

COFIDE

Earnings Presentation 1Q 2019



COFIDE
EL BANCO DE DESARROLLO DEL PERÚ

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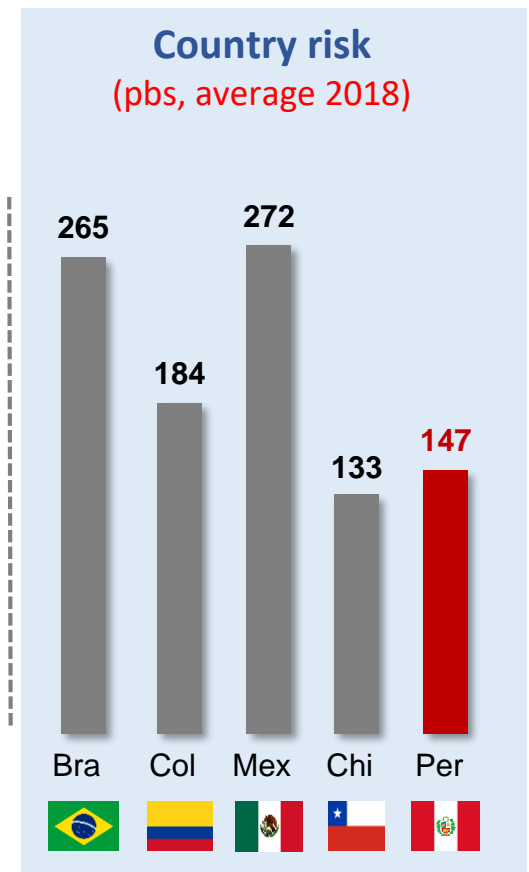
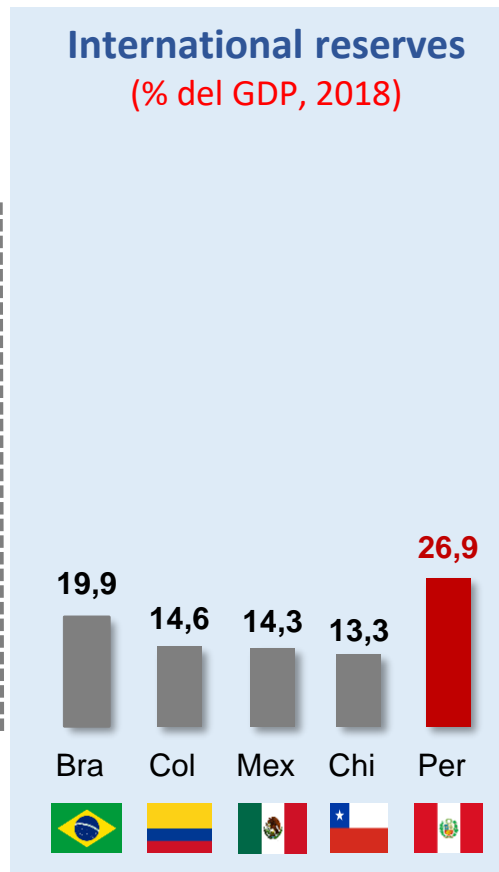
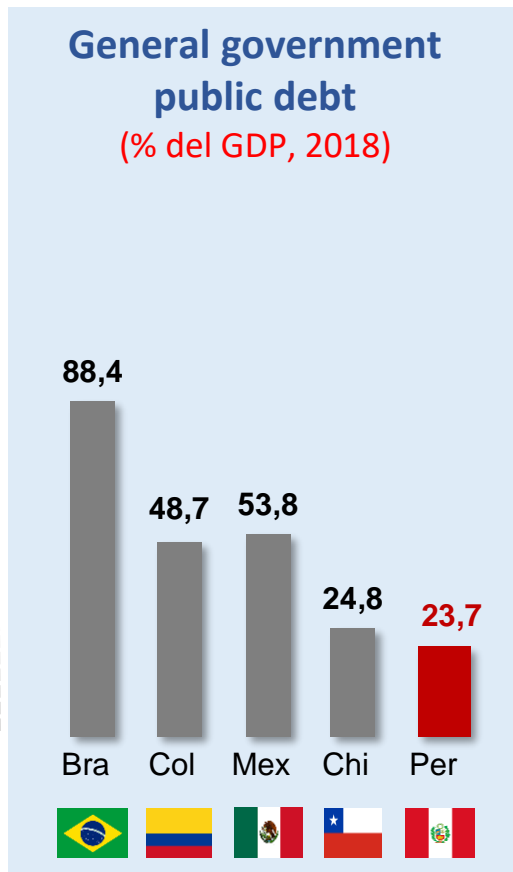
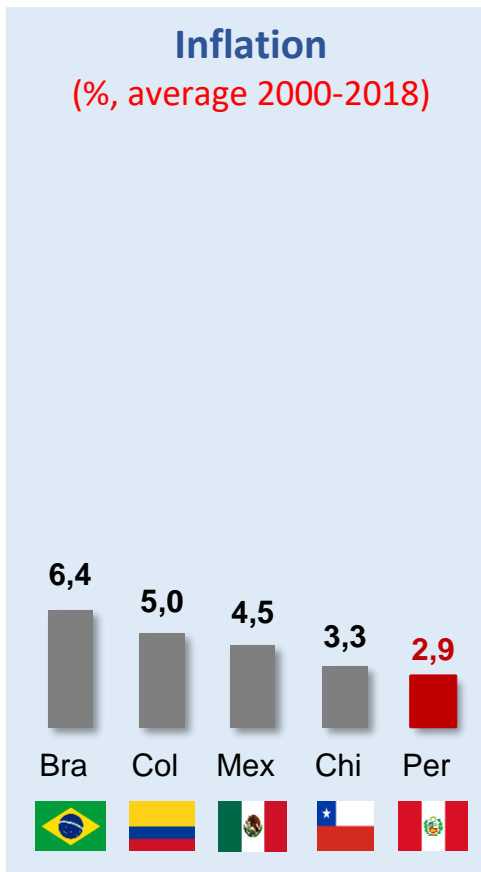
1Q19 Highlights

- Net income after taxes increased by 12% year-over-year, reaching US\$ 1.2 million.
- NPL ratio significantly improved versus 1Q18, decreasing from 27.9% to 7.4%.
- Capital Ratio increased from 22.3% to 28.2% year-over-year, well above the average of the Peruvian banking sector.
- The Bond portfolio increased by 14.3% year-over-year, partially offsetting the Loan portfolio decline.
- Operating framework of “Fondo Crecer” was approved (a new trust for SME).
- New Chairman and Board Member appointed, as well as a new CRO and CFO.

Recent Events

- Moody's affirmed Baa3 local and foreign currency issuer rating of COFIDE and changed the outlook on the rating to Stable from Negative and raised our credit base assessment from B3 to B2 (25 April 2019).
- Issuance of Green Bond: 3 year, PEN 100 MM and YTM 5,125% (26 April 2019).
- COFIDE cashed a penalty fee of USD 4.0 million for the prepayment of Odebrecht's Chaglla Power senior loan, after the sale of the plant to China's Three Gorges. This operation boosted gross margin to 14.6% in April.
- New USD 25 million - 15 year concessional credit line facility granted by ICO (Spanish state-owned Bank) (21 May 2019).
- Prepayment of ICCGSA's stake in loan to Corporación Agrícola Olmos (USD 6 MM), which was provisioned at 5% (May 2019). ICCGSA is a local construction company involved in corruption scandal.

Peru's Strong Macroeconomic Fundamentals



Sources: BCRP

Key Financial Figures

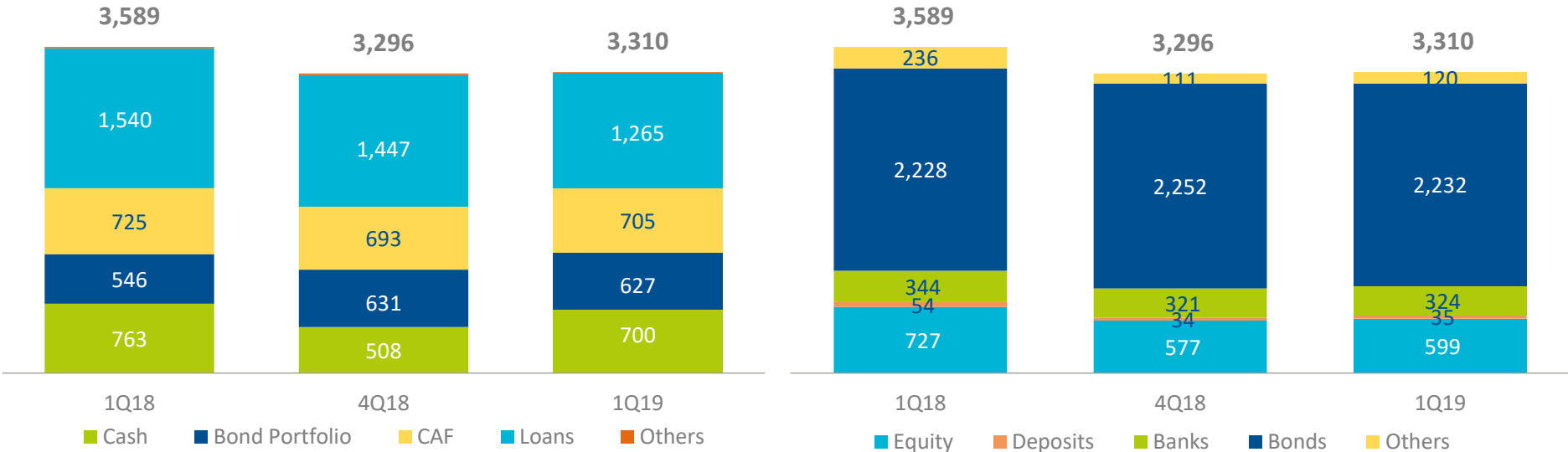
Key Indicators	1Q2019	1Q2018	4Q2018	YoY	
Loans net of provisions (US\$ MM)	1,265	1,540	1,447	-17.8%	●
Bond portfolio (US\$ MM)	594	520	598	14.3%	●
Cash (US\$ MM)	700	763	508	-8.3%	●
Gross margin (%)	7.4	6.6	11.8	77 bps	●
Operating Cost (US\$ MM)	5.5	6.4	4.6	-13.4%	●
Net income after taxes (US\$ MM)	1.16	1.03	1.87	12.2%	●
Non-performing loans (%)	7.4	27.9	6.3	-2052 bps	●
Provisions/NPL (%)	242.2	66.2	253.0	17599 bps	●
ROAE (%)*	0.86	2.21 *	0.80	-135 bps	●
Capital Ratio (%)	28.2	22.3	28.5	587 bps	●

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

Assets and Liabilities Breakdown

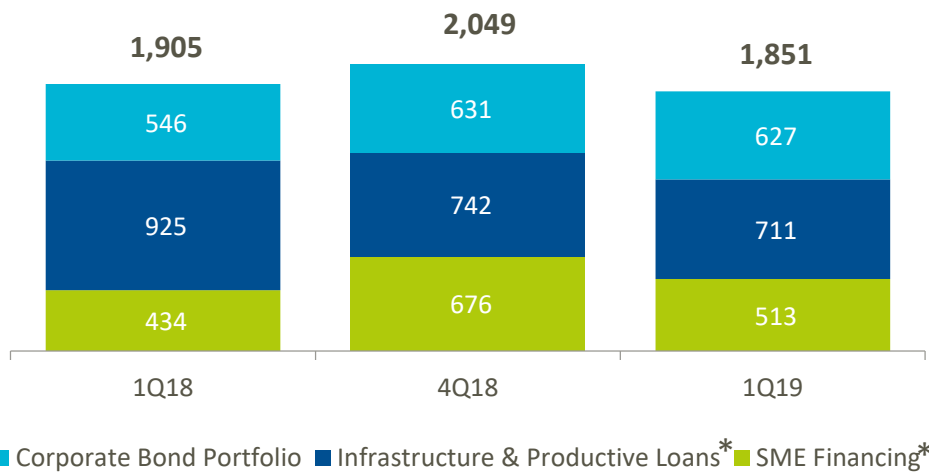
Assets (USD MM)

Liabilities & Equity (USD MM)



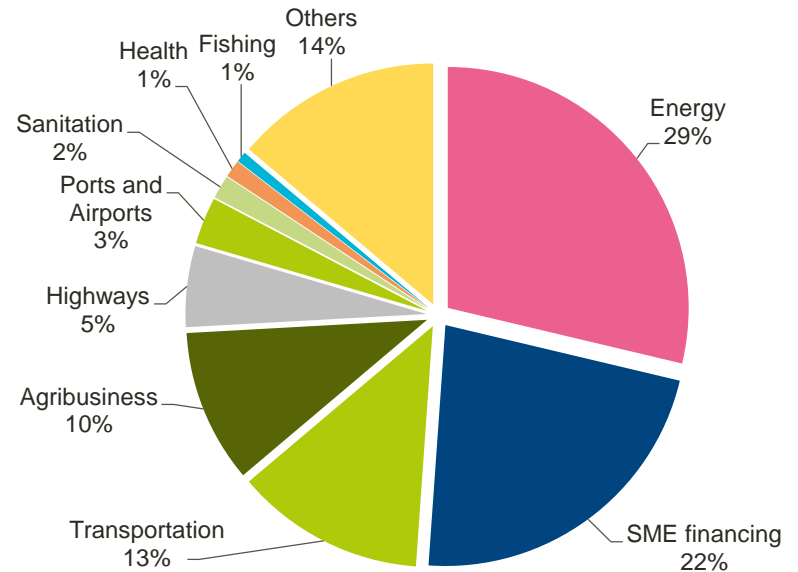
Higher Bond Portfolio and SME Financing YoY

Loans & Bond Portfolio (USD MM)



* Does not include NPL, only direct loans

Loans & Bond Portfolio by sector** (%)



** Includes NPL, direct and indirect loans

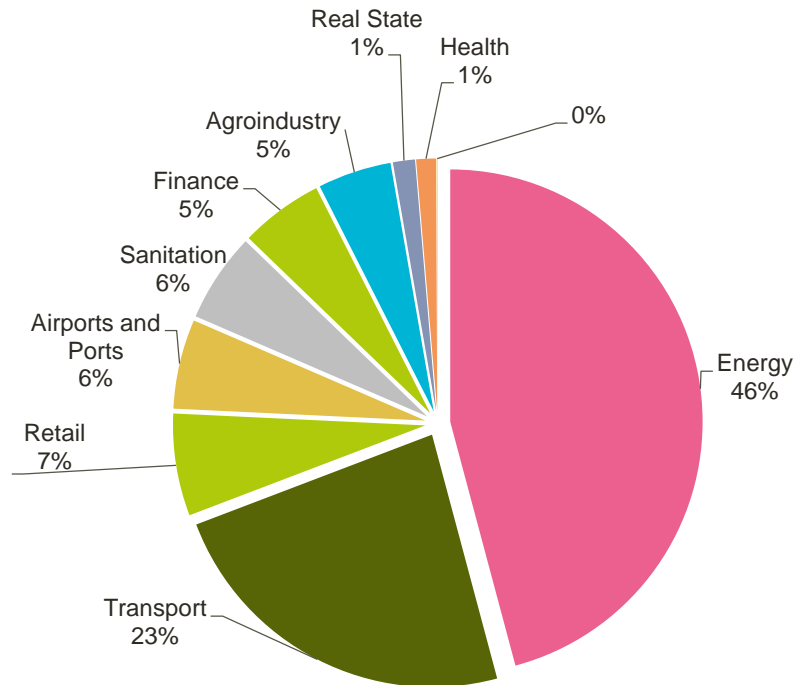
Main Positions in Bond Portfolio

USD							
Issuer	Economic Sector	Maturity	YTM	Mark to Market Amount USD MM	Unrealized P&L USD MM	International Rating	% Portfolio
ENERGIA EOLICA	Energy	18/08/2034	6.35%	92.2	4.4	BBB-	21.05%
CERRO DEL AGUILA	Energy	16/08/2027	4.13%	49.5	-0.2	BBB-	11.30%
ETEN	Energy	30/12/2033	7.68%	43.6	2.3	BBB-	9.96%
LIMA METRO LINEA 2	Transport	5/07/2034	8.23%	41.5	1.7	BBB	9.48%
LONGITUDINAL DE LA SIERRA II	Transport	30/11/2033	5.23%	36.1	-0.3	BBB	8.24%
OTHERS				175.0	5.8		39.96%
Total USD			6.35%	437.9	13.7		100.00%

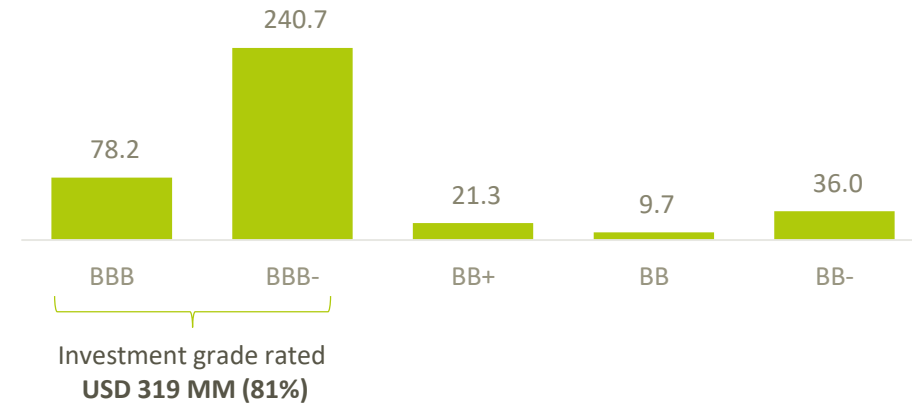
PEN							
Issuer	Economic Sector	Maturity	YTM	Mark to Market Amount eq. USD MM	Unrealized P&L eq. USD MM	Local Rating	% Portfolio
LÍNEA AMARILLA	Transport	30/06/2037	8.76%	69.0	2.2	AA	36.40%
TABOADA FINANCE LTD	Sanitation	1/01/2033	7.92%	35.9	3.6	AAA	18.94%
PRIMAX 1	Energy	7/10/2036	7.94%	26.3	0.5	AA	13.88%
CORPORACIÓN AZUCARERA DEL PERÚ	Agroindustry	15/08/2031	9.00%	19.6	-0.3	A+	10.34%
PRIMAX	Energy	7/10/2027	7.13%	12.9	1.4	AA	6.83%
OTHERS				25.8	0.3		13.61%
Total PEN			8.13%	189.4	7.6		100.00%
COFIDE (USD)				627.3	21.2		

High Quality Bond Portfolio

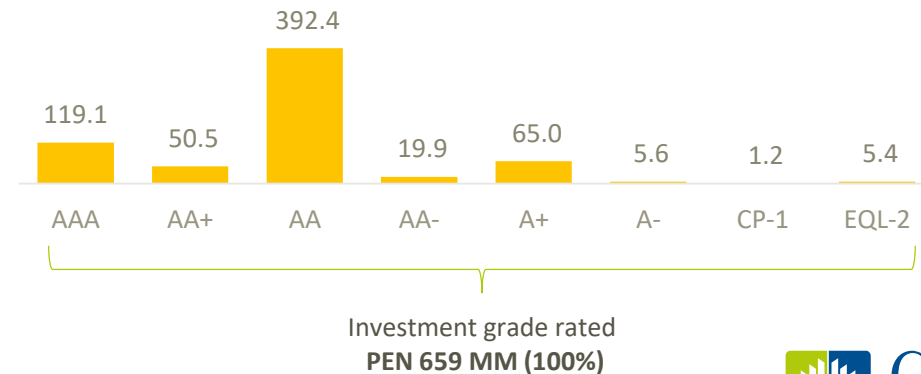
Portfolio by Economic Sector (USD MM)



Portfolio by International Rating (USD MM)

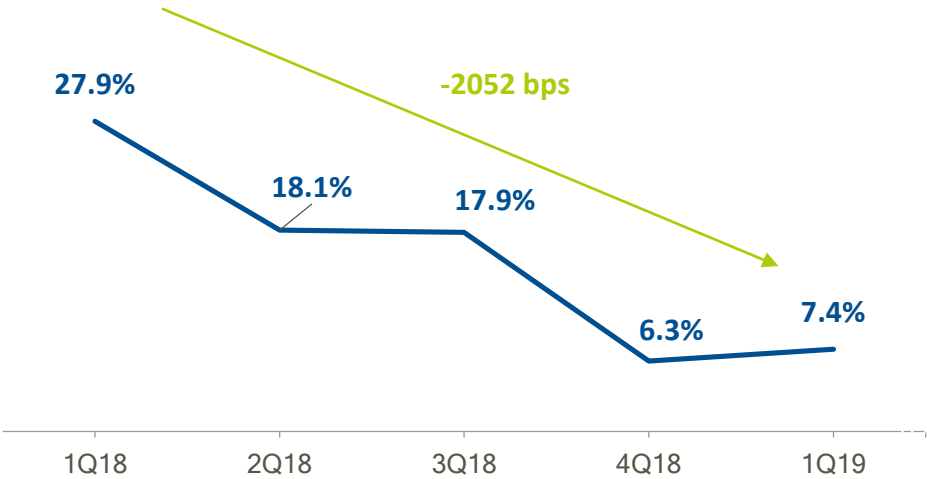


Portfolio by Local Rating (PEN MM)

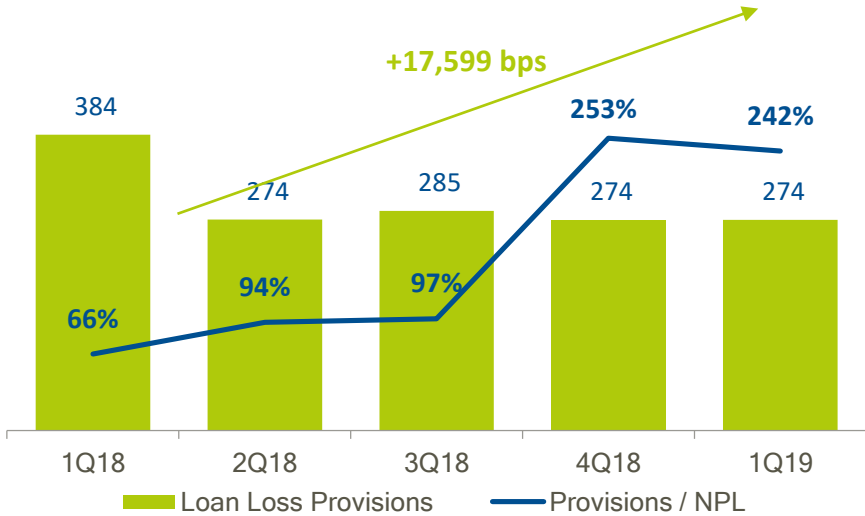


Stronger Credit Metrics in the Loan Portfolio

Past Due Loans / Total Loans (%)



Loan Loss Provisions (USD MM)



Fully Provisioned NPL Portfolio (besides COSAC)

Distressed loans

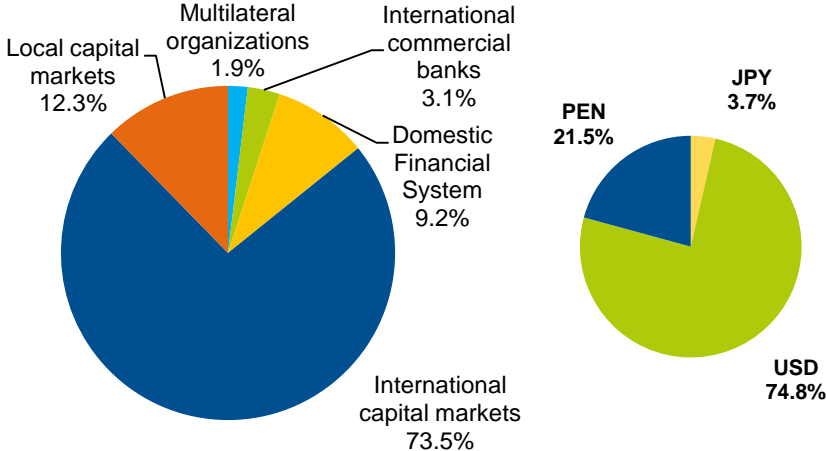
Final Debtor	Intermediary Bank	Disbursement date	Amount (USD MM)	Rating	Provision Rate	Provision
COSAC (Metropolitano Bus S) (*)	Bco. Santander	09/03/2009	164.06	DOUBTFUL	60.0%	98.44
GSP - Odebrecht	Deutsche Bank	31/12/2014	125.00	WRITE-OFF	100.0%	125.00
Minera IRL (junior gold mine)	Goldman Sachs	4/06/2015	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			498.59			432.97

(*) Does not include indirect loan

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

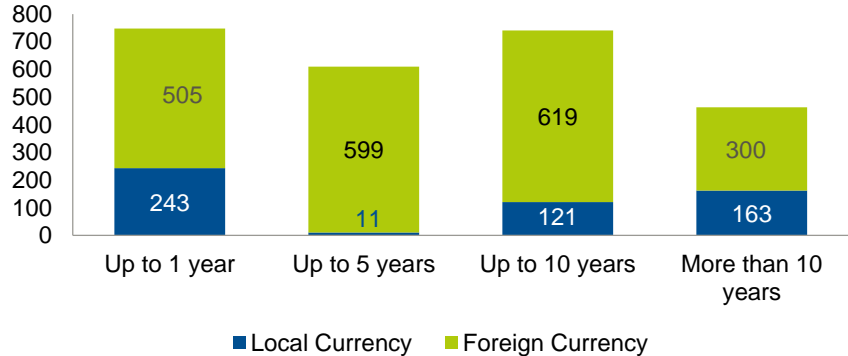
Stable and Diversified Funding

Funding Composition (%)



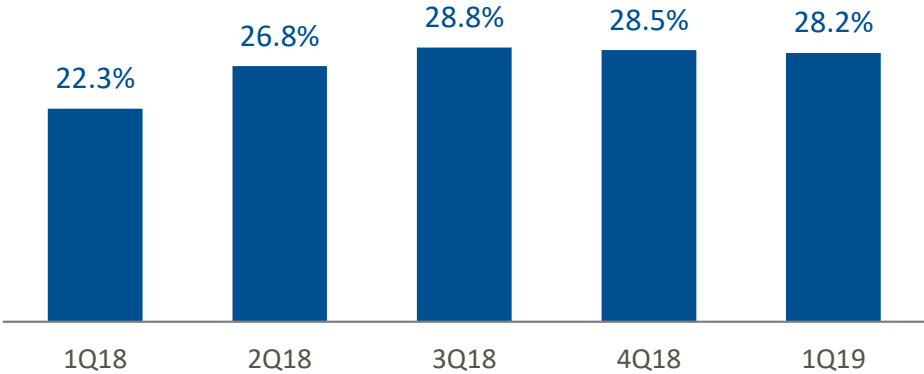
Debt Maturity Profile (USD MM)

Mar 2019

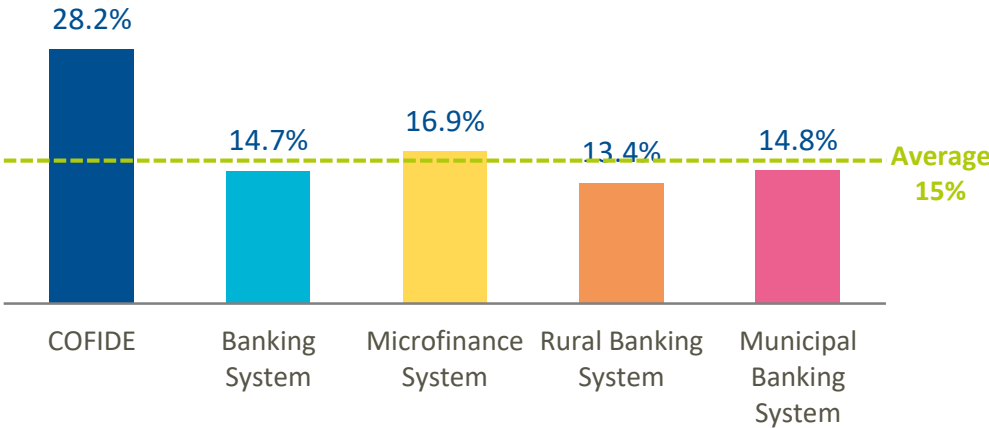


Robust Capitalization Metrics

Capitalization Ratio (1) (%)



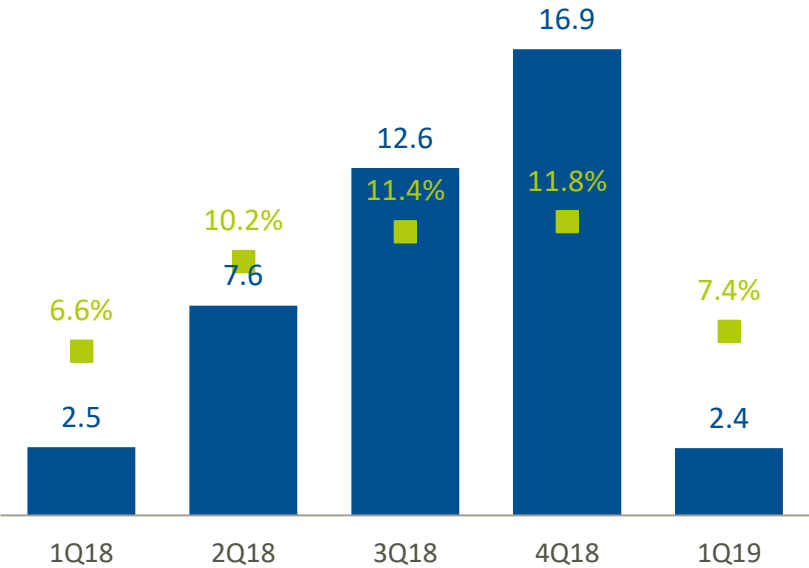
Compared to Local Peers (2) (%)



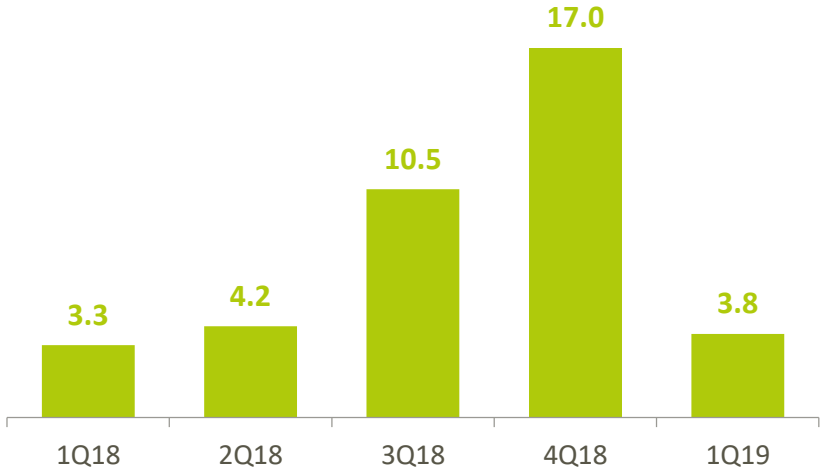
Notes:
 (1) Capital adequacy ratio calculated as regulatory capital over risk weighted assets
 (2) Financial System February 2019

Improved Financial Performance Trend

**Gross Margin – upward trend
(USD MM & %)**

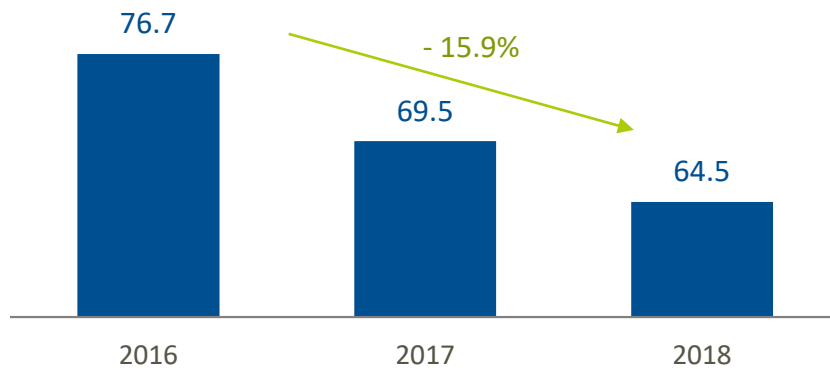


**Increased Net Income
(PEN MM)**

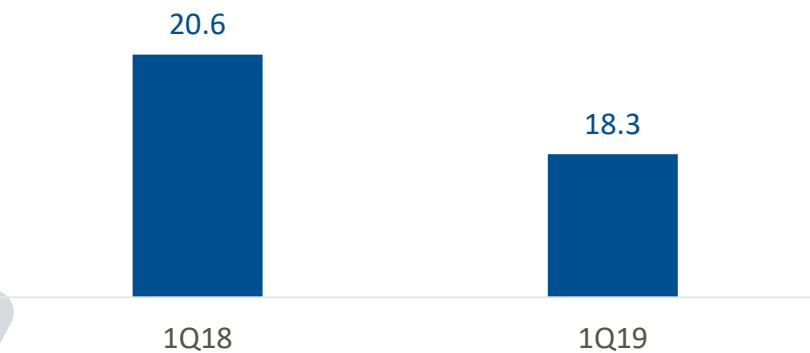


Efficient Corporate Structure

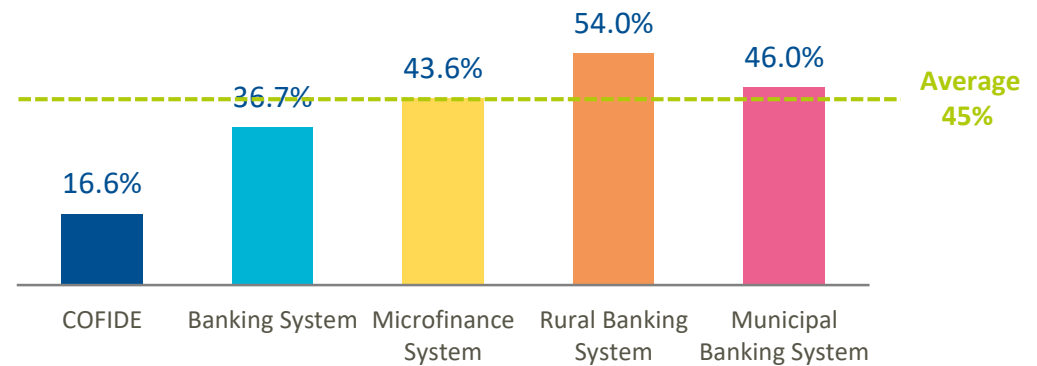
Important Reduction in Operating Cost (PEN MM)



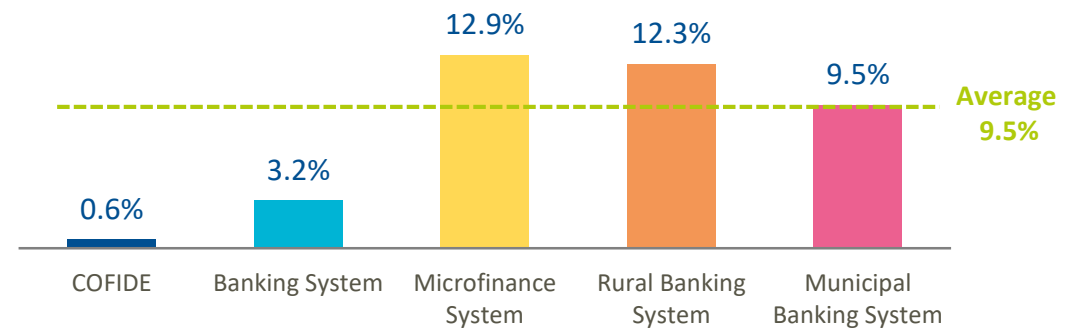
Important Reduction in Operating Cost (PEN MM)



Operating Cost / Financial income - Local Peers (1)



Operating Cost / Profitable Assets - Local Peers (1)



Notes:
(1) Financial System March 2019

Reinforced Leadership

New Chairman and Member of the Board of Directors

Name	Position	Appointment date
Carlos Linares	Chairman of the Board	February 2019
Marco Castillo	Board Member	February 2019

New Management

Name	Position	Origin	Telephone	E-mail
Paul Bringas	CFO	IFS/EQ-Moody's /CAF	+51 1 6154027	pbringas@cofide.com.pe
Sandra Jauregui	CRO	BBVA Group	+51 1 6154027	sjauregui@cofide.com.pe

FY 2019 Guidance for FY 2019

	FY 2018	Guidance for FY 2019
ROE	0.8%	<0.9%-1.3%>
EBITDA Margin	12.2%	<9%-13%>
Net Income	PEN 17 MM	<PEN 18 MM – 22 MM>
Capitalization Ratio	28.5%	>25%
Loan Loss Provisions / NPL	253%	<250%-300%>

Key Takeaways

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Disclaimer

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