

# Outlook of the Real estate market

# 2015

 Scotiabank®

Descubre lo que puedes lograr

<b>03</b>	Introduction
<b>05</b>	Current situation
<b>13</b>	Housing market
<b>19</b>	SWOT analysis
<b>33</b>	Outlook

2015



# Introduction

The real estate sector suffered a slowdown during 2014, following four years of mortgage lending growth at rates in excess of 20%. This behavior was explained by the lower growth rate of the economy, greater restrictions on access to mortgage financing and an upward trend in the US Dollar exchange rate, which pushed prices up in terms of Nuevos Soles.

The Peruvian economy grew by 2.4% in 2014, the slowest expansion rate since 2009, due to the fall in private investment and a significant decline in the primary sectors affected by supply factors. The negative evolution of private investment -particularly mining investment as a result of the decline in the prices of minerals had a lower incidence rate of job creation, which influenced consumer confidence.

On the other hand, slower growth was observed in the real estate financing as a result of the preventive measures implemented since 2013 by the SBS and the Central Bank in order to limit the growth in mortgage lending. Also, the increase in defaults in the segment of independent workers - basically concentrated in socioeconomic level C - led financial institutions to apply stricter credit policies, considering that the default rate of mortgage loans increased from 1.03% in December 2013 to 1.43% in December 2014.

It should be noted that although the building activity showed an increase compared to 2013, especially during the first half of 2014, sales of finished houses showed the largest decline since 2006. Thus, while the marketable supply of new houses was approximately 45,000 units - level similar to that of 2013 - new house sales totaled 17,000 units, compared with 21,000 on average recorded between 2011 and 2013, according to figures from CAPECO.

For 2015, we anticipate a slower pace of building activity as a result of the stock of nearly 8,000 unsold houses at the end of 2014. However, sales of new houses would record a similar level to that recorded in 2014, as a gradual acceleration of the economy is seen for the second half of 2015. The sales are mainly concentrated in units with values of between US\$ 80,000 and US\$ 120,000, aimed at socioeconomic level B, which has been the least affected by the economic slowdown and mostly composed of dependent workers who have greater access to the financial system.

In the medium-term, potential of the real estate sector remains interesting to the extent that the Peruvian economy is again approaching growth rates of 5%, its potential growth rate. This is reflected in the important housing deficit nationally - estimated at 1.86 million units - and the low penetration of mortgage loans, as measured by the mortgage loan / GDP ratio. On the other hand, although the price of housing has shown a significant rise in recent years, which has made it possible to narrow the gap versus the average in Latin America, the real estate market indicators show that, on average, housing is in the range of "normal prices", indicating there is a potential increase in the coming years at a rate lower than in previous years.





## Current situation |

During 2014, the real estate sector recorded a significant slowdown. This situation was reflected in a significant drop in new house sales, from 22,000 units sold in 2013 to about 17,000 units in 2014, according to figures obtained from the Peruvian Chamber of Construction (CAPECO). Factors that influenced this result were: i) stricter mortgage conditions, which led to a growth in mortgage lending of 15% at year-end -20% in 2013; ii) the fall in private investment - went down by 1.6% in 2014 - in line with the decline in the business confidence index, affecting the creation of formal employment; and iii) the increase in the Nuevo Sol / US Dollar exchange rate since mid-2013, which influenced the decision to purchase new houses.

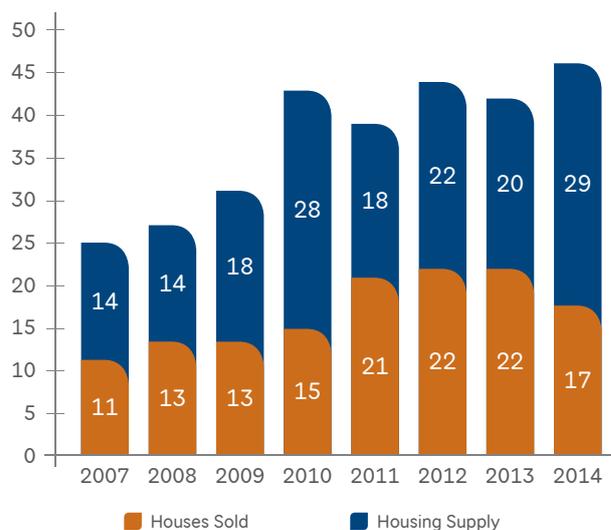
It is noteworthy that the Central Reserve Bank of Peru (BCRP) and the Superintendency of Banking and Insurance (SBS) established various measures to reduce the demand for new mortgage loans in US Dollars - de-dollarization - to reduce currency risk. This behavior worsened during 2014 due to the tightening of credit conditions in the financial system for the self-employed, due to increased delinquency and the significant slowdown in the economy that influenced the expectations of consumers, postponing in some cases their purchasing decisions.

Thus, according to the 19th Market Study for Urban Buildings in Lima and Callao by CAPECO, in July 2014, building activity in Lima and Callao totaled 6,975,389 square meters (m2), 14.2% higher than that recorded as of July 2013.

Specifically, the increase in building activity as of July 2014 was explained by a greater area built for offices (+72.3%), and commercial shops (+24.5%), the construction of other buildings, such as hotels, schools, cinemas, restaurants, etc. (+12.6%) and housing (+4.2%). In this period, the built offices area set a record high due to the development of a significant number of such projects from previous years.

### Total Marketable Supply

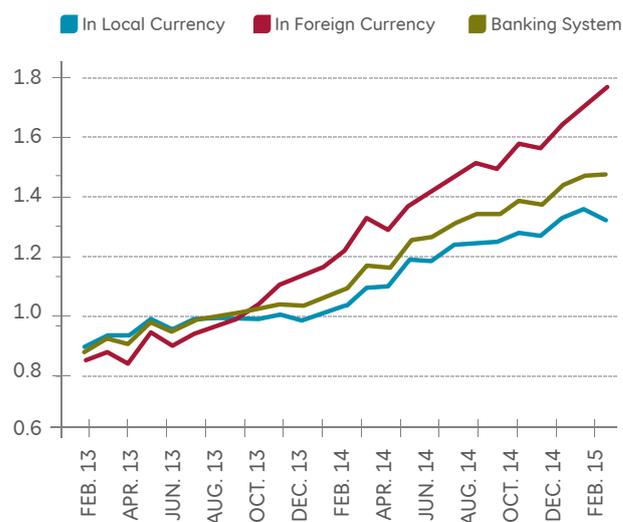
(in thousands of units)



Source: CAPECO

Prepared by: Scotiabank's Economic Studies

### Mortgage Loans / Late Payments



Source: SBS

Prepared by: Scotiabank's Economic Studies

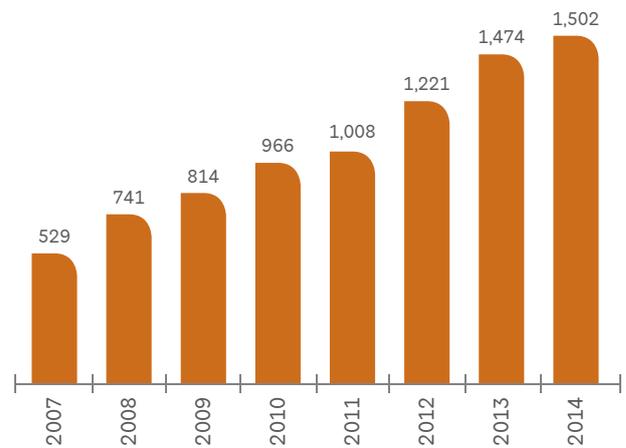
In particular, out of the total building activity, the housing segment concentrated most of the built area (67.9% of the total), followed by offices (15.6%), other destinations (13.2%) and commercial shops (2.1%).

In the housing segment, prominent was the lower number of units sold, since, as of July 2014, a drop in sales of 24% was recorded, compared to July 2013, a result that was not evident since 2006, when a drop of 26% was recorded. In contrast, the number of houses available for sale rose by 44% compared to July 2013, a result that is only surpassed by the increase of 54% in 2010. It should be noted that according to data from TINSA, as of December 2014, there were 8,573 houses available for sale, stock equivalent to seven months of sales considering the rate of placements in the fourth quarter of 2014.

The upward trend in the price of land - because of the shortage of land with installed utilities and property titles -, plus the still strong demand for housing, explained the fact that the average price per square meter (m2) in apartments in Lima has continued its upward trend, though at a slower pace compared to previous years, reaching US\$1,502 as of July 2014, only 2% higher compared to July 2013.

### Mean Sale Price in Lima

(US\$ per m2)

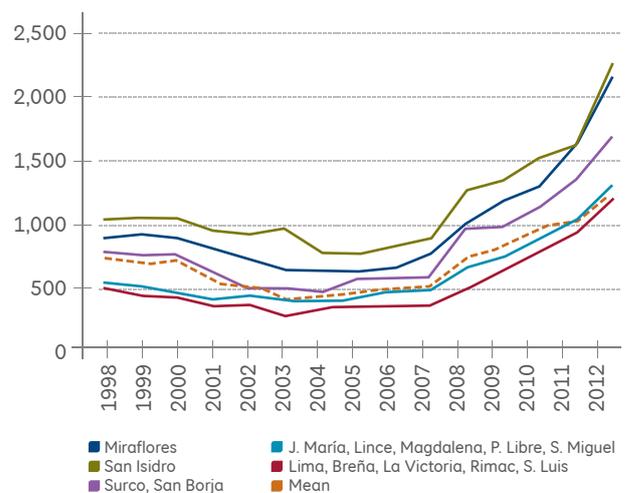


Source: CAPECO

Prepared by: Scotiabank's Economic Studies

### Mean Sale Price in Lima

(US\$ per m2)



Source: CAPECO

Prepared by: Scotiabank's Economic Studies

# Housing Price in Latin America 2014<sup>(\*)</sup>

(US\$ per square meter)

> **Brazil**  
US\$ 3,751

> **Argentina**  
US\$ 2,813

> **Chile**  
US\$ 2,749

> **Mexico**  
US\$ 2,635

> **Uruguay**  
US\$ 2,562

> **Colombia**  
US\$ 2,379

> **Peru**  
US\$ 2,074

> **Panama**  
US\$ 2,001

> **Costa Rica**  
US\$ 1,342

> **Nicaragua**  
US\$ 1,342

> **Ecuador**  
US\$ 1,278

> **El Salvador**  
US\$ 1,193

Added to this is the still relatively low value of land in Lima compared to other Latin American capitals. Thus, according to research by Global Property Guide - in residential areas of the capitals of each country -, Peru has one of the lowest prices per m<sup>2</sup> built versus other countries in the region. Thus, the price in Peru (US\$2,074) is lower compared to Brazil (US\$3,751), Argentina (US\$2,813), Chile (US\$2,749), Mexico (US\$2,635), Uruguay (US\$2,562) and Colombia (US\$2,379). In line with the above, the ratio of Sale Price / Annual Rental Earnings ratio (PER for its acronym in English), calculated by the Central Reserve Bank of Peru (BCRP) reported a value of 16.2 for the fourth quarter of 2014.

(\*) Residencial capital.

Source: Global Property Guide.

Prepared by: Scotiabank's Economic Studies.

This means that, on average, an investor would take 16 years to recover his investment considering rental earnings. This ratio is within a normal range of prices, as it is considered that a property is overvalued when the ratio exceeds 25. However, in some areas of Lima, this indicator is getting close to 20.

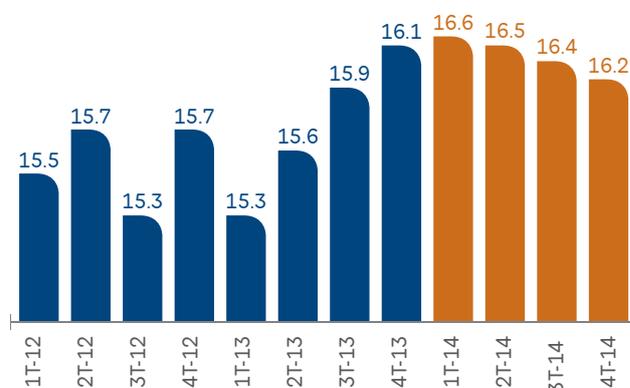
As far as building costs are concerned, the prices of building materials had a slight increase, rising by 0.74% between July 2013 and 2014, according to the INEI. A break down highlights the increase in plastic pipes and fittings and aggregates - like gravel and crushed rock -, which contrasted with the decrease in the price of bricks and electrical supplies given a drop in the sale of houses.

Regarding mortgage loans in the financial system, they totaled S/.34,343,000 (US\$11,501,000) as of December 2014, increasing by nearly 15% over the same month of 2013, according to figures from the Superintendency of Banking and Insurance. In particular, the banking system provides 96% of the total amount of mortgage loans. We must note the continued reduction of dollarization of mortgage loans, rising from 96% in 2005 to 34% in 2014.

This was due to measures implemented by the SBS during 2013, increasing the down payment for

### PER: Sale Price/Yearly Rent

(number of years to recoup investment)

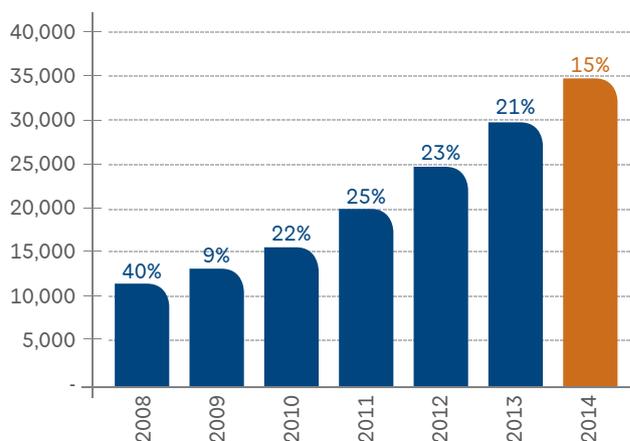


Source: BCRP

Prepared by: Scotiabank's Economic Studies

### Mortgage Loans - Financial System

(in millions of Nuevos Soles and % var.)



Source: SBS

Prepared by: Scotiabank's Economic Studies

### Sale price / Yearly rent earnings (PER)

Area	4T-12	4T-13	4T-14	Sector	4T-12	4T-13	4T-14	Mean
Jesús María	14.9	16.2	15.0	Pueblo Libre	16.0	16.1	16.3	2012 ▶ 15.7
La Molina	11.6	16.4	16.4	San Borja	18.2	16.7	19.1	2013 ▶ 16.1
Lince	16.4	15.5	14.9	San Isidro	18.4	17.7	17.8	2014 ▶ 16.2
Magdalena	16.0	15.0	15.1	San Miguel	15.6	15.0	15.4	
Miraflores	15.0	15.9	15.5	Surco	15.0	16.6	17.1	

Source: BCRP

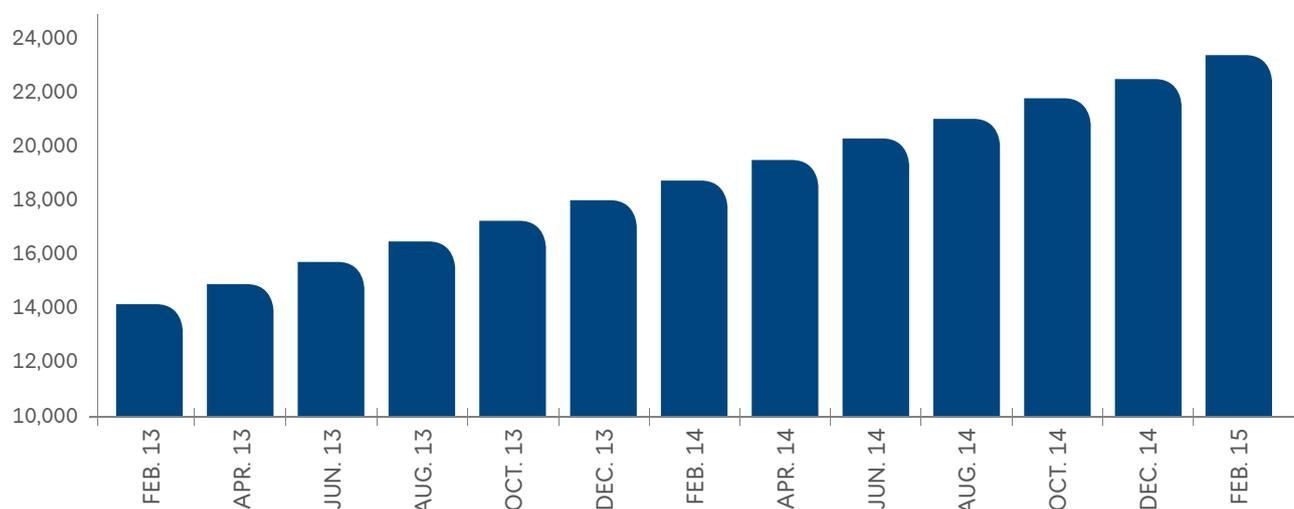
> Current situation

access to mortgage credits in Dollars, discouraging mortgage loans for more than twenty years and those for granted for second homes. Added to this was the reserves policy adopted by the Central Bank, reducing reserve requirements in Nuevos Soles - as from June 2013 - and more expensive dollar reserve requirements - since February 2013 -, in order to encourage the

acceptance of loans in local currency, to reduce credit risk and exchange risk. It is noteworthy that the number of people who have a mortgage credit is still low - 224,000 as of December 2014 - compared to people who could have one, considering that the housing deficit in the country is around 1.86 million houses.

### Mortgage Loans / Local Currency

(PEN MM)

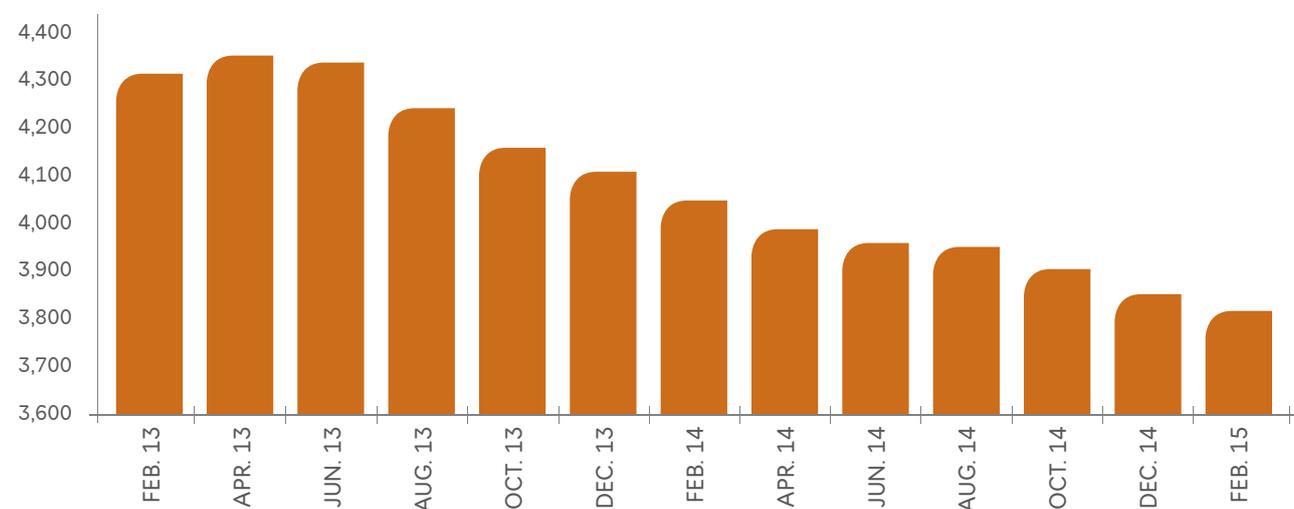


Source: SBS

Prepared by: Scotiabank's Economic Studies

### Mortgage Loans / Foreign Currency

(US\$ MM)



Source: SBS

Prepared by: Scotiabank's Economic Studies







# Housing | Market |

In July 2014 the residential building activity in Lima and Callao totaled 4,735,363 m<sup>2</sup> registering an increase of 4.2% compared to July 2013, according to a CAPECO study. It is noteworthy that the built residential area consists of the area of houses being offered, the area of houses sold and the area of houses for private use or non-marketable. In detail, concerning the first two segments, the area of houses offered, which totaled 2,527,868, increased by 37% over the previous period. In contrast, the area of houses sold, which totaled 1,552,760 M<sup>2</sup>, declined 25% over the same period of 2013.

In terms of units, the offering of houses available for sale totaled 29,156 – the highest rate in recent years –, 8,000 more than the average of the last two years – 20,000 houses in 2013, 22,000 houses in 2012.

The number of houses was higher by 44% compared to the figure recorded in the previous period (20,291 houses), with apartments continuing to have the

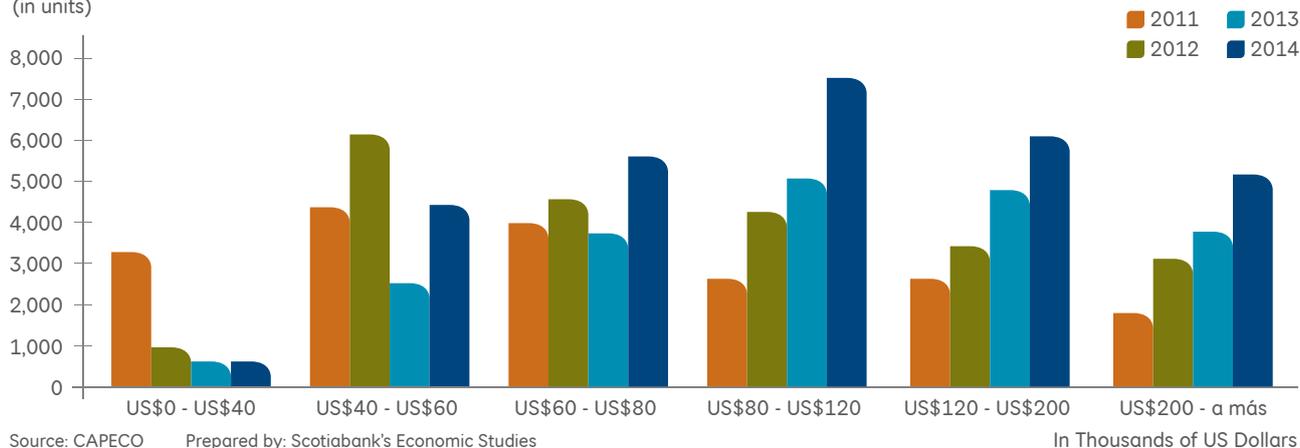
share (98% of the total). In detail, the highest percentage of the offering was within a price range of US\$60,000 and US\$200,000 representing 65% of the marketable houses (66% in 2013), with the districts of San Miguel, Cercado de Lima, Miraflores, Pueblo Libre and Surco having the highest concentration of this offering (34% of all houses). Finally, the range of the area of houses offered remained concentrated between 60 m2 and 120 m2 (70% of the total).

New house sales totaled 16,930 units, the lowest sales figure since 2010 (14,516 units sold), with

houses below US\$50,000 recording the biggest drop in sales. House sales were lower by 24% over the previous period (22,220 units), and apartments reporting the highest share (96% of the total). It should be noted that the highest percentage of sales was recorded in houses above US\$ 80,000, representing 68% of the houses sold (64% in 2013), with the districts of Miraflores, Pueblo Libre, San Miguel, Surco and Breña concentrating the greatest number of units sold (33% of all houses sold). Finally, the area of houses marketed ranged between 60 m2 and 120 m2, representing 58% of the total (62% in 2013).

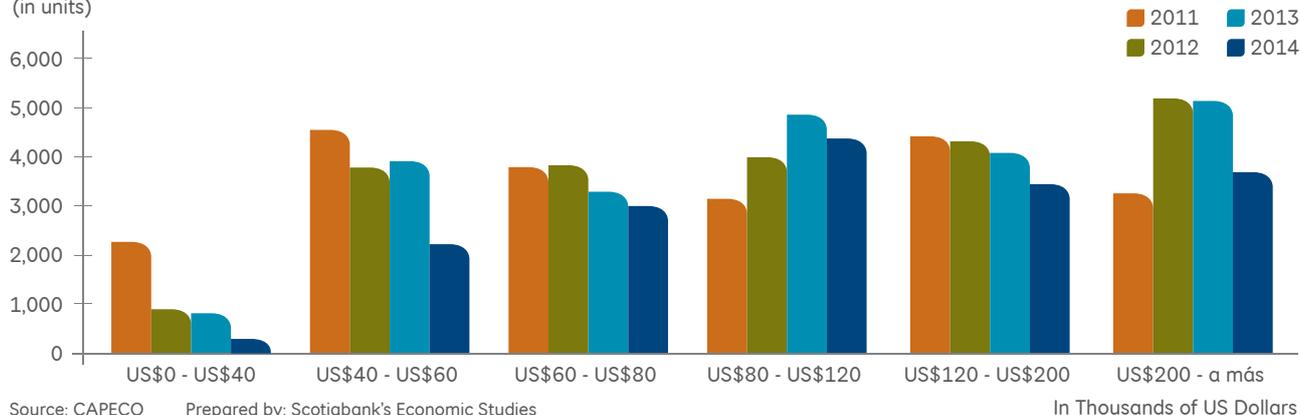
### Housing Supply

(in units)



### Housing Sale

(in units)

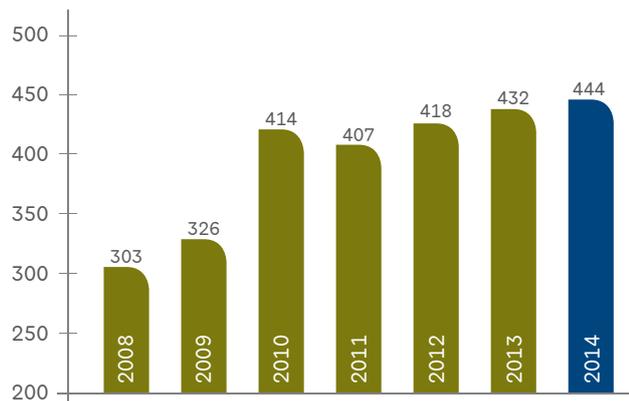






### Effective Demand

(in Thousands of units)



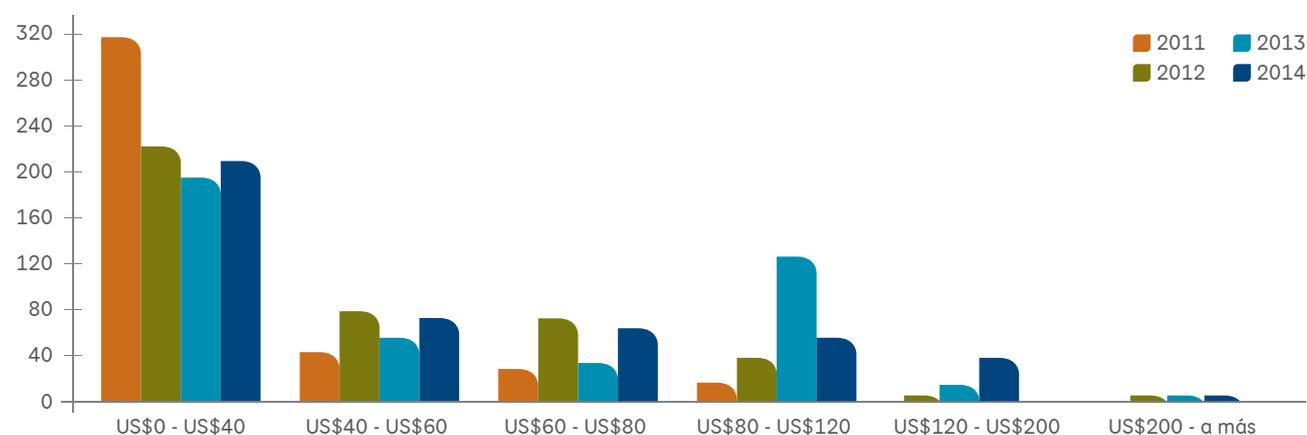
Source: CAPECO

Prepared by: Scotiabank's Economic Studies

Effective demand, estimated by CAPECO in 444,000 houses (3% increase over the previous period), was concentrated in a range of prices from US\$10,000 to US\$80,000 representing 75% of total demand (65% in the previous) period. The above allows us to state that there is still growth potential of houses for the low-income socioeconomic sectors.

## Effective Housing Demand

(in Thousands of units)



Source: CAPECO Prepared by: Scotiabank's Economic Studies

In Thousands of US Dollars

In that sense, the challenge of the financial system is to design appropriate products to meet the unmet demand for these segments.

On the other hand, the average price per apartment in Lima (US\$142,964) decreased by 1.6%, due in part to the drop in the average area of the apartments, which came to 86.3 m<sup>2</sup> – as of July 2014 -, down from the 89.9 m<sup>2</sup> figure registered in July 2013. Added to the above was the slight increase in the average price per m<sup>2</sup> (US\$1,502) which in July 2014 increased by 2% compared to July 2013, in contrast to an annual increase of 21% in 2012 and 2013.

With regard to the sale of houses in Lima and Callao, due to the existence of different advance sale mechanisms – in plans -, approximately 73% of all houses sold – as of July 2014 - was still under construction. In this case, plan sales fell from the levels recorded in previous years - 75% in 2013, 80% in 2012 - partly because of a preference for already completed units, and by the postponement of decisions to purchase during the period being analyzed.

In regard to housing development programs promoted by the state, the Mivivienda Fund disbursed S/.1.182 billion in loans in 2014, targeting S/. 1.139 billion to the Nuevo Crédito Mivivienda, S/. 31 million to the Miconstrucción program, S/.10.8 million to the Techo Propio supplemental credit and S/.1.4 million to smaller programs, and it is important to note that the provinces accounted for 36% of the total amount of loans disbursed, a figure that has been increasing in recent years (29% in 2010).

As regards to the number of credits, 10,777 loans were placed in 2014, 18% less than in 2013. It should be noted that most loans were for house construction (88% of the total), mostly financed by banks (72% of the total) and all stated in local currency. Additionally, the Mivivienda Fund disbursed about S/.803 million in Bonos Familiares Habitacionales (Resident Family Bonds) (BFH), 92% more than what was disbursed in 2013. In terms of units, 45,164 bonds were registered, 89% more than what was adjudicated in the year 2013.





# SWOT | Analysis |



## Strengths

- > Sustained growth in mortgage lending to improve income levels and greater financial penetration.
- > Government commitment to promote social housing subsidized by the state (Mivivienda Fund).
- > Historically low interest rates on mortgage loans (on average less than 9% in Nuevos Soles and 7.6% in US Dollars, as of December 2014).
- > Low mortgage delinquency (as of December 2014, 1.4% in mortgages and 2.9% in the system).
- > Plan house sales (73% of the total) generate greater profitability and the investment risk decreases.
- > Mortgage payment period of up to 30 years, with an average payment term of 15 years.

S

O

## Weaknesses

- > Sector is highly sensitive to changes in the economic cycle (in periods of recession, it falls more than the GDP).
- > Excessive administrative bureaucracy and lack of uniformity in the municipalities to obtain building permits.
- > Outdated urban development plans by municipalities stops advancement in real estate.
- > Low supply of land with cleared titles available (registered in public records) and utilities already installed, particularly in peri-urban areas.
- > Widespread use of self-construction of houses (informal construction), covering about 60% of the houses built.
- > Lack of skilled labor, especially in the provinces, increasing costs of house construction.

# Opportunities

- > High housing deficit (1.86 million units).
- > Interesting profitability in projects related to house construction - about 20% in Peru, nearly 17% in Chile -.
- > Increased foreign investment in real estate - about 20 Chilean companies in the country, with incidence in offices and houses.
- > Promotion of new mortgage loans in local currency, reducing currency risk due to greater exchange rate volatility in the Nuevo Sol / US Dollar exchange rate.
- > Government promotion of new forms of home ownership and rental / real estate sales and leasing.

W

T

# Threats

- > Lower job creation and low growth in formal performance - given a below par performance of the local economy - could delay the decision to purchase houses.
- > Slower revenue growth rate for independent workers could hamper their access to mortgages.
- > Increase in interest rates at the international level could mean costlier financing for the development of large housing projects.
- > Greater political noise associated with the elections season could temporarily affect housing demand.
- > Unexpected changes in US monetary policy could increase the volatility of the Nuevo Sol/US Dollar exchange rate and have an influence on the decision to purchase new apartments.







# Outlook |

The building activity in the housing sector would record a slight decline during 2015. The above situation is due to a lower number of new housing projects to be carried out this year, because of the large stock of houses not placed during 2014. However, we expect that new house sales will remain at a similar level in 2014, projecting a greater dynamism in the segment of houses targeted to the socioeconomic level B, with prices between US\$80,000 and US\$120,000 - because this segment has been one of the least affected within the current economic slowdown cycle.

In terms of price, we believe that prices will remain stable in Nuevos Soles due to a slower demand growth compared to previous years. However, in US Dollar terms, prices register a slight decline, as the projection is a 7% depreciation of the Nuevo Sol against the US Dollar during 2015. However, the decline in residential building activity would be partly offset by higher number of offices built, especially for the development of projects in the pipeline, which commencement of construction was planned for this year.

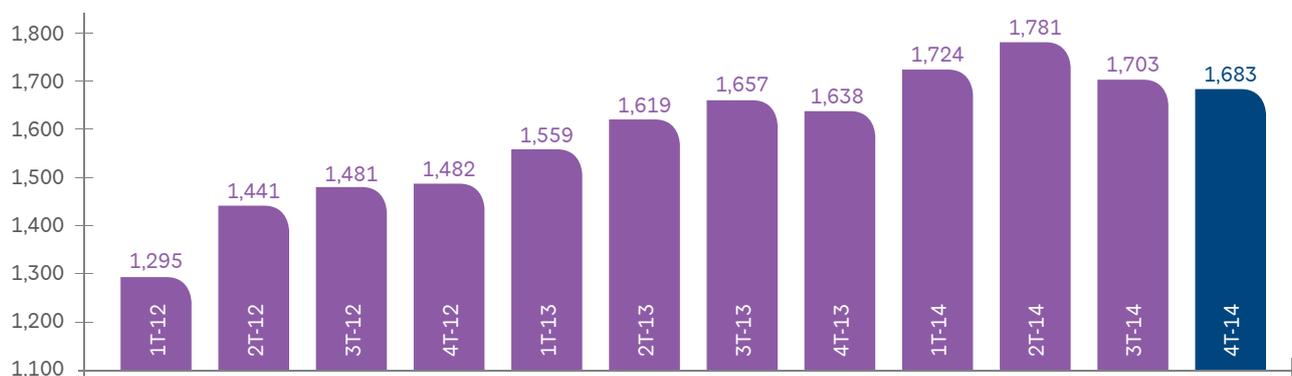
The above projections take into account a relatively stable international economic outlook, as we expect an increase in the benchmark rate by the US Federal Reserve (FED) will be gradually introduced and will not have a big impact on the actual economy. It is also important to take into account the performance of the local economy because the real estate industry is highly sensitive to economic cycles.

As regards the housing segment, we expect to register a decline in the building business. This situation would be explained by a smaller number of new projects to be developed during this year, as real estate firms would be focusing on the sale of housing projects completed in the previous months. On the other hand, demand for

middle-income segments (NSE B) would recover during 2015, as the acceleration of the economy takes place. However, the demand for housing by the NSE C and D would not recover significantly in the short term. This situation would be tied to tighter credit conditions in the financial system to reduce credit risk in this segment. Added to this is the lower number of potential projects that could be developed in the outskirts of Lima, due to difficulties in acquiring suitable land for real estate development, i.e. basic services - water and sewerage - installed and ownership title. We must also consider the difficulty in financing multifamily housing projects due to great effort in investment needed for the development of such projects and the low rate of sales recorded in recent months.

### Mean Sale Price in Lima

(US\$ per m<sup>2</sup>)



Source: BCRP

Prepared by: Scotiabank's Economic Studies

On the supply side, in 2015, the real estate firms would continue developing new housing projects but at a smaller scale and also at a slower rate than in previous years, increasing efficiency in the management of construction costs. Moreover, these firms would focus temporarily on segments of the population with fixed income over a period of time. In turn, developers would

temporarily focus on the placement of apartments of projects completed during the previous year and to a lesser extent, in the construction of new stages of projects developed in previous years. Added to this is the smaller number of firms in the sector, given the exit of small firms, - most of which, are real estate companies which have developed one project at the time,

leaving the sector for the consolidated companies. On the other hand, taking into account the potential for market growth due to the significant housing shortage at the national level and uninterrupted growth of effective demand only - counted only in Lima, especially in the last three years, some real estate companies have been partnering and even forming investment funds in order to have funding available for future housing projects. Further, the purchase of land would be accentuated by certain companies, in order to have an area available for future development of real estate projects. Finally, real estate companies maintain their interest of going into joining more cities in the provinces, given the shortage of serviced land at affordable prices in Lima; added to which, is the growth potential of certain cities within the country. To do this, firms could seek partnerships with local developers and propose a different strategy to sell houses and apartments, given the preference for buying house units already featuring some progress. Then there is the entry of new developers into the business of selling urban lots, given the preference

for self-construction in the country's provinces.

On the other hand, the Mivivienda Fund (FMV) - through its credit programs Nuevo Crédito Mivivienda, Miconstrucción, Techo Propio and others - has a goal of closing 2015 with an amount of credits placed close to S/.4.1 billion, exceeding the S/. 1.985 billion amount placed in 2014. In terms of number of loans placed during 2015, Mivivienda Fund (FMV) expects to place 35,000 mortgage loans, of which, 31,680 would be using Nuevo Crédito Mivivienda, 2,274 credits through the Miconstrucción program and 1,046 through three other programs: MiCasaMás, MisMateriales and MiTerreno. In addition, the state agency also plans on awarding 60,000 Residence Family Bonds. It is noteworthy that in early 2015, a new regulation of the Good Payer Bono (BBP), in which the amount of subsidy is increased (see box) for the purchase of houses for low NSE C and D segments is published and in turn it provides for this subsidy to be a supplement to the initial fee, thereby reducing the amount to be financed via mortgage loan.

## Government housing subsidy via FMV

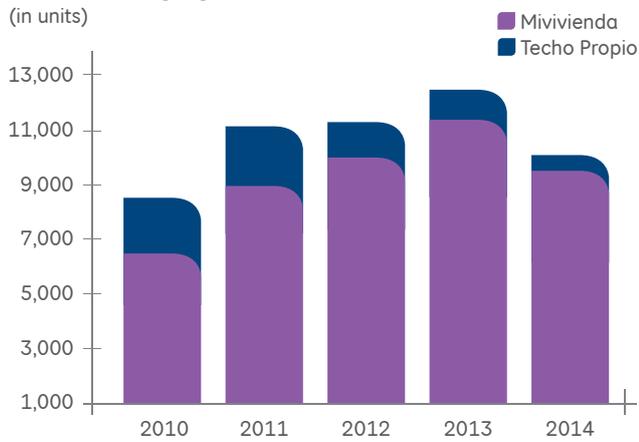
SINCE 2015		ACTUAL	
Housing Price	Good Payer Bono	Housing Price	Good Payer Bono
From 14 UIT to 17 UIT** S/. 53,900      S/. 64,450	S/. 17,000	From 14 UIT to 50 UIT* S/. 53,200      S/. 190,000	S/. 12,500
From 17 UIT to 20 UIT S/. 65,450      S/. 77,000	S/. 16,000		
From 20 UIT to 35 UIT S/. 77,000      S/. 134,750	S/. 14,000	From 50 UIT to 70 UIT S/. 190,000      S/. 266,000	S/. 5,000
From 35 UIT to 50 UIT S/. 134,750      S/. 192,500	S/. 12,500		

\*\* Amounts based on 2015 Taxation Unit (UIT): S/. 3,850.

\* Amounts based on 2014 Taxation Unit (UIT): S/. 3,800.

Source: Fondo Mivivienda / Prepared by: Scotiabank's Economic Studies

### FMV Mortgage Loans

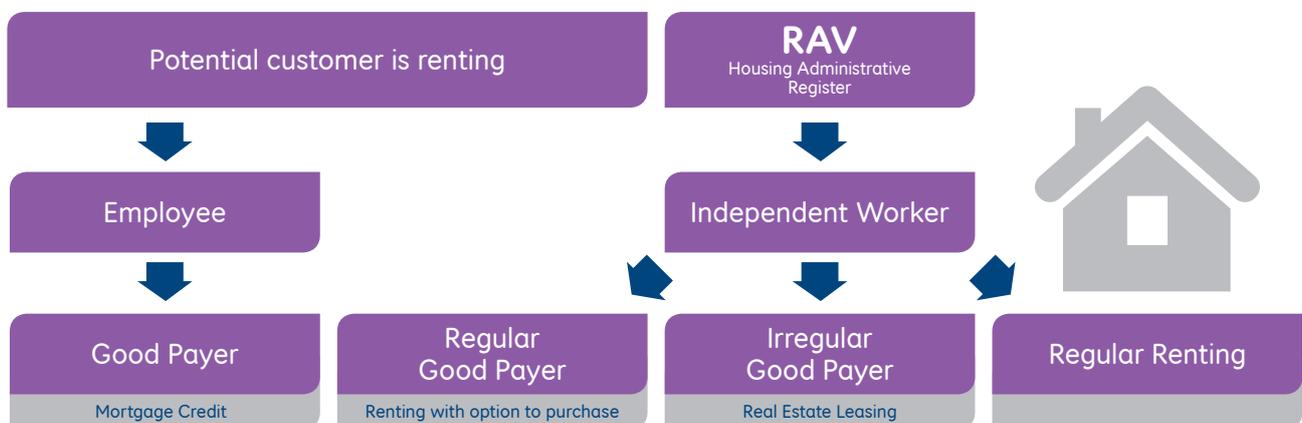


Source: NFMV Prepared by: Scotiabank's Economic Studies

Additionally, the Ministry of Housing, Construction and Sanitation (MVCS) has promoted new mechanisms to increase the dynamism in the real estate sector. One of them is the bill entitled "Law for the Promotion of the Lease or Housing Regime", containing two proposals for home ownership through the modality of rental - without a down payment. This bill is primarily aimed at independent workers, or also at those with irregularly income. The first proposal suggests the purchase of a

house via Lease with an Option to Purchase, aimed at people who can meet a given payment steadily. In this case the person has the option to exercise the purchase via a conventional mortgage, after having shown steady payment capacity after two to three years. The second proposal suggests the purchase of a house via Real Estate Leasing. This proposal is aimed at people who can meet a certain payment - although irregularly. In this case the person may exercise the option to purchase after 15-20 years after having chosen this proposal, having previously agreed to pay the residual value at the end of the rental period. On the other hand, another measure that would benefit the acquisition of houses under construction - or future building, is the implementation of a rule issued by the SBS in March of this year. This standard allows future assets to adopt the characteristics of real estate property or finished property - through the issuance of letters of guaranty -, which reduces the amount provisioned by financial institutions, lowering the cost of mortgage financing. It should be noted that in case the property is not completed, the financial institutions could execute the letters of guaranty.

### > Housing options



Source: Mivivienda

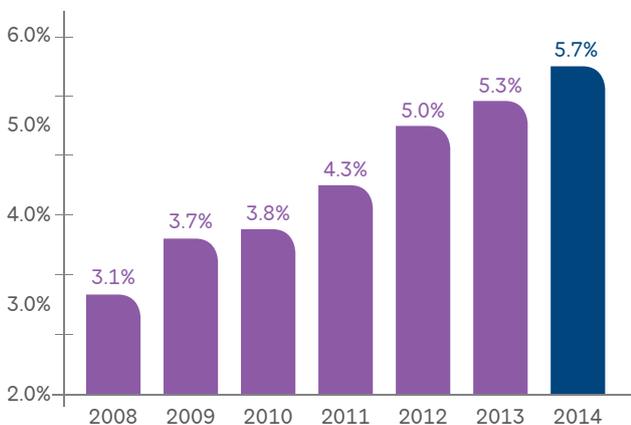


In the medium-term, growth potential of the real estate is interesting.

In the medium-term, growth potential of the real estate is interesting. This results in the high housing deficit in Lima and the provinces. This indicator would go hand in hand with the formation of households nationwide and also with the highest proportion of the middle class population, which depends on the positive performance of formal employment and the consequential increase in revenue. Added to this is the opportunity for growth of the Mortgage Loans / GDP ratio. Thus, according to the Association of Banks of Peru (Asbanc), using 2013 figures, Peru has a lower ratio (5.3%) compared to countries such as Chile (19.3%). On the other hand, in Lima, this development would depend on the availability of suitable land for

housing activity - that is to say, that it is with clear title, especially with basic utilities and title of ownership - at affordable prices, since, with an increase in the value of the land, the average apartments area is reduced. In the provinces, real estate development will continue via the sale of urban lots - and to a lesser extent - through the sale of apartments, partly because of the significant preference for self-construction. Finally, in the apartments segment, in the coming years, the pre-sale house acquisition by plans would shrink, because of the maturity of the real estate market and given the stabilization of the demand for housing, a situation which is also recorded in other countries in the region.

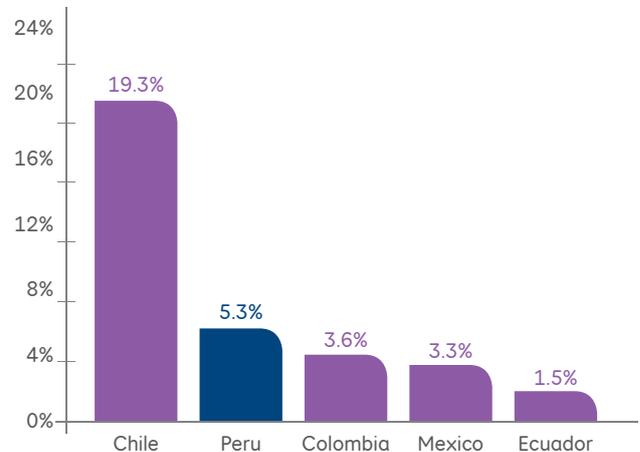
### Mortgage Loans / GDP- Peru



Source: SBS / BCRP

Prepared by: Scotiabank's Economic Studies

### Mortgage Loans / GDP - 2013



Source: SBS / ASBANC

Prepared by: Scotiabank's Economic Studies

## DISCLAIMER

The opinions, estimates, forecasts, statements and recommendations disclosed in this report are the product of the research and study conducted by the author based on the publicly available information. This report does not constitute investment advice nor does it contain or must be construed as an offer, invitation or recommendation to execute any legal act related to any security or financial product. Scotiabank Peru S.A.A. and its subsidiaries/branch offices shall not be responsible for any error, omission or inaccuracy contained herein nor for the results of any investment decision adopted by an investor in relation to the securities or financial products analyzed herein.



Report prepared by Scotiabank Peru's Research Department