

ISSUER PROFILE

7 June 2019

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Contacts

Rodrigo Marimon +54.115.129.2651
 Bernales
 Associate Analyst
 rodrigo.bernales@moodys.com

CLIENT SERVICES

Americas 1-212-553-1653
 Asia Pacific 852-3551-3077
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Corporacion Financiera de Desarrollo S.A.

Key Facts and Statistics - Q1 2019

Company overview

Corporación Financiera de Desarrollo SA (COFIDE) is a state-owned development bank based in Lima. It provides financial products and services to underserved markets funded mainly through local and international debt issues, syndicated loans and other sources of funding by Peruvian and international commercial banks, and loans from multilateral organizations. Its main products comprise micro and small enterprise loans, as well as assistance to finance infrastructure and environmental projects. As of 31 Mar 2019, it reported total consolidated assets of PEN11.0 billion (\$3.3 billion).

COFIDE was established by the government of Peru in 1971. As of 31 December 2018, the bank's largest shareholder was the Peruvian government, which owned 99.2% of its total share capital through its holding company, Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE).

Note: Currency converted using exchange rate of PEN-\$0.30113, as of 31 Mar 2019

Sources: Company reports (consolidated financial statements Dec 2018, corporate presentation Dec 2018, MD & A Q1 Mar 2019), Moody's Investors Service research, www.oanda.com

Financial highlights

Note: The financials presented below are those reported by the entity and are not adjusted for Moody's analytic purposes. For Moody's generated ratios on Corporación Financiera de Desarrollo S.A., please see < [Corporación Financiera de Desarrollo SA](#) page on Moodys.com >.

Exhibit 1

Latest full-year results

Corporación Financiera de Desarrollo SA

(in PEN Million)	31-Dec-18	31-Dec-17	31-Dec-16	% Change 18/17	% Change 17/16
PEN/\$, Period end	0.29669	0.30757	0.29595	–	–
Total Assets	11,117	11,973	13,437	(7.15)	(10.89)
Total Shareholders' Equity	1,945	2,004	2,813	(2.90)	(28.77)
Total Regulatory Capital	3,004	2,984	3,535	0.67	(15.60)
Tier 1 Ratio (%)	28.47	25.65	28.77	282 bps	(312) bps
Net Income	17	4	78	279.69	(94.26)

Note: Based on consolidated financials data

Sources: Company reports (consolidated financial statements Dec 2018 and Dec 2017), Moody's Investors Service research, [www.oanda.com](#)

Exhibit 2

Latest first-quarter results

Corporación Financiera de Desarrollo SA

(in PEN Million)	31-Mar-19	31-Mar-18	% Change 19/18
PEN/\$, Period end	0.30113	0.30859	–
Total Assets	10,982	11,583	(5.19)
Total Shareholders' Equity	1,986	2,347	(15.35)
Total Regulatory Capital	3,004	2,571	16.85
Tier 1 Ratio (%)	N/A	22.34	N/A
Net Income	4	3	15.62

Notes: 1) Based on consolidated financials data

2) "Tier 1 ratio" for 31 Mar-19 is not available

Sources: Company report (consolidated financial statements Mar 2018), Moody's Investors Service research, [www.oanda.com](#)

Business description

COFIDE provides banking and other financial services to small and micro enterprises, and also finances infrastructure, energy and environmental projects.

The bank operates through two primary business lines: Financial Intermediation and Investment Financing. Additionally, it offers investment management services, through which the bank manages various funds held by trusts on behalf of the Peruvian government, public agencies and financial institutions pending their use in various designated projects or purposes. Loans to SMEs and microfinance entities constitute around 30% of the loan book and are also made through financial institutions.

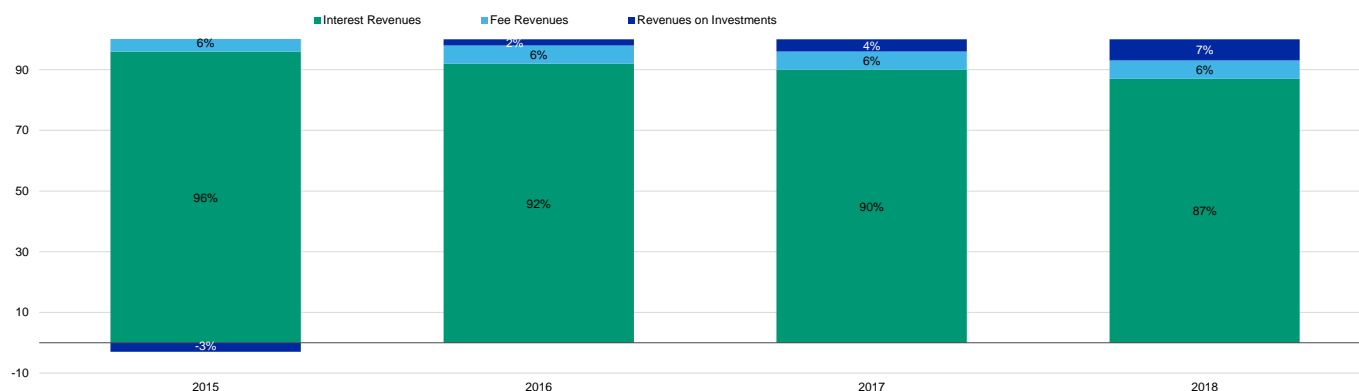
Financial Intermediation: This business line provides loans to micro and small businesses, including for multi-sector investment loans, working capital loans, export loans, training and technological development loans, rural and small agribusiness loans, and mortgages. It also provides technical assistance and training to promote a modern and advanced business culture in Peru. In the financial year ended 31 December 2018 (2018), this business line accounted for 9.9% of the entity's managed assets.

Investment Financing: This business line mainly finances infrastructure projects, including energy, toll roads and transportation projects conducted by private companies. It also funds key environmental initiatives, including a Peruvian government initiative that enables vehicles to use natural gas as fuel. In 2018 this line accounted for 8.2% of the entity's managed assets.

Source: Company reports (corporate presentation Dec 2018, MD & A Q1 Mar 2019), Moody's Investors Service research

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Exhibit 3
Business lines
 (Revenue Breakup in %)



Source: Moody's Investors Service research

Distribution channels

COFIDE provides loans to private companies and government projects in Peru through intermediary financial institutions (IFI, Instituciones Financieras Intermediarias), including commercial, municipal and rural banks, credit unions and entities specialising in the development of micro and small enterprises.

COFIDE funds infrastructure, energy, transportation and environmental projects using Peruvian or foreign IFIs, and also invests directly in debt instruments employed to finance projects.

Sources: Company reports (corporate presentation Dec 2018 and Dec 2017, MD & A Q1 Mar 2016)

Ownership structure

As of 31 December 2018, COFIDE had 1,898,488,014 shares outstanding. The bank's largest shareholder was the Peruvian government, which owned 99.18% of its total share capital through FONAFE.

As of 31 December 2018, the bank's shareholding structure was as follows:

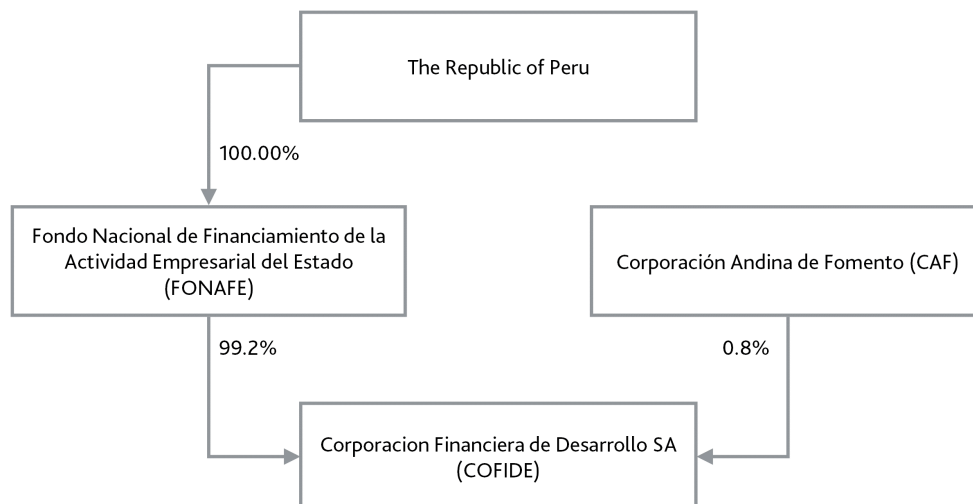
Exhibit 4

Corporación Financiera de Desarrollo SA

Shareholder	% Held
Fondo Nacional de Financiamiento de la Actividad Empresarial del Estado (FONAFE)	99.18
Corporación Andina de Fomento (CAF)	0.82
Total	100.00

Source: Company report (consolidated financial statements Dec 2018)

Exhibit 5

Ownership structure

Source: Company report (corporate presentation Dec 2018)

Company management

Exhibit 6

Corporación Financiera de Desarrollo SA

Board of Directors	Affiliation*
Carlos Adrian Linares Peñalosa	COFIDE: President
José Andres Olivares Canchari	COFIDE: Director
Milagros Doris Maraví Sumar	COFIDE: Director
Marco Castillo Torres	COFIDE: Director

As of 31 Mar 2019

Source: Company data

Company history

COFIDE was incorporated on 18 March 1971 by the government of Peru. In 1997, CAF, a regional development, acquired a stake in COFIDE (31 December 2018: 0.82% of total share capital). In 1999, the Peruvian government established FONAFE, a company intended to manage the government's corporate activities and equity stakes. Subsequently, the government's shares were transferred to the new company. As of 31 December 2018, FONAFE owned 99.18% of the bank's total share capital.

On 26 April 2019, COFIDE completed the issue of a PEN100 million (\$30.2 million) green bond, the fourth green bond issued by a Peruvian issuer and the first from a Peruvian financial institution.

Sources: Company report (consolidated financial statements Dec 2018), Moody's Investors Service research

Related websites and information sources

For additional information, please see:

The company's website

- » [Corporación Financiera de Desarrollo SA](#)

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Moody's related publications

Issuer page on Moodys.com

- » [Corporación Financiera de Desarrollo SA](#)

Credit opinion

- » [Corporación Financiera de Desarrollo SA](#)

Industry outlook

- » [Banking system outlook- Peru, October 2018 \(1142157\)](#)

Rating methodology

- » [Banks](#)

To access any of these reports, click on the entry above. Note that these references are current as of the date of publication of this report and that more recent reports may be available on the issuer's page. All research may not be available to all clients.

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Contacts

Rodrigo Marimon
Bernales
Associate Analyst
rodrigo.bernales@moodys.com

+54.115.129.2651

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