Global Management and Goldman Sachs Foundation. In 2011 we trained nearly 30,000 women entrepreneurs through this initiative, which forms part of the investment agreement for US\$ 7.435 million, signed with the institutions mentioned above.

- **"Asociándome para Crecer" rural training.** In coordination with the Aprenda Institute of Microenterprise, in 2011 we organized the XI Asociándome para Crecer (Joining together to Grow) Business Training Program to provide business management training to more than 12,000 customers. Through these projects, Mibanco seeks to provide micro and small enterprise owners the practical knowledge they need to improve their businesses, while facilitating access to financing).

We believe that without access to knowledge our clients' paths to business and personal development will be hindered. These free training programs are essential to improving their management skills and providing them with the tools that can help grow their businesses and improve their families' living standards.

In the last decade, Mibanco has trained over 170,000 entrepreneurs free of charge in marketing, sales, finance, administration, business strategies, legal issues, leadership, planning, teamwork and finance.

NUMBER OF BENEFICIARIES BY COST-FREE TRAINING PROGRAM

PROGRAM		OBJECTIVES	BENEFICIARIES	2010	2011
STRENGTHENING WOMEN'S ENTREPRENURIAL CAPACITY IN PERU	EL GRAN SALTO	Providing access to advanced training on business and international networks for small and medium-sized enterprises' businesswomen	Micro enterprises' businesswomen	18,058	28,764
	PROGRAMA 10,000 MUJERES (10,000 WOMEN PROGRAM)	Making participants improve their management abilities. Broadening their knowledge on product function to obtain a better use of it.	Small and medium-sized enterprises' businesswomen	30	254
BUSINESS MEETINGS FOR "BANKING GRADUATES"		Help participants improve their management skills. Broaden their knowledge regarding product functions for maximum effectiveness.	Micro and small enterprises' businessmen, graduate clients*	530	-
MASSIVE EVENTS		Creating a high level of motivation among participants, thorough leadership, success and strategic planning topics	Micro and small enterprises' businessmen	7,500	-
RURAL TRAINING		Helping participants to recognize themselves as businessmen, and identifying opportunities to make their business grow.	Micro and small enterprises' businessmen, clients of the rural loan product	3,801	12,632

* Graduate clients are those who already have a credit history in Mibanco, with growth potential.

Additionally, we support the dissemination of short financial literacy videos, which are shown on CCTV at 116 Mibanco agencies nationwide. The following shorts were shown in 2011.

PRODUCED BY	VIDEO CONTENT	OBJECTIVE
MIBANCO	Mibanco ATM network: Security recommendations when using ATMs - 1.	<ul style="list-style-type: none"> - To avoid inadequate use of products and services. - To enhance use of products and services.
	Mibanco ATM network: Security recommendations when using ATMs - 2.	
	Debtor's Life insurance: Product's educational video.	
SOMOS EMPRESA	El Gran Salto: Invitation for customers to participate in free training sessions.	<ul style="list-style-type: none"> - Financial training - Financial resources' management and organization - To improve customers' financial education - Education to face debt overhang, social exclusion and other financial risks
ACCION INTERNATIONAL	Finance builder - instructive video on household finances.	
SBS	Financial Ombudsman's Office	
	Educational video on financial and banking terms	

Social performance

“... To this we can add the rating awarded by Planet Rating, a rating agency specializing in social performance. In its second assessment, it awarded Mibanco its highest score (4 +) among more than 50 microfinance institutions evaluated worldwide. This strengthens our commitment to fulfilling our mission.”
Oscar Rivera - Chairman of the Board (DMA).

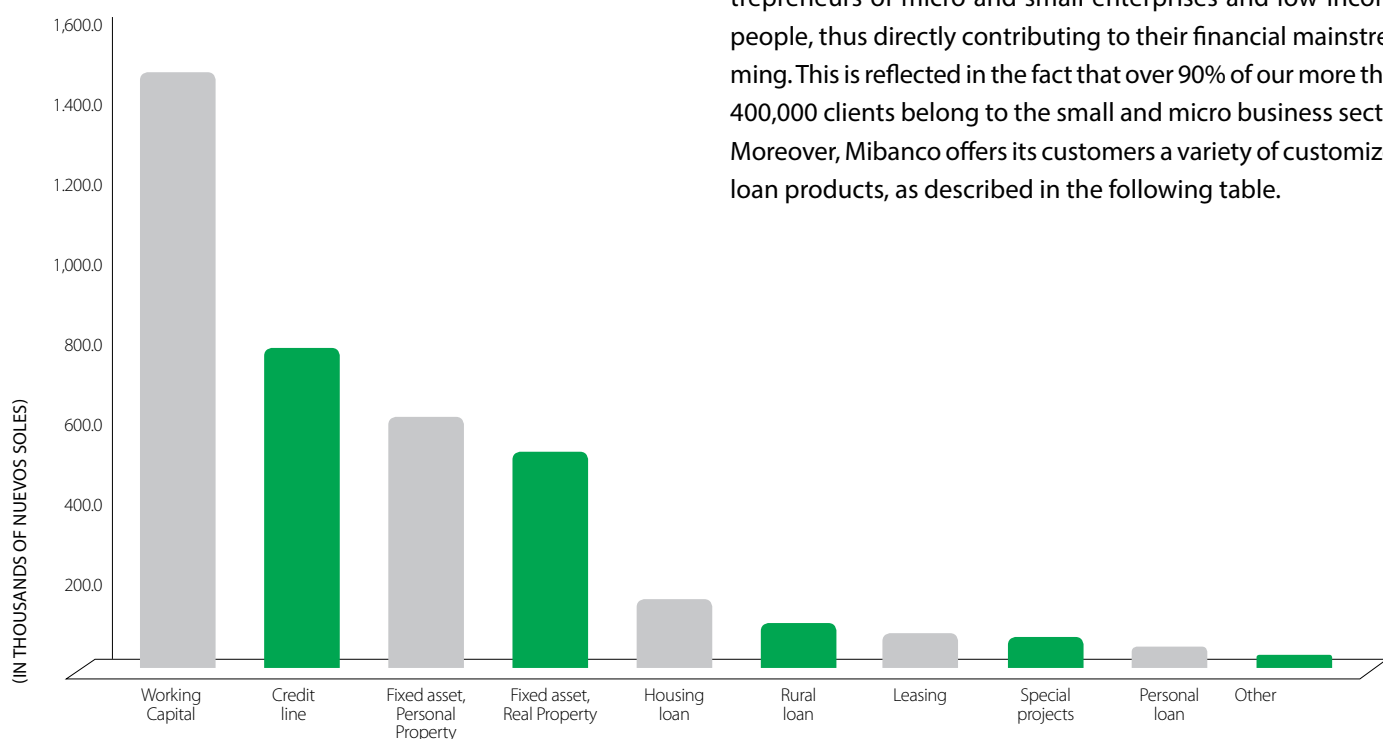
Mibanco's leadership is the main indicator of its economic impact on small businesses, with our position reflecting the organization's commitment to provide opportunities for progress through innovation, new product development and a presence in both urban and rural areas.

In 2011, more than 100,000 rural credits granted by Mibanco directly contributed to improving the living conditions of people below the poverty line. The products, designed to suit clients' specific needs, use credit methodologies that are more flexible than those based on traditional collateral. Also, insurance (linked to each credit) attenuates the risk for customers that rely on a single economic activity.

With the same philosophy, in 2012 Mibanco plans to intensify its efforts to increase services and coverage for the segment at the base of the pyramid and enhance its financial penetration of the microbusiness segment.

Mibanco shareholders are organizations that promote and fully support the social approach of all the products in our various lines of business.

Mibanco's social approach is directly linked to the organization's mission to provide growth alternatives for entrepreneurs of micro and small enterprises and low-income people, thus directly contributing to their financial mainstreaming. This is reflected in the fact that over 90% of our more than 400,000 clients belong to the small and micro business sector. Moreover, Mibanco offers its customers a variety of customized loan products, as described in the following table.





Información

Asesoría Legal

Para tus trámites bancarios en con asesoría legal.





Bienvenido

¡Aquí
estamos para
servirte.

Staff. Office: Covida.

LEADERS IN FINANCIAL PENETRATION

Since its inception, Mibanco has focused its efforts on serving micro and small business entrepreneurs with the goal of including an increasing number of entrepreneurs in the formal banking system, promoting their development, and improving the standards of living of their employees and families.

For 13 years Mibanco has been the leader of financial penetration thanks to its unyielding motivation, which translates into the possibility of providing, through our work, advancement opportunities to excluded and low-economic resource segments of the population. It is through financial penetration that Mibanco accomplishes the specific mission with which it was founded. Thus, in 2011, of the 363,687 people who joined the financial system for the first time through a microcredit, 18.4% (66,905) did so through Mibanco.

Microenterprises Access to Finance Financial System

ENTITY	2009		2010		2011	
TOTAL SF	300,146	100.0%	327,594	100.0%	363,687	100.0%
1 Mibanco	47,715	15.9%	62,030	18.9%	66,905	18.4%
2 F. Edyficar	33,982	11.3%	46,284	14.1%	55,433	15.2%
3 CRAC Nuestra Gente	16,121	5.4%	23,766	7.3%	33,189	9.1%
4 B. Crédito BCP	4,530	1.5%	9,822	3.0%	19,434	5.3%
5 CMAC Piura	16,826	5.6%	15,980	4.9%	19,020	5.2%
6 F. Confianza	16,976	5.7%	15,923	4.9%	18,120	5.0%
7 CMAC Arequipa	17,803	5.9%	17,475	5.3%	17,097	4.7%
8 F. CrediScotia	5,560	1.9%	10,803	3.3%	15,102	4.2%
9 CMAC Huancayo	8,036	2.7%	10,204	3.1%	11,702	3.2%
10 F. CREAM	11,461	3.8%	9,774	3.0%	11,058	3.0%
11 CMAC Trujillo	14,287	4.8%	10,058	3.1%	9,740	2.7%
12 EDPYME Raíz	7,014	2.3%	8,878	2.7%	9,435	2.6%
13 CMAC Sullana	6,463	2.2%	6,467	2.0%	6,551	1.8%
14 CMAC Cusco	11,016	3.7%	7,935	2.4%	6,412	1.8%
15 CMAC Tacna	7,702	2.6%	6,906	2.1%	5,981	1.6%
16 Other entities (36)	79,520	24.9%	70,063	19.9%	63,621	16.1%



Jaime Suyo Barahona. Business: Small animal husbandry. Office: Carabayllo.

The bank's product portfolio is designed to cover the financing needs for working capital and fixed assets of micro and small enterprises. Mibanco offers its entrepreneur clients credits as low as S/. 300 to promote their financial inclusion based on its own credit methodology. In this way, the Bank opens access to financial services to people who are not served by traditional banks. In fact, Mibanco clients come from the base of the pyramid (loans up to S/. 5,000), with monthly turnover under S/. 3,800 and average loans of S/. 1,800.

In 2011, our rural credits grew 17% (with respect to 2010) distributed among over 95,000 clients. This result reflects the social commitment of Mibanco, which seeks to bring an increasing number of Peruvians into the financial system, and to support the growth of microenterprises through an offering designed to suit emerging financial needs. Mibanco does not lend to corporations.

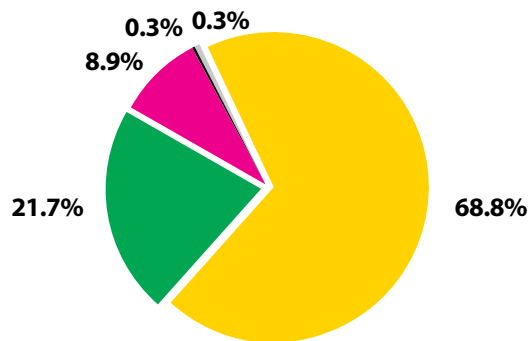
OUR CLIENTS

The current distribution of our customers is presented in the following table.

REGIÓN	N° CUSTOMERS	DIST. %
• LIMA	184,332	42.4%
• LA LIBERTAD	31,670	7.3%
• LAMBAYEQUE	24,457	5.6%
• JUNIN	23,492	5.4%
• AREQUIPA	18,699	4.3%
• ICA	17,743	4.1%
• PIURA	17,605	4.0%
• SAN MARTIN	13,000	3.0%
• PUNO	12,806	2.9%
• TACNA	12,658	2.9%
• IQUITOS	11,693	2.7%
• CUSCO	11,377	2.6%
• ANCASH	11,302	2.6%
• TUMBES	8,973	2.1%
• CAJAMARCA	8,904	2.0%
• UCAYALI	8,778	2.0%
• HUANUCO	7,042	1.6%
• AYACUCHO	3,841	0.9%
• MOQUEGUA	3,754	0.9%
• MADRE DE DIOS	3,031	0.7%
Total	435157	100.0%

Also, the loans granted by Mibanco cover all types of credit, giving higher priority to the needs of micro and small enterprises.

NUMBER OF TRANSACTIONS BY SBS* CATEGORY (%)

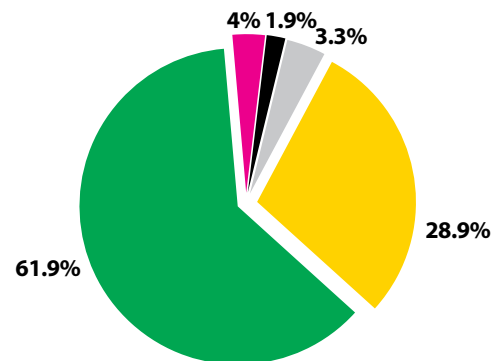


■ Small enterprise ■ Microenterprise ■ Consumption ■ Mortgage ■ Other

Source: Internal portfolio as of December 31, 2011.

SBS CATEGORY	TRANSACTIONS	DIST. (%)
Consumption	41,850	8.9%
Other	10,779	0.3%
Mortgage	1,585	0.3%
Microenterprise	344,024	68.8%
Small enterprise	108,258	21.7%
Total	506,496	100.0%

BALANCE BY SBS* CATEGORY (%)



■ Small enterprise ■ Microenterprise ■ Consumption ■ Mortgage ■ Other

Source: Internal portfolio as of December 31, 2011.

SBS CATEGORY	BALANCE (MM S/.)	DIST. (%)
Consumption	132,870,658	4.00%
Other	162,404,412	3.30%
Mortgage	108,257,485	1.90%
Microenterprise	1,199,058,873	28.90%
Small enterprise	2,584,225,971	61.90%
Total	4,186,817,399	100.0%

The distribution of balances and clients by economic sector appears below.

Portfolio Distribution by Economic Sector

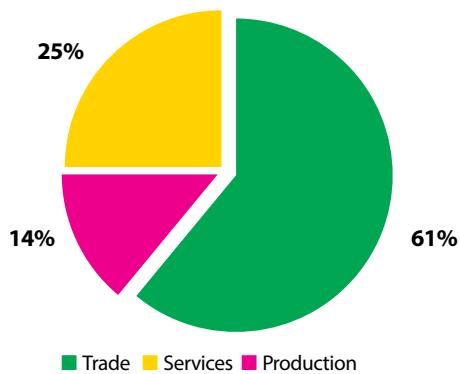
SECTOR	CUSTOMERS	DIST. %	SALDOS	DIST. %
• Trade	266,093	61%	2,302	55%
• Production	61,562	14%	585	14%
• Services	107,502	25%	1,288	31%
Total	435,157	100%	4,169	100%

*Superintendencia de Banca, Seguros, y AFP (Superintendent's Office of Banking, Insurance and Pension Funds)

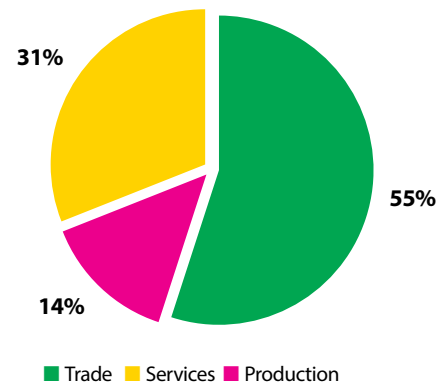


Rafael Fernández Santiago and Nidia García Velásquez. Business: Gourd carving. Office: El Tambo.

CUSTOMER DISTRIBUTION BY ACTIVITY (%)



PORTFOLIO DISTRIBUTION BY ACTIVITY (%)



Source: Mibanco. December 31, 2011

Business line by region

TYPE OF DEBT	LIMA		OTHER DEPARTMENTS		TOTAL	
	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)
Microenterprise	122,465	580	192,333	619	314,798	1,199
Small enterprise	39,175	1,294	45,678	1,290	84,853	2,584
Other	28,580	268	14,787	136	43,367	404
Total	190,220	2,141	265,297	2,045	443,018	4,187

Business line by sector

TYPE OF DEBT	MERCHANTS		PRODUCERS		SERVICES		TOTAL	
	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)	CUSTOMERS	BALANCE (IN THOUSANDS OF NUEVOS SOLES)	CUSTOMERS*	BALANCE (IN THOUSANDS OF NUEVOS SOLES)
Microenterprise	195,088	658	48,176	187	71,534	354	314,798	1,199
Small enterprise	45,389	1,410	12,077	367	27,387	807	84,853	2,584
Other	30,217	245	2,004	32	11,146	127	43,367	404
Total	270,694	2,313	62,257	585	110,067	1,288	443,018	4,187

(*) Clients with more than one type of debt included in multiple categories

Sector by SBS* category

SECTOR	LOAN TYPES ACCORDING TO RCC** - DICIEMBRE 2011							TOTAL
	MICROENTERPRISE	SMALL ENTERPRISE	MEDIUM-SIZED ENTERPRISE	LARGE FIRMS	CORPORATION	CONSUMPTION	MORTGAGE	
Trade	658,131	1'410,227	64,410	-	14,942	93,458	72,241	2,313,410
Production	187,158	366,725	15,044	-	-	5,981	10,561	585,469
Services	353,624	807,420	56,555	-	2,292	33,432	25,455	1,287,939
Total	1'198,913	2'584,372	136,010	9,161	17,233	132,871	108,257	4'186,817
Dist. %	29%	62%	3%	0%	0%	3%	3%	100%

(*) Various types of debt per client added up

*Superintendencia de Banca, Seguros, y AFP (Superintendent's Office of Banking, Insurance and Pension Funds)

**Reportes Crediticios Consolidados (Consolidated Credit Reports)

Money value of goods and services

BUSINESS LINE SUPERINTENDENCY OF BANKING AND INSURANCE - SBSS	PRODUCT*	SCOPE OF PRODUCTS	AMOUNT IN NUEVOS SOLES S/.
SMALL ENTERPRISE 2,584,371,690	WORKING CAPITAL LOANS	<ul style="list-style-type: none"> · Different kinds of short-term loans to finance the purchase of final inventories, production and provision of services · To finance investment in personal fixed assets · Secured or unsecured mortgage loans for improvement, expansion, construction or refurbishment of commercial property, as well as purchase of new business premises · To simplify transactions and immediate availability of cash · Individual or solidarity: aimed at merchants, producers and service providers to the community in the country's most remote areas. · To offer great benefits to users and to educate them, promoting safe and responsible consumption. · Products designed especially to serve clients grouped in neighborhood associations in order to support them in improving their homes' urban environments. By financing electricity, water, sewerage, roads and sidewalks projects, we comply with the objectives of this product: to create conditions for our clients to live in a healthy and safe environment provided with all essential utilities. · For personal needs: loans to purchase products and services necessary for everyday life; personal free use loans are also offered. 	888,226,733
	LOANS ON PERSONAL PROPERTY		490,936,890
	LOANS ON REAL PROPERTY		419,475,984
	CREDIT LINE		616,115,400
	RURAL LOAN		34,166,558
	OTHER PRODUCTS		135,450,126
MICROENTERPRISE 1,198,913,154	WORKING CAPITAL LOANS		627,619,703
	LOANS ON PERSONAL PROPERTY		155,988,334
	LOANS ON REAL PROPERTY		142,736,019
	CREDIT LINE		127,679,950
	RURAL LOAN		112,343,750
	OTHER PRODUCTS		32,545,398
OTHER 403,532,555	HOUSING LOANS	178,330,280	
	PERSONAL LOANS	57,033,102	
	CREDIT CARDS	5,764,760	
	OTHER PRODUCTS	162,404,412	
TOTAL			4,186'817,399

* All Mibanco products in the micro and small enterprise lines carry debtor life insurance and multiple risk insurance

Small and micro companies in Peru

Global economic growth slowed down in recent months and it is expected that in the coming years, the economic performance of developed countries will suffer, in a scenario where the risk of a new recession may be even sharper. Nonetheless, despite uncertainties in the global economy in 2011, Peru experienced significant growth, driven by the construction, finance, trade and tourism industries, as well as others. Although the GDP grew 6.9%⁶ in August, this was lower than the 8.8% of the year before, but well above the 4.5% projected for the region as a whole⁷.

Despite the slowdown experienced in 2009, MSEs got back on the growth track in 2010 and 2011. In fact, 98% of Peruvian companies in this segment recovered significantly and the majority were able to face the adverse times resorting to their characteristic flexibility, and quickly adapted to the changing environment. Thus, unemployment remained at 7.9% in October.⁸

Now operating in a more stable scenario, SMEs must get ready to face not only local but also international competitors, and become true engines of growth, development and progress.

The main issues that the country must address for the proper development of the SMEs are their mainstreaming or formalization, as well as their access to technical assistance and financing. The government needs to develop innovative ways to generate an interest in formalization among SME entrepreneurs, highlighting the advantages of becoming part of the formal economy, such as the greater security it can entail. Furthermore, the government should strive to simplify and streamline processes to reduce the high transaction cost of formalization.

A second priority is to provide specialized technical assistance and support. It is essential to replace the empirical growth approach that now characterizes SMEs with technology-driven, sustained growth. The development of entrepreneurs, their employees and their families can be optimized through better

use of the advances and discoveries brought about by technical methods of production.

The third issue is providing SMEs true access to the formal financial system. The effort of banks and institutions that serve this segment of entrepreneurs should focus on banking in urban and suburban areas, but particularly rural, with products tailored to meet the needs of these clients and avoid over-indebtedness. Financial institutions must penetrate deep into the country to offer the opportunities these entrepreneurs need, helping them to improve their quality of life and rise out of poverty.

It is interesting to note that parallel to the development of micro and small businesses poverty diminished to 31.3%⁹ in 2011. Meanwhile, extreme poverty reached 9.8%,¹⁰ below the average for Latin America (which reached 12.3%¹¹).

To follow these basic principles Mibanco has been a pioneer and leader in providing financing, advice and guidance to help SME entrepreneurs and low-income citizens formalize, always with the goal of improving their quality of life, helping to achieve progress for entrepreneurs nation wide and develop microfinance with a social focus in Peru.

Microfinance supply in Peru

In 2011, credit in the financial system grew 18.13%,⁷ which was reflected in the parallel growth of institutions that serve the microenterprise segment.

In mid-2010, the Superintendence of Banking and Insurance (SBS) established seven types of credit, creating a new classification: microenterprise, small business, medium business, large business, corporate, consumer and mortgage.

With this new classification, loans in 2011 were set as follows: micro loans amounted to S/. 8.6 billion, small business loans reached S/. 17.6 billion, medium enterprise loans averaged S/. 25.5 billion, loans to large firms totaled S/. 22.6 billion, corporate

6) Data as of Dec. 2011. Ministry of Economy and Finance (MEF) **7)** Data as of Dec. 2011. International Monetary Fund (IMF) **8)** Data as of 2010. Central Bank of Peru (BCRP) **9)** Data as of 2010. Economic Commission for Latin America (ECLAC). **10)** Data as of 2010. Instituto Nacional de Estadística e información (INEI). **11)** Data as of 2010. Economic Commission for Latin America (ECLAC) **12)** Data as of 2010. Economic Commission for Latin America (ECLAC).



Agustín Capuñay Flores y Lidia Sotelo Ávalos.
Business: Confectionery. Office: Chincha.

loans were for about S/. 22.4 billion, and consumer loans and mortgages totaled S/. 27.4 billion and S/. 19.9 billion, respectively, with loans reaching a total S/. 143.9 billion.

Mibanco remained as the microbusiness segment leader, with a portfolio of S/. 1.2 billion in loans.

Competition for SME market share and leadership increased in 2011, and not only at the level of specialized entities but also among traditional banks whose more intense competitive efforts benefited entrepreneurs by providing them better credit terms.

Market growth entails, however, the risk of exposure to the debt overhang. Entrepreneurs have access to more capital than they really need, jeopardizing the viability of their business units and, above all, the welfare of their families. As a socially responsible entity, Mibanco continuously monitors its clients as they develop and increase their borrowing and investment power, emphasizing the responsible management of their business that will result in improvements in their quality of life.

PRODUCTS AND SERVICES

“Our commitment on social inclusion has turned us into the leaders of financial penetration in the microbusiness segment, having incorporated 18.4% of all people who were first given access to micro credit. Similarly, the success of our business model has made institutions increasingly interested in meeting the financial needs of micro and small business entrepreneurs. With over 442,821 clients, Mibanco is today the financial institution with the greatest number of microloans”. Oscar Rivera - Chairman of the Board (DMA).

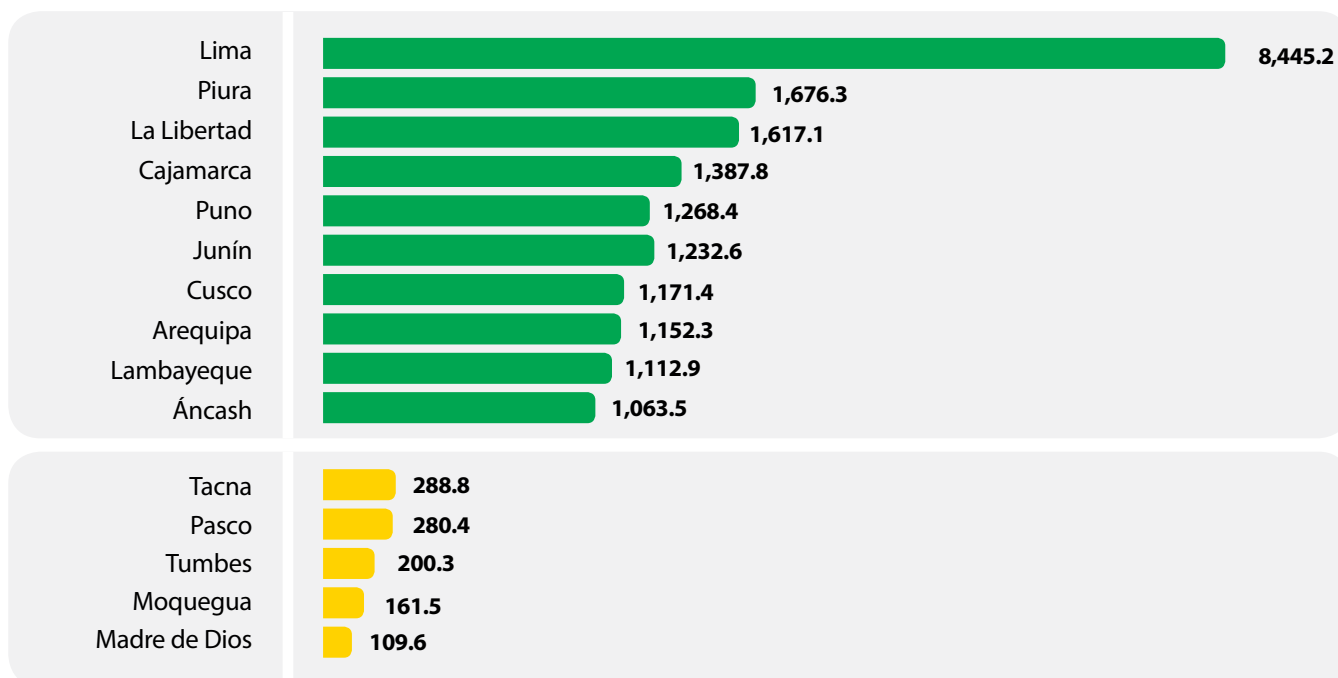
For 13 years we have brought banking closer to micro and small businesses entrepreneurs, through business consultants especially trained to accompany our clients on their path to development and growth. This approach has enabled us to identify their needs and design a variety of products and services

tailored to meet their financing requirements.

Mibanco is also committed to providing financial access in areas that are traditionally characterized as remote, low population density and / or low income.

This commitment is reflected in the bank's presence in regions of low population density, such as Tumbes, Tacna and Moquegua, where Mibanco operates 29, 62 and 28 access points, respectively.

PERU: DEPARTMENTS BY POPULATION, 2007 (THOUSANDS OF INHABITANTS)

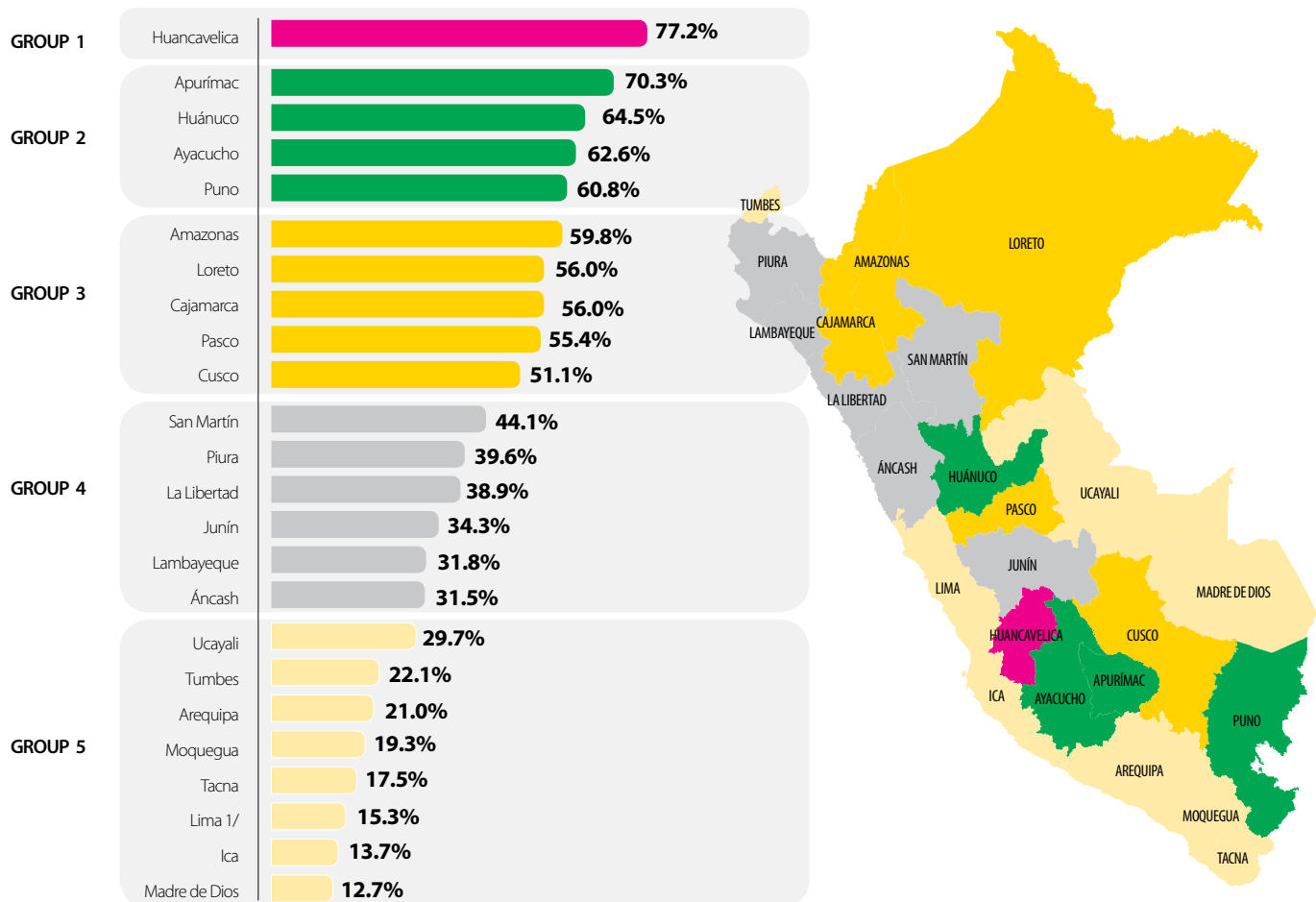


Source: INEI – 2007 National Surveys: 11th Population Survey and 6th Housing Survey.

■ More populated ■ Less populated

We are also present in the poorest regions of the country, including Ayacucho, where we operate 41 access points, and Puno and Loreto, with 81 and 80 access points, respectively.

PERU: DEPARTMENTS BY POVERTY RATE, 2009



INCIDENCIA (%)

■ Group 1 (77.2) ■ Group2 (60.0 - 70.3) ■ Group 3 (49.8 - 59.9) ■ Group 4 (30.0 - 49.7) ■ Group 5 (12.7 - 29.9)

1/ Includes Callao

Source: National Annual Household Survey 2009, Instituto Nacional de Estadística e Informática - National Institute of Statistics and Information Technology (INEI)

The table below shows Mibanco's national presence and its service channels by region.

	BRANCHES	MIBANCO ATM	BBVA ATM	BANCO DE LA NACIÓN ATM	INTERBANK ATM	BANCO DE LA NACIÓN BANKING	KASNET BRANCHLESS BANKING	MULTIFÁCIL HERMES	PROSEGUR MULTIBANK	TOTAL CUSTOMER SERVICE POINT
Lima	58	50	622	281	1,103	91	339	51	7	2,602
Amazonas	-	-	-	-	-	12	1	-	-	13
Áncash	2	1	15	29	24	33	8	3	-	115
Apurímac	-	-	-	-	3	11	-	-	-	14
Arequipa	7	6	48	21	70	24	67	-	-	243
Ayacucho	1	1	1	10	9	16	3	-	-	41
Cajamarca	2	-	11	25	13	30	13	-	-	94
Cusco	4	2	22	36	68	21	34	-	-	187
Huancavelica	-	-	1	-	1	11	-	-	-	13
Huánuco	1	-	6	15	2	14	3	-	-	41
Ica	4	1	26	22	62	7	34	-	-	156
Junín	7	6	20	29	32	20	65	4	-	183
La Libertad	8	3	48	38	88	28	37	-	1	251
Lambayeque	4	3	28	36	55	25	27	-	1	179
Loreto	1	1	16	19	29	13	-	-	1	80
Madre de Dios	1	1	-	6	5	4	4	-	-	21
Moquegua	1	1	3	7	5	6	5	-	-	28
Pasco	-	-	-	-	1	11	7	-	-	19
Piura	5	2	31	22	78	33	15	-	-	186
Puno	3	1	6	14	18	22	17	-	-	81
San Martín	3	2	9	24	7	15	29	-	-	89
Tacna	3	3	11	9	20	7	9	-	-	62
Tumbes	1	1	8	8	5	4	2	-	-	29
Ucayali	1	1	14	8	13	6	-	-	-	43
Total	117	86	946	659	1,711	464	719	58	10	4,770

Likewise, the number of access points increased, compared to 2010.

	AGENCIAS	MIBANCO ATM	BBVA ATM	BN ATM	INTERBANK ATM	KASNET BRANCHLESS BANKING	MULTIFÁCIL HERMES	PROSEGUR MULTIBAK
2010	109	71	793	-	-	340	57	7
2011	117	86	1,012	659	1711	719	58	10



RS-3472579
CASA 2057740
CEL. 98625000

SICHA
176
INES

JHONATA
PURA
MIEL
5 X 7.50

NORTE
PURA
MIEL
5 X 7.50

Herminio Huamaní Solier.
Business: Green grocer.
Office: Gamarra.

Mibanco's efforts to promote access to credit are characterized by simple mechanisms to ensure an easy and transparent process. The work of loan officers is essential for this. Their efficient work and thorough client and context assessment allow the bank to give loans with only minimal requirements.

Each Mibanco product is designed to meet the needs of the target public and responds to ethical and sustainability conditions. Rural credit is an example, with a loan portfolio now exceeding S/. 145 million, and 95,000 active borrowers. Over 80% of these loans are members of solidarity groups and less than 20% are individual loans.

Significantly, this product enables the bank to reach geographic areas with populations in extreme poverty who may also face language barriers (i.e. speaking languages or dialects other than Spanish as their mother tongue). On this last point it should be noted that the work of Quechua and Aymara-speaking loan officers, as well as others with working knowledge of Amazonian languages, is invaluable to the bank.

In this aspect, as of December 2011 more than 3000 clients facing language barriers had access to credit, a result of which we are proud as it is clearly aligned with our social mission.

Policies with specific environmental and social aspects applied to business lines

BUSINESS LINE - SUPERINTENDENT'S OFFICE OF BANKING, INSURANCE AND PENSION FUNDS (SBS)	PRODUCTS*	NUMBER OF CUSTOMERS*	POLICIES	
			SOCIAL	ENVIRONMENTAL
SMALL ENTERPRISE 99,175	Working Capital Loans	40,407	<ul style="list-style-type: none"> · Innovative and flexible products aimed at financing profitable businesses that will enable entrepreneurs to generate enough revenues to repay loans and improve their living standards as well as those of their families." · Products that will allow access to loans without sureties or guarantees · Especially aimed at small and microbusiness' entrepreneurs. · System based on people's self-confidence and potential. · System through which clients are approached to make financial transactions through more than 1,500 loan officers. · Insurance offer to cover loan holder in the event of spouse's death, coverage for accidental death and/or sudden bereavement, etc. 	As lending policy, we have credit regulations aimed at environmental care and protection of our clients' health. They include financial restrictions on activities that damage or destroy ecosystems, production and/or trading of substances that deteriorate the ozone layer and which are subject to gradual elimination or international limitations, among others.
	Loans on Personal Property	17,824		
	Loans on Real Property	13,659		
	Credit Line	22,541		
	Rural Loan	1,666		
	Other Products	3,078		
MICROENTERPRISE 325,804	Working Capital Loans	167,758	<ul style="list-style-type: none"> · Products that will allow access to loans without sureties or guarantees · Especially aimed at small and microbusiness' entrepreneurs. · System based on people's self-confidence and potential. · System through which clients are approached to make financial transactions through more than 1,500 loan officers. · Insurance offer to cover loan holder in the event of spouse's death, coverage for accidental death and/or sudden bereavement, etc. 	As lending policy, we have credit regulations aimed at environmental care and protection of our clients' health. They include financial restrictions on activities that damage or destroy ecosystems, production and/or trading of substances that deteriorate the ozone layer and which are subject to gradual elimination or international limitations, among others.
	Loans on Personal Property	23,332		
	Loans on Real Property	18,360		
	Credit Line	19,222		
	Rural Loan	93,789		
	Other Products	3,343		
OTHER 44,190	Housing Loans	8,969	<ul style="list-style-type: none"> · Products that will allow access to loans without sureties or guarantees · Especially aimed at small and microbusiness' entrepreneurs. · System based on people's self-confidence and potential. · System through which clients are approached to make financial transactions through more than 1,500 loan officers. · Insurance offer to cover loan holder in the event of spouse's death, coverage for accidental death and/or sudden bereavement, etc. 	As lending policy, we have credit regulations aimed at environmental care and protection of our clients' health. They include financial restrictions on activities that damage or destroy ecosystems, production and/or trading of substances that deteriorate the ozone layer and which are subject to gradual elimination or international limitations, among others.
	Personal Loans	27,434		
	Credit Cards	6,172		
	Other Products	1,615		
TOTAL CLIENTS		469,169		

(*) Customers with more than one type of product are counted for multiple products.

Mibanco's business is to serve the microenterprise segment. To do so, we permanently develop financial products and services that are subject to regular evaluation, and constantly introduce innovative technologies that place us at the forefront of our industry, allow us to meet ever-higher standards, and ensure safety requirements to protect our institution and customers.

We enforce procedures to certify the quality of our products and services, governed by procedure No. 486 of our internal regulatory system, which describes a documenting-driven methodology designed by and for Mibanco, according to our organization's specific characteristics. In this way, Mibanco strives to verify compliance with the specifications and requirements of a given product or service, in order to increase confidence in the products and reduce the business process risks they may entail.

The following table shows the stages of the design and implementation of new products and services.

Implementation stages of products and services

	YES	NO	COMMENTS
Product concept development	✓		
R&D	✓		
Certification	✓		
Development and launching	✓		
Marketing and advertising	✓		
Storage, distribution and supply	✓		Only applicable for distribution
After-sale service	✓		
Elimination, reusing or recycling		✓	Non applicable

Loans system

Mibanco facilitates its customers' quick and easy access to credit. Our staff members are ready to give, through efficient work during all stages of the process, fast, easy, and transparent loans with the least possible amount of requirements.

Business

At Mibanco we have scrutinized and evaluated in depth the particular financial requirements of SME entrepreneurs. As a result, we have developed optimal products for our target group and structure them in the most convenient way: a) Working capital, short-term loans in various ways to finance stocks, production and services; b) working capital, to facilitate transactions and provide immediate access to cash through a Visa card; and c) rural credits, individual or solidarity group, for merchants, manufacturers and service providers in remote areas of Peru.

Meanwhile, Miequipo and Leasing are products to finance investments in movable assets.

Commercial premises

Through Milocal we grant loans with or without a mortgage collateral to improve, expand, build and/or refurbish commercial facilities, as well as for the purchase of new business premises, which are some of our clients' main needs.

In the same vein, we offer SME entrepreneurs the possibility to group into trade associations to build shopping malls and markets, enabling our clients to increase the value of their properties, and get better infrastructure and services.

This, in turn, creates the opportunity for low-resource citizens to access jobs.

Housing

Micasa is a product designed to provide funding to improve the homes of our customers. It is a credit that finances 100% of

the cost of expansion, construction, improvement or renovation of housing, including all building materials and workmanship, without requiring the customer to provide collateral or guarantees of any sort. To date we have awarded over 170,000 loans, thus helping more families to improve their homes, or to access decent housing.

In addition, the Habilitación product helps customers grouped in neighborhood associations to improve their surroundings. By funding electrification, water, drainage, roads and sidewalks projects we fulfill the goals we set for ourselves when we launched this product, i.e. to help our customers live in a healthy and safe environment with all the basic services.

In 2011 we developed 21 projects with commercial associations, serving more than 551 customers for over S/. 44 million. As part of our commitment, we support our customers through helping them to complete their projects by providing legal, administrative, and financial support.

Personal needs

Aware of the importance of offering our customers credits for purchasing products and services necessary for everyday life, we also offer personal loans clients may use freely.

The Mibanco Visa credit card, designed for SME entrepreneurs, not only provides great benefits to its users, but it also educates them in the responsible and safe management of their consumer purchases.

Savings

Mibanco focuses its efforts primarily on its target segment, providing the best savings and time deposits options, but always seeking products that appeal to the general public.

In turn, we supplement our savings offer with two new plans; the Business Account, a no cost transactional account for inde-

pendent customers who conduct daily business transactions, and the Full Savings Account, which pays one of the best interest rates (3.25% annual effective rate in domestic currency) and targets both independent and dependent customers who want to save without the rigidity of a fixed deposit. These accounts allow for orderly and efficient money management, through a variety of service channels.

We also provide fixed deposits and Severance Pay Accounts (CTS is the Spanish acronym) that are excellent options to increase the value of money, and which are, in fact, the more profitable alternatives offered by A and A+ rated banks.

We are presently designing and evaluating products and services aimed at environmental care and protection.

Channels and services

Mibanco constantly seeks to offer more service channels to entrepreneurs of SMEs and other customers to provide a comprehensive financial intermediation service through multiple alternatives such as cashier checks, payment and receipt of foreign remittances, interbank transfers and international money wires via Swift, foreign currency trading at preferential conditions for our customers, automatic charges to pay loans and insurance, utility payments and domestic money transfers.

The constant search for new channels and services is based on our desire to make Peruvians increasingly familiar with the financial system and its advantages.

Mibanco has prepared insurance plans tailored to the needs of its customers, which are accessible to a greater number of people and are linked to loans. Additionally, there are also optional insurance plans that can be purchased at network branches nationwide. Insurance is designed and managed based on the following social criteria.



Solidarity loan group at Los Rosales. Office: Chincha.

Low cost	"They fit the budget of most users and generate profitability to enable business sustainability."
Limited scope coverage	Benefits and characteristics easy to understand
Minimum exclusions	They create trust within the segment that traditionally distrusts "small print".
Simple affiliation process	In line with nature of insurance and bank transactions
Simple Benefit Collection Process	Beneficiaries are not affected by high time and money costs, thus strengthening their trust in insurance products as protection tools.

- Depending on the amount borrowed, debtor's life insurance covers the initial loan amount or the unpaid balance in case of death, total and permanent disability, family emergencies, severe burns and hospitalization due to severe accidents suffered by the loan holder.
- Spouse life insurance covers loan holders in the event of death of a spouse. This insurance is vital for SME clients since in most cases both spouses work together and the possible absence of one of them could have an adverse impact on the business, on the client's ability to meet commitments to the bank, and on the family's well being.
- Accident insurance, meanwhile, offers Mibanco customers accidental death and suddenly family catastrophe coverage for a small fee. This product is provided in four plan presentations to suit each customer's ability to pay.
- Multi-risk insurance is a product already known in the financial market that aims to protect borrowers against possible floods, fires and earthquakes, preventing them from falling into insolvency should those events occur.
- Mandatory traffic accident insurance SOAT¹⁵ covers death and injury risks of both occupants of a vehicle and pedestrians involved in traffic accidents.
- Burial insurance offers compensation to assure dignified funeral services.
- Card protection insurance, for both Mibanco and other banks' cards, allows clients to use their cards with confidence under several different protection plans.
- Business protection insurance protects the clients' goods, equipment and machines.

15. Mandatory traffic accident insurance.



Jose Luis Da Fieno Gandolfo. Business: Artichoke grower. Office: Tarma.

In 2011 Mibanco continued to strengthen its position as an institution dedicated to providing insurance for microenterprises. More than 235,000 voluntary insurance policies were placed.

TYPE OF INSURANCE	SALES	
	2010	2011
Accident insurance	171,254	73,880
Funeral Insurance	21,565	72,517
Debtor's Spouse Life Insurance	72,398	49,036
SOAT (Mandatory Traffic Accident Insurance)	25,633	33,281
Card protection	922	6,350
Business protection	-	4211
Total	291,772	235,485

Of these, 49,036 (20%) were insurance policies for surviving spouses while accident insurance and funeral insurance sales reached 73,880 policies (31%) and 72,517 policies (31%),

respectively.

Also, 435,531 customers with valid credits are covered by credit life insurance and multi-risk insurance. It should be noted that in 2011 Mibanco addressed 126 claims through its multi-risk insurance, for the benefit of 574 customers and paid out S/. 9,961,709, in compensation, more than double the amount paid for this item a year before year, confirming the usefulness of this product, which is available only to Mibanco loan holding clients.

Quality management and innovation

Mibanco believes quality is one of the strategic pillars for business competitiveness, leadership and strength. Our management is guided by Mibanco's Quality Management Model that proposes an organizational culture based on excellence driven management that permanently aims at exceeding our own standards and meeting the rising expectations of our internal and external customers.

Excellence in service

Customer satisfaction is part of our corporate philosophy and is present in all of our organization's activities, from the commitment and ongoing training of our employees, to the modernization of equipment and facilities, to adopting new services, products and channels to achieve greater flexibility.

In order to exceed the expectations of our customers and keep our business growing, we have developed a model of excellence in service management that starts with our learning about micro and small businesses, and which through care, satisfaction and loyalty building allows us to increase revenue margins, all the while erecting barriers that protect us from competition. Also, Mibanco ensures proper customer orientation, which impacts their development.

We permanently monitor the work of our internal customers and the service provided by our employees to our external clients to gather views that help us improve our performance.

Mibanco service quality indicators

At Mibanco we constantly strive to meet the service expectations of customers from each of our defined market segments,

and conduct biennial research that includes a qualitative focus group stage. With this study we obtain valuable information to define hypotheses about the most valued attributes of our services, which are in turn further tested, through telephone interviews with a representative sample of customers during the quantitative stage.

The service quality components that the bank uses to continually improve the services it provides through its diverse customer service channels are:

Agility: time required to perform procedures or operations.

Kindness: warm customer service, as well as a willingness and interest to serve.

Advice: provided by staff to help clients make the best possible choice of products and / or services.

Honoring: offers made by the bank.

Additionally, the bank monitors the quality of service provided by employees of the branch network to our external customers through the Quality Service Index, which is measured

Annual evolution of quality indicators

INDICATOR	2006	2007	2008	2009	2010	2011
Customer satisfaction (35)	77%	76.50%	89%	94%	87%*	87%
Standard compliance (36)	57%	70.00%	90%	94%	91%*	93%
Service quality index (37)	67%	73%	90%	94%	89%*	90%
Multibank mystery client (38)	60%	67.20%	73%	74%	75%	-
Customer satisfaction - Correspondent agent (39)	-	-	-	-	79%	78%
Customer satisfaction - Mibanco ATM (40)	-	-	-	-	73%	77%
Customer satisfaction - Homebanking (41)	-	-	-	-	74%	75%
General satisfaction with Mibanco (42)	-	-	-	-	90%	91%

(35)/(36) Source: Grupo Macro - New measurement methodology and variables incorporated in 2010.

(37) Fuente: Grupo Macro - Average of indicators 35 and 36 about service provided by branch employees.

(38) Source: Ipsos Apoyo - Variables related to teller service and customer care.

(39)/(40)/(41)/(42) Source: Grupo Macro. Indicators were incorporated in 2010.

in a continuous, personal manner through surveys carried out in person and over the telephone.

Every month we also monitor our clients' satisfaction with Mibanco, and every sixth months we gauge their satisfaction with the main alternative service channels.

These regular checks as well as the website, the branch network and telephone banking are important means of collecting the opinions of customers. With this information it is possible to introduce quick improvements.

It is important to mention that in line with the dynamic model and ongoing efforts to update our value proposition according to the needs, expectations and aspirations of our customers, we constantly review the elements of the survey to raise the hurdle even higher.

Continuous improvement management

Our clear focus on our target segment and its satisfaction has led us to commit ourselves to excellent service within a program of ongoing innovation and continuous improvement of our products and processes. To achieve this, we rely on the opinions of our customers and the ongoing measurement of the bank's processes, always framed in the Quality Indicator Model underway.

This model allows us to manage our goals in order to meet the expectations of our internal and external customers and target improvement efforts in four areas: service, time, accuracy and efficiency, cutting across both business processes and internal support processes.

The continuous improvement projects rely on the participation of various areas, and the progress and results are presented periodically to the Quality Committee.

Innovation

Together with other companies in Grupo ACP, in 2011 Mibanco launched the project Innovamos: Pasión y Acción para la inclusión

(Let's Innovate: Passion and Action for Inclusion), a program that aims to incorporate abilities to systematize innovation processes into the different companies within the group.

For Mibanco, the role of innovation systematically focuses on creating new products, services and channels that impact on the inclusion and growth of micro and small enterprise entrepreneurs and their environments (family and community), enabling the bank to position itself as a leader in creating solutions for Peru and to have an impact on the triple bottom line (economic, social and environmental) in a manner that is both relevant and sustainable.

Customer protection and information transparency

Mibanco's approach to customer protection consists of establishing and consolidating banking relationships based on trust and ethical and transparent management. We provide clear, truthful and accurate information, thus providing a guarantee of our operations.

It is important to note that Mibanco discourages excess debt and does not provide clients with misleading or difficult-to-understand product information.

The Code of Ethics, based on our Corporate Governance system, includes clauses and principles that ensure that the work of the organization's employees is aligned with the interests of customers. Thus, we offer financial products and services appropriate to their needs and their socioeconomic status. We also develop new financial products and services in response to our customers' feedback and, if necessary, modify products' characteristics in order to better adapt them to our clients' requirements.

In order to help customers and users make informed and responsible decisions when choosing an operation with Mibanco, we apply the principle of information transparency and consumer protection through:

- Ongoing information dissemination through various channels, such as website, telephone banking and branches

nationwide, on interest rates, fees and conditions of products and services, in simple language and clearly legible font size.

- An efficient and automated system to respond to requests and complaints at branches, allowing timely response to inquiries, questions, complaints and requests from customers and users.

- Product and service contracts drafted in simple and understandable language, with a clearly readable font size.

- A permanent training program for customer service staff, enabling them to offer the bank's products and services in a clear and transparent manner.

- A Customer Protection unit that ensures appropriate enforcement of product and service rules and regulations to guarantee legitimacy for the client and the bank's business.

- A monitoring and control system to verify, assess, strengthen and improve the various tools needed to provide the information customers need.

- A range of products and services clearly adapted to existing internal regulations (definition, conditions, features, parameters, etc.) as well as the responsibilities applicable to each of the areas or actors involved in the sale and after sale process of each product or service offered.

Because of the nature of Mibanco clients (individuals and microenterprise owners), all the products (loans, deposits and insurance) and financial services the bank offers are protected by adequate security. Customer signatures are registered on IT media, secret passwords secure transactions, cash withdrawals at ATMs are subject to daily limits, and identification procedures are required for large withdrawals, among others.

We strictly enforce transparency of information, customer service and consumer protection policies and regulations, and adapt our internal processes to those standards. Furthermore, we apply the best practices of the financial system in these respects.

We also abide by the Code of Advertising Standards and are affiliated with the National Self-Regulation Council (CONAR), an organization that oversees the application of the basic principles of advertising such as legality, decency, truthfulness and loyalty for the benefit of consumers and fair market competition.

Similarly, we abide by the laws regulating the communication and advertising of products (loans, deposits, insurance) and financial services.

- 1.** Consumer Protection and Defense Code (Law No. 29571).

- 2.** Repression of Unfair Competition Law (Legislative Decree No. 1044).

- 3.** Complementary Law to the Law of Consumer Protection in Financial Services (Law No. 28587).

- 4.** Information transparency regulations and provisions applicable to contracts with users of the financial system (SBS Resolution No. 1765-2005).

- 5.** Regulation on trade promotions and commercial raffles (Supreme Decree No. 006-2000-INT).

At Mibanco we make sure the design of releases or advertisements comply with the provisions and scope of such codes and standards.

Because of the nature of our financial business, no cases of failure to comply with mandatory or voluntary customer health or safety regulations and codes have occurred.

In 2011 Mibanco paid S/.59,485.8 in fines for consumer protection issues. This amount is linked to four cases that were filed in 2007, 2008 and 2009. Mibanco also received two warnings or non-monetary sanctions.

In the same period, Mibanco did not receive any complaints relating to breaches of the rules on the provision and use of its products and services. Additionally, we should note that Mibanco received 84 complaints related to consumer protection, of which 38 were declared inadmissible or waived, and 46 are still pending.

No administrative and/or civil incidents and/or complaints were filed for failure to comply with regulations and voluntary codes related to information and labeling of products and services, nor were there any incidents related to non-compliance with regulations and voluntary codes that resulted in reprimands or warnings.

We should note that in 2011 we did not pay any fines for breach of laws and regulations nor were any non-monetary sanctions imposed against Mibanco. One complaint was filed in 2011, concerning the breach of laws and regulations, for which a final court decision is still pending.

No incidents have been reported and / or allegations made of acts related to monopolistic practices or actions against free competition, nor has the bank been fined or sanctioned for failure to comply with any related regulations.

The Bank has not been sanctioned or fined for breach of environmental regulations.

It should be added, finally, that Mibanco adopts no stance on public policy nor does it get involved in the development of such policies or lobbying activities. It does not provide financial or in-kind contributions to political parties or related institutions, as previously mentioned.

BRANCH NETWORK

Mibanco seeks to increasingly serve SME entrepreneurs, for which it currently operates a total of 117 branches across the country, 58 in Lima and 59 in other cities. Our branch network provides customers with safe, effective alternatives for their savings, deposits, surplus and borrowing needs. In addition, on certain dates some branches are open on extended hours, and on weekends.

Additionally, in 2011 the bank significantly increased its correspondent banking agents, to over 700 nationwide, a 110% increase compared to 2010. Expanding coverage allows us to

offer several options for payment of loans and other account-related transactions.

Mibanco also serves its clients through more than 50 Multifácil Hermes offices and 10 Prosegur Multiagencias, thanks to agreements with both companies. These centers allow financial transactions such as the payment of loans and queries, among others, for longer weekday hours than agencies, and on weekends.

Following our strategy of expanding service channel coverage and providing greater access to the financial system to more Peruvians, Mibanco has signed agreements with two of the country's largest networks of automated teller machines (ATM), adding to the existing network of BBVA Continental and Mibanco ATMs for a total number of 3,400 ATMs nationwide.

In July 2011, Mibanco signed an agreement with Banco de la Nación to give its clients access to 700 Multired automated tellers, almost 80% of which are located in cities in the interior regions of the country and many of which are located in very remote areas where they are often the only way local residents can carry out financial system transactions.

Furthermore, since last December an agreement with Interbank will allow customers to conduct their operations with Mibanco through over 1,660 GlobalNet ATMs, mostly located in public places and Interbank offices in supermarkets, gas stations, pharmacies and other commercial premises across the nation. Also, starting in 2012, this agreement will allow Mibanco customers to conduct their transactions through a network of more than 2,200 Interbank correspondent banking agents.

Thanks to these two agreements, Mibanco can now serve its customers through one of the largest and most comprehensive ATM networks to provide safe, simple and timely service. These ATMs are located at the offices of some of the largest banks and in public places outside bank branches in all major cities, and even in remote areas, of Peru.



Mibanco



Staff. Office: Pisco.

Thus, Mibanco gets closer to its customers throughout Peru, creating access points near to them, with an ongoing commitment to meet their needs.

OUR CONTROL MECHANISMS

a. Audits

In order to strengthen the validation process on good institutional behavior, the Internal Audit Unit has adopted a new risk-based audit methodology. This audit, which enjoyed the

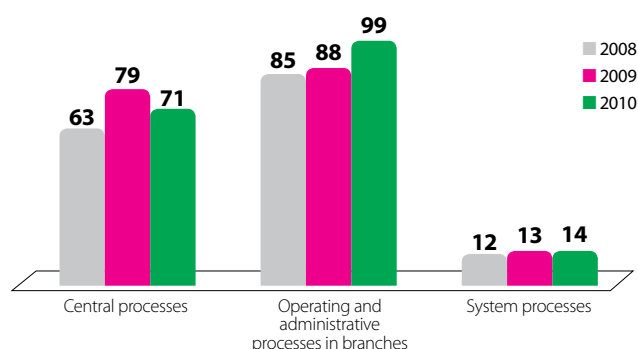
advisory support of a leading global consultant group, included 41 audit activities to assess 22 critical and non-critical processes in 2011. At the general level we obtained a productivity rate of 113% compared to the number of planned activities.

Also, in 2011 we increased the hours of training for the audit staff on specialized topics, to ensure the quality and efficiency of processes evaluations.

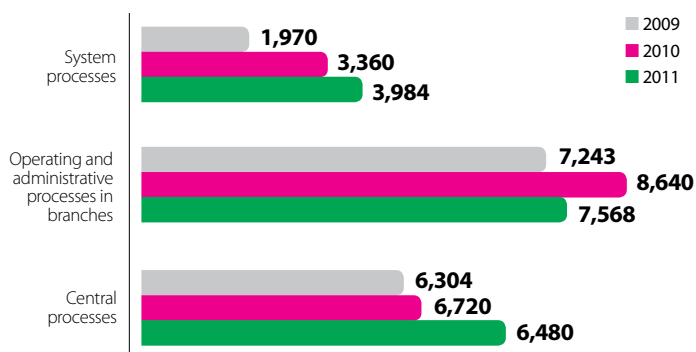
The following table shows activities in the core, operational and administrative processes of branches and systems.

		2009	2010	2011
Central processes	Number of activities	63	79	71
	Man-hours	6,304	6,720	6,480
	% participation in hours	41%	36%	36%
Operating and administrative processes in agencies	Number of activities	85	88	99
	Man-hours	7,243	8,640	7,568
	% participation in hours	47%	46%	42%
System processes	Number of activities	12	13	14
	Man-hours	1,970	3,360	3,984
	% participation in hours	13%	18%	22%
Total	Number of activities	160	180	184
	Man-hours	15,517	18,720	18,032
	% participation in hours	100%	100%	100%

EVOLUTION OF INTERNAL AUDIT ACTIVITIES



EVOLUTION OF INTERNAL AUDIT MAN-HOURS



Additionally, Management and Monitoring annually reviews a sample of loans disbursed by the branches, to assure they comply with environmental and social standards and client evaluation guidelines.

The table below details the number of branches visited and reviewed in 2010 and 2011.

	2010	2011
• Total branches visited	60	83
• Coverage	0.55	0.72

*Coverage calculated based on 109 branches in 2010, 117 in 2011.

Environmental and social controls are part of the Bank’s risk analysis, monitoring of regulatory compliance and assessment of loan portfolio quality. Not only loan advisors, but also branch managers, regional managers, credit managers and zonal credit heads evaluate and control environmental risk in all business lines. This evaluation takes into account regulations governing loan awards, as well as the Bank’s policy manual.

b. Fraud prevention

When questionable events occur that require some type of intervention, they must be quickly reported to ensure timely investigation of illegal or fraudulent activities identified by employees or any other person. Meanwhile, mechanisms are in place to ensure the anonymity of the whistleblower and the contents of the complaint.

The most sensitive issues are addressed by the Bank following the Code of Conduct and Ethics, Internal Policies, Internal Regulations and the Money Laundering Manual. Appropriate decisions are made on this basis.

At present, all manuals are available in print and on the Bank’s intranet. Fully automated claims handling processes enable a smooth flow of information. No incidents have occurred regarding breach of conduct laws or regulatory codes.

OUR WORKERS

“Our employees are the core component of the development and optimal functioning of our organization. Day by day, their achievements and their progress remind us that the purpose of our business model is ultimately to serve entrepreneurs in emerging industries and contribute to improving their quality of life.” Oscar Rivera - Chairman of the Board (DMA).

In 2011 the Human Resources Department designed and implemented action plans to strengthen the skills of all employee's with measures aligned with the bank's business strategies and social commitment.

Demographics

As of December 31, 2011, Mibanco employed 3,544 individuals, of which almost 90% work in core business areas and the rest in support areas.

Jobs by region and type

The coastal band concentrates the largest portion of Peruvians and consequently the most bank employees and branches. Moreover, 1,979 of all employees work in the department of Lima and 1,565 in the other departments.

Employees by geographical region

REGION	NUMBER OF EMPLOYEES
Coast	2,714
Jungle	278
Highlands	552
Total	3,544

Employees by type of employment

TYPE OF CONTRACT	NUMBER OF EMPLOYEES	
	2011	2010
full-time	3,528	3,469
part-time	16	79
Total	3,544	3,548

Type of contract

Mibanco promotes a long-term relationship with its employees to generate mutual growth and benefit. All our employees sign a contract of employment, as required by Peruvian law.

Employees by type of contract

TYPE OF CONTRACT	NUMBER OF EMPLOYEES	
	2011	2010
Indefinite contract	2,445	2,407
Fixed-term contract	1,099	1,141
Total	3,544	3,548

Employees by type of contract and region

REGION	INDEFINITE CONTRACT	FIXED-TERM CONTRACT	TOTAL
Coast	1,901	813	2,714
Jungle	187	91	278
Highlands	357	195	552
Total	2,445	1,099	3,544

Gender and age

Mibanco respects and recognizes gender diversity as a way to achieve corporate objectives.

Employees by gender

GENDER	NUMBER OF EMPLOYEES		(%)	
	2011	2010	2011	2010
Female	1,644	1,690	46.39%	47.63%
Male	1,900	1,858	53.61%	52.37%
Total	3,544	3,548	100.00	100.00

Employees by location

LOCATION	NUMBER OF EMPLOYEES		(%)	
	2011	2010	2011	2010
Lima	1,860	1,987	52.00	56.00
Other departments	1,684	1,561	48.00	44.00
Total	3,544	3,548	100.00	100.00

Employees by gender and geographic region

REGION	FEMALE	MALE	TOTAL
Coast	1,287	1,427	2,714
Jungle	102	176	278
Highlands	255	297	552
Total	1,644	1,900	3,544

Employees by gender and age group

AGE	2011			2010		
	F	M	TOTAL	F	M	TOTAL
18 - 25	274	176	450	345	178	523
26 - 30	634	510	1,144	681	588	1,269
31 - 35	473	585	1,058	428	535	963
36 - 40	184	354	538	160	328	488
41 - 45	48	172	220	45	141	186
More than 45	31	103	134	31	88	119
Total general	1,644	1,900	3,544	1,690	1,858	3,548

On average, our employees are 31 years old, while almost 45% are under 30. Mibanco aims at providing employment opportunities, especially for young professionals and technical graduates from Peruvian educational institutions.

Employees by age group

AGE	NUMBER OF EMPLOYEES		(%)	
	2011	2010	2011	2010
18 - 25	450	523	12.70	14.76
26 - 30	1,144	1,269	32.28	35.81
31 - 35	1,058	963	29.85	27.17
36 - 40	538	488	15.18	13.77
41 - 45	220	186	6.21	5.25
More than 45	134	119	3.78	3.36
Total	3,544	3,548	100	100

During 2011, Mibanco contributed to strengthening the principles and values of gender diversity through projects with institutions such as Women's World Banking (WWB). It is worth mentioning that our employees value the effort of the bank and other institutions to promote equal opportunities for women and men.

Women filled 65% of management positions in 2011.

Gender diversity at mibanco by position type

DISTRIBUTION BY POSITION TYPE	FEMALE (%)		MALE (%)	
	2011	2010	2011	2010
Managers	35%	35%	65%	65%
Heads of line	35%	35%	65%	65%
Other agency positions	46%	47%	54%	53%
Other staff positions	56%	56%	44%	44%
Total	46%	46%	54%	54%

Employees by region and position type

REGION	Manager	DISTRIBUTION BY POSITION TYPE				Total employees by region
		Head of staff	Other network positions	Other staff positions		
Coast	19	55	2,291	349	2,714	
Jungle	-	-	278	-	278	
Highlands	1	-	551	-	552	
Total	20	55	3,120	349	3,544	

Yearly comparison - employees by region

REGION	2011	2010
Coast	2,714	2,673
Jungle	278	235
Highlands	552	640
Total	3,544	3,548

The average time of service with the Bank is three years, reflecting our youth and growth in recent years. Moreover, 45% of our employees have not yet reached two years' seniority and 76% are below five.

EMPLOYEES BY SENIORITY

YEAR 2010

SENIORITY	NUMBER OF EMPLOYEES	(%)
0 - 2 years	1525	43%
2 - 5 years	1384	39%
5 - 10 years	497	14%
10 years or longer	142	4%
Total	3,548	100%

YEAR 2011

SENIORITY	NUMBER OF EMPLOYEES	(%)
0 - 2 years	1612	45%
2 - 5 years	1088	31%
5 - 10 years	692	20%
10 years or longer	152	4%
Total	3,544	100%

In 2011, 819 workers stopped working with Mibanco nationwide. Worker turn over* reached 23.16%. (*) N° dismissals-resignations / Total employees



Nathalie Díaz Frisancho, senior executive advisor. Office: Santa Clara.

Annual turnover by gender

GENDER	TURNOVER	
	2011	2010
Men	23.87%	16.27%
Women	22.23%	19.05%

Annual turnover by geographic region

REGION	TURNOVER
Coast	23.21%
Jungle	20.18%
Highlands	23.71%

Employee termination by age and region

REGION	18 - 25	26 - 30	31 - 35	36 - 40	41 - 45	MORE THAN 45	TOTAL TERMINATION
Coast	113	221	152	75	39	17	617
Jungle	6	16	9	12	2	1	46
Highlands	21	58	47	14	10	6	156
Total	140	295	208	101	51	24	819

Employee termination by region and gender

REGION	GENDER		TOTAL TERMINATION BY GENDER
	FEMALE	MALE	
Coast	275	342	617
Jungle	14	32	46
Highlands	76	80	156
Total	365	454	819

All workers are represented on the Health and Safety Committee, charged with coordinating and overseeing occupational health and safety. This team reports to the General Management, consists of three employee representatives and three members of management. The committee's decisions impact headquarter and branch office management.

We are convinced of the importance of being able to count on a staff of motivated employees, as they are the cornerstone for the success of our organization and the fulfillment of our mission and goals. Our human resources management aims at creating quality relations with and between employees and the company, and providing equal opportunities and benefits for all. Mibanco workers are not organized in unions or similar associations, and therefore do not engage in collective bargaining. However, we foster and channel permanent contact with our employees to guarantee their equality and well being within our organization.

Selection and recruitment

Our specialized selection process aims at recruiting individuals who have the skills required for the position and the potential to grow and pursue a career within the institution, and who show strong values, aligned with the bank's culture.

Our priority is to fill vacancies internally and encourage the professional development of our employees. If this is not possible, we try to provide jobs to local people in order to contribute to regional development wherever we operate. Our selection process is open to national and foreign candidates.

In 2011 we hired 790 new employees nationwide and promoted 365.

Equal opportunities

Mibanco enforces clear and ethical policies on equal rights and opportunities for our employees, in the framework of national and international law. These policies are contained in guidelines and provisions in force at the Bank, including Internal Working

Rules, a Code of Conduct and Ethics, and a Recruitment and Selection Procedure. We firmly oppose all forms of discrimination and forced labor, and promote equal opportunities to create an adequate working environment.

Training for employees

Our various learning and skill building programs are intended to foster the personal and professional growth of our employees. To a large extent, these programs are prepared in house and are run by the academic directors who in some cases design them in coordination with support from renowned external consultancies.

Face to face training is complemented by our e-learning platform to facilitate access to training courses and important information.

Training Programs

We have prepared training programs to enhance our employees' technical knowledge, organizational skills, and social-mission abilities, according to our business model.

In 2011, the average training time was 67.11 hours per person. This indicator includes the training hours of new recruits.

Training by position category

DISTRIBUTION BY BUSINESS CATEGORY	TOTAL TRAINING HOURS						HOURS PER CAPITA					
	2011			2010			2011			2010		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Businesses (agencies)	79661	114439	194100	79710	105664	185373	76.82	84.71	81.28	77.84	87.47	83.05
Service banking (agencies)	16376	12866	29242	24600	16021	40621	35.45	54.52	41.89	55.03	73.16	60.99
Staff	6888	7603	14491	13615	12567	26182	46.86	24.45	31.64	62.17	29.16	40.28
Total training hours	102,925	134,908	237,833	117,925	134,252	252,176	62.52	71.09	67.11	69.78	72.26	71.08

Training by position category

POSITION CATEGORY	TOTAL TRAINING HOURS						HOURS PER CAPITA					
	2011			2010			2011			2010		
	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL	F	M	TOTAL
Managers	247	606	853	1151	2137	3288	32.08	42.38	38.77	72	71.3	71.53
Heads of staff	1197	2543	3740	5840	11856	17696	59.74	66.99	64.48	57.25	66.98	63.43
Other agency positions	96037	127305	223342	87173	102334	189507	68.18	75.89	72.37	66.95	71.07	69.11
Other staff positions	5444	4454	9898	23761	17925	41686	25.91	26.53	26.19	88	84.95	86.62
Total training hours	102,925	134,908	237,833	117,925	134,252	252,176	62.52	71.09	67.11	69.78	72.26	71.08

Updating Programs

Mibanco's updating programs inform and educate our employees about changes in policies, techniques and procedures at the bank.

It is also important to note that all employees are regularly trained on Code of Ethics policies and national and international law, such as rules and procedures regarding corruption, money laundering and terrorist financing.

Specialization Programs

Specialization programs are designed to strengthen and enhance the professional and personal skills of our employees through courses in different technical areas.

Some of these programs are fully paid by the company; otherwise, Mibanco provides loans at reduced rates.

We have also signed agreements with renowned educational institutions to update and consolidate our employees' knowledge through professionalization and graduate studies at Esan, Centrum and Langrow schools (the latter specializing in language training), aimed at improving their performance on the job and their opportunities for professional advancement within the company.

Furthermore, Mibanco grants study abroad leave, allowing time off for the duration of the studies. Mibanco preserves the positions of students on leave until their return.

In regards to skills, the Competencies Model was designed with the Hay Group consulting firm, as well as the initial workshops for Bank leadership.

Leadership Programs

To build stronger management and leadership skills, two programs were initiated with the Newfield consulting work: "Strengthening the Executive Team" and "Strengthening our Culture of Service and Innovation." DHM Consultants also helped with the

Leadership, Communication and Motivation program, targeting 40 branch managers (30% of the total as of the end of 2011).

Organizational Development

Mibanco underscores human capital development, based on a management philosophy of organizational social commitment, which translates into opportunities for progress and providing financial access to people often excluded from traditional financial services.

In that sense, from a social perspective our comprehensive training strategy allows our employees to understand the opportunities provided by Mibanco products, so they can see their impact in the lives of our customers. Likewise, the employees who work in rural areas are trained and sensitized on the importance of financial mainstreaming for their target audiences.

The bank also has processes in place for ongoing updating of job descriptions and organizational structure. Changes in positions and responsibilities respond to the need to fill vacancies due to internal turn over and/or organizational growth. All changes are communicated well in advance, with timing depending on the magnitude of the process, in order to ensure adequate adaptation of persons and the company.

Additionally, it is important to note that no collective bargaining agreements have been negotiated in the organization.

The social commitment, reflected in the bank's mission, in the selection and hiring of new employees. In addition, we conduct a performance review once a year in order to identify the level of organizational competence of our employees and ensure that it is aligned with the goals, vision and mission of the company. Based on this information we develop strategies to create or strengthen certain abilities compatible with the bank's principles.

In that sense, our social training program focuses on providing employees with the knowledge on the products Mibanco

offers its customers so they can help to mainstream low-income people into the financial system, thereby helping clients develop and strengthen their business activities and improve their living conditions.

Similarly, the Business Management area constantly supervises the branch network to identify opportunities for improvement in the performance, knowledge and skills of our loan advisors. Once identified, this area, in coordination with Human Resources, schedules trainings throughout the year. New business personnel recruited for the branches are trained through a tutorial where the most experienced loan officers are responsible for teaching new hires and answering their questions.

Finally, customer care personnel are trained for excellence in service, with an emphasis on their client counseling role and different ways of interacting with customers. This learning is essential, given the importance of financial penetration. We must emphasize that the client-loan advisor relationship goes far beyond selling. It involves not only making a loan, but also ensuring the loan is well invested through proper client counseling, even if that requires traveling to rural or distant areas.

Performance management

While our employees are evaluated starting on their first day of work, it is only from the sixth month on that they participate formally in performance evaluations. In 2011, 86% of employees were evaluated, compared to 89% in 2010.

Migente Recognition Program

This program aims to recognize and promote behavior reflecting Mibanco's philosophy, with an emphasis on social impact. It is comprised of four categories.

Employees or department heads may nominate an individual. In 2011, 1,548 employees were recognized, many of them as Exemplary Migente (My People).

Employees eligible to participate in the 2011 performance evaluation

DETAIL	2011	2010
Number of Mibanco employees	3,544	3,548
Number of employees eligible for 2011 performance assessment	3,032	3,153

The assessment for 2011 will be held in January next year.

Four levels of recognition

CATEGORY	WHAT DOES IT RECOGNIZE?
Migente Ejemplar (Model People)	Employees' model attitude, creativity and development of innovative ideas
Migente Excelente (Excellent people)	Quality service performance and internalization of institutional values
Migente Exigente (Demanding people)	Outstanding results in productivity
Migente Exitosa (Successful people)	Employees' high performance

Work climate

Mibanco attaches great importance to creating a work environment that allows our employees to develop to their full potential. For this reason, we use the Great Place to Work tool for measuring work environment satisfaction throughout the organization. In 2011 we obtained a satisfaction score of 64%, the same rate as in 2010.

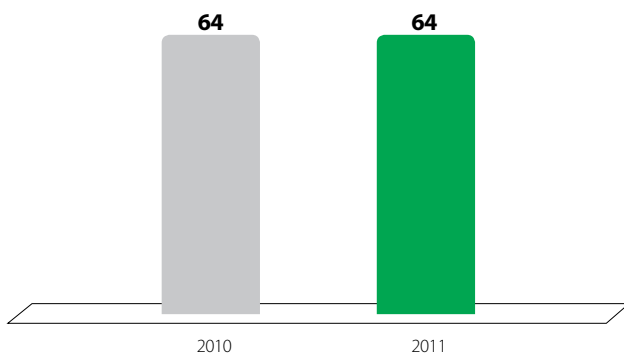
The tool allows for the identification of aspects of their work that employees most value, as well as for areas in need of improvement. Subsequently, we develop action plans to improve the work environment.

Adequate management, reflecting equal opportunities, benefits and development, as well as good interpersonal relationships between our employees and the company, are essential to fulfilling our mission and objectives. Having a motivated and committed team is vital to Mibanco.



Juan Carlos Pachas Maldonado. Business: Apple grower. Office: Cañete.

LEVEL OF SATISFACTION



Internal communications

Mibanco promotes internal communication as an effective tool to keep our employees involved and committed to the strategic objectives of the business, and to create in them a sense of belonging and identification with the culture and philosophy of the company, so that they become Mibanco’s main advocates.

The internal communication service of the Human Resources division is responsible for managing communication through appropriate means and especially focusing on internal customers who need to disseminate relevant facts from their areas to their colleagues, both at general and area-specific levels. This service also ensures that messages are uniform in form and content, and are consistent with the guidelines, culture and philosophy of the organization. It also sets the parameters for developing messages properly.

At present, Mibanco operates the six following communications channels.

CHANNEL	COMMUNICATION DIRECTION	FREQUENCY	STYLE	AREA IN CHARGE
Nuestras Voces Magazine	Top-down	biannual	Written	Internal communication
Organizational Performance Newsletter	Top-down	quarterly	Digital	Internal communication and performance management
Comunicaciones Mibanco	bidirectional	Constant	Digital-Suggestion box	Internal communication
Miportal	Top-down	Constant	Digital-Intranet	Internal communication
Notirecursos	Top-down	monthly	Digital-Newsletter for leaders	Internal communication
Correspondents	bidirectional	Constant	spokesperson	Internal communication

In 2011 we used various channels and created several products according to the communication needs of the bank.

- Two institutional magazines were distributed nationally (circulation per issue: 3,800 approx.). We also published three newsletters on organizational performance through Mibanco Communications to inform employees about progress towards achieving the goals of the bank.

- By midyear, Mibanco Communications opened a suggestions box, and by the end of 2011 it had issued 829 communications and received 162 inquiries.

- Miportal published the news summaries prepared by the ACP Group to keep employees informed about national and international political, economic and market events, among other news.

- Notirecursos, a monthly summary of activities provided to employees, was created. It is intended for staff leaders and serves as a tool to reinforce the benefits the organization offers to its employees.

Health and benefits

Mibanco does not differentiate between workers based on type of contract or work schedule. All workers enjoy the same benefits.

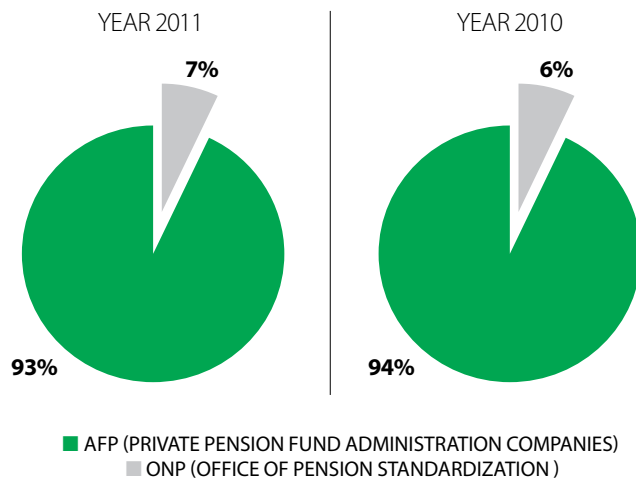
Health insurance: For employees who choose to enroll in an EPS (health care provider), Mibanco will pay 80% of the premium and employees pay the remaining 20%. This option provides comprehensive health service, accessible to all company workers.

Mandatory life insurance: Managers, heads, supervisors and branch leaders enjoy this benefit from the first day of work.

Holidays: 30 days of physical rest are scheduled with the direct head of the department.

	SOCIAL BENEFITS	DESCRIPTION	EMPLOYEES	
			PART-TIME	FULL-TIME
LEGAL	Health Insurance	Essalud: healthcare in public hospitals for insurees. EPS (health care provider): private entity providing healthcare at clinics nationwide	✓	✓
	Vida ley (Life Law)	Required by law, this insurance protects against natural or accidental death of the holder. It is in force for the duration of the contract.	✓	✓
	Vacations	30-day physical rest required by law for each year of labor with a company	✓	✓
	Bonuses	Equal to one month's salary, awarded in July and December.	✓	✓
	Family allowance	Amount equivalent to 10% of the legal minimum wage. Employees with children under 18 years of age are eligible.	✓	✓
	Seniority bonus / Severance pay (CTS)	Unemployment precaution, equivalent to 50% of monthly salary, awarded in May and November.	✓	✓
	Extra hours	Payment for outstanding work done voluntarily or on overtime.	✓	✓
	Legal profits	Employees in the private activity labor regime who generate 3rd category income are entitled to participation in company profits.	✓	✓
	Superannuation scheme	Choice between Private Pension Fund (AFP) or Public System (ONP). Contribution varies according to selected entity.	✓	✓
VOLUNTARY	Survivor benefits	Economic subsidy awarded to employee because of the death of a close relative (father, mother, child, spouse)	✓	✓
	Christmas bonus	Payment awarded to employees at Christmas time. May be monetary or in kind.	✓	✓

All Mibanco employees are covered by retirement plans.



Maternity and paternity benefits

In 2011, 269 employees had children (131 women and 138 men). Of these, 131 women and 22 men used maternity / paternity leave. In 2012 Mibanco will strengthen its paternity leave registration system as several colleagues used their leaves without properly recording it. The right to paternity leave will be further disseminated among employees, as well.

At the end of their leaves, all workers returned to their jobs normally. Subsequently, 8 women and 15 men withdrew voluntarily. All others, 123 men and 123 women, continued to work through December 2011.

Health programs

In order to protect the health of our employees and their families, we organize annual vaccination campaigns against hepatitis A and B, influenza, measles, rubella, chickenpox and pneumonia. Additionally, we organize courses, workshops and disease prevention programs to provide information on health protection topics.

BENEFICIARIES OF HEALTH ASSISTANCE PROGRAMS

Year 2010

PROGRAM BENEFICIARIES	EDUCATION / TRAINING	CONSULTANCY / RISK CONTROL	PREVENTION	TREATMENT
Employees	✓	✓	✓	✓
Employee's families	✓	✓	✓	✓
Community members				

Year 2011

PROGRAM BENEFICIARIES	EDUCATION / TRAINING	CONSULTANCY / RISK CONTROL	PREVENTION	TREATMENT
Employees	✓	✓	✓	✓
Employee's families	✓	✓	✓	✓
Community members				



LinaYim Alvarado. Head, alternative channel manager.

The Misalud program, designed exclusively for Mibanco workers, provides laboratory tests, X-rays and other services that allow for the early detection of disease or health risk factors. The results are delivered directly to each person.

There have been no accidents or occupational diseases in the course of work activities, nor have there been fatalities. Moreover, Mibanco keeps a record of worker absences and leaves in 2011. The absenteeism rate reached 3.65%.

It should be noted that health programs further the Bank's efforts towards having motivated employees, with full physical and mental abilities, for the better management of the company and welfare of their families.

It is important to note that no health-related activities are planned for collective contracts since, as mentioned above, there are no labor unions in Mibanco.

Recreation and camaraderie

We consider it important to provide opportunities for interaction and sharing with workers' families, reflecting our institutional spirit.

To do this, we organize annual sports tournaments in Lima and interior regions of the country and summer holiday programs for our employees' younger children. "My parents in Mibanco" is another popular event where children visit their parents' work place and spend time with them and the visit's organizers. "Celebration of children," meanwhile, has already become a Christmas tradition that gathers a large number of our employees' children.

Planning and compensation

Mibanco is a potential source of employment in all areas where it operates. The position with the lowest salary in the company earns the minimum living wage established by law (S/. 675.00). Currently, 1.12% of all employees earn that income.

COMPLIANCE WITH MINIMUM WAGE REQUIREMENT BY LOCATION

Year 2010

LOCATION	MIBANCO MINIMUM WAGE (IN %)	LEGAL MINIMUM WAGE (%)
Lima	127%	100%
Other cities	127%	100%

Year 2011

LOCATION	MIBANCO MINIMUM WAGE (IN %)	LEGAL MINIMUM WAGE (%)
Lima	100%	100%
Other cities	100%	100%

We ensure that pay structures are within the national market average, seeking to achieve internal equity and external wage competitiveness. Thus, wages are determined by individual contribution and responsibilities. Gender, age and cultural or ethnic origin in no way define pay scales.

OUR SUPPLIERS

All Mibanco suppliers and contractors are subject to the regulations of the competent authorities on occupational safety, health and environmental protection regulations in force. In assessing the supplier and / or contractor no specific human rights criteria are taken into consideration. However, because we deal with formal enterprises recognized for their social performance, we can avoid all forms of discrimination, child labor and other practices that violate human rights.

Since 2011, the contracts between Mibanco and its suppliers and contractors include clauses that commit them to respecting the rights of their workers and not engaging in activities involving child labor.

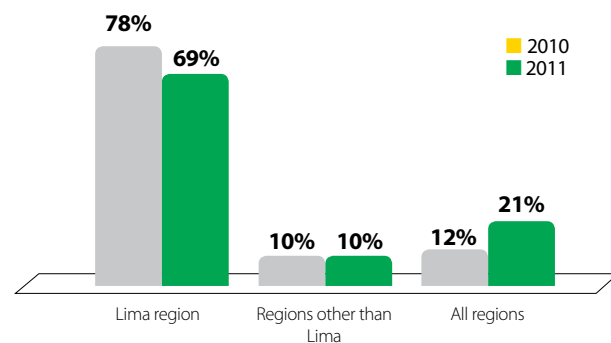
Coverage of our suppliers:

- Definition of the term "local": each region where a Mibanco branch operates nationwide.
- Mibanco hires suppliers that operate nationwide in order to reduce operating costs and support the economies of the regions where its branches operate.

Note: main providers defined based on annual billing above S/. 100,000.

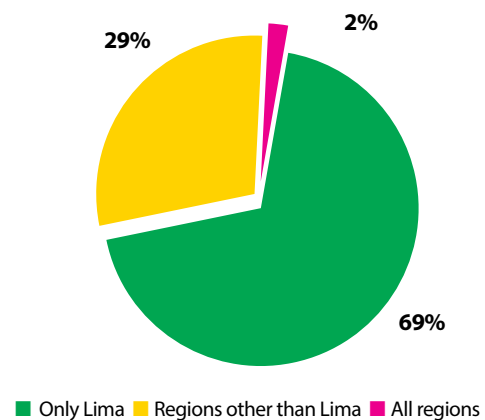
- In 2011, all bank suppliers were local, as follows: 69% in the Lima region (12% less than one year earlier), 10% in other regions except Lima (percentage equal to that of the previous year) and 21% with nationwide coverage (9% more than the previous year).

SUPPLIERS' COVERAGE



- The result is that 69% of purchases are made to suppliers in the Lima region and 31% to suppliers from other regions, including those providing nationwide coverage.

PURCHASE DISTRIBUTION



In the coming year we will continue working to improve processes and perform actions in this regard as these efforts contribute to the Bank's corporate objectives.

COMMUNITY OUTREACH

In 2011 as in previous years, Mibanco allocated S/.58,640 to work on sewerage works in Barranca police station and the association Las Siervas de Nuestra Señora de Fátima.

We also contributed more than S/. 32,000 to institutions that provide social support, cultural events, and engage in the promotion and dissemination of activities for social purposes.

Note that as part of these contributions, furniture and computer equipment were donated to Fe y Alegria schools in Lima and to the community of San José de Media Luna and Cuncani primary school in Urubamba, Cusco.

Mibanco invested US\$ 1,000,000 in training programs for the *Asociándome para Crecer* and *Fortalecimiento de la Capacidad Empresarial de la Mujer* programs in Peru, aimed at getting more micro and small business entrepreneurs to identify elements that will enable them to improve their management skills and thus grow their business.

Next year, Mibanco plans to honor its commitment to continue contributing to our communities, especially as related to the financial education of our customers.

INSTITUTION / PROGRAM	2009 S/.	2010 S/.	2011 S/.
Cost-free training program for clients	2'878,322	2'913,098*	2'798,000
Social support in the community (Villa María del Triunfo, Nueva Esperanza, Barranca and the Association Las Siervas de Nuestra Señora de Fátima).	20,309	17,954	58,640
Donations to reconstruct after natural disasters in Haití, Cuzco and Ambo.	-	56,105	-
Donations to social and cultural events - Instituto Invertir (Invest Institute), Muhammad Yunus lecture, 2006 Nobel Peace Prize, Amigos de la Policía (Friends of the Police), Ayuda es Vivir, (Living is Helping), Evento Candela Fuerza y Pasión (Strength and Passion Candela Event), Nuevos Héroes Peruanos (New Peruvian Heros).	28,769	176,572	29,232
Promotion and dissemination of information on social activities	-	-	3,125
Total	2'927,400	3'163,729	2'888,997

*Replaces 2011 figure (2,800,000), adjustment reported by Accounting area.

Interaction with business partners has allowed for the incorporation of policies to mitigate the environmental and social risk in financing arrangements. These include excluded activities that affect the environment, violate human rights or involve the relocation of native or indigenous communities out of their usual environment.

In 2011, Mibanco received three credits from multilateral agencies to provide loans to entrepreneurs from small and micro enterprises. These loans came from the International Finance Corporation (IFC), the Inter-American Investment Corporation (IIC) and the Microfinance Enhancement Facility (MEF), a fund specializing in microfinance, whose shareholders include IFC and KFW.

These credit lines, as all lines of credit received by Mibanco, aim at strengthening and promoting entrepreneurship in Peru and creating a positive impact on local economies. The organization seeks thereby to expand the supply of credit to underserved and excluded markets, so that they can contribute to financial democracy in the country.

Additionally, although access to credit is an opportunity to promote the sustainable development of our clients, we believe that this should be accompanied by non-financial services that contribute to the sustainable management of their businesses. Therefore, we organize training programs as part of our borrowing guidelines.

On the other hand, Mibanco continues to honor its commitment to invest U.S.\$7,435,000 to develop a training program designed for women micro and small business owners to help them succeed in their businesses. This agreement, signed in 2009 by the Australian Agency for International Development (AusAID), the Multilateral Investment Fund of the IDB, the Goldman Sachs Foundation, Thunderbird Business School and Mibanco, has benefited more than 47,000 Peruvian entrepreneurs.

HUMAN RIGHTS

We are convinced that respect for human rights, a proactive relationship with customers and suppliers, and commitment to investing in human resources helps us strengthen the company's competitiveness.

Mibanco thus allocates a certain number of hours to training on issues related to human rights and the fundamental elements of our social commitment and mission. In this regard, in 2011, a total of 3,544 workers received 23,833 hours of training (an average of 67.11 hours per employee). Of that total, 43% corresponds to training programs aimed at improving the skills of loan advisors and intergrating Mibanco's mission, i.e. putting into practice the workers' social commitment to create greater identification with and understanding of Mibanco's target audience.

In 2011 Mibanco's Security Department – in charge of coordinating with specialized companies for the monitoring of order and security at headquarters and all branches, as well as the safety of employees, customers and other visitors – encouraged specialized companies, responsible for providing security services, to include training courses, lectures and workshops on human rights issues for their personnel.

Mibanco does not engage in any activities connected to child exploitation. Our hiring policies are contained in our internal standards and framed by international standards to foster employment, labor education and training, as well as by international guidelines, such as ILO's covenants 138 and 182. All our workers are of legal age (18 years old).

In addition, Mibanco includes specific clauses in its contracts with suppliers to ensure their activities do not involve child labor.

For the correct understanding of human rights and the rights of indigenous communities, Mibanco directs initiatives



Steve Manzanedo Callupe, Datawarehouse analyst and Daniel Kasuga Komiya, commercial planning head.

related to these subjects towards its employees. Thus, an online course was developed for implementation in the first half of 2012, which incorporates the values and social commitment of the organization, features that characterize the operations of Mibanco since its inception. Likewise, induction courses for new staff incorporate basic notions on these topics and on respect for diversity and the opportunity presented by the Bank to overcome exclusion in several respects.

It is worth mentioning that the Bank's operations do not entail significant negative human rights impacts. There have been no formal reviews or evaluations thereof. Moreover, in 2011 there were no recorded incidents of discrimination regarding the financial services that Mibanco provides or complaints regarding human rights in any of its 117 offices. Nor were any incidents

recorded related to the violation of the rights of Andean or Amazon peasant and indigenous communities.

Mibanco does not engage in forced or compulsory labor as part of its operations at headquarters or branches nationwide. In this regard, the policies of the company comply with Peru's legal framework and international standards on the subject.

Finally, Mibanco promotes equal opportunities and rejects all forms of discrimination, as provided for in company regulations, such as the Working Rules, the Code of Conduct and Ethics and the Recruitment and Selection Procedure.

The box below shows the agreements with clauses excluding the funding of any activity that violates human rights, threatens the environment and/or involves the relocation of native or indigenous communities out of their usual environment.

Investment agreements signed by Mibanco

AGREEMENTS SIGNED	OBJECTIVE	CLAUSE	DETAIL	PERIOD OF VALIDITY	
				BEGINNING	END
IADB	Two disbursements: (a) one to finance microbusiness activities in Peru through Milocal and Miequipo products, at least 75% of them as loans to women or businesses owned by women in Peru, and another b) to finance working capital for microbusiness owners in Peru.	Excluded activities	No activities are financed if they do not comply with fundamental workers' rights (especially related to forced labor and child labor).	August 2010	May 2015
FMO SENIOR	Any loan granted to a borrower under the FMO agreement shall be applied by the borrower with the sole purpose of expanding his/her loans portfolio by granting sub-loans to his/her clients.	Excluded activities	No production or activities are financed if they imply forced labor or child labor	May 2010	April 2015
FMO SUBORDINATED	For any type of loans.	Excluded activities	No production or activities are financed if they imply forced labor or child labor	March 2010	March 2020
PROPARCO	Any loan granted to a borrower under the FMO agreement shall be applied by the borrower with the sole purpose of expanding his/her loans portfolio by granting sub-loans to his/her clients.	Excluded activities	No production or activities are financed if they imply forced labor or child labor.	August 2010	September 2015
MEF (Ministry of Economy and Finance)	To finance microbusiness activities in Peru through working capital loans.	Excluded activities	No production or activities are financed if they imply forced labor or exploitation, child labor, or infringement of indigenous people's land rights (i.e. activities performed without written consent).	March 2011	March 2016
IIC	To finance eligible businesses and eligible projects.	Excluded activities	No production or activities are financed if they imply forced labor or exploitation, child labor, or infringement of indigenous people's land rights (i.e. activities performed without written consent).	October 2011	September 2016
IFC	To expand Mibanco's loan portfolio for micro, small and medium-sized businesses.	Excluded activities	No production or activities are financed if they imply forced labor or exploitation, child labor, or infringement of indigenous people's land rights (i.e. activities performed without written consent).	November 2011	November 2016

SOCIAL ENVIRONMENT

A true commitment to the development of the communities where we operate is essential for Mibanco as otherwise the path to achieving our goals is interrupted, simultaneously affecting the growth of our organization.

Mibanco leadership is undoubtedly a leading indicator of its economic impact on microenterprises. More than 435,000 customers are proof of the commitment of the organization to providing opportunities for progress through innovation, the creation of new products and a presence in both urban and rural areas.

MSEs undoubtedly played a role in the 6.5% growth that our country has experienced in the last year, and that is an example of optimism despite the global economic crisis experienced in 2011.

Similar indicators show more than 80,000 customers have access to credit through solidarity groups, a plan that provides access to credit to poor and excluded persons who cannot provide collateral for their loans.

Based on a commitment to corporate social responsibility, partners and bank employees are evaluated for ethics and morality, their acceptance of our policies and codes of conduct at work, the use of inside information, and stock market transactions.

In 2011 we reviewed the various business units to ensure compliance with policies and procedures established by Mibanco, which includes the analysis and investigation of corruption, and internal and external fraud risks. The following table shows the results reached in 2010 and 2011.

	2010	2011
Number of business units reviewed	17	85
Coverage*	15%	72%

(*) Calculation based on a total of 110 business units in 2010 and 117 business units in 2011

Our business's alignment with our social mission is demonstrated by Mibanco financial products that have reached more than 3,000 clients whose native language is not Spanish.

In 2011, we started measuring our social impact using the Progress out of Poverty Index (PPI), an initiative that will allow us to reveal the social impact of Mibanco credits on our customers.

The PPI is an easy, user-friendly tool comprised of a 10-question survey conducted by our loan advisors to calculate the likelihood that people live below the poverty line. It has been launched in six branches with small samples of customers to help find ways to lift them out of poverty and improve their standard of living.

This first step allowed us to establish a baseline that will then serve as a reference to track changes, whether positive or negative. In 2012 it will be applied again to provide valuable information for our social performance management.

No incidents regarding monopolistic practices, actions against free competition and/or claims of related acts were reported in 2011.

Moreover, the Bank has not received any sanctions or fines for failure to comply with environmental regulations.

As noted above, Mibanco does not make financial or in-kind contributions to political parties or similar institutions.

The company permanently disseminates updated, clear and complete information about rates, fees, features and parameters of the products (loans, deposits, insurance) and financial services it offers to clients. To that end, we use all our communication channels, such as customer service staff at branches, flyers, posters, advertising, and the website, among others.

Similarly, we provide clear and complete information on transactions or financial services through counseling personnel and include clear clauses in contracts and annexes that summarize in simple terms the main conditions and obligations agreed. In both cases, the information disseminated and contractual documentation that the customer signs strictly comply with applicable laws on the protection of financial services users.

In 2011 there were no incidents of regulatory breaches regarding customer communications or advertisements, nor were there any incidents of breach of voluntary codes.

It the first half of 2011, the Superintendence of Banking and Insurance (SBS), Peru's financial regulator, visited three Mibanco offices to verify the degree of compliance with the rules of transparency of information and customer care (SBS Resolution No. 1765-2005 and Letter SBS G-146-2009). Among several elements, inspectors evaluated the advertising of products (loans, deposits, insurance) and financial services that we offer through brochures and posters.



Haydé Salazar Manco, junior auditor, and Joao Torres Barreto, senior auditor.

The SBS determined Mibanco was 100% compliant and above the average for visited entities (96.3%), ranking in 4th place among 40 visited entities (Note No. 47739-2011-dated SBS 28/10/2011). Likewise, the regular inspection carried out by SBS in 2011 did not result in any observations regarding the content of prospectuses or communications to customers.

It should be emphasized that Mibanco strictly complies with the legal provisions on bank secrecy and protection of personal data, providing information on customer data to third parties only pursuant to specific laws. It also has internal procedures to comply with the above provisions about data confidentiality and bank secrecy.

Confidentiality of customer information is one of the principles of the Code of Conduct and Ethics all our employees must abide by. Mibanco has the security and control tools and measures needed to prevent leaks of information.

In 2011 no complaints were filed regarding corrupt practices against the organization or any of our collaborators. However, in the same year Mibanco filed two criminal complaints against former officials for corruption and fraud. Importantly, these acts had been carried out in collusion with customers. For these cases action was taken on the operational side.

- In coordination with the Human Resources Department, we reviewed the information security policies and internal rules, redefining disciplinary proceedings for breach.
- We audited the computer system's critical choices to review activities and their use. This action will be more intense still in 2012.

- An analysis of information security risks resulted in a plan of action to address emergencies and intermediate, high and very high risks.

- We increased awareness talks on the issue among key personnel handling classified information.

Additionally, 59 potential cases of internal fraud were reported to the Operational Risk Area. These cases were related to dismissals, probation periods, contract expirations or invitations to resign. Dismissals were supported by ample evidence of serious incidents and offenses warranting severe sanctions.

Finally, in compliance with national labor laws in force, Mibanco has the power to enforce disciplinary action against workers in case of breach or failure in performing their duties. Depending on the severity of the offense, sanctions range from reprimands and suspensions to, finally, in case of serious offenses typified by law, dismissal, provided they are properly argued and proven.

All Mibanco employees receive ongoing training regarding policies and procedures contained in the Code of Conduct and Ethics and in national and international standards. Training in anti-corruption policies and procedures, money laundering and terrorist financing is provided typically once a year. In addition, employees who have direct contact with customers and who report to the compliance officer are trained twice yearly due to the nature of their functions.

Issues in connection with prevention of money laundering and terrorist financing, in turn, are taught in the induction for new Mibanco employees.

VALUE-ADDED ACTIVITIES

The following table shows the economic value added by Mibanco activities, including gross wages, taxes, benefits, etc. which also contribute to GDP. The information is given in millions of nuevos soles and compared to years 2009 and 2010.

	2009	2010	2011
	(IN MILLIONS OF NUEVOS SOLES)		
1 Net Profits	97.1	97.1	109.4
2 Taxes	45.7	43.6	42.6
3 Reserves and amortizations	27.7	30.5	27.3
4 Personnel and Board of Directors expenses	208.7	255.7	279.2
Added Value Generated (1+2+3+4)	379.2	426.9	458.5

In 2011 the total amount of economic value added by Mibanco was S/. 458,547,551, substantially higher than in 2010 due to growth in operations.

Our Environmental Performance

"We follow guidelines leading us towards integrated management, ranging from better services for our customers with tailor-made products, to training programs in business administration. We also respond to the career aspirations of our employees and are committed to optimizing the use of natural resources". Oscar Rivera - Chairman of the Board (DMA).

Due to the nature of our operations, they bear no significant negative impact on the local communities where our branches operate. Consequently, no preventive measures have been taken on this issue. Mibanco has not received any sanctions or fines for non-compliance with environmental regulations. However, as explained below, we have begun implementing a comprehensive plan to improve our environmental performance.

In 2011, Mibanco made efforts to determine the possibilities of reducing greenhouse gas emissions and headquarters' carbon footprint. The Bank signed a S/. 84,371 contract with GEA, a company specializing in environmental assessments and practices and the promotion of sustainable processes for businesses. The contract aimed to diagnose the use of energy, water and other supplies. Based on the diagnosis, together with GEA, we prepared a plan of action for the efficient use of resources, including inputs such as energy, water paper and related materials, and to introduce measures for sorting and recycling solid waste. This plan is programmed to begin in the first half of 2012.

We hope that by late 2012, as a result of the implementation of this plan regarding the efficient use of resources such as

electricity, water, and materials like paper and toner, we will be able to observe positive changes in the bank's environmental indicators and substantial savings to the institution.

Furthermore, the Risk Division establishes policies and procedures for assessing and protecting business lines from environmental risks. Our internal rules preclude the funding of activities that threaten the environment and biodiversity (exclusion list). On this basis, all Mibanco credit clients must undertake the following commitments:

- Store and properly dispose of solid waste, in coordination with the municipality or local waste disposal unit.
- Reduce and / or purify atmospheric emissions (fumes, odors, gases, etc.) using filters or other methods.
- Reduce and / or treat waste water in coordination with the local water and sewerage authority.
- Protect the health of workers with appropriate personal protection gear (gloves, uniforms, masks and other).
- Take other measures to care for the environment and well being of local communities if affected by the business or company's activities.

The Business Area is responsible for implementing credit procedures. Loan advisors, branch managers, regional managers and credit managers evaluate and control environmental risks and business needs.

Also, a credit committee reviews and evaluates credit proposals and technological support is available for risk analysis through a scoring system that rates the proposal and suggests a strategy for approval, all in proper compliance with the Loan Approval Guidelines and the Bank's Policy Manual. We firmly believe that social, economic and environmental balance is the key to developing our country and a door to new opportunities for growth.

MATERIALS

Due to the nature of our business, the Bank buys goods for consumption and not for processing, so we focus on bond paper consumption. In 2011 we used 135.065 kg of paper (3% less than a year earlier), with an annual average consumption per employee of 38.11 kg (3% less than a year before). Among the initiatives to improve our performance, we encouraged printing on both sides of a sheet of paper, thereby avoiding waste.

YEAR	BOND PAPER (KG)	AVERAGE PER EMPLOYEE (KG)
2009	143,391	53.31
2010	139,464	39.30
2011	135,065	38.11

In addition, we continue to enforce our agreement with Fundades, which consists of placing collection and deposit boxes on each floor of the main office. Paper deposited by workers is later picked up for subsequent recycling. This initiative accomplishes a corporate environmental goal and a major corporate social responsibility objective since this paper recycling initiative helps to support a scholarship program for low income and disabled children.

In 2011, 4,486 kg of paper were recycled through Fundades (3% of total consumption) and 691 toner cartridges (70% of total consumption) were recycled.

YEAR	BOND PAPER RECYCLED (KG)	TONER RECYCLED (KG)
2010	4,425	954
2011	4,486	987



Solidarity loan group at Santa Cruz and Solidarity group loan officer Verónica Falcón Morales. Office: Pisco.

During 2011, 4,486 kg of bond paper were recycled (3% of total consumption) and 4,400 kg less than in 2010 were used. In 2012 we will encourage further bond paper recycling, emphasizing among our employees the importance of this action in contributing to environmental conservation.

YEAR	BOND PAPER USED (KG).	BOND PAPER RECYCLED (KG)	BOND PAPER RECYCLED (%)
2010	139,464	4,425	3%
2011	135,065	4,486	3%

ENERGY

Energy plays a vital role in economic development and the well-being of society, and while it is true that the Bank has increased its consumption mainly due to the opening of eight new branches, it is also true that it constantly seeks to implement measures to promote energy saving, generating the least environmental impact possible and requiring lower spending in business operations. In 2011 it consumed 34.819 GJ of electricity (12% more than the previous year), equivalent to an average of 9.83 GJ per employee (also 12% higher than the previous year).



DESGLOSE	2011 SOURCE* (THERMAL OR HYDROELECTRIC)	2010 SOURCE* (THERMAL OR HYDROELECTRIC)
Electric power in GJ	34,819	31,193
Number of employees	3,544	3,548
Electric power consumption by employee in GJ	9.83	8.79

**Current electric power generation is divided equally between thermal and hydroelectric sources (Ministry of Energy and Mines)

Taking this into account, the Bank introduced improvement actions during 2011, such as using timers on lights of the advertising signs of branches to run them only four hours at night. Within the framework of comprehensive maintenance of bank facilities, technical and power inspections were conducted in

order to minimize the risk of additional consumption due to faulty electrical systems.

In 2011 a pilot installation of timers in the air conditioners of ten branches resulted in up to 10% lower consumption. For this reason, this measure will be implemented in all branches in 2012.

Additionally, we continue with the Green Wave campaign that encourages workers to turn off office lights, monitors and air conditioning systems at the end of their work day, thus getting involved with environment care and the efficient use of resources.

Total direct energy consumption in 2011 reached 24.061 GJ (7% more than in 2010), mainly due to increased Bank operations.

SOURCE	2011		2010	
	DIRECT ENERGY (IN GJ)	DIRECT ENERGY (PER EMPLOYEE)	DIRECT ENERGY (IN GJ)	DIRECT ENERGY (PER EMPLOYEE)
Gas Oil Consumption (GJ)	24,061	6.8	22,412	6.32
Total consumption (GJ)	24,061	6.8	22,412	6.32
Difference compared to previous year				7%

To date, we have no agreement or existing product to use renewable energy or reduce energy consumption.

Furthermore, maintenance of the Bank's facilities is now decentralized. Previously, maintenance personnel travelled from Lima to other regions. Now, maintenance personnel are based at our locations nationwide to reduce spending on transportation and overall energy consumption.

WATER

Water is a scarce resource and its proper use and conservation is of fundamental importance for Mibanco, which has adopted measures for its rational use.

In 2011, we used 64,393 m³ of water (15% more than the previous year) due mainly to the opening of eight new branches, though the average water consumption per employee was 18 m³ (12% more than the previous year).

Taking this into account, the Bank has introduced a number of actions to promote efficient water consumption, such as the periodic review of faucets to avoid leaks. We also continue to raise awareness through press releases emphasizing responsible consumption.

A pilot plan to install timers on water faucets and flow

meters in toilets started in 5 branch offices and at the Bank's headquarters. Timers were installed for air conditioning in 5 branches. These initiatives required an investment of S/. 35.000 and reduced consumption by about 8%. We expect to introduce these improvements in all Mibanco branches in 2012.

DATA SOURCE	2011	2010	2009
Consumption through conventional distribution (public service supply)	64,393	55,796	43,438
Water consumption per employee (m ³ /employee)	18	16	16
Water consumption per employee and per day (liters) *	69	62	62
Variation in water consumption	13%	0%	n.d

*160 workdays per year have been considered.

Mibanco uses water from the public system and therefore does not generate any impact on the sources. Mibanco does not use recycled or reused water at its headquarters or any of its 117 branches.

Comunicado

¡Cuidemos nuestros recursos! ¡Ayúdanos a preservar el medio ambiente!

Programas en práctica algunas recomendaciones que nos ayudarán a ser más eficientes.



Regular la temperatura del aire acondicionado entre 18°C y 22°C.
pues temperaturas por debajo o por encima de este rango fuerzan en demasia el motor.



Apagar el monitor.
pues ahí se concentra el mayor consumo de energía de tu equipo



Revisar al final del día que los caños del kitchenet y baños de tu área se encuentren completamente cerrados.

GREENHOUSE GAS EMISSIONS

The Earth's climate is changing due to the emission of greenhouse gases. Any institution aware of its commitment to society and the environment should pay special attention to this issue.

In 2011, CO2 emissions generated by the use of trucks, motorcycles and air travel for core business operations reached 3,239 tons (8% less than the previous year), while CO2 emissions from electricity consumption amounted to 3,868 tons.

GREENHOUSE GAS EMISSIONS (TONS OF CO2)			
DETAIL		2010	2011
CO2 emissions from electric power consumption (indirect)		3,318	3,868
CO2 emissions from fuel consumption (direct)	Trucks and SUVs	27	22
	Motorcycles	1,568	1,409
CO2 emissions from air travel (indirect)		1,918	1,808
Total CO2 emissions		6,831	7,107

CO2 emissions were measured using the following calculation tools: RscO2, CeroCO2 and Planet Air.

SUPPLIER MANAGEMENT

In 2011 the number of providers billing over S/. 100,000 per year reached 3,591 (34% more than the previous year). They provided services and goods according to the operational, technical and economic specifications for each of the Bank's procurement calls, both for competitions and for special requirements.

In all procurement processes the Bank requires its suppliers to act consistently and responsibly. Procedure No. 273 for Supplier Evaluation, Registration and Maintenance establishes that the Bank will preferably procure services and/or products from the companies or organizations that demonstrably comply with the principles of best corporate governance and/or social responsibility.

During 2011 the Bank initiated and/or continued the following actions:

- Encouraged using electronic auctions for procurement processes, respecting the principles of corporate social responsibility, with a clear focus on transparency in the search for the best suppliers, ensuring the best market prices, availability of products, lower cost buying, bypassing middlemen, and better using resources, among other advantages. In 2011, 59 electronic auctions were conducted for the procurement of goods and services.
- In 2011, we continued encouraging payments through account transfers, to draft less checks and reduce payment time to suppliers. We reduced the volume of checks issued by 19% compared to the previous year and made 6,294 transfers to accounts.



César Vásquez, branch manager, and Carol Gómez Sánchez, officer tutor. Office: Gamarra.

Decrease in volume of checks printed

ITEM	2010	2011	% VARIATION
Checks issued	5,010	4,070	-19%

Note: Printing less checks saved paper and paper money.

- Processes were optimized and improvement proposals implemented with new suppliers for major bank support services such as dispatch and messaging, telephone switch-

board operation, storage, general transport, maintenance and infrastructure, among others, to ensure the competitive services required by our organization's standards.

In 2012 we will continue working on improving processes and contributing to achieving the bank's corporate objectives.

Additionally, for renewals of transport service contracts and vehicle purchases, the corresponding vehicles must feature strong environmental performance characteristics.



Claudia Vásquez, data safety head.



EXPERIENCE AND BACKGROUND

Our Shareholders



Grupo ACP is a not for profit organization and Mibanco's majority shareholder, with more than 43 years of experience promoting entrepreneurs and owners of micro and small businesses.

Grupo ACP is a Latin American corporation headquartered in Peru. It pursues a social mission and operates with business efficiency, and defines poverty as a set of exclusions. The Grupo has created a specialized company to face each kind of exclusion through the offer of a specific microfinance tool: micro-insurance, education and training, communication, dignified housing, technology and markets. Together these instruments make up an essential toolkit for the development of those who are at the base of the socio-economic pyramid. For this purpose, Grupo ACP has created a platform of 23 companies in 10 Latin American countries: Argentina, Bolivia, Brazil, Ecuador, El Salvador, Guatemala, Mexico, Paraguay, Peru and Uruguay. Each one of these companies aims at a triple social, environmental and financial bottom line.

MICROFINANCE



MIBANCO - Peru

A leading microfinance bank, its mission is to provide opportunities for progress and access to the financial system with social commitment.

It now has 550,000 clients and more than 110 agencies nationwi-

de. Mibanco is exceptional in its rapid growth and outstanding contribution to financial penetration in Peru, particularly in rural and semi-urban zones.



FORJADORES – México

Forjadores provides loans to micro and small business owners and entrepreneurs, and mainly makes community and group loans. It is headquartered in Mexico City and has 35 Service Offices in 9 Mexican states, namely the State of Mexico, Michoacán, Querétaro, Aguascalientes, Veracruz, Puebla, Tlaxcala, Morelos and Oaxaca.



MICROFIN – Uruguay

Microfin provides financial services and loans to Uruguayan micro and small business owners and entrepreneurs to help them meet their needs and thereby contributes to mainstreaming excluded segments into the formal financial system.



EMPRENDA* - Argentina

An institution with a social, pioneering and leading mission in the Argentinean microfinance market, it seeks to generate and strengthen credit relationships with working people to grow together through production, housing and multi-purpose loans.

* FIS Empresa Social S.A.

ALLIANCES



CEAPE MARANHAO – BRASIL

The most important not for profit organization in North-Eastern Brazil, it is devoted to including people traditionally excluded from conventional credit sources in the financial system and to promoting the socio-economic development of micro businesses and entrepreneurs. It has more than 22,500 active clients and has awarded loans for over 405,000 businesses (exceeding USD 265 million).

SHAREHOLDING



BANCOSOL – BOLIVIA

In 1992, this microfinance-specialized institution became the first commercial bank in the world to target the lowest market segments. Today, its loan portfolio equals roughly 3% of Bolivia's GDP and offers a wide range of products and services always geared towards its target segment.



INTEGRAL – EL SALVADOR

El Salvador's first provider of regulated savings and loans, Integral has more than 42 thousand clients and a USD 76 million loan

portfolio, making it the leader of the Salvadoran microfinance market. Its current product offering includes a complete portfolio of loans, remittances, debt, life and health micro-insurance, community housing programs, home improvement with free technical assistance and financial education programs, all of which effectively contribute to its clients' sustainable development.



INTEGRAL – GUATEMALA

Integral is a company specialized in microfinance, which offers quality financial products and services to micro-business entrepreneurs in Guatemala's urban and rural areas. It offers credit lines for home improvement, as well as farm loans that include customized technical advisory, and agile and timely service to fit clients' needs.



FINANCIERA EL COMERCIO – PARAGUAY

A leading financial entity, it is internationally acknowledged for its work in the rural and farming microfinance area. It is the oldest entity of its kind in the Paraguayan financial system with 35 years in the market and 24 years of experience in micro loans. Its microfinance business accounts for 70% of its total placement portfolio. It is the financial entity with the most service centers in the country, with its 53 branches and 250 licensed agents covering more than 200 localities and serving over 105,000 clients.

MICROINSURANCE



PROTECTA – Peru

A company offering priority protection to entrepreneurs, micro-and small business owners, and their families by designing and implementing simple, easy-access insurance. Protecta started operating in February 2008 with A and A- ratings granted by PCR and Class & Associates, respectively. It maintains such ratings, which back more than one million outstanding insurance policies nationwide.



SECURA – Peru

This insurance brokerage company is a leader in micro insurance and insurance advisory, both at a mass level and with corporate programs. Its experience and negotiation capacity guarantee competitive rates and premiums for its clients.

EDUCATION AND TRAINING



APRENDA – Peru

APRENDA creates and disseminates information for micro-and small business owners and entrepreneurs. It designs and carries out entrepreneurship-related programs and programs related to value chain development with large companies. It trains more than 26,000 people annually, promoting sound business values and excellence.

COMMUNICATION



SOMOSEMPRESA – Peru

A company that designs and executes relationship and positioning strategies with micro and small businesses and entrepreneurs in Peru and Latin America through the production of contents for the mass media. It broadcasts TV and radio programs, circulates publications, and participates in direct relationship forums to disseminate and promote a culture of entrepreneurial success.

HOUSING AND INFRASTRUCTURE



VIVENCIA – Peru

Vivencia is a real estate and infrastructure developer undertaking water and sanitation, electrification and dignified housing projects for micro and small business entrepreneurs and their families.

SHAREHOLDING



PANECONS – Ecuador

Panecons manufactures and sells panels for concrete walls, prepared under the Italian M2 system. These panels are used for

rooftops, walls, staircases and divisions for constructions. This system is very flexible and its strongly built panels permit safe and secure construction.

MERCADOS



TIGGRES – Peru

Tiggres provides comprehensive web-based e-commerce solutions for micro and small business entrepreneurs. Tiggres's platform lets companies sell their products on the web, reaching millions of potential buyers all over Peru. It features several payment plans for buyers and logistics solutions for companies.

CONSUMPTION

PARTICIPACIÓN ACCIONARIA



GONZALITO – Paraguay

A household and electronics appliances retailer, car dealership and consumer loan company that helps to improve the quality of life of low income families in Paraguay.



Janet Cuya Aspajo, internal communications analyst, Lorena Pralongo Torres, internal communications assistant, and Joyce Vargas Egusquiza, internal communications supervisor.

CORPORATE SERVICES



This relational marketing company has five primary functions: portfolio generation, serving clients, promotion, sales and collection. It mainly operates through a cutting-edge call center and has specialized personnel, both domestic and foreign.



CONECTÁ2 – El Salvador

The first company specialized in supplying collection management support services through field visits and telephone calls for financing institutions that target micro and small business.



INNOVACIÓN – Peru

It supplies IT services to Grupo ACP companies. It is the technological hub for developing company operations in line with their business needs.



FUTURA** – Peru

This entity is charged with developing new projects for Grupo ACP. It summons investors to start creative alliances to sponsor successful micro and small business owners and entrepreneurs, and identifies new investment opportunities.

(**) Acción Comunitaria del Perú



INVIERTA – Perú

A company devoted to managing investment funds for entities supporting micro and small businesses, It also provides consulting, technical assistance, management and other services in target sectors.

ACCION International (ACCION) (USA)

ACCION International is a private not for profit organization whose mission is to create a financially inclusive world. To do so, it supplies low-income people with the necessary financial tools to improve their quality of life. A true global pioneer in microfinance, ACCION International was founded as a community development organization in 1961 and granted the first microloan in Brazil in 1973.

Since its inception, ACCION has contributed to the development of 62 microfinance institutions in 31 countries on four continents, which currently serve millions of clients all over the world. On the other hand, in the United States of America, the companies affiliated to ACCION make up the largest microfinance institution network in the country with more than USD 300 million in loans granted to date.

ACCION promotes the development of microfinance institutions to reach a sustainable and profitable scale. Through a model that combines management and technical assistance with investment and corporate governance, ACCION supports microfinance institutions so they can become independent from donor funding, attract deposits and achieve financial leverage. Likewise, ACCION promotes developing markets beyond just providing financing through assistance and investment in technology and innovating and sustainable business models, aimed at expanding financial services and inclusion at the base of the pyramid. Finally, ACCION provides leadership in the microfinance industry through the Center for Financial Inclusion -“The Smart Campaign-”, its seminars, workshops and publications.

ACCION is proud of its pioneering role in an industry that is now considered a global phenomenon. However, ACCION is aware its job is not over and that it has a commitment to use its 50 years of experience to create a more inclusive financial world. For more information on ACCION International, please visit www.accion.org.

LA POSITIVA SEGUROS Y REASEGUROS (PERU)

Founded in 1937, La Positiva has 75 years of experience in the market. It provides general insurance and protects more than 5 million insured persons nationwide. Through different strategies it has become one of the main and more acknowledged insurance companies in Peru, with investments in different countries in the region.

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

A subsidiary of La Positiva Seguros y Reaseguros, it provides life insurance with a focus on retirement insurance. It has grown significantly in the six years since it was established, and well above the insurance market average in Peru. Its professional management and commitment to high quality service enhance its clients' confidence and are a source of comfort and peace of mind for its thousands of customers.

CORPORACION FINANCIERA DE INVERSIONES S.A.A. (CFI)

A Peruvian company with more than 14 years of experience in economic resource development and project development, including in energy, infrastructure and agribusiness (where Peru has natural competitive advantages). It lists in the Lima Stock Exchange since January 18, 1999, under ticket COFINC1.

DUCKTOWN HOLDING S.A.

Its main activity since 1996 has been investment operations in the Lima Stock Market (BVL) and abroad, investing in long term, equity and fixed income instruments, as well as Peruvian real estate.

TRIODOS-DOEN / HIVOS-TRIODOS FONDOS / TRIODOS FAIR SHARE FUND / TRIODOS SICAV II – TRIODOS MICROFINANCE FUND

Triodos Investment Management is in charge of the four Triodos microfinance funds: Triodos-Doen, Hivos-Triodos Fondos, Triodos Fair Share Fund and Triodos Sicav II – Triodos Microfinance Fund. As a shareholder of microfinance companies, its funds have the three-dimensional approach that seeks a sustainable balance between people, the planet and commercial benefits. These funds aim at establishing long-term relationships based on transparency and equity with organizations committed to alleviating poverty and taking care of our planet.

The four Triodos microfinance funds operate in 44 countries and, besides Mibanco, they hold stock in 18 other leading microfinance banks in the world and finance 97 microfinance entities. At the end of 2011, the four Triodos microfinance funds held € 360 million in total microfinance assets.

Triodos Investment Management is part of Triodos Bank, an independent bank with branches in the Netherlands, Belgium, the United Kingdom, Spain and Germany. It only funds companies and initiatives that, besides being profitable, improve the people's quality of life and respect nature (www.triodos.com).

INTERNATIONAL FINANCIAL CORPORATION

The International Financial Corporation (IFC), a member of the World Bank, is the largest global development institution exclusively devoted to the private sector in developing countries.

It creates opportunities for people to emerge out of poverty and improve their living conditions. In doing so, it helps countries achieve sustainable growth by financing investments, supplying advisory services to companies and governments, and mobilizing capitals in international financial markets.

IFC's three lines of activity (investment, advisory and asset management services) are mutually complementary and allow for the transfer of global technical knowledge acquired from clients in more than 100 developing countries.

Its three lines of activity also allow it to mobilize resources from its many partners, broadening its capital and available knowledge to improve the quality of life in developing countries. As a result, low-income families have better education and health opportunities. Residents of remote villages are accessing basic services, such as water and energy sources, and small farmers enhance their capacity to sell their produce and profit from global supply chains.

Sustainable development promotion depends more than ever on alliances and innovation, as well as on the capacity to mobilize resources. The IFC has a fundamental role in helping the private sector rise to these challenges. Its investments and advisory services target projects that create jobs and help mitigate climate change, increasing food and health services for the people and giving communities access to potable water, promoting city sustainability and improving conditions in conflict-plagued areas.

During the 2011 fiscal year, in spite of global economic uncertainty, it supported its clients in generating employment, strengthening environmental performance and contributing to their communities. At the same time, its investments reached a record USD 19 billion. Out of this sum, USD 12.2 billion of its own resources were invested in 518 projects in 102 countries, and USD 4.9 billion were aimed at 251 projects in 56 of the neediest countries, with funds from Asociación Interamericana de Fomento. Additionally, it has mobilized USD 6.5 billion to support the private sector in developing countries.

Most of IFC's commitments are in Latin America and the Caribbean (24.5% in FY2011), and include more than USD 3 billion

from its own resources for new private-sector projects. IFC has 85 active projects in its advisory service portfolio, and is a long-term partner that uses its investment products and advisory services to accelerate sustainable development, thus broadening access to financing, promoting infrastructure development, helping the private sector to generate productive jobs, and supplying essential services to traditionally non-served segments of the population.

ACCION INVESTMENTS IN MICROFINANCE, SPC

This is an ACCION International-financed investment company. It is devoted to reducing world poverty through microfinance. ACCION Investments invests in regulated microfinance institutions that fulfill strict efficiency requirements for operations, management and financial strength. Its main shareholders are:

- ACCION International – USA.
- Arthur Rock 2000 Trust – USA
- Belgische Investeringsmaatschappij voor Ontwikkelingslanden NV (BIO) – Belgium.
- BlueOrchard Private Equity Fund, S.C.A., Sicav-Fis – Luxemburg
- Stephen Brenninkmeijer – England.
- Finnish Industrial Cooperation Fund Ltd. (FinnFund) – Finland
- International Financial Corporation (IFC) USA
- Kreditanstalt für Wiederaufbau (KfW) – Germany
- Nederlandse Financierings-Maatschappij voor Ontwikkelingslanden NV, (FMO) – Holland
- Responsibility Sicav (Lux) – Luxemburg.
- Responsibility Global Microfinance Fund – Luxemburg
- Responsibility Bop Investments – Luxemburg
- Hawk Rock Foundation – USA
- Hawk Rock Foundation – USA



Andy Huamán Coicapusa and Diana Soto Ramírez, business advisors. Office: Chilca.

Directors

Senior Directors

ÓSCAR RIVERA RIVERA

With Mibanco since its foundation in May 1998.

Past positions:

- Chairman of the Board of Directors, Mibanco.
- Senior Director of the Steering Council, Grupo ACP, Lima, Peru.
- Senior Director, Aprenda, Lima, Peru.
- Senior Director, Steering Council, Acción Comunitaria del Perú, Lima, Peru.
- President, Peruvian Association of Private Banks (ASBANC), Lima, Peru.
- Chairman of the Board of Directors, Latin American Bank Federation (FELABAN), Bogotá, Colombia.
- Director and Member of the Executive Committee, National Confederation of Private Business Institutions (CONFIEP), Lima, Peru.
- Director, Arquitectura y Diseño NeoArte S.A., Lima, Peru.
- Chairman of the Board, Institute for Training in Banking (IFB), Lima, Peru.

Education:

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

LUIS FELIPE DERTEANO MARIE

With Mibanco since its foundation in May 1998.

Past positions:

- President, Steering Council, Grupo ACP, Lima, Peru.
- Deputy Chairman of the Board of Directors, Mibanco.
- Senior Director, Protecta Cía. de Seguros, Lima, Peru.
- President of the Steering Council, Acción Comunitaria del Perú, Lima, Peru.

- Chairman of the Board of Directors, Tiggres, Lima, Peru.
- Owner/Counselor of Forjadores de Negocios, Mexico City, Mexico.
- Deputy Chairman of the Board, BancoSol, La Paz, Bolivia.
- Chairman of the Board, Microfin, Montevideo, Uruguay.
- Senior Director, Emprenda, Buenos Aires, Argentina.
- Owner/Director, Apoyo Integral, San Salvador, El Salvador.
- Deputy Chairman of the Board, Apoyo Integral Guatemala, Guatemala City, Guatemala.
- Senior Director, Conectá2, San Salvador, El Salvador.
- Second Deputy Chairman of the Board, Financiera El Comercio, Asunción, Paraguay.
- Winner of the Business Excellence Prize awarded by América Economía magazine. Selected as one of the 19-leading business changers of Latin America.
- Co-founder of Global Alliance for Banking on Values (GABV) personally and representing Grupo ACP and Mibanco.
- Member of the Inaugural Steering Council of the Child Finance Initiative, personally and representing Grupo ACP and GABV.

Education:

- Economics, Social Sciences Academic Program – Universidad Nacional Agraria La Molina, Lima, Peru.
- Master's Degree, Agriculture Economics – Universidad Católica de Chile, Santiago de Chile, Chile.

ROBERTO DAÑINO ZAPATA

With Mibanco since March 2007.

Past positions:

- Senior Director, Mibanco.
- Chairman of the Board, Fosfatos del Pacífico S.A., Lima, Peru.
- Senior Director, Cementos Pacasmayo, AFP Integra, Goldfields Inc. (South Africa), Goldfields La Cima, Grupo RPP, and Results for Development (USA).
- Senior Vice President and Legal Advisor, World Bank and Secretary General of ICSID, Washington D.C., USA.

- Prime Minister of Peru and Peruvian Ambassador to the United States of America.
- Shareholder, Wilmer Cutler & Pickering, Washington, D.C., USA.

Education:

- Law – Harvard University Law School, USA.
- Law – Pontificia Universidad Católica del Perú, Lima, Peru.

ALFREDO LLOSA BARBER

With Mibanco since March 2001.

Past positions:

- Senior Director of Mibanco.
- Vice President of the Steering Council, Grupo ACP, Lima, Peru.
- Chairman of the Board, CONECTA, Contact Center, Lima, Peru.
- Senior Director, Protecta Cía. de Seguros, Lima, Peru.
- Owner/Counselor, Forjadores de Negocios, Mexico City, Mexico.
- Senior Director, Microfin, Montevideo, Uruguay.
- Vice President, Steering Council, Acción Comunitaria del Perú, Lima, Peru.
- Senior Director, BancoSol, La Paz, Bolivia.
- Senior Director, Tiggres, Lima, Peru.
- Senior Director, Conectá2, San Salvador, El Salvador.
- Director, Gamesa, Arequipa, Peru.
- Chairman of the Board, Fundades, Lima, Peru.

Education:

- Business Administration – Georgetown University, Washington D.C., USA.
- Master's degree in Latin American Studies with Specialization in Economic Development – Georgetown University, Washington D.C., USA.
- Senior Management Program (PAD) – Universidad de Piura, Lima, Peru.
- Strategic Leadership for Microfinance – Harvard University, Business School – Boston, MA., USA.

JUAN OTERO STEINHART

With Mibanco since November 2003.

Past positions:

- Senior Director, Mibanco.
- Director, Forjadores de Negocios S.A., Mexico City, Mexico.
- Director, BancoSol, La Paz, Bolivia.

LUIS OVALLE GATES

With Mibanco since March 2009.

Past positions:

- Senior Director, Mibanco.
- General Manager, Grupo ACP, Lima, Peru.
- President of Administration Council, Forjadores de Negocios, Mexico City, Mexico.
- CEO, Acción Comunitaria del Perú, Lima, Peru.
- Alternate Director, ACP Vivencia S.A., Lima, Peru.
- Alternate Director, Somos Empresa, Lima, Peru.
- Senior Director, Invierta, Lima, Peru.
- Senior Director, Tiggres S.A., Lima, Peru.
- Alternate Director, CONECTA, Centro de Contacto S.A., Lima, Peru.
- Alternate Director, CSC InnovAcción S.A., Lima, Peru.
- Alternate Director, Aprenda S.A., Lima, Peru.
- Senior Director, Microfin, Montevideo, Uruguay.
- Owner/Director, Sociedad de Ahorro y Crédito Apoyo Integral, San Salvador, El Salvador.
- Alternate Director, Conectá2, San Salvador, El Salvador.
- Alternate Director, Apoyo Integral Guatemala, Guatemala City, Guatemala.

Education:

- Accounting – Universidad San Martín de Porres, Lima, Peru.
- Senior Management Program and Monitoring – Universidad de Piura, Lima, Peru.

MIGUEL PINASCO LIMAS

With Mibanco since 1999.

Past positions:

- Senior Director, Mibanco.
- Executive Director, 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.
- Master's studies in Business Administration and Finance – Universidad del Pacífico, Lima, Peru.
- Senior Management Program – INCAE, Nicaragua.
- Senior Management Program (PAD) – Universidad de Piura, Lima, Peru.

HUGO SANTA MARÍA GUZMÁN

With Mibanco since November 2007.

Past positions:

- Senior Director, Mibanco.
- Shareholder – Manager of Economic Studies – Economist
- Head of Apoyo Consultoría, Lima, Peru.
- Director, APOYO Comunicación Corporativa, Lima, Peru.
- Director, Graña & Montero, Lima, Peru.

Education:

- Economics – Universidad del Pacífico, Lima, Peru.
- Master's Degree and PhD in Economics – Washington University in St. Louis, USA.

MICHAEL EDWARD SCHLEIN

With Mibanco since March 2010.

Past positions:

- Senior Director, Mibanco.
- Alternate Director, BancoSol, La Paz, Bolivia.
- Chairman of the Board and Executive Director, ACCION International, Washington D.C., USA.
- Chairman of the Board, Citigroup, New York, USA.
- Team Leader, U.S. Securities and Exchange Commission, Washington D.C., USA.
- Team Leader, Economic and Financial Affairs of the NY City Hall, USA.
- Financial Director of Mr. Dukakis's presidential campaign in New York, USA.
- Smith Barney Investment Banking Associate, New York, USA.
- Director of: Citibank N.A., USA; the Bank Handlowy, Poland; Citibank Korea, Inc.; Cabinet Meeting of EMEA; Citigroup Foundation; Wildcat Service Corporation; New York Cares.
- Corporate member of the International Affairs Council; member of the Business Council of Sociedad de Asia; member of the NY Financial Committee for U.S. President Barack Obama's presidential campaign, USA.

Education:

- Economics – Phi Beta Kappa – Massachusetts Institute of Technology, USA.
- Master's Degree in Political Science – Phi Beta Kappa – Massachusetts Institute of Technology, USA.
- London School of Economics, London, England.

ALTERNATE DIRECTORS**FERNANDO ARIAS VARGAS**

With Mibanco since March 2007.

Past positions:

- Alternate Director of Mibanco.
- Senior Director of the Steering Council, Grupo ACP, Lima, Peru.
- Chairman of the Board, Aprenda, Lima, Peru.
- Deputy Chairman of the Board, Somos Empresa S.A. Lima, Peru.
- Senior Director of the Steering Council, Acción Comunitaria del Perú, Lima, Peru.
- Alternate Counselor of Forjadores de Negocios S.A., Mexico City, Mexico.
- Chairman of the Board, Minera Andina de Exploraciones S.A.A., Lima, Peru.
- Chairman of the Board, Peruana de Energía S.A.A., Lima, Peru.
- Member of the Institute of Mining Engineers of Peru, Lima, Peru.
- Director of Inmobiliaria EFIA S.A., Lima, Peru.
- Chairman of the Board, Renovables de los Andes SAC, Lima, Peru.

Education:

- Mining Engineering – Michigan Technological University, Michigan, USA.

ESTEBAN ANDRÉS ALTSCHUL

With Mibanco since March 2010.

Past positions:

- Operations Chief Officer, ACCION International, Boston, MA, USA.
- Between 1991 and 2008, he held several positions in the International Financial Corporation (IFC), Washington D.C., USA, including Director of Human Resources, Manager of Corporate Programs, Senior Investment Officer, Team Leader in Eastern and Southern Europe, and Latin America Investment Officer.

ENRIQUE OSVALDO FERRARO

With Mibanco since December 2004.

Past positions:

- Alternate Director, Mibanco.
- Vice President, Banco Solidario, Quito, Ecuador.
- Chairman of the Board, BancoSol, La Paz, Bolivia.
- Director/Manager, ACCION Investment Management Company, LLC.
- Director/Manager, ACCION, Investments in Microfinance, SPC, Boston, MA, USA.
- Alternate Director, Banco Popular, Tegucigalpa, Honduras.

Education:

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

Management

JOSÉ CASTILLO DEZA

With Mibanco since June 2001.

Past positions:

- General Manager, Mibanco.
- Manager, Management Monitoring and Finance Division, Mibanco.
- Manager, Special Projects, Banco Wiese Sudameris, Lima, Peru.
- General Accountant/Manager, Banco Wiese Ltd., Lima, Peru.
- Central Assistant Manager of Finance and Tax Accounting at Banco Wiese Ltd., Lima, Peru.

Education:

- Accounting. Certified Public Accountant – Universidad Ricardo Palma, Lima, Peru.
- CEO's Management – Kellogg School of Management, Chicago, USA.
- Senior Management Programs in Finance – ESAN, Lima, Peru.
- Senior Management Development Programs – Universidad de Piura, Piura, Peru.
- CFOs' Executive Program – The University of Chicago Booth School of Business, USA

RAFAEL LLOSA BARRIOS

With Mibanco until June 2011.

Past positions:

- General Manager at Mibanco.
- Chairman of the CEO's Committee of the Peruvian Association of Private Banks (ASBANC), Lima, Peru.
- Director, Wiese Inversiones Financieras S.A., Lima, Peru.
- Director, Wiese Sudameris Fondos SAF, Lima, Peru.
- Director, Mibanco (2001 - 2002), Lima, Peru.
- General Manager, Inversiones Mobiliarias S.A., Lima, Peru.
- Manager, Capital Market Division, Banco

Wiese Sudameris, Lima, Peru.

- Financial Manager, Banco de Lima, Lima, Peru.
- Treasury Manager, Banco Santander Peru, Lima, Peru.

Education:

- Law and Political Sciences – Universidad de Lima, Lima, Peru.
- HBS-ACCION Program on Strategic Leadership for Microfinance, Harvard Business School, USA.

FERNANDO BALBUENA FAVARATO

With Mibanco since April 2004.

Past positions:

- Manager, Marketing Division, Mibanco.
- Manager, Personal Banking and Marketing Division, Banco Sudamericano, Lima, Peru.
- Assistant Manager, Distribution and Sales, Banco de Crédito BCP, Lima, Peru.
- Assistant Manager for Economic Analysis, Credibolsa, Sociedad Agente de Bolsa, Lima, Peru.
- Assistant Manager of Operations (Finance and Administration) of the National Compensation and Social Development Fund (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 until November 2011.

Past positions:

- Manager of the Human Resources Division at Mibanco.
- She has 20 years of experience in human resources management with Peruvian financial businesses.

Education:

- Bachelor's Degree in Industrial Affairs – Universidad de San Martín de Porres, Lima, Peru.

- Master's Degree in Strategic Business Management – Centro de Negocios de la Pontificia Universidad Católica del Perú – CENTRUM, Lima, Peru.
- Certified Consultant in Institutional Transformation by the Leading Consultation Master's Program – IFSI Paris, France, and MPhil Business School of Hull University, England.
- Senior Management Program – Universidad de Piura, Lima, Peru.
- Advanced Workshop on Leadership held by the Women's World Banking (WWB) and the Wharton's Aresty Institute of Executive Education at University of Pennsylvania, Philadelphia, USA.

MIGUEL GONZÁLES VARGAS

With Mibanco since May 1998.

Past positions:

- Manager, Division of Micro and Small Enterprises, Mibanco.
- Manager for Microenterprises at Mibanco.
- Head of Business Management at Mibanco.
- Regional Head of the Business Division at Mibanco.

Education:

- Business Administration – Universidad Nacional Mayor de San Marcos, Lima, Peru.
- Master's Degree in Business Administration – Universidad de Piura, Piura, Peru.
- Management Program – Universidad de Monterrey, Mexico.
- Specialization in Marketing and Business – Kellogg School of Management, Chicago, USA.

ROBERTO GONZÁLES PERALTA

With Mibanco since June 2008.

Past positions:

- Manager, Service Banking Division, Mibanco.
- Head of Channel and Process Planning Services (Marketing Division) at Banco de Crédito BCP, Lima, Peru.
- Regional Head of Service Channels (Service

- Banking Division) at Banco de Crédito BCP.
- Head of Permanent Improvement Service (Quality Area) at Banco de Crédito BCP.

Education:

- Business Administration – Universidad de Piura, Piura, Peru.
- Master's Degree in Business Management – Universidad de Piura, Piura, Peru.
- Master's studies in Banking and Financial Business – ESAN, Lima, Peru.

LEONEL HENRÍQUEZ CARTAGENA

With Mibanco since January 2009.

Past positions:

- Risk Management Division Manager, Mibanco.
- Risk Management Executive Vice President at Interbank, Lima, Peru.
- Commercial Management Executive Vice President at Interbank, Lima, Peru.
- Commercial Risk Management Manager at Corp. Group Interhold Chile S.A., Santiago de Chile, Chile.
- Central Manager of Risk Management at Banco Santander Central Hispano, Lima, Peru.
- Financial Risk and Branch Manager at Banco Santander Chile, Santiago de Chile, Chile.
- Assistant Manager of South Area Risk Department at Banco Santander Chile, Santiago de Chile, Chile.

Education:

- Economic and Administrative Sciences – Universidad de Chile, Santiago de Chile, Chile.
- Commercial Engineering – Universidad de Chile, Santiago de Chile, Chile.
- Accounting - Auditor – Universidad de Chile, Santiago de Chile, Chile.

CAROLINA BENAVIDES PIAGGIO

With Mibanco since September 2010.

Past positions:

- Manager of the Human Capital Division at Mibanco.
- Columnist at "El Comercio" newspaper editorial, Lima, Peru.
- Executive Director at Nexos Voluntarios y NeVo Consultores, Lima, Peru.
- Coordinator at Harvard Program in Refugee Trauma, Cambridge, USA.
- Research Head in Facetas Program, run by the Peruvian National Channel and the Office of the President of the Republic, Lima, Peru.
- Head of the Psychology and Social Research Department at "Wayna Warmi", Merck Lab, Lima, Peru.
- Coordinator of Tutoring Service for refugee and handicapped students at Westminster Kingsway College, London, England.

Education:

- Clinical Psychology – Universidad Femenina del Sagrado Corazón, Lima, Peru.
- Master's Degree in Psychoanalytical Theories – University College London, London, England.

LUZ MARÍA BOZA LLOSA

With Mibanco since December 2009.

Past positions:

- Manager, Risk Management Division, Mibanco.
- Manager, Risk Management and Monitoring Division, Mibanco.
- Manager, Personal Banking and Small Enterprise Management and Monitoring Division at Interbank, Lima, Peru.
- Manager for Products and Services for Businesses at Interbank, Lima, Peru.
- 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.

ANA BRUCKMANN CORVERA

With Mibanco since May 1998.

Past positions:

- Manager of the Micro Enterprise and Entrepreneurship Banking Division, Mibanco.
- Regional Head for Businesses, Mibanco.
- Office Administrator at Mibanco.
- Office Assistant Administrator at Mibanco
- Business Consultant at Mibanco.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- Master's Degree in Institutional Management in Microfinance – Universidad del Pacífico, Lima, Peru.
- Senior Management Program in Microfinance – ESAN, Lima, Peru.

ROSSANA CHASSELOUP LÓPEZ

With Mibanco since September 2009.

Past positions:

- Manager, Legal Counsel Division and General Secretariat, Mibanco.
- Legal Counsel, Banco Financiero del Perú, Lima, Peru.
- Assistant Manager, Legal Counsel Division at Wiese Sudameris, Lima, Peru.
- Legal Counsel, Foreign Debt Office, Peruvian Ministry of Economy and Finance, Lima, Peru.
- Legal Counsel, Development Finance Corporation (COFIDE), Lima, Peru.

Education:

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

ANTONIO CHUMACERO SÁNCHEZ

In Mibanco since January 2010.

Past positions:

- Manager, Risk Management and Monitoring, Mibanco.
- Head, Monitoring and Risk Models, Mibanco.
- Assistant Manager, Personal Banking Management and Monitoring at Interbank, Lima, Peru.
- Head of Personal Banking Management and Monitoring, Interbank, Lima, Peru.
- Head for Credit Risk at Banco Ripley, Lima, Peru.
- Analyst for Credit Risk at Banco Ripley, Lima, Peru.
- Analyst for Customer Service Management, Telefónica del Perú, Lima, Peru.
- Assistant for Quality Insurance and Projects, Industrias del Envase, Corporación Backus, Lima, Peru.

Education:

- Industrial Engineering – Pontificia Universidad Católica del Perú, Lima, Peru.
- Master's Degree in Corporate Finance – ESAN, Lima, Peru.

JOSÉ JULIO DELGADO CONTRERAS

With Mibanco since January 2003.

Past positions:

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

Education:

- Associated Public Accountant – Universidad Ricardo Palma, Lima, Peru.
- Specialization in Financial Auditing – Association of Certified Public Accountants of Lima, Lima, Peru.
- Executive MBA – Universidad San Ignacio de Loyola, Lima, Peru.

CÉSAR FERNÁNDEZ FERNÁNDEZ

With Mibanco until November 2011.

Past positions:

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

Education:

- Economics – Garcilazo de la Vega University, Lima, Peru.
- Senior Management Program in Marketing – ESAN, Lima, Peru.
- Master's Degree in Business Management and Administration – Universidad de Tarapacá, Chile.

EDUARDO FRANCO ÁGUILA

With Mibanco since February 2003.

Past positions:

- Operations Manager at Mibanco.
- Operations Assistant Manager at Solución Financiera de Crédito del Perú, Lima, Peru.
- Head of Operations (San Isidro Office) at Banco de Crédito BCP, Lima, Peru.

Education:

- Economics – Ricardo Palma University, Lima, Peru.
- Master's Degree in Business Administration – Universidad de Piura, Piura, Peru.
- Leadership Diploma – UPC (underway)

JAVIER GUINASSI PORTUGAL

With Mibanco until July 2011.

Past positions:

- Small Enterprise Banking Manager, Mibanco.
- Manager, Asset Financing, HSBC Bank Peru, Lima, Peru.
- Mortgage Manager at Interbank, Lima, Peru.
- South Zone Manager at Interbank, Lima, Peru.

Education:

- Bachelor's Degree in Economics – Universidad Católica Santa María, Arequipa, Peru.
- Specialization in Financial Management – Universidad de Tarapacá, Chile.
- Senior Management Program in Finance – ESAN, Lima, Peru.
- Activity Based Costing –Harvard University, USA.

MARCO LÚCAR BÉRNINZON

With Mibanco until October 2011.

Past positions:

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

Education:

- Master's studies in Mechanical Engineering – Escuela Naval del Perú, Lima, Peru.
- Master's Degree in Business Administration – Universidad del Pacífico, Lima, Peru.

MARÍA DEL PILAR MARTÍNEZ RUBIO

With Mibanco since December 2000.

Past positions:

- General Accountant at Mibanco.
- Officer of Expenses Monitoring of the Accounting Department and in charge of implementing the accounting manual of the Superintendence of Banking and Insurance (SBS) and Caja Metropolitana, Lima, Peru.
- Head of the Statistical and Financial Statements Division of the Accounting Department at Banco de Comercio, Lima, Peru.

Education:

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

JUAN MANUEL MORGAN OCHOA

With Mibanco since December 2011.

Past positions:

- Territory Manager, Mibanco. (South Area)
- General Manager at CCQ S.A.C., Lima, Peru.
- Regional Manager at Interbank (South Area), Lima, Peru.
- Office Manager at Interbank, Lima, Peru.
- Business Executive at Interbank, Lima, Peru.
- Officer for Lima Corporate Banking Businesses at Interbank, Lima, Peru.
- Credit Analyst for Lima Corporate Banking at Interbank, Lima, Peru.
- Commercial Officer for Enterprise Banking at Interbank, Lima, Peru.

Education:

- Accounting and Administration – Universidad Nacional San Agustín, Arequipa, Peru.
- Economics – Universidad Nacional San Agustín, Arequipa, Peru.
- Diploma in Strategic Management in Banking and Finance – Universidad del Pacífico, Lima, Peru.
- Master's Degree in Administration – Universidad del Pacífico, Lima, Peru.

GUILLERMO NEVADO RIOJA

With Mibanco since December 2011.

Past positions:

- Management Methodology Manager at Mibanco.
- Lima Regional Head at Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru.
- Administrative Assistant Manager at Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru.
- Credit Assistant Manager at Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru.
- Regional Head in Arequipa and Lima at Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru
- Operations Assistant Manager at Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru
- Branch Administrator at the headquarters in Arequipa of Caja Municipal de Ahorro y Crédito de Arequipa, Arequipa, Peru.

Education:

- Business Administration – Universidad Particular de Piura, Piura, Peru.
- Internship at Cajas de Ahorro de Alemania, Mannheim, Germany.
- Diploma in Strategic Management in Finance – Universidad del Pacífico, Lima, Peru.
- MBA in Finance – ESAN, Lima, Peru.
- Seminar at ESADE, Spain by ESAN.

CARLOS OLAZÁBAL CHUMÁN

With Mibanco until November 2011.

Past positions:

- Manager of the Planning and Finance Division at Mibanco.
- Head of Finance and Management Monitoring at Mibanco.

Education:

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

ENRIQUE OREZZOLI MORENO

With Mibanco since December 2011.

Past positions:

- Territory Manager at Mibanco (North Area).
- Consultant in Microfinance at Development Alternatives Inc. Mexico City, Mexico.
- Small Enterprise Banking Manager at Interbank, Lima, Peru.
- Credit Manager at Caja Municipal de Ahorro y Crédito de Trujillo, Trujillo, Peru.
- Credit Supervisor at Caja Municipal de Ahorro y Crédito de Trujillo, Trujillo, Peru.
- Credit Analyst at Caja Municipal de Ahorro y Crédito de Trujillo, Trujillo, Peru.

Education:

- Economics – Universidad Nacional de Trujillo, Trujillo, Peru.
- Master's Degree in Business Administration – Universidad Nacional de Trujillo, Trujillo, Peru.
- MBA in Finance – ESAN, Lima, Peru.

JESSICA PACHECO LENGUA

With Mibanco since December 2002.

Past positions:

- Territory Manager, Mibanco.
- Regional Business Head, Mibanco.
- Regional Manager, Forjadores, Mexico.
- Regional and Metropolitan Area Manager at Banco Compartamos, Mexico.
- Branch Administrator of Acción Comunitaria del Perú, Lima, Peru.

Education:

- Economics – Ricardo Palma University, Lima, Peru.
- PADE - Finance – ESAN, Lima, Peru.
- Master's Degree in Finance – Universidad de Las Américas, Puebla, Mexico

RAMIRO POSTIGO CASTRO

With Mibanco since January 2003.

Past positions:

- Treasury Manager at Mibanco.
- Assistant Treasury Manager at Banco Nuevo Mundo, Lima, Peru.
- Capitals Market and Distribution Manager at NBK Bank, Lima, Peru.
- Treasury Manager at Banco del Progreso, Lima, Peru.

Education:

- Economics – Universidad Ricardo Palma, Lima, Peru.
- European Master's Degree in Strategic Financial and Administrative Management – Graduate School of Universidad Peruana de Ciencias Aplicadas (UPC) Lima, Peru.
- Management Diploma in Finance and Administration – EOI Business School, Madrid, Spain.
- Studies in Finance and Treasury – Harvard University Extension School – Cambridge, Massachusetts, USA.

- The CFO's Executive Program – The University of Chicago Booth school of Business, USA
- Master's Degree in Business Administration – Graduate School of Universidad Peruana de Ciencias Aplicadas (UPC) Lima, Peru.
- MBA in Business Administration – Graduate School of Universidad Peruana de Ciencias Aplicadas (UPC) Lima, Peru.

DANTE TORRES MARTÍNEZ

With Mibanco since March 2004.

Past positions:

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

Education:

- Associated Certified Public Accountant - Universidad de Lima, Lima, Peru.
- Certified in Internal Auditing – The Institute of Internal Auditors, Florida, USA.
- Certified in Control Self-Assessment – The Institute of Internal Auditors, Florida, USA.
- Senior Management Program in Finance – ESAN, Lima, Peru.
- Master's Degree in Finance – Universidad del Pacífico, Lima, Peru.
- Master's Degree in Auditing – Universidad del Pacífico, Lima, Peru.
- Master's studies in Business Administration – Universidad del Pacífico, Lima, Peru.

FRANCISCO VARGAS PERALTA

With Mibanco since December 2011.

Past positions:

- Manager, Planning and Commercial Intelligence, Mibanco.
- Manager, Local Branches at Scotiabank, Lima, Peru.
- Commercial Head at Mibanco, Lima, Peru.
- Manager, Mortgage and Real Estate at Banco Santander Perú, Lima, Peru.
- Branch Manager at Banco Santander Perú, Lima, Peru.
- Assistant Manager of the Enterprise Banking Division at Banco Santander Perú, Lima, Peru.
- Assistant Manager for Businesses at Banco Financiero del Perú's Branch Network, Lima, Peru.
- Head of Local Branches at Interbank, Lima, Peru.
- Head of Branches at Interbank, Lima, Peru.

Education:

- Bachelor's Degree in Management Engineering – Universidad Inca Garcilaso de la Vega, Lima, Peru.
- Management Development Program for Executives – Universidad de Piura, Lima, Peru.
- Master's Degree in Business – ESAN, Lima, Peru.
- Master's studies in Corporate Responsibility and Sustainability – Pontificia Universidad Católica del Perú/EADA Spain.

MARÍA LUZ ZEGARRA SEMINARIO

With Mibanco since August 2010.

Past positions:

- Banking Product Manager, Mibanco.
- Enterprise Banking Division Manager at Banco Interamericano de Finanzas, Lima, Peru.
- Enterprise Banking Division Manager at Interbank, Lima, Peru.
- Enterprise Banking Division Manager and Branch Network Manager at Interbank, Lima, Peru.
- Lima Branch Network Manager at Interbank, Lima, Peru.
- Money Market Manager at Interbank's Branch Network, Lima, Peru.

Education:

- Business Administration – Universidad Ricardo Palma, Lima, Peru.
- Master's Degree in Business Administration – ESAN, Lima, Peru.
- Management Competence Program – Universidad de Piura, Lima, Peru.
- Commercial Management Program – Universidad de Piura, Lima, Peru.
- Management Development Program – Universidad de Piura, Lima, Peru.



Guillermo Gutiérrez Paravecino,
corporate finance supervisor, and
Miguel Vélez Peralta, management
control head.



ANNUAL REPORT 2011

FINANCIAL STATEMENTS

As of December 31, 2011 and 2010,
together with the Independent
Auditors' Report



Mibanco, Banco de la Microempresa S.A.

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2011 AND 2010, TOGETHER
WITH THE INDEPENDENT AUDITORS' REPORT

Contents

- Independent Auditors' Report
- Financial Statements
 - Balance Sheet
 - Statement of profits and losses
 - Statement of changes in stockholders' equity
 - Statement of cash flows
 - Notes to financial statements

Dictamen de los auditores independientes

A los señores 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 2011 y de 2010, y los correspondientes estados de ganancias y pérdidas, de cambios en el patrimonio neto y de flujos de efectivo por los tres años terminados el 31 de diciembre de 2011, de 2010 y de 2009, 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 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 basada en nuestras auditorías. Nuestra auditoría fue realizada de acuerdo con normas de auditoría generalmente aceptadas en el Perú. Tales normas requieren que cumplamos con requerimientos éticos y planifiquemos y realicemos la auditoría para obtener una seguridad razonable de que los estados financieros están libres de errores materiales.

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, e incluyen la evaluación del riesgo de que los estados financieros contengan errores materiales, 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.



Dictamen de los auditores independientes (continuación)

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

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 2011 y de 2010; así como los resultados de sus operaciones y sus flujos de efectivo por los tres años terminados el 31 de diciembre de 2011, de 2010 y de 2009, de acuerdo con las normas contables establecidas por la Superintendencia de Banca, Seguros y AFP (SBS) para las entidades financieras en el Perú.

Lima, Perú,
13 de febrero de 2012

*Medina, Zaldivar, Paredes
& Asociados*

Refrendado por:

A handwritten signature in black ink, appearing to read 'Fernando Núñez Pazos', written over a horizontal line.

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

Balance Sheet

As of December 31, 2011 and 2010

	Note	2011 S/.(000)	2010 S/.(000)
Assets			
Available assets	4		
Cash and cash equivalents		201,245	134,301
Deposits in the Central Reserve Bank of Peru		261,783	268,911
Deposits in local and foreign banks		44,926	235,918
Accrued Returns		12	310
		<u>507,966</u>	<u>639,440</u>
Inter-bank funds		78,136	30,005
Marketable investments available for sale	5	365,529	9,570
Loan portfolio, net	6	3,974,051	3,509,758
Property, furniture and equipment	7	127,048	122,288
Deferred assets for income tax, net:	13(e)	35,424	32,483
Other assets, net:	8	66,427	64,892
		<u>5,154,581</u>	<u>4,408,436</u>
Total Assets			
Memoranda accounts	14		
Contingent debt		374,544	300,295
Debit memoranda accounts		2,931,338	1,983,906
		<u>3,305,882</u>	<u>2,284,201</u>

The enclosed notes to the financial statements are an integral part of the balance sheet.

	Note	2011 S/.(000)	2010 S/.(000)
Liabilities and Shareholders' Equity			
Obligations with the public	9	3,630,618	2,827,367
Inter-bank funds		13,196	-
Deposits from companies within the financial system		169,613	299,394
Short-term financial debts and obligations	10	202,957	321,492
Long-term financial debts and obligations	10	410,516	428,925
Outstanding shares, securities and obligations	11	12,558	39,478
Other liabilities	8	108,140	101,649
Total liabilities		<u>4,547,598</u>	<u>4,018,305</u>
Shareholders' Equity			
	12		
Capital stock		343,010	244,764
Additional capital		96,250	-
Legal reserve		55,200	45,485
Voluntary reserve		2,681	2,681
Unrealized income		419	58
Retained earnings		109,423	97,143
Total Shareholders' Equity		<u>606,983</u>	<u>390,131</u>
Total Liabilities and Shareholders' Equity		<u>5,154,581</u>	<u>4,408,436</u>
Memoranda accounts			
	14		
Contingent credit accounts		374,544	300,295
Credit memoranda accounts		2,931,338	1,983,906
		<u>3,305,882</u>	<u>2,284,201</u>

Statement of profits and losses

For the years ended on December 31, 2011, 2010 and 2009

	Note	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Financial income	15	987,869	936,827	841,783
Financial expenses	15	(206,242)	(165,657)	(176,177)
Gross financial margin		781,627	771,170	665,606
Provision for doubtful loans	6(f)	(440,933)	(421,748)	(272,544)
Provision for non-recoverable loans	6(f)	169,906	152,889	48,705
		<u>(271,027)</u>	<u>(268,859)</u>	<u>(223,839)</u>
Financial margin, net		510,600	502,311	441,767
Income from financial services		71,280	64,215	46,296
Expenses for financial services		<u>(2,628)</u>	<u>(8,764)</u>	<u>(4,572)</u>
Operating margin		579,252	557,762	483,491
Administrative expenses				
Personnel expenses	16	(279,242)	(255,665)	(208,742)
Expenses for third-party services	17	(151,371)	(145,657)	(114,805)
Taxes and contributions		<u>(4,485)</u>	<u>(3,820)</u>	<u>(3,363)</u>
		<u>(435,098)</u>	<u>(405,142)</u>	<u>(326,910)</u>
Operating margin, net		144,154	152,620	156,581
Provisions, depreciation and amortization				
Depreciation of property, furniture and equipment	7(a)	(19,241)	(19,124)	(16,579)
Amortization of intangibles	8(b)	(4,571)	(2,552)	(2,069)
Provisions for contingencies, other accounts receivable and others		<u>(3,494)</u>	<u>(8,763)</u>	<u>(9,045)</u>
		<u>(27,306)</u>	<u>(30,439)</u>	<u>(27,693)</u>
Income from operations		116,848	122,181	128,888
Other income, net	18	<u>35,137</u>	<u>18,552</u>	<u>13,888</u>
Earnings before income tax		151,985	140,733	142,776
Income tax	13(f)	<u>(42,562)</u>	<u>(43,590)</u>	<u>(45,687)</u>
Net earnings		<u>109,423</u>	<u>97,143</u>	<u>97,089</u>
Earnings per share (in nuevos soles)	19	<u>0.363</u>	<u>0.325</u>	<u>0.324</u>
Weighted average of the number of outstanding shares (in thousands of units)	19	<u>301,298</u>	<u>299,260</u>	<u>299,260</u>

The enclosed notes to the financial statements are an integral part of the balance sheet.

Statement of changes to Net Shareholders' Equity

For the years ended on December 31, 2011, 2010 and 2009

	Number of shares (in thousands)	Company capital S/.(000)	Additional capital S/.(000)	Legal reserve S/.(000)	Optional reserve S/.(000)	Unrealized gains S/.(000)	Accumulated profits S/.(000)	Total S/.(000)
Balance as of January 1, 2009	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)	-
Net non-realized income, net of provision for permanent deterioration	-	-	-	-	-	449	-	449
Payment of dividends, note 12(d)	-	-	-	-	-	-	(29,752)	(29,752)
Net earnings for the year	-	-	-	-	-	-	97,089	97,089
Balance as of December 31, 2009	186,764	186,764	-	35,523	2,681	449	97,089	322,506
Transfer to legal reserve, note 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 income, net of realized loss	-	-	-	-	-	(391)	-	(391)
Payment of dividends, note 12(d)	-	-	-	-	-	-	(29,127)	(29,127)
Net earnings for the year	-	-	-	-	-	-	97,143	97,143
Balance as of December 31, 2010	244,764	244,764	-	45,485	2,681	58	97,143	390,131
Transfer to legal reserve, note 12(b)	-	-	-	9,715	-	-	(9,715)	-
Capitalization of earnings, note 12(a)	54,496	54,496	-	-	-	-	(54,496)	-
Capital contribution, note 12 (c)	43,750	43,750	96,250	-	-	-	-	140,000
Unrealized net gain from investments available for sale, note 5	-	-	-	-	-	361	-	361
Application of profit sharing deferred to accumulated income	-	-	-	-	-	-	(5,414)	(5,414)
Payment of dividends, note 12(d)	-	-	-	-	-	-	(27,518)	(27,518)
Net earnings for the year	-	-	-	-	-	-	109,423	109,423
Balance as of December 31, 2011	<u>343,010</u>	<u>343,010</u>	<u>96,250</u>	<u>55,200</u>	<u>2,681</u>	<u>419</u>	<u>109,423</u>	<u>606,983</u>

The enclosed notes to the financial statements are an integral part of the balance sheet.

Statement of cash flows

For the years ended on December 31, 2011, 2010 and 2009

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Cash flow from operations			
Net earnings	109,423	97,143	97,089
Adjustments to reconcile net income with net cash from operations			
Plus (minus)			
Provision for doubtful loans, net recoveries	271,027	268,859	223,839
Depreciation and amortization	23,812	21,676	18,648
Provision for impairment of investments available for sale	-	-	(38)
Other, net	7,521	5,931	5,064
Debits and credits due to net changes in assets and liabilities			
Other assets	10,991	(37,971)	(36,504)
Other liabilities	4,738	25,640	24,626
Net cash from operations	<u>427,512</u>	<u>381,278</u>	<u>332,724</u>
Cash flow from investment activities			
Acquisition of intangibles	(13,366)	(8,975)	(5,075)
Acquisition of property, furniture and equipment	(24,562)	(45,900)	(36,206)
Net cash used for investment activities	<u>(37,928)</u>	<u>(54,875)</u>	<u>(41,281)</u>

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Cash flow from financing activities			
Net increase in loan portfolio	(737,928)	(860,293)	(695,794)
Net increase (decrease) of debit inter-bank funds	(48,131)	48,246	(63,248)
Net (increase) decrease in investments available for sale	(355,501)	248,319	(159,213)
Net increase of investment in subsidiaries and related companies	-	-	-
Net increase in deposits and obligations	802,112	537,534	711,507
Net increase in inter-bank deposits	13,196	-	-
Net (decrease) increase in deposits from companies in the financial system	(129,781)	108,592	(68,121)
Net (decrease) increase in indebtedness and other financial obligations	(134,214)	20,716	(11,417)
Net (decrease) increase in outstanding shares, securities and obligations	(26,758)	(47,176)	(35,043)
Payment of dividends	(27,518)	(29,127)	(29,752)
Capital contribution	123,465	-	-
Net cash used for financing activities	<u>(521,058)</u>	<u>26,811</u>	<u>(351,081)</u>
Net (decrease) increase of cash and cash equivalents	(131,474)	353,214	(59,638)
Opening cash and cash equivalent balance	<u>639,440</u>	<u>286,226</u>	<u>345,864</u>
Closing cash and cash equivalent balance	<u><u>507,966</u></u>	<u><u>639,440</u></u>	<u><u>286,226</u></u>

The enclosed notes to the financial statements are an integral part of the balance sheet.

Notes to financial statements

For the years ended on December 31, 2011, 2010 and 2009

1. Economic activity

Mibanco, Banco de la Microempresa S.A. (hereinafter "the Bank") is a subsidiary of Grupo ACP Inversiones y Desarrollo, which owns 60.68 and 60.07 percent of its common stock as of December 31, 2011 and 2010, respectively. Note 12 (a). The Bank is a corporation that was established in Peru on March 2, 1998.

The Bank's objective is to carry out transactions as are typical of a banking company, preferably targeting the micro and small business sector. The Bank's operative transactions are governed by the General Law of the Financial and Insurance System, and Organic Law of the Superintendence of Banking and Insurance (SBS) (hereinafter, the "Bank Law") – Public Law N°26702, which sets forth the requirements, rights, obligations, guarantees, restrictions and other operating conditions to which the juridical persons governed by private law operating in the financial and insurance system are subjected. The Bank is authorized to operate as a multiple bank by the Superintendence of Banking, Insurance and Pension Fund Administration Companies (AFP) (hereinafter, "SBS"), pursuant to the legal regulations in force in Peru. As such, the Bank is authorized to accept deposits from

third parties and invest them together with its capital, in the purchase of credits and securities, to provide guarantees and warrants, perform financial intermediation transactions, provide banking services and engage in other activities allowed by the Bank Law.

The Bank's legal address is Av. Domingo Orué 165, Surquillo, Lima, Peru. As of December 31, 2011 and 2010, the Bank operated 117 and 111 offices in Lima and interior regions of the country, respectively.

The Financial Statements as of December 31, 2010, and for the year ended on that date, were approved at the Bank's Annual General Mandatory Shareholders' Meeting, held on March 17, 2011. The Financial Statements as of December 31, 2011, for the year ended on this date, were approved by Management and the Board on January 12 and 19, 2012, respectively, and will be submitted for approval before the Annual General Mandatory Shareholders' Meeting, within the term established by law. In the opinion of Management, the attached financial statements will be approved by the Annual General Mandatory Shareholders' Meeting without modification.

2. Accounting principles and practices

In preparing and presenting the enclosed financial statements, the Bank's Management has complied with SBS regulations in force in Peru as December 31, 2011 and 2010. We present below the main accounting principles used in preparing the Bank's financial statements:

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

(i) Bases for presentation and use of estimates

The enclosed financial statements were prepared in nuevos soles based on accounting records pursuant to SBS regulations and, as a complement, International Financial Reporting Standards (IFRS), adopted in Peru by the Regulatory Accounting Council (hereinafter, "CNC", for the Spanish acronym) and in force as of December 31, 2011 and 2010.

The preparation of the enclosed financial statements requires Management to engage in estimates that affect the reported assets and liabilities' figures, as well as those concerning the revenues and expenses and the disclosure of significant events in the notes to the financial statements. The final results may differ from such estimates. The estimates are regularly evaluated and are based on historical experience and other factors. The most significant estimates concerning the enclosed financial statements relate to the provision for collection of doubtful

loans, the valuation of investments, estimations of useful life and recovery value of properties, furniture, equipment and intangible goods, the provision for tradable goods, received in payment and already repossessed and deferred income taxes, the accounting criteria for all of which are described in this note.

(ii) Changes in accounting principles

At the meeting for the International Financial Reporting Standards Interpretations Committee (IFRIC), hereinafter the "Council", held on November 2010, it was concluded that workers' profit sharing should be registered pursuant to IAS 19 "Employee Benefits" and not under IAS 12 "Income Taxes." Consequently, an entity is obligated to recognize a liability only when the employee has provided his/her services, and consequently, under this consideration, deferred workers' profit sharing should not be calculated for time differences, because those would reflect future services that should not be regarded as obligations or rights under IAS 19. In Peru, the practice enforced was to compute and record the deferred workers' profit sharing. On January 21, 2011, the SBS issued Multiple Letter N° 4049-2011, adopting the IFRIC interpretation as of January 2011.

The changes applied by the Bank after the accounting treatment was established by the SBS are described below:

- Employees' profit sharing for services rende-

red during the year will be registered as personnel expenses in the statement of profits and losses, without creating deferred assets and liabilities under such concept. As a consequence of adopting this criterion, a worker's profit sharing expense was entered for an amount of approximately S/.8,455,000, included under the "Personnel Expenses" line item of the statement of profits and losses for the year ended on December 31, 2011.

- Adopting the new accounting treatment will result in cancelling the deferred assets and liabilities for workers' profit sharing and recalculating the assets and liabilities for deferred income tax using the 30% income tax rate. The net effect of such cancelling and recalculation totaled approximately S/.5,414,000, which appears under the "Accumulated Profits" line item on the Statement of changes on net shareholders' equity.

(b) Financial instruments

Financial instruments are classified as assets, liabilities or equity depending on the substance of the contract agreement from which they originate. Interests, dividends, and profits and losses created by a financial instrument classified as an asset or liability are recorded as revenues or expenses. Financial instruments are settled when the Bank has the legal right to settle them and Management expects to pay them on a net basis, or realize assets and pay the liability simultaneously.

Financial assets and liabilities presented in the balance sheet correspond to availabilities,

inter-bank funds, investments available for sale, loan portfolio, accounts receivable (included in the "Other assets, net" line item), and generally liabilities, except for income tax deferred liability. Likewise, all indirect credits are regarded as financial instruments. Accounting policies concerning the recognition and valuation of these items are disclosed in the respective accounting policies described in this note.

(c) Recognition of revenue and expenses –

Revenue and expenses from interest are recorded under the results for the period when they accrue, as a function of the time period of the transactions that generate them and the interest rates freely agreed upon with clients, except for interest generated by past due credits, rescheduled and legal collection loans, and credits classified as doubtful or loss, which are recognized as revenue as they accrue. When Management determines the financial condition of the borrower has improved, the loan is reclassified from its condition to normal, potential problems or deficient loans, and the interest is recognized again as it accrues.

Income from interests includes yields from fixed income investments, as well as recognition of discount and premiums on financial instruments. Dividends are recorded as revenue when declared. Commissions for financial services are recognized as revenue when earned.

Other revenue and expenses are recognized as earned or incurred in the period when they accrue.

(d) Loan portfolio and provision for doubtful loans - Direct credits are entered when funds are disbursed to clients.

Indirect (contingent) credits are entered when the document supporting such credit facilities are issued. Rescheduled placements are those for which the repayment schedule and/or amount of the initial placement is modified as consequence of the borrower's impediment to pay.

Leasing transactions are accounted for using the financial method and the capital for the leased installments pending of payment are entered as placements. As of December 31, 2011 and 2010, the provision for the doubtful loans was established following the criteria set forth by Resolution SBS N° 11356-2008 "Regulations for the assessment and classification of the borrower and provisioning requirements" (in regard to the application of the procyclical rule) and Resolution SBS N° 6941-2008 "Regulations for over indebtedness risk management concerning retail borrowers." Pursuant to Resolution SBS N° 11356-2008, the loan portfolio is classified as retail borrowers and non-retail borrowers. Retail borrowers include individuals or companies holding direct and indirect credits classified as consumer (revolving and non-revolving), loans to micro enterprises, small enterprises or residential mortgage loans. Meanwhile, non-retail lenders are individuals or companies who hold direct or indirect credits awarded to corporations and large and medium-sized companies.

Likewise, Management periodically reviews and analyzes the loan portfolio and classifies it as normal, potential problem, deficient, doubtful, or loss depending on the degree of each individual borrower's default risk.

For loans to non-retail borrowers, classification in one of the above mentioned categories takes into account, among others, the following factors: the individual borrower's payment record, its track record of commercial relationships with the borrower's management, the transactions' track record, the borrower's repayment capacity and availability of funds, the collateral and guarantee condition, the analysis of the borrower's financial statements, the borrower's risk with other market financial institutions, as well as other relevant factors.

For loans awarded to retail borrowers, the classification is based principally on delay to repay.

As of December 31, 2011 and 2010, the calculation of provisioning for indirect loans, which may be 0, 25, 50 and 100 percent, depending on the type of loan, was determined based on the credit conversion factor. As of June 2010, the calculation of provisioning for indirect loans was performed based on the total amount of such credits.

The calculation of provisioning for direct loans is performed based on the classification made and specific percent rates, which may vary depending on whether or not the loans are backed by preferred self-liquidating guarantees, (CGPA - cash deposits and rights associated with

stand-by letters of credit), or readily available preferred guarantees (public debt instruments such as treasury bonds issued by the Central Government of Peru and movable securities used in determining the blue chip index of the Lima Stock Exchange, among others) or preferred guarantees (primary lien on financial instruments and movable and immovable goods, primary agricultural or mining liens, export credit insurance, and others), considered at their estimated realization value, which is assessed by independent appraisers.

If the loans are guaranteed through subsidiary responsibility of a company of the financial or insurance system (credits subject to substitution by loan counterparty) the calculation of the provision takes into account the guarantor's classification.

For calculation of provisions for clients classified as doubtful or loss for over 36 and 24 months, respectively, the value of the guarantee is not taken into account, and the provision is calculated as if such credits were not guaranteed at all.

Provisioning for direct loans are shown after deducting the balance of the same from the assets, while provisions for indirect loans appear on the liabilities' side.

Through Letter SBS N°B-2193-2010 dated September 28, 2010 and until December 31, 2011, the SBS informed companies in the financial system of the re-entry into force of the rates of the procyclical component of provisions for direct and indirect credits by borrowers classified in the "normal" category, because

macroeconomic conditions triggering that rule were met starting on that month. See note 6.

(e) Transactions in foreign currency.

Assets and liabilities in foreign currency are registered at the exchange rate on the date when those transactions are carried out, and are expressed in Peruvian currency at the end of each month using the exchange rate fixed by the SBS. Note 3. Profits or losses resulting from re-expressing assets and liabilities in foreign currency at the exchange rates in force as of the balance sheet date are recorded in the results for the year.

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.

The initial registration and subsequent measurement of investments available for sale is performed pursuant to resolution SBS N°10639-2008, as amended. The initial book entry is made at fair value, including transaction costs directly attributable to the purchase of such investments. The valuation of investments available for sale will be at fair value, and the profits or losses originating from the difference between the initial book entry and its fair value will be recognized directly in the shareholders' equity, unless that value has deteriorated permanently. When the instrument is sold or realized, the profit or loss previously recorded as part of the shareholders' equity will be included in the year-end results.

For debt instruments, before their valuation

at fair value, the amortized cost must be updated in the accounting books by using the effective interest rate methodology and, based on the resulting amortized cost, the profits and losses for the changes in fair value shall be recognized.

Interests will be recognized using the effective interest rate methodology, which includes both the interest to be charged and the amortization of the premium or discount for its adjudication. The bank shall evaluate, on each balance sheet date, whether there is evidence that the value of an instrument classified as an investment available for sale has deteriorated, which shall be recognized in the results for the year, even if the instrument has not been sold or removed. Resolution SBS N°10639-2008 states that if the SBS considers that it is necessary to establish an additional provision for any type of investment, such a provision will be determined for each individual title and recorded in the year-end results for the year in which the SBS requires the provision.

The difference between revenue earned from sale of investments and their book value will be recognized in the profit and losses statement.

(g) Derivative financial instruments.

Resolution SBS N°1737-2006 "Regulations for Trading and Accounting of Derivative Financial Products in Companies of the Financial System" as amended, establishes certain criteria for the accounting registration of transactions with derivatives classified as negotiation and hedging, and implicit derivatives.

Negotiation derivative financial instruments owned by the Bank correspond to forward foreign currency purchases with clients, which are initially recognized in the balance sheet at cost, subsequently taken to their fair value, generating an asset or a liability in the balance sheet, and a corresponding profit or loss in the profit and loss statement. Likewise, the nominal value of the transaction is registered in the memoranda accounts at their value of reference in the appropriate currency. Fair values are obtained on the basis of foreign exchange rates and interest rates in the market.

(h) Property, furniture and equipment.

The property, furniture and equipment line item is presented at purchase cost less accumulated depreciation and the cumulative amount of losses resulting from devaluation of asset, if applicable. See paragraph (n) below. This item includes the cost of goods purchased under financial leasing contracts. See paragraph (j) below.

The initial cost of property, furniture and equipment includes their purchase price as well as non-refundable purchase rates and taxes and any other cost directly related to identifying and repairing the asset for work and use. Disbursements incurred after the beginning of operations or use of such properties, furniture and equipment, such as repairs and maintenance and refurbishing costs, will be added to the results of the period when such costs were incurred. If it is shown that such disbursements

will result in future benefit from the use of such property, furniture and equipment, beyond their initial standard performance, such disbursements will be capitalized as an additional cost of those properties, furniture and equipment.

Works in progress and goods receivable are recorded at cost, including the cost of purchase or construction and other direct costs. These goods are not depreciated until the relevant assets are received or finished and become operational. The cost and the corresponding accumulated depreciation of assets sold or removed are removed from the corresponding accounts and the resulting profit or loss is included in the results for the year.

Land is not depreciated. Depreciation is computed following the straight-line method and using the following useful life estimates:

	Years
Buildings, facilities and other constructions	20 and 33
Buildings under lease	5
Installations and enhancements in leased offices	5 to 10
Furniture and equipment	10
Transportation units	5
Computer equipment	4

(i) Realizable goods, received as payment and repossessed.

Realizable goods include goods purchased with the specified purpose of leasing them and are initially registered at purchase cost; those realizable goods which are not given under financial leasing arrangements are registered at cost or market value, whichever is lower.

Goods received as payment, adjudication and recovery (resulting from the termination of a lease) are initially registered at their judicial, out of court, market value or unrealized value of debt, whichever is lower. In addition, a provision equivalent to 20% of the adjudication or recovery value of that good shall be recognized. For this, the provision established for the related loan may be used.

Subsequently, additional provisions will be established pursuant to the following criteria:

- Movable goods – a uniform monthly provision is established, starting on the first month of the adjudication or recovery, for a period of twelve months until reaching 100% of the net value of adjudication or recovery.

- Immovable goods – uniform monthly provisions shall be established based on the net book value on the twelfth month.

Additionally, Resolution SBS N°1535-2005 allows a six-month extension, in which case uniform monthly provision shall be established based on the net book value reached on the eighteenth month. In both cases, provisions shall be established until reaching one hundred percent of the net book value over a period

of three and a half years, starting on the date when the monthly uniform provisions started.

The annual updating of those goods' valuations determined by an independent expert will result, if so required, in provisions for loss of value.

(j) 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 fair value of the leased property or, if lower, at the present value of the leased installments. Initial direct costs are considered as part of the asset. Leased installments are distributed among financial charges and payment of liabilities.

Financial charges are distributed among the term of the lease so as to record interest expenses only on the balance amount of the liability for each period. Leases result in expenses for asset depreciation as well as financial expenses for each accounting period. When the assets are sold or removed, their cost and depreciation, as well as any profit or loss resulting from their disposition, are eliminated and included in the profit and loss statement.

(k) Intangibles.

Intangibles are recorded initially at cost and presented in the "Other assets, net" line item of the balance sheet. Note 8 (b). The Bank recognizes an asset as intangible if it is likely that the attributable future economic benefits it creates

will flow to the company and that their cost can be measured on a reliable basis. After their initial recognition, intangibles are measured at cost less accumulated amortization.

Intangibles include principally disbursements for purchases of software related to banking transactions and are amortized using the straight-line method over their estimated useful life of five years.

Likewise, they include disbursements related to goodwill contracts and are amortized using the straight-line method over the life of the contract.

As of December 2011 and 2010, the Bank does not hold any unlimited useful life intangibles.

(l) Outstanding securities, bonds and other obligations

Liabilities from the issuance of outstanding securities, bonds and other obligations are recorded at face value plus incremental costs related to the transaction that are attributable directly to the issue of the instrument. Accrued interest is recognized in the income.

(m) Deferred income tax

The income tax is calculated based on taxable income determined for tax purposes, as assessed, using criteria that differ from accounting principles used by the Bank.

Consequently, the Bank records the deferred income tax, which reflects the effects of temporary differences between assets and liabilities

on the balance, for accounting purposes and tax purposes. Deferred assets and liabilities are measured using tax rates expected to be applicable to taxable income in the years in which temporary differences are recovered or settled. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the expected amount of assets and liabilities that will be recovered or settled on the date of the balance sheet. Deferred tax assets and liabilities are recognized regardless of the moment where it appears that the temporary differences will cease to exist. Deferred tax assets are recognized when it is probable that sufficient taxable income will exist for the deferred tax asset to be offset. At the balance sheet date, Management assesses unrecognized deferred assets and the balance of recognized assets, registering any previously unrecognized deferred tax asset in the amount needed so that future tax benefits may permit recovery, or reducing a deferred tax assets if 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.

As established by the accounting standard, the Bank determines its deferred income tax based on the tax rate applicable to undistributed profits, recognizing any additional tax on dividends on the date that liability is recognized.

(n) Devaluation of long duration assets

When events or economic changes indicate that the value of property, furniture and equipment and intangible assets may not be recoverable,

the Bank's Management reviews the carrying value of these assets in order to verify that there is no permanent impairment of value. When the value of the asset exceeds its recoverable amount, impairment loss is recognized in the profit and loss. The recoverable amount is the higher between the net selling price and the value in use. The net selling price is the amount that is obtainable from the sale of an asset in a free market, while value in use is the present value of estimated future cash flows from the continued use of an asset and from its disposal at end of its useful life. In Management's opinion, there is no evidence of impairment in the value of such assets as of December 31, 2011 and 2010.

(o) Provisions

A provision is recognized when the Bank has a present obligation (legal or constructive)

As a result of a past event, it is likely that resources will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are reviewed and adjusted each period to reflect the best estimate as of the date on the balance sheet. When the effect of the value of money over time is important, the amount of the provision is the present value expected to be incurred in to settle the obligation.

(p) Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed in the notes to financial statements, unless the

possibility of an economic outflow is remote.

A contingent asset is not recognized in the financial statements unless it is a probable contingency.

(q) Earnings per share

Earnings per share have been calculated based on the weighted average number of shares outstanding on the balance sheet date. Shares arising from the capitalization of profits constitute a stock 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, 2011 and 2010, the Bank has no dilutive financial instruments; therefore the basic and diluted earnings per share are the same. Note 19.

(r) Reclassifications

Where necessary, comparative amounts have been reclassified to make them comparable with current year's presentation.

- According to the SBS Multiple Letter described in paragraph 2 (a) (ii) above, S/.8,145,000 and S/.8,484,000 were reclassified from "Profit Sharing" to "Personnel expenses" in the statement of profit and loss for the years ended December 31, 2010 and 2009. In the December 31, 2010 Balance Sheet approximately S/.3,790,000 was reclassified (related to deferred profit sharing) from "Assets for deferred income tax, net" to "Other assets".

- As of December 31, 2010, S/.20,550,000 were

included under "Bonds payable" for Bank worker benefits, which, from 2011 on, will appear under "Other liabilities" on the Balance Sheet.

Management believes that these reclassifications allow for a better presentation of the Bank's financial statements.

(s) Cash and cash equivalents –

Cash presented in the cash flow statement is comprised of the balance available with original maturities of less than three months, without considering their expected accrued earnings, excluding restricted funds.

(t) New accounting decisions –

(t.1) Standards issued but not applicable in 2011 -

On July 20, 2011, the SBS issued Resolution No. 8425-2011, which states that in determining the level of additional cash equity, financial institutions must have a process for assessing the adequacy of their regulatory capital in accordance with their risk profile, following the methodology described in the resolution.

The additional capital required will equal the sum of the requirements of regulatory capital calculated for each of the following components: economic cycle, concentration risk, market concentration risk, interest rate risk and other risks. Financial institutions have a period of five years starting July 2012 to bring their total regulatory capital to the requested level.

(t.2) International Financial Reporting Standards IFRS issued and in force internationally and mandatory in Peru as of January 1, 2012 or later -

The CNC, through Resolution No. 048-2011-EF/94 dated January 6, 2012, approved the application as of January 1, 2012 or later, according to the effective date specified in each standard, of the versions in force as of 2011 of IFRSs 1 to 13, IASs 1 to 41, 7 to 32 of the Interpretations Committee (SIC) and 1 to 19 of the International Financial Reporting Standards (IFRSs) and the October 2011 amendments to IASs, IFRSs and IFRIC issued internationally.

(t.3) International Financial Reporting Standards – IFRSs issued and effective in Peru but not for financial entities –

IFRS 7 and IFRS 8 were approved in Peru by the CNC to be applied from 1 January 2009. However, the SBS issued Resolution No. 914-2010, which postponed their entry into force for financial institutions without establishing a defined term. These IFRSs address the following issues

- IFRS 7 “Financial Instruments: Disclosures”

The objective of this standard is to provide disclosures in the financial statements that enable users to evaluate the significance of financial instruments on the financial position and performance of the entity, by understanding the nature and extent of the financial instruments to which the entity is exposed, and the methods used by the entity to manage the

risks arising from these instruments.

- IFRS 8 “Operating Segments”

This standard replaces IAS 14 “Segment Reporting” and states that the report by segment should be in accordance with the “management approach”, i.e. using the same internal information formats used by management for making decisions.

(t.4) International Financial Reporting Standards – IFRSs and interpretation of International Financial Reporting Standards – IFRSs issued internationally but not mandatory in Peru –

The following IFRSs and IFRICs were issued internationally as of December 31, 2011, but have not yet been approved by the CNC or the SBS, so they do not apply to the Bank’s operations and, therefore, the management has not estimated their effects, if any, in the financial statements:

- IAS 1 “Presentation of Financial Statements” (amended) applies to annual periods beginning on or after July 1, 2012.

- IAS 12 Income Taxes implements recovery of underlying assets and applies to annual periods beginning on or after January 1, 2012.

- IAS 19 “Employee Benefits” (amended) applies to annual periods beginning on or after January 1, 2013.

- IAS 27 “Separate Financial Statements” applies to annual periods beginning on or after January 1, 2013.

- IAS 28 “Investments in Associates and Joint Ventures” (amended in 2011) applies to annual

periods beginning on or after January 1, 2013.

- IFRS 9 "Financial Instruments": Modifies the recording and classification of financial assets and liabilities established in IAS 39 "Financial Instruments: Measurement and Valuation." Changes are internationally mandatory for periods starting on or after January 1, 2015.

- IFRS 10 "Consolidated Financial Statements" outlines the requirements for the preparation and presentation of consolidated financial statements, when an entity controls one or more entities. IFRS 10 replaces the consolidation requirements of IAS 12 "Entities with Specific Purposes" and IAS 27 "Consolidated and Separate Financial Statements".

- IFRS 11 "Joint Arrangements" addresses inconsistencies in joint business reports by requiring a single method for reporting shares in entities under shared control, and focuses on their rights and obligations rather than on their legal status. IFRS 11 replaces IAS 31 "Participation in joint ventures" and IAS 13 "Entities under shared control – non monetary contribution of parties".

- IFRS 12 Disclosure of Participation in Other Entities establishes the disclosure requirements for all types of participation in other entities, including entities under shared control, associated entities, special purpose entities and other out of balance investments.

- IFRS 13 Fair Value Measurement establishes new requirements for fair value measurement, improving the coherence of international standards and simplifying them by providing a de-

inition of fair value and a source for measuring it, as well as the requirements to use them as part of the IFRSs.

- IFRSs 10, 11, 12 and 13 will be effective internationally on periods beginning on or after January 1, 2013.

Because the standards detailed in paragraphs (T.2) and (T.4) only apply as a supplement to the accounting standards of the SBS, they have no effect on the preparation of the accompanying financial statements, unless the SBS adopts them in the future through the modification of the Accounting Manual for Financial System Companies or issues specific rules. The Bank has not estimated the effect on its financial statements if those rules were to be adopted by the SBS.

3. Transactions in foreign currency and exchange risk exposure

Foreign currency transactions are at free market rates.

Transactions in foreign currency are carried at free market exchange rates. As of December 31, 2011, the weighted average market exchange rate as published by SBS for transactions in U.S. Dollars was S/.2.695 for purchase and S/.2.697 for sale for every U.S. \$ 1.00 (S/.2.808 for purchase and S/.2.809 for sale on December 31, 2010 for every U.S. \$ 1.00, respectively). As of December 31, 2011, the exchange rate for accounting of asset and liabilities in foreign currency fixed by the SBS was S/.2.696 per U.S. dollar (S/.2.809 on December 31, 2010). Below is a breakdown of the Bank's assets and liabilities in foreign currency, expressed in U.S. dollars.

	2011 US\$ (000)	2010 US\$(000)
Assets		
Available	57,844	53,481
Inter-bank funds	26,014	-
Marketable investments available for sale	12,015	-
Loans portfolio, net	225,597	234,134
Other assets, net	4,130	2,522
	<u>325,600</u>	<u>290,137</u>
Liabilities		
Obligations with the public	(219,306)	(176,730)
Inter-bank funds	(3,000)	-
Deposits from companies within the financial system	(6,298)	(12,060)
Debits and financial obligations	(93,464)	(94,062)
Outstanding shares, securities and obligations	(1,429)	(4,286)
Other liabilities	(3,940)	(3,830)
	<u>(327,437)</u>	<u>(290,968)</u>
Net liability position	<u>(1,837)</u>	<u>(831)</u>

As of December 31, 2011, the Bank has contingent foreign currency transactions of approximately U.S. \$ 272,000, equivalent to approximately S/.733,000 (U.S. \$ 459,000 equivalent to approximately S/.1, 289.000 as of December 31, 2010).

In previous years, devaluation (revaluation) of the Peruvian currency against the dollar and inflation, according to the Wholesale Price Index published by the National Institute of Statistics and Information, were as follows:

Year	Devaluation (revaluation) %	Inflation %
2007	(6.3)	3.9
2008	4.8	6.7
2009	(8.0)	0.3
2010	(2.8)	2.1
2011	(4.0)	4.7

4. Funds available

As of December 31, 2011, the "Cash" heading in the balance sheet includes approximately U.S. \$ 22,258,000 and S/.201,775.000 (U.S. \$ 31,383 million and S/.180,756,000, as of December 31, 2010) representing the legal reserve that the Bank must maintain for its obligations to

the public. These funds are kept in the vaults of the Bank and the Central Reserve Bank of Peru (BCRP), and remain within the limits set by the legal provisions in force.

The legal reserve maintained at the Central Bank does not bear interest, except for the part payable in foreign currency and in local currency if in excess of the minimum legal reserve requirement. As of December 31, 2011, excess foreign currency amounts to approximately U.S.\$35,329,000, equivalent to approximately S/.95,247,000, and accrued interest in dollars at an average rate of 0.17 percent per year (U.S.\$23,496,000, equivalent to approximately to S/.66,000,000, at an average rate of 0.16 percent per year, to December 31, 2010); while excess domestic currency is approximately S/.177,832,000 and accrued interest at an average rate soles of 2.45 percent per year (S/.49, 934.000, at an average rate of 1.2 percent annually, as of December 31, 2010).

As of 31 December, 2011, available funds included mainly a term deposit with the BCRP for S/.35,000,000, which matured on January 2, 2012. As of December 31, 2010, available funds included principally 18 term deposits with the BCRP for a total S/.200,200,000, which matured between January and February 2011.

Deposits in domestic and foreign are mainly balances in soles, freely available and generating interest at market rates. As of December 31, 2011 and 2010, the Bank had deposits with domestic and international banks.

5. Investments available for sale

(a) The table below shows the composition of this of heading:

	2011			2010		
	Amortized cost S/.(000)	Unrealized Profit / Loss S/.(000)	Estimated reasonable value S/.(000)	Amortized cost S/.(000)	Unrealized Profit / Loss S/.(000)	Estimated reasonable value S/.(000)
Common shares	97	40	137	97	45	142
Sovereign Bonds of the Republic of Peru (b)	22,911	374	23,285	9,393	13	9,406
Certificates of Deposit issued by the Central Reserve Bank of Peru – BCRP (c)	309,626	(30)	309,596	-	-	-
Mutual funds	32,356	35	32,391	-	-	-
	<u>364,990</u>	<u>419</u>	<u>365,409</u>	<u>9,490</u>	<u>58</u>	<u>9,548</u>
Accrued interests			<u>120</u>			<u>22</u>
Total			<u><u>365,529</u></u>			<u><u>9,570</u></u>

(b) Sovereign bonds are issued in soles by the Peruvian Government. As of December 31, 2011, the bonds bear interest at rates ranging between 4.05% and 6.52% annually (between 5.88% and 6.77% per year between September 2013 and December 31, 2010), and will mature between September 2013 and August 2037 (between August 2020 and 2037, as of December 31, 2010).

(c) Certificates of deposit are issued at a discount and are awarded at public auction and are traded on the secondary market in Peru. As

of December 31, 2011, certificates of deposit issued by the Central Bank are denominated in soles, are short term and mature in December of 2012. They earned effective interest rates between 4.04% and 4.22% annually..

(d) As of December 31, 2011 and 2010, Management has estimated the market value of investments available for sale on the basis of prices in the market or, in their absence, by discounting expected cash flows at a rate of interest that reflects the security's risk classification.

(e) Below is the balance of investments available for sale as of December 31, 2011 and 2010, classified by maturity:

	2011 S/.(000)	2010 S/.(000)
Up to 1 month	94,975	-
From 1 to 3 months	20,828	-
From 3 months to 1 year	193,794	-
From 1 to 5 years	13,066	-
5 years and more	10,218	9,406
Without maturity (equity)	32,528	142
Total	<u>365,409</u>	<u>9,548</u>

6. Loan portfolio, net

(a) (a) Below is a breakdown of direct loans:

	2011 S/.(000)	2010 S/.(000)
Direct loans		
Loans	3,787,677	3,335,270
Leasing	94,008	68,482
Factoring	24,104	24,479
Credit card	5,518	6,124
Refinanced loans	122,220	108,319
Overdue and legal collection loans	153,290	113,692
	<u>4,186,817</u>	<u>3,656,366</u>
Plus (minus)		
Accrued yield of current loans	69,925	72,533
Interest accruable and interest collected in advance	(20,956)	(17,111)
Provision for doubtful loans (e)	(261,735)	(202,030)
Direct loans	<u>3,974,051</u>	<u>3,509,758</u>
Indirect loans (*)	<u>3,645</u>	<u>4,144</u>

(*) The indirect loan portfolio is comprised entirely of surety bonds and guarantees, and is shown under "Debit contingent memorandum accounts" of the balance sheet. Note 14 (a).

(b) According to SBS regulations, the Bank's loan portfolio (direct and indirect) as of December 31, 2011 and 2010 is classified by risk as follows:

	2011						2010					
	Direct Loans		Indirect Loans		Total		Direct Loans		Indirect Loans		Total	
	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%	S/.(000)	%
Normal	3,760,343	89.81	3,642	99.92	3,763,985	89.82	3,283,830	89.82	4,144	100.00	3,287,974	89.82
Potential problems	179,590	4.29	-	-	179,590	4.29	169,301	4.63	-	-	169,301	4.63
Deficient	66,108	1.58	2	0.05	66,110	1.58	73,980	2.02	-	-	73,980	2.02
Doubtful	77,090	1.84	1	0.03	77,091	1.84	67,375	1.84	-	-	67,375	1.84
Loss	103,686	2.48	-	-	103,686	2.47	61,880	1.69	-	-	61,880	1.69
	<u>4,186,817</u>	<u>100.00</u>	<u>3,645</u>	<u>100.00</u>	<u>4,190,462</u>	<u>100.00</u>	<u>3,656,366</u>	<u>100.00</u>	<u>4,144</u>	<u>100.00</u>	<u>3,660,510</u>	<u>100.00</u>

(c) (c) As of December 31, 2011 and 2010, there is no significant concentration of credit risk due to the type of operations the Bank runs.

(b) As of December 31, 2011 and 2010, financial institutions in Peru should establish a provision for loan losses based on the risk classification indicated in paragraph (b) above, using the percentages fixed by SBS Resolution N° 11356-2008 and SBS Resolution No. 6941-2008, respectively, as follows:

(i) For loans classified as "Normal" as of December 31, 2011 and 2010, the following percentages apply:

Type of Loan	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
Housing mortgages	0.70	0.40
Consumer revolving loan	1.00	1.50
Consumer non-revolving loan	1.00	1.00

(*) If the credit is a preferred self-liquidating loan (CGPA), the cyclical component will be 0%, 0.25% or 0.30% depending on the type of loan.

(ii) For loans classified as “Potential Problem”, “Doubtful” and “Loss”, depending on whether they are Unsecured loans (CSG), loans with preferred guarantees (CGP), loans with readily available preferred guarantees (CGPMRR) or loans with preferred self-liquidating guarantees (CGPA), as of December 31, 2011 and 2010, the following percentages apply:

Risk category	CSG %	CGP %	CGPMRR %	CGPA %
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 that have amounts earmarked for replacement counterparty credit, note 2 (d), the requirement of provisions depends on the classification of the respective counterparty, and the amount covered, regardless of the classification of the debtor; using the percentages listed above.

(e) As of December 31, 2011 and 2010 the balance of placements by loan type is as follows:

Types of Loans	2011 S/.(000)	2010 S/.(000)
Corporate	17,233	29,146
Large companies	9,161	6,380
Medium-size companies	136,010	89,580
Small companies	2,584,372	2,116,433
Microbusinesses	1,198,913	1,189,712
Mortgage loans for housing	108,257	77,678
Consumer revolving loan	5,765	6,345
Consumer non-revolving loan	127,106	141,092
Total	4,186,817	3,656,366

(f) The movement in the allowance for doubtful collection loans, as determined by their risk rating, requires the provisioning percentages specified in paragraph (d) above; the rules on provisions stated in note 2 (d) were as follows:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Balance as of January 1.	202,030	157,701	78,786
Provision recognized as expense for the year (*)	440,933	421,748	272,544
Provision recoveries	(169,906)	(152,889)	(48,705)
Write-offs for the year	(209,331)	(222,070)	(142,465)
Difference in exchange rate, net	(1,991)	(2,460)	(2,459)
Balance as of December 31	<u>261,735</u>	<u>202,030</u>	<u>157,701</u>

(*)As of December 31, 2011 and 2010, procyclical provisions totaled S/.18,850,000 and S/.16, 628.000, respectively. Notes 2 (d) and 6 (d) (i).

As of December 31, 2011, the Bank kept a voluntary provision, in addition to the minimum required by the SBS for loan losses, in order to cover estimated additional risks in the loan portfolio amounting to S/.34,513,000 (S/.27,522,000 as of December 31, 2010), shown under "Provision for loan losses" in the balance sheet.

In the opinion of Management, the provision for loan losses recorded by the Bank as of December 31, 2011, 2010 and 2009, is in accordance with the rules and authorizations of the SBS in force at those times. Note 2 (d).

(g) The Bank is free to set interest rates as a function of market supply and demand

under the loans' agreed timeframe and in the currency in which the loan is awarded. As of December 31, 2011 they ranged between 14.13 % and 59.00 % annually for MES credits in local currency and between 10.52 % and 46.08 % annually for foreign currency loans (from 13.00 % to 59.00 % per annum for loans in local currency and between 12.00 % and 55.00 % per annum for foreign currency loans, as of December 31, 2010).

(h) During 2011 and 2010, the Bank has made sales from the written-off portfolio of its affiliate Conecta Centro de Contacto S.A. (Conecta Contact Center SA), See note 14 (d).

(i) The direct loan portfolio as of December 31, 2011 and 2010, classified by maturity, appears below:

	2011 S/.(000)	2010 S/.(000)
Up to 3 months	1,386,358	1,171,644
From 3 to 6 months	562,118	519,074
From 6 months to 1 year	837,776	751,482
1 year or more	1,247,275	1,100,474
Overdue and legal collection loans	153,290	113,692
	<u>4,186,817</u>	<u>3,656,366</u>

7. Properties, furniture and equipment, net

(a) The table below shows the composition of this heading:

	Land S/.(000)	Buildings, facilities and other constructions S/.(000)	Installations and enhancements in leased offices S/.(000)	Furniture and equipment S/.(000)	Transportation units S/.(000)	Computer equipment S/.(000)	Works in progress and goods in transit S/.(000)	Total 2011 S/.(000)	Total 2010 S/.(000)
Cost									
Balance as of January 1	26,800	37,006	45,028	28,367	6,245	35,645	3,885	182,976	146,623
Additions	-	1,336	10,102	3,238	561	3,480	5,845	24,562	45,900
Sales	-	-	-	(94)	(282)	(849)	-	(1,225)	(6,974)
Transfers	-	2,506	-	1,320	-	494	(4,320)	-	-
Withdrawals and others	-	-	(411)	(238)	(734)	(246)	-	(1,629)	(2,573)
Balance as of December 31	26,800	40,848	54,719	32,593	5,790	38,524	5,410	204,684	182,976
Accrued depreciation									
Balance as of January 1	-	4,514	23,939	9,116	3,868	19,251	-	60,688	48,616
Depreciation for the year	-	2,228	5,593	3,523	858	7,039	-	19,241	19,124
Sales	-	-	-	(72)	(231)	(845)	-	(1,148)	(5,148)
Withdrawals and others	-	-	(411)	(110)	(414)	(210)	-	(1,145)	(1,904)
Balance as of December 31	-	6,742	29,121	12,457	4,081	25,235	-	77,636	60,688
Net book value	26,800	34,106	25,598	20,136	1,709	13,289	5,410	127,048	122,288

(b) Financial entities in Peru are prohibited from pledging their fixed assets.

(c) The Bank maintains insurance on its main assets in accordance with the policies established by Management.

8. Other assets and other liabilities

(a) The table below shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)
Other assets, net		
Intangibles, net (b)	25,036	16,241
Payment on account of income tax, net	8,978	16,200
Insurance receivable	8,145	1,817
Prepaid expenses	4,179	3,737
Accounts receivable under FOGAPI Agreement	3,733	6,315
Prepaid advertising	2,851	533
Other accounts receivable, net	1,632	2,062
Operations in process (d)	919	120
Advance payment of windfall earnings (c)	844	1,873
Miscellaneous supplies	573	802
Prepaid rental	550	1,473
Goods received in payment and repossessed	205	991
Prepayment to suppliers	249	535
Tax credit from leasing value added tax (IGV)	-	1,937
Third-party accounts receivable	-	314
Other	8,533	9,942
	<u>66,427</u>	<u>64,892</u>
Other liabilities		
Employee benefits	31,600	20,550
Vacations payable	22,319	18,953
Accounts payable to suppliers and services	9,046	13,536
Insurance payable	8,642	1,862
Profit sharing	8,146	9,061
Operations in process (d)	5,728	3,373
Other personnel expenses	3,776	12,692
Cancellation of certificates as collateral	2,660	1,530
Provisions for contingencies and others	2,008	2,270
Accounts payable under FOGAPI Agreement	1,488	3,088
Deposits insurance fund	1,416	1,237
Promotion campaigns	1,139	1,031
Accounts payable to leasing suppliers	235	3,491
Miscellaneous accounts payable	9,937	8,975
	<u>108,140</u>	<u>101,649</u>

(b) The table below shows the composition of this heading:

	Organization expenses S/.(000)	Software (*) S/.(000)	Goodwill (limited life) S/.(000)	Total 2011 S/.(000)	Total 2010 S/.(000)
Cost					
Balance as of January 1, 2011	1,017	33,379	821	35,217	26,242
Additions	-	13,259	107	13,366	8,975
Balance as of December 31, 2011	1,017	46,638	928	48,583	35,217
Amortization					
Balance as of January 1, 2011	1,017	17,690	269	18,976	16,424
Amortization for the year	-	4,413	158	4,571	2,552
Balance as of December 31, 2011	1,017	22,103	427	23,547	18,976
Net book value	-	24,535	501	25,036	16,241

(*) During the years 2010 and 2011, the Bank incurred disbursements related to the acquisition of a new Enterprise Resources Planner (ERP), which is being implemented

(c) Corresponds to an incentive granted to the Bank's key operational staff in 2007, subject to a commitment to stay with the institution for five years. In case of breach of agreement by the employee, the worker is bound to refund the entire amount of the incentive received. The amount accrued for this item as of December 31, 2011 and 2010 amounted to S/.1,639,000, and S/. 1,633,000, respectively,

and is recorded under "Personnel expenses" in the statement of profit and loss. Note 16.

(d) Transactions in progress are mainly related to operations for the last day of the month and are reclassified to their accounts in the next month's balance sheet.

These transactions do not affect the Bank's income.

9. Obligations with the public

(a) The table below shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)
Term deposits	2,771,556	2,215,621
Savings	476,087	315,960
Marketable certificates of deposit	191,549	160,560
Checking account	84,510	63,505
Severance payments (CTS)	48,658	25,477
Other obligations	9,711	9,885
	<u>3,582,071</u>	<u>2,791,008</u>
Interest payable	<u>48,547</u>	<u>36,359</u>
Total	<u><u>3,630,618</u></u>	<u><u>2,827,367</u></u>

(b) As of December 31, 2011, the Deposit Insurance Fund (FSD) totaled S/.91,621 (S/.85,793 to December 31, 2010). As of December 31, 2011 and 2010, total deposits of approximately S/.1,061.1 million and S/.894.5 million were protected by the Deposit Insurance Fund, respectively.

(c) Interest rates applied to different bonds payable accounts are determined by the Bank considering prevailing rates in the Peruvian market.

(d) Following is the balance of deposits as of December 31, 2011 and 2010, classified by maturity:

	2011 S/.(000)	2010 S/.(000)
Up to 1 month	491,831	509,495
1 to 3 months	671,035	535,557
3 months to 1 year	1,252,080	924,071
More than 1 year	356,610	246,498
	<u>2,771,556</u>	<u>2,215,621</u>

10. Financial debts and obligations

(a) The table below shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)
By type -		
Obligations with foreign financial institutions (b)	475,993	491,872
Obligations with local financial institutions (c)	130,368	248,703
	<u>606,361</u>	<u>740,575</u>
Interest payable	7,112	9,842
	<u>613,473</u>	<u>750,417</u>
By term -		
Short-term portion	202,957	321,492
Long-term portion	410,516	428,925
Total	<u>613,473</u>	<u>750,417</u>

(b) As of December 31, 2011 and 2010, the following are included:

Entity	Country of origin	Currency of origin	Date due	2011 S/.(000)	2010 S/.(000)
International Finance Corporation – IFC (*)	United State of America	S/. - US\$	Between May 2013 and January 2017	126,907	85,494
Banco Interamericano de Desarrollo – BID (*)	United State of America	S/.	Between May 2013 and May 2015	94,182	101,576
Nederlandse Financierings – Maatschappij Voor Ontwikkelingslanden N.V. – FMO (*)	Holland	S/. - US\$	Between April 2013 and March 2015	48,525	63,173
Instituto de Crédito Oficial de España (*)	Spain	US\$	Between February 2018 and February 2020	46,375	48,319
Global Microfinance Facility (*)	Cayman Islands	US\$	April 2014	26,960	28,090
Societe de Promotion et de Participation pour la Cooperation Economique S.A. – PROPARCO (*)	France	S/.	September 2015	26,000	26,000
Credit Suisse Microfinance Fund	Luxemburg	US\$	March 2012	20,220	21,068
Microfinance Enhancement Facility – MEF	Luxemburg	US\$	March 2016	18,872	-
Corporación Interamericana de Inversiones (*)	United States of America	S/. – US\$	Between November 2011 and September 2016	17,524	23,000
BlueOrchard - Dexia Micro-Credit Fund (*)	Luxemburg	S/.	June 2012	9,000	9,000
Triodos SICAV II - Triodos Microfinance Fund (*)	Luxemburg	US\$	Between June 2019 and January 2020	8,550	16,854
Acción Investment In Microfinance SPC	United States of America	US\$	August 2016	8,088	8,427
VDK Spaarbank (*)	Belgium	US\$	August 2012	8,088	8,427
Responsability SICAV	Luxemburg	US\$	March 2012	6,740	7,022
Wells Fargo	Holland	US\$	April 2012	5,392	-
Triodos Custody BV – Triodos Fair Share Fund (*)	Holland	US\$	January 2019	4,570	14,045
Otras instituciones financieras del exterior	-	S/. - US\$	Between February and July 2011	-	31,377
Total				<u>475,993</u>	<u>491,872</u>

(*) These loans include specific agreements on financial conditions to be maintained relating to compliance with financial ratios and other administrative matters. As of December 31, 2011 and 2010, the Bank's Management believes that it has substantially complied with the conditions established for these transactions.

(c) As of December 31, 2011 and 2010 it includes the following:

Entity	Currency of origin	Date due	2011 S/.(000)	2010 S/.(000)
Banco de la Nación	S/.	Between June 2011 and August 2012	70,000	83,065
Scotiabank Perú S.A.A.	S/.	Between February and May 2012	19,420	14,200
Banco Internacional del Perú S.A.A. - Interbank	S/.	May 2012	15,000	5,112
Banco de Crédito del Perú S.A. - BCP	S/.	May 2012	10,000	-
COFIDE S.A. - Coficasa	S/.- US\$	April 2024	8,995	8,331
COFIDE S.A. - Fondo Mivivienda (i)	US\$	April 2026	6,953	8,870
COFIDE S.A. (ii)	S/.	October 2011	-	90,625
Citibank del Perú S.A.	S/.	Between February and May 2011	-	38,500
			<u>130,368</u>	<u>248,703</u>

i) The liabilities of the Mivivienda Fund are secured by promissory notes of the mortgage loans under the same heading.

(ii) As of December 31, 2010, as security for the funds received from COFIDE, the Bank maintained a long-term portfolio of credit in favor of that financial institution totaling S/90,625,000.

(iii) Transactions with local financial entities yielded an annual effective interest rate ranging between 3.85 % and 7.18 % in 2011 (2.50 and 8.15 % in 2010).

(iv) In general, credit lines granted by local financial institutions do not include, as part of the agreements, financial conditions that the Bank must abide by.

(d) As of December 31, 2011 and 2010, the timetable for liquidation of debts and financial obligations is as follows:

	2011 S/.(000)	2010 S/.(000)
Up to 3 months	48,965	63,888
3 months to 1 year	153,992	257,604
1 to 3 years	270,835	284,488
3 to 5 years	102,373	84,126
More than 5 years	37,308	60,311
Total	<u>613,473</u>	<u>750,417</u>

11. Outstanding shares, securities and obligations

(a) The table below shows the composition of this heading:

Issuance	Face value annual interest rate	Payment of interest	Maturity	Amount used	Outstanding amounts 31.12.11		Outstanding amounts 31.12.10	
					US\$(000)	S/.(000)	US\$(000)	S/.(000)
Corporate bonds (b)								
First issuance	7.38	semestral	2011	S/30,000	-	-	-	10,000
Third issuance	7.00	semestral	2012	S/30,000	-	8,571	-	17,142
Fourth issuance	6.38	semestral	2012	US\$10,000	1,429	3,852	4,286	12,039
					1,429	12,423	4,286	39,181
Interest payable						135		297
Total						<u>12,558</u>		<u>39,478</u>

(b) Board meetings held November 17, 2005 and November 16, 2006 authorized the second program of corporate bonds by the Bank, effective until November 14, 2008; by Resolution N ° 908 - 2009, on February 18, 2009 SBS authorized their extension for two (2) additional years under the same conditions.

The Bank could issue securities of up to a maximum of S/.150,000,000 or its equivalent in U.S. dollars. The funds raised through the issuance of bonds for public offering were used to finance operations in the Bank's line of business.

(c) Corporate bonds are not backed by specific guarantees. During 2011, the Bank redeemed all of its corporate bond issues for a total of S/.26, 758,000 (S/.47,176,000 of the First issue A, First issue B, Third issue and Fourth issue, in 2010).

(d) As of December 31, 2011, the amortization schedule of these obligations only covers the 2012 period.

12. Net equity

(a) Capital Stock

As of December 31, 2011, the Bank's share capital is represented by 343,010,000 ordinary shares fully subscribed and paid out, divided into 325,510,000 "Class A" voting shares and 17,500,000 non-voting "Class B" shares (186,764,000 and 244,764,000 voting shares as of December 31, 2010 and 2009, respectively), with face value of one nuevo sol per share.

As of December 31, 2011, registration in public registries is underway for 43,750,000 shares (26,250,000 "Class A" shares and 17,500,000 "Class B" shares) which at that date will enjoy their full rights.

The Mandatory Annual General Shareholders Meeting held on March 17, 2011, approved capitalizing retained earnings for the year 2010 by S/.54, 495.944.

The Mandatory Annual General Shareholders Meeting held on March 18, 2010, approved capitalizing retained earnings for fiscal year 2009 by S/.58, 000,000.

The Mandatory Annual General Shareholders Meeting held on March 19, 2009, approved capitalizing retained earnings for fiscal year 2008 by S/.46, 000,000. As of December 31, 2011 and 2010, capital stock ownership composition is as follows (in percentage):

As of December 31, 2011 and 2010, capital stock ownership composition is as follows (in percentage):

	2011 %	2010 %	2009 %
Grupo ACP Inversiones y Desarrollo S.A.	60.68	60.07	60.07
Acción Investments in Microfinance SPC	9.36	9.36	9.36
International Finance Corporation – Acción International	6.50	6.50	6.50
Stiching Hivos – Triodos Fonds	4.75	5.45	5.45
Stiching Triodos – Doen	4.75	5.45	5.45
Triodos Fair Share Fund	1.64	0.92	0.92
Corporación Financiera de Inversiones	1.53	-	-
Ducktown Holdings S.A.	1.22	-	-
La Positiva Cía. de Seguros y Reaseguros S.A.	1.19	2.58	2.15
La Positiva Vida Seguros y Reaseguros	0.57	2.63	2.63
Others	1.48	0.71	1.14
	<u>100.00</u>	<u>100.00</u>	<u>100.00</u>

(b) Legal reserve

In accordance with the provisions of the Law of Banking and Insurance, the Bank must reach a legal reserve not smaller than 35% of its paid up capital. This reserve is funded through annual appropriation of at least 10% of its net income and can only be used to absorb losses or its capitalization, with obligation to replenish in both cases.

The Mandatory Annual General Shareholders Meeting held on March 17, 2011 approved increasing the legal reserves by S/.9,715,000.

The Mandatory Annual General Shareholders Meeting held on March 18, 2010 approved increasing the legal reserves by S/.9,962,000.

The Mandatory Annual General Shareholders Meeting held on March 19, 2009 approved increasing the legal reserves by S/.9,253,000.

(c) Capital contributions

As of December 31, 2011, the capital premium for shareholders' contributions reached S/.96,250,000.

(d) Dividend distribution

The Mandatory Annual General Shareholders Meetings held on March 17, 2011, March 18, 2010, and March 19, 2009 agreed to distribute dividends earned in 2010, 2009 and 2008 for approximately S/. 27,518,000, S/. 29,127,000, and S/. 29,752,000, respectively.

(e) Non realized income –

As of December 31, 2011 and 2010 the net non realized income corresponded to the net earnings and loss from changes in investments available for sale. Note 5(a).

(f) Effective shareholders' equity

As of December 31, 2011 and 2010, the Bank's net shareholders' equity was determined as follows.

	2011 S/.(000)	2010 S/.(000)
Tier 1 Effective Stockholders' Equity		
Paid up capital	299,260	244,764
Capital in process	26,250	-
Issuance premium	57,750	-
Legal reserve	55,200	45,485
Results for the year under capitalization agreement	-	45,400
	<u>438,460</u>	<u>335,649</u>
Tier 2 Effective Stockholders' Equity		
Capital in process	17,500	-
Issuance premium	38,500	-
Voluntary reserve	2,681	2,681
Subordinated debt	83,728	109,716
Generic provisions for loans (mandatory)	53,127	45,757
	<u>195,536</u>	<u>158,154</u>
Total	<u><u>633,996</u></u>	<u><u>493,803</u></u>

In June 2008, Legislative Decree No. 1028 amended the Law on Banking and Insurance, and established that regulatory capital must be equal to or greater than 10% of assets and contingent credits weighted by total risk, which equal the sum of: the capital requirement for market risk multiplied by 10; the capital requirement for operational risk multiplied by 10; and credit risk weighted assets and contingent credits. This calculation must include any exposure or asset in local or foreign currency. As of December 31, 2011 and 2010, the minimum requirement was 10.0 % and 9.8%, respectively.

As of December 31, 2011 and 2010, pursuant to Legislative Decree No. 1028, the Bank had the following assets and contingent loans weighted by risk and effective shareholders' equity (basic and supplemental), as follows:

	2011 S/(,000)	2010 S/(,000)
Assets and loans weighted by total risks	4,350,847	3,712,903
Effective stockholders' equity	633,996	493,803
Effective basic stockholders' equity	438,460	335,649
Effective supplementary stockholders' equity	195,536	158,154
Global capital to effective stockholders' equity ratio (in percentage)	14.57	13.30

Also, as of December 31, 2011 and 2010, the Bank has complied with SBS Resolutions No. 2115-2009, No. 6328-2009, No. 14354 - 2009, Regulations for Regulatory Capital for Operational Risk, Market Risk and Credit Risk, respectively, as amended.

During 2010, through Letter No. 55995-2010 dated November 29, 2010, the SBS authorized the Bank to adopt the alternative standardized approach.

On July 20, 2011, the SBS issued Resolution No. 8425-2011, which establishes that to

determine the level of additional cash equity, financial institutions should have in place a process for assessing the adequacy of their net assets based on their risk profile, following the methodology described in the resolution. The additional capital requirement shall equal the sum of the effective capital requirements calculated for each of the following components: economic cycle, concentration risk, market concentration risk, interest rate risk and other risks. Financial institutions will have a term of five years from July 2012 to bring their total

regulatory capital to the level requested in compliance with the percentages and dates established in SBS Resolution No. 8425-2011.

In the opinion of Management, the Bank will have no problems in meeting the requirements established in the aforementioned resolution.

13. Taxes

(a) The Bank is subject to Peruvian Tax Law. The rate of income tax as of December 31, 2011, 2010 was 30% on taxable income, after deducting the share of profits paid to workers, which, according to the provisions of the rules force, is calculated at a rate of 5%.

Legal persons not domiciled in Peru and individuals must pay a 4.1% tax on dividends from companies domiciled in the country.

(b) As of January 1, 2010, only capital interest income and gains from bonds issued by the Republic of Peru are tax exempt, as well as interest and capital gains from Certificates of Deposit of the Central Bank of Peru, used for monetary regularization. Capital interest and gains from bonds issued prior to March 11, 2007 are also tax exempt.

Additionally, the exemption for yields from deposits made in the national financial system, if the recipient thereof is a legal entity, has been eliminated. On the other hand, as of 2010, the

capital gains arising from the sale, redemption or rescue of securities through centralized trading mechanisms in Peru have become taxable.

In this context, the Law of Income Tax holds that to establish the gross income resulting from the sale of securities acquired prior to January 1, 2010, registered in the Public Registry of Securities, the cost computable of such securities shall be the quoted price at the close of the taxable year 2009, or the acquisition cost, or value of the equity income, whichever is greater.

This rule applies to legal persons when securities are disposed of within or outside a centralized trading mechanism in Peru.

On the other hand, provisions under Law No. 29,645 amended the rates for the deductions allowed to non-resident individuals.

On this basis, from the year 2011 on, the 4.99% withholding rate applies to the interest paid to non-resident individuals. This rate will also be applicable to interest paid by the Bank to non-resident legal persons as a result of domestic use of credit lines abroad. The 1% rate will continue to apply to interest on contracts up through the end of 2010.

Similarly, the withholding rate of 4.99% will apply to interest from bonds and other debt instruments, deposits, deposits made pursuant to the Financial System Act, and capital gains of such deposits, as well as to deposits, repos, lending of securities and other interest from credit operations of companies.

On the other hand, it should be noted that through Law No. 29,546, published on June 29,

2010, the exemption from the General Sales Tax on interest on securities issued by public offering by legal entities incorporated or established in the country was extended until December 31, 2012, provided the issue is made under the Securities Market Law, approved by Legislative Decree No. 861, or the Investment Funds Act, approved by Legislative Decree No. 862, as appropriate.

(c) For purposes of determining taxes on income and general sales, prices and amounts of consideration that were agreed in transactions between related parties or which are carried out through or across countries or territories with low or no taxation, documentation and information to support the valuation methods and criteria applied in its determination must be provided. The Tax Administration has the authority to request this information from the taxpayer.

Based on the analysis of the Bank's operations, Management and its legal counsel believe that the enforcement of these standards will not result in significant contingencies for the Bank, as of 31 December 2011 and 2010.

(d) The Tax Authority has the power to review and, if necessary, adjust the income tax calculated by the Bank in the four years following the year in which the tax return is filled. The affidavits of income tax for the years 2007, 2008, 2010 and 2011, are subject to audit by the Tax Authority. Because of the possible in-

terpretations that the Tax Authority can make regarding legal norms, it is not possible to determine whether the revisions will be result in liabilities for the Bank, so any higher tax or surcharge that may result from potential tax revisions would be applied to the results of the year in which it is determined. In the opinion of Management and its legal counsel, the result of such reviews should not generate significant additional liabilities for the Bank.

(e) The income tax for the years ended December 31, 2011, 2010 and 2009 appears below:

	Balance as of January 2009	(Charge) credit to income	Balance as of December 31, 2009	(Charge) credit to income	Balance as of December 31, 2010	(Charge) credit to income	Balance as of December 31, 2011
	S/(,000)	S/(,000)	S/(,000)	S/(,000)	S/(,000)	S/(,000)	S/(,000)
Deferred assets							
Mandatory voluntary and generic provision for doubtful loans	10,491	9,314	19,805	3,394	23,199	3,223	26,422
Leasing installments, realizable assets, assets received through payment and repossession, differences in refurbishment depreciation rates in leased offices and others	3,113	1,477	4,590	1,485	6,075	972	7,047
Provision for vacations payable	3,227	766	3,993	1,693	5,686	842	6,528
Provision for contingencies	300	1,335	1,635	145	1,780	15	1,795
Suspended interest	135	-	135	-	135	(135)	-
	<u>17,266</u>	<u>12,892</u>	<u>30,158</u>	<u>6,717</u>	<u>36,875</u>	<u>4,917</u>	<u>41,792</u>
Deferred liabilities							
Intangibles	(2,051)	(731)	(2,781)	(1,487)	(4,269)	(1,945)	(6,214)
Goodwill (limited life)	(234)	70	(164)	41	(123)	(31)	(154)
	<u>(2,285)</u>	<u>(661)</u>	<u>(2,945)</u>	<u>(1,446)</u>	<u>(4,392)</u>	<u>(1,976)</u>	<u>(6,368)</u>
Total deferred assets, net	<u>14,981</u>	<u>-</u>	<u>27,213</u>	<u>-</u>	<u>32,483</u>	<u>-</u>	<u>35,424</u>
Income for the year		<u>12,231</u>		<u>5,271</u>		<u>2,941</u>	

(f) Income (expenses) for income tax includes:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Income tax			
Current	(45,503)	(48,861)	(57,918)
Deferred	2,941	5,271	12,231
	<u>(42,562)</u>	<u>(43,590)</u>	<u>(45,687)</u>

(g) The following is the reconciliation of the tax rate of income tax to the effective rate of the Bank for the years 2011, 2010 and 2009:

	2011		2010		2009	
	S/.(000)	%	S/.(000)	%	S/.(000)	%
Earnings before income tax	151,985	100.00	140,733	100.00	142,776	100.00
Theoretical expense	45,596	30.00	42,220	30.00	42,833	30.00
Non-deductible expenses	2,570	1.69	7,257	5.15	11,429	8.00
Exempted and excluded income	(5,604)	(3.69)	(5,887)	(4.18)	(8,575)	(6.00)
Expenses for income tax based on effective rate	<u>42,562</u>	<u>28.00</u>	<u>43,590</u>	<u>30.97</u>	<u>45,687</u>	<u>32.00</u>

14. Memoranda accounts

(a) The table below shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)
Contingent operations		
Indirect loans (b)		
Letters of Guarantee, note 6(a)	3,645	4,144
Other contingent operations		
Loans granted, undisbursed	367,588	290,401
Other	3,311	5,750
	370,899	296,151
Total contingent operations	374,544	300,295
Other memoranda accounts		
Collateral received for loans	2,428,600	1,455,803
Guarantees granted for debt and financial obligations (c)	14,703	105,651
Bad debt write-offs (d)	393,997	359,843
Suspended interest	38,380	24,593
Securities in custody	28,535	15,685
Completely impaired fixed asset	3,593	3,593
Other memoranda accounts	23,530	18,738
Total other memoranda accounts	2,931,338	1,983,906
Total debt memoranda accounts	3,305,882	2,284,201

(b) In the normal course of its operations, the Bank carries out contingent operations (indirect loans). These operations expose it to additional credit risk above and beyond the amounts recognized in the balance sheet.

The Bank applies the same credit policies for granting and evaluating the provisions for direct loans when performing contingent operations, note 6, including obtaining guarantees when it so deems necessary. Guarantees vary and include deposits in financial institutions, securities or other assets. Whereas most contingencies should reach maturity without the Bank having to deal with them, the total contingent operations (indirect loans) do not necessarily represent future cash requirements.

(c) These guarantees are issued primarily to support the funding received from COFIDE and the appropriations funded. Note 10 (c).

(d) During the years 2011 and 2010, the Bank sold to a related entity the rights over written off loans granted to clients for approximately S/.171,247,000, and S/.79,966,000, respectively, which were totally provisioned. Note 18.

The sales price and income generated in 2011 amounted to S/.14,882,000 (S/.5,768,000 in 2010), which is shown under "Other income, net" in the statement of profit and loss. Note 18.

15. Financial income and expenses

The table below shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Financial income			
Interest from loans portfolio	968,116	920,700	823,034
Income from sale of investments	4,921	2,721	3,464
Income from appreciation of investments	-	1,812	3,184
Interests from available funds	6,407	1,480	311
Interest and fees payable for inter-bank funds	1,151	1,327	1,837
Other financial income	342	830	131
Financial income before exchange rate difference, net	<u>980,937</u>	<u>928,870</u>	<u>831,961</u>
Difference in exchange rate, net	6,932	7,957	9,822
Total	<u><u>987,869</u></u>	<u><u>936,827</u></u>	<u><u>841,783</u></u>
Financial expenses			
Interest and fees payable for obligations with the public	135,087	93,492	91,047
Interests for indebtedness and obligations with foreign and local financing institutions	45,478	49,738	52,931
Interest payable for deposits from companies within the financial system	9,573	5,285	10,107
Premiums for the deposits insurance fund	5,555	4,481	3,509
Fees and other charges payable for financial obligations	4,289	4,712	4,889
Interest payable for outstanding shares, securities and obligations	1,888	4,617	7,177
Fees and other charges payable for financial obligations	810	89	246
Loss due to derivative financial instruments, net	42	1,433	6,187
Other financial expenses	3,520	1,810	84
Total	<u>206,242</u>	<u>165,657</u>	<u>176,177</u>
Gross financial margin	<u><u>781,627</u></u>	<u><u>771,170</u></u>	<u><u>665,606</u></u>

16. Personnel expenses

The following table shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Salaries	165,555	146,483	116,779
Bonuses	26,702	23,816	19,021
Compensation for years of service	15,747	13,767	11,072
Pension funds	15,026	13,075	10,563
Other compensations	8,582	1,665	1,957
Profit sharing, note 2(a)(ii)	8,455	8,145	8,484
Personnel training programs	7,221	8,373	6,808
Transportation	7,003	6,309	4,740
Board of directors' expenses	4,797	4,385	4,048
Advance payment of windfall earnings, note 8 (c)	1,639	1,633	1,314
Allowances	1,463	1,126	1,549
Bonuses	861	919	831
Windfall profit sharing	-	9,650	12,423
Other personnel expenses	16,191	16,319	9,153
	<u>279,242</u>	<u>255,665</u>	<u>208,742</u>
Average number of workers	<u>3,458</u>	<u>3,244</u>	<u>2,767</u>

17. Expenses for services received

(a) The following table shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Professional fees (b)	37,101	28,993	23,503
Advertising (c)	24,109	28,932	13,968
Lease expenses	19,672	15,650	14,855
Repair and maintenance	9,533	12,670	11,002
Transportation	8,700	11,087	8,718
Communications	8,149	7,028	5,504
Surveillance and protection	8,080	7,327	7,360
Services	4,265	3,772	3,345
Miscellaneous supplies	3,803	5,648	6,093
Public relations and events	3,078	4,021	4,125
Insurance	1,664	1,637	1,656
Risk central expenses	1,380	1,426	1,440
Studies and projects	1,160	1,595	1,918
Other	20,677	15,871	11,318
	<u>151,371</u>	<u>145,657</u>	<u>114,805</u>

(b) The figures for year 2011 include S/.7,946,000 and S/.3,917,000 for information technology and call center services, respectively, provide by related entities since 2009 (S/.10,308,000 and S/.6,709,000 in 2010, and S/.8,005,000 and S/10,249,000 in 2009).

(c) The figures for year 2011 include S/.9,317,000 and S/.7,920,000 for media advertising and promotional campaigns, respectively (S/.14,283,000 and S/.8,931,000 in 2010 and S/.7,037,000 and S/.2,371,000 in year 2009).

18. Other revenue, net

The following table shows the composition of this heading:

	2011 S/.(000)	2010 S/.(000)	2009 S/.(000)
Recovery of write-offs	16,449	13,822	11,749
Earnings from the sale of rights over loans granted to clients, note 14 (d)	14,882	5,768	5,472
Minor others, net	3,806	(1,038)	(3,333)
Total other income, net	<u>35,137</u>	<u>18,552</u>	<u>13,888</u>

19. Profit per share

The weighted average number of shares and the earnings per share appear below.

	Outstanding shares (en miles)	Share base for calculation (en miles)	Effective days in the year	Weighted average of common shares (en miles)
2009				
Balance as of January 1, 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
Capitalization of earnings in 2011, note 12(a)	-	54,496	365	54,496
Balance as of December 31, 2009	186,764	299,260		299,260
Earnings per share, basic and diluted				0.324
2010				
Balance as of January 1, 2010	186,764	186,764	365	186,764
Capitalization of earnings, note 12(a)	58,000	58,000	365	58,000
Capitalization of earnings in 2011, note 12(a)	-	54,496	365	54,496
Balance as of December 31, 2010	244,764	299,260		299,260
Earnings per share, basic and diluted				0.325
2011				
Balance as of January 1, 2011	244,764	244,764	365	244,764
Capitalization of earnings, note 12(a)	54,496	54,496	365	54,496
Capital contributions, note 12(a)	43,750	43,750	17	2,038
Balance as of December 31, 2011	343,010	343,010		301,298
Earnings per share, basic and diluted				0.363

20. Transactions with shareholders and related parties

(a) The following are the principal balances of the accounts held by the Bank with its shareholders and related parties as of December 31, 2011 and 2010:

	Grupo ACP Inversiones y Desarrollo S/.(000)	Conecta Centro de Contacto S.A. S/.(000)	Protecta S.A. Compañía de Seguros S/.(000)	CSC Innovación S.A. S/.(000)	Other shareholders S/.(000)	Other related entities S/.(000)
2011						
Assets						
Loans portfolio	-	11	-	-	-	3,754
Other assets	177	2,452	505	3,643	-	3,564
Liabilities						
Obligations with the public	10,898	1,316	7,131	715	-	8,437
Debits	-	-	-	-	148,115	-
Other liabilities	663	1,463	54	72	-	895
Income						
Income from interest	524	2	-	-	-	91
Income from miscellaneous services	10	15,115	22,232	130	-	54
Expenses for interest	630	8	50	2	6,478	152
Expenses for third-party services	1,430	15,316	600	7,991	-	1,610
Memoranda accounts						
Indirect loans and guarantees	6,764	-	-	-	-	13,644
2010						
Assets						
Loan 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
Income						
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
Memoranda accounts						
Indirect loans and guarantees	8,810	-	-	-	-	11,098

Conecta Centro de Contacto S.A. –

Conecta Centro de Contacto S.A., provides telephone, collections and telemarketing services. In 2011 the Bank held thirteen sales from the written off portfolio of Conecta Contact Center SA for a total of S/.14, 882.000, Note 14 (d) (S/.5,768,000 in 2010).

Protecta S.A. Compañía de Seguros.–

On January 2, 2009, the Bank signed a lease agreement for marketing services with Protecta Insurance SA, through which Mibanco is authorized to promote and market insurance products to its customer base.

CSC Innovación S.A. –

In May 2009, the Bank signed a contract for the provision of information technology services with CSC Innovation S.A.

Other shareholders.–

As of December 31, 2011, the Bank has financing from the following shareholders: IFC, Triodos Custody BV - Triodos Fair Share Fund and Triodos SICAV II - Triodos Microfinance Fund, and Action Investment in Microfinance SPC for S/.126,907,000 (S/.85, 494,000 as of December 31, 2010), S/.13,120,000 (S/.30,899,000 as of December 31, 2010) and S/.8,088,000 (S/.8,427,000 as of December 31, 2010), respectively, note 10 (b), which generated interest expenses as shown under "Interest expense" in the statement of profit and loss, for the amount of S/.2,927,000 (S/.8,432,000 as of December 31,

2010), S/.2,738,000 (S/.2,922,000 as of December 31, 2010) and S/.814,000 (S/.839,000 as of December 31, 2010), respectively.

In 2011 and 2010 the Bank incurred in expenses for property insurance and risk disencumbrance with the La Positiva Cia. de Seguros y Reaseguros S.A.

Additionally, as of December 31, 2011 and 2010, La Positiva Cia. S.A. Seguros y Reaseguros held term deposits and current accounts.

In 2010, the Bank had revenue for financial advisory services to related companies Microfinance Uruguay SA, Forjadores de Negocios S.A. and FIS Empresa Social (Emprenda) for an approximate amount of S/.117,000.

(b) Certain shareholders and Bank officials have made, directly or indirectly, credit transactions with the Bank as permitted by the Law of Banking and Insurance, which regulates and restricts certain transactions with employees, directors and officers of a bank. As of December 31, 2011, loans and other credits to employees and directors of the Bank amounted to approximately S/.14,534,000 (S/.11,599,000 as of December 31, 2010).

(c) The total remuneration of the directors was approximately S/.3,028,000, S/.3,855,000, and S/.3,828,000 for the years 2011, 2010 and 2009, respectively, as shown under "Personnel expenses" in the statement of profits and loss. The total remuneration of the key personnel of the Bank, including the General Manager and

other managers, for the years 2011, 2010 and 2009 amounted to S/.7,944.000, S/.8,100,000 and S/10, 257.000, respectively.

(d) Under current law, loans to related parties cannot be made on terms more favorable than those granted by the bank to the public. The Management of the Bank believes that it has complied with all the requirements established in the existing legal provisions for transactions with related entities or individuals.

21. Risk assessment

The Bank's activities are mainly related to the use of financial instruments. The Bank accepts deposits from customers at fixed and floating rates with different terms, with the intent to make a return by investing these funds in high quality assets. The Bank seeks to increase these margins by consolidating short-term funds and lending for periods consistent with its funding to earn higher rates, using a variety of products, while maintaining sufficient liquidity to meet all withdrawal that may occur.

Market risk –

The Bank is exposed to market risks, which include the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risks arise from changes in positions inside and outside the balance, which are exposed to general and

specific market fluctuations and price volatility of financial market factors, such as interest rates, exchange rates, commodity and equity investments.

The Bank establishes internal limits that are monitored continuously. However, the use of this control measure does not eliminate all the risk that losses may occur beyond the established limits in case of extreme market price fluctuations.

Liquidity risk –

The Bank is exposed to daily withdrawal of its available cash resources for its bonds payable from one day to another, or from current accounts, maturing deposits, smaller loans, guarantees and other withdrawals.

The Bank does not maintain cash resources to meet all these needs, as experience shows that it is possible to estimate with a high degree of certainty that a minimum level of funds will be reinvested at maturity.

The Bank's Management sets limits on the minimum amount of funds available to cover payment of deposits at maturity and on the minimum level of interbank lending facilities and other types of loans (debts and financial obligations) with which it should be possible to cover withdrawals in the event of unexpected levels of demand.

The processes of matching and mismatching control for the maturities and interest rates of assets and liabilities are fundamental to the Bank, but it is unusual for financial institutions

to be fully matched. Given the uncertain terms of many transactions and their various types, an uncovered position in the terms or rates can potentially increase profitability, but also increases the risk of losses.

The maturities of assets and liabilities and the ability to replace, at an acceptable cost, interest-bearing liabilities to maturity are important factors in determining the liquidity of the Bank and its exposure to changes in interest rates and exchange rates.

The notes to the financial statements include an analysis of the Bank's assets and liabilities grouped by date of contract maturity.

Cash flow and fair value risks due to changes in interest rates

Cash flow interest rate risk is the risk that the cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates.

The Bank takes positions that are exposed to the effect of fluctuations in the prevailing levels of market interest rates which affect its financial position and cash flows. Interest margins may increase as a result of such changes but may reduce or create losses in the event of unexpected fluctuations. The Bank's Management sets limits on the level of mismatch acceptable, and this level is constantly monitored.

The resources for financing are obtained primarily from short-term liabilities, whose

interest is coherent with fixed and variable rates prevailing in the market. Customer deposits and other financial instruments are subject to risks arising from fluctuations in interest rates. The maturity characteristics and relevant contractual interest rates of financial instruments are disclosed in the notes to the financial statements.

In 2011 and 2010, the Bank did not engage in transactions with hedging derivatives to cover for this risk.

Exchange rate risk –

The Bank is exposed to the effects of fluctuations in prevailing foreign currency exchange rates on its financial position and cash flows. Management sets limits on the level of exposure from currency and on the total number of "overnight" transactions, which it monitors constantly.

Most assets and liabilities are held in nuevos soles. Foreign currency transactions are made at market rates. The Bank's assets and liabilities in foreign currencies as of December 31, 2011 and 2010 are shown in note 3.

The Bank entered into transactions with forward derivative currency financial products to cover part of this risk, note 3.

Credit risk –

The Bank is subject to credit risk positions, which is the risk that a customer cannot meet payment at maturity. To hedge this risk, provisions are entered for losses that have been incurred in as of the balance sheet date. Significant changes

in the economy or in the situation of a particular industry segment reflecting a concentration of the Bank's portfolio could result in losses that are different from those recorded at the balance sheet date, for which reason the Bank's Management Bank continuously monitors its exposure to credit risk.

The Bank structures its levels of credit risk by setting limits on the amount of risk accepted in relation to one borrower or group of borrowers, and by geographical and industry segments.

Such risks are monitored constantly and subject to frequent review. The limits in the level of risk are approved by Management and are part of current regulations. Exposure to credit risk is managed through regular analysis of the ability of borrowers to meet interest and capital payments on their obligations and by changing these lending limits where appropriate. Exposure to credit risk is also managed in part by real and personal guarantees, but there is a significant part of the MES and consumer loans where no such guarantees can be obtained.

Financial assets that present a potential credit risk consist primarily of available funds, marketable investments available for sale, the loans portfolio, derivative financial instruments and other assets. Available funds, excluding cash and trade, are deposited with prestigious financial institutions. The magnitude of the maximum exposure to credit risk is represented by bank balances of the amounts indicated above. Actual exposure and their comparison to established limits are constantly reviewed.

22. Fair value of financial instruments

The estimated fair or market value is the amount for which an asset could be exchanged or a liability settled between knowledgeable and willing parties in an ordinary transaction, assuming that the entity is a ongoing concern.

When a financial instrument is traded in an active and liquid market, its quoted market price in an actual transaction provides the best evidence of fair value. When the market price is not available, or may not be indicative of the fair value of the instrument, the fair value may be determined using the market value of another instrument (proxy) that is substantially similar, through discounted cash flow analysis or other applicable techniques, which are significantly affected by the assumptions used. Although Management has used its best judgment in estimating the fair values of its financial instruments, any such estimation technique will be inherently brittle to some extent and as a result, fair value may not be indicative of net realizable or settlement value.

The methodologies and assumptions used to determine estimated market values depend on the terms and risk characteristics of various financial instruments as follows:

- The available funds are cash and short term deposits that present no significant credit or interest rate risk, so that their book value is

equivalent to their estimated market value.

- As of December 31, 2011 and 2010, investments available for sale are recorded at their estimated fair values, and consequently the estimated fair value includes unrealized potential gains that have been determined based on the valuation of investments.

- Most Bank loans bear interest rates that can be adjusted to changes in market conditions, and consequently, their book value, net of the credit risk theoretical provision at rates required by the SBS, excluding increased procyclical provisions as indicated in note 6, is considered a good fair value estimate of those assets on the date of the balance sheet.

- The market value of deposits and bonds is similar to their book value, mainly because most have current maturities and because interest rates generated are comparable to those of similar liabilities in the market on the balance sheet date.

- Debts to banks and correspondents bear interest at fixed and variable rates and/or preferential fees similar to those prevailing in the market.

As a result, it is estimated that their book value does not differ significantly from their respective fair values.

- Outstanding bonds and debentures bear interest at fixed and variable rates by issue type. The fair value of the bonds is calculated using discounted cash flows at the effective interest rate for bank liabilities with similar characteristics. As a result of the calculation, the estimated

market value does not significantly differ from the book value.

- The Bank records transactions in financial derivative instruments (forwards) at their estimated market value, so that there are no differences with their book value.

Consequently, as of December 31, 2011 and 2010, the Bank's management believes that the estimated values of financial instruments of the Bank do not differ significantly from their carrying amounts.

Auditor fees

FEES FOR THE YEAR THAT ENDED ON
DECEMBER 31, 2010 AND 2011.

	2010	2011
	En miles de Nuevos Soles	
Audit	660	360
Audit related	102	135
Taxes	36	53
Other	2,667	1,209
Total	<u>3,465</u>	<u>1,757</u>

Details of the fees billed to the Bank, including professional services by firms Medina, Zaldivar, Paredes & Asociados SCRL, and Ernst & Young Advisors S. Civil RL, member firms of Ernst & Young Global Limited, are described below:

Audit – Corresponds to fees for the audit of the Bank’s financial statements and revisions required by auditing standards.

Audit-related - Mainly services such as compliance reviews, review procedures and internal accounting control and fraud prevention reviews.

Taxes - Mainly review services for affidavits, technical advice on tax and transfer pricing study.

Others - Mainly revision services for operational risk controls, operational controls and review and control processes in the revenue cycle.



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**GLOBAL
REPORTING
INITIATIVE
(GRI)**

**Yohanna Portilla Bejarano, tutor advisor
and her client, Yanina Hernández.
Business: Fisheries.
Office: Pisco.**

The annual report follows the principles and guidelines established by the Global Reporting Initiative (GRI), an international benchmark organization for the preparation sustainable annual reports. The level of demand implemented corresponds to application level A (as defined by this international organization). Therefore, a formal application of external verification has not yet been requested.

The annual report's content, open to audit by third parties, includes responses to central and financial, mandatory and voluntary GRI indicators. In this sense, Mibanco has implemented specific measures to ensure that financial information and any other data issued within the institutional communications' framework is complete, correct and truthful.

As a general rule, it is important to indicate that even though the whole of the content is adjusted according to the GRI protocols' guidelines, there are cases in which an indicator is not part of Mibanco's activities.

On the other hand, reformulations of content with regard to previous fiscal years have not been performed, nor have significant changes regarding scope, boundary and valuation methods. In cases where there is a change with regard to the previous fiscal year, it is duly justified.

No relevant limitations have been identified. In cases where a variation with regard to scope or boundary can be interpreted, this is duly explained in addition to the information provided. The content of Mibanco's annual report includes GRI indicators. Finally, according to the GRI structure, the last pages of the document show an organized index detailing the location of indicators in this annual report.

DEFINING ANNUAL REPORT CONTENT, COVERAGE AND QUALITY

PRINCIPLES FOR DEFINING ANNUAL REPORT CONTENT

The annual report's content was defined taking into account the following principles:

Completeness. Scope: Elements and indicators required by the Global Reporting Initiative (GRI) were applied in the general guide as well as in the supplement for the financial services sector.

Coverage: The annual report's data refers to Mibanco, Banco de la Microempresa. Information from its 117 offices nationwide, 53 in Lima and 59 in other cities of Peru is included.

Time: Updates to information up until December 31, 2011 are presented and are complemented, quantitatively, with data from the 2010 fiscal year.

Sustainability context: In this report, Mibanco clearly states its commitment to sustainability, which is also part of the organization's strategy, operations, policies and procedures for ethical and responsible management.

Materiality: Information included in this report discloses relevant issues for stakeholders, the financial sector and scenario in which Mibanco operates.

Stakeholder inclusiveness: The main stakeholders have been identified and it is believed that the annual report responds to their expectations and interests.

PRINCIPLES FOR DEFINING REPORT QUALITY

Balance: Complete information of the activity or activities regarding the indicator is presented. Positive outcomes and those requiring improvement are reported.

Accuracy: This report includes accurate and detailed information. It has been elaborated based on measurement techniques and standardized calculation bases regarding both financial management and sustainability. Moreover, all activities are included and partial or non-reported information is justified.

Reliability: The information included in the annual report is open to audit by third parties. The financial statements comply with legal parameters established by Peruvian institutions.

Clarity: Information included in this report is easy to understand. In addition, it is available at <http://www.mibanco.com.pe>. Any person or organization can access the document.

Comparability: Although some indicators are reported for the first time (G3.1 version), most can be compared with those reported for the previous fiscal year. The information included in this report follows the same procedures for data gathering and calculation used previously. Therefore, no significant changes regarding comparability may be observed.

Regularity: Information about Mibanco's performance is consolidated and presented on an annual basis. The report is published after Mibanco's Annual Shareholders Meeting approves it.

For additional information or suggestions, please contact Fernando Balbuena at fbalbuena@mibanco.com.pe and/or Carolina Benavides at cbenavid@mibanco.com.pe

1. Estrategia y Análisis

- 1.1** Statement from the most senior decision-maker of the organization about the relevance of sustainability to the organization and its strategy. **Pages 11, 12 and 13**
- 1.2** Description of key impacts, risks, and opportunities. **Pages 36-43, 63**

2. Mibanco Organizational Profile

- 2.1** Name of the organization. **Page 18**
- 2.2** Primary brands, products, and/or services. **Pages 74-76, 78-84**
- 2.3** Operational structure of the organization. **Page 26**
- 2.4** Location of organization's headquarters. **Page 19**
- 2.5** Number of countries where the organization operates. **Page 211**
- 2.6** Nature of ownership and legal form. **Page 18**
- 2.7** Markets served. **Pages 69-72**
- 2.8** Scale of the reporting organization. **Pages 52-55, 88, 90, 124**
- 2.9** Significant changes during the reporting period regarding size, structure, or ownership. **Pages 11-13**
- 2.10** Awards received in the reporting period. **Pages 44-45**

3. Report Parameters

REPORT PROFILE

- 3.1** Reporting period for information provided. **Pages 9, 211**
- 3.2** Date of most recent previous report (if any). **Page 211**
- 3.3** Reporting cycle (annual, biennial, etc.). **Page 211**

- 3.4** Contact point for questions regarding the report or its contents. **Page 211**

REPORT ON SCOPE AND BOUNDARY

- 3.5** Process for defining report content. **Page 13, 50, 210**
- 3.6** Boundary of the report. **Page 210**
- 3.7** State any specific limitations on the scope or coverage of the report. **Page 210**
- 3.8** Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations. **Page 211**
- 3.9** Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of indicators and other information in the report. **Page 211**
- 3.10** Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement. **Page 210**
- 3.11** Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report. **Page 210**

GRI CONTENT INDEX

- 3.12** Table identifying the location of Standard Disclosures in the report. **Pages 5, 7**

ASSURANCE

- 3.13** Current policy and practice with regard to external request for verification of the Report. If the verification report is not included in the sustainability report, it must explain the

scope and base of any other existing external verification. It must also explain the relation between the reporting organization and the verification supplier or suppliers. **Page 210**

4. Governance, Commitments and Engagement of Stakeholders

GOVERNANCE

- 4.1** Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or providing organizational oversight. **Pages 20-25**
- 4.2** Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement). **Page 35**
- 4.3** For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members. **Page 35**
- 4.4** Mechanisms for shareholders and employees to provide recommendations or indications to the highest governance body. **Page 35**
- 4.5** Connection between compensation to the members of the highest governing body, senior directors and executives (including

agreements for termination of position) and performance of the organization (including social and environmental performance). **Page 35**

- 4.6** Processes in place for the highest governance body to ensure conflicts of interest are avoided. **Page 36**
- 4.7** Process for determining the qualifications and expertise of the members of the highest governance body to guide the organization's strategy regarding social, environment and economic aspects. **Page 35**
- 4.8** Internally developed statements of codes of conduct and principles relevant to economic, environmental, and social performance and the status of their implementation. **Page 28**
- 4.9** Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles. **Page 35**
- 4.10** Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance. **Page 35**

COMMITMENTS TO EXTERNAL INITIATIVES

- 4.11** Explanation of whether and how the institution has adopted a precautionary approach or principle. **Page 36**
- 4.12** Externally developed economic, environmental, and social principles or programs to which the organization subscribes or endorses. **Pages 34, 35, 44, 45, 63, 86, 94 and 210**

- 4.13** Memberships in associations (such as industry associations) and/or national/international advocacy organizations to which the organization provides funding. **Page 43, 44**

STAKEHOLDER ENGAGEMENT

- 4.14** List of stakeholder groups that participate in the institution. **Pages 45, 50**
- 4.15** Basis for identification and selection of stakeholders with whom the organization engages. **Pages 46, 47**
- 4.16** Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group. **Pages 46, 47**
- 4.17** Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns through its reporting. **Pages 46, 47**

ECONOMIC PERFORMANCE INDICATORS

MANAGEMENT APPROACH Page 50

ECONOMIC PERFORMANCE

EC1 CORE Pages 62, 65

Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.

EC2 CORE Page 36

Financial implications and other risks and opportunities for the organization's activities due to climate change.

EC3 CORE Page 103

Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.

EC4 CORE Pages 34, 61

Significant financial assistance received from governments.

MARKET PRESENCE

EC5 ADDITIONAL Page 105

Range of ratios of standard entry-level wage compared to local minimum wage at significant locations of operation.

EC6 CORE Pages 106, 107

Policy, practices, and proportion of spending on locally based suppliers at significant locations of operation.

EC7 CORE Page 96

Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.

INDIRECT ECONOMIC IMPACTS**EC8 CORE Page 107**

Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, pro-bono or in kind.

EC9 ADDITIONAL Page 111

Understanding and describing significant indirect economic impacts, including the extent of such impacts.

ENVIRONMENTAL PERFORMANCE INDICATORS

MANAGEMENT APPROACH Page 114**MATERIALS****EN1 CORE Page 115**

Materials used by weight or volume.

EN2 CORE Page 116

Percentage of materials used that are valuated materials.

ENERGY**EN3 CORE Page 117**

Direct energy consumption by primary source.

EN4 CORE Page 116

Indirect energy consumption by primary source.

EN5 ADDITIONAL Page 116, 117

Energy saved due to conservation and efficiency improvements.

EN6 ADDITIONAL Page 118

Initiatives to provide energy-efficient or renewable

energy based products and services, and reductions in energy requirements as a result of these initiatives.

EN7 ADDITIONAL Page 118

Initiatives to reduce indirect energy consumption and reductions achieved.

WATER**EN8 CORE Page 118**

Total water with drawal by source.

EN9 ADDITIONAL Page 119

Water sources significantly affected by withdrawal of water.

EN10 ADDITIONAL Page 119

Percentage and total volume of water recycled and reused.

EN11 CORE Not material

Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.

EN12 CORE Not material

Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.

EN13 CORE Not material

Habitats protected or restored.

EN14 CORE Not material

Strategies, current actions, and future plans for managing impacts on biodiversity.

BIODIVERSIDAD

EN15 ADDITIONAL Page 36

Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.

EMISSIONS, EFFLUENTS, AND WASTE

EN16 CORE Pages 120

Total direct and indirect greenhouse gas emissions by weight.

EN17 CORE No material

Other relevant indirect greenhouse gas emissions by weight.

EN18 ADDITIONAL Page 114

Initiatives to reduce greenhouse gas emissions and reductions achieved.

EN19 CORE Not material

Emission of ozone layer destructive substances, by weight.

EN20 CORE Not material

NO, SO, and other significant air emissions by type and weight.

EN21 CORE Not material

Total water discharge by quality and destination.

EN22 CORE Not material

Total weight of waste by type and disposal method.

EN23 CORE Not material

Total number and volume of significant spills.

EN24 ADDITIONAL Not material

Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally.

EN25 ADDITIONAL Not material

Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.

PRODUCTS AND SERVICES

EN26 CORE Page 120

Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.

EN27 CORE Not material

Percentage of products sold and their packing materials which are recovered at the end of their useful life, by product category.

COMPLIANCE

EN28 CORE Page 114

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations.

TRANSPORT

EN29 ADDITIONAL Page 121

Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and for transporting members of the workforce.

OVERALL

EN30 ADDITIONAL Page 115

Total environmental protection expenditures and investments by type.

HUMAN RIGHTS PERFORMANCE INDICATORS

MANAGEMENT APPROACH **Page 108**

INVESTMENT AND PROCUREMENT PRACTICES

HR1 CORE **Page 109, 110**

Percentage and total number of significant investment agreements and contracts that include human rights clauses or that have undergone human rights screening.

HR2 CORE **Page 106**

Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.

HR3 ADDITIONAL **Page 108**

Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.

NON-DISCRIMINATION

HR4 CORE **Page 109**

Activities in which the right to exercise freedom of association and collective bargaining may be violated or significantly at risk, and actions taken to support these rights.

FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

HR5 CORE **Page 96**

Actividades de la compañía en las que el derecho a libertad de asociación y de acogerse a convenios colectivos pueda correr importantes riesgos y medidas adoptadas para respaldar estos derechos.

CHILD LABOR

HR6 CORE **Page 108**

Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.

FORCED AND COMPULSORY LABOR

HR7 CORE **Pages 97, 109**

Operations and significant suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor.

SECURITY PRACTICES

HR8 ADDITIONAL REPORTED BY: MANAGEMENT/HUMAN RESOURCES **Pages 106, 108**

Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.

INDIGENOUS RIGHTS

HR9 ADDITIONAL **Page 109**

Total number of incidents of violations involving rights of indigenous people and actions taken.

ASSESSMENT

HR10 CORE **Page 109**

Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments

REMEDIATION

HR11 CORE **Page 109**

Number of grievances related to human rights filed, addressed, and resolved through formal grievance mechanisms.

SOCIAL PERFORMANCE

LABOR PRACTICES AND ETHICAL WORK MANAGEMENT APPROACH **Page 92**

EMPLOYMENT

LA1 CORE **Pages 92, 93**

Total workforce by employment type, employment contract, region, and gender.

LA2 CORE **Pages 94, 95, 96**

Total number and rate of new employee hires and employee turnover by age group, gender, and region.

LA3 ADDITIONAL **Page 101, 102**

Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.

LA15 CORE **Page 103**

Return to work and retention rates after parental leave, by gender.

LABOR/MANAGEMENT RELATIONS

LA4 CORE **Page 96**

Percentage of employees covered by collective bargaining agreements.

LA5 CORE **Pages 96, 98**

Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.

OCCUPATIONAL HEALTH AND SAFETY

LA6 ADDITIONAL **Page 96**

Percentage of total workforce represented in formal joint management-worker health and safety committees that help to monitor and advise on occupational health and safety programs.

LA7 CORE **Page 105**

Rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender.

LA8 CORE **Page 105**

Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

LA9 ADDITIONAL **Page 105**

Health and safety topics covered in formal agreements with trade unions.

TRAINING AND EDUCATION

LA10 CORE **Page 97**

Average hours of training per year per employee, by employee category.

LA11 ADDITIONAL **Pages 97, 98**

Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.

LA12 ADDITIONAL **Page 99**

Percentage of employees who receive regular performance and career development assessments, by gender.

DIVERSITY AND EQUAL OPPORTUNITY

LA13 CORE **Pages 93, 94**

Composition of governance bodies and breakdown of employees by employee category according to gender, age group, minority group membership, and other indicators of diversity.

EQUAL REMUNERATION FOR WOMEN AND MEN**LA14** CORE **Pages 93, 94, 105**

Ratio of basic salary and remuneration of women to men by employee category, by significant locations of operation.

SOCIETY PERFORMANCE INDICATORS**MANAGEMENT APPROACH** **Page 65****COMMUNITIES****SO1** CORE **Pages 36, 63, 65, 111, 114**

Percentage of operations with implemented local community engagement and impact assessments.

SO9 CORE **Page 114**

Operations with significant potential for, or actual negative impacts on, local communities.

SO10 CORE **Page 114**

Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

FS13 CORE **Page 76**

Access points in low-populated or economically disadvantaged areas by type.

FS14 CORE **Page 80**

Initiatives to improve access to financial services for disadvantaged people.

CORRUPTION**SO2** CORE **Page 111**

Percentage and total number of business units analyzed for risks related to corruption.

SO3 CORE **Page 113**

Percentage of employees trained in organization's anti-corruption policies and procedures.

SO4 CORE **Page 113**

Actions taken in response to incidents of corruption.

PUBLIC POLICY**SO5** CORE **Page 88**

Public policy positions and participation in public policy development and lobbying.

SO6 **ADDITIONAL** **Pages 88, 112**

Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country

ANTI-COMPETITIVE BEHAVIOR**SO7** **ADDITIONAL** **Pages 88, 111**

Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes.

COMPLIANCE**SO8** CORE **Page 88**

Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations.

PRODUCT RESPONSIBILITY PERFORMANCE INDICATORS

MANAGEMENT APPROACH **Page 75**

CUSTOMER HEALTH AND SAFETY

FS15 CORE **Pages 86**

Policies for the fair design and sale of financial products and services.

CUSTOMER HEALTH AND SAFETY

PR1 CORE **Pages 81, 84**

Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.

PR2 ADDITIONAL **Page 87**

Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services, by type of outcomes.

PRODUCT AND SERVICE LABELING

PR3 CORE **Page 86, 87**

Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.

PR4 ADDITIONAL **Page 88**

Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.

PR5 ADDITIONAL **Page 85**

Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

FS16 CORE **Pages 63, 64**

Initiatives to enhance financial literacy by type of beneficiary.

MARKETING COMMUNICATIONS

PR6 CORE **Page 87**

Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.

PR7 ADDITIONAL **Pages 112, 113**

Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes.

CUSTOMER PRIVACY

PR8 ADDITIONAL **Page 113**

Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.

COMPLIANCE

PR9 CORE **Page 88**

Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services.

SUPPLEMENTARY ENVIRONMENTAL INDICATORS SPECIFIC TO THE FINANCIAL SERVICES SECTOR

PRODUCT AND SERVICE IMPACT MANAGEMENT APPROACH [Page 114](#)

PRODUCT PORTFOLIO (MANAGEMENT INDICATORS)

FS1 CORE [Page 80](#)

Policies with specific environmental and social components applied to business lines.

FS2 CORE [Page 115](#)

Procedures for assessing and screening environmental and social risks in business lines.

FS3 CORE [Page 82](#)

Processes for monitoring clients' implementation of environmental and social requirements included in agreements or transactions.

FS4 CORE [Page 99](#)

Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines.

FS5 CORE [Pages 63, 108](#)

Interactions with clients/investees/business partners regarding environmental and social risks and opportunities.

PRODUCT PORTFOLIO (MANAGEMENT INDICATORS)

FS6 CORE [Page 69](#)

Percentage of portfolio for business lines by specific region, size (micro, SM, large) and activity sector.

FS7 CORE [Page 73](#)

Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose.

FS8 CORE [Page 82](#)

Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose.

AUDIT

FS9 CORE [Page 90, 91](#)

Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures.

ACTIVE OWNERSHIP

FS10 CORE [Page 65](#)

Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues.

FS11 CORE [Page 91](#)

Percentage of assets subject to positive and negative environmental or social screening.

FS12 CORE [Page 35](#)

Voting policy or policies applied to environmental or social issues for shares over which the reporting organization holds the right to vote shares or advises on voting.

ADHERENCE TO THE GLOBAL COMPACT

Mibanco expresses its commitment to the Global Compact and the Millennium Development Goals, both UN initiatives, promoting a respect for human rights among stakeholders and contributing to the development of a more fair and inclusive society.

PRINCIPLES	GLOBAL REPORTING INITIATIVE (GRI)	
	GRI INDICATORS	PAGES
HUMAN RIGHTS		
1. Businesses should support and respect the protection of internationally proclaimed human rights within their scope of influence.	HR1-9	96, 97, 106, 108, 109, 110
2. Businesses should make sure that their branches are not complicit in human rights abuses.	HR1, HR2, HR9	106, 109, 110
LABOR		
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	HR5, LA4, LA5	96, 98
4. Businesses should uphold the elimination of all forms of forced and compulsory labor.	HR7	97, 109
5. Businesses should uphold the effective abolition of child labor.	HR6	108
6. Businesses should uphold the elimination of discrimination in respect of employment and occupation.	HR4, LA2, LA13, LA14	93-96, 105, 109
ENVIRONMENT		
7. Businesses should support a precautionary approach to environmental challenges.	EC2, EN26, SO5	36, 88, 120
8. Businesses should undertake initiatives to promote greater environmental responsibility.	EN2, EN5-6, EN18, EN26	114-116, 117, 118, 120
9. Businesses should encourage the development and diffusion of environmentally friendly technologies.	EN2, EN5-6, EN26	116, 117, 118, 120
ANTI-CORRUPTION		
10. Businesses should work against corruption in all its forms, including extortion and bribery.	SO2-SO4	111, 113



Marianella Pomasunco Mayta and Cinthia Lucen Soldevilla, sales and services executives. Office: El Tambo

ANNUAL REPORT 2011

LIST OF AGENCIES



List of agencies

LIST OF AGENCIES	DISTRICT	ADRESS
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 306-310-314
Villa El Salvador	Villa El Salvador	Av. Juan Velasco, 2Do. Sector, Gr.8, Mz. F, Lt. 17
Santa Anita	Ate – Vitarte	Av. Las Alondras 217
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 1390-1394-1398, Esq. Con Av. España N 200, 210, 214 Y 218
Villa María del Triunfo	Villa María Del Triunfo	Av. El Triunfo 101-105
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, Lt. 13, Urb. Ventanilla
Chosica	Lurigancho	Av. 28 De Julio 393
Huaycán	Ate - Vitarte	Av. 15 De Julio, Lt. 29, Zona B – Proyecto Especial Huaycán
Puente Piedra	Puente Piedra	Mz. C, Lt. 2, Urb. Santo Domingo
San Martín de Porres	San Martín De Porres	Av. Perú 3411
Sáenz Peña	Callao	Av. Roque Sáenz Peña 922-924
Surquillo	Surquillo	Av. Paseo De La República 4297
Gamarra	La Victoria	Prolong. Antonio Bazo 750
Independencia	Independencia	Av. Las Violetas 718-720
Centro Histórico	Lima - Cercado	Jr. Cuzco 494
Próceres	San Juan De Lurigancho	Av. Próceres De La Indep. 1671-A, Urb. Las Flores
Pardo	Miraflores	Av. José Pardo 175
Lurín	Lurín	Mz. D, Lt. 2, Urb. Las Virreinas, Km. 36.5
Carabaylo	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

LIST OF AGENCIES	DISTRICT	ADRESS
Covida Los Olivos	Los Olivos	Av. Antúnez De Mayolo 1388, Urb. Los Pinares
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 Pólvora
Angélica Gamarra	Los Olivos	Av. Angélica Gamarra, Cdra. 8, Mz. D, Lt.4, Urb. El Trébol
Pro	Los Olivos	Av. Alfredo Mendiola 7889
Huandoy	Los Olivos	Av. El Naranjal 1413-1415, Parque Naranjal, li Etapa, Mz. I-2, Lt.15
Micro SJM-Mercado		
Valle Sharon	San Juan De Miraflores	Av. Prolongación Canevaro Cdra. 1 Mz. F Lt. 11, S.J.M.
Jose Gálvez	Villa María Del Triunfo	Av. Lima 1089, - Pj Villa Poeta José Gálvez Parcela B, Mz. 42 Lt. 2
Pachacamac	Villa El Salvador	Urbanización Pachacamac, Mz. L, Lt.16, Etapa li.
San Pedro	Chorrillos	Av. El Triunfo, Cdra. 3 S/N, Puerta N° 1, Aa.Hh. Túpac Amaru De Villa - San Pedro De Chorrillos
Mariscal Cáceres	San Juan De Lurigancho	Av. Próceres De La Independencia Mz. J1 Lt 23, Urb. Mariscal Cáceres
San Juan de Collique	Collique	Av. Túpac Amaru 5469 - 5475, Urb. San Juan Bautista
El Agustino	El Agustino	Av. Riva Agüero 1400, Distrito El Agustino (Costado De La Municip.)
Huachipa	Huachipa	Av. Las Torres, Mz. A, Lt.8, Urb. El Paraíso De Puente Huachipa
Musa	Pachacamac	Aa.Hh. Paul Poblet, Mz. A, Lt. 6, Carretera A Cieneguilla, Km 12 (Por La Curva De Manchay)
Circunvalación	San Luis	Av. Circunvalación 2141- 2147, Urb. Industrial Residencial El Pino
Grau	La Victoria	Av. Manco Cápac 201 Y Jr. Raymondi
Primavera	Surco	Av. Primavera 1754
Cavenecia	Miraflores	Av. Emilio Cavenecia 175
Cañete	San Vicente de Cañete	Calle Sepúlveda 115 - 215
Huacho	Huacho	Av. Miguel Grau Seminario 147
Barranca	Barranca	Jr. Alfonso Ugarte 120 A Media Cdra. Plaza Armas
Huaral	Huaral	Calle Luis Colán 110
Gran Caquetá	San Martín De Porres	Av. 10 De Junio 1020 Mz 20 Y 21, Urb. Miguel Grau
Santa Clara	Ate-Vitarte	Calle Parque Cívico N° 185

Agencies outside Lima

LIST OF AGENCIES	REGION	PROVINCE	ADDRESS
Chincha	Ica	Chincha	Av. Mariscal Benavides 182, Chincha Alta
Chiclayo	Lambayeque	Chiclayo	Calle San José 755
Huancayo	Junín	Huancayo	Av. Giráldez 201
Arequipa	Arequipa	Arequipa	Esq. Calle Piérola 237 y Dean Valdivia 117
Trujillo	La Libertad	Trujillo	Calle Bolívar 626
Cusco	Cusco	Cusco	Av. Garcilaso de La Vega 232-238
Avelino	Arequipa	Arequipa	Av. Daniel Alcides Carrión 265 A
Huaraz	Áncash	Huaraz	Av. José De Sucre 765
Tacna	Tacna	Tacna	Calle Apurímac 245, Cercado
Cajamarca	Cajamarca	Cajamarca	Jr. Apurímac 888
Ica	Ica	Ica	Jr. Independencia 156
Tarapoto	San Martín	Tarapoto	Jr. Gregorio Delgado 142, Cercado
Juliaca	Puno	San Román	Jr. Huaynacápac 130, Zona Cercado
Moshoqueque	Lambayeque	Chiclayo	Av. El Dorado 924 Y 930, Esq. Con Av. Bolívar
Puno	Puno	Puno	Calle Puno 334-342
Piura	Piura	Piura	Av. Sánchez Cerro 1279
Pucallpa	Ucayali	Cnel. Portillo	Jr. Coronel Portillo 623
Iquitos	Loreto	Maynas	Jr. Napo 200, Esq. Con Raymondi
Pisco	Ica	Pisco	Calle Progreso 181
Tarma	Junín	Tarma	Jr. Lima 543
Chimbote	Áncash	Del Santa	Jr. F. Bolognesi Mz.12 – Zona Casco Urbano
Puerto Maldonado	Madre De Dios	Tambopata	Av. Ernesto Rivero 716
El Porvenir	La Libertad	Trujillo	Calle Micaela Bastidas 1233
Tumbes	Tumbes	Tumbes	Calle Bolívar 147
Pinto	Tacna	Tacna	Av. Pinto Mz. K, Lt.7, Frente A Cc Polvos Rosados
El Tambo	Junín	Huancayo	Av. Mariscal Castilla 1259
Cusco Sur	Cusco	Cusco	Lt. 2 y 3 Mz. B, Asoc. Pro Vivienda Pueblo Libertador
Jaén	Cajamarca	Jaén	Calle Bolívar 1247-1249

LIST OF AGENCIES	REGION	PROVINCE	ADRESS
Ilo	Moquegua	Ilo	Jr. Zepita 423
Huánuco	Huánuco	Huánuco	Jr. 28 de Julio 1038-1040
Cayma	Arequipa	Arequipa	Av. Ejército 1014
Miraflores	Arequipa	Arequipa	Av. Teniente Ferré 207
Castilla	Piura	Piura	Esq. Av. Guardia Civil y Las Dalias B-1, Urb. Miraflores
Chilca	Junín	Huancayo	Calle Real 600
La Merced	Junín	Chanchamayo	Jr. Tarma 244
Lambayeque	Lambayeque	Lambayeque	Av. Ramón Castilla 1021
Túpac Amaru	Puno	San Román	Jr. Túpac Amaru 885
La Esperanza	La Libertad	Trujillo	Av. Condorcanqui 1264
Moyobamba	San Martín	Moyobamba	Jr. San Martín 466, Barrio Belén
Cusco Centro	Cusco	Cusco	Av. La Cultura 2111, Urb. Magisterial, I Etapa
El Dorado	San Martín	Tarapoto	Jr. Lima 367-377-379
El Pedregal	Arequipa	Caylloma	Calle Islay, Mz. I, Lt.2B, Villa El Pedregal
La Hermelinda	La Libertad	Trujillo	Av. América Norte 1351 (Antes Av. Circunvalación Exterior), Urb. Las Quintanas
Talara	Piura	Talara	Sub Lote C, Zona Centro Cívico, Entre Parque Grau y Mercado Nuevo De Talara
Sullana	Piura	Sullana	Av. San Martín 821-823
Satipo	Junín	Satipo	Jr. Francisco Irazola, 251-253-255 Satipo, Letra B, Mz. 14
Chepén	La Libertad	Chepén	Calle Lima 406
Ayacucho	Ayacucho	Huamanga	Jr. Sol 241
Mayorista	La Libertad	Trujillo	Av. César Vallejo 311, Urb. Palermo
Piura - Centro	Piura	Piura	Calle La Libertad N° 602
Pinto	Tacna	Tacna	Av. Pinto N° 362, Cercado
Cusco Iv	Cusco	Cusco	Av. Antonio Lorena N°394
Mollendo	Arequipa	Islay	Centro Poblado Mollendo Mz H4, Lote 10
Mercado Modelo	Lambayeque	Chiclayo	Calle José Balta N° 1699

Agencies in Shopping Centers

LIST OF AGENCIES	DISTRICT	ADRESS
Aventura Plaza Bellavista	Bellavista	Av. Óscar R. Benavides 3866, Bellavista, Callao, locales C-1022, C-1024, C-1026, C-1028, C-1030 Y C-1032, 1° Nivel
Real Plaza Pro	San Martín de Porres	Av. Alfredo Mendiola 7042, Lc 101, Santa Luzmila
Multicenter Independencia	Independencia	Av. Carlos Alberto Izaguirre 275
Real Plaza Centro Cívico	Lima	Paseo de La República S/N, Real Plaza Centro Cívico, 2° Piso, Garcilaso De La Vega 1337, 2° Piso
Minka	Callao	Av. Argentina 3093-3257, Callao
Aventura Plaza Trujillo	Trujillo	Av. América Oeste 750, Urb. El Ingenio, Locales B-1259 B-1263, 1° Nivel
Open Plaza Trujillo	Trujillo	Av. América Norte 1245, Urb. Los Jardines
Plaza Sol De Ica	Ica	Av. San Martín Y Ayabaca, Local Lc 108, 1° Piso
Real Plaza Huancayo	Huancayo	Local Comercial 101-105, Centro Comercial-Estación Huancayo, 1° Nivel
Aventura Plaza-Porongoche	Arequipa	Av. Porongoche 500

Impreso en Cyclus Print Matt, papel fabricado con 100% fibras recicladas, libres de cloro y blanqueadores ópticos, certificadas por NAPM (National Association of Paper Merchants). Ha sido elaborado además con Bio Energía (energía no contaminante) y está certificado por Ecoflower y Blue Angel que identifican productos hechos bajo el manejo medio ambientalmente apropiado, con responsabilidad social y económicamente viable de los recursos.

Los beneficios por el uso de papel 100% fibra reciclada se refleja en un menor impacto al ecosistema, equivalente a:
 243 kg. de residuos sólidos no generados
 93 kg. de gases de efecto invernadero evitados
 938 km que se evitaron sean recorridos en auto
 6,671 lt. de agua no consumida
 1,183 kWh de energía no consumida
 393 kg. de fibra de árboles no usada



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ISO 900	Quality management
EMAS, ISO 1400	EU environmental management/certification scheme
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EN 71-3	Safety of toys, migration of certain elements

DISEÑO:

Joe Quispe

IMPRESIÓN:

Comunica2