

COFIDE

Earnings Presentation 4Q 2019



COFIDE
EL BANCO DE DESARROLLO DEL PERÚ

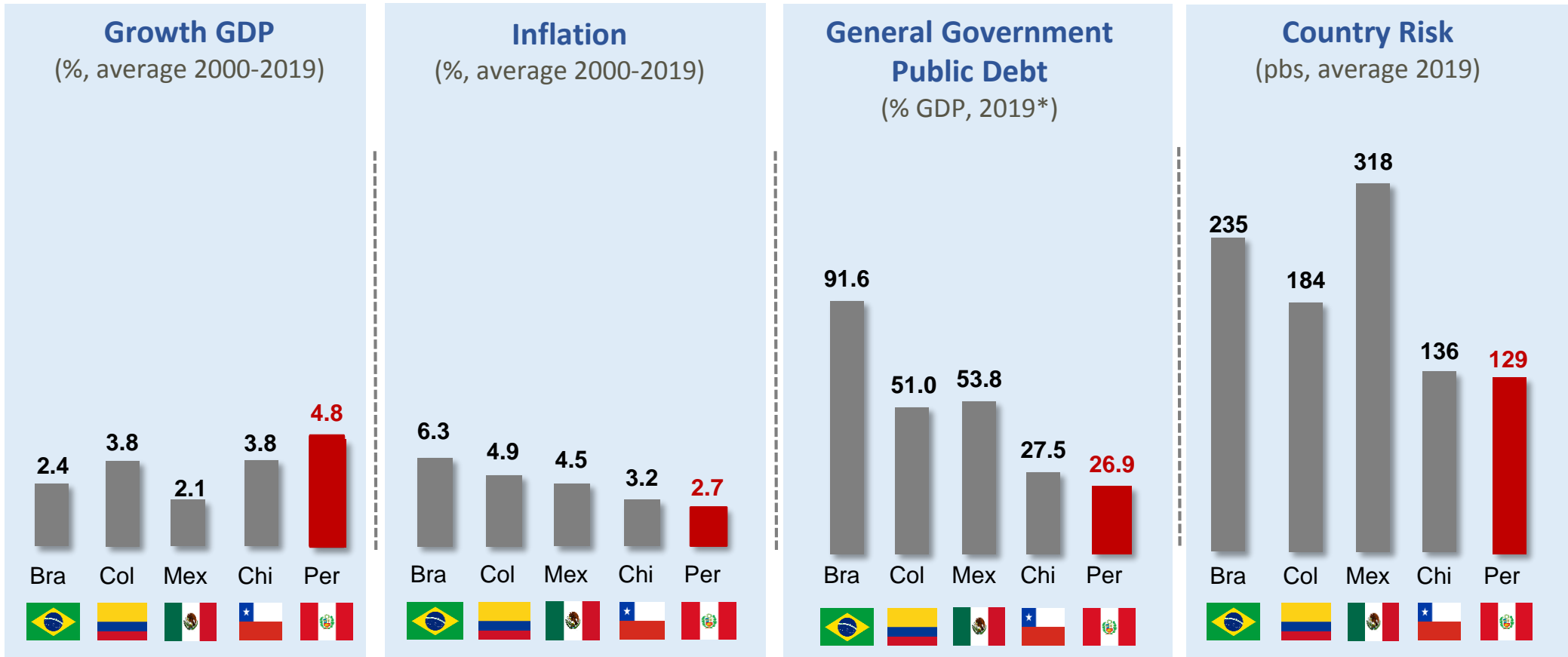
Topics

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2019 Highlights











- During 2019, Moody's and S&P improved COFIDE's perspective from negative to stable.
- COFIDE issue PEN 478 MM in the local market. This includes the issuance of the first sustainable bond in the country with a demand of 1.93 times. It also contains the issuance of the first green bond in public offer, VAC bonds and commercial papers.
- COFIDE's Investment Portfolio increased 15.3% year-over-year, reaching USD 728 MM. Also, we generated extraordinary profits from the sale of bonds for PEN 27.8 MM.
- The Trusts Balance managed by COFIDE increased 7.7% year-over-year, reaching USD 3,490 MM.
- Recovery of principal of PEN 19.4 MM from the critical portfolio (COSAC).
- The net income of 2019 amounts to PEN 26.4 MM higher by 55.3% than that obtained as of December 2018 (PEN 17.0 MM).
- NPL ratio significantly improved versus 3Q19, decreasing from 8.7% to 7.8%.
- Capital Ratio increased from 28.5% to 29.5% year-over-year, well above the average of the Peruvian banking sector.
- Operating expenses are lower in PEN 1.3 MM than those registered at the end of 2018. Also, savings of PEN 10.0 MM were recorded with respect to the budget.
- New dividend policy allows capitalization of 100% of NIAT (2019- 2021).

Peru's Strong Macroeconomic Fundamentals



Source: FMI, BCRP
*Estimated

Key Financial Figures

Indicadores Clave	4Q2019	4Q2018	3Q2019	YoY	
Loans net of provisions* (USD MM)	1,262	1,447	1,095	-12.8%	
Bond Portfolio (USD MM)	728	631	665	15.3%	
Cash (USD MM)	445	508	498	-12.3%	
Gross Margin (%)	9.2	11.8	10.6	-258 pbs	
Operating Cost (USD MM)	5.0	4.6	3.8	8.1%	
Net income after taxes** (USD MM)	4.85	0.75	0.65	549.7%	
Non-performing loans (%)	7.8	6.3	8.7	145 pbs	
Provisions / NPL (%)	228.8	253.0	229.1	-2422 pbs	
ROAE (%)	1.30	0.80	0.86	50 pbs	
Capital Ratio (%)	29.5	28.5	30.0	107 pbs	

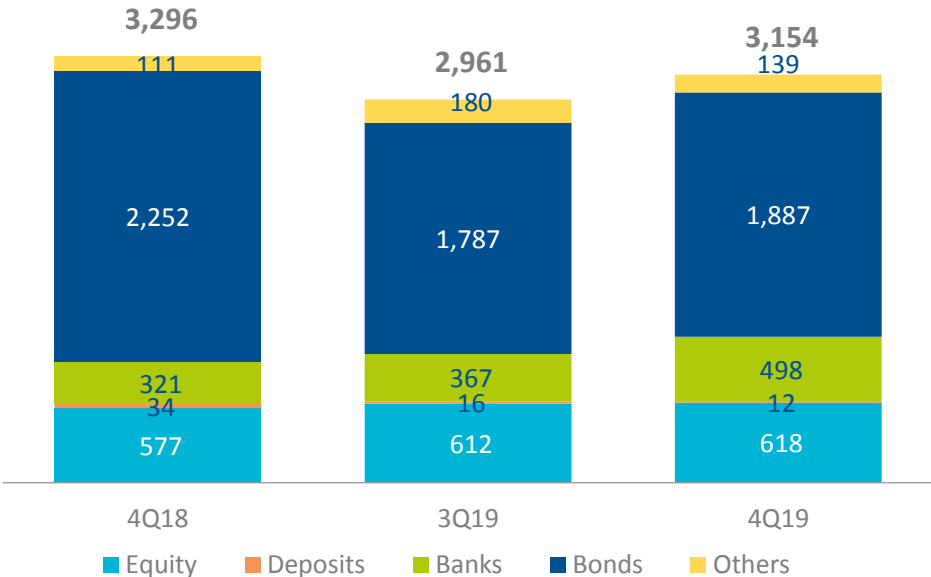
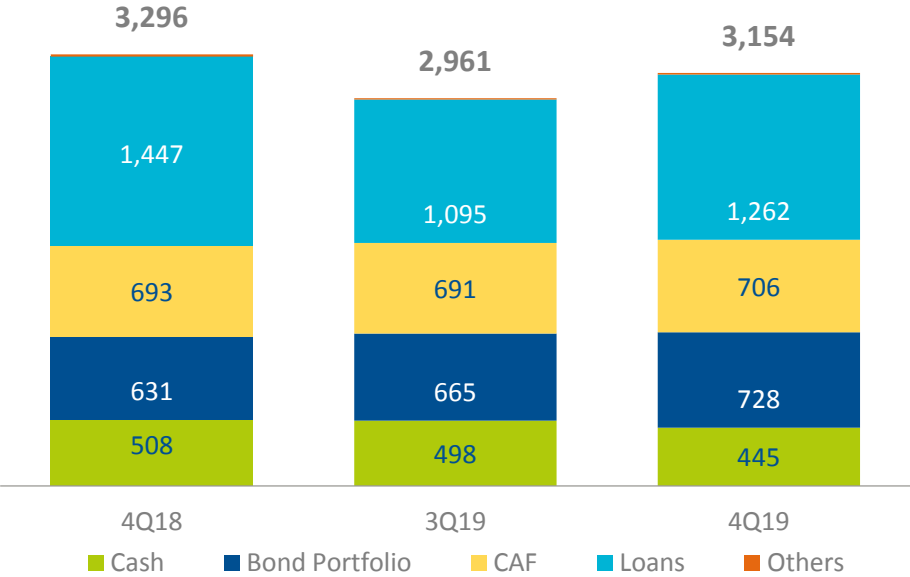
* Considers loans prepayments of USD 248 MM during 2019.

** Includes extraordinary incomes from bonds and loans sales during 4Q17.

Assets and Liabilities Breakdown

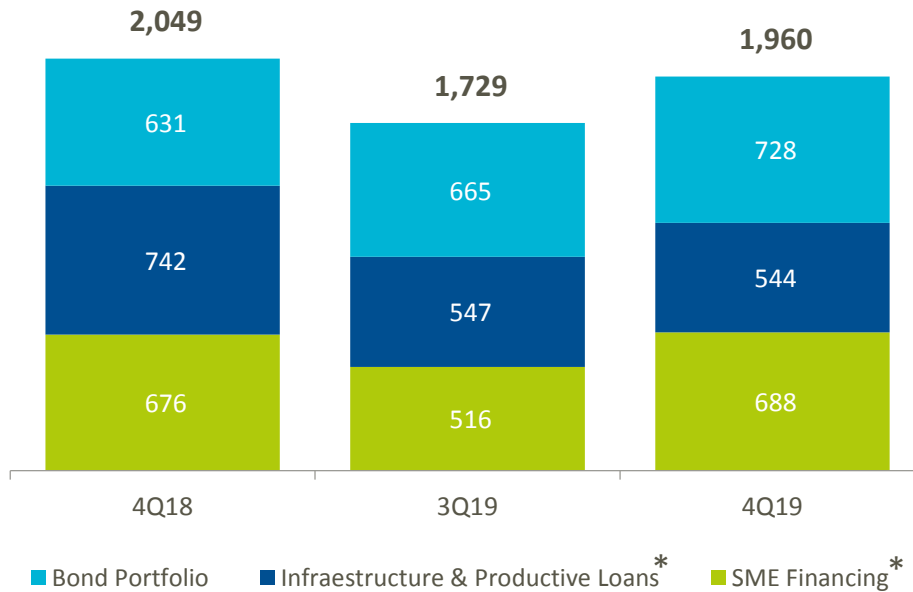
Assets (USD MM)

Liabilities & Equity (USD MM)



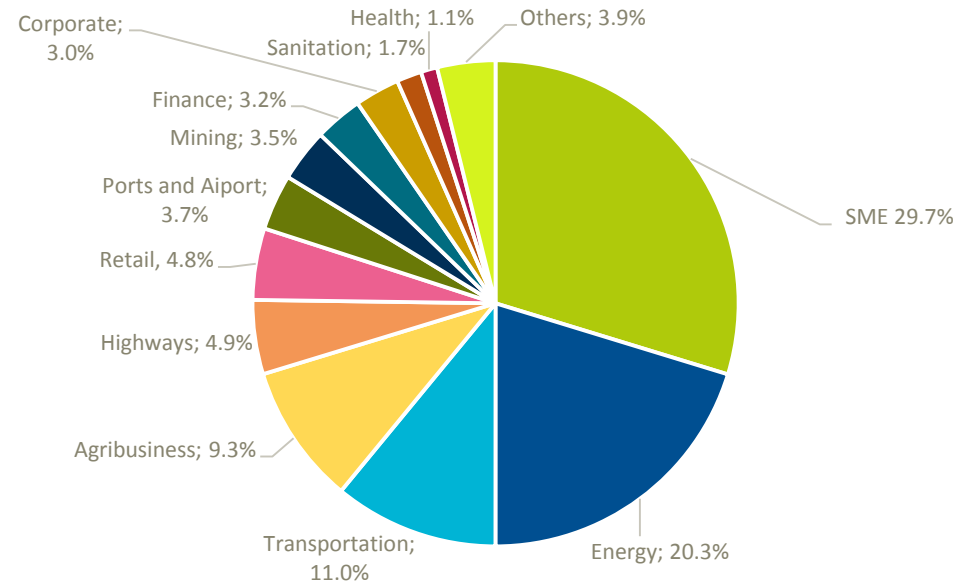
Higher Bond Portfolio and SME Financing YoY

Loans & Bond Portfolio (USD MM)



* Does not include NPL, only direct loans

Loans & Bond Portfolio by sector** (%)



** Includes NPL, direct and indirect loans

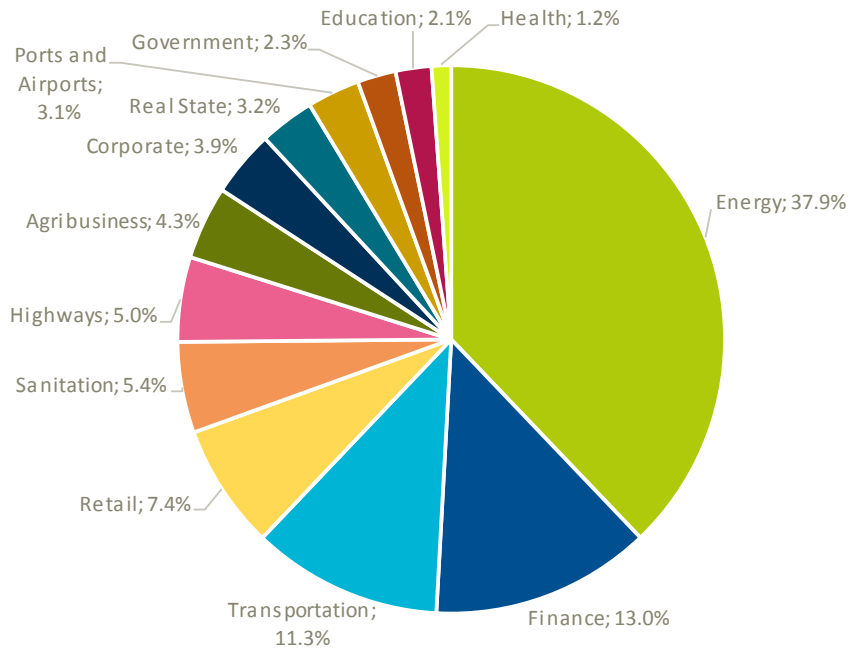
Main Positions in Bond Portfolio

USD							
Issuer	Economic Sector	Maturity	YTM	Mark to Market Amount USD MM	Unrealized P&L USD MM	Internacional Rating	% Portafolio
ENERGÍA EÓLICA	Energía	30/08/2034	6.35%	93.6	6.6	BBB-	18.2%
CERRO DEL AGUILA	Energía	16/08/2027	4.16%	51.7	0.9	Baa3	10.0%
ETEN	Energía	30/12/2033	7.68%	42.8	2.8	BBB	8.3%
LONGITUDINAL DE LA SIERRA II	Carreteras	31/10/2033	8.37%	34.1	0.5	BBB	6.6%
GENRENT DEL PERU S.A.C.	Energía	2/02/2037	5.23%	28.7	1.8	BBB	5.6%
OTROS				264.9	6.6		51.36%
Total USD			5.60%	515.7	19.2		100.0%

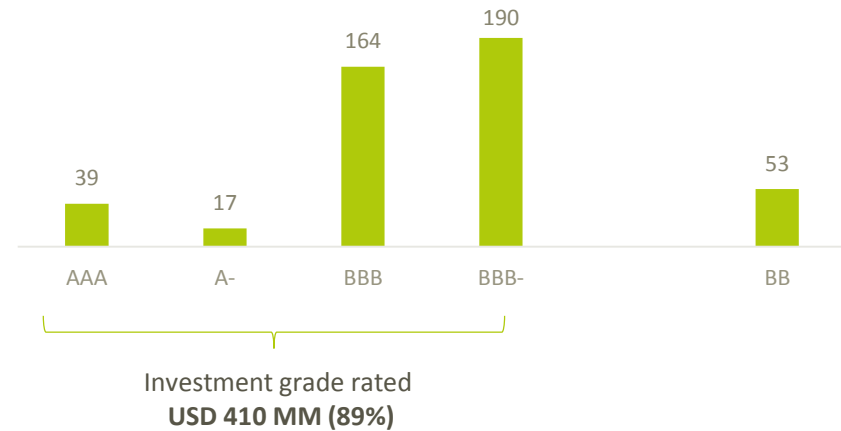
PEN							
Emisor	Sector Económico	Vencimiento	YTM	Mark to Market USD MM	Ganancia No Realizada USD MM	Rating Internacional / Local	% Portafolio
LÍNEA AMARILLA	Transporte	30/06/2037	8.76%	71.2	3.9	AA	33.6%
TABOADA FINANCE LTD	Saneamiento	1/01/2033	8.01%	39.1	10.2	AAA	18.4%
CORPORACIÓN AZUCARERA DEL PERÚ	Agroindustria	15/08/2031	9.19%	21.5	0.6	A	10.1%
PRIMAX 1	Corporativo	7/10/2027	7.25%	12.0	1.2	AA	5.6%
PRIMAX 2	Corporativo	7/10/2036	8.09%	9.1	1.1	AA	4.3%
OTROS				59.4	1.1		28.0%
Total PEN			7.70%	212.2	18.0		100.0%
COFIDE (USD)				727.9	37.2		

High Quality Bond Portfolio

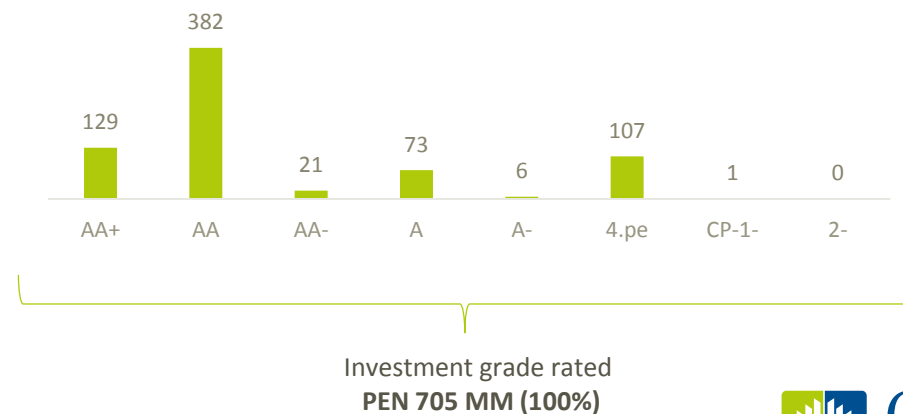
Portfolio by Economic Sector (USD MM)



Portfolio by International Rating (USD MM)

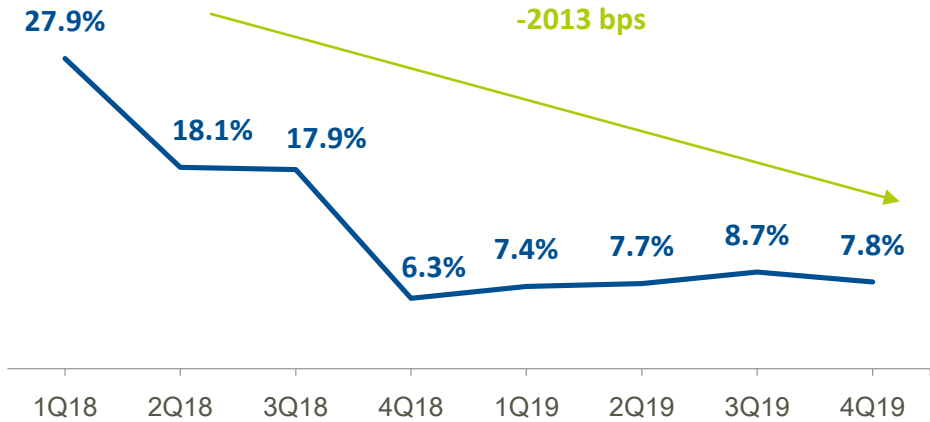


Portfolio by Local Rating (PEN MM)

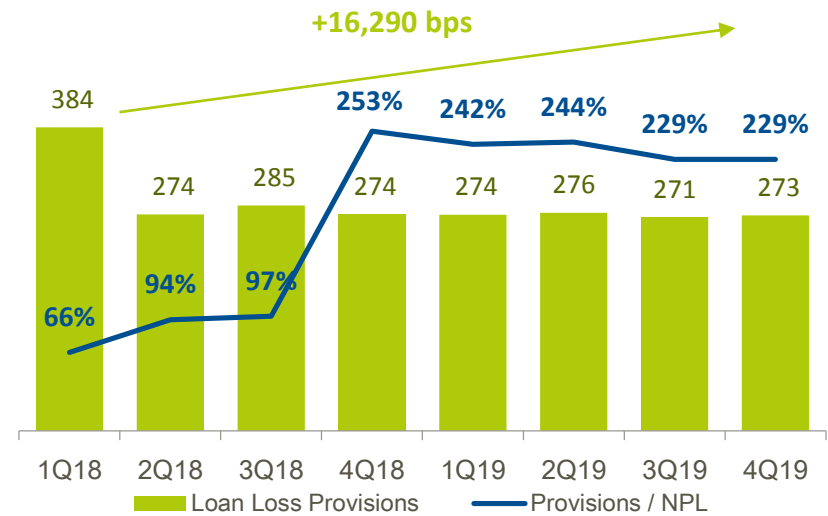


Stronger Credit Metrics in the Loan Portfolio

Past Due Loans / Total Loans (%)



Loan Loss Provisions (USD MM)



Fully Provisioned NPL Portfolio (besides COSAC)

Distressed loans

Final Debtor	Intermediary Bank	Disbursement date	Amount (USD MM)	Rating	Provision Rate	Provision
COSAC (Metropolitano Bus S) (*)	Bco. Santander	09/03/2009	161.1	DOUBTFUL	60.0%	96.69
GSP - Odebrecht	Deutsche Bank	31/12/2014	125.00	WRITE-OFF	100.0%	125.00
Minera IRL (junior gold mine)	Goldman Sachs	4/06/2015	70.00	LOSS	100.0%	70.00
Líneas de Transmisión(**) - Isolux	Bco. Santander	25/09/2014	62.50	WRITE-OFF	100.0%	62.50
Gen. Eléctrica Molloco - Isolux	Goldman Sachs	17/09/2013	30.00	WRITE-OFF	100.0%	30.00
Generación Andina	FMO	7/08/2015	14.53	LOSS	100.0%	14.53
Clean Energy	Goldman Sachs	21/12/2012	25.00	LOSS	100.0%	25.00
Pegaco	Bco. Financiero	17/06/2014	7.50	WRITE-OFF	100.0%	7.50
Total			495.63			431.22

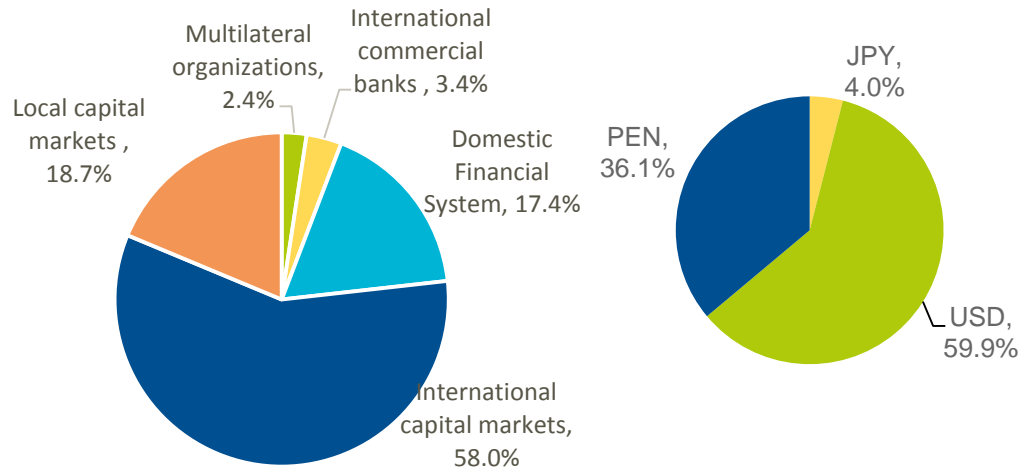
(*) Does not include indirect loan

(**) Does not include indirect loan for USD 30.0 MM, fully provisioned.

Stable and Diversified Funding

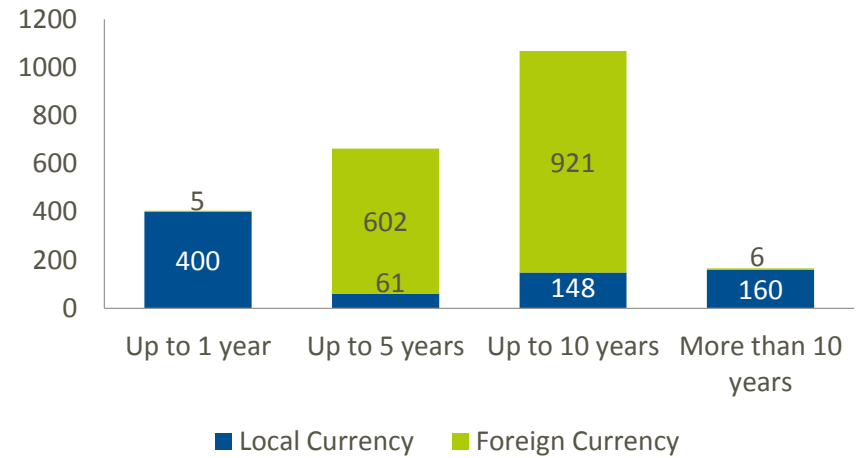
Funding Composition (%)

Dic 2019



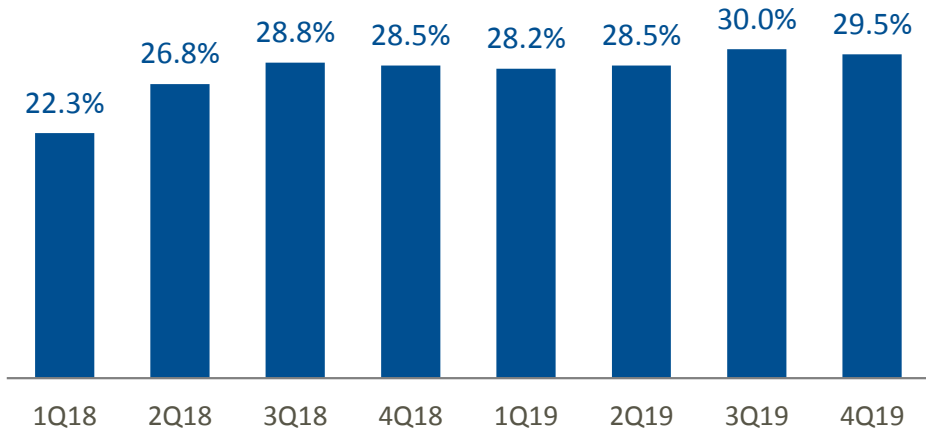
Debt Maturity Profile (USD MM)

Dic 2019

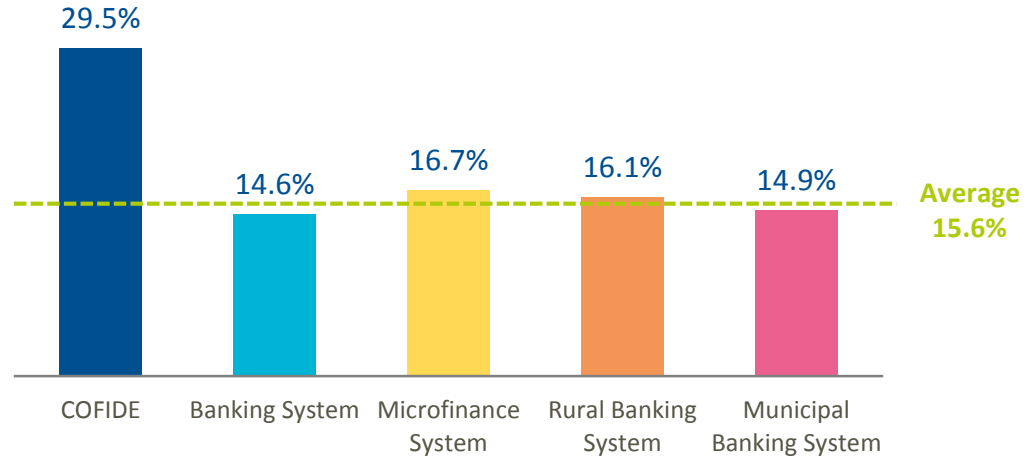


Robust Capitalization Metrics

Capitalization Ratio (1) (%)



Compared to Local Peers (2) (%)



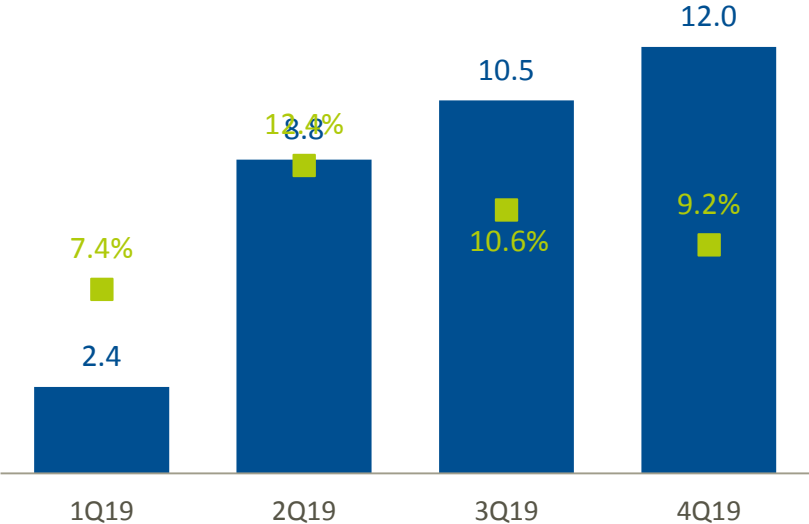
Notes:

(1) Capital adequacy ratio calculated as regulatory capital over risk weighted assets

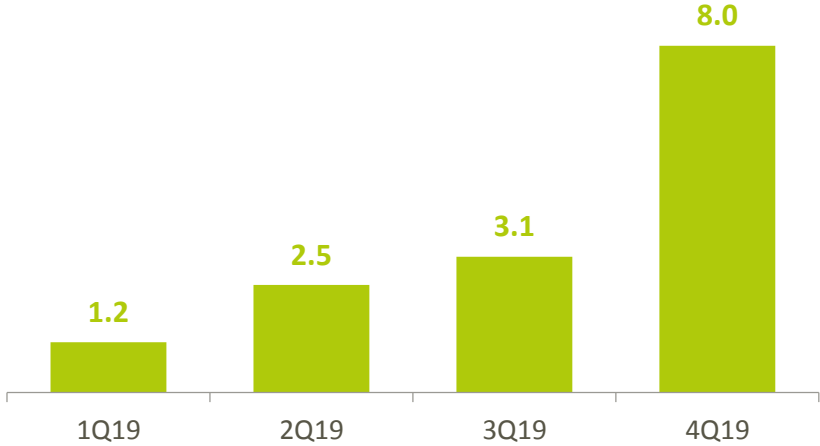
(2) Financial System December 2019

Improved Financial Performance Trend

Gross Margin
(USD MM & %)

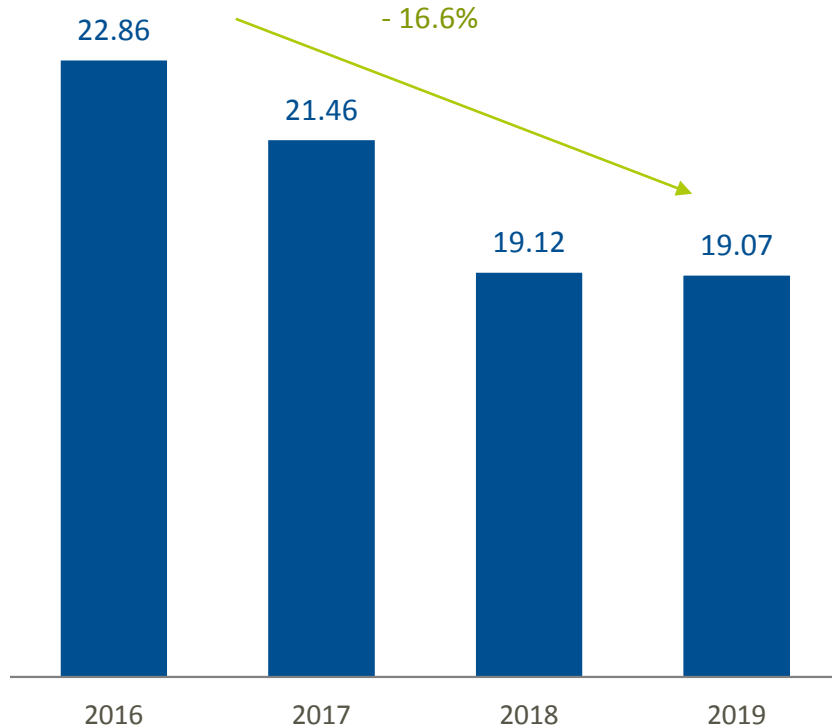


Increased Net Income
(USD MM)

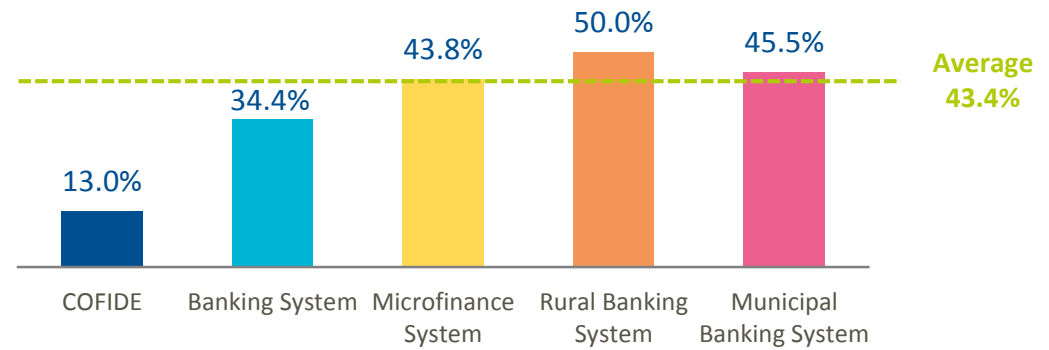


Efficient Corporate Structure

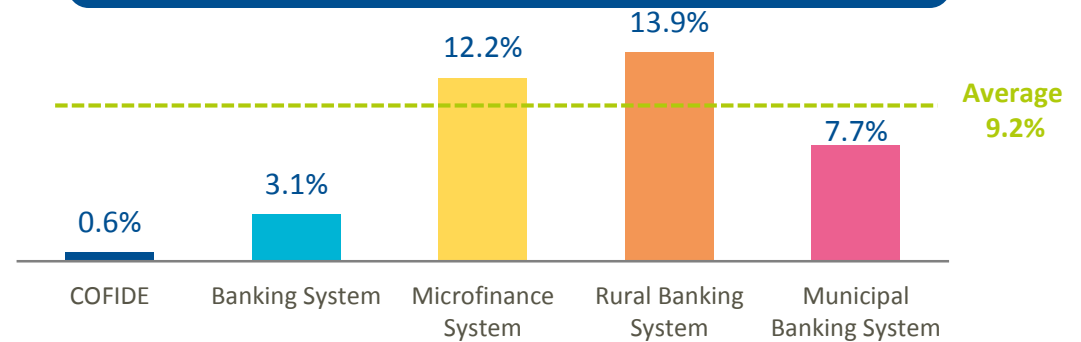
Important Reduction in Operating Cost (USD MM)



Operating Cost / Financial income - Local Peers (1)



Operating Cost / Profitable Assets - Local Peers (1)



Notes:
(1) Financial System as Dec 2019

2019 vs Guidance for FY 2019

	2019	Guidance for FY 2019
ROE	1.30%	<0.9%-1.3%>
Gross Margin	9.2%	<9%-13%>
Net Income	PEN 26.4 MM	<PEN 18 MM – 22 MM>
Capitalization Ratio	29.5%	>25%
Loan Loss Provisions / NPL	229%	<230%-250%>

Key Takeaways

- During 2019, Moody's and S&P improved COFIDE's perspective from negative to stable.
- COFIDE issue PEN 478 MM in the local market. This includes the issuance of the first sustainable bond and the first green bond in public offer.
- COFIDE's Investment Portfolio increased 15.3% year-over-year, reaching USD 728 MM. Also, we generate extraordinary profits from the sale of bonds for S / 27.8 MM.
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Disclaimer

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