



Corporate Presentation

December 2017



COFIDE

EL BANCO DE DESARROLLO DEL PERÚ

Disclaimer

The material that follows is a presentation of general background information about Corporación Financiera de Desarrollo S.A. and its subsidiaries (“COFIDE”), as of the date of the presentation, prepared solely for purposes of meetings with capital markets participants. The material contained herein is in summary form and does not purport to be complete.

This presentation contains statements that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements are not guarantees of future performance. We caution you that any such forward-looking statements are and will be, as the case may be, subject to many risks, uncertainties and factors relating to the operations and business environments of COFIDE that may cause actual results to be materially different from any future results expressed or implied in such forward-looking statements. Although COFIDE believes that the expectations and assumptions reflected in the forward-looking statements are reasonable based on information currently available to COFIDE’s management, COFIDE cannot guarantee future results or events. COFIDE expressly disclaims any duty to update any of the forward-looking statements, or any other information contained herein.





COFIDE

We are PERU's Development Bank

We are a state-owned development bank established in 1971 by the government of Peru. We are key participant in the government of Peru's economic and social development programs. We are focused on financing infrastructure- and productive projects, as well as micro and small enterprises.



Our lending activities are conducted on commercially reasonable terms and funded mainly through debt issuances in local and international capital markets, syndicated loans and other forms of financing from Peruvian and international commercial banks, multilateral agencies, as well as capital contributions from the Peruvian government.

COFIDE also plays a key role in financial inclusion, SME formalization and "start up" development.

COFIDE at a Glance

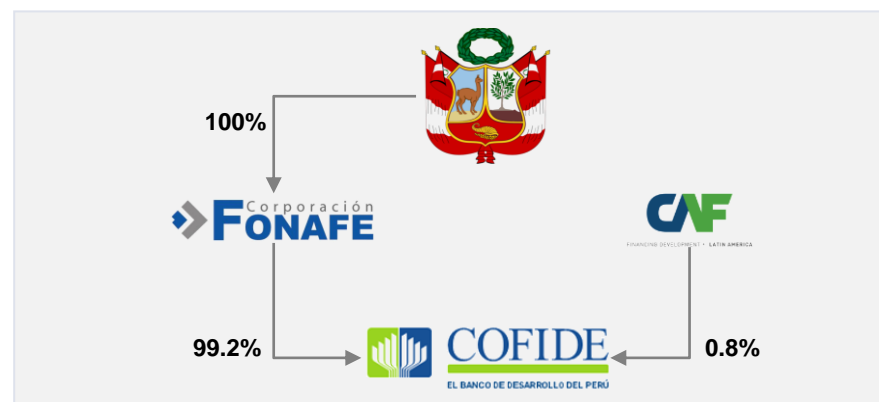
Overview

- We are the Development Bank of Peru, responsible for infrastructure and productive financing.
 - We spearhead infrastructure- and productive projects by providing long term financing.
- We support SME and underserved market segments
 - We provide sustainable financing for the SME, as well as advice and training to entrepreneurs.
 - We provide loans to underserved markets as agribusiness, tourism and forestry.
 - We foster dynamic entrepreneurship (start ups) and financial inclusion on the base of the social pyramid.
- We achieve this through our different product platforms:
 - Investment and Productive Financing: assume project and business exposure at key junctures
 - Intermediation Financing: SME financing through regulated financial institutions
 - Investment Management Services: manage funds and trusts on behalf of the Peruvian government, agencies, corporations and financial institutions.
- We lend under standard market conditions
- We are relevant to the development of Peru's infrastructure base
 - Financing large infrastructure projects (energy, transport, communications, etc)
- We are regulated by the SBS on the same rules as all other financial institutions in Peru
 - We are subject to high financial, operational and compliance standards

Financial Highlights (as of Dec. 2017)

Financial Income	US\$ 175 MM
Total Assets	US\$3.7Bn
Capital Adequacy Ratio (1)	25.7%
Our Ratings	Moody's Baa3 (Peru: A3) S&P BBB (Peru: BBB+) Fitch BBB+ (Peru: BBB+)

Shareholder Structure



Notes:

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

Overview of Main Business Lines

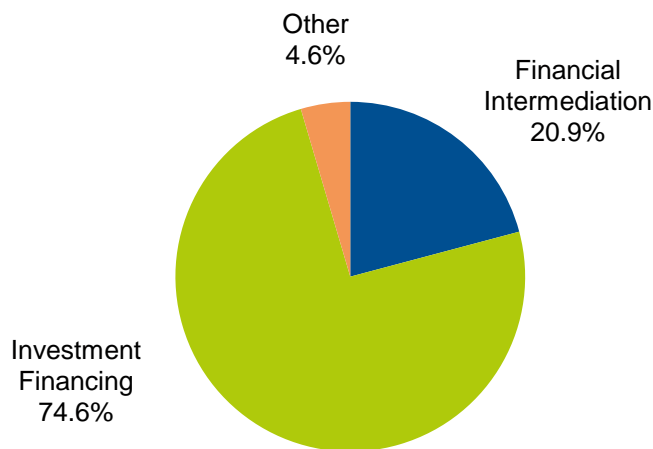
Investment and Productive Financing

- **Focused primarily on the financing of infrastructure projects** undertaken by private or sovereign-owned companies. Mainly energy and transportation projects, as well as key environmental initiatives
- **Funding infrastructure projects through Peruvian or foreign banks**, and also by investing directly in debt instruments used to finance projects
- **COFIDE's credit exposure is to the investment project financed by the ultimate borrower** in the event of default

Financial Intermediation

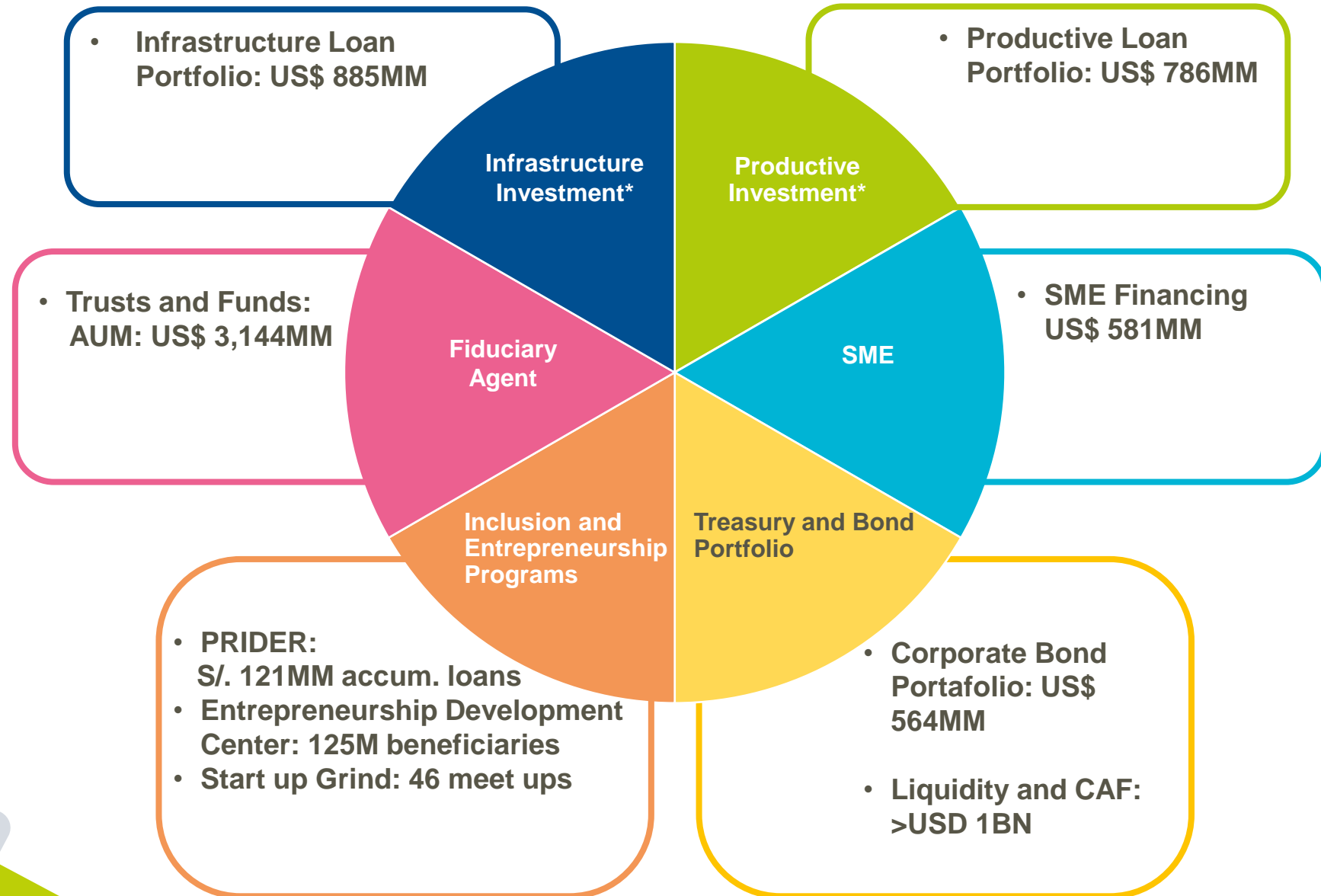
- **Finances primarily the SME sector**, complementing the private financial sector by providing medium and long-term financing
- **Lending takes place only through Peruvian Intermediary Financial Institutions (IFI)**, including commercial banks, municipal and rural banks and entities specializing in SME financings
- **COFIDE's credit exposure is to the IFI**, rather than to the ultimate borrower

Financial Income Breakdown by Business Line



Financial Income: US\$ 175 MM as of Dec 2017
Other includes Interest Earning over available cash

Business Lines Figures – USD 7BN Bank



Notes:
 *Business Lines since 2008
 Includes loans and financial guarantees. As of December 2017

Key Investment Highlights

1

Strong Macroeconomic Fundamentals

2

Strategic Asset for the Peruvian Government

3

Peru's Infrastructure Gap Creates Several Development Opportunities

4

Strong Balance Sheet with Diversified Asset and Funding Sources

5

Superior Capitalization and Liquidity

6

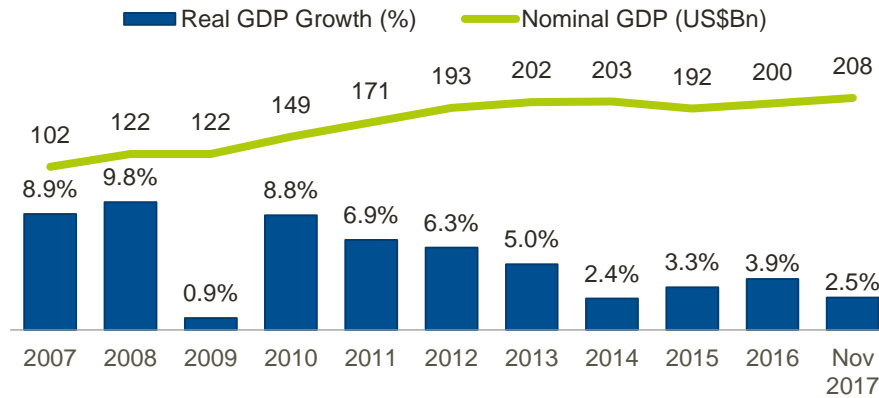
2017 NIAT Turnaround and Loan Portfolio Indicators

7

Equity Reinforcement Plan and Government Support

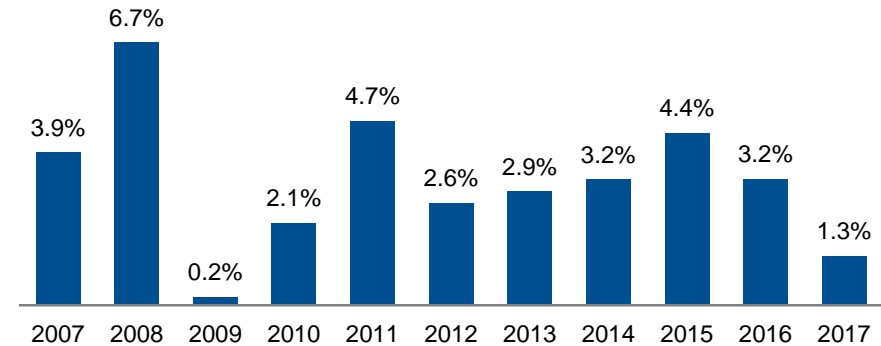
Strong Macroeconomic Fundamentals

Continued GDP Growth (%)



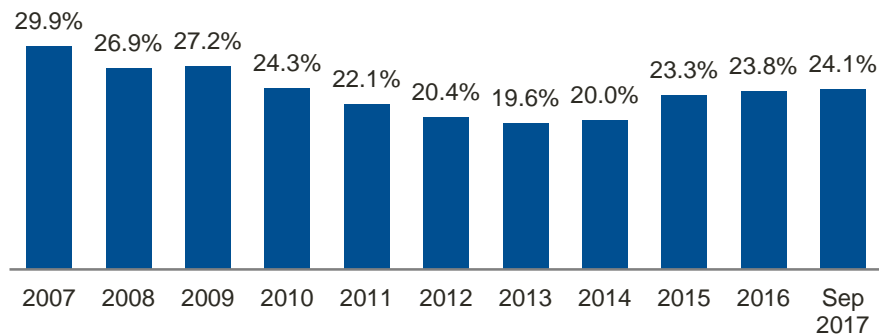
Source: Central Reserve Bank of Peru

Moderate Inflation (CPI, % change)



Source: Central Reserve Bank of Peru

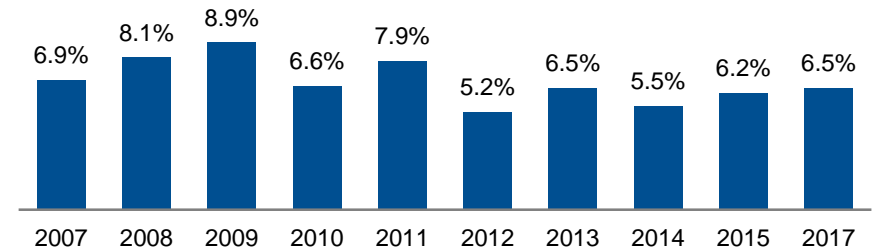
Stable Debt / GDP (%)



Source: Central Reserve Bank of Peru

Low Unemployment (%)

% of unemployed population / formal labor force

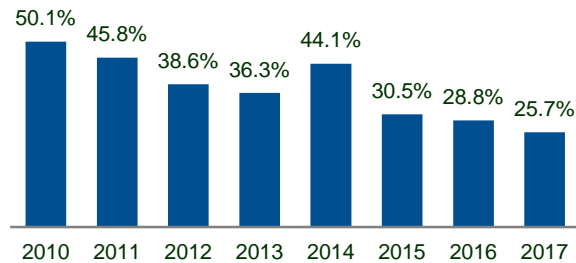


Source: National institute of statistics and informatics of Peru

Strategic Asset for the Peruvian Government

- Sovereign-owned development bank established in 1971
- Autonomous board of directors manages day-to-day operations independently of the Peruvian Government
- Part of the National Financial System and regulated by the Superintendencia de Banca Seguros y AFPs (SBS)

Capital Adequacy Ratio ⁽¹⁾



FONAFE

- Created in 1999 to oversee the Peruvian Government's corporate activities and equity stakes
- Board of directors appoints management team for the government's majority holdings, including COFIDE

100%



99.2%



COFIDE
EL BANCO DE DESARROLLO DEL PERÚ

0.8%



INTERNATIONAL CREDIT RATINGS

	Moody's	S&P	Fitch
Republic of Peru	A3 (stable)	BBB+ (stable)	BBB+ (stable)
COFIDE	Baa3 (negative)	BBB (negative)	BBB+ (stable)

CAF

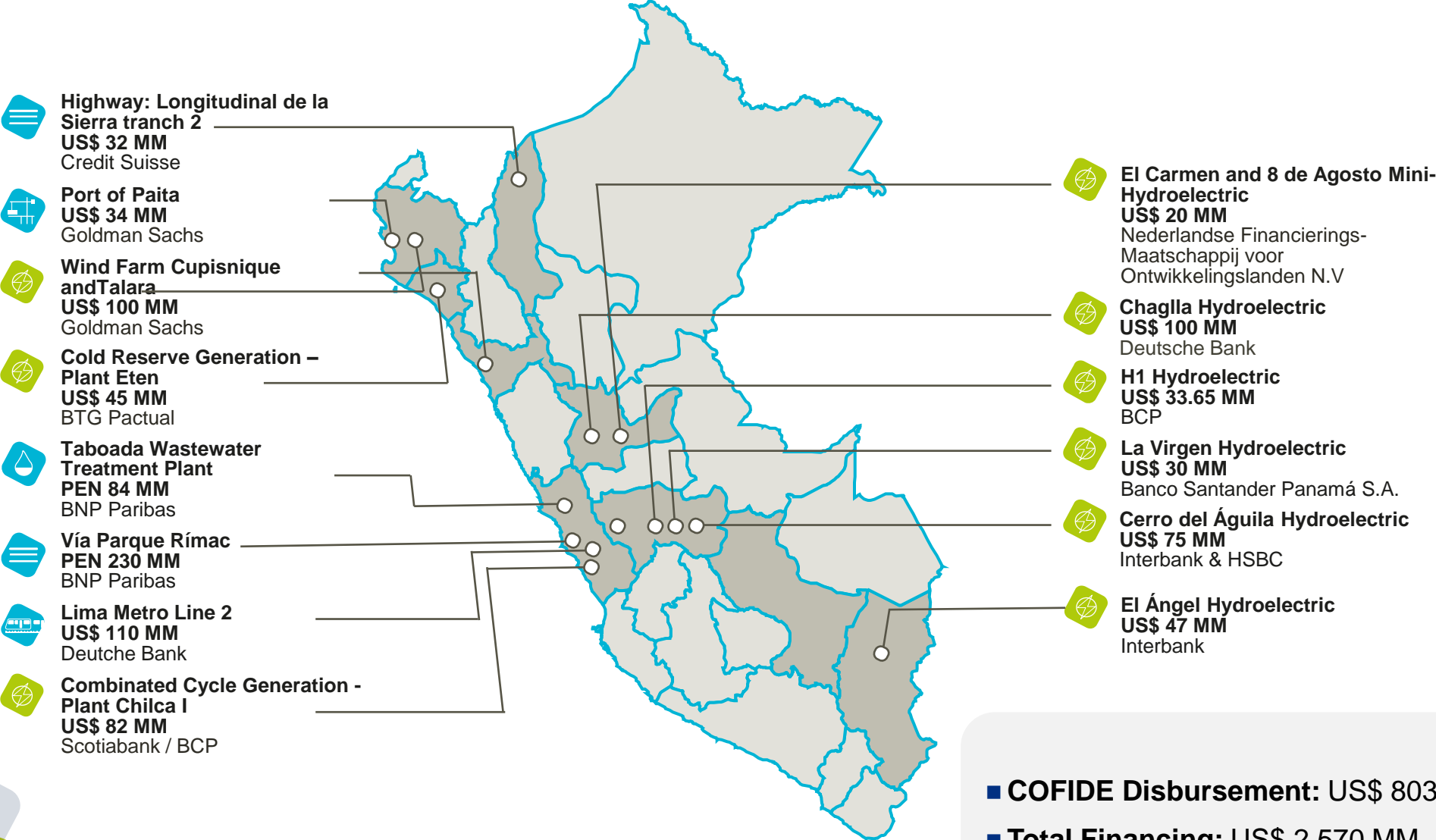
- Regional development bank established in 1970
- Acquired stake in COFIDE in 1997
- US\$37.1bn in assets (US\$23.0Bn in loans) as of September 2017
- CAF ratings: Aa3 / AA- / AA-

Notes:

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

3

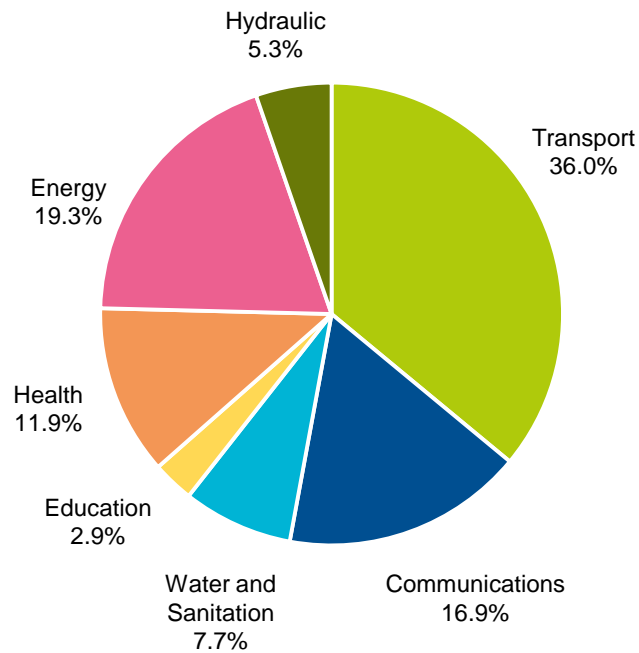
Peru's Infrastructure Gap Creates Several Development Opportunities



■ **COFIDE Disbursement: US\$ 803 MM**
 ■ **Total Financing: US\$ 2,570 MM**

Peru's Infrastructure Gap Creates Several Development Opportunities (Cont'd)

Peruvian Infrastructure GAP 2016 - 2025



Infrastructure GAP* 2016 - 2025 (US\$MM)

Sector	GAP Short Horizon 2016 - 2020	GAP Mid Horizon 2021 - 2025	GAP Large Horizon 2016 - 2025
Water and Sanitation	6,970	5,282	12,252
Communications	12,603	14,432	27,036
Transport	21,253	36,246	57,499
Energy	11,388	19,387	30,775
Health	9,472	9,472	18,944
Education	2,592	1,976	4,568
Hydraulic	4,537	3,940	8,477
Total	68,815	90,735	159,551

Source: "Un Plan para salir de la pobreza: Plan Nacional de Infraestructura 2016 - 2025" – AFIN (2015)

* The infrastructure gap estimate takes into account a horizontal gap (as a result of the comparison with the Pacific alliance countries in the medium term, and OECD countries in the long run), and a vertical gap (which depends on the needs Of the country associated with its growth)

LONGITUDINAL DE LA SIERRA HIGHWAY II



Total Investment : US\$ 260 MM
COFIDE : US\$ 50 MM
Sponsors: Sacyr y Constructora Malaga S.A.

PORT OF PISCO



Total Investment : US\$ 347 MM
COFIDE : US\$ 91.5 MM
Sponsors: Servinoga S.L,
Pattac Empreendimentos e Participações S.A. y
Tucumann Engenharia e Empreendimentos Ltda

PETROPERU TALARA REFINERY



Total Investment : US\$ 5,400 MM
COFIDE : US\$ 10 MM Bonds

COFIDE Infrastructure Projects (2018) ⁽¹⁾

LONGITUDINAL DE LA SIERRA HIGHWAY IV



Total Investment : US\$ 464 MM
COFIDE : US\$ 100 MM

HUANCAYO–HUANCAVELICA RAILWAY



Total Investment : US\$ 204 MM
COFIDE: US\$ 35 MM

MANTARO–YANANCO TRANSMISSION LINE



Total Investment : US\$ 568 MM
COFIDE: US\$ 100 MM

LIMA RING ROAD



Total Investment : US\$ 2,047 MM
COFIDE : US\$ 100 MM

Notes:

(1) Next Projects to be granted by Proinversion

TITICACA WATER TREATMENT PLANT



Total Investment : US\$ 300 MM
COFIDE : US\$ 55 MM

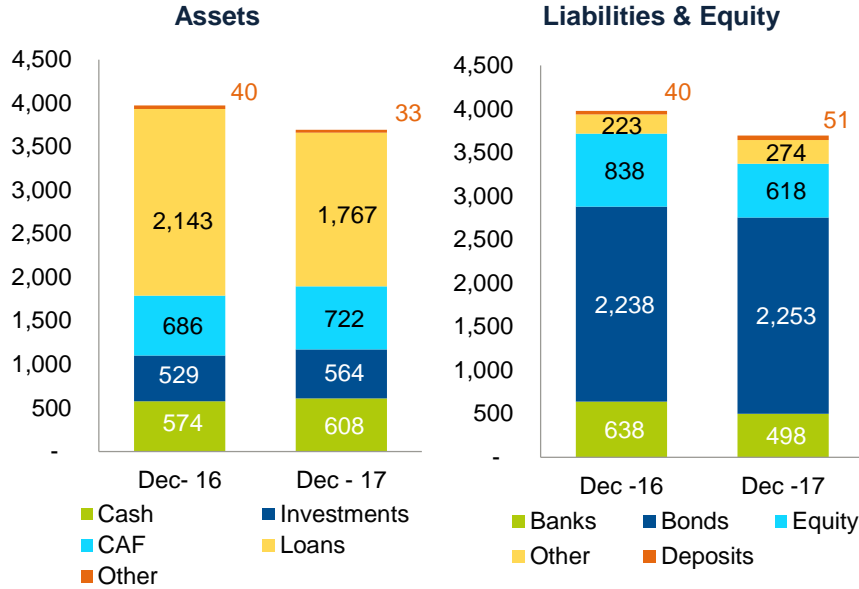
PORT OF ILO



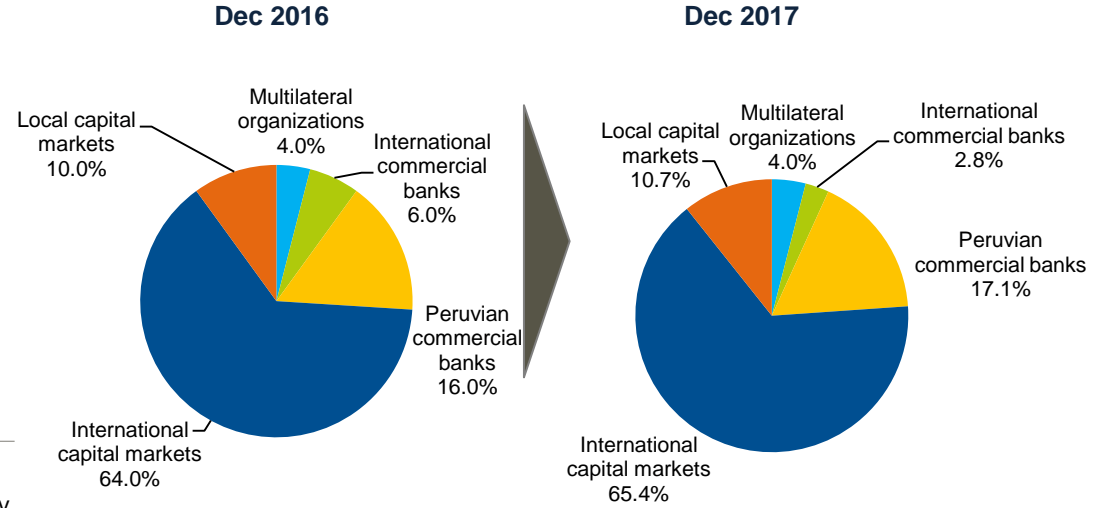
Total Investment : US\$ 204 MM
COFIDE : US\$ 40 MM

Strong Balance Sheet with Diversified Assets and Funding Sources

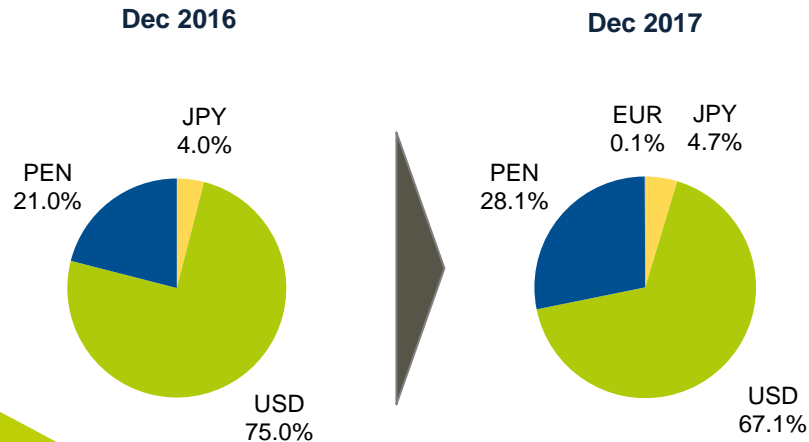
Balance Sheet Breakdown Evolution (US\$MM)



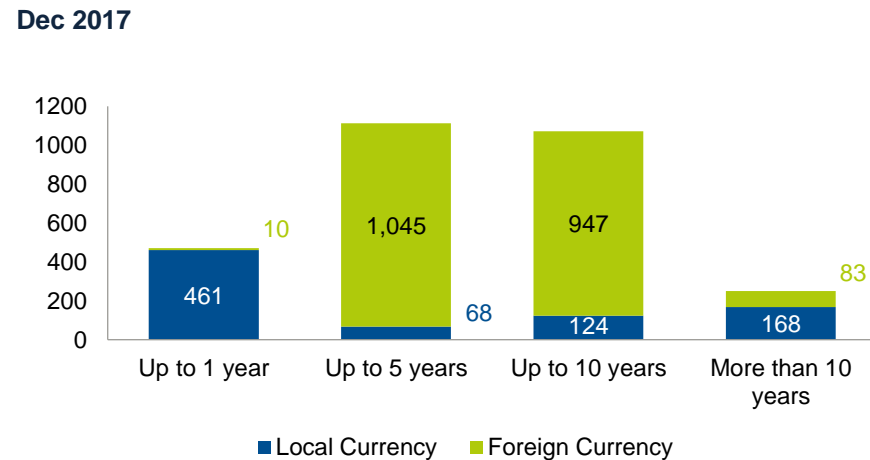
Funding Breakdown



Diversified Funding by Currency



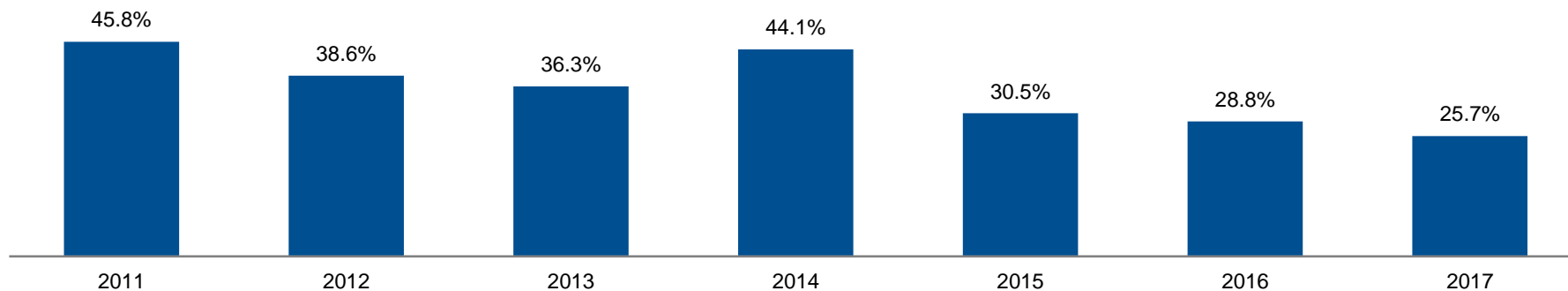
Debt Maturity Profile (US\$MM)



Superior Capitalization

Sound Capitalization Ratios ⁽¹⁾

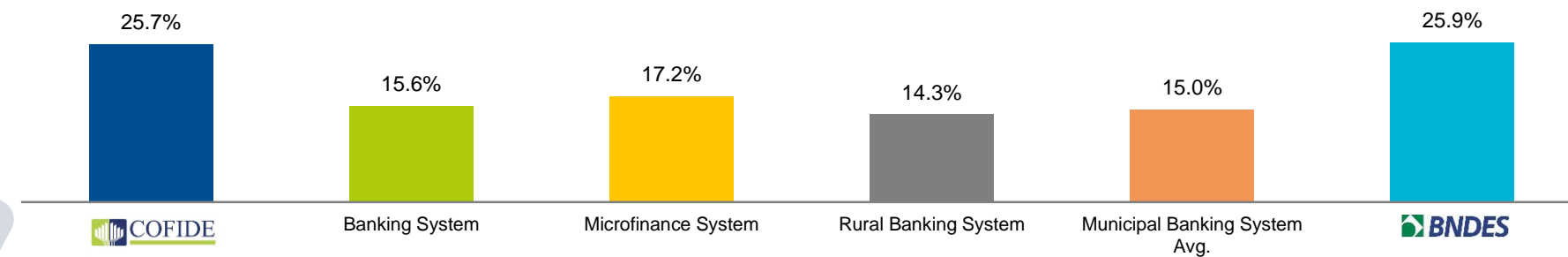
Evolution 2011 – Dec 2017



Source: Superintendencia de Banca, Seguros y AFP

Robust Capitalization Metrics When Compared to Local and International Peers ⁽¹⁾

Dec 2017



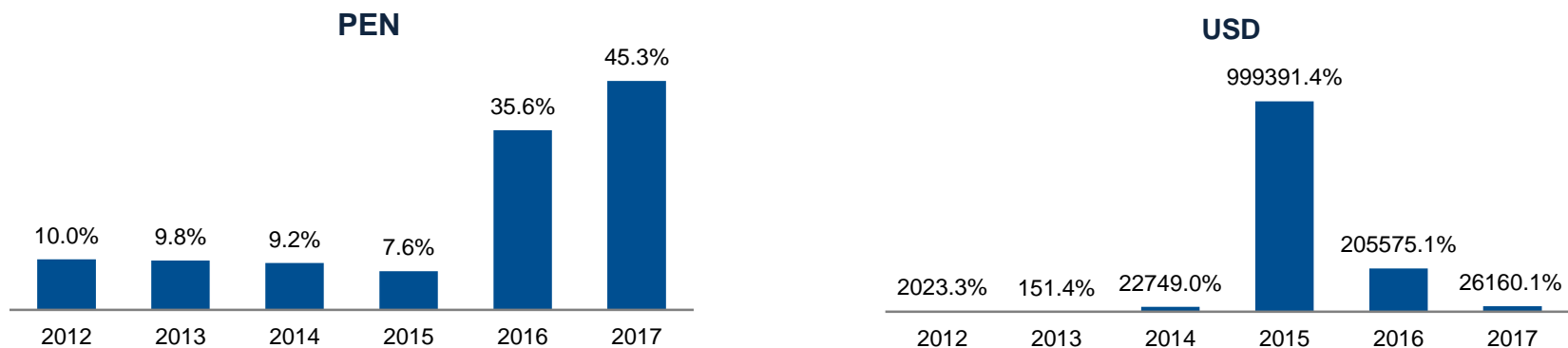
Source: Superintendencia de Banca, Seguros y AFP

Notes:

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

...and Superior Liquidity

Liquidity Ratio ⁽¹⁾



Liquidity GAP Ratio ⁽²⁾

Dec 2016

Local Currency (MN)	
	Valor
30 días	1.81%
90 días	-0.63%
180 días	-0.29%
Foreign Currency (ME)	
	Valor
30 días	9.81%
90 días	9.53%
180 días	14.06%

Dec 2017

Local Currency (MN)	
	Valor
30 días	2.71%
90 días	-0.03%
180 días	-3.12%
Foreign Currency (ME)	
	Valor
30 días	15.72%
90 días	16.72%
180 días	17.74%

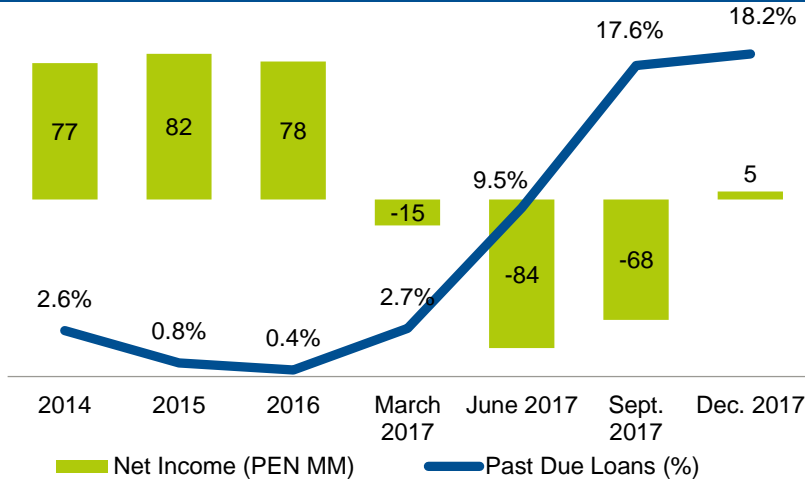
Notes:

(1) Liquidity ratio calculated as Cash over Short term liabilities

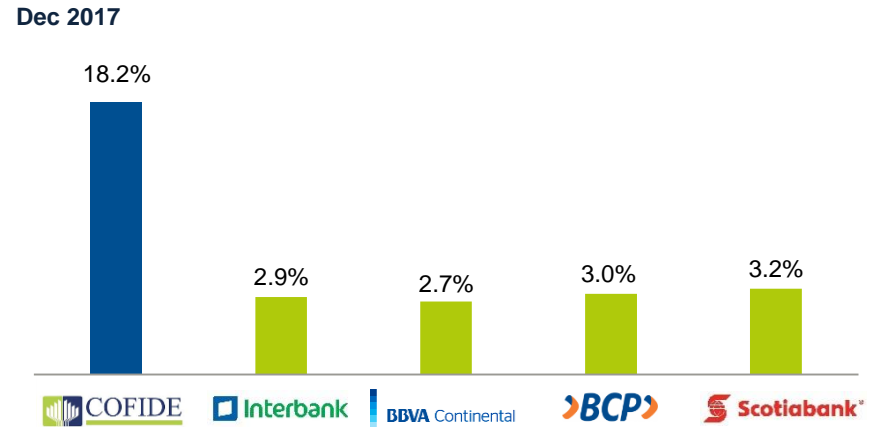
(2) GAP ratio = [Accumulated Assets (i) – Accumulated Liabilities (i)] / Total Assets; where (i) is the time bucket used to compute the ratio.

2017 NIAT Turnaround and Loan Portfolio Indicators

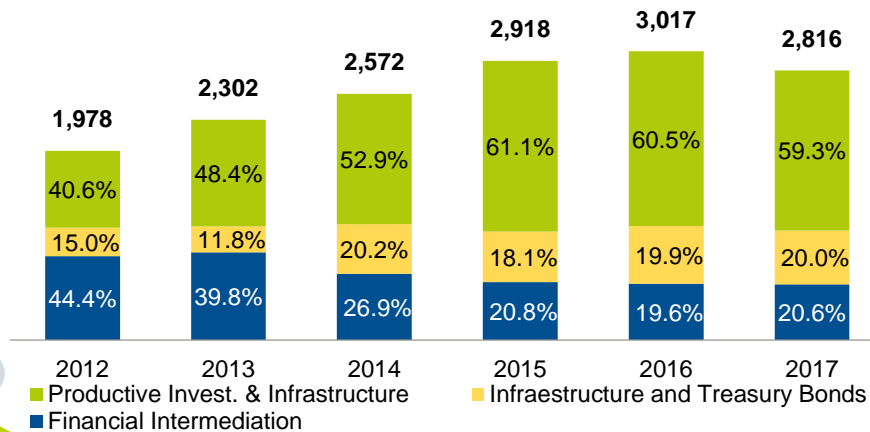
Past Due Loans / Total Loans (%) & Net Income



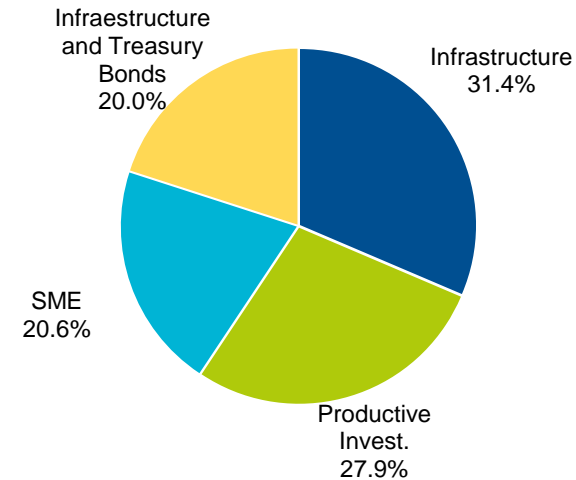
Past Due Loans / Total Loans – Financial System (%)



Loans & Investments by Business Line (USD MM)



Breakdown as of 2017 (%)



Reinforced Corporate Governance

Credit Approval Process

Committees	Leader	Other Attendees	Key Topics
1 Assets and Liabilities	COFIDE's CEO	<ul style="list-style-type: none"> Corporate Business, Risk, Finance and Intermediation Chief Officers 	<ul style="list-style-type: none"> Treasury, derivatives and liquidity gaps Initial assessment of financing opportunities
2 Eligibility Committee (NEW)	COFIDE's CEO	<ul style="list-style-type: none"> Corporate Business and Distressed Assets, Risk, Finance and Legal Advise & Compliance Chief Officers 	<ul style="list-style-type: none"> Alignment/Assessment of business proposals with COFIDE's objectives
3 Loan Portfolio Review Committee (NEW)	COFIDE's CEO	<ul style="list-style-type: none"> Corporate Business and Distressed Assets, Risk, Finance and Legal Advise & Compliance Chief Officers 	<ul style="list-style-type: none"> Critical loans special review and monitoring
4 Risk Committee	BoD Chairman	<ul style="list-style-type: none"> Corporate Business, Risk, Finance and Intermediation Chief Officers 	<ul style="list-style-type: none"> First approval of risk policies and loans' transactions Recommendations for BoD meetings
5 Audit, Ethics and Compliance Committee (NEW)	Independent Board Member	<ul style="list-style-type: none"> Other Board Members, Internal Audit Head, CEO (invitee) 	<ul style="list-style-type: none"> Supervise proper functioning of Internal Control and Compliance System,
6 Directors Approval	BoD Chairman	<ul style="list-style-type: none"> COFIDE's CEO Minimum of 3 BoD members 	<ul style="list-style-type: none"> Final approval of financing opportunities

Supreme Decree N°: 113-2017/EF (April, 2017)

COFIDE finances up to 25%, with its Board's approval and exceptionally, with FONAFE Board's approval, up to 50% of the total financing

Policy for Financial Intermediation

- Strong diligence is performed to the financing entities, including on-site visits (minimum 1 per year)
- Loans are collateralized by the lending portfolio being financed
 - The collateralized portfolio can only be comprised by loans of the top two SBS's categories ⁽¹⁾
 - If loans fall below these two categories, they should either be replaced with other performing loans or should be repaid to COFIDE
 - COFIDE finances no more than \$30mm each loan

Policy for Infrastructure Financing

- All infrastructure financing projects are subject to following four fundamental requirements:
 1. Financing is done in partnership with other well known local and international financial institutions
 2. COFIDE finances up to 25% and exceptionally, up to 50% of total financing
 3. Financing per project cannot be greater than US\$ 100 MM for energy & infrastructure and \$50mm for other sectors
 4. Tickets on bonds cannot be larger than 20% of total placement

Notes:

(1) Top two categories of SBS as 1 (Normal) and 2 (Loan with Potential Problems)

Equity Reinforcement Plan

Solution: Progress 2017

- In 2017, COFIDE executed 73.4% of the Equity Reinforcement Plan
- On April 29th 2017, Supreme Decree N° 113-2017-EF was issued establishing new credit parameters for future financings
- On May 22th 2017, Finance Ministry (MEF) signed a Comfort Letter making explicit the endorsement of the Peruvian Government to COFIDE and committing itself to purchase up to 20% of CAF shares in four years

SOLUTION (USD million)	TOTAL USD	SOURCE	APPROVAL	STATUS
Provisions increased	76.00	COFIDE	COFIDE	June 2017.
Exception 1 SBS : Adjustments to Equity to neutralize Reversal Interest COSAC and GSP.	118.72	COFIDE	Oficio SBS 32034-2017 (12-09-2017)	Aug-Sep 2017 after SBS authorization.
Capital Contribution (S/ 58.3 MM)	17.94	FONAFE / COFIDE	According to Asiento B00027 (24-11-2017)	November 2017.
Exception 2: New provisions reduce Equity (reserves and capital)	166.77	COFIDE	Res. SBS 5028-2017 (27-12-2017)	December 2017 after SBS authorization.
TOTAL (USD MM)	379.43			

Equity Reinforcement Plan (Cont'd)

2018 Plan

**Bilateral Agencies
debts capitalization**

USD 102 MM implemented in January 2018

**Cash Capital
contribution**

USD 51.4MM (S/ 167.5 MM) expected for end of Q1 2018

***Loan Provisions planed for 2018 to be executed against above capital increases (with SBS approval),
without affecting global capital ratio***

Key Investment Highlights

1

Strong Macroeconomic Fundamentals

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Strategic Asset for the Peruvian Government

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Peru's Infrastructure Gap Creates Several Development Opportunities

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New Corporate Governance and Risk Management Framework

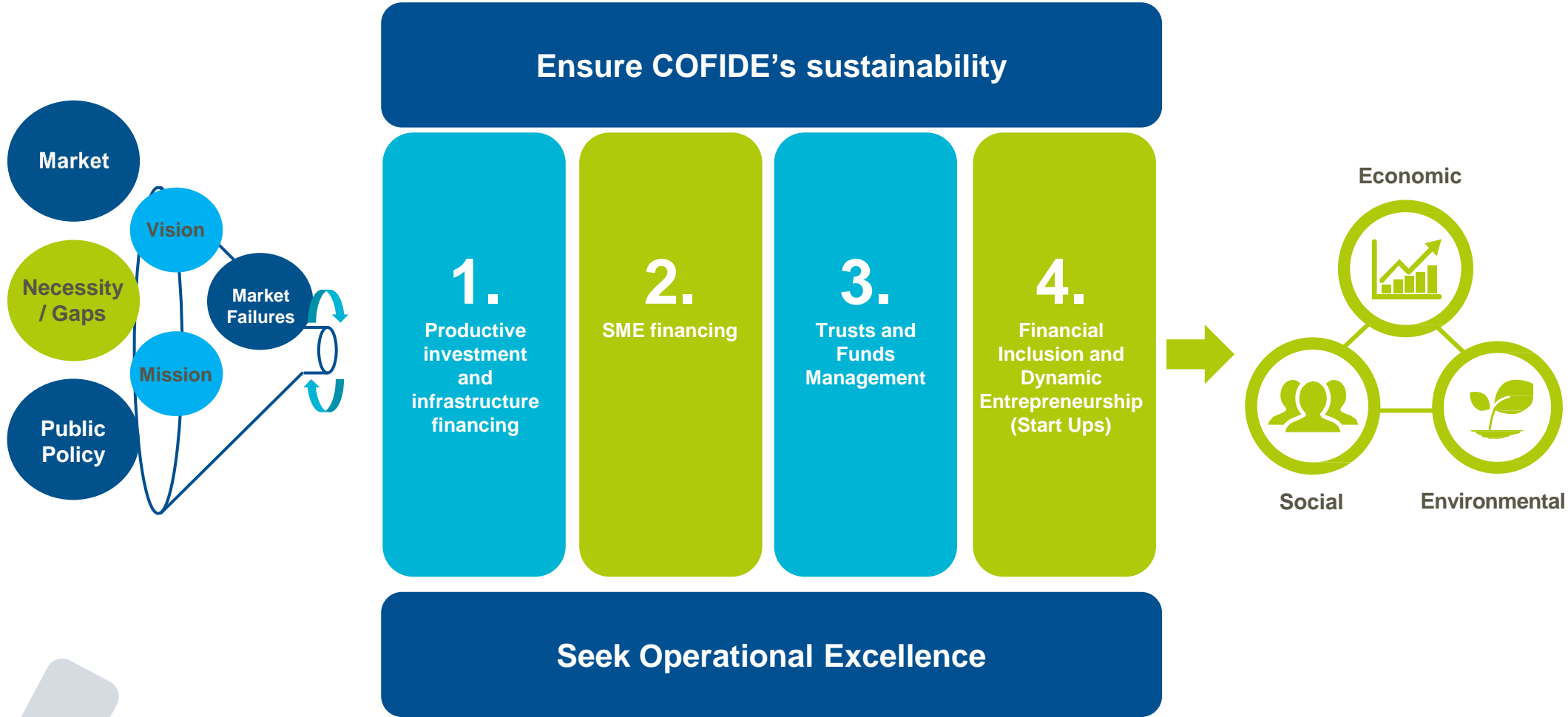
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Superior Capitalization and Liquidity

6

Strong Balance Sheet with Diversified Asset and Funding Sources

Our Strategy Towards 2021



Turnaround for a Stronger COFIDE

Objective : Ensure COFIDE sustainability and reinforce Corporate Governance standards

- Organizational restructuring and top management positions downsizing
- Loan portfolio opinions (EY, BDO, Cano&Henriquez)
- Loan process integral review (CAF)
- Corporate Governance reinforcement (CAF consultancy)
- New Risk Management Structure
- New Committees: Eligibility Committee / Loan Portfolio Review Committee
- New Compliance Unit
- New Ethical Line (BDO) and Anti Fraud System (EY)
- Reinforced Internal Audit, Business Conduct and Compliance Committee
- Efficiency Plan with 2017 savings of over 12% of operational costs vs 2017 budget
- Sale of non strategic (allocated) Assets (lands and buildings): potential extraordinary gains of USD 6-8MM in 2018
- Cultural Transformation consultancy (Campo Base)
- Files digitalization project
- Trust Management optimization project

Take-Aways

New COFIDE

- Loan Portfolio clean up process finished
- New Corporate Governance Standards
- Explicit Peru Government Support (DS and Comfort Letter)
- Strong Capital Position and with positive Outlook
- New dividend policy allows capitalization of 100% of NIAT (2017 – 2018)
- Solid liquidity and funding position
- Excellent bond portfolio with significant non realized gains
- NIAT positive evolution in 2nd half 2017
- Leaner organization

Appendix



Overview of Past Due Loans and Loan Loss Provisions

Increase of loan loss provisions and reversal of accrued interest

- Early 2017 COFIDE estimated loan loss provision requirements of up to USD 396.14 million to be constituted in 2017-2018
- In addition, COFIDE should reverse
 - Accrued Interests and commissions not collected from COSAC for USD 106.32 million
 - Interest capitalized from GSP (Odebrecht) loan for USD 12.40 million

PROBLEM (in USD MM)	Year 2017	Year 2018	TOTAL
Increase of Loan Loss Provisions	212.50	183.64	396.14
Reversion of Interests and commisions from COSAC	106.32		106.32
Reversion of Interests and commisions from GSP	12.40		12.40
TOTAL (USD MM)	331.22	183.64	514.85

Actual 2018 provision requirements' have decreased from USD 184MM to USD 163MM due to additional provisions done in 2017 and to FX fluctuations.

Board of Directors

Name	Position		Assignment date*
Pedro Grados	Chairman of the Board		October 2016
Camilo Carrillo	Board Member		September 2017
Gioconda Naranjo	Board Member		September 2016
César Liendo	Board Member		November 2017

Contact Information

Name	Position	Telephone	E-mail
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